



('The Weather Lottery' or the 'Company')

27 April 2007

Interim Financial Results for the period ended 31 January 2007

Highlights

- * Successful launch of the new online system in February 2007.
- * Further marketing poised to commence to National Trust members.
- * Over 300 enquiries received from target societies in 2007 to date.
- * Prize draw changes resulting in a higher top prize as well as higher returns for The Weather Lottery

Key Financials for the 6 month period to 31 January 2007

- * Sales of £761,000 (2006: £750,000)
- * Gross Profit of £489,000 (2006: £472,000)
- * Net Loss of £82,000 (2006: Net Profit of £1,000)

Chief Executive's Statement

New Marketing Focus

Since the Company was admitted to AIM in September 2006, our marketing efforts have been focussed in two key areas. Firstly, we have been working towards bringing the National Trust into the lottery and building up new client levels from this source; and secondly, developing a bespoke software systems to enable participants to join and play The Weather Lottery online. This project has been undertaken in conjunction with our bankers HSBC.

Both of these projects have incurred delays with the result that sales are correspondingly below current market expectations. This is being addressed as follows:

National Trust marketing plan:

- * The Weather Lottery will be promoted on the plastic carrier enclosing the Summer National Trust magazine. Approximately 250,000 magazines will be posted to National Trust members.
- * A mailshot to approximately 100,000 National Trust members who have participated in charity raffles is planned thus promoting the Weather Lottery as a new means of donating.
- * A 'Weather Lottery' flyer will be inserted in the National Trust Volunteer's newsletter promoting the game to the National Trust's 47,000 volunteers.
- * A leaflet promoting The Weather Lottery will be included with all 8,000 employee payslips sent out by the National Trust by June.
- * A further 5,000 leaflets promoting The Weather Lottery will be made

available to patrons at approximately five of the National Trusts key properties.

- * Further promotional activity with the National Trust is being discussed, such as inclusion of a Weather Lottery leaflet being included in welcome packs to new members
- * In total, close to 500,000 people will be targeted by The Weather Lottery. To encourage new clients to join, all literature will note that there have been 3,158 winners from supporters of The National Trust Lottery within a very short period of time. It is hoped that this statement will stimulate new entry levels

Online Participation:

- * The online system went live in February 2007
- * The Company is marketing the new online system, which is secured by HSBC, to all of its clients.
- * Client supporters can join online by Credit Card, Debit Card and Standing order.
- * The successful implementation of the online system is a major Company development. An example of how the system works can be seen at www.sheffieldsteelers.co.uk by following the link on the £10,000 ball.

Prize Draw Changes

The game has been modified from a 5 day game to a 4 day game which will create a 20% higher return for The Weather Lottery.

In addition we have announced an annual £100,000 draw which we believe will attract further new players.

Increased Enquiry Levels

The Weather Lottery has had over 300 separate new beneficiary enquires to date in 2007. A beneficiary is the society, charity or sports club looking for new fundraising options. The Company is also continuing to follow up the 925 enquiries received in 2006. The enquiry levels have increased to the extent that new staff have been appointed specifically for this task.

New Clients

The Weather Lottery provides an innovative solution to providing the fundraising that target societies require. Continuing contract discussions are being held with high profile organisations both in the markets of Sport and Charity. Our target to reach 10,000 clients within a five-year plan remains intact and our enquiry list continues to increase on a daily basis

As the benefit of our relationships with key beneficiaries and additional routes to market come through, I feel that the Company is well positioned to grow and I look forward to reporting on these successes in the future.

K Milhench
Chief Executive
26 April 2007

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UNAUDITED INTERIM FINANCIAL INFORMATION OF
THE WEATHER LOTTERY PLC
FOR THE PERIOD ENDED 31 JANUARY 2007

PROFIT AND LOSS ACCOUNT

	Notes	Period ended 31 January 2007 (unaudited) £'000	Period ended 31 January 2006 (unaudited) £'000	Year ended 31 July 2006 (audited) £'000
Turnover		761	750	1,440
Cost of Sales		272	278	484
Gross (Loss)/Profit		----- 489	----- 472	----- 956
Administrative expenses		(571)	(471)	(1,039)
Operating (loss)		----- (82)	----- 1	----- (83)
Interest payable and similar charges		-	-	-
Interest receivable and similar charges		-	-	1
(Loss) on ordinary activities before taxation		----- (82)	----- 1	----- (82)
Taxation		-	-	-
Retained (loss)/profit for the period		----- (82)	----- 1	----- (82)
Earnings per share		=====		
Basic and fully diluted	2	(0.11)p	0.1p	(0.51)p

All results derive from continuing operations of the Company.

There are no recognised gains or losses other than the loss for the period.

