This document (the "**Prospectus**") comprises a prospectus for the purposes of Article 3 of the European Union Directive 2003/71/EC (as amended) (the "**Prospectus Directive**") relating to the New 888 Shares and has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**"). This Prospectus has been filed with the FCA and has been made available to the public in accordance with the Prospectus Rules. A copy of this Prospectus has also been delivered to the Gibraltar Companies Registrar pursuant section 77 of the Gibraltar Companies Act.

888 Holdings Public Limited Company ("**888**" or the "**Company**"), and the Directors and the Proposed Directors, whose names appear on pages 157 and 158 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Investors are advised to examine all the risks that might be relevant in connection with the value of an investment in the New 888 Shares. Investors should read this Prospectus in its entirety and, in particular, Part II ("*Risk Factors*") for a discussion of certain risks and other factors that should be considered in connection with an investment in the Company, the Enlarged Group and the New 888 Shares.

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888 HOLDINGS PUBLIC LIMITED COMPANY

(Registered in Gibraltar with registered number 90099)

Proposed issue of up to 341,557,940 new ordinary shares of 0.5 pence each to be issued by the Company in connection with the proposed recommended offer by the Company for the entire issued and to be issued ordinary share capital of bwin.party digital entertainment plc to be implemented by way of a scheme of arrangement under Part VIII of the Gibraltar Companies Act 2014

and

Application for admission of the New 888 Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities

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Sponsor

Investec Bank plc

ISSUED ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Number	*Nominal Value of Issued Ordinary Shares*
698,343,109	£3,491,716

Issued and fully paid ordinary shares of 0.5 pence each

The Existing 888 Shares are currently listed on the premium listing segment of the Official List and traded on London Stock Exchange plc's (the "**London Stock Exchange**") main market for listed securities (the "**Main Market**"). Applications have been made by the Company to the FCA for the New 888 Shares to be issued pursuant to the Proposed Acquisition to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New 888 Shares to be admitted to trading on the Main Market (together, "**Admission**"). It is expected that Admission will occur and that dealings in the New 888 Shares will commence on or shortly after the Effective Date. The New 888 Shares will, when issued, rank *pari passu* in all respects with the Existing 888 Shares. Completion of the Proposed Acquisition is conditional, *inter alia*, on the UKLA having acknowledged that the application for admission of the New 888 Shares to listing on the premium listing segment of the Official List has been approved and the London Stock Exchange having acknowledged that the New 888 Shares will be admitted to trading on the Main Market. The New 888 Shares are not being made generally available to the public in conjunction with the Proposed Acquisition. No application has been made for the New 888 Shares to be admitted to listing or dealt with on any other exchange.

Investors should only rely on the information contained in this Prospectus and the documents (or parts thereof) incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and the documents (or parts thereof) incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, the Proposed Directors, Investec Bank plc ("**Investec**" or the "**Sponsor**") or Stifel, Nicolaus & Company, Incorporated ("**Stifel**"). In particular, the contents of 888's and bwin.party's websites do not form part of this Prospectus and investors should not rely on them.

Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Prospectus Rule 3.4, neither the delivery of this Prospectus nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company, the 888 Group, the bwin.party Group or the Enlarged Group since the date of this Prospectus or that the information in it is correct as of any time subsequent to its date. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Investec is authorised by the Prudential Regulation Authority (the "**PRA**") and regulated by the PRA and the FCA and is acting as sponsor, financial adviser and corporate broker to the Company and no one else in connection with the Proposed Acquisition or the contents of this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in connection with the Proposed Acquisition, the contents of this Prospectus or any matter referred to in this Prospectus.

Investec, Stifel and any of their affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company, members of the 888 Group and the 888 Shareholders or members of the bwin.party Group and the bwin.party Shareholders for which they would have received customary fees. Investec, Stifel and any of their affiliates may provide such services to the Company, members of the 888 Group and the 888 Shareholders, members of the bwin.party Group and the bwin.party Shareholders and any of their respective affiliates in the future.

Recipients of this Prospectus are authorised to use it solely for the purpose of considering the terms of the Proposed Acquisition and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering the terms of the Proposed Acquisition or an investment in the New 888 Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

THE CONTENTS OF THIS PROSPECTUS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

NONE OF THE COMPANY, INVESTEC OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, IS MAKING ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR OF THE NEW 888 SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE NEW 888 SHARES BY SUCH PROSPECTIVE INVESTOR UNDER THE LAWS APPLICABLE TO SUCH PROSPECTIVE INVESTOR.

THIS PROSPECTUS DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, SUCH SECURITIES BY ANY PERSON IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL.

Notice to Overseas Shareholders

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy any New 888 Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or would impose any unfulfilled registration, publication or approval requirements on the Company or bwin.party or any of their respective directors, officers, agents and advisers. No action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the New 888 Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law (a "**Restricted Jurisdiction**"). Accordingly, neither this Prospectus nor any advertisement nor any other offering material may be distributed or published in any Restricted Jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions 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 Proposed Acquisition disclaim any responsibility or liability for the violation of such requirements by any person.

Unless otherwise determined by the Company or bwin.party or required by the City Code (as if applied), and permitted by applicable law and regulation, the Proposed Acquisition is not being, and will not be, made available, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality of interstate or foreign commerce of, or by any facility of a national state or other securities exchange of any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and no person may vote in respect of the Proposed Acquisition by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction or any other jurisdiction, if to do so would constitute a violation of the laws of that jurisdiction.

Copies of this Prospectus and all documents relating to the Proposed Acquisition are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this Prospectus (including, without limitation, agents, nominees, custodians and trustees) must not distribute, send or mail it in, into or from such jurisdiction. Any person (including, without limitation, any agent, nominee, custodian or trustee) who has a contractual or legal obligation, or may otherwise intend, to forward this Prospectus and/or any other related document to a jurisdiction outside the United Kingdom, the United States and Gibraltar should inform themselves of, and observe, any applicable legal or regulatory requirements of such jurisdiction.

This Prospectus has been prepared for the purposes of complying with English law, Gibraltar law, the Listing Rules and the Prospectus Rules and the information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws and regulations of any other jurisdiction. Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Proposed Acquisition in their particular circumstances.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER THIS CHAPTER WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

The date of this Prospectus is 28 August 2015.

TABLE OF CONTENTS

Part I	**Summary Information**	5
Part II	**Risk Factors**	22
Part III	**Directors, Proposed Directors, Secretary, Registered Office and Advisers**	49
Part IV	**Expected Timetable of Principal Events and Indicative Statistics**	51
Part V	**Presentation of Information**	54
Part VI	**Details of the Proposed Acquisition**	64
Part VII	**Information on the Enlarged Group**	81
Part VIII	**Historical Financial Information in relation to the 888 Group**	104
Part IX	**Operating and Financial Review of the 888 Group**	107
Part X	**Historical Financial Information in relation to the bwin.party Group**	112
Part XI	**Operating and Financial Review of the bwin.party Group**	114
Part XII	**Unaudited *pro forma* financial information of the Enlarged Group**	119
Part XIII	**Regulatory Overview**	129
Part XIV	**Taxation**	142
Part XV	**CREST and Depositary Interests**	153
Part XVI	**Directors, Proposed Directors and Corporate Governance**	157
Part XVII	**Additional Information**	163
Part XVIII	**Definitions**	233

PART I

SUMMARY INFORMATION

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A to E (**A.1** to **E.7**).

This summary contains all the Elements required to be included in a summary for this type of security and Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and Company, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
Element	**Disclosure Requirement**	**Disclosure**
A.1	**Warning to investors**	This summary should be read as an introduction to this Prospectus. Any decision to invest in the New 888 Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches to the Directors, the Proposed Directors and the Company, who are responsible for this summary including any translation thereof, but only if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New 888 Shares.
A.2	**Subsequent resale or final placement of securities by financial intermediaries**	Not applicable. The Company is not engaging any financial intermediaries for subsequent resale or final placement of the New 888 Shares after publication of this Prospectus.

SECTION B – COMPANY		
Element	**Disclosure Requirement**	**Disclosure**
B.1	**Legal and commercial name**	The legal and commercial name of the Company is 888 Holdings Public Limited Company.
B.2	**Domicile, legal form and country of incorporation of the Company**	The Company was incorporated in the British Virgin Islands and subsequently re-domiciled in Gibraltar from Antigua and Barbuda on 17 December 2003. On 16 February 2005, the Company re-registered as a public limited company in Gibraltar, with registered number 90099. The Company operates under the Gibraltar Companies Act 2014.
B.3	**Current operations, principal activities and principal markets**	The 888 Group is the ninth largest online gaming company in the world based on revenue. The 888 Group's principal B2C product verticals are as follows: • *Casino:* 888casino offers more than 250 games, including classic casino table games such as blackjack and roulette, live dealer table games and a wide variety of popular video slot titles including branded video slots. The 888 Group's casino games are available across mobile and desktop platforms. In 2014, casino represented 48.5% of the 888 Group's overall revenue. • *Poker:* The 888 Group's gaming software allows players to enjoy a range of poker variations including live PokerCam games, Private Games, 'Snap' Poker (fast fold), Cash Games, SNG (Sit & Go) games and MTTs (Multi-table Tournaments). In 2014, poker represented 20.6% of the 888 Group's overall revenue. • *Bingo:* Each of the 888 Group's bingo sites offers a broad variety of games including 90-ball and 75-ball bingo games, online slots, progressive jackpots table games and scratchcards. All of these can be played across desktop, mobile and tablet platforms. In 2014, bingo represented 10.2% of the 888 Group's overall revenue.

		• *Sports betting:* 888sport, the main sports betting brand in the 888 Group's emerging offering, offers a range of live and pre-match global markets, with "cash-in" functionality available. In 2014, sports betting represented 4.4% of the 888 Group's overall revenue. The 888 Group also provide B2B services to third-party partners where it extends the use of its B2C gaming platforms and back-office capabilities to third parties, who in turn market the resulting online gaming services under their own brands and share a proportion of the revenue generated with the 888 Group. In 2014, 14.1% of the 888 Group's overall revenue was derived from its B2B business. The B2B product verticals of the 888 Group are bingo, casino and poker. The 888 Group holds a licence for the undertaking of online casino and remote gaming and betting activities in Gibraltar, where it locates its gaming operations infrastructure. Additional support functions are located in Israel, Antigua, Romania and the UK. The 888 Group is also licensed to undertake online casino and remote gaming and betting activities in Denmark, Italy, Spain, the UK and the German State of Schleswig-Holstein. The 888 Group is licensed as a technology and services provider in the States of Nevada and Delaware and is an applicant for such a licence in the State of New Jersey (where it presently offers services under a Transactional Waiver issued by the State's Division of Gaming Enforcement). In 2014, the UK was the 888 Group's largest market by net revenue, followed by Germany, Canada, Spain and Russia.
B.4a	**Significant recent trends**	There are a number of factors impacting the markets in which the 888 Group and the bwin.party Group operate: • *High-speed internet:* Increased penetration of high-speed internet, proliferation of smart phones and mobile gambling and the increasing popularity of e-commerce. • *Growth in mobile:* Strong growth in penetration of increasingly sophisticated mobile devices with increased speed and capacity to process data and ever-improving screen quality has had a significant impact on the volume of mobile commerce. • *Increased product development:* As a consequence of technological development and the popularity of smartphones and tablets, operators have invested in product development to improve product offerings. • *Social trends:* Gaming and betting have become culturally more acceptable leisure activities as a result of the expansion into mobile betting and gaming. There is also a broader acceptance of digital channels as a safe and secure means to consume gaming services. • *Increased marketing:* Increased advertising has been attributed to the growing popularity of online gaming and betting and social media has allowed operators to perform more targeted marketing. • *Government adoption of heightened regulation:* Several governments have adopted internet-specific gaming regulatory frameworks with the aim of protecting customers, promoting choice and raising taxes. Such changes provide operators with opportunities for expansion; although increased product complexity, costs of compliance and gaming taxes can also make it more difficult for new entrants.
B.5	**Description of the 888 Group and the Enlarged Group structure**	The Company is currently the ultimate holding company of the 888 Group. On Admission and Completion of the Proposed Acquisition, the Company will become the ultimate holding company of the Enlarged Group.
B.6	**Major Shareholders**	As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), insofar as it is known to the Company, the following persons are interested directly or indirectly in 5% or more of the voting rights in respect of the issued ordinary share capital of the Company: **Name** — **Number of Ordinary Shares** — **Percentage of total issued Ordinary Shares** E Shaked Shares Trust — 86,283,534 — 24.2% O Shaked Shares Trust — 86,283,534 — 24.2% Ben-Yitzhak Family Shares Trust — 37,122,358 — 10.4% Majedie Asset Management — 30,587,161 — 8.6% None of the Company's major shareholders has different voting rights attached to the shares they hold in the Company. As at 26 August 2015 (being

		the latest practicable date prior to the date of publication of this Prospectus), save as described above, the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise, or do exercise, control over the Company.
B.7	**Selected historical key financial information**	**THE 888 GROUP** The tables below set out the 888 Group's summary financial information for the periods indicated, reported in accordance with IFRS as adopted by the EU. The consolidated financial information for 888 Group has been extracted without material adjustment from the historical financial information in relation to the 888 Group.

Summarised consolidated Income Statement

(US$ millions)	**Six months ended 30 June 2015 (unaudited)**	**Six months ended 30 June 2014 (unaudited)**	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Revenue	220.0	225.1	454.7	400.5	375.8
Operating profit before impairment charges, exceptional acquisition costs, retroactive duties and associated charges and share benefit charges	31.5	40.4	81.7	61.7	51.9
Operating profit	18.6	40.9	80.0	56.2	36.9
Profit before taxation	20.0	34.0	67.9	53.2	40.8
Profit after tax for the period/year attributable to equity holders of the parent	15.7	30.4	56.9	50.0	35.4

Summarised consolidated Statement of Financial Position

(US$ millions)	**As at 30 June 2015 (unaudited)**	**As at 31 December 2014**	**As at 31 December 2013**	**As at 31 December 2012**
Non-current assets	176.7	174.1	180.1	166.6
Current assets	178.8	193.1	152.1	118.0
Total assets	355.5	367.2	332.2	284.6
Total equity attributable to equity holders of the parent	**160.3**	**185.1**	**174.7**	**148.2**
Current liabilities	193.2	182.1	154.4	135.6
Non-current liabilities	2.0	–	3.1	0.8
Total liabilities	**195.2**	**182.1**	**157.5**	**136.4**
Total equity and liabilities	**355.5**	**367.2**	**332.2**	**284.6**

Summarised consolidated Cash Flow Statement

(US$ millions)	**Six months ended 30 June 2015 (unaudited)**	**Six months ended 30 June 2014 (unaudited)**	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Net cash generated from operating activities	30.7	46.7	111.9	90.2	70.7
Net cash used in investing activities	(10.8)	(4.4)	(13.1)	(23.5)	(55.3)
Net cash used in financing activities	(40.6)	(38.3)	(50.8)	(32.4)	(9.8)
Net increase in cash and cash equivalents	(20.7)	4.0	48.0	34.3	5.6
Net foreign exchange differences	(0.8)	–	(0.7)	–	–
Cash and cash equivalents at the beginning of the period/year	163.1	115.8	115.8	81.5	75.9
Cash and cash equivalents at the end of the period/year	141.6	119.8	163.1	115.8	81.5

In the six months ended 30 June 2015, the 888 Group's revenue of US$220.0 million (H1 2014: US$225.1 million) was impacted by newly introduced VAT of US$5.1 million, which is deducted from revenue generated in certain European markets, as well as weaker currencies against the US dollar when compared to the prior year. The 888 Group revenue during the first half of 2015 increased by 9% on a like for like basis*, driven by the performance of its core B2C business.

B2C revenue increased by 11% on a like for like basis* against the previous year. Reported revenue from B2C operations decreased by 1% against the prior year to US$191.1 million (H1 2014: US$192.8 million) reflecting the EU VAT impact as well as adverse currency movements. B2C casino revenue increased by 13% on a like for like basis* compared to the previous period. Reported casino revenue for the period was 2% lower than the previous year at US$104.9 million (H1 2014: $107.6 million). Poker revenue was down 2% on a like for like basis* year on year. Reported poker revenue declined 6% compared to the previous period. Underlying growth in B2C bingo revenue on a like for like basis* of 3% was driven primarily by a strong mobile. Reported B2C bingo revenue was 6% lower year on year. Reported emerging offering revenue increased by 41% to US$18.5 million (H1 2014: US$13.1 million) driven by an 81% revenue increase in 888sport which delivered yet another period of strong growth, in line with expectations against very strong growth in the prior year. This was aided by the launch of sports betting into Spain in the second half of 2014 as well as a constantly improving range of markets and live bets.

Revenue from Dragonfish, 888's B2B offering, reduced by 10% to US$28.9 million (H1 2014: US$32.3 million). This was in part driven by the weaker pound impacting the reported revenue from UK bingo partners. B2B revenue from the US business was also lower when compared to the prior year as 888 implemented operational changes in its US operations aimed at increasing the long term sustainability of the business.

Adjusted EBITDA for the period was US$40.9 million (H1 2014: US$49.0 million) and Adjusted EBITDA margin decreased to 18.6% (H1 2014: 21.8%) despite incurring additional US$14.4 million of POC costs and a US$5.1 million EU VAT deduction compared to the previous year. Adjusted profit before tax decreased by 10% to US$30.5 million (H1 2014: US$34.0 million). Reported profit before tax decreased by 41% to US$20.0 million (H1 2014: US$34.0 million), reflecting POC in the UK of US$14.4 million, retroactive duties and associated charges of US$3.5 million, EU VAT of US$5.1 million and exceptional costs associated with the proposed acquisition of bwin.party of US$7.0 million, offset by cost savings elsewhere in the 888 Group. Taxation for the period was US$4.3 million (H1 2014: US$3.6 million). Profit after tax was US$15.7 million (H1 2014: $30.4 million). The 888 Group's performance in the six months ended 30 June 2015 resulted in operational cash generation of US$30.7 million (H1 2014: US$46.7 million). Decrease is primarily a result of the introduction of UK POC and EU VAT during the period. Cash and cash equivalents of US$141.6 million (H1 2014: US$119.8 million).

** The 888 Group reports its financial results in US dollars but generates the majority of its revenue from customers using other currencies. Due to the strong US dollar in H1 2015, reported revenue was adversely impacted. Like for like revenue has been calculated by excluding the newly introduced VAT in 2015 and, with the exception of poker, by applying H1 2014 exchange rates to revenue generated during H1 2015. Poker was also adversely impacted by the strong US dollar but only a small adjustment has been made, due to the indirect impact on revenue of the 19% reduction in the purchasing power of local currencies.*

In the year ended 31 December 2014, revenue increased by 14% to US$455 million (2013: US$401 million). Growth was driven primarily by the B2C line of business, with an 11% revenue increase. This was led by casino which recorded a revenue increase of 16%. Bingo revenue increased 7% and emerging offering increased 22%, led by a growth in sports betting leveraging the 888 Group's new integrated sport platform capabilities introduced in May 2013. Poker maintained its performance with stable revenues of US$94 million. The 888 Group's B2B business delivered an increase in revenue of 32% driven by the 888 Group's US business as well as expanding activity with the 888 Group's bingo partners. Adjusted EBITDA increased 33% to US$101 million (2013: US$76 million) and Adjusted EBITDA margin increased to 22% (2013: 19%) even though research and development expenses increased by US$10 million over the year and additional gaming duties charges were incurred as a result of the introduction of point of

consumption tax in the UK, which came into effect from the beginning of December 2014. Profit before tax increased 28% to US$68 million (2013: US$53 million) and Adjusted EPS increased 16% to 19.2¢ (2013: 16.6¢). The 888 Group's performance in 2014 resulted in operational cash generation of US$112 million (2013: US$90 million), with cash and cash equivalents at the year-end of US$163 million (2013: US$116 million).

In the year ended 31 December 2013, revenue increased by 7% to US$401 million (2012: US$376 million). Growth was driven primarily by its B2C business, with a 7% revenue increase, led by casino growth of 15% and poker growth of 7%. Revenue from B2B also grew by 5% to US$48 million (2012: US$46 million). Adjusted EBITDA increased 13% to US$76 million (2012: US$67 million) and Adjusted EBITDA margin increased to 19% (2012: 18%) despite a research and development expenses increase of US$4 million and payment of additional US$2 million gaming duties in regulated markets. Profit before tax increased 30% to US$53 million (2012: US$41 million) and Adjusted EPS increased 19% to 16.6¢ (2012: 13.9¢). The 888 Group's performance in 2013 resulted in operational cash generation of US$90 million (2012: US$71 million), with cash and cash equivalents at the year end of US$116 million (2012: US$82 million) with no debt.

In the year ended 31 December 2012, revenue increased by 13% to US$376 million (2011: US$331 million). Growth was driven by its B2C line of business, with a 16% revenue increase, led by poker growth of 44% and casino at 12%. Revenue from B2B decreased by 2%. Adjusted EBITDA increased 20% to US$67 million (2011: US$56 million), Adjusted EBITDA margin increased to 18% (2011: 17%) despite the payment of additional US$4 million gaming duties in regulated markets. Adjusted Profit before tax increased 82% to US$54 million (2011: US$30 million) and Adjusted EPS increased 88% to 13.9¢ (2011: 7.4¢). The 888 Group's performance in 2012 resulted in operational cash generation of US$71 million (2011: US$79 million), with cash and cash equivalents at the year end of US$82 million with no debt. During the period, the 888 Group completed the settlement of the deferred consideration payable in respect of the 2009 acquisition of the Wink online bingo business of Daub Limited.

Save as set out above, there has been no significant change in the financial condition and operating results during or subsequent to the period covered by the historical key financial information on the 888 Group set out in this section.

THE BWIN.PARTY GROUP

The tables below set out the bwin.party Group's summary financial information for the periods indicated, reported in accordance with IFRS as adopted by the EU. The consolidated financial information for bwin.party Group has been extracted without material adjustment from the historical financial information in relation to the bwin.party Group.

Summarised consolidated Statement of Comprehensive Income

(€ millions)	**Six months ended 30 June 2015 (unaudited)**	**Six months ended 30 June 2014 (unaudited)**	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Total Revenue	296.5	317.1	611.9	652.4	801.6
Clean EBITDA	47.3	46.4	101.2	108.0	164.9
Profit / (loss) from operating activities	5.3	(100.4)	(97.9)	51.9	(16.5)
Profit / (loss) before tax	3.1	(100.5)	(97.9)	44.9	(23.5)
Profit / (loss) after tax	2.9	(94.0)	(94.3)	41.1	(64.7)
Other comprehensive income (expense)	3.6	8.1	10.5	(1.7)	1.3
Total comprehensive income (expense)	6.5	(85.9)	(83.8)	39.4	(63.4)
Non-controlling interests	0.7	1.2	2.2	2.8	1.0
Total comprehensive income (expense) for the year attributable to equity holders of the parent	7.2	(84.7)	(81.6)	42.2	(62.4)

Summarised consolidated Statement of Financial Position

(€ millions)	**Six months ended 30 June 2015 (unaudited)**	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Non-current assets	623.0	622.6	689.9	754.8
Current assets	299.4	291.4	312.9	340.6
Total assets	**922.4**	**914.0**	**1,002.8**	**1,095.4**
Current liabilities	263.8	279.3	251.6	270.9
Non-current liabilities	104.1	69.7	73.6	165.9
Total liabilities	**367.9**	**349.0**	**325.2**	**436.8**
Total net assets	**554.5**	**565.0**	**677.6**	**658.6**
Equity attributable to equity holders of the parent	562.2	572.0	682.4	661.4
Non-controlling interests	(7.7)	(7.0)	(4.8)	(2.8)
Total equity	**554.5**	**565.0**	**677.6**	**658.6**

Summarised consolidated Statement of Cash Flows

(€ millions)	**Six months ended 30 June 2015 (unaudited)**	**Six months ended 30 June 2014 (unaudited)**	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Net cash generated from operating activities	53.5	47.1	92.8	49.8	7.9
Net cash generated by (used in) investing activities	4.6	(38.5)	(69.0)	(21.4)	(44.9)
Net cash used in financing activities	(23.0)	(18.2)	(34.2)	(29.1)	(82.7)
Net (decrease) increase in cash and cash equivalents	**35.1**	**(9.6)**	**(10.4)**	**(0.7)**	**(119.7)**
Net foreign exchange differences	(4.8)	2.2	1.5	4.3	0.4
Cash and cash equivalents at the beginning of the year	162.9	173.3	173.3	169.7	289.0
Cash and cash equivalents at the end of the period	**193.2**	**165.9**	**164.4**	**173.3**	**169.7**

In the six months ended 30 June 2015, Clean EBITDA increased by 2% year-on-year despite the introduction of VAT in a number of EU Member States, a lower than expected sports margin and the UK point of consumption tax that was introduced on 1 December 2014. However, bwin.party's progress on non-core asset disposals and other cost saving initiatives is running ahead of plan. Excluding the impact of EU VAT and UK point of consumption tax, Clean EBITDA would have increased by 24%.

In 2014, bwin.party's total revenue fell 6% to €611.9 million (2013: €652.4 million) primarily reflecting the full year impact of internet-service provider ("**ISP**") blocking in Greece and a decline in poker partially offset by the FIFA World Cup. The drop in revenue, together with start-up losses from New Jersey of €9.8 million (2013: €4.9 million) and €6.7 million of losses from the bwin.party Group's social gaming activities (2013: €6.5 million), meant that total Clean EBITDA declined to €101.2 million (2013: €108.0 million).

While amortisation fell by 26% to €51.0 million (2013: €68.9 million), depreciation charges increased to €26.3 million (2013: €24.4 million) reflecting increased capital expenditure. A non-cash impairment charge of €104.4 million relating to the write-down of poker was the primary driver behind the reported loss before tax of €97.9 million (2013: profit before tax of €44.9 million).

Basic loss per ordinary share was 11.3 € cents (2013: earnings per share 5.4 € cents). Clean EPS fell to 4.8 € cents (2013: 7.3 € cents).

In 2013, total revenue decreased by 19% to €652.4 million (2012: €801.6 million) reflecting the shift from 'volume to value', the impact of reduced cross-sell volumes following the dotcom platform migration in December 2012, as well as market declines in certain regulated markets and

ISP blocking in Greece. The introduction of a 5% turnover tax on sports betting in Germany and the securing of a licence in Belgium contributed to higher gaming taxes in these two countries. However, market declines in other regulated markets meant that total gaming taxes (excluding retroactive taxes) fell by €2.7 million to €80.1 million. Increased TV production costs at World Poker Tour meant that total cost of sales, excluding retroactive taxes and associated charges, increased by €0.2 million to €88.9 million (2012: €88.7 million). Taken together with lower revenue and start-up costs in New Jersey, Clean EBITDA declined to €108.0 million (2012: €164.9 million).

The 2012 results were the first full year results published following the merger of bwin Interactive AG and PartyGaming Plc in March 2011. *Pro forma* total revenue was down 2% to €801.6 million whilst *pro forma* Clean EBITDA from continuing operations was down 17%. This was primarily due to the introduction of gaming taxes in Germany with effect from 1 July 2012, ISP blocking in Belgium, the closure of Spanish slots as the market moved to national regulation and the closure of the bwin brand in Denmark. These were partially offset by synergies generated from the merger.

Save as set out above, there has been no significant change in the financial condition and operating results during or subsequent to the period covered by the historical key financial information on the bwin.party Group set out in this section.

B.8 **Selected key *pro forma* financial information**

The unaudited *pro forma* income statement for the year ended 31 December 2014 and *pro forma* statement of net assets as at 30 June 2015 and the related notes thereto have been prepared on the basis of the notes set out below to illustrate the effect of the Proposed Acquisition and the related financing on the income statement of the 888 Group as if it had taken place on 1 January 2014, and on the net assets of the 888 Group as if it had taken place on 30 June 2015.

The Unaudited *Pro Forma* Financial Information has been prepared in accordance with Annex II of the Prospectus Directive Regulation and in a manner consistent with the accounting policies adopted by the 888 Group in preparing its audited consolidated financial statements for the year ended 31 December 2014.

The Unaudited *Pro Forma* Financial Information has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation. It does not purport to represent what the Enlarged Group's financial position or results of operations actually would have been if the Proposed Acquisition and the related financing had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date.

UNAUDITED *PRO FORMA* INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

		Adjustments			
	888 (note 1)	**bwin.party (note 2)**	**Acquisition (note 4)**	**Financing (note 5)**	**Enlarged Group *Pro forma* (note 6, 7)**
	(US$ million)	***(US$ million)***	***(US$ million)***	***(US$ million)***	***(US$ million)***
Revenue	**454.7**	**791.7**	**(15.3)**[(b)]	**–**	**1,231.1**
Operating expenses	149.3	494.3	60.1[(a)]	–	703.7
Gaming duties	15.8	108.4	–	–	124.2
Research and development expenses	40.7	66.3	–	–	107.0
Selling and marketing expenses	133.8	185.2	–	–	319.0
Administrative expenses	35.1	79.9	–	–	115.0
Operating profit/(loss)	**80.0**	**(142.4)**	**(75.4)**	**–**	**(137.8)**
Finance income	0.3	1.6	–	–	1.9
Finance expenses	(4.8)	(8.9)	–	(47.4)	(61.1)
Movement in contingent consideration	0.1	16.3	–	–	16.4

	888 (note 1)	Adjustments: bwin.party (note 2)	Adjustments: Acquisition (note 4)	Adjustments: Financing (note 5)	Enlarged Group *Pro forma* (note 6, 7)
	(US$ million)	*(US$ million)*	*(US$ million)*	*(US$ million)*	*(US$ million)*
Share of post-tax profit/(loss) of equity accounted joint ventures and associates	(7.7)	3.2	–	–	(4.5)
Profit/(Loss) before tax	**67.9**	**(130.2)**	**(75.4)**	**(47.4)**	**(185.1)**
Taxation	11.0	(4.8)	(9.4)[a]	(4.7)	(7.9)
Profit/(Loss) after tax for the year attributable to equity holders of the parent	**56.9**	**(125.4)**	**(66.0)**	**(42.7)**	**(177.2)**

UNAUDITED *PRO FORMA* STATEMENT OF NET ASSETS AS AT 30 JUNE 2015

	888 (note 1)	Adjustments: bwin.party (note 2)	Adjustments: Acquisition (note 3)	Adjustments: Financing (note 5)	Enlarged Group *Pro forma* (note 6, 7)
	(US$ million)	*(US$ million)*	*(US$ million)*	*(US$ million)*	*(US$ million)*
Assets					
Non-current assets					
Goodwill and other intangible assets	159.1	608.8	848.1[a]	–	1,616.0
Property, plant and equipment	13.7	64.7	–	–	78.4
Investments in equity accounted joint ventures and associates	1.7	8.0	–	–	9.7
Non-current receivables	1.1	12.1	–	–	13.2
Deferred tax assets	1.1	–	–	–	1.1
	176.7	**693.6**	**848.1**	**–**	**1,718.4**
Current assets					
Cash and cash equivalents	141.6	231.5	(598.0)[b]	549.0	324.1
Trade and other receivables	37.2	97.4	(2.9)[c]	–	131.7
Assets held for sale	–	4.5	–	–	4.5
	178.8	**333.4**	**(600.9)**	**549.0**	**460.3**
Total assets	**355.5**	**1,027.0**	**247.2**	**549.0**	**2,178.7**
Liabilities					
Current liabilities					
Trade and other payables	113.2	148.3	(10.7)[d]	–	250.8
Income tax payable	3.4	10.1	–	–	13.5
Customer deposits	76.6	125.6	–	–	202.2
Provisions from onerous contracts	–	9.2	–	–	9.2
Contingent consideration	–	0.4	–	–	0.4
	193.2	**293.6**	**(10.7)**	**–**	**476.1**

	888 (note 1)	bwin.party (note 2)	Acquisition (note 3)	Financing (note 5)	Enlarged Group *Pro forma* (note 6, 7)
		Adjustments			
	(US$ million)	*(US$ million)*	*(US$ million)*	*(US$ million)*	*(US$ million)*
Non-current liabilities					
Trade and other payables	–	10.7	76.8[(e)]	–	87.5
Loans and borrowings	–	69.3	–	549.0	618.3
Deferred tax liabilities	2.0	27.6	14.8[(f)]	–	44.4
Provisions from onerous contracts	–	3.5	–	–	3.5
Contingent consideration	–	4.9	–	–	4.9
	2.0	116.0	91.6	549.0	758.6
Total liabilities	**195.2**	**409.6**	**80.9**	**549.0**	**1,234.7**
Total net assets	**160.3**	**617.4**	**166.3**	**–**	**944.0**

Notes to the Unaudited *Pro Forma* Financial Information:

Note 1

The net assets of the 888 Group as at 30 June 2015 and the income statement of the 888 Group for the year ended 31 December 2014 have been extracted, without material adjustment, from the 888 Group's unaudited interim condensed consolidated financial statements as at 30 June 2015 and from the 888 Group's audited financial statements for the year ended 31 December 2014, respectively.

Note 2

The net assets of the bwin.party Group as at 30 June 2015 and the income statement of the bwin.party Group for the year ended 31 December 2014 have been extracted on the basis described below from the bwin.party Group's unaudited interim condensed consolidated financial statements as at 30 June 2015 and from the bwin.party Group's audited financial statements for the year ended 31 December 2014, respectively. Certain reclassification adjustments have been made to accord with the 888 Group's accounting presentation and the resultant net assets and income statement converted from Euros into US dollars, as shown in the following tables:

Consolidated income statement of the bwin.party Group for the year ended 31 December 2014

	Consolidated income statement as reported by bwin.party	Alignment of income statement presentation	bwin.party's consolidated income statement under 888's presentation	bwin.party's consolidated income statement under 888's presentation
	(€ million) (i)	*(€ million)* (ii)	*(€ million)*	*(US$ million)* (iii)
Revenue	**563.0**	**32.5**	**595.5**	**791.7**
Other revenue	48.9	(48.9)	–	–
Cost of sales	91.3	(91.3)	–	–
Other operating income	12.3	(12.3)	–	–
Operating expenses	–	371.8	371.8	494.3
Gaming duties	–	81.5	81.5	108.4
Research and development expenses	–	49.9	49.9	66.3
Other operating expense	4.6	(4.6)	–	–
Selling and marketing expenses	–	139.3	139.3	185.2
Administrative expenses	415.6	(355.5)	60.1	79.9
Distribution expenses	210.6	(210.6)	–	–
Operating loss	**(97.9)**		**(107.1)**	**(142.4)**
Finance income	1.2	–	1.2	1.6
Finance expenses	(3.6)	(3.1)	(6.7)	(8.9)
Movement in contingent consideration	–	12.3	12.3	16.3
Share of post-tax profit of equity accounted joint ventures and associates	2.4	–	2.4	3.2
Loss before tax	**(97.9)**	**–**	**(97.9)**	**(130.2)**
Taxation	(3.6)	–	(3.6)	(4.8)
Loss after tax for the year	**(94.3)**	**–**	**(94.3)**	**(125.4)**

(i) The consolidated income statement of the bwin.party Group for the year ended 31 December 2014 has been extracted, without material adjustment, from the bwin.party Group's 2014 audited consolidated financial statements.

(ii) Certain reclassifications have been made to align the presentation of the income statement as reported by the bwin.party Group on a consistent basis with the format used by the 888 Group:

- 'Other revenue' of **€48.9m** and 'Distribution expenses' of **€16.4m** have been reclassified to 'Revenue' of **€32.5m**.
- 'Cost of sales' of **€91.3m** has been reclassified between 'Gaming duties expenses' of **€81.5m** and 'Operating expenses' of **€9.8m**.
- 'Other operating income' of **€12.3m** has been reclassified to 'Movement in contingent consideration' of **€12.3m**.
- **€355.5m** of 'Administrative expenses' has been reclassified between 'Operating expenses' of **€306.1m** and 'Research and development expenses' of **€49.4m**.

- 'Other operating expenses' of **€4.6m** has been reclassified between 'Operating expenses' of **€1.5m** and 'Finance expenses' of **€3.1m**.
- 'Distribution expenses' of **€210.6m** have been reclassified between 'Selling and marketing expenses' of **€139.3m**, reduction of 'Revenues' of **€16.4m**, 'Operating expenses' of **€54.4m** and 'Research and development expenses' of **€0.5m**.
- As a consequence of the above reclassifications, 'Operating expenses' totalling **€371.8m**, 'Gaming duties' totalling **€81.5m**, 'Research and development expenses' totalling **€49.9m** and 'Selling and marketing expenses' totalling **€139.3m** have been included as new separate lines.

(iii) Converted from Euros into US dollars at a rate of US$1.3295: €1, being the average rate of the year 2014.

Unaudited consolidated net assets of bwin.party as at 30 June 2015

	Net assets as reported by bwin.party	Alignment of net assets presentation	bwin.party's net asset under 888's presentation	bwin.party's net asset under 888's presentation
	(€ million)	*(€ million)*	*(€ million)*	*(US$ million)*
	(iv)	(v)		(vi)
Assets				
Non-current assets				
Goodwill and other intangible assets	546.8	–	546.8	608.8
Property plant and equipment	58.1	–	58.1	64.7
Investment in equity accounted joint ventures and associates	7.2	–	7.2	8.0
Non-current receivables	10.9	–	10.9	12.1
	623.0	**–**	**623.0**	**693.6**
Current Assets				
Cash and cash equivalents	193.2	14.7	207.9	231.5
Short term investments	14.7	(14.7)	–	–
Trade and other receivables	87.5	–	87.5	97.4
Assets held for sale	4.0	–	4.0	4.5
	299.4	**–**	**299.4**	**333.4**
Total assets	**922.4**	**–**	**922.4**	**1,027.0**
Liabilities				
Current liabilities				
Trade and other payables	94.4	38.8	133.2	148.3
Income and gaming tax payable	40.4	(31.3)	9.1	10.1
Customer deposits	112.8	–	112.8	125.6
Provisions for onerous contracts	16.2	(7.9)	8.3	9.2
Contingent consideration	–	0.4	0.4	0.4
	263.8	**–**	**263.8**	**293.6**
Non-Current Liabilities				
Trade and other payables	14.0	(4.4)	9.6	10.7
Loans and borrowings	62.2	–	62.2	69.3
Deferred tax	24.8	–	24.8	27.6
Provisions for onerous contracts	3.1	–	3.1	3.5
Contingent consideration	–	4.4	4.4	4.9
	104.1	**–**	**104.1**	**116.0**
Total liabilities	**367.9**	**–**	**367.9**	**409.6**
Total net assets	**554.5**	**–**	**554.5**	**617.4**

(iv) The consolidated net assets of the bwin.party Group as at 30 June 2015 have been extracted without material adjustment from the bwin.party Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015.

(v) Certain reclassifications have been made to align the presentation of the statement of net assets as reported by the bwin.party Group on a consistent basis with the format used by the 888 Group:

- *Current Assets*
  'Short term investments' of **€14.7m** have been reclassified to 'Cash and cash equivalents' of **€14.7m**.
- *Current Liabilities*
  €0.4m of 'Trade and other payables' has been reclassified to 'Contingent consideration' of **€0.4m**.

  €31.3m of gaming tax payable within 'Income and gaming tax payable' has been reclassified to 'Trade and other payables' of **€31.3m**.

  €7.9m of 'Provisions for onerous contracts' has been reclassified to 'Trade and other payables' of **€7.9m**.
- *Non-Current Liabilities*
  €4.4m of 'Trade and other payables' has been reclassified to 'Contingent consideration' of **€4.4m**.

(vi) Converted from Euros into US dollars at a rate of US$1.1134: €1, being the closing exchange rate as at 30 June 2015.

Note 3

Total consideration to be paid is US$1,373.9 million, based on:

	US$ million
Cash component	548.9
Share component	825.0
Total consideration	1,373.9

The aggregate value of the cash component of the Proposed Acquisition totalling US$548.9 million is made of:

- US$521.5 million (£333.6 million) calculated by multiplying the offered amount of US$0.6169 (£0.3945) in cash per bwin.party Share by bwin.party's fully diluted share capital of 845,580,564, and
- US$27.4 million (£17.5 million) to be paid in respect of awards granted in the 2015 financial year under the bwin.party Share Plans and existing bwin.party's options under the Rollover Option Plan and the All-Employee Option Plan.

The cash component of the Proposed Acquisition was converted from GBP into US dollars at a rate of US$1.5637:£1, being the fully hedged exchange rate associated with the hedging arrangement entered into with Barclays Capital on 17 July 2015.

The aggregate value of the share component of the Proposed Acquisition of US$825.0 million (£531.1 million) is calculated by multiplying the number of New 888 Shares to be issued under the terms of the Proposed Acquisition (being 0.404 New 888 Shares to be issued per bwin.party Share), by the price per Ordinary Share of US$2.41 (£1.555, being the price as of close of trading on 26 August 2015, being the latest practicable date prior to the publication of this Prospectus). The share component of the Proposed Acquisition was converted from GBP into US dollars at a rate of US$1.5533:£1, being the closing exchange rate as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

The transaction will be accounted for using the acquisition method of accounting. The excess of consideration over the value of the net assets acquired has been reflected as goodwill. Under the acquisition method of accounting, the purchase price is allocated to the underlying bwin.party Group tangible and intangible assets acquired and liabilities assumed based on their respective fair market values with any excess purchase price allocated to goodwill as follows:

	US$ million	*Note*
Total consideration	1,373.9	
Net assets of bwin.party Group	617.4	2
Write off of previously recognised goodwill and intangible assets	(608.8)	2
Write off of previously recognised deferred tax liability regarding intangible assets	27.6	3 (f)
Fair value of identified intangible assets	465.8	3 (a)
Contingent liabilities	(76.8)	3 (e)
Tax effect of the fair value of identified intangible assets and the contingent liabilities	(42.4)	3 (f)
Pro forma goodwill adjustment	991.1	

The purchase price allocation is preliminary. Since the Proposed Acquisition has not been completed, 888's access to information to make such estimates is limited and therefore certain market-based assumptions were used when data was not available. However, 888's management believes the fair values recognised are reasonable estimates based on currently available information. A final determination of the fair value of assets and liabilities acquired will be based on the actual assets and liabilities of the bwin.party Group that exist as of the closing date of the Proposed Acquisition and, therefore, cannot be finalised prior to Completion. A further purchase price allocation study will be carried out as of the acquisition date for the purposes of preparing the subsequent financial information of the Enlarged Group and this may differ from this initial purchase price allocation. For example, management has not yet completed the fair value assessment of property, plant and equipment, investments in equity accounted joint ventures and associates, and the income tax effect of certain items which could change the *pro forma* goodwill adjustment and the related income statement effect. In addition, the evaluation of the consideration to be paid by 888 upon Completion will be partly determined based on the closing price of Ordinary Shares on the closing date of the Proposed Acquisition.

(a)

	US$ million
Pro forma goodwill adjustment	991.1
Write off of previously recognised goodwill and intangible assets	(608.8)
Fair value of identified intangible assets	465.8
	848.1

US$465.8 million has been included in the unaudited *pro forma* statement of net assets in respect of the fair value of identified intangible assets. These will be amortised over their respective economic useful life. The fair value of identifiable intangible assets is determined primarily using the "income approach", which is a valuation technique that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life.

The acquired intangible assets can be split into the following:

	Fair value US$ million	*Useful economic life Years*	*Annual amortisation charge US$ million*
Intangible Asset			
Customer relationships	245.9	5	49.2
Brand	122.2	10	12.2
Technology/Platform	97.7	3	32.6
	465.8		94.0

(b) As part of the Proposed Acquisition, the 'Cash and cash equivalents' line item of the unaudited *pro forma* statement of net assets as at 30 June 2015 would be impacted as follows:

	US$ million
Cash consideration	548.9
Acquisition costs	49.2
Acquisition costs directly attributable to the issuance of New 888 Shares	2.0
Less: Acquisition costs paid at 30 June 2015	(2.1)
Total	598.0

(c) Balances between the 888 Group and the bwin.party Group have been eliminated:

Unaudited pro forma statement of net assets	*US$ million*
Trade and other receivables	(2.9)
Trade and other payables	(2.9)

(d) US$10.7 million is made of: (i) US$7.8 million related to the reversal of accruals for acquisition costs included in the unaudited interim condensed consolidated financial statements of the 888 Group and the bwin.party Group, respectively, as at 30 June 2015, and (ii) US$2.9 million related to the elimination of balances between the 888 Group and the bwin.party Group as detailed in Note 3(c).

(e) 888 has performed a preliminary review of the contingent liabilities and, where appropriate, has made preliminary provisions for these in the unaudited *pro forma* statement of net assets of US$76.8 million, in connection with indirect taxation and with litigation.

(f) Breakdown of deferred tax liability adjustment:

	US$ million
Write off of previously recognised deferred tax liability regarding intangible assets	(27.6)
Net deferred tax effect of the fair value of identified intangible assets and the contingent liabilities	42.4
Total deferred tax liability adjustment	14.8

Note 4

(a) Adjustments to reflect the Proposed Acquisition as if it had happened on 1 January 2014 in the unaudited *pro forma* income statement are as follows:

	US$ million	*Note*
Acquisition costs included in 'Operating expenses'	49.2	
Amortisation of fair value of identified intangible assets included in 'Operating expenses'	94.0	3 (a)
Reversal of historical amortisation of intangible assets included in 'Operating expenses'	(67.8)	
Subtotal	75.4	
Elimination of transactions between the 888 Group and the bwin.party Group	(15.3)	4 (b)
Total adjustments included in 'Operating expenses'	60.1	
Tax effect of the above adjustments	(9.4)	

(b) Transactions between the 888 Group and the bwin.party Group have been eliminated:

Unaudited pro forma income statement	*US$ million*
Revenue	(15.3)
Operating expenses	(15.3)

Note 5

888 Group has entered into a US$600.0 million credit facility agreement with a syndicate of lending institutions to finance the Proposed Acquisition.

	US$ million
Credit facility drawn	600.0
Financing costs capitalised	(51.0)
Net debt	549.0

US$549.0 million included in the 'Cash and cash equivalents' line item of the unaudited *pro forma* statement of net assets as of 30 June 2015 is made of:

	US$ million
Cash from Credit facility	600.0
Financing costs	(51.0)
Net cash	549.0

US$47.4 million included in the 'Finance expenses' line item of the unaudited *pro forma* income statement for the year 31 December 2014 is made of: (i) US$26.4 million of additional interest costs for the credit facility and (ii) US$21.0 million of the amortisation effect of the capitalised costs of the credit facility.

In addition, US$4.7 million regarding the income tax effect of the above adjustments was included in the 'Taxation' line item of the unaudited *pro forma* income statement for the year ended 2014.

Note 6

No adjustment has been made to reflect any trading or other transactions undertaken by the Enlarged Group since 31 December 2014 in respect of the unaudited *pro forma* income statement, or 30 June 2015 in respect of the unaudited *pro forma* statement of net assets.

Note 7

The *pro forma* income statement adjustments are expected to have a continuing effect on the Enlarged Group, other than the transaction costs in relation to the Proposed Acquisition of US$49.2 million included in 'Operating expenses'.

Note 8

Supplemental *pro forma* revenue analysis for the year ended 31 December 2014 is detailed below:

***Pro forma* Revenue information of the Enlarged Group**

	888	Adjustments: bwin.party	Adjustments: Acquisition	Enlarged Group *Pro forma*	Percentage of total revenue
	(US$ million)	*(US$ million)*	*(US$ million)*	*(US$ million)*	
Revenue by business segment					
Business to customer (B2C)					
Casino	220.6	265.1	(0.5)	485.2	39.5
Poker	93.7	82.8	–	176.5	14.3
Bingo	46.6	68.5	–	115.1	9.3
Sport	19.9	310.3	–	330.2	26.8
Other	–	45.1	(2.2)	42.9	3.5
Emerging offerings	10.0	4.1	–	14.1	1.1
Total B2C	390.8	775.9	(2.7)	1,164.0	94.5
Business to business (B2B)					
B2B	63.9	15.8	(12.6)	67.1	5.5
Total B2B	63.9	15.8	(12.6)	67.1	5.5
Total Revenue	**454.7**	**791.7**	**(15.3)**	**1,231.1**	**100.0**
Revenue by geographic market					
UK	201.6	92.1	(12.2)	281.5	22.9
Germany	33.2	200.4	–	233.6	19.0
Europe (excluding UK and Germany)	136.9	400.4	(3.1)	534.2	43.4
Americas	55.2	60.8	–	116.0	9.4
Rest of the World	27.8	38.0	–	65.8	5.3
Total Revenue	**454.7**	**791.7**	**(15.3)**	**1,231.1**	**100.0**

B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate is included in this Prospectus.
B.10	**A description of the nature of any qualifications in the report on the historical financial information**	Not applicable. There are no qualifications included in any audit report on the historical financial information included in this Prospectus.
B.11	**Working capital – qualifications**	Not Applicable. The Company is of the opinion that, taking into account the facilities available to the 888 Group, the 888 Group has sufficient working capital for its present requirements, that is, for at least the next 12 months following the date of publication of this Prospectus. The Company is of the opinion that, taking into account the facilities available to the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of publication of this Prospectus.

SECTION C – SHARES

Element	Disclosure Requirement	Disclosure
C.1	**Type and class of securities**	When admitted to trading, the New 888 Shares will be registered with ISIN number GI000A0F6407 and SEDOL number B0L4LM9. The New 888 Shares will be traded on the London Stock Exchange under the ticker symbol "888.L". The New 888 Shares will, on Admission, together with the Existing 888 Shares, comprise the entire issued ordinary share capital of the Company.
C.2	**Currency of the issue of securities**	The currency of the Ordinary Shares is Great British Pounds sterling.
C.3	**Number of issued and fully paid Ordinary Shares**	As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the nominal value of the total issued ordinary share capital of the Company is £1,783,926 divided into 356,785,169 Ordinary Shares of 0.5 pence each, which are issued fully paid.
C.4	**Description of the rights attaching to the Ordinary Shares**	The Ordinary Shares rank equally for voting purposes. On a show of hands, each Shareholder has one vote and on a poll, each Shareholder has one vote for every Ordinary Share held. Each Ordinary Share ranks equally for any dividend declared or any distributions made on a winding up of the Company.

		Each Ordinary Share ranks equally in the right to receive a relative proportion of shares in the case of a capitalisation of reserves.
C.5	**Restrictions on the free transferability of the Ordinary Shares**	Not Applicable. There are no restrictions on the free transferability of the Ordinary Shares.
C.6	**Admission**	The Existing 888 Shares are currently admitted to trading on the Main Market. Applications have been made by the Company to the FCA for the New 888 Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New 888 Shares to be admitted to trading on the Main Market. No application has been made or is currently intended to be made for the New 888 Shares to be admitted to listing or trading on any other exchange.
C.7	**Dividend policy**	Following Completion of the Proposed Acquisition, the Company intends to maintain its existing dividend policy for the Enlarged Group, targeting a dividend payout of 50% of accounting profit after tax.

SECTION D – RISKS		
Element	**Disclosure Requirement**	**Disclosure**
D.1	**Key information on the key risks that are specific to the 888 Group, the bwin.party Group and the Enlarged Group or their industry**	**Risks relating to the online gaming and betting industry** • The regulatory framework of online gaming and betting varies from jurisdiction to jurisdiction, is subject to uncertainties, changes and requirements and approaches to enforcement vary. Civil, criminal or regulatory proceedings could be brought against the Enlarged Group, its directors or management, particularly in jurisdictions where the Enlarged Group has a physical presence. • The Enlarged Group may face substantial potential exposure to past VAT. There are significant uncertainties as to the determination of the place of supply, and the applicable VAT regime, of certain services provided by the 888 Group and the bwin.party Group, the legality of the imposition of VAT by certain EU Member States and the tax base to be applied in determining the amount of VAT payable on any relevant services. Should it be determined that the correct tax base is stakes, and payment of VAT is sought from 888 and/or bwin.party on this basis, this could have a very significant impact on the Enlarged Group's financial position and viability and, whilst the Directors believe a low risk scenario, may potentially result in claims for past VAT in excess of shareholders equity in the Enlarged Group and likely make the offering of online gaming services to customers located in such EU Member State unviable. Disputes with tax authorities in certain EU Member States could impact on the Enlarged Group's reputation and the price of the Ordinary Shares. Any determination by tax authorities that VAT is payable could reduce the Enlarged Group's profitability and the Enlarged Group may not be able to fund such liability from existing resources. • The Enlarged Group could face the risk of loss, revocation, non-renewal or change in the terms of its gaming licences. The Proposed Acquisition will also require notifications and/or regulatory approvals. Any revocation or non-renewal of gaming licences may lead to adverse publicity and could have an impact upon the ability of the Enlarged Group to maintain its existing licences or apply for future licences. • The opening of new markets and the clarification of regulation on online gaming and betting in new and existing markets provide opportunities for expansion although onerous conditions and restrictions may limit profitability. The Enlarged Group may face difficulties in competing with providers that take a less conservative approach to regulation. While regulatory changes may increase competition, the increased product complexity, costs of compliance and gaming taxes can also make it more difficult for new entrants. • The 888 Group and the bwin.party Group are involved in numerous civil and administrative proceedings in Germany. Adverse rulings could have a material adverse effect given that the aggregate revenue generated from Germany is significant.

		• There have been, and continue to be, attempts to apply domestic criminal and administrative laws to prevent online gaming operators licensed in other EU Member States from operating in or providing services to customers within an EU Member State which may be contrary to the EU principles of free movement of services. The application and enforcement of these principles remain subject to continuing challenge and clarification. Any further restrictions may limit or restrict access to customers and submission by the Enlarged Group to local licensing, regulation and/or taxation. • Recent and potential changes to rules regarding cross-border taxation, the revised interpretation of existing tax rules or increased scrutiny could increase the tax liability of the Enlarged Group. Elements of the Enlarged Group's business will be carried out from the UK which may give rise to exposure to Diverted Profits Tax in the UK. **Risks relating to the operations of the Enlarged Group** • A substantial part of the Enlarged Group's deposits and revenue will be generated in Euro and other currencies, while its operating expenses will largely be incurred in local currencies. Exchange rate fluctuations may impact on reported revenue and cause fluctuations in financial results. Currency hedging may not eliminate the potentially material adverse effect of such exchange rate fluctuations. • The Enlarged Group's operational flexibility may be impaired and its ability to pay dividends may be limited under the terms of the US$600 million term loan used to finance the Proposed Acquisition. The Enlarged Group will also be subject to interest rate risk given the variable interest rate of the US$600 million term loan. • Completion is subject to a number of conditions which may not be satisfied or waived or which could only be satisfied on terms which may not be acceptable to 888 or bwin.party and the Enlarged Group may be subject to post-Completion undertakings. Although the Directors believe that clearances from the relevant competition authorities should be forthcoming, it is possible that 888 or bwin.party may not obtain these clearances, or that they may not be obtainable within a timescale acceptable to 888 or bwin.party, or that they may only be obtained subject to certain conditions or undertakings, such as the disposal of parts of the 888 or bwin.party businesses. Authorities that 888 and bwin.party have not approached may also require 888 to give such undertakings after the Proposed Acquisition has been announced. In addition, regulatory notifications or approvals are also required for the Proposed Acquisition and the change of control of the bwin.party Group. Delays in obtaining approvals could have a material adverse effect on the Enlarged Group. • The Enlarged Group's success will be dependent upon its ability to efficiently integrate the business of the 888 Group and the bwin.party Group. The integration process may not deliver all or substantially all of the expected benefits or realise benefits in a timely manner. • The Enlarged Group will carry out research and development and marketing support and other functions in Israel. Political, economic and military conditions in Israel may directly affect the Enlarged Group's business. • The Enlarged Group will depend on the scheduling and live broadcasting of major sporting events and disruptions thereof may have a material adverse impact on the results of operations. The Enlarged Group may also be required to make payments to sporting bodies or event rights holders.
D.3	**Key information on the key risks that are specific to the Ordinary Shares**	The following risks are applicable to the Ordinary Shares: • Certain Shareholders may exercise significant influence over the Company following Admission and/or their interests may differ from those of other Shareholders. • 888 Shareholders and bwin.party Shareholders will own a smaller percentage of the Enlarged Group than they currently own of 888 and bwin.party, respectively. • If a bwin.party Shareholder makes an election under the Mix and Match Facility, such holder may not receive the consideration in the proportion

		of New 888 Shares and cash requested. In addition, any fluctuation in the market price of the Ordinary Shares between the date of publication of this Prospectus and the Effective Date will increase or decrease the value of the consideration received. • The City Code on Takeovers and Mergers will not apply to the Company. Although the Articles of Association contain certain takeover protections, these do not provide the full protections afforded by the City Code on Takeovers and Mergers.

SECTION E – OFFER		
Element	**Disclosure Requirement**	**Disclosure**
E.1	**Total net proceeds and expenses of the offer**	The aggregate costs and expenses incurred in connection with the issuance of the New 888 Shares and the Proposed Acquisition are estimated to amount to approximately £22.0 million (excluding amounts in respect of VAT).[1] There are no net proceeds receivable by the Company as a result of the issuance of New 888 Shares in connection with the Proposed Acquisition.
E.2a	**Reasons for the offer, use of proceeds and estimated net amount of the proceeds**	The proposed issue of New 888 Shares by the Company to which this Prospectus relates is being made in connection with the proposed recommended offer by Bidco for the entire issued and to be issued ordinary share capital of bwin.party, to be effected by way of a Court-sanctioned scheme of arrangement of bwin.party under Part VIII of the Gibraltar Companies Act 2014. There are no proceeds (and therefore no estimated net amount of the proceeds) receivable by the Company as a result of the Proposed Acquisition. The online gaming industry was launched in the mid-1990s and has gained momentum over subsequent years with the roll-out and adoption of increasingly higher-speed internet access globally and the recent proliferation of smartphones and mobile gambling. Certain governments have, over recent years, adopted specific internet gaming regulatory frameworks. The Directors believe that as a result of both the growth in the industry and the heightened regulatory environment governing global and national online gaming markets, the industry is experiencing a level of consolidation not previously seen and which the Directors expect to continue. The Directors therefore believe that the Proposed Acquisition represents a transformational opportunity for both 888 and bwin.party and offers the potential to enhance shareholder value. By combining the complementary businesses of the 888 Group and the bwin.party Group, the Enlarged Group is expected to benefit from significantly enhanced scale, an enhanced product offering, and significant cost and revenue synergies. The Proposed Acquisition is expected to be earnings enhancing for the 888 Group (excluding one-off costs and the amortisation of acquired intangibles) in the first full financial year of ownership.[2]
E.3	**Terms and conditions of the offer**	On 17 July 2015, the boards of 888 and bwin.party announced that they had agreed the terms of a recommended acquisition of bwin.party by Bidco, a wholly owned subsidiary of 888. The terms of the Proposed Acquisition will provide each bwin.party Shareholder with 39.45 pence in cash and 0.404 New 888 Shares in exchange for each bwin.party Share held. The Proposed Acquisition will include a Mix and Match Facility. bwin.party Shareholders may elect to vary the proportions of New 888 Shares and cash consideration that they receive, subject to offsetting elections made by other bwin.party Shareholders. Any such elections will not change the total number of New 888 Shares to be issued by the Company or the total cash consideration to be paid to bwin.party Shareholders pursuant to the Proposed Acquisition. To the extent that elections cannot be satisfied in full, they will be scaled down on a *pro rata* basis. If the Proposed Acquisition becomes effective, it will result in the allotment and issue of up to approximately 341.6 million New 888 Shares to bwin.party Shareholders, which would result in former bwin.party Shareholders holding approximately 48.9% of the issued ordinary share capital of the Enlarged Group.

1 Based on USD fee estimate and an exchange rate of USD/GBP 1.5533 as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

2 Nothing in this Prospectus is intended to be a profit forecast and this statement should not be interpreted to mean that the future EPS of the Enlarged Group will necessarily match or exceed the historical published earnings per Ordinary Share or bwin.party Share.

		The Proposed Acquisition is subject to the Conditions and further terms. Completion will only occur if, among other things, the following events occur on or before 11 February 2016 or such later date as bwin.party and Bidco may agree and, if required, the Court may allow: (a) a special resolution to approve the Scheme is passed at the bwin.party Court Meeting; (b) the bwin.party Special Resolution necessary to implement the Scheme and to sanction the related bwin.party Capital Reduction is passed at the bwin.party General Meeting; (c) the Scheme is sanctioned and the related bwin.party Capital Reduction is confirmed by the Court; (d) office copies of the bwin.party Scheme Court Order and the bwin.party Reduction Court Order are delivered to the Registrar of Companies within seven days after they are made and the bwin.party Reduction Court Order is registered by the Registrar of Companies together with the statement of capital attached to it; (e) the Acquisition Resolutions to approve the Proposed Acquisition in accordance with the class 1 requirements under Listing Rule 10.5.1R(2) are duly passed at the 888 General Meeting; (f) certain anti-trust and regulatory approvals are obtained; and (g) the UKLA having acknowledged that the application for admission of the New 888 Shares to listing on the premium listing segment of the Official List has been approved and the London Stock Exchange having acknowledged that the New 888 Shares will be admitted to trading on the Main Market.
E.4	**Material interests to the offer**	Immediately following Admission, the following persons will be interested directly or indirectly in 5% or more of the voting rights in respect of the issued ordinary share capital of the Company and based on the assumptions that the holdings of such persons in 888 or bwin.party (as relevant) as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) do not change, 341,557,940 New 888 Shares are issued in connection with the Proposed Acquisition and that no other issues of Ordinary Shares occur between 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) and Admission: *Name* — *Number of Ordinary Shares* — *Percentage of total issued Ordinary Shares* E Shaked Shares Trust — 86,283,534 — 12.4% O Shaked Shares Trust — 86,283,534 — 12.4% Majedie Asset Management* — 52,826,226 — 7.6% Janus Capital Management* — 40,228,125 — 5.8% Ben-Yitzhak Family Shares Trust — 37,122,358 — 5.3% * As current bwin.party Shareholders, the shareholdings for Majedie Asset Management and Janus Capital Management post-admission are based on the assumption that, pursuant to the Mix and Match Facility, they each elect to receive 39.45 pence in cash and 0.404 New 888 Shares for each of their existing bwin.party Shares.
E.5	**Selling shareholders and Lock-ups**	Not applicable. The Proposed Acquisition comprises an issue of New 888 Shares in connection with the acquisition of the entire issued and to be issued share capital of bwin.party. There are no lock-up agreements in respect of the New 888 Shares.
E.6	**Dilution resulting from the Proposed Acquisition**	Assuming the issue of approximately 341.6 million New 888 Shares pursuant to the Proposed Acquisition, the Existing 888 Shares will represent 51.1% of the total issued Ordinary Shares immediately following Admission.
E.7	**Estimated expenses charged to the investor**	Not applicable. There are no commissions, fees or expenses to be charged to investors by the Company.

PART II

RISK FACTORS

Acquiring and holding the New 888 Shares involves a number of financial and other risks. Prior to acquiring the New 888 Shares pursuant to the Proposed Acquisition, bwin.party Shareholders should consider carefully the factors and risks associated with acquiring and holding the New 888 Shares, or investing in the Enlarged Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. This section describes risk factors considered by the Company to be material in relation to the Enlarged Group. The occurrence of any of these risks may have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group, or the market price of the New 888 Shares.

Prospective investors should note that the risks relating to the Enlarged Group, its industry, the New 888 Shares or the Proposed Acquisition summarised in Part I ("Summary Information") of this Prospectus are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider acquiring the New 888 Shares pursuant to the Proposed Acquisition. However, as the risks which the Enlarged Group face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in Part I ("Summary Information") but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which prospective investors may face and should be used as guidance only. Additional risks and uncertainties relating to the New 888 Shares, the Enlarged Group or the Proposed Acquisition that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group, and, if any such risk should occur, the price of the New 888 Shares may decline and holders of the New 888 Shares could therefore lose all or part of their investment. Prospective investors should consider carefully whether acquiring and holding the New 888 Shares is suitable for them in light of the information in this Prospectus and their personal circumstances.

RISKS RELATING TO THE ONLINE GAMING AND BETTING INDUSTRY

The regulation and legality of online gaming and betting varies from jurisdiction to jurisdiction, is subject to uncertainties, changes and requirements in many jurisdictions, and approaches to enforcement vary from jurisdiction to jurisdiction.

The regulatory framework of online gaming and betting is evolving and complex. The regulation and legality of online gaming and betting varies from jurisdiction to jurisdiction (from open licensing regimes to sanctions or prohibitions) and in certain jurisdictions there is no directly applicable legislation. In some jurisdictions, online gaming and betting, or the offering or marketing of online gaming and betting, may be illegal and could incur criminal liabilities. In many jurisdictions, there are conflicting laws and/or regulations, conflicting interpretations, divergent approaches by enforcement agencies and/or inconsistent enforcement policies. Many of these laws, regulations and licensing requirements are recent and are subject to change at any time and relevant regulatory authorities may change their interpretation thereof at any time. There is often an absence of binding judicial guidance or clear guidelines on these matters and licensing decisions are subject to broad regulatory discretion. Moreover, the legality of online gaming and betting is subject to uncertainties arising from differing approaches among jurisdictions as to the determination of where online gaming and betting activities take place and which authorities have jurisdiction over such activities and/or those who participate in or facilitate them. The determination by the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group as to whether or not to permit customers in a given jurisdiction to access any one or more of their products and whether or not to engage in different types of marketing activity and customer contact is, and will be, made on the basis of a measured and prudent approach to regulatory compliance and in accordance with the policy adopted by the respective board. Such decisions are based on a number of factors which include:

- the laws and regulations of the jurisdiction;
- state, federal or supra-national law, including EU law if applicable;
- the approach to the application or enforcement of such laws and regulations by regulatory and other authorities, including the approach of such authorities to the extraterritorial application and enforcement of such laws and the willingness or ability (or absence thereof) of such authorities to take enforcement action;
- the terms of the gaming and betting licences of the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group (as applicable); and
- any changes to these factors.

There is a significant risk that the assessment of the factors referenced above may not always accurately predict the likelihood of one or more jurisdictions taking adverse or enforcement action against the Enlarged Group and/or its customers or third party suppliers. Any such action may result in the illegality of the activity undertaken by the Enlarged Group and its customers or third party suppliers, being established.

The 888 Group and the bwin.party Group each manages, and, following Completion, the Enlarged Group will manage, its regulatory risk by routinely consulting with legal advisers in the jurisdictions where its services are offered or are accessible, including where necessary obtaining formal legal opinions from local counsel as well as maintaining open lines of communication with regulators and licensing authorities. The 888 Group and the bwin.party Group also obtain, and, following Completion, the Enlarged Group will obtain, frequent and routine updates regarding changes in the law that may be applicable to operations, working with local counsel to assess the impact of any changes on their operations. Failure to comply with relevant laws, regulations and licensing requirements may lead to penalties, sanctions or ultimately the revocation of relevant operating licences. The compliance costs associated with these laws, regulations and licensing requirements are significant. In regulated jurisdictions, gaming duties are imposed on licensed operators. In addition, regulated jurisdictions may also impose local presence or local partnering requirements, which may result in corporate tax and VAT implications (where applicable). For example, in Belgium, New Jersey and Nevada, the 888 Group and the bwin.party Group were required to contract with locally licensed terrestrial casinos in order to provide access to their respective online offerings, as a service provider rather than operator, to residents of those states. Similar requirements may apply to the Enlarged Group and may therefore reduce the profitability of operating in such markets.

If the Enlarged Group is found by a court to be acting unlawfully in carrying out marketing activities or offering its products to customers located in a particular jurisdiction, it may have to desist from doing so, which will have a negative effect on operations and financial performance of the Enlarged Group. There may also be additional civil, criminal or regulatory proceedings brought against the Enlarged Group as well as its Directors or management as a result. Any such proceedings would potentially have cost, resource and reputational implications, and could potentially have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group and on its ability to retain, renew or expand their portfolio of licences. Moreover, even if successfully defended, the process may result in the Enlarged Group incurring considerable costs, requiring significant management resource and time and impacting its relationship with the regulators.

The VAT treatment of certain online gaming and betting services and the tax base on which VAT is calculated in the EU is subject to significant uncertainty and the Enlarged Group may face substantial potential exposure to past VAT.

The Enlarged Group may face substantial potential exposure to past value added tax ("**VAT**") due to significant uncertainties regarding whether VAT is payable in respect of certain online gaming and betting services provided by the 888 Group and the bwin.party Group to customers in certain European Union ("**EU**") Member States ("**EU Member States**") prior to 2015 and, if payable, the amount of VAT so payable. These uncertainties include: the determination of the place of supply of, and consequentially the applicable VAT regime in respect of, certain online gaming and betting services provided by the 888 Group and the bwin.party Group; whether the possible imposition of VAT on relevant services by certain EU Member States

would be lawful; and, uncertainty surrounding the tax base to be applied in determining the amount of VAT that would be payable on any relevant services.

Directive 2006/112/EC, as amended (the "**VAT Directive**"), codifies the provisions implementing the common system of VAT, which is a tax on consumption within the EU levied on the importation, movement and supply of goods and the supply of services, including gaming and betting services. Whilst the VAT Directive provides that betting, lotteries and other forms of gambling are VAT exempt supplies, EU Member States are permitted to impose conditions and limitations with regard to the availability of the exemption. In practice, various EU Member States have imposed various forms of conditions upon the VAT exemption; insofar as such conditions are not fulfilled, the supply of the relevant services to customers located in such EU Member State may be subject to VAT. However, pursuant to CJEU jurisprudence, whilst EU Member States have discretion with regard to the nature of any such conditions and limitations, they must comply with EU legal principles. While the Directors believe that the imposition by certain EU Member States of conditions on the VAT exemption regarding betting and gaming may contravene EU law, the legal position is uncertain.

There is uncertainty as to whether certain services provided by the 888 Group and the bwin.party Group are properly classified as electronically supplied services or as a general supply of services. In terms of determining the proper classification of online gaming and betting services, Article 7 paragraph 1 together with Annex I of the Council Implementing Regulation (CIR) EU No 282/2011 states that a service will be considered electronically supplied if it is "essentially automated" and involves "minimal human intervention", and in the context of games of chance and gambling refers to "automated online games". The Directors believe that certain of the 888 Group's and bwin.party Group's offerings provided by the 888 Group and the bwin.party Group are general supplies of services and not "electronically supplied services" given the level of human intervention in such offerings. Under the VAT Directive, the VAT regime applicable to general supplies of services is that of the supplier which, in the case of the 888 Group and the bwin.party Group, is Gibraltar where no VAT is imposed. If an EU Member State were to take a contrary view and determine that certain of the 888 Group's and bwin.party Group's offerings are "electronically supplied services", the applicable VAT regime would be that of the EU Member State of the customer, and VAT would be imposed to the extent that the EU Member State of the customer lawfully imposes VAT on such offerings.

There is also uncertainty in the EU as to the tax base on which VAT should be calculated on gaming and betting services. In accordance with Article 73 of the VAT Directive, the tax base for VAT purposes is the "consideration" obtained by the supplier in return for the supply. In the case of gambling and betting transactions, particularly games played against the house, determining the nature of the supply for VAT purposes and thus the consideration obtained by the supplier in return for the supply is notoriously difficult. Guidance and jurisprudence in different EU Member States is varied – certain EU Member States, including most recently Ireland, have published guidance stating that the VAT base is net gaming revenue ("**NGR**"); at the other end of the spectrum, a recent draft Working Paper of the EU VAT Committee presented the view that the VAT base may be "stakes". The likelihood of any EU Member State determining that the tax base for gaming and betting services is stakes is unknown given the existing uncertainties in EU law, lack of agreement between and divergent views of the tax authorities in different EU Member States, ongoing discussion at EU level and the complexity of the legal arguments involved. However, should it be determined at EU level or by certain EU Member States that the correct tax base is stakes and payment of VAT is sought from 888 and/or bwin.party on this basis, this could have a very significant impact on the Enlarged Group's financial position and viability and, whilst the Directors believe a low risk scenario, may potentially result in claims for past VAT in excess of shareholders equity in the Enlarged Group. Furthermore, given that in most gambling games, stakes received are much larger than the operator's revenue arising from the game, the determination by one or more EU Member States that the tax base for VAT purposes is stakes would likely make the offering of online gaming services to customers located in such EU Member State economically unviable.

Due to these uncertainties, there is a risk of disputes between the Enlarged Group and the relevant tax authorities in certain EU Member States, in respect of any allegedly unpaid VAT. The tax authorities could impose interest and, in certain circumstances, penalties on the Enlarged Group which, if imposed, would increase its tax liabilities. The Directors consider that it is unlikely that any liability will arise, and, given the

uncertainties set out above, believe that any attempt to either estimate or quantify the amounts which may reasonably be in dispute, would potentially be misleading, and may be detrimental to the Enlarged Group's position in defending any claims for past VAT. Furthermore, any claims by or disputes with tax authorities may impact on the Enlarged Group's reputation and/or investors' perception of the Enlarged Group, which may, in turn, have a negative impact on the price of the Ordinary Shares. If any authorities were to so claim or argue, the Enlarged Group would at the relevant time consider all options available to it, which may include, among other things, initiating a legal challenge, lobbying relevant interested parties, or entering into settlement arrangements with the relevant tax authorities. The statutes of limitations in the relevant EU Member State would also be relevant in determining the time period during which any liability may arise, and thus the quantum of any such liability. Any determination by the relevant tax authorities that VAT is payable on a gaming product where no VAT had previously been paid could potentially reduce the Enlarged Group's profitability and the Enlarged Group may not be able to fund such liability from its existing resources. The occurrence of any of the above could result in a very material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group could face the risk of loss, revocation, non-renewal or change in the terms of its gaming licences.

The 888 Group's and the bwin.party Group's gaming licences tend to be issued for fixed periods of time after which a renewal of the licence is required. Similar terms are likely to apply to gaming licences that will be issued to the Enlarged Group. Licences also typically include a right of termination for the regulator in certain circumstances. Any revocation or non-renewal of these gaming licences may have a material adverse effect on the business, results of operations, financial condition and prospects of the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group. In particular, the Gibraltar, UK, Spanish, Italian and US licences are of key importance to the 888 Group and, following Completion, the Enlarged Group. The revocation or non-renewal of their licences may arise as a result of the failure by the directors, management, shareholders or other investors thereof to adequately comply with the suitability, information reporting or other requirements (operational or otherwise) of the licensing and regulatory authorities. In addition, the revocation or non-renewal of these gaming licences or any other licence which may become material to the Enlarged Group may lead to adverse publicity and could have an impact upon its ability to successfully maintain its existing licences, apply for future licences in jurisdictions where it already has a licence or jurisdictions in which the Enlarged Group may seek licences in the future.

Certain activities of the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group, could be construed as infringing national law prohibitions, whether administrative or criminal in nature, by domestic regulatory and/or prosecutorial authorities where the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group have operations, hold licences or provide services to customers. In the event that this results in successful prosecutions, these activities could be characterised by prosecuting authorities as licence infringement, which could lead to the termination or revocation of some or all of the licences issued by such authority in the relevant jurisdiction. Furthermore, a successful prosecution of any entity within the Enlarged Group could be grounds for suspension or revocation of licences held by other entities within the Enlarged Group or of licences held in other jurisdictions.

The Gibraltar Licensing Authority has granted in-principle approval for the Proposed Acquisition. However, the Gibraltar Licensing Authority will review the Enlarged Group's business arrangements and has the right to revoke the Company's licence if it is not satisfied with such arrangements. The Directors believe that the risk of the Company having its licence revoked following any such post-Completion review is remote, given the fact that both 888 and bwin.party are currently licensed in Gibraltar and the in-principle approval that the Company has already received from the Gibraltar Licensing Authority. However, if such licences were revoked, this could have a material adverse effect on the business, results of operations, financial condition and prospects of the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group.

The Proposed Acquisition and the resulting change of control of the bwin.party Group, will require notifications to, and/or regulatory approvals from, the relevant regulatory authorities either prior to or following Completion. These requirements result from the regulations or licensing conditions applicable to the licences held by the 888 Group or the bwin.party Group. The Directors are working with local counsel

in each of the relevant jurisdictions to ensure that all necessary approvals and/or notifications are obtained or submitted, as appropriate, in a timely manner. The Directors believe that all necessary approvals should be forthcoming; however it cannot be ruled out that 888 or bwin.party may not obtain certain necessary approvals, or that they may not be obtained within a timescale acceptable to 888 or bwin.party, or that they may only be obtained subject to certain conditions or undertakings which may not be acceptable to 888 or bwin.party. If the necessary regulatory approvals are not obtained in a certain jurisdiction, the Enlarged Group will not be able to continue to legally operate in that jurisdiction. Furthermore, it is possible that the 888 Group's or the bwin.party Group's separate conduct in any of the licensed jurisdictions could, following Completion, have an adverse impact on the good standing of the Enlarged Group with the regulatory authorities in any such jurisdiction, thereby risking the entire Enlarged Group's licensing status in such jurisdictions. If the approvals are delayed or if the renewal of the licences are on terms that are less favourable to the Enlarged Group than the existing terms of the licences of the 888 Group and the bwin.party Group, this could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition and prospects.

The clarification of the regulation of online gaming and betting and the opening of new markets may restrict the ability of the Enlarged Group to continue to derive revenue from the existing markets of the 888 Group and the bwin.party Group and may lead to increased competition.

Certain jurisdictions may implement changes to their markets through the adoption of competitive licensing and regulatory frameworks. Whilst these changes may provide growth opportunities for the Enlarged Group in new and existing markets, a new licensing and regulatory regime adopted in any such jurisdiction may impose onerous conditions, such as particular licensing requirements, together with enforcement sanctions for breach thereof, and taxation liabilities that may make the market unattractive to the Enlarged Group. Restrictions may also be imposed by these jurisdictions such that the Enlarged Group may be limited in its ability to offer certain of its key products or to market its products in the way it would wish to do so. These restrictions may limit the profitability of the future operations of the Enlarged Group in the existing markets of the 888 Group, or in new markets that are opening up. For example, the Enlarged Group may be limited to operating only as a B2B service provider (through other licensed entities) rather than as a B2C operator, resulting in a negative impact on profitability and limiting its market options. The 888 Group and the bwin.party Group have each historically taken different approaches in certain jurisdictions and the past activities of either the 888 Group or the bwin.party Group in any such jurisdiction could impact the Enlarged Group's ability to become licensed or approved to operate there in due course.

The Enlarged Group may face difficulty in competing in new and existing markets with providers that take a less conservative approach to regulation than it will. Such providers are consequently able to generate revenues in the 888 Group's existing markets and in markets in which the Enlarged Group will not accept customers or in which it does not or will not advertise, particularly where regulatory sanctions against such providers who take a more aggressive approach are ineffective or inadequate. Any of these factors may have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

There are jurisdictions where the 888 Group and the bwin.party Group are not currently present and incumbent providers established in those jurisdictions which are opening their markets may seek to take legal action to delay or prevent the liberalisation of the market, making it more difficult for foreign online providers like the Enlarged Group to enter these new markets. Competition from incumbent providers may have a material adverse effect on the overall competitiveness of the online gaming and betting industry.

The opening of new markets and the clarification of regulation on online gaming and betting in markets where the legal position is currently unclear provide both new entrants and incumbent operators with access to customers and opportunities for expansion. While such changes may increase competition in those jurisdictions, the increased product complexity coupled with the increased costs of complying with heightened regulation as well as the imposition of gaming taxes on operators can also make it more difficult for new entrants, strengthening the position of existing gaming and betting operators who have the resources to comply with heightened regulation. A significant increase in competition from both new entrants and

existing operators may have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The regulatory risks to the Enlarged Group may be greater where it has a physical presence.

The Enlarged Group will have a physical presence in Austria, Antigua, Gibraltar, Bulgaria, India, Israel, Romania, Ukraine, the UK and the US. The 888 Group's infrastructure to run the gaming and betting operations is located in Gibraltar and additional support functions are located in Israel, Antigua, Romania and the UK. The bwin.party Group has offices in Gibraltar, Malta, the US, the UK, Austria, Bulgaria, India and Ukraine. Local authorities are more likely to focus on businesses which have a physical presence in their jurisdiction since it is easier for such authorities to bring or enforce actions against such businesses and freeze their assets if local laws are violated. Any breach of local laws by the Enlarged Group in a jurisdiction in which it will have a physical presence is more likely to result in enforcement action taken against it, compared to if such breach were to occur in a jurisdiction where it does not have a physical presence. In particular, if the Enlarged Group is unable to utilise its infrastructure to run the gaming and betting operations as a result of successful enforcement action taken by authorities, this could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The 888 Group and the bwin.party Group are involved in ongoing litigation in Germany.

