

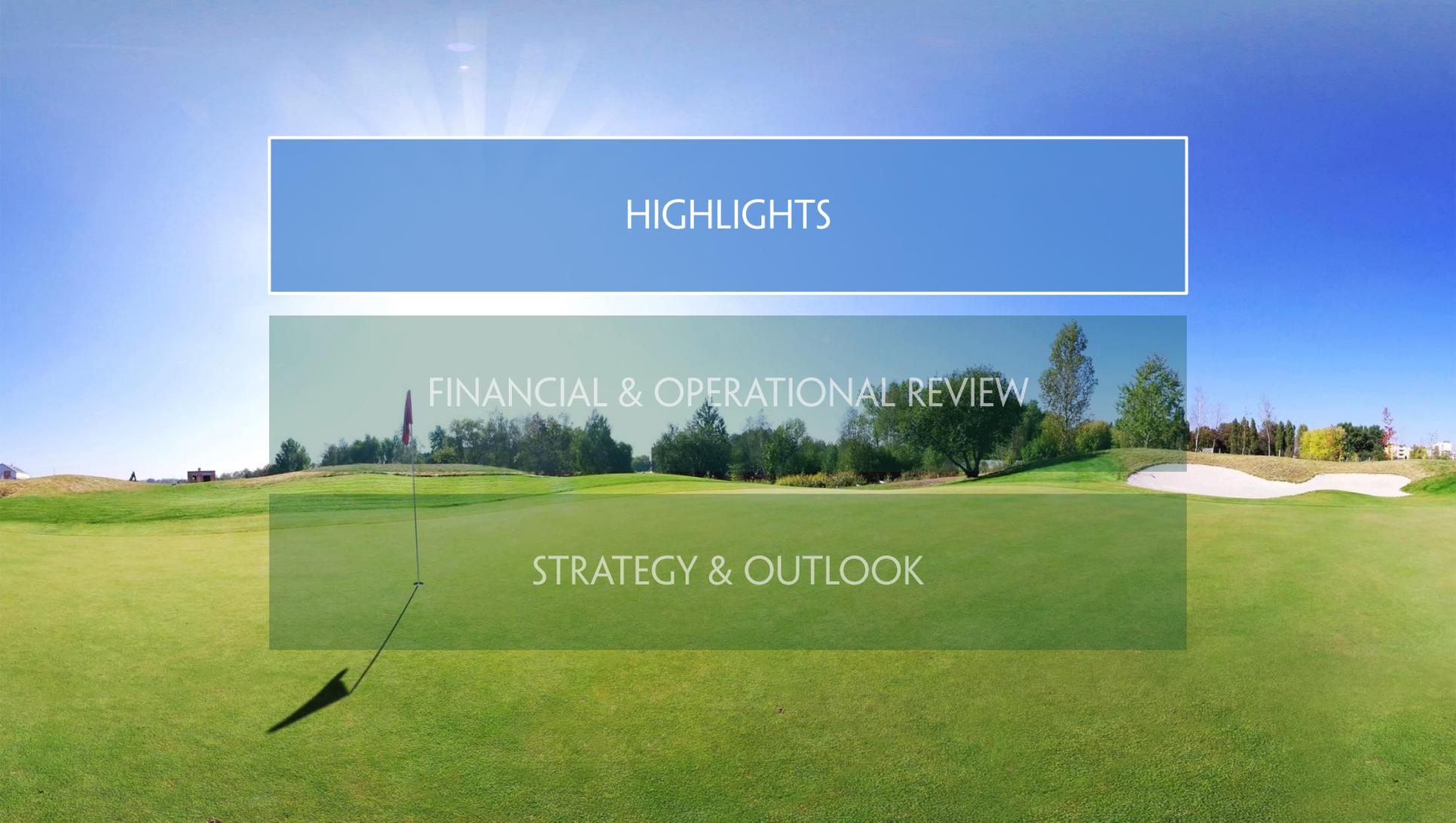
A man, Nigel Farage, is standing on a golf course. He is wearing a blue and white striped polo shirt, bright red trousers, and a brown belt. He is smiling and holding a golf club in his right hand. To his left is a green and yellow Paddy Power golf bag on a stand, with 'PP.' visible on it. The background shows a lush green golf course with trees under a blue sky with white clouds.

“I love Europe. When it comes to the Ryder Cup, we’re better together.”

Nigel Farage UKIP Leader & MEP, Sep'14

PADDYPOWER.

