

The Portuguese gaming market has been stable for a number of years, though not everyone is happy with the status quo.

Some say you can't miss what you've never had. Portugal's amusement and gaming sector would probably disagree. The country has never had a legalised street gaming market (AWPs) or in fact looks likely to ever receive one. That doesn't stop them trying though.

For years the feisty fighters from the elongated stretch of country sandwiched between Spain and the Atlantic have been pleading for a sensible and workable gaming market. AWP's and even redemption machines are banned as street operators struggle to survive with video games and dabble in the illegal market (video poker games) if they are bold enough to try.

Meanwhile, on the wealthy side of town, the casino market is established and flourishing. The government appears happy with its healthy share of casino incomes and the casinos are happy with their monopoly of the gaming machines market. Basically, it's stalemate.

So what's the story in Portugal? Well, once upon a time, Portugal enjoyed a hey day as a world power during the 15th and 16th centuries.

However, much of its wealth and status was destroyed along with Lisbon following the 1755 earthquake. The natural disaster killed an estimated 40,000 people and left the capital city in ruins.

If that wasn't enough to cope with, occupation during the Napoleonic Wars and the independence of Brazil as a colony in 1822, didn't do Portugal any favours.

In 1910, a revolution saw the monarchy thrown out and repressive governments ran the country for the next 60 years. Today, however, Portugal is slowly but surely winning back its fighting power. It is finally shaking off the European 'poor relations' tag and beginning to find its place on the map.

One of the smallest countries in Europe, Portugal is also one of the oldest nations and traces of its historic presence can be seen through its language worldwide. Portugal only has a population of 10 million and is still viewed as one of the least developed countries within Europe, though political stability and economic reform is finally encouraging investment.

Portugal joined the EU in 1986 and in the past decade governments have privatised many state controlled firms and liberalised key areas of the economy such as the financial and telecommunications sector.

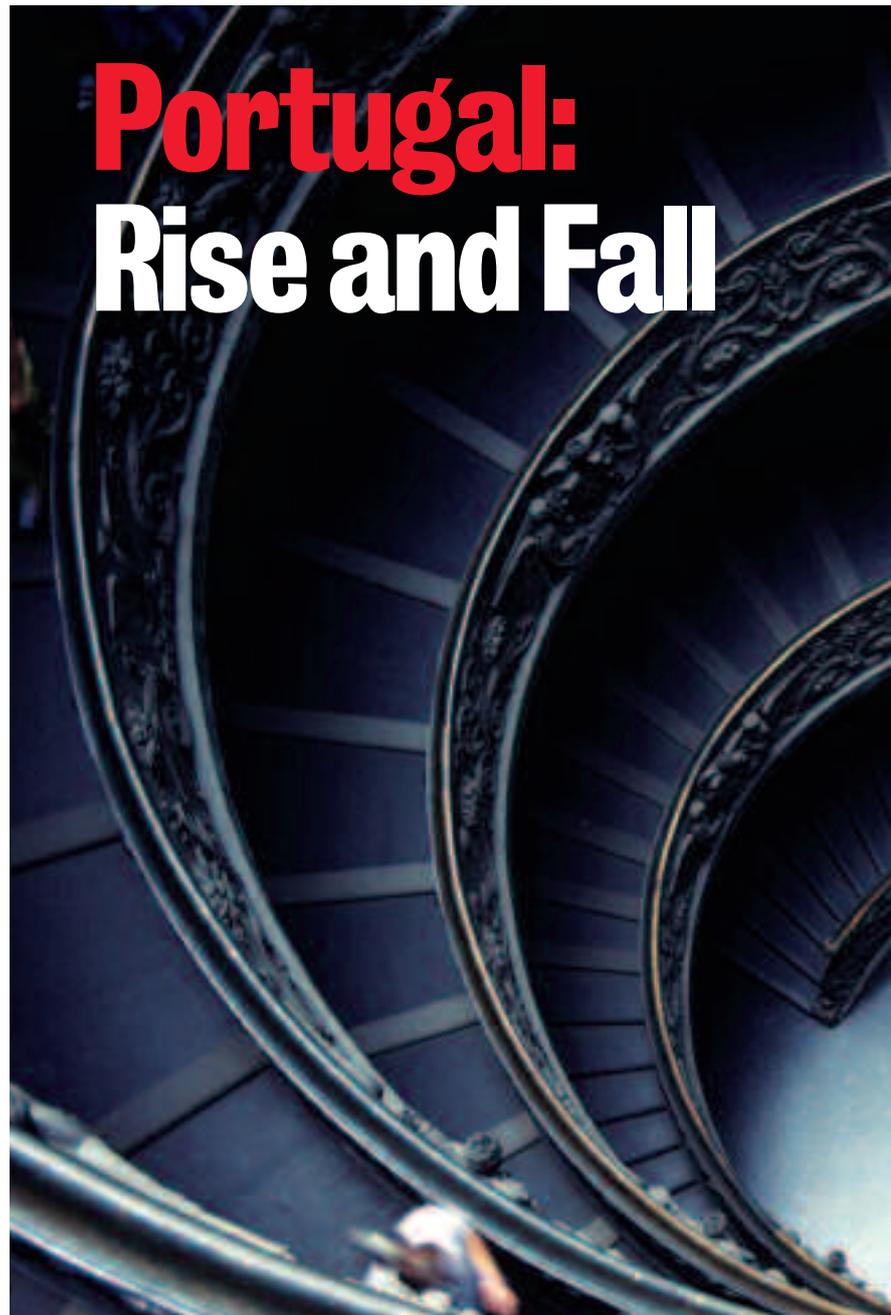
Economic growth has been above the EU average for much of the last 10 years although a poor educational system and lower cost producers in Central Europe and Asia is a continued obstacle for growth.

