Betcorp Limited

ABN 69 081 765 531

Third Quarter 2005 Unaudited Results

Three Months Ended 3 October 2005

The third quarter results presented herein are unaudited and should be read in conjunction with the Annual Report for the Year Ended 2 January 2005 and the Consolidated Financial Report and Appendix 4D for the Half-Year Ended 3 July 2005. All amounts are in US dollars unless otherwise stated.

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Third Quarter 2005 Unaudited Results
Three Months Ended 2 October 2005
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Betcorp Limited
Third Quarter 2005 Unaudited Results Summary
Three Months Ended 2 October 2005

		3 Months 2 October 2005	3 Months 30 September 2004	Movement %
Revenue from ordinary activities	*A$'000*	9,970	7,570	32%
	US$'000	7,580	5,373	41%
Profit / (loss) from ordinary activities after tax	*A$000's*	823	(11,213)	107%
attributable to members	*US$'000*	626	(7,958)	108%
Basic earnings per share	*A$ cents*	0.42	(7.34)	106%
	US$ cents	0.32	(5.21)	106%
Diluted earnings per share	*A$ cents*	0.42	(7.33)	n/a
	US$ cents	0.32	(5.20)	n/a

		9 Months 2 October 2005	9 Months 30 September 2004	Movement %
Revenue from ordinary activities	*A$'000*	26,206	19,303	36%
	US$'000	20,149	14,095	43%
Profit / (loss) from ordinary activities after tax	*A$'000*	3,266	(13,657)	124%
attributable to members	*US$'000*	2,511	(9,972)	125%
Basic earnings per share	*A$ cents*	1.78	(8.96)	120%
	US$ cents	1.37	(6.54)	121%
Diluted earnings per share	*A$ cents*	1.76	(8.96)	120%
	US$ cents	1.35	(6.54)	121%
Dividend per share (unfranked)	*A$ cents*	–	1.50	n/a
	US$ cents	–	1.12	n/a
Total dividends paid	*A$'000*	–	2,285	n/a
	US$'000	–	1,706	n/a
Record date for determining entitlements to dividends	*Date*	–	11 March 2004	n/a

		As at 2 October 2005	As at 2 January 2005	Movement %
Net tangible assets per share	*A$ cents*	1.121	(0.718)	256%
	US$ cents	0.854	(0.561)	252%

The third quarter results have been prepared in accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS") and in US dollars, the reporting currency of the Group. Prior period comparitive figures have been restated accordingly. The results shown in the above tables have been translated into Australian dollars for illustrative purposes only. Revenues, profits and losses have been translated using the average exchange rates prevailing during each reporting period. Net tangible assets per share have been translated using the exchange rates prevailing at each balance sheet date. The resulting Australian dollar amounts do not necessarily agree to amounts previously reported in Australian dollars under Australian Accounting Standards applicable prior to 1 Janury 2005.

Betcorp Limited
Condensed Unaudited Income Statement
Three Months Ended 2 October 2005

	Notes	CONSOLIDATED 3 Months 2 October 2005 US$'000	3 Months 30 September 2004 US$'000	9 Months 2 October 2005 US$'000	9 Months 30 September 2004 US$'000
Gross revenue from players	2	7,580	5,373	20,149	14,095
Costs directly associated with gross revenue from players		(1,297)	(1,207)	(3,804)	(2,572)
Net revenue from players		6,283	4,166	16,345	11,523
Other income	2	36	236	67	538
Operating expenses	2	(5,546)	(5,935)	(13,445)	(15,102)
Profit / (loss) from continuing operations before depreciation, taxation and finance costs and exceptional items		773	(1,533)	2,967	(3,041)
Exceptional items		–	(6,685)	–	(6,685)
Profit / (loss) from continuing operations before depreciation, taxation and finance costs		773	(8,218)	2,967	(9,726)
Depreciation and amortisation		(147)	(172)	(382)	(513)
Profit / (loss) from continuing operations before taxation and finance costs		626	(8,390)	2,585	(10,239)
Finance costs		–	–	(73)	(165)
Profit / (loss) from continuing operations before taxation		626	(8,390)	2,512	(10,404)
Taxation		–	432	(1)	432
Profit / (loss) from continuing operations after taxation and attributable to members of the parent entity		626	(7,958)	2,511	(9,972)
Earnings per share (US$ cents per share)					
Basic	3	0.32	(5.21)	1.37	(6.54)
Diluted	3	0.32	(5.20)	1.35	(6.54)
Dividend paid per ordinary share (US$ cents per share)	4	–	–	–	1.12

