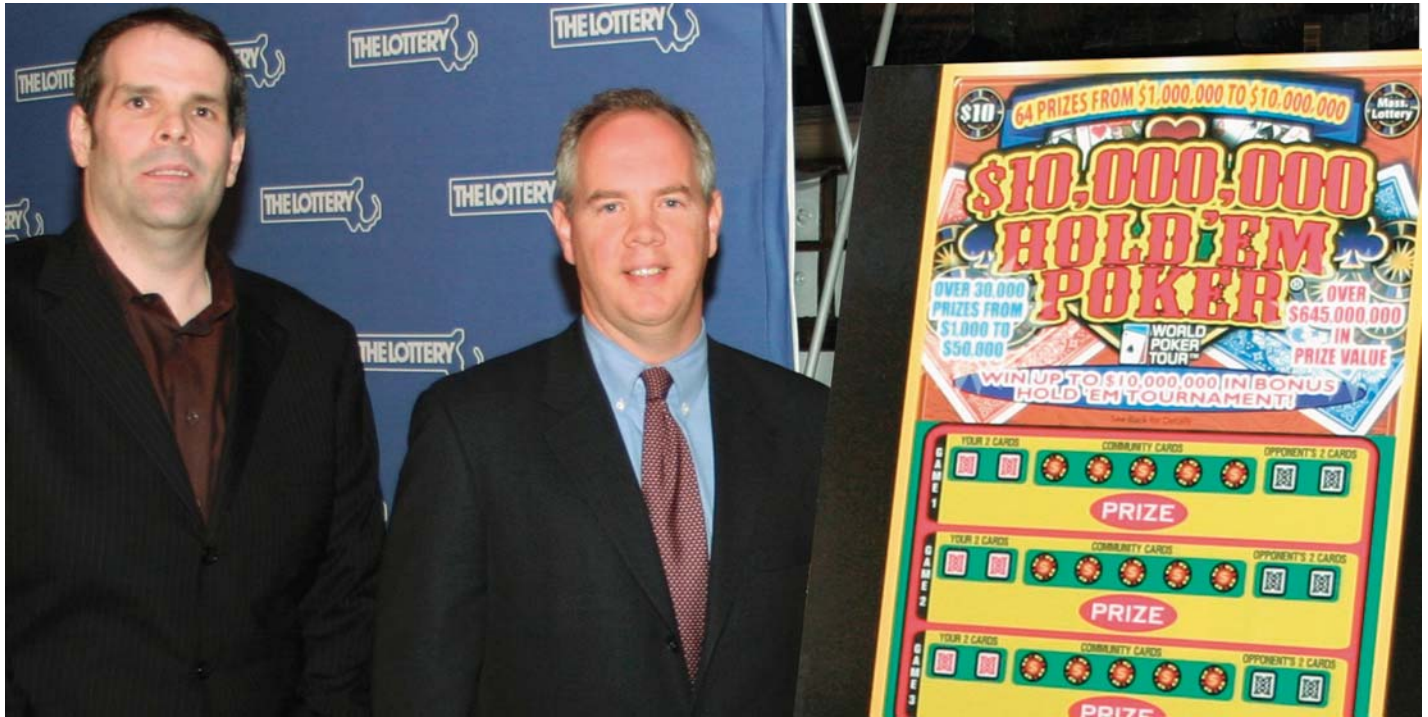


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On the Cover:
Massachusetts Lottery Executive Director Joseph C. Sullivan and Poker Pro Howard Lederer.

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Industry News



Scientific Games Announces Three Pari-Mutuel Agreements

Scientific Games Corporation announced three pari-mutuel agreements in various parts of the world. Together the agreements are estimated to be worth \$6.2 million.

In an agreement that is the first of its kind anywhere, Scientific Games Worldwide Limited and The Racing Network International (TRNI) have agreed to use SGW's worldwide tote hub in Ireland to commingle wagers from the UK, Ireland and mainland Europe back to US host racetrack wagering pools that are TRNI customers. The agreement with SGW will enable the TRNI system to commingle the international racing product on the At The Races channel with the pools of the respective US host racetracks. It also opens up the distribution of US racing into mainland Europe through a joint venture between At The Races and TRNI.

With the second agreement, the Horserace Totalisator Board of the UK is purchasing 800 of Scientific Games new EXTREMA® C-X Mini terminal for use at 59 UK racetracks. The new state of the art EXTREMA C-X is a full-featured wagering terminal that is half the weight and much smaller than prior models. The new terminals are scheduled for installation in early summer 2005.

In addition, SGW completed an agreement with Dansk Tipstjeneste A/S, the Danish racing organization for the sale of a new central totalisator system, software and support services, and 450 terminals. The terminals will include Scientific Games' popular MAX 3000® terminals and handheld wagering units for use at nine racetracks and over 200 off-track betting locations across Denmark. The launch of the new tote system is planned for late 2005.

Casino Arizona Chooses JCM as Exclusive Bill Validator Supplier

Casino Arizona has chosen JCM American as the exclusive supplier of bill validators for its two Scottsdale-area properties. JCM currently holds more than 85 percent market share in the region, and this agreement is the company's first major contract in state.

Under the agreement, JCM will be the exclusive bill validator supplier for Casino Arizona's Indian Bend and McKillips locations, and will replace other validators currently in use at the properties. Casino Arizona operates more than 1,500 gaming devices at its two locations.

Washington Selects Smartplay

On March 9, Smartplay International, Inc. was named apparent successful bidder in the Washington's Lottery solicitation for an Automated Draw Machine System. With execution of this contract, Smartplay will have prevailed in the three domestic bid opportunities for digital draw systems, since introduction of their Origin system at NASPL 03. The Origin has been installed at Arizona and New Mexico lotteries.

Boss Media, OGT Strike up Alliance

Oberthur Gaming and Boss Media have agreed to formalize terms for a North American, long-term strategic alliance to jointly provide solutions for the converging gaming market. This alliance will combine Boss Media world-leading innovative e-gaming software and solutions (payment and accounting system; player behavior tracking and per-

formance evaluation; strategic marketing; prize structures and wagering limits to prevent addictive play) with OGT's Cyber Games™ portal.

Lottery clients will get access to state-of-the-art technologies that will lead them in the digital world to extend their player-base

with a new generation of consumers.

GTECH to Negotiate New Hoosier ITVMs

GTECH was notified by the Hoosier Lottery of its intent to negotiate a contract for new ITVMs. The exact terms and conditions of the contract have yet to be determined.

Upon the successful negotiation of a new contract, GTECH will replace the Hoosier Lottery's existing ITVMs with approximately 680 Expandable Dispensing System Quad Burster™ (EDS-Q) ITVMs. GTECH will also provide ongoing maintenance of the machines. Delivery of the new machines is expected to begin in early May 2005. Interlott Technologies, which GTECH acquired in 2003, has provided ITVM and PTVM (Pull Tab Vending Machine) products and services to the Hoosier Lottery since 1997.

Swisslos Signs with Scientific Games

Scientific Games International GmbH in Vienna, Austria, has signed a contract with Swisslos to deliver a new online gaming system that will operate all of Swisslos' games. The contract is valued at €6 million and is scheduled to commence operation in November 2005.

The contract encompasses the delivery of the system and all project services including ongoing maintenance and support services for a projected period of ten years. The software for the existing terminals will be provided by the incumbent terminal vendor Wincor Nixdorf, which will provide its products as a subcontractor to Scientific Games Austria. The agreement also includes an option for Swisslos to purchase instant tickets over the next three years valued at additional \$5 million.

G2E 2005 Extends Trade Show Hours

In response to both exhibitor and attendee requests for more time to conduct business at Global Gaming Expo (G2E), show organizers announced that G2E 2005 will feature extended trade show hours.

Scheduled this year for Sept. 13-15 at the Las Vegas Convention Center, G2E gives gaming executives a first look at the innovative products and services that will drive the future of the industry. Trade Show Hours for G2E 2005: Sept. 13: Noon - 6 p.m. (Extended); Sept. 14: 10 a.m. - 6 p.m. (Extended); Sept. 15: 10 a.m. - 4:30 p.m. (Extended)

JCM/AGA Golf Classic Benefits NCRG

Reconfirming its deep commitment to the gaming industry, JCM American is partnering once again with the American Gaming Association (AGA) to present the 7th Annual JCM/AGA Golf Classic. The annual tournament is a fundraiser for the National Center for Responsible Gaming (NCRG), and is slated for Monday, April 25 at the picturesque Revere Golf club in Henderson, Nevada, one of Nevada's finest golf courses.

Now in its seventh year, the JCM/AGA Golf Classic attracts the biggest names from companies across the gaming industry, including operators, manufacturers, suppliers and media. Last year's event raised \$77,000.00. Organizers hope to raise \$80,000.00 this year. ♣

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Australia

The Victorian Government recently opened up for tender its lottery license. In a move that is expected to make the process more competitive, the government is expected to invite other parties to bid for the license that has been held by Tattersall's since 1954.

Brazil

Brazilian banking equipment supplier Diebold Procomp and Brazil's largest private bank Banco Bradesco have won a 213 million-real (US\$78.9mn) contract to supply IT equipment for the lottery network operated by Caixa Economica Federal. Under the four-year contract the two companies will supply CEF's network of 9,000 service points with 25,000 terminals and further IT equipment such as scanners and smart-card readers in 48 monthly deliveries.

China

The Shanghai Sports Lottery Administration recently launched the Shanghai Basketball Lottery, which focuses on results of NBA games televised in China. The lottery tickets will be issued weekly for three NBA matches shown live on Sunday, Tuesday and Thursday. The tickets have six bidding points: the scores of each quarter, the sum of both teams' final scores, and the difference of the team's final scores. Only those who correctly guess all six scores win a prize. Players can make multiple choices for the sum and difference, or add more stakes on a single bid. The price for one ticket is 2 yuan (US\$0.24). Shanghai, the hometown of NBA All-Star Yao Ming, has a large NBA fan base.

France

On March 3, La Française des Jeux launched 5 new permanent instant games based on friendly bar games, under the umbrella brand 'Baraka®'. The tickets are sold separately and cost 2 euros each. Each ticket includes a second game allowing players to win 'a free game', i.e. 2 euros. Players can win up to 10,000 euros on a ticket. Overall odds of winnings a prize are 1 in 3.9.

