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**THE FOLLOWING ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS AND PADDY POWER SHAREHOLDERS SHOULD NOT MAKE ANY DECISION IN RELATION TO THE MERGER EXCEPT ON THE BASIS OF THE CIRCULAR PUBLISHED TODAY AND THE PROSPECTUS THAT WILL BE PUBLISHED SHORTLY**

**FOR IMMEDIATE RELEASE**

**27 November 2015**

**Recommended all-share merger by way of an acquisition  
by  
Paddy Power plc  
of  
Betfair Group plc**

**Publication of Circular**

On 8 September 2015, Paddy Power plc (“**Paddy Power**”) and Betfair Group plc (“**Betfair**”) announced a proposed recommended all-share merger of Paddy Power and Betfair (the “**Merger**”), which is to be implemented by way of a scheme of arrangement of Betfair under Part 26 of the Companies Act 2006 (the “**Scheme**”).

The Board of Paddy Power is pleased to announce that the Paddy Power circular relating to the Merger (the “**Circular**”) has been published today.

The Circular includes a notice convening an extraordinary general meeting of Paddy Power Shareholders to be held at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin, DO4 V972, Ireland at 11:15 a.m. on 21 December 2015 (the “**Paddy Power EGM**”) to allow Paddy Power Shareholders to vote on the resolutions required to approve and implement the Merger and related matters. The Circular has been approved by the Irish Stock Exchange and the UK Listing Authority under their respective Listing Rules and will be posted to Paddy Power Shareholders today.

Paddy Power will also publish a prospectus relating to the new Paddy Power Betfair shares to be issued to Betfair Shareholders by Paddy Power in connection with the Merger (the “**Prospectus**”) shortly. The Prospectus requires the approval of the Central Bank of Ireland, as competent authority under the Prospectus Directive 2003/71/EC. The Prospectus will be made available to the public in Ireland and the United Kingdom in accordance with Part 8 of the Irish Prospectus Regulations by being made available, free of charge, in electronic form on Paddy Power’s website [www.paddypowerplc.com/investors/recommended-merger](http://www.paddypowerplc.com/investors/recommended-merger) and, on request, in printed form by making a request to Paddy Power plc, Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin, DO4 V972, Ireland (telephone: +353 1 905 1000, e-mail:

[investorrelations@paddypowerplc.com](mailto:investorrelations@paddypowerplc.com)). A copy of the Prospectus will be posted to Paddy Power Shareholders and Betfair Shareholders separately.

Betfair has also published its scheme document relating to the Scheme (the “**Scheme Document**”). The Scheme Document contains, amongst other things, notices convening the Court Meeting and the Betfair General Meeting, a letter from the chairman of Betfair, the full terms and conditions of the Scheme, a statutory explanatory statement, an expected timetable of principal events, and details of the actions to be taken by Betfair Shareholders. The Court Meeting and the Betfair General Meeting are expected to take place on the same day as the Paddy Power EGM.

Copies of the Circular, the Prospectus and the Scheme Document will be available free of charge, in electronic form on Paddy Power’s website [www.paddypowerplc.com/investors/recommended-merger](http://www.paddypowerplc.com/investors/recommended-merger).

Copies of the Circular and the Prospectus will be submitted to the U.K. National Storage Mechanism and to the Irish Stock Exchange, where they will be available for inspection at:

<http://www.morningstar.co.uk/uk/NSM>

and at:

Companies Announcement Office  
The Irish Stock Exchange  
28 Anglesea Street  
Dublin 2  
Tel: +353 1 677 8808

Unless otherwise defined, all capitalised terms in this Announcement have the same meaning as those contained in the Circular. All references in this Announcement to times are to times in Dublin (unless otherwise stated).

The indicative timetable of principal events is set out below:

<b>Event</b>	<b>Time and date</b>
Date of issue of the Circular and the Scheme Document	27 November 2015
Latest time and date for receipt of Forms of Proxy/CREST Proxy Instructions for the Court Meeting	11.00 a.m. on 17 December 2015
Latest time and date for receipt of Forms of Proxy/CREST Proxy Instructions for the Betfair General Meeting	11.15 a.m. on 17 December 2015
Scheme Voting Record Time	6.00 p.m. on 17 December 2015
Latest time and date for receipt of Forms of Proxy/CREST Proxy Instructions for the Paddy Power EGM	11.15 a.m. on 19 December 2015
Court Meeting	11.00 a.m. on 21 December 2015
Paddy Power EGM	11.15 a.m. on 21 December 2015
Betfair General Meeting	11.15 a.m. on 21 December 2015

Court Hearing to sanction the Scheme	A date expected to be in the first quarter of 2016, subject to regulatory clearances (“D”)
Last day of dealings in Betfair Shares	D
De-listing of Betfair Shares from the London Stock Exchange	5.00 p.m. on D
Effective Date	D +1 2016
Expected Admission and commencement of dealings in New Paddy Power Betfair Shares, Completion	D+1 2016
CREST accounts of holders of Betfair Shares in uncertified form credited with New Paddy Power Betfair Shares	D+1 2016

