

#RBGF

**OVER
5,000**
PROFESSIONAL
FOOTBALLERS
AND NONE OF
THEM ARE GAY.
**WHAT ARE THE
ODDS ON THAT?**



In association with

PADDYPOWER.

**RIGHT BEHIND
GAY FOOTBALLERS**



PADDYPOWER.

2013 RESULTS

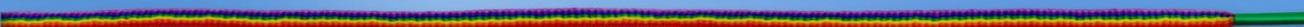


HIGHLIGHTS

FINANCIAL & OPERATIONAL REVIEW

STRATEGY & OUTLOOK

HIGHLIGHTS



- Net revenue up 17%*, growth in every division
- PBT up 5%* after adverse H2 sports results & other headwinds
- EPS up 2%, dividend growth of 13% to 135 cent per share
- Investing confidently for long term

* In constant currency

HIGHLIGHTS

FINANCIAL & OPERATIONAL REVIEW

STRATEGY & OUTLOOK

FINANCIAL HIGHLIGHTS

€M	2013	2012	CHANGE	CC CHANGE*
Amounts Staked**	6,180	5,703	+8%	+14%
Net Revenue**	745	663	+12%	+17%
EBITDA	176.9	168.2	+5%	+8%
Operating Profit	137.4	136.0	+1%	+4%
Profit Before Tax	141.0	139.2	+1%	+5%
Diluted EPS	252.0c	248.1c	+2%	+5%
Dividends	135.0c	120.0c	+13%	

Net revenue +17%*/**:

- Sportsbook +17%*
- Gaming, Machines & B2B +17%*/**

Online net revenue +21%*

Sportsbook gross win margin +0.3%;
H2'13 9.3% versus c.10.1% expected

2013 headwinds of €10m (MGD, Australian product fees, FX and Italy)

Effective tax rate 12.7% (2012: 13.0%)

Proposed final dividend up 11% to 90.0c

* Change in constant currency ('CC') with foreign currency component in 2012 translated at 2013 exchange rates

** For consistency, following the change to the Machine Gaming Duty ('MGD') taxation regime, VAT on machines in February-December 2012 has been added back to amounts staked/net revenue and deducted within cost of sales, throughout this presentation

DIVISIONAL OVERVIEW

DIVISION	AMOUNTS STAKED (€M)		NET REVENUE (€M)		OPERATING PROFIT (€M)	
	2013	CHANGE *	2013	CHANGE *	2013	CHANGE *
Online (ex Australia)	2,317	+13%	300	+15%	73.5	+1%
Online Australia**	1,914	+24%	180	+28%	33.5	+25%
UK Retail	619	+20%	128	+20%	13.9	(6%)
Irish Retail	981	+6%	116	+5%	14.0	(4%)
Telephone	348	(13%)	23	+3%	2.5	(3%)
Total	6,180	+14%	745	+17%	137.4	+4%

* In constant currency

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

ONLINE (EX AUSTRALIA)

€M	2013	2012	CHANGE *
Amounts Staked	2,317	2,112	+13%
Net Revenue Sportsbook	174.4	154.0	+15%
Sportsbook Gross Win %	8.6%	8.4%	
Net Revenue Gaming/B2B	125.3	109.1	+17%
Operating Profit	73.5	72.7	+1%
Active Customers**	1,524,000	1,307,000	+17%
Operating Loss - paddypower.it	(16.8)	(14.7)	n/a

Strong sportsbook growth:

- Bet volumes +14%; actives +16%
- Mobile 51% of stakes
- 69% of actives using mobile in Feb'14

Gross win %:

- Structural improvement
- H2'13 below expectations

Mobile gaming 35% of revenues in Feb'14

Leading operating margin of 31% (ex Italy), provides significant capacity

Italy progressing on-track

New B2B deal with largest operator in Slovakia, Niké; PMU online sports stakes +22%

* In constant currency

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

AUSTRALIA

€M	2013	2012	CHANGE *
Amounts Staked	1,914	1,710	+24%
Net Revenue	179.6	156.4	+28%
Sportsbook Gross Win %	9.8%	9.4%	
Gross Profit	135.1	119.4	+26%
Operating Profit	33.5	30.8	+25%
Active Customers	419,000	324,000	+29%

Strong market share gains; net revenue +28%*:

