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G3 INTERVIEW

BEST SUNSHINE: SAIPAN

G3 interviews Mark A Brown, CEO of Imperial Pacific, about his plans for a new integrated resort in Saipan

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Samson House,
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Lewis Pek
Editor



Comment

August 2016

The President of the American Gaming Association, Geoff Freeman, has been on a crusade to legalise and licence sports betting across the United States. He's been banging the drum at every iGaming event both in the US and abroad, highlighting the fact that the existing situation in the States leaves consumers without protection, encourages multi-billion illegal sports betting to thrive and fails to protect the integrity of games and those that provide them.

It feels, listening to Mr. Freeman's rational, common sense argument to license sports-betting across the US, that to do otherwise is foolish at best, and at worst, following some unspecified agenda. Whoever is closing their eyes, putting their fingers in their ears and humming, needs to look at what's happening in the eSports space right now.

Just as responsible members of eSports industry gathered in London to form an Integrity Coalition in July, appointing dedicated members to a body that will bring transparency and integrity to eSports betting, a scandal broke that rocked the eSports community.

YouTubers Trevor 'TmarTn' Martin and Tom 'ProSyndicate' Cassell were not just celebrity gamers watched by 11 million followers, they were also founders, president and vice president of CS:GO Lotto – a site they promoted with videos depicting them winning, without disclosure of

THE EXISTING SITUATION IN THE US LEAVES CUSTOMERS WITHOUT PROTECTION AND FAILS TO PROTECT THE INTEGRITY OF GAMES

their interest, thousands of dollars worth of skins – cosmetic items in Valve games like Counter Strike, Team Fortress 2 and Dota 2. These items have real world value and arrive randomly in drops that players buy access to with keys through Valve's distribution platform Steam.

While it's likely that both YouTubers will face some form of sanction, it will be from the US Federal Trade Commission for misrepresentation of paid/sponsored content and disclosure, as opposed to running a website that exploits a betting loophole in the US, allowing minors to engage in betting thousands of dollars online. The CS:GO Lotto site and others like it, create gambling environments, but aren't subject to the same regulations and laws as traditional betting sites. CS:GO Lotto for example, only requires that its users are over the age of 13.

Whatever legislators are doing right now, even if they're not listening to Geoff Freeman, they should at least listen to their conscience.

EDITORIAL

Editor

Lewis Pek

lewis@gamingpublishing.co.uk
+44 (0) 1942 879291

News Editor

Phil Martin

phil@gamingpublishing.co.uk
+44 (0)7801 967714

Associate Editor (Malaga)

Karen Southall

karensouthall@gmail.com

Consultant (Germany)

John Carroll

carroll@carrollconsulting.de

South America Correspondent

James Marrison

jamesmarrison@gmail.com

Contributors

Edward Ihre (Codeta),

Valery Bollier (Oulala)

Mark A Brown (Imperial Palace)

ADVERTISING

Commercial Director

John Slattery

john@gamingpublishing.co.uk
+44 (0)7917 166471

Advertising Executive

James Slattery

james@gamingpublishing.co.uk
+44 (0)7917 166471

Advertising Executive

Alison Dronfield

alison@gamingpublishing.co.uk
+44 (0)1204 410771

PRODUCTION

Senior Designer

Gareth Irwin

Production Manager

Paul Jolleys

Subscriptions Manager

Jennifer Pek

Commercial Administrator

John Pek



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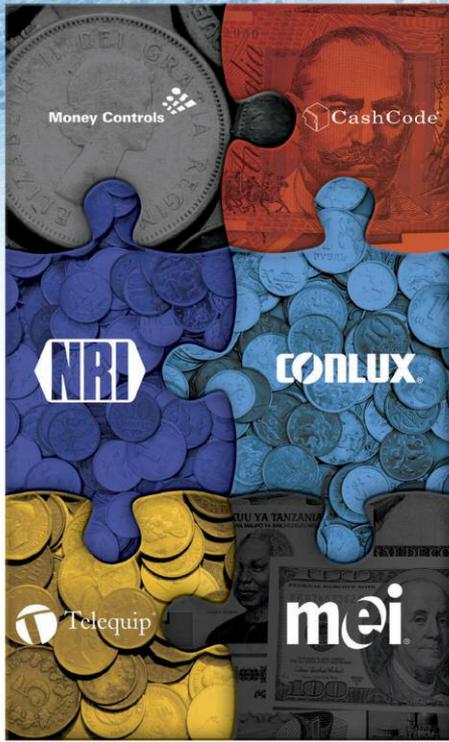
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August 2016

NORTH AMERICA

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New York, US

ORGANISER

Affiliate Summit
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Virginia
United States
VA 20110

CONTACT

Amy Rodriguez
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F: +1 908 364 4627
www.affiliatesummit.com/16e-conference

SOUTH EAST ASIA & OCEANIA

Gaming, Racing & Wagering Australia

August 8–10, 2016

LOCATION

Novotel Sydney, Darling
Harbour, Australia

ORGANISER

Beacon Events
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SOUTH EAST ASIA & OCEANIA

Australasian Gaming Expo 2016

August 9–11, 2016

LOCATION

Sydney Exhibition Centre, Sydney,
Australia

ORGANISER

Gaming Technologies Association
Level 34, 50 Bridge Street
Sydney
Australia
NSW 2000

CONTACT

Ross Ferrar
T: +61 2 9211 7430
F: +61 2 8216 0701
E: info@gamingta.com
www.austgamingexpo.com

ASIA

Kazakhstan Gaming Congress 2016

August 20, 2016

LOCATION

Almaty, Kazakhstan
ORGANISER
Smile Expo
11/10 Letnikovskaya Str
Moscow
Russia
115114

CONTACT

Lyudmila Machuskaya
T: +7 495 212 1128
E: l.machuskaya@smileexpo.ru
www.gamingcongress.kz/en/



ASIA

Casino Forum Batumi

August 18, 2016

LOCATION

Batumi, Georgia

ORGANISER

Smile Expo
11/10 Letnikovskaya Str
Moscow
Russia
115114

CONTACT

Yana Pastushko
T: +7 495 212 1128
E: y.pastushko@smileexpo.ru
www.batumicasinoforum.com

EMEA

Casino Marketing Forum

August 23-25, 2016

LOCATION

Emperors Palace, Johannesburg,
South Africa

ORGANISER

Eventus International Ltd
Suite 1104
Crawford House
70 Queen's Road Central
Hong Kong

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E: info@eventus-international.com
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Entertainment Arena Expo 2016

September 5-7, 2016

LOCATION

Romexpo Fair Ground, Bucharest,
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ORGANISER

Expo 24 Romania
Monaco Towers, 96 Berceni Road
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Bucharest
Romania
041918

CONTACT

Anton Vlad
T: +40 21 335 6681
F: +40 21 335 6680
E: contact@expo24.ro
www.earena.ro

EMEA

11th European Conference on Gambling Studies

September 13-16, 2016

LOCATION

InterContinental, Lisbon, Portugal

ORGANISER

Assissa Consultancy
PO Box 9150
Amsterdam
Netherlands
1006 AD

CONTACT

Pieter Remmers
T: +31 20 689 5989
F: +31 20 689 6418
E: conference@easg.org
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El Presidente en funciones de Brasil, Michel

Temer, está buscando formas de legalizar las apuestas online y las apuestas instantáneas, así como permitir a las empresas extranjeras trabajar en colaboración con CAIXA para operar apuestas deportivas. La privatización de las apuestas instantáneas sería un paso lógico, ya que el Gobierno está adoptando una posición cada vez más liberal sobre el juego.

La Cámara de Diputados de la provincia de

Jujuy, al noroeste de Argentina, ha aprobado una nueva ley que dispone una revisión en profundidad de los contratos del sector del juego licitados bajo la administración anterior.

El Gobierno de Mendoza, en Argentina, ha

decidido no ampliar la concesión de al menos tres casinos en la provincia, ya que no cumplen los objetivos del comité de control del juego en cuanto a atracción de turismo y generación de ingresos.

Se podría permitir a los estadios brasileños

que alberguen salas de bingo y casinos conforme al borrador más reciente de la ley del juego de Brasil que se está debatiendo en la Cámara Baja del país. Las nuevas reglas permitirían el juego en estadios con capacidad para 15 000 personas.

Sun Dreams ha anunciado que invertirá 250

millones de dólares en el mercado peruano. El dinero se utilizará para mejorar sus operaciones en Perú y para invertir en un nuevo casino al estilo Las Vegas en la capital del país, Lima. El Director General de Dreams Perú, Martín Dávila, afirmó que el nuevo casino ofrecerá novedades al mercado local.

En Colombia, el Director Ejecutivo de la Fed-

eración Nacional de Departamentos (FND), Amylkar Acosta, ha confirmado un acuerdo con el Comité de Control del Juego del país (Coljuegos) acerca de una nueva lotería instantánea que se utilizará para contribuir a financiar los servicios sanitarios en los 32 departamentos de Colombia.

El Vicepresidente de Cataluña, Oriol

Junqueras, ha afirmado en el Parlamento que los ingresos generados por casinos se duplicarán una vez que esté en funcionamiento la nueva versión de BCN World. Los ingresos fiscales generados por el juego subirán de 22,5 millones de euros a 45 millones de euros a pesar del hecho de que BNC World solo tendrá permitido albergar uno o dos casinos.

Tras dos años de debates, la Cámara Baja

neerlandesa ha aprobado el proyecto de ley de juego remoto del país, que podría dar lugar a un mercado del juego online regulado en el tercer trimestre de 2017.

IGT ha conseguido un acuerdo para sustituir

un sistema de la competencia por una instalación del sistema de gestión de casinos SYSTEM2go de IGT en el Westin Dawn Beach Resort & Spa, St. Maarten.

Policy decisions are coming thick and fast from the Brazil government, with the latest proposal to site bingo and casino facilities in soccer stadiums

BRAZIL CASINO LICENSING



Football Stadiums Could House Casinos

Brazilian stadiums could be permitted to house bingo halls and casinos according to the latest draft of Brazil's gaming law being debated in the Chamber of Deputies (the lower house). New rules would permit gaming in stadiums with a capacity of 15 thousand people.

If approved the new measures would provide an economic boost to stadiums which are currently facing financial difficulties such as the Mané Garrincha in Brasilia, the Arena das Dunas (Dunes Arena) in Natal, the Arena Pantanal in Cuiabá, and the Amazonia Arena (Amazon Arena) in Manaus, all of which hosted matches during the 2014 FIFA World Cup.

According to local daily Folha de S.Paulo, the Mané Garrincha stadium in Brasilia costs around R\$700 thousand per month to maintain. However, local matches are only providing around 20 per cent occupancy rates while other stadiums which were built for the purposes of hosting the World Cup are also reporting poor attendance.

If adopted casinos and bingo halls could also be

set up in privately owned football stadiums owned by clubs such as the Corinthians and Palmeiras football clubs in São Paulo which are currently reporting high attendance rates. Casinos and bingo halls could be an added to draw to a large array of other events which stadiums offer such as live concerts and add to other revenue streams such as corporate hospitality and advertising. The new law is being viewed positively by owners and boards according to local press.

Crucially casinos and bingo halls could also be permitted at racetracks according to the latest draft of the new law. Like many jurisdictions in Latin America the Brazilian horse racing is currently in decline. Under current rules Jockey Clubs own racing tracks and are responsible for running them and each track is granted a licence to offer horse race betting in betting shops in the area in which they are licensed. The committee has been analysing the new law since November last year and is set to approve the new law in the near future. If approved by the committee the new bill will go before the full house for debate.



Sun Dreams Plan Las Vegas Style Casino for Peru capital, Lima

Peru

Sun Dreams has announced that it will invest US\$250m in the Peruvian market. The money will be used to improve its operations in Peru and be used to invest in a new Las Vegas style casino in capital Lima. General Manager of Dreams Peru Martín Dávila, said that the new casino will offer something new to the local market.

"We are being inspired by the experience that Las Vegas casinos deliver and that we already offer in Chile," he said. The decision to invest in Peru was made, he said, due to the

clear regulatory framework already in place in Peru and the fact that Peru is one of the best performing economies in Latin America. According to the regulatory body, which is part of the Department of Foreign Trade and Tourism (MINCETUR), the draft project of the new proposal includes a casino, a hotel and an arena entertainment complex.

Head of MINCETUR Manuel San Román, said that the new casino could have around 1,000 slot machines, a 250 room capacity hotel and a car park with space for up 1,500 cars.

Peru has seen one of the most remarkable success stories in the Latin American gaming market in the last ten years. Thanks to the efforts of the

gaming board the gaming landscape in Peru has changed from a situation where less than four per cent of gaming operations were regulated by the government to a situation where illegal gaming has all been eradicated and where all slot machine transactions are monitored and in real time by a central government-controlled server. Today Peru has 718 slot parlours and 17 casinos.

The company has already seen good results from its operations in Peru. Sun Dreams already operates two casinos and two slot parlours in Peru. Before the merger in March Dreams recorded a net profit of \$10.4bn (Chilean pesos) an increase of 15 per cent compared to 2015 due in part to the launch of new casinos in the region.

Dreams and Sun International finalised the merger between both companies creating Latin America's largest gaming operator in September 2015. The merger will create a group valued at around US\$400m.



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Macau Legend ha suscrito un acuerdo no vinculante para adquirir un interés en un casino del popular destino turístico de la península de Tróia y desarrollar conjuntamente un nuevo complejo integrado en la vecina localidad costera de Setúbal, aproximadamente a una hora en coche de la capital, Lisboa.

Playtech ha reforzado su posición en el mercado de las apuestas deportivas con la adquisición del proveedor de software Best Gaming Technology por 138 millones de euros (152,6 millones de dólares). Esta adquisición hace que Playtech sea ahora un proveedor a gran escala de máquinas para apuestas deportivas, con lo que complementa su sólida posición en las máquinas de juego al estilo casino.

Hydra Industries Acquisition Corp., una sociedad de inversión para fines especiales formada a efectos de realizar una fusión, una adquisición o una combinación similar, ha suscrito un acuerdo definitivo para adquirir la londinense Inspired con fondos administrados por Vitruvian Partners. La transacción refleja para Inspired una valoración de 200 millones de libras, incluido el endeudamiento de la empresa.

La canadiense BCLC se dispone a desarrollar una instalación de juego a la altura del mercado en la ciudad de Victoria, donde el View Royal Casino sigue siendo la única instalación principal en la región. La decisión sobre el tamaño y el alcance de las nuevas instalaciones se basará en los planes de reurbanización propuestos para el View Royal Casino.

GLI celebró la apertura de sus nuevas oficinas en Moncton con el solemne corte de la cinta inaugural. Estas nuevas instalaciones vanguardistas albergan el ampliado laboratorio de prueba de tickets de loterías instantáneas («rasca y gana»), conocido en inglés como «Global Lottery Instant (Scratch Card) Ticket Testing Laboratory». Century Casinos ha suscrito un acuerdo de compra para adquirir el Apex Casino, ubicado en el barrio de St. Albert en Edmonton (Alberta).

TCSJohnHuxley ha obtenido una licencia como fabricante y distribuidor por parte de la Comisión del Juego del Estado de Washington, con entrada en vigor el 1 de julio de 2016. La licencia le permite a la empresa vender y comercializar su amplia gama de productos en el estado de Washington.

Tras la junta de accionistas celebrada este mes, Ainsworth Game Technology (AGT) ha anunciado la aprobación de la propuesta de adquisición de la participación del 52,2 por ciento del Sr. Ainsworth a manos de Novomatic. La finalización de la venta de acciones está sujeta ahora a toda una serie de aprobaciones regulatorias y de licencias de juego.

El Tinian Dynasty Hotel & Casino, propiedad de Tinian Entertainment Corporation, un inversor en las Islas Marianas del Norte, ha obtenido una licencia de casino condicional tras haber tenido que cerrar sus puertas.

Brazil to Privatise Online Sports-Betting

Brazil's interim President is looking at ways to legalise online betting and instants run by the largest state owned bank – the Caixa Econômica Federal (CAIXA)

Brazil's government is to allow foreign companies to work in partnership with CAIXA to operate sports betting

BRAZIL SPORTS-BETTING

Brazil's interim President Michel Temer is looking at ways to legalise online betting and instants and allow foreign companies to work in partnership with CAIXA to operate sports betting. The privatisation of instants would be a logical step as the government takes an increasingly liberalised stance on gaming. According to government sources, the privatisation of instant tickets would generate revenue of between R\$2.2bn and R\$4bn a year while annual revenue for the government would stand at around R\$1bn.

Under present plans now being studied in the Ministry of Finance, and already under way before impeachment proceedings began against Dilma Rousseff, a private company would be permitted to develop the business after an initial public offering (IPO) or after a licence tender process was carried out. While CAIXA would still retain the monopoly over lottery gaming the complete operation of instants would move to a single company or consortium of private companies, which can be made up of both national and international companies.

Meanwhile, online gaming under current plans now being developed by the Ministry of Finance



would be restricted to sports betting. Licence holders would be given the right to run online sports betting for ten to twenty years in order to maximise resources gathered for the state.

The news comes at a time when the Senate is poised to vote on a new gambling act. Ministers for Brazil's interim president, Michel Temer, will continue with plans to legalise gambling in order to increase revenue for the state and gambling has been earmarked amongst three other major policy changes as an urgent priority by the President of the House, Senator Renan Calheiros. The new act, however, does not address the issue of online gaming.

Brazil offers a huge and as yet untapped market when it comes to sports betting. Sports betting remains banned under Brazil's gaming laws and the only legalised form of sports betting (apart from a small number of Codere horse race betting shops) is via lottery type games offered by CAIXA. This is nowhere near enough to meet demand and Brazilians have been tuning to offshore gambling sites in increasing numbers. Although online gambling is currently banned in Brazil it is estimated that Brazilians gamble around US\$600m a year via offshore sites.

Argentina Three Casinos to Close in Mendoza

The government of Mendoza has decided not to extend the concession of at least three casinos in the province because they are not meeting the gaming board's objectives of attracting tourism and generating income. In fact according to the latest statistics gathered by the local gaming board, the casinos are now losing money. President of the Provincial Institute of Games and Casinos confirmed the closure of the casinos in the cities of Uspallata, La Consulta and Eugenio Bustos.

The official said that the three state casinos had not met with the objectives initially envisaged by the authorities, which was to attract tourists and raise revenues. However, after a study, it was revealed that rather than being a draw for tourists from other provinces or countries the casinos were instead attracting locals.

In addition it was revealed that the casinos were making significant losses. As a result workers for the casinos will be laid off or relocated to other state run casinos in the province. The decision was made after talks with the mayors of the three cities where the casinos are located as well as the chamber of commerce after a study was carried out on the impact of casinos on local communities.

Head of the Institute of Gaming Josefina Canale said: "After paying prizes and costs the casinos made a loss." The head of the Provincial Institute of Games and Casinos made the announcement June 24, and said that the licences will not be renewed on August 24 when they are set to expire, while in March next year two more casinos located in the cities of Tupungato and Tunuyán could also close. However, although there is no official word on the subject, it is believed that the privately run casinos in the province, which are currently operating at a profit, will remain open.

Uruguay

The Undersecretary of Economy and Finance Pablo Ferreri, has reaffirmed the importance of the State monopoly on gambling and betting. Ferreri said that a new bill now under consideration in parliament will restructure gambling and casinos and strengthens the state monopoly over the industry. According to the draft of the new law, the government seeks to create a new governing body called the National Management of State Gambling and Casinos, which would exercise state control over all types of gambling. The new proposals also seek to create a new Betting and Gaming National Comptroller's Office, which would be responsible for the supervision of the quality of accounting and financial reporting of State Lotteries.

Argentina to Investigate Jujuy Licenses

A major review has been initiated in the Argentinian province of Jujuy, following the introduction of a new gaming bill, into legacy gaming contracts

New Jujuy administration suspicious of legacy gaming licences granted by a “corrupt model of government”

ARGENTINA EXHIBITIONS



The Chamber of Deputies in the province of Jujuy, located in the northwest of Argentina, has approved a new law which calls for a major review over gaming contracts granted under the previous administration.

The new law also creates a special commission composed of four members of the executive branch and four members of the legislature, who will be tasked with investigating contracts and licensing procedures.

Deputy Alberto Bernis told press that the rise of gaming in the province had become a growing cause of concern amongst lawmakers and the general public.

Plans to investigate how gaming licences had been handed out were announced last week. Deputy Alberto Bernis told press that the governor of the province Gerardo Morales had instructed deputies to look into the issue.

“We are concerned about the way in recent years permits to operate slot machines without any control have been handed out,” said Mr. Bernis.

The commission will have broad powers, and

will be responsible for the monitoring of contracts, concessions and will look into how gaming has been managed over the last twenty to thirty years. The special committee will also investigate the administrative procedures for granting licences to slot parlours as well as other types of gambling and if irregularities are found they will take the appropriate legal action.

“We’re going to check that everything is within the law, how concessions were granted, if it was a legal process, the terms of the contract, compliance, resolutions, ordinances, ultimately,” Bernis said “we will put things in order.”

After the new law was passed Deputy Germán Noro said that gaming “must be strictly regulated by the state.” Meanwhile Head of Provincial Infrastructure Jorge Rizzotti said new slot parlours were “taking away what little the poorest have.”

Slot parlours, he said, had been granted licences by the previous administration which he said was a “corrupt model (of government) in all areas. I am certain that there were irregularities in the awarding of contracts for that reason all of them should be closed,” he said.



PERU – The 14th edition of the Peru Gaming Show, held on June 15–16 in Lima, has shown the increasing importance of the Peruvian market for the gaming industry. Alfastreet has always been well positioned in Peru and at the moment all the major casinos utilise the company's products. 2016 also marked an important installation of the first Royal Derby horse-racing machine in Peru.

Casino operators are attracted to the variety of Alfastreet's products, such as the compact roulette series, the R4, R5, and R6, providing custom solutions for all the venues with limited space availability. The signature model still remains the R8, the last word in automated electronic roulette, paired with an imposing superstructure Signage, displaying live camera feeds, statistical data and a specially designed roulette Jackpot solution.

For those seeking modular setups there is a vast choice of automated wheels (Roulette and SicBo), combined with live sources, such as Baccarat table and this year's premiere, the Alfastreet live wheel. This was the setup that was brought to the exhibition floor, with immediate effect on the attendees, who were also intrigued by the multigame slot range in two editions, the first a virtual games package, with a selection of Alfastreet virtual games, followed by 12 title slot machines.

The company and the official representative are currently in negotiations for further application of the gaming solutions to the main gaming venues, building upon extremely positive results and they are looking forward to the next year's edition.



MEXICO – Merkur Gaming Mexico has announced the appointment of Ronnie Ferreira (49) as the company's General Manager. A longstanding gaming industry professional, Ferreira brings to his new role

over 15 years of executive experience in both the manufacturer and operator segments of the gaming industry.

Born in Brazil and now resident in Mexico City, Ronnie Ferreira is a highly respected figure in the international gaming industry. A specialist in both operations and manufacturer representation at a leadership level, he has worked in his native Brazil, USA, Argentina, Uruguay, Paraguay, Bolivia and most extensively in Mexico. Best known for his positions with the Ritzio Group and the leading Class II manufacturer Cadillac Jack (where he was General Manager from 2007 to 2011) Ronnie Ferreira has extensive experience in start-ups, acquisitions and developments of casino industry businesses.

Colombia

Colombia's Executive Director of the National Federation of Departments (FND), Amyllkar Acosta, has confirmed that an agreement with the Gaming Control Board (Coljuegos) over a new instant lottery which will be used to help fund the health services in the 32 departments in Colombia. The announcement was made after lawmakers asked the National Government and the Congress for new sources of funding. The new lottery would, according to Acosta, be a kind of 'scratch card' with some similarities to the popular game of Baloto. The Baloto game consists of guessing correctly 6, 5, 4, or 3 numbers out of a total of 45. Baloto runs twice a week and there are around 10,000 points of sale nationwide in 420 municipalities. The new instant is expected to launch at the end of the year.

Casino Technology marks successful Peru Gaming Show

Peru

Casino Technology performed sensationally at Peru Gaming Show 2016 promoting its key products including the premium ARCH slot machine making its premiere on the Peruvian market. The combination of ARCH and its specially dedicated full HD multi-game series GAMOPOLIS ARCH, including 20 unique titles of the popular GAMOPOLIS library, is complemented by the jackpot theme The City of Games, caught the interest of licensed operators and followers of the company in the region.

The complete product palette, including the bright new stars GAMOPOLIS SPEEDWAY and 8

PEACOCKS, is already on the right track in Peru, Argentina, Mexico and Panama. The company plans to add the products in Colombia in Q3 and Chile in Q4 this year. The outstanding ARCH™ slot machine has already been in presale campaign in Peru before its premiere at the exhibition followed by the other core LATAM markets later this year.