2014 RESULTS



HIGHLIGHTS

FINANCIAL & OPERATIONAL REVIEW

STRATEGY & OUTLOOK

HIGHLIGHTS



Revenue up 18%*, strong momentum in all key top-line metrics

PBT up 21%* to €167m & EPS up 18% to 297.6 cent

Future strategy focused on Product & Brand differentiation

Cash return of €8 per share (€392m) proposed

2015 has started well

* In constant currency



HIGHLIGHTS

FINANCIAL & OPERATIONAL REVIEW

STRATEGY & OUTLOOK

FINANCIAL HIGHLIGHTS



- Net revenue growth of 18%*
 - Gaming & B2B +25%
 - Sportsbook +16%
- Sports results below expectations
- 2014 included World Cup stakes of €198m & gross win of €34m
- Operating cost growth of 14%*, below revenue growth
- Effective tax rate of 13% in 2014
- Proposed final dividend up 13% to 102.0c

€M	2014	2013	CHANGE	CC* CHANGE
Sportsbook Amounts Staked	7,003	6,014	+16%	+16%
Net Revenue**	882	746	+18%	+18%
Sportsbook Net Revenue %	9.2%	9.3%		
EBITDA	211.8	176.9	+20%	+23%
Operating Profit	163.8	137.4	+19%	+22%
Profit Before Tax	166.6	141.0	+18%	+21%
Diluted EPS	297.6c	252.0c	+18%	+21%
Dividends	152.0c	135.0c	+13%	

* Change in constant currency ('CC') with foreign currency component in 2013 translated at 2014 exchange rates

** For consistency, following the change to the Machine Gaming Duty ('MGD') taxation regime, VAT on machines in January 2013 has been added back to net revenue & deducted within cost of sales, throughout this presentation

DIVISIONAL OVERVIEW



DIVISION	SPORTSBOK AMOUNTS STAKED (€M)		NET REVENUE (€M)		OPERATING COSTS (€M)		OPERATING PROFIT (€M)	
	2014	CHANGE*	2014	CHANGE*	2014	CHANGE*	2014	CHANGE*
Online Europe	2,763	+20%	335	+11%	205	+9%	75.3	+4%
Online Australia**	2,056	+14%	227	+34%	119	+24%	52.4	+68%
UK Retail	710	+22%	174	+30%	108	+26%	21.2	+50%
Irish Retail	1,093	+11%	127	+9%	98	+7%	15.6	+15%
Telephone	380	+5%	20	(15%)	20	(4%)	(0.7)	n/a
Total	7,003	+16%	882	+18%	550	+14%	163.8	+22%

* In constant currency

** Australia also includes telephone operations accounting for less than 10% of its gross & operating profit



- Strong sportsbook growth
 - Bet volumes +28%
 - Actives +24%
 - Stakes +20%*
 - 75% of actives used mobile in Dec'14
- eGaming growth driven by proprietary content & mobile (40% of revenues)
- New customer acquisition +27%
- Profit growth impacted by new taxes (-€3m) & sports results (gross -c.€14m)
- paddypower.com rebound driven by more TV advertising, plus online marketing, new product and value
- paddypower.it net revenue +85% or €7.9m but overall market growth slower than expected

€M	2014	2013**	CHANGE*
Sportsbook Amounts Staked	2,763	2,218	+20%
Sportsbook Net Revenue	194.2	180.6	+7%
Sportsbook Net Revenue %	7.0%	8.0%	
Gaming/B2B Net Revenue	140.5	119.1	+17%
Total Net Revenue	334.6	299.7	+11%
Operating Profit	75.3	73.5	+4%
Operating Loss - Italy	(14.7)	(16.8)	
Active Customers (000's) ***	1,840	1,524	+21%

* In constant currency

** Some activity has been reclassified in 2014 from Gaming to Sportsbook to better reflect the nature of the bets. All 2013 amounts (revenue €6.2m) have been restated on a consistent basis. The impact on year-on-year growth rates is immaterial.

*** Active customers throughout are defined as those who have deposited real money & have bet in the year, excluding indirect B2B customers



- Online growth accelerated
 - New customers +33%
 - Active customers +38%
 - Net revenue +34%*
- Mobile stakes up 66%* to 53% of online stakes; 82% of actives used mobile in Dec'14
- Structural improvement in gross win %
- Operating margin expansion up 5%* to 23%, despite increased product fees

€M	2014	2013	CHANGE*
Online Sportsbook Amounts Staked	1,881	1,636	+22%
Total Sportsbook Amounts Staked	2,056	1,914	+14%
Net Revenue	226.9	179.6	+34%
Sportsbook Net Revenue %	11.0%	9.4%	
Gross Profit	171.3	135.1	+35%
Operating Profit	52.4	33.5	+68%
Online Active Customers (000's)	575	417	+38%

UK RETAIL



- Operating profit up 50%*
- Like-for-like KPIs*
 - Sportsbook stakes +5%
 - Sportsbook net revenue +4%
 - Machine gaming net revenue +13%
 - Total net revenue +8%
 - Opex +3%
 - Operating profit +38%
- Leading product proposition
 - Eclipse gaming machines in full estate since 2013
 - SSBT** in every shop since 2011
 - Broadest multi-channel 'cash card' solution in market
- 55 shops opened, including 8 acquired

€M	2014	2013	CHANGE [*]
Sportsbook Amounts Staked	710	552	+22%
Sportsbook Net Revenue	80.5	64.0	+20%
Sportsbook Net Revenue %	11.4%	11.5%	
Machine Gaming Net Revenue	93.5	64.3	+39%
Total Net Revenue	173.9	128.3	+30%
Operating Profit	21.2	13.9	+50%
Shops at Year End	321	266	+21%

* In constant currency

** Self Service Betting Terminal

PADDYPOWER.

