

Consolidated Income Statement

Year ended 31 December 2006

Paddy Power plc
Annual Report 2006

43

	Note	Before exceptional item 2006 €'000	Exceptional item (Note 7) 2006 €'000	Total 2006 €'000	Total 2005 (restated) €'000
Amounts staked by customers				1,795,090	1,371,710

Continuing Operations

Revenue		218,706	-	218,706	160,848
Direct betting costs	4	(35,090)	-	(35,090)	(25,278)
Gross profit		183,616	-	183,616	135,570
Employee expenses	5	(64,227)	-	(64,227)	(51,076)
Property expenses		(21,174)	-	(21,174)	(17,398)
Marketing expenses		(17,309)	-	(17,309)	(11,346)
Technology and communications		(11,537)	-	(11,537)	(8,171)
Depreciation and amortisation		(15,512)	-	(15,512)	(11,295)
Other expenses, net		(8,395)	2,098	(6,297)	(6,166)
Total operating expenses		(138,154)	2,098	(136,056)	(105,452)
Operating profit		45,462	2,098	47,560	30,118
Financial income	8	2,149	-	2,149	1,226
Financial expense	8	(10)	-	(10)	-
Profit before tax		47,601	2,098	49,699	31,344
Income tax expense	10	(8,033)	(421)	(8,454)	(4,390)
Profit for the year from continuing operations		39,568	1,677	41,245	26,954

Earnings per share

Basic	11			€0.819	€0.541
Diluted	11			€0.811	€0.529

The profit for the year is entirely attributable to equity holders of the Company.

Notes 1 to 27 form part of these consolidated financial statements.

On behalf of the Board



Patrick Kennedy
Chief Executive



Jack Massey
Finance Director

2 March 2007