

# FY12 INTERIM RESULTS

14 December 2011

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# INTRODUCTION

David Yu – Chief Executive Officer

# DELIVERING AGAINST OUR PRIORITIES

1

**Accelerate growth**

12% Core Betfair revenue growth in Q2

2

**Deliver further margin improvement**

Margin improvement drives record profitability

3

**Return cash to our shareholders**

Returned almost £30m of cash through buyback and dividends

# OPERATIONAL HIGHLIGHTS

1

**Strong sports-led growth**



- **Strong Exchange performance**
- **Improved monetisation of Exchange activity**

2

**Cross-selling & portfolio expansion**



- **Mixed Games performance**
- **Improving trend in Poker**

3

**New channels**



- **Significant mobile product improvements**
- **Strong mobile growth**

4

**Geographic expansion**



- **Strong European growth**
- **Applied for a licence in Spain & Denmark**

5

**New markets / new verticals**



- **US: California Exchange development continues**

# FINANCIAL RESULTS

Stephen Morana – Chief Financial Officer

# H1 SUMMARY

**Core**                      **Other investments**                      **Group**

**Revenue**

**£170.3m**  
**+2%**

**£21.0m**  
**-2%**

**£191.3m**  
**+1%**

**EBITDA**

**£44.6m**  
**+26%**

**(£2.2m)**  
**NA**

**£42.4m**  
**+36%**

**EPS**

**24.4p**  
**+26%**

**(4.9p)**  
**NA**

**19.5p**  
**+43%**

**Dividend**

**3.2p**

Figures represent underlying results, which exclude, where relevant: the revenue and EBITDA from the High rollers segment; exceptional items; equity settled share-based payments; and the associated tax effect of these adjustments.

# CORE BETFAIR: YOY REVENUE GROWTH

		Q1 FY12	Q2 FY12	H1 FY12
Sports	Non-risk	Flat	+20%	+9%
	Risk	-92%	-13%	-44%
	Total	-6%	+16%	+5%
Games		-12%	-5%	-9%
Poker		-12%	+3%	-5%
<b>Total net gaming revenue</b>		-7%	+12%	+2%
Revenue from management of client funds		+31%	+5%	+17%
<b>Core revenue</b>		-7%	+12%	+2%

# CORE BETFAIR: NON-RISK SPORTS

## EXCHANGE PERFORMANCE (ROLLING 12 MONTHS)

Number of bets matched

+23%

Value of matched volume

+12%

Total net losses

Flat

Betfair exchange revenue

+8%

Rolling 12 month to 31 Oct 11 vs 31 Oct 10

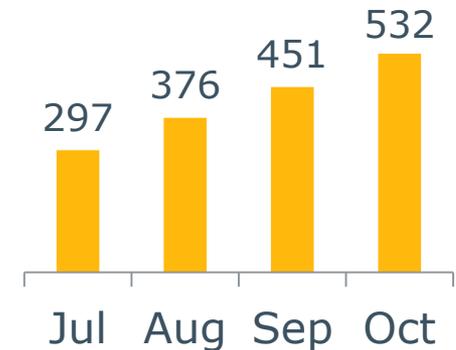
# CORE BETFAIR: NON-RISK SPORTS

## IMPROVED MONETISATION - EDUCATION

- Training and educational events
- Betfair Ambassadors – expert tips
- Agreement with Opta to provide statistics to high value customers
- 'Cash Out' making trading easier
- New trading tools planned



'Cash Out' transactions ('000)



% of actives 'cashing out' in Oct



**Making our customers better bettors**

# CORE BETFAIR: NON-RISK SPORTS

## IMPROVED MONETISATION - PRICING

- Pricing changes for a very small number of customers
  - Fewer than 500 affected out of over 200,000 winning customers<sup>1</sup>
- Limited impact on liquidity
- Vast majority of the affected customers have continued betting
- Delivered a positive overall result - important driver of growth in Q2

**Ensuring all customers are profitable for Betfair**

<sup>1</sup> Over 200,000 customers made a net profit in FY11

# CORE BETFAIR: KPIs

## Quarterly Actives ('000)



## Quarterly ARPU (£)



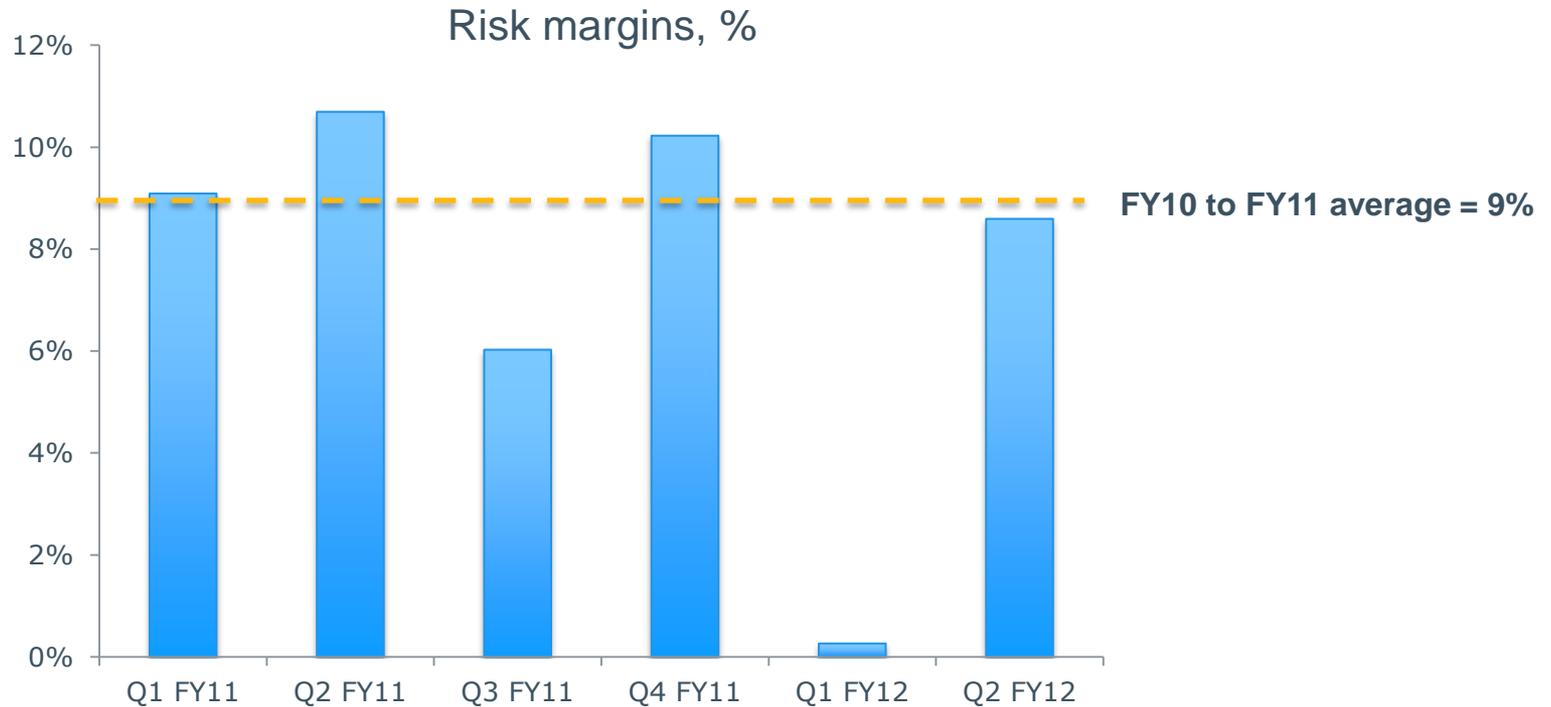
## Quarterly NGR (£m)