- Online amounts staked +25%*
- Online net revenue +31%*
- Telephone amounts staked +23%*

Mobile stakes almost doubled to €632m or 39% of online stakes; 69% of actives using mobile in Feb'14

Impact of increased product fees - €2m

Revenue growth outpaced cost growth, notwithstanding continued substantial investment

Note: Australia also includes telephone operations accounting for less than 10% of its gross and operating profit

* In constant currency

UK RETAIL

€M	2013	2012	CHANGE *
Amounts Staked	619	540**	+20%
Net Revenue Sportsbook	64.0	53.9	+24%
Sportsbook Gross Win %	11.7%	11.3%	
Net Revenue Machine Gaming	63.5	56.4**	+17%
Total Net Revenue	127.5	110.3**	+20%
Operating Profit	13.9	15.3	(6%)
Shops at Year End	266	209	+27%

Profit decreased due to introduction of MGD tax regime (€1.8m) and currency (€0.6m)

H2'13 gross win % below expectations

Like-for-like KPIs:

- Sportsbook amounts staked +4%
- Sportsbook net revenue +8%
- Machine net revenue (3%)**
- Total net revenue +2%**
- Direct shop opex +2%

Machine revenue returned to growth in H2'13 with like-for-like post July +4%*/**

Record 57 shops opened, including 15 acquired

* In constant currency

** For consistency, following the change to the Machine Gaming Duty ('MGD') taxation regime, VAT on machines in February-December 2012 has been added back to amounts staked/net revenue and deducted within cost of sales

IRISH RETAIL

€M	2013	2012	CHANGE
Amounts Staked	981	927	+6%
Net Revenue	115.6	110.4	+5%
Sportsbook Gross Win %	11.8%	12.0%	
Operating Profit	14.0	14.4	(2%)
Shops at Year End	223	213	+5%

Like-for-like KPIs:

- Bet volumes +12%
- Amounts staked +3%
- Net revenue +2%
- Direct shop opex +2%

Adverse sports results, particularly at Cheltenham

10 new shops opened, including 7 acquired
38% market share in 2013 (2012: 35%)

TELEPHONE

€M	2013	2012	CHANGE *
Amounts Staked	348	415	(13%)
Net Revenue	22.6	22.5	+3%
Sportsbook Gross Win %	7.0%	5.8%	
Operating Profit	2.5	2.7	(3%)
Active Customers	71,000	83,000	(14%)

Increased market share, consolidating leading position in UK and Irish market

Higher gross win % offset lower stakes with absence of major football tournament

Ongoing positive contribution to Group's overall product offering

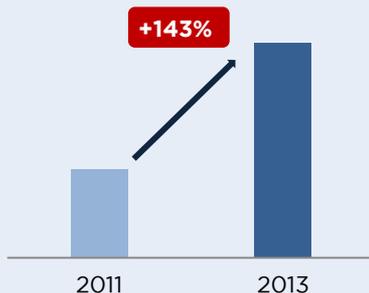
PP Messenger launched Dec'13

* In constant currency

OPERATING COST DYNAMICS

1. Marketing Spend Growth

UK Sportsbetting Industry TV Spend



Source: Nielsen; excludes TV sponsorships

2. Additional Platform Complexity

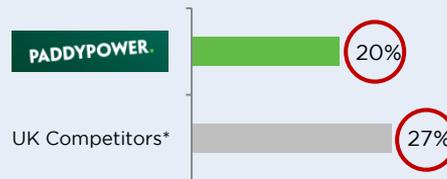
- PP online customer interfaces up from 15 to 51 in last 2 years, driven by mobile devices

3. Content Rights Inflation

- Irish / UK Racing; Online Streaming

1. Leading Marketing Efficiency

Marketing as % of Online Net Revenue, 2013*



- Differentiated brand personality
- Expertise & effectiveness in PR, online marketing and social media, amplifies brand spend
- Significant capacity / flexibility

2. Significant Recent Investment

- Leading to scaling e.g. core IT infrastructure, expanded Bulgarian development base

3. Other Scaling & Efficiency Initiatives

- Irish Retail cost per slip down 36% since 2008
- Test days to Dev days ratio down 50% since 2011

