



Alderney. A safer bet for Internet gambling companies.

The British Channel Island of Alderney



- Your offshore base in Europe
- At the forefront of regulation for internet gambling worldwide
- Government support
- Ideal infrastructure and legislation
- First class telecommunications
- Significant tax advantages and Offshore Company benefits
- A unique lifestyle in a virtually crime-free environment

A safe bet for offshore operations

ALDERNEY, the third largest of the British Channel Islands, lies just 8 miles off the Normandy coast of France and is the nearest to the mainland of Britain. Alderney is a self-governing, democratic territory and one of the principal islands of the Bailiwick of Guernsey. The Island is outside the EC and is a British offshore finance centre to the larger islands.

The United Kingdom looks after the Channel Islands in the fields of foreign affairs, defence, and their association with the European Union.

The States of Alderney (the Legislature) is a stable, experienced parliamentary body which actively

embraces the development of online gaming and betting operations and other e-commerce initiatives.

With a population of just over 2,400 and an ever-expanding number of websites, Alderney is one of Britain's fastest growing cyber communities.

The skilled workforce is supported by excellent training courses and development opportunities.

All businesses on the island benefit from the latest computer and communications technology through an advanced telecommunications network supplied by Cable & Wireless Guernsey.

There are also a host of technical support services both on-island and in

Guernsey. These include computer, technical and professional financial and legal services.

Daily scheduled flights service the Island direct from Southampton, Bournemouth, Guernsey and Jersey or from all major UK and International airports via Guernsey or Jersey. There are also regular ferry sailings to France, Guernsey and Jersey.

As many organisations have already discovered, this small island offers big advantages to organisations who desire an offshore presence. Not least a safe, secure, convenient, central European base and a host of financial benefits.

Sir Norman Browse

President of the States of Alderney

"The States of Alderney actively embraces e-commerce and in particular, Internet gambling and interactive gaming operations. Our government works closely with the Alderney Gambling Control Commission to provide and safeguard the best infrastructure within a well-regulated environment. In less than two years, Alderney has gained worldwide recognition for a highly regulated gambling industry, thus protecting the reputation of Alderney while attracting world class operations"



John Godfrey

Chairman of the Alderney Gambling Control Commission

"The Commission has positioned itself to offer a regulatory environment that is likely to attract operators who seek a tightly controlled regime, but one that is flexible and sensitive to commercial realities. In particular, we recognise the need for operators to be able to change and develop what they offer their customers without undue delay. Alderney is now regarded as being at the forefront of regulation of internet gambling worldwide"



Jeremy Thompson

Chief Executive, Cable & Wireless Guernsey

"Cable & Wireless is widely regarded as a market leader for hosting, managed services and business quality Internet services. As one of only five Tier 1 global Internet Service Providers and one of the world's largest hosting providers, we offer a full spectrum of IP services combining a global IP backbone, a content delivery network and hosting facilities throughout the world's major business centres. Our approach makes possible mission-critical communications over the Internet. At Cable & Wireless Guernsey, we are committed to delivering dedicated local hosting and Internet access solutions to support e-commerce in Alderney"



Odds-on offshore favourite: Alderney

“The Alderney Gambling Control Commission, an independent and non-political body whose members are nationally recognised experts in gambling regulation and licensing, has already established itself at the forefront of the regulation of Internet gambling worldwide”

In Europe, but outside the EU

The British Channel Island of Alderney is geographically and strategically well placed to provide worldwide online gaming and betting operations with a central European base. The Island's unique position - just eight miles from France - combined with British traditions, language and culture, make Alderney your ideal off-shore location.

Location, of course, is only one consideration. Alderney has owed allegiance to the English Crown for over 900 years. And, although the island enjoys all the benefits of being part of the European Economic Area, Alderney is not part of the European Union and as such does not have Value Added Tax nor is it subject to EU directives.

Alderney is a self-governing, democratic territory and one of the constitutive islands of the Bailiwick of Guernsey. The United Kingdom looks after Alderney's foreign affairs and defence. The island has its own independent judiciary, a stable government, and offers all the advantages of a well-established international offshore business, e-commerce and finance centre.

