

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to any matter referred to in this document or as to the action you should take, you should consult your stockbroker, bank, solicitor, accountant, fund manager or other appropriate professional financial adviser authorised under the Financial Services and Markets Act 2000 of England and Wales if you are in the United Kingdom or, if not, from another appropriately authorised independent professional adviser, without delay.**

This document sets out the details of a scheme of arrangement to be effected by the Company pursuant to the provisions of the Companies Act 1930 of Gibraltar. On Completion, the entire issued share capital of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH will be transferred by bwin.party digital entertainment plc to ElectraWorks Limited.

If you have sold or otherwise transferred all of your Shares, please send this document together with the accompanying white Form of Proxy and blue Form of Direction as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. If you have sold or otherwise transferred only part of your holding of Shares you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

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# **bwin.party digital entertainment plc**

*(incorporated under the Companies Act 1930 of Gibraltar  
and registered in Gibraltar under No. 91225)*

## **Circular**

**relating to**

**a scheme of arrangement pursuant to sections 205 and 206 of the Companies Act 1930**

**and**

## **Notice of Court Meeting**

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**This document should be read as a whole and in conjunction with the accompanying white Form of Proxy and blue Form of Direction. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document (on pages 6 to 11) and which contains the unanimous recommendation of the Directors that you vote in favour of the approving the Scheme at the Court Meeting. A letter from the Chairman explaining the Scheme is set out in Part I of this document.**

The notice convening the Court Meeting, which is to be held at 10:00 a.m. (Gibraltar time) on 6<sup>th</sup> October 2011 at Regal House, 2 Queensway, Gibraltar, is set out in Part VI of this document. The Court Meeting will start at 10:00 a.m. (Gibraltar time). Shareholders will find accompanying this document a white Form of Proxy for use in respect of voting on the Scheme at the Court Meeting. Whether or not you intend to attend the Court Meeting in person, please complete and sign the enclosed white Form of Proxy in accordance with the instructions printed on it and return to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to be received at least 24 hours before the time appointed for the Court Meeting. Shareholders wishing to submit a form of proxy electronically should visit the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and select the 'Court Meeting' tab on the left hand side of the page. To be valid electronic proxy instructions must be received by Capita Registrars no later than 9:00 a.m. (London time) on 5th October 2011. Unless the white Form of Proxy is returned by the time mentioned in the instructions printed on it, it shall be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person at the Court Meeting, or any adjournment thereof, if you so wish and are so entitled.

Depositary Interest Holders may attend the Court Meeting in person if the Depositary has appointed them as a corporate representative. Depositary Interest Holders not wishing to attend the Court Meeting but wishing to vote in respect of the Scheme to be considered at the Court Meeting can do so by: (1) giving the Depositary voting instructions via CREST; (2) completing the enclosed blue Form of Direction; or (3) submitting a form of direction electronically by visiting the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and selecting the 'Court Meeting' tab on the left hand side of the page. In order for an instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be transmitted so as to be received by the Depositary's agent (ID RA10) by 9:00 a.m. (London time) on 4th October 2011. To be valid, the blue Form of Direction must be completed in accordance with the instructions printed on it and returned as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 9:00 a.m. (London time) on 4<sup>th</sup> October 2011. To be valid, the electronic form of direction must be submitted no later than 9:00 a.m. (London time) on 4<sup>th</sup> October 2011.

**THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.**

Dated: 8 September 2011

### **Information for Overseas Shareholders**

This document does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document, the Scheme or otherwise. This document does not constitute a prospectus or a prospectus equivalent document. This document and the accompanying documents have been prepared for the purposes of complying with Gibraltar law and, where applicable, English law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of Gibraltar and the United Kingdom.

The Scheme is subject to the disclosure requirements and practices applicable in Austria, Gibraltar and the United Kingdom to corporate reorganisations, which may differ from the disclosure requirements of other countries, including the United States. It may be difficult for investors to enforce their rights and any claim they may have arising under the US federal securities laws. The Company is incorporated in Gibraltar, and all of its officers and directors are residents of countries other than the United States. Investors may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. It may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

### **Important notices**

The statements contained in this document (or incorporated by reference into this document) are made as at the date of this document, unless some other time is specified in relation to them, and the publication or distribution of this document shall not give rise to any implication that there has been no change in the facts contained in this document (or incorporated by reference into this document) since such date. Nothing contained in this document (or incorporated by reference into this document) shall be deemed to be a profit forecast, projection or profit estimate of the financial performance of the Company or the Group. No statement in this document should be taken to mean that earnings per Share for the current financial period or earnings per Share for future financial periods will necessarily match or exceed the historical or published earnings per Share.

### **Forward-looking statements**

Certain statements contained in this document constitute forward-looking statements. The forward-looking statements contained in this document include statements about the expected effects of the Scheme, the expected timing and scope of the Scheme and other statements other than in relation to historical facts. Forward-looking statements include, without limitation, statements typically containing words such as 'intends', 'expects', 'anticipates', 'targets', 'estimates', 'believes', 'should', 'plans', 'will' and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of the Company and are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to local and global political and economic conditions, and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements. Neither the Company, nor any of its associates or directors, officers or advisers or employees, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with its legal or regulatory obligations (including under the FSMA, the Listing Rules and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority), the Company is not under any obligation, and it expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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## HELPLINE

If you have any questions relating to this document, the Court Meeting or the completion and return of the white Form of Proxy or the blue Form of Direction, please call

Capita Registrars on  
0871 664 0300 (from within the UK) or  
+44 20 8639 3399 (from outside the UK)

Lines are open from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the 0871 664 0300 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones. Calls may be recorded and monitored randomly for security and training purposes. The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| Expected timetable to Completion  | Time and/or date  |
|---|---|
| Latest time and date for receipt of the white Form of Proxy <sup>(1)</sup>    | 9:00 a.m. (London time) on 5th October 2011                 |
| Latest time and date for receipt of the blue Form of Direction <sup>(1)</sup> | 9:00 a.m. (London time) on 4 <sup>th</sup> October 2011     |
| Court Meeting   | 10:00 a.m. (Gibraltar time) on 6 <sup>th</sup> October 2011 |

The following dates are indicative only and subject to change. Please see note (2) below.

|  |  |
|--|--|
| Court Hearing of the petition to sanction the Scheme | 10:00 a.m. (Gibraltar time) on 19 <sup>th</sup> October 2011 |
| Scheme Effective Date                                | 20 <sup>th</sup> October 2011                                |

**Notes:**

- (1) Please see page 5 entitled 'Action to be Taken' and the paragraph 'Court Meeting and action to be taken' set out at paragraph 9 of Part I of this document.
- (2) These times and dates are indicative only and may be subject to change. These dates are based on the Company's current expectations and will depend on, amongst other things, the date upon which the Court sanctions the Scheme and the date upon which the Court Order is delivered to the Gibraltar Register of Companies for registration. In particular, the Court Hearing date is subject to confirmation by the Court. If any of the above times and/or dates, including the scheduled Court Hearing date, are changed, the Company will give notice of the change by issuing an announcement through a Regulatory Information Service.

