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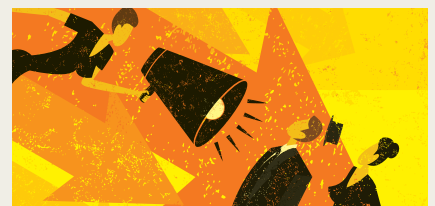
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Comment

SEPTEMBER 2015



I had just finished reading an article citing MGM CEO Jim Murren, in which he prophesied the shift towards more social and interactive slots in the future, when the AGEM report into slot hold percentages appeared in my in-box. "The slot floors that you see today are not going to be in existence 10 years from now," said Mr. Murren, as MGM continues the construction of its \$1.2bn casino in Maryland. "Maryland's largest casinos already have been reducing their slots offerings, freeing up space for popular table games or restaurants" - added the article from the Baltimore Sun.

It struck me as odd, that the author should argue the case against what he called "faded slot machine licences such as Ghostbusters and Wheel of Fortune," while proclaiming the future to be table games, which have been in existence for hundreds of years. However, the AGEM research, which is something of a compulsive read, illuminates the issue with much more clarity.

Without hitting the reader over the head with a conclusion, it's pretty obvious from the research that when the 'Great Recession' hit the gaming market in 2007-09, consumer spending was hit hard. That's clear. What's interesting is that during this period casinos in the US tightened their Return to Player (RTP), squeezing the player win in a bid to boost margins from a smaller number of players. Operators sought to extract the maximum revenue from their dwindling floors and in doing so provided a much harsher slots environment.

As the recession began to recede through 2011-15, those RTPs didn't revert back to previous levels, despite economic uplifts in every state surveyed. As the grip on RTP failed to slacken players lowered their spend accordingly and reduced their time on device. Operators in certain states responded by further tightening RTPs - fuelling a vicious ever decreasing circle.

Perhaps Mr. Murren is right, that slot floors will be totally different in the future - but right now it appears they need to be more like the past.

MR. MURREN IS RIGHT, THAT SLOT FLOORS WILL BE DIFFERENT IN THE FUTURE - BUT RIGHT NOW THEY NEED TO BE MORE LIKE THE PAST.

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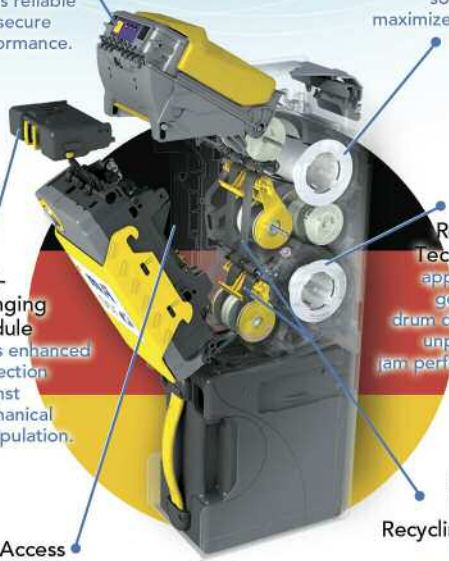
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September 2-4, 2015
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Romania
Organiser
Expo 24 Romania
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Bucharest

Romania
022451
Contact: Anton Vlad
Tel: +40 21 335 6681
Email: contact@expo24.ro
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September 24, 2015
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Russia 115114
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Tel: +7 (495) 212 11 28
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Web: www.bitcoinconf.com.ua

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383 Main Avenue
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Contact: Don Wells
Tel: +1 203 840 5662
Email: dwells@globalgamingexpo.com
Web: www.globalgamingexpo.com

September 29-30, 2015
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Location
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Mariehamn, the Åland Islands
Organiser
Paf - Head office
Lövdalsvägen 8
Pb 241

AX-22101 Mariehamn
Åland, Finland
Event Hours: Sept 29: 10am-9pm
Event Hours: Sept 30: 9am-4pm
Contact: Mattias Lindquist
Email: summit@paf.com
Web: www.paf.com/rgsummit2015

October 7-9, 2015
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Location
Tokyo, Japan
Organiser
Clarion Gaming,
Fulham Green, Bedford House, 69-79
Fulham High Street, London SW6 3JW

Tel: +44 (0)20 7384 7700
Contact: Shane Mortimer
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events.com
Web: www.japangamingcongress.com

October 13-15, 2015
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Rome Expo Centre, Rome, Italy
Organiser
Rimini Fiera Spa
Via Emilia 155
Rimini
Italy 47900
Contact: Sonia Bodellini

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Web: www.enada.it

October 20-22, 2015
EiG European iGaming Congress &
Expo 2015

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Arena Berlin, Berlin, Germany
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LA PRESIDENTA DE CHILE, MICHELLE BACHELET, HA

aprobado una nueva normativa para extender las licencias de siete casinos municipales en Chile. Estas nuevas reglas amplían las licencias hasta diciembre de 2017 en los distritos de Viña del Mar, Arica, Iquique, Puerto Varas, Coquimbo, Pucón y Puerto Natales, que expiraban todas ellas de 31 de diciembre 2015.

EL SECTOR DE LOS CASINOS EN MÉXICO PODRÍA

atraer inversiones de hasta 600 millones de dólares si el Senado aprueba las disposiciones necesarias para la nueva ley sobre el juego de México, que se podría debatir durante la próxima legislatura. Según los planes actuales, los denominados «complejos preferenciales» se asignarían a los puntos turísticos más destacados, que se encuentran en la Riviera Maya.

EL OPERADOR ESPAÑOL CIRSA SE DISPONE A

incrementar su presencia en la República Dominicana con la adquisición del Grand Victoria Casino en la ciudad de Santiago. Según ejecutivos de la empresa, Cirsa está trabajando actualmente en varios ámbitos de remodelación, expansión, cambio y preparación para un programa integral diseñado para mejorar la oferta de juego y entretenimiento del establecimiento.

LOS CASINOS CHILENOS REGISTRARON EN JUNIO

unos ingresos de 38,2 millones de dólares, lo que supone un incremento del 23,4 por ciento en comparación con el mismo mes del año 2014. No obstante, los ingresos han bajado un 8,5 por ciento si se comparan con el mes de mayo, según datos publicados por la Superintendencia de Casinos de Juego de Chile (SCJ).

CROWN GAMING MEXICO, LA FILIAL LOCAL DEL

Novomatic Group, marcó un nuevo hito en la demanda de excelencia en el juego que se registra en el país mediante la presentación de la incomparable Panther Roulette II en el Casino Abu Dhabi de Apodaca, cerca de Monterrey, en el estado de Nuevo León.

EN EL CONTEXTO DE LAS MEDIDAS DESTINADAS A

seguir poniendo freno al mercado, el Gobierno de la República Checa ha propuesto una nueva ley sobre el juego que se está revisando actualmente en Bruselas y que podría aprobarse y entrar en vigor a partir de enero de 2017. Los cambios, que aún deben ser aprobados por el Parlamento tras la decisión de la Comisión Europea, supondrían la introducción de un nuevo régimen impositivo a partir de enero de 2016.

JACKPOT GAME, UNA EMPRESA DEL OLYMPIC

Entertainment Group, ha comprado dos casinos de tragaperas con terminales de videolotería (VLT) de manos del operador italiano de casinos con VLT Pasquale Di Gaetano - Judica Concetta & Figli Sas.

SG GAMING, DE SCIENTIFIC GAMES, HA SUSCRITO UN

importante acuerdo para cuatro años con el operador de centros de juegos para adultos Talarius. En virtud de dicho acuerdo, SG Gaming suministrará su plataforma de juegos basados en servidor (SBG) completamente integrada a través de un contingente adicional de 92 centros de juegos para adultos (AGC) de Talarius, con lo que el número total de terminales basadas en servidor de SG Gaming ascendería a unas 500 contando todas sus propiedades.

CHILE EXTENDS MUNICIPAL LICENSES

The President of Chile has signed into law new regulations that extend the licenses of the seven municipal casinos

Chile - Legislation

The President of Chile, Michelle Bachelet, has signed into law new regulations, which extend the licenses of the seven municipal casinos in Chile.

The new rules extend the licenses until December 2017 in the districts of Vina del Mar, Arica, Iquique, Puerto Varas, Coquimbo, Pucon and Puerto Natales, which all expire on December 31, 2015.

President Bachelet justified the new law by saying that the casinos in the municipalities already play a significant role in the communities where they are based. "In these communities the casino plays an important role in enriching tourism and culture and have become a very important source of income," she said.

In addition, the statute provides that from that date onwards, those municipalities will continue to be a home to a casino for a total of three periods of fifteen years each. Once the last period expires, a license may be renewed for successive periods of fifteen, years unless it is opposed by the Resolution Council of Chile, which is a committee made up of members of the lower and upper house. The new law comes as part of a wider package, which seeks to regulate the industry more closely, and the municipal casinos will eventually come under the supervision of the Gaming Control Board (SIC).

"This law does not only extend the presence of casinos in the local communities, alongside it are a



The President of Chile, Michelle Bachelet

number of modifications which have been made to the status of the operation of casinos which from 2018 will come under a single set of regulations," the President said.

In this regard she went onto to say that all communities where they are located or will be located will receive an additional amount of revenue for their local budget.

Furthermore, the supervisory powers of the Chilean Gaming Control Board (SJC) will be increased and fines will be raised for those found to be operating outside the terms of their licenses.

In May 2015 the Chilean Chamber of Deputies approved a number of significant amendments to Chile's gaming laws including the extension of municipal licenses for a further two years. The new act was an initiative of President Bachelet.

The issue of the municipal casinos has become increasingly urgent of late with local lawmakers concerned that they would soon lose out on millions of dollars of tax revenue from casinos located within their jurisdictions. The law also ensures the operational continuity of the municipal casinos and oversee the transitional phase while control is handed over to the Chilean Gaming Control Board (SIC).

Casinos in tourist hotspots gaining ground in Senate

MEXICO

The casino sector in Mexico could attract investments of up to US\$600m if the Senate approves provisions to Mexico's new gaming law, which could be discussed during the next legislative session.

According to current plans, so called "Preferred Complexes" would be allotted in tourist hotspots that are on the Riviera Maya. These would be in the state of Quintana Roo, the town of Los Cabos in Baja California Sur, the Riviera Nayarit, on the border of Jalisco and Nayarit, and Puerto Penasco in the state of Sonora - zones which have already been agreed upon by the Ministry of Tourism.

Changes to Mexico's gaming law may seek to replicate the

Iberostar hotel in Mexico in that casinos would be part of much larger complexes which would offer casinos with approximately 150 gaming machines, shopping malls, restaurants, cinemas, theatres and shops in luxury destinations which are already popular and where tourist infrastructure is already well developed.

In April it was revealed that Iberostar would open a new Las Vegas casino in Mexico. Iberostar Hotels & Resorts reported that the casino would be located in the Iberostar Playa Paraiso hotel. Located on the beach between Cancun and Playa del Carmen, on the Riviera Maya, the Iberostar Paraiso Maya hotel is a 5-star all-inclusive accommodation.

Proposals which seek to set up casinos in special tourist zones

already have the support of the Ministries of Finance and Administration and investors could open up as many as six to ten large scale casinos during the remainder of the administration of Enrique Peña Nieto which ends in around two years time. This could see a number of the biggest operators in the industry becoming involved in the market.

Former Secretary of Tourism, Oscar Espinoza Villarreal proposed allowing casinos as a way to promote tourism - a move which has been opposed by the local business community of Quintan Roo.

However, proposals are being met with some resistance. Pablo Azcarraga, Chairman of the National Tourist Business Council (CNET), has said that the initiative to reform Mexico's gaming act should be rejected and has called on local business leaders to put pressure on lawmakers so that new measures are not passed.

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ESTÁN AUMENTANDO LAS ESPECULACIONES EN

torno al hecho de que el gigante austriaco de las tragaperras Novomatic pretendería incrementar su participación en Casinos Austria, el grupo que había tenido largo tiempo los derechos de monopolio para operar casinos en Austria, a través de la adquisición de más acciones del Vienna Insurance Group.

REFLEX GAMING, UNO DE LOS FABRICANTES DE

máquinas de juego mayores y más influyentes del Reino Unido, inauguró su nueva fábrica central en Newark el 11 de agosto.

LOS JUEGOS DE ARISTOCRAT OCUPAN AHORA MÁS DE

la mitad de la sala de juego en el Casino Châtel-Guyon, propiedad del operador francés independiente Société Française de Casinos (SFC). Esto forma parte de un programa de renovación que empieza con un acondicionamiento general de las tragaperras en su casino con resort y spa situado en el centro de Francia.

EVOLUTION GAMING HA SUSCRITO UN ACUERDO EN

exclusiva con Genting Alderney, la división de casinos online del Genting Group. Como resultado del acuerdo, www.gentingcasino.com se puso en marcha a finales de agosto con toda la cartera de mesas verdes de Evolution para ordenador, tableta y smartphone: Live Roulette, Blackjack, Baccarat, Casino Hold'em, Three Card Poker e Immersive Roulette.

PENN NATIONAL GAMING ESTÁ ADQUIRIENDO

Prairie State Gaming, un operador de terminales de juegos de video (VGT) de Illinois, en una transacción que se está desarrollando íntegramente en efectivo. Se trata de uno de los mayores operadores de VGT de Illinois, y las actividades de PSG incluyen más de 1100 terminales a lo largo de una red de 270 bares y establecimientos de juego pequeños repartidos por todo el estado.

GAMEACCOUNT NETWORK HA ANUNCIADO UNA

cooperación con San Manuel Digital para lanzar una experiencia online y móvil de juego simulado destinada a todos los clientes de Estados Unidos, tanto a los nuevos como a los habituales.

GLOBAL CASH ACCESS SE HA ASEGURADO LA

instalación de un paquete de sus máquinas de juego electrónicas y soluciones de pago en el Scarlet Pearl Casino Resort en D'Iberville (Mississippi), que tiene previsto abrir sus puertas a finales de este mismo año.

JCM GLOBAL Y NANOPTIX THERMAL PRINTERS DE

Dieppe (New Brunswick, Canadá) han suscrito un acuerdo de compra de acciones en virtud del cual Nanoptix, a través de una entidad sucesora, ha adquirido el 49 por ciento de las acciones comunes de Nanoptix hasta ahora en posesión de JCM.

GAMING ENTERTAINMENT SYSTEMS (GES) HA

anunciado la instalación de su innovador sistema de mesa progresivo y de bonos en el Crown Melbourne (Crown). El sistema GES Progressive está instalado en 40 mesas en la sala de póquer del Crown, y ofrece la oportunidad de ganar un jackpot para todos los jugadores de Texas Hold'em Poker con dinero en efectivo.

GAMING LABORATORIES INTERNATIONAL (GLI)

Australia ha obtenido recientemente la autorización para certificar equipos de juego conforme a los protocolos de la GSA.

CIRSA TO EXPAND IN DOMINICAN REP.

CIRSA is to increase presence in the Dominican Republic with the acquisition of the Grand Victoria Casino in Santiago

Dominican Republic - Operations

Spanish operator CIRSA is set to increase its presence in the Dominican Republic with the acquisition of the Grand Victoria Casino in the city of Santiago. According to company executives, Cirsa is currently working on several areas of remodeling, expansion, change and preparation for a comprehensive program designed to enhance the entertainment and the gaming offer in the establishment. Located in the second largest city in the Dominican Republic the Grand Victoria is one of the largest casinos in the country.

"We are working enthusiastically so that a grand re-opening will soon take place so that the whole society of Santiago and the Cibao region will come to get to know all about our entertainment offer..." said a company executive. The Grand Victoria Casino will remain open at its regular hours from 10:00 am to 6:00 am.

Cirsa, which already operates three casinos in the Dominican Republic: the Hispaniola casino, the Lina casino, and the Grand Admiral casino, is already well known locally for offering good quality service in their establishments. Cirsa's first venture into Latin America was in 1990 when it opened its first casino in the Dominican Republic.

Cirsa is making significant inroads into Central



America this year. In May it was revealed that CIRSA had bought seven Thunderbird owned gaming operations in Costa Rica, including seven casinos, 21 gaming tables and 1,200 slot machines in exchange for US\$33.5m

The casino industry in the Dominican Republic, meanwhile, is already well developed. There are 11 casinos, which by law must be located in five star hotels in tourist zones. There are also two large-scale slot parlours.

In the Dominican Republic casinos pay taxes on a sliding scale based on how many tables are housed on the establishment with those with over 36 tables paying the highest amount (US\$1,300 per table per month) and those with one to 15 paying the lowest amount (US\$850 per table per month). However, illegal slot machines have proliferated widely over recent years and there are an estimated 10,000 to 30,000 illegal slot machines located in bars restaurants and small businesses and illegal slot parlours.

Chile's casino revenue up by over 20 per cent

CHILE

Casinos in Chile recorded revenues of US\$38.2m in June a 23.4 per cent increase when compared to the same month in 2014. Revenues are, however, down by 8.5 per cent when compared to May according to data released by the Chilean Gaming Control Board (SJC).

In June the 16 casinos now in operation in Chile recorded gross revenues of US\$38.2m, received 431,640 visitors who on average spent \$55,802 Chilean pesos each.

In February the 16 municipalities and 11 regions where the casinos are located received a total of US\$6.3m in gaming tax revenue while casinos generated an additional US\$ 2.1m in tax on entrance fees for the state. On top of this amount the casinos also generated US\$6.1m in gaming VAT.

However while the number of visitors decreased by 12.6 per cent from 49,843 in May to 431,640 in June the average spend per visitor rose by 4.7 per cent from \$53,315 pesos in May to \$55,802 in June.

When compared to the same month last year gross income increased by 23.4 per cent while visitor numbers increased by 9.3 per cent from 394,903 in 2014 to 431,640 in 2015 while the average spend increased by 12.9 per cent from \$49,415 pesos in 2014 and \$55,802 pesos in 2015.

In terms of gross revenue once again the Monticello Grand Casino came in first place with 28 per cent of the market share (\$6.755bn), Marina del Sol with 12 per cent (\$2.893bn), Casino Rinconada with 11.6 per cent (\$2.786bn), Enjoy Antofagasta with 9.1 per cent (\$2.191bn) and Dreams Temuco with 7.5 per cent

(\$1.799bn). This was followed by Dreams Punta Arenas with 5.8 per cent (\$1.396bn), Casino Sol Calama with 4.5 per cent (\$1.084bn), Gran Casino de Talca with 4 per cent of market share (\$961m), Dreams Valdivia with 4 per cent (\$955m) and then came Antay Casino & Hotel with 3.7 per cent (\$901m).

This was followed by Casino Sol Osorno with 2.2 per cent (\$520m), Casino de Colchagua with 2 per cent (\$483m), Casino de Juegos del Pacifico with 1.8 per cent (\$437m), Casino Gran Los Ángeles with 1.4 per cent (\$343m), Dreams Coyhaique with 1.3 per cent (\$317m), and Enjoy Chiloé with 1.1 per cent (\$257m).

According to the latest statistics released by the Chilean Gaming Control Board, the 9,683 slot machines in operation in June handed out an average of 93.7 per cent of the stake. While the total bets made on slot machines stood at US\$ 499.8m the prizes handed out stood at US\$468.5m leaving a total win for the casinos of US\$31.3m.

TRINITY



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MEXICO – CROWN HOSTS NOVOMATIC WORLD

Crown Gaming Mexico, the local subsidiary of the Novomatic Group, created a new milestone in the country's demand for gaming excellence through the presentation of the unique Panther Roulette II at the Casino Abu Dhabi in Apodaca, near Monterrey in the Nuevo León state.

The presentation, held on July 24 and widely pre-publicised through television advertising and social media channels, was called Novomatic World and aimed to bring a whole new 'World of Gaming' to Mexico's vibrant casino culture. Panther Roulette II was the star of the show and is a gaming innovation that, without doubt, captures the imagination.

This is the successor to the Pinball Roulette that has already proven extremely popular, across Latin American markets. The Panther Roulette II plays exactly to the defined rules of Roulette. The innovative single player Roulette is activated by the player using a traditional pinball launching mechanism to deploy the ball into the Roulette wheel or, alternatively, a Start button on the right hand side of the hand rest.

Thomas Borgstedt, Crown Gaming Mexico's General Manager, praised what had been a hugely successful event: "This event would have been impossible without the support of our very important customer, Abu Dhabi Casino and its General Manager Misael Urzua. We wish to thank him enormously for his help in highlighting these latest amazing Novomatic products from Crown Gaming Mexico."

"Our Novomatic World event has proved to be a big success," said Judith Barrientos, Crown Gaming Mexico's Commercial Manager. "The intensive marketing campaign that we undertook built excitement and anticipation ahead of the event and the entire team here at Casino Abu Dhabi turned it into an amazing reality. We are absolutely delighted at the reactions that our new product attractions have received from the many guests that attended."

PERU – DREAMS GEARS UP FOR EXPANSION IN PERU

Following the announcement of the merger between Dreams and Sun International last February, Dreams has announced the appointment of Martin Davila who will move from his role as General Manager of the casino in Temuco and will now serve as the new Country Manager for its operations in Peru. Mr. Davila has been with Dreams since 2008.

Peru is seen as a key market for the new company once it has merged. Dreams operates six casinos in Chile and has recently expanded into Peru where it operates four smaller gaming establishments in Lima and has plans to expand further in the region. CEO of Dreams Jaime Wilhelm said that: "The due diligence process is progressing on schedule, so we want to anticipate and prepare for the new scenario, in which Peru will be one of the growth markets for the company."

A number of other changes have been made within Dream's operations in Chile with the appointment of new executives in its casinos in Temuco and Coyhaique. The Latin American operations of Sun International, including Monticello in Chile, Ocean Sun Casino in Panama City and a project near completion in Colombia, will be merged into Dreams in the deal which will see Sun expanding its presence in the region.

Once complete the current shareholders of Dreams and Sun International will each own approximately 50 percent of the combined entity. The merger creates Latin America's largest gaming group.

COLOMBIAN LOTTERY IS OUTPACED

The Colombian Federation of Employers of Games of Chance has presented recent figures for the first half of 2015

Colombia – Market Data

The Colombian Federation of Employers of Games of Chance (FECEAZAR) has presented the most recent figures for the first half of 2015.

The figures show that for the first time that sales for non-lottery games such as casinos and slot machines have outpaced sales for lotteries. In Colombia games are defined in two ways: Juegos Localizados which include bingos, slot parlours, casinos and sports betting and Apuestas Permanentes which include all lotteries.

Lotteries recorded a growth of 1.1 per cent, maintaining a trend of slight growth while Super Astro (a lottery game based around signs of the zodiac) and non-lottery based gaming recorded significant growth.

VAT during the first half of 2015 for lottery games stood at \$138,953,393,363 pesos compared to \$137,436,620,249 in the same period last year while lottery operators paid a total of \$104,215,045,227 for exploitation rights during the first six months of this year.

Non-lottery games generated \$111,377,678,717 in licensing fees, an increase compared to the first half of last year of 14.8 per cent. The exploitation rights for the Baloto lottery game for the first half of 2015 meanwhile decreased by 14.6

per cent compared to last year.

The exploitation rights of the Super Astro game for the first half of 2015 stood at \$19,220,931,891, an increase of 16.9 per cent compared to last year.

The decrease in revenues from lotteries has been blamed squarely on the growth of illegal gaming which, according to President of FECEAZAR Baltazar Medina, has grown by as much as 40 per cent. Money raised per year by the illegal sector now reaches an estimated \$1.2bn pesos a year which is the target the Colombian Gaming Control Board (Coljuegos) aims to raise for the Health Sector.

The lottery market in Colombia is extremely varied and there is a wide and extensive sales network throughout Colombia. However, the most popular lottery games in Colombia are Chance, Baloto and Super Astro. Combined all lottery games represent around 1.5 per cent of Colombia's gross domestic product. Baloto began fourteen years ago while Chance started over 60 years ago and Super Astro began in 2000.

Today there are an estimated 3,200 slot parlours bingos and casinos in the country, with 83,558 slots nationwide run by 384 licensed operators. According to figures released by the Colombian Gaming Control Board the sector reported growth of around ten per cent in 2014 and taxes generated for the health sector increased by 25 per cent. According to the latest estimates they could generate as much as US\$756m in 2015.

Hotels fight the Puerto Rican Government over VLT rules**PUERTO RICO**

The Association of Hotels and Tourism of Puerto Rico (PRHTA) has filed a motion with a court to contest new regulations which would allow for video lotteries (VLTs). The government is hoping to gain up to US\$400m a year the new act which was approved last week in a controversial move by Finance Minister Juan Zaragoza. Puerto Rico's Treasury Department will begin the tender process for (VLT's) in the first quarter of 2016.

Head of the PRHTA reacted angrily to the move saying that the new act puts the entire tourism industry in danger and vowed to fight the new regulations in the court. He said: "Today we continue our efforts to defend the tourism industry in Puerto Rico. Enough is enough. Enough damage has already been done to

the industry and we have to put a stop to it."

According to Mr. Vega, new regulations go against a number of laws in Puerto Rico which specifically ban gaming machines outside of casinos. In addition the treasury department does not have the authority to regulate gaming and authorise new types of gaming. VLTs, also according to Mr. Vega, fail to meet a number of legal requirements as enshrined in local gaming laws due to their game design.

Mr. Vega pointed to the results of a study carried out by local research firm Spectrum, which indicated that should VLT's be legalised then it would cause revenue losses in gaming machines in casinos of US\$68.4m to US\$148.8m a year and cause losses of up to

US\$60m for the Education Fund of the University of Puerto Rico. Meanwhile, Puerto Rico's General Fund would lose up to US\$9m a year on slot machines alone while the Tourism Board of Puerto Rico (PRTC) could lose up to US\$23m a year. The casino industry is a major contributor to the Tourism Board as well as the only State University on the island. Resources made from the casino industry have diminished from US\$315m in the years between 2007-08 to US\$272m during the last fiscal year.

He also pointed out that the casino in Condado Plaza Hotel in San Juan closed its doors last month, prompting the dismissal of 150 people, "which means the closure of four casinos in 10 months when added to the closure of the Embassy of Dorado casino in September 2014 and the Radisson Ambassador in March 2015... This scenario in conjunction with video lottery terminals would mean the extinction of the casino industry and tourism."



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DIE CHILENISCHE STAATSPRÄSIDENTIN MICHELLE

Bachelet hat die Aufnahme neuer Bestimmungen in die entsprechenden Gesetze gebilligt, durch welche die Zulassungen von sieben städtischen Kasinos in Chile verlängert werden. Durch die Neuregelung verlängern sich die zum 31. Dezember 2015 auslaufenden Zulassungen in den Bezirken Vina del Mar, Arica, Iquique, Puerto Varas, Coquimbo, Pucon und Puerto Natales um 2 Jahre bis Dezember 2017.

DER SPIELBANKENSEKTOR IN MEXIKO KÖNNTE

Investitionen in Höhe von bis zu 600 Mio. USD anziehen, wenn der Senat die Bestimmungen des neuen, im Verlauf der kommenden Legislaturperiode zu beratenden mexikanischen Glücksspielgesetzes billigen würde. Laut derzeitigem Planungsstand sollen so genannte „Vorzugsvorhaben“ in den Touristenhochburgen an der Riviera Maya ausgewiesen werden.

DER SPANISCHE BETREIBER CIRSA STEHT MIT DER

Übernahme des Kasinos Grand Victoria in Santiago davor, seine Präsenz in der Dominikanischen Republik auszuweiten. Laut Aussagen aus der Unternehmensleitung befasst sich CIRSA zurzeit in verschiedenen Bereichen mit der Umstrukturierung, Ausweitung und Anpassung sowie der Erstellung eines umfassenden Programms zur Stärkung des Unterhaltungs- und Glücksspielangebotes an besagtem Standort.

DIE CHILENISCHEN SPIELBANKEN MELDEN FÜR JUNI

einen Gewinn von 38,2 Mio. USD, eine Steigerung um 23,4 Prozent gegenüber dem Vorjahresmonat. Dennoch sind die Gewinne nach den von der chilenischen Glücksspielaufsicht (SJC) veröffentlichten Daten im Vergleich zum Mai um 8,5 Prozent zurückgegangen.

CROWN GAMING MEXIKO, DER ÖRTLICHE ABLEGER

der Novomatic Gruppe, hat mit der Vorstellung des einzigartigen Panther Roulette II im Kasino Abu Dhabi in Apodaca, unweit Monterrey im Bundesstaat Nuevo León, bei der Nachfrage des Landes nach erstklassigen Glücksspielangeboten neue Maßstäbe gesetzt.

MIT DEM ZIEL DER WEITEREN REGULIERUNG DES

europäischen Glücksspielmarktes hat die tschechische Regierung ein neues Glücksspielgesetz zur Beratung in Brüssel eingebracht, das bei einer Verabschiedung im Januar 2017 in Kraft treten könnte. Durch die Änderungen, die nach der Zustimmung der EU-Kommission noch vom Europaparlament gebilligt werden müssen, würde ab Januar 2016 ein vollkommen neues Besteuerungssystem eingeführt.

JACKPOT GAME AUS DER UNTERNEHMENSGRUPPE

Olympic Entertainment hat zwei Videospielautomatenkasinos des italienischen Betreibers Pasquale Di Gaetano - Judica Concetta und Söhne übernommen.

DIE GLÜCKSSPIELSPARTE VON SCIENTIFIC GAMES,

SG Gaming, hat einen neuen umfangreichen Vierjahresvertrag mit Talaris, einem Betreiber von Spielhallen für Erwachsene unterzeichnet. Aufgrund des Vertrages stattet SG Gaming weitere 92 Erwachsenen Spielzentren von Talaris mit vollbestückten servergestützten Glücksspielplattformen aus, wodurch die Gesamtzahl der servergestützten Spielgeräte von SG Gaming in dem Unternehmen auf etwa 500 ansteigt.

REFLEX GAMING, EINER DER GRÖSSTEN UND

einflussreichsten britischen Hersteller von Spielautomaten, hat am 11. August seine neue Unternehmenszentrale in Newark eröffnet.

CZECH GAMING LAWS TO TIGHTEN

The Czech Cabinet has agreed new legislation that will squeeze the street gaming sector while unleashing online

Czech Republic - Legislation

At the end of 2014, Czech authorities estimated the number of gaming machines had shrunk over the year by around 10 per cent, to 67,000, down from a peak of around 102,000 in 2011. Czechs last year spent 138bn crowns on gambling in all its forms, despite gaming reforms, which yielded a rise of around 10 per cent on the previous year.

In measures aimed at curbing the market further, a new gaming law, which is currently being reviewed in Brussels, has been proposed by the Czech government that could be passed and become valid from January 2017,

The changes, which still have to be passed by the parliament following the European Commission's decision, would introduce a brand new taxation regime from January 2016. The new revenue tax of 30 per cent would be applicable for AWP and VLTs, plus there's an additional per machine fee of 110CZK/€4 per day (doubling the current figure). The taxation increase would also include sports-betting (a figure has yet to be set, but it's expected to be between 21-22 per cent).

Enterprising Czech manufacturers have already created an illegal workaround, developing so-called 'Quizard' machines, which are basically an AWP that demands answers to obvious questions to play (is this colour red? - for example). The claims are that these machines are skill-based gaming machines and as a result are not subject to fees and taxes. The new laws don't take account of this new phenomenon and while driving legitimate business to bankruptcy, will push the rest of the sector towards this illegal practise.

The details of the new law are as follows:

- A new taxation level with the possibility to offset tax against charitable gifts, including the Czech Olympic Committee, with new state budget requirements that will see less tax revenues for municipal governments
- New limits for the highest stakes, jackpots and loss per hour for arcades, casinos and online
- 15 minute obligatory break imposed on player



sessions of 120 minutes.

- An extension of the list of exclusion zones in which gaming establishments are prohibited
- Opening hour restrictions for street locations which must close between 3am and 10am.
- Municipal regulations must taken into account, adding thousands of local bylaws to the national regulations (there are 6,249 municipalities in the Czech Republic).
- A gaming machine licence is valid for six years, though the licence to place a machine on site lasts a maximum of three years
- Current valid licences might be terminated if municipal local laws are introduced before the licence expires
- The new law resets the validity of all current gaming licences, regardless of their original provision, to six years.
- Limitations to be introduced on the number of machine allowed in arcades, plus limits on the number of live gaming tables allowed in casinos as the number of machines casinos can operate
- The definition of a gaming operator is expected to change, though the legislation is vague at present
- Only persons living in the Czech Republic are allowed to play online games offered by Czech operators. Online operators must geo-locate individuals seeking to play online.
- Currently there is an absence of executive orders and technical specifications as outlined in the law

Operators are challenging this system, highlighting a ruling from the European Court of Justice which dealt with Hungary's moves to increase taxes on street operators before outlawing street machine operation altogether. The ECJ has ruled that this was an infringement of EU business rights and some companies are arguing that the ruling also sets a precedent for the Czech Republic as well.

Olympic set to purchase two Milan VLT slot operations

ITALY

Olympic Entertainment Group company Jackpot Game has bought two VLT slot casinos from the Italian VLT casino operator Pasquale Di Gaetano - Judica Concetta and sons sas.

The purpose of the acquisition is to increase market share in Italy.

On the completion of the transaction OEG will own 14 VLT slot casinos in Italy. Pasquale Di Gaetano - Judica Concetta and sons sas operated two VLT slot casinos in Milan. In 2014, Pasquale Di Gaetano - Judica Concetta and sons sas gaming revenues before deducting the gaming tax of Italy from VLT slots

casinos were €0.7m. During the acquisition, Jackpot Game takes over only the business activity of VLT slot casinos. The parties agreed not to disclose the price of the transaction.

Before acquiring the business from Pasquale Di Gaetano - Judica Concetta and sons sas, OEG had 12 locations in Italy with 438 VLT slot machines. In 2014, the Italian subsidiaries of OEG had gaming revenues before tax of Italy of €13.9m.

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A young man with dark hair and blue eyes is shown from the chest up, looking upwards and to the right. He is wearing a dark grey suit jacket, a light blue dress shirt, and a dark blue tie. He is pulling open his shirt with both hands, revealing a red t-shirt underneath. On the red t-shirt, the text "GLI UNIVERSITY" is printed in white, with a registered trademark symbol (®) to the right of "GLI".

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ES MEHREN SICH DIE GERÜCHTE, DASS DER

österreichische Spielautomatenriese Novomatic bestrebt ist, seine Beteiligung an der Casinos Austria AG, der Unternehmensgruppe, die lange das Monopol zum Betrieb von Spielbanken in Österreich innehatte, durch den Erwerb weiterer Anteile von der Wiener Städtischen Allgemeinen Versicherung weiter auszubauen.

SPIELE AUS DEM HAUSE ARISTOCRAT NEHMEN JETZT

mehr als die Hälfte der Glücksspieltage des im Besitz des unabhängigen französischen Betreibers Société Française de Casinos (SFC) befindlichen Casinos in Châtel-Guyon ein. Dies ist Teil eines Modernisierungsprogramms, das mit der Überholung der Glücksspielautomaten in dem Kasino der in Zentralfrankreich gelegenen Ferien- und Freizeiteinrichtung begonnen hat.

EVOLUTION GAMING HAT EINEN EXKLUSIVVERTRAG

mit Genting Alderney, dem für Online-Spielbanken zuständigen Zweig der Genting Gruppe, abgeschlossen. In der Folge wurde Ende August die Webseite <http://www.gentingcasino.com> freigeschaltet. Sie bietet sämtliche Tischspiele von Evolution sowohl für stationäre und tragbare Computer als auch für Tablet-PC und Smartphones, dazu zählen Live Roulette, Black Jack, Bakkarat, Casino Hold'em, Three Card Poker und Immersive Roulette.

PENN NATIONAL GAMING ÜBERNIMMT DEN

Videospielautomatenaufsteller Prairie State Gaming (PSG) aus Illinois in einem Bargeschäft. Als einer der größten Videospielautomatenaufsteller in Illinois betreibt PSG mehr als 1.100 Spielautomaten über ein Netz mit 270 Standorten in Restaurants und kleineren Spielhallen im gesamten Bundesstaat.

GAMEACCOUNT NETWORK MELDET DIE

Zusammenarbeit mit San Manuel Digital zur Einführung einer Spieltischsimulation für Online- und Mobilgeräte von Neu- und Stammkunden in den gesamten USA.

DIE GLOBAL CASH ACCESS HAT SICH DIE

Aufstellung einer Reihe ihrer elektronischen Spielautomaten und Zahlungsabwicklungslösungen im Scarlet Pearl Kasino- und Freizeitanlagenkomplex gesichert, der Ende des Jahres in D'Iberville, Mississippi, seine Pforten öffnen soll.

JCM GLOBAL UND DIE NANOPTIX THERMAL PRINTERS

aus Dieppe, New Brunswick, Kanada, haben einen Vertrag über den Erwerb von Anteilen geschlossen, durch den Letztere über eine Nachfolgegesellschaft den bis dahin von JCM gehaltenen 49-prozentigen Anteil am Stammkapital von Nanoptix übernehmen.

DAS SUGARHOUSE-KASINO KOMMT DEM ABSCHLUSS

des 164 Mio. USD teuren Ausbaus seines Standortes an der Delaware Avenue immer näher. Zum Gedenken an dieses Etappenziel hat die Spielbankleitung ein „Richtfest“ veranstaltet, um die Anbringung des letzten Tragwerkbalkens auf dem Neubau zu feiern.

GAMING ENTERTAINMENT SYSTEMS (GES) MELDEN

die Einrichtung ihres innovativen tischübergreifenden Sonderauspielungssystems im Crown Melbourne (Crown). Das tischübergreifende System von GES wurde in 40 Pokertische im Pokersaal des Crown eingebaut und eröffnet allen Gästen, die Texas Hold'em Poker um Geld spielen, die Möglichkeit eines Jackpotgewinns.

OLYMPIC TO EXPAND OLYBET REACH

OlyBet, the online gaming brand of Estonia-based Olympic Group is now considering expanding to new markets

Estonia - Online

Having proven that land-based and online gaming can exist side-by-side and create significant synergy, OlyBet, the online gaming brand of Estonia-based Olympic Group is now considering expanding to new markets.

Armin Karu, Chairman of the Board of Olympic Entertainment Group, said: "In two years OlyBet has become the second largest online gaming operator in Estonia and Latvia. Besides aiming for a top tier position on our home soil it's clear that the next major step for us will be expansion to new markets."

Veiko Krünberg, who was recently appointed as the new CEO of Olybet.com, added: "For operators, the golden era of online gaming is over – today the competition is tough, markets and regulations have become more mature, customers more experienced and demanding. Only operators with a strong concept, will and structure can be successful."

Mr. Krünberg has over 10 years of experience in online gaming operations, most recently as Managing Director of a company owned by Betsson Group. OlyBet was launched by Olympic Entertainment Group (OEG) in the summer 2013 as a new operator with a focus on Baltic countries.

Luxembourg

William Hill has bought a 29.4 per cent stake in Luxembourg-based NeoGames for US\$25m as it moves to enter the online lottery market. Founded in 2005 as a pioneer of online scratch cards, NeoGames subsequently developed its offering to provide a range of online lottery products and services to lottery rights holders. It provides a combination of a wide portfolio of games, a state-of-the-art technology platform and operational services to 10 lotteries worldwide.

SG Gaming signs major new agreement with Talarius

UK

Scientific Games' SG Gaming has signed a major new four-year agreement with adult gaming centre operator Talarius. The agreement will see SG Gaming provide its fully integrated server-based gaming (SBG) platform across an additional 92 Talarius adult gaming centres (AGC), taking the total number of SG Gaming's server based terminals to circa 500 across their estate. The rollout will deliver a range of Clarity and T8 terminals to all sites.

The deal was reached following the completion of a successful trial across a number of sites in the Talarius estate. With SG Gaming terminals already

installed in Talarius venues across the UK, the rollout represents the conversion of these terminals to the SBG platform, along with the installation of arcade customised Clarity terminals and the additional purchase of T8 terminals.

The T8 and Clarity terminals will be fully networked on the server-based gaming platform and will benefit from multi-content menus, sophisticated promotional mechanics and operational efficiencies, including Ticket In Ticket Out. SG Gaming will also install its ticket redemption stations (TRS) in each site which will provide Talarius with a fully integrated system that manages the entire operational process.

Phil Horne, UK Managing Director at SG Gaming, said: "The deal is testament to the strength and success of the relationship SG Gaming has with Talarius. We've worked side by side for a number of years and we now look forward to supporting Talarius with a SBG platform and a comprehensive rollout and training plan. This deal is the result of a significant strengthening of SG Gaming's position in the AGC sector. Operators are keen to move forward with our SBG solution backed by SG Gaming's infrastructure and support.

"We have tailored our offering for operators within the sector, and we believe the range of functionality and operational efficiencies our gaming solution offers helps to drive cash box growth, especially combined with the diverse, innovative and licensed content," explained Mr. Horne.



OEG Chairman, Armin Karu

Mr. Krünberg added: "OEG started in the online gaming sector relatively late. We were limited by some rooted principles of an established international land-based business and of a publicly listed company. We ruled out operations in the so-called grey zone."

He explained that any expansion should take place only in markets that have proper regulation and enforcement measures in place.

"Our cooperation with land-based casinos in both Estonia and Latvia can already be considered as successful and for example today we're taking about 25 per cent of OlyBet's sports bets in our Sports Bars," explained Mr. Krünberg, adding that additional synergy is also coming from joint campaigns for live and online poker as well as loyalty programs and co-offers of land-based and online casinos. "While we are primarily focused on developments and opportunities in countries where Olympic Casino is already present, we do look towards some entirely new markets."



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ALDERNEY – MARATHONBET LAUNCHES LIVE DEALER

Evolution Gaming has launched a Live Casino for MarathonBet who will also be launching a dedicated Live Blackjack table in the coming weeks.

Mobile access for these games will be added in September, while Evolution's online live dealer version of SHFL's Three Card Poker will join the desktop line-up.

The extended MarathonBet Live Casino rollout will feature a number of native speaking dealer services including London Roulette, Deutsches Roulette and Sports Roulette.

Christian Melin, online casino manager at Marathonbet, said: "We wanted to work with the market leader, to have premium content and to offer our players a great experience across multiple devices. Our Live Casino is already gaining strong momentum and attracting a high number of unique players. We are confident these numbers will increase even more when we launch our dedicated Live Blackjack table and mobile product."

SLOVENIA – COMTRADE GAMING HIRES IGOR RUS

Igor Rus, has been named Head of Business Development and Marketing for the Comtrade Gaming. Mr. Rus will be responsible for creation of fresh opportunities, opening new markets for our products and formation of new strategic partnerships within the industry. With more than 15 years' experience in gaming industry prior to joining Comtrade Gaming he held various positions in large gaming companies and has consulted in all facets of the industry.



"Mr. Rus shares our worldwide vision and his complimentary skills are a great match for our strategic plans to grow and develop the depth of our global offer. He is a strong addition to our senior leadership team and we are excited to have him join our company," said Comtrade Gaming's General Manager, Aleš Gornjec.

GERMANY – EDICT SIGNS DEAL WITH LEOVEGAS

edict egaming recently launched its brand new HTML5 slot games with the international casino operator LeoVegas.

The operator will be the first to offer a selection of Merkur slot games to its global player base in the new technology. The established edict Game Bridge will deliver the games, which allows large operators to integrate the famous Merkur slots via an API easily to their game portfolio.

"This is a great opportunity for LeoVegas and edict. I am sure their players base will enjoy the unique experience that the Merkur slot games offer on their phones and tablets as well," commented Dominic-Daniel Liénard, CEO of edict.

The edict Game Bridge currently offers 12 Merkur slots to large sports betting or casino operators. Among the new HTML5 games are top titles of the Gauselmann group as Double Triple Chance, Gold of Persia or Extra 10 Liner. "We are very pleased to be the first in the industry to launch the famous Merkur slots on mobile devices. Being no 1 in mobile we are delighted to get some of the best titles for the European market now in HTML5," explained Johan Styren, CEO LeoVegas.

REFLEX UNVEILS £1.5M FACILITY

UK gaming machine company success story continues as Reflex Gaming opens its new, purpose-built, HQ in Newark

UK – Suppliers

Reflex Gaming, one of the UK's largest and most influential manufacturers of gaming machines, opened its new factory headquarters in Newark on August 11. The opening ceremony was attended by Robert Jenrick, MP for Newark and Bingham, as well as local and industry press plus representatives from the trade association BACTA.

Reflex Gaming was established in 2004 and has always been based in Newark. The company had recently operated from three different sites in the town, but due to rapid growth over the past three years has now moved to the fully refurbished 28,000 square foot factory on Bowbridge Road.

Reflex Gaming has also been shortlisted for the 2015 Sunday Times Hiscox Tech Track 100 which monitors the fastest growing privately owned tech companies in the UK. The business employs 45 permanent full-time staff and up to 26 temporary staff from Newark, Nottingham and Lincoln. Key staff skills include software development, graphics design, mechanical engineering and production.

"The new factory is a significant milestone for our company and will enable us to further invest in R&D and new business opportunities, whilst maintaining our commitment to the local area"

Hungary

The Hungarian government's decision to ban slot machines from pubs has seen attendance at the country's casinos rise from 205,000 in 2011 to 810,000 in 2014. The rules on slot machines were introduced in the fall of 2012. The figure looks like it will rise again with the first half of 2015 seeing 606,000 customer visits to casinos, which have risen in number from three to eight due to the new concessions of 2014 Las Vegas Kft. won concessions to operate five casinos in and around the capital. Gross Gaming Revenue has also increased from HUF 33.1bn in 2011 to HUF 128bn in 2014. The first six months of 2015 generated HUF 88.4bn.



said Quentin Stott, Managing Director of Reflex Gaming.

Robert Jenrick MP said, "I am both delighted and honored to open the new premises for Reflex Gaming in Newark. A company employing local people that has gone from strength to strength showing commitment to the Town, diversity and innovation which is an inspiration to all"

John White, Chief Executive of BACTA, the amusement machine industry trade association, also commented, "This is really good news for both Reflex Gaming and for the wider amusement machine industry. Reflex Gaming is a dynamic company, employing highly skilled and highly motivated people and this new facility will only add further to their reputation. Opening the new factory will provide an enormous boost to the local economy, provide a bright future for the current workforce and be a huge attraction for the next generation of engineering and software graduates."

GPI deal with Atlas to ease Australian slots into Africa**SOUTH AFRICA**

JSE-listed investment and empowerment group, Grand Parade Investments (GPI), has acquired a 4.95 per cent stake in Australian gaming company, Atlas Gaming Holdings for R5.6m.

Atlas Gaming develops gambling machines for the Australian domestic market and the proposed transaction is aimed at opening the African market via GPI, a significant player in the South African gaming industry.

GPI will use its cash reserves to acquire the initial stake of Atlas and the shares will be a fresh

issue of shares with the proceeds being used for expansion. Czech-based gaming company, Synot, will subscribe for a similar shareholding. Subsequent to the initial subscription of 4.95 per cent in Atlas, GPI and Synot will each subscribe for a further 5.05 per cent of the share capital of Atlas, in 12 months' time.

"As an investment holding company, GPI's focus is to invest in companies that will deliver good returns for our shareholders. For us the deal makes sense as two additional revenue streams will be created. The first being the ability to sell new gaming

machines into the South African and African markets and the second is that GPI will obtain the contract to manufacture all the gambling machines for the African market in our country," said GPI CEO, Alan Keet.

As shareholders in Atlas, GPI will attain the rights to manufacture and sell any machines developed by Atlas Gaming in South Africa. The manufacturing contract will be awarded to Grand Tellumat Manufacturing, a local electronics manufacturer in which GPI owns a 51 per cent share.

Tim Brcan of Atlas added: "Our focus is to be one of the world's leading producers and providers of gaming products. This deal will support our global growth strategy and unlock the African and European markets for Atlas."

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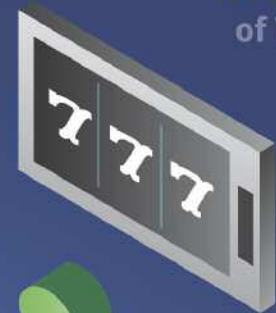
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SPAIN - R. FRANCO INSTALLS SIC BO INTO MADRID

Recreativos Franco's Sic Bo game, based on the successful three-dice Chinese game, is now being played in its multi-post mode, in one of the most important neuralgic centres in Madrid: the Gran Vía Casino.

A spokesperson for R. Franco said: "Sic Bo is based on the famous Chinese dice game which, with its unique and exclusive system of three completely random physical drums, includes state-of-the-art technology: a player interface with different views, memorisation of the favourite bet, different colours and screen background or configurable playtime. These are but a few of the features included in this multi-post model which, from now on, expands the range of the R.Franco Group's products in Spain following its presentation in the latest editions of the London ICE and Madrid Interazar tradeshows. It is a completely versatile model which provides an answer to the needs of the widest range of clients: casinos, arcades and bingo halls."

MALTA - BETCONSTRUCT GRANTED MALTESE LICENCE

Online and Retail Betting and Gaming technology and services provider BetConstruct announces that it has been granted a Class 4 Remote Gaming License by the Malta Gaming Authority for its Sportsbook product.

The license allows the hosting and management of remote gaming operators wishing to benefit from BetConstruct's leading Sportsbook product.

"The Malta Gaming Authority is one of the most preferred global remote gaming regulators with focus on fair and transparent gaming. Being granted this license once more validates BetConstruct's standing in the gaming industry and our commitment to the highest standards of service," said Vahe Balouljan, CEO of BetConstruct. "The license from MGA will further enhance our ability to serve existing and future partners, including those wishing to operate under the white label arrangement."

In a separate development online and land-based gaming operator Vivaro became the first BetConstruct Sportsbook partner to be granted a Class 2 Remote Gaming License from the Malta Gaming Authority.

UK - IGT APPOINTS ARMSTRONG AS SALES DIRECTOR

IGT has appointed Stuart Armstrong as Regional Sales Director, Europe Commercial Gaming. In this role, Armstrong is responsible for developing long-term strategic relationships with commercial gaming customers throughout Europe and ensuring IGT is their partner of choice.



Armstrong's career in gaming spans more than 16 years and includes experience in the casino, lottery and interactive segments of the industry. Armstrong spent the last nine years of his career with the legacy IGT organization where he was instrumental in expanding IGT's European market share, shaping several key regional sales initiatives for IGT, and leading multiple cross-platform product launches throughout the UK. He reports to Ian Baynes, IGT Regional Vice President, EMEA.

"Stuart has a proven track record for driving IGT business and developing solutions that meet our customers' individual business needs," said Mr. Baynes.

SFC managing director, Carlos Ubach, pictured with part of the new installation of Aristocrat games at Casino Châtel-Guyon.

**ARISTOCRAT DOMINATES FLOOR**

Aristocrat Technologies range of slots have taken a commanding position on the floors of French independent casino operator

France - Installations

Aristocrat games now occupy more than half the gaming floor at Casino Châtel-Guyon, owned by independent French operator Société Française de Casinos (SFC). Part of a programme of renovation, commencing with an overhaul of slot games at its spa resort casino in central France, the installation of new Aristocrat games was completed by Aristocrat's exclusive French distributor, SFC2A.

SFC2A managing director, Jorge Lopes, said, "The injection of fantastic new games at Châtel-Guyon is hosted on a mixture of Helix Upright and Super Screen Slant cabinets and comprises a broad range of themes from the entertainment-based E*Series and jackpot-driven J-Series, as well as a number of Aristocrat's inspirational new range of C-Series core games."

SFC managing director, Carlos Ubach underlined his confidence in Aristocrat, explaining that players had shown great affinity for Aristocrat games, most notably Wonder 4, Sky Rider and Temple of the Tiger on Viridian widescreen: "With a broad choice of new games on offer and by taking the initiative now to introduce two elegant new cabinet styles to the floor, we are providing our customers with an exciting new variety of spectacular gaming entertainment," said Mr. Ubach.

"The immediate response has been hugely encouraging, with a significant increase in visitation and player interest across the new banks since the launch. The centre of Châtel-Guyon is currently undergoing a phase of redevelopment, with the casino itself, adjoining theatre, neighbouring hotels and outside leisure amenities all receiving makeovers ahead of a tourist destination re-launch scheduled for the end of this year. We will be following this game installation model very closely, with a view to further implementations at our three other casinos, located in Gruissan, Port la Nouvelle and Collioure."

UK

The Rank Group, operator of British brands Mecca Bingo and Grosvenor Casinos, has reported that its operating profit for the year ending 30 June 2015, is up 16 per cent with all brands in growth. Group revenue up four per cent with like-for-like revenue for Grosvenor Casinos and Mecca up eight per cent and two per cent respectively. Digital revenue was up 21 per cent and operating profit was up 14 per cent despite the introduction of Remote Gaming Duty in December 2014.

