

# Bulgaria: building bridges

Bulgaria continues to grow in stature within the games and gaming industry with hi-tech operations and suppliers

Bulgaria was once the crossroads of civilization and served as a bridge between the Eastern and Western Roman Empires. Today it links the Islamic and Christian worlds and remains a strategic focal point.

The mountainous country is carved out in the north by the Danube with the Balkan mountain stretching across the centre and into the south and west which divides the country into zones influenced by continental and Mediterranean weather patterns.

With Serbia and Macedonia neighbouring it in the West and Greece and Turkey in the South, Romania in the north and the Black Sea in the East, the country is well positioned and a growing haven for tourists.

However, like other post communist regimes in Eastern Europe, Bulgaria has found the transition to capitalism more difficult than expected.

The political scene has not really had a chance to stabilise since it was under communism and between 1989 and 1997 there were eight governments in Bulgaria.

When the anti-communist Union of Democratic Forces took office in 1997, there was finally a period of political stability and the party carried through the privatisation of land and industry through the issue of shares in government enterprises. But these were accompanied by massive unemployment and the backward state of Bulgaria's industry and infrastructure was revealed.

The party only stayed in power for five years and in 2001 the former king, Simeon Saxe-Cobury returned to Bulgaria after being exiled as a boy and the National Movement for Simeon II (NMSII) came to power making him Prime Minister of the country.

However, support for this party began to erode and elections in 2005 saw a new coalition formed between NMSII, the Bulgarian Socialist Party and the ethnic Movements for Rights and Freedoms. Today Georgi Parvanov is President and a member of the Bulgarian Socialist Party whilst Sergei Stanishev is Prime Minister after the BSP became the largest

party at the 2005 elections. Since this time Bulgaria has also recently joined the EU. Although the country was not among those first invited to join in 2004, it signed an EU accession treaty in 2005. This is now expected to see an influx of over €11bn from the EU between 2007 and 2013 for improvement and infrastructure. Bulgaria's economic growth has been averaging around five per cent since 1997 and inflation has been relatively low, although consumer prices did surge at the beginning of last year due to the implementation of excise duty on cigarettes and other one-off items. Meanwhile Bulgaria's current population

of around 7.5 million is apparently shrinking by around one per cent per year. Almost one million people have left the country since 1990 as economic immigrants. The exodus from Bulgaria is set to increase now Bulgaria is part of the EU and today young Bulgarians are choosing to leave the country to work abroad, or if they stay in Bulgaria, are moving to the cities and away from the countryside that once housed large communities. In addition, the birth rate in Bulgaria is also dropping. To keep the population stable, a birth rate of 2.2 is needed. At present it is around 1.3. Many families can only afford to have one child, if any.

On the up side, however, there's now a flood of foreigners not only visiting Bulgaria, but also moving there. The country has started to not only attract tourists but has also become a 'place in the sun' for expat residents eager to find a new home. The numbers of foreigners buying houses in Bulgaria is increasing and it has become the third most popular country for investments in real estate after Spain and France. Bulgaria's tourism figures are also continually rising and have seen a steady increase over the years from a total visitor figure of 5,562,917 in 2002 (of which 2,992,590 were tourists) to

7,282,455 in 2005 (of which just over four million were tourists). Between January and September 2006 some 6,211,105 visitors from abroad came to Bulgaria of which more than half, 3,668,312, were tourists. The biggest majority of these came from Serbia and Montenegro, Germany, UK and Macedonia. The World Tourism Organisation predicts that by 2020 Bulgaria will attract 10.6 million tourists per year and it is thought that within the next 10 years the Black Sea region of Varna will be ranked among the top 10 tourist destinations in the world.

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Gergana Kutseva, Euro Games Technology.

#### GROWTH OF GAMING

Gaming of course has played a part in this growth and tourism and gambling have evolved together. The idea to promote the country's gambling sector for tourists was encouraged when experts compared Bulgaria to Slovenia, which saw some \$500m spent by Italians alone on gambling. The idea was that Bulgaria could attract neighbouring Greek and Turkish gamblers. Of course, Bulgaria first had to get its act together. Casinos had existed in Bulgaria since 1979 when the first one opened at the hotel Vitoshka-New Otani, a Japanese hotel chain. This was the first casino in the ex-socialist countries and was

#### THE BULGARS

The Bulgars, a Central Asian Turkic tribe, merged with the local Slavic inhabitants in the late 7th century to form the first Bulgarian state. Bulgaria then struggled with the Byzantine Empire to assert its place in the Balkans but by end of the 14th century the country was overrun by the Ottoman Turks. Northern Bulgaria obtained autonomy in 1878 and all of Bulgaria became independent of the Ottoman Empire in 1908. Having fought on the losing side during both World Wars, Bulgaria fell within the Soviet sphere of influence and became a People's Republic in 1946. Communist domination ended in 1990 when the first multiparty elections were held and the country began to move towards political democracy. The country joined NATO in 2004 and the EU in 2007.

