

**ANTICIPATED ACQUISITION BY THE RANK GROUP PLC OF
GALA CASINOS LIMITED**

**Notice of acceptance of Final Undertakings pursuant to section 82 of and
Schedule 10 to the Enterprise Act 2002**

1. On 12 May 2012 the Rank Group plc (Rank) and Gala Group Investments Limited (GGIL) entered into a Share Purchase Agreement (SPA) under the terms of which a subsidiary of Rank (Rank Group Gaming Division Limited (RGGDL)) would acquire Gala Casinos Limited (Gala), a wholly-owned subsidiary of GGIL. The anticipated acquisition by Rank involved 23 operational bricks-and-mortar casinos and three unused or 'cold' licences owned by Gala.
2. On 20 August 2012 the Office of Fair Trading made a reference to the Competition Commission (CC) under Section 33(1) of the Enterprise Act 2002 (the Act) concerning the anticipated acquisition. As a result of the reference to the CC, the SPA lapsed on 19 September 2012, in accordance with its terms. However, the parties have continued to discuss appropriate amendments to the acquisition terms in the light of the reference to the CC, and a proposal for a transaction between the parties of the kind mentioned in the reference has remained in contemplation.
3. In its report, *The Rank Group plc and Gala Coral Group: a report on the anticipated acquisition by The Rank Group plc of Gala Casinos Limited* (the Report) dated 19 February 2013, the CC concluded that:
 - (a) the arrangements which remained in contemplation by Rank and GGIL would, if carried into effect, result in the creation of a relevant merger situation;
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition (SLC) in the operation of bricks-and-mortar casinos in the following four local markets in which both parties currently operate a bricks-and-mortar casino:
 - (i) Aberdeen;
 - (ii) Bristol;
 - (iii) Cardiff; and
 - (iv) Stockton-on-Tees;
 - (c) the creation of that situation may be expected to result in an SLC in relation to potential competition for the operation of bricks-and-mortar casinos in one area (Edinburgh) where Gala owns and operates a bricks-and-mortar casino and Rank holds a cold licence, which the CC concluded would likely be developed into a competing casino in the absence of the merger;
 - (d) the CC should take action to remedy the SLC and the adverse effects likely to arise from it; and
 - (e) undertakings should be given to the CC to give effect to the remedy identified by the CC in Section 8 of the Report.

4. The CC published a notice of proposal to accept Undertakings on 11 March 2013. No representations were received and the CC has decided to accept Undertakings in the form set out in the attached annex.
5. The CC under section 82 of the Act now accepts the Undertakings as given by The Rank Group Plc and Gala Casinos Limited. The reference has now been finally determined and the Undertakings come into force accordingly.
6. This Notice and a non-confidential version of the Undertakings will be published on the CC website. The CC has excluded from the non-confidential version of the Undertakings information which it considers should be excluded having regard to the three considerations set out in section 244 of the Act. These omissions are indicated by [✂].

(signed) MARTIN CAVE
Group Chairman and CC Deputy Chairman
2 April 2013

**ANTICIPATED ACQUISITION BY THE RANK GROUP PLC
OF GALA CASINOS LIMITED**

**Undertakings given to the Competition Commission by The Rank Group Plc
and Gala Casinos Limited, pursuant to section 82 of the Enterprise Act 2002**

On 12 May 2012 The Rank Group Plc (Rank) and Gala Group Investments Limited (GGIL) entered into a Share Purchase Agreement (the 'Original SPA') under the terms of which a subsidiary of Rank (Rank Group Gaming Division Limited (RGGDL)) would acquire Gala Casinos Limited (Gala), a wholly-owned subsidiary of GGIL. The Original SPA involved the acquisition by Rank of 23 operational bricks-and-mortar casinos and three unused or 'cold' licences owned by Gala (the 'Original Acquisition').

On 20 August 2012 the Office of Fair Trading (OFT) made a reference to the Competition Commission (CC) under section 33(1) of the Enterprise Act 2002 (the Act) concerning the Original Acquisition. As a result of the reference to the CC, the Original SPA lapsed on 19 September 2012, in accordance with its terms. However, the parties have continued to discuss appropriate amendments to the acquisition terms in the light of the reference to the CC and a proposal for a transaction between the parties of the kind mentioned in the reference has remained in contemplation.