Focus on high value acquisition / retention:

- Q2 actives flat year-on-year
- Q2 ARPU up 13% year-on-year

# CORE BETFAIR: RISK SPORTS



- Risk margins returned to historical norms in Q2
- Q2 revenue of £5.2m – prior year had above average margins and revenue of £6.0m

# CORE BETFAIR: COSTS

	Costs <sup>(1)</sup> (£m)		As % of Core Betfair revenue	
	H1 FY12	H1 FY11	H1 FY12	H1 FY11
<b>Cost of sales</b>	<b>18.1</b>	<b>26.3</b>	<b>10.6%</b>	<b>15.7%</b>
Commercial & Marketing	38.9	43.3	22.8%	25.9%
Technology & Product	34.8	34.0	20.5%	20.3%
Operations	10.0	9.1	5.9%	5.4%
Corporate	23.9	19.1	14.0%	11.4%
<b>Total admin expenses</b>	<b>107.6</b>	<b>105.4</b>	<b>63.2%</b>	<b>63.1%</b>

(1) Excluding exceptional items and equity settled share-based payments

# CORE BETFAIR: EBITDA DEVELOPMENT

	H1 FY12 (£m)	H1 FY11 (£m)	YoY %
Revenue	170.3	167.2	+2%
Variable costs	(18.1)	(26.3)	-31%
Gross profit	152.2	140.9	+8%
Administrative expenses <sup>(1)</sup>	(107.6)	(105.4)	+2%
EBITDA <sup>(1)</sup>	44.6	35.5	+26%
<b>EBITDA margin (%) <sup>(1)</sup></b>	<b>26.2%</b>	<b>21.2%</b>	<b>+5pp</b>

(1) Figures represent underlying results, which exclude, the High rollers segment; exceptional items; equity settled share-based payments;

# OTHER INVESTMENTS: BETFAIR US

	H1 FY12	H1 FY11	Change %
Revenue (\$m)	\$30.2m	\$29.5m	+2%
Revenue (£m)	£18.7m	£19.3m	-3%
EBITDA <sup>(1)</sup>	£0.5m	£(1.8)m	N/A

- TVG increased market share with Handle growth of 5% and Actives growth of 4%
- Profit improvement following prior year TVG restructuring and H2 phasing of marketing spend
- Alpha version of the US exchange being trialled and discussions with horse racing industry in anticipation of exchange wagering in California from May 2012
- Operating costs expected to increase in H2 ahead of exchange launch

(1) Figures represent underlying results, which exclude equity settled share-based payments

# OTHER INVESTMENTS: LMAX

	H1 FY12	H2 FY11	H1 FY11
Revenue	£2.2m	£1.4m	£2.1m
Adjusted EBITDA	£(2.7)m	£(3.4)m	£(2.4)m

- Revenue in H1 mostly from Tradefair financial spread betting business
  - Both periods benefited from increased volatility in financial markets
- Sequential reduction in underlying opex following restructure
- New management team successfully transitioned LMAX to a sales-led distribution strategy
- Improved customer traction resulting in higher FX volumes in recent months

# BETFAIR AUSTRALIA

	H1 FY12	H1 FY11	Change %
Revenue <sup>1</sup> (AUS \$m)	\$22.8m	\$20.1m	+13%
Betfair share of EBIT (£m)	£0.4m	(£0.3m)	N/A

- Revenue driven by strong horse racing performance and improved monetisation of Exchange activity
- Profitability improved through operating efficiencies
- Expect High Court's decision re NSW Racing dispute in early 2012

<sup>1</sup> JV revenue

# CAPEX AND DEPRECIATION

	H1 FY12 (£m)			H1 FY11 (£m)		
	Core	Other	Total	Core	Other	Total
External Capex	11.4	1.2	12.6	19.9	0.8	20.7
Capitalised Devex	9.3	4.0	13.3	8.2	2.1	10.3
<b>Total</b>	<b>20.7</b>	<b>5.2</b>	<b>25.9</b>	<b>28.1</b>	<b>2.9</b>	<b>31.0</b>
<b>Depn. &amp; amortisation</b>	<b>16.0</b>	<b>3.3</b>	<b>19.3</b>	<b>11.6</b>	<b>1.7</b>	<b>13.3</b>

- H1 capex and D&A in line with full year expectations
- Guidance remains:
  - FY12 capex similar to prior year, falling to c.£35m in Core Betfair from FY13
  - Group D&A of c.£45m (Core: c.£36m, Other investments: c.£9m)

# CASH FLOW

	H1 FY12 (£m)	H1 FY11 (£m)
<b>Core Betfair</b>		
Operating cash flow	40.8	34.6
Cash paid for Capex / Devex	(20.1)	(28.0)
Tax	(5.8)	-
<b>Core Betfair free cash flow</b>	<b>14.9</b>	<b>6.5</b>
<b>Other Investments</b>		
Operating cash flow	(0.8)	(3.5)
Cash paid for Capex / Devex	(3.3)	(2.9)
<b>Other Investments free cash flow</b>	<b>(4.1)</b>	<b>(6.4)</b>
Share buy back	(18.4)	-
Dividends paid	(6.3)	-
Other	2.1	27.4
<b>Group net cash flow</b>	<b>(11.8)</b>	<b>27.5</b>
<b>Cash and cash equivalents</b>	<b>143.2</b>	<b>178.2</b>
<b>Customer funds<sup>(1)</sup></b>	<b>282.0</b>	<b>288.0</b>

(1) Client funds held in a ring fenced trust account

# RETURN OF EXCESS CASH

- **Buyback**

- Purchased and cancelled 3.4m shares for £23.7m in total to date
- c.£26m of buyback remaining

- **Dividend**

- Maiden Interim dividend of 3.2 pence per share
- Represents approximately 1/3rd of full year dividend