THE AMUSEMENT MARKET

It's a long recorded story that the government's refusal to allow AWP machines and even redemption games has hindered the development of the amusement and street gaming market.

AWP's have never been permitted, although during a brief period between 1983 and 1985 poker games did filter into the country. These games were legal in the sense taxes were paid, but illegal operation led to the government's fear of such machines in the street market.

No other type of games, except cranes and amusements (video and PCBs), are now allowed. It even took the industry three years of lobbying to obtain permission to



Portugal: Rise and Fall

operate cranes and today operators can only offer prizes worth no more than three times the price of play, which has little appeal to players. At present, around 500 cranes exist in the market after many were sold into South America.

Touchscreens were finally permitted in the late 1990s after three years of lobbying. Initially the machines were refused because they weren't covered by the existing law, which stated that only one game was allowed per machine. So the government had to introduce a new legislation. However, because of the range of games within each touchscreen, each game had to be approved individually. Several copies of paper work with full game specification per game, per machine had to be given to the Gaming Board for the approval process. To begin with,

when touchscreens were introduced the registration process was extremely lengthy. A machine with 20 games required a box of 9,000 papers, up to three months work and once registered, which took up to six months, operators then had to wait for their paperwork to be returned, as this must be kept with the operator. And, of course, new games are then released and the whole process had to start again.

Today, the approval process is much quicker and takes around a month followed by a further three days for registration after approval has been received. Fines for operating a machine without the official paperwork can be anything from 270 to 5,000 euros compared to a smaller fine of 300 euros for operating an illegal machine.



In 2003, the National Amusement Machines Association (ANOMAR) took its complaints to the European Court of Justice, calling for the right to operate and manage games of chance or gambling outside of the prescribed gaming areas (casinos) and extinguish the monopoly held by the casinos. However the ECJ upheld the right of the state to operate a monopoly. And so the market struggles on with tough rules and ultimately the street operators are being forced out of business. Back in 2002 there were around 600 amusement arcades. At present that number has dwindled to around 200 with between 7,500 and 10,000 amusement and sport machines in operation. This figure has dropped over the last few years from a peak of around 35,000.

