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Emerging markets and new partners

**Tote offer & lottery market
Opportunity or Threat ?**

Jean-Luc Moner-Banet,
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RACING & BETTING BUSINESS FORUM – October 2012



MAIN OPPORTUNITIES:

- + State monopoly
- + Existing channels & support
- + Benefit of the existing lottery image
- + Product portfolio diversification opportunity
- + High potential amongst the existing players
- + Limited involvement in the betting outlets
- + Community game
- + Inline with the company's mission & values

MAIN THREATS :

- New job for lotteries, new skills
- Uncontrolled offer, kind of « turnkey product »
- Technical investment
- Unknown terrain for players, long learning curve
- Local races tracks and culture
- Regulation and taxation
- Illegal operators

Business case LORO

Horse betting has been operated for 20 years by the Loterie Romande and has enjoyed a steady and reasonable growth over the years. Our market is less than 2,000,000 pers.

Tote offer comes entirely from PMU, global horse betting operator. The races, betting supports, are French and foreign.

All betting aspects and rules follow the guidance of the French PMU, with who we work together closely since 1991.

PMU visual identity and product positioning are also used by LORO.

Some Swiss TV cable operator offer EQUIDIA Channels.

We now use a new synchronous IT connection, to add our bets to the French common pool. This is an outsourced service.



Business case LORO


NETWORK:

BUILT ON 3 TYPES OF RETAILERS

TURNOVER
CHANNEL

150 x  bars & restaurants
offering a full offer of bets and TV live races

ADDITIONAL
CHANNEL

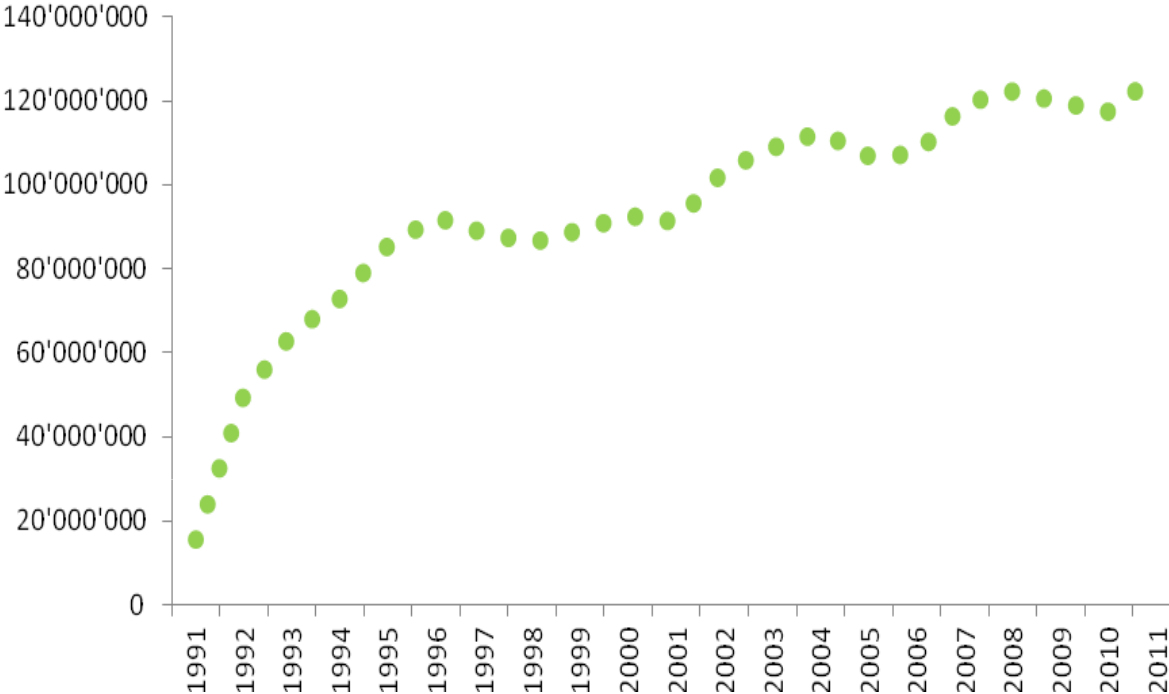
90 x  Kiosk, newsstand,
offering the full offer of bets, without TV

DISCOVERY
CHANNEL

1'000 x POS  selling only
«**QUINTÉ+ spOt**» as a Lotto/numbers game

Business case LORO

**SALES GROWTH
on PMU products**



Supply the Tote offer across a lottery market

Opportunity or Threat ?



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Thank you

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