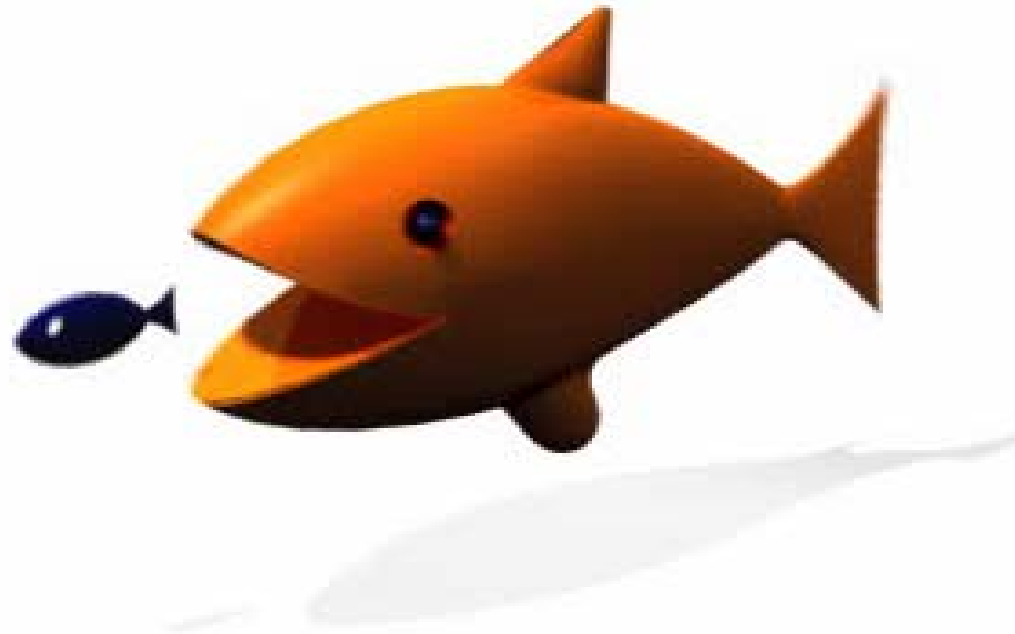


# A Legal View on European Developments: an operators' perspective



**EASG**

**6<sup>th</sup> European Conference on Gambling Studies and Policy Issues**

**Malmö, June 29 – July 2 2005**

**Arjan van 't Veer, Dutch State Lottery SENS**



# Europe's lottery market

- Total turn over of the members of European Lotteries in 2004 is estimated to be over 70 billion euro
- over 70 lotteries are member of European Lotteries
- Nearly all government owned, some (semi)private operators (Lottomatica, Camelot)



# Europe's lottery market; Trends

- Oddset betting
- Joint games: Euromillions
- VLT's
- Television shows and sponsorships
- Privatisation of operators (e.g. OPAP)



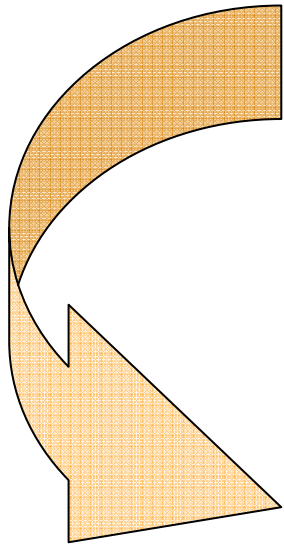
## Europe's lotteries main threats (in random order)

- Cross border activities
- Courtcases (Placanica)
- Promotional games by non-gambling licensees
- Internet scams (trademark infringements)
- Re-structuring of national gambling markets (United Kingdom, Malta)
- EU: infringement procedures, (draft)directives, expansion



## How to respond?

- ...being a State controlled and State owned lottery
- ...being a known brand (in The Netherlands)
- ...



**Look at the P 's of the  
marketing mix to find a  
right answer!**



# 1. The Product

- Is a State Lottery able to create and offer the products the players want?
- No; see the growth of exchange betting, better odds, advertisement restrictions, responsible playing rules



## 2. The Price

- How much are intended players willing to pay?
- Here's something to compete with illegal parties
  - Play by subscription



### 3. The Place

- Available at the right place, right time, in the right quantities?
- Competitive advantage:
  - Sales network (possible expansion)
  - Easy access systems



## 4. *Promotion*

- Advertising, selling, sales promotion, public relations
- Real competitive advantage although within limits



Or....(Lotteryinsider May 30 2005)

- **Boss Media and Svenska Spel Sign Strategic Partnership Agreement**

SWEDEN (May 27, 2005) -- Boss Media and Svenska Spel have worked together for several years on various projects in the area of digital gaming. Interest for digital games has increased dramatically, and the two companies have now decided to leverage the extensive experience that they have acquired. This combination, in which Boss Media has been responsible for technical and platform development and Svenska Spel has developed game concepts and handled daily operations, has proven to be very successful. With the partnership agreement, the two companies will now take advantage of the unique platform that the partnership has created.



Or... (Lotteryinsider June 22 2005)

- **GTECH Announces Joint Venture with Veikkaus Oy, Finnish National Lottery Operator**

WEST GREENWICH, Rhode Island, USA (June 21, 2005) -- GTECH Holdings Corporation (NYSE: GTK) today announced that GTECH Global Services Corporation Limited, a wholly-owned subsidiary of GTECH Corporation, has entered into a joint venture agreement with Veikkaus Oy, the operator of the Finnish national lottery, to develop and market innovative new games and solutions for the lottery and gaming industries. The primary focus of the joint venture is the development of government-sponsored games and solutions over expanding interactive channels such as Internet, mobile telephony, and interactive television, with a main emphasis on sports betting. GTECH will hold an 81 percent equity stake in the joint venture, with the remaining 19 percent held by Veikkaus. The joint venture will be located in Finland, and initially staffed by Veikkaus personnel. The joint venture agreement is expected to close and be operational in the third quarter of this fiscal year, subject to certain closing conditions in the agreement.

