



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO, THE UNITED STATES OF AMERICA, JAPAN OR AUSTRALIA (EXCEPT AS DESCRIBED BELOW) OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT

INTERTAIN SPECIAL COMMITTEE UPDATES ON STRATEGIC REVIEW PROCESS

NEGOTIATIONS CONTINUE ON THIRD PARTY PROPOSALS

OUTLINES POTENTIAL UK-CENTERED STRATEGIC INITIATIVES

NEIL GOULDEN APPOINTED AS CHAIRMAN OF THE BOARD AND ANDREW MCIVER APPOINTED AS CHIEF EXECUTIVE OFFICER

TORONTO, June 28, 2016 – The Intertain Group Limited (“**Intertain**”) (TSX:IT; OTCQX: ITTNF), the largest online bingo-led operator in the world, today announced an update on its previously announced strategic review process (the “**Strategic Review**”) undertaken by a special committee (the “**Special Committee**”) of independent members of the Intertain board of directors (the “**Board**”).

Intertain also announced the appointment of Neil Goulden as its new Chairman of the Board and Andrew McIver as its new CEO and as a director, each effective immediately. Both Mr. Goulden and Mr. McIver are currently based in the UK and bring significant board- and senior management-level experience in the gaming and online gaming industries to Intertain.

Strategic Review Process Ongoing

The Special Committee is continuing its process in connection with the third-party acquisition of all of the shares of Intertain. Further discussions are expected in this regard despite the outcome of the UK referendum on EU membership. Since the initial round of offers received by the Special Committee in May 2016, work to complete due diligence in relation to this process has continued and multiple meetings with members of management and advisors of Intertain to discuss due diligence matters, the business of Intertain and to explore potential integration plans have been held. The Special Committee will continue to work with Canaccord Genuity, its financial advisor, and Osler, Hoskin & Harcourt LLP, its independent legal advisor, to advance this process.

In parallel with these ongoing discussions, the Special Committee continues its previously announced work with Credit Suisse, which is focused on potential value-enhancing comprehensive UK-centered strategic initiatives (the “**UK Strategic Initiatives**”), including a potential London listing of the ordinary shares of a newly-incorporated London-headquartered UK corporation that would become the parent holding company for the Intertain group (“**ListCo**”). If Intertain pursues a London listing, Intertain intends that the ordinary shares of ListCo would be admitted to the Official List of the UK Listing Authority (“**UKLA**”) and to trading on the standard listing segment of the Main Market of the London Stock Exchange plc (the “**London Listing**”). Intertain has taken preliminary steps towards establishing whether it is eligible for listing in London.

David Danziger, director, member of the Special Committee and former Chairman of the Board, said, “Our ongoing discussions reflect a recognition in the market of the value and prospects of Intertain’s

Intertain Group
24 duncan street,
floor 2, toronto, ontario
canada m5v 2b8

t. +1 416 207 3307
info@intertain.com

intertain.com

businesses and the power of potentially combining them with other market-leading gaming assets. Similarly, the Strategic Review and the feedback received from shareholders, the market and other stakeholders have highlighted the potential of a greater exposure to European capital markets to help achieve a fuller and more appropriate valuation of Intertain's businesses if Intertain continues to operate on a standalone basis."

The Special Committee expects to provide a further update regarding the status of the Strategic Review by no later than the end of July 2016. The Board intends to propose its recommended alternative to shareholders for consideration and a vote at a shareholders meeting expected to be held in September 2016.

New Strong Leadership Team

Following extensive consideration of several very well-qualified candidates by the Special Committee, Neil Goulden has been appointed as Chairman of the Board and Andrew McIver has been appointed as Chief Executive Officer of Intertain and as a director, each effective immediately.

Mr. Danziger commented, "Neil and Andy are world-class gaming executives and they bring outstanding leadership to our excellent businesses. They both have the strategic vision and demonstrated operational excellence in the gaming industry that the Board was looking for to help us to unlock the additional value that we believe is embedded in Intertain's core business assets."

