



**MECN**  
Media & Entertainment Consulting Network

## Potential investors and investment targets in the gambling/gaming industry – 2<sup>nd</sup> edition

Including more than 75 entries from the MECN investment database

Click [here](#) to obtain full report

London/Munich, May 2006

## Summary

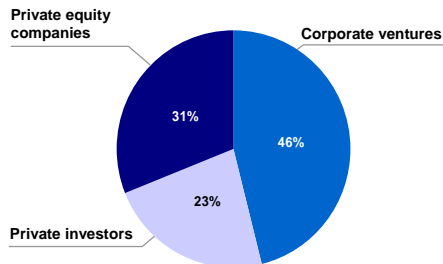
The gambling and gaming industry offers a wealth of investment opportunities, and more and more financial investors are increasingly eager to find attractive investment targets. But there is not much information available about investment opportunities in the gambling industry; therefore, this report is intended as intermediary between investors and the gambling industry.

The report mainly features investors and investment targets that are currently registered in the MECN investment database. All companies presented are either financial investors looking for attractive investment targets in the gambling industry or gambling companies seeking funding.

Summary of information provided about the **investors** featured:

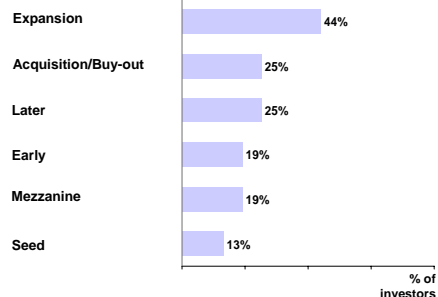
- In total 16 potential investors registered in the MECN investment database by the publishing date of this report.
- Of the investors registered, 46% are corporate ventures; private equity companies are the second largest group (see exhibit 1).
- Top investment preferences among the registered investors are companies in the online gambling and in the land-based casino sector (see exhibit 2).
- Most investors would prefer investments in the expansion stage or would participate in an acquisition/buy-out (see exhibit 3). The investors represented in this report offer a wide variety of potential investment volumes. Investments start from below USD 2 million (ca. 38% of investors) and can range up to a maximum investment of over USD 100 million (ca. 13% of investors).
- Most of the investors (50%) are headquartered in Europe whereas 36% are coming from North America – see exhibit 4.

Exhibit 1: Industry of registered investors



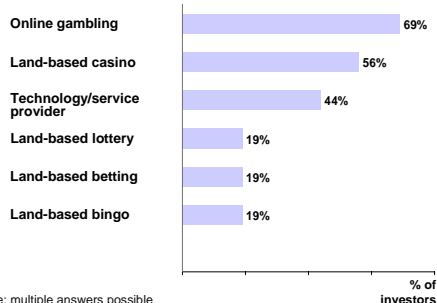
Source: 2<sup>nd</sup> edition MECN investment database – 2005/2006

Exhibit 3: Stages/types of investment preferred by investors registered



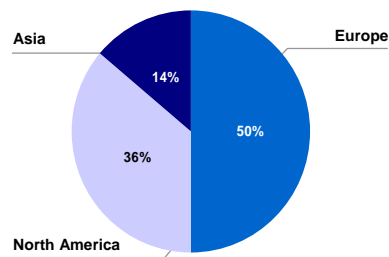
Note: multiple answers possible  
Source: 2<sup>nd</sup> edition MECN investment database – 2005/2006

Exhibit 2: Investment preferences of registered investors regarding industry sectors



Note: multiple answers possible  
Source: 2<sup>nd</sup> edition MECN investment database – 2005/2006

Exhibit 4: Location of headquarters of registered investors



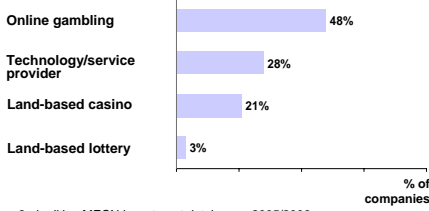
Source: 2<sup>nd</sup> edition MECN investment database – 2005/2006

Summary of information about the **investment targets** featured:

- In total 60 potential investment targets registered in the MECN investment database by the publishing date of this report.
- Of the companies registered, about 48% are in the online gambling business; the second largest group are technology/service providers, and land-based casinos are the third largest group (see exhibit 5).
- Most companies are looking for funding for the early and the expansion phases and ask for a funding volume of USD 1 to 10 million (see exhibits 6 and 7).
- Most registered companies (40%) are located in Europe, followed by North America (23%) and Asia (15%) - see exhibit 8.

