


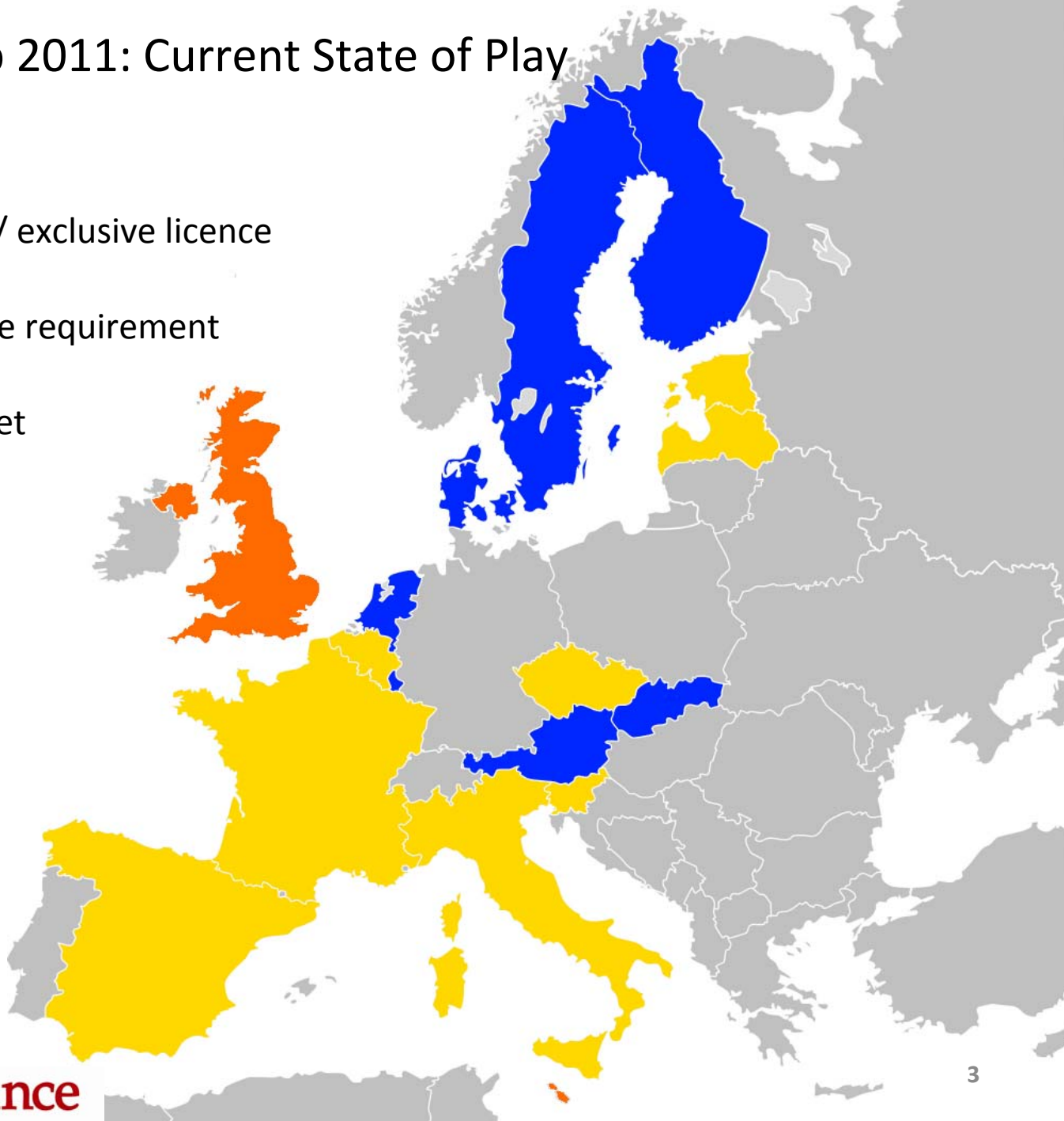


What Does The Online Gambling Market(s) In The EU Look Like?

A regulatory & data perspective

Regulatory Data Map 2011: Current State of Play

-  Online monopoly / exclusive licence
-  Online local licence requirement
-  Online open market



Note: this map represents the predominate type of framework as some jurisdictions have a mix.

