The GamblingData Core Estimate: Working on the figures from leading grey market operators which admit to the amount of money they generate from Greece, and having confirmed with sources rough estimates on market shares, GamblingData estimates the online grey market to be worth between €210m and €260m. The reasonably large disparity between these two figures is largely due to a lack of visibility on the size of the online casino market.

The Land-Based Situation: Monopoly operator OPAP – still 34 percent state-owned - has been suffering in recent years due to the offshore competition, the introduction of a new tax on gambling winnings and from the impact of the economic crisis on the Greek consumer. Still, helped by the World Cup last year, its 2010 turnover fell only 5.5 percent to €5.1bn from €5.4bn. The company has stated it hopes to be in a good position to exploit new markets in online and video lottery terminals (VLTs) as and when they are finally regulated.

Opap’s First Quarter Numbers: The figures for the first three months of OPAP’s financial year show that the rise evident in recent years in sports-betting revenues – the company’s Stihima product – has come to an end. Though the company made it plain that the economic uncertainties were largely to blame for the 23 percent fall in that product, it did admit that some of it was self-induced as the company looked to cut down on the amount of betting on single bets which benefit OPAP’s agents more than the company itself. Kino continued its recent decline and might suffer further from the introduction of new products on the market.

Comparison with Italy: Spend per person on lottery games and sports betting are significantly higher in Greece than Italy, despite Greek residents only having access to a partial and uncompetitive sports-betting market. If the same is true when licensed slot machines are introduced to Greece, the regulated market will be worth in excess of €6bn. The GamblingData core estimate implies that spend per person per year on online gaming is between €250 and €320, compared to €166 in Italy.
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Where We Are

Regulated Land-Based

Greece has a closed gaming sector where most of the market is controlled by the one licensed entity, OPAP, which is still at present 34 percent owned by the state. The state also owns the lottery operator, the Hellenic State Lottery, and owns stakes in a number of the country’s casinos.

The official Greek gaming market is worth in turnover terms more than €8bn and represents a per capita spend of €740 - high by international standards. But the per capita figure is very much higher than that due to the size of the unregulated market.

Turnover on the four core gaming products – state lotteries, horseracing, casinos and OPAP games and betting – has been static or in decline in recent years. Online turnover on regulated products accounts for no more than 1 percent of the total.

The country's eight casinos, in the major cities of Thessaloniki and Athens and a number of resorts, have seen spending fall quite sharply, although not by as much as the Intralot-managed tote horseracing betting.

OPAP's totals for 2010 are also down on the previous year (see below), but compare well with the period before 2008.

The dominant position of OPAP has been in the legal spotlight and this, combined with the Treasury's need to raise tax revenues and to avoid a daily fine from the European Commission for failing to open up its gaming machines business, has led the government to prepare legislation that will liberalise online gaming and introduce gaming machines into the Greek market.

Furthermore, there are plans for the Hellenic State Lottery company (which offers a number of charity and seasonal lotteries) to be privatised and government-owned shares in a number of casinos to be sold off.

Unregulated Products

There is a large unlicensed market both in terms of online gaming and illegal gaming machines and unlicensed bookmakers. Estimates for the size of the turnover of the unregulated gaming market vary anywhere from around €5bn to more than €8bn. Illegal gambling takes many forms including unlicensed slot machines in arcades and online slots games; credit, telephone and internet betting; and online gaming.

The Progress Of New Regulations

Greece’s new draft law on gambling, currently in parliament, would license up to 30,000 new slot machines and internet gambling for the first time. The plans envision 15 to 50 online gambling licences, with most forms of betting and gambling allowed - apart from betting exchanges which are expressly prohibited. Licences will last for five years and tax will be 30 percent of gross gaming revenue.

