



WEEK 7

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THIS WEEK

- DraftKings launches in UK
- Amaya staff could join takeover attempt
- Unibet profits down
- Columnist: Barry Cottle on ICE takeaways

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TOP STORY

NEVADA SETS NEW SUPER BOWL RECORD

Sportsbook wagers on Super Bowl 50 are the highest ever



Nevada's sportsbooks generated a record total of \$132.5m in wagers on this year's Super Bowl, figures released by the Nevada Gaming Control Board (NGCB) show. The figure for Super Bowl 50, which saw the Denver Broncos defeat the Carolina Panthers 24-10, was up from last year's sum of \$115.98m.

According to the NGCB, Super Bowl wagers have increased in six of the last seven years, with 2015 being the exception, where the amount wagered fell from \$119.4m.

Sportsbook win for Super Bowl 50 was \$13.3m and gave the state's 194 sportsbooks an overall hold percentage of 10%.

A report published by the American Gaming Association (AGA) stated that the trade group expected \$4.2bn to be placed by Americans on this year's Super Bowl, although it predicted that 97% of those wagers would be placed illegally. The AGA also said that the illegal market is 35 times greater than the legal market and has estimated that 47 million people have bet on the Super Bowl at some point.

Nevada is the only US state where single-game sports betting is legal, as **CONTINUED ON NEXT PAGE ►**

Nevada's sportsbooks generated \$132.5m from Super Bowl 50



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a result of the 1992 Professional and Amateur Sports Protection Act (PASPA), while limited forms of sports betting are legal in Montana, Delaware and Oregon.

The AGA released research showing that 80% of Super Bowl viewers want the current sports-betting law to be changed, while two-thirds feel that individual states should be allowed to decide whether or not they want to legalise sports betting.

New Jersey has attempted to legalise sports betting on more than one occasion and was blocked from allowing racetracks and casinos to offer sports-betting services in 2014. The Third Circuit Court of Appeals will hear an appeal by the state for the second time, this time with the case being heard "en banc" on 17 February.

KEY POINTS

- Nevada sportsbook wagers on this year's Super Bowl totalled a record \$132.5m
- Sportsbook win was \$13.3m, giving the sportsbooks a hold of 10%
- The AGA predicted that 97% of Super Bowl wagers would be placed illegally

UK

DRAFTKINGS UK LAUNCHES; PLAYER POOLS COULD BE SHARED WITH NORTH AMERICA

Service available on mobile after multiple launch delays

DraftKings has finally launched its daily fantasy sports (DFS) product in the UK and has hinted that player pools will be shared with North America.

The operator had previously predicted it would be operating in the UK by the end of last year after acquiring the relevant licensing from the UK Gambling Commission in August. A planned launch in October was pushed back to December and then again to the early months of this year.

The possibility of player pooling was raised by DraftKings stating that it will offer "some healthy competition between players in North America and the UK".

DraftKings' UK offering is currently only available via mobile on iOS and Android devices, with the web product reported to still be in development.

M&A

AMAYA EMPLOYEES COULD JOIN BAAZOV TAKEOVER ATTEMPT

VP of corporate development and three others may participate in proposal

Gaming group Amaya has confirmed that certain other employees may have an involvement in CEO and founder David Baazov's attempt to acquire the company.

Baazov [pictured] announced earlier this month that he and a group of investors with whom he was in discussions intended to make an all-cash proposal to acquire Amaya for an estimated C\$21 per common share.

Amaya said: "Amaya has been notified that Amaya's executive vice president, corporate development and general counsel [Marlon Goldstein], along with three other employees,



may be participating in Mr. Baazov's potential transaction proposal."

Baazov, who currently owns approximately 19% of Amaya shares, intends to submit a proposal around the end of the month.

Barclays Capital Canada has been appointed as an exclusive financial advisor to the special committee of Amaya's board of directors in connection with the impending proposal.

FINANCIAL

PROFITS DOWN FOR UNIBET IN 2015
Decrease reported despite record gross winnings revenue

Record fourth quarter gross winnings revenue could not prevent a 40% decline in profit after tax for Unibet in its full year 2015 results. The operator's profit after tax was £55.7m, while profit before tax was down 37% to £62.2m. Gross winnings revenue for the full year was £354.1m, up 13%, and was £111.4m, up 43%, for the fourth quarter alone.

Unibet completed its acquisitions of operator iGame Group for €59m



and the online arm of operator Stan James for £19m in September. Stan James online and iGame Group contributed £13m in gross winnings revenue for the fourth quarter.

Unibet CEO Henrik Tjärnström [pictured] said: "Locally-regulated revenues are now 34.3% of gross winnings revenue compared with 28.4% in the third quarter of 2015."

