

Slovenia

Despite being one of the smallest Balkan states, Slovenia is perhaps the role model of economic success and stability for its former Yugoslavian neighbours.

Prior to independence Slovenia was the most prosperous of the six Yugoslav republics and although the wars affected the economy the country has still managed to bounce back.

Although Slovenia only has a population of around two million dotted around a land area of just 20,273sq.km., the country has an excellent infrastructure, well-educated work force and an ideal central European location.

Cocooned between Italy, Austria, Hungary and Croatia the Slovene lands were at one time part of the Austro-Hungarian Empire until Hungary's dissolution at the end of World War I. In 1918 Slovenia joined the Serbs and Croats in forming a new multinational state, which in 1929 was given the name of Yugoslavia whilst the country became a republic after World War II. However, Slovenia was dissatisfied with the Serbs majority power and gained independence in 1991 after a short 10-day war and today historical ties to Western Europe and a strong economy and stable democracy has enabled Slovenia to become a modern state.

In spring 2004, Slovenia became a member of both NATO and the EU and the country will adopt the Euro in January 2007. However Slovenia is still a country which has had to strive for the preservation of its national identity whilst being subjected to cultural, economic and political domination by other states. Since their earliest settlement in the 6th century the Slovenes have had to struggle for living space and safeguard their heritage and in the past lost nearly two-thirds of the territory they originally had.

Today, Slovenia still faces growing challenges. The war affected trade with other countries and tourism, whilst refugees were a drain on the economy. Much of the economy now remains in state hands and foreign direct investment is one of the lowest in the EU. Taxes are high, the labour market is often viewed as inflexible and legacy industries are losing sales to more competitive companies in China and India. The country has made huge efforts to turn the situation around and the government now wants to accelerate privatisation, lower taxes and increase the government's efficiency.

TOURISTS AND TOURISM

Tourism is a major source of revenue with popular resorts at Lake Bled and the mountains and with a large numbers of visitors from Italy, Germany and Austria.

After the war the number of tourists dropped significantly and it wasn't until 1995 that figures began to increase to the pre-1990 levels. In 2004 some 2,341,281 tourists were registered. This was 4.2 per cent more than in 2003 but still 17 per cent less than the pre-war boom year of 1986. In 2005 the number of tourists reached 2,389,220 with 64.9 per cent foreign visitors.

Meanwhile the foreign currency inflow from tourism in 2004 amounted to 1.3 – a 10.6 per cent increase on 2003 figures. A new programme has since been launched to help the tourism sector including new information and booking services and development plans for introducing new markets into Slovenia.

There has been an increase in the number of tourists from western countries and during the first 10 months of this year some 2.09 million tourists have visited which is four per cent



more than the same period last year. Slovenia is an alluring haven for tourists and with Venice only an hours drive away the country has developed a casino industry coupled with this in mind. With around 90 per cent of casino visitors arriving from outside of Slovenia the industry has encouraged this alliance and the majority of casinos are dotted around the edge of the country allowing easy access to their neighbours. Of course this wasn't always the case. Casino gambling began in Slovenia in the town of Portoroz a couple of years before World War One. It's main objective at the time was to foster social life in this seaside resort. The Portoroz Riviera is a 46 kilometre coastline with stretches from the border with Italy to the border with Croatia. However with a ban on gambling between the two World Wars and casinos forbidden in socialist Yugoslavia it wasn't until 1965 that casinos were legally

permitted. Basically, the need for foreign currency resulted in a plan to foster tourism and with that came the introduction of casinos within the major cities. Only a few months after the federal law was adopted the Republic of Slovenia adopted its own law on gambling in casinos and Casino Portoroz opened in 1965. The casino was the idea of the Municipal Assembly of Piran and the Tourist Institute of Portoroz and was located in the old Hotel Palace with the aim of attracting foreign visitors as legislation at the time did not permit local citizens to gamble. As interest grew in the casino it was moved in 1972 to its current premises at the Hotel Metropol. Between 1965 and 1984 only two casinos existed in Slovenia, Casino Portoroz and Casino Bled. As the initial idea was to cater for tourists the casinos were exclusively for foreign visitors and





were often reserved for elite circles and wealthy guests from abroad. The laws governing the sector were mostly modelled on French legislation and taxes were also quite low and profits from gambling was re-invested into the development of the tourist infrastructure. However things began to change in 1985 when a new company in the field of gaming entered the market called HIT (Hotels, Casino and Tourism). The company began by opening the Casino Roulette Salon in the Park Hotel in Nova Gorica in 1984. This was later followed by four other casinos between 1984 and 1993 including the Fontana in Rogaska Slatina, Korona in Kranjska Gora, Kastel in Otocec and Perla in Nova Gorica. Meanwhile HIT wasn't the only company to start opening casinos during the period. By 1993 there were 10 casinos in Slovenia and the concept was based on the American systems of games and

entertainment. The range of visitors widened considerably and the number of guests together with the casino's annual turnover increased immensely. The Slovenian casino market began to make its mark on the international map and became recognised as a serious competitor. At the same time taxes also began to increase. Between 1994 and 1999 problems began to surface. The country began to see a slump in the casino sector mainly due to Slovenia's transition from a socialist to capitalist economy, foreign competition and a lack of foreign investment. This led to stagnation in development and things began to grind to a halt. At the same time slot machines began to flood the market with little restrictions, internet gaming began to make its mark and the state lottery, Loterija Slovenia, began to increase its business. According to some analysts between 1993

and 1999 this blockage in development resulted in gambling income decline by around US\$500m.

