

THIS WEEK

- Intertain to acquire Gamesys
- Nominations open for Global Gaming Awards
- Columnist: Steve Sawyer on IP Intelligence
- Tweets of the week

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TOP STORY

WILLIAM HILL IN 888 APPROACH

Operator reportedly eyeing £750m takeover



888 owner Eyal Shaked (left), son of company founder Avi Shaked, at last year's Global Gaming Awards

Gibraltar-based online operator 888 confirmed on Tuesday it has received an approach about a potential estimated £750m takeover from UK bookmaker William Hill.

It has been reported that the 888 board has reached a preliminary agreement on an offer of 210p-a-share, although it is also suggested that 888's Israeli co-founders and majority shareholders the Shaked family are holding out for an offer of 300p-a-share.

No further details were revealed by 888, whose share price soared 28% to 185.7p. It eventually closed for the day at 171.5p, giving the firm a market value of £600m.

888 Holdings sent out a statement less than two hours later saying: "The board of the company confirms that it received an approach regarding a possible offer for the company by William Hill."

The statement went on to say that "there can not be any certainty that any firm offer will be made nor as to the terms on which any firm offer might be forthcoming", while also stating that a further announcement could be expected within the next 28 days.

Any deal would need to be approved by 888's main shareholders. 888 Holdings

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was co-founded by brothers Avi and Aaron Shaked in 1997 along with another pair of brothers, Ron and Shay Ben-Yitzhak. Their family trusts control around 60% of the company. The Shaked family owns 48.6%, while the Ben-Yitzhak brothers own 10.5%, giving them enough combined weight to block a takeover attempt.

It is understood that 888 is being advised on the situation by Investec and Morgan Stanley, while William Hill is working with bankers at Citi.

London-listed 888 issued a trading update just before Christmas, stating it was confident of meeting full-year expectations.

William Hill is yet to make a comment on the possibility of a takeover.

Hills was rumoured to be one of the parties interested in acquiring operator BwinParty, which announced in November it had been holding takeover talks with unnamed firms.

KEY POINTS

- 888 has held talks with William Hill over an estimated £750m takeover
- Reports suggest 210p-a-share preliminary deal agreed with 888 board
- 888 majority shareholders reported to want higher price

M+A

INTERTAIN GROUP TO ACQUIRE GAMESYS BRANDS

Jackpotjoy included in approximate £425.8m deal

Operator and provider Gamesys Limited, the parent company of the Gamesys Group, has confirmed the sale of its customer-facing assets to Intertain Group in a deal worth an approximate £425.8m.



Gamesys' Jackpotjoy [pictured] online bingo brands in the UK and Sweden, casino brand Starspins.com and Botemania.es, a Spanish-facing bingo brand, are all included in the acquisition.

The companies have entered into a 10-year services partnership, with the transaction structured to ensure alignments of interests for both parties.

Intertain CEO John Kennedy Fitzgerald said: "Our stated vision is to focus on the female demographic in regulated markets. This acquisition is consistent with this vision."

The initial purchase price will be made up of cash and share consideration, with £56.8m of this funded through the issuance of Intertain common shares to Gamesys.

Gamesys founder and CEO Noel Hayden, who will be joining the board of Intertain, said: "Gamesys and Intertain are a perfect match."

KEY POINTS

- Intertain Group is to acquire Gamesys Limited's customer-facing assets
- Parties have entered into a 10-year services partnership

AWARDS

GLOBAL GAMING AWARDS WELCOMING NOMINATIONS

Window open for 2015

The nominations window for the Global Gaming Awards 2015 has officially opened.

Nominations are being welcomed across all 12 categories – which cover both the land-based and digital gaming industries – for achievements during the past 12 months.

Nominated firms and individuals will be considered alongside the selections of the Global Gaming Awards Nominations Panel during the shortlisting process.

A shortlist of 120 companies and executives will then be drawn up and put before an independent panel of 50 judges, comprised of leading gaming industry figures.

To submit a nomination, go to globalgamingawards.com and click on the 'Nominations' button.

The Global Gaming Awards are brought to the industry in partnership with the American Gaming Association, Reed Exhibitions and G2E Vegas.

