Finance 2 Coursework

Betfair IPO Transaction

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1 Executive summary

Andrew Black, a one-time professional gambler, and Edward Wray an ex-JPMorgan derivatives trader founded Betfair in August 1999. Today Betfair is the world's largest international online sports betting company and the world's biggest betting community.

The company has over three million registered users who bet on sports events and play online games including poker. Betfair is the world's largest betting exchange handling 1,000 bets a second and completing 5m transactions a day, which is more than all European stock exchanges, combined.

Although sales in the year to April 30 2010 improved 13 per cent to £341m, pre-tax profit dropped from £47.5m to £17.8m as Betfair spent more on marketing and invested heavily in technology.

As at 31 July 2010, the Betfair Group employed 2,003 people, with another 143 employed in Betfair Australia.

The Betfair Group includes licensed operations in the UK, Malta, Italy and the United States and (through Betfair Australia) in Australia. Its core selling shareholders include Japanese telecommunications company SoftBank Corp, which took a stake in 2006, Edward Wray, Andrew Black and Balderton Capital.[1]

The company floated on 22st October 2010 at an issue price of 1,300p, raising £211 million and giving the company a market capitalisation of £1.4 billion. On the first day of trading the stock soared 19% but today the price is down 40% at 780p.[2]

Ticker	BET
Date of listing	22nd October 2010
Issuer Mid Industry	Casinos & Gaming
Price range	£11 to £14 and was later narrowed to £12.50 to £13
Offer price	1,300p
Percentage share capital in offer	15.2% (16,227,462 shares)
Over-allotment option	1,750,322 shares
Estimated gross proceeds	£211.0 million
Market capitalisation at offer price	£1.4 billion
First day close	1,550p (+19%)
Present day close	780p (-40%)
Investment bankers	Goldman Sachs and Morgan Stanley were joint book runners Barclays Capital and Numis were co-lead managers

[1] Shareholders who own 3% of the company or greater

[2] Price as at 19/05/11 taken from London Stock Exchange data feed

2 The Betfair business

2.1 The global gaming and betting market

The global betting and gaming market reached £202 billion in 2009 and is forecast to grow to £231 billion by 2012. At present the majority of this revenue is generated by offline companies (operators with a physical presence such as traditional bookmakers), some of which are state monopolies. However the Internet, mobile and interactive TV market is growing at a very fast rate as operators begin to explore ways of offering betting and gaming services online.

The Internet provided online operators with a number of potential advantages over traditional offline competitors, including global reach, a reduced cost base, 24/7 access, greater levels of liquidity and enhanced innovation. This reduced cost base has enabled online operators to offer more competitive pricing on their products.

The key product segments of the online betting and gaming market are: sports betting (43%), games (casinos, arcade games, bingo, skill games) (37%), and poker (20%).

2.2 Unique value drivers

2.2.1 Peer to peer betting exchange

The key difference to traditional gambling is that instead of betting against bookmakers Betfair customers bet against each other.

Betfair was built on a stock exchange model (similar to Nasdaq) where odds functioned as the share prices.[3] This enables bettors to trade in and out of positions on sporting events, much like trading in and out of positions on stocks. Betfair's early product was hugely innovative in the UK sports betting markets, enabling people to "lay" or bet against sports for the first time. It also created a new type of gambler that took advantage of market trading dynamics, without needing to have an opinion on the outcome of the sporting event itself.

Of the 2,000 people working at Betfair, 600 are IT engineers. The exchange technology used by Betfair is proprietary and, as well as being protected by copyright, is the subject of patent protection in various jurisdictions.[4]

2.2.2 No risk exposure on bets

Betfair differs from traditional gambling companies in that it does not bear the risk of the bet. It connects punters to each other and then pays out winnings rather than offering odds that it stands to win or lose. It makes its money by taking a commission on any winnings of between 3 and 5 per cent. A small percentage of consistent winners pay a "premium rate".