Source: GamblingCompliance, Regulatory Reports.

Member states addressing online gambling

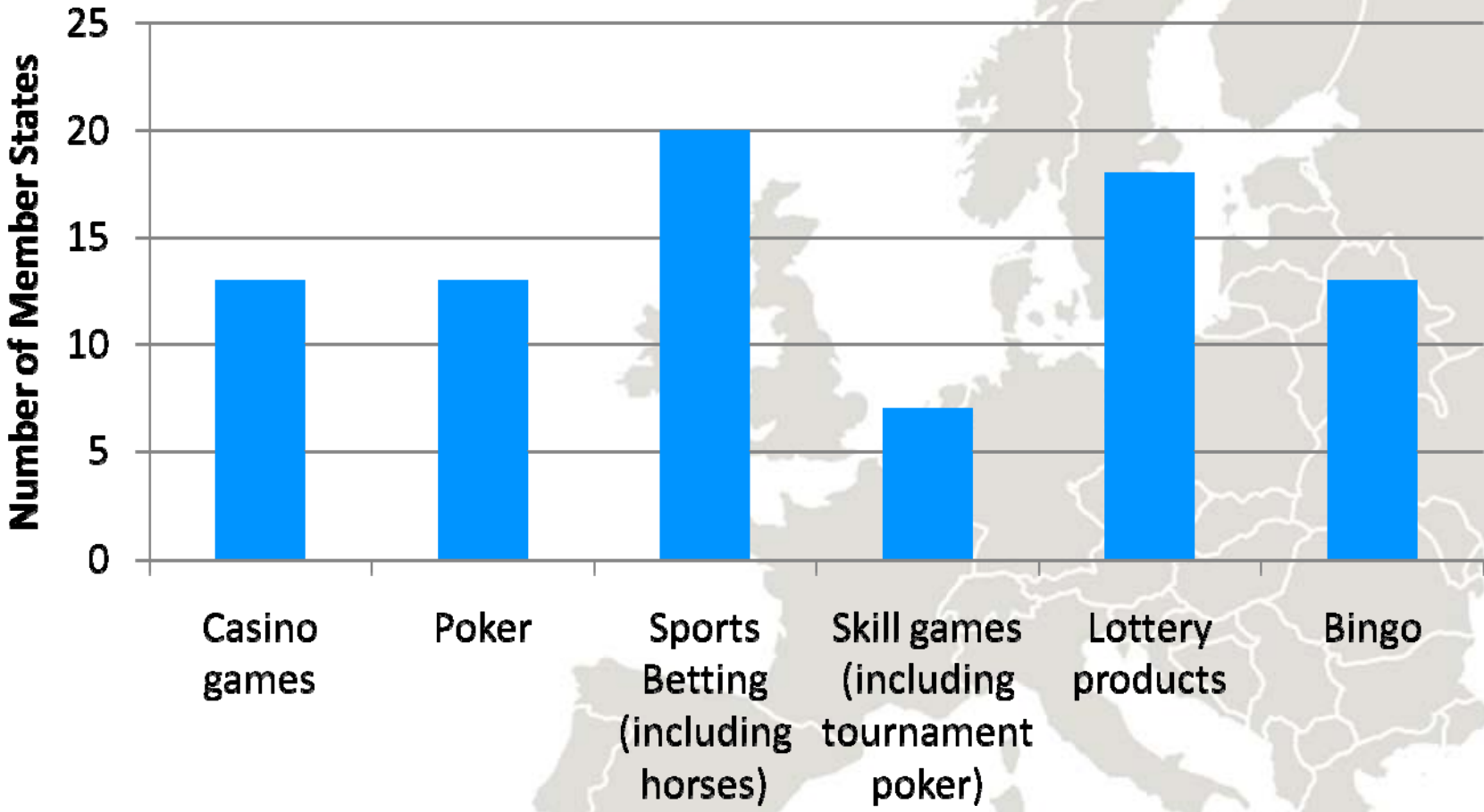
Member states with known online gambling law reform discussions (including early stage political intensions), current proposals, draft laws before European Commission or soon to be / recently passed legislation.



Source: GamblingCompliance, Regulatory Reports, market news and analysis.