## **ACTION TO BE TAKEN**

**FURTHER INSTRUCTIONS ON THE ACTION TO BE TAKEN ARE SET OUT IN PARAGRAPH 9 OF PART I OF THIS DOCUMENT AND ARE SUMMARISED BELOW.**

The Scheme will require approval of the requisite majority of Shareholders at the Court Meeting, which will be held at 10:00 a.m. (Gibraltar time) on 6<sup>th</sup> October 2011 at Regal House, 2 Queensway, Gibraltar.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT CAN BE SATISFIED THAT THE VOTES FAIRLY REPRESENT THE VIEWS OF THE SHAREHOLDERS.**

### **SHAREHOLDERS**

Whether or not you plan to attend the Court Meeting, please complete the enclosed white Form of Proxy for use in respect of voting on the Scheme at the Court Meeting which will be held at 10:00 a.m. (Gibraltar time) on 6<sup>th</sup> October 2011 at Regal House, 2 Queensway, Gibraltar, so as to be received by Capita Registrars by 9:00 a.m. (London time) on 5<sup>th</sup> October 2011. If you wish to submit a form of proxy electronically, you should visit the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and select the 'Court Meeting' tab on the left hand side of the page. To be valid electronic proxy instructions must be received by Capita Registrars no later than 9:00 a.m. (London time) on 5<sup>th</sup> October 2011.

The completion and return of a white Form of Proxy will not prevent you from attending and voting in person at the Court Meeting, or any adjournment thereof, if you so wish and are so entitled.

The white Form of Proxy must be lodged so as to be received by the time mentioned above or it will be invalid.

### **DEPOSITARY INTEREST HOLDERS**

If you wish to attend the Court Meeting in person, you must ask the Depositary, Capita IRG Trustees Limited, to appoint you as its corporate representative. A letter of corporate representation can be obtained from the Depositary by emailing [custodymgt@capitaregistrars.com](mailto:custodymgt@capitaregistrars.com) or by calling Capita Registrars on: 0871 664 0321 (from within the UK) or +44 20 8639 3399 (from outside the UK)

Lines are open from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones. Calls may be recorded and monitored randomly for security and training purposes. The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice.

If you do not wish to attend the Court Meeting in person, you should take the action set out below.

Depositary Interest Holders who are able to give voting instructions via CREST should do so by completing and transmitting the appropriate CREST message so as to be received by the Depositary's agent (ID RA10) by 9:00 a.m. (London time) on 4<sup>th</sup> October 2011.

Depositary Interest Holders who cannot give voting instructions via CREST should either submit a form of direction electronically by visiting the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and selecting the 'Court Meeting' tab on the left hand side of the page or complete the enclosed blue Form of Direction for use in respect of voting on the Scheme at the Court Meeting on 6<sup>th</sup> October 2011, so as to be received by Capita Registrars by 9:00 a.m. (London time) on 4<sup>th</sup> October 2011.

## PART I

# LETTER FROM THE CHAIRMAN OF BWIN.PARTY DIGITAL ENTERTAINMENT PLC

### bwin.party digital entertainment plc

(incorporated under the Companies Act 1930 of Gibraltar and registered in Gibraltar under No. 91225)

#### Directors:

Simon Duffy (*Non-Executive Chairman*)  
Jim Ryan (*Co-Chief Executive Officer*)  
Norbert Teufelberger (*Co-Chief Executive Officer*)  
Martin Weigold (*Chief Financial Officer*)  
Joachim Baca (*Chief Operating Officer*)  
Per Afrell (*Independent Non-Executive Director*)  
Geoffrey Baldwin (*Non-Executive Director*)  
Manfred Bodner (*Non-Executive Director*)  
Tim Bristow (*Independent Non-Executive Director*)  
Hermut Kern (*Independent Non-Executive Director*)

Registered Office:  
711 Europort  
Gibraltar

Lord Moonie (*Independent Non-Executive Director*)  
Rod Perry (*Deputy Chairman and Senior Independent Director*)  
Georg Riedl (*Non-Executive Director*)

Date: 8 September 2011

To: Shareholders and, for information only, to the participants in the Share Plans.

Dear Shareholder,

## PROPOSED SCHEME OF ARRANGEMENT

### 1. Introduction

As you are aware, following the cross-border merger pursuant to the provisions of the Cross-Border Mergers Directive (2005/56/EC) on 31 March 2011 between PartyGaming Plc and bwin Interactive Entertainment AG, the entire assets and liabilities of bwin Interactive Entertainment AG were transferred to PartyGaming Plc, which re-registered its name as bwin.party digital entertainment plc.

Some of the assets of bwin Interactive Entertainment AG that were transferred to the Company as a result of the Merger comprised the entire issued share capital of two Austrian companies: Websports Entertainment Marketing Services GmbH (a limited liability company) and bwin.party services (Austria) GmbH (a limited liability company). The proposed Scheme – a copy of which is contained in Part IV of this document - involves the transfer, for nil consideration, by the Company of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH to ElectraWorks Limited, a Gibraltar limited liability company which is a wholly-owned indirect subsidiary of the Company.

ElectraWorks Limited is licensed by the Government of Gibraltar to provide online casino gaming and sports-betting offerings (the “ElectraWorks Licenses”) and it is the principal holding company of the Group’s operating subsidiaries that undertake the Group’s Gibraltar-licensed online gaming and sports betting businesses and provide related services. It is therefore important and appropriate for all Group subsidiaries that carry on the Group’s current core businesses of online gaming or provide related services to other Group subsidiaries, to be direct or indirect subsidiaries of ElectraWorks Limited, rather than direct subsidiaries of the Company which is the Group’s listed ultimate holding company.

I am writing to give you further details of the Scheme, including the background to and reasons for the Scheme, and to explain why the Board considers it to be in the best interests of the Company and, accordingly, unanimously recommends that Shareholders vote in favour of approving the Scheme at the Court Meeting.

Please note that reading the below description of, reasons for and summary of the Scheme is no substitute for reading the full text of the Scheme which, as stated above, is contained in Part IV of this document and which you are encouraged to read carefully.

## **2. Description of the Scheme**

As a consequence of the Merger, the Company has become the direct shareholder and registered owner of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH. The purpose of the Scheme is to transfer by way of intra-Group demerger for nil consideration, the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH from the Company to ElectraWorks Limited, a wholly owned indirect subsidiary of the Company. This corporate reorganisation follows on from the Merger and, will be effected by way of a formal procedure known as a scheme of arrangement, pursuant to sections 205 and 206 of the Companies Act. Completion of the Scheme is conditional upon approval by the requisite majority of Shareholders as well as the sanction of the same by the Court at the Court Hearing.

In order for the Scheme to become effective, Shareholders will first need to vote in favour of the Scheme at the Court Meeting. Accordingly, the Court Meeting is to be held at 10:00 a.m. (Gibraltar time) on 6<sup>th</sup> October 2011, at Regal House, 2 Queensway, Gibraltar, to consider and, if thought fit, approve the Scheme. A notice convening the Court Meeting is set out in Part VI of this document.