Lebanese owned and managed by a UK group for the first six years. At this time the casinos were only permitted for foreigners visiting or living in the country or organised junkets from Israel and Greece. This continued until after 1989 when the Communist government resigned and there was no real gaming except in a few hotels that catered for the foreign market. There was also no real gaming law at this time. As with most unregulated markets, over the next two to three years Bulgaria saw a rather chaotic growth period with low quality AWP's and slots filtering into the market, which encouraged certain operators and government officials to take a serious look at the situation. In 1993, gaming was officially regulated through a government decree. The industry is now governed by the State Commission of Gambling Supervision (SCGS) which was established by the Ministry of Finance to supervise the areas of casinos, bingo halls, gambling equipment and government lottery games. The commission is made up of a Chairman and four members who are appointed by the Ministry of Finance, whilst the administration of the SCGS has 50 staff. It's aim is to reduce illegal gambling whilst also looking at ways of developing the gambling business, particularly to improve the industry for tourists. At the time the new law was introduced it was a little obscure and gaming grew fairly substantially, mainly due to the different interpretations of the law. Limited payout machines began to flood into the market, particularly within the country's arcades, gaming halls and coffee shops. In 1998 the law was published and further requirements for the operation of casinos and gaming halls were defined, whilst a licensing system was introduced alongside new taxes and the enforcement of policies and procedures. Only licensed premises were now permitted to operate gaming equipment and this came with a set of rules regarding location and ownership. For example, there was a limitation on foreign companies owning a casino and upfront licensing fees were required. Casinos had to be at least 300 metres from schools and no one under 18 or in a military uniform was permitted to enter. The limited payout for gaming machines was eliminated, laboratory testing introduced, jackpot systems were permitted while at the same time media advertising was forbidden. A year later, in 1999, the law was amended and licences for gaming equipment manufacturers, service centres and distributors were also introduced. This law basically separated the gaming and amusement companies in Bulgaria. Today illegal gaming still exists. In 2005



some 75 unlicensed premises were inspected with 533 gambling machines confiscated. Last year 68 premises were inspected with 413 machine confiscated. The SCGS has approved some 455 types of slot machines, 13 types of jackpot machines, 28 gaming tables and four types of bingo games to be imported and operated in Bulgaria. The Bulgarian gaming law includes the following regulations:

- Gambling can only be operated by Bulgarian Trading Companies, sole traders, legal bodies with non-economic purposes and the State.
- Foreign companies can operate in Bulgaria if either the casino is situated in a hotel. The hotel must be four star or more and be built or purchased by the company, or the company has invested in any other operating activity in Bulgaria for one year with an investment of not less than US\$100,000.
- The State has the right to organise only the lottery, Toto or Lotto games related to sports competitions.
- All operations such as gambling halls, bingo, keno and casinos must be at least 300 metres away from a military camp or secondary school. This does not concern hotels with category three starts or above.
- Bingo and Keno can be operated in gambling halls and must be equipped with at least 200 places and located in areas with more than 50,000 inhabitants excluding tourist and hotel complexes.
- Slot machines can only be operated in gambling halls, casinos and betting shops. Slot machines must have a payout of not less than 80 per cent and be equipped with a device for control
- Gambling halls must either include a maximum 20 slots in a residential area of 50,000 or more or a maximum of 10 slots in other residential areas and tourist. Gambling halls must have 2sq.m per slot machine.
- Operators of casinos must be Limited Liability or Joint Stock Company with a capital of not less than BGN500,000
- Casinos must have a minimum of five gaming tables and two of them at least should be roulette. The minimum number of slots is 10.
- Fines for illegal operation of slot machines include BGN10,000 to BGN20,000 whilst unlicensed distributors or manufactures can receive fines of between BGN10,000 to BGN30,000

In 2006, the new Corporate Income Tax Act was introduced which saw a 10 per cent tax rate for all gambling activities introduced by the National Assembly budget and Finance Committee. Initially the idea was to introduce an eight per cent tax, but the cabinet



proposed the higher rate covering Lotto, Toto and betting games. In 2005 the government collected some BGN25m in income tax from gambling activities. The new 10 per cent tax rate will now result in an additional budget revenue of BGN5.5m – two million of which would come from the Bulgarian sport Totalizator. The tax rate for organised lotteries, bingo and keno games is 12 per cent and the same rate applies to organised games of chance via telephone or Internet links. Meanwhile, following Bulgaria's membership of the EU, an entirely new VAT act has been applied. The VAT rate will remain at 20 per cent and will apply to all realised goods and services. The mandatory threshold for VAT registration remains at BGN50,000. Although VAT will be charged on all goods and services that are bought and sold within the EU, a number of countries have accepted a reduced tax for more sensitive groups of commodities.

