

GVC Holdings PLC

("GVC")

**GVC HOLDINGS PLC ANNOUNCES JOINT VENTURE WITH MGM RESORTS INTERNATIONAL TO CREATE LEADING SPORTS BETTING AND INTERACTIVE GAMING PLATFORM IN THE U.S.**

*Combines GVC's Proprietary, Integrated, U.S. Licensed, Multi-channel Technology with MGM Resorts' Iconic, Market Leading Brands and National Footprint*

*Leverages Complementary Assets and Expertise to Efficiently Maximise Attractive Market Potential*

*Clear Path to Access in 15 U.S. states with total addressable population of 90 million*

GVC Holdings PLC (LON: GVC) today announces the establishment of a 50/50 joint venture with MGM Resorts International (NYSE: MGM) ("MGM Resorts") to create a world-class sports betting and online gaming platform in the United States, well-positioned to engage in the new opportunities created by the recent U.S. Supreme Court decision overturning the U.S. federal Professional and Amateur Sports Protection Act, or PASPA.

With a proven track record as partners-of-choice, MGM Resorts and GVC will bring together market-leading assets, distinguished brands, proven and scalable proprietary technology, and extensive industry expertise to revolutionise the world of sports betting and online gaming in the United States. The formation of the joint venture significantly increases speed to market for both parties in an efficient and prudent manner, lowers execution risk, and creates meaningful early mover advantages.

Kenneth Alexander, Chief Executive of GVC, said: "MGM Resorts is a world leading entertainment business and the most trusted name in gaming, with the highest quality brands and management, and strong sports connectivity. This combined with GVC's technology and experience in successfully building online gaming businesses across multiple markets presents a truly exciting opportunity for U.S. players and our respective shareholders. To be able to team up with a partner with such pedigree and knowledge, particularly in the U.S., is a real opportunity for GVC."

Jim Murren, Chairman and Chief Executive Officer of MGM Resorts, said: "We are proud to join forces with GVC, the largest and most dynamic global online betting operator, with existing reputable and trusted operations in the U.S.. With MGM Resorts' expertise and leading position in key markets across the U.S., this historic partnership will be positioned to become the instant leader in technology, market access, sports relationships and brands. We are excited to benefit from GVC's proprietary, best-in-class technology, digital customer acquisition expertise, and experience with adapting to new operating environments. GVC is unusually qualified due to their existing operations in the U.S.. Together, we are creating a one-of-a-kind platform that we expect will dominate the U.S. sports betting market."

The new venture will have exclusive access to all U.S. land-based and online sports betting, online real money and free-to-play casino gaming, major tournament and online poker, and other similar future interactive businesses – facilitating entry into multiple digital gaming verticals under the playMGM and partypoker headline brands. The venture will also allow for full integration between the MGM Resorts and GVC loyalty programs, enhancing the user experience and value proposition for existing and future customers.

The joint venture is expected to create an unparalleled experience in the United States and will benefit from:

- **Established Partners.** This venture combines the expertise of two multi-billion-dollar, industry leading gaming and consumer businesses with a track record of successful joint ventures and partnerships.
- **Market Leading Brands.** Both parties will bring market leading brands into the venture, leveraging existing consumer loyalty to drive results. MGM Resorts holds a portfolio of iconic, well-known brands that the venture will be able to utilise as it enters the online sports betting and gaming markets. GVC will also be providing a portfolio of strong and complementary sports betting and gaming brands, including partypoker.
- **Proprietary State-of-the-Art Technology.** The venture will have access, both as an operator and as a supplier, to the proven, U.S. licensed, highly flexible, highly scalable state-of-the-art proprietary multi-channel technology provided by GVC to create a leading platform with world class content and broad reach and distribution.
- **Broad Footprint with Large Addressable Customer Base.** MGM Resorts has an established collection of market-leading properties in the United States, a database of over 27 million M life Rewards members, and has recently entered into an agreement to purchase the operating assets of Empire City, providing access to the densely populated, sports-heavy New York market. In addition, the joint venture will benefit from the MGM Resorts market access agreement with Boyd Gaming which provides a pathway to access a total of fifteen states with an addressable population of approximately 90 million.
- **MGM Resorts' Leading Sports Assets and Relationships.** MGM Resorts will leverage its substantial sports, entertainment, and professional league relationships for the benefit of the joint venture. With a portfolio including T-Mobile Arena, over 25 other arena and entertainment venues, and extensive relationships with multiple local professional teams and national leagues, MGM Resorts is a leader in the sports entertainment industry.
- **Scaled Enterprise with High Barriers to Entry and Early Mover Advantages.** By establishing a strong and scaled national platform with relevant best-in-class assets, the venture will be well-positioned to capture meaningful market share and will be a partner of choice for additional commercial partners in the future.

