

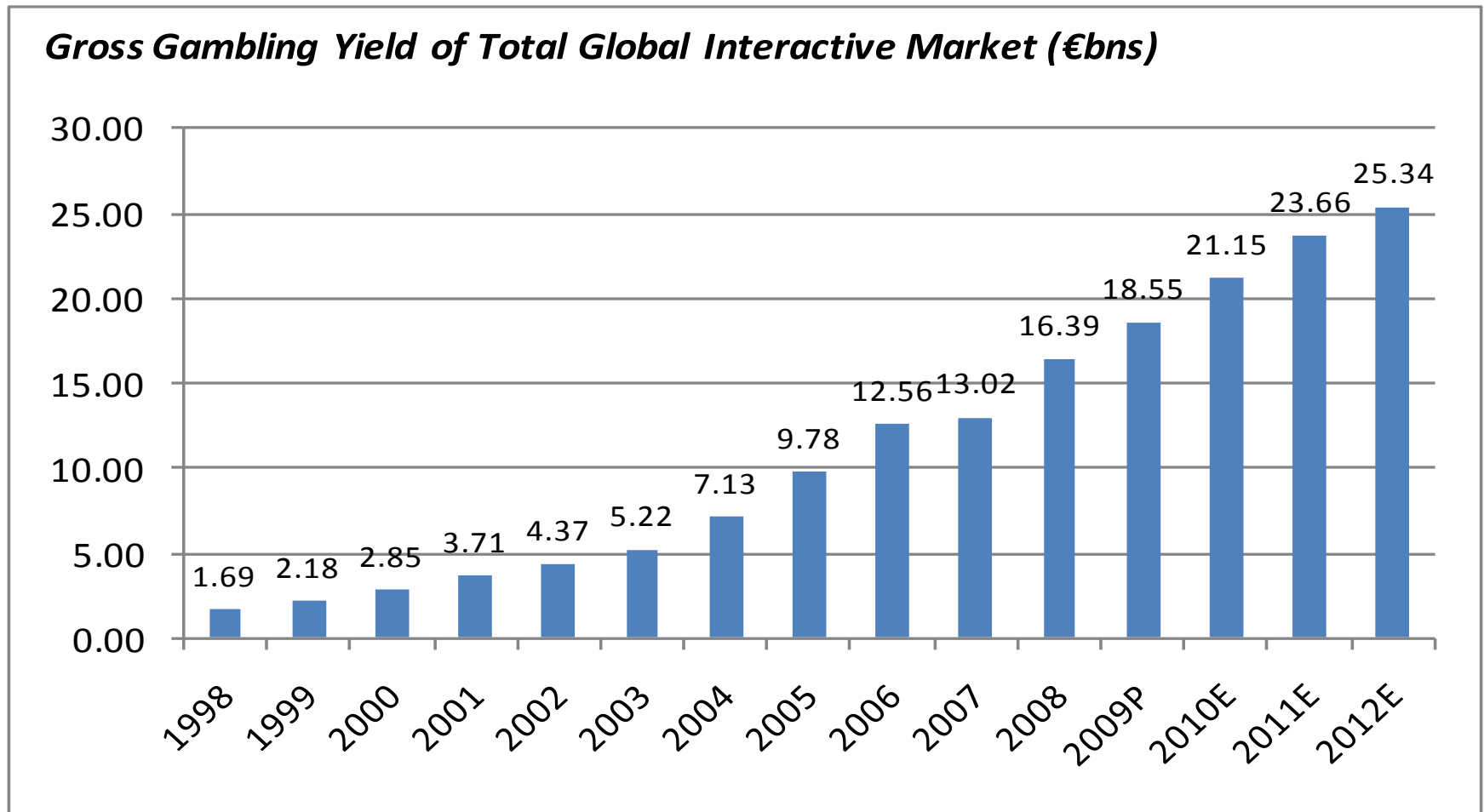
The Interactive Gambling Industry: Key Trends 2010

