

BREAKING News

□ The German solution

THE solution to the problems of the German operators and manufacturers is, quite simply, to look elsewhere. With the prospect of a catastrophic cutback in machine numbers and arcade installations in Germany in 2017 – thanks to the united policies of the German states – the only option is to look for investment opportunities in other countries.

That is the view of S4G, short for Solutions For Gaming, a new advisory organisation set up by two specialists who were until very recently holders of top executive positions within the Gauselmann Group.

Thomas Niehenke and Rolf Falke use their former company as a good example to the rest of the German industry. "Gauselmann Group, when we were there and still continues today, saw what was on the horizon and moved into the markets outside of Germany."

Now the Niehenke/Falke partnership is taking a wealth of experience in international markets into a consultancy business, which they say has already (in three months) attracted many inquiries from within Germany. "We expected to work mainly with operators and investors from outside of Germany, wishing to enter markets as far away as South America, South Africa and Asia," said Niehenke, "but we have had many, many calls from people who know in Germany who are worried about the future."

The future for the German domestic market in AWP machines, dominated by some of Europe's most lavish arcades, is not rosy. If the states, or länder, get their way, as is likely, the market will be hit with a swathe of restrictions: on the number of machines per location, on opening times, of proximity of arcades, and it is said by nearly everyone that the market will contract by between 30 per cent and 60 per cent.

Niehenke and Falke concede that the effects on the German domestic market will be considerable, but are concentrating on their new project and their new company. S4G is based at Osterappeln, not far from the Gauselmann headquarters, where they are now in the course of building up a team of specialists and administrative/sales personnel.

In short, they recognise their main assets are the huge experience that they have in the international market and the many contacts which they have made over the years. "Half of the battle with a new jurisdiction," said Falke, "is knowing first whether it is a legitimate market, then knowing what is possible there, and then – key to everything – knowing how to open the doors." That latter part means the contacts and Niehenke and Falke unquestionably have the contacts after 50 years of travel and work in the business between them.

□ Autumn show dates confirmed

FOLLOWING last year's winning debut at Chelsea Football Club, the Autumn Coin-Op Show's organisers have revealed that the event will be returning to its Premier League home on October 14-15, 2015.

Confirming the dates, Swan Events' Karen Cooke said: "The first ACOS show received a tremendous response from the industry, due in no small part to the stunning venue. I'm pleased to confirm that we now have an agreement to hold ACOS at Chelsea Football Club for the next two years."



Thomas Niehenke (left) and partner Rolf Falke on the stand of Czech company Synot at ICE



David Mixa (left) and Petr Mikoska

□ Synot plans VLTs for Spain

SPAIN could be the next major video lottery terminal market – and Synot is well positioned to bring its proven technology to the country.

Towards the end of last year, the Czech company launched its Spanish subsidiary Synot Gaming Spain and speaking at ICE in February, David Mixa suggested the country represented a significant opportunity.

"The company is established and we now have to pass approvals but we should be ready for the Madrid show in March," he said. "We're really looking forward to it because I see it as the perfect opportunity."

"There are now four or five territories in Spain that are allowing VLTs and we will get into every single one of them, but one by one. There are different regulatory requirements in each one and each time it takes some development work if you want to move from one to another."

Spain is a market of around 150,000 machines, he said, adding that it reminds him of the Czech Republic in 2004 when the company first started supplying VLTs to what was at that point primarily an AWP market. Their implementation wasn't an overnight success but operators "slowly learned" that the data collected by VLT systems can be used to further develop and enhance the machines.

"Slowly the thinking of the people has changed," said Mixa. "Now they are sharing the information with us and you can use that information to develop further."

"It takes some time, but I think Spain is like the Czech Republic 10 to 12 years ago, which is why we think it is a fantastic opportunity – and it's a country that is more than four times the size."

□ Gauselmann in Sceptre acquisition

THE Gauselmann Group of Germany has confirmed that it has acquired the assets of the UK's second largest AWP operator, Sceptre Leisure.

Financial advisor Duff and Phelps completed the financial restructuring and sale of Sceptre's main trading business following the placing of certain companies within the group into administration on February 11. It was at this point that the core trading businesses and a number of subsidiary shareholdings were sold to ADP Gauselmann UK. The businesses have continued to trade and there have been no redundancies as a result of the process.

"Sceptre Leisure underwent a successful financial restructuring process and sale," said Philip Duffy, MD of Duff and Phelps. "This leaves it in a strong position to continue trading in the future."

Gauselmann, which was already a shareholder in Sceptre, has invested in several other UK businesses in recent years, including Blueprint Gaming, Praesepe and Betcom. This, however, will be the company's first investment, other than minority shareholdings, in the British operating sector.

"The acquisition of the Sceptre Leisure assets was the most effective way of ensuring the future security and prosperity of both customers and staff," said Jürgen Stühmeyer, member of the board for sales at the Gauselmann Group. "The Gauselmann Group will be working closely with the management team at Sceptre Leisure to provide all the support it needed to create a platform for innovation and growth in the UK marketplace."

Gauselmann is now in discussion with another major gaming company regarding a possible investment in the business designed to further strengthen the company's position.