Ireland

Sales for the Irish National Lottery rose by 3.4% last year to E578m with all games gaining, except the main Lotto draw. The Lottery transferred E191 to its beneficiaries in 2004. Sales of the main Lotto game slipped slightly, by 1.5% to E275.6 million.

Italy

Italy's national lotto game has created another way to win. From Monday, March 14th, players have had the option of "determined extraction," allowing them to bet on the position that one or more numbers will appear in the draw.

New Zealand

The New Zealand Lotteries Commission has selected SAP New Zealand Limited (SAP) as lead bidder for a new Management Information System. Contract negotiations and the finalization of system specifications are expected to take several months. Depending on progress with contract negotiations and related issues, NZ Lotteries anticipates going live with the first phase of the project in December 2005 and with the second phase April 2006.

New Zealand

The New Zealand Lotteries Commission has posted an above budget half year sales result of \$305.9 million. The results for the six months to 31 December 2004 were released in the NZ Lotteries 2005 Half Year Report. Payments totaling \$54 million were made to the Lottery Grants Board for distribution to fund sporting, arts and community activities around the country. This was \$6 million more than for the same period last year. It was noted in the Half Year Report that sales were down on the same period last year which had benefited from two exceptional Powerball jackpot runs. In the six months under review, the retail network was expanded, and a new look store design was introduced. Sixty-eight new stores were opened, bringing the network total to 701 as at 31 December 2004. In the same period 41 existing stores were refurbished using the new store design.

The Philippines

The Philippines Charity Sweepstakes Office (PCSO) has endorsed the release of the performance bond posted by publicly-listed IT firm Diversified Financial Network Inc. (DFNN) that served as guarantee for its delivery of the requirements in the upgrade of the lotto system through wireless protocols. PCSO earlier said that the lotto wireless system upgrade would result in nearly P2 billion a year in additional revenues. The project will also yield substantial cost savings to PCSO.

Puerto Rico

Scientific Games has taken over the operations of Puerto Rico's Electronic Lottery.

Thailand

A consortium led by Loxley Plc and US-based GTECH has been awarded a contract to set up an electronic lottery system for Thailand's Government Lottery Office. The contract calls for the installation of 3,000 terminals nationwide within the first seven months, followed by another 1,000 terminals per month until all 12,000 machines are delivered. The GLO will be liable to pay Loxley/GTECH no more than 2.4096 percent of the total lottery sales from the system per year, with payments to start from the second year onward. The five year deal is estimated to be worth 1.5 billion baht.

U.K.

Camelot is running a trial for a POS that allows for regionally tailored scrolling messages that can be updated via SMS from a central office. The technology, created by Comtech, is being piloted in 100 stores.

SAP UK & Ireland announced that Camelot Group plc, the operator of the UK National Lottery, has selected SAP® services and software to innovate its business to ensure it continues to run The National Lottery® in the most efficient and socially responsible way. The integrated SAP software is replacing a variety of legacy business support systems, and will be implemented directly by Camelot and SAP Consulting with change management and employee training conducted jointly. mySAP Business Suite, based on the SAP NetWeaver platform, will help Camelot to continue to maximise operational efficiency by automating activities, and reducing administration. ♦



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International Lottery & Gaming EXPO and ILAC Congress 2005

Bigger and better than ever for this year and in the world's most exciting gaming venue, Bellagio Resort Hotel, Las Vegas, Nevada, July 11-14.

Two Conferences for the Price of One

July 11-14, 2005, Public Gaming Research Institute will host the International Lottery & Gaming EXPO and ILAC Congress 2005 at the famed Bellagio Hotel in Las Vegas, Nevada. The event will be the second consecutive year in which PGRI has combined the EXPO and ILAC conferences, giving attendees two conferences for the price of one.

This year also marks the 20th consecutive ILAC (International Latin and Caribbean Lotteries) Congress.

Good Turnout Expected

Last year, representatives from forty-four lotteries and 20 countries congregated at PGRI's International Lottery & Gaming EXPO and ILAC Congress 2004, held in Miami Beach, Florida. Early indications are that participation will be even greater at the Bellagio in Las Vegas this year.

EXPO/ILAC Features – Goal: Stimulate Increased Revenues

This year's International EXPO/ILAC Conference will feature technological advancements, innovations in games, as well as best management practices, advertising successes and successful marketing strategies for increasing revenues.

The program will feature presentations and panel discussions with special emphasis on broad participation. Some of the latest examples of successful TV advertising will also be featured.

VIP Technology Tour

A highlight of EXPO/ILAC will be the VIP Technology Tour of leading suppliers with demonstration centers in Las Vegas. The most advanced technology for lotteries, racinos and other government sponsored gaming will be demonstrated.

Lifetime Achievement Award

Public Gaming Research Institute is pleased to announce that Dan Bower, co-founder of Scientific Games, has been chosen to receive PGRI's Major Peter J. O'Connell Lifetime Lottery Achievement Award. Dan has been a leader in the lottery industry for over 30 years. He and Dr. John Koza founded Scientific Games in 1973. The company has gone on to become the world's leading supplier of instant ticket products and services as well as being a leader in all other lottery products. Presentation of his award will be on the afternoon of July 11 at the International EXPO/ILAC conference.

This is PGRI's second Lifetime Achievement Award for 2005 reflecting PGRI's new policy of having one such award at each of its two annual conferences.

For additional information on EXPO/ILAC program participation, sponsorships and exhibit opportunities, contact: Raquel Orbeago at raquelpgr2@aol.com, tel. 425-765-4119 or Susan Jason at susanjason@aol.com, Tel. 425-985-3159.

EXPO/ILAC 2004 Lottery Attendees

Aruba Lottery	Loteria de la Beneficencia del Cusco (Peru)	Mifal Hapais Israel National Lottery
Bahamas Gaming Board	Loteria de Oriente (Venezuela)	Missouri Lottery
Barbados Lottery	Loteria de Tolima (Colombia)	MUSL
Beneficencia del Callao (Peru)	Loteria del Nino ILAC (Guatemala)	National Lotteries Control Board (Trinidad)
Connecticut Lottery Corp	Loteria del Quindio (Colombia)	New York Lottery
DC Lottery & Charitable Games Control Board	Loteria del Zulia (Venezuela)	ONCE (Spain)
Entretenimientos y Juegos de Azar (Argentina)	Loteria do Estado da Paraiba (Brazil)	Ontario Lottery Corp
Florida Lottery	Loteria do Estado Sao Paulo (Brazil)	Pennsylvania Lottery
Instant Scratch Off Lottery of Mexico	Loteria Electronica (Dominican Republic)	Rhode Island Lottery
Iowa Lottery	Loteria Nacional de Bolivia	Sorteo Extraordinario de Colombia (Colombia)
Kentucky Lottery Corp.	Loteria Nacional de Ecuador	South Carolina Education Lottery
Loteria de Bogota	Loteria Nacional de El Salvador	St. Lucia National Lotteries Authority
Loteria de Boyaca (Colombia)	Loteria Nacional de Nicaragua	Tennessee Lottery
Loteria de Falcon (Venezuela)	Loteria Nacional del Ecuador	Virginia Lottery ♦
	Loteria Santa Lucia (Guatemala)	
	Martin Lottery Agencies (India)	

EXPO ILAC

International Lottery & Gaming EXPO and ILAC Congress 2005

Bellagio Hotel, Las Vegas, Nevada

July 11-14, 2005

**Para más información
comuníquese con Raquel Orbezo
425-765-4119, raquelpgr2@aol.com
Para el formulario de inscripción vea Pág. 21**

**For more information,
contact Susan Burke at:
800.493.0527 or susanjason@aol.com**

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EXPO/ILAC 2005 – Bellagio Hotel July 11-14, 2005

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Each Registration is **\$895.00**

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Contact/Title: _____

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Public Gaming Research Institute's
EXPO/ILAC '05 CONGRESS

Bellagio Hotel, Las Vegas

July 11-14, 2005

THE INTERNATIONAL LOTTERY & GAMING EXPO & ILAC CONGRESS is the international conference for Latin, Caribbean, and other overseas, government operators, private operators on behalf of government and suppliers charged with maximizing revenues for lotteries, racinos and other gaming enterprises. The focus will be on the latest and smartest technologies and innovations for dramatically increasing sales and maximizing profits.

SCHEDULE OF EVENTS

Simultaneous English/Spanish translation will be available for all sessions

JULY 10 – SUNDAY

8am – Midnight Exhibit Set-up

JULY 11 – MONDAY

12 Noon – 7pm Registration Open

2pm – 3pm Orientation for those new to the Gaming & Lottery Industry

3pm – 5:30pm GENERAL SESSION I
“Welcome to EXPO/ILAC 2005”
SPEAKER: Duane Burke
CEO, Public Gaming Research Institute, Inc.; Publisher, Public Gaming International Magazine

5:30pm – 7:30pm Reception in Exhibit Area

JULY 12 – TUESDAY

8am – 9am Continental Breakfast in Exhibit Area

8am – 5:30pm Registration Open

9am – 1pm GENERAL SESSION II

1pm – 3pm Luncheon & Networking in Exhibit Area

3pm – 5pm GENERAL SESSION III

5pm Evening Open

JULY 13 – WEDNESDAY

8am – 9am Continental Breakfast in Exhibit Area

8am – 2:30pm Registration Open

1pm – 2pm Luncheon & Networking in Exhibit Area

2:30pm – 6pm VIP Tour of Gaming Technology
(Limited to government representatives only. Transportation will depart from the front entrance of Bellagio at 2:30pm and will return by 6pm.)

The most advanced and proprietary technologies of these companies will be presented.

Refreshments, paid for by conference Host Public Gaming Research Institute, will be served.

5:30pm Evening Open

JULY 14 – THURSDAY

8am – 9am Continental Breakfast in Exhibit Area

9am – 11am EXPO/ILAC Awards & Closing Discussions

11am Conference Adjourned.

