



WEEK 43

FRIDAY 23 OCT 2015

THIS WEEK

- Galaxy and Sands China revenue down
- New Jersey DGE penalises operators
- British racing seeks new funding relationship
- Columnist: John Parsonage on table games

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TOP STORY

NEVADA RULES DFS TO BE GAMBLING

Operators now require licence for real-money play



Real-money DFS, popular among NFL fans, cannot be offered in Nevada without a licence

The Nevada Gaming Control Board (NGCB) has stated that real-money daily fantasy sports cannot be offered in the state without licensure, after ruling that they class as sports pools and gambling games under Nevada law.

DFS operators must now obtain a licence issued by the Nevada Gaming Commission to operate a sports pool in order to offer their services in the state, after the Gaming Division of the Office of the Nevada Attorney General performed a legal analysis as to whether DFS contrasts with Nevada law.

The NGCB said that all unlicensed activities must "cease and desist", with the order published on 15 October. DFS operator DraftKings seemingly continued offering real-money DFS services in Nevada despite the ruling. Legal Sports Report claimed it was able to enter real-money DraftKings contests on Saturday, Sunday and Monday while located in Nevada, although later in the week reported that access was indeed being blocked. This occurred despite DraftKings sending out a statement to Legal Sports Report on 16 October outlining that it is "able to track location a variety of ways".

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It was meanwhile announced on Monday that StarsDraft's real-money contests are to be removed from a majority of US states. Amaya Gaming, which acquired Victiv in August and re-launched it as StarsDraft in September, said: "StarsDraft intends to focus operations in states with favourable existing daily fantasy sports guidance, including New Jersey, Massachusetts, Kansas and Maryland."

DFS is also being investigated by the US Justice Department and the Federal Bureau of Investigation (FBI), according to the Wall Street Journal, which claims that FBI agents from the Boston office have been contacting DraftKings customers to ask them about their experiences with the operator. The Justice Department is reportedly looking into whether or not DFS is a form of gambling that falls outside the exemption fantasy sports were given from the 2006 Unlawful Internet Gambling Enforcement Act (UIGEA), which placed a federal ban on online gambling.

KEY POINTS

- Operators now need a sports pool licence to operate real-money DFS services in Nevada
- Amaya's StarsDraft is to pull its real-money offering from most US states
- DFS is also reportedly being investigated by the US Justice Department and FBI

FINANCIAL

GALAXY AND SANDS REPORT REVENUE FALLS

Figures down as Macau struggles continue

Galaxy Entertainment Group (GEG) and Sands China have reported revenue decreases for Q3 2015.



GEG recorded a 29% downturn to \$12.3bn for the three-month period ended 30 September. Adjusted EBITDA for the operator was \$2.1bn, down 36%, and GEG said this figure would have been higher by approximately \$131m were it not for having "played unlucky".

Net revenue for Sands China, the Macau subsidiary of operator Las Vegas Sands, decreased 29% to \$1.66bn, while net income was down 47% to \$343.2m.

September's total revenue of 17.13bn patacas was the lowest monthly total for the overall Macau casino market since September 2010.

Las Vegas Sands chairman and CEO Sheldon Adelson said: "In Macao, notwithstanding a challenging environment in the VIP and premium mass gaming segments, we delivered \$536.8m in adjusted property EBITDA across our Macao property portfolio."

KEY POINT

- Galaxy Entertainment and Sands China report Q3 revenue decreases

GUEST COLUMNIST

"TIME TO RECONSIDER TABLE GAMES"



by John
Parsonage
CEO, Felt

"Table games have undergone a renaissance in the North American land-based casino industry over the last few years thanks to the introduction of many new enhanced features and benefits. Games such as Lucky Lucky, Buster Blackjack and Three Card Hold'em provide players with additional win opportunities from low stake bets. Others, like Texas Hold'em Bonus Poker, now feature progressive jackpots familiar to slots players, while Double Ball Roulette offers a potential payout of up to 1200/1. These innovative products attract both existing and new table game players, while providing additional and very welcome revenue streams for the house.

The benefit is two-fold. Players have a better game experience because of the enhanced win opportunities, while casino owners are rewarded with the increased house edge that these games provide. Furthermore, these games help casino owners advertise the games' many positive attributes while also providing strong attention-grabbing success stories. It is a win-win situation, with both the player and the house enjoying the fruits of greater engagement and more exciting games.

What is ironic, however, is that after so much success in the land-based environment these much-improved games have only recently been adopted by the dynamic and usually first-to-market online operators. The slow uptake is almost entirely due to the lack of focus and attention given to table games by software providers over the last decade. Slots, brands, video poker and managing regulatory change have all taken precedence over re-invigorating the standard blackjack, roulette and poker table game sector that, despite under-investment, has maintained a 40-45% share of casino revenues throughout the last decade.

Thanks to recent developments in technology and game innovation, table games are now in a position to fulfil their potential by not only enhancing revenue streams but also playing a significant role in player acquisition and retention.

The substantial growth of online live dealer is a prime example of how technology and game innovation have benefited the table game sector. Improved broadband coverage, advanced technologies and game innovations have all helped drive the growth. But principally, it is the fact that at long last table game players are being provided with stimulating content in a dynamic and appealing environment.

The growth of mobile gaming and the demand for mobile content has further stimulated this sector. Players have shown a considerable appetite for 'snacking' on games while they are 'on the go', and many of the new generation of table games provide the perfect fit, especially table games that are quick to download, easy to play and have innovative game enhancing features.

This new generation of mobile table games provides slicker delivery, a more satisfying user experience, and the ability to play wherever and whenever the player wants. These table games are built in HTML5 with authentic, real-life casino attributes and a modern, clean and functional presentation, and they sit well alongside the new wave of graphically-enhanced and feature-rich video slots.

Forward-thinking operators like Unibet, whom we now supply with eleven blackjack, roulette and poker-based games, have taken the lead. But others can also significantly boost their existing revenue streams, re-awaken dormant customers and attract the new breed of player.

The bottom line is that these games are already proven performers in a brick-and-mortar environment. They have stood the test of time in the most rigorous of testing grounds – North American land-based casinos – and will survive and prosper online too.

It's now time to get on-board and take advantage of this opportunity. Operators who now square the circle with these new and exciting RNG equivalents that are now available on mobile, tablet and desktop will position themselves at the forefront of this changing sector – and ahead of their competitors."

John Parsonage has worked in i-gaming for over a decade in roles that include head of gaming at Sky Bet and group director at Global Draw. He is currently CEO of specialist supplier Felt.

OUT NOW: Look out for the September/October issue of Gambling Insider's print magazine, featuring a Player Special as we take a journey into the mind of the modern gambler to uncover their most notable trends, behaviour and desires

