

William Hill PLC

William Hill Agrees To Acquire American Wagering, Inc. And Cal Neva Sportsbook Operations

April 14, 2011

London---William Hill PLC (LSE: WMH) (William Hill) announced today that it has signed an agreement to acquire 100% of the equity interests of American Wagering, Inc. (OTC:BB: BETM) (AWI) and to acquire the Club Cal Neva Satellite Race and Sportsbook Division (the Cal Neva Sportsbook Division). The total cost of the two acquisitions is approximately \$39m.

William Hill is the UK's leading land-based bookmaker. It offers sports-betting and gaming in 2,350 licensed betting offices (LBOs) it operates across the UK, which represents approximately 25% of the market. It also owns 71% of William Hill Online, an online betting and gaming business. It was established in 1934 and has been listed on the London Stock Exchange since 2002.

American Wagering, which employs approximately 200 people, is the longest-standing sportsbook operator in the State of Nevada having been established through the "Leroy's" brand in 1978. It has a track-record of innovation, having developed the first approved, purpose-built, computerized bookmaking system in Nevada and the first approved self-service, cash-based betting terminal. Its proprietary technology platform is currently licensed by major casino operators in Nevada, including MGM Resorts, Wynn, Boyd Gaming, South Point, Encore, and Las Vegas Sands. In addition, it operates 72 sportsbooks and kiosks on behalf of other casino operators under the "Leroy's" brand. In the year to 31 January 2010, its revenues were \$14.8m and EBITDA was \$2.1m. William Hill is acquiring AWI for \$0.90 per share, which equates to \$9.4m on a fully diluted basis, plus the settlement of approximately \$4m of debt and preference shares and the injection of a \$4.25m convertible loan to AWI; c\$18m of enterprise value in total. It has received written consents approving the transaction from AWI shareholders who own the majority of AWI's voting share capital.

The Cal Neva Sportsbook Division is a part of the Sierra Development Company, a privately-owned casino and hotel business. Established in 1989, it operates 31 sportsbooks in Nevada and employs approximately 120 people. It has a long track record of profitable operation. In the year to 31 December 2010, the business delivered estimated revenues of \$10.7m. William Hill will be paying \$21.0m in cash, with a further \$1.5m payable in the event that the Cal Neva Sportsbook Division achieves certain performance criteria in the 12 months to 29 February 2012.

Ralph Topping, Chief Executive of William Hill, said: "AWI and Cal Neva are first-class operators and leaders in the US sportsbook industry. We see significant opportunities for growth by investing in Nevada and by combining our substantial product range with their extensive Nevada footprint, strong relationships, proven operational capability and trusted service. We look forward to working with our new colleagues at both companies to grow a leadership position in the Nevada gaming industry and beyond."

He added: "We are excited about the potential for expansion of our company into the US betting market and, in particular, into Nevada, which sets the gold standard. This is a great development opportunity for William Hill, one of the world's oldest and most trusted sports-betting operators, and we look forward to serving the American casino market and reaching out to new customers."

Vic Salerno, CEO of AWI, stated: "William Hill is a UK industry leader in sports wagering and online gaming technology. They will provide Nevada gaming customers an unprecedented level of service, along with their cutting edge portfolio of gaming products. This is a great fit for our Leroy's casino and tavern partners, along with the casinos that are served by our sportsbook management technology."

Jeff Siri, CEO of Cal Neva, commented: "With this transaction, the Club Cal Neva will convey into the hands of the William Hill Group our entire sports-betting franchise, built carefully over 22 years. We are confident that these assets will be in excellent hands. Throughout our dealings with William Hill, we have been impressed by their professionalism, expertise, good will, and forthrightness. This transaction brings to Nevada the world's leading sportsbook operator, and with it new energy, new ideas, and new capital. We have the highest confidence that this deal will be good for our workforce, our race and sportsbook partner locations, and the gaming industry in Nevada."

Before completing the acquisitions, William Hill and certain William Hill senior managers are required to be licensed by the Nevada Gaming Commission. It plans to submit applications shortly and the licensing process is expected to complete during 2012, after which point the transaction would legally complete.

The acquisition of AWI and the Cal Neva Sportsbook Division will be funded in cash from William Hill's reserves and is expected to add to William Hill's earnings per share from the first full year after completion (before transaction and integration costs and the amortisation of intangible assets associated with these acquisitions).

REGAL Capital Advisors, LLC has acted as financial advisor and Gibson Dunn acted as legal advisor to William Hill in this transaction.

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