

# G3-247 Report

## ICELAND

### A Song of Fire and Dice

An Australian association report recently suggested that only Italy laid claim to operating VLTs in Europe. While a host of countries would disagree, not least Czech, Slovakia, Norway, Spain, etc. – Iceland has operated its thriving network during boom times, busts and back again.

Iceland is a booming little country which makes big headlines. Strangely, despite any major disasters everything seems to rectify itself remarkably.

Its decision during the recession to let the major banks fail rather than bailing them out, saved this little country from economic ruin. Meanwhile it's small, compact and closely monitored gaming sector, which was set up years ago, functions with very few changes or problems.

Iceland is a stunningly beautiful Nordic island country which sits between the North Atlantic and the Arctic Oceans on the Mid Atlantic Range. It is the most sparsely populated country in

01 During the banking crisis, the Kaupthing bank was the worst hit. Its glass headquarters once sat on the waterfront in Reykjavik and the bank had operations in Europe, North America and the Middle East. Its balance sheet was at one time four times as large as the annual economic output of the entire country. As the dust settled after the crisis, from the ashes new banks have emerged. It's not all good news, however. Due to rising inflation many home owners pay more than what they initially borrowed whilst the crisis also led to the greatest migration from Iceland since 1887 with around 5,000 people leaving.

Europe with just 321,800 inhabitants in an area of 103,000 sq.km.

The capital Reykjavik is the largest city and the surrounding areas in the southwest region is home to two thirds of the country's population.

It is the world's 18th largest island and Europe's second largest island after Great Britain. There are 30 minor islands including the lightly populated Grimsey and the Vestmannaeyjar archipelago. It has a 4,970km coastline where many settlements are situated and the interior, Highlands of Iceland, are cold and uninhabited.

Iceland is divided into eight regions – Austurland,

### ICELAND: Vital Statistics

**Capital:** Reykjavik

**Land Area:** 103,000 sq km

**Population:** 315,281

**Median Age:** 36.2 years

**Ethnic Groups:** Afro Caribbean, European, Indo-Caribbean, Chinese Caribbean, Amerindians.

**Religions:** Lutheran Church of Iceland (80%), Roman Catholic (2.5%), others

**Languages:** Icelandic, English, Nordic languages, German

**Currency:** Icelandic Kronur (IKR)

**Government:**

Constitutional Republic

**Chief of State:** President Olafur Ragnar Grimsson

**Head of Government:** Prime Minister Sigmundur David Gunnlaugsson

**Cabinet:** Cabinet appointed by the prime minister

**Elections:** President elected by popular vote for four years. Last election held in 2012 and next due in 2016. The leader of the majority party is usually chosen as prime minister.

**LOTTERY:** UIL; SIBS; DAS & Islensk Getspa

**LOTTERY OUTLETS:** 220 (Getspa)

**LOTTERY REVENUE:** IKR520m (turnover Getspa)

**SPORTS BETTING:** Islenskar Getraunir IKR1.6bn (turnover)

**VLTS:** 650 (Islandsspil) and 500 (UIL)

**VLT OUTLETS:** 140 (Islandsspil) and 35 (UIL)



*Iceland's small, compact and closely monitored gaming sector, which was set up years ago, seems to function extremely successfully.*

Hofudborgarsvaedi, Nordurland Eystra, Nordurland Vestra, Sudurland, Sudurnes, Vestfirir and Vesturland. There are then 23 counties, 26 magistrates and 75 municipalities.

Iceland of course is volcanically and geologically active and has many geysers. In March 2010 the

country became famous when its volcano Eyjafjallajokull erupted followed by an additional eruption in April resulting in volcanic ash being sent skyward which brought air travel to a standstill in Europe.

A year later in May 2011 the Grimsvotn volcano erupted and hurled ash and lava some 20km into the atmosphere again creating a large ash cloud.

Meanwhile the story of Iceland's discovery began when Swedish Viking explorer Gardar Svavarsson was the first to circumnavigate the island in AD870. He stayed over winter and left the following summer. One of his men remained with two slaves and became a permanent resident.

Meanwhile in 874 Ingolfur Arnarson became the first permanent Norse settler on the island when he built himself homestead in Reykjavik. Over the years Norsemen settled here and between 1262 and 1918 the country was part of the Norwegian and later the Danish monarchies.

In the 17th and 18th centuries Denmark imposed harsh trade restrictions on Iceland whilst natural disasters decimated the population and pirates raided its coastal settlements.

A smallpox epidemic in the 18th century killed around a third of the population and in 1783 the Laki volcano erupted with devastating effects. With over half the livestock on the island wiped out this then resulted in famine and a loss of a quarter of the population.

In 1814 following the Napoleonic Wars Denmark

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and Norway split into two separate kingdoms and Iceland remained a Danish dependency. The country became independent in 1918 and a republic was declared in 1944.

Prior to the 20th centuries the Icelanders relied heavily on fishing and agriculture and was one of the least developed in the region. But during the war and post war the country prospered as industrialisation of the fisheries brought prosperity and by the 1990s the country was one of the wealthiest and most developed nations in the world.

Today it has a free market economy with relatively low corporate taxes and maintains a Nordic social welfare system providing universal health care and education. In 2013 it was ranked as the most developed country in the world.

Between 2003 and 2007 following privatisation of the banking sector, under the government of David Oddsson, Iceland moved towards having an economy based on financial services and investment banking.

Then in 2007 the country was hit hard by the recession and the country witnessed a major financial crisis involving the collapse of all three of the country's major privately owned commercial banks.

Prior to the crash the country's three largest banks Glitnir, Landsbanki and Kaupthing had a combined debt exceeding six times the nation's GDP of €14bn.

In October 2008 the Parliament passed emergency legislation to minimise the impact of the crisis and took over the domestic operations of these banks. They also made it illegal to move money out of the country.

New banks were established and the old banks were run into bankruptcy. Iceland's external debt reached €50bn by mid 2008 and more than 80 per cent of this was held by the banking sector.

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01 Today it is one of the most developed countries in the world and Icelanders have the second highest quality of life in the world. Despite Iceland's decision to resume commercial whale hunting in 2006 tourism is also expanding especially in eco tourism and whale watching. The country sees around 1.1 million visitors a year.

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North America and the Middle East. Its balance sheet was at one time four times as large as the annual economic output of the entire country.

But as the dust settled after the crisis, from the ashes new banks have emerged. It's not all good news however. Due to rising inflation many home owners pay more than what they initially bor-



rowed whilst the crisis also led to the greatest migration from Iceland since 1887 with around 5,000 people leaving.

The Icelandic government raised interest rates to 18 per cent from seven per cent and its currency rate dropped sharply whilst foreign transactions were halted, which made it impossible for many foreigners to get their money out of the country. Many Brits and Dutch who had invested in online Icesave accounts have been left waiting to recover funds from the bank's administration process.

By 2012 under the government of Johanna Sigurdardottir of the Social Democratic Alliance the economy stabilised and grew by 1.6 per cent in 2012. However many Icelanders were unhappy with the state of the economy and austerity policies.

Then in the 2013 elections the centre right Independence Party returned to power in coalition with the Progressive Party.

Today in Iceland there is a wave of confidence fol-

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lowing Sigmundur David Gunnlaugsson's election and there are promises of mortgage relief to many homeowners. Disposable income has however fallen by a quarter after the crash and around 30,000 people have fallen into loan debts.

There are no major banks left only small banks whilst lending to consumers and businesses has slowed to a fraction of what it was before.

Unemployment however is down to four per cent with the aim of reducing that to two per cent by the end of the year. The economy is also set to expand by 2.7 per cent this year

Back in 2007 Iceland was the seventh most pro-

ductive country in the world and the fifth most productive by GDP. Although historically the country depended on fishing, which is still 40 per cent of export earnings, the economy is however vulnerable to declining fish stocks. The economy is now diversifying into manufacturing and service industries.

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#### **ICELANDIC LOTTERIES AND VLTS**

There are six companies operating in the Icelandic lottery market which between them operate lotteries, class lotteries, scratch cards and VLTS.

All profits go towards good causes and the Althing (Parliament) has issued the laws governing these lotteries and permission to operate is granted by the Ministry of Interior.

Gambling is illegal in Iceland with a few exceptions according to Articles 183 and 185 of the Criminal Code which has been in effect since 1998.

Article 183 states 'A person who makes a profession of gambling or betting or of inducing others to participate therein shall be subject to a fine or imprisonment for up to one year in case of a major offence.'

Article 184 states 'Anyone who directly or indirectly acquires earnings by letting gambling or betting be performed in accommodation which is under their control shall be subject to fines or imprisonment of up to one year.'

Although the lottery is not defined by Icelandic law it is however legal given it is in aid of charities and organisations. The operation of lotteries is governed by general laws.

This wasn't always the case. Lotteries were officially banned in 1926 in order to prevent local funds from being invested in foreign lotteries, particularly in Denmark, and stopping privately run operations in the country.

Then in 1933 this was partially repealed when the Icelandic Parliament granted the University of Iceland the monopoly right to run a lottery in the country earmarking 80 per cent of the profits to the university and a 20 per cent licence fee.

The legislation was based on the Danish law and for a while this was the only lottery. Later the Icelandic legislative assembly permitted new forms of lotteries which saw competition in the

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01 The sports betting sector was permitted under legislation in 1972 via the law 59/1972 and the Icelandic Football Pools (Islenskar Getraunar) has the exclusive licence to run sports pools. Today there are various games from sweepstakes with Svenska in Sweden, temporary sweepstakes and multi player games. Islenskar Getraunir (football pools) was Betware's first client with the first game on the internet launched in 1996.