This also creates an inherent cost advantage relative to the traditional bookmaker model in the UK. Because a bookmaker takes risk on the outcome of the race, this cost is built into the

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[3] Betfair Makes Online Odds on AC Milan, Hillary Clinton, Weather," Bloomberg News, September 6, 2005.

[4] http://betting.betfair.com/lp/info/about-us.html

bookmaker odds offered to the public. Therefore the odds that the public sees on Betfair are more reflective of true market, resulting in most cases, in higher odds.[5]

2.2.3 Liquidity of transactions

Betfair says that much of the success of the product is dependent on maintaining high levels of liquidity, a significant proportion of which is generated by Betfair's sophisticated and high-spending "Heartland Customers".[6]

Early on Betfair recognised that the key to creating a successful betting marketplace was to improve the chances that any reasonable bet placed, would be matched. In essence, Betfair needed to balance supply and demand the same way that a stock exchange does. They solve this by encouraging volume betting, and marketing to high volume players. As mentioned previously Betfair's betting exchange enabled a new type of bettor – people looking for arbitrage opportunities. These bettors move large volumes of bets to lock-in a very small profit regardless of the outcome on the race, providing liquidity to the exchange.

The network effects from its leadership provide sustainable competitive advantages. A highly liquid exchange for bettors is a difficult barrier to entry to overcome, unlike most gambling sites (such as online poker or casinos) that has very few barriers to entry. Creating the critical mass to have an effective betting exchange is difficult and costly, and this is reflected by the almost non-existent competition.

2.3 Strengths

- A near monopoly in peer to peer betting exchanges
- A growing and cash generative business model (which allows for large dividend payments)[7]
- An outstanding management team with a track record of operating within a measured and prudent regulatory approach and investing for long-term growth
- Large and growing online sports betting and gaming market
- Unique, disruptive Exchange Platform technology. £300m invested on the IT platform since it launched 10 years ago, with a recent major revamp to improve speed and prevent downtime during large sporting events
- Good relationships with many sporting associations and high profile sporting clubs (such as FC Barcelona and Manchester United FC)
- The betting exchange provides better pricing than bookmakers, which results in greater levels of customer loyalty and higher customer satisfaction rates.

2.4 Threats

- The regulation and legality of online betting and gaming and varying enforcement[8]

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[5] Customer satisfaction results from April 2010 TNS UK syndicated case study

[6] Betfair IPO prospectus p.14

[7] The Directors adopt a progressive dividend policy with a pay out ratio of approximately 20 per cent of profit after tax. IPO Prospectus p.3

- Changes to the taxation of online betting or the imposition of other levies, duties or charges
- Hacking attempts and security related concerns for high profile Internet businesses. Reputation can be severely compromised if security is taken lightly
- Competing against large established bookmakers such as PaddyPower, William Hill and Ladbrokes
- Negative publicity about gambling, match fixing and corruption in sport
- The liquidity levels in the online exchange
- The importance/ reliance on Betfair's Heartland Customers (high volume bettors)

2.5 Management

David Yu (Chief Executive Officer)
Stephen Morana (Chief Financial Officer)
Martin Cruddace (Chief Legal and Regulatory Affairs Officer)
Mathias Entenmann (Chief Product and Services Officer)
Tony McAlister (Chief Technology Officer)
Niall Wass (Chief Marketing and Development Officer)
Tony Williams (Group Director of Human Resources)

Whilst the quality of a management team is very subjective the management team appear to be very well qualified and experienced. The team have been worked together for quite a few years and Yu worked his way up to from Chief Executive Officer from Chief Technology Officer, which he held when he joined in 2001.

One of the founders Edward Wray provides stability as the Non-executive Chairman and a number of experienced board members are retained as well.

One possible weakness is that very few of the senior managers have worked in a publicly listed company, most notably Yu, the CEO has never run a public company and this may become a problem in the future if the share performance does not improve.

