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



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### COMPANY ANNOUNCEMENTS

SGI LAUNCHES NEW UK PRESS. Scientific Games announced the start of production of instant tickets for Camelot on a newly installed press at its European headquarters in Leeds. At the same time, the company was honoured with a Queen's Award for Enterprise in the International Trade category. The newly installed high-speed, high-security press of the firm's Scientific Games International Ltd. (SGIL) subsidiary will be capable of producing up to five billion tickets per year, both for the market in the United Kingdom and other European lotteries. The Queen's Award honoured the steadily increasing export operations from SGIL's UK facility. Over the past 6 years, SGIL's goods exported as a percentage of total revenue increased to 80%, direct sales outside the UK increased by 238%, while employment increased by 124%.

MDI ADDS SUDOKU TO LICENSE PORTFOLIO.

Sudoku<sup>TM</sup> – the original logic-based numbers placement puzzle – is available to lotteries now that MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation, has signed an exclusive agreement with Wayne Gould, the modern game's founder, and Puzzles by Pappocom for the rights to license the extremely popular brand. In 1997, retired judge Wayne Gould discovered the puzzle in Japan and spent six years developing a computer program that randomly generates the puzzles. Gould, who is working closely with MDI to develop a series of game plays to reflect his game's original concept and intrigue, said he is excited about this new partnership and taking Sudoku to a new level. The new agreement gives lotteries the rights to the Sudoku name, logo, website and likenesses. In keeping



with MDI's commitment to offering its clients the absolute best products, the Sudoku puzzles will be developed and verified by Mr. Gould himself.

**ARIZONA CHOOSES GTECH.** The Arizona lottery selected GTECH as the preferred bidder for a new online lottery system, terminals and a communications network. The proposed services contract would start Aug .31, 2006 and run for five years with five 1-year renewal options. GTECH expects to generate \$35 million to \$40 million over the five-year contract.

#### SOUTH AUSTRALIAN IGCL CHOOSES SCIENTIFIC

GAMES. Scientific Games has been awarded a contract with Independent Gaming Corporation Limited of South Australia in Adelaide to upgrade to the AEGIS-Video<sup>TM</sup> central monitoring and control system for gaming machines. The new system will run 12,600 gaming machines in more than 580 locations. The contract is valued at approximately US\$8 million over 10 years. The AEGIS-Video<sup>TM</sup> system replaces the AGS system, previously provided by Scientific Games.



### SZREK2SOLUTIONS OBTAINED US PATENT FOR

**THEIR RNG.** Szrek2Solutions received a US patent for "METHOD OF GENERATING UNPREDICTABLE AND AUDITABLE RANDOM NUMBERS" (US patent no 6,934,846, several international patents applied for). The method offers a unique Random Numbers Generation with verification of random results, utilizing asymmetric encryption technology (public/private key) to digitally sign game data and produce a unique random number set. The digital signature used in the process can be "decoded" at any subsequent point in time to recreate and verify both the number set and the associated game data. It is a single RNG technology available on the market with built in fraud detection, including a mathematical proof of integrity of the RNG process. Szrek2Solutions applied this patented technology to their two products: Trusted Draw<sup>TM</sup>, an animated electronic drawing machine, and Trusted PlayTM, a high performance random number server for instant games.

**GSA AND IGT MOVING QUICKLY TO INTEGRATE BOB AND SUPER SAS PROTOCOLS.** Since their joint announcement in August of this year, the GSA and IGT,



who has re-established full membership in GSA, have been working quickly to integrate GSA's successful Best of Breed (BOB) Version 1.1 and IGT's SuperSAS<sup>TM</sup> protocols. In September, a BOB SuperSAS task group was formed at the Global Gaming Expo and since then, a weeklong technical summit was held in Las Vegas. The task group has set a target date to deliver a draft of the combined protocols that will integrate the best of both protocols by the end of 2005. The combined protocol is expected to lead to an open global industry standard, provide clear direction for the industry, and continue to drive innovation.