BALANCE SHEET

	Notes	As At 31 January 2007 (unaudited) £'000	As At 31 January 2006 (unaudited) £'000	As At 31 July 2006 (audited) £'000
Fixed Assets				

Intangible assets	3	202	227	212
Current assets				
Debtors	4	17	23	10
Cash at bank and in hand		163	55	240
		<u>180</u>	<u>78</u>	<u>250</u>
Creditors: amounts falling due within one year	5	(303)	(321)	(293)
Net current (liabilities)		<u>(123)</u>	<u>(243)</u>	<u>(43)</u>
Total assets less current liabilities		79	(16)	169
Creditors: amounts falling due over one year		-	-	-
Net assets		<u>79</u>	<u>(16)</u>	<u>169</u>
Capital and reserves				
Called up share capital	6	77	1	73
Share premium		233	48	245
Profit and loss account		<u>(231)</u>	<u>(65)</u>	<u>(149)</u>
Equity shareholders' funds	7	<u>79</u>	<u>(16)</u>	<u>169</u>

CASH FLOW STATEMENT

	Notes	Period ended 31 January 2007 (unaudited) £'000	Period ended 31 January 2006 (unaudited) £'000	Year ended 31 July 2006 (audited) £'000
Net cash (outflow)/inflow from operating activities	8	(69)	24	(60)
Returns on investments and servicing of finance		-	-	1
Capital expenditure		-	-	-
Cash (outflow)/inflow before financing		<u>(69)</u>	<u>24</u>	<u>(59)</u>
Financing		<u>(8)</u>	<u>-</u>	<u>268</u>

(Decrease)/increase in cash in the period	(77)	24	209

Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the period	(77)	24	209
Opening net funds	240	31	31
Closing net funds	<u>163</u>	<u>55</u>	<u>240</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Accounting policies

International Financial Reporting Standards

The London Stock Exchange announced that AIM companies do not need to adopt International Financial Reporting Standards for periods commencing before 1 January 2007. In this regard International Accounting Standard 34, Interim Financial Reporting, has not been adopted for preparation of this unaudited interim financial information.

Basis of Accounting

The interim financial information has been prepared on the historical cost basis. The interim financial results are unaudited.

Turnover

Turnover represents takings received for entry into the daily prize draws. The revenue is recognised upon receipt of the money for the period that the draws take place.

Goodwill

Goodwill arising on consolidation represents the excess of the purchase consideration over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is recognised as an asset and amortised over a period of 20 years, which the directors consider to be the estimated useful life of the goodwill.

Intangible assets

Intangible assets relate to the software development of the lottery game. The cost is being amortised over ten years, which is the period over which the software is considered effective.

Deferred Tax

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the exception that deferred tax assets are recognised only to the extent that the directors

consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

2. Earnings per ordinary share

The calculation of basic earnings per share is based on the results and weighted average number of ordinary shares as follows:

	Period ended 31 January 2007 (unaudited) £'000	Period ended 31 January 2006 (unaudited) £'000	Year ended 31 July 2006 (audited) £'000
(Losses)/profits in period	(82)	1	(82)
Weighted average number of ordinary shares:			
Basic and fully diluted	76,412,614	1,000	16,042,083

The basic and fully diluted weighted average number of ordinary shares are the same due to there being no share options in place during the period.

3. Intangible Fixed Assets

	Goodwill £'000	Software Development £'000	Total £'000
Cost:			
As at 1 August 2006	176	154	330
Additions	-	-	-
As at 31 January 2007	176	154	330
Depreciation:			
As at 1 August 2006	18	100	118
Charge for Period	3	7	10
As at 31 January 2007	22	107	128
Net Book Value:			
As at 31 January 2007	155	47	202
As at 31 July 2006	158	54	212

4. Debtors

	As At 31 January 2007 £'000	As At 31 January 2006 £'000	As At 31 July 2006 £'000
Prepayments	10	7	7
Other debtors	7	16	3
	<u>17</u>	<u>23</u>	<u>10</u>

5. Creditors: amounts falling due within one year

	As At 31 January 2007 £'000	As At 31 January 2006 £'000	As At 31 July 2006 £'000
Trade creditors	227	294	229
Accruals and deferred income	38	14	23
Social security and other taxes	38	13	41
	<u>303</u>	<u>321</u>	<u>293</u>

6. Share capital

	As At 31 January 2007 £'000	As At 31 January 2006 £'000	As At 31 July 2006 £'000
Authorised: 100,000,000 ordinary shares of 0.1p each (31 January 2006: 1,000 ordinary shares of £1 each)	100	1	100
Issued and fully paid: 77,054,737 ordinary shares of 0.1p each (31 July 2006 73,202,000 ordinary shares; 31 January 2006 1,000 ordinary shares)	77	1	73

7. Reconciliation of movement in shareholders' funds

	As At 31 January 2007 £'000	As At 31 January 2006 £'000	As At 31 July 2006 £'000
(Loss)/profit for the period	(82)	1	(82)
New share capital (including premium & expenses)	(8)	-	268
Net (deduction)/addition to shareholders funds	<u>(90)</u>	<u>1</u>	<u>186</u>

Opening shareholders funds	169	(17)	(17)
Closing shareholders funds	<u>79</u>	<u>(16)</u>	<u>169</u>

8. Reconciliation of operating loss to operating cash flows

	As At 31 January 2007 £'000	As At 31 January 2006 £'000	As At 31 July 2006 £'000
Operating (loss)/profit	(82)	1	(83)
Amortisation and depreciation	10	12	27
(Increase)/decrease in debtors	(7)	(6)	8
Increase/(decrease) in creditors	10	17	(12)
Net cash (outflow)/inflow from operating activities	<u>(69)</u>	<u>24</u>	<u>(60)</u>

9. Interim Financial Information

The unaudited interim financial information, which is the responsibility of the directors and was approved by them on 26th April 2007 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

Copies of this Interim statement are available from the Company at its registered office: 24 St. Michael's Road, Headingley, Leeds, LS6 3AW for a period of one month, free of charge.