However, how much of this will be implemented this year is unclear. Opposition from the government’s own MPs makes it tougher to pass, while issues at EU level mean a standstill for the bill until July 6. The Greek government also seems to be retreating on the scale of the liberalisation,
signalling it could now hand monopoly OPAP first right over the new concessions. Still, the need to raise a promised €700m from gambling this year should drive some form of licensing, or at least the sale of more shares in OPAP, as was obtained in May.
Land-Based Market In Detail

OPAP

Since 2000, OPAP has been the sole gaming operator in Greece, having signed a 20-year licence with the government for the modest sum of €300,000. The company operates via a network of 4,905 retail outlets, mainly bars and tobacconists throughout the country with a further 162 outlets in Cyprus. The company offers six numbers games - Joker, Lotto, Proto, Extra 5, Super 3 and Kino - a fixed-odds betting product - Pame Stihima or Let's Bet - and two sports pools games Propo and Propo-Goal, similar to the Italian Totocalcio and Totogol. It has also designed two new lottery variants, Bingo and Super 4, which are yet to be launched.

Kino has the largest annual turnover (almost €2.6bn in 2010 down from more than €2.8bn in 2009), with Pame Stihima also particularly popular despite far from competitive odds and consequently low payout rates, and a restricted product offer when compared with that of overseas operators. According to OPAP’s annual report for 2010 there has been a decline in turnover for most products, although sports betting saw a slight increase due to the staging of the football World Cup in the summer.

OPAP Sales And Analysis

<table>
<thead>
<tr>
<th>Product</th>
<th>Revenue 2010 (€m)</th>
<th>Revenue 2009 (€m)</th>
<th>YoY Change (%)</th>
<th>Gross Profit Margin 2010 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propo</td>
<td>30,635,000</td>
<td>45,684,000</td>
<td>-32.9</td>
<td>36.1</td>
</tr>
<tr>
<td>Lotto</td>
<td>73,326,000</td>
<td>64,162,000</td>
<td>+14.3</td>
<td>39.1</td>
</tr>
<tr>
<td>Proto</td>
<td>40,748,000</td>
<td>50,431,000</td>
<td>-19.2</td>
<td>31.8</td>
</tr>
<tr>
<td>Stihima</td>
<td>2,051,786,000</td>
<td>2,026,319,000</td>
<td>+1.3</td>
<td>16.5</td>
</tr>
<tr>
<td>PropoGoal</td>
<td>707,000</td>
<td>1,128,000</td>
<td>-37.3</td>
<td>14.9</td>
</tr>
<tr>
<td>Joker</td>
<td>307,087,000</td>
<td>328,036,000</td>
<td>-6.4</td>
<td>36.5</td>
</tr>
<tr>
<td>Extra 5</td>
<td>10,940,000</td>
<td>12,314,000</td>
<td>-11.2</td>
<td>23.2</td>
</tr>
<tr>
<td>Super 3</td>
<td>41,749,000</td>
<td>51,156,000</td>
<td>-18.4</td>
<td>30.0</td>
</tr>
<tr>
<td>Kino</td>
<td>2,583,037,000</td>
<td>2,861,702,000</td>
<td>-9.7</td>
<td>20.2</td>
</tr>
</tbody>
</table>

Reasons for the decline in spend include competition from overseas operators and unregulated machines, the introduction of a 10 percent tax on winnings exceeding €100 and 15 percent on sums exceeding €1,000 in force since May 2010, and the effect on the consumer of macroeconomic distress affecting Greece for the best part of three years.

OPAP has been actively upgrading its network of agents, has introduced OPAP TV and, with technical partner Intralot, introduced a wider range of bets including in-running for the Pame Stihima game.

The annual report reveals that revenues from the games amounted to €5.14bn in 2010 against the figure from 2009 of €5.44bn, representing a decrease of 5.5 percent. This reflects a Kino sales decrease of 9.7 percent; Pame Stihima sales increase of 1.3 percent because of the FIFA World Cup held during Summer 2010; Joker sales decrease of 6.4 percent because of lower repeated jackpots comparatively with 2009; and a Lotto sales increase of 14.3 percent.
Gross profit amounted to €1.04bn against €1.13bn in 2009, representing a decrease of 8.3 percent. Group operating profit (before depreciation and amortisation, interest and taxes - EBITDA) amounted to €911m against €966.8m in 2009, representing a decrease by 5.8 percent.