02 In 1933 the university received a special licence from Parliament to operate a cash prize lottery called Happraetti Haskolans (hhi.is). This began a year later and today remains a major source of funding for the construction of new university buildings.

market. Since this time three other lotteries have been established including:

SIBS (The Association of Icelandic Heart and Chest Patients) class lottery in 1949, DAS (the Lotteries of the Retired Seaman's Home) class lottery in 1954 and in 1986 the state lotto was introduced.

The state lotto, Islensk Getspa is the Icelandic lottery company which is run with the sports betting sector under the merged name of Islensk Getspagetraunir.

Sports betting was permitted back in 1972 by Islensk Getspa and in 1986 they were granted a licence to run Lotto with all profits going to sports and handicapped related organisations. The two companies merged in 2001 are run under one

umbrella although they are two independent companies.

The company Islensk Getspa Management is made up of representatives from the Icelandic Sports Federation, the Icelandic Federation of the Handicapped and the Icelandic Youth Association.

Funds from these companies are re-distributed for youth, sports and disability projects with 46.67 per cent going to Sports and Olympic Federation, 40 per cent to disabled people and 13.33 per cent to youth projects.

Today the lottery has over 220 sales outlets in the country. Meanwhile lottery tickets can also be bought via telephone, online or via self service terminals. Sales in 2002 amounted to IKR2.2m

There are several games in the line up including Lotto, Viking Lotto, Euro Jackpot and sports betting. Viking Lotto is operated in collaboration with number lottery organisations in other Scandinavian countries.

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Meanwhile The University of Iceland is today a public research university in Reykjavik and is the country's largest and oldest institution of higher education. It was founded in 1911 and has grown from a small civil servants school to a modern comprehensive university with the capacity for around 14,000 students. It was formed after three former post secondary institutions united together.

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In 1973 the Law of the University of Iceland Lottery was introduced which said the profit from the lottery should be spent on building the university campus and maintaining the buildings and for research and the laboratories set ups.

The idea came from Jonas Jonsson of the Ministry of Culture. The University of Iceland Lottery (HHI) is wholly owned by the council and today operates



three types of lotteries including Flokkahappdraetti, scratch lottery and VLTs. Scratch cards sales began in 1987 and in 1993 the VLTs started up.

After sports betting was introduced in 1972 the market share of class lotteries began to decline as the lure of sports betting grew. UIL's reaction to this was to introduce instant tickets which although were an instant success gradually declined after the VLTs entered the market.

All winnings from the university lottery are tax free. Winning percentages range from 50 per cent for some scratch ticket games to 90 per cent for VLTs and around 70 per cent for lotteries.

The sector is governed by the Law of the University of Iceland Lottery 13/1973, Amendments to the HHI 75/2006 and the Regulation of Gambling University of Iceland.

Lottery is permitted only to those over the age of 18. Under the 1973 act the university pays the treasury 20 per cent licensing fee but no higher than IKR150m whilst the remainder is used to improve university buildings and research equipment.

Two new buildings for the campus were planned for last year at a cost of IKR3bn of which 70 per cent is funded by the state and 30 per cent from the lottery. It is due to be completed in 2016.

It is said there are around 40,000 regular ticket

buyers of the UIL lottery and there is a ticket in 35 per cent of Icelandic households.

In addition to Islandsspil, the SIBS Lottery is a privately owned association working with handicapped and sick people. It was originally founded in 1938 with the aim of fighting tuberculosis and grew from there. It built and runs Reykjalundur, a huge rehabilitation hospital and also Mulalundur, a rehabilitation workplace.

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In 1949 the company was given a licence to run a monthly class lottery and non cash prizes which is the group's only source of income. It has a high 85 percentage payout and non claimed prizes are rolled over and awarded in terms of goods or services.

Finally, the DAS Lottery has been operating since 1973 and again is a non cash lottery although the popularity of these types of games seems to be declining. Tickets start at IKR1,300 and are drawn every Thursday.

## VIDEO LOTTERY TERMINALS

There are no casinos in Iceland but there are VLTs which can be operated by two companies – the University of Iceland and Islandsspil. It is said 78 per cent of Icelanders gamble and the most popular activity is the Lotto followed by scratch cards then VLTs.

Basically no other party is permitted to operate slots. The logic behind it is terminology in the legislation which basically states that the slots are 'fundraising' machines (with small stakes and low prizes) whilst the lotto is not a lottery but a numbers game

Back in 2010 the idea of opening a casino in Iceland was introduced by the Minister of Industry. The idea was to site a casino at Hotel Nordica and a formal request to legalise casinos was presented to the Ministry of Justice and the Ministry of Industry.

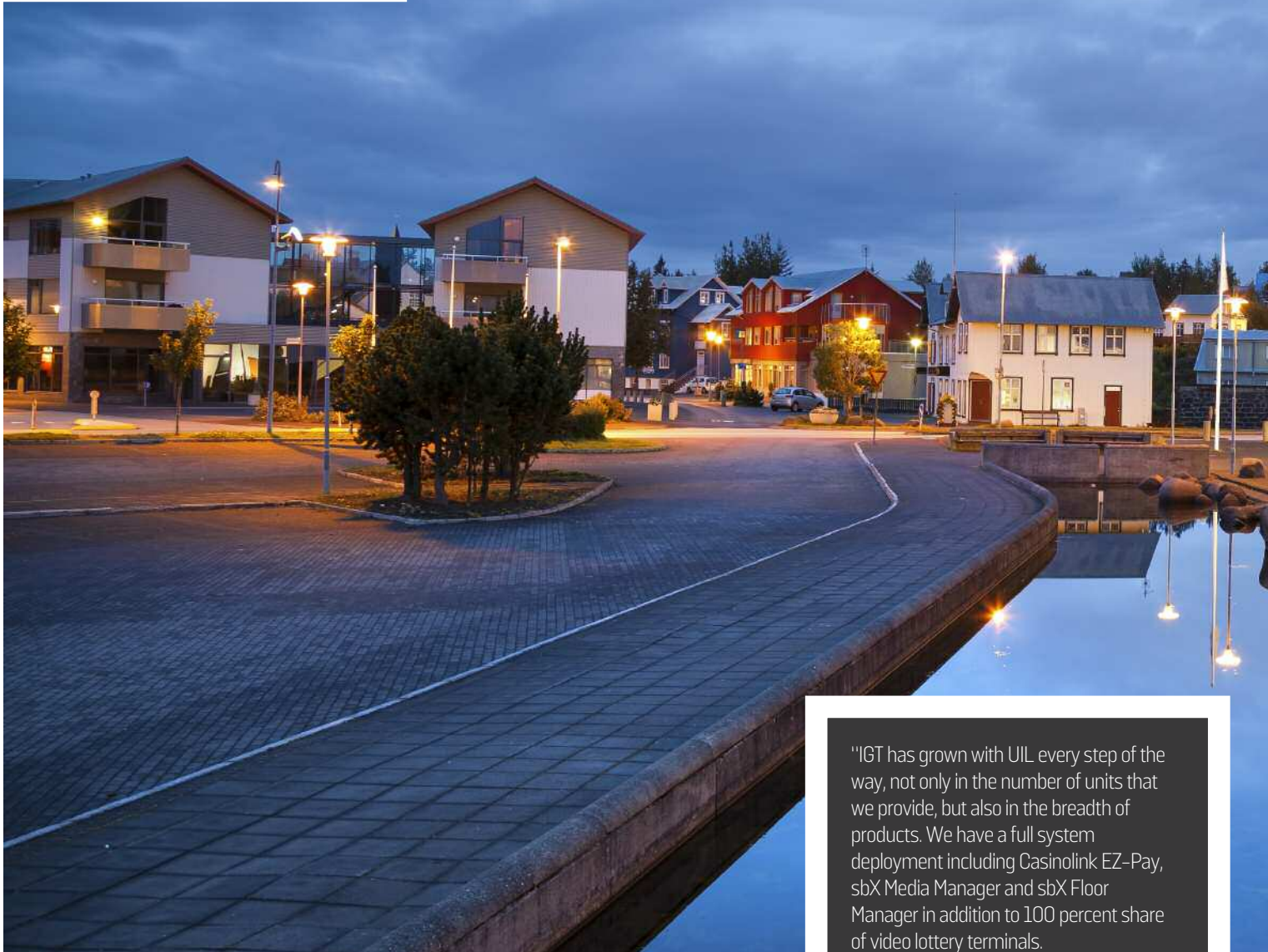
The argument was the casino would be an added tourist attraction and using the Danish model it would be heavily taxed with 60 per cent of revenues going to the government.

The idea was presented to Parliament but the Minister of Health and the National Centre of Addiction Medicine both opposed the plan saying Iceland already had enough to offer tourists and gambling addiction was already a problem in the country and the idea disappeared into thin air.

Meanwhile the story of VLTs in Iceland dates back

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to 1972 when the Red Cross received permission to operate a 'tikallakassa', a coin game from Finland's RAY, and the profit at the time went towards the operation of the ambulances.

In 1980 the Red Cross plus two other organisations which had joined, SAA and ICE-SAR group, received sanctions from the government to run similar games. In 1990 these organisations all joined forces and in 1994 the company was formally established and in 2003 it changed its name to Islandsspil.

