

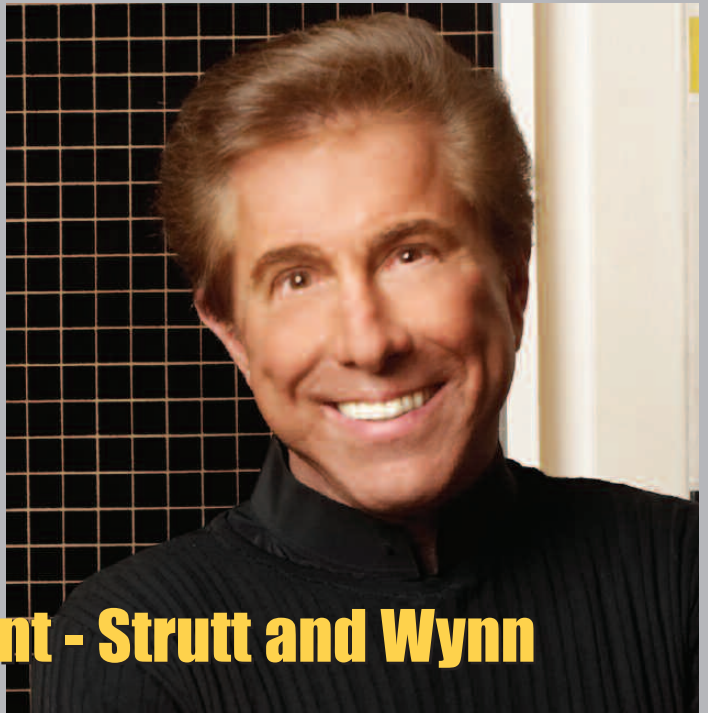
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March 2006

GAMING

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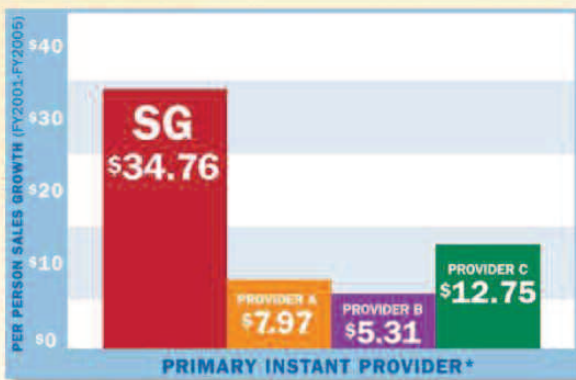


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On the Cover: MUSL Executive Director Charles Strutt; Wynn Resorts CEO Steve Wynn; North Carolina Lottery Executive Director Tom Shaheen.

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Industry News



Scientific Games Acquires Assets of TeleCom Game Factory

Scientific Games has acquired certain assets of TeleCom Game Factory.

"This transaction is the result of our conviction to offer lotteries and their players the ultimate in entertainment," said Steve Saferin, president of Scientific Games Ventures. *"TGF is a leader in the future of gaming, especially in the lottery category. This agreement will result in new, fun, advanced and interactive play styles for lottery players, which is the ultimate goal."*

Included in the acquisition is TGF's patented Random Animated Digital Draw System (RADDS) currently operational in five states. RADDS produces visually stimulating, high-impact, flexible animation and video games that change expensive passive live lottery drawings into a proactive, cost efficient, powerful brand-building marketing tool.

"RADDS can bring any lottery game to life," Saferin said. *"We intend to take this innovation to the next level and market it to even more lotteries globally."*

Also included is the TGF-created, computer-animated Daily Race Game™. In this online/TV broadcast game, players pick three horses from a 12-horse field and the patented game generator randomly broadcasts a fast-paced, 60-second race each night. The high-energy game can be customized for individual lotteries to best fit their players' interests.

Budd Libby, TGF president who was instrumental in the new agreement between TGF and Scientific Games, will remain as a consultant to Scientific Games. *"Like TeleCom, Scientific Games understands the need for lottery-industry companies to constantly look for, and eventually offer, the next generation of game play,"* Libby said. *"We believe this merger will do just that, and will benefit lotteries, players, and good causes."*

MDI Signs "Love is..."™, Extends TV Guide

Lottery players will fall in love with a new "Love Is..."™ instant ticket, now that MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation, has acquired the popular and nostalgic cartoon illustration license from The Licensing Company ("TLC").

"Lottery players love giving and receiving instant tickets for special events like birthdays and holidays," said Steve Saferin, MDI president. *"'Love Is...' is the perfect way to show someone how you feel, especially on Valentine's Day or any day! Lotteries should be planning now to include 'Love Is...' in next year's early instant ticket line up."*

In addition to cash, lotteries can include high-end jewelry as prizes with a new "Love Is..." game and can tailor the game to fit their customers by choosing from an extensive library of images to include on the tickets.

In other news, TV Guide Magazine Group announced it will extend its licensing deal with MDI.

"We are happy to be renewing our agreement with MDI, which was one of TV Guide's very first licensees," said Steve Scebelo, Senior Vice President, TV Guide Licensing. *"MDI is a strong partner and has done an outstanding job adapting TV Guide Crosswords puzzles for use on state lottery tickets."*

In a multi-year deal with TV Guide® MDI will continue to license a variety of brand assets for use on TV Guide® lottery games.

TV Guide® Crosswords lottery tickets will be available on a state-by-state basis. The Vermont Lottery launched the first TV Guide crossword game in February 2005 and it resulted in one of its top selling games. The

initial \$2 ticket indexed at 131 against its other \$2 games. The following July, Vermont launched a second version of the \$2 game, which indexed at 127. Vermont, along with South Dakota, is launching the crossword game again in 2006.

OGT Brings John Wayne® to Lotteries

Oberthur Gaming has secured for lotteries worldwide exclusive rights to one of the greatest American icons of all time, John Wayne. In the spirit of John Wayne's generous nature, OGT and Wayne Enterprises will donate a portion of the licensing fee to either the John Wayne Cancer Foundation (JWCF) or a veteran's organization of the Lottery's choice. In addition, Lotteries can use John Wayne's name, likeness, and nickname "The Duke" on tickets, point of sale, and in its advertising.

OGT brings to the industry a wide range of images and action shots of John Wayne, so Lotteries can create western, patriotic, or a combination of themes to grace their games and support materials.