The CC published *The Rank Group Plc and Gala Coral Group: a report on the anticipated acquisition by The Rank Group Plc of Gala Casinos Limited* (the 'Report') on 19 February 2013.

The Report concluded that:

- (a) The Original Acquisition may be expected to result in a substantial lessening of competition (SLC) in the operation of bricks-and-mortar casinos in the following four local markets in which both parties currently operate a bricks-and-mortar casino:
 - (i) Aberdeen;
 - (ii) Bristol;
 - (iii) Cardiff; and
 - (iv) Stockton-on-Tees.
- (b) The Original Acquisition may be expected to result in an SLC in relation to potential competition for the operation of bricks-and-mortar casinos in one area (Edinburgh) where Gala owns and operates a bricks-and-mortar casino and Rank holds a cold licence which the CC concluded would likely be developed into a competing casino in the absence of the merger.

Rank and Gala hereby give to the CC the following undertakings under section 82 of the Act for the purpose of remedying the SLC identified in the Report and any adverse effects which flow from it.

1. Commencement

- 1.1 The Undertakings shall come into force on the Commencement Date.

2. Undertakings relating to the Original and Revised Acquisitions

- 2.1 Rank and Gala each undertakes that neither they nor any Related Person shall enter into the Original Acquisition.
- 2.2 Rank and Gala each undertakes that neither they nor any Related Person shall enter into the Revised Acquisition except pursuant to an Approved Agreement.
- 2.3 Rank undertakes that neither Rank nor any Related Person of Rank shall acquire Control of the Prohibited Assets, or any part thereof, within the Prohibition Period without the prior written consent of the OFT.
- 2.4 Gala undertakes that neither Gala nor any Related Person of Gala shall sell or otherwise transfer ownership or Control of the Prohibited Assets, or any part thereof, to Rank or any Related Person of Rank, within the Prohibition Period without the prior written consent of the OFT.

3. Undertakings relating to the acquisition of the Gala Edinburgh Casino

- 3.1 Rank undertakes that neither Rank nor any Related Person of Rank shall acquire the Gala Edinburgh Casino, or Control thereof, within the Prohibition Period except where the CC has given consent under paragraph 3.3, or with the prior written consent of the OFT.
- 3.2 Gala undertakes that neither it nor any Related Person of Gala shall sell or otherwise transfer ownership or Control of the Gala Edinburgh Casino to Rank or any Related Person of Rank within the Prohibition Period except where the CC has given consent under paragraph 3.3, or with the prior written consent of the OFT.
- 3.3 The CC:
 - 3.3.1 will be deemed to have given consent for the purposes of paragraphs 3.1 and 3.2 where Rank has completed an Effective Disposal of the Edinburgh Cold Licence; and
 - 3.3.2 may upon written request by Rank give consent for the purposes of paragraphs 3.1 and 3.2 provided that the CC is satisfied that Rank has entered into an Approved Agreement to dispose of the Edinburgh Cold Licence to an Approved Purchaser (the Approved Agreement being subject only to such conditions precedent as are necessary to effect such disposal of the Edinburgh Cold Licence).
- 3.4 Where Rank has submitted details of a candidate purchaser to the CC under section 5 of these Undertakings, the CC will carry out its suitability assessment in accordance with Appendix 2 of these Undertakings and promptly convey to Rank its decision on whether the candidate purchaser is an Approved Purchaser.
- 3.5 Rank and Gala each undertakes that neither they nor any Related Person shall appeal against a planning application or other licensing requirements needed by an Approved Purchaser to develop a casino in Edinburgh.
- 3.6 Rank undertakes that it will take all steps reasonably within its control to maintain the Edinburgh Cold Licence until its sale to an Approved Purchaser, or, as the case may be, expiry of the Specified Period and (if any) the Extended Period, including but not limited to paying all relevant fees levied by the UK Gambling Commission and/or the

Licensing Board of the Council of the City of Edinburgh for the continued maintenance of the Edinburgh Cold Licence.