Islandsspil is an operating company which raises funds for three main associations – The Red Cross which receives 64 per cent share, ICE-SAR which is a search rescue and accident prevention association which receives 26.5 per cent and SAA which is a health care service treating people with alcohol and drug problems which has the remaining 9.5 per cent.

The company operates its machines under the 73/1991 gaming machine act and regulation of gaming machines 320/2008.

The revenue from these games is the main source of income for the Red Cross. In Iceland the Red Cross has 50 operating divisions and some 4,000 volunteers

The gaming machines can be located in public places from shops, kiosks, restaurants, bars, supermarkets or fast food outlets and there are different rules depending on the location. Minimum age to play is 18 years. These games are stand alone VLTs and are not operated with progressive jackpots unlike the VLTs operated by the University of Iceland. The VLTs can be sited at:

- Retail/café outlets and the price of play is IKR10-150 and maximum payout is IKR10,000 with an average of 92 per cent payout in tickets.
- Other places (those serving alcohol) and price of play is maximum IKR300 and the maximum payout is IKR100,000 with a 92 percentage payout and ticket or coin payout.

The first machine to be introduced was called the Tikal Box IRC and has since been followed by

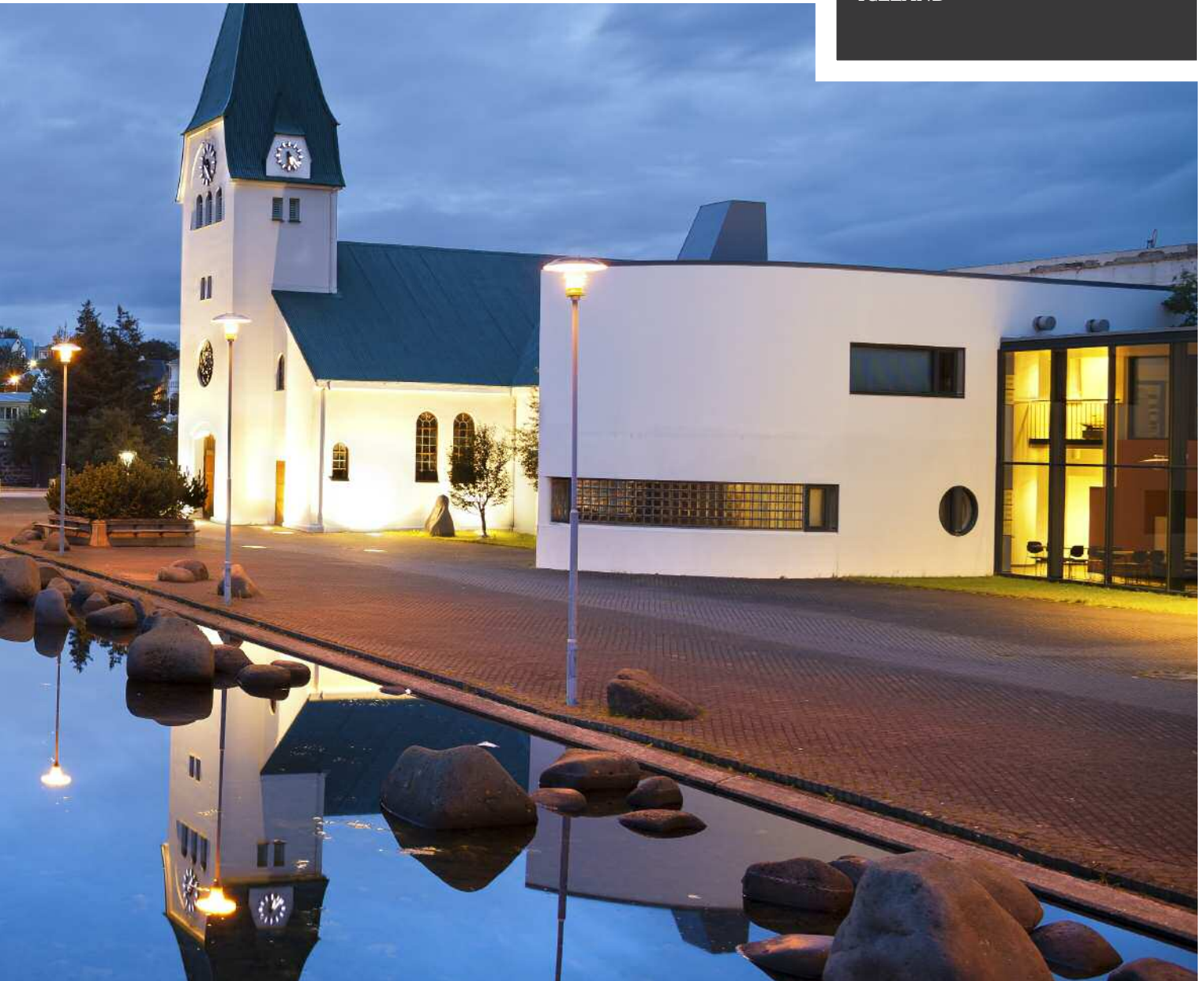
"IGT has grown with UIL every step of the way, not only in the number of units that we provide, but also in the breadth of products. We have a full system deployment including Casinolink EZ-Pay, sbX Media Manager and sbX Floor Manager in addition to 100 percent share of video lottery terminals.

"As UIL is limited on the number of machines that it can have on its floor, it is critical that they have a clear understanding of floor performance and player preferences. To achieve that, IGT provides a variety of systems products including sbX Floor Manager and Analytics. These products help UIL better understand players and the content they desire, while simultaneously maximising efficiencies and consolidating floor operations."

**Sabby Gill**, Senior Vice President, International Sales, IGT.

various models manufactured in the past by Bell Fruit, Atronic, Spielo and WMS. Games can accept coins of Kr1, Kr2, Kr5, Kr10, Kr25 or Kr50 and game time is no less than two seconds.

Income for these games is declining in part due to the recession and increasing online play. It is said



the incomes have dropped by 26 per cent over the last five years.

Under the Gaming Regulation Act 320/2008 Islandsspil is authorised to operate up to 650 VLTs in 140 locations. The company has also set up Abyrgspilun.is which is a gambling helpline page and addiction association launched in 2002 and funded by Islandsspil and UIL whilst Islenskum Getranum also joined later.

The University of Iceland also operates VLTs and also the class lotteries and scratchcards. UIL VLTs contributed 57 per cent of UIL's new profits in 2003.

IGT is the supplier of all the VLTs for the UIL which began in 1993 with 350 machines. Today UIL operates 500 IGT gaming terminals in 35 locations. Islandsspil does not have an exclusive with UIL and offers games from both GTECH and WMS.

Online gambling is another area. To date there are no legal restrictions preventing players from placing bets at foreign online sportsbooks and there is

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no specific law for online gambling. Many poker clubs exist and players can deposit and withdraw on most sites.

Currently 464 sites accept play from Iceland including Paddy Power, William Hill, Ladbrokes and Unibet whilst Bet365 is one of a few which accepts Icelandic Krona and money can be deposited via Skrill and Click2Pay. It is technically illegal to be a professional gambler so anyone who places is exempt from tax on their winnings.

There are two sites now operating in Icelandic language – Lotto focused Getspa and Betsson sportsbook and betting exchange. In 2004

Islandsspil opened a new gaming website with free play-for-fun games.

Betware's Agnieszka Rylska said: "Apart from serving as entertainment the VLTs, similarly to other lotto games, are also a tool to support good causes in Iceland. The main growth potential for this market would be to start operating online which not only would allow for potential growth but also for far more control and security of the games. It would also allow introducing responsible gaming features, monitoring the player's behaviour and minimizing problem gambling."

### **SUPPLY AND DEMAND**

There are a handful of companies involved in the Icelandic lottery and VLT market:

Betware has offices in Reykjavik, Copenhagen, Belgrade and Madrid. The company was launched in 1996 and in 2013 following the acquisition of the majority of shares the company became part of the Novomatic Group.

Betware's core product is the Gaming Platform



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"We look forward to helping our Icelandic customers to enhance the scope and sustainability of their gaming programs as these programs evolve, in the same way we have with our other Nordic clients."

**Walter Bugno**, CEO, GTECH International

which enables lotteries and gaming operators to run their games, services and other content and seamlessly integrate with third party vendors.

Betware was the first company to launch an internet lottery solution back in 1996 when they began providing gaming solutions to Islenskar Getraunir. Today half the sales in these games are through the internet channels.

Icelandic Lotteries (Islensk Getspa) was in fact Betware's first client. Betware is now the online gaming solution provider to Islensk Getspa supporting a variety of games that the lottery offers.

In 2011 Betware launched a new mobile solution for the lottery which allows smart phone users to take full advantage of their touch screen capabilities such as shaking the phone to get random numbers selected. It also allows players to have full access to their lottery account, wallet and game results.

Betware's Executive Account Manager, Johann Sigurdsson said: "The latest addition to the IG offering was the Eurojackpot game, which Betware launched for the lottery in early 2013. The Eurojackpot is a lotto type of game which is offered in European countries allowing players from different regions to play and thus participate in a much higher possible jackpot.

"Betware added this game to IG's internet offering based on the existing gaming platform and was also responsible for all necessary integration with other Eurojackpot operators."

GTECH has provided instant ticket printed products to the UIL since 2011. The history of its involvement began back in 1996 when Interlott Technologies provided the UIL with 16 eight-bin Instant Ticket Vending Machines (ITVM). GTECH completed its acquisition of Interlott in 2003 and

Plants vs. Zombies and the associated logo are trademarks of Electronic Arts Inc. ©Plants vs Zombies images and artwork, Electronic Arts Inc.