2.6 Financing history

Betfair has an interesting financing history. In the early days of online betting exchange market, there were two major players: Betfair and Flutter. Flutter was first to market, raising ~£28m VC funding in two rounds, one before product launch and one just after product launch in May 2000. Once Flutter had raised these two rounds the Betfair founders found that other VCs were unwilling to back a second competitor. Betfair instead raised ~£1.2m in incremental angel financing from friends and family. Despite significantly less capital, the Betfair team built the right product and got quicker user adoption than Flutter. The two companies merged about a year and a half after launch, combining user bases and bringing ~£12.3m of unused Flutter capital into Betfair.

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[8] In 2006 US Congress unexpectedly passed anti-online gambling laws, which caused several companies lose most of their share value http://www.theregister.co.uk/2006/10/02/us_outlaws_gambling/

In 2006 Benchmark Capital (one of the origin investors in Flutter.com) sold part of its stake in Betfair to Softbank, a Japanese Internet group.[9] Softbank bought a 23 per cent stake in Betfair for £355 million, which valued Betfair at £1.54 billion (which is interestingly above the market capitalisation at the offer price). The deal allegedly saw early investors make a return of 130 times their original investment.

2.7 Key operating characteristics

Betfair does not have any long-term debt on the balance sheet, which for fast growing private company is surprising. They have relied purely on short-term lines of credit and they pay no dividends and have reinvested all profits to date, back into the business.[10]

Operating in the gambling industry means that Betfair generates a lot of cash and has a very short working capital cycle. At the year ended April 2010 the Company had £151m of cash reserves.

2.7.1 Profitability

Being a technology company gross margins are very high, 84%. Operating profits are lower at 5.4%, which is below the historical average of 15% due to investment in the technology platform and the severe weather, which cancelled a lot of sporting events, therefore reducing transactions on the platform.

ROE is 8.3% (2010) but again the historical figure is over 20%. ROA is 6.2% (2010) with a historical figure around 17%.

The comparables table (below) shows that Betfair was below the peer average in operating profit, ROA and EBITDA in the year of its IPO. However the peer group comprised of bookmakers whose business is based on physical locations (betting shops, casinos etc), where as the Betfair business is solely online so in future years in theory can achieve better margins due to its lower cost base.

Ratio	Betfair 2010	Betfair 2009	Peer Average[11]
Gross profit	83.6%	83.9%	40.9%
Operating profit	5.4%	14.8%	12.7%
ROA	6.2%	16.8%	7.6%
EBITDA	53.5 million	70.3 million	96.8 million
Debt to equity	0%	0%	31.9%

[9] Press release: http://www.balderton.com/news-events/benchmark-gets-return-from-betfair-stake,,64/

[10] See Appendix 2 for financial calculations

[11] Peer set comparables for ICB subsector taken from Thomson Banker on 19/05/11

3 IPO issue

3.1 IPO rationale

The rationale for the IPO was to:[12]

- Develop international operations through the enhanced transparency and reputational benefits of being a publicly listed company and will therefore enable Betfair to grow more quickly than it could as an unlisted company;
- Provide flexibility to react to a developing and consolidating online betting and gaming industry;
- Incentive and retain key management and employees;
- Provide ongoing flexibility and liquidity for existing Shareholders

The Company paid fees and expenses of an amount up to £11.0 million in connection with Admission and the Offer and received no offer proceeds.[13] At the time of listing Betfair had £151m of cash so there was little need to raise further funds in an IPO, so the main reason for the listing was to-provide an exit for investors and to provide opportunities for acquisitions by creating liquidity around Betfair's stock.

Betfair's growth strategy to date has been to consider opportunities for acquisition and strategic investment, as well as the organic growth opportunities. Each of these options will continue to be considered on their own merits as a means to help Betfair exploit growth opportunities as the fragmented online betting and gaming market consolidates and develops.[14]

3.1.1 Exit for investors

The IPO allowed Softbank Corporation to reduce its holding from 16% to 10, the founders, Black and Wray reduced their holdings from 24% to 21%, and other investors and senior managers realised gains from the transaction.