Profit before tax fell 6 percent to €889.5m against €946.9m in 2009. Net profit was down 3 percent to €575.8m against €593.7m in 2009 because of the decrease of income tax expense.

**OPAP's First Quarter 2011 Results**

The headline revenue figure was down 18.3 percent to €1.12bn from €1.37bn in the same period last year as the economic situation in Greece worsened. EBITDA was down in lock step, off by 18.2 percent to €214.2m with EBITDA margins staying flat at 19.1 percent. Net profit fell 13.2 percent to €166.9m on improved margins.

The company stated that the revenue fall was due mainly to lower Stihima and Kino sales. Alongside the effect of the economic downturn, the company said it had also not been helped by a two-day agents strike in January.

Stihima had a dreadful quarter with sports-betting revenue falling 23 percent to €439.5m while the Propo product fared even worse, with revenues down 29 percent to €8.2m.

Kino remains OPAP's largest product, but revenues here were down 14.9 percent to €581.7m while numerical games overall fell 14.9 percent to €682m.

Payouts to players fell 19.3 percent to €741.6m, or 66 percent of total revenues. Stihima's payout ratio fell to 65.3 percent from 69.9 percent but the Kino payout ratio rose to 70.2 percent from 68.5 percent.

Agents commissions reached 8.4 percent of total gaming revenues or €94.4m down from €115.5m in the same period last year, in line with the revenue decrease overall.
Though the results overall were only “marginally” lower than expectations, Stihima and Kino revenues had according to analysts at Pegasus Securities “retreated far more than initially anticipated”. Indeed, analysis shows that these Stihima results are the worst quarterly figures for five years.

### OPAP Sales And Analysis

<table>
<thead>
<tr>
<th>Product</th>
<th>Q1 2011 (€m)</th>
<th>Q1 2010</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stihima</td>
<td>430.1</td>
<td>559.2</td>
<td>-23.1</td>
</tr>
<tr>
<td>Propo</td>
<td>8.2</td>
<td>11.5</td>
<td>-28.6</td>
</tr>
<tr>
<td>Propo-Goal</td>
<td>0.19</td>
<td>0.23</td>
<td>-17.2</td>
</tr>
<tr>
<td>Monitor Games</td>
<td>0.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Go Lucky</td>
<td>0.28</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total sports betting</strong></td>
<td><strong>439.5</strong></td>
<td><strong>570.9</strong></td>
<td><strong>-23.0</strong></td>
</tr>
<tr>
<td>Kino</td>
<td>581.7</td>
<td>675.3</td>
<td>-13.9</td>
</tr>
<tr>
<td>Joker</td>
<td>64.1</td>
<td>78.3</td>
<td>-18.1</td>
</tr>
<tr>
<td>Lotto</td>
<td>16.4</td>
<td>21.9</td>
<td>-25.3</td>
</tr>
<tr>
<td>Super 3</td>
<td>9.0</td>
<td>11.7</td>
<td>-22.8</td>
</tr>
<tr>
<td>Proto</td>
<td>8.2</td>
<td>11.3</td>
<td>-28.2</td>
</tr>
<tr>
<td>Extra 5</td>
<td>2.6</td>
<td>2.9</td>
<td>-10.5</td>
</tr>
<tr>
<td><strong>Total numerical games</strong></td>
<td><strong>682.0</strong></td>
<td><strong>801.4</strong></td>
<td><strong>-14.9</strong></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>1,121.4</strong></td>
<td><strong>1,372.4</strong></td>
<td><strong>-18.3</strong></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>214.2</td>
<td>261.7</td>
<td>-18.2</td>
</tr>
</tbody>
</table>

Source: Company data

In the conference call that accompanied the results, chief executive Ioannis Spanoudakis said that it was “no news to anybody that OPAP is operating in a very difficult economic environment”.