# BUSINESS REVIEW

David Yu – Chief Executive Officer



# SPORTS: CUSTOMER EXPERIENCE

## Customer Satisfaction Feedback

Betfair worse than peers

Betfair better than peers



Jul to Sep 2011

n = 6236

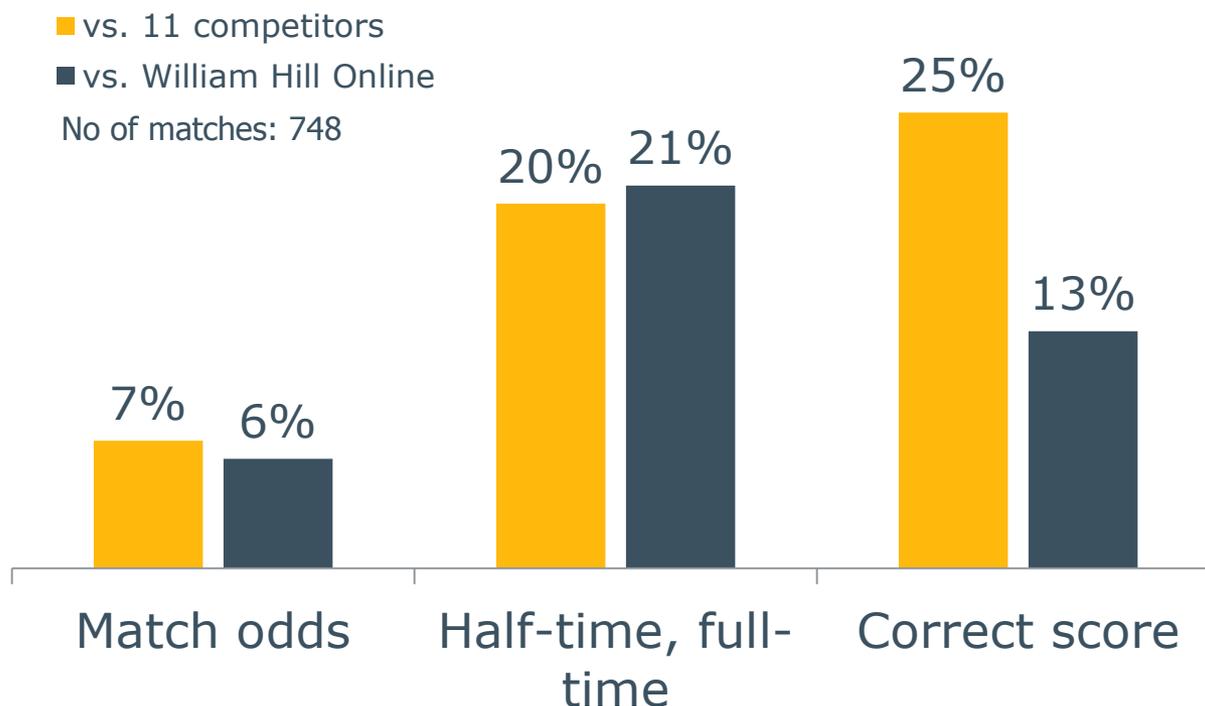
New website

Promotions wallet

Responding to what our customers have told us

# SPORTS: THE EXCHANGE IS BETTER VALUE (1)

Season to date: Betfair payout versus competitors  
(after 5% commission)



(1) Data collected by Grandparade. Compares the average winnings from 11 competitors on the winning outcome in the 2011/12 season to date on matches in the Premier League, La Liga, Serie A, Bundesliga, UEFA Champions League and Europa League. Betfair winnings include a deduction of 5% commission.

# SPORTS: THE EXCHANGE IS BETTER VALUE (2)



	100.7%		Back All	Lay All	99.5%	
Chelsea	2.5 £2,809	2.52 £17,700	2.54 £9,386	2.56 £7,891	2.58 £10,271	2.6 £18,280
Man City	2.98 £7,975	3 £40,494	3.05 £12,119	3.1 £9,687	3.15 £26,214	3.2 £6,098
The Draw	3.4 £62,998	3.45 £36,701	3.5 £29,187	3.55 £14,791	3.6 £22,812	3.65 £11,483

	102%		Back All	Lay All	98.1%	
0-0	13.5 £7,947	14 £9,066	14.5 £2,135	15 £5,352	15.5 £2,048	16 £1,141
0-1	12 £562	12.5 £637	13 £2,176	13.5 £322	14 £361	14.5 £590
0-2	18 £262	18.5 £467	19 £1,253	19.5 £8	20 £159	21 £525
0-3	42 £35	44 £21	46 £395	50 £191	55 £418	60 £3
1-0	10.5 £205	11 £1,089	11.5 £1,863	12 £1,271	12.5 £1,288	13 £105
1-1	7.2 £2,619	7.4 £3,194	7.6 £480	7.8 £1,225	8 £3,096	8.2 £985
1-2	11 £982	11.5 £1,829	12 £1,657	12.5 £568	13 £679	13.5 £514
1-3	26 £57	27 £314	28 £433	29 £449	30 £138	32 £317
2-0	15.5 £599	16 £667	16.5 £855	17 £763	17.5 £330	18 £87
2-1	10 £1,862	10.5 £2,559	11 £24	11.5 £950	12 £505	12.5 £465
2-2	14 £674	14.5 £418	15 £1,703	16 £183	16.5 £37	17 £126
2-3	32 £51	34 £69	36 £924	38 £118	40 £285	42 £104
3-0	32 £115	34 £198	36 £548	38 £476	40 £47	42 £178
3-1	23 £317	24 £505	25 £411	26 £160	27 £240	28 £90



**Betfair vs. WH**  
(after 5% commission)

▼ Match Betting

Chelsea	2.37
Draw	3.40
Man City	2.87

▼ Correct Score

Chelsea 1-0	9.00
Chelsea 2-0	13.00
Chelsea 2-1	9.00
Chelsea 3-0	23.00
Draw 0-0	12.00
Draw 1-1	7.00
Draw 2-2	15.00
Draw 3-3	51.00
Man City 1-0	11.00
Man City 2-0	17.00
Man City 2-1	10.00
Man City 3-0	34.00
Man City 3-1	23.00
Man City 3-2	29.00

- 7% better value on Chelsea
- 1% worse value on the Draw
- 4% better value on Man City

