



# WEEK 32

## FRIDAY 5 AUG 2016

### THIS WEEK

- FanDuel rebrands; launches in the UK
- Sun Bets not worried by UK PoC tax
- MGM completes Borgata deal
- Guest Column: Bernadette Kelly, ActiveWin Media

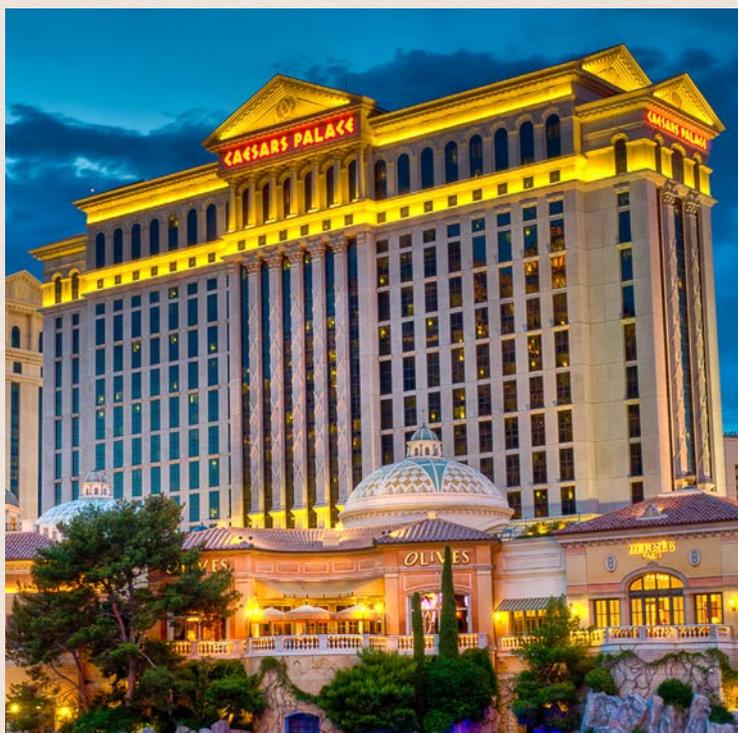
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#### TOP STORY

## CAESARS ENTERTAINMENT LOSES \$2BN

Some positives in its latest financial report; Q2 loss is put down to the CEOC bankruptcy



Caesars Entertainment Corporation has posted a net loss from continuing operations of \$2bn for the three months ending 30 June, as a result of the restructuring of the bankrupt Caesars Entertainment Operating Company (CEOC).

The bankruptcy of CEOC, Caesars' main operating unit, means that what Caesars Entertainment refers to as "Continuing CEC" has been uncoupled from contributions made by CEOC's casino properties in the operator's financial results.

Net revenue of \$1.2bn for continuing CEC in Q2 was reported, an 8% increase year-on-year. A total of \$545m was posted for casino revenue, expanding 0.4%. Adjusted EBITDA for the period came to \$388m, rising 12%.

Caesars Interactive Entertainment (CIE), the operator's online arm, performed strongly, posting net revenue of \$249m for Q2, a 34% increase.

Caesars Entertainment Resort Properties, which owns and operates six casinos in the US, experienced a 1% decrease in net revenue, dropping to \$562m.

Mark Frissora, President and CEO of Caesars Entertainment, said: "We delivered solid operating performance in the second quarter, **CONTINUED ON NEXT PAGE ►**



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including an 8% increase in net revenue and strong income and margin results, excluding the impact of the bankruptcy-related charges and CIE stock compensation expense.

"Our second-quarter performance was driven by strong results in Las Vegas lodging, exemplified by a 6.5% increase in RevPAR, as well as entertainment and continued strength in the social and mobile gaming business.

"Additionally, our productivity efforts have improved our revenue per employee and marketing efficiency, as we drive further margin improvement and cash flow while maintaining high levels of employee and customer satisfaction."

Earlier this week, it was announced that Playtika, CIE's social games development division, is to be sold for \$4.4bn to a consortium that involves an affiliate of online gaming group Shanghai Giant Network Technology.

It had been reported that CIE could be sold in its entirety for around \$4bn, while the Wall Street Journal claimed

that mobile games could be central to a deal and that gaming companies were interested.

CIE's aforementioned \$249m in net revenue for the quarter made up 20% of the company total.