Contracts signed for 100+ Chipper Champ 2's in Europe**UK**

Two France-based casino groups have recently signed rental and maintenance contracts for TCSJohnHuxley's Chipper Champ 2s (CC2), the fastest chip sorter in the industry.

With 74 CC2s occupying 24 casinos across France and Switzerland, Lucien Barrier agreed to a renewed three-year extension on existing machines. Likewise, Partouche, who currently has 48 chippers across 21 casinos in France and Belgium,

agreed to a three-year extension on existing machines and a five-year term on new.

Rob Burgess, TCSJohnHuxley's UK/Europe Service Manager commented: "We're delighted to be continuing to strengthen our relationship with Lucien Barrier and Partouche. The Chipper Champ 2 is both a reliable and cost-effective chipper to operate and maintain, and we know that both casino groups will continue to enjoy the benefits of its speed, security and intelligence."



The CC2 is famous for sorting up to 500 chips per minute and has been known to result in game productivity increases of 15 - 20 per cent on typical Roulette tables. It can also be quickly programmed to sort any chip from wheel checks to value chips and it identifies and isolates non-conforming chips, notifying the dealer accordingly.

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SWEDEN – HAUSHALTER JOINS EVOLUTION GAMING

Evolution Gaming has appointed Todd Haushalter, one of the highest-profile names in the global casino gaming industry, as its Chief Product Officer. Haushalter joined Evolution on September 1 from MGM Resorts International, where he previously held the Las Vegas-based role of Vice President of Gaming Operations.



Jens von Bahr, CEO of Evolution, said: "We are thrilled to have attracted such a well-respected star of the gaming world to Evolution. Todd's vast experience in the land-based sector, his knowledge, his ideas and his US and global track record are all a perfect fit for Evolution as we move forward, and as many operators focus on convergence. He is a top addition to our team and will be instrumental in driving Evolution product innovation and delivery, and penetrating new markets in the Live Casino sector."

Haushalter added: "I've worked closely with Evolution before – on the Shuffle Master deal that resulted in side bets being integrated into Evolution's Live Blackjack, and on other game content. I'm familiar with the company and the Evolution product portfolio and very excited to be joining up with the world's leading Live Casino provider. This is a different challenge for me in a hugely important sector – and I can't wait to get started."

GERMANY – MERKUR GAMING APPOINTS WESSLER

Merkur Gaming continues its expansion course with the appointment of Markus Wessler as new Sales Director. The sales expert is going to strengthen the international sales team at Merkur Gaming.



"Markus Wessler is an internationally experienced market expert with almost 20 years of experience of the gaming industry. I am sure that he will enhance the brand Merkur Gaming with his expertise and professionalism and I am pleased that he joined our team", explains Athanasios 'Sakis' Isaakidis, Senior Director International Sales.

UK – LONDON HEADS UP ARISTOCRAT EMEA PRODUCT

Aristocrat Technologies has appointed experienced industry professional, Iain London to the newly created post of Product Management and Business Development Director – EMEA.



Iain brings over 20 years of gaming industry experience spanning both operations and supply in Europe, Africa and Asia-Pacific, relinquishing his most recent position as Vice President, International for Zitro.

Having started his operational career with Sun International, Iain rose quickly through the ranks, gaining international experience and going on to hold various senior management posts with companies such as Casino Magic and Max Bet Gaming. "During my career I have often had links with the Gauselmann Group and I am more than happy to be part of this successful global player," said Mr. London.

NOVOMATIC EYES CASINOS AUSTRIA

Speculation is growing that Austrian slot giant Novomatic wants to further increase its shareholding in Casinos Austria

Austria – Operations

Speculation is growing that Austrian slot giant Novomatic wants to further increase its shareholding in Casinos Austria, the group that had long held monopoly rights to run casinos in Austria, by buying more shares from Vienna Insurance Group.

Any bid by to stage a full-on takeover will face stiff investigation from Austria's competition watchdog BWB. The antitrust authority has said it won't not simply 'wave through' the planned acquisition of an almost 40 per cent stake in Casinos Austria. BWB Head Theodor Tanner said: "I cannot imagine that we will wave through this project."

Instead the regulator will demand an in-depth investigation. For long excluded from its domestic market, Novomatic would take its standing in Casinos Austria to 39.5 per cent following the acquisition of an 11.4 per cent stake in Uniqa. As well as looking to secure the 11.35 per cent stake from insurer VIG, Novomatic is hoping to close in on a 9.44 per cent share from Schelhammer & Schattera.

Novomatic has been steadily building its share in the Austrian operator which is structured



extremely complicatedly with shareholders bound by syndicate agreements should a shareholder wish to sell of shares. Novomatic recently acquired shares from Maria Theresia Bablik Privatstiftung equating to a 16.8 per cent stake in Casinos Austria as well as with Leipnik-Lundenburger Invest Beteiligungs for its 29.6 per cent stake, which equates to a stake of 11.34 per cent in the Casinos Austria.

Harald Neumann, chief executive of Novomatic, said: "By way of these transactions we will be able to contribute as a solid Austrian partner with international expertise and become a part of a sustained shareholding structure of the Casinos Austria."

As well as the investigation the BWB, which could force Novomatic to offload some of its assets, the deal will also have to be approved by the European Union in Brussels, as the revenue threshold is more than €5bn.

Finland

Game Lounge has signed an agreement to acquire a prominent Finnish affiliate's domains, including nettikasinovertailu.info, netticasino.eu, onlinecasinofindr.com, nettipokeri.eu, nettiveikkaus.eu and nettibingo.eu for a price of €1.2M. In addition to incremental earnings, both Cherry and Game Lounge will gain a strong strategic position in Finland and profit from a larger and more significant presence in the market. The acquired affiliate sites will give marketing support to Cherry's existing brands and upcoming white labels as well as significantly reducing costs for acquiring new customers.

GBG partners with Playtech to embed online ID intelligence**UK**

GBG has signed a deal with Playtech to offer a number of its licensees instant, global ID verification through its cutting-edge IMS platform.

The deal will ensure that a number of Playtech's customers are offered instant access to the world's leading identity intelligence solutions without the need for further integration or technical infrastructure.

The addition of GBG's ID verification tools to Playtech's core IMS player management platform means that certain operators can now also perform instant identity verification across more than 4.3bn global

individuals, supporting future growth and ensuring responsible gaming at all levels – and for all jurisdictions.

Peter Murray, Head of gaming at GBG, said: "In the gaming sector, operators are keen to build an environment of trust that protects both player and business. That starts with the collection and verification of the personal data that gets shared across a player's lifecycle.

"In the sector, we have seen the uplift in player acceptance rates to be as much as 23 per cent when instant, robust ID verification is embedded into the onboarding process. And when

you factor in all the complexity of trying to match foreign language and address formats, only GBG can really offer a truly global solution.

Shimon Akad, COO, Playtech, said: "It is our goal to support our operators with true end-to-end, Omni-Channel solutions, offering a seamless player experience across all channels and devices. We partner with the very best in our industry to ensure our licensees can immediately and securely integrate with the most robust and innovative tools available. That service begins with player onboarding but also includes campaign management, fraud and risk management and transaction monitoring. Working with GBG, we are able to offer the best identity intelligence solutions on the market," concluded Mr. Akad.



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GREECE – INTRALOT REVENUE UP SIX PER CENT

A strong second quarter helped Greek operator Intralot post a near six per cent rise in the first half of 2015. First half revenue came in at €958.7m marking an increase of 5.9 per cent compared to the six months through to June 30 last year.



CEO, Antonios Kerastaris (pictured), said: "In the second quarter of 2015 Intralot delivered a strong set of results as EBITDA grew by 8.4 per cent compared to the same quarter of 2014, which also resulted in improved EBITDA margins, despite a tough comparison with 2Q 2014 due to the gradual fall-off of the Romanian contract and the effect of the World Cup Headwinds from a higher than usual payout continued in Q2 2015, albeit improved as compared to Q1 2015. A comparison of the business excluding these exceptional items shows a strong growth in Revenue across all our geographical segments. On a like for like basis our EBITDA grew by 9.4 per cent in the first half of 2015 as the majority of our subsidiaries reported strong results coupled with new contracts namely in Wyoming, Ohio and Georgia, in-line with our broader expectations.

ITALY – BMM TESTLABS AWARDED ITALY LICENSE

BMM Testlabs has been awarded a license for the AWP market, issued by the Agenzia delle Dogane e dei Monopoli di Stato, Italy. BMM's Italian business is led by Antonio Gridà Cucco, Senior Group Manager, Operations. Gridà Cucco has eight years experience in the gaming industry, most recently working as Technical Project and Compliance Manager for BetStone in Europe. Gridà Cucco has delivered numerous AWP and Online certifications in the Italian market. In his position in the field of testing Gridà Cucco spent two years as a consultant at Sogei, where he was involved in regulations and standards and system supported gaming (VLTs).

Gridà Cucco, commented: "This AWP license, coupled with our current online license, confirms that BMM now has complete coverage in Italy. Italy has enormous relevance in the European Gaming landscape and BMM is very pleased to now be able to offer services to both the land-based and online segments. BMM has been operating in Europe for over 9 years, with a testlab in Italy for the last year. We have a highly qualified local team providing an exceptional level of testing and consulting services to our clients in the region."

UK - SG GAMING COMPLETE ROLLOUT TO MECCA

SG Gaming has successfully completed its landmark rollout of its server based gaming solution to the Mecca Bingo estate. The rollout was part of a ground breaking agreement reached in November 2014 for SG Gaming to become the main supplier of terminals to Mecca Bingo venues. The agreement called for SG Gaming to provide Mecca Bingo clubs with its leading server-based gaming solution, powered by Videobet, SG Gaming's platform partner.

Deployment and installation was completed seamlessly across all venues in only 10 weeks, with as many as 20 terminals installed and fully networked in a day in some venues. The rollout was carried out using SG Gaming's sophisticated system that allows for flexible delivery and installation dates. With significant ongoing investment into cutting-edge operational systems and technology, SG Gaming continues to deliver efficiency and quality in all installations and across all customers.

EVOLUTION'S GENTING EXCLUSIVE

Evolution has entered into an exclusive agreement with Genting Alderney, the online casino division of Genting Group.

Alderney - Online Gaming

Evolution Gaming has entered into an exclusive agreement with Genting Alderney, the online casino division of Genting Group.

As a result of the deal, www.gentingcasino.com went live at the end of August with the full line-up of Evolution green tables for desktop, tablet and smartphone: Live Roulette, Blackjack, Baccarat, Casino Hold'em, Three Card Poker and Immersive Roulette. In addition, Genting's players will be able to enjoy all of Evolution's Red Room VIP services, including the recently launched Diamond VIP Blackjack, plus native speaking dealer tables such as London Roulette.

A second-phase launch later in 2015 will see Genting further strengthen its online Live Casino offering with a fully dedicated environment hosted at Evolution's main central studios in Riga.

Commenting on the decision to move the provision of all of Genting's Live Casino services to Evolution, Peter Nolan, Managing Director of



Genting Alderney, said: "As one of the leading land-based and online casino operators we constantly strive to deliver unique and innovative services to our players. Following a strategic review we concluded that Evolution – with its clear focus on helping operators create meaningful differentiation for their brands – is the Live Casino provider best placed to meet the current and future needs of the Genting brand."

Fredrik Osterberg, Group Chief Strategy Officer, added: "We are proud to be working with one of the world's biggest and best-known casino brands and we have wanted to partner with Genting for a long time. The deal is a milestone for Evolution and aligned with our strategic focus on multi-channel solutions for land-based casinos. There are many opportunities for Genting to further develop their brand, their online presence and their services to mass market and VIP players."

UK

Aspers could be about to reopen its Swansea casino at the same site at Salubrious Palace, having closed down the unprofitable venue three years ago. The operator still holds the licence and believes the economic landscape is more positive and is considering opening a smaller scale operation. Aspers stated: "We can confirm we are considering re-opening our Swansea operation in Wind Street. We were very sad to close Aspers Swansea in 2012 and deliberately retained our two operating licenses with a view to opportunities in the city should the local trading environment improve. We now feel that the economic landscape is much more positive, especially in South Wales, and are considering re-opening in Swansea with a smaller operation to cater for the local market. Internal feasibility studies are on-going and an announcement will be made in due course."



EGT continues expansion in the Spanish casino market

Euro Games Technology has installed its P-24/24 Up cabinet into Gran Casino de Bilbao, marking its second completed install in Spain in the last month.

The broad multigame mix offered by the company's Premier Multi-3 of 39 various titles appealed to the casino,

which was taken over by EGASA in 2014.

Juan Carlos De Pedro, Gaming Director of Gran Casino de Bilbao, said: "The P-24/24 Up cabinet of Euro Games Technology drew our attention at the ICE show and was exactly what we needed to refresh our slot offerings to the players.

The final decision for bringing it to our casino in Bilbao, Spain, was exclusively of our General Manager, José Gonzalez and it proved far-sighted, as our customers are now truly enjoying their time on the cabinet. The audience have always been eager to experience new slots and games and, although it is too early to project the acceptance of this particular model in the long run, its multigame mix, distinctive look, ergonomic features and easy navigation seem to have an immediate enticing effect on the players."

EGASA also owns casinos in San Sebastian, Majorca and Ceuta in Spain as well as venues in Croatia, Peru, Chile and Colombia. Two more products; the Egypt Quest progressive jackpot system and the Premier Multi-4 game mix are currently undergoing homologation for Spain.



MEGAPOT wins before 3000

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Bells On Fire

7

5: 100
4: 50
3: 20



WILD

BAR

5: 50
4: 20
3: 10

☆☆☆
BONUS

5: 500
4: 100
3: 20



5: 20
4: 10
3: 5



5: 8
4: 4
3: 2



5: 7
4: 2
3: 1

Multi Game
by AMATIC

ARISING PHOENIX

5: 1000	4: 200	3: 50	5: 400	4: 80	3: 40
50000					
RESPIN					
5: 300	4: 60	3: 30	5: 200	4: 40	3: 20
5: 150	4: 30	3: 15	5: 100	4: 20	3: 10



GAME OVER
BONUS
BONUS
Bells On Fire
AMATIC INDUSTRIES



AMATIC INDUSTRIES



AMATIC INDUSTRIES

PERFORMER
GRAND ARC
THE SLANT TOP



WESTSPIEL OPENS ITS 'INTERIM' CASINO IN THE CITY OF AACHEN

Germany's largest casino group, WestSpiel opens its stylish transitory solution - Casino Aachen in the Tivoli

WestSpiel – the largest casino group in Germany – officially reopened its casino in Aachen in June. Following on from the introductory speech from the group's CEO, Lothar Dunkel, this actually felt like a 'new opening'. Indeed the casino is now located in a new location in the city. This new location for Casino Aachen is within the 'Tivoli' – the football stadium of Alemania Aachen with a capacity of over 30,000 that was opened in 2009. Casino Aachen will remain the next years within the stadium until the traditional location at 'Neues Kurhaus' spa building has been renovated.

The official opening took place on June 11, 2015. WestSpiel Group CEO, Lothar Dunkel, and Casino Aachen managing director, Thomas Salinger, both held speeches to mark this occasion, alongside Aachen's Lord Mayor, Marcel Philipp.

Thomas Salinger stated in his speech, "A long-standing and elaborate renovation awaits the Kurhaus in Aachen. For this intermediary time and with the great support of the town of Aachen – we have searched and found a location for the mother of all WestSpiel locations here in Tivoli. The Tivoli is very well known and can measure itself alongside many of our attractions. We are not just celebrating the casino

We are not just celebrating the casino opening today, but also the joining together of our traditional live gaming and slots gaming in Aachen.

opening today, but also the joining together of our traditional live gaming and slots gaming in Aachen – as these were separate previously. We began only four months ago with the construction work to put our ideas and plans into reality – of that of a modern and charming casino. This construction work held several challenges – of integrating a casino inside a football stadium. I applaud the outcome".

The responsible architect – Sylvie Mönninghoff – was herself applauded for her work. She stated, "The clear shape and form of the Tivoli building itself lent itself as the conceptual guideline and geometric layout for the interior design concept of our new casino. The addition of live gaming has given it a more lively composition. Cubes and ornaments playfully interchange to create an exciting, energetic atmosphere. We gave the new rooms strong colours to make a spirited and warm atmosphere with glimmering gold adding to this. Each part of the casino has set its own accent".

The logo for the new casino is – 'Jeder Tag ist ein



Heimspiel' – 'Every day is a home game' – so relating well to its new home within the football stadium. Players in Aachen now can enjoy the fact that table games and slots are 'reunified'. Previously live gaming and slots gaming were set in two separate locations in Aachen.

The city of Aachen has a special meaning to WestSpiel. The first WestSpiel casino was opened here back in 1976. Situated at the border between Belgium and the Netherlands, it is also the group's 'calling card' to

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WestSpiel MD, Lothar Dunkel



Spielbank Aachen MD – Thomas Salinger



Thomas Stossberg – Slots Manager at Casino Aachen



WestSpiel MD Steffen Stumpf, Aachen
Lord Mayor Marcel Philipp, Casino
Aachen MD Thomas Salinger and
WestSpiel MD Lothar Dunkel

players from these neighbouring countries. Today WestSpiel operates six casinos (the best known being Casino Dortmund-Höhensyburg and Casino Duisburg). WestSpiel management places great emphasis on its social responsibility and responsible gaming. Indeed, the group transfers 25 million euros each year to the 'Stiftung Wohlfahrtspflege' (Foundation for Social Welfare) in North Rhine-Westphalia.

In the days of sharpened competition from online and street gaming, WestSpiel has clearly positioned itself for its target market. This new casino has an extremely modern design to it, giving 'a foretaste to the future' to quote Herr Dunkel. Casino Aachen reflects the design of the casino of the future – modern, friendly, futuristic with the latest slot machines on offer from a wide choice of manufacturers.

The modern feel of the casino is reflected in the choice of colours made by the architect: red, gold and purple. Extremely modern are also the slot machines: The latest slot machines can be found here – a total of over 100 from the major manufacturers, including, Ainsworth, Aristocrat, Bally, EGT, GTECH, IGT,

In the days of sharpened competition from online and street gaming, WestSpiel has clearly positioned itself for its target market. This new casino has an extremely modern design to it.

Konami, Merkur Gaming, Novomatic and WMS. The electronic roulette stems from Interblock – with a 30-player position Organic G4.

For live gaming: Casino Aachen offers five American Roulette tables. Casino management is particularly proud of offering French Roulette as well and one such table can be found here. Casino Aachen will be focusing on attracting poker players as well – with a separate poker room and ten poker tables.

The city of Aachen is popular among tourists as this is a



spa town – where the Romans have left their mark. Furthermore, Aachen is indelibly linked with Charles the Great (Charlemagne).

Casino Aachen has a great appeal to it. This modern casino fits well in such an old and dignified city. The casino itself measure 2,000 square metres and is set over two floors. The poker tables are situated on the ground floor. The live gaming tables and the slots can be found on the second floor. Casino Aachen offers an exclusive live gaming table for high rollers.



Insight

WESTSPIEL AACHEN, GERMANY

DRGT BRINGS KONAMI TO WESTSPIEL'S NEW CASINO

Gaming slots and systems specialists, DRGT, deliver the latest Konami Advantage 5 and SeleXion range to Aachen Casino

Aachen, situated on Germany's border to Belgium and Holland, is a location of key importance to Germany's leading casino group, WestSpiel. This is where the first WestSpiel casino was founded. As the traditional spa house – the 'Neues Kurhaus' is being renovated, WestSpiel had to relocate its casino. As a result, the new Casino Aachen was opened in June in a prominent location within the Tivoli, Alemania Aachen's impressive football stadium.

The casino oozes style with a very modern interior design. This brand new casino gambling venue offers the latest gaming machines. DRGT, the European distributor for Konami Gaming, Inc., across Germany, Belgium, Luxembourg, Macedonia, Northern Cyprus and Malta, can proudly report Konami's success at Casino Aachen, where both the Advantage 5™ and the SeleXion slots are available for players to enjoy.

We are very pleased with the feedback and with the results. We are extending our focus and currently players can find Konami slots at our casinos in Dortmund, Duisburg, Bad Oeynhausen and Bremen.

Armin Mestermann, Technical Slots Manager for the WestSpiel Group, applauds the new Konami machines, stating, "Konami is simply a must at our new Casino Aachen. Our guests look for the Konami slots. It is a distinct advantage that Konami offers both single game machines and multi-game. Furthermore, the support

from DRGT is excellent. We are very pleased with the feedback and with the results. We are extending our focus on Konami and currently players can find Konami slots at our casinos in Dortmund, Duisburg, Bad Oeynhausen and Bremen as well."

The Advantage 5 is Konami's single-game, mechanical reel-based slot machine, and SeleXion offers a wide range of multi-game video slot themes with pin-sharp graphics. Joost von Egeraat, Sales Director Europe at DRGT, notes: "WestSpiel places great emphasis on proving the latest, cutting-edge, entertaining gaming machines to their customers. Mr. Mestermann and his team invest much time and effort in choosing the right machine mix. Konami not only belongs to this mix but is growing in importance for WestSpiel – exemplified here in Aachen where both the Advantage 5 and SeleXion slots can be found."



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LA PRÉSIDENTE DU CHILI MICHELLE BACHELET VIENT

de ratifier de nouveaux projets de loi pour prolonger les licences de sept casinos municipaux chiliens. Ces nouvelles lois prolongent les licences des régions de Vina del Mar, d'Arica, d'Iquique, de Puerto Varas, de Coquimbo, de Pucón et de Puerto Natales du 31 décembre 2015 au mois de décembre 2017.

L'INDUSTRIE DES CASINOS POURRAIT ATTIRER

jusqu'à 600 millions de dollars US d'investissement au Mexique si le Sénat approuve les dispositions des nouvelles lois mexicaines relatives aux jeux qui pourraient être discutées lors de la prochaine session législative. Selon les projets en cours, des "Complexes favoris" pourraient être désignés dans les lieux hautement touristiques situés sur la Riviera Maya.

L'OPÉRATEUR ESPAGNOL CIRSA S'APPRÊTE À

accroître sa présence en République Dominicaine avec l'acquisition du Grand Victoria Casino dans la ville de Santiago. D'après des cadres de Cirsa, l'entreprise travaille actuellement sur différentes stratégies de remodelage, d'expansion, de changement et de préparation à un programme complet visant à améliorer l'offre de jeux proposée par l'établissement.

LES CASINOS CHILIENS ONT ENREGISTRÉ DES

bénéfices de 38,2 millions de dollars US en juin, ce qui représente une augmentation de 23,4 % par rapport au même mois de l'année précédente. Les bénéfices sont toutefois 8,5 % plus bas qu'au mois de mai selon les données de l'Autorité de Contrôle des Jeux chilienne (SJC).

CROWN GAMING MEXICO, LA BRANCHE LOCALE DE

Novomatic Group, vient de créer l'événement en répondant à la demande d'excellence du pays en matière de jeux avec la présentation de son jeu unique Panther Roulette II au Casino Abu Dhabi à Apodaca, près de Monterrey, dans l'état du Nuevo León.

DANS LE CADRE DES MESURES VISANT À ASSOULIR

le marché, une nouvelle loi sur les jeux de hasard actuellement à l'étude à Bruxelles vient d'être proposée par le gouvernement tchèque. Celle-ci pourrait être votée et entrer en vigueur à partir de janvier 2017. Ces changements, qui devraient être entérinés par la décision de la Commission Européenne, propose la mise en place d'un tout nouveau régime de taxation à partir de janvier 2016.

JACKPOT GAME, UNE ENTREPRISE DU GROUPE

Olympic Entertainment Group, vient d'acheter deux casinos avec terminaux ALV auprès de l'opérateur de jeux de casino italien Pasquale Di Gaetano - Judica Concetta and sons sas.

LA SOCIÉTÉ SCIENTIFIC GAMES (SG GAMING) VIENT DE

signer un contrat de quatre ans avec l'opérateur de jeux pour adultes Talarius. Cet accord prévoit la distribution de la plateforme de jeux sur serveur entièrement intégrée (SBG) de SG Gaming vers 92 centres de jeux pour adultes Talarius (AGC) supplémentaires, ce qui équivaudra à un total d'environ 500 terminaux de jeux sur serveur SG Gaming dans l'ensemble de l'état.

LA RUMEUR COURT QUE LE GÉANT AUTRICHIEN DES

machines à sous Novomatic souhaite accroître ses actions dans le groupe Casinos Austria, groupe qui a longtemps bénéficié d'un monopole pour diriger des casinos en Autriche et ce en acquérant plus de parts auprès de Vienna Insurance Group.

MGM'S 'DISCRIMINATION' LAWSUIT

MGM Resorts has filed a lawsuit in the US District Court to challenge what it claims is racial discrimination in the State

Connecticut - Operations

MGM Resorts has filed a lawsuit in the US District Court to challenge what it claims is racial discrimination in limiting a new casino project near the Connecticut border to two tribal casino operators.

The Las Vegas giant, which had once partnered with Foxwoods in Connecticut, is questioning a newly enacted Connecticut law that gives two Indian tribes; Foxwoods and Mohegan Sun, the exclusive right to jointly develop and operate a competing third casino aiming to stem the flow of customers to Massachusetts.

MGM is currently building its own \$800m resort casino in Springfield, Massachusetts. It wants the federal court to declare the law 'invalid, null, and void in its entirety' claiming it violates the US Constitution's equal protection clause as well as the spirit of the federal Indian Gaming Regulatory Act, which limits tribal casinos to reservation land.

MGM Resorts International President Bill Hornbuckle said: "This special law prevents everyone else from competing or even from making an alternative proposal that could be of greater



benefit to the state. We believe that everyone should be given an equal opportunity to compete."

MGM's lawsuit added: "The Act allows only the Preferred Tribes to engage in negotiations and sign a casino development agreement with a municipality. The Act excludes all other entities, including MGM, from competing with the Preferred Tribes to negotiate such a development agreement and presenting such an agreement to the legislature for approval (and so also excludes MGM and all others from the subsequent establishment and operation of the commercial casino gaming facility). MGM is ready, willing, and able to compete for the opportunity to develop a commercial casino gaming facility in Connecticut, but is excluded by the act from competing for this opportunity. There is no constitutionally legitimate basis for the act's discrimination in favour of the preferred tribes and against all other potential bidders "

Mississippi

Global Cash Access has secured placement of a suite of its electronic gaming machines and payments solutions with the Scarlet Pearl Casino Resort in D'Iberville, Mississippi, which is scheduled to open at the end of this year. The initial agreement includes the sale and placement of multiple slot machine banks, including the company's TournEvent slot tournament system. The TournEvent system enables operators to quickly and seamlessly switch from in-revenue gaming to out-of-revenue tournaments, bringing excitement to the slot floor. GCA video and mechanical reel slot machine titles, including Yardbirds, Carnival in Rio, and Wild Wild Gems will also be featured at the Scarlet Pearl Casino Resort upon opening.

San Manuel selects GAN for Simulated Gaming website

CALIFORNIA

GameAccount Network has announced a partnership with San Manuel Digital to launch a Simulated Gaming online & mobile experience for new customers and existing patrons nationwide in the US.

San Manuel Digital is the wholly owned interactive division of San Manuel Band of Mission Indians, which also owns and operates the San Manuel Indian Bingo and Casino located in Highland, California.

This deal represents GAN's first major West Coast land-based casino client of the Company's enterprise-level Simulated

Gaming designed specifically for land-based casino operators in the US. It is also the second major tribal US casino operator to adopt the Simulated Gaming solution from GAN, and is to be integrated with their land-based loyalty program "Club Serrano" reliant upon the company's unique patented iBridge Framework technology for issuing reward points credited consequent to certain online activities.

San Manuel casino, situated to the East of Los Angeles, is reportedly among California's largest casino operators in the state

"Breaking into the West Coast US casino market has remained a

priority in 2015 and we're delighted to partner with San Manuel to bring their major brand online nationwide in the United States," said Dermot Smurfit, CEO of GameAccount Network. "With continued delays in the intra-State regulation of real money Internet gaming, in California and elsewhere, we believe Simulated Gaming is the right opportunity for all land-based US casino operators seeking to extend their business and patron relationship online."

Matthew Cullen, CEO of San Manuel Digital commented: "GameAccount has demonstrated the merits of Simulated Gaming the power of their Slot Tournaments and their patented approach to driving increased visitation on-property. San Manuel will have the opportunity to launch Simulated Gaming online this Fall."



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REFLEX GAMING, L'UN DES FABRICANTS DE

machines de jeux les plus importants et les plus influents, a inauguré le nouveau siège social de l'entreprise situé à Newark le 11 août.

LES JEUX ARISTOCRAT OCCUPENT À PRÉSENT LA

moitié de la surface de jeux du Casino de Châtel-Guyon qui appartient à l'opérateur français indépendant la Société Française de Casinos (SFC). Cela fait partie d'un programme de rénovation qui a commencé par une réorganisation des machines à sous de son complexe casino et spa dans le centre de la France.

EVOLUTION GAMING VIENT DE SIGNER UN CONTRAT

exclusif avec Genting Alderney, la division de casino en ligne de la société Genting Group. Suite à cet accord, le site www.gentingcasino.com a été mis en ligne fin août et propose l'intégralité des jeux de casinos Evolution pour PC, tablettes et smartphones : Live Roulette, Blackjack, Baccarat, Casino Hold'em, Three Card Poker et Immersive Roulette.

PENN NATIONAL GAMING EST ACTUELLEMENT EN

train d'acquiescer l'opérateur de terminaux de loterie vidéo (ALV) Prairie State Gaming dans le cadre d'une transaction réglée entièrement au comptant. PSG, l'un des plus grands opérateurs d'ALV de l'Illinois, compte plus de 1100 terminaux répartis dans 270 bars et établissements de jeux dans l'ensemble de l'état.

GAMEACCOUNT NETWORK VIENT D'ANNONCER SON

partenariat avec San Manuel Digital pour lancer une expérience de simulation de jeux en ligne et sur mobile pour ses nouveaux clients et ses clients actuels à travers les États-Unis.

GLOBAL CASH ACCESS VIENT DE CONFIRMER LA

fourniture d'un ensemble de machines de jeux électroniques et de solutions de paiement au Scarlet Pearl Casino Resort d'Iberville, dans le Mississippi, qui devrait ouvrir ses portes à la fin de l'année.

JCM GLOBAL ET NANOPTIX THERMAL PRINTERS DE

Dieppe, au Nouveau-Brunswick, Canada, viennent de trouver un accord relatif à l'achat d'actions, accord via lequel Nanoptix a acheté via un successeur 49 % de la participation de JCM dans le groupe Nanoptix.

SUGARHOUSE CASINO S'APPRETE À ACHEVER SON

extension de 164 millions de dollars US sur ses locaux de la Delaware Avenue. Pour marquer cet événement, les cadres ont organisé une "cérémonie d'achèvement de chantier" pour célébrer la pose de la dernière poutre de l'extension sur le toit de la nouvelle structure.

GAMING ENTERTAINMENT SYSTEMS (GES) A

annoncé que son système de table progressive innovante et de bonus vient d'être installé à Crown Melbourne (Crown). Le système progressif de GES installé sur 40 tables de poker de la Salle de Poker du Crown offre la possibilité à tous les joueurs qui jouent avec des espèces de gagner le jackpot au Texas Hold'em Poker.

MELCO CROWN ENTERTAINMENT OUVRIRA LE 27

octobre 2015 son Studio City dont le montant s'élève à 3,2 milliards de dollars US à Cotai, Macao, près du Pont du Lotus, une porte d'immigration qui relie l'île de Hengqin et une future gare ferroviaire de transport express léger de Macao.

PENN PLANNING PRAIRIE PURCHASE

Penn National Gaming is buying Illinois video gaming terminal (VGT) operator Prairie State Gaming in an all cash deal

Illinois - Operations

Penn National Gaming is buying Illinois video gaming terminal (VGT) operator Prairie State Gaming in an all cash transaction. One of the largest VGT route operators in Illinois, PSG's operations include more than 1,100 terminals across a network of 270 bar and retail gaming establishments throughout the State. For the twelve-months ended June 30, 2015, PSG generated nearly \$10m in EBITDA. The transaction, which is expected to be immediately accretive to Penn National upon closing later this quarter, is subject to regulatory and other customary approvals and conditions.

Jay Snowden, COO of Penn National Gaming (pictured right), said: "The planned acquisition of PSG is consistent with our proven long-term strategy for growth through accretive acquisitions. PSG is one of Illinois' most respected VGT operators, with a strong track record of regulatory compliance and a reputation for reliable around the clock service backed by one of the industry's most experienced teams. With its strong financial position, PSG has also distin-



guished itself in the Illinois VGT industry for its ability to quickly roll out new games to customers. Penn National looks forward to adding our nearly two decades of industry leading experience in marketing, player development and operating electronic casino games in highly regulated environments," added Mr. Snowden. "We believe this acquisition will provide us a solid platform for future growth in the Illinois VGT market and potentially other states where this form of gaming is authorized."

John Canham, current acting General Manager at Hollywood Casino at Kansas Speedway, will assume the newly created role of General Manager of VGT Operations for Penn National, subject to customary regulatory approvals. Mr. Canham will report directly to Ameet Patel, Senior Vice President, Regional Operations for Penn National.

US

IGT's DoubleDown Casino social gaming website has raised the stakes by introducing its new jackpot feature that gives players the chance to win more than two billion chips. Initially available on the classic Wolf Run slot game, a pair of jackpots is launching on the DoubleDown Casino website: the Super Jackpot, which grows quickly, and hits more frequently; and the Mega Jackpot feature, where a player can win more than two billion chips. When a jackpot is due to hit soon, it will 'go hot' and the graphics will catch on fire, letting players know that they should spin to win before someone else does. "Many players love slot machines because they offer the chance to win jackpots, so it's a natural extension of DoubleDown Casino that we introduce jackpots," said Joe Sigris, IGT SVP and GM of DoubleDown Casino.

Full House details American Place casino 'unique' proposal

INDIANA

Full House Resorts has presented its proposal to build American Place, a \$650m lifestyle center, to revitalise a prime area of Indianapolis that has been dormant for years.

This was in response to the Indianapolis International Airport's Land Use Initiative RFP. The Airport Authority recently conducted an extensive review of its land holdings and will put several hundred acres on the market for sale or lease for non-aviation purposes. If selected, this project would be one of the largest privately funded construction projects in Indiana history.

Proposed for the 135 acres of land along I-465 and High School

Road, near where the previous airport terminal was located, American Place will include a small, high-end casino, approximately 700,000 square feet of high-end creative retail space, a 25-villa boutique hotel designed to offer the most luxurious accommodations in the Midwest, a seasonal plaza with ice skating and a European Christmas market in the winter and landscaped gardens and forests in the summer, and a central square surrounded by a unique fountain and 3D imaging experience.

"We can build something here, at the Crossroads of America, that doesn't exist anywhere else. We can build a place that will add to the appeal of Indianapolis, make the city proud, and attract both

Indiana residents and visitors," said Daniel Lee, CEO of Full House Resorts. "Given the adjacency of the airport, we expect the center to attract people to an experience that is part Indianapolis, part Las Vegas, and 100 per cent unique," added Mr. Lee. "We purposely did not include a large hotel in our plans for this center, because the old airport terminal was nearby, there are numerous existing hotels near the site. For that reason, we are building only a small hotel within the center, primarily for casino high rollers.

"We then plan to operate a shuttle service connecting American Place with all neighbouring hotels." An independent third-party study estimated American Place would generate approximately \$85m per year in state and local taxes, create approximately 4,000 permanent jobs, and attract 10 to 15m visitors per year," noted Mr. Lee.



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US – WYNN'S EVERETT CASINO FACING TRAFFIC JAM

Massachusetts Attorney General Maura Healey wants state environmental officials to refuse Wynn Resorts a key permit for its \$1.7bn casino project at the Everett waterfront.

She believes that Wynn's permit application should be rejected until a blue print is presented to prevent traffic congestion around Boston's Sullivan Square area located close to the site of the proposed casino site.

In a letter to Matthew Beaton, secretary Executive Office of Energy and Environmental Affairs, she said:

"We urge you not to issue a Massachusetts Environmental Policy Act (MEPA) certificate for the Casino until Wynn's certificate includes a long-term traffic solution for Rutherford Avenue and Sullivan Square that takes into account years of planning by community stakeholders and is compatible with the City of Boston's redevelopment plans for that area. If you approve the casino without a long-term traffic mitigation plan, we may never get one. This dangerous and congested set of roadways may be unfamiliar to many state residents, but it serves as a major transit hub and access point."

US – GLI UNIVERSITY COURSES AT G2E 2015

GLI University is globally recognized for its industry-leading courses and world-class instructors. At G2E 2015, Gaming Laboratories International (GLI) will be located at booth #4430 discussing its new curriculum and three courses regulators must attend to stay on top of their game.

Those courses are:

- Class II Gaming Systems. Given in either a 2-hour overview session or a more in-depth 8-hour module, this course covers the essential how's and why's of Class II terms, math, architecture and more.
- Forensics Basics and Procedures: a 2-hour module filled with important definitions and procedures of how and why forensics are conducted.
- Network Risk Assessment Basics: the fundamentals of Information Security, Network Risk, Penetration Points, Security Policy, Asset Management and Control you need to know to protect your casino.

"Our new GLI University curriculum is a collection of intensive learning modules designed specifically to help regulators, operators and suppliers stay at the very top of their game, armed with critically vital and up-to-date information. These courses in particular – Class II Gaming Systems, Forensics Basics and Procedures, and Network Risk Assessment Basics – were created from direct feedback and are based on what clients tell us are their most pressing concerns," said GLI Director of Government Development Michael Capen.

Each GLI University course is led by world-class instructors, all of whom are experts in their related fields.

US - GLOBAL CASH ACCESS RE-BRANDING TO EVERI

Having successfully integrated the Multimedia Games brand, Global Cash Access Holdings, has changed its name to Everi Holdings Inc. The organisation-wide rebranding, together with the company's new logo and new corporate name, reflect the successful transition to a full-service casino gaming equipment and payment solutions provider focusing on a broad range of opportunities to address customers' casino floor and technology needs.

SUGARHOUSE'S SWEET EXPANSION

Philadelphia's SugarHouse Casino is edging closer to completing a \$164m Delaware Avenue property expansion

Pennsylvania - Operations

SugarHouse Casino is edging closer to completing a \$164m expansion on its Delaware Avenue property. To commemorate this milestone, casino executives hosted a "Topping-Off Ceremony" to celebrate the placement of the final beam of the expansion atop the new structure. Scheduled to open by year-end 2015, the expansion will bring 500 new, full-time jobs, a larger gaming facility, several restaurants and multipurpose event center.

During the August 13 ceremony, the last beam was placed atop the lantern, a rooftop architectural element. The lantern marks the highest elevation point of the expanded casino building. An evergreen tree was attached to that final beam and raised along with an American flag and a banner signed by SugarHouse Team Members. A long-standing construction tradition, the placement of the tree symbolizes a safe construction site during the building process.

Those celebrating the topping off included Greg Carlin, CEO of Rush Street Gaming and Wendy Hamilton, general manager of SugarHouse Casino. Remarks were also given by State Senator Larry Farnese, Philadelphia City Councilman Mark Squilla, and Deputy Mayor for Economic Development and Director of Commerce for the City of Philadelphia



Alan Greenberger. Rich Levins, vice chairman of the Penn Treaty Special Services District, which recently received a \$1 million annual pledge from SugarHouse Casino, was also on hand to mark this milestone.

"This winning moment has been five years in the making. We are thrilled to meet and celebrate this milestone today and grateful to all those who have worked so hard to make it happen. We can't wait to unveil our new facility. SugarHouse will be a phenomenal entertainment destination," said Wendy Hamilton, general manager of SugarHouse Casino.

The \$164m SugarHouse expansion, designed by Cope Linder Architects; with construction management by Skanska USA Building, Inc.; and development management by Keating Consulting, L.L.C., continues and is on track for a 2015 year-end opening. Upon completion, 500 new full-time jobs will be added to SugarHouse's current 1,100-member team, which has voted the casino a top place to work in Philly eight separate times since its grand opening in September 2010.

Canada

JCM Global and Nanoptix Thermal Printers of Dieppe, New Brunswick, Canada have agreed to a Share Purchase Agreement whereby Nanoptix, through a successor entity, has purchased JCM's 49 per cent common equity interest in Nanoptix. Over the past four years, JCM has acted as both distributor and most recently as equity owner of Nanoptix, successfully marketing and selling Nanoptix products under the JCM portfolio. "We have enjoyed a mutually beneficial relationship with Nanoptix for several years. The selling of our shares in Nanoptix was an expected evolution in the planned history of our relationship, and we wish the company nothing but the best in their future endeavors," said Tom Nieman, JCM Global VP of Sales and Marketing.

GSA releases latest set of Compliance Verification Tools

US

The Gaming Standards Association (GSA) has released its new Compliance Verification Tools CVT 1.0 and CVT 2.0. These tools empower suppliers to conduct compliance testing at the point of software creation, significantly reducing implementation errors, Q/A overhead, and speed-time to market.

"We are very proud of the fact that GSA's G2S protocol is the new standard for the global gaming industry. Now with CVT 1.0 and CVT 2.0, suppliers have an automated way to quickly and

precisely ensure games and systems are properly implementing G2S. The verification tools will dramatically benefit suppliers," said GSA Protocol Director Ethan Tower.

CVT 1.0 is a Practical EGM Compliance Tester, an easy-to-use tool that anyone can use to run a set of standard tests against an EGM to ensure it has correctly implemented the critical requirements of the core classes of GSA's award-winning Game-to-System G2S standard. Conversely, the CVT 2.0 Practical Host Compliance Tester can be

used to run a set of standard tests against a G2S Host to ensure it has correctly implemented the critical requirements of the core classes of the G2S protocol.

Conducting this type of practical testing at the supplier's development site can greatly reduce formal independent testing labs testing times and further speed time to market.

"With CVT 1.0 and CVT 2.0, there are now tools that provide repeatable results and significantly reduce implementation errors. We expect these tools will generate immediate and significant value for the industry. These new tools are a direct fulfillment of GSA's brand promise and value proposition," Mr. Tower said.

MERGER PROPELS IGT REVENUES

Following the US\$6.4bn merger with GTECH, IGT revenue grew 36 per cent to \$1.29bn from \$945m in second quarter

US - Suppliers



IGT saw revenue grow 36 per cent to \$1.29bn from \$945m in the second quarter of 2014, reflecting GTECH's acquisition of legacy IGT. This was IGT's inaugural announcement since the merger was completed on April 7, 2015. On a pro forma, constant currency basis, consolidated revenue increased one per cent reflecting double-digit increases in the US Lottery and International segments, partially offset by single-digit declines in Italy and US Gaming & Interactive segments. During the quarter, the company sold 10,147 gaming machines worldwide and global lottery same-store revenue excluding Italy increased seven per cent.

"The second quarter is a major milestone, as we present our first set of financials in dollars, under US GAAP," said Alberto Fornaro, CFO of IGT. "Our adjusted operating income improved from the prior year's level on a pro forma, constant currency basis and our financial condition remains strong. We will continue to operate with our customary, disciplined cost management and are confident in achieving our synergy targets according to plans."

"We are pleased to report for the first time as a single

company," added Marco Sala, CEO of IGT (pictured). "As anticipated, our second quarter results reflect the stable growth characteristics of our global lottery operations and a meaningful improvement in our gaming operations. We have accomplished a lot in the past four months, notably organising ourselves under a single leadership team and consolidating our manufacturing footprint. There is much more ahead of us. In this year of transformation, we will continue to focus on integration to provide a solid foundation for future growth and value creation."

Mr. Sala said the company has also completed the integration of its IGT and GTECH sales forces. Because of a modest overlap in operations, he said the merged IGT was able to maintain a high degree of sales force continuity. International revenue came in at \$247m, 67 per cent higher than the prior year on a reported basis, reflecting strong product sales for lottery terminals and gaming machines. International lottery same-store revenue was up eight per cent on continued, broad-based strength in instant tickets and robust jackpot growth in Eastern Europe. Lottery product sales increased significantly on large South African terminal and system sales.

Mississippi

Isle of Capri Casinos is to close its casino property in Natchez, Mississippi, and has entered into a definitive agreement to sell its Natchez hotel and certain related non-gaming assets to Casino Holding Investment Partners, LLC, the parent company of Magnolia Bluffs Casino, for \$11.5m. The transaction is expected to close in October 2015, subject to customary closing conditions. "We are proud of all that we have accomplished together and we thank our team members for their dedication and hard work in the many years we have operated in Natchez," said Virginia McDowell, the company's President and CEO.

Nevada gives the green light for Penn's Tropicana purchase

NEVADA

Penn National Gaming has received approval today from the Nevada Gaming Commission to complete the company's planned \$360m acquisition of Tropicana Las Vegas. The NGC's approval represents the final step in the regulatory process to acquire the property following approvals in several other jurisdictions where the company operates.

"The addition of Tropicana Las Vegas to our national portfolio of gaming assets is an exciting and important milestone for Penn National as it fulfils our long-standing strategic objective to acquire the right resort at the right price on the Las Vegas Strip. Tropicana Las Vegas will allow us to leverage our database of

nearly 3 million active regional gaming customers while further diversifying our operations with another wholly-owned asset," said Timothy Wilmott, CEO of Penn. "Our regional gaming customers have long asked us to offer them an attractive destination on the Las Vegas Strip. After our disciplined search, we believe the Tropicana will while enhance our already strong competitive position in the local markets where we operate. Furthermore, the Tropicana Las Vegas is ideally suited to benefit from significant investment at adjacent gaming properties which is expected to generate additional traffic in the area."

Penn National has developed a two-phase plan to realise the full

value of the transaction, which it expects to implement over the next three to five years. In the first phase, scheduled to occur over the next 6-9 months, it will invest approximately \$20m in further facility improvements and integration activities. These will include upgrading the property's technology infrastructure to allow for Penn National's nationwide player loyalty program, Marquee Rewards, with the goal of launching the program in the second quarter of 2016.

In the second phase, Penn plans to evaluate other potential enhancements at the property, such as the addition of retail space, f&b outlets, casino floor improvements and potentially additional hotel rooms. The scope, budget and timing of any such expansion and improvements will be determined based upon Penn National's operation of the property and customer demand for additional amenities.

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US - INTERBLOCK NAMES NEW MANAGER



Interblock has expanded the company's marketing capabilities, naming Las Vegas casino marketing veteran Jamie Garrett as the company's new Promotions and Creative Services Manager.

Interblock Vice President of Marketing Colleen McKenna said, "I'm very happy to welcome Jamie to the Interblock marketing team. Her hire will allow the company to develop even more strategic and meaningful marketing programs that are customized for our customers, empowering us to help our customers bring the fun and luxury of Interblock games to their players."

US - NEVADA PROPERTIES PROP UP MGM'S Q2

Las Vegas is once again driving revenue at MGM resorts with Nevada resorts helping the group stem revenue loss from the downturn in Macau. GGR for Q2 came in at \$98m, down 11 per cent from the \$110m recorded last year.

Jim Murren, Chairman and CEO, said of the Las Vegas properties: "We are continuing to drive increased profits at MGM Resorts with second quarter wholly owned Adjusted Property EBITDA up 11 per cent driven by growth at our Las Vegas and regional resorts. These resorts are continuing to gain operating momentum while we continue to make significant progress on our development pipeline in Cotai, Maryland, and Massachusetts. We are focused on positioning the Company for future growth, and are pleased to announce the implementation of our Profit Growth Plan to further enhance our business practices and profitability."



US - INDUSTRY RAISES \$140,000 TO BENEFIT NCRG

The gaming industry went to new heights and raised \$140,000 to support responsible gaming at the 17th annual AGEM/AGA Golf Classic Presented by JCM Global.

More than 144 players from across the gaming industry spectrum participated in the tournament on the perfect and legendary greens of Cascata in Boulder City, Nev. Money raised supports research conducted by the National Center for Responsible Gaming (NCRG). Over its history, the event has raised more than \$1.45 million for the NCRG.

"The NCRG is immensely grateful to AGEM, AGA and JCM Global for their continuing support of research that will lead to effective prevention and treatment of gambling disorder," said Christine Reilly, NCRG Senior Research Director. "We salute all of the companies and individuals that sponsored the 2015 golf classic."

Returning as title sponsors were the Association of Gaming Equipment Manufacturers (AGEM) and the American Gaming Association (AGA).



TRADITIONAL BINGO, ON STEROIDS

G3 speaks to Video King's Tim Stuart about the resurgence of traditional bingo

Bingo is enjoying an extraordinary surge in popularity, not just thanks to online and social gaming, where mobile, tablet and desktop bingo is massive in every country in which it is allowed, but also thanks to slot-style bingo products from Zitro and Ortiz Gaming, which brings the game to predominately casino audiences around the world. However, in one particular area bingo is still looking to shrug off its rather antiquated image, and that's at the bingo hall/venue level.

In the US, where pay-to-play bingo remains confined to the bingo venue circuit thanks to online restrictions, states such as Texas and Arizona have been improvising and experimenting with the traditional game - seeking to bring not just new technology to the sector, but multiply the entertainment factor to the power of 10.

"We're witnessing a grass-fire, a genesis of bingo in big cities that have embraced game show-like experiences, black-light, DJs, cosmic-bingo presented in enormous bingo rooms where players dance between games," explained Tim Stuart, President/CEO of Video King, a supplier to the international bingo market. "It's fun and crazy. We're seeing the evolution of what's being termed 'bingo-tainment,' where machines and tablets deliver bingo to charitable gaming markets, for cruise ships, the military, casino regulated jurisdictions and Indian gaming markets."

Video King has vast experience in the bingo sector and is leveraging its expertise in the development of software and content to support a dynamic bingo market at the global level. The company's latest tablet creation, the CHAMP-e, will be revealed at the G2E exhibition in Las Vegas later this month; an Android



Tim Stuart,
President/CEO,
Video King

"We're witnessing a grass-fire, a genesis of bingo in big cities that have embraced game show-like experiences, black-light, DJs, cosmic-bingo presented in enormous bingo rooms where players dance between games. It's fun and crazy. We're seeing the evolution of what's being termed 'bingo-tainment,' where machines and tablets deliver bingo to charitable gaming markets, for cruise ships, the military, casino regulated jurisdictions and Indian gaming markets."

product with state-of-the-art graphics and processing power. CHAMP-e is currently testing in charitable gaming halls in Peru, Illinois, before heading into Tribal gaming locations in October. "We will have devices deployed by the end of 2015," states Mr. Stuart of the initial roll-out before full deployment in January/February 2016."

The CHAMP-e is undergoing beta testing in live locations at present to ensure its most critical element - wifi connectivity - is working to plan. "When your server is dealing with hundreds of devices within the same location, it's a huge technical challenge to maintain real-time connectivity," explains Mr. Stuart.

"Video King has been a major pathfinder in the electronic bingo realm with wifi connectivity and we have locations that link as many as 900 tablets via wifi in a single room."

Video King creates a range of in-house games that can be adapted to third-party platforms and can also port third-party games to its own devices. Each game is electronic, but they're traditional Class II titles as opposed to those offered on terminal devices by Ortiz and Zitro, games that Mr. Stuart describes as 'Class 2.9' as the results are mapped much more closely to casino-style slots. "Our games aren't part of the casino floor," says Mr. Stuart, "we're firmly in the bingo room, which is actually becoming a major part of many casinos in the US."

Such is the pattern of expansion in the US casino sector that Video King's system solution, OMNI, is able to interface with Casino Player Tracking Systems from other providers, including Aristocrat, Bally, IGT and Konami. The 'bingo-tainment' factor has seen core bingo expand to include massive gaming halls within casinos as well as much smaller locations, such as military facilities where 20 tablet installations offer fun and prizes to audiences of all ages and demographics.

To date, Video King has an installed base of more than 50,000 devices, which it rents to customers in markets across the US and Canada. The company has yet to establish a partnership with a distributor in Europe, but is actively seeking a partner.

"My view is that you need boots on the ground in Europe and a good partner that knows the landscape," underlines Mr. Stuart. "I've worked in the past with Gala Bingo and Rank in the UK, in the days of analogue printed tickets, before the arrival of electronic card minders. It was the start of the digitisation of bingo that has helped ensure the success of Video King, which currently operates in 50 jurisdictions in the US, Canada and other parts of the world, with separate licences and software approvals for each and every one."

