

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



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COMPANY NEWS

SCIENTIFIC GAMES TO SUPPLY VLT SYSTEM TO WEST VIRGINIA. Scientific Games will supply a new AEGIS-Video(TM) Central Monitoring System to the West Virginia Lottery. The CMS will run the lottery's network of 20,000 VLTs at four race tracks and 1,600 additional retail locations throughout the state. The contract runs for six years with four one-year option years. The contract is valued at \$6.2 million over its initial term. The new CMS will include both new hardware and software to run equipment from ten different licensed gaming manufacturers in the West Virginia network, and while it will upgrade to the Slot Accounting System 6.01 communication protocol, it will be compatible with legacy equipment using older SAS and IGT's ICIS protocols. The new system will allow the lottery to rapidly update its video lottery gaming capabilities across



its network, including terminals located at racetracks and in retail outlets.

TRANSACT EXTENDED BY GTECH. TransAct Technologies, a leading producer of transaction-based printers, has signed a five-year contract extension with GTECH. The contract will now extend through June 2012.



TRUSTED DRAW TO LAUNCH IN UK.

Szrek2Solutions LLC and Chariot (UK) plc are finalizing a license and services agreement, calling for the implementation of Trusted Draw™, an electronic draw and audit system offering the most advanced random number security available to the gaming industry. Trusted Draw will be used to generate the draw outcomes for the charity games offered by Chariot to lottery players in the UK over the internet platform, supplied by Betware of Iceland. Chariot will use audit functionality in Trusted Draw to verify the integrity of the draw outcomes and of the winner selection process, to ensure that utmost safety measures are taken to protect properness of the games.



AUTOTOTE, MOHEGAN SUN SIGN 5-YEAR DEAL.

Scientific Games announced that its subsidiary, Autotote, and the Mohegan Tribal Gaming Authority completed a five-year contract extension for Autotote to supply racebook services at the Mohegan Sun in Uncasville, Connecticut. Autotote has been the racebook supplier to the Mohegan Sun Racebook since it was developed more than seven years ago. This contract extension is valued at between \$7 million - \$10 million.

SCIENTIFIC GAMES REVENUE UP. Scientific Games reported that fourth quarter 2005 revenues were \$202.9 million, up 11 percent from \$182.6 million in the fourth quarter of 2004. Net income was \$10.4 million or \$0.11 per diluted share, after reductions for \$19.4 million of unusual charges, compared to net income of \$4.4 million or \$0.05 per diluted share in the fourth quarter of 2004. EBITDA for