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**Ozcan Erulgen,**  
**Viva Gaming.**

#### CASINOS AND ARCADES

In Bulgaria, the word casino can cover anything from a large live game casino to a small slot hall with a handful of video slot machines. Although in reality the actual number of casinos (if we are talking about live game casinos only) is now standing at about 14. There are five casinos in the capital Sofia with around 261 gaming machines and 40 tables in total; there are five casinos in the region of Varna and four in Burgas, along the Black Sea coastal area. The Golden Sands Resort, famous for its 3.5 km long golden sandy beaches, stretches along the Bulgarian Black Sea and the resort is 18 kilometres north of the city of Varna. This area houses a number of hotels including the deluxe five star hotels, Hotel Admiral, Hotel Kempinski, Hotel Marina and Hotel Riviera Beach and numerous three and four star hotels also along the coast. In addition, there are also several seasonal casinos and

#### BULGARIA: VITAL STATISTICS

**Country:** Bulgaria  
**Land Area:** 110,550 sq.km  
**Capital:** Sofia  
**Population:** 7,385,367 (July 2006)  
**Median age:** 40.8 years  
**Male:** 38.7 years  
**Female:** 42.9 years  
**Ethnic groups:** Bulgarian (83.9%); Turk (9.4%); Roma (4.7%); other (2%)  
**Religions:** Bulgarian Orthodox (82.6%); Muslim (12.2%); other Christian (1.2%); other (4%)  
**Languages:** Bulgarian (84.5%), Turkish, Roma and other  
**Government types:** Parliamentary Democracy  
**Chief of State:** President Georgi Purvanov (since January 2002)  
**Head of Government:** Prime Minister Sergei Stanishev (since August 2005)  
**Cabinet:** Council of Ministers nominated by the prime minister and elected by National Assembly.  
**Elections:** President and vice president elected on same ticket by popular vote for five year term. Next election is due 2011.  
**Chairman of the Council of Ministers** is nominated by President and elected by National Assembly. Deputy Prime Ministers nominated by Prime Minister and elected by National Assembly.



some smaller casinos operating inside hotels with either some slots or a handful of tables. Casinos are usually categorised as either local casinos or tourist casinos, which cater for visitors and for the organised junket groups that are mainly coming from Turkey and Israel. At the moment the market is supplied in the main by domestic companies who can offer products at a much cheaper rate. The majority of gaming tables installed across the country are supplied by Turkish company Liberty, whilst domestic suppliers, Casino Technology, Gaming Technology and EGT are the main suppliers of slots and electronic roulette systems in Bulgaria. TCSJohnHuxley, who supplied the Astera Casino with a turnkey solution, has found the domestic market tough to compete with, although thinks now the country is a member of the EU, things may begin to change. TCSJH's Business Development Manager, Francois Bourlier said: "The slot market is very dynamic. Bulgaria is a grown up market but it has not matured yet. The casinos do not use marketing, so they are chasing clients, although tournaments, word of mouth and junkets keep the customers coming."

"With the EU entry, and as higher wages are introduced and unions are set up, there may be more demand for products such as the Chipper Champ. We have already installed two at the Astera Casino, but due to the low wages of the dealers, primarily they use the Chipper Champs for training purposes." The main attraction in the casinos are the table games and due to high taxation on gaming tables (upfront payment per table plus corporate tax on income) the tables per casino are optimised. Popular games include roulette, blackjack and poker. The Bulgarian gaming market is growing steadily at a reported rate of around five to six per cent last year. Now the country is a member of the EU it is also thought changes in legislation will be introduced. Gergana Kutseva of domestic slot manufacturer, Euro Games Technology explained: "The market is stable today and we expect new and big investors now that Bulgaria has joined the European Union, so we are in a position in which we must defend our market share. However, we do not think that dramatic changes in legislation are expected, though we do expect some changes in terms of the enlargement of the operators."

