

To: Lottery, Video Gaming & Racino Executives
Interested in Growth, Expansion & Added Success



Your weekly supplement to
Public GAMING International Magazine
March 27, 2006

EXPO/ILAC DATES MOVED

JULY 10 - 13 ARE THE NEW DATES
FOR THE INTERNATIONAL LOTTERY EXPO & ILAC
CONGRESS FOR LATIN AND CARIBBEAN LOTTERIES.
WYNN LAS VEGAS RESORT, THE CITIES NEWEST
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COMPANY NEWS

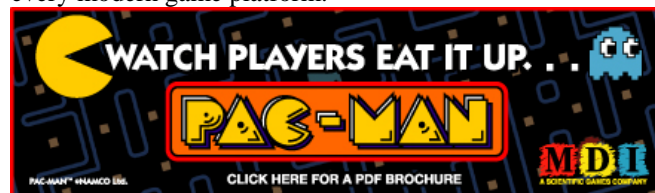
SCIENTIFIC GAMES COMPLETES ESSNET ACQUISITION. Scientific Games has completed the purchase of the online lottery assets of Swedish firm EssNet AB for 460 MSEK or approximately \$60 million. The acquisition adds seven states in Germany, the national lotteries of Hungary and Norway, Golden Casket and Tattersall's Lottery in Australia, and other national lotteries, to its portfolio of customers. Essnet's 2005 online lottery revenues were approximately 314 MSEK or \$40 million.

NEW JERSEY TO LAUNCH PRO GOLF INSTANT.

New Jersey Lottery players will be hitting the links this spring with a new "Go for the Green" series of instant tickets, featuring some of today's hottest pro golfers and legends. *Pro Golfers* is a license offered to lotteries by MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation. The new series of \$2 instant tickets offers players 10 chances to win, with a top prize of \$30,000. Professional golfers featured on the tickets include Vijay Singh, Sergio Garcia, John Daly, Raymond Floyd and Annika Sorenstam. The new game launches in New Jersey



on April 17. In addition to cash prizes, players will be able to enter the Lottery Bonus Zone for a 2nd chance to win an unbelievable weekend golf getaway at either Pebble Beach Golf Resort in California, the Phoenician Golf Resort in Scottsdale, Arizona or the TPC Sawgrass Resort in Ponte Verde, Florida. These trips include roundtrip air fare for two, resort accommodations for three nights, round of golf plus cart for two people each day and spending money. And players can also enter the Bonus Zone for a chance to win their choice of a merchandise prize pack that includes different combinations of high-quality men's and ladies' classic golf bags or wheeling duffel bag, umbrellas, small duffel bags, golf towels, polo shirts, visors and wind shirts, including the Epic 950™, which is available on virtually every modern game platform.



GTECH BOARD HONORED. For the second consecutive year, GTECH's Board of Directors has been named the Top Performing Board of Directors in Gaming by HVS Executive Search, a global consulting and services organization focused on the gaming, lodging, and leisure industries.



INTRALOT EXPANDS MOBILE NETWORK IN MOLDOVA.

Loteria Moldovei, Intralot's subsidiary in Moldova, awarded a new contract with Moldcell, mobile operator in Moldova and Turkcell's affiliated company with which Intralot since 2003 has established a collaboration regarding its activities in Turkey. The project in Moldova initially entails the operation of Lotto game through SMS and soon it will be broaden to other gaming applications. The above mentioned contract was signed after a two years successful implementation of the same project with the leading mobile operator in the country – Voxel, which holds the 64% of the local market. Now, due to this agreement, all the mobile users in Moldova will have access to lotto game offered by Loteria Moldovei.



MDI's AMERICAN IDOL ROCKS TEXAS. The huge success of the hit reality show American Idol® is stirring up a buzz with lottery players in Texas, now that the Lottery

PUBLIC GAMING RESEARCH INSTITUTE/
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PRESENTS

EXPO/ILAC

2006

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WYNN-LAS VEGAS

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at 425 985 3159. Visit www.publicgaming.org.

has launched a new instant game based on the hit television phenomenon. Texas was the first state to carry American Idol, licensed by MDI Entertainment, a wholly-owned subsidiary of Scientific Games. The game hit the streets on Jan. 27 and as of early March was selling at about \$1.3 million per week. The Hoosier Lottery also recently launched a \$2 American Idol game. American Idol and the Fox TV Network recently signed an agreement that would keep the show on TV until 2011.