- 3.7 Rank and Gala each undertakes that, until the date of Effective Disposal of the Edinburgh Cold Licence they will not, without the prior written consent of the CC, take any action which:
- 3.7.1 leads to the integration of the Gala Edinburgh Casino with the Rank business;
 - 3.7.2 transfers the ownership or Control of the Gala Edinburgh Casino or any assets used exclusively by the Gala Edinburgh Casino to Rank; or
 - 3.7.3 otherwise impairs the ability of the Gala Edinburgh Casino to compete independently of Rank in Edinburgh.
- 3.8 Rank and Gala will at all times during the Specified Period (and the Extended Period, as the case may be) until the CC grants consent pursuant to paragraph 3.3, procure, to the extent they are legally able to do so, that except with the prior written consent of the CC, no Confidential Information relating to the Gala Edinburgh Casino shall pass, directly or indirectly, from Gala (or any of its employees, directors, agents or affiliates) to Rank (or any of its employees, directors, agents or affiliates) save that Confidential Information may be exchanged on a counsel-to-counsel basis between external advisers of Gala and Rank for the purposes of bringing about an Effective Disposal of the Edinburgh Cold Licence.
- 3.9 For the avoidance of doubt, the CC acknowledges that GGIL and Gala Casino 1 Limited entering into and performing their obligations [✂].

4. **Technical assistance**

- 4.1 Rank undertakes to remunerate in full, and to pay all the reasonable costs and expenses of, any Independent Expert whose assistance the CC may reasonably require in connection with any of the matters in paragraph 4.2.
- 4.2 The matters in this paragraph are:
- 4.2.1 the determination of a person as an Approved Purchaser;
 - 4.2.2 the determination of an agreement as an Approved Agreement; and
 - 4.2.3 any other matter on which the CC may reasonably require the assistance of an Independent Expert in connection with these Undertakings.
- 4.3 For the purposes of enabling Rank to fulfil its obligation in paragraph 4, the CC shall give Rank advance notice of its intention to seek the assistance of any Independent Expert.

5. **Reporting obligations**

- 5.1 Rank undertakes that within the period of five working days from the Commencement Date it will provide a written report to the CC setting out the process and timetable that it proposes to adopt, subject to the CC's approval, to ensure completion of an Effective Disposal of the Edinburgh Cold Licence. Rank will, if required by the CC, present a written report at a meeting with CC staff within 14 days of the Commencement Date (or at such other time as the CC and Rank shall agree). The

report will outline the progress that Rank has made towards completion of an Effective Disposal and shall in particular report on:

- (a) the status of any discussions that have been held with candidate purchasers of the Edinburgh Cold Licence;
 - (b) the name, address, email address, contact point and telephone number of each candidate purchaser identified;
 - (c) details of the efforts taken by Rank to solicit purchasers for the Edinburgh Cold Licence;
 - (d) the identity of any Independent Expert who has been consulted;
 - (e) the status of any invitation to bid or information memorandum (as the case may be) produced in connection with the divestiture of the Edinburgh Cold Licence, the identities of the persons to whom it has been circulated and the responses to such document;
 - (f) the steps that have been taken towards reaching an Approved Agreement and the persons to whom any draft agreement has been distributed; and
 - (g) such other matters as may be directed by the CC from time to time.
- 5.2 Rank will provide a similar report to the CC every two weeks or at other times to be agreed with the CC until the Effective Disposal of the Edinburgh Cold Licence is completed.
- 5.3 Rank will promptly bring to the CC's attention any significant event relating to the progress of the Effective Disposal of the Edinburgh Cold Licence.
- 5.4 In the event that Rank does not meet a step as set out in any report or timetable produced under paragraphs 5.1 or 5.2, or is otherwise delayed in implementing an Effective Disposal of the Edinburgh Cold Licence, Rank undertakes to inform the CC in writing of the occurrence and the reasons for the failure promptly, but no later than three working days after becoming aware that a step in the report or timetable has not been met.

6. **Procedure for consent and notification**

- 6.1 Rank and Gala each undertakes that where it requires the consent or approval of the CC (however that requirement is expressed in the Undertakings) it will seek the consent or approval in writing, which shall include email.
- 6.2 Rank and Gala each undertakes that any application by it for the CC's consent or approval shall make full disclosure of every fact and matter within its knowledge that it reasonably believes is relevant to the CC's decision (the 'Relevant Information'). Where the CC considers that full disclosure has not been provided, it shall promptly inform the parties, who shall provide such additional information as the CC requires.
- 6.3 Rank and Gala each recognizes that where the CC grants consent or approval on the basis of misleading or incomplete information and such information materially affects its consent or approval, the consent or approval is voidable at the election of the CC.

