

Chairman's Statement

To all Our Shareholders

I am pleased to report to shareholders significant growth in operations and resultant earnings in the year ended 31 December 2000. Your Company's turnover grew by 34.6% from €269.6 million in 1999 to €362.8 million in 2000 and profits after tax by 61.6% from €5.0 million in 1999 to €8.0 million in 2000. This resulted in a 52% growth in diluted earnings per share from €0.1107 in 1999 to €0.1687 in 2000.

Progress in our on-line betting service ('paddypower.com') since its establishment in April 2000 and the substantial opportunities that exist in that sector of our business encouraged your Board to list the Company's shares on the main markets of the Irish and London Stock Exchanges in December 2000.

The Board is recommending a final dividend of €0.01167 per share payable on 6 April 2001 to shareholders on the register at the close of business on 2 March 2001.

In the following pages of this report you will find a review of the operations and finances of your Company.

On your behalf I thank my fellow Directors and all of our employees past and present that have brought our Company to this stage of its development.

We remain encouraged by progress in all areas of our business since the year end and look forward to being in a position to report further progress to you later this year.



John Corcoran
Chairman

20 February 2001