

BETFAIR



Company Overview

- Betfair's headquarters are in Hammersmith, West London. The Betfair group of companies ('Betfair') offers a global portfolio of gambling products and services. This includes the world's leading betting exchange (a concept pioneered by Betfair), which is provided in the UK
- Separately Betfair's established gaming products include Betfair Poker, Betfair Casino and a number of exchange-enabled games
- In January 2009, Betfair acquired TV Games Network for \$50 million. TVG is among the most widely-distributed horse racing networks in the world
- Betfair generated FY2008/09E revenues of £297 million and EBITDA of £56 million

Who we are

THE betting platform for the internet

- **2 Million registered users.** Compare with Full Tilt which is illegally targeting the United States which has 20 million users
- **1,500 Key Accounts.** The business follows the 80/20 rule (20% of the customers account for more than 80% of the business)
- Every single one of the **6.4 Million orders matched per day** is fully tracked and recorded. The same is true of all financial transactions (deposits and withdrawals)



Who we are

A fast growing business

June 2000

Betfair revolutionizes gambling by launching its Betting Exchange

May 2001

Betfair adds further innovation by introducing In-Play betting

February 2002

Betfair's first £1m market

April 2003

Betfair becomes the only gambling company ever to win the Queen's Award for Enterprise

May 2004

Betfair Poker launches

March 2005

Betfair's first £100m market

April 2006

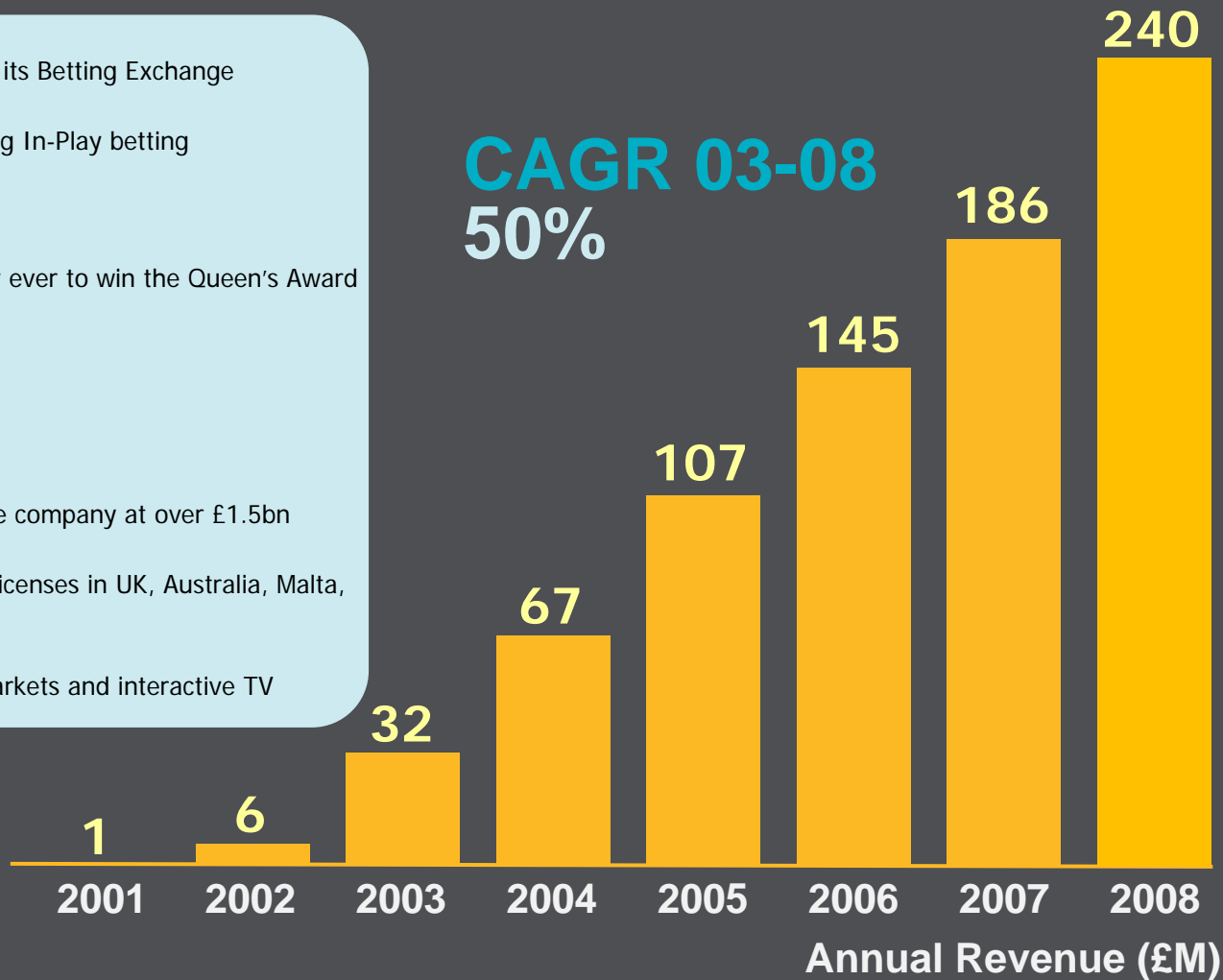
Softbank acquires 23% of Betfair valuing the company at over £1.5bn