- 6.4 In the event that Rank and Gala discover that an application for consent or approval has been made without full disclosure of the Relevant Information to the CC, Rank and Gala each undertakes to:
- 6.4.1 inform the CC in writing identifying the Relevant Information that it omitted to include in the application for consent within two working days of becoming aware that the Relevant Information is misleading or incomplete; and
 - 6.4.2 at the same time or no later than two working days starting with the date on which it has informed the CC of the omission in accordance with paragraph 6.4.1 above, provide to the CC an application for consent that includes the missing information.
- 6.5 Rank and Gala shall use all reasonable endeavours to make each application or to procure that each application for consent or approval is made so that it is received by the CC at least five working days, or such lesser period as the CC may allow, before the day on which the CC's consent or approval is necessary to avoid a breach of the Undertakings.
- 6.6 Rank and Gala recognize that the CC shall not be required to use more than its reasonable endeavours to grant or refuse any consent or approval within the five-working-day period referred to in paragraph 6.5 above. This provision is without prejudice to the CC's duties under the Act.
- 6.7 Where in Rank's reasonable opinion it has identified a candidate purchaser with a real interest in the acquisition of the Edinburgh Cold Licence, Rank shall promptly apply to the CC for a decision on whether or not the candidate purchaser is an Approved Purchaser. In order for the candidate purchaser to satisfy the CC's Purchaser Approval Requirements as set out in Appendix 2 to these Undertakings, Rank shall use its reasonable endeavours to assist the CC in obtaining further information from the candidate purchaser where necessary.
- 6.8 Rank recognizes that in order to bring about an Effective Disposal, the CC must approve any binding agreement relating to the divestment of the Edinburgh Cold Licence (such approval not to be unreasonably withheld). The final draft agreement and all sale documentation shall be sent to the CC promptly for approval but no later than one week before the day on which the agreement will be signed.

7. **Directions**

- 7.1 Rank and Gala each undertakes to comply with such reasonable written directions as the CC or the OFT may from time to time give to take such steps within their competence for the purpose of carrying out or securing compliance with these Undertakings.

8. **Subsidiaries**

- 8.1 Rank and Gala each undertakes to procure that its subsidiaries comply with the Undertakings as if they had been given by those subsidiaries.

9. **Extension of time limits**

- 9.1 Rank and Gala each recognizes and acknowledges that the CC may, where it considers appropriate, in response to a written request from Rank and Gala showing

good cause, or otherwise at its own discretion, grant an extension of any period specified in the Undertakings within which Rank or Gala must take action.

10. **Effect of invalidity**

- 10.1 Rank and Gala each undertakes that should any provision of the Undertakings be contrary to law or invalid for any reason, Rank and Gala shall continue to observe the remaining provisions.

11. **Provision of information to the CC and the OFT**

- 11.1 Rank and Gala each undertakes that it shall promptly provide to the CC such information as the CC may reasonably require for the purpose of performing any of its functions under the Undertakings or under sections 82, 83 and 94(7) of the Act.
- 11.2 Rank and Gala each undertakes that it shall promptly provide to the OFT such information as the OFT may reasonably require for the purpose of performing any of its functions under the Undertakings or under sections 92, 93 and 94(6) of the Act.
- 11.3 Rank and Gala each undertakes that should it at any time be in breach of any provision of the Undertakings, it will notify the CC within two working days starting with the date it becomes aware of the breach to advise the CC that there has been a breach and of all the circumstances of that breach.
- 11.4 Nothing in these Undertakings shall require Rank or Gala to disclose any privileged information.

12. **Service**

- 12.1 Any communication from the CC to Rank under these Undertakings shall be addressed to Frances Bingham, Company Secretary, The Rank Group Plc, Statesman House, Stafferton Way, Maidenhead SL6 1AY or such other person or address as Rank may direct in writing.
- 12.2 Any communication from the CC to Gala under these Undertakings shall be addressed to Harry Willits, Group General Counsel and Company Secretary, Gala Coral Group Limited, New Castle House, Castle Boulevard, Nottingham, Nottinghamshire NG7 1FT or such other person or address as Gala may direct in writing.
- 12.3 Any communication from Rank and/or Gala to the CC under these Undertakings shall be addressed to Nirav Shah, Competition Commission, Victoria House, Southampton Row, London WC1B 4AD or such other person or address as the CC may direct in writing.
- 12.4 Any communication from Rank and/or Gala to the OFT under these Undertakings shall be addressed to Director of Mergers, Office of Fair Trading, Fleetbank House, 2–6 Salisbury Square, London EC4Y 8JY or such other address as the OFT may direct in writing.