### EGET DELIVERS BINGO TO THREE CUSTOMERS.

EGET announced a simultaneous delivery to three of its customers, including a range of Internet single player and multiplayer bingo games. The bingo games were delivered to EGET's three major customers PAF, Spero and Spordiennustus, located on the Åland Island, Finland, in Sweden and Estonia respectively.

**LOTTERYWEST EXTENDS OGT.** Oberthur Gaming announced a two-year extension of its contract awarded by Lotterywest. The original two-year contract, signed in 2003, named OGT as the exclusive supplier for instant tickets and related services and included three one-year extension options.

## VIDEO GAMING/RACINO

OKLAHOMA RACINO OPENS. The Choctaw Nation opened the Choctaw Racino at Blue Ribbon Downs in Salislaw, Oklahoma on Monday, October 17. The "soft opening" (a grand opening is planned for a later date) makes Choctaw Racino the first racino in the state. The gambling operations are overseen by the Oklahoma Horse Racing Commission. The second racino expected to open is at Remington Park in Oklahoma City. The Cherokee Nation, which purchased Will Rogers Downs in Claremore, is still working with the OHRC to get that racino approved.



### PGCB STILL HUNG UP ON DISTRIBUTION.

Pennsylvania Gaming Control Board Chairman Tad Decker has declared a "total impasse" among the board's seven members on whether to set up one, two or five regions for gaming machine distributors. There is some talk that the idea of distributors should be eliminated as it is clearly bogging down the regulatory process. NEW YORK, RHODE ISLAND ORDER MORE VLTs FROM IGT. IGT has been awarded additional placements of its VLTs in New York and Rhode Island, based on the performance of its terminals in those jurisdictions. The New York Lottery's six-month review process resulted in a request for 217 additional IGT VLTs. That total will be distributed as follows: 66 terminals at Saratoga Gaming and Raceway, 49 at Finger Lakes Gaming and Racetrack, 50 at Fairground Gaming and Raceway, and 52 at Mighty M Gaming at Monticello Raceway. The Rhode Island Lottery has awarded IGT 80 additional VLTs at Lincoln Park and 20 at Newport Grand based on their evaluation performance.

NSGC TO TEST RESPONSIBLE GAMING CARD-BASED VLT SYSTEM. Testing has begun in two Nova Scotia communities on a device designed to curb problem gambling. Everyone who plays VLTs in Windsor and Mount Uniacke from now until April will need to use something called a Responsible Gaming Device player's card. The Nova Scotia Gaming Corp. research project will allow gamblers to set their own spending limits and exclude them from playing entirely if they wish. The cards will also allow gamblers to track what they spent over time. Marie Mullally, president and CEO of the gaming corporation, says the project will help determine if a card-based system will help players make informed choices.

# SMART-TECH 2006 WYNN, LAS VEGAS FEBRUARY 27TH - MARCH 2ND click here to learn more

# VLT REDUCTION ON TARGET IN QUEBEC. Loto-

Quebec is well on its way to realizing its goal of reducing its number of VLT sites by 31%, with the number of sites already down by 444 - from 3,663 to 3,219 - according to the latest compilation. Originally, the Corporation envisioned 2,521 VLT sites in operation in 2007, representing 1,142 fewer than in 2004. With the implementation of voluntary removal programs, that figure should be able to be cut by 100 additional sites.

#### WEATHER HURTS CALDER 2005 SEASON, Calder

Race Course ended its 120-day Calder meet on Sunday, Oct. 16, and started its 59-day Tropical at Calder season on Monday. Overall, the meet showed declines in attendance and wagering from a year ago, but once again, hurricane season in South Florida was vigorous and forced cancellations and postponements of entire race cards, as well as the loss of a significant amount of turf racing.

# **INTERNET/WIRELESS**

### EGET PARTNERS WITH STREAM FOR MOBILE

**GAMING.** Stream Group plc has signed a five year worldwide exclusive deal making it EGET's exclusive partner for mobile gaming. EGET will provide Stream with a sophisticated gaming system which will enable players worldwide to enjoy a substantial portfolio of products,

ranging from bingo to casino games. Players will now be able to move seamlessly between mobile, internet and interactive digital television and enjoy the benefits of community based gaming. Stream plans to launch its own mobile gaming brand before the end of this year and will be able to offer a fully branded and managed gaming operation for partners in territories worldwide from next Spring. Outside of the UK, Stream will initially be targeting gaming partners in Asia; one of the fastest growing gambling industries in the world.



