

29 January 2007
BEST.L

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

Maiden interim results for the six months ended 31 October 2006

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

Key points

- New competition pricing accelerating growth following the difficult trading conditions experienced during period due to UK airport security disruptions during the summer
- Strong trading in November and December
- Significant growth in online players: database at 180,000 and growing at approximately 10,000 new registered players per month
- New site in Heathrow Terminal 4 operational and new site at Heathrow Terminal 5 secured with additional airport site discussions underway
- In discussions with new non-airport sites
- Management strengthened with two key appointment to drive airport terminal and online sales
- Directors confident of steady progress in the year ahead

William Hindmarch, Chief Executive, said:

“Since the flotation on AIM last year, there have been a number of significant developments for the business. Our new competition structure has led to record trading levels since the period end and we are in discussions to open new sites at airports in the UK and abroad, as well as at major shopping centres. Our database of registered players is growing rapidly and during the current year we plan to market new products to this customer base.

“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.”

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

Chief Executive's Statement

The Company has made significant progress since its flotation on AIM last year and we are pleased to report that trading has improved significantly since the disruptions caused by the major security alerts which affected the UK's airports during August 2006.

Since this time, I am pleased to report that airport operators have made significant improvements to the speed and capacity of security scanning facilities, which have in turn returned passenger dwell times to normal. In addition, procedures have been put in place in order to deal with future alerts which we believe will both improve security as well as help minimise disruptions.

Results

Revenue for the six months ended 31 October 2006 was £2.17 million (2005: £2.51 million), a reduction of 16 per cent on the six months for the previous year. The reduction is primarily due to the Company's revenue recognition accounting policy whereby the Company does not account for revenue generated by competitions that have not been closed on or before the end of a statutory accounting period. Competitions not closed generated strong revenues of £0.37 million in October 2006 but spanned the accounting period end, and are therefore accounted for as deferred revenue. All of these competitions are now complete and prizes have been paid in full.

The statutory financial statements therefore show a first half loss of £0.05 million against a prior year first half profit of £0.39 million. On a management cash accounting basis, however, the first half figures report a profit of £0.12 million compared to a prior year first half profit of £0.28 million largely due to the difficult summer trading as previously reported. In the same way earnings per share shows a loss for the period of 0.38 pence (2005: 3.27 pence). Since October we have shortened our Supercar Competition period to four weeks and therefore do not anticipate deferring any significant revenue at future period ends.

The cash position of the Company remains solid at £1.70 million, underpinned by the August fundraising of £2.5 million (before expenses) and admission to AIM, and we have increased the inventory by £0.28 million to accommodate new competition prizes on display.

Dividend

The Board is not recommending the payment of an interim dividend but as stated in the Admission Document it intends to pay a dividend for the following financial year ending 30 April 2008.

Business

During the period we reformatted our competitions, changing the ticket price for our main Supercar Competition from £60 to £20 and shortened competition lengths to 4 weeks resulting in more competitions at lower prices, which has been very well received by new and existing customers. Trading since then has been particularly strong in the, typically, quieter months of November and December. The Company can report record levels of sales in December, both online and at the airports.

This has been driven primarily by the move to the new price and format of the Supercar Competition, as well as by some significant operational improvements. The reduction in price has opened the competition up to a wider cross section of the terminal passengers.

An additional benefit of the new £20 ticket is that our database is growing at record levels. It now stands at over 180,000 and is increasing by approximately 10,000 registered players each month. This is a significant asset to the Company as it increases the scope and penetration of our higher margin online offering.

New Site Contracts

The Company currently operates from 12 sites within 11 airport terminals. During the period, we opened a second site in Heathrow's Terminal 4, and as announced in December, we have signed an agreement to open a flagship site within the new Heathrow Terminal 5. This is expected to become operational during the first half of 2008. We are also in discussions with a number of other airports in the UK and overseas.

