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The Year of I-Bingo

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by Rob van der Gaast

In the gambling arena, the year 2004 was the breakthrough of the peer-to-peer betting exchanges; 2005 was the revelation of m-gambling; and it seems that 2006 will be the year of I-bingo.

Bingo, with its soft and social gambling image, has for years been a "sleeper" in the gambling industry. So it is no surprise that a new European association, EUBINGO, was launched on Jan. 31. EUBINGO is composed of the Bingo Association of the licensed bingo industry in Great Britain and the Spanish confederation of organizations of bingo games managers (Confederación Española de Organizaciones de Empresarios del Juego del Bingo). It hopes to recruit other members and ultimately create a concrete network throughout the EU member states.

As stated in press information from EUBINGO, the primary aim of the association is "to represent the interests of its members at (the) EU level, to inform members of developments at (the) EU level, and to ensure information flow between the members themselves by instigating dialogue on all issues of interest with the EU institutions, government bodies, and other trade associations and consumer groups; creating a European-wide platform for its views by combining the strength of its members and making known the views of its members in the debate surrounding issues; and giving one voice to its members on legislative matters affecting their business."

"Bingo UK 2005," a Mintel research report released Dec. 12, 2005, shows that bingo has shown very modest growth since 2000, with total club turnover, including all sources of income, growing to just over £2 billion, from £1.8 billion in 2000. Deregulation has been the main source of growth, with bingo clubs having been allowed to offer bigger prizes--particularly for national games, in which clubs compete against each other for large stakes--and to install more gaming machines offering larger payouts.

The report states, "Growth has been achieved despite a declining consumer base. According to research firm TGI, the number of regular bingo players has fallen since 2001, from 3.2 percent to 2.8 percent of adults in 2004, and occasional players are also decreasing (from 4.5 percent to 4.1 percent)."

Now the big leap forward is the interactive component, and the two grand masters of I-bingo are Ontario's Parlay Entertainment Inc. St. Minver Ltd., which operates from Gibraltar under the provisions of the Gibraltar Gaming Ordinance for online gaming services.

Parlay is the first company in the world to develop and deploy a commercial Internet bingo product. Parlay Bingo is available in both 75-number and 90-number versions and is complemented by a full suite of lottery and casino games. Some of the world's



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best known brands, including Virgin and Yahoo!, use Parlay Bingo solutions. A total of more than 2.8 million players wagered nearly US\$2 billion in 2005 on gaming Web sites that use Parlay software.

This week the company announced the release of Parlay 4, the latest version of its award-winning online bingo product, featuring a new game interface with an improved screen layout, new tabbed components and a larger area for chat messages. The new interface makes it easier to pick, purchase and play dozens of bingo cards at once, creating more excitement for players, while enhancing revenue and margin opportunities for Parlay bingo operators.

Parlay is headquartered in Oakville, Canada with offices in Bridgetown, Barbados and Valletta, Malta. The company has a strong showing among U.K.-facing bingo sites; three of the top five U.K. sites use Parlay Entertainment software. In the "WhichBingo.com's 2005 Player's Choice Awards" category for "Best New Site of 2005," Parlay-powered sites claimed 14 of the top 20 spots.

St. Minver's roots go back to Gala, the U.K. bingo giant. St. Enodoc, founded in 2003, purchased Gala Interactive from Gala Group Plc. and renamed the company St. Minver. Its clients include Virgin Bingo, Chit Chat Bingo, England's Yahoobingo and Park Bingo. Sportech plc, owner of Littlewoods Gaming, recently announced the launch of LittlewoodsBingo, a Web site powered by software from St. Minver.

Microsoft Network just provided one of the biggest splashes yet in the I-bingo space with the launch of an online bingo game in the U.K. Using Parlay Entertainment's technology, the entertainment giant started MSN Bingo on the Bingos.co.uk platform.

According to Mintel, England has around 700 clubs (as of April 2005)--600 conventional clubs and around 100 holiday venues with licenses to play bingo seasonally. By far, the two main British bingo operators are Gala and Mecca, which own 166 and 120 clubs respectively. Combined, that's nearly half of all permanent clubs in the United Kingdom, but their value market shares are much higher because their clubs are larger than average and attract more members by offering larger prizes, including linked clubs and national game prizes.

England's third largest bingo operator, Top Ten Holdings Plc, a growth company investor in many different sectors, has designs on cutting into that share. The group recently acquired freehold bingo clubs in Worksop, Leicester and Blackwood for US\$3.2 million. The consideration is to be funded from existing resources. Top Ten intends to rationalize its operations to a single club in Worksop, operating bingo halls, amusement arcades and snooker clubs

Meanwhile, the CIRSA Corporation, with 16,00 employees and 400 companies, has a long bingo history and is fast becoming a world leader in the gaming and leisure sector. With its proprietary IT systems applications, the group has drawn an impressive international I-bingo base from its 10 million annual bingo hall visitors.

Veterans of the I-gaming space are also convinced that the "sleeper" will wake up a bull.

"I-bingo is well suited for electronic distribution, and we will definitely be involved in bingo," Pontus Lindwall, CEO of Cherryföretagen AB, explained. "Some skeptic voices have said that the traditional bingo customers are not interested in Internet-based gaming, but I believe that this is not true because nowadays virtually everybody is using the Internet. I also believe that this new distribution channel will create new customers for bingo, who would not consider playing bingo in a bingo hall. We have seen this pattern in the case of an Internet scratch ticket that we developed, which has surpassed our expectations by far."

Europe's Top 10 I-Bingo Companies

1. Bingos.co.uk
2. Virgin Games
3. PartyBingo
4. Rank (Mecca Bingo)
5. Gala (Gala Online);
6. Lottomatica (Bingo Plus), Italy
7. Folkspel (BingoLotto), Sweden
8. www.jackpotjoy.co.uk (Gamesys)
9. Spielbank (Berlin Lottery), Germany
10. CIRSA (Spain).

Source: Simon Holliday, GBGC