GTECH has been a supplier of four-bin compact Instant Ticket Vending Machines to UIL since 2008.

The UIL, whose current instant ticket portfolio includes around four games per year, launched a IKR200 'Plants vs. Zombies 2™' instant ticket game in February this year. UIL was the first in Europe to launch the Plants vs. Zombies 2 instant game.

Walter Bugno, CEO of GTECH International said:

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The lottery included a QR code on the ticket back and players using smart phones are able to scan



the code to access the lottery's website and download the game to their device via iTunes or Google Play.

The lottery printed 250,000 of the 4x4 tickets and a marketing campaign has been set up to support the game with top prizes of up to IKR3m.

In the VLT and bar market space GTECH has also been a supplier of gaming machines and content to Islandsspil since 2004 and has provided its SPIELO brand WinWave and WinWave Vu VLTs to

Islandsspil since 2005, as well as game content to their convenience store retailers.

The company also provides SPIELO Oxygen upright cabinets with a special Iceland six game multigame package to Islandsspil's bar market. Today GTECH provides Islandsspil with around 500 SPIELO branded gaming machines across the board.

Mr Bugno added: "We look forward to helping our Icelandic customers to enhance the scope and sustainability of their gaming programs as these programs evolve, in the same way we have with our other Nordic clients."

IGT's partnership with UIL began in 1993 when IGT provided UIL with 350 machines which created Europe's first WAP link with games placed all over the country. A second machine contract of 75 iGames was put into place in 1998 for a five year contract. This utilised games like Red Ball, Diamond Mine and Lion Fish.

In 2012 the company signed a six year contract extension with UIL to install 230 new G MLD cabinets which features 3D technology.

Today UIL operates 500 IGT gaming terminals in 35 locations which is 100 per cent of Iceland's VLT product for UIL.

Sabby Gill, IGT Senior VP of International Sales said: "IGT has grown with UIL every step of the way, not only in the number of units that we provide, but also in the breadth of products. We have

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"With access to IGT's legendary game library UIL is able to seamlessly optimise their casino floor and deploy the content that is most appealing to players. The bottom line is better performing casinos means more money to invest into Iceland's

oldest and largest university.

"One product that is particularly relevant to this customer is IGT's sbX Media Manager. In a climate where Responsible Gaming initiatives are paramount, sbX Media Manager gives UIL opportunities to communicate directly to players during game play, with a variety of customisable messages.

"In addition IGT has a Wide Area Jackpot in place for UIL providing a thrilling gaming experience for an important UIL player segment."

Earlier this year IGT and UIL celebrated their 20th anniversary of their business partnership where IGT had supplied Iceland with VLT products.

For the future, responsible gaming is expected to play a huge part and with this in mind IGT anticipates further development relating to its Service Windows technology.

WMS began its relationship with Islandsspil in 2007, supplying machines for Iceland's bar market. WMS has provided Islandsspil with the majority of their machines within this market, beginning with the BLUEBIRD cabinet and popular titles such as the original Zeus game. Islandsspil has since featured other player-favourite WMS games, including the Colossal Reel series, with the Spartacus theme in particular being a success within this market.

More recently, the Game Chest Multi-Game series has been well-received at Islandsspil operations. The Game Chest Multi-Game series was specifically created to meet the particular needs of international customers. This series supports different languages, currencies and multiple unique game sets, each comprised of a proven mix of WMS Gaming content. Islandsspil has been utilising the first four game sets of the series within their properties. In early March, WMS provided Islandsspil with 10 Blade cabinets, with themes including Montezuma, Lantern Festival, and Great Zeus. These unique, latest-generation machines are being installed this month at Islandsspil properties.

"The WMS footprint in Iceland has been growing in recent years as our collaboration with Islandsspil grows," says Sebastian Salat, President, WMS International. "We look forward to continuing to work closely with the team at Islandsspil to identify new trends that provide innovative gaming entertainment for their players, as well as new business opportunities."

Islandsspil also currently operates an online system through Scientific Games. Scientific Games provides the Central Monitoring and Control System for Islandsspil, and all machines in Iceland are connected to this monitoring system. The presence of Scientific Games within Iceland was further expanded through the 2012 acquisition of the Icelandic company Parspro, a provider of full-service betting systems and related products via the Internet and mobile devices.

# NOVOMATIC TO DOMINATE AT G2E ASIA SHOW

Novomatic brings the Dominator cabinet alongside a top quality range of gaming innovations targeted at Asian players

This year's G2E Asia gaming show will take place from May 20-22 at its traditional venue at the Venetian Macao, and again assembles the international gaming manufacturers and suppliers with their product offering for the Asian markets. On **booth 308**, the Novomatic subsidiary Austrian Gaming Industries (AGI) together with the local partner Jade Gaming will be present with a range of the latest product highlights and solutions.

The clue is in the name! So it can understandably be expected that the Dominator will indeed dominate the show booth in Macao: this international top performer will be presented with a range of NOVO LINE Interactive multi-game mixes as well as the new Octavian Superia-Games mixes 1-3. Two of the Dominator machine groups will feature two different jackpot concepts. The MAGIC JOKER Jackpot will be displayed on the six LCD screens of large



double-sided jackpot sign S655 while the hybrid jackpot JEWELS FACTORY Jackpot will demonstrate the flexible jackpot display option on the Dominator's 18" TFT topper.

A centrepiece of the booth will be a presentation of NOVO LINE Interactive mixes in the NOVOSTAR V.I.P. slant top, complete with the luxurious Crown V.I.P. chair with integrated sound system and start button located in the arm rest. In combination with the FLIPSCREEN functionality, that transfers the game screen onto the giant 46" LCD screen, this slant top guarantees true V.I.P. comfort in panorama style. Show visitors lounging in this chair hardly ever want to get up again.

A further highlight to be seen in Macao will be the Panther Roulette, the successor of the already extremely popular Pinball Roulette. It will be presented in two versions, Panther



Roulette and Panther Roulette II. The Panther Roulette comes with a new Start button on the right hand side of the hand rest for increased player comfort. The Panther Roulette II additionally features a second 32" full HD screen in a vertical position on top of the machine and in an ideal position for the slot gaming offering. Both versions are available with a comprehensive multi-game offering of 23 HD video slot games.

The NOVO LINE Novo Unity II presentation in Macao will feature a group of NOVOSTAR SLI slant tops plus the fully automated Novo Multi-Roulette wheel. A broad choice of fully animated electronic live games will be selectable on each of the terminals: Novo Flying Black Jack, Novo Flying Baccarat, Novo Flying Sic Bo, Novo Flying Poker 3 and Novo Flying Double-Action Roulette.

Also demonstrated at the show will be the many advantages of Octavian's ACP Casino Management System (Accounting – Control – Progressives). This modular system is a flexible and comprehensive solution for all modern gaming management and accounting requirements and apart from the basic modules Accounting, Control and Progressives includes additional modules such as Cashless, TITO, Player Loyalty, Cash Manager, Gate Manager and more. ACP grows with its' customers' needs and is constantly developed and enhanced.

# HOLOGRAM GAMING LOUNGE FOR ASIAN MARKET

## Interblock prepares to unveil its Hologram Gaming Lounge for the Asian gaming market at G2E Macau show

Interblock has grand plans for G2E Asia 2014 in Macao. All the products that will be displayed at G2E Macau 2014 show will be the latest, newest and most innovative in the industry:

- IBHGL (Interblock Hologram Gaming Lounge)
- NEW G5 Bubble Generator with 12 G5 Play Stations (Keno and Pop'n Poker Game)
- NEW G5 IB-HG 55" LCD with 05 G5 Play Stations with NEW mini LED sign (Baccarat and Multihand BlackJack Game)
- NEW Revolutionary G5 MiniStar Roulette with 08 G5 Play Stations with PID and LED sign (Single Zero Game Goal! Roulette Side Bet feature)
- G5 Wheel Generator with 12 G5 Play Stations (Big 3 Six Game)
- G5 Roulette Generator (Single Zero Game)

- G5 Dice Generator (Sic Bo Game)
- IB Multidata Terminal

G5 MiniStar Roulette with 08 G5 Play Stations: is the smallest and best performing 8-seat product available on the market from Interblock's newly launched G5 family of gaming products. It is available with Single or Double Zero roulette wheel, however in a much smaller diameter – approx. 2m (6.5 ft.) and it's built to accommodate any casino floor size with a much smaller footprint. Players benefit from a mystery progressive Jackpot system (Golden Chip), fast result detection, additional Side Bets and excellent roulette wheel visibility.

G5 Bubble Generator with 12 G5 Play Stations with Keno and Pop'n Poker Game: is a newly developed electromechanical generator which generates results for our Pop'N Poker and Keno games. Balls that come out of the center tube of the generator fall through openings around the cone and trigger the sensor, which displays the

result with accompanied LCD display. With this approach the generator is capable of displaying a large number of results very quickly. Several different games can be played at the same time.

G5 IB-HG 55" LCD with 05 G5 Play Stations: is based on 3D technology, which provides a new way of projecting video to create the illusion of life-size, full colour, 3D moving images. It's a stand-alone gaming machine, connected with up to 5 Play Stations. The mind of the audience creates the 3D illusion.

IB Multitada Terminal: represents all Interblock products – Gaming machines, Games, Side Bets, Jack Pots and GLM – Game learning Mode, which teach players how to play and use our games and products with video and graphic presentations.

