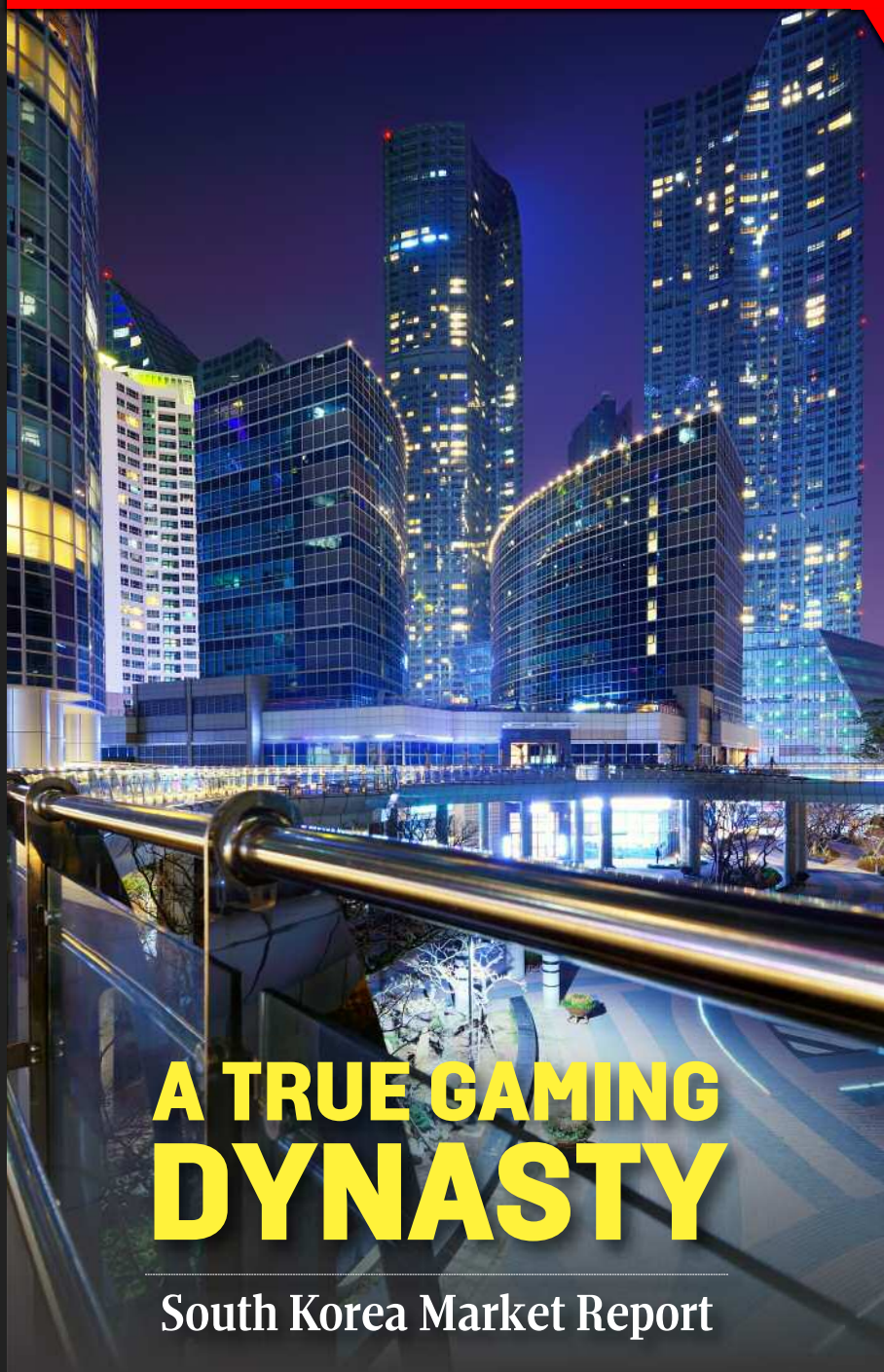




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Gaming Publishing

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Comment

DECEMBER 2014



You might have missed it, but we've placed a new logo on the cover of the magazine this month. It's a bit special as it's the seal of approval of the Association of Gaming Equipment Manufacturers (AGEM) as this month we have become an official publication of the international trade body. It's the first time that we've put a logo, other than our own, on the cover of the magazine. To date we haven't aligned ourselves with any trade bodies, so it's a big deal for us to link G3 with an association in this way. While there are many associations affiliated with the gaming industry, AGEM, with its 160+ members from across the globe, is the number one international body representing the interests of manufacturers for the casino industry.

In the last 12 months, AGEM has built upon the establishment of a European office by forming a new Mexico Committee in Mexico City to increase suppliers' influence as the new gaming law is formalised. AGEM has recently conducted a study on the impact of new technology on gaming, which has resulted in a Committee endorsement for the Nevada Legislature to consider passing a new law allowing slot machines with variable payback percentages, which would open the door for skill-based gaming in the state. AGEM retains counsel in Austria to fight government recommendations for new slot machine technology features that no slot manufacturer can currently meet, and retains counsel in Chile to fight proposed

regulatory change that would eliminate the 'mal-function voids all pays and plays' disclaimer currently on all slot machines worldwide.

AGEM is conducting a Slot Assessment Study focused in part on the impact of tighter hold percentage on the playing experience and slot revenues overall, and continues to support problem gambling initiatives and gaming scholarships.

It's for these and a host of additional work that AGEM conducts on behalf of the gaming industry that we at G3 are very excited to be working more closely with the organisation and we hope our collaboration will bring further benefits to its members and the readers of G3.

**WE HAVE A NEW
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BEEN CONFIRMED
AS THE OFFICIAL
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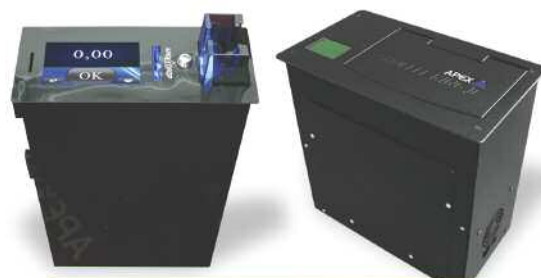
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Web: www.igaming.wbresearch.com



January 13-15, 2015
EAG International Expo 2015 &
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February 3-6 2015
ICE Totally Gaming 2015, London

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Clarion Events
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March 3-4, 2015
Irish Gaming Show, Dublin

Location
Red Cow Moran Hotel, Dublin,
Ireland
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Susan Feery
Organiser
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➡ March 9-11, 2015
Gaming Technology Conference,
Las Vegas

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United States	United States
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Lesley Grashow	Tel: +1 203 938 2782
Organiser	Email: grashowl@bnpmedia.com
BNP Media Gaming Group	Web: www.tablegamesconf.com

➡ March 17-19, 2015
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Summit 2015, Puerto Rico

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LOS LEGISLADORES MEXICANOS ESTÁN CERCA DE

alcanzar un acuerdo sobre la duración de las licencias. El comité ha propuesto una licencia de 10 años que se podría renovar por un período equivalente. No obstante, esta propuesta se ha encontrado con la oposición de algunos miembros que alegan que el período debe ampliarse a 12, 15 o 20 años, con licencias renovables por idéntico período.

EL GOBIERNO DE PARAGUAY TIENE PREVISTO

adaptar de forma retroactiva los contratos de casino para que los operadores sean responsables de implementar un amplio número de medidas de protección para los jugadores. Según los operadores locales, las nuevas reglas serían imposibles de llevar a la práctica e implicarían que los operadores estuvieran en riesgo permanente de infringir la ley.

EL ÓRGANO REGULADOR DEL JUEGO EN MÉXICO,

SEGOB (Ministerio del Interior), ha revocado el permiso federal que le había brindado a otra empresa la posibilidad de desarrollar actividades de juego en el país, en esta ocasión Megasport S.A. de C.V. La empresa estaba en posesión de una licencia que le ofrecía la máxima capacidad para su expansión futura en México.

EL DIRECTOR DE LA COMISIÓN ESPECIAL DEL JUEGO

en la Cámara de Diputados, Fernando Zárate Salgado, ha informado a la prensa local de que la nueva ley sobre el juego incluirá un gran número de cláusulas, entre ellas multas millonarias para los que se descubran operando fuera de las condiciones de sus licencias, y que la redacción de dicha ley está muy próxima a finalizarse.

HARD ROCK INTERNATIONAL HA ANUNCIADO

planes para instalar un casino y un hotel en Ciudad del Este (Paraguay). El hotel tendrá 250 habitaciones, mientras que el casino albergará 500 tragaperras y 30 mesas de juego.

LAS AUTORIDADES REGULADORAS DEL JUEGO EN

Polonia están tomando en consideración cambios que permitirían el juego online en el país. Las cuatro nuevas enmiendas presentadas este año no solo abrirían la puerta a formas adicionales de juego online, sino que liberalizarían el mercado y facilitarían la oferta de servicios de juego online en Polonia.

LAS ACCIONES DE BWIN.PARTY HAN

experimentado una fuerte subida una vez que la empresa de juego online ha salido al mercado confirmando así las especulaciones en torno a una oferta. El operador de apuestas deportivas y especialista en póquer con sede en Gibraltar afirmó haber mantenido conversaciones preliminares «con una serie de partes interesadas acerca de diversas combinaciones empresariales potenciales», lo que podría dar como resultado la recepción de una oferta por parte de la empresa.

INSPIRED GAMING HA ANUNCIADO QUE GALA CORAL

ha ampliado su licencia de Virtual Sports para incluir también los servicios móviles. Inspired le suministra actualmente a Coral siete canales concurrentes de Virtual Sports tanto para el comercio minorista como para Internet, lo que equivale a más de 3000 eventos al día. Todos estos estarán disponibles ahora en Coral Mobile.

MUTED MOOD AT LATEST SAGSE SHOW

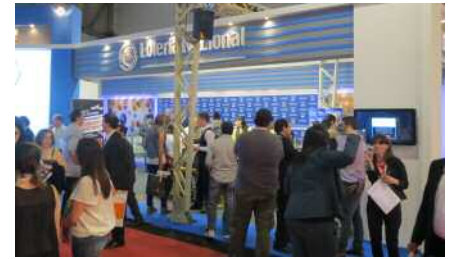
Numbers fall and stands shrink as the domestic market remains in limbo, but elsewhere there are positive signs

Argentina - Exhibitions

The three day long South American Gaming Expo and Congress (SAGSE) which took place between November 11 and November 14th in Buenos Aires drew to a muted close. Taking place at the Costa Salguero Conference Centre, the change in the conference's size was dramatic with the exhibition space reduced by around two thirds.

There were many noticeable absentees this year as a result of a restriction on imports still in place and growing economic woes in Argentina. Noticeable absentees included Bally, which normally occupies one of the most prominent spaces of the conference, while other major operators such as IGT had much smaller stands. However there were still around 80 exhibitors in all and those operating in the online space had a more marked presence this year.

The second day had a more vibrant feel with visitor numbers on the up from day one and many exhibitors were keen to highlight the fact that SAGSE was still a very good platform from which to launch their new products to visitors coming



from all over the region. Indeed many exhibitors remained positive when it came to the wider market despite the current problems operators now face locally.

This year there were a number of events including SAGSE University, an operator training event staged by JCM Global, as well as the 4th Global Gaming Woman event which was presented by Janine Roth, IGT Vice President for South Latin America and Caribbean.

While the mood was slightly dulled, as pointed out by exhibitors and visitors at the show, there are many markets in Latin America that have still room for considerable expansion, such as Colombia and Peru. And while the reduction in the conference's size is a reflection of the growing uncertainty of the future industry in Argentina, SAGSE still remains a key date in the Latin American gaming industry calendar.

Mexico

Lawmakers are close to an agreement on the duration of gaming licences in Mexico. The Commission of Gaming has proposed a 10 year licence which would be renewable for the same period. However, this has met with opposition with some members arguing that this should be extended to either 12, 15 or 20 years with licences once again renewable for the same period. Finally decisions are expected next month.

New gaming decree illegal and impractical say insiders

PARAGUAY

The Paraguayan government plans to retrofit casino contracts so that operators are responsible for enforcing a wide number of player protection measures. The new rules would, according to local operators, be impossible to put into practice and would mean that operators could be permanently in danger of breaking the law.

The Paraguayan Gaming Commission (CONAJZAR) has drafted a new decree the second article of which gives the Commission the power to "plan and regulate public policy regarding Responsible Gaming, Corporate Social Responsibility and the Prevention of Gambling Addiction." According to local sources, there are currently no rules in place which oblige companies to enforce social responsi-

bility policy as laid down by the government. Rather this remains under law the duty of the state.

Member of the Gaming Commission Justo Zacarías said that the new rules would mean that casinos and slot parlours would have a legal responsibility to put into practice measures which would prevent gambling addiction and ensure that gaming is an activity that is carried out for amusement only. This would according to some local sources be impossible to put into practice.

The new law also gives the commission new powers to authorise each and every type of game each establishment is permitted to run on their premises.

The news comes on the heels of a number of recent developments which would give the state a far

greater role in the industry. In August local news reports surfaced which revealed that the government could be seeking to place the industry in state hands.

Fears were sparked by Head CONAJZAR Javier Balbuena after a meeting with President Horacio Cartes. After the meeting Mr Balbuena spoke of "changing the current model and giving the State major control over gaming income in order to increase profits and increase state investment in social spending."

It was also revealed in the same month that Members of The Quinella Betting Union of Paraguay along with Deputy Karina Rodríguez had been in talks with the President of the Chamber of Deputies, Hugo Velázquez, in order to discuss major changes to Paraguay's gaming laws. The new proposals could give the union a much stronger voice when it comes to tender processes in the future and would give the state more control over gaming.

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DRAGONARA GAMING, EL OPERADOR DEL

Dragonara Casino en la isla mediterránea de Malta, ha presentado una protesta ante los tribunales locales contra la decisión de otorgar una concesión de casino a Eden Leisure. El mes pasado, Eden Leisure anunció una inversión de 31 millones de euros en hoteles, salas de conferencias y casinos como parte de una remodelación general de la Bay Arena en Malta.

EL NOVOMATIC GROUP OF COMPANIES HA ADQUIRIDO

la distribuidora local Elam como parte de sus planes de expansión continuos en los Países Bajos. La adquisición del Elam Group sigue a la de otras compañías holandesas: Eurocoin Gaming, JVH gaming products, JVH Exploitatie, Pierre de Jonge y Loontjens Automaten.

UNA MAYORÍA DEL 97 POR CIENTO DE LOS

accionistas de GTECH ha aprobado la adquisición de IGT por parte del grupo de loterías italiano. GTECH e IGT se combinarán dando lugar a un nuevo holding, Georgia Worldwide, con sede central corporativa en el Reino Unido.

LA DIRECTORA GENERAL DEL TCSJOHNHUXLEY

Group, Cath Burns, dejó la organización el 21 noviembre de 2014. Tristan Sjöberg, Director Ejecutivo de TCSJohnHuxley, ha asumido la responsabilidad de forma provisional.

MGM RESORTS INTERNATIONAL HA RECIBIDO UN

voto unánime de la Comisión del Juego de Massachusetts (MGC) que le concede oficialmente a MGM Springfield una licencia para operar un casino-complejo recreativo en Downtown Springfield.

GTECH HA ANUNCIADO EL LANZAMIENTO DE SU

nuevo sitio web integrado, www.gtech.com. En el sitio se ofrece a clientes, inversores y al sector en general una fuente de información única sobre las soluciones integrales de GTECH a través de todos los canales.

SE HA CONFIRMADO QUE LA CANADIENSE LOTO-

Quebec ha vendido su 35 por ciento de participación en Joa Casino, con lo que cancela su inversión de 100 millones de dólares en el grupo de casinos francés.

EL PARTIDO DEMOCRÁTICO LIBERAL, ACTUALMENTE

en el Gobierno de Japón, ha recortado ahora los planes para aprobar un proyecto de ley sobre casinos durante la actual legislatura, lo que ha supuesto un enorme golpe para la estrategia de crecimiento del Primer Ministro, Shinzo Abe, destinada a abrir casinos antes de los Juegos Olímpicos de Tokio 2020. La decisión se adoptó el 7 de noviembre, y el retraso se ha achacado a la oposición de los miembros del partido minoritario de la coalición, Komeito.

MGM CHINA ESTÁ RETRASANDO LA FECHA DE

inauguración de su MGM Cotai, valorado en 2600 millones de dólares, de principios de 2016 hasta el otoño de ese mismo año. El Cotai Project incluirá 1600 habitaciones de hotel, 2500 máquinas tragaperras y hasta 500 mesas de juego.

EL GOBIERNO DE VANUATU, UNA ISLA DE OCEANÍA

situada en el Pacífico Sur, ha suscrito una licencia de juego de diez años para desarrollar un complejo de casino y hotel de seis estrellas.

INTERIOR MINISTRY REVOKES LICENCE

Mexico's SEGOB has revoked another gaming operator's licence, this time hitting one of the largest, Megaspot

Mexico - Operations

Mexico's gaming regulatory body SEGOB (The Interior Ministry) has revoked the federal permit that had permitted yet another company to operate gaming in the country – this time Megaspot S.A. de C.V. The company had a licence which gave it the largest capacity for future expansion in Mexico.

The company was first granted the right to operate gaming in Mexico during the Presidency of Ernesto Zedillo (1994-2000). The company had a licence which was valid for up to 38 years for a total of 96 establishments, of which it currently operates 40. According to SEGOB officials, the licence was revoked because the company had used a false municipal permit in order to run the "Casino Fortune 777" – located in the city of Ixtapaluca in the State of Mexico.

From a total of 35 permit holders, three gaming licences have now been revoked: MegaSport, Mexico Entertainment and Exciting Games while one licence has expired: Sabia. The Directorate General of Gaming at the Interior Ministry reported the administrative proceedings against the company regarding its casino, which was located in a shopping mall took place in November, but the company was notified of the administrative decision in October.



The recent closures could be another sign that SEGOB is paving the way for a new stricter gaming act, which is currently being discussed by lawmakers and follows a number of high profile closures of late. In November, a Mexican Court upheld the revocation of the licence granted in 2005 to Entretenimiento de México (EMEX). The licence allowed EMEX to operate 50 casinos for 25 years. In addition, the Interior Ministry also recently suspended the licences of four casinos in Mexico City in a major operation involving members of the Interior Ministry and local police forces.

Hopes are running high that Mexico could finally pass a new gaming act. If reforms go ahead then the industry could see as much as US\$300m being invested annually through the installation of 50 gaming rooms per year. At the same time the law will ban the so called "umbrella" licences whereby operators were able to operate a number of slot parlours and sports betting shops under a single licence. Instead, each casino or gaming establishment will be issued a single licence per gaming establishment.

Mexico

Head of the special Commission of Gaming in the Chamber of Deputies Fernando Zárate Salgado has told local press that the new law on gaming will contain a wide number of clauses which will include million dollar fines for those found operating outside the terms of their licences and that the law is very close to completion.

According to Mr. Salgado, the law is 99 percent complete and the only issues left to finalise are the penalties and fines operators will incur if they are found to have operated in contravention of the new act.

Hard Rock Casino reveals plans open Paraguay location

PARAGUAY

Hard Rock International has announced plans to install a casino and hotel in the city of Ciudad del Este in Paraguay. The hotel will have 250 rooms while the casino will house 500 slot machines and 30 gaming tables. The decision to launch in Paraguay was, according to local press reports, made after a wide sweeping study was carried out by a team of local specialists who have provided advice on marketing, strategy as well as financial planning, government oversight and local gaming laws.

Director of casino development Nelson Parker commented:

"Hard Rock International is focused on expanding its gaming operations to South America, a region that is already familiar with the brand of cafe and hotels. We're excited to bring a destination for world-class entertainment to Ciudad del Este and collaborate with Latin America Gaming Group and the Government of Paraguay to establish a national regulatory framework, in accordance with the highest international standards."

The first Hard Rock Café to open in Paraguay will open its doors in the Hotel Guarani in November. Hard Rock International has a

total of 190 venues in 58 countries, including 144 cafes, 21 hotels and 10 casinos.

This will be the first Hard Rock casino in Paraguay and the first to open in South America. Ciudad del Este is the second largest city in Paraguay and the capital of the Alto Paraná Department. It is also Paraguay's second most popular tourist destination.

The news comes on the heels of another opening announced earlier this year in the city of Encarnación. The six million dollar hotel and casino will, according to local government officials, increase tourism to the city and coincides with a number of new hotel openings of late as the local tourist industry continues to improve. Casinos have been permitted in Paraguay since 1997.

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DER MEXIKANISCHE GESETZGEBER STEHT AUCH

kurz vor einer Vereinbarung über die Dauer von Lizenzen. Der Ausschuss schlägt eine Lizenz über einen Zeitraum von 10 Jahren vor, der noch einmal um die gleiche Dauer verlängerbar wäre. Dieser Vorschlag stieß jedoch auf Widerstand bei einigen Ausschussmitgliedern, die eine Ausweitung des Zeitraums auf 12, 15 oder 20 Jahre forderten, der jeweils um die gleiche Dauer verlängerbar sein sollte.

DIE REGIERUNG VON PARAGUAY PLANT,

Kasinoverträge dahingehend umzuarbeiten, dass Betreiber für die Umsetzung zahlreicher Maßnahmen zum Schutz der Spieler verantwortlich sind. Laut lokalen Betreibern wären die neuen Vorschriften nicht in die Praxis umzusetzen und würden dazu führen, dass die Betreiber permanent Gefahr liefen, gegen das Gesetz zu verstoßen.

DIE REGULIERUNGSSTELLE FÜR DAS GLÜCKSSPIEL IN

Mexiko SEGOB (Innenministerium) hat die bundesstaatliche Genehmigung zurückgezogen, wonach es einem weiteren Unternehmen – Megaspot S.A. de C.V. – erlaubt gewesen wäre, in Mexiko Glücksspiele anzubieten. Das Unternehmen hielt eine Lizenz, die ihm reichlich Möglichkeiten für eine künftige Expansion in Mexiko erlaubte.

DER LEITER DER SONDERKOMMISSION FÜR DAS

Glücksspiel der Abgeordnetenkammer, Fernando Zárate Salgado, hat gegenüber der Lokalpresse mitgeteilt, dass das neue Gesetz zum Glücksspiel eine ganze Reihe von Klauseln enthalten werde, die auch Geldstrafen in Höhe von Millionen von Dollar für Betreiber vorsehen, die den Rahmen der Bedingungen ihrer Lizenzen überschreiten und dass das Gesetz schon bald erlassen werde.

HARD ROCK INTERNATIONAL KÜNDIGTE PLÄNE AN,

wonach ein Kasino und Hotel in der Stadt Ciudad del Este in Paraguay eingerichtet werden soll. Das Hotel wird über 250 Zimmer verfügen und im Kasino sollen 500 Automaten und 30 Spieltische zur Verfügung stehen.

DIE IN POLEN FÜR DAS GLÜCKSSPIEL ZUSTÄNDIGEN

Regulierungsstellen denken über Änderungen nach, die das Online-Glücksspiel in Polen erlauben würden. Vier neue Änderungsanträge aus diesem Jahr würden nicht nur die Tore für zusätzliche Formen des Online-Glücksspiels öffnen, sondern auch den Markt liberalisieren und das Anbieten von Online-Glücksspiel in Polen erleichtern.

ANTEILE AN BWIN.PARTY SIND KRÄFTIG IN DIE HÖHE

gegangen, nachdem das Unternehmen aus der Branche des Online-Glücksspiels sich durch die Bestätigung von Spekulationen auf den Markt gebracht hat. Der Poker-Spezialist und Veranstalter von Sportwetten erklärte, dass man Vorgespräche "mit einer Anzahl interessierter Parteien über eine Vielzahl potenzieller Geschäftskombinationen aufgenommen habe," die zu einem Angebot für das Unternehmen führen könnten.

INSPIRED GAMING TEILTE DIE AUSWEITUNG DER

Virtual Sports-Lizenz von Gala Coral mit, die jetzt auch den mobilen Sektor umfassen wird. Inspired liefert Coral derzeit gleichzeitig sieben Kanäle für Virtual Sports sowohl für den Retail als auch den Online-Bereich, was mehr als 3000 Events pro Tag entspricht. Diese werden jetzt alle über Coral Mobile zur Verfügung stehen.

POLAND SHIFTS TOWARDS ONLINE

Amendments to Poland's gaming regulations could see the introduction of online gaming and Polish online licences

Poland - Regulation

Poland's gaming regulators are considering changes that would allow online gaming in the country. At present the market is dominated by land-based gaming with the exception of sports-betting licences granted by the Polish regulator. However, four new amendments tabled this year would not only open the door to additional forms of online gaming, but also liberalise the market and make it easier to offer online gambling services in Poland (currently sports-betting can only be offered to Polish players by operators registered in Poland).

The first amendment now being considered by both governmental and non-governmental institutions would allow EU gambling operators to obtain a Polish licence and conduct gambling activities in Poland, including online betting, through a Polish branch or subsidiary. Taxes would have to be paid in Poland as a result and be subject to exactly the same obligations as a Polish subsidiary with respect to the terms and conditions of running an online betting business, including the obligation to have a Polish website address (".pl"), capital requirements, consent for any changes in the operator's structure, and reporting obligations.



The amendment would also force a new requirement to implement a responsible gaming policy, which should be visible on the operator's website, while no changes as yet proposed with regard to the level of the gaming tax. At present a 12 per cent gaming tax is imposed on the turnover of Polish betting operators.

A further proposal would allow the Internet to be used as a new distribution channel for selecting numbers, signs, and other features in number games, as well as stakes and winnings. The third amendment would allow online poker and poker games/tournaments between players. In the case of small prize pools not exceeding PLN 760 (approx. EUR 190), this could be done without a licence; poker played against the operator (i.e. poker as a type of gambling) would still only be permitted in casinos (currently, poker games and tournaments may only be held in casinos).

Sweden

Swedish gaming revenues at State-owned Svenska Spel were down 10.9 per cent in the last quarter to SEK2.1bn (€224.4m) although the operator said the losses were 'according to plan.' The operator recently cancelled all bonuses and free bet offers, despite acknowledging that its bottom line would be hit. Operating profit dropped by 14.2 per cent to SEK1.1bn while operating margin dropped from 23.9 per cent to 23.4 per cent. CEO Lennart Käll, said: "The decrease is according to plan. In recent years, we have seen the Swedish gambling market evolve in the wrong direction. Therefore, we show the way to a healthier gaming market through the introduction of several gaming action, including compulsory registration."

bwin.party shares soar as company confirms sale talks

GIBRALTAR

Shares in Bwin.party have soared after the online gambling company put itself on the market by confirming bid speculation. The Gibraltar-based poker specialist and sportsbook operator said it had begun preliminary talks "with a number of interested parties regarding a variety of potential business combinations," which could result in an offer being made for the firm.

Shares in Bwin.party, which made the statement in response to recent media speculation, jumped almost 17 per cent on the news to 126 pence. The company has faced pressure from US activist investor Jason Ader's

Spring Owl vehicle to shake-up its board, improve its growth strategy and reduce infrastructure costs.

Canada's Amaya Gaming, which earlier this year acquired Pokerstars, is reportedly in negotiations to acquire bwin.party, though other companies including Ladbrokes and Playtech have also been linked with the sale. Having recognised the increased market speculation over a sale, the board of bwin.party released the following statement: "Further to recent media speculation regarding a possible bid for bwin.party, the Board of bwin.party confirms that it has entered into preliminary discus-



sions with a number of interested parties regarding a variety of potential business combinations with a view to creating additional value for bwin.party shareholders."

"Such discussions may or may not result in an offer being made for the Company," bwin.party's statement continued. "However, as all such discussions remain at a preliminary stage, there can be no certainty as to whether or not they will result in any form of transaction with any party."

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Company



Gaming Awards
Winner
Traditional Gaming
Equipment Design

G3 NAMED AS AGEM OFFICIAL TITLE

AGEM has appointed Gaming Publishing and G3 as its Official European Media Partner and establishes close cooperation

US & UK - Corporate



Association of Gaming Equipment Manufacturers

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DRAGONARA GAMING – BETREIBER DES DRAGONARA

Casino auf der Mittelmeerinsel Malta – hat vor lokalen Gerichten Widerspruch gegen die Entscheidung eingelegt, Eden Leisure eine Kasinolizenz zu erteilen. Im vergangenen Monat kündigte Eden Leisure eine Investition in Höhe von € 31 Mio. in Hotels, Konferenzgebäuden und Kasinos im Rahmen einer Renovierung der Bay Arena auf Malta an.

DIE NOVOMATIC GROUP OF COMPANIES HAT DIE

lokale Vertriebsgesellschaft Elam im Rahmen ihrer fortgesetzten Expansionsplänen in den Niederlanden übernommen. Dies folgt auf die Übernahme weiterer niederländischer Unternehmen: Eurocoin Gaming, JVH gaming products, JVH Exploitation, Pierre de Jonge und Loontjens Automaten.

EINE MEHRHEIT VON 97 PROZENT DER

Anteilseigner von GTECH hat der Übernahme von IGT durch den italienischen Lottokonzern zugestimmt. GTECH und IGT werden in eine neu gebildete Holding-Gesellschaft unter der Bezeichnung Georgia Worldwide mit Sitz in Großbritannien übergehen.

CATH BURNS, CEO DER TCSJOHNHUXLEY GROUP,

verlässt das Unternehmen am 21. November 2014. Tristan Sjöberg, Executive Chairman von TCSJohnHuxley übernimmt in der Zwischenzeit seine Zuständigkeiten.

MGM RESORTS INTERNATIONAL HAT VON DER

Massachusetts Gaming Commission (MGC) die einstimmige, offizielle Genehmigung erhalten, mit der MGM Springfield die Lizenz zum Betrieb eines Resort-Kasinos in Downtown Springfield gewährt wird.

GTECH HAT DEN START DER NEUEN, INTEGRIERTEN

Website des Unternehmens unter www.gtech.com bekannt gegeben. Die Seite bietet Kunden, Investoren und der Branche eine Informationsquelle aus einer Hand in Bezug auf GTECHs Komplettlösungen über alle Kanäle.

ES WURDE BESTÄTIGT, DASS KANADAS LOTO-

Quebec seinen 35%igen Anteil an Joa Casino verkauft und damit seine Investitionen in die französische Kasinogruppe in Höhe von US \$ 100 Mio. effektiv abgeschrieben hat.

