

HgCapital makes safe bet

HgCapital, the European sector-focused private equity investor, has agreed to acquire Sporting Index Group Limited from Duke Street Capital for a total cash consideration of £75.8 million.

Founded in 1992, Sporting Index is the recognised leader in sports spread betting, with a market share of approximately 70% in the UK. It offers more markets (approximately 23,000), more fun bets and more choice than any other sports spread betting company.

This acquisition underlines HgCapital's commitment to, and expertise in, the gaming and broader leisure sector. HgCapital, until recently an investor in Irish bookmaker Paddy Power, has developed strong relationships in the gaming and gambling sector and is ideally placed to support Sporting Index's growth in this exciting market.

Ben Hewetson, Director and Head of Leisure Investments at HgCapital said: "We believe that Sporting Index represents a robust base from which to build, both organically and by acquisition, a larger betting and gaming group, taking advantage of the exciting growth opportunities in its target markets. We look forward to working with management through the next phase of the company's development."

The Royal Bank of Scotland plc, Corporate & Structured Finance,

London acted as sole mandated lead arranger and underwriter of a package of debt facilities incorporating senior, mezzanine and working capital loans.

Global Leisure Partners LLP acted as corporate finance advisor to HgCapital. The GLP team comprised Mark Harms (CEO); Paul Richardson (Executive Director), Tina Palastanga (Vice President) and Paul Goodwin (Analyst)

Mr Richardson said: "Sporting Index has a strong management team that has transformed the business under Duke Street's ownership; the opportunity to roll the business model out internationally is a key attraction to the transaction. We look forward to working alongside Hg and Sporting Index management to assist in the next stage of the development of the company."

"GLP is pleased to have acted as exclusive financial advisor to HgCapital in this transaction. We enjoyed working with the Leisure team at Hg and look forward to working with them in creating value for Sporting Index."

Concise Consultants was part of the due diligence team as strategic advisors. Josh Thompson, who led the Concise team, said: "SI's unique business and loyal customer portfolio, coupled with their well prepared infrastructure, meant there was obvious potential for the business in a number of key areas."

Genesis joins AIM

Genesis Petroleum Corporation Limited, an oil and gas exploration company with interests in the North Sea, has joined AIM in a reverse takeover of Zari Resources plc, an AIM quoted company with cash of approximately £2.9 million. Zari acquired Genesis in consideration of an issue of new shares in the capital of Zari, valuing Genesis at approximately £15.6 million.

Zari changed its name to Genesis Petroleum Corporation plc on completion of the transaction and trading in the new shares commenced on AIM on 14 November. Chairman of Zari Brian Moritz said: "We have been seeking opportunities in the oil sector and believe that the current transaction represents a tremendous opportunity for the shareholders of both companies."

Smith & Williamson provided financial advice to Genesis during the reverse takeover.

Watson Farley Williams LLP provided legal advice to Genesis. Commenting on his firm's activity in general, Gareth Burge, who led the team from Watson Farley Williams, said: "AIM transactions are an important area of focus for Watson Farley Williams, and continue to be an

area in which Watson Farley Williams has been very active. The number of AIM admissions that Watson Farley Williams has advised on this year alone is well into double figures and the firm is currently advising on a number of new AIM IPOs and reverse takeovers."

Jan Mellmann, head of the International Corporate Group at Watson Farley Williams, also commented: "This reverse takeover represents a significant milestone for Genesis and its management team. We have enjoyed a very good relationship with the Genesis team throughout the transaction and, with our experience in AIM work and in the natural resources sector generally, we look forward to the opportunity of advising the company on the next steps in its development."

Legal advice to Zari Resources was provided by Bircham Dyson Bell. John Turnbull, who led the team from Bircham Dyson Bell, said: "We were delighted to be selected to act for Zari in what looks set to be a record year for us on AIM transactions. We wish Gerry Harrison every success in taking the business of Genesis forward and hope that it will produce good returns for both sets of shareholders."

Hg Capital Acquisition of Sporting Index Group Limited

HgCapital

Debt Provided by:



Corporate Finance Advisor to Hg Capital:



Legal Adviser to Hg Capital:

Lovells

Strategic Due Diligence provided by:

CONCISE

Genesis Petroleum Corporation Limited reverse takeover of Zari Resources Plc

Financial Adviser to
Genesis Petroleum Corporation Limited:

Smith & Williamson

Corporate Finance Limited

Legal Adviser to
Genesis Petroleum Corporation Limited:

Watson, Farley & Williams

Legal Adviser to Zari Resources Plc:

Bircham Dyson Bell