

Racing's Lifeblood – The Future Landscape for Wagering



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Speaker:

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CEO, Betfair



BETFAIR STORY

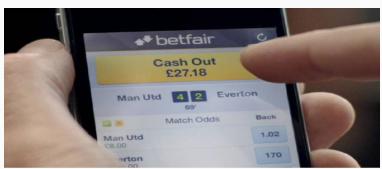
- Founded in 1999 pioneered the first successful Betting Exchange
- First market was on the British Oaks in June 2000
- Early intrinsic link with Racing. In 2003, 70% of Betfair's revenue was from horse-racing

| Newm 4th May - 1000 Guineas 26 Runners | | | | | | |
|--|-------------|------------------|------------------|------------------|-----------------|-------------|
| xchange Odds Multiples | | | | | | |
| M 👣 Rules | | | | Matched | : GBP 28 | 3,898 |
| | | | Back - | Lay | | |
| <u>≅</u> Rizeena | 4.5 | 4.6 | 4.7 | 4.8 | 4.9 | 5.1 |
| | £48 | £45 | £46 | £14 | £31 | £12 |
| Miss France | 9 | 9.2 | 9.4 | 10 | 10.5 | 12.5 |
| | £31 | £33 | £27 | £17 | £18 | £10 |
| <u> </u> | 9 | 9.2 | 9.4 | 10.5 | 12 | 12.5 |
| | £27 | £15 | £25 | £22 | £67 | £10 |
| Tapestry | 10.5 | 11 | 11.5 | 13.5 | 14 | 15.5 |
| | £14 | £47 | £30 | £14 | £15 | £11 |
| <u></u> Intimal | 12.5 | 14.5 | 15 | 16.5 | 17 | 23 |
| | £61 | £16 | £48 | £12 | £15 | £10 |
| ∰ Bracelet | 12.5 | 14 | 14.5 | 15 | 19 | 19.5 |
| | £12 | £33 | £11 | £30 | £19 | £50 |
| Amazing Maria | 1.33 | 15 | 16 | 18.5 | 24 | 25 |
| | £33 | £26 | £42 | £13 | £10 | £16 |
| | 12.5 | 15 | 15.5 | 17 | 17.5 | 19.5 |
| | £32 | £27 | £20 | £10 | £30 | £16 |
| ₩ Vorda | 14 | 17.5 | 18.5 | 24 | 25 | 26 |
| | £13 | £78 | £24 | £20 | £13 | £12 |
| Euro Charline | 21 £70 | 23 £16 | 24 £19 | 34 £27 | 100 £8 | |
| <u>≅</u> Sandiva | 16.5 £10 | 20 £21 | 22 £12 | 32 £16 | 70 £8 | |
| | 4 £21 | 24 £10 | 26 £10 | 40 £11 | | |



BETFAIR TODAY

- Betfair plc: listed on FTSE 250 in October 2010 current market cap c.£1bn
 - £387m revenues: Exchange matches 1.1bn bets a year with trading value of £56bn
- Sports betting landscape shifting
 - just 43% of revenues are horse-racing; football now 41%
- Sportsbook launched in 2013 a key milestone for the company
- Sportsbook and Exchange are now being integrated redefining how customers bet on live sport







BETFAIR AND RACING – UK AND GLOBAL

Uniquely strong relationship with British Racing

First operator to sign a Commercial deal with British Racing

- oCommits minimum £40m over 5 years − on all horse-race betting
- oStrong, real partnership (betting data used to inform fixture list and address integrity concerns; etc.)



Continued globalisation of horse racing is vital to success

- TVG acquired in 2009
- ○US Pari-mutuel largest online horse-race betting operator
- oChannel shown in 30m+ homes has grown handle in a declining market
 - Signed agreement with New Jersey Sports and Exposition Authority to operate online wagering for 5 years
 - Co-mingling agreement with Hong Kong Jockey Club in 2014









THE CUSTOMER

- Some customers are more value aware than others
- We continue to show that Betfair complements traditional betting product (higher margin fixed odds and pari-mutuel)
- Exchange customers are younger and more digitally savvy (c.70% on mobile)





THE FUTURE

- Competition leads to innovation
- Betfair is competing to serve modern racing customers by using our technology and marketing experience and scale
- As a partner, Betfair pays its way to bring quality content to customers
- Racing and betting continue to hold a symbiotic relationship









THANK YOU

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