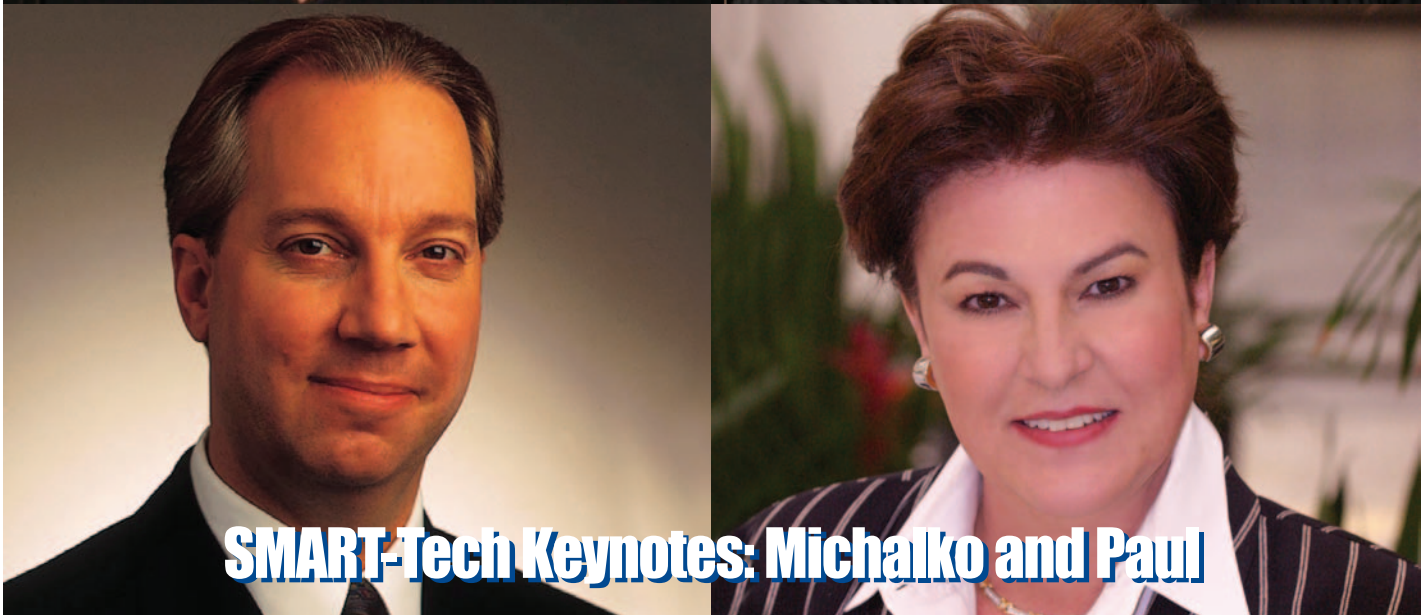
GAMING

I N T E R N A T I O N A L TM

SMART-Tech 2006 Supplement



Lifetime Achievement: Strutt and Wynn



SMART-Tech Keynotes: Michalko and Paul



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the fourth quarter of 2005 was \$39.4 million compared to \$51.2 million in the fourth quarter of 2004. Full year 2005 revenues increased 8 percent to \$781.7 million from the \$725.5 million reported in 2004. Net income rose 15 percent to \$75.3 million, or \$0.81 per diluted share, after reductions for \$26.8 million of unusual charges in the third and fourth quarters. EBITDA was \$197.8 million in 2005, compared to \$209.0 million in 2004.



PEOPLE

U.K. Olympics Minister Tessa Jowell has appointed **Janet Paraskeva**, Chief Executive of the Law Society of England and Wales, to head the new Olympic Lottery Distributor (OLD). The body's key role will be to ensure proper, timely and effective distribution of Lottery money to fund the provision of facilities, services and functions required for the staging of the 2012 London Olympic & Paralympic Games. Paraskeva will take over as Chair of the OLD on March 1, serving a four year term. She will be joined by other board members, who will be appointed shortly.



Aristocrat Technologies, Inc. announced that **Brad Johnson** has been named Vice President, Marketing for its Americas business. Johnson will oversee all of Aristocrat Technologies' marketing activities, including product management, public relations, brand communication, trade shows, advertising, and promotions. He will report directly to Aristocrat Technologies President Gavin Isaacs and work closely with Kent Young, Aristocrat's Global General Manager of Marketing.

TRANSACT

RACINO/VLT

PGCB APPROVES MANUFACTURERS. The Pennsylvania Gaming Control Board voted unanimously to award licenses to six companies that filed applications to be manufacturers of slot machines and associated equipment. All six licenses are subject to a series of 40 conditions set by the Board to ensure that the requirements of the Pennsylvania Race Horse Development and Gaming Act and

Board regulations are met. The companies are: Aristocrat Technologies, Inc.; Aristocrat Technologies Australia Pty. Ltd.; IGT; NRT Technology Corp.; Western Money Systems; WMS Gaming, Inc. In all, PGCB received 13 applications. Seven others are being reviewed.



BILL WOULD REORGANIZE WEST VIRGINIA RACING COMMISSION. A bill in the West Virginia House would increase the number of chairs on the West Virginia Racing Commission from three to five and create the oversight position of a governor-appointed director of racing. The bill, which is currently sitting in the House Committee on Government Organization, would abolish the statutory state offices of racing secretary, assistant racing secretary, chief clerk, director of security, director of audits, and chief chemist.

KEYSTONE GAMING ALLIANCE. Pennsylvania slot venues announced formation of a trade association to represent them in Harrisburg. The Keystone Gaming Alliance seeks to would open membership to licensed gambling operators, both race tracks and non-track venues, as well as members of the hospitality and entertainment industries, makers of slots equipment and games and non-gaming vendors.



QUEBEC TO ACQUIRE STAKE IN FRENCH CASINO. Loto-Quebec is expected to acquire 35% of the capital of Moliflor, France's third-largest casino group. Moliflor's current owner, the UK investment fund Bridgepoint, believes the Loto-Quebec's expertise will prove useful in the development of its own casino business.



SASKATCHEWAN VLT STUDY. The board of the Saskatchewan Liquor and Gaming Authority approved a plan to contract an independent researcher to conduct a study on the potential impact of reducing the number of VLTs in the province, as well as other steps such as limiting access to or slowing play on the machines. There will be over 6,700 gaming machines in the province when two new First

Nations casinos are opened in Swift Current and the Whitecap Dakota First Nation this year.



KANSAS EXPANSION BILL. Gambling expansion legislation is reportedly being prepared for introduction into the Kansas Senate. Early reports say the legislation calls for 7,000 slots divide between a casino in Wyandotte County and one in Southeast Kansas, horse and dog tracks in Kansas City, Wichita and Frontenac, and a future site in Dodge City. Local voter approval would be required in all locations except Crawford County before gambling could start.



LOTTERY NEWS

GEORGIA RFP. The Georgia Lottery Corporation is requesting proposals (RFP) for Advertising/Marketing Communication Services. Specifically, the GLC is issuing this RFP for a full range of integrated communication services, including advertising and promotion, design and point-of-sale materials development, direct response, special events and publicity management, and public relations activities to further the GLC's overall business plan for retail sale of Lottery games to generate revenue for Georgia education. If recommended by the GLC President/CEO and approved by the GLC Board of Directors, the firm awarded this contract will assist in the development, execution and assessment of an integrated Lottery communications plan reaching players and prospects, retailers and other audiences. The contract term is five (5) years. The due date for submitting a proposal is Tuesday, March 28, 2006. Prospective proposers wishing to obtain a copy of the RFP should contact the GLCCompliance Coordinator at: Mr. Britton Bateman; Compliance Coordinator; Georgia Lottery Corporation; INFORUM, Suite 3000 250 Williams Street; Atlanta, GA 30303-1071; Telephone: 404-215-5000; Fax: 404-215-5105.



