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Atlantic City Gaming Win & Total Casino Revenue

Source: N.J. Division of Gaming Enforcement

Monthly Revenue (\$ In Thousands)	July 2018	Change from Prior Year	July 2017
Total Gaming Win (includes Internet & Sports Wagering)	302,050	12.8%	267,853
Sports Wagering Revenue	3,831	n/a	n/a
Internet Gaming Win	25,898	25.8%	20,586
Casino Gaming Win	272,321	10.1%	247,267

Year to Date July (\$ In Thousands)	2018	Change from Prior Year	2017
Total Gaming Win	1,562,689	0.3%	1,558,559

Industry Income Statistics* (\$ In Thousands)	Quarter Ended June 30, 2018	Change from Prior Year	Year to Date June 30, 2018	Change from Prior Year
Industry Total Net Revenue	\$ 694,410	2.4%	\$ 1,302,343	-0.3%
Gross Operating Profit	\$ 171,438	1.6%	\$ 294,489	-4.6%

*The DGE has revised the format of their quarterly reports in response to recent changes in financial reporting methodology

Atlantic City Casino Hotel Lodging

Source: N.J. Division of Gaming Enforcement

Casino Hotel Lodging Statistics For the Period Ended June 30, 2018	Q2 2018	Q2 2017*	YTD 2018	YTD 2017*
Occupancy percentage	84.8%	90.3%	81.4%	85.8%
Average Daily Room Rate (ADR)	\$136.01	\$107.43	\$129.23	\$105.56
Revenue Per Available Room (RevPAR)**	\$115.34	\$97.01	\$105.19	\$90.57

*Data from DGE Q2 2017 report. The DGE has since revised their quarterly reports to reflect recent changes in financial reporting methodology.

** RevPAR= ADR X Occupancy Percentage

Atlantic City Statistical Transportation Data

Source: South Jersey Transportation Authority

Travel Mode	June 2018	Change from Prior Year	June 2017
AC Expressway			
Total Toll-Paying Traffic Pleasantville Toll Plaza	1,779,386	2.3%	1,739,860
AC Airport			
Scheduled Service Passengers	76,220	-6.6%	81,611
Charter Passengers	10,377	6.0%	9,790
Total Air Passengers	86,597	91,401	-5.3%
NJ Transit Rail Service to A.C.			
Rail Passengers	79,348	1.7%	78,012

Atlantic City Information

Atlantic City celebrates 16th annual Airshow- As reported by **The Press of Atlantic City**, the Greater Atlantic City Chamber of Commerce hosted the 16th Annual Atlantic City Airshow on August 22. The mid-week event has become a major draw for city visitors consistently boasting a crowd of some 400,000. Organizers estimate the crowd for this year's event, reached 400,000 to 500,000. This year's show featured the U.S. Air Force Thunderbirds, the Canadian Forces 431 Air Demonstration Squadron (Snowbirds), U.S. Army Golden Knights Parachute Team and others. Atlantic City International Airport serves as host airport for the event.

Boxing is making a comeback in Atlantic City- As reported by **The Press of Atlantic City**, Boxing is seeing a return in popularity in Atlantic City. After peaking in 1985 with a record 143 fight cards in a single year, the popularity of boxing in Atlantic City waned, hitting bottom in 2015 with just 5 events. On August 4, a fight between World Boxing Organization light-heavyweight champion Sergey Kovalev and Eleider Alvarez, became the biggest boxing event to come to Atlantic City in four years. All four of the city's then operational sports books accepted wagers on the fight which drew a capacity crowd of 6,000 to the Hard Rock Hotel & Casino Atlantic City. The excitement around the fight and the availability of sports wagering gives supporters reason to believe that boxing will once again be a big draw for visitors to Atlantic City.

Casinos employ more than 30,000 in Atlantic City- According to a **report** released by the New Jersey Division of Gaming Enforcement and shared by **The Press of Atlantic City**, Atlantic City Casinos supported 30,217 jobs as of July 2018. This is the first time in four years that casino employment for the city exceeded 30,000. The last time the city's casino industry employed more than 30,000 people was the second quarter of 2014, when 11 casino hotels were in operation.

NJ Transit announces temporary shutdown of Atlantic City Rail Line- As reported by **The Press of Atlantic City**, transit officials have announced a temporary shutdown of the Atlantic City Rail Line to facilitate the installation of federally mandated safety equipment. The line would shut down September 5 and reopen in early 2019 after positive train control (PTC) equipment is installed. The transit agency plans to increase local and express bus service to accommodate rail line customers including those who use the train to commute to work in Atlantic City. Some customers fear the shutdown is a precursor to a permanent closure of the line which has seen a steady decline in ridership in recent years.

