



WEEK 9

FRIDAY 27 FEB 2015

THIS WEEK

- South Africa gambling bill introduced
- Playtech reports record revenue
- Columnist: Andrew Jarrett on jurisdictions
- Tweets of the week

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TOP STORY

REVEL SALE BACK ON

Glenn Straub will acquire the closed casino for \$82m



Atlantic City's Revel casino is set to be sold for \$82m

A new \$82m deal has been struck between the now closed Revel casino and developer Glenn Straub. The agreement is the second to have been reached between the two parties over the casino, which ceased operating in September, following a previous \$95m planned takeover which never materialised.

Judge Gloria Burns terminated that deal at a court hearing last week, ruling that Straub had violated the terms of the agreement when he failed to meet a deadline of 9 February to complete the acquisition, which left Revel open to conduct negotiations with other interested parties.

But in a dramatic U-turn, Straub has exploited a loophole which allowed him to renegotiate with Revel, as a signed order had not been entered, and he confirmed to the Wall Street Journal on Tuesday that a deal to buy the casino had been revived, but for a considerably smaller price than the original agreement.

He said: "All issues are pretty well resolved. We're buying what we originally intended to buy, and the dollar figure will reflect that."

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The collapse of the previous planned takeover occurred after Straub asked for more time to produce the funds. According to Craig Galle, a lawyer for Straub, the new proposed deal has already been paid for, with \$72m being transferred to Revel on Monday, on top of a \$10m deposit already held by the casino.

The deal, which will need approval by the bankruptcy judge, is set to close on 31 March, with Straub planning to have part of a recreational complex open by the summer.

Elsewhere in Atlantic City, creditors have reached an agreement on a restructuring plan that would take Trump Taj Mahal casino out of bankruptcy proceedings.

A panel representing parent company Trump Entertainments Resorts' unsecured creditors met last Thursday and worked out a plan that would see the casino through the process and exit bankruptcy on schedule.

KEY POINTS

- Glenn Straub has reached a new agreement with Revel over the sale of the casino, which closed in September
- The planned \$82m purchase follows the collapse of a previous \$95m deal
- Meanwhile, Trump Taj Mahal's creditors have agreed on a plan to take the casino through bankruptcy

LEGAL

REMOTE GAMBLING BILL INTRODUCED IN SOUTH AFRICA
MP Geordin Hill-Lewis has tabled legislation for the second time

A bill that would legalise remote gambling in South Africa has been introduced by shadow minister of trade



Geordin Hill-Lewis. The bill, titled the Remote Gambling Bill (PMB 3 – 2015), is the second attempt by Hill-Lewis to have remote gambling legislation passed by the government.

A similar private member's bill was introduced by Hill-Lewis in April last year but was put back after allegations of corruption were made against South Africa's National Gambling Board.

Hill-Lewis, an MP for the opposition Democratic Party, wishes to change the current law, which allows online sports betting but does not permit all other forms of remote gambling.

It is not however expected that this year's legislation will be passed, as South Africa's Department of Trade and Industry (DTI) has previously stated it has "no intention on the part of the government to propose the legislation of online gambling".

KEY POINTS

- A remote gambling bill has been submitted in South Africa
- The bill is unlikely to be passed

FINANCE

PLAYTECH EARNS RECORD REVENUE

Provider reports impressive financial results

Provider Playtech has posted record annual revenue and record earnings for the full year 2014. A 24% increase in revenue to €457m was recorded, as well as a 30% rise in EBITDA to €207m. Adjusted net profit improved 29% to €190.8m, while cash balances of €692.3m are up from €527.4m in 2013.

Last year saw operator Ladbrokes complete its migration to Playtech's full product suite, while Playtech also purchased fellow supplier Aristocrat Lotteries.

Playtech non-executive chairman Alan Jackson said: "By expanding its licensee relationships, creating innovative new content, enhancing its products, and deepening its customer focus, the business has continued to thrive."