KEY POINT

- The nominations window for the Global Gaming Awards 2015 has opened



Tweets of the week

"William Hill and 888 is a potentially potent combination, but bear in mind that the future belongs to the fast, not the big"
Mr Green co-founder Mikael Pawlo [@mpawlo](https://twitter.com/mpawlo)

"So Intertain & Gamesys deal officially announced aka the best kept secret in iGaming"
Eilers Research managing director Adam Krejcik [@akrejcik](https://twitter.com/akrejcik)

"Nevada sportsbooks generated \$279M in total revenue in 2014. That's how much revenue Apple generated every 8 hours in their last quarter" *Sports handicapping website WagerMinds* [@WagerMinds](https://twitter.com/WagerMinds)

GUEST COLUMNIST

"IP INTELLIGENCE – A SURE BET"



by Steve Sawyer
VP international
strategy, Digital
Element

"Europe is leading the way in online gambling, operating one of the largest markets in the world, with annual revenues expected to reach €13bn next year generated from a marketplace of approximately 6.8 million European consumers.

Regulatory frameworks for online gambling varies from country to country. Freedom to provide cross-border services in the EU does not extend to the industry, as only the UK, Ireland, Malta and Cyprus allow a site licensed in another approved country to operate in their country. While some are removing internal restrictions, others are tightening their rules to gain greater control over suspicious betting activity, technical standards, social responsibility and fraud.

Players frequently cross virtual borders when gambling online, looking for new experiences and higher yields, so it is vital that player location and connection characteristics can be verified to reduce the risk of violating regulations – and the potential loss of licence that this might lead to – as well as protect revenue streams from potential fraud.

The information IP Intelligence data provides for online gambling operators is invaluable for a number of reasons:

Jurisdictional control

Gambling operators need to know where their players are located as the

majority only allow players from legal or regulated markets to place a bet. Best practice requires the identification of a visitor's location based on their IP address, to ensure they are accessing the site from a region where online gambling is permitted. Premium IP Intelligence and geolocation solutions include accurate proxy data – which is often absent from low-cost or free IP databases – enabling the identification and blocking of visitors attempting to cloak the country from which they are accessing. IP Intelligence can accurately locate a player down to city or postcode sector level without them becoming personally identifiable.

Fraud prevention

Gambling sites are high profile targets for fraudsters and online fraud is a growing problem. Failure to detect fraud can have a detrimental impact on a gambling site's reputation as well as its bottom line. Knowing more about where and how players are connecting greatly improves detection rates. Analysing user connection information such as proxy, ISP, Tors, anonymisers, VPNs, domains and hosting centres helps operators to identify a greater number of suspicious connections and can reduce fraud by more than 90%. Questionable traffic coming from these types of connections can be automatically blocked, or at least flagged for further review.

Mobile connection

Mobile technology is driving the growth of online gambling and operators need to apply the same verification rules to these devices as desktop. The verification process for mobile players depends on the connection type. For Wi-Fi connections – used by 80% or more of mobile players – the process is the same

as for wired connections, with location and proxy data being identified. However, for the minority that connect via 3G, 4G, or LTE – usually without enabling location tracking – additional information can be gained from CRM systems and in-app location data to enable verification. IP Intelligence allows the identification of mobile traffic while maintaining user anonymity and privacy.

Content localisation

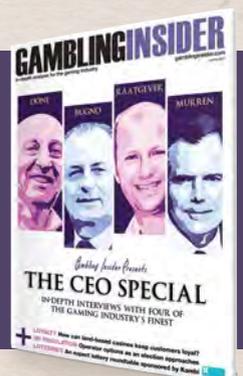
IP Intelligence can also enable operators to provide geographically relevant content to players, improving relevance, response and revenues. For instance, instantly displaying a website in the correct language and currency for the player removes the need for country selectors and improves conversion rates.

European operators face a number of challenges, with legislation differing from one country to the next, and the high revenues within the market make it a prime target for fraud. Combining IP location data with other information is vital in jurisdictional decision-making.

Premium IP Intelligence data can provide all the information needed to verify user location and connection characteristics accurately across all devices, while also allowing content localisation to improve the user experience. When it comes to increasing the odds of success – IP Intelligence is a sure bet."

Steve Sawyer serves as Digital Element's vice president international strategy, bringing over 12 years' knowledge of UK, EMEA & APAC markets to his role, which is focused on expanding into new verticals and markets. Steve is an experienced IP geolocation professional and application specialist in the fraud, security and gaming markets

OUT NOW: Look out for the January/February issue of *Gambling Insider's* print magazine, featuring a CEO Special as we interview four of the biggest figures in gaming: Jim Murren of MGM Resorts, GTech's Walter Bugno, Fred Done of Betfred, and Microgaming's Roger Raatgever



NOMINATIONS OPEN!



The nominations window for the Global Gaming Awards 2015 has officially opened!

Nominations are being welcomed across all 12 categories – which cover both the land-based and digital gaming industries – for achievements during the past 12 months.

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