Things had to change and in 1997 the Slovenian government adopted a strategy for the development of the industry, which saw gaming as part of an overall project to develop tourism. The strategy stated that the number of concessions granted to gaming operators should be limited to 14 complete licences (casinos) and 20 'small' licences (slot halls) with a maximum of 100 machines.

There would be three types of casinos – Casino Entertainment complex (offering all services), Casinos in Tourist Resorts (complementing other tourist services) and Casinos in Bigger Cities (for citizens and visitors).

With more than 90 per cent of casino visitors already coming from outside of Slovenia the idea was to extend the range of tourist services.

At the same time, however, taxes were also increased. In theory this was beneficial, in that it would boost government coffers and in return help develop tourism. In reality, with almost 50 per cent of casino incomes going in taxes, this left many unhappy and also with mismanagement it also left some communities without the funds they were promised. Tax burdens on the casinos saw development decrease and investment in this industry came to a standstill.

RULES AND REGULATIONS

So what's the story in Slovenia today? Well, the gaming industry is still governed by The Ministry of Tourism which is responsible for the overall development and strategy of the gaming industry whilst the Ministry of Finance performs supervisory activities via the office for Gaming Supervision.

The Gaming Act was introduced in 1995 and was later amended in October 2001 and again in October 2003. The current legislation includes the following points:

Tourism is a major source of revenue with popular resorts at Lake Bled and the mountains and with a large number of visitors from Italy, Germany and Austria.

- A maximum of 15 licences will be issued for casino operations and a maximum of 45 licences for gaming hall operations.
- Classical games of chance include lottery, quiz lotteries, bingo games, lotto games, sport forecasts, sport bets, raffles and similar games.
- The total value of winnings from these games must be at least 40 per cent. Funds from these games are used to finance humanitarian and disabled people organisations and sports activities.
- Particular games of chance include all types of casino games (boards, dice, cards, balls etc) and games played on slot machines or other gaming devices. There is no restriction on >>>



Country: Slovenia
 Capital: Ljubljana
 Population: 2,010,347 (2006)
 Median age: 40.6 years
 Male: 39 years
 Female: 42.2 years
 Ethnic groups:
 Slovene 83%, Serb 2%, Croat 1.8%,
 Bosniak 1.1%, other 12%
 Religions: Catholic, Orthodox, other
 Christian, Muslim, unaffiliated, other
 Languages: Slovenian 91%, Serbo-
 Croatian 4.5%, other 4.4%
 Government types: Parliamentary
 Republic
 Chief of State: President Janez
 Drnovsek
 Head of Government: Prime Minister
 Janez Jansa (since 2004)
 Cabinet: Council of Ministers
 nominated by the Prime Minister and
 elected by National Assembly.
 Elections: President is elected by vote
 for five year term. Next elections due
 in Autumn 2007.

- >> the number of slots allowed.
- These can only be operated by joint-stock companies, which are seated in the Republic of Slovenia on the basis of a concession.
 - To operate a casino a concessionaire must have a starting capital of at least SIT100m for one concession. For every additional concession another SIT100m capital is required.
 - Concessionaires must also pay a security bond of at least 50 per cent of the value of the initial capital although this can be submitted gradually within three years of starting business.
 - Concessionaires shall have at least two members and a supervisory body. Concessions are granted within six months of application and last for 10 years. This can be extended thereafter for a period of five years.
 - Concessionaires will pay a tax of 2.2 per cent to humanitarian and disabled people organisations, 2.2 per cent to sporting organisations and of the remaining sum 50 per cent is allocated to the Slovenia budget for development and promotion of tourism.

- Slot machines pay a sliding scale tax based on the amount earned (see table 1). Other games pay a five per cent standard rate.
- Casino operators must provide an audio and visual security system.
- Gaming Halls (slot rooms) can be operated by joint stock or limited companies only operating slot machines. They should be located in an area of tourist infrastructure. (ie: hotels, marinas or casinos).
- Gaming Hall concessionaires need a minimum capital of SIT50m for one concession. Another SIT50m is required for each additional concession.
- A security deposit of 50 per cent of the capital is required and can be formed over the first three years of business.
- Gaming halls can have a minimum of 50 machines and a maximum of 200 machines. Gaming machines shall have a return of 90 per cent to the players. For multiplayers each gaming position is considered as one gaming device.
- Gaming Hall concessionaires pay a tax of 20 per cent.

“The current Slovenian legislation allows multiplayer terminals in casinos and gaming halls and all the transactions and operations are controlled via on-line systems. The market is well regulated and we would like that the legislation follows the path undertaken in the last couple of years.”

Matjaz Petek of Alfastreet.

