

## Online Gambling: NETeller pulls out of Canada and Turkey

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The online gambling industry woke up this morning to learn that online money transfer Giant NETeller has decided to withdraw "no pun intended" from the Canadian and Turkish markets.

Here is a statement the company's board released to the London Stock Exchange:

The NETELLER Plc Group ("NETELLER" or the "Group") (LSE: NLR), the leading global independent online money transfer business, today announced several significant changes to its services in a number of markets.

The Group continually assesses the risk profile and status of the markets it serves. Recent actions by regulators, payment processors, and online gaming operators have increased the uncertainty around certain activities related to online gambling in some jurisdictions. The Board of Directors of the Company reached a decision, on 25 March 2007, that the risk to the Group's ongoing business in Canada and Turkey has increased in the light of such developments. The Board has therefore concluded that the Group will no longer process transfers related to online gambling sites on behalf of Canada or Turkey resident customers.

### Reduced Service to Canada

Cessation of Canadian transfers to gambling merchants: the Group will cease processing online gambling related transactions for Canada-resident customers with effect from 12.01 AM MST Monday 9 April 2007.

Suspension of InstaCASH transactions: As of today Monday 26 March 2007, at 12:01 AM MST, Canada-resident customers were no longer able to deposit funds using NETELLER's instaCASH service either directly or from any online gambling site.

Non-gambling services continue: Canada-resident customers will continue to be able to use their e-wallet accounts for non-gambling transactions, including peer-to-peer and pre-paid debit transactions.

Available customer funds: Customer funds, including those of Canadian residents, are held in a pooled, segregated trust account and will be available for withdrawal by customers, on demand. Canadian customers continue to be able to use their e-wallet accounts for non-gambling transactions.

### Reduced Service to Turkey

In light of recent legislation passed in Turkey on 28 February 2007, which prohibits certain forms of online gambling to be offered by any "unauthorised" domestic or foreign company to citizens in Turkey, NETELLER has decided to implement a voluntary phased withdrawal of the payment services related to online gambling that it offers customers to the Turkish market.

Withdrawal of local bank funding options: Local bank deposit options for Turkey-resident customers were withdrawn on Friday 9 March 2007.

Cessation of Turkish transfers to and from online gambling merchants: The Group has ceased processing online gambling related transactions for Turkey-resident customers with effect from 6.01 AM GMT Monday 26 March 2007.

Non-gambling related services continue: Turkey-resident customers will be able to continue to use their NETELLER e-wallet account for any non-gambling related money transfers and withdrawals. Customers located in other parts of the world are not affected by this change, and NETELLER continues to service these customers in the normal manner.  
Group Business Impact

The Canadian business of the NETELLER Group would likely have contributed significantly to the Group's revenue and profitability during 2007 and the loss of this business is now likely to have a material negative impact on the Group's results for the full year ending 31 December 2007. The Turkish business of the Group does not represent a material proportion of the Group's overall customer base, revenue or profitability.

The Group does not anticipate making further significant reductions in staff as a result of these service changes as the Board believes that its Calgary-based operations are appropriately sized to handle the remaining non-North American business of the Group. The Group will continue to focus on the growth markets of Europe and Asia.

### Other Updates

The Group's shares will continue to be suspended from trading on AIM in view of the continuing uncertainties the

Group faces. Further announcements will be made as appropriate.

The Company is working towards the finalisation of its audited annual results for the year ended 31 December 2006 and will announce the date on which these will be published to the market in due course.

The Company would, in light of recent press comment concerning its announcement of 21 March 2007, like to make clear that the 75 day period referred to in that announcement was for agreement of a plan of distribution with the United States Attorney's Office. It would remain to be determined, as part of that plan, the precise timing of the distribution of funds to US customers.