Product data: verticals across EU

From legislative analysis of member state legislation and known national operators offering online services, the following product verticals and number are known...

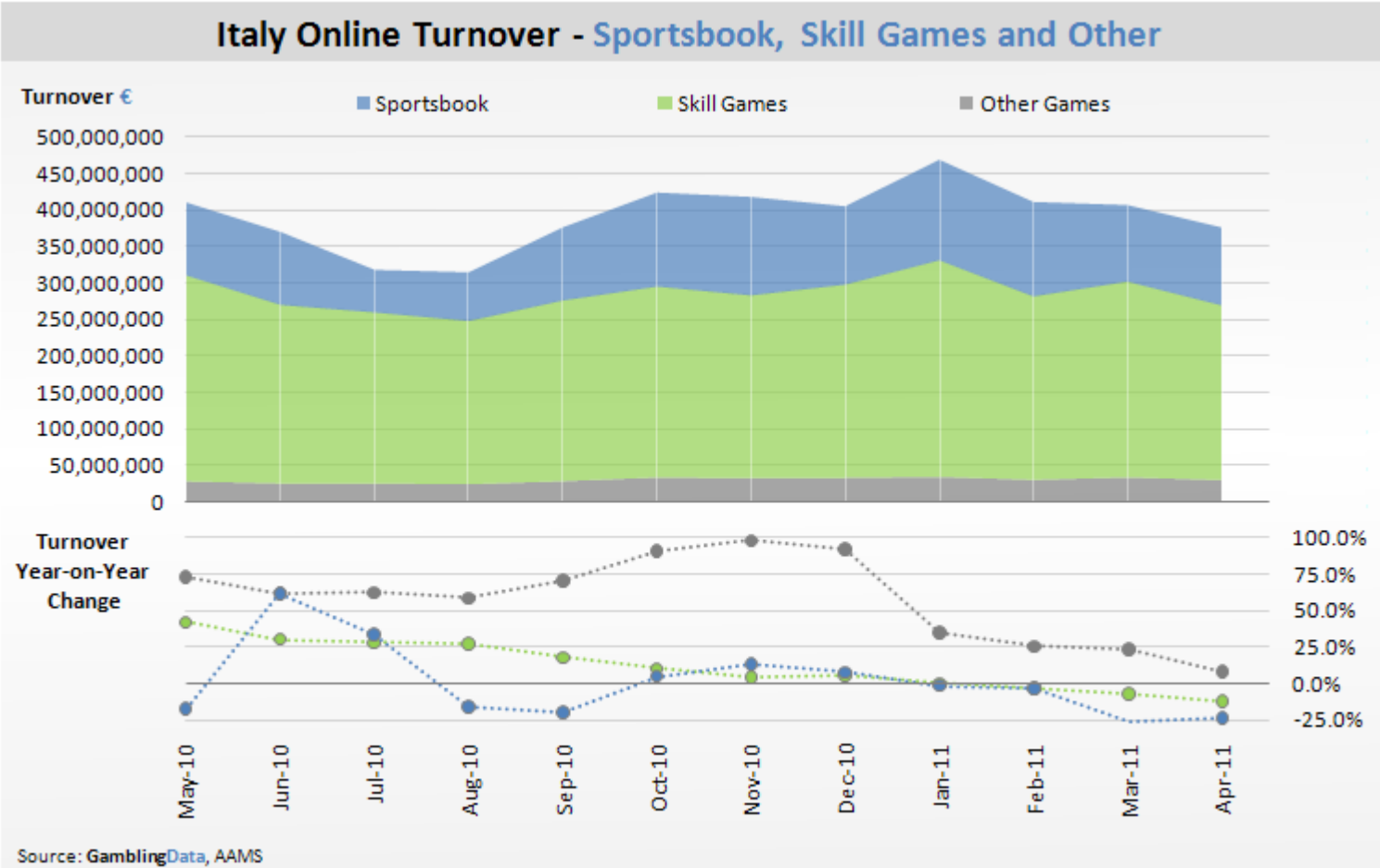


But what do we know from a reliable data perspective?

