

Interim Report 2003



opportunities with a difference . . .

**Paddy Power plc**

# Interim Report 2003 Highlights

	<i>Six months ended 30 June 2003 €'000</i>	<i>Six months ended 30 June 2002 €'000</i>	<i>% Change</i>
<b>Turnover</b>			
Betting Offices	272,120	218,578	24.5
Dial-a-Bet	87,875	59,192	48.5
On-line	93,408	41,372	125.8
<b>Total Group turnover</b>	<b>453,403</b>	<b>319,142</b>	<b>42.0</b>
<b>Operating profit/(loss)</b>			
Betting Offices	7,772	10,750	(27.7)
Dial-a-Bet	(597)	16	-
On-line	(373)	(1,693)	78
<b>Total operating profit</b>	<b>6,802</b>	<b>9,073</b>	<b>(25)</b>
Profit after taxation	6,185	7,689	(19.6)
Profit retained for the period	4,132	6,086	(32)
<b>Earnings per Share</b>			
Basic earnings per share	13.1c	16.3c	(20)
Diluted earnings per share	12.4c	15.1c	(18)
<b>Dividends per Share</b>			
Interim payable	4.3c	3.4c	
<b>Net Assets</b>	<b>44,975</b>	<b>36,248</b>	

# Chairman's Statement

I am pleased, in issuing my first report as Chairman of Paddy Power plc, to report on another period of excellent progress in the development of your Company. Turnover for the 6 months to 30 June 2003 grew by 42% to a record €453m (2002: €319m) through a combination of strong organic growth throughout the business and expansion of the retail estate in Ireland and the United Kingdom. As identified in our trading statement in April, operating profit at €6.8m was down by 25% on the same period last year due to a number of adverse horse racing results, primarily at Cheltenham and the Grand National. However, these were exceptional results and, while adversely impacting operating profit in the six months to 30 June, will not impact the future profitability of the Company.

The success of Paddy Power has been driven by our focus on our customers and by consistently delivering on our brand attributes of being Fair, Friendly and Fun. We remain as focused on these attributes as ever and are committed to expanding our operations via all channels in Ireland and the UK.

Expansion of the Group has continued unabated with continued growth in our Irish betting shop estate through new openings, relocations and refurbishments. The development of our UK estate is building

momentum with good progress in site finding, licence applications and openings. Our on-line business continues to grow customer numbers and we remain confident that it will become a strong profit contributor to the Group over time. Our telephone business has seen solid growth in Ireland. In the UK this division is still in the early stages of development but is showing good growth, while gross margins continue to improve as the division begins to develop critical mass. These points are addressed in more detail in the Operations and Financial reviews that follow.

During the period, the management team has put significant effort into the development of a 5-year strategic plan. This plan will enable the Board and management to clearly identify the strategies for growth over the next 5 years and to put in place the resources required to deliver that growth.

Paddy Power is progressing a number of initiatives to supplement its horse racing business with additional sports betting products, including the provision of separate sports betting areas in our larger retail stores. This is as a result of growing customer demand, the high cost of providing the horse racing product and the limited appeal of horse racing to new customers.

## Chairman's Statement

In addition to generating absolute profit growth, expansion in the UK will help diversify betting risk due to the different product mix and betting patterns in the UK. It will also provide income from AWP (slot) machines and fixed odds betting terminals (FOBT's) which have a lower risk profile than traditional betting and which are not available in the Irish market.

The call by Horse Racing Ireland for a 50% increase in betting tax in order to fund extra prize money for wealthy owners is misguided. The only people who pay betting tax are shop customers. People with a credit card can bet tax free outside of Ireland via the internet or telephone. A tax increase will only further divert money outside of Ireland and reduce employment.

We believe that layers on betting exchanges in Ireland and the UK should be taxed on an equal basis as the bookmakers. We note that there is yet no tax on betting exchanges in Ireland.

Progress on deregulation in the betting and gaming industry has continued in 2003 and we welcome the potential abolition of the anti-competitive Demand Test. Notwithstanding the objections of the "Big Three" its removal is good for competition and therefore the customer. Paddy Power

does not believe deregulation will lead to a proliferation of betting shops but will in fact raise standards and lower the number of outlets, as the market will no longer support poor quality or inefficient outlets.