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HOLDING ON TOO TIGHT

The Association of Gaming Equipment Manufacturers (AGEM) has issued a comprehensive report on slot hold percentages across the US that makes compulsive reading

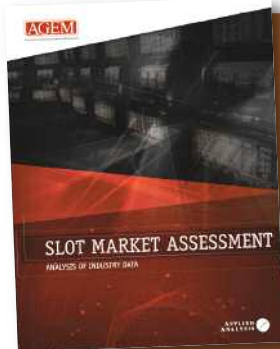
The Association of Gaming Equipment Manufacturers (AGEM) has issued a comprehensive report titled “Building Better Business – Assessing the impact of hold percentages on overall slot revenue” that reviews the impact of tightening hold percentages in key gaming states across the United States.

AGEM engaged respected Las Vegas-based firm Applied Analysis to assess a variety of factors impacting slot revenues and to focus on the states with published slot hold percentages and the corresponding revenue and report the results going as far back as 1990 from Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Louisiana, Mississippi, Missouri, Nevada, New Jersey, Ohio, Pennsylvania, Rhode Island and South Dakota.

UNDERSTANDING RETURN TO PLAYER

AGEM, through its members, has become increasingly interested in better understanding the concept of “Return to Player” (“RTP”) and its overall impact on gaming revenue. Generally speaking, slot revenues within the United States have been trending on a relatively flat to down trajectory. There are two schools of thought with regard to the correlation between RTP (or the share of wagers held by slot operators (‘slot hold percentage’ or ‘slot win percentage’)) and overall gaming revenues (or ‘slot win’). Some believe that slot machine operators have been choosing to utilise ‘tighter’ machines in an effort to capture a higher share of revenue from their players. Others believe that this ‘tightening’ of the hold percentages on slot machines has impacted the overall player experience, resulting in lower returns on a net basis for slot operators over the longer-run due to fewer trips and/or shorter time on the device.

Quantifying the impact of hold percentage choices is a difficult task given the evolution of the gaming experience, the ever-changing nature of the economy as a whole, and other external factors. Given the volume of information available in the public domain and the various ways to analyse the information, the Association asked Applied Analysis (AA) to assemble, analyse and report on available information. The



AGEM's Slot Market Assessment

The report shows that blended slot hold in key states has increased 14.5 per cent over 10 years with no material increase in win – rising slot hold “very well may be contributing to (slot revenue) decline.”

summary report is intended to provide baseline information on historical market performances and shed light on the issue at hand. Additional analyses, including case studies, primary research and other analytical assessments, may be warranted to evaluate the interplay between slot hold percentages and overall gaming revenue.

Overall, the objective of the analysis is to evaluate whether a lower or higher RTP impacts slot revenue. Proponents of a lower RTP argue that they seek efficient usage of assets by increasing the player churn rate. Conversely, proponents of a higher RTP argue that they seek to elevate entertainment levels and therefore player interest and participation. The proposed approach is designed to elicit any meaningful insight and/or trends in this particular regard from available sources of information.

AMONG THE REPORT'S KEY CONTENTS

- Blended hold percentage has increased 14.5 per cent from 2004 to 2014 and slot revenue has increased 1.1 per cent during the same period

- During the past decade (since 2004), 10 of out 12 states (83 per cent) reported slot hold percentage increases
- During the past decade, seven out of 12 states (58 per cent) reported slot win declines
- Slot win among the surveyed states reached a peak of \$26 billion in 2007 and finished at \$22 billion in 2014
- Blended slot hold hit a low of 5.96 per cent in 1996 and hit an all-time high of 7.70 per cent in 2014
- Iowa at 9.37 per cent had the highest slot hold in 2014; Nevada at 6.40 per cent the lowest
- New Jersey experienced the biggest slot-win decline from 2004-14, falling 47.3 per cent
- Iowa showed the highest slot hold increase, tightening 32.9 per cent from 2004-14
- Florida hold loosened by 9.2 per cent from 2004-14 and revenue increased 153.8 per cent during the same time period

In addition to the highlights from Applied Analysis', the AGEM report includes previously published commentary on the slot hold topic from respected gaming industry experts and progressive thinkers such as Buddy Frank, Charlie Lombardo, Andrew Klebanow, Bruce Rowe, Roger Gros, Allon Englman, Steven M. Galloway, Daniel Mitchell and Louis Ross.

“While it is clear there are a wide variety of factors impacting gaming revenues, this report is important for both suppliers and operators and gives additional perspective on the effect of slot holds on the player experience,” said Marcus Prater, AGEM Executive Director. “It is understood that there is a delicate balance between giving players a fair entertainment value while maximising revenues for casino operators. It is also important to note that the industry needs to consider all new ideas to stop the erosion of slot

revenues in markets throughout the US. With that in mind, AGEM is committed to the idea of business development for its members, who in turn are committed to ensuring casino operators have the games and technology to attract and entertain their players."

Based on primary research conducted in selected markets (independent from the AGEM report), a review of publicly reported consumer spending data and AA's understanding of the gaming sector, it appears broader economic conditions have played a meaningful role in the overall performance of the slot industry. During periods of notable economic expansions (mid-2000s), the gaming sector reported similar trends (in handle and win). On the other hand, the point at which the economic climate shifted from expansion to contraction, the slot industry followed suit. More specifically, total slot handle and win contracted for the first time in 2008 (the first full year of the Great Recession). This appears to be the inflection point for slot operators overall.

Overall, the data assembled and analysed suggests consumers' share of income spent on gaming activities began to plateau in the 2000s, which was also the time in which slot hold percentages began to report their most significant rate of increase. By 2008, the onset of the Great Recession appeared to be a triggering event shifting the spend profile of consumers.

While it would not be unreasonable for slot win to decline during this timeframe (regardless of slot hold changes), it would have been equally reasonable to believe that slot win would have reported recovery in the 2010 to 2014 timeframe more consistent with broader consumer spending patterns. This recent shift in slot win has also been timed with a period when slot hold percentages have reached their all-time highs. While statistical correlations on a state-by-state basis vary due to any number of factors, the broader, aggregate trends would suggest a rising hold percentage has not translated into incremental gaming revenue for operators during the post-recession era. In fact, they very well may be contributing to its decline.

While economic conditions appear to be a material factor in slot performance trends, there may be other factors impacting the industry's overall performance, most notably following the conclusion of the most recent recession. Consumer spending has improved in most major gaming markets throughout the United States in recent years, while gaming volumes continue to contract. These divergent trends, along with consumers spending a smaller share of their personal income on gaming activities in the post-recession period (July 2009 to present), suggest other factors may be impacting slot play.

"While economic conditions appear to be a material factor in slot performance trends, there may be other factors impacting the industry's overall performance, most notably following the conclusion of the most recent recession. Consumer spending has improved in most major gaming markets throughout the United States in recent years, while gaming volumes continue to contract."

SUMMARY OF FINDINGS

There is no question that the gaming sector has evolved significantly over the past several decades as a number of states welcomed commercial forms of casino gaming. Two key factors that are certain as a result of the expansion of gaming: (1) more people have been exposed to gaming activities than may have been otherwise (broadening the potential demand pool); and (2) the competitive landscape evolved significantly during the better part of the past 30 years (increasing the supply-side of the equation). The net result is that gaming operators have been required to operate with more efficiency and creativity.

SLOT HANDLE SUMMARY

Slot handle reflects the gross amount of money wagered on slot machines across the jurisdictions

"While statistical correlations on a state-by-state basis vary due to any number of factors, the broader, aggregate trends would suggest a rising hold percentage has not translated into incremental gaming revenue for operators during the post-recession era. In fact, they very well may be contributing to its decline."

analysed. Since the early 1990s, slot handle continued on a consistent trend line, increasing from approximately \$76bn in 1990 to a peak value of approximately \$355bn in 2007, representing a compound annual growth rate (CAGR) of 9.4 per cent. From the peak of the market (2007), total slot handle declined at a CAGR of 2.8 per cent to \$291bn in 2014.

The shift in the total amount wagered is largely attributed to a change in the economic climate following 2007. From December 2007 to June 2009, the United States economy reported the longest recession (18 months), known as the Great Recession, since the Great Depression spanning from August 1929 to March 1933. The economic downturn played a significant role in the operational performance of gaming operators and overall consumer behavior. A total of 8.7 million jobs were lost during the Great Recession, causing personal income and overall consumer spending to contract during that period. This event likely impacted how the public viewed their spending priorities post-recession as well.

SLOT WIN SUMMARY

Slot win reflects the amount wagered by slot patrons, less the amount paid out. Total slot win across the US reported similar directional trends as slot handle reported above. In 1990, aggregate slot win totaled approximately \$5bn and increased steadily to approximately \$26bn by 2007, equating to a CAGR of 10.2 per cent during that timeframe. Consistent with slot handle, the trend shifted to one of contraction in 2008, and generally continued through 2014 when total win reached \$22bn (-2.0 per cent CAGR).

In addition to the trend in gaming win, it is important to



understand how slot win has trended relative to personal incomes.

Throughout the majority of the 1990s, slot revenue expanded at a faster pace than overall personal incomes suggesting a higher share of consumers' wallets were being dedicated to gaming activities. These trends moderated somewhat through the 2001 to 2007 timeframe as gaming revenue growth more closely approximated gains in personal income. From 2008 forward, there has been a clear and consistent trend that consumers are simply spending less of their earnings on slot activities.

In addition to reviewing aggregate slot win relative to personal incomes, an analysis of win per capita demonstrates a similar trend. Total win per capita expanded throughout history until the peak of \$85.41 in 2007, with contraction in the 2008 to 2014 period. Throughout history, the number of casinos and slot machines continued to expand (adding capacity), and gaming play (slot win) had outpaced the growth in the number of players (population base) or their spending potential (personal income).

SLOT HOLD PERCENTAGE SUMMARY

The ratio between the amount of slot win and slot handle reflects the slot hold percentage. This ratio is not a figure that is simply randomly determined based on the play of the game. Rather, slot machines are programmed with targeted hold percentages that are designed to be achieved over a long period of play.



Marcus Prater,
AGEM Executive
Director.

"While it is clear there are a wide variety of factors impacting gaming revenues, this report is important for both suppliers and operators and gives additional perspective on the effect of slot holds on the player experience," said Marcus Prater, AGEM Executive Director. "It is understood that there is a delicate balance between giving players a fair entertainment value while maximizing revenues for casino operators. It is also important to note that the industry needs to consider all new ideas to stop the erosion of slot revenues in markets throughout the U.S. With that in mind, AGEM is committed to the idea of business development for its members, who in turn are committed to ensuring casino operators have the games and technology to attract and entertain their players."

The actual hold percentage, the inverse of which is referred to as the RTP, has reported consistent increases over time. Aggregate slot hold percentage reached a low of 5.96 per cent in 1996, and it has posted increases generally throughout the period ending 2014.

In addition to analysing the historical trend in hold percentage, a review of the annual change in hold percentage indicates the gains in hold percentage were generally greatest during the 2001 to 2007 timeframe, reporting an average annual increase of 0.16 percentage points. From 2008 to 2014, the average annual gain was nearly one-third of the previous period change at 0.06 per cent points. During 2013, the industry reported a decline in aggregate slot hold percentage followed by a year of increase in 2014.

It is worth noting that not all states follow the aggregate market trends. One market that appears to be moving in an opposite direction from the broader market is the emerging Florida gaming market. Since inception (2006), Florida has reported a declining trend in slot hold percentage, while revenues have continued to escalate in the post-recession era; supply-side expansions were also occurring. Rhode Island has also reported continued revenue expansions since slot hold percentage remained relatively flat to down since the 2007 timeframe. Also noteworthy is the fact that slot win both increased and decreased during periods when slot hold percentage was increasing.

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CHINA – MACAU'S ECONOMY FACING FALLING YUAN

Following corruption crackdowns, smoking bans, a struggling economy and visa restrictions, the Macau casino sector is now being threatened by a weaker yuan with one analyst predicting that the unfavourable forex rate could shave another 10 per cent of Macau's GGR next year.

The first half of 2015 has seen Macau's casino sector almost half in value with GGR falling by 40 per cent to around the US\$3bn mark from just over \$5bn last year. Analysts at Daiwa Capital Markets have forecast that the weaker yuan could have an eight to ten per cent downward impact on mass market GGR next year and a 20 per cent effect on the VIP sector.

The level of the first half downturn was confirmed with the release of second quarter and first half results at SJM Holdings and Galaxy Entertainment, who saw revenues plunge by 40.3 per cent and 34 per cent respectively.

Galaxy Entertainment Chief Financial Officer Robert Drake said: "It has been one thing after another. In the short term we are still assessing the overall impact of the yuan devaluation on the market and what it means for Macau."

Aaron Fischer, CLSA Regional Head of Consumer & Gaming Research, said: "We believe that most gamblers believe they are going to be lucky and win when they sit down to play. Therefore, a small change in currency is unlikely to materially impact their gaming decision-making process. It is too late to downgrade the sector. The earnings downgrade cycle is over."

It could be that smaller junket operators will be hit harder than the casino operators. Wayne Lio of junket operator Tak Chun said: "It will probably impact the smaller junkets more. If they don't have cash flow they won't be able to wait for their players to pay them back."

Meanwhile a new study carried out by the University of Macau has identified a growing negative attitude towards the casino sector from local communities. Locals who worked in the casino sector and those that didn't ranked the casino sector as the lowest point of employment in the tourism sector. Their main reasons though due to traffic congestion and poor public transportation.

Glenn McCartney, Assistant Professor in Gaming & Hospitality Management, University of Macau and co-author of the report, said: "In any sustainable, competitive and leading tourism destination development, resident support and consensus is at its core. We discuss these factors, and within our implications and way forward, issues to most urgently address and communicate to local Macau residents."

STUDIO CITY PREMIERES IN OCTOBER

Melco Crown Entertainment will open its US\$3.2bn Studio City on October 27, 2015 Studio City, on Cotai, Macau

Macau – Operations

Melco Crown Entertainment will open its US\$3.2bn Studio City on October 27, 2015 Studio City, on Cotai, Macau, close to the Lotus Bridge immigration point which connects with Hengqin Island, and a future station-point for the Macau Light Rapid Transit.

This Hollywood-inspired resort will take best-of-class entertainment-fuelled leisure offerings to a whole new level in Macau, redefining the territory as a world-leading tourism destination.

Envisioned by Lawrence Ho, Studio City is a new cinematically-themed entertainment and leisure destination in Macau that is set to become Asia's Entertainment Capital.

Mr. Ho, Co-Chairman and CEO of Melco Crown Entertainment stated: "The opening of Studio City represents another major achievement for Melco Crown Entertainment as we work to develop and re-imagine the future of leisure destination offerings across Asia. It also marks a major milestone for Macau as we continue to deliver on our commitment to expanding the non-gaming leisure and entertainment offerings available in the territory, as a continuing strategy in supporting its evolution into a highly-diversified and world-leading leisure and tourism destination.

"The 'best-in-class' entertainment offerings at Studio City are unmatched in Macau. The caliber of our movie-inspired, world-class leisure enter-



Studio City will feature the world's first figure-of-eight Ferris wheel

tainment is no better exemplified than the endorsement and enthusiastic support of true icons of the cinematic world, who agreed to star in our short film, to celebrate the opening of this magnificent destination resort and support Macau's evolution into an internationally recognized leisure destination.

The Art Deco inspired facade, complete with the iconic Golden Reel is home to a world of non-stop entertainment including the action-packed 4D flight simulation ride, Batman Dark Flight; a 40,000-square-foot family entertainment center, Warner Bros. Fun Zone, featuring world-renowned characters from Warner Bros.' DC Comics, Hanna-Barbera Productions and Looney Tunes entertainment franchises; an incredible live magical experience showcasing the world's greatest magicians, The House of Magic; Macau's first-ever Ibiza-style nightclub, Pacha Macau; and a 5,000-seat multi-purpose entertainment center, Studio City Event Center, hosting exciting live concerts, theatrical and top sports offerings in addition to award shows and other special showcase events.

GES installs its Jackpot Poker System on 40 tables at Crown

AUSTRALIA

Gaming Entertainment Systems (GES) announced the installation of its innovative table progressive and bonus system at Crown Melbourne (Crown). The GES Progressive system is installed on 40 Poker Tables in Crown's Poker Room and offers the chance to win a Jackpot prize for all cash game players playing Texas Hold'em Poker.

The GES Progressive system utilises technologies offering a cutting edge and flexible solution. Each poker table is easily connected to the central management console which is ideal for poker room environments where table numbers and locations change regularly. Simon Witty Director of Tables for Paltronics Australasia, GES' exclusive Australian distributor comment-

ed: "We have been working closely with Crown for 18 months on this project which represents the first major system installation for GES. The GES system is very innovative enabling quick installation, ease of use for operators and a fully featured central management console."

Crown Melbourne's General Manager Table Games Strategy & Commercial Tim Barnett, added: "Crown is always looking for innovative ways to improve products and provide experiences that customers value and the GES system allows us to introduce a flexible jackpot product to the Poker Room and provide a further reason to play poker at Crown Melbourne. We have been highly impressed with GES and Paltronics in their flawless delivery of this project."

Australia

Australian casino operator Crown Resorts has entered the social gaming space by buying a 60 per cent share in Texas-based social casino and games developer DGN Games for US\$ 27.5m.

Crown will invest a further \$5m to DGN to support further growth. Ken Barton, Crown Resorts CFO, said: "It's early days for us but we think the social gaming space is a relatively high growth market."

DGN Games LLC is the developer behind Old Vegas Slots app, a social casino game with the feel of mechanical slots, which is available on the Apple iOS store and won Facebook's 2014 Best New Games Award.

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AUSTRALIA - INTERBLOCK INSTALLS AT MOUNTIES

Luxury gaming manufacturer Interblock has steadily grown its footprint across the Asia Pacific region in recent years, and now the company has brought the brilliance of its electronic table games to Australia for the first time in New South Wales. Interblock has installed its Diamond Roulette game at Mt Pritchard & District Community Club Ltd (Mounties). Interblock's Diamond Roulette replaces a competitive game. Mounties is the 2009, 2007 & 2006 ClubsNSW Large Club of the Year. Mounties is also one of the biggest clubs in Australia, located just five minutes from Liverpool in Sydney's southwest.

Mounties Group Gaming Operations Manager Michael Pullin said, "At Mounties, we strive to create a fully rounded entertainment experience for all of our guests, and we are very excited to be the first club in Australia to have Interblock's luxury electronic roulette table game. We know our players will enjoy this newest entertainment platform."

AUSTRALIA - GLI GAINS GSA ACCREDITATION

Gaming Laboratories International (GLI) Australia was recently granted authorisation to certify gaming equipment under the GSA protocols. The accreditation, granted by NATA, allows GLI Australia's Adelaide and Sydney laboratories to test and provide certification reports to clients seeking approval of gaming equipment that supports GSA's G2S, S2S, GAT and Transport standards.

GLI's Senior Manager of Regulation Compliance and QA Phillip Harrison said, "GLI's capability to test the latest equipment and systems continues to meet the needs of the industry and regulators. We are excited to be recognised by NATA to test G2S and S2S communications under its ISO 17025 accreditation."

The GSA Certification Program was designed to provide the gaming industry a level of assurance that products correctly implement GSA standards, ensuring consistent implementation of standards and improved interoperability. In the United States, GLI became the first organization approved as an authorized test laboratory in accordance with GSA's new Certification Program in 2008.

Recently, GLI Australia expanded one of its locations, growing from 1,000 square meters to 1,600 square meters in Adelaide, and opened a new facility in Sydney. Between the three Australia laboratories, GLI has increased local staffing levels in order to accommodate the growing demand.

AUSTRALIA - INTERBLOCK EXPANDS ASIA TEAM

Interblock has appointed two seasoned gaming service professionals to its growing Asia Pacific team. Brett Surene is now Interblock's Service Manager for the Asia Pacific region, and Steve Yates has been named Sales Manager for the New South Wales territory.



"Bringing high profile professionals of Brett's and Steve's caliber to Interblock underscores our message that we are very serious about expanding our footprint and business opportunities throughout the Asia Pacific region," said Cameron Louis, Interblock's Senior Vice President of Asia Pacific (pictured).



MANILA BAY RESORTS TOPPING OFF

Tiger Resorts and Universal Entertainment completed the topping off ceremony for the long-awaited Manila Bay Resorts

Philippines - New Projects

It's a busy period for Universal Entertainment and its Philippine subsidiary Tiger Resorts as the operator recently gained a new local partner for its Manila Bay Resorts, acquire the necessary extension from the government to complete the project and hold the topping off ceremony for the eagerly awaited project.

The topping off ceremony was to celebrate completion of the building's outer structure but Universal had plenty more reasons to rejoice, having now met a number of requirements from state-owned operator and regulator PAGCOR, including guaranteeing the project's funding which has now increased by a third to \$US4bn.

It had run into difficulty earlier this year with PAGCOR confiscating PPH100m (\$2.24m) from Universal after it failed to open its venue before March 31, 2015. Universal had also cancelled its agreement with local company Century Properties who had agreed to be its local partner, a pivotal requirement for the development to go ahead.

Tiger Resort has now officially confirmed its new local partner with All Seasons Hotel and Resort Corp, teaming up with Tiger. The new partner is led by Antonio Cojuangco, a relative of Philippine President Benigno Aquino.

Tiger Resorts said in a statement: "Through this collaboration with Mr Cojuangco, Tiger Resort has acquired a strong local partner that will add value to the development by lending his years of experience and expertise in the tourism and arts industries. Mr Cojuangco is the right partner to help Tiger Resort in catering to the Filipino people and establishing business partnerships that will help position the property as the entertainment destination of choice in Manila."

Universal owner Kazuo Okada added: "All preparations are under way and our whole team is working hard in ensuring that everything gets finished properly and on-time. The vision is to provide a place that people can enjoy. We are very proud of bringing this place to the Philippines. To PAGCOR, we are committed to provide the best casino. This is my main dream, to have an entertainment project for everyone to enjoy."

PAGCOR Vice President for Gaming Licensing and Development Francis Hernando said the delays were due to the 'increased scale' of the project.



But if these extraordinary items were excluded, the company said its net income for the first half would have been 103 per cent higher than its 2014 net income of P411.1m (\$9.02m).

Meanwhile, Belle posted a total revenue of P2.75bn (\$60.57m) for the first half, which is about 158 per cent higher than last year's P1.06bn (\$23.26m). This increase was mainly due to gaming share of PLC from the City of Dreams Manila, which opened in February.

Belle Corporation first half net income halves over last year

PHILIPPINES

In a disclosure to the Philippine Stock Exchange, the Philippine-listed company said its net income for the first six months of the year was at P836.5m (\$18.29m). This amount is 50 per cent lower than the P1.66bn net income posted in the same period last year.

Belle attributed the drop to the one-time gains that it enjoyed in

2014. According to the company, the non-recurring items from last year amounted to P1.25bn (\$27.43m) that it earned from the P30.7m (\$673,762) after-tax gain from the redemption of the SM Investment Corporation's—its parent company—retail bonds in August 2014, and the reversal of investment loss reserves of its subsidiary, Premium Leisure Corp (PLC), amounting to P1.219bn (\$26.75m).

Belle's assets include land and buildings at the Pagcor Entertainment City, which are currently being leased on a long-term basis to Melco Crown Entertainment Limited (MCE). The 6.2 hectares of land is currently the site of the City of Dreams Manila.

Belle also has a share in earnings from City of Dreams' gaming operations through PLC.

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CAMBODIA – NAGACORP BOOMS AS MACAU SLIDES

Cambodian operator Nagacorp has shown no signs of slowing in light of declining markets in Macau and Singapore with the operator of NagaWorld showing an increase of 42 per cent in Gross Gaming Revenues for the six months ended June 30 2015. GGR hit the US\$255m mark with VIP revenue increasing by 25 per cent to US\$108m, mass market revenue increasing by 57 per cent to US\$148m and net profit increasing by 49 per cent to US\$101m.

NagaCorp stated: "Macau's Gross Gaming Revenue declined 37 per cent for the first half of 2015. In contrast NagaWorld, which is situated in the Cambodian capital city Phnom Penh, recorded GGR growth of 42 per cent. For the Period, the Group's revenue increased by 39 per cent to US\$265.4m and net profit increased by 49 per cent to US\$101m. The positive results were attributable to the increase in business volume from all segments of the gaming business. In addition, the Group received a non-refundable Electronic Gaming Machines negotiation fee from investors, which has been recorded as EGM revenue for the Period. As at 30 June 2015, NagaWorld had 262 gaming tables and 1,600 EGM."

The Group achieved a growth of 11 per cent in Public Floor Tables buy-ins and 10 per cent in EGM bills-in. Gross profit margin remained at 95 per cent.

AUSTRALIA – PACKER STEPS DOWN AS CHAIRMAN

Australian billionaire James Packer has stepped down as Chairman of Crown Resorts with the Board appointing Robert Rankin as his replacement as Chairman.

Mr Packer remains a Director and it is intended that he will be appointed as a senior Executive Director on terms which are currently being discussed with the Board. Mr Packer will also remain Co-Chairman of both Melco Crown Entertainment and the Alon Resort project in Las Vegas.

Mr Packer said: "Crown remains my No.1 business priority and passion. I am extremely proud of the company and look forward to continuing our efforts to build a global luxury brand. Crown has a pipeline of resorts globally and this is where the majority of my time will be spent. Rob Rankin has my complete trust and respect as an executive and he will do an outstanding job as Chairman. Given our global growth and aspirations, this is the right time for the company to make this change. I look forward to working closely with him."

"My vision for the company is to be one of the world's best integrated resort and entertainment providers – as Crown's largest and majority shareholder, I will be completely focussed in delivering on these plans."

GALAXY REVENUE 34 PER CENT FALL

Galaxy Entertainment's first half revenue fell by 34 per cent due to what it described as 'challenging market conditions'

Macau – Operations

Galaxy Entertainment, which recently opened Broadway Macau at its expanded Galaxy Macau resort, saw revenues fall by 31 per cent at Galaxy Macau and 42 per cent at its Starworld casino. Despite being open for just 35 days during the second quarter, Broadway Macau delivered revenues of \$64m.

Dr. Lui Che Woo, Chairman of GEG said: "Market conditions within Macau remain challenging; however GEG announced credible financial results for the first half, after the successful on time and on budget opening of Galaxy Macau Phase 2 and Broadway Macau. The expansion was only operational for 35 days within the reporting period and we continue to ramp up the performance and open additional facilities to further boost the appeal to the mass market.

"As anticipated, customers' spending behaviour across the market remains cautious, resulting in lower year-on-year revenues for the Group. As a result, earnings at GEG in the second quarter were partially impacted by lower revenues and the opening preparation costs of Galaxy Macau Phase 2 and Broadway Macau, including the additional staff costs in the lead up to the grand opening. Management has and will continue to focus on driving efficiencies, exercising rigorous cost controls and adapting our product offering to meet evolving market conditions.



"The launch of Galaxy Macau Phase 2 and Broadway Macau has been well received and the majority of the resort's amenities were launched on the opening date," he added. "A majority if not all of the remaining gaming, retail and F&B outlets are expected to be opened by year end. We continue to execute operationally and ramp up the property with a focus on the mass market."

The expanded mass market focused Galaxy Macau Phase 2 and the brand new family friendly Broadway Macau both opened simultaneously on time and on budget on May 27 2015, bringing GEG's total investment in Cotai to \$43bn.

Galaxy added that it was pleased that the Macau Government had indicated some flexibility and are open-minded to consider the retention of smoking lounges. "The enabling legislation for the smoking ban is in the committee stage, and could be held up for another year. Allowing smoking lounges would be viewed as a positive for the market. The gaming concessionaires continue to work together for a pragmatic solution," the group said.

Comtrade Gaming completes Asian sportsbook integration

TAIWAN

Comtrade Gaming has successfully integrated their iCore, an Enterprise Gaming Platform, with one of Asia's largest sportsbook platform providers, ONEworks. The collaboration will give all Comtrade Gaming's licensed operators access to ONEworks' entire spectrum of sportsbook services.

Comtrade Gaming's iCore Platform can now leverage on ONEworks' sportsbetting platform which offers an extensive range of events, bet types, multiple odds, in play markets and virtual sports.

ONEworks spokesman added: "Comtrade Gaming's platform coupled with its robust player management capabilities and powerful bonus/CRM modules is an excellent fit for ONEworks. ONEworks is the no.1 choice for large sportsbook operators in Asia

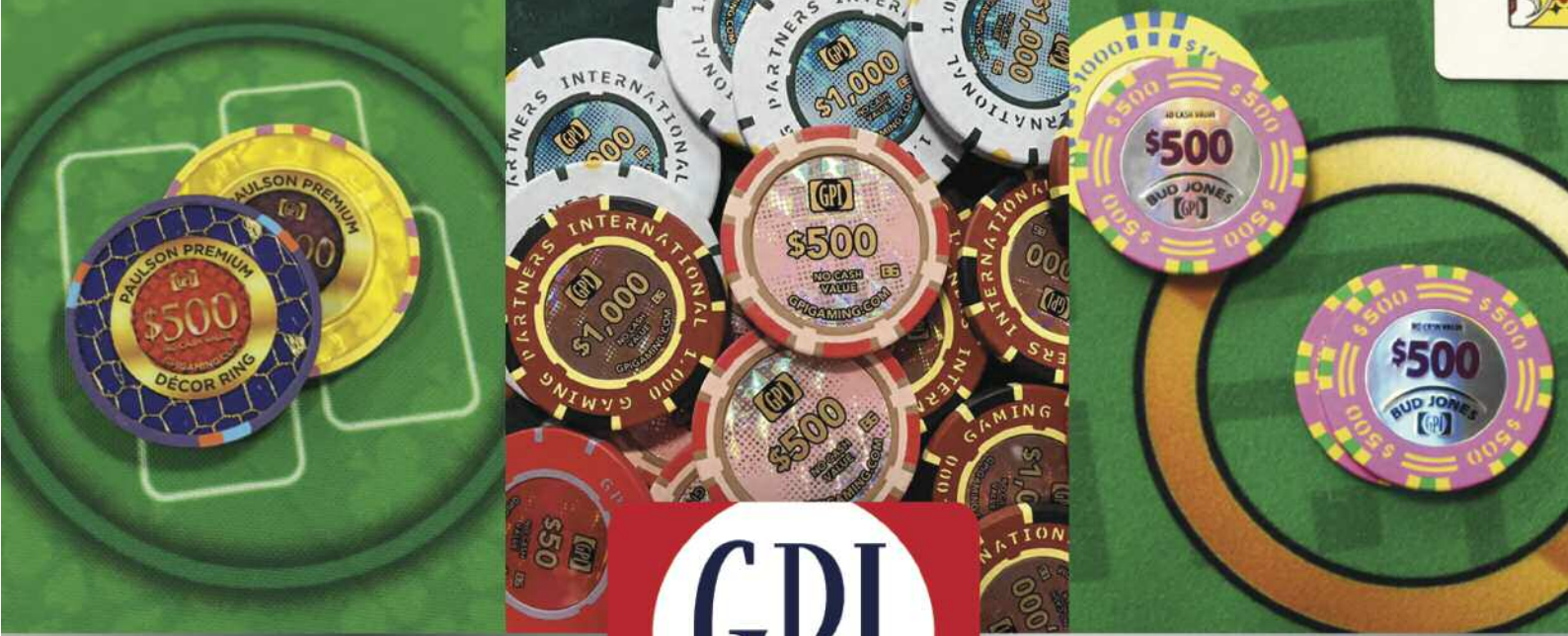


making Comtrade Gaming a natural fit with our products and services."

Steven Valentine, Director of Interactive at Comtrade Gaming said: We are delighted to be able to work with ONEworks as our major sportsbook provider in Asia. Our strategy for iCore has always been to partner with best of breed products tailored for individual countries and markets. ONEworks is the leading sports betting provider in Asia and this complements our enterprise gaming platform very well."

Japan

There will be no casino discussions in the current Diet sessions in Japanese parliament meaning the chances of Integrated Resorts being launched in time for Tokyo's 2020 Summer Olympics are fading. The ruling Liberal Democratic Party has said that parliament is focussing on the Trans-Pacific Pact free trade debate and problems surrounding the Olympic stadium. The current session closes on September 27. A source from the Liberal Democratic Party said: "The casino bill will be handled at a planned extraordinary Diet session. For the current session, we have the security bills." Some analysts believe that with time running out for casinos could be side-stepped altogether.



an unmatched selection

of all the essentials you need to complete your table games floor. Under our Paulson, Bud Jones, B&G and Gemaco brand names, we offer one of the industry's most extensive suite of products including our innovative casino currency, playing cards, RFID solutions, gaming tables, layouts, dice and a full range of table game accessories. For more information, contact your local GPI Representative or visit us at G2E booth #4433.



Network

GAMING LABORATORIES
INTERNATIONAL





Martin Britton
Managing Director,
GLI Europe and Africa

SIZE AND SCALE TO MEET THE GLOBAL NEEDS OF THE INDUSTRY

Gaming Laboratories International (GLI®), founded in 1989 in the United States, has certified more than 1,757,470 gaming devices and has either consulted on or tested equipment for 475 jurisdictions. With over 20 laboratories located all over the world, GLI offers so much more than just testing.

We're ready to guide gaming companies through the whole certification process, whether they're looking to sell into a single market or into multiple jurisdictions across the world.

The sheer size and scale of GLI cannot be matched anywhere in the world – GLI Europe being no exception. Each office performs testing and compliance services. However, different offices have key strengths in specific areas. This means that across all Europe and Africa offices, we have experts with skills that will meet everyone's needs.

At GLI Europe, our offices are full-fledged testing facilities. For example, our European headquarters in Hillegom, The Netherlands, has engineers, ISS, auditors, mathematicians, compliance, quality assurance, finance, administration, and human resources employees. In total, GLI has over 160 people in Europe and Africa, strategically located to ease passage to market. We have doubled the number of personnel in The Netherlands, doubled the size of the offices and staff in Spain, added 50% more engineering resources in Africa in the last year and continuing to expand in Italy. Heinz Winkelbaur has also expanded the Austria facility and engineering team. This growth is happening globally within GLI. Additionally, the offices are comprised of over 34 nationalities, giving the atmosphere a multi-cultural feel. There are many languages spoken on the lab floor, so GLI is able to cope with European jurisdictions. From our perspective, there is nothing more gratifying than seeing a game, device or product being approved and elevated to a global product.

Everything about GLI Europe and Africa is strategic, including our growth and location. GLI can test and certify for 475 jurisdictions and for all gaming product verticals. We can test products against our widely accepted GLI standards, and in this way, easily transfer to other jurisdictions by means of a simple GAP analysis. This process is simplified with our own evolutionary tool, which harmonizes test scripts and GAP analysis across all offices for all jurisdictions. Our scope includes anything gaming and betting related, but mostly commonly includes casino (class III), class II central determination, server-based gaming, VLT, Comma 6a in Italy, Type B in Spain, street market in Holland and Belgium, gaming and betting terminals, and, of course, iGaming.

We can easily transfer a gaming product from one market to another, which is something that, again, really sets us apart. Due to our smart GLI tools, we are able to transfer by means of a simple GAP analysis, avoiding unnecessary



The sheer size and scale of GLI cannot be matched anywhere in the world – GLI Europe being no exception. Each office performs testing and compliance services. However, different offices have key strengths in specific areas. This means that across all Europe and Africa offices we have experts with skills that will meet everyone's needs.

double testing for our customers, reducing turnaround time and speeding passage to market in a competitive way. The scope of regulatory information at our fingertips is huge and unsurpassed in the gaming industry. It's also important to find the right level of testing with the key being to test to regulatory requirements rather than over-testing.

Our customer-dedicated response sees us providing the right skills and the right offices for the life of the approval process. Our objective is to keep the communication channel open with constant dialogue.

On the iGaming side, we've most recently worked with governments in three jurisdictions who are about to open iGaming in their markets. Our objective is to help, advise and support them in understanding the key elements when it comes to regulation. Security testing has increased substantially using internal qualified resources, including ethical hackers to test vulnerability and potential firewall intrusion and prevent data stealing or hacking.

There are many things that set GLI aside from its competitors – from the size and scale of our company and our wealth of market knowledge to the value added services that make the company so much more than just a testing lab. The GLI brand brings confidence, trust and integrity. It's essential that our staff is highly trained. However, we also offer training specifically to help regulators, operators and suppliers through GLI University®. Courses include forensics basics, network risk assessment, security policy, asset management and control.

GLI University also hosts yearly Regulators Roundtables in North and South America and Europe, which keep regulators as up-to-date as possible with new technologies. We host regular one-day workshops, covering various subjects that are focused on helping regulators understand the testing process and how accurate, thorough testing ensures the integrity of the game for everyone. These events are free of charge and incredibly well-attended. As well as bringing the industry together, these events help cement the GLI brand.

The Gaming Labs Certified mark is recognized in 475 jurisdictions and provides a level of confidence and integrity that we are very proud of. Any game showing the GLI symbol has passed the most challenging tests and meets the most rigorous standards, making it an incredibly important sales tool in the global evolution of a game.

Overall, we have a great team supported locally and within the global GLI organization. We strive to be the best and to provide world-class service to our customers and regulators. This is an ongoing process with total dedication by everyone. Equally I would like to thank our clients who have supported us over many years as well as those who have come onboard more recently. It's very encouraging to see our client numbers increase and we want to ensure great value is provided today and or the future.

Communication

GAMING LABORATORIES
INTERNATIONAL



COMMUNICATION IS KEY



James Illingworth
Director of European
Business Development,
GLI Europe

On a day-to-day basis, working with GLI is all about communication – communicating with suppliers, manufacturers, regulators, governments and other GLI offices. Each customer is assigned an account manager who stays with the customer throughout the lifetime of the relationship, regardless of which market the game goes on to be approved for. We aim to provide value-added advice by delivering collaborative solutions through our service channels, which includes project management, governance, risk, compliance, training and technical services. For any one key account manager, this can involve up to 150 customers working this GLI's support teams to deliver world-class service. Communication is continual and pivotal.

Our development teams working with customers are a key asset in ensuring great relations, providing advice and

GLI takes our customers' businesses personally, so we actively seek out answers that we not only stand by, but know our customers will appreciate. This is essential in developing long-term business. It is also essential to know exactly what each customer or regulator is looking for so that we can tailor GLI's offering.

knowledge that benefits our customers and ensures we are providing the correct service level to meet the customer's business needs. Each employee listens to the

needs and concerns of our customers and then, uses appropriate tools to find the best solutions possible. They work to establish a manageable production timeline, keeping each customer informed along the way. GLI takes our customers' businesses personally, so we actively seek out answers that we not only stand by, but know our customers will appreciate. This is essential in developing long-term business.

It is also essential to know exactly what each customer or regulator is looking for so that we can tailor GLI's offering. In many cases, we are discussing the detail or regulation, which can be down to interpretation. Thankfully, our compliance teams have already discussed these areas with the regulator, and we have first-hand knowledge of what the requirements are really looking for. We are able to advise in providing accurate and concise information that is not misleading.

We have a formidable team all working together. It's great to see these efforts pay off with our client base increasing and GLI providing more services at the right level to meet our clients' needs.

GLI Europe and Africa Management Team



Martin Britton
Managing Director,
GLI Europe and Africa



Heinz Winkelbauer,
Managing Director of
GLI Austria



James Illingworth
Director of European
Business Development



John van Schaijk
Technical Director,
GLI Europe and Africa



Danny Hoek
Financial Controller



Jose Zuluaga,
Technical Manager



Thomas Streminger,
Technical Manager



Michael Saurugg,
Technical Manager



Robert Wuest,
Technical Manager



Western Tsogorani,
Technical Manager



David Jimenez Gracia,
Technical Manager



Michelangelo Marinoni,
Technical Manager



Francesco Bianchi,
Technical Manager,



Reenesh Mahabeer,
Technical Manager



Martin Teubl,
Technical Manager,



Ronald Tatzgern,
Quality Systems Manager



Marco Capozzi,
ISS Manager



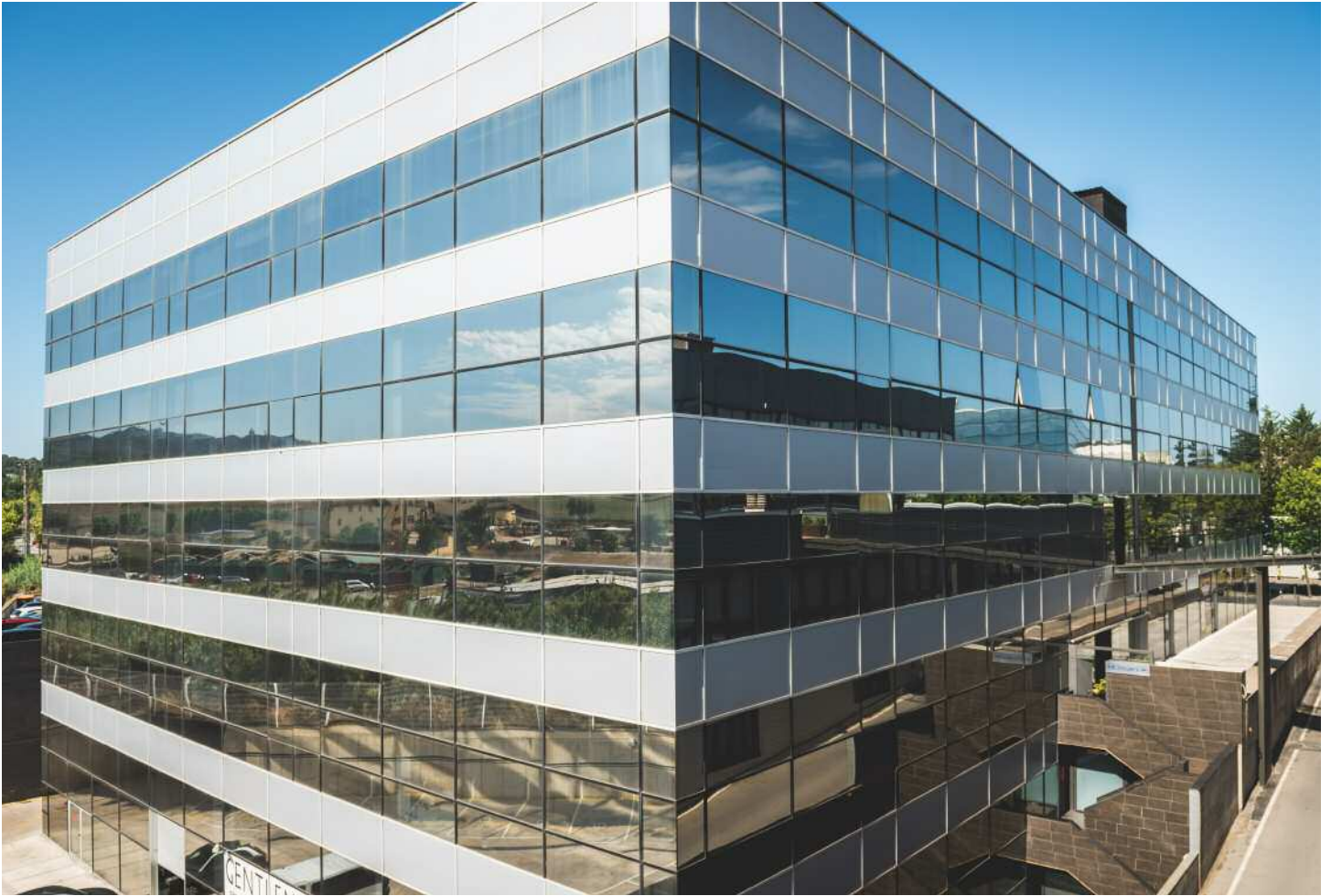
Dennis Byram,
Compliance Manager



Kornelia Szwedo,
Quality Assurance
Manager



Olga Sobocinska,
Senior Manager of Quality



COMPLETE TECHNICAL HARMONY

John van Schaijk
Technical Director,
GLI Europe

The aim within GLI's engineering teams is to have qualified engineers working to the same testing standards and testing in the same way. We spend a lot of time at the recruitment stage ensuring we have the correct level of engineers – overall, GLI has great skills on board in every location worldwide. We then have our test scripts, which are constantly updated as regulation changes, located globally so that all engineers can work from them. All test results and found evidence are stored in a global repository so that engineers and managers can review each performed test. It also allows them to pull up required information or look back on certain aspects in case questions arise. Usually, if there is a question, we can find the answer quickly within our organization.

After finalizing the complete review, we will electronically transfer the complete project to our document writers who will edit the approval letter formatting based on jurisdiction. Finally, our Quality Assurance department will review the complete file, including approval letter, before officially issuing it to the

One of our most widely used tools is AskGLI, which gives our customers 24/7 access to the lab. Directly accessed via www.gaminglabs.com or through GLIMobile, contact with our experts is at our customers' fingertips.

customer or regulator. From here, we can transfer certification globally, pulling the completed file for one or more jurisdictions.

To assist this process, from the customer side, we use an exclusive GLI tool – Point.Click.Transfer – which allows suppliers to transfer previously certified submissions into jurisdictions around the world with just pointing and clicking their computer mouse. In addition, we have GLI's GAP tool to aid the requirements in any transfer location. Our goal with these tools is to make the process as easy for our customers as possible, without having to test twice.

Much of what we do focuses on speed to market. Another exclusive GLI tool, GLI Link, allows our manufacturers to send gaming devices to their local GLI lab instead of shipping devices across the country or over the ocean. This allows games to be tested for global interoperability remotely over a secure network, hooking up to a multitude of systems providers but using local resources.

Once gaming devices have been certified and placed on the casino floor, customers can use GLiCloud, which is a modern inventory management and tracking system that allows operators and regulators to quickly and instantly check regulator status of components on the entire casino floor, all in real-time. Powered by the web portal GLIAccess and easily accessible with the mobile app GLIMobile, GLiCloud ensures compliance by delivering updates for every component on the casino floor. The automation eliminates human error, increasing the level of compliance.

One of our most widely used tools is Ask GLI, which gives our customers 24/7 access to the lab. Directly accessed via www.gaminglabs.com or through GLIMobile, contact with our experts is at our customers' fingertips. There are many things that set GLI apart from its rivals, and our technology is certainly one of them.

Contact

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ECHO BREAKS GROUND ON NEW JUPITERS' LUX' TOWER

A transformed Jupiters Hotel & Casino will enhance the Gold Coast's reputation as one of the world's top tourist destinations when the global spotlight shines on the region in 2018, according to Echo Chairman, John O'Neill.

A transformed Jupiters Hotel & Casino will enhance the Gold Coast's reputation as one of the world's top tourist destinations when the global spotlight shines on the region in 2018, according to Echo Entertainment Chairman, John O'Neill AO.

At a ground-breaking ceremony for the new six-star 17-storey hotel tower to be built in front of the existing hotel, and completed in time for the 2018 Commonwealth Games, Mr O'Neill said the development would make the Gold Coast and Queensland justifiably proud.

The tower, comprised exclusively of luxury hotel suites while also showcasing new signature bars and restaurants, private gaming rooms and butler service, is the centrepiece of Echo Entertainment's A\$345m investment in the iconic Jupiters property.

"We are committed to positioning Jupiters as a world-class integrated resort and assist in the exciting transformation of the Gold Coast before, during and after its hosting of the 2018 Commonwealth Games," Mr O'Neill added. "Our six-star hotel tower has a construction completion date that will ensure its readiness for the Commonwealth Games. The tower will offer new levels of luxury and only the best in finishes and amenities, not to mention six-star service."

Queensland Premier, Anastacia Palaszczuk, joined Mr O'Neill, Echo Entertainment CEO, Matt Bekier, and Echo Entertainment Managing Director Queensland, Geoff Hogg, at the groundbreaking event to Celebrate a development that will help generate more than 1000 jobs.

Construction of the first six-star hotel to be built on the Gold Coast in more than 15 years will also be undertaken by an industry-leading Australian-based



John O'Neill,
Echo
Entertainment
Chairman

"We are committed to positioning Jupiters as a world-class integrated resort and assist in the exciting transformation of the Gold Coast before, during and after its hosting of the 2018 Commonwealth Games. Our six-star hotel tower has a construction completion date that will ensure its readiness for the Commonwealth Games. The tower will offer new levels of luxury and only the best in finishes and amenities, not to mention six-star service."

company, it was announced. Probuild is the successful tenderer for the construction of the new all-suite tower and gaming facilities at Jupiters. In operation for almost 30 years, and with more than 1300 employees, Probuild has delivered on a diverse range of projects across the country from residential to commercial and entertainment.

"This project is a celebration of the Gold Coast," said Mr Bekier. "To that end, we have been working with local designers and international architects to ensure it will resonate with the local community while also driving broader domestic and international appeal.

"These are exciting times for the Gold Coast and we're delighted to be playing what we believe will be a key role in advancing the growth of tourism and jobs creation in the region."

The new tower forms an integral part of the property's transformation and further highlights Echo Entertainment's commitment to continued investment in south east Queensland, having been announced last month as the preferred proponent to redevelop Queen's Wharf Brisbane.

The complete redevelopment project at Jupiters will create some 1700 temporary and permanent jobs during its life cycle. This will include 500 jobs during construction of the tower. The number of team members employed at Jupiters – currently 1600 – will also increase to around 2000 by the time the transformation is complete. Jupiters is already one of the Gold Coast's major employers.

Echo Entertainment also plans to offer additional training and apprenticeships opportunities through the establishment of a world class hospitality school on the Gold Coast and in Brisbane from 2016.

Mr Hogg provided further detail on the tower, saying some suites will boast three or four bedrooms and each will embrace the best of the Gold Coast, with large balconies and captivating city views.

"The Gold Coast's reputation as a must-visit destination continues to strengthen with both leisure and business travellers, so we are working to create a broad offering that will help to support this well into the future," he said.

"We are also creating spaces that cater to the specific needs of individual travellers with some suites to include home offices, extra family rooms, theatres or even private karaoke parlours. Suites will also be equipped with digital signage, allowing guests the flexibility to change in-room information into many different languages.

"We are also working on six-star room service, to allow guests to order from any restaurant across the property, or one of the new restaurants, and enjoy



dining on their balcony overlooking the Gold Coast skyline.”

Construction work on the new hotel tower will start shortly, and follows the completion last December of significant stage one works that included the opening of two new restaurants – Kiyomi and Cucina Vivo – a new resort pool and bar experience, and the refurbishment of the building façade.

The exterior of the Gold Coast landmark was painted for the first time since its construction with more than 12,000 litres of paint applied over 8,000 hours.

Earlier this year Echo Entertainment moved to the next stage of the redevelopment, commencing what will be a complete refurbishment of the almost 600 rooms in the existing hotel.

One of the most comprehensive and highest value hotel refurbishments ever undertaken in Australia, the revitalisation of the existing rooms, along with some of the initial work around the pool and hotel façade, will cost in the region of \$75m. The first of the refurbished hotel rooms are expected to be ready for occupancy at the end of October.

The entire refurbishment, undertaken in a phased

One of the most comprehensive and highest value hotel refurbishments ever undertaken in Australia, the revitalisation of the existing rooms will cost in the region of A\$75m.

approach to minimise disruption, is scheduled for completion by the end of 2016. Echo Entertainment announced its full year results for FY2015 earlier this week, including net profit after tax of \$169m, up 59 per cent on FY2014.

Mr Bekier said Echo, with broad-based growth, was excited to be investing in, and delivering on, transformational projects at the Gold Coast and Brisbane, with the company also committed to moving its headquarters to Queensland.

“In recent times, we have been focussed on investing significantly in our properties,” he said. “We have been named preferred proponent for the Queen’s Wharf redevelopment in Brisbane and are currently focussed on our considerable program here on the Coast.”

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Sure, there are hundreds of other compliance tools out there. The bad news, is they don't always work. That's why there's the Kobetron GI-4000 Gaming Investigator and the Kobetron MI-300 Memory Investigator series, developed by Kobetron, the #1 and still-leading gaming compliance tools creator. We paved the way with breakthrough compliance tools, sustained the path, and continue to create additional successful tools that give you extreme precision and accuracy. So get the compliance, convenience and confidence you deserve. Get the Kobetron GI-4000 and the MI-300 series today.

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MEMBER PROFILE

Company – Aruze Gaming America Inc.

Web address – www.aruzegaming.com

AGEM Membership level – Silver Member

Company Description –

Aruze Gaming America, Inc. was founded in 1983 as Universal Distributors of Nevada. In 2009, Aruze immediately established itself as an industry leader in innovation and performance while developing offices and facilities throughout North America, Australia, South Africa, Europe, Macau, Japan, and the Philippines.