One of the contributing factors was a change in law, which came into effect in January 2003. The law moved the approval power for amusement machines from the country's 18 regional governments to the 308 local councils. The new decision now forbids the free circulation of licensed machines between councils unless a new license is provided within each new local council. Each of the local councils is now also entitled to fix its own taxation fee for licensing machines and this varies from 85 to 250 euros per year plus an additional fee of 20 per cent over the value of the respective tax amount. Jacinto & Martins, one of the main distributors in Portugal of amusement games, has around 300 touchscreens out in the market and say these, alongside

football and driving video games, are the most popular type of amusement products in Portugal.

Julia Correia of Jacinto & Martins said: "The main problem as a distributor and operator is that we cannot work with redemption machines like in other countries. We also pay many registrations per year and per machine depending on the amount of times that we move the machine from one place to another." Of course other cultural factors hinder the Portuguese arcade market. Disposable income is limited and also traditional working hours until 7pm means weekends are often the only leisure time for families.

And although video games are the main type of amusement in Portugal, even numbers of these have dropped significantly with operators preferring to buy kits or second-hand games. The problem is the low price of play of 50 cents for deluxe games means operators have to wait a long time to see any return on investment. Sega Amusements Europe, for example, whose distributor Jacinto & Martins is also an operator of around 2,000 machines, does sell a small quantity into Portugal, but says the maximum is around 25 to 30 Virtua Strikers (for example) and maybe five deluxe games. Sega's Jean-Luc Dieudonne said: "The market is not very good because it is still one of the poor members of the European communities. When you buy a machine for say 12,000 euros they can only charge 50c a game, so how many games will it take to pay? And because they do not make very much money, they do not have any to reinvest."

There is an interest in bowling and FECs, which have seen a development boom over the last few years and are being opened in the newly created shopping malls. However, this will hardly fill the gap in the market, which many feel can only be filled by legalised AWP machines. Some operators claim it is the control the casinos have in the market that stopped poker games back in 1985, which held back cranes in the early 1990s and removed bingo machines in the late 1990s. They believe the casinos are preventing any other form of gaming and with hefty sums paid into government coffers, why should the government listen to any other argument? It is said the casinos bought their operating right with \$40m some 20 years ago and since then the casino market has grown and clearly any street gaming could affect their revenues.

THE CASINO MARKET

The Portuguese casino market opened back in 1927 and although the government owns the casinos, they are managed by private organisations that pay a gaming concession to the

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**Julia Correia,
Jacinto & Martins.**



>> government for a certain period of time. The market itself is heavily controlled. Licences to operate are obtained through bidding contests and are usually granted for a 20 year period. Companies operating casinos need to have a minimum capital of 25m euros and the casino must include entertainment. The operating company is then often obliged to pay between 30 and 50 per cent of the gross gambling revenue depending on the type of concession and the state authorises many of the activities or investments undertaken by the operating companies.

Figures for the Portuguese casino industry shows that a total amount of 1,433bn euros was gambled in 2004 in gaming rooms, slot machine rooms and bingo halls situated in and outside of casinos. Of this amount 310bn euros was gambled in gambling rooms, 1,005bn in machine rooms and 5bn in bingo halls. In the same year banked games saw revenues of 38m euros. This was 15 per cent of the total casino revenues compared to 84 per cent from gaming machines and one per cent from bingo revenues.

Gross gaming revenues for casinos has dropped slightly and figures between 2000 and 2004 are shown below:

YEAR	REVENUE IN EUROS	DIFFERENCE
2000	256,002,117,24	
2001	285,675,99,22	+ 12%
2002	311,573,539,08	+ 9%
2003	301,006,062,25	-3%
2004	299,469,574,29	-1%

Source: Portuguese Gaming Board

Meanwhile machine revenues have increased particularly in the early part of 2000 and figures are shown below:

YEAR	REVENUE IN EUROS	DIFFERENCE
2000	193,876,805,00	
2001	231,249,535,36	+ 19%
2002	255,992,768,17	+ 11%
2003	251,915,590,25	-2%
2004	258,923,573,89	+ 2.8%

Source: Portuguese Gaming Board

And revenues for banked table games have dropped quite significantly between 2000 and 2004.

