

Betfair Group plc ("Betfair")

Q3 FY13 Interim Management Statement

Betfair (LSE:BET), today announces its Interim Management Statement for the three month period ended 31 January 2013 ("Q3 FY13").

| Revenue <i>Unaudited</i> | Q3 FY13 £m | Q3 FY12 £m | Change % |
|----------------------------------------|---------------------------------------|---------------------------------------|---------------------------|
| - Exchange | 56.3 | 59.7 | -6% |
| - Sports | 7.5 | 5.4 | +39% |
| - Gaming | 18.0 | 19.6 | -8% |
| Core Betfair net gaming revenue | 81.8 | 84.7 | -3% |
| Management of customer funds | 0.3 | 0.7 | -54% |
| Core Betfair | 82.1 | 85.4 | -4% |
| Betfair US | 8.4 | 8.4 | Flat |
| Group | 90.5 | 93.8 | -4% |

Breon Corcoran, Betfair's Chief Executive Officer, commented:

"Betfair performed well in the third quarter and the business is on track against our full year expectations. UK revenue was up 6% driven by the continued strength of mobile betting as well as favourable sporting outcomes. In line with our previous guidance, international revenues declined as a result of regulatory change and our focus on sustainable jurisdictions.

Mobile revenues doubled in the quarter and the channel accounted for over 50% of activations last month.

We are focused on delivering the plan we set out in December. The new leadership team is in place and has started to implement the changes required to make Betfair a more focused and leaner organisation."

Outlook

We remain confident that the results for the current financial year will be in-line with previous guidance, with Group revenues of between £370 million and £385 million and Group underlying EBITDA of between £65 million and £70 million.

Exchange

Revenue from the Exchange was affected by the continuing impact of previous regulatory developments in Greece, Germany, Cyprus and Spain, and was down 6% to £56.3 million (Q3 FY12: £59.7 million).

In the UK, football revenue growth was strong, helped by more fixtures falling in the period. This was offset by the large number of racing cancellations (69 compared with 8 in the prior year) following the poor weather conditions.

Over 50% of our customers in the UK and Ireland placed a mobile bet in the period and the channel accounted for approximately 20% of exchange commissions. Our mobile products have been enhanced through the introduction of integrated content and a notification service that keeps customers updated when goals are scored in their selected matches. The quality of Betfair Mobile apps continues to be recognised by industry observers and we retained our title of 'Best Gambling Company' at the recent Mobile Entertainment awards.

Sports

Revenue increased by 39% to £7.5 million (Q3 FY12: £5.4 million), primarily as a result of very strong margins following favourable football results.

The launch of our Sportsbook will provide a simpler product experience, which should enable us to address a greater proportion of the recreational segment of the online market while offering our existing Exchange customers more betting opportunities. A limited number of customers are currently trialling the new Sportsbook website before it is rolled out on a wider basis.

During the period, we also launched our new sportsbook specific iPhone app to complement the existing exchange app. Take up has been encouraging and mobile accounted for over 40% of sportsbook revenue in January.

Games

The UK business performed well with strong UK casino growth offsetting weak poker revenues. Overall games revenue, however, was affected by the impact of international regulation and was down 8% to £18.0 million (Q3 FY12: £19.6 million).

In January, we launched the iPoker network on our '.com' site, which includes our UK business. We will initially offer both the iPoker and Ogame networks before migrating all customers to iPoker from July.

Customer funds

Despite slightly higher average customer balances in the period, revenue from the management of customer funds was down 54% to £0.3 million (Q3 FY12: £0.7 million) due to lower interest rates.

Betfair US

Handle was up 7% (constant currency) and wagering revenue was up 8% (constant currency). Reported revenue was flat due to lower TV revenues and an adverse impact from foreign exchange translation.

Betfair Australia

Betfair Australia revenue was up 13% (constant currency) in the period. This was driven by the increase in commission rates for domestic racing in April 2012 and partially covers higher race field fees.

LMAX disposal

The disposal of 67% of our shareholding in LMAX was completed in January following approval from the Financial Services Authority. Following this transaction, our stake has reduced to 33% and we will not have significant influence over management of the company. Accordingly, the holding will be accounted for as an investment classified as available for sale and will not be consolidated.

Conference call

Breon Corcoran, Chief Executive Officer, and Alex Gersh, Chief Financial Officer, will be hosting a conference call for investors and analysts at 8.30 a.m. (GMT) today. Access details for the call are as follows:

UK Access Number: +44 1296 480 100

Participant PIN Code: 605 066 13

A replay of the call will be available later today on our corporate website:

<http://corporate.betfair.com/investor-relations/results-and-presentations/results-centre.aspx>

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