

Best of the Best plc
(“Best of the Best” or “the Company”)

Interim results for the six months ended 31 October 2007.

Best of the Best plc displays luxury cars as competition prizes within airport terminals and online

Key points

- Revenue up 67.3% to £3.63million (2006: £2.17million). On a management cash accounting basis revenue up 55.7% to £3.63million (2006: £2.33million) - see notes below
- Profit before tax for the period of £453,000 (2006: loss £53,000). On a management cash accounting basis profit before tax was £453,000 (2006: £118,000) - see notes below
- First international contract signed in January 2008 at Copenhagen Airport
- Landmark site at Heathrow's Terminal 5 opens in March 2008
- Three new sites opened during the interim period
- 7 year pan-airport contract signed with BAA underpins existing business
- Continued growth in online sales and customers: database at 250,000
- Discussions with further international airports and non-airport venues ongoing
- Directors confident of steady progress in the second half

William Hindmarch, Chief Executive, said:

“The solid trading experienced during the second half of the 2007 financial year has continued into the first six months of this year. The changes to the competition structures continue to prove popular and trading at the airports has been strong. New airport site openings have contributed positively during the period, and we look forward to opening a landmark site at Heathrow's Terminal 5 in March 2008. We have signed our first international site contract at Copenhagen Airport and we look forward to announcing further contracts as discussions proceed. In addition, we have signed a 7 year pan-airport contract with BAA, covering seven of our existing airport sites which underpins our position in the UK. Our online customer base continues to increase rapidly and has been a growing source of revenue, aided by the introduction of our new Instant Win products and our loyalty program.

We are optimistic with regards to the opportunities that lie ahead for our business and I look forward to updating shareholders with further progress in due course.”

Enquiries:

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Please visit www.bestofthebest.co.uk for further information

Chief Executive's Statement

The solid trading experienced during the second half of the 2007 financial year has continued into the first six months of this year. The changes to the competition structures continue to prove popular and trading at the airports has been strong. New airport site openings have contributed positively during the period, and we look forward to opening a landmark site at Heathrow's Terminal 5 in March 2008.

We have signed our first international site contract at Copenhagen Airport, a significant operational development for the business, and we look forward to announcing further contracts as discussions proceed. In addition, we have signed a 7 year pan-airport contract with BAA, covering seven of our existing airport sites (previously 3 year contracts) which underpins the stability of our operations and strengthens our relationship with the airport operator. Our online customer base continues to increase rapidly and has been a growing source of revenue, aided by the introduction of our new Instant Win products and our loyalty program.

Results

Revenue for the six months ended 31 October 2007 was £3.63million (2006: £2.17million), an increase of 67 per cent on the previous period. Profit before tax for the six month period was £453,000 (2006: loss £53,000). The comparative figures on a management cash accounting basis (explained below) would be revenue for the six months of £3.63million (2006: £2.33million), and profit before tax for the period of £453,000 (2006: £118,000).

As reported in the previous interim results, our revenue recognition policy (whereby the Company does not account for revenue generated by competitions that have not been closed on or before the end of an accounting period) was responsible for a material deferral of revenues in the same period last year, and was in part responsible for the significant reduction in profitability reported in the previous interim accounts. As predicted, due to changes in our competition structures, this has not been a material issue in the current period under review due to competitions closing in line with the period end.

Earnings per share for the period increased to 2.55 pence (2006: loss 0.38 pence).

The cash position of the Company remains solid at £1.70million, whilst the inventory has increased by £0.49 million to accommodate competition prizes on display at new sites. The balance sheet therefore remains strong with net assets increasing to £3.50million (2006: £2.53million).

Dividend

The Board is not recommending the payment of an interim dividend but as previously communicated, it intends to pay a dividend for the full financial year ending 30 April 2008.

Business

In contrast to the difficult trading conditions encountered during the same period in 2006, the first half of this financial year has seen an extension of the solid trading experienced during the second half of last year. Three new site openings during the period (Birmingham International, Heathrow Terminal 2 and East Midlands International) have integrated well, and are performing in line with expectations. Site refurbishments during the interim period have delivered the anticipated sales uplifts, and we will continue to invest in upgrading the standard of our other sites over the next 18 months, as well as investing in new audiovisual exhibition technology to give customers the best possible experience.

We have negotiated a 7 year contract with BAA covering seven of our airport sites, which will permit us to plan and invest with greater security. Unfortunately, we were unable to include our site (which closed in November 2007) at Heathrow's Terminal 3 in this renegotiation, due to the planned reconfiguration of the departure lounge and the expansion of security facilities. There will also be further fluctuations in passenger numbers at our Heathrow terminals as flights and airlines are moved around subsequent to the opening of Heathrow's Terminal 5. We are, however, looking forward to the opening of a flagship site at Heathrow Terminal 5 in March 2008, which will be an international showcase for our concept and business.

