



Paddy Power plc

Interim Report 2004

up for it!

INTERIM REPORT 2004 HIGHLIGHTS

	<i>Six months ended 30 June 2004 €'000</i>	<i>Six months ended 30 June 2003 €'000</i>	<i>% Change</i>
Turnover			
Retail	340,438	272,120	25.1
Telephone betting	105,828	87,875	20.4
Online betting	107,832	93,408	15.4
Total group turnover	554,098	453,403	22.2
Operating Profit/(Loss)			
Retail	12,247	7,772	57.6
Telephone betting	2,308	(597)	–
Online betting	3,648	(373)	–
Total operating profit	18,203	6,802	167.7
Profit after taxation	15,971	6,185	158.2
Profit retained for the period	12,981	4,132	214.1
Earnings per Share			
Basic earnings per share	33.3c	13.1c	154.2
Diluted earnings per share	31.6c	12.4c	154.8
Dividends per share			
Interim payable	6.2c	4.3c	44.2
Net Assets	63,918	44,975	42.1

CHAIRMAN'S STATEMENT

A year is a long time in bookmaking! In early 2003 punters had an unprecedented run at the expense of the bookies and Paddy Power's results for this period last year were 'hit' as a result. In the 2003 Annual Report, I suggested that the tide would turn in our favour and, over the corresponding period this year, it did. An excellent all round performance across our business combined with exceptional sporting results (from the bookies' perspective) means we are reporting record financial results for the first half of 2004.

	H1 2004 euro	H1 2003 euro	Change %
Turnover	554.1m	453.4m	+22%
Operating Profit	18.2m	6.8m	+168%
Profit Before Tax	18.7m	7.2m	+158%
Profit After Tax	16.0m	6.2m	+158%
EPS	33.3c	13.1c	+154%
Cash Balance	51.6m	35.1m	+47%
Interim Dividend	6.2c	4.3c	+44%

There is a very serious underlying point to be made about the fluctuating fortunes associated with bookmaking in that short term patterns in sporting results can heavily influence operating profits. So, while our financial performance for the first six months of 2003 suffered due to an unprecedented set of pro punter results, the corresponding period this year has benefited from good results in our favour. Given these short-term swings, it remains essential to look at the underlying performance in order to truly assess the health of the business.

Paddy Power is in good shape. The first half of 2004 has seen continued development across all areas of the business. Turnover growth continues in double digits across all channels. The Irish retail estate continues to expand in line with expectations and now operates from 141 outlets. In the United Kingdom we have 20 outlets trading and a further eight licences have been secured. The non-retail business continues to grow and penetrate the mass market whilst continuing to expand its product range. While gross win percentages were strong during the period, we see no underlying change in their expected annual ranges. Operating costs, while expanding, are in line with plans.

Customer service has always been our priority. Allied to our distinctive brand qualities, it is this that distinguishes Paddy Power from the pack. The six months under review once again demonstrated our commitment to customer service and the continued investment in the brand. Be it the payment of a €427,220 record payout to Catherine Egan, on going through the card in Fairyhouse on 18 January 2004 (where in addition to paying out in excess of the amount required under our rules we also extracted significant public relations value), sponsoring horse racing coverage on Irish television for three years or the myriad of money back specials, humorous promotions and "edgy" novelty bets, Paddy Power continues to set the standard that others attempt to follow.

At the heart of this work is our staff. At 30 June 2004 the Group employed 1,100 staff representing an increase of 14% in the past year and over 40% in the past three years. We have continued to invest in new people throughout the organisation as well as continuing to develop the internal reporting lines and management processes to handle the growth in scale and complexity of the business. On 17 May 2004, Claire Bolger joined the senior management team as Head of Human Resources from Dell. One of her key responsibilities is staff development to ensure that the best talent within the organisation is recognised and actively developed.

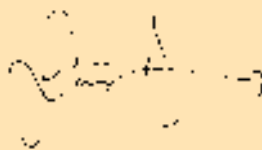
Any sensible assessment of our performance must consider the external environment. The Irish economy has returned to more robust growth rates while the move towards deregulation of the United Kingdom betting market is also beneficial. This benign environment together with the new products under development and the pipeline of properties in both Ireland and the United Kingdom, positions the Group well for continued expansion.