IRISH RETAIL



- Record stakes >€1 billion
- Like-for-like KPIs
 - Bet volumes +8%
 - Amounts staked +5%
 - Net revenue +3%
 - Opex +2%
- Sports results below expectations
- Record 20 new shops opened, including 17 acquired

€M	2014	2013	CHANGE*
Sportsbook Amounts Staked	1,093	981	+11%
Net Revenue	126.6	115.6	+9%
Sportsbook Net Revenue %	11.6%	11.8%	
Operating Profit	15.6	14.0	+15%
Shops at Year End	243	223	+9%

* In constant currency

CASH FLOW



Positive working capital inflow
as business grows

New shop openings &
technology for product
enhancement & expansion

Includes +€10m FX translation
impact on cash balances

€M	2014
EBITDA	211.8
Maintenance capex	(17.9)
Working capital	13.0
Tax & other	(13.7)
Operating cashflow after tax	193.2
Investing and financing activities:	
Acquisitions	(11.8)
Enhancement capex	(48.9)
Dividends	(69.0)
Share buybacks	(23.6)
Other	16.2
Increase in net cash	56.1

2014 operating cashflow
133% of profit after tax
(5 years 2010-2014: 133%)

Closing cash €285m
(€218m excluding customer
balances)

PADDYPOWER.

PROPOSED CASH RETURN TO SHAREHOLDERS



Rationale

Increased efficiency without compromising growth

Quantum

€8.00 per share (€392m)

Funding

Surplus cash & debt raise of circa 1x EBITDA

Mechanics

B-Share type scheme followed by a share consolidation
Shareholder approval required at AGM in May

TAX AND REGULATORY DEVELOPMENTS



UK

- **Point of Consumption tax**
 - 15% tax payable since Dec 2014 (€44m* gross cost)
 - Mitigation opportunities
- **Gaming machines**
 - Voluntary Code of Conduct since Mar 2014
 - Machine Gaming Duty increased to 25% from Mar 2015 (€4m* net cost)
 - DCMS measures affecting staking over £50 from Apr 2015
 - RGT's research published Dec 2014
- **Senet Group** established Sep 2014
- Government expected to publish its **review into industry advertising** shortly
- Government conducting further consultation on possible **reform of horseracing betting levy**