DIE IN JAPAN REGIERENDE LIBERALDEMOKRATISCHE

Partei hat jetzt Pläne zusammengestrichen, nach denen ein Gesetzesentwurf im Zusammenhang mit Kasinos während der aktuellen Sitzungsperiode genehmigt werden sollte und hat damit der Wachstumsstrategie des Premierministers Shinzo Abe in Bezug auf die Eröffnung von Kasinos vor dem Beginn der Olympischen Spiele in Tokio im Jahre 2020 einen erheblichen Schlag versetzt. Der Beschluss wurde am 7. November gefasst und stieß auf die Ablehnung von Mitgliedern der für die Verspätung verantwortlich gemachten Juniorkoalitionspartei Komeito.

MGM CHINA ZÖGERT DAS ERÖFFNUNGSDATUM

seines US \$ 2,6 Mrd. schweren MGM Cotai von Beginn 2016 bis Herbst 2016 hinaus. Das Cotai-Projekt sieht 1.600 Hotelzimmer, 2.500 Automaten und bis zu 500 Spieltische vor.

DIE REGIERUNG VON VANUATU, EINER OZEANISCHEN

Insel im süd pazifischen Ozean, hat eine Lizenz für die Entwicklung eines 6-Sterne Hotels und Kasinos über einen Zeitraum von 10 Jahren unterzeichnet

The Association of Gaming Equipment Manufacturers (AGEM) announced today that its Board of Directors has approved the selection of Gaming Publishing Group, publishers of G3 magazine, as AGEM's "Official European Media Partner."

As the official European publication of AGEM, G3 magazine will support the trade association's members in its marketing efforts and trade event participation, and play a vital role in publicizing AGEM's activities focused on political action, regulatory influence, responsible gaming initiatives, trade show partnerships and educational alliances. Gaming Publishing Group will also continue to support AGEM via its various media platforms, including the G3 Newswire web portal and mobile applications.

"The AGEM Marketing Committee and its membership as a whole have very high regard for G3 Editors Lewis Pek and Phil Martin and Gaming Publishing Director John Slattery," AGEM Executive Director Marcus Prater said.

"They have proven over the years to be exceptional chroniclers of the global gaming industry and AGEM is very pleased to partner with G3 going

forward. Our global membership base of 145 companies will benefit greatly from this alliance."

Capping a year that has seen the continued expansion of the G3 team, the confirmation of G3 as World Partner to Clarion Gaming and the hugely successful launch of the G3Newswire dedicated App, Gaming Publishing is excited to announce becoming the "Official European Media Partner" of AGEM.

"It's been an amazing year for Gaming Publishing and G3," states Gaming Publishing Director, John Slattery. "We have expanded our sales team with the appointment of an experienced gaming industry sales professional, Alison Dronfield; achieved a first for both ourselves and Clarion Gaming with the appointment of Gaming Publishing as a pivotal World Gaming Partner; invested once more in both content and technology with the launch of the G3Newswire App, which has been installed across 3,000-plus devices worldwide since July; and to crown all the hard work the team has invested in our range of digital and traditional media, G3 has become the official European media partner to the gaming industry's largest and most influential trade body, AGEM."

Denmark

NMI Gaming has been granted an extension to the scope of their ISO 17025 accreditation to cover testing and certification of all elements of the new Danish Gambling Authority (DGA) Certification Programme. The Programme was released by the DGA this summer and the extension of scope was granted to NMI after an audit and review by the United Kingdom Accreditation Service (UKAS). The DGA have described the new Programme, which becomes mandatory for any certification activities carried out from 1st January 2015, as "better suited for the execution of supervision" and also as creating "a better base for the future development of the Programme".

Gala Coral extends Inspired's Virtual license to include mobile

UK

Inspired Gaming has announced that Gala Coral has extended its Virtual Sports license to also include mobile.

Inspired currently provides Coral with seven concurrent channels of Virtual Sports for both retail and online, equating to over 3,000 events a day. These will all now be available on Coral Mobile. The channels are: horse racing, greyhounds, football, tennis, motorsports, speedway and cycling.

Steve Rogers, SVP for Virtual Sports and Mobile at Inspired

Gaming Group, said: "We are thrilled to be fulfilling the omnichannel model with Coral. Inspired's Virtual Sports perfectly lends itself to mobile, enabling players to make simple and quick bets any time, anywhere.

"Inspired has led the industry charge for Virtual Sports on mobile, which is a huge area of growth for operators. We are committed to lead, advise and maximise the mobile opportunity – some of our customers are already reporting that their virtual income on mobile is overtaking their virtual income on desktop," stated Mr. Rogers.

Keith O'Loughlin, Coral Sportsbook Director, commented: "Our mobile penetration is ahead of the competition, in part because of our rich mix of content and simple functionality. Our deal with Inspired means that we will have the best sports channels available to our customers, in shop, online and now on their mobiles, allowing them to move seamlessly from one platform to the next – all with our single wallet."

Last month, Inspired announced that it had signed a deal with Gala Coral Group for the supply of multichannel mobile content, via its Remote Gaming Server (RGS), Virgo. Inspired was one of the first suppliers in the industry to launch new games simultaneously on VLT, online and mobile in the UK.

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**BULGARIA – SASCHA BLODAU
NEW CASINO TECHNOLOGY CFO**

European manufacturer of casino equipment for land-based and online gaming, Casino Technology, has attracted to its senior management team a senior figure in the European gaming industry. Sascha Blodau was recently appointed as a CFO of the company to facilitate the corporate strategy of global consolidation and growth.



As a long-term Managing Director of Bally Wulff Games & Entertainment GmbH in Germany, Mr. Blodau has a significant experience in positioning and strengthening the corporate financial structure, establishing capital investment, and managing investor relationships in the gaming business. He was one of the main driving forces behind the acquisition of the Germany-based manufacturer Bally Wulff by Schmidt Group in 2007.

GREECE – INTRALOT'S ANTONOPOULOS RETIRES

Intralot has announced the retirement of Constantinos Antonopoulos from the position of the Group CEO, while he remains Vice-Chairman of the Board of Directors. Group Chairman and Intralot Founder, Socrates Kokkalis, said: "I would like to thank Mr. Antonopoulos for his commitment to the Intracom and Intralot Group's vision over three decades and his contribution towards creating a pioneering technological group with international recognition. The decision of Mr. Antonopoulos was accepted while he remains a valuable personal advisor and Member of the Company Board."

**RUSSIA – SUZO-HAPP EXHIBITS AT SOCHI SHOW**

The strong investment in local exhibitions was yet again demonstrated by the EMEA team of Suzo-Happ that exhibited at the Russian Gaming Week, which took place November 5-6 in Sochi, Russia. Sochi is one of the gambling zones chose by the Russian parliament that will provide gaming entertainment in the future.

"Although there is a restricted gaming market currently in Russia, we were willing to invest in this show as we are here today to look to possible future business potential. Our main goal has been to gain contacts in the Russian market and naturally inform the local entrepreneurs of the great solutions Suzo-Happ can offer and the excellent service to match," explained Harald Wagemaker, Executive Vice President Sales & Marketing of Gaming and Casino EMEA, Suzo-Happ.

Suzo-Happ is the world's largest provider of solutions and products in the gaming market for spare parts and components. Increasingly, Suzo-Happ is offering customer-specific solutions, adding yet more value to the industry.

DRAGONARA OPPOSES RIVAL PLAN

Syont has launched its latest VLT at the recent Slovakia Gaming show, adding multiple screens to its cabinets

Czech Republic – VLTs

Dragonara Gaming, the operator of the Dragonara Casino on the Mediterranean island of Malta, has filed a protest in local courts regarding the decision to award a casino concession to Eden Leisure. Last month Eden Leisure announced a €31m investment in hotels, conferenceing and casinos as part of an overhaul of the Bay Arena in Malta. Central to the development is the completion of a casino integrated into the InterContinental Malta, which is due to close for three months from the beginning of February next year for the redevelopment work to commence.

It is understood that a European casino operator has been recruited to manage operations of the casino. However, Dragonara Gaming's complaint centres around its allegation that the licence tender for the casino was "reverse engineered" and the selection process was littered with administrative flaws.

Dragonara claims that although the administrative shortcoming alone were reason enough to block the process, "the selection process was also characterised by an abuse of power, because it was designed and led in a way to achieve a goal which the law euphemistically describes as "inappropriate." The aim, Dragonara explained "was that of awarding the concession to Eden, whatever the



offers." It added that the process was "reverse engineered" and the decision was taken before the process commenced. In October, Eden Leisure Group requested that a court refuse the application for a warrant of prohibitory injunction requested by Dragonara Gaming Ltd against the Privatisation Unit. Dragonara Gaming applied for the injunction in October, alleging flaws in the process which resulted in the proposal submitted by Eden Leisure Group being selected as the preferred bid for a new casino concession.

According to local news, Dragonara Gaming, which have a 10-year concession on the Dragonara Casino in St Julian's, were also selected for a second concession. The company is contesting the decision by the PU's evaluation committee, saying that the original expression of interest was for one casino concession, and that its offer for an up-front cash offer was three times that offered by Eden Leisure.

EveryMatrix opens new regional offices in Malta and Mexico

UK

EveryMatrix has announce the opening of its new offices in both Malta and Mexico. Following on from the launch of its Manila office last year spearheaded by Ian Sherrington, EveryMatrix continues to expand its product offering in South America and Malta.

Latin America is an emerging market that EveryMatrix is currently exploring and felt it was the best time to proactively invest in a representative based in Mexico allowing EveryMatrix to explore opportunities and quickly gain presence in the region. As part of EveryMatrix's intention to explore the region, the company exhibited its range of services at the SAGSE exhibition in Buenos Aires amongst growing interest in online gaming in the market.

Malta has always been a hub of activity and opportunity for the iGaming industry and having

already a legal team out there, it was apparent that EveryMatrix needed to expand into this region by recruiting a sales representative out there. Having successfully exhibited at the newly established SIGMA event and again at the long established MiGS event in Malta, EveryMatrix is confident that it can fulfil the opportunities currently presenting themselves in the market.

Ebbe Groes, Chief Executive of EveryMatrix, commented: "We are excited to be able to open these new offices and explore these territories as we can see a visible demand for our products in these regions and are confident that we can deliver what these clients seek. The company has been growing at exponential speed with new offices in Manila and Ukraine being opened in 2013 and we are confident that we are responsive to the industry demands across the globe."

Holland

The Novomatic Group of Companies has acquired local distribution company, Elam, as part of continued expansion plans in The Netherlands. The acquisition of Elam Group, follows that of Dutch companies: Eurocoin Gaming, JVH gaming products, JVH Exploitatie, Pierre de Jonge and Loontjens Automaten.

Italy

A 97 per cent majority of shareholders of GTECH have approved the Italian lottery group's takeover of IGT. GTECH and IGT will be combined into a newly formed holding company, Georgia Worldwide, with corporate headquarters in Britain. The new entity will be listed on the New York Stock Exchange, while both GTECH's and IGT's shares will be delisted from Milan's and New York's stock markets respectively.



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UK – BURNS LEAVES TCSJH

TCSJohnHuxley Group CEO, Cath Burns, left the organisation on November 21, 2014. Tristan Sjöberg, Executive Chairman of TCSJohnHuxley has assumed responsibilities in the interim.



This provides a natural progression for TCSJohnHuxley as a family owned and run business and a strong platform to move forward. Cath Burns took over the reins two and half years ago at a difficult time and has since overhauled the business by realigning, refocusing and preparing the company for the next stage of its growth.

Tristan Sjöberg said: "The Board and I wish to thank Cath for the excellent contribution she has made to the business. Under her leadership TCSJohnHuxley has developed innovative products and services with committed product roadmaps, which protect our customers' investment in us and in turn provide strategic growth for the future. Our aim is to continue investing and building on this, positioning the company for growth and a strong future."

GERMANY – EDICT SIGNS MR. GREEN PARTNERSHIP

edict egaming GmbH has signed an agreement with the international casino operator, Mr Green, one of the leading international online casinos. edict is pleased that a selection of Merkur slot games are now live and available to Mr Greens global player base. The games are delivered through the newly developed edict Game Bridge, which allows large operators to integrate Merkur's slot games – via an API – easily into their game portfolio.



AUSTRIA – PESSNEGGER NEW APEX GAMING CEO

Max Pessnegger is the new CEO of APEX gaming. Mr. Pessnegger, previously CTO, has played a major role in expanding the first-rate gaming portfolio of APEX gaming. Company founder, Johannes Weissengruber, is to become Chairman of the APEX Group of Companies. This restructuring is part of a strategic alignment within the company that reflects the company's growth and assures a future-proof management structure.

Mr. Pessnegger commented: "I am very proud to be able to lead APEX gaming. We have a clear vision that we are implementing step-by-step. The new EVO platform is a quantum leap in gaming technology. Our Apex Player System has brought a brand new segment to the company in electronic roulette yet with a difference as this solution offers so much more. The iDROP is the talk of the industry at the moment as this money management system links live gaming with slots for ticket-in, ticket-out. Our focus and our passion are to create gaming solutions that bring value for our customers and fun and entertainment for the players."

GAMEACCOUNT EXTENDS PARX DEAL

Parx Casino and GameAccount finalise deal for Simulated Gaming, on-property gaming and regulated Internet gaming

UK & US- Online

GameAccount Network has announced the signing of a definitive agreement with Parx Casino to launch a Simulated Gaming online experience for new customers and existing patrons in advance of potential regulation of Internet gaming in Pennsylvania, details of which were disclosed in July this year.

Parx Casino is owned by Greenwood Gaming & Entertainment, Inc and comprises a major thoroughbred racetrack and casino property in Bensalem, Pennsylvania. It is expected that GameAccount Network and Parx Casino will launch a Simulated Gaming website this month. The system will allow for all forms of Internet gaming with selected third party remote gaming servers to be integrated into the GameSTACK Internet Gaming System and managed via GameAccount Network's iSight Back Office.

Simulated Gaming is the innovative Internet gaming service designed by GameAccount Network PLC specifically for land-based casinos in advance of prospective regulation. Simulated Gaming offers a gaming-as-entertainment website enabled with unique and patented monetisation features and a compelling Internet gaming content portfolio of over 100 casino slot, table and skill-based games including poker, backgammon, gin rummy, poker dice and blackjack tournaments.

Dermot Smurfit, CEO of GameAccount Network commented: "In 2014, consistent with the objectives set out at the time of our 2013 public offering, we

proved our capability to deliver both Simulated Gaming and regulated real money Internet gaming in the United States. In 2015 we anticipate scaling Parx's Simulated Gaming business through significant online marketing activities designed to acquire players online and drive them on-property to Parx Casino in Bensalem, Pennsylvania. We are excited by the opportunity presented by Simulated Gaming, the underlying strength of our regulation-ready Internet Gaming System, the promotional capabilities of our back office and relevant appeal of our widening gaming portfolio. We are delighted to have been chosen as their exclusive iGaming platform provider by one of the leading management teams in the United States' casino Industry."

Launched in the US by GameAccount Network in January 2014, Simulated Gaming has been proven to monetise Internet traffic to existing websites operated by land-based US casinos with average revenue per daily active user (ARPDau) of \$2.75, as against an original estimate of \$0.60, greatly exceeding equivalent numbers reported by Social Casino operators on Facebook.

John Dixon, CTO of Greenwood Entertainment & Racing, Inc commented: "GameAccount has demonstrated its Regulated Gaming capability in New Jersey and the merits of Simulated Gaming™ when integrated with a casino management system. By deploying their system on-property Parx Casino will have the opportunity to launch Simulated Gaming™ nationwide this Holiday season, subject to regulatory approval of the PGCB, on-property real money mobile gaming in 2015 and be well prepared in the event regulation of real money Internet gaming emerges in the State of Pennsylvania."

Parx Casino is the leading casino in Pennsylvania operating over 3,200 machine slots and 150 tables.

Comtrade Gaming agrees Blueprint games partnership

SLOVENIA & UK

Comtrade Gaming has announced a new game supplier deal with Blueprint Gaming whereby Comtrade's licensed operators will be given access to Blueprint's mobile and flash games portfolio via Blueprint's Remote Game Server.

Comtrade's iCore, The Enterprise Gaming Platform is being integrated with Blueprint's RGS, which includes popular titles such as Plants versus Zombies, Wish upon a Jackpot and Casper.

Steven Valentine, Director of Interactive at Comtrade said: "We are delighted to be able to add Blueprint games to our platform. Blueprint have been hugely successful in the UK market and as their catalogue of games increases



and the demand spreads internationally they are a great partner for our future growth."

Matt Cole, Managing Director for Digital Gaming at Blueprint Gaming said: "Comtrade Gaming is rapidly gaining acknowledgement as a leading provider for gaming platforms. This partnership will give us access to their existing client base, but more importantly it means we can be an essential supplier as the iCore platform roles out in new markets."

UK

Ainsworth Game Technology (AGT) has entered into an online content licensing agreement with Playtech that will feature Ainsworth's most popular game titles made available via the Ainsworth GameConnect remote gaming server across all Playtech platforms in regulated UK and European online sites for desktop, mobile and tablet devices.

Danny Gladstone, CEO of AGT commented: "Playtech is a renowned industry leader online and we very excited in partnering with them to expand our market leading land based slot content to new consumer audiences in the online industry."

BANK PUTS 'FOR SALE' SIGN OVER A WEAKENED CASINOS AUSTRIA

The Austrian National Bank is assessing the sale of its shares in domestic operator, Casinos Austria, but recent valuations of the business have not proved favourable

Austria's National Bank has made clear its intentions to sell its 33 per cent shares in Austria's domestic casino operator, Casinos Austria (CASAG), a business that has previously been valued at €1bn. However, recent appraisals of Casinos Austria's business has estimated that the current value of the company is less than half that amount, valuing the National Bank's shares at a maximum of €140m.

Amongst a series of complicated share options and issues relating to the sale of the shares, some of the largest remaining shareholders in Casinos Austria have also expressed their intentions to sell. Pew Schelhammer & Schattera (5.31 per cent) have stated they want to exit the gaming sector, Church bankers have made their stance clear and the MTB Private Foundation (16.79 per cent) of the 86-year-old Maria Theresia Bablik, also has exit ambitions.

The CASAG group's turnover in 2013 was €3.5bn, of which the lotteries contributed three billion. The

foreign subsidiary CAI was still in the red in the first half of 2014, despite the efforts of CEO Karl Stoss to stem the losses and limit the damage. The exit from the Greece's Casino Loutraki near Athens also impacted earnings in 2014.

Casinos Austria and the majority owner of the Loutraki, Vasanta Holdings, settled a disputed put-option with a compromise payment of €30m, after the Greek company had called for €49.5m to be paid to settle the case. The dispute arose when CAI, having built a casino in Belgrade (Grand Casino Belgrade) sold the location for €42m to Club Hotel Loutraki. In return, CAI agreed to increase its participation in Loutraki to around 16 per cent. After much dispute, CAI has honoured the legally binding aspect of this agreement with the €30m payment.

Combine this news with the recent failure of Casinos Austria to secure a new concession in Vienna and Lower Austria – a decision that CASAG has appealed against – and the decision by the government to make the sale of the National Bank's shares in CASAG a priority could have major consequences. The question is whether an entry from a pure financial investor would be viable or if, as is being discussed, the Novomatic Group would find the deal of interest?

Insight AUSTRIA & GERMANY

Germany

The casino at Frankfurt airport has terminated its contract with the City of Frankfurt for financial reasons as visitor numbers and revenues in 2014 have fallen to unsustainable levels. The franchise fee paid to the city of Frankfurt fell in 2013 to €23,000 – almost half the sum paid in 2012 (€43,000), indicating a substantial fall in operating revenues. The casino has been in operation within the transit area of Frankfurt airport for 14 years, opening in 2000 as the world's second only airport casino. Measuring just 150sq.m. the location at Terminal 1 Departures housed American roulette and blackjack tables in addition to 45 slot machines. The casino's nine employees have been informed of the decision to close the casino and have received letters of termination of employment.

Germany

Having received its building permit for the Merkur casino in Leuna-Gunthersdorf the operating company, Mercury Casinos Saxony-Anhalt, has now officially received approval for the operation of public casinos in Saxony-Anhalt, according to the the Ministry of the Interior and Sports of the State of Saxony-Anhalt.



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SIBERIAN COIN CASINO FINALLY LAUNCHES THE RUSSIAN 'DREAM'

The Russian gaming industry takes one step forward with the opening of the Siberian Coin Casino in Altai – part of President Putin's masterplan to develop the outer regions into major gaming hubs

Vegas East—officially dubbed Siberian Coin—was the fantastic plan of the Russian government. In 2008, at President Vladimir Putin's behest, Russia banned all gambling except in four far-flung regions. Casinos are open in three: Kaliningrad, between Lithuania and Poland; Azov City, near the Black Sea; and Primorsky Territory, in the Far East. All have under-performed because of a lack of infrastructure. Now, Altai, the most remote region, near the China/Kazakhstan border, is emerging—and the government hopes it will recreate jobs and generate ancillary business.

It has, however, been a long time coming. Plans for the development of the Altai Territory were broadly announced in 2011, with Slovenia's Hit Group interested in cooperating in projects and even Hong Kong casino tycoon Albery Yeung planned to invest in the region. None of these projects have come to fruition. However, last week, Siberia's first casino did open, with a 1bn rouble venture that seeks to create hundreds of jobs and see the introduction of 'gambler tourism' to the region. The Siberian Coin, which is part of the new Altai Palace Hotel Resort opening in April next year, launched with 16 gaming tables and 20 slot machines.

It has taken four years for the 'dream' of building a casino among the Altai Mountains to

become a reality. When it opened last week, only the ground floor, featuring a VIP area, was operational but more of the complex will be available in December. The first floor will feature a large gaming room – with a capacity for 500 guests – with slot machines where the minimum bet is just one rouble – and a coffee shop. Enterprisingly, a pawnshop and 70 seat restaurant will be located on the second floor, with the hotel taking up the entire top floor.

Aside from the handy convenience of a second floor pawn-shop, the casino also boasts sound-proofed booths in which players can make phone calls, with the added facility to play airport sounds or outdoor background effects to disguise their real location.

Initially 75 staff will work in the casino, but when the whole complex opens next year this number will increase to 230, serving 30 gaming tables.

This brainchild is that of Roman Spodyrev, a space instrumentation engineer from Moscow, who has plans to run charter flights for Siberia's wealthy. Worryingly, the charters haven't yet been established and alternate access is 'tricky.' Siberian Coin is a four-hour drive from Barnaul, a city where winters last five months and,

according to tourist guides, "the drive from Barnaul to Siberia Coin passes through expanses of snowdrifts dotted with birch trees, a museum dedicated to earth-orbiting Russian cosmonaut German Titov, the backwater of Biysk, packs of wild dogs, and several Uzbek cafes."

The last five miles to the Coin involves an icy, bumpy, one-lane road that winds through battered villages. Local authorities see this as a plus. "When people come here, from Moscow or wherever, it won't just be to gamble. They'll want to be in the forest, in the mountains—with the stag." The Siberian tourist board also states that the weather 'can be chilly at times.'

Mr. Spodyrev has said no expense was spared in ensuring the venture is popular with visitors. "My favourite VIP room is the one that is decorated with wood. Our designers have insisted on more bright colours than were used in two other halls, with gold and silver. The sinks in luxury rooms have a dusting of real gold, while the carpet on which you walk is very expensive – it is from Italy, it is natural wool." Aside from the handy convenience of a second floor pawn-shop, the casino also boasts sound-proofed booths in which players can make phone calls, with the added facility to play airport sounds or outdoor background effects to disguise their real location.

Mr. Spodyrev said: 'We expect that guests will come here from Novosibirsk, Tomsk, Kemerovo, Novokuznetsk, and so on, but it's from Krasnoyarsk and Omsk that we will attract people in the first place. Initially, we will organise charter flights on aircraft for 45 people. We have conducted negotiations on this issue with the airlines and they are interested. According to the law we cannot advertise the casino in the territories that are interesting for us. But we intend to develop weekend tours with tour companies.'

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WHY WOULD YOU WANT TO USE A CASINO RECRUITMENT CONSULTANT?

UKCasinoChecker's Paul Sculpher asks a rhetorical question as he and Steve Jackson launch a new recruitment service

Why would you want to use a recruitment consultant? Well, that's a pretty pertinent question for me to ask myself at the moment, given that I've just gone into business with Steven Jackson, a well known gaming recruitment specialist in the UK, to form Gaming Recruitment Solutions.

I'm fairly new to the recruitment side of things, although I've been involved in the gaming industry for 20 years or more, and I've used recruitment services before – in fact Steven, in his previous employment, as the last guy I used. Already in our new venture, we've come across some people who simply don't see the point of paying someone to find their management when they feel they can do it themselves.

While I must say I (obviously) don't agree with this point of view – I was more than happy to bring in help when I was outside the recruitment sector – the benefits are worth underlining. It's fair to say that I thought the recruitment consultant's job was pretty straightforward – use your network to get tasked with filling vacancies, and then use your extended network to find people who can fit the bill, put them forward, and Bingo! Send out your commission invoice.

Not surprisingly, the reality is quite a bit more complex. In practice, your personal network is nowhere near wide enough, more or less whoever you are, to get close to a decent selection of people for any given role. The extended network, combined with careful research, will get you part of the way to being able to present a good range of candidates to the client, and the more senior the role, often the more this relies on pretty deep-dive research to get the right calibre of people, particularly in roles where the client wants to interview people from outside the industry in question to provide a new perspective. We are critically also in a position to talk to people who aren't strictly seeking new employment, with discretion, of course, assured.

Sourcing a suitable range of candidates to present is by no means the end of the story. At GRS we



It's often said that people love their friends, but they wouldn't want them running their business, and if a prospective employer only looks within their own network there's a danger of doing exactly this.

wouldn't dream of sending a CV out to a client without speaking to the candidate first – something our big-chain recruitment competitors most certainly cannot claim – and at this stage we will often determine people aren't suitable for the role, either by determining they don't fit the profile in some way, or by our own intuition. Our reputation is critical, so we don't want to waste anyone's time. From there we'll re-format the CV (it makes it easier for clients to weigh CVs against each other if the formatting is similar for all) and send them out. That's a lot easier than employers screening through huge quantities of CVs, many of which are totally unsuitable, or have unrealistic expectations of the job.

From here there's still plenty of work to do, as there are interviews to arrange and prepare for, and it's not unknown of course for us to have to

start again, research from scratch, and send another batch of CVs through – all part of the service. We only get paid if we find the right person for the job, and if the person turns out to be a poor fit after all this and multiple interviews, we'll provide a replacement free of charge.

There's also the issue of just using your own network – it's often said that people love their friends, but they wouldn't want them running their business, and if a prospective employer only looks within their own network there's a danger of doing exactly this.

Doesn't that sound like enough input, from a prospective employer's point of view, to bring in professional specialists and swerve all the hard work? We do our job, so that you can get on with yours.

Steven Jackson and Paul Sculpher have launched their recruitment consultancy, Gaming Recruitment Solutions – www.grs-recruit.com – and are placing people throughout the offline and online gaming industry, as well as for suppliers and other affiliated industry stakeholders.



HARNESSING NEW REVENUE OPPORTUNITIES

GameAccount Network's Daniel Lindsay suggests it's now time that European land-based casinos embrace the revenue opportunities offered by Simulated Gaming

The European land-based gaming market is by any measure a complex one; it always has been, and it probably always will be.

The nirvana of pan-European regulations is simply not on the short, medium and perhaps even the long-term agenda. To compound the situation, we are faced with fragmentation within specific countries - for example Spain has 17 differing autonomies, each with their own regulatory idiosyncrasies.

We should not forget that Europe also has a vibrant and substantial gaming industry, home to some of the largest street based machine markets (think UK, Spain, Germany and Italy (a country which has a regulated market in excess of 1.2m machines). and also some absolute behemoths in world gaming such as the Novomatic Group of Companies and Gauselmann, amongst others.

Regulated Casinos exist throughout Europe from the smallest prestigious clubs in central London to some of the largest land-based operations such as those in Slovenia and Greece. The established slot machine manufacturers regularly battle it out every year to retain their floor space and ship share, it's a hugely competitive market that

requires a unique insight and some serious R&D generosity.

Cannibalisation is a word often trotted out by casino operators, or well entrenched and successful local gaming machine producers, but why?

Whilst the European regulated .com online market has led the world in terms of pioneering regulations and responsible gaming, it's disappointing to hear land-based operators and manufacturers railing against the proposed introduction of regulated online gaming.

Cannibalisation is a word often trotted out by casino operators, or well entrenched and successful local gaming machine producers, but why?

The point they overlook is their continued success will be ensured by harnessing the appropriate technology and providing a seamless

content delivery system to their customers no matter where they are at any given point of the day or night.

Mobile gaming on the way to work, desktop gaming (whisper it) at work, twin screening in the evening: the player behaviour and gaming appetite is now well established.

Providing a continuous (and responsible) stream of entertainment for customers is key to everyone's future. However, as various countries across mainland Europe continue to stutter over the regulation of online gaming, there's a ready-made alternative and it's available here and now.

The entire world will be familiar with the Candy Crush and social gaming phenomenon, which is currently generating a cool \$2bn+ a year globally.

It's compelling, fun, harmless and currently entirely devoid of regulation.

Whilst there is a plethora of casino type social gaming sites available via Facebook, and while it can be a very effective marketing channel, revenues have to be significantly shared with Facebook and the content, in many cases, is less than compelling.

GameAccount Network developed Simulated



Gaming as an off-Facebook social gaming product to enable land-based casino operators to offer a fully immersive gaming proposition for their customers when not on site.

The trust and integrity of the land-based brands are brought online, and the same games (tables and slots) are available. In essence, it's a mirror image of the land-based environment where virtual credits purchased allow continuous play and, where regulations allow, cash back incentives using land-based loyalty cards and Casino Management Systems are available.

Let's be clear, this is not a new concept.

GameAccount's Simulated Gaming has been powering the largest land-based casino in the US (Foxwoods Resort Casino) for over ten months and five other US operators will be live with Simulated Gaming over the next six months. This will not only serve to generate significant incremental revenue through a new channel of entertainment, but it will also reactivate lapsed players and drive renewed visitation to the land-based venue where spend is up not only on gaming but also on other verticals within the property.