13. **Governing law**

- 13.1 Rank and Gala each recognizes and acknowledges that these Undertakings shall be governed and construed in all respects in accordance with English law.

13.2 In the event that a dispute arises concerning the Undertakings, Rank and Gala each undertakes to submit that dispute to the courts of England and Wales.

14. **Termination**

14.1 Rank and Gala each recognizes and acknowledges that the Undertakings shall remain in force for the duration of the Prohibition Period, unless the Undertakings are varied released or superseded under the Act prior to that date.

14.2 Rank and Gala each recognizes and acknowledges that the variation, release or supersession of the Undertakings shall not affect the validity and enforceability of any rights or obligations that arose prior to such variation, release or supersession.

15. **Interpretation**

15.1 Words and expressions defined in the recitals to the Undertakings shall have the same meaning in these Undertakings.

15.2 In these Undertakings the word 'including' shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word, and the word 'include' and its derivatives shall be construed accordingly.

15.3 The headings used in the Undertakings are for convenience and shall have no legal effect.

15.4 Expressions in the singular include the plural and vice versa and references to persons include corporations.

15.5 References to any statute or statutory provision shall be construed as references to that statute or statutory provision as amended, re-enacted or modified whether by statute or otherwise.

15.6 References to recitals, paragraphs, subparagraphs and appendices are references to the recitals to, paragraphs and subparagraphs of, and appendices to, the Undertakings.

15.7 The Appendices to the Undertakings form part of the Undertakings.

15.8 These Undertakings give effect to the Findings of the CC in Part 8 of the Report and shall be construed consistently with and to give effect to those conclusions.

15.9 References in these Undertakings to 'disposal' are references to such legally recognized transfer, assignment, delivery or other disposal, creation or assumption of property, rights, assets, liabilities and other obligations, and to such combination of them, as the context requires.

15.10 For the purposes of the Undertakings and the appendices, the following definitions apply:

the Act means the Enterprise Act 2002;

Affiliate a person is an affiliate of another person if they or their respective enterprises are to be regarded under common Control for the purposes of section 26 of the Act;

Approved Agreement	means a binding agreement or agreements approved by the CC; and Rank and Gala each recognizes that in considering whether to approve any agreement the CC shall consider whether the terms of the agreement (and any other agreements or arrangements ancillary or connected to the agreement) would give rise to a material risk that the SLC and any adverse effects likely to arise from it would not be remedied;
Approved Purchaser	means any purchaser approved by the CC pursuant to the Purchaser Approval Requirements set out in Appendix 2 to these Undertakings;
Associated Person	a person is associated with another person if they would be treated as associated by section 127(4) of the Act;
Business	has the meaning given to it by section 129(1) and (3) of the Act;
CC	means the Competition Commission and any successor body;
Commencement Date	means the date on which these Undertakings are accepted by the CC;
Confidential Information	means business secrets, confidential know-how, commercially-sensitive information, intellectual property or any other information of a confidential nature, which is not in the public domain or known to Rank or Gala otherwise than by breach of these Undertakings. This shall not include information solely relating to the information technology (IT) infrastructure of the Gala Edinburgh Casino, to be used by Rank for the purposes of planning integration of the IT systems of the Gala Edinburgh Casino with Rank's IT systems;
Control	has the meaning given to it by section 26 of the Act;
Edinburgh Cold Licence	means the converted casino premises licence issued by the Edinburgh Licensing Board to Grosvenor Casinos Limited under section 164 of the Gambling Act 2005 in respect of 125 Fountainbridge, Edinburgh EH3 9QG;
Effective Disposal	means the completed sale and purchase of the Edinburgh Cold Licence under an Approved Agreement to an Approved Purchaser within the Specified Period (or the Extended Period as the case may be);
Extended Period	means an extension of up to [X] granted pursuant to a request by Rank at the CC's discretion and running immediately after the Specified Period within which Rank may seek to complete an Effective Disposal of the Edinburgh Cold Licence;
Gala	means Gala Casinos Limited, a company registered in England and Wales with registered number 04054596 whose registered office is at 71 Queensway, London W2 4QH, England;
Gala Edinburgh Casino	means the Gala casino located at 5 South Maybury, Edinburgh EH12 8NE;
GGIL	means Gala Group Investments Limited, a company registered in England and Wales with registered number 03446414 whose

