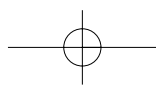


Tim Johnson, CEO
of Carmen Media
Group on responsible
citizenship, being
based in Gibraltar...

... and the Group's
commitment to offer
the safest and highest
regulated gaming
environment.



The underlying strategy for the Carmen Media Group is to become a global entertainment brand, rather than just being a gambling company. To support this, several key strategic decisions have been made during the past few years - one of which was to move our business to Gibraltar after securing a much-coveted online gaming license from the Government of Gibraltar.

In recent years the online gaming industry has become a significant force in Gibraltar's economy with a direct contribution to government revenue of some £5m annually. An equal amount also goes to government through income tax and PAYE contributions and we are proud to be an active participant and contributor to this economy.

With extremely stringent licensing requirements which include proven track records in gaming, reputable standing and strict due diligence on the companies and their directors, these licenses are highly sought after and hard to obtain, ensuring that we are operating from within a highly reputable commercial and financial environment. Of the 14 operators who have been awarded online gaming licenses in Gibraltar, 7 are rated in the top 25 in the world, with Carmen Media at number 9.

Tim Bristow, the Financial & Development Secretary and also Gibraltar's gaming "regulator", recently stated that the government has been fortunate to be able to cherry pick the gaming companies to which licenses were granted from the outset.

Gibraltar is also the only British International Finance Centre within the European Union. In the last few years, direct trading on EUREX, Liffe and other exchanges has commenced from Gibraltar and Deutsche Bank and UBS Warburg have also taken advantage of Gibraltar's well-regulated and organised Finance Centre. Gibraltar's vigorous Financial Services Commission which also operates from Europort, home to Carmen Media and many of Gibraltar's gaming companies, regulates Gibraltar's financial services to protect the public and enhance Gibraltar as a quality financial centre ensuring regulatory requirements are adhered to. Its common law framework, highly educated workforce and UK-trained professionals also contribute to this environment it being Carmen Media's corporate base of choice.

Until now, the gaming industry in Gibraltar has been mainly self-regulated and both the Government and the industry have believed for some time that this needs to change.



In recent years the online gaming industry has become a significant force in Gibraltar's economy with a direct contribution to government revenue of some £5m annually

Carmen Media is actively looking for more regulation from Government as we believe it has an important bearing on how the world views our industry. Whilst self-regulation has obvious benefits, it depends on all operators to uphold the same standards and a more formally regulated industry will be of greater benefit to all parties. Forming alliances within the industry in order to participate in the creation of a well-regulated environment, is crucial and the only way forward. To this end, the majority of the locally based betting and gaming operators recently came together and formed the Gibraltar Betting and Gaming Association (GBGA).

In consultation with the Gaming Industry, the Gibraltar Government has also asked a local legal firm and a leading United Kingdom QC, who is an expert on gaming laws, to draft appropriate gaming legislation. As an industry we are delighted that all the locally based operators will have an opportunity to participate in shaping pending legislation. It is important that all operators, all the licensees and all the players should have an opportunity to participate in determining the legislation because

the regulations should reflect market needs. The target date for publication of the legislation is some time between now and June and coupled with the advent of the UK Gambling Bill, is an indication that the industry has arrived. Online gaming at its best has come of age and, it is safe, fun and responsible.

Carmen Media's aim to strive to be the best regulated gaming group has also resulted in seven of our flagship Belle Rock Gaming online casinos being awarded the e-COGRA Players' Seal of Approval. e-COGRA is an independent, non-profit organisation based in the UK, and this accreditation is in recognition of our casinos' compliance with e-COGRA's high standards for fair game play, prompt payments, player services and responsible casino conduct.

We are also of the view that our commitment to ensuring a safe and secure environment should extend beyond contributing to and operating in a well-regulated environment. Therefore we recognise that for some players gambling can become problematic and thus support the efforts of Gamblers Anonymous, GamCare, Interactive Gaming Council and the Global Gambling Guidance Group (G4). G4 has recently teamed up with e-COGRA to provide more cohesive and formal precautions against underage and problem gambling, both issues that Carmen Media feel strongly about. Because we are committed to actively working with the UK government and these excellent organisations that protect the underage from inappropriate internet usage, our improvement and enhancement of verification procedures is ongoing, and forms a central part of the company's commitment to lead the industry with respect to responsible gaming.

Carmen Media's ongoing commitment to our customers is to consistently deliver a great entertaining gaming and betting experience within the security of the fairest and highest regulated gaming environment. With the advent of a formally regulated environment in Gibraltar, the current and ongoing levels of industry self-regulation and our internal measures in place, we believe we are well-placed to continue doing exactly that.

For further information, please contact Sarah Imossi,
Carmen Media Group
Suite 651 Europort, Gibraltar
E-Mail:sarahi@carmenmedia.com
Tel:+350 52467
Fax: +350 43347