Investment in people throughout the entire organisation is key to the further expansion of Paddy Power. The recruitment, development and succession planning of both executive and non-executive personnel are increasing focal points for the Company. As part of this process we were delighted to welcome Mr Nigel Northridge to the Board in July as a non-executive Director. His experience will be a great asset to the business as well as bringing additional independence to the Board. The Company also continues to invest in executive management with a number of senior appointments being made in both Ireland and the UK to support expansion in both of these markets. In addition, the approval of the 2003 Long Term Incentive Plan by shareholders at the 2003 Annual General Meeting increases our ability to attract, motivate and retain key staff.

Corporate governance is a continuing priority for the Board and we are closely monitoring the development of guidelines and legislation in Ireland, the UK and Europe. The Board is committed to having appropriate corporate

governance processes in place. It is developing formal internal policies that address, amongst others, areas such as Board tenure, Directors' assessments and remuneration, committee responsibilities as well as the reporting mechanisms to shareholders to accompany these policies. The Board will make further announcements on this in due course.

The Board has decided to pay an interim dividend of 4.3c per share on 22 September 2003 to shareholders on the register at the close of business on 12 September 2003. This represents an increase of 26% and reflects the confidence the Board has in the Company, its cash position and its desire to have a progressive dividend policy.

I remain very confident of the prospects for Paddy Power and look forward to working with my Board colleagues and the executive management team at Paddy Power as we continue to develop your Company.

A handwritten signature in blue ink, appearing to read 'Fintan Drury', written over a light blue grid background.

**Fintan Drury**

*Chairman*

1 September 2003

## Operations Review

### Betting Shops

The Group operates 139 (2002: 129) betting shops throughout Ireland and the United Kingdom as at 30 June 2003. During the six months to 30 June, five (2002: three) new outlets were opened in Ireland bringing the total number in Ireland to 134. In addition, five (2002: one) shops were relocated while one (2002: three) was refurbished. The Group also operates four racecourse shops as well as a stadium shop at Lansdowne Road, home of the Irish Rugby Football Union and home venue for the Football Association of Ireland.

Consistent with our stated strategy we plan to roll out a test bed of approximately 12 shops in the UK by the end of 2003. We are pleased with progress to date and we continue to further develop the product offering with each new shop opened.

In the UK, the Group operated five (2002: two) betting shops as at 30 June 2003. In addition, it has a further six licences that are yet to open giving it a total of eleven licences at 30 June 2003. Two FOBT's and two AWP's have been installed in each premise.

Since 30 June, two further shops have been opened in Ireland bringing the total in Ireland to 136 at the date of this report. In addition there have been two relocations and one extension completed. In the UK, one new shop has been opened while seven

additional licences have been granted between 30 June and the date of this report. This brings the total licences held in the UK to 18 of which six are open at the date of this report. A further 14 licence applications are at various stages of processing and we are hopeful that the licence hearing dates for the majority will be scheduled before the year-end. On top of this, the Group is actively pursuing additional premises.

The Group has now installed two FOBT's in each betting shop in the UK. All new units will have FOBT's installed as part of their standard fit, in addition to the existing AWP machines.

### Non-retail

During the period, the Group commenced the merger of the telephone and on-line operations under a single management structure and on a single technology platform. This will enable Paddy Power to offer a single account to our customers which can be used to fund bets through any of the non-retail channels. Completion of this project is expected towards the end of this year.

### Telephone

The Group operates a free telephone betting service in both Ireland and the UK. The Irish business, which has been operating since 1996, has continued to see strong turnover growth driven by new and existing

customers. The UK business, which is in the early stages of development, continues to see good growth and now represents 38.7% of turnover for this division. Total registered customers have increased to 55,948 from 45,990 at 31 December 2002, with 31,429 in Ireland and 24,519 in the UK. Total active customers (those that have bet in the last three months) have increased to 22,037 from 14,574 at 31 December 2002, with 11,503 (Dec 2002: 8,600) in Ireland and 10,534 (Dec 2002: 5,974) in the UK.

### **On-line**

The on-line division has continued to make strong progress in the first half of 2003 with turnover exceeding a weekly run rate of €3m. Total registered customers have increased to 152,641 from 121,327 at 31 December 2002, with 59,933 in Ireland and 92,708 in the UK. Total active customers (those that have bet in the last three months) have increased to 42,730 from 29,660 at 31 December 2002, with 16,497 (December 2002: 10,501) in Ireland and 26,233 (December 2002: 19,159) in the UK.