Betcorp Limited
Condensed Unaudited Balance Sheet
As at 2 October 2005

	Notes	CONSOLIDATED As at 2 October 2005 US$'000	CONSOLIDATED As at 2 January 2005 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,055	711
Intangible assets		38,977	32,677
Total non-current assets		40,032	33,388
Current assets			
Cash and cash equivalents		6,879	6,967
Trade and other receivables		6,699	2,747
Other assets		520	512
Total current assets		14,098	10,226
TOTAL ASSETS		54,130	43,614
LIABILITIES			
Current liabilities			
Trade and other payables		13,489	11,797
Total current liabilities		13,489	11,797
Net current assets / (liabilities)		609	(1,571)
TOTAL NET ASSETS		40,641	31,817
EQUITY			
Issued capital	5	55,331	49,397
Accumulated losses		(15,087)	(17,598)
Reserves		397	18
TOTAL EQUITY		40,641	31,817

Betcorp Limited
Condensed Unaudited Cash Flow Statement
Three Months Ended 2 October 2005

	CONSOLIDATED			
	3 Months 2 October 2005 US$'000	*3 Months 30 September 2004 US$'000*	*9 Months 2 October 2005 US$'000*	*9 Months 30 September 2004 US$'000*
Cash flows from operating activities				
Gross win from players	7,580	5,373	20,149	14,095
Interest income received	21	15	67	137
Payments to suppliers and employees	(5,477)	(5,392)	(20,483)	(17,302)
Borrowing costs	–	–	(73)	(165)
Net cash flows from operating activities	2,124	(4)	(340)	(3,235)
Cash flows from investing activities				
Disposal of Sportsbet Pty Ltd		–	–	–
Purchase of property, plant and equipment	(50)	(265)	(344)	(1,585)
Acquisition of subsidiary, net of cash acquired		–	(2,673)	–
Net cash flows used in investing activities	(50)	(265)	(3,017)	(1,585)
Cash flows from financing activities				
Proceeds from issue of shares	–	–	3,494	441
Cost of shares issued	–	–	(225)	(3)
Repayment of convertible debt	–	–	–	(733)
Equity dividends paid	–	–	–	(1,706)
Net cash flows from financing activities	–	–	3,269	(2,001)
Net increase/(decrease) in cash and cash equivalents	2,074	(269)	(88)	(6,821)
Cash and cash equivalents at beginning of period	4,805	8,653	6,967	15,205
Cash and cash equivalents at end of period	6,879	8,384	6,879	8,384

Betcorp Limited
Notes to the Third Quarter 2005 Unaudited Results
Three Months Ended 2 October 2005

1 BASIS OF PREPARATION OF THE THIRD QUARTER UNAUDITED RESULTS

The unaudited third quarter results have been prepared in accordance with the accounting policies set out in the Consolidated Financial Report and Appendix 4D for the Half-Year Ended 3 July 2005 and in compliance with Australian Equivalents to International Financial Reporting Standards ("AIFRS").

The unaudited third quarter results as presented herein do not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

The unaudited third quarter results should be read in conjunction with the annual financial report of Betcorp Limited for the year ended 2 January 2005 and the Consolidated Financial Report and Appendix 4D for the Half-Year Ended 3 July 2005.