## KEY POINTS

- Caesars Entertainment Corporation made a net loss of \$2bn in Q2
- This was as a result of the restructuring of CEOC
- CIE's net revenue went up 34% and its social games development division will be sold for \$4.4bn

## ASIA

### CHINESE LOTTERY SALES INCREASE FOR H1

#### Sports lottery figures counteract fall in welfare lottery revenue

Sales for the Chinese lottery rose 3.5% year-on-year to 194bn yuan (£21.93bn) for H1 2016, Asian media has reported.

The welfare lottery's sales total dipped 0.5% to 102bn yuan, but that was offset by the fact that the sports lottery's sales went up 8% to 92 bn yuan, which could

have been affected by the impact of UEFA Euro 2016.

Guangdong Province was the region that contributed to the total more than any other, with sales climbing to 19.9bn yuan, up 14%.

Betting on the welfare and sports lotteries are the only legal means of gambling in China outside of Macau.

The Chinese government implemented a temporary ban on online lottery betting in March 2015 and it has not yet been made clear if and when the ban could be lifted.

## DAILY FANTASY SPORTS

### FANDUEL UK HAS ARRIVED

#### Meanwhile, the operator's site has had a revamp

FanDuel has officially launched in the UK and will begin offering real-money contests when the Premier League season gets underway on 13 August.

Football is not a sport that the daily fantasy sports operator runs contests for through its North American offering, but will be the only sport available through FanDuel UK.

This is the first time FanDuel has expanded its product outside the US and Canada for the first time, following its competitor DraftKings, which launched in the UK in February.

FanDuel UK is available on desktop and mobile, and UK players are now able to sign up.

The launch has come in the same week that FanDuel has announced a shakeup of its marketing, unveiling a major rebrand and announcing a new season-long fantasy product.

The redesign includes the rolling out of a user "Bill of Rights and Governance" page, as well as a new logo that will feature on all FanDuel channels.

**UK SPORTS BETTING**

**SUN BETS LAUNCHES IN THE UK; TABCORP DISMISSES REGULATORY TROUBLES**

**Craig Nugent says UK tax is fine compared to Australian regulation**

The COO of Wagering and Media for Tabcorp Holdings has insisted that tax and regulatory issues are not a problem

in launching UK online sportsbook and casino Sun Bets in partnership with newspaper group News UK, which soft launched in the early hours of Tuesday morning.

Craig Nugent was speaking at a media briefing on the soft launch at News UK's office in London, and when asked by *Gambling Insider* about the issues regarding the Australian operator moving into the market at a time of consolidation and with a 15% tax on online profits, replied: "One of the interesting things about our market in Australia is that we pay more taxes and more to stakeholders than anyone else in the category. When we compare ourselves to UK competitors that are in Australia, they don't pay the same degree of tax and they don't pay racing industry funding."

**M&A**

**MGM NOW OWNS 100% OF BORGATA**

**The \$900m deal has been finalised**

MGM Resorts International has completed its previously announced

acquisition of Boyd Gaming Corporation's 50% stake in Borgata Hotel Casino and Spa, for an approximate total of \$900m.

MGM Resorts paid \$589m in cash for the transaction, following consideration of Borgata's outstanding debts of \$575m.

Boyd has confirmed its intention to use the proceeds of the sale for "debt reduction and general corporate purposes."

Although MGM Resorts has now purchased the remaining 50% in Borgata that it did not already hold, it will not be the sole owner of the Atlantic City casino, with MGM Growth Properties acquiring Borgata's real property from MGM Resorts.

The real property has in turn been leased back to an MGM Resorts subsidiary that will operate the property.

"As the premier resort in Atlantic City, Borgata is a great addition to our growing presence in the mid-Atlantic and Northeast United States," said Chairman and CEO of MGM Resorts, Jim Murren.