January 2007

Betfair wins a license in Italy adding to our licenses in UK, Australia, Malta, and Austria

February 2008

Betfair applies its technology to Financial markets and interactive TV



Our Approach

Blue Chip partners, Advisors, Investors

- **Partners**

Harrah's, Crown, PayPal, Virgin, SUN Microsystems, Oracle, Cisco, Royal Bank of Scotland, British Olympic Association

- **Advisors**

Goldman Sachs, Morgan Stanley, Deutsche Bank, Rothschild

- **Investors**

SoftBank, Groupe Arnault, JPMorgan, UBS, Benchmark Capital, Index Ventures



Our technology: our most valuable asset⁶

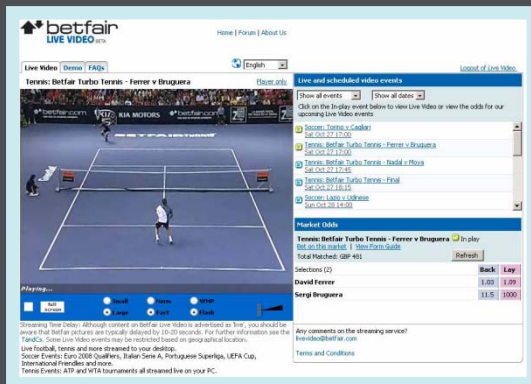
- Over £100 Million invested
- 1,000+ person years to build
- 400 technology staff
- 1,500 servers in five global data-centres
- Each year we process more transactions than all previous years added together...and settle those transactions in real time

Countries that embrace us have a good opportunity to capitalise on this position. The fastest way to undermine it is to block us out of a country and give the first-mover advantage to an offshore player which re-creates the system.

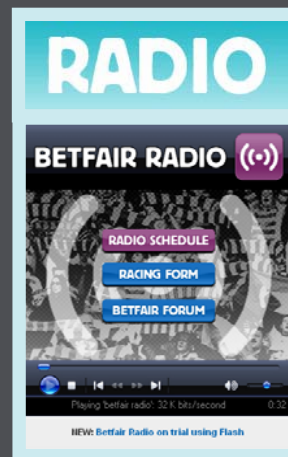
Our Technology: a Complete Offering



Internet



Telephone



Mobile



IP Streaming



Radio



Interactive TV



Integrity in sport

- Betfair's Integrity Team, the audit trail and investigative process
- Memoranda of Understanding
- Two short case studies

“Since the company Betfair began its operations in 2000, it has altered the world of gambling as profoundly as eBay altered the world of commerce.”

Andrew Beyer, Washington Post, March 2004.

Making betting transparent (1)

20:25 - 16/03 // Nîmes - Strasbourg

1	II	2	III
2,80	2,80	2,40	III

BETFAIR FOOTBALL ZONE

Select a competition: Ligue 2 Orange

Select a match: Nîmes v Strasbourg

	Back	Lay
Nîmes	3.55	3.6
Strasbourg	2.44	2.46
The Draw	3.2	3.25

If you think Nîmes will win back them... (you can get fairer odds on Betfair)

...or bet that Strasbourg will not win and it will not be a draw

Making betting transparent (2)

20:25 - 16/03 // Nîmes - Strasbourg

1	II	2
2,80	2,80	2,40

The screenshot shows the fdjeux.com website with a match between Nîmes and Strasbourg. The odds for the three possible outcomes are displayed in a table. The odds for a draw (II) and for Strasbourg to win (2) are highlighted with a yellow box.