What new products, technologies or services will you introduce this year –

The improved sound content achieved through the high quality subwoofers and sleek 24" HD monitor, creates a one of a kind experience when playing new games such as the Goddesses or Golden Progressives series on the Cube-X Video product. The dual LCD button panel and ergonomic look of the cabinet will keep players coming back to enjoy the Burning Hot Jackpot series for the Cube-X Innovator product. Based on customers overwhelming feedback, Aruze will be launching four 3-reel stepper products as part of the expansive Cube-X Innovator library. Landing onto gaming floors soon is the Cube-X Ultimate platform with Bags of Cash and The Gold Legend. This most anticipated brand new product will have a striking presence, attracting players from anywhere on a casino floor.

Forthcoming events/exhibitions you will be attending – Aruze will be exhibiting over 240 slot machines at this year's G2E with a myriad of new titles being showcased for the G-SERIES video and INNOVATOR stepper products.

Do you have any newsworthy events to share –

Over the past quarter, the launch of the Cube-X cabinet lines, including Cube-X Video, Cube-X Innovator and Cube-X Ultimate, has proven to be an essential platform on casino floors.



MEMBERS NEWS

AGEM KEY BOARD OF DIRECTORS ACTIONS:

- AGEM released the Slot Assessment Study on August 19th, which was mailed to approx. 2,200 industry and AGEM representatives. A press release was also issued to elevate the conversation about slot hold percentages and to create awareness within the industry and keep the conversation going on this important topic while acknowledging the many factors that affect slot revenues. All of these efforts are ultimately designed to improve the current business environment for both suppliers and operators while giving players a positive entertainment experience.
- The AGEM Mexico Committee had a meeting with the new SEGOB director, Luis Felipe Cangas and his staff in early August. The meeting lasted several hours and allowed suppliers to brief the new director on a wide variety of topics, which will pave the way for further collaboration between both organisations. AGEM has also been invited to participate in the process to approve the new "NOM," or official rules, covering machine certifications in Mexico going forward.
- AGEM will initiate two annual awards to honour the legacy of two industry leaders who passed away too soon, the Jens Halle Memorial Award Honouring Excellence in Commercial Gaming Professionalism and the Peter Mead Memorial Award Honouring Excellence in Gaming Media & Communication. This year, the initial awards will be presented to Mr. Halle's widow and son, Marietta and Jordi, and Mr. Mead's mother, Solveig. Going forward, the AGEM Officers will work on a process for rewarding deserving individuals.
- Connie Jones, AGEM Director of Responsible Gaming received formal notification of re-appointment to the Advisory Committee on Problem Gambling (ACPG) from Nevada's Governor Sandoval. There is only one place on the Committee available to a representative of a company with a non-restricted gaming license and as AGEM represents numerous companies with non-restricted licenses, it was a fitting appointment.

EVENTS AND ACTIVITIES

- A Celebration Of Peter Mead's Life was held on August 20th in Las Vegas, for friends to pay their respects. In honour of Peter (publisher of Casino Enterprise Management Magazine), guests were encouraged to wear his favourite attire – Hawaiian shirts.

AGEM INDEX

After reporting month-to-month declines for two consecutive months, the AGEM Index posted a respectable gain in July 2015. The composite index ended the month at 201.90, an increase of 9.62 points (+5.0 percent) from June 2015. The index reported even more substantial gains when compared to a year ago, rising 18.29 points, or 10.0 percent. The latest period represents the fifth consecutive month of year-over-year gains.

In July 2015, six of the 13 global gaming equipment manufacturers reported month-to-month increases in stock price, with each reporting gains of more than 10 percent. Of the six manufacturers that reported declines in stock price, three were down by more than five percent, with one (Global Cash Access) falling nearly 35 percent. Intralot S.A. (INLOT) reported no change in stock price from June to July 2015.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Jul-15	Jun-15	Jul-14	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	3.00	2.57	3.77	16.73	(20.42)	1.24
Aristocrat Technologies	ASX: ALL (AU\$)	8.57	7.65	5.70	12.03	50.35	4.88
Astro Corp.	Taiwan: 3064 (NT\$)	28.35	30.20	38.50	(6.13)	(26.36)	(0.06)
Crane Co.	NYSE: CR (US\$)	53.20	58.73	68.61	(9.42)	(22.46)	(3.23)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	11.43	11.86	11.10	(3.63)	2.97	(0.20)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.18	0.16	0.40	12.50	(55.00)	0.00
Gaming Partners International	Nasdaq: GPIC (US\$)	10.00	10.11	8.56	(1.09)	16.82	(0.01)
Global Cash Access	NYSE: GCA (US\$)	5.05	7.74	8.37	(34.75)	(39.67)	(1.28)
International Game Technology PLC	NYSE: IGT (US\$)	19.80	17.76	16.93	11.49	16.95	5.01
INTRALOT S.A.	ATHEX: INLOT (€)	1.70	1.70	1.85	-	(8.11)	(0.00)
Konami Corp	TYO: 9766 (¥)	2,588.00	2,276.00	2,415.00	13.71	7.16	3.60
Scientific Games Corporation	Nasdaq: SGMS (US\$)	15.10	15.54	8.54	(2.83)	76.81	(0.41)
Transact Technologies	Nasdaq: TACT (US\$)	7.41	6.68	9.01	10.93	(17.76)	0.07
Change in Index Value							9.62
AGEM Index Value: June 2015							192.28
AGEM Index Value: July 2015							201.90



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G3-247 Report

BULGARIA MARKET REPORT

Striking the right gaming balance

We last visited the Balkans seven years ago and there have been several changes since then as we re-visit Romania and Bulgaria. Most importantly the online gaming sector has made its mark and in particular, the online market in Bulgaria is a prime example of how it can be done.



Bulgaria is home to many prehistoric sites, historical buildings and beautiful architecture. It once served as a bridge between the Eastern and Western Roman Empires and today is still a strategic focal point.

It is said to be the oldest country in Europe and today it is marked with reminders of its history which is a huge pull for tourism coupled with the cheap offerings in terms of hotels, beach life and night time entertainment.

Bulgaria is located in south east Europe and is bordered by Romania to the north, Serbia and Macedonia to the west, Greece and Turkey to the south and the Black Sea to the east.

It is Europe's 16th largest country and is made up of 28 provinces which take their names from their capital cities. These provinces are then divided into 264 municipalities.

Bulgarian lands were developed during the Neolithic period and ancient history saw the

- 01 In 716 AD, the Bulgarians, under the command of Kanasubigi Tervel, came forward at the gates of Constantinople to help the Byzantines against the Muslim threat. In a crucial battle in 718 AD the Bulgarian cavalry defeated the Arabs. Tervel's sweeping victory left between 60,000-90,000 dead and put an end to the penetration of the Old Continent through the Balkan Peninsula. Historians have called Tervel "The Saviour of Europe."
- 02 Bulgaria is the only country in the world to have fired an elected municipal official over playing Farmville. In 2010, Dimitar Kerin, a Plovdiv city councilor, was dismissed in order to "have more time to tend to his virtual farm."
- 03 Bulgaria was once home of the Thracians, and a certain hero called Spartacus was born here.

Thracians and later the Greeks and Romans arrive and settle.

A unified Bulgarian state dates back to the First Bulgarian Empire in 681CE which dominated most of the Balkans and functioned as a central hub for Slavs during the Middle Ages.

The Second Bulgarian Empire fell in 1396 and the territories came under Ottoman rule for nearly five centuries whilst the Russo Turkish War in 1877 led to the formation of the Third Bulgarian State.

Bulgaria aligned with Germany during both world wars and in 1946 it became a single party socialist state as part of the Soviet led Eastern bloc.

Between 1912 and 1918 Bulgaria was involved in three conflicts – two Balkan Wars and World War I. They resulted in significant territorial losses and almost 90,000 soldiers were killed and more than 253,000 refugees immigrated to Bulgaria due to the effects of these wars which placed additional strain on the ruined national economy.



Political unrest as a result led to the establishment of the royal dictatorship by Tsar Boris III until he died in 1943 which saw political turmoil in the midst of World War II.

The USSR invaded in 1944 and the communist dominated Fatherland Front took power and joined the Allied side until the war ended.

In 1944 a left wing uprising led to the abolition of the monarchic rule and two years later a single party people's republic was established under the leadership of Georgi Dimitrov who laid the foundations for a rapidly industrialising Stalinist state.

By the 1950s the standard of living rose significantly and political repressions dropped and by the 1980s national and per capita GDP quadrupled despite the economy being prone to debt spikes.

Todor Zhivkov introduced Soviet style policies whilst his daughter bolstered national pride. They did however try and erase the identity of the ethnic

Turk by closing mosques and forcing Turks to adopt Slavic names which resulted in the emigration of 300,000 Turks back to Turkey.

Under the influence of the collapsing Eastern Bloc in 1989 the Communist Party gave up its political monopoly. Zhivkov resigned and Bulgaria embarked on a transition to parliamentary democracy and the first free elections held in 1990 were won by the Bulgarian Socialist Party (renamed Communist Party).

It took a while for living standards to improve and although in 1997 a reform package restored economic growth, living standards continued to suffer. After 2001 this all began to improve and Bulgaria achieved high Human Development status. It joined the EU in 2007.

In February 2013 the government resigned after nationwide protests caused by high cost of utilities and low living standards and the failure of the democratic system. As a consequence the parliament was dissolved and a new provisional

government was set up by the President. The snap elections in May 2013 resulted in the narrow GERB win.

In May 2013 Plamen Oresharski of the Bulgarian Socialist Party became Prime Minister whilst GERB's Rosen Plevneliev was elected President

Today Bulgaria's political structure dates to the adoption of a democratic constitution in 1991 and is a unitary parliamentary republic with a high level of political, administrative and economic centralisation

The majority of the population are located around urbanised areas in the 28 provinces and most commercial and cultural activities are centred around the capital and largest city Sofia.

Bulgaria has an emerging market economy in the upper middle income range and the private sector accounts for more than 80 percent of GDP. To stimulate private growth the government has placed better roads, rail and water infrastructures.

G3-247 Report

BULGARIA MARKET REPORT



Although historically Bulgaria was largely an agricultural country by the 1980s it had transformed into an industrial economy with scientific and technological research as main concerns. The loss of the COMECON markets in 1990 caused a steep decline and ultimately followed by an economic collapse in 1997.

It did recover but the average salary remains one of the lowest in the EU at around €419 per month and more than a fifth of the work force are employed on a minimum wage of €1 per hour.

With the global economic crisis the situation has worsened and GDP contracted 5.5 cent in 2009 and unemployment is around 12 percent. Although there was some growth in 2010 inter company debt exceeded €51bn which by 2012 had increased to €83bn. Strict measures were introduced to help but this caused 'catastrophic' results.

Meanwhile the government took out a €1.5bn loan from a collection of private banks to support the banking system in December last year after the Corporate Commercial Bank, the fourth largest lender, collapsed.

By 2013 GDP was €41bn and growth was 1.1 percent. Today Bulgaria is an upper middle income economy with a per capita income of €5,671. Growth in 2015 is predicated to be 1.6 percent.

Today the main industries are production of chemicals, machinery and vehicle components, extraction of metals and minerals, petroleum refining and steel and mining. Tourism is the most significant contributor to economic growth and it has emerged as a travelling destination with its inexpensive resorts and beaches. Most visitors are British, Romanian, German and Russian.

A total of 6.5 million tourists visited Bulgaria in 2012 which was a 3.4 percent increase on the previous year. Revenues from international tourism amounted to €2.9bn.

Bulgaria is well known for its simplified registration procedures when setting up companies and the most popular types of companies under Bulgarian law are a limited liability company and a joint stock company, general partnership, limited partnership and a partnership limited by shares.

- 01 Bulgaria comes third in the list of countries with most valuable archaeological sites discovered on their territories, preceded only by Greece and Italy.
- 02 Over 15 000 Thracian tombs have been discovered on the territory of Bulgaria. The bulk of them are yet to be explored.
- 03 There is solid historical evidence that wine has been produced on the territory of what is now modern-day Bulgaria ever since the Stone Age. Today the country has earned the reputation of a world-class wine producer.
- 04 The famous Bulgarian rose oil is used for making some of the world's most popular and expensive perfumes. One gram rose oil is produced out of 1000 rose blossoms.
- 05 Sofia, the capital of Bulgaria, is the only big city in Europe that lies just 15 minutes away from an imposing mountain – Vitosha. Cherni Vrah (Black Peak – 2290m) is its highest peak.
- 06 A third of Bulgaria is forested.



G3-247 Report

BULGARIA MARKET REPORT

Gambling Commission which runs via the Ministry of Finance and consists of a Chairman (Ognemir Mitev) and four members all with at least five years experience.

The commission not only governs the laws but also checks sites where gambling activities are held, organises inspections of games and other activities, controls the implementation of draws of lotteries and lotto games and checks licences.

The commission keeps a register of all gambling operators, the organisation of manufacture and distribution, issued and revoked licences and approved gambling equipment.

The sector runs via the Gambling Act. A new Bulgarian Gambling Act was introduced in March 2012 and this laid the foundations for the legalisation of online gaming and betting. It was amended in January 2014 which saw a new taxation regime introduced.

The new act brought in several changes including a minimum threshold for the number of gaming sites, a new investment requirement and a smoking ban.

The Gambling Act includes the following points:

Gambling games can only be conducted in Bulgarian levs and Euro. Gambling games and activities can be organised by:

- Companies which must be registered in the Republic of Bulgaria or another EU member state, another state signatory to the European Economic Area Agreement or the Swiss Confederation.
- Sole proprietors – only gambling games on gambling machines and activities of manufacturing, import, distribution and service.
- The state – supporting sports, culture, health care, education and social services.
- Non profit legal entities for social work activity.
- Non profit legal entities registered in an EU member state, European Economic Area Agreement or Swiss Confederation.
- A licence for operating a casino can only be issued to a limited liability company or joint stock company with registered shares.
- For lottery – investments must be not less than BGN1m and funds for organising the game not less than BGN1m
- For sports betting and horse and dog racing and game of chance events – investments must be not less than BGN1m and funds for organising the game not less than BGN1m.
- For raffles, keno, instant lottery and slot gaming – investments must be not less than BGN100,000 and funds for organising not less than BGN200,000.

Corporate tax is set at a flat rate of 10 percent and as such is one of the lowest in the EU. The income tax rate for individuals is also 10 percent and VAT is 20 percent with a rate of nine percent for some services particularly in the tourist industry.

WHAT'S HAPPENING IN BULGARIA?

The growth of gambling in Bulgaria has in part worked hand in hand with tourism whilst also cashing in on anti gambling neighbours in Turkey and Greece.

Casinos have existed in Bulgaria since 1979 when the first one opened at the hotel Vitosha-New Otani, a Japanese hotel chain. This was the first casino in the ex-socialist countries and was Lebanese owned and managed by a UK group for the first six years.

At this time the casinos were only permitted for foreigners visiting or living in the country or organised junkets from Israel and Greece.

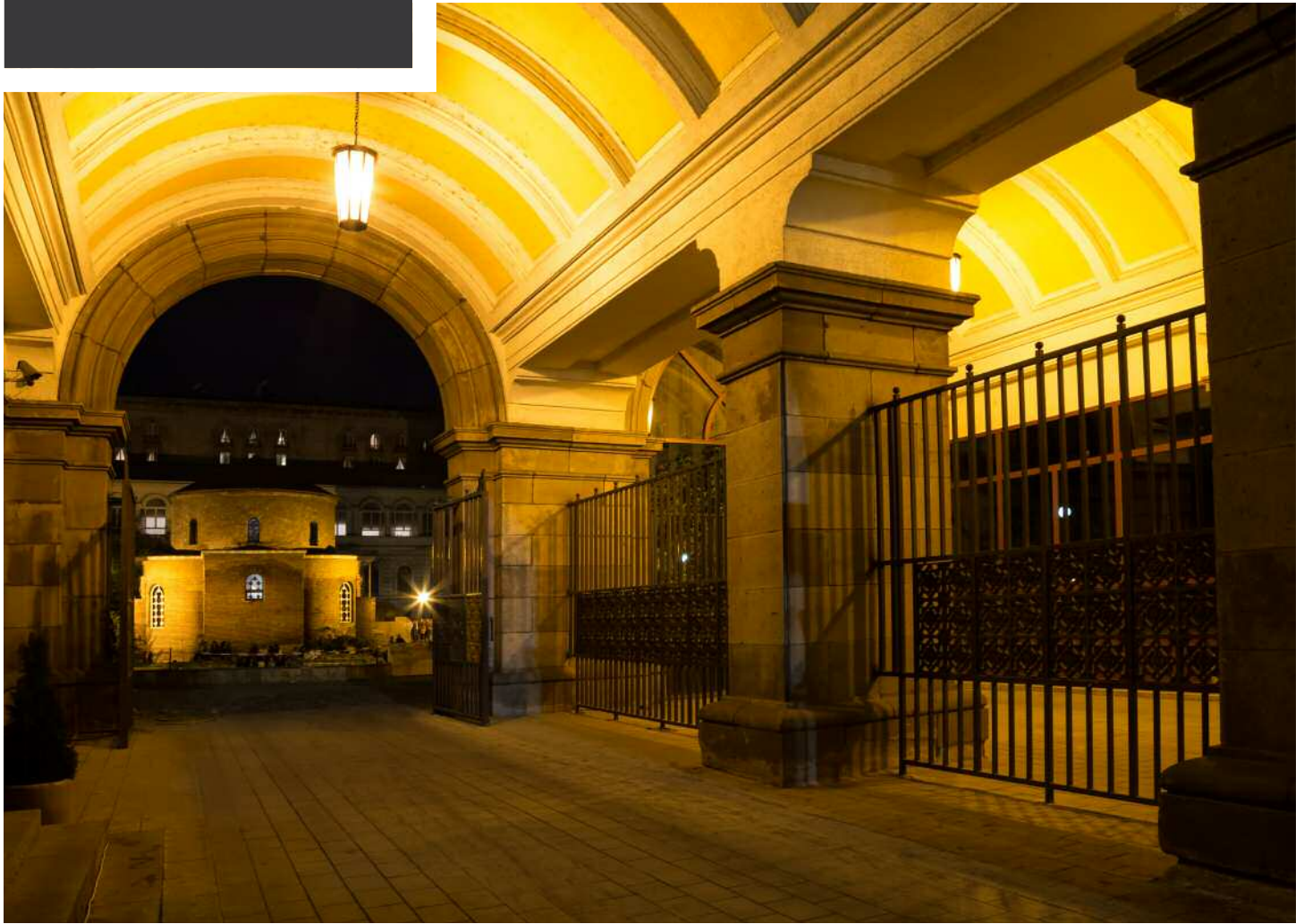
This continued after 1989 until the demise of the Communist government. After this time there was no real gaming law and hotels just opened up

Casinos have existed in Bulgaria since 1979 when the first one opened at the hotel Vitosha-New Otani, a Japanese hotel chain. This was the first casino in the ex-socialist countries and was Lebanese owned.

parlours or casinos to cater for the foreign market. For two years the market was unregulated and chaotic. Then in 1993 gaming was officially regulated through a government decree.

Initially the law was a little obscure and gaming grew rapidly. Limited payout machines came into the market and gaming halls opened up. In 1998 the law added further requirements and tightened up the operational control of casinos and gaming halls and a licensing system was introduced.

Today the gambling sector is governed by the State



Foreigners can open casinos but only in a hotel with three stars or more where the hotel is owned by the company or a company under its control. They must invest in Bulgaria with funds not less than €10m

- For casino gambling – investments must be not less than BGN600,000 and funds for organising not less than BGN600,000.
- Online gaming – investments must be not less than BGN600,000 for online betting and BGN300,000 for other types and funds for organising not less than BGN1m.
- For manufacture, distribution and serving investments must be not less than BGN600,000.
- For import and distribution – funds must not be less than BGN200,000
- Foreigners can open casinos but only in a hotel with three stars or more where the hotel is owned by the company or a company under its control. They must have invested in Bulgaria with funds not less than €10m and made at least 500 jobs available.

- Gaming slot halls and casinos must be at least 300m from schools and orphanages unless they are housed in four or five star hotels.

- Legal gambling age is 18 years.

- Slots in gaming halls shall have a payout of not less than 80 per cent.

- Gaming hall rules are as follows:

- 50 slots (seats) permitted in towns with 500,000 plus inhabitants.

- 30 slots (seats) permitted in towns with 50,000 – 500,000 inhabitants.

- 15 slots (seats) permitted in towns with less than 50,000 inhabitants

- The minimum area for installation and operation of slots is 2sq.m

CASINO RULES:

- Gaming tables permitted are roulette wheel and card games (poker, dice etc)
- There must be a minimum of five gaming tables in casinos (at least two roulette wheels) and minimum of 15 slots.
- Linked jackpots and tournaments are permitted.

- Licences are issued for five years unless investments exceed a certain limit then 10 year licences are given.

LICENSING FEES:

- Traditional lottery – BGN20,000
- Lottery – BGN5,000
- Numerical lottery, bingo, keno – BGN20,000 for each game.
- Instant lottery – BGN20,000 for each game.
- Sports betting, horse and dog racing – BGN20,000 each game
- Games of chance – BGN20,000
- Slot halls with 15 slots – BGN7,500 plus BGN100 per each additional gaming space
- Slots halls with 30 slots – BGN15,000 plus BGN100 per each additional gaming space
- Slots halls with 50 slots – BGN25,000 plus BGN100 per each additional gaming space.
- Casinos with five tables and 15 slots – BGN35,000 plus BGN2,000 per each additional table and BGN100 per additional slot.



Trade association BTAMOGI states that the overall decline of the gambling sector between September 2009 and December 2013 amounted to 45 per cent market shrinkage, with the highest decline in the number of gaming machines.

- Manufacture, distribution and service – BGN20,000
- Import and distribution – BGN20,000

Annual contributions to the SCG is BGN50,000 for online betting operators; BGN10,000 for casino operators and BGN5,000 for all other gambling game operators.

TAXES:

- Online Gambling – 20 percent on GGR plus BGN100,000 fixed rate. Since Jan 2014 they also pay BGN50,000 towards problem gambling.
- Casino – BGN500 per quarter per gaming seat plus BGN22,000 per quarter per gaming table

DIVISION OF GAMING SECTORS IN BUGLARIA

TOTAL NUMBER OF:	2010	2011	2012	2013	2014
CASINOS	23	20	27	27	26
GAMING HALLS	855	808	730	653	703
BINGO HALLS	17	12	7	4	4
GAMING MACHINES	16,613	15,804	15,606	13,920	
CASINO TABLES	171	219	313	330	

(roulette) and BGN5,000 per quarter for other gaming equipment. Since January 2014 casino operators also pay annually BGN10,000 for problem gambling.

- Slot halls – BGN500 per quarter per seat plus BGN5,000 annually for problem gambling programmes.
- Betting – 15 percent on turnover plus BGN5,000 annually for gambling programmes.
- Lottery – BGN5,000 for gambling programmes.

According to Bulgarian trade association BTAMOGI the overall decline of the gambling sector between September 2009 and December 2013 amounted to 45 per cent market shrinkage, with the highest decline in the number of gaming machines in the Bulgarian market. Meanwhile the number of operators have dropped to 313 for gaming halls and 26 for casinos.

Revenues generated by the gaming industry for the National Revenue Service for 2012 amounted to BGN120m. State taxes for the same year was BGN5.26m.

In February 2015 the number of gaming halls stood at 703 a slight increase on 2013 figures. There was however an increase in the number of machines as many slot halls tried to comply with the new minimum machine rule introduced in the 2012 Act. On the other hand many slot halls closed down seeing a reduction in the number of halls by 10 percent

Linked jackpot systems are permitted in gaming halls and this can be an accumulation formed by allocations up to five percent of each bet.

At the moment the Bulgarian government is still refining the existing gaming legislation and clearing some confusion in the law and working alongside businesses and NGOs to iron out some details.

In December 2014 new amendments to the Gambling Act were adopted and this concerned taxation for lotteries whose regulation was missed in the previous amendments.

At the moment bingo and keno don't fall under control of the Gambling Act and under the amendments these will be subject to 15 percent tax on turnover if they are organised in land operation and 20 percent on the difference between bets placed and winnings paid if organised online.

Rumyana Parusheva of BTAMOGI said: "Business expectations are focused on the introduction of clear and specific statutory rules to attract investors in Bulgaria not only in the gaming sector but also in tourism. Development of tourist services, streamlining of administrative regulations and the introduction of incentives for investors will stimulate Bulgarian economy, which will inevitably affect positively the domestic gaming industry."

THE LOTTERY

The Bulgarian Sports Totalisator (BST) was set up back in 1957 and since then has been the leader in the lottery sector.

It is run by the state which governs lottery, number lottery games, instant lottery, sports wager and horse and dog racing through this company via the Ministry of Youth and Sports. The management is appointed by the Minister of Physical Education and Sports.

It is the sole organisation today which has the rights over the three number games 5/35, 6/42 and 6/49 – all with two draws a week whilst the latter also have a rolling jackpot.

The lottery began with the game Toto 1 in 1957 followed by 6/49 a few months later. In 1989 they launched 5/35 game.

A fourth game, Toto Joker is also run by the company and this is a game which is won from the prediction of winning pairs of positions and numbers of the serial number of the slips. The draws are held on Thursdays and Saturdays and televised.

Meanwhile since 2002 the Bulgarian Toto has been conducting a game called 'A Second Toto Chance' which involves a slip from all three drawings with winners chosen by a pre-printed number of the slip through an additional drawing. The company also has several different types of instant scratch cards.

There are 1,800 toto terminals throughout the country where players can buy lotto tickets and although all processing is done off line the group is establishing an online system, SMS toto and different games to be added soon.

Some 17 per cent of revenues are granted to the Ministry of Youth and Sports whilst 15 per cent of corporation tax is also returned to the ministry. It's motto 'You win and so does our sport' is linked to the amount of funding it gives back to Bulgarian



- 01 Bulgarian yogurt is claimed to be best in the world. This is thanks to the unique *Lactobacillus bulgaricus* bacteria used for its production that can only be found in Bulgaria.
- 01 Bulgaria is the country with the highest number of natural mineral springs in Continental Europe – over 600.
- 01 The Bulgarian army has never lost a single flag in battle, yet it actively participated in all major wars in Europe since the end of the 19th Century.
- 01 Facebook creator Mark Zuckerberg has a Bulgarian background and is named after his Bulgarian grandfather – Marko. His grandfather emigrated from Bulgaria in 1940.
- 01 The first digital wristwatch was also invented by a Bulgarian. His name is Peter Petroff.

sports and Olympic organisations. Over the years it has dished out some BGN2bn in prizes whilst revenues in 2013 reached BGN160m compared to BGN157m the previous year. They distributed €80m profits and paid €24m in taxes whilst sports and physical education associations received €26.9m.

The Bulgarian lottery hit the world wide headlines back in 2009 when the exact same six numbers were drawn in two consecutive rounds of the lottery within the same week.

On September 6 and 10 the numbers 4, 15, 23, 24, 35 and 42 were both drawn which is apparently a one in four million chance. Many believed the lottery was fixed whereas others said it was a freak coincidence. No one won the big jackpot although 18 people did predict the numbers and won BGN10,164 each (equivalent to €5,000)

The year 2012 was very successful for BST. Participants in the TOTO2 games won over BGN74m whilst between 2009 and 2012 the total amount of distributed profits was BGN265m from BGN530m revenues.



BETTING AND ONLINE GAMING

Sports betting is permitted on horse and dog racing plus football, basketball, volleyball, tennis, boxing, hockey and motorcycle and car racing.

Sports betting in Bulgaria was illegal under communist rule and it was not until 1990 that Eurofootball, the first private bookmaker, launched their operations in this country.

State run operator Bulgaria Sports Totalisator also started to run pari mutual style betting games and the two dominated the market for a good while.

In 1998 the Gaming Act put together a serious framework for operators in this field and later in 2008 the law was amended to permit online services. In practice only the BST was licensed to do this and Eurofootball was allowed to advertise their prices.

The BST monopoly on online gaming lasted until 2013. This didn't stop illegal betting sites being set up or international sites taking bets hence laws were tightened up as the government realised how much it was losing in revenues and taxes.

17 per cent of revenues are granted to the Ministry of Youth and Sports, whilst 15 per cent of corporation tax is also returned to the ministry. Its motto 'You win and so does sport' is linked to the funding it gives back to Bulgarian sports.

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In March 2012 Bulgaria implemented legislation which attempted to regulate online gambling for the first time in Bulgaria. It was loosely based on the Danish model and this permitted sports betting and casinos and brought in a licensing system and a blacklist for any unregulated sites. The new law also involved a clause to restrict gambling advertising. When this law was brought in the government estimated that it would bring in an additional BGN100m (€50m) of annual revenues for the economy.

At the time only efbet was drawn by the offer of a new market whilst others simply held back. Then

Bulgaria introduced a new gambling taxation regime which came into place in January 2014 and this is aimed at making the country more appealing for local licensing.

Eurofootball was the first sports betting site to gain a licence under the new laws in September 2013 and BST gained their licence in January 2014.

After the government reduced taxes this saw an increase in applications including two licences

- 01 The Cyrillic alphabet was invented in the 9th century AD by two Bulgarian monks – Cyril and Methodius.
- 02 The Bulgarian national football team finished fourth in the 1994 World Cup. Their best footballer, Hristo Stoichkov, finished the tournament as a top scorer, netting six goals in seven games. Later that year, he also went on to become the first Bulgarian player to win the Ballon d'Or.
- 03 The first air-dropped bomb in military history was developed by the Bulgarian Air Force during the First Balkan War and was used on October 16, 1912.
- 04 Bulgaria is second in the world in international IQ tests and SAT scores and fourth in the world in per capita university education after the US, Japan and the UK.
- 05 "Name Days" are celebrated in addition to birthdays in Bulgaria. As a matter of fact, most Bulgarians value their 'Name Day' more than their birthday. A Name Day, or "Saints Day" is celebrated by people named after a particular Saint.

granted to Betfair in February 2014 enabling them to offer sports betting and wagers on horse and dog racing and casino/poker games.

Bulgarian players are not taxed on their winnings as yet although there were proposals in 2013 for a 10 percent tax to be introduced.

The amendments to the online gaming SG No 1/2014 came in at the beginning of 2014 which outlined changes for the online gambling via internet or other electronic means such as mobile or landline phone, radio, television or satellite.

Although this is 18 months after the Bulgarian Gambling Act was introduced the tax base has been changed to a regime based on GGR.

The amendments also set up organisations for underage gambling and gambling addiction programme, responsible advertising and resolution of disputes between players and operators. It states that websites should contain information in Bulgarian and include the company's data such as trade registration number licence issued by the SCG, rules, help desk service and contact details. Those



LIST OF THE 12 LICENSED WEBSITES IN BULGARIA FOR ONLINE BETTING

WEBSITE	TYPE OF BETTING
EFBET.COM	ONLINE SPORTS BETTING, HORSE AND DOG RACING
TOTO.BG	ONLINE SPORTS BETTING, HORSE AND DOG RACING
TOTO.BG	ONLINE LOTTERY GAMES
POKERSTARS.BG	ONLINE CASINO GAMES
EFBET.COM	ONLINE CASINO GAMES
BETFAIR.COM	ONLINE SPORTS BETTING, HORSE AND DOG RACING
BETFAIR.COM	ONLINE CASINO GAMES
EUROFOOTBALL.BG	ONLIEN SPORTS BETTING AND HORSE AND DOG RACING
NOVABET.BG	ONLINE SPORTS BETTING, HORSE AND DOG RACING
EUROBET.BG	ONLINE LOTTERY GAMES
EUROBET.BG	ONLINE BETTING ON CHANCE EVENTS
ECASINO.BG	ONLINE CASINO GAMES

apply. Since the beginning of 2014 Pokerstars and Betfair were granted licences and they joined Efbet and Eurofootball and state owned Bulgarian Sports Totalisator. At the moment there are 12 licences granted to eight legal companies.

Eurofootball Malta was the first operator with a licence for operating online games in Bulgaria and although the company was officially registered in Sofia at the beginning of 1993, the history of the company dates back to 1990 when the bets on football matches were accepted in seven bookmaking points in large towns around the capital.

Eurofootball Limited was established three years later and in August 1993 the first nationwide Eurofootball draw was organised. In the same year the company also received a licence from Bulgaria's Ministry of Finance to organise bets on football matches in agent shops throughout the whole country. The group also has a licence to organise bets on other sport competitions.

In February 2002 the Greek Intralot Group acquired a 49 percent stake within the company and a year later a new centralised computer system for online betting in real time was introduced.

In 2012 this was updated to provide the Loto OS platform offering better betting options including more products and additional live betting. In 2011 the company launched 'Races' which bet on the outcome of greyhound races transmitted liver from the UK. In March 2013 a new virtual races product was also added.

Despite the tax rate of 15 percent on turnover and illegal operations in Bulgaria the company remained in the market place and today remains the largest taxpayer in the field of gambling in Bulgaria. In 2012 the company saw bet incomes of BGN204.1m paying gambling taxes of BGN30.6m.

Eurofootball currently has more than 770 points of sale across the country and employs nearly 3,000 trained bookmakers.

Many predicated an influx of around 40 companies that would apply for licences in reality only a dozen applied however the bill was said to be one of the most 'reasonable and competitive' and could turn out to be one of the best in Europe.

There are on the other hand over 320 plus banned domain names (by November 2014) on the blacklist which includes 20 of the biggest online gaming sites such as Bet365 and Ladbrokes for instance. The blacklist was introduced in June 2013. The commission announced its plan to IP block unlicensed gaming sites in 2012 and the move was to precede the introduction of a regulated online gambling regime.

Since introducing the regulations the SCG has blocked 283 domains. Only licensed operators are allowed to advertise albeit in a strictly regulated way but this is the main hurdle for unlicensed operators.

Pokerstars received its licence in August 2014 and as such became the first online poker site to be given permission to operate in Bulgaria.

"Bulgaria is full of promise" said Pokerstar's Eric Hollreiser, head of Corporate Communications at the time. "We believe in the potential of the Bulgarian market and that is why our company has invested in the local licence. Regulation provides peace of mind for players and ensures that local regulators can protect consumers and collect much needed revenue."

Buglaria's online players also now have the chance to take part in all major online events planned such as the World Championship of Online Poker.

Unlicensed companies are eligible for fines ranging from BGN500,000 to BGN1m for an individual and between BGN1m and BGN2m for a company. State tax receipts were in 2013 around BGN120m.

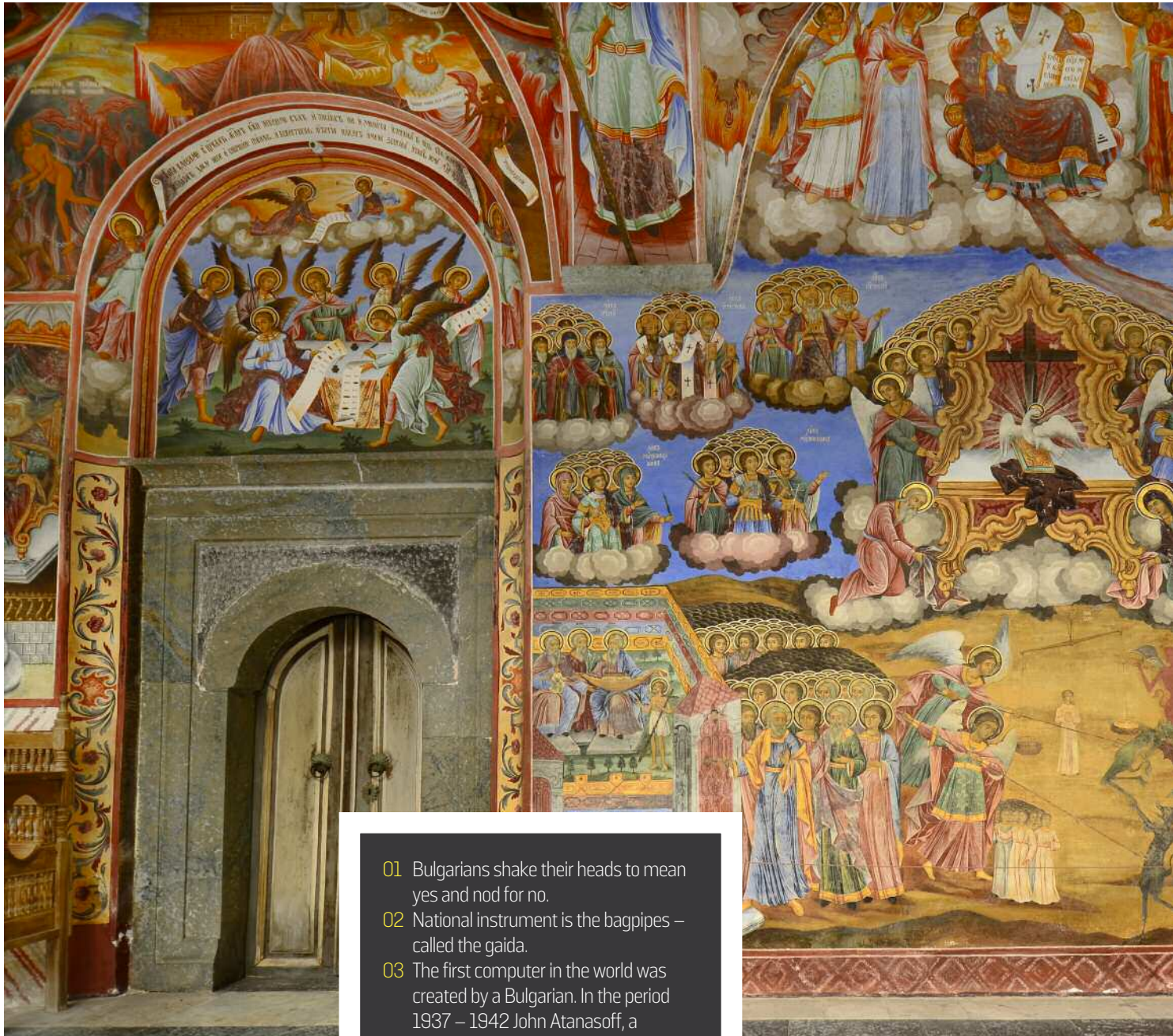
Many say Bulgaria is now one of the most balanced online markets in Europe.

wishing to operate games must have a Local Control Server (LCS) which is then connected to a central computer system for the purpose of storing data

Meanwhile and more importantly the tax system changed to include:

- 15 percent turnover tax was replaced with 20 percent tax on GGR
- A one off fixed rate fee to the gaming board of BGN100,000 (around €50,000) which is for the five year licence.
- For games in which fees and commissions are collected (ie poker) the tax rate is 20 percent of the collected fees.
- Offline bingo and keno is taxed at a 10 percent corporate tax rate.
- In addition since Jan 2014 they also pay BGN50,000 annually which goes towards problem gambling programmes.

This seemed to do the trick and operators began to



THE CASINO SECTOR

The Bulgarian Black Sea coast line runs all the way from the mouth of the Rezovo River on the Turkish border to the south to Cape Sivburun on the Romanian border. The total length of the coastline is 350km of which 200km are taken up with beautiful sandy beaches.

The two biggest coastal cities are Varna and Burgas located in the northern and southern part of the region respectively. Thousands of visitors come to spend their summer vacation here as it is regarded as an affordable destination coupled with a stunning clear water and beaches and weather.

Entertainment is a huge lure for tourists and there are the famous party centres at Sunny Beach resort and Golden Sands resorts which are littered with nightclubs, bars and casinos.

Sunny Beach is the largest and most popular resort in Bulgaria with more than 200 hotels and is located on the south part of the coast some 40km north of Burgas and in the territory of Nessebar. It is situated in a crescent moon shaped bay and offers a host of sporting activities on its beautiful

- 01 Bulgarians shake their heads to mean yes and nod for no.
- 02 National instrument is the bagpipes – called the gaida.
- 03 The first computer in the world was created by a Bulgarian. In the period 1937 – 1942 John Atanasoff, a scientist of Bulgarian descent, together with Clifford Berry, an American inventor working for the University of Iowa, designed and developed the first electronic digital computing device.
- 04 The country is one of the world's biggest winemakers – 200,000 tonnes a year.
- 0 Mastika, a 47% proof spirit made with tree resin, is a popular drink. Average price of a lager is 64p.
- 01 A third of Bulgaria is forested.
- 01 Bulgaria is the oldest country in Europe that hasn't changed its name since it was first established. This happened in 681 AD.
- 01 Sofia, the capital of Bulgaria, was founded 7000 years ago. This makes it the second oldest city in Europe.
- 01 The gold treasure discovered in the Varna Necropolis is the oldest one in the world. It dates back to 5000 BC.

beaches plus a night life many young are drawn towards.

There is a music festival hosted here, Zlatniq Orfei, and has been classed a mini Las Vegas because of its numerous night clubs, bars and casinos. The population today is around 6,000.

The Golden Sands is the oldest sea resort located 13km northeast of Varna and is similar to Sunny Beach in that it offers hotels, beaches and entertainment.

Today there are 26 licensed casinos in Bulgaria. When the Turkish government closed down the casino sector operators looked at neighbouring Bulgaria as a profitable option. Istanbul to Sofia is about one hour flying time. Both Turkey's Princess group and Viva have casinos in Bulgaria.

Viva's casino Viva Sofia was opened in 2004 and the company is planning a second spacious casino in Svilengrad, a town in the south east region of Bulgaria that is just 14km from the Turkish border and 7km from the Greek border. WIN BET is another popular online casino chain which has opened a



BULGARIA: The Numbers
LOTTERY: Bulgarian Sports Totalisator
LOTTERY RETAILERS: 1,800
LOTTERY REVENUE: BGN160m (2012)

ONLINE GAMBLING: 12 licences.
SLOT HALLS: 703
BINGO HALLS: 4

CASINOS: 26
SLOTS (ALL VENUES): 13,920
CASINO TABLES: 330

THE MAIN CASINOS

VIVA SOFIA CASINO is located at the Sheraton Sofia Hotel Balkan in the heart of the city. The casino has two entrances either via the hotel lobby though an a-la-carte restaurant or via the front of the hotel. It was opened in 2004 and was recently renovated and there are nine gaming tables and more than 59 slots. Russian Poker is also available and is the first and only one in Sofia.

RODINA PRINCESS CASINO operated by Princess Casinos and has 76 slots and eight table games. The property also has three restaurants and a bar and hotel with 500 rooms.

SOFIA PRINCESS CASINO operated by Princess Casinos is located in the heart of the city in the four star Princess Sofia Hotel which has 603 rooms, restaurants, conference halls, fitness centre. The casino has 220 slots and 14 table games.

MLADOST PRINCESS CASINO opened in 2007 after a full renovation and is located in the Princess Outlet Shopping Centre in Sofia. It has seven table games and 81 slots.

CASINO EFBET SOFIA is situated in the heart of the city in the five star Radisson Hotel and offers table games and poker and 100 slots.

ROYALE PALMS CASINO is located at the Hotel Anel in Sofia and offers a range of table games from American Roulette, Blackjack, Stud Poker, Texas Hold 'em and Punto 2000. The hotel is five star and has 58 rooms in total.

KUBAN CASINO is also located in Sunny Beach resort and hosted at the Kuban Hotel. There are 120 slots and six table games in the casino which is 1,200sq.m.

COLOSSEUM CASINO in Sunny Beach Resort was originally opened in 1966 as a night club casino and

casino in Hotel Bulgaria whilst Princess International operates five casinos in Bulgaria.

Casinos pay BGN500 per quarter per gaming seat plus BGN22,000 per quarter per gaming table (roulette) and BGN5,000 per quarter per other gaming equipment. Since January 2014 casino operators also pay annually BGN10,000 for problem gambling which can cover all aspects from underage gambling prevention and addiction problems.

According to one source in the casino sector, Bulgaria is a troubled market particularly after the global economic crisis and profitability for many casinos has been decreasing over the years.

Apparently the only business which is seeing an increase in turnover are the road side cafes and cheap restaurants.

The Black Sea region is one of the most sought after in terms of investment although many of them close during low season. There's a shortage of VIP players and daily flow of mid scale players.

According to one source in the casino sector, Bulgaria is a troubled market particularly after the global economic crisis and profitability for many casinos has been decreasing over the years. Apparently the only business which is seeing an increase in turnover are the road side cafes and cheap restaurants.

One of the main problems is the uncertainty regarding legislation plus the fluctuation of the country's economy, changes of government and stricter rules for the leisure industry, such as the smoking ban and paying off winning amounts via bank only.

G3-247 Report

BULGARIA MARKET REPORT

BULGARIA: Vital Statistics

Capital: Sofia

Population: 6,924,716

Land Area: 110,879 sq.km

Currency: Leva (BGN)

Median age: 42.6 years

Languages: Bulgarian official (77%), Turkish (8%), Roma (3.8%) and other

Ethnic Groups: Bulgarian (80%), Turkish (8%), Roman (4.4%) and others

Government:

Parliamentary democracy

Chief of State:

President Rosen Plevneliev

Head of Government:

Prime Minister Plamen Oresharski

Cabinet:

Council of Ministers nominated by the prime minister and elected by the National Assembly.

Elections: President and vice President elected by popular vote for a five year term. Last election held in October 2011. Chairman of the Council of Ministers elected by National Assembly.

today is a variety show and casino and in 2004 became part of the hotel complex Colosseum. It offers table games and slots

CRYSTAL CROWN CASINO is located in the largest resort on the southern Bulgarian Black Sea coast – Sunny Beach resort which is famous for its nightlife and beautiful beaches. The casino is 4,500 sq.m and right on the beach side and has 11 table games and 130 slots and there are several hotels located nearby.

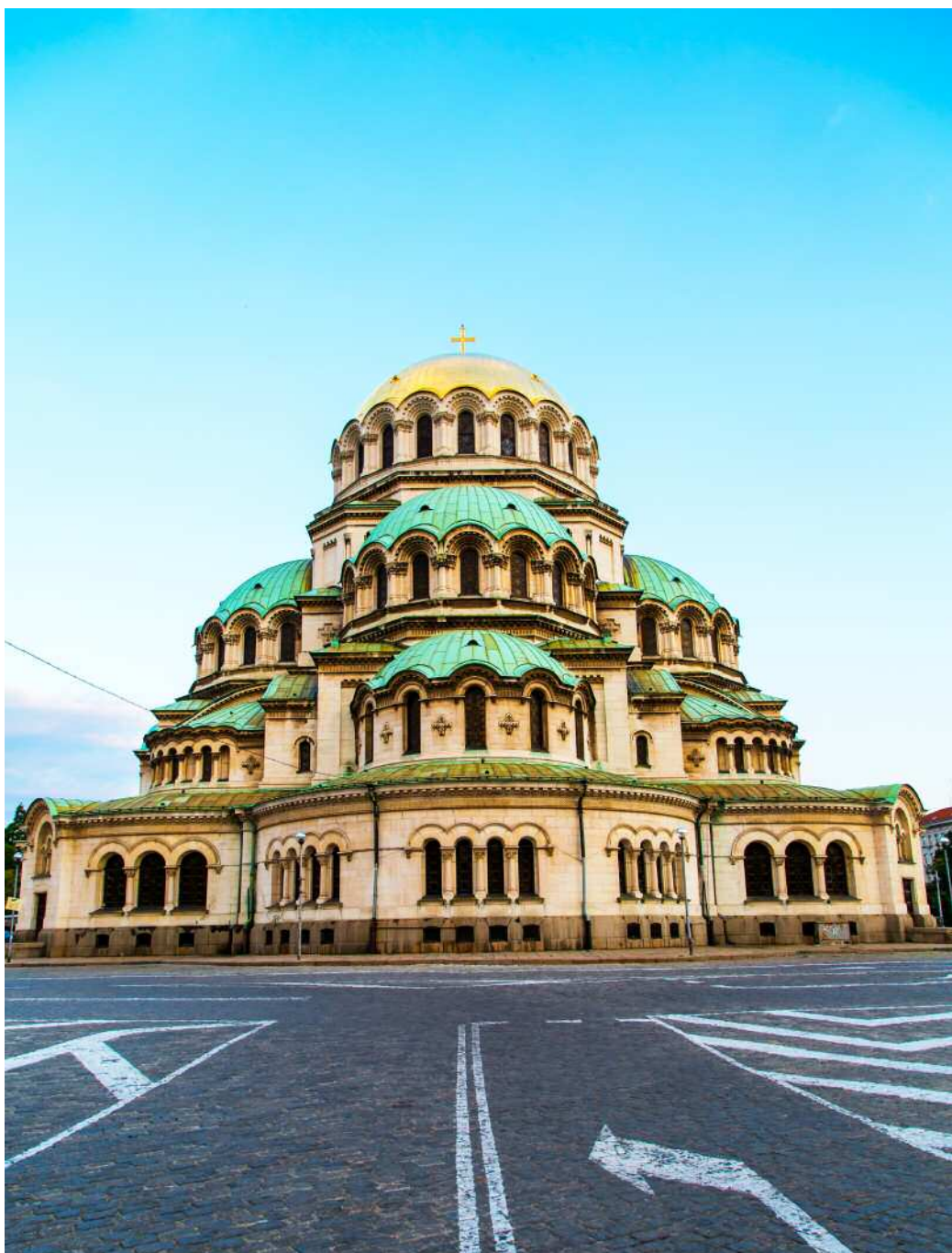
HRIZANTEMA CASINO in Sunny Beach Resort is located at the hotel of the same name located on the East of the Sunny Beach resort. It was reconstructed in 2004 and the hotel has 420 rooms and 10 family rooms and 5 apartments.

PLATINUM HOTEL AND CASINO opened in 2011 and has 3,000sq.m of gaming space and is among the largest casinos in Bulgaria. There are 19 table games and 12 Texas Hold'em Poker tables and 121 slots. The hotel is located in Sunny Beach resort with 95 rooms.

FINIX CASINO is located just a few kilometres from Sandanski, near the checkpoint Kulata at the Bulgarian/Greek border. It has a unique interior and gaming consists of 12 gaming tables and 320 slots.

CASINO XO opened in July 2013 and is located on Marina Dinevi in Sveti Vlas. It offers table games and slots.

PEGASUS CASINO located in Svilengrad and is operated by Pasha International. It is just 15km from Kapikule border of Bulgaria and Turkey and a



two hour drive from Istanbul. There are two American Roulettes and seven card tables plus 66 slots.

TRIMONTIUM PRINCESS CASINO is located in the heart of Plovdiv and has more than 1,000sq.m of gaming space and has table games and 170 slots. It is operated by Princess Casinos.

RITZ STAR CASINO opened in 2008 and is located next to the largest five star hotel in Bulgaria – the Novotel Plovdiv, Maritza and Sanct Peterburg in the city of Plovdiv. The casino is divided via two floors of gaming with 1,700 sq.m in total and 220 slots on the first and 17 table games on the second floor. It is located in the city centre and a short walk to two major hotels.

CHERNO MORE INTERHOTEL in Varna houses the Black Sea Casino and is the biggest in Varna with 100 slots and 12 table games.

