26th September 2005

The following replaces the Leisure & Gaming Interim Results announcement released 26 September 2005 at 07.39 under RNS number 7231R. The Unaudited Combined Proforma Income Statement appears in full.

The full correct version of the announcement appears below.

Leisure & Gaming plc

Maiden Interim Results for the six months ended 30th June 2005

Leisure & Gaming plc (â€œL&Gâ€ or â€œthe Companyâ€) is a holding company focused on the interactive betting and gaming sector. L&G listed on AIM on 3rd September 2004 and made its first acquisition of VIP Management Services N.V. and Bon Bini Investments N.V. (together â€œVIPâ€) on 28th June 2005.

Through its VIP subsidiary, the Company operates a number of online sports betting and casino gaming brands including VIPsports, VIPpoker, VIPhorses, BetGameDay and FairDeal.

Highlights

Leisure & Gaming plc

- Successful acquisition of VIP for an initial consideration of Â£18.7m representing a 6.3x multiple on 2004 audited net profit of Â£2.9m (US$5.54m)

- Successful raising of Â£7.0m to fund the acquisition of VIP

- First half proforma EBITDA of US$2.87m

VIP First Half Results

- Net win of US$15.6m â€“ up 25.3% (2004: US$12.5m)

- Net win margin of 10.6% - up from 8.3% in 2004

- Sportsbook â€“ net win of US$9.7m â€“ up 35% (2004: US$7.2m)

- Horses â€“ net win of US$1.36m â€“ up 36% (2004: US$1.0m)

- Casino â€“ net win of US$4.4m â€“ up 1.3% (2004: US$4.3m)

- 10,453 new registrations â€“ up 49% (2004: 7,011)

- 22,789 active customers â€“ up 27% (2004: 17,982)

Philip Parker, Chairman of Leisure & Gaming plc, said:

â€œWe are pleased that through the acquisition of VIP, L&G has a solid platform to provide further growth and consolidation in the online gaming market. The VIP business is differentiated by its focus on
customer service, loyalty and retention and we remain optimistic about its prospects.

We are encouraged by the key performance indicators being shown by VIP as we now enter the peak trading season and also by the progress we are making with potential acquisition targets.â€

For further information, please contact:

Alistair Assheton, Chief Executive Leisure & Gaming plc	Tel: 020 7248 6343
Jonathon Brill/Caroline Stewart Financial Dynamics	Tel: 020 7831 3113

Chairmanâ€™s Statement

I am pleased to be writing this as Leisure & Gaming plcâ€™s (â€œL&Gâ€) first interim report as a public limited company. L&G was admitted to trading on AIM on 3rd September 2004 with a strategy
focussed on identifying and acquiring businesses or interests in the leisure and gaming sector. To this effect, on 28th June 2005, L&G completed the acquisition of VIP for an initial consideration of
Â£18.7m representing a 6.3x multiple on 2004 audited net profit of Â£2.9m (US$5.6). This included a successful raising of Â£7.0m to fund the acquisition.

In the course of this acquisition, Alistair Assheton and Peter Blacker, respectively the CEO and CFO of VIP, joined the Board to become CEO and CFO of L&G. At the time of the acquisition, we
were also pleased to appoint Giles Willits, director of group finance at Woolworths Group plc as a Non-executive Director of the Board. Following these appointments, I am confident that we now
have a strong management team in place to not only further the growth of the VIP business but also to deliver L&Gâ€™s stated strategy of making further acquisitions in the sector.

As L&G completed the acquisition of VIP on 28 June 2005, we are reporting results for L&G along with pro-forma accounts for the consolidated L&G and VIP business as if they had been one company for the entire period under review.

The proforma first half EBITDA was US$2.87m.

As a first acquisition, VIP represents a solid, well-priced acquisition capable of delivering significant growth and provides the group with a strong operating and brand platform differentiated by superior customer loyalty and retention.

