

Betfair Group plc ("Betfair")

Q3 FY14 Interim Management Statement

"Product innovation adds to growing momentum"

Betfair (LSE:BET), announces its Interim Management Statement for the three month period ended 31 January 2014 ("Q3 FY14").

- Revenue up 5% driven by a 12% increase in sustainable markets
- Underlying EBITDA up 28% to £20.2 million (Q3 FY13: £15.8 million)
- Sustainable revenue mix up 5ppts to 77% (Q3 FY13: 72%)
- Mobile revenue up 68% and now represents 60% of Sportsbook revenue
- Integration of Exchange and Sportsbook providing better customer value
- Expect underlying EBITDA to be towards the upper end of previously guided range of between £82 million and £87 million.

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

"Betfair had a good quarter against all key metrics, with growth in customer numbers, revenues and profits. We are now competing more aggressively and are investing heavily in customer marketing and product development.

In 2014, we will double our share of voice on television and are delighted to have recently signed a deal with ITV to become a Gold partner for its football coverage over the next 15 months, including the World Cup and Champions League. This complements our major presence on Sky Sports and recent return to Channel 4 Racing.

Since its launch, Betfair has stood for innovation and we believe that product differentiation will be a major factor that determines winners in a crowded market place. I am excited to report that we have now integrated our Exchange and Sportsbook, allowing the odds on certain Sportsbook bets to be boosted by leveraging the superior value available on the Exchange. We call this a 'Price Rush'. As this is rolled out across more markets, Sportsbook customers will enjoy a better betting experience and Exchange liquidity will be further strengthened."

Revenue (£m)	Q3 FY14	Q3 FY13	Change %
Sustainable markets	73.2	65.3	+12%
Other markets	22.2	25.2	-12%
Total	95.4	90.5	+5%

Revenue <i>Unaudited</i>	Q3 FY14 £m	Q3 FY13 £m	Change %
- Exchange	56.7	56.3	+1%
- Sports	9.5	7.5	+27%
- Gaming	18.5	18.0	+3%
Management of customer funds	0.3	0.3	-
Core revenue	85.0	82.1	+4%
Betfair US	10.4	8.4	+24%
Total revenue	95.4	90.5	+5%

Revenue was up 5% to £95.4 million (Q3 FY13: £90.5 million), driven primarily by Sports and Betfair US. Compared with the prior period, there was a £1.8 million impact from last year's regulatory driven exits from Greece and Germany, which we fully lapped from December.

The volume of bets on our risk sports products doubled and Sports revenue was up 27% year on year, driven by the launch of the new Sportsbook in February 2013.

Betfair US revenue was up 24%, boosted by the addition of horserace betting in New Jersey in March 2013 as well as the November launch of our online casino in the same state.

The mobile channel continues to show strong progress, with revenue up 68%. Growth continues to be led by Sports, with mobile now representing 60% of revenue, while mobile Gaming revenue also trebled in the period.

Following continuing strong levels of customer acquisition, the number of active customers in sustainable markets was up 26% to 424,000, driven primarily by the new Sportsbook. The number of actives in other markets was down 23% at 137,000, reflecting the focus on regulated jurisdictions.

Actives ('000)	Q3 FY14	Q3 FY13	Change %
Sustainable markets	424	336	+26%
Other markets	137	177	-23%
Total	561	513	+9%

Underlying EBITDA

Underlying EBITDA was £20.2m (Q3 FY13: £15.8m) driven by the higher revenues and previously announced cost savings. The underlying EBITDA margin was 21.2%, up from 17.5% in the prior year.

We now expect EBITDA for the full year to be towards the upper end of the previously guided range of between £82 million and £87 million. Within this, the impact of investment in Italy and New Jersey is expected to be towards the lower end of the previously announced range of £5 million to £10 million.

Conference call

Breon Corcoran, Chief Executive Officer, and Alex Gersh, Chief Financial Officer, will be hosting a conference call for investors and analysts at 08:30 a.m. (GMT) today. Access details for the call are as follows:

Access Number: +44 844 800 3850

Passcode: 204 050 09

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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