



WEEK 30

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THIS WEEK

- **FOBT stake limit rejected**
- **Mohegan Sun launches online**
- **Echo selected for Brisbane casino**
- **Columnist: Anna Wilson on Spanish slots**

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TOP STORY

888 AGREES BWINPARTY DEAL

Recommended offer is worth an approximate £898.3m



888 executive chairman Brian Mattingley

The boards of operators 888 Holdings and BwinParty have reached an agreement on the terms of a recommended offer that will see 888 acquire the entire issued and to be issued share capital of BwinParty. The offer represents a value of approximately £898.3m, which equates to approximately 104.09p a share.

The cash consideration payable by 888 will be financed through a \$600m term loan credit facility. It is proposed that the offer will be effected by means of a scheme of arrangement of BwinParty, and it is expected that the scheme will become effective by the end of the fourth quarter of 2015 or in the early part of Q1 2016.

The offer is to be put to the vote of shareholders of both companies, and in order to become effective the scheme must be approved by a majority in number of the scheme shareholders voting at BwinParty's Court Meeting, representing at least three quarters in value of the scheme shares voted.

888 executive chairman Brian Mattingley said: "The enlarged group will benefit from significantly enhanced scale, an improved product offering as well as significant cost and revenue synergies."

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BwinParty chairman Philip Yea said: "Our announcement today marks the first step in a new phase in our short history. Bringing our two groups together will generate substantial financial synergies for the benefit of both sets of shareholders and create a strong player with the breadth of product, brands and geographic coverage to grow faster than either business would be able to achieve stand-alone."

It is proposed that BwinParty CEO Norbert Teufelberger will provide consultancy services as and when required by the 888 board with regard to the enlarged group's sports-betting offering.

888 confirmed its proposal to acquire BwinParty in May. Online gaming group GVC Holdings also made a proposal to acquire BwinParty, as was announced by both companies earlier this month, which valued it at 110p a share. Following an agreement being reached between BwinParty and 888, GVC said it is "considering the company's options".

KEY POINTS

- 888 Holdings has reached an agreement with BwinParty over a planned acquisition of the company
- The 888 offer is worth an approximate £898.3m
- The deal will be financed through a \$600m term loan credit facility

UK UK GOVERNMENT REJECTS FOBT STAKE LIMIT

Proposal to reduce maximum stake to £2 is turned down



The UK government has rejected a proposal to significantly lower the maximum stake on fixed-odds betting terminals (FOBTs). Newham Council submitted a proposal under the Sustainable Communities Act in November, calling for the highest possible wager on FOBTs to be lowered from £100 to £2.

A government spokesman said: "We have already acted by introducing stronger gambling controls to further protect players and promote responsible gambling in April. This includes putting an end to unsupervised stakes above £50 on FOBTs and giving more powers to local authorities to stop new betting shops opening up in their areas."

Mayor of Newham Sir Robin Wales said: "We will challenge this decision, because without a reduction in stakes, FOBTs will continue to blight the nation's high streets."

KEY POINT

- The UK government has rejected a proposal to reduce the maximum stake on FOBTs

US

MOHEGAN SUN CASINO LAUNCHES NEW JERSEY SITE

Real-money gaming goes live at MoheganSunCasino.com

Operator Mohegan Sun has launched an online offering in New Jersey.

The MoheganSunCasino.com site becomes the second to use operator Resorts Casino Hotel's i-gaming permit, following the official launch of Resorts' self-branded online casino in April.

Mohegan Gaming Advisors, a subsidiary of Mohegan Sun operator the Mohegan Tribal Gaming Authority (MTGA), assumed management of Resorts in 2012.

MTGA president Bobby Soper said: "The MTGA is thrilled to launch what we believe has raised the bar in online gaming and stays true to our commitment to luxury, leisure and best-in-class practices."

Meanwhile, the total for June is the Delaware regulated online gambling market's worst ever monthly net revenue figure. The sum of \$108,692 is lower than the previous record of \$111,388 posted for November 2013.



KEY POINT

- Mohegan Sun has become the latest operator to launch online in New Jersey

AUSTRALIA

ECHO SUCCEEDS WITH BRISBANE CASINO PROPOSAL

Consortium chosen to develop Queen's Wharf casino

A joint venture involving operator Echo Entertainment has been selected as the preferred proponent of Queen's Wharf Brisbane Integrated Resort Development.

