



# Online Gambling in Spain A Regulatory Update

Is Spain ready for a regulated  
online gambling market?



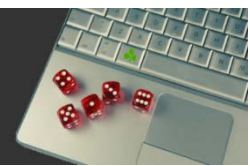
**Fernando Ors**  
**Chief Development Officer**

# Agenda



- 1 Consumer Trends
- 2 Marketing and Payment Statistics
- 3 VICTORIA Sports Betting Performance
- 4 Online Gambling Regulation

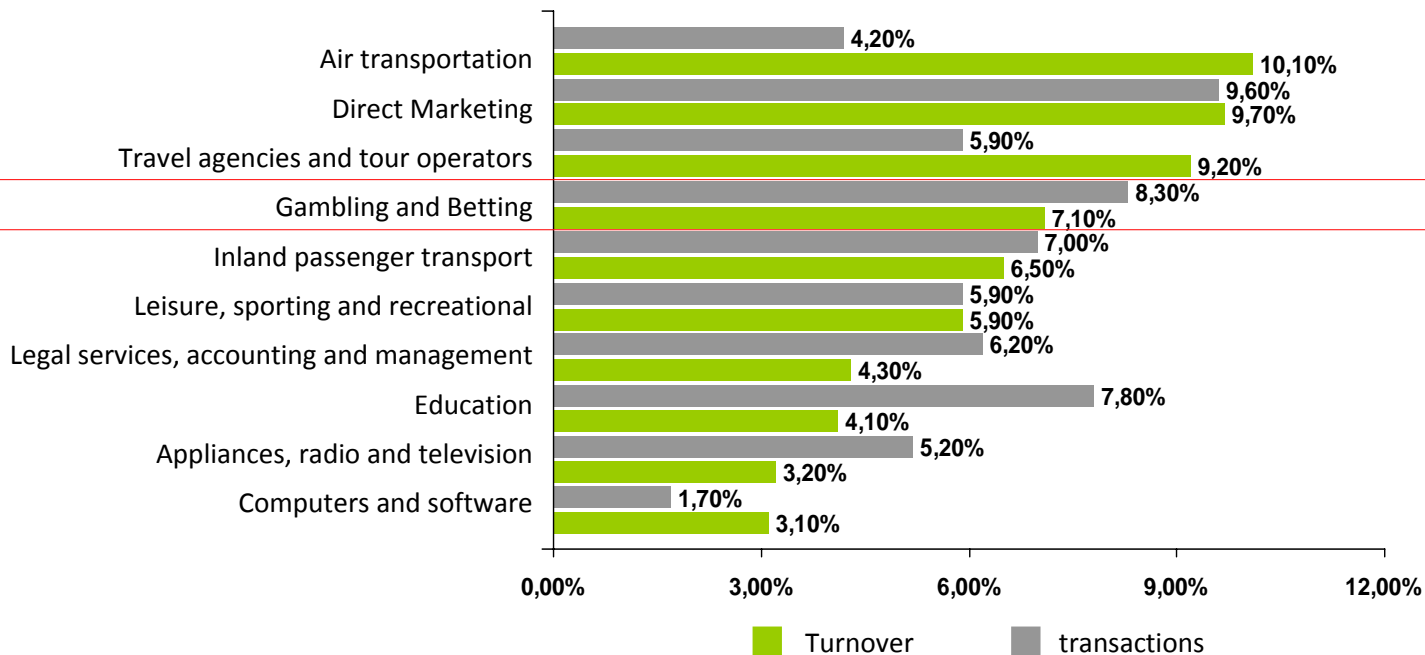
# 1 Consumer trends (1/7)



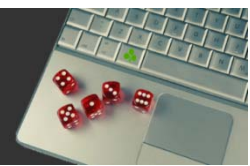
## The e-Commerce's in Spain, Q4 2008

- e-Commerce in Spain turned over 1250 million in Q4 2008, a 22.2% increase vs Q4 2007
- e-Commerce in Spain during 2008 reached a record figure of € 5 million, registering an annual growth of 39%.

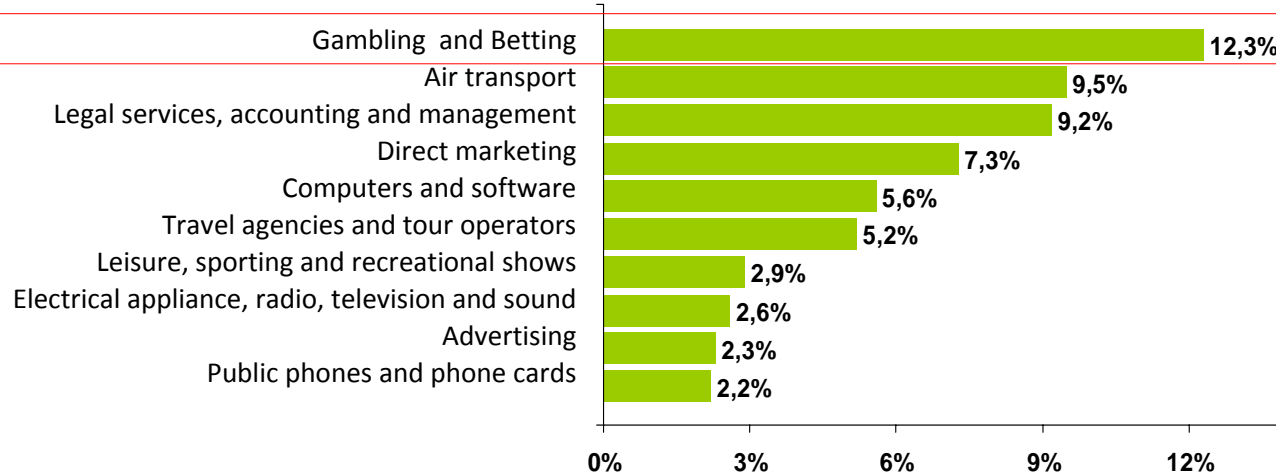
## TOP 10 e-Commerce activity areas with higher % of Turnover & Transactions in Spain, Q4 2008