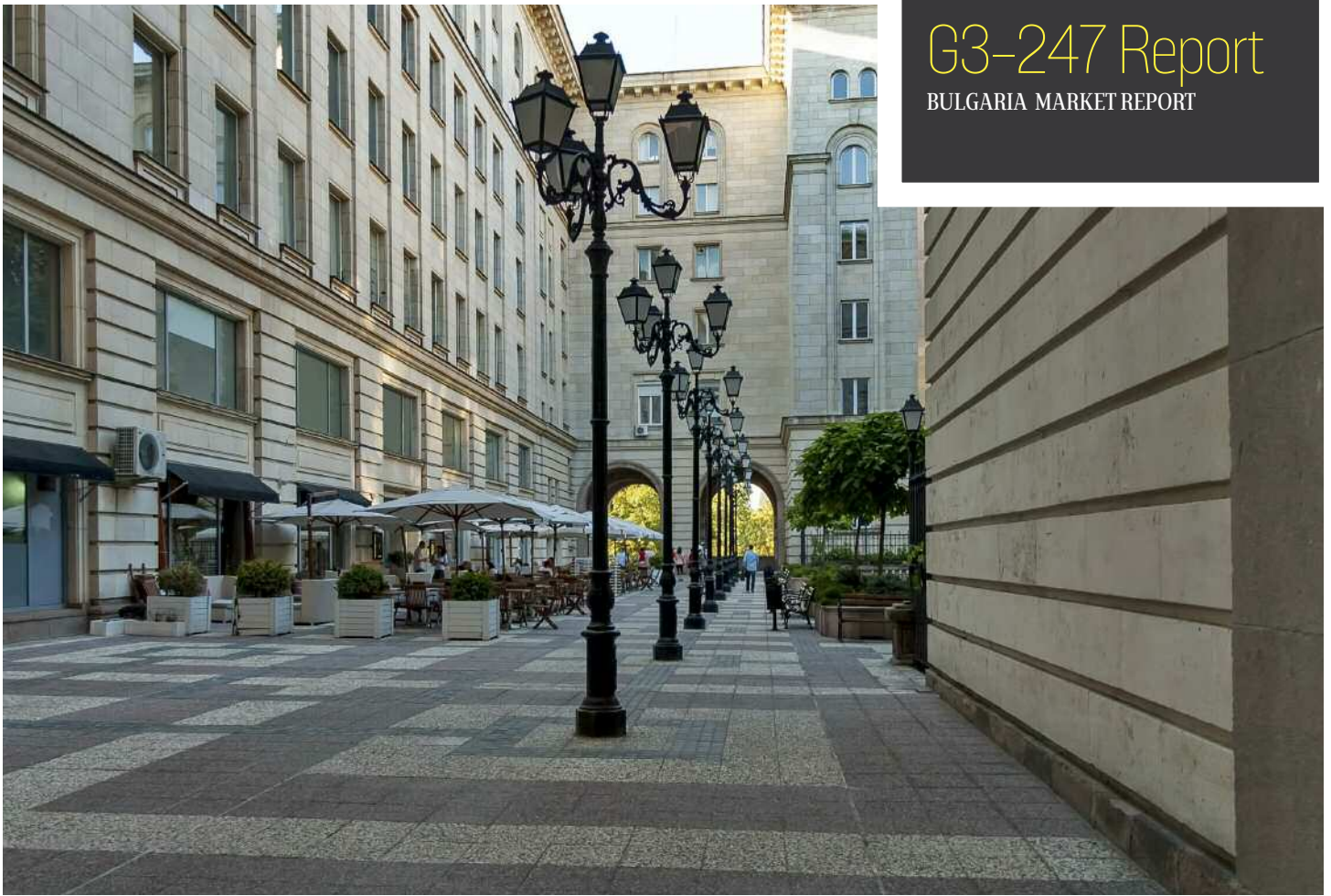
NYPHES PRINCESS CASINO is located in Svilengrad and offers 23,700 sq.ft of gaming with 155 slots and 11 table games.

PLATINUM CASINO is located at the Hotel Perun in Bansko. It is part of a casino chain although this one is the only casino in the Bansko region offering live gaming. The hotel is four stars and located in a ski resort just 500m from the starting station of the cable ski lift.

EFBET CASINO in Plovdiv opened in 2012 and is operated by the City Casino Group (CCG) which has 15 casinos in total.

CASINO HOTEL BULGARIA operated by Win Bet and located in Burgas. The hotel has 17 floors each with a view of the Gulf of Burgas or the old town and offer 158 rooms, eight suites and three Presidential suites. The casino is open 24/7 and there are table games and slots. Win Bet is a European online casino operating under the name Win Again.

INTERNATIONAL CASINO in Golden Sands Resort has over 100 machines, live table games and poker club. It is located at the International Hotel which is a renovated five star just 90m from the beach. There are 325 rooms in total.



Rumyana Parusheva
Bulgarian Gaming
Association
(BTAMOGI)

“Online gambling in Europe is a fast growing business with an annual growth of almost 15 percent. Revenue from online betting in Europe is expected to reach €13bn in 2015 according to European Commission statistics, published in October 2012. Internet gambling within the European market represents 45 percent of the global market. The economic significance of the sector is reinforced by the high level of innovative technologies developed and used, as well as continuously increasing tax revenue for Member States.

The regulation of online gambling in Bulgaria is considered as one of the best in Europe, but of course, it could be improved further. In the last years the government took decisive measures to improve the business environment for internet gambling through key amendments in the Gambling Act. Previous taxation of online gambling operators was abolished by introducing a two-component fee consisting of a fix rate of BGN100,000 for an online betting licence and variable proportion of 20 percent of the difference between the value of the bets made and the winnings paid out, and for games for which participation fees and commissions are collected – in the amount of 20 percent of the value of the fees and commissions received.

In line with European trends to improve regulations on responsible gambling, an annual contribution was introduced for organisers of games of chance. Collected funds in the state budget should be spent on organising of events and promoting of responsible gambling measures.

A number of changes were made in the subsidiary gambling legislation. With amendments to the Tariff of fees collected under the Gambling Act, fees have been reduced for registration of amendments on already issued licence, concerning certain categories such as a change of a management or controlling

body, and also of owner, partner or shareholder, or transformation of an organiser. The fee for submitting documents electronically was decreased by 20 percent. Changes in other regulations reduced amount of information that organisers need to collect for registration of online betting participants as well as documents that laboratories should submit to be listed by the State Commission on Gambling. As a result of these amendments Bulgarian gaming market witnessed a rapid influx of foreign legal entities to the local market, competing with local licensed online operators.

Currently there are 12 licences granted to eight legal entities. At the same time the State Commission on Gambling continues its activities on monitoring and closure of websites offering unlicensed online betting.

In general, the market prospects for online betting in Bulgaria are excellent, not least due to the favourable tax regime. Lower fees and lower taxes allow gaming operators to compete and grow their business, so we expect new online operators, both foreign and local, to enter the market in the coming months and years.

The government is expected to prepare a comprehensive strategy on taxation of organisers of gambling activities, as well as ordinance on procedures and way of spending of responsible gambling funds, that the state collects from all organisers of games of chance as a fee.

Another challenge is to strike a balance with the taxation of land-based operators. Maintaining high taxes in this sector is a common practice of governments to ensure stable and predictable substantial budget revenues. Furthermore, according to experts that big difference between taxation of online and land-based gaming creates arbitrage opportunities and artificially erodes land-based business revenues in favour of their online competitors, mostly foreign operators. All this justifies the need to rethink and demand balance in long term.

There is still a deficit in regulation of advertising, albeit under strict control, as well as in regard of establishing a working mechanism for raising and spending of funds for prevention of problem gambling, protection of minors and consumers in general. There are also some reserves to further reduce unnecessary administrative burden in terms of collection and storage of information for the purposes of regulation and control.”





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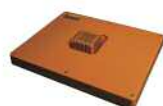
QXi-106



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QXi-300



QXi-4000



QX-40



QX-50



Nadya Hambach
Gaming Lawyer
VLAW.BG

"Bulgaria has a new gambling taxation regime effective January 1, 2014, which, together with the reasonable and balanced regulations currently in place, makes the country attractive for local licensing and gambling operations based upon a low corporate tax and highly qualified and low priced technical specialists. One and a half years after the Gambling Act (Act) was introduced, the tax base for gambling has been changed and is now in line with good business practices: switching from a turnover base to a Gross Gaming Revenue (GGR) base.

On December 19, 2013, amendments in the Act (Amendments) for liberalising gambling regulation in Bulgaria passed successfully the second reading in the Bulgarian Parliament amidst tense disputes. The Amendments were promulgated in the National Gazette on January 3, 2014, and came into force effective January 1, 2014.

The Amendments assure that as of January 1, 2014 the taxation of any online games in Bulgaria will be based on GGR with a 20 percent tax rate. For games in which fees and commissions are collected (such as poker), the tax rate will be 20 percent of the collected fees. In addition, there is a single fee for issuing and maintenance of a five-year licence in the amount of approximately €50,000 (BGN100,000). No annual fee will be required during the five years' validity of the licence. Offline bingo and keno will be taxed at a 10 percent corporate tax rate.

The GGR-based taxation is not a part of the common tax system, but rather it is an administrative fee regulated entirely in the Act instead of the tax laws. Nevertheless, any operator who decides to have an establishment in Bulgaria can take advantage of a favourable and stable corporate tax – only 10 percent. The low corporate tax rate would apply only to operators who decide to establish a local company in Bulgaria, which might be strongly supported from other economic arguments – for example, a very well-educated and qualified labour force at insignificant costs.

The Amendments introduce a new requirement for any licensed operator not established in Bulgaria but established in any other EU/EEA country or Switzerland. Such operators must have an authorised representative in Bulgaria, but this would not constitute having a local business in the country for purposes of obtaining the 10 percent corporate tax rate. An operator, in all events, is required to have a local representative in Bulgaria, who should be authorised for representation before Bulgarian authorities and courts.

From a regulatory perspective, the Bulgarian gaming regime is now one of the most balanced in Europe. It does not require a local establishment and main server in Bulgaria for any foreign operator who decides to obtain a local Bulgarian licence (nevertheless, a local control server in Bulgaria is required). There are no specific requirements for performing payments through a local bank or to make certain investments in the country. The operators are not required to operate a dot bg domain. Foreign operators – registered, investing, and having a main server anywhere within EU, EEA, and Switzerland – can apply for a licence. Nevertheless, the restrictions the Act imposes on applicants, whose shareholder is an offshore company, should be carefully considered in line with the provisions of the, voted almost simultaneously with the Amendments at the end of last year, Act on the economic and financial relations with companies registered in preferential tax regime jurisdictions and their actual shareholders.

A significant number of online gambling operators are expected to apply for a licence in Bulgaria. The first online operators have already submitted applications. They are eager to enjoy not only reasonable taxation, but also liberal regulation. The Bulgarian government has further stimulated the licensing of online operators by approving amendments that allow the operator to be removed from the blacklist even before being granted a licence if the online operator applies for such removal not later than March 31, 2014.

The Amendments also permit the operators to perform any other business activity apart from organised gambling, which was not the case until now.

The efforts of the Bulgarian Parliament are of major significance. Instead of concentrating on blocking measures (such as ISP and/or payment blocking), the government has focused on best practices and introduced regulations that motivate the online gambling operators to get a licence and work not only in a balanced regulatory environment but also under a favourable tax regime. These changes are aimed at balancing and optimising the new sector regulation model that was introduced back in 2012. They give the online operators promising conditions to work legally in the Bulgarian market. At the same time, the new regulations impose stricter administrative sanctions on illegal online gambling operations."

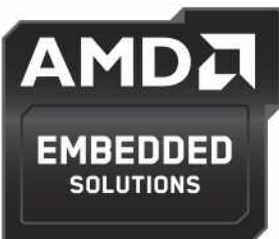


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Following the play



What began as a trickle of activity away from traditional betting shops and online wagering activities within the last decade has evolved into a flood of real money and iGaming movement now occurring at an ever increasing pace within the mobile environment.

In its wake are real money gaming app developers and marketers trying to keep pace with an industry in which the only constants – besides their players' continued pursuit of wagering and igaming activities – are continuous change and even more mobile evolution. Wagering and iGaming activity in the mobile environment is booming, thanks to a growing number of devices, channels and technologies that make it possible to place bets and follow activities from anywhere at any time.

As a result, today's real money wagering marketers need to be where their players are, and it's apparent those customers are pursuing their favourite activities and engaging with operators on their smartphones and tablets, through both native mobile apps, mobile web and HTML5 wrappers. Even wearables like the Apple Watch have stepped up to the plate.

According to the Technavio's 2015–2019 market report, the mobile wagering industry is expected to grow at 18.3% annually, with a forecast based on a five-year compounded growth rate of 43% for wagering revenue between 2014–2019.

Juniper Research estimates that 1 in every 10 adults worldwide will engage in online or mobile wagering by 2019, especially as countries around the world begin to regulate mobile/online wagering to take advantage of tax revenues or look to ease existing restrictions and legal bans. Based on earlier projections from Newzoo, 2015 is the year that global mobile game revenues are expected to eclipse console game revenues for the first time.

Not only are activities changing, so are the channels and venues by which players pursue their favourite activities. Today's wagering customers can place bets from traditional brick-and-mortar stores, in casinos, at sporting venues, online and on mobile apps, where much of the new engagement is taking place. According to MindCommerce, app-store revenue from igaming apps is predicted to reach \$23.7 billion in 2015, lead by Apple and Google Play.

Even more recently, wrist-worn mobile devices are now turning into betting devices, including Ladbrokes' betting app for the Apple Watch, which enables wagering customers to bet from their wrists, and Thunderstruck's wearable slot-game app through the Android AIR mobile casino, which requires a companion tablet or smartphone to operate.

What do these mobile behaviours and device shifts mean for the world of mobile marketing?

First, marketers must consider their Omni-channel approach so they can engage with customers across multiple betting channels – brick-and-mortar, digital, mobile and wearable.

Secondly, today's marketers must rely heavily on data from the mobile environment – including apps, devices, and igaming technologies -- to make sure that their campaigns, messages and initiatives are finding the right customers and delivering the right messages, communications, incentives and promotions on the right channel at the right time.

Data can help marketers shape and craft the mobile



The beauty of the mobile environment is that it sends back to app developers and marketers multiple data points about who customers are, what they do, what their favourite wagering activities are, and how frequently they engage. That goldmine of data is ideal for crafting messages that resonate with customers and can inform the rest of the marketing strategy. Wagering customers can be segmented by wagering activity, sports team, time of day for activity, loyalty status, location and other factors. Segmentation ensures that players will receive content and communications that are tailored to them, not mass-produced and likely to lead to inactivity, disinterest or higher churn rates.

- Test messaging to find what works, and carry it out across all channels: The digital environment also serves as a real-time testing ground for testing, refining and re-targeting messages, based on effectiveness and engagement. A/B split testing is the standard of course, and it can help fine-tune communications that produce results and weed out communications that tend to fall flat or produce less-than-stellar results and income. Marketers need to realise that players are also multi-taskers, and that they might be open to messages across channels, including mobile, digital, online, e-mail, text and others. Marketers must support a variety of channels and message types, as well as the unique and specific data that each channel generates. With a "complete picture" of their wagering customers, marketers can support omni-channel campaigns built on engagement, reinforcement and personalisation.

- Seize opportunities as they arise: As noted earlier, the only predictable element of the wagering/igaming industries is change. Adept marketers and developers are tasked with predicting the market's evolution – or at a minimum stay in step with it – to be able to respond, react and adapt quickly to new devices, operating systems, screen sizes, consumer trends, technologies, communication channels or wagering activities. New ideas and trends will continue to appear regularly on the horizon, but they seem to move toward reality at an alarming pace, forcing marketers to stay current with happenings in the mobile space...and poised for what's next.

What's clear is that the information and messages that players receive from marketers must be compelling in several ways. Messages must be personal and relevant to that specific player at a specific moment in time. Off-target or ill-timed messages or promotions will be dismissed, and a pattern of dismissals could mean a lost player and higher churn rates.

messages that are pushed to their customers, especially if they want players to notice, pay attention, engage and follow through with engagement, activity and win a greater share of wallet. Messages must be well-targeted, not blanket, they need to be personalised, not mass-produced. Messages must arrive at the right time, in the right language and with content that matches a particular fan, player or gamer and their interests, preferences and mobile behaviours. Content must be optimised for a variety of interfaces – from large computer screens to smaller mobile screens to even smaller watch faces.

Marketers must know and understand who their customers are. Data from the mobile environment provides plenty of data points that can inform, game play and content: location, device type, operating system, and other non-mobile contact information. Paired with CRM data, loyalty program data and other business intelligence, marketers can begin to create entire personas to segment their customers into definable, more exacting groups of users.

- Segment customers and target them accordingly:

Communications and interfaces must also be mobile-friendly – ideally suited for a variety of devices, screen sizes or specific activities. Intuitive designs based on simple clicks, swipes or taps of the screen, bolstered by easy-to-follow instructions and frictionless transactions, can make the difference between a frustrated app users and an active, engaged player and potential brand ambassador.

What's also clear is that the shift toward the mobile environment has arrived and gone beyond the tipping point, not waiting for deeper root or the next big thing in wagering.

Whatever that is, marketers and developers need to be ready so they can stand shoulder to shoulder with customers wherever they lead.

Communications and interfaces must also be mobile-friendly. Intuitive designs based on simple clicks, swipes or taps of the screen, bolstered by easy-to-follow instructions and frictionless transactions, can make the difference between a frustrated app users and an active, engaged player and potential brand ambassador.



Ramsey Masri,
CEO, OtherLevels

Ramsey Masri joined mobile marketing firm OtherLevels as CEO in 2014 to accelerate the company's growth, including planning and execution of its \$7.5 million initial public offering on the Australian Securities Exchange (ASX) in March 2015. Before joining OtherLevels, Masri's corporate experiences have focused on crafting go-to-market strategies, sales channels and building/rebuilding initiatives for technology companies, including Oracle, Openwave Mobility, Aylus Networks and Formation Technologies.

Czech Republic



This former Communist country loves to bet. It has been said that the Czech Republic has the world's highest number of gaming operations per capita.

Betting shops in Czech have been legal for years and found all over the country. The Czechs love to gamble and football betting is a favourite sport (35 percent of bets) followed by ice hockey and tennis.

Gambling here has grown significantly since the early 1990s and today slots, casinos and gaming halls are scattered on every corner whilst betting is totally accepted.

The Law on Lotteries 1990 governs the sector with amendments brought in 2012 which saw a few changes including:

- Increasing the powers of municipalities on their decision to place gaming facilities.
- Newly set levies for municipalities.
- Change in taxes

Sazka is the largest operator in the Czech Republic and they began operations in 1956. Sazka is state run and as such gives 90 per cent of its profits to public organisations and funds. It also controls the state lottery system.

A national lottery has been in place since the Cold War whilst the state run gaming operator Sazka was founded in 1956 and has dominated the market in terms of betting, number games and instant lotteries. Tipsport opened in 1991 and soon other bookmakers followed establishing their own lotteries and also opening betting shops. The most successful brands are Chance and Fortuna followed by Synot Tip.

Gambling is controlled by the Ministry of Finance

and at the moment there are five licensed Sportsbook operators:

Sazka is the largest operator in Czech and they began operations in 1956. Sazka is state run and as such gives 90 percent of its profits to public organisations and funds. It also controls the state lottery system and offers various games from lotteries, instant lotteries, odds betting and fast draw games. The best known game is Sportka.

Sazka changed ownership in 2013 and is now run by multinational finance and investment group KKCG and the company grew by 30 per cent that year. Its main website focuses on lotteries and instant games but Sazkabet.cz provides the sportsbook. There are lots of offers in Czech to get players in and Sazka offers players a CzK3,000 bonus for signing up for example.

In January 2013 a mobile version of the sazkabet.cz website was launched and the operation of live bets was extended to 24 hours a day. Sales increased and the number of customers also rose during this year.

The company has a total of 6,858 points of sales

CZECH SPORTS BETTING

NO. OF BETTING SHOPS/AGENCIES:

2,145 (1,000 TIPSPORT; 680 FORTUNA, 207 CHANCE, 180 SYNOT)

NON REMOTE OPERATORS:

SAZKA, FORTUNA, TIPSPORT, SYNOT TIP AND CHANCE

BETTING GGR:

€1.5BN

HORSE RACING TRACKS:

6

ONLINE MARKET:

SINCE 2012

REMOTE BETTING GGR:

€2.4BN

REMOTE LICENCES:

8

LICENSING:

MINISTRY OF FINANCE - STATE SUPERVISION OF GAMBLING AND LOTTERIES

FORTUNA CZECH DATA 2014

FORTUNA	CZECH SPORTS BETTING	DIFFERENCE 2013-2014	CZECH LOTTERY
Total Amounts Staked	€397.7m	+23%	€16.7m
Of which sports betting	€393.5m		
Of which commissions	€4.1m		
Of which lottery scratch tickets			€12.8
Of which lottery numerical game			€3.8m
Paid out Prizes	(€342.3m)		(€9.1m)
Gross Win from betting	€55.3m	+18.7%	€7.5m
Of which online	€36.7m	+37%	
Of which retail	€18.6m	-6.1%	
Of which lottery scratch tickets			€5.8m
Of which lottery numerical game			€1.7m
Other revenues	(€1.2m)		€0.05m
Revenues	€54.1m	+18.9%	€7.5m
Tax of earnings from betting	(€11.1m)		(€1.6m)

COMPARISON OF CZECH GAMING REVENUES IN CZK 2013

TYPE OF GAMING	GAMBLED	WINNINGS	REVENUES
Numbers Lottery	7.1bn	3.8bn	3.3bn
Instant Lottery	1.0bn	599m	467m
Gaming Machines	14.6bn	12.0bn	2.6bn
Totalisator	10.6m	7.3m	3.3m
Betting	6.5bn	4.9bn	1.5m
Internet Sportsbook	22.4bn	19.6bn	2.4bn
Betting games in casino	7.1bn	5.7bn	1.4bn
Races	25m	16m	9m
VLT	51.4bn	37.3bn	14.0bn
Card games/tournaments	111m	98.4m	12.5m
Electronic roulette	7.4bn	6.2bn	1.1bn
Other lotteries/betting	31.3m	22.7m	8.6m

BETTING - RESULTS OVER LAST 5 YEARS. AMOUNTS IN CZK MILLION

	YEAR	GAMBLED	PRIZES	REVENUES
BETTING	2008	7,456.8	3,606.3	3,850.5
	2009	7,282.2	3,616.5	3,665.7
	2010	6,840.5	3,174.3	3,666.1
	2011	3,950.2	1,966.9	1,983.3
	2012	6,641.3	3,127.6	3,513.7
	2013	6,564.4	4,995.5	1,568.8

(2013) whilst revenues for the company for its betting and lottery activities amounted to CzK3.6bn in 2013. Some CzK7.7bn was gambled and CzK4.1bn was dishd out in prizes.

The CzK7.7bn gambled was divided between CzK7.1bn from lotteries and CzK594m in odds betting. This was compared to CzK317m the previous year for this sector.

Fortuna was founded in 2009 and is now one of the largest Central European betting operators with businesses in Slovakia, Poland, Hungary and Czech markets. It was set up for fixed odds sports betting and a year later Terno was set up in Slovakia and in

2005 Poland's betting operator Profesional was acquired. The same year Penta Investments took over the entities and the companies were all re-branded under the Fortuna banner.

Fortuna is established in the fixed odds betting market and also has online betting services in Slovakia and Czech. Its domain in sports betting is available via shops, online, SMS messages and kiosks. Fortuna has a market share of 32 percent in Czech and has a total of 273 betting outlets and 407 'partner' betting outlets. In 2011 lottery products were added to the Fortuna portfolio and the company now also operates numerical lottery Loto and has 5,696 points of sale in Czech.

The amount gambled on Fortuna products across the three countries amounted to €672.4m (of which €655.7m is from sports betting and the remaining from lottery) an 18 percent increase on the previous year.

The group offers three major types of bets – Solo Bet (single bet), AKO Bet (accumulator bet) and CombiBet (combination bet).

The oldest and flagship branch is Fortuna Klub U Novaku whilst the network of outlets, Fortunkas, are a franchise concept where Fortuna places betting terminals in bars and restaurants. There are also kiosks and free standing terminals with a screen to speed up and simplify procedures for players.

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Total group gross win from sports betting came to €125.1m and of that amount gross win from online betting came to €67m and the gross win from retail was €58m. The Czech market generated 60 percent of all amounts staked for the company in 2014.

Fortuna's online sector was set up in 2009 in Czech and as such they were one of the first companies to

Czech Republic

operate online betting in Czech. Fortuna introduced its Fortuna Klub Plus loyalty programme in 2008 and today there are 150,000 active members in Czech.

New players who sign up for online betting received bonuses of up to CzK3,000. Apparently Fortuna ranked only second behind Bet365 for popularity in Czech.

Online betting accounted for over 53 percent of the group's gross win from sports betting in 2014. Gross win amounted to €67m with 603,335 registered customers and €15.9m in profits.

Synot Tip is part of the international holding Synot company and consists of three separate divisions – one for the operation of betting exchange, a second for operation of central lottery system, lottery terminals, gaming devices and electronic roulettes or slots and a third for casinos focusing on live poker games. The company was the first in Czech to obtain a licence to operate online poker.

Synot Tip is the betting exchange division looking at sports events, social events and draw games.

The company offers franchises to bars and restaurants to operate a self service terminal or via Sport Bars. The self service terminal is set up for fixed odds betting and can be found in cities down to petrol stations and bars. There are two types available the TNT1 – a single screen betting terminal and TNT3 – double screen terminal. There are around 650 Synot Tip betting terminals in Czech to date plus 180 shop outlets.

Synot was founded back in 1991 and since 2009 when online legislation began, Synot has also offered its services online or via telephone betting.

TipSport was founded in 1991 and its main activities include odds betting on sporting events and number games. It is a Czech company with around 980 betting points throughout the country where 70 per cent of them are based in Tipsport bars.

In terms of market share with number of betting venues, Tipsport has the highest number with 1,000 outlets and a 50 percent market share.

The company offers a loyalty programme via Tipkonto with bonuses and benefits. In 2005 they entered the Slovak market with Tipsport SK.

Bets can be made on most sports with a daily offering of around 500 offerings. You can bet online via tipsport.cz, via television and email service.

Chance was founded in 1991 and the first branch opened that year in Ostrava. The company was acquired by TipSport in 2013. It specialises in betting on sports events and offers a range of sports



HORSE RACING DATA IN CZK

YEAR	GAMBLED	PRIZES	REVENUES
2012	29,337,481	18,493,159	10,844,322
2013	25,688,492	16,663,043	9,025,449

TOTALISATOR DATA IN CZK

YEAR	GAMBLED	PRIZES	REVENUES
2012	11,101,642	5,965,287	5,136,355
2013	10,682,346	7,359,384	3,322,962

INTERNET GAMBLING DATA IN CZK

YEAR	GAMBLED	PRIZES	REVENUES
2012	14,413,021,783	12,468,924,298	1,944,097,485
2013	22,460,120,421	19,967,974,913	2,492,145,508

from the popular football, tennis and hockey to the more unusual like speedway and darts, snooker.

Bettors can wager at the 207 Chance branches in the country or online via chance.cz. In 2003 Chance set up the Club Golden loyalty programme and in 2009 set up online gaming. They also offer gaming via mobile applications. Turnover for 2013 was CzK3bn.

Meanwhile horse Racing in Czech is operated by Toto Cz. Horse racing has seen an 83 percent decrease in revenues between 2012 and 2013.

There are six tracks in Czech and the two main ones include Velka Chuchle just outside Prague centre and Velka Pardubicka some 80km east of Prague.

The Czech Deby is held in June and the Czech Grand



National is held in October at these venues.

The Jockey Club Ceske Republiky heads the sector.

Some CzK123.9bn was spent on gambling in total in 2013 in Czech whilst CzK95.3bn was paid out in winnings and revenues amount to CzK28.6bn.

The largest increase in revenues came from number and instant lotteries and card tournaments organised by the casinos for online odds betting. VLTs saw the biggest increase.

ONLINE

In January 2011, after years of lobbying, the Ministry of Finance finally issued permits to introduce online sports betting for Czech operators. This was permitted under a clause in the existing 1990 law.

In the past no form of online gaming was permitted in Czech, which included online casinos and online sports books.

With around 100,000 gamblers in Czech there is a huge interest in the online market and it is estimated that CzK4bn was spent previously on foreign online gambling sites in the Czech Republic.

Fortuna has been behind a big lobbying campaign to legalise online gambling and thanks to their efforts

this is now available. Licences were dished out to the top five bookmakers – Sazka, Fortuna, Chance, Synot Tip and Tip Sport plus Net and Games, Slot Group, Victoria Tip.

These eight are the only registered legal operators of internet odds betting listed via the Ministry of Finance.

There are strict rules on how the sportsbooks are operated and the most important rule is that online bookmakers must first sign up at a land based office before they can play on the internet. This reduces the chance of underage players placing bets.

The Czech market operates under the 1990 Lottery Act. Although lottery games operated via the internet are not recognised in this act the Ministry of Finance issued the licences for the operation of online fixed odds betting via a clause in the 2008 Czech Gambling Act.

Licences to operate in this field must be obtained via the Ministry of Finance for a period of 10 years.

In 2011 the amendment was added which came into force in 2012 bringing in a unified 20 percent withholding tax on the gross win and a 19 percent corporate income tax. Proceeds from taxes are divided between the municipal and state budgets 30:70. The amendment gave more power to local municipalities and permitted casino games online.

It did prohibit advertising of offshore betting operators and in 2013 an additional amendment was added so that a quarter of the 20 percent tax to be paid to the Czech Olympic Committee which is apparently under funded.

The law stipulates:

- Fixed odds betting is permitted on sports, sports competitions or other events of public interest and only issued to joint stock companies registered in Czech with a share capital of CzK100m.
- Totalisator games permitted on sports and races. Permits issued to joint stock companies with a minimum share capital of CzK100m.
- Horse Racing comes under the 1990 Law on Lotteries. Betting permits again are issued only to Czech state authorised public limited companies with a share capital of at least CzK10m.

One of the problems still is illegal gambling and it is reported that operators of non registered (foreign) online lotteries and betting apparently deprive the state of around CzK1bn in taxes each year.

At the moment the legislation in Czech makes it

hard to either sanction or prohibit foreign operators providing services in Czech whilst it is too draconian for domestic firms to flourish.

Saying that, there are around 474 sports betting websites which accept play from the Czech Republic which include about 19 Czech language sites from foreign bookmakers to the local .cz sites.

Popular overseas sites in Czech include Bet365 which is probably the most popular with a Czech language option. 10Bet is another popular bookmaker used online whilst Expekt offer the site in Czech whilst Ladbrokes and William Hill have a translation feature.

Betfair and Betdaq are also popular although commission rates for players were increased to 6.5 percent last year which is higher than most countries.

Players through Sazka can pay via credit card or at a local betting shop or online payment services. Fortuna has a similar option. The foreign bookmakers provide a range of debit and credit card options, bank transfers or e-wallets etc.

A new gaming law is expected by January 2016 in Czech with impacts on future revenues and turnover tax for betting operators in Czech although it is unlikely to come into play until 2017. It will mean all foreign operators will have to register and pay taxes in Czech.

A new gaming law is expected by January 2016 in Czech with impacts on future revenues and turnover tax for betting operators in Czech although it is unlikely to come into play until 2017.

At the moment the government has prepared an amendment to the current gambling law which could see an increase in the tax levy on lotteries next year from 20 percent to 25 percent. The amendment should bring the state an additional CzK2.5bn.

The new law will also include a monitoring system which will show how much money is gambled and who has the licences to operate.

At the moment the average fixed odds betting tax is between 15 and 20 percent. The Association for betting in Czech APKURS says anything above will create huge problems. Internet gambling saw a 128 percent increase in revenues between 2012 and 2013.

Romania



Sports betting, like other forms of gambling was made illegal under communist rule despite the fact many of these activities were just forced underground.

Between 1947 and 1989 and during the dictatorship of Nicolae Ceausescu it was considered highly illegal to gamble with prison sentences of up to 10 years. The first post-communist casino opened in 1991 whilst the government's Emergency Ordinance 159/1999 basically set up the National Lottery company in Romania.

Today there are seven casinos in Romania and around 13,000 slots in gaming halls. Sports betting is fully legal and there are a total of 4,200 betting agencies across the

country of which the Romanian Bookmakers association represents 3,000 and the association aims to raise the standards of the sector.

The association members account for more than 6,000 employees. In 2010 the members paid almost €24m in 2010 in taxes and contributions which was part of the total €68m paid.

The Romanian Bookmakers association represents many of the leading companies in Romania who between them cover 70 percent of the sports betting market which is turn operate some 9,000 slot machines (14 percent of the market). There are in total some 26 sports betting operators (November 2014) according to

the AOPJNR. Members of the association include Mozart, Casa Pariurilor, Bet Café Arena, Public Bet, Sky Bets, Baum Bet and StanleyBet.

Mozart was founded in August 2000 and initially they opened 340 betting offices in Serbia. In 2006 they expanded further a field and today Mozart is one of the leading companies in Eastern Europe in the sports betting and gaming field. They have a total of 460 branches and 2,500 employees and operate in Serbia, Romania, Republic Srpska and Macedonia.

It runs one of the largest loyalty clubs in the region with 140,000 members in the four countries and has also opened bars at 110 of their betting offices.

ROMANIA SPORTS BETTING

NO. OF BETTING SHOPS:

4,200

NON REMOTE OPERATORS:

26

SLOTS IN BETTING SHOPS:

9,000

ONLINE MARKET

2010

LICENSING:

NATIONAL GAMBLING OFFICE

- Poker Clubs - €30,000 per location (Romania) and €70,000 (Bucharest)

When the Romanian government opened up the sports betting market in 2003 to foreign companies it levied taxes on all wagers in order to take a share of the profits.

One of the first companies to enter the market was Stanley Bet who partnered with a local company under the banner Stanley Fairbet. The company apparently invested around \$1.1m into its venture in Romania and by the end of 2004 some 50 sports betting shops were set up in the country.

There are hundreds of shops operated today by around 20 companies licensed to provide betting services. Football is hugely popular followed by handball, rugby, basketball, tennis and gymnastics.

The National Lottery, Romanian Lottery, was founded in 1906 and is the sole operator of lottery throughout the country operating lottery and totalisator. The group has several games including Lotto 6/49, Lotto 5/40, Super Luck plus sweepstakes, instant lotteries and scratch cards and video lottery. Sweepstakes is a game of sports betting picking match results. The competition programme includes 13 matches and players predict the forecast. There are 220 lottery agencies in Romania

ONLINE

Although online gaming was first regulated back in 2010, the requirements for obtaining a licence made it virtually impossible for online operators to actually licence themselves. One of the big issues of the former licensing regime for remote operators was the requirement to submit a contract to the regulator which was concluded with a monitoring operator. However such monitoring operator did not even exist in Romania, since the respective licensing conditions were quite problematic and therefore no entity expressed an interest to obtain such a licence.

The secondary legislation detailing the licensing conditions for remote operators was finalised in August 2011

They offer 10,000 high quality odds per day over 500 events per day and covering eight sports.

Meanwhile they also manufacture their own slots – the MO1 and MO2 models which are equipped with 17 inch displays and can house various game boards.

Casa Pariurilor offers sports betting and lottery whilst Bet Café Arena is a new concept of betting shop combined as an entertainment centre offering betting and slots. This company is in partnership with Gtech. They have a total of 177 agencies in 72 localities. They offer sports betting, lotto, live betting and greyhound racing.

Public Bet has nearly 200 agencies throughout the country and offers sports betting, live betting, lotto and dog racing. Sky Bets Sports was founded in 2005 and today has 280 bookmaker agencies and is the largest sports betting operator franchise in Romania. They offer sports betting plus slots, electronic roulette and electronic poker tables in many of their venues.

BaumBet offers sports betting throughout Romania and also manufacture casino games via their subsidiary Baum Games which was set up in 1993. Today with 500 employees the company develop slots and in 2008 developed multigames under the banner of Dracula's Games and has to date seven versions.

StanleyBet Romania is a subsidiary of Stanley Leisure International which has licences in Belgium, Croatia, Cyprus, Denmark, Germany, Lithuania, Italy, UK and Romania. It has headquarters in Bucharest and it has around 140 agencies in Bucharest and a substantial number of other agencies across Romania.

Meanwhile Novomatic is planning to introduce a new terrestrial sports betting brand called Tip & Cash into the Romanian market which will bring new betting possibilities into the country.

In 2013 The National Gambling Office (onjn.gov.ro) was set up to manage and regulate the gambling activities in Romania. It is the first time the authorisation, supervision and monitoring of gambling has been made by a single dedicated institution.

The legal framework in Romania is currently governed by the GEO77/2009. Last year there were a total of 418 slot hall operators, five casino operators, 26 sports betting operators and 12 bingo operators.

The industry is regulated by two laws – 77/2009 which established the legal framework for the gambling sector and 870/2009 for the rules and regulations. This permits games of chance; casino games; bingo, keno, sports betting, lotteries and raffles and contest games.

In relation to betting, the Law GEO 77/2009 states:

- Bookmakers and Lotto agencies can have between two and five slots.

One of the first companies to enter the market was Stanley Bet who partnered with a local company under the banner Stanley Fairbet. The company invested around \$1.1m into its venture in Romania and by the end of 2004 some 50 sports betting shops were set up.

- Operators must have a minimum registered capital and guarantee
- The annual licence fee for the organisation of the main offline gambling activities is:

- Lottery - €115,000

- Totalisator - €45,000

- Fixed betting - €25,500

- Betting exchange - €25,000

- Casino machines - €95,000

- Slot machines - €20,000

- Bingo games - €10,000

- The annual fee for the operation of the main offline gambling activities is:

- Lottery - €180,000

- Totalisator, fixed betting and betting exchange - 16 percent of GGR (but not less than €90,000)

- Casino tables - €30,000 per table (Romania) and €60,000 per table (Bucharest)

- Slot machines - €2,600 per machines and €1,500 per AWP

- Bingo games - €7,000 plus three percent per room on value of cards.

ROMANIAN GAMBLING MARKET DIVISION 2012-2013

ACTIVITY	2012	2013	2014
Casinos	9	6	7
Sports Betting operators	14	16	26
Bingo Halls	12	14	12
TV Bingo operators	-	2	1
Slot machines operators	412	423	418
Slot machines	56,252	60,136	70,000 (approx)
Fee per machine	€1,950 annual	€1,800 annual	€1,800 annual

Romania

and approved through the government's Decision No. 823/2011 which amended the government's Decision No. 870/2009.

The online licensing conditions included certain requirements such as the obligation to set up a Romanian company and to hold directly or indirectly a Romanian offline licence, which were either in breach of the TFUE principle of free movement of services or were raising completion concerns.

All these circumstances led to a de facto standstill period for the Romanian online sector in which there was no licensed operator.

At the end of last year a new amendment package was introduced to the gambling legislation through GEO 92/2014 which amends and supplements GEO 77/2009, the latter being the primary piece of legislation in the gaming industry.

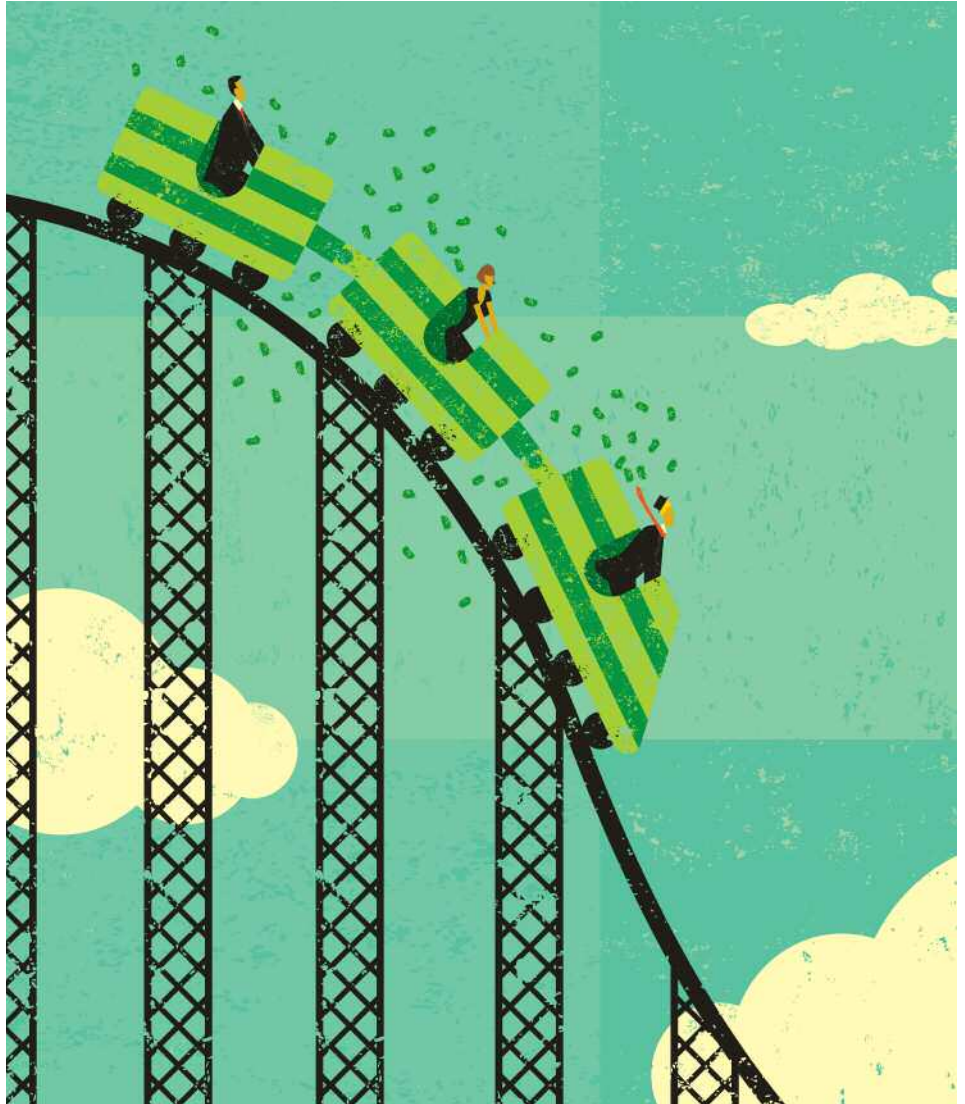
The new regulation introduces the 'Black List' concept which will contain all operators (along with all their TLDs) that are offering games to Romanian online players without a licence.

This legislative act is set to change the playing field of the online gaming sector even more. The new rules entered into force on February 13 2015 and the new legislation removes many of the former barriers for the entry on the Romanian market. For instance, online operators based in EU/EEA or the Swiss Confederation will now be able to apply for a Romanian licence without being required to set up a Romanian legal entity for such purpose. Also the condition of holding directly or indirectly an offline licence was removed and the Romanian authorities will accept the location of the operators' central servers in any EU/EEA country or in the Swiss Confederation as long as there will be a mirror and a safe server located on the Romanian soil.

Among the other important novelties for the gambling industry is the express recognition of the betting exchange as a permitted gambling activity in Romania.

There are three types of betting permitting – landbased and remote: 1) Mutual betting, 2) fixed odd betting and 3) counterpart betting. Bingo and Keno games are also permitted remotely.

The new regulation introduces the 'Black List' concept which will contain all operators (along with all their TLDs) that are offering games to Romanian online players without a licence. This means ISPs will block Romanian players from accessing their websites whilst the operator cannot apply for a licence unless it meets the requirements for the delisting – which will be



THE NEW LICENSING FEE FOR ONLINE GAMBLING

Romanian turnover	Licence fee
Less than €500,000 / per year	€6,000
€500,001-€1m / per year	€24,000
€1,000,001 - €5m / per year	€60,000
€5,00,001 - €10m / per year	€96,000
More than €10,000,001 / per year	€120,000

defined through the secondary legislation.

Meanwhile taxation has also been amended and operators will now pay an authorisation fee of 16 percent on the GGR and online operators are no longer obliged to withhold taxes on players' winnings. Players now have to declare their winnings and pay taxes directly to the authorities. Previously players had a 25 percent income tax rate enforced. This is now one percent for all players' revenues below €15,000, 16 percent for revenues higher than €15,000 but less than €100,000 and 25 percent for revenues higher than €100,000.

Online operators will also have to pay an annual tax of €5,000 for the Responsible Gambling Foundation

Despite the desire to close out operators without Romanian licenses there has been little progress and bettors can use international sites with relative ease.

Some suggest there are currently around 350 English language sportbooks which welcome wagering from Romania. Some 124 sites have language support in Romanian. Most domestic sites are the only ones offering wagers in Romanian currency

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ALTERNATIVE
GAMING
SOLUTIONS

Bulgaria

Bulgaria has had legal gambling since 1993. A thriving black market existed before then but in this year the government legalised casinos, bingo halls and a lottery and the market began to grow.

The growth of gambling in Bulgaria has in part worked hand in hand with tourism whilst also cashing in on previous anti gambling laws in Turkey and Greece.

Casinos have existed in Bulgaria since 1979 when the first one opened at the hotel Vitosha-New Otani, a Japanese hotel chain. This was the first casino in the ex-socialist countries and at this time the casinos were only permitted for foreigners visiting or living in the country or organised junkets from Israel and Greece.

This continued after 1989 until the demise of the Communist government. After this time there was no real gaming law and hotels just opened up parlours or casinos to cater for the foreign market. For two years the market was unregulated and chaotic. Then in 1993 gaming was officially regulated through a government decree.

Initially the law was a little obscure and gaming grew rapidly. Today the gambling sector is governed by the State Gambling Commission which runs via the

The sector runs via the Gambling Act. A new Bulgarian Gambling Act was introduced in March 2012 and this laid the foundations for the legalisation of online gaming and betting.

Ministry of Finance and consists of a Chairman and four members all with at least five years experience.

The sector runs via the Gambling Act. A new Bulgarian Gambling Act was introduced in March 2012 and this laid the foundations for the legalisation of online gaming and betting. It was amended in January 2014 which saw a new taxation regime introduced.

The Gambling Act includes the following points:

- Gambling games can only be conducted in Bulgarian levs and Euro.
- Gambling games and activities can be organised by:
 - Companies which must be registered in the Republic of Bulgaria or another EU member state, another state signatory to the European Economic Area Agreement or the Swiss Confederation.
 - Sole proprietors – only gambling games on gam-



bling machines and activities of manufacturing, import, distribution and service.

- The state – supporting sports, culture, health care, education and social services.
- Non profit legal entities for social work activity.
- Non profit legal entities registered in an EU member state, European Economic Area Agreement or Swiss Confederation.
- A licence for operating a casino can only be issued to a limited liability company or joint stock company with registered shares.
 - For lottery – investments must be not less than

BGN1m and funds for organising the game not less than BGN1m

- For sports betting and horse and dog racing and game of chance events – investments must be not less than BGN1m and funds for organising the game not less than BGN1m.
- For raffles, keno, instant lottery and slot gaming – investments must be not less than BGN100,000 and funds for organising not less than BGN200,000.
- For casino gambling – investments must be not less than BGN600,000 and funds for organising not less than BGN600,000.
- Online gaming – investments must be not less than BGN600,000 for online betting and BGN300,000 for

BULGARIA SPORTS BETTING

NO. OF BETTING SHOPS:

EUROFOOTBALL DOMINATES

ONLINE MARKET:

2012

REMOTE BETTING GGR:

€25M (ESTIMATE)

REMOTE LICENCES:

13

LICENSING:

BULGARIAN STATE GAMBLING COMMISSION

- Lottery – BGN5,000 for gambling programmes.

Bookmakers have been operating in Bulgaria for many years although officially legal since 1993. The first private sportsbook and the largest today is Eurofootball which was set up in 1990 and today has around 770 betting shops and kiosk. The government run Bulgarian Sports Totalisator which combines sportsbook and national lottery also operates.

ONLINE

Sports betting is permitted on horse and dog racing plus football, basketball, volleyball, tennis, boxing, hockey and motorcycle and car racing.

Sports betting in Bulgaria was illegal under communist rule and it was not until 1990 that Eurofootball, the first private bookmaker, launched their operations in this country.

State run operator Bulgaria Sports Totalisator also started to run pari-mutuel style betting games and the two dominated the market for a good while.

The Bulgarian Sports Totalisator (BST) was set up back in 1957 and since then has been the leader in the lottery sector. It is run by the state which governs lottery, number lottery games, instant lottery, sport wagers and horse and dog racing through this company via the Ministry of Youth and Sports. The management is appointed by the Minister of Physical Education and Sports.

It is the sole organisation today which has the rights over the three number games 5/35, 6/42 and 6/49 – all with two draws a week whilst the latter also has a rolling jackpot.

Meanwhile since 2002 the Bulgarian Toto has been conducting a game called 'A Second Toto Chance' which involves a slip from all three drawings with winners chosen by a pre-printed number of the slip through an additional drawing.

Some 17 percent of revenues are granted to the Ministry of Youth and Sports whilst they pay 15 percent corporation tax also returned to the ministry.

Revenues in 2013 reached BGN160m compared to BGN157m the previous year. They distributed €80m profits and paid €24m in taxes whilst sports and physical education associations received €26.9m.

- Instant lottery – BGN20,000 for each game.

- Sports betting, horse and dog racing – BGN20,000 each game

- Games of chance – BGN20,000

- Slot halls with 15 slots – BGN7,500 plus BGN100 per each additional gaming space

- Slots halls with 30 slots – BGN15,000 plus BGN100 per each additional gaming space

- Slots halls with 50 slots – BGN25,000 plus BGN100 per each additional gaming space.

- Casinos with five tables and 15 slots – BGN35,000 plus BGN2,000 per each additional table and BGN100 per additional slot.

- Manufacture, distribution and service – BGN20,000

- Import and distribution – BGN20,000

- Annual contributions to the SCG is BGN50,000 for online betting operators; BGN10,000 for casino operators and BGN5,000 for all other gambling game operators.

The Bulgarian Sports Totalisator was set up in 1957 and since has been the leader in the lottery sector. It is run by the state which governs lottery, number lottery games, instant lottery, sport wagers and horse and dog racing via the Ministry of Youth and Sports.

• TAXES:

- Online Gambling – 20 percent on GGR plus BGN100,000 fixed rate. Since Jan 2014 they also pay BGN50,000 towards problem gambling.

- Casino – BGN500 per quarter per gaming seat plus BGN22,000 per quarter per gaming table (roulette) and BGN5,000 per quarter for other gaming equipment. Since January 2014 casino operators also pay annually BGN10,000 for problem gambling.

- Slot halls – BGN500 per quarter per seat plus BGN5,000 annually for problem gambling programmes.

- Betting – 15 percent on turnover plus BGN5,000 annually for gambling programmes.

other types and funds for organising not less than BGN1m.

- For manufacture, distribution and serving investments must be not less than BGN600,000.

- For import and distribution – funds must not be less than BGN200,000

• Licensing fees are:

- Traditional lottery – BGN20,000

- Lottery – BGN5,000

- Numerical lottery, bingo, keno – BGN20,000 for each game.

Bulgaria

LIST OF THE 13 LICENSED WEBSITES IN BULGARIA FOR ONLINE BETTING

WEBSITE	TYPE OF BETTING
Efbet.com	Online sports betting, horse and dog racing.
Toto.bg	Online sports betting, horse and dog racing
Toto.bg	Online lottery games
Pokerstars.bg	Online casino games
Efbet.com	Online casino games
Betfair.com	Online sports betting, horse and dog racing
Betfair.com	Online casino games
Eurofootball.bg	Online sports betting and horse and dog racing
Novabet.bg	Online sports betting, horse and dog racing
Eurobet.bg	Online lottery games
Eurobet.bg	Online betting on chance events
Ecasino.bg	Online casino games
Winbet.bg	Online casino games

In 1998 the Gaming Act put together a serious framework for operators in this field and later in 2008 the law was amended to permit online services. In practice only the BST was licensed to do this and Eurofootball was allowed to advertise their prices.

The BST monopoly on online gaming lasted until 2013. This didn't stop illegal betting sites being set up or international sites taking bets hence laws were tightened up as the government realised how much it was losing in revenues and taxes.

In March 2012 Bulgaria implemented legislation which attempted to regulate online gambling for the first time in Bulgaria. It was loosely based on the Danish model and this permitted sports betting and casinos and brought in a licensing system and a blacklist for any unregulated sites. The new law also involved a clause to restrict gambling advertising. When this law was brought in the government estimated that it would bring in an additional BGN100m (€50m) of annual revenues for the economy.

At the time only efbet was drawn by the offer of a new market whilst others simply held back. Then

Bulgaria introduced a new gambling taxation regime which came into place in January 2014 and this is aimed at making the country more appealing for local licensing.

Eurofootball was the first sports betting site to gain a licence under the new laws in September 2013 and BST gained their licence in January 2014.

After the government reduced taxes this saw an increase in applications including two licences granted to Betfair in February 2014 enabling them to offer sports betting and wagers on horse and dog racing and casino/poker games.

Bulgarian players are not taxed on their winnings as yet although there were proposals in 2013 for a 10 percent tax to be introduced.

Bulgaria introduced a new gambling taxation regime which came into place in January 2014 and this is aimed at making the country more appealing for local licensing. Bulgarian players are not taxed on their winnings as yet.

The amendments to the online gaming SG No 1/2014 came in at the beginning of 2014 which outlined changes for the online gambling via internet or other electronic means such as mobile or landline phone, radio, television or satellite.

Although this is 18 months after the Bulgarian Gambling Act was introduced the tax base has been changed to a regime based on GGR.

The amendments also set up organisations for underage gambling and gambling addiction programme, responsible advertising and resolution of disputes between players and operators. It states that websites should contain information in Bulgarian and include the company's data such as trade registration number licence issued by the SCG, rules, help desk service and contact details. Those wishing to operate games must have a Local Control Server (LCS) which is then connected to a central computer system for the purpose of storing data

Meanwhile and more importantly the tax system changed to include:

- 15 percent turnover tax was replaced with 20 percent tax on GGR
- A one off fixed rate fee to the gaming board of BGN100,000 (around €50,000) which is for the five year licence.