There are numerous ongoing and pending civil and administrative proceedings in Germany involving members of the 888 Group and the bwin.party Group, relating to challenges to the legality of, or attempts to prohibit, each of their activities in one or more German states or in Germany as a whole. In particular, the State Lottery of North Rhine-Westphalia, Westlotto, filed a civil law suit against Cassava Enterprises (Gibraltar) Limited, 888 and its then director, John Anderson, arguing unfair competition in connection with the provision and advertising of online gambling services. The case will be heard by the highest federal court in Germany, the Federal Supreme Court, and if 888 is unsuccessful in the case, it will not only be liable to pay damages of up to €500,000 and costs incurred by Westlotto, but findings of law by the court could negatively impact the 888 Group's and, following Completion, the Enlarged Group's business in Germany, preventing the 888 Group and the Enlarged Group from offering and marketing online gambling services, not just in North Rhine-Westphalia, but all of Germany. While the bwin.party Group is not presently subject to any enforcement in Germany, there is a risk that fines may be imposed again, based on either new or already binding and enforceable cease and desist orders, and ultimately prohibition orders could require bwin.party to partially or fully cease its offer to German customers. In the year ended 31 December 2014, the 888 Group generated 7.2% of its revenue from Germany and the bwin.party Group generated 24.8% of its revenue from Germany. Given that the aggregate revenue generated by the 888 Group and the bwin.party Group from their respective activities in Germany is significant, an adverse ruling in any of these proceedings, especially one that would result in the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group being forced to cease operations in one or more German states, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The business of the Enlarged Group may expose it to litigation proceedings and compliance risks in various jurisdictions across the world.

The industry in which the Enlarged Group operates is subject to continuing scrutiny by regulators and other governmental authorities, which may, in certain circumstances, lead to enforcement actions, sanctions or injunctions affecting its ability to continue operations, fines and penalties or the assertion of private litigations, claims and damages. As the bwin.party Group is licensed and operates in jurisdictions where the 888 Group does not (for example, Belgium), the Enlarged Group will be subject to legal and compliance risks in more jurisdictions than the 888 Group alone. While the Directors believe that appropriate risk management and compliance programmes have been adopted by the 888 Group and the bwin.party Group, and such programmes will be adopted by the Enlarged Group following Completion, the global and diverse nature of its operations and the fact that such litigation and proceedings are inherently costly and unpredictable, means that the risk is difficult to assess or quantify and legal and compliance risks will continue to exist and additional legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time. In addition, it is possible that the bwin.party Group's

individual conduct in any specific jurisdiction may have differed from that of the 888 Group and could therefore, following Completion, have an adverse impact on the good standing of the Enlarged Group with the regulatory or enforcement authorities in any such jurisdiction, thereby potentially exposing the Enlarged Group to enforcement action or litigation. Furthermore, the increased visibility of the Enlarged Group, resulting from the increased aggregate volume of its operations, could draw additional scrutiny from governmental and enforcement authorities.

The Enlarged Group may also make provisions in its accounts to provide for these litigation and proceedings; however, the amounts reserved could vary significantly from any amounts actually paid due to the inherent uncertainties in the estimation process and therefore any such provisions may be inadequate.

Any such litigation or proceedings could result in adverse publicity and a negative outcome in one or more pending proceedings or any future proceedings which could have a material adverse effect on the businesses, results of operations, financial conditions and prospects of the Enlarged Group.

Uncertainty as to the legality of online gaming and betting may deter third party suppliers from dealing with the Enlarged Group.

The 888 Group, the bwin.party Group and, following Completion, the Enlarged Group, depend on third party suppliers such as payment processing, telecommunications, advertising, technology, banking and other service providers. The willingness of such providers to provide services to the Enlarged Group may be affected by each provider's own assessment of the legality of the provision of services to the Enlarged Group of its business or of the online gaming and betting sector, and by political or other pressure brought to bear on such providers. Adverse changes in law or regulation in any jurisdiction may make the provision of such key services to the Enlarged Group unlawful in such jurisdictions. To the extent that third party suppliers are unwilling or unable to provide services to the Enlarged Group, this may have an adverse impact on its business, results of operations, financial condition and prospects.

The Enlarged Group will depend on payment processing for the success of its business. The introduction of legislation or regulations restricting financial transactions with online gaming and betting operators, other prohibitions or restrictions on the use of credit cards and other banking instruments for online gaming and betting transactions may restrict the ability of the Enlarged Group to accept payment from its customers. These restrictions may be imposed as a result of concerns related to fraud, payment processing, anti-money laundering or other issues related to the provision of online gaming and betting services. A number of issuing banks or credit card companies may from time to time reject payments to the Enlarged Group that are attempted to be made by its customers. Should such restrictions and rejections become more prevalent, or any other restriction on payment processing be introduced, gaming and betting activity by customers of the Enlarged Group could be adversely affected, which in turn could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Given the online nature of its business, the introduction of legislation, regulations, administrative or court orders requiring internet service providers in any jurisdiction to block access to the websites and products of the Enlarged Group may restrict the ability of customers to access products offered by it. Furthermore, there is a risk that ISP providers and mobile service providers will voluntarily block gaming websites and require customers to opt in. This could reduce the ability to sign up new customers and market via these channels to existing players. Certain jurisdictions, including Greece, Russia, Hungary and Latvia have already put in place such restrictions. The bwin.party Group has unsuccessfully challenged these restrictions in Hungary, Greece and Latvia. While the Enlarged Group could challenge these restrictions if they are imposed, there is no certainty that any challenge would be successful and such challenges could be lengthy, during which time the Enlarged Group may be restricted from offering its products to customers in those affected jurisdictions and thus lose market share. Should such restrictions be further extended to other jurisdictions or on an EU-wide basis, from where 72.2% of the 888 Group's 2014 revenue and 77.7% of the bwin.party Group's 2014 revenue was derived, this could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

There have been and continue to be attempts by various persons in EU Member States to apply domestic criminal and administrative laws to prevent online gaming operators licensed in other EU Member States from operating in or providing services to customers within their territory; the case law of the CJEU on this issue continues to evolve creating uncertainty for online gaming operators.

There have been, and continue to be, attempts by regulatory authorities, state licensees and monopoly operators in EU Member States to apply domestic criminal and administrative laws to prevent online gaming operators licensed in other EU Member States from operating in or providing services to customers within their respective territories. The 888 Group and the bwin.party Group permit, and following Completion, the Enlarged Group will permit, customers in most EU Member States to access various services provided by the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group, from their entities licensed in Gibraltar. Since 2006, various EU Member States have been subject to infringement proceedings initiated by the European Commission in relation to the laws that they apply to online gaming as being contrary to the EU principles of free movement of services. The application and enforcement of these principles by the Court of Justice of the European Union (the "**CJEU**"), the domestic courts and regulatory authorities in various EU Member States remain subject to continuing challenge and clarification. There have been, and continue to be outstanding, a considerable number of relevant proceedings before the domestic courts of various EU Member States and the CJEU. The outcomes of these proceedings remain uncertain, some of which may be unfavourable for the Enlarged Group, and it may take years before any of these proceedings are finally decided.

Whilst the CJEU's decision in *Piergiorgio Gambelli* and others C-243/01 stated that restrictions on cross border online gaming services could give rise to restrictions on the freedom to provide services and the freedom of establishment within the EU, more recent CJEU jurisprudence has consistently recognised the rights of EU Member States, subject to certain conditions, to establish or maintain exclusive licensing regimes that exclude operators licensed in other EU Member States or restrict their marketing activities in that EU Member State or restrict such operators from passively accepting bets from customers in that EU Member State. If the jurisprudence of the CJEU continues to increasingly recognise that EU Member States may, subject to certain conditions, restrict the provision of online gaming products by operators licensed in other EU Member States, and if EU Member States take corresponding action to implement such restrictions within their own territory, this may adversely affect the ability of the Enlarged Group to permit customers in a given EU Member State to access one or more of the products of the Enlarged Group and to engage in certain types of marketing activity and customer contact. If national courts of the EU Member States apply this more restrictive interpretation of EU law, the Enlarged Group may have to submit to local licensing, regulation and/or taxation in more EU Member States than is currently the case and/or desist from accepting bets or carrying out marketing activities in certain EU Member States. Any such consequences could potentially have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

If regulatory authorities take actions against players, this could reduce the demand for the product offerings of the Enlarged Group.

There are a number of markets in which the 888 Group and the bwin.party Group have, and in which, following Completion, the Enlarged Group will have, customers where it may be illegal or may become illegal under domestic laws for individuals to engage in online gaming. To date, regulatory agencies have been reluctant to enforce these laws against private individuals. Any attempt in the future by regulatory authorities to enforce such provisions against private individuals could significantly affect demand for the services provided by the Enlarged Group and thereby have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Recent and potential changes to rules regarding cross-border taxation, the revised interpretation of existing tax rules or increased scrutiny of existing structures could increase the tax liability of the Enlarged Group.

The 888 Group and the bwin.party Group each have a policy, and following Completion, the Enlarged Group will aim to ensure that each legal entity within their respective groups is a tax resident of the jurisdiction in which it is incorporated or registered and has no taxable presence in any other jurisdiction. However, if any

group company is found to have a taxable presence elsewhere, whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a material adverse effect on the amount of income tax or VAT payable by the Enlarged Group.

In addition, it is also the policy of the 888 Group and the bwin.party Group, and will be the policy of the Enlarged Group, that the pricing of any arrangements between the group companies, such as intra-group provision of services, are intended to be established on an arm's length basis. However, if the tax authorities in the relevant jurisdictions do not regard the arrangements between any of the group companies as being made at arm's length or insofar as changes occur in transfer pricing regulations or in the interpretation of existing transfer pricing regulations, the amount of tax payable by the Enlarged Group may increase materially.

The customers of the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group, are, and will be, located across the world. Revenues earned from customers located in a particular jurisdiction may give rise to direct or indirect taxes in that jurisdiction. In particular, each of the 888 Group and the bwin.party Group pay VAT with respect to revenue deriving from online gaming and betting services provided to customers located in certain EU Member States for which they have determined that VAT is payable. There are significant uncertainties regarding the determination of the place of supply of, and consequentially the applicable VAT regime in respect of, certain online gaming and betting services provided by the 888 Group and the bwin.party Group, whether the possible imposition of VAT on relevant services by certain EU Member States would be lawful, and uncertainty in relation to the tax base to be applied in determining the amount of VAT that would be payable on any relevant services. The resolution of any such uncertainties in a way that is unfavourable to the Enlarged Group or any determination by the relevant tax authorities that VAT is payable on a gaming product where no VAT or a lower rate of VAT had previously been paid could result in higher VAT payments than the 888 Group or the bwin.party Group is presently making, could potentially reduce the Enlarged Group's profitability, and could result in a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Moreover, if jurisdictions where gaming and betting winnings are currently not subject to income tax or are taxed at low rates were to begin to levy taxes or increase the existing tax rates on winnings or impose a tax withholding or reporting obligation on operators in such respect, online gaming and betting might become less attractive for players in those jurisdictions. The levying of additional taxes, either on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, may have a material adverse effect on the amount of tax payable by the Enlarged Group.

Heightened attention has been given at national and supranational levels, including through the G20 / OECD Base Erosion and Profit Shifting project ("**BEPS**"), as well as in other public forums and the media, with regard to matters of cross-border taxation, and in particular, to taxation of the digital economy. In this context, the Enlarged Group expect to be subject to increased reporting requirements regarding its international tax structure, including country-by-country reporting under BEPS. In addition, whilst discussions under the auspices of BEPS regarding taxation of the digital economy are ongoing and the end result remains uncertain, changes could be made to the definition of the "permanent establishment" ("**PE**") concept under bilateral double taxation agreements and/or a multilateral double taxation agreement, or to the manner in which the existing "permanent establishment" concept is interpreted by tax authorities, such that the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group may be subject to corporate tax with regard to profits attributed to additional jurisdictions in which they do not currently have a taxable presence under the rules as currently interpreted.

In addition, legislation in respect of Diverted Profits Tax has been introduced in the UK with effect from 1 April 2015, which, in circumstances where profits are deemed "diverted" from the UK under the terms of such legislation, imposes tax at a rate of 25% on profits which would be attributable to a permanent establishment in the UK were an "avoided PE" to exist for the purposes of the legislation, or on profits diverted from the UK by way of intra-group transactions having inadequate economic substance. Whilst the 888 Group and bwin.party Group each carry out their operations from Gibraltar and each has a considerable presence in Gibraltar, elements of the 888 Group's and bwin.party Group's respective businesses, such as bingo-related services, marketing support, payments and other activities, are carried out from the UK by

subsidiaries which are established in the UK, remunerated in accordance with arm's length transfer pricing and which are fully taxable in the UK. The aggregate UK presence of the Enlarged Group may give rise to increased exposure to taxation in the UK and the Enlarged Group could be deemed to have a reporting and/or tax payment obligation under the Diverted Profits Tax legislation insofar as such UK-based operations are deemed to constitute an "avoided PE" of any of the non-UK Enlarged Group companies in the UK, as defined in the legislation, or that intra-group transactions involving UK entities are deemed to lack adequate economic substance as contemplated under the legislation. The Directors believe that the 888 Group's exposure to Diverted Profits Tax is presently low in light of the level of corporation tax presently paid by the 888 Group in the UK.

Any changes in the rules regarding cross-border taxation or the revised interpretation of existing tax rules could increase the tax liability of the Enlarged Group and have a material adverse effect on its business, results of operations, financial condition and prospects.

Adverse changes to the taxation of online gaming and betting or the imposition of statutory levies or other duties or charges could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Jurisdictions in which online gaming and betting is regulated impose gaming duties on licensed operators. For example, as of December 2014, the UK has imposed gaming tax on a point of consumption basis which has lowered margins for the 888 Group and the bwin.party Group. The 888 Group has calculated that, had the point of consumption basis for gaming tax been imposed for the entirety of 2014, the 888 Group's EBITDA margin for the year 2014 would have been reduced from 22.1% to 17.1%. The bwin.party Group has calculated that, had the point of consumption tax basis for gaming tax been imposed for the entirety of 2014, the bwin.party Group's EBITDA margin for the year 2014 would have been reduced from 16.5% to 15.1%.

In addition, jurisdictions in which the Enlarged Group seeks to be licenced may condition such licencing on the retroactive payment of tax allegedly payable on revenue generated by an applicant for licencing from players in such jurisdictions during a prior period. Legal challenges to such attempts could be lengthy, thereby delaying the award of a licence conditional on the outcome of such challenge and restricting the access of the Enlarged Group to such markets or resulting in a loss of market share.

The imposition of statutory levies or other duties on gaming and betting operators, whether as a result of changes in taxation of online gaming and betting or as a condition to licencing, could lower margins and make it more difficult for the Enlarged Group to obtain a licence and operate in certain jurisdictions, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

The systems and controls of the Enlarged Group to restrict access to its products may not be adequate.

The 888 Group and the bwin.party Group use multiple technological methods to block customers from certain jurisdictions. These systems and controls are intended to ensure that no bets are accepted from customers located in those jurisdictions, such as the US (except in states where licences are held), Turkey and Israel where the 888 Group and/or the bwin.party Group have made a decision not to offer all or certain of their products and services. These systems and controls could fail, be subject to manipulation, or otherwise be found to be inadequate, either currently or as a result of future technological developments. This may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource, and, in particular if successful, reputational implications, as well as implications on the ability of the Enlarged Group to retain, renew or expand its portfolio of licences in other jurisdictions, and so have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Negative publicity surrounding the gaming and betting industry may adversely affect the reputation and business of the Enlarged Group.

The Enlarged Group may be adversely affected by negative publicity surrounding the gaming and betting industry and in particular, play by vulnerable customers. The visibility of the Enlarged Group compared to that of each of the 888 Group or bwin.party Group on a standalone basis, resulting from the increased

aggregate volume of its operations, could be increased and therefore draw additional publicity and attention. While the profile of the online gaming and betting industry differs from that of the rest of the gaming and betting industry in terms of consumer protection and player addiction, the reputation of the online gaming and betting industry is affected by the operations of, and issues associated with, the gaming and betting industry as a whole. The attraction of gaming and betting to some minors and players for whom gaming and betting activities assume too great a role in their lives poses a challenge to the online gaming and betting industry in which the Enlarged Group will operate. If the perception develops that the online gaming and betting industry or the gaming and betting industry as a whole is failing to adequately protect minors and vulnerable players, restrictions on the provision of gaming and betting services to such players may be imposed on the Enlarged Group, which could have a material adverse effect on its business, results of operations, financial condition and prospects. Damage to the online gaming and betting industry's reputation could also lead to a lack of support for the online gaming and betting industry from governments and other legislative bodies and from the public, all of which may have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group, as would any form of compulsory levy to fund research into, and assistance for, compulsive gamblers. Moreover, it cannot be ruled out that there could be successful claims for damages in the future by which a compulsive gambler or his dependants could recover monies wagered or damages for emotional distress or similar.

The 888 Group and the bwin.party Group devote, and the Enlarged Group will devote, resources to putting in place prevention measures coupled with strict internal procedures to protect customers. The 888 Group and the bwin.party Group monitor and update their procedures to ensure that minors are unable to access their gaming sites. Staff are trained to provide a safe gaming experience to customers and to recognise and take appropriate actions if they identify compulsive or underage activity. The 888 Group and the bwin.party Group also comply with GamCare and the eCOGRA guidelines to protect customers. Web links to professional help agencies are provided on the real money gaming sites of the 888 Group and the bwin.party Group. The 888 Group also offers its customers a free of charge four-week gambling therapy programme and has a dedicated website which provides information regarding all aspects of responsible gaming. In addition, players can also limit their play pattern or request to be self-excluded if they are worried about their gaming habits. Although prevention measures and strict internal procedures are in place and minors and individuals who have requested to be self-excluded are restricted from opening accounts or proceeding to play for real money, it is difficult to ensure that affiliate marketers ethically source reliable data for marketing purposes such that advertising codes can be strictly adhered to and that only appropriate age groups or demographics are targeted.

Any negative publicity surrounding the online gaming and betting industry or an increase in scrutiny from regulators could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Online gaming and betting contracts may be unenforceable.

In several of the key markets of the 888 Group and the bwin.party Group, online gaming and betting contracts are deemed by law either to be null and void or unenforceable. Although the choice of law clauses in end-user terms and conditions stipulate that gaming and betting transactions take place in the location of the operator, there is a risk that customers who have placed bets on an online gaming and betting site could later demand to recover the funds that they have wagered from the operators of the site. If such claims were successful, it could encourage others to bring similar claims which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be exposed to contractual claims arising from regulatory action.

Each of the 888 Group and the bwin.party Group has entered into agreements with service providers in relation to, among other things, the marketing of each of its products and the processing of payments. The 888 Group and the bwin.party Group have also entered into sponsorship agreements with individuals, companies or entities that they have agreed to sponsor. Many of these agreements contain warranty, indemnity and termination provisions that the counterparties to the agreements may rely on in circumstances where, for example, the validity of a licence held by the 888 Group or the bwin.party Group, as the case may

be, is disputed (whether as a result of judicial proceedings, a change in law or otherwise), or where regulatory action is taken against the counterparty.

Neither the 888 Group nor the bwin.party Group has faced material claims of this nature to date. However, if such claims are made, or action is taken, and counterparties were to rely on the relevant warranty, indemnity or termination provisions, the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group could be faced with material damages or indemnity claims. The Enlarged Group may also remain liable for any outstanding fees payable to the counterparty of an agreement which has been terminated without receiving any value for such fees. The termination of one or more of such service or sponsorship agreements and any damages claims brought by the counterparties to such agreements could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

RISKS RELATING TO THE OPERATIONS OF THE ENLARGED GROUP

The Enlarged Group may be exposed to foreign exchange rate fluctuations and foreign exchange rate risks in terms of its financial reporting.

Following the Proposed Acquisition, a substantial part of the Enlarged Group's deposits and revenue will be generated in Euro and other currencies, while its operating expenses will largely be incurred in local currencies, primarily GBP, NIS and Euros. The Enlarged Group will also have incremental debt servicing costs which are denominated in US dollars following Completion. As a result of this, the Enlarged Group will be more exposed to the impact of foreign currency fluctuations. The Enlarged Group will mitigate its exposure to the impact of foreign exchange fluctuations on its cost base by adopting policies to hedge certain costs, and will also have additional costs denominated in Euros which will provide an additional natural hedge. However, there can be no assurance that such hedging will eliminate the potentially material adverse effect of such fluctuations.

Following the Proposed Acquisition, in accordance with applicable accounting standards, the Enlarged Group will consider the most appropriate reporting currency in light of its revenues and expenses. Following the Proposed Acquisition, the Enlarged Group will have more exposure to certain currencies, and particularly Euro-denominated earnings than the 888 Group currently. As reported revenues and assets are denominated in US dollars, the Enlarged Group will become more exposed to the impact of USD exchange rates with these currencies and in particular the USD / Euro exchange rate. The continuation of a strong US dollar could adversely impact reported revenues of the Enlarged Group and have a material adverse effect on its business, results of operations, financial condition and prospects. The Enlarged Group is not able to mitigate this impact.

The Enlarged Group will have borrowings and the terms of the finance documents governing such borrowings may impair certain operational flexibility and limit the Enlarged Group's ability to pay dividends in the absence of obtaining lender consent.

The Enlarged Group has entered into a US$600 million term loan credit facility which will be used to finance the Proposed Acquisition and pay related costs. As a result, the Enlarged Group will be subject to restrictive covenants (normal for a debt facility of this nature). Where the Enlarged Group wishes to enter into a transaction or undertake corporate action which is not permitted under such covenants it will need to obtain the prior consent of the lenders and there can be no guarantee that such consent would be obtained. This may impact on certain operational and financial flexibility that the Enlarged Group would otherwise have with respect to (among other things) paying dividends (including its ability to pay such dividends as are envisaged under its present dividend policy), making minority or joint venture investments, granting security, making acquisitions, entering into mergers, making disposals or incurring financial indebtedness, in each case unless such matter is expressly carved-out from the relevant restrictive covenant or can be accommodated within the customary general baskets, materiality thresholds and, where applicable, debt incurrence ratios provided for in the finance documents.

The Enlarged Group will be subject to interest rate risk.

The borrowings of the Enlarged Group under the US$600 million term loan credit facility are subject to a variable interest rate and therefore the Enlarged Group will be exposed to fluctuations in market interest rates. The Enlarged Group may put in place such financial instruments as the Board may consider necessary or desirable to limit the interest rate risk to which the Enlarged Group could be subject.

Any worsening of general economic conditions could significantly affect customer activity levels of the Enlarged Group.

The 888 Group and the bwin.party Group rely, and, following Completion, the Enlarged Group will rely, on their customers having sufficient disposable income or capital to spend on gaming and betting. While normal economic cycles do not have a material adverse effect on the 888 Group and the bwin.party Group, the global financial crisis in 2008 adversely impacted customer activity levels and the size of customer deposits. Any recurrence of an event of such scale and magnitude as the 2008 global financial crisis could significantly affect customer activity levels and have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Political, economic and military conditions in Israel may impede the ability of the Enlarged Group to operate or harm its financial results.

The 888 Group has, and following Completion, the Enlarged Group will have, certain subsidiaries located in Israel carrying out research and development, marketing support and certain other functions. Accordingly, political, economic and military conditions in Israel may directly affect the Enlarged Group's business. Since the establishment of the State of Israel in 1948, a number of armed conflicts have occurred between Israel and its Arab neighbours. While the 888 Group has not suffered any material adverse impact on its business as a result of such events, any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could adversely affect the Enlarged Group's operations. In addition, pursuant to Israeli law, several of the Enlarged Group's employees and key personnel could be called-up for emergency military duty in the event of war or an escalation in hostilities between Israel and its neighbours which could further disrupt the Enlarged Group's Israeli operations. Any escalation in hostilities, or any future armed conflicts, political instability or violence in the region, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The business, results of operations, financial condition and prospects of the Enlarged Group will depend on the scheduling and live broadcasting of major sporting events.

The business, results of operations, financial condition and prospects of the 888 Group and the bwin.party Group are, and, following Completion, the Enlarged Group will be, affected by the scheduling and live broadcasting of major sporting events. In the year ended 31 December 2014, 4.4% of the 888 Group's revenue and 38.1% of the bwin.party Group's revenue is derived from sports betting. On a *pro forma* basis, 26.8% of the Enlarged Group's revenue would have been derived from sports betting in 2014. Disruptions to the scheduling and broadcasting of those sports may have a material adverse impact on the results of operations. In some instances, the scheduling of major sporting events occurs seasonally (for example, UK horse racing and football) or at regular but infrequent intervals (for example, the FIFA World Cup or the Rugby World Cup). The cancellation, postponement or curtailment of significant sporting events, for example, due to bribery and corruption investigations, adverse weather conditions, terrorist acts, other acts of war or hostility or the outbreak of infectious diseases; or cancellation, disruption to, or postponement of the live broadcasting of such sporting events, for example, due to contractual disputes, technological or communication problems, or the insolvency of a major broadcaster, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be required to make payments to sporting bodies or event rights holders.

The Enlarged Group could be liable to make contributions to sporting bodies, such as the Horserace Betting Levy Board in the UK, whether under regulations or agreement, as a way of ensuring certain revenues generated from betting on sports are used to benefit those sports or related interests. The bwin.party Group is currently making such payments in France. The 888 Group is not currently required to make such

payments, although the Enlarged Group may be required to make similar payments in the future as a condition to its licences or as a condition to its application for licences in the future. The Enlarged Group cannot predict with any certainty what future payments may be required for the success of its businesses in the future and what other additional resources will need to be made available to address any conditions which impose levies, fees or royalties, the level of which will be outside the control of the Enlarged Group. On a *pro forma* basis, 26.8% of the Enlarged Group's revenue would have been derived from sports betting in 2014. Given the significance of the sports betting vertical to the Enlarged Group, any requirement to pay additional levies, fees or royalties would have a material adverse effect on its business, results of operations, financial condition and prospects.

The success of the Enlarged Group will depend on the effectiveness of its marketing and promotional activities to expand its customer base and enter new markets and maintain, develop and enhance its brands.

Customer acquisition and retention, and therefore the business, results of operations, financial condition and prospects of the Enlarged Group, will depend significantly upon the effectiveness of its marketing and promotional activities. This includes the granting of promotional bonuses, loyalty points, guaranteeing attractive prize-pools and other forms of promotional activities. There are however limitations to, and in some cases, prohibitions on the online and offline marketing channels, as well as permitted forms of promotional activity, available to the Enlarged Group as a result of applicable law and regulation. The 888 Group and the bwin.party Group mitigate, and following Completion, the Enlarged Group will mitigate, the risk of ineffective and/or inefficient marketing activity including, in particular, the wasted costs and missed opportunities associated therewith, by using a suite of proprietary tools to monitor return on investment on marketing spend against customer lifetime value.

In markets where the 888 Group and the bwin.party Group currently generate revenue, the Enlarged Group will expand its customer base by improving its product offering to customers, developing penetration in existing markets, and seeking new licences where available and commercially viable. In new jurisdictions, successful marketing will involve local adaptations to the overall marketing strategy of the Enlarged Group as a result of social, political and legal differences among jurisdictions. The Enlarged Group will incur costs when expanding into new geographic markets. While the 888 Group and the bwin.party Group have been successful in entering new geographic markets to date, future entry into new geographic markets by the Enlarged Group may not be successful. In particular, the marketing strategy of the Enlarged Group in new geographic markets may not be well received by target customers or such marketing strategy may not otherwise be socially acceptable in that jurisdiction. The Enlarged Group may be unable to successfully deal with new and different local operating environments and may be subject to unfamiliar restrictive local laws and regulations which may include specific technological requirements that are incompatible with its technology or business model, local ownership requirements or exchange control regulations which limit available payment methods for foreign operators. The Enlarged Group may also face local state monopolies or other local vested interests that oppose the entry of new operators or already have substantial local market share. Furthermore, in entering new markets and consolidating the Enlarged Group's position in existing markets, the Enlarged Group will face challenges in terms of effectively cross-marketing across the Enlarged Group's product portfolio and minimising the risk of cannibalisation. All of these could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The success of the Enlarged Group will also depend on the maintenance, development and enhancement of its brand. If the Enlarged Group is unable to maintain, develop and enhance its brands, its ability to implement its strategic goals may be adversely affected. Each of the 888 Group and the bwin.party Group use, and, following Completion, the Enlarged Group will use, affiliate marketing that is expected to generate a significant portion of their revenues. If the Enlarged Group's affiliates suffer damage to their reputation, or become subject to onerous regulatory or legislative requirements, this could adversely affect the brands of the Enlarged Group. In addition, some of the participants in the Enlarged Group's affiliate marketing network may choose to compete with the Enlarged Group by also marketing their own brands or brands of competitors. These participants may decide in the future to shift their activities towards competitors of the Enlarged Group or terminate their agreements. If such affiliate marketers decide to market their own or a competitor's services, revenues of the Enlarged Group may decline. Increased competition may require more

management time and resources and greater levels of expenditure on marketing activities and to maintain, develop and enhance the brands of the Enlarged Group. In the Enlarged Group's B2B division, the Enlarged Group may also be dependent on the success of its B2B partners' marketing activities, brand development and enhancement efforts.

The Proposed Acquisition will result in the Enlarged Group operating a greater number of competing brands. The Enlarged Group will be required to successfully co-ordinate the marketing and promotional activities of various competing brands without impacting on the commercial effectiveness and success of each brand. The Enlarged Group will need to maintain the distinctiveness of the various brands under common ownership in order to prevent cannibalisation of its customers.

The Enlarged Group may therefore be subject to restrictions resulting in a loss of marketing channels. It may be unable to expand its customer base in those markets from which the 888 Group and the bwin.party Group currently generate revenue or fail to successfully enter new geographic markets. The Enlarged Group may also fail to maintain, develop and enhance its brands or successfully co-ordinate the marketing of competing brands. The participants of its affiliate marketing network or its B2B partners may also choose to compete with the Enlarged Group. The occurrence of any of these events could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group will depend on a number of third parties for the operation of its business.

The 888 Group and the bwin.party Group have key contractual relationships with a number of third parties including suppliers, insurers, partners, banks and payment processors. The 888 Group and the bwin.party Group rely on, and following Completion, the Enlarged Group will rely on, key suppliers in order to carry on their operations. In particular, the Enlarged Group will depend on payment processing for the success of its business. The provision of convenient, trusted, fast and effective payment processing services to customers and potential customers of the Enlarged Group is critical to its business. If there is any deterioration in the quality of the payment processing services provided to its customers or any interruption to those services, or if such services are only available at an increased cost to the Enlarged Group or its customers, or if such services are terminated and no timely and comparable replacement services are found, customers and potential customers of the Enlarged Group may be deterred from using its products. The failure of one or more of these third parties or the failure of any of them to fulfil its obligations to the Enlarged Group may cause significant disruptions to the operations of the business and have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The success of the poker business of the Enlarged Group is dependent on maintaining a certain level of customer liquidity.

In 2014, the 888 Group and the bwin.party Group generated 20.6% and 12.9% respectively of their overall revenues from the poker vertical and on a *pro forma* basis 14.3% of the Enlarged Group's revenue would have been derived from poker in 2014. The success of the poker business of the Enlarged Group will be dependent on maintaining a certain level of customer liquidity, since customer liquidity increases the number of opposing players available, the size of the winnings pot and other factors. The increased liquidity offered by the Enlarged Group is expected to entrench the second ranking position (source: Pokerscout) already held by the 888 Group in the poker market.

Regulations in most countries provide that players within these countries may only play against other players located in the relevant country (so-called ring-fenced markets). These ring-fenced markets include Spain, Italy, New Jersey (B2B), and Nevada and Delaware (both of which share liquidity for poker), in which the 888 Group operates; and Italy, Spain, France and New Jersey (B2B), in which the bwin.party Group operates. As a result, online gaming and betting operators now need to be able to establish sufficient poker liquidity in countries with such regulations, in addition to establishing a large international market for other countries. Should additional countries with large market potential for the Enlarged Group seek to ring-fence their player liquidity in a similar manner, the failure to establish sufficient player liquidity in these countries could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may experience significant losses with respect to individual events or betting outcomes.

The fixed-odds betting products of the 888 Group and the bwin.party Group involve, and, following Completion, those of the Enlarged Group will involve, betting where winnings are paid on the basis of the stake placed and the odds quoted, rather than derived from a pool of stake money received from all customers. While bets in excess of certain defined limits are to be referred to the central betting control department, high stakes may be approved and may therefore correspond to significant losses that may be incurred by the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group in relation to each fixed-odds betting outcome, although there are individual limits on the amount of profit that can be made on any bet or day, irrespective of the stake or odds of such bet. A bookmaker's odds are determined so as to provide an average return to the bookmaker over a large number of events. There is an inherently high level of variation in gross win percentage event-by-event and day-by-day. The gross win percentage of the 888 Group is dependent on volume which historically has been relatively low and thus gross win percentage fluctuated; however, gross win over a longer period of time is more stable, especially since adoption by the 888 Group of the Kambi platform. Losses from individual events or betting outcomes are possible, and the 888 Group has, from time to time, experienced certain losses in such respect; however, this exposure is mitigated by the imposition of betting limits and other restrictions.

In online casino, operator losses are limited per stake to a maximum return. When looking at bets across a period of time, operator losses can potentially be larger in the short term, although in practice, this does not happen quickly and thus mitigating action can be taken by the Enlarged Group. Given the high volume of the business, major operator losses are infrequent over long periods.

InterTraderDirect.com is a UK spread betting and contracts for difference ("**CFD**") service launched by bwin.party. Prices of tradable instruments like CFDs on currencies, indices and equities move continuously upwards or downwards with small differences with each trade; however, where markets are illiquid or if a significant unexpected event occurs resulting in sudden and severe movement in prices, InterTrader could fail to close out its client's positions before the account goes into loss, exposing itself to credit risk against the client.

While systems and controls are implemented by the 888 Group and the bwin.party Group and, following Completion, will be implemented by the Enlarged Group, to monitor and manage the risk, there can be no assurance that these systems and controls will be effective in reducing the exposure to this risk. The effect of future fluctuations and single-event losses could have a material adverse effect on the cash flows and therefore a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be exposed to the risk of customer chargebacks.

Chargebacks occur when customers, card issuers or payment processors seek to void credit card or other payment transactions. Chargebacks are a cost of most retail-based businesses and do not relate only to online gaming and betting. Cardholders are supposedly able to reverse card transactions only if there has been unauthorised use of the credit or debit card or the services contracted for have not been provided. Customers occasionally seek to reverse their real money losses through chargebacks. In 2014, the 888 Group and the bwin.party Group incurred chargeback costs amounting to US$2.7 million and €3.4 million respectively. The 888 Group and the bwin.party Group place, and following Completion, the Enlarged Group will place emphasis on control procedures to protect from chargebacks, including tracking customers that have previously charged back and by providing their customers with a variety of alternative payment processing methods such as e-wallets and pre-paid cards to reduce the risk of chargebacks. The Directors expect that a proportion of customers will continue to reverse payments made by credit card and other payment methods through the use of chargebacks, and if this is not controlled, it could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group will be exposed to changes in technology and may not be able to keep up-to-date with developments and launch new products or new technologies in a timely manner or at all and such products or technologies may not be successful.

The 888 Group's and the bwin.party Group's success to date has, to an extent, been driven by their ability to consistently develop and launch new customer products and new and innovative technologies. There can be no certainty that the Enlarged Group will continue to be able to develop its technology to keep up-to-date with developments across the online gaming and betting sector and, in particular, to launch such products or new technologies in a timely manner or at all. In addition, there can be no certainty that such products will be popular with customers or that such products or new technologies will be reliable, robust and not susceptible to viruses or failure. In certain jurisdictions, such new or updated products or technologies may require regulatory and licensing approvals that may be delayed or not provided, which would restrict the use of such products or technologies. If the Enlarged Group fails to keep up-to-date with developments and launch new products or technologies in a timely manner, or at all, it may lose its market share to competitors or fail to gain market share in new jurisdictions. Any of these factors could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group will depend on technology and advanced information systems which may fail or be subject to disruption.

The integrity, reliability and operational performance of the IT systems of the Enlarged Group will be critical to its operations. The IT systems of the Enlarged Group may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Furthermore, the current systems may be unable to support a significant increase in online traffic or increased customer numbers, whether as a result of organic or inorganic growth of the business. Any failure of the IT infrastructure of the Enlarged Group or the telecommunications and/or other third party infrastructure on which such infrastructure relies could lead to significant costs and disruptions that could reduce revenue, harm the business reputation and have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group. The bwin.party Group's InterTrader's licensed service, InterTrader Direct, fully hedges every trade it takes back-to-back in the market, i.e. it does not take positions against its clients, and relies for its revenues solely on the spread or commission income generated by each trade. A technical malfunction could result in customers taking a position that InterTrader unknowingly did not hedge and expose InterTrader to market risks on those unhedged trades. In addition, with information and security arrangements shared across a supply chain, the cyber security of any one organisation within the chain is potentially exposed to the vulnerabilities of the weakest member of the supply chain. Therefore, third party software providers, website builders, data aggregators and B2B partners that are connected to databases of the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group potentially constitute a cyber-risk to the Enlarged Group. While the 888 Group and the bwin.party Group use, and following Completion, the Enlarged Group will use, multiple technical solutions and common standards to help to mitigate these risks (for example, Payment Card Industry Data Security Standard ("**PCI DSS**")), the possible risk of cyber security vulnerability in the supply chain remains.

The 888 Group and the bwin.party Group have in place, and following Completion, the Enlarged Group will have in place, business continuity procedures, disaster recovery systems and security measures to protect against network or IT failure or disruption. These procedures and measures may however not be effective to ensure that the Enlarged Group is able to carry on its business in the ordinary course if there is a network or IT failure or disruption, and they may not ensure that the Enlarged Group can anticipate, prevent or mitigate a material adverse effect on its business, results of operations, financial condition and prospects resulting from such failure or disruption.

Should the IT systems of the Enlarged Group fail or be subject to disruption, and the Enlarged Group is unable to carry on its businesses in the ordinary course, there could be a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be vulnerable to network failure, disruptions, cyber crime attacks and player fraud and significant resources may be required to protect the Enlarged Group.

The Enlarged Group may be vulnerable to hacker intrusion, distributed denial of service ("**DDoS**"), malicious viruses and other cyber crime attacks which could result in network failure or disruptions. For example, computer hackers may attempt to gain access to the systems and databases of the Enlarged Group for the purpose of manipulating results which may cause systems failure and business disruption. Both the 888 Group and the bwin.party Group have, in the past and are likely again in the future, to be subject to these types of cyber attack attempts, although to date, no such attempt has resulted in any material damage. The 888 Group has not had an opportunity to fully assess the robustness of the bwin.party Group's IT systems generally, or specifically against such attacks. The visibility of the Enlarged Group compared to that of each of the 888 Group or bwin.party Group on a standalone basis, resulting from the increased aggregate volume of its operations and its profile, could be increased and therefore the threat of cyber attack attempts may be heightened.

The online gaming and betting industry is also vulnerable to attack by customers through collusion and fraud. Online transactions may be subject to sophisticated schemes or collusion to defraud (including to increase gaming and betting winnings), launder money or other illegal activities, and there is a risk that the products of the Enlarged Group may be used for those purposes either by their customers or their employees. For example, collusion can be effected between online poker players adopting sophisticated computer programmes to play games automatically (bots) or by chip dumping (i.e. depositing and losing money against another colluding customer in an attempt to money launder). As the Enlarged Group will have more customers and a greater volume of transactions it may be further exposed to this risk than the 888 Group alone.

In order to protect the Enlarged Group against network or IT failure or disruption, unauthorised access and player fraud, the Enlarged Group may be required to expend significant capital or other resources (such as staff and management time and resources and engagement of third party experts and consultants), including the replacement or upgrading of existing business continuity systems, procedures and security measures. The Enlarged Group will implement, technologies and procedures throughout its technology operations designed to protect its networks from malicious attacks and other such risks. These measures include traffic filtering, anti-DDoS devices and anti-virus protection from leading vendors. Physical and logical network segmentation will also be used to isolate and protect networks and restrict malicious activities. In addition, the Enlarged Group will also aim to ensure that appropriate protections are in place to detect any intrusion or other security breach. These steps, together with preventative measures safeguarding against sabotage, hackers, viruses and cyber-crime will be essential to the Enlarged Group. The 888 Group and the bwin.party Group have also implemented, and the Enlarged Group will implement, detection and prevention controls to minimise the opportunities for fraudulent play and are aware of the need to continually monitor and develop such protective measures. Failure to adopt appropriate policies and implement appropriate steps to adequately monitor and prevent money laundering and other fraudulent activity could result in civil or criminal liability for the Enlarged Group.

Techniques deployed to obtain unauthorised access, or to sabotage or misuse the online gaming and betting systems change and may not be known until launched against the Enlarged Group or any of their third-party service providers. The Enlarged Group may therefore not be able to anticipate, or to completely protect against such attacks, especially since such attacks are, by their nature, technologically sophisticated and may be difficult or impossible to detect and defend. If replacements, expansions, upgrades and/or other maintenance are not implemented successfully or completed efficiently or there are operational failures, the quality of the product portfolio of the Enlarged Group and the service experienced by its customers will be adversely impacted, which could reduce or stop the use by customers of the Enlarged Group's products and services. If the protection and prevention measures implemented by the Enlarged Group were to fail or be circumvented, this could potentially cause the Enlarged Group to shut down its operations for a period of time until the source of the breach is determined and the situation remediated. The Enlarged Group could also lose business critical information and could be subject to threats from hackers who could release business critical or other sensitive information to the public that would harm the operations and the reputation of the Enlarged Group. Any failure by the Enlarged Group to detect instances of collusion and

other fraud may also result in affected customers experiencing increased losses and thus lose confidence in the Enlarged Group. The occurrence of any of these could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Failure to adequately protect customer account information could have a material adverse effect on the Enlarged Group.

The Enlarged Group will process, personal customer data (including name, address, age, bank details and gaming and betting history) as part of its businesses and therefore must comply with strict data protection and privacy laws in the EU and certain other jurisdictions from which the Enlarged Group will accept bets. Those laws restrict the ability of the Enlarged Group to collect and use personal information relating to customers and potential customers. The Enlarged Group will be exposed to the risk that personal data could in the future be wrongfully accessed and/or used, whether by employees, customers or other third parties, or otherwise lost or disclosed or processed in breach of data protection regulation. If the Enlarged Group or any of the third party service providers on which it relies fail to transmit customer information and payment details online in a secure manner or if any such theft or loss of personal customer data were to otherwise occur, the Enlarged Group could face liability under data protection laws and could be exposed to action by government agencies and/or private litigation. The occurrence of any such events could also result in the loss of customer goodwill and confidence and deter new customers. Furthermore, a data breach involving employee data could also cause recruitment and retention challenges, increasing labour costs and affecting the daily operation of the business. Each of these factors could harm the business reputation and have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be adversely impacted by reduced levels of broadband access and internet penetration.

Broadband access and internet penetration may be negatively affected by various factors, including the introduction of new media or communications channels or the growth of existing alternative channels (such as mobile and television). In addition, broadband access and internet penetration may be adversely affected by difficult global economic conditions or the cancellation of government programmes to expand broadband access. As an online business, the Enlarged Group will be dependent on the internet as a means to offer its products to customers. A reduction in the growth of, or a decline in, broadband access and internet penetration, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be unsuccessful if it undertakes future acquisitions, joint ventures or alliances.

The Enlarged Group may seek to acquire or invest in other businesses if appropriate opportunities become available. Any future acquisition may pose regulatory, antitrust, integration and other risks. Any of these factors may significantly affect the benefits or anticipated benefits of such acquisitions or investments and consequently the results or operations of the Enlarged Group. Furthermore, any new acquisitions will require significant management time and resources and may require the diversion of resources from other activities. The Enlarged Group may be unable to manage future acquisitions profitably or to integrate such acquisitions successfully without incurring substantial costs, delays or other problems. In addition, any companies or businesses acquired or invested in may not achieve levels of profitability or revenue that justify the original investment made by the Enlarged Group. The occurrence of any such events could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group. Other than the Proposed Acquisition, the Directors do not intend to undertake any acquisitions within the next 12 months following the date of publication of this Prospectus that require the raising of additional finance by the Enlarged Group.

The 888 Group and the bwin.party Group do not have a diversified B2B customer base and, following Completion, the Enlarged Group may be exposed to partnership risks.

The Enlarged Group is expected to generate revenue through the provision of its B2B services to third party partners. In 2014, 14.1% of the 888 Group's and 1.9% of the bwin.party Group's overall revenue was derived

from selling gaming solutions to B2B customers. The 888 Group and the bwin.party Group have consolidated their respective positions in the B2B market to focus on fewer, larger B2B contracts. However, this strategy also gives rise to commercial risks as the 888 Group's and the bwin.party Group's B2B customer base is less diversified. In addition, the 888 Group and the bwin.party Group have competing B2B customers in various jurisdictions and various contracts will need to be renegotiated in order to ensure the continued viability of certain customer relationships. If any of their B2B customers fail to renew or terminate the existing contracts or honour their terms, it could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be exposed to the risk of competition.

The online gaming and betting industry is increasingly competitive and the Enlarged Group may be unable to predict, or adequately plan for, the strategies of its competitors. If the Enlarged Group is unable to compete effectively, it may lose customers and may not be able to attract new customers. The competitors of the Enlarged Group may address or implement new technologies before the Enlarged Group is able to do so, or may implement them in a more successful way. The Enlarged Group may be unable to respond quickly or adequately to changes in the industry brought on by new products and technologies, the availability of products on other technology platforms and marketing channels, the introduction of new website features and functionality, new technology or new marketing and promotional efforts by its competitors. There can also be no certainty that existing, proposed or as yet undeveloped technologies will not become dominant in the future or otherwise displace the services of the Enlarged Group or render them obsolete. If the Enlarged Group is not able to compete effectively with current or future competitors with superior technology, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

Whilst the Directors believe the Proposed Acquisition will strengthen the Enlarged Group's competitive position, there will be challenges from new and existing competitors who may have larger customer bases and greater brand recognition. In addition, the Enlarged Group will be at risk from further consolidation in the industry which might result in the formation of a very large and significant competitor to whom the Enlarged Group might lose market share. Other competitors may have significantly greater financial, technical, marketing and other resources than the Enlarged Group and may be able to secure greater liquidity than the Enlarged Group. A loss of market share and, in particular, a loss of liquidity in the poker business could have a considerable adverse effect on the Enlarged Group's business.

The Enlarged Group will also compete for customers with its B2B partners, who will incorporate the Enlarged Group's gaming systems and software into their own back-office systems and market the resulting online gaming and betting services themselves. Such competition may lead to the Enlarged Group's operating margin declining, as B2B partners offer increasing incentives to attract customers, which may require the Enlarged Group to spend more on its own customer acquisition. B2B partners who are invited to join the Enlarged Group's B2C platform will also enjoy shared poker player liquidity as those customers will be able to share most tables on the platforms of the Enlarged Group.

The 888 Group and the bwin.party Group supply some B2B services to its partners on a revenue-share basis. While some B2B partners contribute additional liquidity to each of their poker and other platforms, these B2B partners compete for customers with the 888 Group and the bwin.party Group. The Enlarged Group may be unable to agree terms for the continuation of the B2B arrangements of the 888 Group and the bwin.party Group, or B2B partners may decide in the future to terminate their arrangements, which would result in the loss of customer liquidity and a decline in revenue. In addition, if such B2B partners were to enter into new arrangements with competitors of the 888 Group and the bwin.party Group, the market share of the competitors would increase, thereby strengthening the market position of such competitors. If there is a break-down in, or termination of, contractual relations between the Enlarged Group and its B2B partners, the Enlarged Group may become a party to disputes or litigation that could be expensive, lengthy and disruptive to its business operations. The occurrence of any of the above could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may face difficulties in protecting its intellectual property.

The 888 Group's and the bwin.party Group's policy is to register only their key trademarks in select jurisdictions, in large part due to the nature of the trademarks, many of which are game names, which are subject to frequent changes and updates. Registration of trademarks is generally more extensive in Europe given the geographical focus of the 888 Group and the bwin.party Group and the sophistication of the intellectual property regime in the region. In the US, the 888 Group and the bwin.party Group are in the process of registering their key trademarks. Trademark registration in South America and in Asia is less extensive and the laws of various foreign countries in which the Enlarged Group plan to compete may not protect its intellectual property to the same extent as do the laws in Europe or the US. The failure or inability of the Enlarged Group to adequately protect its intellectual property rights, including its rights in trademarks, domain names, know-how or trade secrets could impair the Enlarged Group's ability to be commercially competitive and have a material adverse effect on its business, results of operations, financial condition and prospects.

The Enlarged Group may face claims alleging infringement of intellectual property rights held by others.

The business activities, products and systems of the Enlarged Group may infringe the proprietary rights of others, and other parties may assert infringement claims against any of them. Parties making claims against the Enlarged Group may be able to obtain injunctive or other equitable relief which could effectively block the Enlarged Group's ability to utilise those rights. Any such claim and any resulting litigation, should it occur and succeed, could subject the Enlarged Group to significant liability for damages (or an account of profits) and legal costs (which would be incurred regardless of whether the claim is successful or not) and could result in invalidation of their proprietary rights, loss of rights to use software or other intellectual property or technology that are material to its business and/or require it to enter into costly and onerous royalty and licensing agreements. Such royalty and licensing agreements, if required, may not be available on terms acceptable to the Enlarged Group, or may not be available at all. In addition, the Enlarged Group may also need to file legal proceedings to defend its trade secrets and the validity of its intellectual property rights, or to determine the validity and scope of the proprietary rights of others. Such litigation, whether successful or unsuccessful, could result in substantial costs and diversion of resources, including management time and resources, as well as potential negative publicity. The occurrence of any of these events could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may be subject to deposit taking, anti-money laundering and financial services regulation.

In common with other online gaming and betting businesses, payments from customers of the Enlarged Group will generally be required in advance of permitting such customers to participate in gaming and betting activities. The receipt of funds from customers may be subject to regulation in various countries. For example, such payments may constitute "deposits" for the purposes of the UK financial services regime. Accepting deposits in the UK is a regulated activity, generally requiring those that accept deposits in the UK to be authorised entities.

The relevant EU directives are broadly drafted. There are two members of the bwin.party Group – Kalixa Accept Limited and Kalixa Pay Limited – which are licensed in the UK as an authorised payment institution and authorised electronic money institution respectively. They are therefore subject to UK financial services regulation, which does not currently apply to the 888 Group. As such, the Enlarged Group will be subject to UK financial services regulation relevant to authorised payment institutions and authorised electronic money institutions following Completion.

Regulatory regimes across the world are being tightened following the 2008 global financial crisis as well as the threat of terrorist financing by way of money laundering. If any relevant regulator were to challenge the payment arrangements of the Enlarged Group, and the Enlarged Group is unable to withstand such challenge, it would have to reorganise the way in which it receives payments from its customers or apply for the necessary authorisations which could be a lengthy process. Given that payment processing is critical to the operations of the Enlarged Group's business, such a reorganisation of payment systems or a lengthy

application process could disrupt the business and, as a result, have an adverse material effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group will be reliant on the Directors and the Proposed Directors.

The success of the Enlarged Group will in part be dependent on the continued services and performance of the Directors and the Proposed Directors. In particular, each of Brian Mattingley, Aviad Kobrine and Amos Pickel has been on the Board for almost ten years. While the Executive Directors have employment contracts that are generally subject to notice periods of up to 12 months before termination, some have shorter notice periods. The loss of the services of certain executive officers or other key employees, particularly to competitors, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

The Enlarged Group may not be able to attract, retain or motivate highly skilled employees.

The Enlarged Group will depend in part on its ability to continue to attract, retain and motivate highly skilled employees. Although there are highly skilled and qualified workforces in the regions where the 888 Group and the bwin.party Group are currently located, competition for software professionals, engineers, sales and marketing and other personnel critical to the business of the Enlarged Group is intense. In some geographically small but important jurisdictions, such as Gibraltar, where the Enlarged Group's infrastructure to run its gaming and betting operations is based, there may only be a limited number of persons with the requisite skills and it may become increasingly difficult to hire such persons. If the Enlarged Group is unable to attract and retain sufficiently qualified staff, it may be unable to achieve or sustain its anticipated growth or to execute its strategic objectives, which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

RISKS RELATING TO THE PROPOSED ACQUISITION AND THE ORDINARY SHARES

Completion is subject to a number of conditions which may not be satisfied or waived or which could only be satisfied on terms which may not be acceptable to 888 or bwin.party and the Enlarged Group may be subject to post-Completion undertakings.

Completion of the Proposed Acquisition is conditional upon, among other things, obtaining approvals from the relevant gaming authorities, obtaining clearances from appropriate competition authorities, the approval of the Scheme by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders, all resolutions necessary to: (i) approve and implement the Scheme; and (ii) approve certain related matters being duly passed by the requisite majority or majorities at any general meeting of 888 and bwin.party or at any adjournment of that meeting, and the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to bwin.party) by the Court.

Although the Directors believe that clearances from the relevant competition authorities should be forthcoming, it is possible that 888 or bwin.party may not obtain these clearances, or that they may not be obtainable within a timescale acceptable to 888 or bwin.party, or that they may only be obtained subject to certain conditions or undertakings, such as the disposal of parts of the 888 or bwin.party businesses, which may not be acceptable to 888 or bwin.party. In the event that any required clearance is not obtained or if any other condition is not fulfilled or waived, the Proposed Acquisition may not be completed. Furthermore, it is possible that the authorities may attach conditions to their approval of the Proposed Acquisition, which might delay or prevent the realisation of certain synergies identified by 888 and bwin.party. In addition, in some jurisdictions, notifications are voluntary and 888 and bwin.party may decide not to notify, bearing the risk that the authorities may later open an investigation on their own initiative. Authorities in such jurisdictions may request that a notification be filed and may require the Enlarged Group to give certain undertakings such as disposing parts of its business, to satisfy competition concerns. If this were to happen, it could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

As described in the risk factor "*The Enlarged Group could face the risk of loss, revocation, non-renewal or change in the terms of its gaming licences*", the Proposed Acquisition and the resulting change of control of

the bwin.party Group, will require notifications to, and/or regulatory approvals from, the relevant regulatory authorities either prior to or following Completion. If the approvals are delayed, this could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition and prospects.

In the event that the conditions to Completion of the Proposed Acquisition are not satisfied by 12 February 2016, the Proposed Acquisition will not proceed and the debt facilities available pursuant to the New Credit Agreement for the purposes of financing the cash consideration payable to the bwin.party Shareholders pursuant to the Proposed Acquisition will no longer be available.

A third party may be able to obtain a large enough shareholding in either 888 or bwin.party and delay or prevent completion of the Proposed Acquisition.

Both 888 and bwin.party are listed companies whose ordinary shares are freely traded on the London Stock Exchange. Notwithstanding the irrevocable undertakings received from certain 888 Shareholders (representing, in aggregate, approximately 58.8% of the ordinary share capital of 888 in issue on 26 August 2015, being the latest practicable date prior to publication of this Prospectus) to vote in favour of the Proposed Acquisition, it is possible that an existing or new shareholder with a significant shareholding in either 888 and bwin.party could use, or could threaten to use, its shareholding to vote against the Proposed Acquisition when shareholder consent is sought. Such an action could materially delay or prevent the implementation of the Scheme and therefore deprive the parties of some or all of the anticipated benefits of the Proposed Acquisition.

The Enlarged Group's success will be dependent upon its ability to integrate the business of the 888 Group and the bwin.party Group and it may not realise the anticipated benefits of the Proposed Acquisition.

The current operations of the 888 Group and the bwin.party Group will be integrated to form the combined operations of the Enlarged Group. To the extent that the Enlarged Group is unable to efficiently integrate the operations, realise cost reductions, retain qualified personnel or customers and avoid unforeseen costs or delays, there may be a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group. The integration of the 888 Group and the bwin.party Group will be supported by a strong management team; however, no assurance can be given that the integration process will deliver all or substantially all of the expected benefits or realise such benefits in a timely manner. The initial synergy work carried out to date has highlighted the potential to generate savings for the Enlarged Group in areas where there may be duplication. There will inevitably be a cost involved in revising the current systems and structures of the Enlarged Group and the risk is that these costs could exceed current estimates which would adversely affect anticipated integration benefits. Whilst integration planning has begun, more detailed consideration will need to be undertaken (including in respect of any impact on the fixed assets, locations of the business of the Enlarged Group and continued employment of the employees and management of the Enlarged Group).

The Proposed Acquisition involves certain specific integration risks, including:

- the unexpected loss of key personnel and customers (noting that the success and anticipated future growth of the Enlarged Group will depend in part on its ability to continue to attract, retain and motivate highly skilled employees in particular in key jurisdictions such as Gibraltar where the Enlarged Group's infrastructure to run its gaming and betting operation is based and where there may only be a limited number of persons with the requisite skills);
- difficulties in integrating the financial, technological and management standards, processes, procedures and controls of the two groups;
- challenges in managing the increased scope, geographic diversity and complexity of the Enlarged Group's operations;
- attempts by third parties to terminate or alter their existing contracts with the 888 Group or the bwin.party Group;
- the loss of any existing banking relationships of the 888 Group or the bwin.party Group;

- conflicts between the interests of the 888 Group and the bwin.party Group; and
- failure to mitigate contingent and/or assumed liabilities.

The Enlarged Group will encounter numerous integration challenges as a consequence of the Proposed Acquisition. In particular, following Completion, the Enlarged Group's management and resources may be diverted from its core business activity due to personnel being required to assist in the integration process. The integration process may lead to an increase in the level of administrative errors. A decline in the service standards of the Enlarged Group may result in increase in customer complaints or actions, which may lead to reputational damage and the loss of customers. Due to the demands of the integration process on management time, it may also cause a delay in other projects currently contemplated by the 888 Group and the bwin.party Group.

The bwin.party Board and the Board have identified an opportunity to create potential additional value for Shareholders by building the bwin.party technology business called "Studios". Subject to the Board determining both that Studios has acquired the requisite critical mass, as well as presenting an attractive business case, the Enlarged Group's strategy would include establishing the Studios B2B business as a stand-alone business and potentially spinning it off into a separate listed vehicle (its shares being distributed to the then existing Shareholders), once appropriate service level agreements with the rest of the Enlarged Group have been finalised and the integration of the Enlarged Group's B2C businesses completed. To the extent the Studios strategy is approved and ultimately implemented by the Board, it will reduce some of the identified cost synergies. However, the Board will only implement the Studios strategy if any shortfall in the synergies would be more than offset by the revenues gained and the value opportunity created.

The Directors expect that, as a result of the Proposed Acquisition, the Enlarged Group will be able to realise not less than US$70 million cost synergies[3] per annum (before tax) by the end of the 2018 financial year (net of dis-synergies). It may however not prove possible to achieve the expected level of synergy benefits on integration of the businesses of the 888 Group and the bwin.party Group on time, or at all, and/or the cost of delivering such benefits may exceed the expected cost. The estimates regarding the potential cost synergies resulting from the Proposed Acquisition included in this Prospectus are based on the 888 Directors' assessment of information currently available and may prove to be incorrect. The Enlarged Group may not realise the anticipated benefits of the Proposed Acquisition and may not be successful in integrating the business and operations of the 888 Group and the bwin.party Group. A failure to deliver all, or substantially all, of the expected benefits or realise such benefits in a timely manner could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

If change of control provisions in the contracts of the bwin.party Group are breached in connection with the Proposed Acquisition, these contracts could be terminated.

The bwin.party Group has a number of ordinary course contracts that contain change of control termination provisions. The Proposed Acquisition could constitute a change of control under certain of these contracts. While the bwin.party Group has not identified any contracts under which the Proposed Acquisition would trigger any material change of control provisions, it has identified those contracts for which it wishes to seek counterparties' consent to the Proposed Acquisition and have received, or intend to receive prior to Completion, the counterparties' consent to the Proposed Acquisition. There can be no assurance that these consents will be forthcoming from all counterparties or that the bwin.party Group has identified all contracts with change of control clauses that are material to its business. If the Proposed Acquisition breaches the change of control clause in a material contract or in a number of contracts that are material to the business of the bwin.party Group and, following Completion, the Enlarged Group, and the relevant counterparty consent cannot be obtained, this could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

3 Nothing in this Prospectus is intended to be a profit forecast and this statement should not be interpreted to mean that the future EPS of the Enlarged Group will necessarily match or exceed the historical published earnings per Ordinary Share or bwin.party Share.

Shareholders may be subject to voting or distribution restrictions on, or be required to dispose of, their interests in the Ordinary Shares as a result of the regulatory requirements to which the Enlarged Group is subject.

The licensing or regulatory authorities in the principal jurisdictions in which the 888 Group and the bwin.party Group have, and following Completion, the Enlarged Group will have, a betting and/or gaming licence or in which the Enlarged Group may seek a licence in the future, have broad powers to request or require reporting of various detailed information from and/or approve the qualification or suitability for licensing of, online gaming and betting operators, including their directors, management and the holders (legal and beneficial) of interests in shares. In some jurisdictions, such authorities may impose such information sharing and filing requirements on a continuous and ongoing basis, including in relation to the Company, its Directors, management and the holders (legal and beneficial) of interests in the Ordinary Shares. These powers may be exercised by regulators as against the legal or beneficial holders of interests in Ordinary Shares or other securities in online gaming and betting companies, as well as against the companies themselves, their directors and management. In some circumstances, the purpose of the exercise of powers by licensing or regulatory authorities may be to identify shareholders, directors and managers whose involvement with the licensed entity is considered to be unacceptable by that licensing or regulatory authority and such persons should therefore not have a direct or indirect financial interest in, or influence over, a gaming and betting operator in the jurisdiction.

The information required, the qualification or suitability requirements to be satisfied and the ongoing regulatory filings to be submitted, may be very detailed, onerous and/or intrusive and may include, for example, personal and financial information concerning the ultimate beneficial owners and/or persons influencing the control of corporate shareholders. In many cases, the terms of the licences of the 888 Group and the bwin.party Group or the provisions of regulations in relevant jurisdictions will require the Enlarged Group to produce such information on demand in relation to the legal and beneficial holders of interests in the Enlarged Group, either following, or in some cases prior to, such persons acquiring specified percentage (legal or beneficial) interests in the share capital of any members of the Enlarged Group. Any failure by the Enlarged Group and its Directors, management or, as applicable, any holder (or proposed investor) of an interest in the Enlarged Group to comply with such requests could result in the relevant licensing or regulatory authority taking adverse action against the Enlarged Group in that jurisdiction, which may include suspension or revocation of the licences and/or the imposition of fines, which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Shareholders should be aware that the Company accepts no responsibility whatsoever for any loss which any such holder may suffer as a result of the sale of any interests held by him (whether directly or indirectly) in connection with the exercise by the Company of the powers referred to above.

Certain Shareholders may exercise significant influence over the Company following Admission and/or their interests may differ from those of other Shareholders.

Immediately following Admission, the E Shaked Shares Trust, the O Shaked Shares Trust and the Ben-Yitzhak Family Shares Trust (together, the "**Principal Shareholder Trusts**") are expected to own beneficially approximately 12.4%, 12.4% and 5.3%, respectively, of the issued ordinary share capital of the Company and, together, the Principal Shareholder Trusts will control, in aggregate, 30.0% of the issued ordinary share capital of the Company. As a result, the Principal Shareholder Trusts will, acting together, potentially possess sufficient voting power to have a significant influence over matters requiring Shareholder approval by special resolution, such as an amendment to the Articles of Association. The Company and the Principal Shareholder Trusts have entered into a relationship agreement with the Company which governs certain aspects of its conduct in relation to the Company. Under the relationship agreement, the Principal Shareholder Trusts each have the right to appoint a Non-executive Director for so long as they hold a certain percentage of shares in the issued share capital of the Company. The interests of each of the Principal Shareholder Trusts may not always be aligned with other Shareholders and the relationship agreement and other measures may not be sufficient to safeguard the interests of other shareholders in the Enlarged Group.

The value of the Ordinary Shares may fluctuate significantly.

Following the Proposed Acquisition, the value of the Ordinary Shares may fluctuate significantly as a result of a large number of factors as well as period-to-period variations in operating results or change in revenue or profit estimates by the Company, industry participants or financial analysts.

The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of the Ordinary Shares in the public market or the perception or any announcement that such sales could occur. The Company cannot predict what effect, if any, this would have on the market price of the Ordinary Shares.

The value of the Ordinary Shares could also be affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or the investment community, strategic actions by competitors, including acquisitions and/or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not the Company derives significant revenue therefrom, and shifts in macro-economic or geopolitical conditions generally. The occurrence of any of these events could adversely affect the market price of the Ordinary Shares and investors may find it more difficult to sell their Ordinary Shares at a time and price which they deem appropriate, or at all.

Shareholders may earn a negative or no return on their investment in the Company.

The Company's results of operations and financial condition are dependent on the trading performance of the members of the Enlarged Group. There can be no assurance that the Company will pay dividends in the future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, applicable law, regulation, restrictions, the Company's financial position, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time. The Company's ability to pay dividends will also depend on the level of distributions, if any, received from its operating subsidiaries.

888 Shareholders and bwin.party Shareholders will own a smaller percentage of the Enlarged Group than they currently own of 888 and bwin.party, respectively.

After Completion, the 888 Shareholders and the bwin.party Shareholders will own a smaller percentage of the Enlarged Group than they currently own of 888 and bwin.party, respectively. Based on the number of bwin.party Shares in issue as at the close of business on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) and assuming that there are no other issues of Ordinary Shares or bwin.party Shares (including under the 888 Share Plans or bwin.party Share Plans) between 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) and the date of Admission, and that 341,557,940 New 888 Shares are issued in connection with the Proposed Acquisition, the 888 Shareholders and former bwin.party Shareholders will own approximately 51.1% and approximately 48.9%, respectively, of the outstanding Ordinary Shares of the Company following Completion. As a consequence, the number of voting rights which can be exercised and the influence which may be exerted by Shareholders in respect of the Company following Completion will be reduced.

If a bwin.party Shareholder makes an election under the Mix and Match Facility, such holder may not receive the consideration in the proportion of New 888 Shares and cash requested.

There is a Mix and Match Facility available to bwin.party Shareholders under the terms of the Proposed Acquisition. Under the Mix and Match Facility, bwin.party Shareholders may elect to vary the proportions in which they receive New 888 Shares and cash consideration, subject to equal and opposite elections made by other bwin.party Shareholders. 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 may not have their election under the Mix and Match Facility satisfied in full or at all, and they will not know the exact number of New 888 Shares or the amount of cash that they will receive until the settlement of consideration under the terms of the Proposed Acquisition.

Market fluctuations may reduce the overall value of the consideration in the Proposed Acquisition.

Unless a successful Mix and Match Facility election is made, each bwin.party Share will be exchanged for 39.45 pence in cash and 0.404 New 888 Shares. Any fluctuation in the market price of the Ordinary Shares between the date of publication of this Prospectus and the Effective Date will increase or decrease the value of the consideration received. In addition, any successful election made under the Mix and Match Facility to receive additional New 888 Shares may have the effect of increasing or decreasing (as the case may be) the impact which any such fluctuation in the value of an Ordinary Share may otherwise have on the value of consideration received for each bwin.party Share.

The issue of additional Ordinary Shares in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings.

The Enlarged Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, such as in connection with share incentive or share option plans, issue additional equity or convertible equity securities. Under the 888 All-Employee Share Plan, grants are normally made to the Executive Directors, employees and/or consultants of the 888 Group within a period of 42 days following the publication of the 888 Group's financial results, subject to the limits on the issue of Ordinary Shares imposed under the terms of the plan. As a result, the Company's existing shareholders would suffer dilution of their percentage ownership. Other than the Proposed Acquisition, the Directors do not intend to undertake any acquisitions within the next 12 months following the date of publication of this Prospectus that require the raising of additional finance by the Enlarged Group.

The City Code on Takeovers and Mergers will not apply to the Company.

The City Code on Takeovers and Mergers (the "**City Code**") will not apply to the Company as it is registered in Gibraltar. As a result, a takeover offer for the Company will not be regulated by the Panel. The Articles of Association contain certain takeover protections, although these do not provide the full protections afforded by the City Code and the enforcement of such provisions is the responsibility of the Company, not the Panel.

PART III

DIRECTORS, PROPOSED DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors of the Company	Brian Mattingley (*Executive Chairman*) Aviad Kobrine (*Chief Financial Officer*) Itai Frieberger (*Chief Operating Officer*) Ron McMillan (*Independent Non-executive Director*) Amos Pickel (*Independent Non-executive Director*) all of whose business address is at Suite 601/701 Europort, Europort Avenue, Gibraltar
Proposed Directors of the Company[4]	Martin Weigold (*Non-executive Director*) Liz Catchpole (*Independent Non-executive Director*) all of whose business address will, with effect from Completion, be at Suite 601/701 Europort, Europort Avenue, Gibraltar
Company Secretary of the Company	Strait Secretaries Limited
Registered office of the Company	Suite 601/701 Europort Europort Avenue Gibraltar
Sponsor and joint financial adviser	Investec Bank plc 2 Gresham Street London EC2V 7QP
Joint financial adviser	Stifel, Nicolaus & Company, Incorporated 787 7th Avenue 11th Floor New York New York 10019
English legal advisers to the Company	Allen & Overy LLP One Bishops Square London E1 6AD
Gibraltar legal advisers to the Company	Hassans 57/63 Line Wall Road PO Box 199 Gibraltar
Legal Advisers to the Company	Herzog Fox Neeman Asia House 4 Weizman Street Tel Aviv Israel 64239

4 The Proposed Directors will become directors of the Company with effect from Completion (subject to regulatory approval).

English legal advisers to the Sponsor	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG
Statutory auditors to the Company	EY Limited, Gibraltar Regal House Queensway Gibraltar GX111AA
Reporting Accountant to the Company	Ernst & Young LLP 1 More London Place London SE1 2AF
Registrars	Capita Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
Depositary	Capita IRG Trustees Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART IV

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND INDICATIVE STATISTICS

Expected timetable of principal events

Event	*Time and/or Date*[1], [2]
Announcement of the Proposed Acquisition	17 July 2015
Application filed in the Court seeking an order for the meeting of the members of bwin.party under section 296 of the Gibraltar Companies Act 2014	3 August 2015
Publication of this Prospectus, the Circular and the Scheme Document	28 August 2015
Publication of 888's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015	28 August 2015
Publication of bwin.party's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015	28 August 2015
Latest time and date for receipt of white bwin.party Forms of Direction for the bwin.party Court Meeting	1.00 p.m. on 24 September 2015[3]
Latest time and date for receipt of blue bwin.party Forms of Direction for the bwin.party General Meeting	1.00 p.m. on 24 September 2015[3]
Latest time for receipt of blue 888 Forms of Direction for the 888 General Meeting	4.00 p.m. on 24 September 2015[4]
Latest time and date for receipt of white bwin.party Forms of Proxy for the bwin.party Court Meeting	1.00 p.m. on 25 September 2015[5]
Latest time and date for receipt of blue Forms of Proxy for the bwin.party General Meeting	1.00 p.m. on 25 September 2015[5]
Latest time and date for receipt of white 888 Forms of Proxy instructions for the 888 General Meeting	4.00 p.m. on 25 September 2015[4]
Record time for voting at the bwin.party Court Meeting	6.00 p.m. on 27 September 2015[6]
Record time for voting at the bwin.party General Meeting	6.00 p.m. on 27 September 2015[6]
Record time for voting at the 888 General Meeting	6.00 p.m. on 27 September 2015[6]
bwin.party Court Meeting	11.00 a.m. (Gibraltar time) on 29 September 2015
bwin.party General Meeting	11.10 a.m. (Gibraltar time) on 29 September 2015[7]
888 General Meeting	5.00 p.m. (Gibraltar time) on 29 September 2015[8]
The following dates are subject to change[9]	
bwin.party Scheme Court Hearing	11 January 2016
Last time and day of dealings in, and for registration of transfers of, bwin.party Shares and disablement in CREST of, bwin.party depositary interests	5.00 p.m. on 12 January 2016
Scheme Record Time	6.00 p.m. on 13 January 2016
Effective Date of the Scheme	14 January 2016

Delisting of bwin.party Shares	On or around 8.00 a.m. on 15 January 2016
Issue of New 888 Shares	On or around 8.00 a.m. on 15 January 2016
Admission and commencement of dealings in New 888 Shares on the London Stock Exchange	On or around 8.00 a.m. on 15 January 2016
CREST accounts credited with Depositary Interests	On or around 8.00 a.m. on 15 January 2016
Settlement of cash consideration due to Scheme Shareholders	By no later than 28 January 2016
Despatch of definitive share certificates, where applicable	By no later than 28 January 2016
Payments in respect of fractional entitlements, where applicable	By no later than 28 January 2016
Long Stop Date (being the latest date by which the Scheme may become Effective in accordance with its terms)	11 February 2016

Notes:

(1) All references in this section to times are to London time, unless otherwise stated.

(2) Each of the above dates is indicative only and is subject to change at the absolute discretion of the Company and bwin.party. Any changes will be announced via an RIS.

(3) The white bwin.party Form of Direction for the bwin.party Court Meeting must be returned by no later than 1.00 p.m. (London time) on 24 September 2015 (or in the case of an adjourned meeting, not less than 72 hours prior to the time and date set for the adjourned meeting) to be valid. The blue bwin.party Form of Direction for the bwin.party General Meeting must be returned by no later than 1.00 p.m. (London time) on 24 September 2015 (or in the case of an adjourned meeting, not less than 72 hours prior to the time and date set for the adjourned meeting) to be valid.

(4) The blue 888 Form of Direction for the 888 General Meeting must be returned by no later than 4.00 p.m. on 24 September 2015 (or in the case of an adjourned meeting, not less than 72 hours prior to the time and date set for the adjourned meeting) to be valid. The white 888 Form of Proxy for the 888 General Meeting must be returned by no later than 4.00 p.m. on 25 September 2015 (or in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting) to be valid.

(5) If the white bwin.party Form of Proxy for the bwin.party Court Meeting is not returned by the above time, it may be handed to Capita, on behalf of the chairman of the bwin.party Court Meeting, at the bwin.party Court Meeting before the taking of the poll. The blue bwin.party Form of Proxy for the bwin.party General Meeting must be returned by no later than 1.00 p.m. (London time) on 25 September 2015 (or in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting) to be valid.

(6) If the bwin.party Court Meeting or the bwin.party General Meeting is adjourned, the voting record time for the relevant adjourned meeting will be 6.00 p.m. on the date two days before the date set for such adjourned meeting.

(7) To commence at 11.10 a.m. (Gibraltar time) or, if later, immediately after the conclusion or adjournment of the bwin.party Court Meeting.

(8) If the 888 General Meeting is adjourned, the voting record time for the relevant adjourned meeting will be 48 hours (excluding non-Business Days) before the scheduled time for such adjourned meeting.

(9) These times and dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and the date on which the Conditions are satisfied or (if capable of waiver) waived. If any of the expected dates change, 888 and/or bwin.party will give notice of the change by issuing an announcement through an RIS.

Indicative Statistics

Number of Ordinary Shares in issue as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus	356,785,169
Number of New 888 Shares to be issued pursuant to the Proposed Acquisition[(1)]	up to 341,557,940
Number of Ordinary Shares in issue immediately following Admission[(2)]	up to 698,343,109

Note(s):

(1) Assuming full acceptances of the Proposed Acquisition by all holders of bwin.party Shares and all holders of options in respect of bwin.party Shares

(2) On the assumption that no new Ordinary Shares are issued as a result of (i) the exercise of any options or (ii) awards vesting under the 888 Share Plans between 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) and Admission.

PART V

PRESENTATION OF INFORMATION

General

Investors should only rely on the information in this Prospectus and the documents (or parts thereof) incorporated by reference. No person has been authorised to give any information or to make any representations other than the information and representations contained in this Prospectus and the documents (or parts thereof) incorporated by reference, and, if any other information or representations is or are given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Proposed Directors or the Sponsor. In particular, the contents of the Company's and bwin.party's websites do not form part of this Prospectus and investors should not rely on them.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Sponsor by FSMA or the regulatory regime established thereunder, the Sponsor does not accept any responsibility whatsoever for, or make any representation or warranty, express or implied, as to the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the 888 Group, the bwin.party Group, the Enlarged Group, the New 888 Shares or the Proposed Acquisition and nothing in this Prospectus may be relied upon as a promise or representation in this respect, whether or not to the past or future. The Sponsor accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4.1 of the Prospectus Rules, neither the delivery of this Prospectus nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the 888 Group, the bwin.party Group or the Enlarged Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Proposed Acquisition, the 888 Group, the bwin.party Group or the Enlarged Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the terms of the Proposed Acquisition or the Scheme occurs prior to Admission or if this Prospectus contains any material mistake or inaccuracy. Any supplement to this Prospectus will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules. The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any investment in or holding of Ordinary Shares or any acquisition of New 888 Shares in accordance with the Scheme.

The Sponsor, Stifel and each of its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company, members of the 888 Group and the 888 Shareholders or members of the bwin.party Group and the bwin.party Shareholders for which they would have received customary fees. The Sponsor, Stifel and each of its affiliates may provide such services to the Company, members of the 888 Group and the 888 Shareholders, members of the bwin.party Group and the bwin.party Shareholders and any of their respective affiliates in the future.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Proposed Directors or the Sponsor or any of their representatives that any recipient of this Prospectus should agree to acquire the New 888 Shares in accordance with the Scheme. Prior to making any voting decision in respect of the Scheme or making any decision in respect of the Mix and Match Facility, persons acquiring the New 888 Shares should read this Prospectus in its entirety and should not just rely on key information or information summarised within it. In making a voting decision or any decision in respect of the Mix and Match Facility, each person acquiring New 888 Shares must rely upon his or her own examination, analysis and enquiry of the Company and this Prospectus, including the merits and risks involved.

Persons acquiring New 888 Shares in connection with the Proposed Acquisition may not rely on the Sponsor, Stifel or any person affiliated with the Sponsor or Stifel in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision and they may only rely on the information contained in this Prospectus and the documents (or parts thereof) incorporated herein by reference.

Persons who acquire New 888 Shares in accordance with the Scheme will be deemed to have acknowledged that they have relied solely on the information contained in this Prospectus, and that no person has been authorised to give any information or to make any representation concerning the 888 Group, the bwin.party Group or the New 888 Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Proposed Directors or the Sponsor.

Presentation of financial information

The historical consolidated financial information relating to (i) the 888 Group referred to in Part VIII ("*Historical Financial Information in relation to the 888 Group*") of this Prospectus and which is incorporated by reference into this Prospectus as set out therein and (ii) the bwin.party Group referred to in Part X ("*Historical Financial Information in relation to the bwin.party Group*") of this Prospectus, and which is incorporated by reference into this Prospectus as set out therein, have each been prepared in accordance with IFRS as adopted by the EU.

The significant accounting policies (i) for the 888 Group are set out within the 888 Group's historical consolidated financial information for the financial year ended 31 December 2014 which is incorporated by reference into this Prospectus as set out in Part VIII ("*Historical Financial Information in relation to the 888 Group*") of this Prospectus and (ii) for the bwin.party Group are set out within the bwin.party Group's historical consolidated financial information for the financial year ended 31 December 2014 which is incorporated by reference into this Prospectus as set out in Part X ("*Historical Financial Information in relation to the bwin.party Group*") of this Prospectus.

Reconciliation of operating profit and Adjusted EBITDA for the 888 Group

The table below illustrates the way in which the 888 Group calculated its Adjusted EBITDA figures for the years ended 31 December 2014, 2013 and 2012 and for the six months ended 30 June 2015 and 2014.

	Year ended 31 December			**Six months ended 30 June**	
	2014	**2013**	**2012**	**2015**	**2014**
	(US$ million)	***(US$ million)***	***(US$ million)***	***(US$ million) Unaudited***	***(US$ million) Unaudited***
Operating profit	**80.0**	**56.2**	**36.9**	**18.6**	**40.9**
Depreciation	9.0	8.3	9.2	4.5	4.5
Amortisation and impairment charges	10.0	5.6	7.8	4.9	4.1
Share benefit charges	1.7	5.5	1.7	2.4	(0.5)
Exceptional acquisition costs	–	–	–	7.0	–
Retroactive duties, taxes and associated charges	–	–	11.1	3.5	–
Adjusted EBITDA	**100.7**	**75.6**	**66.8**	**40.9**	**49.0**

Reconciliation of Adjusted EPS for the 888 Group

The Directors believe that EPS excluding exceptional acquisition costs, retroactive duties and associated charges, share benefit charges, movement in contingent consideration, impairment charges, share of post-tax loss of equity accounted joint ventures and profit on acquisition of equity accounted joint ventures ("**Adjusted EPS**") better reflects the underlying performance of the business and assists in providing a clearer view of the performance of the 888 Group. The below table shows the reconciliation of profit after tax to profit after tax excluding exceptional acquisition costs, retroactive duties and associated charges, share benefit charges, movement in contingent consideration, impairment charges, share of post-tax loss of equity accounted joint ventures and profit on acquisition of equity accounted joint ventures ("Adjusted Profit"), from which Adjusted EPS is calculated as shown.

