



For Immediate Release

**Yobet expects second quarter results to be \$(0.01) - \$0.00 per share
due to lower handle at IRG and lower than anticipated revenue at United Tote**

The company expects that cost reduction initiatives coupled with more focused marketing will enable it to approach earlier full year guidance

Woodland Hills, CA, July 20, 2007 – Yobet.com, Inc. (NASDAQ:UBET) announced today that it expects results for the second quarter of 2007 will be in the range of \$(0.01) to \$0.00 per share. Management has implemented cost cutting and revenue enhancement initiatives of approximately \$5 million to offset lower revenue expectations from its IRG and United Tote subsidiaries. Due to these issues, full year 2007 EPS guidance has been revised to \$0.13 to \$0.16 per share versus previous annual guidance of \$0.15 to \$0.17 per share.

Earnings for the second quarter of 2007 were adversely affected by lower than anticipated revenue at United Tote and lower handle at International Racing Group (IRG) in addition to increased spending on marketing and increased depreciation costs in connection with the finalization of purchase price adjustments for the company's United Tote subsidiary.

A portion of the increased marketing expense was aimed at mitigating the effects of TrackNet Media's refusal to sell its Magna Entertainment Corp. and Churchill Downs content to Yobet companies. This effort did positively impact the company's online wagering operations in the second quarter of 2007 compared to the same period in 2006. The increase was achieved even though Yobet did not carry the 2007 Kentucky Derby, typically the largest wagering day in the industry. The company intends to give more detail on the positive trends in its online wagering business in its Q2 2007 earnings release and conference call.

IRG's second quarter handle is expected to decline approximately \$33.6 million compared to the same period last year, with net revenue expected to decline approximately \$1.4 million, or approximately 33% from the year ago quarter. The company's IRG subsidiary did not carry any of this year's Triple Crown events and does not currently have access to TrackNet content from Magna and Churchill Downs.

United Tote net revenue is expected to be approximately 18% lower than in the second quarter of 2006. In addition, depreciation and amortization expenses increased as a result of finalizing purchase price adjustments related to the acquisition of the totalizator subsidiary.

The company's expense control program is an across-the-board effort involving the corporate office and all of the company's operating units. These efforts include payroll and operating expense reductions, decreased marketing expense for the second half of 2007, service consolidations and revenue enhancements. For the second half of the year, the company plans to reduce overall G&A and sales and marketing expenses, reduce cost of goods sold at United Tote as well as lower spending on non-core development projects. Combined, these efforts should approach \$5 million. Detail of the cost reduction initiatives will be provided in the company's second quarter earnings release and conference call.

"We are working to grow our account base, contain costs and manage our yields," said Youbet CEO Charles F. Champion. "The cost reductions, which were underway but accelerated when the TrackNet content issue unexpectedly erupted in the middle of the second quarter, are designed to create greater efficiency in our account acquisition and retention with the intent of providing greater earnings leverage in our company going forward."

Youbet.com, Inc. will issue a release next week in which it will give the date and time it expects to issue final second quarter 2007 results. At that time the Company will also give information regarding its plans for a Q2 2007 conference call and webcast.

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 International Racing Group subsidiary is the only pari-mutuel rebate provider to be licensed by a U.S. racing regulatory jurisdiction.

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 - 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.

Cautionary Statements

Statements in this press release regarding results of operations for the second quarter of 2007 are preliminary and subject to further review and refinement by management and Youbet's independent auditors.

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 others 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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