The most recent Q Scores and Harris Poll both rank John Wayne #3 in popularity among his peers, and he is consistently ranked in the Top 5 of Greatest Movie Stars of all time by publications such as Premiere Magazine and Entertainment Weekly.

Pollard Signs Rawlings

Pollard Banknote has teamed up with Rawlings Sporting Goods Company to bring the lottery industry an impressive lineup of instant tickets featuring the Rawlings® enduring brand. Terms of the two-year contract mean Pollard Banknote can immediately start pitching this option to interested clients.

New York Selects Scientific Games as Primary Supplier for Instants

The New York Lottery announced that Scientific Games has been selected as the Lottery's Primary supplier of Instant scratch-off tickets following the review of submissions to a Request for Proposals issued in November.

In addition to naming a Primary supplier, the New York Lottery also announced Pollard Banknote Limited Partnership as its Secondary supplier and Creative Games International Inc. and Oberthur Gaming Technologies, Corp. as Tertiary suppliers. The contracts, pending finalization and approval of the Office of the State Comptroller, will be for a period of 3 years beginning May 22, 2006 with two 1 year options to extend.

Schafer to Supply Oklahoma, North Carolina

Schafer Systems has been awarded a Play Center contract by Scientific Games. The Play Centers will be used for the Oklahoma Lottery. Schafer will initially provide 1,500 of their new Multi-User Game Station.

Schafer has also been awarded an Instant Ticket Dispenser contract by GTECH to supply the North Carolina Lottery. Schafer will initially provide 60,000 Single Dispensers and 15,000 Single Locking Mounts to assist the lottery in meeting its goal of launching tickets on March 30, 2006. ♣

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03	06	07	11	27
08	28	50	52	55
01	05	25	33	42
25	27	29	42	51
14	17	24	37	39

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03	06	07	11	27
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14	26	42	45	54
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06	21	24	26	31
07	12	32	40	44
02	30	32	38	44
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EU

The European Parliament is reportedly in favor of setting up a world lottery to generate extra resources for development aid. They've called on EU governments to launch a feasibility study into such an initiative.

Brazil

Caixa Econômica Federal, the operator of federal lotteries in Brazil will reportedly start placing photos and names of missing children on lottery tickets. They will also print the date the child disappeared. Officials are hoping the information will help triple the number of children found.

Cyprus

Oberthur Gaming is pleased to announce the recent decision of the Cyprus Government Lottery to award OGT a contract for the entire production of its instant lottery tickets. The two-year agreement also includes the option of two one-year additional periods.

Denmark

Oberthur Gaming announced that Dansk Tipstjeneste, the Danish Lottery, will launch the first SUDOKU™ instant lottery game in March. This launch inaugurates SUDOKU as an instant game in the world lottery industry. Considering the ever-growing popularity of SUDOKU, including the introduction of SUDOKU in all major Danish national daily newspapers and consumers of SUDOKU specialized magazines – the Lottery decided to launch OGT's Absolute SUDOKU™ package. This package, for which OGT has a patent application pending, includes an extended-play instant game plus a SUDOKU™ Challenge game that puts the player's skills to the test by inviting him/her to complete the grid manually.

Greece

The Greek Organization of Football Prognostics (OPAP) and the Greek Government finalized a decision to allow inclusion of the country's soccer matches in OPAP's flagship fixed-odds betting game, Stoichima. The process of enacting the law will take at least 40 days following the publication of the regulation in the government gazette, which means the games will likely commence in late March. The new rules do not allow single betting in championship football games – each ticket will include at least two other football games of foreign origin.

Hungary

Szerencsejatek Zrt, the Hungarian National Lottery, recently increased the prize payout rate of its instant tickets in 2005 from 44-46% to 60%, a gradual change that was made complete in December of 2005. The changes were supported by a limited communication campaign in the press and by POS mate-

rials. The main message was: With its new tickets, players win much more and more frequently.

The results were immediate. The average monthly turnover increased by 88% within a couple of months, from 593 million HUF (€2.37 million EUR) to 1.12 billion HUF (€4.48 million EUR). As a result of the increase in sales, the overall contributions to the state have increased by more than 20% in the 3rd quarter of 2005 compared to the same period in 2004.

As the players gradually discover the added values of the new tickets, the turnover in 2006 is expected to grow further. The sales goal for 2006 is 13 billion HUF (€52 million), which means a 20% increase from 2005.

UK

Camelot recently entered exclusive negotiations with the BBC which will see the two organizations work in a new partnership to produce a raft of exciting National Lottery content across terrestrial, multi-channel, and broadband environments. Further details of the agreement will be published after final terms have been agreed.



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Ohio Lottery: A Lot 'O Profit in Lot 'O Play

By Todd Koeppen, editor, Public Gaming International and Marie Kilbane Seckers, communications, Ohio Lottery Commission



In October, 2005, the Ohio Lottery launched its newest online game, Lot 'O Play, replacing Super Lotto Plus. The bingo-styled game features 12 ways to win the starting jackpot of \$1 million, and five lines of five numbers with each play –

25 total numbers with no repeats. Players win by matching five numbers in any one row, any one column, or either diagonal.

In the first few months of operation, the Lottery anticipated a learning curve for traditional lotto-game players with the new game's bingo-style play. Other players appear to be hesitant about choosing numbers from a 100-number matrix since their previous experience has been with matrices of up to 56. At the same time, the game is already producing higher profits than Super Lotto Plus.

Public Gaming International recently interviewed the Ohio Lottery about its exciting, new Lot 'O Play game.

Public Gaming International (PGI): The concept behind Lot 'O Play is excellent – there are so many ways to win on each ticket. Who came up with the concept for the game?

"The Ohio Lottery surveyed players and retailers for more than a year to determine what type of lotto-style game would most interest them. Initially, the Ohio Lottery's Office of Product Development took a close look at two game options: a classic 6/44 lotto game and a 3 x 3 lotto game concept like Pennsylvania's Match 6 Lotto. Agency management became interested in exploring a 5 x 5, bingo game concept, which was brought to GTECH, our on-line vendor, to refine.

"This concept tested well with both players and retailers," said the Ohio Lottery's On-Line Product Manager Sharon Murray. "They were receptive to the \$2 price point and \$1 million starting jackpot, because the game had 12 ways to win the jackpot and the overall odds of 1 in 5.

