

**Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 8 August 2016**

**Completed acquisition by Novomatic UK Ltd of Talarius Ltd**

We refer to your letter dated 10 August 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 8 August 2016 (the ‘Initial Order’) and subsequent representations. The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Novo Invest GmbH and Novomatic UK Ltd are required to hold separate the Talarius Ltd business from the Novomatic UK Ltd business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to the following in respect of Novo Invest GmbH:

**1. Paragraphs 4, 5 and 8 of the Initial Order**

During the Specified Period, the CMA consents to references to “Novo Invest” in clauses 4(b), 5(b), 5(c), 5(e), 5(h), 5(i), 5(k), the third line of clause 8, 8(a), 8(b), 8(c) and 8(d), being replaced by “Novomatic UK.” This derogation supersedes the derogation granted on 8 September 2016 and is granted on the basis that the business of the Novo Invest Group in the UK is conducted by Novomatic UK Ltd and its subsidiaries.

After due consideration of Novomatic UK Ltd’s request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Novomatic UK Ltd may carry out the following actions, in respect of the specific paragraphs:

**2. Paragraphs 4(a), 5(a) and 5(f) of the Initial Order**

During the Specified Period the CMA consents to the continuation of the roll-out of the Sentinel cash management software system (Sentinel system) and the introduction of the TITO software into the Talarius business subject to:

- (a) the Talarius' Sentinel system being kept separate and independent of Luxury Leisure's own use of Sentinel;
- (b) the Sentinel system being maintained using Talarius existing infrastructure at Talarius' Head Office;
- (c) the involvement of Novomatic being limited to the following staff of Luxury Leisure to support and training functions: [X]; and
- (d) All of the individuals named above being subject to non-disclosure agreements as approved by the CMA.

Novomatic further commits that, in the event the Transaction is not cleared unconditionally by the CMA, it will licence the Use of the Sentinel software to Talarius for an interim period while an alternative solution is implemented by Talarius.

### **3. Paragraph 5(i)**

The CMA consents to the appointment of [X] as acting CEO of Talarius, to replace the former Talarius' CEO [X] who was not transferred with the Talarius business.

### **4. Paragraphs 4(a) 5(a), 5(c) and 5(l) of the Initial Order**

During the Specified Period and for the purpose of fulfilling external regulatory and/or accounting obligations, the CMA gives consent to [X] and [X] to have access to Talarius' high-level financial information. This consent is subject to non-disclosure agreements as approved by the CMA and limited to the following consolidated financial information:

- (a) weekly revenue performance analysed against budget (prior week and prior year);
- (b) monthly management accounts;
- (c) weekly cash forecast for the following 26 weeks; and
- (d) gambling commission returns as required and requested by the gambling commission

The CMA further consents to [X] to have access to the following information of Talarius for the purpose of fulfilling requirements resulting from the Gambling Commission's regulatory strategy overview:

- (a) any failure of test purchasing;
- (b) any Gambling Commission inspection visit and the notes of that visit;

- (c) any local authority visit and the notes of that visit;
- (d) any Gambling Commission consultation and Talarius response to such consultation;
- (e) any key event notifiable to the Gambling Commission by Talarius;
- (f) copies of all due regulatory returns to the Gambling Commission;
- (g) copies of any correspondence (inc emails) with the Gambling Commission or any local authority;
- (h) any changes to Personal Management Licence holders;
- (i) any breach of any Licence Conditions and Codes of Practice; and
- (j) confirmation that all Operating Licences and Premises Licences are complete and up to date.

The CMA gives its consent to the acting CEO of Talarius (exclusively) to disclose the above information regarding Talarius business to [X] and [X].

20 September 2016