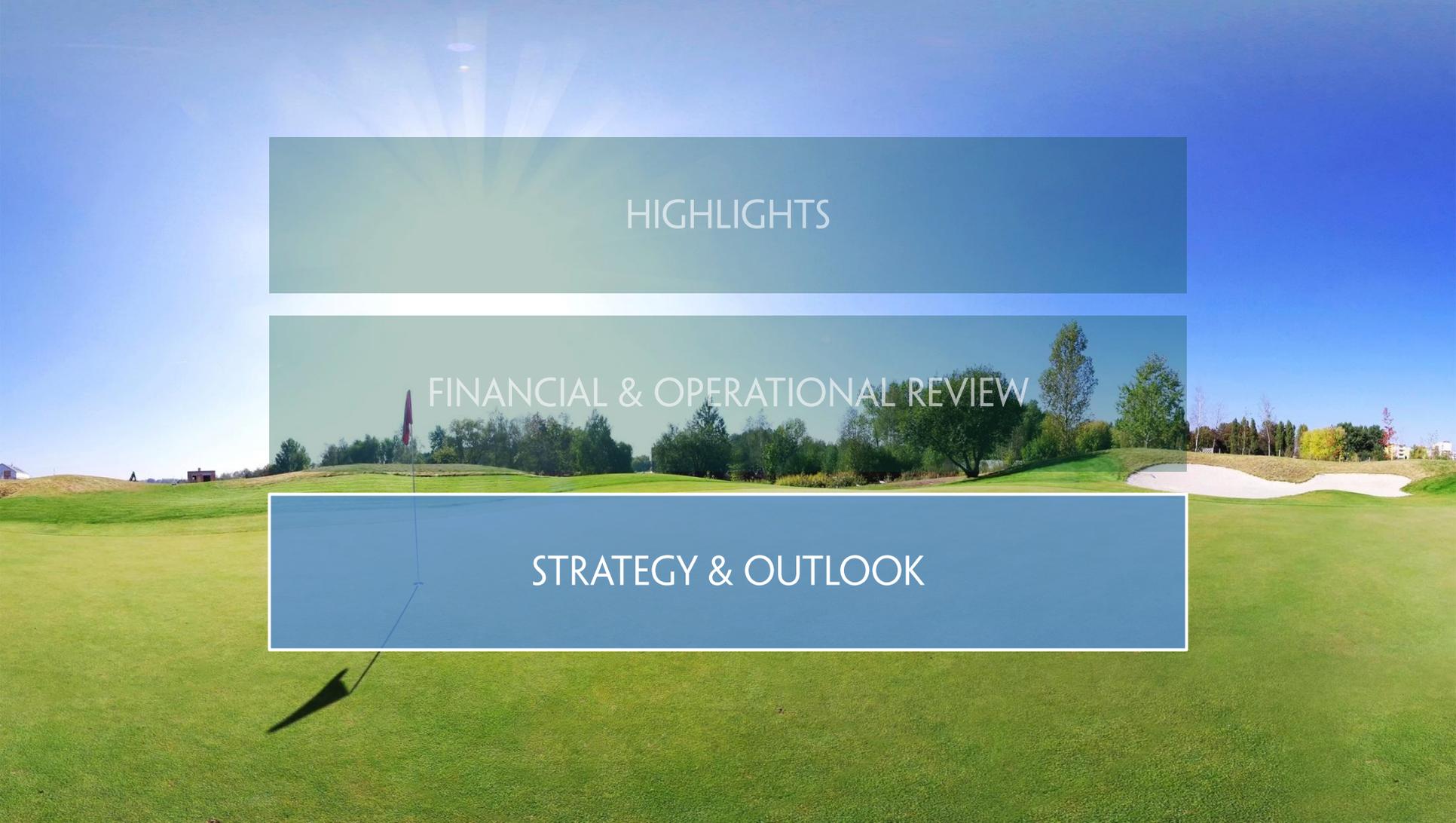
Ireland

- Year round **evening openings** since Jan 2015
- **VAT** payable on **Irish eGaming** since Jan 2015 (€2m* net cost)
- **1% online/phones turnover tax** expected later this year (€8m* gross cost)

Australia

- **Increased racing product fees** since H2 2014 (€8m* gross cost)

* Full year impact based on if tax / increased rate applied for full year 2014



HIGHLIGHTS

FINANCIAL & OPERATIONAL REVIEW

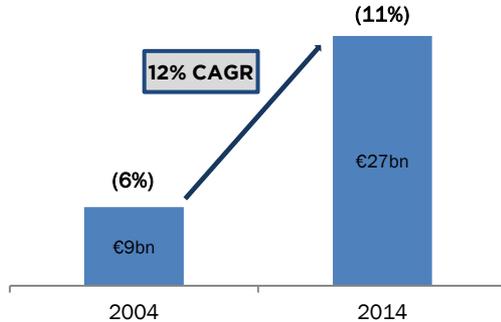
STRATEGY & OUTLOOK

MARKET CONTEXT



Online Growth Outpacing Retail

Global Online Gambling Market (% of Total Market)

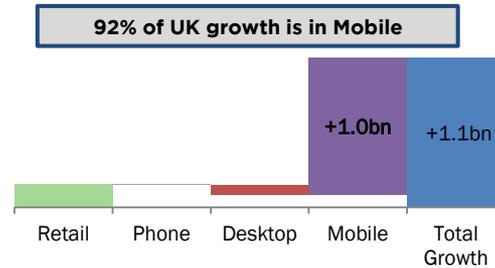


Source: H2GC, excludes lotteries

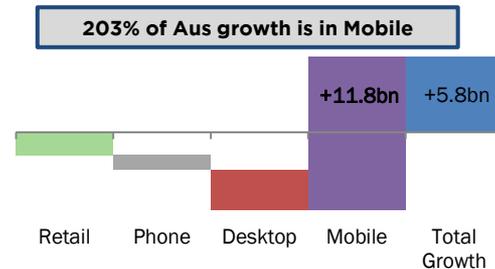
- Retail to online migration:
 - Retail bettors spending more online
 - New bettors disproportionately online
- Retail market still significantly larger