In general, social gaming monetises players (registration to deposit) at around two per cent.

The very best social casinos manage somewhere around five per cent. GameAccount's Simulated Gaming is currently monetising around 18-20 per cent of registered players through to deposit and play.

Why?

Trust – players know and trust the online brand. They can (and do) visit the bricks and mortar venue, seeing and playing the same games in and out of the venue.

Content – players recognise and gravitate towards the same games that they love to play offline, in the online space.

Rewards – where allowed, players receive tangible value against the purchase of virtual credit made online in Simulated Gaming. They can spend that credit in the land-based casino when they visit.

For land-based casino operators, this is the perfect opportunity to engage with their current, lapsed and future patrons. It allows them to prepare for real money online gaming in a pre-regulated environment. Same brand, same content, new revenue stream. Oh, and there's no gaming tax on earnings through social gaming.

For regulators, Simulated Gaming is an endorsement of how real money gaming can work safely and securely, using the latest KYC and harm minimisation requirements. This is not gambling. It's gaming, it already exists and doesn't require regulating. However, everyone who plays is fully age verified, so it's safe.

For players, it's an easy sign up process and they can earn rewards whilst playing their favourite games using brand names they trust.

Social Casinos on Facebook can be concluded as a race to the bottom becoming dominated by sites owned and operated by large land-based slot suppliers.

Online Simulated Gaming supports an offline presence, not cannibalises it. It works, and it's available now – globally.

Social Casinos on Facebook can be concluded as a race to the bottom becoming dominated by sites owned and operated by large land-based slot suppliers.

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LES LÉGISLATEURS MEXICAINS SONT ÉGALEMENT

proches d'un accord sur la durée des licences. Le comité a proposé une licence de 10 ans qui pourrait être renouvelable pour cette même période. Cette proposition a toutefois rencontré quelques résistances de la part de certains membres avançant que ces périodes devraient être allongées à 12, 15 ou 20 ans avec des licences une nouvelle fois renouvelables pour ces mêmes périodes.

LE GOUVERNEMENT DU PARAGUAY PRÉVOIT DE

modifier les contrats des casinos de façon à ce que les opérateurs soient responsables du contrôle de l'application d'un grand nombre de mesures visant à protéger les joueurs. Selon les opérateurs locaux, les nouvelles règles seraient impossibles à mettre en pratique et signifieraient que les opérateurs pourraient risquer en permanence une violation de la loi.

L'AUTORITÉ MEXICAINE DE RÉGULATION DES JEUX DE

hasard SEGOB (rattaché au ministère de l'Intérieur) a révoqué l'autorisation fédérale qui avait permis à une autre société d'entrer sur le marché des jeux de hasard du pays – Cette fois, Megaspot S.A. de C.V. La société disposait d'une licence qui lui procurait la plus grande capacité en termes d'expansion future au Mexique.

LE PRÉSIDENT DE LA COMMISSION SPÉCIALE DES

jeux de hasard de la chambre des députés, Fernando Zárate Salgado, a déclaré à la presse locale que la nouvelle loi sur les jeux de hasard contiendra un grand nombre de clauses qui comprendront des amendes d'un million de dollars infligées aux opérateurs dépassant le cadre fixé par les termes de leur licence et que la loi est très près d'aboutir.

HARD ROCK INTERNATIONAL A ANNONCÉ SES PLANS

d'installer un casino et un hôtel dans la ville de Ciudad del Este au Paraguay. L'hôtel disposera d'une capacité de 250 chambres alors que le casino accueillera 500 machines à sous et 30 tables de jeu.

LES AUTORITÉS POLONAISES DE RÉGULATION DES

jeux de hasard envisagent d'apporter des changements à la législation afin d'autoriser les jeux de hasard en ligne dans le pays. Quatre nouveaux amendements proposés cette année n'ouvriraient pas seulement la porte à des formes supplémentaires des jeux en ligne, mais libéraliseraient également le marché facilitant l'offre en ligne de jeux en Pologne.

L'ACTION DE BWIN S'EST ENVOLEE APRÈS QUE LA

société de jeux en ligne s'est positionnée sur le marché en confirmant les rumeurs de rachats. Le spécialiste du poker et opérateur de paris sportifs, basé à Gibraltar, a déclaré avoir entamé des « pourparlers préliminaires avec un certain nombre de parties intéressées par rapport à différentes combinaisons potentielles d'affaires », et qui pourraient déboucher sur une offre faite pour le rachat de la société.

GTECH A ANNONCÉ LE LANCEMENT DE SON NOUVEAU

site web intégré, www.gtech.com. Le site constitue une source d'informations unique portant sur l'ensemble des solutions de bout en bout de GTECH et tous les canaux pour les consommateurs, les investisseurs et l'industrie.

MGM SPRINGFIELD UNANIMOUS VOTE

MGM has received a unanimous vote officially granting MGM Springfield a license to operate a resort casino

Massachusetts – New licences

MGM Resorts International has received a unanimous vote from the Massachusetts Gaming Commission (MGC) officially granting MGM Springfield a license to operate a resort casino in Downtown Springfield.

In June, the MGC entered into an agreement to award MGM Resorts the Region B Category 1 License upon final resolution of a ballot initiative to make gaming illegal in Massachusetts. Massachusetts voters overwhelming supported keeping the gaming statute in place.

James Murren, Chairman and CEO of MGM Resorts International said: "This has been one of the most exciting weeks in MGM's history. We are grateful to the voters of the Commonwealth, and especially the people of Springfield for voting for jobs and economic opportunities. We want to thank the Massachusetts Gaming Commission for formalising our agreement that will allow us to revitalise a great downtown."

MGM paid its \$85m licensing fee to the Massachusetts Gaming Commission on November 17. Mr. Murren said, "I want to commend the Massachusetts Gaming Commission for working with operators and other stakeholders to navigate what has been a long and challenging process."



Their commitment to transparency and the spirit of the legislation has made our project stronger."

Together with volunteers and supporters, the MGM team celebrated a wide margin of victory on Tuesday night, as more than 1.2m Massachusetts voters said no to Question 3, the effort to repeal the law enacted in 2011 that allows gaming resorts in Massachusetts. With more than 300 people in attendance at the Basketball Hall of Fame, the MGM team took to the stage to thank Springfield residents for their perseverance. Many in the room were voting in favour of a casino in Downtown Springfield for the second time in less than 18 months. Mayor Domenic Sarno also addressed the jubilant crowd, and said he looked forward to "shovels in the ground."

Following the historic vote, MGM Springfield immediately began work on the property. This is the first time since 2012, when MGM first formally announced its interest in a resort casino in Springfield, that construction activity has taken place on the site.

US

GTECH has announced the launch of its new integrated website, www.gtech.com. The site provides customers, investors, and the industry with a single source of information about GTECH's complete end-to-end solutions across all channels. The new site applies the latest and best practices of web design for ease of navigation, visual appeal, and device flexibility, including mobile and tablet use. "We have created this new, comprehensive yet easy-to-navigate portal, www.gtech.com, to ensure that customers and the industry can conveniently access our complete offering in one place," said Robert Vincent, GTECH Senior Vice President of Human Resources and Public Affairs.

Mohegan pledges percentage of revenues for Catskills casino

NEW YORK

Mohegan Sun is offering to dedicate a percentage of all its revenues to a fund to promote tourism in the Catskills if it wins the right to build a casino in New York state. Mohegan Sun's proposed casino would be developed on the site of the former Concord Resort in the Catskills. "We will certainly want to welcome back to the Catskills those who themselves, or through their parents and grandparents, have such fond associations with the Catskills in its heyday, but more critical will be ensuring genera-

tions of new visitors," said Mohegan Sun CEO Mitchell Etes.

"To that end, and to promote the new concentration of gaming and entertainment amenities at the Concord, we are pledging to dedicate a portion of our gross gaming revenue annually—0.5%—to a new marketing and tourism fund to focus on the Catskills and Hudson Valley region as a gaming and entertainment region, and we will encourage others to participate to maximize the program and its impact," commented Mr. Etes.

The company is one of 16 bidders vying for the right to build one of four casinos allowable under a change to New York's constitution passed into law last year. Mohegan Sun, the Connecticut-based Native American owned casino company, is also trying to win the right to build a casino in the lower Hudson Valley, where the competition among potential licensees is fierce, and there have so far been nine different bids for just two available spots.

The Gaming Facilities Location Board, the five-member panel tasked with deciding which companies should receive the four casino licenses, has said it hopes to decide how to award the licenses within the coming weeks.



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étendu sa licence Virtual Sports afin d'y inclure également les applications mobiles. Actuellement, Inspired propose Coral avec sept canaux concurrents de Virtual Sports à la vente à la fois au détail et en ligne, correspondant à plus de 3 000 événements par jour. L'ensemble de ces événements sera disponible sur Coral Mobile.

DRAGONARA GAMING, L'OPÉRATEUR DU CASINO

Dragonara sur l'île méditerranéenne de Malte, a introduit un recours devant les tribunaux locaux contestant la décision octroyant une concession de casino à Eden Leisure. Le mois dernier, Leisure avait annoncé vouloir investir 31 millions d'euros dans des hôtels, des salles de conférences et des casinos dans le cadre de l'aménagement de Bay Arena à Malte.

LA SOCIÉTÉ NOVOMATIC GROUP OF COMPANIES A FAIT

l'acquisition d'une société locale de distribution, Elam, dans le cadre de son plan d'expansion aux Pays-Bas. L'acquisition du groupe Elam fait suite à celle des sociétés néerlandaises : Eurocoin Gaming, JVH gaming products, JVH Exploitatie, Pierre de Jonge et Loontjens Automaten.

UNE MAJORITÉ DE 97% DES ACTIONNAIRES DE GTECH

a approuvé la reprise d'IGT par le groupe de loterie italien. GTECH et IGT fusionneront pour former une nouvelle société holding, Georgia Worldwide, dont le siège sera en Grande-Bretagne.

LE CEO DU GROUPE TCSJOHNHUXLEY, CATH BURNS, A

quitté l'entreprise le 21 novembre 2014. Tristan Sjöberg, Président exécutif de TCSJohnHuxley assure la direction de la société par intérim.

MGM RESORTS INTERNATIONAL A BÉNÉFICIÉ D'UN

vote à l'unanimité de la commission des jeux de hasard du Massachusetts (MGC) accordant officiellement à MGM Springfield une licence pour exploiter un resort casino au centre-ville de Springfield.

IL A ÉTÉ CONFIRMÉ QUE LOTO-QUÉBEC DU CANADA

avait vendu sa participation de 35% dans Joa Casino, amortissant effectivement son investissement de 100 millions de dollars US dans le groupe français de casinos.

LE PARTI LIBÉRAL DÉMOCRATE, AU POUVOIR AU

Japon, a finalement abandonné l'idée d'adopter une loi régissant les casinos au cours de la session parlementaire actuelle, portant un coup important à la stratégie de croissance du premier ministre Shinzo Abe visant à permettre à des casinos d'ouvrir avant les jeux olympiques de 2020 à Tokyo. La décision a été prise le 7 novembre avec l'opposition de certains membres du partenaire de coalition minoritaire Komeito concernant ce délai.

MGM CHINA REPOUSSE LA DATE D'OUVERTURE DE

son MGM Cotai au coût de 2,6 milliards de dollars US de début 2016 à l'automne 2016. Le projet Cotai prévoit 1 600 chambre d'hôtel, 2 500 machines à sous et jusqu'à 500 tables de jeu.

LE GOUVERNEMENT DU VANUATU, UN ARCHIPEL EN

Océanie situé dans le Pacifique sud, a accordé une licence de jeu de dix ans pour un nouvel hôtel six étoiles et un casino.



LOTO-QUEBEC TAKES US\$100M HIT

Canadian lottery company, Loto-Quebec, has taken a massive hit on its investment in France's Joa Group

Canada - Operations

It's been confirmed that Canada's Loto-Quebec has sold its 35 per cent stake in Joa Casino, effectively writing off its US\$100m investment in the French casino group. Earlier this year Loto-Quebec, the government agency that develops and operates lotteries in the province of Quebec, explained that its shares in the French JOA Group (formerly Moliflor) were effectively worthless.

Having invested in Joa Group in 2005 as part of expansion plans in France, Loto-Quebec's investment has dwindled to nothing in a market struck by the recession and the effects of the smoking ban. Between 2009 and 2012, Loto-Québec conducted a write off of \$120.5 million of its investment in JOA Group whose finances as of 2014 put

the company in debt by US\$631m with profit falls of 10 per cent in the last 12 months. As of March 31, 2014, Loto-Quebec's interests of the corporation were subsequently declared worthless.

"You know that this investment has not yielded the expected results and the value of the investment was zero. It seemed that in the circumstances it was the best deal to give our share to new buyers," said Loto-Quebec's Director of Communications, Jean-Pierre Roy. "Nine years later, we must realise that this investment has not fulfilled its promises."

This does not mark the end for Loto-Québec in France. The corporation retains interests in two casinos, one of which will open next year. Loto-Quebec retains 35 per cent of its shares in two casinos, with contracted loans of \$7.9m related to these facilities. One of them, Seyne-sur-Mer, opened its doors last year and is profitable according to Mr. Roy. The other Giffaumont-Lac du Der, will launch its operations next year and will hope to turn a profit quickly.

US

The Association of Gaming Equipment Manufacturers (AGEM) Board of Directors has approved the membership applications of eight new companies, bringing the trade group comprised of the world's leading gaming suppliers to a total of 145 members, an all-time high. The new AGEM members are: Abbott Law Chartered, a law firm based in Las Vegas; Catapult Global, a component supplier based in Illinois; DEQ Systems, a table games company based in Quebec; FBM, with offices in Mexico City and other global locations; HT Precision Technologies, based in Illinois and which recently purchased the assets of Wells-Gardner's LCD business; Legacy Electronics, based in South Dakota; Olsen Gaming, Nevada-based progressive jackpot and bonus provider; and Touch Dynamic, a touchscreen supplier from New Jersey.

Brookfield pulls out of bid to reopen the shuttered Revel

NEW JERSEY

Brookfield Asset Management, the Toronto-based asset management firm that owns the Hard Rock Hotel & Casino in Las Vegas and the Atlantis Island casino in the Bahamas, has pulled out of a deal to purchase the Revel Casino-Hotel for \$110m. Earlier this month Brookfield announced that it would be spending US\$200m to refit and open the shuttered casino, but did not give a specific date aside from confirming that it would be opening the doors some time in 2015.

Brookfield has, however, made a surprise announcement, confirming that it is walking away from the project, explaining that bondholders have refused to rework debt connected to construction of Revel's power plant.

Glenn Straub, the Florida developer whose US\$95.4m bid for Revel was rejected and who was pursuing an appeal after a bitter bankruptcy auction, has said that he believes his appeal challenging the

auction was behind Brookfield's decision to balk. Brookfield had planned to run a casino-hotel at the Revel property, which cost \$2.4 billion to build. Mr. Straub, however, has said that he would have a casino at the site, but gaming wouldn't be the main draw.

What appears to be the real crux of the matter is the power plant constructed to supply energy to the mega-casino. The Inlet District Energy Center, which sits adjacent to the casino, remained a millstone for the resort even after Revel closed in early September.

After spending about \$42m to build the plant, Revel turned to ACR Energy Partners LLC to finish the job. ACR did that with about \$158 million in financing, some of which was also used to repay Revel's initial investment. Under Revel's 20-year energy deal with ACR, Revel agreed to pay back the construction costs with interest, saddling Revel with more than \$1.5m in monthly power-plant financing fees.

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CONSULTANTS, CRM, EPOS, FOBTs, FRAUD, LOTTERY, MEDIA, MOBILE, ONLINE, PAYMENT,
POKER, RECRUITMENT, REGULATORS, ROULETTE, SECURITY, SLOTS, SOCIAL GAMING,
SOCIAL RESPONSIBILITY, SPARES, SPORTS BETTING, TABLE GAMES, VIDEO, WIRELESS

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AUSTRALIA – GLI APPOINTS NEW SENIOR MANAGER

Gaming Laboratories International has named Phil Harrison to the position of Senior Manager Regulator Development, Compliance & Quality Assurance for GLI Australia. Harrison will operate out of the company's laboratory in Adelaide, Australia.



GLI Australia CEO Ian Hughes said, "We are very excited to welcome Phil to the GLI Australia team. His extensive and diverse experience, combined with his commitment and dedication to standards and responsible gambling, make Phil an incredibly valuable asset to GLI and to our clients throughout the Australia and Asian marketplaces."

Harrison's extensive experience in the gaming industry dates back to 1994 when gaming machines were first introduced to South Australia. In his role as inspector, systems auditor and as Manager of Gambling Operations for the South Australia Liquor & Gambling Commissioner.

JAPAN – CASINOS DELAY UNTIL AFTER OLYMPICS

Japan's ruling Liberal Democratic Party has now axed plans to approve a casino bill during the current Diet session delivering a huge hammer blow to Prime Minister Shinzo Abe's growth strategy of casinos opening prior to the 2020 Tokyo Olympics. The decision was taken on November 7 with opposition from members of junior coalition party Komeito blamed for the delay.

Although the plan is to keep the bill on the table, sources said it is unlikely to be discussed even in 2015. One source said: "If they can't pass it now, I doubt whether they'll ever be able to pass it," adding that priority would be given to national defence bills.

Another source said the legislation could now be delayed by three or four years, delaying any openings until around 2024.

Casino giants such as MGM Resorts, Las Vegas Sands Corp, Wynn Resorts and Caesars Entertainment had been optimistic that the Prime Minister Abe would be able to pave the way to integrated resorts and open a market that CLSA believes could generate revenues of \$40bn.

A Diet members' group made up of 224 lawmakers, led by former Chief Cabinet Secretary Hiroyuki Hosoda, wanted to approve the ruling in the current Diet session, after which the government would have presented bills to form a legal framework for casino operations.

According to a poll conducted at the start of October, 5.59 per cent of respondents said they were against the proposed legislation, while 30 per cent said they were in favour of it.

The bill is also believed to have suffered due to the scandal of two cabinet ministers quitting due to funding-related enquiries. The ruling coalition will now attempt to approve the Integrated Resorts Bill during the first of two parliamentary sessions in 2015.

Doctor Toru Mihara of the Osaka University of Commerce and was one of the architects of the casino bill, said the bill's delay was a 'total loss of face' for the Prime Minister and that the bill could now suffer from 'a loss of momentum.'

CAMBODIA PLAYS MUSICAL CHAIRS

A flurry of operations have changed hands in recent weeks in Cambodia as large scale projects look increasingly unlikely

Cambodia – Casino Operations

Australia-based Donaco International has signed an exclusive term sheet, and is currently conducting due diligence, for a proposed material acquisition of a significant gaming and hospitality business in Cambodia. The market is distinct from the company's existing China-facing business at the Aristo International Hotel and so the proposed acquisition provides diversification as well as scale benefits.

Donaco already operates a casino hotel in Vietnam's northern province of Lao Cai, bordering China's Yunnan province. Joey Lim Keong Yew, Donaco's chief executive, in August said the company had a "strong pipeline of potential deals in place".

Parts of the signed term sheet are binding, including an exclusive negotiation period extending into early 2015. This will enable the Donaco to complete its due diligence investigations, and to finalise and sign long-form agreements.

The acquisition will take place at a multiple of six times earnings before interest, tax, depreciation, and amortisation (6x EBITDA) for the financial year of the business ending on 31 December 2014.



The acquisition will be funded from the company's existing cash reserves, and new debt facilities, together with an equity component for the vendor. Based on the range of financing scenarios reviewed by the Board, the proposed acquisition is expected to provide strong earnings per share accretion for the Company's shareholders.

Further details will be provided to the market when the long form agreements are finalised.

Last month, Australia-listed Cell Aquaculture pulled out of a deal to gain control of the Roxy Casino, in Bavet, a Cambodian town with approximately 10 casinos on the border with Vietnam. The company said the termination of the agreement occurred due to difficulties in hiring skilled management personnel.

In September, Israeli casino developer Queenco Leisure International Ltd expressed "substantial doubts" about the ability of its Queenco Casino and Hotel to continue in business. The property is located in Sihanoukville, a coastal area in south-west Cambodia.



Delays hit Packer's Barangaroo over infrastructure payments

AUSTRALIA

A payment dispute between Lend Lease and the NSW government has delayed James Packer's \$1.5bn Crown Sydney hotel-casino project in Barangaroo. The issues centres around a Court of Appeal decision won by Property giant Land Lease that could cost the New South Wales government millions on the site's public infrastructure.

The NSW government is assessing whether it will have enough resources to pay for all the public infrastructure at the 22-hectare stretch of land as a result of the ruling. Both parties are at loggerheads over the amount of money, or share of the profits, Lend Lease will pay the government when the project is complete – and are

now stuck in settlement talks about how much – or little – Lend Lease should pay. The method for valuing buildings at the site is at the hands of valuers who will decide the ultimate amount. The 70 storey, six star project was launched in 2012, spinning off into a design competition that was won by London-based practice Wilkinson Eyre Architects. It was approved by the state government in November 2013 despite not being a part of the original plan for Barangaroo South.

Lend Lease cannot proceed with a submission of the concept plan with the Department of Planning and Infrastructure until the commercial issues are resolved. This means Crown cannot submit its own development application.

New Zealand

Scientific Games has been awarded the contract by the New Zealand Lotteries Commission to provide instant games for Lotto New Zealand. Under the terms of the agreement, Scientific Games will work with Lotto New Zealand to grow sales of the Lottery's instant game portfolio. In addition to instant games, the Company will provide Lotto New Zealand with marketing support and creative services. The seven-year contract began in September 2014 and includes a one-year extension option. Wayne Pickup, Chief Executive Officer, Lotto New Zealand said: "We are focused on growing instant game sales and funding for our communities by taking our instant games to the next level with the vibrant new designs, foils, proprietary play styles and licensed brands offered by Scientific Games."

PROFITS PLUNGE FOR RW SENTOSA

Singapore's Integrated Resorts are suffering as a result of the travel restrictions imposed on Chinese visitors

Singapore – Operations

Genting Singapore has reported that net profit has plunged 43 per cent in the third quarter, sparking speculation that the battle between its Resorts World Sentosa (RWS) and Las Vegas Sands' Marina Bay Sands (MBS) for the VIP gambling market is set to pitch the two mega-casino resorts at each others' throats.

The thinning stream of high-rolling gamblers from China has led to a plunge in the earnings of the two Singapore casino resorts, prompting MBS parent Las Vegas Sands to accuse its rival of resorting to desperate means to win market share.

Genting Singapore yesterday reported that net profit had plunged to \$5127.1m in the third quarter ended Sept 30 from \$5222.7m in the corresponding period a year earlier as overall revenue fell 17 per cent to \$5644.8m. Gaming revenue slumped 21 per cent to \$5477.3m, Genting said, noting that the premium-player business underperformed in the period. Genting's results came about a month after MBS reported casino revenue fell 8.7 per cent to US\$573.5m (\$741.7m) as VIP betting volume fell almost 34 per cent.

Data from the Singapore Tourism Board showed that Chinese tourist arrivals fell by 30 per cent in the first half of this year, hurt by the economic



slowdown at home and by the disappearance of Malaysia Airlines flight MH370 in March.

The shrinking number of Chinese VIP players is expected to become the new norm as the Chinese government is stemming large cash outflows from the country amid a crackdown on corruption and as domestic reforms have led to slowing economic growth.

CMC Markets analyst Desmond Chua said: "Chinese high rollers contribute to about half of MBS' premium segment revenue, for instance. With that slowdown and with Asian governments, such as Japan, Korea and the Philippines, also keen to set up the gaming industry, I believe the boom years that we saw previously are now over – even though the casinos will remain profitable in the long term."

Genting is trying to woo gamblers by offering overly generous incentives and easy credit to VIPs, chief executive of Las Vegas Sands Mr Sheldon Adelson said in the company's earnings call last month. Taking a swipe at Genting, the 81-year-old billionaire said: "Maybe one day, they will get used to competing on the basis of a quality product. If they ever build one, they won't have to buy the business."

Macau

Revenues were up in Las Vegas for Wynn Resorts in the third quarter but not by enough to save the operator from three tough months in Macau. Combined revenue for the two markets fell by 1.4 per cent to \$1.37bn in the quarter whilst net income increased by five per cent due to lower expenses. Net revenues in Macau came in at \$942.3m, a 5.6 per cent decrease from the third quarter of 2013. The VIP sector was hit hardest whilst the mass market sector gained impressively. Table games turnover in the VIP segment was \$25.1bn for the third quarter of 2014, a 17.4 per cent decrease from \$30.3 billion in the third quarter of 2013.

Stanley Ho is persona non grata with Crown Resorts

AUSTRALIA

A request by Australian MP, John Kaye, to make public documents relating to the James Packer's Crown Resorts' licence application for the Barangaroo casino project, has revealed that to secure the licence Mr. Packer had to agree not to "associate with organised crime figure Stanley Ho." Crown had to explicitly agree to have nothing to do with Mr. Ho in order to secure the licence for his casino at Barangaroo from the state government and liquor and gaming regulatory authorities.

Despite this caveat, Mr Packer

is in business with Mr Ho's son Lawrence in Macau and Philippines through the business Melco Crown, though Crown has made it clear that there is no business connection between Lawrence Ho and his father.

"To the extent to which it is within its power to do so, Crown will ensure that it prevents any new business activities or transactions of a material nature between Stanley Huang Sun Ho or a Stanley Ho associate and Crown, any of Crown's offices directors or employees or any Crown subsidiary," the

agreement states. Crown also agreed to prevent "Stanley Huang Sun Ho or a Stanley Ho associate from acquiring any direct or beneficial interest in Crown, a subsidiary of Crown, Melco Crown or a subsidiary of Melco Crown."

"Stanley Ho has been accused by US regulators of connections to Chinese organised crime triads, strong ties to North Korea and involvement in money laundering activities," Mr Kaye said. "The provisions that have been hidden from the NSW public supposedly erect a barrier between this state and the corrupt practices in casinos like Macau."

Mr Ho has long denied any wrongdoing or association with criminal organisations.

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VANUATU – SIX STAR CASINO HOTEL APPROVED

The government in Vanuatu, an Oceanian island nation located in the South Pacific Ocean, has signed a ten year gaming licence into agreement, for a six-star hotel and casino development.

Finance Minister Maki Simelum has approved the licence with the directors of Jewels Casino and Iririki Island Resort, located on an island close to the Port Vila waterfront.

Mr. Simelum said the casino sector could be one of the major sources of revenue for the government and hopes the casino will attract wealthy tourists from around the world to use its facilities.

The archipelago already boasts three casinos. The six level Grand Hotel and Casino, which is the tallest building in Vanuatu, comprising 74 rooms overlooks the spectacular Port Vila harbour whilst the Palms Casino is located in the newly branded Holiday Inn Resort Vanuatu. Club 21 Casino Hotel is also located in Port Vila with a 4,500 sq. ft. casino floor featuring 100 slots and five table games. The online sector is also coming into play in Vanuatu.

CHINA – MGM DELAY COMPLETION OF COTAI CASINO

MGM China is delaying the opening date of its US\$2.6bn MGM Cotai from early 2016 until the autumn of 2016. The Cotai Project will have 1,600 hotel rooms, 2,500 slot machines, and up to 500 gaming tables with a budget of approximately HK\$20bn, excluding land cost and capitalised interest.

The Cotai Project will feature over 85 per cent gross floor area of non-gaming offerings, including restaurant, retail and entertainment attractions and remains on schedule to open during the first half of 2016. The Group is also looking at other opportunities to include additional non-gaming offerings at the Cotai Site.

Jim Murren, Chairman and CEO of MGM Resorts, said: "The construction of MGM Cotai is progressing well and is on time, and on budget, for a fall 2016 opening."

Grant Bowie, Chief Executive of MGM China, added: "We are just refining the plans; we're very comfortable working with the contractor that we have now got."

The operator has already spent US\$81m on the project.

MGM China earned net revenue of \$794m, a two per cent decrease compared to the prior year quarter; VIP table games revenue decreased 19 per cent due primarily to a decrease in VIP table games turnover of 19 per cent compared to the prior year quarter, as well as a decrease in hold percentage to 2.7 per cent in the current year quarter compared to 2.8 per cent in the prior year quarter.



Insight CASINO DESIGN

Refurb your enthusiasm

UKCasinoChecker's Paul Sculpher travels the length and breadth of the UK reviewing casinos, and has seen his fair share of 'interesting' casino design. Here he recalls the huge variety of styles out there, at every stage of their refurb cycle – and notably, some sites that perhaps don't have a refurb cycle at all...



It is fascinating among the bigger casino chains to see the evolution of the product over the years, and having been involved in the business for 20 plus years, Paul Sculpher of UKCasinoChecker continues to enjoy the throwback touches that you rarely see and, in some cases, wonders how they ever existed in the first place.

Personally – maybe due to where I trained as a dealer about a million years ago – I'm a bit of a sucker for the old school, gold-effect latticed ceilings that used to be everywhere, although there are only a few relics left with this design feature. One site that used to have such a ceiling was the old Golden Nugget off Leicester Square, now sadly closed – although if you look hard enough, there are a still a few out there.

The most interesting facet of touring the whole UK casino landscape is the evolution of the casino look as a whole. 25 years ago, before companies started trying to recognise, in the context of gambling in general heading towards social acceptability, that there was potential to open the casino world up to the general public, the majority of UK casinos were low ceilinged, smoky, dark affairs with a preponderance of serious faces, staff dressed formally and an atmosphere if not of danger, then at least of some serious business. Bars were there as a tertiary activity (and of course drinks weren't allowed on the gaming floor) and restaurants, where they existed, were generally pitched as mid to high-end A La Carte offers. It was all about gaming.

The first round of improvements and attempts to pitch the offer more into the mainstream began with some casino relocations towards the end of the millennium. The new sites, with Grosvenor Newcastle being the first to my memory, were much larger, and much, much brighter. The idea was clearly to de-mystify the casino experience, bringing it out into the sun, so to speak. More upscale bars with staff dressed in a more casual uniform (including, memorably the most hideous piece of clothing ever designed in the original Grosvenor "Splodge" shirts), a simplified (some might say dumbed down) menu that could be cooked by people more or less on minimum wage, and a shift towards a higher standard of customer service were the notable changes. Where a few sites went, many followed and essentially there was a major shift towards larger, brighter sites, often further from the town and city centres, with parking available and operations geared up towards many thousands of admissions per week.