Play Like A Champion at Interblock G2E Asia **booth I210**.

## Gaming Floor Live Baccarat will be one of the stars of the G2E Asia exhibition as TCSJohnHuxley readies its big reveal

TCSJohnHuxley, the global innovator of Live Gaming Solutions, will showcase its leading edge technology product portfolio at G2E Asia. With a focus on key products - Gaming Floor Live, Supernova Progressive and Blaze Gaming Surface Technology, the company will also feature industry leading products including Traditional Gaming Tables, Roulette Wheels, Chipper Champ 2, e-FX Displays and the all new A-Plus shuffler.

"At last year's G2E Asia we spoke about our investment in product, people and infrastructure," said Cath Burns, TCSJohnHuxley Group CEO. "This continues for 2014, with our main focus being on customer driven innovation and commitment to develop key products in our range. Our enabling technology innovations are already delivering solutions to customers across the globe. By providing visibility and real-time data to refine and optimize processes, this adds up to a significant and positive change to profitability. We are very excited about the future and how our products are transforming our customers' businesses."

One such product, being shown for the first time at G2E Asia, is Gaming Floor Live Baccarat. This Real-Time game optimisation tool is designed to maximise key performance areas and profitability. Casinos now have powerful information at their fingertips that can assess Dealer Accountability by giving real-time feedback on dealer performance as well as speed of each of the hands being dealt; Pit Visibility with Table



## BLAZING A TRAIL ACROSS ASIA

Alerting and Reporting; Increased Security providing surveillance views of all tables, alerts and incidents as well as complete Floor Optimisation with back of house reporting for table optimisation. All this is available on an open platform that can interface with existing systems, if required.

Also on show, will be the Supernova Progressive Platform featuring a new Baccarat game. This exciting addition to the Supernova range delivers floor wide Event and Mystery Progressives that drive increased revenues and adds higher levels of player excitement. This flexible platform adapts to almost any table game and allows casino operators to configure as many different prizes and jackpots as they want.

Sicbo Blaze - the innovative gaming surface technology offers stunning game animations projected through a traditional gaming layout. For added game security, all winning bets and game sequences are highlighted and standard gaming layouts cover the complete table surface instead of the traditional acrylic playing surface. The flexibility of the system allows casinos to include their own graphics and branding if required. Blaze gaming surface technology will be rolled out in the coming year to cover a full range of table games.

Meet the TCSJohnHuxley Asia team at **stand 1239** where they will be looking forward to welcoming customers and introducing the latest products.

## ALFASTREET BRINGS THE PARTY TO G2E ASIA

### Alfastreet celebrates the launch of new products and its 20th anniversary at the G2E Asia gaming show in Macau

Alfastreet is exhibiting at one of the biggest gaming exhibitions in Asia, G2E, at the Venetian in Macau 20th - 22th of May. The company will present its best and latest products amongst which are the latest edition of the evergreen R8 automated roulette, the WOF, the popular SL single and the brand new single terminal, Wiki. All of the machines are recognisable by their refined design and perfect ergonomics and are also extremely technologically advanced. Visitors to the booth will be able to test firsthand these technological advances as all of the machines

will be connected to automated and live games like roulette, sic bo, baccarat and others.

Alfastreet is present in many countries in the world including Asia. Ever since the company entered this market many years ago, Alfastreet has been garnering positive feedback that not only gives the company pride in its products, but also satisfaction in knowing that they meet the complete needs of their customers. After all, Alfastreet is renowned for its flexibility and adaptability to local markets. Probably that is also one of the reasons for its success in the Asian market. Due to this fact, participation at this year G2E Macau does not only offer Alfastreet a chance to show its best and newest products each year, but is also another chance

to spend time with friends of Alfastreet.

One of the most joyful things for Alfastreet is its 20th anniversary, which the company is celebrating this year. There are many surprises planned throughout the year in celebration of this special occasion. In addition, Alfastreet will also present new products at organised events were they look to celebrate with friends, partners and customers from all over the world.

The celebratory atmosphere will be visible at the Alfastreet **booth No. 1429** in Macau. Alfastreet will awaken the stories that have been made throughout its history with the firm's loyal clients. To celebrate together visit the Alfastreet booth at G2E Asia.



# THE SERVERLESS SYSTEM THAT IS CHANGING THE WORLD

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Preview

G2E ASIA 2014

## GTECH TURNKEY JACKPOT SOLUTION HEADS TO G2E

Standout features include the new JP2go standalone solution customised for the Asian market, plus Sphinx 3D and more...

GTECH is showcasing new and award-winning products from its SPIELO Casino Systems solutions and SPIELO slot gaming product portfolios at **booths 501 and 601** at G2E Asia.

GTECH is introducing its JP2go turnkey jackpot solution, which is offered in straightforward standalone packages. Independent of other systems, JP2go deployment is quick and easy. It offers targeted, revenue-building mystery, progressive and wide-area jackpots to create excitement on the floor and increase machine play for an all-inclusive, per-machine price. A high-tech multimedia signage solution is included in the package to promote jackpots and share the excitement of big wins. At G2E Asia, JP2go will be introduced with an Asian version, specifically created with Asian players in mind.



GTECH's Rub4Riches on-screen scratch card product, the newest in the GALAXIS BONUSING module, brings the thrill of scratch cards to slot machines and provides operators with a novel, interactive bonusing tool that instantly rewards players at the point of play. Once a player reaches a play threshold or meets other criteria predetermined by the casino, Rub4Riches displays a customised scratch card on the CRYSTAL.net touch-screen player interface. Players use the interface to rub areas on the screen for a chance to win promotional credits in real time, directly at the slot machine. A customised campaign design with Asian-style themed scratch cards is available.

Integrated into the GALAXIS ANALYTICS portfolio and supplied in partnership with BIS2, gameViz advanced gaming analytics will also be demonstrated at G2E Asia. gameViz provides a new way to visualise advanced business intelligence using sophisticated "Super Graphics." It helps operators to understand slot machine performance and customer preferences to identify practical ways to improve revenue and profit.

"We have continuously increased our presence here in Asia and are very pleased to bring our greatest and most innovative products to G2E Asian and to the market," said Chiang Lai Fatt, GTECH General Manager for Casino Systems in Asia. "Just one example of our successful work in Asia is the systems installation at Kangwon Land in South Korea, the country's biggest and busiest gaming venue. With 200 tables and 1,496 slot machines, it's the perfect venue to demonstrate the robustness and flexibility of our GALAXIS casino management system."

In addition to SPIELO Casino Systems solutions, innovative and award-winning slot products will also be on display. By introducing the three-time award-winning SPHINX 3DT and two extremely popular PopCap titles at G2E Asia, GTECH is reinforcing its commitment to the Macau slot market. SPHINX 3D is the first title in the new SPIELO True 3D product line, which uses a glasses-free 3D display designed exclusively for GTECH for the gaming industry by SeeFront. It uses a unique, patented autostereoscopic technology with integrated eye-tracking to make images jump off the screen or stretch into infinity in high resolution. SPHINX 3D is presented on the AXXIS cabinet.

## CULTIVATING AN ASIAN AUDIENCE

Each year at the G2E Asia show, IGT increases the region-specific nature of its player-centric Asian games portfolio

IGT is once again demonstrating their strength in Asia by forging ahead with a unique vision for the gaming market, which will be showcased at G2E Asia this year. The Company is taking great strides in the region, having proactively evaluated and gauged player preferences; and now IGT arrives on the trade show scene armed with the information and immense potential to cultivate the interest of the slot players in the region.

It makes sense for IGT, a company with a long-history of creating games, while also changing the face of gaming, to be involved in the relative infancy of slot gaming in Asia. As immense growth is expected in the region, including the growth of slot play, IGT directs its creativity toward slot games that appeal to

regional players. Great care is taken when formulating game themes and math models. Based on extensive market research IGT has taken a comprehensive approach, from the visuals to the auditory, to develop all aspects of the game with the Asian player in mind.



At G2E Asia, you will see the fruits of IGT's labors, with a consciously-crafted and market-attuned line-up of best-in-class slot machines.

IGT welcomes all G2E Asia attendees to come by its booth and see this year's games, including:

**Azure Dragon Video Slots** - bringing multi-progressive and bonus wheel action, this azure-blue themed slot engages players with 3D imagery and high-volatility game play.

**Dragon Dance** - taking players on a festive journey filled with mystique, this high-volatility slot game engages players to tantalise the dragon with pearls as the

video reels spin, encouraging the chance to try for lucky free games during the bonus.

**Extra Chance Jetsetter** - features three games; Jetsetter Paris, Jetsetter London and Jetsetter Sydney for world-class fun and excitement as players take chances for big wins on this player-favourite, medium-volatility trio which has been refreshed for the Asian market.

**San Xing Bao Xi Lucky Dragon** - following the successful launch of last year's Money Frog theme, this medium-volatility game features a fire dragon in the base game who reveals random expanded substitutes to increase the number of awards.

**Yin Yang** - a high-volatility slot theme that includes new math models for this year, Yin Yang features an auto-rolling bonus game that features a credit multiplier bar. Yin symbols move the indicator bar up, while Yang symbol move the indicator down. The further the indicator is from the center, the higher the bonus multiplier will be.

For other imaginative games from "out of the blue", visit the IGT **Booth 908** at G2E Asia, or go to [www.igt.com](http://www.igt.com).