Future Growth All in Mobile

UK Sports & Gaming Market Growth 2014-18
Gross Win, €

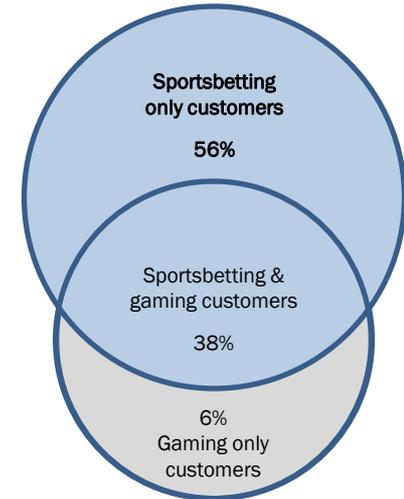


Australian Sportsbetting Market Growth FY14-19
Turnover, A\$



Sportsbetting Biggest Segment

UK Online Regular Gamblers – Product Usage
% of Total Customers



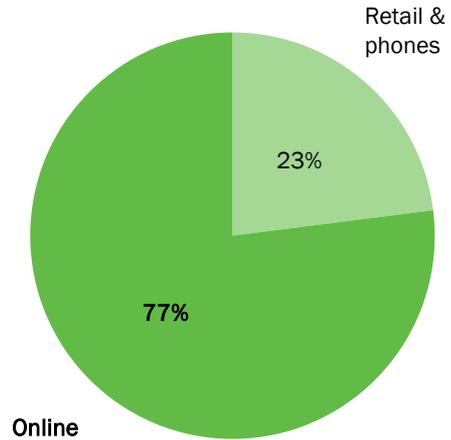
MARKET CONTEXT



PP Exceptionally Well Positioned

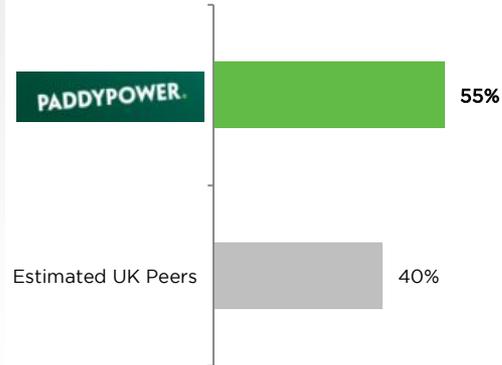
Predominantly Online

PP 2014 Group Operating Profit



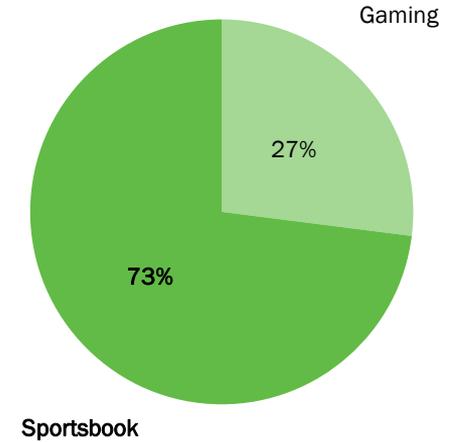
Mobile Leadership

2014 Mobile % of Online Net Revenue



Sportsbook Led

PP 2014 Group Net Revenue



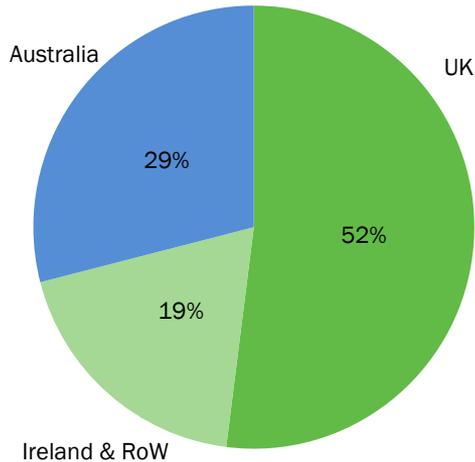
MARKET CONTEXT



PP Exceptionally Well Positioned

Geographic Diversity

PP 2014 Group Operating Profit (ex Italy)



Scale Positions with Growth Potential

- Market leading positions in UK, Australia & Ireland
- Market share moving to leading operators

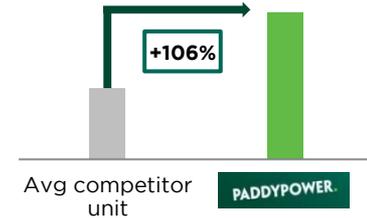
Sustainable Revenues

- PP profits, unusually in the sector, generated only in legal & licensed markets

Disproportionate Multichannel Reach

- Leading retail capabilities & 'prime-pitch' locations

Sportsbook stakes per shop*



- 565 PP shops turnover equivalent to 1,163 competitor units
- Almost half of GB population live within 5 miles of a PP shop

Leading Retail Profitability & Resilience

* Source: Irish Revenue Betting Duty tax returns; quoted UK competitors disclosures

STRATEGY OVERVIEW



Three Key Elements

PRODUCT DIFFERENTIATION

- Intuitive customer experience
- Innovation
- Increased in-house development

DISTINCTIVE BRANDS & MARKETING CAPABILITY

- Entertaining & engaging
- Sells product advantage
- Digital marketing expertise

LEADERSHIP IN LARGE, REGULATED MARKETS

- Scale positions
- Potential to grow share
- Long-term profitability
- Virtuous cycle of growth

Clear Accountability & Focused Execution

Future Investment Priorities Emphasising

Online
over
Retail

Mobile
over
Desktop

Sports
over
Gaming

Organic
over
Acquisition

PRODUCT DIFFERENTIATION



Importance of Product

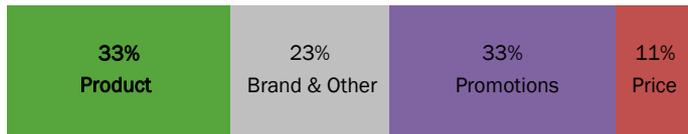
Most important factors for choosing bookmaker