So did all this change light a fire under the industry and galvanise a quadrupling of GGR? Well not entirely. As one might expect, the designers got some things right, some things were irrelevant and some things were downright wrong. While the course of legislation certainly had a notable effect on casino design, the most striking part in my opinion of where the offer was pitched wrongly was the lighting levels.

If a current casino regular – or executive – were to wander into one of the new style casinos of 2001, the first thing they would notice was the blinding (relatively speaking) light levels. In those days it was all about transparency, with a brightly lit gaming floor showing there's nothing to hide here, nothing underhand, everything is wholesome and out in the open. Recessed blue and red neon in the ceiling was a particular favourite – which if overdone could lead to a slightly unhealthy

look to people on the floor – and generally you felt like you were in an operating theatre.

The second wave of casinos in the latter part of the 2000's – I can't quite bring myself to say the Noughties – took a different approach. Starting (to my memory) with Aspers, also in Newcastle, casino designers started to go a lot darker. In retrospect – having seen both versions – it seems pretty obvious, heading into a modern casino these days is much more atmospheric experience. My view is that even first timers want a casino experience to feel, if not dangerous, then a little bit – well – edgy, as if it's something genuinely different. Then they can head to the bar and have a drink (if the bar is close to the gaming) while watching this new, unfamiliar, exciting activity and get used to their surroundings. Of course, it's also worth bearing in mind that



Paul Sculpher
UKCasinoChecker

Something of a casino geek, and having been a self-employed casino consultant for the last six years Paul can't help dropping into casinos wherever he goes in the world. Eventually, after visiting half the casinos in the UK, he decided to make some use of his obsession with www.ukcasinochecker.com, a website reviewing every casino in the UK. It started as a bit of fun, although the ambition is for it to become the authority site for people looking for information about UK casinos.

people, generally, are much more attractive in a more subdued light level, and that's likely to make everyone feel better about a casino visit.

Coming right up to date, the most recent casinos to open in the UK such as the new Genting sites in Sheffield and Southport and the newer Grosvenor Casinos in Reading and Southend have moved the concept on a little. The level of detailing has moved up a notch, and of course both of the major operators are moving towards a total brand offer, with recognisable elements common to multiple casinos, such as Grosvenor's Gold Room – presumably for VIP players, although I have yet to see one in use. Designers are bringing in fun elements, like the table top media stations at Genting, and one of the best I've ever seen, the motion sensitive big screen display at Grosvenor Casino Southend supplied by Crab Creative.

Nobody ever went bust underestimating the intelligence of the casino punter, and this type of feature – a huge screen behind the bar that reacts to customer movements in front of the bar – is exactly the sort of thing that will pique the interest of the first timer.

Whilst on the subject of first timers, it's interesting to see a newer approach to casino signage. In times gone by, the only signage would have been a fairly mystical reference to a club of some sort, while now – assisted by legislative change – operators are far more direct. Any new casino will tell you on the outside what goes on in the inside on the main sign, which in retrospect seems a pretty obvious move, of course. The interesting semi-exception to this rule is the larger Genting sites. It's something of a mystery to me why the larger sub-brand of Genting are named "Genting Club" – somewhat obfuscating the purpose of the place to people who want to play – but these sites too list the contents of the building for all to see.

Another focus of casino design has tended to be making flexible space. With a little more room to work with in places like Southend and Sheffield, building in flexibility can help to future proof these large investments. Why fit out an area so that it can only be used as, for example, a poker room when you can design it such that it could, on different days or even day parts, be used for functions, business meetings, overflow poker, a buffet area or even more exotic pursuits like fashion shows and the like.

There is, quite rightly however, something of a balance to be struck between providing an environment enticing to first time players, while still comfortable for regular, transactional players who, after all, come to the casino to play. The 80/20 rule is likely in effect – 80% of income coming from 20% of the players – and to compromise the heart of the business to facilitate the players of the future is a dangerous approach. Certainly the lower lighting levels suit everyone – as long as the tables themselves are well lit – but thought needs to be given to all elements, for example the location and soundproofing of stage areas. I'm not much of a player, but I've walked into one or two larger casinos and walked straight out again when there's a noise like a cat being tortured with a rusty spoon emanating from the stage and interfering with the game on the tables. Old casino staples like not having clocks were there for a reason – it's not manipulative as such to stick with these principles. The lack of natural light is another approach from decades ago, but certainly it's quite off-putting to play in a casino with natural light streaming in through the reception area, particularly in the summer when it just doesn't feel like a casino even as late as 9pm.

As with every element of design, the whole process is a never ending story of changes, some of which work and are widely adopted, some of which fail and are never considered again (cinema in a casino anyone? Thought not). Whether there's genuinely an opportunity to bring the UK casino truly into the main stream and jack up that stat saying that only 3% (or whatever your local casino executive uses) of UK people have ever visited a casino remains to be seen, but the designers are certainly headed in the right direction. Removing the FOBT casino-style machines from every street corner would be a start, but that's a whole different story

Interview

ALBERT RADMAN - ALFASTREET

Adding to the gaming mix

At the G2E show in Vegas, multi-player specialist, Alfastreet, announced the signing of a deal with Philadelphia-based KGM to distribute Alfastreet's diverse product portfolio in the US. G3 spoke to Alfastreet's Albert Radman about the new relationship and the forthcoming launches from Alfastreet

Alfastreet has signed a distribution agreement in the United States with KGM, what are your goals in the market? How do you build a multi-player appetite with players and operators who have resisted in the past?

Our goals in the US market are same as everywhere else, to dominate the ETG market. In our past 20 years, we were very successful due to our dedication, fairness and sense of what needs to be done to stay ahead of competition. KGM is a great company which will help us establish ourselves on the US market, and make sure all the operators know about our brand and all the advantages we can offer to them.

The ones who resisted, actually resisted to a different brand, with different product and definitely different approach. That is why we expect very little resistance, as we can state numerous advantages to our product. We combine all of this with great terms, impeccable support and a personal touch by KGM, that's why we are confident that we will repeat the success we achieved in Europe, Africa, Asia and Latin America.

Before entering any market we study the players, their habits and environment. We study the legal side of local gaming and the expectations of the operators. We study the history and the present and we try to predict the future developments

What is the tipping point that will shift the market in the US into a multi-player market? How crucial is your distributor in enabling this change?

The fact is, the US is not an ETG market. I've seen casino players asking what a roulette game is. To us, this means we will have to roll up our sleeves and work even harder to bring the players to our machines.



"The package Alfastreet offers to the operators brings them better profit, with no upward financial commitment.

We should have been on the market [in the US] years ago, but we were too busy filling the orders from the rest of the world, therefore making a great mistake of neglecting the market. As mentioned before, our primary goal eventually became to dominate the world's ETG market and not "only" sell great numbers of the machines. Now we are coming to the US without compromise and this time is as good as any..."

Albert Radman, Alfastreet

Interview

ALBERT RADMAN - ALFASTREET



Casino players are creatures of habit, and we are well aware of this fact. On the other hand at Alfastreet we know what needs to be done, to bring these players to our tables. That's where KGM steps in. Their role is crucial as they are a very reputable company on the US markets. Their goal is to bring our products to the Casino floors together with Alfastreet, making use of our proven recipe, and ensure our machines are tried and accepted by the operators. Our confidence in our product and in our distributor allows us to offer very attractive terms, as our primary goal is to establish our presence and consequently dominate the market.

Do you create a new product for the US market, or is the current range perfectly adaptable to US multi-player gaming?

Before entering any market we study the players, their habits and their environment. We study the legal side of the local gaming and the expectations of the operators. We study the history and the present and we try to predict the future developments for that specific market. At the end we modify our games, making sure they are

KGM's role is crucial as they are a very reputable company in the US. Their goal is to bring our products to casino floors together with Alfastreet, making use of our proven recipe, and ensure our machines are tried and accepted by the operators.

tuned to the latest detail, and assimilated to be a perfect fit on any Casino floor.

The US casino market is still struggling to shake off the recession. Is this the right time to be pushing hard into this market?

My belief is that 'recession' is often an expression manufacturers use to justify their lack of efficiency. The

package Alfastreet offers to the operators brings them better profit, with no upward financial commitment.

If I return to the question: the answer is no. We should have been on the market years ago, but we were too busy filling the orders from the rest of the world, therefore making a great mistake of neglecting the market. As mentioned before, our primary goal eventually became to dominate the world's ETG market and not "only" selling great numbers of the machines. Now we are coming to US without compromise and this time is as good as any.

Aside from better screens, faster processors and more comfortable ergonomics, are there still innovations to be created in the multi-player sector? Will we see something new at ICE from Alfastreet?

We will present some great things next year at the ICE. Although some say there is nothing more to be added to an ETG machine, we always find new ways ahead, so others can follow our path.



GCA's General Manager and SVP of Interactive Solutions, Tim Richards

GCA JOINS THE SWELLING US ACQUISITION CLUB

With an estimated 70 per cent of the cash access service sector in US casinos, GCA has opted to find a secondary way to grow with the purchase of slot developer, Multimedia Games (for \$1.2bn in cash), and compliance and efficiency software supplier, NEWave.

"The acquisition of Multimedia Games represents a gaming-relevant transformational opportunity to combine two companies with rich gaming heritages and uniquely positions GCA as an important strategic partner to gaming operators by offering them deeper and more integrated solutions across their entire gaming floor," said Ram Chary, President and Chief Executive Officer of GCA. "This acquisition further strengthens and broadens GCA's portfolio of solutions, which has been embraced by our customer base."

General Manager and SVP of Interactive Solutions, Tim Richards added: "There are many synergies in how we do business. We sell to the same customers and have complementary products. Multimedia is a similar sized company that has just a few per cent of the highly competitive slot market. We see the potential of growing that foothold, even by just a few more per cent, as being a really exciting opportunity."

Taking pride of place on the GCA stand was

CashClub, a solution that streamlines credit/debit card transaction processing and check warranty from a single dashboard interface.

CashClub is the next generation of GCA's QCP portfolio and is built on a stronger and more stable technology platform to reduce transaction time and overhead costs. Using an intuitive interface, CashClub facilitates common cash access tasks such as PIN debit cash advance, credit card cash advance, and check warranty services. Through feature enhancements to

"Multimedia Games is a similar sized company that has just a few per cent of the highly competitive slot market. We see the potential of growing that, even by just a few per cent, as a really exciting opportunity."

receipt printing and electronic storage of customer signatures and receipts, CashClub will reduce the records retention burden currently placed on casino staff.

Xchange Kiosks, GCA's multi-functional suite of full service kiosks, was also on show with cash handling technology, cash access, back office reporting tools and marketing services. NEWave

was showing innovative modules including Business Intelligence, Source of Funds and Walk with Chips log. The business intelligence module supports more than 20 new and flexible queries empowering casinos to mine for data to detect suspicious activities and possible fraud. The queries will also allow casinos to better and further research customers' source of funds. Also new to NEWave AML software is the "Walk With Chips" module, which allows casinos to automate data-gathering when customers walk with chips, saving time and increasing accuracy and compliance.

NEWave Check Prove software enables immediate comparison of checks against business rules, check-cashing history, visual check and customer ID comparisons to known good images, helping reduce fraud and protect the casino. Meanwhile, Central Credit, the leading gaming patron credit bureau in the world, makes decades of gaming credit history and transaction data on millions of casino patrons available for the casino's consideration in extending credit for marker play.

Mr. Richards explained: "We have over 300 casinos signed up to share this information on their players. Through a private data network, casino operators can obtain SSN verification, credit reports, and real-time updates on marker activity for enhanced decision making when issuing casino credit."

ALL IN THE BUILD UP FOR TRANSACT

TransAct Technologies hosted its first annual Epicentral User Conference immediately prior to the Global Gaming Expo. Acting almost as a show before the show, it allowed current Epicentral users to share first-hand the performance benefits of Epicentral

The user conference brought together current Epicentral power users to share ideas, see how users are utilising the latest system from TransAct and learn how to leverage Epicentral to generate enhanced performance across their electronic gaming machine floors and drive increased revenue in their casinos.

"We have found that current users are often the best advocates for the significant improvements that the Epicentral promotion and bonusing system is driving across their electronic gaming operations. To that end, our first annual Epicentral User Conference was an important forum to bring together users to share ideas and explore new ways to put our system to use while providing TransAct with insights into potential future enhancements that could deliver additional performance benefits for our casino partners," said Bart Shuldsman, Chairman and Chief Executive Officer of TransAct Technologies. "Epicentral is clearly delivering operational benefits for our customers as proven by the incredible real world performance data we have seen from its deployment in 11 casinos to date and we believe that by fostering a community of users focused on harnessing the power of Epicentral to transform slot floors, potential customers will seek out our system and explore the benefits it can have on their own operations."

Deployed in conjunction with both the company's ServerPort and Epic 950 ticket printer installed in each gaming device, Epicentral easily connects to all slot machines and electronic table games, regardless of manufacturer, providing unmatched flexibility and allowing operators to address their entire floor with a single solution. Epicentral is the gaming industry's only enterprise-level software solution that allows casino operators and their marketing teams to deliver targeted coupons and bonuses to players directly at the slot machine or electronic table game, all in real-time. Since its introduction, the system has consistently delivered proven, meaningful performance in ongoing floor-wide marketing programs and is currently deployed across over 10,500 electronic gaming machines at 11 casinos.



TransAct's Tracey Chernay at G2E.

To-date, customers have reported a 46 per cent average increase in slot handle the evening of a coupon-drawing promotion, a 100 per cent increase in lower-tier player average daily theoretical (ADT), a 37 per cent increase in weekday afternoon slot handle, a 14 per cent increase in average player time on device, a 60 per cent increase in new player enrolment in their loyalty programs, a 34 per cent increase in the number of returning players, an 87 per cent

Review G2E LAS VEGAS 2014

redemption rate of coupons that encourage mid-week visits, and an 86 per cent increase in points earned by players club members.

Tracey Chernay, Executive Vice President of Global Casino, Gaming and Lottery for TransAct Technologies, added: "We are excited by the success of our first Epicentral User Conference and expect the event to evolve and grow in the coming years as additional customers harness the power of Epicentral to improve the performance of their electronic gaming machines. Our customers have been extremely vocal in praising the benefits of our revolutionary promotion and bonusing system, as evidenced by the turnout at the Conference and the addition of John Strydom from Hippodrome Casino to our in-booth programming at G2E, and we believe this will help drive further industry interest in Epicentral. The entire team at TransAct thanks our inaugural attendees and we look forward to presenting a more in-depth event next year."

THE BALD EAGLE HAS LANDED

Quixant was showcasing the 'Bald Eagle,' otherwise known as the QX-50, bringing the world of 4K Ultra HD graphics to the gaming industry

4K displays, which offer four times the pixel density of high definition screens, enable developers to create games with even more vivid, detailed graphics. The QX-50 features Quixant's latest advanced PCI Express gaming logic and NVRAM with inclusive gaming libraries and drivers for smooth, rapid integration.

Also on show at G2E was the new all-in-one compact gaming platform solution, the QXi-307. Based on the next generation AMD's Embedded G-Series "Steppe Eagle" SoC with integrated Radeon HD 8000 Series graphics, the QXi-307 offers exceptional performance, efficiency and the benefit of Quixant's best of breed technology at a cost effective price point.

Both platforms present exciting new features, such as AMD Mantle and Graphics Core Next (GCN) architecture which serve to enhance the performance and efficiency of Quixant's gaming hardware for optimised games.

Amit Sharma, VP Sales of Quixant USA, said: "Quixant combines the latest PC technology with a wealth of specialist gaming features which enable customers to make a rapid



Quixant's Patricia Souto and Jon Jayal

transition to the latest Quixant gaming platform. Our proven high performance product range, high reliability, long term supply guarantee and integration of the features necessary to meet regulatory requirements in all major global gaming markets makes adopting Quixant's technology a compelling proposition."

Review

G2E LAS VEGAS 2014

Advantech-Innocode showed the very latest advancements in gaming platform designs at G2E Vegas, including the very first Xeon chipset incorporated into a motherboard for this industry

As the gaming-focused business unit of the US\$1bn Advantech Group, Advantech-Innocode was at G2E with an extensive portfolio of standard hardware products based on both Intel and AMD chipsets, including the DPX-S435, the first Xeon capable motherboard for the gaming industry.

DPX-S435 features the very latest 4th Generation Intel Core architecture CPUs up to and including Intel Xeon CPUs.

Craig Stapleton, Advantech-Innocode's Product Director, said: "With best in class CPU performance the DPX-S435 supports a huge range of price and performance from dual core Celeron, through Core i3, Core i5, Core i7 and up to Xeon CPUs. It gives customers a long life

The DPX-C710 is a new motherboard used in the revolutionary 'cassette' based system, following on from the previous generation of 'C' Series Connectbus boards, providing a high end system but still at a cost sensitive price

product. We're launching it with a guaranteed five years of production. It's also a future proof platform ready for whatever performance needs come along. Working closely with Intel, Advantech has dozens of new products coming out based on 4th generation Core platforms and the DPX-S435 for gaming is just one of many."

The DPX-EI30 is a new product targeted at the slot machine market in Italy and ready for the upcoming regulatory changes in that market. Also on show were the new DPX-SI435 a system level product based on the new DPX-SI000 enclosure. Adding a new dimension to the DPX-S series range, the new SI000 enclosure is a gaming system logic box designed to accommodate any of Advantech's DPX-S series motherboards in style and with excellent access to the interior behind a casino grade key-locked lid. It comes with a card slot bay for a PCI-Express graphics card that is wide enough for today's high powered double-width graphics cards giving the customer



Advantech-Innocode's Craig Stapleton

ADVANTECH LAUNCHES FIRST INTEL XEON GAMING BOARD

the ability to upgrade from the integrated graphics or add up to seven more monitors. For mass storage the system includes a quick release carrier with shock mounting for solid state disk or hard drive.

The DPX-C710 is a new motherboard used in the revolutionary 'cassette' based system, following on from the previous generation of 'C' Series Connectbus boards, providing a high end system but still at a cost sensitive price point. The C710 provides an exciting, new and rich feature set for customers in the industry.

Craig Stapleton, Product Director: "Advantech-Innocode pioneered the backplane architecture for Gaming back in the 90s and following market demand have refreshed this roadmap to provide a new product offering."

Advantech's growing line of industrial LCD monitor products (IDS) were also on show. With

screen sizes available from seven inches up to 55 inches and beyond the IDS range includes the latest technology products for high visibility, touch screen, sunlight view ability and ruggedisation.

Several wide format high performance LCDs from Advantech's industrial displays line were also on show. Whether as a button deck, top box screen, or as part of progressive or bonus systems these non-traditional format LCDs can fulfil a wide range of applications in gaming. Touchscreen are available on most models to enable user input.

Mr. Stapleton added: "We've developed two teams under the Advantech-Innocode umbrella, one focusing on the development of branded products and one concentrating on ODM projects following up on customer requests. This lets us commit to more and more ODM projects while at the same time developing Advantech-Innocode's roadmap of branded gaming motherboards."



Global Gaming Expo in Las Vegas, stating that Advansys' products improve the management of a casino floor by enhancing profitability and increasing players' entertainment and retention.

The latest, Nexio CMS, has now been tested and certified according to GLI standards. Ms. Stolfa described it as the company's most advanced CMS platform, delivering ultimate user experiences across all system modules from slots to tables, from simple tasks to the most complex analytics or marketing campaigns.

Casinos benefit from a whole new level of product with faster, wider and deeper comprehension of all CMS data. The two system generations mean that Advansys now has product suitable for small and large casinos with 1,000s of slots and 100s of tables, which can be easily managed to increase revenue and optimise costs.

MAKING ADVANSYS IN SYSTEMS

Advansys was showing its full range of Advanced Casino Management System (CMS) solutions for slot machines and table games, including a new generation of CMS products and Nexio, the ultimate CMS solution.

Launched towards the end of 2013, the Advansys Nexio was created with the aim of delivering advanced solutions to Advansys' customers.

Tina Stolfa, Regional Sales Manager at Advansys described the benefits of Nexio at the

HIGH 5 CELEBRATES 100TH GAME AND MUCH MORE

An abundance of High 5 Games titles released to social and land-based environments in the last couple of months were on show at G2E

High 5 Casino hit a major milestone in the build up to the show with the release of its 100th slot game, Aegean Sunset. In September 2012, when High 5 Casino first launched on Facebook, it offered players 14 premium slot titles from land-based casinos. Now, less than two years later, High 5 Casino's offerings have skyrocketed to 100 slots featuring a mix of classic titles from land-based casinos and never-before-seen titles designed for all gaming markets. Its games are played in 150 countries. It operates the highest rated social casino on Facebook (High 5 Casino, with nearly two million monthly players) and the largest Asian-themed social casino (Shake the Sky Casino, with over 500,000 monthly players).

Platinum Fashion and Disco Nights were both recently released to land-based casinos through IGT, meaning the land-based slot giant has now taken over 130 titles from High 5. Platinum Fashion lets every player be a cover model and features Tumbling Reels and Mystery Bucks. Players get to relive the hair, fashion, and music of the 70s in Disco Nights! Featuring Lucky Symbols and a Free Spins Bonus, this game is sure to have everyone doing The Hustle across casino floors.

Patrick Benson, Vice President of Integrated



Patrick Benson, Vice President of Integrated Marketing at High 5 Lorin Jameson

Marketing, said: "All our games are portable across all platforms. Moonlit Mermaids debuted as the first game to have release parity between High 5 Casino and Shake the Sky Casino on Facebook, as well as High 5 Casino for iOS. For the first time ever, players were able to enjoy the same game across multiple platforms upon release."

Enchanted Realms has been released to land-based casinos through Bally Technologies and also released for social play at High 5 Casino. Enchanted Realms showcases Super Symbols, a High 5 Games fan-favourite feature made popular by Ocean's Glory, and Split Symbols.

Other new games included La Torera Roja, Celtic

Courage, and Club Caliente all of which had their first placements at the social casino.

Shake the Sky welcomed an additional four new games including Da Vinci Ways, Dragon Showdown, Fortune Cat's Summer Vacation, and Talon and Dove. Da Vinci Ways is a new take on High 5 Games classics Da Vinci Diamonds and Double Da Vinci Diamonds, featuring Tumbling Reels and 243 ways to win. Dragon Showdown features the Bonus Select with Wild Multipliers. The sun and fun of summer never have to end in Fortune Cat's Summer Vacation, where 1024 ways to win and free games keep the good fortune coming all year round. Finally, Talon and Dove is a thrilling futuristic title with Re-Spin on Win where bigger wins award more re-spins!



INTERBLOCK BREAKING INTO NEW STATES

Interblock USA has made great strides since the company gained its Nevada licence with doors opening in several states as a result. One, Pennsylvania, recently saw the launch of Big3Six at Firekeeper Casino.

Kristine McDonald, Account Executive for Midwest region at Interblock USA, commented on the launch of the Big3Six Game: "This was another successful evening for Interblock. 300 players tested the Big3Six Game over a three hour period and wanted to play more. We were able to teach every single visitor how to play our game and make our customer very happy. We are looking forward to creating further winning events in the future."

This install followed Interblock's first product in the state of Pennsylvania at Mount Airy Casino Resort in the Poconos with the launch of G4 Organic Roulette, a fully automated version of the Roulette game.

Danny Ouellette, Director of Sales at Interblock USA, said: "We have been working with our customers on entering this state for over two years now and we are looking forward to placing many more banks of games in the very near future. The customer base in Pennsylvania, especially Mount Airy, seems as positive as we are about adding our new roulette games to this market. It will be a fun new way to enjoy entertainment like never before."

The company has tasted success recently on the Las Vegas Strip too with its Interblock Holograms range. Based on 3D technology, the solution provides a new way of projecting video to create

the illusion of life-size, full colour, 3D moving images. The G5 IB-HG 55" LCD is the stand-alone gaming machine, connected with up to five Play Stations. The mind of the audience creates the 3D illusion with Baccarat, Blackjack, Multi-hand Blackjack all now available along with the Lucky Nines and Lucky Aces as side bets.

Marketing Manager Lauren O'Brien explained: "Hologram is now live at The Quad where they're playing multi-hand blackjack in a totally customised gaming lounge. We're excited to be developing a hologram solution for MGM which will come complete with stadium seating."

The sporting feel was continued with Touchdown Roulette, a Side Bet for roulette that improves the Hold on existing roulette games. The Side Bet is themed around American Football and does not interfere with basic Roulette play. Players can follow all the Football action with stunning animation and sound on a separate LCD display. A Roulette result of 0 or 00 triggers the Football game with the game lasting four spins. The colour of the next four roulette results determines the direction the football moves, towards the Red or Black end zone, and the bigger the roulette result the more yards the football moves. The goal of Touchdown Roulette is to score a Touchdown. The closer the team gets to scoring a Touchdown, the more the player wins, with a Touchdown paying 1000:1.

Aside from this, Interblock was showcasing its G5 Product line at the 2014 Global Gaming Expo with the G5 StarBar, a brand new solution, designed for installation into a bar counter with an option to be connected to all Interblock Mechanical Generators, and Interblock Live Tables. G5 MiniStar Roulette was also on display as the

smallest and best performing 5-seat product available on the market. It is built to accommodate any casino floor size with a much smaller footprint. Players benefit from a mystery progressive Jackpot system; Golden Chip, fast result detection, additional Side Bets and excellent roulette wheel visibility.

Tom O'Brien, CEO at Interblock USA, said: "This has been another fantastic show for the Interblock team. We had a great booth and great customer visits with a lot of potential. It's been an outstanding show again this year and thanks to all of our team members and customers for making it another success."

Daniel Oullette, Director of Sales at Interblock USA, added: "We were able to show the core products in the booth. This alone was a great change for us and against our competition as most of them are many months away from new products that were shown to be ready for the field. Our StarBar was a huge success as every customer that reviewed it with us left the booth saying: "Wow, this product is awesome and these guys have got it together."

Tony Laielli, Senior Account Executive, for Eastern Region at Interblock USA, commented: "This year's show was very busy with the exciting Mini Star Roulette and StarBar units with Multi Play technology. Many customers were excited and contemplating, when could they install these on their floors. The simultaneous wagering was a huge attraction to the potential customers who are looking for exciting new options to increase their coin in and Win Per Unit figures. The Touchdown side bet and Golden Chip Mystery Progressive Jack Pot offerings were also a hit."



Review

G2E LAS VEGAS 2014

MATSUI READY FOR RFID SURGE

Matsui readies the launch of a new gaming chip that it claims is 'impossible to duplicate' alongside a new faster RFID solution from its Korean gaming team

Matsui was at G2E with news that its South Korean team was developing a 1356 RFID solution for its range of chips. It was also showing a new range of Premier Decal chips, a cross between a plaque and a chip with live

security in three colours. It was also launching its MG EYE Scanner. Matsui's Dave Holt said: "The RFID technology is now very much in development. We're hoping to make an announcement soon, but it is likely to be launched in Korea first. The Premier Decal Chip is a real top of the range chip/plaque hybrid. It's shaped like a rectangular plaque, but the feel and sound is just like a chip. THE MG EYE Scanner uses a unique decal printing method, exclusive to Matsui, allowing us to create a gaming chip that it is impossible to duplicate. When chips are projected by lens, a printed logo with special ink appears on the LCD screen. Plus, the production time is unchanged from that of non-MG EYE chips."

SUZO HAPP SERVICING BOTH ENDS OF SPECTRUM

Suzo Happ had a vast array of product on its stand from the perfectly simplistic USB Charge N Play socket to the futuristic InteractivePro Table.

The big news for InteractivePro Table with its 10-point multi-touch experience is that MGM Grand has bought 20 for its MGM Grand and The Mirage properties.

Excellent for gaming, betting, television, video and interactive entertainment in bars, casino floors, hotel suites, restaurants and lounges, it comes with proprietary InteractiveProVision Platform and Application that allows up to four user screens at the same time.

Tom Mikulich, Senior Vice President of Business Development for MGM Resorts, said: "We have invested a great amount of effort in reaching the younger demographic and we believe that including the InteractivePro Table in our strategic initiatives will revolutionise how generation X and Y experience MGM properties. If all goes to plan, we are looking at additional units across multiple MGM properties in the next year. This will enable us to have a stronger integration with customers using our current interactive platforms."

The InteractivePro Table was originally developed for the Australian sports betting and wagering market, allowing its players to watch sports and access their betting account while at the IPT. Since its inception the table has evolved to a more sophisticated interactive entertainment product.

The InteractivePro Table was also be used to



Suzo-Happ Marketing Manager Laura Melesio

demonstrate The MGT Sports platform, a daily fantasy sports online gaming platform.

MGT Sports can customise a version of its popular DraftDay (www.draftday.com) software to permit branding by third parties, and also ensure the network integrity and player liquidity of the Company's full network of daily fantasy sports sites. In addition to DraftDay, positioned as the 3rd largest operator in this burgeoning sector (based on player activity, guaranteed contest sizes, and similar metrics), the MGT Sports network includes FanThrowdown.com and VegasInsider.com.

Robert Traversa, MGT's Chief Financial Officer, said: "The MGT Daily Fantasy Sports Network provides a risk-free way for brands to enter the daily fantasy sports space. Our technology team can create a 'white label' offering with the full feature set expected by gamers, and the compliance needs of operators."

Darren White, Executive Vice President & General Manager of SHIFT Interactive, a subsidiary of Suzo Happ, added: "We are excited to offer daily fantasy sports gaming through MGT Sports as a feature on our innovative product. We continue to develop new capabilities and solutions for our customers as a leading innovator of interactive technologies."

Right at the other end of the technology spectrum, the USB Charge N Play could also prove a big seller, adding USB charging facilities for mobile phones to slots, tables or the entire gaming floor.

Marketing Manager Laura Melesio said: "The really basic concept is that players will be drawn to play where they can charge their mobile phones whether it's a slot or a table game. The device is designed to mount easily to wood or plastic surfaces. It's just another way to increase time on device."

Review

G2E LAS VEGAS 2014

GPI's Maricela Maciel with game developers Max and Jim Eiteljorg

Gaming Partners International unveiled a host of new deals, new chip security technologies and its newly acquired Gemaco range at G2E Las Vegas

Gaming Partner's International has just signed up to distribute a new table game based on Count's Kustoms, a one-of-a-kind hot-rod and chopper customisation/ restoration shop located in the heart of Las Vegas and owned by Danny 'Count' Koker.

