



Global Market Advisors

Gaming in India: An Evaluation of the Market's Potential

A White Paper
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I. INTRODUCTION

Although Macau's gaming market is struggling, its reliance on the Chinese gamer still allows it to dominate the global gaming landscape and maintain its role as the largest gaming market in the world. As a result, the global gaming industry remains transfixed by the potential value of the Chinese gaming market. Not surprisingly, gaming destinations throughout the Asia Pacific region, including Singapore, Cambodia, Philippines, Vietnam and South Korea, have opened hoping to capitalize on the market's potential. Some gaming operators have attempted to target other possible valuable demand segments in Asia like the Japanese. With these large sources of demand capturing the attention of the gaming industry, many gaming operators and markets have yet to fully explore other alternative sources of Asian based gaming demand.

So far, few gaming operators have considered China's democratic and capitalistic neighbor, India, as a potential source of demand. India shares many of the same characteristics that make China such an attractive source of gaming demand. India also has a large, prosperous economy, an enormous population, and favorable consumer/gaming habits. On top of that, India is able to offer a stable and less reactionary government and volatile economy.

Today, the Indian gaming patron is not appropriately served by attractive, proximate gaming destinations. The existing gaming markets in and near India generally offer an unattractive gaming product that could be easily and vastly improved. Other gaming destinations fail to adequately market or cater to the Indian gamer. Even so, Indians continue to demonstrate a proclivity for gambling, as many Indians frequent legal casinos domestically and seek out gaming opportunities abroad.

This white paper evaluates the size of the Indian gaming market today and quantifies the potential value of the market if it were strategically supplied with attractive and proximate gaming facilities in the future. To accurately assess the value of the Indian gaming market, GMA assessed India's demography, Indian consumer, Indian gamer, and relevant domestic and international gaming supply.



II. THE CURRENT AND POTENTIAL SIZE OF INDIA

The following chapter details relevant demographic statistics/trends (including adult population and income distribution), economic statistics/trends, and the economic outlook and potential for the country as a whole.

MARKET DEMOGRAPHICS AND ECONOMY

POPULATION TRENDS

The Republic of India, representing 29 states and seven union territories, possesses the world's second largest population. India's total population grew from approximately 1.2 billion in 2010 to 1.3 billion in 2014, increasing by approximately 5.2% during that time. The Indian population is becoming increasingly urban, as the total urban population was 30.9% of the total population in 2010 and 32.4% of the total population in 2014. The following table illustrates India's total, urban, and rural population from 2010 to 2014.¹

Historical Urban, Rural and Total Population, India					
	2010	2011	2012	2013	2014
Urban Population	380,743,507	390,151,214	399,686,039	409,362,870	419,234,061
<i>Growth</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.4%</i>	<i>2.4%</i>
Rural Population	850,240,997	857,294,797	863,903,600	870,136,004	876,057,482
<i>Growth</i>	<i>0.9%</i>	<i>0.8%</i>	<i>0.8%</i>	<i>0.7%</i>	<i>0.7%</i>
Total Population	1,230,984,504	1,247,446,011	1,263,589,639	1,279,498,874	1,295,291,543
<i>Growth</i>	<i>1.4%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.2%</i>

Source: World Bank

Within India, there are 54 urban agglomerations with over one million inhabitants. Three of these urban agglomerations, Mumbai, Delhi, and Kolkata, had over 14 million inhabitants in 2011. Another five urban agglomerations, Chennai, Bangalore, Hyderabad, Ahmedabad, and Pune, had populations over five million, and eleven urban agglomerations had populations over two million. The following table illustrates the top ten Indian urban agglomerations in 2011.²

¹ <http://databank.worldbank.org/data/reports.aspx?source=2&country=IND&series=&period=#>

² https://en.wikipedia.org/wiki/List_of_million-plus_urban_agglomerations_in_India



Top Ten Urban Agglomerations by Population, India				
Urban Agglomeration	State	2011	2001	CAGR
Mumbai	Maharashtra	18,394,912	16,434,386	1.1%
Delhi	Delhi	16,349,831	13,850,507	1.7%
Kolkata	West Bengal	14,057,991	13,205,697	0.6%
Chennai	Tamil Nadu	8,653,521	6,560,242	2.8%
Bangalore	Karnataka	8,520,435	5,701,446	4.1%
Hyderabad	Telangana	7,677,018	5,742,036	2.9%
Ahmedabad	Gujarat	6,357,693	4,525,013	3.5%
Pune	Maharashtra	5,057,709	3,760,636	3.0%
Surat	Gujarat	4,591,246	2,811,614	5.0%
Jaipur	Rajasthan	3,046,163	2,322,575	2.7%

Source: Wikipedia

India's population is diverse with 23 official languages and a variety of religions.³ In 2011, 79.8% of the population was Hindu, 14.2% of the population was Muslim, 2.3% of the population was Christian, 1.7% of the population was Sikh, and the remainder of the population was another religion or did not specify their religion.⁴

HISTORICAL INCOME AND CLASS DISTRIBUTION

To define the historical income and class distribution in India, GMA gathered statistics presented in a report published by the Center for Macro Consumer Research titled "How India Earns, Spends and Saves." Per this report, India's middle and upper economic classes are defined by annual income of \$4,000 USD to \$21,000 USD, and over \$21,000 USD, respectively. In 2002, it was estimated that approximately 71.9% of households earned below \$2,000 USD. However, in 2010, it was estimated that only 51.6% of households earned below \$2,000 USD, as the lower middle and middle class income segments grew considerably during that time period. The following table illustrates the results of this report's findings in greater detail.

³ https://en.wikipedia.org/wiki/List_of_languages_by_number_of_native_speakers_in_India

⁴ <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>



Historical Income Distribution, India					
	2002		2010		CAGR
	Households	% of Total	Households	% of Total	02 - '10
Below \$2,000	135.4	71.9%	114.4	51.6%	-2.1%
\$2,000 - \$4,000	41.3	21.9%	75.3	33.9%	5.0%
\$4,000 - \$21,000	10.7	5.7%	28.4	12.8%	8.0%
Over \$21,000	0.8	0.4%	3.8	1.7%	15.0%
Total	188.2	100.0%	221.9	100.0%	2.1%

Source: Center for Macro Consumer Research: How India Earns, Spends and Saves/GMA
Notes: Households are in millions

As illustrated in the previous table, India’s middle and upper class are growing quickly. In 2011, India’s National Council of Applied Economic Research (“NCAER”) estimated that India’s middle class population would reach 267 million in 2016. By 2025, NCAER stated that it expects this number to nearly double to 547 million, representing a compound average annual growth rate (“CAGR”) of 7.4%.⁵ It may appear that these income levels are low, but like China, there is a large underground economy that is not reflected in these statistics.

