



WEEK 36

FRIDAY 7 SEP 2018

WILLIAM HILL AND ELDORADO PAIR UP ACROSS THE US

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THIS WEEK

- **NFL says yes to casino sponsorship**
- **Betting sponsors could be kept out of Wembley**
- **Pinnacle Entertainment up and running in Mississippi**
- **Global Gaming Awards Las Vegas voting opens**

GUEST COLUMNIST:

Lorenzo Caci, Director of Business Development and Strategic Partnerships in South Europe and the Americas, Sportradar AG

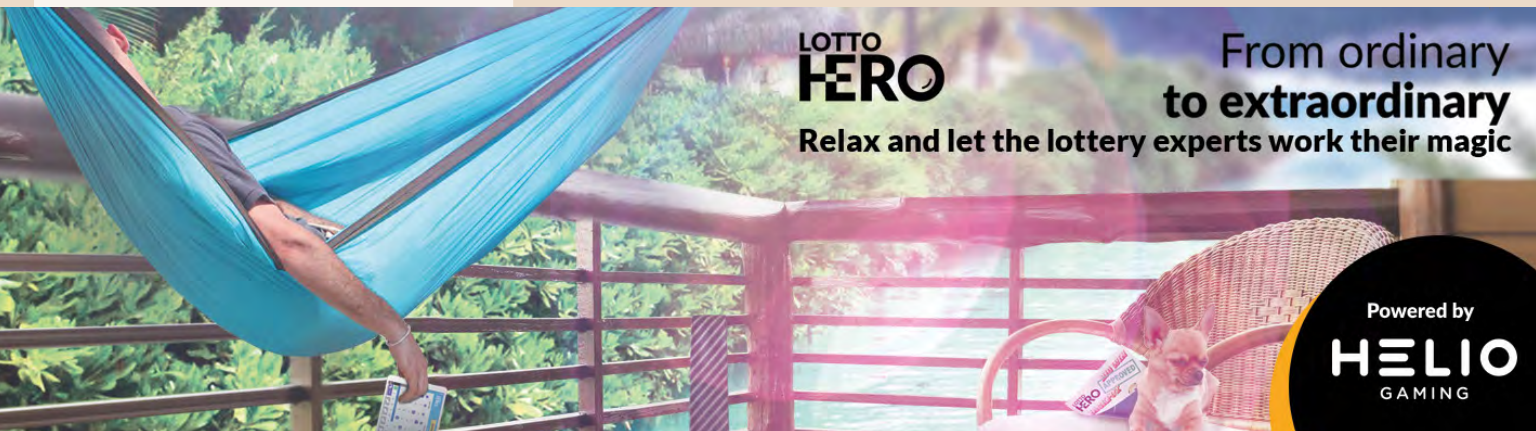


William Hill has continued with its promised US expansion, securing a nationwide partnership to supply digital and land-based sports betting and online gaming at Eldorado Resorts' casino properties. The UK bookmaker also launched a mobile sportsbook with daily fantasy sports specialists FanDuel in New Jersey.

The new landmark agreement and launch come after William Hill announced "major expansions" in the US at the start of August, which included signing sports betting agreements with 11 casinos in Mississippi and a casino partner in West Virginia.

Continuing with its expansion plans, William Hill's nationwide partnership with casino operator Eldorado Resorts will see the company supply Eldorado with a "provision of digital and land-based sports betting services as well as online gaming" across 21 properties in 11 US states. When Eldorado completes its \$1.85bn acquisition of Carl Icahn's Tropicana casinos, the deal will be extended to 26 properties in 13 states.

