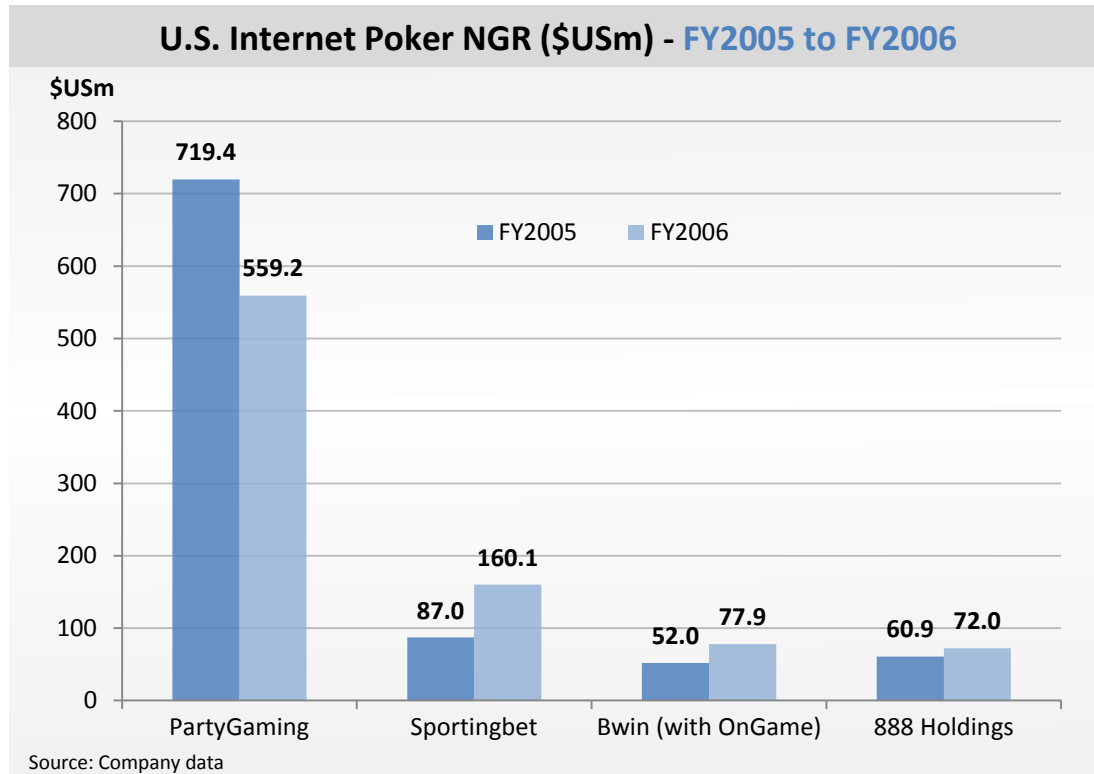


U.S. Online Poker Data Report

Prepared for the National Council of Legislative Gaming States
Winter Meeting

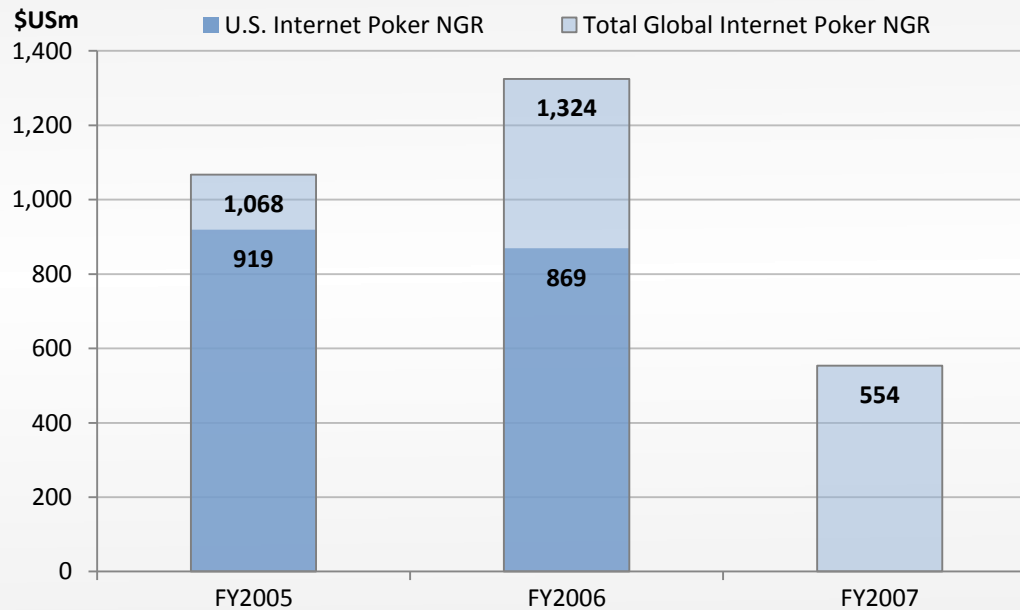
January 6, 2012

The Pre-UIGEA Internet Poker Market (2002-Oct. 2006)