YoY Opex Growth Reduced



UPWARD DRIVERS

DOWNWARD LEVERS

CASH FLOW

€M	2013
EBITDA	176.9
Maintenance capex	(17.9)
Working capital	4.8
Tax and other	(23.0)
Operating cashflow after tax	140.7
Investing and financing activities:	
Acquisitions	(9.7)
Enhancement capex	(39.5)
Dividends	(61.9)
Other	(10.0)
Increase in net cash	19.5

Positive working capital inflow as online grows

New shop openings and technology for product enhancement and expansion

Includes €15m FX translation impact on cash balances

2013 operating cashflow
114% of profit after tax
(5 years 2009-2013: 128%)

Closing cash €172m
excluding €57m
customer balances

STRONG BALANCE SHEET PROVIDES FURTHER OPPORTUNITIES TO CREATE VALUE FOR SHAREHOLDERS

TAX AND REGULATORY DEVELOPMENTS

UK

- Online/phones 'point of consumption' tax:
 - Government progressing a 15% rate and December 2014 implementation
 - If applied to 2013, extra tax payable €37m
 - Mitigation opportunities - lower revenue share and marketing costs; potential market share gains, net of any share moving to illegal operators
- Gaming machine regulation subject to political and media debate:
 - Engaged in dialogue with the Minister, DCMS and the Gambling Commission
 - Voluntary Code of Conduct implemented March 2014
 - Paddy Power driving extended research
- Mooted constraints on new openings anti-competitive and could be subject to legal challenge

IRELAND

- Betting (Amendment) Bill 2013 published:
 - 1% online/phones turnover tax (if applied to 2013, extra tax payable €7m)
 - Year round retail evening opening

OTHER

- Italy: Awaiting full implementation of Palinsesto Supplementare and approval of Bingo and 'Virtual' product
- Ongoing review of other regulatory developments for new market opportunities, via B2B or B2C

HIGHLIGHTS

FINANCIAL & OPERATIONAL REVIEW

STRATEGY & OUTLOOK

GROUP STRATEGY - OVERVIEW

ATTRACTIVE
MARKETS



- Regulated
- Substantial
- Fast-growing
- Where we have an edge

INVEST
HEAVILY



Building scale for the long term:

- Product
- Marketing
- Value
- People

STRONG
POSITIONS



Aspire to be:

- Biggest
- Fastest-growing



STRONG PAYBACK

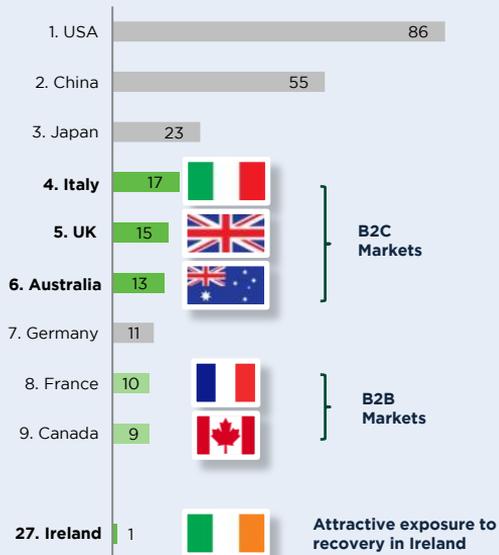
In Existing
Markets
+
Optionality
for
Future Markets

27% COMPOUND ANNUAL EPS GROWTH SINCE FLOTATION (2000-2013)

ATTRACTIVE MARKETS

PP IN LARGEST LEGAL MARKETS

Total Gambling Revenues, including land based €bn



Source: H2GC; includes offshore online

OVER INDEX ON GROWTH 'HOT SPOTS'

Online Growth

- Structural growth from retail migration and device roll-out
- **Over 75% of PP profits from online**

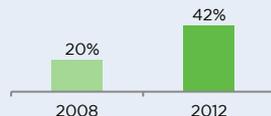
Mobile Growth

- c.90% of future total industry growth
- **PP sector leading mobile penetration - 45% of online revenues in 2013**

Multi-channel customers

- Fastest growing customer segment

% Total UK Online Sportsbook Market Spend from Multi-channel Customers



- **PP industry leading 'online halo'**

MARKET SPECIFICS

UK Online

- Market consolidating as 'big-get-bigger'
- Further consolidation with POC tax

Australia

- Ideal growth drivers for PP:
 - Online: sports, fixed odds racing, mobile and migration from retail
 - Telephone: becoming a BIR channel