YEAR	REVENUE IN EUROS	DIFFERENCE
2000	60,383,829,44	
2001	52,626,118,36	-13%
2002	52,894,853,31	-3%
2003	46,510,750,00	-12%
2004	38,173,290,00	-18%

Source: Portuguese Gaming Board

More recent figures released from Portugal's Gaming General Inspectorate in April showed that revenues in Portuguese casinos rose by 10.6 per cent during the



first quarter of 2006 against the same period a year ago.

Revenues reached 83m euros, which has also changed the downward trend witnessed over the last few quarters. This is mainly due to a 45 per cent increase in banker games to 13.2m euros. A recent legal authorisation now allows the set up of mixed gaming rooms where banker games can be played alongside smaller bets and the identification of the player is no longer necessary.

Meanwhile, slot machine revenues have also increased by 6.1 per cent to 69.2m euros in the first quarter of 2006.

Currently, there are nine casinos in Portugal, which are operated by four different companies, Estoril Sol, Solverde, Amorim and ITI.

Solverde (Sociedade de Investimentos Turísticos da Costa Verde SA) is a large tourism and hotel company and as the largest operator has four of the nine casinos in Portugal (Espinho, Vilamoura, Monte Gordo and Praia da Rocha). The company was founded in 1972 by Manuel Violas and was set up to work in tourism. In 1973 Solverde won the concession as the operator for Espinho. The Casino de Espinho was inaugurated in 1982 and at this time was the biggest

in the country and was also cited as the biggest casino in Europe. Two years later Solverde built the Hotel Apartamento Solverde with 300 beds and Solverde also contributed towards the development of tourism and sports in Espinho.

In 1988 the contract for the gaming concession was renewed until 2008 and during this same year the Solverde Hotel at Granja Beach was inaugurated. In 1995 Casino Espinho underwent a complete refurbishment with new games and animation, daily shows, galas and food festivals were added to create a new concept of the casino as a place of entertainment. It became the biggest and most well-known concert hall in Porto and the north of Portugal. The project cost 14.96m euros of which more than 1.25m was spent on the building of a bingo room.

In 1997, Solverde won the public tender for the concession of three casinos in the Algarve - Vilamoura, Praia da Rocha and Monte Gordo. In 1999 Manuel Violas died and the company was taken over by his son and namesake. The following year Solverde was recognised as the best enterprise in the ranking of hotel sectors. In 2003 Solverde invested around 2m euros in the renovation of the Algarve Casino Hotel (Praia da Rocha). The group today runs four casinos, two five-star hotels and one apartment-hotel in the Algarve and Espinho regions.

Although company revenues rose steadily in the late 1990s, Solverde did see a slight fall in its profits in 2005 and at the same time also announced its intention to invest 60m euros in the Algarve and Chaves (north of Porto). Despite the small fall in revenue the three Algarve casinos still generated a 40m euros profit in 2005. The two new projects involve two golf courses in Portimao, which are expected to be concluded by 2008 at a cost of 30m euros and a new hotel-casino in Chaves costing around the same investment and time scale.

The Chaves hotel and casino will cover a total construction area of 32,000sq.m and include a concert room/restaurant for 600 people, traditional games room and restaurant/bar and machines room with bar in the casino hall. Meanwhile, Solverde is also developing outside of Portugal and is planning to invest in a resort in Brazil.

The second largest casino operator in Portugal is Estoril Sol, which is a Portuguese company set up to manage Stanley Ho's casinos in the country. Estoril Sol is headed by President Mario Assis Ferreira, and has the concession for three casinos - Casino Pavia, Casino Estoril and Casino Lisboa.

Now in its sixth year of business, Estoril Sol opened its third and Portugal's ninth casino on April 19, 2006.

