BEST OF THE BEST PLC

Preliminary Group audited results for the year ended 30th April 2008

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

Key points

- Turnover up 23.9 per cent to £7.3m (2007 £5.9m)
- Profit Before Tax up 20.6 per cent to 0.86m (2007 £0.71m)
- Strong balance sheet with £1.7m of cash and net assets of £3.8m
- Board recommending payment of maiden final dividend of 1p per share
- First international site operational
- One new contract signed since period end
- 7 year group airport contract signed with BAA
- In discussions with international airport sites
- Database at approximately 300,000 and growing at approximately 7,000 new players per month
- Non-Executive Director appointed to focus on international expansion
- Current trading is in line with expectations

William Hindmarch, Chief Executive, said:

"I am pleased to report strong full year results showing both revenue and pre-tax profit growth in excess of 20%, despite the unforeseen closure of our site at Heathrow Terminal 3 and the disrupted opening of Terminal 5. We have opened five new sites during the period, including our first international site in Copenhagen. We have entered into new long term agreements with BAA and other airport operators for our existing sites and we are in discussions with operators of international airports which the Directors believe will secure several further overseas sites".

Our online presence continues to grow representing approximately 23% of total sales during the year and our database of registered players has reached approximately 300,000. The development of the online business through organic growth has been encouraging, but we will be focusing on further investment and developing the contribution from our internet business in the coming months."

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

Chief Executive's Statement

I am pleased to announce our results for the year ended 30th April 2008. It has been another successful year for the Group, which floated on AIM in August 2006. Both revenue and pre-tax profits increased by more than 20 per cent compared to the prior year. We have also opened five new sites during the period, including our first international site in Copenhagen. We have entered into new long term agreements with BAA and other airport operators for our existing sites and we are in discussions about securing new sites with operators of international airports in Europe.

Our online presence continues to grow and our database of registered players has reached approximately 300,000. The development of the online business through organic growth has been encouraging.

We have appointed Colin Hargrave as a Non-Executive Director, bringing us extensive business development and international airport retailing expertise. He will be focusing on business development, particularly in overseas locations. We have also made a number of other operational appointments, which will further underpin progress in the year ahead.

Results

During the year ended 30th April 2008 turnover increased by 23.9 per cent to £7.3m (2007 £5.9m) with profit before tax increasing by 20.6 per cent to £0.86m (2007 £0.71m). Reported earnings per share has decreased from 4.99p to 4.69p per share, as a result of the change in the weighted average number of issued ordinary shares used in the calculation in 2008 (the flotation of the company occurred part way through the prior year). On a pro forma basis assuming the Group had been floated for the full year to 30th April 2007, earnings per share would have increased by 7 per cent to 4.69p (2007 4.39p).

The cash position of the Group remains solid at £1.71m, and we have increased the inventory by £0.45m over the year to accommodate new competition prizes on display. Net Assets have increased to £3.8m (2007 £3.1m).

Dividend

The Board is recommending a maiden final dividend payment of 1 pence per share for the full year ended 30th April 2008 subject to shareholder approval at the AGM on 18th September 2008. The final dividend is covered 4.7 times by earnings per share and will be paid on 6th October 2008 to shareholders on the register on 19th September 2008.

New Site Contracts

In the financial year we opened four new UK airport sites, at Birmingham, East Midlands, Heathrow Terminal 2, and Heathrow Terminal 5, as well as our first overseas airport site in Copenhagen.

In November 2007, part way through our financial year, we were unable to renew the contract at our site in Heathrow's Terminal 3, due to the reconfiguration of retail space and the expansion of security facilities. This had a significant impact on our revenue during the financial year, however, diversification and new sites now compensate for the lost revenue.

Since the year end we have signed a further contract with Bristol airport which is expected to open in August 2008. We are also in discussions with operators of international airports which the Directors believe will secure several further overseas sites in the current financial year and beyond.

In addition, during the year we 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, strengthens our relationship with the airport operator and will allow us to plan and invest with greater security.

Business

Our new flagship site in Terminal 5 has recently traded well despite the delay in the transfer of flights to the new terminal. Initial trading of our first site overseas at Copenhagen has been satisfactory from a temporary site, but we look forward to the completion of building works in the terminal where we will install a permanent site and realise its full potential.

Our refitted stands at Gatwick North and South terminals, and most recently at Stansted post financial year end, have continued to improve revenues at these sites. Our new flagship stand at Terminal 5 was well received by BAA and has drawn creditable attention from other UK and International airport operators. The new financial year will continue to see the refitting of several of our stands across the UK, as well as a permanent stand in Copenhagen to replace the temporary structure.

