

Upheaval in European gaming market: European Commission sends reasoned opinions in three pending infringement proceedings as next step towards referring cases to Court of Justice

Clear warning from European Commission to Germany, Austria and France

In the spring of 2006, the European Commission initiated infringement proceedings under Article 226 of the Treaty on European Union against seven EU member states following the complaints lodged by private gaming providers. In the autumn of 2006, it also sent letters of formal notice to Germany, France and Austria.* During the course of these infringement proceedings, the Commission has to consider whether the national gaming regulations involved are compatible with EU law. After receipt of replies to its written request for information from the member states Denmark, Finland and Hungary, the European Commission resolved to take the next step in these proceedings by sending reasoned opinions.

Following the ground-breaking judgements by the ECJ in the cases of Gambelli and Placanica, the decision of the European Commission to continue infringement proceedings against three member states provides further confirmation of bwin's own legal opinion. In the absence of secondary legislation – gaming was excluded from the Services Directive – the European Commission will now have to consider whether, and to what

extent the ways in which individual member states deal with the subject of gaming are in conformity with EU legislation as construed by Article 49 (freedom to provide services) of the Treaty on European Union.

If the Commission fails to receive a satisfactory reply within two months, or if the restrictions to which the Commission has objected are not removed, it can refer the proceedings to the European Court of Justice (ECJ).

„We welcome the judgement by the European Commission, which underpins the ECJ’s Placanica verdict of 6 March 2007,“ commented Norbert Teufelberger, bwin Co-CEO. „The decision to continue infringement proceedings against three members states simultaneously is a clear warning addressed to France, Germany and Austria to remove their current restrictions on cross-border gaming immediately.“ „As long as national legislators are unable to agree on uniform pan-European regulations for the gaming market, national regulations will continue to be evaluated in the light of the freedoms of establishment and services anchored in the Treaty on European Union and the prohibition of discrimination. Any restrictions will be seen in the light of the requirements laid out in the Gambelli and Placanica judgements. Against this background, countries like France are called upon to draw up gaming legislation in accordance with EU law. bwin would gladly give its constructive support to such a process, as it has in the past,“ added bwin Co-CEO Manfred Bodner.

* Under Article 226 of the Treaty on European Union, infringement proceedings are divided into three stages: a letter of formal notice, a reasoned opinion, and referral to the European Court of Justice.

The first stage is a formal request for information made during the investigation of a case, and remains confidential. However, when it sends a reasoned opinion and eventually refers a case to the Court of Justice, the Commission

generally informs the public about these proceedings by issuing a press release.

In certain exceptional cases that are of particular significance to EU citizens (such as when there has obviously been an infringement that has given rise to a large number of complaints), the Commission may decide to issue a press release as soon as it sends a letter of formal notice.

Even if it does not initiate infringement proceedings, the Commission may – if it considers such a step expedient – issue a press release on specific circumstances which it regards as an infringement of European Union legislation. However, even after the conclusion of such proceedings, it may explain the reasons for its actions or inform EU citizens about the results achieved.

The bwin Group has over 10 million registered customers (including 7 million play money customers) in over 20 core target markets. Operating under international and regional licences in countries like Gibraltar, Kahnawake (Canada), Belize and Germany, Italy, Mexico, Austria and the United Kingdom, the Group has set itself the goal of becoming the number one address for sports betting, games and entertainment via digital distribution channels. The Group offers sports betting, poker, casino games, soft and skill games, as well as audio and video streams on top sporting events such as the German Bundesliga. The parent company bwin Interactive Entertainment AG has been listed on the Vienna Stock Exchange since March 2000 (ID code BWIN, Reuters ID code BWIN.VI). Further information about the Company can be found on its investor relations website at www.bwin.ag.

Press:

Karin Klein, Corporate Communications
bwin Interactive Entertainment AG
Börsegasse 11, 1010 Vienna, Austria
Tel.: +43 (0)50 858-20008

E-mail: press@bwin.org

www.bwin.ag