- For games in which fees and commissions are collected (ie poker) the tax rate is 20 percent of the collected fees.
- Offline bingo and keno is taxed at a 10 percent corporate tax rate.
- In addition since Jan 2014 they also pay BGN50,000 annually which goes towards problem gambling programmes.

This seemed to do the trick and operators began to apply. Since the beginning of 2014 Pokerstars and Betfair were granted licences and they joined Efbet and Eurofootball and state owned Bulgarian Sports Totalisator. At the



moment there are 13 licences granted to eight legal companies.

Eurofootball Malta was the first operator with a licence for operating online games in Bulgaria and although the company was officially registered in Sofia at the beginning of 1993, the history of the company dates back to 1990 when the bets on football matches were accepted in seven bookmaking points in large towns around the capital.

Eurofootball Limited was established three years later and in August 1993 the first nationwide Eurofootball draw was organised.

In the same year the company also received a licence from Bulgaria's Ministry of Finance to organise bets on football matches in agent shops throughout the whole country. The group also has a licence to organise bets on other sport competitions.

In February 2002 the Greek Intralot Group acquired a 49 percent stake within the company and a year later a new centralised computer system for online betting in real time was introduced.

In 2012 this was updated to provide the Loto OS platform offering better betting options including more products and additional live betting. In 2011 the company launched 'Races' which bet on the outcome of grey-

Despite the tax rate of 15 per cent on turnover and illegal operations in Bulgaria the Intralot remained in the market place and today remains the largest taxpayer in the field of gambling in Bulgaria. In 2012 the company saw bet incomes of BGN204.1m

hound races transmitted liver from the UK. In March 2013 a new virtual races product was also added.

Despite the tax rate of 15 percent on turnover and illegal operations in Bulgaria the company remained in the market place and today remains the largest taxpayer in the field of gambling in Bulgaria. In 2012 the company saw bet incomes of BGN204.1m paying gambling taxes of BGN30.6m.

Eurofootball currently has more than 770 points of sale across the country and employs nearly 3,000 trained bookmakers.

Many predicted an influx of around 40 companies that would apply for licences in reality only a dozen applied however the bill was said to be one of the most 'reasonable and competitive' and could turn out to be one of the best in Europe.

There are on the other hand over 320 plus banned domain names (by November 2014) on the blacklist which includes 20 of the biggest online gaming sites such as Bet365 and Ladbrokes for instance. The blacklist was introduced in June 2013. The commission announced its plan to IP block unlicensed gaming sites in 2012 and the move was to precede the introduction of a regulated online gambling regime.

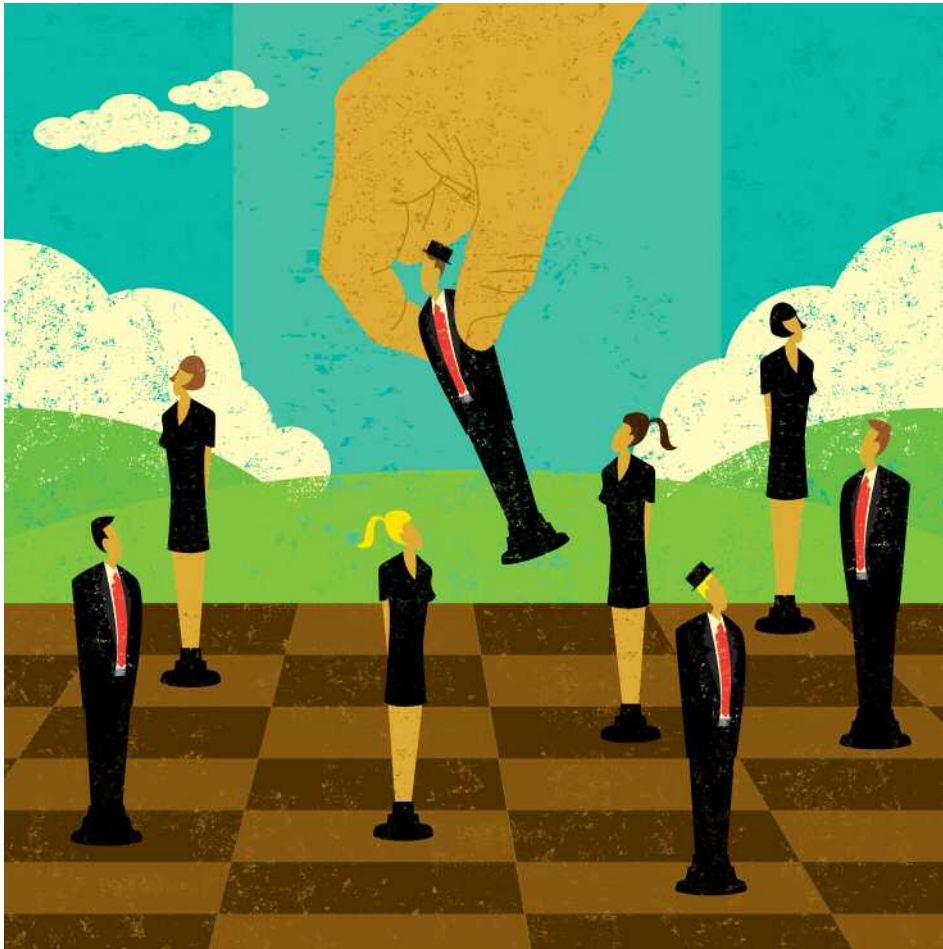
Only licensed operators are allowed to advertise albeit in a strictly regulated way but this is the main hurdle for unlicensed operators.

Pokerstars received its licence in August 2014 and as such became the first online poker site to be given permission to operate in Bulgaria. Buglaria's online players also now have the chance to take part in all major online events planned such as the World Championship of Online Poker.

Unlicensed companies are eligible for fines ranging from BGN500,000 to BGN1m for an individual and between BGN1m and BGN2m for a company. State tax receipts were in 2013 around BGN120m.

Many say Bulgaria is now one of the most balanced online markets in Europe.

Estonia



The gambling market in Estonia is fairly new territory. When it was part of the USSR all types of gambling activities were banned even though illegal casinos still operated despite the prohibition. However the real history of gambling in Estonia began once the country was released from Soviet rule in the early 1990s. At this time the country was so eager to bring in foreign companies that they immediately legalised gambling and dished out licences like there was no tomorrow.

It began with the first Lottery Act of 1994 and the first Gambling Act of 1995 came into force and these opened the doors to legal gambling.

Firstly the state lottery was set up in 1991 and by 1995 the Gambling Act was introduced which although brought law and order and offered a very relaxed industry.

The gambling act of 1995 introduced four types of gambling namely games of chance, games of skill, totalisators and betting and according to this act all operators had to obtain an activity licence and an operation permit. Licences were issued for 10 years

Olympic Casino provides sports betting under the Olybet brand and these are located in all of the company's casinos. Bets are placed through Olybet before or during an event and all sports bars have betting terminals.

whilst operational permits provided for five years.

Gaming boomed during this period and there were some 90 plus casinos in the capital Tallinn by 2008 and over 170 gaming houses and casinos in total in the country. However when the global crisis hit, Estonia also suffered.

In 2009 the new Gambling Act 2008 came into place and the main change was that it provided a legal basis for the rapidly developing online gambling industry. The main points concerning betting include:

- Types of gambling permitted are: games of chance; lotteries; totalisator and games of skill.
- Remote gambling is permitted via telephone, internet and media services.
- Tournament games of chance are also permitted and can take place as a tournament or ring game.
- Lotteries can be organised by a public limited company with share capital amount of at least €1m and all those shares must be owned by the Estonian state.
- Toto can be organised by public or private limited companies with share capital amounts of at least €130,000.
- Operators must obtain an Activity Licence for games of chance, game of skill and tolos.
- An Operating Permit is issued for the opening of a gaming location to operate games of chance, toto or games of skill, organising remote gambling or organising a lottery. These are issued for five years (lottery and remote gambling) or 20 years (games of skill locations) and five to 20 years (games of chance and toto locations).
- Gambling is prohibited to those under 21 years or 18 years (toto) and 16 years (lottery).
- A state fee is paid for the review of an application for an activity licence and this includes €31,960 for the organisation of totalisator.
- Taxes are covered by the 2009 Gambling Tax Act which includes:

Toto and Online Gambling – pay five percent on gross revenues.

Lottery – pay 18 percent from tickets sales total.

Accordingly to the Finance Ministry there are currently 23 betting shops in Estonia of which 22 are located in the same building as casinos and are operated by Olympic Casino Eesti.

There are two operators which run the betting shops – Olympic and Totalisaator AS. These two also provide online betting.

Olympic Casino provides sports betting in Estonia under the Olybet brand and these are located in all of the company's casinos. Bets are placed through Olybet before or during an event and all sports bars have betting terminals and TV screens. This is available at all Olympic Estonian casinos.

In August 2013 Olympic Entertainment Group expanded its online business into the sports betting

Report

SPORTS BETTING – PART 3

ESTONIA SPORTS BETTING

NO. OF BETTING SHOPS:

23

NON REMOTE OPERATORS:

2

GGR:

€59.4M

HORSE TRACKS:

1

ONLINE MARKET:

2010

REMOTE BETTING GGR:

ESTIMATED TO BE €50M (€9.8M IS

THE TURNOVER FOR 3 OPERATORS –
TRIOBET, OPTIWIN AND PAF)

REMOTE LICENCES:

10

LICENSING:

MAKSU-JA TOLLIAMET

sector in both Estonia and Latvia with the introduction of OlyBet. OEG was one of the first online licensed operators in Latvia and today all the casinos and slot halls in Estonia operated by Olympic have the OlyBet system in place.

OlyBet offers a pre-match and live in-play sports betting service and customers can watch a wide variety of competitions and matches and can either place a bet or just enjoy the sports on the screen.

OlyBet is an open platform and has been created and delivered in partnership with e-gaming software developer Iforium. It offers casino products from Playtech and Microgaming. Revenue from the betting sector in 2014 amounted to €59.4m

ONLINE

Online gambling has been legal since 2010 and was in part introduced to help Estonia's flailing economy during the global recession.

The government gave Estonian gamblers the chance to play online but only at licensed sites and only by sites operated by local companies. In 2011 they opened the market to offshore operators with the condition that licences are obtained from the Estonian authority. Any other illegal sites were blocked.

Operators must obtain two types of licences – the Activity licence which certifies the applicant who wants to operate an online business and the Operating Licence/Permit which is obtained before organising a specific type of gambling such as lotteries, totalisators, slots or tables. Applications are made to the Tax and Customs Board and licences are issued for five years.

The rule that online gambling sites be hosted by an Estonian based server came under question at the

European Union in terms of possible violations and prohibiting free competition. Today the law states that if the server is not located in Estonia "the organiser of remote gambling shall, before starting to use the server for the organisation of remote gambling, provide the Tax and Customs Board with evidence that the gambling supervisory authority, and the authority dealing with prevention of money laundering in the country of location of the server, have a legal basis and possibilities to cooperate with the Tax and Customs Board and Financial Intelligence Unit."

There are to date over 1,130 blocked illegal online gaming domain names listed on the Estonia Tax and Customs Board. Online gaming revenue has enabled the country to recover from economic difficulties. Before this the state run sportsbook Spordiennustus offered the first online gambling facilities back in 2004.

The Estonian Olympic Committee, Spordiennustus, originally had a licence to operate fixed odd sports betting in Estonia and is a joint venture between the Olympic committee and PAFER, Alands. The company set up Fortuuna.ee which offered sports betting and lottery games and bingo.

Today most players prefer the foreign run casino sites. There are currently 10 online gaming licences issued of which two are foreign companies. The operators include: Pafer As, Spordiennustus (Paf), Triogames, Kingswin Online, Unibet, Optiwin, Tonybet and Dreambox Games plus two casino operators with online licences Grand Prix and Olympic.

Tonybet offers all sorts of online games from sports betting, live games, poker, live casino whilst Triobet Sportsbook offers betting on global and local events whilst TrioBet's Poker room is said to be the biggest

in the Baltics and part of Microgaming's poker platform.

The first land based operator to obtain a poker room licence was Olympic Entertainment Group who partnered with Playtech to offer more than 150 casino games and online poker. Later PokerStars launched a sponsored live tournament in Estonia and was also one of the first sites to obtain an activity licence in the country. Meanwhile taxes for the online sector are five percent for betting and remote gambling operators on their net profit.

The gambling association in Estonia – EGOA – has nine members which include the six land based casino/slot hall operators plus three of the nine online operators – Triobet, Optiwin and PAF.

The turnover for the casino/slot hall sector last year was €53m for land based operators which was divided between €46.5 for slots and €6.5m for table gaming. Online turnover was €9.8m for the three EGOA members.

LICENSED OPERATORS IN ESTONIA:

OPERATOR	BRAND	CASINOS	ONLINE	SHIP GAMING	TOTO	LOTTERY	SKILL GAMES
AS Eesti Loto	Eesti Loto					yes	
IMG Kasiinod AS	Casino Grandprix	14	yes				
MC Kasiinod AS	Casino Monte Cristo	4					
AS Novolotto	Fennikss/Admiral	12					
Olympic Casino Eesti AS	Olympic Casino	20	Yes		yes		
Osauhing Tonybet	Tonybet		Yes		Yes		
OU Best4U	CityCasino	5					
PAFER AS	Paf	7	Yes	Yes			Yes
REEL Estonia Ltd	Pokerstar		Yes				
Spordiennustus	Paf				yes		
Totalisaator AS	Totalisator				yes		
Triogames OU	Triobet		Yes		Yes		
KingsWin Online OU	Kingswin		Yes				
Unibet (Estonia) Ltd	Unibet		Yes		Yes		
Optiwin OU	Optiwin		Yes		yes		
Dreambox Games	Chanz		yes				

Latvia



Since independence the Latvian gambling market has seen significant growth. Back in the early 1990s the growth was fairly uncoordinated which was mainly due to the lack of gambling regulations and most of the development began in the late 1990s onwards.

In the summer of 1991 the first casino opened in Latvia and around the same time the number of companies organising lotteries also began to grow.

All this changed in 1995 when a new law was introduced to regulate the sector. The Law on Lotteries and Gambling was adopted by Saeima (parliament) and was amended nine times over the next 10 years before being replaced in 2006.

At the moment the market is regulated by the Gambling and Lotteries Law of 2006. This includes the following relating to the sports betting sector and main sectors.

- To obtain a licence for gambling operations the amount of paid stock capital must be not less than €1.4m whilst the interest of foreign members or stockholders shall not be more than 49 per cent.

In the first quarter of 2014 the revenues from all sectors amounted to a total of €41m and this was divided between slot machines with the biggest amount (77 per cent), lotteries (12.6 per cent) and gaming tables (seven per cent).

- Gambling can only be operated within casinos, gambling halls, bingo halls and totalisator venues. In January 2007 the Gaming and Lotteries law prohibited the operation of gaming machines outside of casinos and gaming halls.
- Casinos must have at least 10 gaming tables if located in Riga and five gaming tables outside of Riga.
- Gaming halls must have at least 20 slot machines.

- Online gaming is permitted for slots, roulette, e-cards, bingo, totalisator and games of chance on the telephone. Licences are issued to capital companies.

- The state fee applicable for slots, bingo, roulette, cards and dice games is:

1. €427,000 for special licences
2. €35,580 for continuation of licence
3. €35,580 for yearly re-registration of licence
4. €28,460 per year for permission to operate a casino
5. €4,270 per year for permission to operate a gaming or bingo hall.

- The state fee for totalisator and betting includes:

1. €42,690 for a special licence
2. €42,690 for continuation of the licence
3. €42,690 for yearly re-registration of the licence

LATVIA SPORTS BETTING

NO. OF BETTING SHOPS:

38

NON REMOTE OPERATORS:

4

GGR:

€0,808M

HORSE TRACKS:

0

ONLINE MARKET:

2006

REMOTE BETTING GGR:

€4.7BN TOTAL (OF WHICH €2.6BN BETTING)

REMOTE LICENCES:

6

LICENSING:

LOTTERIES AND GAMBLING SUPERVISORY INSPECTION (IAUI)



Sports betting has a long history in Latvia and in the 1950s the Hippodrome in the capital Riga was the country's main venue for betting on horse races. However this burnt down in 1965 and sports gambling became illegal until independence in 1991.

Although the first gambling regulations were introduced in 1994 sports betting as a service had almost ceased to exist due to low popularity and the new regulations just made it more complicated.

But as the late 1990s saw casino and slot halls arrive, sports betting began to become more popular and betting points were opened in the larger cities.

The rivalry between foreign online betting organisations and locals led to just one single enterprise licence to provide traditional and interactive sports betting services.

At the end of the 1990s Tele Toto was given the only legal licence to offer sports betting in Latvia and is set up via two brands – Optibet and Latbet – and together they manage just over 20 betting shops of which the majority are in Riga. Wagers are held on football, basketball, ice hockey and handball in the main.

Tele Toto Ltd was founded in 1999 and in 2007 Tele Toto was sold for Lslm to Swedish company Redbet Holding AB (now known as Nordic Leisure) which is a platform and service provider.

Sports betting has a long history in Latvia and in the 1950s the Hippodrome in Riga was the country's main venue for betting on horse races. However this burnt down in 1965 and sports gambling became illegal until independence in 1991.

Nordic Leisure acquired a 98 per cent of the share capital in Tele Toto and licences its in-house developed exchange betting platform and offers online sports, betting, poker and casino games. Nordic's operations now comprise of Optibet in Latvia plus Optiwin in Estonia, Redbet Gaming and Red Sports in Malta.

It's not a hugely popular sector of the gambling market compared to slots and casinos. In 2012 the sports betting market was worth €3m.

For a company to set up a sports betting company licences are only issued to capital companies

(limited liability company) or a joint stock company established in Latvia with not less than 51 per cent local shareholding (including EU investors). They require a total of €1.4m in paid up share capital minimum.

There is an annual registration fee of €42,690 and the tax rate for sports betting is now 15 per cent.

There are currently 22 gaming licences issued by the IAUI including one lottery company, 15 landbased gaming operators and six online operators.

There are 323 gaming halls and six casinos currently open in Latvia. There are a total of 8,495 slots across these venues and these slots saw gross gaming revenues of €142m in 2013.

There are 38 betting shops open via four main operators – Optibet, Viensviens, Olympic Casino Latvia and Joker. The GGR for betting points was €0,808m last year.

Of the 16 landbased gaming companies the biggest companies include ALFOR (Admiral Clubs) with a GGR of €51.7m in 2013; Olympic Casino with €34.1m GGR; Joker with €20.8m; Admiral with €18.2m; DLV with €8m and Furors with €7.1m

In the first quarter of 2014 the revenues from all sectors amounted to a total of €41m and this was divided between slot machines with the biggest amount (77 per cent), lotteries (12.6 per cent), gaming tables (seven per cent), online gaming (two per cent), betting (0.6 per cent) and bingo (0.2 per cent).

ONLINE

The online gambling landscape in Latvia is possibly due to change as and when the new bill comes into place. Online gambling has been permitted since 2006 and operators were charged a 10 per cent interactive betting tax which didn't stop some 160 operational sites from springing up.

- or operation of games of chance via the telephone:

1. €14,230 for a special licence

2. €14,230 for continuation of the licence

3. €14,230 for yearly re-registration of the licence

- Yearly taxes include:

1. €17,279 for roulette tables

2. €17,279 for cards and dice games per table

3. €3,141 for slot machines.

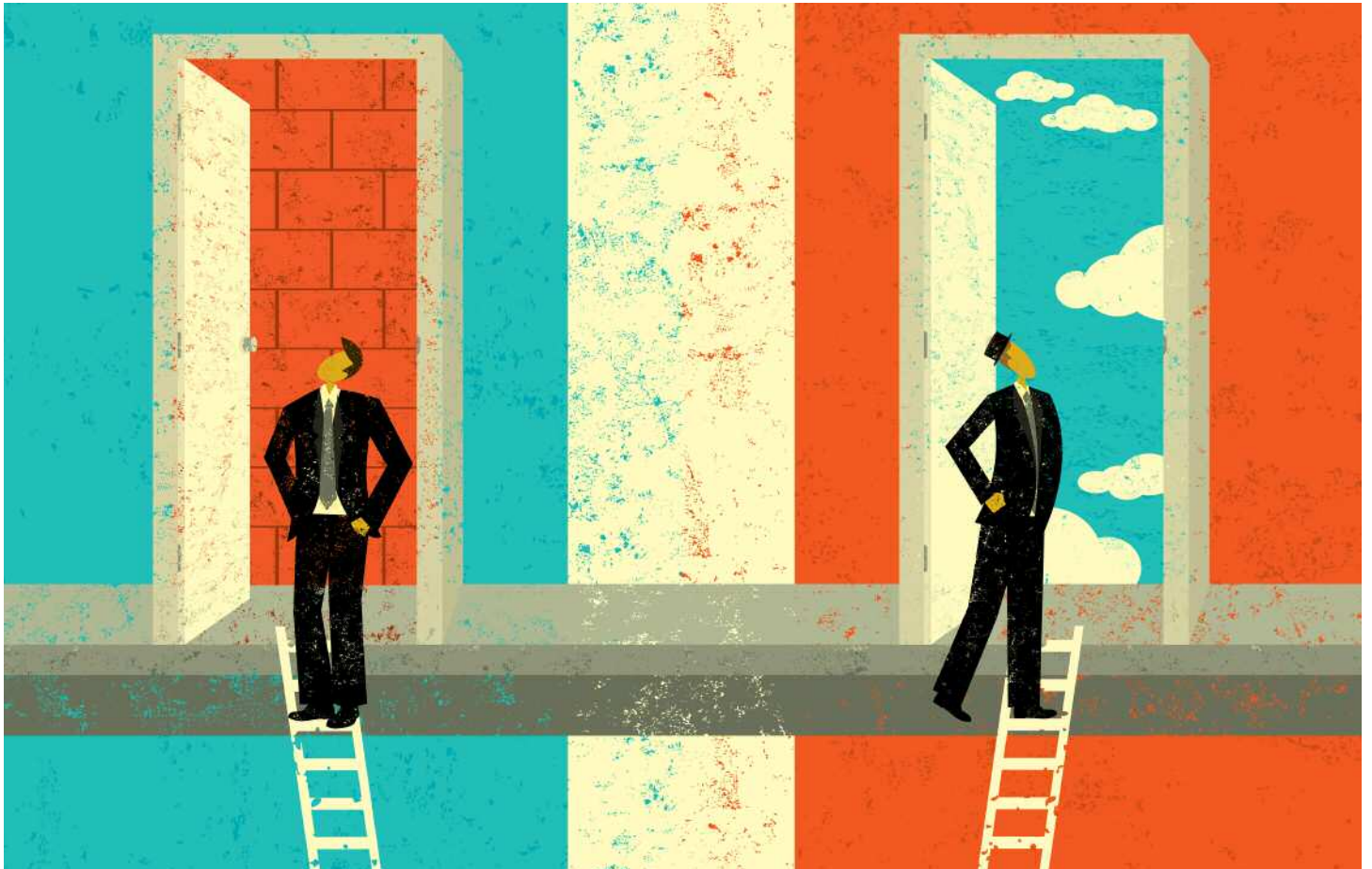
4. Tax on game of chance via the telephone is 15 per cent of GGR

5. Gaming tax for totalisator and betting is 15 per cent of GGR

6. Gaming tax of bingo games is 10 per cent of GGR

7. Online gaming tax is 10 per cent of GGR.

Latvia



However a draft law was published in 2011 which is aimed at blocking unlicensed websites and financial transactions with unlicensed operator's bank accounts. Other changes such as blocking access to domains and financial restrictions came into play in August 2014.

The amendments mean there could be a specific general licence for online games with a €1.4m shareholders capital required alongside a €100,000 licence fee and annual renewal fee of €36,000.

There will be an ISP ban on unlicensed operator's websites and payment ban to unlicensed operators bank accounts. There is a five per cent tax on GGR.

The new law is expected to make the points of law more precise in terms of gambling and will contain a definition of a card game tournament for example. In the future when setting up a tournament the organiser will have to draft the rules and get confirmation from the Lotteries and Gambling Supervisory Inspection (IAUI) that the rules are compatible with the new law.

In addition the new law will also be able to block websites of those companies not registered in

Latvia. Online operators will also have to ensure the authorities are allowed to access information systems containing data about players and their bets and winnings.

It has also suggested that the age of players should be increased to 21 which is something that is being discussed as some consider it should be 18 years.

At the moment the draft law has been suspended due to "political contradictions over some of the points" and the sector is unsure when this will now move forward.

If it does then it is expected that the new bill will include the following:

- Clarify the conditions currently existing and definitions of gambling.
- Outline the requirements of advertising bans
- Provide a new definition of card tournaments
- Prohibit cash transaction of Latvian credit institutes to internet addresses which deal with unlicensed gambling.

- Blocking of unauthorised IP addresses.
- Inspection officers can have access to databases and servers where player data is stored.
- Age limit for gambling to be set at 21 (not in draft law but suggested as an additional point)

The IAUI has a list of around 750 blocked websites for online gambling. There are currently six licensed companies operating in the online sector – Joker, Viensviens, Olybet, Optibet, DLV and Alfor.

Remote GGR was €4,724m of which casino games accounted for €2,038m and online betting accounted for €2,686m.

It is thought foreign companies will wait to see how the domain blocking will work before applications for licences.

The current operators are:

OPTIBET is a subsidiary of the Lifland Gaming Group which is wholly owned by Nordic Leisure AB. Optibet conducts its gaming activities via a licence from the IAUI.

LATVIA - NUMBER OF ACTIVITIES IN GAMBLING SECTOR

TYPE	2011	2012	2013	2014	2015
Number of licence holders	16	18	22	22	22
Lottery companies on national scale	1	1	1	1	1
Land based gaming	15	17	17	17	16
Online gambling	0	0	4	4	6
Number of gaming halls	321	328	324	325	323
Number of casinos	6	6	6	6	6
Number of slot machines	7,858	8,103	8,135	8,326	8,495
Number of roulette tables	16	16	15	17	
Number of card and dice tables	63	57	50	52	
Number of betting points	22	19	19	20	38
Number of bingo halls	2	2	2	2	

LATVIA - GGR GAMBLING SECTOR

TYPE	2010	2011	2012	2013
Total turnover of gaming companies	€132.9m	€153.8m	€180.1m	€191.3m
GGR from gambling and state lottery	€122.3	€142.9m	€165.5m	€176.8m
Net turnover from state lottery	€122.3m	€142.9m	€165.2m	€176.8m
GGR from gambling	€113.9m	€132.4m	€150.3m	€157.5m
GGR from slot machines	€100.7m	€118.2m	€134.8m	€142m
GGR from casino tables	€9.7m	€10.8m	€11.9m	€11.5m
GGR from bingo	€0.7m	€0.7m	€0.4m	€0.3m
GGR from phone games	€1.2m	€0.4m	€0.1m	€0.001m
GGR from betting	€1.4m	€2.0m	€2.9m	€3.6m
Income from other activities (bars, billiards)	€10.6m	€10.8m	€14.8m	€14.4m

Lifland was formed in 2011 to be a holding company for all gaming related businesses belonging to Nordic Leisure. In 2013 the sister company Redbet was sold. Today Lifland has subsidiaries in Estonia, Latvia and Malta and is the leading i-gaming company in Latvia. They have two brands – Optibet, which is available in Latvia and Estonia and Gold Club Casino.com (Malta).

Optibet has had land based betting shops in operation for the last 14 years and since 2008 has offered casino and sportsbook products online via Optibet.lv.

Optibet was founded in 2005 and currently offers a full range of sportsbook features and 160 casino games to Latvian customers.

The sportsbook platform offers around 14,000 pre game events per month and over 400,000 side bets per month in the live bet feature. There are 160 casino games from blackjack to roulette and Optibet was the first and only casino operator offering live casino in blackjack, roulette and baccarat.

In April this year NYX Interactive, part of the

Swedish group NYX Gaming Group, launched its Open Gaming System, NYX OGS with Optibet.

Optibet is already a market leader in the online casino sector and this will increase its ability to market new content. Optibet is now live with chart toppers from both Aristocrat and Nextgen Gaming delivered via OGS.

OLYBET is a brand of Olympic Casinos which provides sports betting in the Baltic region. Sports fan can watch the event in a sports bar located in casinos and bets are placed through Olybet before the sports event or whilst watching the live game.

Olybet Sports Bar arrived in Latvia in August 2013 and is a new concept. The sports bar offers a choice of sports TV channels from all over the world and visitors can place bets using special OlyBet terminals. For real time betting a special App has been developed for tablets that are available to customers on request.

By the end of 2013 all Olympic Casinos in Estonia and Latvia were due to be converted to include the new Olybet sports bars. There are currently 17 Olybet Sports Bars in Riga and 13 elsewhere located

Optibet is already a market leader in the online casino sector and this will increase its ability to market new content. Optibet is now live with chart toppers from both Aristocrat and Nextgen Gaming delivered via OGS.

in Olympic casinos and as such, OEG is the only Latvian gaming operator to open betting shops its own casinos and currently there are six slot halls equipped with Olybet.

OEG entered the Latvian market in 2002 by setting up Olympic Casino Latvia. Currently it operates 38 gaming halls in Riga and the main cities. Of these 22 branches operate under Olympic Casino brand. In July 2013 OEG purchased casino operator SIA Altea adding 16 more casinos to its network in Latvia.

By September 2013 the company operated over 1000 gaming machines and 21 gaming tables.

JOKER was set up in 1995 and is a Latvian-Czech joint venture with Synot Tip. The company is represented in 28 Latvian cities (16 in Riga alone) and provides 60 gaming halls and bar operations.

Games are provided via IGT, Atronic and Gaminator.

Joker Ltd acquired its licence to organise online gaming in August 2013 although it did not launch its site until February 2014. The site is run in conjunction with Microgaming and offers slots, table games, video poker and roulette. In order to expand Joker Ltd acquired Synot Tip Eastern Europe regional licence

VIENSVIENS was founded in 2012 and is a sports betting operator both online and offline. The company's portfolio includes betting options before games plus a selection of live betting games.

DIV is a gaming software and casino manufacturer and operator which was established in 1994. It has operations in Latvia and also Latin American, Cambodia, Moldova and Malta. It's Latvian operations come under the banner of Zilais Dimants (Blue Diamond) with most of the 40 arcades around the capital Riga. It's online betting service via divbet.lv enables customers to bet 24/7

Meanwhile **ALFOR** is part of the Novomatic group which operates casinos in Latvia and gambling halls. They had 93 gaming halls with 2,484 slots in 2013. It operates its online site via fenikscasino.lv.

Switching channels



Omnichannel has been the buzz word of 2015, with everyone focusing on their new omni, rather than multi-channel, strategy. However, the reality is that omni-channel is far more than just a buzz word. Whilst at one point having a multi-channel product offering was enough, players demand and expect an omni-channel offering. In the age of the consumer, ignoring a customer's demands is to a company's peril.

So if the betting and gaming industry should now treat omni-channel as the base – a given – what is the next step for the sportsbook?

Traditionally a key driver of acquisition and the initial product or user interaction for many players, sport represents the biggest opportunity to really expand the omni-channel experience. Research has shown that whilst gaming is predominately an activity enjoyed at home, the same is not true for sportsbook, which is enjoyed on the go and is fast becoming an m-commerce driven product, with in excess of 60% of all bets being placed by mobile. For OpenBet, we see the opportunities not just in

innovation and new features, but the quality of that delivery too.

In the first instance, quality refers to that base level of service. An omni-channel platform has to be formed to a high-standard, with an understanding of each different vertical, the habits of users within those verticals, and then bring it all together in an overarching solution that works effectively across all areas.

Secondly, innovation must capture those changing habits and deal with the evolving nature of the betting and gaming industry. What do players require? Do they want the same products, delivered quicker? If yes, suppliers need to devote research and development to this area of their advancement.

Undoubtedly players want more markets, with easier access to their account across all of their devices. Developing the single operator account across mobile, desktop and retail has long been a focus of OpenBet and is now a reality – but what happens when bettors move to their smartwatches,

or smartglasses, or the next product? And how do you utilize these new innovations to deliver the right customer experience? Forever innovating or, as we call at OpenBet 'Dynamic Development', is about being ahead of the curve, while keeping players at the core of all thoughts. This is key for a supplier to stay relevant into the future.

However, you can innovate all you want, but quality must underpin any innovation that is made. Creating first-rate products that work, while it sounds like a simple concept, takes months and sometimes years of dedication, research and expertise. Using experience and skill to understand the market goes a long way to delivering those omni-channel products that operators need and their customers want.

Acquiring sportsbook customers, keeping them happy and meeting their expectations is harder than ever. Mobile usage continues to increase across all sectors, whether it's banking, shopping or betting. Moreover, year-on-year apps are taking a greater slice of the pie versus traditional web browsing.

Yet desktop, which maintains web-browsing as its



central point of contact, continues to provide a strong driver for operator revenue. Then there are the land-based channels, which demand a different understanding of player habits altogether.

The one constant at the centre of all these channels is the sportsbook. Betting on pre-match markets will always remain a key revenue driver for bookies, but the demand for in-play will only continue to grow. 'More', 'faster' and 'easier' are the demands of the omni-channel consumer, so having an effective platform to deliver these key requirements is crucial.

Every football season, we see markets added to the in-play offering of the major bookmakers. Everything from the next yellow card or throw-in to the number of corners or headers – the choices are almost limitless. More matches are added to the sportsbook, from across the world, meaning 24/7 sports coverage and betting opportunities. Platforms are dealing with thousands and, often, millions of interactions at one time.

The sheer volume of bets made across different

The one constant at the centre of all these channels is the sportsbook. Betting on pre-match markets will always remain a key revenue driver for bookies, but the demand for in-play will only continue to grow.

devices is now staggering. Take the Grand National, for example. OpenBet handled 19.3 million bets in just 24 hours ahead of the most famous National Hunt race of the year, with mobile bets up 10% from the previous year.

The real lesson learned with the emergence of omni-channel is that the player has to be central to everything that bookmakers do. Ensuring player loyalty is only going to become more of a challenge as competitors look for that edge that bears them apart from other operators.

A better understanding of player behaviour has driven the way that omni-channel has evolved. First, it was simply to supply mobile and desktop users with a way to bet. Next, it was understanding how players in different channels bet, and what they're betting on. Now, it's about convenience – we know what people want, but how can we deliver it to them in the best possible way?

Sportsbooks will have to be dynamic. Reacting to the data and seeing what really works for customers. Omni-channel is here to stay, but when it comes to sportsbook, we're only at the beginning of the revolution.



Jeremy Thompson-Hill
CEO, OpenBet

Slovakia

Although Sports betting is popular in Slovakia, it is a fairly recent development as all forms of gambling were previously banned under Soviet rule. However since independence Slovakia has grown remarkably.

Horse racing has a long history dating back to a Conditions Race organised by the original Racing Association in 1840. The first hippodrome was established in Bratislava in 1868. All racing is overseen by the Turf Direktorium Fur Die Slowakei. The first horse racing track to open, Zavodisko Bratislava, remains open today.

Slovakia has a large number of bookmakers dotted around the country in most major towns and cities and they accept fixed odds wagers on all kinds of sports, both local and international.

The sector operates under the 2005 Gambling Act and betting games can be operated under individual licences issued by the Slovak Ministry of Finance. A separate consent of the municipality has to be obtained for the operation of a betting outlet within its territory. Gambling games permitted are lottery games, casino gambling games, betting games, gambling machines, video games and internet gambling.

Licences are issued for five years and can only be issued to joint stock companies or limited liability companies registered in the Slovak Republic. Legal entities with a foreign participation must have their registered office in an EU or OECD member state.

Although Slovakian legislation does not regulate online betting in practice betting licences contain an authorisation to operate online betting.

Operators must have funds as financial guarantee and for fixed odds betting this amount is €750,000.

The Gambling Act 2005 outlines:

- Bets are permitted on sports events, race and horse racing and non sports events.
- Bets games are via totalisator, exchange bets and horse racing bets.
- Licences are issued to a joint stock company or limited liability company with a share capital of €3.3m for betting games.
- They must have a financial guarantee of €33,193 for betting games (except course bets) and €331,000 for course bets.
- Taxes for betting (except horse racing) are five percent of which 0.5 percent is for the town budget the rest to the state.
- Horse racing betting tax is one per cent.



TIPOS REVENUES PER SECTOR

SECTOR	REVENUES 2013	REVENUES 2012	WINNINGS 2013	WINNINGS 2012
State Lottery	€324,322,243	€316,244,764	€246,658,546	€238,175,826
Instant Lotteries	€44,666,078	€41,239,955	€27,292,737	€25,815,587
Betting Games	€1,050,549	€1,165,249	€903,712	€961,593
TOTAL	€370,048,870	€358,649,968	€274,854,995	€264,952,946

Report

SPORTS BETTING - PART 2

SLOVAKIA SPORTS BETTING

NO. OF BETTING SHOPS:

APPROX 3,000

NON REMOTE OPERATORS:

4 MAIN OPERATORS - FORTUNA, NIKE, TIPSPORT, DOXX BET

GGR:

N/A

ONLINE MARKET:

2007

REMOTE BETTING GGR:

N/A

LICENSING:

SLOVAK MINISTRY OF FINANCE

Fortuna has a 30 per cent market share in Slovakia compared to Nike with 50 per cent. They offer online betting, telephone betting, SMS betting and via kiosks. The products include fixed odds betting, live betting, virtual games and numerical games.

betting outlets called Fortunkas, a franchise concept whereby company betting terminals are placed in bars and restaurants. They offer a loyalty programme called Fortuna Klub Plus which has 46,961 members.

In total Fortuna has 1,590 betting outlets with 680 in Czech, 404 in Slovakia and 506 in Poland.

These betting outlets are between 20 and 50sq.m in size.

Slovakia represents around a quarter in terms of amounts staked for the Fortuna group with €167.7m in 2014. This is a 12 percent growth and gross win in Slovakia reached €39.4m. Gross win from online betting was €21.5m – a 21.5 percent increase.

Tipsport is another bookmaker in Slovakia operating fixed odds betting mainly on sporting events. The company opened in Slovakia in 1994 and operated at the time under the name of Doxx, until it was acquired by Czech's Tipsport in 2006.

Since this time the company has expanded and there are around 700 branches in Slovakia and they also added horse and greyhound racing to its product list. Doxx remains in the market as an operator.

In 2009 a new loyalty programme called Tipkonto was launched to offer regular customers advantages and bonuses and also that year internet betting was set up via Tipsport.sk

FORTUNA GROUP IN SLOVAKIA

FORTUNA	SLOVAKIA SPORTS BETTING	DIFFERENCE 2013-2014
Total Amounts Staked	€167.7m	+12.7%
Of which Sports Betting	€158.2m	
Of which commission	€9.4m	
Paid out Prizes	(€128.3m)	
Gross Win from betting	€39.4m	+9.2%
Of which online	€21.5m	+21.4%
Of which retail	€17.9m	-2.5%
Withholding Tax paid	(€9.4m)	
Other Revenues paid	(€1.1m)	
Revenues	€28.7m	+5.9%

LAND-BASED MARKET SHARE

COMPANY	MARKET SHARE	BETTING OUTLETS
Nike	50%	850
Fortuna	30%	404
Doxxbet	9%	
Tipsport	6%	700
Others	5%	

ONLINE MARKET REVENUES

TIPOS SECTOR	REVENUES 2013	WINNINGS 2013
TIPKURZ internet	€29,819,938	€27,610,949
e-Casino internet	€149,224,417	€145,138,074
TIPKURZ SMS	€1,050,549	€903,712

The Slovak betting market is pretty much dominated by two major players – Nike and Fortuna whilst Tipos and Tipsport cover the remainder. Internet gambling regulation has enabled this sector to grow and expand.

Tipos is the national lottery company which is 100 percent state owned and operates under the Gambling Act 2005.

The company was set up in 1992 and proceeds go to the Ministry of Finance. Games include various types of lottery, keno and bingo. It has number and instant lotteries, plus TipKurz which is the betting brand.

Tipkurz was set up in 2005 and covers a whole range of sports from football, hockey, bowls, cricket and badminton. Bets and games can be played via sales outlets (numerical lotteries and scratch cards), internet (numerical lotteries e-Tip, sports bets Tipkurz, e-casino, e-scratch cards, Tipclub and e-bingo) and via SMS (numerical lotteries).

Meanwhile Nike was the first betting company in Slovakia and they entered the market in 1991 opening a branch in Bratislava. Its main activity is fixed odds betting and Nike has a 50 percent market share.

Nike also organises lotteries and the most well known is the scratch card game by Nike which runs via the television show of the same name.

Nike has 850 shops in the country and the company offers betting via SMS and online via nike.sk.

The company produces its weekly Nike Odds List and also prepares its own teletext pages.

The company launched SMS betting in 2001 which operates 24/7 and in 2005 the Nike Club loyalty programme was set up to offer various bonuses.

In 2006 they launched internet betting via nike.sk and in 2008 brought Nike-Races to Slovakia which is an electronic form of horse racing betting where bettors can play on the Nike internet page and at selected branches. Live betting arrived in 2011.

Fortuna has a 30 per cent market share in Slovakia compared to Nike with 50 per cent. They offer online betting, telephone betting, SMS betting and via kiosks. The products include fixed odds betting, live betting, virtual games and numerical games.

Fortuna is a major player in Slovakia and set up here in 2007 when the company launched its online betting. Today the group has some 404 outlets made up of 221 betting outlets and 183 'partner'

Slovakia

Finally Doxx Bet offers bets on various sports via online betting. Doxx Bet entered the betting market in 1994 in Slovakia with betting shops until it was acquired by Tisport. It began online gambling and in 2007. It then set up Doxx Bet.com operating out of Malta and operates online gaming in most East European markets. They also provide the SportBox terminal for locations.

ONLINE

Online betting has been permitted in Slovakia since 2007. Slovak gambling legislation does not regulate the area of online betting but in practice betting licences do contain an authorisation to operate online betting.

In 2011 Slovakia looked to change its laws governing online gaming to stop unlicensed firms.

The plan was to block web servers providing services without a licence. Slovakian firms were not permitted to host sites which meant foreign firms were paying large fees to offer gambling.

Licences are obtained from the Slovak Ministry of Finance. The fee is €3,319 for fix odds and €331,50 for other types.

Back in 2011 Slovakia looked to change its laws governing online gaming to stop unlicensed firms from operating. Their plan was to block web servers providing such services without a licence. Although at the time land based gaming was permitted, Slovakian firms were not permitted to host sites which meant foreign firms were paying large fees to offer gambling.

However this move to block foreign based online gambling sites was blocked by the EU back in 2011 so Slovaks still have access to the main foreign sportsbooks.

In 2007 the Slovakian market became the first place Fortuna Entertainment Group launched online betting via its subsidiary Fortuna SK.

The Fortuna group saw its online gaming revenues rise by nearly one third in 2014. They reported an overall turnover of €672.4m for all its markets with the sports betting sector at €655.7m.

Fortuna's revenues rose by 13.9 percent to €132.6m mainly due to a 31.7 percent increase in online betting revenue to €67m. This was helped by



enhanced live betting offers and live streaming courtesy of a bwin.party feed project. The group operates an online betting and gaming platform under the FortunaWin brand offering a range of products from sports betting to virtual betting to numerical betting, lottery and online casino.

Meanwhile the lottery company Tipos has operated internet sites for the last 10 years and offers TipKurz for wagering on sport and non sporting betting events. The games room is accessible 24/7 and

for online gaming via Tipos players must be registered and create an account. There are several types of internet games via Tipkurz.sk (betting) or e-Casino (casino games) - TipKurz which offers sports and competitions; TipClub, e-casino and internet roulette, multi roulette, blackjack, poker, slots and e-bingo.

In July 2013 the company added a new range of internet games by adding a casino games room. This online games room is under the eTipos banner and divided into individual games rooms. There are currently more than 60 games.

The most favourite game is eRuleta. Revenues for its online sector amounted to €179m with €172m in winnings last year.

Internet bets via TipKurz saw revenues of €29.8m in 2013 and winnings paid out to the tune of €27.6m.

Tipos saw total revenues of €370m last year of which the state lottery accounted for 87.65 percent, Instant lotteries 12.07 percent and betting 0.28 percent. They have 2,440 points of sale and 2,507 terminals located in various places from bars, shops restaurants. Some 8 percent of terminals are found in betting shops.

The virtual rising star

Virtual sports is fast becoming the hottest topic in gaming. Run as 'quick bet' events that are three minutes or less in duration, operators can show back-to-back events on multiple feeds, across any channel, any time of the day. The high frequency of events on offer makes it a natural hit with players in any venue or online, because there's always something to bet on.

Originally aimed at sportsbetting venues and websites, virtual sports were used to augment the live sportsbook offering – acting as a 'filler' in-between live betting events. Our early-adopter customers quickly recognised that virtual sports are popular with a wide spectrum of players and scheduling them continuously generated additional revenue, without cannibalising live sports bets.

Ten years later, lotteries and casino venues without live sportsbooks are also realising the power of rapid draw virtual sports and numbers games. Virtual sports are fun and social, and with the advancements in technology they are also increasingly realistic so players feel like they are watching the real thing.

The results speak for themselves. Virtual sports is now a multi-billion-pound market and the offering is evolving and increasing with demand. Many operators have launched bespoke virtual sports mobile apps, and are in the process of developing or implementing a true omnichannel experience to further personalize the gaming experience.

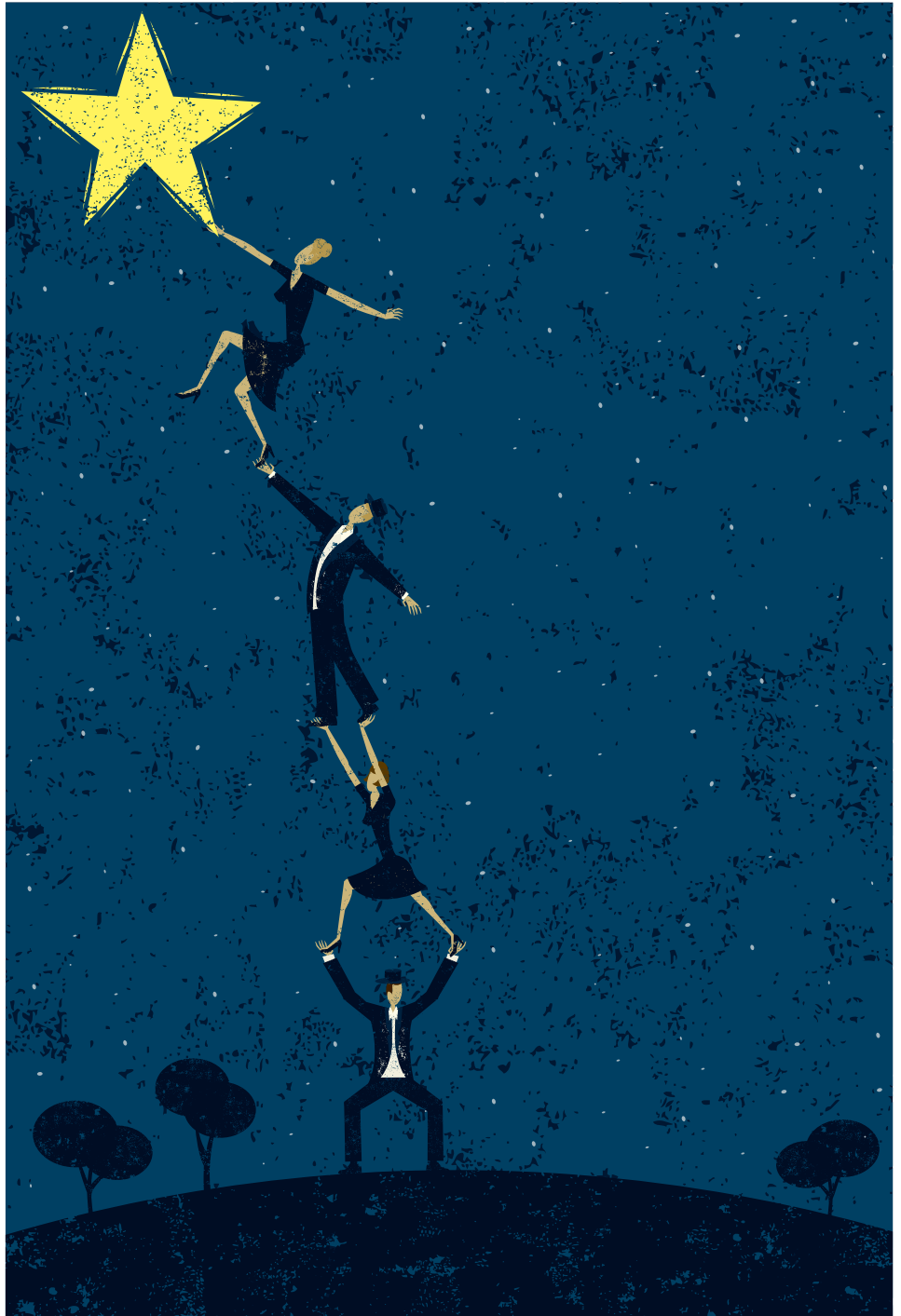
WHERE IT ALL BEGAN

Just 10 years ago you would be forgiven for never having heard of virtual sports. In the early noughties we spotted the opportunity to develop a fixed-odds virtual gaming proposition for UK bookmakers. We acquired a BAFTA award-winning graphics business and, with our experience in the UK gaming sector, we knew that we were uniquely placed to develop a product that bridged technology, entertainment and gaming. Inspired have continued to invest millions over the past decade to create the best virtuals content and software on the market. We have now spent over £1m on motion capture technology which ensures that all of our products continue to look as life-like as possible and, within our Rush Football 2 product, this is now combined with HD graphics – an industry first.

THE MARKET TODAY

Virtual sports are now a proven category of sports wagering, enjoyed by millions of players across the globe. The vast majority of sportsbetting operators, both retail and online, have some form of virtual sport or number game as part of their sportsbook offering.

Inspired now provides virtual events to land-based, online and mobile operators across 50,000 venues



and 300 web and mobile sites, in 35 countries – generating over \$10bn of revenue per year. Our Virtuals are proven to generate around 20%–25% of incremental revenue for a race and sportsbook operators. In advanced markets, such as the UK and Italy, virtual bets are also accounting for an increasing percentage of overall bets – 10% of bets in the UK and 25% of all sports bets in Italy are now on virtual sports.

LESSONS FROM LIVE SPORTS

In many markets, the popularity of particular virtual sports mirrors the popularity of live sports. For example, horses, greyhounds and football are essential sports in many markets. In Italy, football is clearly the key revenue driver for any sportsbook, and Inspired's Rush Football similarly takes the most bets of any virtual sport in Italy.

THE ITALIAN JOB

The power of introducing virtual sports to a market can be clearly demonstrated by the introduction of the product in Italy. From nothing, Inspired supported the development of a \$1.5 billion virtuals market, in less than a year.

It all started in 2009 when Inspired its first contract in Italy and set about discussing the technical and operational standards with ADM which they would publish ultimately in March 2013. In December 2013 Inspired secured approval from the Italian gambling regulator ADM to launch its virtual sports products into the Italian market. The biggest challenge was building a whole new market from a standing start. After all, players must be educated on new products and all countries need tailored solutions and gaming content.

Inspired quickly formed a team in Rome and invested in R&D to learn about the Italian player, to ensure that the content it was considering was relevant and engaging. Impressed by its success in the UK and its considered approach to the Italian market, Inspired signed contracts with all the main

land-based and online operators in Italy, including SNAI, Lottomatica, SISAL, Eurobet, Cogetech, Intralot, Gamenet, Microgame, Sommettendo.it, and Betflag.

Inspired started by offering Italian players a huge range of its market leading virtuals and it also developed Rush Trotting especially for the Italian market after Inspired's product team analyzed the most popular sports for live betting in Italy.

Inspired now supplies over 95% of the Italian virtual sports market. Its products are available to Italian players in over 7,000 betting venues and on all of the main websites. Inspired is now facilitating approximately €85 million a month in bets across the whole of the country. It is also the only provider that supplies virtual sports for mobile, which is a huge area of growth and is driving 30% of the online operators' revenues.

Inspired is still growing its footprint and offering in Italy. So far this year it has signed new virtual contracts with Microgame and Betclie Everest Group, extended contracts with SNAI and Eurobet Italia, and Sisal launched a dedicated mobile app for its Inspired Virtuals called "Virtual Race."

Continuing to keep up with the excitement of live sports can be challenging and plenty of innovation is needed to keep players entertained. It's important that graphically, virtual sports stays ahead of the curve in using the latest motion capture and modeling methods. Our new Rush Football 2 has generated an incredible response on YouTube from players – proving that realism helps to attract new players.

