The Executive Committee of the European State Lotteries and Toto Association

**PRESIDENT**
Dr. Winfried WORTMANN, Managing Director
Westdeutsche Lotterie GmbH & Co. OHG
Germany

**1st VICE-PRESIDENT**
Mr. Christophe BLANCHARD-DIGNAC, President-General Director, La Française des Jeux, France

**2nd VICE-PRESIDENT**
Mr Sotiris KOULOSSOUSSAS, Member of the Board of Directors, Chairman of the <Sports Business Partnership>, OPAP S.A., Greece

**MEMBERS:**
Prof. Vesna BAKRAN, General Manager
Hrvatska Lutrija, d.o.o., Croatia

Mr Gonzalo FERNÁNDEZ RODRÍGUEZ, General Director Loterías y Apuestas del Estado, Spain

Ms Liliana GHERVASUC, President, General Manager Compania Nationala «Loteria Romana» SA, Romania

J UDr. Ales HUSAK, Chairman of the Board of Directors and General Director, Szakz a.s. Czech Republic

Mr Jussi ISOTALO, Deputy Managing Director
Veikkaus Oy, Finland

Mr Léon LOSCH, Director Loterie Nationale, Luxembourg

Ms Dianne THOMPSON, Chief Executive
The National Lottery Camelot, United Kingdom

Mr Tjeerd VEENSTRA, Director, De Lotto, Netherlands

**OCTOBER**
- European Legal Affairs
  Dates: October 29 - 31, 2007
  Location: Munich / Germany
  Host: Süddeutsche Klassenlotterie and Staatliche Lotterie-Verwaltung Bayerischer Fussball-Toto

**NOVEMBER**
- Seminar on European Corporate Social Responsibility
  Dates: November 5 – 7, 2007
  (Midday Nov. 5 until 4 p.m. on Nov. 7)
  Location: Istanbul / Turkey
  Host: Turkish National Lottery Administration

- Executive Committee meeting with representatives of the EU Institutions
  Date: November 20, 2007
  Location: Brussels / Belgium

**DECEMBER**
- New Distribution Channels Seminar / Public Order and Security
  Dates: December 5 – 7, 2007
  Location: Lisbon / Portugal
  Host: Santa Casa da Misericordia de Lisboa / Departamento de Jogos

In less than you think, January will be here.

Please don’t delay - register now for the first 2008 joint EL/WLA seminar

And now note:
Sports Betting Seminar
Lausanne, Switzerland
June 9-12, 2008
With EURO 2008 Football Match, 2nd round in Geneva

Registration for all our seminars can be done online at:
http://www.european-lotteries.org

All 2008 events will be available shortly on our website (under events)
Announcements are made a few months in advance

**NEW PROVISIONAL MEMBERS**

**REGULAR MEMBER**
MALTCO LOTTERIES LTD
Hal Mann Buildings, 2nd Floor
St. Michael’s Street
IKLIN BZN 11 / Malta
Ladies and Gentlemen,
Dear Friends,

In the next few months, we are expecting parliaments and governments from several countries to take important general decisions on gaming. In the meantime, the number of infringement cases amounts to more than ten. Although a first tentative was made among European governments to consolidate their gaming experiences and interests, a definite common European policy has not yet been implemented. Stories about private operators of sports betting and lotteries, involved in illegal activities, still dominate the news in most countries.

It has become evident for our Association and our Executive Committee that our core objective must encompass information and lobbying activities as well as a dedication for social groups which could lose their financial base without our support – and at the same time could be victimized by profit-hungry, uncontrolled gaming operators.

Our Brussels office, under the management of the General Delegate, Rupert Hornig, is an important mainstay for this task. Just as important, however, are the activities and steps taken by our Members in their own countries. The new Executive Committee will concentrate on serving as a coordination link and will provide all Members in due course with the necessary information and arguments. The support of our Legal and Public Affairs Consultants will focus on this dual target. The clear agreement we got at the General Assembly in Budapest in May provides the necessary budget and the appropriate scope of action. Step by step, we will extend our strategic activities, as they are an investment in our common future.

We have increased the number of our Commissions. There is a new Commission on Public Order and Security; Messrs. Reidar Nordby Jr. and Ales Husák will be in charge of gathering information about the risks of criminal use of lottery games, money laundering and financing of organized crime, and they will develop recommendations for a defensive approach. What does Europol mean when they talk about the increasing influence of organized crime in the lottery business? – We need to gain definite information about that. There is also the new Commission on Education Programmes and Congresses, chaired by Prof. Vesna Bakran and Hansjörg Höltkemeier, dedicated to develop guidelines for our seminars, congresses and events. Our aim is an increased coordination between EL and WLA programmes. Of course, our main focus will be Europe and those topics in which we have the greatest expertise. CSR and Responsible Gaming remain under the direction of Dianne Thompson; The Finance and Organisation Commission remains in the capable hands of our 2nd Vice President, Sotiris Koulossousas, and we were able to win Friedrich Stickler for the Sports Commission. Furthermore, the Strategy and Communication Commission will be chaired by the President, along with the 1st Vice President, Christophe Blanchard-Dignac, who will coordinate the communication aspect; Tjeerd Veenstra is Chairman of the Legal Working Group. Léon Losch has been instructed to prepare the basis for a new economic study which no doubt we will need in 2008.

EL basic work and administration continue to be the responsibility of Bernadette Lobjols, at the General Secretariat in Lausanne. She develops and implements the education and training programmes as well as our congresses and she supports the working groups if they need special assistance from the General Secretariat.

Please do not hesitate to contact us if you need our support. Give us your comments, if we have missed the latest developments. Name your contacts at the European Parliament and the European Commission as they need our information from Brussels. The more we participate in discussions and operations in Brussels, Strasbourg and Luxembourg, the stronger our relationship will be with our Members. There is no greater danger for the Executive Committee to be on its own and to lose contact with its base. A joint action requires joint knowledge.

With kind regards,

Winfried Wortmann

Message from the President
What does it mean?

At Scientific Games, our industry-leading Cooperative Services Program (CSP) experience now covers 22 years.

Refining and streamlining the supply chain at every touch-point.

Getting games to market ever more quickly and efficiently.

Moving sales and net revenue to new and higher planes.

Each is a goal without a finish line.

Each is a goal of the CSP.

All CSP customers benefit from a steady flow of ideas, innovations and solutions.

Lessons learned would fill a library, but one stands apart:

**Achieving success at the highest level requires a partnership, shared vision and a collective desire to think differently and to push the envelope of action beyond the status quo.**

That's where we find ourselves today.

> TO GET THE FULL STORY:

[www.scientificgames.com](http://www.scientificgames.com)

Delivering Serious Fun!

Scientific Games

Cooperative Services

©2007 Scientific Games
European Lotteries are good corporate citizens

Over the past few years, European Lotteries have worked at improving their relationship with the society and at establishing other guidelines to define their operations as highly responsible. EL has helped in the implementation of a Code of Conduct that has become the Reference to all responsible European Lotteries.

EL has made its mission to support its Members in their quest for a strong position in the society and will work on improving the image of European Lotteries. Through seminars and congresses, EL will stress the importance for each of its Members to establish best practice standards and responsible gaming principles. This will ensure that games remain entertaining while protecting players from game addiction. Other targets that EL will continue to highlight are consumer protection and support of good causes. European Lotteries must find ways to minimize gaming problems for individuals which will be in line with any good citizen policies - an approach that will also prove beneficial when the sector is subjected to scrutiny by the EU Commission. Of course, one of the most sensitive topics remains the support to good causes; Lotteries will remain invested in helping causes recognized as being beneficial to the general public, making sure that each beneficiary gets a fair share of gaming revenues according to their needs.

I will encourage all of our Members to take a look at our calendar of events, as each of our seminars and other events will provide the perfect forum to discuss these topics. Our 4th Congress, that was held in Budapest, Hungary in May, made a point in supporting the players and in protecting them from fraud and deceitful gaming operations. Our Congress was a great success and the program attracted very informative presentations from our speakers. We would like to express our gratitude to our hosts, Mr. László Varga, President, and Mr Gábor Székely, CEO of Szerencsejáték Zrt for their superb welcome and everyone at the Lottery for their hard work during this event.