In return, Eldorado will receive \$50m in William Hill shares, subject to an initial three-to-five year lock-up period, and a 20% shareholding in William Hill US. Eldorado will also convert its shareholding into shares at market value after five years, with William Hill retaining the right to settle in either shares or cash. ▶



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THIS WEEK IN NUMBERS

\$600,000



The amount of money wagered on the first weekend of sports betting at Hollywood Casino in West Virginia

10

The number of people arrested in Valetta for illegal gambling



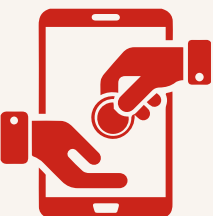
\$525 BN

The estimated value of the worldwide gambling industry by 2023, according to a Research and Markets study

The gambling tax rate in Kenya after parliament rejected requests to lower the rate by 20 percentage points



€132,000



The amount to be repaid by a Finnish teenager after he scammed a Malta-based online gambling site

As a result William Hill will now be generating 13,376,135 new ordinary shares of 10p each to Eldorado, in order to satisfy the \$50m in consideration shares.

William Hill now has a presence in 13 US states where sports betting is either legal or where sports betting bills are currently tabled, including Nevada, where it has been partnered with Eldorado since 2012.

Philip Bowcock, William Hill CEO, said: "As we sought to expand our US presence following the Supreme Court's decision to overturn PASPA (the Professional and Amateur Sports Protection Act), we sought to be aligned with a strong partner with a large and growing footprint across the country.

"Given our existing arrangement with Eldorado Resorts in Nevada, we understand their commitment to providing guests with unbeatable service and market-leading gaming and entertainment amenities and we see their values as closely aligned with ours."

The value of the gross assets of William Hill US now stands at \$68.5m, with adjusted operating profits of \$28.5m in 2017, and a current market capitalisation of \$2.69bn.

Gary Carano, Chairman and CEO of Eldorado, said: "We believe William Hill represents the gold standard in global sports wagering and expect our expanded partnership, including an attractive equity stake in their US business and in William Hill PLC, to extend the excitement of sports wagering to our growing platform of leading casino resorts while creating value for all shareholders."

Prior to the Eldorado deal, William Hill and FanDuel announced the launch of a mobile sportsbook in New Jersey. The timely launch came just days before the start of the NFL season. The deal was somewhat less groundbreaking for the operator, considering it already had two operational sportsbooks in the state at Ocean Resort Casino and Monmouth Park Racetrack. However, it could prove financially rewarding, as sports betting revenue in the Garden State amounted to \$57m since its launch in June.

William Hill is fulfilling the objective of a US expansion, and has made strides in the country since the US Supreme Court's decision to repeal PASPA in May. Among its achievements is the accepting of the first regulated sports bet in New Jersey in June, becoming the exclusive risk manager for the sports lottery in Delaware, securing sportsbook partnerships at 13 casinos in Mississippi, becoming an exclusive partner to IGT in Rhode Island, and accepting sports bets in West Virginia. The operator is showing no signs of letting up, with a planned sportsbook opening in Pennsylvania.

NFL TO ALLOW CASINO SPONSORSHIP

The NFL is set to lift its ban on casino advertising and allow land-based casinos the opportunity to sponsor teams.

The decision, announced by NFL Chief Media Officer Brian Rolapp at a business conference, was made by the NFL's Business Ventures Committee.

As part of the move, casinos will be allowed to use NFL team logos on advertising and promotional material.

The decision emphasises the direction in which US sports betting is so clearly headed, with new opportunities opening up nationwide. This is in stark contrast to a country like Italy, where all gambling advertising, including sponsorships, has been outlawed.

However, although the league is appearing to relax its rules in regards to the gambling industry, there are likely to be a number of stipulations

put in place to safeguard the sport.

Casinos will still be prohibited from explicitly advertising sportsbooks using the teams that are sponsored by them.

There are also reports that NFL franchises will not be allowed to take revenue shares from business driven to gambling sites or casinos.

The NFL recently advocated its support for the proposal of a federal sports betting framework. The framework, put forward by Senator Chuck Schumer, centres on the premise that all sportsbooks can only use official league data and that leagues can even have a say on what bets and markets are offered.

The sale of data to sportsbooks would provide a strong revenue stream for sports leagues and the NFL was one of several, including the MLB, NBA and PGA tour, to offer its support.