**John O'Reilly**  
*Chief Executive Officer*  
1 September 2003

## Financial Review

### Turnover

Turnover for the six months ended 30 June 2003 increased from €319.1m to €453.4m, an increase of 42% with solid growth across all channels. This growth has been driven by continued penetration of the Irish market together with our expansion into the UK. The UK market accounted for 23% of turnover in the period.

Turnover in the betting shops was €272.1m (2002: €218.6m), an increase of 24.5%. Like-for-like turnover increased by 18.7% to €259m from €218.6m. Average slip value for the period was €16.55 (2002: €14.55), an increase of 13.7% while slip volumes increased by 9.5%.

Telephone betting turnover increased by €28.7m across both the UK and Ireland. Turnover in Ireland was €53.8m (2002: €42.8m), an increase of 25.8% while turnover in the UK increased by 107%, from €16.3m to €34.0m. Average bet size was €65.92 (2002: €66.70). Active customers (those who have bet in the last three months) were 11,503 (2002: 11,549) and 10,534 (2002: 7,536) in Ireland and the UK respectively at 30 June.

On-line turnover has continued to see significant growth with total turnover increasing by 125.8% to €93.4m (2002: €41.4m). Average bet size was €27.16 (2002: €22.9), an increase of 18.6%.

Customer numbers continue to grow with active customers (those who have bet in the last three months) increasing by 8,742 to 42,730 from 33,998 at 30 June 2002. Active Euro customers are 16,497 (2002: 13,935) and active Sterling are 26,233 (2002: 20,053).

Other than the World Cup in June 2002 which accounted for approximately €9m of turnover there were no material events that impact year-on-year turnover comparisons.

### Gross Margin

Gross Margin, measured as bets placed (excluding betting duty) less winnings returned to customers, increased by 7.8% to €41.9m from €38.8m for the same period in 2002.

The following gross margin percentages were achieved:

<i>Gross Margins</i>	<i>H1 2003</i>	<i>H2 2002</i>	<i>H1 2002</i>
Betting Offices	11.3%	12.4%	13.9%
Dial-a-Bet	6.3%	7.6%	8.3%
On-line	6.0%	7.7%	8.9%

Gross Margin percentages were adversely impacted in the early part of the year by a poor sequence of horse racing results primarily at the Cheltenham festival and the Grand National. While all three channels were impacted, the greatest impact was on the telephone business. The impact of these results was that gross margins were below normal trading levels across all channels for the period.

As a consequence of the above adverse results and the lower margin being achieved on the UK telephone business, due to its early stages of development, gross margins are below the bottom end of their normal full year ranges for the 6 months to 30 June. As there has been no fundamental change in trading, these adverse results will not impact future periods.

### Operating Profit

Operating profit fell by €2.3m from €9.1m to €6.8m in comparison to the same period in 2002. An analysis of operating profit is given below:

Notwithstanding the 42% increase in turnover, operating profits fell across all three divisions. This was primarily due to the lower Gross Margin achieved in comparison to the prior year for the reasons noted above. Operating costs have increased by 18% as a consequence of the increased numbers of betting shops in operation and in fit out, together with higher transaction volumes within the non-retail channels and general inflation.

### Taxes

The corporation tax charge for the six months to 30 June 2003 was €1.1m (2002: €1.6m) an effective rate of 14.5% (2002: 17%). This is a decrease of 2.5 percentage points and is due to the lowering of the Irish statutory corporation tax rate to 12.5%. Paddy Power's effective rate is 2% above the statutory rate due to a number of non-deductible expenses and its high level of passive income which is taxed above the statutory rate.

