

Appendix 4D

Half-Year Report
Period ending 30 June 2004

BETCORP LIMITED

ABN 69 081 765 531

BETCORP

Results for Announcement to the Market

	30 June 2004		30 June 2003
	\$ ('000's)	% Increase	\$ ('000's)
Wagering turnover	525,238	10.4%	475,827
Revenue from ordinary activities	12,109	(42.5%)	21,052
Profit (loss) from ordinary activities after Tax attributable to members (1)	(3,964)	N/A	7,989
Net profit (loss) for the period attributable to members (2)	(3,964)	N/A	7,989
Final 2003 dividend paid in 2004 (3) (1.5 cents per share unfranked)	2,285		-
Net Tangible Assets (cents per share)	4.5 cents	N/A	(13.3) cents
Earnings per share (cents per share)	(2.6) cents	N/A	8.3 cents

NOTES

(1) Net Profit to EBITDA reconciliation:

	\$ ('000's)
EBITDA (loss)	(1,989)
<u>Add/(less)</u>	
Amortisation expense	(1,204)
Interest expense	(469)
Interest income	164
Depreciation	(466)
Net profit/(loss)	(3,964)

(2) Explanation of Result

The first half financial performance reflects the difficulties encountered in the first quarter with US professional gamblers and the re-engineering which is underway to position the business towards a lower-risk revenue model, based on recreational customers. In addition, the second quarter is seasonally the Company's lowest quarter, driven by the US sporting calendar where US baseball, which has lower margins, is the predominant sporting event.

Strategic changes have been made.

The Board and management moved to strengthen the front desk by reviewing the Company's bookmaking skills, changing and rebalancing the risk profile of the sports book at WWTS and further enhancing its risk management procedures.

To offset the reduction in turnover and revenue arising from a restriction of Asian betting limits, the Company has actively sought to increase the proportion of turnover from recreational customers. This turnover is characterised by a lower risk profile, with a higher volume of bets, typically at a higher margin and lower individual bet stake.

This growth in recreational turnover is primarily being achieved through the restructured marketing and sales department at WWTS, which has implemented new initiatives and greater player profiling to more effectively target customers.

Readers should refer to the Company's release to the ASX on 21 July 2004 for further detailed explanation of the result to 30 June 2004.

(3) Dividend record date was March 11th, 2004.

Betcorp Limited

ABN 69 081 765 531

Half-Year Financial Report

For the half-year 30 June 2004

BETCORP

Directors' Report

Your Directors submit their report for the half-year ended 30 June 2004.

The Company's shares are quoted on the official list of the Australian Stock Exchange Limited.

The Company's ASX code is "BCL".

DIRECTORS

Mr John PRIEST – *Non-Executive Chairman*

Mr Richard BARKER – *Executive Director*

Mr Simon NOBLE - *Executive Director (resigned effective 30 July 2004)*

Mr William GRAHAM – *Non-Executive Director*

SECRETARY

Mr Simon SMITH – *Company Secretary*

REGISTERED OFFICE AND HEAD OFFICE

Level 3, 88 Walker Street

North Sydney NSW 2060

Telephone (02) 9954 6500

Facsimile (02) 9954 7099

E-mail info@betcorp.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street

Sydney NSW 2000

Telephone (02) 8234 5000

Facsimile (02) 8234 5050

AUDITORS

Ernst & Young

Chartered Accountants

321 Kent Street

Sydney NSW 2000

SOLICITORS

Coudert Brothers

Level 8 Gateway

1 Macquarie Place

Sydney NSW 2000

BANKERS

National Bank of Australia

St George Bank

ANZ Bank

Directors' Report

For the half-year ended 30 June 2004.

The Board of Directors of Betcorp Limited ("the Company" or "BCL") submits the half-year financial report of the Company and its controlled entities ("the Consolidated Entity") for the half-year ended 30 June 2004.