If Intertain completes the London Listing, Mr. Goulden and Mr. McIver will each assume their respective positions with ListCo. In the interim, the Special Committee will continue to oversee the Strategic Review, while Mr. Goulden and Mr. McIver will focus on developing the UK Strategic Initiatives and managing the core business.

Mr. Goulden has spent the last twenty five years at the board level within a number of significant gaming and online gaming businesses including Ladbrokes and Gala Coral Group, serving as the COO, CEO and Chairman of the latter from 2000 to 2014. He noted that, "Intertain is a company that I think continues to be undervalued, and the Strategic Review has identified potential alternatives to realize that value for the long-term benefit of Intertain, its shareholders and its stakeholders. It is an exciting time for the company and I am looking forward to being a part of this process."

Mr. McIver also brings a wealth of experience to Intertain, having most recently served as CEO of Sportingbet plc for over six years, and having served as CFO of the same company for approximately five years prior to that. While at Sportingbet, Mr. McIver oversaw a significant expansion and diversification in its business across a range of geographies and business lines, and facilitated its ultimate sale to a joint bid from two significant gaming industry players in 2013. Mr. McIver commented, "Intertain has a strong set of core assets and I look forward to working with Neil, the other directors and the talented Intertain team to identify and implement a strategic alternative that will take Intertain to the next stage in its development".

"With Andy's appointment, John Kennedy FitzGerald has resigned as CEO and as a director of Intertain, both effective immediately. The Board wants to thank John for his leadership and vision in helping to assemble Intertain's current core group of industry-leading assets, and for his foresight in working with the Board to identify the need for a more operationally-focused CEO to lead Intertain at this time", said Mr. Danziger. In connection with his resignation as CEO, Mr. FitzGerald will be entitled to a final severance payment of approximately CDN\$10,526,000 under the terms of his employment agreement, as amended in February 2016 when Mr. FitzGerald voluntarily agreed to reduce his severance entitlements by 25% and to forego any right to any future payment under the management

incentive plan, which was terminated in February 2016. Brent Choi has also resigned from the Board, effective June 24, 2016. Following the appointments and resignations noted above, the current directors are Neil Goulden, Andy McIver, David Danziger, John Fielding, Noel Hayden, Paul Pathak and Jim Ryan.

Intertain is also actively searching for a new CFO in light of Keith Laslop's new role as President of Intertain Bahamas where he will help manage the operations of some of Intertain's more valuable businesses. Intertain has met with a number of strong candidates and intends to appoint its new CFO as soon as practicable. In addition to his role as President of Intertain Bahamas, Mr. Laslop will continue as CFO, working closely with Mr. McIver and Mr. Goulden, until a new CFO is appointed.

Intertain is pursuing the identification of additional highly-qualified independent non-executive directors with significant industry-related and other relevant experience who would be appointed to the board of ListCo if the London Listing proceeds.

Opportunities from London Listing

Intertain believes that the UK is the natural home for its listing, particularly following its acquisition of the Jackpotjoy business. Intertain expects that a London Listing would provide it with access to a large, liquid and international market with an analyst and investor base with extensive sector knowledge and which is home to a significant number of Intertain's global gaming industry peers and a majority of its online gaming peers.

The Arrangement and Exchangeable Shares

If implemented, Intertain expects that the UK Strategic Initiatives would be facilitated by way of a court-supervised plan of arrangement under the Ontario *Business Corporations Act* (the "**Arrangement**"). Upon completion of the Arrangement, Intertain would become an indirect subsidiary of ListCo, with ListCo being entitled to exercise 100% of the voting rights in Intertain.

Intertain currently anticipates that the Arrangement would provide for each existing common share of Intertain to be exchanged for one ordinary share of ListCo. Intertain is currently considering a structure that would allow certain Canadian resident shareholders to elect to receive exchangeable shares, each exchangeable into one ListCo ordinary share, as consideration for their Intertain shares, also on a one-for-one basis. The exchangeable shares would permit these eligible Canadian resident shareholders to participate in the Arrangement on a tax-deferred basis. Intertain expects that the terms of the exchangeable shares would carry rights that are, as nearly as practicable, economically equivalent to the ListCo ordinary shares, and that each holder of exchangeable shares would have the ability to direct one vote per exchangeable share held at any shareholders meeting of ListCo.