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Creating Our Future: Part I – Development of New Content

(Part one of a three part series on driving revenue growth)

By Steve Saferin, president, Scientific Games Ventures

As I think of our industry's future and what will be the key growth drivers over the next decade, I hear the words of Peter Drucker, who once said: *"The best way to predict the future is to create it."*

Our revenue growth over the next decade will happen not because someone inside (or outside) your Lottery is able to foretell your future (thus keeping you from making a perilous strategic error in judgment). Nor will someone create a silver bullet to miraculously double sales.

Rather...revenue growth will happen because we've rolled up our sleeves, proactively exploited the opportunities before us, addressed head-on the difficult challenges and created our future.

We'll do this by maintaining an acute awareness of the emerging macro social and economic issues shaping our world, by having an understanding of the paths our industry has already walked, and then merging this information to arrive at practical business solutions.

There are really three key areas on which lotteries and their vendors will need to focus their energies over the next decade if we are to drive revenue growth: the development of new content; improved and enhanced distribution in the existing brick-and-mortar retail market, and new channels of distribution.

In this first article we will look at the development of new content. This will need to happen for both product lines, but a much more focused effort will need to happen on the online side.

Over the next decade, one of our greatest challenges will be to take the content model that's already accepted and successfully adopted on the instant side and apply it to the online business.

As many of you know, a determined, focused commitment to new instant game content is a path to incremental profit this industry is already walking.

Clearly, the impressive, sustained growth of the instant product can be traced, at least in part, to the successful development of new content, which has allowed lotteries to sell games at higher price-points and attract players that transcend the core base.

In 2005, close to 20 percent of all instant sales in the U.S. will be the result of either third-party licensed brands...or brands developed by the lotteries themselves.

Take Georgia, for example, where the Jumbo Bucks brand of games today sells at between four and five different price points (at any given time)...and accounts for nearly half of the Georgia Lottery's total instant sales.

In Fiscal '01, the Jumbo Bucks brand generated almost \$400 million in sales – just under 40 percent of Georgia's total instant sales.

Through the first 33 weeks of fiscal '05, this powerful brand has generated \$471 million in sales, or 46 percent of the GLC's total instant sales.

During this four-year period, the Jumbo Bucks brand has helped Georgia climb to number two in weekly per capita sales, at \$3.60, behind only Massachusetts.

In Michigan, Wild Times is writing a similar story. This brand first went on sale in Michigan in October 1993. Since that time, the Lottery has launched the game 28 times, including variations – Wild Wild Time

and Wild Time Doubler.

The game has always sold at \$2. Sales have held steady over the years. The ten-week average is about \$800,000 per week.

The 'Wild Time' name has tremendous brand equity in Michigan. Not only was this the first \$2 game in Michigan, it was also their first game featuring a top prize of \$30,000 (they'd always been lower) and the first game offering ten ways to win. Its theme is universal and its popularity shows no sign of letting up!

In California, The Big Spin game show will mark its 20th anniversary of "reality TV" later this year...

Another example of a successful 'lottery-developed' brand is Ohio's Cash Explosion. Today known as Cash Explosion Double Play, this weekly, 30-minute game show is now in its 18th year and is a Saturday night television fixture in Ohio.

There are plenty of other examples I could cite: Jacks or Better in New Jersey, and watch out for Hold 'Em Poker®, which achieved remarkable indexes in Ohio and Kentucky only to be blown away a couple of weeks ago when it became the best selling instant game of all time in Indiana.

In 2005, Scientific Games will print over \$1.2 billion dollars in Hold 'Em Poker® games branded with either the World Poker Tour® or the World Series of Poker®.

With the exception of Monopoly, lotteries have so far generally resisted the notion of selling a specific licensed game year-round, even though there's ample evidence to suggest there's a permanent market for games like Wheel of Fortune, Betty Boop and Harley Davidson.

Online

In the last four fiscal years, total U.S. Instant sales have risen from \$16.5 billion to roughly \$23 billion in fiscal '04. Branded games have accounted for nearly 40 percent of the growth. It is no coincidence that the slot industry has seen similar growth fueled to an even higher degree by branded content.

Compare the top-line growth of the instant category to what we're seeing for traditional online games. In fiscal'01, total U.S. lottery online sales were \$22.1 billion. In '04...\$22.2 billion! Virtually no top line growth! In '03, total online sales did spike by roughly 13 percent, but that was attributable to a couple of huge jackpots.

We just completed our semi-annual state-of-the-states survey, which paints a similar and very compelling picture.

It revealed that 86 percent of U.S. lotteries reported an increase in instant sales for the first half of fiscal '05, and more than one-third reported double-digit increases.

It also showed that for every U.S. lottery posting a year-over-year increase in calendar '04 online sales, another lottery was reporting a decline.

If U.S. lotteries are truly committed to growing their traditional online revenues, then the challenge I offer you is one our industry cannot afford to ignore.



In the next decade, branding and content must play a bigger, more important role on the online side of your business.

I'm not suggesting that lotteries and vendors haven't tried to come up with practical inventions to appeal to online consumers. Attempts have certainly been made – some of which have stuck. And I might add this effort has come from some very brilliant minds.

Yet despite this, our industry must do more in the immediate years ahead. To do anything less, I believe, will only give us more of the same: a ticket to flat line growth in a critical product category.

Two questions to consider. Does our industry have any other choice but to cling to the unpredictable coattails of gargantuan jackpots for online revenue growth? And if revenue growth from new content is possible in one product line – and we've certainly proven it with the MDI business model – why is it so painstakingly difficult to achieve in the other product category?

Inside Scientific Games, we're certainly wrestling with these very questions and working overtime to provide solutions that will do for the online category what the industry has successfully done for the instant game.

Let me go beyond the 'theoretical' and offer two specific ways we can immediately begin making this happen.

First, vendors must begin to cooperate with one another to advance the total business goals of our Lottery customers – free from product bias. This, as you know, is not the case today, yet it's an obligation we in the vendor community must meet for revenue growth to happen.

For lotteries, this would be a refreshing change from how it works now...where dual-vendor lottery jurisdictions often find their business goals caught between competing companies fighting for resources that benefit only their respective product category.

For lotteries, these turf wars are inefficient, exasperating and counterproductive.

A vendor community that, once and for all, works together for the full-product spectrum will provide lotteries with the operational and marketing flexibility to capitalize on all profitable opportunities...and will serve their shareholders well.

Compete like hell to win or retain contracts, but once that decision's made, replace competition with cooperation. It's in everyone's best interest.

If the current paradigm doesn't change, then we'd be further ahead to just end this discussion right here. Without cross-vendor cooperation in the next decade, all the time money and resources needed to develop new online content – and new technologies, for that matter – will simply be an exercise in futility and frustration for us all.

There's a second thing that I believe needs to happen in the next decade, which has to do with the way most RFPs are weighted today. The industry's primary emphasis continues to be on receiving the lowest cost possible.

Now please don't misinterpret what I'm saying: while cost should always be an important procurement factor, the disproportionate weighting of its value – particularly in a maturing industry where its operational costs are such a miniscule fraction of its total revenue – will only serve to commoditize the products and services that will surely be needed to keep our industry viable and vibrant.

While the economics of this strategy makes sense in a new or growing market, what happens – as is the case now with online games – when sales flatten or turn south?

If history is a gauge, our industry will look to marketing and the next program to reinvigorate sales. If lotteries are unable to find a solution internally, they will look externally, often to the vendor community.

But what our industry risks finding in this external search – assuming low cost continues to be the primary procurement driver – will be fewer new concepts and fewer innovations.

Vendors will have abandoned their investments in R&D and instead, invested where the industry has told them: in equipment and resources that give them the lowest cost bid, not in the ideas and solutions that generate sales and revenue growth.

Isn't it in our collective, long-term interests to shift the emphasis away from that which produces the least value (purchasing), toward that which produces the greatest value (selling)?

All of this, of course, begs one final, but very important question...and that is: If we go this route, will lotteries compensate vendors for the time, money and resources required to develop new online content, just as they do on the instant side?

Believe me...that's a whole "nuther" topic – one that evokes a very passionate discussion. ♣

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Golf themed lottery games have just gone to #1 in the rankings, thanks to MDI's new licensing relationship with some of the biggest names in professional golf! Reigning PGA & LPGA Champions Vijay Singh and Annika Sorenstam lead a five-some that includes rising star Sergio Garcia, Senior Tour competitor Raymond Floyd and PGA fan favorite John Daly. Combine names and images of these golf greats on tickets with dream golf vacations and high quality golfing gear, and we predict your next lottery golf game will be on the Leader Board of your players' favorites!

John Daly

Scratch Golfer

WEEK	DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
WEEK	DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
WEEK	DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31

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Massachusetts' \$10,000,000 Hold 'Em Poker[®]

Poker Superstar Helps Launch Lottery's Innovative Instant



MDI Sales VP Tony Gurnina, who developed and patented the lottery Hold 'Em Poker instant game play style in the early 1990's enjoys the successful launch of the Massachusetts version by dealing Hold 'Em for players at one of the Launch Day events.

The Massachusetts Lottery wanted their players to appreciate the fact that their \$10,000,000 HOLD'EM POKER[®] instant game was going to be something very special – loaded with \$645 million in prize value and with a Grand Prize of \$10 million, the largest single instant ticket prize in lottery history.

So, with the help of MDI Entertainment and Scientific Games, the Mass. Lottery brought in one of the world's biggest names in professional poker – former World Poker Tour™ champion Howard Lederer, “The Professor of Poker,” to join State Treasurer Timothy P. Cahill and Lottery Executive Director Joseph C. Sullivan in a whirlwind sales kick-off featuring news conferences, personal appearances and media interviews in support of the game launch on March 29, 2005.

Standing an impressive 6'5”, Lederer’s height alone makes a case for how big poker has become, telling listeners at WAAF in Boston, “The last three years have just been incredible. No one could have seen this coming.”

Lederer gives the WPT™ credit for starting the televised poker craze that is spreading worldwide. “You have this great game – everyone loves poker – and they figured out how to put it on TV with the hole card camera, and it just took off,” said Lederer during his interview at WAAF in Boston.

And along with televised poker’s explosion of popularity has come the age of the Poker Celebrity, as evidenced by the crowds of players who took advantage of the opportunity to pose for pictures

with Lederer, get autographs and even some poker tips from the 23-year poker veteran at the game launch events organized by Boston sports station WEEI. Lederer calls games like the Massachusetts Lottery’s new \$10 ticket “One of the great things about poker over the last year,” adding, “Poker has really turned into a great vehicle to raise money for good causes. I’ve just been involved in so many good events, raised money for great causes. It really feels good as a poker pro to be involved in those kinds of things.”