3.1.2 International expansion

For the year ended April 2010 48.8% and 36.7% of revenue came from the UK and Europe respectively. In the near term Betfair plans to expand its core European and Australian markets. Betfair has successfully used a football-led expansion into continental Europe and as such has broadened its European customer base.

Statements before the IPO reasoned that the Offer would let investors take a bet on the longer-term growth prospects in the USA, India and China. These large markets have

[12] Betfair IPO prospectus p.169

[13] Betfair IPO prospectus p.169

[14] Betfair IPO prospectus p.3

sharply restricted online gambling and are fraught with regulatory issues, meaning investors in the flotation had to take a view on the future chances for deregulation.[15]

3.1.3 Expand product line

As well as continuing the focus on extending Betfair's leadership in sports betting, being a technology led company Betfair is trying to take advantage of the proliferation and convergence of new channels such as mobile, social media platforms, interactive television and its API.

With this in mind they are introducing new sports products, are expanding into online games, especially online poker and have a 74% stake in LMAX, which is a disruptive venture into the financial trading market.

LMAX was launched a month after the shares were listed on the stock exchange, and leverages the technology and intellectual property underlying the Exchange Platform into the online retail financial trading sector. LMAX allows retail investors to trade shares peer-to-peer without a market maker taking a cut. The platform connects online retail investors with Betfair taking a commission on each trade in a similar way it has done with its betting products.

This strategy of leveraging the exchange technology into other markets could be an interesting strategy for Betfair in the future.

3.2 What the IPO issued at the right time?

Based on the evidence it did seem like it was a good time for the issue. There were 95 IPOs in 2010 on the LSE in 2010, which was a big increase from the 22 IPOs in 2009, but still below historical averages.[16] The FTSE All Share index rose 11% in 2010 and looking at just the second half of 2010 the index rose 25%.

Due to the rally from July 2010 there was a steady stream of IPOs, as investment banks and company owners tried to cash in on the three month rally in the stock markets.

However there was still a lot of volatility and nervousness in markets from the economic crisis and the appetite for new issues was low.

Bankers said Betfair would be a key test for the UK initial public offering market, which has seen relatively few listings so far this year.[17] The Betfair floatation was seen as a key test for London's IPO market, after a relatively challenging year for companies seeking to list. At the time of Betfair's announcement to list only three out of the 35 UK listings in 2010 had been in the technology sector. Shares in interactive white boards maker Promethean and online retailer Ocado, which held the two largest technology IPOs, were both below their offer price.

Several companies had been forced to lower their price, or shelve their listings altogether. In February 2010, the clothing chain New Look decided to shelve plans for a £1.7bn IPO, whilst

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[15] Source: Dow Jones Newswires 22 Oct 2010

[16] Source: http://www.londonstockexchange.com/statistics/new-issues-further-issues/new-issues-further-issues.htm

[17] Source: http://www.ft.com/cms/s/0/6a489294-c54d-11df-9563-00144feab49a.html#axzz1NRa99JPQ

theme park operator Merlin Entertainments also put its £2bn flotation on hold. Many IPOs that did float saw a tumble in their share prices.

The IPO timing was also driven by Betfair's planned expansion into China and other markets. The profile of a London listed company would aid these activities and the increased liquidity of Betfair's shares would be beneficial in any merger and acquisition activity.