	Year ended			Six month period ended	
	2014	**2013**	**2012**	**2015**	**2014**
	(US$ million)	***(US$ million)***	***(US$ million)***	***(US$ million) Unaudited***	***(US$ million) Unaudited***
Profit after tax for the period attributable to equity holders of the parent	**56.9**	**50.0**	**35.4**	**15.7**	**30.4**
Exceptional acquistion costs	–	–	–	7.0	–
Retroactive duties and associates charges	–	–	–	3.5	–
Share benefit charges	1.7	5.5	1.7	2.4	(0.5)
Retroactive taxes and associated charges			11.1	–	
Movement in contingent and deferred consideration	(0.1)	0.5	(2.0)	–	
Impairment charges	1.7		2.2	–	
Share of post-tax loss of equity accounted joint ventures	7.7	4.1		–	4.4
Profit on acquisition of equity accounted joint venture		(1.9)		–	
Adjusted Profit	**67.9**	**58.2**	**48.4**	**28.6**	**34.3**
Weighted average number of Ordinary Shares in issue	353,515,738	350,909,199	348,880,677	355,373,096	352,585,260
Weighted average number of dilutive Ordinary Shares	356,738,204	356,352,909	351,545,970	356,890,819	355,998,642
Adjusted EPS	**19.2¢**	**16.6¢**	**13.9¢**	**8.0¢**	**9.7¢**

Reconciliation of profit before tax and Adjusted Profit Before Tax for the 888 Group

The table below illustrates the way in which the 888 Group calculated its Adjusted Profit Before Tax figures for the six months ended 30 June 2015 and 2014.

	Six month period ended	
	2015	**2014**
	(US$ million)	***(US$ million)***
	Unaudited	***Unaudited***
Profit before tax	20.0	34.0
Exceptional acquisition costs	7.0	–
Retroactive duties and associated charges	3.5	–
Adjusted profit before tax	30.5	34.0

Reconciliation of operating profit (loss) and Clean EBITDA for the bwin.party Group

The following table provides a reconciliation of the movements between Clean EBITDA and operating profit (loss) of the bwin.party Group for the six months ended 30 June 2015 and the six months ended 30 June 2014:

	2015	**2014**
Six months ended 30 June	***€ million***	***€ million***
Clean EBITDA	**47.3**	**46.4**
Exchange gains/(losses)	2.7	(0.9)
Merger and acquisition expenses	(2.4)	(0.7)
Amortisation	(21.1)	(30.0)
Depreciation	(15.6)	(11.4)
Profit on disposal of assets held-for-sale	5.0	–
Impairment losses	–	(94.7)
Retroactive taxes and associated charges	(7.9)	–
Release of acquisition fair value tax liability	4.9	–
Share-based payments	(4.8)	(5.6)
Reorganisation expenses	(2.8)	(3.5)
Profit (loss) from operating activities	**5.3**	**(100.4)**

The table below illustrates the way in which the bwin.party Group calculated its Clean EBITDA figures for the years ended 31 December 2014, 2013 and 2012.

	2014	**2013**	**2012**
	(€ million)	***(€ million)***	***(€ million)***
Continuing operations			
Clean EBITDA	**101.2**	**108.0**	**164.9**
Exchange differences	(3.1)	(8.0)	(5.3)
Depreciation	(26.3)	(24.4)	(21.3)
Amortisation	(51.0)	(68.9)	(95.5)
Retroactive taxes and associated charges	–	(0.6)	(31.5)
Share-based payments	(9.8)	(16.6)	(20.1)
Merger and acquisition expenses	(1.5)	–	(0.1)
Impairment losses	(104.4)	(9.4)	(2.0)
Market exit costs	(5.4)	(2.5)	–
Contingent consideration adjustments	11.3	–	–
Release of acquisition fair value provision	–	83.8	–
Re-organisation costs	(8.9)	(9.5)	(5.6)
(Loss) profit from operating activities – continuing operations	**(97.9)**	**51.9**	**(16.5)**

	2014	2013	2012
	(€ million)	*(€ million)*	*(€ million)*
Discontinued operations			
Clean EBITDA	–	–	**(21.3)**
Exchange differences	–	–	0.2
Depreciation	–	–	(0.1)
Share-based payments	–	–	(0.2)
Merger and acquisition expenses	–	–	(0.5)
Loss on disposal of discontinued operations	–	–	(17.3)
Profit (loss) from operating activities – discontinued	–	–	**(39.2)**

Reconciliation of Clean EPS for the bwin.party Group

The performance measure of EPS used internally by the bwin.party Group's management to manage the operations of its business and remove the impact of one-off and certain non-cash items is Clean EPS, which is calculated before exchange differences, reorganisation expenses, income or expenses that relate to exceptional items and non-cash charges relating to share-based payments ("**Clean EPS**"). Clean net earnings excluding amortisation on acquired intangibles and impairments attributable to equity shareholders is derived as shown in the tables below.

The bwin.party Group management believes that Clean EPS better reflects the underlying performance of the bwin.party Group's business and assists in providing a clearer view of the fundamental performance of the bwin.party Group.

	2015	2014
Six months ended 30 June	*€ million*	*€ million*
Profit (loss) for the purposes of basic and diluted earnings per share being profit (loss) attributable to equity holders of the parent	**3.6**	**(92.8)**
Reorganisation expenses	2.8	3.5
Merger and acquisition expenses	2.4	0.7
Retroactive taxes and associated charges	7.9	–
Exchange differences	(2.7)	0.9
Share-based payments	4.8	5.6
Profit on disposal of assets held-for-sale	(5.0)	–
Release of fair value tax liability	(4.9)	–
Amortisation on acquired intangible assets	14.0	24.1
– Effect of deferred tax release thereon	(1.9)	(3.8)
Impairments on acquired intangible assets and goodwill	–	94.7
– Effect of deferred tax release thereon	–	(8.3)
Clean earnings	**21.0**	**24.6**

	2014	2013	2012		
			Continuing operations	Discontinued operations	Total
	(€ million)	*(€ million)*	*(€ million)*	*(€ million)*	*(€ million)*
(Loss) profit for the purposes of basic and diluted earnings per share being profit attributable to equity holders of the parent	**(92.1)**	**43.9**	**(23.9)**	**(39.8)**	**(63.7)**
Unwinding of discount associated with the bwin.party Group's non-prosecution agreement	–	–	–	0.2	0.2
Reorganisation expenses	8.9	9.5	5.6	–	5.6
Merger and acquisition costs	1.5	–	0.1	0.5	0.6
Exchange losses	3.1	8.0	5.3	(0.2)	5.1
Share-based payments	9.8	16.6	20.1	0.2	20.3
Loss on disposal of assets held for sale	–	–	–	17.3	17.3
Release of fair value provision	–	(83.8)	–	–	–
Contingent consideration adjustments	(11.3)	–	–	–	–
Retroactive taxes and associated charges	–	0.6	31.5	–	31.5
Market exit costs	5.4	2.5	–	–	–
Amortisation on acquired intangible assets	40.0	59.4	91.5	–	91.5
Tax thereon	(5.1)	(6.9)	(11.6)	–	(11.6)
Impairments on acquired intangible assets and goodwill	79.1	2.3	2.0	–	2.0
Tax thereon	(8.3)	–	–	–	–
Impairments on available-for-sale investments and joint ventures	3.2	6.1	–	–	–
Impairments on assets held for sale	5.3	–	–	–	–
Impairments on property, plant and equipment	–	1.0	–	–	–
Clean net earnings	**39.5**	**59.2**	**120.6**	**(21.8)**	**98.8**

Pro forma figures

All Enlarged Group revenue figures provided on a *pro forma* basis in this Prospectus have been calculated on the basis of the same assumptions as the *pro forma* accounting model set out in Part XII ("*Unaudited pro forma financial information of the Enlarged Group*") of this Prospectus, as described in the notes thereto.

Rounding

Percentages and certain amounts included in this Prospectus, including financial, statistical and operating information, have been rounded for ease of presentation. Accordingly, the figures shown as totals may not be the precise sum of the figures that precede them.

Currency presentation

Unless otherwise indicated in this Prospectus, all references to:

- "**Great British Pounds sterling**", "**sterling**", "**pounds sterling**", "**GBP**", "**£**" or "**pence**" are to the lawful currency of the United Kingdom;
- "**Euro**", "**euro**", "**€**" or "**€ cents**" are to the lawful currency of the EU (as adopted by certain EU Member States); and
- "**US dollars**", "**dollars**", "**US$**", "**cents**" or **¢** are to the lawful currency of the United States.

Unless otherwise indicated, the financial information contained in this Prospectus has been expressed in Great British Pounds sterling. For all members of the 888 Group the functional currency is US dollars and the 888 Group presents its financial statements in US dollars. For all members of the bwin.party Group the functional currency is Euros and the bwin.party Group presents its financial statements in Euros.

Information regarding forward-looking statements

Certain information contained in this Prospectus, including any information as to the 888 Group's, the bwin.party Group's or, following Completion, the Enlarged Group's strategy, market position, plans or future financial or operating performance, constitutes "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the 888 Group, the bwin.party Group, and following Completion, the Enlarged Group's control and all of which are based on the Directors' current beliefs and expectations about future events. All statements, other than statements of historical fact, are forward-looking statements. These forward looking statements may be identified by the use of forward-looking terminology, including the terms "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "budget", "project", "aim", "estimate", "may", "will", "could", "should", "shall", "seeks", "predicts", "assumes", "schedule" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plan, objectives, goals, future events or intentions.

Explanatory wording in this Prospectus which refers to forward-looking statements, does not qualify the working capital statements given at paragraphs 18.1 and 18.2 ("*Working capital*") of Part XVII ("*Additional Information*").

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Prospectus speak only as at the date of this Prospectus, reflect the Board's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the 888 Group's, the bwin.party Group's or the Enlarged Group's operations, results of operations, prospects, growth strategy and the industry in which they operate. No assurance can be given that such future results will be achieved: actual events or results may differ materially as a result of risks and uncertainties facing the 888 Group, the bwin.party Group and following Completion, the Enlarged Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Investors should specifically consider the factors identified in this Prospectus that could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements. Specific reference is made to Part II ("*Risk Factors*"), Part VII ("*Information on the Enlarged Group*"), Part VIII ("*Historical Financial Information in relation to the 888 Group*"), Part IX ("*Operating and Financial Review of the 888 Group*"), Part X ("*Historical Financial Information in relation to the bwin.party Group*") and Part XI ("*Operating and Financial Review of the bwin.party Group*"). Subject to the requirements of the Prospectus Rules, the Disclosure Rules and Transparency Rules and the Listing Rules, or applicable law, the Company explicitly disclaims any intention or obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in the 888 Group's, the bwin.party Group's or the Enlarged Group's expectations or to reflect events or circumstances after the date of it.

Market, economic and industry data

This Prospectus contains information regarding the 888 Group's, the bwin.party Group's and, following Completion, the Enlarged Group's, businesses and the industries in which they operate and compete, which the Company has obtained from various third-party sources. Where information contained in this Prospectus originates from a third party source, it is identified where it appears in this Prospectus together with the name of its source.

Where information has been sourced from a third party it has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of 888's websites, bwin.party's websites, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Prospectus, and investors should not rely on such information.

Definitions

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other terms, are defined and explained in Part XVIII ("*Definitions*").

All times referred to in this Prospectus are, unless otherwise stated, references to London time.

All references to legislation in this Prospectus are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

Overseas Shareholders

General

The availability of the Proposed Acquisition (including the right to make an election under the Mix and Match Facility) to Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and should observe any applicable legal requirements. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

In any case where an Overseas Shareholder is resident, located or has a registered address in a Restricted Jurisdiction or where 888 is advised that the granting of the right to make an election under the Mix and Match Facility or the issue of New 888 Shares to an Overseas Shareholder would or may infringe the laws of any jurisdiction outside the United Kingdom or Gibraltar or would or may require bwin.party or 888 to obtain or observe any governmental or other consent or any registration, filing or other formality (including ongoing requirements) with which 888 or bwin.party is unable to comply, or which 888 or bwin.party regards as unduly onerous, 888 may, in its sole discretion determine that:

(i) no election under the Mix and Match Facility shall be valid or accepted in respect of such Overseas Shareholder;

(ii) the New 888 Shares shall be issued to and sold on behalf of such shareholder with the net proceeds of such sale being remitted to such shareholder; or

(iii) the New 888 Shares shall instead be issued to a nominee appointed by 888 on behalf of such holder on terms that the nominee shall, as soon as reasonably practicable following the Effective Date, sell the New 888 Shares so issued with the net proceeds of such sale being remitted to such Overseas Shareholder.

Notice to US holders of bwin.party Shares

This Prospectus does not constitute an offer of securities for sale in the United States or an offer to acquire or exchange securities in the United States. The New 888 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. The New 888 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.

None of the securities referred to in this Prospectus have been approved or disapproved by 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 Prospectus. Any representation to the contrary is a criminal offence in the United States.

The New 888 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. The New 888 Shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities under the Scheme (other than "affiliates" as described in the paragraph below) may resell them without restriction under the US Securities Act.

Under US federal securities laws, persons who are or will be deemed to be affiliates (as defined under the US Securities Act) of Bidco after the Effective Date may not resell the New 888 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 Bidco after the Effective Date for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of New 888 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 Bidco 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.

bwin.party Shareholders (whether or not US persons) who are or will be affiliates of 888 or bwin.party prior to, or of 888 after, the Proposed Acquisition becomes Effective will be subject to certain US transfer restrictions relating to the New 888 Shares received pursuant to the Proposed Acquisition. The Proposed Acquisition relates to the securities of a Gibraltar-registered company with a listing on the London Stock Exchange and is proposed to be effected by means of a scheme of arrangement under the laws of Gibraltar. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Exchange Act. The Proposed Acquisition is subject to UK disclosure requirements, which are different from certain United States disclosure requirements. The financial information included in this Prospectus has been or will be prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. However, if 888 were to elect to implement the Proposed Acquisition by means of a Takeover Offer, such Takeover Offer will be made in compliance with all applicable laws and regulations, including Section 14I of the US Exchange Act and Regulation 14E thereunder. Such a Takeover Offer would be made in the United States by 888 and no one else. In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, in addition to any such Takeover Offer, 888 or its affiliates or nominees, or its or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, bwin.party Shares outside the United States, outside the Takeover Offer during the period in which the offer remains open for acceptance, and until the date on which the Proposed Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will

be disclosed as required in the United Kingdom, will be reported to the Regulatory News Service of the London Stock Exchange ("**RIS**") and will be available on the London Stock Exchange website at http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm.

Notice on enforceability of judgments

Each of 888 and bwin.party is organised under the laws of Gibraltar. All of the officers and directors of 888 and most of the officers and directors of bwin.party are residents of countries other than the United States. The significant majority of the assets of 888 and bwin.party are located outside of the United States. As a result, it may not be possible to effect service of process within the United States upon 888, bwin.party, or any of their respective officers or directors, or to enforce outside the United States judgments obtained against 888, bwin.party, or any of their respective officers or directors in US courts, including, without limitation, judgments based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the United States. It may not be possible to sue 888 or bwin.party or their respective officers or directors in a non-US court for violations of US securities laws. It may be difficult to compel 888, bwin.party and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

Israel

This Prospectus is not addressed to the public in Israel, no capital is raised pursuant to this Prospectus or pursuant to any transaction or action described herein, and this Prospectus has not received authorisation or permission by the Israel Securities Authority. The publication of this Prospectus does not constitute an offer in Israel and Israeli laws do not apply with respect to reporting by 888 or bwin.party.

Notice to Bermuda residents

The securities being offered pursuant to the Proposed Acquisition will be offered on a private basis to investors who satisfy criteria outlined in the Scheme Document. The Announcement and/or the Prospectus and/or the Scheme Document are not subject to and have not received approval from either the Bermuda Monetary Authority or the Registrar of Companies in Bermuda and no statement to the contrary, explicit or implicit, is authorised to be made in this regard.

The securities being offered pursuant to the Proposed Acquisition may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda. Additionally, non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the securities being offered in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

Austria

Neither the Announcement, the Prospectus, the Scheme Document nor any other document relating to the Proposed Acquisition has been submitted to or will be submitted for approval or recognition to the Austrian Financial Markets Authority (*Österreichische Finanzmarktaufsicht – FMA*).

The Proposed Acquisition 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 Proposed Acquisition 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, the Announcement, the Prospectus, the Scheme Document and any other documents relating to the Proposed Acquisition are being issued only for the personal use of qualified investors and exclusively for the purpose of the Proposed Acquisition. The information contained in the Announcement, the Prospectus, the Scheme Document and any documents relating to the Proposed Acquisition may not be used for any other purpose or disclosed to any other person in Austria.

PART VI

DETAILS OF THE PROPOSED ACQUISITION

1. Introduction

On 17 July 2015, the boards of directors of 888 and bwin.party announced that they had reached agreement on the terms of a recommended cash and share offer to acquire the entire issued and to be issued ordinary share capital of bwin.party. Bidco is wholly owned by 888 Intermediate Holdco Limited, a wholly owned subsidiary of the Company. Bidco has been newly incorporated in Gibraltar for the purposes of the Proposed Acquisition.

It is intended that the Proposed Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement of bwin.party under Part VIII of the Gibraltar Companies Act pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of bwin.party. Subject to the satisfaction or, where applicable, waiver of the Conditions (other than those conditions that relate to Admission), it is expected that the Proposed Acquisition will become Effective on or around 14 January 2016, with Admission becoming effective and dealings for normal settlement of the New 888 Shares to commence on or shortly after the Effective Date.

Owing to its size, the Proposed Acquisition constitutes a "class 1 transaction" for the purposes of the Listing Rules and therefore requires the approval of 888 Shareholders. Accordingly, the 888 General Meeting has been convened for 5.00 p.m. Gibraltar time on 29 September 2015 at 888's offices at Suite 601/701 Europort, Europort Avenue, Gibraltar. 888 Shareholders will be asked at the 888 General Meeting, among other things, to approve (i) the Proposed Acquisition and the allotment of New 888 Shares in connection with the Proposed Acquisition, including an increase in the authorised share capital of 888 (together the "**Acquisition Resolutions**"), (ii) that the LTIP 2015 be approved and adopted to replace the existing 888 All-Employee Plan, (iii) the adoption of a new memorandum and set of articles of association of 888, and, subject to the Acquisition Resolutions being passed, to also approve with effect from Completion (iv) an amendment to the Relationship Agreement which constitutes a related party transaction for the Company pursuant to the Listing Rules because the Principal Shareholder Trusts are substantial shareholders in the Company, (v) the adoption by the Company of the MSIP; and (vi) the appointment of Liz Catchpole as an independent non-executive director of 888, conditional on adoption of the new memorandum and articles of association, as the Principal Shareholder Trusts are, together, deemed to be a Controlling Shareholder for the purposes of the Listing Rules (together, the "**888 Resolutions**"). In the event that the Acquisition Resolutions are not passed, the Scheme will not proceed.

The Directors consider the Proposed Acquisition to be in the best interests of the Company and 888 Shareholders as a whole and unanimously recommended that 888 Shareholders vote in favour of the 888 Resolutions, and to vote in favour of the Acquisition Resolutions to be proposed at the 888 General Meeting, as the Directors who hold or are beneficially entitled to Existing 888 Shares have irrevocably undertaken to do, or procure to be done, in respect of their own beneficial holdings of Existing 888 Shares. The Proposed Acquisition has also been unanimously recommended by the bwin.party Directors.

2. Terms of the Proposed Acquisition

As a Gibraltar registered company, bwin.party is not subject to the provisions of the City Code but it has incorporated certain provisions of the City Code into its constitutional documents. The boards of 888 and bwin.party have also agreed to conduct the Proposed Acquisition as though bwin.party were subject to the City Code.

It is intended that the Proposed Acquisition be implemented by means of a Court-sanctioned scheme of arrangement of bwin.party under Part VIII of the Gibraltar Companies Act.

The terms of the Proposed Acquisition will be subject to the Conditions and terms set out in paragraph 8 ("*Structure of the Proposed Acquisition and Conditions to the Proposed Acquisition*") of this Part VI ("*Details of the Proposed Acquisition*"). Under the terms of the Proposed Acquisition, bwin.party Shareholders will be entitled to receive:

39.45 pence in cash and 0.404 New 888 Shares for each bwin.party Share

Based on the closing price of 155.50 pence per Existing 888 Share on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the Proposed Acquisition represents:

- a value of approximately 102.27 pence per bwin.party Share;
- a premium of approximately 14.4% to the closing price per bwin.party Share of 89.40 pence on 14 May 2015 (being the last Business Day prior to bwin.party's announcement on 15 May 2015 in relation to its discussions with third parties regarding a variety of possible business combinations);
- a premium of approximately 21.9% to the volume weighted average closing price per bwin.party Share of 83.9 pence in the last three months prior to 14 May 2015 (being the last Business Day prior to bwin.party's announcement on 15 May 2015 in relation to its discussions with third parties regarding a variety of possible business combinations); and
- a value of approximately £882.1 million for bwin.party's entire issued and to be issued share capital.

To the extent that any Permitted Dividend on the bwin.party Shares is declared by the bwin.party Board with a record date falling within the Relevant Period, the bwin.party Shareholders as at the record date for that Permitted Dividend will be entitled to receive and retain that Permitted Dividend.

bwin.party Shareholders will have no entitlement to any Permitted Dividend on the Existing 888 Shares declared by the 888 Board with a record date falling within the Relevant Period.

The Proposed Acquisition 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 888 Shares they receive, subject to the offsetting elections made by other bwin.party Shareholders. The Mix and Match Facility will not change the total number of New 888 Shares to be issued by the Company or the total cash consideration to be paid to bwin.party Shareholders pursuant to the Proposed Acquisition. If the Proposed Acquisition becomes Effective, it will result in the allotment and issue of up to approximately 341.6 million New 888 Shares to bwin.party Shareholders, which would result in former bwin.party Shareholders holding approximately 48.9% of the issued ordinary share capital of the Enlarged Group.

3. Background to and reasons for the Proposed Acquisition

The online gaming industry was launched in the mid-1990s and has gained momentum over subsequent years with the roll-out and adoption of increasingly higher-speed internet access globally. This, together with the recent proliferation of smartphones and mobile gambling, has resulted in significant growth in the online gaming market.

It is estimated that the global online gaming segment generated gross gaming revenue in 2014 of approximately US$34.8 billion, representing 8.6% of the global gaming market. The global online gaming segment is expected to grow to approximately US$48.6 billion by 2018, implying a compound annual growth rate ("**CAGR**") of 8.7% (source: H2 Gambling Capital, June 2015).

Alongside the growth in the global online gaming segment, certain governments have over recent years adopted specific internet gaming regulatory frameworks with the aim of protecting customers, promoting choice, raising taxes and reducing crime. The global and national regulatory landscapes continue to develop and the Directors believe that these developments will continue to be increasingly important elements of the online gaming industry.

The Directors also believe that, as a result of both the growth in the industry and the heightened regulatory environment governing global and national online gaming markets, the industry is experiencing a level of consolidation not previously seen and which the Directors expect to continue.

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

The Directors expect that those companies with significant customer liquidity, proven and scalable technology, strong management teams, recognised leading brands, innovative CRM practices, broad product offerings in multiple languages and currencies across multiple platforms and devices, and experience of operating within a regulated environment, will be best placed to take advantage of such market consolidation.

The Board and the bwin.party Board have also identified a number of strategic options to be considered in respect of the business and operations of the Enlarged Group. One of these opportunities is to create potential additional value for Shareholders by building the bwin.party technology business called "Studios". Subject to the Board determining both that Studios has acquired the requisite critical mass as well as presenting an attractive business case, the Enlarged Group's strategy would include establishing the Studios B2B business as a stand-alone business and potentially spinning it off into a separate listed vehicle (its shares being distributed to the then existing Shareholders), once appropriate service level agreements with the rest of the Enlarged Group have been finalised and the integration of the Enlarged Group's B2C businesses completed.

The Studios business would provide a proven and robust B2B platform with platform integration services offering online casino and poker offerings, in addition to a sports betting offering using modules of the current bwin.party Group's sports book solution. The Board intends that Studios would continue to provide services to the bwin.party Group's current B2B customers, including its US customers, and increase Studios' portfolio through the addition of an attractive pipeline of potential future customers.

The Directors therefore believe that the Proposed Acquisition represents a transformational opportunity for both the 888 Group and the bwin.party Group and offers the potential to enhance shareholder value.

By combining the complementary businesses of the 888 Group and the bwin.party Group, the Enlarged Group is expected to have the following advantages:

Significantly enhanced scale:

- the Directors believe that the Proposed Acquisition will provide the Enlarged Group with the opportunity to become one of the leading operators in the global online gaming industry with *pro forma* combined annual revenues of approximately US$1.2 billion for 2014 with a well diversified and large international customer base;
- the Directors also believe that the Proposed Acquisition will create the opportunity for the 888 Group and the bwin.party Group to combine their digital gaming platforms and to potentially expand the Enlarged Group's market share and scale in both existing and developing jurisdictions; and
- in addition, the Directors anticipate that the Proposed Acquisition will provide the Enlarged Group with the ability to leverage economies of scale as the online gaming market reaches a more mature phase.

An enhanced product offering:

- the Directors anticipate that the Enlarged Group will have a diversified portfolio of marketed products, with strong positions in sports betting, poker, casino and bingo, creating additional cross-selling opportunities across multiple online gaming products. Specifically, the Directors believe that the Enlarged Group will be able to leverage the 888 Group's market presence and expertise in poker and casino alongside the bwin.party Group's sports business, which is one of the leading sports businesses.

Significant cost synergies:

- the Directors anticipate that the Proposed Acquisition will create scope to rationalise certain operational and support functions as well as create greater efficiencies across IT platforms. The Directors expect this to include reduced investment in redundant and duplicated technologies;
- the Directors believe that the Enlarged Group will benefit from rationalising facilities in several jurisdictions;
- the Directors expect the Enlarged Group to achieve greater efficiencies in purchasing, marketing and services due to the Enlarged Group's anticipated greater scale and purchasing volumes; and
- the Directors anticipate that the Proposed Acquisition will create opportunities to reduce administration expenses such as duplicated regulation/certification costs and public company costs.

Further information on cost synergies expected to be achieved by the Enlarged Group are set out in paragraph 11 ("*Synergies and integration*") of this Part VI ("*Details of the Proposed Acquisition*").

Significant revenue synergies:

- the Directors expect the Proposed Acquisition to create opportunities to cross-sell the bwin.party Group's sports products, which is one of the leading sports products, to the 888 Group's customer base;
- the Directors believe that the consolidated liquidity pool of the Enlarged Group will help to drive further volume and potentially create a business that would be ranked second in terms of poker liquidity;
- the Directors expect that the Proposed Acquisition will create opportunities to implement the 888 Group's industry leading back office and CRM systems for the bwin.party Group's existing customer base helping to enhance the bwin.party Group's brands and drive incremental revenue for the Enlarged Group;
- the Directors believe that the Enlarged Group will benefit from the application of sophisticated marketing techniques to an expanded customer base across a broader product offering; and
- the Directors anticipate that the Enlarged Group will benefit from the application of a competitive mobile proposition to an expanded customer base across a broader product offering.

For the year ended 31 December 2014, the bwin.party Group generated Clean EBITDA of €101.2 million on revenue of €611.9 million. At 31 December 2014, the bwin.party Group had net assets of €565.0 million and gross assets of €914.0 million.

An unaudited *pro forma* statement of net assets illustrating the effect of the Proposed Acquisition and the drawdowns under the new credit facility on the 888 Group's net assets as at 30 June 2015, as if they had been undertaken at that date, is set out in Part XII ("*Unaudited pro forma financial information of the Enlarged Group*") of this Prospectus.

4. Governance

It is proposed that Liz Catchpole, a bwin.party independent non-executive director and chair of the bwin.party audit and risk committee, and Martin Weigold, bwin.party's chief financial officer, will join the Board as an independent non-executive director and a non-executive director, respectively, on Completion. In addition, it is proposed that Norbert Teufelberger, bwin.party's chief executive officer, who has 15 years' experience of running an online sports book, will, under the terms of an arrangement to be agreed with 888, provide consultancy services as and when required by the Board with regard to the Enlarged Group's sports-betting offering. This consultancy agreement will have a maximum term of three years to cover the integration period.

As the Principal Shareholder Trusts are, together, deemed to be a Controlling Shareholder for the purposes of the Listing Rules, in accordance with the Listing Rules and the proposed new memorandum and articles of association of 888, the appointment of Liz Catchpole as an Independent Non-executive Director (i) needs to be approved by both the 888 Shareholders as a whole and the Independent Shareholders; and (ii) is conditional on the new memorandum and articles of association replacing the existing Memorandum and Articles of Association.

5. Information on the Company and the 888 Group

888 is one of the world's most popular online gaming entertainment and solutions providers, offering casino, poker, bingo and sports betting products and is ranked second in global poker liquidity (source: Pokerscout). 888 is traded on the London Stock Exchange with a premium listing and registered and headquartered in Gibraltar. As of the close of 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus), 888 had a market capitalisation of approximately £554.8 million.

6. Information on Bidco

Bidco is a private company limited by shares established under the laws of Gibraltar and was incorporated on 6 July 2015 for the purpose of implementing the Proposed Acquisition. As at the date of this Prospectus, Bidco is wholly owned by Intermediate Holdco (which is wholly owned by 888) and will remain so following Completion.

The directors of Bidco are Brian Mattingley, Aviad Kobrine, Ron McMillan, Amos Pickel and Itai Frieberger (being representatives of 888). Save for any activities carried out in connection with the making and the implementation of the Proposed Acquisition, Bidco has not carried out any business prior to 17 July 2015, being the date of the Announcement, nor has it entered into any obligations.

7. 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, USA. With offices in Europe, India and the US, the bwin.party Group generated revenue of €611.9 million and Clean EBITDA of €101.2 million in 2014. The bwin.party Group has a leading position in each of its four key product verticals: online sports betting, casino and 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 close of trading on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), bwin.party had a market capitalisation of approximately £937.9 million.

8. Structure of the Proposed Acquisition and Conditions to the Proposed Acquisition

It is intended that the Proposed Acquisition 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 (although Bidco reserves the right to elect, subject to Bidco and bwin.party agreeing, or as otherwise permitted in accordance with the Co-operation Agreement, to implement the acquisition of the bwin.party Shares by way of a Takeover Offer).

The purpose of the Scheme is to provide for Bidco to become the direct holder of the entire issued and to be issued ordinary share capital of bwin.party. The Scheme involves an application by bwin.party to the Court to sanction the Scheme, which involves the subdivision and reclassification of the Scheme Shares, and then a further application to the Court to confirm the cancellation of the resulting subdivided and reclassified shares, in consideration for which the Scheme Shareholders on the register of members at the Scheme Record Time will receive cash and/or New 888 Shares on the basis set out in paragraph 2 ("*Terms of the*

Proposed Acquisition") above. The cancellation of the Scheme Shares and the subsequent issue of new shares in bwin.party to Bidco provided for in the Scheme will result in bwin.party becoming a wholly-owned subsidiary of Bidco.

The Proposed Acquisition is also subject to the Conditions and further terms as set out in Appendix 1 to the Announcement, which is incorporated by reference into this Prospectus. Completion will only occur if, among other things, the following events occur on or before 11 February 2016 or such later date as bwin.party and Bidco may agree and, if required, the Court may allow:

(a) a special resolution to approve the Scheme is passed at the bwin.party Court Meeting by a majority in number of the Scheme Shareholders (other than the Excluded Shareholders) present and voting, either in person or by proxy, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders;

(b) the bwin.party Special Resolution necessary to implement the Scheme and to sanction the related bwin.party Capital Reduction are passed by the requisite majority of bwin.party Shareholders (other than the Excluded Shareholders) at the bwin.party General Meeting;

(c) the Scheme is sanctioned and the related bwin.party Capital Reduction is confirmed by the Court;

(d) office copies of the bwin.party Scheme Court Order and the bwin.party Reduction Court Order are delivered to the Registrar of Companies within seven days after they are made and the bwin.party Reduction Court Order is registered by the Registrar of Companies together with the statement of capital attached to it;

(e) the Acquisition Resolutions to approve the Proposed Acquisition, as required in accordance with the class 1 requirements under Listing Rule 10.5.1R(2) are duly passed at the 888 General Meeting by the requisite majority;

(f) certain anti-trust and regulatory approvals are obtained (as set out in Appendix I of the Announcement, which is incorporated by reference into this Prospectus); and

(g) the UKLA having acknowledged that the application for admission of the New 888 Shares to listing on the premium listing segment of the Official List has been approved and the London Stock Exchange having acknowledged that the New 888 Shares will be admitted to trading on the Main Market.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders (including the Excluded Shareholders), irrespective of whether or not they attended or voted at the bwin.party Court Meeting or the bwin.party General Meeting (and if they attended and voted, whether or not they voted in favour of the Scheme).

If the Scheme does not become Effective on or before 11 February 2016 (or such later date as bwin.party and Bidco agree and the Court may allow) the Proposed Acquisition will lapse and will not proceed. Subject to satisfaction or waiver of the Conditions, the Scheme is expected to become Effective on or around 14 January 2016.

Any cash amount to be paid to a Scheme Shareholder in respect of the aggregate cash consideration that such Scheme Shareholder is entitled to under the Scheme will be rounded down to the nearest whole penny. Fractions of New 888 Shares will not be allotted to any Scheme Shareholder, but entitlements of Scheme Shareholders will instead be rounded down to the nearest whole number of New 888 Shares and all fractions of 888 Shares to which Scheme Shareholders would otherwise have been entitled will be aggregated, allotted, issued and sold in the market as soon as practicable after the Effective Date. The net proceeds of sale (after the deduction of all expenses and commissions incurred in connection with such sale) will be paid in due proportions in cash in pounds sterling to Scheme Shareholders who would otherwise have been entitled to fractions of New 888 Shares. Fractional entitlements in respect of consideration due to the bwin.party depositary interest holders will be dealt with under the terms of the bwin.party depositary interests.

New 888 Shares to be issued as consideration under the Scheme will be issued credited as fully paid and free from all liens, charges, encumbrances and, subject to the articles of association of 888, rights of pre-emption and any other third party rights of any nature whatsoever and will rank *pari passu* in all respects with the Existing 888 Shares, including the right to receive all dividends, distributions and other entitlements declared, made or paid by the Company on Ordinary Shares after the Effective Date.

Due to the size of the transaction, the Proposed Acquisition will require the approval of the 888 Shareholders at the 888 General Meeting. The Company is required to send to 888 Shareholders a circular summarising the background to and reasons for the Proposed Acquisition and which will include a notice convening the 888 General Meeting. The Proposed Acquisition is conditional on, among other things, the Acquisition Resolutions to approve, effect and implement the Proposed Acquisition being passed by the requisite majority of 888 Shareholders at the 888 General Meeting.

9. Mix and Match Facility

Under the terms of the Proposed Acquisition, bwin.party Shareholders may elect to vary the proportions of New 888 Shares and cash consideration that they receive in respect of their holdings of Scheme Shares, via the Mix and Match Facility, subject to offsetting elections made by other bwin.party Shareholders.

Any such elections will not change the total number of New 888 Shares to be issued by the Company or the total cash consideration to be paid to bwin.party Shareholders pursuant to the Proposed Acquisition. 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 888 Shares or amount of cash they will receive until settlement of the consideration under the Proposed Acquisition.

Elections under the Mix and Match Facility will not affect the entitlements of those bwin.party Shareholders who do not make an election under the Mix and Match Facility. To the extent that bwin.party Shareholders do not make any election, they will receive 39.45 pence in cash and 0.404 New 888 Shares for each Scheme Share held.

The Mix and Match Facility is conditional on the Scheme becoming Effective.

10. Objectives and Strategy of the Enlarged Group

For a full description of the objectives and strategies of the Enlarged Group, see paragraph 3 ("*Objectives and strategy of the Enlarged Group*") of Part VII ("*Information on the Enlarged Group*").

11. Synergies and integration

The Board and the bwin.party Board believe that the Proposed Acquisition represents a transformational opportunity for the 888 Group and the bwin.party Group and offers the potential to enhance Shareholder value. By combining the complementary businesses of the 888 Group and the bwin.party Group, the Board and the bwin.party Board anticipate that the Enlarged Group will benefit from significantly enhanced scale, an enhanced product offering and significant cost and revenue synergies.

The Board has proposed a plan for the 888 Group's casino, poker and gaming platforms and the bwin.party Group's sports betting platforms to be combined in a way that achieves greater economies of scale for each platform, and also reduces the reliance on third parties and required marketing expenditure. The bwin.party Group's bingo platform is already operated by the 888 Group, therefore no player migration is required; players on the bwin.party Group's poker and casino platforms will be migrated to the 888 Group's platform. This will result in a reduction in the overall size of the technology infrastructure for the Enlarged Group compared to the 888 Group and the bwin.party Group separately whilst continuing to support projected player volumes.

The cost synergies are expected to be generated from, among other things:

- rationalising certain duplicated operational and support functions as well as creating greater efficiencies across IT platforms;
- reduced investment in redundant and duplicated technology and payment service platforms;
- rationalising facilities in multiple jurisdictions;
- economies of scale and greater efficiencies in purchasing, marketing and services; and
- reduced administration expenses such as duplicated regulation/certification and public company-related costs.

The Directors expect that, as a result of the Proposed Acquisition, the Enlarged Group will be able to realise not less than US$70 million cost synergies[5] per annum (before tax) by the end of the 2018 financial year (net of dis-synergies). The savings are achieved predominantly from the FY15 budget combined operating cost base of US$820 million. The operating cost base excludes gaming taxes of US$137 million. The Directors expect that such cost synergies will be achieved gradually over the period following Completion with a significant proportion being realised in the financial year ending 2018.

Cost synergies are expected across most areas of the business, generated primarily from operational efficiencies and the rationalisation of marketing spends. The remaining cost synergies are expected to be generated from efficiencies arising from shared technology, payment processing platforms and the expected reduction in administration expenses and reductions in corporate and regulatory costs.

The realisation of US$70 million of cost synergies (net of dis-synergies) is expected by the Directors to result in one-off exceptional costs of approximately US$90-100 million (excluding any contingent MSIP related costs) over the period to the end of the 2018 financial year.

The expected cost synergies identified reflect both the beneficial elements and relevant costs and will accrue as a direct result of the success of the Proposed Acquisition and would not be achieved on a standalone basis.

Significant revenue synergies are also expected to be achieved from:

- cross-selling the bwin.party Group's sports product, which is one of the leading sports products, to the 888 Group's customer base;
- the implementation of the 888 Group's industry-leading back office and CRM systems for the bwin.party Group's existing customer base to drive incremental revenue;
- the benefits of improved volume due to the larger consolidated liquidity pool in poker; and
- the application of sophisticated cross-marketing techniques to an expanded customer base across a broader product offering.

The Proposed Acquisition is expected to be earnings enhancing for the 888 Group (excluding one-off costs and the amortisation of acquired intangibles) in the first full financial year of ownership.[6]

To the extent that the Studios strategy, as described in paragraph 3 ("*Background to and reasons for the Proposed Acquisition*") of this Part VI ("*Details of the Proposed Acquisition*"), is approved and ultimately implemented by the Board, it will reduce some of the identified cost synergies. However, the Board will only implement the Studios strategy if any shortfall in the synergies would be more than offset by the revenues gained and the value opportunity created.

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5 Nothing in this Prospectus is intended to be a profit forecast and this statement should not be interpreted to mean that the future EPS of the Enlarged Group will necessarily match or exceed the historical published earnings per Ordinary Share or bwin.party Share.

6 Nothing in this Prospectus is intended to be a profit forecast and this statement should not be interpreted to mean that the future EPS of the Enlarged Group will necessarily match or exceed the historical published earnings per Ordinary Share or bwin.party Share

12. Dividends and dividend policy

Following Completion of the Proposed Acquisition, 888 intends to maintain its existing dividend policy for the Enlarged Group, targeting a dividend payout of 50% of accounting profit after tax.

Details of the Company's dividend history is set out in paragraph 20 ("*Dividends*") of Part XVII ("*Additional Information*") of this Prospectus.

13. Management and employees

The Board recognises that in order to achieve the expected benefits of the Proposed Acquisition, operational restructuring is likely to be required following implementation of the Proposed Acquisition. The initial synergy work carried out to date has highlighted the potential to generate savings for the Enlarged Group in areas where there may be duplication. Whilst integration planning has begun, more detailed consideration will need to be undertaken (including in respect of any impact on the fixed assets, locations of the business of the Enlarged Group and continued employment of the employees and management of the Enlarged Group). Finalisation of the integration plan will be subject to engagement with appropriate stakeholders.

The Board has given assurances to the bwin.party Board that the existing contractual and statutory employment rights, including pension rights and incentive arrangements, of all management and employees of the bwin.party Group will be fully respected following Completion of the Proposed Acquisition and that, if any changes are proposed in the future in respect of the then management and employees, they will be subject to appropriate consultation.

As per the Scheme Document, the bwin.party Board has acknowledged the Board's statements above regarding likely operational restructuring following implementation of the Proposed Acquisition and the possibility that savings for the Enlarged Group may be generated in some areas where there may be duplication. The bwin.party Board also acknowledges that business locations and the continued employment of employees will come under consideration as part of 888's integration planning. The bwin.party Board understands that whilst integration planning has begun, 888 has not yet developed detailed proposals in relation to the manner in which any cost savings may be achieved and that further detailed analysis will be undertaken. The bwin.party Board's expectation, based on the information made available to it by 888, is that any decision to implement future cost-saving proposals would take into account the interests of the business and its employees, and would be subject to engagement with appropriate stakeholders.

At the same time, the bwin.party Board has welcomed 888's assurances that the existing contractual and statutory employment rights of the management and employees of the bwin.party Group will be fully respected following Completion and that if any changes are proposed in the future in respect of the then management and employees, they will be subject to appropriate consultation.

14. bwin.party Share Plans and other incentive matters

888 proposes to deal with the rights of participants under the bwin.party Share Plans as follows;

(a) ***the bwin.party 2014 Incentive Plan and the bwin.party Bonus and Share Plan***

(i) *Share awards*. All share awards granted for financial years before the 2015 financial year which remain outstanding on the date of the Court Sanction will vest in full on the date of the Court Sanction, in accordance with the rules of these plans. On vesting of the share awards, Bidco will acquire from the participants of the plans, on the same terms and for the same consideration as are available to other bwin.party Shareholders under the Proposed Acquisition, all the bwin.party Shares which have vested under these plans. Any share awards granted in respect of the 2015 financial year will be settled in cash.

(ii) *Share options*. All share options granted for financial years before the 2015 financial year which remain outstanding on the date of the Court Sanction will vest and become exercisable on the date of the Court Sanction, in accordance with the rules of these plans. To the extent that participants exercise their options and acquire bwin.party Shares prior to the bwin.party Reorganisation Record Time, Bidco will acquire from the participants of this plan, on the same

terms and for the same consideration as are available to other bwin.party Shareholders under the Proposed Acquisition, all the bwin.party Shares which have been acquired under these options. In addition, the bwin.party Shareholders are being asked to approve an amendment to the articles of association of bwin.party that will have the effect of requiring Bidco to acquire bwin.party Shares issued after the bwin.party Reorganisation Record Time on the same terms and for the same consideration as are available to other bwin.party Shareholders (although individuals to whom bwin.party Shares are issued after the bwin.party Reorganisation Record Time will not be able to participate in the Mix and Match Facility). If approved, this amendment will apply to participants in this plan who exercise their options and acquire bwin.party Shares after the bwin.party Reorganisation Record Time. Any options granted in respect of the 2015 financial year will be settled in cash.

(iii) *Performance conditions*. For awards granted under these plans for financial years before the 2015 financial year, performance conditions were applied at the time of grant to determine the awards to be made. There is no requirement on the bwin.party remuneration committee to apply performance conditions again on a change of control to determine the number of shares or options that should vest under the awards. The bwin.party remuneration committee will apply performance conditions to determine any share awards or options to be granted in respect of the 2015 financial year.

(iv) *Time pro-rating*. For any awards which may be granted in respect of the 2015 financial year under the bwin.party 2014 Incentive Plan, the bwin.party remuneration committee has discretion under the rules of this plan as to whether to apply time pro-rating to the awards to reflect the proportion of the plan year that has elapsed on the date of the Court Sanction. bwin.party's approved remuneration policy allows the remuneration committee to disapply time pro-rating in exceptional circumstances if it deems that the Proposed Acquisition produces exceptional value for shareholders.

(b) ***bwin.party Global Share Plan***

All share awards granted for financial years before the 2015 financial year which remain outstanding on the date of the Court Sanction will vest in full on the date of the Court Sanction, in accordance with the rules of the plan. On vesting of these share awards, Bidco will acquire from the participants of the plan, on the same terms and for the same consideration as are available to other bwin.party Shareholders under the Proposed Acquisition, all the bwin.party Shares which have vested under the plan. Grants of any share awards made in respect of the 2015 financial year will be settled in cash.

(c) ***the bwin.party Bonus Banking Plan***

All share awards and options under this plan have already vested, and share awards have been released. To the extent that participants exercise their options and acquire bwin.party Shares prior to the bwin.party Reorganisation Record Time, Bidco will acquire from the participants of this plan, on the same terms and for the same consideration as are available to other bwin.party Shareholders under the Proposed Acquisition, all the bwin.party Shares which have been acquired under these options. In addition, the bwin.party Shareholders are being asked to approve an amendment to the articles of association of bwin.party that will have the effect of requiring Bidco to acquire bwin.party Shares issued after the bwin.party Reorganisation Record Time on the same terms and for the same consideration as are available to other bwin.party Shareholders (although individuals to whom bwin.party Shares are issued after the bwin.party Reorganisation Record Time will not be able to participate in the Mix and Match Facility). If approved, this amendment will apply to participants in this plan who exercise their options and acquire bwin.party Shares after the bwin.party Reorganisation Record Time.

(d) ***the PartyGaming Share Option Plan***

All share options under this plan have already vested. To the extent that participants exercise their options and acquire bwin.party Shares prior to the bwin.party Reorganisation Record Time, Bidco will

acquire from the participants of this plan, on the same terms and for the same consideration as are available to other bwin.party Shareholders under the Proposed Acquisition, all the bwin.party Shares which have been acquired under these options. In addition, the bwin.party Shareholders are being asked to approve an amendment to the articles of association of bwin.party that will have the effect of requiring Bidco to acquire bwin.party Shares issued after the bwin.party Reorganisation Record Time on the same terms and for the same consideration as are available to other bwin.party Shareholders (although individuals to whom bwin.party Shares are issued after the bwin.party Reorganisation Record Time will not be able to participate in the Mix and Match Facility). If approved, this amendment will apply to participants in this plan who exercise their options and acquire bwin.party Shares after the bwin.party Reorganisation Record Time. It is anticipated that the exercise of any option under this plan will be satisfied by the transfer to the relevant option holder of bwin.party Shares held by the bwin.party employee benefit trust.

(e) ***the bwin.party Rollover Option Plan***

All outstanding share options under this plan will be settled by Bidco on or shortly following the Effective Date through the payment to each option holder of a cash sum equal to the value of that option holder's options under the plan based on a twelve-month volatility as at the Effective Date and calculated using a Black Scholes valuation formula.

(f) ***the PartyGaming All-Employee Option Plan***

All outstanding share options under this plan have an exercise price which is higher than the consideration payable for each bwin.party Share under the terms of the Proposed Acquisition. Accordingly, it is not expected that participants will exercise their options.

15. Current trading and prospects

888

Current trading for 888 is in line with the statements made in its announcement on 28 August 2015 in respect of its unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015. This announcement is available from 888 website at www.888holdingsplc.com.

bwin.party

Current trading for bwin.party is in line with the statements made in its announcement on 28 August 2015 in respect of its unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015. This announcement is available from bwin.party's website at www.bwinparty.com.

16. Accounting Considerations

The Enlarged Group will adopt the 888 Group's accounting policies. The 888 Group and the bwin.party Group financial years end on 31 December. It is currently intended that the Enlarged Group's financial year will end on 31 December. For accounting purposes, it is expected that the bwin.party Group will be consolidated into the 888 Group's balance sheet. The bwin.party Group's assets and liabilities will be fair valued following Completion of the Proposed Acquisition resulting in the valuation of the bwin.party Group's intangible assets being included on the Enlarged Group's balance sheet.

17. Financing

The cash consideration payable by Bidco under the terms of the Proposed Acquisition will be financed by 888 and/or a direct wholly-owned restricted subsidiary thereof organised in the United States (the "**US Co-Borrower**") through a new US$600 million term loan credit facility to be provided under a new credit agreement entered into on 16 July 2015 between, amongst others, Barclays Bank PLC and JPMorgan Chase Bank, N.A. as initial lenders and the Company as a borrower, as described in paragraph 15.1 ("*Material contracts – 888 Group – New Credit Facilities*") of Part XVII ("*Additional Information*") to finance: (i) the Proposed Acquisition, and (ii) the fees and transaction expenses in connection with the Proposed Acquisition and the credit facilities. The proceeds from the New Credit Agreement to fund the cash consideration will be

paid directly by the Company on behalf of Bidco pursuant to an undertaking granted by the Company in favour of Bidco dated 16 July 2015. The New Credit Agreement also provides the Company with a US$50 million revolving credit facility with Barclays Bank PLC and JPMorgan Chase Bank, N.A. as initial lenders.

Investec, as financial adviser to 888 and Bidco, is satisfied that sufficient resources are available to Bidco to satisfy, in full, the cash consideration payable to bwin.party Shareholders under the terms of the Proposed Acquisition.

To ensure that 888 has sufficient resources for the amount of the cash consideration required to be paid in GBP under the Proposed Acquisition, the Company has fully hedged the exchange rate associated with funding its acquisition debt in US dollars and paying the consideration in GBP. The hedging arrangement was entered into with Barclays Capital on 17 July 2015 and expires on 10 February 2016.

The Board has received financial advice from Investec and Stifel in relation to the Proposed Acquisition. In providing its advice to the Board, each of Investec and Stifel has relied on the Board's commercial assessment of the Proposed Acquisition.

18. Proposed Acquisition related arrangements

18.1 ***Confidentiality Agreement***

888 and bwin.party entered into a mutual confidentiality agreement on 17 April 2015 (the "**Confidentiality Agreement**") pursuant to which 888 and bwin.party have undertaken to each other to keep confidential information relating to the Proposed Acquisition and the other party and not to disclose that information to third parties (other than to permitted recipients) unless required by law or regulation. These confidentiality obligations will remain in force irrespective of whether or not the Proposed Acquisition is implemented.

The Confidentiality Agreement also contains mutual non-solicitation and non-hire of directors and employees provisions which are effective for a period of 18 months from the date of the Confidentiality Agreement, subject to certain exceptions in respect of (i) the publication of advertisements and (ii) employees who terminated their employment more than 6 months prior to such solicitation.

In addition, the Confidentiality Agreement includes standstill obligations of 888 which ceased to apply, among other things, upon release of the Announcement.

18.2 ***Co-operation Agreement and Break Payment***

Bidco, 888 and bwin.party have entered into a co-operation agreement on 17 July 2015 (the "**Co-operation Agreement**") in relation to the Proposed Acquisition and other related matters. The 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 Proposed Acquisition.

As bwin.party is incorporated and has its registered office in Gibraltar, the City Code does not apply to Bidco, 888 or bwin.party in relation to the Proposed Acquisition. However, in accordance with the requirements of bwin.party's articles of association and, pursuant to the terms of the Co-operation Agreement, Bidco, 888 and bwin.party have agreed to implement the Proposed Acquisition, 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.

Under the Co-operation Agreement, bwin.party and 888 have agreed to certain restrictions which shall apply during the Relevant Period. In the case of bwin.party, these restrictions include its ability to pay certain dividends. In the case of 888, these restrictions include its ability to pay dividends, alter its capital structure or amend its constitutional documents, subject in each case to certain exceptions. The

Co-operation Agreement also sets out certain provisions that will apply in relation to bwin.party's existing employee and executive director incentive arrangements.

Pursuant to the Co-operation Agreement, Bidco, 888 and bwin.party have agreed to appoint a committee consisting of three representatives appointed by each of bwin.party and 888, which will be responsible for determining how the City Code would be interpreted and applied in relation to any of the following matters or circumstances (each a "**Code Committee Matter**"), in each case other than where such matter or consent is expressly provided for in the Co-operation Agreement or in any other written agreement between 888 and bwin.party entered into on or after the date of the Co-operation Agreement:

- the interpretation or application of the City Code to the satisfaction, waiver or invoking of any of the Conditions;
- the implementation of the Proposed Acquisition by way of a Takeover Offer instead of the Scheme; or
- a matter or circumstance relating to the Proposed Acquisition which would require the consent of the Panel under Rule 21 of the City Code if the City Code applied to bwin.party.

The 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 Co-operation Agreement, bwin.party and 888 agree to co-operate and assist each other in obtaining the Clearances required to satisfy the Conditions.

The Co-operation Agreement sets out the parties' agreement as to the treatment, in relation to the Proposed Acquisition, of participants in the bwin.party Share Plans.

The Co-operation Agreement also sets out the circumstances in which 888 may elect to implement the Proposed Acquisition by way of a Takeover Offer and certain terms that will apply in those circumstances.

The Co-operation Agreement terminates automatically:

- upon agreement in writing between Bidco and bwin.party;
- if the Scheme (or the Takeover Offer as the case may be) is withdrawn or lapses 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 Bidco or a person acting in concert with Bidco to implement the Proposed Acquisition by a different offer or scheme on substantially the same or improved terms);
- upon the bwin.party Board withdrawing or adversely modifying or qualifying its recommendation and thereafter Bidco gives written notice to bwin.party to terminate the Co-operation Agreement or bwin.party gives written notice to Bidco to terminate the Co-operation Agreement;
- upon service of written notice by
  - Bidco to bwin.party, following a Bidco Break Payment Event (as defined below); or
  - bwin.party to Bidco, following a bwin.party Break Payment Event (as defined below); or

- if an independent competing transaction is (i) offered to the bwin.party Shareholders in respect of the bwin.party Shares and (ii) recommended to the bwin.party Shareholders by the bwin.party Directors.

The Co-operation Agreement provides for certain limitations that apply in relation to the liabilities of Bidco, 888 and bwin.party under, or for breach of, the Co-operation Agreement.

Bidco 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 Proposed Acquisition, the Co-operation Agreement and any other agreement relating to the Proposed Acquisition, Bidco has agreed to pay £5,708,380 (such amount being exclusive of recoverable VAT, if any) to bwin.party, subject to certain exceptions, in the event that, following publication of the Announcement, on or prior to the Long Stop Date, the Proposed Acquisition lapses as a result of (each a "**Bidco Break Payment Event**"):

- the Acquisition Resolutions referred to in paragraph 8(e) above and as set out in Condition 3(a) in the Announcement (as incorporated by reference into this Prospectus) not being passed by the 888 Shareholders by the date falling 45 calendar days after the date on which the Scheme Document is dispatched to bwin.party Shareholders; or
- the Board withdrawing, adversely modifying or qualifying its recommendation and the Co-operation Agreement terminating; or
- Bidco invoking any of the Conditions relating to anti-trust, regulatory or other approvals and filings, as set out in Conditions 3(c), 3(d) and 3(e) in the Announcement (as incorporated by reference into this Prospectus), or any of those Conditions failing to be satisfied or waived by Bidco; or
- the 888 Reorganisation not having been completed.

bwin.party Break Payment

By way of compensation for any losses or costs suffered or incurred by Bidco and 888 in connection with the preparation and negotiation of the Proposed Acquisition, the Co-operation Agreement and any other agreement relating to the Proposed Acquisition, bwin.party has agreed to pay £5,708,380 (such amount being exclusive of any amount in respect of recoverable VAT, if any) to Bidco, subject to certain exceptions, in the event that, following publication of the Announcement, (i) the bwin.party Directors withdraw, adversely modify or qualify their recommendation, and (ii) the Co-operation Agreement terminates upon the Scheme (or the Takeover Offer as the case may be) being withdrawn or lapsing in accordance with its terms prior to the Long Stop Date (other than where such withdrawal or lapse 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 Bidco or a person acting in concert with Bidco to implement the Proposed Acquisition by a different offer or scheme on substantially the same or improved terms) (the "**bwin.party Break Payment Event**").

19. Delisting, listing, settlement and dealings

(a) ***Delisting of bwin.party Shares***

The last day of dealings in, and for registration of transfers of, bwin.party Shares will be the Business Day immediately prior to the bwin.party Reduction Court Hearing, following which bwin.party Shares will be suspended from the Official List and from trading on the Main Market. No transfers of bwin.party Shares will be registered after this date.

Prior to the Scheme becoming Effective, applications will be made to the FCA for the listing of the bwin.party Shares on the Official List to be cancelled and to the London Stock Exchange for such shares to cease to be admitted to trading on the Main Market. It is expected that Admission will take

place on or shortly after the Effective Date (see "*Listing of New 888 Shares*" below). On the Effective Date, share certificates in respect of bwin.party Shares will cease to be valid and entitlements to bwin.party Shares held within the CREST system will be cancelled.

(b) ***Listing of New 888 Shares***

Applications will be made by 888 to the FCA for the New 888 Shares to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the New 888 Shares to be admitted to trading on the Main Market. The decisions in respect of Admission are at the discretion of the FCA and the London Stock Exchange. It is expected that Admission will become effective and that dealings for normal settlement in the New 888 Shares will commence on or shortly after the Effective Date.

(c) ***Settlement***

Subject to the Scheme becoming Effective, settlement of the consideration to which bwin.party Shareholders are entitled under the Scheme will be effected as follows:

(i) *Cash consideration*

Settlement of cash consideration due under the Scheme in respect of bwin.party Shares shall be despatched:

(A) by first class post, by a cheque drawn on a branch of a UK clearing bank; or

(B) by such other method as may be approved by the bwin.party Board acting in its capacity as the Panel.

All such cash payments shall be made in pounds sterling. Payment made by cheque shall be payable to the Scheme Shareholders concerned or, in the case of joint holders, to the holder whose name stands first in the register of members of bwin.party in respect of the joint holding concerned. Cheques shall be despatched as soon as practicable after the Effective Date and in any event within 14 days thereof.

(ii) *New 888 Shares*

The New 888 Shares will be delivered to those bwin.party Shareholders entitled thereto in registered form.

(d) ***bwin.party depositary interest holders***

(i) *Cash consideration*

As the registered holder of the Scheme Shares underlying the bwin.party depositary interests, the bwin.party depositary shall receive the cash consideration due in respect of all such underlying Scheme Shares. bwin.party depositary interest holders will receive their due entitlement of such cash consideration (in accordance with the bwin.party depositary interest) through CREST by the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant bwin.party depository interests were held within 14 days of the Effective Date of the Scheme.

(ii) *New 888 Shares*

Securities issued by a non-UK company cannot be held or transferred in the CREST system. Accordingly, the Ordinary Shares are not, and the New 888 Shares will not be, held or transferred in the CREST system, and are only capable of being held in certificated form. The Company has however put in place Depositary Interest arrangements to enable Shareholders to settle and pay for interests in Ordinary Shares through the CREST system. Such arrangements will remain in place after Completion and in relation to the Existing 888 Shares and will also apply to the New 888 Shares.

As the registered holder of the Scheme Shares underlying the bwin.party depositary Interests, the bwin.party depositary shall receive the New 888 Shares due to it as the Scheme Shareholder

in respect of all such underlying Scheme Shares. bwin.party depositary interest holders will receive their due entitlement of Depositary Interests in respect of the New 888 Shares received by the bwin.party depositary under the Scheme (in accordance with the bwin.party depositary interest) by the instruction of Euroclear to credit the appropriate stock account in CREST of the relevant bwin.party depositary interest holder with such entitlement to Depositary Interests as soon as practicable on the date of Admission of the New 888 Shares.

20. bwin.party irrevocable undertakings and letters of intent

888 and Bidco have received irrevocable undertakings from the bwin.party Directors to vote their own beneficial holdings of bwin.party Shares in favour of the Scheme at the bwin.party Court Meeting and the bwin.party Special Resolution to be proposed at the bwin.party General Meeting, in respect of an aggregate of 14,388,127 bwin.party Shares representing, in aggregate of, approximately 1.7% of the ordinary share capital of bwin.party in issue on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

In addition to the irrevocable undertakings received from the bwin.party Directors, 888 and Bidco have received letters of intent from certain other bwin.party Shareholders (being Orbis Investment Management Limited and Spring Owl Asset Management LLC) to vote in favour of the Scheme at the bwin.party Court Meeting and to vote in favour of the bwin.party Special Resolution to be proposed at the bwin.party General Meeting, in respect of an aggregate of 90,060,415 bwin.party Shares, representing, in aggregate of, approximately 10.9% of the ordinary share capital of bwin.party in issue on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

In total, therefore, 888 and Bidco have received either irrevocable undertakings or letters of intent to vote in favour of the Scheme at the bwin.party Court Meeting and the bwin.party Special Resolution to be proposed at the bwin.party General Meeting in respect an aggregate of 104,448,542 bwin.party Shares representing, in aggregate of, approximately 12.7% of the ordinary share capital of bwin.party in issue on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

21. 888 Shareholder approval

The Proposed Acquisition will be put to the vote of the 888 Shareholders as a class 1 transaction for the purpose of the Listing Rules.

The Directors consider the Proposed Acquisition to be in the best interests of the Company and the 888 Shareholders as a whole and intend unanimously to recommend that 888 Shareholders vote in favour of the 888 Resolutions, and to vote in favour of the Acquisition Resolutions to be proposed at the 888 General Meeting, as the Directors have irrevocably undertaken to do, or procure to be done, in respect of their own beneficial holdings of 1,638,471 Existing 888 Shares representing, in aggregate, approximately 0.5% of the Company's ordinary share capital in issue on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

In addition to the irrevocable undertakings received from the Directors, the Company has received irrevocable undertakings from certain 888 Shareholders (being the Principal Shareholder Trusts) to vote in favour of the Acquisition Resolutions to be proposed in connection with Proposed Acquisition at the 888 General Meeting, in respect of an aggregate of 209,689,426 Existing 888 Shares, representing, in aggregate, approximately 58.8% of the ordinary share capital of the Company in issue on 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus). The Principal Shareholder Trusts cannot vote in respect of the resolution to approve entry by the Company into the Deed of Amendment to the Relationship Agreement or on the Independent Shareholder vote required in respect of the appointment of Liz Catchpole as an independent non-executive director.

22. Overseas Shareholders

The availability of New 888 Shares under the Proposed Acquisition and the release, publication or distribution of this Prospectus in certain jurisdictions may be restricted by law and the availability of the

Proposed Acquisition to bwin.party Shareholders who are not resident in the UK, US or Gibraltar may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the UK, US or Gibraltar, or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. bwin.party Shareholders who are in doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay and are also advised to read the Scheme Document. Please refer to the section headed "*Notice to Overseas Shareholders*" on page 2 of this Prospectus and the section headed "*Overseas Shareholders*" in Part V ("*Presentation of Information*").

PART VII

INFORMATION ON THE ENLARGED GROUP

The following information should be read in conjunction with the information appearing elsewhere in this Prospectus, including the 888 Group's historical consolidated financial information referred to in Part VIII ("Historical Financial Information in relation to the 888 Group") of this Prospectus and the bwin.party Group's historical consolidated financial information referred to in Part X ("Historical Financial Information in relation to the bwin.party Group") of this Prospectus, in each case, incorporated by reference into this Prospectus as set out therein. Unless otherwise indicated, the historical financial information included in this Part VII ("Information on the Enlarged Group") has been extracted without material adjustment from the 888 Group's audited consolidated financial information contained in Part VIII ("Historical Financial Information in relation to the 888 Group") and the bwin.party Group's audited consolidated financial information contained in Part X ("Historical Financial Information in relation to the bwin.party Group") of this Prospectus.

1. Overview

The 888 Group and the bwin.party Group are two of the world's largest online gaming businesses based on revenue. On 17 July 2015, the Board announced that it had reached agreement with the bwin.party Board on the terms of a recommended offer for the entire issued and to be issued share capital of bwin.party.

The 888 Group and the bwin.party Group together offer sports betting, casino, poker and bingo products in over 20 languages worldwide.

888 is, prior to Completion, the holding company of the 888 Group and following Completion, will be the holding company of the Enlarged Group. The 888 Group has been in the online gaming and betting industry for more than 17 years, driven by its brands, proprietary online gaming technology platforms, client relationship management ("**CRM**") and analytical expertise. The 888 Group's core offerings are 888casino and 888poker, with winkbingo and 888ladies being the main 888 Group bingo brands and 888sport comprising part of an emerging offering. bwin.party was formed from the merger of bwin Interactive Entertainment AG and PartyGaming Plc on 31 March 2011. The bwin.party Group enjoys strong market positions in many of the markets in which it operates based on gross gaming revenue generated by each of its four key products: online sports betting, casino and games, poker and bingo. Its core brands include bwin, partypoker, partycasino and Foxy Bingo.

For an overview of the licences held by each of the 888 Group and the bwin.party Group, see paragraph 1 ("*Introduction*") of Part XIII ("*Regulatory Overview*").

On Completion, the Directors anticipate that the Enlarged Group will be the third largest online gaming company based on size of combined revenue, with market leading positions in its casino, poker and bingo product verticals, based on size of combined revenue. The Enlarged Group's products will be supported by proprietary online gaming technology platforms, CRM and analytical expertise with significant revenue and cost synergy opportunities as the businesses are integrated.

2. The online betting and gaming industry

The online gaming industry was launched in the mid-1990s and has since gained momentum. Market growth has been due to a number of key growth drivers:

- ***High-speed internet*** – The roll out and increased penetration of high-speed internet has been a key driver for growth in the sector. This, together with the recent proliferation of smart phones and mobile gambling and the increasing popularity of e-commerce, has allowed online operators to deliver more sophisticated and appealing games to a greater number of customers, with shorter download times and fewer connectivity disruptions. The increasing popularity of smartphones offers the opportunity for operators to not only engage with existing customers but also more easily reach new customers.

- ***Growth in mobile*** – The strong growth in penetration of increasingly sophisticated mobile devices with increased capacity to process data and ever-improving screen quality has had a significant impact on the volume of mobile commerce ("**M-commerce**") generally. Mobile connectivity has also continued to improve with the evolution of ever faster networks that has further stimulated growth in M-commerce. Many online gaming operators have sought to leverage these developments through the delivery of tailored product offerings through multiple mobile platforms and have enjoyed significant revenue growth through these channels as a result.

- ***Increased product development*** – As a consequence of technological development and the popularity of smartphones and tablets, operators have invested in product development in order to offer consumers a more varied and superior betting and gaming experience. Improved product offerings, specifically through smartphones and tablets, has been a key growth driver in the market.

- ***Social trends*** – Gaming and betting have become culturally more acceptable leisure activities as a result of the expansion into mobile betting and gaming. Customers who traditionally might not have gone into a bingo hall or a betting shop can now play and bet in a way that fits their lifestyle and preferences. There is also a broader acceptance of digital channels as a safe and secure means to consume gaming services. This is evidenced by the fact that digital channels have continued to represent an increasing proportion of global gaming revenues.

- ***Increased marketing*** – Advertising of products by gaming operators has increased in recent years which has attributed to the growing popularity of online gaming and betting. The popularity of social media has also allowed operators to perform more targeted marketing, which has helped to drive growth in the market.

- ***Government adoption of heightened regulation*** – In response to the growth in the global online gaming market, several governments have over recent years adopted internet-specific gaming regulatory frameworks with the aim of protecting customers, promoting choice and raising taxes. Such changes provide incumbent operators with access to customers and opportunities for expansion. While such changes may increase competition in those jurisdictions, the increased product complexity combined with the increased costs of complying with heightened regulation and the imposition of gaming taxes on operators can make it more difficult for new entrants, strengthening the position of existing gaming and betting operators who have the resources to comply with heightened regulation.

H2 Gambling Capital, a leading industry consultancy, estimates that global Gross Gaming Revenue ("**GGY**") across all gaming channels totalled US$405 billion in 2014 compared to US$392 billion in 2013 and US$378 billion in 2012, of which the online gaming sector (including online lotteries) represented approximately 8.6% (US$34.8 billion) in 2014, an increase from approximately 8.0% (US$31.4 billion) in 2013 and approximately 7.7% (US$29.1 billion) in 2012.

Growth is expected to continue in the future and H2 Gambling Capital estimates that GGY will increase to US$460 billion in 2018 across all gaming channels, of which the online gaming sector is expected to represent 10.6% (US$49 billion), representing a CAGR of 8.7% between 2014 and 2018 for the online gaming sector.

H2 Gambling Capital estimates the largest market segment in online gaming to be the sports betting market which is valued at US$16.7 billion in 2014, having grown at a CAGR of 9.9% between 2012 and 2014. H2 Gambling Capital expects growth to continue at a CAGR of 7.4% between 2014 and 2018. The online casino market was valued by H2 Gambling Capital at US$7.6 billion in 2014 having grown at a CAGR of 10.0% between 2012 and 2014 and is forecast by H2 Gambling Capital to grow at a CAGR of 10.3% between 2014 and 2018. The online poker market has slowed in recent years, and had a value of US$3.2 billion in 2014; however, this contraction is expected to reverse and the market is forecast by H2 Gambling Capital to grow at a CAGR of 10.3% between 2014 and 2018. Online bingo achieved a CAGR of 9.9% between 2012 and 2014 and is valued by H2 Gambling Capital at US$2.0 billion in 2014. The online bingo market is forecast by H2 Gambling Capital to continue its strong growth, growing at a CAGR of 4.3% between 2014 and 2018.

The Directors believe that as a result of both the growth in the industry and the heightened regulatory environment governing global and national online gaming markets, the industry is experiencing a level of consolidation not previously seen and which the Directors expect to continue.

The 888 Group is the ninth largest online gaming company in the world based on revenue, whilst the bwin.party Group is the fifth largest. The Directors anticipate that the Enlarged Group would represent the third largest online gaming company based on size of combined revenue. The Directors believe that following Completion of the Proposed Acquisition, the Enlarged Group will have a market leading offering and stronger competitive advantage in its focused markets, built upon its technology driven proposition for each product, recognised brands, marketing capabilities and leading CRM across each product vertical.

The Enlarged Group's competitors are expected to be the same competitors as the 888 Group's and the bwin.party Group's current competitors, being principally William Hill across all the product verticals, followed by Bet365 in the online sports betting and online casino verticals, Betfair and Paddy Power in the online sports betting market and Amaya in the online poker and online casino verticals. Other notable competitors are: Unibet, primarily in the casino and sports betting verticals; Gamesys, primarily in the bingo vertical and New Jersey market; Mecca, Gala and Tombola in the bingo market; and Ladbrokes across all verticals, primarily in the UK market.

3. Objectives and strategy of the Enlarged Group

The Enlarged Group's strategy will be to drive B2C revenue growth in its core markets using the combined strengths of the 888 Group and the bwin.party Group businesses and the integration of the bwin.party Group's sports betting product, which is one of the leading sports betting products, with the 888 Group's industry leading back office functionality, as well as by combining the strong casino and poker products of both group companies. The Enlarged Group will also seek to drive additional B2C revenue opportunities by pooling player liquidity in peer-to-peer games such as poker and bingo as well as through the creation of larger jackpots in casino and increased cross-selling from sports betting into casino and poker. The Enlarged Group is expected to improve cost efficiency in a number of areas including marketing and operations, driven by size advantage and market presence.

The Enlarged Group will also seek to leverage its technology platform through the growth of its B2B franchise, an opportunity that could deliver additional value for shareholders.

The Enlarged Group's focus following Completion will be to aim to ensure that the Enlarged Group's business continues to perform in line with the Directors' current expectations and deliver the potential synergies as planned. This will include ensuring that all brands deliver high levels of customer satisfaction in a safe and secure environment whilst delivering long-term earnings growth for shareholders. As well as ensuring that any disruption to its existing business activities is kept to a minimum, the Enlarged Group will engage in a detailed planning process in order to produce a comprehensive integration and migration plan for each product and market in which it operates. The main priority of the integration and migration phase will be to aim to ensure that the bwin.party Group's existing customers enjoy a seamless transition into the 888 Group's back office and products.

The key components of the Enlarged Group's growth strategy will be across the following areas:

Growth and development of the Enlarged Group's core gaming products

The Enlarged Group will be focused on the growth and development of its core products which will be sports betting, casino, poker and bingo, as well as 888's back office and CRM systems. The Enlarged Group will seek to leverage the complementary strengths of the 888 Group and the bwin.party Group across each of its four product verticals in order to offer customers a seamless online gaming experience with innovative functionality and drive incremental revenue.

Following completion of the migration phase, the Enlarged Group intends to utilise the 888 Group's set of CRM tools to generate incremental revenue through the improvement of certain operational metrics across its brands and product verticals; for example, through increasing cross-sell from sports betting to casino and offering more segmented and personalised promotions. The Enlarged Group will also focus on further

development, integration and enhancement of its mobile offering, which will be a key component of its growth strategy.

Deliver its B2C business

The Enlarged Group's B2C business will be at the core of the Enlarged Group's business and strategy and will represent the foundation of the business. The Enlarged Group will continue to innovate, invest in and develop its B2C business so that it may deliver customer experience through its products and customer service. The Directors believe that these core principles, in combination with the Enlarged Group's advanced modelling and analytics competencies that underpin product development and CRM functions, will help the Enlarged Group to increase customer retention, reduce customer acquisition costs, further strengthen brand loyalty and enhance customer lifetime value. Lifetime value enhancement will be facilitated by the 888 Group's suite of promotion and campaign management tools supported by its business intelligence and communication modules, which will enable the Enlarged Group's marketing teams to segment and approach customers in an improved, real time and personalised fashion, with the process carried out with a high degree of automation.

Mobile represents a major growth opportunity for the Enlarged Group, with the mobile online gaming industry forecast to grow by a CAGR of 24.7% between 2014 and 2018 (source: H2 Gambling Capital). The increase in smartphone penetration around the world in conjunction with improving connectivity is increasing demand for gaming solutions on these devices. The Enlarged Group will seek to continue delivering online gaming products on mobile devices across its product verticals and core markets.

Grow and maintain a profitable B2B business

Whilst B2C will represent the largest part of the Enlarged Group's revenues, the Enlarged Group will also provide B2B services and will continue to offer its products and services to B2B customers which will enable them to leverage their own brands and customer base by using the Enlarged Group's technology and other services. As the 888 Group's and the bwin.party Group's B2C gaming platforms are, and, following Completion, the Enlarged Group's B2C gaming platforms will be, tested in order to meet the regulatory requirements of multiple jurisdictions around the world, the Enlarged Group is expected to have a product offering with which to exploit revenue opportunities through B2B. The Enlarged Group will seek to grow and maintain a profitable B2B business in both regulated and newly regulating markets.

Deliver cost and revenue synergies

By combining the complementary businesses of the 888 Group and the bwin.party Group, the Directors expect that the Enlarged Group will achieve significant cost synergies from:

- rationalising certain operational and support functions as well as creating greater efficiencies across IT platforms;
- reduced investment in redundant and duplicated technologies;
- rationalising facilities in several jurisdictions;
- economies of scale and greater efficiencies in purchasing, marketing and services; and
- reduced administration expenses such as duplicated regulation/certification costs and public company costs.

In addition, the Directors also believe that the Enlarged Group will be able to achieve significant revenue synergies from:

- opportunities to cross-sell the bwin.party Group's sports product, which is one of the leading sports products, to the 888 Group's customer base;
- the benefits of improved volume due to the larger consolidated liquidity pool in poker;

- the implementation of the 888 Group's industry leading back office and CRM systems for the bwin.party Group's existing customer base to enhance bwin.party's brands and drive incremental revenue;
- the application of sophisticated marketing techniques to an expanded customer base across a broader product offering; and
- the application of a competitive mobile proposition to an expanded customer base across a broader product offering.

The Proposed Acquisition is expected to be earnings enhancing for 888 (excluding one-off costs and the amortisation of acquired intangibles) in the first full financial year of ownership.[7]

Growth of revenues in regulated markets

The Enlarged Group will focus on developing its presence in nationally regulated markets. The Directors believe that having proprietary technology, leading brands, product development, marketing, analytics and CRM teams working closely together will equip the Enlarged Group with the agility and skills to successfully and efficiently launch in newly regulated markets and achieve significant market share in those markets.

Increasing numbers of commercially viable regulated frameworks in Europe represent a further opportunity for growth and the Enlarged Group plans to launch in new territories as well as to consolidate its position in other nationally regulated and/or taxed markets. The Directors expect that the Enlarged Group will be better placed to address the challenges of increasing complexity in the online gaming market and the continued shift towards nationally regulated and/or taxed markets in both Europe and the US given its combined expertise in the market and its significant financial, technological and human resources.

In the US, the Enlarged Group will be well positioned to benefit from the progressive regulation of the market as the Directors believe it will be the only operator active in all three regulated states. The Directors believe that it will also be well positioned to secure access in additional states which may be regulated in the future. Several states, including California and Pennsylvania, are considering the introduction of an intra-state licencing regime and more states could start regulating online gaming and betting. To date, market momentum in the US has been much slower than many anticipated. The Directors will continue to closely monitor market developments in the US and consider taking future steps in the market if long-term opportunities arise to allow the Enlarged Group to be a major player in this market.

4. B2C principal verticals

The Directors anticipate that the Enlarged Group will be the third largest online gaming company based on size of combined revenue. Its brands will offer localised online gaming products to players across multiple jurisdictions in their local languages. Its principal product verticals are set out below:

Year ended 31 December

	The 888 Group				**The bwin.party Group**			
Revenue	*2014* (US$m)*	*2013* (US$m)*	*2012* (US$m)*	*CAGR (2012-14)*	*2014* (€m)*	*2013* (€m)*	*2012* (€m)*	*CAGR (2012-14)*
Casino	220.6	190.4	165.5	15.5%	199.4	212.8	268.8	(13.9%)
Poker	93.7	93.6	87.5	3.5%	78.7	110.1	173.8	(32.7%)
Bingo	46.6	43.7	51.8	(5.2%)	51.5	52.5	63.5	(9.9%)
Sports betting	19.9	9.3	6.6	73.6%	233.4	234.0	262.8	(5.8%)
Other**	10.0	15.2	18.4	(26.3%)	37.0	35.7	26.2	18.8%
B2B	63.9	48.3	46.0	17.9%	11.9	7.3	6.5	35.3%
	454.7	400.5	375.8	10.0%	611.9	652.4	801.6	(12.6%)

**The figures have been extracted from the financial accounting records of the 888 Group and the bwin.party Group, respectively, for each of the years ended 31 December 2014, 31 December 2013 and 31 December 2012.*

***For the 888 Group, this relates to Mytopia and Asian Live Dealer. For the bwin.party Group, this relates to WPT, Kalixa Studios, Win, Inter Trader, Winners and domain sales.*

7 Nothing in this Prospectus is intended to be a profit forecast and this statement should not be interpreted to mean that the future EPS of the Enlarged Group will necessarily match or exceed the historical published earnings per Ordinary Share or bwin.party Share

As per the '*Pro forma* revenue segmental information of the Enlarged Group for the year ended 31 December 2014' set out in the notes of Part XII ("*Unaudited pro forma financial information of the Enlarged Group*") of this Prospectus, in the year ended 31 December 2014, the 888 Group and the bwin.party Group generated, in aggregate and on a *pro forma* basis, the following proportions of their combined 2014 revenues from the four major product verticals: 39% from casino; 14% from poker; 9% from bingo; and 27% from sports betting. The remaining 10% is generated from 'Emerging Offering' and 'B2B' in the case of the 888 Group and 'Other Revenue' in the case of the bwin.party Group.

The group responsible for each product vertical in the 888 Group's product technology and B2C division plans and executes its gaming strategy, with mobile becoming a key part of such strategy over the last few years. Beyond content and gaming features, mobile product development also includes complementing communication and promotional tools, which enable the marketing teams to target and retain players across players' devices. The Enlarged Group intends to continue to maintain and develop its existing mobile product verticals across sports betting, casino, bingo and poker. Access to this new mobile gaming audience provides marketing opportunities and potentially places the Enlarged Group at the forefront of what the Directors expect to be a key trend in the habits of consumers in the online gaming and betting industry.

The bwin.party Group's mobile product development is delivered by its 'Studios' technology unit that has delivered native mobile applications as well as mobile web versions of each of the bwin.party Group's core gaming products namely sports betting, casino, poker and bingo. Product design is developed as a collaborative process between 'Studios' and each of the 'Games' labels and whilst user interfaces can differ, the objective is always to adopt a common approach regarding architecture and design principles. Expanding into regulated markets can present additional challenges as changes often need to be made to meet differing regulatory requirements. Recent developments include the integration of the bwin.party Group's casino content into both mobile sports betting and mobile poker offerings through proprietary products such as 'Slider Blackjack' and 'Slider Roulette'.