If the required majority of Shareholders approve the Scheme, an application will then be made to Court by way of petition seeking the Court's sanction of the Scheme. When issued, the Court Order sanctioning the Scheme will be delivered to the Gibraltar Register of Companies for registration and, it is upon such delivery and registration that the Scheme will become effective. The transfer by way of intra-Group demerger for nil consideration of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH from the Company to ElectraWorks Limited will be perfected in compliance with Austrian law transfer requirements immediately after the Scheme has become effective under Gibraltar law,

For the reasons more particularly set out in paragraph 5 of this letter, the Board believes the Scheme will generate strategic, operational and financial benefits that will enhance the Group's immediate and long-term positioning. Accordingly, your attention is drawn to the Board's recommendation to vote in favour of approving the Scheme set out in paragraph 11 of this Part I, together with instructions of how to do so, set out in paragraph 9 of this Part I.

## **3. Information on Websports Entertainment Marketing Services GmbH**

Websports Entertainment Marketing Services GmbH is a limited liability company registered in Vienna in 1999. This company provides marketing services to ElectraWorks Limited's Gibraltar marketing company, bwin.party marketing (Gibraltar) Limited. Websports Entertainment Marketing Services GmbH provides no services to bwin.party digital entertainment plc. Websports Entertainment Marketing Services GmbH has no employees.

## **4. Information on bwin.party services (Austria) GmbH**

bwin.party services (Austria) GmbH was originally established as E3 – enhanced electronic entertainment AG in the companies' register (*Firmenbuch*) of the Vienna Commercial Court (*Handelsgericht Wien*) in 2010, re-registered as bwin Services AG on 8 December 2010 and re-registered on 29 June 2011 as bwin.party services (Austria) GmbH. bwin.party services (Austria) GmbH currently employs 599 people at its offices in Vienna, Austria. bwin.party services (Austria) GmbH provides marketing, business development, legal, regulatory affairs, software development, server hosting and customer support services to a number of subsidiaries of

ElectraWorks Limited and other associated companies in the Group in accordance with various service agreements. bwin.party services (Austria) GmbH provides no services to bwin.party digital entertainment plc.

## 5. Reasons for the Scheme

The proposed transfer by way of intra-Group demerger of the entire issued share capital of each Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH by the Company to ElectraWorks Limited is expected to create significant benefits including:

- **Cost Savings.** As subsidiaries of ElectraWorks Limited, Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH would be able to take advantage of potential cost savings within the cost synergy realization process which the Board believes will ultimately enhance earnings for the benefit of all Shareholders;
- **Improved Regulatory Compliance.** The proposed reorganisation will ensure that all Gibraltar-licensed gaming and related activities of the Group are performed and carried out by ElectraWorks Limited and its operating subsidiaries that are licensed to do so. From a Gibraltar regulatory perspective, it is undesirable for Group companies providing services to ElectraWorks Limited or its subsidiaries to be owned by the Group's publicly listed ultimate holding company, but rather for these to be owned directly or indirectly by ElectraWorks Limited;
- **Reduced Risk.** The implementation of the Scheme will serve to ensure that the Company remains purely a holding company with no direct licensable operating or service subsidiaries that could give rise to any risk to it as the publicly listed ultimate holding company for the Group; and
- **A Transparent and Consistent Corporate Group Structure.** The Scheme will serve to consolidate the business activities of the Group through ElectraWorks Limited such that the majority of the Group's operational assets are held by this single licensed corporate entity, thereby achieving a transparent, consistent and efficient Group structure both for corporate and accounting purposes.

Furthermore, ElectraWorks Limited holds Gibraltar online casino licences and fixed odds betting licences, all of which are essential to the Group's current businesses. Prior to completion of the Merger, the Gibraltar Licensing Authority reserved the right to review all post-Merger arrangements and revoke the gambling licenses of the Group's subsidiaries if it was not satisfied with such post-Merger arrangements of the Group. The corporate reorganisation that is the subject of the Scheme forms part of the post-Merger arrangements of the Group and, the Board believes that implementation of the Scheme will be favourable in the Licensing Authority's review of the post-Merger arrangements by demonstrating the steps that the Company is taking to harmonise and regularise its corporate group structure as a result of the Merger, particularly from a licensing and regulatory perspective. The Board further believes that the Gibraltar Licensing Authority will welcome and endorse a well-organised corporate structure that provides for all activities supporting the ElectraWorks Limited business to be carried out by direct and indirect subsidiaries of ElectraWorks Limited rather than by direct subsidiaries of the Company which is the listed ultimate holding company for the Group.

A letter notifying the Gibraltar Licensing Authority about the proposed corporate reorganisation envisaged by the Scheme has been sent by the Company to the Gibraltar Licensing Authority on 5 August 2011. No approval is required from the Gibraltar Licensing Authority in this regard as there is no change in the ultimate beneficial ownership of Websports Entertainment Marketing Services GmbH or bwin.party services (Austria) GmbH. A letter of acknowledgement dated 19<sup>th</sup> August 2011 was received from Gibraltar Licensing Authority confirming that it had no objection to the proposed transfer by way of intra-Group demerger of the entire issued share capital of each Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH by the Company to ElectraWorks Limited. It is conceivable however that the Gibraltar Licensing Authority could review the licenses that it has granted to certain Group subsidiaries and impose certain conditions on (or, although highly unlikely, revoke) such licenses if the Company is unable to effect the proposed corporate reorganisation envisaged by the Scheme for licensing and regulatory purposes, albeit that all such risks are extremely remote.

In addition, the name of the Company was intentionally changed to 'bwin.party digital entertainment

plc' as part of the Merger to, amongst other things, provide flexibility should the Company ever decide to undertake investments in other internet entertainment businesses in addition to its investment in the online gaming sector. It would, in such circumstances be prudent where possible for all Group subsidiaries providing supporting services to ElectraWorks Limited and its subsidiaries to be grouped under ElectraWorks Limited so that this business would be suitably segregated from such other future businesses.

Further and most importantly, given that the Company will not receive any consideration from ElectraWorks Limited for the transfer by way of intra-Group demerger of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH, a scheme of arrangement is the preferred method of effecting the proposed reorganisation. As the Company indirectly holds all of the shares in ElectraWorks Limited, no shares will be issued, or other consideration provided, by ElectraWorks Limited as acquiring company. The Company's shareholders will indirectly hold the same number of shares in ElectraWorks Limited before and after the scheme of arrangement (subject to the Scheme being approved by shareholders and sanctioned by the Court).

## **6. Summary of the Proposals**

If the Scheme becomes effective, the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH will be transferred by the Company by way of intra-Group demerger to ElectraWorks Limited, which will acquire them and accept them, in accordance with the relevant legal procedures that are required to be undertaken in Austria to perfect such transfers, such that Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH cease to be direct subsidiaries of the Company and instead become direct subsidiaries of ElectraWorks Limited.

The Scheme Effective Date is expected to be 20<sup>th</sup> October 2011 (subject to the date of the Court Hearing and the Court sanction of the Scheme).

The Scheme is subject to various conditions, including the approval of Shareholders at the Court Meeting and the sanction of the Court at the Court Hearing.

Further details of the Scheme are set out in Part III of this document.

The full text of the Scheme is set out in Part IV of this document.

