

**GVC Holdings PLC**  
**("GVC", the "Group")**

**Recommended Offer for Ladbrokes Coral Group Plc ("Ladbrokes Coral") by GVC effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006 ("Scheme")**

**1. Introduction**

This note is intended to provide UK resident shareholders of Ladbrokes Coral with certain further information in relation to the capital gains tax treatment of the disposal of their Ladbrokes Coral Shares under the Scheme.

Since the RNS communication released on 29 March 2018 (RNS no. 3288J),<sup>1</sup> HM Revenue and Customs have agreed the valuation of the CVR for the purposes of apportioning the base cost in the Ladbrokes Coral Shares across the three components of the Offer Consideration.

Unless otherwise defined, capitalised terms used in this document have the meanings given to them in the scheme document published by Ladbrokes Coral on 9 February 2018 (the "**Scheme Document**").

***The paragraphs below are intended as a general guide only to the capital gains tax treatment of the disposal of the Ladbrokes Coral Shares and do not constitute tax advice. These paragraphs apply only to Scheme Shareholders who are resident for tax purposes in the UK. They relate only to certain limited aspects of the UK capital gains tax treatment of Scheme Shareholders and insofar as any of the below relates to UK individual Scheme Shareholders it is intended to apply only to Scheme Shareholders who are resident and domiciled in the UK for UK tax purposes and who are and were the absolute direct beneficial owners of their Ladbrokes Coral shares ("UK Holders").***

***The comments only apply to shareholders who held, and will hold, their shares as investments and not as securities to be realised in the course of a trade (and the shares were not held, and are not held, through a New Individual Savings Account or a Self-Invested Personal Pension). They may not apply to certain shareholders, such as dealers in securities, insurance companies and collective investment schemes, shareholders who are exempt from taxation, shareholders who acquired their ordinary shares under share plans and shareholders who***

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<sup>1</sup> <https://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/GVC/13586473.html>

**have (or are deemed to have) acquired their ordinary shares by virtue of an office or employment. Such persons may be subject to special rules. Any shareholder who is in any doubt about their tax position should consult their own professional advisers.**

**Unless otherwise specified, all legislative references in this note are references to the Taxation of Chargeable Gains Act 1992.**

## **2. Apportionment of base cost**

As set out in paragraph 7 of Part 8 of the Scheme Document, it is necessary for UK Holders within the charge to the UK taxation of chargeable gains to apportion their base cost in their Ladbrokes Coral Shares between the three components of the consideration received by them under the Scheme by reference to the respective market values of the New GVC Shares, cash and CVRs received.

Ladbrokes Coral has now agreed with HMRC the market value of the CVRs for these purposes. The value of a CVR has been calculated as being equal to the difference between the closing price of a Ladbrokes Coral Share (173.50p) and the aggregate value of the cash (32.7p) and New GVC Share (129.579p) components of the Offer Consideration. This amounts to 11.221p. An indication of how a UK Holder's base cost in his or her Ladbrokes Coral Shares might be apportioned across the three components of the consideration received under the Scheme is set out below for illustrative purposes only.

This apportionment is based on:

- a closing share price for Ladbrokes Coral Shares of 173.50p per share;
- a share price for New GVC Shares of 919p per share (based on the closing share price for GVC shares on 29 March 2018, the first day on which the new GVC Shares were admitted to trading), making 0.141 of a New GVC Share under the Scheme worth 129.579p;
- no Mix and Match Elections having been made by the relevant UK Holder; and
- the value of a CVR being 11.221p (as agreed with HMRC).

	<b>Respective market value (p)</b>	<b>Percentage</b>
<b>Cash</b>	32.7	18.847
<b>New GVC Shares</b>	129.579	74.685
<b>CVRs</b>	11.221	6.467
<b>Total</b>	173.50	100