As well as developing mobile versions of in-house developed games, the bwin.party Group has also integrated third-party games content into its technology platform that can then be offered across all channels, including mobile.

Sports betting

In the year ended 31 December 2014, the bwin.party Group generated 38.1% of its overall revenues from the sport betting vertical whereas sports betting represent only 4.4% of the 888 Group's revenue.

888sport, the main sports betting brand in the 888 Group's emerging offering, has delivered strong growth since the re-launch of sports betting in May 2013, when the 888 Group transitioned to the Kambi sports betting platform over which the 888 Group applied its core back office capabilities and analytical expertise. 888sport offers a range of live and pre-match global markets, with "cash-in" functionality available and the 888 Group pays a share of NGR to the sports betting platform provider, as well as additional fixed fees to several other sports content providers

Sports betting has been the bwin.party Group's core product since launch in 1998 and remains a core vertical for the bwin.party Group, which offers sports betting through two main brands: bwin and Gamebookers. The bwin.party Group offers a suite of pre-match and live betting products across a multitude of sports. The bwin brand is well known in online sports betting, with brand awareness particularly across Europe, built through a series of strategic sponsorships of sports such as football, basketball and motorcycle racing. The bwin.party Group's bookmakers, who are skilled in a range of sports, prepare odds for up to 30,000 bets daily on more than 90 different sports which are offered on the bwin.party Group's proprietary sports betting platform.

The Enlarged Group will offer an international online sports betting business, leveraging the bwin.party Group's proprietary sports betting platform and heritage in this vertical.

By combining the strength of the bwin.party's Group sports betting offering with 888's proprietary online gaming technology platforms, CRM and analytical expertise, the Directors believe that there is a significant opportunity to increase sports betting revenue from customers from both the 888 Group and the bwin.party Group, as well as increase the rates of cross-sell to and from other products.

Sports betting industry overview

In sports betting, customers make bets against the house in advance of and/or during particular sporting events to achieve a return as determined by the online gaming operator, who bears the risk of all sports bets placed with them. The operator makes its money dependent on the outcome of the events and the operator's ability to manage risks associated with the various potential outcomes of those events.

Sports betting is the largest vertical in the online gaming sector and was estimated globally to be worth US$16.7 billion in 2014 (based on GGY), an increase of 10.4% on the prior year. This growth is forecast to continue, with the market worth an estimated US$22.2 billion by 2018, representing a CAGR of 7.4% (source: H2 Gambling Capital) aided by ever wider ranges of markets to bet on and advances in technology alongside smartphone and tablet adoption enabling players to bet more easily during the course of sporting events. The introduction of in-play betting and the growth in popularity of mobile and touch devices have been strong drivers of growth in sports betting in recent years.

Casino

In the year ended 31 December 2014, the 888 Group and the bwin.party Group generated 48.5% and 32.6% respectively of their overall revenues from the casino B2C vertical.

Launched in 1997, the multi award-winning 888casino has more than 250 games and more than 255,000 unique active players each quarter. These include classic casino table games such as blackjack and roulette, live dealer table games and a wide variety of popular video slot titles including branded video slots.

Casino has been a strong growth driver for the 888 Group in recent years, delivering a CAGR of 15.5% between 2012 and 2014. This strength is underpinned by the 888 Group's heritage in online casino as well as its continuous innovation, with an expanding games portfolio and premium content developed through its "in-house" games studio. Exclusive in-house developed games include the popular Millionaire Genie slot, which is offered alongside third party branded video slots and live casino games. The 888 Group's casino games are designed with mobile in mind, ensuring 888casino games are available across mobile and desktop platforms.

Casino is driven by three of bwin.party's core brands: bwin, partycasino and Gioco Digitale in Italy, that offer more than 270 games on desktop and 48 on mobile. Exclusive content remains a key differentiator for the bwin.party Group, with a portfolio of 102 in-house games developed by its games studio. Big jackpot games such as Melon Madness and Loot'En Khamun are all-time favourites alongside some new releases such as Atlantis and FireDrake II. The bwin.party Group has a portfolio of 23 table games and a comprehensive live casino offering. The bwin.party Group has also entered into licensing agreements with content providers including NetEnt, IGT, WMS and Evolution Gaming.

The Enlarged Group's casino strategy will be to aim to create and sustain a casino and games offering across mobile, tablet and desktop platforms. Through integration, the Enlarged Group intends to continue to introduce innovative games and functionality across all channels. The Enlarged Group's scale is expected to allow it to generate larger and more attractive jackpot prize pools alongside its extensive portfolio of games with bonus offers and promotions.

Online casino industry overview

The global online casino market was estimated to be worth approximately US$7.6 billion based on GGY in 2014, up 11.6% from 2013 and it is forecast to reach €11.2 billion by 2018, implying an estimated future CAGR of 10.3% (source: H2 Gambling Capital).

Online casinos replicate the real-life casino experience with players playing against 'the house' across online versions of classic casino table games such as roulette and blackjack as well as slot and video games. According to the rules of these games, the operator has a statistical advantage, or 'edge', over the player which varies depending on the game.

A large pool of players allows an operator to offer significant jackpot prizes, which is a key consideration in determining where many customers choose to play. The long-term profitability of an online casino operator

is dependent upon maintaining large volumes of bets by both attracting new customers and retaining existing customers whilst managing risks and controlling costs.

Poker

In the year ended 31 December 2014, the 888 Group and the bwin.party Group generated 20.6% and 12.9% respectively of their overall revenues from the poker B2C vertical.

The multi-award winning 888poker is the world's second largest online poker destinations based on level of customer liquidity (source: Pokerscout). The 888 Group's poker is enjoyed by more than 470,000 unique active players each quarter in 13 different languages. 888poker's online traffic is second in the global industry in terms of cash players, and 7 day average and third in terms of 24 hour peak (source: Pokerscout). The 888 Group's gaming software allows players to enjoy a range of poker variations including live PokerCam games, Private Games, 'Snap' Poker (fast fold), Cash Games, SNG (Sit & Go) games and MTTs (Multi-table Tournaments). Players can play these formats across poker variations including Texas Hold'em, Seven Card Stud, Omaha Hi/Lo, Omaha Hi, No Limit, Fixed Limit and Pot Limit games.

Poker is the bwin.party Group's third largest product delivered through its partypoker and bwin brands with approximately 226,000 unique active players each quarter. Partypoker first launched in 2001 and is one of the pioneers of online poker in the industry offering cash games, tournaments, generous prize pools and attractive promotions. partypoker is ranked seventh in the global poker liquidity rankings (source: Pokerscout). bwin poker is a sports focused poker brand for players of all skill levels, offering easy poker games alongside its sportsbook and casino products.

The Enlarged Group will offer customers a variety of popular poker cash or 'ring' games and tournaments and will benefit from the increased liquidity of the combined brands as soon as the player pools are combined onto a single platform. This will enable more players to quickly access the games they want at varying skill levels and stakes as well as a schedule of tournaments, offers and promotions.

During the first half of 2015, the daily average poker cash games liquidity in the dotcom sites of the 888 Group and the bwin.party Group was 2354 and 1359 respectively and the combined number (as a sum of the 888 Group and the bwin.party Group players) was 4020 in 2014. Following the combination, the Enlarged Group's poker network is expected to further strengthen 888's current second-place global poker customer liquidity ranking on Pokerscout.com.

Online poker industry overview

Despite strong growth since 2001, the online poker market has shown slight declines in recent years, impacted by the introduction of new regulatory frameworks in a number of markets, such as Italy, France and Spain, requiring that players within a particular market are 'ring-fenced', limiting player liquidity. This has also impacted the global 'dotcom' liquidity pool that now excludes these countries. In spite of this, poker remains the third largest vertical in the online gaming market overall and was estimated globally to be worth approximately US$3.2 billion in 2014 (based on GGY), down 4.6% versus 2013. It is forecast to return to growth over the coming years, and is estimated to be worth US$4.7 billion by 2018 (source: H2 Gambling Capital).

In online poker, the operator acts as the host for the game and provides a platform that enables customers to play various forms of poker against each other. In return, in cash or 'ring games', the operator charges players a small fee, or 'rake', per hand played dependent on the size of the 'pot' (the total bets wagered during a given hand). Online poker players can either compete in 'ring games', whereby up to ten (although typically nine in practice) players can continue to bet their own money with the winner of each hand receiving the total 'pot' (combined bets) wagered by all players on that hand (less the rake paid to the operator), or tournaments, where players receive a limited number of 'chips' (tokens) to stake against each other in return for a cash 'buy-in' (entry fee) to participate in the tournament. The most successful players in the tournament then receive prizes while the operator makes its return from hosting tournaments dependent on the difference between the customers' total buy-ins and the amount paid out to customers as tournament prizes. In ring games, players can play up to 6 tables at a time using multi-tabling tools that are available on most online poker sites; there is no limitation on tables in tournament poker.

Bingo

In the year ended 31 December 2014, the 888 Group and the bwin.party Group generated 10.2% and 8.4% respectively of their overall revenues from the bingo B2C vertical.

The 888 Group offers bingo players an online gaming experience across a wide range of bingo sites. Each of the 888 Group's bingo sites offers a broad variety of games including 90-ball and 75-ball bingo games, online slots, progressive jackpots table games and scratchcards. All of these can be played across desktop, mobile and tablet platforms. 888ladies is the 888 Group's flagship bingo brand and, in December 2009, the 888 Group bolstered its bingo offering with the acquisitions of Wink Bingo, Posh Bingo, Tasty Bingo and Red Bus Bingo. These brands, along with additional more recently launched new brands such as Bingo Street and Daisy Bingo, comprise the 888 Group's B2C bingo network.

The bwin.party Group's B2C bingo offer was bolstered by the acquisition of Cashcade Ltd in July 2009 which is operated on the 888 Group's B2B bingo platform. The bwin.party Group's bingo offer includes Foxy Bingo as well as CheekyBingo and Gioco Digitale in Italy. Foxy Bingo was launched in 2005 and has more than 40 game rooms and prizes ranging from £50 to £50,000 and over £5 million in jackpots won by players every month. The Foxy Bingo and Cheeky Bingo brands are customers of the 888 Group's B2B division, Dragonfish, which provides the gaming platform and back office functionality.

The Enlarged Group aims to offer a portfolio of UK facing bingo brands. No substantial migration is expected to be required for the UK facing brands as all of the 888 Group's and the bwin.party Group's major brands are currently powered by the 888 Group platform. The Directors anticipate that increased player liquidity in the Enlarged Group will help to create larger prize pools to attract new customers as well as to enhance cross-sell opportunities and to improve customer lifetime value. The Enlarged Group's competitive advantages in bingo includes scale, a portfolio of brands, a social chat and community element, a range of stakes from micro deposits to jackpots with an extensive choice of side games and bonus offers.

Online bingo industry overview

Online bingo is the fourth largest vertical in the online gaming industry, estimated to be worth globally approximately US$2.0 billion in 2014 (based on GGY), up 10.9% versus 2013 (source: H2 Gambling Capital). H2 Gambling Capital estimates that it will reach approximately US$2.4 billion by 2018, implying a compound annual growth rate of 4.3%. The online bingo vertical is subject to less strict regulation than other verticals as it is categorised as 'soft gaming', and is therefore a highly fragmented and competitive market with myriad operators.

Across various formats of online bingo, players buy online tickets that have randomly generated numbers on them (the amount of different numbers is fixed and dependent on the format of the game). Numbers are then randomly 'called' by the operator, and the first players to match the numbers called with the numbers on their online ticket to form a row on that ticket, win prizes. As with traditional bingo halls, online bingo rooms offer a sense of community by providing various chatrooms for players to engage and communicate with one another. In addition to revenues generated from the purchase of bingo tickets, online bingo operators also generate significant revenue from side games such as online slots and jackpot slots that customers enjoy playing in between and during bingo games.

5. B2B product verticals

In addition to its own B2C sports betting, casino, poker and bingo activities, the Enlarged Group will also generate revenue through the provision of B2B services to third-party partners. In the year ended 31 December 2014, 14.1% of the 888 Group's and 1.9% of the bwin.party Group's overall revenue was derived from selling gaming solutions to B2B customers. B2B involves the 888 Group and the bwin.party Group extending the use of their B2C gaming platforms and back office capabilities to third parties, who in turn market the resulting online gaming services under their own brands and share a proportion of the revenue generated with the 888 Group and the bwin.party Group.

888 launched its B2B offering in 2007, utilising the Dragonfish brand to refer to its independent B2B division, offering its B2B gaming partners a comprehensive end-to-end service; global reach, resources and

contacts; and specific experience across local markets. Dragonfish takes an integrated approach and in addition to its product offering, it offers its partners flexible solutions including games and technology, marketing, operations and e-payment services to help maximise lifetime customer value to its partners' business.

The US business of the 888 Group is classified as part of its B2B business. The 888 Group provides its technology and services to licenced online gaming operators in each of the States of Nevada, New Jersey and Delaware. It is currently the only online gaming operator authorised to conduct business in these three jurisdictions. The 888 Group is licenced as an interactive gaming service provider, manufacturer and distributor in the State of Nevada and as a lottery vendor in the State of Delaware. It is also an applicant for licencing as a Casino Service Industry Enterprise in the State of New Jersey, where it presently operates under a Transactional Waiver issued by the State's Division of Gaming Enforcement. For details of the joint venture arrangements between 888 US Inc., a wholly owned subsidiary of 888, Avenue OLG Entertainment LLC and certain individuals with respect to the establishment and joint operation of AAPN Holdings, LLC to carry out legalised internet based gambling operations, including the launch of an internet based gambling network in the US, please see paragraph 15.1 ("*Material contracts – 888 Group – AAPN Joint Venture Agreement*") of Part XVII ("*Additional Information*").

In the past, the bwin.party Group has sought to complement its core B2C revenue streams with B2B offerings where such agreements help to support the B2C revenue opportunity. Examples include PMU in France (poker), Danske Licens Spil in Denmark (poker and casino) and Borgata Hotel Casino and Spa in the State of New Jersey (poker and casino). More recently, the bwin.party Group has entered into supply agreements with several European sports betting operators under which it provides odds through its 'bwin feed' offering.

Bingo

Dragonfish provides bingo software to major bingo operators in the UK. Dragonfish offers both classic 75-ball and 90-ball bingo. Its back office provides financial, risk management, support and chat hosting services to all its licensees allowing for differentiation of product and providing the platform for growth for all software licensees and network members.

Side games play a major part in the profitability of a bingo site and offer a range of multi-language instant play games to increase player retention and drive increased lifetime customer value. With over 375 casino games on the Dragonfish bingo platform and a fully customisable games lobby, Dragonfish has also recently launched a number of dedicated casino games sites for several partners, using the casino functionality of the bingo platform.

Dragonfish powers a bingo network with over 100 branded bingo sites. Dragonfish offers daily overall jackpots rising to £1,000,000, progressive jackpots, pre-purchase rooms, a loyalty point automated programme, as well as a bonus programme whereby players are incentivised to deposit. The open bingo network product offered by Dragonfish is custom built with 'refer-a-friend' and affiliate marketing to help with player acquisition. Dragonfish can also tailor its bingo B2B partner's website to launch with new visual styles in under three weeks.

Casino

The Dragonfish casino offering includes a fully open gaming platform. The platform is known for its ability to deliver popular casino games such as in-house, premium branded, and third party licensed titles. Game types include an array of table and card games, video slots and live casino.

The 888 integration platform was designed and developed with third party content integrations in mind, while driving value from the back office capabilities across all content (in-house and third party alike). Today, third-party providers who have integrated games available over the 888 Group's platform include Evolution (live casino), Net Entertainment, GTS (Playtech), Scientific Games and others which the Directors believe represent some of the industry's most successful sources of online games.

The bwin.party Group provides its online casino offering to several providers under the terms of B2B agreements. Customers include Danske Licens Spil in Denmark and Borgata Hotel Casino and Spa in New Jersey.

Poker

Dragonfish offers its select group of poker game partners, instant global liquidity and an extensive range of daily and weekly tournaments with large guaranteed prizes every week, designed to attract every level of player.

The Dragonfish poker network is available in 24 languages, giving it a wide reach into emerging markets.

The bwin.party Group provides its online poker offering to several providers under the terms of B2B agreements. Customers include PMU in France, Danske Licens Spil in Denmark and Borgata Hotel Casino and Spa in New Jersey.

Sports betting

The 888 Group does not offer sports betting as part of its B2B business.

The bwin.party Group having originally limited its B2B offering to white label versions of its successful B2C poker and casino products in markets where such agreements would complement its existing B2C business operations, the bwin.party Group has recently extended its offer to also include sports betting with the introduction of bwin feed, offering up to 120,000 live events and 250,000 pre-match events annually with tailored solutions available to customers' specific requirements. The service offers fill coverage of main events including high-turnover sports (e.g. badminton and table tennis) to drive increased revenues and an enhanced player experience. Customers are typically charged under a revenue share arrangement that is normally a multi-year agreement.

6. Other businesses

Financial Spread Betting

In 2010, the bwin.party Group launched a UK spread betting and CFD service, InterTrader.com, which is operated by a third party, London Capital Enlarged Group Limited ("**LCG**"), an FCA authorised firm. InterTrader.com provides an award-winning suite of products and tools to enable customers to take financial positions using CFDs and make spread bets. In the year ended 31 December 2014, InterTrader.com generated revenue of €5.0 million and Clean EBITDA loss of €0.8 million.

Committed to providing essential trading tools to all of its clients, along with training for all levels of expertise, InterTrader.com was named "Spread Betting Operator of the Year 2011" at the eGR Awards and also won the "Investment Trends "Value for Money" Award" in 2013. This was based on results from the "Investment Trends 2013 UK Leveraged Trading Report", based on an online survey of over 13,000 investors.

Under CFDs and financial spread betting, customers are offered access to a large variety of instruments including indices, commodities, forex pairs and equities and have the ability to trade with a margin account, starting from just 1% in many markets. LCG and the bwin.party Group are subject to FCA conduct of business regulation in respect of their spread betting and CFD service. In particular, under the FCA's New Conduct of Business Sourcebook, LCG and the bwin.party Group are required to provide fair and adequate disclosure of risk in relation to their spread betting activities, to ensure that customers understand the nature of spread betting and the commitments required, and to assess whether spread betting is suitable for any prospective customers. The introduction of the EU Markets in Financial Instruments Directive ("**MiFID**") harmonised regulation for investment services across the 31 member states of the EEA and allows the provision of MiFID services throughout the EEA on a passport basis. Financial CFDs and certain other forms of derivative contract fall within the scope of the MiFID. LCG is licensed to offer spread betting and CFD services in the UK, and holds MiFID passports which enable it to provide CFD services in a number of other EEA jurisdictions. The bwin.party Group's business model as a marketing agent for LCG allows it to enjoy three revenue streams from the provision of CFD and spread-betting services: a share of the commission

charged to a customer's opening and closing positions, income from financing fees and interest income on client balances.

In January 2013, InterTrader.com launched its own licensed service called InterTrader Direct, authorised and regulated by the Gibraltar Financial Services Commission. This service provides customers with direct market access to trade CFDs in a large variety of instruments including indices, commodities, forex pairs and equities. Under this service, all trades are fully hedged on execution.

Payment solutions

From its origins as the former internal payments department of bwin interactive entertainment AG, now operating under a single brand and with its own management team, Kalixa has become an end-to-end provider of payment services to third-party merchants, consumers and corporate customers across Europe. With a robust and fully-integrated payments platform, Kalixa can take advantage of the growth that is driving digital payments volumes across the world. Having acquired PXP Solutions in May 2014, Kalixa has continued to expand with the launch of a joint venture with Millicom, the international telecoms operator, and through additional contracts won, including with Abercrombie & Fitch.

7. Geographical segmentation

The 888 Group and the bwin.party Group revenues by geographical market are set out in the table below.

Year ended 31 December

	The 888 Group				**The bwin.party Group**			
Revenue by geographic market	*2014* (US$m)*	*2013* (US$m)*	*2012* (US$m)*	*CAGR (2012-14)*	*2014* (€m)*	*2013* (€m)*	*2012* (€m)*	*CAGR (2012-14)*
UK	201.6	163.3	161.8	11.6%	69.7	68.4	81.6	(7.6%)
Germany	33.2	29.9	26.0	13.0%	151.9	155.3	176.0	(7.1%)
Europe (excl. UK and Germany)	136.9	131.8	116.1	8.6%	308.0	342.4	434.2	(15.8%)
Americas	55.2	46.4	38.2	20.2%	47.9	49.4	66.2	(14.9%)
Rest of the World	27.8	29.1	33.7	(9.2%)	34.4	36.9	43.6	(11.2%)
	454.7	400.5	375.8	10.0%	611.9	652.4	801.6	(12.6%)

**The figures have been extracted from the financial accounting records of the 888 Group and the bwin.party Group, respectively, for each of the years ended 31 December 2014, 31 December 2013 and 31 December 2012.*

For the 888 Group, growth has been achieved in most geographical segments with the UK revenue driven by continued success of its mobile casino offering. European growth (excluding the UK) was driven by casino and sports betting offerings, with the latter enhanced by the successful launch of the sports betting offering in Spain during the second half of 2014. The Americas revenue has increased driven by the commencement of the US B2B business. In 2014, the UK was the 888 Group's largest market, representing 44% of total revenue, followed by Germany (7% of total revenue), Canada (7% of total revenue), Spain (5% of total revenue) and Russia (4% of total revenue).

Compared to many of its competitors, the bwin.party Group's revenue is well-diversified from a geographical perspective. In 2014, Germany was the bwin.party Group's largest market, representing approximately 25% of total revenue, followed by the UK (11% of total revenue), Italy (8% of total revenue), France (6% of total revenue) and Spain (5% of total revenue).

Based on combined revenue on a *pro forma* basis for the year to 31 December 2014, the Enlarged Group derived 23% of its revenue from the UK and 19% of its revenue from Germany. No other country contributed more than 10% of combined revenue in 2014.

8. Support services

Both the 888 Group and the bwin.party Group have established centres in marketing, technology and other support services that combine to deliver the overall customer experience. The Directors believe that each of these elements is vital in building trust and confidence among customers as well as regulators and other key stakeholders.

9. Marketing

With more markets introducing regulated frameworks for online gaming, revenue opportunities for operators such as 888 and bwin.party that are focused on nationally regulated and/or taxed markets also increase.

B2C Marketing

Customer acquisition and retention

Both the 888 Group and the bwin.party Group have historically invested significant amounts in marketing and have employed a number of customer acquisition strategies, both online (including online advertising, affiliate programmes, referrals and search engine optimisation) and offline (TV, print media, outdoor media, direct mail, sponsorships and referrals). Customer retention activities, which are designed to maximise customer revenues and customer lifetime value by providing personalised communications, bonuses, tournaments, a flow of new and innovative games and other events and promotions, will be a key part of the Enlarged Group's marketing strategy.

The recent growth in smartphone penetration and mobile usage in locally regulated markets creates an opportunity within the mobile channel for the Enlarged Group by leveraging the combined product offerings, skills and marketing capabilities of both the 888 Group and the bwin.party Group.

Online marketing has been an integral part of the 888 Group's business strategy from its inception in 1997, and is important to its business growth and competitive advantage.

The 888 Group has invested in new advertising technologies and regularly updates its marketing strategies to benefit from the fast changing trends in online media consumption, such as mobile, social, online video, programmatic planning and media buying.

Most of the 888 Group's online marketing activities are managed in-house by a group of 90 marketing specialists who are individually assessed on delivering both growth and positive return on investment from their online marketing expense. These specialists are accompanied by a team of business analytics and data mining experts, who support the marketing teams in optimising the online marketing expense.

The bwin.party Group has improved its digital marketing capabilities by delivering more relevant content and messaging to prospective, lapsed and existing customers in order to stimulate greater revenue and player activity. The evolution of the digital marketing arena has enabled the bwin.party Group to make investment decisions in real-time across an array of digital media channels (desktop, mobile and social media) based on the calculated potential or past value of a customer.

Further enhancements to digital tracking capabilities allow the bwin.party Group to move away from 'last click' campaign measurement towards an attribution model, whereby a more comprehensive assessment of the role played by each of the key marketing channels is taken into account in driving customer behaviour. By sharing knowledge and best practice, the Enlarged Group, aims to be better placed to optimise the results of these efforts across a larger database as well as generate media buying efficiencies through additional scale.

Advertising

Internet advertising on a variety of different websites and portals directly supports the 888 Group's and the bwin.party Group's offline marketing communication activities. The 888 Group and the bwin.party Group currently deploy online marketing on thousands of websites throughout Europe, including on portals, forums and other relevant websites. Advertising is acquired locally in the relevant markets with the goal of achieving the best and largest country-specific traffic.

Television advertising on major channels for sports betting is usually positioned around sporting events. The impact of sports betting advertising is maximised by employing a mixture of sponsorships, direct response product and traditional brand advertising spots.

Advertising for poker and casino tends to be through a combination of poker shows and other TV programmes, including sporting events.

Print advertising is used primarily in markets where TV advertising is not accessible or is restricted. However, in markets with full TV access, print advertising may also be used to complement the media mix and deliver a multiplier effect.

As most advertising is charged on a sliding scale according to the total value of the advertising spend by the advertisers, the Enlarged Group expects to benefit from economies of scale and also from the reduction of duplicative advertising in certain markets.

Sponsorship

The 888 Group's sponsorship in 2015 include the Italian cycling race '*Giro d'Italia*', the World Snooker Championships and the World Series of Poker tournament in Las Vegas.

The strength of bwin.party's bwin brand in European sports betting has been founded upon a legacy of sports sponsorship that has included multi-year deals with some of Europe's leading football teams, including AC Milan, Real Madrid, Manchester United, Bayern Munich and Juventus, as well as other popular sports such as basketball and MotoGP.

Due to the strength of the bwin brand in several nationally regulated and/or taxed markets, as well as the evolution of digital marketing and CRM, bwin.party has been reassessing its existing and future sponsorships in order to ensure that they support the bwin.party Group's strategy to grow in nationally regulated and/or taxed markets, differentiating its brand and product propositions whilst at the same time driving customer activation in a cost-effective way. As a result of this effort, bwin.party has gradually been reducing the proportion of its marketing spend allocated to sponsorship and instead has focused on more tactical partnerships to support customer acquisition and provide content to engage with relevant audiences on a larger scale.

The Enlarged Group will consider the viability and effectiveness of specific sponsorship opportunities as they become available in the future.

Loyalty schemes

Both the 888 Group and the bwin.party Group offer their customers the opportunity to participate in loyalty schemes. While points are accumulated for each bet made in casino and poker, there is no universal loyalty programme for sports betting where retention initiatives tend to be event-based or via customer segmentation. Accumulated points can then be converted into rewards once a certain number of points have been collected. The rate of points accumulation is configurable per brand and game type and is fixed for all brands in the 888 Group's poker network, in order to maintain a healthy poker network ecosystem.

Loyalty schemes are an important and effective customer retention tool. By leveraging the CRM capabilities of the 888 Group going forward, the Enlarged Group will remain focused on rewarding players in the most appropriate and targeted manner to further develop and maintain customer loyalty and increase customer retention.

Bonuses

Customer bonuses is a prevalent and successful tool employed by the online gaming industry to attract customers to register, deposit and play. Both the 888 Group and the bwin.party Group offer a broad range of different bonus types, each of which is used to drive player traffic and betting activity. Bonuses that aim to attract customers to register for the first time are called 'sign-up' bonuses which are normally based on a percentage of the first deposit, capped at a certain amount. In order to be competitive, the 888 Group's sign-up bonuses differ from country to country and from product to product.

As a tool for retaining customers, the 888 Group and the bwin.party Group award bonuses to existing real money customers. These are typically player pay-in bonuses, which give customers extra funds when they next pay in funds. Bonuses may also be granted to win back inactive customers and, in limited circumstances, as a gesture of goodwill towards existing customers.

The majority of bonuses have strict terms attaching to their use, such as a requirement that they are used within a certain time frame or a restriction on their ability to be redeemed until such time as the player has wagered a certain amount on the site or played a certain number of real money games.

In addition to cash bonuses, the 888 Group also offers customers free play in casino games (e.g. free spins in slots), free poker tournament or bingo game entry tickets and free bets in sports betting.

Bonuses are an important and effective customer retention tool. By leveraging the CRM capabilities of the 888 Group going forward, the Enlarged Group will remain focused on rewarding players by continuing to provide appropriate and targeted bonuses to improve customer retention.

Affiliate marketing network

Affiliate marketing is one of the 888 Group's main marketing channels for acquiring players. Affiliates can register with the 888 Group through the www.uffiliates.com portal and affiliate accounts are managed through the 888 Group's proprietary Casap system. 888 currently has over 100,000 registered affiliates.

The Enlarged Group will focus on developing its affiliate marketing network to continue to grow customer acquisition channels.

B2B Marketing

Alongside the software and support services, Dragonfish, the 888 Group's B2B software provider, also provides its partners with a range of CRM services including CRM planning, creative, web design, project management, operations, financial analysis and execution of a partner's own campaigns on the Dragonfish campaign management system.

The CRM system, used in conjunction with the Dragonfish data warehouse, allows targeted offers to be sent out on behalf of B2B partners, and customised to their brands and their other marketing activities. These targeted offers can also be sent via online messaging capabilities during gameplay. Special poker and bingo tournaments are also set up.

bwin.party provides B2B customers with advice, consultation and (where requested) operational execution of player marketing activities using in-house and third party CRM and marketing tools. Bespoke poker tournaments, bonuses and customer segmentation and promotions are configured by bwin.party operational teams. bwin.party also provides extensive ongoing business intelligence analysis and support to all customers.

In most cases, customer websites are built on the bwin.party licensed content management system by the bwin.party marketing team and managed by the customer on an ongoing basis with support from the bwin.party marketing team. Email marketing is usually carried out by the B2B customer, but can by agreement be carried out by bwin.party.

The bwin.party Group offers a full range of marketing services to its B2B partners. This includes online marketing, CRM, customer service and site/client management. The B2B partner can decide whether to buy a fully-managed service package or operate certain services by themselves. In most cases the B2B partner tends to conduct all offline marketing.

The Enlarged Group will apply the 888 Group's online marketing technology, tools and methodologies to the bwin.party Group's business while continuing to leverage the bwin.party Group's brand assets and marketing strengths.

10. Technology

The 888 Group and the bwin.party Group are the owners of proprietary software solutions providing a range of virtual online gaming services over the internet, including casino, poker, bingo and sports betting, brand licensing revenue on third party platforms and social games. These services are provided to end users and certain of these services to business partners through Dragonfish. In addition, the Enlarged Group will provide customer support and online advertising.

The 888 Group and the bwin.party Group have a technology-based culture focused on integrity, speed, reliability and scalability, all of which are prerequisites for sustainable growth. The 888 Group and the bwin.party Group have sustainably invested in scalable, secure, safe and feature-rich technologies.

System security and IT risk management

The 888 Group's IT systems are critical to its operation. The 888 Group is reliant on the performance of these systems. Advanced technologies and procedures are implemented throughout the 888 Group's technology operations and are designed to protect its networks from malicious attacks and other such risks. These measures include traffic filtering, anti-DDoS devices and anti-virus protection from vendors. Physical and logical network segmentation is also used to isolate and protect the 888 Group's networks and restrict malicious activities.

The IT environment is audited by independent auditors, such as PCI DSS security audit and eCOGRA audit. These audits form part of the 888 Group's approach to ensuring proper IT procedures and a high level of security. In order to ensure systems are protected properly and effectively, external security audits, assessments and penetration testing are carried out in a timely manner. The 888 Group has a Disaster Recovery ("**DR**") site to ensure full recovery in the event of disaster. All critical data is replicated to the DR site and stored off-site on a daily basis. In the event of loss of functionality of the 888 Group's critical services, the business critical services can be recovered through the resources available at the DR site. In order to minimise dependence on telecommunication service providers, the 888 Group invests in network infrastructure redundancies to ensure network availability in case of a failure or unavailability whilst regularly reviewing its service providers. The 888 Group has two internet service providers in Gibraltar in order to create redundancy and minimise reliance on one provider.

As a part of its monitoring system, the 888 Group deploys user experience tests which measure performance from different locations around the world. Network-related performance issues are addressed by rerouting traffic using different routes or providers. The 888 Group operates a 24/7 Network Operations Centre ("**NOC**"). The NOC's role is to conduct real-time monitoring of production activities using state-of-the-art systems. These systems are designed to identify and provide alerts regarding problems related to systems, key business indicators and issues surrounding customer usability experience. The IT environment tracks changes, incidents and service-level agreement key performance indicators in order to ensure that client experience is consistent and well managed. As part of these procedures, capacity planning takes place and infrastructure is built accordingly. System-wide availability and business-level availability is measured and logged in the IT information systems.

The bwin.party Group has in place disaster recovery capabilities to ensure that it can resume business operations in the event of a major disruption at any of its datacentres or operating locations. Business continuity plans are reviewed and tested regularly together with partners and providers to ensure such capabilities can become operational at short notice.

The bwin.party Group has implemented controls to mitigate potential security risks to its business operations in areas such as gaming integrity, confidentiality breaches and service availability. The bwin.party Group has also sought to adapt its approach to new cyber threats as these emerge. Continuous monitoring and security testing of its systems and applications ensures that incident remediation times are kept to a minimum so that the business can continue offering services to its customers around the world. The bwin.party Group has deployed a layered approach to security, with intrusion prevention systems deployed across network and system environments, and network and duties segregation to reduce the impact of a breach, which extend to business partners and providers.

To validate the effectiveness of the investment in information security, the bwin.party Group is subject to regular audits of its IT environment by several independent auditors and currently holds an ISO27001 certification demonstrating best practices in the management of information security across all business processes and proving to regulators and B2B customers that the bwin.party Group is committed to protecting the security of their information.

The bwin.party Group operates a 24/7 service operations centre which monitors and responds to all incidents in its IT environment involving, where needed, IT engineers available on a 24/7 on-call roster. Service monitoring includes external measurements of the bwin.party Group's customer experience which are linked to business processes, so that any anomaly that affects customer experience is quickly identified. Similarly, the monitoring of internal applications and systems provides a view on the correct operation of the various components and allows for the early detection of potential issues, before they impact the customer experience. In addition to technical monitoring, the bwin.party Group regularly reviews the reputation of its applications and services on the web and app stores to ensure customers do not face any difficulties or concerns when accessing its services.

Fairness and integrity of systems

The 888 online gaming platform is certified by independent third party testing laboratories or by the regulators themselves across the markets where it is licensed. This includes independent certification from GLI in Italy, Nevada and Delaware, eCogra certification in the Gibraltar and the UK, Gaming Associates certification in Spain and certification from the Department of Gaming Enforcement in New Jersey. All certification is renewed on a regular basis.

The bwin.party Group's technology platform and game offerings are approved by independent game testing laboratories that certify the correct operation and fairness of the bwin.party Group's offerings, including, amongst other things, appropriate payout ratios, randomness of results and compliance with gaming regulations in the various jurisdictions where the bwin.party Group has customers. In addition to regulatory testing, specific security testing is conducted to ensure the systems are resilient and that attackers cannot compromise the games to their advantage, with a security sign-off conducted before a new game or application is launched to customers.

11. Research and development

The Directors believe that technology leadership and continuous innovation are central to the Enlarged Group's progress. The 888 Group is focused on delivery of its offerings to regulated markets, expansion of its mobile platform strategy and the capabilities of its gaming platform and offerings. Research and development expenses, net of software costs capitalised associated with the 888 Group's focus on preparing the platforms for the US market, regulated markets and on developing the mobile platform, were US$27 million in 2012. In 2013, US$31 million was spent on research and development, reflecting the 888 Group's efforts to simultaneously launch operations in three regulated US states and the further development of its mobile offering. In 2014, US$41 million was spent on research and development. Relevant achievements in 2014 included: the launch of 888sport.es which offers comprehensive pre-match and live betting on PC and mobile, and allows the 888 Group to offer navigation between sports betting, poker and casino offerings in Spain; the launch of shared liquidity in New Jersey between AAPN and Caesars player-bases; the launch in Nevada of poker offering via mobile platform and addition of payment methods; and the addition of mobile games, content and marketing tools.

The bwin.party Group is engaged in continuous product development in order to maintain its position in several markets. Over the past 12 months this has resulted in the development and launch of several new variants of its existing products, including new mobile sports applications, new casino games for mobile such as 'Slider Blackjack' and 'Slider Roulette', as well as completely new betting products such as 'Protektor' (a betting insurance product allowing customers to protect potential rewards in multiple or combination bets). The amount of own work capitalised in 2014 was €21.0 million and in 2013 was €19.0 million.

12. Support operations

Customer support

Professional customer service is essential for maintaining customer satisfaction and helps to maximise the velocity and volume of customer transactions. The 888 Group and the bwin.party Group's customer service units operate internationally providing local-language support on a wide range of topics. This requires customer service agents to be skilled in a number of areas, including product, payment and technical support.

Support is offered to players over phone, email, live chat and via a continuously updated online help tool.

The 888 Group has three customer service centres located in Gibraltar, Antigua and New Jersey. Customer service is provided in seven major languages and tailored according to the needs of the B2C business and the B2B partners. Customer service representatives are trained across product offerings with the objective of bringing first-time resolution of customer matters, as well as promoting and selling higher-priced products to customers where possible. Service level is determined by segmentation according to member value and the type of question/risk. Responsible gaming measures are implemented by contacting customers flagged by the 888 Group's proprietary algorithms, as well as reactively when customers contact the 888 Group's customer support to report an issue. All customer service centres have capacity and flexibility to shift resources in accordance with needs.

The bwin.party Group operates its customer service from its service centres in Gibraltar, Sofia, Vienna and Hyderabad. Additional cover is also provided in Italy and Germany. Providing a ready solution for both in-house and B2C brands, as well as the brands of B2B customers, the customer service teams provide first and second line support, document and payment verification, incident co-ordination, risk operations, outbound and VIP, legal and responsible gaming, as well as software development and various mitigation services. In 2014, the bwin.party Group's customer service operations handled 2.2 million front-line customer contacts, verified 440,000 documents and 473,000 customer withdrawals.

Being an integral part of the overall customer experience ensures an integrated approach to service delivery, well positioned to respond to both customer and business needs. The Enlarged Group's customer service unit will use modern technology with fully integrated proprietary and third party customer management systems and place a strong focus on the continuous enhancement of business processes and staff development.

Payment processing

To appeal to as many customers as possible, the Enlarged Group will aim to provide a wide variety of methods for funds to be paid-in and withdrawn from customer accounts. This includes credit cards, debit cards, bank transfers and online wallets.

The 888 Group's proprietary payments system was developed solely for online gaming and focuses on enabling successful, secure and completed transactions in each of the 888 Group's regulated jurisdictions. The 888 Group's system includes a cashier user interface in 18 languages, both for desktop and mobile/tablet, and offers more than 40 global payment methods, optimally configured for each geographic market. The 888 Group has multiple direct card acquiring relationships with international banks, allowing flexibility and optimal routing when processing transactions for approval. The system is robustly monitored 24/7 and is PCI DDS level 1 certified.

The bwin.party Group's proprietary payments processing system has been developed and optimised over the past 15 years and has been tailored for the online gaming market. The primary goal is to ensure that customers' payments are safe and secure and can be effected easily and quickly. The bwin.party Group's system includes a desktop and mobile/touch cashier interface (tailored for the bwin.party Group's various brands), available in 18 languages, offering more than 50 different payment instruments of various types to customers and optimised for each of the bwin.party Group's key geographic markets.

By utilising multiple acquirers with global financial institutions and other global payment service providers ("**PSPs**") the bwin.party Group seeks to optimise success rates, cost savings and load balancing so as to ensure a smooth and seamless experience for customers. The bwin.party Group's system also utilises a self-learning payments engine that monitors all card, bank identification numbers and risk checks in order to optimise the bwin.party Group's risk exposure. The bwin.party Group's cashier is monitored 24/7 with PCI DDS level 1 certification and is closely integrated into the platform to allow a 360-degree view of a customer including all bonuses, identification checks, responsible gaming and compliance interactions.

Fraud detection and chargeback controls

Both the 888 Group and the bwin.party Group continually monitor, and the Enlarged Group will monitor, their systems for fraudulent activity principally through their payment processing system and transaction

services department, which collect and investigate certain information on all accounts and monitor any abnormal activity in respect of the accounts and customer behaviour.

Fraud includes financial and gaming elements. Financial fraud typically occurs in the form of chargebacks resulting from when a customer either disputes or fails to honour a transaction. This can occur in a number of ways, including providing incorrect bank information, denying the transaction ever took place, having insufficient funds in the customer's account or abuse of payment accounts (e.g. credit cards, wallets and bank accounts) after illegally gaining access to these accounts.

To preserve the integrity of their poker offerings and prevent gaming fraud, the 888 Group and the bwin.party Group have also put in place numerous measures to prevent collusion between customers, to prevent fraudulent abuse and to detect and prevent the use of 'bots' (automated computer programs) which may give customers using them an unfair advantage. These controls have been developed from their experience in the online gaming industry and through IT system developments. Action taken upon the detection of fraud or bots can include warning customers, preventing certain customers from playing at the same table, blocking the relevant account(s) and confiscating customer funds.

The 888 Group and the bwin.party Group have, and the Enlarged Group will have, dedicated teams of employees working in fraud detection and prevention. These efforts are supported by the actions of customers who suspect fraudulent activity or collusion and notify customer services of their suspicions by e-mail or telephone while playing.

Bad debts arise largely as a function of payment processor defaults on payments. As customers are not provided credit, the only credit risk from customers is chargebacks and uncleared payments. The 888 Group and the bwin.party Group are constantly working, and the Enlarged Group will work, to ensure that write-offs required due to bad debts and charge backs are minimised and kept at the lowest level possible without unduly impeding business growth and the player experience

Bookmaking risk management

Taking appropriate measures to deal with online gaming risks in general and specific betting risks in particular is a standard aspect of the 888 Group's and the bwin.party Group's everyday business operations.

All of the 888 Group's existing bookmaking risk management is currently provided by the 888 Group's third party licensor of its sports betting offering (Kambi). This is monitored by the 888 Group through periodic reports and ongoing discussions. Under the current bookmaking risk management policy, Kambi is required to request preliminary approval from 888 if the pre-approved single risk limit (that is, how much, for all 888 customers combined, any one selection can lose for single bets only) is reached, to increase player betting limits above a certain threshold and to alter the timer for acceptance of live bets for any 888 customer.

Risk management, in particular related to sports betting, is a primary operational function of the bwin.party Group. Sports betting risk is identified and managed in two main areas:

- *traditional bookmaking* – this consists of odds compiling and liability management or trading where the bookmakers seek to ensure that the bwin.party Group is not unduly exposed on any particular sporting outcome; and
- *individual customer risk management* – where the likely risk exposure to a particular customer is assessed based on a variety of factors including but not limited to bet-type, previous trading history, deposit methodology, location and gaming behaviour.

Bookmaking and trading is handled by a team of pre-match odds compilers with expertise mapped over various sports leagues and geographies while live, or in-play trading is mainly handled by dedicated specialists that are focused on a particular sport. Both functions are heavily assisted by pricing and automated trading algorithms developed from over a decade of data analysis by a team of mathematicians and data scientists.

Individual customer risk management relies mainly on assessing each customer's risk using a proprietary algorithm that assigns a risk factor after every single interaction with its products. Specialised customer risk

teams continuously evaluate the system's output and make manual adjustments where necessary. The algorithms rely on a large volume of historical data and allow the bwin.party Group to detect new forms of risk continuously as new data is fed into the system.

The bwin.party Group's risk management approach comprises four main processes: detecting and mitigating sports betting fraud, ensuring individual customer sports betting profitability, performing customer due diligence (Know Your Customer – 'KYC'; and Anti-Money Laundering – 'AML') and rectifying sports book errors that impact customers. These processes are mainly carried out by the bwin.party Group's sports betting security department through the collection and assessment of data to produce evidence upon which actions are then taken to limit risks to the bwin.party Group.

The collection and detection stage encompasses the use of various reports which assist in the detection and identification of possible fraud candidates. These include reports such as top winning customers or top losing events. Real time alert systems are in place that send alerts when any irregular bets from one customer or a group of customers are received. Automatic and/or manual checks and analysis is conducted where a withdrawal of funds is requested. Service requests are also made to the security department from other departments or industry bodies such as the European Sports Security Association. This includes, but is not limited to investigations into unprofitable offers or any irregular betting patterns detected by other operators. There are many ways in which fraud candidates can be detected as a result of other sports betting security processes.

The assessment and conclusion stage draws upon the analysis carried out upon a particular market's betting pattern, individual customer account and/or betting patterns as well as comparisons made across a group of customers. These in-depth analyses assist the bwin.party Group in determining any irregularities or breaches of its terms and conditions and whether any fraudulent activity has occurred. External sources may also be utilised to assist this process. The conclusion of the assessment can be either proven fraud, unproven fraud or that no fraud has occurred.

The actions to be taken in the case of proven fraud include cancelling the bets concerned and/or rejecting any withdrawal request so as to minimise the impact on the bwin.party Group. The actions taken on the account to reduce future risks include the prevention of future bet placement, blocking or closing the account concerned and propagating measures across any multiple accounts. Other stakeholders may also be informed.

Management information system

All gaming data is captured and stored in the 888 Group's data warehouse (based on Microsoft SQL technology) comprising thousands of reported attributes. Reports from the 888 Group's data warehouse can be compiled via a Business Objects Interface ("**BOI**") and viewed across a number of visual interfaces on desktop, tablet and mobile. The reports can also be delivered to management or partners over various self-service reporting dashboard tools.

Regulatory reporting is also performed via a BOI on the data warehouse for each specific regulated market.

The 888 Group's internal business processes are managed through its Microsoft Dynamics enterprise resource planning ("**ERP**") and CRM system deployments.

The bwin.party Group's internal business processes are managed through "Pi", its Oracle ERP software.

Responsible gaming

The Enlarged Group will seek to provide a safe, responsible and trusted online gaming environment through compliance with industry best practice and the 888 Group and the bwin.party Group take, and the Enlarged Group will take, responsible gaming seriously.

The 888 Group and the bwin.party Group each acknowledge that gaming poses a potential danger to a small minority of people. Both the 888 Group and the bwin.party Group are continuously monitoring and updating their procedures to ensure minors are unable to access its gaming sites. Both the 888 Group and the bwin.party Group also train their staff in how to provide a safe gaming experience to customers and to

recognise and take appropriate actions if they identify compulsive or underage activity. The 888 Group has developed a proprietary observer system to help identify and prevent compulsive activity while the bwin.party Group has introduced an algorithm developed with Division on Addictions, a Harvard Medical School teaching affiliate, to provide a more tailored online protection system for customers.

To protect customers, the 888 Group and the bwin.party Group comply with both the GamCare and the eCOGRA guidelines. GamCare is the recognised authority on the provision of counselling, advice and practical help in addressing the social impact of gambling in the UK. eCOGRA ensures that approved online casinos are properly and transparently monitored to provide player protection. Both the 888 Group's and the bwin.party Group's real money gaming sites also have links to professional help agencies. The 888 Group has established the E-Break & Support programme which is run in collaboration with specialist well-known charity Gambling Therapy to offer the 888 Group customers a free of charge four-week gambling therapy programme. Players from both the 888 Group's and the bwin.party Group's gaming sites who are worried about their gaming habits and want to know more about the signs of compulsive gambling can take a self-assessment test. Should customers feel the need to, they can also control their play pattern by self-limiting the amounts they deposit per day, per week or per month. In addition, a player can request to be self-excluded for a chosen period, during which time the 888 Group and the bwin.party Group block the account and no promotional emails are sent to the customer. Since 2007, the 888 Group has also established a dedicated website, www.888responsible.com, which provides information regarding all aspects of responsible gaming. The Enlarged Group will continue to take appropriate actions and implement steps to protect customers.

13. Intellectual Property

Proprietary intellectual property

The Directors believe that copyright, trademarks, domain names, trade secrets, proprietary technology and other intellectual property of the 888 Group and the bwin.party Group are critical for their long-term success as well as the success of the Enlarged Group. Other than licensed rights, the 888 Group and the bwin.party Group own the key intellectual property rights for the software material used in their respective operations, whether gaming or operational software, and the key intellectual property rights to its customer/gaming platform, including sportsbook and poker software.

Trademarks and domain names include:

- 888, 888.com, 888casino, 888poker, 888sport, 888ladies, 888bingo, 888games, Millionaire Genie, Wink Bingo and Pacific Poker; and
- 888.com, 888casino.com, 888poker.com, PacificPoker.com, 888sport.com, 888ladies.com, 888games.com, 888bingo.com, WinkBingo.com and similar domain names with multiple local suffixes;
- 'PartyGaming', 'PartyPoker', 'PartyCasino', 'PartyBingo', 'Gamebookers' and 'FoxyBingo';
- www.PartyPoker.com, www.PartyCasino.com, www.PartyBingo.com, www.PartyGammon.com, www.PartyBets.com, www.InterTrader.com, www.FoxyBingo.com, www.GetMinted.com and www.Gamebookers.com;
- bwin, betandwin, play for real, b'inside, bewinners, Betoto and b.bwin; and
- www.bwin.com, www.bwin.org, www.bwin.it, www.bwin.fr, www.bwin.de, www.bwin.com.ar, www.bwin.com.mx, www.giocodigitale.it, www.ongamenetwork.com, www.pokerroom.com, www.betoto.com and www.win.com.

The Enlarged Group will rely on the protection of trademark and copyright law, trade secret protection and contractual obligations and licence agreements with their employees, customers, partners and others to protect their proprietary rights. In order to protect their brands and trademarks, the 888 Group and the bwin.party Group have sought certain registrations in the key countries in which they operate and applications for registration of key trademarks are currently pending in certain key jurisdictions.

Licensed intellectual property

The 888 Group and the bwin.party Group license, and following Completion, the Enlarged Group will license, intellectual property from third party suppliers in relation to both gaming and operational software from time to time.

Use of customer data

The 888 Group and the bwin.party Group use collected customer data to provide customers with the services they have requested. They also use customer data to carry out identity and age verification checks on prospective customers for marketing purposes, inviting customers to new tournaments or to join their loyalty offering, and offering or sending merchandising to customers.

14. Recent material business developments

There have been no material developments since 888's Interim Results Announcement 2015 on 28 August 2015.

There have been no material developments since bwin.party's Interim Results Announcement 2015 on 28 August 2015.

15. Employees and employee relations

Employee numbers

This section shows where the Enlarged Group's staff is employed throughout the world, excluding staff employed by its joint ventures and associates.

The number of persons employed by the Enlarged Group, including directors under a service contract and as at the dates set out below, is as set out in the table below.

888 Group	At 31 December			Average for the year		
	2014	*2013*	*2012*	***2014***	*2013*	*2012*
Location	***Number***	*Number*	*Number*	***Number***	*Number*	*Number*
Antigua	**241**	286	217	**264**	243	214
Gibraltar	**196**	202	183	**197**	188	180
Israel	**743**	699	603	**727**	654	577
Italy	**1**	2	5	**2**	3	5
Romania	**85**	45	0	**67**	21	0
UK	**11**	17	25	**12**	20	30
USA, NJ	**27**	0	0	**24**	0	0
Directors*	**6**	5	6	**6**	5	6
Chat Moderators	**370**	427	428	**354**	400	424
Outsource	**117**	211	193	**161**	211	223
Total employee numbers	**1,797**	1,894	1,660	**1,815**	1,744	1,659

bwin.party Group	At 31 December			Average for the year		
	2014	*2013*	*2012*	***2014***	*2013*	*2012*
Location	***Number***	*Number*	*Number*	***Number***	*Number*	*Number*
Austria	**569**	665	687	**611**	692	679
Bulgaria	**300**	329	367	**310**	359	358
Gibraltar	**330**	387	432	**355**	420	408
India	**547**	734	847	**629**	809	762
Israel	**46**	89	79	**71**	83	83
Italy	**64**	69	71	**67**	70	79
Sweden	**34**	47	55	**40**	49	199
UK	**246**	219	234	**241**	225	219
Ukraine	**88**	176	121	**109**	158	104
USA	**82**	67	52	**82**	59	52
Other	**22**	29	28	**26**	29	28
Directors*	**10**	11	15	**11**	13	14
Chat Moderators	**0**	0	0	**0**	0	0
Outsource	**763**	803	749	**799**	770	643
Total employee numbers	**3,101**	3,625	3,737	**3,351**	3,736	3,628

*Includes both executive and non-executive directors

For the year ended 31 December 2014, there was an average of 16 and 29 temporary employees employed by the 888 Group and the bwin.party Group, respectively.

PART VIII

HISTORICAL FINANCIAL INFORMATION IN RELATION TO THE 888 GROUP

Historical financial information

The following documents, which have been filed with the FCA and are available for inspection in accordance with paragraph 23 ("*Documents available for inspection*") of Part XVII ("*Additional Information*") of this Prospectus, contain financial information which is relevant to the Proposed Acquisition:

- 888's Interim Results Announcement for the six months ended 30 June 2015 filed with the FCA on 28 August 2015 (which includes the unaudited interim condensed consolidated financial statements as at 30 June 2015 and for the six months period then ended) ("**888's Interim Results Announcement 2015**");
- 888's Annual Report 2014 filed with the FCA on 24 March 2015 (which includes the 888 Group's audited financial statements for the year ended 31 December 2014) ("**888's Annual Report 2014**");
- 888's Annual Report 2013 filed with the FCA on 25 March 2014 (which includes the 888 Group's audited financial statements for the year ended 31 December 2013) ("**888's Annual Report 2013**"); and
- 888's Annual Report 2012 filed with the FCA on 13 March 2013 (which includes the 888 Group's audited financial statements for the year ended 31 December 2012) ("**888's Annual Report 2012**").

Information incorporated by reference

The tables below set out the various sections of the documents referred to above which are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

For the six months ended 30 June 2015

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Condensed Consolidated Income Statement for the six months ended 30 June 2015	888's Interim Results Announcement 2015	8
Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2015	888's Interim Results Announcement 2015	9
Condensed Consolidated Balance Sheet at 30 June 2015	888's Interim Results Announcement 2015	10
Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2015	888's Interim Results Announcement 2015	11

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2015	888's Interim Results Announcement 2015	12
Notes to the Condensed Consolidated Financial Statements	888's Interim Results Announcement 2015	13-21
Independent Review Report to 888 Holdings Public Limited Company	888's Interim Results Announcement 2015	22

For the year ended 31 December 2014

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditor's Report to the Members of 888 Holdings plc	888's Annual Report 2014	50-53
Consolidated Income Statement	888's Annual Report 2014	54
Consolidated Statement of Comprehensive Income	888's Annual Report 2014	54
Consolidated Balance Sheet	888's Annual Report 2014	55
Consolidated Statement of Changes in Equity	888's Annual Report 2014	56
Consolidated Statement of Cash Flows	888's Annual Report 2014	57
Notes to the Consolidated Financial Statements	888's Annual Report 2014	58-87
Company Balance Sheet	888's Annual Report 2014	88
Company Statement of Changes in Equity	888's Annual Report 2014	89
Company Statement of Cash Flows	888's Annual Report 2014	90
Notes to the Company Financial Statements	888's Annual Report 2014	91-92

For the year ended 31 December 2013

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent auditors' report to the Members of 888 Holdings plc	888's Annual Report 2013	49-52
Consolidated Income Statement	888's Annual Report 2013	53
Consolidated Statement of Comprehensive Income	888's Annual Report 2013	53
Consolidated Balance Sheet	888's Annual Report 2013	54
Consolidated Statement of Changes in Equity	888's Annual Report 2013	55
Consolidated Statement of Cash Flows	888's Annual Report 2013	56
Notes to the Consolidated Financial Statements	888's Annual Report 2013	57-88
Company Balance Sheet	888's Annual Report 2013	89
Company Statement of Changes in Equity	888's Annual Report 2013	90
Company Statement of Cash Flows	888's Annual Report 2013	91
Notes to the Company Financial Statements	888's Annual Report 2013	92-93

For the year ended 31 December 2012

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditors' report to the Members of 888 Holdings plc	888's Annual Report 2012	42-43
Consolidated Income Statement	888's Annual Report 2012	44
Consolidated Statement of Comprehensive Income	888's Annual Report 2012	44
Consolidated Balance Sheet	888's Annual Report 2012	45
Consolidated Statement of Changes in Equity	888's Annual Report 2012	46
Consolidated Statement of Cash Flows	888's Annual Report 2012	47
Notes to the Consolidated Financial Statements	888's Annual Report 2012	48-79
Company Balance Sheet	888's Annual Report 2012	80
Company Statement of Changes in Equity	888's Annual Report 2012	81
Company Statement of Cash Flows	888's Annual Report 2012	82
Notes to the Company Financial Statements	888's Annual Report 2012	83-84

PART IX

OPERATING AND FINANCIAL REVIEW OF THE 888 GROUP

The following discussion and analysis should be read in conjunction with the financial information on the 888 Group referred to in Part VIII ("Historical Financial Information in relation to the 888 Group") of this Prospectus which has been incorporated by reference into, and forms part of, this Prospectus. The financial information included or incorporated by reference into this Part IX ("Operating and Financial Review of the 888 Group") has been extracted without material adjustment from the financial information referred to in Part VIII ("Historical Financial Information in relation to the 888 Group") of this Prospectus (which has been incorporated by reference into, and forms part of, this Prospectus) or has been extracted without material adjustment from 888's accounting records which formed the underlying basis of the financial information referred to in Part VIII ("Historical Financial Information in relation to the 888 Group") (which has been incorporated by reference into, and forms part of, this Prospectus). For a description of the 888 Group's financial information, see "Presentation of financial information" in Part V ("Presentation of Information") of this Prospectus.

Some of the information contained in this Part IX ("Operating and Financial Review of the 888 Group") contains certain forward looking statements that reflect the 888 Group's plans, estimates and belief and that may involve risks and uncertainties. The 888 Group's actual results may also differ materially from those discussed in these forward looking statements. Factors that could cause or contribute to such risks, uncertainties and/or differences include, but are not limited to, those discussed below and elsewhere in this Prospectus, including under Part II ("Risk Factors") and the section headed "Information regarding forward-looking statements", of Part V ("Presentation of Information") of this Prospectus.

1. Operating and financial review of the 888 Group

The following documents, which have been filed with the FCA and are available for inspection in accordance with paragraph 23 ("*Documents available for inspection*") of Part XVII ("*Additional Information*") of this Prospectus, contain financial information which is relevant to the Proposed Acquisition:

- 888's Interim Results Announcement 2015;
- 888's Annual Report 2014;
- 888's Annual Report 2013; and
- 888's Annual Report 2012.

2. Documents incorporated by reference

The tables below set out the various sections of the documents referred to above which are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Financial Highlights	888's Interim Results Announcement 2015	1
Operational Highlights	888's Interim Results Announcement 2015	1
Financial Summary	888's Interim Results Announcement 2015	2
Executive Chairman's Review	888's Interim Results Announcement 2015	4-6
Principal Risks and Uncertainties	888's Interim Results Announcement 2015	7

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Highlights	888's Annual Report 2014	1
Chairman's Statement	888's Annual Report 2014	2-3
Chief Executive's Review	888's Annual Report 2014	4-9
Financial Review and Key Performance Indicators	888's Annual Report 2014	10-13
Regulation and General Regulatory Developments	888's Annual Report 2014	14-15

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Highlights	888's Annual Report 2013	1
Chairman's Statement	888's Annual Report 2013	2
Chief Executive's Review	888's Annual Report 2013	3-8
Financial Review and Key Performance Indicators	888's Annual Report 2013	9-13
Regulation	888's Annual Report 2013	14-15

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Highlights	888's Annual Report 2012	1
Chairman's Statement	888's Annual Report 2012	2
Chief Executive's Review	888's Annual Report 2012	3-7
Enhanced Business Review	888's Annual Report 2012	8-16
Regulation and General Regulatory Developments	888's Annual Report 2012	17-20

3. Capitalisation and indebtedness

The following tables set out the unaudited capitalisation and indebtedness of the 888 Group.

Capitalisation

The capitalisation information has been extracted without material adjustment from the unaudited interim condensed consolidated financial information as at 30 June 2015 of the 888 Group which is included in Part VIII ("*Historical Financial Information in relation to the 888 Group*") and which has been prepared using policies that are materially consistent with those used in the preparation of the 888 Group's consolidated financial statements as at 31 December 2014, incorporated by reference into Part VIII ("*Historical Financial Information in relation to the 888 Group*") of this Prospectus.

The 888 Group has no current debt or non-current debt as of 30 June 2015.

	Notes	*Date 30 June 2015 (US$ millions)*
Shareholder's Equity		
Share Capital		3.2
Other reserves		1.7
Foreign currency translation reserve		(1.1)
Total capitalisation		3.8

Other reserves comprise share premium. Shareholder's equity does not include the profit and loss account.

Indebtedness

The indebtedness information has been extracted without material adjustment from the unaudited interim condensed consolidated financial information as at 30 June 2015 of the 888 Group which is included in Part VIII ("*Historical Financial Information in relation to the 888 Group*") and which has been prepared using policies that are materially consistent with those used in the preparation of the 888 Group's consolidated financial statements as at 31 December 2014 incorporated by reference into Part VIII ("*Historical Financial Information in relation to the 888 Group*").

The following table shows the net financial funds of 888 Group as at 30 June 2015.

	Notes	*Date 30 June 2015 (US$ millions)*
A. Cash		136.3
B. Cash equivalent		–
C. Trading securities – Restricted capital		–
D. **Liquidity** (A) + (B) + (C)		136.3
E. **Current financial receivable**		–
M. **Net financial funds** (D) + (E)		136.3

The 888 Group has no indirect or contingent indebtedness as at 30 June 2015. The 'Cash' line item in the above table excludes restricted cash of US$5.3 million which represents customer's funds held in designated accounts under regulated market licence requirements.

4. Liquidity and capital resources

(i) ***Net cash (used in)/generated from operating activities***

Cash generated from operating activities produced an inflow of US$111.9 million in the year ended 31 December 2014, US$90.2 million in the year ended 31 December 2013 and US$70.7 million in the year ended 31 December 2012.

Cash generated from operating activities includes tax paid amounting to an outflow of US$8.1 million in the year ended 31 December 2014, US$4.3 million in the year ended 31 December 2013 and US$5 million in the year ended 31 December 2012.

Cash generated from operating activities produced an inflow of US$30.7 million in the six months ended 30 June 2015, and US$46.7 million in the six months ended 30 June 2014.

Cash generated from operating activities includes tax paid amounting to an outflow of US$4.1 million in the six months ended 30 June 2015, and US$4.9 million in the six months ended 30 June 2014.

(ii) ***Net cash used by investing activities***

Net capital expenditure on property, plant and equipment, internal development activities of gaming platforms for use by the 888 Group and other investment activity amounted to an outflow of US$13.1 million in the year ended 31 December 2014, US$23.5 million in the year ended 31 December 2013 and US$55.3 million in the year ended 31 December 2012.

Net capital expenditure on property, plant and equipment, internal development activities of gaming platforms for use by the 888 Group and other investment activity amounted to an outflow of US$10.8 million in the six months ended 30 June 2015, and US$4.4 million in the six months ended 30 June 2014.

Expenditure spent on property, plant and equipment in the year ended 31 December 2014 of US$5.5 million (2013: US$9.1 million, 2012: 10.6 million) mainly consists of IT equipment, software and leasehold improvements. Internally generated intangible assets in the year ended 31 December 2014 of US$8.6 million (2013: US$12.7 million, 2012: 10.5 million) mainly comprise capitalised costs associated with development of Group's systems, in accordance with the criteria set out in IAS 38.

Expenditure spent on property, plant and equipment in the six months ended 30 June 2015 of US$2.8 million (H1-2014: US$3 million) mainly consists of IT equipment, software and leasehold improvements. Internally generated intangible assets in the six months ended 30 June 2015 of US$4.7 million (H1-2014: US$4.1million) mainly comprise capitalised costs associated with development of the 888 Group's systems, in accordance with the criteria set out in IAS 38.

Expenditure on acquisitions totalled US$0.3 million in the year ended 31 December 2014, US$0.8 million in the year ended 31 December 2013 and US$36.7 million in the year ended 31 December 2012. The acquisition expenditures in 2014 and 2013 were contingent consideration payable by the 888 Group in respect of the acquisition during 2012 of one of the 888 Group's former B2B customers' domain names and brands for cash consideration. The acquisition expenditure in 2012 was a payment of deferred consideration payable by the 888 Group in respect of the acquisition by it of the trade and assets comprising the Wink online bingo business of Daub Limited for cash consideration.

Expenditure on acquisitions is nil in the six months ended 30 June 2015 (H1-2014: US$0.1 million).

(iii) ***Net cash used by financing activities***

Equity dividend payments were US$51.2 million in the year ended 31 December 2014, US$33.2 million in the year ended 31 December 2013 and US$8.7 million in the year ended 31 December 2012.

Equity dividend payments were US$41 million in the six months ended 30 June 2015, and US$38.6 million in the six months ended 30 June 2014.

The equity settlement of the exercise of options under employee share schemes generated US$0.4 million in 2014, US$0.8 million in 2013 and nil in 2012.

The equity settlement of the exercise of options under employee share schemes generated US$0.4 million in six months ended 30 June 2015, and US$0.3 million in six months ended 30 June 2014.

(iv) ***Future liquidity, financing arrangements and commitments***

The 888 Group's working capital requirements are funded by shareholders' equity and operating cash flow. The 888 Group has committed banking facilities totalling US$600 million to fund the cash component of the consideration for the Proposed Acquisition and US$50 million of revolving credit facility to fund working capital requirements. Please see paragraph 15.1 ("*Material contracts– 888 Group – New Credit Facilities*") of Part XVII ("*Additional Information*") of this Prospectus for a summary of the material terms of the New Credit Agreement.

The Directors believe that maximisation of shareholders' value from a capital perspective can be achieved by maintaining the capital structure most suited to the size, strategy and underlying business risk of the 888 Group. There are no restrictions on the capital of the 888 Group.

The 888 Group controls its cash position from its Gibraltar headquarters and subsidiaries of 888 in other main locations maintain minimal cash balances as required for their operations. Cash settlement proceeds from PSPs are paid into bank accounts controlled by the 888 Group's Treasury function in Gibraltar. The 888 Group holds its funds with reputable financial institutions and would not hold funds with financial institutions with a credit rating below A, except for minimum amounts required for uninterrupted local operations in certain countries where such financial institutions are not available.

The 888 Group's credit risk is primarily attributable to trade receivables, most of which are due from the 888 Group's PSPs. These PSPs are third party companies that facilitate deposits and withdrawals of funds to and from customers' virtual wallets with the 888 Group. PSPs are mainly intermediaries that transact on behalf of credit card companies.

There is a risk that a PSP would fail to discharge its obligation with regards to the balance owed to the 888 Group. The 888 Group monitors this credit risk by monitoring balances with PSPs on a regular basis, arranging for the shortest possible cash settlement intervals, replacing rolling reserve requirements, where they exist, with a letter of credit by a reputable financial institution, conducting certain due diligence and know your customer procedures on PSPs and following certain policies to limit the concentration of risk on any specific PSP. The 888 Group also faces a credit risk that its customers dispute charges made to their credit cards or any other funding method that they have used in respect of the services provided by the 888 Group. Customers may fail to fulfil their obligation to pay which will result in funds not being collected. The 888 Group provides for these eventualities by way of an impairment provision based on analysis of past transactions. This provision is set off against trade receivables and as at 31 December 2014, was US$1.2 million.

The 888 Group's in house fraud and risk management department carefully monitors deposits and withdrawals by following prevention and verification procedures using internally developed, bespoke systems integrated with commercially available third party measures.

Liquidity risk exists where the 888 Group might encounter difficulties in meeting its financial obligations as they become due. The 888 Group monitors its liquidity in order to ensure that sufficient liquid resources are available to allow it to meet its obligations.

The 888 Group faces financial risk arising from exchange rate fluctuations which are mainly attributed to mismatches between customer deposits (which are predominately denominated in US dollars) and the net receipts from customers which are settled in the currency of the customer's choice (and of which GBP and euros are the most significant), mismatches between reported revenues (which is mainly generated in US dollars) and a significant portion of deposits settled in local currencies and expenses (the majority of which are denominated in foreign currencies). The 888 Group continually monitors foreign currency risk and takes steps, where practical, to ensure that the net exposure is kept to an acceptable level. This includes the use of foreign exchange forward contracts to fix the economic impact of known liabilities. As at 31 December 2014, the 888 Group had open foreign exchange forward contracts between New Israeli Shekels and US dollars with a principal amount of US$91 million and a fair value liability of US$2.5 million to be settled on a monthly basis throughout 2015.

The 888 Group's exposure to interest rate risk is limited to the interest bearing deposits in which the 888 Group invests surplus funds. The 888 Group's policy is to invest surplus funds in low risk money market funds and in interest bearing bank accounts. The 888 Group arranges for excess funds to be placed in these interest bearing accounts with its principal bankers in order to maximise availability of funds for investments. Following Completion of the Proposed Acquisition, the Enlarged Group will be exposed to interest rate risk as the borrowings of the Enlarged Group under the US$600 million term loan credit facility are subject to variable interest rate.

PART X

HISTORICAL FINANCIAL INFORMATION IN RELATION TO THE BWIN.PARTY GROUP

Historical financial information

The following documents, which have been filed with the FCA and are available for inspection in accordance with paragraph 23 ("*Documents available for inspection*") of Part XVII ("*Additional Information*") of this Prospectus, contain financial information which is relevant to the Proposed Acquisition:

- bwin.party's Interim Results Announcement for the six months ended 30 June 2015 filed with the FCA on 28 August 2015 (which includes the unaudited interim condensed consolidated financial statements as at 30 June 2015 and for the six months period then ended) ("**bwin.party's Interim Results Announcement 2015**");
- bwin.party's Annual Report 2014 filed with the FCA on 22 April 2015 (which includes the bwin.party Group's audited financial statements for the year ended 31 December 2014) ("**bwin.party's Annual Report 2014**");
- bwin.party's Annual Report 2013 filed with the FCA on 30 April 2014 (which includes the bwin.party Group's audited financial statements for the year ended 31 December 2013) ("**bwin.party's Annual Report 2013**"); and
- bwin.party's Annual Report 2012 filed with the FCA on 3 May 2013 (which includes the bwin.party Group's audited financial statements for the year ended 31 December 2012) ("**bwin.party's Annual Report 2012**").

Information incorporated by reference

The tables below set out the various sections of the documents referred to above which are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

For the six months ended 30 June 2015

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Condensed consolidated statement of comprehensive income	bwin.party's Interim Results Announcement 2015	20
Condensed consolidated statement of financial position	bwin.party's Interim Results Announcement 2015	21
Condensed consolidated statement of changes in equity	bwin.party's Interim Results Announcement 2015	22
Condensed consolidated statement of cashflows	bwin.party's Interim Results Announcement 2015	24
Notes to condensed consolidated financial information	bwin.party's Interim Results Announcement 2015	25-37
Independent auditor's review report	bwin.party's Interim Results Announcement 2015	38

For the year ended 31 December 2014

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditors' Report to the Members of bwin.party	bwin.party's Annual Report 2014	96-99
Consolidated statement of comprehensive income.....	bwin.party's Annual Report 2014	100
Consolidated statement of financial position	bwin.party's Annual Report 2014	101
Consolidated statement of changes in equity	bwin.party's Annual Report 2014	102
Consolidated statement of cashflows	bwin.party's Annual Report 2014	103
Notes to the consolidated financial statements	bwin.party's Annual Report 2014	104-142

For the year ended 31 December 2013

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditors' Report to the members of bwin.party.....	bwin.party's Annual Report 2013	110-113
Consolidated statement of comprehensive income.....	bwin.party's Annual Report 2013	114
Consolidated statement of financial position	bwin.party's Annual Report 2013	115
Consolidated statement of changes in equity	bwin.party's Annual Report 2013	116
Consolidated statement of cashflows	bwin.party's Annual Report 2013	117
Notes to the consolidated financial statements	bwin.party's Annual Report 2013	118-156

For the year ended 31 December 2012

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditor's Report.....	bwin.party's Annual Report 2012	95
Consolidated statement of comprehensive income.....	bwin.party's Annual Report 2012	96
Consolidated statement of financial position	bwin.party's Annual Report 2012	97
Consolidated statement of changes in equity	bwin.party's Annual Report 2012	98
Consolidated statement of cashflows	bwin.party's Annual Report 2012	99
Notes to the consolidated financial statements	bwin.party's Annual Report 2012	100-138

PART XI

OPERATING AND FINANCIAL REVIEW OF THE BWIN.PARTY GROUP

The following discussion and analysis should be read in conjunction with the financial information on the bwin.party Group referred to in Part X ("Historical Financial Information in relation to the bwin.party Group") of this Prospectus which has been incorporated by reference into, and forms part of, this Prospectus. The financial information included or incorporated by reference into this Part XI ("Operating and Financial Review of the bwin.party Group") has been extracted without material adjustment from the financial information referred to in Part X ("Historical Financial Information in relation to the bwin.party Group") of this Prospectus (which has been incorporated by reference into, and forms part of, this Prospectus) or has been extracted without material adjustment from the bwin.party Group's accounting records which formed the underlying basis of the financial information referred to in Part X ("Historical Financial Information in relation to the bwin.party Group") (which has been incorporated by reference into, and forms part of, this Prospectus). For a description of the bwin.party Group's financial information, see "Presentation of financial information" in Part V ("Presentation of Information") of this Prospectus.

Some of the information contained in this Part XI ("Operating and Financial Review of the bwin.party Group") contains certain forward looking statements that reflect the bwin.party Group's plans, estimates and belief and that may involve risks and uncertainties. The bwin.party Group's actual results may also differ materially from those discussed in these forward looking statements. Factors that could cause or contribute to such risks, uncertainties and/or differences include, but are not limited to, those discussed below and elsewhere in this Prospectus, including under Part II ("Risk Factors") and the section headed "Information regarding forward-looking statements", of Part V ("Presentation of Information") of this Prospectus.

1. Operating and financial review of the bwin.party Group

The following documents, which have been filed with the FCA and are available for inspection in accordance with paragraph 23 ("*Documents available for inspection*") of Part XVII ("*Additional Information*") of this Prospectus, contain financial information which is relevant to the Proposed Acquisition:

- bwin.party's Interim Results Announcement 2015;
- bwin.party's Annual Report 2014;
- bwin.party's Annual Report 2013; and
- bwin.party's Annual Report 2012.

2. Documents incorporated by reference

The tables below set out the various sections of the documents referred to above which are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Key points	bwin.party's Interim Results Announcement 2015	1
Chief Executive's review	bwin.party's Interim Results Announcement 2015	4-6
Summary of results	bwin.party's Interim Results Announcement 2015	7-18
Appendix – regulatory overview	bwin.party's Interim Results Announcement 2015	39-40

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
At a Glance	bwin.party's Annual Report 2014	1
Chairman's Statement	bwin.party's Annual Report 2014	20-21
CEO's Review	bwin.party's Annual Report 2014	22-27
Review of 2014	bwin.party's Annual Report 2014	34-40
Regulatory overview	bwin.party's Annual Report 2014	41-42

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Financial Snapshot	bwin.party's Annual Report 2013	1
CEO's Review	bwin.party's Annual Report 2013	10-15
Spotlight on regulation	bwin.party's Annual Report 2013	40-41
Business and financial Review	bwin.party's Annual Report 2013	42-51
Chairman's statement	bwin.party's Annual Report 2013	58-59

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Chairman's statement	bwin.party's Annual Report 2012	2-3
Business verticals	bwin.party's Annual Report 2012	5
CEO's Review	bwin.party's Annual Report 2012	12-19
Review of 2012	bwin.party's Annual Report 2012	34-43

3. Capitalisation and indebtedness

The following tables set out the unaudited capitalisation and indebtedness of the bwin.party Group.

The capitalisation and indebtedness information has been extracted without material adjustment from the unaudited interim condensed consolidated financial information as at 30 June 2015 of the bwin.party Group which is incorporated by reference in Part X ("*Historical Financial Information in relation to the bwin.party Group*").

(i) ***Cash and cash equivalents***

	Notes	*Unaudited 30 June 2015 (€ million)*
Total Cash		
Cash in hand and current accounts	1	193.2

(ii) ***Capitalisation and Gross Indebtedness***

	Notes	*Unaudited 30 June 2015 (€ million)*
Total Current Debt		
Guaranteed		–
Secured		–
Unguaranteed/Unsecured		–
Total Non-Current Debt		
Guaranteed		–
Secured		62.2
Unguaranteed/Unsecured		–
Total Indebtedness		62.2
Capitalisation		
Share capital		0.1
Legal reserves		–
Other reserves	2	(540.3)
Total capitalisation		(540.2)

(iii) ***Net Indebtedness***

	Notes	*Unaudited 30 June 2015 (€ million)*
A. Cash	1	193.2
B. Cash equivalent		–
C. Trading securities		–
D. **Liquidity** (A) + (B) + (C)		193.2
E. **Current financial receivable**		–
F. Current bank debt		–
G. Other financial debt		–
H. **Current financial debt** (F) + (G)		–
I. **Net current funds** (H) – (E) – (D)		193.2
J. Non-current bank loans		(62.2)
K. Other non-current loans		–
L. **Non-current financial indebtedness** (J) + (K)		(62.2)
M. **Net financial funds** (I) + (L)		131.0

Note:

(1) Cash excludes restricted cash held as guarantees for regulated market licenses and significant marketing contracts together with client funds held for payment service provider transactions.

(2) Other reserves comprise the share premium account, own shares, capital contribution reserve, capital redemption reserve, available-for-sale reserve, other reserve and currency reserve. Other reserves and total capitalisation does not include the retained earnings.

4. Liquidity and capital resources

(i) ***Net cash (used in)/generated from operating activities***

Cash generated from operating activities produced an inflow of €53.5 million in the six months ended 30 June 2015, €47.1 million in the six months ended 30 June 2014, €92.8 million in the year ended 31 December 2014, €49.8 million in the year ended 31 December 2013 and €7.9 million in the year ended 31 December 2012.

Cash generated from operating activities includes tax paid amounting to an outflow of €4.7 million in the six months ended 30 June 2015, €6.3 million in the six months ended 30 June 2014, €8.8 million in the year ended 31 December 2014, €12.2 million in the year ended 31 December 2013 and €8.2 million in the year ended 31 December 2012.

(ii) ***Net cash generated by/(used in) by investing activities***

The disposal of non-core assets less capital expenditure on property, plant and equipment, internal development activities of gaming platforms for use by the bwin.party Group and other investment activity amounted to an inflow of €4.6 million in the six months ended 30 June 2015 and an outflow of (€38.5) million in the six months ended 30 June 2014.

Net capital expenditure on property, plant and equipment, internal development activities of gaming platforms for use by the bwin.party Group and other investment activity amounted to an outflow of (€69.0) million in the year ended 31 December 2014, (€21.4) million in the year ended 31 December 2013 and (€44.9) million in the year ended 31 December 2012.

Expenditure on acquisitions totalled €nil million in the six months ended 30 June 2015, €22.7 million in the six months ended 30 June 2014, €25.0 million in the year ended 31 December 2014, €1.8 million in the year ended 31 December 2013 and €22.0 million in the year ended 31 December 2012.

(iii) ***Net cash used by financing activities***

Equity dividend payments were €21.7 million in the six months ended 30 June 2015, €18.0 million in the six months ended 30 June 2014, €37.8 million in the year ended 31 December 2014, €33.6 million in the year ended 31 December 2013 and €33.0 million in the year ended 31 December 2012.

The equity settlement of the exercise of options under employee share schemes generated €nil million in the six months ended 30 June 2015, €0.6 million in the six months ended 30 June 2014, €0.8 million in 2014, €1.6 million in 2013 and €1.0 million in 2012.

(iv) ***Future liquidity, financing arrangements and commitments***

The bwin.party Group's working capital requirements are funded by shareholders' equity, operating cash flow and the bwin.party Group's bank facilities. As at 31 December 2014, the bwin.party Group had a drawn balance of £25 million on a term loan and a £20 million drawn balance on a £50 million revolving credit facility. In June 2015 the term loan and revolving credit facility were repaid and the bwin.party Group entered into a £75 million bank facility maturing in December 2018. The £75 million bank facility consists of a £25 million amortising term loan and a £50 million revolving credit facility.

The bwin.party Group only invests cash with a small number of strong European financial institutions. The bwin.party Group can invest cash in instant access pooled money market funds with a minimum long-term credit rating of AAA on the principal, as defined by Moody's rating agency. The bwin.party Group can also purchase commercial paper provided the issuer is not a financial institution and has a one-year credit default swap, as quoted by Bloomberg, of no more than 1%.