Ingredients for success

“We think it’s going to be the hottest-selling game in Massachusetts Lottery history,” Sullivan told Boston’s WRKO morning talk show hosts Peter Blute and Scott Miller, adding that in addition to the wealth of instant cash prizes the game, the Hold’Em game features a unique second chance “Grand Prize Bonus Tournament, in which Lottery players will be in the running for over \$15 million in prize money at a single drawing event, and one player will become the \$10,000,000 Hold’Em Poker Champion.” The director said the \$10,000,000 Hold’Em Poker game is expected to generate as much as \$100 million for Massachusetts cities and towns.

While avid poker fans will enjoy the MDI-patented play style and all players will be excited with the chance to instantly win cash prizes of up to \$4 million with every \$10 ticket purchase, the Lottery expects that winning a World Poker Tour™ merchandise prize pack will play a significant role in the sustained popularity of their Hold’Em instant game.



Point of sale door decal for MA Hold 'Em Poker.

Having Fun with Poker Pro Howard Lederer

They call him the "Professor of Poker." When he's not in big money TV hold 'em tournaments or playing his "almost every night" game at the Bellagio, the New Hampshire native is writing for his website, www.howardlederer.com, pitching his involvement in the web-based Full Tilt Poker or working on developing more poker aids for players.

In media interviews around Boston recently for the launch of the Mass Lottery's new \$10,000,000 Hold 'Em Poker instant game, Howard Lederer shared some personal insights.

Q: Why Texas Hold 'Em?

Howard Lederer (HL): It's a very exciting variant. It has this community card thing, the idea that you're sharing cards, so the best hand tends to hold up actually a little more than in seven-card stud, and I think that adds the excitement.

Q: What's the most important part of the game?

HL: The Flop (first three community cards).

Q: What's the key to bluffing?

HL: Avoid the 'oversell.' If you're really trying to convince someone you have a big hand, sitting up straight and pushing those chips in really aggressively, a good player is going to recognize that you're probably bluffing.

Q: Who's the best celebrity you've ever played against?

HL: Toby Maguire (Hollywood's "Spiderman").

Q: Who's the worst?

HL: Scott Stapp (member of the former Grammy-winning rock group Creed)

Q: What's special about a 'poker face'?

HL: It isn't really about a stern look or anything. It's just kind of that completely neutral look. If I don't give off any information, I'm ok."

Q: What's your favorite poker movie of all time?

HL: Rounders. House of Games has a couple of great poker scenes in it, too.

Q: What's the biggest pot you've ever won?

HL: \$2 million.

Q: Did you teach your sister (World's Number 1 rated female poker pro) Annie Duke how to play?

HL: I got her started... but you teach yourself how to play.

Q: What do you think about chip tricks?

HL: Chip tricks are definitely a sign of a misspent youth. You spend enough time at the tables you figure out something to do with your hands.

Q: Give us three tips to becoming a better poker player.

HL: The Number One thing I see amateur players doing is they play too many hands. Wait till you think you have the best hand, or you almost certainly have the best hand, and then really press the action. (2) Read books. (3) Play a lot of poker. ♦



MDI Executive Vice President Chuck Kline pulls out a straight flush on the river to beat Howard Lederer's four jacks and take the big stack of chips for the win.

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Lottery Executive Director Joseph C. Sullivan and Poker Pro Howard Lederer with players at Hub Video in South Boston on Launch Day for the \$10,000,000 Hold 'Em Poker instant game.

The merchandise prizes will be such a draw because prize pack winners are the only players who qualify for random drawings that will select the 560 Grand Prize Bonus Tournament participants. Sullivan said, "For every group of 123 prize pack winners, the Lottery will conduct a drawing and the player who is selected gets added to the list to participate in the tournament."

The Lottery game features over 68,000 prize packs that include poker tables, official World Poker Tour™ poker chip sets and other poker-related merchandise and even Howard Lederer poker strategy DVDs.

A "Poker" Tournament With A Lottery Twist

The Grand Prize Bonus Tournament will "play like a real poker tournament" with one important distinction, according to Sullivan. "There's absolutely no required skill or knowledge" of poker needed to participate. Using the format of a Hold 'Em Poker tournament, players will be divided into groups (or tables). The field of 560 participants, through three preliminary rounds of no skill, single hands of Hold'Em Poker, will be whittled down to four finalists, who will participate in the Championship Round drawing. All those players who don't make it to the "Final Table" will be awarded prizes ranging from \$2,000 to \$50,000. The final drawing of the event will determine the \$10,000,000 Grand Prize winner, while the three runners-up at the Championship Table will each win \$1,000,000.

Players can check to see who is being selected in the drawings as the tournament slots are filled at a special \$10,000,000 Hold 'Em Poker Player Information Center website developed for the Lottery by MDI. Every time another participant drawing is held, the "Who's In The Tournament" page will be updated. The Internet showcase for the game, which players can access by clicking on a \$10,000,000 Hold'Em Poker link on the Massachusetts Lottery

home page, also includes complete details about the three optional merchandise prize packages that winners may select, including a printable order form where they can make their choices, information about how the bonus tournament will work and an animated, interactive ticket demonstration that enables players to familiarize themselves with the Hold'Em playstyle.

To learn more about the \$10,000,000 Hold 'Em Poker® game, visit the Massachusetts Lottery website at www.masslottery.com and click on the Player Information Center link on the home page. ♦



WAAF Radio "Street Team" member sets the exciting mood at a launch day event at lottery sales agent Hub Video in South Boston.

People



Washington Gov. **Christine Gregoire** named Washington State Liquor Control Board Director of Retail Services **Christopher Liu** as the new Director of Washington's Lottery. Gregoire said she wants Liu to increase the profitability of the Lottery, including developing new games.

Deputy director of Dansk Tipstjeneste, **Jean Jørgensen**, has chosen to resign from the Danish lottery operator and will instead work as an independent consultant. Based in Brussels, Jean Jørgensen will offer consultancy services to governmental gambling and lottery institutions, starting with Norsk Tipping and the Finnish Veikkaus. Mr. Jørgensen, who has worked for Dansk Tipstjeneste since 1991, will attend to his responsibilities at the Lottery until the end of April.

Lorraine Driscoll has been appointed to the position of Director, Strategic & Financial Management Services at Lotterywest. Ms Driscoll has been with Lotterywest since 1997, after emigrating from Ireland where she was the Financial Controller of The Body Shop for four years. She has worked in a number of roles within the financial and business analysis areas of Lotterywest, most recently acting as Director of Corporate & Financial Services for the past 12 months. Mrs Driscoll is also the Secretary to the Asia Pacific Lottery Association, in which Lotterywest is a member.

Graham Lewis recently joined Lotterywest in the role of Director, Corporate Services. Mr Lewis comes to Lotterywest after 17 years with Landcorp, and has a wide range of experience in the financial arena previously working in chief financial management roles both in the United Kingdom and South Africa. Mr Lewis' area of responsibility will include management of the financial services, human resources and facilities management of Lotterywest.

Gideon Brickman has been appointed as the new Chairman of the Israel Sports Betting Board. Brickman is one of the leading advertising personalities in Israel. He is currently the owner and president of a major advertising agency. During the past 4 years he volunteered to serve as Deputy Chairman of the Israel Football Federation, and promoted reforms in the Federation's computer systems and medical supervision. Brickman previously served as the Chairman of the Maccabi Tel Aviv football team and Maccabi Tennis Club. He is an active member of the Israel Olympic Committee and of the Association of Friends of the Municipal Hospital in Tel Aviv. He is also a member of the International Advertising Association and serves as chairman of the Audit Committee of the Israel Advertising Association.

Louisiana Governor **Kathleen Babineaux Blanco** announced the appointment of **Larry C. Cager**, of New Orleans, to the Lottery Corporation Board of Directors.

As it prepares to move from development to implementation of worldwide standards, the Gaming Standards Association (GSA) has elected new Board of Directors officers. **Lyle Bell**, Senior VP of IT with the Seminole Tribe of Florida has been elected Chairman of the Board. Bell has been extremely active in GSA since 2003 and replaces outgoing Chairman **Gregg Solomon**, who remains on the Board, but chose to step down in anticipation of the merger between MGM and Mandalay Resort Group. Other elected officers include **Mark Lipparelli** of Bally Gaming & Systems, Vice Chairman; **John Boushy** of Harrah's Entertainment, Secretary; and **Fred Lychock** of R. Franco, Treasurer. The new Board leadership was elected to a one-year term, which officially began on Monday, February 28, 2005. Additionally, three individuals were elected to the Board of Directors: **Joe Bailo**, Atronic Americas, LLC; **Moti Vyas**, Viejas Enterprises; and **Jeanne-Marie Wilkins**, Argosy Gaming Company. The Board of Directors appointed two persons from new Platinum member companies to the Board: **Ron Harris**, Rocket Gaming; and **Russ McMeekin**, Progressive Gaming. Other Board members include **Gregg Solomon**, Mandalay Resort Group; **Derrick Khoo Sin Huat**, E-Genting Holdings Sdn Bhd; **Steve Sutherland**, Konami Gaming, Inc.; **Jon Berkley**, Transact Technologies; and **Rob Siemasko**, WMS Gaming. ♣



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MUSL States Ready for Launch of Multi-State Wide Area Progressive

For a state lottery, what could be better than being able to offer VLTs? How about the prospect of being able to link VLTs between jurisdictions to create a multi-state wide-area progressive jackpot?

Several years ago a concept was innovated and has been shepherded by John Musgrave, Director of the West Virginia Lottery, Wayne Lemons, Director of the Delaware State Lottery, and Gerald Aubin, Executive Director of the Rhode Island Lottery that could affect lottery-run gaming machines in much the same way that Powerball affected on-line games. Those three state lotteries are teaming up to launch the first multi-state wide-area progressive video lottery games. The new games are expected to launch sometime around February 2006.

"This is something that's never been done in the Lottery industry before," said Delaware Lottery Deputy Director Don Johnson. "It has been done somewhat on the casino side, but never in the Lottery."