I have spoken before about the importance of the Board. Ian Armitage and Edward McDaid retired at the Annual General Meeting in June 2004. As required by our Articles of Association, John Corcoran will be stepping down in December 2004 on reaching his 75th birthday. The Nominations Committee is considering the appointment of new non-executive directors who can add value to the Group. I am pleased to welcome Breon Corcoran (no relation to John Corcoran) to the Board

as an executive director. Breon, who was appointed to the Board on 31 August 2004, has been responsible for the development of our non-retail business over the past three years having joined Paddy Power from a career in J.P. Morgan and Bankers Trust. A graduate of Trinity College with an MBA from INSEAD, Breon will bring an additional perspective of these fast-developing markets to the Board. I wish him every success.

The Board has decided to pay an interim dividend of 6.2c per share, an increase of 44% on the 2003 interim dividend. This will be paid on 24 September 2004 to shareholders on the register at the close of business on 10 September 2004. It remains the Board's policy to have a progressive dividend policy with average dividend cover of approximately three times.

I remain upbeat about the prospects for your company and look forward to reporting to you again in February 2005 on the full year results.



Fintan Drury
Chairman
31 August 2004

OPERATIONS REVIEW

Retail

Expansion of the retail estate continued apace in the first half of 2004 in both Ireland and the United Kingdom. At 30 June 2004 the Group operated a total of 161 outlets (2003: 139).

In Ireland, Paddy Power operated 141 outlets as at 30 June 2004, an increase of four in comparison to 31 December 2003, and seven in comparison to 30 June 2003. In addition to the opening of these new premises a further one (2003: five) premises has been relocated, three (2003: nil) premises have been extended and 11 (2003: one) premises have been refurbished in the six months to 30 June 2004. This brings the total number of premises developed during the period to 19 and, in the 18 months to 30 June 2004, to 50. The development pipeline remains in line with expectations.

Expansion of the United Kingdom retail estate is in line with expectations. As at 30 June 2004 Paddy Power operated 20 outlets (December 2003: 12) in the United Kingdom from a total of 25 (December 2003: 21) licences held. A total of 28 licences are held at the date of this report of which 20 are open. A further six outlets are scheduled to open before the end of October 2004. The pipeline of properties and licence hearings remains in line with expectations for the second half of the year and into 2005.

We are pleased with progress to date in our United Kingdom retail estate. Slip volumes and margins continue to improve as the estate grows and matures. The increased number of outlets will reduce overall margin volatility as the impact of any unusual performance from any one shop has less impact. The operational infrastructure is developing and three district manager positions have now been created and filled to manage the expanding estate. In addition, the fit-out of a United Kingdom operational headquarters is in progress. This will provide greater stability and improved facilities for the management team. We continue to see organic growth as the prime source of growth.

Fixed Odds Betting Terminals (FOBTs) have been installed throughout the United Kingdom estate in addition to Amusement With Prizes Machines (AWPs). A total of four suppliers are being currently used as the Group evaluates the increased number of options now available for FOBT supply. It is intended to reduce the number of suppliers as the evaluation process is completed. 45 FOBTs and 12 AWPs were installed at the date of this report.

The Group has continued its review, which started in 2003, of an Electronic Point of Sale (EPOS) system for the retail estate in Ireland and the United Kingdom. A pilot project, with Finsoft Limited, will commence in the fourth quarter of 2004 to undertake detailed evaluation of the system. No decision will be made on further testing or a full estate roll out until completion of this pilot.

Non-retail

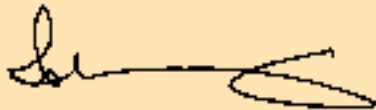
The six months to 30 June 2004 have seen further significant growth of the non-retail activities through expansion of existing products and markets as well as the introduction of new products and services.

The Online division achieved profitability in 2003 through the development of traditional betting products. Having proved the business model the division will further develop its Online offering driving incremental revenues streams through its infrastructure. This process started with our Online casino which commenced operation in early 2004.

Significant enhancements have also been made to the Paddypower.com site over the past six months. Paddy Power was the first bookmaker to offer Java based mobile betting, through our new service Paddy Power Mobile. Expansion of the product range, through the addition of virtual sports betting as well as "peer to peer" games, will continue over 2004 and beyond. These improvements increase both customer retention and generate new revenue streams.