And more is coming! September will be a busy month between the ELU meeting in Ireland (Sept. 2-7) during which ELU will celebrate its 10-year Anniversary with a record number of 52 participants, and the EL seminar on Sports Betting, September 11-13.

From October 29 to 31, a legal seminar will be held in Munich. Then November 5-7, the Turkish Lottery will host the very important seminar on Corporate Social Responsibility in Istanbul whose topics will be a prelude to our 2009 Congress that will be held in Turkey. And we will close the year with one seminar that will propose discussions on New Distribution Channels and New Media. Detailed information for these events will be communicated later on.

Looking forward to seeing you again at our Falls meetings, I would like to encourage you to regularly check our website (www.european-lotteries.org) for updates on events and latest articles.

Bernadette Lobjois
Secretary General
La Française des Jeux leads the games of chance sector in France and is the third largest Lottery in the world with a turnover of 9.5 M€ in 2006. The Lottery has been fast expanding since 2000, with a 40% increase in sales, thanks to successful Rapido and Euro Millions.

The returns to general public interests are an integral part of la Française des Jeux’s history and values. The National Lottery was founded in 1933 to stress the national solidarity and support noble causes, consequences of the war or of agricultural disasters, at the time.

Allocating gaming revenues to society is deeply rooted in the Lottery’s ethics. Thus, the general public money goes back to the great majority.

28.5% of the stakes, or 2.7 M€, have contributed to the financing of the nation’s needs in 2006. The return rate to the player, key element for the capture of the demand whilst regulating the consumption, reached thus 59.7% in 2006.

La Française des Jeux is the fourth Lottery in the world in terms of returns to state-approved purposes.

This redistribution mission is common to all the State Lotteries in the world. 33% of the European Lotteries’ outlays are allocated to good causes, 10% of which to sports and 9% to education, accounting for 15.9 M€ in 2004. In the United States, the population in various States held a referendum to ratify that resources should continue to benefit education and social welfare.

• The major patron of French sport

La Française des Jeux contributes to the development of sport in France.

With 1.8% of the stakes allocated to sport (CNDS), that is with some 171M€ in 2006; the company has been committed in sport activities for close to 30 years.

Additional sport sponsoring actions, patronage and partnerships by La Française des Jeux amount to almost 10 M€ annually.

By comparison, the budget allocated to sport by the Ministry for Youth, Sport and Community Life amounted to 200 M€ in 2006.

The partnership between la Française des Jeux and sport is natural. Both are popular, arouse dreams and emotion and rest on the respect and equality of opportunities.

Beyond that, la Française des Jeux fights for sport to observe the rules of the game and the code of ethics, two principles which rule the game of chance sector.

The allocation to the CNDS makes la Française des Jeux the major patron of sport in France.

The «National Center for Sport Development» (CNDS) is funded up to 80% by 1.8% of the total stakes, amounting to 170 M€ in 2006. The task of this organism, under the supervision of the Sports Minister, is to develop the practice of sport activities for the greatest number and consolidate the sport influence exerted internationally by France. It supports federations and associations, and subsidizes local sport installations.

La Française des Jeux is the ally of sport

It has been in partnership with the Olympic Committee for many years and with the French Federation of Rugby since 2006. The Lottery is one of the founders of the Sport Foundation.

La Française des Jeux is the patron of sport

The Lottery was the first company, in 1993, to assign its Foundation to sport and is deeply involved in the promotion of the social insertion through sport.

«La règle du jeu» (the rule of the game) fights against doping and acts of violence (more than 250 initiatives).

The «Challenge» program allocates grants to young hopefuls having limited resources (275 winners from 37 federations).

The Foundation organizes annually, for high level athletes, a seminar on career management and professional retraining.

La Française des Jeux is involved in sport sponsoring
The Lottery has been involved in cycling for more than 10 years. Its formation, led by Marc Madiot, is the French favourite team and lays emphasis on the recruiting of young talent and the raising of moral standards in cycling, the fight against doping being a central issue for la Française des Jeux as sponsor.

- A financial contribution to national priorities

The rule of non allocation to the state budget is prevailing for the allotment of these resources, with the exception of 1.8% of stakes assigned to the development of sport in France.

The resources from la Française des Jeux finance the general budget up to 20.4% of the stakes, or 1.932 M€ in 2006.

La Française des Jeux also finances the Social Security up to 2.5% of the stakes, or 233 M€ in 2006.

Press Department

Raymond-Max Aubert, Chairman of the CNDS Board

«La Française des Jeux is a real ally for CNDS»

«The levy on la Française des Jeux's turnover represents more than 80% of the CNDS (National Center for the Development of Sport) revenue. In 2006, we have thus been able to contribute towards the realization of 267 sport facilities projects, to support more than 2 300 direct jobs and grant close to 45 000 operation incentives to leagues, commissions and sport clubs. However, our relations are far deeper than simply financial. La Française des Jeux is a true partner for CNDS, not only because the company is deeply involved in supporting sport, but also because we share the same values: responsibility, integrity and transparency. The CNDS Board recently reaffirmed, towards the European Commission, its attachment to the present financing system of the French sport by the lotteries' surpluses. France is not the only one in this position : At the European level, sport is, along with education, the first general interest cause supported by the national lottery operators.»
Start – finish line – victory! Go with Wincor Nixdorf’s powerful team. We’ve got what champions need: Solutions that fulfill the most demanding requirements. Perfect technology for dynamic processes. Intelligent concepts for any scenario. And a finely-tuned service team that supports you anywhere, any time, worldwide. The best performance – it’s the only way to win the race! That’s why Wincor Nixdorf’s products undergo continual development to ensure that our customers benefit from maximum flexibility and a decisive edge over the competition, both today and in the future. Talk to us. Give us a call at +49 7531 942 26-0 or visit our website at www.wincor-nixdorf.com

EXPERIENCE MEETS VISION.
"I believe that every right implies a responsibility; every opportunity, an obligation; every possession, a duty," said John D. Rockefeller Jr. He also said that "the rendering of useful service is the common duty of mankind." I have often referred to his words as I am sure they apply doubly to the lottery sector.

The betting and lottery sector is a legal business field operating in a regulated market. Governments permit betting and lotteries and in return they expect their operators to contribute to public benefit. The level of regulation is higher than in other industries and also the ethical principles we apply are stricter than the valid legislation. We work together with government and non-government organizations, independent associations and foundations; we support sports and physical education, culture and arts, schools, healthcare and charity. Our contributions to public benefit projects amount to billions of crowns, euros or dollars... Despite that, we occasionally face criticism, sometimes from lack of knowledge or misunderstanding and in most cases simply from competitive interests.

Half a century for sports
For over half a century the oldest and the most prominent Czech Lottery Company has been owned by sports and P.T. organizations whose members make up one quarter of the Czech Republic’s population. And that is why I keep asking about the motivation of our critics. Do they mind we are the country's only betting and Lottery Company without a single private investor? Do they mind that we object to cross-border betting which deprives the State and the public welfare sector of huge financial funds? Do they mind that we rank among the most successful domestic companies by any standards? Do they mind that we generate financial funds not for private interests but for civil associations? Do they mind that we support measures aimed at higher transparency in the business, control of financial resources and security of bets and bettors?

I have no doubts that you have to ask the same or similar questions in your own home countries.

The figures speak clearly
I know that the legislative conditions, ownership structures and market environments may vary in individual countries. In our case the owners of the company are also the end-users of the generated proceeds, which contributes to their maximization and it also eliminates doubts about their distribution and use. Although we have faced attempts to the contrary, the sports and P.T organizations have always been able to defend their ownership. In the current model the proceeds from our company, jointly with state budget funds, represent the decisive financial source to fund sports and physical education in the Czech Republic and our company has been the biggest non-government provider of funds for public benefit whatsoever. Even more convincing are the figures which document our distribution of funds paid by the betting and lottery business as a whole. Our company has returned more funds to be benefit of public welfare projects, particularly those dealing with sports and physical education, but also with culture, arts, schools or healthcare, than any other betting and lottery companies in this country combined, which was significantly more than required by the legislation and many times more than the amount corresponding to our market share. It is also interesting to note that, based on profits, our contributions would correspond to a tax rate of approximately eighty percent!