In addition to game graphics, it's crucial to add new formats and features to allow more betting markets and, therefore, more excitement and bigger potential prizes. Accumulator bets and betting on leagues is incredibly popular in live football, hence Inspired's new Matchday product. It gives players the same thrill of watching non-stop matches whilst enabling bets to be placed during the season, all at the high-pace speed of a virtual sport.

DIGITAL GROWTH

Far from reaching saturation, there are huge opportunities within the virtual sports market – namely the growth in mobile and formation of new markets and game types.

One of the key benefits of virtual sports is that they

can bridge the gap between land-based and digital operations. Inspired has been supplying virtual sports content across all platforms for over five years and its customers are finding increased value in deploying Inspired Virtuals on multiple channels. Their players report that they love the simplicity, immediacy and flexibility of Inspired's Virtuals, and the consistency of getting a high quality, premium experience no matter what medium they choose to use.

One of Inspired's online customers reported a 200% increase in stakes since the introduction of virtuals on mobile, and a leading land-based operator reported that its Virtuals revenue doubled after the launch of mobile. This is set to grow even further – mobiles are fast becoming the player's channel of choice. Mobile is especially important in emerging markets, as it enables operators to leapfrog old technology.

Such is the popularity of mobile that many operators have launched bespoke virtual sports mobile apps using Inspired content. Players can use the app to bet on a range of virtual sports, with events starting all the time. They also use the app to check the results of all virtual sports, review the

Many governments are considering, or in the process of, establishing regulations to enable virtual sports in their countries – even where there is no live sportsbetting market. It's a win-win for players and governments alike – the products are entertaining, social and low stake/high frequency

event schedules, and withdraw winnings. As we look ahead it's probable that many more operators will be looking to launch mobile-first games and apps, and to further improve their omnichannel gaming experience.

NEW MARKETS

Another key trend is the formation of new markets. As virtual sports are established and proven in the online and mobile space in Europe, particularly with major bookmakers and lotteries, it makes them very attractive to new emerging markets. Many governments are considering, or in the process of, establishing regulations to enable virtual sports in their countries – even where there is no live sportsbetting market. It's a win-win for players and governments alike – the products are entertaining, social and low stake/high frequency, and governments can generate increased tax revenues to use for the common good of the country.

Inspired anticipates a popular take-up of virtual sports across retail, online and mobile channels as new markets open up, especially in Africa, AsiaPac and Latin America.

With new channels, technology and markets in the offing, it is no wonder that virtual sports are the safe bet for operators. We are proud of the role Inspired has, and continues to have, in this growing market – we look forward to shaking it up with many more innovations to come.



Steve Rogers,
SVP Digital Games,
Inspired

Poland



Poland spent much of the latter half of the 20th century under Soviet control. When the communist government was overthrown in 1989 Poland began to change.

Up until this point the gambling sector grew largely unregulated with minor laws introduced in 1992. During this time thousands of betting shops opened throughout the country and sports betting became a hugely popular event.

Sports betting in Poland today is mainly dominated by four of the largest bookmakers – Totolek, Fortuna, STS and Millennium – which between them operate over 1,000 retail outlets. There are in

total nine betting companies which between them operate 2,731 shops.

Sports betting is about seven percent of the total gaming market in Poland in terms of revenues with a PLN879.3m share of the PLN12.5bn total gaming revenues in 2013.

The Polish government relies on the gambling trade for its economy and Poland has a unique tax system which is basically 10 percent tax on all turnover made by the industry plus a secondary 10 percent tax levied on winnings.

Despite this deduction for players betting remains

a popular activity. Sports book wagering generates the majority of the turnover in Poland compared to the casino and gaming sectors.

In 2009 the market began to change and a year later the Gaming Act 2010 was introduced and the market stumbled and revenues fell considerably. In 2011 amendments were added mainly targeted at the casinos and online operators.

The Gaming Law 2010 is managed by the Ministry of Finance and this includes the following points:

- Permits for betting on sports competitions, totalisator systems, bookmaking services are

Report

SPORTS BETTING - PART 3

POLAND SPORTS BETTING

NO. OF BETTING SHOPS:

2,731

NON REMOTE OPERATORS:

4 MAIN OPERATORS

GGR:

PLN879.3M

HORSE TRACKS:

3

ONLINE MARKET:

2012

REMOTE BETTING GGR:

PLN4.9BN (ESTIMATION)

REMOTE LICENCES:

4

LICENSING:

MINISTRY OF FINANCE

Fortuna currently has 402 betting shops and 104 partner shops (total 506). Players can bet via efortuna.pl. Total amounts staked in 2014 amounted to €87.6m with €19.3m in revenues. Poland accounted for 13 per cent of total amount staked in 2014 for the Fortuna group.

previous year. In 2011 the base amount was PLN3,394 making the permission fee PLN67,892 and around PLN1,697 for each betting outlet.

- Each betting company must pay collateral based on the number of betting outlets. So for example if the base amount is PLN40,000 the amount of collateral for 40 betting outlets is six times the base amount plus increase by one base amount for each further 10 betting outlets. This collateral is in the form of a bank guarantee for example.
- Taxes for betting is two percent for horse and dog racing and 12 percent on total stakes for all other types of betting.

The main four operating companies include:

STS - Star Typ Sports is Poland's largest bookmaker and was founded in 1997 and today has 460 betting shops throughout the country. Each

week they serve around 800,000 players. The produce the Magazine STS which contains a list of 1,500 different sporting events players can bet on.

In March 2008 Stanley Bet acquired two thirds of the shares of Star Typ Sports. At the time STS had 400 betting shops and the idea was to increase this number and enhance the services offered by STS.

FORTUNA began operating in Poland in 2012 after it launched a fixed odds service which followed on as an extension of services they already offered in Czech and Slovakia. They currently have 402 betting shops and 104 partner shops (total 506). Players can bet via efortuna.pl. Total amounts staked in 2014 amounted to €87.6m with €19.3m in revenues. Poland accounted for 13 percent of total amount staked in 2014 for the Fortuna group.

TOTOLOTEK has been operating sports betting in Poland since 1992 and has around 400 sales points

issued for six years.

- For operators of betting points they should be a joint stock company or limited liability company with an initial capital of PLN2bn.
- A security deposit is required of PLN40,000 for betting points.
- The fee for operating a betting permit is two percent of the base amount and an additional 50 percent of the base amount for each betting outlet. The base amount is the total average monthly gross wage and salary excluding payments from profit in the second quarter of the

FORTUNA GROUP

FORTUNA	POLAND SPORTS BETTING	DIFFERENCE 2013-2014
Total Amounts Staked	€87.6m	+18.1%
Paid out Prizes		
Gross Win from betting	€30.4m	+16.6%
Of which online	€8.8m	+36.9%
Of which retail	€21.6m	+10%
Withholding Tax paid	(€10.5m)	
Other Revenues paid	(0.5m)	
Revenues	€19.3m	+15.5%

BREAKDOWN OF SPORTS BETTING ONLINE

COMPANY	OUTLETS	MARKET SHARE
STS	460	29%
FORTUNA	506	29%
MILLENNIUM	120 (estimate)	10%
TOTOLOTEK	400	27%
Others		5%
TOTAL	2,731	

Poland

all over the country. In 2013 the company received a licence to operate online betting. In 2005 Totolotek was acquired by Intralot.

The company offers sports betting Toto Mix and Toto Racing, Football betting Toto Liga and Toto Gol and horse betting via Toto Lotek.

Toto Mix is the main product whilst Toto Liga offers 13 football games in three sets – the Polish League, English League and Other Leagues. Toto Gol is six football games offered in two sets.

Toto Lotek is horse race betting with bets accepted on races at the Polish race track and races in Sweden. Toto Racing is dog/greyhound racing and is the latest product offered by the company and released in February 2013.

The other large bookmaker include MILLENNIUM which was founded in 2001 and E-Toto has been in operation since 2011 and provides bookmaking services. Meanwhile the Polish Jockey Club was established in 2001 and is regulated by the Act on Horse Races.

ONLINE

Until 2012 online gambling in Poland was illegal. This didn't stop the Polish betting online via foreign companies and there were at the time no internet restrictions to stop Polish from entering foreign betting websites.

The Polish government were worried about the increasing threat of social problems and gambling addiction and in May 2011 an amendment was added to the Gaming Act 2010. This basically banned online operations for locally licensed companies and then essentially re-introduced it through state regulated sites and online sportsbooks were legalised.

This saw the market after its slump in 2010 recover despite the fact the government maintained a high 12 per cent holding tax on betting activities.

Three main companies offer online betting – Totolek, STS and Fortuna (37 percent market share) whilst others such as Betako and Millennium also offer smaller operations. Although the government does try and block foreign based sportsbooks it is said the unregulated online market is five times bigger than the regulated market.

Fortuna received its Polish online licence in 2012 followed by STS and Millennium and Totolotek in 2013. The Polish market at first saw a slow take up of licences mainly due to the high taxes and charges imposed by Poland.

Due to the high taxes operators offered poor odds and as such sports bettors looked to international sites which in turn led to the government blocking



MARKET BREAKDOWN

SECTOR	NUMBER OF LICENCES 2013	NUMBER OF CENTRES 2013	REVENUES 2013
CASINO	51	51	PLN2.5bn
BINGO HALLS	0	0	-
BETTING SHOPS	33	2,731	PLN879.3m
INTERNET GAMING	4	-	PLN4.9bn (estimate)
GAMING HALLS	101	101	PLN2.0bn

payments to certain sites and ISP blocking others. Some online companies pulled out of Poland and the market suffered.

However it hasn't stopped the gamblers. In February 2014 it was said the Polish online gambling market was estimated to be worth €4.9bn with Polish operators accounting for nine percent of this.

The EU put pressure on Poland to free up its online market and an amendment to the 2013 Gambling Act was added which allowed transactions from all

European licensed payment processors including e-wallets. This gave Polish bettors an easier and quicker option to fund their accounts using licensed sites.

The two largest foreign operators in Poland are Bet365 and Bet-at-Home which have 50 percent of the market between them. The market is divided between Bet365 (35 percent), Bet-at-home (23 percent), Bwin (5 percent), Fortuna (4 percent), STS (three percent) and Millennium (two percent) whilst William Hill, Betclix, Unibet, Sportingbet and Expekt have three percent each.

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MACAU (YAT YUEN) CANIGRAME COMPANY LIMITED

macaogamingshow.com



Hungary

Hungary has a fairly closed and monopolistic market. There are currently three casinos and no gaming halls after being prohibited in 2012.

There is one state gaming operator who governs the lottery and betting sector, one horse race betting operators and 19 card room operators.

Sports betting is however big in Hungary. Pari-mutuel betting on horse racing has been around since the 1880s when bettors could purchase tickets in tobacco shops and lottery offices. There is one horse racing track, Kincsem Park, in the country located in Budapest and there is only one horse racing operator, Magyar Loversenyfogadast Szervezo Kft

Up until the collapse of communism the underground market was where most betting activity took place until the Gambling Act of 1991 was introduced.

This legalised all forms of gambling including sports betting, it did however give this operation to Szerencsejatek which was set up to help raise revenues for federal projects.

Today this company offers several lotto games, number game, keno, scratch cards and sports betting via its 300 direct betting outlets and 4,000 points of sale.

Szerencsejatek operates seven number draw games and three types of sports bets – Toto Pools, Tippmix (discontinued with launch of TippmixPro) and Goal Toto. The company has a 50 per cent share of the Hungarian gambling market and two thirds of the population apparently are regular customers.

Tippmix was launched in 1997 which was the first bookmaker type bet. It offers Totalisator games and fixed odds betting.

At the end of 2013 the company had 278 outlets plus a further 177 charity counters for lottery and scratchcards and 4,000 points of sale. Total revenues for the company amounted to HUF243.3m. Toto turnover reached HUF2.4bn, a 16.3 percent increase on the previous year. Goal Toto saw revenues of HUF90m.

In 2013 a gambling law was brought in under pressure from the EU with opened the market for new players in the sports betting market. Initially the law was to focus on online gambling but it did open up the market to other companies.

So now, up to two licences for horse racing and greyhound racing could be awarded to bookmakers plus another two licences for fixed odds sports betting could also be awarded.



ONLINE

Online gambling in Poland was permitted in January 2012 with online horse race betting and online card games and finally online sports betting.

Until June 2013 the Szerencsejatek had a monopoly on online sports betting with the exception of horse and dog racing. Since 1998 their games were available online and since 2002 Hungarians can also place bets via SMS.

In May 2013 the company launched Tippmixpro, an online sportsbook which is currently the only site domestic players can legally wager on sports and since 2013 Szerencsejatek has been able to participate in international gambling.

The gambling sector is overseen by the Central Office Gaming Supervision (SZEF) and the licensed betting games currently permitted in Hungary are:

TippMix; TippMixPro; Toto and Goltoto all operated by Szerencsejatek and Horse Racing operation by Hungarian Horse Race Betting Organiser (Magyar Loversenyfogadast Szervezo)

Turnover for the betting sector was 30 percent of Szerencsejatek's total turnover with 743 games. The weekly revenue of Tippmix of this particular game is around HUF1.5bn which beats revenues taken by the five number draw lottery.

Tippmax is exclusively available on the internet and saw a turnover of HUF359m (total turnover for group was HUF64.9bn) before it was discontinued in June last year. The new TippmixPro saw revenues of HUF5.5bn in its first year.

Gergely Koppany, Head of Interactive Games Department at Szerencsejatek said: "TippmixPro burst into the Hungarian sports betting market

Report

SPORTS BETTING - PART 3

HUNGARY SPORTS BETTING

NO. OF BETTING SHOPS:

4,382 (INCLUDING TERMINALS)

NON REMOTE OPERATORS:

SZERENCSEJATEK

GGR:

HUF73,226M (SZERENCSEJATEK)

HORSE TRACKS:

1

ONLINE MARKET:

2013

REMOTE LICENCES:

SZERENCSEJATEK

LICENSING:

**CENTRAL OFFICE GAMING
SUPERVISION**

There are currently 70 blocked sites listed by the SZEJ. Bet-at-Home, Betclac and Sportingbet were the first to be blacklisted, joined in 2014 by Bwin.party, Bet365 and Ladbrokes. Other blocked sites include Unibet, Digibet, Pokerstars and Betvictor

When Hungary joined the EU in 2004 UK operator Sportingbet tried to launch a Hungarian language website and the Hungarian watchdog took action and fined Sportingbet.

When the 2013 law changed it did permit foreign sportsbooks to enter the market but thanks to very expensive licences none as yet have entered. Licences are HUF200m (\$440,000) renewable after five years.

Operators are also liable to a 20 percent tax on GGR plus a quarterly supervisory fee equal to 2.25 percent of the sum.

No other operators currently operate here although many still provide websites in Hungarian. There have been attempts to block ISPs and Hungarian don't have much choice in terms of online sports betting. Hungarian banks are also not allowed to process payments to online sportsbooks.

It is stated any company found operating illegal website in Hungary will see an enforcement for both the operator and player under the domestic courts.

There are currently around 70 blocked sites listed by the SZEJ. Bet-at-Home, Betclac and Sportingbet were the first to be blacklisted joined in 2014 by Bwin.party, Bet365 and Ladbrokes. Other blocked sites include Unibet, Digibet, Pokerstars and Betvictor



COMPARISON OF SZERENCSEJATEK REVENUES PER GAME

TYPE OF GAME	REVENUES 2012	REVENUES 2013
Quick Games	HUF13,331m	HUF17,469m
Scratch Cards	HUF34,992m	HUF47,697m
Betting	HUF54,394m	HUF73,226m
Number Draw Games	HUF110,074m	HUF104,951m

following an exceedingly complex business and IT development process. Although our company had offered online betting solutions before, TippmixPro was our real answer to our unlicensed online competitors.

"At present this is the only licensed monitored and secure online betting site, underpinned by the guarantee of Szerencsejatek. Quality betting options, payment methods and a Hungarian language customer service with extremely fast response times is at the disposal of bettors.

"TippmixPro serves Hungarian bettors aimed at meeting the expectations of the domestic market. Bringing the site into being also created new jobs in Hungary, the profits generated by TippmixPro are utilised at home, contributing to social expenditure instead of increasing the profits of a foreign organiser."

Currently only Szerencsejatek is authorised to operate online gaming. Fixed odds betting is permitted whilst card games are enabled although casino gaming is not permitted.



NOVOMATIC GOES 'LIVE' AT G2E IN LAS VEGAS

With a new two level booth (#2656), new attractions and the appearance of a live gaming display that will be supported by a live DJ, NOVOMATIC is all set to bring a live gaming entertainment experience to the forthcoming G2E show in Las Vegas (September 29th – October 1st). It is going to be unmissable!

NOVOMATIC has established itself as a rising force in the US gaming supply chain and, as such, has risen to the challenge of bringing to market product lines that provide operators and their customers with attractions that are packed with gaming entertainment.

At G2E, Austrian Gaming Industries (AGI) and the numerous Group subsidiary companies - including of

course the recently expanded NOVOMATIC AMERICAS team - will come together to 'go live' and excite the many business partners, customers and guests attending. With recent key advances in both product approvals and licensing, the NOVOMATIC AMERICAS team fully expect to be inundated with enquiries from US operators as word of the arrival of NOVOMATIC on the US scene has spread rapidly.

NOVOMATIC AMERICAS has, since the company's foundation in 2012, placed a clear emphasis on the Native American and VGT markets along with main stream casinos as it works to achieve the long held Group ambition of becoming a major supplier to US gaming markets. The progress to date of this initiative has been clearly demonstrated by the successful development of market specific products such as the Action-Gaminator machine and its innovative multi-game mix or the new Magic Games Premium HD multi-games for the Video Gaming Terminal (VGT) market in the company's home State of Illinois.

As always, G2E in Las Vegas will also prove to be a magnet for visitors from Latin American countries and, in order to cater completely for these welcome arrivals representatives of the NOVOMATIC subsidiary companies in Peru, Argentina, Colombia, Mexico, Panama as well as Honduras, Guatemala and Costa Rica will be on hand and ready to present their product portfolios and answer all enquiries.

Set on split levels of the booth the NOVO LINE Novo Unity II upper level display will feature three live dealers - operating Novo TouchBet Live-Baccarat, Novo TouchBet Live-Black Jack and Novo TouchBet Live-Roulette. 10 slant top terminals will seat the players in comfort while a live DJ will mix and play music to suit the mood. Additionally, all the live action will be prominently displayed on no less than 18 video screens set in front of the dealers and thus offering





Preview

G2E VEGAS 2015

INNOVATION AT G2E LAS VEGAS

Having created a dedicated US operation and recently appointed a VP of Sales and Business Development, Innovative Technology is ahead to G2E

Rebecca White, Innovative Technology Americas said, "I am very excited to be a part of Innovative Technology's expansion into the North American market, and especially delighted about the extensive range of exciting and cost-conscious products that we have to offer into various segments of the US market."

Innovative Technology will be at G2E next month, booth 4160 where highlights on the stand will include Innovative's popular SMART range (innovative bill recyclers, coin recyclers and ticketing solutions) and a new TEBS unit (Tamper Evident Bag System).

The TEBS system utilises the flagship NV200 bill acceptor head and features a unique barcode on each cashbag for full audit traceability; eliminating

shrinkage and accounting errors. The high capacity device maximizes cash handling efficiency, ensuring higher profits for the operator.

Also featured on the stand will be the next generation of bill validation and recycling, in the form of the NV9 USB+ and NV11+ alongside a number of ticketing solutions for the gaming market. Innovative Technology have created a SMART Ticket which combines a bill validator and ticket printer in one revolutionary design. The SMART Ticket has the ability to both accept and dispense tickets as well as retaining the full cash handling functions of the popular NV200 bill validator. The product has been designed to maximize cash efficiency, and will dramatically reduce operator collection costs, eliminating the need for a coin hopper and maximizing machine uptime.

Rebecca continued, "Exhibiting at G2E this year will allow us to connect with our customers and showcase our broad gaming product portfolio. I am really looking forward to the show."

booth visitors a panoramic view of the games in play. NOVO LINE Novo Unity II also provides guests with the possibility to play multiple thrilling slot games, directly at their seats.

The Magic Joker Jackpot will be presented in the Dominator cabinet while the new Book of Ra- Jackpot, that takes its name from the sensational NOVOMATIC hit game, will appear with the ever popular Super-V+ Gaminator III.

The Dominator Curve will feature prominently at G2E and will naturally be an attraction in its own right as it is now being launched for use in the US markets where NOVOMATIC AMERICAS is licensed and where the necessary final product approvals are pending.

As a significant technology evolution of the original Dominator, the Dominator Curve takes up its twin brother's successful concept and enhances its attractiveness with its own unique feature: the upright 40" full HD touchscreen that ideally places the player position exactly at the focal point of the curved screen and thus guarantees maximum impact gaming with sophisticated graphics and sound.

In terms of gaming entertainment the NOVOSTAR V.I.P. slant top is already a huge star on gaming floors around the world and this high end gaming experience will feature prominently in Las Vegas. With its Crown V.I.P. chair, huge 50" LCD top screen, armrest-located additional Start/Take win & bet setting buttons, plus sound volume control and the FLIPSCREEN feature the machine represents gaming in a truly grand style.



Also, the Panther Roulette II will be on show in Las Vegas presenting the unique Pinball-Roulette experience where the guest is not just the player but also the 'dealer' thanks to the Pinball launch system. Additionally Panther Roulette II gives the possibility for guests to switch between the main Roulette game and a choice of 23 HD slot games, all at the same machine.

Group subsidiary Octavian's product presentation at G2E will showcase the company's internationally established products such as the ACP Casino Management System (Accounting – Control – Progressives), the latest jackpot developments and a selection of new Octo-Games.

Presenting NOVOMATIC's 'third pillar' of innovation

and activity – the online gaming segment – the NOVOMATIC Interactive area of the G2E booth will be packed with the latest innovations and developments for this currently fastest growing segment of the international gaming industry. The NOVOMATIC Interactive Group of companies now under the Greentube aegis is a leading provider and operator of online, mobile and social gaming services in only markets with a clearly defined legal framework in Europe, the U.S. and Australasia.

Another important presentation will be that of NOVOMATIC Lottery Solutions (NLS), a sector in which the Group has made huge strides. Key members of the NLS team will be on hand in Las Vegas to present and discuss the latest developments and innovations.

Since 1991, under the brand name ADMIRAL, sportsbetting has been an integral and important sector of the NOVOMATIC Group. At G2E in Las Vegas NOVOMATIC Sports Betting Solutions will proudly present the company's market specific products, such as systems, cabinets and Cash Desk for international markets.

So, as can clearly be seen, NOVOMATIC will be a major force at the upcoming G2E show in Las Vegas, bringing its own multi-faceted 'world of gaming' and gaming entertainment 'live' to the most important, in US terms, and significantly one of the world's foremost gaming events. NOVOMATIC looks forward to welcoming business partners, customers and guests to what are sure to be three memorable show days in the city still regarded as the 'world capital of gaming'.



IGT'S EMPHASIS ON MEANINGFUL INNOVATION SHINES

At G2E 2015, IGT will present a comprehensive portfolio of gaming products and services across all channels, including premium content, core titles, hardware innovations, systems technologies and interactive solutions.

A marquee product in IGT's booth pairs the most successful slot theme of all time with the most unique video slots technology of the last several years to form the ultimate Winning Combination – Wheel of Fortune® Double Diamond® 3D. Housed on the AXIS™ 3D/39 cabinet and featuring IGT's award-winning TRUE 3D™ technology, this must-see title boasts glasses-free 3D gaming entertainment, the classic Double Diamond symbol set and the timeless "WHEEL - OF- FORTUNE!" celebration that players around the world have grown to love. The Company will also feature Return of the Sphinx 3D™, a new iteration of the long-tenured original spinning reel hit game, Return of the Sphinx. Additional titles to look for in IGT's expanded TRUE 3D portfolio include Reef of Riches™ 3D, Grit, Guns & Gold™ 3D and PLANTS vs ZOMBIES™ 3D Ancient Egypt.

IGT will further expand its legendary Wheel of Fortune portfolio by introducing several new themes to the famed game family. An anticipated title is Wheel of Fortune Gold Spins™ Double Diamond®. Based on one of the most famous slot themes of all time, Double Diamond, and housed on the new CrystalWheel Stepper hardware, this game is a must-see. Wheel of Fortune New Orleans is another much-anticipated video slot title that invites players to enjoy Mardi Gras-inspired game play and vie for the game's five progressive jackpots.

IGT will continue the Company's tradition of bringing

pop culture's most touted licensed brands to the G2E trade show floor. This year, IGT partnered with the number one brand in entertainment news to create TMZ Video Slots. This interactive theme will introduce never-before-seen gaming technology, putting players in the middle of one of TV's most famous newsrooms and on tour to several hot Hollywood celebrity hangouts. IGT will also introduce a new spin to one of Netflix's most watched series, with House of Cards Power and Money™ Video Slots and House of Cards Welcome to Washington™ Video Slots. Other new exciting licensed themes from IGT include two Orange is the New Black™ video slot themes, The Ellen DeGeneres Show™ Have a Little Fun Today video slots game, additions to the Jurassic Park™ video slots family and a fourth game to the James Cameron's Avatar™ video slots series, James Cameron's Avatar™ The Sacred Bond video slots.

Following the S3000® cabinet's exceptional first year in the field, IGT is ready take the hardware's entertainment possibilities even further. IGT will introduce Spin-Ferno®, a turnkey tournament solution that is fueled by IGT's Tournament Manager 5.0 and enables operators to efficiently host multi-site slot tournaments on banks of S3000 cabinets. The initial list of S3000 titles compatible with Spin-Ferno include Hotsy Totsy®, Red Hot Diamonds®, Fire Bells® and Red Hot Lil' Devil – all themes that casino patrons can also enjoy in coin-in mode outside of the tournament environment. G2E attendees can look

forward to the introduction of even more exciting content for the S3000 cabinet with the five-level progressive, Mucho Dinero®, the new Hot Hits Series™ that incorporates "Hot Hit" symbols as triggers for winning any of the game's nine-level progressives and 3 Play/Wild Respin, an innovative game concept that allows players to spin virtual wheels in the game's top box.

IGT's emphasis on meaningful innovation shines through the Company's for-sale video slot portfolio. Never-before-seen play mechanics, unique reel configurations, new math, and compelling themes are just a few characteristics that make IGT's new video slot games stand apart. IGT will introduce an array of games for the CrystalDual cabinet, the globally relevant hardware solution that continues to perform well since its February launch. New titles for the CrystalDual cabinet include: Da Vinci Diamonds DualPlay, inspired by IGT's highly successful Interactive title by the same name, the Mammoth Reels game series, which lives up to its name and gives players 200 paylines of action on a 4 x 4 and a 12 x 4 matrix and Gold in Motion™, an engaging game that allows players to place a side wager to create gold symbols that can trigger a variety of bonuses in both the base and bonus games. IGT will also add Bubble Craze™ to the Company's for-sale product line up. Bubble Craze boasts a unique look, featuring colorful bubbles to make up the game's 19 independent "reels."

IGT will debut SyncSation, a unique tool that enables operators to deploy choreographed light and sounds shows across multiple cabinets including the S3000, CrystalCore® and CrystalDual™ hardware. With the addition of SyncSation operators can create attention-

grabbing light and sound spectacles on their casino floors, ranging from mild to sensational.

Video poker remains a cornerstone of IGT's success and at G2E the Company will extend its video poker leadership even further with the introduction of Ultimate X Poker Tournament Game. Fueled by Tournament Manager 4.0, Ultimate X Poker Tournament Game enables operators to host spirited tournament games on the most successful video poker title of the last decade. Spin-Ferno will be complimented by Ultimate X Poker Tournament Game in IGT's dedicated in-booth tournament arena, where the Company will lead dynamic demonstrations of products under IGT's premium tournament technology line, TournXtreme.

Class II games, public gaming video lottery terminals, and live and Electronic Table Games (ETGs) from LT Game (a subsidiary of Paradise Entertainment) will also all have dedicated areas in IGT's booth.

IGT will showcase its Interactive HTML5 leadership with a diverse content portfolio that can meet a gaming operator's needs for desktop and mobile gaming. In addition to the new online Poker, Casino, Sports Betting and Bingo platforms the Company will demonstrate OnPremise™, an integrated mobile technology solution that modernizes gaming experiences and enables players to wager via a single mobile app anytime within set boundaries at a Casino or Lottery retailer. IGT will also spotlight the Company's Play-for-Fun solution that allows casinos to build local player affinity, monetize them with virtual currency and position for the expansion of the Real Money Gaming segment. Following a wildly popular launch with the Company's customers in Europe, IGT will spotlight two Interactive MegaJackpots® titles at G2E: MegaJackpots Cleopatra® and MegaJackpots Siberian Storm®. These multi-game, multi-channel progressives link play on desktop and mobile devices to a single progressive jackpot.

Rounding out the Company's compelling G2E presentation, IGT will demonstrate its state-of-the-art systems solutions and applications that enable casinos to operate efficiently, drive ROI and offer personalized player experiences. IGT will emphasize its new HTML5 support capabilities and several of the Company's systems solutions including Floor Manager and Service Window. IGT will spotlight the Company's Advantage® systems and its ability to integrate with IGT's DoubleDown® Casino to drive reach, player retention and revenue. Other standout systems solutions from IGT include mobile solutions such as Mobile Host and Mobile Responder, and a suite of Intelligent Bonuses including Point Pursuit™ and Intelligent Rewards.

For more information on IGT and the Company's G2E products visit igt.com or gtech.com.



GPI LEADS INTO G2E WITH THE LATEST INNOVATIVE PRODUCTS

Gaming Partners International will be bringing its industry-leading portfolio of casino currency and table game products offerings to this month's Global Gaming Expo being held at the Sands Expo Centre in Las Vegas

GPI leads the industry in offering the latest innovations in gaming currency and gaming currency security features. Our Paulson, Bud Jones and B&G currency product lines offer an unparalleled array of design and security feature options.

We are excited to showcase the latest addition to our Paulson chip line with the introduction of our new Paulson Premium chips. Our Paulson Premium chip combines our traditional Paulson chip with the same décor materials used in our high-end European-style plaques and jetons. A specially selected and complementary ring of décor is added to the outer chip ring. The result is a stunning and unique piece of currency that is both aesthetically pleasing and difficult to counterfeit.

Under our B&G brand, we will also be highlighting our brand new line of plastic injection molded chips. Our new V-Series chips were developed using an innovative and exclusive, highly durable injection material formula. With the large amount of handling of casino currency by dealers and players alike, we have also included ChipShield, an anti-fungal, helps keep the gaming chips cleaner, longer for a more sanitary chip surface. Our V-Series chips were designed to offer a whole new range of versatile edge spot patterns that can be created with

a choice between two different size decals. For customers who order the V-Series with four or more color shots, the chips come standard with an infra-red security feature exclusive to GPI.

GPI has the most extensive suite of currency security features available in the industry. Customers can see demonstrations of some of our newer offerings including 3-in-1 UV and SecuriFilm. Our 3-in-1 UV is a security taggant that remains invisible under standard UV wavelengths but revealed with a special device. Because it can be added to plastic injection-molded chip materials, it is easy to validate chips when placed in stacks or racks. SecuriFilm is used on a chip's decal and features a semi-transparent hologram-like effect.

SecuriFilm can be easily authenticated at the table and includes an additional covert security feature enabling a higher level of validation.

Customers will be able to see firsthand demonstrations of our new exclusive SMART RFID offerings. SMART offers the latest advancement in casino currency RFID technology and when used with our Chip Inventory System (CIS) software, SMART delivers a complete currency tracking and authentication solution. GPI offers all the necessary components from SMART RFID currency, both antennas and readers.

Visitors can expect a full demonstration of our complete line of table game products and accessories required for a live game. Our casino quality Gemaco brand playing cards and wide range of layout material options will be on display as well as examples of our custom gaming furniture.

KONAMI SET TO BRING THE BIG GUNS

Konami Gaming is slated to present high-profile product announcements for international markets at G2E Las Vegas 2015

This year more than 25,000 gaming professionals and executives from across the world will discover Konami's latest international game releases including: DUNGEONS & DRAGONS premium video slots, two new Rapid Revolver themes, original KP3 base games and progressives, and SYNKROS updates such as Player On-demand Multigame Tournaments, SYNKROS Progressive Management, and SYNKiosk. Konami booth 1154 will occupy a central presence during G2E 2015 with these and more leading products that will shape the coming months and years.

Konami Gaming, Inc.'s new DUNGEONS & DRAGONS video slots mark the series' international launch with two rich fantasy themes: Enchanted Riches and Conquests & Treasures. DUNGEONS & DRAGONS offers a variety of merchandizing options, including logoed premium chairs, themed bezel complete 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.

ENCHANTED RICHES

Enchanted Riches is a 5-reel game headlined by a majestic sun elf character. Any three or more DUNGEONS & DRAGONS symbols trigger the Dungeon Master Feature, where players have the chance to spin an extra-tall prize wheel for a chance at free games or a progressive jackpot. In addition, during the free games, players have the chance to unlock additional reel sets in the upper top box for more potential wins as new D&D characters join their party.

CONQUESTS & TREASURES

Conquests & Treasures is Konami's compliment debut release theme to Enchanted Riches. During the game's DUNGEONS & DRAGONS progressive feature, players have the chance to match sets of 12-sided colored die to determine one of four jackpot awards in a pick 'em style bonus experience. As with Enchanted Riches, Conquests & Treasures includes obscured

RAPID REVOLVER, PROPHETESS OF FORTUNE

Action Stacked Symbols throughout primary play and the free game feature. Konami's Rapid Revolver video-mechanical hybrid machine is quickly becoming a tour de force at casinos across the globe and a must-have



for operators. In lieu of the upper LCD screen, Rapid Revolver takes a unique spin on classic mechanical reels by mounting six stacked and vertically-mounted drums on its oversized top box, surrounded by synchronized high-impact sound and lighting. Designed to stand out on a casino floor and grab the attention of casino guests, it presents two distinct gaming concepts fused into one by combining traditional video reel on the lower screen with spinning reels up top. In addition to debut themes Rising Fire Dragon and Northern Treasure, Konami will introduce an all-new custom game called Prophetess of Fortune, as well as a beautifully-designed standalone progressive that can be combined with most any KP3 base game on the lower screen.

PROPHETESS OF FORTUNE

Guests at this year's G2E will be among the first to see and explore Konami's newest Rapid Revolver game: Prophetess of Fortune. Similar to previous releases Rising Dragon and Northern Treasure, Prophetess of Fortune uses the lighted upper drums for high-entertainment and effect in the bonus feature but adds a new multiplier mechanic that boosts wins up to 100x. It also includes a free game feature and a mystery trigger 2-level standalone progressive.

LUCKY STICKS (SAP)

Lucky Sticks is Konami's first standalone progressive game for Rapid Revolver that can be combined with most any KP3 base game on the lower screen, such as Riches with Daikoku, Lotus Land, and China Shores. It's a mystery trigger bonus that transports the player to an animated fortune telling game reminiscent of the Chinese Kau Cim, whereby engraved sticks are selected from a tall bucket to reveal hidden oracles. Lower video reels activate the upper mechanical drums and assign random multipliers.

Konami's classic Podium cabinet, in upright and slant design, continues to delight and entertain casino audiences worldwide with exciting new game series and a continuous library of fresh themes and progressives. Recognized for reliability and

performance, Podium is a favorite among players and operators alike. At this year's G2E, Konami will showcase its versatility and originality of fresh content, game art, bonus features, and powerful math, with new series releases including Xtra Reward, REELEVEL, ROKU REELS, and more. In addition, new progressive games offer all-new thrills and excitement to further diversify player experience and property offerings.

OPERA BEAUTY

Full-reel wilds take center stage in Konami's new Opera Beauty 5-reel game. Any 3, 4, or 5 scatter symbols trigger 6, 12, or 20 free games respectively. During the free games, wild Lady symbols nudge to fill the entire reel for reels 2 and 5, and randomly assign 3x, 5x, and 10x multipliers. When multipliers are assigned to both reels, multiplier amounts can either be added or multiplied for potentials wins up to 100x. The combination of creative interaction and art makes for a lasting play experience that players won't soon forget.

DRAGON'S GLORY

Another new UltraReels title is Dragon's Glory. This game provides 5 different volatility options in the free games, with higher random multipliers assigned to the volatility options with a fewer number of free games. For each free game spin, the selected multiplier is awarded to all winning combinations. In addition, Dragon's Glory is supported by rich line pay awards throughout.

HERDS OF WINS

Herds of Wins continues to attract industry-wide attention for its eye-catching stampeding feature, in which reel symbols lay back and begin charging toward the player in a unique animation sequence akin to a racing herd of animals. The symbols eventually slow and the resulting formations are brought back to a 3-3-3-3-3 symbol layout for traditional line awards. This original math new release includes hallmark Konami game mechanics such as Action Stacked Symbols and Xtra Reward.

HEBER LAUNCHES XTOUCH: A NEW THROUGH-GLASS TOUCH BUTTON FOR GAMING CONTROLLERS

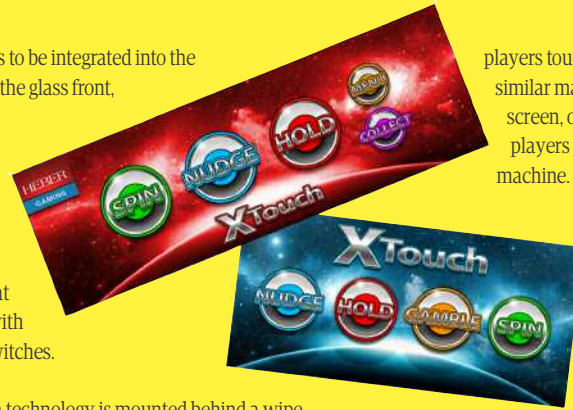
At the G2E show in Las Vegas, Heber will be demonstrating its new XTouch technology for gaming machines.

At this year's G2E show in Las Vegas, Heber will be demonstrating its new XTouch technology for gaming machines. Heber has created the XTouch technology to produce a range of new through-glass touch buttons, made to custom specification, that replace the traditional "spin", "nudge", "hold" and any other mechanical switches on game machines.

XTouch offers game developers and manufacturers the ability to provide improved game play and player interaction. In machines that are glass fronted, the XTouch technology can be used to seamlessly replace mechanical switches obviating the need to drill holes in the glass. This allows the

switch icons to be integrated into the artwork on the glass front, rather than breaking up and detracting from the themed graphics that can occur with standard switches.

The XTouch technology is mounted behind a wipe-clean glass or perspex sheet, protected from ingress, on which the mechanical switches would traditionally be found. LEDs incorporated on the XTouch provide a spectacular LED backlight to attract the attention of new players. XTouch senses



players touching the glass in a similar manner to a smart phone screen, offering a new way for players to interact with a game machine.

XTouch is ideal for all gaming and amusement machines, and can be customised to a range of different sizes, ensuring a bespoke design that is perfect for

a wide range of switch applications. For more information about Heber's full range of gaming controllers and peripherals, visit www.hebergaming.com.

HEBER

GAMING

www.hebergaming.com

XTouch is here...



...a new way to play

The NEW XTouch is a through-glass touch button gaming controller made to your specification. Designed to seamlessly replace mechanical switching, XTouch provides improved game play and player interaction.

Come and see a demonstration at G2E Las Vegas 2015 along with our existing range of bestselling gaming controllers and peripherals.



Visit us at G2E Las Vegas
Ganlot Stand 1633
Sands Expo & Convention Centre
September 29 - October 1



ADVANTECH-INNOCORE READY TO SHOWCASE GAMING INTELLIGENCE

Three new gaming platform products plus mini-ITX, COM Express, industrial touch monitors, flash storage and graphics cards mark out Advantech-Innocore's G2E 2015

As the gaming-focused business unit of the \$1bn Advantech Group, Advantech-Innocore stands alone among hardware suppliers. With its own manufacturing plants, global logistics and service centers as well as a leading edge product roadmap, Advantech-Innocore is able to meet the most demanding requirements of our customers in the gaming industry. The company has an extensive portfolio of standard hardware products based on both Intel and AMD chipsets and offers supporting software products and utilities. The expert design team also delivers some of the most sophisticated custom designs for gaming industry OEMs who require a gaming platform designed to their exact specifications.

GAMING INTELLIGENCE

At the upcoming G2E tradeshow (Advantech Booth number 1823), the company's theme is "Gaming Intelligence". "This theme aptly encompasses our products, our knowledge of the industry and our added value hardware and software solutions" commented Craig Stapleton Advantech's product director. "Our standard products provide customers with the latest technology in the form of gaming specific hardware platforms for the intelligent heart of today's sophisticated slot machines. Our expert team has over 15 years' experience in the industry and can help customers with the design in process. Our range of software solutions add further intelligence with functions such as media validation, SAS networking, security and diagnostics. Finally for customers requiring custom-designed products we can add intelligence in the form of custom FPGA and additional micro-controllers with custom firmware for sophisticated security, control and supervisory functions."

Advantech-Innocore will be showing a full range of industrial computing platforms for gaming machines - the field proven DPX Series, as well as a selection of products from Advantech's other product divisions. Products on display will include platforms featuring

This theme aptly encompasses our products, our knowledge of the industry and our added value hardware and software solutions. Our standard products provide customers with the latest technology in the form of gaming specific hardware platforms for the intelligent heart of today's sophisticated slot machines. Our expert team has over 15 years' experience in the industry and can help customers with the design in process. Our range of software solutions add further intelligence with functions such as media validation, SAS networking, security and diagnostics.

Craig Stapleton
Product Director,
Advantech-Innocore

the latest AMD, and Intel chipsets, and other embedded computing products. Industrial motherboards and modules in a variety of formats will be on display including Mini-ITX, Q7, COM Express and MicroATX.

Advantech's growing line of industrial LCD monitor products from ADS (Advantech Display Systems) will

also be shown. With screen sizes available from 7 inches up to 55 inches and beyond, the ADS range includes the latest technology products for high visibility, touch screen, sunlight view ability and ruggedization.

NEW PRODUCT HIGHLIGHTS: 3 NEW GAMING PLATFORMS

No less than three new DPX gaming products will be on show for the first time in Las Vegas. The exciting new DPX-EI35 and DPX-E250 in the E Series range, the DPX-S440 in the S Series range.

The DPX-EI35 is a completely integrated system for gaming applications. Based on the 3rd generation of AMD's G Series embedded platform, the DPX-EI35 provides a complete PC platform with passive cooling. The system uses AMD's latest high performance dual and quad core SOC devices with "Discrete-level Graphics" from the integrated HD8000 series graphics core. A full feature set of I/O and COMs designed specifically for gaming devices is also included making the DPX-EI35 an ideal integrated platform for many gaming, amusement and kiosk applications.

The DPX-S440 is another new motherboard for the gaming industry. It features the very latest AMD top end R series embedded platform. The DPX-S440 is the latest in the very successful DPX-S range of products which give customers field-proven reliable platforms with the peace of mind of massive scalability and future upgradeability.

The third new product on show at G2E is the DPX-E250 a Xeon® capable motherboard for the gaming and lottery industry. It features the very latest 4th Generation Intel® Core™ architecture CPUs up to and including Intel Xeon CPUs. Best in class CPU performance - the DPX-E250 supports a huge range of price and performance from dual core Celeron, through Core i3, Core i5, Core i7 and up to Xeon CPUs. The latest Intel embedded platform ensures customers a long lived (guaranteed 5 years in production), and future proof platform ready for whatever performance needs come along.

The 2015 edition of the G2E at the Sands Expo and Convention center in Las Vegas will see the US premiere of the new mechanical horse-racing machine, the Alfastreet Royal Derby

Hugely anticipated, Alfastreet's Royal Derby has already impressed at the London ICE show and G2E Macau with the sophisticated technical solutions and the intuitive, yet entertaining user interface. It's the machine that has been missing on the global gaming stage for the last couple of decades, but now it's ready to bring joy to players and operators worldwide. The first machines are already in operation and confirm the quality of the project with great results. Make a mark for the booth number 4039 and join Alfastreet to experience it for yourself.



Alongside Royal Derby, the Alfastreet G2E booth will feature a completely renewed 2015 range of products, from the flagship R8 roulette, which has been joined by the R4, R5 and R6 more compact models (4-, 5- and 6- playing stations respectively) to the solid SL single terminal and the amazing WIKY, featuring the industry's biggest, 32" touch screen monitor. It is not really a premiere for G2E but it remains equally impressive, and offers countless options for the operators. All the machines have got the latest modifications, making them more powerful, reliable and durable. The new orange theme finish and countless customisation options set them apart from the competition, confirming leadership status among the ETG producers.

ALFASTREET AT FULL GALLOP RACES INTO THE VEGAS SHOW

The other absolute novelty are the Alfastreet slot machines, that have generated huge interest in their prototype form on exhibitions earlier this year and we are eager to test the response of the audience in the North American show. They represent a huge step from the established product lineup for the company, but the reactions of our customers and players was extremely positive, therefore we continued with the development. The first units are already on the casino floors, with great results.

The brand has gained significant momentum in the North American market, with more and more operators acknowledging the engineering and technical superiority of Alfastreet products, not to mention the impeccable support that the company provides. These facts confirm the importance of a great presentation at the show, and you can be sure the team will deliver. Once again a very warm invitation to the booth number 4039, to experience Alfastreet hospitality and its amazing products.

CAMMEGH TO SPREAD THE WORD IN LAS VEGAS

Cammegh, manufacturer of the world's finest roulette wheels, is looking forward to exhibiting at this year's G2E in Las Vegas

The G2E Las Vegas exhibition 2015 will see Cammegh's latest roulette side bet, Spread Bet Roulette, make its debut in the US.

The exciting new side bet gives operators the opportunity to offer a wider range of roulette bets with thrilling new pay-out levels. Operators with existing Cammegh Mercury 360 wheels and Billboard displays can offer the gripping new roulette-based side bet, with configurable payouts from even money up to 1,200 to 1.

In addition to Cammegh's Spread Bet

Roulette, a brand new range of Billboard Displays screens will be at the show.

Complimentary to the current range, the new slim-line single and double sided screens conceal a host of new features together with pin sharp, customisable HD graphics. Cammegh will also be exhibiting the renowned Mercury 360 wheel, Slingshot 2 automated wheel and Crystal wheel. These will be partnered by the EyeCard Plus card recognition system, Multiboard and Cammegh roulette side bets; Double Shot and Lucky Symbols.

The Cammegh team look forward to welcoming everyone to this year's show held at the Sands Expo and Convention Center on September 29th, you can find Cammegh at stand 3630.



GLI: SIX CRUCIAL EFFICIENCIES

Gaming Laboratories International will show a wealth of exclusive tools that make doing business easier, faster and more cost efficient for regulators

Some displays to look forward to in GLI's booth at G2E are the handheld Kobetron GI-4000 unit and the Kobetron MI-300 adapter series. These exclusive and progressive tools help regulators increase efficiencies in six crucial ways:

1. Replace 100s of other compliance tools
2. Eliminate human error
3. Verify a wide variety of EPROMs, Compact Flash

devices, and other removable media storage

4. Easily portable to the casino floor
5. No computer connection needed
6. Minimise compliance risk and machine downtime by returning the correct signature on demand, every time!

"When verifying a jackpot, bringing machines online or auditing the gaming floor, that time is money. Regulators and operators don't have time to waste, and using a signature tool that 'may' work adds more risk and time lost, and can lead to costly delays, customer perception issues and lost revenues. With smart tools from GLI like the



handheld Kobetron GI-4000 unit and MI-300 adapter series, regulators and operators can dramatically increase efficiencies, save time, save money, and make doing business easier. We invite regulators from all jurisdictions to visit us in booth #4430 at G2E to discover how our exclusive tools can benefit their operation," said GLI Development Manager David Elmore.

CPI TAKES THE COVERS OFF ITS LATEST MEI CASHFLOW SC MODEL

Among the product highlights displayed by CPI at the Las Vegas show will be the new MEI SCR note recycler and the EASITRAX Web cash management solution.



The two-denomination SCR note acceptor is the most recent extension of the reliable SC product line, which has achieved an installed base of more than 1.5 million units worldwide. It follows the same winning formula as the CASHFLOW SC and SC Advance note acceptors, raising performance expectations to deliver a more efficient, secure and cost-effective way to handle cash payments.

By combining proven components with new technology, SCR opens new possibilities for what note recycling can offer as part of a total cash management solution. It utilizes the same reliable acceptor head and 600-note cashbox as SC Advance. Recycling mechanics have been imported from hardened designs developed from other MEI-branded products. Then, to protect operators from losses associated with criminal activity, SCR has been fortified with numerous security features, including a removable anti-stringing module, lockable transport doors, entrance/exit sensors and "door open" detection even in a powered down state.

In electronic gaming machines (EGMs) that traditionally pay jackpots in coins, the SCR virtually eliminates hopper starvation by paying out higher

value notes instead – using the same notes it accepts, accounts for and stores from previous transactions. And by holding up to 60 notes on each of its two recycling drums, the SCR provides the capacity required for longer machine uptime, leading to an improved win/machine and, ultimately, lowering the overall cost of operation.

CPI will also be showing EASITRAX Web, a recent software extension of the EASITRAX Soft Count system that provides operators with even more flexibility when accessing and evaluating performance data.

Like EASITRAX Soft Count, which has now been installed in more than 150,000 games around the world, EASITRAX Web leverages SC note acceptors to help operators drive newfound cash management efficiencies from the slot floor to the back room.

The data it collects from SC acceptor heads can still be used to streamline the drop process, facilitate asset evaluations and conduct preventative maintenance programs. EASITRAX Web makes it easier to import that data, and convert it into reports, from anywhere in the world with secure intranet access – and those reports can now be customised to highlight the most important metrics.

Now, with EASITRAX Web, the efficiencies that have routinely led to a payback in less than one year are stronger than ever.

CASINO TECH'S GAMING SECTOR MILESTONE

Casino Technology is partnering with Alto Gaming to deliver a truly G2E 2015 memorable stage performance that's worthy of the world famous Vegas Strip

The 2015 edition of Global Gaming Expo will be considered as a milestone for further progress and positioning at the world market and primarily the US jurisdictions, Native American casinos and integrated resorts through its exclusive and licensed U.S. partner Alto Gaming. The centerpiece on Alto Gaming's booth 4156 will be the exclusive ARCH cabinet, first of its kind in the industry featuring unique, gaming customized full HD 42" curved display. Delivering the next dimension of gaming, ARCH combines the authentic Casino Technology's craftsmanship for premium gaming products, game inspiration and industry innovation.

The strong leverage of the GAMOPOLIS brand series boosted by the consistent growth of sales and players' interests worldwide is diversified by the new HIGHWAY and SPEEDWAY versions containing a volume of new original game titles with enhanced game play, smartly tailored to the proven multi-game platform. The everlasting Asian legend of the Peacock and Dragon reborn by the namesake progressive series of games will be presented on the ultimate hit - AURORA Upright cabinet linked to the dedicated 8 Peacocks jackpot.



STARS WILL SHINE ALONGSIDE MERKUR SUN AT G2E VEGAS

The brand new merkurstar will be in great company on the Merkur Gaming stand in Las Vegas where the company is set to deliver its strongest line-up

The premium German manufacturer will further underline its commitment to innovation in the global gaming market. Designing a new gaming machine is an art in itself – an art that Merkur Gaming has mastered – all packaged inside German-made technology that is built to last.

The brand new merkurstar will make its debut in Las Vegas. Carrying the Merkur brand name inside its product name itself shows how much care and effort has been invested to create the new star of the Merkur Gaming range. This upright cabinet will be standing proud on the Merkur Gaming stand # 1367.

The merkurstar will be set in great company – in total Merkur Gaming will be showing six different gaming machines. merkurstar, Avantgarde SLT, Evolution SL and O-Zone are all high-definition gaming machines and all include four different HD games selections. Not only that, visitors to Merkur

Gaming in Vegas will have the chance to experience ten completely new HD games. The Highflyer slant top gaming machine with its 'floating' upper monitor will be joined by the Vision cabinet that rounds off the cabinet range on show.

The Avantgarde SLT reflects an ultra-modern design, incorporating two 27" wide-screen monitors. It offers attractive lighting effects that have been placed individually around the monitors alongside excellent acoustics and powerful sound. This unique and outstanding design naturally stems from German engineering and is made in Germany alongside all Merkur Gaming cabinets on display.

Visitors to the Merkur Gaming stand can look forward to jackpot innovations. The Furious Jackpot is set to create a stir amongst operators and players alike. This 4-level Mystery Jackpot leads to the Furious level, the first three being Starter, Drift and Boost. A total of 32 gaming machines can be connected to this jackpot that centres around cars and speed. The HD graphics ensure this furious action-packed mystery jackpot can be enjoyed to the maximum.

