



WEEK 3

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THIS WEEK

- CMA fast-tracks Ladbrokes Coral deal
- Macau VIP room numbers fall
- GVC net gaming revenue up
- Columnist: Mario Krišto on development



TOP STORY

NY DFS STAY OF INJUNCTION REMAINS

Appellate court grants permanent stay until decision is made



New York attorney general Eric Schneiderman

The stay of injunction allowing FanDuel and DraftKings to operate in New York will continue, pending the result of a legal battle against the state's attorney general (AG).

An appellate court granted a temporary stay of a preliminary injunction against the daily fantasy sports (DFS) operators in December after New York Supreme Court justice Manuel Mendez had granted AG Eric Schneiderman's request for an injunction to ban them from the state.

Zach Zagger, a reporter for Sports Law360, tweeted an image of the appellate division's ruling, which read: "Upon reading and filing the papers with respect to the motions, and due deliberation having been had thereon, it is ordered that the motions are granted to the extent of staying the order on condition that the appeals be perfected for the May 2016 term."

Schneiderman's office had sent letters to both companies asking them to "cease and desist" from New York in November after ruling that daily fantasy classes as illegal gambling under state law.

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Both FanDuel and DraftKings filed temporary restraining orders against potential action, and while FanDuel decided to pull its services from New York while the case is ongoing, DraftKings did not.

The full decision will be filed to the court next week, according to ESPN.

Meanwhile, Florida has passed a DFS regulation bill out of the Business and Professions Subcommittee by a vote of 10-3.

HB 707, which was first floated in draft form in November by representatives Matt Gaetz and Ritch Workman, would require DFS operators to block employees and their relatives from playing real-money games and would allow civil penalties to be given to operators that fail to comply with the law. A companion bill, SB 832, was filed to the Senate in November.

DFS in Florida will be the subject of a vote by a full House Regulatory Affairs Committee, a committee hearing in the Senate, and full votes of the House and the Senate.

KEY POINTS

- FanDuel and DraftKings are not banned from New York, at least until the result of their legal battle against the AG
- The appellate court has decided to keep the stay of injunction in place on condition that the appeals be perfected by the May 2016 term
- Meanwhile Florida's Business and Professions Subcommittee has passed a DFS regulatory bill

M&A

CMA TO TAKE LADBROKES CORAL INVESTIGATION TO THE NEXT LEVEL
Merger to be the subject of phase 2 investigation as it risks the "lessening of competition"

The proposed merger between Ladbrokes and Gala Coral has been fast-tracked for

an in-depth phase 2 investigation by the Competition and Markets Authority (CMA), following a request by the two operators.

It has been ruled by the CMA following the conclusion of its phase 1 investigation that the merger "gives rise to a realistic prospect of a substantial lessening of competition in relation to the supply of fixed odds betting products in LBOs in a large number of local areas where Ladbrokes and Coral overlap".

It was announced by the CMA in December that Ladbrokes and Coral had made a request for the investigation to advance to phase 2. The findings of the investigation must be published by 24 June.

ASIA

MACAU VIP ROOMS DROP TO APPROXIMATELY 100

At least 30 to 40 said to have closed in the last six months

The total VIP gaming rooms in Macau has fallen by at least 30 to 40 in the last six months to almost 100, according to the Association of Gaming and Entertainment Promoters of Macau.





Engagement with VIPs remains poor at a time when an economic slowdown in China has already been affecting the region.

Macau's accumulated gross revenue for games of fortune for 2015 was 230.84m patacas, a 34% fall.

Kwok Chi Chung, president of the Association, told Macau Business Daily: "For the past year-and-a-half, the junket operators here still remain distressed by bad debts and tighter capital liquidity."

FINANCIAL

GVC NET GAMING REVENUE RISES FOR 2015

An eventful year sees NGR improve 10%

I-gaming group GVC Holdings has revealed its total net gaming revenue (NGR) for the full year 2015 as €247.7m, a 10% increase.

On a constant currency basis, GVC's NGR for Q4 2015 was €712,000 per day, 21% higher year-on-year. The numbers are made up of a 6% rise in sport NGR to €320,000 per day and a 14% growth in gaming NGR to €392,000 per day.

It is expected that preliminary results for 2015 will be released in the week commencing 11 April 2016.

GVC, led by CEO Kenny Alexander [pictured], announced last week it will complete its acquisition of fellow operator BwinParty for 25p in cash plus 0.231 new GVC shares per BwinParty share on Monday 1 February.



US

NJ VOTERS TO CHOOSE CASINO FUTURE

November referendum will decide north Jersey issue

New Jersey governor Chris Christie has announced that a deal has been made to let voters decide whether two new casinos should be built in the state.

Christie was joined by senate president Stephen Sweeney and assembly speaker Vincent Prieto who are both in contention to get casino proposals passed.

Christie said: "I'm pleased, after a lot of effort and a lot of conversation amongst the three of us, that we can announce today that we have an agreement on how to move forward on north Jersey gaming."

The new deal would give current Atlantic City operators six months after a referendum in November to propose projects in north Jersey. Operators would need to invest at least \$1bn into their casino projects.