## CPI SHOWS DIVERSITY OF PRODUCTS IN MACAU

**Crane Payment Innovations takes the opportunity at G2E Asia to showcase its formidable cash management tools**

Crane Payment Innovations (CPI), will be exhibiting at G2E Asia with its most comprehensive portfolio of cash management solutions. The CPI **stand 849** will underline the convenience OEMs and operators now have in obtaining complete solutions from a single vendor. The combination of MEI's SC Advance, EASITRAX Soft Count and PPM Advance will be on display, along with the CashCode SM BackLoad bill acceptor and a range of Money Controls coin hoppers.

"G2E Asia provides the ideal stage from which to demonstrate how the robust CPI portfolio can serve such a diverse marketplace while still raising the bar for value and performance expectations on an individual basis," says Graeme Lewis, CPI vice president Asia Pacific. "Accordingly, we've chosen to highlight the products we know will make the greatest impact on operator profitability and player satisfaction in this region."

The MEI SC Advance bill acceptor is part of a platform that has achieved a field base of nearly one million units across the worldwide Gaming industry. Equally impressive, nearly 150,000 of those units are coupled with EASITRAX Soft Count, the integrated software/hardware cash management solution that generates operational efficiencies from the slot floor to the back room. Operators typically receive a return on investment within one year - or faster with the value-added EASITRAX Web feature that enables customised report creation and secure access to that data from anywhere in the world.

The new PPM Advance from MEI provides operators with even more control over their games. This next generation of support tools simplifies software management and performance monitoring. It allows technicians to perform quick and easy in-field updates, and an optional upgrade to Bluetooth connectivity allows operators to download software remotely and add EASITRAX Soft Count asset numbers through an Android phone and tablet app.

"Of the six CPI sub-brands, MEI has achieved the largest ship share across Asia, with major wins across Singapore, the Philippines and Macau," explains Lewis. "The CashCode and Money Controls brands also continue to gain momentum in premier gaming jurisdictions."

The CashCode SM BackLoad bill acceptor has the fastest bill-to-stack speed in the world at 1.7 seconds and has an installed base of roughly 1.5 million units across 120 countries. It is designed to support door-mounted applications with small footprints such as bingo, roulette and tabletop sports betting terminals. The Up-stacking, Down-stacking and Horizontal models will all be on display at G2E Asia.

Among the Money Controls hoppers being shown are the Universal and Cyclone models. The Universal Hopper is CPI's best-selling coin hopper, with millions installed worldwide. Among other attributes that make it so popular is its large capacity, superior resistance to fraud and exceptional jam prevention through its motor's auto-reverse function.

### GLOWING PERFORMANCE IN ASIA

G3 interviews Aruze's Gaming Macau's Assistant General Manager, Albert Yu, about the new games launching at G2E

**What surprises do you have in-store for the visitors to G2E Asia?**

Following our global success in the Ultra Stack series video games, we will be rolling out a variety of new Ultra Stack games during G2E Asia (Ultra Stack Rising Dragon, Ultra Stack Feature Africa, Ultra Stack Liu Bei & Ultra Stack Ninja to name a few).

In addition to the Ultra Stack series, we will also be introducing some new video titles such as Ultra Slide Ryuko & 100 lines Stack Dragon.

We will also be showcasing our ever popular stepper innovators with Ninja Warrior, Cyber Seven, Laser Seven, to name a few.

**What are the latest themes that are trending in the Asian slots market right now?**

Asian markets remains relatively constant, popular themes such as Dragons & Chinese-oriental themes are still the main stream.

ETGs are steadily growing and I believe you could see the amount of Lucky Sic Bo we have on various gaming floors.

**Is the slots market in Macau still expanding and in**

**what direction? What are the most popular types of games in Macau at the minute?**

Yes I believe there are still a good amount of room for growth in Macau for slots. Anticipating the new venues opening in the following years, we are expecting the number of slots to gradually increase.

Video games are still considered the most popular, however stepper games are rapidly catching up in terms of interest.

Aruze is definitely striving with the success of our Ultra Stack video series & our strong product base of Innovator (stepper) games.

**What's the split of stepper to video slots sales in the Asian market for Aruze right now? And in particular, which of the latest Stepper products are performing extremely well?**

I would say 65/35. As I have mentioned, we have noticed a strong interest in our video products in the past year, therefore we are anticipating the interest of our video product to further increase.

In terms of popularity of our stepper product, "The Gold" is definitely a massive hit with the eye-catching mega top box. We are also penetrating our latest Innovator Deluxes (Ultimate Diamond & Platinum Jackpot) to be well accepted.

**Outside of Macau, could you give our readers a**

**picture of the markets Aruze is serving right now and what games are proving to be hits in different markets with difference players?**

We have had an extremely successful year in terms of sales for our US office. Ultra Stack series has taken the market by storm as figures validate the popularity of these games.

At the same time we are consistently growing in Australia & South Africa where videos and 3 reels steppers are the main stream product there, and our foothold in the Philippines, Singapore, Malaysia & Korea has been very promising.

Europe has been the most pleasant surprise as we have seen a solid amount of installations in France, Portugal, Cyprus & Macedonia last year.

We anticipate a giant leap in terms of sales and installations for Europe in 2014/15.

**Radiant reels is one of the latest features from Aruze, could you describe this new innovation and some of the additional new features Aruze has created?**

Radiant reels is one of the most recognizable features from our stepper products.

It offers variable spinning speed & motion that creates an huge amount of anticipation for players when they hit the winning combinations.

Simply put, it is truly a one-of-a-kind product in the current market.



AMATIC Industries is furthermore recognized as a pioneer in Multi Game. It is thus important for the team to present the AMATIC Multi Game solutions in the latest cabinet series – the 'Performer'. "The G2E Asia is just as it says – the show for the Asian market. We look forward to greeting our customers from around Asia, including the Philippines, Laos, Cambodia and Vietnam." concluded Mr. Engstberger.

### INDUSTRIAL LIGHT AND MAGIC

**Amatic Industries is to showcase its extraordinary Grand Jeu Double multi-player roulette at the G2E Asia show**

AMATIC Industries will be bringing its GRAND JEU DOUBLE to the G2E Asia. This fully automatic, 10-player electronic roulette includes not just one but two roulette wheels. Furthermore, four large monitors are included as standard in this unique electronic roulette. The monitors can provide all the necessary game information – including hot and cold numbers – to give players the right overview of the game statistics. Players can bet on either wheel and – depending on the local legislation – even both at the same time. Double the fun on just one automatic roulette awaits the Asian market!

AMATIC Industries will be showing the GRAND JEU DOUBLE on stand # 853. The team is currently very active in Macau to ensure that the certification process is soon complete. "The G2E Asia is an excellent platform to present our unique dual-wheeled automatic roulette", commented Thomas Engstberger, sales manager at AMATIC Industries. "We are proud to be bringing something completely new to the Asian gaming market with this true eye-catcher. Our customers often prefer to place this in a very prominent position on their gaming floor as it also serves to advertise to players their optimal level of investment in gaming entertainment. Given the resort casinos in Macau, we believe that players here will love it".



## THE TRADING SOLUTION THAT'S NOW TRENDING

### G3 interviews Tradologic's Ofri Noier about the company's binary betting solution and the similarities between binary betting and sports-betting

Binary betting is a financial betting product that's very similar to sports-betting in terms of logic, where sports are replaced by simple financial binary bets on the financial markets. Binary betting also generates the same traffic as both sports-betting and casino gaming products, making it a perfect complement to these traditional offers. And while binary betting sounds complicated, but is actually a very simple product, as the name suggests, there are very straightforward betting outcomes. When you look at FOREX, which is spreading betting, there are much lower conversion rates in terms of player profiles, as FOREX is over-complicated and is not really betting, but rather an investment offer. The simplicity of binary betting has meant that conversion rates for Tradologic's solution are currently around 30 per cent, and as the company is increasingly working with sports-betting companies, conversions are growing even higher as sports-betting and binary betting customers share the same player profile.

**Ofri, could you explain for our readers the markets in which Tradologic is currently offering its services and what are the regulations needed to take part in binary options trading?**

Tradologic is a platform provider, hence we do not operate. Our clients, however, come from all different regions. We have major clients working in Asia, UK, Europe, Middle East markets and LATAM.

Regulation, of course, is on a regional basis, but in Europe we are in the final stages of receiving an

IOM betting license and we are working towards a new UK license as well. Tradologic is highly committed to the regulated markets and we hope to obtain as many gaming licenses as possible in order to be able to give excellent service to our clients in the different markets.

*In terms of the players, the financial betting product is very similar to sports-betting and we also offer skins that give the same look and feel, which creates a new product that's highly intuitive for the existing DBA, and saves the need to educate and tutor the player.*

**How easy is it to integrate the Tradologic platform with existing sites, and do you need to educate and initiate the player into this type of flexible and innovative product?**

We offer a three step integration process based on widgets, whereby the operator can have absolute control over the product look and feel and its location (side game within sports-betting, a new financial betting tab and more).

In terms of the players, the financial betting product is very similar to sports-betting and we also offer skins that give the same look and feel, which creates a new product that's highly intuitive for the existing DBA, and saves the need to educate and

tutor the player. Of course doing so anyway, will increase conversion, interest and revenues.

**What are your current player conversion rates and what new marketing channels are your licensees adopting to bring binary trading to the widest audience possible?**

The conversion rates we see with our licensees are between 20-25 per cent from poker and sports betting, and around 15 per cent from casino. As for marketing channels, we are looking at new opportunities such as online financial newspapers, blogs, financial oriented affiliates, and new key words such as facebook, BMW and more...