Investments are allowed only in highly liquid securities. The bwin.party Group maintains monthly operational balances with strong local banks in Gibraltar, the UK, France, Malta, Italy, Israel, Bulgaria, Austria, the US and India to meet local salaries, expenses and legal requirements. In Italy, Spain and France the bwin.party Group maintains domestic segregated player funds accounts as required by the respective regulatory authorities. Cash is also held as security in Austria and Italy

primarily to support bank guarantees and as reserves for credit and debit card chargebacks. Other than this, non-central cash balances are kept to a minimum.

In common with many internet companies that have few physical assets, the bwin.party Group has no policy as to the level of equity capital and reserves other than to address statutory requirements. The primary capital risk to the bwin.party Group is the level of debt relative to the bwin.party Group's net income. Accordingly the bwin.party Group's policy is that net debt should not exceed €300 million and that the ratio of net debt to Clean EBITDA should be less than 1.5x. For the purposes of these limits, net debt is defined as borrowings plus client liability less cash.

The bwin.party Board has overall responsibility for the determination of the bwin.party Group's risk management and, whilst retaining ultimate responsibility, it has delegated the authority for designing and operating the required processes that ensure the effective implementation of the objectives and policies to the bwin.party Group's treasury department, under the auspices of the bwin.party Group's treasury committee. As such, the bwin.party Group's funding, liquidity and exposure to interest rate and foreign exchange rate risks are managed by the bwin.party Group's treasury department.

Liquidity risk arises from the bwin.party Group's management of its working capital as well as the finance charges and principal repayments on its debt instruments. The bwin.party Group's treasury department ensures that the bwin.party Group's cash and cash equivalents, and amounts due from PSPs exceed its combined client liabilities at all times. Client liabilities principally represent customer deposits and progressive prize pools.

The bwin.party Group's treasury committee is advised of cash balances, investments, foreign currency exposures, interest income, amounts of PSPs, client liability cover and counterparty exposures on a monthly basis, or more frequently if required.

The bwin.party Group imposes a maximum debt limit of €200 million that may mature in any one year to ensure that there is no significant concentration of refinancing risk.

bwin.party's management monitors liquidity to ensure that sufficient liquid resources are available to the bwin.party Group. The bwin.party Group's principal financial assets are cash, bank deposits and trade and other receivables.

The bwin.party Group's operational credit risk is primarily attributable to receivables from PSPs and customers who dispute their deposits made after playing on the bwin.party Group's websites. Prior to accepting new PSPs, and wherever practicable, credit checks are performed using a reputable external source. bwin.party's senior management monitors PSP balances on a weekly basis, including aged debtor analysis, and promptly takes corrective action if pre-agreed limits are exceeded. For PSPs that do not have a formal credit rating, an internal rating system is used, based on such factors as industry knowledge, their statement of financial position, profitability, customer diversification, geographic diversification, long-term stability, management credibility, potential regulatory risk and historic payment track record.

Market risk arises from the bwin.party Group's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows on its long-term debt finance and cash investments through the use of a financial instrument will fluctuate because of changes in interest rates, foreign exchange rates or other market factors.

The bwin.party Group's policy is that all material transaction and currency liability exposures are economically and fully hedged using foreign exchange contracts and/or by holding cash in the relevant currency. Additionally, the bwin.party Group has discretion to hedge some or all of its forecast sterling operational costs in Gibraltar and the UK for up to 12 months. No other forecast cash flows are hedged. The bwin.party Group may also economically hedge material committed exposures such as capital expenditure unless the period between commitment and payment is short (less than one month). Currency exposures are monitored by the bwin.party Group's treasury committee on a monthly basis. A €5 million currency tolerance limit between Euros and US dollar, sterling and Canadian dollar (reduced to €3 million between Euro and any other currency) is permitted in order to avoid executing low value and uneconomic foreign exchange contracts.

PART XII

UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF THE ENLARGED GROUP

The unaudited *pro forma* income statement for the year ended 31 December 2014 and *pro forma* statement of net assets as at 30 June 2015 and the related notes thereto set out in this Part XII ("*Unaudited pro forma financial information of the Enlarged Group*") (together the "**Unaudited *Pro Forma* Financial Information**") have been prepared on the basis of the notes set out below to illustrate the effect of the Proposed Acquisition and the related financing on the income statement of the 888 Group as if it had taken place on 1 January 2014, and on the net assets of the 888 Group as if it had taken place on 30 June 2015. The Unaudited *Pro Forma* Financial Information has been prepared in accordance with Annex II of the Prospectus Directive Regulation and in a manner consistent with the accounting policies adopted by the 888 Group in preparing its audited consolidated financial statements for the year ended 31 December 2014.

The Unaudited *Pro Forma* Financial Information has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation. It does not purport to represent what the Enlarged Group's financial position or results of operations actually would have been if the Proposed Acquisition and the related financing had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date.

Shareholders should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part XII ("*Unaudited pro forma financial information of the Enlarged Group*"). Ernst & Young LLP's report on the Unaudited *Pro Forma* Financial Information is set out below the Unaudited *Pro Forma* Financial Information in this Part XII ("*Unaudited pro forma financial information of the Enlarged Group*").

The Unaudited *Pro Forma* Financial Information does not constitute financial statements within the meaning of section 434 of the UK Companies Act.

Unaudited *pro forma* income statement for the year ended 31 December 2014

		Adjustments			
	888 (note 1)	**bwin.party (note 2)**	**Acquisition (note 4)**	**Financing (note 5)**	**Enlarged Group *Pro forma* (note 6, 7)**
	(US$ million)	***(US$ million)***	***(US$ million)***	***(US$ million)***	***(US$ million)***
Revenue	**454.7**	**791.7**	**(15.3)**[(b)]	**–**	**1,231.1**
Operating expenses	149.3	494.3	60.1[(a)]	–	703.7
Gaming duties	15.8	108.4	–	–	124.2
Research and development expenses	40.7	66.3	–	–	107.0
Selling and marketing expenses	133.8	185.2	–	–	319.0
Administrative expenses	35.1	79.9	–	–	115.0
Operating profit/(loss)	**80.0**	**(142.4)**	**(75.4)**	**–**	**(137.8)**
Finance income	0.3	1.6	–	–	1.9
Finance expenses	(4.8)	(8.9)	–	(47.4)	(61.1)
Movement in contingent consideration	0.1	16.3	–	–	16.4
Share of post-tax profit/(loss) of equity accounted joint ventures and associates	(7.7)	3.2	–	–	(4.5)
Profit/(Loss) before tax	**67.9**	**(130.2)**	**(75.4)**	**(47.4)**	**(185.1)**
Taxation	11.0	(4.8)	(9.4)[(a)]	(4.7)	(7.9)
Profit/(Loss) after tax for the year attributable to equity holders of the parent	**56.9**	**(125.4)**	**(66.0)**	**(42.7)**	**(177.2)**

Unaudited *pro forma* statement of net assets as at 30 June 2015

		Adjustments			
	888 (note 1)	**bwin.party (note 2)**	**Acquisition (note 3)**	**Financing (note 5)**	**Enlarged Group *Pro forma* (note 6, 7)**
	(US$ million)	*(US$ million)*	*(US$ million)*	*(US$ million)*	*(US$ million)*
Assets					
Non-current assets					
Goodwill and other intangible assets	159.1	608.8	848.1[(a)]	–	1,616.0
Property, plant and equipment	13.7	64.7	–	–	78.4
Investments in equity accounted joint ventures and associates	1.7	8.0	–	–	9.7
Non-current receivables	1.1	12.1	–	–	13.2
Deferred tax assets	1.1	–	–	–	1.1
	176.7	**693.6**	**848.1**	**–**	**1,718.4**
Current assets					
Cash and cash equivalents	141.6	231.5	(598.0)[(b)]	549.0	324.1
Trade and other receivables	37.2	97.4	(2.9)[(c)]	–	131.7
Assets held for sale	–	4.5	–	–	4.5
	178.8	**333.4**	**(600.9)**	**549.0**	**460.3**
Total assets	**355.5**	**1,027.0**	**247.2**	**549.0**	**2,178.7**
Liabilities					
Current liabilities					
Trade and other payables	113.2	148.3	(10.7)[(d)]	–	250.8
Income tax payable	3.4	10.1	–	–	13.5
Customer deposits	76.6	125.6	–	–	202.2
Provisions from onerous contracts	–	9.2	–	–	9.2
Contingent consideration	–	0.4	–	–	0.4
	193.2	**293.6**	**(10.7)**	**–**	**476.1**
Non-current liabilities					
Trade and other payables	–	10.7	76.8[(e)]	–	87.5
Loans and borrowings	–	69.3	–	549.0	618.3
Deferred tax liabilities	2.0	27.6	14.8[(f)]	–	44.4
Provisions from onerous contracts	–	3.5	–	–	3.5
Contingent consideration	–	4.9	–	–	4.9
	2.0	**116.0**	**91.6**	**549.0**	**758.6**
Total liabilities	**195.2**	**409.6**	**80.9**	**549.0**	**1,234.7**
Total net assets	**160.3**	**617.4**	**166.3**	**–**	**944.0**

Notes to the Unaudited *Pro Forma* Financial Information:

(1) The net assets of the 888 Group as at 30 June 2015 and the income statement of the 888 Group for the year ended 31 December 2014 have been extracted, without material adjustment, from the 888 Group's unaudited interim condensed consolidated financial statements as at 30 June 2015 and from the 888 Group's audited financial statements for the year ended 31 December 2014, respectively.

(2) The net assets of the bwin.party Group as at 30 June 2015 and the income statement of the bwin.party Group for the year ended 31 December 2014 have been extracted on the basis described below from the bwin.party Group's unaudited interim condensed

consolidated financial statements as at 30 June 2015 and from the bwin.party Group's audited financial statements for the year ended 31 December 2014, respectively. Certain reclassification adjustments have been made to accord with the 888 Group's accounting presentation and the resultant net assets and income statement converted from Euros into US dollars, as shown in the following tables:

Consolidated income statement of the bwin.party Group for the year ended 31 December 2014

	Consolidated income statement as reported by bwin.party	**Alignment of income statement presentation**	**bwin.party's consolidated income statement under 888's presentation**	**bwin.party's consolidated income statement under 888's presentation**
	(€ million)	***(€ million)***	***(€ million)***	***(US$ million)***
	(i)	(ii)		(iii)
Revenue	563.0	32.5	595.5	791.7
Other revenue	48.9	(48.9)	–	–
Cost of sales	91.3	(91.3)	–	–
Other operating income	12.3	(12.3)	–	–
Operating expenses	–	371.8	371.8	494.3
Gaming duties	–	81.5	81.5	108.4
Research and development expenses	–	49.9	49.9	66.3
Other operating expense	4.6	(4.6)	–	–
Selling and marketing expenses	–	139.3	139.3	185.2
Administrative expenses	415.6	(355.5)	60.1	79.9
Distribution expenses	210.6	(210.6)	–	–
Operating loss	**(97.9)**		**(107.1)**	**(142.4)**
Finance income	1.2	–	1.2	1.6
Finance expenses	(3.6)	(3.1)	(6.7)	(8.9)
Movement in contingent consideration	–	12.3	12.3	16.3
Share of post-tax profit of equity accounted joint ventures and associates	2.4	–	2.4	3.2
Loss before tax	**(97.9)**	**–**	**(97.9)**	**(130.2)**
Taxation	(3.6)	–	(3.6)	(4.8)
Loss after tax for the year	**(94.3)**	**–**	**(94.3)**	**(125.4)**

(i) The consolidated income statement of the bwin.party Group for the year ended 31 December 2014 has been extracted, without material adjustment, from the bwin.party Group's 2014 audited consolidated financial statements.

(ii) Certain reclassifications have been made to align the presentation of the income statement as reported by the bwin.party Group on a consistent basis with the format used by the 888 Group:

- 'Other revenue' of **€48.9m** and 'Distribution expenses' of **€16.4m** have been reclassified to 'Revenue' of **€32.5m**.
- 'Cost of sales' of **€91.3m** has been reclassified between 'Gaming duties expenses' of **€81.5m** and 'Operating expenses' of **€9.8m**.
- 'Other operating income' of **€12.3m** has been reclassified to 'Movement in contingent consideration' of **€12.3m**.
- **€355.5m** of 'Administrative expenses' has been reclassified between 'Operating expenses' of **€306.1m** and 'Research and development expenses' of **€49.4m**.
- 'Other operating expenses' of **€4.6m** has been reclassified between 'Operating expenses' of **€1.5m** and 'Finance expenses' of **€3.1m**.
- 'Distribution expenses' of **€210.6m** have been reclassified between 'Selling and marketing expenses' of **€139.3m**, reduction of 'Revenues' of **€16.4m**, 'Operating expenses' of **€54.4m** and 'Research and development expenses' of **€0.5m**.
- As a consequence of the above reclassifications, 'Operating expenses' totalling **€371.8m**, 'Gaming duties' totalling **€81.5m**, 'Research and development expenses' totalling **€49.9m** and 'Selling and marketing expenses' totalling **€139.3m** have been included as new separate lines.

(iii) Converted from Euros into US dollars at a rate of US$1.3295: €1, being the average rate of the year 2014.

Unaudited consolidated net assets of bwin.party as at 30 June 2015

	Net assets as reported by bwin.party	Alignment of net assets presentation	bwin.party's net asset under 888's presentation	bwin.party's net asset under 888's presentation
	(€ million)	*(€ million)*	*(€ million)*	*(US$ million)*
	(iv)	(v)		(vi)
Assets				
Non-current assets				
Goodwill and other intangible assets	546.8	–	546.8	608.8
Property plant and equipment	58.1	–	58.1	64.7
Investment in equity accounted joint ventures and associates	7.2	–	7.2	8.0
Non-current receivables	10.9	–	10.9	12.1
	623.0	**–**	**623.0**	**693.6**
Current Assets				
Cash and cash equivalents	193.2	14.7	207.9	231.5
Short term investments	14.7	(14.7)	–	–
Trade and other receivables	87.5	–	87.5	97.4
Assets held for sale	4.0	–	4.0	4.5
	299.4	**–**	**299.4**	**333.4**
Total assets	**922.4**	**–**	**922.4**	**1,027.0**
Liabilities				
Current liabilities				
Trade and other payables	94.4	38.8	133.2	148.3
Income and gaming tax payable	40.4	(31.3)	9.1	10.1
Customer deposits	112.8	–	112.8	125.6
Provisions for onerous contracts	16.2	(7.9)	8.3	9.2
Contingent consideration	–	0.4	0.4	0.4
	263.8	**–**	**263.8**	**293.6**
Non-Current Liabilities				
Trade and other payables	14.0	(4.4)	9.6	10.7
Loans and borrowings	62.2	–	62.2	69.3
Deferred tax	24.8	–	24.8	27.6
Provisions for onerous contracts	3.1	–	3.1	3.5
Contingent consideration	–	4.4	4.4	4.9
	104.1	**–**	**104.1**	**116.0**
Total liabilities	**367.9**	**–**	**367.9**	**409.6**
Total net assets	**554.5**	**–**	**554.5**	**617.4**

(iv) The consolidated net assets of the bwin.party Group as at 30 June 2015 have been extracted without material adjustment from the bwin.party Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015.

(v) Certain reclassifications have been made to align the presentation of the statement of net assets as reported by the bwin.party Group on a consistent basis with the format used by the 888 Group:

- *Current Assets*

  'Short term investments' of €14.7m have been reclassified to 'Cash and cash equivalents' of €14.7m.

- *Current Liabilities*

  €0.4m of 'Trade and other payables' has been reclassified to 'Contingent consideration' of €0.4m.
  €31.3m of gaming tax payable within 'Income and gaming tax payable' has been reclassified to 'Trade and other payables' of €31.3m.
  €7.9m of 'Provisions for onerous contracts' has been reclassified to 'Trade and other payables' of €7.9m.

- *Non-Current Liabilities*

  €4.4m of 'Trade and other payables' has been reclassified to 'Contingent consideration' of €4.4m.

(vi) Converted from Euros into US dollars at a rate of US$1.1134: €1, being the closing exchange rate as at 30 June 2015.

(3) Total consideration to be paid is US$1,373.9 million, based on:

	US$ million
Cash component	548.9
Share component	825.0
Total consideration	1,373.9

The aggregate value of the cash component of the Proposed Acquisition totalling US$548.9 million is made of:

- US$521.5 million (£333.6 million) calculated by multiplying the offered amount of US$0.6169 (£0.3945) in cash per bwin.party Share by bwin.party's fully diluted share capital of 845,580,564, and
- US$27.4 million (£17.5 million) to be paid in respect of awards granted in the 2015 financial year under the bwin.party Share Plans and existing bwin.party's options under the Rollover Option Plan and the All-Employee Option Plan.

The cash component of the Proposed Acquisition was converted from GBP into US dollars at a rate of US$1.5637:£1, being the fully hedged exchange rate associated with the hedging arrangement entered into with Barclays Capital on 17 July 2015.

The aggregate value of the share component of the Proposed Acquisition of US$825.0 million (£531.1 million) is calculated by multiplying the number of New 888 Shares to be issued under the terms of the Proposed Acquisition (being 0.404 New 888 Shares to be issued per bwin.party Share), by the price per Ordinary Share of US$2.41 (£1.555, being the price as of close of trading on 26 August 2015, being the latest practicable date prior to the publication of this Prospectus). The share component of the Proposed Acquisition was converted from GBP into US dollars at a rate of US$1.5533:£1, being the closing exchange rate as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

The transaction will be accounted for using the acquisition method of accounting. The excess of consideration over the value of the net assets acquired has been reflected as goodwill. Under the acquisition method of accounting, the purchase price is allocated to the underlying bwin.party Group tangible and intangible assets acquired and liabilities assumed based on their respective fair market values with any excess purchase price allocated to goodwill as follows:

	US$ million	*Note*
Total consideration	1,373.9	
Net assets of bwin.party Group	617.4	2
Write off of previously recognised goodwill and intangible assets	(608.8)	2
Write off of previously recognised deferred tax liability regarding intangible assets	27.6	3 (f)
Fair value of identified intangible assets	465.8	3 (a)
Contingent liabilities	(76.8)	3 (e)
Tax effect of the fair value of identified intangible assets and the contingent liabilities	(42.4)	3 (f)
Pro forma goodwill adjustment	991.1	

The purchase price allocation is preliminary. Since the Proposed Acquisition has not been completed, 888's access to information to make such estimates is limited and therefore certain market-based assumptions were used when data was not available. However, 888's management believes the fair values recognised are reasonable estimates based on currently available information. A final determination of the fair value of assets and liabilities acquired will be based on the actual assets and liabilities of the bwin.party Group that exist as of the closing date of the Proposed Acquisition and, therefore, cannot be finalised prior to Completion. A further purchase price allocation study will be carried out as of the acquisition date for the purposes of preparing the subsequent financial information of the Enlarged Group and this may differ from this initial purchase price allocation. For example, management has not yet completed the fair value assessment of property, plant and equipment, investments in equity accounted joint ventures and associates, and the income tax effect of certain items which could change the *pro forma* goodwill adjustment and the related income statement effect. In addition, the evaluation of the consideration to be paid by 888 upon Completion will be partly determined based on the closing price of Ordinary Shares on the closing date of the Proposed Acquisition.

(a)

	US$ million
Pro forma goodwill adjustment	991.1
Write off of previously recognised goodwill and intangible assets	(608.8)
Fair value of identified intangible assets	465.8
	848.1

US$465.8 million has been included in the unaudited *pro forma* statement of net assets in respect of the fair value of identified intangible assets. These will be amortised over their respective economic useful life. The fair value of identifiable intangible assets is determined primarily using the ''income approach'', which is a valuation technique that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life.

The acquired intangible assets can be split into the following:

	Fair value US$ million	*Useful economic life Years*	*Annual amortisation charge US$ million*
Intangible Asset			
Customer relationships	245.9	5	49.2
Brand	122.2	10	12.2
Technology/Platform	97.7	3	32.6
	465.8		94.0

(b) As part of the Proposed Acquisition, the 'Cash and cash equivalents' line item of the unaudited *pro forma* statement of net assets as at 30 June 2015 would be impacted as follows:

	US$ million
Cash consideration	548.9
Acquisition costs	49.2
Acquisition costs directly attributable to the issuance of New 888 Shares	2.0
Less: Acquisition costs paid at 30 June 2015	(2.1)
Total	598.0

(c) Balances between the 888 Group and the bwin.party Group have been eliminated:

Unaudited pro forma statement of net assets	*US$ million*
Trade and other receivables	(2.9)
Trade and other payables	(2.9)

(d) US$10.7 million is made of: (i) US$7.8 million related to the reversal of accruals for acquisition costs included in the unaudited interim condensed consolidated financial statements of the 888 Group and the bwin.party Group, respectively, as at 30 June 2015, and (ii) US$2.9 million related to the elimination of balances between the 888 Group and the bwin.party Group as detailed in Note 3(c).

(e) 888 has performed a preliminary review of the contingent liabilities and, where appropriate, has made preliminary provisions for these in the unaudited *pro forma* statement of net assets of US$76.8 million, in connection with indirect taxation and with litigation.

(f) Breakdown of deferred tax liability adjustment:

	US$ million
Write off of previously recognised deferred tax liability regarding intangible assets	(27.6)
Net deferred tax effect of the fair value of identified intangible assets and the contingent liabilities	42.4
Total deferred tax liability adjustment	14.8

(4) (a) Adjustments to reflect the Proposed Acquisition as if it had happened on 1 January 2014 in the unaudited *pro forma* income statement are as follows:

	US$ million	*Note*
Acquisition costs included in 'Operating expenses'	49.2	
Amortisation of fair value of identified intangible assets included in 'Operating expenses'	94.0	3 (a)
Reversal of historical amortisation of intangible assets included in 'Operating expenses'	(67.8)	
Subtotal	75.4	
Elimination of transactions between the 888 Group and the bwin.party Group	(15.3)	4 (b)
Total adjustments included in 'Operating expenses'	60.1	
Tax effect of the above adjustments	(9.4)	

(b) Transactions between the 888 Group and the bwin.party Group have been eliminated:

Unaudited pro forma income statement	*US$ million*
Revenue	(15.3)
Operating expenses	(15.3)

(5) 888 Group has entered into a US$600.0 million credit facility agreement with a syndicate of lending institutions to finance the Proposed Acquisition.

	US$ million
Credit facility drawn	600.0
Financing costs capitalised	(51.0)
Net debt	549.0

US$549.0 million included in the 'Cash and cash equivalents' line item of the unaudited *pro forma* statement of net assets as of 30 June 2015 is made of:

	US$ million
Cash from Credit facility	600.0
Financing costs	(51.0)
Net cash	549.0

US$47.4 million included in the 'Finance expenses' line item of the unaudited *pro forma* income statement for the year 31 December 2014 is made of: (i) US$26.4 million of additional interest costs for the credit facility and (ii) US$21.0 million of the amortisation effect of the capitalised costs of the credit facility.

In addition, US$4.7 million regarding the income tax effect of the above adjustments was included in the 'Taxation' line item of the unaudited *pro forma* income statement for the year ended 2014.

(6) No adjustment has been made to reflect any trading or other transactions undertaken by the Enlarged Group since 31 December 2014 in respect of the unaudited *pro forma* income statement, or 30 June 2015 in respect of the unaudited *pro forma* statement of net assets.

(7) The *pro forma* income statement adjustments are expected to have a continuing effect on the Enlarged Group, other than the transaction costs in relation to the Proposed Acquisition of US$49.2 million included in 'Operating expenses'.

(8) Supplemental *pro forma* revenue analysis for the year ended 31 December 2014 is detailed below:

***Pro forma* Revenue information of the Enlarged Group**

		Adjustments			
	888	**bwin.party**	**Acquisition**	**Enlarged Group *Pro forma***	**Percentage of total revenue**
	(US$ million)	***(US$ million)***	***(US$ million)***	***(US$ million)***	
Revenue by business segment					
Business to customer (B2C)					
Casino	220.6	265.1	(0.5)	485.2	39.5
Poker	93.7	82.8	–	176.5	14.3
Bingo	46.6	68.5	–	115.1	9.3
Sport	19.9	310.3	–	330.2	26.8
Other	–	45.1	(2.2)	42.9	3.5
Emerging offerings	10.0	4.1	–	14.1	1.1
Total B2C	390.8	775.9	(2.7)	1,164.0	94.5
Business to business (B2B)					
B2B	63.9	15.8	(12.6)	67.1	5.5
Total B2B	63.9	15.8	(12.6)	67.1	5.5
Total Revenue	**454.7**	**791.7**	**(15.3)**	**1,231.1**	**100.0**
Revenue by geographic market					
UK	201.6	92.1	(12.2)	281.5	22.9
Germany	33.2	200.4	–	233.6	19.0
Europe (excluding UK and Germany)	136.9	400.4	(3.1)	534.2	43.4
Americas	55.2	60.8	–	116.0	9.4
Rest of the World	27.8	38.0	–	65.8	5.3
Total Revenue	**454.7**	**791.7**	**(15.3)**	**1,231.1**	**100.0**

Accountant's report on the *pro forma* financial information

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Tel: + 44 20 7951 2000
Fax: + 44 20 7951 1345
ey.com

The Directors
888 Holdings plc
Suite 601-701
Europort
Gibraltar

28 August 2015

Dear Sirs

We report on the *pro forma* financial information (the "***Pro Forma* Financial Information**") set out in Part XII of the prospectus dated 28 August 2015 (the "**Prospectus**"), which has been prepared on the basis described therein, for illustrative purposes only, to provide information about how the acquisition of the entire issued and to be issued share capital of bwin.party digital entertainment plc by 888 Acquisitions Limited, a wholly owned subsidiary of 888 Holdings plc and the related financing might have affected the financial information presented on the basis of the accounting policies adopted by 888 Holdings plc (the "**Company**") in preparing the consolidated financial statements for the year ended 31 December 2014. This report is required by paragraph 20.2 of Annex I of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any persons as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) No 809/2004, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of the Company to prepare the *Pro Forma* Financial Information in accordance with items 1 to 6 of Annex II of Commission Regulation (EC) No 809/2004.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to the proper compilation of the *Pro Forma* Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *Pro Forma* Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *Pro Forma* Financial Information with the directors of the Company.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority and other regulators. Further details can be found at http://www.ey.com/UK/en/Home/Legal.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the *Pro Forma* Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

1. the *Pro Forma* Financial Information has been properly compiled on the basis stated; and
2. such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with paragraph 1.2 of Annex I of Commission Regulation (EC) No 809/2004.

Yours faithfully

Ernst & Young LLP

PART XIII

REGULATORY OVERVIEW

1. Introduction

The gaming industry is highly regulated and the regulation of, and approach to, online gaming varies from jurisdiction to jurisdiction. To the extent that it is regulated, governments tend to either prohibit gaming or authorise it under licence whilst generating revenue from licence fees and taxation.

In many jurisdictions, existing laws were enacted prior to the development of the internet and were designed to address and regulate offline gaming operations. The application of these laws to online gaming is still to be clarified in many jurisdictions and regulatory regimes specifically for online gaming are still being developed. This gives rise to uncertainty as to the legal status of online gaming in some jurisdictions.

The 888 Group holds a licence for the undertaking of online casino and remote gaming and betting activities in Gibraltar, which has an established regulatory framework for gaming activities. The core infrastructure necessary to run the 888 Group's gaming operations, including its gaming servers, is located in Gibraltar. Additional support functions are located in Israel, Antigua, Romania and the UK. The 888 Group is also licenced to undertake online casino and remote gaming and betting activities in Denmark, Italy, Spain, the UK and the German State of Schleswig-Holstein. The 888 Group is licensed as a technology and services provider in the States of Nevada and Delaware and is an applicant for such a license in the State of New Jersey (where it presently offers services under a Transactional Waiver issued by the State's Division of Gaming Enforcement). The 888 Group has applied or is in the process of applying for licences to undertake online casino and remote gaming and/or betting activities in Romania and Ireland.

The bwin.party Group holds licences for the undertaking of online casino and remote gaming and betting activities in Gibraltar. The infrastructure necessary to run the bwin.party Group's gaming operations, including its gaming servers, is located in Gibraltar excluding its sports betting infrastructure which is located, in part, in Austria. Additional support functions are located in other jurisdictions, including Bulgaria, India, Israel, the UK and the US. In addition to the licences held in Gibraltar, the bwin.party Group holds licences in Alderney, Denmark, France, Italy, Malta, Spain, the UK and the German State of Schleswig Holstein. The bwin.party Group is licensed as a technology and services provider in Belgium, Malta and the State of New Jersey and is an applicant for licensing in the State of Nevada. The bwin.party Group is an applicant for licensing to undertake online casino and remote gaming and/or betting activities in Bulgaria, Germany, Ireland and Poland. Furthermore, in addition to gaming licences, the bwin.party Group holds payment services licences in the UK.

The nature of the 888 Group's and the bwin.party Group's business is, and, following Completion, the Enlarged Group's business will be, such that it is accessible by customers in many jurisdictions including those in which operators and/or their customers may, by local law, be prohibited from engaging in online gaming. Breach of any applicable local laws could give rise to criminal prosecutions, administrative action or civil claims in the relevant jurisdictions. Further, in certain jurisdictions the advertising of online gaming services and the processing of payments may also be prohibited and subject to enforcement actions. The application and enforcement of any local laws to an online operator located and regulated offshore, and which does not have a physical presence in the relevant jurisdiction, may in some cases be uncertain.

A summary of the regulatory regimes in those jurisdictions in which the Directors expect the Enlarged Group to generate more than 5% of its revenue after Completion, and the additional jurisdictions in which the Enlarged Group will have a physical presence is set out below.

The Proposed Acquisition and the resulting change of control of the bwin.party Group will require notifications to, and/or regulatory approvals from, the relevant authorities either prior to or following Completion. These requirements result from the regulations or licencing conditions applicable to the licences held by the 888 Group or the bwin.party Group. 888 and bwin.party are working with local counsel in each of the relevant jurisdictions to ensure that all necessary approvals and/or notifications are obtained or

submitted, as appropriate, in a timely manner. The Directors believe that all necessary approvals should be forthcoming; however it cannot be ruled out that the 888 Group or the bwin.party Group may not obtain certain necessary approvals, or that they may not be obtainable within a timescale acceptable to 888 or bwin.party, or that they may only be obtained subject to certain conditions or undertakings which may not be acceptable to 888 or bwin.party.

2. General Regulatory Framework

888 and bwin.party are, and following Completion, 888 as the holding company of the Enlarged Group, will be Gibraltar-registered public limited companies. The 888 Group and the bwin.party Group are each licensed by the Gibraltar Licensing Authority pursuant to the Gambling Act 2005 to undertake remote gaming and betting activities in Gibraltar and are regulated by the Gibraltar Gambling Commissioner. The provision of online gaming and betting services by companies based in Gibraltar is regulated and licensed under the provisions of the Gambling Act 2005.

The local laws relevant to the gaming industry in many jurisdictions were enacted prior to the development of the internet and were designed to address and regulate terrestrial gaming activities, primarily those conducted within the territory of that jurisdiction. The scope of the application of these laws to online gaming activity, specifically when provided by foreign operators, therefore remains unclear.

Under international conflict-of-law principles which are applicable to the operational entities within the 888 Group and the bwin.party Group as Gibraltar-registered companies and which, following Completion, will be applicable to the operational entities within the Enlarged Group, the validity of a wagering contract is to be determined in accordance with the law applicable to the contract. Normally, this would be the law of the location where the bet or wager was accepted, not where it was placed. The European Community's 1980 Rome Convention on the Law Applicable to Contractual Obligations (the "**Convention**") follows the same logic. Article 3 of the Convention states that absent a positive determination by the parties of the applicable law, a contract shall be governed by the law of the country with which it is most closely connected. In the case of wagering contracts, this would generally be the territorial law applicable to the party who offers the facility for placing the wager (i.e. the "casino" or book maker). Within the EU, Regulation (EC) No. 593/2008 of the European Parliament and the Council of 17 June 2008 on the law applicable to contractual obligations (the "**Regulation**") applies. Pursuant to Article 3 of the Regulation, a contract shall be governed by the law expressly chosen by the parties or clearly demonstrated by the terms of the contract. Article 6 paragraph 2 of the Regulation allows contracts with consumers to provide for an applicable law different from that of the consumer's habitual residence. In their respective terms and conditions, the 888 Group and the bwin.party Group and, following Completion, the Enlarged Group will also, expressly subject wagering contracts made with their respective customers to Gibraltar law.

The core infrastructure necessary to run the 888 Group's and the bwin.party Group's and, following Completion, the Enlarged Group's gaming operations, including the necessary gaming servers (excluding some of bwin.party's sports-betting servers which are located in Austria), is located in Gibraltar. Gaming in Gibraltar is licensed under the provisions of the Gambling Act 2005 which permits the provision of gaming services from Gibraltar worldwide and the Directors believe that the applicable law to their gaming activities is Gibraltar law.

The 888 Group and the bwin.party Group, with the help of their legal advisers worldwide, constantly review and assess the impact of local regulatory regimes applicable to online gaming. The 888 Group and the bwin.party Group regularly receive and, following Completion, the Enlarged Group will regularly receive, updates on regulatory developments in target markets, and instruct its respective group companies on how to bring operations in line with applicable legal requirements. This includes blocking or restricting the offering of online gaming or betting in jurisdictions where this is required under applicable law or where other considerations (such as commercial viability) dictate a withdrawal from the market. This is achieved through various methods, including IP-based blocking, filtering based on customers' addresses, blocking of payment methods issued in certain jurisdictions, and other methods commensurate with industry best practices. Similarly, the 888 Group and the bwin.party Group tailor, and following Completion, the Enlarged Group

will tailor, marketing activities to meet applicable restrictions, as they are required to do under the terms of their Gibraltar licences.

EU – General Regulatory Framework

The 888 Group and the bwin.party Group generate, and following Completion, the Enlarged Group will generate, the majority of revenues in EU Member States (primarily the UK, Germany, Italy and Spain).

EU law plays an important role in assessing the legality of the offering of gaming and betting services by operators licensed in one or more EU Member States to customers in other EU Member States. In many EU Member States, there have been attempts by regulatory and prosecutorial authorities, and monopoly operators, seeking to impose domestic administrative prohibition orders, to initiate criminal and administrative sanctions, to initiate civil proceedings or to impose other restrictive measures against online operators licenced in other EU Member States, including the 888 Group and the bwin.party Group, with a view to preventing such operators from offering their services to domestic customers. Such measures have often been inconsistent with the principles of EU law, in particular those enshrined under Articles 49 and 56 of the Treaty on the Functioning of the European Union ("**TFEU**") which guarantee the freedom of establishment and the freedom to provide services. Such inconsistency resulted from domestic legal regimes which restrict either the freedom of establishment or the freedom to provide services and which could, as a result, be unenforceable or void. The market freedoms guaranteed by the TFEU apply to Gibraltar.

The efforts by certain state authorities and licensees to restrict the cross-border supply of online gaming have given rise to litigation in the national courts of a number of Member States, which have resulted in multiple references of questions of EU law to the CJEU under Article 267 TFEU and so leave the position of the 888 Group, the bwin.party Group, and, following Completion, the Enlarged Group unclear with regard to a number of points, as described in the risk factor "*There have been and continue to be attempts by various persons in EU Member States to apply domestic criminal and administrative laws to prevent online gaming operators licensed in other EU Member States from operating in or providing services to customers within their territory; the case law of the CJEU on this issue continues to evolve creating uncertainty for online gaming operators.*" in Part II ("*Risk Factors*").

In *Gambelli and others* (Case C-243/01), decided in November 2003, the CJEU held that national law restrictions on the cross-border supply of online gaming services could give rise to restrictions on the freedom to provide services and the freedom of establishment under Articles 49 and 56 TFEU, and that restrictions of that kind were capable of being justified on public interest grounds (such as consumer protection, the prevention of fraud or, as the Italian government argued in the *Gambelli* case itself, the reduction of opportunities for the public to participate in gaming). However, such restrictions could only be justified if they were applied in a non-discriminatory manner and in a manner which was "consistent and systematic". Those requirements are not satisfied, and EU Member States cannot invoke public order concerns, where the authorities of that EU Member State incite and encourage consumers to participate in gaming to the financial benefit of the public purse.

In *Placanica and others* (Case C-338/04), in 2007, the CJEU held a blanket exclusion of companies quoted on regulated markets from tendering procedures for the award of gaming licences went beyond what was necessary in order to achieve the objective of preventing gaming operators from being involved in criminal or fraudulent activities. The CJEU also held that Articles 49 and 56 TFEU must be interpreted as precluding national legislation which imposes a criminal penalty on persons for pursuing the organised activity of collecting bets without a licence or a police authorisation (as required under the national legislation), where those persons were unable to obtain licences or authorisations because that EU Member State, in breach of EU law, refused to grant licences or authorisations to such persons.

In September 2009, the CJEU handed down its ruling in a referral from the Portuguese courts in *Liga Portuguesa de Futebol Profissional and bwin International Ltd v Departamento de Jogos da Santa Casa da Misericórdia de Lisboa* (Case C-42/07). The CJEU recalled that national legislation can only be appropriate for ensuring the attainment of the objective it purports to pursue if it genuinely reflects a concern to attain that objective in a consistent and systematic manner. It held that the grant of exclusive rights to operate games of chance via the internet to a single operator, such as the Portuguese monopoly operator Santa Casa,

which is subject to strict control by the public authorities, may, in circumstances such as those in the main proceedings, be regarded as appropriate for the purpose of protecting consumers against fraud on the part of operators. In the absence of EU harmonisation, the CJEU rejected the existence of an obligation on EU Member States to recognise gaming licences issued by other EU Member States, and held that an EU Member State is entitled to take the view that the mere fact that a gaming operator which lawfully offers online gaming services in another EU Member State is subject to regulation in that EU Member State, cannot be regarded as amounting to a sufficient assurance that national consumers will be protected against the risks of fraud and crime.

On 3 June 2010, the CJEU issued its rulings on referral from the Dutch Council of State and the Dutch Supreme Court in *Ladbrokes International Ltd v Stichting de Nationale Sporttotalisator* (Case C-258/08) and *Sporting Exchange Ltd*, trading as "*Betfair*", *v Minister van Justitie* (Case C-203/08). In those cases, the CJEU held, broadly, that it was not incompatible with EU law for the Netherlands to limit the licensing of sports-betting and gaming services within its territory to an exclusive licensee, and to exclude, under limited circumstances, other operators from licensing processes. Nor was it unlawful as a matter of EU law for the Netherlands to prohibit the cross-border supply of online gaming services to customers in the Netherlands, including by means of criminal prohibitions, in circumstances where online gaming was prohibited in the Netherlands.

On 8 September 2010, the CJEU handed down rulings in a number of cases referred by the German courts, namely *Markus Stoß et al* (Joined Cases C-316/07, C-358/07 to 360/07, C-409/07 and C-410/07), *Winner Wetten* (Case C-409/06) and *Carmen Media* (Case C-46/08). In those cases, the CJEU held that, while an EU Member State was permitted under EU law to establish a public monopoly on gaming activities (so long as the requirements in *Gambelli* were met), the monopoly established by the German State Treaty on Gambling failed to pursue its stated objectives of preventing incitement to squander money on gaming, combating gaming addiction, and protecting young people in a consistent and systematic manner. Elaborating on the latter requirement, the CJEU noted that a monopoly may not advertise to encourage consumers to participate in gaming, and that any advertising issued by the holder of a public monopoly must remain measured and strictly limited to what is necessary in order thus to channel consumers towards authorised gaming networks. Second, a monopoly can no longer be justified if in relation to more addictive games of chance which are not covered by the public monopoly (such as casino games and slot machines) the competent authorities conduct or tolerate policies aimed at encouraging participation in those other games rather than reducing opportunities for gambling and limiting activities in that area in a consistent and systematic manner. The CJEU concluded that the monopoly established by the German State Treaty does not pursue its objectives in a consistent and systematic manner. It also held that an EU Member State may not apply a criminal penalty for failure to complete an administrative formality where such completion has been refused or rendered impossible by the EU Member State concerned, in infringement of EU law.

With regards to the ban on online gaming in the German State Treaty on Gambling, the CJEU acknowledged that a prohibition of any offer of games of chance via the internet may, in principle, be regarded as suitable for pursuing the legitimate objectives of preventing incitement to squander money on gambling, combating gaming addiction and protecting young persons, even though the offer of such games remains authorised through more traditional channels. In this context, the CJEU noted that the referring court had not been specific about its concerns in that regard. Therefore, the CJEU's examination was limited to the question of whether a complete ban on internet gaming may, in principle, be regarded as suitable for achieving the objectives of preventing incitement to squander money on gaming, combating gaming addiction, and protecting young people.

The *Engelmann* ruling (Case C-64-08), handed down on 9 September 2010 by the CJEU, established that Austrian legislation, under which only Austria-registered companies were eligible to apply for a casino licence and to operate a casino, was incompatible with the freedom of establishment under EU law, and that the award of all available licences to the Austrian casino monopoly operator, Casinos Austria AG, was also incompatible with the requirements of EU law in relation to the transparency and fairness of licensing procedures.

On 15 September 2011, the CJEU ruled on the matter of *Dickinger and Ömer* (C-347/09). The Court noted that a monopoly on games of chance constitutes a restriction of the freedom to provide services but that such a restriction may nevertheless be justified by overriding reasons in the public interest, such as the objective of ensuring a particularly high level of consumer protection. To be consistent with the objective of fighting crime and reducing opportunities for gambling, national legislation establishing a monopoly which allows the holder of the monopoly to follow an expansionist policy must genuinely be based on a finding that the crime and fraud linked to gaming are a problem in the EU Member State concerned, which could be remedied by expanding authorised regulated activities. The CJEU emphasised that the objective of maximising public revenue alone cannot permit such a restriction of the freedom to provide services.

The CJEU also stated that only advertising which is moderate and strictly limited to what is necessary to channel consumers towards controlled gaming networks is permissible. An expansionist commercial policy whose aim is to expand the overall market for gaming activities is not consistent with the objective of fighting crime and fraud. However, the CJEU also ruled that, given the absence of harmonisation at EU level regarding online gaming, no duty of mutual recognition of authorisations issued by other EU Member States can exist in the current state of EU law. A similar ruling was handed down on 13 September 2013 in the matter of *Biasci et al* (C-660/11).

On 24 January 2013, the CJEU ruled on the matter of *Stanleybet International Ltd*, *William Hill Organisation Ltd and William Hill plc v Ipourgos Ikonomias kai Ikonomikon and Ipourgos Politismou* (C-186/11 and C-209/11). The CJEU confirmed that EU law precludes "the exclusive right to run, manage, organise and operate games of chance to a single entity, where, firstly, that legislation does not genuinely meet the concern to reduce opportunities for gambling and to limit activities in that domain in a consistent and systematic manner and, secondly, where strict control by the public authorities of the expansion of the sector of games of chance, solely in so far as is necessary to combat criminality linked to those games, is not ensured."

On 30 April 2014, the CJEU ruled on another Austrian case, *Pfleger and others* (C-390/12). The CJEU confirmed its case law on national gaming legislation being compliant with EU law only if the declared public interest objectives are not only theoretically, but also actually pursued in a consistent and systematic manner. The CJEU further ruled that the burden of proof regarding the proportionality and consistency of a measure rests with the EU Member States and reiterated that, where a restrictive system has been established and that system is incompatible with the freedom to provide services, an infringement of that system by an economic operator cannot give rise to penalties.

In recent years, the European Commission has initiated infringement proceedings, including before the CJEU, against EU Member States whose laws regulating online gaming and betting infringe EU law and the market freedoms guaranteed by the TFEU. Examples include Sweden, Greece, Belgium, Cyprus, the Czech Republic, Lithuania, Poland and Romania. The Directors believe that domestic legislation in EU Member States that is inconsistent with the principles of EU law, as interpreted in the jurisprudence of the CJEU, is unenforceable and may be void, and therefore cannot impede the offering of online gaming and betting services to customers in those jurisdictions.

3. Jurisdictions from which the Directors expect the Enlarged Group to generate more than 5% of its revenue after Completion

Canada

The 888 Group and the bwin.party Group do not, and following Completion, the Enlarged Group will not, have a physical presence in Canada. In the year ended 31 December 2014, 5% of the joint revenues for the 888 Group and the bwin.party Group were derived from customers resident in Canada.

With the exception of bets on horse racing, under the Canadian Criminal Code, only the provincial governments may conduct and manage gaming and betting that is operated on or through a computer or video device. The provincial governments are not permitted to license this activity to others. The provision of gaming services is not permitted under the Canadian Criminal Code and so is illegal, punishable by fine and/or imprisonment, and in appropriate circumstances forfeiture orders may be made by the courts.

The extra-territorial application of the Canadian Criminal Code to online gaming is dependent on there being a "real and substantial connection'' between the actions said to constitute the offence and Canada. Factors that will be taken into account will include the situs of the operator, the host server, any intermediaries and the end-users. The Directors are aware of only one case where a prosecution has been brought against online gaming service providers with physical equipment in Canada, which does not apply to the 888 Group or the bwin.party Group, and following Completion, will not apply to the Enlarged Group. Furthermore, in the absence of legislation specifically addressing the offering of online gaming from outside the jurisdiction of Canada, there remain significant jurisdictional, evidentiary and practical obstacles to the applicability and enforcement of Canadian criminal laws against companies like the 888 Group, the bwin.party Group and, following Completion, the Enlarged Group.

The Directors do not believe that the 888 Group and the bwin.party Group have, or that following Completion, the Enlarged Group will have, sufficient nexus with Canada to create the necessary "clear and substantial connection" for the relevant Canadian laws to apply. The Directors therefore consider the 888 Group's, the bwin.party Group's, and following Completion, the Enlarged Group's, operations in Canada not to be in breach of local laws, as they are carried out on the basis of the licences issued to them in Gibraltar, in accordance with the terms of those licences.

United Kingdom

Online gaming in Great Britain is regulated by the UK Gambling Act 2005 and the regulations and licensing conditions and codes of practice enacted by the British regulator – the Gambling Commission. According to the UK Gambling Act 2005, a remote operating licence is required for the provision of online gaming if at least one piece of remote gaming equipment used in the provision of gaming facilities is placed within the UK; or if no such equipment is placed in the UK, but the gaming facilities provided are used or capable of being used there. In addition, the British regulatory regime requires remote gaming operators to source their gambling software from suppliers licensed by the Gambling Commission.

Both the 888 Group and the bwin.party Group, through their subsidiaries, hold online gaming operating licences issued by the Gambling Commission, and the Enlarged Group will do so after Completion. The online services offered to British patrons by the 888 Group, the bwin.party Group and which, following Completion, will be offered by the Enlarged Group, are on the basis of these licences.

Both the 888 Group and the bwin.party Group hold, and following Completion, the Enlarged Group will hold, gambling software licences issued by the Gambling Commission, which allow them to provide gaming related software to the UK market.

Germany

The Directors believe that the 888 Group and the bwin.party Group can and, following Completion, the Enlarged Group will be able to, accept German players under their Gibraltar licences on the basis that the German Amended State Treaty on Gambling ("**ASTG**") and its current application are non-compliant with EU law and sanctions based on the ASTG and related legislation may therefore not be enforced against operators duly licensed in the EU. The 888 Group and the bwin.party Group carry out, and following Completion, the Enlarged Group will carry out activities under their Gibraltar licences and pursuant to the freedom to provide services under Article 56 TFEU.

Pending litigation

Various subsidiaries of the 888 Group and the bwin.party Group have been issued "prohibition orders" under the ASTG and related legislation as well as under earlier legislation by select German States. The 888 Group and the bwin.party Group have filed administrative proceedings challenging each of these orders. While some of the cases concerning challenges of prohibition orders have been settled positively for the 888 Group and the bwin.party Group, others are pending final adjudication. The 888 Group and the bwin.party Group are not presently subject to any prohibition orders currently being enforced against them. Following the bwin.party Group's licence application in the tender procedure for one of the 20 available Germany-wide sports betting licences (see below), no new prohibition orders have been initiated against the bwin.party Group.

Further to the cases mentioned above, the North Rhine-Westphalian lottery operator, Westlotto (*Westdeutsche Lotterie GmbH & Co. OHG*), filed an unfair competition complaint against the 888 Group on 18 January 2010. The Higher Regional Court of Cologne (*Oberlandesgericht Köln*) confirmed a lower court's initial ruling against the 888 Group, while upholding a counterclaim by the 888 Group against Westlotto. The case is currently pending before the Federal Supreme Court (*Bundesgerichtshof*) and is scheduled to be heard on 12 November 2015. A potentially negative ruling in this case related to the provision of online gaming to customers in Germany may have a negative impact on the 888 Group's and, following Completion, the Enlarged Group's offering in Germany.

Licenses held in Schleswig-Holstein

Both the 888 Group and the bwin.party Group, through their subsidiaries, have obtained online gaming and betting licences from the German State of Schleswig-Holstein. The bwin.party Group presently offers services in Schleswig-Holstein under its licence, whilst the 888 Group does not. The Directors believe that the existence of such a local licence provides the Enlarged Group with stronger legal arguments in favour of the Enlarged Group's ability to offer services to German patrons after Completion.

Current status of the tender procedure for Germany-wide sports betting licences

Following entry into force of the ASTG on 1 July 2012, a tender process was held by the German State of Hesse, according to its responsibility under the ASTG, for the issuance of 20 Germany-wide sports betting licences. One of the bwin.party Group's subsidiaries applied for such a licence. On 2 September 2014, the Ministry of the Interior and Sport of Hesse published its decision identifying which operators it deems suitable to receive the 20 sports betting licences offered for tender. The bwin.party Group's subsidiary was found suitable by the Hesse Ministry and rated sixth out of those operators chosen.

However, given preliminary injunctions filed by numerous rejected operators before administrative courts in various German States, the granting of licences is currently on hold and may only be completed once the competent courts have ruled that the issuance of such licences may proceed.

Debate on the conformity of German legislation with EU law

In addition to the aforementioned tender being called into review, the legislation underlying the tender process is also being debated. Since its introduction, the ASTG has been subject to severe criticism, including by the European Commission, German and European courts, and legal experts, with regard to its conformity with EU law. When the ASTG was notified to the European Commission, the latter criticised the limitation on the number of sports betting licences being offered to only 20. As for claims that the ASTG and the gambling legislation in the State of Schleswig-Holstein legislation are incompatible with EU law, on 12 June 2014, the CJEU ruled in the *Digibet and Albers* case (C-156/13) that the fact that two different systems in a federal state coexist, does not in itself violate EU law, as long as a potential impairment of consistency is both strictly temporarily and geographically limited. Given the limited scope of the preliminary questions, the CJEU did not rule on whether or not the ASTG is in itself in compliance with EU law. Furthermore, the legal situation in Germany is currently subject to a pending case before the CJEU, submitted by a Bavarian court in 2014 (Case C-336/14, *Ince*). This case is expected to shed additional light on the conformity of German legislation with EU law, in particular the justification of the restrictive ASTG in light of the EU market freedoms and whether the transparency principles under EU law had been observed in the German sports betting licence tender. On 17 September 2015, the CJEU's Advocate General is scheduled to issue an opinion on this case.

While the tender for sports betting licences remains on hold, there is no licence available for offering online poker and casino under the ASTG. In addition to the bwin.party Group's offering of online poker and casino under its licence granted by the State of Schleswig-Holstein to customers resident in Schleswig-Holstein, the 888 Group and the bwin.party Group currently offer facilities for online poker and casino to customers resident in other German States on the basis of licences issued in Gibraltar and their view is that the ASTG and its current application are not in line with EU law and CJEU case law. This is expected to continue to be the case for the Enlarged Group following Completion. A ruling that the ASTG is in line with EU law and

CJEU case law, which is contrary to the view of the 888 Group and the bwin.party Group, could restrict the Enlarged Group from offering online poker and casino to German players under their Gibraltar licences.

Italy

Online gaming in Italy is regulated by Law No. 88/2009 (*Legge Comunitaria*), which stipulates that the offering of online gaming to Italian residents requires a licence issued by the Italian gaming regulator, *Agenzia delle Dogane e dei Monopoli,* previously known as the *Amministrazione Autonoma dei Monopoli di Stato* ("**AAMS**"). Subsequent legislation defined the types of licences and gaming activities that may be offered under such licences.

Both the 888 Group and the bwin.party Group, through their subsidiaries, hold online gambling licences issued by AAMS which enable the relevant subsidiaries to offer online sports betting, poker, casino games and bingo. The online services offered to Italian patrons by the 888 Group and the bwin.party Group are, and following Completion, those offered by the Enlarged Group will be subject to these licences.

Spain

Spanish Law 13/2011 of 27 May 2011 (*Ley 13/2011, de 27 de mayo, de regulación del Juego*) (the "**Spanish Law**") sets out the general legal framework for the offering of online gaming in Spain. According to the Spanish Law, operators who wish to offer online gaming services in Spain are required to obtain general gambling and betting licences which cover the activities they wish to offer, and then apply for a specific licence for each individual game variant.

The 888 Group and the bwin.party Group hold, and following Completion, the Enlarged Group will hold, through their subsidiaries, online gaming and betting licences issued by the Spanish gaming regulator, Directorate General for the Regulation of Gambling ("**DGOJ**"). The online gaming services offered by the 888 Group and the bwin.party Group and, following Completion, to be offered by the Enlarged Group to Spanish patrons are carried out under these licences.

4. Additional jurisdictions in which the Enlarged Group will have a physical presences after Completion

Austria

The bwin.party Group holds a subsidiary incorporated under Austrian law which conducts various functions with regard to the bwin.party Group's sports betting operations, including product development, software development, customer support, marketing services and IT infrastructure. In addition, two datacentres holding servers for the bwin.party Group's sports betting operations are located in Austria.

In Austria, sports betting is not considered a "game of chance" and not subject to the federal Austrian Gambling Act (*Glücksspielgesetz*, "**GSpG**"), but rather regulated at provincial level. The bwin.party Group holds a permit issued by the provincial government of Vienna in 2001 for the offering of sports betting, but it is not operating on the basis of this license.

Games of chance offered via remote channels (e.g. via the internet) are considered as "electronic lotteries" under the GSpG. The Austrian Ministry of Finance, which is the responsible federal gaming authority, considers offering "electronic lotteries" without an Austrian licence as illegal. The Austrian Constitutional Court seems to share this view in a decision rendered prior to the CJEU rulings in *Engelmann*, *Carmen Media, Markus Stoß, Dickinger and Ömer* and *Pfleger*. In 2011, the Austrian Ministry of Finance awarded the exclusive licence for the provision of offline lotteries, instant lotteries, video lottery terminals and electronic lotteries to "*Österreichische Lotterien GmbH*", thereby establishing the Austrian *de facto* monopoly for online gaming. No licences for the provision of online gaming only are available in Austria.

Over the course of the last ten years, the bwin.party Group and its directors have repeatedly been subject to investigations and civil and criminal proceedings because of alleged infringements of Austrian gaming laws prohibiting the cross-border offering of online gaming. These cases were based on complaints filed by various parties, including competitors on the Austrian market. All cases that have advanced to court so far

have either been decided in favour of the bwin.party Group and its directors or closed after having completed investigations on the bwin.party Group, finding no breach of Austrian law.

Recently, the Higher Regional Court Linz (*Oberlandesgericht Linz*) found an online gambling operator based and licensed in Malta liable to reimburse approximately €1 million that a customer had spent on the operator's online roulette. The court argued that providing online gaming without an Austrian licence would be illegal and the underlying gaming contract would be void. The case is currently pending before the Austrian Supreme Court (*Oberster Gerichtshof*). The Regional Administrative Court of Upper Austria (*Landesverwaltungsgericht Oberösterreich*), however, stated in a decision of 29 May 2015 that the monopolist's aggressive advertising policy contravenes the alleged objective of reducing opportunities to gamble, that the Austrian legislator's aim for player protection is actually inferior to fiscal objectives and that there are less restrictive means than a monopoly to achieve the objective of player protection.

In light of recent CJEU rulings (in particular *Dickinger and Ömer* and *Pfleger*), the bwin.party Group takes the view that the GSpG is not in line with EU law and it therefore offers gaming and betting facilities to customers in Austria on the basis of its Gibraltar licences and the EU freedom to provide services. While sports betting is regulated at provincial level and the bwin.party Group holds a permit issued by the provincial government of Vienna for the offering of sports betting, if the authorities take a contrary view that the offering of casino and poker games by the bwin.party Group in Austria is illegal, there is a risk that any assets held by the bwin.party Group in Austria, which include servers, inventory, computer systems, cash in bank accounts and any receivables from third parties, could be at risk of being seized should enforcement action be taken by the authorities.

Antigua

The 888 Group maintains, and, following Completion, the Enlarged Group will maintain, a customer service facility in Antigua and various servers to back-up customers' details from the servers located in Gibraltar for the purposes of recovery and access by customer service staff. These operations are located in the territory of Antigua but no revenue is derived from customers resident in the country.

The provision of online gaming activities by operators based in Antigua, or with servers hosting gaming software in Antigua, is regulated under the Interactive Gaming and Interactive Wagering Regulations 2001. The nature of activities carried out by the 888 Group, the bwin.party Group and, following Completion, those that will be carried out by the Enlarged Group, in Antigua means that a licence under the Interactive Gaming and Interactive Wagering Regulations 2001 is not required.

Gibraltar

The 888 Group and the bwin.party Group are, and following Completion, the Enlarged Group will be, licensed to undertake remote gaming and betting activities in Gibraltar. Gibraltar is an overseas territory of the UK. It is part of the EU through its relationship with the UK and generally subject to EU law pursuant to paragraph 3 of Article 355 TFEU, including the EU market freedoms, although there are various provisions of EU law that do not apply in Gibraltar, including the provisions on the customs union and VAT. The 888 Group and the bwin.party Group are headquartered in Gibraltar. The servers which support the gaming activities of the 888 Group and the bwin.party Group are, and following Completion, the Enlarged Group will be, located in Gibraltar, as it is the main customer service facility.

Online gaming in Gibraltar is presently licensed and regulated under the provisions of the Gambling Act of 2005. Part VI of the Gambling Act, entitled "Remote Gambling", is the basis for nearly all aspects of Gibraltar's online gaming regulatory regime. In addition to the Gambling Act, the Gibraltar Gambling Commissioner has issued "Codes of Practice" which, by virtue of Section 6(6)(f) and 6(7) of the Gambling Act, are authoritative in nature.

The 888 Group and the bwin.party Group were granted licences, the terms and conditions of which are currently codified under licence agreements, under which, each of the 888 Group and the bwin.party Group is authorised to operate different game variants such as fixed-odds games, casino games and approved betting products.

The licence agreements and applicable regulations require effective control and management of the operations of the 888 Group and the bwin.party Group to be undertaken from Gibraltar. This requirement will apply to the Enlarged Group after Completion. Furthermore, the 888 Group and the bwin.party Group are required, and following Completion, the Enlarged Group will be required, to ensure that any bank account and credit card merchant account, and the receipt, processing, holding and clearance of customer funds and credit card transactions are maintained by them in Gibraltar or in a Gibraltar-licensed institution. Any other banking arrangement requires the prior approval of the Gibraltar Licensing Authority under the Gambling Act 2005. The 888 Group and the bwin.party Group have obtained, and following Completion, the Enlarged Group will have to obtain, approval of all their current banking arrangements.

The 888 Group's and the bwin.party Group's licences require that advertising and promotion of gaming activities can only be directed to residents of nations in which it is not illegal for such activities to be undertaken. The same requirement will apply to the Enlarged Group following Completion. The 888 Group and the bwin.party Group must, and following Completion, the Enlarged Group must, not provide gaming activities to any person where the provision of such services by it would be illegal under applicable law.

The Directors believe that the applicable law for the purposes of online gaming activities is Gibraltar law, given the express submission to Gibraltar law in the contracts with customers, as well as the headquarters and main gaming servers being based in Gibraltar (excluding some of bwin.party's sports-betting servers which are located in Austria). The Directors therefore believe that even in the event of a specific prohibition against the provision of online gaming activities in any given jurisdiction, there will be no breach of the licence requirements in Gibraltar.

The licences held by each of the 888 Group and the bwin.party Group in respect of their online activities in Gibraltar are valid for a period of five years and are automatically renewed each year during the five-year period unless there has been a breach of any term or condition of the licence agreement which has not been rectified within 90 days of notification of the breach to the licensee. The 888 Group's licences will be renewed in March (for fixed odds betting and approved betting products) and June 2016 (for casino) and the bwin.party Group's licences will be renewed in March 2016. The government of Gibraltar has the right under the licence agreement to revoke the licence on any ground on which it could refuse a renewal of the licence or if it considers that it is necessary to do so in the public interest. The Directors have no reason to believe that the Gibraltar Licensing Authority intends to revoke the 888 Group's and the bwin.party Group's licences and, following Completion, those licences that will be held by the Enlarged Group, on the grounds of public policy and they believe that the Enlarged Group would be granted a licence for a further five years upon the expiry of the current licences.

Bulgaria

The bwin.party Group holds assets in Bulgaria through a Bulgarian subsidiary, including operations which provide back office services to the bwin.party Group's licensed entities, such as technological and customer support services, computational activities for sports betting websites, risk management and security, production and maintenance of software programmes, server maintenance, database maintenance, marketing and human resources. The bwin.party Group does not believe that these activities in Bulgaria require licensing in Bulgaria as Bulgarian laws on the manufacture, import and maintenance of gaming equipment currently apply only if such equipment is used in Bulgaria. The bwin.party Group is currently not offering into Bulgaria. The bwin.party Group has applied for a license to offer remote gaming and betting into Bulgaria and this license will cover also the manufacture, import and maintenance of gaming equipment.

India

The bwin.party Group contracts for software and IT enabled business process outsourcing services ("**BPO**") from subsidiaries in Hyderabad, in the state of Telangana in India. As the bwin.party Group's Indian subsidiaries' income is derived solely from international transactions with an associated enterprise, its revenues are subject to Transfer Pricing Regulations under the Indian Income Tax Act 1961, which requires services to be provided at an arm's length price. The bwin.party Group's Indian subsidiaries have entered into agreements with bwin.party's group companies for the provision of BPO services at arm's length prices.

Indian law prohibits gaming and maintaining gaming houses in India. However, there is no statute or law prohibiting the provision of BPO services in India for gaming which takes place outside India or to gaming houses which are not located in India and which do not offer gaming services to any person accessing such services from India. The bwin.party Group employs technology that identifies the geographic location of customers who attempt to access its websites and ensures that its online gaming and betting services will not be accessible to any person from India. The bwin.party Group has been advised that, as a result, the bwin.party Group's current operations in India are in accordance with local law.

Israel

The 888 Group and the bwin.party Group hold, and following Completion, the Enlarged Group will hold, subsidiaries which are incorporated in Israel. In each case, the subsidiaries operate research and development facilities in Israel and maintain servers for various ancillary and support functions, such as data-mining. The 888 Group and the bwin.party Group do not, and following Completion, the Enlarged Group will not, allow Israeli residents to participate in online gaming on its websites by blocking registrations by customers stating Israel as their country of residence, blocking access from internet servers with internet protocol addresses from Israel and refusing to accept payments from credit cards issued by banks in Israel.

Subject to certain exceptions, the Israeli Penal Law 1977 (the "**Penal Law**") prohibits the organisation or conduct of, and participation in, gaming in Israel. There is no legislation which specifically regulates online gaming in Israel although some courts have stated that the provisions of the Penal Law may be construed to apply to online gaming. However, the Directors believe that the 888 Group and the bwin.party Group do not, and following Completion, the Enlarged Group will not, facilitate, offer or provide gaming activities prohibited under the Penal Law to Israeli residents, and therefore, no offence is committed wholly or in part within Israel.

Romania

The 888 Group holds, and following Completion, the Enlarged Group will hold, a subsidiary which is incorporated in Romania, that operates a research and development facility within Romania.

The current regulatory regime in Romania is governed by Emergency Ordinance 77/2009 as amended. According to the applicable regulatory regime, the organisation and operation of online gambling in Romania requires a licence from the local gambling office. The activities of the 888 Group's Romanian subsidiary and, following Completion, the Enlarged Group's Romanian subsidiary in respect of the development of software does not, however, currently require a licence.

Following the expected entry into force of a new regulatory regime in early September 2015, which is set out in the Government Emergency Ordinance no. 92/2014, development of gambling software within Romania will require the 888 Group and, following Completion, the Enlarged Group to obtain a licence. The 888 Group is in the process of applying for a Romanian gaming and betting licence.

Ukraine

The bwin.party Group holds assets in the Ukraine through a Ukrainian subsidiary, including operations which provide game development and software services. The bwin.party Group has conducted a review of Ukrainian legislation by local legal advisers and the directors of bwin.party have been advised that there is no licensing requirement under Ukrainian law for the sector of game development as carried out by the bwin.party Group's Ukrainian subsidiary.

Ukraine introduced the Law on Prohibition of Gambling on 25 June 2009, banning casino and slot machine activities. In May 2011, the Ukrainian parliament approved amendments including a ban on online gaming in the legislation. While remaining available for customers in the Ukraine, the bwin.party Group is not actively marketing its online gaming and betting facilities in the Ukraine. The bwin.party Group is not aware of any enforcement against foreign online gaming and betting companies undertaken under Ukrainian law.

United States

Provision of remote gaming services to US customers is subject to legislation at both a federal and state level in the United States. The regulation places a number of prohibitions, including by means of criminal law, such as the Wire Act and the Unlawful Internet Gambling Enforcement Act 2006 ("**UIGEA**"). The UIGEA is the principal federal statute relating to online gaming, and contains prohibitions on, *inter alia*, the processing by financial institutions of payments to and from unlawful internet betting and gaming operators. As a result of these legislative prohibitions, it has become illegal for operators based outside the US to offer real-money gaming services to customers in the US over the internet. On 23 December 2011, the US Department of Justice (the "**DOJ**") released a memorandum (the "**DOJ Memorandum**") which addressed in detail, for the first time, a long-disputed legal question – namely, whether the Wire Act (18 U.S.C 1084) applies to all forms of gambling or whether its scope is more limited and covers only sports betting and no other forms of gambling.

The DOJ's longstanding position has been that the Wire Act prohibits "the transmission in interstate or foreign commerce of bets or wagers" with respect to all forms of gambling, while many legal scholars (and foreign gaming operators which relied on their opinions) contended that the Wire Act only prohibits the transmission of bets or wagers "on any sporting event or contest" but does not apply to other forms of gaming (such as poker and casino games).

The DOJ Memorandum – which was issued in response to inquiries from two state lotteries and two US Senators – reversed the DOJ's position and concluded that the Wire Act does not apply to non-sports betting (and hence does not apply to the sale online of lottery tickets by licensed state lotteries).

After the passing of the UIGEA in 2006, the 888 Group and the bwin.party Group ceased operations in the US and blocked their services to US patrons. A number of recent developments in state legislation have seen the liberalisation of certain states' markets to allow the provision of online gaming by licensed operators within the territories of those states. Following the regulation of intra-state internet gaming in three US jurisdictions – Nevada, New Jersey and Delaware – commercial internet gaming is now operational in these three states.

The bwin.party Group provides technology and services to licensed online gaming operators in New Jersey on the basis of a Casino Service Industry Enterprise Licence, issued by the New Jersey Division of Gaming Enforcement. The bwin.party Group is an applicant for interactive gaming service provider, manufacturer and distributor licences in the State of Nevada.

The 888 Group re-entered the US market and the 888 Group is currently the only online gaming operator authorised to conduct business in the States of Nevada, New Jersey and Delaware. The 888 Group presently provides its technology and services to licenced online gaming operators in all three jurisdictions. The 888 Group is licenced as an interactive gaming service provider, manufacturer and distributor in the State of Nevada and as a lottery vendor in the State of Delaware. It is also an applicant for licencing as a Casino Service Industry Enterprise in the State of New Jersey, where it presently operates under a Transactional Waiver.

In 2014, the States of Nevada and Delaware signed an agreement allowing for inter-state pooling of poker liquidity and for regulatory co-operation between the states. The 888 Group provides the platform on which operators from both states pool poker liquidity, in accordance with approvals given by the regulatory authorities of both states. The 888 Group has also received final approval of its internet poker platform from the Nevada Gaming Commission and approval for the operation of an inter operator poker network.

Several states are considering the introduction of an intra-state licencing regime (these include California and Pennsylvania) although it remains uncertain if and when such initiatives will gain traction. The 888 Group, the bwin.party Group and, following Completion, the Enlarged Group will remain actively engaged in dialogue with stakeholders in these jurisdictions as positive developments in these large-scale markets could present growth opportunities for the Enlarged Group.

The opponents of internet gaming continue to exert significant pressure on federal and state lawmakers to ban internet gaming or abandon legislation intended to regulate the industry. Significant efforts have been

invested in promoting legislation intended to amend the federal Wire Act and ban internet gaming throughout the US. Political changes in the US Congress following the 2014 elections could reinvigorate these efforts.

The US Congress has thus far withstood the pressure from internet gaming's opponents to undo the positive regulatory developments of recent years. The 888 Group, the bwin.party Group and, following Completion, the Enlarged Group will continue to work closely with other prominent industry players and with stakeholders at a federal and state level against such developments.

PART XIV

TAXATION

THE CONTENTS OF THIS PART XIV ("TAXATION") ARE NOT TO BE CONSTRUED AS TAX ADVICE IN RESPECT OF THE IMPACT OF THE PROPOSED ACQUISITION OR OTHERWISE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISER FOR TAX ADVICE.

1. United Kingdom Taxation

Overview

The following statements are intended only as a general guide to certain United Kingdom tax considerations and do not purport to be a complete analysis of all potential United Kingdom tax consequences of acquiring, holding or disposing of New 888 Shares in connection with the Scheme. They are based on current United Kingdom tax law and what is understood to be the current practice (which may not be binding) of HM Revenue and Customs ("**HMRC**") as at the date of this Prospectus, both of which are subject to change at any time, possibly with retrospective effect.

Except where express reference is made to the treatment of non-United Kingdom residents, the following statements relate only to persons who are resident (and, in the case of individuals, domiciled) for tax purposes only in the United Kingdom. They also relate only to persons who hold their New 888 Shares (or Scheme Shares) as an investment (other than under an individual savings account or a self-invested personal pension), and who hold less than 10% of any class of New 888 Share, and who are the absolute beneficial owner of the New 888 Shares (or Scheme Shares as the case may be) and any dividends paid on them.

The discussion does not address all possible tax consequences relating to the Scheme or an investment in the New 888 Shares. The tax position of certain categories of New 888 Shareholders or Scheme Shareholders who are subject to special rules (such as persons acquiring (or deemed to acquire) their New 888 Shares in connection with an office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company, the 888 Group or the bwin.party Group, persons holding New 888 Shares as part of hedging or conversion transactions and collective investment schemes) are not considered.

Prospective investors and Scheme Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to consult their own professional advisers.

Taxation of New 888 Shares

Taxation of dividends

The Company will not be required to withhold United Kingdom tax at source from dividend payments it makes. The amount of any liability to tax on dividends paid by the Company will depend upon the individual circumstances of a New 888 Shareholder.

Individuals

For periods up to 5 April 2016, an individual New 888 Shareholder who is resident for tax purposes in the United Kingdom and who receives a cash dividend from the Company will normally be entitled to a tax credit equal to one-ninth of the amount of the cash dividend received, which is equivalent to 10% of the aggregate amount of the dividend received and the tax credit (the gross dividend), and will be subject to income tax on the gross dividend. The gross dividend will be regarded as the top slice of the individual's income, therefore:

- An individual United Kingdom resident New 888 Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10%, so that the tax credit will satisfy the income tax liability of such a New 888 Shareholder in full.
- An individual United Kingdom resident New 888 Shareholder who is subject to income tax at the higher rate (but not the additional rate) will be liable to income tax on the gross dividend at the rate of 32.5% to the extent that such sum exceeds the threshold for higher rate income tax and falls below the threshold for additional rate income tax. After setting the 10% tax credit against part of the New 888 Shareholder's liability, a higher rate taxpayer will therefore be liable to account for tax equal to 22.5% of the gross dividend, equal to 25% of the net cash dividend to the extent that the gross dividend exceeds the threshold for higher rate income tax and below the threshold for additional rate income tax.
- An individual United Kingdom resident New 888 Shareholder liable to income tax at the additional rate will be subject to income tax on the gross dividend at the rate of 37.5% of the gross dividend to the extent that such sum falls above the threshold for additional rate income tax. After taking into account the 10% tax credit, an additional rate taxpayer will therefore be liable to account for additional income tax of 27.5% of the gross dividend, equal to approximately 30.56% of the net cash dividend, to the extent that the gross dividend exceeds the threshold for the additional rate.

It was announced at the Budget on 8 July 2015 that the United Kingdom government proposes to abolish the dividend tax credit system from 6 April 2016 and introduce a new dividend annual tax-free allowance of £5,000 a year instead. It is proposed that the new rates of tax on dividend income above the tax-free allowance will be 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

Companies

New 888 Shareholders within the charge to United Kingdom corporation tax which are "small companies" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will be subject to UK corporation tax on any dividend received from the Company.

Other New 888 Shareholders within the charge to United Kingdom corporation tax will not be subject to United Kingdom corporation tax on dividends received from the Company so long as the dividends fall within an exempt class and certain conditions are met. For example, dividends paid on shares that are "ordinary shares" and are not "redeemable" (as those terms are used in Chapter 3 of Part 9A of the Corporation Tax Act 2009), and dividends paid to a person holding less than 10% of the issued share capital of the Company should generally fall within an exempt class. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a New 888 Shareholder elects for an otherwise exempt dividend to be taxable, the New 888 Shareholder will be subject to UK corporation tax on dividends received from the Company.

No Payment of Tax Credit

Individual United Kingdom resident New 888 Shareholders who are not liable to United Kingdom income tax in respect of the gross dividends, and other United Kingdom resident tax payers who are not liable to United Kingdom tax on dividends, including United Kingdom pension funds and charities, will not be entitled to claim repayment of any tax credit attaching to dividends paid by the Company.

Non-United Kingdom Resident New 888 Shareholders

New 888 Shareholders who are resident outside the United Kingdom for tax purposes will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the United Kingdom and the country in which such New 888 Shareholder is resident. A New 888 Shareholder resident outside the United Kingdom may also be subject to taxation on dividend income under

local law. A New 888 Shareholder who is not solely resident in the United Kingdom for tax purposes should consult his own tax advisers concerning his tax liabilities (in the United Kingdom and any other country) on dividends received from the Company, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so, and whether any double taxation relief is due in any country in which they are subject to tax.

Taxation of disposals

A disposal or deemed disposal of New 888 Shares by a New 888 Shareholder who is resident in the United Kingdom for tax purposes may, depending upon the New 888 Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and indexation allowance for corporate New 888 Shareholders), give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains.

Individuals

If, after all allowable deductions, an individual New 888 Shareholder's taxable income for the year exceeds the basic rate United Kingdom income tax limit, a taxable chargeable gain accruing on a disposal or deemed disposal of New 888 Shares would be taxed at 28%. Otherwise, such a gain may be taxed at 18% where the New 888 Shareholder is subject to income tax at the basic rate or a combination of both rates. The annual exempt amount for capital gains tax purposes is £11,100 for the 2015/2016 United Kingdom tax year.

A New 888 Shareholder who is an individual and who ceases to be resident and (in the case of a cessation prior to the 2013/2014 United Kingdom tax year) ordinarily resident in the United Kingdom for tax purposes for a period of five years or less and who disposes of New 888 Shares during that period may also be liable on his return to the United Kingdom to tax on any capital gain realised from that disposal, subject to any available exemptions or reliefs.

Stamp duty and SDRT

The following statements are intended as a general guide to the current United Kingdom stamp duty and SDRT position and apply to holders of New 888 Shares whether or not resident or domiciled in the United Kingdom. Certain categories of person, including intermediaries, brokers, dealers and persons connected with depositary receipt systems and clearance services, may not be liable to stamp duty or SDRT or may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

Issue Subscription

No stamp duty or SDRT will be payable on the issue of or subscription for the New 888 Shares.

Transfers

No SDRT should arise on any agreement to transfer the New 888 Shares, provided that no register of members is kept in the United Kingdom by or on behalf of the Company.

No United Kingdom stamp duty will be payable on a transfer of the New 888 Shares, provided that (i) any instrument of transfer is not executed inside the United Kingdom, and (ii) such instrument of transfer does not relate to any property situate or any matter or thing done or to be done, in the United Kingdom.

New 888 Shares held through CREST – depositary interests

New 888 Shares held within CREST must be held in the form of depositary interests. A United Kingdom depositary interest in foreign securities will not be within the charge to SDRT. Therefore, provided that the New 888 Shares in respect of which they are issued are "foreign securities", an agreement to transfer New 888 Shares held by way of depositary interests within CREST should not be within the charge to SDRT. "Foreign securities" are shares in companies:

- incorporated outside the United Kingdom;

- whose central management and control resides outside the United Kingdom;
- whose shares are kept on a register of members outside the United Kingdom; and
- where shares of the same class in the company are also listed on a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange. The New 888 Shares will be treated as listed on the London Stock Exchange if they are included in the Official List and admitted to trading on the London Stock Exchange. Accordingly, if and for so long as the New 888 Shares are listed on the London Stock Exchange and the other conditions are satisfied, agreements to transfer the New 888 Shares held by way of depositary interests within CREST will not be chargeable to SDRT.

2. US Taxation

United States Federal Income Taxation

The following is a summary of certain US federal income tax considerations relevant to US Holders and non-US Holders (as defined below) acquiring, holding and disposing of New 888 Shares. This summary is based on the US Internal Revenue Code of 1986, final, temporary and proposed US Treasury regulations, administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect.

This summary does not discuss all aspects of US federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules, including without limitation: (a) financial institutions, (b) insurance companies, (c) dealers in stocks, securities, or currencies or notional principal contracts, (d) regulated investments, (e) real estate investment trusts, (f) tax-exempt organisations, (g) partnerships, pass-through entities, or persons that hold New 888 Shares through pass-through entities, (h) holders that own (directly, indirectly or constructively) 10% or more of the voting stock of the Company, (i) investors that hold New 888 Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for US federal income tax purposes, (j) investors that have a functional currency other than the US dollar and (k) US expatriates and former long-term residents of the United States, all of whom may be subject to tax rules that differ significantly from those summarized below. This summary does not address tax consequences applicable to holders of equity interests in a holder of the New 888 Shares, US federal estate, gift or alternative minimum tax considerations, non-US, state or local tax considerations or Medicare net investment income tax considerations. This summary only addresses investors that will acquire New 888 Shares pursuant to the Proposed Acquisition, and it assumes that investors will hold their New 888 Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a **US Holder** is a beneficial owner of New 888 Shares that is for US federal income tax purposes (a) an individual who is a citizen or resident of the United States, (b) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (c) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source or (d) a trust that is subject to US tax on its worldwide income regardless of its source. A **Non-US Holder** is a beneficial owner of New 888 Shares that is not a US Holder.

If a partnership is a beneficial owner of the New 888 Shares, the tax treatment of a partner in that partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding the New 888 Shares and partners in such partnerships are urged to consult their tax advisers as to the particular United States federal income tax consequences of an investment in the New 888 Shares.

Taxation of Distributions

Subject to the passive foreign investment company ("**PFIC**") rules discussed below, a distribution made by the Company on the New 888 Shares (including amounts withheld in respect of foreign income tax, if any) will be treated as a dividend includible in the gross income of a US Holder as ordinary income to the extent of the Company's current and accumulated earnings and profits as determined under US federal income tax principles. Such dividends will not be eligible for the dividends received deduction allowed to corporations. To the extent the amount of such distribution exceeds the Company's current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of

such US Holder's adjusted tax basis in the New 888 Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such shares. The Company does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distribution will generally be treated as a dividend.

Dividends on the New 888 Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

The US dollar value of any distribution made by the Company in foreign currency must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the US Holder, regardless of whether the foreign currency is in fact converted into US dollars. If the foreign currency so received is converted into US dollars on the date of receipt, such US Holder generally will not recognise foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into US dollars on the date of receipt, such US Holder will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Sale or other disposition

Subject to the PFIC rules discussed below, a US Holder generally will recognise gain or loss for US federal income tax purposes upon a sale or other disposition of its New 888 Shares in an amount equal to the difference between the amount realised from such sale or disposition and the US Holder's adjusted tax basis in such New 888 Shares, as determined in US dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate US Holders, such as individuals) or loss if, on the date of sale or disposition, such New 888 Shares were held by such US Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived from US sources.

A US Holder that receives foreign currency from a sale or disposition of New 888 Shares generally will realise an amount equal to the US dollar value of the foreign currency on the date of sale or disposition or, if such US Holder is a cash basis or electing accrual basis taxpayer and the New 888 Shares are treated as being traded on an established securities market for this purpose, the settlement date. If the New 888 Shares are so treated and the foreign currency received is converted into US dollars on the settlement date, a cash basis or electing accrual basis US Holder will not recognise foreign currency gain or loss on the conversion. If the foreign currency received is not converted into US dollars on the settlement date, the US Holder will have a basis in the foreign currency equal to the US dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Passive foreign investment company rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (a) at least 75% of its gross income is classified as passive income or (b) at least 50% of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

Based on the present nature of its activities, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the year ended December 31, 2014 and does not expect to become a PFIC for the current year or for any future taxable year. There can be no assurances, however, that the Company will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is classified as a PFIC in any year that a US Holder is a shareholder, the New 888 Shares of the Company held during such year generally will continue to be treated as an investment in a PFIC

for that US Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above. If the Company were a PFIC in any taxable year, materially adverse US federal income tax consequences could result for US Holders.

