



GAMBLING CAPITAL

DATA - DUE DILIGENCE - CONSULTING

March 2009 Newsletter

H2's Advisory Board Takes Shape

H2 prides itself on its relationship with and understanding of the gambling industry. In order to enhance this and so as to ensure that all of our products and services draw upon the knowledge and opinion of a broad range of leading organisations and experts in the gambling industry we have appointed an Advisory Board which will meet three times a year in London.

Today H2 can announce the first eleven members of this advisory board. It is hoped that a representative of another publicly listed operator will be confirmed as the final advisory board member in the near future. In the meantime the biographies of the current members will be posted at www.h2gamblingcapital.com

- **Richard Carter** - Equity Analyst, Numis Securities (Chair)
- **Simon Gregory** - Business Development Director, Sportingbet plc (Deputy-Chair)
- **Noel Haydon** - Managing Director, Gamesys Ltd
- **Ivor Jones** - Equity Analyst, Evolution Securities
- **Ewout Keeulers** - Attorney, Law Society of Brussels
- **Tom Kenny** - VP Sales and Commercial Director, Wagerworks (A Subsidiary of IGT)
- **Phil Martin** - Editor, International Casino Review (Clarion Gaming)
- **Jake Pollard** - Editor, eGaming Review (Pageant Media)
- **Peter Reynolds** - Director of Corporate Affairs, PartyGaming plc
- **Dan Waugh** - Director of Investor Relations, Rank plc
- **Yariv Ben-Zichri** - Director of Market Research, 888Holdings plc

Of the H2 executive team Simon Holliday, David Henwood and Gavin Kelleher will attend the Advisory Board Meetings.

Simon Holliday, H2's co-founder and Director of H2 Gambling Capital commented, "We are really flattered that such a talented group of individuals have agreed to be involved in advising H2 on the development of its products and services. These are truly exciting times for H2 with a number of new products and services in the pipeline which will cement our position as the leading source of information regarding the global gambling industry."



H2 Signs Exclusive Online Data Media Deal with eGaming Review

H2 Gambling Capital has signed an exclusive media deal with [eGaming Review](#) (eGR) to supply monthly industry snapshots from its current online gambling database. The summary information will be expanded as H2 develops its data services; new products and features will also be published on both organisations' websites to provide regular data on the overall volume and value of the online gaming industry.

Simon Holliday, director of H2 Gambling Capital, said: *"We are very excited at the prospect of working with such a highly regarded and well-circulated magazine. We expect the deal to further prove H2 to be the best valuation of the online gambling industry and to broaden the customer base as we develop our data products."*



Sebastian Timpson, publisher of eGaming Review; commented: *"Teaming up with H2 provides the perfect opportunity for us to deliver the regularly updated data and consistent key information the online gambling industry needs. We look forward to working with Simon and his team and to developing the partnership further in the months ahead."*

In a short period of time, H2 Gambling Capital has become the most widely used and quoted source regarding the value of the global gambling industry. Numerous analysts' notes, media reports and industry assessments have made reference to H2 over the past five months.

H2's success is a reflection of the strength of our team. No other industry consultancy has a decade's data collection to call on, as deeper an understanding of the industry, as much consulting experience or the resources deployed in other areas of the leisure sector that ensure we spot trends first and see the gambling industry in the round rather than in isolation.

Furthermore as we move to a more comprehensive automated collection system our services will once more step up a gear. Don't accept imitations use H2's industry information to defend your plans and raise capital. For further details regarding H2 Gambling Capital's data products please email data@h2gc.com

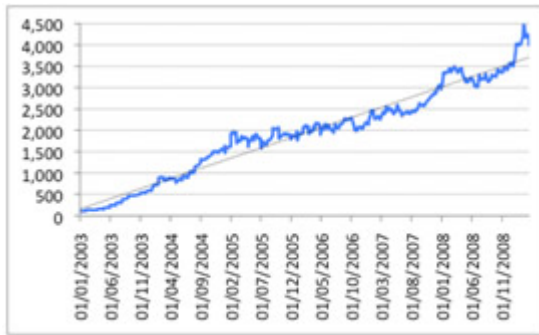
H2 Gambling Capital - The Leading Measure for the eGaming Industry

H2 Gambling Capital is the industry standard regarding the value and volume of the eGaming sector. No other value of the industry is generated by as much data and analysis, is updated as regularly, includes as many data points or is based on as sophisticated methods of data collection.