The Board is actively progressing a number of acquisition opportunities as it seeks to find further complementary and synergistic businesses in the sector and, in so doing, create further shareholder value.

Philip Parker
Chairman
Leisure & Gaming plc

Chief Executiveâ€™s Review

I am delighted to be announcing our first interim results as L&Gâ€™s chief executive following the successful acquisition of VIP.

Financial Summary

In VIP the net win for the first six months of 2005 increased to US$15.6m from US$12.5m in 2004, an increase of 25.3%, growth that was in part driven by enhancing the net win margin from 8.3% to 10.6%. The benefits of the Companyâ€™s marketing strategy are starting to be seen with 10,453 customer sign-ups, an increase of 49% on the same period in 2004.

EBITDA for the VIP business for the six months ended 30 June was US$2.93m. This included a charge of US$1.22m for our initial revenue investment in the European market. On a consolidated basis, the enlarged group delivered proforma EBITDA of US$2.87m and a pro-forma pre-tax profit of US$2.64m.

Operational Review

Net Win

In the six months ended 30 June 2005, the Company delivered strong results, particularly in its sportsbook and racebook offerings. The Companyâ€™s core North American facing sportsbook delivered US$9.6m in net win in the period, an increase of 35% compared to 2004 whilst the racebook delivered US$1.3m of net win, an increase of 29% on 2004.

Casino net win was in line with 2004 results. The performance of our casino business was affected by strong results in the sportsbook and racebook, as there is typically an inverse correlation between the performance of a sportsbook and its associated casino; which is symptomatic of the fact that some of VIPâ€™s casino customers are also sportsbook customers. However, the introduction of a new set of casino games and the development of a new downloadable product will help to drive growth in our casino business in the future.

Customers

During the first six months of 2005, we registered 10,453 new customers, a 49% increase over the 7,011 new customers attained during the same period in 2004.

The total number of active customers in the period was 22,879, up 27% on 2004 (17,982).

We are pleased to note the continued success and differentiation of our focus on customer loyalty and retention. In the first half of the year we have seen an average customer lifetime of 17 months. Our focus on loyalty has also resulted in player betting frequency being sustained with our average sportsbook customer placing 119 bets in the first half, compared to an average of 122 in the first half of 2004.

Europe
Our initial investment in our European business contributed a loss of US$1.22m at the EBITDA level in the first half of 2005. Despite this initial trading loss in the European business, the European business should be of benefit to the Company by not only providing support services to the Curacao operations, but also enabling the company to gain a foothold in the key European market in advance of next yearâ€™s 2006 World Cup.

Outlook

We have been pleased with the performance of VIP since its acquisition. As we now enter the peak trading period of the year our key performance indicators are promising. For the period from 1 July to 19 September 2005, a key sign-up period in the sports calendar, we have so far seen a 42% increase in new customers compared to the same period last year and a net win of US$6.5m, 50% greater than the same period last year.

In August 2005, we acquired the domain name VIP.com. We expect this domain, and its associated branding opportunities, to deliver significant marketing advantages in the future and lead to reduced costs per acquisition.

During the course of quarter 4, 2005 and quarter 1, 2006 we will introduce a new version of our operating software as well as a new casino platform which we anticipate will reduce some operational costs and further contribute to an increase in player revenues, player conversion rates from registrations and further drive customer loyalty and retention.

We continue to actively review a number of potential acquisition opportunities in line with our stated strategy of acquiring further complementary businesses. Our focus is principally on other combination sportsbook, casino and poker businesses, similar to VIP, where we believe there are synergistic benefits. We are also examining businesses which would provide the group with revenues from new geographies and businesses that would provide the group with new products to complement the existing portfolio.

Overall, we are encouraged by the progress that has been made by the Company in the last six months and are optimistic about our outlook. We remain confident in our ability to deliver shareholder value both organically and through acquisition.

Alistair Assheton
Chief Executive
Leisure & Gaming plc

LEISURE & GAMING PLC
Unaudited Consolidated Income Statement for the 6 months Ending June 30, 2005

	Notes	US$
Expenses:		
Communication		10,082
General		143,261
Total Expenses		153,343
Operational Result		(153,343)
Interest Income		4,844
Result before corporation tax		(148,499)
Corporation tax		0
Net Result		(148,499)
Loss Per Share	13	(0.27p)
EPS (Diluted)	13	(0.24p)

LEISURE AND GAMING PLC
Unaudited Combined Proforma Income Statement for the Six Months Ending June 30, 2005

Basis of preparation
As explained in note 12 below, the interim results for the six months ended 30 June 2005 include the full activities of Leisure & Gaming plc for the six month and do not include the three days trading of VIP from acquisition as the directors consider it impractical to create these records. However, the directors consider that it is of assistance to shareholders to show pro forma financial information of the combined entities for the full six months.

	Notes	VIP + L&G US$
Turnover		147,239,194
Cost of Sales		(136,027,328)
Gross Margin on Wagering		11,211,866
Expenses		
Personnel		2,521,750
Software Licenses		1,829,931
Marketing and Sales		2,458,041
Communication		311,940
Housing		319,064
General		900,791
Total Expenses		8,341,517
Operational Result		2,870,349
Depreciation		(139,289)
Interest Income		64,526
Interest and other similar expenses		(150,933)
		(225,696)
Result before profit tax		2,644,653
Profit tax		(99,441)
Net Result		2,545,212
Earnings per share	13	4.59p
Earnings per share (Fully Diluted)	13	4.08p

LEISURE & GAMING PLC
Unaudited Consolidated Balance Sheet
As at June 30, 2005

	Notes	**US$**
NON-CURRENT ASSETS		
Intangible Assets:		
Goodwill	4	36,858,594
Tangible Fixed Assets:	5	
Furniture and Fittings		174,986
Computers and Telecom Equipment		220,671
Other Tangible Fixed Assets		133,336
		37,387,587
CURRENT ASSETS		
Trade and other receivables	6	4,852,740

Cash and Cash Equivalents		10,560,946
TOTAL ASSETS		52,801,273
EQUITY		
Share Capital	7	13,851,179
Share premium	8	34,014,037
Retained earnings	8	(780,371)
Total equity		47,084,845
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9	5,225,205
Taxes and social security premiums		491,223
Total liabilities		5,716,428
TOTAL EQUITY AND LIABILITIES		52,801,273

LEISURE AND GAMING PLC
Unaudited Consolidated Cash Flow Statement
For the Six Months Ending June 30, 2005

	Notes	**US$**
Net Cash Outflow from Operating Activities	10	(153,343)
Net cash from operating activities		(153,343)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangibles		(3,160,218)
Interest received		4,844
Net cash used in investing activities		(3,155,374)
CASH FLOWS FROM FINANCING ACTIVITIES		

Proceeds from issuing share capital	13,200,594
Net cash used in financing activities	13,200,594
NET INCREASE IN CASH	9,891,877
CASH AT JANUARY 1, 2005	754,917
EXCHANGE LOSSES ON CASH	(85,848)
CASH AT JUNE 30, 2005	10,560,946

Notes to the Consolidated Financial Statements

General information (note 1)

Leisure & Gaming plc (the Company) and its subsidiaries (together the Group) operates a number of brands in the field of remote sports betting and horse race betting, internet casinos and online poker games.

The consolidated financial statements are presented in United States Dollars since the majority of the groupâ€™s transactions are denominated in this currency.

Summary of Significant Accounting Policies (note 2)

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention.

The principal operating currency of the group is US dollars, and accordingly the financial statements have been prepared in US Dollars. The results for the six months ended 30 June 2005 are unaudited, as is the combined proforma income statement for the six months ended 30 June 2005.

Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in all cases accompanying a shareholding of more than one half of the voting shares.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Groupâ€™s share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Foreign Currency

a) Functional and presentation currency

Items included in the financial statements of each of the Groupâ€™s entities are measured using the currency of the primary economic environment in which the entity operates (â€œthe functional currencyâ€). The consolidated financial statements are presented in US Dollars, which is the Groupâ€™s presentation currency and foremost functional currency.

b) Transactions and balances

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing on the dates of the transactions or translated at the average exchange rates for the period. Exchange rate differences resulting from the settlement of transactions denominated in foreign currency are included in the profit and loss account using the exchange rate ruling on that date.

At the balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Foreign currency gains and losses arising from the translation of assets and liabilities are reflected in the profit and loss account.

c) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentational currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date
(ii) income and expenses for each income statement are translated at average exchange rates ; and
(iii) all resulting exchange differences are recognised as a separate component of equity

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Impairment

Assets are reviewed at each balance date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised based on the assetâ€™s estimated recoverable amount.

Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Tangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets, as follows:

Furniture & Fittings	3 years
Computer & Telecommunications Equipment -	3 years
Other equipment -	3 to 4 years

Intangible Assets

The intangible assets comprise goodwill and represent the excess of the cost over the fair value of the net assets of the acquired subsidiary at the date of acquisition.

Management determines goodwill based on its evaluation of the respective companies at the time of acquisition, and periodically thereafter considering factors such as potential growth and other factors inherent in the acquired companies.

Financial Assets

Financial assets are carried at face value less a provision for non-collectibility if applicable.

Receivables

Receivables are carried at face value less a provision for non-collectibility if applicable

Cash and Cash Equivalents

Cash and cash equivalents are carried at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise balances less than 90 days to maturity from the date of acquisition and include cash on hand, current account balances and amounts at call with banks and other unrestricted short-term deposits with original maturities of three months or less.

Client Funds

Client funds are stated at face value. Debit balances are charged to the profit and loss account as soon as they arise. Dormant accounts are released from the profit and loss account according to the general terms and conditions as further described in the VIP Groupâ€™s websites.

Loyalty Reward program

The Company maintains a client loyalty reward program. This program awards points to clients based on the amounts bet. The Company recognises the liability of this program based on the actual points earned and the estimated pay out ratio of these points.

Other assets and liabilities

Other assets and liabilities are valued at face value unless otherwise stated.

Revenue and profit recognition

Revenue represents amounts placed (being the gross risk taken by the customers) in respect of bets on sports events and other events, which occurred in the year. Revenue recognisable from casino products is total amount staked. Revenue recognisable from poker products is commission taken (rake).

Cost of sales comprises house losses on sports, casino and horse race betting activities plus direct costs associated with these activities.

The results on transactions are recognised in the year in which they are realised. Expenses are allocated to the reporting year to which they relate.

Expenses

Expenses are recognised in the income statement on an accrual basis.

Corporation Tax

The activities of the VIP Group are principally based in Curacao where the rate of taxation is 34.5%. However, all companies engaged in the business of the group have been granted â€œoffshoreâ€ status by way of private letter rulings issued by the Netherlands Antilles tax authorities. The contents of these rulings are not equal for all companies. Some companies are subject to tax on 1/3rd of the wagering income at a rate of 2.4-3%, resulting in an effective rate of 0.8 â€“1%. Whereas other companies are subject to tax on 1/10th of the trading income at a rate of 24 â€“ 30%, resulting in an effective rate of 2.4-3%. Profit tax is calculated based on the result before taxation taking the applicable tax ruling into account.

Acquisition

Business Combinations (note 3)

On 28 June 2005 the group acquired 100% of the issued share capital of VIP Management Services N.V. and Bon Bini Investments N.V., a group with a number of online sports betting and casino gaming brands operating in the US and most western European countries.

