

Poland – legal situation

Since January 1, 2010 a new act governs pari-mutuel betting.

Basic conditions:

- *Unlimited number of permits*
- *Online bets are legal*
- *AWP illegal*
- *Advertising is prohibited except for sponsoring games*
- *New tax*
 - 2,5% on animal competition*
 - 12% on other bets*

Poland

- *Currently:*
There are 6 companies offering pari-mutuel bets present on the market with total number of betting shops amounting merely to 1500
- *Three companies have launched online betting*
- *Two companies on the market offer horse race bets*
 - *E-toto with PMU races*
 - *TRAF with races held in Poland*
 - *Totolotek used to offer bets on races organized by ATG but the company lost its licence*

Poland

- *Problems impeding the development of bookmaking market in Poland:*
 - *12% tax deducted from the stakes – the highest tax in Europe*
 - *6 to 9 month long administrative process before license is granted*
 - *Complicated and long process of changing a sales outlet address (2-6 months)*
 - *No advertisement or promotion permitted*
 - *Staff must take exams*
(high cost and a necessary visit to the Ministry of Finance)
- *The Ministry of Finance controls – at least one control a year in each sales outlet (age control and no advertising)*

Specification	Number of permits/ licences in force on Dec 31, 2009	Number of permits/ licences in force on Dec 31, 2012	Numer of permits/ licences for game parlors/sales outlets on Dec 31, 2009	Numer of permits/ licences for game parlors/sales outlets on Dec 31, 2010	Number of permits/ Licences issued in 2010
Casinos	27	33	27	33	13
Slot machine (ARCADE)	287	266	287	266	0
Bingo parlors	2	0	2	0	0
Bookmaker bet shops (operating just 1500)	46	46	2377	2452	6

Poland

Gambling scandal caused by the government officials' role in gambling act revisal that brought about the resignation of Poland's deputy prime minister and sports minister and thus mistrust among punters – even today the industry is perceived as black economy

Result :

