

4 SEPTEMBER 2015

**GVC HOLDINGS PLC**

**and**

**BWIN.PARTY DIGITAL ENTERTAINMENT PLC**

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**CO-OPERATION AGREEMENT**

**RELATING TO THE PROPOSED ACQUISITION OF  
BWIN.PARTY DIGITAL ENTERTAINMENT PLC**

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THIS AGREEMENT is made on 4 September 2015 between:

- (1) **GVC HOLDINGS PLC**, a company incorporated in the Isle of Man with registered number 4685V and whose registered office is at Milbourn House, St, Georges Street, Douglas, Isle of Man IM1 1AJ (*Offeror*); and
- (2) **BWIN.PARTY DIGITAL ENTERTAINMENT PLC**, a company incorporated in Gibraltar with registered number 91225 and whose registered office is at Suite 6, Atlantic Suites, Europort Avenue, Gibraltar (*bwin.party*).

**WHEREAS:**

- (A) Offeror proposes to announce an intention to make a recommended offer for the entire issued and to be issued ordinary share capital of *bwin.party* (the *Offer*) on the terms of and subject to the conditions referred to in the Press Announcement.
- (B) The Offer is intended to be effected by means of a scheme of arrangement under Part VIII of the Companies Act 2014 of Gibraltar (as amended) (the *Scheme*), provided that Offeror reserves the right, as set out in the Press Announcement and this Agreement, to elect to implement the Offer by way of a Takeover Offer.
- (C) The Parties have agreed to take certain steps to effect completion of the Offer and wish to enter into this Agreement to record their respective obligations relating to such matters.

**IT IS AGREED** as follows:

1. **Interpretation**

1.1 In this Agreement:

**Acceptance Condition** means the acceptance condition to the Takeover Offer set at no greater than seventy-five per cent. (or, where any of the circumstances set out in Note 2 of Section 8 of Appendix 7 of the Code applies, ninety per cent.) of the voting rights carried by the *bwin.party* Shares to which the Offer relates, provided that this condition will not be satisfied unless Offeror and/or any of its subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) *bwin.party* Shares carrying in aggregate more than fifty per cent. of the voting rights then normally exercisable at a general meeting of *bwin.party*;

**Action** means any legal, arbitral, administrative, regulatory or other action or proceedings;

**Affiliate** means, in relation to a Party, any person that directly or indirectly controls, is controlled by, or is under common control, with the Party, and for these purposes a Party shall be deemed to control a person if such Party possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the person, whether through the ownership of over fifty per cent. of the voting rights or the right to appoint over fifty per cent. of the relevant board by contract or otherwise;

***bwin.party* Board** means the board of directors of *bwin.party*;

***bwin.party* Board Recommendation** means the unanimous and unqualified recommendation by the *bwin.party* Board to its shareholders to (i) vote in favour of the Scheme and the Scheme Resolutions (including the *bwin.party* GM Resolutions) when

presented to such shareholders and/or (ii) accept the Offer if bwin.party elects to proceed with the Offer in accordance with the terms of this Agreement;

***bwin.party Break Payment*** means, subject to Clause 12.1, the sum of £10,900,000 such amount being exclusive of any amount in respect of recoverable VAT, if any;

***bwin.party Break Payment Event*** has the meaning given to it in Clause 11.1;

***bwin.party Conditions*** means Conditions 3(c) to (n) (inclusive) so far as they relate to Offeror, the Wider Offeror Group or any part thereof;

***bwin.party GM*** means the general meeting of the bwin.party Shareholders to be convened in connection with the Scheme to be held on the same date as the Court Meeting to consider and, if thought fit, approve the bwin.party GM Resolutions, including any adjournment of that meeting;

***bwin.party GM Resolutions*** means the resolutions to approve, among other things, the amendment to bwin.party's articles of association and such other matters as may be necessary to implement the Scheme, the Offer and the delisting of the bwin.party Shares;

***bwin.party Group*** means bwin.party and its subsidiaries and subsidiary undertakings;

***bwin.party Remuneration Committee*** means the remuneration committee of the bwin.party Board;

***bwin.party Share Plans*** means the bwin.party Bonus Banking Plan, the bwin.party 2014 Incentive Plan, the bwin.party Bonus and Share Plan, the bwin.party All-Employee Option Plan, the Rollover Option Plan, the bwin.party Share Option Plan and the bwin.party Global Share Plan (including the UK Share Incentive Plan);

***bwin.party Shareholders*** mean the holders of bwin.party Shares;

***bwin.party Shares*** means the ordinary shares in the capital of bwin.party from time to time;

***Bonus Arrangements*** has the meaning given to it in paragraph 2.1 of Schedule 4;

***Break Payment*** means the bwin.party Break Payment or the Offeror Break Payment as the context may require;

***Business Days*** means a day other than a Saturday or Sunday or a public holiday in London or Gibraltar, where banks are open in London and Gibraltar for general banking business;

***Clean EBITDA*** means earnings (excluding income and costs relating to discrete and material operations discontinued within the prior twelve months) before: interest, taxation, depreciation, amortisation, share option charges, exceptional items of income or expenditure, calculated in accordance with the accounting principles used in calculating clean EBITDA in the annual accounts of Offeror for the year ended 31 December 2014;

***Clearances*** means the merger control, competition and regulatory approvals, consents, clearances, permissions, waivers and “no objection” statements required to be obtained in connection with the Offer prior to the Effective Date so as to enable the Scheme to

become effective or the Takeover Offer to become or be declared unconditional in all respects, as applicable;

**Code** means the UK City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel;

**Code Application Proposal** has the meaning given to it in Clause 3.11;

**Code Committee** means a committee having the membership, terms of reference and procedural and decision-making arrangements as set out in Clause 3;

**Code Committee Matters** means any matter:

- (a) regarding the interpretation or application of the Code to the satisfaction, waiver or invoking of any of the Conditions; or
- (b) relating to the Offer which would require the consent of the Panel under Rule 21 of the Code if the Code applied to bwin.party,

in each case other than where such matter or consent is expressly provided for in this Agreement or in any other written agreement between Offeror and bwin.party entered into on or after the date of this Agreement;

**Code Expert** means the independent Code expert with at least 10 years of professional experience in Code governed transactions at a leading international investment bank (or such other experience agreed to be acceptable by bwin.party and Offeror in writing) and who confirms his neutrality, independence and absence of conflicts in acting as the Code Expert for the purposes of Clause 3 as agreed in writing between Offeror and bwin.party from time to time or such other person appointed pursuant to Clause 3.16;

**Code Expert Prescribed Remedy** has the meaning given to it in Clause 3.18;

**Code Question** has the meaning given to it in Clause 3.10;

**Code Ruling** has the meaning given to it in Clause 3.12;

**Competing Bidder Undertaking** has the meaning given to it in Clause 14.3(a);

**Conditions** means the conditions to the implementation of the Offer as set out in Part A of Appendix I of the Press Announcement, as may be amended with Offeror's consent (provided that, in the event the Offer is effected by way of a Takeover Offer, the terms and conditions are amended by replacing the Scheme Condition with the Acceptance Condition and as may be further amended by Offeror with bwin.party's consent (not to be unreasonably withheld or delayed in respect of procedural or mechanical amendments required to effect the Offer by way of Takeover Offer), to be set out in the Takeover Offer Document), and **Condition** shall be construed accordingly;

**Court** means the Supreme Court of Gibraltar;

**Court Hearing** means the hearing at which bwin.party seeks an order from the Court sanctioning the Scheme;

**Court Meeting** means the meeting of the bwin.party Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 296 of the

Gibraltar Companies Act 2014 for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;

**Defaulting Party** has the meaning given to it in Clause 3.18;

**Due Date** has the meaning given to it in Clause 12.1;

**Effective Date** means the date the Scheme becomes effective or the Takeover Offer becoming or being declared unconditional in all respects, as applicable;

**FCA** means the Financial Conduct Authority or its successor from time to time;

**FSMA** means the UK Financial Services and Markets Act 2000, as amended from time to time and any subordinate legislation thereto;

**Fundraising** the Offeror Placing and the Subscription;

**General Principles** means the general principles of the Code;

**Group** means, with regard to Offeror, the Offeror Group and with regard to bwin.party, the bwin.party Group;

**Independent Competing Transaction** means any offer, possible offer, tender offer, merger, acquisition, scheme of arrangement, dual listed company structure or proposal from, or on behalf of, any person who is not a member of the Offeror Group or acting in concert with Offeror, whether or not subject to any pre-conditions and howsoever to be implemented, with a view to such person, directly or indirectly acquiring (in one transaction or a series of transactions) more than thirty per cent. of the issued share capital of bwin.party or a material part of bwin.party's business;

**Long Stop Date** means 31 March 2016 or such later date as may be agreed in writing by Offeror and bwin.party as the Court may approve (if such approval is required);

**NJDGE** means the State of New Jersey Division of Gaming Enforcement;

**Offer** has the meaning given to it in Recital (A) and, where the context so requires, shall also include any subsequent revision, variation, extension or renewal thereof that is permitted by the bwin.party Board acting in the capacity referred to in Clause 2.4;

**Offeror Board** means the board of directors of Offeror;

**Offeror Board Recommendation** means the unanimous and unconditional recommendation from the Offeror Board that the shareholders of Offeror vote in favour of the Offeror Resolutions;

**Offeror Break Payment** means, subject to Clause 12.1, if the Offeror Break Payment is triggered by an Offeror Break Payment Event set out in:

- Clause 10.1(a) or 10.1(b)(i), the sum of £10,900,000; or
- Clause 10.1(b)(ii), the sum of £5,700,000,

in each case, such amount being exclusive of any amount in respect of recoverable VAT, if any;

**Offeror Break Payment Event** has the meaning given to it in Clause 10.1;

**Offeror General Meeting** means the meeting of the shareholders of Offeror (and any adjournment thereof) to be convened for the purpose of considering and, if thought fit, approving the Offeror Resolutions;

**Offeror Group** means Offeror and its subsidiaries and subsidiary undertakings;

**Offeror Placing** means the proposed placing of new Offeror shares, details of which are set out in the Press Release;

**Offeror Resolutions** means the shareholder resolutions of Offeror necessary to enable Offeror to implement the Offer;

**Offeror Shares** means the ordinary shares in the capital of Offeror from time to time;

**Offeror Transaction Documents** means any prospectus, circular, registration statement, offer document or other document required to be prepared by or on behalf of any member of the Offeror Group in connection with the making of, and/or implementation of, the Offer, excluding any document prepared by or on behalf of the Offeror Group in connection with the Clearances;

**Original Awards** has the meaning given to it in paragraph 1.5 of Schedule 4;

**Panel** means the UK Panel on Takeovers and Mergers;

**Parties** means Offeror and bwin.party and **Party** means any of them;

**Press Announcement** means the press announcement to be released by Offeror and bwin.party pursuant to Rule 2.7 of the Code (as if the Code applied to bwin.party) in relation to the Offer, in the form, or substantially in the form, set out in Schedule 1;

**Regulatory Conditions** means Conditions 3(d) to (h) (inclusive);

**Regulatory Information Service** means an information service authorised from time to time by the FCA for the purpose of disseminating regulatory information;

**Relevant Authority** means any central bank, ministry, governmental, quasi-governmental, supranational, statutory, regulatory or investigative body or authority (including any national or supranational anti-trust or merger control authority), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction, including, for the avoidance of doubt, the Panel and the FCA;

**Relevant Period** means the period between the date hereof and the earlier to occur of: (i) the Effective Date; and (ii) the date of termination of this Agreement in accordance with Clause 13;

**Replacement Awards** has the meaning given to it in paragraph 1.5 of Schedule 4;

**Scheme** has the meaning given to it in Recital (B);

***Scheme Document*** means the document addressed to the bwin.party Shareholders containing, *inter alia*, details of the Offer and the bwin.party GM;

***Scheme Hearing*** means the Court hearing to sanction the Scheme under section 299 of the Gibraltar Companies Act 2014, at which the Scheme Order will be sought;

***Scheme Hearing Date*** means the date of the Scheme Hearing;

***Scheme Meetings*** means the bwin.party GM and the Court Meeting;

***Scheme Order*** means the order of the Court sanctioning the Scheme pursuant to section 299 of the Gibraltar Companies Act 2014;

***Scheme Record Time*** means the time and date specified as such in the Scheme Document or such later time as bwin.party and Offeror may agree;

***Scheme Resolutions*** means the resolutions to be proposed at the Scheme Meetings as set out in the notice of those meetings;

***Subscription*** means the proposed subscription of the new Offeror shares by Capital Research & Management Company, pursuant to the subscription letters, to be made outside of the Placing and pursuant to Regulation D of the US Securities Act;

***Takeover Offer*** means in the event that Offeror, with the consent of the bwin.party Board (acting in the capacity referred to in Clause 2.4), exercises its right to switch to elect to implement the Offer by means of a takeover offer by Offeror (and/or one or more of its subsidiaries or undertakings), such offer including any subsequent revision amendment, variation, extension or renewal thereof;

***Takeover Offer Document*** means the offer document published by or on behalf of Offeror in connection with any Takeover Offer, including any revised offer document;

***Takeover Offer Regulatory Conditions Date*** means, if Offeror, with the consent of the bwin.party Board (acting in the capacity referred to in Clause 2.4), elects to effect the Offer by means of the Takeover Offer, the last date on which the Regulatory Conditions can be satisfied in order to allow the Takeover Offer to be declared unconditional in all respects;

***Transactional Waiver*** means a waiver from the NJDGE of the sort described in section 5:12-92 of the New Jersey Casino Control Act and the accompanying regulations;

***Trust*** means bwin.party Shares Trust;

***Underwater Option*** means an option granted on terms such that the price payable to exercise the option exceeds the value as at the Sanction Date of the consideration being offered to bwin.party shareholders under the Offer; and

***VAT*** means any tax imposed in compliance with Directive 2006/112/EEC and any similar tax which may be imposed in substitution for or in addition to such tax.



1.2 Terms used but not defined expressly in this Agreement shall, unless the context otherwise requires, have the meaning given to them in the Press Announcement. If there is any inconsistency, the definitions in this Agreement shall prevail.

1.3 In this Agreement, except where the context requires otherwise, references to:

- (a) this Agreement include any Recitals and Schedules to it and references to Clauses and Schedules are to clauses of, and schedules to, this Agreement unless the context requires otherwise;
- (b) the singular include the plural and vice versa;
- (c) the expression *acting in concert* shall have the meaning given in the Code;
- (d) the expressions *subsidiary* and *subsidiary undertaking* shall have the meanings given in the Companies Act 2006;
- (e) a *person* includes any company, partnership or unincorporated association, government, state, state agency, (whether or not having separate legal personality) and includes a reference to that person's legal personal representatives, successors and permitted assigns;
- (f) a *company* shall include any company, corporation or any body corporate, wherever incorporated or established;
- (g) a statute or statutory provision include:
  - (i) that statute or provision as from time to time modified, re-enacted and/or consolidated whether before or after the date of this Agreement;
  - (ii) any past statute or statutory provision (as from time to time modified, re-enacted and/or consolidated) which that statute or statutory provision has directly or indirectly replaced; and
  - (iii) any subordinate legislation made from time to time under that statute or statutory provision which is in force at the date of this Agreement,except to the extent that any statute, statutory provision or subordinate legislation made or enacted after the date of this Agreement would create or increase a liability of the relevant Party under this Agreement;
- (h) a time of day is a reference to the time in London, unless the context requires otherwise; and
- (i) to any other document referred to in this Agreement is a reference to that document as amended, replaced, novated or supplemented at any time unless otherwise stated.

1.4 The headings in this Agreement do not affect its interpretation.

1.5 The *ejusdem generis* principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words.

## 2. **Application of the Code**

2.1 The Parties acknowledge and agree that, under the terms of the Code, the Code does not apply to bwin.party, the bwin.party Board, Offeror or Offeror Board in connection with the Offer and that the Panel does not have jurisdiction over any of them or in connection with the Offer. Notwithstanding the foregoing, the Parties acknowledge that the bwin.party Board is required to, pursuant to article 146 of bwin.party's articles of association, and for so long as it is satisfied that it is in the best interests of bwin.party, to use its reasonable endeavours:

- (a) to apply and to have bwin.party abide by the General Principles *mutatis mutandis* as though bwin.party were subject to the Code;
- (b) if any circumstances arise under which (had bwin.party been subject to the Code) bwin.party would be an offeree or otherwise the subject of an approach or the subject of a third party's statement of firm intention to make an offer, to comply with and to procure that bwin.party complies with the provisions of the Code applicable to an offeree company and the board of directors of an offeree company *mutatis mutandis* as though bwin.party were subject to the Code; and
- (c) in the event that (and in any case for so long as) the bwin.party Board recommends to bwin.party Shareholders any takeover offer made for any bwin.party Shares, to obtain an undertaking from the offeror to comply with the provisions of the Code in the conduct and execution of the relevant offer *mutatis mutandis* as though bwin.party were subject to the Code, but recognising that the Panel will not have jurisdiction (if and for so long as such may be the case).

2.2 Without prejudice to the generality of the bwin.party Board's duties in the bwin.party articles of association and under Gibraltar law and subject to clause 2.3, the Parties agree on behalf of themselves and their respective Affiliates that the Code shall apply to them and that they shall observe and comply with the Code in relation to the conduct and execution of the Offer (and to the exercise of each Party's rights and performance of its obligations under this Agreement and any other agreements relating to the Offer) as though bwin.party were subject to the Code.

2.3 In respect of any particular matter or circumstance and in accordance with bwin.party's articles of association, bwin.party shall not be obliged under this Clause 2 to abide by the Code in connection with that matter or circumstance if the bwin.party Board determines, in its absolute discretion, that to do so would:

- (a) not be in the best interests of bwin.party; or
- (b) conflict with bwin.party's obligations under its articles of association, any applicable law or regulation, any order of a court of competent jurisdiction or by any Regulatory Authority.

2.4 The Parties agree that, subject to Clause 15.1 and Schedule 2 of this Agreement and save in respect of Code Committee Matters (in respect of which Clause 3 shall apply), in respect of any matter relating to the interpretation or application of the Code (or the giving or withholding of any consent thereunder) in relation to the Offer which, if bwin.party were subject to the Code, would fall to the Panel to determine, such matter

shall be determined by the bwin.party Board in its absolute discretion (such discretion to be exercised reasonably).

### 3. **Code Committee Matters**

- 3.1 bwin.party and Offeror hereby establish the Code Committee, which, in respect of the Code Committee Matters only, shall be responsible for determining the application and interpretation of the Code as it applies to the Parties or in relation to the Offer (and to the exercise of each Party's rights and performance of its obligations under this Agreement and any other agreements relating to the Offer) by reason of the provisions of Clause 2 (subject to any reference to the Code Expert pursuant to this Clause 3).
- 3.2 The Code Committee shall be comprised of three directors of each of bwin.party and Offeror from time to time (respectively, the *bwin.party Appointees* and the *Offeror Appointees*). Additionally, each of bwin.party and Offeror shall be entitled to appoint one individual from each of its legal advisers and one individual from each of its financial advisers to attend and speak (but not vote) at meetings of the Code Committee.
- 3.3 If either bwin.party or Offeror wishes a Code Committee Matter to be considered and determined by the Code Committee, a bwin.party Appointee or a Offeror Appointee shall be entitled to convene a meeting of the Code Committee upon no less than 24 hours' written notice (including, for these purposes, by way of email) being provided by him or her to other members of the Code Committee, setting out the time and place for the proposed meeting, dial-in details for those wishing to participate by way of teleconference, the agenda for the meeting and any materials they wish to circulate to the members of the Code Committee ahead of the meeting.
- 3.4 The quorum for the transaction of business at any meeting of the Code Committee (including at an adjourned meeting) shall be two bwin.party Appointees (or their alternate) and two Offeror Appointees (or their alternate) present (which, for the purpose of this Clause 3, includes by way of teleconference) at the time when the relevant business is transacted (a *Quorum*). If such Quorum is not present within one hour from the time appointed for the meeting, or if during the meeting such a Quorum ceases to be present, the meeting shall be adjourned to the same time and place on the following Business Day (or to such other place, or for such shorter period of time, as may be agreed by the bwin.party Appointees and the Offeror Appointees) and notice thereof shall be given to all members of the Code Committee.
- 3.5 The Code Committee must provide facilities for participation in any meeting by teleconference. In the case of meetings held by teleconference, all actions and resolutions of the Code Committee shall be documented and approved by one bwin.party Appointee and one Offeror Appointee.
- 3.6 The Code Committee may act by unanimous written consent of each bwin.party Appointee and each Offeror Appointee in lieu of a meeting.
- 3.7 All decisions of the Code Committee (other than those approved by unanimous written consent of each bwin.party Appointee and each Offeror Appointee in lieu of a meeting) shall require the affirmative consent of: (i) at least one bwin.party Appointee and one Offeror Appointee; and (ii) a majority of the total number of votes held by bwin.party Appointees and Offeror Appointees present at a duly convened and quorate meeting.

- 3.8 If any bwin.party Appointee or Offeror Appointee is unable to attend a meeting of the Code Committee, he or she may appoint an alternate to attend the relevant meeting on his or her behalf by delivering three hours' written notice (including, for these purposes, by way of email) to the other members of the Code Committee confirming that fact and the name and contact details of the alternate that will attend the meeting on his or her behalf.
- 3.9 Each bwin.party Appointee and each Offeror Appointee shall be entitled to cast one vote at any meeting of the Code Committee. If any of the:
- (a) bwin.party Appointees are absent from a Code Committee meeting and a validly appointed alternate or alternates is not in attendance, the attending bwin.party Appointee(s) (or their alternates) shall be entitled to such number of separate votes in addition to their own as shall result in all of the attending bwin.party Appointees together being entitled to cast three votes; or
  - (b) Offeror Appointees are absent from a Code Committee meeting and a validly appointed alternate or alternates is not in attendance, the attending Offeror Appointee(s) (or their alternates) shall be entitled to such number of separate votes in addition to their own as shall result in all of the attending Offeror Appointees together being entitled to cast three votes.
- 3.10 In the event that the Code Committee is unable to resolve any question regarding the application and interpretation of the Code in respect of a Code Committee Matter as applied pursuant to Clause 2 or any consequential matter within one Business Day of the first notice convening a meeting of the Code Committee to consider it (including by reason of a failure to achieve a Quorum at such meeting), either bwin.party or Offeror may refer the matter (each such instance, a ***Code Question***) to the Code Expert for determination.
- 3.11 If a Code Question is referred to the Code Expert, then on or before two Business Days following such referral, each of bwin.party and Offeror shall be entitled to present to the Code Expert and to the other Party a proposal for the application or interpretation of the Code with respect to the relevant matter (a ***Code Application Proposal***), together with any materials it wishes to present to justify such Code Application Proposal. Each of bwin.party and Offeror may present to the Code Expert and to the other Party a written submission in reply within one Business Day of their respective receipt of the other Party's timely submission of its Code Application Proposal. bwin.party and Offeror shall agree, and in the absence of agreement the Code Expert shall make any further directions for the conduct of the reference, including at the request of bwin.party or Offeror, arrangements for a hearing at which any of bwin.party and Offeror may make oral submissions and respond to questions from the Code Expert. Each of bwin.party and Offeror shall adhere to the Code when dealing with the Code Expert, as if the Code Expert was the Panel.
- 3.12 The Code Expert shall determine how the Code would be interpreted and applied by the Panel with respect to the relevant Code Committee Matter had bwin.party been subject to the Code. The Code Expert shall make his determination as soon as reasonably practicable after receipt of all written (and, if applicable, oral) submissions and the conclusion of any further investigations as the Code Expert shall consider necessary. In any event, the Code Expert shall endeavour to issue a decision within one Business Day

from exchange of the written submissions (or conclusion of any hearing) referred to in Clause 3.11. The Code Expert shall notify the Code Committee orally or in writing of his determination, which determination (in the absence of fraud or a manifest error), shall be final and binding on the Parties and may include a direction in respect of any consequential matter (including, if the Code Expert so determines, an extension to the timetable for the Offer or any deadline other than the Long Stop Date under this Agreement or under the Code and the award of any remedy that the Panel would have been competent to award had bwin.party been subject to the Code) (a **Code Ruling**). The Code Expert shall have the same powers to enforce compliance with the Code (in respect of a Code Committee Matters as applied pursuant to Clause 2) as the Panel would have had if bwin.party had been subject to the Code and the Code Expert shall be permitted to take such action as the Code Expert believes the Panel would have taken in relation to any Code Question or non-adherence or non-compliance by the Parties with the Code (in respect of a Code Committee Matters as applied pursuant to Clause 2). In the absence of fraud or a manifest error, the Parties agree to observe and comply with all Code Rulings. If at any time the Parties agree on the Code Question, then, notwithstanding this Clause 3, the Code Question shall be as so agreed and the Code Expert procedures in this Clause 3 shall be promptly discontinued.

- 3.13 The Code Expert shall act as an expert and not as an arbitrator.
- 3.14 The Code Expert shall be entitled to: (i) obtain any independent legal or other expert advice; (ii) obtain secretarial assistance; and (iii) hold such hearings, order the production of such documents and call for the attendance of such witnesses which, in each case, he considers reasonably necessary.
- 3.15 The costs of the Code Expert (including the costs of any independent legal or other expert advice as he may reasonably require, and any secretarial assistance as is reasonably necessary) shall be shared as to 50 per cent. by bwin.party and as to 50 per cent. by Offeror, unless the Code Expert determines, in his absolute discretion, that either bwin.party or Offeror was acting unreasonably, in which case the costs shall be borne by the Party that acted, in the Code Expert's view, unreasonably. Each Party shall bear its own costs in respect of all Code Application Proposals.
- 3.16 If the Code Expert is unable or unwilling to act (whether generally or in relation to a specific reference), then bwin.party and Offeror shall endeavour jointly to appoint another suitably experienced and independent person as the Code Expert. If such appointment has not been made within two Business Days after a proposal to that effect by a Party, then bwin.party or Offeror may request the Association for Financial Markets in Europe to nominate an independent person with at least 10 years of professional experience in Code governed transactions at a leading international investment bank for appointment as the Code Expert (and, if necessary, to settle the terms of his appointment) and the costs associated with such nomination and appointment shall be borne as to 50 per cent. by bwin.party and as to 50 per cent. by Offeror. Any person appointed as Code Expert pursuant to this clause 3.16 shall confirm his neutrality, independence and absence of conflicts in acting as the Code Expert for the purposes of this Clause 3. The Parties shall act reasonably and co-operate and do all things reasonably necessary to agree terms of appointment for any replacement Code Expert to be appointed pursuant to this Clause 3.