He added: “In the fast-moving consolidated international gaming market, we are positioning ourselves for growth and we have made it very clear at this point that we are interested in the opportunities that the Greek government will deliver, and will create in the second half of this year in instant tickets, in lottery tickets, in VLTs and in online gaming.”

Spanoudakis added that OPAP intended to introduce online live betting in its shops by September. He also announced that OPAP would be introducing pre-paid cards – ahead of the proposed regulation of online gaming – that would allow players to participate either in the shops or through the internet, though he admitted this was a development that would need a change in regulations.

With regard to the downturn in Stihima turnover, Spanoudakis said that although the downturn was a concern, the company had attempted to reduce trading volume on single bets as this tended to be less profitable for OPAP, as opposed to the agents.

He added by way of explanation: “You have to understand how this plays out... because we grant to our agents 8 percent commission, some of them on certain single matches, where trading volume can be high, and then on that basis, what they do is they hedge the bet with other internet players.”
He added that OPAP had been discussing with its agents reducing its commission level on single matches and on live betting “but naturally you cannot expect that we will operate on a live betting product with 8 percent commission to our agents because then obviously most of the money will go to their direction than to OPAP.”

OPAP is planning on increasing the number of single bets “because that’s attractive to our players”. “But obviously, in order to increase the number of singles and doubles, we have to reduce commissions to our agents for those type of bets... so we will have a different commission basis.”
**Hellenic State Lottery**

The Greek state lottery (www.kratika-laxeia.gr) was founded in 1875 and operates as a division of the ministry of finance. This product only makes up a small part of the total but prizes compare well with the OPAP products, with the possibility to win €1.5m and a range of other prizes in their hundreds of thousands.

In theory the state has the sole authority to operate draw games: the National Lottery (a weekly draw with prizes reaching upwards of €1.6m), the Popular Lottery (80,000 raffle-format tickets issued with a draw every Tuesday and a payout ratio of 61.5 percent) and the Special Lottery, drawn at New Year’s with profits dedicated to charities and foundations, hospitals and other social projects.

It consists of 100,000 promissory notes costing €5 each and has a 53 percent payout ratio. Total turnover figures are not readily available but are likely to be substantially less than that of OPAP.

Until 2003 Intralot ran a scratchcard business (Instant Lottery) on behalf of the government but despite proposed new tenders there has been no new operator appointed for the product in recent years.

The tickets were distributed through a sales network of about 16,000 retailers, of which 5,000 were OPAP agencies, 7,000 street vendors, 3,000 kiosks and 1,000 other shops.

Total sales in 2002 were €183.7m, slightly up on the €181m recorded in 2001, with sales during the first nine months of 2003 at €122m. It is likely that the product will be revived with the introduction of new legislation.
Horseracing, Casinos And The Unregulated Market

ODIE – Horseracing

ODIE is the Greek Horseracing Authority which controls the calendar of races and the tote betting offer. Intralot provides the systems for processing the bets. Despite Greek horseracing punters receiving a relatively generous 80 percent return from their tote betting, the level of spend has been in decline for most of the decade, and particularly so since 2006.

Turnover had fallen from a peak of €349m in 2001 to €261m in 2009. Figures for 2010 are expected in June and will most likely reveal a further decrease.

Casinos

Casino revenues have also fallen recently, from more than €800m in 2007 to €648m in 2009, from a turnover of €2.8bn, again figures for 2010 are expected in June and will most likely be lower than those for 2009.

Gaming machines are a big driver of revenue; NB Club Hotel Casino Loutraki, for example, has more than 1,000 slot machines and Thessaloniki Casino Greece has 909 machines.

Unregulated Products

In addition to the OPAP there are a range of other products available via unauthorised operators:

Tens of thousands of slot machines operate illegally in retail outlets, principally bars and arcades, throughout the country. Many of these are converted from non-prize amusement machines. According to a report prepared by the ministry of finance, it is estimated there are up to 20,000 electronic gaming machines with limited payout (AWP) and up to 150,000 computers offering illegal slot machine games.