3.3 IPO issue price

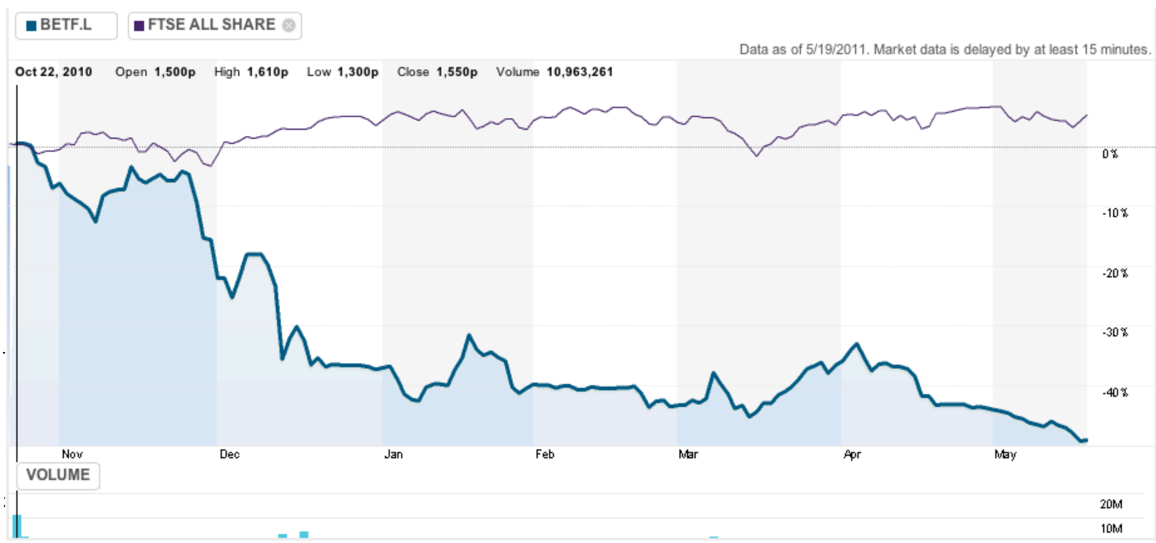
Betfair does not pay any dividends and does not plan to pay any this year. In the prospectus they have indicated that they will target an initial payout ratio of approximately 20 per cent.

With no historical dividends we have used the free cashflow to equity model to value the offer price.[18] Our valuation calculates the share price at £15.76, which is a 21% discount to the £13.00 offer price. Pricing the shares at a discount is a fairly common practice for IPOs and rewards the initial investors and allows the investment banks to take less risk on the transaction.

The issue price valued Betfair at £1.4 billion, which is 4X sales and 93X net income. Unlike other gambling companies, Betfair's valuation is more inline with technology companies such as Google, eBay, and Yahoo. This valuation may be justified as the majority of Betfair's revenue comes from the UK and there is large financial upside if Betfair can successfully expand globally.

4 IPO performance

Date	Price[19]	% Movement[20]
Issue Price	1300p	N/A
End of day 1	1550p	+19%
End of week 1	1435p	+10%
End of month 1	1453p	+12%
Today 19/05/11	780p	-40%



4.1.1 Day 1 share price

On the 22nd October 2010 Betfair started conditional trading on the London Stock Exchange at an opening price of 1,300p, the shares hit an intraday high of 1,620p (+25%) before closing at 1,550p an increase of 19%.

When the shares began unconditional trading on 27th October Morgan Stanley exercised an over-allotment option on its shares (representing an additional 1.6% of total shares).

2010 was challenging year for companies seeking to list and those that did saw their share price tumble, so a first day increase of 19% was seen as a big success. An analyst with Jefferies noted that the first day trading success could be contributed to the fact that "it's an admired business and there's a perception that it's lower risk than other betting groups."

4.1.2 Day 1 distribution

As we have mentioned previously there were no primary shares in the Offer so the signalling from major shareholders was very important during the book building process.

The majority of shares held by pre-ipo shareholders were subject to lock-up arrangements, meaning they cannot be traded for 180 days (365 for directors and senior managers). Those arrangements account for 66.7 per cent of existing stock, or 65 per cent if the over-allotment is exercised in full.

Of the main selling shareholders Softbank Corporation will own about 10% of Betfair, down from about 16% before the IPO. The founders, Black and Wray, will own together about 21% down from 24%. The senior management team are all selling a very small percentage of shares most as exercise of options. This lack of selling by key shareholders send a strong signal to the market that the team have a lot of faith in the long-term future of the company, and are not just cashing out.