"That game became Lot 'O Play. We also liked Pennsylvania's instant win concept and added that feature to Lot 'O Play."

PGI: How long did it take to plan the launch?

"The planning of the launch began April 15, 2005, and ran until the game went on sale Sunday, Oct. 9, 2005. As you know, there is a great deal involved in launching a new game, from installing and testing Lot 'O Play

software on retailer terminals, to ordering and testing new drawing equipment, budgeting and setting aside financial resources, and educating staff, retailers and players," said Murray.

PGI: Did the almost slot-like multiple win lines create any special concerns that the Lottery had to consider before launch?

"Since Lot 'O Play offers 12 ways to win the jackpot in one of five rows, five columns or either of the two diagonals, we focused on showing winning ticket examples in point-of-sale materials and television commercials," said Patricia Vasil, Deputy Director of Product Development for the Ohio Lottery.

"Lot 'O Play does not allow for multiple line wins – if the player has a match on more than one line, the player wins on the line with the greatest prize match.

"The issue of multiple line wins became apparent as we started preparing information to educate our retailers about the new game. The Lottery put together a multifaceted communication effort through face-to-face contact with sales reps and retailers, and game information in successive issues of the agency's retailer newsletter. This was followed by communication efforts directed at consumers with how-to-play brochures at point-of-purchase, through the agency Web site, during the nightly drawings, and advertising through radio and TV outlets statewide.

"Each Lot 'O Play ticket includes a message indicating no multiple wins."

PGI: After just three months, Lot 'O Play is already more profitable than Super Lotto Plus. Was this success expected?

"Yes, Lot 'O Play was designed to have a 55 percent payout, while its predecessor, Super Lotto Plus, paid out 78 percent in its last year. Lot 'O Play was expected to generate more profit by starting with a more manageable jackpot," said Vasil.

"Lot 'O Play jackpots begin at \$1 million and increase by at least \$100,000, or based on sales. In comparison, Super Lotto Plus had a \$4 million starting jackpot and guaranteed \$1 million increase.

"Since the Ohio Lottery is the first state lottery to produce a non-traditional lotto game like this, it's difficult to compare Lot 'O Play to Super Lotto Plus. In its last years, Super Lotto Plus sales did not adequately support the starting jackpot, as some players moved their play to the multi-state, mega jackpot game Mega Millions."

PGI: Does more profitable also mean that the overall sales are higher?

"During Lot 'O Play's first three months of sales (Oct. through Dec. 2005), the game generated \$20.5 million in sales; \$6.1 million in low-tier prizes and \$14.4 million in gross profits. The Lot 'O Play jackpot was not hit during this time period – once the jackpot is hit, there will be a correspon-

ding hit to gross profits,” said Murray.

“In comparison, Super Lotto Plus generated sales of \$27.7 million; \$19.8 million in prizes and \$8.0 million in gross profit from October through December 2004. During this time period the jackpot was hit once.

“Based on the current sales levels, the game’s well-managed prize structure has enabled Lot ‘O Play to maintain a higher profit margin than Super Lotto Plus.

“Even with the higher profit margin, the Lottery has been able to provide Lot ‘O Play players with more winning experience. Overall odds of winning are 1 in 5 for Lot ‘O Play compared to 1 in 50 for Super Lotto Plus.”

PGI: Some recent news reports indicated that players are having a hard time figuring out how to play the game. Are these reports consistent with Lottery findings?

“What we are finding is that players are a bit overwhelmed by the 00 to 99 game matrix,” said Vasil.

“In recent years, players have not had to choose numbers any higher than 56, and they feel that choosing from a pool of 100 numbers is too many. In recent player interviews, we’ve found players who enjoy extended-play bingo games enjoy the game, and we’ve also received positive feedback on the game’s instant win feature, which generates a \$10 winner each 100th ticket sold statewide. These instant win prizes have a 90 percent redemption rate.”

PGI: Did the Lottery anticipate difficulty in educating players on how to play Lot ‘O Play?

“Yes. We realized since this bingo-style play game was unique there would be a bit of a learning curve,” said Murray.

PGI: Have the recent news reports that players are still having difficulty figuring out how to play the game done anything to change your strategy in regards to the game?

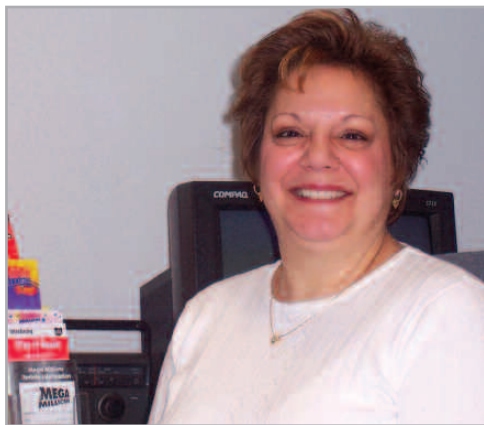
“We’ve begun to look at Lot ‘O Play as a niche game that helps fill out our menu of on-line games,” said Murray. “Players can find on-line games with payouts as small as \$1 up to mega jackpots and many prizes in between. Currently, we are planning a three-week television ad campaign to run in February.”

PGI: Do you expect the Lot ‘O Play player base to continue to grow?

“The Ohio Lottery is in the midst of planning a promotion to support Lot ‘O Play this spring, and we are taking a look at redesigning the game matrix. Since the game went on sale through Jan. 13, sales were averaging \$828,000 a drawing. Once the jackpot is hit, we expect to see sales grow as players see the game as winnable. Recent sales trends indicate average sales of about \$1.3 million per week. We anticipate maintaining these sales figures,” said Murray. ♣



Deputy Director of Product Development,
Patricia Vasil



On-Line Product Manager Sharon Murray

MDI Ad
1
New

Pennsylvania Lottery: DLR Mobility Project



District Lottery Representative Bob Pezutti, from Western Pennsylvania, shares information on instant ticket credit limits with Jeanne Persing, office manager of the Giant Eagle Supermarket in Oil City, Venango County, PA.

With its commitment firmly in place to increasing ticket sales responsibly and growing the Lottery Fund to accommodate the rising number of older Pennsylvanians who participate in and benefit from Lottery-funded programs every day, to offering players and retailers the latest in technological innovations and to keeping its product line fresh and diverse – goals set by Governor Edward G. Rendell – the Pennsylvania Lottery has become an industry leader in the 21st Century.