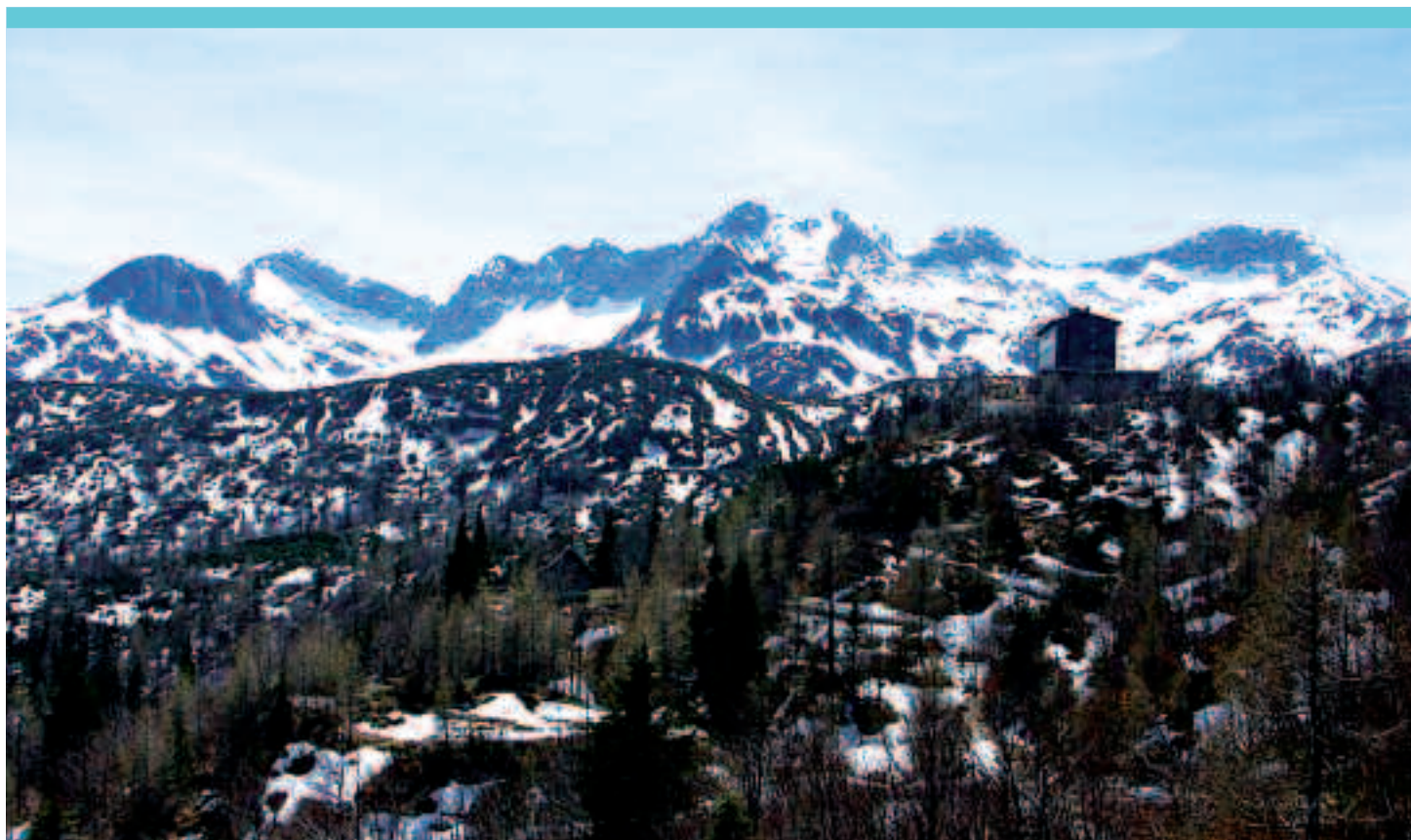
Meanwhile, all machines must all be connected to a Supervisory Information System (SIS) of Gaming Devices which monitors the sector.

The SIS is a computerised system that connects the gaming devices and monitors and records all the data about the games. The machines are connected to SIS and record the following:

1. The bets of every game
2. The number of wins of every game
3. The number of games played
4. Total number of accepted banknotes
5. Total value of accepted banknotes
6. Acceptance of every banknote
7. The door opening of the machine, cash box and bill acceptor
8. High wins and the value of the wins
9. Progressive jackpot and value of jackpot
10. Value of hand payments after the reset of the blocked gaming device
11. Periodically record the increase of the progressive jackpot

TABLE 1

Monthly earnings (SIT)	Amount (SIT)	+ monthly concession	Over
0- 25,000,000	-	5 per cent	
25,000,000 – 55,000,000	1,250,000	10 per cent	25,000,000
55,000,000 – 100,000,000	4,250,000	15 per cent	55,000,000
100,000,000 +	11,000,000	20 per cent	100,000,000



- >> 12. Every opening and closing of the cylinder on electronic roulette
- 13. Every dropped number on the electronic roulette
- 14. Bets and wins of every gaming site on electronic roulette
- 15. Number of games played and individual bets and wins on gaming devices without factory installed meters of the games played, bets and wins.
- 16. Every credit set and credit reset on gaming devices together with the value of the set or reset on key operated machines, electronic roulettes etc
- 17. Important events on gaming devices.

Slovenia is undeniably tightly controlled, but in being so does this cause any problems for the manufacturers? Matjaz Petek of Alfastreet, producer of multiplayer devices told us: "The current Slovenian legislation allows multiplayer terminals in casinos and gaming halls and all the transactions and operations are controlled via on-line systems. The market is well regulated and we would like that the legislation follows the path undertaken in the last couple of years. "One issue is that all the machines need additional certification from SIQ (Slovenian Institute of Quality and Metrology) which means that even our GLI certified machines need additional certification to be sold on the Slovenian market."