Agents for overseas bookmakers also operate, some of whom also operate as OPAP agents but send large single bets that would not be accepted by the state monopoly to overseas bookmakers in Cyprus, and offshore territories such as Malta and Gibraltar.

Then there are the credit bookmakers who operate networks of agents especially in the larger cities, often laying off with bookmakers overseas. There is some evidence of bets being placed on Greek horseracing but at the same time it is expected that volumes would be low as there are well- aired doubts regarding the integrity of many races.
Advertising

Greece has at least a dozen sports-betting publications as well as countless websites dedicated to sport and betting. Although it is technically illegal to accept advertising from unlicensed operators, many of the specialist titles accept sponsored odds and sponsored betting sections that feature the names of the leading bookmakers active in the Greek market, including Sportingbet, Bwin and Expekt. The gambling websites serve as effective affiliate sites for the gaming operators.

Mainstream advertisers also accept some forms of marketing from overseas companies, although OPAP is active in its attempts to have advertisers brought to book for breaking the rules, and of course the monopoly company has the opportunity of withdrawing its own ads if publications feature other operators.

OPAP is one of the largest advertising spenders in Greece, and sponsored the country’s football leagues to the tune of €17m in 2010, rising to €19m in 2011. In 2007 the company spent €42.4m on advertising, putting it in the top 10 advertisers in the country. In comparison no gaming organisation in Italy or the UK features in the top 10 spenders. The fact that it is so active in promoting gaming weakens the government case that a monopoly is in part justified by its role in limiting gaming spend.

### Advertising Spend

<table>
<thead>
<tr>
<th>Advertiser</th>
<th>2007 ($m)</th>
<th>2006 ($m)</th>
<th>YoY Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hellenic Telecommunications Org. (OTE)</td>
<td>107.8</td>
<td>70.2</td>
<td>53.6</td>
</tr>
<tr>
<td>Vodafone</td>
<td>69.6</td>
<td>45.3</td>
<td>53.7</td>
</tr>
<tr>
<td>Procter &amp; Gamble Co.</td>
<td>66.8</td>
<td>47.6</td>
<td>40.4</td>
</tr>
<tr>
<td>Wind Telecommunications</td>
<td>63.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unilever</td>
<td>47.2</td>
<td>21.7</td>
<td>117.1</td>
</tr>
<tr>
<td>L’Oreal</td>
<td>46.5</td>
<td>43.5</td>
<td>7.0</td>
</tr>
<tr>
<td>OPAP</td>
<td>42.4</td>
<td>33.7</td>
<td>25.8</td>
</tr>
<tr>
<td>Piraeus Bank</td>
<td>39.5</td>
<td>23.2</td>
<td>70.2</td>
</tr>
<tr>
<td>Vivartia</td>
<td>39.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EFG Eurobank</td>
<td>32.0</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Advertising Age
Future Of The Offline Sector

Sports Betting

OPAP in theory will continue to operate a sole network of retail outlets offering sports betting whilst, less importantly, the ODIE network of horseracing outlets will also remain a monopoly.

The ECJ may yet block the OPAP monopoly status, but even if that does not happen by the time the new regime is ushered in, it is very likely there will be competition from internet café-style outlets, given the similarities with the Italian market where there are as many as 10,000 such points of sale (PdCs) operating. This may have a negative impact on OPAP’s turnover, as will competition from the expected dozens of licensed sports-betting websites. Likely implications for turnover on betting are indicated below:

### Analyst Forecasts

<table>
<thead>
<tr>
<th></th>
<th>2010 Actual Revenue (€m)</th>
<th>2011E</th>
<th>2012E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credit Suisse</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stihima</td>
<td>2,052</td>
<td>1,808</td>
<td>1,953</td>
</tr>
<tr>
<td>Kino</td>
<td>2,583</td>
<td>2,286</td>
<td>2,191</td>
</tr>
<tr>
<td>Total</td>
<td>5,140</td>
<td>4,579</td>
<td>4,669</td>
</tr>
<tr>
<td><strong>Marfin</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stihima</td>
<td>2,052</td>
<td>1,747</td>
<td>1,920</td>
</tr>
<tr>
<td>Kino</td>
<td>2,583</td>
<td>2,310</td>
<td>2,265</td>
</tr>
<tr>
<td>Total</td>
<td>5,140</td>
<td>4,631</td>
<td>4,787</td>
</tr>
</tbody>
</table>

