

Offer Update

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Betfair Group PLC

27 November 2015

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FOR IMMEDIATE RELEASE

27 November 2015

RECOMMENDED ALL-SHARE MERGER OF PADDY POWER PLC ("PADDY POWER") AND BETFAIR GROUP PLC ("BETFAIR")

Publication of Scheme Document

On 8 September 2015, the Boards of Betfair Group plc ("**Betfair**") and Paddy Power plc ("**Paddy Power**") announced that they had reached agreement on the terms of a recommended all-share merger by way of an acquisition by Paddy Power of Betfair (the "**Merger**"), to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**").

The Board of Betfair today announces the publication of a circular (the "**Scheme Document**"), which will be posted to the holders of shares in Betfair ("**Betfair Shareholders**"), together with associated forms of proxy. The Scheme Document contains notices convening a court meeting (the "**Court Meeting**") and a general meeting of Betfair Shareholders (the "**Betfair General Meeting**") to allow Betfair Shareholders to vote on the resolution required to approve and implement the Scheme. The Scheme Document also contains, amongst other things, a letter from the chairman of Betfair, the full terms and conditions of the Scheme, a statutory explanatory statement, an expected timetable of principal events, and details of the actions to be taken by Betfair Shareholders.

The expected timetable of principal events is attached as an appendix to this announcement. If any of the key dates set out in the expected timetable change, an announcement will be made via a Regulatory Information Service.

To become effective, the Scheme will need to be approved at the Court Meeting and will require the passing of a special resolution at the Betfair General Meeting, as described in the Scheme Document. The Scheme is also subject to the satisfaction or, if capable of waiver, waiver of the other conditions set out in Part 3 of the Scheme Document.

Notices for the Court Meeting and the Betfair General Meeting are set out in the Scheme Document. The Court Meeting and the Betfair General Meeting are to be held at the offices of Betfair Group plc located at Waterfront, Hammersmith Embankment, Chancellors Road (access on Winslow Road), London W6 9HP, on Monday, 21 December 2015. The Court Meeting will start at 11.00 a.m. on Monday 21 December 2015 and the Betfair General Meeting will start at 11.15 a.m. (or as soon thereafter as the Court Meeting has been concluded or adjourned).

Holders of options and awards under the Betfair Share Plans will be sent further details of the impact of the Scheme on their options and awards (and any alternatives available to them) shortly following this announcement.

Paddy Power has today published a circular to its shareholders convening a general meeting to vote on the resolutions required to approve and implement the Merger (the "**Paddy Power General Meeting**"). The Paddy Power General Meeting is anticipated to take place on the same day as the Court Meeting and the Betfair General Meeting.

Paddy Power will also shortly publish its prospectus (the "**Prospectus**") relating to the new Paddy Power Betfair shares to be issued to Betfair Shareholders by Paddy Power in connection with the Merger. The Prospectus will also be posted to Betfair Shareholders.

Betfair Shareholders should carefully read the Scheme Document and Prospectus in their entirety before making a decision with respect to the Scheme.

The Scheme Document (and any information incorporated into it by reference to another source) and the Prospectus will be made available on Betfair's website at <http://corporate.betfair.com/merger> and additional hard copies may be requested by contacting Betfair's registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or, between 8.30 a.m. and 5.30 p.m. on Monday to Friday (except UK public holidays), on 0370 707 4010 from within the UK or on +44 370 707 4010 from overseas if calling from outside the UK, with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes). You may also request that all future documents, announcements and information to be sent to you in relation to the Merger should be in hard copy form.

Terms and expressions used in this announcement shall, unless defined herein or the context otherwise requires, have the same meanings as given to them in the Scheme Document.

Enquiries:

Betfair Group plc

Paul Rushton, Investor Relations, +44 208 834 6139

Goldman Sachs International (Financial Adviser and Corporate Broker to Betfair)

+44 20 7774 1000

Anthony Gutman

Nick Harper

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or any vote for approval in any jurisdiction pursuant to the Merger or otherwise. The Merger is being implemented solely by means of the Scheme Document, which contains the full terms and conditions of the Merger, including details of how to vote in respect of the Merger. Any decision in respect of, or other response to, the Merger should be made only on the basis of the information contained in the Scheme Document and the Prospectus.

This announcement has been prepared for the purposes of complying with English law and the City Code on Takeovers and Mergers (the "Code") and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Betfair and no one else in connection with the Merger and the other matters referred to in this announcement, and will not be responsible to anyone other than Betfair for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to the Merger or in connection with the other matters referred to in this announcement.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website

A copy of this announcement will be made available at <http://corporate.betfair.com> no later than 12:00 noon (London time) on 30 November 2015 (being the business day following the date of this announcement) in accordance with Rule 30.4 of the Code. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

APPENDIX

Expected timetable of principal events

Event	Time and/or date
Latest time for receipt of blue Forms of Proxy/ CREST Proxy Instructions for the Court Meeting	11.00 a.m. on 17 December 2015 ⁽¹⁾
Latest time for receipt of white Forms of Proxy/ CREST Proxy Instructions for the General Meeting	11.15 a.m. on 17 December 2015 ⁽²⁾
Voting Record Time for the Court Meeting and General Meeting	6.00 p.m. on 17 December 2015 ⁽³⁾
Court Meeting	11.00 a.m. on 21 December 2015
General Meeting	11.15 a.m. on 21 December 2015 ⁽⁴⁾
<i>The following dates are subject to change⁽⁵⁾</i>	
Court Hearing (to sanction the Scheme)	A date expected to be in the first quarter of 2016, subject to regulatory clearances (D) ⁽⁶⁾
Last day of dealings in, and for registrations of transfers of and disablement in CREST of, Betfair Shares	D
Dealings in Betfair Shares suspended	5.00 p.m. on D
Scheme Record Time	6.00 p.m. on D
Effective Date of the Scheme⁴	D+1 2016
Cancellation of admission of and dealings in Betfair Shares	By no later than 8.00 a.m. on D+1 2016
Long Stop Date	30 June 2016 ⁽⁷⁾

The Court Meeting and the General Meeting will each be held at the offices of Betfair Group plc located at Waterfront, Hammersmith Embankment, Chancellors Road (access on Winslow Road), London W6 9HP.

- (1) It is requested that blue Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting (excluding any day that is not a Business Day). Blue Forms of Proxy not so lodged may be handed: (i) to Betfair's registrar, Computershare, on behalf of the Chairman of the Court Meeting at the Court Meeting before the start of the Court Meeting; or (ii) to the Chairman of the Court Meeting at the Court Meeting.
- (2) White Forms of Proxy for the General Meeting must be lodged not later than 48 hours prior to the time appointed for the General Meeting (excluding any day that is not a Business Day).
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the date which is two Business Days before the date fixed for the relevant adjourned meeting.
- (4) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which:
 - (i) the Conditions are satisfied or, if capable of waiver, waived;
 - (ii) the Court sanctions the Scheme; and
 - (iii) the Court Order is delivered to the Registrar of Companies.

Betfair will give adequate notice of all of these dates, when known, by issuing an announcement through a Regulatory Information Service and by posting notice of these dates on its website (<http://corporate.betfair.com>). Further updates of changes to other times or dates indicated above shall at Betfair's discretion, be notified in the same way.
- (6) Any references to a day before or after "D" are references to a Business Day.
- (7) This is the latest date by which the Scheme may become effective unless Paddy Power and Betfair agree, with the consent of the Panel and (if required) the Court, a later date.

All references in this announcement to times are to times in London (unless otherwise stated).

This information is provided by RNS
The company news service from the London Stock Exchange

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