"Five of our members offer video lottery products along with their scratch and online lotto games," said Wayne Dolezal, Director of Business and Legal Affairs for the Multi-State Lottery Association (MUSL). "Those five jurisdictions took a look at the success of multi-jurisdiction lottery games like Powerball and wanted to create Wide-Area Progressive Jackpots larger

than any one of those jurisdictions could offer individually. Two of those jurisdictions, South Dakota and Oregon, currently have some legal peculiarities that don't allow them to participate, but three of those members have the capability and are very interested in doing so."

Dolezal continued, "Wide-area progressives at traditional casinos limit their pooling to machines within a single state. But, through the lotteries' operations of these wide-area progressives as state lottery games, and through the MUSL, lottery jurisdictions can create operational multi-state wide area progressives, or MWAPs."

Delaware has VLT sites at Delaware Park Racetrack and Slots, Dover Downs, and Midway Slots and Simulcast. Rhode Island has VLTs at Lincoln Park and Newport Grand. West Virginia has four facilities: Mountaineer Park Racetrack, Wheeling Island, Charlestown, and Tri-State Racetrack and Gaming Center.

Those nine venues in those three jurisdictions will be joined together through a jackpot management system possibly located in Rhode Island and connected so they can keep up with the current jackpot for the MWAP games being offered.

The objective of the MWAP is to build large jackpots and GTECH, the provider for MUSL's MWAP jackpot management system, has come up with multiple scenarios based on odds and contributions. For example, with the participation of at least 250 terminals, jackpots should be seen in the area of \$300,000 to \$1 million and higher.

Of course, the defining of such parameters is ongoing. The above-mentioned scenario calls for an average jackpot hit frequency approximately every fourteen days and a \$100,000 starting jackpot. Still, GTECH does have data for a similar system operating in Rhode Island, where jackpots for an 80 terminal system hit in the vicinity of \$100,000 to \$400,000.

Multi-Vendor Participation

"GTECH's system allows for multiple terminal vendors to participate," said Tom Cahill, Technology Director, GTECH. "You can have as many different games participating in the jackpot as you want. Each VLT vendor can provide you with the games that are most popular. It allows flexibility in game design. In each track or state you could have games that are specific to the area. We don't set any hardware limits on our system. We implement this system through a protocol. Instead of having a jackpot management system that is unique to a particular terminal vendor, our system is open to any terminal vendor willing to support a small protocol, to build jackpot games that will contribute to the jackpot within our system."

The participation of multiple vendors will require a great deal of cooperation to work out the details. In addition, jackpot odds must be uniform across all vendors. Payout tables can be diverse, but odds of winning the jackpot have to be the same. The base game payout percentage must be the same as well, as does the eligible wager amount.

To the outside eye, specific game issues only pose one obstacle. One might question whether GTECH's jackpot management system will be compatible with the various central systems already operating in each jurisdiction.

WAP vs. Stand-Alone VLTs

Stand-alone VLTs essentially operate by themselves. A wide-area progressive are those machines you see out on the floor, usually with a sign over them, rotating in terms of the prize amount. That is the pooled top prize for those machines that are hooked up to that progressive.

How that occurs is that a small portion of each wager goes toward increasing the top award. Most of the machines out there are stand-alone machines. Those machines have a fixed top-award. A WAP has a changing top award.

Progressive machines usually operate in banks of machines in order to accumulate a lot of contributions from various wagers that are made. Progressives can be put in groups of any number, or even grouped between racinos.

"We, in Delaware, have banks of machines in each of our three tracks that are linked together," said Johnson. "That is a wide-area progressive. It doesn't cross a state line but it does have a top award that continually increases with the play on those machines."

Johnson continued, "The larger the number of machines, and the larger play, which is usually associated with that, the larger becomes that posted, changing, top award. That is what drives the progressive and the play on those machines. It's the excitement of that top award. It's very similar to Powerball. We hope to do that with the video lottery industry in the coming year." ♣

"Each of the jurisdictions (West Virginia, Rhode Island, and Delaware) has its own central monitoring system," said Jordan McCabe, Director, Central System Sales, GTECH. "Beyond that, each system is operated by a different vendor as well. Our primary concern was to make sure that we did not impact any of the central systems and ensure that the communication to our jackpot management system had absolutely no negative effect on the existing central system. To do that we've developed a protocol that will be used to communicate to the VLTs and ensure that we just send the necessary messaging to our jackpot management system and not affect each of the existing central systems."

McCabe continued, "Traditionally, most VLTs or slot machines have a limited number of communication ports available to communicate with systems outside of the norm. Our jackpot management system in certain jurisdictions may be the third system that each one of these machines has to communicate with, assuming that you've got a central system, and in some jurisdictions, a player tracking system. Therefore, each of the machines that are going to be connected to this progressive jackpot may be required to have a third port to be able to communicate with the jackpot management system."

Room for Expansion

In addition to being able to allow any number of vendors to participate, any number of states, jurisdictions, tracks, or venues can be added to GTECH's jackpot management system at any time.

Cahill commented, "There's no limitation to our system, other than the number of terminals that we have designed for this deployment (the MUSL system), and right now that's 10,000. Our system's very upgradeable if necessary. If the progressive jackpot system goes over 10,000 terminals then we can simply add additional hardware such as CPUs and disk space to our system to allow the expansion without adding a great deal of expense."

Prizes

Prizes, odds and payouts can be determined by each jurisdiction. As mentioned earlier, limitations only occur as far as the top payout percentage is concerned. Each of the states or tracks can work with vendors to come up with different payout schedules for the games that work best with them as long as they follow guidelines provided by GTECH.

Each venue will pay the prize, and MUSL will periodically send invoices to each lottery to escrow the jackpot contributions.

"Our system collects game play information for every single play on the VLT, so the reporting is very robust," said Cahill. "We will be able to provide not only invoicing, but detailed reports to the Lotteries to help them run their business more efficiently."

As far as jackpots are concerned, the MWAP jackpot management system is designed to pay jackpots via annuity or cash.

"When a typical jackpot is won we will send a message to all participating progressive sign controllers and possibly to the participating VLTs announcing that there has been a jackpot winner," said Cahill. "The actual winning VLT will announce the jackpot with bells and whistles. A local venue manager will walk over to the patron and escort them into an office or to a cash cage to work out details for distributing the progressive prize."

"It will work very similar to how the states deal with Powerball," said Dolezal. "For every play that's made, a certain amount will go toward the

...continued on page 25.

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International Lottery Players' Survey

By Phil Kopel, President Kopel Research Group, Inc.



Lotteries often ask us whether Lottery game research could be performed on a national or international level. Our typical answer is that each Lottery has many variables that make them unique. Each lottery offers a variety of games which are positioned differently from Lottery to Lottery. They change as conditions warrant.

The number of games, price points, odds of winning, placement of lottery agents, marketing material and advertising media contribute to a dynamic marketplace. Therefore, for most decisions the research would need to be conducted specifically for that Lottery.

However, an interesting use of a multi-jurisdictional study would be for Lottery Players from around the world to offer their perception of the current state of the Lottery industry and expectations and interests for future concepts.

In order to conduct such a study, we created the first of several web-based surveys. All of the respondents included as Panelists have played a lottery game in the past 12 months. This International Lottery Player Panel is comprised of about 2,500 lottery players. Our total panel currently contains almost 20,000 members and is growing at a rate of 500 to 1,000 members per week.

Profile of Respondents

Geographic Distribution

Geographically, 52% of the Panelists in this survey live in the United States, 26% live in Canada, 10% are from Australia, 8% from Europe, 3% from Asia and 1% from Africa. This mixture provides an opportunity to compare findings from each region.

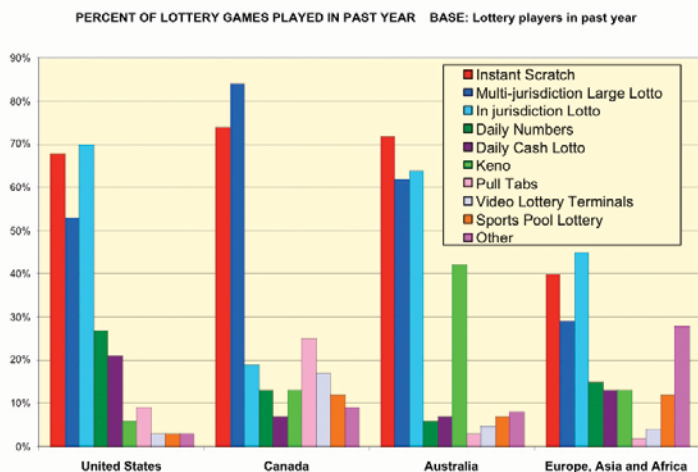
The United States portion of the panel was further analyzed for accuracy. The geographic distribution of the population of Lottery playing states was compared with that of this Panel. The result was that the percentage of panelists from each State is an almost exact match with the population distribution.

Game Play by Region

Respondents were asked which lottery games they had played in the past year. The chart below shows that there are some clear differences in Lottery play behavior by region.

One could speculate that much of the reason for these differences has to do with which game types were first developed and heavily marketed within those jurisdictions. Regional differences of lottery games played in the past year by our panelists are as follows:

- Instant Scratch games have been played by approximately 70% of panelists from the United States, Canada and Australia in the past year, compared with only 40% in Europe/Asia.
- In the United States, most of the state Lotteries started with Instant Scratch tickets. Perhaps the primary reason for the low incidence level of the Instant Scratch tickets in Europe is due to its long history of offering passive games.
- With respect to multi-jurisdiction Lotto games, as many as 84% of Canadian panelists say they have played the national Lotto 6/49 game in the past year. This is significantly higher than the multi-jurisdiction games played in the United States and Australia. Only 29% of respondents from Europe/Asia have played a multi-jurisdiction game in the past year.
- Single jurisdiction Lotto games were significantly more likely to be played by panelists from the United States and Australia than those from Canada and Europe/Asia.
- Daily numbers and Cash Lotto type games were significantly more likely to be played by panelists from the United States than those from Canada, Australia and Europe/Asia.
- Conversely, Keno games were significantly more likely to be played by panelists from Australia than from the United States, Canada and Europe/Asia.
- Pull Tabs and Video Lottery Terminals were significantly more likely to be played by panelists from Canada than from the United States, Australia and Europe/Asia
- Sports Pool games were significantly more likely to be played by panelists from Canada and Europe/Asia. Lotteries in the United States have generally avoided introducing sports pool games.