	registered office is at New Castle House, Castle Boulevard, Nottingham NG7 1FT, England;
Group of Interconnected Bodies Corporate	has the meaning given in section 129(2) of the Act, reference to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;
Independent Expert	means a person of suitable expertise appointed by the CC;
Notice	means a written communication sent by post, fax, personal delivery or, with prior consent of the recipient, email;
OFT	means the Office of Fair Trading and any successor body;
Original Acquisition	means the acquisition by RGGDL of Gala, which comprised 23 Gala casinos and three cold licences as envisaged in the Original SPA;
Original SPA	means the agreement entered into by Rank, Gala Coral Group Limited, Gala Group Investments Limited and RGGDL on 12 May 2012 by which RGGDL would acquire Gala and which lapsed on 19 September 2012;
Parties	means Rank and Gala;
Prohibited Assets	means the Gala casinos located at: 59 Summer Street, Aberdeen AB10 1SJ; Harbourside, Explore Lane, Bristol BS1 5TY; Mary Ann Street, Cardiff CF10 2EN and Oval Road, Teesside Leisure Park, Stockton-on-Tees TS17 7BU, and the premises licences relating to those casinos being: licence numbers 051 (Aberdeen), 09/06015/GACAS and 08/05901/GACAS (Bristol), CCGL/0013 (Cardiff) and MBRO/GPR0025/055746 (Stockton-on-Tees);
Prohibition Period	means the period of ten years commencing on 19 February 2013 and ending on 19 February 2023;
Purchaser Approval Requirements	means the requirements set out in Section 8 and Appendix J of the Report, and repeated for ease of reference in Appendix 2 to these Undertakings;
Rank	means The Rank Group Plc, a company registered in England and Wales with registered number 03140769 whose registered office is at Statesman House, Stafferton Way, Maidenhead, Berkshire SL6 1AY, England;
Related Person	means any subsidiary, affiliate or associated person of Rank or Gala from time to time, and any member of the Group of Interconnected Bodies Corporate to which Rank or Gala may from time to time belong;
Report	the CC's final report into the anticipated acquisition by RGGDL of Gala entitled <i>The Rank Group Plc and Gala Coral Group: a report on the anticipated acquisition by The Rank Group Plc of Gala Casinos Limited</i> , published on 19 February 2013;

Revised Acquisition	means the acquisition by RGGDL pursuant to an Approved Agreement of the 18 operational Gala casinos and three cold licences listed in Appendix 1 as permitted to be included;
RGGDL	means Rank Group Gaming Division Limited, a company registered in England and Wales with registered number 03213743 whose registered office is at Statesman House, Stafferton Way, Maidenhead, Berkshire SL6 1AY, England;
Specified Period	means the period of [X] from the date of the Report until [X], within which Rank may seek to complete an Effective Disposal of the Edinburgh Cold Licence;
Subsidiary	has the meaning given to it in section 1159 of the Companies Act 2006;
Undertakings	means these Undertakings and the attached Appendices, given by Rank and Gala for the purpose of remedying the SLC identified by the CC in the Report.

FOR AND ON BEHALF OF THE RANK GROUP PLC

(signed).....

FOR AND ON BEHALF OF GALA CASINOS LIMITED

(signed).....

Gala casinos included in the Revised Acquisition

The 18 Gala Casinos permitted to be included in the Revised Acquisition are:

1. Barracuda (London);
2. Birmingham;
3. Bournemouth;
4. Bradford;
5. Glasgow Merchant City;
6. Glasgow Riverboat;
7. Glasgow Princes;
8. Golden Horseshoe (London);
9. Hull;
10. Leeds;
11. Leicester;
12. Liverpool;
13. Northampton;
14. Nottingham;
15. Russell Square (London);
16. Stockport;
17. Sunderland;
18. Tottenham Court Road (London).