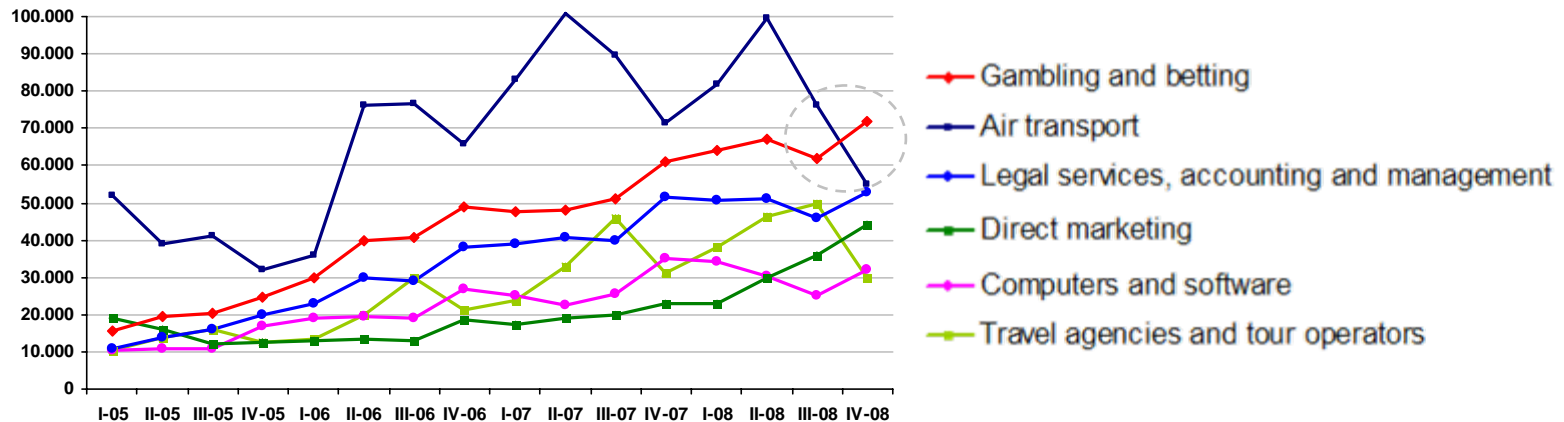
# 1 Consumer trends (2/7)



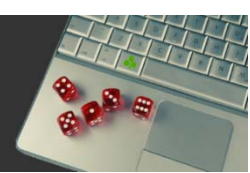
## TOP 10 e-Commerce activity areas with higher % Turnover from Spain to abroad, Q4 2008



