

News



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Camelot Tops Bid-Winning Year With Rises In National Lottery Ticket Sales And Returns To The Good Causes

Game innovation and new ways to play drive further sales growth; preparations for the third licence continue to progress well

Camelot Group plc today announced that National Lottery ticket sales rose by more than £50 million in 2007/8 – further driving returns to the Good Causes and topping a successful year which also saw the company win the licence to operate The National Lottery from 2009 to 2019.

In the year to 31 March, Camelot increased total National Lottery sales to £4,966.3m, a rise of £54.9m (1.1%) on the figure of £4,911.4m for the previous year. Like-for-like sales¹ increased by £94.2m (1.9%) in 2007/8 – further demonstrating that Camelot has bucked the international trend of lotteries around the world, where sales typically fall during a transition period between licences².

The rise in ticket sales helped increase annual returns to the Good Causes by £16.3m, from £1,335.5m to £1,351.8m – bringing the total amount which players have helped to raise since the launch of The National Lottery to more than £21 billion. As of the end of 2007/8 returns to the Olympic Lottery Distribution Fund (OLDF) were more than £275m, which is ahead of schedule. So far over 290,000 Good Causes awards have been made the length and breadth of the UK – the equivalent of more than 100 awards per postcode district.

There was good news for players as well, with the lottery creating a further 130 millionaires this year, up from 123 the previous year. This takes the total number of millionaires created by The National Lottery to over 2,175 – just some of the four million-plus winning tickets produced every week across the portfolio of games.

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The results underline the ongoing success of Camelot's focus on innovation and its strategy for growth, which is based on offering players a regularly-refreshed portfolio of games, and convenient new ways to play. Consistent with this, sales from new channels and non-draw-based tickets form a growing part of the portfolio.

Sales of non-draw-based games showed double-digit growth, increasing by 19.6% to £1,109.6m. Sales were driven by the introduction of a host of games including the *Deal or No Deal*, *Pirates of the Caribbean: At World's End* and *Rich for Life* Scratchcards – and Instant Win Games including *Monopoly*, *Snakes & Ladders* and *Birthday Bonus*.

Despite an overall fall in the number of Rollovers and event draws for Lotto and EuroMillions in 2007/8³, sales of tickets for draw-based games reached £3,856.7m. In the second part of the year draw-based ticket sales were boosted by two Lotto Triple Rollovers, as well as two EuroMillions jackpot event draws of £88m and £96m, in September and February respectively.

Retail operations continue to be the largest lottery channel, accounting for over 90% of total sales. Camelot reached new retail customers through convenience stores in airports and train stations – and continued to drive retail innovation with the introduction of new point-of-sale material and bespoke Scratchcard dispensers. This year also saw the rollout of National Lottery Fast Pay printers to an additional 2,000 outlets, offering the ability to print Fast Pay cards. The Fast Pay service, originally launched with Tesco, enables players to store information on their favourite National Lottery draw-based games and pay for them along with their groceries. These initiatives helped drive total sales through Fast Pay to £413.2m – an increase of over 90% on the figure of £214.5m last year, with over 12.3 million cards distributed, and over 60% of sales now coming from non-Tesco outlets.

Camelot's channel diversification strategy also continued to deliver strong incremental year-on-year sales growth. Total Interactive Sales across national-lottery.co.uk, Sky Active, and Camelot's groundbreaking Play by Text mobile phone service were £370.4m – an increase of £79.6m (27.4%) on the figure for 2006/7.

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Camelot won the third licence competition in August after the National Lottery Commission judged that under the Common Sales Scenario, it would be able to raise between 0.3% and 0.5% more for Good Causes than its rival, Sugal & Damani UK Ltd. The company has been working closely with its partners and stakeholders and is well-advanced in its plans for the transition to the next licence – and in delivering the next stage of National Lottery sales growth. The operator's proposals for the third licence were based on research with over 170,000 consumers – and include plans for new 3D interactive games, a pioneering world lottery draw and a National Lottery Player Card designed to make lost tickets a thing of the past.

New communications equipment has already been installed in more than 5,000 retailers, and, subject to final testing, Camelot will begin rollout of the new lottery terminal in August. Featuring eye-catching modern design, the new terminal offers faster printing time, a more intuitive touch-screen interface and the ability to print National Lottery Fast Pay cards, enabling all lottery retailers – and their players – to benefit from this convenient service.

Despite the challenge of transition, Camelot has also made a very encouraging start to 2008/9. There have been strong ticket sales for Lotto and EuroMillions – and sales of Interactive Instant Win Games have further boosted returns to the London 2012 Olympic and Paralympic Games. The Scratchcards portfolio has also seen a significant boost, with a heavyweight advertising and in-store campaign driving sales of its new *Indiana Jones*[™] games.

Dianne Thompson, Chief Executive Camelot Group plc said: “This has been a very successful year both for Camelot and The National Lottery – and I’m delighted to be able to report a further rise in sales and returns to Good Causes in the year in which the NLC put its trust in us to run the lottery from 2009 to 2019. Camelot has a track record of innovation, social responsibility and delivering for the Good Causes – but ultimately we were awarded the licence because the NLC judged that Camelot’s plans were likely to deliver more to the Good Causes.

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“The UK National Lottery remains the most cost-efficient in Europe – but we will not be resting on our laurels. We need to ensure that we continue to focus on efficiency in order to deliver even more money to Good Causes. In the next licence we want to offer players a range of exciting games with bigger jackpots as well as smaller prizes, more often – and we are continuing to work closely with stakeholders, players and the NLC to develop our plans. In the meantime my thanks go out to all Camelot employees and to National Lottery players the length and breadth of the UK, who have now helped to raise more than £21 billion for the Good Causes.”

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Notes to Editors:

¹ Like-for-like sales strip out the effect of an extra Saturday in 2006/7 and 2 additional days in 2007/8

² In a review of transition and conversion experiences in International Lotteries, 16 out of 23 lotteries most comparable to The UK National Lottery recorded a fall in sales of between 1% and 30%

³ In 2006/7 there were 27 Rollovers/ Event draws on Lotto and 35 on EuroMillions – this compares to 20 and 27 respectively for the same period this year

- 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 £21 billion has been raised for the Good Causes by The National Lottery, and more than 294,000 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 £32 billion in prizes and created more than 2,175 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 over the course of the licence), 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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