We have also made a number of other operational appointments particularly in Human Resources, which will enable us to further focus on recruitment, training and retention which are key to building and maintaining a productive sales force and which will underpin our progress in the year ahead.

Online Business

Our lower priced tickets have significantly improved the rate of growth of our database, which now stands at circa 300,000 registered players. 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. Our software and systems development programme will be a particular focus in the year ahead, in order to increase the breadth and quality of our online offering, as well as our online marketing capabilities.

Strategy

With five new site openings during the period, and further new site openings anticipated in the new financial year, we continue to execute our strategy of growing our physical sites in airports and other locations, both in the UK and overseas. We are also exploring alternative models for operating overseas sites that may include increased participation from local partners. The resulting growth in our database will allow us to broaden our product range and increase the frequency of our competitions. The returns from our higher margin online sales will also 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 Group in the new financial year. Overall our airport sites continue to perform well, and trading since the year end has been in line with management expectations. Group sales in both May and June were ahead of the same months in 2007, despite the tougher retail conditions being experienced in the wider market.

We are currently in discussions to develop physical sites both in the UK and overseas, within a number of new locations and we are reviewing new game formats and online partnerships. Furthermore we continue to monitor developments and review opportunities in our skill gaming sector. With our robust balance sheet and strong cash position we are well placed to take advantage of any opportunities to increase the number of airports in which we operate, or to broaden and diversify our business within our sector.

We look forward to updating shareholders with further progress in due course.

William Hindmarch
Chief Executive
16th July 2008

BEST OF THE BEST PLC

Consolidated Income Statement
For The Year Ended 30th April 2008

	Notes	**2008** **£'000**	*2007* *£'000*
CONTINUING OPERATIONS			
Revenue		**7,260**	**5,861**
Cost of sales		**(2,842)**	**(2,376)**
GROSS PROFIT		**4,418**	**3,485**
Administrative expenses		**(3,655)**	**(2,815)**
OPERATING PROFIT		**763**	**670**
Finance costs		**-**	**(12)**
Finance income		**93**	**52**
PROFIT BEFORE TAX		**856**	**710**
Tax	5	**(259)**	**(152)**
PROFIT FOR THE YEAR		**597**	**558**
Earnings per share expressed in pence per share:	6		
Basic		**4.69**	*4.99*
Diluted		**4.61**	*4.93*

BEST OF THE BEST PLC

Consolidated Statement of Recognised Income and Expense
For The Year Ended 30th April 2008

	Notes	2008 £'000	*2007* *£'000*
PROFIT FOR THE FINANCIAL YEAR		**597**	*558*
TOTAL RECOGNISED INCOME AND EXPENSE RELATING TO THE YEAR		**597**	558

BEST OF THE BEST PLC

Consolidated Balance Sheet
30th April 2008

	Notes	**2008** **£'000**	*2007* *£'000*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		**1,072**	562
Deferred tax		**16**	20
		1,088	582
CURRENT ASSETS			
Inventories		**1,988**	1,535
Trade and other receivables		**137**	50
Cash and cash equivalents		**1,706**	1,768
		3,831	3,353
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**873**	666
Tax payable		**260**	159
		1,133	825
NET CURRENT ASSETS		**2,698**	2,528
NET ASSETS		**3,786**	3,110
SHAREHOLDERS' EQUITY			
Called up share capital	7	**636**	636
Share premium	8	**1,783**	1,783
Share-based payment reserve	8	**106**	27
Retained earnings	8	**1,261**	664
TOTAL EQUITY		**3,786**	3,110

BEST OF THE BEST PLC

Consolidated Cash Flow Statement
For The Year Ended 30th April 2008

		2008	*2007*
Cash flows from operating activities		**£'000**	*£'000*
Cash generated from operations	1	**561**	497
Interest paid		**-**	(12)
Tax paid		**(155)**	(109)
Net cash from operating activities		**406**	376
Cash flows from investing activities			
Purchase of tangible fixed assets		**(561)**	(278)
Sale of tangible fixed assets		**-**	18
Interest received		**93**	52
Net cash from investing activities		**(468)**	(208)
Cash flows from financing activities			
Loan repayments in year		**-**	(194)
Share issue		**-**	1,981
Net cash from financing activities		**-**	1,787
(Decrease)/Increase in cash and cash equivalents		**(62)**	1,955
Cash and cash equivalents at beginning of year		**1,768**	(187)
Cash and cash equivalents at end of year		**1,706**	1,768