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**Francois Bourlier  
TCSJohnHuxley.**

Regarding the present law it is relatively liberal, but at the same time it is not easy to fulfil the requirements." One the possible changes is a new law, which will increase the number of machines permitted per casino. At the moment the law stipulates a maximum of 20 slots in a residential area of 50,000 or more or a maximum of 10 slots in other residential areas and tourist regions. The possible changes could see a new minimum number of 50 machines allowed per 'casino' location right across the country. This new law, if introduced in Bulgaria, could see many of the smaller slot locations closed down, which could make room for larger scale live game casinos. Apparently, those who already have a five year license will be able to see their term of operation through before they are forced to close as the new law comes into affect. However, EGT's Gergana Kutseva commented: "This bill is in parliament at the moment, but we do not think that it will pass as it is proposed at the moment because it does not stimulate competition." In addition, there are currently several new live game casinos and slot halls opening

including three new casinos due to open in the near future. One in Sofia and a further two coastal casinos. The main issue amongst many operators is still the ban on marketing and advertising of the casino locations, which many find too restrictive. Meanwhile, a total ban on smoking in public places was turned down by the government in February this year, who instead accepted a national programme for limiting smoking. A partial smoking ban has been in force in the country since 2005 and the law says that smoking in public places is only permitted on the condition that there are designated smoking and non-smoking sections. Smoking is strictly forbidden in certain locations such as schools, cinemas, libraries, Internet cafes, food shops and on public transport. Some of the main casino operators in Bulgaria include the Turkish Princess group, which has two casinos with a third one due to open this year, and Turkey's Viva with one casino and another one planned for this year. When the Turkish government decided to issue a blanket ban on the country's 70 odd casinos some of the operators decided to look at neighbouring countries to continue their business. Bulgaria was a good location. Istanbul is less than an hour's flight to Sofia, which made it a good choice to set up junket trips from Turkey. The domestic player base in Turkey stood at around 10,000, so there were plenty of players to boost numbers on the local player market as well. Viva was one such company that decided to look elsewhere. The company has since opened casinos in Turkish controlled Northern Cyprus, Kazakhstan, Bucharest and in 2004 bought the licence for the five star Sheraton Sofia Hotel in Bulgaria.

The casino underwent a US\$900,000 renovation for its tropical theme and now features 55 slots and 10 table games. Viva's Ozcan Eruglen stated: "Bulgaria is well regulated in casino operations. This regulation can be seen as 'difficult' by some operators, but for us it's good that it is well regulated and stable. "Of course, like every operator, we'd like some changes such as the ban on advertising, but nevertheless it is good that there's a department that we can talk to if we have a question. "As marketing is not legal it makes the market growth very difficult as it's hard to reach the mass market and make the casinos big fun and entertainment venues. We are very proud to be the friendliest casino in every country in which we operate, but we could have created a more entertaining location if we were able to promote it via advertising. "Bulgaria is a small country. This is both good and bad for business. It's good because it is easier to improve the financial situation and infrastructure with the help of the EU, but it's also bad for market growth. There is still big competition between the casinos as everyone is trying to win the same players. Again without advertising it will always be like this."

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Viva is now looking to expand in Bulgaria and by the end of the summer will start looking at new projects including live game casinos in Varna or Burgas or similar developing areas and slot clubs in Sofia. It is thought Bulgaria could significantly expand its casino sector over the next few years following the collapse of the Russian casino market. Junket trips from Russia are expected to hit the Black Sea resorts and with this an increase in both casino outlets and possibly also a demand for more international products. Francois Bourlier added: "The Black Sea resorts are very popular with Israeli junkets. The thing is Israeli men cannot marry a non-jewish girl, so many are flying to Bulgaria with big wedding parties and getting married. "The Bulgarian operators are very professional there, they know their business and the regulations are flexible enough to accommodate new ideas." The other 'casinos' which in reality are actually slot parlours are tenfold. The slot hall sector governs the largest sector of gaming in Bulgaria and between June 1999 and January 2007 some 875 gaming premises have obtained licenses to operate slot machines with 268 operators in total. By the end of last year there were 875 gambling houses and 10,020 slot machines in operation. Around 50 of these slot halls are located in



Sofia. Meanwhile, there are 50 bingo halls with licenses issued to 42 companies in Bulgaria.

There are several different types of gaming halls ranging from the luxury style, which are often classed as electronic casinos and typically have around 50 gaming machines, down to the smaller scale location with 10 to 20 machines and a couple of four to six player electronic roulettes.

Video poker and video reels are the staple diet for Bulgarians and reel machines are often only found in the coastal regions catering specifically for the tourists.

In September last year, Germany's Merkur Casino entered the Bulgarian market in an electronic casino operation project with Casino Technology.

The first two electronic casinos, which will come under the Palms Merkur Casino label, are now under construction and are due to open by the middle of this year. The operational agreement between Merkur and Casino Technology was signed in September 2006 and the idea is that Casino Technology will supply the slot equipment for this project.

Merkur Casino currently operates more than 50 electronic casino halls throughout Europe, excluding Germany.

Merkur's Rolf Klug said: "With this project we have laid an additional cornerstone for sound growth under the Merkur Casino Sun in one of the most recent EU accession countries. We are very proud to team up with Casino Technology as an absolutely professional and internationally experienced partner for whom high quality and competences standards are as self-evident as for us." Other operators include EGT, which works closely with the Caesars Casino chain of slot halls. There are currently more than 20 Caesars slot halls, which on average have 50 slots and two electronic roulettes at each location.