Single account functionality has been enabled and launched. The use of common technology, processes and a single customer base has led to the integration of a number of the operating departments that support the non-retail activities. These include customer service, event management and product development.

The telephone business continued to develop on the back of the strong existing Paddy Power brand in Ireland and the growth of the brand in the United Kingdom. We outlined earlier in the year that as the brand developed in the United Kingdom our customer acquisition practices would evolve. Given the cost dynamics of a phone betting business the emphasis is on higher bet frequency customers rather than the occasional punter. This results in improved back office efficiency, higher levels of productive calls, improved asset utilisation, improved gross win per customer and greater customer loyalty.



John O'Reilly
Chief Executive Officer
31 August 2004

FINANCIAL REVIEW

Turnover

Turnover for the six months ended 30 June 2004 increased by 22.2% to €554.1m (2003: €453.4m) with strong growth recorded by all divisions. The growth rates achieved must also be viewed in light of several factors:

- the high turnover levels in 2003 due to recycling of winnings in the first half,
- changes in customer acquisition practices of the telephone division,
- the loss of daily televised horse racing for several months which impacted the non-retail channels.

Turnover in the betting outlets was €340.4m (2003: €272.1m) an increase of 25.1%. Like for like turnover growth was 12.8% with turnover increasing from €272.1m in 2003 to €306.9m in 2004. Average slip size increased from €16.55 in 2003 to €17.85 in 2004 an increase of 7.9%. Slips volume growth was 16% increasing to 19.1m from 16.4m in 2003.

Telephone betting turnover grew by 20.4% to €105.8m (2003: €87.9m). Average bet size was €77.02 (2003: €65.92) an increase of 16.8%. Active customers (those who have bet in the last three months) were 12,539 (2003: 11,503) and 9,068 (2003: 10,534) in Ireland and the United Kingdom respectively at 30 June 2004. The average number of bets per customer grew from 49 to 57.

The movement in active customers in the telephone business belies an underlying improvement in the customer mix. A significant reduction in the number of "one off" (small stake) promotion driven customers and their replacement with a more loyal customer base due to a change in promotions strategy has improved the customer mix. This suits the economics of the telephone business. This can be seen through the increase in average bet size as outlined above and an improvement in the number of average bets per customer.

Online turnover has continued to grow with total turnover increasing by 15.4% to €107.8m (2003: €93.4m). Average bet size was €25.77 (2003: €27.16), a decrease of 5.1%. Customer numbers continue to grow with active customers (those who have bet in the last three months) increasing to 54,349 from 42,730 at 30 June 2003. Active Euro customers are 21,913 (2003: 16,497) and active Sterling customers are 32,436 (2003: 26,233).

Other than the European Championships in June 2004 which accounted for approximately €12m of turnover there were no material events in the first six months of the year that impacted year-on-year turnover comparisons.

Gross Win and Gross Profit

Gross win, measured as amounts staked (excluding betting taxes and levies) less the amount returned to customers as winnings, rose by 69.4% to €72.2m (2003: €42.6m). For casino bets taken through Paddypowercasino.com the customer drop is recorded in both turnover and gross win at 100% win.

The following gross win percentages were achieved:

Gross Win	H1 2004	H2 2003	H1 2003
Retail	14.18%	13.04%	11.58%
Telephone	10.36%	8.58%	6.26%
Online	12.00%	8.64%	6.00%

Gross profit, measured as gross win less the cost of discounting bets and gross win taxes, rose by 64.6%.

The following gross profits were achieved:

Gross Profit	H1 2004	H2 2003	H1 2003
Retail	13.10%	12.51%	11.31%
Telephone	9.47%	7.25%	5.24%
Online	10.60%	7.27%	5.09%

Gross win and gross profit percentages were strong throughout the first six months of 2004 reflecting the exceptional sporting results together with the impact of the casino. We continue to see no change in the underlying annual expected gross win ranges.

Operating Profit

Operating profit rose by €11.4m to €18.2m from €6.8m for the same period in 2003.