## TOP 5 e-Commerce activity areas with higher transactions from Spain to abroad, 2005-2008

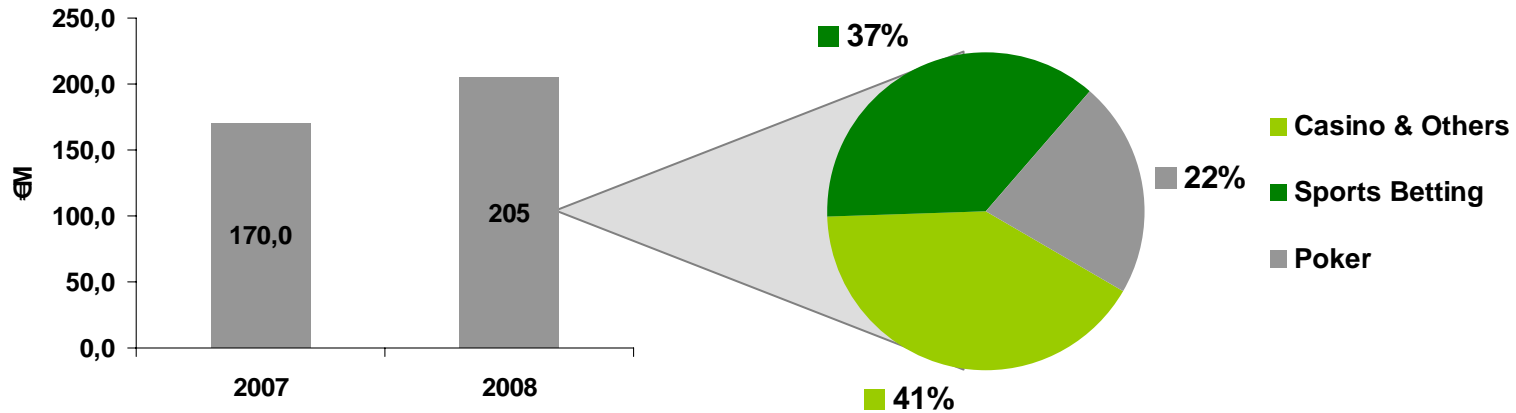


# 1 Consumer trends (3/7)



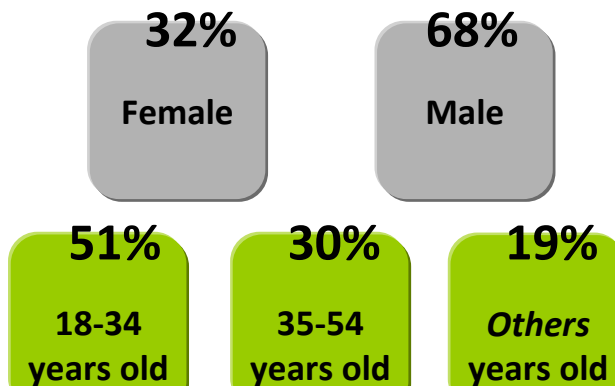
## Spain Online Gambling

### Gross Win (€M)



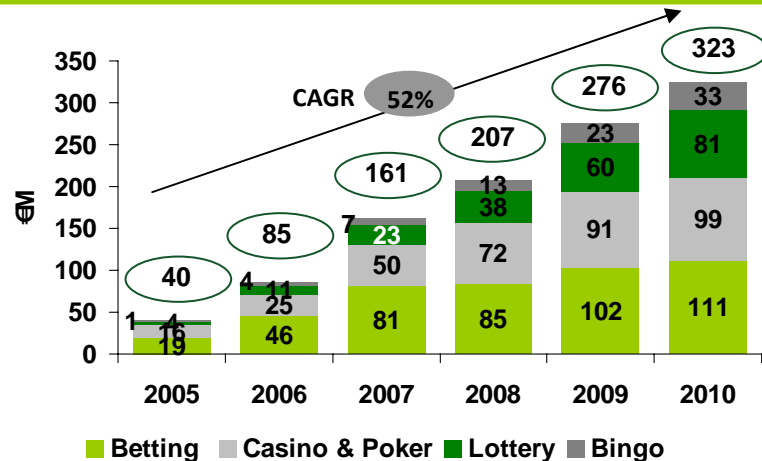
Source: Asociación Española de Apostadores por Internet (aedapi)

### Poker Players Profile



Source: PartyPoker

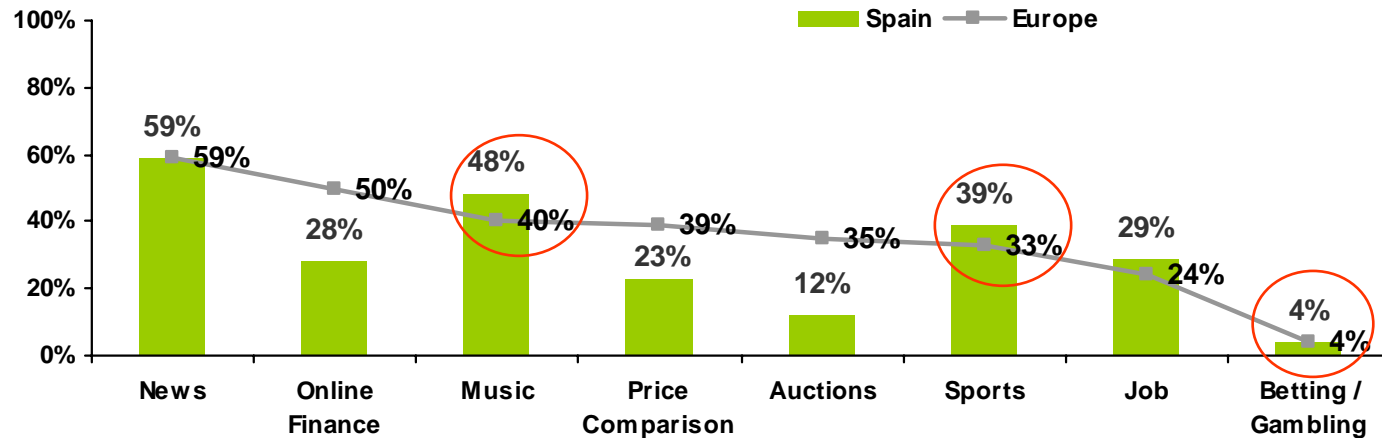
### Gross Win (€M)



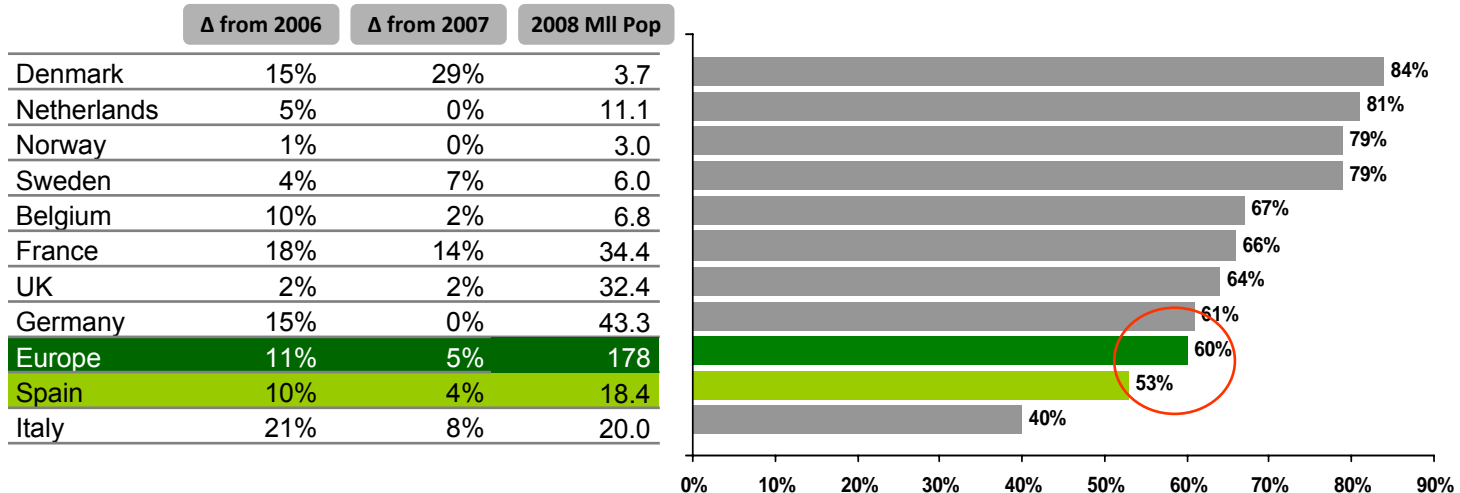
Source: Media & Entertainment Consulting Network (MECN) estimates

