

Paddy Power enters French betting market through PMU partnership

~ 50 high end jobs to be created in Tallaght, Dublin by June 2010 ~

~ 200 additional jobs expected in the subsequent three years ~

Ireland's largest bookmaker Paddy Power has today announced its entry into the French online sports betting market through an outsourcing contract with PMU. Paddy Power will manage risk and pricing for PMU's new online sports betting business for the five year period from 2010 as PMU expands into the French online sports betting market, which is scheduled to open up in the first half of next year. PMU is the largest betting organisation in Europe with €9.3 billion of turnover in 2008 generated through 10,000 retail outlets as well as its remote sales channels.

The partnership, which will be officially launched by An Taoiseach Brian Cowen today, is part of Paddy Power's ongoing international expansion which will generate an additional 50 smart economy jobs in technology, risk management and quantitative analysis in the company's Tallaght headquarters by the summer of 2010. Paddy Power intends to create a further 200 high end jobs in Tallaght over the subsequent three years as it continues to exploit international growth opportunities by leveraging its risk management and e-commerce expertise. Paddy Power generates in excess of 50% of its profitability from outside Ireland and is the largest online corporate bookmaker in Australia since its acquisition of 51% of Sportsbet in May this year. Paddy Power is also one of the largest online bookmakers in the UK.

An Taoiseach Brian Cowen said: *"Today's announcement shows that the smart economy is not a pipedream, it is happening all around us. Paddy Power is a prime example of a company with a talent for innovation that keeps on searching for new opportunities. The decision of a world class organisation like PMU to team up with Paddy Power is testament to Paddy Power's own world class expertise in e-commerce, product development and risk management. I want to pay tribute to the ambition, energy and professionalism of the Paddy Power management team and staff. I am delighted to officially launch the PMU partnership and hope to see Paddy Power continue to create many more smart economy jobs for Tallaght and for this country."*

Philippe Germond, Chairman and CEO of PMU, said: *"This partnership is going to enable PMU to offer sporting bets online under its own brand and retain direct management of its client database. Paddy Power will provide us with its expertise in sports betting. We are particularly happy to be associated with a company whose culture and values are close to our own. Paddy Power is a very competitive company with strong management and which only*

operates in markets where it is authorised to do so. Through this partnership PMU is given the means to be ready for the opening of the online betting market in France next year."

Commenting, Patrick Kennedy, Chief Executive Paddy Power, said: *"This deal with PMU, which is a long term relationship with a high quality partner, is the ideal start for our new business to business operation. We continue to look for other quality opportunities in international markets, capitalising on our investment in people, expertise and particularly in our proprietary pricing and risk management technology. Our partnership with PMU further confirms our ability to build a leading international business out of Dublin, sustaining and creating Irish jobs."*

The PMU and Paddy Power partnership will include the following on a day to day basis:

- **Trading:** the setting of odds for the industry beating range of bets that Paddy Power has developed so as to ensure both the profitability and the competitiveness of the PMU partnership. This will be managed by Paddy Power's traders in Dublin using a range of computerised mathematical and statistical models and tools which have been developed in-house over the last five years.
- **Risk Management:** the setting of risk parameters for each sport, event, bet type and customer. This is managed by a group of experienced risk managers, again in Dublin, using proprietary data analytic techniques.
- **Event Management:** an operational role whereby tens of thousands of betting opportunities are presented on the PMU site, then removed at the appropriate time when betting finishes and finally results are provided. This also will be carried out from Paddy Power's Dublin office.

In addition Paddy Power will share its experience with PMU over a wide variety of topics in the development of the online sports betting business to the benefit of both parties.

Paddy Power employs 640 staff at its Tallaght headquarters in quantitative research, technology, risk management, marketing, e-commerce, operations and finance, and has worked with seven 3rd level institutions in Ireland and the UK to develop its proprietary product, pricing analysis and customer analysis.

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