

# PUBLIC GAMING INTERNATIONAL

World's most widely read Lottery-Racino-Gaming magazine • Video, Racino, Casino, Internet, Wireless, Online, Scratch-Off

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

Public Gaming Research Institute Inc.'s  
*International*

## MORNING REPORT

Your weekly supplement to  
*Public GAMING International Magazine*  
September 12, 2005

### SEE YOU AT NASPL AND G2E

The staff of Public Gaming Research Institute and Public Gaming International magazine look forward to seeing you at the NASPL lottery conference in Minneapolis, September 14-16 and the G2E gaming trade show in Las Vegas, September 13-15.

### COMPANY ANNOUNCEMENTS

**D.C. CHOOSES SCIENTIFIC GAMES.** The Washington D.C. Lottery has awarded Scientific Games a contract to provide cooperative services including telemarketing, warehousing and distribution of instant tickets as well as other related services. The contract is scheduled to begin in November of 2005 and contains an initial term of one year with four one-year options to renew.

**CA ORDERS MORE FROM GTECH.** GTECH received an order from the California Lottery for a variety of lottery products including additional Altura® terminals, ITVMs, and other self-service lottery solutions. Under the contract change order, GTECH will provide the California Lottery with 550 Altura terminals, adding to the 18,500 Alturas already in operation. In addition, 700 Altura LVTs will be installed, providing a powerful, yet, compact platform for retailers requiring a smaller terminal. The Company will also supply 12,500 Express Point® Plus devices, bringing the total to 19,000. The Express Point Plus terminals facilitate convenient player- activated identification of online winning



tickets. The Lottery will also receive 1,000 20-bin Expandable Dispensing System Quad Burster(TM) (EDS-Q) ITVMs, which will be used primarily as replacement machines. Along with the ITVMs, GTECH will provide 150 GamePoint(TM) terminals, the Company's new lottery self-service solution, combining the best of the instant ticket vending machine with online self-service capability. Over the next 90 days, the Lottery has agreed to order 200 additional ITVMs or 100 additional GamePoints, or some mix of the two equipment types. With respect to the contract change order with the California Lottery, GTECH expects to receive approximately \$8 million in product sale revenue, and \$35 million in service revenue over the life of the existing contract which runs through October 13, 2009.



**SAARLAND-SPORTTOTO LAUNCHES NEW WINCOR TERMINALS.** Saarland-Sporttoto commenced operation of a new generation of online terminals. The main component of the installations is 468 Xion /Mtop terminals from Wincor Nixdorf. With their touchscreen technology, the new terminals are easier and faster to operate for lottery outlet staff than the old terminals which had keyboard interfaces. In addition, the Xiprint+ thermal printers newly developed by Wincor Nixdorf help serve customers more quickly and offer improved graphic printing capability.

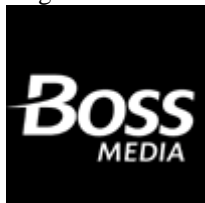


**OR, ID GET SALES BOOST WITH UNO.** Innovation and the UNO® brand recently brought success to the Oregon and Idaho Lotteries, with both Lotteries seeing tremendous sales of their UNO® instant tickets. The Oregon Lottery launched its UNO® scratch ticket in February 2005, and sales not only outpaced average \$1 games by 31.5%, but also outsold more than half Oregon's \$2 games and \$3

games! Sixty-six percent of the game was sold after only nine weeks on the market! The Idaho Lottery incorporated an innovative play action in its UNO® game, and it paid off in a big way. Sales for Idaho's \$3 UNO® game ranked higher than seven of its nine \$5 tickets, and were 21% higher than the average \$3 game!



**SCHAFFER DISPENSERS IN OK.** September 6, 2005 – Schafer Systems Inc has been awarded and Instant Ticket Dispenser contract by Scientific Games International. The dispensers will be used for the Oklahoma Lottery. Schafer Systems will initially provide 15,000 Dual Dispensers and 5,000 Dual Locking Mounts to assist the lottery in meeting its goal of an October 12, 2005 ticket launch.



**SHUFFLE MASTER IN SPAIN. MALAYSIA.** CARD, a Shuffle Master International Company, has entered into an exclusive distribution agreement including minimum annual purchase commitments with Machines Games Automatics, S.A. (MGA) to distribute Table Master™, the company's electronic, multi-player table game platform, to arcades throughout Spain. The customized Spanish version will feature "Fortune Card™", a modified version of blackjack. Shuffle Master also received a single order for 125 units of its Easy Chipper roulette chip sorter. The order was placed by Shuffle Master's Asia Pacific Distributor, RGB Limited, for its onwards lease to Genting Highlands Casino in Malaysia.

**IGT BOOTH TO FEATURE NEW GAMES.** A wealth of new penny slot themes spanning all IGT product lines and a new Trimline machine that applies AVP® technology to for-sale machines will be among the "must-sees" at the IGT booth during the Global Gaming Expo Sept. 13-15 at the Las Vegas Convention Center. IGT will also officially kick off its silver anniversary as a company in 2006, which will be reflected in its Global Gaming Expo booth theme this year.



A global leader, your local partner

**SHUFFLE MASTER DISPLAYS NEW PRODUCTS AT G2E.** Shufflemaster will introduce several new products at this year's G2E. In addition to exhibiting well-established Utility Products like the Ace® and Deck Mate® automatic card shufflers and Entertainment Products like Three Card Poker® and Let It Ride Bonus®, the Company's booth will feature Key components of the Intelligent Table System™, The Easy Chipper®, The MD2 Workstation™, Ultimate

Texas Hold'em™, Mississippi Stud™, Bet the Set "21"™, Table Master™, and Rapid Roulette™.