UK, IRL & Aus consumers



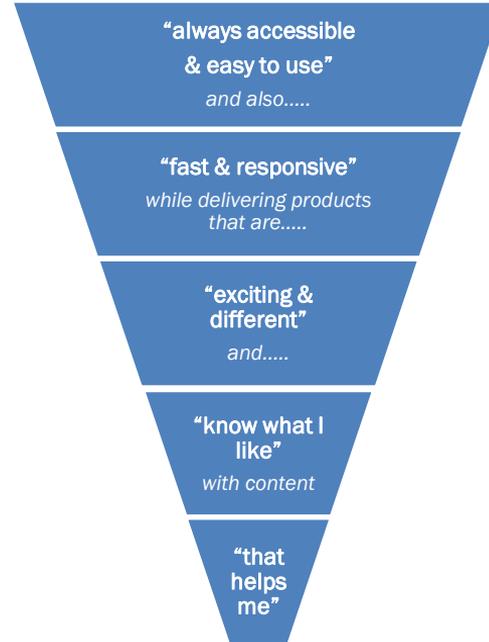
Most important reasons for moving to another bookmaker

UK, IRL & Aus consumers

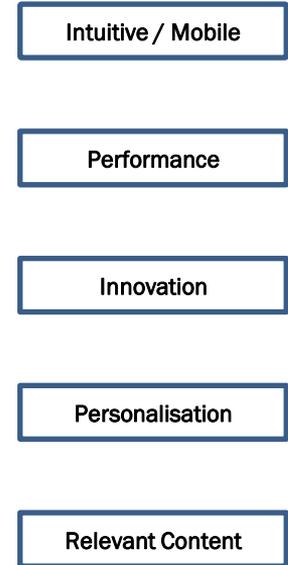


Product Priorities to Match Customer Priorities

Consumer preferences (in order of importance)



Associated development priorities



PRODUCT DIFFERENTIATION



Product Innovation Across Multiple Dimensions

Platforms



Bets



Markets & Game Types

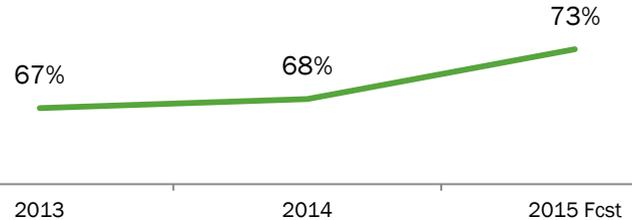


Multi-channel

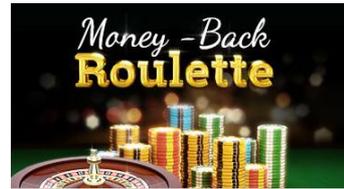


Increased In-House Development

Proportion of PP Product Development Spend In-House



- Increases agility, pace & distinctiveness
- Uncoupling & gaining ownership of critical customer facing front-ends
- Increasing investment in Bulgaria
- Further investment in differentiated gaming software
- Continue to cultivate strategic 3rd party partnerships



DISTINCTIVE BRANDS & MARKETING CAPABILITY



Deepening the Distinctiveness of our Brands



Launching new creative marketing campaigns for both brands in 2015

Communicates Product & Value

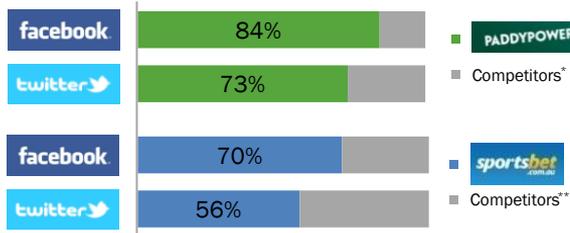


Marketing will increasingly highlight new & original product releases

Ensure customers see us as being competitive on value with distinctive, simple & relevant offers

Leading Social Engagement

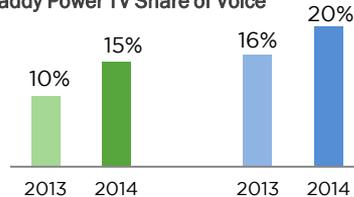
Share of Engagement vs Competitors (H2'14)



We will continue to push the boundaries of social engagement

Optimised & Efficient Brand Investment

Paddy Power TV Share of Voice



Investing in a leading share of voice in the UK & Australia

Advancing our digital marketing capabilities to maintain lead in marketing efficiency

Substantially increased investment in TV
Strong returns: customer acquisition +28%
2014 Online CPA flat

* Betfair, Coral, SkyBet, Ladbrokes & William Hill

** Tabcorp, Sportingbet, Tom Waterhouse, Centrebet, Tatts, Ladbrokes, Betstar, Betfair & Unibet

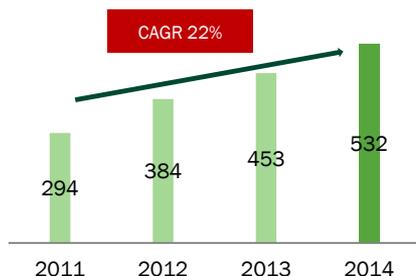
LEADERSHIP POSITIONS IN LARGE, REGULATED MARKETS