"We started selling into Portugal in the mid 1990s and the market has grown with good support from the operators to 50 and 60 per cent of their purchases in several casinos."

**Ali Civile
IGT Europe.**



>> Casino Lisboa is located in the Parque das Nações (the old Expo '98 site) and initially it will offer 22 gaming tables and 800 slot machines, with up to 1,500 slots expected to be installed over four years, with four bars, three restaurants and an auditorium with a capacity for 642 people also on offer.

The gaming areas include a mixed gaming room, the slot room and the traditional gaming room and President of Estoril Sol, Mario Assis Ferreira says the intention was not to start out with the maximum number of slots so as not to create 'any instability as far as gambling'. However, the new development comes at a price. It is expected to have an effect on its neighbour and sister casino, Estoril, particularly during the first six months of operation. This has forced Estoril Sol to hold back on future foreign investments planned by sister company, Geocapital, a company created by Stanley Ho to promote investment in Portuguese speaking countries.

The new casino has cost the group 108.9m euros, whilst it is expected to generate a revenue of 70m during the first eight months of business and once fully operational it is expected to top Casino Estoril's annual average pre tax income of 127m euros. This year the Estoril Casino is expected to post turnover of around 105m euros, which is 20 per cent below the figure posted the previous year. Estoril Sol, however, is expecting the group's

turnover to increase. Management behind Lisbon say they have developed a different design for the new casino based on the young, innovative and international market. It features futuristic theming and is aimed at the younger end of the player market and includes mixed rooms to create a more informal atmosphere.

Casino Lisboa has taken almost 12 months to complete and features an impressive 20 metre high translucent cylinder as a centrepiece. This Arena Lounge is distributed over a series of revolving platforms allowing guests to see the multitude of entertainment. The three restaurants range from the Pragma offering gourmet meals, Spot LX with international cuisine and the Atrio with buffet style dishes. Casino Lisboa has created 500 new direct positions and will hopefully tap into Lisbon's increasing number of tourists and is hoping to attract a new and diverse public. Mário Assis Ferreira said: "The difference with Lisbon in relation to Estoril, is this new concept. Casino Estoril is mainly focused on a notion of glamour, marble and symphonies of colour, captivating a public in their 40s that are drawn by our international galas and our original shows as well as our fine cuisine.

"Casino Lisboa will focus mainly on a public around 25 to 40 years old, who appreciate a more minimalist space, a more demure and avant-garde design and

"I think we can congratulate ourselves on finding solutions that have never before been used in a casino. And this project is an example likely to be followed on an international level by other casinos."

**Mario Assis Ferreira
President Estoril Sol.**

"There is a lot of opportunity in Portugal for Aristocrat with current operators looking to add something new to their floor such as a themed Hyperlink. There is also whole selection of other Aristocrat innovations being put forward for approval in 2006 including the DSAP product Zorro."

**Lashmir Kerr,
Aristocrat
Technologies**

who will frequent the Casino not only to gamble but for what it has to offer on a socio-cultural level."

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Meanwhile, Grupo Amorim is another Portuguese casino operator, which runs the Figueira da Foz casino and also has a 32 per cent share in Estoril Sol operating company and is now looking at opening a new casino within the next two years.

Figueira, situated on the coast between Lisbon and Porto, has been investing heavily in its entertainment programme and has revamped its halls and brought in new acts and programmes.

Last year's redevelopment programme cost around 10m euros and features a new entrance, four meeting rooms and an auditorium for 300 people.

Figueira recorded its biggest rise in takings in 2004 with an increase of seven per cent and hopes the new improvements will boost visitor figures from 850,000 in 2004 to 1.3m by 2007.

The final operator is Soc. Invest Turisticos Ilha Madeira (ITI), which manages commercial establishments such as hotels, amusement parks, sport facilities and the Casino da Madeira. The main group companies are Hotelis do Atlantico and Carlton Palacio Soc de Construcao e Exploracao Hoteleiras.