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GLOBAL GAMING AWARDS 2016

A NEW CHAPTER BEGINS

Hot on the heels of a successful 2015 event, the build-up for the Global Gaming Awards 2016 is already gathering pace

Planning for the 2016 Global Gaming Awards is well and truly underway, with the first instalment of judges and sponsors already secured, while the self-nominations window for interested parties has also opened.

Now in their third year, the Awards will once again consist of 12 industry-wide categories, recognising and rewarding innovation and achievement across both the digital and land-based gaming sectors.

The destination of each award is decided by a panel of 50 judges made up of esteemed industry executives from a range of sectors and geographies. Judges vote for their winner and runner-up in each category based on a shortlist compiled by an official Nominations Panel alongside the in-house editorial team at Gambling Insider.

Self-nominations from within the industry are welcomed for consideration during the shortlisting stage. To make a self-nomination, visit globalgamingawards.com. Organisations or executives can either nominate their own firm, themselves as an individual, or a colleague, for achievements over the previous 12 months.

As ever, winners will be presented with their award during a prestigious Las Vegas presentation ceremony, attended by some of the biggest names in gaming.

Meanwhile the first judges confirmed are both reprising their roles from last year: Joseph Cuschieri, executive chairman of the Malta Gaming Authority, and Olga Finkel, senior partner at WH Partners.

The Global Gaming Awards are also delighted to announce that NYX Gaming Group has been confirmed as the Lead Partner of the 2016 event. The provider has supported the Awards for the past two years and has already agreed to extend that backing into 2016.

Three of last year's individual awards sponsors have also signed up again

for 2016. NetEnt will sponsor Digital Operator of the Year, Betradar will sponsor Digital Acquisition Program of the Year, and Microgaming will sponsor Responsible Business of the Year.

KPMG Gibraltar, one of the world's biggest corporate advisory firms, has once again signed up as an official partner of the Global Gaming Awards to help provide evidence that voting has been conducted in a transparent and equitable manner, and that the results are an accurate reflection of the votes cast by the 50 judges.

The Global Gaming Awards are powered by *Gambling Insider* and presented to the industry in association with G2E Vegas.



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GUEST COLUMNIST

"HOW TO DEVELOP A GAMING PLATFORM"



by **Mario Krišto**
CTO, NSoft

When I was given a task to architect and lead the project of developing a large scale gaming platform from scratch, I said to myself: "Well this could be fun", but I had no idea how much. The functional and non-functional requirements were high, as we were to create a single cloud-based solution that would be able to offer all the tools for betting products to make them available on all major distribution channels – from retail and terminal to web and mobile – and offer betting operators all the tools

to manage every segment of their operation, from locations, terminals, users, payments, settings, reports, etc.

To develop a platform, you absolutely need more than a few things available to you. The first major one is domain knowledge and experience. You absolutely need this as it will provide the development team the necessary knowledge to grasp the specific jargon, the key betting concepts, and provide them insight into a betting operator's mind. Luckily for us, we had plenty of domain knowledge, as the 'Seven' platform is not the first product we at NSoft are developing, but the product which we started to develop after six years of experience providing various software for betting operators from the region of Balkans and in Africa.

Another major component into the mix is a good and technically able team with the willpower and knowledge to tackle some of the hardest technical challenges you can encounter in the industry. We've

set ourselves ambitious goals of scaling to millions of transactions a day – millions of users operating under different operators. I would say that we hit big here as well, since we have a lot of people in their late 20s and early 30s viewing this project as the biggest challenge in their careers so far – people with five to 15 years' of experience wanting to prove themselves big time.

Motivation for the team and management satisfaction are also some of the biggest issues you're facing, as the team is developing abstract goods without major visibility of the things they develop. Imagine 500,000 lines of code but nothing to really show to your bosses except these; so management has to be patient and have trust in the technical leadership for a project of this scale to succeed. Clear understanding of goals for the team as well as the team's goods delivery at a steady pace with agile development processes is a way to tackle this.

When you get to the things which matter most in a platform, software is fundamental. It's understanding what the key components are and offering them through a set of well-documented and tested APIs. Defining those API contracts is not easy as they have to be as generic as possible but concrete enough to be useful. You would need a way to abstract the needs of a slots-like game, sportsbook, virtual games, lotteries, casino and such, and provide all that is needed for them to seamlessly function before the eyes of the player and operator alike.

For a betting platform, I would say that user accounts and their transactions are the most important aspects. Having a well-defined Wallet API which offers seamless interaction with multiple product providers, which consequently allow a user to have a single balance from which he places bets without transferring money around, is the key for both integration of these products into

the platform and for the user's UX. Having this single source of all transactions offers great benefits for operators as well, as we're able to offer real-time reporting and insight into the operations through our well-structured pre-aggregated reports for easy and fast access at any time.

You could say that these are the key facts as to how we've created our 'Seven' platform. We're committed to the product and are embracing these challenges, pushing forward every day, as you can never say that the platform is done. Over time it's getting more features, better APIs and is providing more tools for end-users, the betting operators and our various product/content providers

Mario Krišto is CTO of NSoft, a software development company based in Mostar, BIH. He started as a junior developer five years ago and worked his way up. He has experience in developing software and software architecture, leading teams of

people and communicating complex technical topics in plain language.



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