Where are we heading?
We know who we are and where we come from and now we should also ask where we are heading. The challenges we have to face are many, both on the national and international scenes. Some of them are far from simple but we have to cope. The future of our
business and the volume of funds for charity and public welfare projects will depend on our ability to succeed. Betting organizations and lotteries are a part of the entertainment industry where we need to establish our profile and identify new opportunities. On one side we will see a deepening convergence of the industry with other entertainment forms, modern technologies and media. On the other side we can also expect growing competition, both inside and outside the betting and lottery business. The betting and lottery sector requires more clearly and accurately established rules than in any other field of entertainment. Entities that fail to respect the rules only parasitize on the market and harm its image. In the betting and lottery business the financial profit is not the purpose but a vehicle to achieve its charity and public benefit mission. We should communicate with the general public, politicians, legislators and media and accentuate more than before our social responsibility, awareness of corporate citizenship and our readiness and ability to help wherever the help is needed. We should be strict even with ourselves - we should not get carried away with short-term objectives, immediate profits and utilitarian interests; we should keep in mind long-term prospects, visions and strategies. We can keep the public support only if we think as good citizens and manage the company in a proper and transparent manner. Good citizenship is not an empty concept but rather a principle we follow in our everyday business activities. What is called sponsoring, patronage or philanthropy by companies from other industries is for us our daily bread, our trade and service.

We have fought many battles and more battles are ahead of us. And so I will return to John D. Rockefeller Jr., who wrote: “I believe in the dignity of labour, whether with head or hand; that the world owes no man a living but that it owes every man an opportunity to make a living.” And I want to add that our mission, our place and our objectives is wherever the opportunity is not enough and wherever the money can serve the public benefit and good causes.

Societies cannot do without gaming because gaming is a fundamental human need. A general prohibition would be ineffective. Therefore, it makes more sense to introduce games within a regulatory framework and satisfy the need for gaming in a controlled way. Empress Maria Theresa may have had the same idea in mind when she officially permitted a numbers pool in Austria more than 250 years ago. What was true then continues to apply now: it is only the face of gaming and its shapes and forms that have changed and adapted to new regulatory environments and requirements, not the principle itself. Day by day, the Austrian Lotteries take on the challenge of reaching these goals and acting in sync with the times.

Gaming operators have a special position in society. After all, the focus is on the most sensitive of all material assets - money. And this is precisely where we also find the hazardous side of it: gambling addiction and crime, such as money laundering and fraud, may easily enter the picture. Trustworthiness and responsibility form the basis of a functioning gaming system. It is up to the legislator to primarily make sure that responsibility is assumed, as the legislator is in charge of making “the rules of the game”, defining the objectives - specially the regulatory and socio-political ones - and ensuring optimum implementation. Responsibility is delegated by the license issued by the legislator.

Due to their lottery license, the Austrian Lotteries are obliged to adhere to the regulatory objectives of the Austrian government under the Games of Chance Act. These objectives include the protection of players whilst providing the optimum yield of game-related duties as part of national revenues, and they can only be attained by responsible gaming and responsible advertising in particular, and by responsible management in general.

Responsibility and gaming - some may think the two concepts are contradictory but for the Austrian Lotteries they go together, and this is reflected in the way in which the company engages with its stakeholders day to day. In this context, players come first. The point is to make it possible for players to adhere to the principle of moderation by self-restriction and to actively prevent potential problems from arising. After all, the “game factor” should not be lost in games of chance. The fact that Internet access is easy and widely available has always been a cause for debate among experts. Youth protection and effective control of online-game access are a major challenge which the Austrian Lotteries have always paid heightened attention to. At the end of October 2006 optimised responsible gaming features and a new registration procedure were put in
Lotteries and the Society

place on win2day.at, the online gaming platform of the Austrian Lotteries. The most important points involved raising the minimum age for registration from 16 to 18 years, and introducing a feature whereby the player has to define his/her limits in terms of money paid in and playing time. The change also applied to those already registered on win2day.at, not only new customers.

For many years the company’s "Responsible Gaming" department has co-operated with university institutions and counselling services in matters of problem gambling. Executives, those in touch with customers as well as sales partners attend regular continuing professional education workshops specially conceived for them, at which they are trained by experts from Austria and abroad. Moreover, there is continuous exchange of information and opinion with organisations counselling people addicted to gaming and with research institutions. The department also offers advice and help to players with problem gambling behaviour.

Responsible advertising is an indispensable part of responsible gaming. All governments in Europe aim at channelling the population's play instinct in a controlled way and at protecting players from going to extremes. Control of the gaming market by channelling consumer needs towards a range of offers optimised from the regulatory perspective can only be successful if consumers feel that legal offers are better in quality. If we want consumers to choose games offered by responsible providers, we must advertise our products. This is what the Austrian Lotteries do in a responsible way. They never pretend that sure wins can be offered or exert psychological pressure on consumers. Instead, they convey the idea of a dream with some tongue-in-cheek humour and a little ironic detachment. This is the advertising pitch for all games of the Austrian Lotteries, and the successful campaign for Lotto “6 out of 45”, which has largely followed the same line for 20 years, can definitely be considered a case in point for good non-persuasive advertising.

Responsible advertising is an indispensable part of responsible gaming. All governments in Europe aim at channelling the population's play instinct in a controlled way and at protecting players from going to extremes. Control of the gaming market by channelling consumer needs towards a range of offers optimised from the regulatory perspective can only be successful if consumers feel that legal offers are better in quality. If we want consumers to choose games offered by responsible providers, we must advertise our products. This is what the Austrian Lotteries do in a responsible way. They never pretend that sure wins can be offered or exert psychological pressure on consumers. Instead, they convey the idea of a dream with some tongue-in-cheek humour and a little ironic detachment. This is the advertising pitch for all games of the Austrian Lotteries, and the successful campaign for Lotto “6 out of 45”, which has largely followed the same line for 20 years, can definitely be considered a case in point for good non-persuasive advertising.

"Responsible Gaming" is thus a synonym for the Austrian Lotteries, it is an expression of our corporate social responsibility and it is the guiding principle of all our divisions. It is what makes us stand out. And it is also what accounts for the challenge we have to face: technical progress, which does not stop at national borders.
Let's win together

Ludwin Group provides to gaming operators around the world fully integrated solutions including:

* Technology: full range of terminals, mainframe systems, drawing equipment, ...
* Strategic marketing consultancy and games concepts under licenses
* Services and outsourcing: Facilities management, logistics and training, security,

New solutions and a new approach based on a long and reliable experience in the gaming world are Ludwin Group’s key words.

www.ludwingroup.com
**What the National Lottery does for Belgian Society**

By Ann Lammens, Communications Specialist and Head of Winners Advice Service

---

**Social responsibility.** For the Belgian National Lottery’s board, management and staff, the various components of corporate social responsibility are of paramount importance in their day-to-day activities, and these are also clearly communicated to the general public. That is why the National Lottery launches explicit campaigns, accompanies winners and strives for transparency in general.

**Our mission: Responsible Gaming.** Responsible Gaming is at the heart of the Belgian lottery’s mission and strategy. Since 2003, the National Lottery has funded several scientific studies and **game impact assessments** to evaluate the potential impact of its new games before launch. The Strategy & Business Development department also launches an annual campaign to **prevent gambling addiction** and contribute to society’s understanding of problem gambling. Posters and stickers are posted in all points of sale and retailers are encouraged to give flyers with information on gambling addiction and useful addresses to players who seem to have a gambling addiction problem. This year’s campaign invites all players to “do-the-test on gambling” in order to raise awareness among the public.