BETFAIR FOOTBALL ZONE

Select a competition: Ligue 2 Orange

Select a match: Nimes v Strasbourg

	Back	Lay
Nimes	3.55	3.6
Strasbourg	2.44	2.46
The Draw	3.2	3.25

The screenshot shows the Betfair Football Zone interface for the Nimes v Strasbourg match. The odds for the three possible outcomes are displayed in a table. The odds for Nimes to win (Back) and for Strasbourg to win (Lay) are highlighted with a yellow box.

Laying (betting against) Nimes on Betfair is the equivalent of betting for Strasbourg to win and betting that the draw will happen on FDJ

Making betting transparent (3)

- The Exchange is a bookmaker which manages its risk perfectly

Nimes v Strasbourg


Going in-play Live Scores Matched: GBP 37,963

Back & Lay Market Depth More options ▶

Selections: (3)	100.4% Back			98.8% Lay		
Nimes	3.5 £245	3.55 £5	3.6 £42	3.65 £360	3.7 £33	3.95 £2
Strasbourg	2.36 £5	2.4 £262	2.42 £139	2.46 £340	2.48 £400	2.5 £442
The Draw	3.1 £1081	3.15 £1046	3.2 £120	3.25 £2300	3.3 £382	3.45 £3

Bet for
Nimes to win

Bet against
Nimes to win



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INFO@BETFAIR.COM
 UK 0870 0110 444
 IRE 1800 944 000

AvailableFunds: £0.29
DEPOSIT FUNDS

Current Bets Betting History Account Funds Account Statement Profile

Sedge 16th Mar - 13:40 2m5f Nov Hrd

REFRESH

View P&L[Settings]

Total selections: 9

	100.7%	BACK	LAY	93.6%		
i Kindle Ball	3.3	3.45	3.5	3.6	3.65	3.7
£0.00 » -£241.80	£154	£170	£439	£46	£31	£46
i Bonnie Parker	5.9	6	6.2	6.6	6.8	7
£0.00 » £93.00	£21	£3	£24	£20	£3	£22
i Lady Janal	7	7.2	7.6	7.8	8	8.2
£0.00 » £93.00	£45	£28	£9	£11	£20	£8
i Rouge Blanc	8	8.2	8.4	9.6	9.8	10.5
£0.00 » £93.00	£119	£337	£16	£85	£2	£4
i Minster Blue	9	9.2	10	12	12.5	13.5
£0.00 » £93.00	£4	£27	£55	£20	£3	£4
i Squeeze Box	6.4	7.2	7.4	8	8.2	8.6
£0.00 » £93.00	£4	£31	£14	£16	£20	£18
i Garden Feature	18	18.5	19	21	23	24
£0.00 » £93.00	£16	£25	£4	£29	£9	£4
i Kobyła	50	65	70	75	90	95
£0.00 » £93.00	£3	£7	£17	£2	£2	£2
i Secret Order	95	120	130	190	200	230
£0.00 » £93.00	£2	£19	£6	£9	£3	£4

PLACE BETS
MY BETS
MARKET INFO

BACK / LAY
CLEAR ALL
BACK ALL
LAY ALL
SUBMIT

LAY: Backer's Odds Backer's Stake Payout Liability

Kindle Ball £241.80

% Lay 27.78%
Liability on these bets: £-241.80
SUBMIT

Detail View
 Verify Bets
 %Book

Next Horse Race
Odds Converter
Where Is The Money

New Odds Interface:

WHAT IS ?