Completion of the Arrangement would be subject to shareholder approval and certain other conditions. In addition, completion of the London Listing would be subject to the approval of the UKLA. There can be no assurance that any such approvals will be obtained or that such other conditions will be satisfied.

Intertain Business Highlights

Intertain is one of the largest online "B2C" gaming companies in the world, and it is the number one online bingo operator globally. Its operations are primarily focused on, and the majority of its customers are based in, the United Kingdom and northern Europe, in particular Sweden.

Intertain currently offers real money and social bingo, casino and other games to its customers through its Jackpotjoy, Starspins and Botemania brands (relating to the Jackpotjoy operating segment), Vera&John and Vera&Juan brands (relating to the Vera&John operating segment), various bingo websites including its Costa Bingo brand (relating to the Mandalay operating segment) and its InterCasino brand (relating to the InterCasino operating segment). These distinctive brands offer a variety of gaming experiences which Intertain believes enhance its customer retention. Intertain also believes that its current range of brands aid it in targeting attractive demographics with high potential for growth, and in particular with respect to the female gaming demographic.

Intertain estimates that approximately 80% of its revenues for 2015 were derived from markets with established online gaming regulatory regimes and Intertain's reported financial results as of March 31, 2016 reflected strong growth, stable margins and a strong conversion rate from Adjusted EBITDA¹ to operating cash flow. For the quarter ended March 31, 2016, Intertain's Jackpotjoy, Vera&John and Mandalay segments had year over year revenue growth on a constant currency basis of 20%, 53% and 9%, respectively. In that same period, Intertain experienced a 95% conversion rate from Adjusted EBITDA to operating cash flow.

Intertain entered into a cross currency swap agreement (the "**Currency Swap**") on November 23, 2015 at a GBP/USD exchange rate of 1.5135, given the significant amount of cash generated by Intertain that is denominated in Great British pounds. The Currency Swap mitigates Intertain's exposure to exchange rate fluctuations between the pound and the US dollar, as the principal and interest payments on Intertain's term credit facility is in US dollars. The Currency Swap terminates on March 31, 2017 and, as at the close of trading in New York on June 27, 2016, the fair value of the Currency Swap was approximately CDN\$45.7 million.

Advisors to Intertain

Canaccord Genuity is acting as financial advisor to the Special Committee only in connection with the Strategic Review. Credit Suisse International is acting as financial advisor to Intertain only in connection with the UK Strategic Initiatives, including the London Listing.

Osler, Hoskin & Harcourt LLP is acting as counsel to the Special Committee. Cassels Brock & Blackwell and Clifford Chance LLP are acting as Canadian and UK counsel, respectively, to Intertain in connection with the UK Strategic Initiatives. Davis Polk & Wardwell LLP and McCarthy Tétrault LLP are acting as UK and Canadian counsel, respectively, to Credit Suisse International.

Investor Conference Call

Intertain will host a conference call with members of the investment community today, June 28, 2016, at 8:00 a.m. (Toronto time) to provide an update on the strategic review process and new management appointments. To participate, interested parties are asked to dial +1 (647) 427-7450 or +1 (888) 231-8191 10 minutes prior to the scheduled start of the call. A replay of the conference call will be available until July 7, 2016 by dialling +1 (855) 859-2056 or +1 (416) 849-0833 and using reference number 38940864. A transcript will also be made available on Intertain's website.

About The Intertain Group Limited

Intertain is an online gaming company that provides entertainment to a global consumer base. Intertain currently offers bingo and casino to its customers using the InterCasino

¹ See "Non-IFRS Measures".

www.intercasino.com, Costa www.costabingo.com, Vera&John www.verajohn.com, Jackpotjoy www.jackpotjoy.com, and Botemania www.botemania.es brands. For more information about Intertain, please visit www.intertain.com.

