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Betfair Group plc
Waterfront
Hammersmith Embankment
Chancellors Road (access on Winslow Road)
London W6 9HP, UK
www.betfair.com

27 November 2015

Dear Betfair Shareholder

**Recommended all share merger by way of an acquisition by Paddy Power plc
(Paddy Power) of Betfair Group plc (Betfair)**

The Merger

On 8 September 2015, Paddy Power and Betfair released a joint announcement in relation to a recommended merger (the *Merger*) to be made by way of an acquisition by Paddy Power of the entire issued and to be issued ordinary share capital of Betfair, to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the *Scheme*).

If the Scheme becomes effective, Betfair Shareholders will receive 0.4254 New Paddy Power Betfair Shares for each Betfair Share.

Full details of the Merger are set out in the enclosed Scheme circular (the *Scheme Document*), which we recommend that you read carefully.

Terms used but not otherwise defined in this letter have the meaning given to them in the enclosed Scheme Document.

Documents enclosed with this Letter

Please check you have received the following with this letter:

- the **Scheme Document**;
- a **blue Form of Proxy** for use at the Court Meeting; and
- a **white Form of Proxy** for use at the General Meeting.

A copy of the Paddy Power Betfair Prospectus will be sent to you separately.

Action to be Taken

Detailed instructions on the action to be taken by you are set out in the section entitled *Action to be taken* on page 6 of the Scheme Document.

Implementation of the Merger **requires the requisite approval of Betfair Shareholders** at a meeting convened by the Court, notice of which is set out in Part VIII (*Notice of Court Meeting*) as well as the passing of the special resolution set out in Part IX (*Notice of Court Meeting*) of the Scheme Document by the Betfair Shareholders at the General Meeting. These meetings are being held on 21 December 2015 at Betfair's offices at 11.00 a.m. and 11.15 a.m. respectively.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Betfair Shareholder opinion. **You are therefore strongly urged to sign and return your Forms of Proxy as soon as possible and in any event so as to be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by:**

BLUE Forms of Proxy for the Court Meeting 11.00 a.m. on 17 December 2015

WHITE Forms of Proxy for the General Meeting 11.15 a.m. on 17 December 2015

Betfair Shareholders who hold Betfair Shares in CREST may appoint a proxy or proxies through the CREST electronic proxy appointment service using the procedures described in the CREST Manual.

You can vote in person at both meetings—returning your forms will not prevent you from attending and voting.

The Betfair Directors unanimously recommend that you vote in favour of the resolutions, as those Betfair Directors who hold shares will do.

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Paddy Power Betfair Prospectus

Paddy Power is required to publish a prospectus in connection with the issue of the New Paddy Power Betfair Shares to Betfair Shareholders. The prospectus contains detailed information relating to Paddy Power and the rights attaching to the New Paddy Power Betfair Shares. A copy of the Paddy Power Betfair Prospectus will be sent to you separately.

Exemption from Irish Dividend Withholding Tax (DWT)

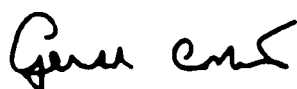
You are referred to paragraph 2 of the section headed “Irish taxation” in Part VII (*Taxation*) of the Paddy Power Betfair Prospectus for information regarding the entitlement of certain shareholders to exemption from Irish dividend withholding tax (*DWT*) which must otherwise be deducted from dividends paid by Paddy Power Betfair.

Shareholders entitled to, and wishing to benefit from, the exemption from DWT are advised to submit a properly completed exemption form to Paddy Power Betfair’s Registrar as soon as possible after the Effective Date.

The appropriate DWT exemption form depends upon the tax residence and legal form of the relevant shareholder and may be downloaded from the Irish Revenue website (<http://www.revenue.ie/en/tax/dwt/forms/>). The most commonly applicable forms are Non Resident Form V2A (individuals), Non-Resident Form V2B (companies) and Non-Resident Form V2C (other). Non-Irish resident individuals should note that, save where a specific concession applies for a particular jurisdiction, the relevant DWT exemption form must be certified by the tax authority of the country in which you are resident for tax purposes.

More details can be found on the Irish Revenue website or by contacting the Irish Revenue helpline on +353 67 63105.

Yours faithfully



Gerard Corbett
Chairman

For and on behalf of Betfair Group plc

HELPLINE

If you have any questions about this document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy, please contact Betfair’s registrar, Computershare, at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or call on 0370 707 4010 or, if telephoning from outside the United Kingdom, on +44 370 707 4010, between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays). All calls to the helpline may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the helpline cannot provide advice on the merits of the Merger or give any legal, tax or financial advice.

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