<i>Operating Profit/(loss)</i>	<i>H1 2003</i>	<i>H1 2002</i>	<i>Increase/(Decrease)</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Betting Offices	7,772	10,750	(2,978)
Dial-a-Bet	(597)	16	(613)
On-Line	(373)	(1,693)	1,320
<b>Total</b>	<b>6,802</b>	<b>9,073</b>	<b>(2,271)</b>

## Financial Review

### Cash Flow

Net cash flow from operating activities for the six months ended 30 June 2003 decreased by 15.7% to €13.5m from €16.0m. The reduction was primarily a consequence of the lower operating profit. The cash was applied acquiring fixed assets of €10.2m comprising freehold premises, the fit-out of new and relocated stores as well as computer equipment. In addition, dividends of €3.2m and taxes of €2.4m were paid during the period. Cash received from the exercise of share options amounted to €0.7m. Cash balances at 30 June 2003 were €35.1m compared to €36.3m at 31 December 2002. This includes cash balances held on behalf of customers of €5.4m.

### Dividends

The Board has decided to pay an interim dividend of 4.3c per share on 22 September 2003 to shareholders on the register at the close of business on 12 September 2003.

The increase in dividend in a period where EPS fell reflects the Board's confidence in the future performance of the Company, the short-term nature of the fall in EPS and the Group's strong cash position.

### Company Brokers

The Company is pleased to announce the appointment of Investec, replacing ING, as joint brokers to the company operating alongside Goodbody Stockbrokers.

### Outlook

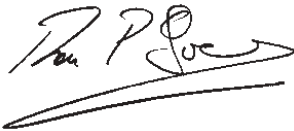
The outlook for all business channels remains in line with expectations.

Turnover growth from 30 June to 26 August has remained strong across all channels while gross margins have been in line with seasonal trends.

Further expansion of the Irish betting shop estate is expected in the second half through new shops, relocations, extensions and refurbishments. In line with our stated strategy, licence applications will continue in the UK through 2003 and beyond with up to new 14 new licence hearings expected before the year-end. Licences granted from these hearings, together with those unopened licences already held, will be rolled out over 2003 and 2004 as our knowledge of the UK retail market and our operational capacity increases.

The on-line business continues to expand in both Ireland and the UK and has now traded profitably for several months. We expect it to trade profitably for the second half of 2003 and for the year as a whole. The Group is actively engaged in evaluating both additional geographic markets and products that can be delivered through the on-line channel.

The telephone business continues to show excellent turnover growth in both Ireland and the UK. As this service reaches the mass market in the UK we expect that its gross margins will be within normal trading ranges and that the division will be profitable in 2004.

A handwritten signature in black ink, appearing to read 'Ross Ivers', with a long horizontal flourish underneath.

**Ross Ivers**

*Finance Director*

1 September 2003

## Substantial Holdings and Directors' Interests

Other than the interests of the Directors, the Secretary and connected persons and the interests noted below, the Company is not aware of any other person who is interested, directly or indirectly, in five percent or more of the Company's issued share capital.

### Number of ordinary shares of €0.10 each

	30 June 2003	%
John Corcoran	5,090,176	10.7
Stewart Kenny	1,859,832	3.9
John O'Reilly	613,888	1.3
Ross Ivers <sup>2</sup>	3,007	
Edward McDaid	34,613	
David Power	4,898,788	10.3
Ian Armitage <sup>1</sup>	38,188	
Fintan Drury	11,500	
Charles Kelly (Secretary)	140,000	
Merrill Lynch	4,055,384	8.5
Fidelity Investments Ltd	5,690,637	11.9

- Hg Capital manages Investment funds which hold 3,098,105 shares in Paddy Power plc. Ian Armitage is Managing Director of Hg Capital.*
- Shares are held via the Noosa Pension Fund in which Ross Ivers has a beneficial interest.*

# Independent Review

*Report by KPMG to Paddy Power plc*

## Introduction

We have been instructed by the company to review the financial information set out on pages 12 to 17 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the company in meeting the requirements of the Listing Rules of the Irish Stock Exchange. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

## Directors' Responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Irish Stock Exchange which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where

they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

## Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: *Review of interim financial information* issued by the Auditing Practices Board for use in the Republic of Ireland and United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

## Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2003.