Investor and Media Contact:

General:

Amanda Brewer
Vice President, Corporate Communications
The Intertain Group Limited
Tel: +1 416 720-8150
abrewer@intertain.com

UK media:

Finsbury
James Leviton
Andy Parnis
Tel: +44 207 251 3801

THIS RELEASE AND ITS CONTENTS ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES OF AMERICA (OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT OF 1933, AS AMENDED), AUSTRALIA, JAPAN OR ANY JURISDICTION WHERE SUCH DISTRIBUTION WOULD BE UNLAWFUL OR WHICH WOULD REQUIRE ANY REGISTRATION OR LICENSING WITHIN SUCH JURISDICTION OR TO ANY OTHER PERSON.

Cautionary Note Regarding Forward-Looking Information

This release contains certain information and statements that may constitute “forward-looking information” within the meaning of Canadian securities laws. Often, but not always, forward-looking information can be identified by the use of words such as “expects”, “intends”, “anticipates”, “estimates”, “plans”, “continues”, “potential” and “believes” or the negative of such words or other variations or synonyms for such words, or state that certain actions, events or results “may”, “could”, “should”, “would”, or “will” be taken, occur or be achieved.

Forward looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance, achievements or developments to be materially different from those anticipated by Intertain and expressed or implied by the forward-looking information. Forward-looking information contained in this release includes, but is not limited to, statements with respect to: (i) the operations, business, financial condition, expected financial results, performance, valuation, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Intertain, including the potential impact of the UK referendum on EU membership; (ii) the Strategic Review, including its potential outcomes, the receipt of definitive third party offers, the receipt of approvals and the timing of future updates to shareholders; (iii) the nature and ability of Intertain to realize on the potential benefits of the London Listing if Intertain proceeds with the UK Strategic Initiatives, including the admission of the ordinary shares of ListCo to the Official List of the UKLA; (iv) the use of the Arrangement to facilitate the UK Strategic Initiatives if Intertain proceeds with the UK Strategic Initiatives; (v) the structure of the proposed Arrangement, including the use of exchangeable shares, if Intertain proceeds with the UK Strategic Initiatives; (vi) the timing of the Intertain

shareholders meeting; and (vii) the anticipated appointment of a new CFO, new independent non-executive directors and the expected composition of the Intertain and Listco boards of directors. These statements reflect Intertain's current expectations related to future events or its future results, performance, achievements, developments, actions and future trends affecting Intertain. All such statements, other than statements of historical fact, are forward-looking information.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, without limitation, that the Intertain Risk Factors will not cause actual results, performance, achievements or developments to differ materially from those described in the forward-looking information. Such forward looking information could also be materially affected by risks, including, but not limited to: (i) that Intertain is not able to complete a third party transaction or to implement the UK Strategic Initiatives on terms or on the timelines anticipated by Intertain or at all and that it is required to continue as a standalone business; (ii) that the outcome of the UK referendum on EU membership will result in the Strategic Review, including the receipt of third party offers and / or the benefits of pursuing the UK Strategic Initiatives, not being completed or realized on the timelines or in the manner anticipated by Intertain or at all; (iii) that, if Intertain determines to pursue the UK Strategic Initiatives, UKLA and other regulatory approvals may not be obtained on the terms anticipated by Intertain or at all and/or that Intertain may not obtain some or all of the benefits it expects to receive as a result of implementing the UK Strategic Initiatives (including the London Listing) in whole or in part; (iv) approvals, including shareholder approvals and the approval of the court, required to complete a third party sale or the UK Strategic Initiatives may not be obtained on terms favourable to Intertain or at all; (v) that suitable candidates for appointment as CFO or to the Intertain board of directors as independent non-executive directors are not identified or are not willing to be so appointed; (vi) that the costs of management time and money may adversely affect Intertain's business; and (vii) that market volatility or changes in the share price of Intertain do not adversely affect Intertain's ability to consummate a third party transaction or to implement the UK Strategic Initiatives. The foregoing risk factors are not intended to represent a complete list of factors that could affect Intertain. Additional risk factors are discussed in Intertain's annual information form dated March 30, 2016 under the heading "Risk Factors". All such risk factors are referred to collectively as the "**Intertain Risk Factors**".