**Our work to protect minors (-18) is also important.** The Lottery takes concrete measures in order to prevent minors from buying lottery products. For instance, when parents ask their children to buy a lottery product on their behalf, the children are given a lottery card by the retailer with the following text: “We are sorry but in order to protect minors, the law does not allow to sell National Lottery products to people younger than 18. Thank you for your understanding”.

Recently, the Belgian Lottery has committed itself to reach level 3 of the WLA Responsible Gaming Framework. Furthermore, its Strategy & Business Development Department is currently working on the new **EL Responsible Gaming standards** to help the Lottery achieve this great challenge and maintain its leading role in the Belgian society.

**Responsible Winners.** The **Winners Advice Service** was founded in 2003 as a direct result of the “new” lottery that was created in 2002. The new statutes allowed us to offer extra services to players and thus also to winners, a much smaller and therefore much more accessible group compared to the players. The unit has a double role: on the one hand, it protects and helps the winners; on the other hand, it shares the acquired knowledge with, among others, the press. Almost all of our winners want to remain anonymous, and not only do we respect that, we also try to offer them a sounding board so that they can talk to someone about their ‘secret’. Whenever they have questions, we help them find answers, either inside the Lottery or, if that is not possible, outside the Lottery. Some of the information that we acquire from the winners gets ‘sanitized’ and then distributed to the press.

**Good causes: money for a better society.** In 2007, the National Lottery is spending 225.000.000 EUR on **subsidizing** activities of not-for-profit organizations. We select activities that contribute to the general, financial or moral progress of society, and, at the same time, give the National Lottery a positive image. Subsidies are never attributed to activities that can, directly or indirectly, lead to addiction (alcohol, tobacco, etc.), that are risk-bearing or profit-seeking.

Through its **sponsoring** policy, too, the Lottery wants to contribute to social welfare. For the National Lottery, sponsoring and social service go hand in hand. For each musical opera that is sponsored, we try to fill the entire theatre once and for free, with an underprivileged audience that doesn’t have the money to spend on cultural events. Since 2006, the National Lottery has sponsored several projects for young people with disabilities. There was, for example, “KlankenKunst” (“Sound Art”), a project in which handicapped youngsters were trained to become “sound artists”. After their training, they participated in a successful concert tour with professional musicians.

---

**Environmental responsibility.** For a long time now, the National Lottery has been paying attention to the consumption of energy. In 2006, it signed a convention together with the Belgian public companies, that forces subscribers to save at least 7.5 % on the total energy bill compared to the year 2005. The National Lottery signed this convention not only because it cares about the environment, but also because it wants to serve as an example for other medium-sized and large companies in Belgium. From the end of September onwards, an awareness program, the “Save Energy” program, will be organized for all employees. The program starts with a test that measures the current awareness and the will to change the current behaviour. The program will run over a period of seven months and at the end of that period, a second test will measure the extent to which the person’s behaviour was actually changed.

At the same time the National Lottery is studying several high-technological solutions to further decrease its energy bill.

To find out more about the Belgian National Lottery, you are invited to consult the annual report that can be downloaded from www.loterienationale.be
Lotteries and the Society:
The need for introducing “the solidarity principle” in EU law?

By Philippe Vlaemminck, Legal Advisor

Lotteries are not about gambling. Certainly, for the people Lotteries bring fun and entertainment and dreams about a different life. Exceptionally Lotteries create problems, but not like other forms of gambling. However, when Lotteries create problems, such problems must be resolved and ways must be found to avoid such problems to occur again. Prevention is for Lotteries, more than any other form of gambling, of adamant importance.

Lotteries are about a way, one of them, to sustain a modern, human and democratic society, where it is good living for all. Lotteries do tell us that society demands more than just “hard money”. Lotteries do indeed play an important societal role:

The first objective of Lotteries in today’s society is to channel the gambling desire.

Often used, channelling of gambling desire is a difficult objective to circumscribe. It is not a static, but a dynamic objective which is still the core of the debate in Europe. Recently the ECJ admitted partially that channelling is indeed a dynamic concept which requires a modern and attractive offer. The ECJ accepted in Placanica the doctrine of controlled expansion as developed by France and Belgium, but only linked to the issue of prevention of or flight against crime. In the Ladbrokes case, the EFTA Court did expand the theory to the other objective of the defence of the consumers and the prevention of addiction. However the role of Lotteries is not limited to the objectives stated by the ECJ and the EFTA Court as falling within the scope of the EU and EEA Treaties.

Although legally only of ancillary importance, one cannot and should not deny the role that Lotteries play in society to help fighting against poverty and to fund and support in many jurisdictions the policy towards development aid (contributing more than anything else to the Barcelona Development Commitments). Lotteries are also substantial contributors to academic research programmes and add to the development of the knowledge based society as promoted by the so-called Lisboa European agenda. Lotteries do constitute also a vehicle for gradual renewal. The European Parliament recognised the role that Lotteries did play in the introduction of the Euro (as one citizen out of two plays at least once a year a lottery game, their intermediary role with the population is essential). Lotteries did and do introduce new, highly safe distribution methods. The on-line terminals that Lotteries use can and do handle more data in a safe manner than most banking systems in Europe. Security standards in Lotteries (see the Euromillions and WLA standards) are amongst the highest in the world.

Finally Lotteries are amongst the most important contributors to the support and development of amateur and grass root sport as well as to the highest levels as the Olympic Games, as openly recognised by the IOC President Jacques Rogge. As such Lotteries are in line with the Nice declarations on sport and the EU sport policy.

As already outlined in the Schindler case, this specific role of Lotteries is partially within the context and partially outside the context of the EU Treaty, but is always a positive contribution to society, including to the development of the EU in certain ways and areas (the quoted examples are the EMU, the Lisboa strategy, the Barcelona development commitments and the Nice declaration on sport). As the ECJ declared in Schindler:

§ 60: “The general tendency of the Member States is to restrict, or even prohibit, the practice of gambling and to prevent it from being a source of private profit. Secondly, lotteries involve a high risk of crime or fraud, given the size of the amounts which can be staked and of the winnings which they can hold out to the players, particularly when they are operated on a large scale.

A final ground which is not without relevance, although it cannot in itself be regarded as an objective justification, is that lotteries may make a significant contribution to the financing of benevolent or public interest activities such as social works, charitable works, sport or culture.

§ 61: “Those particular factors justify national authorities having a sufficient degree of latitude to determine what is required to protect the players and, more generally, in the light of the specific social and cultural features of each Member State, to maintain order in society, as regards the manner in which lotteries are operated, the size of the stakes, and the allocation of the profits they yield. In those circumstances, it is for them to assess not only whether it is necessary to restrict the activities of lotteries but also whether they should be prohibited, provided that those restrictions are not discriminatory.”

1 C- 275/92, Judgement of the Court of 24 March 1994- Her Majesty’s Customs and Excise v. Gerard Schindler and Jörg Schindler- Reference for a preliminary ruling- High Court of Justice, Queen’s Bench Division, O.J. I-01039, §60-61.
A blind application of the Internal Market provisions could jeopardize the positive contribution of Lotteries towards society, even challenge it, and through it, be one of the elements undermining the European construction.

Remote gambling operators try to get unlimited access to the different EU jurisdictions based upon the EU Treaty (or based upon WTO law in case of the US), while the EU Treaty rules nor any other international regulatory framework does provide adequate legal answers (contract law, taxes, consumer defence, product and operator control)? The first, but not only problem, is to bring the EU perspective in harmony with the role of Lotteries. The Internal Market rules and exceptions do not provide a full and comprehensive answer. Some aspects are an exemption from those rules. Some aspects do require other legal frameworks as the Second and Third Pillar, or even the OECD, the Council of Europe and/or the WTO.

Lotteries, as always, are seeking to contribute to such solutions to the benefit of society. The subsidiarity principle as outlined by the Amsterdam Treaty does clearly not help us enough in the actual context where the threat is coming from the off shore remote gambling side. It is probably time to establish a new European principle: "the principle of solidarity", which is what Lotteries promote in society.
Responsibility for the Future

George Bernard Shaw once wrote, “We are made wise not by the recollection of our past, but by the responsibility for our future.”