>> PRODUCTS AND TECHNOLOGY

So what products are ideal for the Portuguese market?

Trade Game is the main distributor in Portugal and after 18 years in the business now supplies both slots and table gaming for various companies including Williams, Bally, Novomatic, Unidesa, Abbiati, ShuffleMaster, PGIC (Mikohn), TCS, WMS, Atronic and Signs4U. The company supplies all the Portuguese casinos and has an average sales quota of 50 per cent in the slots market and 80 per cent in the live games segment. Around 400 slots and 80 per cent of the peripheral equipment has been provided by Trade Game for the new Lisbon casino including slots from Unidesa, Bally, WMS, Novomatic, peripheral equipment from ShuffleMaster, signage from Signs4U, displays and live game systems from Progressive Gaming International and money handling from Glory, Scancoin and Trade Game's own integrated money counting system Easy Count II.

Trade Games' Marcos Pinto said: "I would say the Portuguese casino market is for sure one of the most sophisticated, innovative and professional in Europe. It is also a tough market for the supplier as it is very important to provide the best service in order to be considered by this market as an eventual supplier."

Austrian Gaming Industries has been delivering slot machines and multi-player systems to all Portugal's casinos and is

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**Marcos Pinto,
Trade Games.**

now strengthening its position with a large number of installations in the new casino in Lisbon.

AGI has installed the Novo Multi-Roulette and Novo Flying Roulette into Lisbon with a total of 26 individual touchscreen terminals, 45 Gaminator products and nine Grand Roulette machines.

The Gaminator machines come with the latest games such as Oliver's Bar, First Class Traveller, Diamond Trio, Banana Splash and Gryphon's Gold.

Novo Flying Roulette is a virtual replication of a real live roulette game and features the same betting options as a live game and is played on individual touchscreen terminals.

Novo Multi Roulette consists of electronic player stations, but is linked to a fully automated roulette wheel whilst the live wheel action is captured on a large screen displays

AGI's Max Lindenberg said: "Portugal's casino market is a very modern one containing some of Europe's largest casinos such as Casino Estoril. A large number of machines in Portugal are already equipped with Ticket In-Ticket Out (TITO) and casino operators are further enhancing TITO installations, which makes Portugal one of the most important markets for this technology. "AGI is very pleased with the large order from the new Lisbon casino and is convinced that its multi-player systems and newest game releases will care for crowded nights. All the games and

systems can be played in Portuguese language for increased player convenience."

R. Franco supplies machines to the Estoril Sol group (Estoril and Povoá casinos) and is now involved in the new Lisbon casino. Meanwhile, Aristocrat has only just re-entered the Portuguese market with distributor Beltrao Coelho and the new partnership will see a push into the market. The company is currently supplying its Hyperlink product, which is a generic umbrella name for a heavily themed range of jackpot games.

A key feature of these games is the highly interactive four level jackpot which can be won at random from any machine on the link. The Hyperlink theme available in Portugal is Golden Goals, which is a football themed game and is supported on four top performing Aristocrat base games. Aristocrat also supplies a selection of stand alone Xcite games into Portugal including 50 Lions, Choy Sun Doa, Geisha, Pompeii and Where's the Gold. All are available with TITO functionality. At the moment the company has stand-alone machines installed in Estoril, Povoá and Espinho casinos, whilst the Estoril casino has installed a Golden Goals Hyperlink. The company is also approaching the new Lisbon casino. Aristocrat's Lashmir Kerr said: "Portuguese operators now have the opportunity to purchase the high performing Aristocrat MKVI games that will add to their floor

>> performance.

"There is a lot of opportunity in Portugal for Aristocrat with current operators looking to add something new to their floor such as a themed Hyperlink. There is also whole selection of other Aristocrat innovations being put forward for approval in 2006 including the DSAP product Zorro."

At the moment Atronic sells its machines e-motion and interconnected CASH FEVER to the Solverde Group (Espinho and Algarve) and to the Estoril Sol group (Lisbon and Estoril).