Fully armed with innovative and inspiring concepts, the company plans to install its AURORA Upright cabinet in Mexico while keeping on track Argentina, Uruguay, Panama, Chile and Columbia. “We are proud to say that PGS 2016 is one of the most successful editions for the company in the region.”, said Georgi Koprinarov, Managing Director of Transatlantic Gaming SAC, part of Casino Technology Group.

Der brasilianische Übergangspräsident

Michel Temer sucht nach Möglichkeiten, Onlinewetten und Sofortlotterien zu legalisieren und ausländische Unternehmen zur Zusammenarbeit mit der CAIXA für den Betrieb von Sportwetten zuzulassen. Die Privatisierung der Sofortlotterieangebote wäre ein logischer weiterer Schritt, da die Regierung in Bezug auf das Glücksspiel eine zunehmend liberale Haltung einnimmt.

Das Abgeordnetenhaus in der im

Nordwesten Argentiniens gelegenen Provinz Jujuy hat ein neues Gesetz verabschiedet, durch das eine grundlegende Überprüfung der unter der Vorgängerregierung erteilten Glücksspielverträge veranlasst wird.

Die Regierung von Mendoza in Argentinien

hat beschlossen, die Zulassung von mindestens drei Spielbanken in der Provinz nicht zu verlängern, da sie die von der Glücksspielaufsicht formulierten Ziele der Anziehung von Touristen und der Erzeugung von Einnahmen nicht erfüllen.

Gemäß dem jüngsten Entwurf für ein

brasilianisches Glücksspielgesetz, der im Unterhaus des Abgeordnetenhauses diskutiert wird, könnten die Stadien des Landes zur Unterbringung von Bingohallen und Spielbanken zugelassen werden. Die neuen Bestimmungen würden das Glücksspiel in Stadien mit einem Fassungsvermögen von 15.000 Zuschauern erlauben.

Sun Dreams kündigen Investitionen in Höhe

von 250 Mio. US-Dollar auf dem peruanischen Markt an. Die Mittel sind zur Verbesserung der Betriebe in Peru gedacht und werden als Kapital-spritze für ein neues Kasino im Las Vegas-Stil in der Landeshauptstadt Lima verwendet. Der Hauptgeschäftsführer von Dreams in Peru, Martín Dávila, betont, dass das neue Kasino etwas auf dem örtlichen Markt nie Dagewesenes zu bieten haben wird.

Playtech hat seine Stellung auf dem

Sportwettenmarkt durch die Übernahme des Software-Anbieters Best Gaming Technology für umgerechnet 138 Mio. Euro (152,6 Mio. USD) gestärkt. Durch die Übernahme wird Playtech zu einem Großanbieter von Automaten für Sportwetten, der seine starke Position bei den Spielautomaten im Kasinostil vervollständigt.

Century Casinos haben einen Kaufvertrag

zur Übernahme des Apex Casino in dem Vorort Edmonton, Alberta von St. Albert unterzeichnet.

Macau Legend hat einen unverbindlichen

Vorvertrag bezüglich der Übernahme eines Anteils an einer Spielbank in dem beliebten Touristenreiseziel der Halbinsel Tróia sowie der gemeinsamen Erschließung eines neuen integrierten Ferienortes in der nahegelegenen Küstenstadt Setúbal, etwa eine Stunde Fahrzeit von der Hauptstadt Lissabon abgeschlossen.

BCN World to Double Gaming Tax Income

After pronouncing the oversized and unrealistic project 'dead and buried,' it's now long live the new BCN World according to the Catalan government

The Catalan government is already relishing the taxation prospects for the BCN World casino resort, despite significantly reducing the scale of the development

SPAIN CASINO LICENCES

Vice President of Catalonia, Oriol Junqueras, (pictured) has told parliament that casino generated revenue will double once the new version of BCN World is up and running.

Gaming generated tax revenue will increase from €22.5m to €45m despite the fact that BNC World will now only be allowed to house one to two casinos. The leisure complex will also generate an additional €200m for the local, regional and state governments via other taxes he said.

Currently there are four casinos in Catalonia and one or two more large scale casinos will be part of the newly established Tourist and Recreation Complex (CRT) as the project in Vilaseca as Salou is now provisionally known. Both Melco and Hard Rock are competing to operate a casino each while the Peralada Group in partnership with the Genting Group are also competing to be the sole operator and would run a single large scale casino in the resort.

While the casino space will be reduced the tax rate will remain the same as originally agreed. Under new rules passed in 2014, the Catalan Parliament ruled that casinos in Catalonia would pay 10 per cent on their revenues from



gambling once the casinos are up and running. Despite the reduction in tax, Junqueras said that according to "conservative estimates" gaming tax income in the region would double.

Junqueras also said that while he personally was not in favour of the reduction in taxes on gaming the region could not afford to lose out investments worth between €2bn and €2.5bn in the new project. "The project that we are pushing for today is neither BCN nor Eurovegas World. That oversized or unrealistic vision is dead and buried," he said. The Minister promised that by the end of the year that the government would approve the urban master plan in order to define the zoning of the new project, and the public tender for the licenses would be held in February and March and that the winners would be announced before the summer of 2017.

In all the project has shrunk from a million square meters to 750,000 (a 25 per cent reduction). Of this amount 30,000 square meters will be destined for casinos which will make up at most 4 per cent of the total space while the remaining 96 per cent will be allocated for hotels, convention centres and other commercial uses.

Holland

Dutch Lower House green lights online bill

Following two years of debate the Dutch Lower House has approved the country's Remote Gaming Bill which could see a regulated online gambling market by Q3 of 2017.

It is widely expected that the Senate will also approve the decision of the Dutch Lower house after the summer break. In terms of the legislation there will be a 29 per cent tax imposed both land based and online gambling revenues. In addition there will also be a further 1.5 per cent tax which will be used to fund the regulatory body (KSA) and another 0.5 per cent will go to finance problem gambling programmes.

The Dutch Remote Gaming Bill was passed only after a number of amendments were approved including one that will prohibit lotteries and land-based casino operators from utilising existing player databases in order to

promote their online offerings. A second is to require brick-and-mortar casinos to erect physical entry and player identification barriers as well as contribute to a problem gambling fund.

The opening of the regulated market is actually expected January 1, 2018, due to the lengthy implementation process. In fact, nothing is expected to change the coming months.

The problem is not just the forthcoming upper chamber ruling, but also the execution of decrees and activation of the licensing process to accept and welcomed operators to the market, which will be executed by the Dutch Gaming Authority (KSA). Around a 100 operators have shown interest in acquiring a Dutch license, however, it's expected that only 50 licenses will be made available.

Russia

Kiron Interactive has signed an agreement to distribute its virtual products via Blue Ocean Gaming. The deal will see the full suite of Kiron's popular games made available to the casino platform's customers across Russia, the CIS, and Latin America. The agreement will also provide introductions for Blue Ocean to Kiron's network of clients across the African region.

Steven Spartinos, co-CEO of Kiron, said the collaboration reflected a growing interest in virtual games among casino operators and their players around the world.

He added: "We're delighted to have teamed up with Blue Ocean, whose excellent casino platform will help us reach new audiences in new territories."



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Der Geschäftsführer der kolumbianischen Föderation der Verwaltungsbezirke (FND), Amylkar Acosta, hat den Abschluss eines Vertrages mit der staatlichen Glücksspielaufsicht Coljuegos bezüglich einer neuen Sofortlotterie bestätigt, der zur Finanzierung des Gesundheitswesens in den 32 Verwaltungsbezirken des Landes genutzt werden soll.

Der stellvertretende Präsident Kataloniens, Oriol Junqueras, hat dem Abgeordnetenhaus mitgeteilt, dass sich die von Spielbanken erwirtschafteten Einnahmen verdoppeln werden, sobald die neue BCN World fertiggestellt und in Betrieb ist. Die Steuereinnahmen aus dem Glücksspiel werden von 22,5 Mio. Euro auf 45 Mio. steigen, obwohl die BNC World lediglich die Zulassung für die Unterbringung von ein bis zwei Kasinos erhalten wird.

Die Hydra Industries Acquisition Corporation, ein zur Abwicklung einer Fusion, Übernahme oder einer vergleichbaren Firmenzusammenlegung gegründetes Zweckunternehmen, hat einen endgültigen Vertrag bezüglich der Übernahme von Inspired mit Sitz in London von einem von Vitruvian Partners verwalteten Beteiligungsfond abgeschlossen. Das Geschäft entspricht einem Schätzwert von Inspired im Umfang von 200 Mio. Pfund unter Einrechnung der Schuldenlast des Unternehmens.

Im Anschluss an eine zweijährige Debatte niederländische Unterhaus jetzt ein Gesetz über Onlineglücksspiele verabschiedet, mit dessen Hilfe der Online-Glücksspielmarkt des Landes bis zum 3. Quartal 2017 reguliert werden soll.

Die kanadische Lotteriegesellschaft BCLC soll in Victoria eine den dortigen Marktbedürfnissen entsprechende Glücksspieleinrichtung erschließen, die dem Kasino View Royal den Rang als erste Glücksspieladresse in der Region nicht streitig macht. Über die Größe und den Umfang der neuen Spielstätte wird in Abhängigkeit von den Plänen für die Umgestaltung des View Royal entschieden.

GLI haben die große Eröffnung ihrer neuen Niederlassung in Moncton mit einer Einweihungszeremonie feierlich begangen. Diese neue hochmoderne Einrichtung beherbergt das erweiterte Losprüflabor für die Rubbellossofortlotterie Global Lottery Instant.

IGT hat sich einen Vertrag zum Austausch des Systems eines Wettbewerbers durch sein Kasinoverwaltungssystem SYSTEM2go in dem Ferien- und Freizeitkomplex Westin Dawn Beach in St. Maarten gesichert.

TCSJohnHuxley hat von der Glücksspielkommission des Bundesstaates Washington eine ab dem 1. Juli 2016 geltende Zulassung als Hersteller und Zulieferer. Dank dieser Zulassung darf das Unternehmen seine umfangreiche Produktreihe im Bundesstaat Washington vertreiben und bewerben.

Macau Firm to Invest €50m in Portugal

One of the leading owners of entertainment and gaming facilities in Macau, Macau Legend Development Ltd has announced plans to invest in Portugal

Macau Legends Development has announced plans to invest in a coastal gaming facility on the Portuguese coast, an hour's drive from the capital, Lisbon

PORTUGAL CASINO OPERATIONS

Macau Legend has entered a non-binding agreement to acquire an interest in a casino in the popular tourist destination of the Tróia peninsula and jointly develop a new integrated resort in the nearby coastal town of Setúbal, around an hour's drive from capital Lisbon.

The first phase of the new resort in Setúbal will include "a hotel, a shopping area, a residential area, a marina, a parking lot, a new multi-sport pavilion and a gaming arcade with slot machines." The company says that it hoped to encourage the growth of tourism and the local economy of Setúbal and to "better connect Setúbal with the neighbouring area of Tróia." Tróia is located approximately 15 minutes from Setúbal by ferry.

The company has entered into a Heads of Agreement ("HoA") with three companies in Portugal – Fundo Aquarius, Amorim Turismo and B&G – to establish a Joint Venture Company. Together they will develop the Setúbal Project. B&G will transfer the existing Tróia Casino and Concession into the Joint Venture Company. The Joint Venture Company will own and operate the existing Tróia Casino



and will seek to use debt financing to develop the Setúbal Project. B&G and Macau Legend expect to form the Joint Venture company by the end of this year. 55 per cent of the shares of the newco will be owned by Macau Legend while 45 per cent will be owned by B&G.

The Tróia Casino is located at the Tróia Design Hotel and has an area of 2,500sq.m. with 220 slots and 13 tables. The licence for the Tróia Casino expires in 2031. Mayor of Setúbal Maria das Dores Meira welcomed the news saying that it represented "an important step in achieving the strategic goal of promoting tourism and investment to Setúbal and increasing employment opportunities. This project will lead to a profound and substantial transformation of the riverfront's usages and help attract Chinese and other Asian tourists."

Co-Chairman, Executive Director and CEO of Macau Legend, Mr. David Chow, said: "The Setúbal project and the Tróia casino will be complementary to each other by offering different amenities. This creates synergy between the two sites and allows our project to benefit from the uniqueness of both cities."



Dallmeier opens new branch office in North Germany

Germany

Video security expert Dallmeier develops and manufactures products from its headquarters in Regensburg, Germany. In order to strengthen its presence in the North German territory, Dallmeier has opened a branch office in Schneverdingen.

Schneverdingen is located centrally between Hamburg, Bremen and Hanover, so it is easily accessible for our customers in this catchment area. "From now on, our customers in Northern Germany have a contact

person on their doorstep, with short distances and fast travelling times", stated Dallmeier Sales Manager Dirk Lüders, who is in charge of the new office.

"I am looking forward to be able to provide even better service and support from here to our partners and customers in the north of Germany."

Besides office and meeting rooms, the Dallmeier Office North also has a modern showroom, where presentations for specific customers can be staged. "We are not that concerned with selling individual products. Instead we want to provide our customers with practical solutions", explains Dirk Lüders. "And that is exactly what we intend to demonstrate in the showroom. The multifocal sensor technology Panomera is crucial in this regard as it allows operators to monitor large areas from just one camera location."

Ireland

SIS has signed an exclusive five-year deal with the Irish Greyhound Board (IGB) to collect and distribute greyhound racing content to online and retail betting operators. Significantly the deal includes international streaming rights, which will enable suppliers to utilise SIS Stream – SIS' low latency streaming platform – to distribute Irish greyhound racing to new territories around the globe. The agreement, which covers more than 1,500 races a year taking place at flagship IGB tracks – Mullingar, Youghal and Tralee – adds to SIS' unrivalled greyhound offering which already includes exclusive delivery of over 30,000 BAGS races a year internationally. Gordon Bissett, Greyhound Operations Manager for SIS, said: "Over the last five months we have worked extremely hard with the IGB and our customers to create a consistent and reliable betting product from Irish greyhound racing tracks."

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BELARUS – Euro Games Technology has further strengthened its partnership with the operator Winbet, having made a new installation in its Winbet Casino in Minsk, Belarus.

The install was completed in time for the venue's first birthday, celebrated in June, 2016. In just one year the casino has become the most popular gaming hall in the city as selected by the prestigious local competition Molnia MO17. EGT has supplied five Stork terminals, connected to a Vega R8 automated roulette, which is already familiar to the visitors of Winbet Casino, and an additional automated Premier roulette center.

The installation marks the debut of Stork in Belarus. It brings a first to the market as it allows players to bet on up to three different roulette wheels from a single gaming station, featuring user-friendly menus and showing the real-time progress of the game at each of the wheels. The terminal supports a fully electronic version of the widely loved local blackjack. The multigame mix Rigel-1 is currently undergoing homologation. It will offer more 20 different video slot titles, accessible from Stork.

Winbet highlighted that the impeccable quality of the gaming equipment and the high level of its design and interface had been at the core of their fruitful relationship with Euro Games Technology. They added: "We knew that the Stork terminals would appeal to our customers, being an innovative solution, so we backed them up by a well-organised advertising campaign. We also expect that the available on the terminal blackjack will win a favorable reception from the local players. This game is traditional for the country and its electronic EGT version is just perfect for the avid fans."



AUSTRIA – Friedrich Stickler, a long-standing member of the Board of Österreichische Lotterien GmbH and six years as President of the European Lotteries association, became a consultant for the Novomatic Group on July 1.

Mr. Stickler will support Novomatic with his decades of expertise and experience in the field of gaming and lotteries. Novomatic CEO and Chairman of the Board, Harald Neumann, said: "Friedrich Stickler is an internationally recognised expert, who will make valuable contributions, particularly in our newest segment of lottery technology and lottery services." Mr. Stickler will support, among other things, Novomatic Lottery Solutions GmbH in the fields of product development, business development and employee training.

Codere Release Report on Gambling in Spain

The Codere Foundation and the University of La Carlos III Madrid have released a report detailing the Social Perception of Gaming in Spain in 2016

Codere study into gaming shows that a rise in online play across Spain has not impacted upon the numbers of problem gamblers in the country

SPAIN GAMING OPERATIONS

The University of La Carlos III Madrid (UC3M) and the CODERE foundation have presented the findings of their Seventh Report on the Social Perception of Gambling in Spain 2016. According to the findings gambling addiction in Spain is very low, affecting only between 0.1 and 0.3 per cent of the population or between 34,200 and 102,000 individuals, according to the study. The findings mean that Spain ranks as relatively low in the world when it comes to gambling addiction despite the rise of online gaming.

According to Professor of Sociology at the University José Antonio Gómez: "Spanish society is not immersed in compulsive gambling and the current consumption (does not amount to) a pathological gambling problem."

When it comes to gaming online the autonomous community of Madrid has the highest concentration of players (with 20.1 per cent), followed by Andalucía (16.7 per cent), Valencia (13.6 per cent), Cataluña (13.3 per cent) and Galicia (5.5 per cent). Valencia and Andalusia recorded significant increases when it comes to gaming online in terms of player



concentration increasing by 3.4 per cent and 3.9 per cent respectively last year. By contrast, the percentage of online players dropped by 3.8 per cent in Madrid and Catalonia by 3.5 per cent.

Other trends in the report show that public lottery ticket purchases are becoming increasingly normalised via the internet. In 2015 three out of four residents in Spain aged between 18 and 75 years (75.1 per cent), had played the National Lottery – a 2.5 per cent increase compared to 2013. According to the study this increase was due mainly to the recovery of sales after a 20 per cent tax was imposed on prizes of more than €2,500 in 2013. Bingo participation increased slightly in 2015, to reach 2.8 million players (8.2 per cent) compared to 2.6 million in 2014 (7.6 per cent).

At the same time bingo has shown a larger progression compared to online gaming although it still lags behind online gaming with 26 per cent of players saying that they had tried bingo in the last two months while 29.7 of those surveyed said that they had played online casinos within the same period.



SuzoHapp's Scan Coin secures Cashmaster deal in Europe

Europe

Cashmaster International has confirmed a major new partnership with Scan Coin, a member of SuzoHapp Group. Under the terms of the deal, Scan Coin has secured exclusive rights to distribute the company's latest edition of count-by-weight cash-counting products, the Cashmaster One series, in several European countries including the Netherlands, Belgium and Spain.

Gordon McKie, CEO of Cashmaster, commented: "We are hugely excited by the recent

launch of the new Cashmaster One range, and we perceive real growth potential within several existing and new markets. Our new partnership with Scan Coin is a significant step for us in achieving this objective within Europe. It is evident that we share many common values with Scan Coin including the importance of overall customer satisfaction, and high quality, robustly engineered products. We are delighted with this deal and we look forward to working closely with Scan Coin."

Eric Chappuis, Affiliated Product Manager of Scan Coin, said: "The partnership will offer us exclusive rights to an industry leading product using the very latest technology and functionality in count-by-weight cash-counting solutions. Its breadth of functionality across the range, intuitive easy-to-use menu system and multi-connectivity options allow for the most complex of cash management solutions."

UK

Playtech has strengthened its position in the sports-betting market with the acquisition of software provider Best Gaming Technology for €138 (\$152.6m).

The acquisition means Playtech will now be a large-scale provider of machines for sports betting, complementing its strong position in casino-style games machines. BGT provides software for sports-focused self-service betting terminals in betting shops and operates an online sports betting platform.

Playtech said the acquisition will strengthen its position in the UK, Spain and Italy. In May acquired Swedish online slot games provider Quickspin AB for €50m, having failed in its attempt early in 2016 to acquire Plus500 and Ava Trade due to regulatory issues. Playtech stated that it is still interested in expanding into financial trading and will look to build its presence in the area organically in the near future.

Grosvenor Invests in Portsmouth Casino

The Rank Group Plc, owners of Grosvenor Casinos and Mecca Bingo, is investing a further £600k into Grosvenor Casino Portsmouth, located in Gunwharf Quays

Rank continues investment in casino estate in the UK with its Portsmouth casino benefiting from a range of improvements

UK CASINO OPERATIONS



The Rank Group, owners of Grosvenor Casinos and Mecca Bingo in the UK, is investing a further £600k into Grosvenor Casino Portsmouth, located in Gunwharf Quays.

As a result of this investment, Portsmouth will benefit from increased facilities to ensure both existing and new customers can enjoy an improved casino experience, as well as job opportunities for the local community.

The improvements to Grosvenor Casino Portsmouth will include an extension of the gaming area with the addition of four gaming tables, eight electronic roulette terminals and 20 slot machines.

The investment will also see the installation of an area dedicated to new and exciting games where customers will be able to enjoy playing games such as Big Money Wheel, Cardette, Bucket Dice Table and Double Zero Roulette.

As well as a wide range of improvements, the investment into the casino will create an

additional 40 jobs for the local community to increase its existing 150-strong team currently employed at the casino.

Tracey Collins, General Manager of Grosvenor Casino Portsmouth comments: "We can't wait to unveil the fantastic new facilities that will be on offer to Portsmouth. Not only will this investment allow us to provide an exceptional gaming experience for both new and existing customers, but it will also create important job opportunities for the local community.

"As well as delivering an improved gaming offering in direct response to customer demand, we've also introduced a brand new bespoke gaming area which will create a really fun atmosphere in the casino," said Ms. Collins.

"We always strive to provide something for everyone and the addition of these new tables will add some more theatre within the casino environment. We'll be sure to celebrate the unveiling of the new look casino with a bang so watch this space for further details."



JP Brummer, TCSJohnHuxley, Johann de Lange, Gaming Manager and Siphon Kgololo, Tables Floor Manager, Royal Swazi Spa

SWAZILAND – Paving the way for innovative table gaming in Swaziland, Sun International's Royal Swazi Spa teamed up with industry-leading manufacturer and supplier TCSJohnHuxley to install the very first progressive table game in the country. In honor of the casino's 50th anniversary, their existing Raise 'Em Poker table was upgraded to include TCSJohnHuxley's Bonusing system, which enables them to customise the game with bespoke progressive jackpots.

Royal Swazi Spa's Gaming Manager, Johann de Lange commented: "The Royal Swazi Spa Casino is thrilled to have the new progressive installed on the non-smoking floor as part of our Golden Jubilee celebration and thus far have had great response and interest from our guests. We are hoping that it won't be the last TCSJohnHuxley innovative product to be installed in our Casino and look forward to another 50 years of innovation."

John Whiskin, Managing Director, TCSJohnHuxley South Africa, remarked on the installation at the Royal Swazi Spa: "We've shared an excellent relationship with the Royal Swazi Spa for several decades now and we're happy to be a part their latest milestone. The installation of our Bonusing system is the first in the region and is sure to provide an extra attraction for visitors. We wish them continued success in the years to come and look forward to helping them spearhead more innovation in the future."

UK – Hydra Industries Acquisition Corp., a special purpose acquisition company formed for the purpose of effecting a merger, acquisition or similar combination, has entered into a definitive agreement to acquire London-based Inspired from funds managed by Vitruvian Partners. The transaction reflects a valuation for Inspired of £200m, including the company's indebtedness

Upon consummation of the transaction, Hydra's CEO Lorne Weil will become Executive Chairman while Inspired's founder and current CEO Luke Alvarez will continue in his leadership role as CEO in addition to being named to the Board of Directors. Luke Alvarez stated, "We are excited to be partnering with Lorne Weil and Hydra, while continuing our strong relationship with Vitruvian. Lorne's history in the gaming industry and Hydra's access to the public capital markets are the perfect combination to take Inspired to the next level. Our visions are aligned, and the Inspired team is looking forward to working with Hydra to drive value through organic and strategic growth."

Italy

Vermantia has helped launch Lottomatica's new retail content management system for its 'Better' branded Italian betting shops.

Through a migration onto Vermantia retail broadcast services and point-of-sale technology, Lottomatica will now provide the first HD satellite channel to the Italian gaming market, offering Inspired Gaming virtual games and two state-of-the-art live betting and virtual games channels.

Vermantia will broadcast and operate three bespoke gaming channels for BETTER's retail network, including a live sports betting channel, based on more than 10,500 live sports events per year, real-time data and statistics in partnership with global leader Perform Group. For the live betting channel, Vermantia has created a brand new user interface, especially designed to meet Lottomatica players' needs.



Casino Technology to celebrate 10 years in Romanian market

Romania

Casino Technology is planning to celebrate the 10th anniversary of its brand in Romania in grand fashion at the Entertainment Arena Expo, Bucharest (September 5-7, 2016). The company's booth No.304 will be equipped with the latest products and gaming innovations from Casino Technology's rich portfolio.

One of the most demanded multi-game series on the Romanian market GAMOPOLIS HIGHWAY will feature prominently at the show, consisting of 40 titles and providing more than 200

unique games. In addition to Casino Technology's hit products for land-based casinos, the company is pioneering "convergence in action" with its state-of-the-art system suite THE BIG 5. The suite provides the ultimate technology environment for linking land-based and online operations under a single casino brand.