Both the shop and the Count have become famous through an American reality TV show, Counting Cars, which is the third spinoff of Pawn Stars, filmed in Las Vegas. It follows the daily activities at Count's Kustoms as they restore and modify classic automobiles and motorcycles.

Maricela Maciel, Director of Global Marketing at Gaming Partners International, said: "We were delighted to secure distribution of the Count's Kustoms table game pretty much on the eve of this show. It's basically a variation of blackjack complete with a side bet and a bonus spin. We will be building and distributing the game for its developers, who have already had a successful install at Tropicana on the Strip."

New technologies out at this show included the B&G V-Series, a line of injection moulded chips produced with a new chip material formula that is more durable and also includes ChipShield, an antimicrobial that helps keep chips cleaner longer.

Count's Kustoms wasn't the only new signing for GPI's new season. Playing card manufacturer Gemaco was snapped up in July for US\$19.75m.

Mrs Maciel added: "Bringing Gemaco's range of two paper lines; Traditional and Alpha, and two plastic lines; Proflex and Superflex into our portfolio alongside our Paulson range really complements our suite of products, whilst increasing our marketshare in North America for both segments of recurring revenue. It also expands our manufacturing capabilities in North America while adding recurring layout sales to our Asia Pacific business."



GAMING PARTNERS WATCHING WHEELS WITH COUNT'S KUSTOMS

GPI President and CEO Greg Gronau added: "We are pleased to have such a wide range of new and innovative products to showcase at G2E this year. Of great significance, is the addition of Gemaco brand playing cards and layouts.

"The acquisition of Gemaco in July has allowed us to offer our customers a wider selection of quality table game products to meet their ever changing operational needs. Additionally, we will be introducing a brand new B&G chip line and a number of innovative currency security features that provide customers with new currency options and valuable security features to protect their money," said Mr. Gronau.

The journey in terms of chip production is never ending for GPI. "Counterfeiting in Asia really drives our Research and Development teams," Mrs Maciel explained. "New technologies out at this show included the B&G V-Series, a line of injection moulded chips produced with a new chip material formula that is more durable and

also includes ChipShield, an antimicrobial that helps keep chips cleaner for longer. The V-Series chip moulds are designed to offer more versatile designs and can be produced with either an A or B sized decal."

The 3-in-1 UV, meanwhile, is a security taggant that remains invisible under standard UV wavelengths. Because it can be added to plastic injection-moulded chip materials, it is easy to validate chips with a specialised tool when placed in stacks or racks. 3-in-1 UV also offers three levels of authentication, including a forensic verification using Scanning Electron Microscopy.

Another new technology; SecuriFilm sees a decal security film with a semi-transparent hologram-like effect enabling quick dealer authentication. SecuriFilm can be easily authenticated at the table and includes an additional covert feature enabling a higher level of back-of-house validation.

CENTRAL LOCKING ONTO ASIA

Having launched at ICE Totally Gaming in London, Central Gaming was in Vegas for the first time where it was closing in on a distribution deal that could see its Multi Wheel technology explode into Asia

Central Gaming's Andrew Davies said: "We're very close to completing a really exciting deal with a huge Asian manufacturer. Whilst we can't quite reveal the details yet, we should be making an official announcement at the Macao Gaming Show."

The new manufacturer was showing three games all based on the same concept; a triple wheel all spun by the dealer at the same time, made up of three concentric wheels that rotate

independently, each with 52 slots for players to bet upon. Colors Triple Wheel offers a house advantage of 6.6 per cent with bets available on the win line showing a single colour or two or three of the same colour with payouts of 55 to one for three Reds and up to 100 to 1 for three whites. Dice Triple Wheel, is a new way to play a game of dice. It combines the variation of complex card games with the appeal of roulette – style, wheel-based result delivery. A third game, Luck and Fortune has been created to incorporate a Baccarat theme with more betting opportunities without the worry of the drawing rules.

Mr Davies added: "Alongside installs into casinos in the UK, we've had plenty of interest already from Macau and Singapore and even



Andrew Davies and Les Meddick

from TV Studios in the UK that offer roulette-style betting. All of our games offer a simple and easily understandable play mechanism for the customer and simplify the casino's delivery of games."

BUSINESS AS USUAL AS FUTURELOGIC DETAILS SLS

Recently acquired by JCM Global, FutureLogic, like many companies at the Global Gaming Expo in Vegas, was staying tight lipped about the deal

FutureLogic did, however, have a familiar message at this year's show, having just kitted out the latest casino to open in Las Vegas; The SLS Las Vegas. Nearly 800 slots have been equipped with FutureLogic's GEN3 Evolution advanced promotional couponing and TITO printer.

Rob Scherillo, VP of Casino Marketing at SLS Las Vegas, said: "We exhausted all options in search of the best-in-class gaming printer that mirrored SLS' model of top tier service and luxury standards. We were particularly mindful of selecting a product that was designed with an eye for the future and it quickly became evident that the GEN3 Evolution printer was the most advanced ticket printer in gaming, making FutureLogic the clear choice. The GEN3 Evolution provides us the style capabilities of printing eye-catching and high quality coupons along with TITO tickets and offers the efficiency to increase ticket capacity with added storage. This has allowed us to reduce our operating costs while maintaining the style, luxury and service for which SLS Hotels are known."

Nick Micalizzi, Vice President of Sales and Marketing, North America. "We have over 1.6m TITO printers installed worldwide, and that's more printers than all other manufacturers combined. We estimate that more than four

billion tickets per year are printed via FutureLogic printers across North and South America, Europe, Asia and Australia."

Working closely with operators, FutureLogic has also recently launched several ground-breaking solutions unleashing the cost-saving potential of TITO to casino table games and the AWP, LPM and street gaming machine markets. The Ticket2Go ticket-out solution for AWP games helps eliminate coin refills and increase machine uptime, whilst the FutureLogic TableXchange printer/scanner brings TITO to table games by enabling players to use cashout vouchers at table games.

John Edmunds, Chief Marketing Officer, said: "We've just installed TableXchange into Panama with a number of trials, whilst Ticket2Go is performing well in the UK. Stateside we're making good progress with our PromoNet couponing solution that offers casino operators the answer today."

The PromoNet solution's unique features allow casinos to identify and reward high value players (both carded and uncarded) instantly, right at the game without any delays. The PromoNet solution also enables casinos to create, analyse, and modify highly customised promotions for optimum effectiveness and to conduct business analytics and generate reports – all of which helps casinos improve their bottom line.

Mr. Edmunds added: "At FutureLogic we strive to put customers first in all that we do. This means



FutureLogic's John Edmunds at G2E.

direct global sales and support coupled with in-depth local knowledge," said. "Choosing FutureLogic is not just about specifying a reliable, high performance printer or couponing solution – it's also about the world-class support behind the FutureLogic name. From the design and development of our award-winning products, to providing the very best technical support and customer service in the industry, our passion for quality, innovation and service is second to none."

KONAMI UP FOR THE FIGHT WITH MIGHTY GAMES

G2E was the launch pad for Konami Gaming's Neo Contra themed video slots, marking the first ever release of Konami Digital Entertainment video game IP to the casino gaming industry

Rooted in a 42-year heritage of world-wide gaming hits spanning everything from Frogger to Metal Gear Solid, Konami is now bringing its iconic entertainment legacy to slot players with two premiere Neo Contra game themes on KP3: Mighty Warrior and Supreme Samurai. Each theme comes equipped with a 4-level standalone progressive, as well as proven Konami game mechanics such as Xtra Reward and cascading reels to generate excitement with a broad range of slot players.

Neo Contra is featured on a custom Podium cabinet with exclusive machine features such as an expanded top box, eye-catching dual topper, and Konami's new 3D Sound System, which harnesses all the power and awe of 3D audio technology while eliminating the need for separate in-chair or rear-satellite surround sound speakers.



Matt Reback, Vice President of Marketing at Konami, said: "The release of Neo Contra is important because it sends a message to the industry that Konami is uniquely positioned to combine a library of popular video game brand IP with our dependable math models and reliable hardware to create yet another way to deliver more to the operator. Additionally, brands like Neo Contra provide one targeted way for operators to attract and entertain coveted Gen X and Millennial patrons, as well as core players who enjoy the action adventure genre."

Konami also unveiled an all-new stepper cabinet with increased processing power and

visual design capacity called Advantage 5X. Its debut release themes, Mighty Thunder and Jungle Coaster, display vivid video elements in the upper screen and new lower touch screen, allowing for vertical graphic interaction from the top screen, down through the reels, and into the bottom touch screen. In addition, Konami brought a record number of new game themes to G2E for guests to try for the first time, and new standalone progressives including Hammer Festival, Engine Ablaze, Rapid Blitz Riches, and Fiery Sunburst.

Jeffery Inman, corporate slot director at Laguna Development Corporation, reviewed the Konami stand at G2E, saying: "A lot of casino games are what we call '90-day wonders' performance shoots up out of the gate and comes right down, but what makes Konami unique for me and my company is that Konami has a real history of finding games that produce, and continue to produce. Players are really going to love these new games coming out of G2E because they maintain the Konami math that our customers love, but it's presented in new and exciting ways. I believe that Konami has the most consistently performing, most desirable product offering in the industry."

The company's Dungeons & Dragons games are also now available in two rich fantasy themes including Conquests and Treasures and Enchanted Riches, complete with a themed bezel with glowing runes, faux stone design elements, hand painted 3D dragon toppers and a variety of sign packages including one with a large rotating red dragon.

DEQ'S HAT TRICK OF NEW GAMES

DEQ Systems was launching three new table game titles during G2E with Showdown Poker, Win, Place & Show and Player's Choice 21.

Showdown Poker is a derivative of poker with the advantage of making the best two cards hand. Win, Place & Show is a horse race style card game on a Sic-Bo size table. Player's Choice 21 is a mix of blackjack and poker with three cards.

Joseph Bertolone, President and CEO, said: "This is a very exciting time for DEQ, our pit and table technology solutions continue to evolve and lead player engagement innovation as we focus on new solution suites. We look forward to working with new and existing customers as we work to unlock new sources of potential revenue to the casino floor."

DEQ was also showcasing new solutions and software releases, including its Digital Display

Solutions, the Upgraded Real Link 3.6 and a Progressive Double Betting Spots table top solution.

DEQ's Digital Display suite of solutions allows players to quickly and visually analyze current table trends and activity for baccarat. The company's latest upgraded version of Real Link builds on successful installations in the Asian market with improved reporting, progressive management features, and inter and intra property options. The company also introduced a new Dealer Interface solution with a completely new and intuitive LCD based platform, improved order of operation and added security features which will improve hands per hour and dealer operational efficiencies.

Mr. Bertolone added: "Our new solutions, software and game content are designed to help our customers drive revenue in the pit. Our product development team has worked closely with our customers to provide the next generation of progressive bonusing solutions to



Joseph Bertolone, DEQ President & CEO

the market. DEQ is focused on delivering player engagement products and solutions that drive revenues, open up new sources of potential revenue and help customers gain a competitive edge in their respective markets."

INSPIRED CLOSING IN ON VIRTUAL BREAKTHROUGH

The focus Stateside for Inspired Gaming is its hugely popular Virtual Sports offering with the game of Basketball added to its portfolio for the first time in Las Vegas proving a hit with visitors

The focus Stateside for Inspired Gaming lies not with its VLT range, a product where inspired is a leader in international markets, but in its Virtual Sports offering. Inspired added Basketball to its roster for the first time in Las Vegas and expects this 11th game addition to its games line-up to help break the US market for its Virtual Sports product.

Inspired's Founder and CEO, Luke Alvarez, said: "We're delighted to say that we will be announcing our first Virtual deal in the US very soon. We've signed agreements at this show and are very excited to be entering this new market for Virtual. We've launched a range of Virtual products, including 11 sports and four numbers games to land-based, online and mobile operators in 35 countries around the world. We're the sole provider of Virtual Sports to the UK, Chinese markets and we have over 90 per cent of the market leader in Italy, Europe's largest Virtual Sports market.

"Our Multi-Game Virtual Football product is live in mainland China with the China Sports Lottery and we've just secured our first Virtual Sports customer in Colombia, GENTEC, part of the Betancur Group and in the Philippines, with DFNN."

Italy remains the undoubted success story with Inspired's high-frequency Virtual Sports available in 7,000 Italian betting shops and corners, where they are already generating more than \$1.5bn of annual turnover. In the last two years, Inspired has signed Virtual Sports deals in Italy with all major Italian operators including SNAI, Lottomatica, Sisal, Eurobet, Cogetech, Intralot, Gamenet and Microgame. The latest deal is with Gamenet, which owns 150 venues all around Italy. Mr. Alvarez predicts that over 8,500 venues will be live with Inspired's product in 2015 in Italy.

Elsewhere on the product front, Inspired was showing premium omni-channel entertainment with new mobile HTML5 games, White Knight and Goddess of the Amazon, alongside new slots games for its major Video Lottery (VLT) markets.

It was also showcasing new slot games for VLT markets, offering demonstrations of its GSA compliant SGB VLT technology for private or government lottery operators, including its Core CDW - Centrally Determined Wins - system. There was also an opportunity to try its UK market leading Electronic Table Game (ETG)



Inspired's Lee Gregory and Steve Rogers

product, Sabre Synchro (operated by Genting, Grosvenor and others in the UK), which allows players to bet on casino roulette, virtual horse racing, baccarat and blackjack all at the same time, was also generating plenty of interest.

BetBOX was on show in Las Vegas, enabling any type of gaming, casino or lottery operator – including those without sportbooks – to broadcast multiple virtual sports event every three minutes and take bets over-the-counter or on terminals. Players can also view all the upcoming events and odds, and compile their bets via Inspired's new BetBuilder kiosks.

"We've had a great year in so many markets, signing multiple deals with the likes of the

Slovenia Sports Lottery Športna Loterija, DFNN, Betancur, Intralot, Coral and Belgium's Circus.be," Mr. Alvarez explained. "But we've also had an amazing year in the UK where we have just signed a deal to supply over 4,000 additional Eclipse VLT cabinets to William Hill's 2,400 licensed betting offices as well as supplying premium HTML5 games to their mobile gaming platform. This really epitomises where we are, servicing existing EU markets and exploring new emerging markets with VLT, Virtual Sports and Mobile games omni-channel."

The imminent announcement of a North American deal will only emphasise this further, whilst proving a huge feather in Inspired's virtual sports cap.

DLV SPARKLES AT G2E WITH DIAMOND IX

Latvia's DLV shone brightly at the G2E gaming exhibition in Las Vegas with a range of trully international products

Another Las Vegas exhibition complete with tangible positive results was the news on the DLV stand at G2E. Productive meetings with the Latvian gaming manufacturer's partners from Uruguay, Panama, Surinam, Bosnia and Herzegovina and Ireland have led to substantial new orders, while new contacts from the US, Europe and Latin America has enabled DLV to define its forthcoming projects which the company hopes to launch in the very near future.

Amongst the player favourite products exhibited at G2E by DLV this year included the



cabinets HD, STD and DWS, jackpots, as well as the most recent multi-game sets for standalone machines – Diamond Games Premium VIII and IX, found their customers, but still, as the company had expected, the products most appealing to show guests were DLV's stunning HD cabinet and Diamond Ultra multigame.

DLV rounded out a very successful year at both G2E and the SAGSE Buenos Aires show in Argentina last month, were the company once again dazzled visitors with its Diamond collection.

ARUZE STACKIN MORE TWISTS ON GAMING

The consolidation of the slot sector has opened the door of opportunity to some of the more innovative slot companies with Aruze Gaming America looking to increase floor share through the many unique features of its games.

Following on from the runaway success of products such as Paradise Fishing and its Ultra Stacks series, Aruze was at G2e with its biggest range of games, 220 in total, all with that Aruze twist on slot play.

Albert Yu, Assistant General Manager responsible for Asia and European Operations, explained: "We've got more products at this show than ever before with new cabinets, new progressives, 50 new additions to our G-Series Line and several new additions to our popular Ultra Stack series as well as new games in both our stepper segments of Innovator and I-Deluxe, and in our range of G-Station electronic table game line. Rapid Shot has probably generated most interest at this show, followed by our Stackin series and then our Virtual Craps product but there has been plenty of interest too in our new CUBE-X cabinet."

Rapid Shot has been launched with three initial titles; Rapid Shot Diamond, Rapid Shot Ruby and Rapid Shot Sapphire. "The games are linked up to a five-level progressive, which are won through scattered symbols in the base game," Mr. Yu explained. "The main bonus is struck when a Rapid Shot symbol hits on the middle reel."

The Stackin series features stacking game symbols and wild symbols. The slot developer was further expanding its ever popular Ultra Stack series of games with its Innovator models featuring Radiant Reels, an exciting twist on stepper technology with its bigger reels, multi-coloured LED lights, and variable spin speeds; all of which combine to go into hyper speed when a player wins.

The Ultra Stack range has been expanded with 15 new games taking the total to 25 with new titles including Ultra Stack Poseidon, Ultra Stack Egypt and Ultra Stack Savanna Rush.

Virtual Craps meanwhile uses a 3D holographic display to give the illusion of dice bouncing from the shooter and rolling around. It will allow the company to enter jurisdictions such as California, where actual dice are banned. It has been added to Aruze's G-Station series of electronic table games along with games such as Lucky Big



Rapid Shot has generated most interest at this show, followed by our Stackin series and then our Virtual Craps product, but there has been plenty of interest too in our new CUBE-X cabinet.

Wheel, Dealer's Angels and Shoot to Win Craps.

With 50 additions to the G-Series line there was plenty to see. Mr. Yu explained: "Our stand out products in our G-Deluxe video series are Dark Samurai and Mermaid Fantasy, both featuring cabinets with sculptures of their lead characters. Both slots also feature multiple bonus events and a main bonus event on a mechanical spinning wheel in the middle of the top box. We think they're as eye catching as they are fun to play."

Also slotting into the G-Series were Captain's Treasure 500G and Dragon 500G both of which

offer a maximum of 500 free games, which can be swapped for a credit prize.

The company was also expanding its stepper library with the Innovator Deluxe welcoming two new games in Spinning Stars and Hot Heart and the standard Innovator series bringing in 15 new games including Ninja Warrior, Rich Waters and Samurai Dragon. The Innovator Deluxe segment saw the addition of Crazy Stars and Hot Hearts.

The group was also following on from the success of Paradise Fishing and Amazon Fishing by bringing a new spin to its unique six bank, 60-inch overhead LCD monitor game genre with Players' Party.

A button replaces the joystick with symbols depicting blackjack, roulette, craps and bingo. It comes complete with a five-level progressive, 10 bonus features, and a communal bonus on three huge wheels.

The bonus game is once again a communal bonus for every player and includes Big Chance Wheels and Progressive Challenge.



AINSWORTH MOVES INTO WORLD OF BIG LICENCES

Only in Las Vegas could an Austrian nanny team up with a Vegas showgirl to spearhead a promotional campaign, but that was exactly the scenario on the booth of Ainsworth Game Technology at this year's G2E 2014 exhibition

The Sydney-based slot company unveiled two new slots at G2E, venturing into the world of big licences with Showgirls and Sound of Music. The 90s cult film and the 60s Julie Andrews classic form part of Ainsworth's efforts to build market share in gaming operations in the US whereby manufacturers share slot revenues with casino operators. Ainsworth Chief Executive Danny Gladstone explained that Ainsworth's move into big licences had so far been modest, but as the company grows its licences it can grow business.

After just two years of selling into the US, Ainsworth now has over 1,100 machines installed in the gaming operations sector with around 8,000 slots overall. The booth also featured the new A560SL with a 32-inch high-definition display, 19-inch LCD Topper option for jackpot promotions, unique attract lighting packages stylised to the game, premium surround sound technology and sky high stacks. It premiered with a range of titles including Rumble Rumble, Whopper Reels, Bonus Bonanza, Rampaging Rhino, Frontier, 5 Star Jackpots, Order of the Dragons, Fire Wizard and Ice Wizard.

Ainsworth President North America Mike Dreitzer said: "This is a very exciting year for Ainsworth with the recent launch of the new A560 SL cabinet game range. We've pushed the boundaries of technology with our latest cabinet to ensure improved sound, graphics and a range of branded games like you've never seen before."

Other new games Ainsworth debuted at G2E included The Magnificent 7 Reloaded on the super-sized A560 Wideboy. The Magnificent 7 Reloaded includes favourite movie characters Chico, Harry, Bernardo, Lee, Vin, Chris and Britt, plus a host of new features. Also released on the A560 Wideboy is Reels of Wheels Horsepower, which incorporates the Mustang Money red-hot free game, comprising the unique multi-wheel Reels of Wheels concept.

In the jackpot products segment, Ainsworth was showcasing a range of new Asian-themed link progressives including Lucky Treasure, Treasure Storm and Oriental Fortune. Illuminated in the amazing Super A560 cabinet, Treasure Storm is packed with three levels of progressives, two standalone progressives and amazing free game features. Treasure Storm is a 40- and 50-line product targeting penny play and is available in the A560 Dual Screen with a spectacular signage option.



Robert Dijkstra, Managing Director at Ainsworth UK

Robert Dijkstra, Managing Director at Ainsworth UK, commented at the G2E exhibition in Las Vegas; "We're looking forward to bringing many of these titles to Europe. Certainly Rumble

Rumble has proved itself in the States and in Australia. Ainsworth is a growing force in Europe. We've recently had installs in France, Germany, Northern Cyprus and Sweden."

GSA GEARING UP TO LAUNCH PROTOCOLS

The Gaming Standards Association was highlighting the implementation of its standards around the world, and also speaking to G2E visitors of its mission of continual standards development.

GSA has a wealth of completed standards. GSA President Peter DeRaedt said: "We have many established standards that are in use around the world. In fact, the G2E tradeshow floor is populated with games and systems built on GSA standards to deliver the interoperability operators demand. However, we are never satisfied, and we will continue to develop and refine standards to best suit the industry's critical business and development needs."

GSA's major focus over the last year has been to identify the need of standards to support the online gaming community. Since then the Online Gaming Committee (OGC) have moved forward at a rapid pace and made significant progress.



Ethan Tower, GSA's Protocol Director

"Our progress on the online gaming standard is moving ahead quickly. We promised the industry that we would make progress on this important standard, and we have met each milestone. We expect to release the initial draft of the 3rd Party Interface standard to our membership for review in the next few weeks," said Ethan Tower, GSA's Protocol Director. "We have a three year release cycle for new protocols with the next new wave coming onboard in April so these are exciting times for us. We expect our G2S protocol to be out in April alongside a new standard for the online sector in terms of integrating game servers and the integration of platforms."

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SOUTH KOREA

Gaming dynasty

When we talk about gambling in Asia, Macau, the Philippines and Singapore invariably spring to mind. However, there is one sleeping giant that's often overlooked. South Korea has an established casino market and there are expansion plans on the horizon.



The name Korea is derived from Goryeo (also known as Koryo) which was the first Korean dynasty which ruled in the Middle Ages. The dynasty was established in 918 by King Taejo and the kingdom later gave its name to the state of Korea.

South Korea, or officially the Republic of Korea, is located in East Asia and makes up the southern part of the mountainous Korean Peninsula. It shares a land border with North Korea and is surrounded by the Sea of Japan, Yellow Sea, the Korean Strait and East China Sea with overseas borders with China and Japan.

South Korea is divided into four general regions – the eastern region of high mountain ranges and narrow coastal plains, the western region of broad coastal plains, river basins and rolling hills, the south western region of mountains and valleys and the south east dominated by the broad basin of the Nakdong River.

About 3,000 small and mostly uninhabited islands lie off the western and southern coasts of South Korea. The biggest, Jeju-do is about 100km off the south coast and is home to Hallasan the extinct volcano.

There are nine provinces – Chungbuk, Chungnam, Gangwon, Gyeonggi, Gyeongbuk, Gyeongnam, Jeju, Jeonbuk and Jeonnam. Plus six metropolitan cities – Busan, Daegu, Daejeon, Gwangju, Incheon and Ulsan, one special city (Seoul) which has a population of around 10 million and one special self governing city (Sejong)

The history of Korea begins with the founding of Gojoseon in 2333BC by the legendary Dangun. After the Three Kingdoms of Korea were united Korea was then ruled by the Goryeo Dynasty from 918 until 1392 and then the Joseon Dynasty thereafter until 1910.

After the First Sino Japanese War and the Russo Japanese

War the country was annexed by Japan in 1910 until 1945. At the end of World War II Japan surrendered to Soviet and US forces who then occupied the northern and southern halves of Korea respectively.

Despite the initial plan of a unified Korea antagonism escalated between the Soviet and US and eventually this led to the set up of two separate governments each with its own ideology leading to Korea's division in 1948 – North Korea and South Korea.

In the south, Syngman Rhee, an opponent of communism, won the first presidential elections of the newly declared Republic and in the north a former anti Japanese guerrilla and communist activist, Kim Il-sung was appointed premier of the Democratic People's Republic of Korea.

Both leaders began an authoritarian repression of their

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many campaigned to run for president during the void. In 1979 there was a Coup d'etat of December 12 by General Chun Doo-hwan and he forced the cabinet to expand martial law to the whole nation which closed universities, banned political activities and further curtailed the press. This triggered nationwide protests. However Chun and his party held Korea under a despotic rule until 1987 when a Seoul National University student was tortured to death.

Mass demonstrations began and eventually the 6.29 declaration was introduced which included the direct election of the president Roh Tae-Woo of the Democratic Justice Party who went on to win the election.

As civilian government replaced military rule in 1987 the country has become Asia's most advanced democracy

In 1988 Seoul hosted the Olympic Games and the country recovered and continued on its economic growth path. A conservative government was elected in 2007 led by President Lee Myung-bak and in 2012 Park Geun-hye won the election in 2012.

The South Korean economy has grown significantly over the last few years and the country was transformed into a G-20 major economy. It had the fastest growing economy in the world from the early 1960s to the late 1990s and today is still one of the fastest growing economies along with Hong Kong, Singapore and Taiwan. The South Koreans refer to this growth as the Miracle of the Han River.

The growth of its economy is however heavily depend-

The South Korean economy has grown significantly over the last few years and the country was transformed into a G-20 major economy. The South Koreans refer to this growth as the Miracle of the Han River.

ent on international trade and in 2010 it was the sixth largest exporter and 10th largest importer in the world.

Today, the country has the world's 12th highest living standard and South Koreans are the highest paid in Asia. South Korea is Asia's fourth largest economy and the country's export economy is fuelled by multinationals such as Samsung, Hyundai-Kai and LG. The country is notable for its advanced technology and infrastructure. It was also one of the few countries able to avoid the global recession and unemployment rate is around 3.5 per cent (March 2014).

Meanwhile it is the 20th most visited country in the world. In 2013 some 12.1 million foreign tourists visited South Korea up from 9.7 million in 2010. Most come from Asia (Japan, China, India and Singapore). Last year saw tourists spend some US\$14.1bn, a growth of 5.8 per cent on the previous year.

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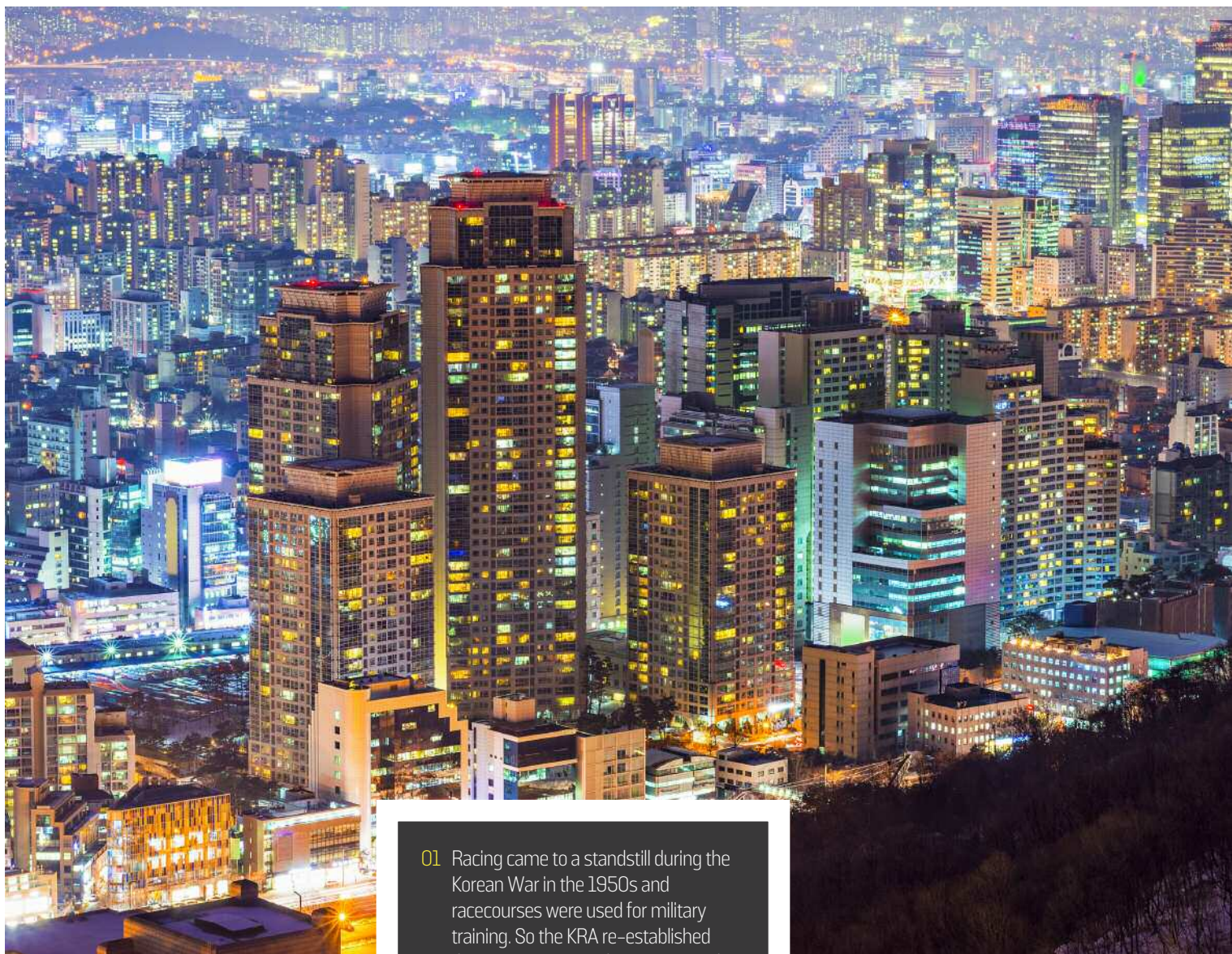
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political opponents and in 1950 the Korean War began when the north invaded the south and the war lasted three years and involved not only the US but China, the Soviet Union and other nations.

