



10 May 2017

**Paddy Power Betfair plc (the “Group”)
Acquisition of DRAFT**

The Group today announces entry into the daily fantasy sports market in the United States with the acquisition of an early-stage operator, DRAFT (www.playdraft.com)¹.

DRAFT is mobile-led, has a differentiated product and a strong management team. The business will continue to be run by Co-CEOs Jeremy Levine and Jordan Fliegel and will now have access to the Group’s marketing and technology capabilities.

This acquisition provides the Group with exposure to a fast-growing market (c.90% CAGR between 2014 and 2016 to over \$300m revenues) and complements our other businesses in the United States.

The initial cash consideration paid on completion was \$19m. Further cash consideration of up to \$29m will become payable over the next four years depending on the business’ performance. To maximise the growth opportunity, substantial marketing investment in the business is envisaged in the next few years, with an EBITDA loss of approximately \$20m forecast in 2017.

Breon Corcoran, Chief Executive, commented:

“We are excited to be bringing DRAFT into the Group and to further increase our presence in the United States. DRAFT has a differentiated product and we believe the business, with the support of our marketing and technology expertise, can take share in the fast-growing daily fantasy sports market”.

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¹ Draft is the operating brand of StarStreet Inc. The Gross Assets of the business at 31 December 2016 were £1m.