

16 November 2011 - Paddy Power plc - Interim Management Statement

Following its interim results for the six months to 30 June 2011 announced on 30 August, Paddy Power is today updating the market on trading in the period from 1 July to 14 November 2011 (“the period”). All percentage comparisons are with the equivalent period last year expressed in constant currency.

The strong growth seen in the first half of 2011 has continued. Our UK and Irish online business, *paddypower.com*, once again stands out, increasing sportsbook amounts staked by 31%, gaming/B2B revenues by 33% and maintaining its market leading position in mobile sports betting. Its proportion of active sportsbook customers transacting via mobile increased to 44% in October. Australian online turnover growth has accelerated substantially, up 23% as compared to 7% in the first half of 2011, benefitting from investment since our early buyout including the migration to a new operating platform, increased recruitment and new mobile product. Its proportion of online active customers transacting via mobile increased to 32% in October, as compared to 20% in July.

UK Retail has also performed strongly, with like-for-like sportsbook amounts staked and machine gaming revenue both up 8% and with some 40 new shop openings expected in 2011. As expected, Irish Retail has seen growth in bet volumes but a reduction in the average stake per bet. Its year-on-year growth later in 2011 will benefit from a weak comparative due to weather disruption in late 2010.

This strong Group performance reflects ongoing investment to grow our existing activities. This investment also positions us for future international opportunities. In a separate statement today we have announced the acquisition of Cayetano, an online games developer located in Sofia, Bulgaria.

The overall impact of sporting results in the period has been positive relative to our normal expectations, albeit below the exceptional results in the equivalent period last year.

We now expect to achieve underlying diluted EPS growth in 2011 of 15% to 20% versus 2010, subject, as ever, to the volatility that could arise from sporting events.

The Group retains significant financial flexibility with net cash of €96m at 14 November, excluding customer balances.

Details of financial performance in the period are set out below:

Division	Increase / (Decrease)
Group	
Sportsbook amounts staked	+13%
Total gross win	+12%
Online (ex Australia) – <i>paddypower.com</i>	
Sportsbook amounts staked	+31%
Gaming/B2B gross win	+33%
Total gross win	+28%
Australia	
Online amounts staked	+23%
Online gross win	+4%
Total gross win	+2%

	Increase / (Decrease)
UK Retail	
Sportsbook amounts staked – like-for-like	+8%
Machine gaming gross win – like-for-like	+8%
Total gross win – like-for-like	+5%
New shops opened year to date	37
Irish Retail	
Amounts staked – like-for-like	(6%)
Gross win – like-for-like	(11%)
Telephone (ex Australia)	
Amounts staked	+8%

ENDS

For reference:

Patrick Kennedy
Chief Executive
Paddy Power plc
Tel: + 353 1 404 5912

Jack Massey
Finance Director
Paddy Power plc
Tel: + 353 1 404 5912

Billy Murphy / Anne-Marie Curran
Drury
Tel: + 353 1 260 5000
Mobile: + 353 87 2313085 (BM) or +353 87 2864079 (AC)

James Leviton / Clare Dundas
Finsbury Group
Tel: + 44 20 7251 3801
Mobile: + 44 7771 887 977 (JL)