Directors

The Directors in office during or since the end of the financial year are:

Mr. John Priest - Non – Executive Chairman

Mr Priest was appointed Non-Executive Chairman of Betcorp Limited on 30 May 2003. Mr Priest is also currently Chairman of Apollo Life Sciences and Council Member of the Australian Graduate School of Management. Mr Priest is also a Fellow of the Australian Institute of Company Directors, non-executive Director of Sydney Water and Chair of Sydney Water's Audit and Risk Management Committee. Mr Priest formerly held the positions of Executive Director, Chief Financial Officer and Director of Corporate Development of Coca-Cola Amatil Limited, one of Australia's largest corporations.

Mr. Richard Barker - Chief Executive Officer and Executive Director

Mr Barker was appointed as an Executive Director of the Company on 21 January 2003. Prior to this, Mr Barker was a Director of Investment Banking (Mergers and Acquisitions) with N.M.Rothschild & Sons (Australia) Ltd, where he spent over 10 years. He had specific responsibility for the firm's investment banking business in the Gaming and Leisure sectors. He has over 15 years' corporate finance experience gained in investment banking and stockbroking (both in Australia and the United Kingdom). Prior to joining Rothschild, Mr Barker worked in the corporate finance divisions of Morgan Grenfell, both in Sydney and London, and Potter Warburg.

Mr. Simon Noble – Executive Director (resigned 30 July 2004)

Mr Noble was appointed an Executive Director of the Company on 21 January 2003. Until his recent resignation, Mr Noble was Chief Executive Officer of Tasman Gaming Inc ("Tasman"), the business acquired by the Company in January 2003.

Mr. William Graham – Non-Executive Director

Mr Graham was appointed as a Non-executive Director on 21 January 2003. Mr Graham brings to the Board over 30 years' experience as a bookmaker, 20 years of that as a rails bookmaker in Melbourne. He is currently one of Australia's most recognised bookmakers. With an initial background in accounting, Mr Graham has also demonstrated an ability in building businesses, having founded, developed and subsequently sold NJS Technology (a large computer firm).

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial period and the number of meetings attended by each director (while they were a director or committee member). During the financial period six meetings were held.

Directors	Number of meetings	
	Maximum possible to attend	Meetings attended
J Priest	6	6
R S Barker	6	6
S Noble	6	6
W Graham	6	6

Principal Activity

The Consolidated Entity's principal activity during the financial period was the operation of licensed sports betting operations. This business is structured through the Company's wholly owned subsidiaries, Sportsbet Pty Limited, based in Darwin, and Tasman Gaming Inc., based in Antigua.

Review of Operations

WWTS

Tasman Gaming Inc (WWTS) has had a disappointing result in the first half of 2004, especially when compared to the excellent result achieved in 2003.

The first half financial performance reflects the difficulties encountered in the first quarter with US professional gamblers and the re-engineering which is underway to position the business towards a lower-risk revenue model, based on recreational customers. In addition, the second quarter is seasonally the Company's lowest quarter, driven by the US sporting calendar where US baseball, which has lower margins, is the predominant sporting event.

Strategic changes have been made.