ECONOMIC DRIVERS

India’s economy relies on a diverse range of industries including agriculture (rice, wheat, oilseed, cotton, jute, tea, sugarcane, lentils, onions, potatoes, dairy, sheep, goats, poultry, and fish), textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, pharmaceuticals and various service based industries. Although approximately 49% of the labor force held agricultural occupations in 2012, 31% of the labor force held service based occupations in that year including information technology services, business outsourcing services, and software services, accounting for approximately two-thirds of India’s output.

In 2015, India’s labor force was estimated at 502.1 million, making it the second largest labor force in the world behind China. In that same year, India’s unemployment rate was estimated at 7.1%, which represented a 0.2% drop from the previous year. Even still,

⁵http://articles.economicstimes.indiatimes.com/2011-02-06/news/28424975_1_middle-class-households-applied-economic-research



approximately 29.8% of the Indian population was classified as below the poverty line in 2010.⁶

HISTORICAL ECONOMIC TRENDS

According to the International Monetary Fund (“IMF”), India had a gross domestic product (“GDP”) of nearly \$2.2 trillion USD in 2015, growing from approximately \$1.8 trillion in 2012. In 2015, 54.4% of total GDP was estimated to stem from the services sector, while 29.5% and 16.1% of GDP was estimated to be generated by the industry and agriculture sectors, respectively.⁷ From 2011 to 2015, India’s GDP grew at a CAGR of 2.9%. However, from 2013 to 2014, and 2014 to 2015 India’s GDP grew by 6.7% and 8.8%, respectively. India’s GDP per capita increased from \$1,514 USD in 2012 to \$1,702 in 2015 at a CAGR of 3.0% during that timeframe.⁸ The CIA summarizes India’s historical economic growth as follows:

“India’s economic growth began slowing in 2011 because of a decline in investment caused by high interest rates, rising inflation, and investor pessimism about the government’s commitment to further economic reforms and about the global situation. Growth in 2014 and 2015 again exceeded 7% per year. Rising macroeconomic imbalances in India, and improving economic conditions in Western countries, led investors to shift capital away from India, prompting a sharp depreciation of the rupee. However, investors’ perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the rupee. Since the election, economic reforms have focused on administrative and governance changes largely because the ruling party remains a minority in India’s upper house of Parliament, which must approve most bills. Despite a high growth rate compared to the rest of the world, in 2015, India’s government-owned banks faced mounting bad debt, resulting in low credit growth and restrained economic growth.”⁹

⁶ <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

⁷ <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

⁸ <http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/weorept.aspx?pr.x=79&pr.y=7&sy=2012&ey=2015&scsm=1&ssd=1&sort=country&ds=.&br=1&c=534&s=NGDPD%2CNGDPDPC%2CPPPGDP%2CPPPPC&grp=0&a=>

⁹ <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>



The following table compares India's historical GDP growth to several other relevant nations. In 2015, India's GDP was higher than Russian GDP, Australian GDP and Korean GDP. However, India's GDP Per Capita was much lower than each of these countries.

Historical GDP (In Billions) and GDP Per Capita Comparison by Country					
	2011	2012	2013	2014	2015
United States GDP	\$15,534	\$16,245	\$16,800	\$17,528	\$18,366
United States Per Capita	\$49,797	\$51,709	\$53,101	\$54,980	\$57,158
China GDP	\$7,322	\$8,229	\$9,181	\$10,028	\$10,940
China Per Capita	\$5,434	\$6,078	\$6,747	\$7,333	\$7,961
Japan GDP	\$5,906	\$5,938	\$4,902	\$4,846	\$5,021
Japan Per Capita	\$46,175	\$46,530	\$38,491	\$38,142	\$39,619
India GDP	\$1,880	\$1,859	\$1,871	\$1,996	\$2,172
India Per Capita	\$1,553	\$1,515	\$1,505	\$1,584	\$1,702
Russia GDP	\$1,894	\$2,004	\$2,118	\$2,092	\$2,109
Russia Per Capita	\$13,253	\$14,016	\$14,819	\$14,645	\$14,769
Australia GDP	\$1,499	\$1,555	\$1,505	\$1,436	\$1,482
Australia Per Capita	\$66,541	\$67,856	\$64,863	\$61,137	\$62,337
Korea GDP	\$1,114	\$1,130	\$1,222	\$1,308	\$1,396
Korea Per Capita	\$22,388	\$22,590	\$24,329	\$25,931	\$27,553

Notes: All figures are presented in USD
Source: International Monetary Fund

ECONOMIC OUTLOOK AND POTENTIAL

India's economic outlook is favorable as several internal and external entities expect the economy to continue to grow in the near-term. India's Chief Economic Advisor, Arvind Subramanian, recently stated that he expects India's economy to achieve a growth rate between 8% and 10% in the next two to five years.¹⁰ The IMF also expects India's economy to continue to grow. Specifically, the IMF stated that it expects that "India's growth rate should pick up to 7.5% in the 2016/17 fiscal year...aided by a collapse in oil prices and relatively low exposure to current global financial turbulence." The IMF went on to state, "the broad message is that India's growth trajectory is pretty strong by international

¹⁰<http://economictimes.indiatimes.com/news/economy/indicators/indias-growth-rate-to-accelerate-to-8-10-in-2-5-years-cea-arvind-subramanian/articleshow/51156653.cms>



standards – not to mention the advanced economies.”¹¹ The CIA published the following summary of its economic expectations for the nation:

“The outlook for India's long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. However, India's discrimination against women and girls, an inefficient power generation and distribution system, ineffective enforcement of intellectual property rights, decades-long civil litigation dockets, inadequate transport and agricultural infrastructure, limited non-agricultural employment opportunities, high spending and poorly-targeted subsidies, inadequate availability of quality basic and higher education, and accommodating rural-to-urban migration are significant long-term challenges.”¹²

¹¹ <http://in.reuters.com/article/us-india-imf-idINKCN0W41HE>

¹² <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>



III. THE INDIAN CONSUMER

To accurately and appropriately evaluate the potential value of the Indian gaming market, it is important to assess the opinions, attitudes, behaviors, habits, interests and lifestyles of the Indian consumer.

OVERVIEW

India is one of the youngest sustained democracies in the world yet one of the oldest nations in the world. With these two characteristics, Indian society has developed a Janus type culture, which looks both to the past and to the future. As such, the nation features a blend of old soul and modernity. India is one of the most optimistic countries and consistently features one of the highest consumer confidence levels in the world. This young democracy also has one of the youngest populations in the world. India's average age is estimate at 27.3.¹³

LIFESTYLE/INTERESTS

Through conversations with advertising and consumer experts in India, it is evident that with economic prosperity, consumer lifestyle and behavior has drastically changed in India. Indian consumers have quickly graduated from a basic needs mentality, focusing on food, clothing, and shelter, to a desire mentality, focusing on gaining wealth, pride and material items. Indian consumers have started to think "and" instead of "or." Indian consumers are no longer bound or limited by social status, but are inspired by their aspirations. They have evolved from being deprived consumers, to dazzled consumers, to demanding consumers, to discerning consumers.

