



## **MEDIA RELEASE**

**22 July, 2004**

### **PBL SIGNS JOINT VENTURE AGREEMENT WITH BETFAIR**

**SYDNEY: Publishing and Broadcasting Limited (ASX: PBL)** today advised that it has signed a 50:50 joint venture agreement with Betfair, which conducts the world's leading betting exchange service, to develop the Betfair business in Australia and New Zealand.

Mr. James Packer, Executive Chairman of PBL, said: "PBL seeks to align itself with the best business partners in any sector. Betfair is the market leader in its field. It has a well established business model which offers an innovative approach to wagering. We believe it is a logical fit with, and will complement, our existing businesses."

Mr Packer said, "Betfair established operations in June 2000 in the UK and has attained legal, regulatory, industry and community acknowledgment and approval, and a fast growing consumer following. It operates within relevant British laws and regulations, and in 2003 was appointed to the Bookmakers' Committee by the Secretary of State. It is a significant contributor via the levy to the UK racing industry. In 2003 it won the *Queen's Award for Enterprise* in the innovation category."

"Betfair's business was endorsed in April 2004 by a report from the UK Joint Parliamentary Scrutiny Committee on the Draft Gambling Bill which concluded that betting exchange services were a good development for the UK wagering industry, and enhanced the audit transparency of transactions," he said.

Mr John Alexander, Chief Executive Officer of PBL, said: "The Australian racing industry will benefit from Betfair operating in this country, as betting exchange services have the ability to internationalise the sport."

"Betfair has committed to paying the Australian racing industry the same percentage of its gross profit on horseracing as all other operators in that industry. Betfair has also committed to backdate any payments to the date from which Australians first began to use the service, in February 2003. The company has approached other sporting bodies to offer them a product fee and access to its wagering information," he said.

"If Betfair is licensed in Australia it will pay taxes to the relevant jurisdiction, and is likely to create between 50 and 150 jobs within a year of start up," Mr Alexander said.

PBL's investment will be in the Australian and New Zealand Betfair business only, and will not commence unless Betfair is granted a licence to operate in Australia.

#### **ENDS**

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## **ADDITIONAL INFORMATION - THE SPORTING EXCHANGE LIMITED (BETFAIR)**

### **About Betfair**

- Betfair commenced business in the United Kingdom in June 2000.
- Betfair operates within the UK Betting, Gaming and Lotteries Act 1963 and holds a bookmaker's permit in England and Wales. In 2003 it was appointed to the Bookmakers' Committee by the Secretary of State.
- In 2003 Betfair won the "*Queens Award for Enterprise*", in the innovation category.
- Technology is Betfair's proprietary system.
- Betfair has customers in more than 80 countries worldwide, including:
  - UK & Ireland
  - Europe
  - Australia and NZ
  - South Africa
- Betfair facilitates bets on anything for which there is a published result, such as:
  - Horse Racing
  - All major sports (including AFL and NRL)
  - Financial Markets
  - Special Bets (Federal Election / Winner of Big Brother etc)

### **How Does the Service Work ?**

- Betfair's business is a betting exchange service which means that it offers fixed odds bookmaking services, but (in line with a totalisator) does not take any risk
- All bets on Betfair are placed by users who either want to bet that an outcome occurs (as they do traditionally) or that it does not occur. Through sophisticated technology, bets are matched between people with opposing views, allowing the operator to offset all its risk while still offering a fixed price.
- Commission is charged to the winning punter
- Differences vs. a conventional bookmaker are that the punter:
  - can bet that an outcome does or does not happen
  - can choose the odds they want to play at