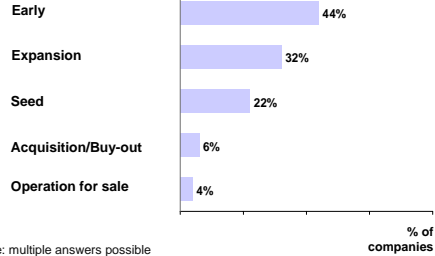
# Summary (cont.)

Exhibit 5: Type of business of companies registered



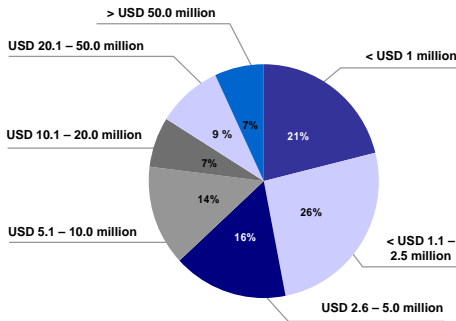
Source: 2nd edition MECN investment database – 2005/2006

Exhibit 7: Stages/types of investment sought by companies registered



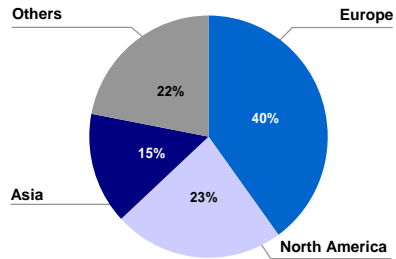
Note: multiple answers possible  
Source: 2nd edition MECN investment database – 2005/2006

Exhibit 6: Investment volume looked for by companies registered



Source: 2nd edition MECN investment database – 2005/2006

Exhibit 8: Location of headquarters of registered investors



Source: 2nd edition MECN investment database – 2005/2006

## Sample pages of report

**MECN Investors and investment targets in the gambling/gaming industry – 2nd edition**

### 4 Private equity companies that invest in the gambling/gaming industry

**4.1 Overview of relevant private equity investment**

Exiting private equity investment range from seed funding to MBO, and examples can be found in all industry sectors. Renewed international private equity companies, such as Cantor, Benchmark, and Carthage, have discovered the potential of the industry and have recently been engaged in various deals. Exhibit 5 gives an overview of the investment preferences.

Average volume currently looked for in the gambling industry is about 9.040 million

**Exhibit 5: Overview of private equity deals in the gambling industry**

According to a MECN survey, private investors have invested about USD 100,000 b USD 200 million in the gambling industry. The average investment looked about USD 40 million. Most of the investors have more than one investment in the industry up to the five-figure, and the average is at around three-figure level. With these investments the average return multiple remains very healthy, according to our 3.2.

**4.2 Profile of private equity companies with a history of investing in the gambling/gaming industry**

**Aberdeen Asset Management plc (AAM)**

Investment deal credited to gambling/gaming

In December 1998 the Aberdeen Asset Management Private Equity (AMPE), the private equity division of Aberdeen Asset Management Limited, spent GBP 124 million to acquire a management buy-out of RAL Holdings, a leading multi-tenor.

In 2001 their listing was provided by AMPE, and the company was able to expand its investment across from 10 to 100 operating units. During a secondary buy-out in August 2002 AMPE sold RAL for a volume of GBP 31.4 million resulting in a return of 1.5x on its investment of GBP 18.5 million (IRR of 18.1%) of about 3.3x.

**Company profile**

AAM is an international oriented management group which manages assets for its limited clients, either institutional or retail. Total assets

**MECN Investors and investment targets in the gambling/gaming industry – 2nd edition**

**Exhibit 1: Nature of venture business...**

Nature of venture business: For which investors are wanted: New and unique software for on-line betting, investment volume looked for: Seed

**Exhibit 2: Name of contact person: Eyal Dinal**

Email of contact person: eyal@gaconline.com  
Location of the headquarters: London, UK

**Exhibit 3: Nature of venture business...**

Nature of venture business: For which investors are wanted: Be the sport and poker gambling affiliate company. The company is interested in partnership, and ideas for international expansion, particularly within certain markets that show great potential for an online gambling business to be one in the UK.