Italy

- Online only c.8% of overall market
- Improved regulatory environment

Retail

- Large resilient market e.g. UK market revenue +3% CAGR over last 3 years
- Core retail bettors: social, immersion in action, physical cash transactions

INVESTING HEAVILY

COMMON THEMES

Long term and substantial

- Not just the easy 'levers'
- Target emerging opportunities and technologies

Capability focused

- Hard and time consuming to replicate
- Sustainable advantages

Analytical backbone

- 16K consumer interviews in 2013
- Rigorous marketing analytics

PEOPLE / OPERATING CAPABILITIES

People

Group Online, IT & Risk Headcount

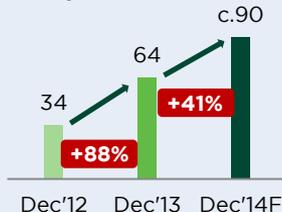


Localised

Australia Headcount



Italy based Headcount



Long term sector-leading operating capabilities in:

- Risk management
- Online marketing
- Brand/PR marketing
- Social media
- Mobile product
- Retailing
- eCommerce
- Customer service
- IT/Product Development

INVESTING HEAVILY - PRODUCT

PRODUCT DEVELOPMENT

Increased Development

Paddy Power Development Days (ex-Aus)



Accelerated Product Roll-Out

Paddy Power Product Releases (ex-Aus)



More Customer Interfaces

Paddy Power Platforms Supported (ex-Aus)



INVESTING HEAVILY - PRODUCT

PRODUCT RELEASES

Sportsbook

- 'Partial Settlement'
- 'Football Coupons'
- 'Combined Horses'
- 'Cash-out'
- 'Powercasts'
- Mobile enhancements:
 - 'Two-tap' betting
 - Extra streamed international racing
 - Push notifications
 - Coupons
 - 'My-team' pages
-  PADDYPOWER IN-PLAY!
- PP Messenger App

eGaming

- 200 Games released in 2013
 - >60% mobile
 - 35% exclusive
- 'Live' Casino app
- Revamped Games app

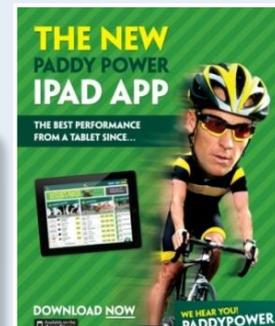
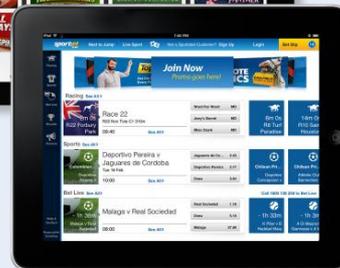


Italy

- Palinsesto Supplementare markets
- Games on desktop and mobile
- Casino mobile
- 'Live' casino
- 2014 rollout:
 - Mobile product
 - 'Virtual' betting
 - Bingo
 - Poker
 - Further sports markets

Tablet

- Proprietary  Sports, Games & Casino native apps
- PP Vegas app
- 15 exclusive Cayetano games
-  apps to be released later this month



INVESTING HEAVILY - RETAIL

Accelerated New Openings.....with Strong Returns



Averages for 139 openings, 2008-2011

Enhanced Product Offer:

- First to complete roll-out of new Inspired 'Eclipse' cabinets
- The leading machine loyalty programme
- Extended leadership in SSBTs
- Multi-channel initiatives e.g. Cash-Card on SSBTs

Increasing number of shops receiving investment:



INVESTING HEAVILY – VALUE & BRAND - TV

VALUE

UP TO 100% BONUS
ON FOOTBALL ACCUMULATORS

UNBEATABLE BONUSES FROM TREBLES UPWARDS

100%
80%
50%
30%
15%

EVERY DAY THIS MONTH

ALL MAJOR UK AND
EUROPEAN COMPETITIONS



WE HEAR YOU!
PADDYPOWER

MOBILE | ONLINE | 1800 721 821

CHAMPIONS LEAGUE & EUROPE LEAGUE
POWER BONUS

**GIOCA UNA MULTIPLA
DA 5 PARTITE E SE NE
SBAGLI UNA,
TI RIMBORSIAMO!**

SCOMMETTI ES A SETTIMANA E NE RICEVI
ALTRI 5, PER 52 SETTIMANE DI FILA!

