



The Grand *Belize* Entertainment Group

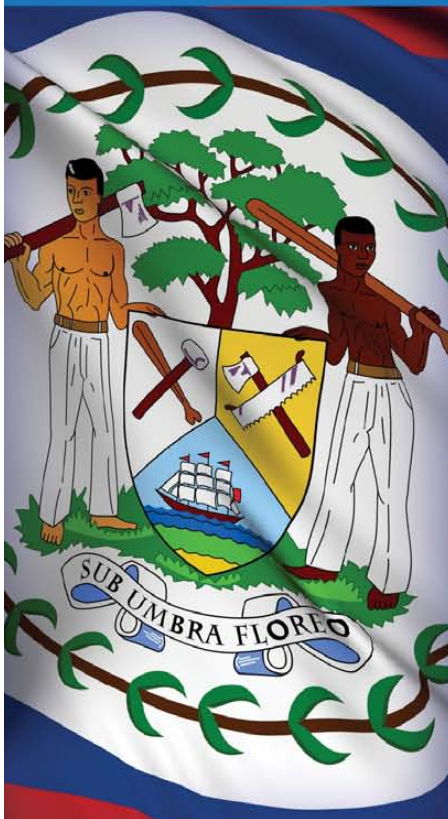


Table of Contents

EXECUTIVE SUMMARY	4
Introduction	4
Real Money Gaming – A Market Snapshot.....	4
Social Gaming – A Market Snapshot.....	5
Company Objective and Offering.....	6
Target Segment and Geographic Market	6
Marketing and Promotion	7
Financial Highlights.....	7
BUSINESS MODEL CANVAS.....	8
ABOUT GRAND BELIZE	9
Mission	10
Vision	10
Positioning Statement	11
Unique Selling Proposition (USP).....	11
Value Propositions	11
Key Success Factors.....	12
Management Team.....	12
Key Personnel	13
SERVICES SUMMARY.....	16
Grand Belize Service Predictability	17
Service Values for Grand Belize.....	17
MARKET ANALYSIS SUMMARY.....	18
Online Gambling Market – An Overview.....	18
Online Gambling Market – An Analysis.....	19
REAL MONEY GAMING MARKET – AN ANALYSIS.....	19
SOCIAL GAMING MARKET – AN ANALYSIS.....	25
REAL MONEY GAMING AND SOCIAL GAMING – A SNAPSHOT.....	28
Trends in the Online Gambling Market	29
COMPETITION ANALYSIS	30
Comparison by Website Metrics.....	30

Comparison of Online Real Money Gaming Providers	31
Comparison of Online Social Gaming Providers	39
TARGET MARKET ANALYSIS	44
Target Market	44
Target Market Segmentation	44
MARKETING PLAN	45
Marketing Objectives	45
Target Geographical Markets	45
ONLINE REAL MONEY GAMING	45
ONLINE SOCIAL GAMING	45
Focus Areas	46
Human Resources	46
Marketing Budget	46
Marketing Mix	46
PRODUCT	46
PLACE	46
PRICE	47
PROMOTION	47
Marketing Channels	48
Strategic Alliances	49
Market Entry Strategy	49
MARKET PENETRATION	49
DIVERSIFICATION	49
PORTER'S FIVE FORCES MODEL	50
SWOT ANALYSIS	51
FINANCIAL SUMMARY	52
Investment Required	52
Assumptions for Profitability Projections	52
REVENUE ASSUMPTIONS	52
DIRECT EXPENSE ASSUMPTIONS	53
OPERATIONAL EXPENSE ASSUMPTIONS	53

OTHER ASSUMPTIONS.....	54
Profit and Loss Statement.....	55
Balance Sheet	55
Cash Flow Statement	55
Profitability Ratios.....	55
Valuation.....	55
DISCLAIMER.....	55

EXECUTIVE SUMMARY

Introduction

Grand Belize Entertainment Group LLC, a holding company in Nevis, is the parent company of Grand Belize Casino Resort and Spa Ltd., a firm which holds a license for a land-based casino in Belize, and Grand Belize Interactive Ltd., an IBC formed in Belize, which holds an online gaming license in Belize. Grand Belize Interactive Ltd. will trade under the name Grand Belize Interactive and will primarily focus on the growing online gaming market in Mexico, as well as other markets around the world where online gambling is allowed. Additionally, Grand Belize Interactive Ltd. will offer free to play Social Gaming in those jurisdictions where online gambling is not regulated. In either event, Grand Belize Interactive Ltd. will be in the unique position of using the physical property (Grand Belize Resort and Spa) to assist in the attraction and retention gamblers in its online gaming offerings.

