**FOR IMMEDIATE RELEASE**
**27 February 2006**

**BETINTERNET.COM PLC**
**("the company" or "betinternet")**
**INTERIM RESULTS FOR THE 26 WEEKS ENDED 27 NOVEMBER 2005**

betinternet.com plc, the global on-line gaming group, today announces interim results for the 26 weeks ended 27 November 2005.

**Highlights of the results are:**

- Group turnover has fallen by 39% to £28.50m (2004: £47.06m) due to the previously announced cessation of activity of IPA
- European Wagering Services (EWS) pari-mutuel business showing signs of new growth after last year's setback
- Financing in place to allow for business development. £1.6m (gross) received after period end
- EBITDA loss of £0.6m (2004: loss of £0.18m)
- New sportsbook platform expected prior to World Cup football tournament in June
- Sportsbook hosting to be moved to Curacao to allow for strategic move into US market

Commenting on the results, Denham Eke, chairman of betinternet, said:

"These results show an anticipated fall at EBITDA level as a result of the previously announced changes within our pari-mutuel operation and a reduction in marketing activity in anticipation of the arrival of the new software platform.

The Board considers that the new platform, together with a strategic marketing push into the United States and the introduction of new gaming products, will enable the sportsbook operation to take advantage of the continued growth in the online gaming sector. In addition, we expect that European Wagering Services will continue its growth with a steady, sustainable increase in its customer base."

**ENDS**


**For further information:**

**betinternet.com plc** **Tel: 01624 698141**
Garry Knowles, Managing Director

**Williams de Broë plc** **Tel: 0113 243 1619**
Joanne Lake

**Britton Financial PR** **Tel: 0207 251 2544**
Tim Blackstone


**Notes to editors:**
The following are attached:

1. Chairman's statement
2. Consolidated Profit & Loss Accounts
3. Consolidated Balance Sheets
4. Consolidated Cash Flow Statements
5. Notes to the Accounts

N.B. Pari-mutuel (or "tote" wagering) refers to wagering into a 'pool' where dividends are paid to winners and the operator retains a percentage of the 'pool'.

## Chairman's Statement

### Introduction

The first six months of the Company's financial year, which ended on 27 November 2005, have seen a continued and steady improvement in the pari-mutuel operation, European Wagering Services, but have proved challenging for the sportsbook business, with reduced margins during the first half of the European football season.

However, the Board considers that the arrival of our new software platform, together with a strategic marketing push into the United States market and the introduction of new gaming products, will enable the sportsbook operation to take advantage of the continued growth in the online gaming sector.

In addition, we expect that European Wagering Services will continue its growth with a steady, sustainable increase in its customer base, whilst maintaining a strong operating margin.

### Overview of results

During the period under review, group turnover was £28.5m (2004: £47.06m) and gross profit was £1.07m (2004: £1.48m).

Following a strategic repositioning during 2005, European Wagering Services has shown very promising signs of growth. Turnover for the 26 week period was £3.4m. Whilst this shows an anticipated reduction compared with the previous period, the business is now operating on a significantly enhanced margin, resulting in a gross profit of £541,000 for the period.

The sportsbook operation remained steady as we have undertaken a reduced amount of marketing in anticipation of the move to a new platform. Turnover, including that from casino games, was at £25.1m (2004: £14.8m). The blended margin decreased to 2.1% (2004: 3.1%) as a result of both an increase in the number of less favourable results in the first half of the football season and a change in the balance from sports betting to casino play.

Our live casino product, Play Live Casino, continues to perform strongly and the revenue generated from this and our football game, Play Football, outstripped that from sports betting during this period.

Overheads were similar to last year at £1.67m (2004: 1.66m) and we expect these to show a reduction in the full financial year.

### Fund-raising

The business strategy of re-locating the servers to Curacao, developing a new sportsbook platform and entering into the US market has been supported by a further placement of shares with Burnbrae Ltd in January 2006.

### Prospects

European Wagering Services has achieved organic growth due to the growing numbers of pari-mutuel players operating through our Isle of Man based hub. The directors are confident that this business will deliver sustainable growth and increased profit. In addition, we are continuing to follow our strategy of offering incentives to select customers betting on greyhound racing. The report on the audit of our business by the US Thoroughbred Protective Bureau (TRPB), which was expected in late 2005, is now due for presentation in March 2006 and we remain confident that it will reflect our business in a positive light.

The future growth of our sportsbook business is based upon the delivery of our new platform, which is being developed in partnership with IGW, a specialist software developer, based in Miami. We are planning to launch the new software prior to the 2006 World Cup Tournament and expect this will bring significant improvements for both our customers and internal operational team. In addition, we are planning to launch a Random Number Generator casino alongside a number of fixed-odds games, with further gaming products to be added during the second half of the calendar year. The addition of these products will reduce our reliance on favourable sports results and better balance the company's risk exposure. Our investment in Global CoreSports will see the launch of the first product, coreFootball in mid 2006 and the reaction from the initial user trials is extremely positive.