If a US Holder does not make a valid election as discussed below, and the Company is a PFIC for any taxable year during which an investor is a US Holder, the investor will be subject to special tax rules with respect to any excess distribution received and any gain realised from a sale or other disposition (including a pledge) of those New 888 Shares that were held during such taxable year. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the US Holder's holding period for the New 888 Shares will be treated as excess distributions. Under these special tax rules, (a) the excess distribution or gain will be allocated rateably over the US Holder's holding period for the New 888 Shares, (b) the amount allocated to the current taxable year will be treated as ordinary income, and (c) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and an interest charge (at the rate generally applicable to underpayments of tax for the period from such year to the current year) will be imposed on the resulting tax attributable to each such year.

A US Holder subject to the PFIC rules discussed above or below is required to file Internal Revenue Service ("**IRS**") Form 8621 with respect to its investment in the New 888 Shares.

Mark-to-market election

To mitigate the application of the PFIC rules discussed above, a US Holder may make an election to include gain or loss on any New 888 Shares treated as an investment in a PFIC as ordinary income or loss under a mark-to-market method, provided that the New 888 Shares are regularly traded on a qualified exchange. Application has been made for the New 888 Shares to be admitted to the London Stock Exchange, which the Company expects to be a qualified exchange. No assurance can be given that the New 888 Shares will be regularly traded for purposes of the mark-to-market election.

If a US Holder makes an effective mark-to-market election, the US Holder will include in each year as ordinary income the excess of the fair market value of its New 888 Shares at the end of the year over its adjusted tax basis in the New 888 Shares. The US Holder will be entitled to deduct as an ordinary loss each year the excess of its adjusted tax basis in the New 888 Shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A US Holder's adjusted tax basis in the New 888 Shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. In addition, gains from an actual sale or other disposition of New 888 Shares will be treated as ordinary income, and any losses will be treated as ordinary losses to the extent of any mark-to-market gains for prior years.

If a US Holder makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the New 888 Shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election.

Qualified electing fund election

To mitigate the application of the PFIC rules discussed above, a US Holder may make an election to treat the Company as a qualified electing fund ("**QEF**") for US federal income tax purposes. To make a QEF election, the Company must provide US Holders with information compiled according to US federal income tax principles.

Non-US Holders

A Non-US Holder generally should not be subject to US federal income or withholding tax on any distributions made on the New 888 Shares or gain from the sale, redemption or other disposition of the New 888 Shares unless: (a) that distribution and/or gain is effectively connected with the conduct by that Non-US Holder of a trade or business in the United States; or (b) in the case of any gain realised on the sale or exchange of a Share by an individual Non-US Holder, that Non-US Holder is present in the United States

for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

US information reporting and backup withholding tax

A US Holder may be subject to information reporting unless it establishes that payments to it are exempt from these rules. For example, payments to corporations generally are exempt from information reporting and backup withholding. Payments that are subject to information reporting may be subject to backup withholding if a US Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Non-US Holders may be required to comply with applicable certification procedures to establish that they are not US Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Holder's US federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is timely provided to the IRS.

Certain US holders may be required to report to the IRS certain information with respect to their ownership of the New 888 Shares. Shareholders who fail to report required information could be subject to substantial penalties.

3. Gibraltar Taxation

Overview

The following statements are intended only as a general guide to certain Gibraltar tax considerations and do not purport to be a complete analysis of all potential Gibraltar tax consequences of acquiring, holding or disposing of New 888 Shares. They are based on current Gibraltar tax law and what is understood to be the current practice (which may not be binding) of HM Government of Gibraltar's Income Tax Office ("**ITO**") as at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. They relate only to New 888 Shareholders who are ordinarily resident for tax purposes in Gibraltar in respect of Gibraltar tax liability (except insofar as express reference is made to the treatment of non-Gibraltar residents), who hold their New 888 Shares as an investment) and who are the absolute beneficial owner of both the New 888 Shares and any dividends paid on them. The discussion does not address all possible tax consequences relating to an investment in the New 888 Shares. The tax position of certain categories of New 888 Shareholders who are subject to special rules (such as persons acquiring (or deemed to acquire) their New 888 Shares in connection with an office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the 888 Group, persons holding New 888 Shares as part of hedging or conversion transactions, and collective investment schemes are not considered nor is the tax position of any person holding investments in any ITO-approved arrangements or schemes or New 888 Shareholders that hold the New 888 Shares in connection with a trade, profession or vocation carried on in Gibraltar (whether through a branch or agency or, in the case of a corporate New 888 Shareholder, a permanent establishment or otherwise).

Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than Gibraltar are strongly recommended to consult their own professional advisers. In particular, it is recommended that an individual ordinarily resident in Gibraltar and also resident in any one or more other jurisdictions or who is a citizen of a jurisdiction which retains taxation rights on the basis of citizenship should take advice from their professional advisers in each of those jurisdictions in respect of potential liability in those other jurisdictions.

Taxation of dividends

The Company will not be required to withhold Gibraltar tax at source from dividend payments it makes. Pursuant to Schedule 1, Table C, Class 1 (a) (iii) of the Income Tax Act 2010, dividends paid or payable by a company the shares of which are listed on a recognised stock exchange are not subject to taxation.

Taxation of disposals

There is no capital gains taxation in Gibraltar and there will therefore be no charge to taxation in Gibraltar on any disposal of New 888 Shares by a Shareholder who is at any time ordinarily resident in Gibraltar for tax purposes.

It is recommended that any such shareholder who is an individual and has relocated to Gibraltar in the relatively recent past (e.g. in the case of the UK less than five complete tax years ago) or is a citizen of a jurisdiction which retains taxation rights over its citizens wherever they reside consult their advisers in the previous jurisdiction or jurisdiction of citizenship in respect of potential liability in those jurisdictions.

Stamp duty

There is no stamp duty payable by shareholders in Gibraltar. The Company is required to pay a nominal £10 on any increase (whatever the amount) of the authorised share capital of the Company.

Subsequent transfers

There is no stamp duty payable in Gibraltar on any transfer of New 888 Shares.

4. Israel Taxation

Capital Gain on the Sale, Exchange or Disposition of New 888 Shares by Israeli Residents

Overview

Israeli law generally imposes capital gains tax on the sale of capital assets by residents of Israel, and on the disposal of such assets by non-Israeli residents if those assets either (i) are located in Israel, (ii) are shares or a right to a share in an Israeli resident company, or (iii) represent, directly or indirectly, rights to assets located in Israel; unless a specific exemption is available or unless a tax treaty between Israel and the nonresident investor's country of residence provides otherwise. The Israeli Income Tax Ordinance (New Version), 1961 (the "**Ordinance**"), distinguishes between the "**Real Capital Gain**" and the "**Inflationary Surplus**". The Inflationary Surplus is a portion of the total capital gain which is equivalent to the increase of the relevant asset's purchase price which is attributable to the increase in the Israeli consumer price index ("**CPI**") or, in certain circumstances, fluctuations in foreign currency exchange rate, between the date of purchase and the date of sale. The Real Capital Gain is the excess of the total capital gain over the Inflationary Surplus.

Israeli Resident Individuals

Generally, the tax rate applicable to Real Capital Gains derived by Israeli individuals from the sale of New 888 Shares which have been purchased on or after 1 January 2003, whether or not listed on a stock exchange, is 25%, unless the holder claims a deduction for interest and linkage fluctuation expenses in connection with the purchase and holding of such New 888 Shares, in which case the gain will generally be taxed at a rate of 30%. Additionally, if a holder is considered to be a "**Substantial Shareholder**" (i.e., generally, a person who holds, directly or indirectly, alone or together with another, 10% or more of any of the company's "means of control" (including, among other things, the right to receive profits of the company, voting rights, the right to receive the company's liquidation proceeds and the right to appoint a director)), at the time of sale or at any time during the preceding 12-month period, such gain will be taxed at the rate of 30%. Holders dealing in New 888 Shares in Israel for whom the income from the sale of New 888 Shares is considered "business income" as defined in Section 2(1) of the Ordinance are taxed at the marginal tax rates applicable to business income (up to 48%).

Israeli individuals who have taxable income that exceeds NIS 811,560 (in 2014) (linked to the CPI), will be subject to an additional tax at the rate of 2% on their taxable income for such tax year that is in excess of that threshold. For this purpose, taxable income includes taxable capital gains from the sale of New 888 Shares and taxable income from interest, discount and linkage differentials.

Upon the sale of New 888 Shares which are traded on a stock exchange, a detailed return, including a computation of the tax due, must be filed and an advance payment must be made by 31 January and 31 July

of every tax year in respect of sales of New 888 Shares made within the previous six months. However, if all tax due was withheld at source according to applicable provisions of the Ordinance and regulations promulgated thereunder, the aforementioned return need not be filed and no advance payment must be made. Capital gain is also reportable on the annual income tax return.

Israeli Resident Companies

Under present Israeli tax legislation, the tax rate applicable to Real Capital Gain derived by Israeli resident companies from the sale of New 888 Shares is the general corporate tax rate (26.5% in 2014).

An exempt public institution, provident fund or other entity that is exempt from tax under section 9(2) of the Ordinance is exempt from tax on capital gains.

Withholding Obligations

Payors of consideration for New 888 Shares which are traded on a stock exchange, including the purchaser, the Israeli stockbroker effectuating the transaction, or the financial institution through which the sold New 888 Shares are held, are required to withhold tax upon the sale of the New 888 Shares from the consideration or from the Real Capital Gain derived from such sale, as applicable, at a rate of 25% for individuals or at the corporate tax rate (currently 26.5%) for companies, subject to any of the foregoing exemptions or reduced tax rates under applicable tax treaties and/or under domestic law.

The Israel Tax Authority ("**ITA**") may request a recipient to provide documentation or evidence confirming the recipient's eligibility for reduced tax rates or an exemption from withholding tax.

Payment of Dividends to Israeli Residents

Israeli Resident Individuals

Israeli residents who are individuals are generally subject to Israeli income tax for dividends paid on New 888 Shares at 25%, or 30% if the recipient of such dividend is a Substantial Shareholder at the time of distribution or at any time during the preceding 12-month period.

Israeli Resident Companies

Israeli resident companies are taxable on worldwide dividend income. Dividend income distributed from non-Israeli source income or distributed by a non-Israeli company is generally subject to tax at a rate of 25%. Dividends distributed by an Israeli company which are subject to corporate tax in Israel and which are distributed out of Israeli source income will be exempt from tax in Israel.

An exempt public institution, provident fund or other entity that is exempt from tax under section 9(2) of the Ordinance is exempt from tax on dividend income subject to certain conditions.

Withholding Obligations

Payors of dividends, including an Israeli broker who effectuates a transaction, or a financial institution through which the New 888 Shares are held, are generally required to withhold tax on payments of dividends at a rate of 25% or 30% if the recipient of such dividend is a Substantial Shareholder for individuals and at the corporate tax rate (currently 26.5%) for companies, subject to any applicable exemptions or reduced tax rates under domestic law.

The ITA may request a recipient to provide documentation or evidence confirming the recipient's eligibility for reduced tax rates or an exemption from withholding tax.

5. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the US Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-US financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a Participating FFI by entering into an agreement with the IRS to provide the IRS with certain information in

respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a US person or should otherwise be treated as holding a "United States account" of the Company (a "**Recalcitrant Holder**"). The Company may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017.

The United States and a number of other jurisdictions have entered into or announced their intention to enter into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a ("**Reporting FI**") not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Gibraltar have entered into an agreement (the "**US-Gibraltar IGA**") based largely on the Model 1 IGA.

If the Company is classified as an FFI, the Company expects to be treated as a Reporting FI pursuant to the US-Gibraltar IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Company will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Company and financial institutions through which payments on the New 888 Shares are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such New 888 Shares is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

FATCA is particularly complex and its application to securities such as the New 888 Shares is uncertain. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Company and to payments they may receive in connection with the New 888 Shares.

6. The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the New 888 Shares (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

It is therefore not known to what extent the elements of the Commission's Proposal outlined in the preceding paragraph will be followed in relation to the taxation of the New 888 Shares or whether the tax will be introduced by the proposed date.

The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the New 888 Shares are advised to seek their own professional advice in relation to the FTT.

PART XV

CREST AND DEPOSITARY INTERESTS

1. Overview

The Company has entered into depositary arrangements to enable investors to deliver, hold, settle and pay for interests in the Ordinary Shares through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by certain non-UK companies, such as the Company, cannot be held electronically (i.e. in uncertificated form) or transferred in the CREST system. This means that the Ordinary Shares are not themselves admitted to CREST. However, Depositary Interests (as defined below) allow securities to be dematerialised and settled electronically.

Pursuant to a method utilised by Euroclear UK & Ireland Limited ("**Euroclear**") under which transactions in international securities may be settled through the CREST system and arrangements put in place by the Company, Capita IRG Trustees Limited (the "**Depositary**"), a subsidiary of the Company's Registrars, Capita Registrars (Jersey) Limited (the "**Registrars**") may hold the Ordinary Shares on trust for Shareholders and may issue dematerialised depositary interests representing entitlements to Ordinary Shares ("**Depositary Interests**") to individual Shareholders' CREST accounts representing the underlying Ordinary Shares. The Depositary Interests are independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary Interests are created pursuant to and issued on the terms of a deed poll executed by the Depositary in favour of the holders of the Depositary Interests ("**Depositary Interest Holders**") from time to time (the "**Deed Poll**"). Prospective holders of Depositary Interests should note that they will have no rights in respect of the underlying Ordinary Shares or the Depositary Interests representing them against Euroclear or its subsidiaries.

Ordinary Shares are transferred to an account of the Depositary or its nominated custodian (the "**Custodian**") and the Depositary issues Depositary Interests to participating members and provide the necessary custodial services.

In relation to those Ordinary Shares held by Shareholders in uncertificated form, although the Company's register shows the Custodian as the legal holder of the Ordinary Shares, the beneficial interest in the Ordinary Shares remains with the Depositary Interest Holder, who through the Depositary has the benefit of many of the rights attaching to the Ordinary Shares as if the Depositary Interest Holder were named on the certificated Ordinary Share register itself.

Each Depositary Interest is treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of Depositary Interests any stock or cash benefits received by it as holder of Ordinary Shares on trust for such Depositary Interest Holder. Depositary Interest Holders are also to receive notices of meetings of Shareholders and other notices issued by the Company to its Shareholders.

The Depositary Interests have the same security code (ISIN) as the underlying Ordinary Shares being GI000A0F6407 and do not require a separate listing on the Official List. The Depositary Interests can then be traded and settlement will be within the CREST system in the same way as any other CREST security.

2. Deed Poll

In summary, the Deed Poll contains, *inter alia*, provisions to the following effect which are binding on Depositary Interest Holders:

(i) The Depositary holds (itself or through its nominated Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests.

(ii) Depositary Interest Holders warrant, *inter alia*, that the Ordinary Shares transferred or issued to the Depositary or Custodian on behalf of the Depositary are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation.

(iii) The Depositary and any Custodian must pass on to Depositary Interest Holders and, so far as they are reasonably able, exercise on behalf of Depositary Interest Holders all rights and entitlements received or to which they are entitled in respect of the underlying Ordinary Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll. Under the terms of the Deed Poll, any fractional entitlements received in respect of the underlying Ordinary Shares need not be passed on to the Depositary Interest Holders but will instead be aggregated and donated to charity.

(iv) The Depositary is entitled to cancel Depositary Interests and withdraw the underlying securities in certain circumstances including where a Depositary Interest Holder has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depositary Interests.

(v) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interest Holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent. Furthermore, except in the case of personal injury or death, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

(a) the value of the Ordinary Shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and

(b) that proportion of £10 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the Depositary Interest Holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event or, if there are no such amounts, £10 million.

(vi) The Depositary is entitled to charge Depositary Interest Holders fees and expenses for the provision of its services under the Deed Poll.

(vii) Each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent if such Custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent.

(viii) The Depositary may terminate the Deed Poll by giving not less than 30 days' notice. During such notice period, holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must, as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest Holders or, at its discretion, sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such

sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests.

(ix) The Depositary or the Custodian may require from any holder information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Ordinary Shares and holders are bound to provide such information requested. Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Company's securities, the holders of Depositary Interests are to comply with such provisions and with the Company's instructions with respect thereto.

(x) It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to Shareholders including, for example, the ability to vote on a show of hands. In relation to voting, it is important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Ordinary Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such shares as a proxy of the Depositary or its nominated Custodian.

(xi) A copy of the Deed Poll is available for inspection in accordance with paragraph 23 ("*Documents available for inspection*") of Part XVII ("*Additional Information*") of this Prospectus.

3. Depositary Agreement

The terms of the depositary agreement dated 14 September 2005 between the Company and the Depositary under which the Company appoints the Depositary to constitute and issue from time to time upon the terms of the Deed Poll (as outlined above), a series of Depositary Interests representing securities issued by the Company and to provide certain other services in connection with such Depositary Interests (the "**Depositary Agreement**"), are summarised below:

(i) The Depositary agrees that it will comply, and will procure that certain other persons comply, with the terms of the Deed Poll and that it and they will perform their obligations in good faith and with all reasonable skill, diligence and care. The Depositary assumes certain specific obligations, including the obligation to arrange for the Depositary Interests to be admitted to CREST as participating securities and to provide copies of and access to the register of Depositary Interests. The Depositary warrants that it is and, to the extent necessary, any Custodian, agent or other parties appointed by it pursuant to the Deed Poll shall be an authorised person under FSMA and is duly authorised to carry out custodial and other activities under the Deed Poll. It also undertakes to maintain that status and authorisation. It will either itself or through its appointed Custodian hold the deposited property on trust (which includes the securities represented by the Depositary Interests) for the benefit of the holders of the Depositary Interests as tenants in common, subject to the terms of the Deed Poll. The Company agrees to provide such assistance, information and documentation to the Depositary as is reasonably required by the Depositary for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement. In particular, the Company is to supply the Depositary with all documents it sends to its Shareholders so that the Depositary can distribute the same to all holders of Depositary Interests. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution.

(ii) The Depositary is to indemnify the Company on an after tax basis against claims made against the Company by any holder of Depositary Interests or any person having any direct or indirect interest in any such Depositary Interests or the underlying securities which arises out of any breach of the terms of the Deed Poll or any trust declared or arising thereunder. The Company is to indemnify the Depositary on an after tax basis against claims made against the Depositary by any holder of Depositary Interests or any person having any direct or indirect interest in any such Depositary Interests or the underlying securities which arises out of the Depositary's performance of its obligations under the Depositary Agreement or the Deed Poll.

(iii) The Depositary Agreement is to remain in force for as long as the Deed Poll remains in force. Both the Company and the Depositary may terminate the Depositary Agreement on not less than 30 days' written notice in the event: of (A) a material breach by the other party that is not capable of being remedied; (B) a material remediable breach that is not remedied by the relevant party within 30 days of being required to do so by written notice; or (C) the occurrence of an event of default, and otherwise on not less than 45 days' written notice to that effect.

(iv) The Company is to pay certain fees and charges, including a set-up fee, an annual fee, a fee based on the number of Depositary Interests per year and certain CREST-related fees. The Depositary is also entitled to recover reasonable out-of-pocket fees and expenses.

4. Offshore Registrar Agreement

The terms of the offshore registrar agreement dated 14 September 2005 between the Company and the Registrars under which the Company appoints the Registrars to act as the registrars of the Jersey offshore register in respect of the issued share capital of the Company (the "**Offshore Registrar Agreement**") are summarised below:

(i) The Registrars agree to follow all reasonable instructions properly given by the Company with regard to their duties as Registrars and will provide a registration and transfer office in Jersey where it will keep the offshore registers and perform the services of a registrar with due diligence, reasonable skill and expertise. The Registrars assume certain specific obligations, including, for example, to receive and register transfers and all other documents needed to maintain the offshore registers, to prepare and issue new share certificates, and to prepare and dispatch dividend and interest warrants.

(ii) The Company agrees to give such assistance to the Registrars as may be reasonably necessary to enable the Registrars to carry out their obligations under the agreement.

(iii) The Company is to indemnify the Registrars and their agents, officers and employees from and against all liabilities that may be suffered arising out of or in connection with the performance of its duties as Registrars except such as may be due to fraud, negligence or wilful default of the Registrars or their agents, officers or employees. The aggregate liability of the Registrars or their agents, officers or employees in connection with the Offshore Registrar Agreement is limited to £500,000 and excludes liability for indirect or consequential loss or damage, loss of profit, revenue, actual or anticipated saving or goodwill.

(iv) The Company may terminate the agreement upon the expiry of not less than three months' notice to the Registrars, such notice to expire no earlier than the first anniversary of the date of the Offshore Registrar Agreement. The Registrars may terminate the Offshore Registrar Agreement upon the expiry of not less than three months' notice to the Company. Both the Company and the Registrars may, however, terminate the agreement immediately upon giving notice to the other party if:

(a) there is an insolvency-related event of default;

(b) either party commits a material breach of this agreement that is not capable of remedy;

(c) either party commits a remedial material breach that is not remedied by the relevant party within 30 days of being required to do so by written notice; or

(d) in the case of the Registrars, being in the opinion of the Directors guilty of fraud, wilful misconduct or gross negligence in the performance of its duties.

(v) The Company may also terminate the agreement immediately upon giving notice in the event of the Registrars ceasing to be permitted to act as Registrars of the Company under any applicable law.

(vi) The Company is to pay an annual inclusive fee that covers the provision of certain services and the payment of certain costs incurred by the Registrars, including a set-up charge, an annual maintenance fee, a UK Transfer Agency fee, a fee per transfer and certain CREST-related fees. The Registrars are also entitled to recover reasonable out-of-pocket expenses.

PART XVI

DIRECTORS, PROPOSED DIRECTORS AND CORPORATE GOVERNANCE

Directors

The following table lists the names, ages and positions of the Directors, as well as the dates of their initial appointment as directors of the Company:

Name	Age	Position	Date appointed
Brian Mattingley	63	Executive Chairman	30 August 2005
Aviad Kobrine	51	Chief Financial Officer	30 August 2005
Itai Frieberger	44	Chief Operating Officer	13 May 2015
Ron McMillan	63	Independent Non-executive Director	15 May 2014
Amos Pickel	48	Independent Non-executive Director	14 March 2006

The business address of the Directors is Suite 601/701 Europort, Europort Avenue, Gibraltar.

Set out below are the business experience and principal business activities performed by the Directors.

Brian Mattingley, Executive Chairman

Brian Mattingley was appointed Executive Chairman in May 2015, having previously been Chief Executive Officer since March 2012. Before that, he had served as Deputy Chairman of the 888 Group and Senior Independent Non-executive Director since March 2006. He joined the Board in August 2005. Brian was previously chief executive of Gala Regional Developments Limited until 2005. From 1997 to 2003 he was group finance and strategy director of Gala Group Plc, prior to which he was chief executive of Ritz Bingo Limited. He has also held senior executive positions with Kingfisher Plc and Dee Corporation Plc.

Aviad Kobrine, Chief Financial Officer

Aviad Kobrine has been Chief Financial Officer of the 888 Group since June 2005, and was appointed to the Board in August 2005. From October 2004, he was a consultant to 888. Previously, he was a banker with the Media Telecoms Investment Banking Group of Lehman Brothers and prior to that, he was a senior associate with Slaughter and May. He holds a Masters in Finance from the London Business School (Distinction), a BA in Economics and an LLB from Tel Aviv University.

Itai Frieberger, Chief Operating Officer

Itai Frieberger has been Chief Operating Officer of the 888 Group since April 2011, and was appointed to the Board as an Executive Director on 13 May 2015. He also serves as Managing Director of the 888 Group's Israeli subsidiary, Random Logic Ltd. He has worked for the 888 Group since 2003, and previously served as the 888 Group's Senior Vice President of Product Technologies, as well as leading various parts of the business such as marketing, product and business development. Prior to joining the 888 Group, he held several management positions at Orange, one of the world's leading telecommunications operators.

Ron McMillan, independent Non-executive Director

Ron McMillan was appointed as an independent Non-executive Director in May 2014. Ron spent the whole of his career with PricewaterhouseCoopers where he was a partner for 28 years until his retirement on 31 March 2013. In addition to acting as the engagement leader on a number of major listed companies, he was the global finance partner, northern regional chairman of the UK firm and deputy chairman and head of assurance for the Middle East firm. He is the senior independent director and chairman of the audit committee of N Brown Group Plc and SCS Plc and chairman of the audit committee of B&M European Value Retail SA.

Ron is the Chairman of 888's Audit Committee and a member of each of the Nomination Committee, Remuneration Committee and the Gaming Compliance Committee.

Amos Pickel, Independent Non-executive Director

Amos Pickel was appointed as an independent Non-executive Director in March 2006. He was previously the chief executive officer of Atlas Management Company Limited, chief executive officer and member of the board of directors of Red Sea Hotels Ltd and a non-executive director of Gresham Hotel Group Plc. He is a non-practising solicitor holding a Master's in Law from New York University and an LLB from Tel Aviv University. Amos currently serves as an executive director of Swiftstake Technologies SA.

Amos is the Chairman of each of 888's Remuneration Committee, Nomination Committee and Regulatory & Compliance Committee, and a member of each of the Audit Committee and the Gaming Compliance Committee.

Proposed Directors

The Proposed Directors will become directors of the Company with effect from Completion.

The following table lists the names, positions and ages of the Proposed Directors:

Name	Age	Current Position at bwin.party	Position at 888 from Completion
Martin Weigold	50	Chief financial officer	Non-executive Director
Liz Catchpole	50	Independent non-executive director and chair of the audit and risk committee	Independent Non-executive Director

The business address of the Proposed Directors will, with effect from Completion, be Suite 601/701 Europort, Europort Avenue, Gibraltar.

Set out below are the business experience and principal business activities performed by the Proposed Directors.

Martin Weigold, Non-executive Director

Martin Weigold was group finance director of PartyGaming plc (now bwin.party), which he joined in January 2005. Before then, he was the chief financial officer of Jetix Europe NV, formerly Fox Kids Europe NV, for five years from its listing on Euronext in 1999. Before holding this position, he was the vice president of finance of Walt Disney Television International for four years and previously was an assistant director of Guinness Mahon Development Capital for six years following a three-year period as a management consultant with Arthur Andersen. He holds a joint honours degree in economics and accounting from Bristol University and is a member of the Institute of Chartered Accountants of England and Wales.

Liz Catchpole, Independent Non-executive Director

Liz Catchpole is a chartered certified accountant with executive experience gained primarily in the insurance, business services and property sectors. She is currently an independent non-executive director and chair of the audit committee at Bournemouth Water and was, until June 2015 when the business was sold, an independent non-executive director and chair of the audit committee at The University of Law. Prior to this Liz served as the chief financial officer of Avant Homes and Chelsfield Partners, the housebuilding and property groups, and was also the chief financial officer at Williams Lea Group Limited, a global information processing business which she successfully helped to sell to Deutsche Post. Having begun her career in insurance with a subsidiary of GE Capital in 1983, where she worked for almost seventeen years, Liz held several senior financial positions in the sector before becoming the chief financial officer of Swiss Reinsurance Life and Health (UK) Limited. Liz holds an MBA from Cranfield University.

Conflicts of interest

Save as described in Note 12 to the bwin.party Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015 in respect of a director (being Martin Weigold) being a director and shareholder of a company that provides investment advisory services to a fund for which InterTrader Limited (a subsidiary of bwin.party) is the broker, there are no actual or potential conflicts of interest between any duties owed by the Directors or the Proposed Directors to the Company and their private interests or other duties he or she may also have.

No Director was selected to be, or in the case of the Proposed Directors, will be selected to be, a director of the Company pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with the 888 Group.

There are no family relationships between any of the Directors and/or the Proposed Directors.

Corporate governance

The Company is governed in accordance with its memorandum of association (the "**Memorandum**") and articles of association (the "**Articles of Association**") and the provisions of the Gibraltar Companies Act.

The Board is committed to the principles of corporate governance in the UK Corporate Governance Code which it considers to be central to the effective management of the business and to maintaining the confidence of investors.

UK Corporate Governance Code

As of the date of this Prospectus, the 888 Group complies with, and on and following Admission, the Enlarged Group will continue to comply with, all of the requirements of the UK Corporate Governance Code other than as regards the following:

- The Company does not have a Chief Executive Officer. Brian Mattingley stepped down as Chief Executive Officer in May 2015 and is currently the Executive Chairman.
- The Company does not have a Senior Independent Director serving on the Board of Directors. The functions of a Senior Independent Director are currently being fulfilled by the Executive Chairman and Non-executive Directors.
- Board evaluations have been conducted internally over the past three years by facilitation of the Executive Chairman in co-ordination with the Company's legal adviser, Herzog Fox & Neeman, who may not be considered an external facilitator. The Company intends to engage an external facilitator for future Board evaluations.
- The Company does not currently have a sufficient number of independent Non-executive Directors acting as members of the Remuneration Committee or the Audit Committee. The Company intends to appoint two additional independent Non-executive Directors at the beginning of 2016.

The Company will continue to report to its Shareholders on its compliance with the UK Corporate Governance Code in accordance with the Listing Rules.

The UK Corporate Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chairman, should comprise non-executive directors determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, a director's judgement. As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) the Board consists of two Non-executive Directors and three Executive Directors (including the Executive Chairman). From Completion, the Board will consist of four Non-executive Directors and three Executive Directors (including the Executive Chairman).

The Company regards all of the Non-executive Directors as "independent non-executive directors" within the meaning of the UK Corporate Governance Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The UK Corporate Governance Code recommends that the board of directors of a company with a premium listing on the Official List should appoint one of the non-executive directors to be the senior independent director to provide a sounding board for the chairman and to serve as an intermediary for the other directors when necessary. The senior independent director should be available to shareholders if they have concerns which contact through the normal channels of the chief executive officer has failed to resolve or for which such contact is inappropriate. As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), there is neither a Senior Independent Director nor a Chief Executive Officer on the Board. The Board is currently in the process of recruiting suitable and experienced independent Non-executive Directors, who will also be appointed to the Committees as appropriate.

Board Committees

As envisaged by the UK Corporate Governance Code, the Board has established the following committees to oversee and monitor certain important areas in more detail than the Board:

i. Audit Committee;

ii. Nomination Committee;

iii. Remuneration Committee,

iv. Regulatory & Compliance Committee; and

v. Gaming Compliance Committee,

(together, the "**Committees**").

The Committees operate within defined terms of reference which set out the specific roles and responsibilities of each Committee. The Committees are authorised to engage the services of external advisers as they deem necessary in the furtherance of their duties at the Company's expense. Details of the membership and activities for each Committee are provided in each committee section below.

Audit Committee

The UK Corporate Governance Code recommends that the Audit Committee should have at least three independent non-executive directors.

As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the Audit Committee comprises two independent Non-executive Directors: Ron McMillan (Chair) and Amos Pickel (Member). With effect from Completion, Liz Catchpole will also be appointed to the Audit Committee. Two members constitute a quorum. The Audit Committee requires the inclusion of at least one financially qualified member with recent and relevant financial experience. The Audit Committee's Chairman fulfils that requirement as will Liz Catchpole with effect from Completion. All members of the Audit Committee are expected to have an understanding of financial reporting, the Company's internal control environment, relevant corporate legislation, the functions of internal and external audit and the regulatory framework of the business.

In addition to scheduled meetings, the Chairman of the Audit Committee meets with the Chief Financial Officer and the internal and external auditors.

The committee is responsible for:

i. monitoring the integrity of the 888 Group's financial statements and reviewing significant financial judgements and estimates in advance of these being considered by the Board;

ii. in conjunction with internal and external audit, reviewing internal financial controls and management's response to required corrective action;

iii. monitoring and reviewing the role and effectiveness of the internal audit function, including activities and resources; and

iv. overseeing the role and effectiveness of the external auditor, reviewing and monitoring their objectivity and independence and agreeing the scope of work and fees for audit and non-audit services.

Nomination Committee

The UK Corporate Governance Code recommends that a majority of the members of the Nomination Committee should be independent non-executive directors. As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the Nomination Committee comprises two independent Non-executive Directors: Amos Pickel (Chair) and Ron McMillan (Member).

The Nomination Committee assists the Board in discharging its responsibilities relating to the composition of the Board. The Nomination Committee is responsible for reviewing, from time to time, the structure of the Board, determining succession plans for the Executive Chairman and Chief Executive Officer, and identifying and recommending suitable candidates for appointment as Directors. The Nomination Committee is also responsible for implementing the Board's policy on diversity within the scope of its mandate, including setting measurable objectives and monitoring progress on achieving such objectives. The Board is currently in the process of recruiting suitable and experienced independent Non-executive Directors, one or more of whom will be appointed to the Nomination Committee in due course.

Remuneration Committee

The UK Corporate Governance Code recommends that the Remuneration Committee should have at least three independent non-executive directors. As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the Remuneration Committee consists solely of independent Non-executive Directors: Amos Pickel (Chair) and Ron McMillan (Member). With effect from Completion, Liz Catchpole will also be appointed to the Remuneration Committee.

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, determining the individual remuneration and benefits of each of the Executive Directors and recommending and monitoring the remuneration of senior management below Board level. The remuneration report and remuneration policy (the "**Remuneration Policy**") generated by the Remuneration Committee is put to an advisory vote of Shareholders annually at the Company's annual general meeting.

The Remuneration Committee's remit includes such matters as:

i. determining and agreeing with the Board the Remuneration Policy with regard to the Chairman, Chief Executive Officer, Chief Financial Officer and other members of the executive management;

ii. regularly reviewing the ongoing appropriateness and relevance of the 888 Group's Remuneration Policy;

iii. setting and monitoring performance criteria for bonus arrangements operated by the 888 Group ensuring that they represent achievable and motivating rewards for appropriate levels of performance and, where appropriate, are justifiable taking into account overall performance and the corresponding return on Shareholders' investment in the same period;

iv. recommending to the Board the policy for and scope of pension arrangements for the Directors; and

v. in relation to the Company's share option and share award schemes, setting or recommending vesting criteria which are appropriate in terms of the Company's performance and return on Shareholders' investment over the same period.

Regulatory & Compliance Committee

Although not specifically recommended by the UK Corporate Governance Code, the Board has established a Regulatory and Compliance Committee to assist the 888 Group to conduct its operations in accordance with the highest ethical standards. In particular, the Regulatory & Compliance Committee assists the Board

in relation to compliance with all current and prospective applicable regulatory and legal requirements, as well as the development and implementation of the 888 Group's internal codes and policies.

As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the Regulatory & Compliance Committee comprises one independent Non-executive Director: Amos Pickel (Chair). The Board is currently in the process of recruiting suitable and experienced independent Non-executive Directors, one or more of whom will be appointed to the Regulatory & Compliance Committee in due course.

Gaming Compliance Committee

In accordance with Nevada Gaming Control Board requirements, the Board has appointed a Gaming Compliance Committee. As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the Gaming Compliance Committee comprises three members: Michael Alonso (an external consultant to the Company), Ron McMillan and Amos Pickel.

The Gaming Compliance Committee is entrusted with making sure that the 888 Group's licensed gaming activity is carried out with honesty and integrity, in accordance with high moral, legal and ethical standards, and free from criminal and corruptive elements. As such, the Gaming Compliance Committee is responsible and has the power to identify and evaluate situations arising in the course of the 888 Group's and its affiliates' business that may adversely affect the objectives of gaming control.

The Gaming Compliance Committee is not intended to displace the Board or the 888 Group's executive officers with decision-making authority but is intended to serve as an advisory body to better ensure that the 888 Group's goals of avoiding unsuitable situations and in entering into relationships exclusively with suitable persons. The Gaming Compliance Committee's work is being done independently and impartially. To this end, its members are appointed by and report directly to the Board.

Model Code

The Company has established and complies with (and, following Admission, it intends that the Enlarged Group will continue to comply with) a code of securities dealing equivalent to the Model Code incorporated into the Listing Rules. The Model Code applies to the Directors, the Directors' connected persons and relevant employees of the 888 Group (and will also, following their appointment to the Board, therefore apply to the Proposed Directors, the Proposed Directors' connected persons and relevant employees of the Enlarged Group).

City Code and statutory squeeze out provisions under the Gibraltar Companies Act

As the Company is registered in Gibraltar, the City Code will not apply to the Company and a takeover offer for the Company will not be regulated by the Panel. The Company has incorporated certain takeover protections in the Articles of Association, summarised in paragraph 5 ("*Summary of the Company's Memorandum and Articles of Association*") of Part XVII ("*Additional Information*") although these do not provide the full protections afforded by the City Code. The EU Takeover Bids Directive 2004/25/EC has been transposed into Gibraltar law pursuant to the Financial Services (Takeover Bids) Act 2006, however it has no practical impact in Gibraltar given that there is no stock exchange operating in Gibraltar and no competent authority for this purpose.

Gibraltar law contains statutory squeeze out provisions in section 352A of the Gibraltar Companies Act which allows for the acquisition of the shares of the dissenting shareholders in any arrangement or contract for sale of shares where 90% of the shareholders are in favour.

PART XVII

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Company, the Directors and the Proposed Directors, whose names and principal functions are set out in Part XVI ("*Directors, Proposed Directors and Corporate Governance*"), accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation

2.1 The Company was incorporated in the British Virgin Islands on 12 March 1997 as Virtual Holdings Limited under the International Business Companies Act (Cap.291) 1984, as an international business company with registered number 222087. On 12 January 2000, the Company was continued in Antigua and Barbuda as a corporation under the International Business Corporations Act 1982 with registered number 12512. On 17 December 2003, the Company was redomiciled in Gibraltar under the Companies (Redomiciliation) Regulations as a limited company with registered number 90099. On 16 February 2005, the Company re-registered as a public limited company with the name Virtual Holdings Public Limited Company. On 18 February 2005, the name of the Company was changed to 888 Holdings Public Limited Company.

2.2 The Company is currently domiciled in Gibraltar and has its registered office and principal place of business at Suite 601/701 Europort, Europort Avenue, Gibraltar. The telephone number is +350 2004 9800.

2.3 The principal legislation under which the Company operates, under which the Ordinary Shares were created, and under which the New 888 Shares will be created, is the Gibraltar Companies Act 2014.

2.4 EY Limited, Gibraltar, which is approved as registered auditors under the Gibraltar Financial Services (Auditors) Act 2009 is the statutory auditor of the Company. The statutory financial statements of the Company for the year ended 31 December 2014 were jointly audited by EY Limited, Gibraltar, and Ernst and Young LLP, United Kingdom.

2.5 The statutory financial statements of the Company for the years ended 31 December 2013 and 31 December 2012 have been jointly audited by BDO Limited, which is approved as registered auditors under the Gibraltar Financial Services (Auditors) Act 2009, and BDO LLP, which is authorised and regulated by the Institute of Chartered Accountants of England and Wales.

3. Share capital

3.1 The issued and fully paid share capital of the Company as at 26 August 2015 (being the latest practicable date prior to date of the publication of this Prospectus) is 356,785,169 ordinary shares of 0.5 pence ("**Ordinary Shares**") each totalling £1,783,926 in nominal value. Immediately following Admission, the issued and fully paid share capital of the Company will be £3,491,716.

3.2 The Company's share capital history over the three financial years ended 31 December 2014, 2013 and 2012, the six months ended 30 June 2015 and during the period up to 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) is as follows:

(a) in the year ended 31 December 2012, the Company issued and allotted 2,000,888 Ordinary Shares pursuant to the 888 All-Employee Share Plan;

(b) in the year ended 31 December 2013, the Company issued and allotted 2,288,919 Ordinary Shares pursuant to the 888 All-Employee Share Plan;

(c) in the year ended 31 December 2014, the Company issued and allotted 2,459,333 Ordinary Shares pursuant to the 888 All-Employee Share Plan;

(d) in the six months ended 30 June 2015, the Company issued and allotted 2,337,158 Ordinary Shares pursuant to the 888 All Employee Share Plan; and

(e) from 1 July 2015 until 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the Company issued and allotted 11,403 Ordinary Shares pursuant to the 888 All-Employee Share Plan.

3.3 Up to 341,557,940 New 888 Shares will be issued to bwin.party Shareholders upon the Scheme becoming Effective. The New 888 Shares will be issued and allotted on Admission.

3.4 Save as disclosed in this Prospectus:

(a) no share or loan capital of the Company or any of its subsidiaries has within the period covered by the historical financial information set out in this Prospectus (other than intra-group issues by wholly owned subsidiaries or pursuant to the Proposed Acquisition) been issued or been agreed to be issued fully or partly paid, either for cash or for a consideration other than cash and no such issue is now proposed;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries within the period covered by the historical financial information set out in this Prospectus in connection with the issue or sale of any share or loan capital of any such company;

(c) no share or loan capital of the Company or any of its subsidiaries is under option or agreed, conditionally or unconditionally, to be put under option; and

(d) no convertible securities, exchangeable securities or securities with warrants have been issued or agreed to be issued by the Company.

3.5 The rights attaching to the Ordinary Shares are summarised in paragraph 5 ("*Summary of the Company's Memorandum and Articles of Association*") of this Part XVII ("*Additional Information*") below.

3.6 The Ordinary Shares are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of shares in any class of shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where shares are held in certificated form, share certificates will be sent to the registered members by first class post.

3.7 When admitted to trading, the New 888 Shares will be registered with the ISIN GI000A0F6407 and SEDOL number B0L4LM9.

4. 888 Reorganisation

In connection with the New Credit Agreement, the Company is in the process of transferring a number of its subsidiaries to a newly formed wholly owned Gibraltar subsidiary named VHL Financing Limited. Insofar as such transfers require prior approval by gaming regulatory authorities, the transfer of the relevant subsidiaries will be carried out only upon receipt of such approval. Insofar as such transfers require notification to or disclosure filings with gaming regulatory authorities, such notifications or disclosure filings will be provided to the relevant authorities following transfer of the relevant subsidiaries. The 888 Reorganisation will be completed prior to the Effective Date.

5. Summary of the Company's Memorandum and Articles of Association

5.1 *Memorandum of Association*

The Memorandum provides that the Company's objects include, among other things, to carry on the business of a holding company and to carry on any trade or business which can, in the opinion of the Board, be advantageously carried on in connection with or ancillary to any of the Company's business and to do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them. The objects of the Company are set out in full in clause 3 of the Memorandum, which is available for inspection in accordance with paragraph 23 ("*Documents available for inspection*") of Part XVII ("*Additional Information*") of this Prospectus.

5.2 *Articles of Association*

The Articles of Association were adopted pursuant to a special resolution of the Company passed on 14 September 2005 and amended pursuant to special resolutions of the Company passed on 24 May 2011 and 14 May 2014, respectively. The following is a summary of the rights of the holders of Ordinary Shares and of certain significant provisions of the Articles of Association and relevant laws and regulations of various regulatory bodies:

Directors

The number of Directors shall not be less than two. Where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for appointment or re-appointment who at the date for which the meeting is convened will have attained the age of 70 or more, the Board shall give notice of his age in years in the notice convening the meeting. However, the age of a Director may not disqualify him from being appointed or re-appointed a Director, and no Director shall be required to vacate that office, by reason only of his age nor shall it be necessary by reason of his age to give special notice of any resolution.

Powers of the Board and Election of Directors

The Board manages the business and affairs of the Company. However, the shareholders must approve certain matters, such as changes to the share capital and the election of Directors. Directors are appointed subject to the Articles of Association. At every annual general meeting, all the Directors will be subject to re-election as provided in the UK Corporate Governance Code.

Under Gibraltar law, shareholders of a public company may, by ordinary resolution, appoint a person who is willing to be a director either to fill a vacancy or, subject to any limit provided in the Articles of Association, as an additional director. Shareholders may also remove any director before the end of his or her term of office by ordinary resolution and may appoint another person in his or her place. In addition, under the Articles of Association, the Board also has the power to appoint a director to fill a vacancy on the Board or to serve as an additional director, provided that a director so elected may only serve until the next following AGM of the company, at which time the director may be elected by shareholders.

Directors' Interests

Section 227 of the Gibraltar Companies Act provides that a director who is directly or indirectly interested in a contract or proposed contract or arrangement or proposed arrangement connected to the Company or any of its subsidiaries must declare the nature of his interest at a meeting of the Board. In the case of a proposed contract or proposed arrangement, the declaration must be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or, if the director was not at the date of the meeting interested in the proposed contract or arrangement, at the next meeting of the Board held after he became so interested. In a case where the director becomes interested in a contract after it is entered into or an arrangement after it is made, the declaration must be made at the first meeting of the Board held after the director becomes so interested.

If the contract was entered into or the arrangement made or the proposed contract or arrangement was considered before the director was appointed or elected, the declaration must be made at the first meeting of the Board following the appointment or election of the director or, if the director was not then aware of the existence of the contract or arrangement or proposed contract or arrangement, at the next meeting following the director becoming so aware.

A director may hold any other office (other than that of auditor) in any other company in which he is in any way interested in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Board may determine, and no person is disqualified from appointment or election as a director by reason of his holding any office (other than that of auditor).

No director or director candidate is disqualified by his or her office from contracting either with regard to his or her tenure of any such office, nor is any such contract to be avoided, nor is any director so contracting or being so interested to be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship established by his directorship.

Directors' Remuneration

A director is not required to hold any shares by way of qualification. The Non-executive Directors as a body are remunerated for their services in accordance with the Remuneration Policy, which provides that the amount of the remuneration paid is to be determined by the Board in consideration of the specific director's time commitment and responsibility, and the prevailing fee rates in the FTSE 250 upper quartile. The remuneration payable accrues from day to day. A director is entitled to be repaid all reasonable travelling, hotel and other expenses incurred by such director in or about the performance of his or her duties as director, including any expenses incurred in attending meetings of the Board or of Committees of the Board or general meetings, whether incurred in the UK or in any overseas country.

The remuneration of the Executive Chairman and Executive Directors is recommended to the Board by the Remuneration Committee. The remuneration of the Non-executive Directors is determined by the Board in accordance with the Remuneration Policy outlined above.

Proceedings of the Board and Committees

The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit and decide the quorum necessary for the transaction of business, save that no board or committee meetings shall be held in the United Kingdom. Unless and until otherwise decided, the quorum is two directors and shall include a majority of directors who are not resident in the United Kingdom or tax purposes. No business may be transacted without the requisite quorum. Questions arising at any meeting are decided by a majority of votes. In case of an equality of votes, the chairman of the meeting has a second or casting vote.

A director may and, upon request of a director, the secretary shall summon a Board meeting at any time, by notice given to all of the directors. Notice of a meeting of the Board is deemed to be duly given to a director if it is given to him personally, by word of mouth, by electronic communication to an address given by him for that purpose or sent in writing to him at his last-known address or another address given by him for that purpose. A director absent from Gibraltar is entitled to receive notice of any meeting of the Board and account must be taken of such absent directors when considering the adequacy of the period of notice of the meeting.

Liabilities of Directors and Officers

Gibraltar law does not permit a company to exempt any director or other officer of the company, or any person employed by the company as auditor, from any liability that by virtue of any rule of law would otherwise attach to him or her in respect of any negligence, default, breach of duty or breach of trust of which he or she may be guilty in relation to the company. Gibraltar law enables companies to purchase and maintain insurance for directors, officers and auditors against any such liability. The

Company maintains such insurance for its directors and executive officers. The Articles of Association provide that the directors and officers, among others, are entitled to indemnification by the Company against all costs, charges, losses, expenses and liabilities incurred by such person in connection with the discharge of his or her duties or the exercise of his or her powers.

Debt Limitations

The Articles of Association grant the Board authority to exercise the Company's power to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as security for any debt, liability or obligation of the Company's or of any third party.

Uncertificated Shares

The Directors have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title and transfer of uncertificated shares, and no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

Depositary Interests

The Directors have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in shares in the capital of the Company in the form of depositary interests or similar interests, instruments or securities.

Special Share Rights

Subject to any special rights previously conferred on the holders of any shares or class of shares, the Company may issue any share with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise.

If at any time the capital of the Company is divided into different classes of shares, any reduction of the capital paid up on that class of share, otherwise than by a purchase or redemption of its own shares by the Company, and the conferring on any other shares of rights to either dividend or return of capital ranking before that class are generally deemed a variation of the rights attached to that class of shares.

Subject to legislation and unless otherwise expressly provided by the terms on which shares of that class are held, any of the rights attached to any class of shares may be varied or abrogated with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. The provisions of the Articles of Association as to general meetings of the Company apply, with any necessary modifications, to a variation of class rights meeting, except that the necessary quorum is two persons present holding at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

Allotment of Securities

The Board may not allot equity securities for cash unless authorised by a resolution of the members of the Company. Such authorisation may be given for a particular exercise of the power or for exercise generally and may be unconditional or subject to conditions.

Pre-emptive Rights

Under Gibraltar law, the issue for cash of equity securities or rights to subscribe for or convert into equity securities must be offered in the first instance to the existing equity shareholders in proportion to the respective nominal values of their holdings in the class of equity securities being offered, unless

a special resolution has been passed in a general meeting of shareholders dis-applying (whether generally or specifically) this requirement. As is the custom of many companies listed on the Official List, the Company generally obtains authority annually from its shareholders to allot up to a specified amount of equity share capital for cash, instead of allotting *pro rata* to its existing shareholders.

Calls on Shares

The Board may from time to time make calls on the shareholders in respect of any monies unpaid on their shares or on any class of their shares, whether on account of the nominal value of the shares or by way of premium, and not by the conditions of allotment thereof made payable at fixed times. Each shareholder will be required, subject to the shareholder having been given at least fourteen clear days' notice specifying the time or times and place of payment, to pay at the time and place so specified the amount called on such shareholder's shares. A call may be made payable by instalments, may be revoked by the Board before receipt of any sum due or postponed as the Board may decide and be deemed to have been made at the time when the resolution of the Board authorising the call was passed. A person upon whom a call is made remains liable for calls made upon him or her notwithstanding the subsequent transfer of the shares.

Forfeiture of Shares

If the whole or any part of any call or instalment of a call in regard to a share is not paid on forfeiture notice or before the day appointed for payment, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on the shareholder in whose name the share is registered requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued by reason of such non-payment.

Lien on Shares

The Company have a first and paramount lien and charge on every share that has not been fully paid for all monies, whether presently payable or not, called or payable at a fixed time in respect of that share.

Transfer of Shares

Subject to such restrictions in the Articles of Association as may apply, any shareholder may transfer all or any of his or her certificated shares by written instrument, in any usual form or in any other form which the Board may approve, executed by or on behalf of the transferor and, in the case of a transfer of a share not fully paid, by or on behalf of the transferee.

A shareholder may be required to dispose of any or all of his or her shares at any time by the Company within 14 days of receipt of a disposal notice if the Company determines, in its absolute discretion, that a gaming regulatory authority has indicated that such shareholder is unsuitable or not licensed to be a person interested in shares of the Company under relevant legislation or that such an authority has refused, revoked or opposed, or indicated that it will or is likely to refuse, revoke or oppose, the grant or renewal of any necessary licence or approval sought or held by the Company (a "**Shareholder Regulatory Event**"). If a disposal notice is not complied with to the satisfaction of the Company within the specified period, the Company will be entitled to dispose of the shares to which the disposal notice relates at the highest price reasonably obtainable. The net proceeds of any disposal will be received by the Company and shall be paid to the former registered holder of the disposed shares upon surrender of all relevant share certificates and other documents of title relating to the disposed shares. The transferee shall not be bound to see the application of such proceeds and the validity of the transfer shall not be questioned once the name of the transferee has been entered in the register in respect of the disposed shares.

Transmission of Shares

In case of the death of a shareholder, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where such person was a sole or only surviving

holder, will be the only persons recognised by the Company as having any title to such shares, but nothing in the Articles of Association shall release the estate of the deceased shareholder from any liability, whether sole or joint, in respect of any share which has been solely or jointly held by the deceased shareholder.

Any person becoming entitled to a share as a result of the death or bankruptcy of a shareholder may, upon production of sufficient evidence of his or her right, either elect to be registered as a shareholder or to nominate some person as a registered shareholder in respect of the share.

Shareholders Resident Abroad

If a shareholder has not provided the Company with an address in the United Kingdom or Gibraltar or an address to which a notice may be sent using electronic communications, the Company is not required to send notices to such shareholder directly. Any notice of a general meeting which is in fact sent or purports to be sent to such shareholders shall be ignored for the purpose of determining the validity of the proceedings at such general meeting. Alternatively, so long as a shareholder has so agreed, the Company may give notice of a general meeting by posting on its website, provided the Company has notified the shareholder of the posting in a manner agreed with the Company. There are no limitations on non-resident or foreign shareholders' rights to own 888 securities or exercise voting rights where such rights are given under Gibraltar company law.

Equity Share Capital – Rights of Purchase and Redemption

Under Gibraltar law, a company may issue redeemable shares if authorised by its articles of association and subject to the conditions stated therein. The Articles of Association authorise the issue of redeemable shares. A Gibraltar company may purchase its own shares, including any redeemable shares, if so authorised by its articles of association and provided that the purchase must be previously approved by a general or specific ordinary resolution of its shareholders in the case of an on-market purchase (although the Investment Association prefers a special resolution), or a special resolution in the case of an off-market purchase. The shares may be redeemed or repurchased only if fully paid and, in the case of public companies such as the Company, only out of distributable profits or the proceeds of a new issue of shares issued for the purpose of the purchase or redemption.

As with many other companies listed on the Official List, the Company regularly seeks authority at annual general meetings to approve on-market purchases of its ordinary shares subject to specified limitations. When a company purchases its own shares wholly out of profits, an amount equal to the nominal amount of the shares purchased and subsequently cancelled must be transferred to the capital redemption reserve, which is generally treated as paid-up share capital. In addition, any amount payable by the company on purchase of its shares in excess of the par value may be paid out of the proceeds of a new issue of shares up to an amount equal to whichever is the lesser of (i) the aggregate of the original premiums received by the company on the issue of those shares or (ii) the amount of the company's share premium account as at the time of the repurchase, including any sum transferred to that account in respect of premiums on the new issue. The UK Listing Authority usually requires that on-market purchases of 15% or more of a company's equity share capital pursuant to a general shareholder authority must be made through either a tender or partial offer to all shareholders (or to all shareholders of the relevant class), and in the case of a tender offer, at a stated maximum or fixed price. Purchases pursuant to a general shareholder authority below the 15% threshold may be made through the market in the ordinary way, provided that the price is not more than 5% above the average of the market value of the company's shares for the five business days before the purchase date.

Winding Up

In the event of a winding up, all ordinary shares shall rank *pari passu*. The Company is subject to the general insolvency law applicable to Gibraltar companies.

Dividends and Reserves

Dividends are based on the Company's profits and are paid out to shareholders for each share they hold, and do not generally have any restrictions. Dividends are usually paid as cash to both UK and overseas shareholders. Dividends can be paid by cheque or as a direct bank transfer.

Dividends on ordinary shares are generally paid twice a year following the announcement of the Company's full year and half-year results. A final dividend is normally paid in May and an interim dividend in November on ordinary shares. Lost dividend cheques can be re-issued. A shareholder may obtain a replacement cheque from the Company registrar. The Company may declare dividends but no dividend may exceed the amount recommended by the Board. The Board may pay to the shareholders such interim dividends as appear to the Board to be justified by the Company's profits and, provided that the Board acts in good faith, it shall not incur any responsibility to the holders of any shares conferring a preference which may at any time be issued for any damage they may suffer by reason of the lawful payment of an interim dividend on any shares ranking after such preference shares. No dividend payable in respect of a share shall bear interest against the Company. Any dividend unclaimed after a period of 12 years from the date fixed for payment will be forfeited and revert to the Company.

All dividends unclaimed may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company is not a trustee in respect of this. The Articles of Association do not contain any sinking fund provisions.

The Company may, in its absolute discretion, suspend a shareholder's right to receive any dividends payable where a Shareholder Regulatory Event has occurred in respect of that shareholder.

General Meetings

All general meetings of the Company other than the annual general meetings are called extraordinary meetings. The Company holds annual general meetings in accordance with the requirements of the Gibraltar Companies Act. Gibraltar company law provides for shareholders to exercise their power to decide on corporate matters at general meetings. The quorum required for a general meeting is three shareholders present in person or by proxy and entitled to vote on the business to be transacted.

Convening and Notice of Meetings

The Board may convene a general meeting as the Company's annual general meeting. The Board may convene a general meeting whenever it thinks fit. The time and place of any annual general meeting or other general meeting called by the Board shall be decided by the Board.

The Board will convene a general meeting upon receiving requests to do so from shareholders representing at least 5% of such of the paid-up capital of the Company as carries the right of voting at general meetings (excluding any paid-up capital held as treasury shares). A request to call a general meeting must state the general nature of the business to be dealt with at the proposed meeting. A request may include the text of a resolution, which may be properly moved at the proposed meeting. A request must be in hard copy or electronic form and must be authenticated by the person or persons making it.

The Board will call any annual general meeting by at least 21 days' notice in accordance with the Articles of Association. Any other general meeting will be called by at least 14 days' notice also in accordance with the Articles of Association. The notice period calculation under the Articles of Association excludes the day of the relevant meeting and the day on which the notice of meeting is given. Notice of every general meeting will be given in any manner authorised by the Articles of Association to every shareholder holding shares conferring the right to attend and vote at the meeting who, at the time of the convening of the meeting, has paid all calls or other sums presently payable by such shareholder in respect of all shares held by such shareholder, the auditor and the directors.

Constitution of Meetings

No business is transacted at a general meeting unless the requisite quorum is present at the commencement of the business. The quorum for all purposes of a general meeting is three persons present and entitled to vote upon the business to be transacted, each being a shareholder, a person authorised to act as a representative (in relation to the meeting) of a corporation that is a shareholder or a person appointed as a proxy of a shareholder in relation to the meeting, except that three persons only acting as representatives of a single corporation that is a shareholder or three persons only appointed as proxies of a single shareholder does not constitute a requisite quorum.

Voting

Under Gibraltar law, the voting rights of shareholders are governed by the Articles of Association, and are subject to the statutory rights of shareholders, including the right to demand a poll. Voting at any meeting of shareholders is by a show of hands unless a poll is demanded. On a show of hands, each shareholder present in person or by a corporate representative or proxy has one vote. On a poll, each shareholder who is present in person or by a corporate representative or by proxy has one vote for every ordinary share held. Subject to any special rights or restrictions attached to any class of shares and to the provisions of the Articles of Association, on a show of hands every shareholder present in person or by proxy will have one vote and on a poll every shareholder present in person or by proxy will have one vote for each 0.5 pence in nominal amount of share capital held by such shareholder. A person entitled to more than one vote on a poll need not use all his or her votes or cast all his or her votes in the same way. Only the holders of ordinary shares on which all sums payable have been paid are entitled to attend meetings and vote. If more than one joint holder votes, only the vote of the shareholder whose name appears first in the register is counted. Any shareholder who is entitled to attend and vote at a meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf.

The Company may, in its absolute discretion, suspend a shareholder's right to vote either personally or by proxy at a general meeting where a Shareholder Regulatory Event has occurred in respect of that shareholder.

Shareholder Proposals

Under Gibraltar law, shareholders in a listed entity (such as the Company) may requisition a resolution to be voted on at a general meeting if the requisition is made by a holder or the holders of shares that represent not less than 5% of the total voting rights of all shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates.

The requisition must be deposited at the company's registered office not less than 30 days before the general meeting to which it relates unless the general meeting is called after the requisition is deposited. At any general meeting, the appointment of two or more persons as directors of a public company (such as the Company) by a single resolution (and not by a separate resolution for each proposed director) may not be proposed unless a resolution approving its proposal is passed by the general meeting with no dissenting votes.

Proxies

A shareholder may appoint more than one proxy in relation to a general meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A form of proxy is, unless otherwise stated, valid for any adjournment of the meeting to which it relates. When two or more valid but differing forms of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received regardless of its date or the date of its execution) is be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which form of proxy was last validly delivered or received, none of them is treated as valid.

Accounts

The Board decides whether and to what extent the accounts and books or any of them are to be open to the inspection of shareholders who are not directors. No shareholder who is not a director or an officer has any right of inspecting any account or book or document except as conferred by statute or authorised by the Board or by the Company in a general meeting or by an order of a court in a competent jurisdiction.

A copy of the Company's annual accounts and reports is, not less than 21 clear days before the date of the meeting, sent or supplied to every shareholder and to every holder of debentures or debenture or loan stock and every person entitled to receive notice of general meeting. The required number of printed copies of every such document is at the same time sent to the London Stock Exchange and to any other stock exchange which has granted a quotation for, or a listing of, any of the shares, as required by their regulations.

Notices

A notice, document or other information may be given to any shareholder either personally or by sending it in hard copy form by post to the shareholder at his or her registered address or, if the shareholder has no registered address within the UK or Gibraltar to the address (if any) in the UK or Gibraltar supplied by the shareholder for the giving of notices to such shareholder or by advertisement or by giving notice in electronic form to an address supplied to the Company by the shareholder for that purpose or by any other means authorised in writing by the shareholder concerned.

Change of Control

There is no specific provision in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company or any of its subsidiaries.

However, Gibraltar law provides for schemes of arrangement. These are arrangements or compromises between a company and its shareholders, creditors, any class of its shareholders, or any class of its creditors, and are used for certain types of reconstructions, amalgamations, capital reorganisations or takeovers. They require sanction of the court and the approval at a meeting of the company convened by an order of the court of a majority of the shareholders or creditors or class of shareholders or creditors representing not less than 75% in value of the capital or debt held by the shareholders or creditors or class present and voting, either in person or by proxy. Once the scheme becomes effective, all shareholders or creditors (or, if it applies to a class, the shareholders or creditors of the relevant class) are bound by the terms of the scheme.

Under the rules of the UK Listing Authority, shareholder approval is required for an acquisition or disposal by a listed company if the gross assets of the company or the business to be acquired or disposed of represent 25% or more of the gross assets of the company or if various other size ratios prescribed by the Listing Rules of the UK Listing Authority are satisfied. Shareholder approval is also required in some circumstances relating to the giving by the listed company of indemnities and similar arrangements. Where the size of the acquisition or disposal falls below the 25% threshold, information may nevertheless be required to be published. Shareholder approval may also be required for an acquisition or disposal of assets between a listed company and related parties including:

(a) directors of the company or its subsidiaries;

(b) holders of 10% or more of the nominal value of any class of the company's or any holding company's or subsidiary's shares having the right to vote in all circumstances at general meetings of the relevant company; or

(c) any associate of persons described in the two preceding bullet points above.

Gibraltar law also provides that where a takeover offer is made for the shares of a company incorporated or registered in Gibraltar and the offeror has acquired or unconditionally contracted to acquire not less than nine-tenths in value of the shares of any class to which the offer relates and, where the shares to which the offer relates are voting shares, not less than nine-tenths of the voting rights carried by those shares, the offeror may, within two months of the last day on which the offer could be accepted, by notice require shareholders who have not accepted the offer to transfer their shares to the offeror on the terms of the offer. A dissenting shareholder may apply to the court within one month of the date on which the notice was given objecting to the transfer or its proposed terms. The court is unlikely, absent unfair treatment, fraud or oppression, to exercise its discretion to order that the transfer shall not take effect, but it may specify the terms of the transfer as it finds appropriate. Where an offeror has reached such nine-tenths level, a minority shareholder is also entitled to require the offeror to acquire his shares on the terms of the offer ("sell-out right") within two months of the last day on which the offer could be accepted.

Mergers are sometimes effected through the use of a members' voluntary liquidation of a company pursuant to the Gibraltar Companies Act, which provides for the transfer of the whole or part of the assets of that company to another company in return for shares in the transferee company. To effect the transfer, a resolution must be passed by at least 75% of shareholders conferring authority on the liquidator. Any shareholder who does not vote in favour of the resolution may express his dissent by writing to the liquidator within seven days after the passing of the resolution, requiring the liquidator either to abstain from carrying the resolution into effect or to purchase the shareholder's interest at a price to be determined by agreement or by arbitration under the Gibraltar Companies Act. The liquidator may apply to the court if it disputes the shareholder's contention and the court may make such an order on the application as it thinks just.

Major Shareholding and Disclosure of Interests

The Articles of Association do not contain any provisions requiring disclosure of shareholdings over and above that which is required by Gibraltar law.

The Disclosure and Transparency Rules promulgated by the FCA impose an obligation on a person to notify the FCA and the Company of the percentage of the voting rights in the Company such person holds or controls directly or indirectly. The Disclosure and Transparency Rules set out the circumstances in which an obligation of disclosure arises as well as certain exemptions from those obligations for specified persons. This obligation is triggered if the percentage of voting rights reaches, exceeds or falls below 5% (for a non-UK Company) and any subsequent whole percentage figure as a result of an acquisition or disposal reaches, exceeds or falls below any such threshold as a result of any change in the number of voting rights attached to Ordinary Shares. The Disclosure and Transparency Rules also deal with the disclosure by certain persons including directors, of interests in shares of the listed companies of which they are directors, and in derivatives and other financial instruments relating to those shares. The Company may, under Gibraltar law, require a person that the Company know or have cause to believe is or was during the three years preceding the date of notice interested in Ordinary Shares to indicate whether or not that is the case and to provide certain information as is permitted under the law.

6. Proposed changes to the Company's Memorandum and Articles of Association

The Memorandum and the Articles of Association are constructed under the provisions of the Gibraltar Companies Act 1930. As from 1 November 2014, the Gibraltar Companies Act replaced the Gibraltar Companies Act 1930 almost in its entirety.

Subject to the approval by the 888 Shareholders at the 888 General Meeting, the Company will adopt new memorandum and articles of association with effect from the passing of the resolution by the 888 Shareholders, in substitution for the entire existing Memorandum and Articles of Association. A summary to the key changes is set out below:

(a) the substantive changes contained in the proposed new memorandum and articles of association are primarily to update the constitutional documents of 888 and bring them into line with the current law, including updating certain provisions to refer to the new sections in the Gibraltar Companies Act as relevant;

(b) the new memorandum does not contain a summary of the objects of the Company, as, pursuant to section 16(3) and (4) of the Gibraltar Companies Act, a company is now deemed capable of exercising all and any functions unless restricted by its articles of association and shall reflect the new increased authorised share capital of the Company;

(c) the new memorandum and articles of association will reflect the increase in the authorised share capital of the Company; and

(d) the new articles of association have also been amended as follows:

(i) the Board is able to refuse to register a transfer of share(s): (A) which are not fully paid up, but in the case of a class of shares which has been admitted to the Official List, not so as to prevent dealings in those shares from taking place on an open and proper basis or; (B) on which 888 has a lien, in which case the Board will have to give reasons for refusing to register such transfer;

(ii) in order to ensure compliance with LR 9.2.2AR2(b), the appointment of an Independent Director of the Company will be subject to the approval of both the 888 Shareholders as a whole and the independent 888 Shareholders. If the required resolutions are not passed, the Company may propose a further resolution to elect or re-elect the proposed Independent Director. Any such further resolution: (i) must not be voted on within a period of 90 days from the date of the original vote; (ii) must be voted on within a period of 30 days from the end of the period set out in (i); and (iii) may be passed by an ordinary resolution without the need for any separate resolution of the independent 888 Shareholders.

(iii) the right of the chairman of a general meeting of the Company to have a casting vote has been removed;

(iv) the requirement that the Board notify any general meeting of the Company of a Director's age if such Director has attained 70 years of age and is to be proposed for election or re-election to the Board at such general meeting has been removed;

(v) the acquisition of non-cash assets by the Company requires the approval of the 888 Shareholders where those assets are valued at a particular amount and the thresholds for obtaining such Shareholder approval have been lowered;

(vi) the provisions relating to the making of loans or quasi-loans to any Director has been amended to require more details of the proposed arranagement to be provided to the 888 Shareholders for their consideration and approval prior to the loan or quasi-loan being made; and

(vii) the provisions relating to the passing of written resolutions by 888 Shareholders has been removed.

7. Directors and Proposed Directors

7.1 The Directors and Proposed Directors and their functions within the Company and brief biographies are set out in Part XVI ("*Directors, Proposed Directors and Corporate Governance*").

7.2 The business address of each of the Directors is Suite 601/701 Europort, Europort Avenue, Gibraltar, and will be the business address of each of the Proposed Directors following their appointment to the Board.

7.3 In addition to their directorships of the Company and other members of the 888 Group and the Directors hold, or have held, the following directorships and are or were members of the following partnerships, within the past five years:

Name	Current directorships/partnerships	Former directorships/partnerships
Brian Mattingley	None	Non-executive director of Praesepe Plc Non-executive director of Beer and Partners
Aviad Kobrine	None	None
Itai Frieberger	None	None
Ron McMillan	Senior independent director and chairman of the audit committee of N Brown Group plc Senior independent director and chairman of the audit committee of SCS plc Chairman of the audit committee of B&M European Value Retail SA	Deputy chairman and head of assurance for Middle East Region at PricewaterhouseCoopers Middle East Limited
Amos Pickel	Executive director of Swiftstake Technologies SA Owner/director of Alpha Golf Pappa Limited	Chairman of the board of directors of Berggruen Residential Limited

In addition to their directorships of bwin.party and other members of the bwin.party Group, the Proposed Directors hold, or have held, the following directorships and are or were members of the following partnerships, within the past five years:

Name	Current directorships/partnerships	Former directorships/partnerships
Martin Weigold	Ocean FX Management Limited Gibraltar Gaming and Betting Association	None
Liz Catchpole	Independent non-executive director and chair of the audit committee of Bournemouth Water Limited	Group finance director of the Gladedale Group Independent non-executive director and chair of the audit committee of the University of Law Limited

7.4 Save as set out above, none of the Directors, the Proposed Directors or the Company Secretary has any business interests, or performs any activities, outside the 888 Group or the bwin.party Group (as applicable) which are significant with respect to the 888 Group or the bwin.party Group (as applicable). There are no family relationships between any of the Directors or Proposed Directors, or between any Directors and Proposed Directors.

7.5 As at the date of this Prospectus, none of the Directors or the Proposed Directors has, at any time within the last five years:

(a) had any prior convictions in relation to fraudulent offences;

(b) been declared bankrupt or been the subject of any individual voluntary arrangement;

(c) been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or of a senior manager;

(d) been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies);

(e) been disqualified by a court from acting in the management or conduct of the affairs of any Company;

(f) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any Company;

(g) been a partner or senior manager in a partnership which, while he was a partner or within 12 months of his ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;

(h) owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he was a partner at the time or within the 12 months preceding such event; or

(i) been a director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which he was an executive director or senior manager of that company or within 12 months of his ceasing to be an executive director or senior manager.

8. Directors' and Proposed Directors' Interests in the Company

8.1 As at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) and as is expected to be the position immediately following Admission, except as disclosed in paragraph 8.2 below, neither the Directors nor the Proposed Directors, and none of their respective immediate families, have any interests in the share capital of the Company which:

(a) are required to be notified to the Company pursuant to Chapter 3 of the Disclosure and Transparency Rules; or

(b) are interests of a connected person (within the meaning of Schedule 11B of FSMA) which would be required to be disclosed under paragraph (a) above and the existence of which is known to or could with reasonable diligence be ascertained by that Director or Proposed Director, as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

8.2 The interests in the share capital of the Company of the Directors and Proposed Directors (all of which are beneficial interests of a person connected with a Director or a Proposed Director were, as at 26 August 2015 (being the latest practicable date prior to date of publication of this Prospectus) and are expected to be, immediately following Admission, as follows:

	Interests in the Ordinary Shares immediately prior to Admission		**Interests in the Ordinary Shares immediately following Admission**	
Director	*No. of Ordinary Shares as at 26 August 2015**	*% of total issued share capital as at 26 August 2015**	*No. of Ordinary Shares as at 26 August 2015*	*% of total issued share capital as at 26 August 2015*
Brian Mattingley	142,857	0.04%	142,857	0.02%
Aviad Kobrine	0	0%	0	0%
Itai Frieberger	1,395,614[1]	0.39%	1,401,270[2]	0.20%
Ron McMillan	0	0%	0	0%
Amos Pickel	100,000	0.03%	100,000	0.01%
Martin Weigold	0	0%	404,000[3]	0.06%
Liz Catchpole	0	0%	0	0%

* Being the latest practicable date prior to the date of publication of this Prospectus.

1 Denotes all vested share awards. Unvested conditional share awards are included in paragraph 8.4 of this Part XVII ("*Additional Information*")

2 Itai Frieberger owns 14,000 bwin.party Shares, comprising 0.002% of the issued share capital of bwin.party as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) which were acquired prior to his appointment to the Board. This figure includes 5,656 Ordinary Shares received by him pursuant to the Scheme under the terms of the Proposed Acquisition and is based on the assumption that, for each of his existing bwin.party Shares, he elects to receive 39.45 pence in cash and 0.404 New 888 Shares under the Mix and Match Facility.

3 This figure includes 404,000 Ordinary Shares received by Martin Weigold pursuant to the Scheme under the terms of the Proposed Acquisition and is based on the assumption that, for each of his existing bwin.party Shares, he elects to receive 39.45 pence in cash and 0.404 New 888 Shares under the Mix and Match Facility.

8.3 As current 888 Shareholders, the interests of the Directors and Proposed Director together represent 0.46% of the issued share capital of the Company as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) and will represent 0.29% of the issued share capital of the Company on Admission.

8.4 The Directors held the following options and awards over Ordinary Shares under the employee share plans described in paragraph 11 ("*Share plans*") of Part XVII ("*Additional Information*").

Director	Share plan	Number of Ordinary Shares over which options granted/subject to award as at 26 August 2015*	Number of Ordinary Shares under option/subject to award immediately following Admission	Exercise price £	Exercisable between/Expiration date of vested option
Brian Mattingley	–	0	0	–	–
Aviad Kobrine	888 All-Employee Share Plan	136,524	136,524	nil-cost option	04.10.2015
	888 All-Employee Share Plan	101,530	101,530	nil-cost option	14.09.2016
	888 All-Employee Share Plan	8,591	8,591	nil-cost option	30.04.2017
	888 All-Employee Share Plan	170,000	170,000	nil-cost option	15.01.2018
	888 All-Employee Share Plan	60,563	60,563	nil-cost option	14.01.2019
	888 All-Employee Share Plan	2,448,303	2,448,303	nil-cost option	24.05.2021
	888 All-Employee Share Plan	625,000	625,000	nil-cost option	27.03.2022
	888 All-Employee Share Plan	213,100	213,100	nil-cost option	07.04.2016 – 07.04.2023
	888 All-Employee Share Plan	248, 845	248,845	nil-cost option	28.03.2017 – 28.03.2024
Itai Frieberger	888 All-Employee Share Plan	4,537[1]	4,537	1.7500	04.10.2015
	888 All-Employee Share Plan	15,965[1]	15,965	1.2190	30.04.2017
	888 All-Employee Share Plan	34,692[1]	34,692	1.4939	08.04.2018
	888 All-Employee Share Plan	12,175[2]	12,175	N/A	21.11.2015
	888 All-Employee Share Plan	12,175[2]	12,175	N/A	21.11.2016
	888 All-Employee Share Plan	279,407[2]	279,407	N/A	07.04.2016
	888 All-Employee Share Plan	310,697[2]	310,697	N/A	28.03.2017
Ron McMillan	–	0	0	–	–
Amos Pickel	–	0	0	–	–

* Being the latest practicable date prior to the date of publication of this Prospectus.

1 Award granted as an option.

2 Award granted as a conditional share award.

8.5 Save as set out in this paragraph 8 ("*Directors' and Proposed Directors' Interests in the Company*"), it is not expected that any Director or Proposed Director will have any interest in the share or loan capital of the Company on Admission and there is no person to whom any capital of any member of the 888 Group is under award or option or agreed unconditionally to be put under award or option.

9. Interests of significant shareholders

9.1 In so far as it is known to the Company, as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus), the following Shareholders will, on Admission, be directly or indirectly interested (within the meaning of the UK Companies Act 2006) in 5% or more of the Company's issued share capital (being the threshold for notification of interests that applies to the Company's Shareholders pursuant to Chapter 5 of the Disclosure and Transparency Rules). The significant interests in the Company as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus) and as expected immediately following Admission are set out in the following table:

	Interests in the Ordinary Shares immediately prior to Admission		Interests in the Ordinary Shares immediately following Admission	
Shareholder	*No. of Ordinary Shares as at 26 August 2015**	*% of total issued share capital as at 26 August 2015**	*No. of Ordinary Shares as at 26 August 2015*	*% of total issued share capital as at 26 August 2015*
E Shaked Shares Trust	86,823,534	24.2%	86,283,534	12.4%
O Shaked Shares Trust	86,283,534	24.2%	86,283,534	12.4%
Ben-Yitzhak Family Shares Trust	37,122,358	10.4%	37,122,358	5.3%
Majedie Capital Management	30,587,161	8.6%	52,826,226	7.6%*
Janus Capital Management	–	–	40,228,125	5.8%*

* Being the latest practicable date prior to the date of publication of this Prospectus.

** As current bwin.party Shareholders, the shareholdings for Majedie Asset Management and Janus Capital Management post-admission are based on the assumption that, pursuant to the Mix and Match Facility, they each elect to receive 39.45 pence in cash and 0.404 New 888 Shares for each of their existing bwin.party Shares.

9.2 Save as disclosed in this paragraph 9 ("*Interests of significant shareholders*"), the Directors and Proposed Directors are not aware of any holdings of voting rights (within the meaning of Chapter 5 of the Disclosure and Transparency Rules) which will represent 5% or more of the total voting rights in respect of the issued share capital of the Company following Admission.

9.3 The 888 Shareholders described in paragraph 9.1 above are the only persons known to the Company who directly or indirectly could exercise, or do exercise, control over the Company and hold the proportions of voting capital set out in paragraph 9.1 above.

9.4 *Shareholders' Agreement*

The Company has been informed that the E Shaked Shares Trust, the O Shaked Shares Trust and the Ben-Yitzhak Family Shares Trust (together, the "**Principal Shareholder Trusts**") and certain other Shareholders entered into a shareholders' agreement on 14 September 2005 (the "**Shareholders' Agreement**"). Pursuant to the Shareholders' Agreement, restrictions are imposed on substantial disposals of Ordinary Shares in the Company by any of the parties to the Shareholders' Agreement without first offering such Ordinary Shares to the other Principal Shareholder Trusts. With respect to the Principal Shareholder Trusts, a substantial disposal is a disposal of more than 1% of the issued ordinary share capital of the Company. This provision does not apply to: (i) disposal in the context of a recommended public takeover for the Company; or (ii) transfers to another Principal Shareholder Trust or a party associated to a Principal Shareholder Trust.

In addition, the Shareholders' Agreement requires that the Principal Shareholder Trusts all vote in favour of any resolution(s) proposed at a general meeting or all vote against such resolution(s) or, failing agreement amongst the Principal Shareholder Trusts, vote in such manner as maintains the status quo. The other parties to the Shareholders' Agreement will vote or act in accordance with the vote cast or action taken as the case may be, by the Principal Shareholder Trusts.

The Shareholders' Agreement shall terminate in the event that: (i) the E Shaked Shares Trust and the O Shaked Shares Trust, and their respective associates, collectively have an interest in less than 5% of the issued share capital of the Company and the Ben-Yitzhak Family Shares Trust and its associates collectively have an interest in less than 5% of the issued share capital of the Company; or (ii) all the parties and the associates of the Principal Shareholder Trusts collectively, in aggregate, have an interest in less than 10% of the issued share capital of the Company.

9.5 There are no differences between the voting rights enjoyed by the 888 Shareholders described in paragraph 9.1 above and those enjoyed by any other holder of Ordinary Shares in the Company.

9.6 For a description of the measures in place to ensure that the control exercised over the Company by the 888 Shareholders is not abused, please see paragraph 15.1 ("*Material contracts – 888 Group – Relationship Agreement*") below of this Part XVII ("*Additional Information*").

9.7 Save in connection with the Proposed Acquisition where there will be a change in control of bwin.party, the Company, the Directors and the Proposed Directors are not aware of any arrangements, the operation of which may at a subsequent date following Completion, result in a change of control of the Company.