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THIS WEEK'S WINNERS AND LOSERS

WINNERS

Macau - The casino market broke its monthly revenue record for the year in August, making MOP26.56bn (\$3.27bn), up 17% year-on-year

Galaxy Entertainment - The company's net revenue was up 25% for H1 2018 to HK\$28.1bn

Sweden - The Swedish Court upholds offshore gambling promotion ban

Silver Heritage - The company asked to halt trading after a \$9.9m loss

MyBet - The operator closed its online sportsbook "in order to protect the interests of customers and creditors"

LOSERS

WEMBLEY STADIUM SET TO BAN BETTING SPONSORS DUE TO SALE CONDITIONS

London's Wembley Stadium is one of the most iconic sporting venues in the world, and according to reports, it will not be permitted to continue to promote betting sponsors if the proposed sale of the stadium completes.

Billionaire and owner of Premier League football club Fulham Shahid Khan has made a £600m offer to the Football Association (FA) to purchase the stadium.

The government is currently negotiating a potential sale of the venue, with a decision on the offer expected to be reached by the end of the year.

Reports claim the terms of the sale stipulate Khan would not be allowed to rename the stadium until 2057 and must agree to other measures to ensure Wembley remains the "home of English football."

The terms also outline that Khan will require government approval if he wishes to sell the stadium on in the future.

The reports of a ban on gambling sponsors are most likely due to the FA and its stance on betting sponsorships.

Last month, FA Chief Executive Martin Glenn said the governing body behind the decision was "still some way off whether we've got a commercial deal that works."

"Anyone buying the stadium can't change the name, and has to keep it to certain quality, has to keep the grass pitch. We're selling an asset with real restrictions."

Current FA rules prohibit players, coaches and referees from betting on football anywhere in the world. The FA decided it should not associate with betting companies due to this zero-tolerance approach to gambling.

In 2017, the FA cut ties with operator Ladbrokes, after deciding it was not an appropriate partner, following the high-profile case involving former player Joey Barton, who was banned from the sport for several betting offences.

The FA declined to comment on the latest news when contacted by *Gambling Insider*.

THE WEEK IN QUOTES

"I would like to thank Kaaren for her contribution in getting Betsson back on track. I respect that she has received an offer she couldn't refuse and wish her all the best for the future. Betsson is a stronger company than it was a year ago and I am sure that we will soon recruit a new CFO who wants to be part of taking Betsson to the next level."

**Pontus Lindwall,
CEO of Betsson AB,
on the departure of
CFO Kaaren Hilsen**

"The portfolio updates we are announcing today will complement the other initiatives we are bringing in across retail and digital, as well as our ongoing work to make. The National Lottery brand more relevant and visible – and will ensure that The National Lottery as a whole continues to deliver for both players and good causes alike."

**Camelot CEO Nigel Railton on
pledge to raise National
Lottery payouts**

"I am excited by the opportunity to lead Scientific Games' global legal organisation and work with Barry and his leadership team to ensure the Company continues its global leadership in gaming and lottery and is successful in its efforts to drive innovation and benefit all key stakeholders."

**James Sottile on
becoming Chief Legal
Officer at Scientific Games**

"If cryptocurrency/blockchain is analogous to internet technology, we're in 1994."

**Mike Reaves, CEO of CashBet,
on cryptocurrencies**

PINNACLE LAUNCHES SPORTS BETTING IN MISSISSIPPI

Pinnacle Entertainment has opened a sports wagering venue at the Ameristar Casino Hotel Vicksburg in Mississippi.

The new sports wagering venue is called The End Zone and is the largest full-service sports wagering venue in central Mississippi.

Anthony Sanfilippo, CEO of Pinnacle, said: "The guests of Pinnacle Entertainment in the Southeastern United States are among the most passionate sports fans in the country.

"We are excited to now have the ability to offer sports wagering to our guests at Ameristar Vicksburg, and to enhance the excitement of viewing live sporting events by combining it with a gaming entertainment experience."

Sanfilippo went on to say the company will work to extend sports betting operations to other properties across the Pinnacle portfolio.

The opening of this venue is Pinnacle's first new sports wagering venue outside Nevada since the Professional and Amateur Sports Protection Act was repealed in May. The first regulated sports bets in Mississippi were accepted in August.