Over 1.2 million people died during the war and today the border remains the most heavily fortified in the world and the two halves continue to claim sovereignty over the entire peninsula and any outlying islands.

In 1960 a student uprising led to the resignation of the Syngman Rhee and political stability followed broken by General Park Chung-hee's military coup the following year. Park took over as president until 1979 when he was assassinated. Although Park was criticised as a corrupt leader the country developed significantly during his rule especially economically.

Political turmoil followed after the assassination and



THE GAMBLING MARKET

Under Chapter 23 of the Criminal Act all gambling in South Korea that is not for momentary pleasure is illegal. However there is no known instance of a Korean being arrested for gambling. For online gaming the government merely posts warning signs on those illegal sites they find.

Korea's gambling sector comprises of horse racing, lottery, cycling and casinos and this all achieved sales of ₩19.34tr in 2013 slightly lower than 2012's ₩19.54tr.

LOTTERY

The Lottery Fund Act was enacted in 2002. In 2004 the lottery committee was set up to oversee the lottery and promote its development. The Korea Lottery Commission undertakes all lottery related operations from management to sales and use of the proceeds.

There are a few lottery games and Lotto 6/45 and 520 Pension Lottery (Bok-Kwon) are the main government endorsed lotteries in South Korea plus there are games called Popcorn and Speeto500.

01 Racing came to a standstill during the Korean War in the 1950s and racecourses were used for military training. So the KRA re-established the racecourse in Ttukseom in Seoul and the course opened in 1954 and served as the hub until it was relocated to the newer site in Gwacheon in 1989.

02 The Korea Racing Association Law was set up in 1962 and computerised pari-mutuel betting was launched in 1984. Up until this point pari-mutuel betting was done manually which impeded the development of the sport. This, plus televised coverage in colour, boosted incomes tenfold and saw the sector grow significantly.

03 The KRA was responsible for constructing the Olympic Equestrian Park during the games and this was built on 280 acres of land in Gwacheon area, south Seoul. After the Olympics this park was renamed Seoul Racecourse.

Lotto 6/45 began in December 2002 and players choose six numbers between 1 and 45 and the draws are held once a week on a Saturday. Tickets can be purchased at convenience stores and news stands 365 days a year. Only those over the age of 19 can buy. It costs around ₩1,000 for one line of numbers and players can have as many lines as they wish. You can choose your own numbers or via random selection.

Pension Lottery 520 was launched in July 2011 and was the republic's first pension type lottery. Winners receive a monthly payment for life. Tickets can be bought at shops throughout the country and via the official website.

The government maintains a cap of ₩3.49trillion on lottery revenue and also aims to keep the total gambling business revenue to 0.58 per cent of the country's GDP. The lottery commission has asked if the cap be removed but the request was refused. If they go over the cap then the KLC must pay financial penalties to the NGCC.

Lottery revenues in 2011 reached ₩3.08tr with ₩3.2tr (\$3bn) in 2012. The increase is due in part to online lot-



tery sales. In the last five years South Korea lottery sales have increased by 35 per cent.

The increase was largely driven by the demand for Lotto online lotteries which has sales alone of ₩2.9tr. Offline lotteries including the pension lottery which totalled ₩210.4bn

According to the law 42 per cent of lottery revenues are then invested to support social welfare programmes of which 35 per cent of the infrastructure for the designated purpose, 65 per cent for aid for vulnerable groups. In 2013 the lottery generated ₩1.34tr of public funds for the welfare groups.

Meanwhile after an international tender the NANUM LOTTO consortium awarded the licence to operate South Korea's National Lottery to Intralot for the next five years until 2018. The system will look after the online and instant ticket products and the electronic lottery. Nanum Lotto consortium has been exclusively operating the South Korean lottery since 2007.

The Korea Lottery Services Co. began life in 1990 with

the Expo and Instant Housing Lottery and produces and supplies various instant lottery and scratch cards. Today it is one of the leaders in Korea's online lottery business and was selected to develop the online lottery system Excellos in 2002.

KLS was the first company in the online lottery system and has partnered with lottery operating agency KB Bank to open over 5,000 retailers throughout Korea and also installed almost 10,000 online lottery terminals.

HORSE RACING

Horse racing in Korea dates back in 1898 when a foreign language institute held a donkey race on its sports day. In 1914 the country's first race meeting was held to the public however these were conducted solely for entertainment purposes and no betting was permitted.

In the 1920s horse racing with betting made its debut and the Joseon Racing Club, the nation's first ever authorised racing club, was established.

In 1923 the pari-mutuel betting system was adopted in Korea for the first time. The Sinseol-dong racecourse opened in 1928 and racing clubs were allowed to have their own racecourse.

In 2005 in a bid to raise the country's racing profile and promote the sport nationwide a third racecourse in Busan was opened. The KRA changed its name to Korea Racing Authority and Jangsu Stud Farm and Training Centre opened in 2007. The Horse Industry Promotion Act was enacted in 2011.

In 1933 a decree on horse racing was introduced which permitted incorporated racing clubs to conduct horse racing whilst the Joseon Horse Racing Association was set up to coordinate and control the clubs.

This association was later renamed as the Korea Racing Association (KRA).

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the Olympics this park was renamed Seoul Racecourse.

Meanwhile in the late 1980s, as part of an effort to preserve the ponies native to Jeju island, a 180 acre racecourse at the foot of Mount Halla in Jeju was built and this opened for pony racing in 1990.

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Today there are three race courses in South Korea – Seoul, Busan-Gyeongnam and Jeju – and there are two kinds of racing – thoroughbred flat races held at Seoul and Busan and pony flat races at Jeju.

The sport is legal and tolerated although it is still considered socially unacceptable by some.

Races are held weekly on Friday, Saturday and Sundays and there are around 12 to 16 races on a race day with on average 94 fixtures at each race track. Total attendance is over 16.1 million (2012) compared to 19.5m in 2011 with betting turnover over ₩7.83tr (approx US\$7bn) compared to ₩7.7tr in 2011.

Seoul Racecourse is 284 acres in size with a grandstand capacity for 77,000 people. Busan is 307 acres with the capacity for 30,000 whilst Jeju is 180 acres and has a capacity for 6,393 people.

The Korea Racing Authority is the sole racing authority and is under the supervision of the Ministry for Food, Agriculture, Forestry and Fisheries. KRA aims to contribute national finances through horse racing to promote and support projects for fishing and agricultural villages.

The authority's objectives are to upgrade the horse industry and strengthen social responsibility. It holds the exclusive rights over racing operations both on and off course wagering.

KRA provides six betting types – win, place, quinella, exacta, quinella place and trio. The maximum bet allowed is ₩100 and the maximum per single bet is ₩100,000. Betting tickets are distributed through the on and off course betting terminals and through account betting. The terminals are controlled by the pari-mutuel Betting Control Centre in Seoul.

Betting turnover per betting type in 2012 was Win (₩63.8bn); Place (₩105bn); Quinella (₩3.8tr); Exacta (₩1.4tr); Quinella Place (₩500bn) and Trio (₩1.8tr).

There are 30 KRA off course betting outlets in the country with the majority in Seoul metropolitan area.

From the turnover of the industry 73 per cent is returned to the customer in prizes whilst the remaining 27 per cent is divided between taxes (16 per cent), general horse racing operational costs (seven per cent) and the four per cent profit is then divided between a reserve fund for development and welfare projects in the industry (2.8 per cent) and investment for the sector (1.2 per cent)

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SPORTS-BETTING

Koreans love to gamble. Fighting Tablet games (a forerunner to dominoes) were wagered back in the sixth century whilst card games and board games such as Chang-gi (Korean chess) have been popular for centuries and Cheongdo So Ssa.eum (bullfighting between two bulls) and Ssirum (like Sumo Wrestling) are indigenous sports.

In the 1950s a strict ban on betting was imposed with the exception of horseracing. Gradually the South Korean government began to embrace other traditional gambling sectors, such as the lotteries and later casinos.

In 1991 the country joined the United Nations and with a focus on tourism gambling laws began to relax even more. In 1997 Korea started Sports Toto.

Today wagering is limited to trackside motor racing and bicycling plus six off track sports – football, baseball,

Koreans love to gamble. Fighting Tablet games (a forerunner to dominoes) were wagered back in the sixth century whilst card games and board games have been popular for centuries.

basketball, volleyball, golf and a special category for special events.

Sports Toto was the first bookmaker to offer fixed odds bets and run odds bets on events. The company now operates betting terminals all around the country. A percentage of revenue goes to supporting and improving the country's sports facilities.

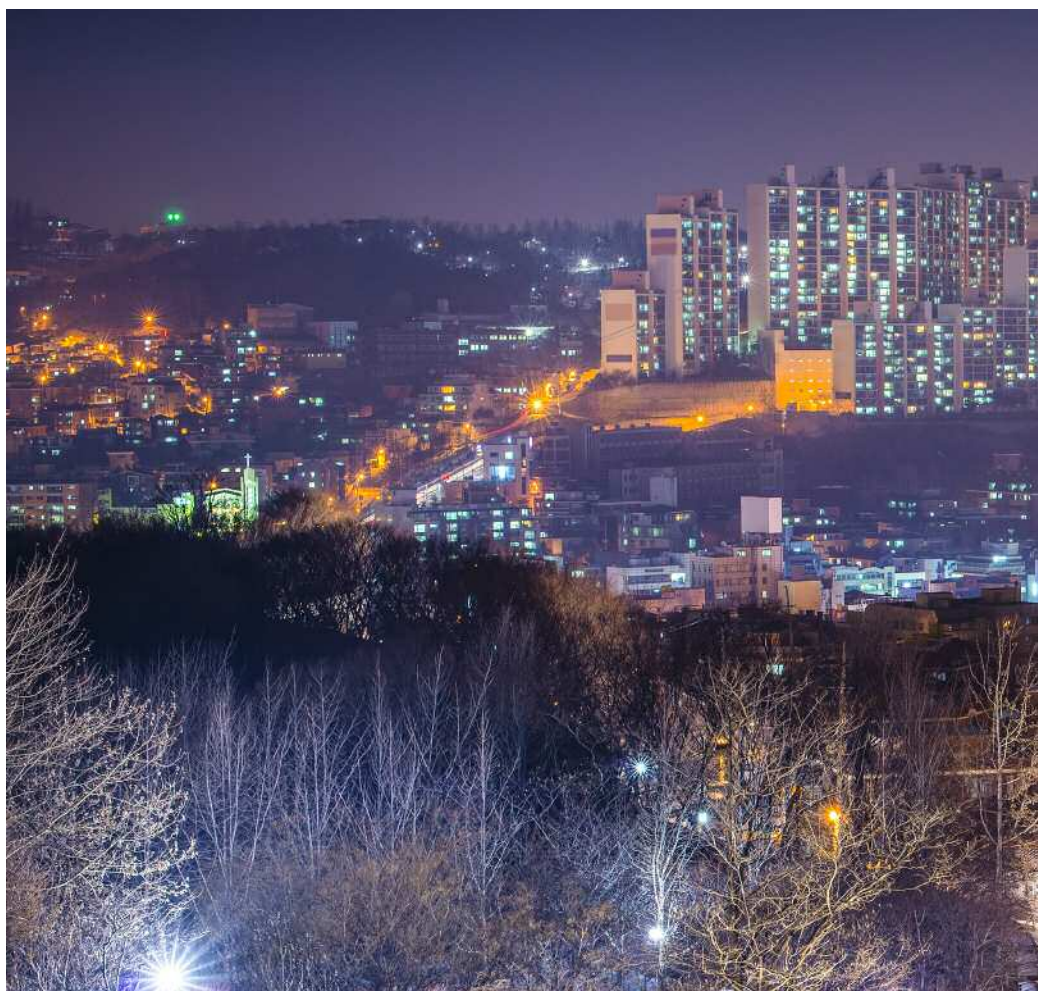
Sports Toto is a government sponsored business and helps support the Korea Sports Promotion Foundation to develop sports in Korea. The toto business emerged in 1997 when the Korea Football Association suggested that the national government raise funds for the 2002 Japan and Korean World Cup. Sports Toto eventually launched its operations in 2001.

There are two divisions: Sports Toto is pari-mutuel betting and Sports Proto is fixed odds sports betting. Both are available at terminals nationwide and locations where lottery tickets are sold or bets can be made online. It is permitted because it is classed as a type of lottery

Sports Toto offers many different games and 50 per cent of sales go into a bettering pool that is split with winners.

Sports Proto's payout is calculated by multiplying betting amounts with a pre-disclosed payout ratio. Players can select sports game events they want to bet on.

Sports Toto allocates 10 per cent to various sports asso-

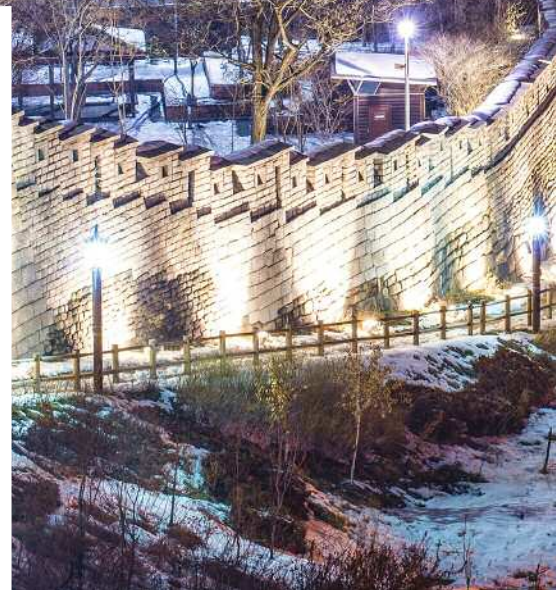


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ciations and 78 per cent to the KSPO and seven per cent to sport related businesses and five per cent to maintain sports facilities. Last year this amounted to ₩866.5bn in total with ₩86.3bn, ₩654bn, ₩58.3bn and ₩41.6bn respectively.

ONLINE

Online wagering is still illegal in South Korea and licences are not available for internet gambling services. Powerful anti gambling interests have attempted by parliamentary means to stamp out illegal online gambling on five casinos in recent years.



However it is impossible to prevent players from placing bets with sportsbooks outside of Korea. Around 460 sports betting web sites currently accept play from South Korea. Most popular are the online casinos legal and licensed in the Philippines as the majority support Korean language and currency.

The government is worried about the growth and is keen to undertake a study. It is said around two per cent of the population are 10-19 year olds which participate in gambling

Last year saw a huge crackdown on illegal online sports betting sites. There were several arrests and one in the province of Gyeonggi in April 2013 saw suspects accused of launching over 200 websites.

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The Paradise Group is the biggest operator with five casinos and Grand Korea Leisure (GKL) has three casinos.

With five casinos the Paradise Group has a 51 per cent market share in South Korea. Grand Korea Leisure follows with 38 per cent share whilst other operators have a 10 per cent share between them.

In the fourth quarter of 2013 the Paradise group saw total sales of ₩177bn of which the casinos took ₩147bn. This was a 61 per cent increase on 2012 figures for the same period for the casino division.

As a comparison the GKL saw 4Q2013 casino sales of ₩133bn whilst the other operators saw total sales of ₩35bn. For the year 2013 as a total the Paradise casino division saw sales of ₩695bn and GKL saw total sales of ₩547bn. Casino drop for the GKL company was ₩3.9tr of which ₩3.5tr came from table and ₩393.1bn from slots.

The other operators saw total sales in 2013 of ₩133bn with Kangwon Land with ₩1.2tr. Total casino sales across the market were ₩2.7tr in 2013.

Drop in total for 2013 was ₩6,210bn divided between VIPs from China with ₩1,072bn, VIP Japan with ₩313bn, VIP others with ₩215bn and Mass ₩133bn.

Of the 17 casinos – 16 fall under the Tourism Protection Act which require a passport entry and prohibit Koreans, Vietnamese and Nepalese to enter. The players to these casinos mainly include junket players from Japan and China and some Koreans who have access to a foreign passport.

TABLE DROP AND NET REVENUE FOR PARADISE CASINO GROUP

CASINO	TABLE DROP 4Q2013	TABLE DROP TOTAL 2013	NET REVENUE 4Q2013	NET REVENUE TOTAL 2013
WALKER HILL	₩874bn	₩2.9tr	₩112bn	₩425bn
JEJU GRAND	₩174bn	₩682bn	₩13bn	₩56bn
INCHEON	₩287bn	₩1.0tr	₩22bn	₩89bn
BUSAN	₩209bn	₩791bn	₩18bn	₩76bn
JEJU LOTTE	₩189bn	₩714bn	₩12bn	₩50bn
TOTAL	₩1.7tr	₩6.2tr	₩166bn	₩697bn

THE CASINO SECTOR

South Korea was quite the trailblazer in terms of casino liberalisation. The first casino was opened in Incheon by the Paradise Casino in 1967 just three years after Stanley Ho's monopoly began in Macau.

The second casino from this group was the Sheraton Walker Hill in Seoul in 1968. After this nothing much happened for the next 20 years until the 1990s saw six casinos open.

Since then the market has blossomed with a total of 17 casinos now open. There are eight casinos in Jeju-do island, three in Seoul, three in Kyongju, two in Incheon and two in Busan whilst Jeongseongun, Pusan, Pyeong Chang gun and Sokch'o city each have one casino.

The Korean National Gambling Control Commission (NGCC) lists illegal sports betting as a \$6.67bn business.

Korean TV personality Kim Yong-man stepped down from his TV position last year following a police investigation into his online sports betting activities. He was given an eight month suspended sentence. He had wagered ₩1.3bn on two online betting sites between 2008 and 2011.

Fines for illegal gambling can be up to ₩5m for those found playing and up to ₩20m and up to three years imprisonment for those operating.

It is said the number of illegal gambling websites in Korea has increased 25 fold in the last four years.

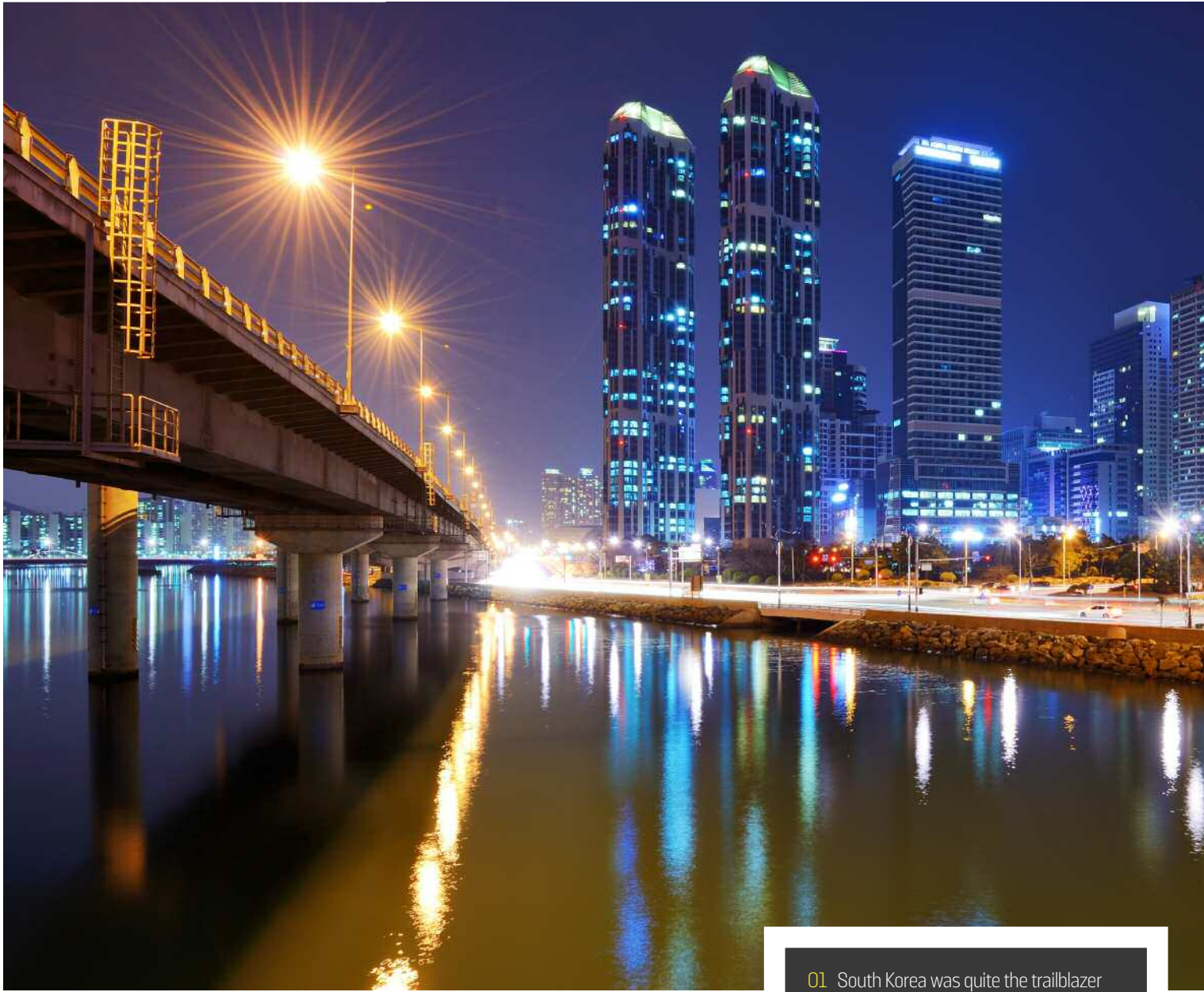
Sales for the foreign only casinos grew in the decade from 2000 to 2010 to ₩1tr. Some say this could be doubled if the market opened to domestic players.

Some say without domestic players the market will be stifled of growth. South Korea is not high on the list of tourism destinations. It is freezing in winter and very humid in summer. If Japan legalises casinos it could see many of its players relocate.

Kangwon Land is a big example of the domestic demand for gaming. Kangwon Land Casino was established in 1998 and opened in 2000 with the casino and hotel followed later by the golf course, ski and condos and more hotel and convention centre.

G3-247 Report

SOUTH KOREA



It was a government initiative to resuscitate coal mining towns in southern Gangwon Province. It falls under the Special Act on the Assistance to the Development of Abandoned Mine Areas in the northeast province Gangwon in Jeongseongun county.

Some 51 per cent of Kangwon Land Corporation is owned by four regional governments and its aim is to be a first class four season resort. At the moment it attracts around six million visitors per year. It is headed by CEO Choi Hung Jib.

This area has been developed into a huge tourist attraction called High1 Resort deliberately situated several hours drive from the nearest city to put off locals from visiting.

The casino offers 1,360 slots and 200 tables. There is a Ski Resort with 18 ski slopes, Golf Course, three hotels and three condominiums plus bars and restaurants (including a revolving restaurant on the mountain top).

There are hiking trails, cinema, spa and swimming pool 'Mountain Spa' outdoor hot spring. More than 10,000 Koreans visit the casino every day many waiting for hours to enter.

Tickets must be bought to enter and this fee then goes as taxes as Special Consumption Tax (₩3,500) Education Tax (₩1,050) and Surtax (₩450) which is required by the Special Consumption Tax Act. Permanent resident passport holders do not have to pay to enter. To enter players must be 20 years old or over.

Fourteen years after it was opened this mega project remains somewhat controversial. Although it is inundated with visitors, the spillage into the surrounding areas is hardly noticeable. Social biases against casinos and political pressure and negative media coverage have all combined to constrain the firm from really expanding.

Unfortunately the resort saw embezzlement and

- 01 South Korea was quite the trailblazer in terms of casino liberalisation. The first casino was opened in Incheon by the Paradise Casino in 1967 just three years after Stanley Ho's monopoly began in Macau.
- 02 The second casino from this group was the Sheraton Walker Hill in Seoul in 1968. After this nothing much happened for the next 20 years until the 1990s saw six casinos open. Since then the market has blossomed with a total of 17 casinos now open. There are eight casinos in Jeju-do island, three in Seoul, three in Kyongju, two in Incheon and two in Busan whilst Jeongseongun, Pusan, Pyeong Chang gun and Sokch'o city each have one casino.



bribery scandals a few years ago and this type of slur sticks. The casino generates around 95 per cent of total revenues and sales have increased from ₩1.27tr in 2012 from ₩91bn back in 2001. Sales in 2013 were ₩1.29tr with a contribution of ₩467.3m to local government.

There are now plans to extend Kangwon Land. Other casino operators are calling for a relaxation in the law to permit domestic players plus foreign investment, whilst Kangwon Land say any shift in policy would wreak havoc on their operations and the regions economy.

Now in a bid to shake off heavy reliance on the casino and help the local economy Kangwon Land is now aiming to introduce a long term growth framework for the resort and the four mining towns – Jeongsun, Taebaek, Donghae and Samcheok.

Under its 2020 vision the company aims to increase visitors to 10 million annually. This will be fuelled by the 2018 Winter Olympics to take place in nearby

SOUTH KOREA'S CASINO GAMING REVENUES

CASINO	OPENED	SALES	SIZE	No. OF TABLES	No. OF SLOTS
Paradise Group		₩695bn		217	307
Walker Hill	1968	₩425bn	3,178 sq.m	90	147
Jeju Grand	1990	₩56bn	1,314 sq.m	27	36
Incheon	1967	₩88bn	1,312 sq.m	36	32
Busan	1979	₩75bn	1,321 sq.m	37	54
Jeju Lotte	1985	₩50bn	1,205 sq.m	27	38
GKL		₩546bn		173	371
7 Luck Coex	2005	₩285bn	5,380 sq.m	71	121
7 Luck Hilton	2005	₩183bn	2,812 sq.m	55	160
7 Luck Busan	2005	₩79bn	2,234 sq.m	47	90
Others		₩133bn		252	197
Majestar	1991	₩31bn	3,089 sq.m	43	20
Ramada Plaza	1975	₩21bn	2,359 sq.m	39	22
Royal Palace	1990	₩13bn	1,353 sq.m	18	15
Lvegas	1990	₩13bn	1,026 sq.m	27	16
Hyatt	1990	₩16bn	803 sq.m	19	10
Golden Beach	1995	₩21bn	824 sq.m	26	24
Alpensia	1980	₩1bn	689 sq.m	17	40
Inter-Burgo	1979	₩15bn	3,473 sq.m	63	50
Kangwon-Land	2000	₩1,279bn	12,793 sq.m	200	1,360
TOTAL		₩2.7tr		842	2,235

Pyeongchang. Other strategies include creating self sustaining power for the resort and maintain tighter management of the resort to prevent waste of resources.

There are also plans to create new ventures such as a water park, theme park, shopping and exhibitions and improve living conditions and infrastructure in the area. It has allocated ₩550bn to boost tourism and spur the industrial development by installing entertainment and leisure facilities in surrounding towns.

The number of visits to the casino is limited to one day per month for villagers and 20 days for other guests to

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alleviate public and political concerns. Kangwon Land also runs a gambling addiction centre.

Around 65 per cent of the 4,800 employees are from areas in Gangwon province where mines have closed down.

NEW DEVELOPMENTS

Although Japan, Taiwan and even Vietnam are all poised to legalise casinos until then Macau and Singapore and even South Korea lead the way.

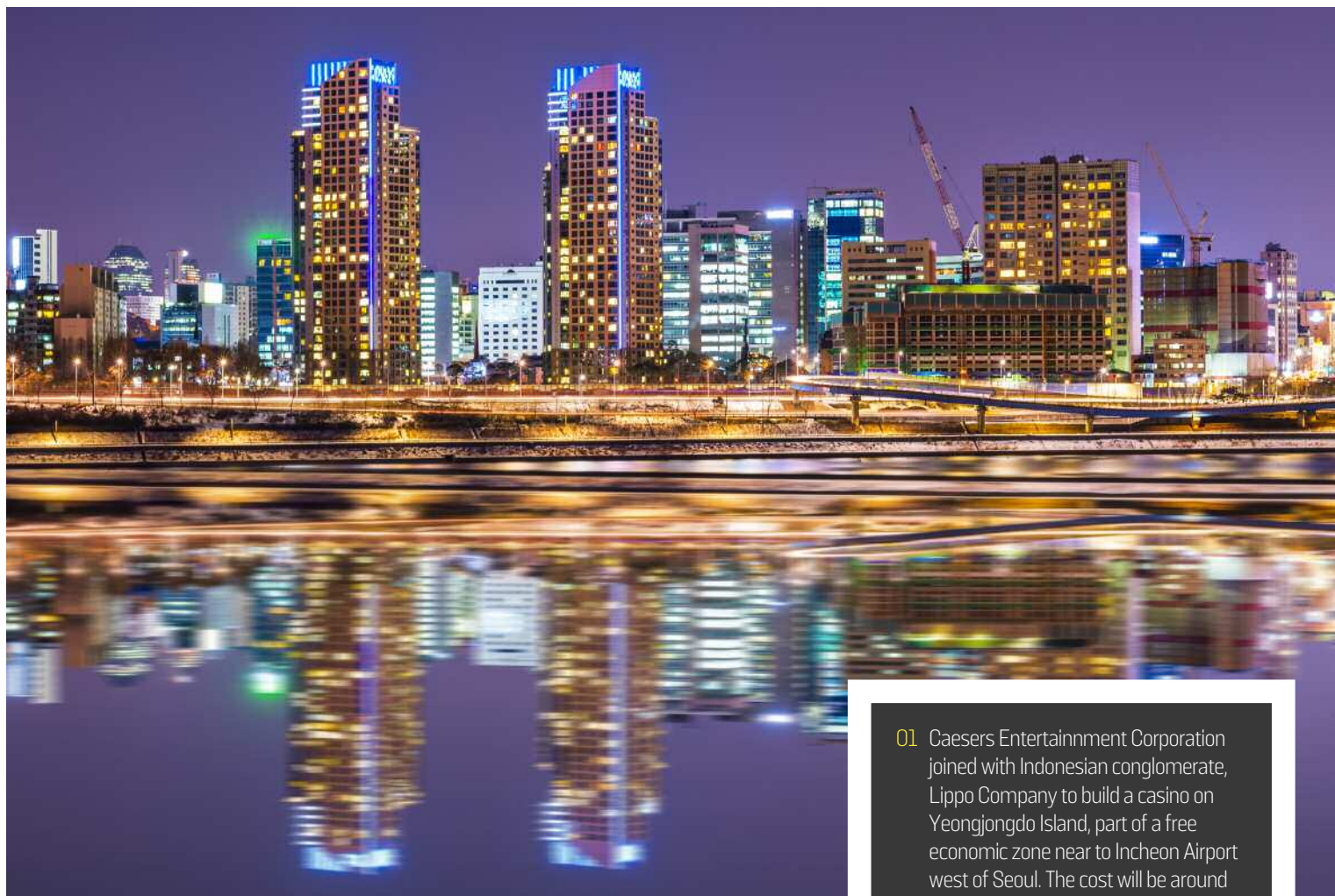
Although gambling is seen a vice in South Korea the government on the other hand likes the boost it brings to the economy and the increase in employment and tax revenues.