- 3.17 Each Party agrees that, except in the case of fraud or wilful default on the part of the Code Expert, neither that Party nor any of its Affiliates nor any of its or their respective directors, officers, employees, advisers, representatives or shareholders (including any beneficial owner of shares or any interest in shares) or creditors (including any beneficial owner of any debt securities) shall have any claim of any nature whatsoever against the Code Expert arising out of or in connection with his determination, and undertakes to indemnify the Code Expert from and against any and all loss, liability, damage or expense suffered or incurred by him as a result of any action, claim or demand threatened or made against him by any of the aforesaid persons.
- 3.18 The Parties agree that any disagreement or dispute as to how the Code would be interpreted and applied by the Panel with respect to the relevant Code Committee Matter had bwin.party been subject to the Code, shall be determined by the Code Committee or the Code Expert in accordance with this Clause 3. The Code Expert shall be entitled to determine whether he has jurisdiction, pursuant to the terms of this Agreement, to settle any such disagreement or dispute of the Parties. To the extent that any party (the **Defaulting Party**) does not comply with or adhere to a Code Ruling, the other party (the **Non-Defaulting Party**) may refer such non-compliance or non-adherence to the Code Expert who shall determine what (if any) remedy, enforcement or disciplinary action the Panel would have awarded or taken in respect of such non-compliance or non-adherence by the Defaulting Party as though bwin.party were subject to the Code and shall, accordingly, deliver a Code Ruling that the Defaulting Party is so disciplined or that it is subject to such enforcement action (a **Code Expert Prescribed Remedy**). None of the Parties shall be entitled to bring any claim or commence any Action in relation to a Code Committee Matter against any other Party in respect of any breach or alleged breach of this Agreement that requires any Party to observe and comply with the Code with respect to the relevant Code Committee Matter unless: (i) such breach or alleged breach has been referred to the Code Expert and a Code Expert Prescribed Remedy has been issued by the Code Expert in respect of such breach or alleged breach; or (ii) such breach or alleged breach has been referred to the Code Expert and the Code Expert has informed the Parties that he or she is unable or unwilling to consider such referral; or (iii) the Code Expert provides his written consent.
- 3.19 If the Defaulting Party fails to observe and comply with the terms of any Code Expert Prescribed Remedy, the Non-Defaulting Party shall be entitled to seek (and the Defaulting Party agrees to consent and not to object to) an order of specific performance (which, for the purpose of Clause 3.18 and this Clause 3.19, includes an injunction) requiring the Defaulting Party to so comply provided that such order of specific performance may be sought only in respect of the Defaulting Party's non-observance or non-compliance with the Code Expert Prescribed Remedy. If and only if an order of specific performance is not, for whatever reason, granted in favour of, or otherwise readily enforceable in any jurisdiction where enforcement is likely to be sought by, the Non-Defaulting Party (or if the Defaulting Party fails to comply with an order of specific performance or challenges or objects to the enforcement of the order against it in any jurisdiction), the Non-Defaulting Party shall then be entitled to bring any Action it deems fit against the Defaulting Party provided that such Action may only be brought in respect of the Defaulting Party's non-observance or non-compliance with the Code Expert Prescribed Remedy (as well as the underlying breach of this Agreement arising therefrom and any breach by the Defaulting Party of its obligations hereunder and in relation to any

order of specific performance so granted). Notwithstanding anything contained in Clause 3.18 or this Clause 3.19 to the contrary, if the Code Expert fails, or is unable or unwilling, to act in relation to a referral made to it pursuant to Clause 3.18 and this Clause 3.19, or in relation to any Code Question, then the Party making such referral shall be entitled to commence such Action as it deems fit to preserve and enforce its rights under this Agreement.

#### 4. **Commencement**

The provisions of this Agreement, other than this Clause 4 and Clauses 1 and 15 to 18 inclusive, shall become effective on the release of the Press Announcement via a Regulatory Information Service on the date of this Agreement, or such other date and time as may be agreed by bwin.party and Offeror. This Clause 4 and Clauses 1 and 15 to 18 inclusive shall take effect on and from the date of this Agreement.

#### 5. **Conditions**

##### *General*

- 5.1 Offeror is obliged to complete the Offer subject to the satisfaction or, where permitted or required under this Agreement, waiver of the Conditions by Offeror and bwin.party (as applicable). Offeror shall appear by counsel at the Court Hearing to undertake to be bound by the Scheme following the satisfaction (or, where permitted or required under this Agreement, waiver) of the Conditions (excluding any Condition capable of satisfaction only at or after the Court Hearing).
- 5.2 Notwithstanding Clause 5.1, Offeror undertakes to waive all the Conditions (other than the bwin.party Conditions) that are not then satisfied by 9.00 a.m. (Gibraltar time) on the date of the Court Hearing, unless either: (i) Offeror would be permitted to invoke a Condition (other than a bwin.party Condition) under Rule 13 of the Code as though bwin.party were subject to the Code, subject always to Clause 2 of this Agreement; or (ii) such Condition is any of the Conditions set out in Conditions 1, 2, 3(a) and 3(b) and, accordingly, is not capable of being waived.
- 5.3 bwin.party undertakes to waive all the bwin.party Conditions that are not then satisfied by 9.00 a.m. (Gibraltar time) on the date of the Court Hearing, unless bwin.party would be permitted to invoke a bwin.party Condition under Rule 13 of the Code as though bwin.party were subject to the Code (subject always to Clause 2 of this Agreement).
- 5.4 Offeror undertakes that by 9.00 a.m. (Gibraltar time) on the date of the Court Hearing, it shall deliver a notice in writing to bwin.party either: (i) confirming the satisfaction or waiver of all Conditions (other than the bwin.party Conditions); or (ii) confirming its intention to invoke a Condition (other than a bwin.party Condition) and, if (ii), it shall in such notice identify the Condition or Conditions (not being a bwin.party Condition) which it considers it is entitled to invoke and provide reasonable details of the event which has occurred, or circumstance which has arisen, which it considers entitle it to invoke that Condition or Conditions.
- 5.5 bwin.party undertakes that by 9.00 a.m. (Gibraltar time) on the date of the Court Hearing, it shall deliver a notice in writing to Offeror either: (i) confirming the satisfaction or

waiver of all bwin.party Conditions; or (ii) confirming its intention to invoke a bwin.party Condition, and, if (ii), it shall in such notice identify the bwin.party Condition or bwin.party Conditions which it considers it is entitled to invoke and provide reasonable details of the event which has occurred, or circumstance which has arisen, which it considers entitle it to invoke that bwin.party Condition or bwin.party Conditions.

5.6 Notwithstanding any other provision of this Agreement:

- (a) the Conditions (other than the bwin.party Conditions) shall not be capable of being invoked by bwin.party and bwin.party shall not seek to invoke any such Condition; and
- (b) the bwin.party Conditions shall not be capable of being invoked by Offeror and Offeror shall not seek to invoke any such bwin.party Condition.

5.7 Offeror undertakes to bwin.party to keep bwin.party informed of the progress towards satisfaction (or otherwise) of the Conditions (other than a bwin.party Condition) and, if Offeror is or becomes aware of any matter which might reasonably be considered to be material in the context of the satisfaction or waiver of any of the Conditions (other than a bwin.party Condition), Offeror will as soon as reasonably practicable make the substance of any such matter known to bwin.party and, so far as it is aware of the same, provide such details and further information as bwin.party may reasonably request, save that nothing in this Agreement shall oblige Offeror to provide any information to bwin.party which is personally identifiable information of a director, officer or employee of Offeror or its subsidiary undertakings, except to bwin.party's advisers on an external counsel basis.

5.8 bwin.party undertakes to Offeror to keep Offeror informed of the progress towards satisfaction (or otherwise) of the bwin.party Conditions and obtaining the Clearances to which Clause 5.11 apply and, if bwin.party is or becomes aware of any matter which might reasonably be considered to be material in the context of the satisfaction (or otherwise) of the bwin.party Conditions and/or obtaining such Clearances, bwin.party will, as soon as reasonably practicable, make the substance of any such matter known to Offeror and, so far as it is aware of the same, provide such details and further information as Offeror may reasonably request, save that nothing in this Agreement shall oblige bwin.party to provide any information to Offeror which is personally identifiable information of a director, officer or employee of bwin.party or its subsidiary undertakings, except to Offeror's advisers on an external counsel basis.

#### *Clearances*

5.9 Offeror shall be responsible for contacting and corresponding with Relevant Authorities in relation to the Clearances for which Offeror (either alone or jointly with bwin.party) is required to apply, including preparing and submitting all necessary filings, notifications and submissions as soon as reasonably practicable. Offeror shall consult with bwin.party to the extent reasonably practicable and keep bwin.party updated as to progress towards obtaining such Clearances, including by taking the steps set out in Clause 5.13.

5.10 bwin.party undertakes to cooperate with Offeror in relation to the Clearances for which Offeror (either alone or jointly with bwin.party) is required to apply and to assist Offeror in communicating with any Relevant Authority in relation to such Clearances and



promptly to provide such information and assistance to Offeror as it may reasonably require for the purposes of obtaining any such Clearance and for the purpose of making a submission, filing or notification to any Relevant Authority in connection with any such Clearance as soon as reasonably practicable.

- 5.11 bwin.party shall be responsible for contacting and corresponding with Relevant Authorities in relation to the Clearances for which bwin.party alone is required to apply, including preparing and submitting all necessary filings, notifications and submissions as soon as reasonably practicable. bwin.party shall consult with Offeror to the extent reasonably practicable and keep Offeror updated as to progress towards obtaining such Clearances, including by taking the steps set out in Clause 5.13.
- 5.12 Offeror undertakes to cooperate with bwin.party in relation to the Clearances for which bwin.party alone is required to apply and to assist bwin.party in communicating with any Relevant Authority in relation to such Clearances and promptly to provide such information and assistance to bwin.party as bwin.party may reasonably require for the purposes of obtaining any such Clearance and for the purpose of making a submission, filing or notification to any Relevant Authority in connection with any such Clearance as soon as reasonably practicable.
- 5.13 Without prejudice to the generality of Clauses 5.9 to 5.12, each Party undertakes to the other Parties (except to the extent that to do so is prohibited by the Relevant Authority or applicable law):
- (a) to provide the other Parties, as promptly as reasonably practicable and in any event before any applicable deadline or due date, with all such information as may reasonably be required by either of the other Party to assist it in determining in which jurisdictions any merger control, regulatory or other filing with a Relevant Authority may be necessary or desirable for the purpose of obtaining the Clearances and to provide all such other assistance as may reasonably be required by the other Party in connection with obtaining the Clearances for which that Party is, pursuant to Clauses 5.9 and 5.11, responsible for applying, including assistance in connection with such pre-notification contacts with Relevant Authorities as that other Party reasonably considers desirable;
  - (b) to take all such steps and make as promptly as reasonably practicable after the signing of this Agreement and within applicable deadlines and due dates such filings with all appropriate Relevant Authorities, jointly or separately, as are necessary or reasonably desirable to obtain the Clearances;
  - (c) subject to applicable law, to notify the other Parties promptly and provide copies of any significant communications with any Relevant Authority in connection with obtaining the Clearances, save that nothing in this Agreement shall oblige any Party to provide any information to the other Party which is personally identifiable information of a director, officer or employee of the disclosing party, except to the other Party's advisers on an external counsel basis;
  - (d) subject to applicable law, to use all reasonable endeavours to procure that each Party and its representatives are able to attend any significant meetings or

hearings and participate in any substantive discussions with any Relevant Authority in connection with obtaining the Clearances; and

- (e) if necessary, negotiate with any Relevant Authority in relation to any undertakings, commitments and/or assurances which may be necessary to obtain the Clearances,

provided that nothing in this Clause 5.13 shall require a Party to disclose to the other any competitively sensitive or confidential information related to its business and/or the business of any member of its Group which is not relevant to the Offer or the Conditions and that the exchange of any competitively sensitive information shall be limited to outside counsel.

5.14 Notwithstanding any other provision of this Agreement to the contrary:

- (a) Offeror shall take or cause to be taken all steps reasonably necessary in order to obtain the Clearances as promptly as possible, including to consider divesting (or ceasing operating) assets, properties or businesses (including any related tangible or intangible properties and customer contracts) and to consider entering into such other arrangements (including the enhancement or reconfiguration of any such assets, properties or businesses);
- (b) Offeror shall not effect or commit to effect any transaction which would be an alternative to, or inconsistent with, or would be reasonably likely to preclude, impede, or prejudice the effectiveness of any steps referred to in Clause 5.14(a);
- (c) nothing contained in this Agreement shall require any Party or its respective Affiliates to take, or cause to be taken, any action with respect to the divestiture of any assets, properties or businesses of bwin.party or any of its Affiliates, or Offeror or any of its Affiliates, or any combination thereof, that is not conditional on completion of the Offer, except as otherwise agreed by the Parties; and
- (d) nothing contained in this clause shall restrict Offeror from determining the strategy to obtain Clearances, including the timing and sequencing of any remedy discussions with the Relevant Authorities.

## 6. **Kalixa Payments Business**

6.1 Without prejudice to its obligations under any other provisions of this Agreement, Offeror undertakes to bwin.party that, by no later than the date 15 Business Days after the date of this Agreement, it shall have duly prepared, completed and submitted to the FCA (in compliance with all applicable requirements of the FCA relating thereto and all applicable provision of FSMA) all forms and applications for all Clearances that are necessary in order to satisfy Condition 3(e).

6.2 Offeror agrees that if, as at the date falling 60 Business Days after the date of this Agreement, Condition 3(e) remains to be satisfied, at any time prior to Condition 3(e) having been satisfied, a sale (and the entry into a binding agreement in respect thereof) by a member of the bwin.party Group of the bwin.party Group's Kalixa Payments Business to a person that is not a member of the bwin.party Group or the Offeror Group

on arm's length commercial terms and on such terms that such sale shall complete no later than 5 Business Days prior to the Long Stop Date:

- (a) shall be permitted and shall not contravene Rule 21 of the Code; and
- (b) Offeror shall not be entitled to invoke any of Conditions 3(c) to 3(n) (inclusive) by reason of such sale (or member of the bwin.party Group having entered into any agreement with any person relating thereto).

6.3 bwin.party agrees to give Offeror:

- (a) written notice as soon as reasonably practicable and in any event by 5.00 pm on the second Business Day after commencing substantive negotiations for the sale of the bwin.party Group's Kalixa payments business to a person that is not a member of the bwin.party Group or the Offeror Group; and
- (b) 5 Business Days' written notice prior to a member of the bwin.party Group entering into a definitive binding agreement for the sale of the bwin.party Group's Kalixa payments business to a person that is not a member of the bwin.party Group or the Offeror Group, such notice to contain the material terms of the proposed disposal.

6.4 For the avoidance of doubt, no provisions of this Agreement shall impose on bwin.party (or any other member of the bwin.party Group) any obligation to sell the bwin.party Group's Kalixa Payments Business, nor shall any such provision be indicative of any intention of bwin.party (or any other member of the bwin.party Group) in that regard.

## 7. **New Jersey Business**

7.1 Offeror shall be responsible for promptly contacting and corresponding with the NJDGE in relation to obtaining (i) Casino Service Industry Enterprise ("CSIE") Licensure; (ii) obtaining a transactional waiver from the NJDGE in relation to the Offer; and (iii) any additional clearances required by the NJDGE.

7.2 Without prejudice to its obligations under any other provisions of this Agreement, Offeror undertakes to bwin.party that it shall (i) by no later than 30 October 2015 have prepared and submitted a completed initial application for qualification and licensure as a CSIE (in compliance with all applicable NJDGE regulations); (ii) promptly respond to all requests for information from the NJDGE and use all reasonable endeavours to do so within 72 hours; and (iii) by 30 December 2015 have filed a petition for a transactional waiver allowing continued operations in New Jersey.

7.3 Without prejudice to its obligations under any other provisions of this Agreement and subject to clause 5.14(c), Offeror shall, at its own cost, use all reasonable endeavours in order to obtain a Transactional Waiver, or if such Transactional Waiver cannot be obtained, the consent of the NJDGE for an appropriate dispositive trust arrangement, prior to the Effective Date. For the avoidance of doubt, nothing in this clause 7.3 shall require Offeror or any member of the Offeror Group to divest, reorganise or cease operating any assets, properties or businesses nor to accept any undertakings or commitments requested by the NJDGE which are not on terms reasonably acceptable to Offeror.

- 7.4 Offeror acknowledges and agrees that it shall not be entitled to, nor shall it, invoke any Condition if (i) the Transactional Waiver or the consent of the NJDGE for an appropriate dispositive trust arrangement or any other consent or approval of the NJDGE cannot be obtained prior to the Effective Date; or (ii) the Transactional Waiver or the consent of the NJDGE for an appropriate dispositive trust arrangement or any consent or approval of the NJDGE is obtained and any associated conditions imposed by NJDGE on Offeror are accepted prior to the Effective Date. The Parties acknowledge and agree that any of the matters referred to in this Clause 7.4 shall not be a Code Committee Matter.
- 7.5 Offeror shall not effect or commit to effect any transaction which would be an alternative to, or inconsistent with, or would be reasonably likely to preclude, impede, or prejudice (i) its licensure as a CSIE by the NJDGE (ii) a Transactional Waiver being obtained or (iii) the effectiveness of the any steps referred to in this Clause 7.
- 7.6 Offeror undertakes to bwin.party to provide bwin.party with a copy of each form and application submitted to the NJDGE in connection with the Offer and to keep bwin.party informed of the progress towards obtaining a Transactional Waiver and, if Offeror is or becomes aware of any matter which might reasonably be considered to be material in the context of obtaining a Transactional Waiver, Offeror will as soon as reasonably practicable make the substance of any such matter known to bwin.party and, so far as it is aware of the same, provide such details and further information as bwin.party may reasonably request, save that nothing in this Agreement shall oblige Offeror to provide any information to bwin.party which is personally identifiable information of a director, officer or employee of Offeror or its subsidiary undertakings, except to bwin.party's advisers on an external counsel basis.
- 7.7 Offeror undertakes to use reasonable endeavours to honour the obligations of bwin.party with respect to its US business including agreements in place as of the date of this Agreement with Boyd Interactive Gaming, LLC, Boyd Gaming Corporation, Marina District Development Company, LLC, MGM Resorts Online, LLC, MGM Resorts International, United Auburn Indian Community and Valley Forge Convention Center Partners, L.P.. To the extent such partners may have due diligence requests regarding the Offeror as a suitable partner, the Offeror shall use reasonable endeavours to answer such requests in a timely manner and in good faith.

## 8. **bwin.party Employee Incentive Arrangements**

The Parties agree that the provisions of Schedule 4 shall apply in respect of the existing employee incentive arrangements of bwin.party.

## 9. **Offeror Transaction Documents: Provision of Information and Assistance**

- 9.1 bwin.party shall procure that Offeror is provided in a timely manner with:
- (a) all such information about bwin.party and the other members of the bwin.party Group and any other person acting in concert with bwin.party as may reasonably be required for inclusion in the Offeror Transaction Documents (including, without limitation, such information as is necessary for the relevant document to comply with all applicable legal and regulatory provisions); and

- (b) all such other assistance as Offeror may reasonably require in connection with the preparation of the Offeror Transaction Documents.

9.2 bwin.party warrants and undertakes to Offeror that, as at 5 p.m. on the Business Day immediately prior to the date of this Agreement, all information that bwin.party would at that time be required to give the Offeror under Rule 20.2 of the Code (if the Code applied to bwin.party) has been given to Offeror.

## 10. Offeror Break Payment

10.1 By way of compensation for any losses or costs suffered or incurred by bwin.party in connection with the preparation and negotiation of the Offer, this Agreement and any other document relating to the Offer (other than any loss arising out of a breach of this Agreement or the breach of any other obligations in connection with the Offer), subject to Clause 10.2, Offeror shall pay, or shall procure the payment by a member of the Offeror Group, the Offeror Break Payment to bwin.party in the event that, following the publication of the Press Announcement in accordance with Clause 4:

- (a) (i) the Offeror Board withdraws, adversely modifies or qualifies the Offeror Board Recommendation and (ii) either (A) bwin.party has complied in all material respects with its obligations under this Agreement and the Scheme Document (or the Takeover Offer Document as the case may be) is not despatched to the bwin.party Shareholders on or prior to 15 November 2015 or (B) the Scheme (or the Takeover Offer as the case may be) lapses (or is withdrawn) in accordance with its terms prior to the Long Stop Date (other than where such lapse or withdrawal is a result of the exercise of a right to switch from the Scheme to a Takeover Offer or is otherwise to be followed soon after by an announcement of a firm intention to make an offer pursuant to Rule 2.7 of the Code (as if the Code applied to bwin.party) made by Offeror or a person acting in concert with Offeror to implement the Offer by a different offer or scheme on substantially the same or improved terms); or
- (b) on or prior to the Long Stop Date, the Offer lapses as a result of:
  - (i) the Offeror Resolutions not being passed by the shareholders of Offeror; or
  - (ii) Condition 3(c) or any Regulatory Condition being invoked by Offeror or (where applicable) by bwin.party or Condition 3(c) or any Regulatory Condition failing to be satisfied (or, if capable of waiver, waived) by Offeror,

(each, an *Offeror Break Payment Event*).

10.2 No Offeror Break Payment shall be payable if:

- (a) at the time the Offeror Break Payment Event occurs, this Agreement has previously been terminated pursuant to Clauses 13.1(a), 13.1(b) or 13.1(c); or
- (b) the Offeror Break Payment Event has been caused by bwin.party's breach of its obligations to Offeror under this Agreement, provided that Offeror shall have notified bwin.party in writing promptly upon becoming aware of any such breach

and bwin.party shall not have remedied any such breach within 15 days of receipt of such notice or, if earlier, in sufficient time for Offeror to reasonably meet any regulatory or legal deadline.

- 10.3 Subject to Clause 10.2, Offeror shall pay or procure the payment of the Offeror Break Payment to bwin.party within 10 Business Days of the occurrence of the Offeror Break Payment Event.
- 10.4 In no event shall Offeror be required to pay the Offeror Break Payment more than once or pay more than one Offeror Break Payment.

## 11. **bwin.party Break Payment**

- 11.1 By way of compensation for any losses or costs suffered or incurred by Offeror in connection with the preparation and negotiation of the Offer, this Agreement and any other document relating to the Offer (other than any loss arising out of a breach of this Agreement or the breach of any other obligations in connection with the Offer), subject to Clause 11.2, bwin.party shall pay, or shall procure the payment by a member of the bwin.party Group, the bwin.party Break Payment to Offeror in the event that, following the publication of the Press Announcement in accordance with Clause 4 (i) the bwin.party Board withdraws, adversely modifies or qualifies the bwin.party Board Recommendation and (ii) either (A) Offeror has complied in all material respects with its obligations under this Agreement, Offeror has not exercised its right in accordance with this Agreement to elect to implement the Offer by means of a Takeover Offer and the Scheme Document is not despatched to the bwin.party Shareholders on or prior to 15 November 2015 or (B) the Scheme (or the Takeover Offer as the case may be) lapses (or is withdrawn) in accordance with its terms prior to the Long Stop Date (other than where such lapse or withdrawal is a result of the exercise of a right to switch from the Scheme to a Takeover Offer or is otherwise to be followed soon after by an announcement of a firm intention to make an offer pursuant to Rule 2.7 of the Code (as if the Code applied to bwin.party) made by Offeror or a person acting in concert with Offeror to implement the Offer by a different offer or scheme on substantially the same or improved terms) (the *bwin.party Break Payment Event*).
- 11.2 No bwin.party Break Payment shall be payable if:
  - (a) at the time the bwin.party Break Payment Event occurs, this Agreement has previously been terminated pursuant to Clauses 13.1(a), 13.1(b) or 13.1(c); or
  - (b) the bwin.party Break Payment Event has been caused by Offeror's breach of its obligations under this Agreement, provided that bwin.party shall have notified Offeror in writing promptly upon becoming aware of any such failure and Offeror shall not have remedied any such failure within 15 days of receipt of such notice or, if earlier, in sufficient time for bwin.party to reasonably meet any regulatory or legal deadline.
- 11.3 Subject to Clause 11.2, bwin.party shall pay or procure the payment of the bwin.party Break Payment to Offeror within 10 Business Days of the occurrence of the bwin.party Break Payment Event.

11.4 In no event shall bwin.party be required to pay the bwin.party Break Payment more than once or pay more than one bwin.party Break Payment.

## 12. **Break Payments: VAT**

12.1 The Parties anticipate, and shall take the position and use all reasonable endeavours to ensure that it is accepted for the relevant tax purposes, that the relevant Break Payments are outside the scope of VAT and are not treated for VAT purposes as consideration for a taxable supply. If, however, a Break Payment is treated by any tax authority in whole or part as the consideration for a taxable supply:

- (a) the Party entitled to receive such Break Payment (the *Payee*) shall provide the Party entitled to make that Break Payment (the *Payer*) with a valid VAT invoice for the full value of that supply;
- (b) if, in respect of a Break Payment, the Payee (or the representative member of the VAT group of which the Payee is a member) is liable to account for VAT in respect of that supply, the Payer shall pay to the Payee (in addition to any other consideration for that supply) an amount equal to the amount of such VAT that the Payer (or the representative member of the VAT group of which the Payer is a member) can recover; and
- (c) if, in respect of a Break Payment, the Payer (or the representative member of the VAT group of which the Payer is a member) is liable to account for VAT in respect of that supply under the reverse charge mechanism (or any similar mechanism) and the Payer (or the representative member of the VAT group of which the Payer is a member) is not able to recover all of such VAT, then the amount of the Break Payment shall be reduced to such an amount that when added to the amount of such irrecoverable VAT is equal to the amount that the Break Payment would otherwise have been.

Any such additional amounts in respect of VAT due under clause 12.1(b) above shall be paid no later than the date falling 10 days before the date on which the Payer (or the representative member of the VAT group of which the Payer is a member) is liable to account for such VAT (the *Due Date*) or, if later, the date falling five days after the relevant Party has notified the other in writing of the Due Date.

12.2 Payment shall be made in immediately available funds (without any deduction or withholding, save only as requested by law, and without regard to any lien, right of set-off, counterclaim or otherwise) to such bank account as may be notified by the relevant Party to the other for such purpose.