[O] = Odds Betting

[L] = Line Betting

[R] = Range Betting

[H] = Handicap Betting



sports casino poker



INFO@BETFAIR.COM
UK 0870 0110 444
IRE 1800 944 000

All Markets

My Markets [Customise]

Horse Racing - Todays Card

13:10 Kenil (RSA)	[O]
13:10 GIPk (AUS)	[O]
13:40 Kenil (RSA)	[O]
13:40 GIPk (AUS)	[O]
13:40 Sedge	[O]
13:40 Sedge (Place)	[O]
13:50 Sthl	[O]
13:50 Sthl (Place)	[O]
14:00 Chelt	[O]
14:00 Chelt (Place)	[O]
14:10 Kenil (RSA)	[O]
14:15 Sedge	[O]
14:15 Sedge (Place)	[O]
14:25 Sthl (F/C)	[O]
14:25 Sthl	[O]
14:40 Chelt	[O]
14:40 Chelt (Place)	[O]
14:50 Sedge	[O]
14:50 Sedge (Place)	[O]
15:00 Sthl	[O]
15:00 Sthl (Place)	[O]

Next Horse Race

Odds Converter

Where Is The Money

New Odds Interface:

WHAT IS ?

- [O] = Odds Betting
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- [R] = Range Betting
- [H] = Handicap Betting

Home My account About us Help Chatback

Logout

iron13579sw

Refresh

GO

AvailableFunds

£0.29

DEPOSIT FUNDS

Current Bets Betting History Account Funds Account Statement Profile

Sedge 16th Mar - 13:40 2m5f Nov Hrd

REFRESH

View P&L[Settings]

Total selections: 9

	100.7%	BACK	LAY	93.3%		
i Kindle Ball	3.3	3.45	3.5	3.6	3.65	3.7
£0.00 » -£249.40	£154	£170	£439	£46	£31	£46
i Bonnie Parker	5.9	6	6.2	6.6	6.8	7
£0.00 » £91.60	£21	£3	£24	£20	£3	£22
i Lady Janal	7.2	7.4	7.6	7.8	8	8.2
£0.00 » £96.20	£28	£7	£2	£11	£20	£8
i Rouge Blanc	8	8.2	8.4	9.6	9.8	10.5
£0.00 » £95.00	£119	£337	£16	£85	£2	£4
i Minster Blue	9	9.2	10	12	12.5	13.5
£0.00 » £90.60	£4	£27	£55	£20	£3	£4
i Squeeze Box	6.4	7.2	7.4	8.4	8.6	10.5
£0.00 » £91.00	£4	£31	£14	£15	£18	£23
i Garden Feature	18	18.5	19	20	21	23
£0.00 » £92.60	£16	£25	£4	£6	£29	£9
i Kobyła	50	65	70	75	90	95
£0.00 » £86.60	£3	£7	£17	£2	£2	£2
i Secret Order	95	120	130	190	200	230
£0.00 » £88.60	£2	£19	£6	£9	£3	£4

PLACE BETS

MY BETS

MARKET INFO

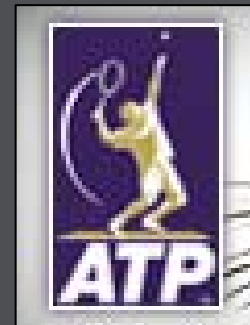
MARKET: WIN ONLY MARKET

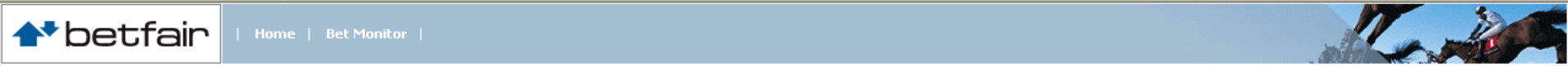
BACK / LAY	CLEAR ALL	BACK ALL	LAY ALL	SUBMIT
BACK:	Your Odds	Your Stake	Your Profit	
<input checked="" type="checkbox"/> Bonnie Parker	6.2	55	£286.00	
<input checked="" type="checkbox"/> Lady Janal	7.2	48	£297.60	
<input checked="" type="checkbox"/> Rouge Blanc	8.4	41	£303.40	
<input checked="" type="checkbox"/> Minster Blue	10	34	£306.00	
<input checked="" type="checkbox"/> Squeeze Box	7.4	46	£294.40	
<input checked="" type="checkbox"/> Garden Feature	19	18	£324.00	
<input checked="" type="checkbox"/> Kobyła	70	4.8	£331.20	
<input checked="" type="checkbox"/> Secret Order	130	2.6	£335.40	
<p>% Back 72.9% Liability on these bets: £-249.40</p> <p>Detail View Verify Bets %Book SUBMIT</p>				