MGAM TO SUPPLY BINGO UNITS TO APUESTAS.

Multimedia Games has been selected by Apuestas Internacionales S.A. de C.V., a subsidiary of Grupo Televisa, S.A., to provide traditional and electronic bingo gaming, technical assistance, and related services for Apuestas' locations in Mexico. Apuestas was granted a permit by the Ministry of the Interior of Mexico to open 65 facilities throughout Mexico to operate bingo and sports books. Pursuant to the agreement, Multimedia will initially train Apuestas personnel in traditional bingo games, and provide all of the electronic bingo units for the first facility, which is expected to open during the second quarter of 2006. After the initial six months, Multimedia will provide 70% of the units in the establishments opened by Apuestas. During calendar 2006, approximately 10 facilities are expected to come online. In addition to providing electronic bingo units and related services, Multimedia will install its MGAME(R) System, including full-featured player tracking software, in each of Apuestas' facilities.

TRANSACT

PEOPLE

West Virginia Lottery Director **John C. Musgrave** recently took over as President of MUSL's Board of Directors. He filled a void left by the resignation of Louisiana Lottery Director **Randy Davis** who left the lottery and his MUSL post to take a private sector job.



GameLogic announced the appointment of **John E. Taylor, Jr.** as president and a member of its Board of Directors. Mr. Taylor joins GameLogic from Snowmark Corporation, an early stage venture capital firm, where he served as managing partner. Prior to joining Snowmark, Mr. Taylor served as a member of the executive management committee and corporate VP for GTECH.



After 36 years of successful company growth, the majority shareholder and Chairman of the Board of KEBA AG, **Karl Kletzmaier**, will hand over the operative business as of 1st July 2006. As majority shareholder and through his future capacity in the Supervisory Board, Mr. Kletzmaier's services will continue to be available to KEBA. The current Director, **Gerhard Luftensteiner**, will succeed Kletzmaier as Chairman of the Board. Furthermore, **Franz Höller**, current Manager of Development, will join the Board as of April 1st 2006 where he will assume the function of Technical Director.



REQUESTS FOR PROPOSALS

SOUTH CAROLINA EDUCATION LOTTERY INSTANT TICKET RFP.

A Request for Proposals (RFP #06-S7147) has been issued for Instant Ticket Production, Marketing Services, Warehousing and Distribution Services on behalf of the South Carolina Education Lottery. The RFP also solicits proposals for a secondary vendor for the production of a limited number of instant tickets per year. For information or a copy of the RFP, please contact Janet Watkins, Procurement Officer with the Materials Management Office of the State Budget and Control Board, by e-mail: jwatkins@mmo.state.sc.us or fax to 803-737-0639.



NORTH CAROLINA DRAWING SHOW RFP.

The North Carolina Education Lottery announced two separate Requests for Proposals for services for its drawing shows. The drawing shows will be used to announce the winning numbers drawn for new lottery games expected to start in the fall. One RFP is for drawing show production and televising services and another one is for drawing show network televising services. Specific details can be found in each RFP now posted on the NCEL Web page at www.lottery.nc.gov. The RFP also will be posted on the State Purchase and Contract Division Web page: www.doa.state.nc.us/PandC. The NCEL has set the following

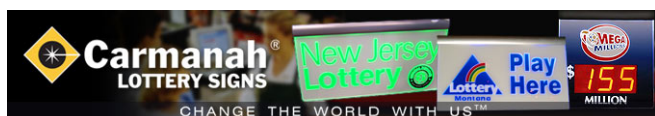
schedule for the proposals: Questions must be submitted to NCEL by 4 p.m. March 27; Answers will be posted on the NCEL Web site on April 5; Proposals must be submitted by 4 p.m. April 17; and The NCEL expects to announce the winning vendors by May 1. The NCEL reserves the right to reject any and all submissions. To submit a proposal, vendors should mail it to: The North Carolina Education Lottery, 111 Corning Rd., Suite 250, Cary, N.C. 27511.

LOTTERY NEWS

IOWA GOV BANS TOUCHPLAY. Iowa Governor Tom Vilsack signed the bill banning the Lottery's TouchPlay machines, giving state businesses 45 days to shut down the machines. A House bill that would have extended the life of the machines until September 1 failed to pass the Senate. On the flip side, the machines appear to be getting more popular with players. Between Feb. 25 and Mar. 11 the machines took in about \$30 million, roughly 12% of the \$242.6 million sales the machines have brought since July.