UK, Ire & Aus Positions Offer Substantial Growth Opportunities

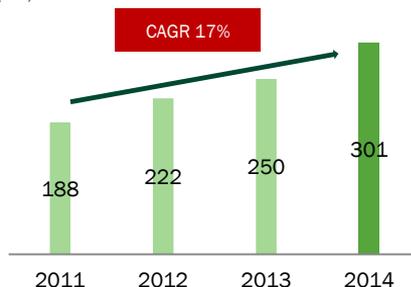
Online Markets

Paddy Power Online Net Revenue (UK, Aus & Ire)
€'m (CC)



Retail Markets

Paddy Power Retail Net Revenue (UK & Ire)
€'m (CC)



Future PP growth drivers

- Structural growth
- Leadership in mobile
- Aus: TAB's still 78% of overall market
- Increased taxes favour scale players with higher profit margins

Future PP growth drivers

- Market growth in prime locations
- Selective new shop openings
- Improving economic environment
- Competitor closures

Italy

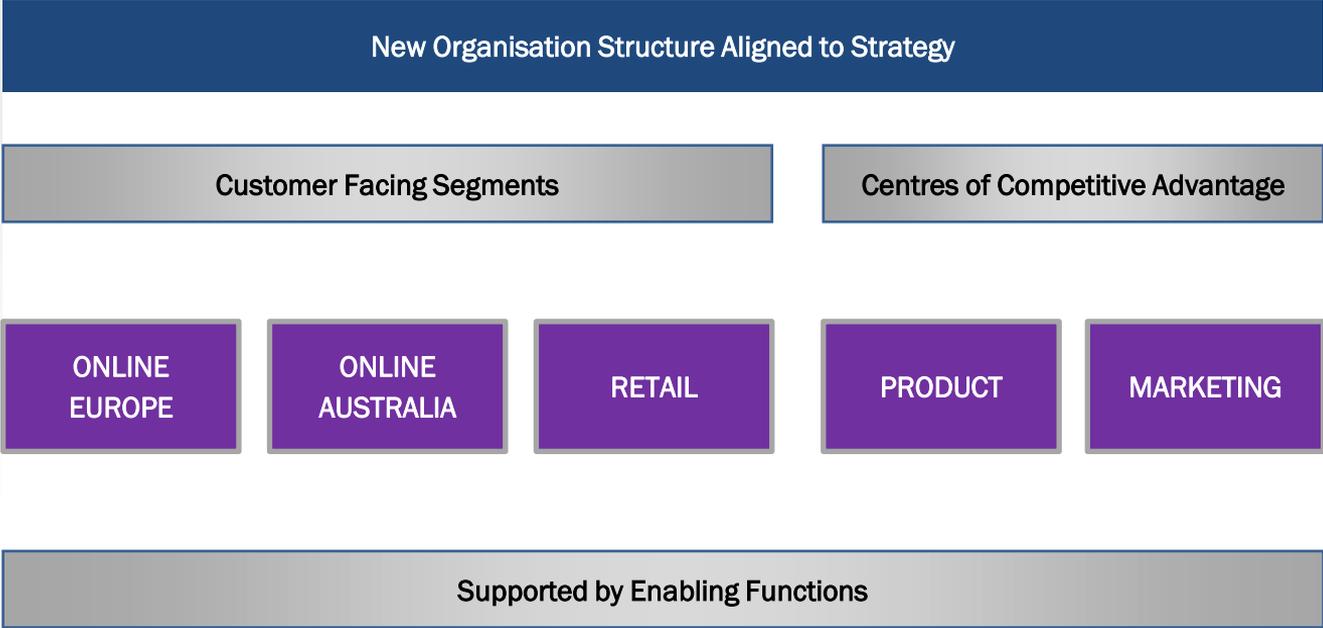
- Significant progress since market entry
 - Meaningful sportsbook market share
 - Leadership in Palinsesto Suppletore ('PS') markets
 - Poker, PP Vegas & Bingo added in 2014
- Market growth slower than expected
 - PS markets driving stakes growth but at low margins
 - Regulated online market gross win -2% in 2014*
 - Ex-World Cup, 2014 sportsbook actives -5%**
- Review to allow us position our business better for this market reality will be completed in the coming months

New Markets

- Look globally at new B2C markets
- Expect further B2B partners

* Excluding impact of previously unregulated business transferring into the regulated market
 ** Source: Osservatori, Politecnico di Milano (Jan-Sept 2014, excl June & July, monthly average)

CLEAR ACCOUNTABILITY & FOCUSED EXECUTION



- Global approach to product development
- Efficiency opportunities from improving our investment discipline, and leveraging scale & geographic synergies
- Enabling us to continue to invest in Product & Brand



Market Context & Position

1. Strong Momentum Following 2014 Rebound

(PP.com YoY CC)

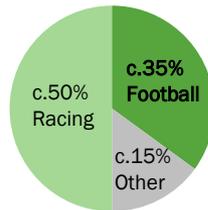


2. POCT Impact

- Some initial evidence of deflation in price of industry media assets
- Higher profitability & scale operators favoured in long run

