

The Intertain Group Limited to Acquire Leading Online Bingo Provider Mandalay Media

The transaction is expected to be materially accretive to earnings per share, provide revenue diversification and growing, stable cash flows

TORONTO, ONTARIO--(Marketwired - June 4, 2014) - **The Intertain Group Limited** ("**Intertain**" or the "Company") (TSX:IT) is pleased to announce that it has entered into a share purchase agreement to acquire the entire issued share capital of Mandalay Media Limited ("Mandalay") for an initial payment of £45.0 million in cash, subject to working capital adjustments, with up to a further £15.0 million in cash contingent on future profit performance (the "Acquisition"). Mandalay is being acquired on a debt-free basis. The Acquisition is subject to financing and the Company is in discussions with various capital providers.

Mandalay owns some of the United Kingdom's leading online bingo websites, including Costa Bingo, Sing Bingo, City Bingo, Fancy Bingo and Rio Bingo as well as leading affiliate sites Casino Choice and Ignite (together the "Bingo Business"). The Bingo Business was founded in 2009, offers online bingo 24 hours a day with cash prizes and experiences over 9,000 daily unique players. Since Mandalay launched its first bingo offering, Mandalay has had 1.1 million users register to its bingo sites and has collected approximately £120.0 million in deposits. For the fiscal year ending August 31, 2013, the Bingo Business generated approximately £16.1 million in revenue and approximately £7.9 million in net income. Management expects further growth in revenue and income as a result of a £3.0 million marketing campaign that Mandalay undertook in the last six months ending February 28, 2014 versus approximately £1.1 million spent for the entire fiscal year ending August 31, 2013. The Bingo Business, other than Casino Choice and Ignite, operates off of the Dragonfish platform, a leading bingo software service provided by The 888 Group. Pursuant to the terms of the share purchase agreement and subject to financing, the acquisition must close within 90 days of execution. Canaccord Genuity Corp. is acting as exclusive financial advisor for Intertain with respect to the Acquisition.

"We are excited about the acquisition of Mandalay Media, which will add substantial free cash flow to our existing business. As we have previously stated, bingo and sports betting are a key verticals missing from our current gaming platform supplied by Amaya Gaming Group Inc. (AYA:TSX). This bingo acquisition will add a missing gaming vertical, a bingo-focused marketing team, diversify our current casino offering and is expected to be materially accretive to earnings per share and free cash flow. In addition to these important milestones, our existing brand, InterBingo™ will now have a leading bingo platform to reside. The timing of this acquisition is also advantageous as we are acquiring the business at the end of Mandalay's robust marketing campaign undertaken and paid for by the vendors, the benefits from which we believe have yet to be reflected in revenue and earnings. Over 98% of the Bingo Business' revenue is generated from the UK, which is consistent with our strategy of growing our customer base in regulated markets" said John Kennedy FitzGerald, CEO of Intertain.

"The acquisition of Mandalay in the Board's view meets the acquisition criteria that management has defined. Mandalay's bingo product and team are important additions to enhance our business. We are looking forward to leveraging the addition of bingo to our current offerings in order to enhance our customers' experience while increasing shareholder value." said Stan Dunford, Chairman of Intertain.

Additional Information on the Bingo Business

- The Bingo Business offers some of United Kingdom's leading online bingo sites, including Costa Bingo, which is promoted by Mel B. (Scary Spice). Bingo is offered 24 hours a day with cash prizes. The business experiences over 9,000 daily unique players across the Bingo Business' five skins.
- Since its founding, the Bingo Business has had 1.1 million players register on its sites and has collected approximately £120.0 million in deposits.
- Over 98% of the Bingo Business' revenues are generated from UK players, consistent with the Company's goal of growing its customer base in regulated markets.
- The online bingo market is estimated to be approximately \$2.1 billion in 2013 and is expected to grow at a compounded annual growth rate of 8.1% from 2012 through to 2018 (H2 Gambling Capital).
- The Bingo Business generated total revenues of approximately £16.0 million and net earnings of £7.9 million for the fiscal year ending August 2013.
- During the last six months ending February 2014, Mandalay undertook a large marketing spend which has resulted in record key performance indicators, including first-time depositors, average funded players, average players who deposited, average deposits and average net cash for the first four months of 2014.

About The Intertain Group Limited

Intertain, through its subsidiary, CryptoLogic Operations Limited, is an online gaming company, which provides entertainment to a global consumer base. Intertain currently offers casino and poker games to its customers using the InterCasino and InterPoker brands. Licensed in Malta, InterCasino is one of the longest running online casino in the world and was launched in 1996. The site provides a large variety of the most popular and well-known online casino games, video games and slot machines titles.

Forward-Looking Statements

There can be no assurance that the Acquisition will close or that a financing will be completed in whole or in part or the timing of any such transaction. Information in this press release that is not current or historical factual information may constitute forward-looking information,

including future-oriented financial information and financial outlooks, within the meaning of securities laws, related to the timing and completion of the Acquisition (including the financing thereof) and the anticipated benefits of such acquisition, including the timing and value of revenue and earnings growth potential. This information is based on certain assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Forward-looking information is subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Company currently expects. These risks, uncertainties and other factors include, but are not limited to: credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates, limited operating history, the heavily regulated industry, competition issues, the possibility that the Company be unable to complete the Acquisition and integrate Mandalay's business successfully, the impact of change in regulations or industry standards, international operations and risks of foreign operations, the Company's capital structure, funding strategy, share price and the Company's ability to protect its intellectual property. Except as required by law, the Company does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events.

Rob Chalmers
1.647.402.7552
rchalmers@intertain.com