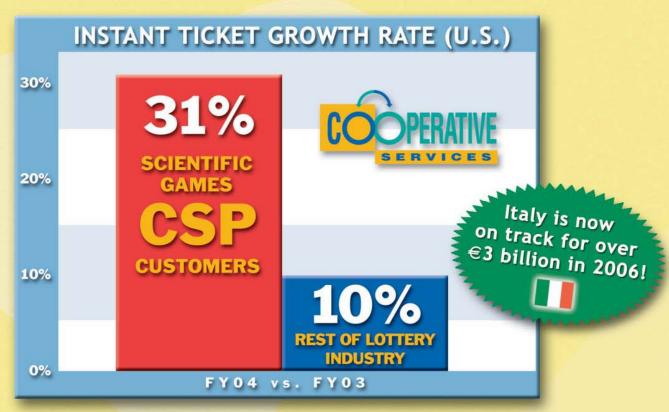
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On the Cover:

NY Lottery Director Nancy Palumbo, Yankee Hall of Famer Wade Boggs, Scientific Games CEO Lorne Weil, former Met Rusty Staub; Delaware Lottery Director Wayne Lemons; The Wynn Las Vagas

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Public Gaming Interactive Magazine: The Right Thing to Do

By Todd Koeppen, Editor Public Gaming International magazine

At SMART-Tech 2006, Tennessee Education Lottery Corporation President and CEO Rebecca Paul spoke on the need for corporate responsibility within the lottery industry. She warned that if government lotteries aren't careful to continually seek ways in which to be more responsible on a social, political and environmental scale, we would be in danger of killing the goose that lays the golden egg.

Public Gaming International Magazine couldn't agree more. We agree so strongly that we felt it important to print portions of Ms. Paul's speech in this issue of Public Gaming International (see pages 12-14).

Government lotteries have plenty of enemies, and the less ammunition we give them to work with, the harder it is for them to pursue their goal of abolishing our business. Still, that's not the only reason we should pursue responsibility in our operations. In fact, it's not even the biggest reason. The biggest reason is that the pursuit of responsibility is simply the right thing to do.

PGRI began business more than thirty years ago. In that time, the Institute has published several gaming magazines – sometimes as many as four different publications at a time. The amount of paper used in the production of a magazine is staggering. If a company prints 4,000 copies of a 32-page monthly magazine, that's more than 1.5 million 8.5" x 11" pieces of paper being used per year. The print company that manufactures that magazine runs approximately 1,000 waste copies of each page of that magazine just trying to get the colors right, meaning the use of an additional 320,000 pieces of paper per year. That's nearly 1.9 million pieces of paper being used for one year's worth of magazines, and we haven't even



factored in the paper used for mailers, or the paper used in the multiple proofs each magazine has to go through.

We at Public Gaming International Magazine have long lamented the amount of paper waste generated by our publication, but for the majority of the last three decades we simply haven't had any other option. The Lottery industry needed a trade publication focused on helping the industry grow, and trade magazines required paper.

With the advent of the Internet we saw an opportunity to not only do away with our waste, but, as many in the younger generation prefer to get their news digitally, to better speak to the lottery leaders of tomorrow. We began testing the prospect of putting out our magazine digitally.

Response from our long-standing readers was not only positive, some North American lotteries actually beat us to the punch by requesting that we only send the digital version. That, combined with the fact that being digital allowed us to increase our circulation 500 percent, sealed the deal. Public Gaming International Magazine stopped the presses for good.

We've now begun pouring our resources that were previously tied to printing the magazine into making our magazine more interactive. We welcome suggestions from readers in that regard. We want this interactive magazine to give you what you want, and we want your interactive experience with us to be something that helps grow your business.

Sincerely,
Todd Koeppen
Editor, Public Gaming International Magazine

Congratulations Todd and Shelley!

Todd Koeppen, Editor Public Gaming International magazine, and his wife Shelley became the proud parents of Madelaine Joy Koeppen on Wednesday, May 3, 2006. Congratulations Todd and Shelley!



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Industry News

MDI's Signs MotoGP

Lotteries worldwide can tap into one of the top forms of motorcycle racing – MotoGP – now that MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation,

has acquired the exclusive rights to the high-octane, thrilling sport.

"From stock cars to track bikes, the world of racing is now more than ever making a huge impact in the sports arena, attracting new fans and loyalists every season," said Steve Saferin, MDI president. "The popularity of MotoGP is soaring, especially in the international market, and games featuring the sport and its celebrated racers will attract an entire new generation of lottery players."

MDI's agreement with Dorna Sports S.L., the holder of all commercial and television rights to MotoGP, gives dedicated enthusiasts and lottery players exclusive games that feature action shots of all the hottest racers and opportunities to win cash prizes plus hard-to-get MotoGP merchandise including technical accessories, watches, phone and cellular accessories and apparel.

MotoGP consists of nine months of racing, with 17 Grands Prix in

14 countries across five continents every year. More than 2 million spectators attend the circuits over the season and more than 311 million fans world-wide watch each individual Grand Prix on television. Of those viewers, MDI research shows over 80 percent of those viewers would choose a brand they associate with MotoGP.



Taiwan Signs Intralot

Intralot signed a \$42.9 million deal to provide Taiwan's state lottery with information technology systems, spearheading its expansion into Asia. Intralot will provide China Trust Commercial Bank in Taiwan, the license holder of the Public Welfare Lottery of Taiwan, with a lottery IT system and maintenance services for seven years. The deal is subject to approval by the Taiwanese Finance Ministry.

Red Rock to Open Exclusively with JCM Products

When the world's newest casino, the Red Rock Casino Resort Spa, opened in Las Vegas in April, the casino floor was protected by the most secure technology available, thanks to JCM American's Universal Bill Acceptor (UBA™). The casino is exclusively equipped with the UBA and JCM's Intelligent Cash Box (ICB™). The Red Rock contract is the latest in a continuing wave of success for the UBA and ICB since making their premiere at Wynn Las Vegas last year. Since then, the award-winning products have been selected by top operators around the world.

Autotote Acquires Shoreline

Scientific Games announced that its subsidiary Autotote Enterprises,

Inc. has acquired certain assets of The Shoreline Star Greyhound Park & Simulcast Facility located in Bridgeport, Connecticut. The purchase price is approximately \$12 million plus certain future contingent payments

and will be financed under Scientific Games' existing credit facility.

The Company anticipates the acquisition will contribute approximately \$2.4 million of yearly EBITDA at existing levels of simulcast handle and will be accretive to earnings. This deal also eliminates existing restrictions on Autotote's ability to simulcast live racing in certain portions of the state.

Record Revenues for GTECH

GTECH announced fourth quarter and year-end earnings for the fiscal year which ended February 25, 2006. Revenues for the fourth quarter of fiscal 2006 were \$368.3 million, up 9% over revenues of \$337.9 million in the fourth quarter of fiscal 2005. Net income was \$59.4 million, or \$0.45 per diluted share, compared to net income of \$43.8 million, or \$0.34 per diluted share for the same period last year. For the quarter, service revenues were up 11.3%, reflecting continued strength in same store sales, strong jackpot activity, and higher revenues from Brazil. Product sales were \$74.3 million, comparable to the fourth quarter of fiscal 2005. Service margins increased approximately 150 basis points, to 39.1%, driven by the strength in service revenues, partially offset by higher depreciation and amortization expenses. Product margins increased significantly, from 26.6% in the fourth quarter of fiscal 2005 to 45.6% in the most recent quarter, reflecting a change in product mix. The fourth quarter results include one-time costs of \$6.1 million associated with the pending transaction with Lottomatica S.p.A. Excluding transaction-related costs, the Company would have reported net income of \$65.5 million and fully diluted earnings per

Revenues for fiscal 2006 were \$1.3 billion, up 3.8% over revenues of \$1.26 billion in fiscal 2005. Net income was \$211.0 million, or \$1.63 per diluted share, compared to net income of \$196.4 million, or \$1.50 per diluted share, for the same period last year. Net income in fiscal 2005 includes a one-time, after-tax gain of \$7.0 million, or approximately \$0.05 per diluted share, associated with the sale of the Company's 50% interest in Gaming Entertainment (Delaware) L.L.C. Net income in fiscal 2006 includes one-time costs of \$8.0 million associated with the pending Lottomatica transaction, or \$0.06 per diluted share.

Manitoba Signs with Pollard

Pollard Banknote has entered into a new contract with Manitoba Lotteries Corporation for the supply and delivery of bingo paper. The contract, valued in excess of one million dollars (CDN) annually, is to start in April 2006. The contract has an initial term of 36 months and includes an option for MLC to extend the contract for two additional one-year periods.

The bingo paper will be played at the Casinos of Winnipeg (Club Regent and McPhillips Street Station) and also at licensed bingo events across Manitoba. Pollard Banknote will supply approximately 900 million individual bingo cards each year.

continued on page 20



People

The South Carolina Chapter of the Public Relations Society of America (SCPRSA) recently honored South Carolina Education Lottery PR Manager **Tara Robertson**. Robertson received a Mercury Award of Merit in the Events and Observances (more than seven days) category for "SCEL's 2005 Hog Calling Contest." Robertson also picked up another Mercury Award of Merit, this time in the Marketing Consumer Products category for "SCEL's Additional Support for Palmetto Cash 5 with Power Up."

Virginia Governor **Tim Kaine** has named **Jim Wofford** as the newest member on the four-member Virginia Lottery board of directors. Wofford is a native of South Carolina who spent 27 years in hotel management, most recently with Tidewater Hotels and Resorts, before joining The Taubman Co., the developer and manager of MacArthur Center.

Missouri Gov. Matt Blunt has appointed Barbara K. Tiedt to the State Lottery Commission. As one of five members, she will help oversee the lottery's executive director and annual budget. Tiedt, who must undergo Senate confirmation, currently serves on the boards of directors of the YMCA and the Council of Churches of the Ozarks.If confirmed, she would serve on the State Lottery Commission until September 2007.



Aristocrat Technologies, Inc. announced that 27-year gaming industry veteran Tommy Florio has been named Director, Multi-Station Gaming to lead the Company's emerging multi-station gaming device business in North America, Latin America, and the Caribbean. For the past three years, Florio has served as Aristocrat's Sales Director – Eastern Region.

Mr. Anders Galfvewnsjö has left his position as CEO for Sweden's Casino

Cosmopol. Acting managing director is **Mr. Claes Tellman**, VP Communications and Corporate Affairs.

Richard Paulson, the public face for Washington's Lottery for 13 years, died April 6 of bladder and liver cancer. He was 62. Services will be held early next month in Portland, OR. For more information, contact **Tom Speakman**, 503-254-0075.

Cole Systems announced the addition of **Len Lorenz** as the company's Director of Sales. Mr. Lorenz joins Cole Systems after 16 years with the New York Lottery, which like many state lotteries around the country has embraced OrderPad and the benefits it offers for a mobile sales force. He is now poised to apply this key customer perspective to further advancing Cole Systems consulting services for OrderPad's lottery customers. While with the New York Lottery, Mr. Lorenz led two sales force automation projects, including the latest tapping Cole Systems' OrderPad Enterprise. He also devoted a great deal of his time towards training sales representatives to develop their skills.

Aristocrat announced that Mike Mauser has been named Vice President, Regulatory Compliance for the Americas. Mauser reports directly to Tracey Elkerton, Global Compliance and Licensing Manager. Mauser will work closely with gaming regulators to ensure that Aristocrat's business practices, policies, and dealings meet regulatory requirements in all the North America, Latin America, and Caribbean jurisdictions in which Aristocrat does



business. Mauser has been leading Aristocrat Technologies' Regulatory Compliance team since November 2005.

Multimedia Games has appointed Michael J. Maples, Sr., 63, to the position of Chairman of the Board. Mr. Maples has served as a director since August 10, 2004. Mr. Maples assumes the Chairman's responsibilities from Thomas W. Sarnoff, 79, following Mr. Sarnoff's decision to step down from the position he has held since December 2003. Mr. Sarnoff has served on Multimedia's Board longer than any other member; he continues to serve as a director, as Chairman of the Compensation Committee, and as a member of the Nominating and Corporate Governance Committee. Mr. Maples was elected to Multimedia's Board of Directors in August 2004, and serves on its Audit Committee and the Nominating and Governance Committee. He retired from Microsoft Corporation in July 1995 after holding numerous positions, the most recent of which was Executive Vice President of the Worldwide Products Group.

GameAccount is pleased to announce the appointment of Kevin Dale as Chief Executive Officer with immediate effect. Dale succeeds John Jones, under whose management the company has grown into a market leader. Dale brings to the company over 6 years of experience in the gaming industry. He has been involved at GameAccount as a non-executive Director to date, having previously been interim Managing Director at Betdirect. He was also Marketing Director at two of the industry's biggest success stories, Sportingbet plc and Betfair.com.

The Associated Press reported that South Carolina Gov. Mark Sanford has told John "C.B." Smith Jr., the chairman of the state Lottery Commission, that he will be replaced. Smith, whose term expired last summer, is the only chairman the state lottery board has had. Sanford has not named a replacement. Smith plans to continue to lead the nine-member board until that happens.

Virginia Tax Commissioner and former Director of the Virginia Lottery **Kenneth Thorson** is retiring, effective May 1st. Thorson is 65 and is leaving after 22 years of state government service. He has served as tax commissioner since May 2002; was the first director of the Virginia Lottery; and served in the state attorney general's office.



Australia

Lotterywest has a new Lotto game to offer to West Australian players. As well as playing Lotto on Saturday, WA players now have the chance to play their favorite game on both Monday and Wednesday. Players were able to buy tickets in the

Lotterywest is able to offer this new game to Western Australia Lotto players after being invited by NSW Lotteries to join an existing game that New South Wales players have been playing for years. SA Lotteries is also joining this game. The game operates on a 6:45 matrix, and costs \$1.30 for four plays. Monday's Lotto draw will offer a Division One prize pool of \$1 million, and Wednesday's Lotto draw will offer \$750,000 as its top prize.

SA Lotteries celebrated a win of a different kind, having received accolades for excellence in advertising at the recent Adelaide Advertising and Design Club Awards. SA Lotteries' latest television commercials for Lotto 'Born Free' and Lotto Megadraw 'Fridge Magnets' received Silver awards in a category where no Gold awards were presented. The Lotto Megadraw 'Lost Car' radio advertisement was awarded Bronze, along with SA Lotteries' 'We're moving' postcard, which was distributed in the weeks prior to the organisation's relocation to Wayville in February last year.

Fans of the Da Vinci Code now have 150,000 reasons to crack the code following the launch of NSW Lotteries new instant scratch ticket Da Vinci Code Bingo. The \$3 ticket has a top prize of \$150,000

Oand went on sale to tie-in with the Australian release of the blockbuster movie on May 18. The ticket features the Mona Lisa and a set of code symbols, which are based on the plot of the best selling book and the movie. NSW Lotteries will be providing Da Vinci Code Bingo Instant Scratchies tickets for the 2Day FM "Da Sydney Code" promotion. Running from April 17 to May 5, 2Day FM announcers will be 'scratching off' two pieces of information giving listeners the chance to crack "The Sydney Code." Listeners can win cash prizes and free tickets.

Czech Republic

Total revenues of SAZKA, a.s., exceeded CZK 9.340 billion in 2005 and rose by more than 10 percent year on year. Revenues from betting and lottery activities also rose significantly, reaching almost CZK 7.253 billion (up by more than CZK 660 million year on year). Earnings after tax were almost CZK 1.555 billion, up by 17.6 percent year on year. Proceeds for beneficial to the public purposes exceeded CZK 1.289 billion, up by 16.4 percent year on year. Not only absolute figures but also productivity indicators developed favourably in 2005, with the profit per employee rising by 14.7 percent.

The main contributors to the figures above were the increased revenues from Sazka's main business, i.e. betting and lottery activities. Also, the revenues from the company's greatest non-lottery activity, i.e. topping up payas-you-go mobile phones, were up by approximately 15 percent in 2005.

Finland

Veikkaus'financial result exceeded EUR 400 million for the first time in history. The Lottery returned EUR 381.4 million of the proceeds to the Ministry of Education, while the rest was transferred to its contingency fund, to be distributed to beneficiaries in years to come.

EGET signed a seven-year extension of its existing contract with Fintoto. Under the agreement, EGET will continue to provide online and mobile horse betting solutions for Fintoto until 2013.

France

On March 26, La Française des Jeux changed its add-on game Joker for a new and improved passive game called Joker+. Joker could only be played in conjunction with Loto, but the new Joker+ is available with Loto, Keno, Euro Millions and Super Loto. The logo was also revised in order to strengthen the new game's identity. The game also changed some rules to make it easier to win. Players can now win by matching numbers right to left as well as left to right. Winnings are also doubled with the new 2 euros price point.

Germany

The German constitutional court (Bundesverfassungsgericht) confirmed the view expressed in earlier statements of the European Court of Justice that state providers can have a monopoly position when the

> monopoly serves the purpose of limiting the proliferation of addictive behavior. German states have until the end of 2007 to review their legislation with the view of guaranteeing that the legislation effectively serves the purpose of limiting the proliferation of gambling.

Hungary

Szerencsejáték Zrt., the national lottery of Hungary, launched a special instant ticket called Jubileumi (Jubilee) in January 2006 for the 15th anniversary of the company. The ticket featured both the highest price point (300 HUF 1.2 euros) and highest prize (15 million HUF – 60,000 euros) in the history of Hungarian instant tickets.

The ticket, which capitalizes on nostalgia by featuring historic logos and symbols of the company and its predecessors, offers three games. Szerencsejáték Zrt's goal with this ticket was not just to maximize its profit and revenue but to see how players react to a higher price point game. The initial print run (three million tickets) sold out in three months instead of the planned 12 months, creat-



ing a need for a second run that was launched on April 22.

The Lottery feels that the success of this ticket proves that the 300 HUF price point is not at all too high for its players. The Lottery plans to always have a ticket at that price point in its product mix, and is currently seeking opinions from retailers as to the highest price point that its players might buy.

Having supplied a brand new system comprising 14 venus draw machines in 2005, WinTV (the draw equipment division of Editec), has also now completed delivery and installation of an additional system made up of 8 Perle machines. These draw machines were first used for the Loteria Italia draw on the 6th January, 2006.

Lebanon

Lebanon experienced lottery fever as several rollovers caused the country's Lotto jackpot to balloon up to just over US\$4 million – its biggest prize ever. Beirut reportedly came to a standstill as the winning numbers were read. Three different tickets held the winning numbers.

Norway

Coinciding with Lotto's 20th anniversary in Norway, Norsk Tipping recently gave Lotto a facelift. The Lottery introduced an extra weekly draw, Millionsjansen (The Million Kroner Chance), that gives a randomly selected player a chance to win between a few hundred thousand and up to several million kroner. Wherever possible the player will participate in the TV program via telephone. The Lottery also raised the price from three to four kroner in order to finance a change to the prize distribution key so that the jackpot will now average twice the previous amounts - 4.8 million kroner.

The Philippines

The Philippine Charity Sweepstakes Office will launch its new Small Town Lottery in ten pilot areas throughout the country. The game is expected to combat the successful illegal game jueteng. The company's board of directors has approved the application of seven corporations as STL agents in Quezon, Bataan, Pampanga, Occidental Mindoro, Laguna and in the cities of Angeles and Quezon. The PCSO has assured lawmakers that it will consult local government bodies before launching in any locality.

Later in April, after granting Benchmark Acquisition International the right to operate the game in Quezon, the Quezon City government reportedly backed out of the deal, citing the need for further studies before implementing the game.