## 13. **Termination**

13.1 Subject to Clause 13.4, and without prejudice to the rights of any Party that may have arisen prior to termination and except where expressly stated to the contrary, the provisions of this Agreement shall terminate with immediate effect and all rights and obligations of the Parties under this Agreement shall cease forthwith if:

- (a) termination is agreed in writing between bwin.party and Offeror;

- (b) the Press Announcement is not released by the end of the day (London time) on which this Agreement is dated (unless, prior to that time, bwin.party and Offeror have agreed another time and date in accordance with Clause 4);
- (c) the Scheme (or the Takeover Offer as the case may be) lapses (or is withdrawn) in accordance with its terms prior to the Long Stop Date (other than where such lapse or withdrawal is a result of the exercise of a right to switch from the Scheme to a Takeover Offer or is otherwise to be followed soon after by an announcement of a firm intention to make an offer pursuant to Rule 2.7 of the Code (as if the Code applied to bwin.party) made by Offeror or a person acting in concert with Offeror to implement the Offer by a different offer or scheme on substantially the same or improved terms);
- (d) the bwin.party Board withdraws or adversely modifies or qualifies the bwin.party Board Recommendation and thereafter Offeror gives written notice to terminate this Agreement to bwin.party or bwin.party gives written notice to terminate this Agreement to Offeror;
- (e) upon service of written notice by:
  - (i) Offeror to bwin.party, following an Offeror Break Payment Event; or
  - (ii) bwin.party to Offeror, following a bwin.party Break Payment Event; or
- (f) an Independent Competing Transaction becomes or is declared unconditional in all respects or is completed.

13.2 Termination of this Agreement shall be without prejudice to the rights of any of the Parties which have arisen at or prior to termination.

13.3 If the Agreement is terminated pursuant to Clause 13.1:

- (a) bwin.party will remain obliged to pay the bwin.party Break Payment (together with any additional amounts in respect of VAT under Clause 12.1) if:
  - (i) such payment had become due and payable at or prior to such termination (subject to the provisions of this Agreement then in force) on the occurrence of a bwin.party Break Payment Event; or
  - (ii) the bwin.party Board withdraws, adversely modifies or qualifies the bwin.party Board Recommendation prior to any such termination and a bwin.party Break Payment Event occurs at or after such termination (subject to the provisions of this Agreement in force at the time of such termination);
- (b) and Offeror will remain obliged to pay the Offeror Break Payment (together with any additional amounts in respect of VAT under Clause 12.1) if:
  - (i) such payment had become due and payable at or prior to such termination (subject to the provisions of this Agreement then in force) on the occurrence of an Offeror Break Payment Event; or



- (ii) the Offeror Board withdraws, adversely modifies or qualifies the Offeror Board Recommendation prior to any such termination and an Offeror Break Payment Event occurs at or after such termination (subject to the provisions of this Agreement in force at the time of such termination).

13.4 Clauses 1, 13.2, 13.3, 14.3 and 15 to 18 inclusive (and, to the extent required to give effect to Clause 13.3, Clauses 10, 11 and 12) shall survive termination.

#### 14. **Warranties and Undertakings**

14.1 Each of the Parties warrants to the other on the date of this Agreement that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its legal, valid and binding obligations in accordance with its terms; and
- (c) the execution and delivery of, and performance of its obligations under, this Agreement shall not:
  - (i) result in a breach of any provision of its constitutional documents;
  - (ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or
  - (iii) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound.

14.2 No Party shall have any claim against the other for breach of the warranties set out in Clause 14.1 after the Effective Date or the Takeover Offer becomes or is declared unconditional in all respects (as the case may be) (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

14.3 Offeror agrees that Rule 35 of the Code shall apply to the Offer notwithstanding the termination of this Agreement or the withdrawal or lapse of the Offer provided that Offeror will not be bound by Rule 35.4 of the Code following termination of this Agreement where the bwin.party Board has either:

- (a) not obtained the competing offeror's undertaking to be bound by Rule 35.4 of the Code in connection with its competing offer (*Competing Bidder Undertaking*); or
- (b) waived or released or is not taking reasonable steps to enforce, any actual or threatened breach of, the Competing Bidder Undertaking, in accordance with its terms.

#### 15. **Conduct Pending Completion of the Offer**

15.1 For the duration of the Relevant Period, bwin.party undertakes to Offeror that it shall, and shall procure that the members of the bwin.party Group shall, comply with Schedule 2.

15.2 For the duration of the Relevant Period, Offeror undertakes to bwin.party that it shall, and shall procure that the members of the Offeror Group shall, comply with Schedule 3.

15.3 Offeror agrees that the grant or satisfaction of any options and awards under the bwin.party Share Plans (subject to and in accordance with Schedule 4) shall be permitted and shall not contravene Rule 21 of the Code.

## 16. Notices

16.1 Any notice or other communication under or in connection with this Agreement (each, a *Notice*) shall be in writing in the English language and delivered by hand, fax, pre-paid recorded delivery or first class post (and air mail if overseas) to the Party due to receive the Notice to the contact details specified in Clause 16.2 or to another address, person, or fax number specified by that Party by not less than seven days' written notice to the other Parties received before the Notice was despatched.

16.2 The address referred to in Clause 16.1 is:

If to Offeror:

For the attention of: Kenneth Alexander

Address: Milbourn House, St Georges Street, Douglas, Isle of Man IM1 1AJ

Email: [kalexander@gvc-plc.com](mailto:kalexander@gvc-plc.com)

Fax number: +352 2689 0169

Copied to:

For the attention of: Nick Pearey / Simon Wood, Addleshaw Goddard LLP

Address: Milton Gate, 60 Chiswell Street, London EC1Y 4AG

Email:

[nick.pearey@addleshawgoddard.com](mailto:nick.pearey@addleshawgoddard.com)

[simon.wood@addleshawgoddard.com](mailto:simon.wood@addleshawgoddard.com)

Fax number: +44 (0)20 7606 4390

If to bwin.party:

For the attention of: Robert Hoskin, Company Secretary

Address: Suite 6, Atlantic Suites, Europort Avenue, Gibraltar

Email: [robert.hoskin@bwinparty.com](mailto:robert.hoskin@bwinparty.com)

Fax number: +350 200 42671

Copied to:

For the attention of: Piers Prichard Jones, Freshfields Bruckhaus Deringer LLP

Address: 65 Fleet Street, London EC4Y 1HS

Email: [piers.prichardjones@freshfields.com](mailto:piers.prichardjones@freshfields.com)

- 16.3 A Notice shall be effective upon receipt. Unless there is evidence that it was received earlier, notice is deemed given:
- (a) if delivered by hand, when left at the address referred to in clause 16.2;
  - (b) if sent by post, except air mail, two business days after posting it;
  - (c) if sent by air mail, four business days after posting it; and
  - (d) if sent by fax, when conformation of its transmission has been recorded by the sender's fax machine.

In this clause *business day* means a day other than a Saturday or Sunday or a public holiday in either the country where the Notice is posted or that to which it is sent.

## 17. General

- 17.1 The provisions of this Agreement may be modified or amended only by written agreement of the Parties.
- 17.2 Without prejudice to any other rights and remedies which any Party may have, each Party acknowledges and agrees that damages may not be an adequate remedy for any breach by any Party of the provisions of this Agreement and any Party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief, for any threatened or actual breach of any such provision of this Agreement by any Party and no proof of special damages shall be necessary for the proposed enforcement by any Party of its rights under this Agreement.
- 17.3 Except where this Agreement provides otherwise the rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.
- 17.4 A failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.
- 17.5 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties.
- 17.6 To the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 17.5, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 17.5, not be affected.
- 17.7 Subject to Clauses 10 and 11, each Party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Agreement.
- 17.8 This Agreement may be entered into in any number of counterparts, each of which is an original and all of which taken together evidence the same agreement. Any Party may

enter into this Agreement by executing any such counterpart and this Agreement shall not take effect until each Party has executed at least one counterpart.

- 17.9 No provision of this Agreement creates a partnership between any of the Parties or makes a Party the agent of another Party for any purpose. A Party has no authority or power to bind, to contract in the name of, or to create a liability for another Party in any way or for any purpose.
- 17.10 Each date, time or period referred to in this Agreement is of the essence. If the Parties agree in writing to vary a date, time or period, the varied date, time or period is of the essence.
- 17.11 Except as provided in Schedule 4, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 17.12 Except as otherwise expressly provided in this Agreement, no Party may assign, transfer or create any trust in respect of, or purport to assign, transfer or create any trust in respect of, a right or obligation under this Agreement without having first obtained the other Party's written consent. Each Party is entering into this Agreement for its benefit and not for the benefit of another person.

## **18. Governing Law and Jurisdiction**

- 18.1 This Agreement and all non-contractual or other obligations arising out of, or in connection with it, is governed by, and construed in accordance with, English law.
- 18.2 Each Party irrevocably agrees that the courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or relating to any non-contractual or other obligations arising out of, or in connection with, this Agreement) or the consequences of its nullity. Each Party irrevocably submits to the exclusive jurisdiction of such courts and waives any objection to proceedings in any such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

### **Agent for service of process**

- 18.3 bwin.party shall maintain an agent in England for service of process and any other documents in proceedings in connection with this Agreement. That agent shall be bwin.party marketing (UK) Limited, currently of Third Floor, One New Change, London EC4M 9AF. bwin.party irrevocably undertakes not to revoke the agent's authority. Any claim form, judgment or other notice of legal process shall be sufficiently served on bwin.party if delivered to bwin.party marketing (UK) Limited at its address for the time being.
- 18.4 bwin.party agrees not to revoke the authority of its agent and if, for any reason it does so, it shall promptly appoint another agent with an address in England and notify the Offeror of the agent's details. If bwin.party fails to appoint another agent within 14 days after

bwin.party making the request, Offeror may, at bwin.party's expense, appoint one on behalf of bwin.party.

- 18.5 Offeror shall maintain an agent in England for service of process and any other documents in proceedings in connection with this Agreement. That agent shall be Sporting Odds Limited, currently of 3rd Floor, 45 Moorfields, London EC2Y 9AE. Offeror irrevocably undertakes not to revoke the agent's authority. Any claim form, judgment or other notice of legal process shall be sufficiently served on Offeror if delivered to Sporting Odds Limited at its address for the time being.
- 18.6 Offeror agrees not to revoke the authority of its agent and if, for any reason it does so, it shall promptly appoint another agent with an address in England and notify bwin.party of the agent's details. If Offeror fails to appoint another agent within 14 days after Offeror making the request, bwin.party may, at Offeror's expense, appoint one on behalf of Offeror.

**SIGNATURES**

The Parties have executed this Agreement on the date set out above.

Signed by (print name) RICHARD COOPER )  
for and on behalf of )  
GVC HOLDINGS PLC )

*Richard Cooper*  
Signature


Signed by (print name) ..... )  
for and on behalf of )  
BWIN.PARTY DIGITAL )  
ENTERTAINMENT PLC )

\_\_\_\_\_  
Signature

**SIGNATURES**

The Parties have executed this Agreement on the date set out above.

Signed by (print name) ..... )  
for and on behalf of )  
**GVC HOLDINGS PLC** ) \_\_\_\_\_  
**Signature**

Signed by (print name) *ROBERT HOSKIN* )  
for and on behalf of )  
**BWIN.PARTY DIGITAL** ) \_\_\_\_\_  
**ENTERTAINMENT PLC** )   
**Signature**

**Schedule 1**  
**Press Announcement**



**THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT SUBSCRIBE FOR ANY GVC SHARES IN CONNECTION WITH THE OFFER EXCEPT ON THE BASIS OF INFORMATION IN THE PROSPECTUS WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE.**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

**4 September 2015**

**RECOMMENDED OFFER**

**for**

**bwin.party digital entertainment plc (“bwin.party”)**

**by**

**GVC Holdings plc (“GVC”)**

**to be effected by means of a Scheme of Arrangement under  
Part VIII of the Gibraltar Companies Act**

**Summary**

- The boards of GVC and bwin.party are pleased to announce that they have reached agreement on the terms of a recommended offer pursuant to which GVC will acquire the entire issued and to be issued ordinary share capital of bwin.party. The Offer is intended to be effected by means of a scheme of arrangement of bwin.party under Part VIII of the Gibraltar Companies Act.
- Under the terms of the Offer, bwin.party Shareholders will be entitled to receive:

**For each bwin.party Share:                    25 pence in cash and 0.231 New GVC Shares**

The Offer represents a value of approximately 129.64 pence per bwin.party Share based on the closing price per GVC Share at the close of business on 3 September 2015 (being the latest practicable date prior to publication of this announcement). On this basis, the Offer values the entire issued and to be issued ordinary share capital of bwin.party on a fully diluted basis at approximately £1.116 billion.

Based on the offer value of 129.64 pence per bwin.party Share, the Offer represents a premium of approximately:

- 12.5 per cent. to the closing price per bwin.party Share of 115.20 pence on 3 September 2015 (being the last business day before the date of this announcement);

- 45.0 per cent. to the closing price per bwin.party Share of 89.40 pence on 14 May 2015 (being the last business day before the date of the announcement by bwin.party on 15 May 2015 that it had received proposals (including from GVC) regarding a variety of possible business combinations);
  - 54.6 per cent. to the volume weighted average closing price per bwin.party Share of 83.87 pence in the three months prior to the announcement by bwin.party on 15 May 2015 referred to above;
  - 23.6 per cent. to the implied value of the previously announced offer for bwin.party made by 888 on 17 July 2015, based on the closing price per 888 share of 162.00 pence on 3 September 2015 (being the last business day before the date of this announcement); and
  - 12.9 per cent. to the implied value of 888's revised proposal to its offer for bwin.party (details of which are set out in paragraph 8 below of this announcement) based on the closing price per 888 share of 162.00 pence on 3 September 2015 (being the last business day before the date of this announcement).
- The bwin.party Shareholders as at the record date for the bwin.party Permitted Dividend will be entitled to receive and retain the bwin.party Permitted Dividend.
  - The Offer will include a Mix and Match Facility, so that bwin.party Shareholders will be able to elect to vary the proportions of cash and New GVC Shares they receive, subject to the elections made by other bwin.party Shareholders. The Mix and Match Facility will not change the total number of New GVC Shares to be issued by GVC or the total cash consideration to be paid pursuant to the Offer.
  - GVC Shares are currently admitted to trading on AIM. Application will be made to the UKLA for the GVC Shares together with the New GVC Shares to be issued pursuant to the Offer and the Fundraising to be admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange on Completion. Completion of the Offer is conditional on, among other things (i) admission of the GVC Shares and the New GVC Shares to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange or (ii) in the alternative, admission to trading on AIM.
  - Once GVC Shares together with the New GVC Shares are admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange, GVC intends to make an application to the UKLA to transfer the GVC Shares and the New GVC Shares from the Standard Segment of the Official List to the Premium Segment of the Official List as soon as practicable following publication of the GVC Report and Accounts for the year ending 31 December 2015.
  - The cash consideration payable under the Offer will be funded by up to €400.0 million (approximately £291.3 million) of senior secured debt provided by Cerberus. In addition GVC proposes to raise approximately £150.0 million (approximately €206.0 million) by way of a placing of New GVC Shares to institutional investors, and a subscription of New GVC Shares by certain investors, under the Fundraising. Certain GVC Directors will also

participate in the Fundraising. The net proceeds of the Fundraising will be used by GVC, amongst other things, to fund reorganisation costs within the Enlarged Group and for general working capital purposes. The proceeds from the Fundraising are not required for, nor will they be used to fund, the cash consideration to be paid pursuant to the Offer.

- Following Completion, bwin.party Shareholders will own approximately 66.6 per cent. of the Enlarged Group and will be able to participate in the future growth prospects of the Enlarged Group.
- The bwin.party Directors, who have been so advised by Deutsche Bank, consider the terms of the Offer to be fair and reasonable. In providing advice to the bwin.party Directors, Deutsche Bank has taken into account the commercial assessments of the bwin.party Directors.
- Accordingly, the bwin.party Directors intend unanimously to recommend that bwin.party Shareholders vote in favour of the Scheme at the Court Meeting and the bwin.party Shareholder Resolution at the bwin.party General Meeting, as the bwin.party Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 14,388,127 bwin.party Shares representing, in aggregate, approximately 1.7 per cent. of the ordinary share capital of bwin.party in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).
- Furthermore, GVC has received an irrevocable undertaking from Henderson Global Investors and bwin.party has received a commitment from Androsch Privatstiftung to provide an irrevocable undertaking in support of the Scheme. This represents an aggregate of 75,108,395 other bwin.party Shares, representing approximately 9.1 per cent. of the share capital of bwin.party in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).
- Accordingly, GVC has received irrevocable undertakings in support of the Scheme in relation to an aggregate of 89,496,522 bwin.party Shares, representing approximately 10.8 per cent. of the share capital of bwin.party in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement). Further details of these irrevocable undertakings are set out in Appendix III to this announcement.
- The Offer will be put to bwin.party Shareholders at the Court Meeting and at the bwin.party General Meeting. In order to become effective, the Scheme must be approved by a majority in number of the bwin.party Shareholders voting at the Court Meeting, either in person or by proxy, representing at least three-quarters in value of the bwin.party Shares voted at the Court Meeting. In addition, the bwin.party Shareholder Resolution which, among other things, amends the articles of association of bwin.party, must be passed by bwin.party Shareholders at the bwin.party General Meeting.
- The GVC Directors believe the Offer represents a compelling opportunity for shareholders of both GVC and bwin.party to benefit from the significant value opportunity arising from the restructuring and refocusing of bwin.party and the associated restructuring of GVC. Based on their experience on the Sportingbet acquisition (which completed on 19 March 2013) and their knowledge of the bwin.party business, the GVC Directors believe that the

proposed acquisition of bwin.party will lead to substantial cost savings for the Enlarged Group, which are expected to be at least €125 million per annum by the end of 2017 as measured against the financial results of GVC and bwin.party for the 12 months ended 31 December 2014.

- GVC is a leading provider of B2B and B2C services to the online gaming and sports betting markets. GVC's B2C offerings target a number of European and Latin American markets and include the Sportingbet business which it acquired in 2013 pursuant to a joint takeover offer with William Hill. GVC's B2B businesses include the third party support contract for East Pioneer Corporation B.V., which acquired the Superbahis brand from Sportingbet on 21 November 2011.
- The Offer is subject to the Conditions and further terms set out in Appendix I to this announcement, including the sanction of the Scheme by the Court, the satisfaction of certain antitrust and regulatory conditions, approval of the GVC Resolutions by the GVC Shareholders at the GVC General Meeting and Admission to Trading of the GVC Shares. Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the bwin.party General Meeting and, if they attended and voted, whether or not they voted in favour.
- The Offer, being a transaction of this size, constitutes a "reverse takeover" (as defined in the AIM Rules) for GVC. Accordingly, GVC will be required to seek the approval of GVC Shareholders at the GVC General Meeting for the Offer. The Offer will be conditional upon, amongst other things, the Fundraising becoming unconditional (other than as to Admission and any conditions of the Placing Agreement and Subscription Letters relating to conditions of the Offer that will be satisfied by Admission) and the passing by the requisite majority at the GVC General Meeting of the GVC Resolutions to approve the Offer and the authorities to increase the authorised share capital of GVC and to issue the New GVC Shares pursuant to the Offer and the Fundraising.
- bwin.party and GVC have entered into the GVC Co-operation Agreement in relation to the Offer pursuant to which, among other things, a break payment may be payable by bwin.party and/or GVC if the Offer lapses in certain circumstances. Further details are set out in paragraph 22 of this announcement.
- The GVC Directors intend unanimously to recommend that GVC Shareholders vote in favour of the GVC Resolutions to be proposed at the GVC General Meeting, as the GVC Directors have irrevocably undertaken to do in respect of their controlled holdings of 245,482 GVC Shares, representing in aggregate, approximately 0.4 per cent. of the share capital of GVC in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).
- Furthermore, GVC has received irrevocable undertakings and a letter of intent from certain other GVC Shareholders to vote in favour of the GVC Resolutions to be proposed at the GVC General Meeting in respect of an aggregate of 14,368,556 GVC Shares, representing approximately 23.4 per cent. of the share capital of GVC in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).

- Accordingly, GVC has received irrevocable undertakings and a letter of intent to vote in favour of the GVC Resolutions to be proposed at the GVC General Meeting in respect of an aggregate of 14,614,038 GVC Shares, representing approximately 23.8 per cent. of the share capital of GVC in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement). Further details of these irrevocable undertakings are set out in Appendix III to this announcement.
- The Scheme Document, containing further information about the Offer and notices convening the Court Meeting and the bwin.party General Meeting, together with the relevant Forms of Proxy and Form of Election will be sent to bwin.party Shareholders in due course and will be made available by GVC on its website at [www.gvc-plc.com/html/investor/welcome.asp](http://www.gvc-plc.com/html/investor/welcome.asp) and by bwin.party on its website at [www.bwinparty.com](http://www.bwinparty.com). It is expected that, subject to the satisfaction or (where applicable) waiver of the conditions and certain further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, the Scheme will become effective in late Q4 2015 or in Q1 2016.
- It is expected that the GVC Prospectus, containing information about the GVC Shares (including the New GVC Shares) and the Enlarged Group and a notice convening the GVC General Meeting, will be published at the same time as the Scheme Document is posted to bwin.party Shareholders.
- Norbert Teufelberger, current CEO of bwin.party, will join the board of the Enlarged Group as a non-executive director, ensuring that it has direct access to and can benefit from his intimate knowledge of the activities and operations of the bwin.party business.
- As a result of the bwin.party Board's change in recommendation, the 888 Co-operation Agreement has terminated in accordance with its terms.

Commenting on the Offer, Philip Yea, Chairman of bwin.party, said:

“In recommending the Offer from GVC, the Board has taken into account many factors including, but not limited to, the headline value per share and the consideration being offered, the level, timing and deliverability of the financial synergies to be generated and the enlarged Group's growth strategy in an increasingly competitive marketplace. As a result of these and other factors, including the proven track record of GVC's management team in creating substantial value for shareholders, after a carefully managed and diligent review process, the Board has withdrawn its recommendation for the 888 offer and is now advising bwin.party shareholders to vote in favour of the Offer from GVC.”

Commenting on the Offer, Kenneth Alexander, Chief Executive Officer of GVC, said:

“GVC is the natural partner for bwin.party considering our strong sports betting and online gaming pedigree. Sports betting is in our DNA and leveraging GVC's experience of successfully acquiring and restructuring online gaming businesses, notably Sportingbet in 2013, we look forward to merging the two operations to deliver long term value for combined shareholders. GVC has been working closely with bwin.party's management and has identified many talented individuals with whom it looks forward to working to ensure the future success of the enlarged business.”

There will be a conference call and presentation for sell-side analysts at 10.00am (BST) today, which will also be made available at <http://www.investis-live.com/gvc-holdings/55e862346d72a10b00b4f2ce/ann>. The dial-in details for this conference call are as follows:

**Participant dial-in numbers**

Location you are dialling in from	Number you should dial
United Kingdom	0800 368 0649
United Kingdom (Local)	020 3059 8125
All other locations	+ 44 20 3059 8125

Participant Password: GVC

*This summary should be read in conjunction with, and is subject to, the full text of this announcement (including its Appendices). The Offer will be subject to the Conditions and further terms set out in Appendix I to this announcement and to the full terms and conditions to be set out in the Scheme Document, the Forms of Proxy and the Form of Election.*

*Appendix II to this announcement contains further details of the sources of information and bases of calculations set out in this announcement. Appendix III contains a summary of the irrevocable undertakings received in relation to the Offer. Appendix IV contains definitions of certain expressions used in this summary and this announcement.*

<b>Enquiries:</b>	
<b>GVC Holdings plc</b>	+44 (0) 1624 652 559
Kenneth Alexander, Chief Executive Officer Richard Cooper, Group Finance Director	
<b>Houlihan Lokey (Financial adviser to GVC)</b>	+44 (0) 20 7839 3355
David Sola	
<b>Cenkos (NOMAD and Broker to GVC)</b>	+44 (0) 207 397 8900
Mark Connelly	
Stephen Keys	
Camilla Hume	
<b>Bell Pottinger (PR Adviser to GVC)</b>	+44 (0) 20 3772 2500
David Rydell	

<b>bwin.party digital entertainment plc</b>	+44 207 337 0177
Philip Yea, Chairman Peter Reynolds	
<b>Deutsche Bank (Financial Adviser and Joint Corporate Broker to bwin.party)</b>	+44 (0)20 7545 8000
James Arculus James Maizels Charles Wilkinson (Corporate Broker)	
<b>Numis Securities (Joint Corporate Broker to bwin.party)</b>	+44 (0) 20 7260 1000
Michael Meade Rupert Krefting	
<b>FTI Consulting (Public Relations Adviser to bwin.party)</b>	+44 (0) 20 3727 1067
Ed Bridges Alex Le May	

### ***Important Notices***

*Houlihan Lokey (Europe) Limited which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for GVC and no-one else in connection with the subject matter of this announcement, and will not be responsible to anyone other than GVC for providing the protections afforded to clients of Houlihan Lokey (Europe) Limited, nor for giving advice in relation to the subject matter of this announcement.*

*Cenkos Securities plc which is regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for GVC and no-one else in connection with the subject matter of this announcement, and will not be responsible to anyone other than GVC for providing the protections afforded to clients of Cenkos Securities plc, nor for giving advice in relation to the subject matter of this announcement.*

*Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank) and, in the United Kingdom, by the Prudential Regulation Authority. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority. Details about the extent of its authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available on request or from [www.db.com/en/content/eu\\_disclosures.htm](http://www.db.com/en/content/eu_disclosures.htm). Deutsche Bank is acting as financial adviser to bwin.party and no one else in connection with the Offer or the contents of this announcement and will not be responsible to anyone other than bwin.party for providing the protections afforded to*

clients of Deutsche Bank or for providing advice in relation to the Offer or any other matters referred to herein.

Numis Securities Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for bwin.party and no-one else in connection with the subject matter of this announcement, and will not be responsible to anyone other than bwin.party for providing the protections afforded to clients of Numis Securities Limited, nor for giving advice in relation to the subject matter of this announcement.

### **The City Code on Takeovers and Mergers**

By virtue of its status as a Gibraltar incorporated company, the City Code does not apply to bwin.party. bwin.party has incorporated certain takeover-related provisions into its articles of association but these do not provide bwin.party Shareholders with the full protections offered by the City Code and enforcement of such provisions are the responsibility of bwin.party, not the Panel. Accordingly, bwin.party Shareholders are reminded that the Panel does not have responsibility, in relation to bwin.party, for ensuring compliance with the City Code and is not able to answer bwin.party Shareholders' queries. bwin.party and GVC have agreed in the GVC Co-operation Agreement certain matters regarding the application of the City Code to the Offer, and the terms of that agreement are summarised in this announcement.

In particular, public disclosures consistent with the provisions of Rule 8 of the City Code (as if it applied to bwin.party) should not be emailed to the Panel, but, as described below, released directly through a Regulatory Information Service.

### **Further Information**

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance, or transfer of securities in any jurisdiction in contravention of applicable law. The New GVC Shares are not being offered to the public by means of this announcement. This announcement is an advertisement and is for information purposes only and does not constitute a prospectus or prospectus equivalent document.

The Offer will be made solely by means of the Scheme Document or any other document by which the Offer is made which will contain the full terms and Conditions of the Offer, including details of how to vote in respect of the proposed acquisition of bwin.party by GVC. The GVC Prospectus will be published by GVC on the date on which the Scheme Document is posted to bwin.party Shareholders. The GVC Prospectus will contain information about the Enlarged Group and the New GVC Shares and a notice convening the GVC General Meeting.