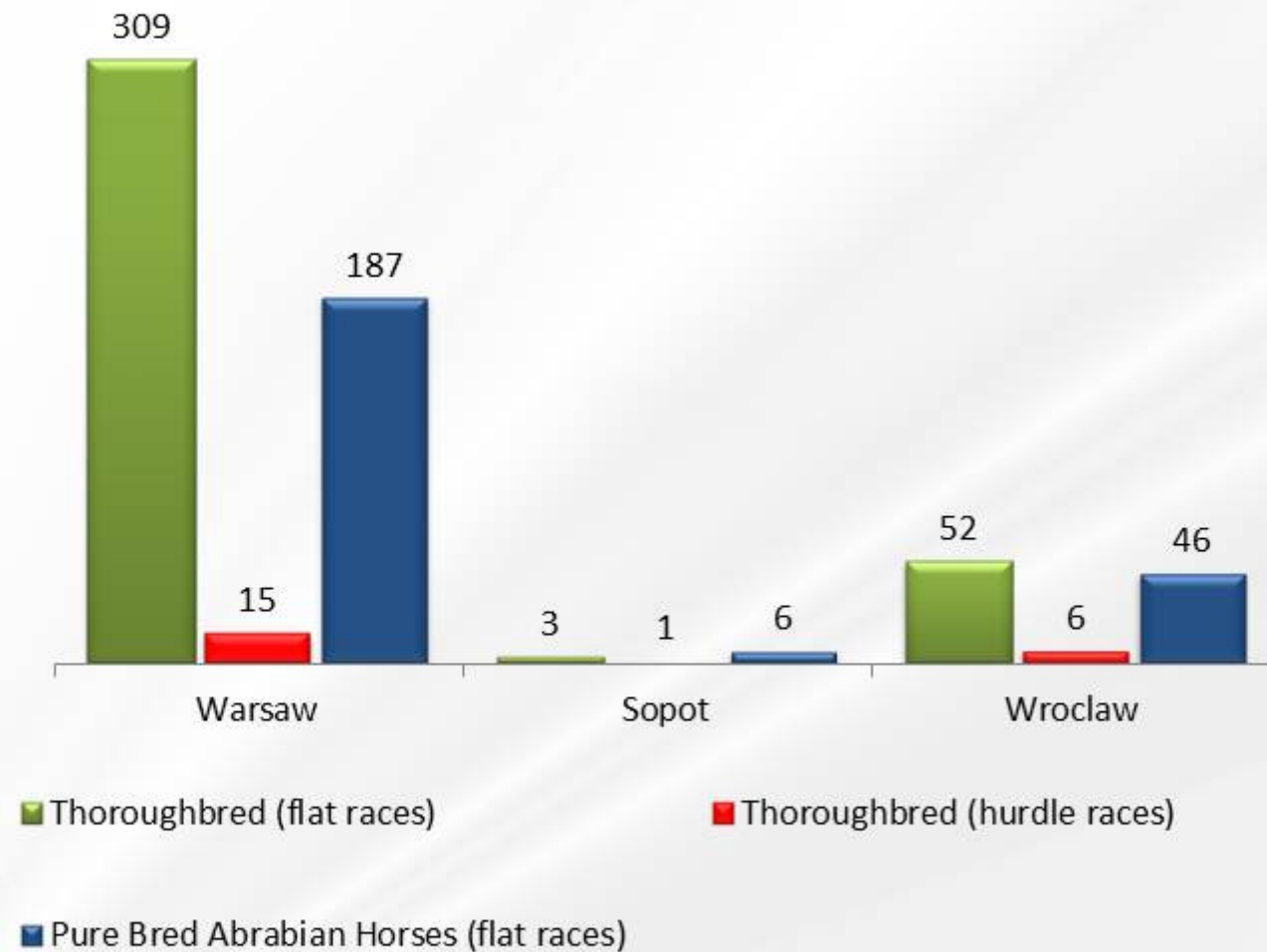
Loss of punters' trust resulting from the political scandal and tax increase resulted in 12% loss and fall in total gambling income to EUR 4,9/person.

Specification	Income in 2009	Structure in 2009	Income in 2010	Structure in 2010	Change in income 10/09 (%) (in PLN 1000)
Games of chance	2 995 308	14.7%	2 441 661	15.0%	-18%
Casinos	1 415 287	6.9%	1 260 292	7.8%	-11%
Slot machine parlors	3 236 106	15.9%	3 781 092	23.3%	17%
Paramutuel bets	891 651	4.4%	784 322	4.8%	-12%
Audiotext lotteries*	No data	-	75 646	0.5%	-
Lotteries	239 521	1.2%	236 406	1.5%	-1%
Bingo parlors	2 032	0.01%	0	0.0%	-100%
Total	8 779 905	43.1%	8 579 419	52.9%	-2%
Low-prize machines	11 586 647	56.9%	7 654 005	47.1%	-34%
TOTAL	20 366 552	100.0%	16 233 424	100.0%	-20%