Under the leadership of the Governor and of the Secretary of Revenue,

Gregory C. Fajt, the Pennsylvania Lottery closed Fiscal Year 2004-2005 with record-setting sales that exceeded \$2.644 billion – sales that translated into contributions of more than \$850 million to programs that benefit Pennsylvania's older residents every day.

At the direction of the Governor and the Secretary, the Pennsylvania Lottery addressed an earlier trend of stagnating revenue growth by responding with a variety of strategies that most recently included a District Lottery Representative (DLR) Mobility Project. This project initiative insures that Lottery field staff has the latest information and technology tools to support Lottery sales growth, performance goals and objectives – all resulting in a more productive Lottery for its retailer network, as well as providing another innovation to increase revenue for programs benefiting older Pennsylvanians.

Members of the Lottery's executive staff – including Lottery Executive Director Edward Mahlman – sales and marketing, field operations, information services divisions and DLRs teamed with a Harrisburg-based system integrator, Information Services Group (ISG), to lead the effort of purchasing and developing a Pennsylvania Lottery-specific solution system that would:

- provide quality sales information to DLRs in the field;
- improve the quality of DLR sales calls to existing retailers;
- improve the quality of DLR calls to recruit new retailers;
- automate DLR retailer audits;
- provide automated communications among area Lottery offices, Lottery Headquarters and DLRs;
- automate all forms used on a daily basis by DLRs and the transmission of that data to Lottery Headquarters;
- automate current manual processes such as travel reimbursement and vehicle reports.

ISG led the system development effort to modify a Lottery-specific software product that was developed by Cole Systems Inc. of New York, a company that specializes in developing client-specific business solutions. The product, OrderPad Enterprise, currently is in use in Kentucky, Indiana and Virginia, but initially was developed for the New York State Lottery and was designed specifically for “a day in the life of a DLR.” The Ohio Lottery Commission currently is implementing OrderPad Enterprise. The system has numerous and varied features and functions designed to improve performance and provide assistance through an interface for field personnel to take orders and log visit notes as simply as if they were using pen and paper.

In addition to the Lottery-specific software developed by ISG, basics of the DLR Mobility/OrderPad System allow Lottery representatives to interact more naturally and effectively with retailers, while shortening fulfillment times, increasing accuracy and using the latest in mobile personal computer hardware. All of the data stored within the system can be entered using digital ink, a keyboard and/or mouse, or imported from a Back Office System. Simply put, the system works in conjunction with the Lottery's Back Office System to provide information to DLRs working in the field with retailers.

Among its features and benefits, the Pennsylvania Lottery's DLR Mobility/OrderPad System's Dashboard screen includes tasks, news, current jackpots, recent winners and new games. Route Manager allows DLRs to choose each day's route and specific order of retailer visits; creates and maintains an itemized to-do list; creates and submits expense reports; provides an extensive range of standard and custom reports to improve satisfaction with immediate access to retailer information and stores and provides up to two years' historical data that is retailer-specific. Instant Game Inventory provides game profiles, ticket images, how-to-play instructions, start and end dates, number of tickets per pack, packs in stock, etc.; gives specifics of current and upcoming player and retailer promotions; and conducts in-store surveys with automated forms to improve customer satisfaction with tools to collect and submit retailer information, including ADA compliance forms and receipts for instant tickets.

In addition to other fundamental features and benefits, the DLR Mobility / OrderPad System can show an actual photograph of Lottery vending machines and equipment and give the dimensions to retailers who are concerned about floor space management; it can display all signage that is available, all point-of-sale materials, etc.

According to Larry Graves, ISG Vice President, “*The idea initially was to give DLRs the tools to do their jobs ... and not just the data.*” He explains, “*Years ago, Lottery was a sideline item in stores; it now has become a top-selling item. The DLR Mobility / OrderPad System allows DLRs to give Lottery products the attention they demand in retail locations by empowering them to address a retailer's needs immediately, on location, with vital information stored in the OrderPad Tablet.*”

Bob Siodlowski, Director of Operations for the Pennsylvania Lottery, echoes Graves' sentiments. “*ISG was a vital component in customizing the Cole product for the Pennsylvania Lottery and in developing functions unique to our needs. The idea is to give our sales force all of the*



DLR Mobility/Order Pad

information they need BEFORE they walk into a retail location or make a 'cold call' on a potential retailer.

"This is only the beginning of making our sales force 'paperless' and it gives our field personnel the freedom and ability to have what their customers – our retailers – need without paper reports and making a constant stream of telephone calls to their respective offices or Lottery Headquarters for retail-specific information."

"This truly was a 'crawl-walk-run' process during the implementation of this project," Graves continues. "The 'crawl' portion or the first component – the DLR Mobility Project – now is complete and Pennsylvania Lottery DLRs are upright and walking, using the OrderPad on a daily basis as a sales automation tool. And DLRs love it."

He continues, "The second step of this two-part DLR Mobility System – the Retailer Website – also is up and running. This web-based tool is utilized by the retailers to obtain a variety of Lottery data and information from the same data base as the DLR Mobility component, allowing them to supervise their own accounts by assigning user names and passwords and permits managers, CEOs and others to manage their Lottery products better. The Retailer Web Application includes both individual store and chain-wide data. A NASPL committee currently is developing standards for retailer websites."

According to Tom Blaskiewicz, Pennsylvania Lottery's Deputy Executive Director for Operations, "The Retailer Web Application provides retailers secure access to their Lottery information over the Internet for numbers games and instant games; sales, prize payouts and commissions; year-to-date, quarterly and weekly totals with comparisons; and winners, settlements and inventory. The website is divided into three main functional areas: Store Data, Reports Management and Security Management."

"The site's features and functions provide the ability for retailers to browse and retrieve information for an individual store or chain-wide. Data is available for up to two years in the past; it is self-serve and easy to access. In addition, retailers see the same data as the DLRs, and online help is provided."

Retailers benefit from the Web Application in various ways. Their staff and management can access their information at their leisure, when they need it, and formatted as they need it to be to incorporate easily into their own databases for generating internal reports in a timely manner, which then enables them to better manage/market Lottery products to increase their ability to grow sales.