NCLOTTERY.GONE. Cyber squatters have apparently sucked up all the good Internet domain names for North Carolina's Lottery. The lottery is currently using <a href="http://lottery.nc.gov/">http://lottery.nc.gov/</a>. A Winston-Salem man, who owns a web hosting business, reportedly registered <a href="http://www.nclottery.com">www.nclottery.com</a> back in 1998. Even the domain that matches the name of the state's new lottery, <a href="http://www.nceducationlottery.com">www.nceducationlottery.com</a>, is taken. Also locked up are nclotto.com, northcarolinalottery.com, tarheellottery.com, nclottery.net, nclottery.org, and many others. Some of those sites already have information posted.

## **LOTTERY**

RHODE ISLAND RFP. The Rhode Island Lottery is issuing an RFP&Q for Technology Providers. Interested vendors can request a copy by contacting:
Gerald S. Aubin, Rhode Island Lottery
1425 Pontiac Avenue, Cranston, RI 02920
401-463-6500 (Voice), 401-463-5669 (Fax)



### **RECORD POWERBALL HIT – MATCH 5 BONUS**

KICKS IN. Last week's record breaking \$340 Million Powerball jackpot was won on a single ticket in Oregon. The jackpot was the largest in Powerball history and the second largest jackpot in U.S. history. Due to the record jackpot, Powerball's new Match 5 BONUS prize kicked in – putting a portion of sales normally added to the jackpot into the new BONUS prize pool – which on this occasion reached \$32 million. This gives each of the 49 match 5 white ball winners an additional \$653,492 cash bonus besides the normal prize of \$200,000 plus any Power Play winnings.

# **NEW MISSOURI GAME IS SPECTACULAR.** A new

\$10 Missouri Lottery Scratchers game is living up to its name. "\$100 Million Cash Spectacular" got off to a spectacular start during its first five weeks of sales, returning close to \$10 million in prizes to players and making up approximately 26 percent of total Scratchers sales. Sales of

the new game are about four times higher for the first five weeks than previous \$10 Scratchers games. The new game has generated approximately \$1.7 million for public education programs in these first five weeks alone.

MO PICK 3, TAKE 5 PAYING OFF. The Missouri Lottery's new "Pick 3, Take 5" promotion has boosted SHOW ME 5 Paydown sales to record levels. Scott White, on-line product manager for the Missouri Lottery, said SHOW ME 5 Paydown sales for the past week were the highest ever - \$627,852 - which means approximately \$171,000 will go to public education from that game's sales from just one week. When players make a \$3 single-ticket purchase for a drawing during the three-week promotion, which runs from Oct. 2 through Oct. 22, they will receive a free \$1 SHOW ME 5 Paydown ticket. "SHOW ME 5 Paydown sales increased nearly 49 percent during the first week of this promotion, and Pick 3 sales have increased nearly 11 percent," said White.



TWO ARE LUCKY FOR LIFE IN PA. The October 17 drawing of the Pennsylvania Lottery's newest lotto game, LUCKY FOR LIFE, has produced two winners of the game's top prize of \$3,000 a month for life.

**HOOSIER MILLIONAIRE TO END.** Due to declining interesting the game, the Hoosier Millionaire scratch-off game will end Oct. 22. Mail-in entries for seats on the Grand Finale of the Hoosier Millionaire game show must be received by the lottery by Dec. 21.



#### NEW ZEALAND LAUNCHES BIG WEDNESDAY.

Ticket sales for Big Wednesday, New Zealand's exciting new lottery game, were launched last Monday, October 17. More than 780 outlets were selling the game. The first televised draw will be Wednesday, October 26.

