

PRESS RELEASE

State of the market in online gaming in the 1st quarter of 2012

Publication of data from January to March 2012

On the occasion of publishing its quarterly data for January, February, and March 2012, the French Authority for the Regulation of Online Gaming (ARJEL) prepared a survey of the current state of the French market in online gaming and betting. At the beginning of the year, sports bets, horse-racing bets, and online poker involved 1.3 million active player accounts with weekly usage by about 500,000 player accounts. During the first quarter of 2012, horse-racing bets continued to rise, and the sports bets sector has regained ground after a subdued 2011. For its part, the online poker market confirmed the trend of a very dynamic tournament activity, as opposed to a cash game in sharp slowdown. In terms of player behaviour, mobile use has increased (14% of players now connect using a smart phone or digital tablet), but there is a clear increase in the age of the population of online players in one year.

➤ **Business report per sector:**

With **175 million euros in bets** and weekly use levelled off at **109,000 active player accounts** for the whole quarter, online sports bets experienced a rebound at the start of the year, with a 14% increase in bets with respect to the first quarter of 2011. Football and tennis remain the two favourite sports with punters (accounting for 59% and 19%, respectively, of wagers in sports bets), but the **leading sporting fixtures** at the start of the year have attracted online punters in greater numbers than in the previous year. That is particularly the case for the **Ligue 1 in football and the Six Nations Rugby Championship**, which have recorded increases of 39% and 42%, respectively, in bets with respect to the first quarter of 2011.

For its part, **accounting for 291 million euros in wagers since 1st January 2012**, horse-racing betting has confirmed 2011 trends and has continued its rise. In comparison with the 1st quarter of 2011, it has recorded an increase of 13% of bets and usage levels up by 9%, i.e. about **154,000 active player accounts per week** during this quarter, as opposed to 140,000 in the 1st quarter of 2011. In particular, widening the range of horse-racing betting appears to have borne fruit, with foreign races (Belgium, South Africa, United Arab Emirates, Spain, etc.) now accounting for 20% of races on which bets are placed.

Finally, with an average usage level of **327,000 player accounts per week** and a total of **almost 1.7 billion euros in cash-game bets and 367 million euros in tournament entry fees**, the online poker market confirms the two trends that began in 2011. Tournament activity remains very dynamic and continues its rise, with an increase of 26% in entry fees and 3% in active player accounts over one year, the cash game has retreated even further in this quarter, recording a fall of 5% in bets and a reduction of 9% in active player accounts with respect to the 1st quarter of 2011.

➤ **Player profiles:**

Taking all sectors together, the typical online player is male (88%), mainly a poker player (61%) and lives in the Parisian region, south-east France, Nord-Pas de Calais or Corsica. However, we can observe **clear aging in player profiles in one year**: taking all sectors together, the 18-24 age group has fallen by 33%, whereas the 55-64 age group has increased by 34% between the 1st quarter of 2011 and the 1st quarter of 2012. Nonetheless, sports-bet punters remain the youngest (62% are aged under 35) and the most male (92%), whereas horse-racing punters are the oldest (28% are aged over 55) and the most female (19% of player accounts are held by women). Online players or punters replenish their accounts mainly by using bank cards (87%), although there is increasing use of pre-paid cards (10% in the course of this quarter). On average, the amount of weekly bets is 123 euros for a sports-bet punter (6 euros per bet on average), 144 euros for a horse-racing punter (4.30 euros per bet on average), and 130 euros for a poker player in a cash game. However, these are average indicators that must be weighted, since just 10% of players account for 86% of bets.

Furthermore, **the increase in digital mobile use has been confirmed**, since 15% of sport-bets punters and poker players, and 12% of horse-racing punters, now connect via a smart phone or digital tablet, whereas a year previously, the figures were 7% for sports-bets punters, 8% for horse-racing punters, and 4% for poker players.

➤ **Operators' marketing expense trends**

Since August 2011, operators have refocused their marketing strategy by drastically reducing their media budgets (from 86 million euros in the 1st quarter of 2011 to 48 million euros in the 1st quarter of 2012), and by opting for actions less aimed at the general public and more targeted at player profiles. During this quarter, 55% of marketing expenses were given over to **bonuses and sponsorship offers** (a 39% increase in that budget line with respect to the 1st quarter of 2011), to the detriment of, for example, media campaigns (TV, radio, cinemas, displays) that fell from 23% to 12% of operators' marketing budgets in one year.

On 4 May 2012, the ARJEL had 32 accredited operators and 45 active agreements:

- 13 in the "sports bets" category,
- 8 in the "horse-racing bets" category,
- 24 in the "poker" category.