Merkur Gaming will be joined by the expert for change machines and payment systems from the Gauselmann Group – namely GeWeTe. GeWeTe naturally also embodies the Gauselmann philosophy for quality, design, choice and user-friendliness. GeWeTe offers the right change machine for each application. The Merkur Gaming product range is completely attuned to the individual player requirements throughout the entire American continent, including North America, Canada, Latin America and the Caribbean. Find out more at the Merkur Gaming stand # 1367 at the G2E Las Vegas.

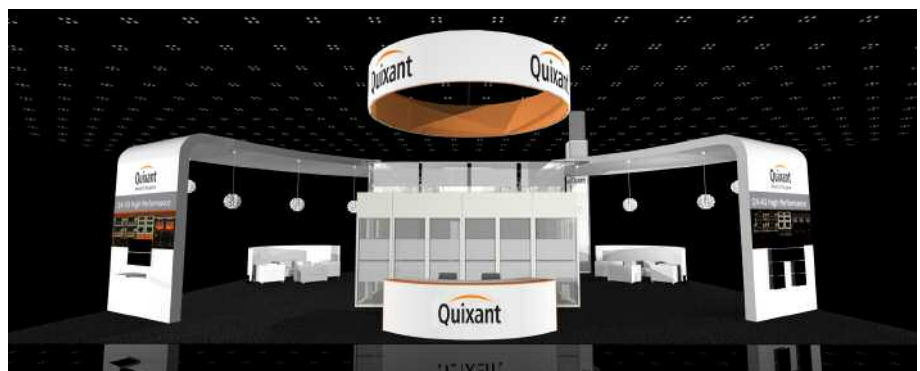
QUIXANT SCALES UP FOR ANOTHER SUCCESSFUL G2E

Quixant has announced a greatly expanded presence for the forthcoming G2E 2015 show in Las Vegas

Quixant's custom stand (4445) setup occupies three times the floor space (2400sqft) compared to 2014 and includes a second floor "observation deck" informal meeting space, enhanced product displays and extra meeting rooms. Commenting on the forthcoming show Gary Mullins, Group Sales Director, said:

"It is fitting that we are significantly increasing our investment in G2E in our 10th anniversary year. Gaming is our focus as a company and this increased presence matches our commitment and success in the industry. Quixant has been a pioneer in delivering the best performing and most cost effective computing platforms for gaming. In that time we have grown from being a very small unknown company to becoming the acknowledged market leader".

"Our strategy has always been to invest heavily in the design and development of our products, both in terms of hardware and software. This, together with having our own manufacturing in Taiwan, is a key factor in



our success. Our product does exactly what it says on the tin and the market knows that."

"Our focus on the gaming industry has enabled us to deliver a range of standard products that meet the complex needs of our customers. We couple that with an excellent track record for engineering support and unrivalled reliability and flexibility".

"As well as confidence in our products Quixant also has a commercial model that fits well with the needs of the market. A policy of holding stock of our product

range reduces lead times and enhances our ability to react to unexpected orders, with NO minimum order quantities".

"Quixant has a track record of delivering new technology at least 18 months ahead of our competition. We will be demonstrating our current range at the show as well as giving a sneak preview of QMax. QMax is a new tier of product from Quixant in an innovative compact package, with the first model delivering more than 2x the graphics performance of the current QX-50 high-end model".

Can digital data cure your churn rate?

Online gaming is a thriving industry in the UK, set for further expansion as the economy picks up in an era of ever-growing mobile connectivity, but can the industry meet the data requirements that the future growth of the market will inevitably demand?

A report for the Gambling Commission calculates that participation in "remote" gambling, which is predominantly online, has increased by 50 per cent in the last six years, while research firm GamblingData estimates that this year the online industry will be worth £2.8bn, more than double its size in 2008.

However, although it seems as if everybody's boat is floating in the online gaming world, the truth is that it is increasingly a struggle to retain customers. The marketplace is a crowded one, where internet-savvy gamblers routinely switch from one operator to another, chasing the best odds or free stakes. And evidence suggests that currently, the most web-promiscuous gamblers are the most active and often the highest spenders, making the retention of their custom a top priority.

NO LOYALTY

The difficulty is that in the online gambling sector it is very easy for customers to switch from one gaming app to another. Gamblers follow the money and when considering a bet or casino game online, can easily compare odds and work out potential winnings, either by examining multiple websites or alternative apps.

Many of the highest-spending online gaming customers hold multiple accounts which can easily be activated at any time. Other keen gamblers on tighter budgets are constantly on the look-out for promotional offers and free bets, moving on once a deal has expired. Indeed it is well-nigh impossible to hook in a new customer without the offer of free stakes. Further problems for online operators present themselves in the shifting shape of customers seeking to disguise their identities in order to obtain further teaser deals to which they are not entitled.

The diversity of this customer base in online gambling also makes the formulation of a cost-effective and coherent marketing strategy a real chal-

lenge. While high-rolling punters and online poker enthusiasts will place frequent bets, play for big stakes and maintain a heavy degree of engagement, many customers are merely occasional gamblers. These range from those who always bet on a particular team or sport at weekends, to those who only bet on big events such as a cup final or a major golf tournament.

KEEPING THEM SWEET

However, the battle for differentiation in this brutal marketplace is a tough one. It is unlikely, for example, that any operator can always have the best odds, no matter how much automated surveillance of the competition there is.

Faced with the considerable challenge of retaining customers after the free bets and promotional offers, online operators have started thinking beyond the odds and stakes. They have invested in technology that enables them to offer fast odds or make betting easier through quick-click buttons on websites or mobile. Others are embedding dedicated media content in websites or their apps, whether it is racing and football journalism from respected titles, or the streaming of sporting events.



Vishnu Baburaja
Gaming Specialist, Teradata UK

Vishnu is Teradata UK's resident gaming expert and specializes in helping companies get more from their data. He has 7 years' experience in developing data driven strategies for leading organisations.

DATA OVERSIGHT

Nonetheless, all of these features can be replicated by competitors. Whereas the one path to increasing market share that has not yet been fully utilised within the industry, is the use of data to provide the kind of detailed insights into each customer's individual behaviour that make retention more of a science than a series of guesses. At the very least, this means that by the time the promotional deals expire, an operator will

know plenty about the customer and be able to head off defection to a rival.

Yet while many organisations have set up teams of analysts and believe themselves to be advancing in the right direction, the reality is that the majority still lack the fine-grained data that will give them the capability to, for example, intervene with a telling offer or football tip at an individual customer-level, based on previous behaviour.

What is missing is the advanced use of analytics which gives an organisation the capacity to segment its customers in much finer detail and then to act on the resulting insights in real time.

KNOW THEM INSIDE OUT

Segmentation will reveal which customers are for instance, loyal but infrequent players or those who are frequent players and have multiple applications on their smartphones. Behavioural analytics can then be deployed to reveal individual customers' patterns of activity and correlated against market information.

Correlation allows a gaming operator to discover when rivals' odds are more competitive. If a recurring link is established, it indicates that the customer always checks other sites' odds before placing bets

An example of how this works is with individual customers who always linger before placing bets and occasionally fail to wager any money at all. Correlation allows a gaming operator to discover whether its odds prove unattractive at a moment when rivals' odds are more competitive. If a recurring link is established, it indicates that the customer always checks other sites' odds before placing bets. This makes it a priority for an operator to secure such a customer's business with an offer as soon as they go on the website or activate

their app – and before they have looked elsewhere. The offer can arrive by text message, email or website pop-up.

Having understood individual customers' habits in this way, operators can also deploy propensity modelling, of the depth and complexity now enjoyed by online retailers, to show where gamblers' next pounds are likely to be spent. This gives the operator the chance to make a revenue-boosting intervention, either by offering the customer more opportunities to bet on a particular sport or team or by heading off a departure to a competitor with a timely deal.

PERSONALISING THE INTERFACES

This greater knowledge about individual customers also gives an operator the chance to make simple but effective adaptations to its website and mobile apps to match individual preferences. This means that if the analytics show the customer has a marked preference for reading racing tips or always bets on races at a particular course, or on a specific team or sport, the website and the

Interactive

DATA MANAGEMENT

app can be tailored to what they are interested in.

By reacting to knowledge about individual customer behaviour it creates “stickiness” by making it far easier for them to pursue their own areas of interest – generating greater loyalty and enhancing retention.

It also means the customers are not irritated by irrelevant messages, which is going to be a highly important factor in customer retention as technology moves forward and messaging of all types increases.

MAKING THE MOST OF MARKETING

One of the most substantial benefits of gaining insight into the behaviour of individual customers is that it reduces the inefficient spend of marketing budgets used in a blanket approach. Punters who habitually bet on football will no longer be targeted with offers and campaigns that relate to cricket, horse or motor-racing, in which they have no interest. The deadweight cost of using marketing to urge customers to do what they would have done regardless, is eliminated.

Conversely, a customer who only bets on football via an app before kick-off on Saturdays, can be enticed to place bets during play, or before matches at other times of the week via his desktop. Propensity modelling is a key input to determining these ‘next best’ offers.

Furthermore, advanced analytics now allow an organisation to pull in information from social media so that the effectiveness of such marketing campaigns can be gauged and monitored; especially in evaluation against competitor activity.

TIME FOR REAL TECHNOLOGY

Although many online gaming organisations are alive to these possibilities and have established

Discovery provides a rapid approach to testing ideas, looking for correlations between browsing and transactions that allow an operator to intervene positively and turn a waverer into a customer.

skilled analyst teams, they have yet to invest in the capability to deliver the granular data required for personalised analytics outlined above, giving them the ability to act on that information in real time.

The adoption of an analytical discovery platform, provides a work-bench for analysts to explore combinations of new data sources and new analytical techniques and unearth the real nuggets of information and insight that make a substantial difference in customer handling and retention. This type of platform complements existing analytical environments and newer file stores such as Hadoop.

Discovery provides a rapid approach to testing ideas, looking for correlations between browsing and transactions that allow an operator to intervene positively and turn a waverer into a customer.

The discovery approach means asking a set of questions not previously considered and if they do not yield actionable insights, moving on to the next set; quickly and efficiently.

EVOLUTION – NOT BIG BANG

To succeed in such a ruthless marketplace where there is little loyalty or differentiation, gaming operators need to invest in getting an actionable understanding of their customers, at a very granular level. Basic analytics goes part of the way, but a discovery platform accelerates the process and enables analysts to explore many new avenues.

However, the maximisation of cost-benefit for an online gaming company embarking on this course, does not require an expensive big bang moment or any extra investment in manpower. It is about combining datasets so the business becomes hugely better at understanding what drives up revenue, giving it some remarkable tools to make sure it happens.

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NOVOMATIC - WINNING TECHNOLOGY

Podcast

MULTI-CHANNEL GAMES
DEVELOPMENT - ODOBO

All directions at the same time

G3 visited the Odoobo offices in Gibraltar to interview CEO, Ashley Lang, about the current and future development of games for multi-channel content provision. He explains the launch of the Adobo Play App, the value of mobile game optimisation and the change in player preference towards online gaming portfolios

Ashley, the last time we spoke was in May 2014, at which time Adobo had gone live with Bet 365 you had 24 developers using your games development kit. Could you bring us up to speed with Adobo's developments since then?

Having gone live with Bet 365, we followed with Coral and Gala over that summer and in the fall we added Unibet and in the beginning or latter part of last year beginning of this year LeoVegas came on with us, we've also added Gala Casino and along the way we've done a number of platform integrations, proxy platform integrations, that gives us access to those operators and others. We had 24 developers at that point, we have now 47 developers who are approved at some stage of development on our platform. We have 55 games live, certified and available on our marketplace for those operators to license and about another 80 games in our content pipeline right now.

You seem to have exponentially accelerated since the last time we spoke, what's been the catalyst for all that?

A lot of hard work last year. There's a cart and

horse scenario going on for us – to get more operators to view our integration as important, we need to have a wide range of developers, but for those developers to come and produce those games we need to have enough operators representing distribution. So... last year saw us doing a lot of business development activities to make that happen. We drove up the number of operators we had on board and the caliber of the operators that we represent in our network, which was important for the developers; and we did the same on the development side. We worked very hard with developers last year to bring that content portfolio up.

Now we've reached a tipping point or critical mass on both sides we're seeing a big step up in our business development, not just proactively but also reactively. We're getting a lot of interest from gaming operators as the volume and quality of content has improved and, as a result, new operators will go live. We have had a lot of attention from game developers now that LeoVegas is with us.

Could you describe Adobo's current offering and



Ashley Lang,
CEO, Odoobo

If the player is going to encounter a bonus feature and that feature is likely to happen in seven or eight minutes, you want to consider whether that is the right math for an average player session time of three to five minutes on mobile.

Should game developers begin the design process with a view to creating a multi channel game?

I think any game developer building games today that wants the maximum potential commercial opportunity has to be thinking about distributing multi channel. It means that they're going to need to consider distribution technology that supports publication to desktop, tablet and mobile. Should they anticipate that in the design of their new game? Increasingly we're encouraging developers to think first about the small screen, and design for the mobile device and then upscale to desktop, whereas two years ago, a lot of thought was around how to take those desktop games and make them work on the mobile. There are still those thinking desktop first and designing games for the desktop before down scaling it, but with mobile being the direction of consumption, the bigger challenge is to give the player a good experience on the small screen - you can always upscale to add all the embellishments to the game, but if you haven't gotten it right at the small screen level you have a very difficult time going the other way, so it's of critical importance that they contemplate or anticipate multi channel for maximum commercial opportunity. Many operators today aren't taking content unless it's desktop, tablet and mobile compatible.

How consistent should the game be across multi channels? Do players accept the changes and the mechanics from one channel to the next?

It's a very good question, because its something that can easily be ignored. You can think of multi-channel as the convenience of accessing a player through any device, but you have to look at it a

how it ties into the ability of the players to play across multiple devices and communications?

This is a key message from us from the start. We designed our platform anticipating that not only was there going to be an increasing amount of consumption happening on mobile devices, but if you go beyond that actually there would be an evaporation of any differentiation of fragmentation between thinking about content as being desktop versus mobile content.

We designed our platform focused on HTML5 as development client side technology and always anticipated that those HTML5 games would be fully viable technology for use on desktop as well. When we started out, everything on desktop was flash, mobile on HTML5 was emerging and there was a lot of debate concerning native Apps versus HTML5. Since then we've been proven right as regards HTML5, where today it's now becoming the standard, if it's not already the standard, for games development across all channels. On our platform we support the same client build as published to desktop, tablet and mobile, ensuring the player experience is seamless across all channels.

We designed our platform focused on HTML5 as development client side technology and always anticipated that those HTML5 games would be fully viable technology for use on desktop

layer deeper than that. There are two considerations; there's the fact that the amount of player behavior across those devices is different. You have a longer player time, or session time, every session on both desktop and tablet game than you do on mobile, so from a mathematic design standpoint, you want to ensure that during the shorter session time on the mobile, the player is still getting the intended experience that you have in longer play sessions on desktop and tablet.

If you have an anticipation that the player is going to encounter a bonus feature and that fea-

ture is likely to happen in seven or eight minutes, you want to consider whether that is the right math for an average player session time of three to five minutes on mobile. Can they can get the right experience in the time allowed?

The second side of that question is should it be consistent across all the devices and I think it should. you would see both examples on the market where there is light versions of games? If the technology platform you're building upon allows you to serve different assets based upon the channel the player is playing on, then I think you should try to give a consistent play experience across all of the channels.

I don't want to pluck the strings of our bow too much, but this is a key part of the technology that we deliver. When a game is loaded that's built on our platform, the first thing we do is a pre-flight check on the user's device. This serves to report back to the server what device is being used, what connection speed is available, what browser has been adopted and only then do we serve the appropriate assets the developer has produced for that device. This ensures that for a small screen device we're not loading heavy, large screen assets or retina display backgrounds, but still maintains that we're giving the right player experience. On the other hand, if we're serving a large screen desktop user, then we take advantage of the greater screen real estate, capacity and better connection speed and we serve them an enhanced version of the game. It's about developers being aware of the technical obstacles to better optimise game performance on mobile devices so that their games is more accessible for the consumer. This ensures that the technology you're using allows you to differentiate, rather than trying to push the same game across all devices.

What are the specific difficulties in creating multi channel games? I'm expecting the costs to be bigger, the development time to be greatly increased... is that the case?

Well, definitely when you add fragmentation, and multi channel is fragmentation, you're increasing the development cost for the game developer. We estimate that from the difference between producing a flash game for desktop versus producing channel games there's about a 25 to 30 percent increase for production cost. So we're doing everything we can to alleviate the developers of the technical side of that to produce more development tools that enable multi channel publication. Those tools are accessible through our tool kit without the developer having the cost of producing them and where they don't constrain their creativity these are not tools that are involved in the novelty of their game concept, but are necessary to publish and distribute their games across those channels.

Publishing and distribution don't need to be areas where developers make new investments - they should be investing in the quality of the content that they're putting in the canvas that we provide

Podcast

MULTI-CHANNEL GAMES
DEVELOPMENT - ODOBO

them to produce, but it is very important for game developers to look for ways to optimise the distribution at a lower cost, because on the production side they are going to be producing more assets for optimal game presentation across multiple devices and its going to add to production cost.

Are there specific types of games that make conversion to multi channel easier, are the social games easy to convert, are the classics?

If you're looking at the issues that we've just been discussing, the simpler the game you have, the easier it is to publish across all those devices. The target is the lowest common denominator of a 3G connection on a low end smart phone then the simpler the game format, the easier its going to be to have the maximum supported device. So to that point you can say a simple spinning reel slot machines would be the most portable games to multi channel model and that those types of games might appeal or have a good recognition with player. However, today's players are used to games from desktop or from a land-based gaming point of view, but I don't think that's where the real innovation and opportunity is.

I think there's a lot more you can do with the technology, it's a bit more challenging, you have to be a bit more clever about it, but I think the innovation is going to come from expanding upon that and introducing innovative new ways to represent similar math models so the game feels familiar to the player, but it's represented in a more creative way. And that is certainly achievable across multi channel and I think that's where tomorrow's customers are going to be gravitating towards. However, it does require a bit more thought ensuring that when you're adding those extra features and visuals to the games, you're not compromising the player experience for lower end device users.

Should game developers be focusing all their attention on mobile right now or is web-based browser play still an important element within the offer to the player?

Today, mobiles are the fastest growing segment of the market but online play on desktop still represents a significant volume, in fact it's too big a percentage of revenue to be ignored. So again, I come back to the fact that we support multi channel development and distribution. The desktop for us is a mandatory publication channel for game producers on our platform. We don't have game producers build games that are not also playable on desktop, but at the same time mobile is the fastest growing segment, so you don't want to focus exclusively on desktop and ignore the trend in the market.

So it's really important that developers are thinking first about the mobile user experience for the greatest growing commercial opportunity, but at the same time make sure that the content they're producing services today's market, which is still to a greater degree desktop consumption as well.

The maximum benefit for a game developer servicing players across both channels and all the operators that we're dealing with are looking for content that plays on desktop and mobile parallel channels.

And should any game be developed right now for multi channel, is it the case where you're losing out if you're not creating a multi channel game?

Look at tomorrow's gaming customers and we may see more and more that new players' first experience with games is online. They may never have been in a land-based casino and to them those land based titles are less relevant.

The customers that we have integrated with are, if not already, not accepting games that are not both desktop and mobile or certainly moving in that direction where they're less inclined to accept a game that isn't also available on mobile at the same time. I mean, it's going to have to be a well known game that for just some technical reason isn't yet available on mobile, but will be soon. It's good to see that the industry is now accepting HTML5 desktop as well, so developers don't have to build in Flash for desktop and build in HTML5 for mobile - you can build in HTML5 across the whole array of desktop, tablet and mobile. But that's the standard now, the expectation from the industry is that games are published and they're multi channel.

Are there games that aren't suitable for multi channel release; games that just simply aren't created or aren't transferable between those channels?

Well, there's going to be things you can do from a production and visual standpoint on a desktop or an iPad that are very difficult to replicate on a small screen, just in terms of available screen real estate and I think that it would be unfortunate for developers not to build a brilliant tablet game just because they can't see how that game is going to work on a smaller screen. So I think there are some considerations in terms of games that have deep cinematic 3D qualities with other interactions within the game that are difficult to comprehend on a smaller screen, that would be unfortunate for the market not to see those games just because of the necessity to support mobile. But right now I think that we've not yet seen a game that is not adaptable to mobile. And I think for the biggest commercial opportunity for game developers, they should be trying to contemplate mobile first in their game design and work from there backwards and ensure that mobile is part of



the scope with the viable publication of the game concept that they've come up with.

We've seen a lot of classic top titles transferred to multi channel, with back catalogues bought and sold for huge sums, are these the ideal games for multi channel should we be looking back to create future multi channel?

There's a good reason why those back catalogues are so valuable, these are games that players have come know and love through their publication in land based casinos or in high street betting shops, so the value in those games is in the brand recognition with the consumer. When those games are presented on-line players automatically feel a greater degree of comfort being familiar with the game and knowing how to play that game.

So because of the infrastructure required to bring a game to market in land-based, that means there's a lot greater upfront investment in the production and testing of games before releasing them into land based casinos. Over the years those titles have been further refined even further to make sure that they make the best use of the limited floor space in the casino and generate the most revenue. Those games have very strong

Podcast

MULTI-CHANNEL GAMES
DEVELOPMENT - ODOBO



math models when brought on-line and this is another big reason for their success. I can understand why particularly for today's gaming customers these games are so successful. However, look at tomorrow's gaming customers and we may see more and more that new players' first experience with games is online. They may never have been in a land-based casino and to them those land based titles are less relevant. The math part of the equation will still be relevant for that story, but the brand recognition less so and I think increasingly you're going to see land-based suppliers testing new games online and bringing the best of the online content into the land-based space. So I think the next generation, 10 years from now, is where we're talking about the acquisition of online content portfolios with the highest level of brand recognition.

Adobo launched its own native IOS App in December last year and I was wondering what can you tell us about the launch, its uptake of players and how does native play affect how players migrate across multi channel?

The Adobo Play App for us is a key strategic product. It's not just about publishing our games into a native app, but the first drawings of the app we

did in December was really a native IOS showcase for our games content where players could play those games for free and if they were in the UK market they could also have the option of playing the game for real money. We drive players to the app using our marketing codes and the marketing infrastructure that we provide, introducing players to games in ways that are not often supported by real money gaming operators.

The App offers free play, screen shots and games descriptions and if they like the game and want to play for real money then they simply select the operator of their choice on an affiliate relationship which introduces a new revenue stream for our developers. Strategically this is important to give developers another way to access a bigger slice of the pie in terms of the revenue generated from the content, and be a participant in not just content production, but also marketing their games. In this way they have more control over the future return of their investment, by not just being at the mercy of the operator featuring the games.

Our first release was successful for us, as we have had over 45,000 installs of the app. We were No.2 in the App Store in the UK for quite some time,

though we've been stepping down in the top 10 of the chart since. We've also been building up the entire infrastructure in the Adobo Play App to support Virtual Currency play including player account creation with social gaming integration with Facebook, Twitter and Google. It means that the player now has the ability to buy coins from Abobo through the iTunes App Store to play those games and this for our developers means that they have an additional revenue stream coming from a share of virtual currency coins sales. A virtual currency casino populated with our content is now a new product that we can white label or license out to our operators that wish to use our content in the social gaming space. So it's the beginning of a new product extension for us as well.

There's a clear separation from the pack for Adobo as a modern technology platform for multi channel games production and in doing so we are firmly cementing our position as a tier one technology vendor to this industry from both the developers side and from the operator content selection side too.

What are your future plans for the business and what is it that you want to achieve next?

Well, I think we've built a great foundation to now build out our network and increase developer participation, so that we're now seeing an increase in the calibre of games development studios in terms of industry veterans. Studios are now looking at our technologies as a viable development and distribution technology as a result of the effort that we put into getting some of the leading gaming operators integrated with our platform. We're currently leveraging that to build out the network and build out operator distribution. We're looking at new opportunities in the US market to work with land-based casinos with content provision to their social gaming strategies.

We're looking at expansion into other markets globally and on the technology side too. We're constantly working to separate our technology platform as a more obvious choice for game developers to reduce the content and technology investment they need to make in production and distribution. There's a clear separation from the pack for Adobo as a modern technology platform for multi channel games production and in doing so we are firmly cementing our position as a tier one technology vendor to this industry from both the developers side and from the operator content selection side too.

Embracing start-ups crucial for corporations

Embracing innovative start-ups is "a matter of survival" for established corporations in the gaming sector, according to Burckhardt Bonello, the chief executive of Found Fair Ventures and founder of mybet. Bonello will take his place on an expert panel of judges who will grill the finalists pitching at the 2015 EiG Start-Up LaunchPad competition in Berlin in October.

Mr. Bonello he has been encouraged by the emergence of innovation 'incubators' spearheaded by leading companies in the industry, including William Hill's new WHLabs initiative. However, he insists that it was a necessary step for major corporations.

"For a big corporation this sort of step is inevitable – it's a matter of survival," commented Mr. Bonello.

"The lifespan of companies is getting shorter and shorter, and it is a very good idea to embrace younger start-ups. The likes of Google and Apple have been showing others how to do it.

"One of the biggest problems is that most corporations try to do it themselves, because they want to own everything, but that is the wrong approach. They should have external entrepreneurs and perhaps a minority stake, and then they can grab the company when it's suitable to be bought."

Mr. Bonello said that he has been relatively disappointed by the level of innovation in gaming in recent times, but added that he and his associates would be interested in a range of proposals.

"I think that there's a lot of room for game-changing ideas in the gaming space," he said. "It seems that very few people have been working on an idea or trying to deliver it. People have just been waiting to copy another idea.

"I think corporations should wake up and be open to engaging with start-ups, but from our perspective, we are very interested in disruptive game-changers.

"We're looking for really passionate, exceptional talent, and people who have ideas and some sort of founding experience, as well as a deep knowledge of how to manage marketing in the space.

"There is no age limit. We will back 25-year-olds if necessary, but we would not back the 35th copy of the same start-up.

We see a lot of start-ups who don't do their homework and don't know their competitors, and that is pretty basic and embarrassing. Above all, start-ups have to convince you that the team is good and that the idea is something new.

"We've seen a lot of potential in social and iGaming. We're looking at the use of artificial intelligence and mobile-focused, multi-channel gaming, as well as the infrastructure surrounding all of these areas.

"We have a wide range of knowledge – not only in the gaming space – and we are very well positioned to judge what is going to happen five years from now."

Given his extensive experience, Mr. Bonello is well positioned to offer advice to the industry's creative thinkers, and those who will be pitching at the EiG Start-Up LaunchPad.



Burckhardt Bonello,
Chief Executive of Found Fair Ventures
Founder of mybet

"Start-ups need to make sure they have the best team possible as they will be competing globally against others who might be backed by tens of millions of dollars," he said.

"You need to be able to take on the other top talents and make sure that you maximise the learning speed and reduce the learning cost before you scale. So you shouldn't scale too early, but if you have the right framework in place, you will need the firepower to scale quickly.

"We see a lot of start-ups who don't do their homework and don't know their competitors, and that is pretty basic and pretty embarrassing. Above all, start-ups have to convince you that the team is good and that the idea is something new that isn't already out there."

Mr. Bonello feels that Berlin is the ideal destination for the Start-Up LaunchPad.

"It's a great location for start-ups," he added. "There are teams in Berlin without a single German on board, simply because it makes sense to be based here and the costs are comparatively so low.

"We are also very open to start-ups who are looking at using Berlin as a gateway to the international market."

The secret to moving online

Lotteries that are seeking an online presence should "go all in or go home," according to Lotto24 CEO Kim Sloth Bengtsen, who will offer his insight on the topic at a highly anticipated session at EiG in October. Bengtsen will be attending the panel session entitled "Moving forward with lotteries" at Arena Berlin on October 21, the second day of EiG, which will run from October 20-22.

Kim Sloth Bengtsen is looking forward to an "open and honest dialogue at the EiG conference about the advances in digital offerings across the board" during the discussion.

However, when it comes to the challenge of a lottery – or any other gaming business – moving online, Bengtsen believes that only a comprehensive, committed and compatible approach can work.

"Customers want full integration, flexibility and up-to-date content on a 24-seven basis, directly on their phone," Bengtsen said.

"You have to make sure that you have a fully functional product launched that has been tested again and again. If you do not do that, you will surely lose your customers before you have them.

"We see it repeatedly in any area of business; customers have no time for poorly created content, bad connections and so on. If your product does not work, they will skip to the next one in line, and trust me, there is always a better one out there."

According to Bengtsen, the cost-benefit aspect is of critical importance for moving online, with the key challenge being to avoid "bursting budgets".

"You need to figure out if the way to move forward is to hire a team, since the process will undoubtedly be long and costly and be part of your ongoing projects," said Bengtsen, who highlighted mobile as a key theme that he expects to be discussed in depth at EiG.

We see it repeatedly in any area of business; customers have no time for poorly created content, bad connections and so on. If your product does not work, they will skip to the next one in line, and trust me, there is always a better one out there.

"It is one thing to secure your slice of the mobile market, but a completely different thing to keep it and increase the size," he added.

"Retention, working with multi-channel marketing and being innovative are just some of the general areas that any business should be focusing their budgets on these days. Thinking about any



Kim Sloth Bengtsen,
CEO Lotto24

national lottery and their position in this regard, what do they have to lose?"

Mr. Bengtsen and his fellow speakers will also touch upon a number of other important topics for the lottery sector for 2015 and the future.

"I see a trend for the larger national lotteries in many countries, where the monopoly they have been coasting on since the beginning is starting to disappear and the lines are getting thinner every year," he added.

"The open markets are arriving whether you like it or not, and with that comes a completely new way of looking at the business and your strategy in general.

"This is the reason for the shifted of focus onto new platforms – such as mobile – as well as being part of the new information age where everything you do is done via your devices. Your customer relationship management is changing on a daily basis."

Take control of your reputation

The gaming sector needs to take control of its reputation by focusing on corporate responsibility before being forced to do so by regulators, according to Ed Coke, the Director of Consulting Services at the Reputation Institute. Mr. Coke will be a speaker at EiG 2015, which will return to Arena Berlin from October 20-22.

"I think the industry needs to take a deeper look at itself and get more stringent about its own conduct when it comes to corporate responsibility, otherwise one of the consequences – as we've seen in other industries – is for the regulator to take control of that dimension," explains Ed Coke.

"Acting now before it becomes a burning platform for regulators is a wise move as you can take greater control of your own destiny."

Ahead of this year's event, the Reputation Institute, which specialises in understanding and implementing reputation management strategies across a range of industries, will initiate a survey on the topic that will be open to those attending EiG. The results will then be announced in Berlin at the event.

"It is an online diagnostic survey that can be applicable to various industries," Coke added.

"It is not simply about understanding the perspective of the external stakeholder – people who might be customers or the general public. It will also shed light on the industry's self-perception.

"It is a short 10-minute questionnaire that assesses how capable companies consider themselves to be in reputation management, and how much of a handle they have on corporate responsibility."

The Reputation Institute will benchmark the data

Corporate reputation is a five-step journey; I estimate that 60 per cent of the audience at EiG will probably be at stages one or two, and therefore a few steps behind other sectors. However, other sectors have been forced to make changes by regulators.

against information captured from 300 reputation leaders from various sectors to put the results into context.

"The survey will provide useful insight into where the group is on the corporate reputation journey," Coke added, before explaining the importance of comparing gaming to other industries.

"Corporate reputation is a five-step journey; I estimate that 60 per cent of the audience at EiG will probably be at stages one or two, and therefore a few steps behind other sectors.

"However, one major difference is that some other sectors have been forced to make changes by regulators."



Ed Coke,
Director of Consulting Services,
Reputation Institute

Coke also insisted that corporate responsibility makes good business sense, and is something that gaming companies now cannot afford to ignore.

"Obviously there are legal boxes that companies need to tick, but there is also a balance to be struck between corporate responsibility, regulatory compliance and operating a viable and successful business," he added.

"Attendees at EiG might be surprised to know that reputation risk is taken into account at an institutional investment level. You might think that it is not a core part of your business, but it is.

"We are hoping that the survey will engage attendees before the event, and we know that there will be some really interesting results to come out of it.

"One theme will be responsible gambling of course, but there is an opportunity at EiG to place the results of the survey into a broader context of how companies can handle such challenges."

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Fighting fraud is the key to a fair game

Online gambling and gaming have become billion dollar industries that straddle continents, engaging millions of people from all walks of life and demographics. However, with this success, has come the serious risk of high-tech fraud.

The flow of money within online gambling is plain to see, as customers gamble their money in the hopes of winning more on a variety of games, from roulette to poker, to blackjack and even slot machines. The online gambling industry will be worth an estimated \$41.4 billion by the end of 2015.

We are also increasingly seeing the commoditisation of online gaming experiences through "in game purchases". These most often take the shape of special items that a player can outfit their in-game character with to achieve new abilities and gain an edge over other players. It may sound relatively minor and trivial to non-gamers, but the videogame industry, with almost all of its products having some form of online gaming element, is set to be worth of a staggering \$55 billion by the end of 2015.

The financial model in both of these closely related industries is absolutely dependent on maintaining the trust of the customer. Customers are no longer operating in a bricks and mortar environment, they are using real world money in virtual environments. Trust therefore becomes paramount to repeat business.

The great threat to this trust is fraud.

Since real money is at stake in both of these games, they inevitably attract fraudsters and cheats who will try to exploit loopholes or security features to gain profit illegally. Fraudsters use many tools and techniques to mask who they really are and their intentions.

For example, in online gaming fraudsters may find the quickest way to win is by using stolen or fraudulent credit card details to buy large amounts of in-game money or other bonus items that give them an unfair advantage. Fraudsters will also use stolen credit card details to buy paid memberships of online games, combined with the ability to use stolen funds to buy in-game purchases. This enables them to earn real or virtual currency at a faster rate. Although this may seem

It may sound relatively minor and trivial to non-gamers, but the videogame industry, with almost all of its products having some form of online gaming element, is set to be worth of a staggering \$55 billion by the end of 2015.

like a desperate gamer wanting to get the edge over their competition, in both online gaming and gambling, fraudsters often have far more nefarious motives.

Types of fraudulent activities and methods include:

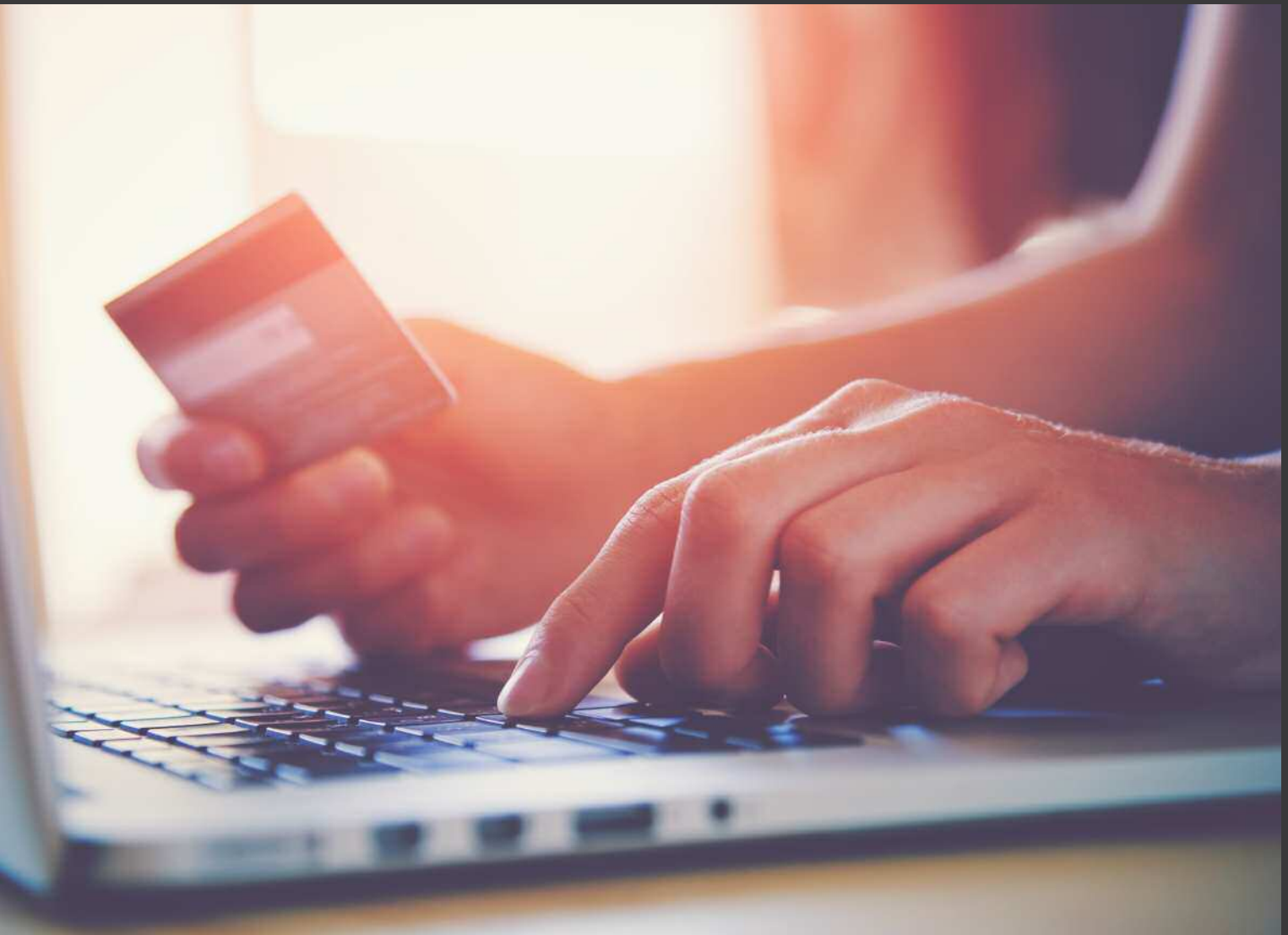
- Illegally obtained card details. These are sourced through phishing attacks. These phishing attacks work through an email, enticing message recipients to visit and log into a fake website that will then steal banking credentials from the victim.
- Fake emails to install illicit crimeware on individual computers. Tools such as keyloggers and screen scrapers enable criminals steal card data, use it to buy in-game currency or operate an online casino to gain further winnings with no risk of monetary loss to the fraudster.
- Multiple identities. Fraudsters may attempt to establish several online identities and take up several seats at an online poker table, for instance, giving them a huge advantage in the game and increasing their odds of winning tremendously.
- Money laundering. Online gambling provides a per-



Donald Bush,
Director of Marketing,
Kount

Don joined Kount as the Director of Marketing in October 2010 and became Vice President of Marketing in December 2012. Don attended Brigham Young University studying Business Administration and Marketing. Don has worked in several management roles within the technology segment for over 20 years with both hardware/software manufacturers and as a partner in two top technology marketing agencies. He has led products launches and marketing programs for dozens of companies around the world such as Citi, HP, IBM, Kodak, Motorola and Weyerhaeuser and co-authored the seminar series, "Common Launch Disasters and How to Avoid Them."

In online gaming fraudsters may find the quickest way to win is by using stolen or fraudulent credit card details to buy large amounts of in-game money or other bonus items that give them an unfair advantage. Fraudsters will also use stolen credit card details to buy paid memberships of online games, combined with the ability to use stolen funds to buy in-game purchases.



fect opportunity to engage in money-laundering often linked to wider organised criminal activity. Once illegally gained monies are put into an online casino and turned into winnings the money becomes very difficult to trace.

As early as 2013, online games such as Second Life and World of Warcraft were being used to launder money through their online currencies. By using the virtual currency systems in online games, criminals can send virtual money to associates in another country, which can then be transferred into real money, posing just as much of a threat as money laundering through online casinos.

In an even earlier case (2009 to be exact), leading UK games developer Jagex was hit by fraudsters using stolen credit cards to earn virtual currency which was then sold on for real money. Jagex is behind highly popular MMOs including the acclaimed RuneScape and could not afford to let its hard earned brand image be tarnished by fraud. As part of its fight back against fraud, Jagex initiated Kount's fraud prevention system. Kount cut Jagex's rejection rate, enabling it to accept more sales while holding its chargeback rate at about 0.2%. Net credit card income rose by about 4% a year,

Online gaming is about fun and the chance to earn profits and/or kudos in online environments. Whether these environments are online casinos or virtual worlds the key to ensuring a player enjoys their time spent in said environment

while its conversion rate on membership subscriptions rose by between three-four per cent.

When fraud goes unchallenged in the gaming or gambling world, brands suffer. Gamers may not know exactly why they feel the game is not fair or that they simply cannot win, but when they do they start to cancel their memberships and a drift away from the game. The games/gaming community are more active than the average consumer and tend to "talk" more about their experience with different games in online chat

rooms, gamers forums and the like. As a result, when a negative reputation begins to become established, whether in an online casino or in an online game, these establishments quickly lose sales and become less profitable. Acting before fraud happens works to safeguard the business in the present and protects it for the future.

On the positive side, gaming and gambling companies also want to know who their best customers are. This is so they can treat them in a way that makes them want to return more often through special promotions, put more money in their accounts for play, and approve them faster for larger spending. When a player creates an account or returns and logs in, proper fraud detection can be employed to point out VIP customers or potential VIP customers as well as deny fraudsters entrance at the same time.

Online gaming and gambling is about fun and the chance to earn profits and/or kudos in online environments. Whether these environments are online casinos or virtual worlds the key to ensuring a player enjoys their time spent in said environment and returns is to ensure that their experience is as fair and as enjoyable as possible.



FA FA FA SLOTS

Social/Online Gaming
Aristocrat Technologies

Aristocrat and IGS (International Games System) have jointly unveiled their world-class mobile slots application—FA FA FA Slots, an exciting new mobile game that is tailored for the Asia-Pacific Social Casino market.

FA FA FA Slots (which translated means Rich, Rich, Rich Slots) for Android, features free-to-play versions of Aristocrat's incredibly popular slot games that can be found in casinos throughout the Asia-Pacific region. FA FA FA's first release will feature nine of Aristocrat's most loved slots from the Asia-Pacific market, including Wild Panda™, Double Happiness and 50 Dragons, with more games slated to be added to FA FA FA in future.

"We're launching FA FA FA to bring our popular Asian-themed slot machines to social casino players around the world. Aristocrat and IGS have collaborated closely to build a high quality, tailored, multi-language Asian gaming experience evocative of the excitement and action present on slot floors throughout the region," said Craig Billings, Chief Digital Officer of Aristocrat.

A.C. Chen, IGS, explained, "This collaboratively developed mobile game from Aristocrat and IGS is tailored for Asian users everywhere, and will surely guarantee a rich experience for players."

BUFFALO

Casino Slots
Aristocrat Technologies

Buffalo, the number one game in the US, is back and is going bigger than ever in the all-new Buffalo Grand, the newest game in this incredibly successful franchise.

Buffalo Grand is larger than life in the Arc Double cabinet, which takes full advantage of Arc Double's dual 42" curved high-def LCD touch screens, upgraded graphic capabilities and iChair, for an engrossing, fully submersing gaming experience unlike any other.

All of the fun of the original Buffalo is here, plus incredible new features players will love. The game stays true to the core base game elements, while adding a 4X5X5X5X4 reel set, the opportunity to win jackpots, jackpot multipliers and up to 50 free games, continuing the evolution for this top player favourite. Buffalo Grand is an Xtra Reel Power game with a chance to win a \$500,000/+ MSP progressive jackpot, as well as four other linked progressive jackpot levels. Minimum bet is 75 credits; max is 375 credits. Denominations range from 1c to \$20.



01 DUNGEON MAZE AND MONSTER BATTLE BONUSES

Casino Slots
Konami Gaming

Konami Gaming has released its newest Dungeons & Dragons themed video slots titled Fortunes of the Forgotten Realms and Dwellers of the Dungeon Keep. Now available as follow-up games to the series debut releases Enchanted Riches and Conquests & Treasures, Konami's latest Dungeons & Dragons themes include dungeon maze adventures and monster battle bonuses that allow casino players to experience the thrill and reward of the iconic gaming legend.

"Our new Dungeons & Dragons games offer a rich fantasy experience that equips casinos with a diversity of entertainment to reach and retain new audiences," said Matt Reback, vice president, marketing at Konami. "Similar to the first games, this second installment offers novel bonus features and graphic art elements but remains rooted in the primary components that core slot players appreciate."

Xtra Reward, Nudging Double Action Stacked Symbols, full-reel wilds, and progressive jackpots are a few of the key game mechanics showcased within the new themes. This second installment of Konami Dungeons & Dragons games also carries a unique fire blaze bezel that accentuates the

machine's tall-top 32" monitor.

"Players get to increase their chance for a higher progressive jackpot prize by rolling 20-sided die and battling unique monsters from random difficulty levels. They can even navigate through a darkened dungeon cavern, encountering monsters, traps, and credit prize treasures," said Mr. Reback. "The artwork and animation are unique and memorable so that regardless of a player's familiarity with the Dungeons & Dragons brand, they'll grab hold of the game's rhythm and bonus adventures with the enthusiasm that Konami games are known to produce."

Both new Dungeons & Dragons themes are currently available across the US and Canada.



02 HEART OF VEGAS

Apps
Aristocrat Technologies

Aristocrat's popular Heart of Vegas app is now available on Android, bringing free-to-play versions of many of Aristocrat's player-favorite slot games to Android users globally. Heart of Vegas features 11 games that are found in Las Vegas and in casinos around the world with several more games slated to be released in the app in the near future.

Heart of Vegas is built on a multi-platform architecture, meaning users can enjoy Heart of Vegas on Facebook, iPad, iPhone and now on Android, all using the same account.

Craig Billings, Aristocrat's Chief Digital Officer, said: "Our goal is to delight social casino players everywhere, everyday, and we are pleased to add Android users to the broader Heart of Vegas ecosystem. With market leading products now on Facebook, iOS and Android, we are continuing to



highlight the importance of social and mobile gaming to Aristocrat's broader strategy."

Since its release, the Heart of Vegas app has become one of the world's most popular and highest-grossing apps on Facebook and iPad. It has reached the top 15 in overall top grossing apps in the US and the top five in top grossing casino apps in the US. The Heart of Vegas app premiered on Facebook in July 2013, came to iPad in September 2014, and to iPhone earlier this year. The Heart of Vegas app was created by Aristocrat and its social and mobile gaming subsidiary, Product Madness, which remain dedicated to delivering new ways for players to enjoy social game content.

03 JOKERS GOLD

Omni-Channel Games
Gala Coral

Jokers Gold, the latest game developed by leading bookmaker Coral's in-house studio, CR Games launches on mobile and desktop to further strengthen the company's successful omni-channel gaming offer.

This is the third game launched in a matter of weeks developed by their in-house studio in Manchester and is part of a strong pipeline of new and exclusive titles which will form part of Coral's growing omni-channel offering. Jokers Gold is a five reel slot game with 'each way' wilds in the reel game and a free spins bonus round where Jokers land in view and expand to feel the reel and



become 'Super Jokers', any 'Super Jokers' that land in view stick in place for the remainder of the free spins, building the chance of big wins as the feature moves to its finale.

"All of our in-house developed gaming titles are now being developed as omni-channel and will be made available to our customers across machines and interactive channels," says Mark Kemp, Gaming Director at Gala Coral.

Products



INSTANT POKER

Online HTML5 Poker
Gala Coral - Playtech

In a network first, Coral Poker in partnership with Playtech launch Instant Poker to become the first iPoker site to offer an HTML5 browser-based version of the popular game.

Players can now play all of their favourite poker games direct from the Coral website without the need to download any software. Players simply open a Coral account or log in to their existing one and click the instant play tab on the poker pages.

Craig Perry, Head of Poker, Gala Coral Group comments, "Improving our product offer and user experience is part of our industry leading omni-channel growth strategy which is already delivering strong results. Our commitment to making poker as fun and accessible as possible is greatly boosted by allowing players to launch games directly from our website and is a great step forward in this regard."

Joerg Nottebaum, head of iPoker for Playtech said, "Innovation is central to all our product development at Playtech and, with an increased focus on omni-channel gaming via our Playtech ONE solution and recreational poker activity across our world-leading network and the industry in general, Instant Poker is the ideal way for beginners as well as more experienced players to enjoy a fast-paced game without the need for a download."



RAMPAGE RICHES

Online slot
Odobo

King of Kaiju: Rampage Riches, is a 5-reel 20-payline slot game and the first title from Lost World Games to pay homage to Japanese-themed Kaiju movies such as Godzilla, Rodan, King Kong, Pacific Rim and Cloverfield. The game also takes clear inspiration from the traditional video game industry and includes over 40 in-game achievements and a stylised motion comic movie introduction.

The game's theme sees ancient creatures emerge from the depths of the oceans and shadowy corners of covert military installations. They are so powerful and terrifying that they can reduce the world's major cities to rubble.

01 RUSH FOOTBALL 2 HD - MATCHDAY

Virtual Sports
Inspired

Inspired has launched one of the most exciting and highest income-driving virtual sport formats to hit the gaming market – Rush Football 2 Matchday – a supercharged 'Matchday' format for its newest virtual sport, Rush Football 2 HD. Inspired launched Rush Football 2 in February 2015 to a fanfare reception. Rush Football 2 is already considered to be the most advanced virtual sport in the industry. With the launch of this Matchday format, Inspired is taking the player experience and operator revenue opportunities to new levels.

Unlike simplified virtual league formats that don't mirror real football betting, Inspired's Matchday format gives players a life-like football betting experience and the thrill of watching non-stop matches whilst enabling bets to be placed during the season. Operators can run up to eight matches concurrently, every three minutes. Players can bet on a single match, create multiple match accumulators and bet on finishing league positions, prior to every Matchday.

A full range of over 25 markets is available on every match, including match betting, total goals, double chance, correct scores, handicaps and many more. Inspired is also adding league betting, enabling players to bet on the overall league positions after each Matchday. By delivering accumulator bet opportunities every



three minutes as well as in-running league betting, Rush Football 2 Matchday promises to tap directly in to the multiples-betting experience that players experience in many sportsbetting territories across the globe.

With industry veteran Ian Darke (BT Sport/ESPN) providing action-packed commentary and the ability to place multiple bets across up to eight matches, players are in for an exhilarating football experience. The full HD graphics are also razor sharp – the models and animations in Rush Football 2 have been developed using film-quality motion capture techniques, combined with the BAFTA award winning team of animators based in the UK.

Steve Rogers, SVP Virtuals, Inspired: "Inspired is renowned for setting the standard in virtual sports. Our products are recognised as being the most realistic, entertaining and highest revenue driving in the industry. With the launch of our new Matchday format we are raising the bar again. This new format is a result of significant investment and the initial feedback has been phenomenal."

02 NEW EU BANK NOTES - €20

Cash Handling
SUZOHAPP

On 23 July 2015, a Memorandum of Understanding (MoU) on the adaptation of banknote handling, vending and ticketing machines and authentication devices to the new €20 banknote was signed by the European Central Bank (ECB) and its Partners, such as European industry associations and the most relevant banknote equipment manufacturers.

Mr. Colombo Fasano, CEO & Group Managing Director of SCAN COIN, a leading supplier of cash management advanced technologies, software and services acquired last March by SUZOHAPP, was directly involved in signing the MoU on behalf of the Group. The MoU aims to ensure banknote handling equipment across the euro area is ready to accept the new €20 banknote by 25 November 2015, the day the new note enters into circulation.

Yves Mersch, member of the ECB's Executive Board said: "The ECB, the national central banks and our industry partners all have their own role to play in preparing for the introduction of the new banknotes. The MoU that we signed together today underlines our shared commitment and

responsibility to ensure that citizens across the euro area can use their new €20 banknotes smoothly everywhere as of 25 November."

SUZOHAPP's wide product range, from banknote counters and sorters to counterfeit detectors, from change machines and carwash starter systems to cash points for self-service laundries, have been tested just as the previously issued €5 and €10 banknotes of the Europa series.

"It is essential to be ready for this event, even more so when taking into account that the €20 banknote is one of the most used of the euro banknote denominations. So we recommend to all operators to update their banknote handling machines and devices to be able to accept the new €20 banknote by 25 November 2015" stated Mr. Marcel Oelen, SUZOHAPP EMEA Managing Director.

On 24 February 2015, ECB President presented the new €20 note, part of the Europa series, which further improves the resistance and the integrity of euro banknotes with added security to keep ahead of potential counterfeiters. On 25 November 2015, the new €20 note will be launched.



Information

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