New Jersey Gaming News

Three New Jersey gaming operators launch mobile sports wagering- As reported by **The Press of Atlantic City** and **PlayNJ.com**, on August 1, Resorts, in partnership with DraftKings launched the state's first mobile sports betting app. On August 22, Borgata, the first casino to launch sports betting in Atlantic City became the second to offer a mobile sports wagering app (according to **The Press of Atlantic City** and **LegalSportsReport.com**). **The Press of Atlantic City** also reported that PlaySugarHouse.com, in association with the Golden Nugget, launched mobile sports wagering, integrated with its online casino, on August 24. Six of Atlantic City's nine casinos currently offer sports betting. Of those six, three now offer an online/mobile platform for sports wagering.

Live Dealer Gaming set to take off in New Jersey- According to NJOnlineGambling.com and iGamingBusiness.com, New Jersey's Live Dealer gaming market is poised for significant expansion through the end of 2018. The Golden Nugget has controlled a near monopoly on Live Dealer gaming in New Jersey since it introduced the product in August 2016. Over the years Golden Nugget has leased space in its streaming studio to Betfair (May 2017), Borgata, PlayMGM and Party Casino (early 2018), but has remained the market leader. This may be about to change. On August 16, Hard Rock AC became the first Live Dealer operation in the state to be housed outside of the Golden Nugget. Hard Rock has partnered with international operator, Evolution Gaming, to open a production studio for live casino gaming. The studio, Evolution Gaming's first in the US and tenth worldwide, will serve as a hub for the company's other NJ Live Dealer operations, including deals with 888, Play SugarHouse Ocean Online Casino and Resorts' Online Casino.

Hard Rock Atlantic City announces sports betting partnerships- As reported by LegalSportsReport.com, Hard Rock has announced partnerships with two European book making companies, Bet365 and Kindred group to offer online sports betting. Hard Rock, along with Tropicana and Caesars, does not have an active brick & mortar sports book.

New Jersey racetracks seek reparations for lost revenue due to federal sports gambling ban- as reported by [The Press of Atlantic City](http://ThePressofAtlanticCity.com), the New Jersey Thoroughbred Horsemen's Association is seeking roughly \$140 million in damages for lost revenues. The association claims that, in light of the Supreme Court's decision to overturn PASPA, the temporary restraining order blocking sports betting at Monmouth Park Racetrack from October 2014 to May 2018 should not have been granted. In addition to the \$140 million, the association also wants the \$3.4 million bond which the pro sports leagues and NCAA paid into to cover losses suffered during the term of the restraining order. The leagues contend that the association isn't legally allowed to collect the bond or damages.

Regulators crack down on illegal online wagering operations - According to OnlinePokerReport.com, New Jersey gaming regulators, under the leadership of David Rebeck, director of the NJ Division of Gaming Enforcement, have committed to driving illegal off-shore gambling sites out of the state.

National Gaming News

American Gaming Association (AGA) releases annual 'State of the States' report- On August 22, the AGA released the **2018 State of the States: The AGA Survey of the Commercial Casino Industry** report. The annual survey of commercial gaming properties in the United States found that all but four of the nation's 24 commercial casino states saw year-over-year growth in gaming revenue. Nationwide gaming revenue totaled \$40.28 billion in 2017, an increase of 3.4 percent over 2016 and a new record for the industry.

Coalition of seven Pennsylvania casinos challenges iLottery Expansion- According to OnlinePokerReport.com, on August 22, a group of seven Pennsylvania casinos filed a joint complaint seeking to stop the state's iLottery from offering "online casino-style games" to the public. Under the gaming expansion package passed last year, iLottery operators are permitted to offer gaming products such as virtual sports, Keno and new types of electronic draw games. The casinos contend that these games are too similar to products traditionally offered by online casinos.

Pennsylvania Gaming Control Board (PGCB) approves internet gaming licenses- As reported by [PennLive.com](#), On August 15, the PCGB approved internet gaming licenses for three Pennsylvania casinos; Mount Airy in the Poconos, Parx in Bucks County, and Harrah's Casino Philadelphia in Chester. The PGCB has yet to announce a state-wide launch date for online casino gaming.