# THIS WEEK IN NUMBERS

The facts and figures that have caught our eye in the past seven days



Number of seasons for which Maratonbet will sponsor the shirts of La Liga side Malaga CF, with the option of a third year



Length in months of the decline in Macau's gross revenue from games of fortune, which fell 4.5% in July to 17.8bn patacas



Number of years on the deal SportPesa has agreed to be the official betting partner of Southampton FC

**\$4.4BN**

Value of Caesars Interactive Entertainment's sale of Playtika, its social games development division, to a consortium that includes an affiliate of online gaming group Shanghai Giant Network Technology



32Red's total net gaming revenue for the first half of 2016



Approximate amount in cash paid by Penn National Gaming to acquire social casino games developer Rocket Games



Price paid by William Hill to acquire betting and gaming digital solutions company Grand Parade



Number of months by which the Iowa Tribe of Oklahoma has pushed back the launch of its real-money online poker site, citing a need to "coordinate with foreign governments on the worldwide launch"



Class of the remote gaming licence SBTech has been awarded by the Maltese Gaming Authority

## GUEST COLUMNIST

## FIVE SMART TIPS FOR SOCIALLY SAVVY AFFILIATES



**By Bernadette Kelly**  
Business Development Director, ActiveWin Media Ltd

Information is shared at a staggering rate. To put it into context, MBAonline.com estimates that there is enough information sent in 24 hours to fill 168 million DVDs. That includes 291 billion emails and 2 million generated blog posts. Of course, social media takes up a big chunk of that electronic exchange. How much, you may wonder? Somewhere in the region of 4.8 billion minutes are spent on Facebook alone, with 532 million status updates shared. Every. Single. Day.

Needless to say, affiliate webmasters are competing with a lot of other media and content providers to keep those faithful readers coming back for more. A highly effective tool that can be leveraged to improve reader retention is social media. When used properly, you can increase traffic and foster viral sharing. The best part? Most social media is free. But it only works if you use it correctly. Here's a few tips on making the most of your social influence:

**Feed your readers**

Search engines don't take too kindly to under-nourished sites, and your organic rankings will suffer for not regularly updating content. Plus, there is little reason for readers to continue to visit your site if you have nothing new to say. Let people know you have just posted a great new

blog or a generous offer on your site via social media channels. If you need a little help to get the ball rolling, paid promotions for your page or sponsored posts on social media is far more cost effective than you would think. Targeting options available on Facebook, Twitter and YouTube allows you to focus on your ideal demographic. More new views + more uptake on your offers = higher affiliate commissions.

**Google it**

Google has cornered the market on SEM as the biggest search engine in the world. Let's not forget that the search giant is also the proud parent of Google+ and YouTube. As such, making sure you engage with your readers through these two channels will not just promote your new content, but gives you a few brownie points in terms of your Google SEO, improving your organic ranking. The use of relevant hashtags on each post will help bolster your relevance for keywords. Beware not to over tag; limit it to three at the most, since dozens of hashtags tend to confuse readers as to what the content is about.

**No social snobbery**

You may have noticed the trend to be 'too cool for social school'. It's a strategy used by brands or businesses whereby they do not follow or engage with their audience. It's like a popularity contest among brands, where the goal is having millions of followers whilst following little or no other accounts themselves. Smart brands know that fostering an authentic relationship with fans can lead to a small army of social soldiers who will share messages and offers to their friends and family. Follow back your avid Twitter supporters, and thank your Facebook faithful for sharing or commenting on your posts. It will pay off in the end.

**Sharing is caring**

Unless you have a considerable amount of time to crank out unique content every day, there is no shame in sharing relevant content from other sites. In fact, some very popular sites with lots of daily traffic rarely generate unique content of their own. They simply curate items of interest from other sites and serve it up on one handy platform. So if you do come across content that you think your readers will find interesting, feel free to share on your site and via social media as long as you give credit where credit is due.

**Channel your followers**

There are plenty of social media channels out there, and you could literally spend all day posting on every platform. You need to decide which ones are worth your precious time. For the purposes of SEO, Google+ and YouTube are must-haves. The Facebook algorithm makes it very difficult for a brand to elbow its way into the timeline of followers. However, once a fan has liked a few posts, your messages will find their way in front of them. Plus, there are fantastic tracking tools on Facebook that allows you to analyse your traffic. Twitter posts are listed in chronological order for free posts, so the timing of your Tweet will be crucial. A nifty hack is engaging with Twitter followers when they reply to you, which bumps your message to the top of the queue again. So keep the chatter alive.

Follow these simple rules, and you should start to see the dividends pay off as your social media activity works in your favour.

*Bernadette Kelly has spent the last 15 years in digital marketing. As business development director for ActiveWin Media Ltd she works with gaming brands including Betfred and Nektan PLC*

**OUT NOW: Look out for the July/August issue of *Gambling Insider*. The unique nature of human resources in gaming, lessons to be learned from the 50-year story of Caesars Palace, and how the industry should fight back against the press are just some of the key issues discussed**