Amount Spent

The next chart shows the expenditure of panelists by region in US dollars. A higher percentage of panelists from Australia and Canada spend \$20 or more per month on the lottery compared with those from the USA and Europe.

A reason for this expenditure difference appears to be explained by game play frequency. A larger portion of United States panelists appear to be occasional players of large jackpot games than their counterparts, resulting in a lower monthly expenditure.

Demographics

The International Lottery Research Panel is a well diversified demographic cross section of the sampling universe:

- Gender is 50% male – 50% female.
- Age and Household income show natural bell shaped curves. Education distribution appears slightly more educated than one might expect of the general population.

Survey Topics

Starting in the next issue we will present more of the findings from this International Research Panel with respect to the following topics of interest to the Lotteries and vendors:

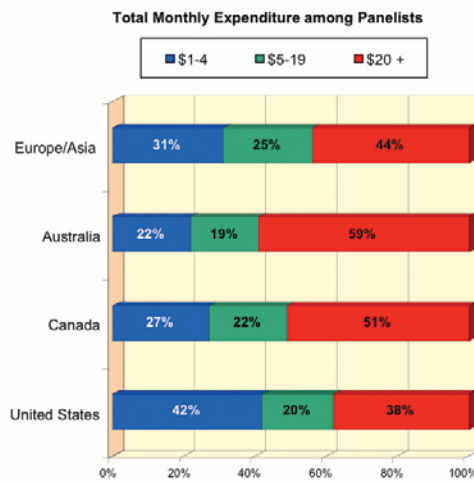
- What are the key features that drive lottery players to use the Lotteries websites? What percentage have joined Player's Clubs? Which Player's Club benefits are perceived

as most important?

- Who are playing the higher priced instant scratch tickets and are they happy with them?
- What do lottery players think of some of the new multi-media Internet games? Who is playing them?
- Are lottery players in favor of Video Lottery Terminals? Where are the preferred locations? Where do they not want to see them?
- Are lottery players changing their play behavior with respect to Instant scratch tickets and online games? If so, Why?
- What are some of the new ways that Lottery games could be sold? What do Lottery players think of these future lottery initiatives?

What else would you like to find out? We invite lotteries and vendors to send us follow up questions and new survey topics to ask of this International Lottery Player Panel. ♣

The Author: Philip Kopel, President of Kopel Research Group, Inc. founded Kopel Research Group in 1989. Phil has managed a diverse variety of research projects for many lotteries throughout the United States and Internationally. The company provides comprehensive lottery market research solutions including; baseline studies, research panel management, game design concept analysis, player segmentation analysis, game mix optimization, sales forecasting and retail agent feedback and satisfaction analysis.



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Powerball Changes to Meet Player Demands

The 29 lotteries that operate America's Game, Powerball, have voted to make changes to the nation's first big jackpot game to meet players' demands for larger and faster growing jackpots.

"Lottery games need to be changed from time-to-time, to respond to both player demands and population changes," said Randy Davis, President of the Louisiana Lottery Corporation and Chairman of the Powerball Game Group. *"These changes will bring to the game the larger jackpots that our players expect. We are also going to increase the number of big prizes by creating many more \$1 million winners."*

One of the most exciting changes will be in the amount of the starting jackpot, which will jump from the current \$10 million to \$15 million and will increase by no less than \$5 million for each drawing. The annuity option will also be changed so that players will receive an annual payment that increases each year. Players can still elect to receive the jackpot as a lump-sum cash payment.

Another added feature to the game will be to double the second prize for matching five white ball numbers, from \$100,000 to \$200,000 in cash. With the purchase of the Power Play option, play-

ers will have the opportunity to multiply their winnings by five to win \$1 million!

Power Play is an option where a player can elect to spend an additional one dollar to multiply their prizes by two, three, four or five times. The multiplier number is drawn before the lotto numbers each Wednesday and Saturday.

To increase the average jackpot size, two white ball numbers will be added, changing the jackpot odds to 1 in 146.1 million. The current game has jackpot odds of 1 in 120.5 million. The overall odds of winning a cash prize will remain virtually the same at 1 in 36.60 (up slightly from 1 in 36.06).

"These enhancements – bigger and faster growing jackpots and a chance to win up to \$1 million by selecting the Power Play option – are important steps to keep Powerball as America's number one lotto game," said Davis.

This is the fourth design for the best-known multi-state jackpot game since it was created in 1992. The last change was in October 2002. Changes to the current game are expected to be in place by late summer 2005. ♣

SCEL and Scientific Games Collaborate to Increase Five-Digit Games Sales by 139% Two-Thirds Pay Extra Dollar for Chance to Multiply Prize

In the first month since its mid-February launch, the South Carolina Education Lottery's (SCEL's) Palmetto Cash 5 game featuring Scientific Games' patented Group Participation™ multiplier game has increased average weekly five-digit game sales by a staggering 139 percent.

Average sales for the new five-digit game with the multiplier option are more than \$860,000 per week, compared to the per-week average of \$360,000 for Carolina 5, the SCEL's original five-digit game, which did not offer this feature.

"The cooperative effort between the South Carolina Education Lottery and Scientific Games is a great example of how a true partnership can advance each entity's respective business interests and simultaneously produce incremental revenue for a lottery's beneficiary programs," said Amy Hill, Scientific Games' Vice President of Online Sales & Marketing.

For an extra \$1, Palmetto Cash 5 players can purchase Power Up™, the SCEL's brand name for the multiplier. Winners who choose this option can multiply their prizes from two to five times the base amount. Unique to the Palmetto Cash 5 game, the multiplier applies to all four of the game's set prize levels, including the \$100,000 top prize. Typically, multipliers used in other online games – for example, the Multi-State Lottery Association's Powerball® Power Play® – apply to all winning tickets, except the rolling jackpot.

Since the launch of Palmetto Cash 5, 65 percent of players are paying the extra dollar for the Power Up multiplier. This percentage is significantly higher than the calendar 2005 (year-to-date) playership level of the Colorado Lottery which, at about 40 percent, has the highest level of Power Play® participation among the Powerball jurisdictions.

"We are definitely seeing that a multiplier incorporated into a game at launch generates a higher percentage level of multiplier participation compared to games that add this feature at a later date," said Hill.

Scientific Games' patented multiplier feature leverages an industry best practice that has propelled instant game growth for years.

"When players see a greater frequency of meaningful prizes being won, they become more interested in the game which helps build credibility with retailers. The resultant sales increase, despite the higher game payouts, produces higher net revenue for a lottery's beneficiary programs. We have seen this phenomenon on the instant side for years and it's what we're now seeing with the new Palmetto Cash 5 game," Hill said. ♣

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California Lottery to Use “The Force” Becomes First U.S. Lottery to Launch Star Wars Instants

Californians can be the first in the nation to try their luck with the release of the new collectible Star Wars Scratchers™ ticket! In conjunction, with the arrival of the most anticipated theatrical release in history, Star Wars: Episode III – Revenge of the Sith, the California State Lottery will be the first lottery in the nation to debut Star Wars Scratchers tickets. These tickets depict the epic battle between the Sith, with images of Darth Vader, Emperor Palpatine and Darth Maul, and the Jedi with images of Yoda, Obi-Wan Kenobi and Luke Skywalker as well as the forbidden love of Anakin Skywalker and Padmé. “Everyone’s favorite characters are on the tickets, including Chewbacca, Han Solo, C-3PO and R2-D2,” said Chon Gutierrez, Interim Lottery Director. “The scenes make these tickets an instant collector’s item.”

Collectible Star Wars coins are playing an important role in promoting the game. The Lottery is running a consumer promotion that allows players the opportunity to purchase up to six different Limited Edition Star Wars collector coins. Each metal coin will feature one of following images: Darth Vader, Luke Skywalker, Princess Leia, C-3PO, R2-D2, and Yoda. When players purchase any Star Wars Scratchers ticket, the cost for each coin is \$1. The Lottery is also organizing promotions on television stations statewide in order to give away coins to viewers.

The Lottery has also developed a retailer promotion to promote the Star Wars game. Every pack of Star Wars tickets has an on-pack promotional card (ticket). Retailers can win up to \$500 in American Express Gift Cheques by uncovering 3 like amounts on the promotional card. It is basically a “special” Star Wars instant game ticket for California Lottery retailers.

The Scratchers tickets will be released statewide in April in advance of the worldwide release of the movie on May 19, 2005. “Californians can enjoy the excitement of a great looking Scratchers ticket combined with a chance at winning up to \$10,000,” said Gutierrez. Diehard Star Wars fans, now in their 30’s who were first introduced to the phenomenon in the 70’s, wait in anticipation for the final piece of the story featuring the emergence of Darth Vader. Each episode of the Star Wars saga is represented by two tickets with screen shots and characters from it; including the AT-AT walkers and Star Destroyers from The Empire Strikes Back and what promises to be the most epic battle ever between Anakin Skywalker and Obi-Wan Kenobi from Revenge of the Sith. Players and fans can see all of the tickets and find out more about the limited release of exclusive collectible Star Wars coins on the Lottery website at <http://www.calottery.com>.

The Star Wars Scratchers tickets cost \$2. “The popularity of the Star Wars saga is sure to make this ticket a big hit with our players, I’m sure many people will want to collect all 12!” said Gutierrez. ♣



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Video

News

Penn Proposes New Oregon Video Commission Rates

(AP) Oregon bars and taverns with video gambling machines would get commissions averaging just under 25 percent, under a proposal recently made by Lottery Director Dale Penn. The new rates, which are lower than the current rate of 28.8 percent, would take effect after slot-styled games enter the marketplace on July 1. Penn estimated that his plan, which is a significant shift from a previously proposed commission of 15 percent on slot-styled games, would yield \$124 million for the state.

New York Senate Passes Changes to VLT Legislation

The New York Senate passed Senate Bill 2594, which would increase the VLT vendors take, by a 50-5 margin. The bill would allow vendors to take 32 percent of the first \$50 million in VLT revenue, 29 percent on the next \$100 million, and 26 percent on all subsequent revenue. The tracks will then directly contract with horsemen and breeders association for percentages going to purses. Tracks will also receive a marketing allowance of 8 percent on the first \$100 million and 5% on all revenues over \$100 million.