ONLINE

888 WANTS FRIEBERGER AS CEO
Operator needs clearance to appoint Brian Mattingley's successor

888 Holdings is reportedly seeking approval to appoint Itai Frieberger as its CEO. According to The Telegraph, the operator needs clearances in countries where it possesses

a gambling licence to promote Frieberger, who is currently COO.

Frieberger has been running operations on a day-to-day basis alongside CFO Aviad Kobrine since May, when former CEO Brian Mattingley stood down from his position after three years. Mattingley now serves as executive chairman.

There was no CEO in place when it was announced in July that 888 would be acquiring fellow operator BwinParty, although the deal did not materialise as BwinParty was instead sold to online gaming group GVC Holdings. 888 is said to be looking for new acquisition targets, with a particular focus on the sports-betting sector.



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GUEST COLUMNIST

"THE TOP ICE TAKEAWAYS"



by **Barry Cottle**
Chief executive,
SG Interactive

ICE 2016 just came to a close and there were lively conversations on a wide variety of topics, but we'd like to focus on some of the most compelling takeaways for operators. So, here are our top four:

1) Innovation doesn't have to be just tech-based

People tend to associate the word innovation in this industry with the technology itself. But innovation can take many forms, all of which allow operators to remain at the forefront of pioneering solutions addressing the needs of an ever-evolving category and customer. In 2016 we see an opportunity for operator innovation through the formation of collaborative business partnerships. There's no better time for out-of-the-box thinking that leverages the attributes and offerings of every party for a mutually beneficial relationship.

In a salient example, Gamesys and Scientific Games have initiated a strategic partnership to launch MonopolyCasino.com, a Monopoly-branded online casino powered by a variety of Monopoly casino games – created by SG Interactive – plus some of Gamesys' innovations around the Hasbro library.

2) Differentiation through IP and licensed third-party content is paramount

With continuously evolving consumer preferences and access to more games than ever before, operators need to put some strategic ingenuity behind content organisation. A little originality can go a long way in providing a one-of-a-kind gaming experience that will differentiate you from your competition. If you play your cards right, you can initially hook your customer based on what you know about their behaviour and then continue engaging them with similar types of content they might not have been exposed to otherwise.

For example, William Hill recently launched content for real-money gaming through their unique new Macau-themed tab. It's a progressive evolution in content organisation focused on creating destinations for a niche player base. The Macau-themed tab has a robust library of content, including SG Interactive content, that is particularly relevant to the theme and it serves as another focused entry point for players to engage with William Hill.

3) Omni-channel isn't a trend

In the mobile age of gaming, players expect a seamless crossover in both content and experience from land-based to online. Omni-channel, or the simultaneous release of online and land-based content, will continue to grow in importance as players expect the ability to engage whenever and wherever they may be. Operators' participation in omni-channel releases can increase market share, maximise profit, and help their brand remain top of mind regardless of where their player is.

Scientific Games is a top provider of slots and table products in the North American gaming market and the leading provider of machines and content to many of the land-based segments of the UK gaming market. Therefore, crossover

into the interactive space with our land-based customers isn't just key, it's logical.

In some of our partner research we're seeing the clear advantage of omni-channel launches. Our partners noted that the average daily wager on omni-channel games during the first week of launch was more than twice as high as non-omni-channel games. The trend toward stronger performance continued through the first month when the average daily wager of omni-channel games was 1.8 times higher than non-omni-channel games. There are similar trends with average daily gross game revenue and average daily players.

4) Technology is evolving, and your player is too

Studies show that players are quickly moving to a portrait-only mentality on mobile phones which is driven by the speed of play in that format as well as the ease of holding a phone with one hand when on the go. Rocket Returns, a recent SG Interactive release, is one of the first mobile slots on the market with a portrait-first user interface, and the option to play in landscape if desired.

Operators need to keep an eye on these types of trends along with some of the more disruptive, wearable and virtual reality technologies on the horizon.

I think we can all agree that 2016 is going to be an exciting year for gaming.

Barry Cottle joined Scientific Games as Chief Executive, SG Interactive, in August 2015 to lead the strategy and growth plans of the Interactive group. Before Scientific Games, Cottle served as Vice Chairman of Deluxe Entertainment while concurrently serving as Senior Vice President of Technology at MacAndrews & Forbes. Prior to that, he was the Chief Revenue Officer and Executive Vice President – Games for Zynga.

OUT NOW: Look out for the January/February issue of Gambling Insider's print magazine, featuring a CEO Special as we interview four executives shaping our industry: Mark Frissora of Caesars, GVC's Kenny Alexander, David Rebeck of the New Jersey DGE and Gamblit's Eric Meyerhofer.