All of Atronic's products are compatible with the TITO system and are already operating in Estoril and Algarve casinos. Atronic's sales agent for Spain and Portugal, Javier Sevillano said: "The Portuguese casino market is one of the largest and most competitive in Europe and is growing year by year. This year the Casino Lisbon opened, and is probably one of the biggest in Europe, and soon after will follow Chavez, Troja and Azores." Portugal is of course heavily involved in Ticket In-Ticket Out systems (TITO) with the government backing this system with investment. TITO was only recently introduced into the market and at the moment four casinos (Estoril, Espinho, Praia and MonteGordo) are using the EZ Pay system from IGT. The government pays 50 per cent of the investment for TITO in four of the nine casinos (Estoril, Espinho, MonteGordo and Lisboa) as these are the venues where the government takes 50 per cent of the gross revenue from the gaming exploitation. The others pay a lower tax of around 30 per cent. Trade Game's Marcos Pinto said: "The introduction of TITO in these casinos has been successful in the way it helps the casino to downsize staff in some cases and has enabled casinos to channel resources from the gaming floors to other departments that needed to be enlarged. We believe in three years time all casinos in Portugal will have this tool." EZ Pay started in the year 2000 and IGT has installed this system in around 300 casinos worldwide. EZ Pay was first introduced in Portugal's Algarve region in July 2005 and seven of the nine casinos have already bought the system and there are four casinos already live. The new Lisbon Casino has installed EZ Pay alongside Vilamoura Casino and Povoia Casino Portugal. Meanwhile IGT also sells video, multiplayer videos, multi-level progressives, poker, reels and Reel Touch products into all the casinos in Portugal and 50 per cent of the machines in the new Lisbon casino are from IGT. IGT Europe's Ali Civile stated: "We started selling into Portugal in the mid 1990s and the market has grown with good support from the operators to 50 and 60 per cent of their purchases in several casinos."

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THE NUMBER AND TYPE OF TABLE GAMING PER CASINO AT THE END OF 2004

	Espinho	Estoril	Figueira	Madeira	Monte Gordo	Povoa	Rocha	Vilamoura
French Roulette	-	-	-	6	-	-	-	-
American Roulette	10	12	6	-	4	6	4	8
French Bank	4	4	3	-	2	4	2	3
Blackjack /21	3	8	2	3	2	3	-	4
Baccarat Punto Banco	2	3	-	-	-	2	-	-
Chemin de Fer	-	-	-	-	-	-	-	-
Poker (without discarding)	3	2	-	-	2	2	2	1
Synthetic Poker	1	-	-	-	-	-	-	-
TOTAL	23	29	11	9	10	17	8	16

>> RULES AND REGULATIONS

The Portuguese Gaming Board (IGJ) was created in November 1982 and replaced the Gaming Board Advice (CIJ) that had covered the law on gambling since 1948. The IGJ is a public service integrated into the Ministry of Commerce and Tourism and covers casinos, hotels, camping grounds and golf and supervises and controls the law whilst also looking at tourist development within these game zones. The current gaming regulation was introduced in 2002 (Decree Law 310/02) which includes the following regulations:

GAMES OF CHANCE

These can only be operated in casinos or areas stated by decree-law.

The operation of the following kinds of games of chance are allowed in casinos: Banked games in single or double banks: Punto Banco baccarat, French banker, boule, cussec, banked écarté, French roulette and zero American roulette.

Banked games in single banks: blackjack/21, chukluck and trente et quarante.

Banked games in double banks: limited bank baccarat and craps

Banked game: keno

Non-banked games: chemin de fer baccarat, open bank baccarat, écarté and bingo;

Games in slot machines paying prizes directly in chips or coins;

Games in machines that, although not paying prizes directly in chips or coins, develop themes characteristic of games of chance or show, as a result, scores that depend solely or mainly on luck.

NON BANKED GAMES AND GAMING MACHINES

The IGJ and Direccao-Geral de Turismo may authorise the operation of non-banked games and gaming machines outside of casinos. This can include places of tourism such as hotels.