Looking at the ownership profile after the IPO the top ten investors changed very little.[21] There were two new investors in the top ten, Fidelity Management (5.07%) and T. Rowe Price Associates (2.08%) who are in 7th and 10th place respectively. Of the 27% free float of shares 19% is owned by investment managers.

The IPO attracted a lot of high profile fund managers, Morgan Stanley, Fidelity, T. Rowe, Scottish Widows, JP Morgan and BNP Paribas. These high quality investment firms would have added a lot of investor confidence and credibility to the share price in the first few days of trading.

4.1.3 Aftermarket performance

After the strong first day increase the shares traded above their opening price of 1,300p for over a month until the end of November 2010. Since December 2010 the share price has been in constant decline, which is in sharp contrast to the FTSE All Share index, which has been relatively stable over the same time period. The sharp decline in price is a combination

[21] Data collected from Thompson One Banker on 01/06/2011

of bad weather impacting sporting events, worse than expected financial results and a lack of senior leadership.

November 2010

Betfair was targeted by analysts when they said the stock was overvalued by 70%. "Betfair is approaching maturity in the UK, faces significant regulatory threats elsewhere, and will gain little traction in financials," said Investec analyst Paul Leyland.[22] The broker set a 445p target price on Betfair stock.

December 2010

Betfair's first half-year results were lower than analyst's expectations and saw the shares plummet by 16%. A poor performance in horseracing and poker businesses took investors largely unawares and contributed to a meagre 1.6pc rise in second-quarter revenues, a rate of growth branded as underwhelming by analysts.

"When you come to the market with a big reputation and multiple, you have to deliver – the bigger you are, the harder you fall," said Nick Batram, an analyst at Peel Hunt. "You've got to justify the rating and prove you're a high-growth business. On the second-quarter showing, they failed to do that."[23]

Betfair's management tried to position the company as a high-growth technology stock rather than a lower multiple bookmaker during the flotation and some analysts were left contesting that claim. "Yahoo! doesn't suffer from Sandown being snowed off," said another analyst, who added: "My central criticism is around poor communication and management's understanding of what the financial markets want to know."

January 2011

Betfair's saw its shares fall steeply as Morgan Stanley (who was a joint lead bank for the Betfair IPO) downgraded Betfair's profit forecast.[24] The downgrade came as Morgan Stanley warned of the dangers posed to Betfair by new regulations, which it said could have "significant impact on the group's growth and profitability".

While research and investment banking divisions are kept separate, for a bank to cut its outlook on a client's shares so soon after leading its listing is unusual.

March 2011

When Betfair released its interim management statement on 08th March the shares dropped nearly 12% in value over the following week.[25] In the announcement they posted mixed results and announced a move to operate under a Gibraltar licence as part of changes that will allow it to avoid the UK's 15% tax on gross betting profits.

April 2011

After a rally in mid March, April saw the start of a share price decline, which is still the trend as of today. The head of Betfair's peer-to-peer investing platform, LMAX, left the company

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[22] http://www.ft.com/cms/s/0/6546a196-f86f-11df-8b7b-00144feab49a.html

[23] http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/8202332/Betfair-shares-plummet-16pc-on-poor-results.html

[24] http://uk.finance.yahoo.com/news/Morgan-Stanley-cuts-Betfair-tele-2071123777.html?x=0&amp%3B.v=1

[25] http://corporate.betfair.com/media/press-releases/2011/2011-03-08.aspx

without giving a good reason and at the same time analysts were reducing their enthusiasm for Betfair's full-year earnings. The company was expected to report earnings per share of around 24p in the year to June, which made for a high P/E ratio of 42.[26]

May 2011
May saw a wave of middle management departures, which rocked the share price further.[27] The departures come as the company digests the results of a private poll of staff revealing that employees believe their company lacks direction.

This year's departures include: the chief product officer, head of mobile, chief executive of financial betting exchange LMAX, director of UK sports and gaming, director of European and public affairs, head of strategic programmes, head of sports exchange products, information security director and the vice-president of global user experience.