- As the Green Paper - which referenced estimates – suggested, limited data is available.
- Only two gambling regulator's produce monthly (Italy) and quarterly online gambling statistics (France).
- Not all member states have completed prevalence studies to gauge levels of problem gambling.
- This results in a patchwork of reliable data across the EU.
- Now to look at some of the data which is available....

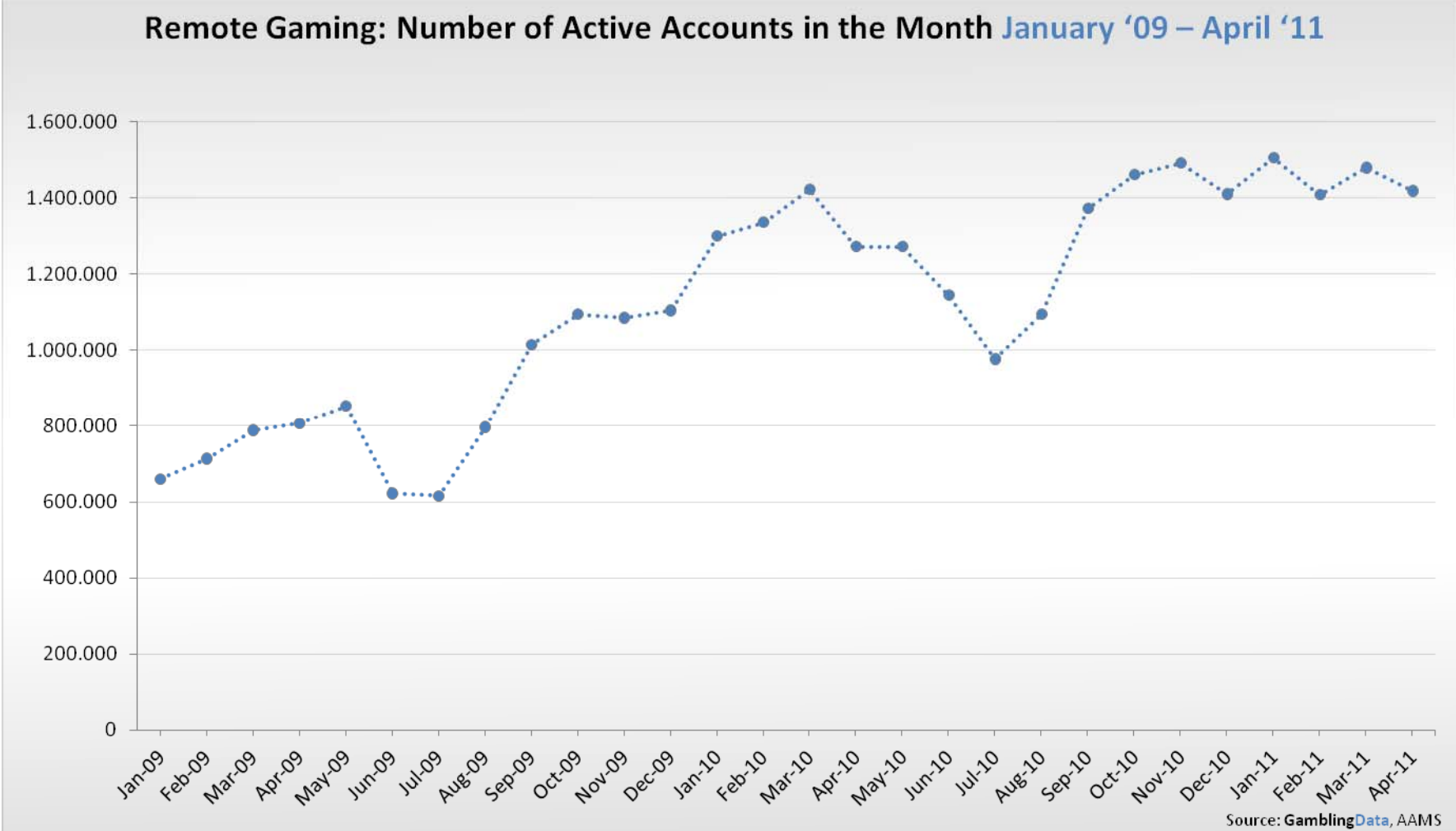
Italian statistics

- Italy was the first major market in continental Europe to regulate its online gambling market. The monthly turnover figures published by Amministrazione Autonoma Dei Monopoli Di Stato (AAMS) offers for the first time the opportunity to truly benchmark performances in a given member state and gain insight into how a regulated online gambling market functions and matures.