An analysis of operating profit is given below:

Operating Profit/(loss)	H1 2004 €'000	H1 2003 €'000	Increase/ (Decrease) €'000
Retail	12,247	7,772	4,475
Telephone	2,308	(597)	2,905
Online	3,648	(373)	4,021
Total	18,203	6,802	11,401

The growth in operating profits has been contributed to by all divisions. This was due to both improved turnover levels but in particular to the improved gross win percentages. Given the revenue and cost relationships of the business model, particularly in the Retail and Online divisions, excellent operating profit leverage is generated from an improved gross win percentage. Operating costs have continued to grow, primarily driven by the growth in the retail estate, by British Horse Racing data rights charges which are a paid as percentage of gross win, and by general cost inflation.

The casino contributed approximately €1m of operating profit during the period as it has benefited from the existing Paddy Power customer base without incremental marketing costs. A United Kingdom launch for the casino is planned in the second half of 2004. This may limit operating profit growth in the second half of 2004 in this channel.

Investment in the United Kingdom retail estate will increase in the second half of 2004 as the number of outlets grows and the operational and management infrastructure is put in place ahead of the revenue generation.

Taxes

The corporation tax charge for the six months to 30 June 2004 was €2.7m (2003: €1.1m) an effective rate of 14.5% (2003: 14.5%). Paddy Power's effective rate is 2% above the Irish statutory rate due to a number of non-deductible expenses and its high passive income which is taxed above the statutory rate.

Cash Flow

Net cash flow from operating activities for the six months ended 30 June 2004 increased by 133% to €31.6m from €13.5m in 2003. The increase was primarily as a consequence of higher operating profit together with an increase in trade creditors. The cash was applied acquiring fixed assets of €12.4m comprising the fit-out of new and relocated outlets as well as computer equipment. In addition, dividends of €3.6m, the funding of share purchases by the trustees of the long-term incentive plan of €2.3m, and corporation taxes of €1.8m were paid during the period. Cash received from the exercise of share options amounted to €0.6m. Cash balances at 30 June 2004 were €51.6m compared to €39.2m at 31 December 2003. This includes cash balances held on behalf of customers of €5.3m (December 2003: €4.8m).

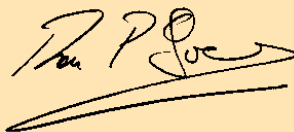
Dividends

The Board has decided to pay an interim dividend of 6.2c (2003: 4.3c) per share on 24 September 2004 to shareholders on the register at the close of business on 10 September 2004.

Outlook

The business has benefited from an unusually strong gross win percentage in the first half of 2004 which, given normal fluctuations, is unlikely to continue through the second half of the year. We would expect gross win to move towards the midpoint of its historical range within each channel for the year as a whole.

Trading for the second half to date has been satisfactory. As ever, the outturn for the year will depend on the sporting results over the coming months. The Group remains confident of meeting its growth plans for the year.



Ross Ivers

Finance Director

31 August 2004

SUBSTANTIAL HOLDINGS AND DIRECTORS' INTERESTS

Other than the interests of the Directors, the Secretary and connected persons and the interests noted below, the Company is not aware of any other person who is interested, directly or indirectly, in five percent or more of the Company's issued share capital.

Number of ordinary shares of €0.10 each

	31 August 2004	%
John Corcoran	2,590,176	5.4
Stewart Kenny	259,832	0.5
John O'Reilly	613,889	1.3
Ross Ivers ¹	3,007	
David Power	4,898,788	10.2
Fintan Drury	19,400	
Patrick Kennedy	3,000	
Stephen Thomas	5,000	
Nigel Northridge	1,000	
Merrill Lynch	3,759,334	7.8
Fidelity Investments Ltd	5,690,637	11.8

1 Shares are held via the Noosa Pension in which Ross Ivers has a beneficial interest.

INDEPENDENT REVIEW REPORT BY KPMG TO PADDY POWER PLC

Introduction

We have been instructed by the company to review the financial information set out on pages 10 to 15 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement letter to assist the company in meeting the requirements of the guidance contained in Bulletin 1999/4: *Review of interim financial information* issued by the Auditing Practices Board. Our review has been undertaken so that we might state to the company those matters we are required to state to it in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with best practice, which requires that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: *Review of interim financial information* issued by the Auditing Practices Board. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2004.