## **7. Shareholder approval and certain other conditions to implementation of the Scheme**

### ***Conditions***

In order for the Scheme to be implemented, it must be approved by the required majority of Shareholders and a petition is thereafter required to be filed with the Court under section 205 of the Companies Act seeking the Court's sanction of the scheme of arrangement proposed between the Company and its Shareholders. As part of this application, the Court will need to be satisfied that the requisite approval of the Shareholders has been duly sought and obtained in accordance with the necessary legal processes. If the Court is satisfied in this regard, it may then, either by order sanctioning the arrangement or by imposing certain conditions for the implementation of the Scheme or by any subsequent order, make provision for the transfer by way of intra-Group demerger of the entire issued share capital of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH from the Company to ElectraWorks Limited.

### ***Shareholder approval***

As stated, the Scheme requires the approval of Shareholders pursuant to the provisions of the Companies Act. The Scheme is conditional on, amongst other things, the approval by Shareholders at the Court Meeting. The Notice convening the Court Meeting at which the approval for the Scheme is being sought is set out in Part VI of this document. The meeting will be held at 10:00 a.m. (Gibraltar time) on 6<sup>th</sup> October 2011 at Regal House, 2 Queensway, Gibraltar.

At the Court Meeting, you will be asked to approve the Scheme. The statutory majority required to approve the Scheme at the Court Meeting is a majority in number representing 75% (seventy five per cent) of those

Shareholders who are present and vote in person or who vote by proxy at the Court Meeting or at any adjournment thereof.

## **8. Risk factors**

Your attention is drawn to the risk factors set out in Part II of this document. Shareholders should consider fully and carefully the risk factors associated with the Scheme.

## **9. Court Meeting and action to be taken**

**In order to become effective, the Scheme must be approved by a majority in number representing three-fourths in value of the members present and voting either in person or by proxy at the Court Meeting or at any adjournment thereof.**

**Under section 205 of the Companies Act, the Scheme is also subject to the sanction of the Court at the Court Hearing, which hearing is expected to be listed for 10:00 a.m. (Gibraltar time) on 19<sup>th</sup> October 2011.**

Shareholders will find accompanying this document a white Form of Proxy for use in respect of voting on the Scheme at the Court Meeting. Whether or not you intend to attend the Court Meeting in person, please complete and sign the enclosed white Form of Proxy in accordance with the instructions printed on it and return it to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to be received at least 24 hours before the time appointed for the Meeting (or, in the case of adjournment, not later than 24 hours before the time fixed for the adjourned meeting). Shareholders wishing to submit a form of proxy electronically should visit the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and select the 'Court Meeting' tab on the left hand side of the page. To be valid electronic proxy instructions must be received by Capita Registrars no later than 9:00 a.m. (London time) on 5<sup>th</sup> October 2011. Unless the white Form of Proxy is returned by the time mentioned in the instructions printed on it, it shall be invalid. The completion and return of a white Form of Proxy will not prevent you from attending and voting in person at the Court Meeting, or any adjournment thereof, if you so wish and are so entitled.

Depositary Interest Holders may attend the Court Meeting in person if the Depositary has appointed them as a corporate representative. Depositary Interest Holders not wishing to attend the Court Meeting but wishing to vote in respect of the Scheme to be considered at the Court Meeting can do so by: (1) giving the Depositary voting instructions via CREST; (2) completing the enclosed blue Form of Direction; or (3) submitting a form of direction electronically by visiting the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and selecting the 'Court Meeting' tab on the left hand side of the page. In order for an instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be transmitted so as to be received by the Depositary's agent (ID RA10) by 9:00 a.m. (London time) on 4<sup>th</sup> October 2011. To be valid, the blue Form of Direction must be completed in accordance with the instructions printed on it and returned as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 9:00 a.m. (London time) on 4<sup>th</sup> October 2011. To be valid, the electronic form of direction must be submitted no later than 9:00 a.m. (London time) on 4<sup>th</sup> October 2011.

The notice convening the Court Meeting is set out in Part VI at the end of this document.

## **10. Responsibility**

The Directors, whose names are set out above, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **11. Recommendation**

**In the opinion of the Board, the terms of, and rationale for, the Scheme are fair and reasonable and the Scheme as is to be put to the Court Meeting is in the best interests of the Company and the Shareholders as a whole.**

**Accordingly, the Board unanimously recommends that Shareholders vote in favour of approving the Scheme, as the Directors intend to do in relation to their own individual holdings which amount in aggregate to 27,110,344 Shares, representing approximately 3.18 per cent. of the existing issued share capital of the Company as at 02 September 2011, the latest practicable date prior to publication of this document.**

Yours faithfully,

Simon Duffy  
Chairman

## PART II

### RISK FACTORS RELATING TO THE SCHEME

The risks and uncertainties set out below, which are not set out in any order of priority, represent risks relating to the Scheme known to the Directors as at the date of this document which the Directors consider to be material. However, the risks and uncertainties set out below do not purport to be a complete list or explanation of all the risks and uncertainties facing the Company, and which will face the Group prior to and after Completion. Additional risks and uncertainties not currently known to the Directors, or that they currently deem immaterial, may also have an adverse effect on the business of the Company, and may have an adverse effect on the business of the Group in the future. If this, or any, or a combination, of these risks, occurs, the business, the financial condition, results of operations and prospects of the Company could be materially and adversely affected. In such case, the price of the Shares may decline and investors could lose all or part of their investment.

#### ***The Scheme may not complete***

Completion of the Scheme is subject to the satisfaction (or waiver) of a number of conditions precedent including, among others, the approval of the Scheme by the requisite majority of Shareholders at the Court Meeting and, the sanction of the Scheme by the Court. If the requisite majority of Shareholders do not approve the Scheme at the Court Meeting or if the Court fails to sanction the Scheme, the Scheme will not complete. If Completion does not occur in whole or in part, then the Company may experience a delay in the execution of its strategic objectives, and may be unable to realise the benefits for Shareholders that the Board believes will result from the Scheme.

In hearing the petition for the sanctioning of the Scheme, the Court also retains the inherent jurisdiction to impose any conditions that it deems fit in respect of the implementation of the Scheme, notwithstanding that the requisite majority of Shareholders' approval for the Scheme as proposed will have been obtained prior to the Court Hearing.

#### ***Inability to realise full benefit if the Scheme does not complete***

If the Scheme does not complete, the Group may be unable to realise the benefits that the Board believes will result from the Scheme as set out in the Company Chairman's letter contained in Part I of this document.

#### ***The Scheme may fail to realise anticipated benefits***

There can be no guarantee that the Group will realise any or all of the anticipated benefits of the Scheme, either in a timely manner or at all. If that happens, and the Company incurs significant costs, it could have an adverse impact on the results of the Company.

#### ***Regulatory Issues***

A letter notifying the Gibraltar Licensing Authority about the proposed corporate reorganisation envisaged by the Scheme has been sent by the Company to the Gibraltar Licensing Authority on 5 August 2011. No approval is required from the Gibraltar Licensing Authority in this regard as there is no change in the ultimate beneficial ownership of Websports Entertainment Marketing Services GmbH or bwin.party services (Austria) GmbH. A letter of acknowledgement dated 19th August 2011 was received from Gibraltar Licensing Authority confirming that it had no objection to the proposed transfer by way of intra-Group demerger of the entire issued share capital of each Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH by the Company to ElectraWorks Limited. It is conceivable however that the Gibraltar Licensing Authority could review the licenses that it has granted to certain Group subsidiaries and impose certain conditions on (or, although highly unlikely, revoke) such licenses if the Company is unable to effect the proposed corporate reorganisation envisaged by the Scheme for licensing and regulatory purposes, albeit that all such risks are extremely remote.