## INTERNET/WIRELESS

**EUROPEAN RULINGS FAVOR GAMING MONOPOLIES.** Court decisions in the Netherlands, Norway and Malta concur that exclusive rights in the gambling sector (including interactive media) and the model of gambling regulation implemented at national level are compatible with European law. Previously

**HKJC LAUNCHES NEW MOBILE SERVICE.** The Hong Kong Jockey Club (along with SmarTone-Vodafone) launched a new mobile betting service called Bet-to-Win that is designed to make gambling easier for mobile-phone users with access to 2G and 3G technology. The previous mobile betting service used SMS, but Bet-to-Win offers enhanced features, including live television feeds of events and up-to-date statistics on players.



## LOTTERY NEWS

**RI 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)



**MA POSTS BEST YEAR EVER.** The Massachusetts Lottery returned an estimated \$935 million in local aid to the Commonwealth for Fiscal Year 2005 - the largest amount of local aid revenue in the 33-year history of the Lottery. Sales for FY05 soared to \$4.48 billion, exceeding the previous record of \$4.38 billion, set in FY04, by more than 2.3 percent. This marks the second consecutive year that the Lottery has posted record-breaking figures in sales and profit returned to the Commonwealth. Strong instant ticket sales helped bolster the Lottery's revenues, accounting for \$3.13 billion or 70 percent of the Lottery's total sales in FY05. The Lottery's \$10 instant games - Lifetime Spectacular, \$725,000,000 Blockbuster, and \$10,000,000 Hold'Em Poker - played a

pivotal role in robust overall sales. Keno generated \$742 million, the Numbers game saw sales of \$352 million, Mega Millions sales increased from \$95 million to \$97 million, Mass Cash sold \$43.8 million, Megabucks \$44.5 million and CASH WinFall contributed \$41.8 million in sales for FY05 after being on the market for less than ten months.



**ND SELLS 10 MILLIONTH TICKET.** The North Dakota Lottery sold its 10 millionth lottery ticket last week, and the player who purchased it can claim \$10,000. The 10 millionth ticket was a Powerball ticket sold at 11:25 a.m. today at Sunmart #103 in West Fargo.



**CA SENATE DECISION.** The California Senate passed a bill legalizing Mega Millions but blocking international and Internet games.



**AZ LAUNCHES NASCAR TICKET.** The Arizona Lottery launched its new NASCAR Scratchers game featuring the images of six NASCAR drivers. The \$3 tickets, featuring drivers Jeff Gordon, Jimmie Johnson, Kasey Kahne, Greg Biffle, Matt Kenseth and Jeremy Mayfield, offer a top cash prize of \$10,000 as well as the opportunity to win trips to NASCAR events and NASCAR merchandise. Tickets can also be used to get a discount on the Nov. 10-13 NASCAR races at Phoenix International Raceway. The first race of the four-race weekend will now be known as the Arizona Lottery 125, a race for the NASCAR AutoZone Elite Division, which will run Thursday, Nov. 10 at 4 p.m.



**HEADS OR TAILS IN KS.** The Kansas Lottery is helping commemorate the release of the Kansas quarter with its new "Heads or Tails" instant scratch game. The "Heads or Tails" game has separate, alternating "Heads" and "Tails" tickets. The "Heads" ticket features the front of the quarter. The "Tails" ticket shows the buffalo and sunflowers that appear on the back of the Kansas Quarter. Another unique aspect of the "Heads or Tails" tickets is that they have both English and Spanish printed

on the front of the tickets. This is the first Kansas Lottery game to include Spanish. Each ticket will cost \$1.

**CA's NEXT MILLIONAIRE.** The California State Lottery launched its newest \$5 Scratchers game, "Next Millionaire", which gives away a \$1 million cash prize to 15 players instantly. Players can also enter their non-winning tickets into a second chance drawing for another chance to win one of five additional \$1 million cash prizes. In total, twenty players will become millionaires! The "Next Millionaire" Scratchers game was launched to coincide with the Lottery's 20-year anniversary and to celebrate its Best Year Ever for the fiscal year 2004/2005.



**NY PROVIDES EDVIDEO ONLINE.** New York Lottery Director Nancy A. Palumbo announced an exciting new education program partnership which provides K-12 schools, teachers and students with free access to an innovative online educational program – EdVideo Online. Launched initially in 2002 by PBS as "Video-on-Demand," EdVideo Online provides free online access to streaming and downloadable video that meets state and national educational standards, with accompanying lesson plans and classroom resources for educators. Since 2002, more than 3.5 million video clips have been viewed by educators and students statewide. EdVideo Online is a password protected program that delivers standards-based video content and support materials to students through the Web. Users have access to a digital library of more than 2,600 educational core curriculum videos and 26,000 video clips 24 hours a day, 7 days a week. Educators can download or stream video clips, customize lesson plans and share lessons with colleagues.

**HOOSIER CONSOLIDATES OFFICES.** The Hoosier Lottery will close its Muncie regional office September 28 and merge its operations with a regional office in Fort Wayne. The Lottery hopes the change will save \$280,000 a year in lease, utilities and equipment costs.

**OZ LOTTO TO CHANGE.** Exciting new changes will be made to Australia's Oz Lotto to ensure the game remains attractive to the thousands of players who hope for their lucky numbers to be drawn each Tuesday evening. As Oz Lotto is administered jointly with other Australian lotteries jurisdictions, the changes will become effective Australia-wide from Wednesday, 12 October 2005 with the first draw #609 occurring on Tuesday 18 October. Changes to the national game apply to key game elements, such as the game matrix, prize divisions and jackpot sequence. The principal changes include: 7 balls to be drawn from 45 (instead of the current 6); 7 prize divisions to be offered (instead of the current 5); A new jackpot sequence will be introduced, with the game expected to jackpot to \$10 million approximately twenty times each year.