A similar bill also cleared the Senate by a vote of 48-7. SB 3276 would give tracks a fixed 20.25 percent of revenue, and allow for an additional marketing allowance of up to 13.75 percent. The marketing allowance would distribute funds to track purses and breeders. Both bills now head to the Assembly.

New Mexico Seeks to Extend Slot Hours

The New Mexico Senate voted 21-20 in favor of a bill that would allow State racetracks to operate gaming machines 18-hours-a-day. A similar version of the bill has passed the state House of Representatives each of the last two years. If the bill manages to pass the House on this occasion, it would then head to Governor Bill Richardson.

Governor Richardson has indicated that he was in favor of the added revenue such a bill would provide, and that he would sign the bill if it reaches him. The bill's supporters project that the longer hours and tax increase would yield an additional \$7 million to \$10 million annually.

Bill for VLTs on New York Ferry Reintroduced

New York Senator Joe Robach recently reintroduced legislation that would allow VLTs on the Spirit of Ontario ferry that runs between New York and Ontario. The original legislation, which called for up to 300 VLTs to be placed on the boat, passed the Senate last year, but failed in the Assembly.

Manitoba Seeks New Machines

Manitoba Lotteries plans to spend more than \$5 million this year replacing 400 slots at the two Winnipeg casinos with the latest in gambling technology. Under the plan, 200 machines will be replaced at Club Regent Casino and another 200 at McPhillips Street Station Casino. The 400 machines represent 25 percent of the machines at the two casinos.

Macau Revenue on the Rise

China's Macau Special Administrative Region (SAR) government

recorded US\$1.8 billion from taxing the gaming industry in 2004. The Macau Financial Services Bureau reported 36.8 billion Patacas (U.S. \$4.6 billion) in gross gaming revenue. Revenue looks to be on the rise in 2005, as in January the government saw a 38.4% tax revenue increase over January 2004.

Hungarian Gaming Machine Revenue Up

Hungary's National Gaming Association reported that revenue from gaming machines increased 15% in 2004. Gaming machine operators paid HUF 30bn in gambling taxes last year.

Oregon Developers Seek Casino

Two Oregon businessmen say they have the backing they need to build the state's first nontribal casino. The proposed \$490 million gambling and entertainment complex would be built on top of the now idle Multnomah Greyhound Park. If built, the complex would become the state's largest casino - as well as the only one not run by an American Indian tribe. The Lake Oswego businessmen, Bruce Studer and Matthew Rossman, say they have already secured the backing of major financial and gambling interests, and are considering spending \$7 million to \$8 million for a 2006 ballot measure that would abolish the constitutional prohibition on non-tribal casinos in Oregon. Studer, an investment adviser, said they would turn over 25 percent of their gambling revenues to the state. By comparison, around 58 percent of the Oregon Lottery's video poker revenues go the state.

New Zealand Machines to Add Responsible Gaming Feature

Starting in October, 2005, all new gaming machines in New Zealand will be required to inform the player how long he or she has played, the amount spent, and ask if he or she would like to continue. The messages will be required on all machines, new or not, starting in July, 2009.

Novia Scotia To Reduce VLTs

The Nova Scotia government is planning to reduce the number of video lottery terminals in the province by about 1,000 machines. It is expected that 800 of the machines would be pulled from bars and taverns by autumn and 200 more would be eliminated by attrition. There are 3,234 machines in the province, not counting the hundreds on native reserves.

Greek casino chooses EZ Pay®

IGT's EZ Pay® ticket-in, ticket-out system will be installed at Thessaloniki's Hyatt Regency Resort Casino making it the first casino in Greece to use the system.

Ian Gosling Vice Chairman & Chief Operating Officer of the facility says his decision was based on the player reaction and acceptance he saw in Las Vegas where the EZ Pay® system stands head and shoulders above the competition. In preparation for the installation, the casino will begin replacement of its single denomination games with IGT's multi-denomination themes in an area near their existing high limit table and machine area. It is their intention to convert much of their existing slot inventory to multi-denomination. ♦

on the internet

Mobile Lottery in Hungary

T-Mobile Hungary and the Hungarian Lottery, Szerencsejáték Rt., introduced Mobile Lottery, a way in which T-Mobile subscribers can gamble and buy lotto tickets via SMS. There are more than four million T-Mobile subscribers in the country.

Ireland Looking at Interactive Sales

The Irish National Lottery has undertaken a public procurement process that could eventually lead to Internet and Mobile lottery sales. Under an agreement with state lotteries in other countries, only people resident in Ireland will be allowed play the various games electronically.

Georgia House Approves Internet Sales

(AP) The Georgia Lottery could start selling tickets on the Internet under a bill approved recently by the state House. The House voted 98 to 48 to allow the lottery to set up online accounts. People could use debit cards to instruct a computer to play their favorite numbers every day without having to go to a traditional retailer. The bill would also allow the lottery to set up online-only games. The bill now heads to the Senate for consideration.

EGC Moves Into Mobile Arena

Electronic Game Card, Inc announced that a separate company is being incorporated within the Electronic Game Card group of companies to initiate Electronic Game Card's entry into the field of broadband gaming with particular reference to mobile phone games. Electronic Game Card's new company will investigate and undertake alliances with corporations involved in communications and hardware and software delivery mechanisms, and design in the secure manner

essential for the successful acceptance of reward based games by the consumer and the promoter in the mobile arena.

North Dakota Internet Poker Amendment Fails in Senate

The North Dakota House of Representatives voted 50-44 to approve an amendment to allow North Dakota to become the first state to proceed with licensing of Internet poker sites. The amendment then headed to the Senate where it failed to gain support, losing by a vote of 44 to 3. Ultimately, voters would have been required to vote on the amendment had it successfully navigated the legislative waters.

GLI Europe Launches New Website

Regulators, manufacturers and operators across Europe now have one easily accessible source for information on gaming regulations and requirements across the continent. GLI Europe BV, a subsidiary of Gaming Laboratories International (GLI) has launched a website specifically designed for jurisdictions across Europe. The site is accessed through www.gaminglabs.com. From that page, users simply click either the Hillegom, Netherlands, or Bologna, Italy, buttons to jump to the European site.

The new European site is completely translated in English, Dutch and Italian, and provides a wealth of information, including detailed submission guidelines and links to 26 ministries and regulatory bodies. The website also carries the latest news regarding regulatory changes and updates in European jurisdictions. Site users can download forms and documentation, including regulatory documentation. Additionally, the site offers current GLI Europe customers restricted access to an FTP area, where they can quickly upload and download data. The site also features a list of GLI Europe's extensive services, news, profiles and contact information. ♦

MUSL States ...continued from page 17.

jackpot. Those amounts will be swept weekly electronically and pooled until there's a jackpot win. At that point the MUSL will transfer the jackpot money back to the lottery or venue for the awarding of the jackpot prize to the winner. Payment of a jackpot prize will take between one and two weeks. I'm sure there will be a certain amount of money given at the time of the win or very soon after as an immediate win check, but the final amount will take a couple of weeks to process. But that's exactly how Powerball and the other MUSL games work right now."

The MWAP system has a lot of wrinkles that need to be ironed out – it's an ongoing process – but the potential reward to government coffers could be enormous, especially when one looks at the room for growth.

MUSL states South Dakota and Oregon would certainly be eligible to join the MWAP if they fixed their legislation to allow it.

What about Pennsylvania? While Pennsylvania is a MUSL state there has been no indication whether they want to join.

How about New York Lottery machines? Would a Mega Millions Lottery be allowed to join the MWAP?

While there are as yet no answers to these questions, the number of states offering government-operated gaming machines is continuing to grow and with each addition the prospect for giant MWAP jackpots only becomes greater. ♦

RACINO NEWS

Oklahoma Commission Approves Racino Gaming Rules

(AP) The Oklahoma Horse Racing Commission has approved casino gaming rules for three Oklahoma racing tracks. This gets Oklahoma's racing tracks one step closer to having casino-style gambling at the tracks. Gaming could start as early as May.

Commissioners unanimously approved the rules, drawing applause from representatives of horse organizations and race tracks. The rules now go to Governor Brad Henry for his review.

Commissioners turned down a proposal to require race tracks to post theoretical odds of winning casino games saying it would just confuse customers. The regulations will be used to implement provisions of state legislation that would allow casino-style games at Remington Park in Oklahoma City, Blue Ribbon Downs in Sallisaw and Will Rogers Downs in Claremore.

Florida Senate Panel Okays Class III Slots

Broward County racinos could install as many slot machines as they want and run them 16 hours a day, 365 days a year under a bill recently approved by a Senate panel. The bill, which would allow Class III slots, was approved 6-3 by the Regulated Industries Committee. A House committee approved a bill that would limit the four pari-mutuels to the kind of electronic bingo machines now at Indian-run casinos. The Senate plan would also tax slot machines at a lower rate than the House. Both proposals need approval from more committees before coming up for full chamber votes.

Batavia Goes with MGAM

Multimedia Games has been selected by Western Regional Off-Track Betting Corp., the parent company of Batavia Downs, to provide Players Passport™, the Company's proprietary player tracking system, for use in conjunction with Batavia Downs' video lottery terminal operations. As part of the agreement, Multimedia will also supply Batavia Downs with self-service redemption kiosks. The agreement will result in Multimedia's first deployment of its player tracking system and redemption kiosks in a New York video lottery facility.

Texas Racing Industry Supports Racino Legislation

The Texas horse and greyhound industries are estimating that the State Legislature will capture more than \$1.2 billion in new money with legislation introduced by Rep. Ismael "Kino" Flores (D-Mission) that seeks to legalize VLTs at licensed Texas racetracks. The estimated annual tax revenue generated by the operation of VLTs at licensed Texas racetracks is projected to be more than \$940 million during the first year of operation, ramping up to more than \$1.2 billion annually by the fifth year of operation.

In all, more than 20 bills have been filed to create different forms of gambling in Texas.

