

Our Ref: PW/VJA
2nd April 2013

Caity Marsh
Gambling (Triennial Review)
Department for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

Dear Ms Marsh

Machine Stake and Prize Review Consultation

The pub sector, and particularly the small and medium size enterprises (SMEs) that run many pubs, are under increasing pressure from the economic slowdown which was acknowledged by the Chancellor in his recent budget.

Whilst the scrapping of the duty escalator was very welcome for beer sales, the income derived from gaming machines is also important to the economics of many pubs, and for some can be the difference between profit and loss.

The growth and diversity of competition from other gambling products over recent years has affected the pub industry's ability to match the level of machine entertainment increasingly demanded by its customers. Pubs have found it more and more difficult to compete with more attractive gambling offers on the high street and via interactive media, offered by mobile devices and the internet.

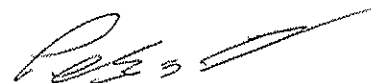
We note that the Government has agreed to recommend an increase in maximum prize to £100 for Category C machines and we are in strong agreement with the Government, that an increase in the maximum prize limit to £100 would deliver significant benefit to the pub machine sector, as well as the many SMEs running pubs who make a significant contribution to the economy and local communities.

The pub sector as a whole has suffered a 58% real term decline in machine income since 2002 and based on previous experience from the last prize increase in 2009, we estimate an uplift of 10% over two years from an increase to a £100 prize.

Many licensees have reduced staffing levels due to the current economic conditions and are working longer hours themselves to keep their business viable. The additional income generated by £100 prize would be welcomed by tenants, as profit could be invested in staff, thus benefiting local communities and the wider economy.

We would like to stress that pubs wish to remain a soft gaming environment and have no wish to change the nature of their traditional offering. However the stake and prize level currently on offer in pubs, does not meet the expectations of the consumer and we support the government's recommendation for an increase in the maximum prize on Category C machines to £100.

Yours sincerely
Enterprise Inns plc



Peter Withey
Gaming Manager