## PART III

### FURTHER INFORMATION ON THE SCHEME

Reading this further information on the Scheme section is no substitute for reading the full text of the Scheme which is contained in Part IV of this document and which you are encouraged to read carefully.

#### 1. Details of the Scheme

The objective of the Scheme is to transfer by way of an intra-Group demerger for nil consideration, the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH from the Company to ElectraWorks Limited, a wholly owned indirect subsidiary of the Company.

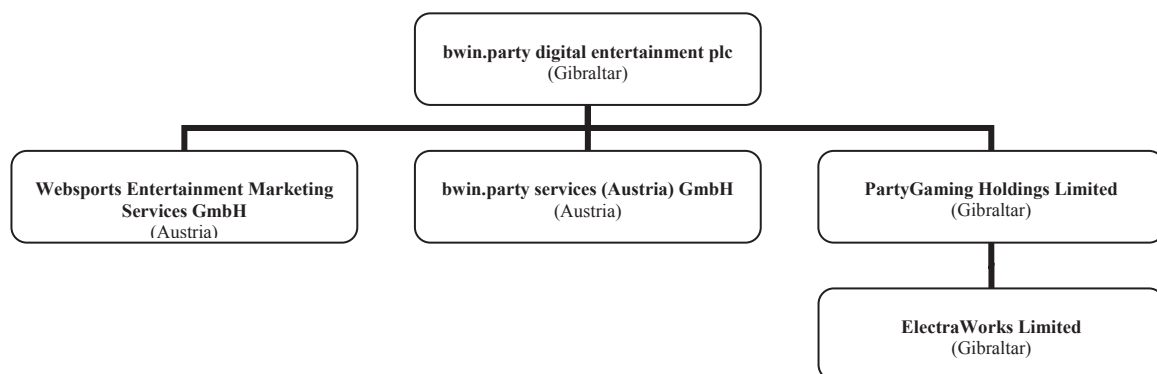
The entire issued share capital of Websports Entertainment Marketing Services GmbH comprises a share (*Geschäftsanteil*) corresponding to a nominal share capital (*Stammkapital*) in the amount of €35,000 and will be transferred by the Company to and accepted by ElectraWorks Limited on implementation of the Scheme.

The entire issued share capital of bwin.party services (Austria) GmbH comprises a share (*Geschäftsanteil*) corresponding to a nominal share capital (*Stammkapital*) in the amount of €70,000 and will be transferred by the Company to ElectraWorks Limited on implementation of the Scheme.

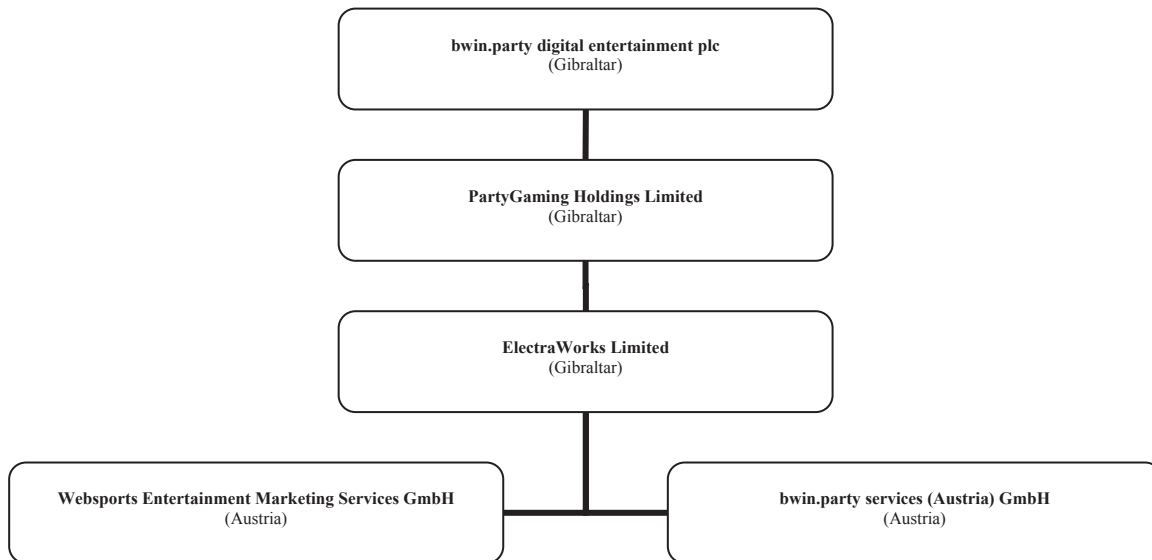
The shares in Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH are currently issued fully paid and free from all liens, equitable interests, charges, encumbrances and other third-party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or payable after the Effective Date. Implementation of the Scheme will not affect any creditors of the Company, Websports Entertainment Marketing Services GmbH, bwin.party services (Austria) GmbH or ElectraWorks Limited.

The diagrams below illustrate all of the materially relevant wholly owned corporate entities within the Group prior to and after implementation of the Scheme.

#### Simplified current corporate structure:



#### Simplified corporate structure following implementation of the Scheme:



The illustrations above do not show the entire Group corporate structure but rather only those corporate entities within the Group whose holdings would be directly affected as a result of the implementation of the Scheme.

### ***Taxation***

The transfer by way of intra-Group demerger for nil consideration, of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH from the Company to ElectraWorks Limited pursuant to the terms of the Scheme will not give rise to any tax liabilities in Gibraltar.

## **2. CONDITIONS OF THE SCHEME**

Completion of the Scheme will not take place unless all the conditions set out below have been satisfied.

The Scheme is conditional on:

- (a) the approval of the Scheme by a majority in number representing three-fourths in value of the members who are so present or duly represented at the Court Meeting and voting;
- (b) The Scheme being sanctioned by the Court at the Court Hearing (with or without modifications and further conditions approved or imposed by the Court);
- (c) The execution of share transfer instruments in the form of an Austrian notarial deed in relation to the transfer of the shares (*Geschäftsanteile*) in Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH; and
- (d) The delivery to the Gibraltar Register of Companies for registration of an office copy of the Court Order and registration of the Court Order by him.

An application to the Court to sanction the Scheme will not be made unless the condition in paragraph 2.(a) above has been satisfied.

The Company shall procure that the Court Order shall be delivered to the Gibraltar Register of Companies for registration as soon as this is issued by the Court. The Court Order will take a few days to be issued following the Court Hearing date.

### ***Approvals received***

The Company has received an acknowledgement from the Gibraltar Licensing Authority confirming that it has no objection to the implementation of the Scheme. The Gibraltar Licensing Authority will however review

all post-Merger arrangements as a whole following implementation of the Scheme and, the Directors are of the view that if the Scheme is implemented, this will assist the Group in its further discussions with the Gibraltar Licensing Authority.

The proposed transfer of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH by the Company to ElectraWorks Limited has been unanimously approved by the Board of Directors of ElectraWorks Limited and by PartyGaming Holdings Limited as the sole shareholder of ElectraWorks Limited, subject to the requisite approval by the Shareholders and sanction of the Scheme by the Court at the Court Hearing. As evidenced above, ElectraWorks Limited and PartyGaming Holdings Limited are wholly owned subsidiaries (indirect and direct respectively) of the Company.