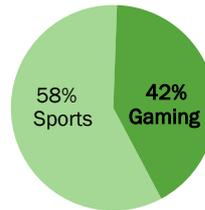
3. Football & eGaming Opportunity

PP.Com Sportsbook Gross Win



Other operators
c. 40-50% football

PP.Com Net Revenue



PP eGaming revenue per active
relatively low versus peers

Strategy Implementation

Product

- Enhanced live betting pages
- Cash Out extended to each way bets & industry first Partial Cash Out to be released soon
- Proprietary, exclusive gaming content & innovations
- Improved usability (e.g. Mobile 'My Account' pages)

Brand & Marketing

- Increased emphasis on product offering
- Continued investment in share of voice
- Releasing new creative



Focus & Accountability

- Secondary products & brands discontinued *Roller*, PP Facebook betting product & *Betdash*
- Further develop digital marketing expertise to ensure marketing efficiency maintained



Market Context & Position

1. Ideal Market Growth Drivers

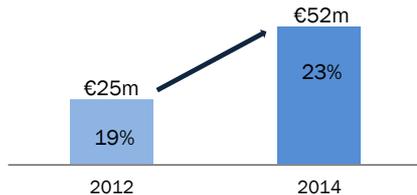
Market Turnover CAGR FY09 to FY13:

- **Online +22% vs Offline (3%)**
- **Fixed Odds +7% vs Tote +1%**
- **Sports +12% vs Racing +2%**

Source: Australia Racing Factbook; excludes exchange turnover

3. Scale & Profitability

Sportsbet Operating Profit** & EBIT Margin



Sportsbet better positioned to withstand increased product fees

** In constant currency at 2014 rates

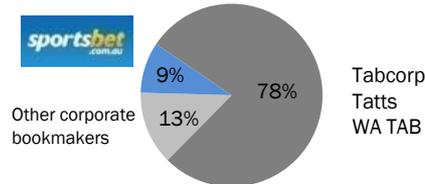
2. Market Share Growth

Sportsbet Online Gross Win Market Share*



4. Strong Scope for Further Growth

Total FY14 Gross Win for Online, Phone & Retail *



TAB's still 78% of market including retail

* Source: Australian Racing Factbook, Competitor data sourced from public filings & internal estimates

Strategy Implementation

Product

- Cash Card for ATM withdrawals
- Cash-Out launched in February
- Leadership on breadth of markets / events
- Customer journey enhancements



Brand & Marketing

- Increased investment in media assets
- Enhance distinctive brand with social media, mischief & value



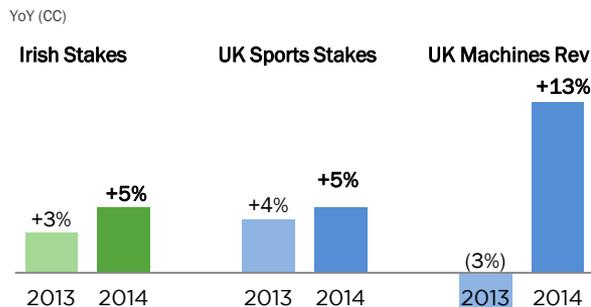
Focus & Accountability

- Greater leverage of group product development and risk & trading functions

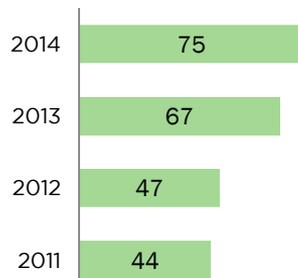


Market Context & Position

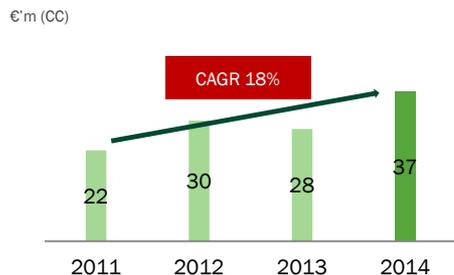
1. PP LFL Top-line Growth



2. PP New Openings



3. PP Operating Profit Growth



4. PP Greater Resilience



Strategy Implementation

Product

- Continue to lead on breadth of sports content
- Leadership in gaming content (incl. proprietary games)
- First-mover in SSBTs
- Multi-channel initiatives (e.g. simultaneous games releases on retail & online)
- Trialling next generation TV displays



Brand & Marketing

- Continue to lead on sports value & offers
- Multi-channel promotions

Focus & Accountability

- New shop formats & TV displays trialled pre full roll-out
- Maintain high RoI for new openings (expect c.30 UK openings in 2015)



2015 Year-to-Date*

Stakes

- Online sportsbook +18%
- Retail like-for-like sportsbook +8%

Sports Results

- Sports results have been broadly in line with expectations

Outlook

- 2015 will benefit c.€5m from recent euro depreciation, if sustained

Strategy

We are confident about the Group's prospects

Our strategy is focused on:

1. Product differentiation
2. Distinctive brands & marketing capability
3. Leadership in large, regulated markets

This, combined with clear investment priorities, will pave the way for sustained performance and market leadership

* Comparisons are 1 Jan to 26 Feb versus equivalent period last year in constant currency