The progressive ease of visa requirements for Chinese visitors has contributed to annual average revenue growth for the casino sector during the last five years by around 7.5 per cent to more than \$2.5bn in 2013. It is thought this could rise by 11 per cent over the next three years. Shares in Paradise Casino have also risen by 11 times their level in 2010.

Although South Korea cannot rival Macau's revenues it is however much closer to Beijing and other big eastern cities plus Chinese customers receive VIP treatment including free flights and chauffeur driven cars if they pledge certain bets.

South Korea's aim is to now draw in 10 million Chinese visitors by 2020 compared to 4.3 million last year. Chinese visitors make up 36 per cent of foreign visitors in 2013 and accounted for 41 per cent of visits to the country's casinos in 2012.

The province of Jeju is one of the nine provinces in South Korea and since 2006 has been a special autonomous province of South Korea. The province is the largest island in the nation and lies in the Korea Strait.



Traditionally it has been supported by agriculture and fishing although tourism has taken a more important role in recent years. The Chinese are the biggest visitor group as since 2006 Jeju has had the autonomy to grant visa free access to citizens on mainland China and the number of Chinese tourists has increased. However the Chinese still need a visa their end to leave the country.

Last year 2.3 million foreign tourists visited Jeju island with Chinese visitors accounting for around 78 per cent. Domestic visitors totalled 8.5 million last year. The island has eight casinos and many say this is over saturation in a market catering only for foreign tourists.

There have been many suggestions to help Jeju island. One idea was to allow domestic players into one casino on the island, another is to open up the whole island to domestic players thus creating a mini Macau. In total there are around 300 slots and 150 tables on the island.

Ministry officials say to permit local residents into casinos would require a national consensus and yet others believe this is only a matter of time. Foreign investors will certainly call for permitting local entry.

The Chinese bring in big money to the local casinos. It is reported the average Chinese party bets about \$40,000 per person in the VIP rooms.

The Paradise Group for example posted ₩170.5bn

(\$166.8m) in sales in the first quarter this year up 17.7 per cent on the same period a year ago. Its net profit reached ₩47.3bn up a whopping 71.8 per cent. The robust performance is said to be from almost 38 per cent rise in drops by Chinese VIPs at the company's casinos.

GKL recorded ₩139.1bn in sales during the first quarter a rise of 5.5 per cent also thanks to Chinese tourists. Meanwhile Kangwon Land's operating profit meanwhile rose 16 per cent to ₩137.6bn in the first quarter with sales rising nine per cent to ₩373.3bn.

Last year the government began to look at the possibility of foreigner only casinos on South Korean based cruise ships in a bid to boost both the cruise and casino industries.

At the moment there are strict laws banning casinos onboard ships and for most cruise liners casinos are essential for their survival as 20 to 50 per cent of their income comes from gambling onboard.

Korea's first cruise ship was launched in 2012 but shut down a year later due to a drop in profits without the ability to offer a casino.

Harmony Cruise was launched in January 2012 to offer tours from the southeast city of Busan to Japanese cities but closed in December after financial problems.

- 01 Caesars Entertainment Corporation joined with Indonesian conglomerate, Lippo Company to build a casino on Yeongjongdo Island, part of a free economic zone near to Incheon Airport west of Seoul. The cost will be around \$2.2bn in total with first stage of the project to be completed by 2018 and final by 2023.
- 02 Incheon Airport is a just a two hour flight from many major Chinese cities. However Korea then needs to look at making Yeongjongdo Island a regional gambling hub to lure Chinese tourists and will have to consider building more high class resorts around the airport.

The ship catered for up to 1,000 passengers and had many other facilities such as swimming pool, theatre, fitness club and kids clubs.

There are predicted to be seven million cruise passengers in all of Asia by 2020 and four million of these will be Chinese. Around half are expected to visit Jeju.

Of the 2.2 million foreign tourists visiting Jeju island last year (of a total of 10 million) some 400,000 came via cruise ships. The industry is booming and it is thought this figure could reach two million by 2020.

In a bid to capitalise and nurture home grown cruise ship operators the government is pushing to pass a bill through National Assembly which will support the con-



struction of more piers and berth facilities and permit casino onboard run by Korean companies. The plan has faced some opposition however.

Grand Korea Leisure is one company keen to open onboard casinos and is already looking at plans to open its first cruise ship casino travelling between Jeju and Shanghai.

GKL says sales at its company could increase by three to eight per cent if cruise ship casinos are permitted.

Meanwhile there are also new land based casino developments in the pipeline. In March this year South Korea's Ministry of Culture, Sport and Tourism gave preliminary approval for the construction of its first foreign owned casino resort to LOCZ (Caesars and Lippo)

It has sent a wave of controversy around the industry. Those for the plans say why shouldn't Korea be like its regional rivals whilst those against say Seoul should not end its rules and permit 'reverse discrimination'.

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It's a difficult decision. On the one hand the government is highly cautious given that gambling is still frowned upon as a social evil in South Korea. However the lure of investment and revenues and benefit this can bring are making the idea more appealing.

At the moment Paradise Casino is the only operator in the Incheon area so this of course means competition for them. However the process that supply can create demand is also appealing to the operators who see a new Las Vegas type demand working so there is a positive feeling about the development.

Lippo Karawaci is Indonesia's biggest listed property developer whose core business is residential and township development including retail malls, hotels, hospitals etc.

The casino will be for foreign visitors only but could see more than ₩890bn in tourism income from new visitors. It will however be the first integrated resort style foreigners only casino.

The idea is to open the casino in time for the 2018 Winter Olympics in Pyeongchang. Unlike the current casinos this one will offer three five star hotels, convention centre, theatre, shopping malls and business offices and six football fields. The casino alone will have a floor space of 7,700 sq.m and will be open by 2018 as part of the first phase.

The approval of the Caesars/Lippo project is said to be a



"watershed" to gauge the government's will toward the casino industry.

Caesars has been aggressively looking for opportunities to expand into Asia have failing to secure permission to build a casino in Macau where rival US companies are flourishing.

Initially the Korean government rejected the licence application, however Korea changed its mind after the group increased the size of its initial investment in the project and also by committing to build a convention centre in the first phase of development.

Caesars Chairman, CEO and President Gary Loveman said at the time: "We are grateful to the Korean government for their initial approval, paving the way for the opportunity to build and operate our first integrated resort in Korea. We are excited about the opportunity to expand our network and brands to Asia. Foreign visitation to South Korea has grown significantly and we look forward to creating a world class destination to further support Korea's economic growth and tourism goals."

Officials say this new casino would generate tourism

receipts of ₩890bn by 2020.

The Korean government announced it will improve related policies and regulations by giving permission for a foreign company to run casinos in Korea. A revision bill was submitted late last year about managing and operating casinos in FEZs and it aims to ease the process of granting foreigner only licences to overseas investors.

The ministry and the Ministry of Trade, Industry and Energy have agreed to work together to receive assembly approvals. The government also intends to ease the application system of granting licences to foreign investors by changing it to a content based system meaning it will ease the credit rating system applicable to foreign investors to attract more foreign business in South Korea.

Meanwhile other operators are also looking seriously at South Korea. Japan's Sega Sammy, the video game and pachinko company, together with Paradise are looking to build a \$1.7bn resort in Incheon and have been granted approval. Paradise City is expected to be completed in 2017.



01 "Our case is totally different from the Caesars/Lippo case as we already have a casino licence in the Incheon area so we don't need a new licence or approval from the government. Under the current Korean Gaming Act, there is no specific hurdle to relocate or expand within the same province. "When we complete the new resort we will shut down our existing Incheon casino and start operations at the new site. Today the Korean gaming industry is receiving a lot of attention from many investors and situations such as Las Vegas Player entering, casino openings in Japan will be a signal for changes just as Macau's early stage of expansion was down to Singapore's successful casino results. "But we are also concerned about new competition and we need to be ready for the future by exploring the casino market."

Heyjeong Shim, IR Manager at Paradise Casino.



SOUTH KOREA: Vital Statistics

Capital: Seoul

Population: 49,039,986

Land Area: 99,720 sq.km

Currency: South Korean won (KRW)

Median age: 40.2 years

Languages: Korean, English

Ethnic Groups: Homogenous (except for 20,000 Chinese)

Government:

Republic

Chief of State:

President PARK Geun-hye

Head of Government:

Prime Minister CHUNG Hong-won

Cabinet:

State council appointed by the president on the prime minister's recommendation

Elections: President elected by popular vote for a single five year term. Park elected in 2012 and next election is 2017. Prime Minister appointed by President with consent of National Assembly.



Caesars has been aggressively looking for opportunities to expand into Asia have failing to secure permission to build a casino in Macau where rival US companies are flourishing.

Sega Sammy has been watching the growth of integrated resorts particularly keeping an eye on the Japanese market. With this in mind the company announced its intention to participate in this business area and the plan has been approved although construction is yet to start.

Sega Sammy began amusement centre operations back in 1965 and later developed pachislot and pachinko machines and amusement arcade machines.

In a bid to enter the casino market the company began to look at partners and this began with the acquisition of all the shares of Phoenix Resort in February 2012.

Phoenix manages one of Japan's resort facilities, Phoenix Seagaia Resort.

Meanwhile in May 2012 Sega Sammy set up a joint venture with Paradise Group to plan and develop a resort in Incheon. The company owns a 45 per cent stake in the new Paradise SegaSammy company.

The new joint venture company took over the existing Paradise Casino Incheon in July 2013 which was already operated by Paradise and via this acquisition the company plans to gain expertise and experience in casino management.

It also gives them an existing casino licence around which they can use to develop and expand the area into a large scale casino resort. It will include a hotel, shopping mall, convention centre and offices. The hotel will have 700 rooms and the gaming area of 11,000sq.m in the casino. At the moment the gaming area has a floor area of 1,300sq.m which will be enlarged.

At Sega Sammy Creation the division has also begun to develop new casino machines with an expected release this year.

Heyjeong Shim, IR Manager at Paradise Casino said: "Our case is totally different from the Caesars/Lippo case as we already have a casino licence in the Incheon area so we don't need a new licence or approval from the government. Under the current Korean Gaming Act, there is no specific hurdle to relocate or expand within the same province.

"When we complete the new resort we will shut down our existing Incheon casino and start operations at the new site.

"Today the Korean gaming industry is receiving a lot of attention from many investors and situations such as Las Vegas Player entering, casino openings in Japan will be a signal for changes just as Macau's early stage of expansion was down to Singapore's successful casino results.

"But we are also concerned about new competition and we need to be ready for the future by exploring the casino market."

In another South Korean project the company is planning to participate in the development of Centum City



LOTTERY: Korea Lottery System
LOTTERY REVENUE: ₩3.2tr

SPORTS-BETTING: Sports Toto and Sports Proto

HORSE RACETRACKS: 3
BOOKMAKERS: 30 (KRA outlets)
HORSE RACING REVENUE: ₩7.8tr (turnover)
CYCLING REVENUE: ₩2tr

CASINOS: 17
CASINO SLOTS: 2,235
CASINO TABLES: 842
CASINO REVENUE: ₩2.7tr
TOTAL GGR: ₩19.34tr (\$18.2bn)

Casino operator Genting Singapore and Chinese property developer Landing International Development are also planning to build a \$2.2bn casino resort in Jeju although not yet has been approved as of yet.

which is a multi project urban development area in Busan to incorporate communications, video, entertainment and international business. A resort costing around ¥35bn comprising of hotel and entertainment will be developed around this.

In addition casino operator Genting Singapore and Chinese property developer Landing International Development are also planning to build a \$2.2bn casino resort in Jeju although not yet has been approved as of yet.

The deal was announced in February 2014 in Hong Kong and marks Gentings first foray into Korea.

The resort will be called Resorts World Jeju and will include luxury hotels, a shopping mall, a theme park and residential facilities.

Landing International has been looking for a partner since 2013 to develop a 2.3 million sq.m area in Jeju. The resort is hoping to attract high rollers from China and will include 800 tables of which 200 will be for high rollers.

There will be a theme park, shopping mall, villas and apartments plus three hotels. Construction is due to begin in June and will be based on Genting's Resort World Sentosa.

THE CASINOS SEOUL

PARADISE WALKER-HILL CASINO is located in Kwangjin-Gu in the Sheraton Walker Hill Hotel with views of the nearby Han River. The casino opened in 1968 and there are some 90 gaming tables (55 Baccarat,



15 Blackjack, seven Roulette and 12 other tables) and 147 slots. The Sheraton Grande Walkerhill hotel has 589 rooms, 14 restaurants and a shopping centre whilst the W Seoul Walkerhill Hotel has 252 guest rooms. Since 2002 the casino has been listed on the KOSDAQ.

The Paradise Group operates four other casinos in South Korea in Busan, Incheon, Jeju Grand and Jeju Lotte. Plus they also operate two hotels and are involved in the travel and welfare and culture sector. The company set up in 1968 as Olympos Tourism.

7 LUCK CASINO SEOUL GANGNAM in GangnamGu is run by a public enterprise and has 71 table games (46 Baccarat, 14 Blackjack, four Roulette, one Tai Sai, two Caribbean Stud Poker, two Three Card Poker and two Texas Hold'em Poker) and 121 slots and events in a gaming area of 5,380 sq.m. It is a Korean style casino with Oriental atmosphere and located near to the COEX International Hotel and Oakwood Premier Hotel and cinemas, shops and entertainment facilities. The group Grand Korea Leisure (GKL) runs two other casinos – Seoul Hilton and Busan Lotte. GKL is a subsidiary of the

state run Korea Tourism Organisation, a public enterprise set up to attract foreign tourists into the casino sector. It was launched in September 2004 and Seoul Gangnam branch opened in January 2006 followed by Seoul Hilton in May and Busan in June of that same year.

7 LUCK CASINO MILLENNIUM SEOUL HILTON is situated near a number of famous hotels and tourist attractions. There are 55 table games (29 Baccarat, 11 Blackjack, seven Roulette, two Tai Sai, two Caribbean Stud Poker, one Three Card Poker and one Casino War) plus 160 slots in a gaming area of 2,812 sq.m. It is operated by GKL.

INCHEON

PARADISE CASINO INCHEON in Joong-Gu was the first casino to open in 1967 and later moved into the Hotel Hyatt Regency in 2005. It has a modern interior and is just five minutes from the Incheon International Airport at the International Business Centre. The casino has 36 table games (29 Baccarat, four Blackjack, one Roulette, two other tables) plus 32 slot machines. The Hyatt is a five star hotel with 523 rooms. It is operated by the new joint venture Paradise Sega Sammy who will use the casino licence to develop a resort at the location.

KANGWONDO

KANGWONLAND CASINO in Gangwon-Do sits at the foot of Mount Hambaeksan. It is known as the Highl Resort and is a ski and golf resort with three hotels and three Condominiums and a convention centre. It is the largest casino in the nation and the only casino which permits foreign and domestic visitors. It has 1,360 slots and 200 tables games in a gaming area 27,293 sq.m. The casino includes the Summitas Club a VIP lounge with 20 seats. The hotel has 477 guest rooms.

ALPENSIA CASINO is set just 500 metres from Seorak National Park within the Sokcho Tourism area. It is renowned for its scenery and mountain views. There are 121 guestrooms in the hotel.

DAEGU

DAEGU CASINO is in the Hotel Inter-Burgo. This was opened in 1979 and is 3,473 sq.m and has 63 tables and 50 slots.

BUSAN

7 LUCK CASINO BUSAN LOTTE is located in Busan, the second city of South Korea. It is a European style casino and has 47 table games (25 Baccarat, 10 Blackjack, seven Roulette, one Tai Sai, two Caribbean Stud Poker and two Three Card Poker) plus 90 slots in a gaming area of 2,234 sq.m. It is operated by GKL.

PARADISE CASINO BUSAN is located in Haeundae which is one of the top local tourist destinations in Korea. It is housed in the Paradise Hotel Busan in the harbour city. It is divided into various sections and has 37 table games (23 Baccarat, five Blackjack, three Roulette and three other tables) plus 54 slots. It is operated by Paradise Group.

JEJU

PARADISE CASINO JEJU GRAND is on Jeju Island which has long been an international tourist attraction with natural surroundings. Jeju city houses the Paradise Casino Jeju Grand which is the largest casino on the island. There are 27 table games (19 Baccarat, three

Blackjack, two Roulette, one other) plus 36 slots machines. It is located in the Jeju Grand Hotel which is five minutes from the airport of Shin Jeju and has 512 guest rooms plus golf course. It is operated by Paradise Group.

PARADISE CASINO JEJU LOTTE is a big entertainment complex hosting over 20 events each year from golf tournaments to festivals. There are 27 table games (24 Baccarat, two Blackjack, one Roulette and one other) plus 38 slots. It is located in the Jeju Lotte Hotel with has over 500 guest rooms. Operated by Paradise Group.

ROYAL PALACE CASINO at the Jeju Oriental Hotel opened in 1990 and is situated near an amusement park, seaside art centre and other entertainment facilities. The hotel has 313 guest rooms and a banquet room and is just 4km from the airport. The casino has 15 slots and 18 table games including Blackjack, Roulette, Baccarat and Tai Sai.

Landing International has been looking for a partner since 2013 to develop a 2.3 million sq.m area in Jeju. The resort is hoping to attract high rollers from China and will include 800 tables of which 200 will be for high rollers.

GOLDEN BEACH CASINO is set inside the Jeju Kal Hotel which is a modern, triangular building which is fairly unique in design. The casino has 26 tables (23 Baccarat, one Roulette, one Tai Sai and Blackjack) plus 24 slots.

RAMADA PLAZA CASINO is at the Ramada Plaza Jeju Hotel which is modelled after a deluxe cruise ship in Northern Europe and is located on a busy street in Jeju right on the waterfront with sea views. It is one of the most unique in Korea and is five minutes from Jeju Harbour and the airport. It has 380 rooms, a convention facility for 1,000 guests and a kids room. There are 39 tables and 22 slots.

THE HOTEL AND VEGAS CASINOS is a premier boutique hotel developed and operated by Gillmann Investment Asia of the Gillman Group. It was opened as a five star hotel and there are 202 rooms. There are 27 tables and 16 slots.

MAGESTAR CASINO is located at the Jeju Shilla Hotel and opened in 1990. It is a state of the art hotel and joined the LHW federation of luxury hotels in 2004. The hotel has 429 guest rooms, six restaurants and bars, eight conference halls, spa and fitness centre. The casino is 860 sq.m housing slots and table games.

HYATT HOTEL CASINO is located at a seaside cliff at the southern edge of the island. It is a resort hotel with indoor waterfall in the lobby and is situated in the heart of the Jungman Tourist Complex overlooking the Pacific Ocean. The hotel has 223 rooms whilst the casino offers 19 table games and 10 slots.

Interactive

CUSTOMER RELATIONSHIP MANAGEMENT

Raising the bar of personalisation

Comtrade's Aleš Gornjec explores the value of automation and the seamless integration of CRM incentive systems designed to raise player engagement.



Ubiquitous connectivity, global reach of the Internet, and increasingly advanced personalised applications have resulted in consumers becoming used to quickly adopting, new online services. But, we also quickly abandon and switch providers when we find better service elsewhere. While some industries and companies are better with the online services and features than others, we expect the cool stuff in more and more places – in a way following the motto “if they can do it, why can't you?”

All service industries (and increasingly product companies also) are therefore being challenged with the raising bar of personalisation, social elements (like community feedback), and the overall quality of the service itself. The gaming industry is no exception to this, and players increasingly expect the personalized service they are used to getting elsewhere also when gambling.

To enable, deliver, and evolve that service, gaming operators have had a CRM strategy and technological infrastructure in place for years and decades. However, with the increasing pace of new providers and services being introduced into the market, CRM technology needs the right features and flexibility to allow operators to move fast and adapt the service to retain and develop the most valuable players.

The elementary tools for personalisation and tailoring of the offerings are segmentation and personalisation automation based on big data analytics of all player's activities.

To enable effective retention, value maximisation, and churn prevention strategies, segmentation needs to be based on detailed enough data to create the right segments for either marketing campaigns or for the automation of offers for

players. Segmentation can, for example, be organized to reflect player lifecycle stages. Ideally, the data that is the basis for segmentation will include: a player's personal information, website interactions (sessions), and activity and betting patterns (full details of games played, channels, devices, betting outcomes, transaction details) in order to cover frequency and the recentness of play, as well as monetary value. It might also include deposit and withdrawal details, player interrelationships (like referrals, buddies, etc.), player/affiliate relationships, and more. Ideally this data will be available in an easy-to-access, central repository (a data warehouse) which the CRM system can use as the basis for player segmentation criteria.

CRM needs to be able to evaluate segments dynamically – players need to be added or removed from segments dynamically (and auto-



Aleš Gornjec joined Comtrade in 1996 (previously, Hermes Softlab) as software developer and project manager. In 2001, Aleš founded the company's gaming unit and in 2013, he was appointed General Manager of Comtrade Gaming – a newly formed strategic division inside Comtrade Group – with a goal to drive further growth and expansion.

Complementing segmentation capabilities, CRM needs to provide powerful automation of actions that either result from a player belonging/entering/exiting a player segment, or are triggered as a consequence of a system event and based on business rules. Player segment membership and inter-segment movements can, for example, outline the typical player lifecycle, which enables pinpointing churn events for every category the operator defines.

For effective use of automation the segmentation capabilities need to be seamlessly integrated with the incentive system of the CRM (both bonus management and loyalty), and the promotions/campaign management features. With this, CRM can automatically react to business events of interest (e.g. player has not logged into the system for two weeks) with preconfigured flexible incentives (e.g. offer a retention bonus). Automation and incentive integration can also accelerate acquisition by using predefined conversion cycles that rely on automated communications already linked to incentives to increase conversion and to guide the player on a designated path.

Seamless integration of the CRM incentive system and the real time action automation functionality based on system events enables operators to implement advanced player engagement features like real time offers and gamification (like leaderboards and tournaments).

Automation needs to personalize communication and take into account other possible players preferences (like language, communication channel, and content preferences).

With the segmentation data CRM can also provide the basis for portal support whereby player portals are personalized based on gameplay data

(like favorite games) and the operator is able to entice players with meaningful suggestions and promote new content.

In addition to the segmentation and personalization automation, CRM's incentive system should support operators with a broad range of incentive offerings, designed to increasing player lifetime value. These might include:

- Loyalty/rewards programs that allow a player to be awarded for their gaming activity
- Various bonuses that make gaming activity more attractive since the chance of ending it with some winnings is increased
- Vouchers, free spins/bets that attract new players, wake sleeping ones, or migrate them between various channels or products

All these incentives are vulnerable to player abuse, and so operators are combining them with more and more complex risk and fraud rules, that at the end cause more player frustration than benefits. Customer service departments make a vital role when such events occur, and good CRM tools support them with all necessary data about past players' activities, so that they can resolve their questions or complaints efficiently.

In times when online operators compete with more or less the same product portfolio, good customer service has become an important differentiator that improves business results. Efficiency of solving player complaints, short payout times, and giving players the feeling that operators are providing personal attention – that they are aware of their needs – will ensure heightened sense of trust of the entire relationship. That trust will result in a competitive edge for the operator, and consequently, more business.

matically) based on their related data matching segment criteria. With powerful dynamic segmentation capabilities operators are able to quickly, flexibly, and automatically react to patterns in player behavior, steer player activity to more profitable channels and content, reward promoters, etc. Automation of marketing or customer service actions based on a player's segment membership relieves the operator's staff from mechanical work, decreases chance of human error, and enables staff to focus on pattern identification, marketing analysis, and promotions design. The CRM system will typically support marketing analysis with big data processing. All of these capabilities will provide for effective selection of player segments, targeted offerings, and better personalized messaging – consequently ensuring higher success rates and lower costs for marketing campaigns.

Taking responsibility to new levels in the gaming sector

The gaming industry is faced with reputational issues and often comes in for criticism from vocal political and public opponents. Negative perceptions about the sector mean that some employees and customers can be almost ashamed to tell friends where they work, or reveal that they play online. G3 interviewed Paddy Power's Catherine Colloms about corporate reputation in the gaming sector and the recent establishment of a new online industry body, Senet Group, aimed at addressing these issues.

A good reputation is a strategic asset (even though intangible) that is rare, highly valuable and difficult to imitate – how do you build a good reputation in the gambling industry with the odds stacked against you from the start?

I think it's the same for any industry. A good reputation is fundamental to any business and the key is understanding how you build that reputation.

In the gaming industry, fundamentally this is about a company's licence to operate. We can only function with the consent of our stakeholders – be it our customers, investors or employees. We know there's no silver bullet and that building a solid reputation involves working across multiple channels and business functions, including brand, PR, HR and corporate responsibility. Everything you do affects your reputation.

If you look at well-respected companies in the corporate sector, those with strong reputations share a common approach. The first fundamental principle is that responsible business practices have to underpin business operations. Corporate responsibility isn't something that sits alongside the everyday running of the business. If corporate charitable giving is just a PR exercise, then you're not engaged with your stakeholders and this type of charitable 'act' just doesn't work.

You have to be authentic and open and engage with your audience. Trust is fundamental to business, but it is very easily lost. In the gambling sector you probably have to work harder than other sectors to build trust, but the principles are the same. Gaming companies have to be brave, offer a

vision and engage in broader debates, especially those relating to important social issues.

A reputation should be grounded in strategy if the organisation wants to gain a sustainable competitive advantage. How much does a good reputation benefit the company – and does this mutually benefit the industry as a whole? Can one company make a difference?

I think that one company can make a difference. What you want in any industry is strong leadership – leaders who are not brought down to the lowest common denominator. It comes down to a question of regulation and whether the regulator regulates 'down' or 'up'.

I believe the Gambling Commission would like to regulate up, and would like operators to establish leadership positions in social responsibility that have a real impact in the sector.

Paddy Power is one of the founding members of the Senet Group – which is designed to be an industry wide body, with broad membership. The aim of the Senet Group is similar to that of the Portman Group in the alcohol sector. It has been established to help underpin the legitimacy of the gaming industry and set best practice standards. As part of Senet, we aren't just one company but individuals belonging to a group that can set benchmarks that help raise the bar for everyone.

The gambling industry still almost apologises to the rest of the business community for being a key economic player, but is the economic contribution of the industry within communities the



Catherine Colloms,
Director of Corporate Affairs,
Paddy Power.

Catherine is director of corporate affairs at Paddy Power. She is responsible for devising and implementing Paddy Power's corporate communications strategy, including media relations, public affairs and Corporate Responsibility. Catherine spent 6 years at Brunswick Group working on a variety of campaigns for clients including PepsiCo, Reckitt Benckiser, IKEA & NBC Universal. She also spent 6 months in working on the BP Deepwater Horizon crisis. Catherine started her career in the Foreign Office where she worked on a range of crisis situations, including the Government's humanitarian response to September 11th. She also worked on post-conflict issues and the Balkans including in Sarajevo as Personal Political Adviser to the High Representative for Bosnia, Lord Ashdown.

Paddy Power is one of the founding members of the Senet Group – which is designed to be an industry wide body, with broad membership.



THE SENET GROUP

Senet Group has been formed as an independent body to promote responsible gambling standards and ensure that the marketing of gambling is socially responsible. Senet invites all gambling operators with high standards in their commitment to responsible gambling to join the Group.

The founding companies – William Hill, Ladbrokes, Coral and Paddy Power – are committing to:

- a voluntary ban on advertising sign-up offers (free bets and free money) on TV before 9pm, mindful of children and young people watching
- withdrawal of all advertising of gaming machines from betting shop windows
- dedicating 20 per cent of shop window advertising to responsible gambling messages

These measures came into force on October 1, 2014.

In addition, from January 1, 2015 they will also commit to:

- the creation of a new independent body, The Senet Group, which will be headed by an independent Standards Commissioner to hold the industry to account
- fund a major new advertising campaign to educate people about responsible gambling
- all TV advertising carrying more prominent responsible gambling messages

right 'card' to be playing, or should the industry be focusing upon other issues to counteract negative opinion?

I think the economic contribution of the gaming industry is an important card and one we do need to play.

We make a substantial economic contribution through taxes and employment. In particular, I think retail multi-channel operators such as Paddy Power, with over 300 shops in UK, have brought deep and genuine contributions to the regeneration of the High Street. It's important to make the case for the contribution the industry makes, and we're especially proud of our retail presence.

However, the industry has relied on the economic argument too heavily in the past. It's not a message that resonates strongly with the public or

even much with politicians, where the drivers of policy are not just economic.

We have to also address the broader perceptions of the public and politicians. It is key that we continue to remind people of our economic contribution, but this needs to be balanced by discussing issues of responsibility and self-regulation.

The most pertinent threat at the moment for the industry is the threat from government and regulators to increase withholding tax, increase gambling tax and potentially restrict advertising. Where then should efforts be focused in order to change opinions – at the politicians or the general public?

I believe that we have to focus on both. You can't segregate the audience between public and political affairs with different messaging to both – it simply doesn't work anymore. The boundaries

It is key that we continue to remind people of our economic contribution, but this needs to be balanced by discussing issues of responsibility and self-regulation.

between the two audiences have become blurred, and social media has been a big part of that.

You can and should vary the level of detail between public and political messaging, but the principles behind the message have to be authentic and consistent, and the communication channels effective. For example, the Senet Group is tasked both with engaging with politicians and reassuring the public with a message that social responsibility is critical for our businesses.



