

News



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Camelot Publishes 2007/8 Annual Report

New games and innovative ways to play drive further sales growth and returns to Good Causes; strategy for growth sees 8.5% rise in sales over last five years

Camelot Group plc today publishes its Annual Report for 2007/8, a year which saw the company win the licence to operate The National Lottery from 2009 to 2019. The Report confirms that annual National Lottery sales in the year to March 31 increased by almost £55 million in 2007/8 – further boosting returns to the Good Causes.

Despite a challenging retail environment, in the last Financial Year Camelot increased total National Lottery sales to £4,966.3m, up £54.9m (1.1%) on the previous year's figure of £4,911.4m. Like-for-like sales increased by £94.2m (1.9%) in 2007/8 – clear evidence that Camelot has bucked the international trend of falling sales during a transition period between lottery licences. The rise in sales helped Camelot increase annual returns to the Good Causes by £16.3m, from £1,335.5m to £1,351.8m – helping to bring the total amount raised since the launch of The National Lottery to more than £21 billion; a figure which has since risen to more than £22 billion.

Camelot's performance has been buoyed in the First Half of 2008/9 by a further £181.3m rise in ticket sales – across retail, interactive and subscriptions channels – driven by Britain's Olympic Games and Paralympic Games successes, as well as a series of mega EuroMillions jackpots.

The 2007/8 Annual Report also sets out details of executive remuneration. As a result of this year's continued strong performance in meeting and exceeding demanding targets for sales, profitability, and returns to the Good Causes – as well as winning the next lottery licence – all employees in the company's performance-related scheme were eligible for a bonus payment. As with all other remuneration, incentive arrangements aimed at retaining staff are paid for by Camelot's shareholders out of their own funds.

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As a result of the increase in sales, Dianne Thompson's pay package, including base salary, pension contributions and bonus rose by 2.0% from £946,000 to £965,000. In addition, Dianne earned a one-off win bonus of £792,000, paid over two years, for leading the company in its successful bid for the Third Licence. Directors' cash earnings fell from £3,452,000 to £3,286,000 as the company reduced the number of directors on its Main Board and implemented cost savings as part of its restructure in preparation for the Third Lottery Licence.

The Report also contains details of Camelot's performance in 2007/8 against stretching performance targets, including:

- **Retail systems:** The availability of lottery terminals for ticket sales was 100%, while the availability to validate prizes was 99.94%, against targets of 99.50% and 99.00% respectively.
- **Interactive systems:** Game availability on the three interactive channels – national-lottery.co.uk, Sky Active and Play by Text on mobile phones – was 99.88%, while the availability to pay prizes was 100%, again beating the targets of 99.00% for each measure.
- **Retailers:** Operation Child, Camelot's unique test purchasing scheme to promote retailer vigilance against selling National Lottery games to underage players, showed that 93% of retailers refused to sell a lottery ticket to a test purchaser on a first visit.

Nigel Railton, Finance and Operations Director of Camelot Group plc, said: "This Annual Report details a highly-successful year, both for Camelot and The National Lottery. In a landmark year, Camelot again increased sales and returns to Good Causes – and was also successful in its bid to run the lottery for the next 10 years.

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“We have again made good progress in meeting, and in many cases exceeding, the challenging performance targets set by our regulator, The National Lottery Commission. The figures for 2007/8 – together with the excellent start we’ve made in the first six months of this year – underline the success of our long-term strategy for growth. This approach is based on growing sales across the whole portfolio by offering a range of new games and innovative ways to play – and has resulted in an 8.5% rise in National Lottery sales over the last five years, something we’ve further built on in the recent Half Year.”

Sir Peter Middleton, Chairman of Camelot Group plc, said: “Our Report confirms an impressive set of results and achievements. Credit is due to the whole team at Camelot for the tremendous amount of work that goes on behind-the-scenes in making sure that The National Lottery remains in such good health.”

Camelot’s Annual Report for 2007/8 is available at: www.camelotgroup.co.uk.

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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 £22 billion has been raised for the Good Causes by The National Lottery, and more than 300,000 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 £33 billion in prizes and created more than 2,200 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 2007 Social Responsibility Index.

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- 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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