**What is the current market size of the binary trading market and what is the potential growth of this sector?**

Since this is a very young markets we can rely on estimations only, but we estimate that the yearly market volume is around seven billion and we see 100 per cent - 150 per cent growth from year to year.

**Do you see binary options trading adding a new dimension to every operator's site, or is there specifically an ideal criteria in which this product will thrive?**

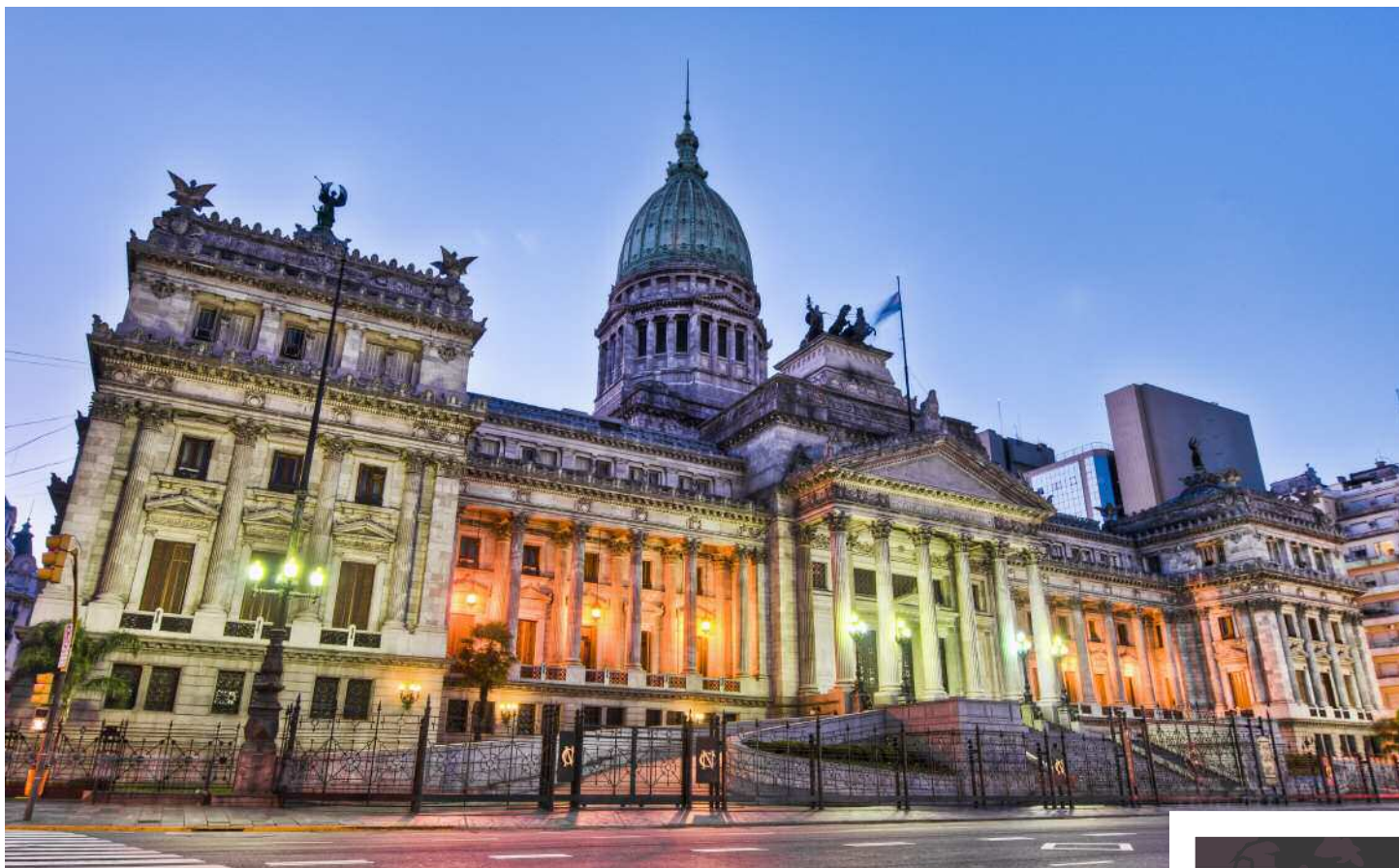
We have been able to define a few ways to integrate the financial betting product into existing gaming operators that works very well.

Turbo and turbo + are side game in the live sports-betting section and an additional tab on the website, however we take it on a case-by-case basis, and work with each operator to best fit their vision and their players' needs.



# Statistics

ARGENTINA



## MARKET DYNAMICS

|   |  |
|---|--|
| <b>GAMING MACHINES:</b>   | <b>50,000</b>                              |
| <b>BINGO HALLS:</b>   | <b>150</b>                                 |
| <b>LOTTERY:</b>   | <b>Lotería Nacional Sociedad de Estado</b> |
| <b>LOTTERY REVENUE:</b>   | <b>\$1.2bn</b>                             |
| <b>RACETRACKS:</b>  | <b>22</b>                                  |
| <b>ONLINE GAMING: Permitted in a number of provinces only</b>   |  |
| <b>ONLINE GAMING REVENUE: US\$325.7m in Buenos Aires Province alone. Total estimate US\$460m</b>  |  |
| <b>CASINOS:</b>   | <b>80</b>                                  |
| <b>CASINO SLOTS: 50,000 (including those slot machines located in the 46 bingo parlours in Buenos Aires province, the two floating casinos and the racino in downtown Buenos Aires)</b> |  |
| <b>CASINO TABLES:</b>   | <b>1,600 (approx)</b>                      |
| <b>MAIN OPERATORS:</b>  | <b>Codere, Cirsá, CAI, Casino Club</b>     |
| <b>CASINO REVENUE:</b>  | <b>\$2.6bn</b>                             |
| <b>TOTAL GAMING REVENUE:</b>  | <b>US\$4.5bn</b>                           |

## OVERVIEW

Gaming has proliferated rapidly over the last 10 years in Argentina especially in capital Buenos Aires. Although casinos are banned by law there are still three large scale casinos in the capital. These are the two “floating casinos” docked permanently to the harbour while the third is under the racetrack in the neighbourhood of Palermo downtown. All three have been the focus of a bitter dispute between the city government and the federal government as to who should reap the tax benefits of gaming. This dispute is likely to deepen in 2014. On a national level casinos are less controversial and have been increasing steadily especially in the provinces of Rosario and Mendoza.

Casinos look likely to expand in the coming years in other provinces such as Misiones where they will be instrumental in improving tourist infrastructure. However, the spectre of nationalization still continues to haunt the industry with growing calls for placing the industry in state hands in provinces such as Neuquén, and Buenos Aires.

Online gaming remains popular in Argentina although it is illegal in the majority of the country. There are currently no laws in place on a national level which govern the activity but it is permitted, but only under special conditions in a few provinces only.

## ARGENTINA:

### Statistics

#### Capital:

Buenos Aires

#### Population:

42,192,493

#### Land Area:

2,735,690 sq.km

#### Currency:

Argentine Pesos (ARS)

#### Government:

Republic

#### Head of

#### Government:

President Cristina Fernandez de Kirchner (Frente Para La Victoria Front for Victory).

#### Elections:

President and vice president elected on same ticket by popular vote for four years. Last election held in 2011.



## MARKET DYNAMICS

|                              |   |
|------------------------------|---|
| <b>EGMS:</b>                 | <b>197,272 (68,623 in hotels, 114,626 in clubs and 12,827 in casinos)</b> |
| <b>EGM REVENUE:</b>          | <b>A\$10.4bn</b>  |
| <b>EGM VENUES (HOTELS):</b>  | <b>3,231</b>  |
| <b>EGM VENUES (CLUBS):</b>   | <b>2,147</b>  |
| <b>BETTING SHOPS:</b>        | <b>4,478 (TABCorp)</b>  |
| <b>BOOKMAKERS:</b>           | <b>522</b>  |
| <b>WAGERING REVENUE:</b>     | <b>A\$2.8bn</b>   |
| <b>RACETRACKS:</b>           | <b>353</b>  |
| <b>RACING REVENUE:</b>       | <b>A\$14.39bn</b>   |
| <b>LOTTERY RETAILERS:</b>    | <b>3,781 (Tatts) 553 (SA) and 551 (WA)</b>                                |
| <b>LOTTERY REVENUE:</b>      | <b>\$1.9bn</b>  |
| <b>ONLINE GAMING:</b>        | <b>Partly permitted</b>   |
| <b>CASINOS:</b>              | <b>13</b>   |
| <b>CASINO SLOTS:</b>         | <b>12,827</b>   |
| <b>CASINO TABLES:</b>        | <b>1,385</b>  |
| <b>MAIN OPERATORS:</b>       | <b>SkyCity, Echo Entertainment, CAI, independents</b>                     |
| <b>CASINO REVENUE:</b>       | <b>A\$3.4bn</b>   |
| <b>TOTAL GAMING REVENUE:</b> | <b>A\$19bn</b>  |

## OVERVIEW

Turnover for Australia's gaming industry was a total of A\$161bn divided between wagering with \$21bn, gaming machines with \$114bn, lotteries with \$4.7bn and casinos with \$19bn.

Casinos arrived in the 1970s and 1980s and today there are 13 throughout the country with 1,385 tables and 12,827 EGMs plus Keno systems. Casinos can also offer outlets for TAB wagering and sports betting. Many of the casinos are integrated entertainment complexes with restaurant, conference facilities and hotels and between them see around 50 million visitors with revenues of over \$4bn annually and some 20,000 staff.

