

# News



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## **Camelot Publishes 2008/9 Annual Report**

***Camelot records best sales performance in a decade and completes largest lottery upgrade in the world as it builds an even better and brighter National Lottery – and delivers even more money for the Good Causes***

National Lottery operator Camelot Group plc today publishes its Annual Report for 2008/9 – a year in which the company achieved its best sales performance in 10 years, delivered even more money for the Good Causes and successfully completed the largest lottery upgrade of its kind in the world in preparation for the start of the third National Lottery Licence.

The Report confirms that, despite the complex process of transition to the new Licence and a challenging retail environment, Camelot succeeded in growing annual National Lottery sales in the year to 31 March 2009 to £5,149.1 million – an increase of £182.8 million (3.6%) on the previous year's figure of £4,966.3 million. This performance underlines how Camelot has bucked the trend of lotteries worldwide which traditionally experience a dip in sales during periods of transition.

The rise in sales helped Camelot to increase annual returns to the Good Causes by a further £25.8 million on the previous year, from £1,351.8 million to £1,377.6 million<sup>1</sup> – taking the total raised for the Good Causes by The National Lottery since launch past the £23 billion mark and the number of individual grants to over 325,000 to date.

As part of the pivotal role The National Lottery is playing in funding the London 2012 Olympic Games and Paralympic Games, Camelot is committed to raising £750 million from the sale of specially-designated games as part of the lottery's overall funding package for the Games of £2.2 billion. Strong sales of London 2012-

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designated games ensured fundraising for the Games remains well on target, with more than £400 million of this £750 million target from designated games already paid to the Olympic Lottery Distribution Fund.

The Report also highlights the sheer scale of work carried out by Camelot during the year to ensure that The National Lottery was in the best possible shape for the start of the third lottery Licence period on 1 February 2009. As part of its commitment to building an even better and brighter National Lottery, Camelot devoted over one million people hours to complete the largest – and fastest – lottery upgrade of its kind in the world within the agreed timescales.

This work involved introducing state-of-the-art technology and networks designed to further enhance The National Lottery in-store experience for players, enabling them to be served faster and more easily. Camelot completely replaced the entire network of National Lottery terminals and introduced new touch-screen models, cutting-edge media screens and printers. It also installed a brand new communications network, connecting over 27,500 retailers to an upgraded gaming system and designed to be even more reliable, faster and able to cope with all of the enhancements that are planned for The National Lottery to 2019.

Although the third Licence is still in its early days, Camelot has already launched the new, next-generation National Lottery website – offering players exciting new games, including The National Lottery's first 3D instant win games, as well as a host of new functions including a Game Selector tool, dedicated results checker and opt-in alerts service.

Camelot has also announced a major enhancement, which launches next month, to its EuroMillions mega-jackpot game – with the addition of a new, must-be-won 'Millionaire Raffle' which will create a guaranteed UK million-pound winner every week. In addition, Camelot has been working on a number of other plans to offer

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National Lottery players in the third Licence an even wider range of exciting games, including, subject to approval by its regulator, the National Lottery Commission (NLC), a pioneering World Lottery Draw, involving lotteries from around the world and expected to offer amazing multi-million pound jackpots. Camelot is currently in discussions with potential partners worldwide, with the World Lottery Draw expected to launch with the first raft of partners in 2012.

Camelot's success in meeting and exceeding stretching targets for sales, returns to the Good Causes and profitability – as well as fulfilling the demanding transition requirements set by the NLC – meant that all employees in the company's performance-related scheme were eligible for a bonus payment. As with all other remuneration, incentive arrangements aimed at attracting and retaining staff are paid out of retained profits for shareholders.

As a result of the company's exceptional performance in 2008/09, including recording the best sales figures for a decade, Chief Executive Dianne Thompson's pay package, including base salary, pension contributions and bonus, rose from £965,000 to £1,069,000. In addition, Dianne received a one-off retention bonus of £792,000 after leading the company's successful transition to the third Licence on time and within budget.