KEY POINT

- Playtech annual revenue reaches record level



Tweets of the week

"Most believe legalization will result in a significant increase in sports bettors. I don't think it will be that significant" *ESPN's David Payne Purdum* [\[@DavidPurdum\]](#) on legal US sports betting

"Ladbrokes board "currently intends to maintain the dividend for FY15" - ie unless it suffers another setback" *The Times business reporter Dominic Walsh* [\[@walshdominic\]](#)

"It's a nice story that the MGM Grand sold out in minutes after the fight was announced. Except the part where it's not true" *ESPN reporter Darren Rovell* [\[@darrenrovell\]](#) on the upcoming Mayweather v Pacquiao fight

GUEST COLUMNIST

"E-GAMING IS CHANGING"



by **Andrew Jarrett**
Director, Digital Jersey

"The growth and diversification of the e-gaming industry is its defining characteristic. No sooner have jurisdictions got a legislative grip on change, the industry has shifted yet again. An emerging need on the part of e-gaming companies is for a jurisdiction with an excellent reputation that serves as a global hub for their operations, ensuring flexibility and facilitating access to a variety of markets and local expert services.

To maintain both dynamism and reputation, e-gaming companies need agile legislation coupled with world-respected regulation; and no, the two are not mutually exclusive! New and existing e-gaming companies are seeing a professional and regulated jurisdiction as core to their future value proposition, not as a mere addendum.

So how is this blended approach possible? I believe the answer rests in the jurisdiction's offering in terms of its nexus between legislation, services and business environment. How do its laws reflect the reality and needs of the industry, enabling both a quick response to rapid developments while ensuring consistent high standards and accountability? Are there support networks in place in terms of local services to achieve both of these aims?

Is there synergy between e-gaming companies, the jurisdiction's business community and, where appropriate, government? Is this synergy transparent and above board?

Younger jurisdictions such as Jersey are centring their offering on this combination of innovation and regulation, both fiercely defensive of their reputation as a transparent, rigorously regulated finance centre and providing the most agile, up-to-date gambling legislation. This legislation has been crafted to be the most flexible in the world, reflecting the realisation that a jurisdiction shouldn't shoehorn people's businesses into existing legislation, as the industry is evolving faster than rigid legislation can keep up with.

A case in point is some of the latest mobile apps, which seem to blur the boundary between social gaming and gambling. Can pre-existing legislation accommodate these shifts and ensure the platforms only reach intended audiences? The e-gaming industry has evolved significantly since the 90s, with both new platforms and new markets emerging and shifting its focus and capacities. The growing markets in South America and Asia are testament to this, with mobile handset penetration fuelling the growth of the e-gaming markets over there. Jurisdictions which are emerging now are fundamentally able to adapt alongside these emerging markets.

To ensure licences can adapt as business requirements do, without needing to wait for legislative change, Jersey's Gambling Commission sits down with the company looking to operate on the island and designs a bespoke licence. This means e-gaming companies

can operate in Jersey knowing that even unforeseen developments can be accommodated legally.

Building a reputable global hub for e-gaming operations goes hand in hand with listing. E-gaming companies in 2015 need a place where they can coordinate Remote Gambling Licences for various markets with as much ease, cost-effectiveness and market access as possible. As listing is an increasingly central concern for e-gaming companies hoping to reach a global audience, a seamless integration of jurisdictional reputation based on excellent financial services and regulation with quality technology and corporate services providers has never been so crucial.

The ideal e-gaming jurisdiction delivers high standards of legislation, services, accountability and market access. It understands what has worked elsewhere and what hasn't, and always prepares for the unexpected. It keeps itself ahead of the game to enable the e-gaming companies based there to do the same, aware that success for all concerned requires striking the perfect balance between the identity of the jurisdiction and the business plans of the e-gaming companies it seeks to attract."

Andrew is director at Digital Jersey, responsible for establishing and securing business development opportunities, supporting on-island growth, maintaining key off-island relationships and exploring new markets. He has been a key coordinator of Jersey e-gaming, a group of companies providing a cross-section of services to eGaming businesses looking to locate to Jersey

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



Global Gaming Awards 2015: 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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By combining the power of Playtech's existing IMS platform and our BIT technology we are changing the face of gaming forever - providing new and existing licensees with superior innovation for their next stage of growth.