With the possibility that Barney Frank's legislation may be re-introduced in the not too distant future, H2's detailed eGaming industry forecasts have been utilised by PricewaterhouseCoopers in a previous study that concluded that up to US\$51.9bn could be generated in taxation over a ten-year period should Internet gaming be legalised. Here is a [summary of the PwC report](#).

H2 have completed our analysis of the value of the eGaming industry in 2008. Having announced our provisional numbers on 5 January at over US\$20bn the subsequent

confirmation of the extent of interactive activity at the Japan Racing Association has taken the final gross win number to just over US\$22.5bn, an increase of 24% on the prior year. This means that eGaming represented 7% of total global gambling gross win in 2008.



H2's Online Poker Volume Index Commenced at 100 on 1 January 2003

February 2009 turned out to be the busiest month on record with average real money players increasing just over 6% on January to reach 109,200. Numbers were boosted significantly by PokerStars' 25th Billionth Hand Promo, which saw average real money players break the 115,000 mark over the weekend of 14/15 February.

By 15 March 2009, the H2 Online Poker Player Volume Index had reached 4,010, fractionally behind the 4,018 we reported for 11 February, having peaked at 4,550 during the PokerStars

promotion.

H2's 10th eGaming Data Bulletin will be out in early April, clients signing up now will also receive a copy of the 9th edition published in January. For further details email: data@h2gc.com

H2 Sport is Go!

From 1 February 2009, its full speed ahead for the development of H2 Sport's services and products. The intention is to develop an industry data and market intelligence offer based on the same model as sister company H2 Gambling Capital that will complement consultancy services to be offered to commercial sports, governing bodies of sport, governments and those interested in investing in the sports space.

H2 Sport will also occupy the niche space between the gambling and sports industries. As sportsbetting markets open up across an increasing number of EU Member States, H2 recognises that both industries will become ever more important partners.



H2 Sport Director, David Henwood, is looking forward to providing both the sports and gambling sectors with market intelligence and data.

H2 Sport Director, David Henwood, is looking forward to providing both the sports and gambling sectors with market intelligence and data.

We believe that our understanding and track record in both areas places us in a unique position to contribute to the brokerage of deals and to increase the gambling industry's understanding of sport's needs/operational models, and vice versa.

Three product offerings are under development initially:

- Market Data
- Bespoke Consultancy

- Sponsorship Brokerage

H2 Sport is to be led by David Henwood who has one of the leading track records in UK sports consulting. Having worked in both the government and commercial sectors and with over a decade's experience in consultancy we believe that no other consultancy will be better placed to work with clients to address the key issues of the day and take advantages of the potential synergies between the various sectors covered by the H2 Leisure group.

H2 Sport's products and services will be focused on commercial sport, tracking the financing, economics, and key sponsorship deals - initially of football, formula 1, cricket and golf. We also expect to work with ambitious Olympic sports across Europe who wish to increase their profile/revenue base, are keen to embrace the private sector, and want to maximise their performance at London 2012.

For further details regarding H2 Sport's services and products in development contact: david.henwood@h2leisure.com

New Analyst Strengthens H2's Hand

H2 has appointed Gavin Kelleher as head analyst at H2 Gambling Capital. Gavin will also head up the development of H2's operations in Ireland and be instrumental in maintaining and developing the company's relationship with both the buy and sell-sides of the financial community.