Corporate Social Responsibility

How do you galvanise all the stakeholders in the industry to universally act responsibly, and how do you communicate this message to the government, the general public (customers and non-customers), business leaders, employees, media, investors and analysts? Who should be the voice of the industry and how do you agree on the right course of action?

We are a very disparate and complicated industry. There are lots of different groups and different viewpoints in terms of regulation and legislation, making it difficult to speak with a collective voice. A common criticism from government is that they don't know who to engage with on industry issues.

I hope that the Senet Group will play a key role in pulling together these different voices. We are not looking to make policy, but to have conversations about what constitutes best practice. There is an urgent need to discuss what works and what doesn't work. Governments and regulators do not want to engage with multiple different agencies, with different agendas. The Senet Group could be the single voice that makes a real difference.

Industries with bad reputations often don't understand why they suffer from negative perceptions. Within the gambling industry the opinion is that it's a reputable industry that is proud of its contribution to the economy and society. How do you address the internal and external perceptions?

Speaking in terms of Paddy Power, I think the vast majority of our employees are proud to work at the company. We're a big employer, particularly in Ireland, with a sense of pride in innovation having built the business from scratch in 25 years. It's a pride that's instilled in our culture.

The broader question, in terms of how highly scrutinised we are as a business, means that we always face challenges. People have strong moral views about gambling – particularly at a local level. Therefore we have to keep making the positive case in increasingly creative ways.

In the past we have focused on the economic arguments too much; we haven't talked enough about the other issues that people care about. We have to address advertising and social responsibility in particular, and we need to listen to people more carefully.

What role does responsible gambling play in addressing the negative perceptions of the wider community, and what balance needs to be struck between doing good deeds and being seen doing good deeds?

Responsible gambling is critical for the industry as a whole and it has to be the basis on which we hold a licence to operate in the future.

Our view is that you must embed social responsibility in the fabric of your business, imposing self-control measures in all the products you offer to players. And we have to go beyond that in communicating this message to customers.

Our primary aim should be to advance our responsible gambling practices in order to deliver the best possible experience for customers. However, it is crucial that we effectively promote and communicate the good work we are doing on this, in order to retain the trust of our customers and counter negative perceptions.

Can the newly established Senet do enough to

promote the image of the industry in a positive light? Is there a need for another association tasked with specifically influencing and building the reputation of the industry?

The Senet Group was launched two months ago, but doesn't formally come into being until the first of January.

With Senet, we're not just creating yet another association for the sake of it – we recognise that there are a number of bodies active in the industry already. We have seen in the past that initiatives like this can fail, but that's usually because good intentions have had little substance, backing or money behind them. The four founding members of Senet have all backed the group with a budget, deliberately ensuring that we launch with a concrete package of initiatives.

The four founding members of Senet have all backed the group with a budget, deliberately ensuring that we launch with a concrete package of initiatives.

Among these is the commitment to create the first ever responsible gambling TV advertising campaign, to commence at the beginning of January 2015, as one of the founding principles of the group is to address public and political concerns on television and retail window advertising.



Doing the knowledge

CreditSafe's Chris Robertson looks at ways to enhance customer lifecycles with informed insights as the company launches a new CRM credit checking facility

One of the effects of ever more powerful technology and greater proliferation of data is that, in theory at least, every business can now make more informed decisions right through the customer lifecycle.

For most companies, this lifecycle starts with the qualification of prospects, and that has been traditionally where credit information has been traditionally used. It is good practice to consider the creditworthiness of new prospects so that you don't waste time with customers who end up not paying their bills for services or products rendered.

Traditionally, these initial checks have been made by credit controllers or others in the finance team. However, the rise of easy to use, online credit reporting tools has led to the 'democratisation' of credit reporting, where everyone in the business, including sales teams, can make more informed choices about who to do business with.

However this can now be spread even further and we are now entering a new phase where information within credit reports can be more tightly integrated throughout a customer's lifecycle with a broad set of business applications such as customer relationship management (CRM) and finance & accounting.

For example, Creditsafe has developed its

Integrated Solutions platform, including an application programming interface (API) that makes it easy for organisations to blend information from credit reports seamlessly into their everyday business processes.

This is, of course, particularly relevant when companies are looking to improve their 'know your customer' (KYC) processes. KYC describes the general good practice of checking that customers are who they say they are, but is also the official name for regulatory compliance designed to prevent money laundering and fraud.

KYC implies not taking information provided by clients at face value, but instead gathering intelligence over and above basic identification. So as well as using credit reports to look at the financial well-being of prospects at the beginning of the customer lifecycle, companies can, for example use them to check and confirm registered addresses before invoicing.

Once organisations have invoiced a company and been successfully paid they will generally look to win repeat business. At this point it makes sense to look again at the financial position of clients to see if anything has changed, such as credit rating, new or different directors or whether any CCJs have been applied to a business.

Finally, companies can use credit reports to

measure risk on an ongoing basis. They can monitor trading levels and manage exposure. A customer that turns out to be a slow payer and that is exhibiting negative performance could have its credit terms renegotiated, or requested to pay a bond upfront prior to the delivery of merchandise. The finance team can also use the greater intelligence provided by credit reports to prioritise collections and chase the most risky payments.

The marketing function can also tap into credit reports when identifying creditworthy companies to target with specific offers and cleaning their own CRM data using industry validated information.

When Creditsafe reports are integrated with core systems, companies can undertake a number of new and useful procedures:

- Search for company reports from accounting, or CRM systems or a dedicated search area
- Map credit ratings, limits and other valuable information to customer records
- Create new accounts or leads from company reports
- Create new contact records for company directors
- Define credit thresholds based on company policy
- Look at group structures and international coverage

The Integrated Solutions platform enables organisations to access credit reports on 120 million companies directly from their finance and CRM applications. The API has been developed to work out of the box with market leading packages such as Sage, SAP, Microsoft Navision, Salesforce.com, Microsoft Dynamics and Sugar CRM as well as with business systems developed in-house.

Accurate information is the currency of successful business. Decisions need no longer be made on gut feel or on the basis of personal judgement – indeed the principles of KYC dictate that as much investigation as possible is undertaken before commercial terms are put into place and extended through the customer lifecycle.



Chris Robertson,
UK Managing
Director,
CreditSafe

PERSONAL INFORMATION

HELLO, I'M READY

Interactive

PERSONAL DATA PROTECTION

Who's watching the watchers?

Harvard University's Adam Tanner discusses the fascinating subject of personal customer data and its opaque usage by online gaming sites

As you're reading this article, the smartphone in your pocket is telling third parties personal information about you. It's part of a multi-billion industry concentrated on tracking, packaging and selling data. The data generated by apps and services you use on a daily basis, from geolocation and cookies to social-media tracking and credit card transactions. Everything is building records about you and your behaviour. This isn't Big Brother from George Orwell's 1984 - this is business.

As businesses gather freely available information about you, land and tax restoration, voter data, daily location and social media posts; a huge library of information can be gleaned, which is then sold to data aggregators and analysts so that they can accurately profile you. It's an issue that affects every aspect of modern life - and is especially interesting when it comes to gaming.

Adam Tanner of Harvard University studies data, specifically customer data and how companies use it. He investigates the data they collect from customers, to what ends it's deployed and asks whether the outcomes for the customer are positive or negative. Mr. Tanner's most recent major

case study involves Caesars Entertainment, both in the US and worldwide. He has examined the data channels mined by Caesars through the company's state-of-the-art loyalty programme.

Transparency is a broad theme within Mr. Tanners work, whereby he has looked at the choices open to the customer at the point of consumption. Do they have a choice as to whether they wish to share their data? If you go to a land-based casino you have the choice to join the loyalty scheme or play anonymously, whereas in the online environment there's no such choice, as the data is collected anyway. "You have to empower the customer into making choices driven by considerable benefits," states Mr. Tanner. "If you gamble anonymously, then there are no perks and benefits, but if you empower the customer with the knowledge that if they share their data with the casino then they will be rewarded, players can make conscious decisions to be part of a mutuality beneficial programme. Just as airlines and supermarkets all want loyal customers and are hungry for customer data, casinos are in the same position. However, a company like Caesars must ensure that their customer data is not



Adam Tanner, Fellow, Institute for Quantitative Social Science, Harvard University

Customers can get very angry if their data is not secure and especially upset if they discover that all kinds of personal data has been gathered surreptitiously and is now public knowledge on the Internet.

Interactive

PERSONAL DATA PROTECTION



shared, or sold to third-parties, something that is frequently done across other business sectors."

According to Mr. Tanner, good data practice should be like a nutrition label, pointing out to the consumer in an easily digestible way the key points of the privacy policy of the operator. Having a policy and making it easy to understand are two entirely different things. "We've all seen those incredibly long privacy agreements, which don't really expect you to slog through pages and pages of fine print, but are just obfuscating the data usage," states Mr. Tanner. "It doesn't have to be like that and in fact the clearer you make the policy the more a customer trusts the information they are given. You must explain what data is collected, what wagering history is stored, the types of purchases made and banking information kept, something that is straightforward and clear to understand."

It's not just making the data policy clear, but providing incentives to share the data with the operator that creates a win-win for both parties. Caesars Entertainment provides sharing incentives. They give back to the customer for sharing

their personal information, which in turn enables Caesars to offer a better service to the player. If, when you share information, the incentive programme is tailored to the offers that you like - for example, you stop receiving offers to share in the wealth of a Nigerian Diamond Factory and instead receive vouchers for Amazon, then the customer is better engaged, more likely to continue to share data and more trusting in the programme.

Mr. Tanner believes that operators can 'get away with' surreptitious practices for a certain amount of time, but over time this presents a vulnerability to the business. In areas of security, the storing of data has to be made transparent as breaches can pose all kinds of threats not only to the consumer, but to the business as well. Customers can get very angry if their data is not secure and especially upset if they discover that all kinds of personal data has been gathered surreptitiously and is now public knowledge on the Internet. "The leaking of celebrity images on Apple's iCloud recently has driven home the fragile nature of personal data security, making people much more wary of using these services," says Mr. Tanner. "You also have to be careful when making half-promises to cus-

tomers. Many data policies, worded by lawyers, state that the sites will 'do their best' to keep personal data secure. They say that nothing is 100 per cent secure, but they'll do their utmost to prevent a breach - well, in the casino sector, where customers want to know that they can really trust a site with their money and their data, the lawyers may be protecting the company with language, but players won't put their trust in this kind of practice."

Transparency can, Mr. Tanner outlines, be as much of an incentive to participate with a brand as bonuses and extra rewards. "Online you don't have the physical attributes that make your game different," he states. "The slots are the same from website to website, the random luck of the roulette wheel is the same. Many sites offer the same bonuses, matching the player's first £50 etc., which is why, especially in online gaming, transparency of data, building that trust with a player, can be used to differentiate your site from the competition."

"Latanya Sweeney, director of the Data Privacy Lab at Harvard University, has shown that roughly 87 per cent of people in the US can be uniquely identified by the combination of just three facts about them - zip code, age and sex."

There's an obvious advantage for bigger companies to cross market to multiple channels, but how operators of both land-based and online gaming handle mobile data and locational data is critical to how they engage with their players in a responsible manner. "You have to be sensitive about how you use the data gathered," says Mr. Tanner. "Knowing where someone is, for example, gives lots of insights into them. It is not the business of casinos, but if you know a person is currently located on the fringes of Las Vegas, you can make assumptions about those activities. Another issue relates to the specificity of the data gathered. Caesars deals only in information in the realms of the casino, but in gathering this data you also begin to know a great deal about eating habits, room preferences, entertainment choices, which start to form narratives about players. If you further supplement that information, taking into account social media information, wealth and health data, it becomes harder to simply restrict the knowledge about a person to gaming specific details. If you buy information from outside sources and combine the data with your own, the profiling is no longer gaming specific but general and very personal."

Mr. Tanner believes that transparency is the best policy. He advocates that operators should overt-



ly inform customers about the data being gathered and explain how it is being used. Websites should inform players if sites aggregate information from data brokers, gather details from Facebook or other social media, and categorically state that they don't share this data with others. "Operators must inform players that they do not share data with political parties to help them raise money, or sell the information to magazine publishers to sell subscriptions. Players should be able to opt into the offers they want and remove themselves from unwanted solicitation. The sensitive areas that apply to all businesses online should be respected: medical conditions, sexual orientation, religion etc. This information is not only intrusive, but it's also potentially harmful in the hands of certain groups," states Mr. Tanner.

The 'right to be forgotten' has become a major issue in Europe between Google and the EU. Google has been forced to offer users the option to wipe all their data from Google's records, essentially deleting all the profiling Google has been gathering about an individual's search record. Giving gaming customers the option to wipe all of their data is, Mr. Tanner believes, a major step in building trust with the player, though he recognises this is a difficult step for the operator to take. "Last year, one of the biggest data brokers in the US, Axiom, opened its personal files to the public," states Mr. Tanner. "The details were a revelation for many, whereby Axiom gave people the choice to amend, improve or opt out altogether and have their records deleted. The company was concerned that a high proportion of people, given this option, would opt out. In fact, it was just a tiny percentage of people that chose this option. They

found that people did alter their details if they were incorrect, giving better data – and while operators might lose a few customers, I believe they will win more customers in the long-run by offering this option."

Building trust in a business is something that slowly builds over time. Transparency at the corporate level is important in generating this trust, especially if you're solely an Internet business. According to Mr. Tanner, companies should reveal who their executives are and provide real information and data about the company, making those details publicly available. "It's fairly confusing with online gaming sites," says Mr. Tanner. "When they're keeping stored data about our personal transactions and preferences, to find that we don't know where they are holding these personal details. It can be very hard to discern who is behind these entities. If you're a customer going blind into a site that is asking for your financial details, knowing very little about the business is a big concern. Businesses in this sector need to share more with their customers. Even companies that have been around for decades can be accused of fixing games, rigging the numbers, even when that doesn't reflect reality. It may have to do with the nature of gaming... but long-term transparency via an honest, easy to use site – will help build real loyalty."

Personalised marketing can provide the perfect opportunity to connect with customers, but in gathering personal information to tailor campaigns more precisely, when does the collection of this data become an intrusion? "Some practices are unappealing to consumers and counter-pro-

Businesses in this sector need to share more with their customers. Even companies that have been around for decades can be accused of fixing games, rigging the numbers, even when that doesn't reflect reality. Long-term transparency via an honest, easy to use site will help build real loyalty.



ductive," suggests Mr. Tanner. "The best solution offers some kind of choice. Customers should be able to opt out permanently from the data collection, while offers that are targeted at customers need to be more relevant – they need to be about the things the user cares about, otherwise it's a failure for your business. In a physical casino, if you know if someone is a fan of 90s rock, the offer should be 'visit the casino tonight for a discounted price to celebrate an specific musical performance.' The same applies to geographical marketing. If you make constant offers that are unspecific, you'll annoy a customer. Give them a personally attractive offer, however, and they'll not only cross the street, but be much happier opting in to your services."

Volume of information isn't as useful as relevance. The amount of data that's collected can also have

The best solution offers some kind of choice. Customers should be able to opt out permanently from the data collection, while offers that are targeted at customers need to be more relevant.

a negative effect on the user if they deem a message to be too personal. Whereas if you collect too little data, it can also prove to be useless, or worse, actively deter people from engaging with you. "If all you know about a customer is their name and email, you can deter potential customers by not marketing precisely to their tastes.

However, it's also important not to ask for too much information too early on. One of the most surprising data collectors that I've seen is www.JimmyPage.com. In order to go beyond the first page, you must supply your first name, gender, last name, email, country of origin and date of birth. The website doesn't tell you what it intends to do with the information, or that it has no plans to sell these details to others. It's not even clear why they want all this information, as nothing on the site is personalised to the user. It's both intrusive, off putting and an unattractive way to engage with your user."

Gaining the right amount of information is a delicate balance. How much to ask for in the first encounter with the website is partially dictated by fiscal and regulatory requirements, ID checks and user age specifics when it comes to online gaming. However, to be able to offer users tickets for events and shows, for example, requires further questions. Finding out the clothes preferences of a customer can be rewarding both for the operator and the user if promotions are targeted correctly, but how do you make this tentative next step in personal data collection? "It has to be a mutual exchange," says Mr. Tanner. If the customer feels they're giving more than they're receiving it won't be attractive to them. You need to explain exactly how the information will be used and also inform them that they can opt out and have their details expunged at any point. Caesars, for example, have found that the more emails they send, the more responsive customers are to them. Some members get as many as 20 emails per month. It's a balance between what each individual is prepared to accept, but if you add a sub-level variant of choice, specifically identifying players who enjoy sports-betting for example, or concerts and shows from particular acts, you're giving people the ability to opt into and out of different marketing messages. It's a system that enables you to alter how strong the hose is firing towards individual customers."

Mr. Tanner believes that the gaming industry should adopt its own set of best practices when it comes to data collection before regulators and legislators impose rules and regulations upon them driven by political motivations created by worst practice practitioners. "What I try to do in my work is highlight the different sides of the equation," explains Mr. Tanner. "Sometimes we can ignore the human data when we concentrate on the economic realities. I try to bring different perspectives into a better balance and show business leaders how using data is impacting their business today and into the future. The executives at Caesars call their practices the 'Sunshine Model,' which relates to transparency. Basically, would you be comfortable to have your business practices exposed on the front page of the Wall Street Journal? It's a fair standard by which to view potential future liabilities. If the answer is that regulators and the public would be shocked if they knew what was going on behind closed doors, then you're just storing up problems for your business in the future."

Kick-starting switch to social gaming 2.0

G3 talks to social gaming provider, OpenWager, about the opportunities for casino operators in the social gaming space and what OpenWager plans to do differently

What is OpenWager?

OpenWager is a B2B social casino company, set-up 18 months ago with the aim of building the best white label, social casino in the market. We've seen the tremendous 20 per cent growth in B2C, but that's something that hasn't reached the smaller land-based or even the media companies that we're looking to work with, who simply can't build their own social casino in order to reach those players. We customise our platform for individual companies and help brands of different shapes and sizes to retain their online audience.

Who is this targeted at?

There are a couple of different customer groups, starting with the land-based vibrant audience playing games for fun and money. Many jurisdictions in the US don't allow play for money online. There are social mobile casino games available, but if you look at the social market it's largely dominated by Caesars and DoubleDown. That said, it's a very large market – revenue for B2C is currently around US\$4bn. Our solution enables us to present a semi-customised solution very quickly. If you're a land-based operator without a social mobile offering, then we can provide a platform that will stop your customers playing somewhere else. We also have a scaleable product that we can size appropriately.

Myself and the team have been working in online games for 20 years, across multiple platform evolutions – console platforms, web-based gaming and social games. We have been building leading edge platforms for years and really liked what we saw in the social casino space, and thought there was potential to apply the historical talents of the team for the benefit of land-based operators.

What games content are you drawing upon?

We've assembled different studio teams, slots teams and some third-party providers working on a complete suite of games for the launch, including black jack, poker and baccarat games. We include all the social elements, payment and data collection and all the analytics you need. We integrate into existing casino management systems to give the operator a single view of their operation.

How was the platform developed?

When we deploy it's on iOS, Android and Facebook, in addition to the customers who are driven by the parent property. There is a marketing incentive that enables operators to offer their own branding in games, ensuring players have a deep affinity with the brand.

We haven't announced any casino operator ties just yet, but we are looking to announce deals by the end of the year. It is a long conversation, but one that it is getting easier over time as the numbers coming out of social gaming are so spectacular. It's becoming hard to ignore and I think most of our customers are extraordinarily well informed and fully aware of changes taking place

"Customer management and data ownership represents long-term value and we have no intention of competing with our partners."

due to social gaming's impact. It was different two years ago, when there wasn't as much public data. Now we can see that the overwhelming trend driving the growth is mass availability of mobile devices almost as powerful as games consoles. And we can also see that the quality of the gaming experience is rising all the time.

Signing the deal with USA Today was huge for OpenWager and a great example of how the OpenWager platform can tap into a wider audience under-served at present by social games. It's the ideal demographic. We give USA Today customers great games and they start attracting and retaining the interest of their audience.

What's OpenWager's unique proposition?

In terms of OpenWager's USP I'd say it's our deep social features, which trump current social casino market leaders. I think a lot of features out there



John Cahill,

CEO and Founder, OpenWager.

John is a games industry veteran with over 25 years of industry experience. He's been involved in the building of several large scale, massively multiplayer game platforms and selling them to industry giants. Prior to starting OpenWager, John started and ran Meez.com, a leading teen-focused social media community which today has over 8 million users. Throughout his career, John has held executive roles at companies such as Stateon (CEO), Yahoo (GM, Mobile Games), Shockwave (SVP Operations), and SegaSoft, where John was VP of Technology.

right now are social and web 1.0. If you look at the next generation offered by OpenWager, we are presenting real-time tournaments, real-time gifts and free spins, interaction in meta-games, the ability to send help and gifts – the kind of advanced feature sets that you'll see in a game like Candy Crush Saga. It is very important that the meta-game level deepens the experience and generates more fun so that engagement increases across the board.

It's also vital that you have teams whose role it is to keep social gaming eco-systems alive, which requires major investment and manpower. Service operation is a skill that we bring to the table, providing the know-how to run a community successfully.

Why should casino operators trust OpenWager with their clients?

One of the things we have designed-in from the beginning, is that we make sure customer data belongs to our partners and does not belong to OpenWager. We are Fire-walled off with Chinese Firewalls, ensuring that we can't access that information. It is made very, very clear, that data ownership resides with our partners. Customer management and data ownership represents long-term value and we have no intention of competing with our partners.

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Interview

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Icing on the cake

From humble beginnings as part of a much bigger amusements show to the world's biggest gaming event, ICE celebrates its 20th birthday next year

1995 by current standards was a relatively quiet year. Barings Bank collapsed with losses of \$1.4bn, it was the 50th anniversary of VE Day, Frank Bruno won the WBC World heavyweight championship and Neil Kinnock, former leader of the UK Labour Party, resigned his seat as a member of parliament. A few kilometres west of The Houses of Parliament a team of exhibition organisers made a decision which although it didn't quite register as news, was to go on and have a profound effect on the international gaming landscape – the ICE brand was born. From humble origins ICE has grown to become the largest gambling business event on the planet. G3 spoke to the two individuals most closely associated with ICE both then and now – Dawn Millroy, who was Head of Conferences, Events and Exhibitions in 1995 and Clarion Portfolio Director, Kate Chambers who has overseen and directed the development of ICE into the behemoth that it is today.



Dawn Millroy,
Head of
Conferences, Events
and Exhibitions
(1995)

"You have to remember that 20-years ago the world was a vastly different place. I read somewhere that just one per cent of the UK population had internet connection in the mid-90s and online gaming was at best embryonic. As a consequence, the world of higher stake gaming was essentially about slots and table games. To rewind, casino games were first introduced to ATEI, the long standing amusements show, in 1990. ATEI was in Olympia and we housed the higher stake gaming products in the Pillar Hall. Whilst it was extremely important to those pioneer companies involved, it really didn't impact the main exhibition to any great extent. In 1992 ATEI moved from Olympia to Earls Court 2. In that time the casinos in Las Vegas had changed. There was an

emphasis on including non-gaming equipment and buying teams were crossing the Atlantic to source product at ATEI. London was becoming a destination for US buyers. That created a greater momentum and we responded to requests for space by creating a section on the show floor branded 'Neros Casino.'

By 1995 there was sufficient critical mass to justify the creation of a stand alone exhibition and ICE was born. The cultural differences between the two audiences was becoming apparent and we created a new identity, a new language and a campaign which was separate and distinct from that of its still bigger sister show ATEI. Now based on level 2 at Earls Court, ICE had its own entrance, its own registration desk and its own vibe. The audiences were so different that we had to introduce scanners at the floor of the escalators to ensure that only ICE registered visitors could go upstairs! At no stage did I think ICE would become what it is today, one of the biggest and most influential trade shows in the country.

"I'm proud of my role in launching ICE and I have to admit that I miss working in the industry dearly!"



Kate Chambers,
Clarion Portfolio
Director
(Present)

"One of the great things about the ICE brand has been its ability to interpret change and to respond to challenges positively. Much of this is down to the huge amount of goodwill that it enjoys from its stakeholders and their desire to see ICE prosper as a brand. With that comes an added responsibility for us as organisers to deliver the calibre of buyers our exhibitors expect and indeed have to see.

"Our 2015 campaign is one of the biggest ever undertaken in support of a gaming exhibition comprising over 120 adverts throughout 90 specialist b2b gaming media, extensive media relations and an engagement programme with over 200,000 individuals working for

85,000 companies. This is augmented by social media comprising twitter, LinkedIn, Facebook, tumblr and our own mobile networking app.

Overall we will engage with potential visitors based in over 150 countries worldwide. Clearly this type of multi media campaign simply wasn't possible 20-years ago.

I think the revolution in technology both how it impacts communications and the entertainment channels our customers use, are the most significant differences between the ICE of 1995 and the ICE of 2015. Another point of difference is the learning programme which we provide at show through ICE Conferences and the free to attend Seminars held on the show floor. These are now central parts of ICE and make a big contribution to the show experience.

At no stage did I think ICE would become what it is today, one of the biggest and most influential trade shows in the country. I'm proud of my role in launching ICE and I have to admit that I miss working in the industry dearly!"

"Whilst next year's ICE will be totally different in scale and content, it does however, share some key characteristics, notably the 'can do' approach of both visitors and exhibitors, the ability to get the most from the technology of the day and a pioneering, entrepreneurial spirit.

It's fitting that so many gaming professionals from so many countries will be celebrating the 20th birthday of what has become the world's favourite gaming exhibition. What other commercial institution is capable of attracting over 20,000 well wishers from 100+ countries to what will be a fantastic three day celebration of business?"

01

ROLLING STONES**Slot Machines
Aristocrat Technologies**

Aristocrat Technologies is set to rock European gaming floors with the roll out of its iconic Feature Top Box slot machine, The Rolling Stones. Licensed on the legendary British rock 'n' roll band, the arrival marks the next stage of the game's world tour, following sell-out appearances across the Americas.



02

sCORE CONNECT**Casino Management Systems
ComTrade Gaming**

Comtrade Gaming, an independent technology expert and supplier of systems management solutions to gaming operators, regulators and vendors, has launched its new product – sCore Connect.

sCore Connect enables operator's and vendor's Casino Management Systems to communicate directly with electronic gaming machines using Gaming Standards Association's Game To System (G2S) protocol. In addition, it also enables host systems to be extended with new G2S functionalities, such as efficient remote management of gaming machines and media display technology.

Ales Gornjec, General Manager of Comtrade Gaming explains: "We developed this product to help the industry modernize its operations. Over the past years, we've helped many gaming machine vendors implement GSA standards, and now we have developed a solution for host systems. When sCore Connect is integrated with the Casino Management System, it opens a direct communication channel to gaming machines and enables innovation of further applications on the host side."

Gavin Hamilton, Head of Gaming at Paddy Power, said: "Aside from the obvious benefits of automating some of our manual tasks, Campaign Manager allows us to ensure that we contact our customers at the right time in their lifecycle and with the offer appropriate for that time."

"The initial results have been very encouraging and we are excited about the opportunities this opens up to us in the future."

Extensive pre-launch trials of the system have demonstrated impressive results. Anouck Chazelas, CRM Division Manager at Titanbet, one of a group of trial licensees, said: "Campaign Manager has allowed us to fully automate many of the conversion, retention and reactivation cycles which we previously performed manually, allowing us to focus our resources on optimising our offers and improving our targeting. It's also helped us significantly increase productivity within our marketing operations teams and gives us a faster time-to-market for new ideas."

Shay Segev, COO, Playtech, said: "Campaign Manager's innovative marketing automation capabilities further enhances the position of Playtech's IMS as the industry's leading value-adding gaming platform."

Products

LAND-BASED & INTERACTIVE

**WHEEL OF FORTUNE TRIPLE EXTREME SPIN****Social Casino Gaming
IGT - DoubleDown**

IGT has launched Wheel of Fortune Triple Extreme Spin – an authentic casino slot machine experience straight from casino floors to a desktop or mobile device. This is the second Wheel of Fortune game to launch on DoubleDown Casino, building on the success of Wheel of Fortune Double Diamond, which launched on September 3 and quickly developed a huge fan following.

Players can spin for the Mini Wheel Bonus, where scatter symbols transform into three mini wheels that spin simultaneously, or the Triple Extreme Bonus, where the player picks from a selection of envelopes to reveal chances to win big when the giant triple wheels are sent spinning.

"DoubleDown Casino players have shown that they love playing Wheel of Fortune Double Diamond, so we're very excited to follow up with the launch of Wheel of Fortune Triple Extreme Spin. Nothing says casino slot play excitement quite like Wheel of Fortune, and only DoubleDown Casino brings the authentic experience to desktop and mobile devices so our players can play anytime, anywhere," said Will Daugherty, Senior Vice President and General Manager of DoubleDown Interactive.

**MAGICIAN CASINO****Free-to-Play
Ruby Sevens - Gala Coral**

Social casino app developer and publisher Ruby Seven Studios launched Magician Casino, a free-to-play mobile slots app featuring three titles from Gala Coral: The Magician, Wild Magic, and Jokers Gold. The game is available on both Google Play and Apple iTunes for smartphone and tablet users. Magician Casino is the latest in a series of free-to-play adaptations of real-world casino games brought to market this year by Ruby Seven Studios.

03

CAMPAIGN MANAGER**Online Gaming
Playtech**

Playtech has unveiled Campaign Manager, a powerful and innovative new addition to its award-winning IMS platform. The new features are designed to streamline and optimise licensee marketing efforts and revenues by fully automating key aspects of the player journey. Offering both scheduled and real-time triggers and conditions, the out-of-the-box system integrates with the advanced bonusing, messaging, personalisation and content delivery tools of the IMS, as well as providing integration options, allowing licensees to design user journeys across all their products and channels.

Campaign Manager enables features including automated player segmentation, multivariate testing with test and control groups and a wide range of outcomes including multi-product and cross-channel bonusing, player messaging and business alerts.

Paddy Power is one of the first licensees to trial the system in production, using it to automate and optimise conversion efforts for its casino product. Following triple-digit conversion rate increases in trial campaigns, the international operator is now looking to leverage the system across other stages in the player lifecycle.

Information

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