OPINIONS/ATTITUDES

In the third quarter of 2015, India's consumer confidence remained the highest in the world, with Nielsen's consumer confidence rating the nation at 131. US consumer confidence ranked second at 119, followed by the Philippines at 117 and Indonesia at 116. The India Brand Equity Foundation highlighted that the recent consumer confidence report marks the eighth consecutive quarter that India's consumer confidence remained high. Additionally, the IBEF noted "nearly two thirds of online respondents indicated a propensity to buy immediately as compared to postpone purchases, thereby once again

¹³ <https://www.cia.gov/library/publications/the-world-factbook/fields/2177.html>



helping India lead the global top 10 countries for this parameter during the quarter.”¹⁴ The IBEF continued to add the following:

“A recent study by the McKinsey Global Institute (MGI) suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades, making the country the world’s fifth-largest consumer economy by 2025, up from the current 12th position. India’s market is consumer driven, with spending anticipated to more than double by 2025. The Indian consumer segment is broadly segregated into urban and rural markets, and is attracting marketers from across the world. According to a recently published TechSci Research report, "India Food Services Market Forecast & Opportunities, 2020", the food services market in India is expected to expand at a CAGR of over 12 per cent through 2020, primarily driven by increasing disposable income, changing lifestyle, and changing tastes and preferences of consumers.”¹⁵

BEHAVIOR, HABITS AND CONSUMPTION PATTERNS

India’s growing middle class is significant not only because of its large size, but also in how it differs from other emerging markets. In comparison to other countries, Indian citizens spend a larger portion of their annual income on necessities such as food, transportation, and shelter. However, this trend is likely to change as the proportion of middle class citizens continues to increase. This is due to the middle class spending a smaller portion of their income on necessities (food, housing, etc.) and more on education, healthcare, recreation (including gaming), personal products, and services.

The largest consumption source for Indian residents is food, beverage, and tobacco, which was quantified at 33.0% of total annual income in 2014. The second and third largest consumption sources were transportation and housing/utilities, which were estimated at 18.0% and 11.0% of total annual income, respectively, during that same year. Over the course of the next ten years, the portion of annual income that Indian citizens spend on food, beverage, and tobacco is expected to decrease at an annual rate of 2.6%. Although these expenses are expected to still account for the largest distribution of annual income consumption by year 2025, it is expected to only account for 25.0% compared to 33.0% in 2014 and 30.0% in 2018. The two consumption sources that are projected to experience

¹⁴ <http://www.ibef.org/industry/indian-consumer-market.aspx>

¹⁵ <http://www.ibef.org/industry/indian-consumer-market.aspx>



the largest growth over the next ten years are healthcare and communications, which have projected annual growth rates of 3.1% and 5.6%, respectively. It also important to note that education and recreation (which includes gaming), are also expected grow at an average annual rate of 3.0%, reaching 9.0% of total annual consumption in 2025. The following table breaks down this analysis in greater detail.

India Consumption Patterns (In Percentages*)				
Industry	2014	2018	2025	CAGR ('14-'25)
Food, Beverage, and Tobacco	33	30	25	-2.6%
Transportation	18	19	20	0.8%
Housing and Utilities	11	11	10	-0.9%
Personal Products and Services	9	10	11	1.6%
Health Care	9	10	13	3.1%
Apparel	6	5	5	-0.9%
Education and Recreation	7	7	9	3.0%
Household Products	3	3	3	0.0%
Communication	3	4	6	5.6%

Source: McKinsey Global Institute: The Rise of India's Consumer Market/GMA
** figures are rounded to the nearest integer and may not add up to 100%*



IV. GAMING IN INDIA

THE HISTORY AND SOCIETAL VIEW OF GAMING IN INDIA

Gambling in India has long been a part of the culture and history of the country. In fact, gambling halls were legal in India for centuries until British colonial authorities banned gambling in 1867. In that year, India's Public Gaming Act banned all forms of gambling excluding horse racing, lotteries, and certain card games. When India constructed its post-colonial constitution, Indian states were finally given the right to authorize and regulate forms of gambling within their own state borders.

Since then, only a portion of the 29 Indian states and various territories have altered this gambling legislation. Thirteen Indian states now offer a lottery, six states allow horse racing, and two states currently allow and offer some sort of casino based gaming. Without available and attractive legal gaming opportunities spread throughout the country, the social stigma attached to gambling has become worse than that of alcohol usage. Despite this fact, millions of Indians still partake in some form of gambling each year.¹⁶

THE INDIAN GAMER

THE INDIAN PROPENSITY TO GAMBLE

India's existing gaming population is made up of a variety of different economic and demographic classes including young entrepreneurs, middle class residents, factory owners, wealthy housewives, and successful businessmen.¹⁷ These gamers show an affinity for a variety of different gaming experiences, including online wagering, horse track wagering, sports betting and casino gaming. Sports wagering, although technically illegal, occurs regularly in India with verve and passion. Card games like Flush and Rummy are also extremely popular in clubs throughout metropolitan areas, illegal gambling halls, and in households during large holidays like Diwali.

Casino based gaming experiences are available at 16 domestic facilities in two states. The G3-247 Report entitled "Searching for Symmetry" estimates that Indians spend \$60 billion on gambling annually on these and other gaming experiences. That report also estimates

¹⁶ *The Times of India: Gambling addiction growing but few admit to it*

¹⁷ *Ministry of External Affairs: Government of India, India-Macau Relations 2014*



that casino gaming (both legal and underground) is estimated to account for \$30 billion of that total.¹⁸

PREFERENCES AND STYLE OF PLAY

Indian casino gaming patrons have strong gaming preferences and exhibit unique gaming habits. They overwhelmingly prefer table games and have a strong preference for familiar card games like roulette, blackjack, baccarat, and poker and traditional Indian games like Indian Flush (Teen Patti), Mini-Flush, Paplu (Rummy), and Andar Bahar.

Indian gamers tend to display calculated and reserved gambling behavior. For example, many Indian patrons do not keep large stacks of chips on the table. Instead, they repeatedly reach into their pockets to replenish their stacks. This behavior coincides with the fact that many Indian gamers bet at a slower pace, often take breaks, and switch games regularly. Casino managers that work in these markets indicated that many gamers choose to act reserved and calculated in their betting habits, as the social stigma with gaming is still prevalent, but are still willing to play and to a high degree.