As the lottery industry considers its future, chief among its responsibilities will be a deep, abiding and unrelenting commitment to Responsible Gaming programs. Although problem gambling represents only a fraction of the adult population in a typical jurisdiction, its significance and potential impact on the populace are not lost on today’s lotteries.

In the U.S., Responsible Gaming programs have advanced tremendously from where they were just 10 years ago. Today, a number of U.S. lotteries address the challenges of problem gambling through alliance-type arrangements with sister government organisations. Each alliance member assumes a precise role in what amounts to a comprehensive, multi-pronged strategy for countering problem gambling’s harmful effects.

In Europe, the development and implementation of Responsible Gaming programs remains a top priority. Current Responsible Gaming initiatives include:

- Age verification
- Self-exclusion programs
- Maximum limits on the amount of money players can spend
- Reductions in marketing and advertising budgets
- Creative and consistent marketing messages, including logos and slogans that reinforce socially responsible play
- Offering games only to adult consumers who are registered members and have a player’s card

Responsible Gaming not the exclusive responsibility of the lottery organisation. Suppliers must also share in the responsibility by providing solutions that address problem gambling. Scientific Games is doing just that. The company is a staunch supporter of the European Lotteries’ and World Lottery Association’s Responsible Gaming Principles and of the two organisations’ ongoing commitment to public order and their unending battle against illegal gambling.

Scientific Games also provides tools that are necessary for implementing effective Responsible Gaming programs. The company’s online lottery system customers – the world over – have implemented comprehensive programs and functionality for player tracking to help safeguard players from uncontrolled gambling behaviour. Lottery staff and retailers receive training on how to identify the signs of compulsive gambling and how to help players help themselves.

Among the tools Scientific Games now makes available to its customers are the following:

**Player’s Card**
To receive a player’s card, players must register with the lottery, stating their contact details, bank account number, etc. They must also declare that they are of lawful age and permit the lottery to pursue measures to verify truthfulness. Age limits vary from country to country and from game to game, but most lotteries allow Internet play only for those who are 18 or older. Players using a player’s card are automatically checked.

A player’s card enables, for instance, players to:

- Play games online
- Check prizes
- Deposit money into their online account
- Store their favourite lotto numbers
- View their game transaction history
- Access responsible gaming programs

**Self-Exclusion Programs**
Players can ask the lottery to impose restrictions upon their play. By combining the use of a player’s card with self-imposed restrictions stored in the lottery system, players can be denied play during the requested time period.

Self-exclusion can also be incorporated into Global Draw’s VLTs. Global Draw is a Scientific Games company based in the United Kingdom. Every 30 minutes, a pop-up window appears on the VLT screens to let players know how much time they have spent at the terminal. The windows regularly appear until the designated and pre-programmed final time limit has been reached.

**Maximum limits on player spend**
With the use of a player’s card, all games played via Internet, mobile phone or the retailer network are entered into the player’s personal gaming account. When entering his account on the lottery web site, the player can keep track of the time and amount of money he has spent on gaming. In the lottery system, a general limit can be set for the maximum amount a player is allowed to spend per game and time period. Players who feel they are in the risk zone can request the lottery set lower limits for their bet amounts (e.g., per play, per game and per week).

**Responsible Gaming: A Shared Commitment**
Today’s lottery organisations – together with their suppliers – have a social and moral responsibility to their governments, their players as well as other interested stakeholders, and a shared commitment to Responsible Gaming will be necessary if our industry is to remain vital and vibrant to an emerging generation of socially conscious consumers.
Lotteries increasingly embrace content delivery technologies due to the powerful promotion, information and entertainment mechanisms they can accommodate. The possibilities are practically unlimited: KENO animations, monitor games and live-betting, graphics and animations for winning numbers, jackpots, frequently and infrequently drawn numbers, promotional, informational and advertising material, lottery specified messages and customized changeable screens; all in the form of very impressive, eye-catching, rich multimedia content that can attract and augment the players’ interest inside lottery or social venues.

INTRALOT’s LOTOS™ Horizon, developed based on the latest advances in Digital Interactive Television, Data Broadcasting and Interactive Multimedia, and integrated with INTRALOT’s LOTOS™ O/S and CORONIS family of terminals, provides lottery operators with the most advanced and comprehensive solution for all cycles of content lifetime, from creation, to delivery, display and management.

**Content Delivery**
- Support for any IP WAN (xDSL, xTTY, VSAT) and any Digital Video Broadcasting network (Satellite, Cable, Terrestrial) as well as combinations.
- Reliable and efficient delivery using Unicasting, Multicasting and hybrid schemes.
- Optimum network bandwidth utilization, simultaneous content reception and system expandability to any number of venues and displays thanks to the reliable multicasting protocol.
- Multiple, prioritized delivery channels with support for quality of service schemes.
- Support for both synchronous delivery (e.g. for periodic draws of fast monitor games) and asynchronous delivery on-event (e.g. change of scores or odds).
- Broadband operation, with support for real-time media streaming and IPTV.
- Narrowband operation, with content caching at the network edge (terminals), offering players the impressive effects of real-time full-motion digital video, while communication traffic and operation costs are kept to minimum.
- Secure content delivery and storage.
- Automatic content compression for further bandwidth and storage optimization.
- Automatic resumption of broken downloads.
- Wide geographical reach at the lowest possible operation cost.

**Content Creation**
- Efficient content creation by separating media objects from content presentation templates and schedules.
- Media objects creation by the Lottery, their Creative partners or INTRALOT.
- Ease and convenience in content authoring including playlist, page, schedule, and show templates, using standards compliant methods and tools.
- Reusability of media objects and templates for optimizing communications bandwidth and storage.
- Data Mining and Automatic Content Creation for Fixed Odd Betting Applications including programs, odds, results and live score.

**Content and Display Management**
- Creation, delivery and execution of command scripts and play-lists.
- Creation and management of multiple concurrent content channels that might be assigned and displayed in different groups of screens.
- Creation and delivery of short textual messages as well as multimedia messages.
- Venue and/or display addressing individually, in groups, or globally.
- Customized messages for specific retailers, geographic locations, chains and groups.
- Player alerts as well as Social alerts including Amber Alerts and Weather alerts.
- Real-time display control: ability to send commands, messages and alerts, in real-time.
- Scheduled presentation control, with pre-prepared schedules and play-lists.
- Remote display control and status monitoring.
- Remote file/media management.
- Remote display parameters management.
- Forced content synchronization of a terminal or a group of terminals.

Except for its completeness, LOTOS” Horizon offers the lotteries with numerous other advantages, some of which are listed below.

**Content Display**
- Content display in multiple devices such as dedicated monitors or terminal screens (customer displays, player advertising displays and operator and player screens), all managed in a unified manner.
- Attractive, photorealistic, high definition graphics including MPEG-1/2/4 video, images, animations and crisp text, together with synchronized stereo or multi-channel digital sound.
- Multi-plane graphics blending or zoning.
- Media file playback and live-streaming.
- Ability to deploy literally unlimited number of displays per venue, in any distance from the terminal and from each other.
- Installation flexibility with support for heterogeneous display configurations.
- Scalability, expandability and low maintenance costs.
- Media objects creation by the Lottery, their Creative partners or INTRALOT.
- Reusability of media objects and templates for optimizing communications bandwidth and storage.
- Data Mining and Automatic Content Creation for Fixed Odd Betting Applications including programs, odds, results and live score.

**Content Creation**
- Efficient content creation by separating media objects from content presentation templates and schedules.
- Media objects creation by the Lottery, their Creative partners or INTRALOT.
- Ease and convenience in content authoring including playlist, page, schedule, and show templates, using standards compliant methods and tools.
- Reusability of media objects and templates for optimizing communications bandwidth and storage.
- Data Mining and Automatic Content Creation for Fixed Odd Betting Applications including programs, odds, results and live score.