National Sports Betting News

Casinos and sportsbook operators enter into nationwide deals- As reported by [PlayUSA](#), FanDuel Group, the US arm of Paddy Power Betfair and Boyd Gaming have entered into a partnership to offer mobile and online sports wagering. The agreement gives FanDuel Group National reach covering all states where Boyd Gaming currently holds gaming licenses or will be licensed in the future. Upon completion of pending contracts, Boyd will have access to 15 US States.

Legal sports gambling increases ad revenue for national TV network, CBS Corp. – As reported by [Bloomberg](#), CBS has seen new betting-related ad dollars coming into their Philadelphia affiliate station and a similar increase is anticipated for New York. Leagues and TV stations stand to gain from increased fan interest in sports events, which is expected to translate into greater media and advertising spending.

Mount Airy becomes third Pennsylvania casino to announce plans to offer sports betting- According to [LegalSportsReport.com](#), Mount Airy casino will partner with The Stars Group (TSG), parent company of online poker provider PokerStars, to offer sports betting. With its recent acquisition of [SkyBet](#), TSG is the largest public gambling company in the world. Under the PokerStars Brand, TSG has had a long-term relationship with Resorts Atlantic City. TSG will likely seek to share liquidity between its Pennsylvania and New Jersey operations in direct competition to WSOP/888 which currently operates a multistate poker network. According to [PennLive.com](#), the Pennsylvania Gaming Control Board (PGCB) has received petitions from two of the three casino operators interested in offering sports betting. Parx Casino, in partnership with GAN, filed with PGCB on August 27, and Penn National Gaming, in partnership with William Hill US, filed August 17.

Nielsen Sports report, commissioned by the American Gaming Association (AGA) examines demographic and behavioral characteristics of US sports bettors- As reported by [Casino.org](#), the [study](#) conducted by Nielsen Sports for the AGA, reveals that sports bettors are both younger and more affluent than the general population. Forty-four percent of sports bettors are under the age of 35 compared to 31 percent of the general population. Twenty-nine percent of sports bettors earn a household income of more than \$100,000 annually, nearly twice the proportion of the general public. Also of note, of individuals who currently wagered through a bookie, 71 percent indicated that they would shift some or all of their betting activities to the regulated sports wagering market.

West Virginia issues first sports betting licenses- According to [Casino.org](#), FanDuel Group in partnership with The Greenbrier hotel and resort received West Virginia's first license to operate a sports book. Despite receiving their license, FanDuel is unlikely to be first to launch in West Virginia since their partner, The Greenbrier, had yet to apply for an operator's license. Penn National Gaming's (PNG) Hollywood Casino Charles Town will likely beat The Greenbrier as they plan to launch their sports book by September 1. Although no official announcement has been made, PNG is expected to partner with William Hill.

Hospitality & Tourism News

Hilton opens first tri-branded hotel- In an August 7 [statement](#), Hilton announced the opening of the company's first tri-branded property. The property, at Chicago's McCormick Place Convention Center, will feature Hilton Garden Inn, Hampton Inn and Home2Suites branded accommodations.

US hotels see increase in RevPAR and decrease in profit per room in July 2018- According to [LodgingMagazine.com](#), U.S. hotel operators experienced a 1.1 percent year-on-year increase in RevPar for July, but saw profits per room drop by 2.2 percent due to rising costs and declining non-rooms revenues. On a per-available-room basis, full-service hotels saw ancillary revenues from food and beverage and conference and banqueting decline by 2.3 percent and 3.5 percent year-on-year respectively. Labor costs increased by 0.9 percent to 36.5 percent of total revenue, while overhead costs increased by 0.4 percentage points to 24.4 percent of total revenue. Room occupancy levels decreased by 0.9 percentage points to 80.4 percent for the period while average daily room rates increase a record 2.2 percent year-on-year to \$198.47 driving increases in total room revenue. Total revenue for year-to-date 2018 increased by 2.8 percent.

Yosemite National Park closes as Ferguson Fire burns 100,000 acres – As reported by [Reuters](#), wildfires in the U.S. West have scorched more than 5.6 million acres this year including parts of national forests and their surrounding communities. In Yosemite, the seventh largest tourism economy connected with a U.S. national park, the fires and resulting poor air quality have been particularly damaging to local tourism businesses. The Yosemite tourist economy, which greeted 4.3 million visitors spending an estimated \$452 million in 2017, may have lost millions of dollars in revenue. According to the Yosemite Sierra Visitors Bureau, occupancy rates at some hotels have almost reached zero. As the fires have been contained, and air quality improves, local tourism bureaus have been committed to spreading the word that California tourism is open for business. On August 16, [The New York Times](#) provided an update on the fires and their impact on northern California tourism sites.