

NOTES TO THE FINANCIAL STATEMENTS

Six months ended 30 June 2004 – unaudited

1. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accountancy principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Boards, as promulgated by the Institute of Chartered Accountants in Ireland. The financial statements are stated in euro.

2. Segmental Information

The turnover, operating profit and net assets of the Group relate to the provision of betting services, substantially all of which are conducted in the Republic of Ireland and the United Kingdom.

(a) Turnover by Delivery Channel

	Six months ended 30 June 2004 €'000 (unaudited)	Six months ended 30 June 2003 €'000 (unaudited)	Year ended 31 December 2003 €'000 (audited)
Retail	340,438	272,120	551,136
Telephone betting	105,828	87,875	177,418
Online betting	107,832	93,408	185,070
	554,098	453,403	913,624

(b) Turnover by Region

Ireland and Other	408,023	348,917	702,240
United Kingdom	146,075	104,486	211,384
	554,098	453,403	913,624

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Six months ended 30 June 2004 – unaudited

	Six months ended 30 June 2004 €'000 (unaudited)	Six months ended 30 June 2003 €'000 (unaudited)	Year ended 31 December 2003 €'000 (audited)
<i>(c) Gross Win by Delivery Channel</i>			
Retail	48,284	31,498	67,907
Telephone betting	10,962	5,500	13,179
Online betting	12,945	5,608	13,524
	72,191	42,606	94,610
<i>(d) Gross Profit by Delivery Channel</i>			
Retail	44,586	30,765	65,676
Telephone betting	10,022	4,604	11,096
Online betting	11,427	4,756	11,423
	66,035	40,125	88,195
<i>(e) Operating Profit/(Loss) by Delivery Channel</i>			
Retail	12,247	7,772	17,402
Telephone betting	2,308	(597)	861
Online betting	3,648	(373)	1,369
	18,203	6,802	19,632

3. Notes to the Cash Flow Statement

(a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	<i>Six months ended 30 June 2004 €'000 (unaudited)</i>	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Year ended 31 December 2003 €'000 (audited)</i>
Operating profit	18,203	6,802	19,632
Depreciation	3,584	3,035	6,405
Charge in respect of long-term incentive plan	377	–	–
Amortisation of goodwill	61	61	121
Decrease/(Increase) in debtors	167	(915)	(597)
Increase in creditors	9,165	4,484	6,549
Loss on disposal of fixed assets	9	50	34
Net cash inflow from operating activities	31,566	13,517	32,144

(b) Analysis of Changes in Cash During the Period

	<i>Six months ended 30 June 2004 €'000 (unaudited)</i>	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Year ended 31 December 2003 €'000 (audited)</i>
Balance at beginning of period	39,173	36,373	36,373
Net cash inflow/(outflow)	12,438	(1,251)	2,800
Balance at end of period	51,611	35,122	39,173