10. Directors' and Proposed Directors' remuneration and benefits

Executive Directors (including the ***Executive Chairman***) are employed on the terms and conditions of their employment contracts. Under the terms of their employment contracts, each Executive Director's service agreement is terminable on no more than 12 months' written notice. Each Executive Director's employment can be terminated by making a payment equal to the salary and pension contributions (if any) and the value of other contractual benefits due to the Executive Director in lieu of any unexpired notice period. The

Executive Directors shall continue to be entitled to be paid a bonus in respect of any unexpired part of the notice period even if the employment is terminated by making payment in lieu of notice. No other benefits upon termination of employment are payable. Each Executive Director's employment can be terminated without compensation in circumstances where the employer is entitled to terminate for cause, as defined for the purposes of the service agreement. An Executive Director's entitlement to share awards and share options under the 888 All-Employee Share Plan on termination of employment is governed by the terms of that plan, pursuant to which, if the termination occurs for various "good reasons" set out in the 888 All-Employee Share Plan, any vested but unexercised awards may be exercised or released within six months after such cessation, whilst any unvested portion automatically lapses, unless determined otherwise by the Remuneration Committee.

Mr Brian Mattingley is employed as the Executive Chairman pursuant to the terms of an appointment letter with the Company, the terms of which took effect on 13 May 2015. Under the terms of the letter, Mr Mattingley is paid a basic annual salary of £290,000 and is not eligible to receive any bonus or to participate in any equity-linked incentive plan operated by the Company.

Mr Aviad Kobrine is employed as Chief Financial Officer pursuant to the terms of employment contracts with the Company and Cassava Enterprises (Gibraltar) Limited, the terms of which took effect on 14 September 2005. Under the terms of the agreements, Mr Kobrine is to be paid an aggregate basic annual salary of £250,000 and is eligible to receive a discretionary bonus of up to 100% of basic salary. Mr Kobrine's basic salary was subsequently increased, and his salary is £396,000 in 2015.

Mr Itai Frieberger is employed as Chief Operating Officer pursuant to the terms of an employment contract with the Company dated 31 December 2012 and effective as of 1 April 2011. Under the terms of the agreement, Mr Frieberger is paid a basic annual salary of NIS 2,520,000 and is eligible to receive a discretionary bonus of up to 100% of basic salary.

Non-executive Directors, have letters of appointment which set out their duties and responsibilities. Non-executive Directors' appointments, which are for a term of three years (subject to re-election by Shareholders at each annual general meeting of the Company pursuant to the Articles of Association), may be terminated by the Company without notice in accordance with the Articles of Association and the Gibraltar Companies Act. No compensation is payable on the termination of the appointment. The Proposed Directors have entered into letters of appointment on similar terms which are conditional on completion. The fees payable to the Non-executive Directors for 2015 will be £85,000 and £15,000 for Committee chairmanship.

The Executive Chairman and the Executive Directors determine the fees paid to the Non-executive Directors. Fees paid to the Non-executive Directors are set by reference to an assessment of the time commitment and responsibility associated with each role, and the Remuneration Committee has reference in this respect to prevailing fee rates among the upper quartile of FTSE 250 companies. Levels take account of additional demands placed upon individual Non-executive Directors by virtue of their holding particular offices, such as Committee Chairman, and travel time to Board meetings at the 888 Group's headquarters in Gibraltar.

The Executive Chairman and the Non-executive Directors are not eligible to participate in any bonus plan, pension plan, share plan, or long-term incentive plan of the Company. All Directors are covered by the Company's directors' and officers' insurance policy and are entitled to indemnification in accordance with the Articles of Association.

In the year ended 31 December 2014, the Directors (other than Itai Frieberger who was appointed to the Board on 13 May 2015) were remunerated as set out below:

Name	**Position**	**Annual salary/fee** *(US$'000)*	**Bonus[2]** *(US$'000)*	**Benefits[1]** *(US$'000)*	**Total** *(US$'000)*
Brian Mattingley	Executive Chairman[3]	653	923	64	1,640
Aviad Kobrine	Chief Financial Officer	621	879	779[4]	2,279
Amos Pickel	Non-executive Director	127	N/A	N/A	127
Ron McMillan	Non-executive Director	83[5]	N/A	N/A	83

1 This figure includes benefits, such as accommodation, car allowance, and health, disability and/or life insurance, payment in lieu of pension and long-term incentives granted in 2014. The value of the long-term incentives is attributable to the value of Existing 888 Shares held by Virtual Share Services Limited, as described in paragraph 11.1 ("*Share plans – The 888 Group – Shares held by Virtual Share Services Limited*") below, for the future satisfaction of nil-cost options granted during the year ended 31 December 2014.

2 Following approval by shareholders at the 2015 Annual General Meeting of the revised Company Remuneration Policy, which includes the discretion to the Remuneration Committee, in circumstances of exceptional performance, to grant Executive Directors an additional bonus of up to 50% of base salary in addition to the payment of bonus of up to 100% of base salary under the previously approved Remuneration Policy, the Remuneration Committee approved the grant to the Executive Directors of such additional bonus for the financial year ended 31 December 2014 and the amount was paid following the 2015 Annual General Meeting.

3 Brian Mattingley was Chief Executive Officer of the Company until May 2015 and was appointed Executive Chairman on 13 May 2015. This table reflects Brian Mattingley's remuneration as Chief Executive Officer of the Company.

4 The total value of the other benefits granted to Aviad Kobrine in the year ended 31 December 2014 was broken down as follows: payment in lieu of pension – US$93,000; benefits – US$52,000; long-term incentives – US$634,000.

5 Ron McMillian was appointed as a Non-executive Director on 15 May 2014. This figure reflects the pro rata payment of his annual fee.

11. Share plans

11.1 *The 888 Group*

Prior to flotation in September 2005, 888 adopted two equity-settled employee share incentive plans:

(a) The 888 All-Employee Share Plan; and

(b) The 888 Long Term Incentive Plan.

Subject to approval by the Shareholders at the 888 General Meeting, 888 proposes to adopt the 888 Long Term Incentive Plan 2015 ("**LTIP 2015**"), and the 888 Merger Synergy Incentive Plan ("**MSIP**") and, together with the LTIP 2015, the 888 All-Employee Share Plan and the 888 Long Term Incentive Plan, the "**888 Share Plans**").

The key terms of the 888 Share Plans are set out below.

(a) 888 All-Employee Share Plan

Summary

The 888 All-Employee Share Plan permits the grant of two types of share award to employees – conditional share awards and nil-cost options over Ordinary Shares in the Company. The 888 All-Employee Share Plan is administered by the Remuneration Committee

Eligibility

All employees, consultants and Executive Directors of the 888 Group who are not within six months of their normal retirement age are eligible to participate in the 888 All-Employee Share Plan at the discretion of the Remuneration Committee. The Remuneration Committee will have responsibility for determining who will be granted awards.

Nature of awards

Awards under the 888 All-Employee Share Plan may be as granted as conditional share awards and nil-cost options or at an exercise price that will normally be no less than the market value of an Ordinary Share at the time of grant or average share price during a period as determined by the Remuneration Committee at time of grant. In jurisdictions where an award or option involving real shares is not appropriate or feasible for legal, regulatory or tax reasons, a phantom award may be granted which will pay a cash sum to an equivalent value in lieu of shares on vesting.

Grant of awards

Under the 888 All-Employee Share Plan, grants are normally made to the Executive Directors, employees and/or consultants of the 888 Group within a period of 42 days following the publication of the 888 Group's financial results, subject to the limits on the issue of Ordinary Shares imposed under the terms of the plan.

Individual limits

The maximum grant allocation to each Executive Director under the 888 All-Employee Share Plan is equal to 100% of such Executive Director's salary converted into Ordinary Shares by reference to the prevailing market value of a share at the time of grant.

The maximum number of Ordinary Shares that an eligible employee may acquire pursuant to share awards or options granted to such person in any calendar year under the 888 All-Employee Share Plan and the 888 Long Term Incentive Plan may not have an aggregate market value, as measured at the date of grant, exceeding 200% of a participant's annual base salary or such higher limit as the Remuneration Committee may determine is appropriate in any individual case.

Plan limits

In any ten-year period, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under the All-Employee Option Plan and all other employee share plans operated by the Company.

Normal vesting

Awards vest over a fixed period of up to four years from the date determined by the Remuneration Committee at the time of grant.

Performance conditions

The Remuneration Committee may determine that the vesting and release or exercise of share awards and options under the 888 All Employee Share Plan are subject to such performance conditions as the Remuneration Committee may impose at the time of grant. The performance conditions of nil-cost options or free shares are measured over a period of three years commencing from the beginning of the financial year in which the award is granted.

Leavers

The vesting of awards is subject to any applicable performance conditions and continued employment during the vesting period, with exceptions where the participant leaves in certain circumstances, including ill health, injury, disability, timely retirement, disposal of employing company or business by the 888 Group, or other reasons determined by the Remuneration Committee.

Corporate events

Awards will vest early in the event of a change of control of the Company. In this event, options may be exercised within one month of the date on which the relevant event occurs or will otherwise lapse automatically. Alternatively, the Board may determine that outstanding awards be exchanged for new awards which in the opinion of the Board are equivalent but relate to shares in a different company.

Malus and clawback

Whilst not implemented at present, the Remuneration Committee may decide to apply clawback or malus to long-term incentive grants to Executive Directors recruited in future, at its discretion and pursuant to the employment agreement of such Executive Director.

Shares held by Virtual Share Services Limited

A wholly-owned Gibraltar subsidiary of the Company named Virtual Share Services Limited has been established for the purpose of administering certain equity grants under the 888 All-Employee Share Plan including holding shares and paid dividends to satisfy future exercise of options by various group personnel who received such equity awards.

As at 31 December 2014, Virtual Share Services Limited held 3,124,612 issued and outstanding Ordinary Shares in 888 in order to satisfy vested nil-cost options.

(b) 888 Long Term Incentive Plan

The 888 Long Term Incentive Plan is not currently in use and no awards have been granted under it.

Eligibility

All employees and Executive Directors of the 888 Group who are not within six months of retirement age are eligible to participate in the 888 Long Term Incentive Plan at the discretion of the Remuneration Committee.

Individual limits

The maximum number of ordinary shares that an eligible employee may acquire pursuant to share awards or options granted in any calendar year under the 888 Long Term Incentive Plan may not have an aggregate market value, as measured at the date of grant, exceeding 200% of the employee's annual base salary or such higher limits as the Remuneration Committee may determine is appropriate in any individual case.

No share award or option may be granted to an employee under the 888 Long Term Incentive Plan in any calendar year if the employee has previously been granted a share award or option under the 888 All-Employee Share Plan in the same calendar year.

Plan limits

Awards and options granted under the 888 Long Term Incentive Plan may be satisfied through the issue of new shares.

It is intended that grants of options and awards under all employee share schemes utilised by 888 are to be planned so as not to exceed 10% of the issued and outstanding Ordinary Share capital in any rolling ten year period.

In accordance with the ABI Guidelines on Executive Remuneration, grants of options and awards are to be planned so as not to exceed 5% of the issued ordinary share capital in any rolling ten-year period for the 888 Long Term Incentive Plan, and 10% of the issued ordinary share capital in any rolling ten-year period for both the 888 All-Employee Share Plan and the 888 Long Term Incentive Plan.

Normal vesting

Subject to the satisfaction of applicable performance conditions, performance share awards and options will normally vest in equal tranches over a four-year vesting period, on each anniversary of the date of the grant or on such other period or such other basis as the Remuneration Committee may decide.

Performance conditions

Awards under the 888 Long-Term Incentive Plan will be subject to performance conditions as determined by the Remuneration Committee at the date of grant.

(c) LTIP 2015

Summary

The LTIP 2015 will permit the grant of four types of share award, Conditional Share Awards, Nil-Cost Options, Restricted Share Awards and Market Value Options (together referred to as "LTIP Awards") over Ordinary Shares. The LTIP 2015 will be administered by the Remuneration Committee. LTIP Awards will be granted by the Company.

Eligibility

Any employee (including Executive Directors) within the Enlarged Group and full-time consultants who provide services to the Enlarged Group will be eligible to participate in the LTIP 2015. The Remuneration Committee will have responsibility for determining who will be granted LTIP Awards.

Nature of LTIP Awards

LTIP Awards may be granted as Conditional Share Awards, Nil-Cost Options, Restricted Share Awards, Market Value Options or any combination thereof. No payment is required to exercise a Nil-Cost Option.

An LTIP Award may be satisfied using new issue or existing Ordinary Shares (including treasury shares).

LTIP Awards are not pensionable benefits and may not be transferred, assigned, charged or otherwise encumbered. No consideration will be payable by participants on the grant of an LTIP Award. Until a participant acquires any Ordinary Shares subject to an LTIP Award, the participant has no rights to the Ordinary Shares, including voting or dividend rights.

Grant of LTIP Awards

LTIP Awards will normally only be granted within 42 days following the announcement of the Company's results for any period. LTIP Awards may also be granted if the Remuneration Committee resolves that exceptional circumstances exist which justify the grant of LTIP Awards at any other time. No LTIP Award may be granted during a close period of the Company.

No LTIP Awards can be granted under the LTIP 2015 more than ten years after it is adopted by the Company.

Individual limits

No employee may be granted an LTIP Award in any financial year which would cause the market value of the Ordinary Shares subject to the LTIP Awards granted to the employee in the financial year to exceed 200% of the annual rate of the employee's total basic salary at the date of grant or such higher limit as approved by shareholders under any binding vote on the directors' remuneration policy. This value may be exceeded if the Remuneration Committee thinks that there are exceptional circumstances, such as the recruitment or retention of a key individual.

Limits on the issue of Ordinary shares

The use of Ordinary Shares which are newly issued or transferred from treasury under the LTIP 2015 is limited to 10 per cent. of the issued share capital of the Company from time to time, taking into account Ordinary Shares issued or to be issued or transferred from treasury over the previous ten year period under all employee share plans adopted by the Company. Within this limit, not more than 5% of the issued share capital of the Company from time to time may be used under the LTIP 2015 and any other employee share plan operated by the Company for the grant of awards the vesting of which is subject to the satisfaction of performance conditions. Ordinary Shares subject to LTIP Awards which have lapsed or been surrendered are excluded when calculating these limits.

In addition, as long as so required by the ABI, any Ordinary Shares transferred from treasury will count as part of the ordinary share capital of the Company, and as Ordinary Shares issued by the Company.

Performance conditions

Vesting of LTIP Awards granted to employees at the senior management level will be subject to the satisfaction of performance conditions. The Remuneration Committee will determine any performance condition that will apply to an LTIP Award. The vesting of LTIP Awards granted to other employees may be subject to the satisfaction of performance conditions at the discretion of the Remuneration Committee. Any performance conditions to which an LTIP Award is subject will be stated at the date of grant of the LTIP Award.

Any performance conditions to which LTIP Awards are subject may be changed with Remuneration Committee consent, provided that the amended conditions are, in the opinion of the Remuneration Committee, no more and no less challenging to meet than the original conditions. This includes amendments to any performance condition in accordance with its terms or if anything happens which causes the Remuneration Committee reasonably to consider it appropriate to make the change.

Normal vesting

LTIP Awards will normally vest, subject to the satisfaction of any relevant performance condition, on the third anniversary of their date of grant (the "**LTIP Vesting Date**"), provided that the participant is still employed within the Enlarged Group at that time. LTIP Awards granted to employees below the senior management level may be subject to alternative vesting periods and may vest in instalments, as determined by the Remuneration Committee. The Ordinary Shares in respect of which a Conditional Share Award has vested will be delivered to the participant within 30 days of vesting. The Ordinary Shares in respect of which a Nil-Cost Option has been exercised will be delivered to the participant within 30 days of the date of exercise. Once a Nil-Cost Option has vested, it will normally remain exercisable until the tenth anniversary of its date of grant.

Where the delivery of Ordinary Shares to a participant is restricted by local securities laws, the Remuneration Committee may determine that a participant will receive cash instead or Ordinary Shares following the vesting of a Conditional Share Award or the exercise of a Nil-Cost Option. The cash amount would be equal to the value of the Ordinary Shares they would have received.

Payment on account of dividends

Following the vesting of a Conditional Share Award or the exercise of a Nil-Cost Option, a participant may, if the Remuneration Committee so determines, receive further Ordinary Shares equal in value (so far as possible) to any dividends paid or payable in respect of the Ordinary Shares acquired between the date of grant of the LTIP Award and the LTIP Vesting Date. The payment on account of dividends may be made in cash rather than Ordinary Shares, at the discretion of the Remuneration Committee.

Recovery and withholding

The Remuneration Committee may determine at any time before, or within three years after, the date on which an LTIP Award granted to an Executive Director or to a Senior Vice President vests that the LTIP Award will be reduced (including to nil) or that the participant will be required to pay back an amount received in respect of the LTIP Award if (i) the Company materially misstated its financial results for any reason and that misstatement would result or resulted either directly or indirectly in the LTIP Award being granted or vesting to a greater extent than would have been the case had that misstatement not been made; (ii) the extent to which any performance conditions and/or any other condition was satisfied was based on an

error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in that LTIP Award being granted or vesting to a greater extent than would have been the case had that error not been made; or (iii) circumstances arose (or continued to arise) during the vesting period of the LTIP Award which would have warranted the summary dismissal of the participant. The maximum value of any LTIP Award that the Remuneration Committee may seek to recover will be limited to the value of the LTIP Award received by the Executive Director or Senior Vice President. The LTIP Award may be recovered through the lapse of unvested deferred bonus awards, the lapse of vested but unexercised LTIP Awards, withholding some/all of the next cash bonus payable or LTIP Awards to be granted to the participant or by repayment of a cash sum at the discretion of the Remuneration Committee.

Leavers

If a participant ceases to be employed within the Enlarged Group before its LTIP Vesting Date because of ill health, disability, redundancy, agreed retirement, or any other reason at the discretion of the Remuneration Committee, the participant's LTIP Award will vest on the normal LTIP Vesting Date or, earlier at the discretion of the Remuneration Committee. If the participant ceases employment before the LTIP Vesting Date in other circumstances an LTIP Award will normally lapse unless the Remuneration Committee decides to permit vesting subject to any conditions it determines to be appropriate. If a participant ceases employment after the LTIP Vesting Date of an Option in any circumstances other than where they are dismissed for gross misconduct, Options held by the participant may be exercised for the period of twelve months following cessation and will then lapse.

An LTIP Award may only vest following the cessation of the participant's employment to the extent that any relevant performance condition has been satisfied at the time of vesting. The number of Ordinary Shares in respect of which the LTIP Award will vest will also, unless the Remuneration Committee determines otherwise, be pro-rated to take account of the time elapsed between the date of grant and the date of cessation of employment.

Corporate events

In the event of a change of control of the Company as a result of:

(i) a general offer to acquire shares becoming wholly unconditional;

(ii) a scheme of arrangement in connection with the acquisition of shares being sanctioned; or

(iii) a person (or a group of persons acting in concert) obtaining control (within the meaning of Section 995 of the Income Tax Act 2007) of the Company in any other way;

or on a winding up of the Company, subsisting LTIP Awards will vest to the extent the performance condition is met. Time pro-rating will also apply unless the Remuneration Committee determines otherwise. Alternatively, with the consent of the acquiring company, subsisting LTIP Awards will be exchanged for equivalent rights to acquire shares in the acquiring company, either at the participant's election or automatically, if the Remuneration Committee and acquiring company so determine.

If the Company is or may be affected by any demerger, delisting, distribution (other than an ordinary dividend) or other transaction, which, in the opinion of the Remuneration Committee, might affect the current or future value of any LTIP Award, the Remuneration Committee may allow an LTIP Award to vest. LTIP Awards will vest to the extent the performance condition is met. Time pro-rating will also apply unless the Remuneration Committee determines otherwise.

Rights attaching to Ordinary Shares

Ordinary Shares acquired under the LTIP 2015 will rank equally in all respects with the Ordinary Shares in issue on the date of acquisition. They will not rank for any rights attaching to Ordinary Shares by reference to a record date preceding the date of acquisition.

Variation of capital

If there is a variation in the equity share capital of the Company (including a capitalisation or rights issue, sub-division, consolidation or reduction), a demerger, a special dividend or distribution or any other corporate event which might affect the current or future value of any LTIP Award, the Remuneration Committee may adjust the number or class of Ordinary Shares or securities subject to an LTIP Award and, in the case of a Market Value Option, the option price.

Alterations

The Company (acting through the Board or the Remuneration Committee) will have authority to amend the rules of the LTIP 2015, provided that no amendment to the advantage of participants may be made to provisions relating to:

(i) who is eligible to be a participant under the LTIP 2015;

(ii) the limits on the number of Ordinary Shares which can be issued or transferred from treasury under the LTIP 2015;

(iii) the maximum entitlement for any one participant;

(iv) the basis for determining a participant's entitlement to acquire Ordinary Shares and the terms on which they can be acquired; and

(v) any adjustment to a participant's entitlement to acquire Ordinary Shares in the event of a variation in share capital,

without the prior approval of Shareholders in general meeting, unless the amendment is minor and made to benefit the administration of the LTIP 2015, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP 2015 or for the Company or for members of the Enlarged Group.

(d) MSIP

Summary

The MSIP will permit the one-off grant of two types of share award, Conditional Share Awards and Nil-Cost Options (together referred to as "**MSIP Awards**") over Ordinary Shares. The MSIP will be administered by the Remuneration Committee. MSIP Awards will be granted by the Company.

Eligibility

Any employee (including Executive Directors) within the Enlarged Group will be eligible to participate in the MSIP, but it is currently intended that only the Executive Directors and Senior Vice Presidents will participate. The Remuneration Committee will determine who will be granted MSIP Awards.

Nature of MSIP Awards

MSIP Awards may be granted as Conditional Share Awards or Nil-Cost Options. No payment is required to exercise a Nil-Cost Option.

An MSIP Award may be satisfied using new issue or existing Ordinary Shares (including treasury shares).

MSIP Awards are not pensionable benefits and may not be transferred, assigned, charged or otherwise encumbered. No consideration will be payable by participants on the grant of an MSIP Award. Until a participant acquires any Ordinary Shares subject to an MSIP Award, the participant has no rights to the Ordinary Shares, including voting or dividend rights.

Grant of MSIP Awards

MSIP Awards will only be granted if the Proposed Acquisition completes. MSIP Awards may only be granted following Completion. No MSIP Award may be granted during a close period of the Company.

Individual limits

The number of Ordinary Shares over which MSIP Awards may be granted to the Chief Executive Officer will be limited to such number of Ordinary Shares as have a market value of £7,000,000 at the date of grant.

The number of Ordinary Shares over which MSIP Awards may be granted to the Chief Financial Officer will be limited to such number of Ordinary Shares as have a market value of £5,000,000 at the date of grant.

In addition to the above MSIP Awards, further MSIP Awards may be made to other employees having a value, at the date of grant, of up to £10,500,000.

Limits on the issue of Ordinary Shares

The use of Ordinary Shares which are newly issued or transferred from treasury under the MSIP is limited to 5% of the issued share capital of the Company from time to time, taking into account Ordinary Shares issued or to be issued or transferred from treasury over the previous ten year period under all employee share plans adopted by the Company. Ordinary Shares subject to MSIP Awards which have lapsed or been surrendered are excluded when calculating this limit.

In addition, as long as so required by the ABI, any Ordinary Shares transferred from treasury will count as part of the ordinary share capital of the Company, and as Ordinary Shares issued by the Company.

Performance conditions

Vesting of the MSIP Awards will be subject to the satisfaction of a performance condition related to the achievement of cost synergies measured over a 3 year period. The MSIP Awards will pay out on a graduated basis and will only pay out in full if stretching targets significantly exceeding the levels set out in paragraph 11 ("*Synergies and integration*") of Part VI ("*Details of the Proposed Acquisition*") are achieved. The Remuneration Committee will determine the extent to which the performance condition is satisfied.

The performance conditions may be changed with Remuneration Committee consent, provided that the amended conditions are, in the opinion of the Remuneration Committee, no more and no less challenging to meet than the original conditions. This includes amendment if anything happens which causes the Remuneration Committee reasonably to consider it appropriate to make the change.

Normal vesting

MSIP Awards will normally vest, subject to the satisfaction of the performance condition, on the third anniversary of their date of grant (the **MSIP Vesting Date**), provided that the participant is still employed within the 888 Group at that time. The Ordinary Shares in respect of which a Conditional Share Award has vested will be delivered to the participant within 30 days of vesting. The Ordinary Shares in respect of which a Nil-Cost Option has been exercised

will be delivered to the participant within 30 days of the date of exercise. Once a Nil-Cost Option has vested, it will normally remain exercisable until the tenth anniversary of its date of grant.

Following vesting, participants who are directors of the Company will be required to retain the Ordinary Shares acquired until the second anniversary of the MSIP Vesting Date, after which the participant may sell or transfer the Ordinary Shares. Any Ordinary Shares which are required to be sold to satisfy any tax liability for which the participant may be liable to account will be excluded from this post-vesting holding requirement.

Payment on account of dividends

Following the vesting of a Conditional Share Award or the exercise of a Nil-Cost Option, a participant may, if the Remuneration Committee so determines, receive further Ordinary Shares equal in value (so far as possible) to any dividends paid or payable in respect of the Ordinary Shares acquired between the date of grant of the MSIP Award and the MSIP Vesting Date. The payment on account of dividends may be made in cash rather than Ordinary Shares, at the discretion of the Remuneration Committee.

Recovery and withholding

The Remuneration Committee may determine at any time before, or within three years after, the date on which an MSIP Award vests that the MSIP Award will be reduced (including to nil) or that the participant will be required to pay back an amount received in respect of the MSIP Award if (i) the extent to which the performance conditions was satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in that MSIP Award vesting to a greater extent than would have been the case had that error not been made; or (ii) circumstances arose (or continued to arise) during the vesting period of the MSIP Award which would have warranted the summary dismissal of the participant.

The maximum value of an MSIP Award that the Remuneration Committee may seek to recover will be limited to the value of the MSIP Award received by the participant. The MSIP Award may be recovered through the lapse of unvested deferred bonus awards, the lapse of vested but unexercised awards granted under any other incentive plan operated by the Company, withholding some/all of the next cash bonus payable or awards to be granted under any other incentive plan operated by the Company to the participant or by repayment of a cash sum at the discretion of the Remuneration Committee.

Leavers

If a participant ceases to be employed within the Enlarged Group before its MSIP Vesting Date because of ill health, disability, redundancy, agreed retirement, or any other reason at the discretion of the Remuneration Committee, the participant's MSIP Award will vest on the normal MSIP Vesting Date or earlier at the discretion of the Remuneration Committee. If the participant ceases employment before the MSIP Vesting Date in other circumstances an MSIP Award will normally lapse unless the Remuneration Committee decides to permit vesting subject to any conditions it determines to be appropriate. If a participant ceases employment after an MSIP Award granted as a Nil-Cost Option has vested in any circumstances other than where they are dismissed for gross misconduct, the Nil-Cost Option may be exercised for the period of six months following cessation and will then lapse.

An MSIP Award may only vest following the cessation of the participant's employment to the extent that any relevant performance condition has been satisfied at the time of vesting. The number of Ordinary Shares in respect of which the MSIP Award will vest will also, unless the Remuneration Committee determines otherwise, be pro-rated to take account of the time elapsed between the date of grant and the date of cessation of employment.

Corporate events

In the event of a change of control of the Company as a result of:

(i) a general offer to acquire shares becoming wholly unconditional;

(ii) a scheme of arrangement in connection with the acquisition of shares being sanctioned;

(iii) a person (or a group of persons acting in concert) obtaining control (within the meaning of Section 995 of the Income Tax Act 2007) of the Company in any other way;

or on a winding up of the Company, subsisting MSIP Awards will vest to the extent the performance condition is met. Time pro-rating will also apply unless the Remuneration Committee determines otherwise. Alternatively, with the consent of the acquiring company, subsisting MSIP Awards will be exchanged for equivalent rights to acquire shares in the acquiring company, either at the participant's election or automatically, if the Remuneration Committee and acquiring company so determine.

If the Company is or may be affected by any demerger, delisting, distribution (other than an ordinary dividend) or other transaction, which, in the opinion of the Remuneration Committee, might affect the current or future value of any MSIP Award, the Remuneration Committee may allow an MSIP Award to vest. MSIP Awards will vest to the extent the performance condition is met. Time pro-rating will also apply unless the Remuneration Committee determines otherwise.

Ordinary Shares in respect of which an MSIP Award vests or is exercised on a change of control event will not be subject to the post-vesting holding requirement described above.

Rights attaching to shares

Ordinary Shares acquired under the MSIP will rank equally in all respects with the Ordinary Shares in issue on the date of acquisition. They will not rank for any rights attaching to Ordinary Shares by reference to a record date preceding the date of acquisition.

Variation of capital

If there is a variation in the equity share capital of the Company (including a capitalisation or rights issue, sub-division, consolidation or reduction), a demerger, a special dividend or distribution or any other corporate event which might affect the current or future value of any MSIP Award, the Remuneration Committee may adjust the number or class of Ordinary Shares or securities subject to an MSIP Award.

Alterations

The Company (acting through the Board or the Remuneration Committee) will have authority to amend the rules of the MSIP, provided that no amendment to the advantage of participants may be made to provisions relating to:

(i) who is eligible to be a participant under the MSIP;

(ii) the limits on the number of Ordinary Shares which can be issued or transferred from treasury under the MSIP;

(iii) the maximum entitlement for any one participant;

(iv) the basis for determining a participant's entitlement to acquire Ordinary Shares and the terms on which they can be acquired; and

(v) any adjustment to a participant's entitlement to acquire Ordinary Shares in the event of a variation in share capital,

without the prior approval of Shareholders in general meeting, unless the amendment is minor and made to benefit the administration of the MSIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the MSIP or for the Company or for members of the Enlarged Group.

11.2 *The bwin.party Group*

bwin.party operates the following employee share plans (together, the "**bwin.party Share Plans**"):

(a) the bwin.party 2014 Incentive Plan

(b) the bwin.party Bonus and Share Plan;

(c) the bwin.party Global Share Plan;

(d) the bwin.party Rollover Option Plan;

(e) the bwin.party Bonus Banking Plan;

(f) the PartyGaming All-Employee Option Plan; and

(g) the PartyGaming Share Option Plan.

bwin.party operates the bwin.party 2014 Incentive Plan, the bwin.party Bonus and Share Plan and the bwin.party Global Share Plan. The remaining plans detailed at d) to g) above are legacy plans operated following bwin.party's merger with PartyGaming Plc in 2011. Participants in the bwin.party Share Plans will be contacted in due course regarding the effect of the Proposed Acquisition on their rights under the bwin.party Share Plans and with full details of 888's appropriate proposals. Further details of the terms of such proposals will be included in the Scheme Document.

The key terms of the bwin.party Share Plans are set out below.

(a) bwin.party 2014 Incentive Plan

Summary

The Remuneration Committee of the bwin.party Board (the "**bwin.party Remuneration Committee**") operates and administers the bwin.party 2014 Incentive Plan (the "**BIP**"). The BIP was approved by bwin.party Shareholders on 24 February 2014 and succeeds two previous plans – the Bonus Banking Plan and Value Creation Plan ("**VCP**").

Eligibility

Any employee, including an executive director or consultant of the bwin.party Group is eligible to participate in the BIP. Non-executive directors are not eligible to participate in the BIP. The bwin.party Remuneration Committee has responsibility for determining who will be granted awards under the BIP.

Grant of awards

The bwin.party Remuneration Committee has the discretion to make awards at any time prior to the sixth anniversary of the adoption date of the BIP. No awards will be granted during a close or prohibited period.

Nature of awards and Individual limits

The BIP is split into two separate elements. Element A replaces the bwin.party Bonus Banking Plan and covers a three-year period with annual performance targets set at the beginning of each year. Depending on the extent to which these targets are met, an amount may be credited or debited to the participant's bonus account on the measurement date. 50% of any value generated, together with any value rolled forward from previous years, is awarded in cash after the measurement date with the balancing value rolled forward to the subsequent year. After the

third annual measurement date half of the value generated is awarded in the form of cash or nil-cost options or restricted shares paid or vesting shortly after the measurement date, with the other half awarded in the form of nil-cost share options or restricted shares vesting at the end of year four. If the performance targets in any one year are not met the bonus account will be debited by 50% of its current value.

Element B of the BIP, which replaces the VCP, allows for the annual grant of restricted shares dependent on the extent to which bwin.party has completed strategic and transformational objectives during the previous year, these projects having been set by the bwin.party Remuneration Committee at the beginning of that previous year. Any award made under Element B is made in the form of a restricted share award or nil-cost share option. The shares vest on the third anniversary of grant, but are only eligible for sale on the fifth anniversary of grant.

Awards granted under the BIP are not transferable, except in the case of a participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the participant. In addition, the cash bonus, bwin.party Shares acquired or any other rights granted pursuant to the BIP are non-pensionable.

Individual limits

The maximum annual contribution to the bonus account under Element A of the BIP is 250% of salary. An annual Element B award may not exceed 300% of salary.

Plan limits

The use of bwin.party Shares which are newly issued or transferred from treasury under the bwin.party 2014 Incentive Plan is limited to 10% of the issued share capital of bwin.party from time to time, taking into account bwin.party Shares issued or to be issued or transferred from treasury over the previous ten-year period under all employee share plans adopted by bwin.party. Within this limit, not more than 5% of the issued share capital of bwin.party from time to time may be used under the BIP and any other discretionary employee share plan operated by bwin.party. bwin.party Shares subject to awards which have lapsed or been surrendered are excluded when calculating this limit.

Performance Conditions

Awards granted under the BIP may be subject to performance targets as determined by the bwin.party Remuneration Committee.

Any performance conditions to which the awards are subject may be waived or changed with bwin.party Remuneration Committee consent if an event occurs which causes the bwin.party Remuneration Committee to consider the target is no longer appropriate.

Normal vesting

Shares earned under Element B of the BIP are subject to a three-year vesting period during which the participant must remain employed and the shares acquired cannot be sold for five years from the date of award irrespective of employment status.

Malus and Clawback

The bwin.party Remuneration Committee may decide that any award that has not vested will lapse wholly or in part if, following the grant of an award, facts become known to the bwin.party Remuneration Committee which, in the opinion of the bwin.party Remuneration Committee, would justify a reduction in the number of bwin.party Shares subject to the award (including a reduction to nil). Such exceptional circumstances include (without limitation): a material mis-statement in the published results of the bwin.party Group, misconduct on the part of the participant concerned or where, as a result of an appropriate review of accountability, the

bwin.party Remuneration Committee considers that the participant has caused wholly or in part a material loss for the bwin.party Group as a result of (i) reckless, negligent or wilful actions or (ii) inappropriate values or behaviour.

The award will also be subject to a clawback period of three years from and including the relevant date of payment and/or the end of the relevant vesting period. The bwin.party Remuneration Committee may claim repayment in circumstances where the participant has benefited from wilful negligence, fraudulent misstatement of results or criminal behaviour.

Shareholding requirement

There is a minimum shareholding requirement for all participants in the BIP. Only bwin.party Shares held unconditionally by participants and vested bwin.party Shares under Element B of the BIP will count against the shareholding requirement and the bwin.party Remuneration Committee has discretion to allow the sale of bwin.party Shares by an executive director in circumstances where it determines there is a qualifying reason.

Leavers

If a participant ceases to be employed within the bwin.party Group before the vesting date of an award because of injury, disability, redundancy, retirement, death, or because of the sale of the participant's employing company or business out of the bwin.party Group or for another reason at the discretion of the bwin.party Remuneration Committee, good leaver provisions will apply to the award. A participant who is a good-leaver will receive an award in cash in relation to the year during which his cessation of employment occurs pro-rated to the amount of the year completed on his cessation and based on the level of satisfaction of the performance conditions measured over the full performance period. Any unvested Element B awards will vest and the sale restrictions will continue following cessation of employment.

Corporate Events

A participant will receive an award in cash immediately prior to the date of a change of control, reconstruction, amalgamation or winding-up of the Company which will be conditional on the corporate event taking place. The award will be based on the level of satisfaction of the performance conditions at this date pro-rated to the amount of the bonus year completed on the change of control subject to the bwin.party Remuneration Committee's discretion to waive or partially waive pro-rating. All balances in participant's plan accounts will vest in full on a change of control.

Rights attaching to shares

Shares issued or transferred under the BIP will rank equally in all respects with shares of the same class in issue on the date of allotment, except in respect of rights by reference to a prior record date.

Variation of share capital

On a variation of the capital of bwin.party, the number of shares subject to awards and their terms and conditions may be adjusted subject to the determination of the bwin.party Remuneration Committee. In the event of a variation in the equity share capital (including a capitalisation or rights issue, sub-division, consolidation or reduction), a demerger, a special dividend or distribution or any other corporate event which might affect the current or future value of any award, the bwin.party Board may adjust the number or class of shares or securities subject to the award and, in the case of an option, the option price.

Amendments

Amendments to the rules of the BIP may be made at the discretion of the bwin.party Remuneration Committee. However, the provisions governing eligibility requirements, equity

dilution, share utilisation and the adjustments that may be made following a rights issue or any other variation of capital, together with the limitations on the number of bwin.party Shares that may be issued, cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the BIP, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the bwin.party Group. An amendment may not adversely affect the rights of an existing participant except where the participant has approved the amendment.

In addition, the bwin.party Remuneration Committee may add to, vary, or amend the rules of the BIP by way of a separate schedule in order that the BIP operates in compliance with all requisite local legislative and regulatory requirements as may apply to both participants and/or the relevant bwin.party Group company, provided that the parameters of these arrangements will provide no greater benefits than under the rules of the BIP as summarised above.

Employee Trust

bwin.party may utilise an existing discretionary employee benefit trust, (the "**Employee Trust**") in order to meet obligations due under the BIP. The trustee of the Employee Trust has full discretion with regard to the application of the trust fund (subject to recommendations from the bwin.party Remuneration Committee). bwin.party is able to fund the Employee Trust to acquire bwin.party Shares in the market and/or to subscribe for shares at nominal value in order to satisfy awards granted under the BIP. Any bwin.party Shares issued to the Employee Trust in order to satisfy awards under the BIP will be treated as counting towards the dilution limits that apply to the BIP. For the avoidance of doubt, any bwin.party Shares acquired by the Employee Trust in the market will not count towards these limits. In addition, unless prior Shareholder approval is obtained, the Employee Trust will not hold more than 5% of the issued share capital of bwin.party at any one time (other than for the purposes of satisfying awards of bwin.party Shares that it has granted).

(b) bwin.party Bonus and Share Plan ("**BSP**")

Summary

Under the BSP, participants receive a bonus once in any financial year depending on the extent to which the performance targets have been met. A portion of the bonus will be paid in cash and a portion will be deferred in the form of a right to acquire bwin.party Shares (either in the form of an option or a conditional award of bwin.party Shares). The BSP is administered by the bwin.party Board.

Benefits under the BSP are not pensionable. Rights under the BSP are not transferable, except on death.

Eligibility

All employees of bwin.party or the bwin.party Group are eligible to participate in the BSP, excluding Non-executive directors and any employees who have given or received notice of termination of employment (subject to the ability of the bwin.party Board to determine otherwise). Senior executives and executive directors who participate in the bwin.party Bonus Banking Plan cannot participate in the BSP. The bwin.party Board has responsibility for determining who will be granted awards.

Nature of awards

Participants receive a proportion of the award received in cash with the remainder deferred in shares by way of a share award which may be granted as a conditional share award or an option.

Grant of awards

Awards will normally be granted only within 42 days following the announcement of bwin.party's results for any period. Awards may also be granted if the bwin.party Remuneration Committee resolves that exceptional circumstances exist which justify the grant of awards at any other time. No award may be granted during a close or prohibited period.

Individual limits

The maximum bonus which may be received by a participant in respect of any one financial year is 150% of basic salary.

Plan limits

The use of shares which are newly issued or transferred from treasury under the BSP is limited to 10% of the issued share capital of bwin.party from time to time, taking into account shares issued or to be issued or transferred from treasury over the previous ten-year period under all bwin.party employee share plans. Within this limit, not more than 5% of the issued share capital from time to time may be used under the BSP and any other bwin.party discretionary employee share plan. Shares subject to awards which have lapsed or been surrendered are excluded when calculating this limit.

Performance targets

Awards under the BSP may be subject to performance targets which will be measured at the end of a one-year performance period. The size of the bonus pool will be based on the satisfaction of a combination of company, divisional and individual objective performance measures; subject to the maximum bonus potential as determined by the bwin.party Board each year.

If the bwin.party Board considers that the performance conditions are no longer appropriate, it may vary, waive or substitute the performance conditions, provided that the variation, waiver or substitution is reasonable in the circumstances and, except for a waiver, is a fairer measure of performance and is not materially less difficult to satisfy than the original conditions would have been but for the event.

Normal vesting

Share awards will vest on a date set by the bwin.party Board and which may be up to three years after the end of the performance period.

Options may be exercised in whole or in part at any time after the vesting date set by the bwin.party Board and during the period of five years after which any unexercised part will lapse.

Dividend equivalents

On vesting of a conditional share award or on exercise of an option, the bwin.party Board may award the participant an amount equal in value to the dividends payable in respect of the number of bwin.party Shares acquired for the period from the date the award was granted until the vesting date.

Leavers

No bonus is paid where the participant leaves before the end of the performance period. In addition share awards will be forfeited where a participant leaves the bwin.party Group for any reason before vesting unless the participant leaves in good-leaver circumstances.

A participant is deemed to cease employment in good leaver circumstances in the event of injury, ill-health, disability, retirement, redundancy, death, where there is a sale of the

employing business or company, or for other reasons specifically allowed by the bwin.party Board.

Where a participant leaves the group as a good leaver, share awards will vest upon cessation (or death) unless the bwin.party Board determines in its discretion that awards should continue until the original vesting date.

Corporate events

Share awards will vest on a takeover, scheme of arrangement, merger or other corporate reorganisation. The awards will not be subject to time pro-rating.

Rights attaching to shares

Any bwin.party Shares issued under the BSP will rank equally with shares of the same class and in issue on the date of allotment except in respect of rights by reference to a record date prior to the date of allotment.

Variations in share capital

Participants will be notified by the bwin.party Board where there is a variation in the share capital of bwin.party, a demerger or a special dividend. Upon such an event the bwin.party Board may adjust the share awards to take account of the impact of the event upon the share awards.

(c) bwin.party Global Share Plan (including the UK Share Incentive Plan) ("**GSP**")

Summary

The GSP permits the grant of bwin.party Shares to employees as: (i) free bwin.party Shares; (ii) bwin.party Shares purchased using contributions from employees; and (iii) free matching bwin.party Shares. The bwin.party Board has power to decide which, if any, of these types of award should be used.

The bwin.party Board has the authority to establish plans based on the GSP. The GSP operates as an HMRC tax-advantaged plan in the UK and also operates a separate US function as detailed below.

The GSP operates in conjunction with a trust, which will hold bwin.party Shares on behalf of employees.

Benefits under the GSP are not pensionable.

Eligibility

All employees of bwin.party and any subsidiaries designated by the bwin.party Board as participating companies are eligible to participate in the GSP, subject to employment with bwin.party or a participating company for a qualifying period determined by the bwin.party Board, which may not exceed 18 months. Directors are not eligible to receive awards under the GSP.

Free bwin.party Shares

Awards of free bwin.party Shares worth up to a maximum of £3,000 (or equivalent) for directors and £25,000 (or equivalent) for other eligible employees may be made each year. The award may be subject to performance targets.

bwin.party has the flexibility to grant different types of free share award including nil-cost options, conditional awards of shares and restricted shares where the employee is the owner of the bwin.party Shares from the date of award. Unless otherwise specified all awards have

substantially the same terms. This flexibility enables awards to be granted in the most tax efficient manner.

Awards are not transferable, except on death.

Purchased bwin.party Shares

The GSP provides for participants to be offered the opportunity to purchase bwin.party Shares out of contributions from their pre-tax salary up to a maximum of £1,800 (or equivalent) in each tax year, or 10% of salary if less.

Participants can stop saving at any stage. The participants' contributions may be used to buy bwin.party Shares immediately at a price equal to their market value at purchase. Alternatively, contributions may be accumulated for up to 12 months before they are used to buy bwin.party Shares. Where they are accumulated, the price at which they are acquired is the lesser of the price at the beginning of the accumulation period and the end.

Matching bwin.party Shares

The GSP provides that where employees buy bwin.party Shares, they may be awarded additional free matching bwin.party Shares by bwin.party on a matching basis, up to a maximum of two matching bwin.party Shares for each purchased bwin.party Share. Matching shares must be held for a minimum of three years. The type of matching bwin.party Share that may be made and the circumstances in which it may be forfeited are the same as for free bwin.party Shares described above.

The GSP may be operated on the basis that if a participant withdraws his/her corresponding purchased shares before the three-year holding period, the linked matching shares will be forfeited.

Dividend bwin.party Shares

Participants receiving cash dividends in respect of bwin.party Shares held under the GSP may re-invest the dividends through the trustee in additional bwin.party Shares. The number of bwin.party Shares allocated to each participant will be calculated using the average price paid by the trustee for the bwin.party Shares.

Dividend equivalents

Where a participant is the beneficial owner of free and matching bwin.party Shares awarded under the GSP, dividends will accrue in the normal way. Where participants hold rights to bwin.party Shares, the Board may on vesting award the participant an amount equal to the value of dividends which would have been payable in the bwin.party Shares during the relevant holding period.

Leavers

Generally, awards of free bwin.party Shares and matching bwin.party Shares must be held for a period of three years at the discretion of bwin.party. If a participant leaves employment with the bwin.party Group, his/her bwin.party Shares generally lapse unless he/she leaves as a good leaver. This includes leaving through death, retirement, redundancy, injury or disability, or the participant's employing company or business being sold out of the group.

The participant can withdraw purchased bwin.party Shares from the GSP at any time.

Voting and other rights attaching to shares

Participants who hold restricted and purchased bwin.party Shares may direct the trustees as to how to exercise the voting rights attributable to the bwin.party Shares held on their behalf. The

trustees will not exercise the voting rights unless they receive the participant's instructions. Participants who hold other types of award will not have any voting rights.

Awards made in the form of conditional share awards or nil-cost options will not hold any shareholder rights until the bwin.party Shares have been acquired by the participant.

Any bwin.party Shares issued under the GSP will rank equally with bwin.party Shares of the same class and in issue on the date of allotment except in respect of rights by reference to a record date prior to the date of allotment.

Variations of share capital

Where participants hold rights to bwin.party Shares they will be notified by bwin.party where there is a variation in the share capital of bwin.party, a demerger or a special dividend. In this event bwin.party may adjust the awards in any way it considers appropriate to take account of the impact of the event upon the awards.

Amendment

bwin.party may amend the GSP as it considers appropriate. However, shareholder approval will be required to amend certain provisions of the GSP if the amendments benefit participants (except for minor amendments to benefit the administration of the GSP, to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment).

This approval requirement relates to eligibility, individual and plan limits, the basis for determining entitlements to bwin.party Shares, rights attaching to bwin.party Shares, rights in the event of a variation in bwin.party's share capital, and the amendment powers.

The US section of the GSP (the "**ESPP**")

The ESPP is designed to qualify as a share purchase plan for the purposes of the US Revenue Code. Under the relevant legislation, eligible employees of participating companies in the bwin.party Group may be invited to apply for options to acquire bwin.party Shares at an exercise price fixed at the date of grant.

A participant is required to make savings from pay, typically over a period of between six and 24 months. The savings may be used to exercise the related option at the end of the relevant option period. The exercise price per bwin.party Share payable on exercise of an option may not be less than 85% of the market value of a bwin.party Share on the date of grant. The maximum number of bwin.party Shares over which an option is granted will be such that the total exercise price payable will correspond to the total savings payable from the savings arrangement at the end of the savings period (subject to a statutory limit).

An option will be exercised automatically on the exercise date specified by the bwin.party Board at the time of grant which may be no later than 60 days following the relevant anniversary of the date of grant unless the participant has left employment or withdrawn from the ESPP before that date. Options normally lapse if a participant leaves employment. However, if the employment ends by reason of disability, retirement or death, the participant (or executor or heir) may retain the option until the normal exercise date (although he/she may not make any further savings contributions) and his/her option shall be exercised over such number of bwin.party Shares as may be acquired at the exercise price together with the savings made up to the date of death or cessation of employment.

Options will be automatically exercised following a takeover, scheme of arrangement or winding-up of bwin.party.

In the event of a variation in the share capital of bwin.party, including a rights issue or a sub-division or consolidation of the share capital, the number of bwin.party Shares subject to the awards may be adjusted as appropriate.

(d) bwin.party Rollover Option Plan

The bwin.party Rollover Option Plan was implemented in March 2011 to effect the grant of rollover options over bwin.party Shares to replace options granted under former bwin.party option plans being the bwin.party Employee Stock Option Plan and other arrangements whereby performance-based options were granted to bwin.party's co-Chief Executive Officers and to certain members of the bwin.party management team and supervisory board. Options over shares of bwin.party Interactive Entertainment AG that remained unexercised on a merger of bwin.party were rolled over into equivalent options over bwin.party Shares on terms which reflected the exchange ratio that bwin.party Interactive Entertainment AG shareholders benefitted from but otherwise reflected the underlying terms of those options. The bwin.party Rollover Option Plan generally replicated the commercial terms of the bwin.party option plans, save that the exercise price was expressed in pounds sterling (£) and not Euros (€).

Save as to the options described above, no further options were granted under the former bwin.party option plans, and no options were granted under the bwin.party Rollover Option Plan other than in connection with the rollover of the former bwin.party option plans.

Key features of the bwin.party Rollover Option Plan are as follows:

- the exercise price of each option reflected the exercise price of the option for bwin.party Interactive Entertainment AG shares that it replaced, subject to the conversion of the original euro exercise price into sterling by reference to the spot sterling/euro exchange rate (as published in the UK *Financial Times*) on the business day prior to the merger effective date; and
- replacement options granted under the bwin.party Rollover Option Plan will vest, and lapse, on the same date and in the same circumstances as the underlying option for bwin.party Interactive Entertainment AG shares would have vested and lapsed.

Key terms of the historic options granted under the former plans are summarised as follows:

i. the bwin.party Employee Stock Option Plan.

Summary

Normal vesting is scheduled to take place in five equal annual tranches from one year following the original date of grant of the option.

Vested options may normally be exercised within six months of the termination of employment of a participant. Any unvested options will lapse on cessation of employment except if the employment is termination by reason of incapacity, disability or death in which case all unvested options will vest immediately and the exercise period following termination for vested options will be extended to 12 months.

Options granted are not transferable except on death and participants are not entitled to any dividends until the options have been exercised.

Any unexercised options will, at the discretion of bwin.party, either be exchanged for options in the acquiring company on commercially equivalent terms or settled in cash based on the Black Scholes value of the options at the date of the change of control (taking account of the remaining terms of the options had the change of control not occurred).

ii. Options granted to Mr Mag. Norbert Teufelberger and Mr Manfred Bodner.

Summary

Options granted under individual option arrangements have vested and the performance criteria were satisfied.

The options will lapse after the expiry of ten years from the date up on which they vested.

If a participant ceases employment in certain circumstances including a Material Adverse Change (as defined in the original option agreement), the participant may elect to exercise his/her options or to receive a cash settlement.

If a change of control (being an offer as defined in the City Code) occurs, each participant is entitled to receive compensation in cash, in whole or in part, for the options (calculated in accordance with the Black Scholes value at the date of the change of control based on 12 months' volatility). Upon payment of this compensation the options will lapse.

iii. Options granted to members of the bwin Interactive Entertainment AG Supervisory Board.

Summary

All options granted to members of the bwin Interactive Entertainment AG Supervisory Board have vested and the performance criteria were satisfied.

The options granted are not subject to any special provisions on cessation of employment and will lapse after the expiry of ten years from the date on which they vested.

On a change of control any unexercised options will, at the discretion of the company, either be exchanged for options in the acquiring company on commercially equivalent terms or settled in cash based on the Black Scholes value of the options at the date of the change of control (taking account of the remaining term of the options had the change of control not occurred).

(e) bwin.party Bonus Banking Plan ("**BBP**")

Summary

The BBP was intended to be operated on a one-off basis, shortly after completion of bwin.party's corporate merger with PartyGaming Plc and is administered by the bwin.party Remuneration Committee. As a result of the introduction of the BBP, participants were not granted any new awards under any other executive plans operated by the Company during the BBP's three-year performance period.

Benefits under the BBP are not pensionable.

All awards granted under the BBP have now vested and no further awards will be granted under BBP.

The key terms of the BBP in respect of outstanding awards are as follows:

Corporate Events

On a takeover, scheme of arrangement, merger or other corporate transaction that includes a change of control of bwin.party, the cash balance of the account will be paid to participants and any bwin.party Shares transferred to them. Alternatively, bwin.party Shares may be exchanged for shares in the acquiring company.

Rights attaching to shares

Any bwin.party Shares issued under the BBP will rank equally with shares of the same class and in issue on the date of allotment except in respect of rights by reference to a record date prior to the date of allotment.

Variations in share capital

Participants will be notified by the bwin.party Remuneration Committee where there is a variation in the share capital, a demerger or a special dividend. In these circumstances, the bwin.party Remuneration Committee may adjust the share accounts to reflect the impact of the relevant event on shareholders.

(f) PartyGaming All-Employee Option Plan ("**PG AEOP**")

Under the PG AEOP, all employees excluding the PartyGaming executive directors were eligible to receive fair market options. These awards vested over three years and were not subject to any performance conditions. These awards, when exercised are satisfied by the issuance of new shares. No new awards have been granted since 2010.

Awards and options under the PG AEOP are not pensionable.

All awards granted under the PG AEOP have now vested and no further awards will be granted under PG AEOP.

The key terms of the PG AEOP in respect of outstanding awards are as follows:

Corporate events

If there is a takeover or scheme of arrangement, options will become exercisable immediately for a limited period.

Alternatively, participants may be allowed or required to exchange their options for similar options over shares in the acquiring company. If an option is exchanged and the participant leaves employment for any reason during the next 12 months, his option will be exercisable for a limited period.

Rights attaching to shares

Participants will not have dividend or voting rights in respect of ordinary shares under award or option, until such shares have been issued or transferred to them. Any shares issued under the PG AEOP will rank equally in all respects with shares of the same class in issue on the date of allotment, except in respect of rights by reference to a prior record date.

Variation of share capital

In the event of a variation in share capital, a demerger and/or special dividend, the directors or the trustee may adjust awards and options as they consider appropriate.

(g) PartyGaming Share Option Plan ("**PG SOP**")

Prior to flotation in June 2005, PartyGaming established the PG SOP under which nil-cost options were granted to executive directors and employees. Employees eligible to receive options under the PG SOP included any employee, executive director or self-employed consultant of the PartyGaming group and benefits under any award were not pensionable. The underlying shares to satisfy these options were effectively gifted by the founder shareholders to PartyGaming's employee trust and so the options have no dilutive effect on public shareholders. Options granted under the PG SOP normally vest annually over a period of up to five years.

All options granted under the PG SOP have vested and will be satisfied using shares from the employee trust, subject to confirmation of the trust holding. No further options will be granted under the PG SOP.

The key terms of the PG SOP while options remain outstanding are as follows:

Exercise of options

Options granted under the PG SOP are exercisable during the period of ten years from the date of grant, unless the directors determine otherwise.

Corporate events

On a change of control of the company, subject to the consent of the acquiring company, options may be replaced with equivalent rights in relation to an appropriate number of shares in the acquiring company and such replacement rights will be exercisable in accordance with the vesting schedule, subject to applicable leaver provisions.

Variation of share capital

If there is a variation in share capital including by way of capitalisation or rights issue or any consolidation, sub-division or deduction, a demerger and/or super dividend, the directors may adjust awards and options as they consider appropriate.

Rights attaching to shares

Any shares transferred on the exercise of an option under the PG SOP will rank equally in all respects with shares in issue on the date of transfer, except in respect of rights by reference to a prior record date.

12. Pensions

12.1 *888*

In the year ended 31 December 2014, 888 did not accrue or set aside any amounts for the provision of pension, retirement or similar benefits to its Directors. In the same year, Aviad Kobrine was entitled to a cash payment in the amount of 15% of his annual base salary in lieu of an annual contribution to his personal pension scheme.

12.2 *bwin.party*

In the year ended 31 December 2014, bwin.party did not accrue or set aside any amounts for the provision of pension, retirement or similar benefits to the bwin.party Directors.

13. Significant Subsidiary and Associated Undertakings

The Company is the holding company of the 888 Group and, on Admission and Completion of the Proposed Acquisition, will become the holding company of the Enlarged Group. The principal and significant subsidiary undertakings and associated undertakings of the Company and bwin.party that the Company considers are, on Admission and Completion of the Proposed Acquisition, likely to have a significant effect on the assessment of the Enlarged Group's assets and liabilities, financial position or profits and losses are listed below by country of incorporation. Unless otherwise stated to the contrary, all are wholly-owned, directly or indirectly:

Principal and significant subsidiary undertakings and associated undertakings of 888

Name	Nature of business	Country of incorporation
Cassava Enterprises (Gibraltar) Limited	Holder of gaming licences in Gibraltar and main trading company	Gibraltar
Brigend Limited	Bingo B2B business operator	Gibraltar
Fordart Limited	B2B business operator (except Bingo)	Gibraltar
New Wave Ventures Limited	Social games operator – Mytopia	Gibraltar
Virtual Digital Services Limited	B2C operator in certain European jurisdictions	Gibraltar
888 Spain plc	Holder of Spanish online gaming licence	Gibraltar
888 Denmark Limited	Holder of Danish online gaming licence	Gibraltar
888 Germany Limited	Holder of Schleswig-Holstein online gaming licence	Gibraltar
888 US Limited	Holder of Interactive Gaming and Service Provider and Manufacturer licence in the state of Nevada	Gibraltar
888 UK Limited	Holder of UK remote gaming licence	Gibraltar
888 Atlantic Limited	Holder of Transactional Waiver pending application for full licensing in the state of New Jersey	Gibraltar
888 Liberty Limited	Provides services to the Delaware Lottery under the auspices of a Delaware Gaming Vendor Licence	Gibraltar
Virtual Internet Services Limited	Data hosting and development services	Gibraltar
Virtual Marketing Services (Gibraltar) Limited	Marketing acquisition	Gibraltar
Dixie Operations Limited	Customer call centre operator	Antigua
Virtual IP Assets Limited	Holder of group IP assets	British Virgin Islands
Random Logic Limited	Research, development and marketing support	Israel
Virtual Marketing Services Italia Srl	Holder of Italian online gaming licence	Gibraltar
Sparkware Technologies Srl	Software development	Romania
Virtual Marketing Services (UK) Limited	Advertising services	United Kingdom
888 US Inc.	Holder of US joint venture	United States
888 US Services Inc.	Provider of US-based services for US operations	United States

The 888 Group has ongoing interests in the following operations that are classified as associates or joint ventures:

Name	Country of incorporation
AAPN New Jersey LLC (47.0%)	United States
AGN LLC (47.0%)*	United States
AAPN Holdings, LLC (47.0%)	United States

*888 US Inc. presently owns 100% of AGN LLC. However, under the AAPN Joint Venture Agreement, 888 US Inc. is required to transfer AGN LLC to AAPN Holdings, LLC, once certain Nevada regulatory approvals are obtained by members of AAPN Holdings, LLC, other than 888.

Principal and significant subsidiary undertakings and associated undertakings of bwin.party

Name	Nature of business	Country of incorporation
Alancia Limited	Intermediate holding company	Cyprus
Bellingrath Limited	Intermediate holding company	Cyprus
BES S.A.S.	Online gaming	France
bwin.party European Markets Holdings S.P.A.	Intermediate holding company	Italy
bwin.party Interactive Marketing Espana S.L.	Marketing support services	Spain
bwin.party Italia S.r.l.	Online gaming	Italy
bwin.party entertainment Limited	B2B services	Gibraltar
bwin.party entertainment (NJ) LLC	Online gaming	US
bwin.party holdings Limited	Intermediate holding company	Gibraltar
bwin.party management (Gibraltar) Limited	Management and IT services	Gibraltar
bwin.party marketing (Gibraltar) Limited	Marketing services	Gibraltar
bwin.party marketing (UK) Limited	Marketing support services	United Kingdom
bwin.party services (Austria) GmbH	IT, customer support and marketing support services	Austria
bwin.party services (Bulgaria) EOOD	IT and customer support services	Bulgaria
bwin.party services (Malta) Limited	B2B services	Malta
bwin.party (USA) Inc.	B2B services	US
Cashcade Limited	Marketing services	United Kingdom
Dominion Entertainment Limited	Online gaming	Malta
Dominion Services GmbH	Marketing support services	Austria
ElectraGames Limited	IT services	Gibraltar
ElectraWorks (Alderney) Limited	IT services	Channel Islands
ElectraWorks (Espana) Plc	Online gaming	Malta
ElectraWorks (France) Ltd	Online gaming	Malta
ElectraWorks (Kiel) Limited	Online gaming	Malta
ElectraWorks Limited	Online gaming	Gibraltar
EZE International Limited	Transaction services	Gibraltar
Herotech Limited	Marketing services	United Kingdom
Independent Technology Ventures Limited	Online gaming and IT services	British Virgin Islands
InterTrader Limited	Financial services	Gibraltar
ITV Holdings Limited	Intermediate holding company	British Virgin Islands
IVY BPO Services Private Limited	Administration services	India
IVY Comptech Private Limited	IT and customer support services	India
IVY Software Development Services Limited	IT and customer support services	India
Kaiane Services Limited	IT services	France
Kalixa Accept Limited	Transaction services	United Kingdom
Kalixa Group Limited	Intermediate holding company	Gibraltar
Kalixa Operations GmbH	Transaction support services	Austria
Kalixa Pay Limited	Transaction services	United Kingdom
Kalixa Payments Group Limited	Transaction services	United Kingdom
Kalixa USA Inc	Transaction services	US

Name	Nature of business	Country of incorporation
Leodata Limited	IT services	Gibraltar
Party Interventures Limited	Transaction services	Gibraltar
PartyGaming IA Limited	Intangible asset management	Bermuda
Paytech International Limited	Transaction services	Gibraltar
PB (Italia) S.r.l.	Online gaming	Italy
PGB Limited	Customer services	Gibraltar
PKR Services Limited	Transaction services	Gibraltar
PXP Solutions Limited	Transaction services	United Kingdom
TC Invest A.G.	Intermediate holding company	Austria
Websports Entertainment Marketing Services GmbH	Marketing support services	Austria
WIN Interactive LLC	IT services	Ukraine

The bwin.party Group has ongoing interests in the following operations are that classified as associates or joint ventures:

Name	Country of incorporation
bwin e.k.	Germany
Circulo Payment Limited	United Kingdom

14. Properties and Assets

The following are the principal establishments of the 888 Group

	Term	Tenure
Suites 601/701 Europort, Europort Road, Gibraltar	30 June 2017	Leasehold
Server Room, Europort, Europort Road, Gibraltar	30 June 2017	Leasehold
85A Medinat Hayehudim St., Herzliya, Israel	31 October 2016	Leasehold
13/15 Portland Place, London, UK	21 October 2016	Leasehold
Old Parham Road, Saint John, Antigua & Barbuda	30 April 2017	Leasehold
400 Plaza Drive, 1st Floor, Secaucus, New Jersey 07096 USA	31 March 2017	Leasehold
AFI Park 1, 8th Floor, 4E Vasile, Milea Blvd., Bucharest (Sector 6), Romania	30 July 2018	Leasehold

The following are the principal establishments of the bwin.party Group

	Term	Tenure
111 River Street, Suite 1202, Hoboken, NJ 07030, USA	31 October 2016	Leasehold
24 Kapitan Dimitar Spisarevksi Street, Floor 6, ENIKOMM, 1592 Iskar, Bulgaria	31 March 2017	Leasehold
Divyasree Omega, “B” Block, Hitech City Road, Kondapur, Hyderabad, India	10 November 2016	Leasehold
Keletska Street, 61-A, Vinnitsa, Ukraine	25 August 2015	Leasehold
Marxergasse 1B, A-1030 Vienna	30 September 2023	Leasehold
Parklane Buildings, Triq Joe Scibberras Hamrun, Malta	1 December 2017	Leasehold
3rd Floor, One New Change, London EC4M 9AF, UK	16 July 2017	Leasehold
Suites 6 and 7, Atlantic Suite, Gibraltar	1 July 2021	Leasehold
Suite 641 Europort, Gibraltar	28 February 2018	Leasehold
Suite 621, Europort, Gibraltar	11 July 2024	Leasehold
Via Adolfo, Rava 124, 00142, Rome, Italy	30 June 2021	Leasehold
Via Olona 2, 20123, Milan, Italy	30 June 2016	Leasehold

15. Material contracts

15.1 *888 Group*

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the 888 Group (i) within the two years immediately preceding the date of this Prospectus and are or may be material to the 888 Group or (ii) which contain provisions under which any member of the 888 Group has an obligation or entitlement which is or may be material to the 888 Group as at the date of publication of this Prospectus.

Confidentiality Agreement

888 and bwin.party entered into the Confidentiality Agreement on 17 April 2015. Details of the Confidentiality Agreement are set out in paragraph 18.1 ("*Confidentiality Agreement*") of Part VI ("*Details of the Proposed Acquisition*").

Co-operation agreement

888, Bidco and bwin.party entered into the Co-operation Agreement on 17 July 2015 with respect to conduct of the Proposed Acquisition. Details of the Co-operation Agreement are set in paragraph 18.2 ("*Co-operation Agreement and Break Payment*") of Part VI ("*Details of the Proposed Acquisition*").

Sponsor Agreement

The Company and Investec entered into a sponsor agreement on 28 August 2015 (the "**Sponsor Agreement**"), pursuant to which the Sponsor agreed to act as sponsor to 888 in connection with the applications for Admission and the publication of the 888 Class 1 Circular and this Prospectus for the purpose of the Proposed Acquisition and Admission. Under the terms of the Sponsor Agreement, the Company has agreed to provide the Sponsor with certain customary indemnities, undertakings, representations and warranties. The indemnities provided by the Company indemnify the Sponsor against, *inter alia*, claims made against it or losses incurred by it, subject to certain exceptions. In addition, the Sponsor Agreement provides the Sponsor with the right to terminate the Sponsor Agreement before Admission in certain specified circumstances typical for a sponsor agreement of this nature, in which case the Sponsor Agreement will lapse.

Relationship Agreement and Deed of Amendment

Relationship Agreement

The Principal Shareholder Trusts and the Company entered into a relationship agreement on 14 September 2005 (as amended on 16 July 2015 to remove certain historic Shareholders), to regulate their relationship with the Company and the appointment of directors by the Principal Shareholder Trusts (the "**Relationship Agreement**"). The Listing Rules have been updated since the date of the Relationship Agreement, including in particular LR9.2.2AR(2) which requires certain independence provisions to be included in the relationship agreements that may, if required by the Listing Rules, be entered into between a listed company and certain of its shareholders. On or around the date of this Prospectus, the Principal Shareholder Trusts and 888 have entered into an agreement to update the Relationship Agreement to ensure compliance with LR9.2.2AR(2) of the Listing Rules. However, before this agreement was entered into, the Company was not in compliance with LR9.2.2AR(2) and the Company did not disclose this in 888's Annual Report 2014 pursuant to LR9.8.4R(14)(b). Save in respect of the amendment to the Relationship Agreement, 888 has not entered into any transactions with the Controlling Shareholders which should have been approved by 888 Shareholders.

Pursuant to the Relationship Agreement it was agreed, *inter alia*, that:

(a) the Principal Shareholder Trusts will, and will procure so far as they are legally able, that each of their associates will:

  (i) conduct all transactions and relationships with the 888 Group on arm's length terms and on a normal commercial basis;

(ii) not take any action which precludes or inhibits any member of the 888 Group from carrying on its business independently of them;

(iii) exercise their voting rights as to ensure that at all times at least half of the Directors, excluding the Chairman, are independent Non-executive directors ("**Independent Directors**");

(iv) exercise their voting rights to ensure that if an Independent Director ceases to be a director of the Company for any reason, such Independent Director shall, as soon as practicable, be replaced by a new director who is also an Independent Director; and

(v) in exercising their powers shall not cause the Company to take any action which would contravene the Combined Code on Corporate Governance dated July 2003 appended to but not forming part of the Listing Rules (the "**Combined Code**") or any further amendments or supplements to the 'Code of Best Practice' in the Combined Code save to the extent required by law as approved by the unanimous agreement of the Independent Directors, or otherwise as contemplated in the Relationship Agreement;

(b) in addition to their voting rights on the appointment and removal of directors, for so long as the E Shaked Shares Trust and the O Shaked Shares Trust and their respective associates collectively have an interest in 7.5% or more of the issued ordinary share capital of the Company, or the Ben-Yitzhak Family Shares Trust and its associates collectively have an interest in 7.5% or more of the issued ordinary share capital of the Company, then the E Shaked Shares Trust and the O Shaked Shares Trust collectively and the Ben-Yitzhak Family Shares Trust individually (in this case, except for so long as Shay Ben-Yitzhak is a director) will each respectively be entitled to nominate for appointment to the Board one Non-executive Director (a "**Principal Shareholder Director**"), such Principal Shareholder Director to be suitable and appropriate for the position. If the appointment of a Principal Shareholder Director results in fewer than half of the Board (excluding the chairman of the Board) being Independent Directors, then the parties to the Relationship Agreement shall take steps to procure the appointment of a further Independent Director acceptable to the Nominations Committee and, until such appointment has been made, the appointment of the Principal Shareholder Director shall be delayed;

(c) the E Shaked Shares Trust and the O Shaked Shares Trust collectively or the Ben-Yitzhak Family Shares Trust individually shall have the right to remove or replace the Principal Shareholder Director appointed by them from office by giving written notice to 888 and upon the exercise of such right the E Shaked Shares Trust and the O Shaked Shares Trust collectively or the Ben-Yitzhak Family Shares Trust individually (as the case may be) shall indemnify the Company in full against any claim arising from such removal unless, *inter alia*, the removal has been endorsed by a majority of Independent Directors;

(d) the Company shall procure the removal of the Principal Shareholder Director within one month after receipt of notice as set out in paragraph (c) above. Unless the E Shaked Shares Trust and the O Shaked Shares Trust collectively or the Ben-Yitzhak Family Shares Trust individually gives notice to the Company that it does not wish the Principal Shareholder Director it has appointed to be nominated for re-election at the time that Director is required to resign and seek re-election, the Company shall ensure that the Director concerned is recommended for re-election. If a Principal Shareholder Director resigns, is not re-elected as a Director or is removed by the E Shaked Shares Trust and the O Shaked Shares Trust collectively or the Ben-Yitzhak Family Shares Trust individually (as the case may be), the E Shaked Shares Trust and the O Shaked Shares Trust collectively or the Ben-Yitzhak Family Shares Trust individually (as the case may be) has the right to nominate a replacement Principal Shareholder Director;

(e) in the event that the E Shaked Shares Trust and the O Shaked Shares Trust collectively or the Ben-Yitzhak Family Shares Trust individually (as the case may be), together with their respective associates, collectively, no longer have an interest in 7.5% or more of the issued

ordinary share capital of the Company, their respective rights to appoint a Principal Shareholder Director will terminate whether or not they later acquire such interest;

(f) subject to certain exceptions, without the prior written consent of the Chief Executive Officer or Chief Financial Officer, each of the Principal Shareholder Trusts will not, and will procure so far as they are legally able to do so that their associates will not, either directly or indirectly, solicit for employment any person who is employed by any member of the 888 Group at the date of admission (4 October 2005);

(g) if any member of the 888 Group intends to enter into or vary any contract or arrangement with the Principal Shareholder Trusts or any of their associates, unless the Independent Directors agree otherwise, Directors who are not Independent Directors shall not be permitted to vote on any resolution of the Board to approve entering into such or varying such a transaction, contract or arrangement. If any member of the 888 Group intends to enforce, or is considering enforcing, any contract or arrangement with the Principal Shareholder Trusts or any of the associates, any Director who is not an Independent Director shall not be permitted to vote on any resolution of the Board to approve such an enforcement;

(h) if any Principal Shareholder Trust proposes to effect in any way a disposal of Ordinary Shares the relevant Principal Shareholder Trust undertakes to: (i) provide the Company with not less than ten business days' notice of the proposed disposal; (ii) carry out such prior consultation with the Company during such notice period as is reasonably practicable; and (iii) conduct any disposal having regard to the Company's desire to ensure an orderly market except where any disposal taken together with other disposals by a Principal Shareholder Trust effected in the 90 days prior to such proposed disposal would not reduce the holding of the relevant Principal Shareholder Trust by more than 0.5%; and

(i) during and for a period of three years from termination of the Relationship Agreement or any Principal Shareholder Trust ceasing to hold (collectively with its respective associates) at least 7.5% of the issued ordinary share capital of the Company, each party shall, and, to the extent legally able, shall procure that any of their respective associates, respective agents, employees or professional advisers shall, be informed if any information they receive is confidential information and shall not divulge such information to third parties. Any Principal Shareholder Trust who receives confidential information in relation to the 888 Group shall only disclose it: (i) to third parties with the prior written consent of the Company; (ii) to its professional advisers provided that the Principal Shareholder Trust procures that such adviser shall not, save where required by law or regulation, disclose the confidential information to a third party without the consent of the Company; (iii) to tax, regulatory, and other governmental authorities but only to the extent that such persons require the information for the proper discharge of their functions; (iv) in connection with legal proceedings; and (v) in compliance with any law or regulation, including listing or maintaining the listing of securities on any stock exchange. Each party shall, and, to the extent legally able, shall procure that any of their respective associates, respective agents, employees or professional advisers shall, upon the written request of the party which supplied the information: (a) return all media through which confidential information has been supplied to the receiving party insofar as the information relates exclusively to that party, its business or affairs; and (b) destroy all confidential information which has been reproduced by the receiving party and swear a declaration to such effect.

Deed of Amendment to the Relationship Agreement

The Principal Shareholder Trusts and the Company entered into a further deed of amendment to the Relationship Agreement on 16 July 2015 (the "**Deed of Amendment**"). The Deed of Amendment is conditional on the approval of the Proposed Acquisition by the 888 Shareholders (other than the Principal Shareholder Trusts and their respective associates) at the 888 General Meeting as it constitutes a related party transaction for the Company pursuant to the Listing Rules because the Principal Shareholder Trusts are substantial shareholders in the Company and, if approved, will take effect from Completion.

The Deed of Amendment will provide, *inter alia*, that:

(a) the definition of "Principal Shareholder Director" be replaced to mean a Non-executive Director appointed by the E Shaked Shares Trust, the O Shaked Shares Trust or the Ben-Yitzhak Family Shares Trust, in each case in accordance with the amended Relationship Agreement;

(b) the Remuneration Committee shall consist of Independent Directors except in circumstances in which the E Shaked Shares Trust or the O Shaked Shares Trust exercises its right to nominate a Principal Shareholder Director to the Board each one of whom, on appointment, shall be considered by the Board for appointment to the Remuneration Committee;

(c) for so long as any Principal Shareholder Trust and its associates collectively have an interest in 5% or more of the issued share capital of 888, then each such Principal Shareholder Trust is individually entitled, by giving written notice to 888, to either: (i) nominate for appointment to the Board one Principal Shareholder Director (such Principal Shareholder Director to be suitable and appropriate for the position); or (ii) appoint one observer to the Board. If the appointment of a Principal Shareholder Director results in fewer than half of the Board (excluding the chairman of the Board) being Independent Directors, then the parties shall take steps to procure the appointment of a further Independent Director acceptable to the Nomination Committee and, until such appointment has been made, the appointment of the Principal Shareholder Director shall be delayed;

(d) each Principal Shareholder Trust individually shall have the right to remove or replace the Principal Shareholder Director or Board observer nominated or appointed by them from office by giving written notice to 888 and upon the exercise of such right each Principal Shareholder Trust shall indemnify 888 in full against any claim arising from such removal unless, *inter alia*, the removal has been endorsed by a majority of Independent Directors;

(e) 888 shall procure the removal of the Principal Shareholder Director or Board observer within one month following receipt of a notice given by a Principal Shareholder Trust as set out in paragraph (d) above, unless the relevant Principal Shareholder Trust gives notice to 888 that it does not wish the Principal Shareholder Director that the Principal Shareholder Trust has nominated to be put up for re-election at the time that Principal Shareholder Director is required to resign and seek re-election, 888 shall ensure that the Principal Shareholder Director concerned is recommended for re-election;

(f) if a Principal Shareholder Director resigns, is not re-elected as a Director or is removed by the relevant Principal Shareholder Trust, or if a Board observer resigns or is removed by the relevant Principal Shareholder Trust, such Principal Shareholder Trust has the right to nominate a replacement Principal Shareholder Director or Board observer;

(g) the right of each Principal Shareholder Trust to nominate the appointment, replacement or removal of a Principal Shareholder Director or Board observer shall terminate in the event that such Principal Shareholder Trust and its associates collectively no longer have an interest in 5% or more of the issued share capital of 888, whether or not they later acquire such interest;

(h) each Board observer appointed by a Principal Shareholder Trust shall have the same rights as any director of 888 with respect to receipt of information and the right to notice of and to participate in all meetings of the Board. No Board observer shall have voting rights, nor shall Board observers be counted towards a quorum. No Board observer shall be entitled to receive any compensation from 888 for services as a Board observer (but shall be entitled to reimbursement of reasonable out-of-pocket expenses consistent with 888's travel and expense policies);

(i) each Board observer shall be entitled to participate in any executive sessions (or similar sessions or meetings) of the Board and all meetings of committees of the Board; and

(j) any reference to "7.5 per cent" in the Relationship Agreement is replaced with "five per cent".

The entry into the Deed of Amendment is a related party transaction for the Company pursuant to the Listing Rules because the Principal Shareholder Trusts are (or were within the 12 months before the entry into the Deed of Amendment) substantial shareholders in the Company. Accordingly, the Deed of Amendment will only become effective conditional upon approval by the 888 Shareholders (other than the Principal Shareholder Trusts and their respective associates) at the 888 General Meeting.

New Credit Facilities

Overview

The Company has entered into a US$650 million credit facilities agreement with, initially, Barclays Bank PLC and JPMorgan Chase Bank N.A,, with Barclays Bank PLC also acting as administrative agent and collateral agent (the "**New Credit Agreement**").

This is a summary of the New Credit Facilities (as defined below). This description is subject to the terms and provisions of the various agreements governing the New Credit Facilities, including the New Credit Agreement.

The New Credit Facilities consists of the following:

- *Revolving Credit Facility* – A five-year US$50 million senior secured revolving credit facility (the "**Revolving Credit Facility**"). The Revolving Credit Facility will permit borrowings in certain currencies other than the US dollars (each such currency, an "**Available Currency**"), and include a sublimit for the issuance of standby and commercial letters of credit. The Company, with certain wholly-owned restricted subsidiaries of the Company that are permitted to be, and are, designated by the Company as revolving borrowers, will be the borrowers of the loans made under the Revolving Credit Facility (the "**Revolving Loans**"). The Revolving Credit Facility will mature five years from the date on which the initial borrowings under the New Credit Facilities are made (the "**Closing Date**").

- *Term Loan Facility* – A six-year amortising US$600 million senior secured US dollar term loan facility (the "**Term Loan Facility**", and, together with the Revolving Credit Facility, the "**New Credit Facilities**"). The Company, jointly and severally with the US Co-Borrower will be the borrowers of the loans made under the Term Loan Facility (the "**Term Loans**" and, together with the Revolving Loans, the "**New Loans**"). The Term Loans will amortise in an aggregate yearly amount equal to 1% of the original total principal amount of the Term Loans drawn on the Closing Date, in each case payable in quarterly instalments, with the remaining balance of the Term Loans to be due at the maturity of the Term Loan Facility. The Term Loan Facility will mature six years from the Closing Date.

The New Credit Facilities provide that the Company has the right at any time from the Closing Date to seek commitments to provide additional term loan facilities or additional revolving credit commitments (under the New Credit Agreement) or other debt in lieu thereof (either in the form of certain loans or notes) so long as the aggregate amount of all the foregoing at the time of any such incurrence does not exceed the sum of an unlimited amount so long as the senior net leverage ratio (measured as the ratio of consolidated funded senior secured net debt to consolidated EBITDA) does not exceed, at the time of incurrence thereof, 3.00 to 1.00, (assuming for these purposes that all of the foregoing debt is senior secured and that all additional revolving credit commitments are drawn and the proceeds of such incurrence are excluded from cash netting) plus US$100 million, plus an amount equal to all voluntary prepayments of the New Loans (to the extent accompanied, in the case of Revolving Loans, by a permanent revolving commitment reduction) except to the extent funded with long-term indebtedness. The lenders under the New Credit Facilities are not under any obligation to provide any such additional indebtedness.

All borrowings under the New Credit Facilities, including the additional term loan facilities and the additional revolving credit commitments provided under the New Credit Agreement, and all issuance

of letters of credit under the New Credit Agreement, are subject to the satisfaction of customary conditions, including the absence of a default or an event of default and the accuracy in all material respects of representations and warranties, though on the Closing Date certain borrowings are limited to certain major representations and events default.