# 1 Consumer trends (4/7)

## Web activities visited more than once during 2008

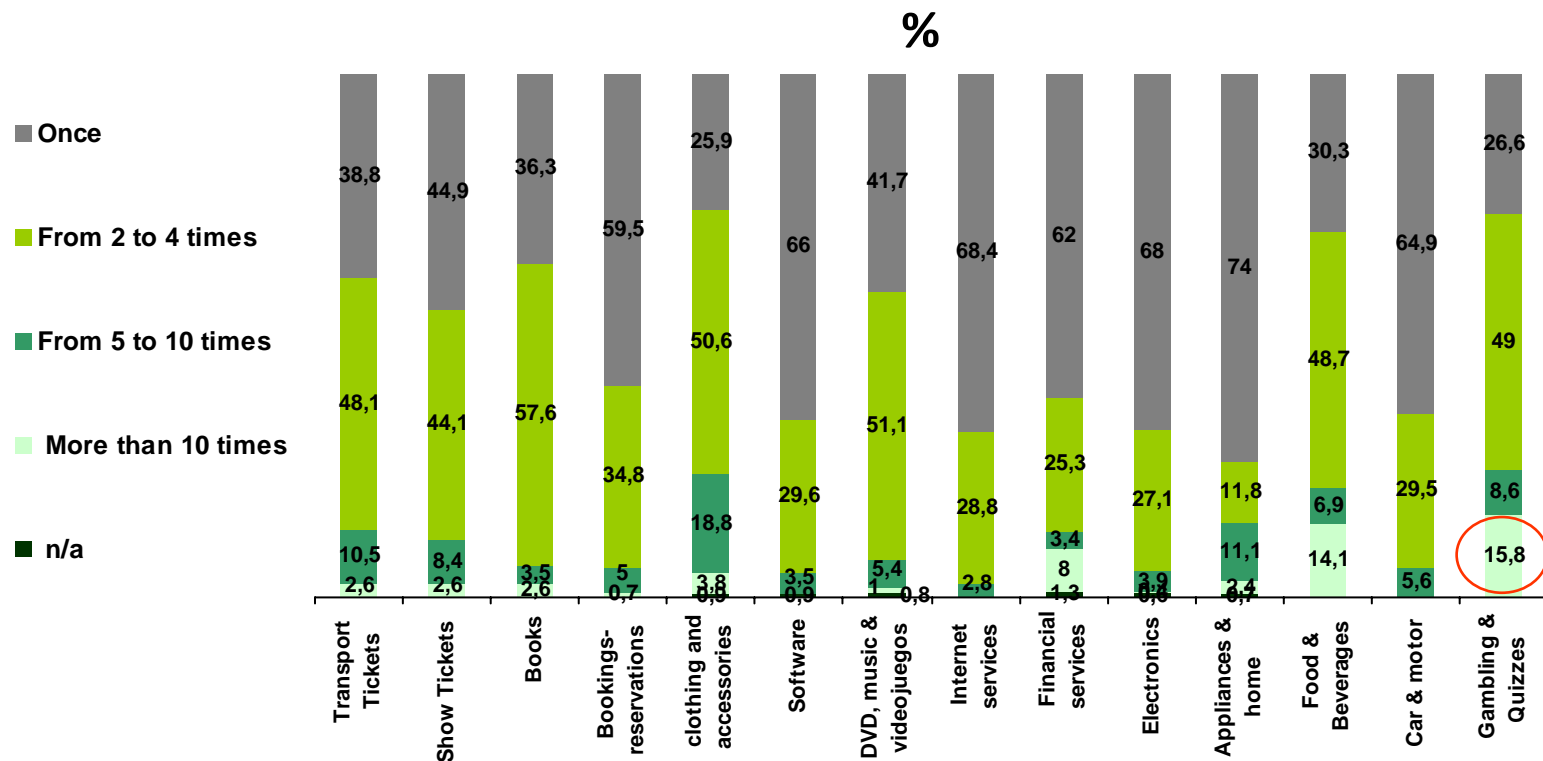


## Internet Penetration and Daily Use



# 1 Consumer trends (5/7)

## Frequency, Purchases and Expenses on Internet (Spain, 2008)

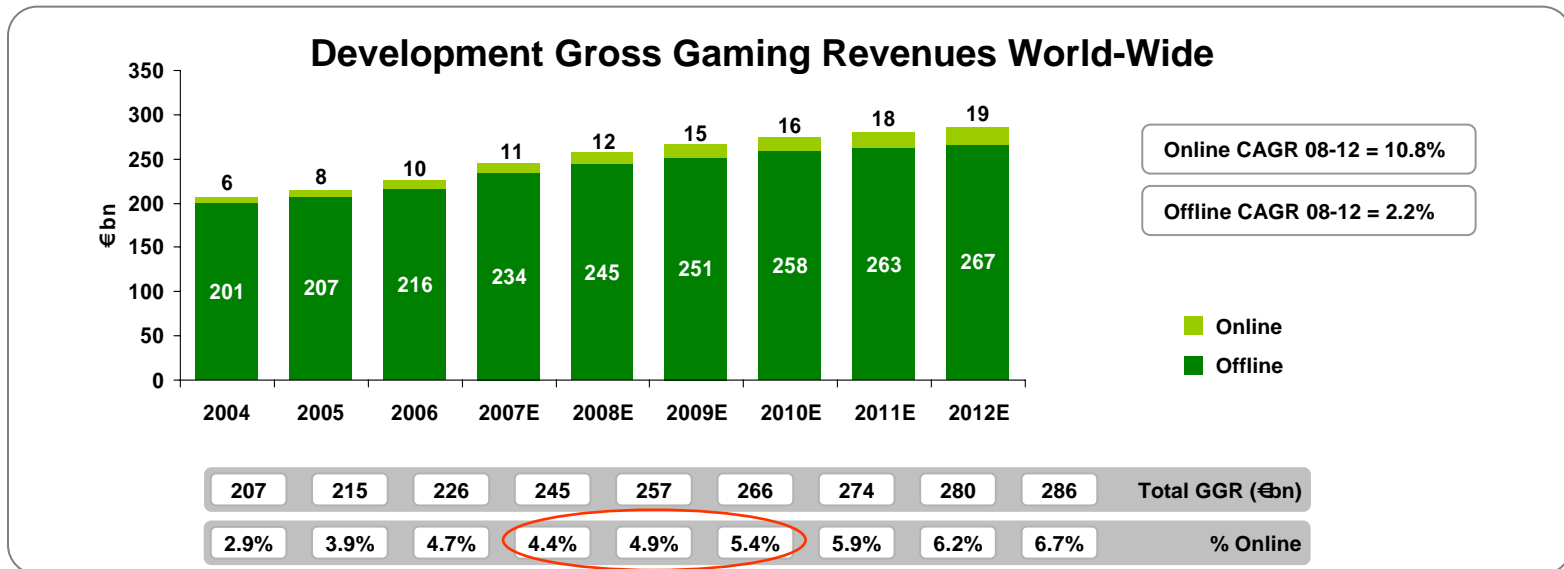
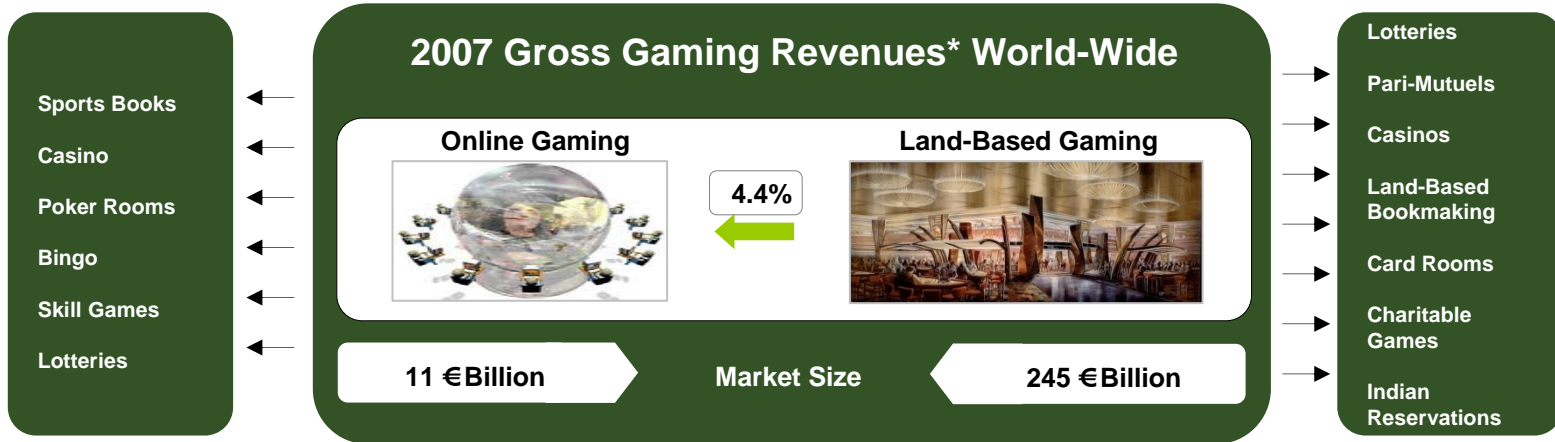


Average Purchase N° / year	3,15	3,20	2,47	3,88	3,94	1,65	3,13	2,07	3,00	2,46	4,03	8,73	1,62	7,05