REGISTRATI ORA

SEABO
4

TI AGGIUNTIAMO
Paddy Power

sportsbet.com.au

MELBOURNE CUP

MONEY BACK
IF YOUR HORSE RUNS
2ND, 3RD OR 4TH!

NAG-NIFICENT

FIND OUT MORE

SEA MOON
Flamington, Race 6 - Saturday 9th October

WE HEAR YOU!
PADDYPOWER

**PROTEST
PAYOUT**

SEA MOON
Flamington, Race 6 - Saturday 9th October

**\$300,000
PAID**

sportsbet.com.au

**ONLINE
PRICES
IN SHOP**

AMEM...UNLIKE
DUEL, HILL, CRAL & BETRO

WE HEAR YOU!
PADDYPOWER

BRAND - TV

PP: UK TV Advertising Spend



Australia: Expanded Media Assets



Italy

Paddy Power
CASINO
QUANDO IL GIOCO SI FA DURO

INVESTING HEAVILY - BRAND - SOCIAL MEDIA

Rainbow Laces Campaign



Ball of Shame Campaign



Facebook Fans Jan'14 ('000)



Twitter Followers Jan'14 ('000)



- Most Fans and Followers

- Leading engagement:



Twice as many retweets as next 6 competitors combined



Regularly reach >1m people with posts

- Sportsbet is 13th most followed Australian brand on Twitter

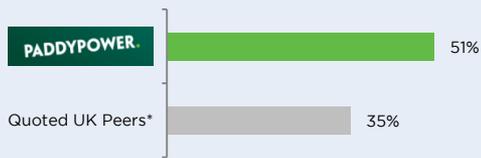
Payback

- 12% of paddypower.com customers acquired via social
- Fans/Followers over twice as valuable as non-Fans/Followers
- **PADDYPOWER IN-PLAY!** first real money sports betting product on Facebook beta launched Aug'13
- Leading marketing efficiency

UK ONLINE – STRONG POSITION

LEADING MOBILE PENETRATION

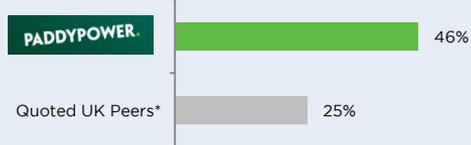
Sports (mobile % of total stakes, 2013)



eGaming (mobile % of total revenues, 2013)

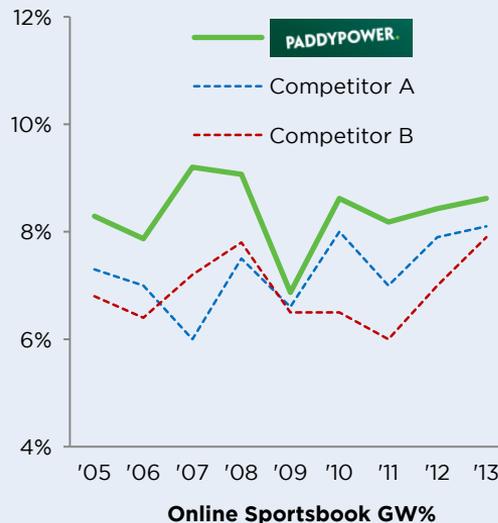


Total (mobile % of total net revenue, 2013)



LEADING CAPABILITIES

Risk Management



LEADING BRAND

- Distinctive brand personality – rated #1** for:
 - ‘Fun’
 - ‘Mischievous’
 - ‘Sharp witted’
- Spontaneous brand awareness at all-time high of 56%**