"Romanians adopt very quickly to new technology and are passionate followers of the interactive, dynamic and thrilling gaming concepts Casino Technology has successfully implemented and developed across our decade of success in Romania," said Bogdan Smeu, GM of Casino Technology's brand in Romania. "We have enjoyed great popularity for the innovative products and compelling multi-game series powered by Casino Technology and we are preparing to surprise our followers with a sensational celebration at the beginning of September."

Le président brésilien par intérim Michel

Temer cherche à légaliser les jeux en ligne et les jeux instantanés et autorise ainsi aux entreprises étrangères de travailler en collaboration avec CAIXA dans la gestion des paris sportifs. La privatisation des jeux instantanés fait figure de suite logique tandis que le gouvernement tend de plus en plus vers une politique libérale en matière de jeux.

La Chambre des députés de la province de

Jujuy, située au nord-ouest de l'Argentine, vient d'approuver une nouvelle loi appelant à une révision majeure des contrats de jeux accordés sous l'administration précédente.

Le gouvernement de Mendoza en Argentine

vient de décider de ne pas étendre la concession d'au moins trois de ses casinos dans la province puisqu'ils ne respectent pas les objectifs du Comité des Jeux en matière d'attractivité touristique et de revenus.

Les stades brésiliens pourraient être

autorisés à accueillir des salles de bingo et de casino d'après la toute dernière ébauche de loi sur les jeux débattue à la Chambre des Députés (chambre basse). Ces nouvelles lois autoriseraient les jeux dans les stades d'une capacité d'accueil de 15000 personnes.

Sun Dreams vient d'annoncer que la société

investira 250 millions de dollars US dans le marché péruvien. Cet argent sera utilisé pour améliorer ses opérations au Pérou et pour un investissement dans un nouveau casino esprit Las Vegas qui ouvrira dans la capitale, Lima. Le Directeur général de Dreams Pérou, Martín Dávila, a affirmé que ce nouveau casino offrira un souffle nouveau au marché local.

Amylkar Acosta, directeur exécutif de la

fédération colombienne des régions (FND), vient de confirmer qu'un accord a été conclu avec le Comité de contrôle des jeux (Coljuegos) concernant un nouveau jeu de loterie instantanée destiné à aider au financement des services de santé de 32 régions colombiennes.

Oriol Junqueras, vice-président de la

Catalogne, a affirmé au parlement que les revenus issus des casinos doubleront dès que la nouvelle version de BCN World sera installée et en service. Les revenus issus des jeux vont passer de 22,5 millions d'euros à 45 millions d'euros en dépit du fait que BNC World ne sera dorénavant autorisé à équiper qu'un ou deux casinos.

Après deux ans de débat, la chambre basse

néerlandaise vient d'approuver la loi sur les jeux à distance, ce qui pourrait régulariser les jeux en ligne d'ici le troisième trimestre 2017.

Macau Legend vient de signer un accord

non contraignant pour acquérir des parts d'un casino situé dans la région touristique populaire de la péninsule de Tróia et pour développer ainsi conjointement un nouveau complexe intégré dans la ville côtière adjacente de Setúbal, située à une heure de voiture de Lisbonne, la capitale.

Victoria Host to New BCLC Casino

British Columbia Lottery Corporation has selected the Canadian city of Victoria as the preferred 'Host Local Government' for a gaming facility proposal in the Greater Victoria region

Having reviewed final submissions, BCLC has chosen Victoria as the site of its new gaming facility, based on View Royal Casino redevelopment plans

CANADA CASINO LICENCES



BCLC is to develop a gaming facility to suit the market in the City of Victoria, with the View Royal Casino remaining the primary facility in the region. The decision on the size and scope of the new facility will be based on proposed redevelopment plans for the View Royal Casino.

BCLC's Expression of Interest evaluation team, overseen by a third party fairness monitor, reviewed final submissions from the District of Saanich and the City of Victoria to reach its decision. All submissions were scored on criteria related to community support, geographic, economic and demographic considerations.

BCLC appreciates the participation of both of these local governments in this process.

The Expression of Interest process is used to identify and select a local government interested in hosting a gaming facility. Now that a preferred local government has been selected in this region, BCLC will select an operator that we will work with in order to develop a proposal for a gaming facility within the City of Victoria.

BCLC is committed to further consultation with

West Shore Communities and the City of Victoria. Ultimately, municipal governments determine whether a facility proposal proceeds to development in their community.

Jim Lightbody, President and CEO, BCLC, said: "Our plan to serve the Greater Victoria market with better gaming and entertainment options in the region is moving forward. It has always been our intention to significantly enhance the existing View Royal Casino with exciting new amenities and we are working with our service provider Great Canadian Gaming Corporation to fulfil that. In addition, we would like to introduce another entertainment option for adults and tourists in Greater Victoria through a new gaming facility that will provide accessibility and a different experience and that is why we selected the City of Victoria."

The application deadline to be considered a host local government was December 11, 2015. BCLC received Expressions of Interest from the City of Victoria, District of Saanich, Township of Esquimalt, Esquimalt First Nation and Songhees First Nation. The District of Oak Bay declined to participate.

Century Casinos to acquire Apex Casino in St. Albert, Edmonton

Canada

Century Casinos has signed a purchase agreement to acquire the Apex Casino located in the Edmonton, Alberta suburb of St. Albert.

The company will purchase the Apex Casino operations for a net amount of CA\$5.9m; which equals approximately four times the Apex Casino's trailing 12 month EBITDA. In addition, the Company will acquire the real estate assets of the Apex Casino at the appraised value of CA\$12m. The purchase is subject to, among other things, regulatory approvals and due diligence by the company.

The Apex Casino opened its doors in its current location in

1994. The 34,500 square foot building underwent a major renovation in 2010. The Apex Casino operates 382 slot machines and 11 live table games. It features a restaurant, a bar, a lounge with a live entertainment stage and a banquet facility that can accommodate up to 175 guests. In addition, the Apex Casino has 517 parking stalls. The Apex Casino is operated pursuant to licenses issued by the Alberta Gaming and Liquor Commission. The AGLC requires all gaming operations to be licensed but only allows a certain number of licenses to be granted. All available licenses have currently been granted, and there is an indefinite moratorium on new casinos and racing entertainment centers.

St. Albert is the second-largest city in the Edmonton Capital Region with a population of 60,000.

Curacao

The Second Chamber of the Dutch Parliament has agreed to exert a greater influence of the Dutch Gaming Authority in the gambling sector in Curaçao and Sint Maarten. A motion presented by MPs Nine Kooiman and Jeroen van Wijngaarden was adopted by a majority of the House last month. The motion highlights the large presence of illegal gambling providers in Curaçao and St. Maarten and the debilitating effects of the illegal online gambling sector. The Dutch government will be asked to activate the Gaming Authority in the fight against illegal gambling on the islands. The MPs will also ask the government to have the Dutch authorities pay particular attention to gambling when it is legalized. The motion was recently announced during a meeting with the Junior Minister of Justice and Security Klaas Dijkhoff.



**MERKUR
GAMING**



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Every Merkur HD game package delivers ten outstanding games. Make your selection and choose from our familiar classics or the latest in brand new gaming entertainment themes. Select your favourite and you will enjoy guaranteed excellence in play; all in Full HD at its very best. You make your choice, Merkur HD guarantees to deliver!



HD

Playtech vient de renforcer sa position sur le marché des paris sportifs avec l'acquisition du fournisseur de logiciel Best Gaming Technology pour la somme de 138 millions d'euros (152,6 millions de dollars US). Cette acquisition signifie que Playtech sera dorénavant un fournisseur de paris sportifs à grande échelle, renforçant ainsi sa position déjà bien assise dans le domaine des machines de jeu type jeux de casino.

Hydra Industries Acquisition Corp., une société d'acquisition à vocation spécifique créée dans le but d'effectuer une fusion, une acquisition ou un partenariat de cet ordre, vient de conclure un accord d'acquisition définitif d'Inspired, société basée à Londres, via un financement de Vitruvian Partners. La transaction évalue l'acquisition d'Inspired à 200 millions de livres sterling, endettement y compris.

Le groupe canadien BCLC devrait développer une nouvelle salle de jeux pour répondre aux demandes du marché dans la ville de Victoria, le View Royal Casino restant toutefois la première salle de la région. La décision relative à la taille et à la portée de la nouvelle infrastructure se basera sur les plans de redéveloppement du View Royal Casino.

GLI a célébré l'ouverture officielle de son nouveau bureau à Moncton avec une cérémonie d'inauguration. Ces nouveaux bâtiments ultra-modernes accueillent le Laboratoire international de tests sur les tickets de jeux instantanés (cartes à gratter).

Century Casinos vient de signer un contrat d'achat pour acquérir le casino Apex situé à Edmonton, dans la province d'Alberta, à St. Albert.

IGT vient de conclure un accord pour remplacer un système concurrent par l'installation de son système de gestion de casino SYSTEM2go au Westin Dawn Beach Resort & Spa situé à St. Martin.

TCSJohnHuxley vient de se voir accorder une licence de fabrication et de distribution de la Commission sur les Jeux de l'état de Washington qui a pris effet le 1er juillet 2016. Cette licence autorise l'entreprise à vendre et commercialiser sa large gamme de produits dans l'état de Washington.

Suite à la réunion des actionnaires qui s'est tenue plus tôt ce mois-ci, Ainsworth Game Technology (AGT) vient d'annoncer que la proposition d'achat de 52,2 % du capital de Novomatic par M. Ainsworth a été approuvée. La finalisation de la vente des actions est maintenant sujette au processus d'approbations réglementaires et à l'octroi de licences de jeux.

Wynn Macau vient d'annoncer qu'ils ouvriront un nouveau complexe, le Wynn Palace, dans la région du Cotai à Macao le 22 août 2016. La société espère que l'ouverture du Wynn Palace marquera une nouvelle période de prospérité pour Macao en attirant plus de touristes internationaux dans la ville et en participant à son développement en tant que centre de tourisme et de loisirs.

William Hill US offers Inspired's Virtuals

As parts of a field trial approved by the Nevada Gaming Control Board, William Hill has deployed Inspired's Virtual Sports at two locations in the state

William Hill is trialling the latest Virtual Sports offer from Inspired at the Silver Sevens Casino and Plaza Casino in Las Vegas

NEVADA VIRTUAL SPORTS

William Hill has opened wagering on Virtual Racing at two of its Nevada Race & Sports Books, integrating Inspired's Virtual Sports with its CBS platform as part of a field trial approved by the Nevada Gaming Control Board.

Combining stunning graphics and the voice of legendary race caller Tom Durkin, William Hill Virtual Racing allows sports bettors to wager on an endless lineup of simulated horse races. With a new race every five minutes, sports book patrons can bet Win, Place, Show, Exactas, and Trifectas on lineups that range from eight to twelve animated horses. Virtual Sports will be shown alongside live sports in casino sportsbook areas, and players will be able to place bets in real time via the CBS platform both over the counter and via self service terminals

After receiving approval for a field trial from the Nevada Gaming Control Board, William Hill is offering Virtual Racing at the William Hill Race & Sports Books inside the Plaza Casino (Las



Vegas) and Silver Sevens Casino (Las Vegas). William Hill worked diligently with regulators over the past two years to bring Virtual Racing to Nevada. Subject to a successful field trial the deployment will expand to all Nevada Casino William Hill Sportsbook venues run by William Hill 2016/17.

"We are excited to be the first Sports Book operator to bring Virtual Racing to Nevada. The addition of Virtual Racing is just another example of how William Hill prides itself on offering the largest and most innovative betting menu," said Joe Asher, CEO of William Hill US. "Being able to have Tom Durkin, horse racing's best story teller, as our Virtual Racing voice is 'absolutely sensational' in itself."

Steve Rogers, CCO Digital Games, Inspired commented: "This deal confirms Inspired as the world leader in Virtual Sports innovation and deployment, and our global partnership with William Hill goes from strength to strength."



St. Maarten

IGT wins system bid at Westin Dawn Beach

IGT has secured an agreement to replace a competitor's system with an installation of IGT's SYSTEM2go casino management system at the Westin Dawn Beach Resort & Spa, St. Maarten.

IGT's SYSTEM2go will connect the property's 200 electronic gaming machines and provide Westin Dawn Beach with a variety of operational functions that can be accessed remotely. The comprehensive gaming solution offers accounting, remote reporting, loyalty club connection, and cashless TITO play capabilities. In addition, the property will also install IGT's GALAXIS Tables and GALAXIS Cage management applications that will integrate with SYSTEM2go. Designed to enhance table operations, GALAXIS Tables and GALAXIS Cage applications will provide versatile functionalities including accounting management, player and dealer tracking, game statistics, and back office analysis with reporting.

"The installation of IGT's SYSTEM2go and GALAXIS will enable us to increase efficiencies on our casino floor while elevating player engagement. Our property is a key destination resort, and with these advanced technologies, we can better serve our valued guests through IGT's easy-to-use mobile solution," said Keith Robinson, Westin Dawn.

US

Everi Holdings has entered into a content integration and technology license agreement with Spin Games, a provider of innovative content and smart solution HTML5 technology to interactive and social gaming operators. Spin will integrate Everi's gaming content throughout North American and European I-gaming jurisdictions through the ROC (Robust Online Client), Spin's best-of-breed HTML5 remote gaming server (RGS). Everi will leverage Spin Games' leading technology capabilities for social and real money wagering platforms to deliver an extensive portfolio of popular slot gaming titles to mobile devices, desktop platforms, and multiple internet browsers, enabling players to access the games they enjoy at any time. Spin's RGS, the ROC, offers widespread real-money gaming and social gaming distribution capabilities and streamlines gaming content for a variety of online markets.

Hollywood Park Pavilion Adds the Class

Hollywood Park Casino in Inglewood, California, is adding a touch of Hollywood glamour with the opening of its Cary Grant Pavilion

Sophisticated gaming is the promise of Hollywood Park Casino's new Cary Grant Pavilion, opening this Autumn

CALIFORNIA CASINO OPERATIONS



Hollywood Park Casino's new Cary Grant Pavilion will open in the Autumn in Inglewood, California, as part of the 'City of Champions Revitalisation,' which will also later include the Los Angeles Rams NFL stadium.

Sitting on nearly 11 acres in a newly emerging renaissance district and directly facing the expanded Century Boulevard, the new HPC location will be just steps from the former location. As part of an updated art and social community minutes from Downtown Los Angeles and three miles away from Los Angeles International Airport, HPC sets the latest standard for Westside gambling.

"While the complex undergoes a physical overhaul, the staff at Hollywood Park is committed to making the transition as smooth as possible," said Hollywood Park Casino General Manager Deven Kumar. "HPC is situated both to serve its current player base and draw in a new generation of gamers. The new casino will still have our favourite player perks,

like Blackjack and Baccarat, as well as our daily no-limit Texas Hold'em tournaments, but the new property is going to be bigger and better."

Designed by San Diego-based JCI Architecture, the new casino will span 110,000 sq.ft. and include the best amenities in gaming and technology. HPC will set the stage with 125 card game tables, simulcast wagering, a sports bar and restaurant (Century Bar & Grill), intimate lounge, gourmet café, and a 20 per cent increase in high limit play, while including traditionally historic elements of HPC.

"This new casino was also designed with luxury and convenience in mind," said Kumar. "The new property will engage the art and social communities featuring global artists' work. Palm trees iconography will line the drive as guests pull into valet park while a new parking structure are some of the included and updated amenities for incoming guests. Visitors will feel very safe, while enjoying themselves in beautiful surroundings."

US

MGM Resorts International has launched a mobile gaming platform, easyPLAY Mobile Tournaments, the first digital and interactive tournament to be offered by a regulated casino in the United States. Developed by mobile gaming tech company oneLIVE inc, the platform allows guests at nine iconic Las Vegas resorts to compete with other players in a variety of tournament games using their own mobile devices whether they are at the pool, sipping cocktails at the bar, or simply relaxing in their rooms.

easyPLAY provides the opportunity for guests to win thousands of dollars in cash and other prizes by playing in regularly scheduled tournaments of classic casino games including slots, bingo and video poker as well as fun social, casual and console games. Guests 21 years of age or older can participate in easyPLAY tournaments from any mobile device, personal laptop, or the new InteractivePro Tables.



GLI celebrates new Moncton office Grand Opening

Canada

GLI celebrated the grand opening of its new office in Moncton with a ribbon cutting ceremony. This new state-of-the-art facility houses the expanded Global Lottery Instant (Scratch Card) Ticket Testing Laboratory.

The new laboratory's core focus is on lottery clients and has over 120 team members dedicated to professional services and supporting the division. The Moncton test lab is the first of its kind, utilising

top-of-the-line, high-performance equipment and methodologies while leveraging strong relationships with existing lottery and ticket manufacturers. GLI's ticket testing facility features more technology than any other ticket and lottery testing facility in North America.

GLI's James Maida said: "Our ticket testing lab is a natural extension of GLI's core competencies as an independent test lab with senior testing analysts having more than 10 years of experience in ticket testing." GLI has been in Canada for more than 20 years, and the company is dedicated to furthering its commitment to better serve the province.

US – IGT has signed an agreement with Carnival Cruise Line to offer the new Wheel of Fortune Double Diamond 3D Video Slots on a variety of ships throughout the Carnival fleet. This agreement marks the cruise industry debut of True 3D technology and the Wheel of Fortune Double Diamond 3D Video Slots on Carnival Cruise ships.

Initially, guests on nine Carnival ships will have the opportunity to experience the eyeglasses-free technology of True 3D, combined with player-favorite Wheel of Fortune slots. Wheel of Fortune True 3D slot machines are planned for additional Carnival ships in the future.

"We're pleased to add these exciting and groundbreaking Wheel of Fortune 3D slots to our shipboard casinos, part of our year-long Wheel of Fortune celebration," said David Thomas, Carnival Senior Director of North American Operations, Global Casino Operations. "IGT is a valued partner and these new Wheel of Fortune 3D slot machines capture the spirit and fun of the world's most popular game show in a fun and innovative way."

The IGT and Carnival Cruise Line Spin N Sail marketing promotion extends throughout 2016, with Carnival Cruise Line and IGT casino partners giving away fabulous cruises on the Carnival Magic.

Winners will participate in the onboard Spin N Sail slot tournament exclusively featuring IGT's Wheel of Fortune slot machines. This Spin N Sail slot tournament will take place during an eight-day Caribbean cruise aboard the Carnival Magic from Port Canaveral, Fla., in November 2016. The \$200,000 prize pool, provided by IGT, includes a \$100,000 grand prize to be taken home by one lucky winner. IGT casino customers across the U.S. and Canada will host qualifying events where winning players are awarded a free cruise for two and an entry into the grand finale \$200,000 tournament.



WASHINGTON – TCSJohnHuxley has received a manufacturer and distributor license from the Washington State Gambling Commission, effective July 1 2016. This license allows the company to

sell and market its extensive product line in Washington State.

With over 30 casinos in the region and with two new openings next year, Washington State is a growing market looking for high quality gaming equipment. TCSJohnHuxley will now be able to offer its comprehensive product range, which caters to all operators' requirements.

"We are delighted to receive this license from the State of Washington, which will allow us to fully service each and every casino in Washington State," said Todd Gravens, TCSJohnHuxley CEO for the Americas. "This developing region will now be able to take advantage of our extensive product portfolio and the high quality gaming equipment that we are renowned for producing. I'm really pleased to be working in this region again, getting back to my home state."



AUSTRALIA – Authentic Gaming has signed an exclusive worldwide licensing agreement for Lucky Ball Roulette for online live casinos. Lucky Ball Roulette is an easy to play, complementary side bet delivering frequent bonus payouts of up to 120:1.

"We are hugely excited about bringing this simple and thrilling side game to market via our growing list of B2B clients. Having played the game ourselves in several land-based casinos in recent months, we have witnessed first hand how it drives players to tables," says Jonas Delin, CEO of Authentic Gaming.

Lucky Ball Roulette is currently found in several Casinos across Europe and Australasia, including land based and cruise ship casinos.

Simon Witty (pictured left), Director of Table Games Paltronics Australasia commented: "Authentic Gaming offers a unique real live gaming experience online – and Lucky Ball Roulette has proven to increase game appeal and hold percentage whilst complementing traditional play. Authentic Gaming can now offer a live roulette product that will attract more players and deliver increased profits – a perfect combination."

CAMBODIA – NagaCorp Ltd which operates NagaWorld casino resort, the biggest casino in Cambodia, is in the process of building its major shopping complex, NagaCity Walk, which will connect NagaWorld casino resort with the second phase of the Naga2 project.

NagaCity Walk is expected to open to the public during the second half of 2016 and could open as early as this month. The Naga2 project will offer over 1,000 new luxury suites and hotel rooms; 500 electronic gaming machines and 300 gaming tables based on a filing made with the Hong Kong Stock Exchange. Progress on Naga2 sees the developer very close to topping out, whereby the property could be turned over to NagaCorp by early 2017 for interior fit-out.

Cambodia is expected to benefit the most from Macau's casino industry slump with VIP rolling chip volume for NagaCorp was +65 per cent; electronic gaming machine bills-in was at +32 per cent and mass table drop was at +15 per cent which resulted in a GGR total of +35 per cent year-on-year. The Cambodian government is expected to pass a new gambling law before the end of the year that will impose new tax rates and seek to provide better regulations for the casino industry.

The government is looking to attract more foreign investment into its casino sector and boost tourism, with a special focus on tourists from China.

Entertainment Gaming Asia Slot Withdrawal

Entertainment Gaming Asia, an indirect, majority-owned subsidiary of Melco International, is to sell all 670 of its electronic gaming machine (EGM) seats placed at NagaWorld Casino to a third-party in Cambodia for \$2.5m

Entertainment Gaming Asia sells a total 824 gaming machine seats across both Cambodia and the Philippines for a total cash consideration of US\$3.25m

CAMBODIA CASINO OPERATIONS

Entertainment Gaming Asia is selling all 670 of its electronic gaming machine (EGM) seats placed at NagaWorld Casino to a third-party in Cambodia for \$2.5m and a further 154 seats at Leisure World VIP Slot Club in the Philippines for a joint total of \$3.25m

The purchase price is payable by the purchaser in full in cash on completion of the sale. Prior to the sale, the company had leased EGMs to NagaWorld and that arrangement was terminated effective June 30, 2016 in connection with the sale transaction.

The company has also sold all 154 of its EGM seats placed at Leisure World VIP Slot Club in the Philippines to the venue owner for \$750,000, of which 70 per cent was paid on July 4, 2016 and 30 per cent is payable on or before August 1, 2016. Prior to the sale, the company had leased EGMs to Leisure World until June 30, 2016 when the contract expired.

The company continues its EGM leasing operations in two venues in Cambodia and two venues in the Philippines. The contracts for



these two venues in the Philippines expired on June 30, 2016. However, the EGMs remain in operation as the Company is working to swiftly renew these contracts retroactive to July 1, 2016.

Clarence Chung, Chairman and Chief Executive Officer of Entertainment Gaming Asia, said: "We continue our strategic efforts to refine our business operations and position ourselves for new potential opportunities.

"While the exit from two EGM leasing contracts will have a negative impact on our near-term cash flow, we believe the cash proceeds of the sales will further enhance our ability to pursue new growth opportunities that will fuel long-term growth for the company."

Entertainment Gaming Asia, an indirect, majority-owned subsidiary of Melco International Development Limited, is a gaming company engaged in the leasing of electronic gaming machines to the industry in Cambodia and the Philippines. The company is also developing a free to play online social casino gaming platform for certain Asian markets.

AGT shareholders approve Novomatic acquisition

Australia

Following the meeting of shareholders held earlier this month, Ainsworth Game Technology (AGT) has announced the proposed acquisition of Len Ainsworth's 52.2 per cent stake to Novomatic has been approved. The completion of the share sale is now subject to a range of regulatory and gaming licence approvals.

AGT CEO Danny Gladstone said: "From AGT's perspective, we are pleased that shareholders have passed the Resolution. While the process has been protracted, this is an important and exciting point in AGT's development."

Novomatic's CEO Harald Neumann said that through

Novomatic's majority shareholding, AGT will benefit from collaboration across a range of markets that will be substantially positive for long term shareholder wealth creation.

Mr. Neumann emphasised: "We value the trust and support by the minority shareholders through the positive vote of approving the share transaction and will make every effort to meet their expectations. We will commence implementing the binding commitments as outlined in the Notice of Meeting to crystallise the expected benefits of the relationship."

Mr Gladstone added: "We are delighted to have received shareholder support and look forward to working with Novomatic on the completion of this transaction and delivering on the expected benefits for our shareholders."

North Marianas

Tinian Entertainment Corporation, an investor in the Northern Marianas shut down Tinian Dynasty Hotel & Casino, has been granted a conditional casino licence.