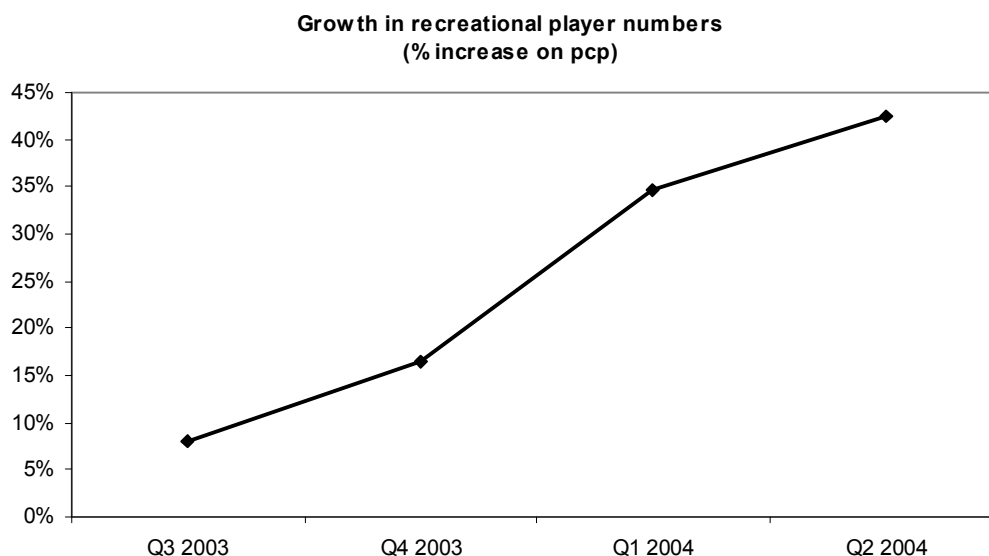
The head bookmaker's employment contract was terminated during the second quarter due to unsatisfactory performance during his probationary period. The Board and management moved rapidly to rectify weaknesses on the front desk by strengthening the Company's bookmaking skills, changing and rebalancing the risk profile of the sports book at WWTS and further enhancing its risk management procedures.

To offset the reduction in turnover and revenue arising from a restriction of Asian betting limits, the Company has actively sought to increase the proportion of turnover from recreational customers. This turnover is characterised by a lower risk profile, with a higher volume of bets, typically at a higher margin and lower individual bet stake.

This growth in recreational turnover is primarily being achieved through the restructured marketing and sales department at WWTS, which has implemented new initiatives and greater player profiling to more effectively target customers.

The success of these new initiatives is evidenced by:

- a substantial increase in new customer sign ups (as seen below in the following chart);
- an improvement in the conversion rate from sign up to funded account, which increased from 21.6% in the first half of 2003 to 39.1% during this period;
- a reduction in the average bet size to US\$212 in 2004 against US\$294 in 2003.



The strategic adjustment is beginning to deliver results, evidenced by the month of June 2004, which showed a significant increase over June 2003 in turnover (+16.5%) and gross margin (+78.3%).

New initiatives

The Company is also seeking to diversify its revenue base by pursuing the natural cross-selling opportunities offered by its growing online casino business. Significant growth was achieved during the period with an increase of 20.2% in casino gross profit over the first quarter result for 2004.

Other initiatives being actively pursued include the introduction of multi-player poker, currently scheduled for late August/early September to capitalise on the increased betting interest arising from the start of the North American football season. In addition, a dedicated proposition/exotic bet department has been established to provide a greater variety of bets, thereby appealing more strongly to recreational players.

Following its success and strong performance, the WWTS VIP program, designed for the company's top recreational players, has been expanded significantly to include a greater number of higher end players by lowering the requirements for entry.

Sportsbet

Sportsbet continued to record substantial improvements in its trading performance during the second quarter, resulting in the following results for the first half year ended 30 June 2004:

- turnover of \$20.1 million, an increase of 80% on the first half 2003;
- turnover of \$12.1 million for the quarter ended 30 June 2004, an increase of 66% on prior corresponding period;
- gross win margin for the half year of 6% and for the second quarter of 6.8%, compared to 3% and 2.5% in the prior corresponding period, respectively;
- EBITDA profitability achieved in the second quarter.

The continued improving performance at Sportsbet is attributable to a number of factors including:

- an enhanced marketing programme, designed to reactivate previous customers of Sportsbet. This has achieved an increase of 270% on prior corresponding period in the number of funded customer sign-ups for the half year;
- this has resulted in an increase of 150.8% in active customers during the period, compared to the prior corresponding period,
- the conversion rate for new accounts was 58% for the second quarter, an improvement on the 56% achieved in the first quarter and the 30% in the prior corresponding period;
- the average bet size was \$178 in the half year, compared to \$231 in the first half of 2003. This reflects the increasing number of recreational customers.