The directors of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH have also unanimously approved the transfer of their respective entire issued share capital, subject to the requisite approval by the Shareholders and sanction of the Scheme by the Court at the Court Hearing.

The Scheme will be implemented on the terms set out in the Scheme of Arrangement appearing in Part IV of this document.

## PART IV

### SCHEME OF ARRANGEMENT

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IN THE SUPREME COURT OF GIBRALTAR

Comp. No. 41 of 2011

IN THE MATTER OF **bwin.party digital entertainment plc**

and

IN THE MATTER OF THE COMPANIES ACT 1930

SCHEME OF ARRANGEMENT  
(pursuant to sections 205 and 206 of the Companies Act 1930)

between

**bwin.party digital entertainment plc**

and

**THE SHAREHOLDERS**  
(as hereinafter defined)

#### PRELIMINARY

(A) In this scheme of arrangement, references to Clauses are to clauses of this scheme of arrangement and the following expressions shall, unless the context otherwise requires, bear the following meanings:

“**bwin.party services (Austria) GmbH**” means bwin.party services (Austria) GmbH, a limited liability company incorporated under the laws of Austria with registration number FN 351580 f and having registered office situated at Börsegasse 11, 1010 Vienna, Austria.

“**Company**” means bwin.party digital entertainment plc, a public limited company incorporated under the laws of Gibraltar with registered number 91225 and whose registered office is situated at 711 Europort, Gibraltar;

“**Companies Act**” means the Companies Act 1930 of Gibraltar (as amended or re-enacted from time to time);

“**Completion**” means the registration of the Court Order by the Gibraltar Companies Registrar;

“**Court**” means the Supreme Court of Gibraltar;

“**Court Hearing**” means the hearing by the Court of the petition by the Company

seeking the Court's sanction of the Scheme;

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|--|---|
| <b>“Court Order”</b>                                     | means the office copy of the court order issued by the Court sanctioning the Scheme pursuant to sections 205 and 206 of the Companies Act at the conclusion of the Court Hearing;   |
| <b>“Depositary”</b>                                      | means Capita IRG Trustees Limited;  |
| <b>“Depositary Interests”</b>                            | means the dematerialised depositary interests in respect of the Shares issued or to be issued by the Depositary pursuant to and in accordance with the terms of the depositary agreement dated 14 June 2005 between the Company and the Depositary; |
| <b>“ElectraWorks Limited”</b>                            | means ElectraWorks Limited, a company incorporated under the laws of Gibraltar with registration number 94014 and having registered office situated at 711 Europort, Gibraltar;   |
| <b>“Euro” or “€”</b>                                     | means the lawful currency of Austria;   |
| <b>“Gibraltar Companies Registrar”</b>                   | means the Registrar of Companies in Gibraltar;  |
| <b>“Gibraltar Register of Companies”</b>                 | means the register kept by the Gibraltar Companies Registrar pursuant to the provisions of section 346 of the Companies Act;  |
| <b>“Group”</b>   | means the group of companies which comprise the Company and all of its direct and indirect subsidiaries and associated undertakings;  |
| <b>“Ordinary Shares”</b>                                 | means the ordinary shares of 0.015 pence each in the capital of the Company in issue from time to time;   |
| <b>“pence”</b>   | means the lawful currency of the United Kingdom;  |
| <b>“Scheme”</b>  | means the proposed scheme of arrangement under sections 205 and 206 of the Companies Act between the Company and the Shareholders with or subject to any modification, addition or condition approved or imposed by the Court;                      |
| <b>“Scheme Effective Date”</b>                           | means the date on which Completion occurs;  |
| <b>“Shares”</b>  | means Depositary Interests or Ordinary Shares or all of them, as the context requires;  |
| <b>“Shareholders”</b>                                    | means the holders of Shares as at 9.00 a.m. (London time) on 5 October 2011; and  |
| <b>“Websports Entertainment Marketing Services GmbH”</b> | means Websports Entertainment Marketing Services GmbH, a limited liability company incorporated under the laws of Austria with registration number FN 185700 p and having registered office situated at Börsegasse 11, 1010 Wien, Austria.          |

(B) The entire issued share capital of Websports Entertainment Marketing Services GmbH comprises a share (*Geschäftsanteil*) corresponding to a nominal share capital (*Stammkapital*) in the amount of €35,000, all of which is registered in the name of the Company.

(C) The entire issued share capital of bwin.party services (Austria) GmbH comprises a share (*Geschäftsanteil*) corresponding to a nominal share capital (*Stammkapital*) in the amount of €70,000, all of which is registered in the name of the Company.

- (D) Websports Entertainment Marketing Services GmbH is a limited liability company registered in Vienna in 1999. This company provides marketing services to ElectraWorks Limited's Gibraltar marketing company, bwin.party marketing (Gibraltar) Limited. Websports Entertainment Marketing Services GmbH provides no services to bwin.party digital entertainment plc. Websports Entertainment Marketing Services GmbH has no employees.
- (E) bwin.party services (Austria) GmbH was originally established as E3 – enhanced electronic entertainment AG in 2010, re-registered as bwin Services AG 8 December 2011 and re-registered on 29 June 2011 as bwin.party services (Austria) GmbH. bwin.party services (Austria) GmbH currently employs 599 people at its offices in Vienna, Austria. bwin.party services (Austria) GmbH provides marketing, business development, legal, regulatory affairs, software development, server hosting and customer support services to a number of subsidiaries of ElectraWorks Limited and other associated companies in the Group in accordance with various service agreements. bwin.party services (Austria) GmbH provides no services to bwin.party digital entertainment plc.
- (F) ElectraWorks Limited is the principal holding company within the Group that owns directly or indirectly the entire issued share capital of all operating companies within the Group that undertake the Group's Gibraltar-licensed online gaming business and sports betting business as well as providing related services. The entire issued share capital of ElectraWorks Limited comprises 10,000,001 ordinary shares of US\$0.01 each, all of which are registered in the name of PartyGaming Holdings Limited. The entire issued share capital of PartyGaming Holdings Limited comprises 944,000,0001 ordinary shares of US\$0.00001 each, all of which are registered in the name of the Company.
- (G) The Company is the ultimate holding company of the Group whose shares are listed and publicly traded on the London Stock Exchange plc.
- (H) For regulatory, licensing, financial, corporate structuring and accounting purposes, the Company is desirous of transferring the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH to ElectraWorks Limited.
- (I) On the basis that Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH are sizeable and significant subsidiaries within the Group and, the proposed transfer by the Company of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH is to be effected for nil consideration, a scheme of arrangement requiring the consent of Shareholders for the transfer of the entire issued share capital of the aforesaid Group subsidiaries is desirable.
- (J) ElectraWorks Limited has consented and approved to accept the transfer of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH by the Company to it as proposed under the Scheme.
- (K) The directors of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH have also approved the transfer of their respective entire issued share capital, subject to the requisite approval by the Shareholders and sanction of the Scheme.
- (L) The Company has agreed to appear by counsel at the Court Hearing and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

## THE SCHEME

### **1. Transfer of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH by the Company to ElectraWorks Limited by way of intra-Group demerger by the Company and acquisition by ElectraWorks Limited**

1.1 The entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH shall be transferred by the Company to ElectraWorks Limited.