Spain

Oberthur Gaming is pleased to communicate the recent decision of ONCE, the Spain's blind and visually impaired social association, to award a one-year contract with a possible one-year extension for the supply of their new instant lottery scratch tickets. The first year production is estimated at 1.12 billion \(\pi 0.50 \) tickets.

Sweden

Submitted by Göran Wessberg - Late March Svenska Spel was the first state lottery in the world to introduce a Sudoku scratch ticket. It was a hit from the very start, which was to be expected since Swedes take a tremendous interest in this number puzzle which is to be founds in almost all daily Swedish newspapers since it was introduced last summer.

But the Svenska Spel Sudoku ticket (produced by Pollards) offers the chance of winning 250 000 SEK (25 000 Euro) as well for the stake of 30 SEK (3 Euro).

"Every third ticket is a winner", Fredrik Lundgren, marketing manager for scratch tickets, points out. "Moreover we have a unique feature with our ticket since it offers both a game where you can win prizes and a puzzle to be solved. These are linked to each other so if you find it difficult to solve the mathematical riddle you can 'cheat' or get extra help by scratching the corresponding part on the 'winning' ticket."

Skrap Sudoku belongs to a family of other scratch tickets with themes such as bingo and a labyrinth, all priced at 30 SEK.





information, call your MDI sales rep. toll-free at 1-800-572-7082

lisit our web site at www.mdientertainment.com





Scientific Games and Major League Baseball Properties Agree on Licensing Rights Package

Massachusetts and New York Launch First Tickets

MDI Entertainment, a wholly-owned subsidiary of Scientific Games, recently reached a licensing agreement with Major League Baseball Properties, Inc. whereby it has been granted the exclusive rights through 2010 to produce and distribute State lottery tickets featuring the trademarks associated with Major League Baseball. The trademarks MDI is allowed to market to lotteries include the MLB silhouetted batter logo, the World Series, League Championship Series, Division Series, and All-Star Game logos, as well as the logos of the Major League Baseball Clubs. In addition, Major League Baseball-themed prizes (such as game tickets and merchandise) will be offered with the lottery tickets.

"This is truly big news for MDI and lotteries everywhere," said Steve Saferin, president of Scientific Games Ventures and MDI Entertainment. "Lotteries have long been interested in promoting the Major League Baseball Clubs within their territories. We're proud to say that MLBP has selected MDI as its exclusive lottery marketing licensee and we look forward to working with lotteries, MLBP and the individual teams to offer the

Massachusetts Treasurer Tim Cahill sells the first Red Sox Instant Ticket at Fenway Park to Red Sox President and CEO Larry Lucchino prior to the Opening Day game.

most exciting and entertaining lottery scratch product ever."

"Obtaining Major League Baseball licensing rights will help lotteries boost their revenue by creating new opportunities for fans to show their affinity for their favorite Clubs," said Lorne Weil, Chairman and CEO of MDI parent company Scientific Games. "We are confident that new Major League Baseball themed games will hit home with lottery players and help our instant



Baseball Legends help New York Director Nancy Palumbo kick off Subway Series Instant game ticket.

ticket customers grow their business, resulting in more funding for education and other good causes."

MDI Entertainment expects several lotteries to introduce MLB games this year, with many more launching next year based on significant interest shown from across the country. Fittingly, the first two lotteries to offer a MLB licensed ticket are Massachusetts and New York. Two of the three teams featured on the tickets, the Red Sox and the Yankees, have been bitter rivals for years – ever since the Red Sox traded Babe Ruth to the Yankees, transforming that team and starting one of the greatest string of championships ever seen in the world of sports.

The first MLB game launched in Massachusetts on April 11 and features the Boston Red Sox. The New York Lottery is launching a MLB themed ticket in May. The ticket, Subway Series, features the New York Mets and the New York Yankees

Massachusetts

Brockton Man Wins First Red Sox Instant \$1 Million Prize

A Brockton man claimed the first \$1 million prize in the new Red Sox Instant Ticket just three days after the revolutionary game debuted at Lottery retailers throughout Massachusetts.

Joseph Belanger visited the Lottery's headquarters shortly after purchasing the winning ticket at Hennessey's News located in the South Shore Plaza in Braintree yesterday afternoon.

Belanger said that he rarely plays the Lottery but thought he would try his luck at winning the game's ultimate prize – Red Sox season tickets for life. He bought a single \$5 ticket and to his surprise scratched off a \$1 million winner. The reality of the win was still settling in as Belanger anxiously waited for his first prize check.



The \$1 million is paid over 20 years. Belanger will receive annual payments of \$50,000 (less federal and state taxes). When asked what he planned to do with his winnings, Belanger said that "he couldn't quit his job, but the money would make life more comfortable and help him provide for his immediate family." Hennessey's News will receive a \$10,000 commission on the sale of the winning ticket.

"The response and enthusiasm for the Red Sox Instant Ticket has been tremendous," said State Treasurer Tim Cahill, who serves as Chair of the Lottery Commission. "We are pleased that the game is off to a strong start, and hope that the excitement surrounding the ticket continues to grow because the better our games do, the more prizes are won, and the more money we have to return to communities throughout the state."





The Massachusetts Lottery's new Red Sox Instant Ticket – the nation's first instant game to feature a Major League Baseball team logo – is on sale now at the Lottery's 7,600 licensed retailers throughout the Commonwealth, including Fenway Park.

This exciting new \$5 instant game offers over \$150 million in cash and Fenway Fantasy Prizes.

In addition to traditional cash prizes, including 10 \$1 million prizes, the Red Sox Instant Ticket features a second chance drawing in which one lucky player will win a Grand Prize of a pair of Red Sox season tickets for life. The game will also award other attractive prizes such as Red Sox tickets, merchandise, trips, and game-related experiences.

Players can learn more about the game by reading the back of the Red Sox Instant Ticket, by picking up a brochure at any Lottery sales agent location, or by logging on to the Lottery's website at

www.masslottery.com.

"The Red Sox' goal is to continue a corporate partnership with the Massachusetts Lottery that has already benefited us as well as citizens across the Commonwealth," said Larry Lucchino, President and CEO of the Red Sox. "The Lottery's partnership in creating the World Series Trophy Tour was terrifically successful. It allowed citizens in all 351 cities and towns to participate in the celebration.

"Now, we find we again have a basis for partnership. When Major League Baseball owners unanimously voted to allow team logos to be part of instant ticket games, we then had an opportunity to create yet another innovative venture."

New York

The New York Lottery hit a home run when they unveiled a new Subway Series Instant game ticket featuring the New York Yankees and the New York Mets.

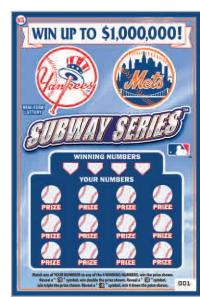
New York Lottery Director Nancy A. Palumbo was joined by Baseball legends, former Yankee Hall of Famer Wade Boggs and former Met Rusty Staub, as she announced the exciting new partnership. The announcement took place at Grand Central Terminal which is located above the Station where the number 4 train, which goes to Yankee Stadium in the Bronx and the number 7 train, which goes to Shea

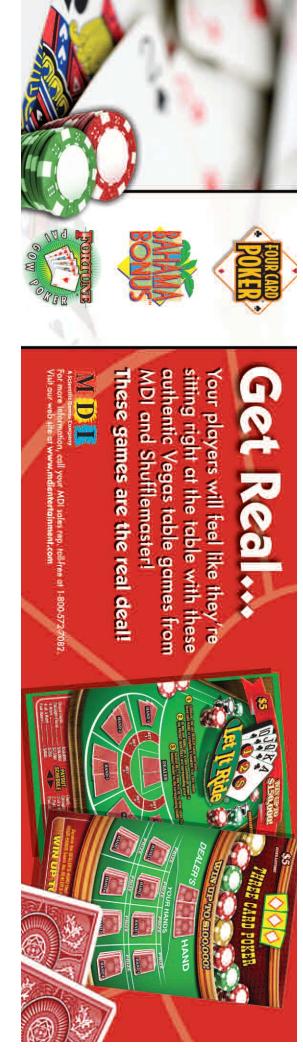
Stadium in Flushing, meet.

"We're thrilled to be partnering with the New York Yankees and the New York Mets on a new Instant game ticket. New York is the baseball capital of the world and the Subway Series, which highlights the friendly competition between New York's two incredibly talented baseball teams, is a great theme that all New Yorkers can identify with. The enthusiasm and excitement that New Yorkers have for baseball is sure to make our new baseball themed ticket a 'power hitter'," Palumbo said.

The new Subway Series ticket, which goes on sale May 3rd, will be a \$5 ticket offering players 12 chances to win up to \$1 million. Overall odds of winning any prize on the new ticket will be 1 in 4.91 while odds of winning top prize will be 1 in 2.6 million.

In support of the new ticket, the New York Lottery will be conducting 2nd chance promotions





Delaware and the Future of Video Lottery

In the recent record \$365 million Powerball jackpot run, the Delaware Lottery sold \$11.1 million in the nineteen draws that occurred during that run. During the last two draws of that run, the Lottery's Powerball sales were \$4.4 million.

"We think \$11.1 million is very significant for a state with slightly more than 800,000 people. It is a very good revenue source for us," said Delaware Lottery Director Wayne Lemons. "But, during the last week of the Powerball jackpot run, when we had \$4.4 million in those two draws, the video revenue for that week in Delaware, with three venues, was \$14.4 million."

That is the power of video lottery. And, the gap widens when you truly examine the figures. The \$4.4 million in Powerball sales refers to gross sales, not net revenue. When Mr. Lemons refers to \$14.4 million in video revenue, he's talking about net revenue, not the play. The play is in the hundreds of millions of dollars.

"This is revenue that you have your hands on and can distribute to the various groups that participate in the revenue," said Lemons.

Concerns

Certainly there are concerns for jurisdictions that are beginning to work on video lottery legislation. The Delaware Lottery receives many questions from such jurisdictions, and they, as well as other states involved in video lottery, are very willing to share their experiences.

One is expansion of gambling. That is a political concern with many administrations in many states. Another is problem gambling.

"When we went into the business there was much concern that we would increase the number of problem gamblers by going into video lottery. That has not happened," said Lemons.

Due to that concern, Delaware's legislation contains a clause stating that \$100,000 or 1% of the revenue, whichever is greater, would be transferred from the state's share of video revenue to Health and Human Services, which administers a problem gambling program. The amount transferred to this program in 2005 was more than \$1.6 million.

Another valid concern is expansion of crime in the immediate area surrounding the venues that carry video lottery. Delaware's video legislation monitors this concern by saying that the state police, the attorney general and the Lottery will combine to produce a crime report each year on the amount of crime in the surrounding areas of each of its three video lottery venues.

"The state police collects the data, the attorney general writes the

report, and I get to send it to the general assembly under my signature," said Lemons.

To date, the reports have been very good, showing that there has been no significant increase in crime in the areas surrounding the venues that have the video lottery.



Delaware Lottery Director Wayne Lemons

"The state police created a baseline of the amount of crime that happened in the area the year before we went into business, and this is what they measure against each year," said Lemons.

"The concerns that people have, at least for the state of Delaware, they have not turned out to be a significant factor," Lemons Continued. "We are in our 11th year of operating video lottery. We do have, in my opinion, more good products to grow the business in the video lottery than we do in the traditional lottery."

Delaware's Video Future

"We are trying some new ideas," said Lemons. "We now have a multistate progressive game. I believe it's due for implementation on May 18. We believe this will be a step forward in revenue production for us.

"This will be the first multi-jurisdictional progressive games ever. Certainly you've seen progressive games before in casinos, and Rhode Island, Delaware and West Virginia have in-state progressives, but combining the three jurisdictions will produce the first multi-jurisdictional game, patterned very much on the Powerball model.

"Another product that we in Delaware will be adding this year will be multi-station, multi-play video table games." Delaware modified its video lottery legislation to accommodate these new games, and the Lottery has an RFP on the street.

Lemons continues, "When I say table games, I mean games such as Roulette, blackjack, poker, etc. Most of the table games that you see on the gaming floor are available in some form through a video lottery."

Any game or device without a live dealer – no cards, no dice but is strictly video – qualifies under the new legislation. The Delaware Lottery expects to have these game sin their venues by September 2006.



North Carolina Update

Lottery Sales Exceeding Expectations

The North Carolina Education Lottery completed its first 22 days of operation with sales running well ahead of the \$3.3 million per day mark it needed to achieve to hit its annual sales target of \$420 million. By April 20 (day 22), the Lottery had brought in \$80 million, or \$3.6 million per day.

"We are very pleased with the sales we have had so far and we are extremely excited about the funds generated for education in North Carolina," said Lottery Director Tom Shaheen.

While no one can be certain whether the Lottery can sustain such a pace, officials are readying the launch of several games in an attempt to sustain the current trend.

Sales reached \$16.8 million in the Lottery's first week, a

shortened, three-day time period. In week two, sales, as expected flattened out from the 5.6 million per day high seen in the first week to \$4.1 million per day. Week three saw sales flatten further, down to \$3.2 million per day, and the dipping trend continued in to week four (sales for the week weren't completed at the time this article was written).

The Lottery countered with the launch of two new scratch games, and plans to continue to launch new products every couple of weeks. The two latest instants, launched on Tuesday, April 18, were "\$25,000 PayDay" and "Fast 5's".

The next big phase for the NCEL will be the launch of Powerball on May 30, which will be followed by the launch of a pick-5, with a Pick 3 scheduled to launch in Spring of 2007.

Power Play Problem

Power Play is a very popular option associated with the Powerball game. For those who don't know, players can choose the Power Play option by paying an extra dollar with their Powerball picks. That extra dollar allows players the chance to, through a separate draw, multiply non-jackpot Powerball winnings by as many as five times. The feature has allowed several lotteries to promote multiple high-profile winners, as the feature can turn a \$200,000 winner into a \$1 million winner.

Scientific Games owns the rights to the feature, and, to date, hasn't charged its customers to offer Power Play. The problem for NCEL, is that they don't contract with Scientific Games for any products. If they want to offer Power Play, they will have to do business with the company in some fashion – either by contracting for another service or through royalty payments. NCEL's contract with GTECH allows it to use another vendor for up to four scratch-off games.

Electronic Display

The NCEL is currently seeking a vendor to provide electronic digit display systems and

related services.



The Lottery currently expects the successful vendor to have between 15 and 20 billboards containing the full system installed and operation by the May 30 launch of its online games. The NCEL is currently in the process of determining the exact number and location of operation billboards by the start date.

While the Lottery requires the hardware used in the electronic digital displays to be new equipment, not used or refurbished, the software that runs the system may have already been previously created and implemented elsewhere.





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Corporate Responsibility Looking Beyond Revenue

Excerpts from speech given at SMART-Tech 2006

By Rebecca Paul, President and CEO, Tennessee Education Lottery

There's no question about the importance of corporate responsibility in a non-government environment. The pressure on businesses to be "good corporate citizens" has been strong for quite some time, and it shows through the incredible amount of corporate-sponsored activities that benefit the community.

I'm pleased to report that the lottery industry, too, is beginning to take a stronger look at community relations in ways that go beyond responsible gaming. While responsible gaming programs are of utmost importance, it's vital that we look for other opportunities to benefit the people we serve, as well.

Going Green

In the February issue of Public Gaming International, there was an article about some very exciting recycling programs Massachusetts has created. The "Instant Reply" program began after the Mayor of Boston complained that the two biggest culprits of litter in the state were the Lottery and Dunkin' Donuts. Consider: The mayor of the largest city in your state is attacking your product. How do you address becoming responsibly green?

Joseph Sullivan, Executive Director of the Massachusetts Lottery, has always been very green. Using that passion, he and his staff were able to create an innovative way to address the issue, earning points locally and even an award from MassRecycle. After the program's first event, 16 tons of tickets were collected and turned into other useful paper products. "Instant Reply" set an example for other businesses and sent a message that the Massachusetts Lottery is committed to the community.

Cultural Diversity

What else does corporate responsibility mean? I think it also means providing an environment that has a great deal of cultural diversity – a work force that represents the people of your state. Who we do business with is another area that should be carefully considered.

I'm very proud of what we've accomplished in Tennessee. Our minority participation programs go far and beyond a diverse staff – 47 percent of which are people of color. More than 15 percent of Tennessee Lottery purchases come from minority-owned businesses, and at least 20 percent of our major procurement vendor purchases are made from such businesses.

You can find more details about our minority participation programs on our website, www.tnlottery.com under "Reports." We also print and distribute a brochure with this information each year to spread the word about our commitment to diversity and helping create a positive economic impact for a variety of businesses in the state.

Giving Back to the Community through Education

Another example of corporate responsibility comes from one of the Tennessee Lottery's major online vendors. In every jurisdiction where they do business, they give back to



In each state or country, they'll open computer labs in depressed neighborhoods, primarily in pre-existing facilities, such as Boys and Girls clubs. The company is offering underprivileged community students the opportunity to have access to the internet and computers – a terrific way to reach out with the technology that is their core product.

Most of the major vendors I've done business with have done extraordinarily well in the South with summer paid internships. These are highly sought-after positions offered through historical black colleges. The HBC colleges across the South are able to provide an opportunity for students to have paid internships with the lotteries and the vendors, again providing economic and educational development to the community.

In other areas, such as Washington State, employees have become active in their communities: adopting schools, giving books to libraries – the kinds of things we see major corporations do, but that many lotteries may not have considered. It's a great way to keep employees enthusiastic while helping the community at the same time.

Problem and Underage Gambling

One of the most common things that lotteries do – and there are 37 North American states or provinces that do this – is get involved in a structured problem gambling program that provides financial assistance to problem gambling programs in their own jurisdictions. In some of these 37 lotteries, the dollars are earmarked from the lottery by the Legislature. In other instances, if possible, the lotteries made their own determination of how to use the funds after careful review of their enabling legislation.

Some lotteries, however, cannot provide such funding to problem gambling programs because their enabling legislation prohibits giving



	Funds Structured Gambling Program	Free Treatment for Problem Gambling	Hotline/Helpline	Research Study on Problem Gambling	Problem Gambling Slogan and Hotline Number on Ads	Responsible Gaming Stickers on Terminals and Dispensers	Problem Gambling Info and/or Links on Website	Strict Prohibition on Underage Gambling	Anti-Youth Gambling Programs	Retailer/Employee Awareness Training on Problem Gambling Signs	Responsible Gaming Awareness Week	Info Sent to Retailers for Monitoring Responsible Gaming	Voluntary Self Exclusion Programs	Lottery Involved with Local Problem Gambling Group	Problem Gambling PSAs	Surveillance of or by Retailers	Play Responsible Ads During High Jackpots	Maintains List of Problem Gambling Numbers for Referrals	Player Hotline has "Play Responsible" Message and Refers Callers to Problem Gambling Hotline as Appropriate	Scanners on Terminals Verify Age Via DL Barcode	Encourages Newspapers to Publish Hotline Numbers
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money to anything other than the good causes the Legislature has determined necessary to fund.

Here are a few details about lotteries and problem gambling programs:

- Oregon actually provides free treatment for problem gambling.
- There are 38 jurisdictions that support, either financially or within their own organization, a hotline or help-line for problem gambling.
- There are four jurisdictions that conduct research on problem gambling.
- There are 39 jurisdictions that have a slogan or a hotline number for responsible gambling in print, radio, TV, outdoor and POS advertising. Their message is either a "Play Responsibly" message or an actual phone number for an addiction-related hotline.
- There are 21 jurisdictions with responsible gaming slogan stickers or signage at terminals or dispensers. A couple of examples are: "If you have a problem, call this number..." or "Play Responsibly" stickers.
- There are 28 jurisdictions that have links on their websites to problem gambling assistance.

Quite a few lotteries have gotten even tougher in the effort to prohibit underage gambling by creating strict punishments for retailers that violate the rules. Loss of license, making the violation a misdemeanor and criminal prosecution are just a few examples of this hard stance. In Massachusetts, I believe it's a three-strikes-and-you're-out policy, proving how seriously they take the protection of their youth.

There are three states that actually have anti-youth gambling programs. The Missouri Lottery, for example, makes presentations on anti-youth gambling in schools. There are 13 jurisdictions that provide retailer and/or employee awareness training about the signs of problem gambling. Retailers are trained to look for signs of what problem gambling might be, which creates thousands of additional eyes and ears for the lotteries who carry out this kind of training.

Other examples include:

• Five jurisdictions participate in responsible gaming awareness weeks.

- Minnesota actually pays for a Gambling Awareness Week conference each year.
- Thirty-one lotteries produce and send information to retailers about responsible gaming—brochures, in-store newsletters, posters, etc.
- Five jurisdictions have created a voluntary "self-exclusion" program for problem gamblers.
- Nine lotteries produce problem gambling public service announcements. These groups not only pay for the production, but in some instances also purchase time to get the message out to their players.
- Five jurisdictions conduct surveillance of retailers to watch for underage gambling.
- During high jackpot times, there are seven jurisdictions that run messages reminding players to play responsibly. Even with a life-changing jackpot of \$365 million, it only takes one ticket to win.
- Five jurisdictions maintain lists of problem gambling numbers for referral. If players call one of these lotteries' hotlines, in addition to getting information about the lottery, they also get a referral number to a treatment program. And, in two other jurisdictions, the player hotline and customer service numbers have 'play responsibly' messages and refer callers to a gambling hotline as appropriate.
- New York actually has scanners on its terminals to verify age, so that with a bar code retailers can determine the age of the player.
- South Dakota encourages newspapers to include gambling referral numbers in addition to the winning lottery numbers.

As you can see, there are a variety of initiatives lotteries have created to address a broad spectrum of issues. Whether combating underage gaming or helping reduce litter, lotteries are beginning to step up to the plate and join the ranks of other "good corporate citizens." Not only will community activism help the areas we serve, but it will also ensure a bright future for our industry.

Maryland Lottery and MDE Make a Big Splash – New Liquid Treasures Scratch-Off Ticket Promotes Water Conservation

The Maryland Lottery and the Maryland Department of the Environment are really pouring it on this Spring. To encourage water conservation in Maryland, the Lottery has partnered with MDE to launch a new scratch-off ticket, Liquid Treasures. With a waterfall backdrop, each ticket offers one of 16 different water conservation tips, such as, "For every minute you shorten your shower, you save up to 3 gallons of water." Players have the chance to win up to \$10,000 by scratching the symbols on the ticket, featuring a series of images that relate to water-usage.

"This ticket presents a wonderful opportunity to help MDE create public awareness of the importance of water conservation," said Maryland Lottery Director Buddy Roogow. "It's an issue that affects all Marylanders."

MDE hopes the unique appearance and conservation messages found on each ticket will help to influence players to think twice before keeping that water tap on too long. "The Maryland Lottery has provided us with a fun, unique opportunity to share important conservation messages with Maryland citizens," said MDE Secretary Kendl P. Philbrick. "In order to ensure adequate water resources for our future needs, we must put conservation measures into effect now."

The \$2 ticket launched April 10th and will continue to be on sale throughout the summer months, when warmer weather coincides with higher water use.



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News

OLGC to Install Atronic Games

Atronic is pleased to announce orders for 245 e-motion™ machines with the Ontario Lottery and Gaming Corporation. The 245-machine order comprises an initial order of 170 machines and a subsequent 75-machine order based on the strong performance of Atronic's e-motion™. The games will be installed at a number of gaming facilities in the Province of Ontario. The initial installs will takeplace in the next few weeks, with the additional 75 machines to be installed by the end of April.

Newfoundland and Labrador VLTs to be Reprogrammed

In a move meant to make VLTs less addictive, the government of Newfoundland and Labrador has called for the ALC to remove the stop button on the machines. The absence of a stop button will keep players from stopping the numbers from rolling through their typical cycle and should slow down the overall speed of play. The Lottery also just removed 90 of its 2,700 machines from bars and restaurants in the province. The Lottery will remove 80 machines each year until 403 machines have been removed from the province.

Cyberview Signs with Atlantis World and HBG Connex

Cyberview Technology announced that it has entered into agreements to provide its central server-based platform to two major Italian gaming operators, Atlantis World and HBG Connex. Together they operate more than 65,000 Comma6 (similar to AWP) machines in Italy on their respective networks, accounting for more than 35 percent of the current market.

Under the agreement, Cyberview will provide its central server-based Monitoring and Control System (MCS) which will enable Atlantis World and HBG Connex to control their network of terminals in a highly secure environment as well as enhance their reporting capabilities. In addition, the companies also have agreed to work exclusively together on the provision of the VLT platform for Italy, subject to the passage of gaming legislation anticipated in Italy permitting the operation of VLTs.

Gaming Standards Association to Utilize Third-Party Developers for Future Tool Kits

The Gaming Standards Association will now encourage 3rd party companies to develop protocol tool kits based on GSA standards. The association's goal is to allow 3rd party developers the advantage of swift implementation of GSA standards. Radical Blue Gaming, located in Reno, NV will be the first company to take up the challenge. Tool kits are development suites that accompany standards and allow game manufacturers to implement and test the standard on their equipment. As well, casino operators can use the tools to improve their operational efficiency.

EssNet Interactive Signs with PAF

EssNet Interactive and Ålands Penningautomatförening (PAF) have signed a new IVT Pilot Agreement. The agreement covers a client server based system using EssNet Interactive's on-line Interactive Video Lottery Terminals (IVT). The Pilot will start in the fall of 2006 and will be trialed for up to 6 months. PAF had signed the first pilot in December, 2005 for a period of 6 months located in the international Casino PAF in Mariehamn, where EssNet Interactive IVT system was successfully tested in a commercial environment. The IVT system in this second Pilot will be configured for operation on-board a cruise ship, were the solution also provides an enhanced entertainment appeal for all of PAF's sales channels.

Bally Signs with Boyd

Bally Technologies signed a contract with Boyd Gaming Corp. to provide complete casino management, slot accounting and bonusing solutions across on approximately 30,000 slots throughout all 19 Boyd Gaming properties in six states nationwide. The agreement calls for a transition of existing Bally systems to a common Bally CMS[®]/SMS[®] solution, and the competitive replacement of systems technology at The Orleans Hotel and Casino, the Barbary Coast Hotel and Casino and the Gold Coast Hotel and Casino, all in Las Vegas. The deal also includes the installation of Bally iVIEW™ interactive touch-screen displays on slot machines at both The Orleans and the Gold Coast. Where approved, Boyd Gaming will also offer its players Bally Power Rewards[™] from the suite of Bally Power Bonusing[™] products and have the option to purchase additional bonusing technology. Another bonusing technology contemplated for expansion among Boyd Gaming properties is Bally Power Winners[™]. It is expected that all of the upgrades and installations covered in the agreement with Boyd Gaming will begin immediately and be substantially completed by summer of 2007.

Aristocrat Buys EssNet Interactive

Aristocrat Leisure Limited announced a move into the fast growing interactive, server-based video lottery market with the execution of a Share Purchase Agreement for the acquisition of all of the issued capital of EssNet Interactive AB for approximately A\$70 million. The Share Purchase Agreement is subject to a number of procedural conditions subsequent and is expected to be completed in May 2006.

Shuffle Master and Melco Announce Alliance

Shuffle Master, Inc. and Melco International Development Limited announced a gaming technology alliance, for a term of twenty years, to develop localized gaming technologies for legalized gaming jurisdictions in Asia. This alliance includes an exclusive distributorship of the existing gaming products of both Shuffle Master and its Australian-based Stargames Limited, co-development of an R&D center and a

continued on page 21

RACINO NEWS

Tioga Downs Signs with United Tote

United Tote has been selected as the provider of the central wagering system and business services for Tioga Downs, the new harness racing facility scheduled to open in May of this year in Nichols, NY. Tioga Downs will receive United Tote's Enterprise Wagering Solution™. The track will install United Tote's F4 wagering terminals which can be used either as a teller terminal or, with a flip of the screen, can quickly be used as a self-serve touch screen wagering terminal accepting cash, vouchers or the United Tote FastBet wagering card. E-series terminals will also be installed.

AFL-CIO Lends Muscle to Arkansas Gaming Proposal

The AFL-CIO announced that it will help gather signatures for a measure to bring casinos and a lottery to Arkansas. The support came after the sponsor of the proposal agreed to use union labor in casino construction. The proposal includes building and operating casinos in Boone, Crittenden, Garland, Jefferson, Miller, Pulaski and Sebastian counties.

Casino/Lottery ITV Network

GameLogic and Navic Networks announced a partnership to develop and distribute a new, regulatory-compliant interactive television (iTV) casino and lottery-themed consumer portal. GameLogic and Navic Networks will design and deploy a new inter-

active TV network that provides casino and lottery entertainment and information that features on-demand video programming, interactive polls and voting, event listings, specials, classified promotions and coupons, reservation bookings and home-shopping merchandise sales, as well as regulatory-compliant interactive games. The casino-and-lottery-themed iTV network will soon be made available to cable and satellite TV viewers in partnership with participating cable and satellite TV providers throughout the U.S. The companies anticipate announcing an initial slate of distributors in the next several months.

New York Locations Choose Bally

Bally announced its Bally Casino Management System (CMS*) division has entered into an agreement with the owners of two New York Lottery video gaming facilities to install Bally's marketing and bonusing technology. Bally has entered into the agreement to provide its Casino MarketPlace** (CMP) technology to Nevada Gold and Casinos, Inc. The majority owner of American Racing and Entertainment, LLC, which owns Tioga Gaming, Racing & Entertainment in Nichols, N.Y., is planning to open in May 2006, and is in the process of acquiring the Vernon Downs video gaming facility in Vernon, N.Y. When both facilities go live with CMP, Bally technology will be driving the marketing functions at six of the seven New York Lottery locations.