EGM (Electronic Gaming Machines) or 'pokies' as they are mostly known are operated at licensed venues such as clubs, hotels and casinos and all available in all states except Western Australia. Tasmania is the only state where ownership of the gaming machine is separated from their operation.

The Tatts Group is the largest lottery operator in Australia with licences in Queensland, NSW, Victoria, Tasmania, Northern Territory and ACT and they have 250 million transactions processed throughout their outlets. Intralot also operates lotteries in Victoria and Tasmania and the state operates the lottery in South Australia via SA Lotteries and in Western Australia via Lotterywest.

## AUSTRALIA

### Statistics

|                            |   |
|----------------------------|---|
| <b>Capital:</b>            | Canberra  |
| <b>Population:</b>         | 22,015,576  |
| <b>Land Area:</b>          | 7,741,220 sq.km   |
| <b>Currency:</b>           | Australian Dollars (A\$)  |
| <b>Government:</b>         | Federal Parliamentary Democracy and Commonwealth Realm  |
| <b>Head of Government:</b> | Prime Minister Tony Abbott (Liberal Party)  |
| <b>Elections:</b>          | Monarchy is hereditary. Governor General appointed by Monarch on recommendation of Prime Minister. Last elections September 2013. |



### MARKET DYNAMICS

|                               |   |
|-------------------------------|---|
| <b>AWPs:</b>                  | <b>4,500 approx</b>                                   |
| <b>VLTS:</b>                  | <b>833 WINWIN</b>                                     |
| <b>GAMING ARCADES:</b>        | <b>13 WINWIN locations</b>                            |
| <b>WINWIN REVENUES:</b>       | <b>€458m</b>  |
| <b>SINGLE SITES:</b>          | <b>3,000</b>  |
| <b>BETTING SHOPS:</b>         | <b>Approx 500</b>                                     |
| <b>OPERATORS:</b>             | <b>400</b>  |
| <b>LOTTERY:</b>               | <b>Osterreichische Lotterien (Austrian Lotteries)</b> |
| <b>LOTTERY REVENUE:</b>       | <b>€1.3bn</b>   |
| <b>ONLINE GAMING:</b>         | <b>Permitted.</b>                                     |
| <b>ONLINE GAMING REVENUE:</b> | <b>€1.6bn (win2day keno and poker)</b>                |
| <b>CASINOS:</b>               | <b>12</b>   |
| <b>CASINO SLOTS:</b>          | <b>1,955</b>  |
| <b>CASINO TABLES:</b>         | <b>233</b>  |
| <b>MAIN OPERATORS:</b>        | <b>Casinos Austria</b>                                |
| <b>CASINO REVENUE:</b>        | <b>€273.9m</b>  |
| <b>TOTAL GAMING REVENUE:</b>  | <b>€3.54bn (turnover)</b>                             |

### OVERVIEW

Casinos Austria was established in 1934 with the opening of three casinos and today has 12 casinos which see annual visitors of around 2.3 million. WINWIN was launched in 2004 and is a co-operation between Casinos Austria and Austrian Lotteries. The 13 WINWIN locations offer VLT gaming and the outlets are open 364 days a year and each location can have between 49 and 150 terminals each offering up to 89 different games. The latest WINWIN location opened in Salzburg in 2012. Meanwhile Win2Day is the online gaming offering from Austrian Lotteries and Casinos Austria.

Casinos Austria and Austrian Lotteries saw a consolidated turnover last year of €3.54bn and a net profit of €42.68m. Win2day offers casino games and poker. Casinos Austria saw total group revenues in 2012 of €3.5bn.

In 2010 the new gambling law was passed making it stricter where slot machines are permitted and numbers to be operated and the small operators have gone leaving two large operators fairly controlling the market. The government doubled its income from gambling taxes to over €1bn in 2012. There are around 800-900 gaming machines without licences but operators cannot be prosecuted due to ambiguity in the law. The new law did however open up gaming across the country with the number of casino licences raised from 12 to 15.

### AUSTRIA:

#### Statistics

#### Capital:

Vienna

#### Population:

8,221,646

#### Land Area:

82,445 sq.km

#### Currency:

Euro

#### Government:

Federal Republic

#### Head of

#### Government:

Chancellor  
Werner Faymann  
(SPÖ)

#### Elections:

President elected by direct popular vote for six year term. Last election held 2010, next due in April 2016. Chancellor is formally chosen by president but determined by the coalition parties forming a parliamentary majority.



## MARKET DYNAMICS

|                              |   |
|------------------------------|---|
| <b>SLOT MACHINES:</b>        | Approx 14,000 (street machines) and<br>5,000 in arcades |
| <b>GAMING ARCADES:</b>       | 180   |
| <b>SINGLE SITES:</b>         | 7,807   |
| <b>BETTING SHOPS:</b>        | 2,049 betting shops/paper shops.                        |
| <b>OPERATORS:</b>            | 180   |
| <b>LOTTERY:</b>              | Loterie Nationale                                       |
| <b>LOTTERY RETAILERS:</b>    | 5,270   |
| <b>LOTTERY REVENUE:</b>      | €1.2bn  |
| <b>ONLINE GAMING:</b>        | permitted since June 2011.                              |
| <b>CASINOS:</b>              | 9   |
| <b>CASINO SLOTS:</b>         | 1,590   |
| <b>CASINO TABLES:</b>        | Approx 150  |
| <b>MAIN OPERATORS:</b>       | Casinos Austria, Circus Group,<br>Rank and Partouche    |
| <b>CASINO REVENUE:</b>       | €119m   |
| <b>TOTAL GAMING REVENUE:</b> | €1.7bn  |

## OVERVIEW

In February 2012 the Gaming Board issued the first licences for online gaming and there are seven A+ (casino), 27 B+ (gaming arcade) and seven F1+ (betting) licences granted

There are nine casinos permitted in Belgium which are Knokke, Ostende, Middelkerke, Namur, Blankenberge, Spa, Chaudfontaine, Dinant and Brussels. There are 15 machines per gaming tables maximum permitted. Turnover for the casinos in 2011 was €142m and gaming arcade turnover was €171m. In November 2013, Partouche sold Casino Knokke, the largest casino in Belgium, via its holding company Belcasinos, to online casino group Napoleon Games NV for €16.5m.

In gaming arcades there are a maximum of 30 machines permitted. There are 180 B licences granted. Meanwhile in single sites there are a maximum of two machines permitted and in betting shops one machine per shop. Turnover in gaming arcades has decreased over the last year by two per cent also single site turnover has increased by three per cent.

## BELGIUM: Statistics

### Capital:

Brussels

### Population:

10,444,268

### Land Area:

30,278 sq.km

### Currency:

Euro

### Government:

Federal parliamentary democracy under a constitutional monarchy.

### Head of

### Government:

Prime Minister  
Elio Di Rupo (PS)

### Elections:

Following legislative elections the leader of the majority party or majority coalition is appointed Prime Minister. The next federal election is May, 2014.

# Statistics

BRAZIL



## MARKET DYNAMICS

**GAMING MACHINES:** Est. 25,000 Class II Bingo Machines

**BINGO HALLS:** 600

**LOTTERY:** Caixa Economica Federal (Federal Savings Bank) and State Lotteries

**LOTTERY OFFICES:** 11,000 plus an additional 25,000 bank machines which also accept the purchase of CAIXA lottery tickets.

**LOTTERY REVENUE:** Caixa R\$10.4bn while a further R\$400 million is generated by state lotteries.

**RACETRACKS:** Estimate 15

**BETTING SHOPS:** 160. Horse racing only. Plus seven Codere Turff Bet & Sports betting shops.

**ONLINE GAMING:** Not permitted but tolerated widely. Legal for local horse racing only.

**ONLINE GAMING REVENUE:** US\$200m

**CASINO SLOTS:** None

**CASINO TABLES:** None

**MAIN OPERATORS:** Codere, and local bingo hall operators.

**CASINO REVENUE:** None

**TOTAL GAMING REVENUE:** R\$11.1bn

## OVERVIEW

Casinos were banned in Brazil in 1946 although horse racing is permitted and generates around R\$300m a year in revenue. In 1993 the Zico Law allowed for the establishment of bingo halls and in order to generate additional income the law was then amended in 1998 to allow bingo halls to house electronic bingo terminals and by 2003 there were over 1,000 bingo halls.

The Animal Game, an illegal street lottery, is played widely and numbers runners have been found to operate bingo halls and offer officials bribes in return for closure. These scandals first began in 2004 and bingo halls were banned in the aftermath of the scandal and since then the majority of bingo halls have been able to remain open by individual judicial order or via specific legislation and the industry exists in a legislative vacuum. Meanwhile illegal slot machines continue to proliferate in local businesses despite police raids. There could well be changes in the online sports betting market as the government is now looking into the issue. The Sports Ministry and CAIXA are both advocating allowing sports betting. Under current proposals the lottery would offer foreign online companies the opportunity to bid for the rights to offer sports betting on behalf of the lottery so that it would be able to offer sports betting ahead of the World Cup in 2014.

## BRAZIL:

### Statistics

**Capital:**

Brasília

**Population:**

201,009,622

**Land Area:**

8,515,767 sq.km

**Currency:**

Brazilian Real (BRL)

**Government:**

Republic

**Head of**

**Government:**

President Dilma Rousseff (Partido dos Trabalhadores Workers Party)

**Elections:**

The president is elected to a four-year term by absolute majority vote. Next elections October 2014.