This announcement has been prepared for the purpose of complying with English and Gibraltar law, the Listing Rules and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom and Gibraltar.

bwin.party will prepare the Scheme Document to be distributed to bwin.party Shareholders. bwin.party and GVC urge bwin.party Shareholders to read the Scheme Document and the GVC



*Prospectus when each becomes available because they will contain important information relating to the Offer.*

### ***Overseas Shareholders***

*The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or Gibraltar or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such requirements by any person.*

*US bwin.party Shareholders should note that the Offer relates to the securities of a Gibraltar company which are admitted to trading on a UK regulated market, is subject to Gibraltar and UK procedural and disclosure requirements (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement provided for under the company law of Gibraltar. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to Gibraltar procedural and disclosure requirements and practices, which are different from the procedural and disclosure requirements of the US tender offer rules. The financial information with respect to bwin.party included in this announcement and the Scheme documentation has been or will have been prepared in accordance with IFRS 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 US. If GVC exercises its right to implement the acquisition of the bwin.party Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US tender offer and securities laws and regulations.*

*The New GVC 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 GVC Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New GVC 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. bwin.party Shareholders who will be affiliates of GVC after the Effective Date will be subject to certain US transfer restrictions relating to the New GVC Shares received pursuant to the Scheme. For a description of these and certain further restrictions on offers, sales and transfers of the New GVC Shares and the distribution of this announcement, see paragraph 19 of this announcement.*

*The receipt of New GVC Shares and cash pursuant to the Offer by a US bwin.party 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 bwin.party Shareholder is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the offer.*

*It may be difficult for US bwin.party Shareholders to enforce their rights and claims arising out of the US federal securities laws, since GVC and bwin.party 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 bwin.party 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 judgement.*

*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 GVC and permitted by applicable law and regulation, the Offer 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 Offer 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 Offer 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 Offer (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 the Offer to bwin.party Shareholders who are not resident in the United Kingdom or Gibraltar may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or Gibraltar should inform themselves of, and observe, any applicable requirements.*

### **Austria**

*Neither this announcement, the Prospectus, the Scheme Document or any other document relating to the Offer have been submitted to or will be submitted for approval or recognition to the Austrian Financial Markets Authority (Österreichische Finanzmarktaufsicht - FMA). The Offer will be made to bwin.party Shareholders in Austria in reliance on (a) § 3 (1) 8 of the Austrian Capital Market Act (Kapitalmarktgesetz - KMG) In addition, the Offer will be made (b) to bwin.party Shareholders in Austria who are "qualified investors" (qualifizierte Anleger) in the sense of § 1 (1) 5a of the Austrian Capital Market Act. Insofar as Austria is concerned, this announcement, the Prospectus, the Scheme Document and any other documents relating to the Offer are being issued only for the personal use of qualified investors and exclusively for the purpose of the Offer. The information contained in this announcement, the Prospectus, the Scheme Document and any documents relating to the Offer may not be used for any other purpose or disclosed to any other person in Austria.*

### **Forward Looking Statements**

*This announcement contains statements about GVC and bwin.party 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”, “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 GVC’s or bwin.party’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on GVC’s or bwin.party’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. Each of GVC and bwin.party disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.*

#### ***No profit forecasts or estimates***

*No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for GVC or bwin.party, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for GVC or bwin.party, as appropriate.*

#### ***Disclosure requirements***

*bwin.party is a Gibraltar company and is therefore not subject to the City Code. Accordingly, shareholders of bwin.party and others dealing in bwin.party Shares are not obliged to disclose any of their dealings under the provisions of the City Code. However, market participants are requested to make disclosure of dealings as if the City Code applied and as if bwin.party were in an “offer period” under the City Code. bwin.party Shareholders and persons considering the acquisition or disposal of any interest in bwin.party Shares are reminded that they are subject to the Disclosure and Transparency Rules made by the UKLA and other applicable regulatory rules regarding transactions in bwin.party Shares.*

*bwin.party’s website contains the form of disclosure requested. If you are in any doubt as whether or not you should disclose dealings, you should contact an independent financial adviser authorised by the Financial Conduct Authority under the FSMA (or, if you are resident in a jurisdiction other than the United Kingdom, a financial adviser authorised under the laws of such jurisdiction).*

*In light of the foregoing, as provided in Rule 8.3(a) of the City Code, any person who is “interested” in one per cent. or more of any class of “relevant securities” of bwin.party 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”) is requested to make an Opening Position Disclosure following the commencement of the “offer period” which begins upon the release of this announcement.*

*An Opening Position Disclosure should contain details of the person's interests and short positions in, and rights to subscribe for, any "relevant securities" of each of (i) bwin.party and (ii) GVC. Persons to whom Rule 8.3(a) would have applied had the City Code been applicable are requested to make an Opening Position Disclosure by no later than 3:30 p.m. (London time) on the tenth "business day" following the commencement of the "offer period" which begins upon the release of this announcement. Relevant persons who undertake "dealings" in the relevant securities of bwin.party or a "securities exchange offeror" prior to the deadline for making an Opening Position Disclosure are requested instead to make a Dealing Disclosure.*

*Rule 8.3(b) of the City Code provides that if any person is, or becomes "interested" (directly or indirectly) in one per cent. or more of any class of "relevant securities" of an offeree or of any "securities exchange offeror", all "dealings" in any "relevant securities" of that offeree or of any "securities exchange offeror" (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") should be publicly disclosed in a Dealing Disclosure by no later than 3:30 p.m. (London time) on the "business day" following the date of the relevant transaction. In a situation where the City Code applies, this requirement would continue until the date on which any "offer" becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. Under Rule 8 of the City Code, a Dealing Disclosure would 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 (i) bwin.party and (ii) any "securities exchange offeror", save to the extent that these details have previously been disclosed under Rule 8.*

*Accordingly, in the case of both an Opening Position Disclosure and Dealing Disclosure (if any), disclosures of interests in the shares of each of GVC and bwin.party are requested to be made.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of bwin.party or a "securities exchange offeror", they would, if the City Code were applicable, be deemed to be a single person for the purpose of Rule 8.3 of the City Code.*

*Consistent with the provisions of Rule 8.1 of the City Code, Opening Position Disclosures should be made by bwin.party and by any "offeror", and all "dealings" in "relevant securities" of bwin.party by bwin.party, by any "offeror" or by any persons "acting in concert" with any of them, should be disclosed in a Dealing Disclosure by no later than 12:00 p.m. (London time) on the "business day" following the date of the relevant transaction.*

*"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of "securities". In particular, a person will be treated as having an "interest" by virtue of the ownership or control of "securities", or by virtue of any option in respect of, or derivative referenced to, "securities".*

*Terms in quotation marks are defined in the City Code, which can be found on the Panel's website. If you are in any doubt as to whether not you should disclose a "dealing" by reference to the above, you should contact an independent financial adviser authorised by the FCA under the FSMA.*

### ***Electronic Communications***

*Please be aware that addresses, electronic addresses and certain information provided by bwin.party Shareholders, persons with information rights and other relevant persons for the receipt of communications from bwin.party may be provided to GVC during the Offer Period as requested under Section 4 of Appendix 4 of the City Code to comply with Rule 2.12(c) of the City Code.*

### ***Publication on Website and Availability of Hard Copies***

*A copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on GVC's and bwin.party's websites at [www.gvc-plc.com](http://www.gvc-plc.com) and [www.bwinparty.com](http://www.bwinparty.com) respectively by no later than 12 noon (London time) on the business day following this announcement. For the avoidance of doubt, the contents of those websites are not incorporated and do not form part of this announcement.*

*You may request a hard copy of this announcement by contacting the Company Secretary of bwin.party during business hours on +350 200 47191 or by submitting a request in writing to the Company Secretary of bwin.party at Suite 6, Atlantic Suites, Europort Avenue, Gibraltar. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.*

### ***Rounding***

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### ***Exchange rate***

*Where amounts are shown in Euros and Pounds sterling in this announcement, an exchange rate of £1.00/€1.3730 has been used which was derived from Factset as at 5:08 p.m. on 3 September 2015 (being the last date prior to the date of this announcement).*

**THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT SUBSCRIBE FOR ANY GVC SHARES IN CONNECTION WITH THE OFFER EXCEPT ON THE BASIS OF INFORMATION IN THE PROSPECTUS WHICH IS PROPOSED TO BE PUBLISHED BY GVC IN DUE COURSE.**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM THE UNITED STATES OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.**

**4 September 2015**

**RECOMMENDED OFFER**

**for**

**bwin.party digital entertainment plc (“bwin.party”)**

**by**

**GVC Holdings plc (“GVC”)**

**to be effected by means of a Scheme of Arrangement under  
Part VIII of the Gibraltar Companies Act**

**1 Introduction**

The boards of GVC and bwin.party are pleased to announce that they have reached agreement on the terms of a recommended offer pursuant to which GVC will acquire the entire issued and to be issued ordinary share capital of bwin.party. The Offer is intended to be effected by means of a scheme of arrangement of bwin.party under Part VIII of the Gibraltar Companies Act.

**2 The Offer**

Under the terms of the Offer, which will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, Forms of Proxy and Form of Election, bwin.party Shareholders will be entitled to receive:

**For each bwin.party Share:                    25 pence in cash and 0.231 New GVC Shares**

The Offer represents a value of approximately 129.64 pence per bwin.party Share based on the closing price per GVC Share at the close of business on 3 September 2015 (being the latest practicable date prior to publication of this announcement). On this basis, the Offer values the entire issued and to be issued ordinary share capital of bwin.party on a fully diluted basis at approximately £1.116 billion.

Based on the offer value of 129.64 pence per bwin.party Share, the Offer represents a premium of approximately:

- 12.5 per cent. to the closing price per bwin.party Share of 115.20 pence on 3 September 2015 (being the last business day before the date of this announcement);
- 45.0 per cent. to the closing price per bwin.party Share of 89.40 pence on 14 May 2015 (being the last business day before the date of the announcement by bwin.party on 15 May 2015 that it had received proposals (including from GVC) regarding a variety of possible business combinations);
- 54.6 per cent. to the volume weighted average closing price per bwin.party Share of 83.87 pence in the three months prior to the announcement by bwin.party on 15 May 2015 referred to above;
- 23.6 per cent. to the implied value of the previously announced offer for bwin.party made by 888 on 17 July 2015, based on the closing price per 888 share of 162.00 pence on 3 September 2015 (being the last business day before the date of this announcement); and
- 12.9 per cent. to the implied value of 888's revised proposal to its offer for bwin.party (details of which are set out in paragraph 8 below of this announcement) based on the closing price per 888 share of 162.00 pence on 3 September 2015 (being the last business day before the date of this announcement).

GVC Shares are currently admitted to trading on AIM. Application will be made to the UKLA for the GVC Shares, together with the New GVC Shares to be issued pursuant to the Offer and the Fundraising, to be admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange on Completion. Completion is conditional on, among other things, (i) admission of the GVC Shares and the New GVC Shares to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange or (ii) in the alternative, admission to trading on AIM.

The New GVC Shares to be issued under the Offer will be issued in registered form and will be capable of being held in both certificated and uncertificated form.

The Offer will include a Mix and Match Facility so that bwin.party Shareholders will be able to elect to vary the proportions of cash and New GVC Shares they receive, subject to the elections made by other bwin.party Shareholders. The Mix and Match Facility will not change the total number of New GVC Shares to be issued by GVC or the total cash consideration to be paid pursuant to the Offer.

The Offer is also subject to the Conditions and further terms set out in Appendix I to this announcement including the sanction of the Scheme by the Court, the satisfaction of certain antitrust and regulatory conditions, approval of the GVC Shareholder Resolutions by GVC Shareholders at the GVC General Meeting and Admission to Trading. Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the bwin.party General Meeting and, if they attended and voted, whether or not they voted in favour.

If the Offer becomes effective, it will result in the allotment and issue of up to approximately 195,288,073 New GVC Shares to bwin.party Shareholders, which would result in former bwin.party Shareholders holding approximately 66.6 per cent. of the Enlarged Group.

Details of how bwin.party Shareholders resident in the UK and Gibraltar can hold, access and trade the New GVC Shares will be set out in the Scheme Document. bwin.party Shareholders resident in the UK and Gibraltar will be able to hold their shares in any of the ways currently available to GVC Shareholders, including through an intermediary of their own choice should they wish to do so.

The Scheme Document, containing further information about the Offer and notices convening the Court Meeting and the bwin.party General Meeting, together with the relevant Forms of Proxy and Form of Election, will be sent to bwin.party Shareholders in due course and will be made available by GVC on its website at [www.gvc-plc.com/html/investor/welcome.asp](http://www.gvc-plc.com/html/investor/welcome.asp) and by bwin.party on its website at [www.bwinparty.com](http://www.bwinparty.com). It is expected that the GVC Prospectus, containing information about the GVC Shares (including the New GVC Shares) and the Enlarged Group, and a notice convening the GVC General Meeting, will be published at the same time as the Scheme Document is posted to bwin.party Shareholders. Subject to the satisfaction or (where applicable) waiver of the conditions and certain further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, it is expected that the Scheme will become effective in late Q4 2015 or in Q1 2016.

### **3 Background to and reasons for the Offer**

The GVC Directors believe the Offer represents a compelling opportunity for shareholders of both GVC and bwin.party to benefit from the significant value opportunity arising from the proposed acquisition of bwin.party and its consequent restructuring and refocusing and the associated restructuring of GVC.

GVC's successful principal activity is the operation of its sportsbooks and CasinoClub. GVC's successful sportsbook attracts customers with a compelling sportsbetting product, then cross-sells a full range of casino and poker products, in order to generate sufficient additional revenue to deliver growth and greater profitability. Principally through its Sportingbet and CasinoClub businesses, GVC has extensive experience with both sportsbetting and casino, with over 40 per cent. of the net gaming revenue on GVC's sportsbooks being derived from casino and poker activity.

The GVC Directors believe that its experienced sportsbook management team is critical to achieving the best results from a combination with bwin.party because the bwin labels sportsbook business generated approximately 60 per cent. of bwin.party's 2014 net gaming revenue and more EBITDA than any other business unit. Key senior executives at both GVC and bwin.party have a high level of personal expertise with sportsbetting, creating a good cultural fit between the two management teams. Further, GVC's senior management team has a proven track record in successfully integrating and restructuring online gaming business, as has been demonstrated by the acquisition and successful turnaround of Sportingbet.



### *GVC's track record*

The GVC Directors believe that GVC has a strong record of growing its sportsbook and casino businesses through both acquisition and organic growth. In the three financial years ended 31 December 2014, Net Gaming Revenue grew from €60.3 million to €224.8 million. Over the same period, Clean EBITDA grew from €15.5 million to €49.2 million. In addition, since 1 August 2012, GVC has delivered a total shareholder return exceeding 270 per cent. The GVC Directors believe that a primary driver of this growth was the successful acquisition, integration and restructuring of Sportingbet, which was purchased by GVC, together with William Hill, in March 2013.

The GVC Directors believe that the acquisition of Sportingbet clearly demonstrates their ability to successfully acquire, integrate and turnaround a sportsbook business. The Sportingbet operations acquired by GVC made a loss before tax of €29.3 million in the financial year ended 31 July 2012. In the nearest comparable annual period, being the year ended 31 December 2012, GVC's sportsbook operations generated EBITDA of €5.9 million and GVC's Group EBITDA in the same period was €15.5 million. Therefore, an arithmetic combination of GVC and Sportingbet for the nearest comparable annual periods prior to Sportingbet's acquisition by GVC would have resulted in an annual EBITDA loss of approximately €(13.8) million. This compares to the GVC Group EBITDA of €49.2 million for the year ended 31 December 2014, the first full year following completion of the Sportingbet acquisition, achieved through €59.7 million of cost reductions and organic growth initiatives.

Both GVC and bwin.party run proprietary sportsbooks. Each of these has requirements for teams of traders, IT developers, customer service agents, operational staff and sales and marketing resources. Similarly both GVC and bwin.party run stand-alone casinos, which require customer service agents, operational staff, and sales and marketing resources, plus (in the case of bwin.party's PartyCasino) IT developers. Additionally, each of the two listed groups has its own corporate resources.

Based on their experience on the Sportingbet acquisition and their knowledge of the bwin.party business, the GVC Directors believe that by executing its strategy for the Enlarged Group, the proposed acquisition of bwin.party will lead to substantial synergies and cost reductions for the Enlarged Group. The synergies and cost reductions presented are calculated with respect to the 12 months ending 31 December 2014, the most recent period for which GVC and bwin.party have reported audited financial information. The estimated synergies and cost reductions include both (i) the estimated synergies created from the combination of GVC and bwin.party (which represents approximately four-fifths of the total number) and (ii) the cost reductions which could be achieved from bwin.party's ongoing cost savings initiatives or otherwise on a standalone basis. As detailed below in "Synergies and Cost Savings Potential", these synergies and cost reductions are expected to be at least €125 million per annum by the end of 2017. Whilst this figure is slightly lower than GVC's previous estimate, it now reflects, amongst other things, foreign exchange movements and, following detailed review by GVC's management, with input from bwin.party's management, GVC is confident that at least €125 million per annum of cost savings can be achieved by the end of 2017.

The GVC Directors estimate that the implementation of the measures required to generate these estimated synergies and cost reductions would give rise to one-off costs of approximately €60 million, over 95 per cent. of which would be incurred by the end of 2016. This would allow GVC to resume the payment of dividends in 2017 following a pause in the dividend through 2016, when most of the costs of achieving the expected benefits will be incurred.

Based on the above, the GVC Directors believe that the proposed acquisition of bwin.party represents an extremely attractive opportunity for both GVC Shareholders and bwin.party Shareholders, given the structure of the Offer, with approximately 80 per cent. of the consideration coming in the form of New GVC Shares.

### ***Restructuring of GVC and bwin.party***

GVC intends to integrate its own and bwin.party's operations; thereafter GVC will simplify and focus the combined business to improve profitability. The restructuring steps will include:

- as soon as practicable following Completion, GVC will migrate the GVC sportsbook onto the bwin.party platform; and
- in the 18 months after Completion, GVC will take actions as described below to improve profitability in the sportsbook, casino and poker businesses.

In more detail, GVC intends that after the Effective Date, the restructuring will include the following actions:

### ***Integration of the GVC sportsbook onto the bwin.party platform and actions to improve profitability***

As soon as reasonably practicable after Completion, GVC will begin to migrate its sportsbook onto the bwin.party platform. GVC's then existing sportsbook platform will cease operations, generating substantial cost savings in the form of lower technology costs, reduced staff costs and other associated efficiencies from closure of GVC's platform.

GVC believes that there are opportunities to substantially improve the financial performance of the bwin.party sportsbook by restructuring and refocusing the business. GVC successfully delivered similar improvements following the acquisition of Sportingbet. The GVC Directors expect that improvements will be driven by:

- greater use of Customer Relationship Management systems to realise value from the large historical investment in the bwin and Sportingbet brands (in particular by cross-selling each of bwin and Sportingbet against the customer list of the other brand);
- building a best in class trading and risk team from the combined bwin.party and GVC teams with an associated increase in gross trading margin;
- investment in technology, systems and product development at the level required to meet customer needs;

- the addition of more third party casino content to the bwin.party sportsbook platform (to increase cross-sell of casino games to sportsbetting customers);
- focused investment in those development projects and marketing programmes which have measurable return on investment (including reassessment of development projects against expected return on investment, termination of all sponsorship programmes and review of other marketing programmes);
- more efficient operation of the customer services, IT and marketing functions (as GVC achieved after the Sportingbet acquisition);
- the introduction of an enhanced entrepreneurial culture to bwin.party's operations, one that has enabled GVC to exploit market opportunities quickly with clear lines of authority for rapid decision-making; and
- managers' incentives being aligned to the Enlarged Group's profits/cash conversion ratio.

The anticipated cost savings and synergies are set out below in "Synergies and Cost Savings potential".

The GVC Directors will consider expanding into certain markets in parts of Asia and Africa, where the bwin.party brand is well-known due to bwin.party's association with a number of internationally recognised football brands.

#### ***Improvement of the Casino, Poker and Bingo businesses***

GVC believes that there are opportunities to improve the financial performance of bwin.party's casino and poker operations by restructuring and refocusing those business activities. GVC has not yet quantified the anticipated cost savings but the GVC Directors believe that the savings will be significant.

GVC believes there are opportunities to significantly reduce costs at bwin.party's casino operation by applying the same business principles that GVC intends to apply to bwin.party's sportsbook.

The majority of bwin.party's bingo activities operate on a third-party platform and so require little or no investment in terms of product development. That said, the Enlarged Group intends to ensure that its bingo product continues to evolve and remain competitive.

GVC understands that poker is bwin.party's least profitable (by contribution) gaming business and has declined in terms of net gaming revenue and contribution in recent years. GVC intends to continue the steps already taken by bwin.party to stabilise and improve its poker performance. In addition GVC intends to pool bwin.party's poker player liquidity with its own poker liquidity by integrating GVC's poker operations onto bwin.party's poker platform.

### *Integration of other operations*

GVC believes that there may be opportunities to integrate the other operations of GVC and bwin.party (including accounting, finance, legal, IT, human resources and external communications). Although final plans will be subject to prior engagement with appropriate employee representative bodies and other stakeholders, this may lead to redundancies where the businesses have overlapping functions or where operational efficiencies are identified.

### *Synergies and Cost Savings potential*

Having discussed its plans with the management of bwin.party, GVC is confident that the Enlarged Group has the opportunity to generate attractive synergies and cost reductions and to create substantial additional shareholder value. GVC has identified gross, pre-tax cost-savings from integrating and restructuring certain aspects of the GVC and bwin.party sportsbooks, and from integration of other operations that are expected to be at least €125 million per annum once the restructuring is completed. Note this is before any negative synergies that may arise due to the proposed restructuring (any such increase in customer attrition, for example). The GVC Directors also anticipate realising additional cost savings from operational improvements in bwin.party's core operations.

The GVC Directors, having reviewed and analysed the potential cost savings and synergies as measured against the financial results of GVC and bwin.party for the 12 months ended 31 December 2014, believe these would include:

- staff, outsourcing and other people-related costs, efficiencies to be derived from removing duplication and by operating a more streamlined and significantly larger combined sportsbook;
- sponsorship and marketing costs efficiencies by eliminating marketing which has low return on investment, focusing on territories which have the greatest revenue and growth potential, and acquiring and maintaining customers with focus on VIPs;
- IT and development efficiencies by (i) migrating GVC's sportsbook onto the bwin.party platform; (ii) reducing the number of development projects; (iii) focusing on platform stability; and (iv) reducing further the amount of time that the Enlarged Group's technology systems were not available to customers; and
- back office and facility-related savings by integrating GVC and bwin.party systems and teams, re-organising finance functions by process rather than business units, rationalising finance into fewer, low-cost locations and by implementing changes in board incentives.

The cost savings referred to above are expected to be recurring whereas the expected implementation costs referred to below will be one-off costs. GVC expects the full cost savings run rate to be achieved 18 months after Completion, with 58 per cent. of that total (on a run rate basis) to be achieved by the end of 2016.

GVC estimates that the delivery of at least €125 million of operating cost savings and synergies described above would give rise to one-off costs of approximately €60 million which are expected to be incurred in the first 18 months post-Completion.

#### ***Cash flow and dividend intentions***

GVC believes that one important measure of performance is the ratio of net cash generated to EBITDA. In the year ended 31 December 2014, GVC generated €42.6 million in cash from Clean EBITDA of €49.2 million, after taking into account both working capital movements and the acquisition of tangible and intangible fixed assets, which is an 87 per cent. conversion ratio. GVC will seek to achieve a conversion ratio for the Enlarged Group of at least 80 per cent. post Completion and post-restructuring.

By applying its cash management capabilities to the integrated sportsbook activities, GVC believes that, by the beginning of 2017, the restructuring would drive substantial improvement in the Enlarged Group's cash flow from operations and free cash flow, facilitating the prompt repayment of the Cerberus Loan and the resumption of payment of dividends at a level which is comparable with GVC's quoted peer group of online gaming companies. The GVC Directors anticipate adopting a policy of paying a progressive dividend.

#### **4 Mix and Match Facility**

Under the terms of the Mix and Match Facility set out in the Offer, Scheme Shareholders (other than any Restricted Overseas Shareholders) may elect to vary the proportions of New GVC Shares and cash consideration that they receive in respect of their holdings of bwin.party Shares, subject to the offsetting elections made by other bwin.party Shareholders.

The total number of New GVC Shares to be issued under the Offer will not be increased as a result of elections under the Mix and Match Facility. Accordingly, elections made by eligible Scheme Shareholders under the Mix and Match Facility for New GVC Shares will only be satisfied to the extent that other eligible Scheme Shareholders make equal and opposite elections under the Mix and Match Facility.

To the extent that elections cannot be satisfied in full, they will be scaled down on a *pro rata* basis. As a result, bwin.party Shareholders who make an election under the Mix and Match Facility will not know the exact number of New GVC Shares or amount of cash they will receive until settlement of the consideration under the Offer. Elections under the Mix and Match Facility will not affect the entitlements of those bwin.party Shareholders who do not make any such elections.

The Mix and Match Facility is conditional upon the Scheme becoming effective and further details of the Mix and Match Facility will be included in the Scheme Document.

Restricted Overseas Shareholders will not be entitled to participate in the Mix and Match Facility and, if the Scheme becomes effective, will receive for each Scheme Share held by

them the basic consideration of 25 pence in cash and a further sum of cash based upon the proceeds of the sale in the market of 0.231 New GVC Shares for each bwin.party share held.

## **5 Information on GVC**

GVC is a leading provider of B2B and B2C services to the online gaming and sports betting markets. GVC's B2C offerings target a number of European and Latin American markets and include the Sportingbet business which it acquired in 2013 pursuant to a joint takeover offer with William Hill. GVC's B2B businesses include the third party support contract for East Pioneer Corporation B.V., which acquired the Superbahis brand from Sportingbet in November 2011.

GVC has delivered attractive shareholder returns from an increasing share price and cash dividends, supported by strong cash generation from operations. In the last three years (since 1 August 2012), GVC has delivered a total shareholder return exceeding 270 per cent.

As of the close of trading on 3 September 2015, the latest practicable date prior to the date of this announcement, GVC had a market capitalisation of approximately £277.58 million.