CASINOS AND SLOTS

There are 12 casinos currently in Slovenia and Nova Gorica is the region with the most casinos boasting three locations, whilst the largest casino is Hotel Perla. The casinos are all state owned and managed by companies who obtain concessions for the licences.

There are five main operators of casinos and HIT (Hotels, Casinos, Tourism) Nova Gorica is the largest group with six casinos in Slovenia and two slot halls. The company was created in 1984 when several smaller companies merged into HGP Gorica. In the same year the casino Roulette Salon opened in the Park Hotel in Nova Gorica.

In 1986, HGP Gorica changed its name to d.o (working organisation) HIT and in 1989 Casino Fontana in Rogaska Slatina was opened.

In 1990 the company name was changed to HIT d.o.o Nova Gorica and the following year a third casino was opened in Kranjska Gora following by one in Otocec called Kastel Casino in 1992.

In September 1993 the Perla Gaming and Entertainment Centre opened and in 1997 HIT opened its own sports centre in Sempeter near Nova Gorica.

HIT was transformed into a joint stock company in 1998 and a year later the HIT Hotel Casino Kranjska Gora was renovated and renamed the Korona Casino and Hotel.

In 2004, HIT opened the Aurora Gaming and Entertainment centre in Kobarid (of

New casino openings include another project for HIT, which is due to open in Sentilj, a town in North East Slovenia on the border with Austria. The entertainment complex comes with an investment of around 70m euros and looks set to employ around 300 people. The casino will house 570 gaming machines and 18 tables and also a multipurpose hall for 1,000 people, restaurants, bars and hotel with 90 rooms.

which it owns 60 per cent) and by the end of 2004 the group had renewed its corporate and visual identity.

In 2001 the group had also been expanding in other areas and formed several other companies under the HIT umbrella which include:

Hit Alpinea, which manages 1,218 beds in hotels and apartments in Kranjska Gora and Gozd-Martuljek. It was created in 2005 through a merger of HTP Gorenjka and Kompas Hoteli.

Casino Kobarid is a public limited company founded in 2003 with the aim of building and operating a gaming centre in Kobarid. The company comprises of Hit (60 per cent) and Alpkomerc (40 per cent). In 2004 the company opened the Aurora Casino and Cabaret near Kobarid, which houses 10 gaming tables and 150 slots and bingo.

Diamond Company was founded in 1992 for the purpose of trading in shops which are located near to the hotels and casinos operated by HIT. Over the year the company expanded its activity to include foreign exchange transactions, import, wholesale and financial services.

HIT Interactive was founded in 2003 and organises games of chance via the internet first under the HitCasinosOnline trademark and after June 2005 under the Hit Stardust brand. The company is based in Antilles.

Meanwhile the HIT group has also opened two overseas casinos and also formed Hit Colosseum which is a



TABLE 2 - HIT'S FIGURES DURING LAST FIVE YEARS

Category	2000	2001	2002	2003	2004
Number of employees	1,565	1,710	1,856	1,855	2,233
Visitors to the casinos per year	1,529,000	1,529,000	1,526,000	1,531,000	1,624,000
Overnight stays at hotels per year	110,000	187,000	208,000	214,000	399,000
Gross operating revenues* (SIT)	33,187m	39,693m	44,508m	47,782m	55,578m
Total taxes and contributions paid (SIT)	17,688m	21,202m	20,821m	22,876m	25,690m

* (before gaming tax and inclusive of casino entrance fees)

>> Sarajevo registered company and was set up in 2002 to manage HIT's business in Bosnia and Herzegovina, primarily the company's casino operation there - Casino Colosseum Club. Hit Montenegro was also set up in 2004 to manage the company's Casino Maestral operations in Montenegro. Recently HIT has been undergoing a large renovation programme and this year plans to invest €120m in the refurbishment of its existing casinos. The Park Casino in Nova Gorica has undergone a refurbishment programme and HIT is also building a new hotel near to the Perla Casino. In 2004 HIT saw gross operating revenues of SIT46.7bn (up 14 per cent on the previous year) with a net profit of SIT52.bn and gross gaming revenues of SIT43.3bn. The group's casinos had 1.6 million visitors and 399,000 overnight stays. HIT's net gaming revenues accounted for 78 per cent of the group's gross operating revenues with hotels (12 per cent) and other tourist activities (10 per cent) making up the rest. Gross gaming revenues in 2004 came to

€181.3m (SIT43.3bn)
The second largest operating group is Casino Portoroz which has three casinos and a slot hall. The first casino was opened in the Palace Hotel in Portoroz and this was later moved to the Hotel Metropol followed by Casino Lipica which opened in 1989 and Casino Lido in 2001. In 1983, in accordance with the Slovenian tourism and casino development policy Casino Portoroz set up a gaming hall together with the hotelier Hotel Park from which the company HIT was developed. Six years later in December 1989 Portoroz opened an independent casino in Lipica. The casino has since seen several refurbishment programmes due to its success and was modernised in 1991 and in 1993. In 1990 Casino Portoroz and Kompas Magistrat opened a casino in Slovenia's capital Ljubljana and 1992 the company separated its gaming activities and established the company Casino Portoroz d.o.o. The mid 1990s saw the casino industry grind to a halt in Slovenia due to legal regulations and gaming activities were

"I think 15 gaming licences are enough for the market. Slovenia is a small country and if you look at the territory and how licences are distributed basically all the big cities have their own casinos and also on the border. They have many customers from Italy and Austria and so they are strategically placed. I don't think the country has space for much more."