Availability

The Term Loan Facility and the portion of the Revolving Credit Facility to be utilised in connection with the Proposed Acquisition are made available on a certain-funds basis as set out in the New Credit Agreement. They are available during the certain-funds period, being the period from the date of the New Credit Agreement and ending on the earliest of: (a) the date on which the offer to which the Scheme relates, or the Scheme itself, lapses or is withdrawn or the relevant court refuses to sanction such Scheme and rejects it (without proposing or contemplating an adjournment); (b) the date falling 20 days after the Effective Date; (c) the date on which bwin.party has become a direct wholly owned subsidiary of Bidco and all of the consideration payable in respect of the bwin.party Shares pursuant to the Proposed Acquisition has been paid in full; and (d) 11:59 p.m. on 12 February 2016; provided that if the certain funds period expires without the Closing Date occurring then the New Credit Facilities will terminate in full.

Use of Proceeds

The net proceeds from the Term Loan Facility will be used solely to finance, in part, the Proposed Acquisition and to pay the transactions costs associated with the Proposed Acquisition. The net proceeds from the Revolving Credit Facility will be used (a) on the Closing Date, (i) to replace, backstop or cash collateralise existing letters of credit, and (ii) in an aggregate amount not to exceed US$18.0 million, to account for certain original issue discount and/or upfront fees with respect to the Term Loan Facility and any additional fees required to be paid pursuant to "market flex", and (b) after the Closing Date, to finance the working capital needs of the Company and its subsidiaries and for general corporate purposes of the Company and its subsidiaries (including for capital expenditures, acquisitions, investments, restricted payments and any other transaction not prohibited by the loan documents).

Interest Rate and Fees

Borrowings under the New Credit Facilities will bear interest at a rate per annum equal to, at the Company's option, either (a) a base rate determined by reference to the highest of (i) the "US Prime Lending Rate", as in effect from time to time, (ii) ½ of 1% in excess of the overnight federal funds rate, and (iii) LIBOR for an interest period of one month plus 1.00%, plus the "applicable rate" as set forth below, or (b) a LIBOR rate determined by reference to the costs of funds for US dollar, Euro, sterling or other Available Currency deposits, as applicable, for the interest period relevant to such borrowing adjusted for certain additional costs, plus the "applicable rate" as set forth below; provided that only New Loans denominated in US dollars may bear interest by reference to the base rate. For the purpose of determining the interest rate payable on the Term Loans under clauses (a) and (b) of the immediately preceding sentence, the base rate will be subject to a floor of 2.00% per annum, and the LIBOR rate will be subject to a floor of 1.00% per annum.

Applicable rate:[8]

- for the period from the Closing Date until the date of delivery as required pursuant to the New Credit Agreement of financial statements for the first full fiscal quarter ended at least six months after the Closing Date, (i) in the case of Term Loans, (A) for LIBOR rate loans, 3.25% per annum, and (B) for base rate loans, 2.25% per annum, and (ii) in the case of Revolving Loans, (A) for LIBOR rate Loans, 3.00% per annum and, (B) for base rate loans, 2.00% per annum;

8 The applicable rate may increase to the extent of the exercise of any "market flex".

- thereafter, the following percentages per annum, based upon the then current senior net leverage ratio:

Pricing Level	Senior Net Leverage Ratio	LIBOR Rate Revolving Loans	Base Rate Revolving Loans (US dollar)	LIBOR Rate Term Loans	Base Rate Term Loans (US dollar)
1	> 3.0 : 1.00	3.00%	2.00%	3.25%	2.25%
2	> 2.5 : 1.00 but ≤ 3.0 : 1.00	2.75%	1.75%	3.00%	2.00%
3	≤ 2.5 : 1.00	2.50%	1.50%	2.75%	1.75%

In addition to paying interest on outstanding principal under the New Credit Facilities, the Company will be required to pay a commitment fee equal to 40% of the "applicable rate" for LIBOR rate Revolving Loans, per annum on the daily undrawn portion of the commitments under the Revolving Credit Facility, accruing from the Closing Date and payable quarterly in arrears. The Company will also be required to pay letter-of-credit fees on the daily maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the "applicable rate" for LIBOR rate Revolving Loans, payable quarterly in arrears and on the expiration date of the relevant letter of credit as well as customary fronting fees for the issuance of letters of credit fees and agency fees.

Mandatory Prepayments

Subject to certain exceptions and customary baskets set forth in the New Credit Agreement, the Company will be required to make mandatory prepayments of the loans under the Term Loan Facility, on a *pro rata* basis, under certain circumstances, including from 100% of net cash proceeds from asset sales outside the ordinary course of business (subject to reinvestment rights and retained proceeds), from 100% of the net cash proceeds of insurance and condemnation proceeds for property or asset losses (subject to reinvestment rights and retained proceeds), from 100% of the net cash proceeds from the incurrence or issuance of debt not otherwise permitted by the New Credit Agreement or is intended to constitute a permitted refinancing of the Term Loan Facility, and from 50% of annual excess cash flow (with steps down to 25% and 0% based on achievement of specified senior net leverage ratios). Lenders of the Term Loans will be permitted to waive any mandatory prepayments of their Term Loans (other than a permitted refinancing thereof), and the Company may retain any such declined amounts.

Voluntary Prepayments

The Company will be permitted to voluntarily reduce the unutilised portion of the commitment amount and repay outstanding New Loans at any time without premium or penalty, other than (i) customary "breakage" costs with respect to LIBOR rate loans, and (ii) a 1% prepayment fee for repricing of the Term Loans within six months of the Closing Date.

Guarantees and Security

The Company's and the other borrowers' obligations under the New Credit Facilities, as well as certain hedging arrangements and certain cash management arrangements entered into with persons that are on the Closing Date or date of entry into the cash management arrangements, lenders, arrangers, bookrunners, or the administrative agent under the New Credit Facilities (or affiliates of any of the foregoing), will be guaranteed, from the date of the New Credit Agreement, by the Company and certain of the Company's direct and indirect material restricted subsidiaries, and, on and from 90 days after the Closing Date, by bwin.party and its direct and indirect material restricted subsidiaries, and, in each case any other restricted subsidiary required to meet a one-time 80% consolidated EBITDA guaranty coverage test (subject to certain exclusions and limitations set forth in the New Credit Agreement). Following certain permitted acquisitions and internal reorganisations and 45 days after delivery of yearly financial statements pursuant to the New Credit Agreement, any restricted subsidiary of the Company which is a material restricted subsidiary and not a guarantor (subject to certain exclusions and limitations set forth in the New Credit Agreement) shall also join as additional

guarantors and grant security pursuant to the terms of the New Credit Agreement, in each case unless the total net leverage ratio (measured as the ratio of consolidated funded net debt to consolidated EBITDA) is less than 2.00 to 1.00. For those purposes, a material restricted subsidiary is a restricted subsidiary of the Company whose EBITDA represents 5% or more of consolidated EBITDA or a restricted subsidiary owning material IP or borrower under the New Credit Agreement or Bidco or VHL Financing Limited.

The Company's and the other borrowers' obligations and the obligations of the guarantors under the New Credit Facilities and certain hedging arrangements and certain cash management arrangements entered into with persons that are on the Closing Date or date of entry into the cash management arrangements, lenders, arrangers, bookrunners, or the administrative agent under the New Credit Facilities (or affiliates of any of the foregoing) are expected to be secured by first-priority security interests in substantially all tangible and intangible assets of the Company, the other borrowers and the guarantors organised under the laws of Gibraltar or England and Wales and the US Co-Borrower, and certain share pledges (including pledges of the shares of Bidco, bwin.party and the US Co-Borrower), in each case subject to exclusions to be set forth in the New Credit Agreement and the collateral documents.

Representations and warranties and covenants

The New Credit Agreement contains various customary representations and warranties, given on the date of execution of the New Credit Agreement and to be repeated on the Closing Date and each borrowing date (including the date of issuance of letters of credit) thereafter and each other date expressly set forth in the New Credit Agreement. In addition, the New Credit Agreement contains certain covenants in respect of future maintenance and conduct of the business (subject to certain agreed exceptions and limitations), including, among others, various restrictive covenants such as restrictions on liens, debt, mergers and consolidations, sales, transfers and other dispositions of assets, acquisitions and other investments, dividend and other restricted payments, prepayment, redemption or repurchase of unsecured, subordinated or junior lien debt, transaction with affiliates, holding company activities, burdensome agreements, use of proceeds, compliance with laws (including, without limitation, gaming laws, data privacy laws and sanctions laws), material amendments to organisation documents and junior debt documents, change of business or fiscal year and certain covenants in relation to the Scheme and the Proposed Acquisition. The Revolving Credit Facility also requires the Company to maintain a maximum consolidated senior net leverage ratio (measured as the ratio of consolidated funded senior secured debt to consolidated EBITDA) if the borrowers thereunder exceed a certain level of usage of the Revolving Credit Facility.

Events of default

The New Credit Agreement contains customary events of default subject to specified exceptions, materiality, grace periods, baskets, thresholds, qualifications and remedy periods, including, among others, non-payment due under a finance document, breach of financial and other covenants, material breach of representations and warranties, cross default, insolvency events and change of control.

Governing law and jurisdiction of courts

The New Credit Agreement and any non-contractual obligations arising out of or in connection with it are governed by New York law provided that the security documents are governed by the laws of the jurisdiction in which the security is created or perfected. The courts of New York, borough of Manhattan, have exclusive jurisdiction to hear and determine any legal action or proceeding under the New Credit Agreement and any non-contractual obligations arising out of or in connection with it provided that the courts of the jurisdiction in which the security is created or perfected have jurisdiction to hear and determine any legal action or proceeding arising under or in connection with the security documents.

Depositary Agreement

The Company and the Depositary entered into the Depositary Agreement on 14 September 2005, pursuant to which the Company appointed the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll, a series of Depositary Interests representing securities issued by the Company and to provide certain other services in connection with such Depositary Interests. Details of the Depositary Agreement are set out in paragraph 3 ("*Depositary Agreement*") of Part XV ("*CREST and Depositary Interests*").

Offshore Registrar Agreement

The Company and the Registrars entered into the Offshore Registrar Agreement on 14 September 2005, pursuant to which the Company appointed the Registrars to act as registrars of the Company's register of members, kept in Jersey. Details of the Offshore Registrar Agreement are set out in paragraph 4 ("*Offshore Registrar Agreement*") of Part XV ("*CREST and Depositary Interests*").

AAPN Joint Venture Agreement

888 US Inc. (the "**888 Member**"), a wholly owned subsidiary of 888, Avenue OLG Entertainment LLC ("**AOLG**") and certain individuals entered into an amended and restated limited liability company agreement on 11 March 2013 (the "**AAPN Joint Venture Agreement**") with respect to the establishment and joint operation of AAPN Holdings, LLC ("**AAPN**") to carry out legalised internet-based gambling operations, including the launch of an internet-based gambling network in the US, based on the proprietary technology and know-how of the 888 Member and its affiliates, and AOLG's financial resources. The AAPN Joint Venture Agreement is governed by the laws of the State of Delaware. Under the terms of the AAPN Joint Venture Agreement, the parties agreed, among other things, as follows:

- *Units Issuances* – AAPN has four authorised classes of units – class A, class B, class C and class D with different rights attached to them. In particular, the class A units generally entitle their holders to voting and economic rights similar to the rights of holders of common shares; the class B units are issuable from time to time in connection with the funding of certain class B commitments, and have voting and economic rights similar to redeemable preferred shares, including a deferred, accreting interest component with priority over other equity holders out of net profits that would otherwise be available for distribution as dividends and the class C and D units are similar to profits interests or options issuable to management members.

- *Capital Contributions* – On the date of the AAPN Joint Venture Agreement, (i) AOLG agreed to make a capital contribution to AAPN in the aggregate amount of US$4 million on the account of its US$25 million class A commitment in AAPN, and (ii) the 888 Member, with respect to its capital contribution towards its class A units, agreed that a certain software licence and services agreement for online gambling in the US between 888 US Limited, AAPN and AGN LLC ("**AGN**"), would be entered into, dated as of the date of the AAPN Joint Venture Agreement (the "**AAPN Services Agreement**"), pursuant to which 888 US Limited provided a licence to use certain software and perform certain obligations under the AAPN Services Agreement. The 888 Member further agreed that, subject to certain conditions (including grant of applicable regulatory licences, approvals and certificates), the 888 Member would immediately convey and contribute to AAPN all outstanding equity of AGN to AAPN; *provided* such contribution will be for no additional consideration. As of the date hereof, such conveyance and contribution of all outstanding equity of AGN has not yet occurred. Subsequent to execution of the AAPN Joint Venture Agreement, in furtherance of the objectives of AAPN to conduct the AAPN Business (as defined below), 888 US Limited formed AAPN NJ LLC ("**AAPN NJ**") and was admitted as the sole member of AAPN NJ pursuant to that certain operating agreement of AAPN NJ, dated 25 April 2013. 888 US Limited, AOLG and AAPN NJ entered into that certain signing fee advance agreement, dated as of 31 July 2013, pursuant to which 888 US Limited agreed, among other things, to immediately convey and contribute to AAPN all of the outstanding Equity Securities (as defined in the AAPN Joint

Venture Agreement) of AAPN NJ on the date certain conditions are duly satisfied. In May 2014, after the applicable conditions were satisfied and following receipt of regulatory approvals, such conveyance and contribution occurred and AAPN NJ is now a direct wholly owned subsidiary of AAPN.

- *Capital Commitments* – Subject to certain exceptions and conditions, AOLG agreed to make contributions with respect to its class A commitment, and such amounts have been fully funded. AOLG also agreed under certain conditions to provide financing for operation of AAPN in states other than Nevada. Subject to fulfilment of certain conditions in the AAPN Joint Venture Agreement, AOLG also agreed to make contributions towards its US$75 million class B commitment upon issuance of drawdown notices by the board of AAPN, subject to the satisfaction of certain criteria. At the date of this Prospectus, US$20 million of AOLG's class B commitment has been funded.

- *Distribution of cash from operations* – The board of AAPN will have sole discretion regarding the amount and timing of payments and other distributions to the unitholders of cash from operations. Any such distributions are required to be made in accordance with the following order of priorities: (i) first, a guaranteed payment to the holders of the class B units in proportion to the amount of the cumulative Class B Preferred Return (as defined in the AAPN Joint Venture Agreement) of each such unitholder less all prior payments to such unitholders, including contemporaneous payments in the event of a distribution from the sale or liquidation of AAPN; (ii) second, to the holders of the class B units in proportion to an amount equal to the Unreturned Class B Priority Amount (as defined in the AAPN Joint Venture Agreement) of each such unitholders; and (iii) third, *pro rata* to the holders of the class A units, class C units and class D units (if any). Distribution of proceeds from a sale of all or substantially all of the business or assets of AAPN or a liquidation will occur subject to certain conditions, after payment of applicable expenses and establishment of reserves for contingent liabilities, in the same order of priority.

- *Exclusivity:* Except as expressly permitted in the AAPN Joint Venture Agreement, AAPN and its subsidiaries (the "**AAPN Group**") will serve as the sole and exclusive vehicle through which each of the unitholders and their respective affiliates will engage in the marketing, operating, offering and otherwise engaging in online gaming (the "**AAPN Business**") in the US in any manner that could reasonably be expected to compete with AAPN Group in any material respect. Accordingly, but subject to certain exceptions, each of the unitholders will, and will cause each of its affiliates to (i) not, directly or indirectly, other than through the AAPN Group, engage in the AAPN Business in or targeted at the US, or own a controlling interest in any person engaged in the AAPN Business in or targeted at the US where a material part of such person's business operations consists of the AAPN Business, except where such unitholder's and such other person's activities and operations could not reasonably be expected to compete with the AAPN Business conducted by the AAPN Group in any material respect, and (ii) refer to AAPN all business opportunities, leads and requests for proposals or information which such unitholder or any of its affiliates may initiate, become aware of or come across related to real money and non-real money online gaming in or targeted at the US.

  Notwithstanding the foregoing exclusivity, the 888 Member and its affiliates may independently of AAPN operate, promote or market online games that are (i) developed or acquired by New Wave Virtual Ventures Limited, a wholly owned subsidiary of the 888 Member ("**Mytopia**") and (ii) made accessible solely by or through Mytopia's online gaming platform to certain social media websites, so long as such social media website is not dedicated in whole or substantial part to online games, does not derive a substantial portion of its revenues from real-money online games in or targeted at the US, and *provided* such online games do not make use of any mark owned, controlled or licensed by or to a member of the AAPN Group.

In addition, subject to certain conditions and limitations, the 888 Member and its affiliates will be permitted to engage and offer the 888 online gaming platform and related services to a limited number of qualified partners (and to certain prospective licensees), and also to offer software solutions, infrastructure and operational services for state lottery offerings.

- *Termination:* Each of the 888 Member and AOLG may terminate the AAPN Joint Venture Agreement and commence liquidation of AAPN upon occurrence of any of the following events: (i) if real-money online games become unlawful throughout the US by federal law or federal court, (ii) if AAPN's regulatory licence in Nevada is permanently revoked, and (iii) in the event that there is no longer any US state in which real-money online games are legal. In addition, each of the 888 Member and AOLG may terminate the AAPN Joint Venture Agreement in the event the other party is found unsuitable by the Nevada regulator or its regulatory licence is rejected, or if by 31 December 2013 (which period can be extended under certain terms) such other party does not obtain in Nevada an affirmative finding of suitability or is not issued an IGSP licence (if required in addition to the suitability finding).
- *Services Agreement:* The 888 Member, through one or more of its affiliates, is obligated to provide certain B2C marketing and software services to AAPN pursuant to the AAPN Services Agreement.

15.2 *bwin.party Group*

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by bwin.party or another member of the bwin.party Group (i) within the two years immediately preceding the date of this Prospectus and are or may be material to the bwin.party Group or (ii) which contain provisions under which any member of the bwin.party Group has an obligation or entitlement which is or may be material to the bwin.party Group as at the date of publication of this Prospectus.

Confidentiality Agreement

bwin.party and 888 entered into the Confidentiality Agreement on 17 April 2015. Details of the Confidentiality agreement are set out in paragraph 18.1 ("*Confidentiality Agreement*") of Part VI ("*Details of the Proposed Acquisition*").

Co-operation Agreement

bwin.party, Bidco and 888 entered into the Co-operation Agreement on 17 July 2015 with respect to conduct of the Proposed Acquisition. Details of the Co-operation Agreement are set in paragraph 18.2 ("*Co-operation Agreement and Break Payment*") of Part VI ("*Details of the Proposed Acquisition*").

Sale and purchase agreement for the sale of World Poker Tour

bwin.party entered into a sale and purchase agreement on 19 June 2015 pursuant to which bwin.party sold all of its interests in World Poker Tour to Ourgame International Holdings Limited for a cash consideration of US$35 million. Under the terms of the sale and purchase agreement, bwin.party has agreed to provide Ourgame International Holdings Limited with certain customary indemnities, undertakings, representations and warranties, including an indemnity in respect of contingency payments that may arise under a historical settlement agreement, with a maximum potential liability of approximately US$6.1 million.

16. Related party transactions and other arrangements

16.1 Save:

(a) as described in 888's Interim Results Announcement 2015 set out in Note 6 and the 888 Group's historical financial information for the three years ended 31 December 2014, 2013 and 2012 set out in Notes 22, 25 and 25 respectively, and

(b) the entry into the Deed of Amendment as described in paragraph 15.1 ("*Material contracts – 888 Group – Deed of Amendment to the Relationship Agreement*") in this Part XVII ("*Additional Information*"),

there were no related party transactions entered into by the Company or any member of the 888 Group during the financial years ended 31 December 2014, 2013 and 2012, the six months ended 30 June 2015 and during the period up to 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

16.2 Save as described in bwin.party's Interim Results Announcement 2015 set out in Note 12 and the bwin.party Group's historical financial information for the three years ended 31 December 2014, 2013 and 2012 set out in Notes 26, 27 and 26 respectively, there were no related party transactions entered into by bwin.party or any member of the bwin.party Group during the financial years ended 31 December 2014, 2013 and 2012, the six months ended 30 June 2015 and during the period up to 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

17. Litigation

17.1 The 888 Group is currently, or has within the last 12 months been, subject to the following governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, a significant effect on the Company's and/or the 888 Group's financial position or profitability and, following Completion, the Enlarged Group and/or the Enlarged Group's financial condition or profitability:

(a) Germany

(i) *Baden-Württemberg – Cassava proceedings*

On 1 February 2010, the government of Baden-Württemberg, Germany, issued an administrative order against Cassava Enterprises Limited prohibiting the offering and marketing of online gambling services in Baden-Württemberg. As the offering of the gambling services is done by Cassava Enterprises (Gibraltar) Limited ("**Cassava**"), the latter appointed counsel and filed an appeal against the order. In addition, Cassava applied to the court to suspend the order until the main proceedings are resolved. The court rejected the interim motion, and Cassava appealed to the Court of Appeals. The Court of Appeals denied appeal in interim proceedings seeking to suspend the order until the main proceedings are resolved. An application to reconsider the matter of interim measures was rejected. In late 2011 the court of first instance issued its ruling on the main proceedings, rejecting the position of Cassava. Cassava appealed the judgment and the court announced a suspension of the proceeding, to which Cassava declared consent on 21 March 2012, however the government declared non-consent.

In December 2012, the court informed the parties that it viewed the orders issued under the (now expired) Inter-State Gaming Treaty as no longer valid, and that as a result, the proceedings related to those orders were rendered redundant. The court also suspended the proceedings (with regard to orders issued under the current treaty), pending a ruling by the Federal Administrative Court on a related matter. The court suggested that Cassava renew its petition for interim measures pending a final ruling, and Cassava informed the court of its acceptance of such recommendation. In April 2013, the court issued an interim order suspending the effects of the administrative order against Cassava, and also suspended the main proceedings in the case until the CJEU rules on the validity of the German Inter-State Gaming Treaty.

Following the ruling on the aforementioned case by the CJEU, the Higher Administrative Court of Baden-Württemberg decided on 30 July 2014 to recommence the proceedings that had been put on hold. Both Cassava and the Baden- Württemberg government filed additional writs. An oral hearing is scheduled for 8 September 2015.

As these proceedings are administrative in nature, they do not relate to a quantifiable amount. However, if Cassava is unsuccessful in the case, it could be subject to an order preventing Cassava from offering and marketing online gambling services in Baden-Württemberg.

(ii) *Bavaria*

On 20 May 2010, the authorities of Bavaria, Germany, issued an administrative order against Cassava prohibiting the offering and marketing of online gambling services in Bavaria. Cassava appointed counsel and filed an appeal against the order. In addition, Cassava applied to the court to suspend the order until the main proceedings are resolved. The court rejected the interim motion, and Cassava appealed to the Court of Appeals. The Court of Appeals denied appeal in interim proceedings. Cassava applied for further preliminary proceedings on 30 March 2012. In November 2012, the court granted 888's petition in this regard and suspended the administrative order issued by the authorities, pending a final ruling on the matter. The main proceedings were restarted in July 2013, and Cassava filed a writ with the court affirming the relevance of its petition against the administrative order. In January 2014, the court asked for the consent of the parties to issue a ruling in the case without conducting an oral hearing; Cassava accepted this proposal but the Bavarian authorities did not. In March 2014, the Bavarian authorities issued new administrative orders, effectively replacing the ones issued in 2010. The court subsequently ruled in April that the proceedings related to the 2010 orders would be terminated, however the proceedings would continue with regard to the 2014 orders. A date for a hearing has not yet been set.

As these proceedings are administrative in nature, they do not relate to a quantifiable amount. However, if Cassava is unsuccessful in the case, it could be subject to an order preventing Cassava from offering and marketing online gambling services in Bavaria.

(iii) *North Rhine-Westphalia ("**NRW**")*

On 18 January 2010, the State Lottery of NRW, Westlotto, filed a civil law suit against Cassava, 888 and its then director, John Anderson, seeking a declaratory judgment that the defendants are obliged to pay damages together with injunctive relief and a demand to supply records regarding revenue generated in NRW since 20 February 2009, arguing unfair competition in connection with the provision and advertising of online gambling services. The court of first instance ruled in favor of the plaintiff. An appeal and a motion to suspend enforcement of the judgment were filed by 888 with the Court of Appeals. In December 2012, the Court of Appeals rejected 888's appeal while accepting 888's counter-claim against Westlotto. The Court of Appeals granted leave to appeal the ruling to the Federal Supreme Court, and such appeal has since been filed. In July 2013, 888 filed its writ responding to the appeal. The case is currently pending before the highest federal court in Germany, the Federal Supreme Court, and is scheduled to be heard on 12 November 2015.

The value of the suit against 888 was determined by the Court of First Instance to be €500,000. If 888 is unsuccessful in the case, it is liable to pay damages of up to €500,000 as well as costs incurred by Westlotto. However, if the court upholds 888's counter-claim against Westlotto, any liability incurred by 888 could be offset by damages imposed on Westlotto. The amount of such damages cannot presently be quantified. As the case will be heard by the Federal Supreme Court, if 888 is unsuccessful in the case, the findings of the court could negatively impact the 888 Group's ability to offer and market online gambling services not just in NRW, but all of Germany.

(iv) *Sachsen-Anhalt*

On 13 October 2014, the government of Sachsen-Anhalt, Germany, issued an administrative order against Cassava prohibiting the offering and marketing of online gambling services in Sachsen-Anhalt. Cassava appointed counsel and filed main

proceedings in the Administrative Court Halle against the order. In addition, Cassava applied to the court for interim proceedings to suspend the order until the main proceedings are resolved. In the interim proceedings writs between Cassava and the government of Sachsen-Anhalt have been exchanged. On 17 March 2015, the Administrative Court granted Cassava's petition in the interim proceedings, ruling that the prohibition order is without effect until a final decision is rendered in the main proceedings. The government of Sachsen-Anhalt appealed to the Higher Administrative Court Sachsen-Anhalt against the Administrative Court's decision in the interim proceedings. Cassava filed a respective writ answering to the appeal on 13 May 2015. In July 2015, the Higher Administrative Court ruled in favour of Cassava, rendering the administrative order unenforceable pending a ruling in the main proceedings. Furthermore, the court recommended to the government of Sacshen-Anhalt that it withdraw the administrative orders issued against Cassava. The Government of Sachsen-Anhalt has not yet responded to this recommendation.

As these proceedings are administrative in nature, they do not relate to a quantifiable amount. However, if Cassava is unsuccessful in the case, it could be subject to an order preventing Cassava from offering and marketing online gambling services in Sachsen-Anhalt.

(v) *Lower Saxony*

On 21 July 2015, the authorities of Lower Saxony, Germany, issued an administrative order against Cassava and the Company, prohibiting the offering and marketing of online gambling services in Lower Saxony. Cassava and the Company instructed local counsel to file proceedings against the local authorities challenging the prohibition order and seeking interim relief.

As these proceedings are administrative in nature, they do not relate to a quantifiable amount. However, if Cassava and the Company are unsuccessful in the case, it could be subject to an order preventing Cassava and the Company from offering and marketing online gambling services in Lower Saxony.

(b) Hungary

On 26 February 2015, Cassava received a notice from the Hungarian Tax Authority imposing a 5,000,000 HUF fine on the 888 Group for allegedly offering online gaming in Hungary in violation of local law. Cassava initiated appeal proceedings against the decision before the competent Hungarian court. The Hungarian court has not yet scheduled a hearing regarding Cassava's appeal.

If Cassava is unsuccessful in the case, it is liable to pay the 5,000,000 HUF fine imposed on it as well as interest accrued on the fine. Such a ruling will also need to be reported to certain regulatory authorities which have issued licences to the 888 Group.

(c) Spain

On 22 January 2013, the Spanish casino operator, Codere Apuestas, S.A.U. ("**Codere**"), and its subsidiary Misuri, S.A. ("**Misuri**"), filed a notice of intent to appeal before the Regional High Court of Madrid, challenging the Spanish regulator's decisions to grant an online gaming licence to 888 Spain plc. This procedure derives from a challenge of the administrative appeal originally filed by Codere and Misuri against the decision to award 888 Spain plc its Spanish licence, which challenge was rejected in October 2012. As the subject of the notice of appeal was the regulator's decision, 888 Spain plc was not a party to the procedure, however as the subject of the appeal would be 888 Spain plc's Spanish licence and any such appeal may affect its validity, 888 appeared before the court as an interested party.

In January 2015, the Regional High Court of Madrid issued its decision on the case, rejecting the appeal filed by Codere, and confirming the validity of the 888 Group's licences in Spain.

The grounds for rejection were based on the argument made by 888 that Codere did not have an actual and real interest in challenging the 888 Group's Spanish online licences and, therefore, should not be considered as entitled to appeal the decisions of the Spanish authorities granting those licences. The court also ruled that Codere shall repay 888 the procedural expenses deriving from the proceeding.

In February 2015, Codere appealed the decision of the Regional High Court of Madrid to the Spanish Supreme Court. 888 filed a writ with the Spanish Supreme Court, requesting to take part in the proceedings. The writ is currently pending the Spanish Supreme Court's decision.

As these proceedings are administrative in nature, they do not relate to a quantifiable amount. However, if 888 is unsuccessful in the case, 888 Spain plc's online gaming licence could be revoked and 888 Spain plc will not be able to offer and market online gambling services in Spain, where 5.4% of its 2014 revenue is derived from.

17.2 Save as described in paragraph 17.1 above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors are aware) during the 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on the Company's or the 888 Group's financial position or profitability and, following Completion, the Enlarged Group and/or the Enlarged Group's financial condition or profitability.

17.3 The bwin.party Group is currently, or has within the last 12 months been, subject to the following governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, a significant effect on the bwin.party's and/or the bwin.party Group's financial position or profitability and, following Completion, the Enlarged Group and/or the Enlarged Group's financial condition or profitability:

(a) Cyprus

On 28 February 2014, bwin.party received a claim filed at the District Court of Limassol by Rodolfo Odoni against Nomato Investments Limited and six other defendants, including bwin.party and BAW International Limited (now bwin.party services (Gibraltar) Limited). Among other things, Mr. Odoni seeks damages in the amount of €6.9 million or 30% of approx. profits in Nomato Investments Limited since 29 June 2005 and a declaration that he holds 30% of the shares in Nomato Investments Limited.

In 2005, BETandWIN.com Interactive Entertainment AG (later bwin Interactive Entertainment AG and bwin.party) bought the platforms betoto.com and thecroupier.com from Nomato Investments Limited. Mr. Odoni claims that he owned 30% of Nomato's shares at the time of the sale. BETandWIN.com Interactive Entertainment AG bought the platforms from Nomato without having any knowledge of such ownership (or any disputes related thereto).

Due to an error in the service of documents, bwin.party filed an application to set aside the service and strike out the action against bwin.party. The court has not yet decided on this application and the case is currently ongoing.

(b) Germany

There are numerous administrative proceedings pending against bwin e.K., bwin.party (as legal successor of bwin Interactive Entertainment AG), bwin.party services (Gibraltar) Ltd (former bwin International Limited), ElectraWorks Limited, IGM Domain Name Services Limited, PGB Limited and other bwin.party Group companies aimed at suspending operations of such group companies in the relevant territory.

The majority of German States have issued formal cease-and-desist orders/prohibition orders (*Untersagungsverfügungen*) against one or more bwin.party Group companies. These orders have been challenged with complaints to the competent administrative courts in the respective German states (*Länder*).

Furthermore, between 2007 and 2010 various *Länder*, in particular NRW, Baden-Württemberg and Bavaria, have imposed fines in the total amount of approximately €1.6 million for alleged non-compliance with the respective prohibition orders. Following the CJEU decision of September 2010 (referred to in Part XIII ("*Regulatory Overview*")), in which the German sports betting monopoly was held to be in violation of EU law, German authorities have effectively ceased to impose fines on the bwin.party Group, and following the licence application in the tender procedure for one of the 20 available Germany-wide sports betting licences (referred to in Part XIII ("*Regulatory Overview*")), no new prohibition orders have been initiated against the bwin.party Group. In several cases, bwin.party Group companies entered into settlement agreements and recovered fines that had initially been paid.

Recently, however, the authorities of the State of Saarland have sent warning letters to several operators (including ElectraWorks Ltd). This, together with Hesse having completed its review of applications in the tender procedure for one of the 20 available Germany-wide sports betting licences (referred to in Part XIII ("*Regulatory Overview*")), has increased the risk of enforcement (in particular against poker and casino) has increased. Therefore, there is a risk that fines may be imposed again, in some cases based on already binding and enforceable cease-and-desist orders (such as in Baden-Württemberg).

In the event that any of the administrative cases described above should ultimately be lost, bwin.party may be required to partially or fully cease its offering to German customers and may be found liable to pay procedural costs and/or administrative fines.

(c) Portugal

As a result of bwin.party's sponsorship of the Portuguese Soccer League (*Liga Portuguesa de Futebol Profissional*, the "**Liga**") beginning with the 2005/2006 season, *Santa Casa da Misericórdia de Lisboa* ("**Santa Casa**"), the Portuguese betting and lottery monopolist, and the Portuguese Casino Association ("**APC**") initiated proceedings against the Liga as well as bwin.party and bwin.party services (Gibraltar) Ltd (together the "**bwin.party Portuguese defendants**").

On 16 October 2014, the Portuguese Supreme Court upheld a ruling of the Oporto Court of First Instance made in September 2011 against the Liga and the bwin.party Portuguese defendants. In the initial ruling the trial court had (i) declared the (by that time terminated) sponsorship agreement between the bwin.party Portuguese defendants and the Liga as illegal, (ii) declared the bwin.party Portuguese defendants' gaming offer and advertising measures as illegal in Portugal, (iii) prohibited the bwin.party Portuguese defendants to exploit mutual bets and lottery games in Portugal and to carry out any form of publicity or promotion of the website bwin.com, (iv) imposed on the defendants pecuniary sanctions of (A) €50,000 for each day of infraction, payable to the APC and (B) €50,000 for each infraction, payable to Santa Casa, and (v) ordered the publishing of the ruling and notification to Portuguese media organisations.

Following the initial ruling, the Liga and the bwin.party Portuguese defendants have taken measures in order to comply with the decision. However, it cannot be ruled out that certain activities may still be considered to be in violation of the ruling. In February 2015, the bwin.party Portuguese defendants filed a formal complaint to the European Commission highlighting that Portugal (i.e. the Portuguese courts and authorities) continues to enforce its legislation in violation of EU law and without having identified the legislation it is applying in accordance with the EU Notification Directive 98/34/EC.

In June 2012, APC initiated enforcement proceedings against the Liga and the bwin.party Portuguese defendants, requesting the payment of pecuniary sanctions in the total amount of €6.35 million for the alleged violation of the first instance court judgment during the period between 24 September 2011 and 31 January 2012. In June 2012, the Oporto Enforcement Court dismissed APC's enforcement claim for lack of enforceability. APC filed an appeal

against this decision, which the appellate enforcement court granted on 25 November 2014 and decided that pecuniary sanctions were enforceable at the time APC initiated the enforcement proceeding without assessing the enforcement case on its merits. The Liga submitted an appeal to the Supreme Court on 12 January 2015. On 29 May 2015, the Supreme Court rejected the appeal solely on formal admissibility grounds. On 11 June 2015, the Liga filed a petition to the Supreme Court requesting that the case be presided over by a chamber of three judges of the Supreme Court. Despite the petition pending at the Supreme Court on the formal question of enforceability, the enforcement proceedings initiated by APC may be continued before the Oporto trial enforcement court, where the Liga and the bwin.party Portuguese defendants will submit their defence arguments.

(d) Spain

(i) Unfair competition proceedings initiated by Codere and Misuri

In July 2012, Codere filed an unfair competition complaint against various bwin.party Group companies, namely bwin.party, PG Holdings Ltd, ElectraWorks Ltd, ElectraWorks (España) Plc and bwin Interactive Marketing España SL (jointly the "**bwin.party Spanish defendants**"). Prior to this complaint, the Spanish court rejected Codere's request for a preliminary injunction. In its complaint, Codere seeks damages in the amount of approximately €25 million.

On 10 July 2014, the court issued the ruling dismissing Codere's claim and all of its petitions. On 16 October 2014, Codere filed an appeal against the court's ruling. On 2 December 2014, the bwin.party Spanish defendants submitted the counterplea and included a petition that Codere must be charged with all court fees. The proceedings are currently ongoing.

In another case, on 22 February 2011, Codere and Misuri filed an unfair competition complaint against bwin International Limited (renamed bwin.party services (Gibraltar) Ltd) and Real Madrid Club de Fútbol ("**Real Madrid**"), requesting injunctive measures so that Real Madrid would cease advertising bwin International Limited. The injunctive measures were not granted and the plaintiffs appealed, requesting the advertising to be declared illegal and the defendants to be ordered to stop the advertising. On 27 March 2013, the plaintiffs' appeal was dismissed. Codere and Misuri appealed. The appeal is set for voting and judgment on 17 September 2015. Should Codere's and Misuri's petitions be dismissed, Codere and Misuri may still appeal to the Spanish Supreme Court. It is not possible to quantify the amount of this claim, but in the event that Codere and Misuri are ultimately successful this would prevent Real Madrid from advertising bwin International Limited.

(ii) Administrative proceedings initiated by Codere and Misuri

In January 2013, Codere and its subsidiary Misuri challenged the granting of gaming licences by the *Dirección General de Ordenación del Juego* ("**DGOJ**") to ElectraWorks (España) plc ("**EWE**"). EWE appeared before court to defend the legality of its gaming licences. On 4 February 2013, the court refused Codere's and Misuri's petitions. Following this decision, Codere and Misuri requested reinstatement, which EWE immediately challenged. On 5 September 2013, the court requested the competent Spanish Ministry to deliver evidence and certification that EWE and bwin.party had cleared all tax obligations. On 5 February 2014, bwin.party filed its submission and evidence regarding clearance of all tax obligations. On 7 May 2014, the court dismissed Codere's and Misuri's request for reinstatement. By means of a Procedural Court Order of 9 July 2014, the court declared the proceedings to be concluded and set 8 October 2014 as the date for issuing the judgment. However, Codere and Misuri took further action and, on 12 January 2015, EWE received formal notification of such additional petition from the Spanish Supreme Administrative Court. On 6 April 2015, the court

issued a resolution whereby the appeal procedural stages were declared as being concluded. The appeal is currently pending for voting and judgment. Should Codere's and Misuri's petitions be dismissed, Codere and Misuri may still appeal to the Spanish Constitutional Court. In the event Codere and Misuri are ultimately successful with their petition, this may result in the loss of some or all of bwin.party's Spanish licences.

Further to the above case, Codere and/or Misuri initiated further administrative proceedings:

- On 9 May 2012 Misuri challenged the Spanish Ministerial Order EHA/3124/2011, approving the public tender for general licences together with a request for interim measures to suspend the application of the order. EWE challenged Misuri's requests. On 15 December 2013, the court dismissed Misuri's claim and Misuri appealed to the Spanish Supreme Court, where EWE formally appeared as a party. The proceedings are currently ongoing and the Spanish Supreme Court must now set a date for judgment.

- On 20 June 2012, Misuri challenged the DGOJ resolution approving the procedure for the application and granting of specific licences. EWE decided to support the DGOJ as an interested party. On 24 June 2013, the court dismissed Misuri's petition. Misuri filed an appeal to the Spanish Supreme Court, which is currently still pending.

- On 5 December 2013, Codere challenged the DGOJ resolution implementing Articles 26 and 27 of Royal Decree 1613/11 in connection with the identification of players and control of users prohibited from accessing gambling. EWE was admitted to the case as a party. On 30 October 2013, the court stated that Codere acted *mala fide* and declared its arguments and petitions as inadmissible. Codere filed an appeal to the Spanish Supreme Court, which is currently still pending.

In the event Codere and Misuri are ultimately successful with their challenges, this may result in the loss of some or all of bwin.party's Spanish licences and would have repercussions for the wider Spanish market.

(iii) Infringement proceedings initiated by Spanish regulator

On 21 October 2014, the DGOJ initiated an infringement procedure (Case nº DGOJ-ES 2014/28) against EWE due to an alleged infringement of allowing prohibited individuals to access gambling. On 23 February 2015, the DGOJ issued a preliminary resolution in which it stated its intention to impose a fine in the amount of €169,805. EWE prepared a written statement with comprehensive response. On 20 April 2015, EWE was notified of the DGOJ's decision imposing the fine in the amount of €169,805 due to the alleged infringement. EWE appealed against this decision before the Spanish administrative courts due to the absence of willful misconduct for such alleged serious infringement and instead is seeking an alternative interpretation of the applicable regulation. The proceedings are currently ongoing.

(e) Argentina

In 2007, bwin Argentina S.A. ("**bwin Argentina**") filed an *amparo* complaint (protective order) requesting extraordinary constitutional protection to operate its licence granted by the gaming regulatory authority of the Argentinian Province of Misiones in case of any threat or act from any specific third parties. On 26 June 2012, the court rejected the *amparo* complaint. Following a final decision against bwin Argentina with regard to requesting constitutional protection to operate its licence granted in the Province of Misiones, bwin Argentina must bear all costs of the proceedings (including fees of the counsels to the prevailing parties). As a result of various freezing orders, *BBVA Banco Francés* has frozen ARS 5 million (approximately €0.5 million) and *Banco Hipotecario* has frozen ARS 5 million. bwin Argentina has challenged

the freezing orders on the grounds that the sums frozen are not proportionate to the debts. On 14 November 2013, the Federal Court of Appeal confirmed a decision pursuant to which the basis for calculating the legal fees is the amount of bwin Argentina's profits from February 2008 to December 2012. bwin Argentina appealed this decision. In August and December 2014 respectively, bwin Argentina was notified of the Supreme Court's decisions rejecting bwin Argentina's appeal and subsequent extraordinary appeal. bwin Argentina has therefore exhausted local remedies. The fees amount to ARS 18,852,489.64 plus 21% VAT (approximately €1.9 million plus VAT), calculated as 25% of the net wins of bwin Argentina.

On 12 February 2015, bwin Argentina filed a direct appeal to the Supreme Court and on 25 February 2015, a motion before the First Instance Court of Posadas requesting the court to issue an injunction, ordering to stay the enforcement of the judgment until the Supreme Court rules on the direct appeal. On 20 March 2015, a motion was filed to the Supreme Court requesting a stay of the execution proceedings.

On 24 April 2015, the first instance judge ordered the release of payments in the amount of (i) ARS 3,669,695.34 (approx. €360,927.61) and (ii) ARS 1,415,992 (approx. €139,267.86) to three defendant counsels. This amount is to be paid from the sums that had been attached on bwin Argentina's accounts.

bwin Argentina filed a motion with the Supreme Court regarding these latest developments and requested the Supreme Court declare a stay of the enforcement proceedings. Further, bwin Argentina requested suspension of the execution procedures also before the First Instance Court of Posadas and the Posadas Court of Appeals.

The proceedings are currently ongoing. Provision for €1 million in relation to these proceedings has been made in bwin.party's 2014 accounts and further funds have been frozen in local bank accounts, which are being released in order to make payments in relation to the claim amount.

17.4 Save as described in paragraph 17.3 above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the bwin.party Directors are aware) during the 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on bwin.party's and/or the bwin.party Group's financial position or profitability and, following Completion, the Enlarged Group and/or the Enlarged Group's financial condition or profitability.

18. Working capital

18.1 The Company is of the opinion that, taking into account the facilities available to the 888 Group, the 888 Group has sufficient working capital for its present requirements, that is, for at least the next 12 months following the date of publication of this Prospectus.

18.2 The Company is of the opinion that, taking into account the facilities available to the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months following the date of publication of this Prospectus.

19. No significant change

19.1 There has been no significant change in the financial or trading position of the 888 Group since 30 June 2015, being the date to which the last unaudited interim condensed consolidated financial statements of the 888 Group were prepared.

19.2 There has been no significant change in the financial or trading position of the bwin.party Group since 30 June 2015, the date to which the last unaudited interim consolidated financial statements of bwin.party Group were prepared.

20. Dividends

20.1 The following table sets out the dividend per Ordinary Share paid in respect of each of the financial years ended 31 December 2014, 2013 and 2012, the six months ended 30 June 2015 and during the period up to 26 August 2015 (being the latest practicable date prior to the publication of this Prospectus):

	cents per Ordinary Share
Final dividend for the year ended 31 December 2014	4.5
Additional one-off dividend for the year ended 31 December 2014	7.0
Interim dividend for the six months ended 30 June 2014	3.5
Final dividend for the year ended 31 December 2013	4.0
Additional one-off dividend for the year ended 31 December 2013	7.0
Interim dividend for the six months ended 30 June 2013	3.0
Final dividend for the year ended 31 December 2012	4.5
Additional one-off dividend for the year ended 31 December 2012.	2.0
Interim dividend for the six months ended 30 June 2012	2.5

20.2 On 28 August 2015, 888 announced that the Board had approved the payment of an interim dividend of 3.5 cents per Ordinary Share to 888 Shareholders. The Board has approved a record date of 4 September 2015 and a payment date of 30 September 2015.

20.3 Following Completion of the Proposed Acquisition, 888 intends to maintain its existing dividend policy for the Enlarged Group, targeting a dividend payout of 50% of accounting profit after tax.

21. Consents

21.1 Ernst & Young, LLP, with its business address at 1 More London Place, London SE1 2AF, is the Reporting Accountant. Ernst & Young, LLP has given and has not withdrawn its written consent to the inclusion of its report in Part XII ("*Unaudited pro forma financial information of the Enlarged Group*"), in the form and context in which it appears, and has authorised the contents of its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

21.2 Investec has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.

21.3 Stifel has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.

22. Costs and expenses

The aggregate costs and expenses incurred in connection with the issuance of the New 888 Shares and the Proposed Acquisition are estimated to amount to approximately £22.0 million (excluding amounts in respect of VAT).[9] There are no net proceeds receivable by the Company as a result of the issuance of New 888 Shares in connection with the Proposed Acquisition.

23. Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following the date of publication of this Prospectus at the offices of Allen & Overy LLP at One Bishops Square, London E1 6AD, United Kingdom and at the Company's Registered Office at Suite 601/701 Europort, Europort Avenue, Gibraltar:

- the memorandum and articles of association of the Company;
- the new memorandum and articles of association of the Company to be adopted, subject to approval by the 888 Shareholders at the 888 General Meeting;

9 Based on USD fee estimate and an exchange rate of USD/GBP 1.5533 as at 26 August 2015 (being the latest practicable date prior to the date of publication of this Prospectus).

- 888's Interim Results Announcement 2015, which is incorporated by reference, and form part of, this Prospectus;
- bwin.party's Interim Results Announcement 2015, which is incorporated by reference, and form part of, this Prospectus;
- the audited consolidated financial information for the 888 Group in respect of the three financial years ended 31 December 2014, 2013 and 2012, which are incorporated by reference, and form part of, this Prospectus;
- the audited consolidated financial information for the bwin.party Group in respect of the three financial years ended 31 December 2014, 2013 and 2012, which are incorporated by reference, and form part of, this Prospectus;
- the report from the Reporting Accountant to the Company on the unaudited *pro forma* financial information referred to in Part XII ("*Unaudited pro forma financial information of the Enlarged Group*") of this Prospectus;
- the Deed Poll from the Depositary in favour of the Depositary Interest Holders;
- service agreements of all of the Directors and letters of appointment of the Executive Chairman, all of the Non-executive Directors and the Proposed Directors;
- the consent letters referred to in paragraph 21 ("*Consents*") above;
- the Scheme Document;
- the 888 Class 1 Circular; and
- this Prospectus.

24. Information incorporated by reference

24.1 The following documents, which have been approved by, filed with or notified to the FCA, and are available for inspection in accordance with paragraph 23 ("*Documents available for inspection*") of this Part XVII ("*Additional Information*") of this Prospectus, contain information about the 888 Group which is relevant to this Prospectus:

- 888's Interim Results Announcement 2015;
- 888's Annual Report 2014;
- 888's Annual Report 2013;
- 888's Annual Report 2012;
- bwin.party's Interim Results Announcement 2015;
- bwin.party's Annual Report 2014
- bwin.party's Annual Report 2013;
- bwin.party's Annual Report 2012; and
- the Announcement.

24.2 The tables below set out the various sections of the documents referred to above, which are incorporated by reference into, and form part of, this Prospectus so as to provide certain information required pursuant to the Prospectus Rules, and only the parts of the documents identified in the tables below are incorporated into, and form part of, this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this Prospectus.

Historical Financial Information of the 888 Group:

For the six months ended 30 June 2015

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Condensed Consolidated Income Statement For the six months ended 30 June 2015	888's Interim Results Announcement 2015	8
Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2015	888's Interim Results Announcement 2015	9
Condensed Consolidated Balance Sheet At 30 June 2015	888's Interim Results Announcement 2015	10
Condensed Consolidated Statement of Changes in Equity For the six months ended 30 June 2015	888's Interim Results Announcement 2015	11
Condensed Consolidated Statement of Cash Flows For the six months ended 30 June 2015	888's Interim Results Announcement 2015	12
Notes to the Condensed Consolidated Financial Statements	888's Interim Results Announcement 2015	13 – 21
Independent Review Report to 888 Holdings Public Limited Company	888's Interim Results Announcement 2015	22

For the year ended 31 December 2014

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditors' Report to the Members of 888 Holdings plc	888's Annual Report 2014	50 – 53
Consolidated Income Statement	888's Annual Report 2014	54
Consolidated Statement of Comprehensive Income	888's Annual Report 2014	54
Consolidated Balance Sheet	888's Annual Report 2014	55
Consolidated Statement of Changes in Equity	888's Annual Report 2014	56
Consolidated Statement of Cash Flows	888's Annual Report 2014	57
Notes to the Consolidated Financial Statements	888's Annual Report 2014	58 – 87
Company Balance Sheet	888's Annual Report 2014	88
Company Statement of Changes in Equity	888's Annual Report 2014	89
Company Statement of Cash Flows	888's Annual Report 2014	90
Notes to the Company Financial Statements	888's Annual Report 2014	91 – 92

For the year ended 31 December 2013

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent auditors report to the Members of 888 Holdings plc	888's Annual Report 2013	49 – 52
Consolidated Income Statement	888's Annual Report 2013	53
Consolidated Statement of Comprehensive Income	888's Annual Report 2013	53
Consolidated Balance Sheet	888's Annual Report 2013	54
Consolidated Statement of Changes in Equity	888's Annual Report 2013	55
Consolidated Statement of Cash Flows	888's Annual Report 2013	56
Notes to the Consolidated Financial Statements	888's Annual Report 2013	57 – 88
Company Balance Sheet	888's Annual Report 2013	89
Company Statement of Changes in Equity	888's Annual Report 2013	90
Company Statement of Cash Flows	888's Annual Report 2013	91
Notes to the Company Financial Statements	888's Annual Report 2013	92 – 93

For the year ended 31 December 2012

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditor's Report to the Members of 888 Holdings plc	888's Annual Report 2012	42 – 43
Consolidated Income Statement	888's Annual Report 2012	44
Consolidated Statement of Comprehensive Income	888's Annual Report 2012	44
Consolidated Balance Sheet	888's Annual Report 2012	45
Consolidated Statement of Changes in Equity	888's Annual Report 2012	46
Consolidated Statement of Cash Flows	888's Annual Report 2012	47
Notes to the Consolidated Financial Statements	888's Annual Report 2012	48 – 79
Company Balance Sheet	888's Annual Report 2012	80
Company Statement of Changes in Equity	888's Annual Report 2012	81
Company Statement of Cash Flows	888's Annual Report 2012	82
Notes to the Company Financial Statements	888's Annual Report 2012	83 – 84

Operating and Financial Review of the 888 Group:

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Financial Highlights	888's Interim Results Announcement 2015	1
Operational Highlights	888's Interim Results Announcement 2015	1
Financial Summary	888's Interim Results Announcement 2015	2
Executive Chairman's Review	888's Interim Results Announcement 2015	4 – 6
Principal Risks and Uncertainties	888's Interim Results Announcement 2015	7

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Highlights	888's Annual Report 2014	1
Chairman's Statement	888's Annual Report 2014	2 – 3
Chief Executive Review	888's Annual Report 2014	4 – 9
Financial Review and Key Performance Indicators	888's Annual Report 2014	10 – 13
Regulation and General Regulatory Developments	888's Annual Report 2014	14 – 15

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Highlights	888's Annual Report 2013	1
Chairman's Statement	888's Annual Report 2013	2
Chief Executive Review	888's Annual Report 2013	3 – 8
Financial Review and Key Performance Indicators	888's Annual Report 2013	9 – 13
Regulation	888's Annual Report 2013	14 – 15

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Highlights	888's Annual Report 2012	1
Chairman's Statement	888's Annual Report 2012	2
Chief Executive Review	888's Annual Report 2012	3 – 7
Enhanced Business Review	888's Annual Report 2012	8 – 16
Regulation and General Regulatory Developments	888's Annual Report 2012	17 – 20

Historical Financial Information of the bwin.party Group:

For the six months ended 30 June 2015

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Condensed consolidated statement of comprehensive income	bwin.party's Interim Results Announcement 2015	20
Condensed consolidated statement of financial position	bwin.party's Interim Results Announcement 2015	21
Condensed consolidated statement of changes in equity	bwin.party's Interim Results Announcement 2015	22
Condensed consolidated statement of cash flows	bwin.party's Interim Results Announcement 2015	24
Notes to the condensed consolidated financial information	bwin.party's Interim Results Announcement 2015	25 – 37
Independent auditor's review report	bwin.party's Interim Results Announcement 2015	38

For the year ended 31 December 2014

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditors' Report to the Members of bwin.party	bwin.party's Annual Report 2014	96 – 99
Consolidated statement of comprehensive income	bwin.party's Annual Report 2014	100
Consolidated statement of financial position	bwin.party's Annual Report 2014	101
Consolidated statement of changes in equity	bwin.party's Annual Report 2014	102
Consolidated statement of cashflows	bwin.party's Annual Report 2014	103
Notes to the consolidated financial statements	bwin.party's Annual Report 2014	104 – 142

For the year ended 31 December 2013

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditors' Report to the members of bwin.party	bwin.party's Annual Report 2013	110 – 113
Consolidated statement of comprehensive income	bwin.party's Annual Report 2013	114
Consolidated statement of financial position	bwin.party's Annual Report 2013	115
Consolidated statement of changes in equity	bwin.party's Annual Report 2013	116
Consolidated statement of cashflows	bwin.party's Annual Report 2013	117
Notes to the consolidated financial statements	bwin.party's Annual Report 2013	118 – 156

For the year ended 31 December 2012

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Independent Auditor's Report	bwin.party's Annual Report 2012	95
Consolidated statement of comprehensive income	bwin.party's Annual Report 2012	96
Consolidated statement of financial position	bwin.party's Annual Report 2012	97
Consolidated statement of changes in equity	bwin.party's Annual Report 2012	98
Consolidated statement of cashflows	bwin.party's Annual Report 2012	99
Notes to the consolidated financial statements	bwin.party's Annual Report 2012	100 – 138

Operating and Financial Review of the bwin.party Group:

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Key Points	bwin.party's Interim Results Announcement 2015	1
Chief Executive's Review	bwin.party's Interim Results Announcement 2015	4 – 6
Summary of Results	bwin.party's Interim Results Announcement 2015	7 – 18
Appendix – Regulatory overview	bwin.party's Interim Results Announcement 2015	39 – 40

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
At a Glance	bwin.party's Annual Report 2014	1
Chairman's Statement	bwin.party's Annual Report 2014	20 – 21
CEO's Review	bwin.party's Annual Report 2014	22 – 27
Review of 2014	bwin.party's Annual Report 2014	34 – 40
Regulatory overview	bwin.party's Annual Report 2014	41 – 42

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Financial Snapshot	bwin.party's Annual Report 2013	1
CEO's Review	bwin.party's Annual Report 2013	10 – 15
Spotlight on regulation	bwin.party's Annual Report 2013	40 – 41
Business and financial Review	bwin.party's Annual Report 2013	42 – 51
Chairman's statement	bwin.party's Annual Report 2013	58 – 59

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Chairman's statement	bwin.party's Annual Report 2012	2 – 3
Business verticals	bwin.party's Annual Report 2012	5
CEO's Review	bwin.party's Annual Report 2012	12 – 19
Review of 2012	bwin.party's Annual Report 2012	34 – 43

Details of the Proposed Acquisition:

Information incorporated by reference into this Prospectus	Reference document	Page number in reference document
Appendix I (Conditions and further terms of the Scheme and the Offer)	Announcement	48 – 63

PART XVIII

DEFINITIONS

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

888 or the **Company**	888 Holdings plc, a company registered in Gibraltar with registered number 90099, whose registered office is Suite 601/701 Europort, Europort Avenue, Gibraltar
888 All-Employee Share Plan	an employee share plan operated by the Company and approved by the Board on 30 August 2005
888's Annual Report 2012	the 888 annual report for the year ended 31 December 2012 filed with the FCA on 13 March 2013
888's Annual Report 2013	the 888 annual report for the year ended 31 December 2013 filed with the FCA on 25 March 2014
888's Annual Report 2014	the 888 annual report filed for the year ended 31 December 2014 with the FCA on 24 March 2015
888 Class 1 Circular or **Circular**	the circular to be posted to 888 Shareholders in connection with the Proposed Acquisition
888 General Meeting	the general meeting of Shareholders to be convened in connection with the Proposed Acquisition and to be held at 5.00 p.m. (Gibraltar time) on 29 September 2015, notice of which will accompany the Circular, and any adjournment thereof
888 Group	888 and its subsidiary undertakings and associated undertakings from time to time
888's Interim Results Announcement 2015	the 888 interim results announcement for the six months ended 30 June 2015 filed with the FCA on 28 August 2015
888 Intermediate Holdco	VHL Financing Limited, a company incorporated in Gibraltar with registered number 113116 and whose registered address is 57/63 Line Wall Rd., Gibraltar
888 Reorganisation	the corporate reorganisation of the 888 Group to effect the transfer by 888 to 888 Intermediate Holdco of certain of the operating subsidiaries of 888 prior to the Effective Date
888 Resolutions	the Acquisition Resolutions and the resolutions to be proposed by the Company at the 888 General Meeting in connection with: (i) an amendment to the Relationship Agreement which constitutes a related party transaction for the Company pursuant to the Listing Rules because the Principal Shareholder Trusts are substantial shareholders in the Company; (ii) the replacement of the existing 888 All-Employee Plan with the LTIP 2015; (iii) the adoption of a new memorandum and set of articles of association of 888; (iv) an increase in the authorised share capital of 888;

(v) the adoption by the Company of the MSIP; and

(vi) the appointment of Liz Catchpole as an independent Non-executive Director of the Company

888 Share Plan(s) — the 888 All Employee Share Plan, the 888 Long Term Incentive Plan, the LTIP 2015 and the MSIP as described at paragraph 11 ("*Share plans*") of Part XVII ("*Additional Information*") of this Prospectus

888 Shareholder — a holder of Existing 888 Shares

AAPN Joint Venture Agreement — amended and restated limited liability company agreement between the 888 US Inc., Avenue OLG Entertainment LLC and certain other individuals dated 11 March 2013

ABI — Association of British Insurers

Acquisition Resolutions — the resolutions to be proposed by the Company at the 888 General Meeting in connection with:

(i) the approval of the Proposed Acquisition as a class 1 transaction by the 888 Shareholders in accordance with the class 1 requirements under Listing Rule 10.5.1R(2);

(ii) the authorisation of the Directors to allot the New 888 Shares in connection with the Proposed Acquisition free of the restrictions set out in the Articles of Association; and

(iii) an increase in the authorised share capital of 888

Adjusted EBITDA — EBITDA excluding depreciation, and impairment, share benefit and other retroactive and associated charges, as illustrated by the table contained in the paragraph entitled "*Reconciliation of operating profit and Adjusted EBITDA for the 888 Group*" in Part V ("*Presentation of Information*")

Adjusted EPS — EPS, excluding share benefit charges, movement in contingent consideration, impairment charges, share of post-tax loss of equity accounted joint ventures and profit on acquisition of equity accounted joint ventures, as illustrated by the table contained in the paragraph entitled "*Reconciliation of Adjusted EPS for the 888 Group*" in Part V ("*Presentation of Information*")

Adjusted Profit — profit, excluding share benefit charges, movement in contingent consideration, impairment charges, share of post-tax loss of equity accounted joint ventures and profit on acquisition of equity accounted joint ventures, as illustrated by the table contained in the paragraph entitled "*Reconciliation of Adjusted EPS for the 888 Group*" in Part V ("*Presentation of Information*")

Adjusted Profit Before Tax — profit before tax, excluding exceptional acquisition costs and retroactive duties and associated charges, as illustrated by the table contained in the paragraph entitled "*Reconciliation of profit before tax and Adjusted Profit Before Tax*" in Part V ("*Presentation of Information*")

Admission — admission of the New 888 Shares to the premium listing segment of the Official List and to trading on the Main Market becoming effective in accordance with, respectively, LR 3.2.7G of the Listing

	Rules and the Admission and Disclosure Standards published by the London Stock Exchange
Announcement	the announcement made by 888 and bwin.party on 17 July 2015 pursuant to Rule 2.7 of the City Code (as if the City Code applied to bwin.party) in relation to the Proposed Acquisition
Articles of Association	the articles of association of the Company adopted pursuant to a special resolution of the Company passed on 14 September 2005, as amended pursuant to special resolutions of the Company passed on 24 May 2011 and 14 May 2014, respectively
ASTG	German Amended State Treaty on Gambling
Audit Committee	the Audit Committee of the Company, as described in Part XVI ("*Directors, Proposed Directors and Corporate Governance*")
B2B	business to business
B2C	business to customer
BEPS	the G20 / OECD Base Erosion and Profit Shifting Project
Bidco	888 Acquisitions Limited, a company incorporated in Gibraltar with registered number 113208 and whose registered address is 57/63 Line Wall Road, Gibraltar
Board	the board of the Company composed of the Directors
Business Day	a day (other than Saturdays, Sundays or a public holiday in London or Gibraltar) on which banks are open for business in the City of London and Gibraltar
bwin.party	bwin.party digital entertainment plc, a company incorporated under the laws of Gibraltar with registered number 91225 and registered address Suite 6, Atlantic Suites, Europort Avenue, Gibraltar
bwin.party's Annual Report 2012	the bwin.party annual report for the year ended 31 December 2012 filed with the FCA on 3 May 2013
bwin.party's Annual Report 2013	the bwin.party annual report for the year ended 31 December 2013 filed with the FCA on 30 April 2014
bwin.party's Annual Report 2014	the bwin.party annual report filed for the year ended 31 December 2014 with the FCA on 22 April 2015
bwin.party Board	the board of bwin.party composed of the bwin.party Directors
bwin.party Capital Reduction	the reduction and any reorganisation of bwin.party's share capital provided for by the Scheme
bwin.party Court Meeting	the meeting of Scheme Shareholders (other than the Excluded Shareholders) convened by direction of the Court under Part VIII of the Gibraltar Companies Act to be held at 11.00 a.m. (Gibraltar time) on 29 September 2015 to consider and, if thought fit, approve the Scheme (with or without amendment), and any adjournment thereof
bwin.party Court Sanction	the general meeting of bwin.party Shareholders to be convened in connection with the Scheme and the bwin.party Capital Reduction and to be held at 11.10 a.m. (Gibraltar time) on 29 September 2015

	or as soon thereafter as the bwin.party Court Meeting shall have been concluded or been adjourned, and any adjournment thereof
bwin.party Directors	the directors of bwin.party, as at the date of this Prospectus
bwin.party General Meeting	any general meeting of bwin.party required to be convened for the purposes of implementing the Proposed Acquisition, or any adjournment thereof
bwin.party Group	bwin.party and its subsidiary undertakings and associated undertakings
bwin.party's Interim Results Announcement 2015	the bwin.party interim results announcement for the six months ended 30 June 2015 filed with the FCA on 28 August 2015
bwin.party Reduction Court Hearing	the hearing by the Court (including any adjournment thereof) of the application to confirm the bwin.party Capital Reduction
bwin.party Reduction Court Order	the order of the Court, to be granted at the bwin.party Reduction Court Hearing, confirming the bwin.party Capital Reduction
bwin.party Reorganisation Record Time	6.00 p.m. on the Business Day following the date of the bwin.party Scheme Court Hearing
bwin.party Scheme Court Hearing	the hearing by the Court to sanction the Scheme
bwin.party Scheme Court Order	the order of the Court sanctioning the Scheme under Part VIII of the Gibraltar Companies Act
bwin.party Share Plans	the bwin.party Bonus Banking Plan, the bwin.party digital entertainment plc 2014 Incentive Plan, the bwin.party Bonus and Share Plan, the PartyGaming Plc All-Employee Option Plan, the bwin.party Rollover Option Plan, the PartyGaming Plc Share Option Plan and the bwin.party digital entertainment plc Global Share Plan as described at paragraph 11 ("*Share plans*") of Part XVII ("*Additional Information*") of this Prospectus
bwin.party Shareholder	a holder of bwin.party Shares
bwin.party Shares	the fully paid up shares of 0.015 pence each in the capital of bwin.party (including depositary interests representing such shares where the context requires)
bwin.party Special Resolution	the special resolution to be proposed by bwin.party at the bwin.party General Meeting in connection with, among other things, the confirmation of the bwin.party Capital Reduction, the alteration of bwin.party's articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the bwin.party Shares
CAGR	compound annual growth rate
Canada	Canada, its provinces and territories and all areas subject to its jurisdiction and all political sub-divisions thereof
CFD	contracts for difference
City Code	the City Code on Takeovers and Mergers
CJEU	the Court of Justice of the European Union

Clean EBITDA	the measure of reporting performance and is EBITDA adjusted for exchange differences, reorganisation expenses, income or expenses that relate to exceptional items, and non-cash charges relating to impairments and share-based payments; exceptional items are those items that the bwin.party Group considers to be non-recurring or material in nature that may distort an understanding of financial performance or impair comparability, as illustrated by the table contained in the paragraph entitled "*Reconciliation of operating (loss) profit and Clean EBITDA for the bwin.party Group*" in Part V ("*Presentation of Information*")
Clean EPS	a measure of EPS calculated before exchange differences, reorganisation expenses, income or expenses that relate to exceptional items and non-cash charges relating to share-based payments, as illustrated in the table contained in the paragraph entitled "*Reconciliation of Clean EPS for the bwin.party Group*" in Part V ("*Presentation of Information*")
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 Proposed Acquisition prior to Completion
Closing Date	the date on which the initial borrowings under the New Credit Facilities are made
Closing Price	the closing middle market price of an 888 Share or a bwin.party Share (as applicable) as derived from the Daily Official List of the London Stock Exchange
Combined Code	the Combined Code on Corporate Governance dated July 2003 appended to but not forming part of the Listing Rules
Commission's Proposal	the proposal for a common FTT in the participating Member States dated 14 February 2013
Committees	the committee's established by the Board, namely the Audit Committee, Nomination Committee, Remuneration Committee, the Regulatory & Compliance Committee and the Gaming Compliance Committee
Completion	completion of the Proposed Acquisition by 888 (i.e. the Scheme becomes Effective, the transfer of bwin.party Shares takes place, Admission occurs and all of the other Conditions are satisfied or, if capable of being waived, waived)
Conditions	the conditions to the Proposed Acquisition as set out in the Announcement, incorporated by reference into this Prospectus, or the Takeover Offer, as the case may be
Confidentiality Agreement	the confidentiality agreement entered into between bwin.party and 888 dated 17 April 2015
Controlling Shareholder	has the meaning given in the Listing Rules
Co-operation Agreement	the agreement between 888, Bidco and bwin.party in respect of the conduct of the Proposed Acquisition dated 17 July 2015
Court	the Supreme Court of Gibraltar

CREST	the relevant system (as defined in the CREST Regulations) to facilitate the transfer of title to shares and depositary interests in uncertificated form in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
CRM	client relationship management
Custodian	any nominated custodian of the Depositary
Deed of Amendment	the deed of amendment to the Relationship Agreement entered into by the Company and the Principal Shareholder Trusts, subject to the approval of the 888 Shareholders, dated 16 July 2015
Deed Poll	the deed poll executed by the Depositary in favour of the holders of the Depositary Interests Holders
Depositary	Capita IRG Trustees Limited
Depositary Agreement	the depositary agreement between the Company and the Depositary dated 14 September 2005
Depositary Interest Holder	a holder of Depositary Interests
Depositary Interest(s)	the dematerialised depositary interests in respect of the Ordinary Shares issued or to be issued by the Depositary
DGOJ	Directorate General for the Regulation of Gambling, the Spanish gambling regulator
Directors	the current directors of the board of the Company, as set out in Part XVI ("*Directors, Proposed Directors and Corporate Governance*")
Disclosure and Transparency Rules	the Disclosure and Transparency Rules of the FCA in its capacity as the UK Listing Authority under FSMA and contained in the UK Listing Authority's publication of the same name
Effective	(i) if the Proposed Acquisition is implemented by way of the Scheme, the date on which the order of the Court sanctioning the Scheme under Part VIII of the Gibraltar Companies Act 2014 becomes effective in accordance with its terms; or (ii) if the Proposed Acquisition is implemented by way of a Takeover Offer, such Takeover Offer having been declared or become unconditional in all respects in accordance with the City Code
Effective Date	the date on which the Scheme becomes Effective in accordance with its terms (or the date on which a Takeover Offer is declared wholly unconditional, as the case may be)
Employee Trust	the existing discretionary employee benefit trust of bwin.party
Enlarged Group	means the group of companies which will, following Completion, comprise the Company and its subsidiaries and undertakings from time to time, including, but not limited to, the 888 Group and the bwin.party Group

EPS	a measure of profit generation per unit of equity, calculated by dividing profit after tax, non-controlling interests, cumulative preference dividends and coupon payments in respect of direct capital instruments and fixed rate tier 1 notes by the weighted average number of shares in issue during the period
ERP	enterprise resource planning
EU	European Union
European Commission	the executive body of the EU
EU Member State	a member state of the European Union, as such membership may change from time to time
Euroclear	Euroclear UK and Ireland Limited
Exchange Ratio	39.45 pence and 0.404 New 888 Shares for each bwin.party Share
Excluded Shareholders	holders of Excluded Shares
Excluded Shares	any bwin.party Shares that (i) are not Scheme Shares or (ii) are held by Itai Frieberger, a Director who, in respect of his holding of bwin.party Shares, has undertaken to be bound by the Scheme and has agreed, for the purpose of the approval of the Scheme, to be excluded from the voting class of bwin.party Shares
Executive Director	an executive director of the Company
Existing 888 Share(s)	the Ordinary Shares in issue as at the date of this Prospectus
FATCA	sections 1471 to 1474 of the US Internal Revenue Code of 1986, otherwise known as the Foreign Account Tax Compliance Act
FATCA Withholding	withholding required under FATCA or an IGA (or any law implementing an IGA)
FCA	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
FFI	a foreign financial institution, as defined by FATCA
FSMA	Financial Services and Markets Act 2000 (as amended)
FTT	financial transactions tax
Forms of Direction	the form of direction for use at the 888 General Meeting, the bwin.party Court Meeting or the bwin.party General Meeting, as the context requires
Forms of Proxy	the form of proxy for use at the 888 General Meeting, the bwin.party Court Meeting or the bwin.party General Meeting, as the context requires
Gaming Compliance Committee	the Gaming Compliance Committee of the Company, as described in Part XVI ("*Directors, Proposed Directors and Corporate Governance*")
Gibraltar Companies Act	the Companies Act 2014 of Gibraltar (as amended)
Gross Gaming Yield or **GGY**	the total amount waged by customers, plus the total of any amounts earned in connection with the activities authorised by a company's gambling licence, minus the provision of prizes or winnings before

	the payment of any applicable taxes, disbursements to charitable or other causes by games established for those purposes, or any other expenses
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards (as adopted in the EU)
IGA	any intergovernmental agreement between the US and another jurisdiction to facilitate the implementation of FATCA
Independent Directors	the independent Non-executive Directors of the Company, excluding the Chairman
Independent Shareholder	any person entitled to vote on the election of Directors at the 888 General Meeting that is not a Controlling Shareholder
Investec	Investec Bank plc
IRS	Internal Revenue Service
ISP	internet-service provider
ITO	HM Government of Gibraltar's Income Tax Office
LCG	London Capital Enlarged Group Limited, an FCA authorised firm that operates InterTrader.com, the bwin.party Group's UK spread betting and CFD service
Listing Rules	the Listing Rules of the FCA in its capacity as the UK Listing Authority under FSMA and contained in the UK Listing Authority's publication of the same name
London Stock Exchange	London Stock Exchange plc, or its successor from time to time
Long Stop Date	11 February 2016 or such later date (if any) as Bidco and bwin.party agree in writing and, if required, the Court may allow
LTIP 2015	the 888 Holdings PLC Long Term Incentive Plan 2015 as described at paragraph 11.1(c) ("*Share plans – The 888 Group – LTIP 2015*") of Part XVII ("*Additional Information*") of this Prospectus
Main Market	the London Stock Exchange's main market for listed securities
Memorandum	the memorandum of association of the Company adopted pursuant to a special resolution of the Company passed on 14 September 2005
MiFID	EU Markets in Financial Instruments Directive 2004/39/EC
Mix and Match Facility	the mix and match facility under which it is proposed that bwin.party Shareholders would be able to elect to vary the proportions in which they receive New 888 Shares and cash under the Proposed Acquisition, subject to the offsetting elections made by other bwin.party Shareholders and the total number of New 888 Shares to be issued by the Company and the total cash consideration to be paid pursuant to the Proposed Acquisition
MSIP	the 888 Holdings PLC Merger Synergy Incentive Plan as described at paragraph 11.1(d) ("*Share Plans – The 888 Group – MSIP*") of Part XVII ("*Additional Information*") of this Prospectus
New 888 Shareholder	a holder of New 888 Shares

New 888 Shares	the new Ordinary Shares, to be issued as consideration pursuant to the Proposed Acquisition (including Depositary Interests representing such shares where the context requires)
New Credit Agreement	the US$650 million credit facilities agreement with, initially, Barclays Bank PLC and JP Morgan Chase Bank, N.A. with Barclays Bank PLC also acting as administrative agent and collateral agent
New Credit Facilities	the Term Loan Facility and the Revolving Credit Facility
New Loans	the Term Loans and the Revolving Loans
NGR	net gaming revenue
Nomination Committee	the Nomination Committee of the Company, as described in Part XVI ("*Directors, Proposed Directors and Corporate Governance*")
Non-executive Director	a non-executive director of the Company
Non-US Holder	a beneficial owner of New 888 Shares that is not a US Holder
Official List	the official list maintained by the FCA
Ordinary Shares	the fully paid up ordinary shares of 0.5 pence each in the capital of 888 (including Depositary Interests representing such shares where the context requires)
Overseas Shareholders	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
Panel	the Panel on Takeovers and Mergers
participating Member States	those EU Member States subject to the Commission's Proposal, namely Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia
PCI DDS	Payment Card Industry Data Security Standard
PE	'permanent establishment' as defined under relevant bilateral or multilateral double taxation agreements or interpreted by relevant tax authorities
Permitted Dividend	in respect of the Company or bwin.party any interim dividend declared and paid during the Relevant Period with record and payment dates that are consistent with past practice of the Company or bwin.party (as applicable) and in an amount not to exceed, in respect of bwin.party, 1.92 pence per share (in aggregate in respect of all interim dividends in respect of such period) and in respect of the Company, 3.5 cents per share (in aggregate in respect of all interim dividends in respect of such period)
PFIC	a passive foreign investment company
PRA	Prudential Regulation Authority
Principal Shareholder Director	a Non-executive Director of the Company nominated for appointment to the Board by one or more of the Principal Shareholder Trusts

Principal Shareholder Trusts	the E Shaked Shares Trust, the O Shaked Shares Trust and the Ben-Yitzhak Family Shares Trust
Proposed Acquisition	the proposed acquisition by Bidco (and/or one or more wholly owned subsidiary of 888) of the entire issued and to be issued share capital of bwin.party to be effected by means of the Scheme (or if Bidco so elects, subject to Bidco and bwin.party agreeing or as otherwise permitted in accordance with the Co-operation Agreement, by means of a Takeover Offer) on the terms and subject to the Conditions set out in the Announcement, as incorporated by reference into this Prospectus, and, where the context admits, any subsequent revision, variation, extension or renewal thereof
Proposed Directors	the proposed directors of the board of the Company, to be appointed with effect on the Effective Date, and as set out in Part XVI ("*Directors, Proposed Directors and Corporate Governance*")
Prospectus Directive	European Union Directive 2003/71/EC, as amended
Prospectus Rules	the prospectus rules made by the FCA pursuant to section 73A of FSMA
PSP	payment service providers
QEF	qualified electing funding
Recalcitrant Holder	any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a US person or should otherwise be treated as holding a "United States account" of the Company
Registrar of Companies	the Registrar of Companies in Gibraltar
Regulatory & Compliance Committee	the Regulatory & Compliance Committee of the Company, as described in Part XVI ("*Directors, Proposed Directors and Corporate Governance*")
Relationship Agreement	the agreement between the Principal Shareholder Trusts and the Company regulating their relationship and appointment of directors by the Principal Shareholder Trusts dated 14 September 2005
Relevant Period	the period between the date of the Announcement and the Effective Date (or the date on which any Takeover Offer becomes wholly unconditional, as the case may be)
Remuneration Committee	the Remuneration Committee of the Company, as described in Part XVI ("*Directors, Proposed Directors and Corporate Governance*")
Remuneration Policy	the policy established by the Remuneration Committee to govern the level of remuneration received by the Executive Directors, both in the form of basic salary and bonus payments
Reporting FI	an FFI that is not subject to withholding under FATCA on any payments it receives
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Proposed Acquisition is sent or made

	available to bwin.party Shareholders in that jurisdiction (in accordance with Rule 30.3 of the City Code)
Revolving Credit Facility	five-year US$50 million senior secured revolving credit facility available to the Company under the New Credit Agreement
Revolving Loans	the loans made under the Revolving Credit Facility
RIS	a Regulatory Information Service of the UK Listing Authority, being any of the services set out in Appendix III to the Listing Rules
Scheme	the scheme of arrangement proposed to be made under Part VIII of the Gibraltar Companies Act between bwin.party and the Scheme Shareholders in connection with the Proposed Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by 888 and bwin.party
Scheme Document	the document to be despatched to bwin.party Shareholders and others containing, among other things, the Scheme, an explanatory statement in compliance with Part VIII of the Gibraltar Companies Act, and the notices of the bwin.party Court Meeting and any bwin.party General Meeting
Scheme Record Time	6.00 p.m. on the date of the bwin.party Reduction Court Hearing
Scheme Shareholder	a holder of Scheme Shares
Scheme Shares	bwin.party Shares that are subject to the Scheme, as defined in the Scheme Document
SEC	US Securities and Exchange Commission
Shareholder	a holder of Ordinary Shares
Shareholders' Agreement	the agreement between the Principal Shareholder Trusts and certain other shareholders dated 14 September 2005
Shareholder Regulatory Event	any indication given to the Company by a gaming regulatory authority that a shareholder is unsuitable or not licensed to be a person interested in shares of the Company or that such authority has refused, revoked or opposed, or will or is likely to refuse, revoke or oppose, the grant to the Company of any necessary license or approval sought or held by the Company
Sponsor	Investec
Sponsor Agreement	the agreement dated 28 August 2015 between 888 and Investec pursuant to which Investec agreed to act as sponsor to 888 in connection with the applications for Admission and the Prospectus for the purpose of the Proposed Acquisition and Admission and the publication of the Circular in connection with the Proposed Acquisition
Takeover Offer	a takeover offer subject to the terms set out in paragraph 8 of Part B of Appendix I of the Announcement (which is incorporated by reference into this Prospectus)
Term Loan Facility	six-year amortising US$600 million senior secured US dollar term loan facility available to the Company under the New Credit Agreement

Term Loans	loans made under the Term Loan Facility
TFEU	Treaty on the Functioning of the European Union
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland
UK Companies Act	Companies Act 2006 (as amended)
UKLA or the **UK Listing Authority**	the UK Listing Authority being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
Unaudited *Pro Forma* Financial Information	the unaudited *pro forma* income statement for the year ended 31 December 2014 and *pro forma* statement of net assets as at 30 June 2015 set out in Part XII ("*Unaudited pro forma financial information of the Enlarged Group*")
US or **United States**	the United States of America, its territories and possessions, any state of the United States and the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
US-Gibraltar IGA	the IGA between the US and Gibraltar, based largely on the Model 1 IGA
US Exchange Act	US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
US Holder	is a beneficial owner of New 888 Shares that is for US federal income tax purposes (a) an individual who is a citizen or resident of the United States, (b) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (c) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source or (d) a trust that is subject to US tax on its worldwide income regardless of its source.
US Securities Act	US Securities Act of 1933 (as amended)
VAT	value added tax
VAT Directive	European Union Directive 2006/112/EC, as amended

For the purposes of this Prospectus, "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" have the respective meanings given by the UK Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Prospectus.

All references to times in this Prospectus are to London time unless otherwise stated.