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For immediate release

20 December 2012

William Hill plc ("William Hill")

Proposed acquisition of Sportingbet plc's ("Sportingbet") Australian and Spanish businesses

Key highlights

- Proposed acquisition of Sportingbet's Australian business and grant of call option over Sportingbet's Spanish business for total cash consideration of £454 million

- The proposed acquisition is being made as part of a recommended offer for Sportingbet by William Hill and GVC Holdings plc ("GVC") (the "Offer"). A separate announcement which includes full details of the terms of the Offer has been released today

- In line with William Hill's strategy to develop the Group's multi-channel operations, to increase its exposure to attractive regulated markets, and to achieve geographic diversification. On a pro forma basis over 40 per cent. of William Hill Group Operating Profit will be generated from online activities

- The regulated Australian betting market is one of the largest in the world and has demonstrated high growth rates with an increasing proportion of online business

- Sportingbet's Australian business is a leading online corporate bookmaker in Australia, comprising two well-established local brands, Sportingbet and Centrebet

- The proposed acquisition of the "miapuesta" brand will allow William Hill to achieve critical mass more quickly in the regulated Spanish market

- The proposed acquisition is expected to be enhancing to underlying earnings* in the first full year. Post-tax return on invested capital is expected to meet prospective weighted average cost of capital in the third full year of ownership

Commenting on the proposed acquisition, Ralph Topping, Chief Executive of William Hill, said:

"We are pleased to reach agreement with the Board of Sportingbet, who unanimously recommend our joint offer. This acquisition not only highlights William Hill's commitment to grow further internationally into regulated, high growth markets such as Australia, but also supports our strategic aim to diversify revenue sources into new territories and through greater multi-channel usage.

Our unique combination with GVC provides a complete solution for Sportingbet and its shareholders and we look forward to working with the management and employees of Sportingbet in Australia and Spain to combine our joint experience and expertise to create additional value for our customers and shareholders."

** Underlying earnings stated before transaction and integration costs and the amortisation of intangible assets associated with the proposed acquisition. This is not intended to be a profit forecast or imply that future profits will necessarily be greater than historical profits.*

Introduction

William Hill is pleased to announce that it has reached agreement with GVC and Sportingbet in relation to the proposed acquisition of Sportingbet's Australian Business and certain other assets from the Sportingbet Group and be granted a call option over the Sportingbet Spanish business for a total cash consideration of £454 million.

The proposed acquisition will be effected by way of a recommended offer for Sportingbet by William Hill Australia Pty Limited, a wholly owned subsidiary of William Hill, and GVC. Under the terms of the Offer, GVC will acquire the entire issued and to be issued share capital of Sportingbet and members of the William Hill Group will acquire Sportingbet's Australian business and certain other assets from the Sportingbet Group and be granted a call option over the Sportingbet Spanish business. The Offer is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

The Offer values each Sportingbet Share at 56.1 pence per share, based on a Closing Price per GVC Share of 233.5 pence on 15 October 2012, being the last Business Day prior to the suspension of the GVC Shares, and taking into account the previously announced final dividend of 1.1 pence per Sportingbet Share. The Offer comprises 44.8 pence in cash and 0.0435 New GVC Shares per Sportingbet Share and in addition those Sportingbet Shareholders on the Sportingbet register at the dividend record time (21 December 2012) will receive and retain the final dividend of 1.1 pence per Sportingbet Share in respect of the year ended 31 July 2012 (which was approved at Sportingbet's AGM on 19 December 2012). A Mix and Match Facility will be provided, which will allow Sportingbet Shareholders (other than Restricted Overseas Shareholders) to elect to vary the proportions in which they receive cash and New GVC Shares.

Through the irrevocable undertakings by certain Sportingbet shareholders and the cash underpinning and other arrangements that GVC has put in place, elections by eligible Sportingbet shareholders under the Mix and Match Facility to take up to the entirety of their consideration under the Offer in the form of cash will be satisfied in full, if the elections for New GVC shares which are committed to under the irrevocable undertakings are duly made in accordance with their terms.