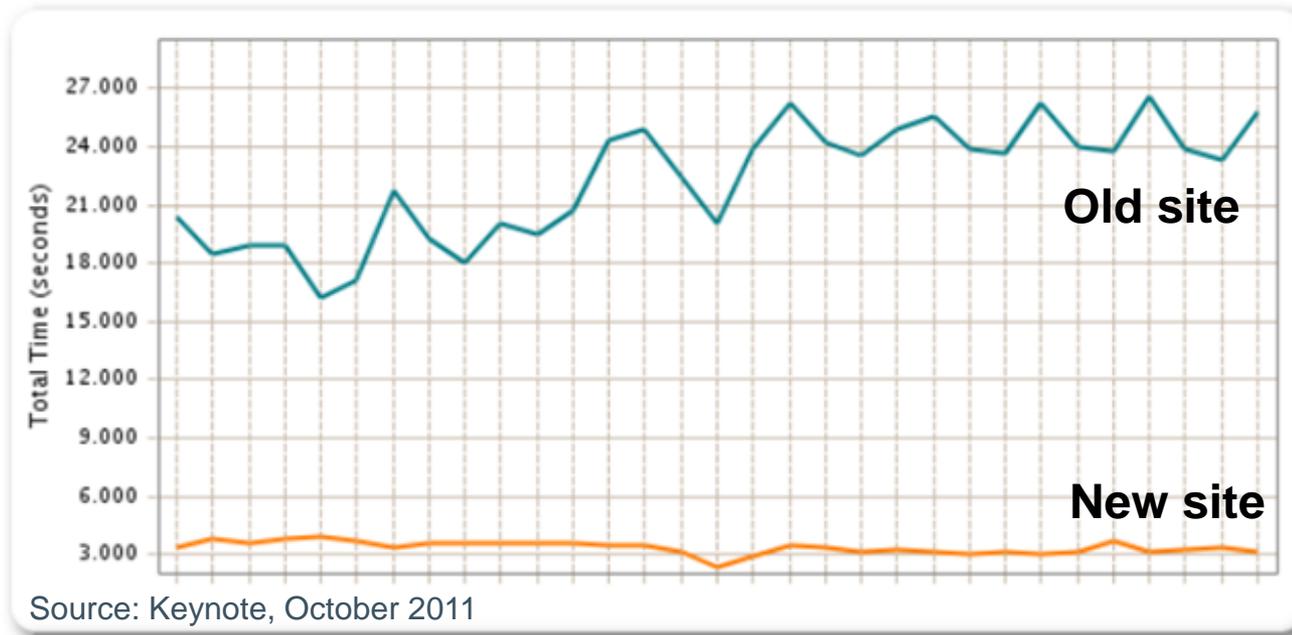
- 25% better value on 1-0
- 23% better value on 2-0
- 19% better value on 2-1
- 51% better value on 3-0
- 17% better value on 0-0
- 4% better value on 1-1
- 5% worse value on 2-2
- 14% better value on 0-1
- 7% better value on 0-2
- 16% better value on 1-2
- 30% better value on 0-3

Prices taken at 9.30am on 12 Dec



# SPORTS: IMPROVED CUSTOMER EXPERIENCE

## Average page download time



**New site reduces page download time from 18+ seconds to 3 seconds**

Based on new user with uncached content and no cookies



# SPORTS: IMPROVED CUSTOMER EXPERIENCE

The screenshot shows the old Betfair website interface for a Newcastle vs Chelsea match. The layout is cluttered with multiple overlapping tables and sections. The main content area is divided into several columns, each containing different types of betting markets and odds. The text is small and the overall design is dated, with a focus on maximizing information density.

18:13

OLD WEBSITE

The screenshot shows the new Betfair website interface for the same Newcastle vs Chelsea match. The layout is significantly cleaner and more organized. It features a clear header, a central focus on the match details and key betting markets, and a more spacious design. The text is larger and easier to read, and the overall aesthetic is modern and user-friendly.

03:12

NEW WEBSITE



# SPORTS: COMPLETING THE SPORTS OFFERING

## 1 Multiples

- Often too many possible combinations for exchange
- Introduced in 2007
- Delivered £66m of revenue to date

## 2 Tote / pool style bets

- Too many possible combinations for exchange
- Introduced in 2009
- Largest third party agent for the UK Tote

## 3 Early prices

- Exchange liquidity may not be formed
- Traditional bookmakers successfully operated 'Best Odds Guarantees'

## 4 Breadth & depth of in-play markets

- Exchange liquidity cannot form quickly enough for some markets
- Traditional bookmakers have significantly improved their products

Integrated risk product completes the offering

**Removing the need for customers to bet elsewhere**



# MOBILE: PRODUCT STRATEGY

## Opportunity

- Saw the opportunity early
- Mobile drives ARPU and stickiness

## Development resource

- Invested in our own development teams
- c.50 dedicated mobile developers / product specialists

## Product range

- Built native apps across all major operating systems / devices, including iPhone, iPad, Android, Blackberry
- Multiple geographies

## Product depth

- Continuous evolution of products to improve customer experience to drive usage





# MOBILE: PRODUCT DEVELOPMENT

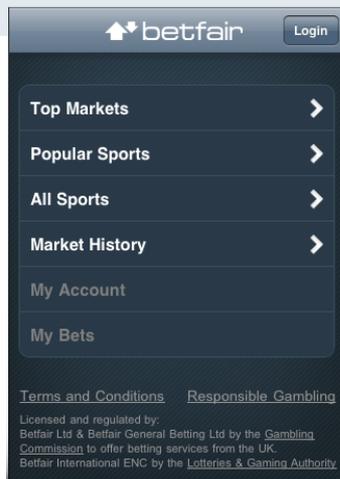
## Evolution of our iPhone App

v1

May 2010

- 'Top Markets' navigation
- Back and lay bet placement
- UK only

- **First betting operator in App Store**

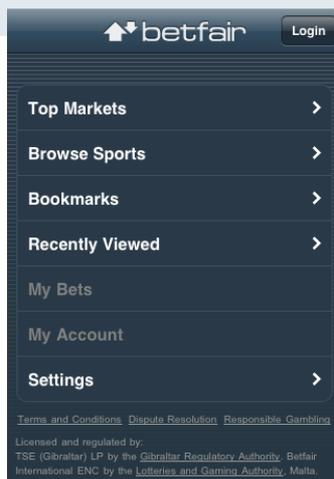


v2.2

May 2011

- Market depth view
- Live scores
- Localisation (13 App stores, 11 languages)

- Downloaded by customers from **over 30 countries**



v2.4

October 2011

- Carousel navigation
- Deposits & withdrawals
- Historical market charts

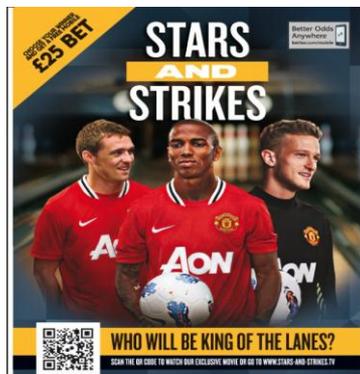
- Highly positive feedback
- **20% uplift usage** in weeks following release