The awarding of the licence by the Tinian Casino Gaming Control Commission is seen as the first step in a full takeover of Tinian Dynasty, allowing it to re-open by December.

Tinian Mayor Joey Patrick San Nicolas said the conditional licence is a godsend as it would speed the return of operations for the island's only economic driver.

The Tinian Dynasty has been indefinitely closed for months now.

Tinian Dynasty suspended its casino operations last September and then shut down all hotel operations in March.

Philippines government seeks to clawback unpaid tax from PAGCOR to shore up its health care coffers

PHILIPPINES CASINO OPERATIONS



PAGCOR Owes US\$327m in Unpaid Taxes

Philippine state-owned casino operator and regulator PAGCOR (Philippine Amusement And Gaming Corporation) owes the government US\$327m in unpaid taxes according to an investigation from the state-run Commission On Audit (COA).

The underpayment relates to taxation accrued from 2011 to 2015. PAGCOR is taxed at 50 per cent following the deduction of a five per cent franchise tax. The COA investigation claims PAGCOR should have paid \$2.08bn during the five-years but actually only paid \$1.53bn.

COA said that PAGCOR had only paid tax on its gross earnings from casino gaming as those coming solely from casino gaming rather than all its income streams.

COA stated: "The Office Of The General Counsel, Legal Services Sector of this Commission, clarified in its memorandum dated June 29, 2015, that jurisprudence dictates that when we speak of the "gross earnings", we mean the entire earnings or receipts of such person or corporation from the business or operation to which we refer. Since the law does not distinguish as to what constitutes aggregate

gross earnings, the Philippine Amusement And Gaming Corporation lacks the authority to make any distinctions and must construe the words in its general sense consistent with the principle "where the law does not distinguish, neither do we distinguish.

Therefore, the aggregate gross earnings of the Philippine Amusement And Gaming Corporation from which the 50 per cent government share shall be computed should not only mean income from gaming revenues but should include income from other related services as well. We stand firm with our stance that aggregate gross earnings pertained to the totality of the income from gaming revenues and income from other related services."

PAGCOR has responded stating that it did not remit P24bn to the government due to the treasury's failure to properly bill the state gambling regulator. Records showed PAGCOR failed to remit the entire P76.3 billion from its gross earnings of P158.1 billion from 2011 to 2014. Total remittances for the period were short by P24,053,929,055.82, the report said. The Bureau of Treasury has asked PAGCOR in writing to remit the said amount.

TAIWAN – As Penghu gears up for a casino gaming referendum, Global Market Advisors (GMA) has stated that a future casino market in Taiwan would be up there with Japan in terms of how lucrative it could be.

The analytical group has issued a thought-leadership piece entitled, "History and Current Status of Gaming in Taiwan," authored by Bill Bryson, who heads GMA's office in Taipei, serving greater China.

The white paper provides an informative historical perspective on the attempts to legalize gaming in Taiwan, the current status of efforts to promote casino gaming in Taiwan, and the associated legislative mechanics. Insights on the upcoming casino gaming referendum to be held in Penghu, and the likelihood of gaming on the islands of Matsu and Kinmen, are also provided.

"Taiwan is very interesting to the biggest corporations in the global casino industry," Mr. Bryson stated. He continued, "Taiwan has shown an interest in creating a casino gaming industry on Taiwan's offshore islands, with a focus on economic and tourism development. The question is whether or not this interest will persist after the recent handover of the government to the Democratic Progressive Party. While not a certainty, and despite some recent starts and stops, GMA believes there is reason to be optimistic."

Andrew Klebanow, Senior Partner at GMA stated: "Taiwan ranks with Japan as a potential lucrative casino gaming jurisdiction. The pending referendum in Penghu, and the possibility of a referendum in Kinmen, has renewed interest in Taiwan among foreign casino operators. GMA's thought-leadership and advisory support will hopefully serve the purpose of keeping interested investors apprised of developments in this emerging gaming venue."

Taiwan has long been a venue of interest among foreign casino investors, originally because of the importance of Taiwan as a source of customers and more recently because of the potential to reach Chinese customers through the ever-increasing transportation and tourism links between Taiwan and China.

The paper states: "The effort to bring casino gaming to Taiwan, however, has been a journey of stops and starts over the past 25-plus years, though there has been fairly steady progress since 2009. Fast forward to 2016, and Penghu is once again preparing to hold a casino gaming referendum. The question is – will this be a repeat of 2009, or will it herald an era of casino development in Taiwan? While the former is possible, there is reason to be optimistic about the latter. The passage of a referendum in Penghu, which locals consider part of Taiwan, would likely force the legislature to pass the draft Act. Should the draft Act pass, then the process of accepting and processing applications for casino licenses would likely begin, assuming, of course that the provisions of the draft Act would create an operating environment acceptable to international casino resort operators."

Macau

Macau Gaming Information Association (MGIA) was formed in February to promote collaboration amongst junket operators. The number of registered promoters has fallen from 235 in 2014 to a current 142, a 40 per cent fall, and nearly all have cut back on Macau operations. Gambling debts are not enforceable in Chinese courts, and Macau junkets' collection problems have grown worse in contracting market and slowing mainland economy. VIP play was once two-thirds of Macau's gaming revenue, reaching a high of 73 per cent in 2011. Since then, the percentage has dipped and, more troubling, since 2014, VIP revenue has fallen by more than half, from a high of US\$29bn in 2014 to US\$14bn last year. Working with Macau authorities, MGIA is creating a credit database that protects proprietary information and complies with Macau's privacy laws.



China

Wynn Palace set to open August 22

Wynn Macau has announced it will open its new resort, Wynn Palace, in the Cotai area of Macau on August 22, 2016. The company expects that the opening of Wynn Palace will help launch a new era of prosperity for Macau, attracting more international tourists to the city and further supporting its development as a world center of tourism and leisure.

Wynn Palace is a luxurious integrated resort on Cotai, a new development by Steve Wynn, Chairman and CEO of Wynn Resorts, Limited. This is his second resort in Macau since the opening of Wynn Macau in 2006.

The magnificent US\$4.1 billion, floral-themed Wynn Palace is conveniently situated just a minute away from Macau Airport, whereby guests are transported via air-conditioned Skycabs that traverse a stunning eight-acre Performance Lake.

The second luxurious integrated resort in Macau by Steve Wynn, Chairman and CEO of Wynn Resorts, features a 28-storey hotel with 1,700 well-appointed rooms, spectacular, large-scale floral displays, superbly designed gaming spaces, versatile meetings facilities, an opulent spa and salon, renowned luxury retail and gourmet dining outlets.

New eSports Integrity Coalition appoint Smith as Commissioner



Ian Smith,
Commissioner,
ESIC - eSports Integrity Coalition

Ian Smith is the esports integrity commissioner. Ian is a UK lawyer with over 20 years' experience in traditional sports, primarily in regulation and governance.

While still in private practice, Ian advised clients in football, cricket, rugby, motorsport, golf and other sports.

His particular focus has always been the connection between the athlete and the rules and regulations that govern the athletes' professional life – contracts of employment and endorsement and the link from team to domestic governing body to regional governing body to international governing body – who owns what and who can sell what and what rules apply when!

"There are many challenges ahead, but it is to eSports' credit that the industry is taking these steps in anticipation of a foreseeable problem, rather than in reaction to a crisis, which is the route taken by most traditional sports to date."

Ian Smith

ESIC - Founding Board

Chair
TBA
Integrity Commissioner
Ian Smith
Members Director
Anna Rozwandowicz
Members Director
Bryce Blum
Anti-Doping Advisor
Michele Verroken
Legal Advisor
Sheridans



The eSports Integrity Coalition (ESIC) was officially launched in London last month, where media and attendees were introduced to the first eSports Integrity Commissioner Ian Smith.

ESIC is a not for profit members' association created to provide an overarching integrity function for professional eSports. In particular, in response to the rapidly increasing threat of betting fraud arising from a burgeoning eSports betting market, the aim of ESIC is to be the recognised guardian of the integrity of eSports and to take responsibility for disruption, prevention, investigation and prosecution of all forms of cheating, including, but not limited to, match manipulation and doping.

ESIC is open to all professional eSports stakeholders and will operate with as much openness and transparency as possible. Policy and projects will be determined by the members for the members in the interests of eSports.

ESIC has created a Programme for acceptance and implementation by professional eSports stakeholders – primarily tournament organisers and platforms, games publishers and licenced and regulated bookmakers offering eSports betting markets – that consists of a Participant Code of Conduct, an Anti-Corruption Code, an Anti-Doping Policy and an independent Disciplinary Procedure based on principles of natural justice. The Programme can be found published in full on the ESIC website – www.eSportsintegrity.com

The ESIC Programme was designed to provide solutions for the threats to eSports integrity identified by the Threat Assessment carried out in 2015 and also available on the ESIC website. The Programme owes a debt to cricket's anti-corruption programme, widely acknowledged as one of the best systems in traditional sports having evolved over a decade and a half of dealing with real and challenging corruption and match-fixing cases in multiple jurisdictions.

ESIC is founded on Principles agreed by its members:

Integrity and Respect, Fair Process, Implementation, Education and Enforcement in Standardised Codes, Mutual Recognition of Sanctions, Sharing of Information and Confidentiality.

ESIC will now focus on finalising membership agreements with stakeholders with whom we are currently in negotiation, recruitment of additional members from across the eSports ecosystem and the implementation of the ESIC Programme in members' terms and conditions of participation. We will also be rolling out participant anti-corruption education (a process already underway with well over 100 eSports professionals already having attended education presentations, with more scheduled) and monitoring and investigation of suspicious betting in eSports markets through the support of Sportradar's market leading Fraud Detection System and relationships with the licenced bookmaking industry.

New eSports Integrity Commissioner Ian Smith said, "It has been eye-opening and a privilege to work in eSports these past nine months and to have gained sufficient trust within the industry to be appointed the first Integrity Commissioner. I have spent the last 20 years working across a range of sports, involved heavily in the protection of their integrity, so I am looking forward to applying all those insights and experience to the eSports ecosystem. There are many challenges ahead, but it is to eSports' credit that the industry is taking these steps in anticipation of a foreseeable problem, rather than in reaction to a crisis, which is the route taken by most traditional sports to date."

"Integrity is paramount at ESL. We were the first eSports organiser to introduce doping control at events and have since then made awareness of the issue a priority within the industry," said Anna Rozwandowicz, Director of Communications at ESL

and the Board Member at ESIC. "ESL is proud to be a part of ESIC are looking forward to developing and evolving the initiative further with industry partners and influencers. This is a big day for eSports and we couldn't be happier."

Betway's Anthony Werkman added: "We are fiercely passionate about eSports and are delighted to be one of the founding members of ESIC that will serve and protect the sport we care deeply for. We've made significant investments in our eSports team over the past few years and are delighted to see the sport getting the recognition it deserves from the wider public. The integrity of eSports is paramount to its continued success, and we're certain that the creation of the EISC will ensure the sport enjoys further success in the years to come."

David Lampitt of Sportradar said "The world of esports is experiencing explosive growth and it is important that the stakeholders protect its integrity in parallel. The creation of ESIC is a welcome milestone in that process. We have already adapted our industry-leading monitoring system to ensure it is fully tailored to the eSports environment, for example, including skins betting sites. We have also started to deliver bespoke educational programs with a workshop in conjunction with ESIC at the Intel Extreme Masters earlier this year. We look forward to supporting the important work of ESIC in safeguarding the credibility of the competitions that eSports fans follow and love."

Unikrn's Bryce Blum added: "Threats to competitive integrity are a problem for every eSports stakeholder. Unikrn is proud to be a founding member of ESIC, which we see as the first concrete step toward creating a collaborative approach addressing this issue. It is only by working with one another that we will be able to develop unified rules and enforcement mechanisms. Competitive integrity cannot be safeguarded individually. We must work together to achieve the results on which our businesses and the industry we love depend."

ESIC has appointed Sheridans as legal counsel. Sheridans, who have well-established practices in both traditional sports, eSports, and computer games, will advise ESIC across regulatory, governance and policy matters.

SUPPORT FROM THE ESPORTS INDUSTRY

"Plantronics is a proud contributor to the integrity of eSports by providing industry leading RIG Commander Pro noise cancelling headphones to eSports providers and tournament producers like ESL, MLG and Riot Games, to keep outside noise from interfering or negatively influencing players. We were supportive to the idea of ESIC when it was first discussed earlier this year and as it evolved under Ian Smith's guidance, it has been incredible to see it become a viable solution to the integrity threats eSports faces. I trust all other eSports stakeholders will see the merit of this project and lend their support as well. Plantronics congratulates ESIC on its launch and wishes it every success as it helps our industry professionalize." - Corey Rosemond, Head of Global eSports, Plantronics



COUNTER PRODUCTIVE COUNTER-STRIKE BETTING SYNDICATE

The need for an eSports Integrity Coalition was highlighted last month as a scandal unfolded in the US involving the already highly dubious practice of wagering on the Valve videogame first person shooter, Counter-Strike GO. In the June issue of G3 magazine, Rahul Sood, CEO of Unikrn and Mark Robson, Head of eGaming on the Isle of Man, highlighted the risk to the eSports industry as young people wager sums in excess of \$20,000 on skins betting websites – in which players barter for virtual weapons and upgrades. An increasing number of websites allow people to trade virtual items for real currency, with the volume of cash wagered on skins in 2015, estimated at \$800m.

Adding petrol to the fire, it appears that two Youtubers, followed by a combined number of 11 million subscribers, have surreptitiously established their own betting site for players to trade skins, and then released videos of themselves ecstatically winning sums of up to \$13,000 by playing on the site they own.

Both YouTubers have posted numerous videos showing themselves successfully gambling on CSGOLotto.com, a site which allows Counter Strike players – including those under the legal gambling age due to a loophole the site exploits – to gamble with weapon skins which have real-world monetary value. CSGOLotto.com allows players to gamble these skins, like chips in a casino, against other players. An RNG then decides a winner. Other websites allow these skins to be bet on the outcome of competitive CS:GO matches.

The Youtubers, 'TmarTrn' and 'ProSyndicate' are the President and Vice President of the site, CSGOLotto, which they heavily promote, but have failed to disclose their relationship to the website in any way in the videos they created. Though they have since edited their declarations, the pair may be in violation of US Federal Trade Commission (FTC) regulations relating to endorsements on social media sites.

As Rahul Sood stated about this issue: "These random gambling sites have

spawned everywhere. Not one of them is regulated, licensed, and their legal situation is highly questionable. Not one of these sites supports responsible wagering. It's a total mess."

In response to recent controversy surrounding CS:GO's ability to allow users to trade in-game items and the use of that functionality by third-party sites for gambling, the makers of the game, Valve, has announced it will begin asking these sites to "cease operations through Steam" and effectively ban item gambling on the service. Valve's Erik Johnson stated: Using the OpenID API and making the same web calls as Steam users to run a gambling business is not allowed by our API nor our user agreements. We are going to start sending notices to these sites requesting they cease operations through Steam, and further pursue the matter as necessary. Users should probably consider this information as they manage their in-game item inventory and trade activity."

James Watson, Head of eSports at Betradar added: "Valve have done the right thing by responding to the growing concerns around these unregulated sites, though there is an element of 'let's wait and see' as a range of stakeholders will want to see the fallout from the statement. The statement seems to draw a line between the existing skins sites, which do not undertake proper KYC and age verification processes, and the regulated, traditional betting operators, which are growing in number by the month. The more pressure and restrictions that are placed on the skins sites, the more likely it is that eSports bettors will migrate to regulated betting operators. This should be welcomed, as these operators know and look after their customers, offer stable and reliable markets (especially if they call on our suite of solutions) and are better equipped to identify accounts and bettors involved in matchfixing.

"Regulated betting is a well-established way for fans to engage in their favourite sports and Valve's decision should ensure eSports fans get a safer and more credible environment in which to bet."

Aruze Gaming Europe – taking a share of the gambling span



David Meacher,
Director – Business Development
Europe, Aruze Gaming

David Meacher recently joined Aruze Gaming to develop the European market for the group bringing with him a wealth of knowledge with over 25 years of Operational experience in Slots and Casino development.

Previously, Meacher held senior operational positions with International Casino Operators including Ritzio Entertainment Group, Sun International, SLH, Storm International and Casino di Venezia. Having developed projects from standalone retail gaming projects to resort gaming in challenging markets and locations worldwide David Meacher will certainly add a new dimension to Aruze Gaming in Europe.

Having seen the effects of mergers and acquisitions over recent years from an operator's perspective I had been researching the market for new partners who could add value to our product mix in Europe. Aruze Gaming was identified as a sleeping giant in the European market who could seriously add value to our operations.



Having spent his career thus far as 'gamekeeper,' working throughout Europe in slots operations and casinos, David Meacher has turned 'poacher,' signing up as Aruze Gaming's Director of Business Development Europe. G3 interviews David about his past, present and the future prospects for the casino sector in Europe

David, you've spent 20 years (I'm estimating) in the operations-side of the business, with a focus on slots performance and operation, what was the motivation to join Aruze as a supplier to casinos?

It is actually a few years more, but how time flies when you are having fun! Although in some parts of the world I would be considered a "veteran" I pride myself by constantly keeping an open mind to new business processes and technologies from both within and outside the industry that I feel can add value to both the guest experience and the business bottom line.

I had previously been approached to switch from operations to the supplier side of the industry. However, I was committed to the challenges and the team I was with at the time and wanted to successfully complete the projects I was committed to so I never made the switch.

Having seen the effects of mergers and acquisitions over recent years from an operator's perspective I had been researching the market for new partners who could add value to our product mix in Europe. Aruze Gaming was identified as a sleeping giant in the European market who could seriously add value to our operations.

In the Autumn of 2015 Mr. Takahiro Usui, CEO of Aruze Gaming, presented me with their European development plan for the region which I found to be intriguing and knowing the resources the company was placing on this development I could certainly identify with the challenge of building a strong European base for Aruze Gaming.

Although another very strong supplier in the

European market with whom I have the upmost respect for also approached me to join their team, the fact that Aruze Gaming's presence in the market needs to be developed from nothing was certainly a challenge I could not ignore.

How big a change has it been to your daily routine and what's been the reaction of the casino operators, now your clients, to your new role?

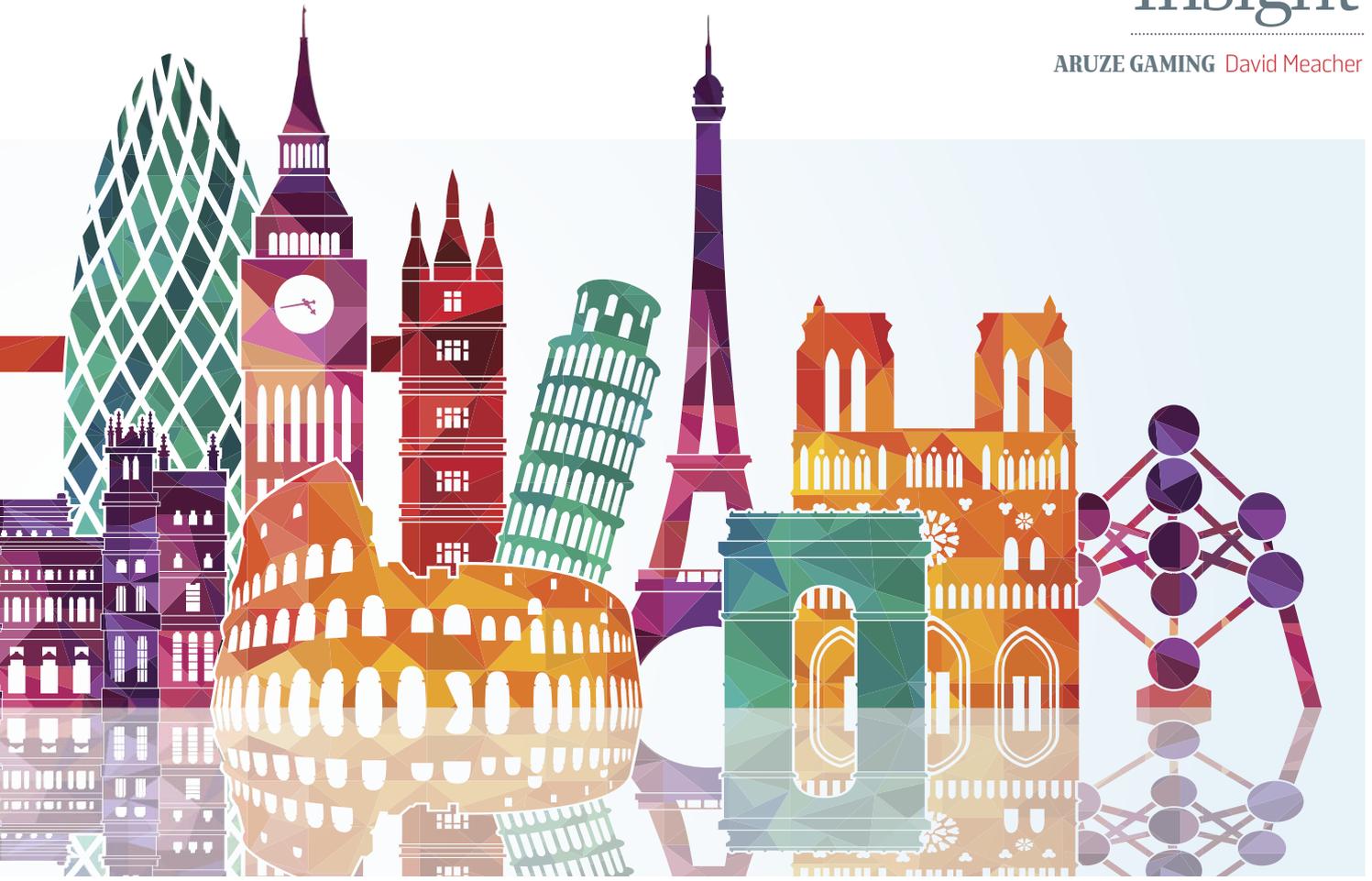
We are building the presence of Aruze Gaming in the European market where most people will remember either Universal or Sigma products. Considering that we are developing this structure the initial process of working from home was a big change for me. However, having managed numerous international projects in different time zones the transition has been very smooth.

The reaction from casino operators has been very positive and I certainly appreciate everyone's support for me personally and to Aruze with our new challenges.

Having been the person on the receiving end of slots sales pitches, are you approaching the conversation with operators in a different fashion?

It is a very competitive market in Europe with so much diversification that it can be difficult for new arrivals into the region.

I have had the pleasure of working with some interesting sales characters over the years who all have their own style and approach to business, however I am not the first, or the last, to make this step from operator to supplier.



I am taking a very humble and honest approach as I know the majority of European Investors and Slot Directors are very knowledgeable and understand their customer base and product requirements better than anyone. Aruze Gaming has an impressive variety of products to offer the European market and I want to be certain that we build for the long term with solid relationships and trust.

There's been lots of rather down-beat analysis regarding the European slots sector, what's your view on the current state of the market and where do you see the opportunities for Aruze?

"There's gold in them thar hills, boys" isn't that a famous old saying? Opportunities are everywhere for both operators and suppliers but you have to be bold enough to acknowledge those challenges and quick enough to take advantage of them. The European Gaming industry is extremely competitive but with the right approach these difficult situations make you stronger, smarter and more creative!

The market conditions are tough for all suppliers but we believe our product range can bring something fresh to European operators as if we didn't I am sure we would not be having this interview!

Aruze produce a range of video slots, steppers, links and multi-players, all with unique twists, intriguing physical elements and real show-stopping power; what are the key products for you and how are they helping operators fill their floors?

Many operators in Europe are only just starting to understand the Aruze Gaming brand and our product range. We have an extremely creative R&D team, some I know who bring with them vast experience

from the Japanese Pachinko market. We try to offer something different than the standard product that is so often repeated on slots floors. The important thing for us at Aruze Gaming is to be fair and honest with our business partners and to offer them an alternative to the standard product range.

A casino slots floor is a living environment that needs constant adjustment to remain fresh and interesting to players while keeping to core products that they know and trust.

Lucky Sic Bo, one of Aruze Gaming's multi-player stations, is Asia's premium Sic Bo machine and is instantly recognised by Asian players worldwide as well as our famous Lucky Big Wheel. Wheel of Wealth, our newest innovation to the wheel, will soon be known well throughout the gaming industry. These products are already proving popular where ever we have installed them.

While many European markets have become totally video, there is still a demand for stepper games and it is widely acknowledged that Aruze Gaming offers some of the strongest and highest performance stepper games in the market.

In addition to the multi-player stations and stepper products, which offers something different to players, our latest video and link progressive games are also generating a lot of attention as operators see the performance. Titles such as Happy Festival, Jungle Cash and Golden Jackpot are showing strong performance in a number of different regions.