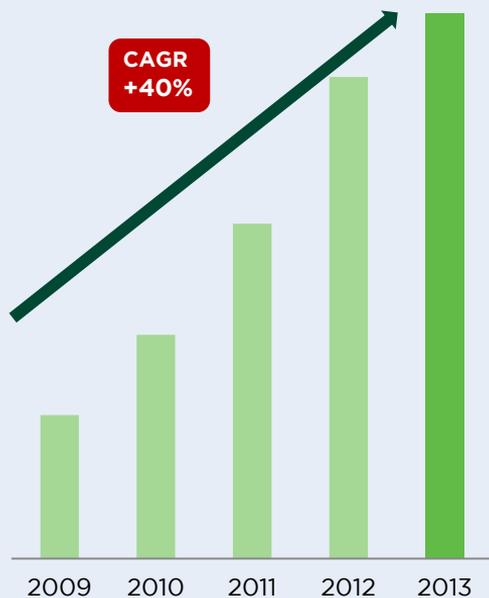
Paddy Power 'Get Lucky' at the Brit Awards (Feb'14)

* Average of available publicly quoted UK competitors' disclosures

** Source: Hall & Partners, Nov 2013

UK ONLINE – STRONG PAYBACK

ACTIVE CUSTOMERS



Significant
growth into
mass market

+

Strong net
revenue growth
in sportsbook
and gaming

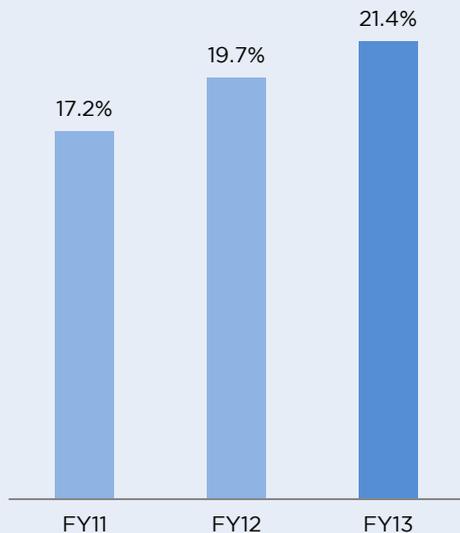
NET REVENUE



AUSTRALIA – STRONG POSITION

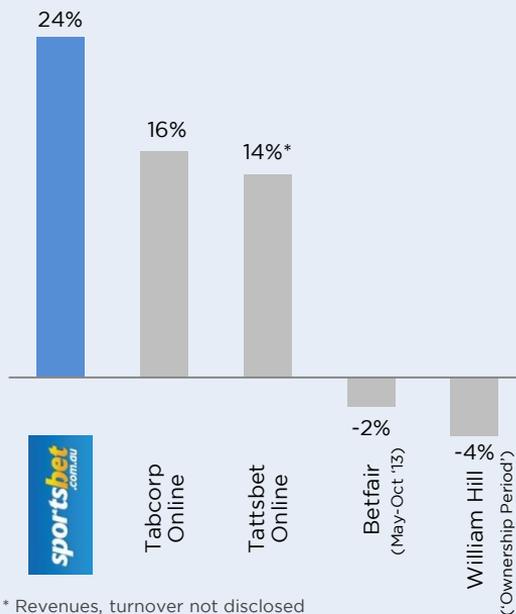
LEADING CORPORATE MARKET SHARE & FASTEST GROWING

Sportsbet Online Sportsbook Market Share



Year ended 30 Jun; based on Market Turnover per Australian Racing Factbook

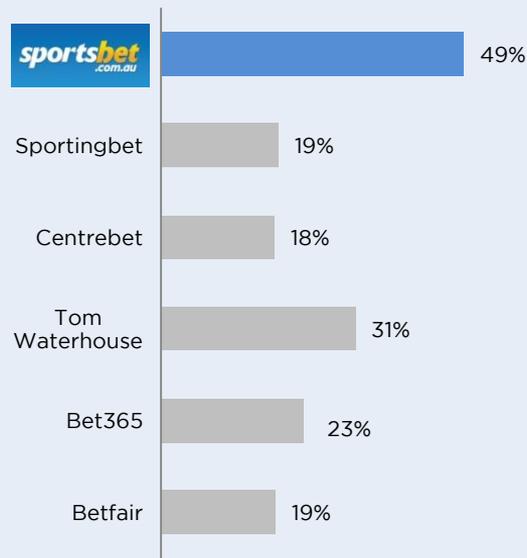
Jul-Dec 2013, Online Turnover Growth



* Revenues, turnover not disclosed
Source: Competitor data sourced from public filings