Background to and reasons for the transaction

William Hill and GVC have carried out a comprehensive evaluation of Sportingbet and believe that the business has a number of attractive characteristics including a full product offering and extensive geographic coverage as well as an industry-leading trading platform. However, it is also clear that Sportingbet comprises two very distinct businesses: (i) a highly profitable, licensed Australian business and other licensed activities in markets such as Spain; and (ii) a European and Emerging Markets business which is much less profitable and currently heavily impacted by the evolving nature of the regulatory position in a number of its key markets.

For William Hill, Australia is one of the most attractive online locally licensed markets where at present it does not have a footprint. The Australian betting market is one of the largest licensed betting markets in the world and William Hill has particular skills in those areas of the market that are demonstrating strong structural growth: online, mobile, fixed odds and sports (non-horse racing) betting. William Hill believes it has the resources and expertise to continue to grow the Sportingbet Australian business successfully, building on its existing strong market position. William Hill has also recently entered the licensed online Spanish gambling market on an organic basis. The acquisition of the Sportingbet Spanish business is expected to allow William Hill to achieve critical mass in the market faster than it otherwise would have done.

Overall, William Hill believes that the acquisition of Sportingbet's Australian and Spanish businesses will further develop the William Hill Group's online and multi-channel operations (increasing the proportion of William Hill Group Operating Profits from online activities to over 40 per cent. on a pro forma basis) and increase the William Hill Group's exposure to attractive locally licensed jurisdictions and its geographic diversification, all of which are central elements to the William Hill Board's strategy. In doing so, the William Hill board believes that William Hill is well placed to create further value for its shareholders.

The proposed acquisition is expected to be enhancing to underlying earnings (before transaction and integration costs and the amortisation of intangible assets associated with the proposed acquisition) in the first full year[1]. Post-tax return on invested capital is expected to meet prospective weighted average cost of capital in the third full year of ownership. On a pro forma basis, the peak net debt to EBITDA ratio for William Hill is expected to be 2.6x in the middle of 2013, falling to 2.5x by the end of 2013.

Information on Sportingbet's Australian and Spanish businesses

Sportingbet Australian Business

The Sportingbet Australian Business is one of the leading online corporate bookmakers in Australia. It is based in Darwin and Sydney, operating under a licence provided by the Northern Territory Government with approximately 210 employees. The business comprises the “Sportingbet” and, since August 2011, “Centrebet” brands in the Australian market, offering sports betting products via online, mobile and telephone channels. In August 2012, online and mobile channels represented approximately 59 per cent. and 34 per cent. respectively of total net gaming revenue (post gaming tax), which has grown significantly over the last few years driven by an increase in mobile revenue at the expense of the lower margin telephone revenue. At the same time, the business has seen an increasing proportion of recreational, lower spending customers within the group's revenues.

The business currently offers sports betting only. Under the terms of the existing licence, online in-play betting, casino, games and poker are not currently permitted.

Following the acquisition in 2011, the integration of Centrebet was successfully completed in June 2012, with both brands now operating on Sportingbet's proprietary owned IT platform. Both the “Sportingbet” and “Centrebet” brands have been retained and are targeted at different and complementary segments of the gaming market. The Sportingbet brand has historically focused on targeting players with a diverse product offering, with a particular focus on horse racing, with around 62 per cent. of its turnover via online and mobile and 38 per cent. via telephone, in the year ended 31 July 2012. The Centrebet brand has been more balanced between sports and racing in terms of product offering, with around 84 per cent. of its turnover via the internet and mobile in the year ended 31 July 2012.

For the year ended 31 July 2012, the Sportingbet Australian Business had approximately 172,000 sports active customers (compared to approximately 82,200 sports active customers in the prior year). These sports active customers each generated an average net gaming revenue (post gaming tax) for the year to 31 July 2012 of £508 (compared to £489 in the prior year). The business generated an overall sports margin (post gaming tax) in the year ended 31 July 2012 of 5.8 per cent. (compared to 4.9 per cent. in the prior year). The KPIs for the Sportingbet Australian Business for the year ended 31 July 2012 are as follows:

	Internet	Telephone	Mobile
Sports bets (m)	39.2	1.5	7.7
Sports bets / active	262	50	85
Sports bet size (A$)	34	445	37
Sports margin (post gaming tax) %	6.8	2.7	8.5

For the financial year ended 31 July 2012, the Sportingbet Australian Business had net gaming revenue (post gaming tax) of £87.4 million and EBITDA of £34.8 million.