Although Intertain has attempted to identify important factors that could cause actual results, performance, achievements or developments to differ materially from those described in the forward-looking information, there may be other factors that cause actual results, performance, achievements or developments not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results, performance, achievements or developments are likely to differ, and may differ materially, from those expressed in or implied by the forward-looking information contained in this release. Accordingly, readers should not place undue reliance on forward-looking information. While subsequent events and developments may cause Intertain's expectations, estimates and views to change, Intertain does not undertake or assume any obligation to update or revise any forward-looking information, except as required by applicable securities laws. The forward-looking information contained in this release should not be relied upon as presenting Intertain's expectations, estimates and views as of any date subsequent to the date of this release. All of the forward-looking information in this release are expressly qualified by this cautionary note.

Non-IFRS Measures

This press release makes reference to certain non-IFRS measures such as "Adjusted EBITDA". Intertain uses such non-IFRS measures because management believes that they provide additional useful information regarding ongoing operating and financial performance. Readers are cautioned that non-

IFRS financial measures are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be considered in isolation or construed to be alternatives to revenues and net income (loss) and comprehensive income (loss) for the period determined in accordance with IFRS or as indicators of liquidity, performance or cash flows. Intertain's method of calculating these measures may differ from the method used by other entities. Accordingly, Intertain's measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

"Adjusted EBITDA" as defined by Intertain is income before interest expense (net of interest income), income taxes, amortization, share-based compensation, independent committee related expenses, impairment charges, gain on cross currency swap, debt settlement expense, fair value adjustments on contingent consideration, transaction related costs and foreign exchange. Management of Intertain believes that Adjusted EBITDA is an important indicator of Intertain's ability to generate liquidity through operating cash flow to service outstanding debt and fund acquisition earn-out payments and uses this metric for such purpose. The exclusion of amortization, share-based compensation and impairment charges eliminates the non-cash impact and the exclusion of debt settlement expense, gain on cross currency swap, fair value adjustments on contingent consideration, transaction related costs, independent committee related expenses and foreign exchange eliminates items which management believes are non-operational.

These non-IFRS measures should be reviewed in conjunction with Intertain's condensed consolidated financial statements and the notes thereto, as well as its Management's Discussion and Analysis (which includes a reconciliation of "Adjusted EBITDA" to Intertain's reported results as of March 31, 2016 under the heading "Non-IFRS Financial Measures"), each of which is available under Intertain's profile on SEDAR at www.sedar.com.

This press release also makes reference to performance measures determined on a "constant currency" basis. In this press release, performance measures shown on a constant currency basis are calculated using reported results multiplied at a constant exchange rate set at the average exchange rate for the quarter ended March 31, 2016 (USD/CAD = 1.3732, GBP/CAD = 1.9648 and EUR/CAD = 1.5141).

Other Information

This release speaks as of the date hereof and has not been independently verified and no representation or warranty, express or implied, is given by or on behalf of Credit Suisse International ("CSI") or any of its respective directors, officers, employees, agents, affiliates or advisers as to, and no reliance should be placed on the fairness, accuracy, reliability, completeness, appropriateness, validity, quality, reasonableness, truth or correctness of the information or opinions including any statements, estimates and financial outlooks contained and/or referred to in this release or in any other written or oral communication made available in connection with this release; and no responsibility or liability is assumed by any such persons for such information or opinions or for any errors, omissions or misstatements contained herein.

CSI, which is authorized by the Prudential Regulation Authority (the "PRA") and regulated by the Financial Conduct Authority and the PRA in the United Kingdom, is acting exclusively as sole financial adviser to Intertain and no one else in connection with the UK Strategic Initiatives, and will not be responsible to anyone other than Intertain for providing the protections afforded to clients of CSI nor for providing advice in relation to the UK Strategic Initiatives, the content of this announcement or the matters referred to herein. Neither CSI nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort,

under statute or otherwise) to any person who is not a client of CSI in connection with this announcement, any statement contained herein or otherwise.

This release contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation.