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



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## **COMPANY ANNOUNCEMENTS**

SCIENTIFIC GAMES THIRD QUARTER REVENUES

RISE 10% TO \$196.8 MILLION. SCIENTIFIC GAMES CORPORATION (NASDAQ: SGMS) reported that third quarter 2005 revenues increased 10% to \$196.8 million from the \$179.3 million reported in the third quarter of 2004. For the nine months ended September 30, 2005, revenues increased 7% to \$578.8 million compared to \$542.9 million for the corresponding period of 2004. Lorne Weil, Chairman and CEO, commented, "In every important respect we performed well in the third quarter. Despite continued sluggishness in the racing business, our overall revenue growth was 10%. Most importantly, revenue growth in the Lottery Group was 17%, and if Florida on-line sales are eliminated from the 2004 figure, Lottery Group growth was nearly 25%. Performance in our Lottery Group continues to reflect strength in the overall market; recently released industry data indicate that North American lottery sales grew by about 6% overall for the 12 months ended June 30, 2005, with growth having been driven largely by instant ticket sales, which grew by 14% during that 12month period."





# MDI REACHES FOR THE STARS WITH NEW AMERICAN IDOL® INSTANT SCRATCH

**LOTTERY TICKETS**. American Idol<sup>®</sup>, the hit reality show that has rapidly become a television phenomenon over four seasons, is about to become a star with lottery players. MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation (NASDAQ: SGMS) announced today its agreement with FremantleMedia, co-producer and licensor of American Idol for branded scratch off lottery tickets. "The extreme popularity of American Idol will result in huge ticket sales for our lottery clients and the potential for fun and exciting promotions is far reaching," said Steve Saferin, MDI president. "We're very excited to offer our customers this property!" As part of the agreement, MDI has obtained exclusive rights to use the show's name, image and logos for instant scratch lottery tickets in the US and Canada. In addition, MDI will provide an incredible line of custom and unique American Idol merchandise for use in promotions, 2<sup>nd</sup>-chance drawings and incentive programs.



# JCM AMERICAN RECEIVES EXCLUSIVE CONTRACT FROM NEW HOLLYWOOD SLOTS AT

BANGOR. Hollywood Slots at Bangor, a Penn National Gaming property, celebrated its grand opening November 4, and each of the casino's 475 slots were fitted solely with JCM's UBA and Sentry. The UBA made its world premiere earlier this year at Wynn Las Vegas, which was also exclusively equipped with the UBA.

## OBERTHUR SIGNS LICENSING DEAL WITH

POPCAP GAMES. Oberthur Gaming Technologies ("OGT") announces the signature of a three-year contract with PopCap Games for the exclusive use of three of the most popular casual games worldwide: Bejeweled, Bookworm and Zuma. The license agreement encompasses all lottery products, including instant scratch games and pull tabs, as well as Internet and online games. Founded in 2000, PopCap is a leading creator of casual games and the pioneer of "Free/Try/Buy" business model. PopCap Games have been downloaded over 150 million times since 2000 and to date over 2 billion hours have been consumed worldwide playing their free web online versions. PopCap Games can also be found on hundreds of sites around the world, at retail

(Wal-mart, Target, Costco, etc.), on mobile phones, in arcades, on airplanes, on interactive TV and even on PDAs. The company sold over 2.5 million PC games in 2004 and accounted for nearly US \$30 million in casual game revenue in 2004.

MOST CASINOS UP IN QUARTER. While the impact of Hurricanes Katrina and Rita took a toll on some casinos run by Boyd Gaming Corp and Harrah's Entertainment Inc., overall their Atlantic City properties fared well during the third quarter. Revenue at Boyd Gaming's Borgata rose more than 13 percent in the summer quarter. Slot revenue was 34 percent higher than the citywide average, with table game revenue 90 percent above. This strong performance is why Boyd Gaming has committed to a \$525 million expansion program. "Given the increase in supply, our market share will grow nicely when these expansions come on line," Borgata CEO Robert Boughner told gaming analysts in a conference call Thursday. Harrah's, Showboat and Caesars all enjoyed revenue growth in the third quarter. Harrah's expects to focus its capital spending in Atlantic City before tackling projects in Las Vegas, said Gary Loveman, Harrah's Entertainment CEO. "It's our ambition to make the center boardwalk the focal point," Loveman said. One element will be to restore Caesars to the kind of luster that once made it a top property. Opening the Pier at Caesars by early next summer should enhance those efforts. Of more concern is what to do about Bally's, the only casino hotel in Atlantic City to experience a decline in revenues compared to the third quarter of 2004. Harrah's has a team coming up with what Loveman calls "provocative" ideas, which the company could unveil before the end of the year. "The hotel rooms are grossly substandard, and we know we have to fix that," Loveman said. Chester Downs, the company's track in suburban Philadelphia, will launch horse racing by the middle of next year. The building will open ready for slot machines whenever Pennsylvania completes its rules and regulations and establishes which manufacturers will operate in each area. "But we'll be the first location in the market by a wide margin," Loveman said.



### GLI EUROPE EXPANDS DEVELOPMENT TEAM.

Gaming Laboratories International (GLI), the world's first private gaming device and systems testing laboratory, has added a new team member in its European office. Theo Vranken joined GLI as Market Development Manager. Vranken will be based out of GLI Europe's offices in The Netherlands and will pursue GLI's development efforts in the rapidly growing Europe gaming market. Vranken has been active in the gaming industry for more than 20 years, most recently serving as the Export Manager of the Fair Play Centers in the Netherlands. He was also directly involved in

its real estate management, and has consulted independently on AWPs. Roger Farrell, Director of Operations, GLI Europe said, "We are thrilled to have Theo join the GLI team. He brings with him an extensive knowledge of the gaming and AWP industries, and a key understanding of the emerging markets in eastern European countries."

MANDARIN CHOOSES INFOGENESIS. InfoGenesis announced that Mandarin Oriental Hotel Group, owner and operator of luxury hotels and resorts worldwide, has chosen InfoGenesis POS for all point-of-sale transactions throughout The Landmark Mandarin Oriental, in Hong Kong, and Mandarin Oriental Hotel Tokyo properties. InfoGenesis has installed IBM SurePOS terminals and Symbol handheld terminals in the prestigious Landmark hotel and will shortly deploy a similar solution at Mandarin Oriental Tokyo.



MILIARDARIO SELLING BIG. Lottomatica announced that its new € Scratcher, "Miliardario", sold 10 million tickets in its first 30 days, achieving sales of €0 million. Winnings in the same period reached €5 million.

WPT TO BE ON UK's ITV4. WPT Enterprises, Inc. has inked an agreement for its WORLD POKER TOUR® television series to be featured programming when the UK's much-anticipated ITV4 network kicks off on November 1. ITV4 is the latest addition to the powerful ITV family of networks broadcasting in the United Kingdom. The new network is an "entertainment channel providing quality programming to a discerning, up-market audience with a male bias." The deal grants ITV4 exclusive rights in the U.K. to broadcast the first two seasons of the WORLD POKER TOUR. The ITV4 launch will serve as a springboard for the WORLD POKER TOUR's international online poker venture, wptonline.com, in the United Kingdom.

## POLLARD COMPLETES EXPANSION. Pollard

Banknote announce that the company has expanded the size of its Ypsilanti ticket production facility by nearly 60 percent. The 55,863 square foot production facility has been expanded by an additional 33,466 square feet, which will ultimately increase the size of the company's finishing department and create new jobs in Michigan.

# WMS INDUSTRIES AUTHORIZES \$20 MILLION COMMON STOCK REPURCHASE PROGRAM.

(NYSE:WMS) announced that its Board of Directors has authorized the repurchase of up to \$20 million of the Company's common stock over the next 12 months. As of September 30, 2005, WMS had approximately 31.4 million shares of common stock outstanding. Brian R. Gamache, President and CEO of WMS Industries, said, "Given the

Company's strong fiscal 2006 first quarter results and our historically high level of open orders for both new unit sales and participation games, we believe WMS has a high level of visibility into achieving continued revenue and earnings growth.

# **PEOPLE**

Irish National Lottery Director Ray Bates, will leave the National Lottery in early 2006. After 40 years of public service, almost half of which has been spent in his current role. Ray (aged 58), is leaving to pursue other interests. To ensure a smooth transition and hand-over, Ray will remain as Director until early 2006 when **Dermot Griffin**, currently National Lottery Chief Operating Officer, will be appointed Director Designate and will take full responsibility for the running of the company.



**Art Macias** has been appointed as the new director of the Arizona Lottery. Macias is currently director of the state Department of Weights and Measures. Macias replaces Katie **Pushor**, who was recently named president of the Greater Phoenix Chamber of Commerce.

The Board of Directors of Boss Media has appointed Johan Berg, 46, President of Boss Media. Johan Berg has some 20 years of experience of the software industry. For the past 13 years, he has worked at Intentia, where his positions included President of Intentia Benelux, manager for Intentia's establishment of an international distributor network for South America, Eastern and Central Europe and head of Intentia's product development company. For the last 18 months within Intentia, Johan Berg acted as Deputy CEO, with global responsibility for Intentia's partner strategy and service organization.

GTECH announced that **Atul Bali** has been named Vice President of Corporate Development and Strategic Planning, reporting directly to Jaymin B. Patel, GTECH Senior Vice President and Chief Financial Officer. Mr. Bali will also serve as a Corporate Officer of the Company. As VP of Corporate Development and Strategic Planning, Mr. Bali will be responsible for analyzing key areas of value growth, identifying new verticals and markets, and building marketentry plans for these markets. Mr. Bali is also charged with developing business plans for the Company's larger investments and leading the activities relating to future mergers and acquisitions, joint ventures, and strategic alliances. In addition, Mr. Bali will continue to be responsible for the ongoing management of GTECH's Commercial Services business unit.

West Virginia native **James Toney** assumed his duties as the West Virginia Lottery's Deputy Director of Finance and Administration October 17, filling the vacancy created when Virgil Helton was appointed West Virginia State Tax Commissioner by Gov. Joe Manchin in January. A resident of Charleston, Toney brings to the Lottery more than 35 years in accounting management, including comptroller for the governing body of West Virginia colleges and universities. He holds degrees in management and accounting from Marshall University and West Virginia State University. Toney earned his MBA from the University of Charleston.



**Kevin Geddings** resigned from the North Carolina Lottery Commission. Geddings is the second of the nine-member commission to resign. There is no news on who will replace him.

## **LOTTERY**

ND TO ID PLAYER BASE. North Dakota Lottery Director Chuck Keller is reportedly planning to conduct a survey in fall 2006 to help determine the state's player base. According to an 'Associated Press' report Keller says that on a per capita basis, lottery sales tend to be stronger in western North Dakota than in such cities as Grand Forks and Fargo.

**ROLLING CASH 5.** Starting November 20, D.C. Lottery players can get on a *roll*. That's when the D.C. Lottery *rolls* out its latest game - ROLLING CASH 5. Rolling Cash 5 is the only daily numbers game in D.C. that *rolls!* You pick five numbers from 1 to 35 and win by matching 2, 3, 4, or 5 numbers. The jackpot starts at \$20,000 and rolls each day until it is won.

#### TX CHAIRMAN WANTS BOTH MULTI-STATES.

Texas Lottery Commission Chairman C. Thomas Clowe is reportedly asking the Lottery to look at the possibility of the state joining Powerball in addition to Mega Millions. The Lottery brought up the idea of joining both games when they were mulling over the idea of joining a multi-state game a few years ago. The Powerball group didn't have a problem with the idea at the time, but the Mega Millions group was against it.



## TX APPROVES GUARANTEED JACKPOTS. The

Texas Lottery Commission approved guaranteed Lotto Texas jackpots last week, a measure designed to win back player confidence and avoid more inflated prize estimates by the nation's third-largest lottery. Sales have dropped since the Lottery stopped advertising jackpots based on projected sales. The Lottery is now allowed to base jackpots on a 'fair and reasonable estimate' of projected sales.

**GHANA SUSPENDS DRAW BROADCASTS.** In an effort to stop the pirating of its draws by private lotto operators, Ghana's Department of National Lotteries has stopped the live broadcast of its winning numbers on television and radio.

VIRGIN GAMES SELECTS BOSS MEDIA. Boss Media has signed up Virgin Poker, part of the Virgin Games Group, to its platform, ending a long search by Virgin to find the ideal partner for the relaunch of its Poker game. A condition of the Agreement is that Boss will imminently be relocating to Malta, which will satisfy Virgin's requirement to be regulated in a white list jurisdiction.

BC LAUNCHES KENO ONLINE. The British Columbia Lottery Corporation announced the availability of Keno for play and purchase through its PlayNow web site located at bclc.com. Keno is the BCLC's only lottery that picks 20 numbers each new draw and gives players the chance to win up to \$100,000 every five minutes. Select lottery products have been available through PlayNow since October 2004 when the site launched with Sports Action products. In July 2005, BCLC launched more of its most popular lottery products online - Lotto 6/49, BC/49, Lotto Super 7 and Extra. Since its inception more than 20,000 lottery players have registered for an online account.



## NORTH CAROLINA DIRECTOR INTERVIEWS

CONTINUE. North Carolina lottery commissioners searching for a lottery director plan to interview South Carolina's top two lottery officials next Wednesday, as well as senior lottery officials from New Mexico and Tennessee. Commissioners have narrowed their list to at least four finalists for the job, according to two officials familiar with the search. The lineup demonstrates the commission's push to find a director with experience — not just running a lottery, but starting one: Ernie Passailaigue, director of the S.C. Education Lottery since it started in 2001. Tony Cooper, chief operating officer for South Carolina's lottery since the startup. Tom Shaheen, CEO of New Mexico's lottery, who helped launch Georgia's game. Wanda Wilson, general counsel and executive vice president of Tennessee's lottery, who helped start that game.

ME AND MALL TEAM-UP. The Maine State Lottery and the Maine Mall are teaming up during November & December to bring players Fun and Excitement! All the favorite Lottery games will be on sale at the customer information booth. These games include Megabucks, Powerball, Triple Play, Pick 3, Pick 4 and Instant Tickets.

**NOVA SCOTIA TURNS OFF MACHINES.** Nova Scotia turned off 800, or 30%, of its VLTs. They will be removed from bars and restaurants over the next few weeks. Any retailer with more than three machines will lose some units. In addition to the machines that have been turned off, 200 more will be lost to attrition.

#### **PENNSYLVANIA GAMING**

PA TO GO WITH SAS 6.01. The Pennsylvania Department of Revenue announced that SAS 6.01 will be the initial communications protocol for slots gaming in the commonwealth. Revenue Secretary Gregory C. Fajt said SAS 6.01 is the most widely used communications protocol in the gaming industry and will ensure that the broadest possible range of manufacturers can participate in the rollout of slots gaming in Pennsylvania.



PA ACCEPTING 2& 3 LICENSES. The Pennsylvania Gaming Control Board posted applications for Category 2 and Category 3 gaming facilities on its Web site, <a href="https://www.pgcb.state.pa.us">www.pgcb.state.pa.us</a>. Developers have until December 28 to submit applications.

PA GAMING CONTROL BOARD APPROVES VENDOR REGULATIONS. The Pennsylvania Gaming Control Board today unanimously approved regulations governing the vendors that will provide non-gaming goods and services to gaming facility operators in the Commonwealth. "Act 71 gives the Board the 'power and duty' to adopt the regulations necessary to bring expanded gaming to Pennsylvania and ensure its integrity," said Board Chairman Tad Decker. "With each set of regulations we develop, we move a step closer to the day when expanded gaming can begin in the Commonwealth." The approved regulations are available for public inspection on the Board's Web site, <a href="http://www.pgcb.state.pa.us">http://www.pgcb.state.pa.us</a>.



# **RACINO**

**SLOTS OPEN IN BANGOR.** Hollywood Slots at Bangor opens this morning with 475 machines. A red carpet and James Dean and Marilyn Monroe impersonators will welcome the first customers. The opportunity for Mainers to play the slots follows more than two decades of debate in the state over casino gambling. And Bangor's experience is expected to fuel the ongoing battle over whether Maine should have more slots parlors. The Passamaquoddy Tribe

is working to open a racino in Washington County, and several proposals have been made in southern Maine in the past few years. City leaders are celebrating the opening of the slots parlor in a former buffet restaurant on Main Street. They have worked for two years to get the slots operating, ever since voters approved the machines in a local and statewide referendum. Their hope is the machines will help stimulate the city's economy and make it more of a tourist destination. A portion of the slot revenues will pay to replace the Bangor Civic Center and Auditorium. Hollywood Slots is only opening a temporary parlor. Its owner, Penn National Gaming, plans to level two nearby hotels and replace them with a \$71 million building that would hold up to 1,500 slots.