KPMG
Chartered Accountants
31 August 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Six months ended 30 June 2004 – unaudited

	Notes	Six months ended 30 June 2004 €'000 (unaudited)	Six months ended 30 June 2003 €'000 (unaudited)	Year ended 31 December 2003 €'000 (audited)
Turnover	2(a)	554,098	453,403	913,624
Cost of sales		(488,063)	(413,278)	(825,429)
Gross profit	2(d)	66,035	40,125	88,195
Operating expenses		(47,832)	(33,323)	(68,563)
Operating profit	2(e)	18,203	6,802	19,632
Interest receivable and similar income		512	487	883
Interest payable and similar charges		(36)	(55)	(105)
Profit on ordinary activities before taxation		18,679	7,234	20,410
Tax on profit on ordinary activities		(2,708)	(1,049)	(2,859)
Profit on ordinary activities after taxation		15,971	6,185	17,551
Dividends		(2,990)	(2,053)	(6,160)
Retained profit for the period		12,981	4,132	11,391
Transfer in respect of long-term incentive plan		377	–	–
Profit & Loss account, start of period		42,596	31,205	31,205
Profit & Loss account, end of period		55,954	35,337	42,596
Earnings per share				
Basic		33.3c	13.1c	37.0c
Diluted		31.6c	12.4c	35.0c
Dividend per share		6.2c	4.3c	12.9c

CONSOLIDATED BALANCE SHEET

30 June 2004 – unaudited

	Six months ended 30 June 2004 (unaudited)	Six months ended 30 June 2003 (unaudited)	Year ended 31 December 2003 (audited)
Fixed assets			
Intangible assets – goodwill	843	964	904
Tangible assets	50,130	32,092	41,571
	50,973	33,056	42,475
Current assets			
Debtors	1,885	2,421	2,188
Cash at bank and in hand	51,611	35,122	39,173
	53,496	37,543	41,361
Creditors (amounts falling due within one year)	(39,626)	(24,400)	(30,585)
Net current assets	13,870	13,143	10,776
Total assets less current liabilities	64,843	46,199	53,251
Creditors (amounts falling due after one year)	–	(282)	–
Provision for liabilities and charges	(925)	(942)	(977)
Net assets	63,918	44,975	52,274
Capital and reserves			
Called up share capital	4,811	4,775	4,781
Share premium	4,537	3,941	3,975
Capital redemption reserve fund	662	662	662
Capital conversion reserve fund	260	260	260
Shares held by long-term incentive plan trust	(2,306)	–	–
Profit and loss account	55,954	35,337	42,596
Shareholders' funds – all equity interests	63,918	44,975	52,274

CONSOLIDATED CASH FLOW STATEMENT

Six months ended 30 June 2004 – unaudited

		Six months ended 30 June 2004		Six months ended 30 June 2003		Year ended 31 December 2003	
	Notes	€'000	€'000	€'000	€'000	€'000	€'000
		(unaudited)		(unaudited)		(audited)	
Net cash inflow from operating activities	3(a)	31,566		13,517		32,144	
Returns on investments and servicing of finance							
Interest received		588		553		865	
Interest element of finance lease payments		(22)		(35)		(106)	
		566		518		759	
Taxation							
Corporation tax paid		(1,801)		(2,420)		(3,923)	
Capital expenditure and financial investments							
Acquisition of tangible fixed assets		(12,383)		(10,205)		(21,439)	
Sale proceeds on disposal of fixed assets		19		22		96	
		(12,364)		(10,183)		(21,343)	
Equity dividends paid		(3,628)		(3,206)		(5,262)	
Net cash inflow/(outflow) before financing		14,339		(1,774)		2,375	
Financing							
Capital element of finance lease payments		(187)		(174)		(312)	
Purchase of treasury shares by long-term incentive plan trust		(2,306)		–		–	
Proceeds from issue of new shares		592		697		737	
Net cash inflow/(outflow)	3(b)	12,438		(1,251)		2,800	

NOTES TO THE FINANCIAL STATEMENTS

Six months ended 30 June 2004 – unaudited

1. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accountancy principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Boards, as promulgated by the Institute of Chartered Accountants in Ireland. The financial statements are stated in euro.

2. Segmental Information

The turnover, operating profit and net assets of the Group relate to the provision of betting services, substantially all of which are conducted in the Republic of Ireland and the United Kingdom.