5 Lessons learned

The appetite for technology IPOs in summer 2010 was very low and this has affected the share price since the IPO. As the IPO was to allow investors to exit and not to raise new fund for the company we think that the IPO should have been postponed until there was more confidence in the financial markets and the economy. Contrast that with the technology IPOs in the USA which have performed on average much better so another option could have been to perhaps list in the USA instead of the UK.

The management team have showed a lack of experience in managing a public company (few of the senior managers having operated a public company) and this has been reflected in the relationship with analysts who have criticised management for their lack of disclosure. Fostering these analyst relationships and providing transparent access to information and management may have influenced the subsequent recommendations that the analysts made, which in turn directly influenced Betfair's share price.

As a public company there is a lot more scrutiny of the financials and as a growing business it may have been better to wait until the company was more mature e.g. paying a regular dividend with consistent growth before the IPO.

Ultimately Betfair has experienced a fate similar to many other company's that go public, enjoying a successful offering but then experiencing a declining share price in the weeks and months that follow. Whilst Betfair experienced specific challenges regarding a dramatic decrease in the valuation placed upon it by analysts, there may be other broader reasons that can be applied to other newly listed companies. In the lead up to an Offering, a company has a large amount of control around what, and how information is presented to potential investors. Once it has listed however, the company is now in the public spotlight, greater transparency follows and both positive and negative events are available for all to see and base valuation and investment decisions on.

[26] http://www.fool.co.uk/news/investing/company-comment/2011/04/04/betfair-loses-a-key-high-roller.aspx

[27] http://www.guardian.co.uk/business/2011/may/22/betfair-crisis-directors-quit-shares-slump

Appendix 1: Fair value calculation

Free Cash Flow To Equity

All figures are in £,000	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016
= Net income (earnings)	27,009	19,388	30,749	38,824	15,119	18,143	20,864	23,994	27,593	30,352	
+ Depreciation	7,000	11,867	15,803	20,651	26,246	22,000	22,000	22,000	22,000	22,000	
= Cash flow from operations	34,009	31,255	46,552	59,475	41,365	40,143	42,864	45,994	49,593	52,352	
- Capital expenditure	9,615	16,378	12,936	22,710	10,344	14,397	14,397	14,397	14,397	14,397	
- Change working capital	27,472	5,700	12,831	2,091	7,025	6,912	6,912	6,912	6,912	6,912	
- Debt Repayment	0	0	0	0	0	0	0	0	0	0	
+ Proceeds from new debt	0	0	0	0	0	0	0	0	0	0	
= Free cash flow to equity	71,096	53,333	72,319	84,276	58,734	61,451	64,173	67,302	70,901	73,661	79,553

PV of FCFE	276,135	57,509	56,203	55,163	54,384	52,876
PV of terminal value	1,226,775					
Cash	150,947		Riskfree	Premium	Beta	
Cost of equity	6.855		3.50	5.50	0.61	
Growth of earnings	2.200					
Equity value	1,653,857					
No of shares	104,926,368	Actual				
Price as per DCF	15.76					
Issue price	13.00					
Discount to issue price	-21%					

PV of terminal value (2016): 1,708,989

Appendix 2: Financial calculations

Ratios	*Formula*	*2010 ('000)*[28]	*2009 ('000)*
Revenue	N/A	£340,915	£301,206
Operating profit	Operating profit / Revenue	5.4%	14.8%
Gross profit	Gross profit / Revenue	83.6%	83.9%
Return on assets	Operating profit / Total assets	6.2%	16.8%
Return on equity	Net income (earnings) / Shareholder's equity	8.3%	23.6%
Debt ratio	Total debt / Total assets	0%[29]	0%
Net debt ratio	Total debt (less cash) / Total assets	0%	0%
Debt to equity	Total debt / Equity	0%	0%
Interest cover	Operating profit / Interest payable	1,153 times	33 times

[28] Taken from latest annual accounts for the year ended 30 April 2010

[29] Betfair does not hold any long term debt on the balance sheet