Retailers also have access to operational information that was not available to them previously. Retailer management knows which games are selling for them, thereby allowing them to best manage the proper type and mix of games to meet their customers' preferences. This results in retailers selling more Lottery tickets, thereby generating more revenue for the store/chain and, ultimately, for the older residents' programs that receive Lottery funding.

Retailer staff will spend less time waiting on information from their Lottery representative, thereby enabling store employees to better manage their workflow and wait on customers. And, with the availability of better data faster, retailers are better able to manage the potential financial risk that comes with negative activity surrounding the handling of Lottery tickets.

Pennsylvania Lottery Executive Director Ed Mahlman sums up this venture. "Designed specifically for us, this two-component project – the Mobility System for DLRs and the Retailer Web Application – is yet another innovation by the Pennsylvania Lottery, under the direction of Governor Rendell and Revenue Secretary Fajt, creating a more productive Lottery, resulting in increased income for our retailers and increased revenue for programs benefiting older residents. We are proud of our leadership and the direction they are taking us, making Pennsylvania a success story in the 21st Century Lottery industry." ♣



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Licensed Products: An International Lottery Players' Survey

By Phil Kopel, President Kopel Research Group, Inc.



This is the second of a two part article on consumer interest in licensed products. The last article focused on licensed product themes. This article addresses level of appeal in specific licensed properties across population segments based on name recognition.

The survey was comprised of approximately 2,000 members of KRG's international marketing research panel, 66% are from North America and 34% are from Australia, Asia and Europe. The panel is 50% male and 50% female and age distribution is 35% 18-34 years; 50% 35-54 years; and 15% 55+ years old.

For each theme, the names of licensed products currently being offered in Instant Scratch games were presented. Respondents were asked to choose up to three licensed properties that most appealed to them. They could also choose "none" if they were totally not interested in the theme.

The findings presented below identify differences in appeal across market segments. All differences called out are statistically significant at the 95% level.

Cartoon Themes

Respondents were shown 15 cartoon licensed properties currently on the market. The survey results show that The Flintstones, Pink Panther, Popeye, Betty Boop, Felix the Cat, The Jetsons and Rocky and Bullwinkle have the widest appeal.

- Many cartoons have equal appeal inside and outside of North America. Cartoons that have more appeal within North America include The Jetsons, Rocky & Bullwinkle, Daddy Warbucks, Mad and Beetle Bailey.
- Popeye, Dick Tracy, Hagar the Horrible, Mad and Beetle Bailey were preferred by males whereas the Flintstones, Pink Panther, Betty Boop, Felix the Cat and the Jetsons were preferred by females.
- The Flintstones, Pink Panther, the Jetsons, Mad and Dilbert appealed more to 18-54 year olds and Hagar the Horrible and Broom Hilda have more appeal to those 55 and older.
- Overall, about 35% of lottery players do not consider cartoon themes appealing. Those aged 55+ are least likely to be interested in playing Instant scratch games with cartoon themes.

Family Home Games Themes

Respondents were shown 17 family home game licensed properties currently on the market. The survey results show that Monopoly, Scrabble, Yahtzee, and Battleship have the widest appeal. However, there are many classic games with strong appeal.

- Family games that have more appeal within North America include Yahtzee, Battleship, Clue, Payday, Magic 8 Ball, Slingo, Slingo Double Triple Play Bingo and Whac-a-Mole.
- Family games that have more appeal outside of North America include Scrabble, Mah Jong, Space Invaders and SUDOKU.
- While Battleship and Space Invaders have more appeal to males, most other family games appear to appeal more to females such as: Monopoly, Scrabble, Yahtzee, Pac Man, Clue, Game of Life, Mah Jong, Twister, TV Guide Crosswords, Slingo, Triple Play Bingo and Whac-a-Mole.
- Most family games appeal more to those under 55 years old.
- About 15% of lottery players do not consider family game themes appealing. Those living outside North America, males, and those aged 55+ are least likely to be interested in playing Instant scratch games with family home game themes.

Sports Association or League Themes

Respondents were shown sports leagues, including the NFL, NBA, NASCAR, MLB, NHL and PGA. It should not be surprising that in most cases, respondents that find these licensed properties appealing are most often males living in North America.

- Overall, NASCAR, NHL, NBA and Arena football showed more appeal among younger males. MLB-Major League Baseball and the PGA - Pro Golfers Association appealed more to males 55+.
- Specific geographic influences can have a major impact upon the success of sports licensed properties. For that reason, Lotteries and vendors need to perform detailed market research segmentation on these niche licensed products to see how they will perform in specific regions and parts of jurisdictions.
- On the national level, Major League Baseball has much weaker appeal than the National Football League; however local factors are paramount. For example, in most of New England, it is generally recognized that the Boston Red Sox have profound appeal across all market segments which supersede any national trends.
- NASCAR has strong appeal in the Southeastern part of the United States but has low appeal in the Northeast.
- Some States are home to more than one MLB and NFL team. In

addition, depending on where residents live in a State, they could be fans of teams in neighboring States.

- About 39% of lottery players do not consider sports league themes appealing. Those living outside North America, Females, and those aged 55+ are least likely to be interested in playing Instant scratch games with North American sports league themes.

TV Shows Themes

Respondents were shown classic and contemporary TV shows that are presently offered as licensed products and asked to pick up to three that they consider appealing for Instant Scratch games.

- Classic game shows like Wheel of Fortune, The Price is Right, Jeopardy, Family Feud and the Match Game are still on TV (broadcast and cable channels), and their names carry good appeal for Instant Scratch games. Most game shows carry significantly more appeal within North America than outside. Game shows offer more appeal to females than males, but appear to be of equal interest across all age groups.
- Current TV shows such as American Idol and the Apprentice appeal significantly more to females, 18-34 years old.
- Classic TV shows like I Love Lucy, Abbot & Costello and The Honeymooners hold nostalgia value and appeal significantly more to those 35 and older. TV shows like Ripley's Believe or Not, Abbot & Costello and The Honeymooners appeal more to males. I Love Lucy tends to appeal more to females.
- About 22% of lottery players do not consider TV show themes appealing. Those living outside North America, males, and 55+ are least likely to be interested in playing Instant scratch games with TV show themes.

Vehicle Themes

Respondents were shown names of classic and new cars, trucks and motorcycles currently being offered as licensed product Instant games. Virtually all are North American products, so it was not surprising that those living in North America are significantly more interested in these licensed properties.