The End Zone features four service windows where sports wagers can be placed, a sports viewing space with high-end TVs and a full-service "tailgate" dining experience.

This move has put Pinnacle on the front line of the sports betting scene in Mississippi, joining SBTech, which was the first to offer self-service kiosks in three Mississippi casinos and at two establishments in New Jersey.

Churchill Downs also offers sports betting in Mississippi under its brand BetAmerica at Harlow's Casino Resort & Spa in Greenville and at the Riverwalk Casino Hotel in Vicksburg.

The launch of this venue also coincides with Penn National Gaming securing approval from the Missouri Gaming Commission for the acquisition of Pinnacle.

The acquisition was first announced in December last year, but requires further regulatory approval.

However, if the deal is successful, Penn will own a majority stake of 78% in Pinnacle.

VOTING BEGINS TO DETERMINE GGA LAS VEGAS WINNERS

This year's Global Gaming Awards Las Vegas is only weeks away, with the voting process now underway, after the list of nominees was sent to the judging panel.

Now in its fifth year, the Awards will be decided by the largest judging panel the event has seen so far, with 70 of the industry's leading executives casting their votes.

The judges will choose between 10 nominees in 12 separate categories, deciding on first and second place in each category. Should there be a tie for the winning position in any category, the nominee with the most second-place votes will be victorious.

Votes can now be made by the judging panel, after the Shortlist was finalised, following a period of self-nominations and analysis from the eight-strong nomination panel. The nominees were then asked to provide a supporting statement to the judges.

This year's line-up as always boasts executives from some of the industry's most successful companies. The

panel includes: Danny Gladstone, CEO, Ainsworth Game Technology, John Connelly, CEO, Interblock, Antonios Kerastaris, CEO, Intralot, Renato Ascoli, CEO, IGT North America, and many more.

Among the new entrants to the judging panel this year are Barry Cottle, CEO & President, Scientific Games, Alan Feldman, Executive Vice President Global Corporate Communications & Industry Affairs, MGM Resorts International, and Christian Stuart, Executive Vice President, Caesars Entertainment Corporation.

This year's winners will be announced at a luncheon ceremony at Sands Expo Las Vegas on Monday 8 October, kicking off the G2E show.

The Global Gaming Awards are powered by *Gambling Insider* in association with G2E, and are officially adjudicated by KPMG Isle of Man.

The Global Gaming Awards Las Vegas 2018 Shortlist magazine will break down the list of all nominees in all categories, which will be released later in September and will be distributed at G2E.

PA SLOTS RISE

Pennsylvania slot revenue grew 4.42% in August, a month with a total of nine Fridays and Saturdays this year, versus eight last year.

Growth was led by Valley Forge Casino Resort, which grew 13.94% and has grown double-digits in four out of the last six months.

Boyd Gaming will acquire Valley Forge in the second half of the year.

Growth was slower for Northeast Pennsylvania casinos, as nearby competition Empire Resorts' Resorts World Catskills in New York continued to take market share.

Pennsylvania casinos outside of the North East were up 5.56%.

Property/Market	Revenue million	% change
Philadelphia		
Valley Forge Casino Resort	\$7.625	+13.94
Parx (Greenwood)	\$34.788	+8.57
SugarHouse (Rush Street)	\$14.568	+3.93
Harrah's (CZR)	\$16.217	+1.42
Philadelphia total	\$73.198	+6.48
Northeast PA		
Mt. Airy	\$14.038	+6.32
Sands Bethlehem (LVS)	\$25.753	+2.48
Mohegan Sun	\$16.431	-3.39
Northeast PA total	\$56.221	+1.59

Property/Market	Revenue Million	% change
Pittsburgh		
Rivers (Rush Street)	\$23.578	+6.29
The Meadows (PNK)	\$18.847	+5.58
Pittsburgh total	\$42.425	+5.97
Elsewhere		
Hollywood (PENN)	\$17.114	+4.68
Presque Isle (ERI)	\$10.292	+0.65
Lady Luck Nemacolin (ERI)	\$2.479	-0.84
State total	\$201.729	+4.42
Multiple properties		
Rush Street	\$38.147	+5.38
Eldorado Resorts	\$12.771	+0.35

STOCK UPDATE

The only US stock to hit a 52-week high as of Wednesday was AGS, hitting \$32.04.