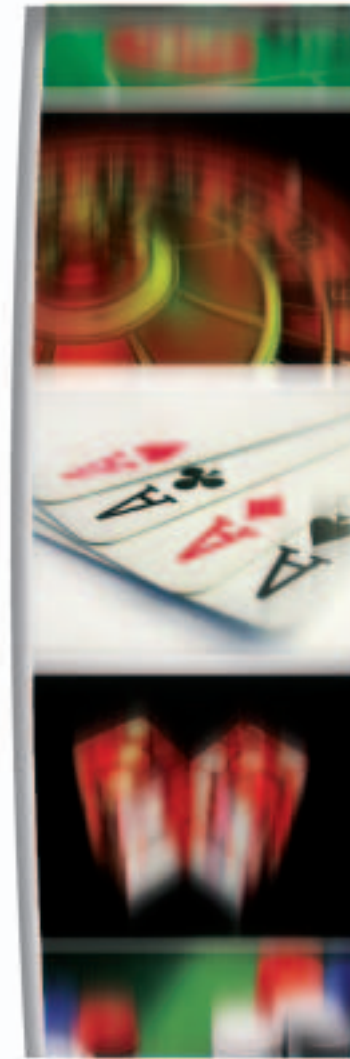
Government support for a well-regulated environment

The Channel Islands are renowned for the stability of government and for the highest standards of regulation, accompanied by a sound judicial system.

To facilitate establishing a global e-gaming and e-betting presence, the States of Alderney has passed legislation to further the development of e-commerce on the island and to support the electronic transactions of business - in straight-forward, non-bureaucratic form.

The island's government actively embraces the development of online gaming and betting operations and, shortly after introducing its own legislation to allow electronic betting on the island, appointed the Alderney Gambling Control Commission. Founded in May 2000, the Alderney Gambling Control Commission, an independent and non-political body whose members are nationally recognised experts in gambling regulation and licensing, has already established itself at the forefront of the regulation of Internet gambling worldwide.

The States of Alderney remains committed to working closely with the Alderney Gambling Control Commission and all existing and potential licensees in order to protect and safeguard the best infrastructure within a well-regulated environment.



Ideal infrastructure

Setting up your offshore operations in Alderney means you will benefit from an infrastructure which provides the best possible framework for multi-national electronic gaming and betting companies: the latest state-of-the-art computer and communications technology, a well-structured “user-friendly” company law and a good selection of residential and commercial properties with few restrictions on ownership of land or property.

First-class telecommunications

Alderney benefits from the development of a first class telecommunications infrastructure and data-centre facilities provided by Cable & Wireless Guernsey whose approach to e-business makes possible mission-critical communications over a business quality IP infrastructure. Resilience, reliability and security are key aspects of the service and are deployed over a high-bandwidth network for voice, data and IP traffic.

Cable & Wireless offers hosting, managed services and business quality Internet services. From Internet access to advanced solutions such as web hosting, e-commerce and integrated communications services, the company offers a full spectrum of IP solutions to support customers looking to locate their e-business in Alderney.

Human resources and local expertise

One of Alderney's other major strengths lies in the presence of good business support. The island boasts a competent computer literate workforce offering part-time, full-time, tele-working and contract staff, thus providing businesses with the required level of flexibility. Those not wishing to engage staff can call on expertise as required from the island's experienced computer and technology firms. Alderney has no shortage of specialist legal, banking and accountancy experts on hand.

Significant tax advantages

- Maximum 20% tax rate on company profits, likely to be reduced to 0% by the year 2008 or earlier.
- Low personal income tax – again, maximum 20% and generous personal allowances on income of persons who live on the island
- No Value Added Tax on goods imported from any EU country

Professional advice is readily available from local accountancy practices and trust companies who are also able to advise on setting up of Alderney registered companies.

Offshore company benefits

The Alderney Company Law is a modern, user-friendly piece of legislation which is ideally suited to today's e-commerce operations and ensures that company incorporation is not subject to unnecessary delays. Its main features are:

- Only one shareholder required
- Simplified filing procedures
- Unlimited 'Objects' clause
- Inherent flexibility
- Low setting up costs

ALDERNEY

The Alderney Gambling Control Commission

The Alderney Gambling Control Commission (AGCC) was established in May 2000. The Commission is independent and non political, and regulates gambling on behalf of the States of Alderney.