North American Internet Online Subscription Programs

While lotteries, for the most part, do not sell games over the Internet in North America (with the exception of the Atlantic and British Columbia Lotteries), there are some jurisdictions that utilize the Internet in the sale of ticketless subscriptions to online games. Four jurisdictions that participate in such selling methods are British Columbia*, New York, North Dakota, and Virginia*. All four lotteries administer their program internally, though BCLC partners with Betware on the project, and North Dakota reports that its program is an integral part of its vendor's games management system.

None of these jurisdictions has witnessed any public outcry over their cyber programs. In fact, some of the jurisdictions have received only positive feedback. Virginia reports that the program has been well received, and British Columbia has seen steady growth both from registered players and revenue.

Challenges

In general, the challenge with implementing British Columbia Lottery Corporation's PlayNow site, which is part of bclc.com, was that there was no road map to follow. Only one other jurisdiction, Atlantic Lottery Corporation in North America, was pursuing a selling site of this magnitude, so BCLC was carving out new territory.

The primary obstacle for the North Dakota Lottery was determining the various features of the program service and Games Management System concept. Several issues were – whether subscriptions should be available on the Lottery's website, whether the financial transactions for subscriptions should be solely with the Lottery, whether credit cards may be used, whether incentive price discounts should be offered to



players, determining how retailers could earn commissions on subscriptions, and determining the prize level for automatically extending subscriptions or sending prize checks to players.

The Virginia Lottery reported that designing the program and integrating the Lottery's Stratus (online gaming) and AS400 (back office) systems with the Internet was the main obstacle to launching its program.

The New York Lottery sited technical issues as obstacles to getting its cyber-subscription program started. •

A Few North Dakota Laws on Lottery Subscriptions

- A player may procure a subscription application form from a retailer, lottery's office, or lottery's web site. A player may apply for a subscription on the lottery's web site.
- Each subscription is limited to one play for a draw for one game. A player may purchase a subscription for twenty-six, fifty-two, or one hundred four draws.
- A player shall purchase a subscription only from, and the financial transaction for that subscription must be only with, the lottery. A player may use cash, check, debit card, or authorized credit card to pay for a subscription.
- A person must have a mailing address within the state of North Dakota when the original or renewal subscription application form was submitted to the lottery.
- After the lottery properly and validly registers a subscription play, the lottery shall send a confirmation card to the subscriber. The confirmation card is the player's evidence of an actual play in a draw and there is no actual ticket.
- If the value of a prize on a winning subscription play for a draw is: Five dollars or less, the lottery shall automatically extend the subscription period by the number of draws equal to the value of the winning play; Equal to or more than six dollars and less than six hundred dollars, the lottery shall send the player a check for the prize; or Equal to or more than six hundred dollars, the lottery shall contact the player to arrange payment of the prize.



^{*} BCLC sells Lotto 6/49, Lotto Super 7, Extra, BC/49, Sports Action, Keno and Interactive games online (visit bclc.com). All of these games, excluding Interactives, are the same games available at retail locations. It is not related to a subscription program. Players have the ability to buy one draw, multiple or never miss a draw. The never miss a draw continues until a player's "wallet" is empty.

^{**}The subscriber inputs their personal information, selected numbers and bank account information on the Lottery's Web site. The ticket is produced internally in our Finance department.

on the internet

Svenska Spel Reports Successful Start for Internet Poker By Göran Wessberg

March 30 is a historic day in the history of Svenska Spel, the Swedish National Lottery. That was the day when the company was the first state lottery in the world to offer Internet Poker to the players in its own jurisdiction.

Within hours more than 20,000 players had registered themselves to be able to take part at Texas Hold'em, Omaha, Dark Poker and Omaha high/low. Players can choose their own stake level and the rake for taking part in the game is 2.5 percent.

"We will offer a wide range of tournaments and events," said Ira Gladnikoff, the sales manager for poker at svenskaspel.se at a press conference at Casino Cosmopol in Stockholm last week. "We will also let our players be able to compete and play with famous poker stars and athletes. There will be a ranking list for our players on the website as well - and much more to follow."

It is estimated that there are more than 200,000 Swedes playing Internet poker. Until now, foreign bookmakers located mostly in Malta, the UK and the Caribbean have taken the lion share of the interactive gaming market in Sweden. It is to be hoped that many of these players now will go for the Svenska Spel option instead. To minimize risks for gaming addiction each player at svenskaspel.se has to set up individual limits how much to spend at each occasion and the duration of the play.

Svenska Spel has offered Internet gaming since May 1999 – sports betting, Lotto, Keno, scratch tickets and bingo. Some games are also

offered on mobile phones. Total sales for 2005 exceeded 1 billion SEK (110 million Euro)

Veikkaus Internet Gaming Increases

Veikkaus' internet service www.veikkaus.fi is one of the greatest web stores in Finland. Last year the Lottery's turnover from web sales went up to EUR 160 million, which is over twelve percent of Veikkaus entire turnover. In addition to gaming over the internet, Veikkaus games can be played by WAP and some by SMS.

Nevanda Panel Approves mobile Gambling Regulations

Rules governing the use of wireless hand-held gaming devices in casinos were reportedly adopted by the Nevada Gaming Commission. The gaming commission's unanimous approval gave casino patrons the right to place wagers on hands of blackjack or spins of a roulette wheel from poolside or while waiting in line for the buffet using a device similar to a personal digital assistant.

EGET Delivers Bingo Games

EGET announced the latest delivery of single and multiplayer bingo games to three of its customers, Paf.fi and Paf.se and Fortuuna.ee, in Finland, Sweden and Estonia respectively. With this latest delivery, EGET brings to market Free Square and Quick Bingo in single and multiplayer versions. With Free Square the players can get to bingo more easily as the players get a marked square in their tickets for free. Quick Bingo, on the other hand, brings speed to the game as there are fewer numbers involved in the ticket grids and draws.



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Detroit Red Wings Licensed Property Game a Sell-Out in Michigan

Michigan Lottery players scored a major goal with the state's Detroit Red Wings instant ticket, scooping up the game in just seven

weeks. The Detroit Red Wings game went on sale on February 15 and indexed at 124, compared to eight other \$2 games launched this fiscal year.

"The people of Michigan are die-hard hockey fans and running a Red Wings ticket was a perfect choice for the lottery. We are pleased Michigan achieved such success with this game," said Steve Saferin, president of MDI Entertainment. "Hockey went through a rough phase, but these sales prove the sport remains strong and makes for great lottery games."

Michigan's \$2 Red Wings instant ticket featured multiple chances to win with a top cash prize of \$20,000. The game also offered players a second-chance way to win one of three NHL Dream Trips, including their choice of a Home Game Getaway package, a Road Trip Getaway Package or a 42" wide screen television. NHL Merchandise prize packs were also awarded.

Since the game's launch in February, it averaged \$956,000 in sales per week, which is \$223,000 over the seven-week average of Michigan's eight previous \$2 instant games. And for the first second-chance drawing in mid-March, the lottery received over 120,000 entries and expects similar volumes in the weeks to come.

Glenn Strong, Michigan Lottery instant game product manager, said \$2 games remain strong for their lottery, including PAC-MAN which quickly sold out in September and now the Detroit Red Wings game showing incredible sales.

"We're extremely pleased with the performance of the Red Wings ticket," Strong said. "Its seven-week sell out was driven not only by our core players, but also by a fair number of new and lapsed players who were simply drawn to the Wings brand."



Industry News... continued from page 4

Tattersall's Agrees to Buy Unitab

Australian lottery giant Tattersall's Ltd., has agreed to buy Unitab Ltd., Australia's second largest chain of sports betting shops, for A\$1.9 billion (US \$1.3 billion) in stock. Unitab Investors will get stock worth A\$14.25 for each Unitab share. The new company will own 13,750 slot-machines, 1,150 off- track betting shops and operate lotteries across five Australian states, South Africa and the Pacific Islands.

ILC, Pollard to Launch Instant Showcasing Casinos

Pollard Banknote has been awarded a contract to print a brand new national instant ticket game for Canada's Interprovincial Lottery Corporation. The game – entitled Grand Prix Casino – showcases casinos across Canada and is the first pouched game to be released across the country in more than a decade. Scheduled to launch in June, Grand Prix Casino will feature 21 popular casino games per pouch and offer over \$35 million in prizes, including 800 prizes of Canadian casino getaways and 20 top prizes of \$500,000.



PokerPokerPok

MDI's World Poker Tour™ Now Offered in Europe

The high-energy World Poker Tour[™] instant lottery game is available to lotteries throughout Europe including Scandinavia now that MDI Entertainment has expanded its agreement with World Poker Tour to offer the exciting game outside the United States. MDI has held the rights to World Poker Tour for North American lotteries since 2004.

"Poker and anything tied to poker are immensely popular in Europe and customers there have expressed significant interest in the game," said Steve Saferin, MDI president. "Many World Poker Tour winners have been from Europe and one of the popular WPT tournament stops is the Grand Prix de Paris at the Aviation Club de France. This is an incredible revenue-generating opportunity for European lotteries."

The World Poker Tour instant game features the patented play action of Texas Hold 'Em™ Poker, the most popular version of poker played in homes, clubs and on televisions throughout the United States. The highest-rated television show in the history of the Travel Channel, World Poker Tour recently kicked off the 4th Annual WPT Championship at the Bellagio Casino and Hotel in Las Vegas.

The championship started out with half of the 600-plus competitors dueling it out for the estimated \$3 million first place prizes. With the popularity of this prestigious event, the field needed to be divided into 2 flights.

MDI Entertainment has cornered the market in casino-style/poker game play with World Poker Tour, World Series of Poker® and Celebrity Poker Showdown™. While games with similar play styles have surfaced within the lottery industry, none hold the brand equity or popular appeal.

