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*The leading provider of political risk analysis
and data for the global gambling industry*

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Forecasting the Regulated Greek Gaming Market



Gaming Money Conference Athens December 2012

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€2.0bn

Gross Gaming Revenues in the 2011 legal Greek
gaming market

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Regulated Land-Based

Greece is both a highly lucrative gambling market and a highly restricted one where most of the market is controlled by the one licensed entity, OPAP, which for the next few months at least, is 34 percent owned by the state.

As of this week the Hellenic State Lottery is owned by a consortium headed by OPAP, Italy's Lottomatica, Intralot and Scientific Games

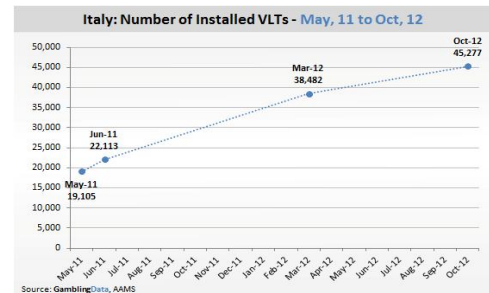
The official Greek gaming market is worth in turnover terms more than €8bn and represents a per capita spend of €740 - high by international standards. But the per capita figure is very much higher than that due to the size of the unregulated market.

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Black Market Operations

- Extended black-market in the order of 20,000 VLTs operation in so-called illegal small casinos , bars.
- So called PC type gaming machines in Internet cafes.

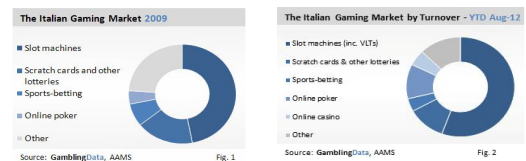
In Italy: adoption of high payout VLTs



Progress Of New Regulations

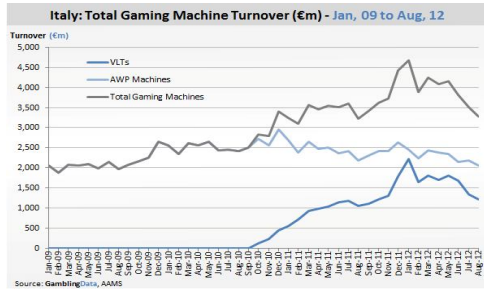
- Greece's new draft law on gambling would license up to 30,000 new slot machines and some internet gambling for the first time.
- The latest amendments to the online gambling legislation limit the issuance of new licences to games whose final outcome is not determined by a random number generator, so poker and potentially live dealer games.
- Licences, where available, will last for five years and tax will be 30 per-cent of gross gaming revenue, plus a 10 percent player win tax, so a very highly taxed environment.
- However, how much of this will be implemented next year is unclear.

Slots, New Products Gain Most From Regulation



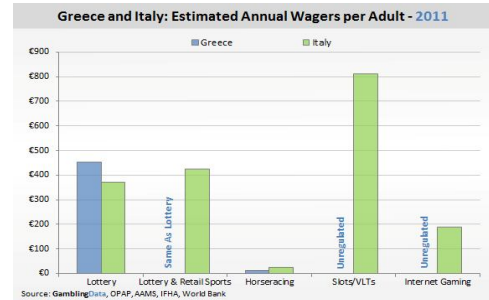
- In both Greece and Italy governments have each looked at VLTs and seen them as representing an expansion of gaming towards a more regulated space, and a more technology-centric space.

Comparisons with other VLT markets



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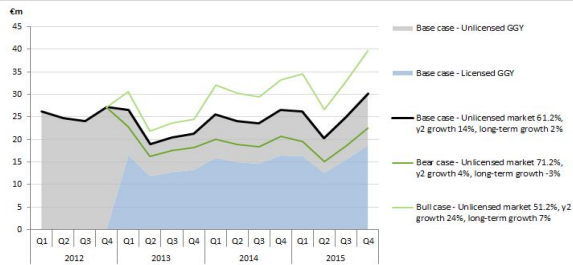
Greece - Italy



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Greek Sports Betting Market Shrinks On Opening

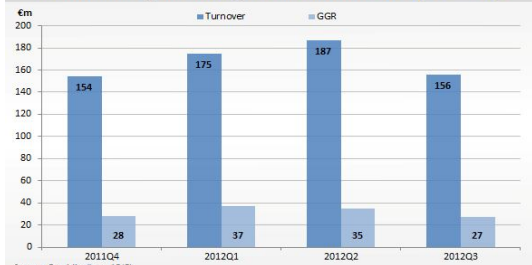
Greek Online Sports Betting GGY: Base, Bear and Bull Cases - 2012 to 2015



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Lessons From France's Stagnant Sports Betting Market

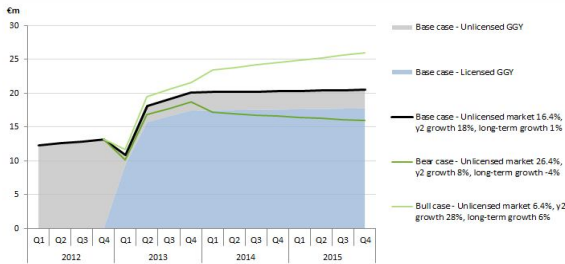
France: Online Sports Betting Turnover vs GGR - 2011Q4 to 2012Q3



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Online Casino- More Limited Grey Market Activity.

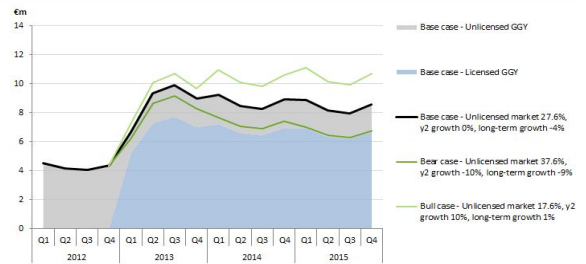
Greek Online Casino GGY: Base, Bear and Bull Cases - 2012 to 2015



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Online Poker- Initial Boost Followed by decline

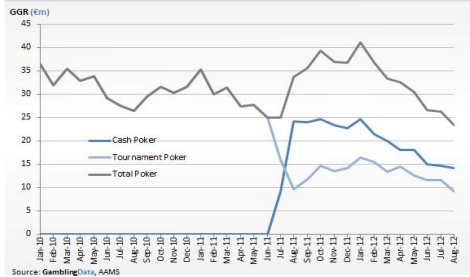
Greek Online Poker GGY: Base, Bear and Bull Cases - 2012 to 2015



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Online Poker –Italian Example

Italy: Online Poker GGR (€m) - Jan, 10 to Aug, 12



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Strategies of Online Regulation

France

Tax environment and payout limits remain an impediment to development of market.
 Strong incumbent monopolist effect
 8.5 % turnover tax on sports
 2 % tax on Poker buy-ins
 25%-60% of sports betting activity still taking place on grey market.
 Legal sports betting market is shrinking.

Little effective enforcement

Italy

Fast growing regulated market protected by blacklisting and enforcement.
 20% gross profit tax on casino/cash poker
 2-5% turnover tax on sports
 50% of sports betting activity still taking place on grey market.

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