There has been a continuing focus on marketing, risk management and IT at Sportsbet which has continued to deliver an improving financial performance.

ROUNDING

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors.



J. Priest

Chairman

Sydney, 6 August 2004

Betcorp Limited
and Controlled Entities
Statement of Financial Performance
for the half-year ended 30 June 2004

	Note	CONSOLIDATED	
		30 June 2004 \$'000	30 June 2003 \$'000
Revenues from ordinary activities	2	12,109	21,052
Costs associated with betting activity		(4,664)	(4,142)
Advertising and promotion expense		(1,690)	(1,046)
Rental and occupancy expense		(225)	(349)
Salary and employee benefit expense		(3,652)	(3,626)
Borrowing expense	2	(469)	(1,016)
Depreciation/Amortisation expense		(1,670)	(193)
Administrative expense		(3,703)	(2,691)
Profit/(Loss) from ordinary activities before income tax expense		(3,964)	7,989
Income tax expense relating to ordinary activities		-	-
Profit/(Loss) from ordinary activities after related income tax expense		(3,964)	7,989
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		3,066	(4,444)
Total changes in equity other than those resulting from transactions with owners as owners		(898)	3,545
Basic earnings per share (cents per share)		(2.6)	8.3
Diluted earnings per share (cents per share)		(2.6)	5.0

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

**Betcorp Limited
and Controlled Entities**

**Statement of Financial Position
as at 30 June 2004**

	Note	CONSOLIDATED	
		30 June 2004 \$'000	31 December 2003 \$'000
CURRENT ASSETS			
Cash assets		12,476	20,217
Receivables		1,959	3,705
Other		1,519	2,069
TOTAL CURRENT ASSETS		15,954	25,991
NON-CURRENT ASSETS			
Plant and equipment		2,676	1,931
Intangible assets		46,754	45,322
Other		396	-
TOTAL NON-CURRENT ASSETS		49,826	47,253
TOTAL ASSETS		65,780	73,244
CURRENT LIABILITIES			
Payables		11,517	14,535
Interest-bearing liabilities		-	975
Provisions		25	609
Other		196	453
TOTAL CURRENT LIABILITIES		11,738	16,572
TOTAL LIABILITIES		11,738	16,572
NET ASSETS		54,042	56,672
EQUITY			
Contributed equity	7	82,826	82,273
Foreign currency translation reserve		(7,599)	(10,665)
Accumulated losses	6	(21,185)	(14,936)
TOTAL EQUITY		54,042	56,672

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Betcorp Limited
and Controlled Entities**

**Statement of Cash Flow
for the half-year ended 30 June 2004**

	CONSOLIDATED	
	30 June 2004 \$'000	30 June 2003 \$'000
<hr/>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from players	523,149	477,127
Payments to suppliers and employees	(13,706)	(17,356)
Payments to players	(513,292)	(456,354)
Interest received	164	197
Borrowing costs	(469)	(30)
Income tax paid	(592)	-
Net cash (used in)/provided by operating activities	(4,746)	3,584
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(1,210)	(478)
Cash acquired in Tasman Acquisition	-	9,606
Net cash provided by / (used in) Investing Activities	(1,210)	9,128
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	556	13,366
Repayment of convertible notes	(975)	-
Payments of share issue costs	(3)	(960)
Dividends paid	(2,285)	-
Net cash (used in) / provided by Financing Activities	(2,707)	12,406
Net (decrease) / increase in cash held	(8,663)	25,118
Cash at beginning of financial period	20,217	(2,309)
Effect of exchange rate change on cash	922	-
Cash at end of financial period	12,476	22,809
Cash at end of financial period	12,476	22,809
Cash attributed to customers	(9,706)	(8,109)
Cash attributed to entity	2,770	14,700

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Half-Year Financial Statements

30 June 2004

1. Basis for the Preparation of the Half-Year Financial Report

The half-year financial report does 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 full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Betcorp Limited as at 31 December 2003. It is also recommended that the half-year financial report be considered together with any public announcements made by Betcorp Limited and its controlled entities during the half-year ended 30 June 2004 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) *Basis of accounting*

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, including AASB 1029 "Interim Financial Reporting", and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The half-year financial report has been prepared in accordance with the historical cost convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) *Comparatives*

Where necessary comparatives have been reclassified and repositioned for consistency with current year disclosures.