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RECORD MONTH FOR MISSOURI. The Missouri Lottery transferred a record \$26.7 million to the Lottery Proceeds Fund for public education on March 17. The transfer surpasses the prior monthly proceeds record of \$26.5 million set on Nov. 18, 2005. The March transfer of \$26,735,519 is based on record February ticket sales, and it brings the total Lottery proceeds for fiscal year 2006 to more than \$190.3 million. In addition to proceeds setting a record, February was also a record month for sales which totaled \$94,198,347. The previous sales record was \$88.5 million set in October 2005.

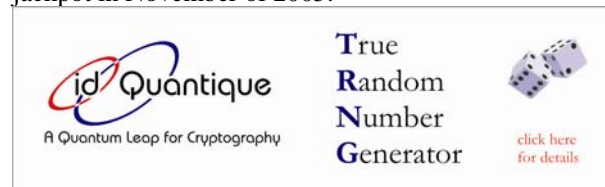


NORTH CAROLINA MEETS TERMINAL GOAL, SETS SIGHTS ON 5,000. As of Saturday, March 18, the North Carolina Lottery and GTECH have installed terminals at 4,000 retail outlets. The NCEL set a conservative estimate of having 4,000 retail outlets available to sell tickets on launch day, March 30. It now looks like there will be nearly 5,000 retail outlets ready to go on the 30th. GTECH will continue to install retail outlets until several days before launch. In addition to getting their terminals installed, retailers must also attend training before they can "go live" to sell instant scratch-off lottery tickets.



CALIFORNIA'S MEGA MILLIONS SALES RISING. California's Mega Millions game sales are continuing to

rise. Sales for the game have been growing since November 2005 when a group of Kaiser employees won a \$315 MEGA Millions jackpot. Sales for Mega Millions nearly doubled from \$8.6 million November 7-11, 2005 to \$17.3 million from February 24-28, 2006 when similar size jackpot amounts were in play. Playership is up significantly for recent MEGA Million jackpots as well. Fifteen percent of California adults bought a ticket for the jackpot in February of 2006 compared to just 7% of adults for a similar size jackpot in November of 2005.



TENNESSEE EXCEEDS \$2 BILLION. Exactly two years and two months since the launch of the Tennessee Lottery, ticket sales surpassed the \$2 billion sales mark. As of midnight, March 20, the Lottery reports gross ticket sales of \$2,000,324,642. Instant tickets are the most popular games, making up more than 70 percent of overall sales. Powerball is the next biggest seller, with Cash 3, Lotto 5 and Cash 4 following.



Ipsos Reid

FLORIDA FANTASY 5 NOW FEATURES EZMATCH. The Florida Lottery added a new facet to its Fantasy 5 game. Now, for an extra \$1, players can also choose to play EZmatch, which provides a separate list of five numbers and the winning amount for each number. If any of the EZmatch numbers matches any of the Fantasy numbers chosen that night, players will win the corresponding cash amount instantly. In last Monday's drawing, it was reported that 40% of Fantasy 5 players opted to take the EZmatch option.



PENNSYLVANIA TO AWARD POKER TRIPS. The Pennsylvania Lottery will award five separate trips to the World Series of Poker Tournament in a \$100,000 Hold 'Em Poker second-chance drawing Monday, April 10. The five contestants selected will each receive a seat at a World Series of Poker tournament event (maximum of \$10,000 buy-in), round-trip airfare for two, six-night/seven-day hotel accommodations at a first-class hotel selected by the Lottery, paid federal withholding taxes and \$1,000 in spending

money. Winners may also elect to take the \$20,000 cash value of the prize package. Winners under age 21 will automatically receive the cash prize. Pennsylvania Lottery players must be 18 or older.



AR AG APPROVES LOTTERY LANGUAGE. The Arkansas Attorney General approved language that would put a ballot measure on the November ballot seeking a constitutional amendment to allow a lottery and casino gambling in the state. This follows on the heels of the Senate's denial of a bill that would have allowed slots at horse and dog tracks. The latest proposal includes building and operating casinos in Boone, Crittenden, Garland, Jefferson, Miller, Pulaski and Sebastian counties. It would also create the Arkansas Gaming Commission, whose members would be appointed by the governor. The bill calls for at least 45% of the lottery's revenue to go toward education, while 50% would go toward prizes. The next step to getting the bill on the ballot is to collect 80,570 signatures.



