



Playtech Limited

("Playtech", the "Company" or the "Group")

Playtech signs new software and advisory services agreements with Ladbrokes plc

Playtech (LSE: PTEC), the international designer, developer, licensor and provider of software and services for the online, mobile, TV and land-based gaming industry, announces the expansion of its existing software and technology agreements with Ladbrokes plc ("Ladbrokes") and that Playtech's PTTS has entered into a landmark agreement to provide Ladbrokes with advisory services to assist in the development and growth of its digital business.

The new software agreement will provide Ladbrokes with access to Playtech's full technology and product suite. The agreement, for an initial period of more than five years, will commence with the launch of a new 'Vegas' tab on Ladbrokes' digital platforms, offering a suite of casino and games products across online, mobile and tablet, with the other products to follow in due course.

It is anticipated that over the medium term, Playtech's industry-leading IMS will become the foundation of Ladbrokes' digital back-end, enabling Ladbrokes and its customers to enjoy the benefits of a fully integrated experience across all products and channels. The new software agreement builds upon Playtech's existing relationship with Ladbrokes, through which it provides bingo and Videobet products.

Under the terms of the advisory services agreement, from May 2013 PTTS will advise and assist Ladbrokes to drive its digital revenues. Ladbrokes has today also announced the proposed acquisition in May 2013 of a highly experienced marketing team based in Israel, which will join Ladbrokes with a proven track record in the sector and of working with Playtech's products and player management systems. PTTS will help ensure the smooth integration of this marketing team within Ladbrokes. Moving forward, Ladbrokes will introduce sophisticated methodologies and business intelligence systems, developed by PTTS within its Philippine and Bulgarian operations, in order to maximise customer lifetime values and accelerate the growth of Ladbrokes' digital business.

In addition to the royalties to be generated under the terms of the software agreement, the Group will be entitled to a success fee for the advisory services provided by PTTS, based upon the improved performance of the Ladbrokes digital business¹ over and above that achieved in the financial year ended 31 December 2012, as adjusted (the "Base EBITDA"). The success fee is payable based upon the results achieved in FY2017, with interim instalments falling due if Base EBITDA uplifts of £35 million, £70 million and £100 million are achieved in an earlier year. 75% of the success fee is payable in cash, with the balance payable in Ladbrokes shares. Playtech can elect to receive a greater proportion of the success fee in Ladbrokes shares.

The success fee is calculated in accordance with the following formula:
 $27.5\% \times \text{increase in adjusted EBITDA over Base EBITDA} \times \text{the then prevailing group EBITDA multiple of Ladbrokes}$. 75% of any interim instalment is payable immediately with the

¹ For these purposes, excluding betting exchanges and certain overseas businesses.

remaining 25% to be paid only at the earlier of the achievement of the next interim instalment or to the extent payable when the success fee is determined.

If by 31 December 2017 the adjusted EBITDA uplift reaches more than £100 million, Playtech would be entitled to an additional bonus fee, calculated as 75% of the amount exceeding £100 million, subject to a cap of £50 million. The aggregate success fees payable to PTTS under the advisory services agreement are capped at a level that does not require Ladbrokes' shareholder approval.

Playtech has put in place an incentivisation package specifically designed to reward key individuals responsible for the delivery of the EBITDA growth of Ladbrokes' digital business.

Mor Weizer, Playtech's Chief Executive Officer, said: "This will be a landmark transaction for Playtech that clearly demonstrates the value of PTTS and the diversity of Playtech's business offering. Ladbrokes is one of the largest and most respected brands in the betting and gaming industry, and we are delighted to have secured the opportunity to play an important role in accelerating the growth of its digital business. The breadth and depth of the software and services to be provided under these agreements are unique to Playtech, and reflect the Group's successful acquisition strategy. We are very excited about the prospects for this venture with Ladbrokes and are committed to making it a great success."

Conference call

The Company will host an analyst conference call today at 11.00 am.

Details of the conference call are as follows:

Dial-in no UK: +44 (0)20 8515 2301

Dial-in no US: +1 (480) 629 9771

Conference ID: 4607487

– Ends –

For further information contact:

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About Playtech

Playtech develops unified software platforms and content for the online and land-based gaming industry, together with providing a range of ancillary services such as marketing, hosting and CRM services.

The Group's capabilities enable the delivery of an integrated software or turnkey solution, with players accessing online, broadcast, mobile and server-based gaming terminals through a single account.

New licensees include existing online operators upgrading or diversifying their offering, land-based casino groups, government sponsored entities such as lotteries, and new entrants making their online gaming debut, particularly in newly-regulated markets.

Founded in 1999, Playtech is listed on the London Stock Exchange and has over 2,700 employees located in development centres in five countries. Its leading gaming applications include casino, poker, bingo, sports betting, live, mobile and social gaming, casual and fixed odds games.

www.playtech.com

About Ladbrokes

Ladbrokes is synonymous with betting and gaming: the hallmark of a premier brand. Its origins date back to 1886, and it employs over 14,000 people in Britain and over 16,000 in total. It is one of the world's leading betting and gaming enterprises. Ladbrokes is a market leader in retail bookmaking in the UK, Ireland, Belgium and Spain where it operates a combined total of more than 2,700 betting shops. The company also operates betting facilities at eight FA Premiership grounds and nine racecourses, including Ascot. In addition to its extensive retail presence Ladbrokes offers thousands of betting markets on a daily basis via the Internet, mobile Internet and telephone. The telephone betting operation services 85,000 customers, while Ladbrokes.com, the company's online betting and gaming facility, has attracted nearly 800,000 active clients. Betting is offered via 13 tailored sites in nine different languages; supporting 17 currencies. The site incorporates the highest levels of security, which underwrite an integrated array of sports betting and gaming services available 24 hours a day, 365 days of the year. Ladbrokes is focused on building its digital capabilities to realise its vision of becoming a fully e-enabled international betting and gaming business.