

London company clears hurdle to take over 3 Nevada sportsbooks

By Bill O'Driscoll, Reno Gazette-Journal

London-based William Hill PLC, assuring gaming regulators there would be no loss of jobs, won a unanimous recommendation Thursday to take over Lucky's, Leroy's and Club Cal Neva sportsbook operations in Nevada.

The Gaming Control Board's blessing of the \$53 million acquisition, first announced a year ago, now goes before the Nevada Gaming Commission on June 21 for final approval and licensing.

William Hill officials told regulators they hope to begin putting their brand on 164 sportsbooks and kiosks statewide before month's end, including 26 Leroy's Sportsbook and 31 Cal Neva locations in Northern Nevada along with Lucky's Race & Sports Book operations in John Ascuaga's Nugget, the Grand Sierra Resort and Casino and Casino Fandango in Carson City.

James Henderson, director of retail sales, sought to dispell any concern over closing sites and eliminating jobs.

"The answer is a simple 'No,'" Henderson told the three-person board. "We plan to keep them all and most certainly look to increase them. There are huge opportunities to grow these businesses. We see Nevada as an entry point to other U.S. opportunities as they arise."

Ralph Topping, William Hill CEO, told regulators that 92 percent of his company's revenues are generated in the United Kingdom, where the company is the biggest operator, and he is looking for opportunity beyond those borders.

“The United States is most interesting to us,” he said.

Sports betting is currently limited to a handful of states led by Nevada, which last year took in \$2.3 billion in sportsbook revenue, the most in the past five years, according to Gaming Control Board data.

In his testimony, Topping said the Lucky’s, Leroy’s and Cal Neva sportsbook staffs will be welcomed into William Hill, which offers “extensive” training in customer service.

“For us, highly motivated, energized employees are the best asset of any company,” he said. “There’s no room for complacency in our company. It’s not a fluke we have highly motivated, creative people, and people who live by these principles are rewarded accordingly.”

An Internet search found a report by the London Evening Standard that William Hill pulled out of Italy in 2008 after just two years and, according to an Irish Times report, closed 14 sportsbook locations in Ireland in 2009, resulting in 53 lost jobs.

Additionally, the company in 2010 cut 150 jobs at its centers in the United Kingdom cities of Leeds and Sheffield, according to proactiveinvestors.co.uk.

William Hill executives Thursday declined to speak beyond their testimony before the Gaming Control Board. In a written statement released to the media afterward, Topping said, “We now look forward to our hearing with the Gaming Commission. Nevada regulators have been extremely fair and detailed in their assessment of our entry into the state, and we are grateful for their decision today.”

Reno gaming analyst Ken Adams said he expects there will be no cuts in Nevada by William Hill.

“The sportsbook employees will be just fine. (William Hill)

didn't pay \$50 million thinking they didn't have a business opportunity here," Adams said. "And besides, they see the possibility of being on the ground floor with Internet gaming in the U.S."

As a sports-betting company begun in 1934, William Hill brings "a broader table of opportunity" to Nevada, Adams said, adding, "They've got a lot of experience. They know what they're doing."

Topping said William Hill will establish state headquarters in Las Vegas with Jeff Siri, CEO of the Club Cal Neva in Reno, stepping down from that post to become chief operating officer of William Hill in Nevada.

William Hill PLC is traded on the London Stock Exchange, and on Thursday, executives outlined the company's finances and breadth, including:

- 16,000 employees worldwide.
- \$1.3 billion in revenues in 2011.
- 25 percent share of the United Kingdom market, where William Hill is the biggest bookmaker with 2,350 locations.
- \$183 million in cash on hand at the end of 2011.

Topping told regulators that profits were held down last year by tax increases, as well as the fact that 2011 was compared with 2010, the year of soccer's World Cup, a major betting event. But Topping told Nevada regulators his company has been successful with its innovations, including a growing online business, mobile sportsbook launched last year and a betting app this spring.

William Hill would not be the first foreign business to enter the gaming industry in Nevada, according to the Gaming Control Board. Several other foreign companies are already in the state, including Crown Casinos of Australia and Dubai World in

Las Vegas, and gaming manufacturers Lottomatica of Italy and Konami of Japan.