

RNS Number : 2779R
Paddy Power plc
16 November 2012

16 November 2012 - Paddy Power plc - Interim Management Statement

Following its interim results for the six months to 30 June 2012 announced on 29 August, Paddy Power is today updating the market on trading in the period from 1 July to 14 November 2012 ("the period"). All percentage comparisons are with the equivalent period last year expressed in constant currency, unless otherwise indicated.

Overall performance in the period was in line with expectations, with strong growth in net revenue of 23% and continued significant investment. Activity levels outside of Australia were moderated by a number of factors, including weather related racing cancellations and the Olympics. However this was offset by favourable sports results which resulted in a gross win percentage above our normal expectations and the equivalent period last year.

In Australia, online turnover was up 24%, with no slow down in growth compared to the first half of 2012, notwithstanding the significant step up in growth that we achieved in the second half of last year. Within *paddypower.com*, sportsbook turnover maintained good momentum, increasing by 28%. While gaming/B2B net revenue growth slowed during August and September, it returned to strong growth in October and grew by 14% in the period overall.

Our leading positions in mobile betting are positively impacting online turnover growth and sportsbook gross win percentages. In October, mobile turnover as a percentage of total online sportsbook stakes was 27% in Australia (June: 25%) and 45% in *paddypower.com* (June: 41%). The most rapid mobile penetration continues to occur in gaming with mobile gross win in October accounting for 28% of Paddy Power Casino (June: 19%) and 25% of Paddy Power Games (June: 20%).

We also continued to progress our portfolio of newer online businesses and to invest in exploring other development opportunities to contribute to longer term growth.

Despite a competitive high-street environment, UK Retail performed well with like-for-like net revenue up 5%, driven by strong sportsbook growth of 12%, offsetting a decline in machine gaming of 4%. We now expect to open up to 45 new shops in the UK in 2012. Irish Retail also performed positively with like-for-like stakes up 0.4% and net revenue up 8%.

The Group retains significant financial flexibility with net cash of approximately €169 million at 14 November, excluding customer balances.

Details of financial and operational performance measures for the period are set out below:

	Increase / (Decrease)
Group	
Sportsbook amounts staked	+20%
Total net revenue	+23%
Online (ex Australia) - <i>paddypower.com</i>	

Sportsbook amounts staked	+28%
Sportsbook net revenue	+26%
Gaming/B2B net revenue	+14%
Total net revenue	+21%
Australia	
Online amounts staked	+24%
Online net revenue	+39%
Total net revenue	+34%
UK Retail	
Sportsbook amounts staked - like-for-like	+9%
Sportsbook net revenue - like-for-like	+12%
Machine gaming net revenue - like-for-like	(4%)
Total net revenue - like-for-like	+5%
New shops opened year to date	38
Irish Retail	
Amounts staked - like-for-like	+0.4%
Net revenue - like-for-like	+8%
Telephone (ex Australia)	
Net revenue	+32%

ENDS

For reference:

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