Average Expense €/ year	546	94	86	468	210	143	114	144	3.177	293	281	181	198	416

Source: Observatorio Nacional de las Telecomunicaciones y de la Sociedad de la Información (ONTSI)

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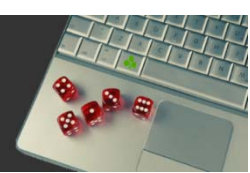
# 1 Consumer trends (6/7)



Online Gambling represents today 4.9% of the Total GGR, estimated 6.7% in 2012



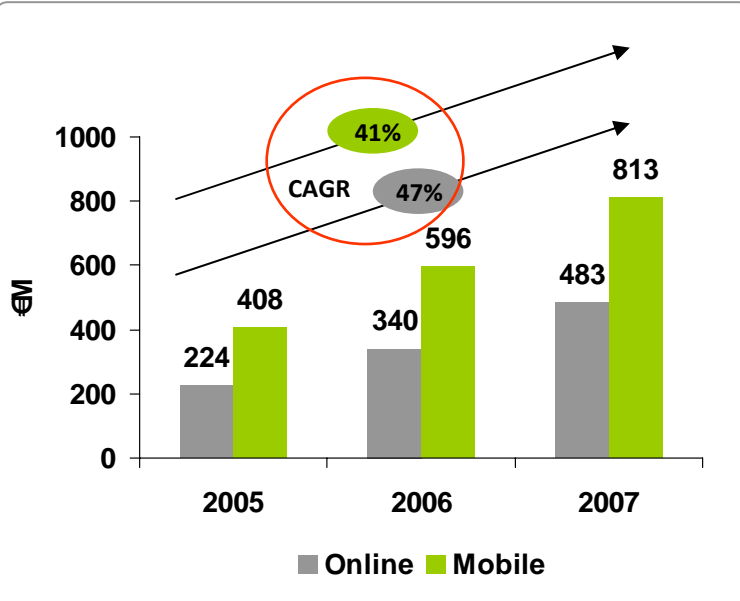
# 1 Consumer trends (7/7)