# MOBILE: INCREASING AWARENESS

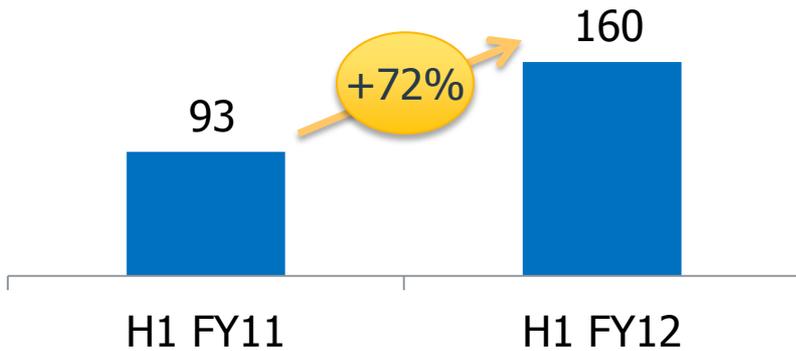
- Successful viral and PR campaigns
- **'Stars & Strikes'** leveraged our Man Utd partnership to promote our Mobile products
  - Over 1m views of the viral films
  - Most shared video on YouTube UK in 1st week of campaign
- **'Beach Volleyball'** and **'Bromley FA Cup'** campaigns received wide national press coverage
- Industry recognition through recent awards