## AMUSEMENTS

Bulgaria's retail industry is also growing at a huge rate with many foreign companies also now entering the market and joining the already thriving domestic firms. Shopping culture is beginning to change and a growth in income and higher demands has led to a development of retail centres and out of town hypermarkets and megastores.

The German group, Plus, which is part of the Tengelmann group, is due to open its first location in Bulgaria at the beginning of 2008. Plus follows other groups already in the market, including discount stores Kaufland and Lithuanian chain VP Market. Other international retailers in Bulgaria are also present.

Hypermarket giant, Carrefour is due to start building a new outlet on the edge of Sofia with a planned opening for November 2008. Carrefour now has plans



to open stores in every city with over 80,000 residents.

Germany's Lidl is also watching the Bulgarian market, while Serbia's Delta M is due to enter Bulgaria as part of a \$388m expansion into the Balkans region. Apparently these international companies are drawn to Bulgaria by growth which is averaging around six per cent annually. Although purchasing power is still quite low, it is rapidly increasing with a shop culture developing.

At the moment there are two large retail centres in Sofia with plans for a further 10 projects expected in the capital and several more outside. It is predicted that every city with a population of least 100,000 to 150,000 will have a mall within the next few years.

Two new projects for commercial centres in Sofia include a project by Danaos Development, part of the Greek group Danaos, who is due to invest around €40m over the next three years developing a commercial complex in Malinova Dolina, a fast growing residential area in Sofia. The 100,000 sq.m site will house cinema, restaurants and offices.

Also, Germany's Sparkassen Immobilien and ECE Projektmanagement will invest €80m in a commercial and business centre, Serdika Center, on the Sitniakovo boulevard in Sofia. It will house 200 retail outlets on three levels and office space. And of course, this is not just for the tourists. The Bulgarians are demanding a

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Gauselmann Board Member.**

better shopping culture and although wages are still low in comparison to Western rates, things are increasing. The average wage is only BGN320 per month (US\$200) although this does not equate to household income as it does not take into account 'grey' economy and home production. In addition, 80 per cent of Bulgarians own their own home. The average household expenditure in 2005 was around BGN4,996 accordingly to the National Statistical Institute of Bulgaria of which BGN193 went on recreation, culture and education (3.9 per cent). Meanwhile, new cinema locations are also beginning to open. One such new venture is being built by cinema operator Alexandra Group, which is building a mall in Stara Zagora.

Alexandra is the operator of Arena cinemas and will invest €20m in the shopping mall, south Bulgaria. Mall Stara Zagora is due to be completed by September 2008 and is located on Sofia-Burgas road not far from city centre. It will be 30,000 sq.m and in addition to retail outlets will house restaurants, casino, bowling alley, gym, food court and six Arena cinemas with 900 seats in total. According to the National Statistical Institute of Bulgaria there were a total of 149 cinemas in 2003 with 52,865 seats and 200 screens. Admission numbers topped the 3.5 million mark. Bulgaria's bowling industry is also beginning to grow as not only are centres being opened within the new



shopping malls, but smaller six to eight lane centres are also being opened as stand-alone sites out of town. Complete Leisure's Nick Keppe said: "There is a hierarchy of bowling not just as a recreational pursuit, but also as a sporting event that is great as it creates a league structure for those down times and also a retail market.

"There are more centres now being developed on the coastal areas as the tourism market expands and residential apartments and developments are built. "Bulgaria has taken the Western model of shopping malls in a scaled down form and these malls accommodate eight, 10 or 12 lane bowling."

There are around 14 bowling centres currently in Bulgaria with plans for a further four more this year. The majority of equipment is now coming from Italy, Greece and Germany.

On the other hand, amusements are playing second fiddle. Across western Europe, bowling is closely followed in terms of revenue by the amusement arcade, which is then followed by the bar and café facilities. In Bulgaria, it appears that there is more emphasis on the quality of the food and drink provisions than amusements. The majority of the equipment is still refurbished or used and only a handful of games are available. There are only a few companies in Bulgaria who now deal with amusement only products. These include PL&CO, which was set up in 1999.

The company specialises in the sale of amusement machines ranging from

electronic darts, pinball, billiards, simulators and touchscreens. The company now supports more than 80 sites around the country and provides maintenance and spare parts and has a number of partners including Compumatic, TAB, Sam Billares, Robert Sport, Suzo, Midway, Arachnid, Stern, Sega and Williams.

The promotion of electronic darts has been a recent event and PL&CO has been making huge efforts to encourage the league situation.

In 2000, the Bulgarian Electronic Darts League was established and in 2001 the league became a member of the soft-dart world Federation and PL&CO is now officially authorised by SDWF to organise tournament events and select players for participation in the World Darts Championship.