We have recently signed our first international airport contract at Copenhagen Airport in Denmark, which we expect to become operational during the first quarter of 2008, and we are actively pursuing other new locations overseas.

Our customer database continues to grow rapidly and has reached 250,000 registered customers. Online revenue has grown strongly with the introduction of new games, and a range of conversion, retention and loyalty initiatives. Our Instant Win games have broadened our product range and have performed in line with expectations.

Strategy

With three new site openings during the period, and further new sites opening shortly we continue to execute our strategy of growing our physical sites in airport and other locations, both in the UK and overseas. The resulting growth in the database allows us to broaden our product range and increase the frequency of our competitions. The returns from our higher margin online sales will permit us to invest further in product development and online customer acquisition as well as the physical growth of our sites in airports and other suitable locations.

Outlook

The Board remains positive of the trading prospects for the Company in the second half of the year, which has been underpinned by encouraging trading in November and December 2007.

We continue to monitor developments and review opportunities in our sector, and look forward to updating shareholders with further progress in due course.

William Hindmarch
Chief Executive
15 January 2008

BEST OF THE BEST PLC
Unaudited Income Statement
for The Period Ended 31st October 2007

	Notes	Six Months Ended 31/10/07 Unaudited GBP000's	Six Months Ended 31/10/06 Unaudited GBP000's	Year Ended 30/04/07 Audited GBP000's
CONTINUING OPERATIONS				
Revenue	1,2	3,632	2,170	5,861
Cost of sales		(1,327)	(1,022)	(2,376)
		<hr/>	<hr/>	<hr/>
GROSS PROFIT		2,305	1,148	3,485
Administrative expenses		(1,898)	(1,207)	(2,815)
		<hr/>	<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		407	(59)	670
Finance costs		-	(10)	(12)
Finance income		46	16	52
		<hr/>	<hr/>	<hr/>
PROFIT/(LOSS) BEFORE TAX		453	(53)	710
Tax		(129)	14	(152)
		<hr/>	<hr/>	<hr/>
PROFIT/(LOSS) FOR THE PERIOD		324	(39)	558
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Earnings/(Loss)Per Share expressed in pence per share:				
Basic	3	2.55	(0.38)	4.99
Diluted	3	2.44	(0.38)	4.93

BEST OF THE BEST PLC
Unaudited Balance Sheet
31 October 2007

	Notes	Six Months Ended 31/10/07 Unaudited GBP000's	Six Months Ended 31/10/06 Unaudited GBP000's	Year Ended 30/04/07 Audited GBP000's
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		724	440	562
Deferred tax		6	12	20
		<u>730</u>	<u>452</u>	<u>582</u>
CURRENT ASSETS				
Inventories		1,929	1,436	1,535
Trade and other receivables		54	64	50
Cash and cash equivalents		1,714	1,698	1,768
		<u>3,697</u>	<u>3,198</u>	<u>3,353</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		658	839	666
Financial liabilities - borrowings		-	-	-
Bank overdrafts		-	-	-
Interest bearing loans and borrowings		-	15	-
Tax payable		274	95	159
		<u>932</u>	<u>949</u>	<u>825</u>
NET CURRENT ASSETS		2,765	2,249	2,528
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings		-	174	-
Interest bearing loans and borrowings		-	-	-
		<u>-</u>	<u>174</u>	<u>-</u>
NET ASSETS		3,495	2,527	3,110
SHAREHOLDERS' EQUITY				
Called up share capital		636	636	636
Share premium		1,783	1,815	1,783
		<u>2,419</u>	<u>2,451</u>	<u>2,419</u>
Share-based payment reserve	1,4	88	9	27
		<u>88</u>	<u>9</u>	<u>27</u>
Retained earnings		988	67	664
TOTAL EQUITY		3,495	2,527	3,110
		<u>3,495</u>	<u>2,527</u>	<u>3,110</u>

BEST OF THE BEST PLC
Unaudited Cash Flow Statement
for The Period 1 May 2007 to 31 October 2007