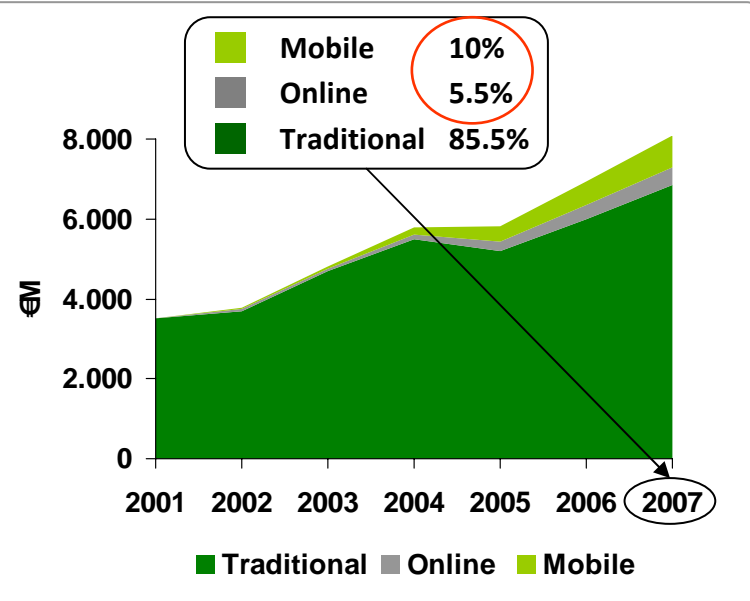
## European Videogames Market

- The videogames industry has risen from € 5,000 million in 2005 to more than € 8,000 million in 2007 (60% growth)
- Much of this increase is due to online and mobile gaming , with revenues of € 1,250 million in 2007 (15.5% of total)

Revenues online and mobile Videogames



Revenues traditional models vs online / mobile Videogames



# Agenda



1

Consumer Trends

2

Marketing and Payment Statistics

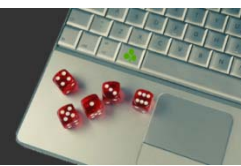
3

VICTORIA Sports Betting Performance

4

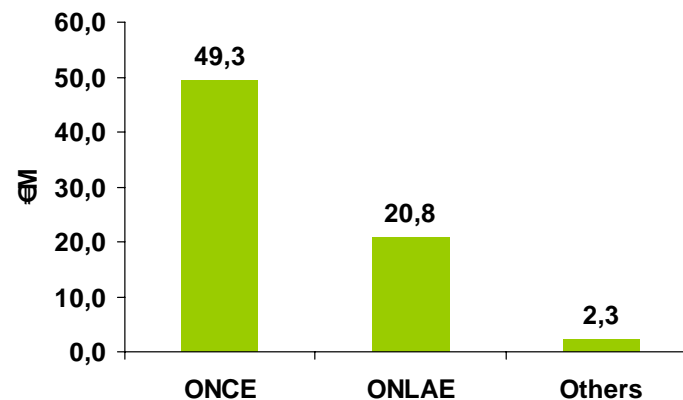
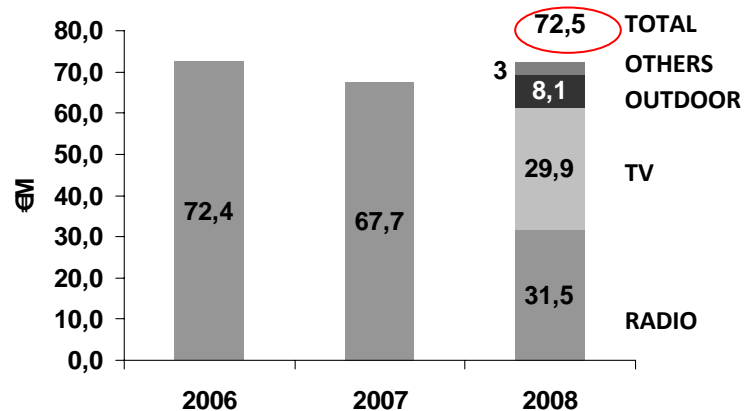
Online Gambling Regulation

## 2 Marketing and Payment Statistics (1/2)

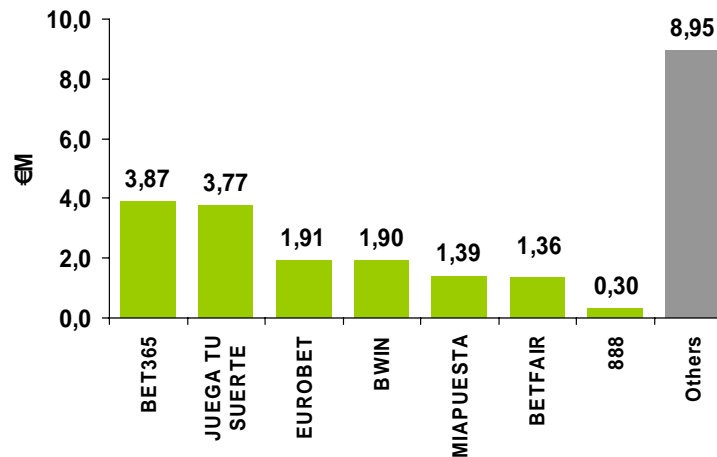
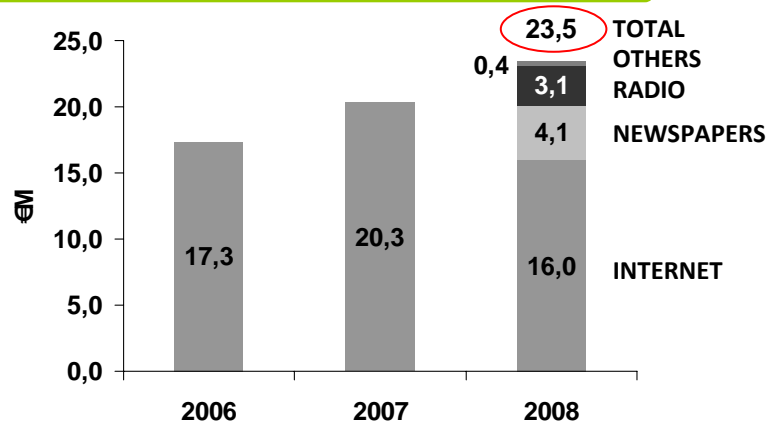