Under the agreement, MGM Resorts and GVC have agreed to capitalise the venture with initial commitments of US\$100 million per partner. The venture will establish a separate headquarters to be located in a major U.S. technology hub, select a leadership team comprised of best-in-class talent from each company and additional new hires, and form a four-person board of directors with equal representation from MGM Resorts and GVC to oversee the venture's ongoing operations and growth. Both parties are excited to announce the formation of the joint venture in anticipation of the upcoming professional American football season.

The commencement of the joint venture operations are subject to gaming regulatory approvals.

The transaction constitutes a class 2 transaction for the purposes of the UK Listing Rules. For the purposes of the LR 10.4.1 R (Notification of class 2 transactions), the value of the gross assets of the joint venture is US\$200 million and GVC shall satisfy the consideration in respect of the joint venture transaction with cash from its existing balance sheet. Further, there are no profits attributable to the assets of the joint venture.

Moelis & Company LLC acted as exclusive financial advisor, Deutsche Bank AG acted as a sponsor and Latham & Watkins LLP acted as legal advisor to GVC. PJT Partners LP acted as exclusive financial advisor and Gibson, Dunn & Crutcher LLP acted as legal advisor to MGM Resorts.

*The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

## **Analyst Call**

GVC will host a conference call for analysts on 30 July 2018 at 09.30am (UK time). Participants may join the call by dialing the following number, approximately 10 minutes before the start of the call. A copy of GVC's presentation will be available from 07.00am (UK time) on 30 July 2018 at: <https://gvc-plc.com/investor-relations/presentations/>

Participant Dial In: +44 (0)330 336 9105

Participant PIN Code: 3591181#

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## **ABOUT GVC HOLDINGS**

GVC Holdings PLC is one of the world's largest sports betting and gaming groups, operating both online and in the retail sector. The Group owns a comprehensive portfolio of established brands; Sports Brands include bwin, Coral, Crystalbet, Eurobet, Ladbrokes and Sportingbet; Gaming Brands include CasinoClub, Foxy Bingo, Gala, Gioco Digitale, PartyCasino and partypoker. The Group owns proprietary technology across all of its core product verticals and in addition to its B2C operations provides services to a number of third-party customers on a B2B basis. GVC acquired Ladbrokes Coral Group plc on 28 March 2018 and is now the UK's largest high street bookmaker, with over 3,500 betting shops. The Group, incorporated in the Isle of Man, is a constituent of the FTSE 100 index and has licences in more than 20 countries, across five continents.

## **ABOUT MGM RESORTS INTERNATIONAL**

MGM Resorts International (NYSE: MGM) is an S&P 500® global entertainment company with national and international locations featuring best-in-class hotels and casinos, state-of-the-art meetings and conference spaces, incredible live and theatrical entertainment experiences, and an extensive array of restaurant, nightlife and retail offerings. MGM Resorts creates immersive, iconic experiences through its suite of Las Vegas-inspired brands. The MGM Resorts portfolio encompasses 28 unique hotel offerings including some of the most recognizable resort brands in the industry. Expanding throughout the U.S. and around the world, the company in 2018 opened MGM COTAI in Macau and the first Bellagio-branded hotel in Shanghai. It also is developing MGM Springfield in Massachusetts. The 78,000 global employees of MGM Resorts are proud of their company for being recognized as one of FORTUNE® Magazine's World's Most Admired Companies®. For more information visit us at [www.mgmresorts.com](http://www.mgmresorts.com).

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Statements in this release that are not historical facts are "forward-looking" statements and "safe harbor statements" that involve risks and/or uncertainties. GVC and MGM Resorts have based forward-looking statements on management's current expectations and assumptions and not on historical facts. Examples of these statements include, but are not limited to, statements regarding the expected benefits to be achieved as a result of the formation of the joint venture and the expected market opportunity. Among the important factors that could cause actual results to differ materially from those indicated in such forward-looking statements include effects of economic conditions and market conditions in the markets in which GVC and MGM Resorts GVC operate and competition with other destination travel locations throughout the United States and the world, the design, timing and costs of

expansion projects, risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions and additional risks and uncertainties. In providing forward-looking statements, GVC and MGM Resorts are not undertaking any duty or obligation to update these statements publicly as a result of new information, future events or otherwise, except as required by law. If GVC or MGM Resorts update one or more forward-looking statements, no inference should be drawn that either of them will make additional updates with respect to those other forward-looking statements.

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