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GUEST COLUMNIST



LORENZO CACI
DIRECTOR OF BUSINESS
DEVELOPMENT AND
STRATEGIC PARTNERSHIPS
IN SOUTH EUROPE AND THE
AMERICAS, SPORTRADAR AG

*Caci argues the case for regulating
the Indian sports betting market*

It's always a positive step when a betting market is regulated. When it is, you create a working environment that is legal, and therefore reduce the risk of organised crime in sports worldwide.

Similar to the US, opening a regulated betting market in India will provide several benefits, both on a national and international scale.

Nationally, having betting regulations in place with associated taxes could help India as a country develop both financially and socially. Such taxes could be used, for example, to support the ongoing development of important and popular sports in India, such as cricket and field hockey, and other emerging sports, such as football and Olympic sports.

It will also allow for international exchanges and investment opportunities. Additionally, a regulated market can reduce the difficulties betting operators face at all levels, providing greater direction and competence for those companies seeking to offer sports betting and entertainment lawfully.

Despite this, there is a widely held view that sports betting is part of the "sin" industry, together with adult content, alcohol, tobacco and so on. When it comes to an unregulated market, it is. The US and India have had very similar starting points when it comes to the betting outlook. In the US there was the fear of the circulation of dirty money in the sports industry.

It is much easier to forbid something than to regulate it. However, the long-term impact of prohibiting something, as we have seen in the US, does not work. An ongoing illegal market continued to operate. The authorities tried their best to crack down on it, but it didn't work.

Better to govern it with rules that are clear for everybody, rather than viewing sports betting as a sin, and leaving it to infiltrate as such.

When a market is not regulated, you don't know who is operating within it. You therefore have no knowledge of the industry, or how big it is, nor how the transactions are taking place. As such, you remain in the dark and it is left to operate as a black market.

With a regulated market, however, operators, by law, have to apply for licenses. This means they are compliant through an official process, which involves registration with an application and a fee. As such, they are visible. The regulator knows and the country knows who the operators are because they have to be registered. They are transparent because they are required to demonstrate they are a real company, with real funds and the sources of these funds.

As such, the industry operators can be seen as legitimate businesses. This helps a lot, especially in terms of match-fixing, because you then have the ability to keep watch and govern the market.

Recognised licensed operators have an interest and duty in protecting their books. They have an interest, therefore, in ensuring regularity of matches, which are not fixed. Licensed operators are therefore likely to support associated educational programs, corporate social responsibility and other integrity tools. They are therefore also likely to support companies that are able to give an overview of the betting market and monitor matches for irregularities using betting data.

We already have examples in many countries where the institution - the regulator - asks bookmakers to identify when there is something irregular in a match. Regulators also appoint specialised companies to do that, or they use their internal resources. This provides more of an awareness of these types of patterns. This helps a lot in the war against match-fixing.

It has repercussions on sport as a whole. For example, we have seen illegal betting issues arise among some sports, teams or players. They usually have a code of conduct or rules they will or should follow. They are more likely to follow these, however, if the market itself is governed by legalities, where there are overarching regulations in place.

This way, it is recognised on a state or national scale, that there is an established sports betting or gambling industry with principles that you are expected to follow, as an individual or company, to be compliant with the constitution of the country.

A whole ecosystem is therefore formed when a legalised market is created, and this provides more standards and tools to combat match-fixing.

So having two big countries, like the US and India, join the legalised betting market trend will have a greater impact worldwide. It will not only help provide an additional boost to the sports entertainment and betting industries worldwide but also assist countries themselves economically. Such benefits could potentially also encourage other countries who do not have regulated betting markets to follow suit and therefore, in turn, support the global fight against match-fixing.

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