### Advertising Investment in Spain 2008

#### Lotteries (€M)



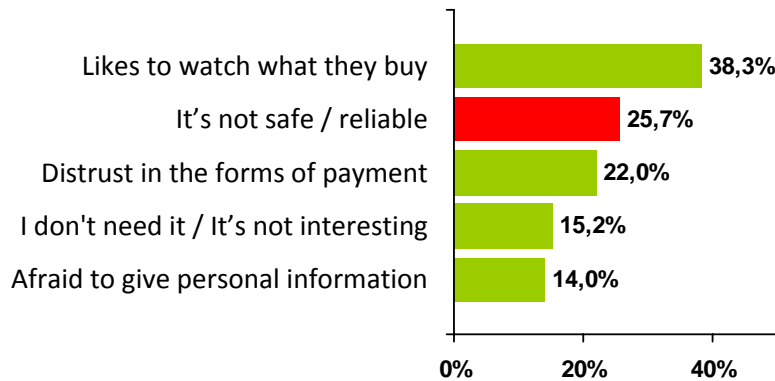
#### Online Gambling Operators (€M)



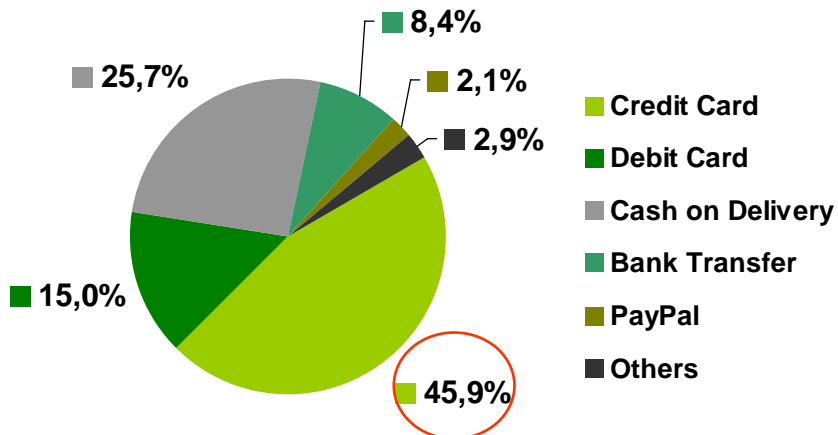
## 2 Marketing and Payment Statistics (2/2)