The Bulgarian league has spring and autumn tournaments and players have been representing Bulgaria in the championship which is held annually in Spain for the last seven years.

## WHO'S DOING WHAT

Eurofootball was the first bookmaking house in Bulgaria and today remains the sole state licensed operator of Fixed Odds Betting with a 50 per cent share of the Bulgarian gaming market.

Although the company was officially registered in Sofia at the beginning of 1993, the history of the company dates back to 1990 when the bets on football matches were accepted in seven bookmaking points in large towns around

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**Nick Keppe,  
Complete Leisure.**

the capital. Eurofootball Limited was established three years later and in August 1993 the first nationwide Eurofootball draw was organised. In the same year, the company also received a license from Bulgaria's Ministry of Finance to organise bets on football matches in agent shops throughout the whole country. The group also has a license to organise bets on other sport competitions.

In February 2002, the Greek Intralot Group acquired a 49 per cent stake within the company. Intralot provides integrated gaming systems to lottery organisations worldwide, including: Romania, Serbia and Montenegro, Turkey, Italy, Spain, Poland, Russia, Hungary and Germany. Following the investment, a year later Eurofootball introduced a new centralised computer system for online betting with an investment of around €10m.

The Intralot Coronis Terminals are placed in each betting shop and connected to the Data Processing Centre via leased lines or GSM modems. The terminals consist of a touchscreen LCD monitor, PC operating under Linux OS, red filtered fast scanner, a terminal printer for printing receipts, client's display and communication device to connect to the central computer. The central computer can process bets in real time for all betting shops as well as store data from draw programmes, bets made and winnings defined. Minimum stakes for a column is fixed at BGN0.10 and the maximum stake is BGN20,000 per coupon whilst the maximum winnings is BGN1m per

coupon. Eurofootball currently provides clients with more than 11,000 betting events per week and has more than 700 points of sale, which are divided up into the 16 regions in Bulgaria. However, the bookmaker has recently launched a large scale campaign to find new agents.

Since April last year, when the campaign began, new points of sale have opened in northern Bulgaria and in the southern Black Sea coastal region. However, the company is still looking for partners in Sofia, Plovdiv, Varna, Burgas and Shumen. The main requirement for agents is that they are a registered trade company and have premises of at least 40sq.m, which does not offer any other gambling activity.

CEO Nikos Arsenopoulos told G3: "Eurofootball offers high quality services with products elaborated professionally and with responsibility, and provides its clients more than 11,000 betting events per week, the most important of which are offered live.

"We also create the opportunity for the development of small and family businesses through points of sales providing jobs for more than 2,000 Bulgarians. Eurofootball Sport newspaper is issued by our subsidiary and is the leading sport newspaper in the country and Eurofootball TV is going to be launched in the first half of this year." Meanwhile, since 2004 customers have been able to play the lottery on Wincor Nixdorf kiosks systems, which are set up at 300 Petrol AG service stations across Bulgaria. A lottery scanner, Xiscan, was built into the Certo kiosk system which made the group, Petrol, the first service station company to enter the lottery business and offer this kind of add-on service. Petrol AG is the biggest service station operator in Bulgaria with 443 gas stations and 25 per cent of the market.

In addition to the 300 Certo kiosk systems, the company also installed 200 Beetle/M POS systems complete with fiscal printer and dual screens. The POS software and applications for the kiosk systems were supplied by Bulgarian company SIS Technology Ltd, based in Varna. Meanwhile, the supply of products for the gaming market in Bulgaria has always been a fairly closed shop. There is limited opportunity for import of new machines mainly due to the high costs involved compared to either the import of used equipment or the domestic market's own production which is slowly increasing. There are now several companies producing products for the Bulgarian market including Casino Technology, EGT and Gaming Technologies. Casino Technologies was set up in 1999 in Sofia and is a private shareholders corporation. A license for manufacturing, distribution and service of



casino and gaming related equipment was granted in 2001 and today the CT group of companies employs over 800 people. There is a network of 18 offices that coordinate the international activities and the company has products in around 50 countries with new business structures recently established in Africa, Central Asia and Latin America. An increased market share has been seen in central and eastern Europe and the Balkans and the company and its partners have more than 5,000 units in multiple international casino operations. The company's product range includes full suite casino and gaming hall equipment such as video slot machines, electronic betting roulettes, jackpot systems, management casino systems and accessories.

The company has a library of more than 30 different game titles and the game design studio develops around 15 new concepts per year.