Not surprisingly, Indian gamers also seem to be fairly educated on table game odds. The casino managers confirmed that many gamers prefer table games with a lower house advantage. As such, Indian casinos feature table games that will appeal to these preferences. For instance, most roulette tables feature single zeros and even return half of a player's bet if zero is hit. Although the Indian gamer's preferences for table games are similar to the Chinese gamer's preferences, their gaming mindset is wholeheartedly different. Market casino managers indicate that Indian gamers are very willing to chase the win. However, Indian gamers do not necessarily only gamble to win, they gamble to enjoy the thrill and excitement of the gaming experience.¹⁹

THE INDIAN CASINO

Even though many Indians demonstrate a strong propensity for casino gaming, casinos are not readily available or accessible in the market today as they are often an airline flight or more away. At this time, only two Indian states, Goa and Sikkim, allow some form of casino gaming. Sikkim offers two casinos, while Goa offers around fifteen. The Union

¹⁸ G3-247 Report: Searching for Symmetry

¹⁹ <http://www.bbc.com/news/business-34871124>



Territory of Daman and Diu also permits casino gaming; however, its first casino is still awaiting the approval of its gaming license.

Goa and Sikkim's casinos cater specifically to the Indian gamer. As such, their casino floors and private gaming rooms are dominated by live and electronic table games. Indian casinos also feature a small number of slot machines, but they appear to be an afterthought. A vast majority of the slot product is old, dilapidated, non-functional, and/or underplayed.

Generally, India's domestic casinos lack appropriate and attractive non-gaming amenities. Most of the casinos do not provide a substantial and appealing food & beverage or entertainment offering. With a few exceptions, many of the Indian gaming facilities offer a largely underwhelming experience, yet Indian patronage of these facilities continues.

Both casino markets are located in destinations that attract domestic tourists. Goa, located on the western coast of India, features beautiful beaches and relics from its Portuguese past. Sikkim, located in northwestern India, is nestled in the Himalayas and offers tourists scenic vistas and religious experiences at its various monasteries. In each case, Goa and Sikkim have utilized gaming as a way to capture additional revenue from their existing tourism bases.

GOA

Goa is India's smallest state geographically and is located in the region known as Konkan on the Arabian Sea. Tourism is the state's primary industry. In 2014, the state accommodated more than two million tourists. According to the G3-247 Report, approximately 30% of these tourists participated in some form of gaming activity during their stay. BBC News recently estimated that Goa's casinos receive approximately 15,000 visitors a day, with visitation increasing by 30% annually.²⁰

To reach the casinos in Goa, most patrons must fly. Once visitors arrive in Goa, they can avail themselves of approximately fifteen casinos, with a total of approximately 350 live and electronic table games and 160 slot machines. Despite its modest supply of gaming positions, Goa is the largest gaming destination in India. The G3-247 Report estimates that Goa accounts for approximately 95% of India's casino gaming revenue. Market casino managers indicated that approximately 95% of that gaming revenue has historically

²⁰ <http://www.bbc.com/news/business-34871124>



stemmed from non-local Indian tourists, as Goa's locals can no longer gamble, as of April 1st of this year.^{21 22}

While Goa's gaming visitors are served by approximately fifteen casinos, the market is dominated by two gaming operators: Delta Corp and Pride Group. These two operators control eight of the market's casinos.

OFFSHORE CASINOS IN GOA

Four of Goa's casinos, including the Deltin Royale, Deltin Jaqk, Casino Pride and Casino Pride 2, are housed in riverboats on the Mandovi River. A fifth casino, Deltin Caravela, is expected to reopen soon.²³ With 250 live and electronic table games and a small sampling of slot machines, these offshore casinos generate a majority of the market's gaming revenue.

To play at these casinos, patrons must pay tariffs ranging from \$15 USD to \$61 USD to board small tenders that transport patrons to the casino vessels. Although the tariff fees are steep, and will soon likely increase even further, they include a state imposed admission tax, provide gamers with a handful of non-cashable chips and several food & beverage vouchers.^{24 25} Once on board, gaming patrons find casinos that are reminiscent of American Midwestern riverboats. In fact, one of the boats is actually the old Horseshoe Riverboat from Hammond, Indiana. Each offshore casino has multiple gaming floors and some restrict patrons' access to certain levels by requiring the purchase of specific tariff packages.

²¹ The State of Goa amended the Goa Public Gambling Act in 2012 to prevent locals and underage patrons from visiting casinos. These amendments were recently vetted by the Law department and began to be enforced on April 1st of this year. Under the new rules, gaming patrons are required to present identification proving that they are at least 21 years old and a non-local resident.

²²http://agbrief.com/news/locals-and-youth-be-barred-goan-casinosapr1?utm_source=Asia+Gaming+Brief&utm_campaign=920f23e685-AGB%2300504-18FEB16&utm_medium=email&utm_term=0_51950b5d21-920f23e685-69122409

²³ Additionally, Delta Corp is currently renovating a third floating casino, the Deltin Caravela.²³ Once the Deltin Caravela is reopened, it is expected to offer 200 gaming positions with 17 live table games and 10 slot machines.²³

²⁴ Goa's chief minister recently decided to increase the entry tax for casino visitors from 700 rupees per visitor to 1,000 rupees per visitor.

²⁵<http://glaws.in/2016/03/17/in-blow-to-casino-industry-go-cm-hikes-entry-tax-license-fees-for-casinos-in-budget-2016/>



Although these casinos feature the largest array of gaming amenities and non-gaming amenities in India, they do not offer a gaming environment or set of non-gaming amenities that would be attractive to many casual gamers or premium players seeking more amenity rich experiences.

LAND BASED CASINOS IN GOA

The market's remaining eleven casinos are spread along the state's coastline in questionably rated five-star hotels. To access their gaming floors, patrons pay lower entry fees that range from \$11 USD to \$23 USD. In return, they often receive the same complimentary items. Once inside, electronic gaming tables dominate the casino floor as they are limited to them by law. Even so, many of these games are manned by live dealers and offer an experience that is strikingly similar to that of a live table game. Most of these gaming facilities offer a poor gaming experience and have extremely limited non-gaming amenities and, as such, typically attract only serious gamers. Goa's land based casinos include the following: Deltin Suites, Casino Pearl, Dunes Casino, Goldfinger Casino, Chances Casino, Crown Casino, Casino Carnival, Casino Paradise, Casino Palms, Grand 7 Casino, and Casino Dice.

SIKKIM

Some Indian gamers venture to the two casinos in Sikkim's capital: Gangtok. Sikkim is a landlocked Indian state located in the Himalayan Mountains, bordering Nepal and West Bengal. It is the least populous state in India and the second smallest state after Goa in terms of total area. The state's economy is dependent on agriculture and tourism, with the government making great efforts in promoting the region's tourism in the last couple of years. A large amount of investment, both from domestic and international organizations has increased the economic power of the region. Although Sikkim is a far second in terms of overall casino revenue generation when compared to Goa, it was the first state to allow casino gaming in India.

