



## **Yobet.com to Close IRG on February 15**

*Company to take 4Q charge*

Woodland Hills, CA, February 14, 2008 – Youbet.com, Inc. (NASDAQ: UBET) announced today that on or before February 15, it would be discontinuing the operations of International Racing Group (IRG Business), which it had purchased in June 2005. The IRG Business has been adversely impacted due to a severe reduction in wagering activity, which was tempered modestly by significant staff reductions since the commencement of the previously reported investigation involving the IRG Business by the U.S. Attorney's Office in Las Vegas, Nevada. The decision was made by Youbet to discontinue these operations because IRG has become unprofitable and shows no sign of altering that status in the near term.

In light of the future outlook for the IRG Business under the continuing investigation, Youbet presently estimates the total amount of the fourth quarter impairment associated with the IRG Business to be approximately \$9.9 million, consisting of \$6.7 million in the unamortized balance of prior earn-out payments as of November 30, 2007 and \$3.2 million of earned but unpaid earn-out payments due August 31, 2008. This future earn-out payment will be subject to any rights of offset or claims that may arise prior to that date which Youbet may assert in order to reduce the obligation to make this potential earn-out payment. This impairment charge will be reflected in Youbet's fourth quarter and year-end 2007 financial results and is subject to further review by Youbet's independent registered public accounting firm. The company will record a charge of approximately \$0.5 million for severance costs associated with exiting the IRG Business. In addition, the IRG Business will incur other shutdown costs estimated to range from \$0.2 million to \$0.3 million to cover lease obligations, outside services, asset disposals and other miscellaneous costs. In addition, the company expects to incur ongoing and possibly material costs associated with its continued cooperation with, and eventual resolution of, the ongoing government investigation, although the precise amount or timing cannot be predicted at this time and such costs are not related to the company's decision to shutdown the IRG Business.

"The decision to close IRG was necessary as we continue to focus our management priorities on improving profitability and shareholder value," said interim Chief Executive Officer Gary W. Sproule. "We would like to thank all of our IRG employees for their hard work and dedication over the past several years."

### **About Youbet.com, Inc.**

Youbet.com is a diversified provider of technology and pari-mutuel horse racing content for consumers through Internet and telephone platforms and is a leading supplier of totalizator systems, terminals and other pari-mutuel wagering services and systems to the pari-mutuel industry through its United Tote subsidiary. Youbet.com's website offers members the ability to watch and, in most states, wager on the widest variety of horse racing content available

worldwide. Through this platform, Youbet offers members commingled track pools, live audio/video, up-to-the-minute track information, real-time wagering information, phone wagering, race replays, simultaneous multi-race viewing and value-added handicapping products. Youbet.com's Players Trust(SM) revolutionized advanced deposit wagering by placing player deposits in the custody of a major U.S. financial institution. The Youbet Advantage(TM) Player Rewards Program is the only player incentive program of its kind in the U.S. pari-mutuel market; and Youbet's play-for-points racing education website - [www.Youbet.net](http://www.Youbet.net) - is helping to attract new fans to racing. Youbet.com is the exclusive provider of horse racing content for CBS SportsLine.com. More information on Youbet.com can be found at [www.youbet.com](http://www.youbet.com).

### **Forward-Looking Statements**

This press release contains certain forward-looking statements. Statements containing expressions such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "potential," "continue," or "pursue," or the negative or other variations thereof or comparable terminology used in Youbet's press releases and in its reports filed with the Securities and Exchange Commission are intended to identify forward-looking statements. These forward-looking statements, which are included in accordance with the Section 21E of the Securities Exchange Act of 1934, as amended, may involve known and unknown risks, uncertainties and other factors that may cause Youbet's actual results and performance in future periods to be materially different from any future results or performance suggested by the forward-looking statements in this press release. Although Youbet believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that actual results will not differ materially from these expectations. These risks, uncertainties and other factors include our ability to successfully manage expenses and execute on revenue enhancements and wagering ceasing to be legal in jurisdictions where we currently operate, the limitation, conditioning or suspension of any of our licenses, the progress and ultimate outcome of the federal government investigation involving IRG customers. Other risks are discussed in Youbet's Form 10-K for the year ended December 31, 2006, and in Youbet's other filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release. Youbet does not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

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