GTECH is looking for a Regional Marketing Manager, EMEA

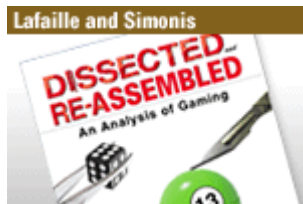
Overall Responsibilities:

This position is responsible for marketing activities within the EMEA region including but not limited to, strategic planning, promotions, training, market research, sales analysis, RFP responses, marketing communication plans and general marketing support.

Requirements: min bachelor degree; 6+ years experience in a marketing manager role; superb interpersonal and communication skills; international experience; highly flexible & diplomatic; ability to interface with customers

We offer: an exciting, international career opportunity in a global organization combined with a competitive compensation and benefits package.

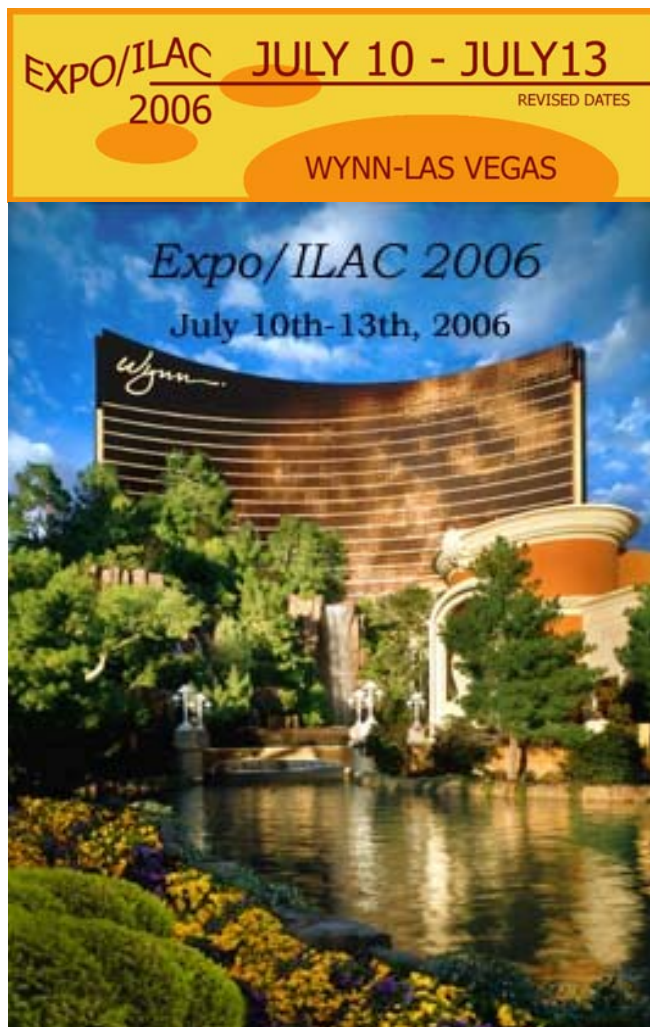
For further details visit <http://www.careers-gtech.com/gtech/jobboard/searchpositions.asp>



Dissected and Re-assembled
Jean-Marc Lafaille and Guy Simonis. October 2005.
ISBN 0-9765272-0-0
177 pages - USD 29.95

Just published: new gaming analysis

Dissected and Re-assembled is an important new analysis of the realities of gaming. Written in an accessible style by two of the pioneers of the modern lottery sector, it provides regulators, political leaders and gaming organisations with the background they need to make responsible decisions. [Details and order form](#)



EXPO/ILAC 2006 – WYNN LAS VEGAS

**July 10th-13th, 2006, Las Vegas, NV
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Call Susan Jason at 800-493-0527 for more information or to register by phone. Call Duane Burke at 425-985-3157 for speaking opportunities. This is your official invitation to participate in the International Lottery & Gaming Expo and ILAC Congress 2006. As you know, the Conference is being held this year in Las Vegas, the world's leading destination for gaming, at the leading casino hotel in Las Vegas, the 5-Diamond, WYNN LAS VEGAS Resort on the Las Vegas Strip – the “Best of the Best”. The Conference dates are July 10-13, 2006 beginning at 3pm on the 10th and ending at 11am on the 13th.