*Chartered Accountants*

1 September 2003

## Consolidated Profit and Loss Account

Six months ended 30 June 2003 - unaudited

		Six months ended 30 June 2003 €'000 <i>(unaudited)</i>	Six months ended 30 June 2002 €'000 <i>(unaudited)</i>	Year ended 31 December 2002 €'000 <i>(audited)</i>
	Notes			
<b>Turnover</b>	2(a)(b)	453,403	319,142	673,788
Cost of winning bets paid		(411,485)	(280,272)	(596,779)
<b>Gross profit</b>	2(c)	41,918	38,870	77,009
Operating expenses		(35,116)	(29,797)	(59,926)
<b>Operating profit</b>	2(d)	6,802	9,073	17,083
Interest receivable and similar income		487	266	895
Interest payable and similar charges		(55)	(75)	(156)
<b>Profit on ordinary activities before taxation</b>		7,234	9,264	17,822
Tax on profit on ordinary activities		(1,049)	(1,575)	(3,029)
<b>Profit on ordinary activities after taxation</b>		6,185	7,689	14,793
Dividends		(2,053)	(1,603)	(4,809)
<b>Retained profit for the period</b>		4,132	6,086	9,984
Retained profit brought forward		31,205	21,221	21,221
<b>Retained profit carried forward</b>		35,337	27,307	31,205
<b>Earnings per Share</b>				
Basic		13.1c	16.3c	31.38c
Diluted		12.4c	15.1c	29.0c
Dividend per share		4.3c	3.4c	10.2c

# Consolidated Balance Sheet

30 June 2003 – unaudited

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
<b>Fixed assets</b>			
Intangible assets	964	1,085	1,025
Tangible assets	32,092	22,516	24,994
	33,056	23,601	26,019
<b>Current assets</b>			
Debtors	2,421	1,425	1,570
Cash at bank and in hand	35,122	29,436	36,373
	37,543	30,861	37,943
<b>Creditors</b> (amounts falling due within one year)	(24,400)	(16,326)	(22,159)
<b>Net current assets</b>	13,143	14,535	15,784
<b>Total assets less current liabilities</b>	46,199	38,136	41,803
<b>Creditors</b> (amounts due after one year)	(282)	(580)	(480)
Provision for liabilities and charges	(942)	(1,308)	(1,177)
<b>Net assets</b>	44,975	36,248	40,146
<b>Capital and reserves</b>			
Called up share capital	4,775	4,714	4,714
Share premium	3,941	3,305	3,305
Capital redemption reserve fund	662	662	662
Capital conversion reserve fund	260	260	260
Profit and loss account	35,337	27,307	31,205
<b>Shareholders' funds - all equity</b>	44,975	36,248	40,146

## Consolidated Cash Flow Statement

Six months ended 30 June 2003 – unaudited

		Six months ended		Year ended
		30 June 2003		31 December 2002
		€'000	€'000	€'000
	Notes	(unaudited)		(audited)
<b>Net cash inflow from operating activities</b>	3(a)	13,517	16,035	30,435
<b>Returns on investments and servicing of finance</b>				
Interest received		553	266	717
Interest element of finance lease payments		(35)	(75)	(149)
		518	191	568
<b>Taxation</b>				
Corporation tax paid		(2,420)	(700)	(1,466)
<b>Capital expenditure and financial investments</b>				
Acquisition of tangible fixed assets		(10,205)	(2,660)	(8,083)
Sale proceeds on disposal of fixed assets		22	-	31
		(10,183)	(2,660)	(8,052)
<b>Equity dividends paid</b>		(3,206)	(1,602)	(3,206)
<b>Net cash inflow/(outflow) before financing</b>		(1,774)	11,264	18,279
<b>Financing</b>				
Capital element of finance lease payments		(174)	(135)	(213)
Issue of new shares including share premium less costs of issue		697	-	-
<b>Net cash inflow/(outflow)</b>	3(b)	(1,251)	11,129	18,066

# Notes to the Financial Statements

Six months ended 30 June 2003 – unaudited

## 1. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Boards as promulgated by the Institute of Chartered Accountants in Ireland.

## 2. Segmental Information

The turnover, operating profit and net assets of the Group relate to the provision of betting services in the Republic of Ireland and the United Kingdom. With the exception of five shops, the betting shop estate is based in the Republic of Ireland. The remaining five betting shops, the On-line division and the telephone division are operated out of the UK.