## **6 Information on bwin.party**

bwin.party is a global online gaming company. bwin.party was formed from the merger of bwin Interactive Entertainment AG and PartyGaming Plc on 31 March 2011. Incorporated, licensed and regulated in Gibraltar, the bwin.party Group also has licences in Alderney, Austria, Belgium, France, Italy, Denmark, Germany (Schleswig-Holstein), Malta, Spain, the UK and the necessary approvals to operate in New Jersey, US. With offices in Europe, India and the US, the Group generated revenue of EUR 611.9 million and Clean EBITDA of EUR 101.2 million in 2014. bwin.party has a leading position in each of its four key product verticals: online sports betting, casino & games, poker and bingo with some of the world's biggest online gaming brands including bwin, partypoker, partycasino and FoxyBingo. The bwin.party Group's scale, technology and strong portfolio of games collectively differentiate its customer offer from those of its competitors. bwin.party is a constituent member of the FTSE 250 Index and the FTSE4Good Index Series, which identifies companies that meet globally recognised corporate responsibility standards. As of the close of trading on 3 September 2015, the latest practicable date prior to the date of this announcement, bwin.party had a market capitalisation of approximately £950.3 million.

For more information about bwin.party, visit [www.bwinparty.com](http://www.bwinparty.com).

## **7 Recommendation by the bwin.party Directors**

The bwin.party Directors, who have been so advised by Deutsche Bank, consider the terms of the Offer from GVC to be fair and reasonable. In providing advice to the bwin.party Directors, Deutsche Bank has taken into account the commercial assessments of the bwin.party Directors.

Accordingly, the bwin.party Directors intend unanimously to recommend that bwin.party Shareholders vote in favour of the Scheme at the Court Meeting and the bwin.party Shareholder Resolution at the bwin.party General Meeting, as the bwin.party Directors have

irrevocably undertaken to do in respect of their own beneficial holdings of 14,388,127 bwin.party Shares representing, in aggregate, approximately 1.7 per cent. of the ordinary share capital of bwin.party in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).

## **8 Background to and reasons for the recommendation by bwin.party**

The online gaming industry began to emerge in the 1990s and since then has grown strongly with online gaming viewed in many countries today as a mainstream form of entertainment for adults. As noted above, it is estimated that the global online gaming segment generated gross gaming revenue in 2014 of approximately €32.5 billion, representing 8.8 per cent. of the global gaming market and has already become a large and vibrant segment and this is expected to continue with further growth over the coming years<sup>1</sup>.

Increasing accessibility and an improving experience for customers are expected to result in further growth over the coming years with global gross gaming revenue through digital channels expected to reach approximately €46.8 billion by 2018, implying a compound annual growth rate of 9.6 per cent<sup>1</sup>.

Revenue growth has been driven by more prevalent and faster broadband connectivity as well as the development of real money gaming products for mobile channels. Significant investment in marketing and product development by online gaming companies have also played a significant part in growing the market with the result that adults in most countries are today able to access online gaming of one form or another through digital channels.

Whilst these trends provide a generally favourable commercial backdrop, operators' ability to meet the ever-increasing demands of consumers has been challenged by a rapidly changing environment.

There has been a significant shift towards regulatory frameworks with several governments around the world increasing their oversight and control of this activity. Whilst this can provide greater clarity about the legality of the activity, the emergence of different, sometimes 'ring-fenced' regulatory frameworks around the world has increased the complexity and cost of regulatory compliance whilst limiting the scale of the potential revenue opportunity<sup>2</sup>. As a result, several regulated markets today are unattractive from a return on investment point of view.

At the same time, operators' ability to meet the ever-increasing demands of consumers have become more challenging. In order to secure and maintain relevant market share, it is increasingly the case that operators need recognisable brands and to be able to offer a broad suite of products and across all channels, placing even greater demands on both technological as well as financial resources.

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<sup>1</sup> *H2 Gambling Capital, September 2015*

<sup>2</sup> *'Ring-fenced' markets - those where consumers are only able to play peer-to-peer games against other players in that market and jackpot prizes can only be created from player activity within that market – are naturally smaller than one that can access a regional or global player pool. As a result, such markets tend to be smaller than they would otherwise be if such restrictions were not in place.*

The shift to nationally regulated markets means that operators choosing to go ‘on-shore’ must also pay the associated licensing and certification fees and often significant gaming taxes that tend to be levied on either the amount wagered or gross gaming revenue generated by a particular online gaming activity.

The combination of increasing product and channel complexity and the shift towards increasingly heterogeneous nationally regulated markets has driven a requirement for operators to focus their resources and seek scale in both absolute terms as well as in each product category and geographic market in which they operate.

The bwin.party Directors believe that such requirements provide operators that develop and operate their own technology with a distinct advantage – not only can they remain in control of their own destiny and not be reliant on third parties when deciding which products they wish to offer in which market, but they can also differentiate their product suite from competitors and avoid paying expensive product and technology licensing fees to a third party provider.

bwin.party is a sizeable online gaming business with significant revenues and operating profits, generated from customers in a number of different markets. However, the demands of an increasingly complex product offering across a broadly diverse international revenue base, coupled with the transition to nationally regulated frameworks in many of its markets has stretched bwin.party’s technical and financial resources over the past few years and has also held back bwin.party’s financial performance.

It is against this background that the bwin.party Directors decided that whilst a series of management initiatives including the shift to a label-led organisational structure, an associated increased focus on fewer markets and a rationalisation of core business activities and brands has begun to deliver a much improved operational performance, the company should also explore potential business combinations as a means of optimising value for shareholders.

Having considered the proposals received from interested third parties, as well as bwin.party’s prospects if it were to continue as an independent company, the bwin.party Directors believe the Offer now represents the most attractive combination for bwin.party shareholders.

bwin.party Shareholders will be aware that on 17 July 2015, 888 Acquisitions Limited, a subsidiary of 888 Holdings plc, announced the 888 Offer. Under the terms of the 888 Offer, bwin.party Shareholders would be entitled to receive 39.45 pence in cash and 0.404 new 888 shares for each bwin.party Share held. Based on the closing price of 160.00 per 888 share on 16 July 2015 (being the last practicable date prior to the 888 Offer Announcement), the 888 Offer represented a value of approximately 104.09 pence per bwin.party Share.

In recommending the 888 Offer, the bwin.party Directors had concluded that despite an earlier GVC proposal having many attractive features, including a higher headline value of 110.00 pence per bwin.party Share, the 888 Offer provided a higher degree of certainty for bwin.party Shareholders and that GVC’s modest incremental premium to the 888 Offer was not sufficient for the bwin.party Board to recommend GVC’s proposal over the 888 Offer.



GVC subsequently revised its proposal, including a simplified transaction structure, and the bwin.party Board and its advisers have worked closely with GVC and its advisers with a view to progressing the remaining open aspects of GVC's proposal in order to enable the bwin.party Board to evaluate GVC's proposal.

On 27 August 2015, bwin.party announced that key aspects of GVC's proposal had been addressed to bwin.party's satisfaction and as a result the bwin.party Board sought clarification regarding the best terms upon which GVC would be prepared to make an offer to acquire all of the issued and to be issued share capital of bwin.party. GVC confirmed it would be prepared to offer 25 pence in cash plus 0.231 new GVC shares for each bwin.party Share, implying a headline value of approximately 129.64 pence per bwin.party Share, based on the closing price per GVC share on 3 September 2015, (being the latest practicable date prior to the release of this announcement).

Having assessed the relative merits of 888's offer and GVC's proposal, the Board concluded that the GVC proposal was worthy of recommendation and informed 888 of its intention to switch recommendation to GVC. In response, 888 tabled a proposal to increase its offer (the "**Revised 888 Proposal**"), comprising 39.45 pence in cash and 0.465 new 888 shares, valuing each bwin.party Share at approximately 114.78 pence per bwin.party Share, based on the closing price per 888 share on 3 September 2015, (being the latest practicable date prior to the release of this announcement).

The Revised 888 Proposal was subject to a number of pre-conditions including an increase in the bwin.party break fee to 1% of the value of the Revised 888 Proposal and the receipt of irrevocable undertakings from certain members of the bwin.party shareholder base.

In making its assessment of the relative merits of GVC's Offer and the Revised 888 Proposal, the bwin.party Board has considered a number of factors that it believes could impact long-term value for bwin.party Shareholders. These include, but are not limited to: headline price and the consideration offered; execution risks associated with the implementation of each offer; the timing and scale of financial synergies to be generated; the complexity, regulatory and operational risks associated with implementing the proposed business and integration plans of both parties; the proposed financing structure of each offer; the growth strategy of the resulting enlarged Group; governance and control, listing and free float of the enlarged group. Following an announcement on 1 September 2015 that bwin.party was going to consult with a number of its largest shareholders the bwin.party Board also took account of views received from them on the attractiveness of each combination. The shareholders consulted represented over 50 per cent. of bwin.party's issued share capital.

Although the Revised 888 Proposal has a number of attractive features, the bwin.party Directors believe that the Offer from GVC is more attractive than the Revised 888 Proposal for the reasons set out below. The bwin.party Board has therefore withdrawn its recommendation of the 888 Offer and is unanimously recommending that bwin.party Shareholders accept the Offer from GVC.

As a result of the bwin.party Board's change in recommendation the 888 Co-operation Agreement has terminated in accordance with its terms.

In particular, the Offer from GVC:

- Is an attractive mix of cash and equity in the Enlarged Group that together represents a premium of:
  - 12.5 per cent. to the closing price per bwin.party Share of 115.20 pence on 3 September 2015 (being the last business day before the date of this announcement);
  - 45.0 per cent. to the closing price per bwin.party Share of 89.40 pence on 14 May 2015 (being the last business day before the date of the announcement by bwin.party on 15 May 2015 that it had received proposals (including from GVC) regarding a variety of possible business combinations);
  - 54.6 per cent. to the volume weighted average closing price per bwin.party Share of 83.87 pence in the three months prior to the announcement by bwin.party on 15 May 2015 referred to above;
  - 23.6 per cent. to the implied value of the previously announced offer for bwin.party made by 888 on 17 July 2015, based on the closing price per 888 share of 162.00 pence on 3 September 2015 (being the last business day before the date of this announcement); and
  - 12.9 per cent. to the implied value of 888's revised proposal to its offer for bwin.party (details of which are set out in paragraph 8 below of this announcement) based on the closing price per 888 share of 162.00 pence on 3 September 2015 (being the last business day before the date of this announcement).
- Provides bwin.party shareholders with the opportunity to benefit from a significant share in the Enlarged Group that the bwin.party Board believes:
  - has an experienced management team with a strong track-record of:
    - integrating acquisitions and growing revenues across a range of markets:  
and
    - delivering substantial value for shareholders;
  - will benefit from the significant financial synergies, cost savings and other commercial benefits that are expected to arise from the restructuring and refocusing of bwin.party and the associated restructuring of GVC;
- Will provide bwin.party shareholders with the opportunity to benefit from GVC's anticipated return to dividend payments in 2017;
- Provides a relatively more straightforward operational integration. As GVC's existing customer base is significantly smaller than that of bwin.party and is focused on two dotcom labels, such a migration is not expected to be complex and is expected to deliver substantial financial synergies. The bwin.party platform is already proven as a scalable platform and the addition of two new labels is wholly consistent with the Group's strategy to win new B2B customers for its Studios business unit. Further information

regarding expected synergies and cost savings is set out in paragraph 3 of this announcement;

- Provides a diversified portfolio of regulated and unregulated business for the Enlarged Group. GVC plans to continue to drive revenues from existing dotcom markets as well as enter new markets using the bwin brand with a key focus on sports betting. As a brand, bwin remains strong in parts of Asia and Latin America, markets that bwin.party has to-date chosen not to enter due to the absence of a regulated framework for online gaming. The potential returns from such markets could be greater than many of Europe's nationally regulated and/or taxed markets and would help to fund the consolidation of the Enlarged Group's position in regulated markets where regulatory and competitive pressures can be expected to increase, the latter as a result of continued consolidation within the industry; and
- Provide a significant free float for the Enlarged Group with a well distributed shareholder base and application for a standard listing on the main market of the London Stock Exchange to be made for the enlarged GVC's share capital.

Further information regarding expected synergies is set out in paragraph 3 of this announcement.

## **9 GVC Shareholder approval**

The Offer, being a transaction of this size, constitutes a "reverse takeover" (as defined in the AIM Rules) for GVC. Accordingly, GVC will be required to seek the approval of GVC Shareholders at the GVC General Meeting for the Offer. GVC is required to prepare and send the GVC Prospectus to GVC Shareholders. The GVC Prospectus will include, among other things, details on GVC Shares (including the New GVC Shares), the Enlarged Group, the background to and reasons for the Offer and a notice convening the GVC General Meeting. The Scheme will be conditional upon, amongst other things, the passing by the requisite majority at the GVC General Meeting of the GVC Resolutions to approve the Offer and the authorities to increase the authorised share capital of GVC and to issue the New GVC Shares pursuant to the Offer and the Fundraising. These GVC Resolutions will all be ordinary resolutions, save for the resolution to disapply pre-emption rights in relation to the Fundraising, which will be a special resolution.

It is expected that the GVC Prospectus will be published at the same time as the Scheme Document is posted to bwin.party Shareholders.

## **10 Recommendation by the GVC Directors**

The GVC Directors intend unanimously to recommend that GVC Shareholders vote in favour of the GVC Resolutions to be proposed at the GVC General Meeting, as the GVC Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 245,482 GVC Shares representing, in aggregate, approximately 0.4 per cent. of the ordinary share capital of GVC in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).

## **11 Irrevocable undertakings in relation to the Offer**

GVC has received irrevocable undertakings and bwin.party has received a commitment from Androsch Privatstiftung to provide an irrevocable undertaking in support of the Scheme. This represents an aggregate of 89,496,522 bwin.party Shares, representing approximately 10.8 per cent. of the share capital of bwin.party in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).

Within this total are irrevocable undertakings from each of the bwin.party Directors to vote in favour of the Scheme at the Court Meeting and the bwin.party Shareholder Resolution to be proposed at the bwin.party General Meeting as set out in paragraph 7.

Further details of these irrevocable undertakings (including the circumstances in which certain of them may lapse) are set out in Appendix III to this announcement.

## **12 Irrevocable undertakings in relation to the GVC Resolutions**

GVC has received irrevocable undertakings and a letter of intent to vote in favour of the GVC Resolutions to be proposed at the GVC General Meeting in relation to an aggregate of 14,614,038 GVC Shares, representing approximately 23.8 per cent. of the share capital of GVC in issue on 3 September 2015 (being the latest practicable date prior to the publication of this announcement).

Within this total are irrevocable undertakings from each of the GVC Directors to vote in favour of the GVC Resolutions to be proposed at the GVC General Meeting.

Further details of these irrevocable undertakings and the letter of intent are set out in Appendix III to this announcement.

## **13 Management, employees and locations**

It is proposed that Norbert Teufelberger, current CEO of bwin.party, will join the board of the Enlarged Group as a non-executive director ensuring that it has direct access to and can benefit from his intimate knowledge of the activities and operations of the bwin.party business that will represent the majority of the Enlarged Group's operations and activities. The principal terms of Mr Teufelberger's appointment will be set out in the Scheme Document.

GVC believes that the acquisition of bwin.party will result in opportunities for many employees in the Enlarged Group in the future.

However, GVC also recognises that in order to achieve the planned benefits of the Offer, including deriving any available cost synergies, operational restructuring of both GVC and bwin.party is likely to be required. Following the Effective Date, GVC intends to seek to integrate the operations of GVC and bwin.party as far as reasonably practicable. Although integration plans have yet to be finalised, and any final decision will be subject to engagement with appropriate stakeholders, this may lead to redundancies where the businesses have overlapping functions or operational efficiencies have been identified.

The board of GVC has confirmed to the bwin.party Board that the existing employment rights, including pension rights and incentive arrangements, of all management and employees of bwin.party will be fully safeguarded.

## 14 The Fundraising

GVC confirms that it is proposing to raise approximately £150 million (approximately €206.0 million) by way of a (i) placing of 27,978,812 New GVC Shares (the "**Placing Shares**") to certain new and existing institutional investors at a placing price (the "**Issue Price**") of 422 pence per New GVC Share (the "**GVC Placing**") being the closing bid price per GVC Share on 5 August 2015, the last business day prior to the pricing of the GVC Placing; and (ii) subscription of 7,566,212 New GVC Shares by certain investors at a subscription price of 422 pence per New GVC Share (the "**Subscription**") being the closing bid price per GVC Share on 5 August 2015, the last business day prior to the pricing of the Subscription (together, the "**Fundraising**"). Certain GVC Directors will also participate in the Fundraising, as set out below.

Cenkos, as agent of GVC, has made conditional arrangements to place the Placing Shares at the Issue Price with certain new and existing institutional investors and certain GVC Directors pursuant to the Placing Agreement.

The aggregate net proceeds of the Fundraising will be used by GVC, amongst other things, to fund reorganisation costs within the Enlarged Group and for general working capital purposes. The proceeds from the Fundraising are not required for, nor will they be used to fund, the cash consideration to be paid pursuant to the Offer.

The Fundraising is conditional, among other things, upon:

- all of the GVC Resolutions (save that in respect of proposed option arrangement) being passed by the requisite majorities of GVC Shareholders at the GVC General Meeting;
- the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission to Trading of the New GVC Shares to be issued under the Fundraising having occurred no later than the Long Stop Date.

The following GVC Directors are participating in the Fundraising:

<b>GVC Director</b>	<b>Number of GVC Shares held as at 3 September 2015</b>	<b>Percentage of voting rights in GVC as at 3 September 2015</b>	<b>Number of New GVC Shares subscribed for under the Fundraising</b>	<b>Percentage of voting rights in the Enlarged Group following Completion</b>
Lee Feldman	135,075	0.22%	516,212	0.22%
Kenneth Alexander *	108,740	0.177%	1,373,455	0.51%
Richard Cooper *	1,667	0.003%	691,323	0.24%

\*In addition, Kenneth Alexander's wife, Caroline Alexander, held 313,333 GVC Shares and Richard Cooper's wife, Pascale Mourier Cooper, held 335,000 GVC Shares each as at 3 September 2015. Kenneth Alexander and Richard Cooper are required to disclose the number of GVC Shares held by their spouses.

The participation by the above Directors in the Fundraising constitutes a related party transaction under Rule 13 of the AIM Rules for Companies. Karl Diacono, the sole independent Director considers that, having consulted with Cenkos as GVC's nominated adviser, the terms of the above Directors' participation in the Fundraising are fair and reasonable so far as Shareholders are concerned.

Richard Griffiths (together with his controlled undertakings) is currently the beneficial and registered owner of, or otherwise interested in, 11.15 per cent. of GVC's existing ordinary share capital and is therefore treated as a related party of GVC under Rule 13 of the AIM Rules for Companies as a substantial shareholder. Richard Griffiths' participation in the Placing is therefore treated as a related party transaction for the purposes of the AIM Rules for Companies. The Directors of GVC consider, having consulted with Cenkos as GVC's nominated adviser, that the terms of Richard Griffiths' participation in the Fundraising are fair and reasonable so far as Shareholders are concerned.

GVC Shares are currently admitted to trading on AIM. Application will be made to the UKLA for the GVC Shares, together with the New GVC Shares to be issued pursuant to the Offer and the Fundraising, to be admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange subject to, among other things, Completion. Completion is conditional on, among other things (i) admission of the GVC Shares and the New GVC Shares to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange or (ii) in the alternative, admission to trading on AIM.

Once GVC Shares together with the New GVC Shares are admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange, GVC intends to make an application to the UKLA to transfer the GVC Shares and the New GVC Shares from the Standard Segment of the Official List to the Premium Segment of the Official List as soon as practicable following publication of the GVC Report and Accounts for the year ending 31 December 2015.

The New GVC Shares issued under the Fundraising will be issued credited as fully paid and will rank *pari passu* in all respects with the existing GVC Shares, save that they will not rank with existing GVC Shares for any dividends of GVC declared, made or paid on or prior to Completion.

Further details of the Fundraising will be set out in the Prospectus, which will be published at the same time as the Scheme Document is posted to bwin.party Shareholders.

## **15 Dividends of GVC**

On 6 July 2015 the GVC Board declared an interim dividend of €0.14 per share, payable on 17 August 2015 to GVC Shareholders on the register on 24 July 2015.

The GVC Board also intends to declare a further interim dividend of €0.14 per share, which will be payable, subject to Completion occurring, to those GVC Shareholders on the register at a date to be confirmed by GVC but which will be prior to Completion.

The New GVC Shares to be issued under the Offer and the Fundraising will be credited as fully paid and will rank *pari passu* in all respects with the existing GVC Shares, save that they will not rank with existing GVC Shares for any dividends of GVC declared, made or paid on or prior to 31 December 2015.

## **16 bwin.party Share Plans**

Participants in the bwin.party Share Plans will be contacted separately regarding the effect of the Offer on their rights under the bwin.party Share Plans and with the details of GVC's appropriate proposals in respect of their options and awards. Further details of the terms of such proposals will be included in the Scheme Document.

## **17 Directors' existing incentive arrangements, participation in the Fundraising and GVC Share Plans**

It is proposed that, as part of the remuneration arrangements for the Enlarged Group going forward and to reflect the confidence of the GVC Board in the Enlarged Group and align their interests fully with investors: (i) the existing contractual bonus arrangements for the members of the GVC Board are cancelled for 2016 onwards; (ii) the existing awards held by the members of the GVC Board granted under the GVC 2010 Long Term Incentive Plan ("**2010 LTIP**") will be cash cancelled on Completion; (iii) the existing bonus retention plan, announced in March 2015, will be accelerated and paid on Completion; and (iv) transaction bonuses will be paid to the GVC Board on Completion (together the "**Proceeds**").

As noted in paragraph 14 above, three Directors, namely Lee Feldman, Kenneth Alexander and Richard Cooper will re-invest 100 per cent. of the after-tax value of the Proceeds received by them (which is estimated to amount to approximately £10.89 million) in subscribing for New GVC Shares as part of the Fundraising. The New GVC Shares so acquired by the members of the GVC Board will be subject to 12 month lock-up arrangements. Full details of the Proceeds and their re-investment in the Fundraising will be set out in the GVC Prospectus.

In addition, a new employee share scheme will be established for the benefit of directors and employees of the Enlarged Group ("**New Plan**"). Awards granted under the New Plan will be market value options, whose exercise will be subject to the achievement of a total shareholder return related performance condition. Full details of the New Plan will be set out in the GVC Prospectus and will include a dilution limit of 10 per cent. of the issued share capital of GVC on Completion. An ordinary resolution will be put to the GVC Shareholders at the GVC General Meeting to approve the adoption of the New Plan.

## **18 Structure of the Offer and Conditions to the Offer**

It is intended that the Offer will be implemented by means of a Court-sanctioned scheme of arrangement between bwin.party and the Scheme Shareholders under Part VIII of the Gibraltar Companies Act.

The purpose of the Scheme is to provide for GVC to become the holder of the entire issued and to be issued ordinary share capital of bwin.party. This is to be achieved by the transfer of the Scheme Shares to GVC in consideration for which the Scheme Shareholders on the register of members at the Scheme Record Time will receive the consideration on the basis set out in paragraph 2 of this announcement.

The Offer is also subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, the Forms of Proxy and the Form of Election, and will only become effective if, among other things, the following events occur on or before the Long Stop Date:

- a resolution to approve the Scheme is passed at the Court Meeting by a majority in number of the bwin.party Shareholders present and voting, either in person or by proxy, representing three-quarters or more in value of the bwin.party Shares held by those bwin.party Shareholders;
- the bwin.party Shareholder Resolution necessary to implement the Scheme is passed by the requisite majority of bwin.party Shareholders at the bwin.party General Meeting;
- the Scheme is sanctioned by the Court;
- an office copy of the Scheme Court Order is delivered to the Registrar of Companies within seven days after it is made;
- approvals of the Offer from, amongst others, the FCA (in respect of the change of control of Kalixa), the Gibraltar Financial Services Commission (in respect of the change of control of Intertrader), the Licensing Authority of Gibraltar (Gaming Division) in respect of the change of control of bwin.party's Gibraltar business, the Malta Gaming Authority in respect of the change of control of bwin.party's Malta Gaming Authority licensed entity, the French Ministry of Economy in respect of the change of control of bwin.party's French business and the German Federal Cartel Office are obtained;
- each of the GVC Shareholder Resolutions is passed by the requisite majority of GVC Shareholders at the GVC General Meeting; and
- the GVC Shares (including the New GVC Shares to be issued pursuant to the Offer and the Fundraising) are Admitted to Trading.

Upon the Scheme becoming effective (i) it will be binding on all bwin.party Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the bwin.party General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of bwin.party Shares will cease to be valid and entitlements to depositary interests in respect of bwin.party Shares within the CREST system will be cancelled.



If the Scheme does not become effective on or before the Long Stop Date it will lapse and the Offer and the Fundraising will not proceed.

To the extent that any bwin.party Permitted Dividend is declared by the bwin.party Board, the bwin.party Shareholders as at the record date for that bwin.party Permitted Dividend will be entitled to receive and retain that bwin.party Permitted Dividend.

Further details of the Scheme, including an indicative timetable for its implementation, together with notices of the Court Meeting and the bwin.party General Meeting, will be set out in the Scheme Document, which will be published as soon as reasonably practicable after the date of this announcement. Subject to satisfaction or waiver of the Conditions, the Scheme is expected to become effective in late Q4 2015 or in Q1 2016.

## **19 Overseas Shareholders**

### *Overseas Shareholders*

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Offer or the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

The availability of New GVC Shares under the Offer and the Fundraising to persons who are not resident in, and the distribution of this announcement to persons who are not resident in, the United Kingdom or Gibraltar may be affected by the laws of the relevant jurisdiction in which they are located. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. bwin.party Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the jurisdiction without delay.

This announcement has been prepared for the purposes of complying with English and Gibraltar law, the Listing Rules and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

### *US Shareholders*

The New GVC 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 GVC Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New GVC Shares are expected to be issued pursuant to the Scheme in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

Under the US federal securities laws, persons who are or will be deemed to be affiliates (as defined under the US Securities Act) of GVC after the Effective Date may not resell the New GVC Shares received under the Scheme without registration under the US Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can

include certain officers and directors and significant shareholders. bwin.party Shareholders who believe they may be affiliates of GVC after the Effective Date for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of New GVC Shares received under 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), bwin.party will advise the Court through counsel that its sanctioning of the Scheme will be relied upon by bwin.party and GVC as an approval of the Scheme following a hearing on its fairness, at which hearing all bwin.party Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all bwin.party Shareholders.

## **20 Application for standard listing of GVC Shares, de-listing of bwin.party and intention to transfer to a premium listing of GVC Shares**

The New GVC Shares are not being offered to the public by means of this announcement. This announcement is an advertisement and does not constitute a prospectus or prospectus equivalent document or an offer or an invitation to purchase or subscribe for any securities.

GVC Shares are currently admitted to trading on AIM. Application will be made to the UKLA for the GVC Shares together with the New GVC Shares to be issued pursuant to the Offer and the Fundraising, to be admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange subject to, among other things, Completion. Completion is conditional on, among other things (i) admission of the GVC Shares and the New GVC Shares to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange or (ii) in the alternative, admission to trading on AIM. It is expected that such Admission to Trading will become effective on or shortly after the Effective Date.