To date, more than \$1.2 billion in MDI poker-themed tickets have been printed and 27

U.S. state lotteries have offered these games to their players at multiple price points. In addition to the three poker-themed games, MDI has also developed a Lottery Hold 'Em Tutorial, a new user-friendly website to explain the lottery poker games and enhance a player's experience. Four U.S. lotteries – Massachusetts, Michigan, Ohio and Tennessee – currently offer a version of the interactive website

to the public.

"The popularity of poker has spread world-wide and we expect it to be around for a long time to come," Saferin said. "Everywhere around the globe, there are poker games going on in some fashion. It's a positive opportunity for lotteries outside the U.S. to have the ability to offer these games to their players."

Professional Poker Tour to Debut

The highly anticipated Professional Poker Tour™ (PPT) from WPT Enterprises, Inc., creator of the World Poker Tour™ (WPT), will launch on Wednesday, July 5 at 9 p.m. on the Travel Channel. The action-packed new series will showcase poker's 250 leading stars in a new and exciting format, destined to ratchet up televised poker to a whole new level.

Enticed by five "freeroll" tournaments with a total of \$2.5 million in prize money provided by the PPT, the game's legends and new young idols face off in four grueling quarters of tournament play and one championship round.



world-class manufacturing base.

In terms of product distribution, Melco's technology arm, Elixir, will distribute the Shuffle Master Group's complete Utility and Entertainment product lines exclusively in Asian countries, including: Cambodia, Korea, Laos, Malaysia, Mongolia, Myanmar, Nepal, Philippines, Taiwan, Vietnam and Macau. The distributorship also covers Asian based cruise ships and any jurisdiction in Asia, such as Thailand and Japan, in which gaming will be legalized in the future.

Under agreed distribution transition arrangements, Shuffle Master's and Stargames' existing product distributors in Asia may remain in place in some of these areas for up to one year after which Elixir will determine distribution arrangements in these markets. The parties also intend to enter into a separate manufacturing agreement, subject to any required regulatory approvals, whereby Elixir will manufacture the co-

branded gaming machines for the Asia region, and assist Stargames with the supply of machines throughout the world, from a first-class manufacturing plant to be built in mainland China.

Bally Slots Get Approval

Bally announced that its new multi-level progressive video slot game, Hot Shot Progressive, has received Nevada, Mississippi, Ontario, Michigan and GLI regulatory approvals and that contracted advance orders for this premium product have reached an all-time high for the Company's Gaming Operations division. Bally also announced its advanced S9000 reel-spinning slot machine has received regulatory approval in Nevada, Mississippi, Michigan and by GLI, and that its new wide-screen CineVision™ video cabinet has received regulatory approval in Nevada, New Jersey, Mississippi, Michigan, Ontario and by GLI. ♠



RoundUP

Arizona

Riester~Robb, the full-service advertising and public relations firm for the Arizona Lottery, will dramatically change the way consumers look at their Scratchers tickets and other familiar objects. A new stop-action animation television campaign transforms unexpected items into "characters" engaged in surprising behavior and captures the "suspense" of playing Scratchers. After agreeing upon the creative strategy and the stop-action animation technique, Riester~Robb's immediate challenge was identifying the resources to produce the commercials in state. Stop-action animation is a specialized art form that is currently not readily available in Arizona. Ingenuity and persistence led Riester~Robb to Harry Karidis, owner of Karidis Productions and an expert in stop-action animation; and Bob Giammarco of Audio Engine West - masters in state-of-the-art sound effects. Together with Riester~Robb's creative team, the successful production of two 30-second television spots, "Shark" and "Bullfight," were completed on time and within budget in Arizona. The spots began airing in April. For information, visit the Arizona Lottery website at www.arizonalottery.com or the Riester~Robb website at www.riester.com.

British Columbia

Pollard Banknote and the British Columbia Lottery Corporation are pleased to announce the launch of the Scratch & Win PlayBook™, the first Pollard PlayBook™ to be released. Implementing Pollard Banknote's patented Fusion® technology, the BCLC's Scratch & Win PlayBook™ is a multi-game ticket booklet that offers six extended play favorites — making it one of the longest extended play games ever released (with an estimated 20 minutes or more of game play).

Georgia

The Georgia Lottery Corporation announced its educational proceeds reached a record-breaking high for the third quarter of fiscal year 2006, which spanned from January 1, 2006 to March 31, 2006. The Georgia Lottery will transfer its fiscal year 2006 third quarter profits to the State Treasury's Lottery for Education Account in the amount of \$225,921,000, bringing the total raised for educational programs in Georgia to more than \$8.2 billion since the lottery's inception in 1993. Fiscal year 2006 third quarter sales also soared to a record amount of \$885,148,031. The transfer and sales amounts are an all-time record for any quarter in Georgia Lottery history. Sales for online and instant games remain strong across the board. Instant games have performed particularly well, led by the popular game \$300 Million Gold Rush and its corresponding promotion, Rush to Win.

The Ford Tour de Georgia is proud to announce that the Georgia Lottery Corporation is a new sponsor of the week long cycling event. Adding to the excitement, the Georgia Lottery is conducting the statewide promotion Ride of Your Life. Georgia Lottery players can enter a second chance drawing with any Win for Life ticket for a chance to win a trip for two to the 2006 Tour de France in Paris, France, July 21-24, 2006. The Ride of Your Life Grand Prize Package includes: Two airline tickets from Atlanta to Paris, France; Three-night double occupancy hotel accommodations; Hotel transfers; \$1,000 spending money; and The minimum required federal and

state withholding tax. The approximate value of the Georgia Lottery's Ride of Your Life Grand Prize Package is \$9,500.

Idaho

The Idaho Lottery's Press Your Luck™ game is producing record sales and has topped the charts as Idaho's best-selling \$7 ticket ever. The latest edition to Oberthur Gaming's Classic Game Show Series, through its deal with FremantleMedia Licensing Worldwide, Americas, sports a cool, funky look that speaks to the recent popularity of retro-style graphics. Lottery players aren't the only ones who can spot the value in the Press Your Luck™ brand. The Press Your Luck format will be one of the game shows featured on the upcoming The Gameshow Marathon, which is produced in the US by FremantleMedia North America and Granada America and which will launch on CBS soon. Every week, celebrities will play a variety of classic game shows with proceeds going to charity. This exciting new show will feature four of OGT's Classic Game Show Properties, including Press Your Luck™, Card Sharks™, Family Feud™ and The Price Is Right™.

Illinois

The Illinois Lottery recently unveiled a software program that helps visually impaired retailers verify winning tickets. The program, developed by GTECH, uses a computer to read and speak ticket numbers. The program, which is part of the Lottery's retailer recruitment initiative, caught the attention of the 100-member Illinois Committee of Blind Vendors.

Iowa

In March, an Iowa Lottery player purchased the ticket that helped push lottery profits to state programs over the \$1 billion mark. Preliminary figures show that from the Iowa Lottery's start in 1985 through the end of March, the lottery had raised more than \$1 billion for state programs.

The Iowa Lottery traveled the state April 4-12, 2006 to reveal its newest lottery ticket. "Lucky 7's" ticket is an instant-scratch game on the front and a pull-tab game on the back. Beginning on April 4, lottery representatives started making stops in cities to pass out a limited number of free tickets. Eight top prizes, each worth \$50,000 are available, as well as 80 prizes of \$1,000, 247 prizes of \$250 and 786 prizes of \$100. The Lucky 7's ticket is a \$5 game. It has three play areas. In the number match area, match any of "Your Numbers" to the "Lucky Number" and win the prize shown below that number. Find a "7" symbol and win that prize instantly. In the "Fast \$50" area, reveal two like symbols and win \$50 instantly. In the pull-tab area (ticket back), match three like symbols in the same window and win the corresponding prize in the prize legend. The overall odds of winning in the game are approximately 1 in 3.

Louisiana

The Louisiana Lottery announced that it has transferred over \$14 million from February revenues to the state treasury department. Total February revenues of over \$41.1 million resulted in \$14,389,255 being sent to the state treasury.

Maine

The Maine Lottery is introducing new Baseball Bucks, allowing play-



RoundUP

ers to win up to \$250 instantly! Baseball Bucks is an add-on game that can be played with Megabucks, Triple Play or Pick 3/Pick 4 – for an extra \$1. With Baseball Bucks, players add up their innings to see if they've won – Instantly!

Manitoba

Manitoba Lotteries Corporation (MLC) has received one of the highest awards for financial management practices in North America for the second year in a row. The Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award recognized MLC's Fiscal 2005 Annual Budget Summary for achieving the highest level of public sector organizational budgeting.

The Manitoba Lotteries Corporation (MLC) is proud to continue its partnership with one of the main attractions of the Royal Manitoba Winter Fair – the Royal Superdogs Show. The Superdogs feature involves various breeds of canines and their trainers put through the paces on a course of obstacles and maneuvers. This is the 14th year that MLC has sponsored Superdogs at the Fair. In addition to MLC's \$25,500 sponsorship of the Superdogs event, the MLC will also present a check for \$10,000 to the Canadian National Institute for the Blind (CNIB), Westman Region's Orientation and Mobility Training Program.

Michigan

The Michigan Lottery recently launched a \$1 scratch-off named "Lucky Dog" with a picture of a Michigan dog on every ticket. The lottery staff picked the seven winning dogs from photos submitted by about 1,100 Michigan dog owners. The lottery looked for cuteness and a representative range of breeds. Michigan residents have 2.18 million pet dogs, the American Veterinary Medical Association says. The Lottery has ordered 5.5 million Lucky Dog tickets. The top prize is \$5,000, and the lottery will pay out \$3.25 million in prize money.

Missouri

A group of 13 Missouri state employees, who work for the Department of Social Services Family Support Division/Child Support Enforcement in Florissant, claimed the \$224.2 million Powerball jackpot from the April 12 drawing. The jackpot is the largest prize ever won in the Missouri Lottery's 20-year history and the seventh largest Powerball jackpot ever awarded in the nation.