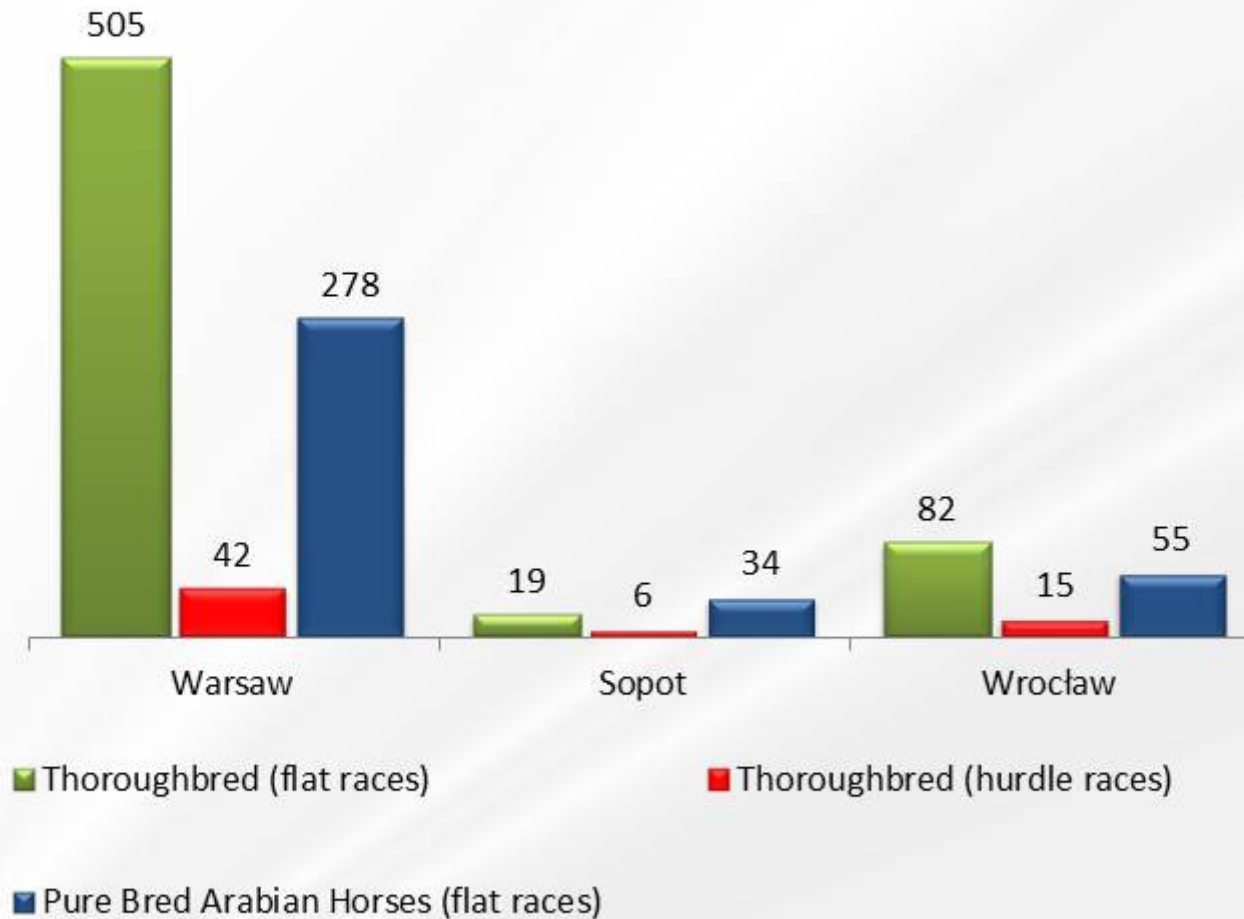
Poland

Considering the above, Poland is in with a chance of developing the horse race betting market as stakes in case of this type of bets are subject to 2,5% tax, and for races held in Poland additional 2% deduction for the Polish Jockey Club