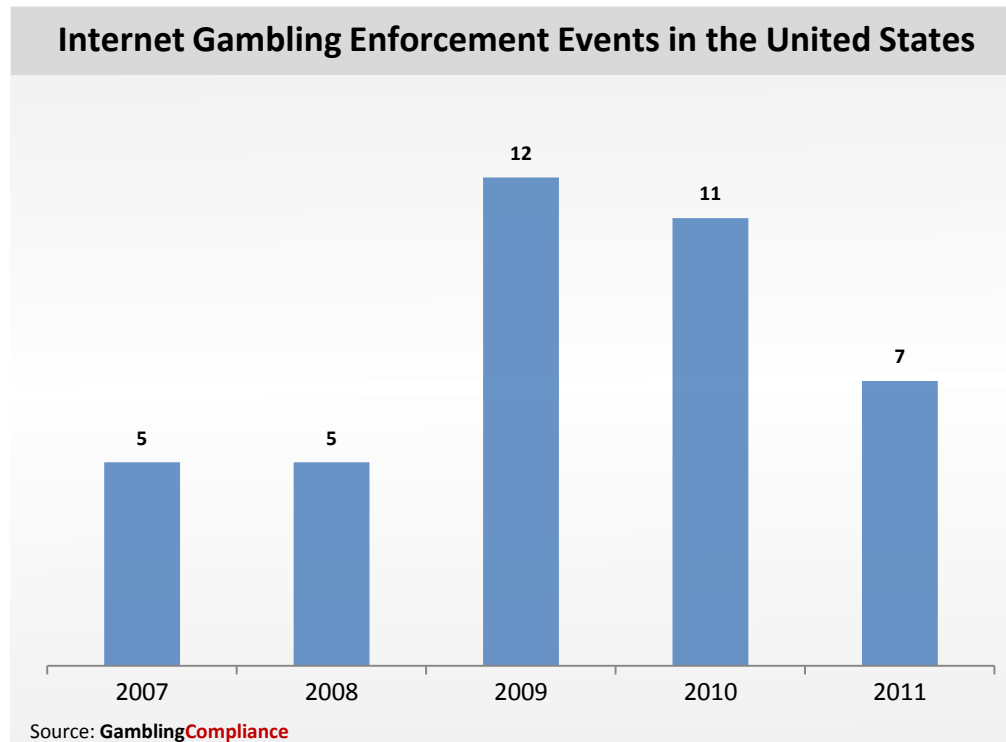
The Enactment of UIGEA (Oct. 2006)

Effect of UIGEA on Combined Global Internet Poker NGR of PRTY, SBT, BWIN & 888 (\$USm) - FY2005 to FY2007



Source: Company data

The Post-UIGEA Internet Poker Market (Nov. 2006-April 2011)



Black Friday (April 15, 2011)

- Following the April 15 charges, PokerStars and Full Tilt exited the U.S. Market. Given that the companies did not report earnings, the losses are not readily quantifiable.
- Since Black Friday, and additional prosecutions undertaken in May 2011, industry experts interviewed by GamblingData and GamblingCompliance agree that the market size is drastically smaller and hard to ascertain.
- A letter sent to U.S. Attorney General Eric Holder by Senators Harry Reid and John Kyl states that an estimated 1,700 off-shore gaming websites continue to operate.

Unknowns and Future Market Projections

- There is no reliable estimate of the absolute number of US-based Internet poker players.
- It is not known whether the market will consist of:
 - (i) a single state operating independent of the federal government;
 - (ii) multiple states operating independent of each other and of the federal government; or
 - (iii) multiple states and Indian nations operating together under a federal regulatory program.
- If the market consists of multiple states and Indian nations operating under a federal program or otherwise, it is not known how many jurisdictions will participate.

Thank You!

For a copy of this presentation or an explanation of the underlying material please feel free to contact me on the details below.

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