Consisting of the Chairman and three members, it includes people with international experience in the fields of gaming, regulation and licensing. The single most important policy of the Commission is to provide a regulatory environment that meets the highest international standards and thereby both protects the reputation of Alderney and attracts “world-class” operations.

The main objectives of the Commission are to ensure that:

- all gaming and betting is conducted honestly and fairly;
- the funding, management and operation of online gambling on Alderney remains free from criminal influence and exploitation; and
- gaming and betting activities are regulated and monitored so as to protect the interests of the public, in particular, ensuring that players understand what they are being offered when they take part in gambling.

How does Alderney compare?

There are a number of factors distinguishing Alderney from other jurisdictions regulating the internet gambling industry, namely:

- Commissioners and staff with appropriate licensing and regulatory knowledge and expertise;
- A cautious start, limiting the initial number of licensees, learning from the experience of regulating the electronic betting industry, before regulating interactive gaming;
- A regulatory framework, consisting of technical and operational control standards, was put in place before the industry was invited to apply for licences;
- Probity investigations with a wide scope, which include system providers;
- Testing of the internet gaming systems by independent testing houses, accredited by the Commission, in order to ensure high technical standards;
- Well developed guidelines on internal controls and operating procedures, to assist licensees in minimising risks;
- Cooperation with other gambling regulators in the fields of sharing probity information, protection of minors and providing border control;
- Dialogue with the industry to develop and improve its regulatory framework to be effective and practical; and
- Cooperation with the financial regulatory authorities in the Bailiwick of Guernsey, specifically, in the field of anti-money laundering measures.

Industry Forum

An Industry Forum has been established by The Commission which is now managed by the industry.

Amongst other matters of common interest, the Forum discusses regulatory issues and suggests ways in which these might be improved to meet The Commissions’ requirements, either in a more cost-effective or convenient way, for licence holders.

Issues raised by the Forum are on the agenda of Commission meetings at which the laws and regulations are regularly reviewed.

The regulatory framework

The regulatory framework of the Commission comprises three main components, namely, licensing, technical compliance and internal controls.

Licensing

Licensing is the first step. The main objective is to ensure that the applicant company is ‘fit and proper’.

The owners, managers, system providers and sources of finance are all subjected to probity investigation. It is a rigorous process that will typically involve examination of financial records, including personal financial records, and the business history of the applicant company and its associates, in addition to the usual checks through police and financial intelligence records.

If the outcome is satisfactory and the Commission make a finding of suitability, the applicant company and its key personnel are awarded licences conditional upon the approval of both their operating and gambling systems as well as their internal controls. These further approvals are required before the licensee can commence business.

Technical standards

Alderney was one of the first, and is still one of only a few, online gambling jurisdictions to have developed a set of technical standards against which the software system of a prospective operator is tested. This enables the operator to know what is required in advance and ensures that the tests are comprehensive and objective.

The tests may be carried out by any one of the testing authorities approved by the Commission. Once the system is approved and certified it can only be altered with the approval of the Commission. In approving changes to the system, the Commission is conscious of the commercial realities of an online business and aims to deal with any changes quickly and pragmatically.

Internal controls

The Commission also provides detailed guidelines for the submission of a suitable internal control system. It states what is required regarding such matters as:

- Management structure and staffing;
- Accounting systems;
- Players accounts;
- The precise nature of the games offered; and
- Computer controls.

The legislation

The legislation is embodied in three ordinances, namely the Interactive Gaming Ordinance, allowing for online casino gaming, the Electronic Betting Ordinance allowing for electronic betting centres and the Bookmakers Ordinance, allowing for the licensing of bookmakers in Alderney.

The future . . .