Ljubo Benko of Gaming Developer.

restricted for several years. In 1998 following an ownership reorganisation the joint stock company Casino Portoroz d.d was established.

And in 2001 the company began to expand and opened the Grand Casino Lido in the thermal spa town of Catez Spa near the Croatian border followed by the opening a slot hall in Zusterina in 2003. The company employs 383 people and in 2004 its casinos and gaming halls registered 507,608 admissions and €37m gross income. Financial reports for 2005 show a profit of around 417,000 euros on revenues of 41.7m euros, the company's first profit in four years.

The remaining casinos are operated by independent companies such as Casino Maribor, Casino Ljubljana and Casino Bled. Bled was the second casino to open in Slovenia and is located on the banks of the lake near the Austrian border. Casino Maribor had two licences until six months ago when one casino closed down. However the casino retains its licence for a further opening in the future. It is also rumoured that Casino Ljubljana could close in the near future due to financial problems.

The biggest growth area in Slovenia for casinos is of course the coastal regions such as Portoroz, Izola, Piran and Soca and South West region (Primorska) next to the Italian border.

Meanwhile new casino openings include another project for HIT, which is due to open in Sentilj, a town in North East Slovenia on the border with Austria. The entertainment complex comes with an investment of around 70m euros and looks set to employ around 300 people. The casino will house 570 gaming machines and 18 tables and also a multipurpose hall for 1,000 people, restaurants, bars and hotel with 90 rooms. Construction began this year and the complex is due to be completed by the end of 2007 or 2008. HIT expects more than half a million visitors per year. The project is a result of talks over the last five years between HIT and the municipality of Sentilj which suffers from high unemployment.

There are also talks that Harrah's Entertainment will jointly develop a hotel-casino in Slovenia with HIT. However despite the announcement last year this project still remains uncertain.

The problem is the venture is between HIT, Harrahs and the government. Harrahs however is contending two issues within the gaming law before it will commit which are the high taxes and also the ownership structure which will only allow Harrahs a 20 per cent share under the current legislation.

Some non-governmental groups are also against the project saying due its huge scale it would have a



TABLE 3 - SLOVENIA'S CASINOS

Casino	Management company	Established
Casino Portoroz	Casino Portoroz d.d	1964
Casino Bled	Casino Bled	1965
Casino Park, Nova Gorica	HIT Nova Gorica	1984
Casino Fontana, Rogaska Slatina	HIT Nova Gorica	1989
Casino Maribor	Casino Maribor (2 licences)	1989
Casino Lipica	Casino Portoroz d.d	1989
Casino Ljubljana	Casino Ljubljana	1991
Casino Korona, Kranjska Gora	HIT Nova Gorica	1991
Casino Kastel, Otocec	HIT Nova Gorica	1992
Casino Perla, Nova Gorica	HIT Nova Gorica	1993
Grand Casino Lido, Gatez Spa	Casino Portoroz d.d	2001
Casino Aurora, Kobarid	HIT Nova Gorica (60% ownership)	2004

>> detrimental affect on the community.

The planned casino is for Nova Gorica on the Italian border and is expected to cost in the region of \$800m to \$1bn. It would include an 800-1,200-room hotel and 50,000 sq.ft casino, conference centre, spa, restaurants, retail and entertainment venues.

Ljubo Benko of Gaming Developer (distributor for Progressive Gaming) said: "I think 15 gaming licences are enough for the market. Slovenia is a small country and if you look at the territory and how licences are distributed basically all the big cities have their own casinos and also on the border.

"They have many customers from Italy and Austria and so they are strategically placed. I don't think the country has space for much more."

AMUSEMENTS AND GAMES

Amusements in Slovenia are operated on a relatively small scale and predominantly along the coastal regions where simulators, redemption and video games are available.

There are many small companies which operate machines rather than large operating firms with many operating in other Balkan countries also.

Lambo Elektronika is one amusement distributor, which also operates several locations. The company distributes pool tables, football tables, air hockey, crane machines, kiddie rides, vending machines and dart machines.

Lambo's Marija Lampe said: "The situation for amusements in Slovenia is not very good, particularly for sales. In the past we sold a lot of pool tables,

football tables and darts but I think that the market is now full for these products and sales are going down. Other types of games are often too expensive for our market.

"We have some clients that are strong enough to buy more expensive products but they often go direct to the supplier as many of our suppliers don't given the exclusivity or they do give it but then often don't pay any regard to it. Also another problem is pool or amusement games cost less than 1 euro a go."

Up until recently bowling was only developed on a small scale with small lane centres based on the Kegel style mainly located along the coastal regions. However in the last year or so two large centres have started to open, the latest of which is the Gladiator Bowling Centre situated in Ljubljana.

Gladiator Bowling Centre is a brand new 28-lane facility, which opened in April 2005. The centre is part of a leisure complex owned and operated by Kolosej Kinematografi Ltd.