1.2 The Company shall execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable under the laws of Austria and the laws of any other jurisdiction to be executed or done by it for the purpose of giving effect to this Scheme

### **2. Consideration**

2.1 As the Company holds all of the issued shares of PartyGaming Holdings Limited which in turn holds all of the issued shares of ElectraWorks Limited, no consideration shall be payable by ElectraWorks Limited for the transfer to it by the Company of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH.

### **3. Transfer of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH**

3.1 With effect from and including the Scheme Effective Date, the Company and ElectraWorks Limited shall jointly execute in the form of a notarial deed (*Notariatsakt*) a share transfer instrument effecting the valid transfer of the entire issued share capital of each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH and, shall procure that each of Websports Entertainment Marketing Services GmbH and bwin.party services (Austria) GmbH shall have registered such transfer in the companies' register (*Firmenbuch*).

### **4. Scheme Effective Date**

4.1 This Scheme shall become effective as soon as the Court Order has been duly delivered to the Gibraltar Companies Registrar for registration.

4.2 Unless this Scheme shall have become effective on or before 31<sup>st</sup> December 2011, or such later date as the Company and its Shareholders may agree and the Court may allow, this Scheme shall lapse and shall never become effective.

### **5. Modification**

5.1 The Company may consent on behalf of all persons concerned to any modification, addition, or to any condition to this Scheme which the Court may think fit to approve or impose.

### **6. Costs**

6.1 The Company is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of this Scheme (including but not limited to any duties, taxes or imposts levied in Austria in connection with the implementation of this Scheme).

Dated 8 September 2011

## PART V

### DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

- “Board”** means the board of directors of the Company as constituted from time to time;
- “Business Day”** means a day (excluding Saturday or Sunday or a public holiday) on which banks generally are open for business in Gibraltar and the City of London for the transaction of normal banking business;
- “bwin.party services (Austria) GmbH”** means bwin.party services (Austria) GmbH, a limited liability company incorporated under the laws of Austria with registration number FN 351580 f and having registered office situated at Börsegasse 11, 1010 Wien, Austria.
- “Company”** means bwin.party digital entertainment plc, a public limited company incorporated under the laws of Gibraltar with registered number 91225 and whose registered office is situated at 711 Europort, Gibraltar;
- “Companies Act”** the Companies Act 1930 of Gibraltar (as amended or re-enacted from time to time);
- “Completion”** means the registration of the Court Order in the Gibraltar Register of Companies;
- “Court”** means the Supreme Court of Gibraltar;
- “Court Hearing”** means the hearing by the Court of the petition by the Company to sanction the Scheme;
- “Court Meeting”** means the meeting of the Shareholders of the Company convened by the Court at 10:00 a.m. (Gibraltar time) on 6<sup>th</sup> October 2011 at Regal House, 2 Queensway, Gibraltar, pursuant to an order issued by the Court on 8<sup>th</sup> September 2011 in accordance with the provisions of section 205 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme;
- “Court Order”** means the office copy of court order issued by the Court sanctioning the Scheme pursuant to sections 205 and 206 of the Companies Act at the conclusion of the Court Hearing;
- “CREST”** means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK and Ireland is the operator (as defined in the CREST Regulations);
- “CREST Regulations”** means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
- “Cross-Border Mergers Directive”** means Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies, as transposed into Gibraltar law by the Companies (Cross-Border Mergers) Regulations 2010 and into Austrian law by the EU Merger Law (*EU-Verschmelzungsgesetz*);
- “Depositary”** means Capita IRG Trustees Limited;

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|--|---|
| <b>“Depository Interests”</b>            | means the dematerialised depository interests in respect of the Shares issued or to be issued by the Depository pursuant to and in accordance with the terms of the depository agreement dated 14 June 2005 between the Company and the Depository;                     |
| <b>“Depository Interest Holders”</b>     | means holders of Depository Interests;  |
| <b>“Directors”</b>                       | means the members of the Board, and ‘Director’ means any one of them;   |
| <b>“ElectraWorks Limited”</b>            | means ElectraWorks Limited, a company incorporated under the laws of Gibraltar with registration number 94014 and having registered office situated at 711 Europort, Gibraltar;   |
| <b>“Euro” or “€”</b>                     | means the lawful currency of Austria;   |
| <b>“Euroclear”</b>                       | means Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738, the operator of CREST;   |
| <b>“Form of Direction”</b>               | means the blue form of direction enclosed with this document, for use by Depository Interest Holders in connection with the Court Meeting;  |
| <b>“Form of Proxy”</b>                   | means the white form of proxy enclosed with this document, for use by Shareholders in connection with the Court Meeting;  |
| <b>“FSMA”</b>                            | means the Financial Services and Markets Act 2000 of the United Kingdom (as amended);   |
| <b>“Gibraltar Companies Registrar”</b>   | means the Registrar of Companies in Gibraltar;  |
| <b>“Gibraltar Register of Companies”</b> | means the register kept by the Gibraltar Companies Registrar pursuant to the provisions of section 346 of the Companies Act;  |
| <b>“Group”</b>                           | means the group of companies which comprise the Company and all of its direct and indirect subsidiaries and associated undertakings;  |
| <b>“Listing Rules”</b>                   | means the rules and regulations of the United Kingdom Listing Authority, as amended from time to time, and contained in the United Kingdom Listing Authority’s publication of the same name;  |
| <b>“Merger”</b>                          | means the merger of PartyGaming Plc and bwin Interactive Entertainment AG effected by way of a merger by absorption on 31 <sup>st</sup> March 2011 pursuant to the Cross-Border Mergers Directive;  |
| <b>“Ordinary Shares”</b>                 | means the ordinary shares of 0.015 pence each in the capital of the Company in issue from time to time;   |
| <b>“pence”</b>                           | means the lawful currency of the United Kingdom;  |
| <b>“Scheme”</b>                          | means the proposed scheme of arrangement under sections 205 and 206 of the Companies Act between the Company and the Shareholders, as set out in Part IV of this document, with or subject to any modification, addition or condition approved or imposed by the Court; |
| <b>“Scheme Effective Date”</b>           | means the date on which Completion occurs;  |
| <b>“Shares”</b>                          | means Depository Interests or Ordinary Shares or all of them, as the context requires;  |

|  |   |
|--|---|
| <b>“Shareholders”</b>                                    | means the holders of Shares as at 9.00 a.m. (London time) on 5 October 2011;  |
| <b>“Share Plans”</b>                                     | means the PartyGaming Plc All-Employee Option Plan, PartyGaming Plc Share Option Plan, PartyGaming Plc Performance Share Plan, bwin.party Bonus Banking Plan, bwin.party Value Creation Plan, bwin.party Bonus and Share Plan, bwin.party Rollover Option Plan and the bwin.party Global Share Plan, all of which are incentive remuneration plans adopted by the Company for employees of the Group, and ‘Share Plan’ means any one of them; and |
| <b>“Websports Entertainment Marketing Services GmbH”</b> | means Websports Entertainment Marketing Services GmbH, a limited liability company incorporated under the laws of Austria with registration number FN 185700 p and having registered office situated at Börsegasse 11, 1010 Wien, Austria.  |

