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Propositions of Centric SA and Sportingbet Plc in the framework of the public consultation for the regulation of the gaming industry

CENTRIC SA as well as **Sportingbet** Plc one of the largest online betting and gaming companies worldwide, with which Centric is collaborating, have jointly submitted their propositions in view of the public consultation initiated by the Greek government regarding the regulation of the gaming industry in Greece and have clearly voted pro open market conditions under the precondition of establishing a strict and thorough regulatory framework that will determine the rules, the business conduct as well as the control and penalties system for this market.,

By means of conveying its experience from the European market as well as its collaboration with leading providers of the online gaming worldwide, **CENTRIC** together with **Sportingbet** submitted their propositions which aim at the safety of the players, the selection of reliable providers and the smooth market operations. Centric which is active in the global online entertainment market since 2007, emphasizes that the delimitation of the operational framework of the Greek market can profit by capitalizing on the already proven effective international practices.

Specifically, Centric SA and Sportingbet Plc propositions regarding the regulation of the gaming industry are summarized as follows:

- Games that must be included: **All games must be included** (online or offline) **under the scrutiny and control of the Greek Gaming Supervisory Committee** so as to ensure common legal framework and ground rules for all operators; The regulation of the significant online casino market, which is estimated at about € 3.5 billion in amounts wagered.
- Players Protection: **Full restriction of under aged players' participation**, restriction of financial incentives to attract new players (credit, discount etc), player's full identification – as regards the online providers via online means while as regards the offline providers based on the same standards that apply to the offline casinos with self-restriction abilities either from the provider or the Gaming Supervisory Committee as well as restriction of large cash transactions in betting pursuant to the existing legislation. Cooperation of all providers, the Gaming Supervisory Committee and the competent authorities in case of suspicious or illegal funds trafficking.
- Marketing and promotion of games: **Establish clear and common rules for marketing and promoting games of all types**, in order to: protect under aged players, address the social implications of gaming, impose severe restrictions on content, media and advertising time; Introduce a **code of conduct** in line with the rules of the British Committee of Advertising Practice, which is the most straightforward, detailed, rigid, strict and protecting approach.

- Providers Transparency: **Ensuring full transparency of the provider's shareholders** till natural person as well as its key executives. **Ensuring the provider's capital adequacy as well as track record of profitability** under IFRS (at least three years). Furthermore any penalties must concern all providers even those not include in the proposed legislation.
- Licensing of online providers: As regards the licensing of online providers, the **best approach is the one described under case "A" of article 11**, that is to allow unlimited number of licenses, which will be granted however under a set of strict criteria capturing all aspects of the business. Thereby **ensuring smooth functioning of the market, offering new jobs while ensuring more tax revenues for the State**.
- Exclusion of providers: Moreover the **mechanism of exclusion of non-licensed providers is one of the key points** that will ensure the proper implementation of the regulatory framework.
- Tax imposition/levy: It is proposed that the **one-off levy to be proportional to these applied** in other European markets, taking into consideration the demographic criteria. As regards **the recurring levy we propose that it is calculated as a percent of the net gaming revenue and not the gross amount wagered** ("payout") and in any case not to be lower than €1 million, in order to ensure the providers' reliability. Simultaneously we propose the establishment of maximum limit of payout equal to 80% on total gaming, which will safeguard the existence of potential taxable revenue for the government. Moreover **the taxation of bet to be the same for all types of gaming** (online and offline) as well as for all means of their disposal (agencies or online) in order to safeguard the free competition.
- Bet Exchanges: We propose that bet **exchanges are not licensed** because as they can be used either as a channel of betting reinsurance of non-licensed providers or as a channel of distribution of illegal money.

CENTRIC as well as Sportingbet responsibly submit in open audience their experience at the public consultation in order to capitalize on a significant opportunity: to regulate the fuzzy aspects of today's Greek market with outdated laws that eliminates competition and entrepreneurship, allows for illegal or immoral activity, and deprives from the Greek economy the possibility of capitalizing from the benefits of a properly regulated, competitively functioning framework of such a developed and profitable market.

CENTRIC - SHORT PROFILE

H Centric Multimedia SA is listed on the Athens Stock Exchange. The Company participates in companies that adapt to local markets, manage and promote online entertainment services. Centric's subsidiaries cooperate with large online entertainment providers, which are listed on the European Stock Exchanges and are licensed to provide these services from distance, in order to jointly provide and promote online gaming platforms in several languages of the Central and Southeastern European countries.

The most significant of these is the joint venture with Sportingbet Plc.

SPORTINGBET Plc – SHORT PROFILE



sportingbet Plc

Sportingbet Plc is one of the pioneers in the online betting and gaming industry and is today one of the market leaders worldwide. The company was founded in 1998 is based in London, the United Kingdom. The company is listed on the main market of the London Stock Exchange and its market cap reached £[301] million (based on [9/9/2010] closing prices). Its various websites span over 30 countries serving customers in 26 languages. Sportingbet localises its websites to reflect the different languages, currencies and preferred sports of its target markets. The Company's objective is to provide a "protected entertainment environment" in which its customer care programmes give responsible adults the confidence of knowing that their money is safe whilst providing the Company with the confidence that all reasonable steps are being taken to protect the vulnerable.