Source: Analyst estimates

### Slots and VLTs

Likely operators entering the gaming machine market would be joint venture tie-ups between local firms and machine suppliers from Eastern Europe and the Balkans region, as well as some of the ten authorised operators in the Italian market including Lottomatica, Gamenet and Atlantis World Giocolegale.
Future Of The Online Sector

Online Market Size By Product

With online sports betting already well established as a gaming product it is expected that this will, at least in the short term, represent the lion’s share of turnover. Online casino games are already popular with Greek gamblers and it is likely that the volume of spend will increase in later years.

With regard to skill games, there is no tradition of poker in Greece, although there is a local variant and other card games. Backgammon is a popular gambling game and most Greek operators offer the product on their sites so it is likely that this product mix may be different and may take some time to become established.

What The Listed Companies Say

Some indication of the size of the grey market in Greece comes from the listed operators which put a figure on their earnings from the country.

Sportingbet is one of the leading grey operators in Greece via the Sportingbet and VistaBet brands. As of the latest figures from the UK-listed firm, the contribution from the Greek business to the total of the company’s net gaming revenue has been falling, down to 14.4 percent in the second quarter ending January 2011 from 18.2 percent as of the 2009-2010 financial year. In absolute terms, this means that in the year to July 2010 Greece was worth approximately £37.8m to Sportingbet or €45.2m as of the average July exchange rate of €1.1964 to £1. In comparison, as of the end of January, Greece was worth £15.5m, or €18.3m as of the average January exchange rate of €1.1797 to £1.

Sportingbet’s marketing partner in Greece is the listed company Centric with which it also operates the VistaBet joint venture. Centric also works with the Lex Casino brand which operates on the 888’s Dragonfish network. Centric owns a 51 percent share of the holding company behind both VistaBet and Lex called ECN and licensed in Malta. Centric also has a deal with WorldSpreads to provide financial betting via the Spreads.gr offering.

In a presentation given in December, Centric said that 61 percent of Sportingbet’s net gaming revenues in Greece comes from sports betting, compared to 60 percent for Vistabet, casino contributes 12.2 percent, compared to 15.1 percent for VistaBet and 95 percent for Lex. Another 21.5 percent of Sportingbet’s Greek revenues comes from soft games, including backgammon, while 5.6 percent comes from poker.

Another operator that is big in the Greek grey market is Bwin, now part of Bwin.Party Digital Entertainment (BPDE). According to the merger prospectus issued in December 2010, Greece was worth 11 percent of Bwin’s 2009 net gaming revenues of €373m or €41m, with PartyGaming receiving less than 1 percent of its revenues from Greece, which means that the country is worth 7 percent to the companied entity or €47.7m of a pro-forma total of €682m.

Another listed operator that is understood to take a significant slice of its European revenues from Greece is Betfair. Though the company is yet to reveal any geographical splits on its European revenues, Davy Stockbrokers suggested at the start of April that Greece was worth around 6 percent of group revenues of £306m or £18.4m (€20.9m according to early May
exchange rate of €1.137 to £1). Other analysts question, however, that this might overstate the contribution and that in fact Greece is likely worth under 5 percent of Betfair’s net gaming revenue or under £15m (€17m).

Another listed entity where we can make an educated guess about the worth of Greece to its net gaming revenue total is William Hill which according to the analysts receives around 3 percent to 4 percent of its total online revenues from the country. This would total between £7m and £8m or between €8m and €9m.

Similarly sized is the Australian-listed Centrebet, currently the subject of takeover talks with Sportingbet, which has an exposure to the Greek market of around 5 percent of the total.

