

PADDY POWER ANNOUNCES ACQUISITION OF  
INTERNATIONAL ALL SPORTS LIMITED BY SPORTSBET PTY LTD

Further to the announcement issued by Paddy Power plc ("Paddy Power") on 14 May 2009 regarding its acquisition of a 51% shareholding in Sportsbet Pty Ltd ("Sportsbet"), Paddy Power announces that Sportsbet has today agreed to acquire International All Sports Limited ("IAS") ("the Acquisition").

IAS, in which Sportsbet has an existing 19.98% shareholding, was listed on the Australian Stock Exchange in 1999 by its founder and current Managing Director Mark Read. Post the disposal of its international business, which it announced on 13 May 2009, IAS's activities consist primarily of bookmaking on racing and sports for Australian customers through online and telephone channels. IAS reported EBITDA pre abnormal items of AUD8.5m (€4.8m) from these activities in the year ended 30 June 2008.

The Acquisition has the unanimous support of the directors of IAS and is to be implemented via a Scheme of Arrangement. Subject, inter alia, to the approval of IAS's shareholders and the approval of the Supreme Court of Victoria, the Acquisition is expected to complete in October 2009. The Chief Executive of the combined business will be Sportsbet CEO, Matt Tripp.

The Acquisition values the entire issued share capital of IAS at AUD40m (€22.4m). IAS is expected to have a small net cash position, net of client balances, at completion. Paddy Power and Sportsbet's existing shareholders have agreed to subscribe for new equity in Sportsbet to the extent required to fund the Acquisition. The maximum funding required from Paddy Power relating to its 51% shareholding in Sportsbet will be AUD16.3m (€9.1m).

Paddy Power has agreed with Sportsbet's existing shareholders certain amendments to the future financial performance thresholds related to Paddy Power's acquisition of a 51% shareholding in Sportsbet, subject to the acquisition of IAS proceeding.

Commenting, Patrick Kennedy, Paddy Power's Chief Executive, said:

"Mark Read and his family have built an excellent Australian business which complements Sportsbet and their combination creates by some distance the largest corporate bookmaking business in Australia. This acquisition underpins the potential of Sportsbet to build its market position under Matt Tripp's leadership and expands Paddy Power's reach into the Australian market."

(Note: In the year ended 30 June 2008, excluding its international businesses, IAS reported Profit before Tax & Abnormal Items of AUD6.1m (€3.4m) and Profit before Tax of AUD4.8m (€2.7m). As at 31 December 2008, excluding its international businesses, IAS had gross assets of AUD47m (€23m)).

For further information, please contact:

Patrick Kennedy  
Chief Executive

Breon Corcoran  
MD – Non Retail & Development

Jack Massey  
Finance Director

Paddy Power plc  
Tel: + 353 1 404 5912

Billy Murphy / Sarah Ryan  
Drury  
Tel: + 353 1 260 5000  
Mobile: + 353 87 676 7452 (SR)

Rory Godson / Kay Larsen  
Powerscourt Limited  
Tel: + 44 20 7250 1446  
Mobile: + 44 7912 516246 (KL)