Montana

The Montana Lottery has successfully completed a system conversion of over 600 retailer terminals, a state of the art central system, complete satellite communications network, and related services in partnership with, INTRALOT, USA. The first post-conversion ticket was sold in Eureka, at long-time Lottery retailer, Ranch Hand, Inc. The ticket was for Powerball and included the Power Play option.

Nebraska

The Nebraska Lottery recently distributed among its beneficiary funds, \$7,866,346 derived from a share of Scratch and Lotto ticket sales for the previous three months. A total of \$251,828,443 has been distributed in quarterly transfers since the Nebraska Lottery began operation on September 11, 1993. The latest transfer was made the week of March

27. Total sales for the Nebraska Lottery, as of March 31, were \$1,005,764,678. The \$1 billion mark was reached on or about March 15.

North Carolina

After a successful launch, the North Carolina Education Lottery introduced two new scratch-off games. On April 18, the Lottery launched "\$25,000 PayDay" and "Fast 5's."

Tennessee

A recent transfer of nearly \$79.6 million to the Tennessee's Lottery for Education Account pushed the amount raised by the Tennessee Education Lottery for education to over one-half billion dollars. The transfer is also the highest since sales began just over two years ago. The third quarter transfer (for the period of January 1 to March 31, 2006) is \$79,581,000, bringing the total proceeds for the Lottery for Education Account since inception to \$558,083,000. In addition, the Lottery has transferred \$8,922,000 to the After-School Program Account, which brings the total raised for education to \$567,005,000.

Washington

Washington's Lottery customers will see more green when the color of Lottery ticket stock changes from pink to pale green. The change is part of a gradual, three-month Lottery system conversion to new hardware for Lottery retailers. Except for the color change, it's not expected that customers will notice the conversion, as the games will not change. Retailers will, however notice the change, as they will all soon be equipped with new touch screen sales terminals and monitors that are expected to make the sales process easier. The conversion should be completed July 2, 2006.

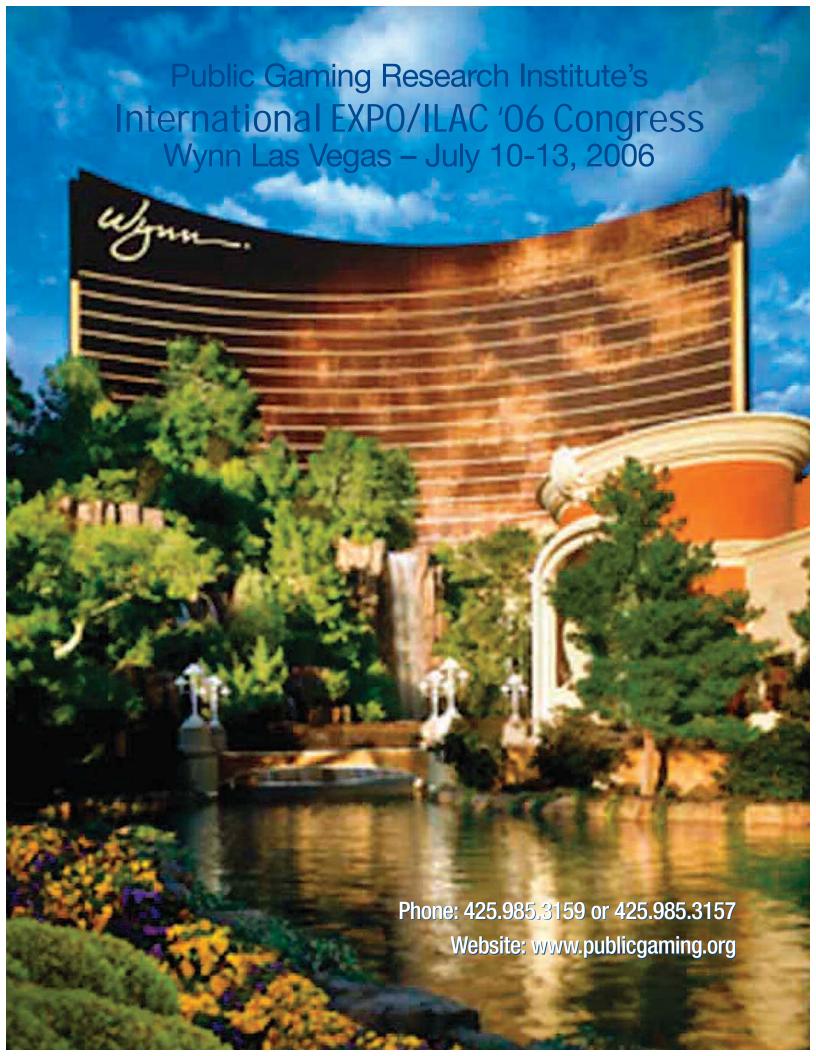
Wisconsin

The Wisconsin Lottery posted \$142.4 million in sales for the first quarter of the year, the best in its history. The sales, which were boosted in part by a record Powerball jackpot, provided an estimated \$45 million in property tax relief to state residents. Powerball sales increased 187 percent in February, while Megabucks saw a 16 percent gain for the quarter.

Due to the huge success of its first \$20 scratch ticket, Big Money Extravaganza, the Wisconsin Lottery is launching a second \$20 ticket this spring. \$250,000 Cash Bonanza offers four prizes of \$250,000 and over \$14 million in cash prizes.

The Lottery will also be giving players a chance to win two jackpots for the price of one this spring! During "Super Badger Days", players who purchase a \$5 or greater SuperCash! or Badger 5 ticket will receive a \$1 quick pick play of the other game at no additional cost. The limited term offer kicks off with radio remotes and ticket giveaways. SuperCash! is a daily game with a top prize of \$350,000 and Badger 5 is a daily game with a rolling jackpot that starts at \$10,000.

The Wisconsin Lottery has a few Harley-Davidson® Fat Boy® motorcycles looking for new homes! The Lottery's fourth Harley-Davidson® scratch ticket launches May 8, with a big kick-off event at Wisconsin's largest Harley® dealership. Local celebrities will race on mini-motorcycles to win money for their favorite charities. The \$5 ticket offers a chance win a Harley-Davidson® Fat Boy® Motorcycle instantly and in a second chance drawing, plus over \$3.4 million in cash prizes. Retailers will also have a chance at a motorcycle through a short-term incentive program.



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SCHEDULE & CONFERENCE THEME

NEW PRODUCTS, NEW GAMES, NEW MARKETING IDEAS - Cutting edge strategies for keeping lottery revenues growing.

JULY 9 -	- SUNDAY
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8am - Midnight Exhibit Set-up

JULY 10 - MONDAY

8am – 2pm Exhibit Set-up

Noon – 7pm Registration Open

2pm – 3pm Orientation for *New* Gaming &

Lottery Industry Representatives

3pm – 5:30pm GENERAL SESSION I

"Welcome to EXPO/ILAC 2006

& Industry Overview"
SPEAKER: Duane Burke
CEO, Public Gaming Research
Institute, Inc.; Publisher, Public
Gaming International Magazine;
CEO, ILAC de Guatemala S.A.

RECOGNITION OF COUNTRIES

& LOTTERIES

Recognizing countries & lotteries represented at EXPO/ILAC 2006

INTRODUCTION OF EXPO/ILAC

SPONSORS FOR 2006

KEYNOTE ADDRESS

LOTTERY LEADERS ROUNDTABLE

"Winning Strategies for Long-Term Growth" A panel discussion featuring many of the lottery & gaming industry's leaders at

EXPO/ILAC 2006

5pm – 7:30pm Gold Sponsors' Reception in Exhibit Area

JULY 11 - TUESDAY

8am – 9am Continental Breakfast in Exhibit Area

9am – Noon GENERAL SESSION II

"Keynote Address"

PRESENTATIONS AND PANEL DISCUSSIONS

"New Products, New Games and

Marketing Ideas"

Noon – 2:30pm AWARDS LUNCHEON

Award presentations, luncheon &

networking in Exhibit Area

• LOTTERY INDUSTRY HALL OF FAME CEREMONY

Inductees to be announced.

 MAJOR PETER J. O'CONNELL LOTTERY LIFETIME ACHIEVEMENT AWARD
 For Jim Scroggins, Executive Director,

Oklahoma Lottery

• ILAC CONGRESS LOTTERY LEADERSHIP AWARDS For Latin & Caribbean Lottery Leaders &

Executives. Winners to be announced.

2:30pm – 5pm GENERAL SESSION III

PRESENTATIONS AND PANEL DISCUSSIONS

"New Products, New Games and

Marketing Ideas"

5pm Evening Open

JULY 12 - WEDNESDAY

8am – 9am Continental Breakfast in Exhibit Area

8am – 2pm Registration Open

9am – 1pm GENERAL SESSION IV

SCHEDULE continued

"The Best in Online & Instant Games company representatives. Advanced and TV Advertising" proprietary technologies of these Examples of effective advertising from companies to be presented along with many lotteries. proposed applications to the lotteries. PRODUCTS OF THE YEAR COMPETITION VIP Technology Tour transportation will Presentations and Judging. depart from the Wynn at 2:30pm and Judges for the "Products of the Year" will return by 6pm. competition are lottery leaders from 6pm **Evening Open** among the EXPO/ILAC attendees. 1pm – 2pm PRODUCTS OF THE YEAR **JULY 13 - THURSDAY AWARDS LUNCHEON** 8am - 9am Continental Breakfast Award presentations for companies whose **CLOSING SESSION** 9am - 11am products have been judged, "Products of the Year" • CONFERENCE Q&A AND FINAL DISCUSSIONS • OUTSTANDING ACHIEVEMENT AWARDS Luncheon & Networking in Exhibit Area TV ADVERTISING AWARDS 2:30pm - 6pm VIP TOUR OF GAMING TECHNOLOGY 11am Conference Adjourned ... For government & gaming-operations

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