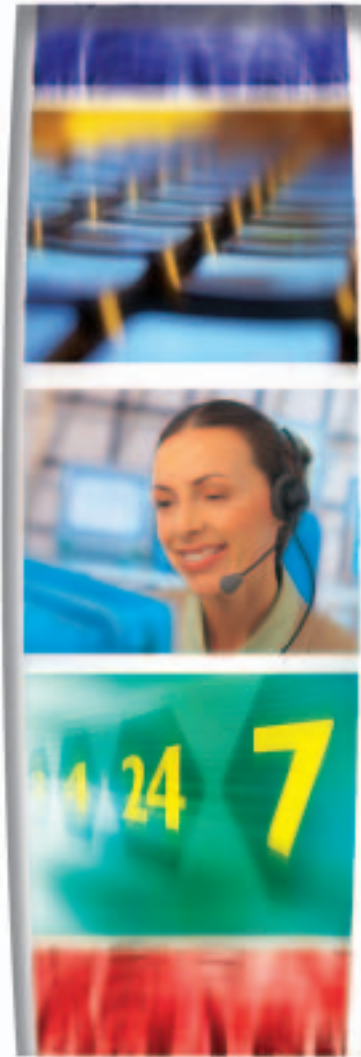
The Commission has positioned itself to offer a regulatory environment that is attracting those operators who seek a comprehensive and tightly controlled regime. These are for the most part the major gambling operators who have brands that they wish to protect and who wish to be able to demonstrate to the regulators of their immensely valuable terrestrial casinos, that they observe similar high standards when operating outside their normal jurisdiction. In the longer term, it is these substantial companies that are likely to dominate the world wide internet gambling business.

Further details about the Alderney Gambling Control Commission and the licensing process, together with the appropriate legislation and information regarding applications, our licensees and player protection is available by visiting the Commission’s website at: <http://www.gamblingcontrol.org>



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Cable & Wireless



Cable & Wireless are a global communications company with a presence in over 80 countries. Operating the World's largest IP backbone which carries in excess of 30% of the world's internet traffic, and serving over 2,000 ISPs ensures that Cable and Wireless has the Internet services and skills required to offer quality support to e-businesses, 24 hours a day.

Complementing this capability are our unsurpassed Hosting and content distribution facilities, incorporating the infrastructure secured with our purchase of Digital Island and Exodus in 2002. A result of this is that Cable and Wireless are privileged and trusted to host over 45% of all Fortune 500 companies' web services but no matter where we are operating from we leverage our global resources and skills for the benefit of each and every customer.

These world-renowned skills are available in the Island of Alderney through a dedicated ISC (Internet Service Centre) developed to provide secure, resilient hosting to Companies and Organisations choosing the Island for their e-business. A complementary centre based in the neighbouring Island of Guernsey offers options for Disaster Recovery and Business Continuity solutions.

Staffed by skilled and experienced personnel we can offer a comprehensive portfolio of services including Network Consultancy; System Design; Build and Maintenance; Managed Services to Co-Location facilities. The Cable &

Wireless ISC in Alderney has, uniquely, been licensed by the Alderney Gambling Control Commission to provide such services to its licensees.

All of our products & services are supported by comprehensive Service Level Agreements and Guarantees.

The Alderney ISC

The Alderney ISC provides the following services and facilities:

- Controlled environment – The site has heating, ventilation and cooling (HVAC) systems.
- It is also supported by its own, state of the art, Uninterrupted Power Supply (UPS) and in house generators with independent fuel reservoirs, for a truly resilient secure power supply.
- Security: Physically secure and alarmed building with direct links to our own monitoring centre and the local police headquarters. Electronic access systems, building monitored 24 / 7. Accompanied access only to all secure areas. Camera surveillance 24 / 7. Additionally we allow the use of camera monitoring by our clients of their own installations for added peace of mind.

In summary the Alderney ISC offers outstanding facilities, fit for purpose and licensed for use by the AGCC. Scalable, secure and a user-friendly environment. Our staff are highly trained and can assist or project lead - what ever you require and are available 24 / 7 to support your business needs.