This is the second bowling centre to be opened by Kolosej which is the biggest exhibitor of movies in Slovenia and is a subsidiary of Ljubljanski Kinematografi which has 70 per cent share of Kolosej. The remaining percentage is owned by KD Holding, as asset management financial group.

The first Kolosej multiplex was opened in May 2001 in the BTC shopping area in Ljubljana. This includes 12 cinema screens and a total of 3,312 seats. In 2003 a smaller Kolosej opened in the seaside town of Koper with three halls and 235 seats followed by another in Celje a year later. Meanwhile Kolosej Maribor opened with 10 halls in 2004 and in April a theatre was acquired in Kranj.

The Gladiator bowling development has been supplied by AMF which also hosted the 41st AMF Bowling World Cup championship at the location with 95 countries attending.

There are 28 lanes equipped with High Performance Synthetic Lanes and also with Xtreme glow lighting and Glowtrack lanes. There are also 31 billiard tables including 29 Playmaster billiard tables. Borut Knavs, Manager of the Bowling and Billiard Centre said: "We are very proud of the Gladiator centre. It opened in May 2005 and builds on our experience in our Maribor centre in the north-east of the country. Bowling is a growing sport in Slovenia and the QubicaAMF Bowling World Cup was a great showcase in bringing bowling to a wider public." Meanwhile Nick Keppe of Complete Leisure is also keeping a keen eye on Slovenia and recently opened a refurbishment plant in Bosnia, which will deal with the Bosnian, Serbian and Slovenia market areas.

He said: "We are looking at some

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**Marija Lampe,
Lambo Elektronika.**



>> sites in Slovenia near to the Italian border and near the Hungarian border. Slovenia seems to have more money than the rest of the Balkan areas.” The development of the bowling sector could of course open the doors for more amusement arcades located within these sites and encourage more quality products.

Of course amusement will always play second fiddle to a large gaming market and with around 10 or so licences left for the gaming hall sector many operators are keen to open gaming arcades rather than amusement. There are currently around 35 slot halls currently in Slovenia, although with up to 45 licences permitted many are still expected to open. Like casinos, slot halls are located in the cities or along the bordering towns. Slot halls can have between 50 and 200 player stations and can only operate slots and multiplayers and no live games are permitted. New operations have recently opened in Lipica with more expected to open in Sezana and Ljubljana. HIT operates two slot halls. One is in Gorici called the Casino Drive-In slot hall which is the latest addition to the HIT Stars chain and is located next to the Vrtojba (Sant Andrea) border crossing. The location has 175 slot machines all with EZ Pay with minimum bets of €0,01. Meanwhile in Gornja Radgona is Casino Dama which HIT's second slot hall located just one kilometre from the Slovenia/Austrian border. It is open 24 hours a day, 365 days of the year and features EZ Pay. There are 82 slot machines including reel, video and video poker games with minimum bets of €0,01. There are also two electronic roulette

machines. Casino Portoroz also operates a slot club in Zusterma, which is located in the main tourist centre of the city of Koper. The club features 73 slot machines and three electronic roulette machines. Products have been supplied by Aristocrat, Atronic, IGT, Interblock, Orion and Williams.

A state of the art slot room also exists at the Kongo Hotel and Casino in Grosuplje which is on the outskirts of the capital, Ljubljana. The slot hall is located within a 39-room hotel and was opened in December 2003 and is designed with an African theme. The hall is open 24 hours a day and is equipped with 100 slots and three electronic roulettes and the gaming salon was recently enlarged. The hall receives more than 100,000 visitors per year. The slot hall is operated by the Elektroncek Group and therefore all the multi-players are provided by Interblock. The slots are supplied by IGT and include the Premium range such as Elvira, Terminator, Wheel of Fortune and Harley Davidson. The Kongo casino also uses the EZ Pay system.

Meanwhile, with such a controlled gaming market, Slovenia has not escaped its problems and recently the online gambling industry has come under attack from the government.

In September, the Ministry of Finance sent a decree to all state ISPs requesting them to block access to two gambling sites – bwin.com and bet-at-home.com. The idea behind this is that Slovenia wants the state lottery to continue with its monopoly and say ISPs must either provide their own gambling licence or block access to gambling sites.

The issue came to a head during the

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**Borut Knavs,
Manager of the
Bowling and Billiard
Centre.**

world football championship when Bwin began a successful and huge advertising campaign with billboards all over the country and banners on the web. At the moment, the large Slovenian ISPs have ignored the government's request arguing that they merely act as intermediaries, however, two ISPs have complied. The first to back down was T-2 net an ISP sponsored with catholic funds. But with media pressure it is thought others may soon follow suit. Bwin is now apparently bring a case against Slovenia before the ECJ for restricting the free movement of services and plans to sue the two ISPs and TV Slovenia (for not airing their adverts) around 50m euros.

Many Slovenes are now up in arms over the ruling, which they say has no legal provenance under Slovene or EU law. They claim the ban reeks of a story back in 2003 when several UDBA documents found their way onto the net and the site was blocked by the government. On another note, slight changes are expected within the gaming market due to Slovenia joining the Euro system and taking on the Euro currency as from January 1 2007.

The exchange rate of SIT239,640 = 1 euro is now set and the Euro will become Slovenia's fourth form of legal tender since splitting from Yugoslavia in 1991 when it dropped the Dinar for a transitional currency before adopting the Tolar. As casinos already work in euros the change is not expected to affect the industry too significantly, although the government hopes euro membership will boost tourism and foreign investment.