Investment volume looked for: < USD 1 million

Stage / type of financing looked for: Early, expansion

Location of the headquarters: London, UK

**Exhibit 4: Name of contact person: Peter Lee**

Email of contact person: peter@thehawk.com  
Web site: www.thehawk.com

**Call the Play**

Nature of venture business: For which investors are wanted: The call play is a mobile application for use on each play during sporting events. The call play utilizes mobile phone technology. This software allows it wagers per play in a matter of seconds. Users access the system from their mobile phone via a PC, laptop, wireless handheld device, and/or cell phone. Downloads are required to place wagers. The software utilizes an algorithm to automatically calculate odds for each play within seconds prior to play to complete. The system is fast, accurate, simple, and easy to use. Other features are as follows: 1. Optimization software to reduce it increase profit. 2. Support most popular soccer, baseball, basketball, golf, and other sports. 3. Weather forecasts every 15 minutes. 4. Point or wagering. 5. All wagers need to be confirmed for a payout. 6. Daily responsible for independent such as the Super Bowl.

Investment volume looked for: USD 2.6 – 5.0 million

Stage / type of financing looked for: Early

**Exhibit 5: Name of contact person: Eric Onda**

Email of contact person: eric@gaconline.com  
Location of the headquarters: London, UK

**Exhibit 6: Nature of venture business...**

Nature of venture business: For which investors are wanted: The call play is an Italian company running three land based casinos in Turin and is for a brand partner for expanding its activity in two other licence country.

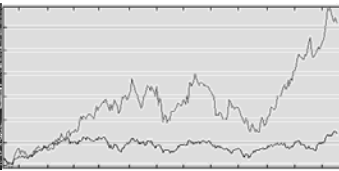
Investment volume looked for: USD 2.5 – 10 million

## Table of Contents

<b>1</b>	<b>Gambling – An industry with a wealth of investment opportunities</b>	<b>3</b>
<b>2</b>	<b>Potential investors with explicit interest in the gambling/gaming industry – 16 entries from the MECN database</b>	<b>5</b>
	• Contact details, investment preferences, minimum and maximum amount willing to invest, ...	
<b>3</b>	<b>Potential investment targets in the gambling/gaming industry – 60 entries from the MECN database</b>	<b>12</b>
	• Contact details, brief description of business, funding asked for, ....	
<b>4</b>	<b>Private equity companies that invest in the gambling/gaming industry</b>	<b>30</b>
	4.1 Overview of relevant private equity investments	30
	4.2 Profiles of private equity companies with a history of investing in the gambling/gaming industry	30
<b>5</b>	<b>About MECN and contact information</b>	<b>49</b>

## Exhibits

Exhibit 1:	Performance of investments in the gambling industry so far - Results of MECN survey
Exhibit 2:	Growth drivers for the gambling industry - Results of MECN survey
Exhibit 3:	Industry of registered investors
Exhibit 4:	Investment preferences of registered investors regarding industry sectors
Exhibit 5:	Stages/types of investment preferred by investors registered
Exhibit 6:	Type of business of companies registered
Exhibit 7:	Investment volume looked for by companies registered
Exhibit 8:	Stages/types of investment sought by companies registered
Exhibit 9:	Overview of private equity deals in the gambling industry



**Fax order form for the report:**  
***Potential investors and investment targets in the gambling/gaming industry – 2<sup>nd</sup> edition***

**Fax to +49 (0) 721 151 298 880 or +44 (0) 870 432 5491**



Please send me an electronic version (pdf) of the report:  
***Potential investors and investment targets in the gambling/gaming industry – 2<sup>nd</sup> edition***      **USD 865.00 (exc. VAT/MwSt)**

**Personal Information**

Mr/Mrs/Dr: \_\_\_\_\_ First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

Post Code: \_\_\_\_\_ Country: \_\_\_\_\_

Email: \_\_\_\_\_ Telephone: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Payment details**

Please invoice my company

or

Please debit my  Visa  Mastercard  Amex

Card No.:

Expiration Date:   /

Card Holder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Contact us:**

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)