In addition, we are also in discussion with non-airport sites such as major shopping centres in the UK and we anticipate launching trial sites in such venues within the next quarter. We believe that lowering the price point of the Supercar competition to £20 opens up considerable opportunities in this market.

Strategy

Our core strategy continues to focus on growing sales at the physical airport sites and building our database accordingly. The higher margin online competitions then benefit from the increase in customers on the database. The new competition format strongly supports this strategy, as we are now growing our database much more rapidly, and we have identified significant potential to offer additional games, including an instant win offering, which we will shortly be launching on our website.

Management team strengthened

In order to improve the Company's operating infrastructure we have made two key senior appointments to the management team. Our new Airport Sales Director who joined us in September 2006 will use his considerable experience recruiting and managing direct sales teams to help drive airport sales further. Our new Online Sales Director who joined us in October 2006 will be developing and growing our online business.

Outlook

The Board remains positive of the trading prospects for the Group in the second half of the year, which has been underpinned by record trading in the last two months of 2006.

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

William Hindmarch
Chief Executive
29 January 2007

BEST OF THE BEST PLC
Unaudited Income Statement
for the period ended 31st October 2006

		Six Months Ended 31/10/06 Unaudited	Six Months Ended 31/10/05 Unaudited	Year Ended 30/04/06 Audited
	Notes	£000's	£000's	£000's
CONTINUING OPERATIONS				
Revenue	2	2,170	2,516	4,748
Cost of sales		<u>(1,022)</u>	<u>(1,046)</u>	<u>(2,031)</u>
GROSS PROFIT		1,148	1,470	2,717
Administrative expenses		<u>(1,207)</u>	<u>(1,068)</u>	<u>(2,103)</u>
OPERATING (LOSS)/PROFIT		(59)	402	614
Finance costs		(10)	(13)	(23)
Finance income		<u>16</u>	<u>-</u>	<u>-</u>
(LOSS)/PROFIT BEFORE TAX		(53)	389	591
Tax		<u>14</u>	<u>(104)</u>	<u>(158)</u>
(LOSS)/PROFIT FOR THE PERIOD		<u><u>(39)</u></u>	<u><u>285</u></u>	<u><u>433</u></u>
(Loss)/Earnings Per Share expressed in pence per share:				
Basic & Diluted	3	(0.38)	3.27	4.95

Best of the Best plc
Unaudited Balance Sheet
31 October 2006

	Notes	Six Months Ended 31/10/06 Unaudited £000's	Six Months Ended 31/10/05 Unaudited £000's	Year Ended 30/04/06 Audited £000's
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		440	481	444
Deferred tax		<u>12</u>	<u>3</u>	<u>8</u>
		<u>452</u>	<u>484</u>	<u>452</u>
CURRENT ASSETS				
Inventories		1,436	1,002	1,161
Trade and other receivables		64	49	47
Cash and cash equivalents		<u>1,698</u>	<u>-</u>	<u>-</u>
		<u>3,198</u>	<u>1,051</u>	<u>1,208</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		839	683	631
Financial liabilities - borrowings				
Bank overdrafts		-	185	187
Interest bearing loans and borrowings		15	10	16
Tax payable		<u>95</u>	<u>75</u>	<u>105</u>
		<u>949</u>	<u>953</u>	<u>939</u>
NET CURRENT ASSETS		2,249	98	269
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings				
Interest bearing loans and borrowings		<u>174</u>	<u>186</u>	<u>177</u>
NET ASSETS		<u>2,527</u>	<u>396</u>	<u>544</u>
SHAREHOLDERS' EQUITY				
Called up share capital	5	636	63	63
Share premium	5	<u>1,815</u>	<u>138</u>	<u>138</u>
Share-based payment reserve	4,5	<u>9</u>	<u>-</u>	<u>-</u>
Profit and loss account		<u>67</u>	<u>195</u>	<u>343</u>
TOTAL EQUITY		<u>2,527</u>	<u>396</u>	<u>544</u>

BEST OF THE BEST PLC
Unaudited Cash Flow Statement
for the period 1 May 2006 to 31 October 2006