MOVERS AND SHAKERS

Slovenia houses the majority of the leading multi-player manufacturers and is probably the world leader in terms of number of gaming machines per capita in casinos and arcades.

There are now six multi-player manufacturers in Slovenia including Alfastreet, Interblock, Gold club, Carat, AIK and relative newcomer, Zuum. Alfastreet-Pockaj Pohistvo d.o.o began business back in 1997 after producing an electronic multiplayer and has continued in this vein ever since.

Pockaj Pohistvo is a private limited company and owns the Alfastreet brand. The company has branch offices in the US, Russia, Germany and Hungary and worldwide distributors or sales representatives.

Alfastreet's products range from classic eight player roulette models, smaller two players stations, standalone terminals to table-top terminals and more recently the new Live Roulette multiplayer.

As Alfastreet's Matjaz Petek said: “The market is not among the biggest for Alfastreet but we still like to be



>> present in the country where our company is based and we can support and closely collaborate with our customers.

“The most popular product on the Slovenian market is the classic R8 roulette. We would like to raise the interest in our new products. Usually Slovenian gaming halls are more interested in our classic products like R8 and R6 and casinos being more interested in new and more flexible, modular products like M line, SG line, SL line and TT terminals.”

Interblock, part of the Elektroncek group, launched its first multiplayer in 1997 called the Princess which was presented to the international markets.

In 1988 the company then followed this up with Supernova, Dice and Megastar. The following year Interblock began developing a model for the Dutch market and a distribution contract was signed with Elam Group. In 2002 touchscreens were added to all electronic roulettes followed by new generation models of roulette including Megastar, Supernova and Queen and Dice models.

Meanwhile Aristocrat recently acquired a 50 per cent stake in the manufacturing company Elektroncek.

On the international front, Progressive Gaming International Corporation (PGIC) has been fairly active in Slovenia and currently has two installations in a slot hall and casino both operated by Casino Ljubljana. The company is a supplier of integrated casino management systems and games and work in Slovenia with agent Gaming Developer.

The contract in Ljubljana was to install the Casino Link casino management system, which provides real time slot accounting, player tracking, jackpot management and other floor management modules. Ales Peklenik, Chief Executive Officer of Casino Ljubljana stated: “Implementing a proven casino management system has been a major priority for our business. We carefully evaluated systems over the past year and are confident that Progressive Gaming’s CasinoLink system provides the best solution to help us achieve both our short and long-term goals.”

Progressive Gaming’s Tim Parker stated further developments are expected in the Slovenian market following this installation. He said, “It’s an area where we are very active and there’s an awful lot of business to be had.”

WMS has been selling into Slovenia for the last six years and has sold to practically all the casinos and has an excellent relationship with HIT.

The company’s video library has been approved in Slovenia and with video being a huge success compared to reels the company is doing well.

Meanwhile, Cirsas has been involved in the Slovenian market since 2002 and works with InterGames as their distributor. Unidesa’s Jordi Pedragosa said: “We know Slovenia is surrounded by a different mix of gaming and cultural influences like Italy, Austria, Hungary and Croatia and for that reason it makes the country attractive for the manufacturers because it becomes the best casino field test in Europe.”

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Ales Peklenik, Chief Executive Officer of Casino Ljubljana.

“We have approved slot machines in the market and more are coming over, specifically our new In Action cabinet with the latest games including multiplayers also.”

Atronic has a range of products in Slovenia and works closely with HIT with Cashfever banks, Emotions and Cashlines installed in HIT casinos. The company’s new cabinet Harmony is at the moment also in Casino Park and Casino Korona in Kranjska Gora.

HIT isn’t Atronic’s only customer however. There are also Cashfevers present in Grand Casino Lipica, Casino Ljubljana and Grand Casino Portoroz together with Emotions and Cashlines. Atronic’s Simona Dutto said: “A common trend in Slovenia is TITO and step by step, it seems that if not all, many casinos and slot halls are already running TITO or are starting with TITO so our machines are TITO compatible.”

Aristocrat also has a wide range of games available in Slovenia including Hyperlink. Three Hyperlink themes are available in the market including the newly released Pele Golden Goals, Jackpot Carnival and Cash Express.

Aristocrat’s Lakshmi Kerr said: “Recent performance figures from casinos in Slovenia have indicated that Hyperlink is outperforming competitor products often performing at a minimum of two times the floor average.”

Meanwhile, Aristocrat’s stand-alone products are also performing well, specifically multiple line and Reel Power products such as 50 Lions and Pompeii. The majority of Aristocrat’s products are now available with TITO compatibility. Slovenian sales manager for Aristocrat, Pedro Extremera said “Slovenia is growing to be one of the most sophisticated gaming markets in Europe, and casino operators such as HIT group and Gold Club are leading the way in developing the market”

Slots Manager at Casino Perla, Bostjan Torkar, has also rated Reel Power games as the best in the casino. He said: “Our customers love them. They get the feeling that they get better value for their money and at the same time lots of action.”

SLOVENIA’S CASINOS PER REGION.

BLD

Casino Bled was the second casino in Slovenia and is a 10,760sq.ft casino which houses 85 slot machines and 15 tables games including American Roulette, Blackjack and Caribbean Poker.