Gavin Kelleher

Prague May 2010

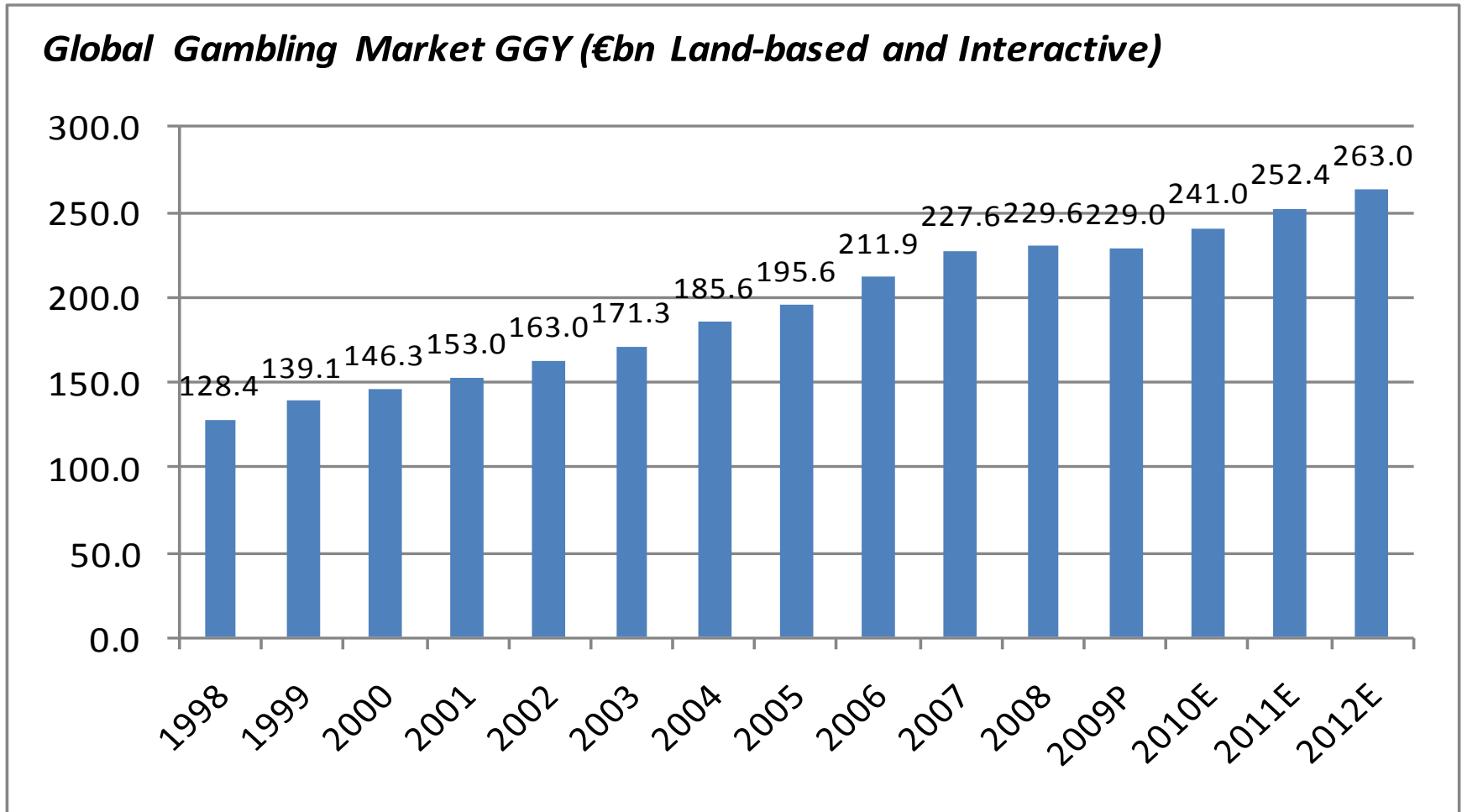


Valuing the Global Interactive Gambling Market



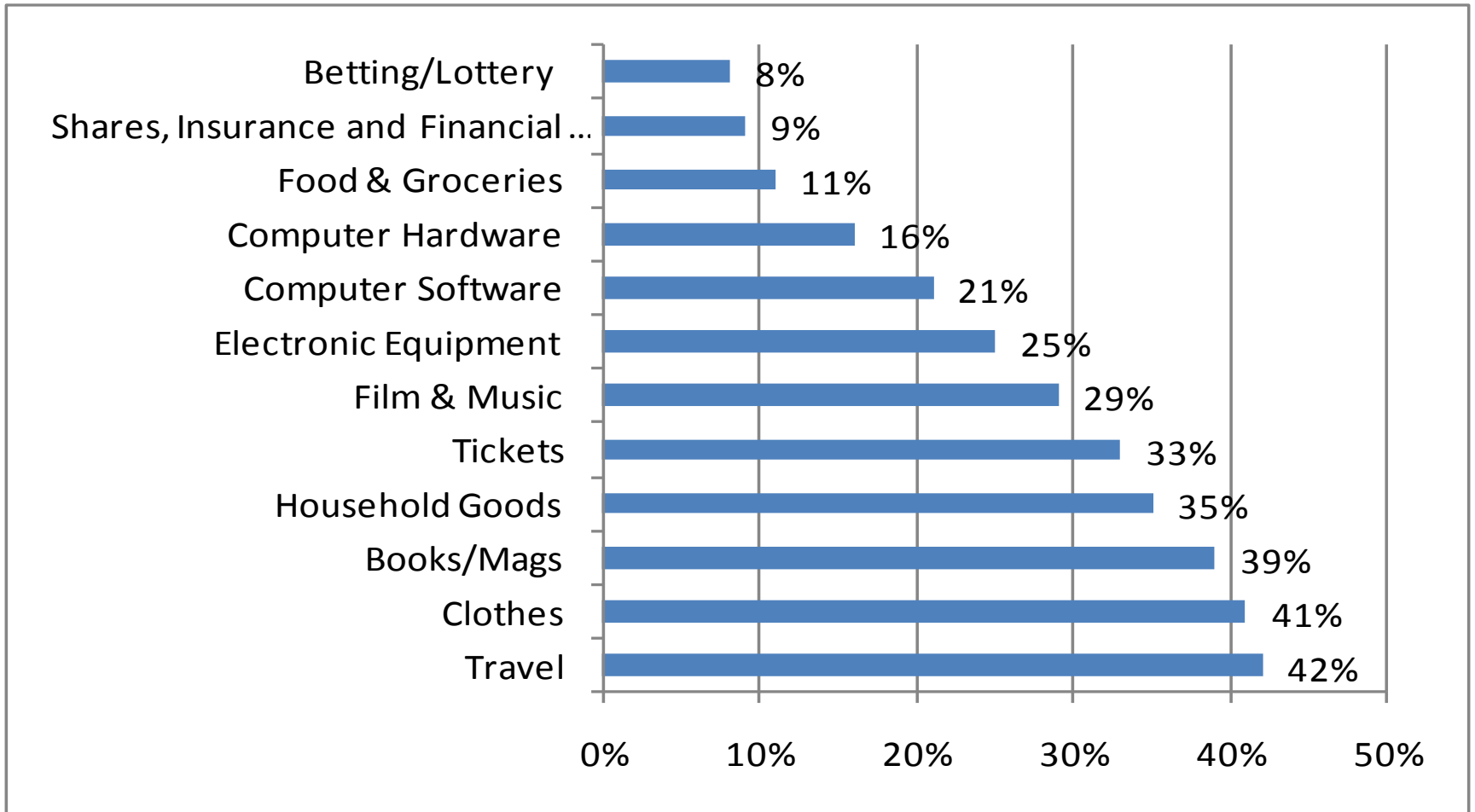
Source: H2 Gambling Capital April 2010

Overall Gambling Market



Source: H2 Gambling Capital April 2010

Compared to other industries



Source: H2 Gambling Capital April 2010

Interactive Gambling Growth by Vertical

Interactive GGY by Product 2006 - 2012e (€bn)	2006	2007	2008	2009p	2010e	2011e	2012e
Betting	5.5	5.8	7.0	7.3	8.1	8.9	9.4
Poker	2.3	2.3	2.7	3.4	3.8	4.4	4.7
Casino	3.1	2.6	3.5	4.0	4.5	5.1	5.4
Bingo	0.5	0.8	1.2	1.4	1.7	1.8	2.0
Skill-Based, Commercial Lotteries and Other Gaming	0.3	0.5	0.6	0.8	1.0	1.1	1.2
State Lotteries	0.8	1.1	1.4	1.7	2.0	2.3	2.6
Grand Total	12.6	13.0	16.4	17.7	21.1	23.7	25.3

Betting	17.8%	4.9%	20.8%	4.2%	12.2%	9.5%	5.9%
Poker	27.5%	-1.9%	19.8%	25.0%	12.0%	15.5%	6.2%
Casino	40.7%	-16.3%	37.8%	13.5%	13.7%	11.1%	7.1%
Bingo	72.6%	46.2%	47.4%	16.6%	21.5%	11.5%	7.0%
Skill-Based, Commercial Lotteries and Other Gaming	36.6%	55.6%	18.1%	40.4%	18.4%	16.5%	9.6%
State Lotteries	42.0%	35.5%	25.7%	19.5%	18.6%	14.4%	12.6%
Total eGambling Growth	28.4%	3.6%	25.9%	8.1%	19.3%	11.9%	7.1%

Source: H2 Gambling Capital April 2010

Key Trends by Each Vertical

- **Sports betting** – Live betting, innovation and mobile finally getting traction