The Ultimate, Deluxe and Vertical products which cannot be missed by any visitor to a casino, are certainly products that guarantee player interest.

Many operators in Europe are only just starting to understand the Aruze Gaming brand and our product range. We have an extremely creative R&D team, some I know who bring with them vast experience from the Japanese Pachinko market. We try to offer something different than the standard product that is so often repeated on slots floors.



Insight

ARUZE GAMING David Meacher



During my time in Italy we were the first casino in the world to introduce remote play gambling – where a game can be downloaded from a machine onto a tablet and who played? The first person to take up the offer was a lady in her 70's... Gamblers like and trust their box and their game!



There has been lots of criticism of suppliers that the current crop of casino products are lacking in innovation and are failing to engage with a new generation of players. How far do you agree with the view and is there a solution to the issue?

Keep it simple!

As I know the roulette wheel was first used in Paris around 1790 and they seem to still be spinning around Europe after all this time!

I think in Europe we need to look at the bigger picture and understand the economic impact of recent years and the effects on the disposable income of the new generation. The strength of convenient gambling products in Europe such as lottery, scratch cards, sports betting/virtual sports betting, mobile & internet gambling are all taking a share of the entertainment and gambling span. While I see the same slot games on mobile and internet as I see on Casino floors around the Europe, the value is to use these forms of gambling to drive business between the different forms of gaming entertainment.

Consider gaming legislation, while necessary, also adds difficulties for developers to create fresh products which is why we are all watching with interest to see the quality of games with elements of skill involved. Our Caribbean Rose and Ultimate Eruption games both created a great deal of interest from operators both at ICE and G2E Asia.

Product management of the latest games is also important as incorrectly structured bet and RTP settings will also damage the players experience and reduce the likelihood of a repeat visit to that machine and even worse to the Casino.

Are casino operators in Europe investing enough in new

innovations, new technologies, to appeal to the next generation of players, and how do you balance this need to chase the Millennials and Generation Xers, while still appealing to the core revenue stream – baby-boomers?

During my time in Italy we were the first casino in the world to introduce remote play gambling – where a game can be downloaded from a machine onto a tablet and who played? The first person to take up the offer was a lady in her 70's... Gamblers like and trust their box and their game!

Operators have to keep their slots floors fresh with the introduction of new product but as with all things in life, it is about having the correct balance and the focus should be predominately on the where your core revenue is derived from. Games for the Millennial and Generation Xers will have a shorter life cycle as they demand new and fresh products due to the nature of the online environment they know.

There will always be a hot slot game that everyone goes crazy for and is a must have on a casino floor but I think the environment and entertainment package in how these games are presented along the use of cross over technology is the key.

What are you looking to achieve in your role with Aruze in Europe and how will you judge if you've been successful?

“Success is not final” but ultimately our success will be based on the profitability of our business. However this simply cannot be achieved without building trust with our European partners and providing a service oriented team structure within Europe.

When Aruze Gaming Europe becomes an automatic choice to visit during ICE I will know we are in the right direction!

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Mark A Brown
CEO,
Imperial Pacific

With more than 30 years' experience in the industry, Mark is recognized as one of the world's most capable high-end gaming development and operations specialists. Prior to this appointment as the CEO of Imperial Pacific, Mark was President of all LVS properties in Macau, responsible for spearheading the largest casino project in history, the Venetian Macau – as well as planning, launching and operating the Sands Macau and the Four Seasons Macau. Previously, he was President and Chief Executive Officer of Trump Entertainment Resorts, and Vice President of Strategic Development at Wynn Resorts.



Around 300,000 visitors currently visit Saipan per year, but there are only 2,800 rooms on the island at present, which are almost 100 per cent occupied seven days a week. My first question when I came to the island was, why are there not more hotels? So when I joined Imperial Pacific and came to visit Saipan, it's fair to say that I understood the vision immediately.



G3 interviews Mark A Brown, CEO of Imperial Palace, about the creation of the Grand Mariana on the Pacific island of Saipan and the remarkable success of the temporary facility, the multi-billion earning 'interim' Best Sunshine Casino

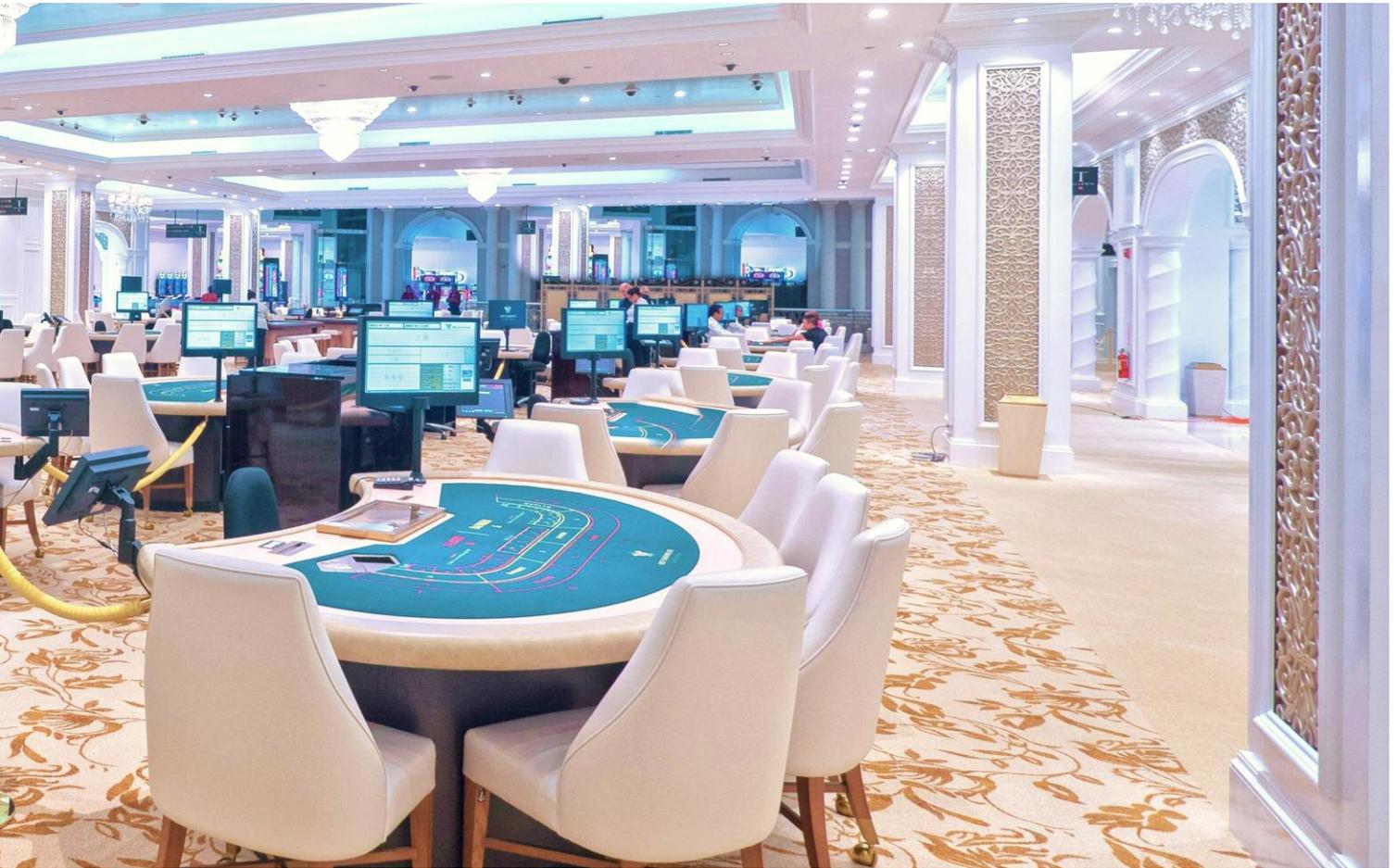
Why choose to develop a new integrated casino resort in Saipan?

Imperial Pacific was granted its Saipan license in August 2014 and I joined the company in November of that year. The month prior to my joining Imperial Pacific I had the opportunity to listen and discuss the vision for Saipan with our majority shareholder. He had been looking for a gaming destination site for about six years. The list included Australia, Vietnam, Cambodia etc., during which time he was progressing the dream of owning and operating his own casino.

Having found Saipan, he worked on establishing gaming on the island for around two years. The first two 'go-rounds' failed, but in the third instance, as two additional developers pushed legislation for the license, which included a Hong Kong consortium; a group running the Tinian Casino on the next island; and ourselves; it became clear that the government had changed its stance on gaming. The reason was that it needed help. The economy and the government needed legislation to shore up its finances. The most pressing issue was that the island's retirement fund was severely depleted, so that retirees were not being taken care of, which for Saipan, where family and respect for family is everything, it meant that the issue had to be resolved.

Once the legislation for the license was passed and granted to Imperial Pacific, the license agreement states that we must pay a US\$15m license fee each year, and pay year one and five upfront. So we paid \$30m when the license was granted, we have already paid year two and we are about to pay the fee for year three in August, and that continues for the 40-year license term.

When I explain to people about Saipan, World War II played a massive part in the history of this island with the conflict between the US and the Japanese. When you learn about places like Suicide Cliff, as a US citizen I have never realised how significant this island was during the war. I also didn't realise how incredibly beautiful this place is as a destination. You have crystal clear blue ocean, amazing skies and sunsets, it's the scuba diving capital of world. Saipan is already a tourist destination, comprised of equal parts Japanese, Korean and Chinese, with the Chinese visitation growing, which is obviously good for shopping and gaming. From my perspective, it is an island that already has the mass market built into it. Around 300,000 visitors currently visit Saipan per year, but there are only 2,800 rooms on the island at present, which are almost 100 per cent occupied seven days a week. My first question when I came to the island was, why are there not more hotels? So



when I joined Imperial Pacific and came to visit Saipan, it's fair to say that I understood the vision immediately.

Coming back to our headquarters in Hong Kong within the IFC building, we talked about building a temporary facility, not only to make a couple of dollars, but to train staff too. Building a temporary facility mean that we need to train people on the island who had never encountered gaming before, as there are no dealers or supervisors or anything - we had to start from scratch. But as we looked around the island, we couldn't find a location to put a temporary casino. In the US, a temporary casino is basically a tent that you erect next to your facility, in which you place some tables, and when the big beautiful building opens and you take the tent down and move on.

However, there wasn't a location nearby on which we could erect a temporary facility on the same site. Garapan is the largest village and the centre of the tourism industry on Saipan, it's where the hotels situated and it's home to the T Galleria DFS shopping mall. I was standing on the roof of the DFS complex looking at the parking area and wondering if we could put a temporary casino there, when the DFS General Manager explained that they were renovating half of the interior of the mall. If we cut a deal, we could place the temporary facility in the mall itself - which for us was a grand slam.

In the end we spent US\$25m on a temporary facility,

we knew the type of clientele we were targeting to come to the island. This was the cream of the crop - the VIPs from China - we knew it couldn't just be a tent. And it's worked out beautifully. You have Armani, Louis Vuitton and right next door, there's our casino. It looks like it's always been there, despite the fact that we launched with a soft opening in July 2015.

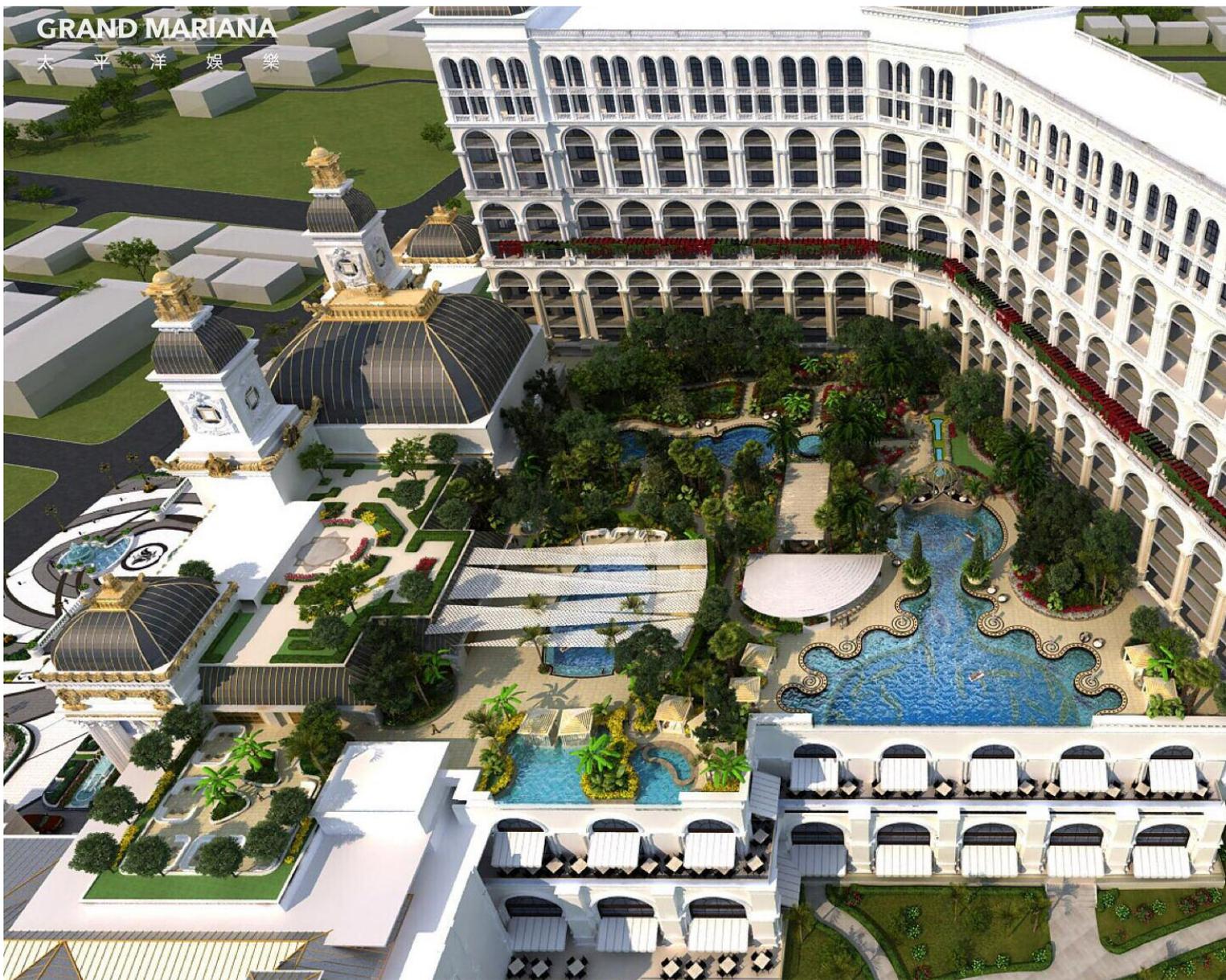
People say that Saipan is in the middle of nowhere, but it's not. If you're Chinese it's actually more convenient to visit Saipan than Macau. When the Chinese visit Macau they return home - they don't leave Macau and go somewhere else to gamble. Home is Beijing or Shanghai, which is a 4-5 hour flight and it's hassle free to get a visa upon arrival. They are arriving on our private jets, on their own private jets, commercial flights etc. We whisk them through customs, pick them up in our limousines, take them to our yacht with five state rooms, with private chefs and VIP butler service. We bought six-bedroom homes on the island and created five-star accommodation for our guests. And we have dedicated blocks in the other hotels for our visitors - that is why it's been so successful. I can't think of another location that can compete with the offer on this island. It is such an incredible gaming destination.

Saipan was already an amazing vacation place for the Asian market, we've simply added this gaming element to the island for VIP players who play in Macau, Singapore, Australia - everywhere. The difference here is that they are flying into US territory. We follow all the US laws, the AML laws, the KYC

Imperial Pacific International Holdings Ltd, a Hong Kong based company operating as Best Sunshine International (BSI) is building an approximately \$7 billion integrated casino resort in Saipan, located in the Commonwealth of the Northern Mariana Islands (CNMI).

This mega casino resort is spread cross five phases and construction of phase 1 is currently on and expected to finish by early 2017.

Best Sunshine is the largest private infrastructure development project ever to be constructed on Saipan, the Grand Mariana Resort in phase 1 is expected to have 374 rooms across beachfront villas and hotels in addition to two casino floors. Roughly 40 percent of all tables will be VIP tables.



We're looking at the temporary facility generating around US\$250-300m EBITDA per year right now, which is from a temporary facility that doesn't offer guest rooms. We're achieving that from 42 tables and 106 slots, though in reality we're doing the rolling \$300m EBITDA from 10-15 VIP tables, having spent just \$25m creating the facility.



(know your customer), any mainland Chinese person has to give their passport information before they come to the island; anyone playing in our VIP rooms is not allowed to play unless we know who they are. We fall under the US federal government umbrella. We also follow the proper labour laws, the hiring practices, the posting of jobs, and we hire US citizens first.

The temporary facility opened in July 2015, which was the soft opening before the official opening in November.

We had the grand opening in November, whereby we publicly came out with our rolling numbers. We saw US\$1.6bn in November, \$1.5bn in December, 2.2bn in January and it's been 2bn each month, until April's \$3.2bn and \$2.6bn in May. Our plan was to open and achieve US\$1bn - 1.2bn per month - which I have to admit to thinking was an ambitious goal, since we were opening up a new jurisdiction on a Pacific island, in a temporary facility with 42 tables (32 mass tables, six premium mass tables, seven private junkets rooms - even though there were no junkets yet - and 106 slots). But then we started rolling US\$2-3bn a month. It's now six months in and we're still doing an average of \$2bn a month because the word-of-mouth has been so strong. We opened up with around 50-60 VIPs per month and now we're up to 100 per month. They are just loving our facility and Saipan.

Why do you think Saipan has the potential to become the next tourism hot-spot?

Our goal as we move forward and open up additional phases and our multiple properties is to drive tourism on the island. I can see right now with the temporary facility that we have a 90/10 VIP split, with all of those players from mainland China. Tourism on the island is always going to be limited when you only have 2,800 hotel rooms, and those rooms are always full. HK Airlines have already started their direct flights from Hong Kong to Saipan in the beginning of July, and more airlines are setting up direct lines soon. At the moment there are no rooms, so we've nowhere to put more people. The good thing is, as we open the Grand Mariana, we will add 374 suites; the two other companies on the island are opening an additional 700 rooms, which in total we will add 1,000+ rooms next year.

We plan to open the casino block around Chinese New Year in 2017. As the casino block opens, the casino tower continues to be built, with the 374 rooms to be completed by the end of the first quarter 2017. As I mentioned, the mass is already visiting the island. Those 300,000 tourist visitors are already visiting our temporary facility; there are 1,000-1,500 people visiting DFS every day; they are shopping, playing in the casino and eating at the restaurants. Our goal is to be 70/30, VIP to Mass. Saipan will



always be a VIP market, because we are a plane destination. Our players will always have to fly to Saipan, so we will always be the preferred VIP destination because Saipan has more to offer than just gambling.

What are your expectations following the success of the temporary facility?

We're looking at the temporary facility generating around US\$250-300m EBITDA per year right now, which is from a temporary facility that doesn't offer guest rooms. We're achieving that from 42 tables and 106 slots, though in reality we're doing the rolling \$300m EBITDA from 10-15 VIP tables, having spent just \$25m creating the facility. When the Grand Mariana fully opens in the first quarter of next year, our target for 2017 is \$600m-700m EBITDA. We can easily double our current EBITDA based on the fact that we're providing spectacular hotel rooms, offering 11 Michelin-starred-chefs' restaurants, nightclubs, world-class spas and ballrooms etc.

As we build the second phase at the end of 2017 into 2018, our plan moving forward is that the next building will be ours, but as these other properties are built, this is going to be an asset-light company, whereby we have other investors building the hotels, whether they manage it themselves or have external chains like the Four Seasons to manage it for them.

It's a similar model to Las Vegas Sands, but were they own the casino, the shopping and build their own hotels - with the hotel companies managing them for a percentage; we will do the opposite. We will have the investors own, build and operate the hotels, leaving Imperial Pacific to own and operate the casino across all the development phases. At this moment we are focusing on the temporary and the Grand Mariana casino, once we're fully opened then we'll focus on the design and the numbers for the second property.

Compared to the operating environment in Macau, what are the advantages for Imperial Pacific to operate a casino in Saipan?

I continue to describe Macau as the 'king of gaming.' Yes, the VIP numbers have been dropping. These extremely high value players, billionaires in their own right, are looking for new places to go. We are very transparent, there's no gaming tax, there's no profit sharing. With junkets, the sub-junkets and our customers, the big question - crucial question - is where does my customer want to go?

When I was at NagaCorp for a year, our big question was "where do they go?" Do the VIPs go to Singapore, Cambodia, Korea, Vietnam, Philippines or Macau? Where do they go and who is giving the best deal? Fundamentally, it's about where your customer wants to go - where do they feel safe? Not only at the table, but in general. The guys coming to Saipan to bet \$500,000 a hand on baccarat because they feel comfortable. In Saipan, you're playing in the United States; the game is scrutinized by the US Casino Control Commissioner, security guards, cameras etc. As counter intuitive as it sounds, we have VIP players coming to the US who like playing in a highly regulated environment.

We're dealing with the players that want to experience everything that Saipan has to offer. Nothing compares to this. If you're leaving Beijing or Shanghai and heading to Macau, or the Philippines, you're leaving one block of buildings and heading to another. Here, it's 82 degrees year round. And when you hear that the VIP players just love the tables and drink, and don't care about anything else, that's not true. They love the staying on the yacht, dining outdoors, fishing, snorkeling, fine dining, bringing their families - they're loving everything about Saipan. The fact that it's a four-hour flight with visa on arrival means it's more convenient, more comfortable and safer for them.

The relationship between operators and government in Macau and Singapore has often been 'spiky'. Is Saipan a stable environment for an integrated resort?

The government in Saipan was facing some challenges. The pension fund needed help. We have a 40-year monopoly license and Saipan only ever wanted to deal with one company, just one license. And while the license was a necessary measure to shore up finances, now the government has seen what we've done in the wider community, they know we are here to stay. In addition to the US\$15m license fees each year, we



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About Imperial Pacific International Holdings Limited: Imperial Pacific International Holdings Limited (HKEx Stock code: 1076), indirectly through its wholly owned subsidiary Imperial Pacific International (CNMI), LLC, has been granted with a 40-year exclusive gaming license on the island of Saipan, a US territory as part of the Commonwealth of Northern Mariana Islands.

Insight

SAIPAN Imperial Palace



Typhoon Soudelor, known in the Philippines as Typhoon Hanna, was a powerful tropical cyclone that severely impacted the Northern Mariana Islands, Taiwan, and eastern China, resulting in 40 confirmed fatalities. Lesser effects were felt in Japan, South Korea and the Philippines. Soudelor formed as a tropical depression near Pohnpei on July 29 and became the worst storm to strike Saipan on August 2 in the Northern Mariana Islands in nearly 30 years. Hundreds of homes were damaged or destroyed and power took a month to be restored. Imperial Palace had opened its temporary facility on the island at the start of July.



We opened our temporary facility in July last year, and then on August 2 the island was hit with the worst typhoon in 40 years. Imperial Pacific and Best Sunshine stepped up to the plate and the entire company stopped what we were doing and rebuilt homes and villages. Our dealers and pit bosses went out and rebuilt people's homes on the island.

have a five percent BGRT, business gross revenue tax, for which we've already paid \$25m in BGRT funds, and will probably spend \$150m next year on BGRT alone. Besides that, we've spent millions helping the community. We opened our temporary facility in July last year, and then on August 2 the island was hit with the worst typhoon in 40 years. Imperial Pacific and Best Sunshine stepped up to the plate and the entire company stopped what we were doing and rebuilt homes and villages. Our dealers and pit bosses went out and rebuilt people's homes on the island. We established a corporate responsibility programme with 100 employees giving back to community. It was started as a response to the typhoon, but we have continued to be good corporate citizens and showed everyone that we're here for the long-haul.

At the outset, when I joined the company, there was a governors election race, but we took the stand that we didn't want to give money to either side. So besides the money that we send on our license fees, we gave US\$10m to the local utility company, CUC, which paid for every single household's electricity for three months. It came to around \$700 per household, which resonated in the community, as we weren't donating to a political side, we were giving it directly to the people.

The Saipan Casino Commission has also really done

their homework. They reviewed Atlantic City regulations, studied Nevada and how junkets work, attended UNLV courses in Vegas and brought experts to Saipan. They have been to Macau to attend the Global Gaming Expo, were they met and spent hours discussing current issues with the DICJ (Macau's Gaming Inspection and Coordination Bureau). We have a professional working relationship with them.

The opening of the temporary facility has really helped too, as when the Grand Mariana opens, everyone will feel comfortable, not just with the Asian VIP and junket play, but everyday security, the fills, how pit managers and dealers work, running a cage, etc. everyone is already very comfortable with the running of a gaming operation. To change these things, whether that's gaming tax or granting another license, our license agreement stipulates that the government would have to alter the law itself to enact change.