### (a) Turnover by Delivery Channel

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Betting Offices	272,120	218,578	448,096
Dial-a-Bet	87,875	59,192	122,892
On-line	93,408	41,372	102,800
	<b>453,403</b>	<b>319,142</b>	<b>673,788</b>

### (b) Turnover by Region

Ireland and Other	348,917	275,171	570,564
Great Britain	104,486	43,971	103,224
	<b>453,403</b>	<b>319,142</b>	<b>673,788</b>

## Notes to the Financial Statements

Six months ended 30 June 2003 – unaudited

### (c) Gross Profit by Delivery Channel

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Betting Offices	30,810	30,279	58,859
Dial-a-Bet	5,500	4,929	9,743
On-line	5,608	3,662	8,407
	41,918	38,870	77,009

### (d) Operating Profit/(Loss) by Delivery Channel

Betting Offices	7,772	10,750	19,167
Dial-a-Bet	(597)	16	312
On-line	(373)	(1,693)	(2,396)
	6,802	9,073	17,083

### 3. Notes to the Cash Flow Statement

#### (a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Operating profit	6,802	9,073	17,083
Depreciation	3,035	2,894	5,805
Amortisation of goodwill	61	61	121
Increase in debtors	(915)	(315)	(282)
Increase in creditors	4,484	4,322	7,706
Loss on disposal of fixed assets	50	-	2
<b>Net cash inflow from operating activities</b>	<b>13,517</b>	<b>16,035</b>	<b>30,435</b>

#### (b) Analysis of changes in cash during the period

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Balance at beginning of period	36,373	18,307	18,307
Net cash inflow/(outflow)	(1,251)	11,129	18,066
<b>Balance at end of period</b>	<b>35,122</b>	<b>29,436</b>	<b>36,373</b>

## Additional Information for Shareholders

### 1. Listings

Paddy Power plc is an Irish registered company. Its ordinary shares are quoted on the Irish Stock Exchange and the London Stock Exchange.

### 2. Registrar

Enquiries concerning shareholdings should be addressed to the Company's Registrar:

Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18

Telephone: +353-1-216 3100

Facsimile: +353-1-216 3151

Website: [www.computershare.com](http://www.computershare.com)

### 3. Payment of Dividends Direct to a Bank Account

Shareholders resident in Ireland or in the UK may have their dividends paid by electronic transfer direct to a designated bank account, under advice from the Company, showing full details of the amounts so credited. Shareholders who wish to avail of this facility should contact the Company's Registrar.

### 4. Payment of Dividends in Euro

Shareholders will have their dividends paid in Euro.

### 5. Crest

Transfer of the Company's shares takes place through the CREST settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of share certificates.

### 6. Dividend Withholding Tax ('DWT')

With certain exceptions, dividends paid by Irish resident companies are subject to DWT at the standard rate of income tax, applied at the rate of 20% from 6 April 2001. DWT where applicable, is deducted by the Company from all dividends. Each shareholder receives a statement showing the shareholder's name & address, the dividend payment date, the amount of the dividend, and the amount of DWT, if any, deducted therefrom. In accordance with the requirements of legislation, this information is also furnished to the Irish Revenue Commissioners.

Shareholders should take professional advice if they are in any doubt about their individual tax positions. Further information concerning DWT may be obtained from:

DWT Section, Office of the Revenue Commissioners,  
St. Conlon's Road, Nenagh, Co. Tipperary, Ireland.

Telephone: +353-67-33533

Facsimile: +353-67-33822

E-mail: [info@dwt.revenue.ie](mailto:info@dwt.revenue.ie)

Website: [www.revenue.ie](http://www.revenue.ie)

### **Financial Calendar**

Announcement of final results for 2002	25 February 2003
Ex-dividend date for final dividend for 2002	5 March 2003
Record date for final dividend for 2002	7 March 2003
Annual General Meeting	3 June 2003
Final Dividend payment for 2002	6 June 2003
Announcement of interim results for 2003	2 September 2003
Ex-dividend date for interim dividend	10 September 2003
Record date for interim dividend	12 September 2003
Interim dividend payment date	22 September 2003

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For up-to-date prices, betting in-running and specials check our television text pages.

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# **Paddy Power plc**

**Airton House, Airton Road**

**Tallaght, Dublin 24**

**Tel: +353 1 404 5900**

**Fax: +353 1 404 5901**

**E-mail: [info@paddypowerplc.com](mailto:info@paddypowerplc.com)**

**Web: [www.paddypowerplc.com](http://www.paddypowerplc.com)**