Other operators that are known to operate in Greece but where there is no information on how much of their earnings come from the territory include Bet365, Expekt (now part of Betclic), 888, Unibet and PokerStars.

The other name that is worthy of a mention is Casino848 and Poker848 which has been advertising extensively on billboards throughout Greece for the past 18 months and is thought to have grabbed a significant share of the online casino market over that time. The brands are owned by a Cyprus-based company called Loper Gate.
GamblingData Core Estimate

Based on the figures for the listed companies – and Sportingbet and Bwin in particular – and having taken soundings with industry insiders and analysts, GamblingData estimates the market shares of the leading competitors in Greece as follows. All figures are rough estimates.

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bwin</td>
<td>20</td>
</tr>
<tr>
<td>Sportingbet and VistaBet</td>
<td>20</td>
</tr>
<tr>
<td>Bet365</td>
<td>10</td>
</tr>
<tr>
<td>Betfair</td>
<td>10</td>
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<tr>
<td>Centrebet</td>
<td>5</td>
</tr>
<tr>
<td>William Hill</td>
<td>3</td>
</tr>
<tr>
<td>Others</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: Industry Insiders

From these guesstimates, if we assume that Bwin and Sportingbet between them are worth between 35 and 45 percent of the market, the net gaming revenue figure for the Greek grey market is between €210m and €260m.
Likely operators

The runners and riders for a licensed Greek market

The Incumbents

OPAP
OPAP will be an extremely strong competitor whatever the eventual detail of the regulation of the online market in Greece and regardless of what the offshore operators say about the company's abilities when it comes to understanding and thriving in a free market. With history and a presence on the high street behind it, the former monopoly operator will be a formidable gaming entity. As has been witnessed in France, the degree to which a regulatory regime can be skewed to favour a 'national champion' should not be underestimated, and while the evidence from Italy with regard to Lottomatica is more mixed, it remains the case that each European jurisdiction is learning in turn about how to protect what the incumbents see as due position in their home markets. What remains to be seen is whether OPAP can manage the change, and which software providers it decides to team up with to effect it.

Intralot
Intralot is tipped by many as the likeliest supplier of whatever OPAP will need to enter the online realm, but analysts believe this is certainly no shoe-in despite the fact that Intralot already supplies OPAP's lottery backend. More certainly, and if Italy is any guide, Intralot will likely have its own plans to enter the market as a business-to-consumer operator particularly in the betting sphere.

The Grey Market

Sportingbet
Possibly the current market leader, and certainly vying for top spot with Bwin.Party, Sportingbet has already stated it will be entering the Greek market as and when it opens, and has even quantified what it sees as the likely hit to the bottom line it will suffer from having to pay tax for the first time. Sportingbet operates in conjunction with Athens-listed marketing firm Centric, with which it also runs a joint venture, the VistaBet site.

Bwin.Party
The newly-merged Bwin.Party owes its leading position in Greece to the efforts of the Bwin sportsbook. Again, it is a certainty that the company will enter the Greek market as and when it is allowed to and will take whatever taxation hit that comes with it.

Bet365
Although public information on Bet365's positioning in Greece is unavailable, due to the private nature of the business, it is thought that the operator is around half the size of its nearest competitors in terms of market share, but that it is gaining ground. Whether the UK-based firm will take the plunge with a licence in the market is likely yet to be determined, and the signs from France where it still stands outside the regulatory regime there would suggest the company is still weighing up whether the entry into newly-regulated markets is financially worthwhile.

Betfair
Greece is one of Betfair's larger grey European markets, and as stated in our estimate of market size and market shares, it is thought to have a business that is worth around 5 percent or less of the company's 'core' Betfair
net gaming revenue. The company faces something of a dilemma in Greece as the authorities – at least as the proposed regulations stand – are likely to ban exchange betting. Betfair will be faced – in the same way as it has with Italy – with having to launch a fixed-odds ‘skin’ of its exchange. As the aforementioned Italian example has proven, this is not ideal and certainly can be problematic.