Details of how UK shareholders can hold, access and trade GVC Shares will be set out in the Scheme Document. Shareholders resident in the UK will be able to hold their GVC Shares through any of the ways currently available to GVC Shareholders, including through an intermediary of their own choice should they wish to do so.

bwin.party intends, prior to the Scheme becoming effective, to make an application for the cancellation of the listing of bwin.party Shares on the UKLA Official List and for the cancellation of trading of the bwin.party Shares on the Main Market of the London Stock Exchange, in each case to take effect from or shortly after the Effective Date. The last day of dealings in bwin.party Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 p.m. (London time) on that date. On the Effective Date, share certificates in respect of bwin.party Shares will cease to be valid and entitlements to depositary interests in respect of bwin.party Shares held within the CREST system will be cancelled.

Once GVC Shares together with the New GVC Shares are admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange, GVC

intends to make an application to the UKLA to transfer the GVC Shares and the New GVC Shares from the Standard Segment of the Official List to the Premium Segment of the Official List as soon as practicable following publication of the GVC Report and Accounts for the year ending 31 December 2015.

## **21 Financing**

The cash consideration payable under the Offer will be funded by €400 million (£291.33 million) of senior secured debt provided by Cerberus (the “**Cerberus Loan**”).

The Cerberus Loan is a two-year secured financing facility with no scheduled amortisation (but including a cash sweep equal to 50 per cent. of the excess cash flow generated in any financial year), repayable, amongst other events, upon a change of control, an equity or debt raise and upon disposal of assets, subject to certain exceptions.

The Cerberus Loan bears interest at EURIBOR + a margin 11.5 per cent., with a EURIBOR floor of 1 per cent.; up to half the margin may be capitalised. The financial covenant package under the Cerberus Loan comprises leverage, cashflow cover and minimum liquidity covenants.

GVC will issue up to approximately 195,288,073 New GVC Shares to bwin.party shareholders as part of the consideration pursuant to the Offer. These shares are expected to represent approximately 66.6 per cent. of the enlarged share capital of GVC on Admission to Trading. The Offer will be conditional upon, amongst other things, approval of the GVC Resolutions by the GVC Shareholders and Admission to Trading.

Houlihan Lokey is satisfied that sufficient resources are available to GVC to satisfy in full the cash consideration payable to bwin.party Shareholders under the terms of the Offer.

## **22 Offer-related arrangements and documents available on a website**

### *Offer-related arrangements*

#### **Confidentiality Agreement**

GVC and bwin.party entered into a confidentiality agreement on 30 January 2015 pursuant to which GVC and bwin.party have undertaken to each other to keep information relating to the other confidential and not to disclose it to third parties (other than to permitted recipients) unless required by law or regulation.

#### **GVC Co-operation Agreement**

GVC and bwin.party have entered into the GVC Co-operation Agreement in relation to the Offer and other related matters. The GVC Co-operation Agreement contains certain undertakings, assurances and confirmations among the parties, including with respect to the co-operation of the parties relating to the implementation of the Offer.

As bwin.party is incorporated and has its registered office in Gibraltar, the City Code does not apply to GVC or bwin.party in relation to the Offer. However, in accordance with the requirements of bwin.party’s articles of association and, pursuant to the terms of the GVC Co-operation Agreement, GVC and bwin.party have agreed to implement the Offer, and to

observe and comply with the provisions of the City Code (including the provisions of Appendix 7 of the City Code), as if bwin.party were subject to the City Code.

Pursuant to the GVC Co-operation Agreement, GVC and bwin.party have agreed to appoint a committee comprised of three representatives appointed by each of GVC and bwin.party, which will be responsible for determining how the City Code would be interpreted and applied in relation to the approval of matters under Rule 21.1 of the City Code and the satisfaction, waiver or invoking of any of the Conditions (each a “**Code Committee Matter**”), in each case other than where such matter or consent is expressly provided for in the GVC Co-operation Agreement or in any other written agreement between GVC and bwin.party entered into on or after the date of the GVC Co-operation Agreement.

The GVC Co-operation Agreement also provides for referral of any matter relating to the interpretation and application of any Code Committee Matter to an independent expert, whose rulings (absent fraud or manifest error) are final and binding on the parties.

Pursuant to the GVC Co-operation Agreement, GVC and bwin.party agrees to co-operate and assist each other in obtaining the Clearances required to satisfy the Conditions.

The GVC Co-operation Agreement sets out the parties’ agreement as to the treatment, in relation to the Offer, of participants in the bwin.party Share Plans.

The GVC Co-operation Agreement terminates automatically (save in respect of certain surviving provisions):

- upon agreement in writing between GVC and bwin.party;
- if this Announcement is not released as soon as reasonably practicable on or after the date of the GVC Co-operation Agreement, or by such later time and date as the parties thereto may agree;
- if the Scheme (or the Takeover Offer as the case may be) lapses (or is withdrawn) in accordance with its terms prior to the Long Stop Date (other than where such lapse or withdrawal is a result of the exercise of a right to switch from the Scheme to a Takeover Offer or is otherwise to be followed soon after by an announcement of a firm intention to make an offer pursuant to Rule 2.7 of the City Code (as if the City Code applied to bwin.party) made by GVC or a person acting in concert with GVC to implement the Offer by a different offer or scheme on substantially the same or improved terms);
- upon the bwin.party Directors withdrawing or adversely modifying or qualifying their recommendation and thereafter GVC gives written notice to bwin.party to terminate the GVC Co-operation Agreement or bwin.party gives written notice to GVC to terminate the GVC Co-operation Agreement;
- upon service of written notice by:
  - GVC to bwin.party, following a GVC Break Payment Event (see below); or
  - bwin.party to GVC, following a bwin.party Break Payment Event (see below);or

- if an independent competing transaction is declared unconditional in all respects or is completed.

### **GVC Break Payment**

By way of compensation for any losses or costs suffered or incurred by bwin.party in connection with the preparation and negotiation of the Offer, the GVC Co-operation Agreement and any other agreement relating to the Offer (other than any loss arising out of a breach of the GVC Co-operation Agreement or the breach of any other obligations in connection with the Offer), GVC has agreed to pay a break payment to bwin.party, subject to certain exceptions, in the event that, following publication of this Announcement:

- (i) the GVC Board withdraws, adversely modifies or qualifies its recommendation that the GVC Shareholders vote in favour of the resolutions referred to in Condition 3(a) and (ii) either (A) bwin.party has complied in all material respects with its obligations under the GVC Co-operation Agreement and the Scheme Document (or if GVC elects, with the consent of the bwin.party Board in accordance with the GVC Co-operation Agreement, to implement the acquisition of the bwin.party Shares by way of a Takeover Offer as an alternative to the Scheme, the offer document in respect of such Takeover Offer) is not despatched to the bwin.party Shareholders on or prior to 15 November 2015 or (B) the Offer lapses on or prior to the Long Stop Date; or
- on or prior to the Long Stop Date, the Offer lapses as a result of the resolutions referred to in Condition 3(a) not being passed by the shareholders of GVC,

(each, a "**Category A GVC Break Payment Event**"); or

- on or prior to the Long Stop Date, the Offer lapses as a result of Condition 3(c) or any of Conditions 3(d) to (i) (inclusive) being invoked by GVC or (where applicable) by bwin.party or any of those Conditions failing to be satisfied (or, if capable of waiver, waived) by GVC (a "**Category B GVC Break Payment Event**"),

(each of a Category A GVC Break Payment Event and a Category B GVC Break Payment Event being a "**GVC Break Payment Event**").

The break payment that GVC has agreed to pay, subject to certain exceptions, is:

- if a Category A GVC Break Payment Event occurs, £10,900,000; and
- if a Category B GVC Break Payment Event occurs, £5,700,000,

(each such amount being exclusive of recoverable VAT, if any).

### **bwin.party Break Payment**

By way of compensation for any losses or costs suffered or incurred by GVC in connection with the preparation and negotiation of the Offer, the GVC Co-operation Agreement and any other agreement relating to the Offer (other than any loss arising out of a breach of the GVC Co-operation Agreement or the breach of any other obligations in connection with the Offer), bwin.party has agreed to pay £10,900,000 (such amount being exclusive of any amount in respect of recoverable VAT, if any) to GVC, subject to certain exceptions, in the event that, following publication of this Announcement: (i) the bwin.party Directors

withdraw, adversely modify or qualify their recommendation and (ii) either (A) GVC has complied in all material respects with its obligations under the GVC Co-operation Agreement, GVC has not exercised its right in accordance with the GVC Co-operation Agreement to elect to implement the Offer by means of a Takeover Offer and the Scheme Document is not despatched to the bwin.party Shareholders on or prior to 15 November 2015 or (B) on or prior to the Long Stop Date, the Offer lapses (the “**bwin.party Break Payment Event**”).

### **888 Co-operation Agreement**

As a result of the bwin.party Board’s change in recommendation the 888 Co-operation Agreement has terminated in accordance with its terms.

### **Documents available on website**

Copies of the following documents will be made available on GVC’s and bwin.party’s websites at [www.gvc-plc.com](http://www.gvc-plc.com) and [www.bwinparty.com](http://www.bwinparty.com) respectively until the end of the Offer:

- the Confidentiality Agreement;
- the GVC Co-operation Agreement;
- the irrevocable undertakings referred to in paragraphs 11 and 12 above; and
- documents relating to the financing of the Offer referred to in paragraph 21 above.

## **23 Opening Position Disclosures and Interests**

Except for the irrevocable undertakings referred to in paragraph 11 above and save for 10,706 GVC Shares and 30,000 bwin.party Shares held by GVC's nominated adviser, Cenkos Securities plc, as at close of business on 3 September 2015 (being the latest practicable date prior to the date of this announcement), neither GVC, nor any of the directors of GVC or any member of the GVC Group, nor, so far as the directors of GVC are aware, any person acting in concert with GVC for the purposes of the Offer, had any interest in, right to subscribe for, or had borrowed or lent any bwin.party Shares or securities convertible or exchangeable into bwin.party Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the City Code, in relation to bwin.party Shares or in relation to any securities convertible or exchangeable into bwin.party Shares.

However, in the interests of maintaining secrecy prior to the publication of this announcement, GVC has not yet completed enquiries in respect of the matters referred to in this paragraph of certain parties deemed by the City Code to be acting in concert with it for the purposes of the Offer. Enquiries of such parties will be completed as soon as practicable following the making of this announcement and, in accordance with Note 2(a)(i) to Rule 8 of the City Code, further disclosures, if any, required in respect of such parties will be made

as soon as possible and in any event by no later than 12 noon (London time) on 18 September 2015.

bwin.party confirms that it will today make an Opening Position Disclosure, setting out the details required to be disclosed by it under Rule 8.2(a) of the City Code (as if the City Code applied to the Offer).

## **24 Issued share capital**

In accordance with Rule 2.10 of the City Code, bwin.party confirms that, as at the date of this announcement, it has 826,450,901 ordinary shares of 0.015 pence each in issue. Each share carries the right to one vote, with the exception of shares held by bwin.party's employee benefit trust, which has waived the voting rights in respect of the shares it holds. As at the date of this announcement bwin.party's employee benefit trust holds 1,519,008 ordinary shares and therefore the total number of ordinary shares with voting rights is 824,931,893. The ISIN for bwin.party Shares is GI000A0MV757.

In accordance with Rule 2.10 of the City Code, GVC confirms that it has 61,276,480 GVC Shares in issue. The ISIN for GVC Shares is IM00B5VQMV65.

## **25 General**

GVC reserves the right to elect, with the consent of the bwin.party Board in accordance with the GVC Co-operation Agreement, to implement the acquisition of the bwin.party Shares by way of a Takeover Offer as an alternative to the Scheme. In such event, the acquisition will be implemented by GVC and/or one or more wholly-owned subsidiaries of GVC on substantially the same terms as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at such percentage of the shares to which such offer relates, no greater than seventy-five per cent. (or, in accordance with the applicable provisions of the GVC Co-operation Agreement, where any of the circumstances set out in Note 2 of Section 8 of Appendix 7 of the Code applies, ninety per cent.) of the voting rights carried by the bwin.party Shares to which the Offer relates, provided that this condition will not be satisfied unless GVC and/or any of its subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) bwin.party Shares carrying in aggregate more than fifty per cent. of the voting rights then normally exercisable at a general meeting of bwin.party, as GVC may decide.

The bases and sources of certain financial information contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertakings is contained in Appendix III to this announcement. Appendix IV contains definitions of certain expressions used in this announcement.

<b>Enquiries:</b>	
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Philip Yea, Chairman Peter Reynolds	
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***Important Notices***



*Houlihan Lokey (Europe) Limited which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for GVC and no-one else in connection with the subject matter of this announcement, and will not be responsible to anyone other than GVC for providing the protections afforded to clients of Houlihan Lokey (Europe) Limited, nor for giving advice in relation to the subject matter of this announcement.*

*Cenkos Securities plc which is regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for GVC and no-one else in connection with the subject matter of this announcement, and will not be responsible to anyone other than GVC for providing the protections afforded to clients of Cenkos Securities plc, nor for giving advice in relation to the subject matter of this announcement.*

*Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank) and, in the United Kingdom, by the Prudential Regulation Authority. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority. Details about the extent of its authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available on request or from [www.db.com/en/content/eu\\_disclosures.htm](http://www.db.com/en/content/eu_disclosures.htm). Deutsche Bank is acting as financial adviser to bwin.party and no one else in connection with the Offer or the contents of this announcement and will not be responsible to anyone other than bwin.party for providing the protections afforded to clients of Deutsche Bank or for providing advice in relation to the Offer or any other matters referred to herein.*

*Numis Securities Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for bwin.party and no-one else in connection with the subject matter of this announcement, and will not be responsible to anyone other than bwin.party for providing the protections afforded to clients of Numis Securities Limited, nor for giving advice in relation to the subject matter of this announcement.*

### ***The City Code on Takeovers and Mergers***

*By virtue of its status as a Gibraltar incorporated company, the City Code does not apply to bwin.party. bwin.party has incorporated certain takeover-related provisions into its articles of association but these do not provide bwin.party Shareholders with the full protections offered by the City Code and enforcement of such provisions are the responsibility of bwin.party, not the Panel. Accordingly, bwin.party Shareholders are reminded that the Panel does not have responsibility, in relation to bwin.party, for ensuring compliance with the City Code and is not able to answer bwin.party Shareholders' queries. bwin.party and GVC have agreed in the GVC Co-operation Agreement certain matters regarding the application of the City Code to the Offer, and the terms of that agreement are summarised in this announcement.*

*In particular, public disclosures consistent with the provisions of Rule 8 of the City Code (as if it applied to bwin.party) should not be emailed to the Panel, but, as described below, released directly through a Regulatory Information Service.*

### ***Further Information***

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction. The New GVC Shares are not being offered to the public by means of this announcement. This announcement is an advertisement and is for information purposes only and does not constitute a prospectus or prospectus equivalent document.*

*The Offer will be made solely by means of the Scheme Document or any other document by which the Offer is made which will contain the full terms and Conditions of the Offer, including details of how to vote in respect of the proposed acquisition of bwin.party by GVC. The GVC Prospectus will be published by GVC on the date on which the Scheme Document is posted to bwin.party Shareholders. The GVC Prospectus will contain information about the Enlarged Group and the New GVC Shares and a notice convening the GVC General Meeting.*

*This announcement has been prepared for the purpose of complying with English and Gibraltar law, the Listing Rules and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom and Gibraltar.*

*bwin.party will prepare the Scheme Document to be distributed to bwin.party Shareholders. bwin.party and GVC urge bwin.party Shareholders to read the Scheme Document and the GVC Prospectus when each becomes available because they will contain important information relating to the Offer.*

### **Overseas Shareholders**

*The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or Gibraltar or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such requirements by any person.*

*US bwin.party Shareholders should note that the Offer relates to the securities of a Gibraltar company which are admitted to trading on a UK regulated market, is subject to Gibraltar and UK procedural and disclosure requirements (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement provided for under the company law of Gibraltar. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to Gibraltar procedural and disclosure requirements and practices, which are different from the procedural and disclosure requirements of the US tender offer rules. The financial information with respect to bwin.party included in this announcement and the Scheme documentation has been or will have been prepared in accordance with IFRS 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 US. If GVC exercises its right to implement the acquisition of the bwin.party Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US tender offer and securities laws and regulations.*

*The New GVC 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 GVC Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New GVC Shares are expected to be issued pursuant to the Scheme in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. bwin.party Shareholders who will be affiliates of GVC after the Effective Date will be subject to certain US transfer restrictions relating to the New GVC Shares received pursuant to the Scheme. For a description of these and certain further restrictions on offers, sales and transfers of the New GVC Shares and the distribution of this announcement, see paragraph 19 of this announcement.*

*The receipt of New GVC Shares and cash pursuant to the Offer by a US bwin.party 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 bwin.party Shareholder is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the offer.*

*It may be difficult for US bwin.party Shareholders to enforce their rights and claims arising out of the US federal securities laws, since GVC and bwin.party 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 bwin.party 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 judgement.*

*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 GVC and permitted by applicable law and regulation, the Offer 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 Offer 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 Offer 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 Offer (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 the Offer to bwin.party Shareholders who are not resident in the United Kingdom or Gibraltar may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or Gibraltar should inform themselves of, and observe, any applicable requirements.*

## **Austria**

*Neither this announcement, the Prospectus, the Scheme Document or any other document relating to the Offer have been submitted to or will be submitted for approval or recognition to the Austrian Financial Markets Authority (Österreichische Finanzmarktaufsicht - FMA). The Offer will be made to bwin.party Shareholders in Austria in reliance on (a) § 3 (1) 8 of the Austrian Capital Market Act (Kapitalmarktgesetz - KMG) In addition, the Offer will be made (b) to bwin.party Shareholders in Austria who are "qualified investors" (qualifizierte Anleger) in the sense of § 1 (1) 5a of the Austrian Capital Market Act. Insofar as Austria is concerned, this announcement, the Prospectus, the Scheme Document and any other documents relating to the Offer are being issued only for the personal use of qualified investors and exclusively for the purpose of the Offer. The information contained in this announcement, the Prospectus, the Scheme Document and any documents relating to the Offer may not be used for any other purpose or disclosed to any other person in Austria.*

### **Forward Looking Statements**

*This announcement contains statements about GVC and bwin.party 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", "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 GVC's or bwin.party's operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on GVC's or bwin.party'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. Each of GVC and bwin.party disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.*

### **No profit forecasts or estimates**

*No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for GVC or bwin.party, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for GVC or bwin.party, as appropriate.*

### **Disclosure requirements**

*bwin.party is a Gibraltar company and is therefore not subject to the City Code. Accordingly, shareholders of bwin.party and others dealing in bwin.party Shares are not obliged to disclose any*

*of their dealings under the provisions of the City Code. However, market participants are requested to make disclosure of dealings as if the City Code applied and as if bwin.party were in an “offer period” under the City Code. bwin.party Shareholders and persons considering the acquisition or disposal of any interest in bwin.party Shares are reminded that they are subject to the Disclosure and Transparency Rules made by the UKLA and other applicable regulatory rules regarding transactions in bwin.party Shares.*

*bwin.party’s website contains the form of disclosure requested. If you are in any doubt as whether or not you should disclose dealings, you should contact an independent financial adviser authorised by the Financial Conduct Authority under the FSMA (or, if you are resident in a jurisdiction other than the United Kingdom, a financial adviser authorised under the laws of such jurisdiction).*

*In light of the foregoing, as provided in Rule 8.3(a) of the City Code, any person who is “interested” in one per cent. or more of any class of “relevant securities” of bwin.party 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”) is requested to make an Opening Position Disclosure following the commencement of the “offer period” which begins upon the release of this announcement.*

*An Opening Position Disclosure should contain details of the person’s interests and short positions in, and rights to subscribe for, any “relevant securities” of each of (i) bwin.party and (ii) GVC. Persons to whom Rule 8.3(a) would have applied had the City Code been applicable are requested to make an Opening Position Disclosure by no later than 3:30 p.m. (London time) on the tenth “business day” following the commencement of the “offer period” which begins upon the release of this announcement. Relevant persons who undertake “dealings” in the relevant securities of bwin.party or a “securities exchange offeror” prior to the deadline for making an Opening Position Disclosure are requested instead to make a Dealing Disclosure.*

*Rule 8.3(b) of the City Code provides that if any person is, or becomes “interested” (directly or indirectly) in one per cent. or more of any class of “relevant securities” of an offeree or of any “securities exchange offeror”, all “dealings” in any “relevant securities” of that offeree or of any “securities exchange offeror” (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) should be publicly disclosed in a Dealing Disclosure by no later than 3:30 p.m. (London time) on the “business day” following the date of the relevant transaction. In a situation where the City Code applies, this requirement would continue until the date on which any “offer” becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. Under Rule 8 of the City Code, a Dealing Disclosure would 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 (i) bwin.party and (ii) any “securities exchange offeror”, save to the extent that these details have previously been disclosed under Rule 8.*

*Accordingly, in the case of both an Opening Position Disclosure and Dealing Disclosure (if any), disclosures of interests in the shares of each of GVC and bwin.party are requested to be made.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of bwin.party or a “securities exchange*

*offeror”, they would, if the City Code were applicable, be deemed to be a single person for the purpose of Rule 8.3 of the City Code.*

*Consistent with the provisions of Rule 8.1 of the City Code, Opening Position Disclosures should be made by bwin.party and by any “offeror”, and all “dealings” in “relevant securities” of bwin.party by bwin.party, by any “offeror” or by any persons “acting in concert” with any of them, should be disclosed in a Dealing Disclosure by no later than 12:00 p.m. (London time) on the “business day” following the date of the relevant transaction.*

*“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of “securities”. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of “securities”, or by virtue of any option in respect of, or derivative referenced to, “securities”.*

*Terms in quotation marks are defined in the City Code, which can be found on the Panel’s website. If you are in any doubt as to whether not you should disclose a “dealing” by reference to the above, you should contact an independent financial adviser authorised by the FCA under the FSMA.*

### ***Electronic Communications***

*Please be aware that addresses, electronic addresses and certain information provided by bwin.party Shareholders, persons with information rights and other relevant persons for the receipt of communications from bwin.party may be provided to GVC during the Offer Period as requested under Section 4 of Appendix 4 of the City Code to comply with Rule 2.12(c) of the City Code.*

### ***Publication on Website and Availability of Hard Copies***

*A copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on GVC’s and bwin.party’s websites at [www.gvc-plc.com](http://www.gvc-plc.com) and [www.bwinparty.com](http://www.bwinparty.com) respectively by no later than 12 noon (London time) on the business day following this announcement. For the avoidance of doubt, the contents of those websites are not incorporated and do not form part of this announcement.*

*You may request a hard copy of this announcement by contacting the Company Secretary of bwin.party during business hours on +350 200 47191 or by submitting a request in writing to the Company Secretary of bwin.party at Suite 6, Atlantic Suites, Europort Avenue, Gibraltar. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.*

### ***Rounding***

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### ***Exchange rate***

*Where amounts are shown in Euros and Pounds sterling in this announcement, an exchange rate of £1.00/€1.3730 has been used which was derived from Factset as at 5:08 p.m. on 3 September 2015 (being the last date prior to the date of this announcement).*

**APPENDIX I**  
**CONDITIONS AND FURTHER TERMS OF THE SCHEME AND THE OFFER**

**Part A: Conditions of the Scheme and the Offer**

- 1 The Offer will be conditional upon the Scheme becoming unconditional and becoming effective by not later than the Long Stop Date.
- 2 The Scheme will be subject to the following conditions:
  - 2.1 its approval at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof) by a majority in number representing three-quarters or more in value of the bwin.party Shareholders who are on the register of members of bwin.party at the Scheme Voting Record Time and who are present and voting, either in person or by proxy;
  - 2.2 all resolutions in connection with or required to approve and implement the Scheme as set out in the notice of the bwin.party General Meeting (including, without limitation, the bwin.party Shareholder Resolution) being duly passed by the requisite majority at the bwin.party General Meeting; and
  - 2.3 the sanction of the Scheme by the Court (without modification or with modification on terms reasonably acceptable to bwin.party and GVC) and the delivery of an office copy of the Scheme Court Order to the Registrar of Companies within seven days of it being made.
- 3 Subject as stated in Part B below, the Offer will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

**Approval of GVC Shareholders and Admission to Trading of GVC Shares and New GVC Shares**

- (a) the resolutions of the GVC Shareholders required to:
  - a. approve, effect and implement the Offer;
  - b. authorise an increase in the authorised share capital of GVC;
  - c. confer authorities for the issue and allotment of the New GVC Shares to be issued in connection with the Offer and the Fundraising; and
  - d. confer authorities for the dis-application of pre-emption rights under GVC's articles of association in respect of the issue and allotment of the New GVC Shares to be issued in connection with the Fundraising,being duly passed at the GVC General Meeting (or at any adjournment thereof) in each case by the requisite majority of the GVC Shareholders; and
- (b) either:
  - a. (i) the UKLA having acknowledged to GVC or its agent (and such acknowledgement not having been withdrawn) that the application for the



admission of the GVC Shares and the New GVC Shares issued pursuant to the Offer to the Standard Segment of the UKLA Official List and to the Main Market of the London Stock Exchange has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the UKLA and any listing conditions having been satisfied and (ii) the London Stock Exchange having acknowledged to GVC or its agent (and such acknowledgement not having been withdrawn) that the New GVC Shares will be admitted to trading on the Main Market of the London Stock Exchange; or

- b. the London Stock Exchange agreeing to admit or re-admit (as applicable) the GVC Shares and the New GVC Shares to trading on AIM subject only to the Scheme becoming effective in accordance with its terms and/or, in the case of the New GVC Shares, to the allotment of such shares;
- (c) the Fundraising becoming unconditional in all respects (other than as to Admission and any conditions of the Placing Agreement and Subscription Letters relating to conditions of the Offer that will be satisfied by Admission), and Cenkos having received Placing Letters from Placees, and/or GVC having received Subscription Letters from Subscribers, together representing aggregate gross proceeds of at least £150 million, and none of such Placing Letters having been revoked by any Placee or otherwise terminated and none of such Subscription Letters having been revoked by any Subscriber or otherwise terminated;

#### **German anti-trust condition**

- (d) the German Federal Cartel Office (the "FCO") having:
  - a. cleared the Offer following a Phase 1 or Phase 2 investigation; or
  - b. notified any of the parties that the Offer does not fulfil the conditions for a notification,or if no such clearance or notice is made by the FCO,
  - c. the time limit set out in the first sentence of Section 40(1) of the German Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen* "GWB") having expired without the FCO having notified either of GVC or bwin.party that it has started an in-depth investigation; or
  - d. in Phase 2 proceedings the time limit set out in the second sentence of Section 40(2) GWB or an extended investigation period agreed to with the notifying undertakings pursuant to Section 40(2) sentence 4 no. 1 GWB having expired without the FCO having prohibited the transaction