BREZICE

Grand Casino Lido is operated by Casino Portoroz and is situated at the Catez Spa Thermal resort, which is Slovenia’s leading spa and second largest tourist resort in the country. The casino lies along the Ljubljana-Zagreb high





>> speed road and is only 30 kilometres from Zagreb. The casino hosts two American Roulette and Blackjack tables and one Caribbean Poker table plus 88 slots machines and electronic roulettes supplied by Aristocrat, Atronic, Bally, Williams and Interblock. There is also a restaurant and bar.

KOVARID

HIT's Aurora Casino and Cabaret recently increased the number of slots from 178 to 220. The 7,535sq.ft casino also has 10 gaming tables including six American Roulettes, one Blackjack, one Double Deck Blackjack, one Hit Progressive Draw Poker and one Midi Punto Banco. The casino also has one restaurant and a bar.

KRANJSKA GORA

Casino Korona is a HIT operation and features 329 slot machines and 22 tables including 12 American Roulette, six Blackjack, two Hit Progressive Draw Poker and two Texas Hold 'em. The four star hotel has 25 rooms and four suites.

LJUBLJANA

Casino Ljubljana is situated in the Domina Grand Media Hotel. This is one of the most technologically advanced hotels and designed for business travellers as well as holidaymakers. The four star hotel has 218 rooms and the casino comes with 148 slots, 18 tables. The hotel is part of the Italian Domina Hotel Group.

MARIBOR

Casino Maribor is 1,200sq.m in size whilst the ground floor caters for slots and electronic roulettes and the second floor houses the live gaming. Table games

include American Roulette, Blackjack and Caribbean Poker whilst 30 new slot machines were added in June this year taking the total number of slots to 117 machines. These are supplied by IGT, Bally, Atronic, Unidesa and Novomatic. There are also two elite electronic roulette machines with 22 game seats which are supplied by Alfastreet.

NOVA GORICA

Nova Gorica is located on the Italian border and with 30,000 inhabitants is also the biggest gambling city in Slovenia due to its location.

Casino Park is operated by HIT and is designed in American Las Vegas style featuring 484 slots and 24 tables including 14 American Roulette, three Blackjack, two Double Deck Blackjack, one Midi Punto Banco and four Hit Progressive Draw Pokers. The Luxor (Egyptian style) is a private gaming room for high-end players and also features Blackjack and American Roulette tournaments. The four star hotel includes 72 rooms and four suites. The Casino Park is currently undergoing a refurbishment and a new gaming and entertainment centre is being built and is due to be completed by September 2007. Casino Perla is also operated by HIT and with 12,000sq.m has more than 1,000 slot machines and 61 gaming tables including 28 American Roulette, one French Roulette, 12 Blackjack, two Double Deck Blackjack, four Midi Punto Bancos, 10 HIT Draw Poker Progressive, two Chemin de Fer and two Let it Ride Poker. The casino features a private gaming salon for high-end players called the Spirits of Perla and also the Prive Slots Puerto Rico for

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higher bet slot machines. The four star hotel has 11 suites and 94 rooms and also features a swimming pool, nightclub and three restaurants.

OTOTEC

Casino Kastel is another HIT operation and is located inside the Sport Hotel which is situated in the Dolenjska region renown for its leisure activities such as riding, boating, fishing and hunting. The casino features 60 slot machines and four gaming tables including two American Roulettes, one Blackjack and one Hit Progressive Draw Poker. The hotel has a restaurant and nightclub and accommodation is in the motel or in bungalows.

PORTOROZ

The seaside resort of Portoroz is one of the largest and most attractive tourists resort on the Slovenian coast. Grand Casino Portoroz is 16,500 sq.ft in size and is operated by the Casino Portoroz group. It offers table games including seven French Roulette, six American Roulette and Blackjack, four Caribbean Poker, two Five Stud Poker, three Chemin de Fer and one table each for Punto Banco, Midi Punto Banco, Trente y Quarante and Mini Trente y Quarante. There are also 295 slot machines from Alfastreet, Aristocrat, Atronic, Bally, IGT, Interblock, Novomatic, Unidesa and Williams plus Atronic's Cash Fever and Aristocrat's Cash Express Fever. There are also two restaurants and a hotel with 304 rooms.

ROGASKA SLATINA

Casino Fontana is operated by HIT features 100 slots and eight electronic roulette machines plus another eight gaming tables including four American Roulette, two Blackjack and two Hit Progressive Draw Poker. The casino is located inside the Donat Hotel with is located in the renowned health resort at Rogaska Slatina and surrounded by the resort park.

SEZANA

Lipica is located near the Slovenian-Italian border within the Karst landscape in Sezana which is home to the world renowned white horses – the Lipizzaners. Grand Casion Lipica is operated by Casino Portoroz and is 19,368 sq.ft in size with 10 American Roulette, one French Roulette, three Blackjack, four Caribbean Poker and one table each for Craps, Seven Cards Stud Poker, Midi Punto Banco, Mini Punto Banco and Let it Ride. There are 373 slot machines and electronic roulettes supplied by Alfastreet, Aristocrat, Atronic, Bally, IGT, Novomatic, Unidesa and Williams. Also available are progressive jackpots via Atronic's Cash Fever and Aristocrats' Cash Express Fever.