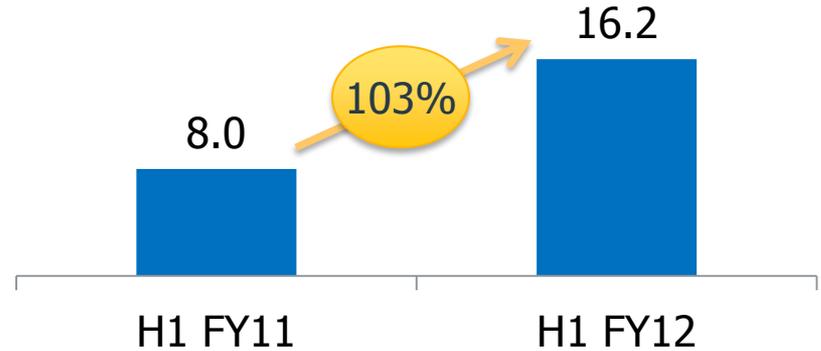


# MOBILE: DELIVERING GROWTH

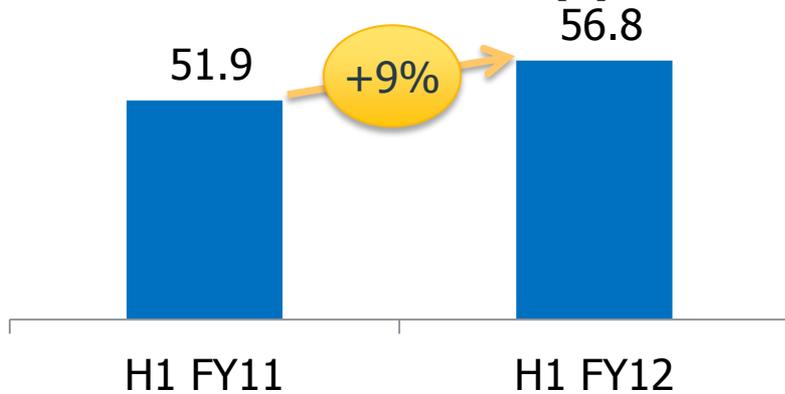
**Actives ('000)**



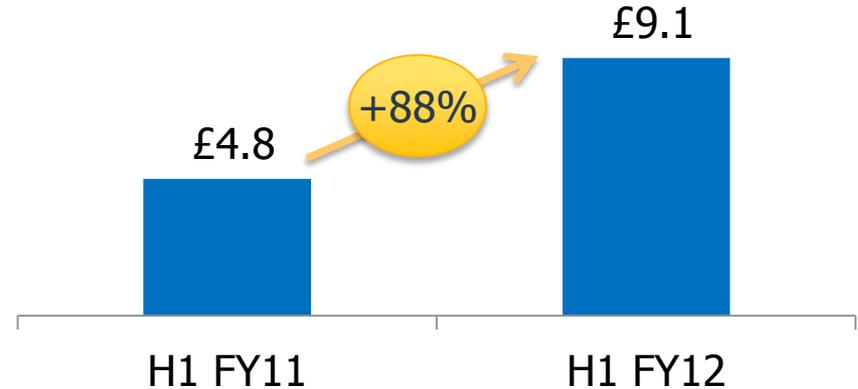
**No. of bets (m)**



**Six month ARPU (£)**



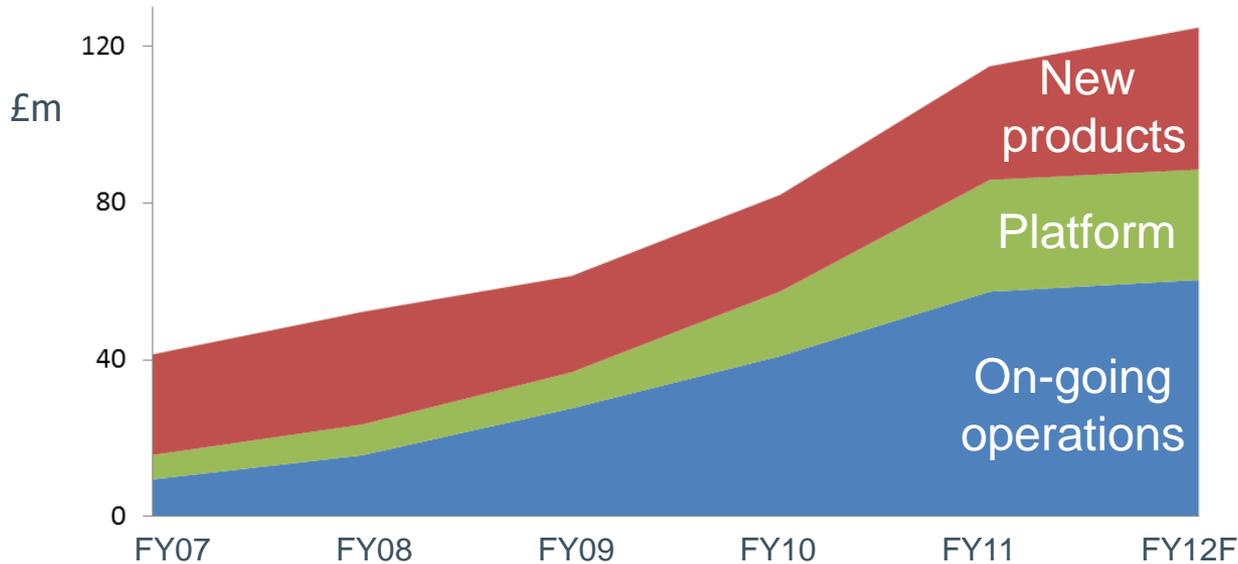
**Revenue (£m)**



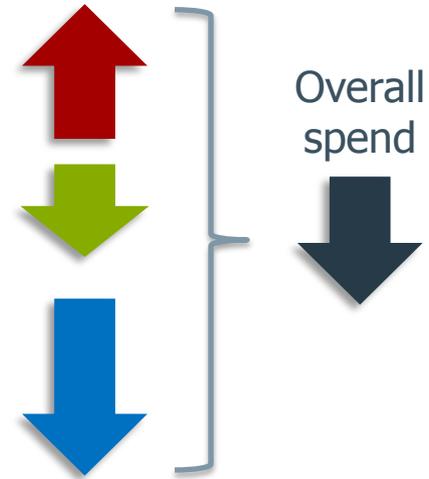
**Delivering mobile leadership**

# TECHNOLOGY RE-ARCHITECTURE

## Core Betfair Technology and Product Opex + Capex



## Outlook



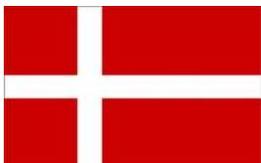
- 'On-going operations' spend has increased due to complexity
- Product investment has become a smaller proportion of spend
  - 29% in FY12 compared to 62% in FY07
- Re-architecture programme will drive substantial efficiencies, allowing:
  - Reduction in on-going operations spend
  - Increased product investment



# GEOGRAPHIC EXPANSION: REGULATION UPDATE



Applied for a licence; paying GPT on existing revenue per EU compliant primary legislation



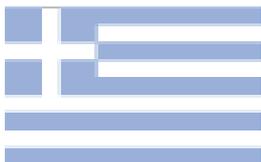
Applied for a licence



On-going discussions with AAMS regarding exchange licensing



Schleswig Holstein passed primary legislation – applying for a licence; complaint to EC filed regarding other 15 states' proposed treaty



RGA launched a state aid complaint due to unfair taxation of online operators, and RGA / EGBA joint complaint about non-compliance with EU law

**Working hard to achieve sensible regulatory outcomes**

# BOARD & MANAGEMENT

- Gerald Corbett joins January 2012; takes over as Chairman in Q1
- Breon Corcoran joins as CEO 1 August 2012
- Stephen Morana to be Interim CEO
- Supported by an experienced management team
- Strengthened by recent new senior hires, including:

Ian Chuter	Group Operations Director
Nick Hagen	Sports Operations Director
Matt Robinson	Europe & Emerging Markets Director
Peter Marcus	UK Director
Matt Lambert	Public Affairs Director
Michael Bischoff	Director of Information Systems

# CURRENT TRADING AND OUTLOOK

- **Current Trading**

- Maintained momentum into Q3
- Core Betfair revenue is up 13% in Q3 to date

- **Outlook**

- We remain comfortable with the outlook for the financial year

# SUMMARY

- Pleased with first half performance
- Exchange is performing well; remains key competitive advantage
- Product enhancements will drive further growth
- Leadership position in mobile sports betting
- Re-architecture is on-track
- Strong management team

**Momentum and delivering against our priorities**

# Q&A

# A1: KPIs

# A1: KPIs – BY PRODUCT, BY HALF YEAR

Core Betfair Net Gaming Revenue development  
By product segment

## By Half Year

Actives (k)	H1 FY08	H2 FY08	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
Sports	279	375	382	438	437	563	579	558	500
Games	64	93	106	120	126	156	155	153	125
Poker	67	82	88	83	88	102	105	104	93
<b>Total</b>	<b>315</b>	<b>421</b>	<b>435</b>	<b>491</b>	<b>499</b>	<b>639</b>	<b>654</b>	<b>650</b>	<b>572</b>

Net ARPU (£)	H1 FY08	H2 FY08	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
Sports	277	236	246	240	253	201	213	219	260
Games	283	247	237	239	207	181	198	185	223
Poker	177	180	176	174	137	131	108	101	116
<b>Total</b>	<b>341</b>	<b>300</b>	<b>310</b>	<b>302</b>	<b>298</b>	<b>242</b>	<b>253</b>	<b>247</b>	<b>295</b>

Net Gaming Revenue (£m)	H1 FY08	H2 FY08	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
Non-risk Sports							113.7	111.5	124.2
Risk Sports							9.9	10.7	5.5
Sports	77.5	88.3	94.1	105.1	110.8	113.0	123.6	122.3	129.8
Games	18.1	23.0	25.1	28.7	26.1	28.1	30.7	28.2	28.0
Poker	11.8	14.8	15.5	14.4	12.1	13.4	11.4	10.5	10.8
<b>Total</b>	<b>107.4</b>	<b>126.1</b>	<b>134.8</b>	<b>148.2</b>	<b>149.0</b>	<b>154.6</b>	<b>165.7</b>	<b>161.0</b>	<b>168.6</b>

## Period on Period Growth

Actives (k)	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
Sports	37%	17%	14%	29%	33%	(1%)	(14%)
Games	66%	29%	19%	30%	23%	(2%)	(19%)
Poker	32%	1%	0%	24%	19%	2%	(12%)
<b>Total</b>	<b>38%</b>	<b>17%</b>	<b>15%</b>	<b>30%</b>	<b>31%</b>	<b>2%</b>	<b>(13%)</b>

Net ARPU (£)	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
Sports	(11%)	2%	3%	(16%)	(16%)	9%	22%
Games	(16%)	(3%)	(13%)	(25%)	(4%)	2%	13%
Poker	(0%)	(3%)	(22%)	(25%)	(21%)	(23%)	8%
<b>Total</b>	<b>(9%)</b>	<b>1%</b>	<b>(4%)</b>	<b>(20%)</b>	<b>(15%)</b>	<b>2%</b>	<b>16%</b>

Net Gaming Revenue (£m)	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
Non-risk Sports							9%
Risk Sports							(44%)
Sports	21%	19%	18%	7%	12%	8%	5%
Games	39%	25%	4%	(2%)	18%	0%	(9%)
Poker	32%	(3%)	(22%)	(7%)	(6%)	(22%)	(5%)
<b>Total</b>	<b>26%</b>	<b>18%</b>	<b>11%</b>	<b>4%</b>	<b>11%</b>	<b>4%</b>	<b>2%</b>