	Six Months Ended 31/10/07 Unaudited	Six Months Ended 31/10/06 Unaudited	Year Ended 30/04/07 Audited
Notes	GBP000's	GBP000's	GBP000's
Cash flows from operating activities			
Cash generated from operations	160	(70)	497
Interest paid	-	(10)	(12)
Tax paid	1	-	(109)
	<hr/>	<hr/>	<hr/>
Net cash from operating activities	161	(80)	376
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets	(262)	(62)	(278)
Sale of tangible fixed assets	-	-	18
Interest received	46	16	52
	<hr/>	<hr/>	<hr/>
Net cash from investing activities	(216)	(46)	(208)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Loan repayments in year	-	(3)	(194)
Amount withdrawn by directors	-	-	-
Share issue	-	2,500	1,981
Share issue costs	-	(487)	-
	<hr/>	<hr/>	<hr/>
Net cash from financing activities	-	2,010	1,787
	<hr/>	<hr/>	<hr/>
Increase/(Decrease) in cash and cash equivalents	(55)	1,884	1,955
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	1,768	(187)	(187)
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period	1,713	1,697	1,768
	<hr/>	<hr/>	<hr/>

BEST OF THE BEST PLC
Unaudited Interim Statement of Changes in Equity
for the period ended 31st October 2007

	Called up Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total Equity
	GBP000's	GBP000's	GBP000's	GBP000's	GBP000's
Balance at 1 May 2006	63	138	-	343	544
Profit for the year	-	-	-	558	558
Bonus share issue	375	(138)	-	(237)	-
Cash share issue	198	1,783	-	-	1,981
Employee share option charge in period	-	-	27	-	27
Balance at 30 April 2007	<u>636</u>	<u>1,783</u>	<u>27</u>	<u>664</u>	<u>3,110</u>
Bonus share issue	-	-	-	-	-
Cash share issue	-	-	-	-	-
Profit for the period	-	-	-	324	324
Employee share option charge in period	-	-	61	-	61
Balance 31 October 2007	<u>636</u>	<u>1,783</u>	<u>88</u>	<u>988</u>	<u>3,495</u>

	Called up Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 1 May 2006	63	138	-	343	544
Bonus share issue	375	(138)	-	(237)	-
Cash share issue	198	1,815	-	-	2,013

Profit/(loss) for the period	-	-	-	(39)	(39)
Employee share option charge in period	-	-	9	-	9
Balance at 31 October 2006	<u>636</u>	<u>1,815</u>	<u>9</u>	<u>67</u>	<u>2,527</u>
	=====	=====	=====	=====	=====

BEST OF THE BEST PLC
Notes to the Interim Financial Statements
for the period ended 31st October 2007

1. Basis of preparation

These condensed interim financial statements are for the six months ended 31st October 2007. They have been prepared with regard to the requirements of International Financial Reporting Standards as adopted by the EU. They do not include all of the information required for full financial statements, and should be read in conjunction with the financial statements (under IFRS) of the Company for the year ended 30th April 2007.

The financial statements have been prepared under the historical cost convention.

Significant accounting policies include;

Revenue recognition

Revenue represents the value of tickets sold in respect of competitions which have been completed at the accounting date. A competition is completed when the Company closes entries.

Share based payment

The Company has applied the requirements of IFRS 2 to share option schemes allowing certain employees within the Company to acquire shares of the Company. For all grants of share options, the fair value as at the date of grant, is calculated using the Black-Scholes options pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the number of share options that are likely to vest, except where forfeiture is only due to market based conditions not achieving the threshold for vesting. The expense is recognised over the expected life of the option

2. Segment analysis

The directors consider that the primary reporting format is by business segment and that there is only one such segment being that of competition operators. This disclosure has already been provided in these financial statements.

3. Earnings/(Loss) per share

Basic earnings per share is calculated by dividing the profit for the relevant financial period attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares in issue during the relevant financial periods. The weighted average number of equity shares in issue is 12,718,254 (31st October 2006: 10,403,440; 30th April 2007: 11,196,262). The earnings, being the profit after tax, are £324,000 (31st October 2006: £39,000 (Loss); 30th April 2007: £558,000 (Profit)).

Diluted earnings per share is calculated by adjusting earnings and weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. The effect of dilutive securities for the period is to increase the weighted average number of shares by 585,934 shares (31st October 2006: Nil; 30th April 2007: 138,838).

4. Statement of changes in equity

The share based payment reserve reflects the charge for the period in relation to share options granted during the period. The Company will continue to accrue these costs at the same rate until the vesting period is over.

5. Publication of non-statutory accounts

The financial information contained in this interim statement does not constitute statutory accounts as defined in sections 240 of the Companies Act 1985. All information is unaudited apart from that included for the year ended 30th April 2007.

The statutory accounts for the financial year ended 30th April 2007 were prepared under IFRS as adopted by the EU. These accounts, upon which the auditors issued an unqualified opinion did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under 237(2) or (3), (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 1985, have been delivered to the Registrar of Companies.

This interim statement will be made available at the Company's registered office at 2 Plato Place, 72-74 St Dionis Road, London SW6 4TU.