Patrons that choose to visit this market's casinos must fly into Siliguri and drive three to five hours along a poorly paved, narrow mountain highway with limited (and often non-existent) guardrails and burdensome traffic. Soon this access will be largely improved by the development of the Pakyong Airport near Gangtok. Until then, it is understandable why these obstacles ensure that Sikkim generates far less gaming revenue than Goa.

Once in Gangtok, patrons have two casino options: Casino Sikkim and Casino Mahjong. Both casinos are located within or near central Gangtok. To enter either casino, patrons must provide proof of age, citizenship, and pay entrance fees ranging from \$15 USD to \$53



USD. Casino Sikkim, Sikkim's first casino, is located in central Gangtok within the basement of the 78 room Royal Plaza Hotel. It features a small variety of table games, a flush room, and very dilapidated slot product. The casino only features a small dinner buffet and snacks throughout the day. Casino Sikkim offers a convenient gaming opportunity to locals and tourists in central Gangtok. However, the facility's worn gaming product, low ceilings, and atmosphere combine to deliver an unattractive gaming experience.

Casino Mahjong is located just outside of central Gangtok in the 68 room Mayfair Spa Resort. This casino features a more diverse set of amenities in a more attractive gaming setting, including a 650 square meter casino floor, poker room, flush room, buffet/dining area and small entertainment stage. The casino offers patrons an entertaining and attractive gaming experience, with newer tables/machines, excellent service levels, and a high quality fit and finish. Overall, the market only offers around 30 table games and 30 slot machines. With such a small offering of gaming and non-gaming amenities, the market's casino product does not make the trip's required hurdles worthwhile.

POTENTIAL INDIAN GAMING MARKET CHANGES

As the Indian gaming market is immature, market changes continue to occur. The following section highlights a few recent and potential domestic market changes. However, it is important to note that several other states have recently considered evaluating the legalization of gaming.

GOA

Goa's offshore casinos have been asked to relocate to alternative sites. However, suitable alternative sites have not been found. The government has given Goa's offshore casinos until the end of March 2017 to relocate.

SIKKIM

Delta Corp is poised to open its first casino in Sikkim within the next few months. The casino is expected to open in the Hotel WelcomHeritage [sic] Denzong Regency in Gangtok.²⁶

²⁶http://agbrief.com/news/delta-corp-open-new-casino-sikkim?utm_source=Asia+Gaming+Brief&utm_campaign=68a6e9ae19-AGB%2300541-14APR16&utm_medium=email&utm_term=0_51950b5d21-68a6e9ae19-69122409



DAMAN AND DIU

In May 2013 Delta announced a deal to acquire a 51% stake in Daman Hospitality, which owns and operates a five star property called The Deltin. The property is spread over 10 acres in Daman and includes three bars, four restaurants, and 6,503 square meters of outdoor event space. Deltin Corp owns an “in-principle” license to set up a casino in the hotel with the goal of featuring 1,000 to 1,500 gaming positions. Daman could become a gaming hub for at least four cities: Surat, Baroda, Ahmedabad and Mumbai. Delta Corp has completed building the gaming facility, but is still waiting for its gaming license to be approved.

MAHARASHTRA

In September of 2015, a law student, Jay Satya, discovered the Maharashtra Casinos (Control and Tax) Act 1976 which legalizes certain forms of gaming and authorizes casinos in Mumbai and the rest of Maharashtra. With this new finding, Satya sent “a letter requesting clarification of the Act to Chief Minister Devendra Fadnavis, which was ignored...Satya filed Public Interest Litigation seeking implementation of the legislation.”²⁷ The Mumbai High Court requested that the government make a decision on the law. Relevant departments from the state government are expected to meet on April 22nd to review the act and consider whether to accept it, repeal it, or amend it.²⁸

²⁷ <https://www.casino.org/news/law-student-discovers-long-forgotten-mumbai-casino-act>

²⁸ <http://www.dnaindia.com/mumbai/report-maharashtra-to-discuss-casino-act-on-april-22-2203955>



V. INDIAN GAMING ABROAD

With such limited gaming opportunities in India, many Indian gamers choose to venture abroad to gamble. Many Indian gamers frequent casinos that cater to them in neighboring countries like Nepal and Sri Lanka. Other Indian gamers seek out gaming options elsewhere, including Macau and Las Vegas.

REGIONAL MARKETS FOCUSED ON THE INDIAN GAMER

NEPAL

Nepal is a landlocked nation that is located on India's northern border. Although Nepal features casino gaming, it is illegal for local residents to gamble. From 2010 to 2013, Nepal had approximately fourteen "mini casinos" that were operational near the Indian border and in the city of Kathmandu. These casinos were not true "live casinos," in that all games were electronic games and no dealers were present. In 2013, the Casino Rules 2070 Act was passed which required casinos to be located in four-star quality or above hotels, and also required casino operators to pay higher royalties to the government.²⁹ As a result, all casinos in Nepal closed down due to the new regulations.

Since then, only a few casinos reopened in the capital city of Kathmandu: The Millionaire's Club and Casino, Casino Mahjong, Casino Royale, and Casino Pride. These casinos all offer gaming and non-gaming amenities similar to those offered in India. In total, these facilities feature approximately 100 table games and over 100 slot machines.

One international operator has taken a keen interest in the market: Silver Heritage Limited. With its existing operation at The Millionaire's Club and Casino and previous experience in the market area, Silver Heritage is planning to open another casino, the Tiger Palace Resort, close to the Nepal/India border. This casino is expected to offer one of the premier gaming destinations in Nepal and will attract gamers from nearby Indian states.

SRI LANKA

Sri Lanka, located on the southeastern coast of India, also features several casino gaming facilities that attract Indian gamblers. All of the gaming facilities are located in or near the nation's capital of Colombo. These casinos generally offer a similar gaming product to those in Nepal and India, but also attempt to cater to other demand segments including

²⁹ Live table games can only be operated within five-star hotel facilities.



Chinese gamers. Sri Lanka’s casinos specifically target India’s southern metropolitan areas, like Chennai, Cochin, Bengaluru, and Madurai, as many of them are closer to Sri Lanka’s casinos than Goa’s. Its casinos offer a total of approximately 250 table games as well as slot machines and live sports betting. The gaming market landscape in Sri Lanka is expected to continue to evolve as a tax hike imposed in early 2016 could force some of the casinos to close.³⁰

INDIAN PATRONAGE OF OTHER GAMING MARKETS

Indian gaming patrons have also sought out gaming entertainment in less proximate gaming markets like Macau and Las Vegas. This section details Indian visitation statistics for each of these markets.

MACAU

The following table illustrates the number of Indian visitors that have visited Macau from 2011 to 2015. Indian visitation to Macau has remained largely stagnant during this time period, decreasing slightly from 169,660 visitors in 2011 to 167,578 visitors in 2015. Although Indian visitation decreased slightly during this time frame, Indian visitation grew from 2014 to 2015 by 0.2%.

