

TUESDAY 17TH MAY 2011

PADDY POWER PLC - INTERIM MANAGEMENT STATEMENT

The Chairman of Paddy Power plc, Nigel Northridge, will make the following statement at the Company's Annual General Meeting to be held in Dublin at 11am this morning (17 May 2011).

"2010 was a record year for Paddy Power with increased profit in all divisions. Significant investment to build scale saw us agree to buy out the minority shareholders in Sportsbet in Australia, establish a market leading position in mobile internet betting and expand our UK retail estate to drive an almost six-fold increase in its profitability.

The Group's strong momentum has continued in 2011. Group revenue is up 21% in the year to date driven by 33% growth in online revenues and 7% growth in retail revenues. The Group's sportsbook gross win percentage has been in line with the equivalent period last year and our normal expectations, with positive sports results for paddypower.com offsetting adverse results for retail.

Our UK and Irish online business, paddypower.com, has performed particularly strongly. Within its online sportsbook, total amounts staked were up by 46%, whilst amounts staked via mobile were up 298% and 34% of active customers transacted via mobile. Growth in Australia has, as expected, moderated compared to last year, although a number of factors should positively impact growth later this year. UK Retail has achieved strong growth in like-for-like revenues and the pace of new openings has accelerated. Irish Retail has been impacted by poor sporting results but remains well positioned to grow market share.

The comparative period for the remainder of the year benefited from the football World Cup, as well as very favourable sports results. However, the strong underlying momentum in the Group should help to offset these factors, and consequently the Board looks forward to the balance of 2011 and beyond with confidence."

Detailed financial and operational performance measures are set out below. All references to trading in 2011 cover 1 January to 15 May ('the year to date'). All percentage comparisons are with the equivalent period last year expressed in constant currency.

	Increase / (Decrease)
Group	
Sportsbook amounts staked	+14%
Total gross win	+21%
Online (ex Australia) – paddypower.com	
Sportsbook amounts staked	+46%
Sportsbook gross win	+60%
Gaming/B2B gross win	+26%
Australia	
Amounts staked – online	+7%
Gross win – online	+13%
Gross win – total	+11%

	Increase / (Decrease)
UK Retail	
Amounts staked over-the-counter – like-for-like	+6%
Machine gross win (net revenue) – like-for-like	+17%
Total gross win (net revenue) – like-for-like	+9%
New shops opened year to date	14
Irish Retail	
Amounts staked – like-for-like	(1%)
Gross win – like-for-like	(10%)
New shops opened year to date	1
Telephone (ex Australia)	
Amounts staked	+1%

	€m
Financial Position, as at 15 May	
Net cash	€13m
Net cash excluding customer balances	€6m

ENDS

For reference:

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