Sportingbet Spanish Business

The Sportingbet Spanish Business operates under the long established “miapuesta” brand through both mobile and online platforms, offering regulated gaming products in both sports and casino.

[1] This is not intended to be a profit forecast or imply that future profits will necessarily be greater than historical profits.

A new online gambling regulatory regime was introduced in Spain in early June 2012. In the months preceding this liberalisation of the gambling market, the operations of the Sportingbet Spanish Business were temporarily suspended due to an injunction from a Spanish land based casino operator. The business was awarded a Spanish egaming licence on 1 June 2012.

If William Hill were to exercise its call option in respect of the Sportingbet Spanish Business, it would result in a significant enlargement of the net gaming revenues generated by the Wider William Hill Group in the Spanish market.

Management

The Sportingbet Australian business has a well-established and highly experienced senior management team who will continue to operate the business under William Hill's ownership. William Hill has agreed and entered into new long-term retention and incentivisation arrangements with certain members of Sportingbet's Australian management team.

Financing of the acquisition

The cash consideration payable by in relation to the proposed acquisition will be funded by an existing revolving credit facility of the William Hill Group with a consortium of banks and a new term loan with Lloyds, Barclays and Royal bank of Scotland.

Further details of the transaction

It is intended that certain members of the William Hill Group (other than William Hill Online) will initially be acquiring the Sportingbet Australian business and being granted (for no additional consideration) a call option over the Sportingbet Spanish business.

In order to effect the Offer, William Hill will make an additional consideration payment of £36.5 million to GVC part of which will be used to discharge bank indebtedness of the Sportingbet Group. As a result, the total expected cash consideration paid by William Hill in relation to the acquisition of the Australian Sportingbet businesses and the grant of a call option over Sportingbet's Spanish business is approximately £454 million, which excludes estimated exceptional transaction fees of approximately £16 million. William Hill will separately provide a loan facility of up to £15 million at completion (subject to a further adjustment of up to £5 million post completion) to GVC to cover expected working capital fluctuations and other cash commitments. If GVC draws down on this facility, it will be repaid under an agreed mechanism ending 30 June 2016.

The Offer will require the approval of Sportingbet Shareholders, Sportingbet Convertible Bondholders and GVC Shareholders, the sanction of the Court, the agreement of the London Stock Exchange to admit or re-admit (as applicable) the GVC Shares (including the New GVC Shares) to trading on AIM, the receipt of certain change of control approvals being granted by the North Territory Racing Commission and the receipt of Australian Foreign Investment Review Board Approval.

It is expected that the scheme document, containing further information about the Offer, will be sent to Sportingbet Shareholders and Sportingbet Convertible Bondholders on or around 15 January 2013. It is expected that, subject to the satisfaction or (where applicable) waiver of the conditions and certain further terms to be set out in the Scheme Document, the Scheme will become fully operative in March 2013.

Enquiries:

William Hill **+44 (0)20 8918 3614**
Ralph Topping, Chief Executive
Neil Cooper, Group Finance Director
Lyndsay Wright, Director of IR

Citi *(Lead Financial Adviser and Joint Broker to William Hill)* **+44 (0)20 7986 4000**
Jan Skarbek

Andrew Seaton
Sajjad Vakilian

Investec *(Financial Adviser and Joint Broker to William Hill)* **+44 (0)20 7579 4000**
Chris Treneman
James Rudd

Brunswick *(PR Adviser to William Hill)* **+44 (0)20 7404 5959**
Simon Sporborg
Sophie Brand

Investor and Analyst Meeting:

William Hill will hold a meeting for analysts and investors on 20 December 2012 at 4.30 p.m. (UK time) to discuss the Offer. The meeting will take place at will be at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED. Interested parties can dial into this meeting using the following access details:

Inside the UK 0800 634 5205
Outside the UK +44 (0) 20 8817 9301
The participant passcode is 9624114.

The meeting will also be available by webcast on William Hill's website for all interested parties. The webcast can be accessed via William Hill's website, www.williamhillplc.com. A replay facility will be available via William Hill's website and by dialling +44 (0) 20 7769 6425 quoting the replay access code 9589 073# until 3 January 2013.