#### **FCA change of control approval**

- (e) the sooner of:

- a. GVC having received written notification from the FCA that, following an application submitted to the FCA by GVC pursuant to section 178 of FSMA, the FCA has approved GVC and any other person who would become a Controller of bwin.party's Kalixa payments business as a result of the Offer, and such approval not having been revoked and being in full force and effect on the Effective Date; or
- b. the period within which the FCA may serve notice of objection of the proposed change of Controller of bwin.party's Kalixa payments business elapsing without such notice having been served on either GVC or bwin.party;

**Gibraltarian Financial Services Commission change of control**

- (f) the sooner of:
  - a. GVC having received written notification from the FSC that, following an application submitted to the FSC by GVC pursuant to section 10 of the Financial Services (Markets in Financial Instruments) Act 2006, the FSC has approved GVC and any other person who would become a Controller of bwin.party's InterTrader business as a result of the Offer, and such approval not having been revoked and being in full force and effect on the Effective Date; or
  - b. the assessment period under section 10A of the Financial Services (Markets in Financial Instruments) Act 2006 within which the FSC may serve notice of objection of the proposed change of Controller of bwin.party's InterTrader business elapsing without such notice having been served on either GVC, InterTrader or bwin.party;

**Licensing Authority of Gibraltar change of control approval**

- (g) the approval by the Licensing Authority (Gambling Division) of HM Government of Gibraltar of the acquisition of bwin.party by GVC;

**Malta Gaming Authority change of control approval**

- (h) all necessary notifications, filings or applications having been made to the Malta Gaming Authority ("MGA") and approval having been granted by the MGA in respect of a change in qualifying shareholding (as defined in the Maltese Remote-Gaming Regulations enacted by Legal Notice 176 of 2004) in the MGA-licensed entity of the bwin.party Group;

**French Ministry of Economy change of control approval**

- (i) in accordance with the provisions applicable to foreign investments in France, the offer is subject to the following condition: all necessary notifications, filings or applications having been made and all necessary authorizations (including as the case may be upon failure to respond at the expiry of the applicable period in which case the authorization is deemed to be granted), confirmations, clearances and controls in respect of the offer and the proposed acquisition of control of, bwin.party and its subsidiaries or members of its group having been obtained by GVC;

### **Other Notifications, waiting periods and authorisations**

- (j) other than in respect of Condition 3(a) to (h) (inclusive), and in respect of Condition 3(j) to (n) (inclusive), all material notifications, filings or applications which are necessary or are reasonably considered appropriate or desirable by GVC having been made in connection with the Offer and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Scheme and the Offer and all Authorisations which are necessary or are reasonably considered appropriate in any relevant jurisdiction for or in respect of the Scheme or the Offer and, except pursuant to Part VIII of the Gibraltar Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, bwin.party or any other member of the Wider bwin.party Group by any member of the Wider GVC Group having been obtained in terms and in a form reasonably satisfactory to GVC from all appropriate Third Parties and (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider bwin.party Group or the Wider GVC Group has entered into contractual arrangements in each case where the absence of such Authorisation would have a material adverse effect on the Wider bwin.party Group taken as a whole and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes effective and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew any of such Authorisations;

### **General antitrust and regulatory**

- (k) other than in respect of Conditions 3(a) to (i) (inclusive) and in respect of Condition 3(k) to (n) (inclusive), no antitrust regulator or Third Party having announced or given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider GVC Group or by any member of the Wider bwin.party Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) except pursuant to Part VIII of the Gibraltar Companies Act, require any member of the Wider GVC Group or the Wider bwin.party Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider bwin.party Group or any member of the Wider GVC Group or any asset owned by any Third Party (other than in the implementation of the Offer);

- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider GVC Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in bwin.party or on the ability of any member of the Wider bwin.party Group or any member of the Wider GVC Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider bwin.party Group;
- (iv) otherwise adversely affect any or all of the business, assets, profits or prospects of any member of the Wider bwin.party Group or any member of the Wider GVC Group;
- (v) result in any member of the Wider bwin.party Group or any member of the Wider GVC Group ceasing to be able to carry on business under any name under which, or in any jurisdiction in which it presently carries on business;
- (vi) make the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, bwin.party or any member of the Wider bwin.party Group by any member of the Wider GVC Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, materially prevent or prohibit, restrict, restrain, or delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere with or require material amendment of, the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, bwin.party or any member of the Wider bwin.party Group by any member of the Wider GVC Group;
- (vii) require, prevent or materially delay a divestiture, or materially alter the terms envisaged for such divestiture by any member of the Wider GVC Group or any member of the Wider bwin.party Group of any shares or other securities (or the equivalent) in any member of the Wider bwin.party Group or any member of the Wider GVC Group; or
- (viii) impose any material limitation on the ability of any member of the Wider GVC Group or any member of the Wider bwin.party Group to conduct its business or to integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider GVC Group and/or the Wider bwin.party Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of, or otherwise intervene in the Scheme or Offer or the acquisition or proposed acquisition of any bwin.party Shares having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- (l) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider bwin.party Group or the Wider GVC Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject, or any event or circumstance, which, as a consequence of the Scheme or the Offer or the acquisition or the proposed acquisition by any member of the Wider GVC Group of any shares or other securities (or the equivalent) in bwin.party or any member of the Wider bwin.party Group or because of a change in the control or management of any member of the Wider bwin.party Group or otherwise, could or might reasonably be expected to result in (in any case to an extent which is or would be material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole):
- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider bwin.party Group or the Wider GVC Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
  - (ii) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider bwin.party Group or the Wider GVC Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests thereunder of any member of the Wider bwin.party Group or the Wider GVC Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider bwin.party Group or the Wider GVC Group to make any severance, termination, bonus or other payment to any of its directors, other officers or employees;
  - (v) the rights, liabilities, obligations, interests or business of any member of the Wider bwin.party Group or any member of the Wider GVC Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider bwin.party Group or any member of the Wider GVC Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- (vi) any member of the Wider bwin.party Group or the Wider GVC Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vii) the value of, or the financial or trading position or prospects of, any member of the Wider bwin.party Group or the Wider GVC Group being prejudiced or adversely affected;
- (viii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider bwin.party Group or the Wider GVC Group other than the creation of liabilities incurred in the ordinary course of business;
- (ix) any assets owned or used by any member of the wider bwin.party Group or the Wider GVC Group, or any interest in any such asset, being or falling to be disposed of or charged or ceasing to be available to such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to such member; or
- (x) any requirement on any member of the Wider bwin.party Group or the Wider GVC Group to acquire, subscribe, pay up or repay any shares or other securities (other than as contemplated by the terms of the Offer and the Scheme),

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider bwin.party Group or the Wider GVC Group is a party or by or to which any such member or any of its assets is or will become bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in Conditions 3(l)(i) to (x) (inclusive);

**Certain events occurring since 31 December 2014**

- (m) except as Disclosed and except, where relevant, as between bwin.party and wholly owned subsidiaries of bwin.party or as between GVC and wholly owned subsidiaries of GVC, no member of the Wider bwin.party Group or the Wider GVC Group having since, 31 December 2014:
  - (i) issued or agreed to issue, or authorised or proposed or announced its intention to authorise or propose the issue of, additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of bwin.party Shares out of treasury or GVC Shares out of treasury (except for the issue or transfer out of treasury of bwin.party Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the bwin.party Share Schemes or as permitted under the GVC Co-Operation Agreement, and except for the issue or transfer out of treasury of GVC Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the GVC Share Schemes);

- (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than the Declared Dividends, any bwin.party Permitted Dividend and any GVC Permitted Dividends;
- (iii) other than pursuant to the Offer implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets (in each case otherwise than in the ordinary course of business) or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole;
- (iv) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so in any such case to an extent which is material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole;
- (v) issued or authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or become subject to any contingent liability or incurred or increased any indebtedness which in any such case is material in the context of the Wider bwin.party Group or the Wider GVC Group as a whole;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially onerous on the business of any member of the Wider bwin.party Group or the Wider GVC Group and which, in any such case, when taken together with any other such material transaction, arrangement, agreement, contract or commitment, is material in the context of the Wider bwin.party Group or the Wider GVC Group as a whole;
- (vii) entered into or varied to a material extent the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or, except for salary increases, bonuses or variations of terms, in the ordinary course of business, senior executive of any member of the Wider bwin.party Group or the Wider GVC Group;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider bwin.party Group or the Wider GVC Group which are material in the context of the Wider bwin.party Group or the

Wider GVC Group taken as a whole, save as agreed in writing between bwin.party and GVC;

- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) waived, compromised or settled any claim which is material in the context of the Wider bwin.party Group or the Wider GVC Group as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider bwin.party Group or the Wider GVC Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider bwin.party Group or the Wider GVC Group taken as a whole;
- (xii) made any material alteration to its memorandum or articles of association or other incorporation documents which in any such case is material in the context of the Offer as a whole;
- (xiii) except in relation to changes made as required by legislation or changes to legislation, made or agreed or consented to any change to:
  - (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider bwin.party Group or the Wider GVC Group for its directors or employees or their dependants;
  - (b) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to,to an extent which is in any such case material in the context of the Wider bwin.party Group or the Wider GVC Group;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business in any such case where such is material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole;
- (xv) (other than in respect of any member of the Wider bwin.party Group or the Wider GVC Group which is dormant and was solvent at the relevant time) taken or proposed any steps or corporate action or had any legal proceedings instituted



or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which in any such case is material in the context of the Wider bwin.party Group or the Wider GVC Group as a whole;

- (xvi) made, authorised, proposed or announced an intention to propose any change in its loan capital which in any such case is material in the context of the Wider bwin.party Group or the Wider GVC Group as a whole;
- (xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities; or
- (xviii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(m);

**No adverse change, litigation, regulatory enquiry or similar**

- (n) except as Disclosed, since 31 December 2014:
  - (i) no adverse change having occurred in, and no circumstance having arisen which would or might reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider bwin.party Group or the Wider GVC Group which in any such case is material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings by or against any member of the Wider bwin.party Group or the Wider GVC Group or to which any member of the Wider bwin.party Group or the Wider GVC Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced or instituted or remaining outstanding by, against or in respect of, any member of the Wider bwin.party Group or the Wider GVC Group, in each case in circumstances which might reasonably be expected to have a material adverse effect on the Wider bwin.party Group or the Wider GVC Group taken as a whole;
  - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider bwin.party Group or the Wider GVC Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider bwin.party Group or the Wider GVC Group, in each case in circumstances which might reasonably be expected to have a material adverse effect on the Wider bwin.party Group or the Wider GVC Group taken as a whole;

- (iv) no contingent or other liability having arisen or become apparent to GVC or bwin.party or other than in the ordinary course of business increased which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider bwin.party Group or the Wider GVC Group to an extent which is material in the context of the Wider bwin.party Group or, as the case may be, the Wider GVC Group taken as a whole;
- (v) no steps having been taken and no omissions having occurred which are reasonably likely to result in the withdrawal (without replacement), cancellation, termination or modification of any licence held by any member of the Wider bwin.party Group or the Wider GVC Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider bwin.party Group or the Wider GVC Group taken as a whole;

**No discovery of certain matters regarding information and liabilities**

- (o) except as Disclosed, GVC not having discovered in relation to the Wider bwin.party Group and bwin.party not having discovered in relation to the Wider GVC Group:
  - (i) that any financial, business or other information concerning the Wider bwin.party Group or the Wider GVC Group publicly announced prior to the date of this announcement or disclosed to any member of the Wider GVC Group by or on behalf of any member of the Wider bwin.party Group or to any member of the Wider bwin.party Group by or on behalf of any member of the Wider GVC Group at any time prior to the date of this announcement is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case to an extent which is material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole;
  - (ii) that any member of the Wider bwin.party Group or the Wider GVC Group or any partnership, company or other entity in which any member of the Wider bwin.party Group or the Wider GVC Group has a significant economic interest and which is not a subsidiary undertaking of bwin.party or GVC is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise which is material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole; or
  - (iii) that any past or present member of the Wider bwin.party Group or the Wider GVC Group has not complied in any respect with all applicable legislation, regulations or other requirements of any jurisdiction, or any Authorisations, relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans,

which non-compliance would be likely to give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider bwin.party Group or the Wider GVC Group which in any such case is material in the context of the Wider bwin.party Group or the Wider GVC Group taken as a whole;

#### **Anti-corruption**

- (iv) GVC discovering in relation to the Wider bwin.party Group or bwin.party discovering in relation to the Wider GVC Group that any member of the Wider bwin.party Group or the Wider GVC Group or any person that performs or has performed services for or on behalf of any such member is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation; or

#### **No criminal property**

- (v) GVC discovering in relation to the Wider bwin.party Group or bwin.party discovering in relation to the Wider GVC Group that any asset of any member of the Wider bwin.party Group or the Wider GVC Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

#### **Part B: Certain further terms of the Offer**

- 1** The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by GVC and bwin.party to be or remain satisfied by no later than the date referred to in Condition 1 (or such later date as GVC and bwin.party may agree and (if required) the Court may allow).
- 2** GVC reserves the right to waive, in whole or in part, Conditions 3(c) to 3(o) (inclusive), so far as they relate to bwin.party, the Wider bwin.party Group or any part thereof. Conditions 1, 2, 3(a) and 3(b) shall not be capable of being waived.
- 3** bwin.party reserves the right to waive, in whole or in part, Conditions 3(c) to 3(o) (inclusive), so far as they relate to GVC, the Wider GVC Group or any part thereof.
- 4** The Offer shall lapse if the acquisition of bwin.party by GVC is referred to the Chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Reform Act 2013 before the date of the Court Meeting.
- 5** Subject always to the provisions of the GVC Co-operation Agreement, neither GVC nor bwin.party shall be under any obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3(a) to 3(o) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

6 The bwin.party Shares acquired under the Offer shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement (save for any bwin.party Permitted Dividend).

7 If, prior to the Effective Date, any dividend or other distribution (other than any bwin.party Permitted Dividend) is declared or paid by bwin.party, GVC reserves the right (without prejudice to any right of GVC, subject to and in accordance with the GVC Co-operation Agreement, to invoke Condition 3(l)(ii) above) to reduce the cash element of the consideration payable under the Offer in respect of an bwin.party Share by the aggregate amount of such dividend or distribution (excluding associated tax credit).

If any such dividend or distribution (other than any bwin.party Permitted Dividend) is paid or made before the Effective Date, if GVC exercises its rights described in this paragraph, any reference in this announcement to the consideration payable under the Offer shall be deemed to be a reference to the consideration as so reduced.

To the extent that such a dividend or distribution has been declared but not paid prior to the Effective Date, and such dividend or distribution is cancelled, then the Offer Price shall not be subject to change in accordance with this paragraph.

Any exercise by GVC of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.

8 GVC reserves the right to elect, with the consent of the bwin.party Board in accordance with the GVC Co-operation Agreement, to implement the acquisition of the bwin.party Shares by way of a Takeover Offer as an alternative to the Scheme. In such event, the acquisition will be implemented by GVC and/or one or more wholly-owned subsidiaries of GVC on substantially the same terms as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at such percentage of the shares to which such offer relates, no greater than seventy-five per cent. (or, where any of the circumstances set out in Note 2 of Section 8 of Appendix 7 of the Code applies, ninety per cent.) of the voting rights carried by the bwin.party Shares to which the Offer relates, provided that this condition will not be satisfied unless GVC and/or any of its subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) bwin.party Shares carrying in aggregate more than fifty per cent. of the voting rights then normally exercisable at a general meeting of bwin.party, as GVC may decide.

9 The availability of the Offer to persons not resident in the United Kingdom or Gibraltar may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom or Gibraltar should inform themselves about and observe any applicable requirements.

- 10** The New GVC Shares to be issued pursuant to the Offer have not been and will not be registered under the US Securities Act nor under any of the relevant securities laws of Canada, Japan, Australia or the Republic of South Africa. Accordingly, the New GVC Shares may not be offered, sold or delivered, directly or indirectly, in the United States, Canada, Japan, Australia or South Africa, except pursuant to exemptions from, or transactions not subject to, applicable requirements of any such jurisdiction.
- 11** The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
- 12** Pursuant to, and subject to the provisions of, the GVC Co-operation Agreement, GVC and bwin.party have agreed to observe and comply with the City Code in relation to the conduct and execution of the Offer as though bwin.party were subject to the Code. Therefore, in accordance with Rule 13.5 of the City Code, GVC may not invoke a condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to GVC in the context of the Offer. Furthermore, bwin.party may not invoke a condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to bwin.party Shareholders in the context of the Offer. Whether, in each case, any such circumstances are of such material significance shall be determined in accordance with the relevant provisions of the GVC Co-operation Agreement. The conditions contained in Conditions 1, 2, 3(a) and 3(b) are not subject to this provision of the City Code.
- 13** Save as provided in the following sentence, the Offer will be governed by the laws of England and Wales and will be subject to the exclusive jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document, the applicable requirements of the Listing Rules, the City Code (as applied pursuant to the GVC Co-operation Agreement and bwin.party's articles of association), the London Stock Exchange, the FCA, the PRA, and the UKLA. The Scheme will be a Court-sanctioned scheme of arrangement between bwin.party and the Scheme Shareholders implemented under Part VIII of the Gibraltar Companies Act.
- 14** The New GVC Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing GVC Shares, save that they will not rank with existing GVC Shares for any dividends of GVC declared, made or paid on or prior to Completion.

## APPENDIX II

### SOURCES OF INFORMATION AND BASES OF CALCULATION

- (i) The aggregate Offer value of approximately £1.116 billion is based on a value of 4.53 pence per GVC Share, being the closing price on the London Stock Exchange on 3 September 2015 (being the last practicable date prior to the release of this announcement) on the basis of the fully-diluted number of bwin.party Shares in issue referred to in paragraph (iv) below and the aggregate value of the cash payable to participants in the bwin.party Share Plans by reason of the Offer as referred to in paragraph (v) below.
- (ii) Closing prices are taken from the London Stock Exchange Daily Official List for bwin.party Shares and for GVC Shares. Unless otherwise stated, all closing prices for bwin.party and GVC Shares are closing middle market prices derived from these sources.
- (iii) Volume weighted average closing prices are derived from Factset.
- (iv) bwin.party confirms 845,402,913 fully-diluted bwin.party Shares on the basis of 824,931,893 bwin.party Shares in issue (excluding 1,519,008 shares held by bwin.party's employee benefit trust) on 3 September 2015, being the last business day prior to the date of this announcement, and on the basis of 20,471,020 bwin.party Shares in respect of options and shares awarded which will become exercisable over new bwin.party Shares as a result of the Offer.
- (v) The aggregate value of the cash payable to participants in the bwin.party Share Plans by reason of the Offer is £20.2 million, such cash being payable in respect of awards to be granted in respect of the 2015 financial year under the bwin.party Share Plans and existing options under the Rollover Option Plan and the All-Employee Option Plan.
- (vi) GVC confirms 62,433,427 fully-diluted GVC Shares on the basis of 61,276,480 GVC Shares in issue on 3 September 2015, being the last business day prior to the date of this announcement, and on the basis of 1,156,947 GVC Shares in respect of existing options granted (excluding the awards held by members of the GVC Board under the 2010 LTIP which will be cash cancelled on Completion as referred to at paragraph 17 of this announcement.)
- (vii) The share capital of the Enlarged Group (being 293,266,524) has been calculated as the sum of:
  - (A) the fully diluted share capital of GVC as referred to in paragraph (vi) of this Appendix II;
  - (B) 35,545,024 New GVC Shares being issued under the Fundraising as referred to in paragraph 14 of this announcement; and
  - (C) 195,288,073 New GVC Shares being the maximum which would be issued under the terms of the Offer (being 0.231 New GVC Shares to be issued per bwin.party Share multiplied by the fully diluted share capital of bwin.party as referred to in paragraph (iv) of this Appendix II).
- (viii) The percentage of the share capital of the Enlarged Group that will be owned by bwin.party Shareholders of 66.6 per cent. is calculated by dividing the number of New GVC Shares to

be issued under the terms of the Offer referred to in paragraph (vii) of this Appendix II by the issued share capital of the Enlarged Group (as set out in paragraph (vii) of this Appendix II) and multiplying the resulting sum by 100 to produce a percentage.

- (ix) Unless otherwise stated, the financial information relating to bwin.party is extracted or derived (without any adjustment) from the annual report and audited accounts of bwin.party for the financial year ended 31 December 2014, prepared in accordance with IFRS.
- (x) Unless otherwise stated, the financial information relating to GVC is extracted from or derived (without adjustment) from the annual report and audited consolidated financial statements of GVC for the three years ended 31 December 2014, prepared in accordance with IFRS.
- (xi) Where amounts are shown in Euros and Pounds sterling in this announcement, an exchange rate of £1.00/€1.3730 has been used which was derived from Factset as at 5.08 p.m. on 3 September 2015 (being the last date prior to the date of this announcement).

**APPENDIX III  
IRREVOCABLE UNDERTAKINGS**

**PART A**

The following irrevocable undertakings include undertakings to vote in favour of the Scheme at the Court Meeting and the resolution(s) to be proposed at the General Meeting; and, if GVC exercises its right to implement the Offer by way of a Takeover Offer, to accept such Offer:

**bwin.party Directors' Irrevocable Undertakings**

<b>Name of bwin.party Director</b>	<b>Number of bwin.party Shares in respect of which undertaking is given</b>	<b>Percentage of bwin.party issued share capital</b>
Per Afrell	40,114	0.00%
Sylvia Coleman	75,000	0.01%
Georg Riedl	856,100	0.10%
Norbert Teufelberger	12,155,056	1.47%
Martin Weigold	1,000,000	0.12%
Philip Yea	261,857	0.03%

The irrevocable undertakings referred to will only cease to be binding if:

- (a) if the Scheme does not become effective or, if GVC elects, with the consent of the bwin.party Board (pursuant to the GVC Co-operation Agreement), to implement the Offer by way of by means of a Takeover Offer, the Offer does not become and is not declared unconditional as to acceptances, in each case by 31 March 2016 or such later date as GVC and bwin.party may agree in writing;
- (b) the bwin.party Board withdraws, adversely modifies or qualifies its recommendation to GVC Shareholders to vote in favour of the resolutions concerning the Offer;
- (c) GVC announces, with the consent of the bwin.party Board (pursuant to the GVC Co-operation Agreement), that it does not intend to make or proceed with the Offer and no new, revised or replacement Offer is announced at the same time;
- (d) the Offer lapses or is withdrawn and no new, revised or replacement Offer has been announced in its place or is announced at the same time; or
- (e) the Offer becomes or is declared wholly unconditional or the Scheme becomes effective.

**bwin.party Shareholders' Irrevocable Undertakings**

<b>Name of bwin.party Shareholder</b>	<b>Number of bwin.party Shares in respect of which undertaking is given</b>	<b>Percentage of bwin.party issued share capital</b>
Henderson Global Investors	41,961,305	5.09%



<b>Name of bwin.party Shareholder</b>	<b>Number of bwin.party Shares in respect of which undertaking is given</b>	<b>Percentage of bwin.party issued share capital</b>
Androsch Privatstiftung	33,147,090	4.02%

The Henderson Global Irrevocable referred to above shall lapse if:

- (a) the Scheme does not become effective or, if the Offeror elects to implement the Offer by way of a Takeover Offer, the Takeover Offer does not become and is not declared unconditional as to acceptances, in each case by the Long Stop Date; or
- (b) the grantor of the Henderson Irrevocable determines (at its sole and unfettered discretion) that the Henderson Irrevocable should lapse as a result of any new circumstances which arise (including, without limitation, as a result of any press announcements made by bwin.party, the Offeror or an alternative offeror for bwin.party) that materially alter the basis on which the Henderson Irrevocable has been given.

bwin.party has received a commitment from Androsch Privatstiftung to provide an irrevocable undertaking, such irrevocable undertaking, once provided, would lapse if:

- (a) the Scheme does not become effective or, if GVC elects, subject to GVC and bwin.party agreeing or as otherwise permitted in accordance with the GVC Co-operation Agreement, to implement the Offer by way of a Takeover Offer, the Takeover Offer does not become unconditional as to acceptances, in each case by the Long Stop Date or such later date as GVC and bwin.party may agree in writing;
- (b) GVC announces, with the consent of the board of directors of bwin.party (pursuant to the GVC Co-operation Agreement), that it does not intend to make or proceed with the Offer and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time; or
- (c) the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement Takeover Offer or Scheme has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time.

## **PART B**

The following irrevocable undertakings include undertakings to vote in favour of any resolutions of the GVC Shareholders referred to in Condition 3(a):

### **GVC Directors' Irrevocable Undertakings**

<b>Name of GVC Director</b>	<b>Number of GVC Shares in respect of which undertaking is given</b>	<b>Percentage of GVC issued share capital</b>
Kenny Alexander	108,740	0.18%
Lee Feldman	135,075	0.22%
Richard Cooper	1,667	0.003%

The irrevocable undertakings referred to will only cease to be binding if:

- (a) the Scheme does not become effective or, if GVC elects, with the consent of the bwin.party Board (pursuant to the GVC Co-operation Agreement), to implement the Offer by way of by means of a Takeover Offer, the Takeover Offer does not become and is not declared unconditional as to acceptances, in each case by 31 March 2016 or such later date as GVC and bwin.party may agree in writing;
- (b) the GVC Board withdraws, adversely modifies or qualifies its recommendation to GVC Shareholders to vote in favour of the resolutions concerning the Offer and/or the Fundraising;
- (c) GVC announces, with the consent of the bwin.party Board (pursuant to the GVC Co-operation Agreement), that it does not intend to make or proceed with the Offer and no new, revised or replacement Offer is announced at the same time;
- (d) the Offer lapses or is withdrawn and no new, revised or replacement Offer has been announced in its place or is announced at the same time; or
- (e) the Offer becomes or is declared wholly unconditional or the Scheme becomes effective.

#### **Other GVC Shareholder Irrevocable Undertakings**

<b>Name of GVC Shareholder</b>	<b>Number of GVC Shares in respect of which undertaking is given</b>	<b>Percentage of GVC issued share capital</b>
AXA Investment Managers UK Limited	960,000	1.57%
Certain funds managed by Capital Research & Management Company	2,038,442	3.33%
Caroline Alexander	313,333	0.51%
Pascale Mourier Cooper	335,000	0.55%
Richard Griffiths (and controlled undertakings)	6,833,950	11.15%
UBS Global Asset Management (UK) Ltd	766,861	1.25%

The GVC Shareholder Irrevocable Undertakings referred to above will only cease to be binding:

- (a) on the earlier of:
  - (i) the close of the extraordinary general meeting of GVC to be convened to approve the Proposed Transaction;
  - (ii) midnight on the Long Stop Date;

- (iii) midnight on the date upon which discussions between GVC and bwin.party in relation to the Proposed Transaction are terminated and this is announced, whether in accordance with the requirements of Rule 2.8 of the City Code on Takeovers and Mergers or otherwise; or
- (b) if the directors of GVC withdraw or adversely amend their recommendation to shareholders of GVC that they vote in favour of all resolutions seeking approval for the acquisition of bwin.party.