BEST OF THE BEST PLC

Notes to the Consolidated Cash Flow Statement

For The Year Ended 30th April 2008

1. **RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS**

	2008	*2007*
	£'000	*£'000*
Profit before tax	**856**	*709*
Depreciation charges	**187**	*146*
Loss/ (Profit) on disposal of fixed assets	**2**	*(4)*
Employee share based payment	**79**	*27*
Finance costs	**-**	*12*
Finance income	**(93)**	*(52)*
	1,031	*838*
Increase in inventories	**(453)**	*(374)*
Increase in trade and other receivables	**(87)**	*(3)*
Increase in trade and other payables	**70**	*36*
Cash generated from operations	561	497

1. BASIS OF PREPARATION

The financial information has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRS's).

The financial information set out above does not constitute the Group's statutory accounts for the years ended 30th April 2008 or 2007. The statutory accounts for 2008 will be delivered to the registrar of companies in due course.

2. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings). Where necessary adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. ACCOUNTING POLICIES

The preliminary financial information has been prepared using accounting policies set out in the Group's statutory accounts for the year ended 30th April 2008.

FRS 20 'Share-based payment' was adopted for the first time during the 2007 year end. Under this standard, an expense is recognised in the income statement when the Group receives goods for services in exchange for shares or where the valuation of those goods or services incorporates the performance of the Group's share price. The income statement includes a charge for share-based payments of £79,279 (2007: £27,132).

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 Group closes entries.

4. SEGMENTAL REPORTING

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 this preliminary report.

All of the Group's material operations are located in the United Kingdom.

5. TAX

Analysis of the tax charge

	2008 **£'000**	*2007* *£'000*
Current tax:		
Tax	**260**	*160*
Overprovision in prior year	**(4)**	-
Underprovision in prior year	-	3
Total current tax	**256**	*163*
Deferred tax	**3**	*(11)*
Total tax charge in income statement	**259**	*152*

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share options. For the share options a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have bee issued assuming the exercise of the share options.

Reconciliations are set out below.

		2008	
	Earnings £'000	*Weighted average number of shares*	*Per-share amount pence*
Basic EPS			
Earnings attributable to ordinary shareholders	597	12,718,254	4.69
Effect of dilutive securities			
Options	**-**	**216,756**	**-**
Diluted EPS			
Adjusted earnings	**597**	**12,935,010**	**4.61**

		2007	
	Earnings £'000	*Weighted average number of shares*	*Per-share amount pence*
Basic EPS			
Earnings attributable to ordinary shareholders	558	11,196,262	4.99
Effect of dilutive securities			
Options	-	*138,838*	-
Diluted EPS			
Adjusted earnings	*558*	*11,335,100*	*4.93*

7. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	**2008 £'000**	*2007 £'000*
30,000,000	Ordinary shares	5p	**1,500**	*1,500*

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2008 £'000**	*2007 £'000*
12,718,254	Ordinary shares	5p	**636**	636

No shares have been issued during or subsequent to the year ended 30th April 2008.

8. **RESERVES**

	Retained earnings £'000	Share premium £'000	Share-based payment reserve £'000	Totals £'000
At 1st May 2007	**664**	**1,783**	**27**	**2,474**
Profit for the year	597			597
Employee benefits			**79**	**79**
At 30th April 2008	**1,261**	**1,783**	**106**	**3,150**

9. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008 £'000	*2007 £'000*
Profit for the financial year	**597**	*558*
Issue of shares (net of expenses)	**-**	*1,981*
Employee share schemes adjustment	**79**	*27*
Net addition to shareholders' funds	**676**	*2,566*
Opening shareholders' funds	**3,110**	*544*
Closing shareholders' funds	**3,786**	*3,110*

10. The financial information set out above for the years ended 30th April 2008 and 2007 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for 30th April 2007 have been delivered to the Registrar of Companies and those for 30th April 2008 will be delivered following the Company's annual general meeting. The Company's auditors have reported on the full accounts for both years and have accompanied each year with an unqualified report.

11. The annual report and accounts will be posted to shareholders and will be available for members of the public at the Company's registered office, 2 Plato Place, St Dionis Road, London, SW6 4TU.

12. The Annual General Meeting will be held on 18th September 2008 at the offices of Charles Stanley Securities, 25 Luke Street, London, EC2A 4AR.