

12th September 2006

BETEX GROUP PLC
(“Betex” or “the Company”)

**Chinese lottery software rollout takes “Great Leap Forward”
with the signing of seven additional provinces**

Further to the announcement on 24 August 2006, Betex Group plc (AIM:BTX), announces that it has signed seven additional exclusive province-wide distribution agreements with agents for the Company’s new lottery software to be distributed into the provinces of Hebei, Heilongjiang, Shaanxi, Fujian, Hunan, Guangxi and Jiangxi for both Sports and Welfare lottery products.

The Company estimates that the new agreements will initially result in the distribution of the software into approximately 860 further lottery outlets across the seven provinces in the short term. This number will rise as the main agents grant sub-agency licences within their provincial territory. As with the previous agreements, each of the provincial agents has provided an undertaking that the gross fees from software use will exceed RMB 100,000 per day (approx £200,000 per month) after the first month of signing the agreement.

Sales figures from the distribution agreements signed to date have exceeded initial expectations, with total sales since the launch on 16 August having topped £1 million. The speed of take up has also exceeded expectation with revenue being generated in more than 1,800 shops to date.

The Company pays 35% of the gross fees earned to the owners of the retail outlets and the agency network. Operational costs are deducted from the net revenues to leave net profit, with 30% of net profit being paid as bonus to the software’s designer and Technical Director, and the Company retaining 70% of the net profits. Early indications that net profits will be around 8 to 12% of gross fees remain, although this figure may change as the software is more widely distributed.

Commenting on the developments Peter Greenhill, CEO of Betex said “ We are very encouraged by the performance of this new software, as trading figures so far are looking very promising. These new agreements expand our distribution network to 13 provinces within mature lottery markets, providing us with a presence in more than 40% of China’s provinces. We will continue to look to expand our agency network further, introduce new software products into our range, and identify new ways to take advantage of the access we now have to the retail outlets.”

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Notes For Editors

Betex
Betex Group plc is an AIM listed Company focused on gaming opportunities in Asia, and most notably in China. In 2005 the Company announced it was the first foreign company to secure an involvement in the Chinese State Sports Lottery with deals in the provinces of Hebei and Guizhou.

These deals have secured Betex the right to 1.3% and 2% of the total lottery sales of the respective provinces, who had a combined annual turnover of around £134 million in 2005.

Betex also operates a number of retailing outlets in the Sports lottery in Gunagzhou and Chong Qing, and has recently acquired an 80% interest in a company with rights to sell lottery tickets via mobile phones in 3 provinces in China.

The Chinese Lottery Market

The Chinese Lottery market was worth US\$8.8 billion in 2005, making it the worlds seventh largest by sales (La Fleurs 2006 World Lottery Almanac). It has grown at a compound annual growth rate of 32 per cent over the last 5 years despite currently having only the 35th ranked per capita spend on lottery products. A recent Citigroup study has forecast the market will grow to US\$35.5bn by 2010, second only to the United States.

Despite strict laws against gambling in any form other than the government approved lottery, Peking University has estimated illegal gaming activity in China to be US\$75 billion per annum, indicating the Lottery currently captures around 10% of the potential pool. The Company believes that the majority of illegal activity is attracted to single match football betting, and that the forthcoming changes to the sports lottery will mean that an amount of the illegal activity that can be lured back into the regulated market.

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