It is also recommended that the unaudited third quarter results be considered together with any public announcements made by Betcorp Limited and its controlled entities during the nine months ended 2 October 2005 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

2 REVENUE AND EXPENSES

Specific items

Profit before income tax expense includes the following revenues and expenses for which disclosure is relevant in explaining the performance of the entity:

(i) Revenue

	CONSOLIDATED			
	3 Months 2 October 2005 US$'000	*3 Months 30 September 2004 US$'000*	*9 Months 2 October 2005 US$'000*	*9 Months 30 September 2004 US$'000*
Turnover				
Sports betting	97,803	126,303	317,012	415,956
Casino	76,687	51,913	200,437	158,418
Poker	1,107	17	1,754	17
Total turnover	175,597	178,233	519,203	574,391
Gross revenue from players				
Sports betting	4,971	4,329	14,398	11,186
Casino	1,502	1,027	3,997	2,892
Poker	1,107	17	1,754	17
Total gross revenue from players	7,580	5,373	20,149	14,095
Other income				
Interest received	21	15	67	137
Foreign exchange (loss) / gain	15	221	–	401
Total revenues from non-operating activities	36	236	67	538
Total revenues from ordinary activities	7,616	5,609	20,216	14,633

(ii) Expenses and losses / (gains)

	CONSOLIDATED			
	3 Months 2 October 2005 US$'000	*3 Months 30 September 2004 US$'000*	*9 Months 2 October 2005 US$'000*	*9 Months 30 September 2004 US$'000*
Expenses				
Borrowing costs - interest expense	–	–	73	165
Depreciation expense	147	172	382	513
Bad & doubtful debts	(47)	36	228	274
Provision of employee benefits	1,258	1,554	4,267	4,222
Share-based payments	47	3	76	8

3 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit / (loss) from continuing operations after taxation and attributable to the members of the parent entity, and the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the profit / (loss) from continuing operations after taxation and attributable to the members of the parent entity, and the weighted average number of shares in issue during the period, adjusted to assume the full issue of shares under employee remuneration schemes, to the extent that they are dilutive, and shares potentially issuable to the vendors of Sinsational.

	3 Months 2 October 2005 US$'000	*3 Months 30 September 2004 US$'000*	*9 Months 2 October 2005 US$'000*	*9 Months 30 September 2004 US$'000*
Profit / (loss) from continuing operations after taxation and attributable to members of the parent entity	626	(7,958)	2,511	(9,972)
	Number	*Number*	*Number*	*Number*
Basic earnings per share				
Weighted average number of shares in issue during the period	194,117,172	152,832,588	182,734,538	152,388,697
Diluted earnings per share				
Weighted average number of shares in issue during the period adjusted as above	197,246,172	152,901,588	185,863,538	152,457,697

4 DIVIDENDS

	3 Months 2 October 2005 US$'000	*3 Months 30 September 2004 US$'000*	*9 Months 2 October 2005 US$'000*	*9 Months 30 September 2004 US$'000*
Dividends declared and paid on ordinary shares				
Final unfranked dividend for the financial year 31 December 2003 (A$0.015 cents per share)	–	–	–	1,706

5 ISSUED CAPITAL

	Number	*US$'000*
Ordinary shares		
Opening balance 1 January 2004	151,625,104	48,914
Exercise of options 28 February 2004	400,000	155
Issued to a Director under an employee remuneration scheme 28 February 2004	249,875	122
Exercise of options 27 March 2004	400,000	149
Issued and fully paid at 30 June 2004	152,674,979	49,340
Issued to a Director under an employee remuneration scheme 1 September 2004	500,000	60
Less costs of issue		(3)
Issued and fully paid at 30 September 2004 and 2 January 2005	153,174,979	49,397
Issued by private placing on 22 April 2005	22,500,000	3,494
Issued in exchange for issued share capital of Sinsational Intertainment Inc 22 April 2004	18,360,000	2,495
Less costs of issue		(225)
Issued and fully paid at 3 July 2005	194,034,979	55,161
Issued pursuant to a subscription agreement entered into in December 2003	897,959	170
Issued and fully paid at 2 October 2005	194,932,938	55,331

6 DIVIDENDS

It is not proposed to pay any dividend in respect of the nine months ended 2 October 2005.

7 CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change in the level of any contingent liabilities or contingent assets.

Betcorp Limited
Third Quarter 2005 Unaudited Results
Three Months Ended 2 October 2005
Corporate Directory

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Colin Walker	Chief Executive Officer
Charles Moore	Chief Financial Officer
Bill Graham	Non-Executive Director
Edmund Johnson	Non-Executive Director

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Edmund Johnson
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