The directors remain confident that the investments being made in the sportsbook platform will enable betinternet.com to improve the performance of its sportsbook operation by providing a compelling one-stop gaming and entertainment experience.

**Denham Eke**
**Chairman**

**Consolidated Profit and Loss Account**
**for the 26 weeks ending 27 November 2005**

| | Note | **Unaudited 26 weeks to 27 November 2005 £000** | Unaudited 26 weeks to 28 November 2004 £000 | Audited 52 weeks to 29 May 2005 £000 |
|---|---|---|---|---|
| **Turnover including share of joint venture** | | | | |
| **Betting stakes received** | | | | |
| Pari-Mutuel | 6 | **3,407** | 32,264 | 45,794 |
| Sports Betting | | **9,956** | 14,800 | 29,157 |
| Casino and Games | | **15,136** | - | 18,747 |
| Joint Venture | 6 | **-** | 1,403 | 1,403 |
| | | **28,499** | 48,647 | 95,101 |
| Less: share of joint venture | | **-** | (1,403) | (1,403) |
| **Total group turnover** | 1 | **28,499** | 47,064 | 93,698 |
| **Cost of sales** | | | | |
| Winnings paid and bets laid off | | **(27,411)** | (45,558) | (90,564) |
| Betting duty paid | | **(15)** | (29) | (82) |
| **Gross profit** | 1 | **1,073** | 1,477 | 3,052 |
| Administration expenses | | **(1,672)** | (1,656) | (3,415) |
| **Earnings before interest,tax,depreciation and amortisation** | | **(599)** | (179) | (363) |
| Depreciation | | **(146)** | (250) | (754) |
| Amortisation of goodwill | | **(250)** | (316) | (675) |
| **Gross operating loss** | | **(995)** | (745) | (1,792) |
| Share of operating (loss)/profit in joint venture | | **-** | 24 | (105) |
| **Total opening loss including share of joint venture** | | **(995)** | (721) | (1,897) |
| Interest | | **2** | 1 | 5 |
| **Loss on ordinary activities before and after taxation and retained loss for the year** | | **(993)** | (720) | (1,892) |
| **Basic and diluted loss per share (pence)** | 3 | **(0.66)** | (0.57) | (1.4) |

## Consolidated Balance Sheet
## for the 26 weeks ending 27 November 2005

| | **Unaudited 27 November 2005 £000** | Unaudited 28 November 2004 £000 | Audited 29 May 2005 £000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets | **291** | 899 | 541 |
| Tangible assets | **400** | 482 | 351 |
| Investments | **145** | - | 83 |
| | **836** | 1,381 | 975 |
| **Current assets** | | | |
| Debtors | **443** | 619 | 207 |
| Cash at bank and in hand | **849** | 583 | 650 |
| | **1,292** | 1,202 | 857 |
| **Creditors** | | | |
| Amounts falling due within one year | **(2,864)** | (2,176) | (1,611) |
| **Net current liabilities** | **(1,572)** | (974) | (754) |
| Total assets less current liabilities | **(736)** | 407 | 221 |
| **Creditors** | | | |
| Amounts falling due after more than one year | **(99)** | - | (63) |
| **Net (liabilities) / assets** | **(835)** | 407 | 158 |
| **Capital and reserves** | | | |
| Called up share capital | **1,505** | 1,254 | 1,505 |
| Share premium | **8,213** | 7,541 | 8,213 |
| Profit and loss account | **(10,553)** | (8,388) | (9,560) |
| **Equity shareholders' funds** | **(835)** | 407 | 158 |

**Consolidated Cash Flow Statement**
**for the 26 weeks ending 27 November 2005**

| | Note | **Unaudited 26 weeks to 27 November 2005 £000** | Unaudited 26 weeks to 28 November 2004 £000 | Audited 52 weeks to 29 May 2005 £000 |
|---|---|---|---|---|
| **Net cash inflow / (outflow) from operating activities** | 4 | **93** | (466) | (1,182) |
| Returns on investments and servicing of finance | | **2** | 1 | 5 |
| Acquisition of tangible fixed assets | | **(195)** | (10) | (97) |
| Acquisition of investments | | **(63)** | - | (83) |
| Cash assumed on acquisition of joint venture | | **-** | 414 | 414 |
| | | ---------- | ---------- | ---------- |
| **Cash outflow before use of liquid resources and financing financing** | | **(163)** | (61) | (943) |
| | | ---------- | ---------- | --------- |
| **Financing** | | | | |
| Issue of convertible loan | | **36** | 200 | 63 |
| Share issue | | **-** | - | 922 |
| | | ---------- | ---------- | ---------- |
| (Decrease) / increase in cash during the period | 5 | **(127)** | 139 | 42 |
| | | ---------- | ---------- | ---------- |

| **Reconciliation of net cash flow to movement in net funds** | | **27 November 2005 £000** | 28 November 2004 £000 | 29 May 2005 £000 |
|---|---|---|---|---|
| Operating net funds | | **479** | 437 | 437 |
| Increase/(Decrease) in cash during the period | | **(127)** | 139 | 42 |
| | | ---------- | ---------- | --------- |
| Closing net funds | 5 | **352** | 576 | 479 |
| | | ---------- | ---------- | ---------- |