Saipan is a very small island and a very small community. We know that we're not going to wake up one morning and find that they want another casino operator. The fees and taxes we are paying have put millions and millions of dollars into their budgets. And as we grow our business, the island benefits too. We will be the only Macau style junket gaming operation anywhere in the US, and the more business



brought to the island, the better it is for everyone.

What have been the biggest difficulties you've faced so far?

The logistics on a small island have been the most challenging. Getting the temporary facility opened quickly, not only in terms of shipping tables and slots and getting the Commission to approve the vending licenses of all the different suppliers, the biggest thing was hiring the best employees. Getting the employees to come from the Philippines; dealers, supervisors, pit bosses, surveillance and cage staff. Recruiting enough staff to run the casino 24 hours seven days a week, was a challenge, and then we had to house everyone. We have 1,200 employees for the temporary facility, which will grow to 3,000 employees in the Grand Mariana; the second building will have 4,000, and beside the gaming/hotel operational people, we have 2-3,000 construction workers. So we're building dormitories, we have bought a housing development of 40 individual homes for our executive housing, plus 70 units for dealers and supervisor, with 2-3 beds in a room. We are taking good care of all these people, supplying uniforms and housing requirements,

transportation, shuttle buses to carry the Philippine dealers on the other side of the island back and forth around the clock. It's the detailed work that goes into the everyday planning behind the scenes that's been the most challenging aspect of this project.

How is development of the Grand Mariana progressing?

The construction of the Grand Mariana is on track. The typhoon set us back a little, but having just started there was actually very little for the typhoon to damage. We had just cleared the land and undergone an archaeological dig with visiting experts from Hawaii. We held public hearings to agree to the clearing of the land and then the archaeologists found 256 bones, an intact WWII body, cooking bowls and utensils, tools, a couple of hand grenades and a sea mine. So we're now building a museum and will be displaying the objects that we found. Every person that builds in Saipan finds something. Even the DFS shopping mall has a plaque outside that says they found 96 bones on the site.

What are some of the initial feedback from the customers who have been to your temporary casino? Are they expecting something similar to Macau?

Everyone has been shocked when they arrived. When you think about a temporary facility, this is not what you expect. We spent \$25m on a temporary casino. Nobody does that! But then we had a return in under a month. When you look at some of the casinos in Macau at this moment, were they're spending \$3bn on a property, just look at their EBITDA for the year. We spent \$25m and our EBITDA is 20 times theirs. Whether it's the investors, bankers or VIPs, the initial impression is "wow."

When you're bringing players from China we knew that the temporary casino had to look like a real casino, though on a much smaller scale. When we opened in July, it exceeded everyone's expectations. Our restaurant in the casino is probably serving the best food on the entire island and it's constantly packed with locals too. Any negativity that was felt when we came to the island has diminished, as they've seen that we're a great neighbor. We are responsible corporate citizens, we are helping the entire island, the budget is growing, the retirement fund is replenished, everything is back on track. We are creating jobs, not just within the facility, but in the community. Locals are seeing that in the long run we are helping everyone. And actually, another big factor is that we're bringing young people back to the island. The career choices on Saipan meant that you could enter politics, become a lawyer, join the military or you could leave. And then there was no reason to come home. People are now coming back to Saipan because we're creating real job opportunities. One of the drivers was a mechanic in the army for eight years. I asked



him if he could fix a slot machine and he said: yes, if you show me how. He is now one of our lead slot technicians. One of our dealers spent 10 years in Seattle with no reason to come home, but has returned to her family making \$70,000 per year as a shift manager in the casino.

Would you target the mass market as well as the VIP market?

The mass market will grow as more rooms come online. We will have 1,000 rooms by the first quarter of 2017, and then another batch of rooms 2018-19. This limit on the number of rooms means there's not much more we can do in terms of growing the mass. The 1,000 rooms will be filled immediately and any person visiting the island as a tourist, I believe, is going to walk onto our casino floor. There are a couple of local restaurants and bars, but when the Grand Mariana opens we are going to be the only luxurious destination on the island. Restaurants, entertainment, bars in addition to gaming. The more rooms that we add, the more we will be able to grow the mass. And then we can add more flights and establish relationships with the airlines, we have already had direct flights flying into Saipan from Hong Kong in July, and more airlines are coming in soon. More importantly, HK Express announced that the commencement of the direct flights to Saipan was according to a survey they have done on people's favourite destinations, which tells you that Saipan is on top of people's choices. According to another survey done by the China Tourism Association, Saipan ranked fifth on the list of Chinese tourists' dream destinations. This tells you how desirable the island is in the eyes of Chinese tourists.

What's it been like developing such a huge project on such a small island?

We're the only casino operator on the island for the next 40 years, and it is a very small island. Everything from landing at the airport to going through customs, everyone knows Best

Insight

SAIPAN Imperial Palace



Saipan is one of the sunniest tropical islands in the western Pacific Ocean, with the Guinness Book of World Records listed Saipan as the most equable climate in the world. The deepest point on Earth, the Mariana Trench, is located east of the Northern Mariana Islands with abundant diving resources. Saipan is easily accessible with only a 5-hours' direct flight from Northern Asia countries such as China, Japan and South Korea. In addition, more direct flights from Hong Kong and the Philippines will be operational from mid-2016. Imperial Pacific plans to invest approximately US\$7 billion in building the next leading Integrated Entertainment Resort in the region. The exceptional setting of Saipan, with its natural beauty, interesting history and ancillary recreational activities offered by nature, is certain to attract the growing wave of international high-spending tourists.



We have 11 restaurants, with four Michelin-starred chefs' restaurants, two restaurants are going to be two-star and one 1-star. British born elite chef Brian McKenna, who became a Michelin Star chef at 21, is the head of our food and beverage offer, bringing a host of well-known names from China to the US for the first time. One of our big marketing promotions is that even our all-day dining buffets, every single station is a Michelin-starred station. We will have a two-star Michelin hot-dog and a one-star ice-cream.

Sunshine, they know the company and now, thanks to the local papers, everyone knows me. When you visit any restaurant, every bank, everyone knows who you are. We are the number one employer on the island, the number one tax provider; we have changed the entire economy. We have 1,200 employees in a temporary facility on an island with a population of 50,000 people. You can't walk into a restaurant or bar where half the crowd is not Best Sunshine employees.

We understand too that we're changing the entire island, but right from the beginning we've tried to steer away from making claims about Best Sunshine creating this multi-billion investment project, as we're not building the City Centre in Las Vegas. That's not what we are doing in Saipan. We are starting off with a US\$550m phase one Grand Mariana, to which we added a temporary facility. We're going to see multiple phases, multiple buildings and investment partnerships. Yes, we are planning to invest US\$2-3bn between now and 2020-21. As we continue to attract investors this project, it can continue for years and years. If you look at the Cotai Strip right now there are six properties being built at once. We could be doing the same thing three years from now, with three or four properties going up from different investors.

How will the casino in the Grand Mariana differ from the casinos in Macau?

We are going to be a five-star boutique property, offering 374 major suites, not just rooms, we wanted to make sure all our VIPs are begging us to stay at the hotel. We're not looking to building a hotel and out of the gate be filling 800 rooms. We started off looking to build 250 rooms and grew that to 374, but we're keeping it very small, boutique and five-star. All the major stores are located in the DFS mall across the street, so we didn't add a big retail element in the Grand Mariana as all the shops are on our doorstep. We will have four very small stores as you enter off the street, but no named brands. The biggest aspect, beside the introduction of a night club/day club Vegas style venue, is the food and beverage offer. We have 11 restaurants, with four Michelin-starred chefs' restaurants, two restaurants are going to be two-star and one 1-star. British born elite chef Brian McKenna, who became a Michelin Star chef at 21, is the head of our food and beverage offer, bringing a host of well-known names from China to the US for the first time. One of our big marketing promotions is that even our all-day dining buffets, every single station is a Michelin-starred station. We will have a two-star Michelin hot-dog and a one-star ice-cream.

How does Imperial Pacific attract VIP gaming patrons to Saipan?

It's all relationship driven. We have four major



Since the inception of the temporary casino in Saipan in July 2015, Imperial Pacific has already achieved performance as the fourth highest VIP rolling chips gaming hub in the world, ranking just after Macau, Las Vegas and Singapore.

Imperial Pacific's first phase of its Integrated Entertainment Resort, the Grand Mariana, is scheduled to open its doors in late 2016, bringing fresh and energising experience with world class luxurious five-star hotels, shopping malls and restaurants mastered by never-been-to-Asia Michelin-starred chefs from all over the world.

Imperial Pacific is set to mark a new chapter in Saipan's history and strive to transform Saipan into an iconic luxurious world-class tropical limelight destination.

executives from Australia, Singapore and Macau. We used to have a relationship with the Heng Sheng junket out of Macau, and we continue to know the top customers as part of one-to-one relationships. We know who these people are and we're granting them credit, based on that relationship. These are major players, they are billionaires, they own private planes and corporations, so it's easy for us to run central credit checks. We are very selective about who we give credit to, and as we move forward we'll shift from credit to just dealing with the junkets that we know.

What is your outlook on the Asian gaming industry?

I'm still very positive. The issues in Macau and the drop by 50 per cent in VIP play is not because these guys are out of money. The issues happening in Macau, the things you read about in the paper is making everyone uncomfortable, especially the VIP players. They are going to different locations, Maybe they'll find to Saipan...

I do think that we've put a little dent in Australia because we are a closer trip. You have to go past us to get to Australia, so why not stop in Saipan? I think Asian play will continue to remain dominant. If you look at the billions that were gambled, we are just taking a tiny percentage of that spend. If you look at how many VIP names are on a list in Macau, we have

100 per month - with 70 return visits, which is contributing to an average of US\$2bn per month roll. Asian play is never going away. Macau will always be the 'King of Gaming.' The numbers are not as stratospheric as they used to be, but anyone in this business would die to have these incredible numbers.

Our goal is to be the next stop after Macau. If you look at our rolling numbers and baccarat play, we're in fourth spot right now. If you look at the service we offer, the location, growing word-of-mouth and the treatment that we're giving to VIPs, we are the next best stop out of Macau.

I've worked for the biggest names in this industry, whether that's Donald Trump, Steve Wynn or Sheldon Adelson. When I was at Las Vegas Sands in Macau, there was always a push back against the junkets, that they were too demanding, that they were taking too much money for themselves. Now when you visit the junket rooms in Macau now they all have restaurants and bars.

Here in Saipan we can offer a much more competitive commission to the junkets, and more competitive rebates to the gaming patrons, due to lower gaming taxes. A win-win situation for both the junket and the gaming patrons, why are they not choosing to come over to Saipan?

If you look at the billions that were gambled, we are just taking a tiny percentage of that spend. If you look at how many VIP names are on a list in Macau, we have 100 per month - with 70 return visits, which is contributing to an average of US\$2bn per month roll. Asian play is never going away. Macau will always be the 'King of Gaming.' The numbers are not as stratospheric as they used to be, but anyone in this business would die to have these incredible numbers.



MEMBER PROFILE

Company / Axiomtek Gaming
Web address / www.gaming.axiomtek.com
AGEM Membership level / Associate Member

Description / Axiomtek Gaming, the Gaming Division of Axiomtek Co. Ltd., with headquarters in New Taipei City, Taiwan has been an Associate Member of AGEM since 2015. The company designs and manufactures logic boards, logic boxes and player tracking systems suitable for the casino, amusement, lotteries, sports-betting, arcade, Italian Comma 6a, bingo, darts equipment, and many other gaming applications. The company has been creating this wide and extremely varied range of gaming-related technology components for over 10 years.

New products for 2016 / Axiomtek Gaming will be launching a new AMD-based gaming platform which will be featured at the Global Gaming Expo exhibition and conference taking place in Las Vegas 2016, which comes with Axiomtek's TrustedBoot and TrustedData technology, both of which have been fully verified by Gaming Laboratories International and complies with major worldwide jurisdictions.

Newsworthy events / These two technologies help provide added security to gaming hardware and increase software integrity to prevent piracy. Moreover, Axiomtek boards and systems are designed and manufactured in Taiwan to meet different budget requirements for various cost-sensitive gaming applications in this highly competitive environment, which translates into higher profitability for Axiomtek's partners.

Forthcoming events / Axiomtek Gaming will be exhibiting for first time at the Australasian Gaming Expo 2016 this month in Sydney (Booth #339), highlighting the range of dedicated products for player tracking systems and EGM applications. In addition to the AGE show in Australia, Axiomtek will also exhibit at G2E Las Vegas 2016 (Booth #1316) with a larger booth space and wider range of products.

MEMBERSHIP NEWS

AGEM Key Board of Directors Actions

- Geoff Freeman, President and CEO of the American Gaming Association (AGA), attended the July Monthly Board Meeting to address members regarding the positive changes the AGA has been working on over the last 3 years. He also emphasized the desire for the AGA to work closer with AGEM to improve the flow of communication and to collaborate on common issues to achieve benefits for all. A list of key objectives will be drawn up in the coming months to start the process.
- Prompted in part by recent Nevada Gaming Policy Committee meetings, AGEM and the Nevada Gaming Control Board (GCB) are working together to review existing regulatory language and identify specific changes and updates. AGEM submitted comments to the GCB in late June and now GCB Chairman A.G. Burnett and his staff will attend the August AGEM meeting and a subsequent working session.
- AGEM Director of Responsible Gaming Connie Jones recently attended Global Gaming Women – The Power of Technology luncheon held in Las Vegas on June 16. The event was very well attended and featured an impressive line up of speakers and sponsors.
- The AGEM membership reached an all-time high of 154 when Automated Cashless Systems based in Reno was voted in as an Associate member in the July meeting.

Events and Activities

- July 15 saw the deadline for the inaugural Memorial Award nominations to be submitted, honoring Jens Halle and Peter Mead. The selection process is now underway and the winners will be announced at G2E.
- A full-day public meeting is being held in Florida on July 26 regarding regulatory changes and future product introductions. AGEM will be represented there, in part to answer questions and make suggestions regarding the possibility of skill-based gaming to Florida.

AGEM INDEX

The AGEM Index posted a modest increase in June 2016 after gaining 28.83 points in May 2016. The composite index stood at 260.01 at the close of the month, which represents an increase of 4.67 points, or 1.83 per cent, when compared to May 2016. The AGEM Index reported a year-over-year increase for the eighth consecutive month, rising 67.7 points, or 35.2 per cent, when compared to June 2015. During the latest period, 11 of the 14 global manufacturers reported month-to-month drops in stock price, with five down by more than 10 per cent. Of the three manufacturers reporting increases in stock price during the month, one was up by more than 10 per cent.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Jun-16	May-16	Jun-15	Prior Period	Prior Year	
Agilisys	Nasdaq: AGYS (US\$)	10.47	11.73	9.18	(10.74) ↓	14.05 ↑	(0.31)
Ainsworth Game Technology	ASX: AGI (AU\$)	2.16	2.40	2.57	(10.00) ↓	(15.95) ↓	(0.46)
Aristocrat Technologies	ASX: ALL (AU\$)	13.80	12.86	7.65	7.31 ↑	80.39 ↑	8.25
Astro Corp.	Taiwan: 3064 (NT\$)	37.30	39.30	30.20	(5.09) ↓	23.51 ↑	(0.04)
Crane Co.	NYSE: CR (US\$)	56.72	57.40	58.73	(1.18) ↓	(3.42) ↓	(0.47)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	6.25	7.97	11.86	(21.58) ↓	(47.30) ↓	(0.71)
Everi Holdings Inc.	NYSE: EVRI (US\$)	1.15	1.43	7.74	(19.58) ↓	(85.14) ↓	(0.18)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.31	0.26	0.16	19.23 ↑	93.75 ↑	0.03
Gaming Partners International	Nasdaq: GPIC (US\$)	9.30	9.01	10.11	3.22 ↑	(8.01) ↓	0.03
International Game Technology PLC	NYSE: IGT (US\$)	18.74	18.96	17.76	(1.16) ↓	5.52 ↑	(0.52)
INTRALOT S.A.	ATHEX: INLOT (€)	0.90	1.07	1.70	(15.89) ↓	(47.06) ↓	(0.31)
Konami Corp.	TYO: 9766 (¥)	3,895	4,200	2,276	(7.26) ↓	71.13 ↑	(0.11)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	9.19	9.79	15.54	(6.13) ↓	(40.86) ↓	(0.59)
Transact Technologies	Nasdaq: TACT (US\$)	8.02	7.44	6.68	7.80 ↓	20.06 ↑	0.06
Change in Index Value							4.67
AGEM Index Value: May 2016							255.34
AGEM Index Value: June 2016							260.01



AGEM is an international trade association representing manufacturers of electronic gaming devices, systems, lotteries and components for the gaming industry. The Association works to further the interests of gaming equipment manufacturers throughout the world. Through political action, tradeshow partnerships, information dissemination and good corporate citizenship, the members of AGEM work together to create benefits for every company within the organization. Together, AGEM and its member organisations have assisted regulatory commissions and participated in the legislative process to solve problems and create a positive business environment.

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DPX-S440 Gaming Platform



DPX-S2440 Gaming System



- Very high performance AMD platform (formerly codenamed "Merlin Falcon")
- Quad and dual core AMD R Series SOC APUs up to 2.8 (3.4) GHz
- Radeon HD10000 series "3rd generation GCN" graphics
- Comprehensive gaming features
- 12V DC single input or ATX power
- Full featured driver API for IO and security
- Gaming logic box enclosure available

DPX-E135 Gaming Platform



- Quad and dual core AMD G Series SOC platform up to 2.4GHz
- Comprehensive gaming features
- High performance Radeon HD8000 series graphics
- Passive cooled system
- 12V DC single input or ATX power
- "Cabinet-ready" I/O connectors on-board for low cost and easy integration



DPX-E250 Gaming Platform



- Supports Intel 4th Gen Core™ i processor (LGA1150)
- Celeron, Core i-3, Core i-5, Core i-7, up to Xeon CPU up to 3.7 GHz
- Two 204-pin SO-DIMM up to 16 GB DDR3 1333/1600 MHz SDRAM
- Supports triple display of DVI-D/DVI-I/DP/LVDS
- Supports PCIe x16 (Gen 3) and two mini-PCIe
- Gaming compliant BIOS module
- 6 COM ports

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Reports

SPORTS-BETTING ASIA - PART 1



Betting on dragon, tiger and cub markets for future growth

As one of the oldest forms of gambling, sports betting dates back more than two thousand years to when the Greeks placed bets on their various sporting events

From the ancient era to modern bets in the 18th century to the arrival of bookmaker shops and the technological surge in the 1990s – sports betting is today a huge market. Sports Betting in Asia represents about 40 percent of the global sports betting market and is expected to lead the

way in terms of growth in the land based gambling and betting sectors.

The gambling market in Asia is estimated to be worth US\$190bn compared to the US\$500bn global gambling sector. For many years only

horse racing and lottery were legal in Asia and today gambling is still heavily restricted in most countries by either religious reasons or political leadership.

But sports betting is a big part of Asian culture today and there is no sporting event you cannot bet on! The Asian market is opening up more towards the European market from recreational players to semi pro and professional trading groups and syndicates. Laws are relaxing and changing. In this first part of our detailed report we take a look at the sports betting markets, both land based and online, in the following countries: China, Japan, Philippines, followed next month with Taiwan, Malaysia and Singapore in part 2.



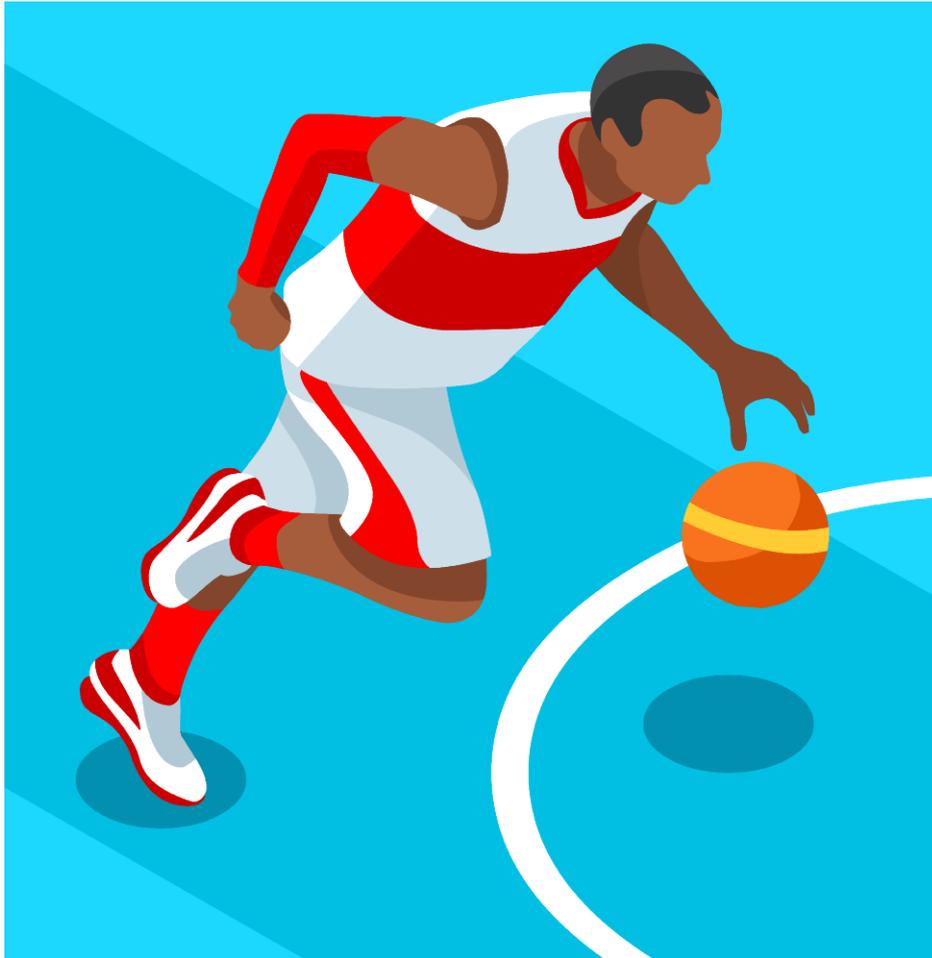
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There are two authorised lottery operators in China, the Welfare Lottery established in 1987 which offers Lotto, VLT and Instants, and the Sports Lottery established in 1994, which offers the same and sports-betting

betting is not restricted to football.

With single match betting there are two main sub categories – Jing Cai which is a product allowing pool or pari-mutuel betting on single matches or fixed odds betting on more than one match and Beijing single match (only in Beijing, Tianjing and Guangdong provinces) where all bets are pari-mutuel in nature.

Sports betting accounts for 16.1 percent of the total sales. This sector, compared to the other sectors, saw an 81.7 percent growth rate between 2013 and 2014. Of this growth traditional football betting grew by 14 percent and single match betting grew by 97 percent.

Strong sales were reported in 2014 due to the FIFA World Cup and this sector generated 60 percent of national ticket sales growth during 2014.



CHINA

Technically of course gambling in China is illegal. Outside of Hong Kong and Macau the only sectors which exist are the two national lotteries which govern the lottery and sports betting sectors. It is said the potential for these sectors are huge with a 20 to 30 percent growth annually.

The regulated lottery industry in China was launched in 1987 and has grown rapidly and is one of the world's largest lottery markets in terms of sales volume.

Lottery sales increased by around 33 percent between its launch and 2013 and products have expanded from an initial base of simple weekly draw lotto games to a comprehensive range including weekly draw games, scratch cards, video lottery terminals, sports betting and virtual sports betting.

There are two authorised lottery operators in China – the Welfare Lottery (issued by China Welfare Lottery Issuing Centre) established in 1987 which offers Lotto, VLT and Instants and the Sports Lottery (issued by China Sports Lottery Administration Centre) established in 1994 which also offers Lotto and Instants and runs sports betting. The Sports Lottery also introduced VLTs for the first time in 2015.