# A1: KPIs – BY PRODUCT, BY QUARTER

## Core Betfair Net Gaming Revenue development By product segment

### By Quarter

Actives (k)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12
Sports	321	332	344	468	472	368	386	437	381	365
Games	80	78	85	106	102	90	96	90	83	74
Poker	56	64	65	72	71	70	71	69	63	63
<b>Total</b>	<b>364</b>	<b>375</b>	<b>390</b>	<b>522</b>	<b>526</b>	<b>416</b>	<b>450</b>	<b>490</b>	<b>430</b>	<b>411</b>

Net ARPU (£)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12
Sports	160	179	151	130	134	164	146	150	157	192
Games	166	165	156	141	163	156	148	155	177	181
Poker	105	97	101	95	86	75	74	76	86	87
<b>Total</b>	<b>194</b>	<b>209</b>	<b>184</b>	<b>158</b>	<b>164</b>	<b>191</b>	<b>169</b>	<b>173</b>	<b>186</b>	<b>216</b>

Net Gaming Revenue (£m)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12
Non-risk Sports					59.6	54.1	52.6	58.9	59.5	64.7
Risk Sports					3.9	6.0	3.9	6.8	0.3	5.2
Sports	51.4	59.3	52.1	60.9	63.5	60.1	56.6	65.7	59.8	70.0
Games	13.3	12.8	13.2	14.9	16.7	14.0	14.3	13.9	14.7	13.3
Poker	5.9	6.2	6.6	6.8	6.1	5.3	5.2	5.3	5.4	5.4
<b>Total</b>	<b>70.6</b>	<b>78.4</b>	<b>71.9</b>	<b>82.7</b>	<b>86.3</b>	<b>79.3</b>	<b>76.1</b>	<b>84.9</b>	<b>79.9</b>	<b>88.7</b>

### Period on Period Growth

Actives (k)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q4 FY10	Q1 FY11	Q1 FY12	Q2 FY12
Sports	6%	21%	21%	30%	47%	11%	12%	(7%)	(19%)	(1%)
Games	18%	16%	18%	35%	29%	16%	14%	(16%)	(19%)	(18%)
Poker	(12%)	9%	15%	27%	26%	10%	9%	(4%)	(12%)	(11%)
<b>Total</b>	<b>7%</b>	<b>20%</b>	<b>21%</b>	<b>31%</b>	<b>44%</b>	<b>11%</b>	<b>15%</b>	<b>(6%)</b>	<b>(18%)</b>	<b>(1%)</b>

Net ARPU (£)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q4 FY10	Q1 FY11	Q1 FY12	Q2 FY12
Sports	6%	2%	(13%)	(16%)	(16%)	(9%)	(3%)	16%	17%	17%
Games	(15%)	(8%)	(21%)	(24%)	(2%)	(6%)	(5%)	10%	8%	16%
Poker	(11%)	(28%)	(27%)	(18%)	(18%)	(23%)	(27%)	(19%)	(1%)	16%
<b>Total</b>	<b>(1%)</b>	<b>(4%)</b>	<b>(17%)</b>	<b>(18%)</b>	<b>(15%)</b>	<b>(9%)</b>	<b>(8%)</b>	<b>9%</b>	<b>13%</b>	<b>13%</b>

Net Gaming Revenue (£m)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q4 FY10	Q1 FY11	Q1 FY12	Q2 FY12
Non-Risk									(0%)	20%
Risk									(92%)	(13%)
Sports	12%	23%	5%	9%	24%	1%	9%	8%	(6%)	3%
Games	1%	7%	(6%)	2%	26%	9%	8%	(7%)	(12%)	(5%)
Poker	(22%)	(22%)	(16%)	4%	3%	(16%)	(20%)	(22%)	(12%)	3%
<b>Total</b>	<b>6%</b>	<b>15%</b>	<b>1%</b>	<b>7%</b>	<b>22%</b>	<b>1%</b>	<b>6%</b>	<b>3%</b>	<b>(7%)</b>	<b>12%</b>

# A1: KPIs – BY GEOGRAPHY, BY HALF YEAR

Core Betfair Net Gaming Revenue development  
By geographic segment

## By Half Year

Actives (k)	H1 FY08	H2 FY08	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
UK	205	290	276	308	298	375	349	348	298
Europe	102	123	150	175	192	254	292	289	258
RoW	8	7	8	8	9	10	14	14	16
<b>Total</b>	<b>315</b>	<b>421</b>	<b>435</b>	<b>491</b>	<b>499</b>	<b>639</b>	<b>654</b>	<b>650</b>	<b>572</b>

Net ARPU (£)	H1 FY08	H2 FY08	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
UK	320	244	276	259	273	219	259	241	300
Europe	349	393	342	345	312	256	227	242	273
RoW	760	947	863	977	809	721	668	533	562
<b>Total</b>	<b>341</b>	<b>300</b>	<b>310</b>	<b>302</b>	<b>298</b>	<b>242</b>	<b>253</b>	<b>247</b>	<b>295</b>

Net Gaming Revenue (£m)	H1 FY08	H2 FY08	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
UK	65.7	70.7	76.1	79.7	81.4	82.2	90.3	83.8	89.3
Europe	35.7	48.4	51.4	60.3	60.0	65.0	66.3	69.9	70.3
RoW	5.9	7.0	7.3	8.2	7.6	7.3	9.1	7.3	9.0
<b>Total</b>	<b>107.4</b>	<b>126.1</b>	<b>134.8</b>	<b>148.2</b>	<b>149.0</b>	<b>154.6</b>	<b>165.7</b>	<b>161.0</b>	<b>168.6</b>

## Period on Period Growth

Actives (k)	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
UK	34%	6%	8%	22%	17%	(7%)	(15%)
Europe	47%	42%	28%	45%	52%	14%	(12%)
RoW	8%	14%	10%	21%	46%	35%	18%
<b>Total</b>	<b>38%</b>	<b>17%</b>	<b>15%</b>	<b>30%</b>	<b>31%</b>	<b>2%</b>	<b>(13%)</b>

Net ARPU (£)	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
UK	(14%)	6%	(1%)	(15%)	(5%)	10%	16%
Europe	(2%)	(12%)	(9%)	(26%)	(27%)	(6%)	20%
RoW	13%	3%	(5%)	(27%)	(18%)	(25%)	(16%)
<b>Total</b>	<b>(9%)</b>	<b>1%</b>	<b>(4%)</b>	<b>(20%)</b>	<b>(15%)</b>	<b>2%</b>	<b>16%</b>

Net Gaming Revenue (£m)	H1 FY09	H2 FY09	H1 FY10	H2 FY10	H1 FY11	H2 FY11	H1 FY12
UK	16%	13%	7%	3%	11%	2%	(1%)
Europe	44%	25%	17%	8%	11%	8%	6%
RoW	23%	18%	4%	(11%)	20%	1%	(1%)
<b>Total</b>	<b>26%</b>	<b>18%</b>	<b>11%</b>	<b>4%</b>	<b>11%</b>	<b>4%</b>	<b>2%</b>