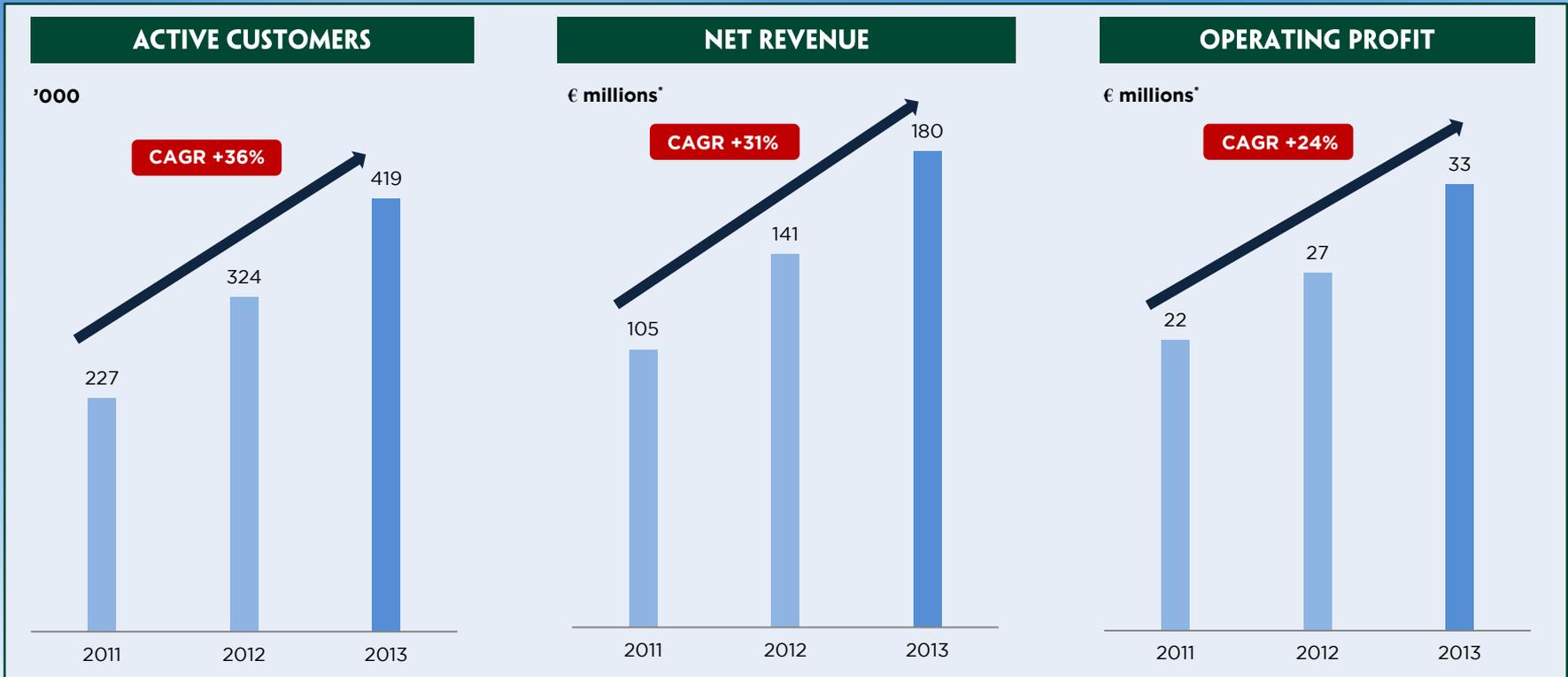
LEADING CORPORATE BRAND

Spontaneous Brand Awareness (2013)



Source: Toluna Brand & Advertising Awareness Tracker (Jan'13 -Dec'13); Base: c.4,200