Historical International Visitation Estimates, Macau							
	2011	2012	2013	2014	2015	% Change 2014 to 2015	5 Year CAGR
India	169,660	150,825	160,019	167,216	167,578	0.2%	-0.2%
TOTAL	28,002,279	28,082,292	29,324,822	31,525,632	30,714,628	-2.6%	1.9%

Source: macaotourism.gov.mo

Many other demand segments shrunk considerably during the same time period. In fact, Indian visitation cracked Macau’s top ten visitor source markets in 2015. The following table illustrates Macau’s top ten visitor source markets in 2015.

³⁰ <http://glaws.in/2015/12/16/sri-lanka-casinos-on-the-verge-of-shutdown-after-unreasonable-hike-in-taxes-and-levies/>



2015 Top Ten Visitor Source Markets, Macau

	Visitors	% Total
Mainland China	20,410,615	66.5%
Hong Kong	6,534,543	21.3%
Taiwan	988,059	3.2%
Republic of Korea	554,177	1.8%
Japan	282,217	0.9%
Philippines	276,806	0.9%
Malaysia	229,102	0.7%
USA	182,532	0.6%
Thailand	180,836	0.6%
India	167,578	0.5%
Other	908,163	3.0%
TOTAL	30,714,628	100.0%

Source: macaotourism.gov.mo

LAS VEGAS

Indian visitors also fall within the top ten countries that produce visitors to Las Vegas. The following table illustrates historical Indian visitation to Las Vegas from 2010 to 2014. Indian visitation grew at a CAGR of 6.5% from 2010 to 2014, reaching 29,783 visitors in 2014. Recently, the Nevada Division of Tourism decided to focus on attracting the Indian demand segment. In fact, the Nevada Department of Tourism opened a representative office in India last year.³¹

Historical International Visitation Estimates, Las Vegas

	2010	2011	2012	2013	2014	CAGR
Canada and Mexico	2,518,020	2,643,619	2,824,470	2,942,690	3,214,810	5.0%
China	115,328	147,391	190,057	201,577	188,719	10.4%
India	21,710	25,256	27,192	29,089	29,783	6.5%
Other	2,289,802	2,617,144	2,492,431	2,622,104	2,797,298	4.1%
TOTAL	4,944,860	5,433,410	5,534,150	5,795,460	6,230,610	4.7%

Source: LVCVA/Global City Travel data model from Oxford Economics

³¹ <http://calvinayre.com/2016/01/29/casino/nevada-casinos-look-for-gamblers-from-india/>



VI. THE POTENTIAL OF THE INDIAN GAMING MARKET

THE SIZE OF THE INDIAN GAMING MARKET TODAY

Without access to an appropriate amount of attractive gaming facilities today, the Indian gaming market is far from reaching its potential. Even after combining the casino offerings in India, Nepal, and Sri Lanka, Indian gamers are only served by approximately 730 tables and far fewer slot machines. With a population between 1.25 and 1.30 billion, this equates to between 1.7 and 1.8 million people per available table game. This statistic indicates that the market is vastly underserved today.

Although gaming revenue generation is not publically disclosed for these gaming jurisdictions, the Chairman of Delta Corp, Jaydev Mody, recently provided his gaming revenue estimates for the domestic Indian market. In August of 2015, Jaydev Mody stated that the Indian casino market likely generated approximately 500 crore rupees (approximately \$75.7 million USD).³²

GAMING MARKET POTENTIAL

If India's growing population had easy access to the right number and mix of attractive integrated casino resorts, and these resorts were positioned strategically throughout India's major cities and its borders, it could become the next dominant force in Asian gaming.

To estimate the size of its potential gaming market, GMA performed the following analysis. In performing this analysis, GMA assumed that the Indian gaming market would be properly served with attractive and proximate gaming facilities by 2021. With an understanding of historical urban and rural population trends, GMA assumed that India's urban and rural population would increase at a CAGR of 2.4% and 0.7%, respectively, through 2025.

³²<http://www.businesstoday.in/opinion/interviews/more-casinos-will-come-up-says-jaydev-mody-of-delta-corp/story/223257.html>



In that year, GMA assumed that 52% of this population would be of gambling age. To be conservative, GMA assumed that India's middle and upper class population would represent an estimated 25% of the urban population and 17% of the rural population.³³

GMA further assumed that 18% of urban residents would gamble approximately 10 times a year with an average gaming spend of \$55, while only 9% of rural residents would gamble approximately 6 times a year with an average spend of \$70. Utilizing these conservative assumptions, the gaming market would generate nearly \$10.2 billion in gaming revenue in that year, with approximately \$7.0 billion in gaming revenue stemming from the urban population and \$3.2 billion in gaming revenue stemming from the rural population.³⁴ A conservatively estimated \$10.1 billion gaming market equates to a gaming spend of only \$6.8 per capita or \$34.3 per middle/upper class capita. For comparison purposes, many developed and mature markets have spend per capita figures (which include all classes) that are more than ten times the projected middle/upper class spend per capita projected in this report. It is also important to note that this gaming revenue generation would be generated by 20.3 million middle/upper class adults, which accounts for only 1.4% of India's projected total population in that year.

Assuming a gaming tax rate of 15%, this gaming revenue generation would provide state governments with an additional \$1.5 billion in tax revenue. Additionally, a reasonably sized integrated casino resort can easily directly employ over 5,000 people, which does not include associated indirect and induced job creation. In this scenario, it assumes that multiple integrated casino resorts would be developed, providing thousands of jobs during construction and operation of the facilities.

IN SUMMARY

Indian gaming operators like Delta Corp and Pride Group, and non-Indian gaming operators like Silver Heritage already realize the potential value of the Indian gaming market. As such, they are currently positioning themselves to capitalize on the underserved market's

³³ Assuming these percentages, the middle and upper class Indian population would only be 297 million in 2025. This estimate is much lower than the NCAER estimate of 547 million middle class residents by 2025.

³⁴ This analysis does not consider the gaming revenue generation that would be produced by Indian gamers outside of India and its neighboring markets. It also does not consider the amount of gaming revenue that Indian casinos would likely capture from other nearby potential demand segments, including Thailand and Bangladesh.



potential promise. In the short to medium term, other operators of casinos in existing markets, such as Singapore and Macau, should recognize the value of the Indian gamer and begin to market to them. In the long term, Indian states and the federal government must consider and recognize the significant economic contributions that integrated casino resort developments can bring to their communities in the form of job growth, tax revenue and tourism.



VII. DISCLAIMER

Global Market Advisors (“GMA”) has made its best effort to secure accurate information, however, much of the information contained in this report was received from third parties, which GMA did not validate or verify. Accordingly, GMA makes no warranty, real or implied, regarding the data contained in this white paper. This white paper also contains projections of future events based upon certain assumptions. As it is not possible to predict future outcomes with absolute accuracy, these projections should be treated only as estimates of potential future results. Actual results may differ due to unforeseen events. Consequently, GMA assumes no liability for the accuracy of these projections.