#### NYRA REACHES VIDEO GAMING AGREEMENTS.

The New York Racing Association, New York Thoroughbred Horsemen's Association and New York Breeding and Development Fund announced that a revenuesharing agreement has been finalized for the distribution of gaming revenue from Aqueduct's video lottery terminal operations. Video gaming is expected to open at Aqueduct late next year. More than 90 percent of all video gaming bets will be returned to the public. The remainder will be paid to the State of New York Education Fund, the Lottery for administrative expenses, the horsemen through purse enhancements and the Breeding Fund for breeder's awards. When the planned 4,500 video lottery terminals are up-andrunning the N.Y. Thoroughbred Horsemen's Assn., representing owners and trainers, will get 71/2percent of gross gaming revenue from the VLT's over the first three years, climbing to 73/4percent...



PROGRESSIVE HIT IN SARATOGA. Saratoga Gaming and Raceway just had the largest individual jackpot ever won at a New York Video Gaming facility as one customer walked away with \$195,700. The progressive jackpot was hit by a \$2.25 max bet on SDG's "Jackpot Celebration" progressive nickel machine. Saratoga introduced progressive machines just over four months ago.

TIOGA DOWNS EXPECTED TO MEET PROJECTED OPENING DATE. The \$20 million Tioga Downs "racino" should meet its projected April 5, 2006 opening date. The update was given Thursday by Jeffrey Gural, chief executive officer of Newmark and Co., Real Estate of Manhattan. N.Y., who purchased the facility for about \$2.8 million in June on behalf of himself and TrackPower Inc. of Kingston, Ontario, Canada. Gural noted the new company, Tioga Downs, has applied for licensing to the New York State Wagering and Racing Board for holding harness racing there about 15 weeks per year and to the New York State Lottery Commission for a license to operate an estimated 750 video

lottery terminals. The race track, itself, has been resurfaced

to accommodate harness racing, and horse barns at the site have been reroofed, Gural said. Tentative future plans call for the possibility of constructing a hotel at the site, Gural note



## BAY MEADOWS TO STAY OPEN - ELSEWHERE.

As the San Mateo City Council moves closer to sealing a deal with the Bay Meadows Land Company to redevelop its aging race track, another plan is under way to relocate the facility to cheaper land where it has a better chance of becoming a "racino." Bay Meadows Land Company announced yesterday it hired Collier International real estate brokers to locate cheaper land outside the Bay Area where the race track could flourish with both horse racing and expanded types of gambling. For more than a year, Bay Meadows has claimed the only way to survive in the horse racing business is to add casino-like gaming.



## **OTHER GAMING NEWS**

#### IL HOUSE VOTES TO SINK RIVERBOATS. The

Illinois House voted 67-42 in favor of a bill that would create a statewide ban of riverboat gambling. The bill now heads to the Senate.

#### TRUMP RESORTS TO SELL RIVERBOAT CASINO.

Trump Entertainment Resorts Inc. <TRMP.O> said on Friday it had agreed to sell its riverboat casino and hotel in Gary, Indiana, to Majestic Star Casino LLC for \$253 million. Trump said the sale will bring it net proceeds of \$227 million, which it will use to invest in its Atlantic City, New Jersey, properties and pursue other growth opportunities. Trump, the sole vehicle for developer Donald Trump's casino activities, said the sale to Majestic, which owns a riverboat casino adjacent to the one it is buying, was likely to be completed by year-end. Trump and Majestic, which also owns casinos in Mississippi and Colorado, were also already partners in owning and developing all land and water-based activities in support of the two casinos at Buffington Harbor in Gary.

### SINGAPORE TO MAKE FORMAL CASINO REQUEST.

Singapore on Friday said it will issue a formal request for proposals for a casino resort near the city center on Nov. 15, and that it will choose the successful bidder based on the concept. Applications for the casino resort at Marina Bay, the site of Singapore's new downtown, are due March 29, 2006, the government said in a statement distributed at a news conference. The winning bidder will be chosen based on the quality of its concept, with the price of the land fixed at 1.2 billion Singapore dollars (\$707 million), the statement said.