Gaming Machine Bill Passes Arkansas Senate

A bill to allow gambling on electronic games of skill has passed the Arkansas Senate by a vote of 18-14. The bill would call for county elections to determine whether to allow games involving some skill and analysis. One example would be a game where players would analyze data from past car races and try to pick which driver actually won the race. It's been estimated that the machines, which would be allowed at Oaklawn Jockey Club in Hot Springs and Southland Greyhound Park in West Memphis, could generate as much as \$200 million in revenue for the state.

After Senate approval, the bill headed for the House where the House Rules Committee recommended it and sent it on to the full House for a vote.

Fair Grounds Sees First On-Track Wagering Increases in Four Years

New Orleans' Fair Grounds Race Course concluded its 133rd season of racing, and its first under the ownership of Churchill Downs Incorporated with its first increases in average all-sources and on-track wagering in four years.

In the 82-day meet, a total of \$343.1 million, or an average of \$4.18 million per day, was wagered on Fair Grounds races, versus a total of \$317.1 million wagered during the 80-day meet in 2003-04. That represented a 5.6-percent increase over last year's average of \$3.97 million. Averages are used for comparisons because the 2003-04 meet spanned two fewer racing days.

The highlight of the 2004-05 season was Louisiana Derby Day on March 12, in which a record \$11,310,990 was wagered on an 11-race card that was the richest in Louisiana racing history and included four stakes worth \$1.5 million. The \$600,000 Grade II Louisiana Derby generated \$2,972,213 million in wagering, most ever for a single Fair Grounds race.

On track, records were set for Derby Day attendance (6,672) and for handle (\$866,466) in the simulcast era. Additionally, Louisiana Derby Preview Day on Feb. 12 produced an all-sources handle of \$8,454,437, third highest in Fair Grounds history and a record for a 10-race card.

Canterbury Park Sees Big Net Increase

Canterbury Park Holding Corporation announced financial results for the year ended December 31, 2004. The Company earned net income of \$3,862,308 on revenues of \$54.9 million for the year ended December 31, 2004, compared to net income of \$2,870,130 on revenues of \$47.8 million for the year ended December 31, 2003. Fully diluted earnings per share for fiscal 2004 were \$.92 compared with \$.70 for fiscal 2003. The Company's 2004 revenues of \$54.9 million represented a 14.8% increase over 2003.

Card Club revenues increased 23.5% to \$28.4 million in 2004 compared to \$23.0 million in 2003, due to the continued growth in popularity of Poker. Pari-mutuel revenues increased 2.7% to approximately \$17.8 million in 2004 as compared to the prior year, primarily due to increased on-track wagering. Operating expenses increased 13.0% to \$48.1 in 2004, primarily due to increases in purse expense, salaries and wages, and other operating expenses incurred to support the overall increase in revenues in 2004.

Churchill Downs Sees Earnings Increase

Churchill Downs Incorporated reported earnings results for the year ended Dec. 31, 2004. Net revenues for the year totaled \$463.1 million, a 4.3-percent increase over 2003. Net earnings totaled \$0.67 per fully diluted share, compared with \$1.75 per fully diluted share in 2003.

The 2004 results included a one-time, \$1.6 million gain from the sale of a portion of the Company's ownership in Kentucky Downs offset by \$5.9 million in expenses related to alternative gaming ballot initiatives, \$6.2 million in non-cash impairment charges at Ellis Park, and a \$4.3 million non-cash, unrealized loss related to the terms of a convertible note issued in the fourth quarter. ♦



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Georgia

Georgia Governor Sonny Perdue and the Georgia Lottery Corporation are reportedly examining the possibility of opening a lottery kiosk in the main terminal of Hartsfield-Jackson International Airport. The airport hosts approximately 84 million travelers each year. If implemented, it is believed that airport sales could generate an additional \$2 million annually.

Kentucky

The Kentucky Lottery launched a new computerized game, Double Up Cash that offers players a chance to double non-jackpot prizes if they correctly pick "heads" or "tails." The \$1 game, which operates on a 5:36 matrix and draws nightly Monday through Saturday, gives prizes in the range of a free-play up to a minimum jackpot of \$40,000. Jackpots will grow at a rate of \$10,000 each night it isn't hit, up to a maximum of \$500,000.

The Kentucky Lottery Corporation has reached yet another milestone – this time surpassing \$5 billion in prizes paid to players. KLC sales started April 4, 1989. It took the organization nearly five years to reach the first billion dollar in prizes paid mark. The gap between the 4th billion and 5th billion prize dollar paid however was marked in just a little over two years.

Missouri

The Missouri Lottery is once again under the legislative budget axe. The Lottery is currently facing a \$3.5 million budget cut that could mean severe layoffs. While the Lottery has managed to weather past cuts to its ad budget and still post a sales increase, the current pace of sales is pointing to a 3% decline in FY '05.

New Jersey

Abbott and Costello impersonators, Lou Sciara and Gil "Bud" Palmer, were on hand to announce the New Jersey Lottery's "Who's on First" instant game at a celebration in Paterson commemorating what would have been Lou Costello's 99th birthday. The game offers a top prize of \$30,000, is priced at \$2 and has some fabulous prizes in the second chance drawing for non-winning tickets.

Nevada

The Nevada Senate Judiciary Committee voted 5-2 in favor of scrapping a proposal that would have put the issue of a state lottery before voters.

North Dakota

The North Dakota Lottery is rolling towards the end of its first fiscal year, and the agency has been nothing less than a tremendous success. Early estimates had the Lottery pulling in \$1.2 million in revenue to the state in its first fiscal year. At the current pace the state will make \$6.2 million, more than five times the amount of the initial estimate.

Oklahoma

The \$500,000 in startup money for Oklahoma's new education lottery recently navigated the legislative map to approval. Governor Henry signed the bill into law in early April.

Ohio

The Ohio Lottery recently added a second barcode to the top of all on-line tickets, allowing customers to easily play the same numbers

again. Retailers who scan the Play-It-Again barcode can generate a new ticket with the same wager information, good for the next scheduled drawing. This "repeat" feature was designed to speed up terminal transactions. GTECH, Ohio's on-line gaming system vendor, developed Play It Again after Ohio Lottery retailers requested a faster way to process wagers during Town Hall meetings a couple of years ago. Since introduced in October 2004, nearly 11 percent of all on-line wagers are generated using the Play-It-Again feature.

Pennsylvania

Pennsylvania Governor Edward G. Rendell and Executive Director of the Pennsylvania Lottery Ed Mahlman recently took part in a ribbon-cutting ceremony to congratulate local business owner Billy Kaldes on the installation and sales success of a Player-Activated Terminal (PAT) at his restaurant, The SPOT. The SPOT's self-service, stand-alone Lottery terminal achieved sales of \$4,297 in its first week of business, the highest weekly sales from any PAT in the state to date. The Pennsylvania Lottery was the first state Lottery to introduce such units – which sell both instant and numbers games – in May 2004.

Tennessee

The Tennessee Lottery announced that gross ticket sales have surpassed \$1 billion after one year and seven weeks of ticket sales. In addition to the \$1 billion milestone, the Tennessee Lottery will soon share other exciting announcements, including details about its fourth computerized game, set to begin late spring, and the amount of its next transfer to the Lottery for Education Account on April 15.

Texas

One of the world's most popular game shows is now available as a scratch-off ticket at Texas Lottery® retailers across the state. The new \$2 Wheel of Fortune® instant game offers players a chance to win instant-cash prizes up to \$25,000. In addition, players with non-winning tickets can enter a Second Chance Drawing for an opportunity to win one of four trips for two to Hollywood and an audition to be a contestant on the television version of Wheel of Fortune. The four Second Chance Drawings offer a total of 1,820 Wheel of Fortune merchandise prize packages (455 per drawing), as well as the four Wheel of Fortune audition trips (one per drawing), which include a four-day, three-night trip for two to Hollywood, California.

To honor Bob Wills on the 100th anniversary of his birthday, the Texas Lottery® issued the first-ever commemorative scratch ticket featuring the "Father of Western Swing," who pioneered sounds in the country music industry we all still hear today. The Bob Wills Commemorative scratch off game costs \$1 to play and features a top prize of \$1,100.

West Virginia

Russell Husk, the West Virginia Lottery's first jackpot winner, recently received his last of 20 jackpot payments. Husk was a 24-year-old maintenance worker for a Parkersburg restaurant when he won \$3.74 million on March 20, 1986 by spinning the Lottery's wheel on the weekly-televised Grand Prize Show. After taxes, each of Husk's 20 prize payments totaled \$128,095. Two additional West Virginia jackpot winners would be receiving final checks in April and May. ♣

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Add these games. Multiply your sales.

Multi-Hand Easy Win™ (MHEW) (patent-pending)

Sells at higher price-point



PENNSYLVANIA LOTTERY - Match 6 Lotto

MHEW Sales (2004)	Wkly Per Cap (2004)	Previous Lotto Game Sales (2003)	Wkly Per Cap (2003)
\$121.9 million	\$0.21	\$88.8 million	\$0.15

DELAWARE LOTTERY - Multi-Win Lotto

MHEW Sales (original goal)	MHEW Sales (since January 2005 launch/ first 9 weeks)
\$65,000 per draw	\$70,000 per draw

Match numbers straight across 3 lines for 3 ways to win
and
Combine number matches from all 3 three lines for another way to win

In this example, player wins 3 of 6 match on line 1 **and** 6 of 18 match for another win.

Multiplier / Group Participation™ (patented*)

A separate draw or wheel spin determines **multiplier** (2x, 3x, 4x or 5x) at time base draw is conducted.



SOUTH CAROLINA EDUCATION LOTTERY Palmetto Cash 5 with Power Up

Average weekly sales of game without multiplier in CY04	Average weekly sales of game with multiplier since launch (first 7 weeks)	Approximate Increase
\$407,000	\$870,000	114%

MARYLAND LOTTERY - Keno Bonus

Group Participation Playership in 1999 (at launch)	Group Participation Playership in 2005 (since January)	Average Wkly Sales
26%	50%	\$5.3 million for base game; additional \$2.5 million per week with multiplier component

Here, player pays \$10:

- \$1 per play for each base game
- Extra \$1 per play to activate **multiplier**

In this example, player wins 4 of 5 match on line B **and** multiplies prize by 3 times.



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*Patented in the U.S. and Australia. Additional patents pending.