## Notes to the Accounts
## for the 26 weeks ending 27 November 2005

**1 Segmental Analysis**

| | Sports betting £000 | Pari-Mutuel £000 | Casino & Games £000 | Total £000 |
|---|---|---|---|---|
| **Betting stakes received** | **9,956** | **3,407** | **15,136** | **28,499** |
| **Winnings paid and bets laid off** | **(9,683)** | **(2,865)** | **(14,863)** | **(27,411)** |
| **Betting duty paid** | **(2)** | **(1)** | **(12)** | **(15)** |
| **Gross Profit** | **271** | **541** | **261** | **1,073** |
| **Margin** | **2.7%** | **15.9%** | **1.7%** | **3.8%** |

| **26 weeks to 28 November 2004** | Sports betting £000 | Pari-Mutuel £000 | Total £000 |
|---|---|---|---|
| Betting stakes received | 14,800 | 32,264 | 47,064 |
| Winning paid and bets laid off | (13,990) | (31,568) | (45,558) |
| Betting duty paid | (9) | (20) | (29) |
| Gross profit | 801 | 676 | 1,477 |
| **Margin** | **5.4%** | **2.1%** | **3.1%** |

Casino and Games were launched in December 2004.

The 50% of Euro Off-Track Limited Partnership not previously owned was acquired on 30 June 2004 and was in joint venture. The consolidated profit and loss account for the 26 weeks to 28 November 2004 includes the group's share of turnover and operating profit for the period to 28 June 2004. Thereafter, the results of the operation were fully consolidated.

**2 Taxation**

No provision is required due to the availability of losses brought forward.

**3 Loss per share**

The earnings per share calculation is based on the loss for the period after taxation and the weighted average number of shares in issue throughout the period. Calculations of loss per share is based on losses of £992,529 (2004: £719,927) and the weighted average number of ordinary being the equivalent of 150,461,602 (2004: 125,448,127) ordinary 1p shares. The diluted loss per share is the same as the basic loss per share as the adjustment to assume conversion of dilutive ordinary shares would decrease the loss per share.

**Notes to the Accounts (continued)**

| **4** | **Analysis of net funds** | **Unaudited 26 weeks to 27 November 2005 £000** | Unaudited 26 weeks to 28 November 2004 £000 | Audited 52 weeks to 29 May 2005 £000 |
|---|---|---|---|---|
| | Operating loss | **(995)** | (745) | (1,792) |
| | Non cash impact of acquisition of joint venture | **-** | (787) | - |
| | Depreciation and amortisation charges | **396** | 566 | 1,140 |
| | (Increase)/decrease in debtors | **(236)** | 232 | 537 |
| | Increase/(decrease) in creditors | **928** | 268 | (1,067) |
| | **Net cash outflow from operating activities** | **93** | (466) | (1,182) |

| **5** | **Analysis of net funds** | **At 29 May 2005 £000** | **Cash Flow £000** | **At 27 November 2005 £000** |
|---|---|---|---|---|
| | Cash in hand and at bank | 650 | 199 | **849** |
| | Bank overdraft | (171) | (326) | **(497)** |
| | | 479 | (127) | **352** |

**6 Basis of preparation of the financial statements**

The results for the period ended 27 November 2005 are prepared in accordance with applicable accounting standards, using the same accounting policies as set out in the group accounts for the year ended 29 May 2005. The interim statements are unaudited, but have been reviewed in accordance with Auditing Practices Board guidance by the Auditors, KPMG Audit LLC.

The directors have considered the adequacy of the cash resources and working capital available to the group for the next twelve months and, having also taken cognisance of the impact of the share placement in January 2006, which raised £1.6m (before expenses), are satisfied that the group has adequate resources to meet its obligations as they fall due. On this basis the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

**7 Other information**

(i) The comparatives for the 52 weeks ended 29 May 2005 are not the company's statutory accounts for that financial period. Those accounts have been reported on by the company's auditors and delivered to the Companies Registry. The report of the auditors was unqualified.

(ii) All profits derive from continuing activities.

(iii) The interim statement was approved by the board on 27 February 2006.

(iv) The interim report is expected to be posted to shareholders on 10 March 2006 and will be available from that date at the Company's Registered Office; Viking House, Nelson Street, Douglas, Isle of Man IM1 2AH.

(v) The Company's nominated advisor and broker is Williams de Broë, PO Box 515, 6 Broadgate, London EC2M 2RP

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