MALTCO IMPROVES BINGO. Maltco Lotteries is now offering its Quick Draw Keno fans an improved upgraded version of the popular game. Major prizes for selecting all ten, nine and eight numbers have been at least doubled from Lm50,000 to Lm100, 000; Lm25,000 to Lm50,000 and Lm10,000 to Lm25,000. Payouts have been improved in 22 different winning categories. The total number of winning categories has been increased to 42 by introducing two additional winning categories.

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NZLC TURNS IN GREAT YEAR. The New Zealand Lotteries Annual Report for the 2004/2005 year showed overall sales of \$630.4 million. Sales of \$324.4 million for the second half of the financial year were the best in NZ Lotteries 18-year history. The excellent sales allowed NZLC to transfer \$123.4 million to the Lottery Grants Board, \$4.9 million more than last year's transfer. The improved sales were attributed to a number of strategy-driven changes. including: Changes made to Lotto in August 2004, including the introduction of Lotto's Winning Wheel; Opening 134 new retail outlets, increasing the national network to 756 outlets, and introducing a new retail format; Extra ticket streams for Instant Kiwi and a greater in-store presence for this product; and Popular Lotto promotions such as the Christmas Triple Dip draws which featured an extra 55 prizes for players.

**CHINESE LOTTERY SALES RISE.** The China Welfare Lottery Administrative Center has reported an 87% year-on-year increase over 2004 through October 9. So far, the Lottery has sold 30.5 billion yuan .

**OZ LOTTO DELIVERS MORE WINNERS.** The results are in for the first draw of the new look OZ Lotto game and a lucky 96,314 players will be taking home a prize, up from an average of 22,000 winners each draw under the previous game structure. The huge bonanza means that OZ Lotto has already delivered on its promise of more prizes following a national restructure of the game last week.



**IMALI MANIA EXPRESS.** The new season which started this week in South Africa, offers players the opportunity to compete for prizes in the daily slots broadcast every day from Monday to Friday on e-TV at 18:23. The IMALI MANIA EXPRESS, hosted by Lungile Radu, is a four minute daily show based on the National Lottery's Wina Manje scratch card game, iMali Mania. On Monday to Thursday, two different contestants will compete against each other on the show. The contestant with the highest cash value at the end of each show will qualify to play for the Jackpot prize on Friday. On the Freaky Friday show, the four winning contestants will battle it out for the chance to win the Jackpot prize of R250 000. Lottery players who scratch three TV symbols on their Wina Manje iMali scratch ticket (R5) can mail in their ticket for a chance to get on the show.

# **WINNERS**

### COUPLE BECOMES THE LARGEST SINGLE-TICKET WINNERS IN NJ LOTTERY HISTORY.

"Congratulations to the Lerners (Helen and Harold), the winners of the largest jackpot in New Jersey Lottery history," said Michellene Davis, Esq., Executive Director of the New Jersey Lottery at the press conference. "While the Lerners will undoubtedly receive the most publicity, it is important to note that they are not the only winners. From this Mega Millions jackpot roll alone, which began on July 26, New Jersey generated \$2.9 million in commissions for our lottery retailers and more than \$24 million in support of state programs. Mega Millions is truly a winning experience for everyone in the Garden State." The Lerners chose the cash option and received \$156,141,600 before the 25% federal withholding tax. There is no New Jersey state tax on MEGA MILLIONS winnings. The Lerners purchased their winning ticket at Leprechaun News located in their hometown. This prize amount marks the largest, singleticket win in the New Jersey Lottery's 34-year history. The previous New Jersey record for Mega Millions was \$165 million, won by Sonny Judson of Cliffside Park on July 16, 2002.



## **POKER**

#### WPT VIDEO GAME SHIPS TO RETAILERS. 2K

Sports, a publishing label of Take-Two Interactive Software, Inc. announced that the World Poker Tour® video game has shipped to major retailers across North America. Offering real players and broadcast presentation elements that mirror the popular television series, the World Poker Tour video game is also the only poker title to incorporate real world venues. The World Poker Tour video game is available for the PlayStation® 2 computer entertainment system, Xbox® video game and entertainment system from Microsoft and Nintendo Game Boy® Advance.