**Content and Display Management**
- Creation, delivery and execution of command scripts and play-lists.
- Creation and management of multiple concurrent content channels that might be assigned and displayed in different groups of screens.
- Creation and delivery of short textual messages as well as multimedia messages.
- Venue and/or display addressing individually, in groups, or globally.
- Customized messages for specific retailers, geographic locations, chains and groups.
- Player alerts as well as Social alerts including Amber Alerts and Weather alerts.
- Real-time display control: ability to send commands, messages and alerts, in real-time.
- Scheduled presentation control, with pre-prepared schedules and play-lists.
- Remote display control and status monitoring.
- Remote file/media management.
- Remote display parameters management.
- Forced content synchronization of a terminal or a group of terminals.
Responsible Gaming Programs Take Center Stage

In a recent note updating developments at Svenska Spel CEO Jesper Kårrbrink wrote:

“…..On the CSR (Corporate Social Responsibility) side we have launched Playscan (Spelkoll, in Swedish) with great response. With Playscan we have brought our gaming responsibility to a completely new level. The tool can (on a voluntary basis) detect players in the risk zone of developing gaming problems and offer them tools to change their behaviour in good time. By doing that we prevent gaming problems in a way that has never ever been done before. Playscan can not only decide if a player is having problems with gaming but also, above all, it can, with a precision of more than 90 percent, decide whether the player is running the risk to develop gaming problems within the next three months. A system that looks in the future, cool isn’t it....”

Cool indeed. Promoting and supporting Corporate Social Responsibility has always been a unique aspect of the lottery industry. Lotteries have evolved over time to become widely recognized icons and cultural institutions that are prominent and important parts of the very fabric of the society's they serve. Few institutions can boast of such longevity or persuasiveness but with that popularity comes a social responsibility. Unlike commercial gaming entities, lotteries have a social contract with society that is centered on charity, integrity, fairness and protection for the player.

But the pressures to become more like the commercial gaming companies are growing. Lotteries operate in dynamic legislative and regulatory environments. The need to generate even greater revenues for the good causes grows each year. At the same time, there is a need to balance growth with societal expectations and a recognition that a small portion of players need help to deal with their addictive behaviors.

For these reasons and more, Corporate Social Responsibility is taking center stage in the lottery industry. Increased focus on this topic is being led EL (European Lotteries) and other industry organizations such as WLA (World Lottery Association) and NASPL (North American State and Provincial Lotteries).

CSR is more than just responsible gaming programs and services. Consumer protection is another vital element of any comprehensive CSR program. And, the demand for new products and services is increasing. The need to address responsible gaming has become critical to fulfilling the requirements of lottery operators and the only acceptable pathway to continued growth.

A big part of the Responsible Gaming initiative is player choice. The need to educate players so that they can make more informed decisions is a critical part of effective responsible gaming programs. The Svenska Spel example is one (there are many) of the exciting and cutting edge initiatives being undertaken.

Responsible Gaming encompasses three major areas:

Age and Residency Verification - Ensuring players are of proper age and residents of the jurisdiction offer a game.

Geo Filtering - Ensuring players are within the proper geographical boundaries (for interactive channels).

Spending Controls - Creating spending limits (established by the Lottery or by the player) for play over the course of a specified period of time (i.e., daily, weekly, monthly)

GTECH has a significant suite of services and products that can assist our cus-
tomers to implement effective responsible gaming programs. GTECH’s Enterprise Series (ES) is at the heart of our customers’ business operations. It provides access to both high-level and detailed information, enabling our customers to monitor gaming at the player, retail, and game level. The powerful ES Reporting suite of tools allows for detailed analysis of games, retailers, and players to determine if action needs to be taken or to provide information to third party organizations. In addition to monitoring player behavior and providing customers with important information concerning responsible gaming, ES provides customers with essential tools to enable them to control gaming in a timely manner.

For example, if a lottery determines that a retailer is consistently violating local regulations on underage play, ES gives the lottery the ability to remotely disable all functionality. ES also enables customers to implement system-wide sales limits on daily sales for all games or just for specific games.

One responsible gaming solution that is gaining popularity is player registration. It brings with it major advantages in curbing illegal play by minors, empowering player choice through spending limits and self-exclusion but raises concerns in some jurisdictions.

The point-of-access for lottery transactions plays a critical role in responsible gaming. Today, the majority of governments are adopting PDF 417 barcodes as a standard feature on driver’s licenses and other forms of identification. These barcodes allow for the dense storage of information such as an individual’s age and address.

All of GTECH’s current point-of-access products are capable of reading these barcodes, providing customers with reliable age-verification technology for their retailers. The age-verification process becomes even more critical with self-service devices. Retailers now have the ability to remotely shut off the power to GTECH products, and customers could implement the actual scanning of a player’s driver’s license for each transaction, virtually eliminating underage play.

In the area of consumer protection, GTECH is focused in two areas:

Detection/Monitoring – Using the power of your existing systems to capture data and analyze it to determine if consumer fraud may be taking place and to enable action to be taken. Reports that examine sales volume versus claims quantity, late claims/validations, and excessive validations/cancellations are used to determine if an issue may exist.

Self Validation – Allowing players to determine if they are a winner without requiring assistance from a retailer.

GTECH’s primary solution for Self Validation is Ticket Scan. This device connects to the lottery terminal and works with ISYS, Spectra and Altura terminals. The solution is, in most cases, used for both on-line and instant ticket win checking. The Ticket-Scan can display winning messages and can optionally also display the actual value of the players win.

GTECH has launched a comprehensive effort to make our customers better aware of the powerful reporting capabilities contained within their systems. Resources have been dedicated to assist our customers in running standard reports and creating new reports. The Company also distributed a guide to best practices to assist our customers in their stewardship of their enterprises.

One of GTECH’s objectives is to partner with research experts to combine our knowledge of the gaming industry with their understanding of how game play affects individuals. In this way, we will be able to identify opportunities for next generation products to help our customers enhance their responsible gaming programs.

The lottery industry is founded on a promise of gaming dedicated to good causes based on integrity and fairness. If lotteries are to continue to keep that promise and grow the monies raised for good causes, they must be ever vigilant in protecting the player community. GTECH is playing and intends to play an even greater role in helping our customers to do just that.

As Jesper Kärrbrink so aptly put it, it’s pretty cool stuff.
La Loterie Romande, a spry septuagenarian

In 1933, France sees the birth of its National Lottery, followed one year later by Belgium which launches its Colonial Lottery. In 1937, a lottery is created in the German-speaking part of Switzerland and, the same year, the five French-speaking cantons institute "La Loterie Romande". Its success is immediate. Seventy years later, it has never failed its mission to redistribute the integrity of its profits to the public welfare.

At the beginning, the drawings of La Loterie Romande occurred once a year, then four times, then six times per year, before becoming a monthly event. It was considered a "passive lottery": The player used to buy a ticket with a printed number and waited until the fateful day, when the drawing spheres would "spit" the winning numbers one by one. Organized each time in a different locality, these ceremonies were the occasion of a festive evening, impatiently awaited by the population, at a time when entertainment opportunities were few and when television did not confine the public in front of their small screen.

In 1969 a new way of playing appears: The player notches numbers on a grid. The "Swiss Number Lottery" ("Loto Suisse") is born. The fulgurant development of data processing and new technologies will soon enable the creation of constantly faster games.

The Tribolo Game
A great innovation appears in 1978: The first instant game - scratch and win! Tribolo was born. La Loterie Romande was a pioneer: This ticket is the first instant scratch game sold in Europe. Of course it will meet with multiple misadventures, but it is always here, faithful to the post and always among the favorites.

By the end of the Eighties, other gaming innovations will be introduced in the French-speaking States of Switzerland. The implementation of the "Romand PMU", which is played since 1991 in common with France, the launch in 1994 of LotoExpress (a keno game with a draw every five minutes installed in public establishments), the installation of electronic lottery tickets distributors (Tactilo) in 1998, as well as the arrival of TV games contribute to the popularity of La Loterie Romande. Today, the organization is also integrated in the European gaming market via the Euro Million game.