**GVC Shareholder Letter of Intent**

<b>Name of GVC Shareholder</b>	<b>Number of GVC Shares in respect of which undertaking is given</b>	<b>Percentage of GVC issued share capital</b>
Marathon Asset Management LLP	3,120,970	5.09%

## **APPENDIX IV DEFINITIONS**

The following definitions apply throughout this announcement unless the context requires otherwise:

<b>“888 Co-operation Agreement”</b>	the agreement dated 17 July 2015 between bwin.party and 888 relating to, among other things, the implementation of the 888 Offer;
<b>“888 Offer”</b>	888 Acquisitions Limited’s, a subsidiary of 888 Holdings plc, offer for bwin.party that was recommended by the bwin.party Board on 17 July 2015;
<b>“888 Offer Announcement”</b>	the press announcement released by 888 Acquisitions Limited, 888 Holdings plc and bwin.party on 17 July 2015 in relation to the 888 Offer;
<b>“Admission to Trading”</b> or <b>“Admitted to Trading”</b>	the satisfaction of the Conditions in either: (a) paragraph 3(b)(a) of Part A of Appendix I to this announcement in respect of the admission of the GVC Shares (together with the New GVC Shares) to (i) the UKLA Official List with a standard listing and (ii) trading on the Main Market of the London Stock Exchange; or (b) paragraph 3(b)(b) of Part A of Appendix I to this announcement in respect of the admission/re-admission of the GVC Shares (together with the New GVC Shares) to trading on AIM;
<b>“AIM”</b>	a market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the rules published by the London Stock Exchange which set out the rules and responsibilities in relation to a company with a class of securities admitted to AIM, as amended from time to time
<b>“Australia”</b>	the Commonwealth of Australia, its states, territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof;
<b>“Authorisations”</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
<b>“Business Day”</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London and Gibraltar;
<b>“bwin.party”</b>	bwin.party Digital Entertainment plc;
<b>“bwin.party Board”</b>	the board of bwin.party Directors;
<b>“bwin.party Directors”</b>	the directors of bwin.party;

<b>“bwin.party General Meeting”</b>	the general meeting of bwin.party Shareholders to be convened in connection with the Scheme to consider and, if thought fit, approve the bwin.party Shareholder Resolutions (with or without amendment) including any adjournment or postponement of any such meeting;
<b>“bwin.party Group”</b>	bwin.party and its subsidiary undertakings and, where the context permits, each of them;
<b>“bwin.party Permitted Dividend”</b>	the interim dividend of 1.92 pence per bwin.party Share declared by bwin.party on 28 August 2015, with a record date of 11 September 2015 and a payment date of 9 October 2015;
<b>“bwin.party Shareholders”</b>	the holders of bwin.party Shares;
<b>“bwin.party Shareholder Resolution”</b>	the resolution to be proposed by bwin.party at the General Meeting in connection with, among other things, the alteration of bwin.party’ articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the bwin.party Shares;
<b>“bwin.party Share Plans”</b>	the bwin.party 2014 Incentive Plan, the Bonus and Share Plan, the All-Employee Option Plan, the Rollover Option Plan, the Share Option Plan and the Global Share Plan (including the UK Share Incentive Plan);
<b>“bwin.party Shares”</b>	the fully paid up ordinary shares of 0.015 pence each in the capital of bwin.party;
<b>“Canada”</b>	Canada, its provinces and territories and all areas subject to its jurisdiction and all political sub-divisions thereof;
<b>“Cerberus”</b>	Cerberus Business Finance, LLC;
<b>“Cerberus Loan”</b>	has the meaning given in paragraph 21 of this announcement;
<b>“City Code”</b>	the City Code on Takeovers and Mergers;
<b>“Clean EBITDA”</b>	earnings before interest, taxation, depreciation, amortisation, impairment charges, share option charges and exceptional items
<b>“Clearances”</b>	the merger control, competition and regulatory approvals, consents, clearances, permissions, waivers and “no objection” statements required to be obtained in connection with the Offer prior to Completion;
<b>“Completion”</b>	completion of the proposed acquisition by GVC of the entire issued and to be issued ordinary share capital of bwin.party pursuant to the Offer;

<b>“Conditions”</b>	the conditions to the implementation of the Offer, as set out in Part A of Appendix I to this announcement and to be set out in the Scheme Document;
<b>“Confidentiality Agreement”</b>	the confidentiality agreement entered into between bwin.party and GVC dated 30 January 2015;
<b>“Controller”</b>	has the meaning given in section 422 of FSMA;
<b>“Court”</b>	the Supreme Court of Gibraltar;
<b>“Court Meeting”</b>	the meeting(s) of bwin.party Shareholders to be convened pursuant to an order of the Court under the Gibraltar Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;
<b>“CREST”</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
<b>“Dealing Disclosure”</b>	has the same meaning as in Rule 8 of the City Code;
<b>“Declared Dividends”</b>	in the case of bwin.party, the final dividend of 1.89 pence per bwin.party Share for the financial year ended 31 December 2014 paid on 27 May 2015 and, in the case of GVC, the interim dividend declared on 12 January 2015, the final dividend and special final dividend both declared on 23 March 2015 and the interim dividend of €0.14 announced on 8 July 2015 with a record date of 23 July 2015 and paid on 17 August 2015;
<b>“Deutsche Bank”</b>	Deutsche Bank AG, London Branch;
<b>“Disclosed”</b>	<p>in relation to bwin.party and the bwin.party Group, the information disclosed by, or on behalf of, bwin.party: (i) in the annual report and accounts of the bwin.party Group for the financial year ended 31 December 2014; (ii) in this announcement; (iii) in any other announcement to a Regulatory Information Service by or on behalf of bwin.party prior to the publication of this announcement; or (iv) as otherwise fairly disclosed in writing by or on behalf of bwin.party or any of its advisers to GVC (or any of its officers, employees, agents or advisers) prior to the date of this announcement; and</p> <p>in relation to GVC and the GVC Group, the information disclosed by, or on behalf of, GVC: (i) in the annual report and accounts of the GVC Group for the financial year ended 31 December 2014; (ii) in this announcement; (iii)</p>

	in any other announcement to a Regulatory Information Service by or on behalf of GVC prior to the publication of this announcement; or (iv) as otherwise fairly disclosed in writing by or on behalf of GVC or any of its advisers to bwin.party (or any of its officers, employees, agents or advisers) prior to the date of this announcement;
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms;
<b>“Election Return Time”</b>	the date and time to be detailed in the Scheme Document as the deadline for returning elections under the Mix and Match Facility;
<b>“Enlarged Group”</b>	the GVC Group as Enlarged by the bwin.party Group following completion of the Offer;
<b>“EU”</b>	the European Union;
<b>“Euroclear”</b>	Euroclear UK and Ireland Limited;
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA, and any successor body having the same or similar functions;
<b>“Form of Election”</b>	the form of election for use by an eligible Scheme Shareholder to participate in the Mix and Match Facility
<b>“Forms of Proxy”</b>	the forms of proxy in connection with each of the Court Meeting and the bwin.party General Meeting, which shall accompany the Scheme Document and <b>“Form of Proxy”</b> shall mean either of them as the context requires;
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000, as amended from time to time and any subordinate legislation thereto;
<b>“Fundraising”</b>	the GVC Placing and the Subscription;
<b>“Gibraltar Companies Act”</b>	the Companies Act 2014 of Gibraltar;
<b>“GVC”</b>	GVC Holdings plc;
<b>“GVC Board”</b>	the directors of GVC;
<b>“GVC Co-operation Agreement”</b>	the agreement dated 4 September 2015 between bwin.party and GVC relating, among other things, to the implementation of the Offer;
<b>“GVC General Meeting”</b>	the general meeting of GVC to be convened in connection with the Offer, notice of which will be set out in the GVC Prospectus (including any adjournment thereof);

<b>“GVC Group”</b>	GVC and its subsidiary undertakings and, where the context permits, each of them;
<b>“GVC Permitted Dividend”</b>	any interim dividend payable to GVC Shareholders declared, and with a record date falling, during the period from the date of this announcement to the Business Day prior to the date of Completion in an aggregate amount of €0.14 per share in respect of all such interim dividends declared in respect of such period;
<b>“GVC Placing”</b>	the proposed placing of New GVC Shares, details of which are set out in paragraph 14;
<b>“GVC Prospectus”</b>	the prospectus (or, if applicable, AIM admission document) relating to the Enlarged Group and Admission to Trading;
<b>“GVC Resolutions”</b>	the resolutions to be proposed at the GVC General Meeting to enable GVC to implement the Offer;
<b>“GVC Shareholders”</b>	holders of GVC Shares;
<b>“GVC Share Schemes”</b>	the GVC Holdings plc Employee Share Option Plan, the GVC Holdings plc 2010 Long Term Incentive Plan and the GVC Retention Plan;
<b>“GVC Shares”</b>	shares of €0.01 nominal value each in the share capital of GVC;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Japan”</b>	Japan, its cities, prefectures, territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Long Stop Date”</b>	means 31 March 2016 or such later date as bwin.party and GVC may agree and, if required, the Court may allow;
<b>“Mix and Match Facility”</b>	the mix and match facility under which it is proposed that bwin.party Shareholders would be able to elect, subject to the elections made by other bwin.party Shareholders, to vary the proportions in which they receive New GVC Shares and cash under the Offer;
<b>“New GVC Shares”</b>	the new GVC Shares proposed to be issued (i) to bwin.party Shareholders in connection with the Offer, (ii) to places pursuant to the GVC Placing and (iii) to the Subscriber pursuant to the Subscription;



<b>“Offer”</b>	the proposed acquisition by GVC of the entire issued and to be issued ordinary share capital of bwin.party to be effected by means of the Scheme (or if GVC so elects, with the consent of the bwin.party Board in accordance the GVC Co-operation Agreement, by means of a Takeover Offer) on the terms and subject to the Conditions set out in this announcement and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
<b>“Offer Period”</b>	the period commencing on the date of this announcement and ending on the date on which the “offer period” (as defined in the City Code) in respect of the Offer ends;
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the City Code;
<b>“Overseas Shareholders”</b>	bwin.party Shareholders (or nominees of, or custodians or trustees for, bwin.party Shareholders) not resident in, or nationals or citizens of, the United Kingdom or Gibraltar;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Placee”</b>	a person procured by Cenkos to subscribe for Placing Shares pursuant to the Placing Agreement;
<b>“Placing Agreement”</b>	the agreement entered into between GVC and Cenkos on 4 September 2015 in relation to the GVC Placing;
<b>“Placing Letter”</b>	the letters to be delivered or sent to Placees by Cenkos or its respective agents in connection with the GVC Placing;
<b>“Registrar of Companies”</b>	the Registrar of Companies in Gibraltar;
<b>“Regulatory Information Service”</b>	any of the services set out in Appendix III to the UK Listing Rules;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where the extension or availability of the Offer would breach any applicable law;
<b>“Restricted Overseas Shareholder”</b>	a holder of Scheme Shares whose registered address is in any Restricted Jurisdiction or who is resident in any Restricted Jurisdiction and who has not, prior to the Election Return Time been able to satisfy bwin.party and GVC in their absolute discretion, that the making of an election by that holder is exempt from or not subject to the registration or other legal or regulatory requirements of the relevant Restricted Jurisdiction;
<b>“Revised 888 Proposal”</b>	has the meaning given to it in paragraph 8 of this announcement;
<b>“Scheme”</b>	the proposed scheme of arrangement under Part VIII of the

	Gibraltar Companies Act between bwin.party and the Scheme Shareholders in connection with the Offer, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by bwin.party and GVC;
<b>“Scheme Court Order”</b>	the order of the Court sanctioning the Scheme under Part VIII of the Gibraltar Companies Act;
<b>“Scheme Document”</b>	the document to be sent to bwin.party Shareholders, containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting;
<b>“Scheme Record Time”</b>	the record date and time for the Scheme, specified in the Scheme Document;
<b>“Scheme Shareholders”</b>	holders of Scheme Shares;
<b>“Scheme Shares”</b>	ordinary shares in the capital of bwin.party that are subject to the Scheme, as defined in the Scheme Document;
<b>“Scheme Voting Record Time”</b>	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. (London time) on the day which is two days before the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two days before the date of such adjourned Court Meeting;
<b>“SEC”</b>	the US Securities and Exchange Commission;
<b>“Significant Interest”</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>“Sportingbet”</b>	Sportingbet plc;
<b>“Subscribers”</b>	any US-resident investor who subscribes for Subscription Shares pursuant to a Subscription Letter;
<b>“Subscription”</b>	the proposed subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Letters, to be made outside of the Placing and pursuant to Regulation D of the US Securities Act, details of which are set out in paragraph 14;
<b>“Subscription Letter”</b>	the letter to be delivered or sent to the Subscriber by GVC in connection with the Subscription;
<b>“Subscription Shares”</b>	the New GVC Shares proposed to be issued pursuant to the

	Subscription;
<b>“Takeover Offer”</b>	a takeover offer subject to the terms set out in paragraph 6 of Part B of Appendix I to this announcement;
<b>“Third Party”</b>	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction;
<b>“UK Listing Rules”</b>	the rules and regulations made by the Financial Conduct Authority in its capacity as the UKLA under the Financial Services and Markets Act 2000, and contained in the UKLA’s publication of the same name;
<b>“UKLA”</b>	the UK Listing Authority, being the Financial Conduct Authority;
<b>“UKLA Official List”</b>	the Official List maintained by the UKLA;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>“US bwin.party Shareholders”</b>	bwin.party Shareholders (or nominees of, or custodians or trustees for bwin.party Shareholders) resident in the US;
<b>“US Exchange Act”</b>	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
<b>“US Securities Act”</b>	the US Securities Act 1933, as amended, and the rules and regulations promulgated thereunder;
<b>“Wider bwin.party Group”</b>	bwin.party and associated undertakings and any other body corporate, partnership, joint venture or person in which bwin.party and such undertakings (aggregating their interests) have a Significant Interest;
<b>“Wider GVC Group”</b>	GVC and its associated undertakings and any other body corporate, partnership, joint venture or person in which GVC and all such undertakings (aggregating their interests) have a Significant Interest; and
<b>“William Hill”</b>	William Hill plc.

For the purposes of this announcement, **“subsidiary”**, **“subsidiary undertaking”** and **“undertaking”** have the respective meanings given thereto by the UK's Companies Act 2006.

All references to “**pounds**”, “**pounds Sterling**”, “**Sterling**”, “**£**”, “**GB£**” “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All references to “**Euros**” and “**€**” are to Euros.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.

**Schedule 2**  
**bwin.party Restricted Actions**

During the Relevant Period, bwin.party shall not, and shall procure that members of the bwin.party Group shall not, take any action which would be prohibited by Rule 21.1 of the Code if the Code applied to bwin.party, without such action being: (i) approved in writing by Offeror in advance; (ii) approved by a decision of the Code Committee or a Code Ruling, in each case in accordance with Clause 3 or (iii) approved by bwin.party Shareholders in a general meeting in accordance with the requirements of Rule 21.1 of the Code.

### **Schedule 3**

#### **Offeror Restricted Actions**

During the Relevant Period, except as contemplated by this Agreement, Offeror shall not, and shall procure that members of the Offeror Group shall not, take any of the following actions, without such action being: (i) approved in writing by bwin.party in advance (such approval not to be unreasonably withheld or delayed); or (ii) as required by applicable law:

1. declare or pay, or propose to declare or pay, any dividends on or make other distributions in respect of any share capital of any member of the Offeror Group (whether in cash, shares or property or any combination thereof), except for:
  - (a) interim dividends to shareholders of Offeror with record and payment dates that are generally consistent with past practice and, in accordance with market expectations as at the date of this Agreement, and which shall not in any event exceed in aggregate €0.14 per Offeror Share in the period from the date of this Agreement until the Long Stop Date; and
  - (b) dividends or distributions to Offeror or a wholly-owned subsidiary of Offeror by a subsidiary of Offeror,

provided that the foregoing shall not prohibit the payment of any dividends and distributions with a record date after the Effective Date;

2. issue any shares or any securities convertible into or exchangeable for any shares, or grant any rights, warrants or options to acquire any shares or any such securities, in the case of Offeror Shares at less than the fair market value of the Offeror Shares on the date of issuance, except:
  - (a) to Offeror or a wholly owned subsidiary of Offeror by a wholly-owned subsidiary of Offeror;
  - (b) on arms' length terms in connection with investments by third parties in any member of the Offeror Group (other than Offeror) that is a fund, partnership, joint venture, strategic alliance or similar entity;
  - (c) for grants, vestings or exercises of warrants in existence at the date of this Agreement, options and other equity incentive awards in relation to any employee share scheme established by any member of the Offeror Group in the ordinary course of business or as disclosed in the Press Announcement;
  - (d) for any Offeror Shares issued to bwin.party Shareholders in the Offer or Fundraising; and
  - (e) withholding of shares of any member of the Offeror Group to satisfy:
    - (i) tax obligations pertaining to the exercise of options or the vesting or settlement of equity incentive awards granted by any member of the Offeror Group; or
    - (ii) the exercise price with respect to options granted by any member of the Offeror Group;

3. consolidate, sub-divide or reclassify any of its shares, except for:
  - (a) any such transaction by a wholly owned subsidiary of Offeror which remains a wholly owned subsidiary of Offeror after consummation of such transaction;
  - (b) any such transaction on arms' length terms by any member of the Offeror Group (other than Offeror) that is a fund, partnership, joint venture, strategic alliance or similar entity; and
  - (c) any such action in respect of Offeror Shares pursuant to the terms of the Offer;
4. other than on arms' length terms, directly or indirectly, repurchase, redeem or otherwise acquire any of its shares in its capital or any rights, warrants or options to acquire any such shares, except:
  - (a) for transactions among Offeror and its wholly owned subsidiaries or among Offeror's wholly owned subsidiaries; and
  - (b) as permitted pursuant to paragraphs Schedule 32(c)Schedule 2(c) and 2(e) of this Schedule 3; and
5. amend its constitutional documents in any manner that would have a material and adverse impact on the value of, or rights attaching to, the Offeror Shares issued to the bwin.party Shareholders pursuant to the Offer.

**Schedule 4**  
**bwin.party Incentive Arrangements**

bwin.party and Offeror agree that the following arrangements will, where appropriate subject to the Offer becoming effective in all respects, be implemented with respect to bwin.party's existing incentive arrangements. For the avoidance of doubt, references to bwin.party's employees in this Schedule 4 shall include the executive directors of bwin.party, unless otherwise stated.

In the event that the Offer is effected by way of a Takeover Offer, references to "Sanction Date" in this Schedule 4 shall be read as if they referred to the date on which the Takeover Offer becomes or is declared unconditional in all respects.

**1. bwin.party Share Plans**

- 1.1 Offeror agrees that (i) participants in the bwin.party Share Plans shall be able, in accordance with and to the extent permitted under the provisions of the relevant bwin.party Share Plans, to exercise their options or realise their vested awards in connection with the Offer; and that (ii) the Offeror will acquire the bwin.party Shares acquired by participants on the exercise of their options or vesting of their awards on the same terms and for the same consideration as is available to other bwin.party Shareholders under the Offer.
- 1.2 Without prejudice to the generality of paragraph 1.1, if the Offer is effected by way of the Scheme, bwin.party and Offeror agree that shareholder approval will be sought for an amendment to the articles of association of bwin.party so that any bwin.party Shares issued after the Scheme Record Time pursuant to the exercise of options or vesting of awards under the bwin.party Share Plans will be compulsorily acquired by Offeror and/or its nominee on the same terms and for the same consideration as were available to other bwin.party Shareholders under the Scheme.
- 1.3 Offeror acknowledges that the extent to which options and awards outstanding under the bwin.party Share Plans vest in connection with the Offer is to be determined by the bwin.party Remuneration Committee in accordance with the rules of the relevant bwin.party Share Plan.
- 1.4 Offeror agrees that it will pay participants in the bwin.party Rollover Option Plan who hold Underwater Options a cash sum equal to the Black-Scholes value of that Underwater Option based on the twelve-month volatility as at the Effective Date and using a Black-Scholes valuation formula agreed by bwin.party and the Offeror, in consideration for the cancellation of such outstanding Options.
- 1.5 bwin.party and Offeror agree that if bwin.party and Offeror agree that it is appropriate for tax, securities law or administrative reasons in any country, Offeror will either offer or, to the extent permitted by the rules of the relevant bwin.party Share Plan, pay to holders of options and awards a cash sum equal to the latent profit in their option or award being (i) in the case of an option, the difference between the exercise price per share (if any) and the value of the consideration being offered to bwin.party Shareholders under the Scheme multiplied by the number of bwin.party Shares in respect of which the option is exercised and (ii) in the case of an award, the value of the consideration being offered to bwin.party



Shareholders under the Scheme multiplied by the number of bwin.party Shares in respect of which the award vests.

- 1.6 bwin.party agrees to assist Offeror and their advisers to prepare, in a form to be agreed between bwin.party and Offeror, communications (or, if applicable, multiple series of communications) to each of the participants in the bwin.party Share Plans to enable Offeror to satisfy its obligations under paragraphs 1.1, 1.4 and 1.5, and to send, or arrange for the sending of such communications (or series of communications, as the case may be) to participants at the appropriate time(s) (such time(s) to be agreed between the Parties).
- 1.7 Offeror acknowledges and agrees that bwin.party:
- (a) will make grants under the bwin.party Share Plans in respect of the 2014 financial year over a maximum of 11,454,218 bwin.party Shares on or shortly following the date of this Agreement to satisfy pre-existing obligations to employees; and
  - (b) may decide to make grants in respect of bwin.party Shares under the bwin.party Share Plans in respect of the 2015 financial year in accordance with its normal practice and in a manner consistent with historic practice (including granting Matching Shares (as defined in, and in accordance with the terms of, the Global Share Plan), provided that such grants shall be cash settled at a value of not more than £14,464,482.
- 1.8 As at the date of this Agreement the Trust holds approximately 600,000 unallocated bwin.party Shares. Subject always to bwin.party's ability to make recommendations to the trustee of the Trust to use the unallocated bwin.party Shares to satisfy awards vesting in the normal course prior to the Effective Date, the parties agree that the trustee of the Trust will be requested to agree to satisfy certain options and awards vesting or becoming exercisable as a consequence of the Offer, using these unallocated bwin.party Shares in priority to bwin.party issuing bwin.party Shares to satisfy such options and awards.

## **2. Pay Reviews and Bonus Arrangements**

- 2.1 Subject to paragraph 2.2, Offeror acknowledges that the bwin.party Group operates bonus arrangements including the Bonus and Share Plan and the Main Bonus Plan (together, the **Bonus Arrangements**) which include business performance targets and functional performance targets and that bwin.party shall continue to operate these arrangements in accordance with its normal practice and in a manner consistent with historic practice through to the Effective Date. The maximum aggregate amount payable to participants under the Bonus Arrangements in respect of the 2015 financial year will not exceed €16 million.
- 2.2 bwin.party confirms that prior to the Effective Date it will deal with awards made (or to be made) under the Bonus Arrangements in accordance with the rules of that Bonus Arrangement.
- 2.3 Offeror agrees that if the Effective Date occurs before the end of a performance period applicable to a Bonus Arrangement, the bwin.party Remuneration Committee may decide to measure the extent to which the performance targets for the relevant performance

period have been satisfied as at the Effective Date and determine the amount of the bonus payable to each participant for that performance period and bwin.party may either:

- (a) pay such bonus amount for that period in full to each participant at the usual date as determined in accordance with the rules of the relevant Bonus Arrangement; or
- (b) pay such bonus amount for that period to each participant at the Effective Date pro-rated to reflect the number of days in the performance period that have been worked up to the Effective Date.

2.4 If bwin.party does make pay a pro-rated payment to participants in the Bonus Arrangements at the Effective Date, Offeror agrees that employees shall continue to participate in the same or an equivalent incentive scheme in respect of the remainder of the performance period and that it will make, or procure bwin.party to make, bonus awards to such employees to be assessed on the basis of their functional performance for that period provided that the aggregate bonus awards paid will not be less than the total that would have been payable under the original Bonus Arrangement for the remaining part of the performance period in accordance with the bwin.party Remuneration Committee's determination pursuant to paragraph 2.3.

2.5 Offeror agrees that if any part of a bonus is required under the terms of the applicable Bonus Arrangement to be paid in or deferred into bwin.party Shares at or following the Effective Date, then it may be satisfied by an immediate cash payment equal in value to the bwin.party Shares to which the employee would have been entitled.

2.6 Offeror acknowledges and agrees that annual pay reviews for bwin.party employees shall be carried out by bwin.party in the ordinary course of business and in line with past practice.

### **3. Severance Arrangements**

3.1 Offeror confirms that the existing employment rights of all bwin.party employees will be fully safeguarded and pension obligations complied with. In addition, Offeror has confirmed to bwin.party that for a period of 2 years from the Effective Date, bwin.party employees will continue to benefit from terms relating to redundancy and severance which apply as at the date of this Agreement.

3.2 Offeror agrees that, notwithstanding any contractual ability to do otherwise pursuant to the relevant bwin.party employee's service contract, if the employment of any bwin.party employee is terminated by bwin.party other than for gross misconduct within two years of the Effective Date Offeror shall:

- (a) not require such bwin.party employee to serve any period of his/her notice period; and
- (b) subject to the bwin.party employee entering into a customary severance/settlement agreement (including an appropriate release of claims against the Group) if: (i) required to do so by the Offeror; and (ii) such agreements are lawful and effective in the relevant jurisdiction, in respect of any severance payment or payment in lieu of notice payable to such bwin.party

employee, pay (or procure that bwin.party pays) such payments in a single lump sum within 30 Business Days of the date on which such employee's employment terminates. For the avoidance of doubt, the payment shall not be reduced by reason of the accelerated receipt or to take account of any duty to mitigate which may apply to the bwin.party employee.

#### **4. Retention Arrangements**

- 4.1 Offeror has agreed that, for the purpose of protecting the business to be acquired pursuant to the Offer, bwin.party may make cash retention awards to employees whose recruitment and/or retention is considered critical for (a) achieving the successful completion of the Offer; and/or (b) business continuity throughout the period up to the Effective Date.

#### **5. Third Party Rights**

- 5.1 A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 or under any statutory provision to enforce any of the terms in this Schedule 4.