VIII. ABOUT GLOBAL MARKET ADVISORS

Global Market Advisors, LLC provides clients with market feasibility studies, primary research, economic impact studies, due diligence, payroll control, operations analysis, business and marketing plan development, and player reward program design for the gaming, hospitality and tourism industries. The principals and associates of GMA have hands-on experience in nearly all aspects of the gaming industry including domestic and international operations, project development, marketing expertise, and detailed market analysis.

Global Market Advisors is a (Nevada) Limited Liability Corporation with offices in Las Vegas, NV, Denver, CO, Taipei, Taiwan and Bangkok, Thailand. Below is the contact information for the company's partners.

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KIT L. SZYBALA

Kit Szybala graduated from Southern Methodist University as a Hunt Leadership Scholar with degrees in Finance and International Studies giving him a thorough understanding of international business and financial modeling. While studying at the university, Mr. Szybala also gained extensive experience abroad, both working for Oracle Corporation in London, United Kingdom and studying at the University of Oxford. While with Oracle Corporation, Mr. Szybala worked alongside the Senior Director of Marketing and Vice President of Technology Marketing for EMEA as a Marketing Analyst. Mr. Szybala monitored and improved the efficiency of their marketing programs by utilizing Customer Relationship Management software.

Immediately following his time at Southern Methodist University, Mr. Szybala began working for Vail Resorts as a member of the Vail Resorts College Program. This Program gave him valuable insight into hospitality management and operations by giving him various opportunities to meet with chief members of resort management. It also afforded him the ability to work in several different capacities for the corporation, giving him the opportunity to understand the intricacies of the varying moving parts of resort operations.



In 2012, Mr. Szybala began working for Global Market Advisors. Currently, he serves as the company's Director of Research and Analysis. At Global Market Advisors, Mr. Szybala has created over 100 robust financial models in various gaming markets across the globe. In addition to these financial models, Mr. Szybala has written a multitude of extensive, analytical reports, including feasibility studies, impact and cannibalization studies, gaming market assessments and strategic planning assessments. Additionally, Mr. Szybala is a visiting lecturer at the School of Continuing Education at the University of Nevada, Reno where he teaches a class on casino feasibility analysis and is a contributor to Global Gaming Business Magazine.

STEVEN M. GALLAWAY

Steve Gallaway is Managing Partner at Global Market Advisors. His areas of expertise include gaming market assessments, hotel and casino feasibility studies, operational reviews and marketing analysis.

Mr. Gallaway has spent his entire career in the gaming and hospitality industry, starting as a valet attendant and eventually rising to chief operating officer and managing partner of a casino in Colorado. Prior to forming GMA, he served as senior vice president of a hospitality consulting firm where he honed his craft in the fields of gaming market assessments and feasibility analysis. During the span of his career, Steve developed hands-on experience in operations management, organizational development, project development, business development, process improvement, contract negotiations, employee development, and customer service training.

In 2005, along with Andrew Klebanow, Mr. Gallaway formed Gaming Market Advisors. In 2014, the firm was rebranded as Global Market Advisors, reflecting the company's evolution as an international gaming, tourism and hospitality consulting firm.

Mr. Gallaway has completed over 300 feasibility studies, with a strong focus on international gaming operations and integrated resort development. Mr. Gallaway has worked on more than 60 projects in Asia, Western and Eastern Europe, the Caribbean, Central America, Canada, and Australia. His knowledge and understanding of emerging markets, particularly those in Asia, has led him to advise institutional investors on new market opportunities in that region, as well as an advisor on established markets. Today, Steve's clients include most public gaming companies, investment banks, private developers and government institutions.

Mr. Gallaway is a visiting lecturer at the University of Nevada Reno's School of Continuing Education where he teaches a class on casino feasibility analysis and marketing



measurement. He is a periodic contributor to Global Gaming Business Magazine and Indian Gaming Magazine, and has spoken at G2E Las Vegas and the Asian Gaming Congress.

Mr. Gallaway graduated from Boston College with a B.A. in Economics.

ANDREW M. KLEBANOW

Andrew Klebanow is the Senior Partner at GMA. He specializes in Marketing Plan and Business Plan Development, Market Research, Casino Property Analysis, Service Quality Measurement Programs and Player Rewards Program Design exclusive to the gaming and hospitality industries.

Mr. Klebanow has worked in the hospitality industry since 1975 and in the fields of marketing and business planning since 1991. He earned a Bachelor of Arts degree at New York University and a Master's Degree in Marketing from Cornell University's School of Hotel Administration.

From 1991-1993, he was Director of Marketing at Sahara Gaming Corporation's Hacienda Hotel and Casino and Director of Marketing and Planning for the parent company's Development Group.

Mr. Klebanow also worked as Director of Marketing for Alliance Gaming Corporation where he conducted the initial market research, consumer testing and marketing plan development for Gamblers Bonus, the industry's first cardless slot club for the company's Nevada slot route division. Gamblers Bonus was the first player tracking system that allowed customers to redeem bonus points for game credits at the machine.

As a consultant to Horseshoe Gaming, Klebanow conducted an analysis of the gaming market in Tunica, MS and subsequently prepared its pre-opening business and marketing plans. In addition, Mr. Klebanow wrote the opening marketing plan for the Horseshoe Casino in Bossier City, LA.

From 1996 to 1999, Klebanow was Vice President of Marketing for Santa Fe Gaming Corporation, where he oversaw the marketing efforts for the Santa Fe Hotel and Casino in Las Vegas and the Pioneer Hotel and Gambling Hall in Laughlin, NV. During his tenure at Santa Fe Gaming, his team repositioned both casinos' player rewards programs to better meet the needs of the business. His most recent position was that of Vice President of



Marketing at Sam's Town Hotel and Gambling Hall, where he oversaw the repositioning of the 22-year-old gaming property and the re-branding of its player rewards program.

Mr. Klebanow formed his own consulting firm in 2001 and, together with Mr. Gallaway, formed Gaming Market Advisors in 2005. In 2013, Gaming Market Advisors acquired the consulting firm Galaviz and Co, and rebranded itself as Global Market Advisors, where Mr. Klebanow is a partner today.

Mr. Klebanow is a periodic lecturer at Cornell University's School of Hotel Administration, the University of Nevada Las Vegas and the University of Nevada Reno's School of Continuing Education. Mr. Klebanow has authored over 100 articles in Indian Gaming Magazine, Global Gaming Business, In Asian Gaming and in the online gaming publication Urbino.net. He has also contributed academic papers to the Cornell University Hotel and Restaurant Quarterly and the UNLV Hospitality Journal. Mr. Klebanow has written extensively on the subject of player reinvestment and has developed methodologies for calculating a casino's player reinvestment rate. Recently, he focused his attention on casino development in urban environments and published a paper on that subject.