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

## PART VI

### NOTICE OF COURT MEETING

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#### IN THE SUPREME COURT OF GIBRALTAR

Comp. No. 41 of 2011

IN THE MATTER OF **bwin.party digital entertainment plc**

and

IN THE MATTER OF THE COMPANIES ACT 1930

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#### NOTICE OF SCHEME MEETING

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**NOTICE IS HEREBY GIVEN** that, by an order dated 8<sup>th</sup> September 2011 (the “Order”) made in the above matters, the Supreme Court of Gibraltar (the “Court”) has directed that a meeting (the “Court Meeting”) be convened of the holders (the “Shareholders”), of (i) ordinary shares of 0.015 pence each in the capital of bwin.party digital entertainment plc (the “Company”) in issue from time to time (the “Shares”), and (ii) dematerialised depository interests in respect of the Shares issued or to be issued by Capita IRG Trustees Limited (the “Depository”) pursuant to and in accordance with the terms of the depository agreement dated 14 June 2005 between the Company and the Depository (“Depository Interests”), for the purpose of considering and, if thought fit, approving (with or without any modification which the Court may think fit to approve or impose) a scheme of arrangement proposed to be made between the Company and the Shareholders (the “Scheme”) pursuant to section 205 of the Companies Act 1930.

The Court Meeting is to be held at 10:00 a.m. (Gibraltar time) on 6<sup>th</sup> October 2011 at Regal House, 2 Queensway, Gibraltar. All Shareholders are requested to attend the Court Meeting at such time and place either in person or by proxy.

A copy of the Scheme and a copy of a letter from the chairman of the Company explaining the Scheme are incorporated in the document of which this notice forms part.

Registration will commence at 9.30 a.m. (Gibraltar time) and Shareholders are requested to arrive no later than 9.45 a.m. (Gibraltar time) to register.

#### Notes:

##### **1. Right of attendance**

###### **1.1 Shareholders**

To have the right to come and vote at the Court Meeting, you must be a Shareholder of the Company entered on the Company’s register of members by 9.00 a.m. (London time) on 5 October 2011.

###### **1.2 Depository Interest Holders**

To have the right to come and vote at the Court Meeting, you must be entered on the Company’s register of Depository Interests by 9.00 a.m. (London time) on 4 October 2011 and bring to the Court Meeting a valid letter of corporate representation validly executed on behalf of the Depository. A letter of corporate representation can be obtained from the Depository.

## 2. Voting

### 2.1 Shareholders

Shareholders may attend the Court Meeting in person and vote on a show of hands or on a poll. A Shareholder entitled to attend and vote at the Court Meeting may also appoint a proxy to attend and vote on a show of hands or on a poll in his/her place. A proxy need not be a Shareholder. A proxy may demand or join in demanding a poll and has the right to speak at the meeting. A white Form of Proxy may be submitted in hard copy form by post or courier. A hard copy white Form of Proxy must be completed by or on behalf of the Shareholder. If the Shareholder is a corporation then the white Form of Proxy must be executed by a duly authorised person or under its common seal or in a manner authorised by its constitution. A white Form of Proxy is enclosed with the circular convening the Court Meeting. **To be valid the completed hard copy white Form of Proxy must be returned by post or (during normal business hours only) by hand but, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 9:00 a.m. (London time) on 5<sup>th</sup> October 2011.**

Shareholders wishing to submit a form of proxy electronically should visit the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and select the 'Court Meeting' tab on the left hand side of the page. To be valid electronic proxy instructions must be received by the Registrar no later than 9:00 a.m. (London time) on 5<sup>th</sup> October 2011.

A corporation which is a Shareholder may, by resolution of its directors (or other relevant governing body), authorise a person or persons to act as its representative or representatives at the Court Meeting. The representative or representatives should produce to the Registrar and/or Company Secretary a certified copy of the resolution of authorisation when attending the Court Meeting.

### 2.2 Depositary Interest holders

Depositary Interest holders may attend in person and vote on a show of hands or on a poll if the Depositary has appointed them a corporate representative (see section 1.2 above). Depositary Interest holders not wishing to attend the Court Meeting but wishing to vote in respect of the Scheme to be considered at the Court Meeting can do so by instructing the Depositary. This may be done in one of the following three ways:

- (a) Depositary Interest holders who are CREST members may give such an instruction utilising the CREST electronic voting service in accordance with the procedures described in the CREST Manual. CREST personal Depositary Interest holders or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for an instruction made by CREST to be valid, the appropriate CREST message (a 'CREST proxy instruction') must be properly authenticated in accordance with Euroclear's requirements and must contain information required for such instructions, as described in the CREST Manual. **The message, in order to be valid, must be transmitted so as to be received by the Depositary's agent (ID RA10) by 9:00 a.m. (London time) on 4<sup>th</sup> October 2011.** The time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Depositary's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Depositary may treat as invalid a CREST voting instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 of England & Wales.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. Please refer to the CREST Manual for further guidance.

- (b) Depositary Interest holders who cannot give voting instructions via CREST should complete the enclosed blue Form of Direction and submit it to the **Depositary by post or (during normal business hours only) by hand but, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 9:00 a.m. (London time) on 4<sup>th</sup> October 2011.** If the Depositary Interest holder is a corporation then the blue Form of Direction must be executed by a duly authorised person or under its common seal or in a manner authorised by its constitution.
- (c) Depositary Interest holders who cannot give voting instructions via CREST can also submit a form of direction electronically by visiting the [www.bwin.party-registrar.com](http://www.bwin.party-registrar.com) website and selecting the 'Court Meeting' tab on the left hand side of the page. **The electronic form of direction must be submitted no later than 9:00 a.m. (London time) on 4<sup>th</sup> October 2011.**

## 3. Employees of the Group

Employees of the Group who have exercised their options and have retained all/some of the resultant Shares, hold these Shares through the Nominee Account Service, Capita IRG Trustees (Nominees) Limited. Employees who wish to attend the Court Meeting, speak and vote at the Court Meeting should request Capita IRG Trustees (Nominees) Limited to appoint them as a corporate representative. This is done by completing the pink Nominee Account Instruction form enclosed with this Court Meeting circular. Whether an eligible employee wishes to attend the Court Meeting or not, they are recommended to complete the pink Nominee Account Instruction form and **send by post or (during normal business hours only) by hand but, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 9.00 a.m. (London time) on 4<sup>th</sup> October 2011.**

**4. Issued share capital and total voting rights**

As at 31 August 2011 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 852,909,271 Shares. Each Share carries the right to one vote, with the exception of Shares held by the Company's employee benefit trust, the bwin.party Share Trust (the "Trust"), which has waived the voting rights in respect of the Shares it holds. As at 31 August 2011 the Trust holds 5,138,375 Shares and therefore the total number of Shares with voting rights is 847,770,896.

**5. Chairman of Court Meeting**

By the said Order, the Court has appointed Norbert Teufelberger, or failing him Martin Weigold, to act as chairman of the said Court Meeting and has directed the chairman to report the result thereof to the Court.

The said Scheme will be subject to the subsequent sanction of the Court.

Dated 8 September 2011

Robert Hoskin  
Company Secretary  
*Registered number: 91225*

*Registered office:*  
711 Europort,  
Gibraltar





