

News



7 August 2007

Camelot Named Preferred Bidder For Third Licence

Camelot Group plc was today named by the National Lottery Commission (NLC) as the Preferred Bidder for the third lottery licence.

Dianne Thompson CBE, Camelot Chief Executive, said: "I am thrilled that Camelot has been chosen as the Commission's Preferred Bidder. I am particularly pleased for all our staff, who put more than 50,000 working days into writing the best possible bid. My thanks go to all of them, together with our shareholders for their investment in Camelot's bid.

"We now need to agree the final form of the licence. The competition is not over until this has been done. I have also activated the transition plans which we have carefully prepared in tandem with our bid over the last two years. So we have a very challenging period ahead."

Camelot today reveals a number of initiatives to ensure The National Lottery is in the best possible shape for the start of the new licence in 2009. Highlights include:

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- **Licence and Enabling Agreement:** Camelot and the NLC have to finalise the Licence and Enabling Agreement between now and the end of August. The competition for the third lottery licence is not complete until these documents have been agreed and signed by both parties. Camelot's Director of Corporate Affairs, Mark Gallagher, will lead a Camelot team including senior members of the legal, regulatory affairs, policy and finance departments in its discussions with the NLC.
- **Transformation Programme:** a Transition Director will be appointed when the Enabling Agreement with the NLC is agreed – expected to be late August. Working to the Chief Executive and alongside the Finance Director, Nigel Railton, and the company's executive team, the Transition Director will help deliver the company's most ambitious programme of transformation since the lottery launched in 1994. The detailed plan will be finalised over the summer and staff will be briefed between September and December. The plan also includes introducing state-of-the-art technology and networks to allow new games to be launched more quickly, together with the rollout of a new terminal and digital screen network across more than 27,000 lottery retailers.
- **Promotion of Good Causes:** Camelot is responsible for raising money for the Good Causes, but not for awarding lottery grants (which falls to 15 lottery distribution bodies). Camelot fully endorses this separation of duties. However, Camelot's research shows that the lottery-playing public knows very little about how lottery money is awarded in their name. Camelot has commissioned a report from Vanessa Potter (formerly Director of Policy and External Affairs for the Big Lottery Fund) and Dr Jonathan Scales – both of Strategy Complete – to examine how lottery grant-giving has been promoted to the public over the last 13 years.

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The preliminary report will include recommendations for improvement which Camelot hopes to reveal at the annual Lottery Monitor conference on 11 September 2007.

- **Better Regulation:** the NLC is committed to migrating the lottery to the Better Regulation principles. Camelot intends to contribute to this work and has commissioned a detailed report on lottery regulation from Teresa Graham OBE, the former Deputy Chair of the Government's Better Regulation Commission. This report will be submitted to the NLC next week.
- **Tax Review:** Camelot has been working with PwC on proposals to migrate all or part of The National Lottery from a Lottery Duty regime to a Gross Profits Tax regime, which will benefit players and Good Causes alike. The PwC report is now complete and Camelot will be formally submitting it to HM Treasury, the Department of Culture, Media & Sport (DCMS) and the NLC next week. Camelot is working on other policy reviews which it plans to submit to Government and the NLC from September 2007.

Camelot intends to issue progress reports about this work programme to the public, its staff and other lottery stakeholders between now and the start of the new licence in 2009. There will be at least one major update before the end of this calendar year, which will also include more details about Camelot's plans for the lottery for the start of the new licence on 1 February 2009.

Dianne Thompson added: "I would like to put on record my thanks to the NLC for putting its trust in Camelot to develop and nurture The National Lottery in what will be its third decade. We won't let them down."

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Notes to Editors:

- Camelot Group plc is the licensed operator of The National Lottery® and is committed to raising money for the Good Causes designated by Parliament. Camelot is not responsible for distributing or awarding these funds
- To date, over £20 billion has been raised for the Good Causes by The National Lottery, and more than 250,000 individual awards have been made across the UK – the biggest programme of civic and social regeneration since the 19th Century. The National Lottery has given away over £29 billion in prizes and created more than 2,000 millionaires or multi-millionaires since launch in 1994
- Camelot runs one of the most cost-efficient lotteries in the world, with around 5% of total revenue taken in operating costs. At 40% of total sales (28% to the Good Causes and 12% in lottery duty to the Government), Camelot returns a higher proportion of lottery revenue back to society than any other lottery operator in the world. National Lottery retailers receive 5% of total revenue in commission, and 50% of sales is paid out to players in prizes
- Camelot is committed to the highest standards in player protection and social responsibility in both the retail and interactive environments. The National Lottery website, Sky Active and Play By Text services have been accredited by GamCare, the UK's national centre for information, advice and practical help regarding the social impact of gambling – while Camelot's approach to game design, test purchasing and retailer vigilance campaigns ensures player protection at retail. Camelot is ranked first in the leisure sector in Business in the Community's 2006 Corporate Responsibility Index
- For further information on Camelot, The National Lottery and its games, please visit the following websites: www.camelotgroup.co.uk and www.national-lottery.co.uk
- Players of all National Lottery games must be aged 16 or over
- The crossed fingers logo is the registered trademark of the National Lottery Commission.

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