# A1: KPIs – BY GEOGRAPHY, BY QUARTER

## Core Betfair Net Gaming Revenue development By geographic segment

### By Quarter

Actives (k)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12
UK	230	223	223	317	291	225	239	277	239	215
Europe	128	146	159	197	225	182	202	203	181	184
RoW	7	7	7	8	10	9	9	10	10	12
<b>Total</b>	<b>364</b>	<b>375</b>	<b>390</b>	<b>522</b>	<b>526</b>	<b>416</b>	<b>450</b>	<b>490</b>	<b>430</b>	<b>411</b>

Net ARPU (£)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12
UK	172	188	171	139	163	191	165	160	177	219
Europe	215	224	189	176	152	177	164	181	182	202
RoW	533	585	513	489	475	484	396	369	443	382
<b>Total</b>	<b>194</b>	<b>209</b>	<b>184</b>	<b>158</b>	<b>164</b>	<b>191</b>	<b>169</b>	<b>173</b>	<b>186</b>	<b>216</b>

Net Gaming Revenue (£m)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12
UK	39.6	41.8	38.1	44.1	47.4	42.9	39.5	44.3	42.3	47.0
Europe	27.5	32.6	30.2	34.8	34.1	32.2	33.0	36.8	33.0	37.3
RoW	3.5	4.0	3.6	3.8	4.8	4.2	3.5	3.8	4.6	4.4
<b>Total</b>	<b>70.6</b>	<b>78.4</b>	<b>71.9</b>	<b>82.7</b>	<b>86.3</b>	<b>79.3</b>	<b>76.1</b>	<b>84.9</b>	<b>79.9</b>	<b>88.7</b>

### Period on Period Growth

Actives (k)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q4 FY10	Q1 FY11	Q1 FY12	Q2 FY12
UK	2%	15%	14%	22%	26%	1%	7%	(13%)	(18%)	(4%)
Europe	18%	31%	31%	50%	76%	25%	27%	3%	(19%)	2%
RoW	6%	15%	17%	23%	55%	28%	28%	33%	2%	31%
<b>Total</b>	<b>7%</b>	<b>20%</b>	<b>21%</b>	<b>31%</b>	<b>44%</b>	<b>11%</b>	<b>15%</b>	<b>(6%)</b>	<b>(18%)</b>	<b>(1%)</b>

Net ARPU (£)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q4 FY10	Q1 FY11	Q1 FY12	Q2 FY12
UK	0%	(2%)	(12%)	(13%)	(5%)	1%	(3%)	15%	9%	15%
Europe	(6%)	(7%)	(23%)	(25%)	(30%)	(21%)	(13%)	3%	20%	14%
RoW	3%	(13%)	(21%)	(31%)	(11%)	(19%)	(23%)	(23%)	(7%)	(21%)
<b>Total</b>	<b>(1%)</b>	<b>(4%)</b>	<b>(17%)</b>	<b>(18%)</b>	<b>(15%)</b>	<b>(9%)</b>	<b>(8%)</b>	<b>9%</b>	<b>13%</b>	<b>13%</b>

Net Gaming Revenue (£m)	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q4 FY10	Q1 FY11	Q1 FY12	Q2 FY12
UK	2%	12%	1%	5%	20%	3%	4%	0%	(11%)	10%
Europe	12%	22%	2%	13%	24%	(1%)	10%	6%	(3%)	16%
RoW	9%	1%	(8%)	(15%)	38%	4%	(1%)	2%	(5%)	4%
<b>Total</b>	<b>6%</b>	<b>15%</b>	<b>1%</b>	<b>7%</b>	<b>22%</b>	<b>1%</b>	<b>6%</b>	<b>3%</b>	<b>(7%)</b>	<b>12%</b>

# A2: REPORTED GROUP INCOME STATEMENT AND ADJUSTMENTS

# A2: UNDERLYING GROUP INCOME STATEMENT

	H1 FY12			H1 FY11		
	Core	Other	Group	Core	Other	Group
Revenue	170.3	21.0	191.3	167.2	21.4	188.5
Underlying Adjusted EBITDA	44.6	-2.2	42.4	35.5	-4.3	31.2
Depreciation and Amortisation	-16.0	-3.3	-19.3	-11.6	-1.7	-13.3
Underlying operating profit	28.6	-5.5	23.1	23.9	-6.0	17.8
Finance Income	1.1	0.0	1.1	-0.6	-0.1	-0.7
Share of equity account investments	0.4	0.0	0.4	-0.3	0.0	-0.3
Underlying profit before tax	30.2	-5.5	24.7	23.0	-6.1	16.9
Taxation	-4.4	0.3	-4.1	-2.5	0.0	-2.5
Underlying profit after tax	25.8	-5.2	20.6	20.4	-6.1	14.4
Basic EPS	24.4	(4.9)	19.5	19.3	(5.7)	13.6
Diluted EPS	24.1	(4.8)	19.3	18.6	(5.5)	13.1

Figures represent underlying results, which exclude, where relevant: the revenue and EBITDA from the High rollers segment; exceptional items; equity settled share-based payments; and the associated tax effect of these adjustments.

# A2: ADJUSTMENTS

- **Exclusions from reported financials required to reach underlying performance**
  - High rollers
  - Exceptional items
  - Equity settled share-based payments
  - Profit on disposal of financial asset
  - Tax effect of above items

# A2: RECONCILIATION OF ADJUSTMENTS

Six months ended 31 October 2011	Revenue	EBITDA	Operating profit	Profit before tax	Profit after tax
Unaudited	£m	£m	£m	£m	£m
Reported	191.3	38.6	19.3	20.9	17.4
Adjustments for:					
- Equity settled share-based payments	-	3.8	3.8	3.8	3.8
- Tax effect of adjustments	-	-	-	-	(0.6)
<b>Adjusted</b>	191.3	42.4	23.1	24.7	20.6
Basic earnings per share (underlying)					19.5p
Diluted earnings per share (underlying)					19.3p

Six months ended 31 October 2010	Revenue	EBITDA	Operating profit	Profit before tax	Profit after tax
Unaudited	£m	£m	£m	£m	£m
Reported	213.3	20.6	7.3	7.4	6.8
Adjustments for:					
- High rollers	(24.7)	(6.4)	(6.4)	(6.4)	(6.4)
- Exceptional items	-	14.7	14.7	14.7	14.7
- Equity settled share-based payments	-	2.3	2.3	2.3	2.3
- Profit on disposal of financial asset	-	-	-	(1.2)	(1.2)
- Tax effect of adjustments	-	-	-	-	(1.9)
<b>Underlying adjusted</b>	188.5	31.2	17.8	16.9	14.4
Basic earnings per share (underlying)					13.6p
Diluted earnings per share (underlying)					13.1p