	Six Months Ended 31/10/06 Unaudited	Six Months Ended 31/10/05 Unaudited	Year Ended 30/04/06 Audited
Notes	£000's	£000's	£000's
Cash flows from operating activities	(70)	132	184
Cash generated from operations			
Interest paid	(10)	(13)	(24)
Tax paid	<u>-</u>	<u>-</u>	<u>(28)</u>
Net cash from operating activities	<u>(80)</u>	<u>119</u>	<u>132</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	(62)	(72)	(89)
Interest received	<u>16</u>	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>(46)</u>	<u>(72)</u>	<u>(89)</u>
Cash flows from financing activities			
Loan repayments in year	(3)	(1)	(10)
Amount withdrawn by directors	-	(11)	-
Share issue	2,500	-	-
Share issue costs	<u>(487)</u>	<u>-</u>	<u>-</u>
Net cash from financing activities	<u>2,010</u>	<u>(12)</u>	<u>(10)</u>
Increase in cash and cash equivalents	<u>1,884</u>	<u>35</u>	<u>33</u>
Cash and cash equivalents at beginning of period	<u>(187)</u>	<u>(220)</u>	<u>(220)</u>
Cash and cash equivalents at end of period	<u>1,697</u>	<u>(185)</u>	<u>(187)</u>

BEST OF THE BEST PLC
Unaudited Interim Statement of Changes in Equity
for the period ended 31 October 2006

	Called up Share Capital £000's	Share Premium £000's	Share Based Payment Reserve £000's	Retained Earnings £000's	Total Equity £000's
Balance at 1 May 2005	63	138	-	(90)	111
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>433</u>	<u>433</u>
Balance at 30 April 2006	63	138	-	343	544
Bonus share issue	375	(138)	-	(237)	-
Cash share issue	198	1,815	-	-	2,013
Loss for the period	-	-	-	(39)	(39)
Employee share option charge in period	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Balance 31 October 2006	<u>636</u>	<u>1,815</u>	<u>9</u>	<u>67</u>	<u>2,527</u>
Balance at 1 May 2005	63	138	-	(90)	111
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>285</u>	<u>285</u>
Balance at 31 October 2005	<u>63</u>	<u>138</u>	<u>-</u>	<u>195</u>	<u>396</u>

BEST OF THE BEST PLC
Notes to the Interim Financial Statements
for the period ended 31 October 2006

1. Basis of preparation

The interim financial statements and all the comparative information for 31st October 2005 are unaudited and the comparative information for 30th April 2006 is audited. All financial statements have been prepared under International Financial Reporting Standards as adopted by the EU (IFRS). The restatement of 2005 and 2006 financial information from UK Generally Accepted Accounting Principles (UK GAAP) to IFRS and the accounting policies of the company under IFRS have been applied to all three periods reported. No restatement of the financial information is required.

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. (Loss)/Earnings per share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue is 10,403,440 (31st October 2005: 8,750,000; 30th April 2006: 8,750,000). The share options are not dilutive. The earnings, being the loss after tax, are £39,000 (31st October 2005: £286,000 (Profit); 30th April 2006: £433,000 (Profit)).

4. Share options

In accordance with IFRS 2 the fair value of share options, calculated when the share options were granted has been recognised as an expense over the vesting period of the grants. Once calculated these fair values cannot be reassessed. The credit entry for this charge is taken to the income statement reserve and reported in the statement of changes in equity.

Included within the income statement under administration expenses is a charge of £8,669 representing the amount accrued to date in respect of share based payments.

5. Statement of changes in equity

The movement during the current reporting period on the called up share capital and share premium account, net of issue costs of £487,000 arose from the issue of 3,968,254 shares at 63p per share.

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.

BEST OF THE BEST PLC
Notes to the Interim Financial Statements
for the period ended 31 October 2006 *continued*

6. 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 2006.

The statutory accounts for the financial year ended 30th April 2006 were prepared under UK GAAP. 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.