- Among the most popular names are classic cars such as Corvette, Ford Mustang, Pontiac GTO, Jeep and Harley-Davidson motorcycles.
- The names of newer cars such as PT Cruiser, Dodge Viper, Chrysler 300 and Crossfire showed good to fair appeal, since some of the names are not that widely known.
- Overall, trucks appeared to have the lowest appeal among the vehicles named.
- The performance cars, such as the Corvette, Dodge Viper and Pontiac GTO appeal more to males, whereas the Jeep and PT Cruiser have more appeal to females.
- Many of the vehicles appeal strongest to those from 18 – 54 years old. The PT Cruiser garners significantly more interest among those 35-54 years old, while the Corvette has significantly more appeal to those 35 and older. In fact, the Corvette is the only vehicle in which those 55 and older expressed more interest than those 18-34.

Summary

Licensed products integrated with Lottery games offer consumers a choice of innovative concepts with excellent name and design recognition. However, the unique characteristics of these games are such that they often carry strong appeal among some population sub-sets while offering minimal appeal to others. Rarely is there middle ground.

Because the appeal of licensed products is so individual, it is that much more important to accurately appraise the target audience for each game compared with typical games. A valuable reason for the Lottery to incorporate licensed property games to its overall game mix is that these niche concepts keep the stable of game offerings fresh and interesting to a diverse player base. ♦

The Author: Philip Kopel, is President, of Kopel Research Group, Inc. www.kopel.com. The company provides a variety of lottery market research solutions, including; ePanel management, game and player segmentation analysis, game mix optimization, sales forecasting, benchmark studies, and retail agent feedback.

Alphabetically Speaking

By Todd Koeppen, Editor, Public Gaming International

When presented with the SMART-Tech 2006 speaking schedule, eLottery's Mike Yacenda noticed that he was scheduled to speak last in his segment. To sum up his comments, "...with a name like Yacenda, you get used to speaking last..."

Interestingly, when that particular segment began, the first speaker, Relationship Marketing Systems' Andy Amada, jokingly bemoaned the fact that he was speaking first. To sum up his comments, "...with a name like Andy Amada, you get used to speaking first..."

What are these guys complaining about? At least they don't have to speak in the MIDDLE! With a name like Todd Koeppen, you get used to speaking somewhere in the middle, and let me tell you, it's no cakewalk!

When you speak in the middle, you can't come late. What if someone in front of you cancels? Of course, we all know that would never happen, unless you decide to chance it and come late, in which case the entire front half of the panel would mysteriously disappear, leaving the moderator repeatedly calling your name. *"Todd? Todd Koeppen? Has anyone seen Todd Koeppen? Can someone go check in the hall to see if Todd Koeppen is ready to speak? What's that? He's not there? Has anyone seen Todd Koeppen in the hotel? Is Todd actually attending this conference, or did he just sign up in an attempt to get a free vacation?"*

When you're in the middle, you always have to sit through the first half of the program. When you've finished your presentation, you have to sit through the remaining speakers. You're too close to the end. It would be rude to leave. The only way around having to sit through the remaining speakers would be to preemptively mention a cleverly engi-

neered "important legislative issue" that HAS to be attended to. Of course, if I were that clever, I would be directing a Lottery somewhere instead of writing this column.

No, to be fair, when it comes to alphabetical listings, we all eventually tire of seeing our names appear in roughly the same spot. And, when those listings refer to the order of speaking, we're all even more tired of dealing with the trappings that come with each of our respective positions.

Mike, Andy, we all feel your pain, and I would like to take this opportunity to apologize to all of the SMART-Tech 2006 who we wronged by scheduling your presentation alphabetically according to your last name. At the same time, we would like to thank you for taking the time out of your busy schedules to help make SMART-Tech 2006 a valuable tool for both lotteries and their vendors. What follows is a list of SMART-Tech 2006 speakers listed alphabetically, according to the SECOND letter of their last names. You'll see Mike at the front. Andy is one speaker ahead of me... somewhere in the middle. ♦

PGRI Thanks Its SMART-Tech 2006 Speakers

Mike Yacenda, President, eLottery
 Ed Van Petten, Executive Director, Kansas Lottery
 George Parisot, Director, Montana Lottery
 Eric Casey, Director of Sales & Strategic Planning, Planet Bingo
 Patty Vasil, Deputy Director, Product Development, Ohio Lottery
 Ernie Passailaigue, Executive Director, South Carolina Lottery
 Patrick Watson, President, Splashdot
 Rebecca Paul, President & CEO, Tennessee Education Lottery
 Paul Lauzon, Senior Vice President, Ipsos-Reid
 Andy Davis, Chief Financial & Information Systems, Tennessee Education Lottery
 Ed McGuinn, CEO, eLottery
 Jim Acton, Deputy Executive Director, Massachusetts Lottery
 Wayne Lemons, Director, Delaware Lottery
 James Kennedy, Senior Vice President, Scientific Games
 Jon Berkeley, Senior Vice President, Transact
 Adam Perlow, Vice President, Cole Systems
 Randee Kerns, Director, Regulation & Compliance, ILAC/Guatemala Lottery
 Sydney Chambers, Executive VP, Sales & Marketing, Tennessee

Education Lottery
 Dennis Chapman, Deputy Director, Marketing, Connecticut Lottery Corporation
 Mark Michalko, President, Asia-Pacific Division, Intralot
 Andy Amada, Relationship Marketing
 Sally Robson, Director of Sales, Iowa Lottery
 Todd Koeppen, Editor, Public Gaming International Magazine
 Kevin Johnson, Director of Sales & Marketing, DC Lottery
 Sam Johnson, Vice President, Las Vegas Gaming, Inc.
 Max Goldstein, Director of Sales, Carmanah Signs
 Bart Cornell, President, Onscratch Company
 Bret Toyne, Deputy Executive Director, MUSL
 Ed Trees, Deputy Executive Director, Pennsylvania Lottery
 Dr. Edward Stanek, CEO, Iowa Lottery Authority
 Jim Nulph, Vice President, Oberthur Technologies
 Duane Burke, CEO, Public Gaming Research Institute
 Sharon Murray, On-line Product Manager, Ohio Lottery
 Mark Hutchinson, Director of Public Gaming, JCM-American
 Stephen A. Wynn, Chairman & CEO, Wynn Resorts
 Irena Szrek, Szrek2Solutions ♦



Las Vegas Gaming Vice President Sam Johnson and the rest of the team at LVGI presented many solutions to lotteries during the technology tour.