Ipsos Reid

POWERPLAY X10. Beginning March 2, 2006, Powerball players who purchase the PowerPlay® option will have a chance to multiply their non-jackpot winnings by "10" to win prizes up to \$2 million. The "10" multiplier will replace one of four "5" multiplier slots on the PowerPlay® wheel during the "X10" promotion which runs at least until March 29, 2006. If the "10" multiplier is not selected, by

that date, the promotion will continue until the "10" multiplier is selected. When the "10" multiplier is selected on the PowerPlay® wheel, all PowerPlay® prizes will be multiplied by ten (10) for players who have purchased the PowerPlay® option. Jackpot prizes are not eligible for multiplication.



HOUSE COMMITTEE WOULD BAN TOUCHPLAY.

The Iowa House State Government Committee voted 20-1 in favor of banning the Lottery's TouchPlay video pull-tab machines. As written, the bill would give stores 30 days to remove the machines. It is expected that the drastic measures called for in this bill will be amended once it reaches the full House.



RECORD WINNINGS FOR MAINE IN 2005. The Maine Lottery announced that 2005 was a record setting year for prize winners. Players won \$129 million in 2005, an increase of 10.25% over 2004 winnings. 5,820 winners each won \$1,000 or more in 2005, there were 23 \$100,000 winners and 22 between \$50,000-\$99,999. The Lottery had 301 winners between \$10,000-\$49,999, and 5,474 \$1,000-\$9,999 winners. The Lottery reached \$200 million in sales last year with instant scratch tickets accounting for the majority of total sales, and \$50 million was deposited into the state's General Fund, which was then redistributed to over 200 various state agencies. Since its inception, the Lottery has returned \$732 million to the General Fund.



NEW MEXICO REACHES \$200 MILLION IN SCHOLARSHIPS.

The New Mexico Lottery has passed the \$200 million mark in money raised for the popular Lottery Success Scholarship program. With a \$2.8 million wire transfer to State Treasurer Doug Brown, the Lottery has raised \$202,712,799 for the Lottery-funded and merit-based instate tuition scholarship. According to the latest data from the New Mexico Higher Education Department, nearly

38,000 students have attended college in the state with Lottery Success Scholarships through the spring 2005 semester.



. LOTTO TEXAS TO CHANGE. The Texas Lottery Commission moved to adopt changes to the Texas Lottery® Lotto Texas® game. Sales for the new game, in which players will choose six numbers from a field of 54, will begin April 23. Players matching three-of-six numbers will win a guaranteed prize of \$3. Those matching four-of-six or five-of-six numbers will share in a pari-mutuel prize payout amount (approximately \$50 and \$2,000, respectively). The odds of winning the jackpot will be 1 in 25.8 million and overall odds of winning any prize will be 1 in 71.



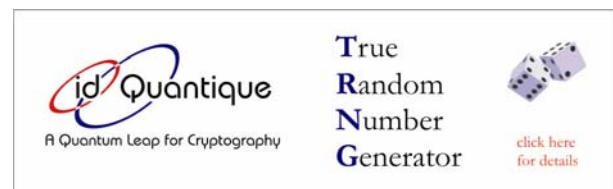
NEW HAMPSHIRE SENATE PASSES RETAILER INCENTIVES, \$30 TICKETS. On a 14-9 vote, the New Hampshire Senate passed a bill that would give the state Lottery Commission the authority to launch a \$30 instant ticket, and give bonus commissions and higher incentive awards to state lottery agents and retailers responsible for selling tickets that win large prizes. The Senate Finance Committee will reportedly review the language calling for the \$30 ticket.



NORTH CAROLINA ON SCHEDULE. (AP) The North Carolina Education Lottery remains on schedule to start selling tickets March 30, despite weeklong delays in getting an official logo and an ad agency. More than 3,000 retailers out of 5,800 applicants have been approved to sell lottery tickets. Lottery vendor GTECH Holdings Corp. is installing computer terminals and satellite dishes necessary for retailers to validate tickets. Ticket dispensers will be distributed beginning March 9, while three-hour training classes for retailers begin March 6



MALAWI LOTTERY LAUNCHED. Malawi's first lottery, African Lottery Limited, reportedly launched last week with several outdoor events aimed at creating consumer awareness. The company will initially launch two instant scratch games, Shoot and Goal, and a nationwide Lotto game is expected to launch in the next few months. ALL is reportedly working with technology partner Editec, who has supplied the hardware and software to operate the lottery, as well as providing operational expertise.



A Huge Thank you to everyone who made SMART-TECH 2006 a great success! A Special Congratulations to Chuck Strutt and Steve Wynn for their Lifetime Achievement Awards. A special thanks to Mr. Wynn for coming down to our meeting! It was a great honor for us to have the opportunity to hear his remarks! Thank you to our Keynote speakers Mark Michalko and Rebecca Paul for their excellent presentations. Thank you so much to all of our Speakers, Panelists, Exhibitors and Sponsors!