Gross gaming income and redistribution
In terms of annual gaming gross income from Lottery tickets (stakes minus winnings), the amount quickly rose from 2.5 millions to 5 millions; This scale will be the norm until the Seventies. In 1985, the new games will propel the gaming gross income in French-speaking States to approximately 50 millions Swiss francs, but then sales will increase and at the end of 2006, the gross revenue culminates at nearly 371 millions per annum.
On June 1, 2007, Ivan Pittevils was appointed Chief Executive Officer of the Belgian National Lottery. He succeeds Joseph-Emile Vandenbosch who retired. Mr. Pittevils has a degree in Applied Economics from the Catholic University of Leuven and a post-university degree in finance from the EHSAL in Brussels. Before joining the National Lottery, he was Director of the Policy Unit in the Prime Minister’s Office and later on “Chef de Cabinet” (Private Secretary) to the Minister of Economics, Science Policy and Energy. As a member of the national Belgian Gambling Commission (2006-2007), he became acquainted with the Belgian National Lottery and its many competitors.

Several among you have had the chance to meet Mr. Pittevils in Budapest, where he joined Mr. Vandenbosch and a few of the staff members of the Belgian National Lottery for the annual EL congress last May.

Mr. Pittevils, what will be your first task as the CEO of the Belgian National Lottery? One of my first tasks as CEO will be to safeguard the monopoly of the Belgian National Lottery. In order to achieve that, we’ll have to put a lot of work into creating a regulatory national and European framework. Another one of my priorities is to tap new distribution channels. If we are to maintain the growth of the last couple of years, we have to introduce new technologies – we know that our audience is evolving and we have to evolve with them! So we have started to look for a software company that will help us launch our lottery products on Internet, digital television and via SMS. It is intolerable that we would have to sit and watch illegal private companies take over our market share because we do not grow with our customers. Don’t forget that one of our major tasks is the canalization: it is our duty to channel players away from illegal operators and into our safe environment with products that are backed up with the endorsement of a Royal decree! It goes without saying that our most loyal commercial partners, the newspaper vendors, will always remain our most important and most valued business partner.

What do you feel, after only about 60 days at work as our CEO, are the biggest challenges in the lottery sector? From what I learned at the EL congress in Budapest, most state Lotteries are dealing with the same problems: they risk losing their monopoly, and they are losing customers to the mostly illegal companies that operate on the Internet. We all know that these illegal companies are not concerned with what we call “Responsible gaming”, therefore it is extremely important that all the State Lotteries combine their know-how and their skills to help each other. In Budapest I was pleased to find out that so many European Lotteries are already sharing their experiences in different work groups – which is undoubtedly the best way to deal with the issues as efficiently as possible.

We wish you a successful period of office!
Camelot Gives A Sporting Chance to Corporate Responsibility

Corporate donors, donating 5.4% of pre-tax profit. This includes £2 million donated annually to the independent Camelot Foundation, which focuses on helping marginalised young people back into society. In addition, all staff are entitled to devote four working hours a month to voluntary activity and in 2005/06 staff donated a total of over 1,600 volunteer hours to the community.

As well as contributing to the community, we also value the importance of nurturing sporting talent in the UK. Corporate sponsorship is crucial to athletes being able to compete to the best of their ability and, as sponsor of the GB rowing team, Camelot understands first-hand how this funding enables them to dedicate themselves to training and realise their sporting dreams.

A radio interview with Olympic Gold medallist, Matthew Pinsent, in 2000 brought to Camelot's attention the sport of rowing and the need for funding following Great Britain's unprecedented success in the Sydney Olympics.

In 2001 we began a personal sponsorship of the coxless pair – Matthew Pinsent and fellow Sydney champion, James Cracknell. In the lead-up to the 2004 Olympic Games in Athens, GB coach, Jurgen Grobler, decided to train Matt and James in the men's four together with Steve Williams and Alex Partridge – and Camelot extended the sponsorship to include the two other rowers.

Unfortunately, shortly before the games a collapsed lung forced Alex Partridge to withdraw from the boat and he was replaced by Ed Coode. Despite pressure from the Canadian crew in the final stages of their race, the Camelot-sponsored men's four went on to take Gold in Athens.

Camelot was thrilled to play a supporting role in their success and, as operator of a national institution, champion national pride in British sport.

Following the success at Athens and the subsequent retirement of Matt and James, Camelot reviewed other sponsorship opportunities. Having explored a number of relevant sports, we decided to continue our support of rowing and in early 2005 announced our sponsorship of the two lead boats – the men's four and the women's quad – until 2009.

Steve Williams is the only original member of the Sydney 2000 Olympic crew who currently competes in the lead boat, accompanied by Alex Partridge, Peter Reed and Andy Triggs-Hodge.

Camelot also supports women's rowing with its sponsorship of the women's quad, currently made up of Katherine Grainger, Frances Houghton, Annie Vernon and Debbie Flood.

Both crews have achieved phenomenal success over the last two years and recently competed at the Rowing World Championships in Munich, the qualification event for the Beijing 2008 Olympics. The women's quad retained their title as world champions, beating the German squad by one second and the Chinese crew by two. There was disappointment, however, for the established men's four – unbeaten since 2004 and defending world champions – who came fourth in their final.

Both crews will now focus their training on what has always been the long-term goal – next year's Olympic games in Beijing. The men's four and women's quad were two of the 11 boats that GB Rowing qualified at the championships for next year's games.

In addition to helping athletes realise their sporting dreams, the sponsorship has also played a huge role in motivating staff. Both crews have visited Camelot's offices to meet staff, sharing with them their gruelling schedules, how they focus on their goals and their experiences of competing in their chosen sport for their country.

Employees from across the business have also travelled out to the World Cup and World Championship events to watch the GB team compete through staff competitions, enabling them to engage with the sport even further.

Camelot is immensely proud to be lead sponsor of GB rowing. As Beijing 2008 approaches, we are excited to be associated with one of the top Olympic sports for Great Britain and wish the whole squad the best of luck in bringing Gold medals back home.

Dianne THOMPSON
Chief Executive
Developing Successful Standards

Over the last two years the CSR and Responsible Gaming Working Group under the chairmanship of Dianne Thompson from Camelot, operator of the UK National Lottery, has worked on the development of EL Responsible Gaming Standards that are robust and based on modern insights into problem-gambling.

These Standards were strongly supported by 55 members at the EL Congress in Budapest in May 2007. The Standards have been developed and benchmarked with the help of a panel of international organisations working in areas of responsible gaming and corporate social responsibility. This process had the following objectives:

- To determine whether the proposed Standards are compatible with modern thinking relating to problem-gambling;
- To prove its Compatibility with the decisions of the ECJ;
- To determine how the Standards compare with other relevant Standards;
- To identify areas for improvement to the Standards;

The panel of organisations conducting this benchmarking analysis were:

- Reassurance Network and Ethicity - Assessors and Advisors in the CSR industry;
- Professor Robert Ladouceur, School of Psychology, Université Laval, QUEBEC;
- Thomas Nilsson, Clinical Psychologist and Director, Spelinsitutet, Sweden;
- Philippe Vlaeminck, EL Legal Adviser

As well as drawing on the academic, clinical and professional experience of the panel, the Standards were benchmarked against, and compared with other responsible gaming Standards and guidelines such as The American Gaming Association: Code of Conduct for Responsible Gaming (2003), Gambling Commission (UK): Statement of Principles for Licensing and Regulation (2006), Interactive Gaming Council: Responsible Gambling Guidelines (2006) etc.

The panel worked independently of each other and provided the Working Group with their comments and suggestions, which were then integrated into the Standards where applicable. The Working Group was reassured to hear that all parties involved in the benchmarking exercise responded very positively, offering congratulations on the content of the Standards.

The panel also confirmed that the Standards created a new benchmark in several areas that are not as clearly covered, or not covered at all, in other gambling contexts such as employee training, game design, stakeholder engagement etc. Since the EL Congress in Budapest where the Standards were discussed, the interest and commitment of EL members has been very encouraging. By the end of August, 37 Lotteries had signed up for these Standards and interest in the Standards continues to be high amongst EL members in general.