Ohio's Patricia Vasil and Sharon Murray deliver a presentation on Lot 'O Play.



JCM's Mark Hutchinson and Tom Nieman present ideas to lotteries on the technology tour.



Members of the JCM/TransAct Alliance (L to R): Mark Hutchinson, Peter Cummins, Jill Grismer, Todd Frank, Mark Henderson, Jeff Smithmier, and Larry Sagneri



TransAct VP Jon Berkely explains how lotteries will benefit from the newly formed TransAct/JCM alliance.



Scientific Games Vice President James Kennedy.



SMART-Tech 2006 Keynote Speakers: Intralot's Mark Michalko and Tennessee Lottery's Rebecca Paul.

West Virginia Director Wayne Lemon's shares ideas while Tennessee's Sydney Chambers looks on.



PGRI Lottery Lifetime Achievement Award Winner – Charles Strutt

Every year, Public Gaming Research Institute singles out one outstanding individual to receive the Major Peter J. O'Connell Lottery Lifetime Achievement Award. Charles Strutt, executive director, Multi-State Lottery Association, is this year's recipient. Over the years, Mr. Strutt has done more than just ensure the success of MUSL games, he has assisted in the success of all member lotteries in the association.



Chuck Strutt was the first employee of the Multi-State Lottery Association and has been its executive director since 1988. As MUSL's executive director, he manages the daily operations of MUSL and has primary responsibility for implementing the decisions of the MUSL Board of Directors. Since 1987, Chuck has served over 100 lottery directors (112 persons in 126 director positions) and has worked for dozens more involved in non-MUSL projects.

Before moving to MUSL, Strutt spent two years with the Iowa Lottery as a hearings officer and managed their TV game show, special live events, and the on-line gaming system. He worked on a multi-state technical committee to establish a multi-state lottery game and moved to the new organization that was formed by six state lotteries to run a game called Lotto*America.

That first game, Lotto*America, began in February 1988 with seven member lotteries. By the time that Powerball replaced Lotto*America in April 1992, the membership had grown to 16 lotteries. Today, MUSL serves 31 member lotteries and offers multiple products to its members, including through years, Hot Lotto, Tri-West Lotto, Wild Card, 2By2, Powerball Instant Millionaire TV Game Show, Daily Millions, Rolldown, and Cash4Life. These games have added more than \$20 billion to state lottery revenue.

It should also be noted that MUSL's flagship game, Powerball, has become the most famous lottery brand in the United States, if not the world, and Strutt has been recognized for his contributions in developing that brand by being profiled in Forbes magazine and by being named to the list of "The Marketing 100" by Advertising Age magazine.

While Mr. Strutt may be best known for directing Powerball, his involvement with the organization's 31 member lotteries goes much deeper. Under his guidance, MUSL not only coordinates the operations of multi-state lottery games but also works with the lotteries to develop common standards for lottery gaming systems, internal lottery control systems and security procedures. MUSL manages the multi-billion dollar portfolios to back the annuity jackpot games and transfers funds between the lotteries. The association has also been key in developing technology for the lotteries to reach players, including being the first lottery to put up a BBS for players and one of the first lotteries on the Internet. MUSL currently hosts ten member lottery web sites as well as the sites for the multi-state games. MUSL assists the lotteries in bringing up changes to games and new games across six primary vendor gaming platforms and three ICS vendors. In the background, MUSL produces the drawing shows, manages the multi-drawing contracts for the uplink and satellite feed to more than 90 televi-

sion stations across the nation, and coordinates relations with the national media to promote MUSL brands.

MUSL has also been successful in its goal of maximizing its own non-game revenue so that it can continue to provide service to its members at little or no cost. Some of these efforts have included other innovations for the lottery industry such as bond swaps or the licensing of its brands to non-lottery ventures.

Chuck received his doctorate of jurisprudence degree from Drake University Law School and did some private work involving landlord/tenant contracts, investments in a movie deal (prospectus), legal work for a rock and roll band, and personal injury lawsuits before becoming an administrative law judge presiding over hearings regarding occupational safety and health, bingo licenses, sales tax permits, corporate and individual income tax, and professional licenses. Chuck also has a degree in Journalism and, for several years, wrote a humor column appearing in one Iowa's oldest newspapers, the North Iowa Times (established in 1856).

The Ceremony

Several key lottery industry executives attended the ceremony in which Chuck Strutt received his Lifetime Achievement Award. What follows are portions of remarks about Chuck made by his industry peers...

Wayne Lemons, Director, Delaware Lottery

"I've worked with Chuck for 15 years. It's been a very long, and a very productive relationship with Chuck and the multi-state group...Trying to move 31 jurisdictions in one direction is a major problem ...All this time he's done it without looking disturbed or agitate."

"It has been a very pleasant relationship for me to work with Chuck these years...He has presided over a tremendous success story. After all, Powerball is one of the most recognized brand names in the world...There could not be a better recipient for this award. Congratulations."

Ed Van Petten, Director, Kansas Lottery

"We deal with a lot of rather large egos in this industry...Chuck Strutt is the person who deserved this award this year because there is no ego there...He has organized the Multi-State Lottery in such a way that it protects us. It's an organization that we don't have to pay anything to belong to and it makes us money. What better organization for a lottery to belong to than something like that?"

"I think one of the greatest tributes I've seen in my brief lottery career to Chuck and his staff was that when we were trying to organize an international



Left to Right: Ed Van Petten, Bret Toyne, Janet Strutt, Chuck Strutt, Doris Burke, Susan Burke, Duane Burke.

game...it was unanimous – wasn't really even discussed at length, it was assumed – that MUSL would administer this game...His staff and Chuck provide marketing expertise, financial expertise, reviewing RFP's, and, foremost to me, security expertise in the gaming and computer areas. It is indispensable to a small lottery like Kansas."