Memoranda of Understanding

42 MoU Partners:





Timezone: Account Filter: Filled Settled Live Bets
 Currency: Sport Filter:
 Min Stake: Market Filter:
 Min Risk: Selection Filter:
 Max Age: min Auto Refresh: 15 sec 30 sec 60 sec Never
 Bid Type: Back Lay All

account	sport	event	selection	bid	price	stake	risk	return	placed	taken
10:04										
318305	Tennis	First Round Matches / Pironkova v Hercog / Match Odds	Tsvetana Pironkova	B	1.07	1,645	1,645	112	20 May 2008 10:04:29	20 May 2008 10:04:46
391963	Soccer	Fixtures 20 May / Turkey v Slovakia / Match Odds	Turkey	B	1.70	3,128	3,128	2,190	20 May 2008 10:03:48	20 May 2008 10:04:05
10:03										
391963	Soccer	Fixtures 20 May / Turkey v Slovakia / Match Odds	Turkey	B	1.71	1,668	1,668	1,185	20 May 2008 10:03:35	20 May 2008 10:03:39
362182	Tennis	First Round Matches / Pironkova v Hercog / Match Odds	Tsvetana Pironkova	B	1.08	1,076	1,076	86	20 May 2008 10:03:32	20 May 2008 10:03:37
10:02										
339947	Soccer	Fixtures 21 May / Man Utd v Chelsea / Correct Score	0 - 0	B	7.20	1,964	1,964	12,174	20 May 2008 10:02:43	20 May 2008 10:02:44
177842	Tennis	First Round Matches / Roitman v Haase / Match Odds	Robin Haase	B	1.47	1,057	1,057	497	20 May 2008 10:02:39	20 May 2008 10:02:44
182787	Soccer	Fixtures 21 May / Man Utd v Chelsea / Correct Score	0 - 0	L	7.20	1,964	12,174	1,964	17 May 2008 09:04:07	20 May 2008 10:02:44
318305	Tennis	First Round Matches / Pironkova v Hercog / Match Odds	Tsvetana Pironkova	B	1.11	3,360	3,360	370	20 May 2008 10:01:31	20 May 2008 10:02:10

A Racing Case Study (1)

- **The Blockley/McKeown Case:**

- The case involved analysis of 180 telephone calls made over an 18-month period
- Four statements and forty exhibits were completed by Betfair for the British Horseracing Authority (BHA)
- Suspicions were first raised when large bets were placed by one account on Blockley/McKeown horses
- There appeared to be a higher level of confidence shown when betting on this combination
- Bias demonstrated when betting on Blockley horses (10 of 23)
- McKeown rode seven of the ten Blockley horses for which their where suspicious betting patterns
- The BHA telephone call timeline analysis illustrated linkages of information to jockey McKeown

A Racing Case Study (2)



- Results:
 - Paul Blockley (trainer) was found guilty of conspiring with other persons to commit a corrupt or fraudulent practice – disqualified from training for two and a half years
 - Dean McKeown (jockey) was found guilty on four counts of failing to run horses on their merits and disqualified from riding for 4 years
 - Seven owners/former owners were found guilty of conspiring with other persons to commit a corrupt or fraudulent practice – one fined €25,500 and the others disqualified for periods ranging from 18 months to 8 years

A Racing Case Study (3)

Innovation, Integrity, Fairness

“The real watershed for racing was the betting exchanges because they didn’t cause the corruption, they brought it out into the open and exposed what was already there”

Paul Scotney
Director of Integrity Services & Licensing
British Horseracing Authority

A Tennis Case Study



- Results:

- In August 2007 Davydenko, world No.4, played Arguello, world No. 87, in the 2nd round of the Sopot Open in Poland. The betting patterns before the match implied that Arguello would win the match, which was clearly against what the expected result should have been. In the end Davydenko retired hurt in the final set
- Due to the suspicious betting patterns Betfair suspended the market pending further investigation and the following morning took the decision to void the whole market, the first and only time in the history of the company this has happened

A Tennis Case Study

Innovation, Integrity, Fairness

“It is emphasised that the suspicions have been aroused by activity on Betfair Accounts after analysis by Betfair’s own integrity team and by betting experts from the British Horseracing Authority”

“Other sports have found that a significant weapon in the fight against corruption is the information provided by the betting exchanges (principally Betfair)”

Environmental Review of Integrity in Professional Tennis

May 2008



 betfair

BETTING AS IT SHOULD BE.