### Online Payment Statistics in Spain 2008

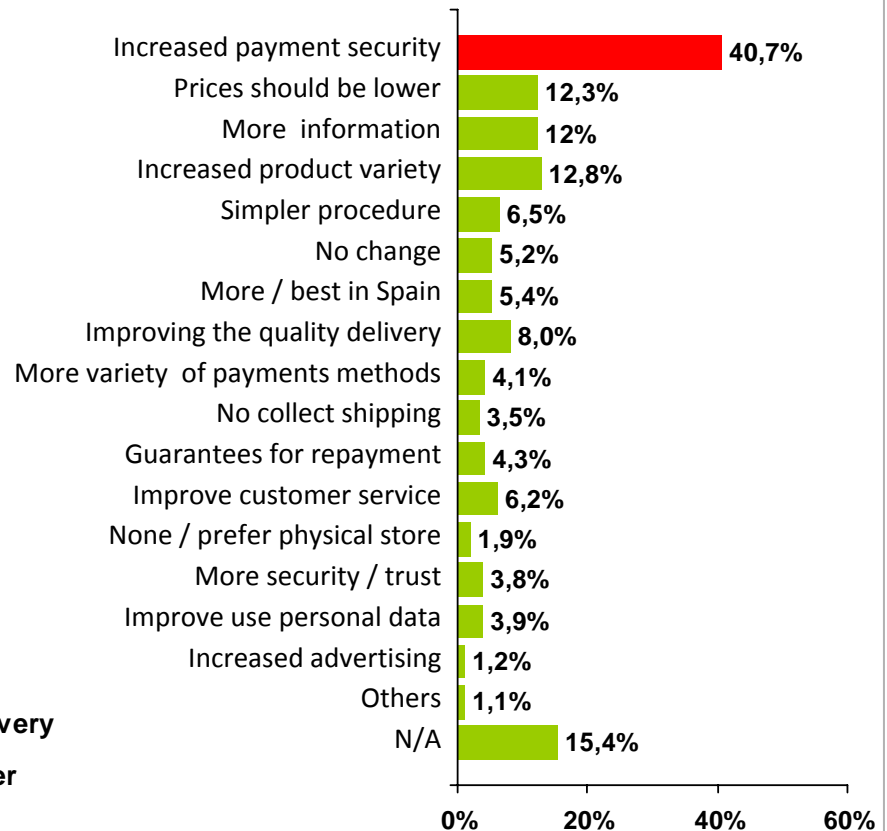
#### Reasons for not buying on Internet



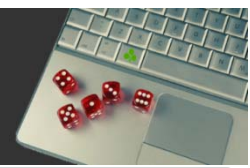
#### Payment Methods



#### Improvements to purchase in future



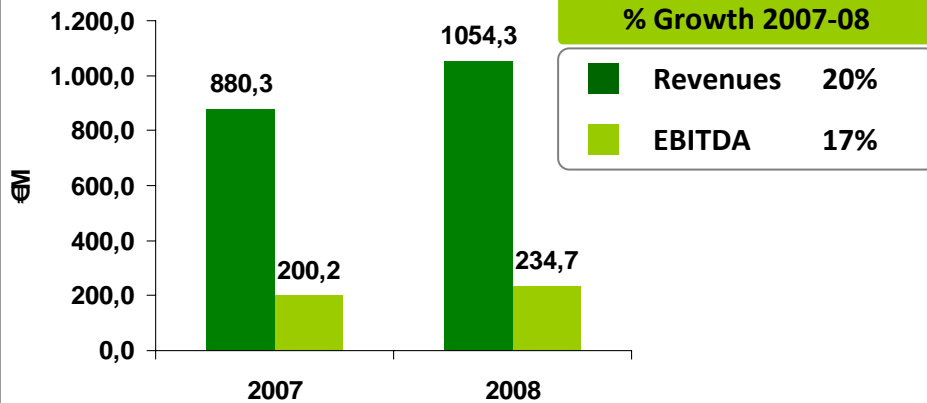
# Agenda



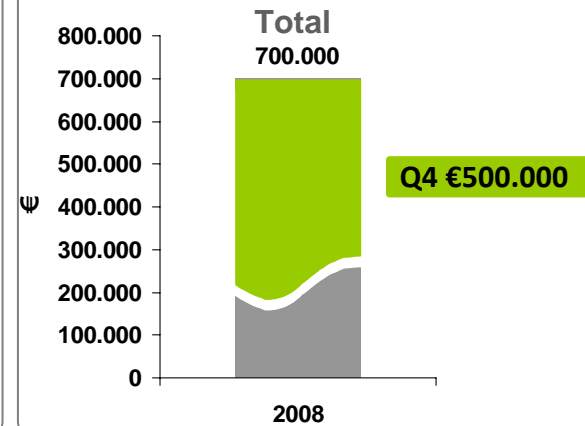
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### 3 VICTORIA Sports Betting Performance

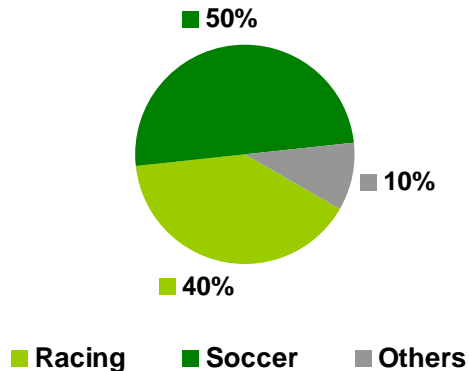
#### Main Figures CODERE



#### VICTORIA Revenues



#### % VICTORIA Settled Stakes



#### Barça vs Real Madrid

Euro Cup Winner

Germany vs Spain

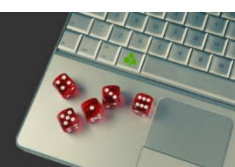


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## 4 Online Gambling Regulation (1/3)



### Principal European Online Gambling Regulations

	Actively allow	Passively allow	Actively prohibit	Passively prohibit	State or regional monopoly	Licensed private monopoly	Liberalised regulated market
France	X				X		
Germany			X				
Italy	X						X
Malta	X						X
United Kingdom	X						X

Source: European Parliament

	Restriction on foreign operators?	ISP blocking?	Financial transactions blocking?
France	YES: 2006 law includes ISP and payments blocking measures against blacklisted operators, although measures not brought into effect pending online gambling reform.	Possible	Possible
Germany	YES: Blanket prohibitions on online gambling, enforcement varies state by state.	YES	YES
Italy	YES: Local licensing requirement, plus ISP blocking against government blacklist.	YES	NO
Malta	NO	NO	NO
United Kingdom	NO: All operators established in EU/EEA allowed to advertise in UK	NO	NO

Source: Gambling Compliance



## 4 Online Gambling Regulation (2/3)

### Online Gambling Regulation Trends



USA

US Lawmaker to push to repeal Internet gambling ban

Source: Reuters



Italy

Italy allows 200 online gambling sites and punishes not empowered ones

Source: EFE



UK

Ladbrokes proposing offshore operators to pay a 2 % tax on GW in return for the right to advertise

Source: Gambling Compliance



Spain

Online Gambling duty levied at 10% of GW in Madrid

Source: Art. 5 Ley 3/2008 de 29 de diciembre, de Medidas Fiscales y Administrativas.

## 4 Online Gambling Regulation (3/3)

### Spain Online Regulation Proposal

#### Regulation vs Prohibition

- National Licensing
- Principal Control Measure:
  - ISP Blocking of non-authorized online operators
- Avoid:
  - Geolocation, multiple servers, B&M operating rules



#### Taxation

- 7% on GW (wagers less prizes)
- 3% on Advertising expenses

It would mean Hundreds of M€ to split between the State and Regions just in the first 3 years

#### Advertising

- Autocontrol restrictions

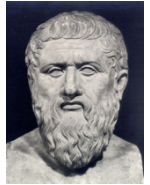
#### Protection Measures

- eCOGRA and EBGa recommendations
- Operators solvency guarantees
- Data protection, self-exclusion



*“ Man is the plaything of the gods...  
so we should play the noblest games “*

*Plato*



THANK YOU



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