(a) Turnover by Delivery Channel

	Six months ended 30 June 2004 €'000 (unaudited)	Six months ended 30 June 2003 €'000 (unaudited)	Year ended 31 December 2003 €'000 (audited)
Retail	340,438	272,120	551,136
Telephone betting	105,828	87,875	177,418
Online betting	107,832	93,408	185,070
	554,098	453,403	913,624

(b) Turnover by Region

Ireland and Other	408,023	348,917	702,240
United Kingdom	146,075	104,486	211,384
	554,098	453,403	913,624

NOTES TO THE FINANCIAL STATEMENTS

Six months ended 30 June 2004 – unaudited

	Six months ended 30 June 2004 €'000 (unaudited)	Six months ended 30 June 2003 €'000 (unaudited)	Year ended 31 December 2003 €'000 (audited)
<i>(c) Gross Win by Delivery Channel</i>			
Retail	48,284	31,498	67,907
Telephone betting	10,962	5,500	13,179
Online betting	12,945	5,608	13,524
	72,191	42,606	94,610
<i>(d) Gross Profit by Delivery Channel</i>			
Retail	44,586	30,765	65,676
Telephone betting	10,022	4,604	11,096
Online betting	11,427	4,756	11,423
	66,035	40,125	88,195
<i>(e) Operating Profit/(Loss) by Delivery Channel</i>			
Retail	12,247	7,772	17,402
Telephone betting	2,308	(597)	861
Online betting	3,648	(373)	1,369
	18,203	6,802	19,632

3. Notes to the Cash Flow Statement

(a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	<i>Six months ended 30 June 2004 €'000 (unaudited)</i>	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Year ended 31 December 2003 €'000 (audited)</i>
Operating profit	18,203	6,802	19,632
Depreciation	3,584	3,035	6,405
Charge in respect of long-term incentive plan	377	–	–
Amortisation of goodwill	61	61	121
Decrease/(Increase) in debtors	167	(915)	(597)
Increase in creditors	9,165	4,484	6,549
Loss on disposal of fixed assets	9	50	34
Net cash inflow from operating activities	31,566	13,517	32,144

(b) Analysis of Changes in Cash During the Period

	<i>Six months ended 30 June 2004 €'000 (unaudited)</i>	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Year ended 31 December 2003 €'000 (audited)</i>
Balance at beginning of period	39,173	36,373	36,373
Net cash inflow/(outflow)	12,438	(1,251)	2,800
Balance at end of period	51,611	35,122	39,173

ADDITIONAL INFORMATION FOR SHAREHOLDERS

1. Listings

Paddy Power plc is an Irish registered company. Its ordinary shares are quoted on the Irish Stock Exchange and the London Stock Exchange.

2. Registrar

Enquiries concerning shareholdings should be addressed to the Company's Registrar:

Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18
Telephone: +353-1-216 3100
Facsimile: +353-1-216 3151
Website: www.computershare.com

3. Payment of Dividends Direct to a Bank Account

Shareholders resident in Ireland or in the UK may have their dividends paid by electronic transfer direct to a designated bank account, under advice from the Company, showing full details of the amounts so credited.

Shareholders who wish to avail of this facility should contact the Company's Registrar.

4. Payment of Dividends in euro

Dividends are paid in euro. Shareholders requiring sterling dividend payment should contact the registrar (see 2 above).

5. Crest

Transfer of the Company's shares takes place through the CREST settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of share certificates.

6. Dividend Withholding Tax ('DWT')

With certain exceptions, dividends paid by Irish resident companies are subject to DWT at the standard rate of income tax, applied at the rate of 20% from 6 April 2001. DWT where applicable, is deducted by the Company from all dividends. Each shareholder receives a statement showing the shareholder's name & address, the dividend payment date, the amount of the dividend, and the amount of DWT, if any, deducted therefrom. In accordance with the requirements of legislation, this information is also furnished to the Irish Revenue Commissioners.

Shareholders should take professional advice if they are in any doubt about their individual tax positions. Further information concerning DWT may be obtained from:

DWT Section, Office of the Revenue Commissioners, ST. Conlon's Road, Nenagh, Co. Tipperary, Ireland.

Telephone: +353-67-33533

Facsimile: +353-67-33822

Email: info@dwt.revenue.ie

Website: www.revenue.ie

7. Financial Calendar

Announcement of 2004 interims	1/9/04
Ex-div date for interim dividend	8/9/04
Record date for interim dividend	10/9/04
Payment date for Interim dividend	24/9/04

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For up-to-date prices, betting in-running and specials check our television text pages.

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