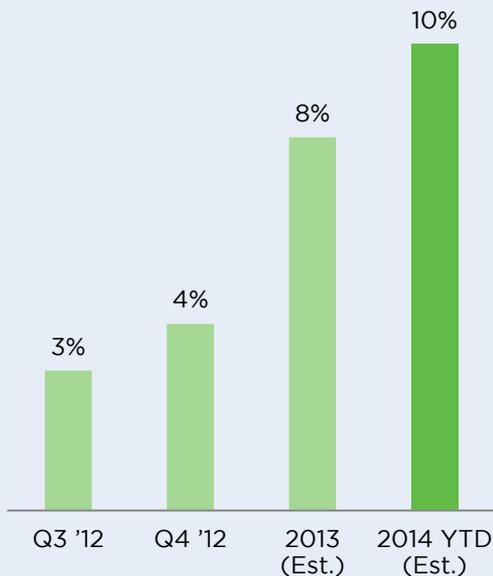
AUSTRALIA – STRONG PAYBACK



* In constant currency at 2013 rates

ITALY - POSITION & PAYBACK

ONLINE SPORTSBOOK MARKET SHARE



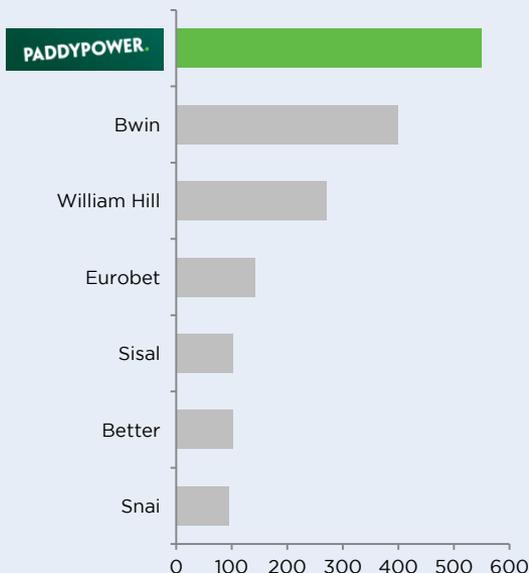
BUILDING CAPABILITIES & CRITICAL MASS

- Sportsbook launched May'12; Casino launch completed Nov'13
- Industry leading mobile penetration
- First to market with Palinsesto Supplementare betting product
- 30% Spontaneous Brand Awareness*
- Rated #1 for 'fun', 'bold' & 'distinctive' *
- Highest Facebook fans (385K)



BIGGEST EVENT OFFERING

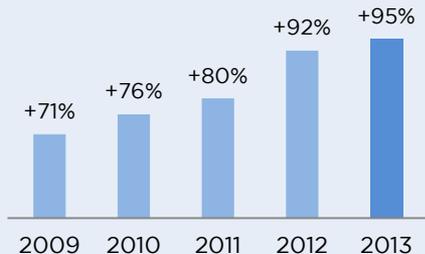
Weekly sportsbook events (Jan'14)



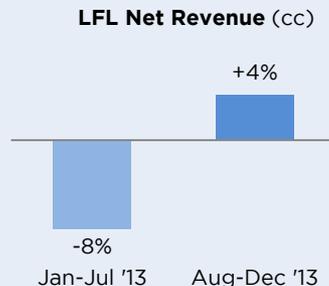
RETAIL - STRONG POSITION & PAYBACK

UK Retail

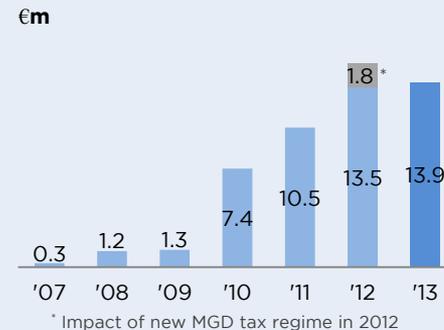
Sports Stakes per Shop vs. Quoted Competitors



Machines Returned to Growth



UK Retail Operating Profit



Irish Retail

Irish Retail 2013 Turnover per Shop



Top Line Returned to Growth



Market Share**



** Source: Irish Revenue Betting Duty tax returns

CONCLUSION

TRADING 2014 YEAR-TO-DATE

TURNOVER*

- Online sportsbook stakes +19%
- Retail like-for-like sportsbook stakes +6%

SPORTS RESULTS

- Football results poor for bookmakers in January
- Partially reversed in weeks since

* Growth comparisons above are 1 Jan to 28 Feb versus equivalent period last year in constant currency

OUTLOOK

Paddy Power is **strongly positioned** to benefit from the growth 'hot spots' – in online, in mobile and in multi-channel.

We are **investing confidently**, in product, marketing and sustainable, industry leading operating capabilities to deliver long term growth.

We look forward to 2014 and beyond with confidence.