Over the past twenty years Mr. Klebanow has spoken at a number of gaming conferences. More recently, he delivered a presentation on Player Reinvestment and Tiered Player Reward Program Design at the Asian Gaming Congress 2010 and on Casino Development in Eastern Russia in 2012. At G2E Asia 2010 he delivered a one hour presentation entitled "Say My Name: The Application of Loyalty Programs in Asia." He also served as a panelist at G2E Asia 2011 on the Korean gaming market and in 2012 on the Manila gaming market. In 2013, he moderated a panel on marketing communications in Asia.

Mr. Klebanow has also moderated panels and shared the lecture podium at G2E Las Vegas. In 2012, he moderated a panel discussion entitled "Risk and Rewards: Understanding Player Reinvestment." In 2013, he conducted a seminar entitled, "An Introduction to Casino Operations," and spoke as a panelist in a session on Trends in Asian Tourism.

In April of 2015, he presented a paper entitled "Casinos and the City" at the Third Annual Asia Pacific Conference on Gambling and Commercial Gaming Research in Beijing and moderated a panel on Trends in Electronic Casino Marketing Communications at the Casino Marketing and Technology Conference in Las Vegas. Most recently, he published a paper that proposed strategies to grow international tourism into Las Vegas.



JONATHAN GALAVIZ

Mr. Jonathan Galaviz is a Partner in the firm. He manages consulting engagements to Fortune 500 clients and emerging companies in the areas of Asia market expansion, government policy, tourism strategy, and provides industry specific guidance to companies in the airline, casino gaming, and technology industries.

Mr. Galaviz regularly appears on CNBC, BBC, and Bloomberg TV and is quoted frequently by leading newspapers around the world. His clients include firms such as the Bank of Tokyo-Mitsubishi UFJ, Goldman Sachs (U.S. and Asia), CapitaLand, Deutsche Bank, Caesars Entertainment, Station Casinos (Fertitta Gaming), eSun/Lai Sun, Keppel Land (Singapore), Lend Lease (Australia) and several private equity / venture capital funds.

In 1996, Mr. Galaviz was a U.S. Senate Staffer in Washington DC for the office of U.S. Senator Pete Domenici (R-New Mexico). From 1998 to 2002 Mr. Galaviz was employed in a variety management consulting roles at Spectra Corporation, Whittman-Hart and Mandalay Resort Group (now a part of MGM Resorts International). From 2002 to 2013 Mr. Galaviz was head of Galaviz & Company LLC; a strategy-consulting firm focused on assisting Fortune 500 clients with their Asian market expansion strategies.

In 2011, Mr. Galaviz served as the Interim Head of Campus for the University of Nevada's campus located in the Republic of Singapore. He was responsible for returning the campus to profitability and enhancing its operational viability. His work at UNLV was widely praised in media and academic circles.

Mr. Galaviz serves as the President of The Economic Club of Las Vegas, a non-profit organization dedicated to non-political economic discussion. He is also a member of the National Association for Business Economics.

Mr. Galaviz holds an MBA from the Saïd Business School at the University of Oxford (England) and is a graduate of the New Mexico Military Institute. He studied finance at the National University of Singapore's School of Business as a foreign exchange student in 1997.

WILLIAM BRYSON

Bill Bryson has practiced law in New York and Taipei for over 25 years, and is recognized as a leading lawyer in the fields of gaming, hospitality, real estate development, mergers and acquisitions and financial transactions.



Bill has extensive experience in the representation of local and foreign hospitality industry clients in their operations and investments, both in Taiwan and throughout Asia. Bill has represented casino gaming companies, gaming machine manufacturers and consultants to the industry in Taiwan and 38 other jurisdictions on a variety of issues, including:

- Corporate Structuring
- Taxes
- Employment Issues
- Marketing Restrictions
- Internet/Interactive Gaming
- Debt Collection
- Gaming Development

In connection with prior and ongoing efforts by Taiwan to legalize casino gaming, Bill has represented several gaming industry clients in connection with possible gaming development projects in Taiwan. These representations have involved due diligence on potential joint venture partners, negotiation of joint venture and deal documentation, due diligence on potential casino gaming locations, reviewing and commenting on draft laws and regulations, and preparing background materials for, and participating in, client lobbying efforts and meetings with government officials.

Bill has been acknowledged by Chambers Asia Pacific as a leading gaming lawyer in the region, and by Chambers Global as a leading lawyer in the global gaming industry. He has been a speaker at both the Asian Gaming Congress and G2E Asia, and currently serves on the Advisory Board of the Center for Research on Gaming and Lotteries, a division of the School of Business Administration at the National Taiwan University of Science and Technology.

Bill has also represented non-gaming interests in the hospitality industry, including both local hotel owners and foreign management companies. Bill's roles in such representations have included assisting local owners in the negotiation of letters of intent, hotel operation agreements, management agreements, franchise agreements, technical services agreements, and pre-opening services agreements. He has assisted foreign management companies in similar transactions, as well as in termination scenarios (including related hand-over issues) and owner insolvency proceedings.

Bill's merger and acquisitions, financing and real estate experience includes many "first of a kind" deals in Greater China, including the first-ever sale/leaseback of a commercial



building in Taiwan, the first multi-jurisdiction acquisition of non-performing loans in Taiwan, the first acquisition of non-performing loans in China by a foreign investor, the first cross-border limited recourse financing led by Taiwanese banks, the first acquisition of a listed local shipping company by a foreign investor, the first acquisition of a substantial stake in a local financial holding company by a Japanese bank, the largest (by value) acquisition of commercial real estate by a foreign investor in Taiwan, and the acquisition of a local Internet Service Provider by an American internet company. Bill has been acknowledged as a leading lawyer in M&A, real estate, and finance by Chambers Asia Pacific, Asia Pacific Legal 500, and AsiaLaw magazine's Leading Lawyers Survey.

Along with his gaming, hospitality and transactional experience, Bill also brings with him extensive experience in public advocacy. As a member of the Government Relations Committee of the American Chamber of Commerce in Taipei, as well as his roles as Chairman of the Private Equity Committee and member of the Travel and Tourism Committee, Bill has, for the past 20 years, been a regular and central member of the Chamber's advocacy efforts on behalf of foreign companies in Taiwan. Bill's advocacy experience includes working with both local and US government officials on issues of importance to American companies in Taiwan, reviewing and revising draft legislation and regulations, developing advocacy strategies for both clients and industry groups, and being an editor of the Chamber's annual Taiwan White Paper, a collection of position papers produced by the Chamber's industry Committees. Bill's efforts on behalf of foreign companies in Taiwan have been recognized by the American Chamber of Commerce with two Outstanding Achievement Awards.