- **Poker** – Mature markets more difficult, growth through deregulation (Italy, France)
- **Casino** – Increased interactivity, live casino seeing strong growth
- **Bingo** – Continues to perform strongly and large number of potential markets remain
- **State Lotteries** – More & more lotteries moving online

In Focus: Mobile Gambling

Mobile Gambling GGY 2009-2012 (€bn)	2009	2010	2011	2012
Betting	1569.0	1773.6	1979.7	2193.9
Gaming	105.5	189.6	273.9	371.5
Lottery	139.7	203.4	273.7	358.3
Total Mobile Gambling	1814.2	2166.6	2527.2	2923.8
Betting	14.0%	13.0%	11.6%	10.8%
Gaming	64.3%	79.7%	44.5%	35.6%
Lottery	88.0%	45.6%	34.6%	30.9%
Mobile Gambling Growth	19.8%	19.4%	16.6%	15.7%

Source: H2 Gambling Capital April 2010

- **Mobile Betting:** Japanese mobile betting market is huge – worth €1.16bn (JRA) and is larger than Japanese online betting market.
- **iPhone** has changed the landscape – Mobile starting to become driver for European operators – watch out at the upcoming World Cup
- **Other verticals** (Casino, poker & bingo) further away but watch this space.
- **Why mobile is so important:** Consumers using mobile more and will be key for new emerging markets given nature of infrastructure

Thank you

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