



**MECN**  
Media & Entertainment Consulting Network

## Investing in the Gambling/Gaming Industry – Hidden Treasure or Risky Business?

Detailed industry report including results of a survey conducted among financial investors, investor relations departments, and state operators.

Click [here](#) to obtain full report

London/Munich, November 2004

# Introduction

More and more investors are beginning to realize that the gambling industry is a promising global growth industry and offers a wealth of opportunities. But gambling, in many respects, remains one of the financial community's best-kept secrets. Due to various reasons, gambling companies often do not make it into the portfolios of financial investors.

The new report of MECN is bringing some light into one of the fastest growing and promising industries. The report will provide detailed information regarding many relevant topics, among others:

- Comprehensive analysis of the industry's sectors
- Key growth drivers of the industry
- Investment opportunities and current status
- Industry benchmarks and company comparisons
- Financial figures, ratios, and metrics
- Investment volumes and return multiples
- Stock market analysis (e.g., Gambling Industry Index, ...)
- Privatization of state lotteries
- Investment opportunities for state gambling operators
- ...

The results are based on a unique survey MECN conducted in association with one of the most renowned industry magazines, IGWB. Over 100 investors and gambling companies provided insights into the current status of gambling investments, opportunities and challenges, and future investments.

The report is mainly targeted at financial investors as well as at gambling companies that want to unlock the industry's financial potential. This report will allow for a better understanding of the industry and its investment attractiveness and also help to identify ways in which the industry can improve its investor relations.

## Sample pages of report

**MECN Investing in the Gambling/Gaming Industry**

**Table 3: Average turnover on betting per inhabitant**

Country	Turnover (USD)
Hong Kong	~100
UK	~50
Australia	~30
France	~20
Austria	~10

**Table 17: Growth rates of volume indicators - international markets in 2002**

Region	Growth Rate (%)
Western Europe	~10%
Eastern Europe	~10%
Latin America	~10%
Asia	~10%
Africa	~10%
Oceania	~10%

**7.2 Example of private equity investments**

Editing private equity investment range from need funds examples can be found in all industry sectors. Private equity companies, such as Benchmark or Chartwell, the potential of the industry and have been engaged several deals. Benchmark's acquisition of the Irish betting firm...

**Table 18: Overview of private equity deals in the gambling industry**

Company	Investment Amount	Investor
Adrian Biddle (Biddle Group)	~100M USD	Warburg Pincus, Lazard Frères, etc.
Chartwell	~100M USD	Chartwell
... (other companies)	...	...

**Table 19: Average price of the Gambling Industry Index**

Line chart showing the index value from 2000 to 2002. The index starts at approximately 100 in 2000, rises to about 150 by early 2001, and then fluctuates between 120 and 140 through 2002.

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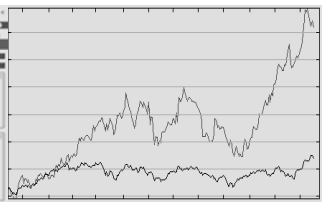
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## Companies mentioned in this report

Aberdeen Murray Johnstone	GTech	SportingBet
Access	Harrah's	Stanley Leisure
Amministrazione Autonoma Dei Monopoli Di Stato	Henderson	Station Casinos
Admiral Sportwetten	Holtzbrinck networkx	STDM
Alliance Gaming Corp	Hong Kong Jockey Club	Tab Limited
American Gaming Association	IL&FS Investment	TabCorp Holdings
Arena Leisure	Integral Capital Partners	TDA Capital Partners
Atronic	Intermediate Capital Group	Technology Partners
Bain Capital	International Federation of Horseracing Authorities	Texas Lottery
Bally	International Game Technology	Thales Electronics
Banque De Vizille	Interpublic Benefit Protection	Tipp24
Beisheim Holding	Interwetten	TotalBet
Benchmark	Intralot	Toto-Lotto Niedersachsen
Berjaya Group	ISIS Equity Partners PLC	TPS
Bet Internet	J.P. Morgan	UBS Capital
BetandWin	Jaxx	UKbetting
Betbull	Kleiner Perkins Caufield & Byers	UK National Lottery/Camelot
Betdaq	Koc	UK Tote
Betfair	Ladbrokes	UNIRE
BetonSports	Las Vegas Sands	UniTab
Boss Media	Lasseters	Vending Data Corporation
Boyd Gaming	Legal & General Ventures	VirtGame
BSkyB	Loto-Québec	WestLotto
Cadbury Schweppes	Lottomatica	William Hill
Caesars Entertainment	Macau Jockey Club	WMS Industries
California Lottery	Maltco Lotterie	World Lottery Association
Camelot	Mandalay Resort Group	Wynn Resorts
Canalsatellite	Massachusetts Lottery	Youbet
Canbet	MGM Mirage	
Candover	Microgaming	
Cashpoint	Mikohn Gaming	
Casino Austria	Milli Piyango	
Cazenove	Moliflor Loisirs	
CES Software	Morgan Grenfell	
Chariotlottery	Multimedia Games	
Charterhouse Development Capital	MyBet.com	
Chartwell Technology	NASPL	
Cherryforetagen	New York Lottery	
Churchill Downs	NIB	
Civen	Norsk Tipping	
CONI	OPAP	
Coral	Oyak	
Cryptologic	Paddy Power	
CSFP	Paradise Poker	
De La Rue Holdings	Party Poker	
De Lotto	PCA Retirement & Benefits	
DeAgostini	Philippine Amusement and Gaming Corp	
Domini Social Investments.	Philippine Charity Sweepstakes Office	
Dutch Rabobank	PMU	
Earlybird	PPM Ventures	
Ebet	Rank Group	
eQuality Ventures	Regency Casino Thessaloniki.	
Essnet	Robeco Sustainable Equity Fund	
FirstBingo.com	Royal Bank Private Equity	
Fluxx	Royal Mail Enterprises	
Fujitsu Services	Sammy	
G.A.T. Film-und Fernsehproduktion	Schroder	
Galaxy Casino Company	Scientific Games	
Gaming & Entertainment Group	Shuffle Master	
Gaming Corp	Siemens Wincor	
Gatcombe Park Ventures	Sisal	
Gauselmann	Snai	
Giza Venture Capital	Société Générale	
Global Equity Partners	Sportech	
Group Genting		
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**For questions, please contact [reports@mecn.net](mailto:reports@mecn.net)**

London / UK  
MECN GmbH  
155 Regents Park Road  
London NW1 8BB  
United Kingdom

Munich / Germany  
MECN GmbH  
Isabellastrasse 19  
80798 Munich  
Germany

Tel.: +44 (0) 870 432 5490  
Fax.: +44 (0) 870 432 5491  
[info-uk@mecn.net](mailto:info-uk@mecn.net)

Tel.: +49 (0) 89 7412 0235  
Fax.: +49 (0) 89 7412 0102  
[info-germany@mecn.net](mailto:info-germany@mecn.net)