Details of the net assets acquired and goodwill are as follows:

Purchase Consideration	$
- transaction costs	4,244,602
- fair value of shares issued	33,519,750

Total Purchase Consideration	37,764,352
Fair Value of Net assets acquired	(905,758)
Goodwill (note 4)	36,858,594

The goodwill is attributable to the high profitability of the acquired business and the increase in the profitability expected to arise after the Groupâ€™s acquisition of VIP.

The assets and liabilities at book value which the directors consider to be their fair value, arising from the acquisition are as follows:

	Book & Fair Value $
Fixed assets	528,993
Receivables	5,151,185
Payables	(4,744,420)
Net assets acquired	905,758

	$
Purchase consideration settled in cash	0
Cash and cash equivalents acquired in subsidiary acquired	0
Cash inflow on acquisition	0

-

-

Fixed Assets

Intangible Assets (note 4)

	Goodwill $
Cost	
As at January 1 2005	0
Additions	36,858,594
As at June 30, 2005	36,858,594

Goodwill relates to the acquisition of the net assets of the VIP Group of Companies on June 28th, 2005.

Tangible fixed assets (note 5)

	Furniture and Fittings $	Computer & telecom equipment $	Other tangible fixed assets $	TOTAL $
Cost				
As at January 1 2005	0	0	0	0
Acquired with subsidiaries	174,986	220,671	133,336	528,993
As at June 30 2005	**174,986**	**220,671**	**133,336**	**528,993**

Trade and Other Receivables (note 6)

	30 June 2005 $
Receivables from Processors	2,107,719
Processor Reserves	1,031,855
Other Receivables	778,657
Prepayments	934,509
	4,852,740

Share Capital (note 7)

	Â£	$
Authorised:		
50,000,000 ordinary shares of Â£0.25 each	12,500,000	-
Allotted, issued and fully paid:		
30,504,829 ordinary shares of Â£0.25 each	7,626,207	13,851,179

On 24 June 2005 the company increased its authorised share capital by Â£11,500,000 and consolidated every 5 of the issued and unissued ordinary Â£0.05 shares into one ordinary share of Â£0.25.
On 28 June 2005, the company issued a further 29,504,829 ordinary shares of Â£0.25 ($0.45) each at Â£0.88 ($1.60).

Reserves (note 8)

	Retained Earnings $	Share Premium $
1 January 2005	51,990	235,847
Issue of Shares		33,778,190
Foreign exchange movements	(683,862)	0
Retained Loss	(148,499)	
30 June 2005	(780,371)	34,014,037

Trade and Other Payables (Note 9)

	30 June 2005 $
Trade payables	614,294
Client funds	3,294,836
Other payables and accrued expenses	1,316,075
	5,225,205

Cash Flow (Note 10)

Net Cash Outflow from operating activities	2005 $
Operating Loss	(153,343)
Net cash outflow from operating activities	(153,343)

Contingent Liability (Note 11)

The purchase agreement for VIP includes an earn out clause based on the results of VIP for the years ended 31 December 2005 & 2006. The maximum amount payable to the former VIP shareholders on the 2005 earn out is $3,325,000. The maximum amount payable to former VIP shareholders on the 2006 earn out is $5,700,000. It is envisaged that these earn outs would become payable in April of the year following the respective year end.

The Net Present Value of the maximum 2005 and 2006 earn out amounts payable are $3,217,316 and $5,277,894 respectively, based on a discount rate of 4.5%.

The directors are unable to make a reliable estimate of the amount that could be payable in accordance with the earn out clause and therefore no provision has been made in this respect.

Profit and Loss Account for the 3 Days to 30 June 2005 (Note 12)

In the 3 days from readmission to AIM to 30 June 2005, the group recorded turnover of $1.6m. The directors consider it impractical to provide details of overheads and the balance sheet for the 3 day period.

Earnings Per Share (Note 13)

EPS has been calculated on the outstanding shares as at 30 June 2005. Outstanding shares have not been weighted over the period being reported.

END