**Centrebet**
The Australian-based sports-betting and gaming operator has a reasonably large position in Greece and is thought to have somewhere close to a 5 percent share. Interestingly, should the buyout attempt from Sportingbet succeed, it will leave the latter as the largest operator in Greece, a situation which has been little discussed by the analysts.

**William Hill**
William Hill’s prominent position in the Greek market is largely due to the inheritance from the Uniplay acquisition in 2008, suggesting its business in the country is now heavily skewed towards online casino.

**Centric/Lex**
Lex is Centric’s other brand which it owns and operates though a Malta licence and on the 888 platform.

**Casino848**
Casino 848 is another brand which operates on 888’s Dragonfish platform. It is owned by a Cyprus-based media company which happens to own a large percentage of billboard sites in Greece which it has used to great effect to promote the brand. Sources suggest it has been successful at peeling away at some of the casino business of the large sports-betting led operators.

**888**
As casino 848 and Lex operate on the Dragonfish platform, it must be assumed that 888 has at least to some degree a reasonably large position in Greece. Again, as with Bet365 and William Hill, it is likely not a given that the company will opt for a licence as and when allowed.

**Others in the market**
**Expekt** (out of the BetClic stable of brands), **Unibet, Victor Chandler**, **Ladbrokes, Microgame** (Italian market leader)
Gaming Market Comparison With Italy

The Italian gaming market, whilst not a mirror image of the Greek market, can provide qualified benchmarks to the situation in Greece.

**Land-based**

Data from AAMS implies that lottery spend per person in Italy was €295 in 2010, whereas in Greece spend per person on lottery games was €490. OPAP's sales, however, include sports-betting products, so adjusting the Italy figure to include spend on this sector results in spend per person per year of €369. This would suggest that lottery and sports-betting spend per person is in the region of 30 percent more in Greece than in Italy, even though Greece does not have a competitive sports-betting market.

On horseracing, Italians spent €29 per person per year in 2010, while the figure for Greece, based on the IFHA 2009 turnover, is only €24 per person, and it has been suggested this number is declining.

Greece is due to permit the operation of slot machines outside casinos in the near future after a ruling from the ECJ. The country suffers from a proliferation of illegal slots, something Italy is still contending with despite having a regulated market. Spend on licensed slots in Italy was more than €31bn in 2010, or €528 per person.

Spend per person is likely to be higher in Greece, but if it was the same then the slot market would be turning over approximately €6bn annually.

**Online**

The World Bank reported that 44.1 percent of the Greek population were internet users in 2009, while in Italy the corresponding figure was 48.5 percent. Multiplying this by World Bank population estimates indicates that
Internet users in Greece and Italy are approximately 5m and 29m respectively.

Internet gaming is a grey market in Greece but in Italy it is a regulated market with internet users spending roughly €166 per internet user per year on online gaming.

The GamblingData core estimate for Greece would indicate that spend per internet user per year on online gaming is in range of €250 to €320, again markedly higher than in Italy. The figure for Italy does not include spend on unregulated websites, which is estimated to be around 10 percent of the total on regulated sites, but even if it did it would still indicate a large difference between Greek internet users and Italian users.

*The populations and internet user estimates include people of all ages.
About GamblingData

The global gaming industry is changing fast. With many jurisdictions in transition between pre-and post-regulation, never has it been so important to have access to reliable data information about the market.

GamblingData provides clients with essential country, sector and company analytics to help achieve the best possible understanding of the underlying facts, figures and trends in support of their business, competitor, product and market research activities.

GamblingData provides the facts, intelligence and analysis gaming businesses need to make the most of the opportunities in a volatile business environment.

We have a team of four dedicated business analysts researching, compiling and analyzing relevant gambling data points from over 150 jurisdictions.

We are able to provide tailored data research services specific to your company requirements and/or access to an online database with historical data going back over 30 years.

Our database is updated in real time so you can be sure you are accessing the latest available research and has some market leading functionality allowing very focused intelligence gathering.
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