CT's range of gaming machine cabinets include the Gemini Upright, Apollo Upright, Slim Line, Slant Top and Jumbo Jupiter, while the company also develops

**"Our team consists of the best software, hardware and design specialists in Bulgaria and our management has experience on both the Bulgarian and international markets. We hold a license for manufacturing, exporting, importing and providing service for casino equipment on the territory of Bulgaria."**  
**Valia Dinova,**  
**Alpha Supplies.**

two automatic roulette systems the Casino King and Casino Prince.

CT has partners in more than 12 countries in Europe, Asia, Latin and central America including an alliance with Cammegh Ltd (UK), a manufacturer of classical and automatic casino roulette wheels, as a distributor for Cole Industries (USA), a manufacturer of casino cabinets and support centre, and the authorisation of JCM Europe for the Bulgarian region.

Also based in Sofia is Euro Game Technology, which celebrated its fifth anniversary this year and has around 40 per cent market share in Bulgaria. The company is a manufacturer of video slot games including Oil Company, Inca Gold, Gold of Roma, Crazy Bugs, Action Money, Emperor's Palace, Ocean Rush and Rise of Ra. In addition, the company manufactures two types of cabinets, two types of progressive metres and also cabinet stands, chairs and overall casino design packages. EGT is also active in other countries including Asia after signing an exclusive distribution deal with PacificNet Games for all EGTs gaming

products in Macau and Asia. The company also has offices in Romania, Hungary, Latvia, Ukraine and Brazil. Gaming Technologies is a relative newcomer to the market and was set-up in 2004 and manufactures gaming machines for slot halls and the casino sector. It made its second appearance at ICE this year. The company produces jackpot systems, cabinets and games including the more recent Siberiada, Seagold Treasures, The Three Samurai and Gold of the Empire. It also manufactures roulette systems and accessories. The fast-growing company is based in Vratza and employs the latest touchscreen technologies, bill validation and the TITO system. Other companies supplying the domestic market include Alpha Supplies, which is a limited liability company that deals with casino equipment. The company was founded in the year 2000 by the merging of three of the biggest Bulgarian manufacturers and suppliers of casino equipment. Alpha produces electronic roulettes for up to 12 players, slot machines, cabinets for slot machines,



**"Eurofootball offers high quality services with products elaborated professionally and with responsibility, and provides its clients more than 11,000 betting events per week, the most important of which are offered live."**  
**Nikos Arsenopoulos,**  
**Eurofootball.**

jackpot systems and drawing equipment and now sells to Bulgaria, Russia, Romania, Albania, Kazakhstan and Georgia. In Bulgaria, Alpha has supplied products to the main casinos such as Casino London (Radisson Hotel in Sofia), Casino Hawaii (Hemus Hotel in Sofia) and the first live casino in Bulgaria, the Casino Rila in Sofia. In addition products have been installed into 30 gaming halls and three coastal casinos. Alpha's Valia Dinova said: "Our team consists of the best software, hardware and design specialists in Bulgaria and our management has experience on both the Bulgarian and international markets. We hold a license for manufacturing, exporting, importing and providing service for casino equipment on the territory of Bulgaria.

"We also distribute products for Innovative Technology. We have a very strong relationship with them and at the moment, more than 60 per cent of all machines produced in Bulgaria are equipped with Innovative Technology's validators. We not only mount their products onto our roulettes and slots but we also sell and implement the validators to other manufacturers' machines. "We are now working on the three new casinos, one in Sofia and two others located on the seaside, which will be opened in a few months." JPL is a filial company of PL&CO which was first established back in 1991. It was founded in 1999 when the law on gambling games was introduced which stipulated the split between amusement and gambling games. The company divided in two and JPL was created and granted a license from

September 2001 to produce, import, distribute and maintain gambling machines. JPL is in business relations with more than 50 private firms in Bulgaria and also has partners from Western Europe and America. The company is the exclusive agent in Bulgaria for Slovenia's Carat roulette machines and also recycles classic slot machines developed by IGT, Bally and Universal. Another company active in Bulgaria is Fortex, which back in 1995 was the first Bulgarian manufacturer to release a computer based version of a casino game. The company spent the next five years developing the product which also progressed into various other products including central cash desk, online jackpot systems and game hall network control and management systems. At the moment, Forte Family (Chicago Boys) is the current bestseller among Fortex's products and this is a scenario game with attractive graphics and bonuses. The latest game is called Meine Deine which is a computerised version of an old and popular German card game. It features advanced graphics and sound and can be played by up to eight players. The company also operates slot halls in Bulgaria and currently has 130 slots and five electronic roulettes in the locations. There are of course many international products in the market. Atronic is present in Bulgaria and currently has E-motion and Harmony machines in the market, including Cash Fever and King Kong Cash progressives. However, the problem according to Atronic's Cameron McKeown, is that due to budgets the Bulgarian operators still prefer to rent

games rather than buy and this is dealt with, in the main, by the domestic companies who can offer lower prices and deals. TCSJohnHuxley is also involved in this market and supplied the Astera Casino in Varna with a turnkey solution supplying a range of equipment including three American Roulette tables including the MK7JH wheels plus double-sided TCS Animator displays. A Poker table and six Blackjack reversible tables were also supplied.