Products and Services

- Backup and Restore
- Business Continuity and Recovery Services (BCRS)
- Clustering Management
- Content Delivery
- Database Management
- Dedicated Connectivity
- Facility Services
- Firewall Management
- Hardware and Software Procurement
- Hardware Maintenance and Support
- Intelligent Traffic Management (ITM)
- Internet Data Centre Electrical Power
- Intrusion Detection and Response
- Live Streaming
- Load Balancing Management
- Network Access
- On-Demand Streaming
- Operating System Management
- Remote Power Management
- Routing Management
- Secure Access
- Storage
- Switching Management
- System Performance Monitoring
- Traffic Analysis
- Web Server Management
- Website Performance Monitoring

In addition to the above we offer full and expert consultancy services in order to provide our customers with the system they need including: Solution Design, hardware, software and database configuration and installation. Hardware supply.

Payment Systems, Web Translation services and Multi-Lingual Call Centre Support.

Cable & Wireless have also developed their own payment systems with an emphasis on accessing the Far Eastern Market and have partnering relationships with a number of significant web payment providers. These relationships can be leveraged for the benefit of our customers and include sophisticated tools to assist with regulatory compliance issues. Through our own wholly owned subsidiaries and network of partners we are also able to offer web translation services, multi-lingual call centre facilities and other products and services for customers wishing to expand their markets across the globe.

Cable & Wireless network infrastructure

A recent development and part of our continuing investment and support for e-business in Alderney has been the launch of IP Feed directly into the ISC. Engineered to provide a highly resilient service over a dual routed solution - itself running over our Synchronous Digital Hierarchy (SDH) (USA – SONET) Backbone Network. Connectivity from the Channel Islands to our International Backbone has a current capacity in excess of 2 terabits over 3 diverse routes with over double that capacity due to come on line by late 2003 over a 4th route.



CABLE & WIRELESS
GUERNSEY

Cable & Wireless

“The increasing use of web casts to provide information services suggests that streaming media will become progressively more important. Our customers can be confident that Cable & Wireless can provide the appropriate expertise and experience to successfully deploy and support this leading edge technology as and when it is required.”

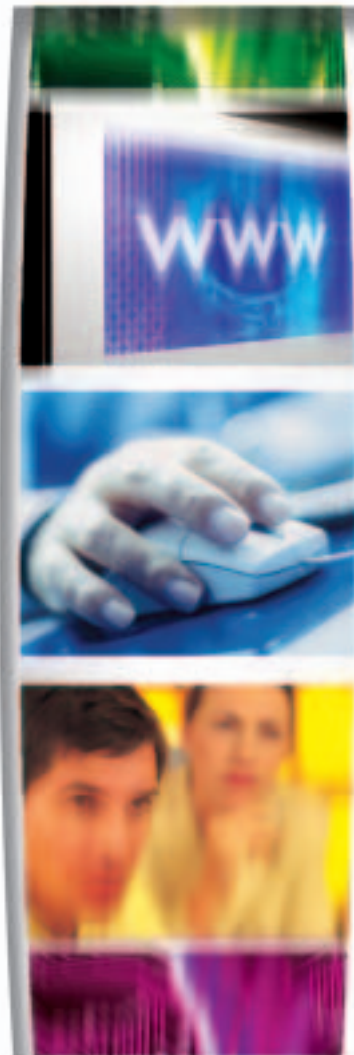
Cable & Wireless Content Distribution & Streaming Networks

To further optimise the performance of specific web based applications all data centres have access into Cable & Wireless' Global Content Distribution and Video Streaming Networks.

The Cable & Wireless Content Distribution Network (CDN) is designed to locate frequently requested content nearer to the end user population. The Content Distribution Network offers content caching in 35 countries and provides over 42 Terabytes of storage across 2,500 servers. In addition to significantly improving the speed with which information is delivered to the end user, the Content Distribution Network also reduces the load on the origin server and 'spreads' demand across multiple, distributed caching servers. By alleviating potential bottlenecks and single points of failure in this way the Content Distribution Network can considerably improve overall availability and performance of the hosted application or service.

Cable & Wireless is also a leading provider of turnkey video streaming services that include media services, encoding and real-time or on-demand delivery for over 300,000 simultaneous

streams. The increasing use of web casts to provide information services suggests that streaming media will become progressively more important. Our customers can be confident that Cable & Wireless can provide the appropriate expertise and experience to successfully deploy and support this leading edge technology as and when it is required.





Alderney welcomes your company

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