In order to plan the next steps, the Working Group held a recent meeting hosted by Svenska Spel in Stockholm, Sweden. First concepts for a possible certification process were discussed and the group held a stimulating discussion about the future of responsible gaming and new concepts to game design which was facilitated by Thomas Nilsson who was also involved in the independent benchmarking exercise.

Member Lotteries interested in receiving further information on the Standards and learn about how other EL members are planning to implement them in their jurisdiction should contact the EL Corporate Responsibility Seminar in Istanbul from 5-7 November, hosted by the Turkish National Lottery. Here Lottery Members will present and discuss the contents of the EL Responsible Gaming Standards. Special emphasis will be given to practical experiences of the application of the Standards and, in particular, to the business case for implementing the Standards. Taking this opportunity, the Working Group will also present how implementation of the various areas of the Standards could look like by providing practical examples from their own Lotteries. Attending Lotteries will also be provided with information on the proposed certification process.

Working Group on Responsible Gaming
When the European Lottery University (ELU) program was started, no one would have imagined that it would reach the tenth year mark. After Trinity College (Dublin 1998), Heriot-Watt University (Edinburgh 1999), Universidad de Salamanca (Spain 2000), Montpellier (France 2001), University of Salerno (Italy 2002), Universitat Autonoma de Barcelona (Spain 2003), the University of Siena in 2004, the University of Santiago de Compostela in 2005 and the University of Zadar – Croatia last year, it was only befitting that the tenth edition of ELU be held back in Dublin, where it all started.

Supported by Ray Bates, then EL President and since 2005 Honorary President, championed and organized by Bernadette Lobjois, Secretary General and designed and moderated by Gilbert Rehayem, the ELU is now considered to be the finest and most successful management training of its kind in the Lottery world. Over ten years, it has attracted some 400 collaborators/managers from all over Europe and others continents. ELU alumni now hold high-level positions in all EL member Lotteries. ELU has been enhanced, improved and enriched to offer a unique combination of academic presentations, case studies, workshops and networking.

This year, fifty one participants (the highest number for an ELU) representing some twenty five European lottery and gaming organizations, gathered for five days to participate at the ELU, thus following the steps of 350 of their colleagues, former ELU participants. The ELU is a management education program that includes discussions and presentations on issues ranging from organization structure and performance to marketing, legal, finance, corporate social responsibility, technology, new games, emerging trends and corporate strategies.

As part of the program, the participants had also to develop, as a group case study, a modern Lottery organization within a framework that was progressively assembled from the workshops and discussions. During the week, several twists and turns, which reflect the real-life challenges an Executive faces, provided added excitement to the exercise.

Actually, the seven working groups were, in fact, all winners having had the oppor-
tunity to work together, exchange ideas and field experiences about the issues and challenges facing a Lottery organiza-
tion today.

The second Group Case study consisted on defining the tasks necessary to bring a new on-line game to market. The par-
ticipants were grouped by functions and covered activities related to marketing, sales, IS/IT, management, legal, finance, Communications/PR, etc...

A well-deserved thank-you to Dermot Griffin, General Director, An Post National Lottery Company in Dublin, for his warm hospitality, the EL Secretariat General for the overall excellent organi-
zation of the seminar, and a special debt of thanks to all speakers involved in the seminar who, due to their experience and knowledge, presented the many aspects of this sector, as well as to all the participants who made the ELU, by their comments, participation and involve-
ment, a beneficial, useful and entertaining initiative.

The next ELU promises to be even more exciting ... rendez-vous in 2008!!

Gilbert Rehayem
EL Moderator
They had raised the theoretical pay-back from 80% to 87% and just as important now applied it individually for each betting objects. It is no longer as Henry Ford said to his Ford T model customers in the 1920ies: “You can have any colour you want as long as it is black”. Today, matches with particular punter value and television coverage are given individual paybacks at maybe 92% leaving the non-nationally licensed competitors fewer possibilities to market themselves as always being best on price.

Live betting
Live betting, as lotteries call wagering on a running sports event, is not a cash cow. This was exemplified by Eiríkur Jonsson, Getraunir Iceland, who said their first live betting match made less than €400 in total sales and €62 in gross gaming revenue. However, now sales were good and for Danske Spil and Svenska Spel 60% of sales came through the retail sales network. Punters had a good time in the outlets wagering on live betting and retailers were happy.

Creativity and “exotic” sports
Ive Juretic and Marko Stokuca, Hrvatska Lutrija (Croatia) and Jaroslav Hercog from Sazka (Czech Republic) showed how American sports could be included in Oddset. This was of particular value at holiday seasons when the major European leagues were not playing. Yossi Massry and Uri Peled showed how the Israel Sports betting Board used a number of creative bet types like handicap odds, corners, yellow cards, over/under, odd/even no. of goals, time of first goal and “head to head” on most scored goals for two players to give variety in its offerings. Ola Carlsson, Svenska Spel, showed how a combined bet on the final result with the final goal scorer – Scorecast – could be done and Hans-Henrik Stie and Peter Rasmussen, Danske Spil, showed together with Thomas Hänsler how cycling was a valuable betting object during the summer when football was at rest. With a mother from Brazil, Svenska Spel’s Mikael Stalblom has insider knowledge of South American football and he is the Nordic lotteries expert in this area – which host the world’s oldest international tournament Copa America from 1916.

Information network
Product features are important for the success of Oddset and so is the organizing of the work. For Veikkaus the summer used to be a nightmare. Specialized
punters often had better knowledge of local sports than Veikkaus’ odds compilers and Veikkaus faced serious losses. Tommi Jokinen, Product Manager of Veikkaus, showed how that had prompted them to establish a network of 40 “Observers” responsible for information on 70 national football, ice-hockey and baseball teams. They were typically ex-coaches or ex-players with excellent knowledge of local teams. Connected with Veikkaus through an extranet, they prepare pre-season reports and pre- and after-match reports with items like expected position in the league; player details and rankings and forecast of the chances of winning next match. The annual running costs amounted to some €180,000 but these were easily offset through fewer losses from expert punters’ betting.

**Rule of thumb: “80% knowledge is worse than 0%”**

To match expert punters Jens Nielsen claimed that: “80% knowledge is worse than 0% knowledge. With 0% you don’t compile odds – but at 80% you might and then you lose money”. Therefore, Danske Spil’s odds compilers were now specialized to cover fewer leagues but in turn with exclusive responsibility. Ole-Morten Bratberg, Odds Manager at Norsk Tipping, showed how they applied their odds monitoring – a discipline completely unknown back in the early 90ties but now a vital part of running a good Oddset game. Sophisticated IT tools showing all liabilities for every bet and web forums were part of the daily applied monitoring tools. Johan Elevant, Svenska Spel gave some mathematical insight in getting the odds right and Walter Watson, DeLotto, outlined the status of the network co-operation where 17 lotteries share kick-off information, country news and monitoring information on matches where betting patterns are not logical. FIFA has its own company, the FIFA Early Warning System GmbH in Switzerland, to collect such information and Detlev Zenglein explained how they were now contracting with lotteries and bookmakers preparing for the World Cup qualification matches starting in October.

A quiz on the opening dinner highlighted the amazingly high level of sports knowledge among the young and enthusiastic group of participants. They didn’t hesitate to name all UEFA Champions league winners after 1972/73 (Ajax Amsterdam) and frequently added both the result and the name of the
How much can you get out of 8 x 9 x 8.5?

a lot!

new microLOT

The new terminal from INTRALOT combines balance of size, performance, style and reliability. The perfect solutions for limited space retail outlets, allowing Lottery Organizations to “play the game” at any POS. Size matters. So does performance.

Europe Tel.: (+30) 210 61 56 000 • Africa Tel.: (+27) 11 21 7 45 00 • N. America Tel.: (1) 770 295 2580
S. America Tel.: (+50) 2 470 3100 • Asia-Pacific Tel.: (+852) 2 293 13 1113 • Oceania Tel.: (+64) 4 472 96 56-7-8
email: info@intralot.com • www.intralot.com