Source: GamblingData, AAMS

Italian statistics continued



Source: [GamblingData](#), AAMS

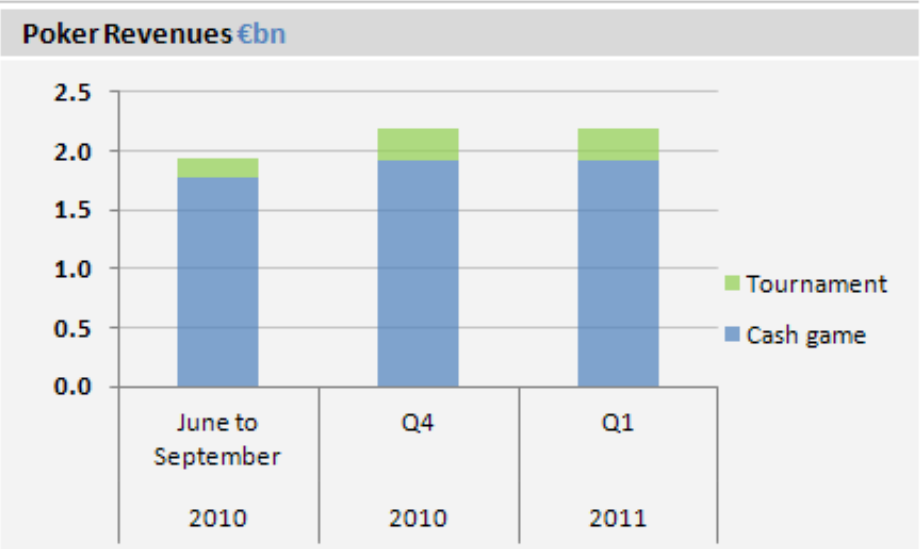
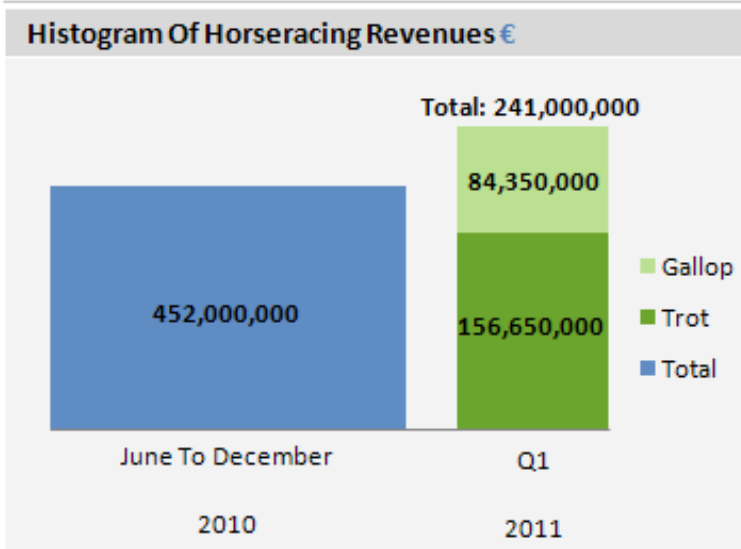
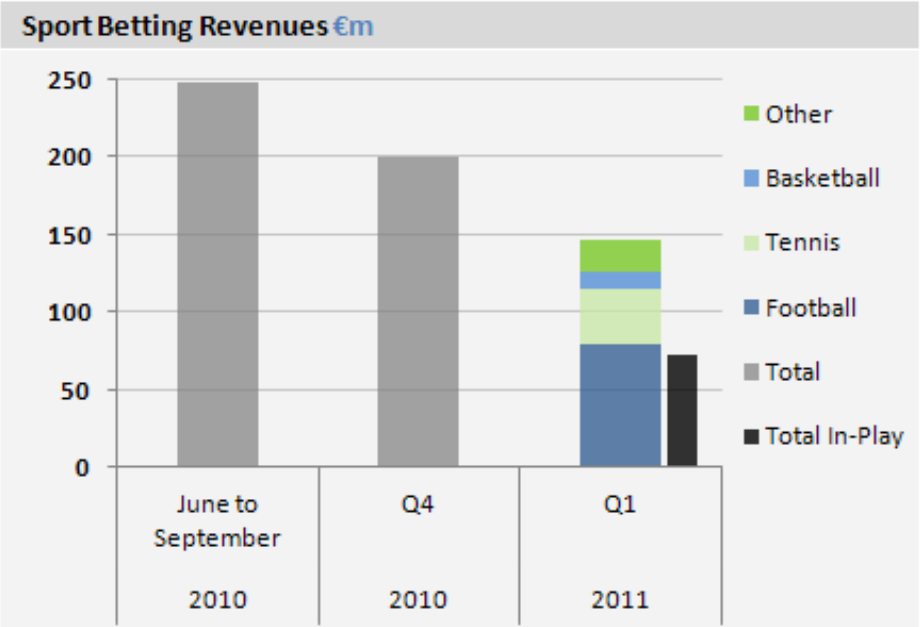
French statistics