CASINOS

These are establishments of private domain of the State or revertible to it and practise and operate games of chance under a concession system.

GAMING ROOMS

The IGJ may authorise:

Σ The existence of rooms reserved for certain games and players

Σ The setting up of mixed rooms for traditional games and machines with regards to types of games and ratio of games and tables to be installed.

Σ In other areas of the casino where admission is reserved for over 18s, games of chance and Keno may be operated.

Σ Wherever possible there should be areas in the gaming rooms reserved for non-smokers.

MAXIMUM AND MINIMUM BETS (CASINOS)

The concessionaires set the maximum and minimum values of bets.

Notwithstanding the provisions of the previous number, the maximum value of bets in banked games are established according to the initial working capital, although such value may not exceed, with regard to each of the possible bets, per each player, an amount from which results that the prize value plus the bet value, exceed 5.5% of the initial working capital of the respective bank.

In the mixed gaming rooms, the minimum and maximum values of bets, regarding each game played in those rooms, cannot exceed half of the lowest values established for the same type of game when played in the rooms of traditional games.

In the blackjack/21 game the doubling of the bet amount allowed, when the values of the first two cards reach a total of 9, 10 or 11, is not limited by the provisions of the final part of No. 1.

The IGJ may authorise the operation of banked games the rules of which contemplate, in replacement of the maximum of individual bets and bets by chance provided for in No. 1, the fixing of the maximum amount of prizes to be borne by the bank's capital in each throw. The concessionaires should advise the Inspeccao-Geral de Jogos, with eight days' notice, of the values they will establish.

OTHER GAMES

This includes other games of chance where prizes are given with economic value. This could include raffles, tombolas, lottery, advertisement contests, quiz shows and entertainment.

Whenever any kind of games similar to games of chance or other forms of games achieve such a public notoriousness that they may endanger morality, or the honesty of their respective results is questionable, the Government member who is responsible for home affairs shall take the necessary steps to protect the offended interests by repressing or restraining the operation and practice of such games. The operation of kinds of games similar to the games of chance mentioned in the previous article depends on the authorisation of the member of the Government responsible for home affairs, who will establish for each case the conditions deemed to be suitable, as well as the respective supervising regime. Whenever tickets are to be issued, authorisation shall always be conditioned to the application of the corresponding net profit for charity purposes or other purposes of public interest, as well as to the prohibition of the respective operations to be carried out in places where lottery tickets are sold or mutual bet bulletins of Misericórdia de Lisboa are accepted.



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**Max Lindenberg,
Austrian Gaming
Industries.**

PROHIBITIONS

The operation of any kind of games similar to the games of chance, or other forms of games by commercial entities, shall not be allowed, with the exception of quiz shows, entertainment contests or other ones organised by newspapers, magazines, radio or television broadcasting stations operators and the advertisement contests for promotion of goods and services.

The contests excepted in the previous number should not cause any expenses for the player other than the normal cost of postal and telecommunication public services, without any value added, or the regular price of the newspaper or magazine with confirmed periodic publicity for more than one year, the expansion of which is intended to be promoted, or the purchasing price of the commodities or services intended to be publicized.

The kinds of games similar to the games of chance and other kinds of games cannot develop any themes that are characteristic of games of chance, namely poker, fruit, bells, roulette, dice, bingo, lottery by number or instantaneous lottery, football pools and lotto, nor replace with money or chips the prizes granted.

GAMES OF SKILL AND VENDING MACHINES

The operation is not allowed of any machine the results of which depend exclusively or mainly on the player's skill and which grant prizes in money, chips or things with economic value, even if this value is small, with exception of the free prolongation of the use of the machine due to the score obtained. The amusement machines are ruled by specific legislation.

The vending machines intended to sell products, on which the amount spent must correspond to the commercial value of those products, cannot by any means and with or without an increase in price, grant prizes in money, chips or things with an economic value.