**Betcorp Limited
and Controlled Entities**

**Notes to and forming part of the financial statements
for the half-year ended 30 June 2004**

NOTE 2: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

	30 June 2004 \$'000	30 June 2003 \$'000
<hr/>		
Operating result from ordinary activities is calculated after crediting the following revenues:		
Wagering turnover	<u>525,238</u>	<u>475,827</u>
Net wagering revenue	11,945	19,472
Managed services fee	-	1,301
Interest income	164	197
Other income	-	82
Total revenues from ordinary activities	<u>12,109</u>	<u>21,052</u>
Operating result from ordinary activities is after charging the following expenses:		
Borrowing costs - interest expense to other persons	469	1,016
Depreciation expense - plant & equipment	466	193
Amortisation expense-goodwill	1,204	-
Provision for employee entitlements	25	29
Bad & doubtful debts	44	83
Foreign Exchange gain/(loss)-unrealised	(146)	82
Foreign Exchange gain/(loss)-realised	(62)	-

Betcorp Limited and Controlled Entities

NOTE 3: DIVIDENDS PAID ON ORDINARY SHARES

	30 June 2004	30 June 2003
	\$'000	\$'000

Dividends paid during the half-year:

Unfranked dividend paid on 25 March 2004 (1.5 cents per share)	(2,285)	-
---	---------	---

NOTE 4: CONTINGENT LIABILITIES

Unsettled Wagers

Due to the nature of sports betting activities, at the end of the interim financial period there are a number of wagers on events that are undecided. The profit or loss resulting from these wagers is brought to account when the outcome of the event is known. No provision has been made to recognise any potential losses as the Directors consider any such liability is unable to be determined.

NOTE 5: SEGMENT INFORMATION

The Company operates in two distinct geographic segments, Australia and Antigua.

The Company operates predominantly in the wagering industry.

	Australia				Antigua		Eliminations		Total	
	Corporate		Sportsbet							
6 months to 30 June	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Wagering turnover	-	-	20,095	11,235	505,143	464,592	-	-	525,238	475,827
Operating revenue	-	-	1,094	403	10,851	19,069	-	-	11,945	19,472
Depreciation expense	(17)	(9)	(121)	(53)	(329)	(132)	-	-	(467)	(194)
Amortisation expense	-	-	-	-	(912)	-	(292)	-	(1,204)	-
Profit/(loss) after tax	(1,993)	(555)	(218)	(850)	(1,773)	9,394	-	-	(3,984)	7,989

Customers who place bets with Tasman Gaming Inc. primarily reside in North America and Asia. Customers who place bets with Sportsbet Pty Ltd primarily reside in Australia. The geographic split of customers (by turnover) is North America (90%), Asia (6%) and Australia (4%).

**Betcorp Limited
and Controlled Entities**

NOTE 6: RECONCILIATION OF RETAINED PROFITS

	CONSOLIDATED	
	30 June 2004 \$'000	30 June 2003 \$'000
<hr/>		
Reconciliation of Retained Profits/ Accumulated Losses:		
Balance at beginning of the half-year	(14,936)	(26,824)
Net profit/(loss) attributable to members of Betcorp Limited	(3,964)	7,989
Total available for appropriation	(18,900)	(18,835)
Dividend paid during 2004 pertaining to 2003 results	(2,285)	-
Balance at end of half-year	(21,185)	(18,835)

Betcorp Limited and Controlled Entities

NOTE 7: CONTRIBUTED EQUITY

	2004	2003
	\$	\$
152,674,979 (2003: 151,625,104) fully paid ordinary shares	82,825,926	82,272,826

a) Movements in fully paid ordinary shares during the period as follows:

Number	Description	Note	
19,431,458	Opening balance as at 1 January 2003		22,147,468
132,193,646	Shares Issued during 2003		62,420,151
	Less: transaction costs relating to shares		(2,294,793)
151,625,104	Closing balance as at 31 December 2003		82,272,826
151,625,104	Opening Balance as at 1 January 2004		82,272,826
400,000	Shares issued for \$0.50	1	200,000
249,875	Shares issued for \$0.63	2	156,191
400,000	Shares issued for \$0.50	3	200,000
	Less: transaction costs relating to share issues		(3,091)
152,674,979	Closing balance as at 30 June 2004		82,825,926

1. On 26 February 2004, an option holder exercised their options and was issued 400,000 ordinary shares at \$0.50 per share
2. On 26 February 2004, a Director of Betcorp, Mr Simon Noble, subscribed for 249,875 shares at \$0.63 per share in accordance with approval of shareholders at the 2003 Annual General Meeting
3. On 26 March 2004, an option holder exercised their options and was issued 400,000 ordinary shares at \$0.50 per share

NOTE 8: IMPACT OF ADOPTING AASB EQUIVALENTS OF IASB STANDARDS

Betcorp Limited has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The company has allocated internal resources and engaged expert consultants to identify and assess the key areas that will be impacted by transition to IFRS. These key areas have been prioritised based on likelihood of material impact. As Betcorp Limited has a 31 December year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 January 2004. This will form the basis of accounting for Australian equivalents of IFRS in

the future, and is required when Betcorp prepares its first fully IFRS compliant financial report for the year ended 31 December 2005.

Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Betcorp Limited. At this stage the company has not been able to reliably quantify the impacts on the financial report.

Business Combinations

Under AASB 3 *Business Combinations* Betcorp Limited may revisit historical acquisition accounting. AASB 3 requires that the acquirer be identified as the combining entity that gains control. In addition, AASB 3 requires that the company recognise separately at the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria. This may result in a change in recognition of intangible assets at the time of Betcorp Limited's acquisition of Tasman Gaming Inc, and a consequent reduction in goodwill. Under AASB 138 *Intangible Assets*, intangibles acquired in a business combination that is an acquisition should be recognised at fair value.

Goodwill Amortisation

Under AASB 3 *Business Combinations*, goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing. This will result in a change in the group's current accounting policy which amortises goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Where impairment does not exist, this will have an effect of increasing net profit going forward.

Income taxes

Under AASB 112 *Income Taxes*, the company will be required to review its recognition of deferred tax assets in respect of tax losses and temporary differences. Under AASB 112, deferred tax assets should be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. This may have the effect of increasing net assets upon transition.

Share based payments

Under AASB 2 *Share based Payments*, the company will be required to determine the fair value of shares issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. This standard is not limited to shares and also extends to other forms of equity based remuneration. It applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005. As share-based payments must be expensed to the profit and loss under AASB 2, this may reduce profits in future years.

Impairment of Assets

Under AASB 136 *Impairment of Assets* the recoverable amount of an asset is determined as the higher of net selling price or value in use. This will result in a change in the group's current accounting policy, which determines the recoverable amount of an asset based on its expected net cash flows, which have not been discounted to their present value.

Directors' Declaration

In accordance with a resolution of the Directors of Betcorp Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Consolidated Entity:
 - (i) give a true and fair view of the financial position as at 30 June 2004 and the performance for the half-year ended on that date of the Consolidated Entity; and
 - (ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board


J. Priest
Chairman
Sydney, 6 August 2004

Independent review report to members of Betcorp Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the consolidated entity comprising both Betcorp Limited (the company) and the entities it controlled during the period, and the directors' declaration for the company, for the period ended 30 June 2004.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising Betcorp Limited and the entities it controlled during the period is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 30 June 2004 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Garry Wayling
Partner
Sydney
6 August 2004