Camelot's success in growing sales of both draw-based and non draw-based games across all platforms – including retail, interactive and subscriptions – underlines the success of the company's long-term strategy for growth, which is based on offering players a regularly-refreshed range of games and innovative new ways to play. This strategy has now delivered an 11.6% increase in ticket sales over the past five years and has enabled Camelot to maintain The National Lottery's position as one of the world's most successful lotteries.

However, the company's commitment to raising as much money as possible for the Good Causes in a socially responsible way means that, despite being the sixth largest lottery in the world in terms of sales, it is just 66th in the world in terms of per capita spend – with player spend at around £3 a week each.

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The Report goes on to detail Camelot's performance in 2008/9 against challenging performance targets. Despite the planned upgrade work necessary to transform The National Lottery in-store and online in preparation for the third Licence, terminal sales availability, a key performance indicator monitored by the NLC, was 99.94% in retail outlets (against a target of 99.5%) and 99.62% online (against a target of 99.0%).

Nigel Railton, Finance and Operations Director of Camelot, said: "This Annual Report details an incredibly busy but highly successful landmark year for both Camelot and The National Lottery. I'm delighted to report that, despite the demands of preparing for the new Licence and the significant challenges in the wider market, Camelot has delivered the best National Lottery sales performance in a decade and returned even more money to the Good Causes, benefiting projects and communities the length and breadth of the UK.

"The fact that we completed the largest National Lottery upgrade of its kind in record time is testament to the tremendous amount of work behind the scenes to make sure that The National Lottery remains in excellent health as we enter this exciting new Licence period. However, despite our record of creating around four million winners a week, more than 2,300 millionaires since launch and delivering £25 million-plus for the Good Causes every week, we will not be resting on our laurels.

"Our players have helped The National Lottery become the national institution that it is – and they will continue to remain at the heart of everything we do as we look to build an even better and brighter National Lottery over the next 10 years."

Sir Peter Middleton, Chairman of Camelot, said: "Our Report confirms a highly impressive set of results and achievements, underlining Camelot's position as one of the most cost-efficient and responsible lottery operators in the world. As we enter our third Licence period ready to build on the successes of our first two, we are strongly placed to deliver our plans for the next lottery Licence period. Credit is due

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to the whole team at Camelot for their support, dedication and professionalism for this outstanding achievement.”

## [2008/09 Annual Report and Financial Statements](#)

1 Figures do not include investment returns on National Lottery balances which are reported separately

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### **Notes to Editors:**

- Camelot Group plc is the licensed operator of The National Lottery<sup>®</sup> 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 £23 billion has been raised for the Good Causes by The National Lottery, and more than 325,000 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 £35 billion in prizes and created more than 2,300 millionaires or multi-millionaires since launch in 1994.
- Camelot runs the most cost-efficient lottery in Europe, with around 4% of total revenue spent on operating costs. In the period up to March 2010, around 28% of total National Lottery revenue is expected to go to the Good Causes. Over the course of the third Licence, over 50% of total National Lottery revenue is expected to be paid to winners in prizes, while 12% of total revenue is expected to be paid to the Government in Lottery Duty. Depending on performance, total profits across the course of the Licence will range from 0.3% to a maximum of 0.5% of total revenue.
- Camelot is committed to the highest standards in player protection and social responsibility in both the retail and interactive environments. The National Lottery website 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 has been listed for the second year running in the Platinum category by Business In The Community for its overall Corporate Responsibility achievements, the highest category possible within the index.
- For further information on Camelot, The National Lottery and its games, please visit the following websites: [www.camelotgroup.co.uk](http://www.camelotgroup.co.uk) and [www.national-lottery.co.uk](http://www.national-lottery.co.uk).
- Players of all National Lottery games must be aged 16 or over. Game Rules and Procedures apply.

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