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**Important notices**

*Morgan Stanley which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom is acting as financial adviser to Paddy Power and no one else in connection with the Merger. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Merger, the contents of this Announcement or any other matter referred to herein.*

*IBI Corporate Finance, which is regulated in Ireland by the Central Bank of Ireland, is acting exclusively for Paddy Power and for no one else in connection with the Merger and will not be responsible to anyone other than Paddy Power for providing the protections afforded to customers of IBI Corporate Finance or for providing advice in relation to the Merger, the contents of this Announcement or any transaction or arrangement referred to herein.*

*Goodbody Stockbrokers, trading as Goodbody, which is regulated in Ireland by the Central Bank of Ireland, is acting exclusively for Paddy Power and for no one else in connection with the Merger and will not be responsible to anyone other than Paddy Power for providing the protections afforded to customers of Goodbody or for providing advice in relation to the Merger, the contents of this Announcement or any transaction or arrangement referred to herein.*

### **Responsibility Statement**

*The directors of Paddy Power accept responsibility for the information contained in this Announcement relating to Paddy Power, the Paddy Power Group, the directors of Paddy Power and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Paddy Power (who have taken all reasonable care to ensure that such is the case) the information contained in this Announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.*

### **Forward-looking statements**

*This Announcement contains statements about Paddy Power, Betfair and the Combined Group that are or may be forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “should”, “continue”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Paddy Power’s, Betfair’s or the Combined Group’s operations and potential synergies resulting from the Merger; and (iii) the effects of government regulation on Paddy Power’s, Betfair’s or the Combined Group’s business.*

*Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Paddy Power and Betfair disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law or regulation.*

***If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser, duly authorised under the Financial Services and Market Act 2000 (as amended) if you are resident in the United***

**Kingdom, or authorised or exempted under the Investment Intermediaries Act 1995 of Ireland or the European Communities (Markets in Financial Instruments) Regulations (Numbers 1 to 3) 2007 if you are resident in Ireland, or from another appropriately authorised independent financial adviser.**

### **Quantified Financial Benefits Statement**

*Statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. No statement in the Quantified Financial Benefits Statement, or this Announcement generally, should be construed as a profit forecast (other than the Paddy Power Profit Forecast) or interpreted to mean that the Combined Group's earnings in the first full year following the effective date of the Scheme, or in any subsequent period, would necessarily match or be greater than or be less than those of Paddy Power and/or Betfair for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Paddy Power and the Paddy Power Directors.*

### **Opening Position and Dealing Disclosure Requirements under the Code**

*Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the*

*Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Overseas jurisdictions**

*The release, publication or distribution of this Announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this Announcement and all other announcements relating to the Merger are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any restricted jurisdiction. Persons receiving such announcements (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Merger disclaim any responsibility or liability for the violations of any such restrictions by any person.*

*The Merger relates to the acquisition of shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules. However, if Paddy Power were to elect to implement the Merger by means of a Merger Offer, such Merger Offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a Merger Offer would be made in the United States by Paddy Power and no one else. In addition to any such Merger Offer, Paddy Power, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Betfair outside such Merger Offer during the period in which such Merger Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website: [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The financial information included in this Announcement has been prepared in accordance with accounting standards applicable in the UK and Ireland and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The New Paddy Power Betfair Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Paddy Power Betfair Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into or from the United States absent registration under the US Securities Act or an exemption therefrom. The New Paddy Power Betfair Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Betfair Shareholders (whether or not US persons) who are or will be affiliates (within the meaning of the US Securities Act) of Paddy Power or Betfair prior to, or of Paddy Power after, the Effective Date will be subject to certain US transfer restrictions relating to the New Paddy Power Betfair Shares received pursuant to the Scheme. For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), Betfair will advise the Court that its sanctioning of the Scheme will be relied upon by Paddy Power as an approval of the Scheme following a hearing on its fairness to Betfair Shareholders.*

*The receipt of New Paddy Power Betfair Shares pursuant to the Merger by a US Betfair Shareholder may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other, tax laws. Each Betfair Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Merger.*

*It may be difficult for US Betfair Shareholders to enforce their rights and claims arising out of the US federal securities laws, since Paddy Power and Betfair are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Betfair Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.*

*None of the securities referred to in this Announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Announcement. Any representation to the contrary is a criminal offence in the United States.*

*Unless otherwise determined by Paddy Power or required by the Code, and permitted by applicable law and regulation, the Merger will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Merger (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of New Paddy Power Betfair Shares under the Merger to Betfair Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.*

*Copies of this Announcement and formal documentation relating to the Merger will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.*

#### **Publication on websites and availability of hard copies**

*A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Paddy Power's website [www.paddypowerplc.com](http://www.paddypowerplc.com) by no later than 12 noon (London time) on the day following this Announcement. For the avoidance of doubt, the contents of the website are not incorporated and do not form part of this Announcement.*

*Paddy Power Shareholders may request a hard copy of this Announcement by contacting Edward Traynor, Group General Counsel, Paddy Power, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin, DO4 V972, tel: +353 (1) 9021544. You may also request that all future documents, announcements and information to be sent to you in relation to the Merger should be in hard copy form.*