Destination Brisbane Consortium, made up of Echo, Chow Tai Fook Enterprises (a Hong Kong company with business including property), and property developer Far East Consortium (Australia), had its proposal accepted ahead of operator Crown Resorts.

Premier of Queensland Annastacia Palaszczuk [pictured] said: "The independent panel went through a number of criteria. But one of the signature efforts was this large amount of public space that families will be able to enjoy."

"This is a good announcement, it is fantastic news for Brisbane and I am quite sure the people of Brisbane will embrace the new Queen's Wharf development."

It is expected that development of the Queen's Wharf site will commence in 2017.

KEY POINT

- The Destination Brisbane Consortium has been chosen as the proponent for the Queen's Wharf Brisbane Integrated Resort Development



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GUEST COLUMNIST

"THE SPANISH SLOTS MARKET"



by **Anna Wilson**
International
sales manager

"The event that everyone who is anyone attends is the World Gaming Executive Summit (WGES) in Barcelona. The hot topics in gambling get discussed by the great and good on the debate panels, over coffee, at the beach bar, during dinner and on to the dance floor. Barcelona and the WGES's hip new management team certainly brought businesses the feelgood factor at this year's elite gaming event – and the 300-plus attendees and top-notch speakers (all high level international players) in attendance were left in no doubt that Spain was the place to be.

Spain is a top destination this summer, as after a near four-year wait the holiday season for Spanish slots is now open! MGA Group and other local and international players unpack our holiday best and head for the bar to take in the view. What and who can we see and where will it all end up?

On June 2nd 2015 the new regulation for slots online went live in Spain. The opportunity to obtain a Singular Licence for the operation of slots was offered to the closed list of 30-odd companies that held an existing General Licence under the DGOJ (Direccion General de Ordenacion del Juego). Of these, 27 obtained a slots licence and since the go

live on 2nd June, less than half of these are now offering slots on their casino tabs and standalone sites for Spain.

MGA has always believed the local Spanish market opportunity to be significant. Since the Spanish culture is distinct and players have different tastes to the prolific five-reel play styles we also believe local content will be important for operators' success in Spain.

The Spanish Type B, three-reel slot machines, or 'Tragaperras', are unique to Spain – featuring three reels, nudges, bonuses and upper and lower screen games. These authentic Spanish-style games have been played for the past 35 years in the hundreds of thousands across Spain. MGA knows this, as we were one of the first to manufacture and introduce them here.

MGA has taken these popular land-based games and developed authentic copies for online play, available on our sites www.GoldenPark.es and new slots vertical www.TODOSlots.es – a site that is dedicated to delivering true copies of Spanish-style slots as well as innovative video bingos.

Only time in the market will tell if this strategy will bring success. We are hopeful and so far the forecast is looking sunny. The turnover for online games in Spain is estimated at 260m euros, and a common expectation of around a 60% increase in revenue – as happened in Italy – was the subject of discussion for many of the Spanish operators at the WGES event.

The results are yet to be seen publically but with just one month in operation all those at WGES were upbeat. This coming September the DGOJ will release the third quarter report and we will all be able to gauge for the first time the real increase in

performance across the market.

Since the Spanish Singular Slots Licence is only available to those with a General Licence for Spain, and since there can be no further applicants for General Licences, the market is effectively ring-fenced for now. So if things go swimmingly, we may also be seeing more sites going live or movements in ownership for the best spot in the sun.

Of course this season some have already missed the flight and others may yet lose their luggage. But it remains to be seen who will go home with a tan and a new Spanish love affair, and who with sunburn and a hangover.

What's certain is that the year one results for Spanish slots will be a hot topic for the WGES in Barcelona next year, which is set to be next summer's exclusive destination for gaming execs."

Anna heads International Sales at MGA Group, a leading Spanish land-based and online games developer and operator based in Barcelona. MGA develop slots and video bingos for Spain, Europe and worldwide. MGA games are available direct or via Mediatech, Microgaming Quickfire, Odoobo, Playtech and soon proudly with NYX. Contact Anna at: awilson@mga.es

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