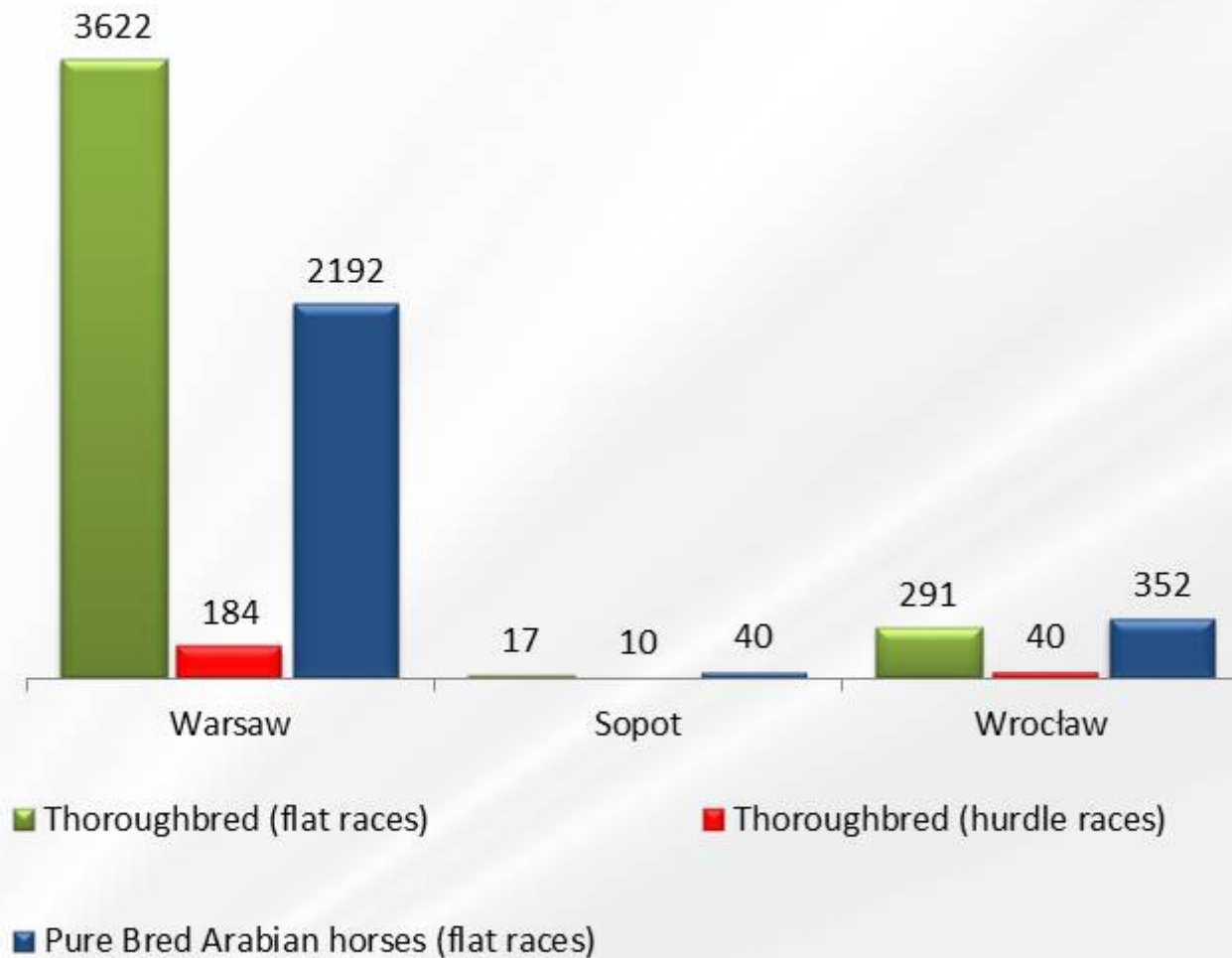
Horse race betting market – the number of races in 2011



Horse race betting market – the number of horses foaled in Poland in 2011



Horse race betting market – amounts spent on prizes in PLN 1000



Poland – the largest potential market in Europe

THE RESULTS OF FINANCIAL STABILISATION:

Steady number of horses entered to race in last 3 seasons (1200)

Stabilization in Thoroughbred breeding (owing to horses purchased abroad)

Light development in Arabian horse breeding – Polish breeding tradition

Increase in harness racing – the starting point was a very low level

Poland – the largest potential market in Europe

CHANGE IN PERCEPTION OF HORSE RACING FROM GAMBLING TO FUN

The only field where dynamic development is observed is the popularity of horse racing among the Polish society.

Wielka Warszawska (G1)

no. of spectators	2009 – 5000
	2010 – 7000
	2011 – 10000
	2012 – 15000

Generation change; simple betting rules

Thank you

5th
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