Gavin comes to H2 with over five years experience as an equity analyst. Most recently Gavin worked as a senior equity analyst covering gaming and consumer stocks at Merrion Capital, having joined from Goodbody Stockbrokers in early 2007. During 2006 and 2007, Gavin was ranked the number one equity analyst in Ireland in both the gaming and media categories.

Simon Holliday, co-Founder of H2 Leisure and Director of H2 Gambling Capital commented, *"We are really excited to welcome such an experienced and talented analyst to H2. Gavin will strengthen our team significantly and broaden our relationships with both the industry and the financial sector. Gavin comes to us full of ideas and his innovation will be central to the development of a number of new product initiatives."*

Gavin Kelleher, said *"I am excited to have the opportunity to work with such an experienced team at H2, which given its extensive knowledge and industry expertise, is best placed to provide data, information and consultancy within a sector where growth is still achievable."*

Gavin Kelleher can be contacted at gavin.kelleher@h2gc.com

The H2 Executive Team:

- **Simon Holliday** - Co-Founder H2 Leisure/Director H2 Gambling Capital and Analysis

- **David Henwood** - Co-Founder H2 Leisure/Director H2 Sport and Consulting
- **Gavin Kelleher** - Head Analyst H2 Gambling Capital/Head H2 Ireland
- **Michael Bradbury** - Head of Data Management/H2 Games
- **Joel Crompton** - Head of IT/Data Capture
- **TBC** - Analyst H2 Sport
- **Simon Fennell** - Head of Finance
- **Steph Culham** - Admin Support

In addition H2 have specialist design, editorial, marketing and web support.

H2 Moderates at the European Parliament

Both H2 co-founders moderated panels at the European Gaming and Betting Association's (EGBA) second Responsible Gaming Day in the European Parliament on 17 February 2009.



H2 Co-Founder and H2 Gambling Capital Director, Simon Holliday (third from left), moderates the final panel of the day at the EU Parliament

The event, which focused on Integrity and Sports, brought together various high-level stakeholders and launched a constructive dialogue on the topic of responsible online gaming in Europe.

The day provided an opportunity for leading experts, European Union and national policy makers, academics, senior representatives from the private and state owned gaming industry, as well as sport representatives to participate in a fact based discussion on existing practices and remaining challenges in the sector.

The one-day event featured a number of keynote speakers as well as three panels, which focused on ethics and sports integrity.

David Henwood, the Director of H2 Sport, moderated the panel entitled; Sport and Bookmaking: A Question of Ethics? and Simon Holliday, the Director of H2 Gambling Capital, moderated a panel on Sports Betting: How to Tackle the Risks?

Members of the panels included: Michal Krejza, head of Unit, Sport, European Commission; MEP Heaton-Harris, Chairman Sports Intergroup, European Parliament; Mr Nicolas Béraud, Chief Executive Officer, Betclick; Paul Scotney, Director Integrity Services and Licensing, British Horseracing Authority, David Forrest, Professor of Economics, Centre for the Study of Gambling, Salford University; Lennart Ethlinger, Group Compliance and Security Officer, Unibet; Veron Mosengo-Omba, Legal Counsel, Disciplinary Unit, UEFA; Carsten Koerl, CEO, Sportradar AG; Wolfgang Feldner, Head of Strategy, Early Warning System, FIFA and Khalid Ali, Secretary General, European Sports Security Association.

During the past six weeks H2 have also spoken at a seminar on illegal gambling in Ankara organised by the Turkish Jockey Club and have also accepted an invitation to speak at an investment bank conference in Stockholm alongside companies such as PartyGaming, Betsson, Unibet, Net Entertainment, Bwin, Playtech and PaddyPower.

If you would like H2 to either moderate or speak at one of your events please contact us at: group@h2leisure.com

Visit our web site: www.h2gc.com



H2 – The Only Value for the Global Gambling Industry