Grand Belize Interactive Ltd. is interested in raising investment capital for the start-up expenditure of their online casino operations from potential investors. To facilitate submission of such an investment raise, they have desired preparation of a comprehensive business plan for which they have engaged the services of Peak Gaming Group. The business plan prepared will not only be used for fund-raising, but will act as an operational document that will facilitate effective strategy and decision making processes for the company to have a viable and sustainable online gaming offering. The information in this document, including the market assessments, pro forma and financial projections, are specific to the online gaming portion of the business, and therefore will only relate to Grand Belize Interactive Ltd.

Real Money Gaming – A Market Snapshot

The global online gambling market in 2003 had started to make a significant impact and was valued at \$8.9bn. By 2009 this had grown to \$24.4bn with further growth by 2012 to reach a market value of \$30bn. Within the next three years, it is predicted that the market will grow by almost 30%, to a value of \$37.84bn. In 2012 online gambling still only accounted for a fraction of the global gaming revenue (8%), yet it is predicted that as consumer habits change and as more players look to mobile 24/7 consumption, online gambling as a proportion of the overall gambling market will significantly increase. However, KPMG said that the estimate “may be just a drop in the ocean, considering that some of the biggest potential markets—such as the U.S., China, Japan, and South Korea—still prohibit many forms of gambling over the Internet.” With a growing

numbers of countries regulating their gambling markets and allowing a wider variety of games, that overall size of the pie can only increase.

Latin America is one of the “up and coming” markets in the online gambling industry and it is just starting to hit the radar screen of many online gaming companies. The legal online gaming market in Latin America will still be at an embryonic stage in 2014, led by Chile and Argentina. In many countries, the restrictions on growth imposed by national regulation will be compounded by low—but rising—penetration of fixed and mobile broadband services. With more stable economies now present in Latin American and a rising gross domestic product in countries such as Argentina, Panama, and Uruguay, Latin America is attracting a great deal of interest from some of the leading players in the global online gambling industry. In terms of legislature, most Latin American countries don’t have laws prohibiting online gaming. Therefore, right now is an ideal moment for companies to approach this market and be part of the birth of this business in Latin America.

Despite the fact that Argentina has the largest percentage of Internet users in Latin America, it is perhaps Mexico, which holds the most potential for online growth in the short and medium term. This is due to the increased smartphone adoption and increasing internet users in Mexico. The online gambling industry is likely to be driven by surging sales in smartphones (16 million expected to be sold in 2013), tablets (2.2 million expected to be sold in 2013) and significant gains in mobile broadband adoption. Mexico also has a large internet user base with 42,000,000 internet users representing 36.5% of the population. The Internet user penetration is to increase to 53.8% of the population by 2016. The only explicitly legal online gambling game in Mexico is the National Lottery.

Social Gaming – A Market Snapshot

The social gaming sector, comprised of games played on web-based social networks like Facebook and mobile social networks like Gree, is relatively new and growing swiftly. These games are based on some of the same games for online gambling, mainly slots, poker, bingo, blackjack, roulette and sports betting. The social gaming industry is young; it will never reach the scale of the still-growing gambling industry, despite the latter existing under much stricter controls. The global social games industry generated \$8.2bn in revenue by 2012, according to Thinkequity, a figure that includes advertising revenue and could grow to around \$14.6bn by 2015 with a compounded annual growth rate (CAGR) of 21%.

The social casino gaming sector is also growing and in 2012, H2 Gambling Capital estimates the social casino gaming industry generated gross revenue of \$1.68bn. This is forecast to grow at a CAGR of 19.1% to \$2.84bn in 2015. H2 take a reasonably cautious position when evaluating the