The three Gala cold licences permitted to be included in the Revised Acquisition are:

1. Coventry;
2. Northampton;
3. Wolverhampton.

The four Gala casinos which Rank is prohibited from acquiring are:

1. Aberdeen;
2. Bristol;
3. Cardiff; and
4. Stockton-on-Tees (also referred to as Teesside).

In addition, Rank is prohibited from acquiring the Gala Edinburgh Casino within the Prohibition Period except where the CC has given consent under paragraph 3.3 of these Undertakings, or with the prior written consent of the OFT.

Purchaser Approval Requirements for the Edinburgh Cold Licence¹

1. The CC will require a potential purchaser to provide evidence that demonstrates its commitment to developing a casino in Edinburgh. This material may include internal assessments of the area, strategy and plans for developing the casino, suitable locations identified by the purchaser for the casino and planning assessments.
2. Potential purchasers will be invited to demonstrate their suitability as a purchaser to the CC in the form of written submissions (and possibly via face-to-face meetings). The suitability criteria and evidence requirements to satisfy the criteria are set out below. During the assessment process, the CC may seek further information or clarification. The CC will make an assessment of the suitability of the purchaser and communicate this decision to the bidder and to Rank.
3. The purchaser suitability criteria and evidence requirements for the Edinburgh cold licence divestiture remedy are set out below.

Independence from the Rank Group

4. The existence of significant economic relationships between the purchaser and the Rank Group would be a major area of concern but would be subject to assessment on a case-by-case basis regarding the extent of influence.
5. The evidence requirements with respect to independence would include:
 - identity of purchaser and operator (if different);
 - identity of other investment partners/funding providers (eg equity and debt);
 - details of any interest in the equity or debt of Rank and its Affiliates held by the purchaser and operator at any time in the last three years;
 - details of any interest that Rank or its affiliates have held in the purchaser and operator at any time in the last three years; and
 - details of any other commercial or economic relationship between purchaser and Rank Group at any time in the last three years.

Appropriate expertise and assets

6. If a purchaser operates at least one casino (in the UK or another country), then we will interpret this as providing prima facie evidence that the purchaser possesses appropriate expertise to operate and develop the Edinburgh cold licence as a viable competitor.
7. If a purchaser does not operate a casino, then we will need to be provided with persuasive evidence regarding its access to expertise and ability to provide a management team with comprehensive experience of operating and developing casinos including relevant regulatory approvals.

¹ As set out in Section 8 and Appendix J of the Report and repeated in this appendix for ease of reference.

8. Whilst recognizing that most bidders may be starting their assessment of the Edinburgh market opportunity for the first time, we would expect to see a convincing commercial and operational plan that describes the purchaser's motivation for purchasing the licence and its intentions and abilities to develop and open a casino in Edinburgh, including the key milestones, anticipated timetable, and status of the process to identify and secure appropriate premises and other local approvals.
9. The evidence requirements would include:
 - a copy of the operator licence or detailed description of the status of application;
 - details of the proposed locality of the casino or the steps a purchaser intends to take to formulate a short-list of suitable locations;
 - details of access to any suitable premises if available (eg lease agreement, option agreement, heads of terms) or details of the steps a purchaser intends to take in order to secure access to suitable premises (including the proposed timetable for such steps);
 - evidence of any existing licensing consents and planning permission to operate a casino on the selected premises (where available), or details of a purchaser's strategy and timetable to apply for planning permission and local licensing consents;
 - a business plan describing the commercial and operational plans for developing the cold licence into a casino, including the purchaser's assessment of the relevant target market, demographic trends and demand; and
 - a project timetable identifying the expected duration of each stage of the development, and anticipated timing of key milestones including construction, development, opening and operation of the casino.

Appropriate financial resources

10. A purchaser should have access to sufficient financial resources to acquire, develop and operate a casino in Edinburgh.
11. The evidence requirements would include:
 - financial projections for a period of five years following the acquisition of the cold licence including capital expenditure in each year; and
 - a description of any necessary funding arrangements, including sources of finances for the acquisition of the licence, development of the casino and operation of the business, including investments not funded by retained cash flow (including details of any expressions of interest, highly confident or commitment letters from relevant financing providers, if available).

Absence of further competition concerns

12. The acquisition of the cold licence in Edinburgh should not give rise to new competition concerns.
13. The evidence requirements would include details of any existing casino or cold licence in Edinburgh in which the purchaser has an economic interest.