The Astera Casino also ordered the Regency seating range and two Chipper Champ machines. TCSJH supplied the wheelchecks, value chips, value plaques, paper plastic coated playing cards and all the accessories for the tables.

Meanwhile, WMS Gaming has only been selling into Bulgaria for the last two and a half years and currently sells its latest product line directly into the market to various casino and slot halls.

The company's video library is approved in Bulgaria and WMS says the market prefers video and more volatile games and progressives.

WMS's International Sales Manager, Mariano Mariño said: "The video library is approved in Bulgaria and they consume video basically, not mechanical reels. And every time more volatile games and of course progressives. I was surprised about the kind of operations and products I saw in Bulgaria. It is an incredibly mature market."

Unidesa Gaming and Systems was once quite active in Bulgaria and worked hard in the market between 2003 and 2005 with their distributor at the time, UBG Gaming. During this time the company installed around 120 slots and multiplayers into the market, but this stopped at the end of 2005.

The company says that operators in Bulgaria were opting to use local manufacturers rather than foreign companies due to the high machine importation tax rate and it was difficult for Unidesa to compete with a pricing structure.

#### CASINOS BY REGION

##### VARNA

#### Grand Casino International

This is based in the Golden Sands resort and is a 2,000 sq.ft casino featuring 157 slots and 15 table games. In addition there are three restaurants, two bars and hotel with 139 rooms.

#### Casino Varna and Grand Hotel Varna

Casino Varna is the largest casino on the Black Sea coast in the St Constantine Resort and has a floor area of 2,000 sq.m with houses 80 slots and 11 gaming tables including three American Roulette, three Blackjack, three Stud Poker and two Punto Banco.

The casino is coupled with the Grand



Hotel Varna which is situated just 200 metres from the beach and offers conferences, sport events and spa health. The hotel has 327 rooms.

#### Astera Casino

The casino slots and 10 tables including three American Roulette, one Poker and six Blackjack. The hotel has 203 rooms and also features three restaurants and two bars.

#### Casino Cherno More

The casino has 13 slots and two tables plus one restaurant and hotel with 216 rooms.

#### Black Sea Casino

This hotel and casino is located in Varna and offers a total of 172 rooms. The casino has one main hall, one VIP parlour and an electronic machines hall. There are three American Roulette tables and three Caribbean Poker tables in the main hall, one American Roulette, one Blackjack and one Caribbean Poker in the

VIP parlour and a total of 36 slots and one roulette machine in the electronic machines hall. The slots include Mega Jack and 10 video poker machines.

#### PLOVDIV

#### Trimontium Princess Casino

This casino is a member of the Princess hotel chain and is situated at the centre of the city of Plovdiv a few minutes walk from the old town and close to the international fair venue.

The Trimontium-Princess five star hotel is very high class and has a total of 158 rooms including four suites and 12 rooms with Jacuzzi. The casino is the second largest in Bulgaria.

#### SOFIA

#### Viva Casino Sofia

Previously known as the International Casino Club, this casino is the latest acquisition of the Viva Group who took over the casino in June 2004. Located in the Sheraton Sofia Hotel, the casino underwent extensive refurbishment to bring it into line with other Viva casinos and now features 55 slots and 10 gaming tables and is 2,831 sq.ft. Two of the tables are located in the Private Room and the slots are supplied by Novomatic, Atronic, Aristocrat and Casino Technology. The hotel has 188 rooms and there are also three restaurants and one bar.

#### Casino London

Although this casino is located next to the Radisson Hotel it is operated by Nove Holdings. The casino features 10 slots and nine table games.

Nove Holdings is a leading Bulgarian company and controls around 40 per cent of the gambling business in Bulgaria. The company has various cultural and sporting activities and is owned by Vassil Bozhkov, the same man that also owns CSKA Football Club.

#### Sofia Princess Casino

Another casino which is part of the five star hotel chain, Princess. Apparently it is the largest city hotel in the Balkans with 569 rooms and 14 executive rooms. It also houses the largest casino in the Balkans it covers an area of 1,000 sq.m and has 20 gaming tables and 230 slots. The hotel is located in the city centre and has 569 rooms.

#### Casino Rila

The Rila Casino is located in the Rila Hotel (operated by Sheraton) in the centre of Sofia and is one of the most popular casinos in the city and was the first live casino in Bulgaria. There are 10 table games and a restaurant.

#### Hemus Hotel and Casino

This casino has 100 slots and 11 table games.

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**Mariano Mariño, WMS Gaming.**