Arjel France Statistics - Sports Betting, Horseracing And Poker Revenues June 2010 to March 2011

Breakdown of revenue for sports betting was not available for the periods of June to September 2010 and Quarter 4 2010. Total in-play betting is from all sports.

Data for horseracing was not available for quarter 4 and therefore a histogram has been used to represent the revenues over different period lengths.

Each chart has its own legend.



Other examples of the patchwork of market data available

Spain:



Online gambling deposits: A report by the Spanish Telecommunications Market Commission found that the Spanish online gambling **grey market turnover totalled €353.6m** in 2009 (in gambling e-commerce transactions). However, this figure doesn't capture payment processor transactions.

United Kingdom:



Size of market: **11% of £5.7bn GGR (approx €712m)** is from online gambling. However, as the regulator notes, the "majority of remote gambling sites accessible to British citizens are regulated overseas." Source: Gambling Commission Annual Report 2010, Gambling Commission Industry Statistics 2009/10.

Prevalence: 6% of the adult population gambled in 2007, **10.7% in 2010**.

Germany (estimates):



The Verband der Deutschen Automatenindustrie e.V. (VDAI), the German trade association for gaming machine vendors estimates that the unregulated online market in 2009 reached **€850m GGR** (€300m betting; €210m casinos and €340m poker). Source VDAI, GamblingData.

Sweden (estimates):



Size of grey market: Svenska Spel in its Annual Report 2010 believes **foreign online actors account for 10%** of the Swedish gambling market.

Listed Company Data

- Another area which throws light on some gambling markets is from listed companies. GamblingData have come up with core estimates for some EU markets by using data from listed companies which admit the amount of revenue they derive from certain markets and applying data analysis techniques, along with interviewing analysts and operators to gain market pictures.



Spain: GamblingData estimates the Spanish grey market to be worth between **€210m and €250m in net gaming revenue**. Source: Spanish Gaming Market Report, GamblingData.



Greece: GamblingData estimates the Greek grey market to be worth between **€210m and €260m in net gaming revenue**. Source: Greek Gaming Market Report, GamblingData.

Concluding Remarks

- The majority of EU member states are moving from a pre-to-post regulation of online gambling. Member states are in various stages of transition in their domestic gambling markets, choosing varying types of regulatory models and gambling products to permit online.
- Currently the level of reliable, verifiable, official data across the EU is quite limited and fragmented.
- However the need for and access to reliable data and analytical information has never been more critical from both a regulatory and commercial perspective.
- Italy and France are the leaders in this field.
- Having access to reliable data will aid the process of regulatory oversight and policy implementation.
- France for example with its data from April 2011 indicating that online sports betting has dropped by 26.5% in the first three months of 2011 compared with the last three months of 2010. With no Q1 results for 2010, perhaps this is a normal fluctuation in the market, however, should these results continue, it may be an indication that players are returning to more competitive offers on the black market – and therefore provide an evidenced based reason for an appropriate regulatory response / action.

Thank you!

For a copy of this presentation or an explanation of the underlying material please feel free to contact me on the details below.

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