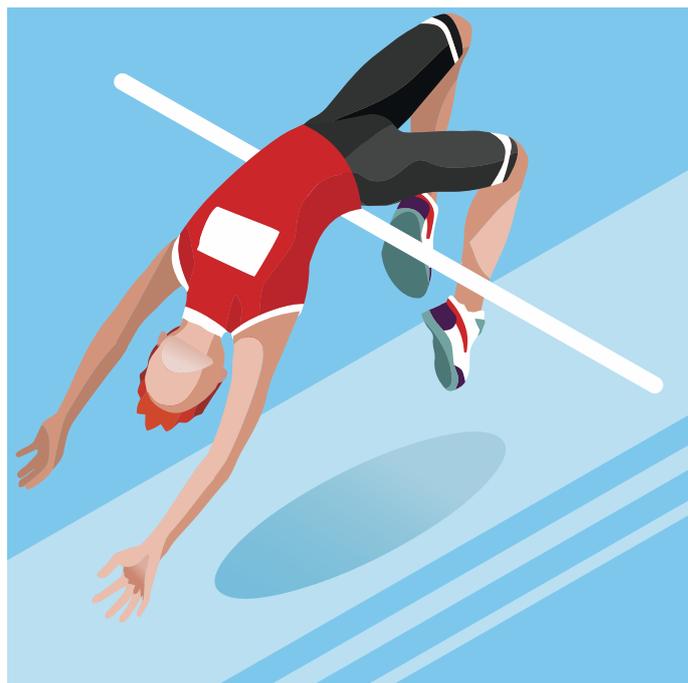
Both provide funding towards good causes in the country. The Welfare Lottery accounts for 54 percent of total sales by the lotteries and Sports Lottery the remaining 46 percent.

The State Council has the power to authorise the issuance of sports lottery and welfare lottery whilst the Ministry of Finance is responsible for administering, regulating and supervising the national lottery industry.

In 2009 the Regulations on Administration of Lotteries were introduced and these governed the lottery industry and represented a new milestone in the development of this sector. It clarified the administrative system, sales and prize collections. In 2010 the Ministry issued two provisional regulations to look at the online and mobile sectors.

There are four main product categories run by the two organisations:

Sports Betting – Only the Sports Lottery (Sporttery) is permitted to offer sports products and there are two main game categories – single match betting and traditional football betting. Both permit betting on FIFA Category A soccer matches, although single match betting differs in that players can bet on just one event and



SPORTS LOTTERY DATA

SECTOR	Month	Annual Difference	CNY
Lotteries (total)	Total 2011		222bn
	Total 2012		262bn
	Total 2013	+18%	309bn
	Total 2014	+23.6%	382bn
	April 2015	+3.4%	32.6bn
	June 2015	-22%	28.12bn
	July 2015	-27.3%	27bn
	August 2015	-10.9%	28.09bn
Welfare Lottery	1st half year	+5.2%	187.68bn
	1st 8 months	-1.8%	242.82bn
	April 2015	+2.2%	18.1bn
	1st half year	+4.4%	102.84bn
Sports Lottery	1st seven months	+2.1%	118.4bn
	1st eight months	+0.0%	133.4bn
	April 2015	+5%	14.5bn
	1st half year	+6.2%	84.83bn
	1st seven months	-3.4%	96.3bn
	1st eight months	-4.2%	109.4bn

In 2014 some changes were introduced which saw the permitted prize payout ratio for sports increase to 73 percent from 69 percent which is still low compared to online sports betting site ratios.

In China betting is operated via licensed betting shops known as the Chinese Sports Lottery (Sporttery) whilst online each province has its own official lottery site, licensed and regulated by each regional local government.

As well as the official sites the 'Caipiao' section of popular websites such as TaoBao, Sina, Sohu, Tencent and 163.com are officially licensed agents of Sporttery. However sports lotto odds are poor compared to those offered by foreign online bookies.

Lotto – Lotto sales are CNY249bn per year and this accounts for 65.1 percent of total sales and the sector saw a 17.7 percent growth rate. Growth is driven by modern high draw frequency games which saw a 26 percent growth in 2014 whilst traditional daily or weekly draw games grew by nine percent.

VLTs – Video Lottery Terminals are operated by the Welfare Lottery which operates around 28,000 terminals in approximately 1,000 VLT halls across China. These games are popular and

growing rapidly due to its relatively low base although contribution in terms of sales are modest. Sales in 2014 were CNY29bn. This accounted for 9.9 percent of sales and VLTs saw a 30.4 percent growth rate.

In 2015 Chinese lottery supplier Netcom Technology Holdings and Shoutz Inc launched its first games via VLT products in two provinces – Hainan and Chongqing and for the first time via the Chinese Sports Lottery.

Scratch Cards – Sales in 2014 were CNY34.3bn which accounted for nine percent of sales and these saw a 2.4 percent decline in sales figures.

The downward trend is attributed to the success of other lotto products whilst scratch cards have not benefited from the online/mobile distribution channels.

Lottery sales have grown steadily over the years from CNY262bn in 2012 to CNY309bn in 2013 and CNY382bn in 2014 (approximately \$61.5bn) – this is a growth rate of 24 percent which is combined sales from both the Welfare Lottery and Sports Lottery.

The Chinese lottery sales amounted to CNY214.7bn (\$33.6bn) in the first seven months of 2015 which was 0.4 percent down on the

Reports

SPORTS-BETTING ASIA - PART 1

Essential and facts about sports-betting in China

Non remote operators	Sports Lottery
Sales Welfare Lottery	CNY206.4b
Sales Sport Lottery	CNY175.8bn
Total Sales (both)	CNY382.3bn (2014)
Online market	Restricted to lottery companies only at present
Remote GGR	approx \$3.2b
Remote licences	2
Licensing	Ministry of Finance

previous year.

July 2015 saw CNY27bn worth of lottery tickets sold, a year on year decline of 27.3 percent.

January to July Welfare Lottery sales increased by 2.1 percent to reach CNY118.4bn whilst Sport Lottery dropped 3.4 percent to CNY96.3bn.

The growth rate is attributed to disposable income, increased prize payout ratios, more appealing products and changes to the retail distribution.

However despite the growth China's lottery participation is quite low which is reflected in China's ratio of lottery gross win to GDP being lower than in other countries in the region. This is caused by a low number of shops per capita, gaps in terms of the breadth of some products such as sports betting, slow development of the remote channel and high play frequency games which have payout ratios which are not sufficiently high enough to compete with illegal market.

There are still major problems in terms of illegal operations in China. It is said that the illegal market is 10 to 20 times the size of the legal market!

The authorities are committed to channelling vast underground revenues away from the illegal market and into the regulated lottery network. It is slowly working and the legal market is growing. Initiatives which have been helping to encourage this include increases in prize payout ratios and the introduction of new rapid draw lotteries and virtual sports betting games and the expansion of sports betting networks and more online and mobile distribution channels.



ONLINE

In March 2015 the Ministry of Finance banned unauthorised online lottery sales.

Initially sports lottery tickets were sold at exclusive outlets in the cities until the Sports Lottery entered the online world in 2010. The new online rules enabled licensed sport lottery vendors to partner with website providers to offer online lottery purchases. These websites have to be government approved and are subject to strict regulations.

During the World Cup period operators of major retail sales websites partnered up with licensed local lottery vendors to offer these products online through retail websites and this was in violation of the regulations.

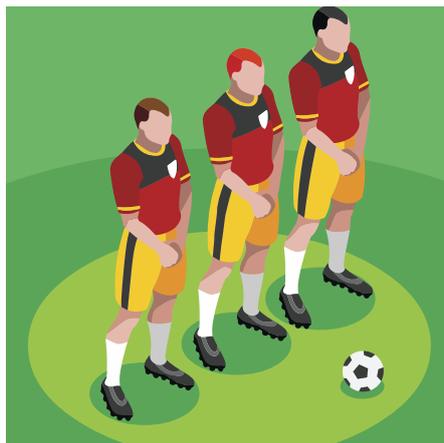
Often they offered higher returns and the situation was left alone during World Cup fever.

In March 2015 after a series of inspections of unauthorised lottery operators, the clamp down began and online lottery ticket agents were all shut down.

Around 40 websites suspended online lottery ticket sales and the only two legal entities permitted at the moment are the Welfare and Sports Lottery.

World Cup fever turned up the heat for regulators after several reports of suicides due to gambling problems. The gambling regulator said more than CNY150m was placed in bets on June 12 2014 in the country whilst bets hit CNY2.4bn in the first week of the World Cup with around CNY10bn spent over that period in bets.

Some 70 per cent of bets were made online. Many internet companies had tapped into this during this time. Only two companies 500.com



and sporttery.cn had the licence to carry out pilot projects to sell online lotteries from the Ministry of Finance.

In March 2015 all provincial sports lottery administration centres were 'temporarily suspended' after the Ministry of Finance issued a statement saying "all institutions, online entities or individuals which provide unauthorised lottery sales services, either directly or through agents, shall immediately cease such services."

This came after Beijing ordered provincial lottery administration centres to suspend online lottery sales as from March 1 2015 as apparently many weren't registering all sales. It also instructed provincial authorities to investigate online lottery sales in their areas.

Apparently there were as many as 400

companies offering online lottery sales in China around this time and these companies reportedly generated annual sales of CNY85bn (\$13.8bn) - around 22 percent of the country's total lottery sales per year.

In terms of online data of the US\$50.7bn total lottery market in 2013 the sports lottery market accounted for \$21.9bn and the online sports market accounted for \$1.5bn which was estimated to rise to \$3.2bn in 2015.

One of the companies 500.com which had received a licence for a pilot project in 2012 also had its operations suspended. In February 2016, 500.com reported huge losses and zero revenues for its online sectors. Full year (2015) net revenues were CNY99.6m - an 82 percent decrease from net revenues in 2014 of CNY579.7m.

Meanwhile the Virtual Sports market in China is currently offered via provincial remote distribution and offers a 59-69 percent return to player payout and is televised in store at retail and betting shops or remotely for races and sports matches.

The Ministry of Finance initially granted approval to two virtual sports in the China Lottery and there are two games in the market

Virtual Car Racing via 'Lucky Racing' and Virtual Football via 'E-Ball'

AGTech is the supplier of China's only virtual sports lottery platforms to the Chinese Sports Lottery via AGT JV (AGTech 51 percent owned joint venture company with Ladbrokes) and the games are supported by Inspired Gaming.

Lucky Racing was launched in the Hunan province in 2011 whilst E-Ball lottery was launched in Jiangsu province during 2013.

Lucky Racing is a fixed odds betting game broadcast to lottery shops via a central computer and cable TV. The game is a computer generated Grand Prix style car race offering betting with one race every 10 minutes. It is now available at some 1,700 lottery shops in the Hunan province and in the first month sales exceeded that of all other lottery products in the province.

Bets on Lucky Racing make up over 30 percent of all lottery sales in Hunan and 1.1 percent of all national sports lottery sales. There are six virtual events per hour (84 a day).

E-Ball was launched in 2013 and offers high frequency betting opportunities with four matches every 10 minutes. It is found in 1,300 locations in the Jiangsu province.

Reports

SPORTS-BETTING ASIA - PART 1



JAPAN

Gambling in Japan is in general banned by the Criminal Code Chapter 23 with some exceptions including four authorised public sports, the lottery and Toto.

The code states fines of ¥500,000 maximum for anyone found gambling and up to three years imprisonment for habitual gamblers. Only domestic sports can be wagered on legally offline in Japan and soccer betting is available pari-mutuel style via J-League Soccer Pools (Soccer Toto).

Sports betting has been legal since 1998 and was approved to help raise funds for sport promotions in the country. This now applies only to betting on professional Japanese soccer (basically J1, J2, Emperors Cup and Nabisco Cup) and wagers are made through Soccer Toto.

There are many versions of sport Toto now available such as Toto, Mini Toto, Toto Goal 3 and Toto Goal 2. All other forms of sport Toto come under the banner BIG which was launched in 2006 and is basically a lottery where the computer generates selections at random and offers games such as BIG1000 and MiniBIG.

The sports related lotteries run under the Toto banner are run by the National Agency for Advancement of Sports and Health. When it was launched in 2001 the Toto was closer to a betting game than a lottery and players chose which J-League teams would win in certain sets of games. Total sales for 2014 were ¥110.7bn.

Funds from the Toto go to subsidise projects to promote sports. The division is 50 percent of sales as prize payments, two thirds in subsidies and one third to the national treasury. Players have to be 19 years old plus and there are no taxes on winnings.

The games include:

Soccer Toto – involves picking home, draw or away in listed football matches. There are 13 Japanese soccer matches listed on the card. Tickets cost ¥100 and 50 percent of this goes into the prize pool.



Mini Toto – works similar to Soccer Toto but there are only nine matches to choose from. Tickets cost ¥100 and 50 percent goes into prize pool. Winning tickets can pay out around ¥70,000–¥80,000.

Toto Goal 3 – This involves three Japanese soccer matches and players select 0,1,2 or 3 (accounts for three plus) goals for all six teams. Tickets again are ¥100 with half to prize pool.

Toto Goal 2 – works the same at Tote Goal 3 bar there are only two matches and four teams. Tickets same price and division is the same.

J-League Toto is accessible via a debit card purchase, an ATM machine or via convenience stores. Online sales are available on the Toto website or with Toto Rakuten or Yahoo!Toto. Revenue at the J-League organisation grew by six percent last year to ¥12.3bn in 2014.

Meanwhile there are four public sports that can also be bet on. These are allowed by special laws and regulated by local governments. In 2010 these generated ¥4.3 trillion in gambling receipts. The public sports are:

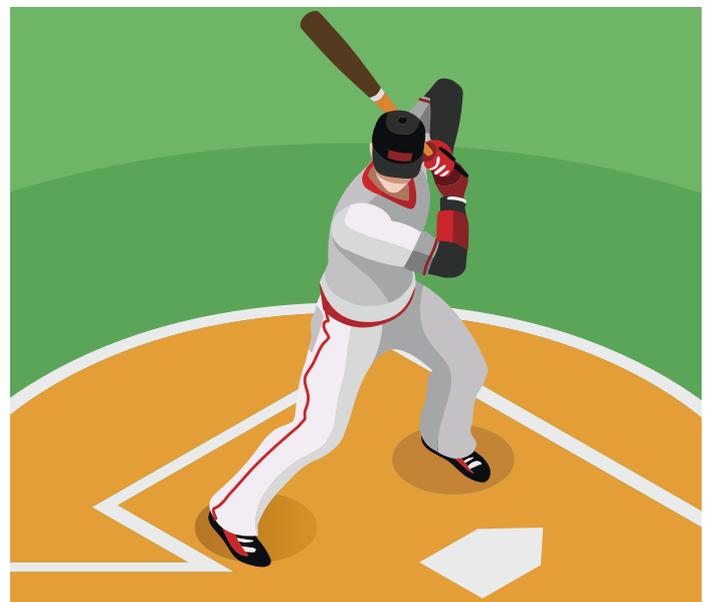
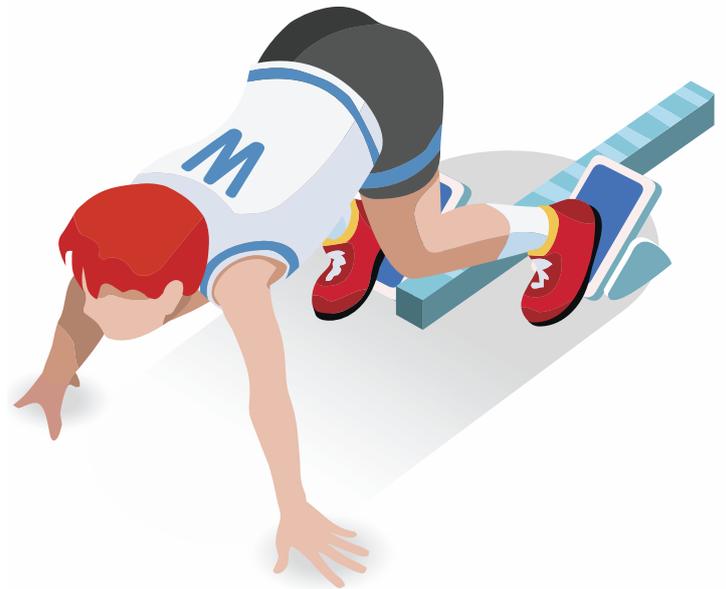
Horse Racing (Keiba) There are a total of 25 racecourses in Japan and two main organisations. The Japan Racing Association (JRA) via the federal government, operates all major horse racing in Japan of which there are



10 tracks. Tokyo, Nakayama, Kyoto and Hanshin are known as the 'big four' of the 10 racecourses and with Chukyo most races are held at these five tracks. The others are in Sapporo, Hakodate, Fukushima, Niigata and Kokura. Bets off track can be made via OTB locations called WINS betting facilities of which there are 43 locations. There are races for around 288 days a year and in 2014 some 3,451 races were held. Total pari-mutuel revenues in 2014 were ¥2.49 trillion of which ¥2.40trillion was off course and ¥92bn was on course. Average turnover per day is ¥8.6bn with around six million visitors.

Meanwhile local governments run non-JRA tracks through the country although the quality of racing is said to be poor and was developed mostly for entertainment. There are 14 local governments which conduct horse racing and there are a total of 17 racecourses. Two of JRA racecourses (Sapporo and Chukyo) are also used by local government racing. Around 15,500 races are held each year over 1,400 days of racing. Attendance is around 3.2 million per year and total turnover in 2014 was ¥375.2bn. There are about 80 plus OTB facilities for local government horse racings.

Boat Racing (Kyotei) has been around since 1952 and is a government sponsored motorboat event introduced initially in the US. There are



Local governments run non-JRA tracks through the country although the quality of racing is said to be poor and was developed mostly for entertainment

today over 20 venues in Japan and pari-mutuel betting is legal at the course. Six speed boats race three laps around a 600m course and racers are assigned a boat at random on race day. Bets predict the winner, two out of the top three or an exact combination of the top three finishers.

Motorcycle Racing (Auto Race) is a version of motorcycle speedway with gambling and held on an asphalt course and regulated by the JKA Foundation. It was created for gambling purposes and the first ever meet was held in 1950 but this was banned by the government in the 1960s as the tracks (flat dirt) were considered dangerous. In the 1960s it was introduced on asphalt on bikes without brakes and the JKA took over in 1967. There are eight riders in each six lap race going as fast as 150kmph on the straights. Betting tickets offer various options and can be bought at the track. There are six tracks in Funabashi, Hamamatsu, Sanyo, Kawaguchi, Iizuka and Isesak and entry is ¥100.

Bicycle Racing (Keirin) is older than horse racing and has a devoted fan base. It is a home

grown sport which began in 1948 and involves a group of cyclists doing laps of a course on fixed gear bikes with no brakes and paced by a motorbike before a mad dash to the finish line. Races are typically two kilometres long. It was designed expressly for gambling purposes and there are around 70 dedicated Keirin racing velodromes around the country and in the year 2000 it became an Olympic event. This event is managed by the JKA Foundation. The popularity of this sport has decreased due to young people now betting more on baseball and football. In 1991 the revenue for Keirin was almost ¥20bn with 27.4 million people visiting a velodrome. In 2013 the sport generated only ¥6bn with 4.2 million visitors.

Meanwhile the lottery in Japan has existed since 1630 but was banned in 1842 and most of the gambling laws now stem from a 1907 legislation which still prohibited the lottery. Lotteries came and went throughout the years and were mainly set up to raise money after wars.

Then in 1964 the lottery (Takarakuji) was regulated nationally and the Japan Lottery Association was created.

Initially customers queued up at department stores to get their tickets, but today they can be bought directly but only at sanctioned lottery booths found mostly near train stations or in front of large stores.

The Jumbo lottery is the largest and highest paying amongst all the lotteries and beside the Spanish El Gordo is the biggest lottery in the world. Tickets are sold exclusively by the Mizucho Bank for a limited period and can offer prizes of ¥25bn in total and tickets cost ¥300.

The games include Jumbo Lottery, Mini Lotto, Lot 6, Numbers 3, Numbers 4 and scratch cards which have been around since 1984. The lotteries are considered as amusement so there is no age limit and no taxes on winnings.

ONLINE

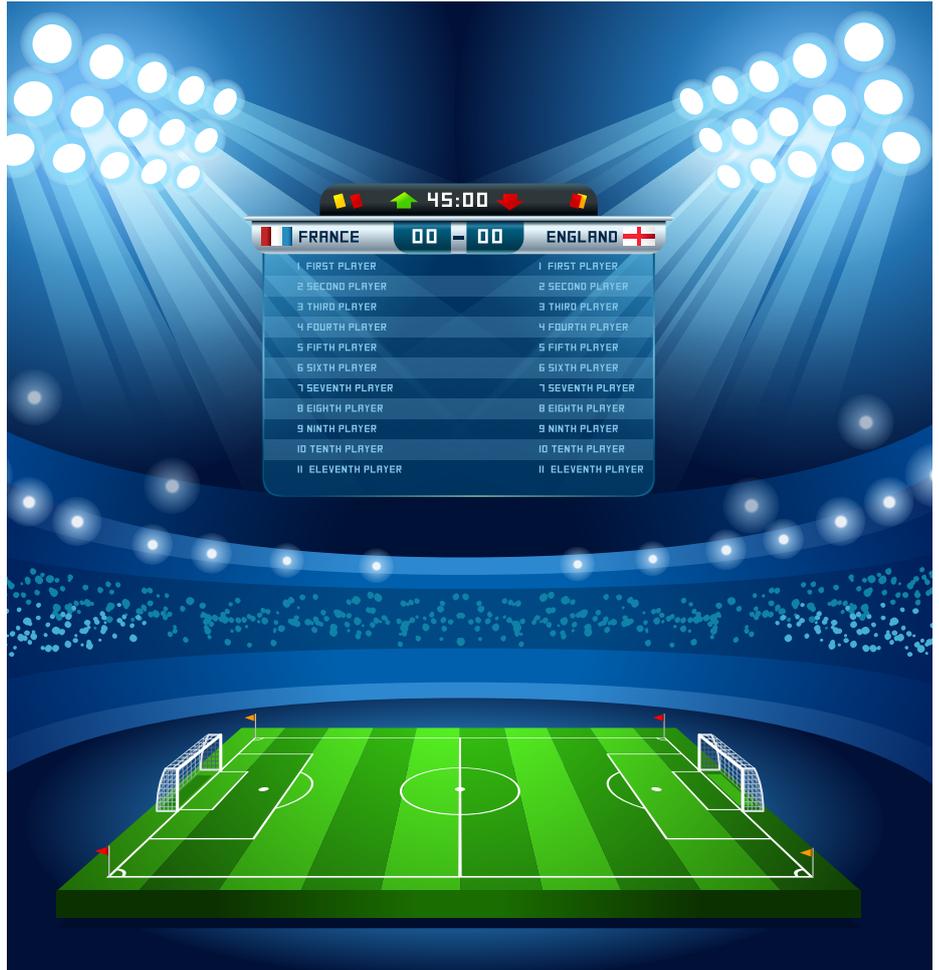
Online gambling is prohibited under the Chapter 23 of the Penal Code and as such there are no online bookmakers operating from Japan.

Reports

SPORTS-BETTING ASIA - PART I

Essential and facts about sports-betting in Japan

Non remote operators	Sports Toto
No. of betting shops	6,000 Toto shops
Total sales Toto & BIG	¥110.7bn (2014)
Horse tracks	25 total
WINS betting venues	80 (government) and 43 (JRA)
Public Sports revenues	¥4.3 trillion (all sports)
Lottery	Takarakuji
Points of Sale	15,000 lottery booths
Online market	Only via the Toto, Lottery, Public Sports
Remote GGR	n/a



In 2015 a bill was introduced to legalise casino gambling with a push to do so before the 2020 summer Olympics in the country. It is backed by the ruling Liberal Democratic Party and if approved could open up the market immensely bringing Japan just behind Macau and US in terms of gambling market business.

Online betting is only permitted on the lottery, soccer Toto and the public sports however this is only for pari-mutuel betting with the official channels. Players head to foreign betting sites for fixed odds betting, casino, poker or bingo games.

The foreign bookmakers often offer bets in Japanese and some with Yen currencies. They also offer bets on J-League Soccer and for both basketball leagues and the V-Premiere volleyball.

The penalties for unlawful betting are strict with up to three years imprisonment and high fines although this law generally goes unchallenged by the government. Some of the most popular sites include Dafabet.com, Betway.com, Bet365, Pinnaclesports.com and 138.com.

Dafabet – parent company is Asian Logic the largest government approved sports betting company in the Philippines. They offer betting on most Japanese sports and have an online casino and poker room that can also be downloaded. The Yen is not supported but players can play in Dollars.

Bet365 – does not support Japanese language but players can play in Yen in English, Chinese or another language. As it is a global site it offers odds on almost every sport worldwide.

Pinnacle Sports – offer great betting odds and their site is available in Japanese language and they accept bets in Yen. Other sites such as 32Red.com and GoldenLounge.com are top choices for Japanese players who want to access



casino and poker games. Most offer games in Japanese language and Yen.

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The idea is to launch integrated resorts similar to ones in place in Singapore generating an estimated \$40bn a year in extra gambling revenues. But Buddhist backed Komeito party is strongly against the idea and with recent reports of betting scandals some believe the Japanese government will instead take a stricter stance against gambling.

It is thought if online gambling laws look set to change it will happen alongside the Casino Bill although General Elections due in the summer will now delay matters further as ruling Liberal Democrat Party didn't introduce the bill into the Diet earlier this year. The bill is described as a "hot potato" which no-one really wants to handle with elections so near.



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CODETA

Can an affiliates-savvy business break mainstream?

Codeta is a new online casino, an innovative brand that is targeting table players with Live Casino solutions as a signature product. G3 interviewed owner and igaming veteran, Edward Ihre about the launch of Codeta



Edward Ihre,
Owner & CEO,
Ihre Consulting AB

Codeta is owned by Ihre Consulting, a company that works with more than 120 gaming operators and over 25,000 affiliates, and which started this ambitious project by raising €2m in exchange for 40 per cent of the shares in the company.

THE STORY BEHIND THE LAUNCH...

Edward's background in iGaming started back in 2000, as part of the dotcom sports-focused media enterprise, www.Sportal.se, which had set out to become the ESPN of Europe. www.Sportal.se is Sweden's largest independent sports site and back in 2000, was part of the pan-European network of eight Sportal sites. Sportal was the main sponsor of Euro2000 and held the prestigious assignment to develop and operate the official Euro2000 site (www.euro2000.org). The Euro2000 site had 16 million unique visitors with 129 million page impressions. Backers at the time included Nomura Group, and the well funded Sportal peaked with a burn rate of 450 employees, boasting the largest sports journalist department in Europe. "We employed more sports journalists than the biggest sports newspapers combined," described Edward. "But we were part of the dotcom bubble, burning through money like no tomorrow."

While Sportal gained market share, its problem was finding advertising spend when there were scant few companies with web ad budgets. The progressive ones that did have budgets, were online bookies, such as Betsson, Expekt and Unibet, though links to their sites would prompt a call from Sweden's Justice Department looking



All Live games



Auto Roulette



Auto-Roulette

Blackjack



Blackjack VIP Silver 1



Blackjack P

to protect state-operator, Svenska Spel. Edward's role as Commercial Director for Sportal in the Nordics, meant that he had to improvise, working closely with the sports-betting companies to promote their services through editorial content, producing 50+ sports articles per day related to betting, but referring to odds without linking to them.

Sportal was acquired by Sponsio, Ladbrokes' Nordic Partner in 2001, as part of Ladbrokes' Nordic strategy to raise its profile with Swedish sports fans as well as media channels that provided sports content. Having built close ties with the founders of Unibet and Expekt, Edward was approached to become the MD of Parbet, a

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How to play



LIVE

Flemish Roulette La Partage

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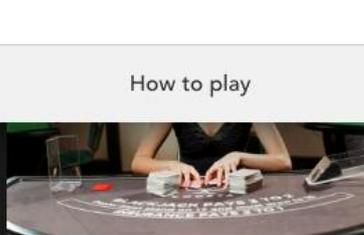
LIVE

Platinum VIP



LIVE

Blackjack VIP H



Blackjack VIP A



LIVE

Codeta Blackjack

Swedish poker site that would eventually be acquired by Cryptologic. At the time that Parbet was established, Betfair was making massive gains in the Nordics, gaining critical liquidity and creating a major obstacle for both Parbet and Betsson, whose plan to pool liquidity between them to compete with Betfair didn't materialise.

After two years with Parbet, Edward left to oversee iGaming for Nordic media company, Kinnevik, part of the Swedish digital entertainment company, Modern Times Group (MTG). It was now 2003, and MTG through Kinnevik held a 30 per cent stake in Cherryföretagen AB. Another Swedish gaming

giant, Net Entertainment, was created as a joint venture between Modern Times Group MTG AB, Cherryföretagen AB and Pontus Lindwall in 1996. Net Entertainment was still a fully owned subsidiary of Cherryföretagen AB when Edward joined Kinnevik, but was spun off from Cherry and listed on NGM Equity in 2007. Kinnevik also sold the majority of its shares in Cherryföretagen in 2005.

Appointed to oversee iGaming at this crucial point for the online gaming industry in Sweden, Edward's role brought him into contact with affiliates looking to increase their own stakes in the iGaming sector. However, as Edward describes: "iGaming was an extremely

politically sensitive topic at that time. News of Modern Times Group's involvement in iGaming was viewed as a scandal by the Swedish business press. The issue quickly escalated as the biggest advertiser for the Modern Times Group back then was Svenska Spel and the whole thing became politically toxic. It all happened so fast. I joined Modern Times Group on the Monday and by Thursday I was let go."

OnGame Poker Room, another Swedish online start-up (originally PokerRoom.com), had watched the rise of Party Poker through affiliate programmes and wanted a slice of Party's 50 per cent marketshare. "The remit wasn't to copycat Party Gaming," said Edward, who was



Baccarat B



Baccarat Squeeze



Baccarat A



Blackjack Platinum VIP



Blackjack A



Blackjack D



Blackjack VIP E



Blackjack E



Blackjack B



Blackjack VIP H



Blackjack C



Blackjack VIP G



approached by the chairman of OnGame after the fall-out from Kinnevik, to start their affiliate programme, "but to grow a database that started out with nine names on an Excel sheet." A year and a half later, Edward's team had grown to 20 people working solely on the affiliates programme, taking OnGame's five first deposits per day to 500 per day in 18 months.

OnGame was sold to BetandWin (now bwin.party and formerly bwin) for €570m in 2005, and has been bought and sold to a variety of different vendors since then, including Amaya, NYX and is currently on the market following NYX's acquisition of Openbet. Following the BetandWin purchase, Edward was approached by PokerStars to oversee its affiliates programme, but having invested ridiculous amounts of money in its own brand, Edward could see that PokerStars didn't want to become reliant on affiliates, and left after nine months to join Ladbrokes as Managing Director of Poker.

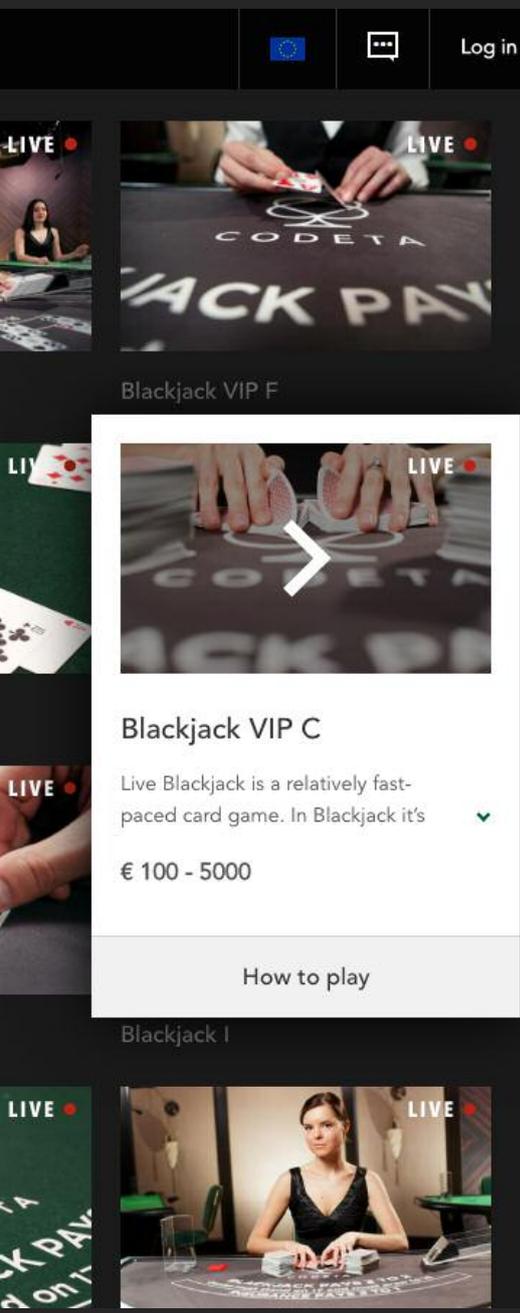
Ladbrokes was one of the first land-based UK bookmakers to add online as a product, but post UIEGA, market competition in legal jurisdictions

Edward left Ladbrokes and moved his family back to Sweden in 2011. Having watched all the senior positions in igaming vacate Sweden for the sunny aspect of Malta, Edward chose to stay, setting up Ihre Consulting with the aim of help gaming companies manage their affiliate management process.

intensified and the retail-first business found it difficult to compete in the online poker market. "Ladbrokes had been successfully running its business the same way for 120 years, such that shifting into the dotcom era was a little painful," stated Edward. "In the UK, Ladbrokes was very good at poker, but after UIEGA, everyone withdrew from the US and focused on Ladbrokes' core markets."

As a Swede, raised in a dotcom environment, Edward also found the company structure frustrating. "Coming from Sweden, we have flat flexible corporate cultures that are so integral to success; NetEnt, Evolution, Betsson, all founded by Swedes. I was used to fast moving businesses making quick decisions," said Edward. "You get very comfortable in flat organisations where you are mandated to make your own decisions. At Ladbrokes, with its strict hierarchy and management structure, decision making was convoluted, much less flexible and so much slower than in Swedish companies."

Edward left Ladbrokes and moved his family back to Sweden in 2011. Having watched all the senior positions in iGaming vacate Sweden for the sunny aspect of Malta, Edward chose to stay, setting up Ihre Consulting with the aim of helping gaming companies manage their affiliate management process. "I capitalised on my network of contacts," described Edward. "I set-up the business around myself, rather than having a vision of creating a big company. However, things grew quickly and I started recruiting. We have worked with 140 companies in the last six years, helping find new affiliates



been built through bonuses, tempting players with more and more giveaways. Everyone is trying to buy loyalty, as opposed to building a long-term brand."

With LynxEye onboard, the goal was to create a true iGaming brand, a Live Casino online gaming site that would put table gaming at the heart of its offer. "I returned to Sweden and initiated the project," outlined Edward. "Which meant that we went right into the research phase. We had to know - was there was a business to be had? We conducted extensive consumer research; triads to make ensure we gathered every opinion out there; player research and market research for months."

Edward was convinced that as online gaming sites have increasingly become generalists, each adding volume to sites now boasting 1000s of slots, it's becoming increasingly difficult for consumers to choose between the myriad of available options. "We wanted to move away from that kind of general positioning and offer quality not quantity," said Edward. "Amongst the thousands of gaming options, you'll actually find very little true quality. Our strategy is to follow a brand such as PokerStars, which had remained true to its poker roots until the Amaya acquisition. PokerStars won over players because they stuck to what they were good at."

The design of the website communicates immediately the Live Casino focus of Codeta. Were traditionally players would need to search to find live tables on traditional sites, Codeta puts Live Casino on the front page. "We have invested substantially in video tutorials for Live Casino games and have framed everything around the games, something born from our extensive research," said Edward. "Other casinos can continue to promote 14,000 games and 100 different bonuses; our research showed players very quickly lose track of what they're looking for on online sites. We've taken that into consideration, and as a result have built a clean website that we believe takes back the pride of table games."

Time spent during Codeta's research phase convinced Edward that the business case was stronger than ever. "We knew this is what the market and players needed," he said. "Our target consumers were telling us they were extremely unsatisfied with the available product. So it was time to go to the next stage." For over a year Edward had bankrolled the project, but it was time for investment. The initial funding round garnered €2m, an impressive figure based on Ihre Consulting's presentation alone, but surely a tiny sum for the launch of an online casino brand? "Our player acquisition strategy, on the back of Ihre Consulting, was always to market the Codeta brand through our affiliate contacts," said Edward. "It's a very efficient market acquisition strategy, though we know we can't build a brand solely through affiliates. We'll need to employ traditional marketing methods too, but not in the initial phase."

According to Edward's initial investment budget, utilising Ihre Consulting's network of affiliates will take Codeta into profitability, with a second round of funding to follow a positive response from the market. Codeta is hoping to establish its position in various markets, enabling its marketing investment round initiative to grow

"Table gaming players are very different from slots players. Our players look at themselves as highly skilled, similar to poker players, whereby skill and performance evokes a sense of pride. We believe that associating yourself with a brand that provides that type of product will be a game-changer. Having worked at PokerStars, we hope that we can create something similar with Codeta."

more quickly. "Table gaming players are very different from slots players," stated Edward. "Our players look at themselves as highly skilled, similar to poker players, whereby skill and performance evokes a sense of pride. We believe that associating yourself with a brand that provides that type of product will be a game-changer. Having worked at PokerStars, we hope that we can create something similar with Codeta."

Referencing PokerStars, Edward believes that Codeta can build a tightly focused Live Casino player base that will identify with the brand and establish a loyalty to both the brand and the site. The trick will be to ensure that Codeta remains just as sniper-like in the future, rather than adopting a shotgun approach that we've seen all too often. "PokerStars has been hugely successful in terms of poker, but once it began to add sports-book and casinos, it began to challenge its credibility," commented Edward. "Codeta is to remain true to being a global table games casino. If there's one thing that we're super-confident about, it's that we won't do anything unless the research proves we can achieve it. Utilising our partnership with LynxEye, we won't offer any product that could jeopardise our original positioning. Any short-term temptation has to be tempered against long-term brand success."

Having been at part of the industry for over a decade and a half, it's an ambition fulfilled for Edward to work with the very best software providers to launch his own casino, including Evolution Gaming, NetEnt and EveryMatrix. "We are building on the EveryMatrix platform, using their APIs, having built a dream team of people we wanted to work with," said Edward. "We picked Another Agency to create the physical website at a very early stage. When we conducted the quality and player studies, they sat with us in every interview and workshop and were included in the process throughout. When we approached the production and design, they knew exactly what they needed to do."

Codeta went live on June 7th, 2016 - its mission to give table games a new online home and become the world's leading site for Live Tables Games.

in particular markets find specific products."

Good friends with Fredrick Osterberg, who before co-founding Evolution Gaming was CEO at Sportal, Edward has been immersed in the Live Casino sectors for many years. However, the idea of Codeta; the launching of a Live Casino focused site, was gestating for two years before Edward took the plunge. "I saw an opportunity," he said. "No one was positioning themselves as a Live Casino. There are sites like William Hill, bwin.party, sportingbet, etc., that offer Live Casino, but no one was saying "We are a Live Casino."

In April last year Edward visited his brother in Singapore. Christian Ihre is the founding partner of LynxEye, a brand consultancy agency based in Sweden that had opened a regional office in Singapore in 2014. A 20 years-old firm with clients including IKEA, VW, Volvo, Absolut, Samsung and Spotify, Christian Ihre had been waiting for the right iGaming opportunity when his younger brother presented the idea for Codeta. "The idea fitted with Christian's view that no one in iGaming is building a proper brand," stated Edward. "Loyalty has instead



DraftKings And FanDuel: A Possible Merger?

The world of fantasy sports has recently been shaken by the rumour that FanDuel and DraftKings – the two leading daily fantasy sports companies – are in talks about a merger. Of course, there is still the question of whether it will even happen at all...



Valery Bollier,
CEO, Oulala Games

The challenging reality of having very few options within their domestic market is most likely the reason for DraftKings and FanDuel's desire to merge. Teaming up would make them a stronger force together in order to face such trying times.

However, both companies have significantly diverse corporate cultures where DraftKings evolved through acquisitions and FanDuel's growth was more organic. FanDuel may have come long before DraftKings, however, if they are able to set aside their many differences, they

may indeed be willing to make the merger a reality.

This could potentially have a great impact on DFS, both on a domestic level as well as on an international one. When put together, FanDuel and DraftKings embody a rather substantial percentage of the US market. As a united force, they would be able to shape a significantly more efficient strategy to incorporate in their discussions and arguments against various American states.

As it stands, the international market is still at a very early stage and therefore, this looming merger does not spell good news since we must work on raising awareness regarding the sector, where competition is the ideal method. Both FanDuel and DraftKings have remarkable marketing budgets and we have witnessed the positive effects of their commercial war in the States. This further indicates that the merger would not bode well for the European and UK market.

Nonetheless, I remain sceptical that this merger will be approved due to the strict anti-trust laws in the USA. It is inevitable that many eyebrows will be raised when the two major companies within a sector, holding an impressive 90% of combined market share, begin to consider a merger.

Another critical reason against the merger is the New York legislature's recent decision to pass a bill that will legalize and regulate the fantasy

sports industry. This may be the beginning of the end of the legal battle in a critically important federal state, ultimately annihilating the need for a merger.

It is not the first time that DraftKings and FanDuel have discussed a possible merger. The legal battle in the USA has inevitably created a bridge between them and for the first time, such a subject became more than just an option. The French poet Antoine de Saint-Exupéry, author of "The Little Prince", said that "if you want two people to be friends, punish them together". DraftKings and FanDuel have been severely punished this past year and by sharing this difficulty together, they were inevitably drawn closer. However, Saint-Exupéry also stated that "if you want them to be enemies, reward them together".

A simple look at the public reaction to the two companies indicates that New York's decision is a key first step in obtaining the reward that they both dream about. If the poet is right, this bill could signal the end of a peaceful period between the two giants, promptly returning them to what they did best during these last few years; fierce competition.

This would, of course, be excellent news for our very young European industry. We need the DraftKings/FanDuel competition in our market to develop increased awareness towards our sector and attract more and more customers to play DFS. Thus, it is in our best interests to welcome them as two very separate entities.

**FOR SPEAKING OPPORTUNITIES
PLEASE CONTACT:**



Sadie Walters, Senior Events Producer
Clarion Events
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Email: sadie.walters@clarionevents.com

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World of Bingo Online Bingo Zitro Interactive

New titles have been added to the catalogue of games that Zitro offers players in World of Bingo, the number 1 Video Bingo social casino on Facebook. Titles such as Purple Night, Burger Bingo, PowerMania Force, La Galaca and the recently released Mexican Gold, join the already lengthy list of the public's favourite games.

Sebastián Salat, Zitro's CEO, said: "This launch demonstrates that Zitro is committed to being one of the leading companies in the gaming industry in the fields of face-to-face, online and social gaming, transferring its experience and its innovative ideas from one distribution channel to another."

According to Rais Busom, Zitro Interactive Director, "The online and social segment is of particular importance for Zitro, and proof of this the investment made in the creation of Mexican Gold, a game developed exclusively for this field."

The games will be available on the Facebook website, shortly followed by a launch in Android and iOS.

The Big Bang Theory Casino Slots Aristocrat

Quirky, funny, brilliant and totally new. That's the new The Big Bang Theory Jackpot Multiverse on Arc Double from Aristocrat.

The Big Bang Theory Jackpot Multiverse on Arc Double builds on the player-favorite original, with a completely new three game set of 25 lines each. The Big Bang Theory Jackpot Multiverse on Arc Double has medium volatility with stacking wild symbols and a wheel feature that add to the volatility and fun. This high-energy game incorporates fan-favorite clips and scenes from the fun and laugh-out-loud comedy of broadcast



television's most-watched show with new features.

Life-changing, multi-level MSP/SSP jackpots are available at

less than max bet, and max bet players are guaranteed a progressive win plus additional credits when the jackpot feature is triggered.

The game is filled with many fun features, including Cosmic Multi-Wilds that teleport to other symbols in the game; Wild Stacks; The Big Bang Theory Jackpot Features, where players pick symbols for fast credits and/or a progressive; Bazinga!™ Bonus that gives players a spin on the Bazinga!™ Wheel for a chance at more features; Teleportation Accumulation free spins where players collect atoms to unlock additional reel sets; Supermassive Phenomenon, where symbols rapidly expand from 1 to 19 wilds during free spins; and Cookie Recombination, where players get 6 picks from 18 symbols for sweet rewards.

Super Spinner Bar X Online Slots Blueprint Gaming

Blueprint Gaming is pleased to announce the release of SUPER SPINS BAR X, the latest game to join the JACKPOT KING progressive family.

Themed around the classic BAR X brand which has been popular with players for over 30 years and remains a firm favourite to this day.

This easy play, 10 winline slot featuring adjacent wins is sure to be an instant hit with fans of the 'OXO' symbol format, making the game highly attractive to the huge number of BAR X followers.

Blueprint Gaming's exciting Super Spins bonus game is triggered on the main reels when 3 or more dollar symbols land anywhere in view, awarding up to an amazing 50 Super Spins. During the Super Spins bonus every spin is a guaranteed win, allowing the players to generate huge winnings and the chance to win additional Super Spins as the bonus plays.



As on all games available with the JACKPOT KING progressive system, SUPER SPINS BAR X has the potential to randomly award a lucky player the chance to win a life changing prize!

Active across multiple slots and scratchcards on any specific operator site, JACKPOT KING adds a level of anticipation unrivalled by any other progressive jackpot.

SUPER SPINNER BAR X is available in HTML5 for iOS and Android for mobile devices.

G2E Preview Casino Slots & Systems IGT

IGT's G2E booth 3659 will feature hundreds of innovative gaming solutions. G2E attendees will get a first-hand look at the depth and breadth of IGT's industry-leading portfolio of content, cabinets, mobile products, systems solutions, and more.

IGT's spectacular lineup of Premium product at G2E will include the evolution of its award-winning TRUE 3D game family on the AXXIS cabinet, including the new PopCap title, Zuma 3D. IGT will expand its library of new titles on the successful CrystalCore cabinet and further innovate upon the iconic Wheel of Fortune franchise with a variety of new games and hardware solutions. IGT will also introduce its new CrystalDual Stepper cabinet at G2E with new versions of classic game themes such as Marilyn Monroe and Top Dollar.

Pop culture will make its way to the tradeshow floor by way of IGT's latest library of licensed themes, including

new introductions to the highly successful Jurassic Park and The Ellen DeGeneres Show slots families.

IGT's Core portfolio for G2E will spotlight an array of hardware solutions for markets around the world such as the S3000, CrystalDual, CrystalSlant and AXXIS 23/23. The Company's core content portfolio will be equally comprehensive and include a variety of classic, innovative and evolutionary game concepts.

As the market leader in the video poker space, IGT will utilize G2E as a springboard for introducing a variety of enhancements to proven poker titles, as well as never-before-seen video poker math and play mechanics.

IGT's Systems demonstrations will highlight the Company's leadership in leveraging systems innovation and technology to cultivate exciting slot tournament experiences on a variety of hardware solutions. Similarly, IGT will spotlight advancements to several of its casino management systems products, such as mobile applications, bonusing and player content delivery.





Virtual Tennis Virtual Sports Playtech

Playtech has delivered what it describes as the world's most realistic virtual sports product with its new smash hit tennis game, live across all platforms, channels and devices.

Following a year-long process of exhaustive and record-breaking motion capture initiatives at Warner Bros Studios and 3D design and modelling work at the Playtech Studios, both in the UK, Playtech Virtual Tennis is as close to the real game as anyone has ever achieved with mind-blowing graphics, gameplay and

extensive betting opportunities.

Virtual Tennis is available online, in retail, and on mobile and includes comprehensive lifelike action, pre-match betting markets, realistic gameplay and incredible attention to detail including dynamic cloth physics with players' shirts moving as they stretch to hit a backhand cross-court winner.

All Playtech's virtual sports products are future proof and developed with tournament, matches and leagues in mind.

Working with Warner Bros. Studios the product began life in the summer of 2015 using the

most advanced systems and technology available today. Playtech attempted a feat no other gaming or film company has ever taken on, taking over one of Warner Bros. Studios' largest film stages for three weeks and installing more than 100 cameras – worth in excess of £5 million and with positional accuracy down to 0.5mm – to capture the most realistic, accurate and authentic images for next generation Virtual Sports content.

It is the largest motion capture project ever attempted with Playtech's Virtual Sports team using professional sportsmen and women in competition conditions and techniques and technology used in films such as Avatar, Godzilla and James Bond's Quantum of Solace, in order to capture hundreds of hours of movement and footage.

The result is the industry's most graphically advanced, leading Virtual Sports product. This innovation, however is not restricted to graphical development alone. Playtech also concentrated heavily on back-end simulation, ensuring real-life football, tennis and basketball was replicated from a gameplay, user experience and an odds and betting perspective.

Playtech licensees are able to choose from a host of virtual sports including tennis, football, horse-racing, greyhounds, velodrome, and speedway with basketball available later this year.

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Samson House,
457 Manchester Road,
Manchester M29 7BR,
United Kingdom

G3Newswire.com
G3-247.com
Company registration
Number: 7342069
Vat No: 995 913852



John Slattery
Commercial Director
john@gamingpublishing.co.uk
+44 (0)7917 166471



James Slattery
Advertising Executive
james@gamingpublishing.co.uk
+44 (0)7917 166471



Alison Dronfield
Advertising Executive
alison@gamingpublishing.co.uk
+44 (0)1204 410771



Jennifer Pek
Subscriptions Manager
jennifer@gamingpublishing.co.uk
+44 (0)161 724 8716



Lewis Pek
Editor
lewis@gamingpublishing.co.uk
+44 (0) 1942 879 291



Karen Southall
Associate Editor
(Spain - Malaga)
karensouthall@gmail.com



Phil Martin
News Editor
phil@gamingpublishing.co.uk
+44 (0)7801967714

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