Ed Stanek, Director, Iowa Lottery Authority

"We have been lucky to have you. Powerball is still the brand name that comes to mind when big lottery prizes are discussed anywhere in the world. Yet, we have much more to show for our effort. Although the success of our ventures has always been through a collective effort, without your dedication and energy those successes would have been of lesser significance and further between. Congratulations on receiving the Peter J. O'Connell Lifetime Achievement Award. It is among the highest awards in our industry today, and you deserve it."

Bret Toyne, Deputy Executive Director, MUSL

"Chuck first became involved when MUSL was no more than a concept. He had the vision to see what MUSL could eventually become. Under his steady guidance MUSL has fulfilled that vision and more. From six lotteries offering one product once a week to its current membership of 31 lotteries offering multiple products MUSL continues to move forward under Chuck's leadership.

"I feel very fortunate to be working with Chuck, who is quick to share

accolades, but holds himself responsible for any MUSL shortcomings...Chuck, congratulations and well done from myself and the entire MUSL staff."

Chuck Strutt, Executive Director, MUSL

"I appreciate all the comments... I feel a little like I have just attended my own funeral. I sometimes feel a little like Forrest Gump of the lottery industry. Working for MUSL, I just happen to be in the swirl of lottery ideas and actions with great things happening around me. I'm surrounded by men and women – both directors and the MUSL staff – who make things happen.

"I am fortunate to be working with the lottery directors. They often come to me and say, 'You have the worst job in the world, having to work with all of those egos.' The truth is that I have the best job in the world. I get to work with people who've achieved top status in their states. I get to work with people who have earned the confidence of their governors, and I learn a great deal from them. I'm genuinely grateful for that opportunity to learn.

"This award is even more special because I am fortunate to know Peter J. O'Connell. He taught me that when you make a mistake, stand up and shout it to the world. Make sure everyone knows about it, knows exactly what happened and exactly what you're going to do to fix it. If you do something good, say nothing, because if it really was good, somebody else will say something. I've tried to adhere to that advice.

"So, thank you directors, and thank you MUSL staff who work so hard to keep me out of trouble. I thank you all for this great honor." ♣

Special Lifetime Achievement Award

– Stephen A. Wynn



Many would agree that there is no one alive who has done more to turn Las Vegas into what it is today than Steve Wynn. Because of his vision, resorts in this destination city are reaching progressively higher standards for quality, luxury and entertainment.

Now, as Chairman of the Board and CEO of Wynn Resorts, Limited, Mr. Wynn has developed Wynn Las Vegas, which opened on April 28, 2005 and is among the world's preeminent luxury hotel resorts and is developing Wynn Macau which is scheduled to open in 2006. It is with great pleasure that here, at SMART-Tech 2006, taking place at the Wynn Las Vegas, Public Gaming Research Institute presents Mr. Wynn with a special Lifetime Achievement Award.

Mr. Wynn began his career in 1967 as part owner, Slot Manager, and Assistant Credit Manager of the Frontier Hotel. Between 1968 and 1972 he also owned and operated a wine and liquor importing company. But it was an entrepreneurial real estate transaction with Howard Hughes in 1971 that produced sufficient profits for a major investment in the landmark Golden Nugget Casino. Once known only as a "gambling joint," Mr. Wynn transformed the Golden Nugget into a Four Diamond resort known for elegance and personal service. By 1973, at age 31, Mr. Wynn controlled the property and began developing the Golden Nugget as a complete hotel resort.

In 1978, Mr. Wynn used profits from the Golden Nugget in Las Vegas to build the 506-room Golden Nugget Hotel & Casino on the Boardwalk in Atlantic City. The resort became known for its elegant facilities, television ads featuring Frank Sinatra, and its impressive lineup of superstar entertainment. From its opening in December 1979, until its sale in 1986, the Atlantic City property dominated the market in revenues and profits in spite of its smaller size.

In 1987, Mr. Wynn sold the Atlantic City Golden Nugget, which had cost \$160 million, to Bally for \$450 million and turned his creativity to developing what would become the company's flagship property – The Mirage. Opened in November 1989, the elegant hotel, with its imaginative erupting volcano and South Seas theme, ignited a \$12 billion building boom that catapulted Las Vegas to America's number one tourist destination and fastest growing city. In 1991, Golden Nugget Incorporated was renamed Mirage Resorts, Incorporated.

In October 1993, Mr. Wynn opened Treasure Island, establishing a new paradigm by which casino theme resorts are designed. At the front corner of the resort, the Battle of Buccaneer Bay was acted out on a full size pirate ship. Inside, the Four Diamond property, with its romantic tropical theme, is one of the city's most electrifying casino resorts.

In October 1998, Mr. Wynn raised the bar again when he opened

the opulent Bellagio, a \$1.6 billion resort considered among the world's most spectacular hotels. With its sumptuous guest rooms, high end retail stores, and traditional European feel, Bellagio appealed to an audience that long overlooked Las Vegas as a vacation destination. Today, visitors line the street in front of the hotel to watch another Steve Wynn attraction, the "Dancing Waters" – shooting fountains, choreographed to music, that "dance" on the hotel's 8.5 acre man-made lake.

In 1999, Mr. Wynn brought Mirage Resorts' standard of style to beautiful and historic Biloxi, Mississippi where he oversaw development of the 1,835-room Beau Rivage. Blending Mediterranean beauty with Southern hospitality, the resort was the centerpiece of a building boom that established Biloxi as a regional tourism center along the Mississippi Gulf Coast.

In June 2000, Mr. Wynn sold Mirage Resorts, Incorporated to MGM for \$6.6 billion and purchased Las Vegas's legendary Desert Inn Resort and Casino. The Desert Inn was closed in August 2000 and, on this site, Mr. Wynn began developing Wynn Las Vegas, a 2,700-room luxury casino resort that has inspired yet another wave of development on the Strip. Concurrently, Wynn Resorts is developing its Asian flagship casino resort in Macau where the company has been awarded a 20 year concession by the Macau government. In 2005, the Association of Travel Marketing Executives awarded Mr. Wynn the ATLAS Lifetime Achievement Award for his innovation in building resorts in Las Vegas.

Stephen A. Wynn was born in New Haven, Connecticut on January 27, 1942. He graduated with a Bachelor of Arts degree in English Literature from the University of Pennsylvania and, in 1963, married Elaine Farrell Pascal. They have two daughters, Kevyn and Gillian.

Mr. Wynn is active in the community and has received honorary doctorate degrees from the University of Nevada, Las Vegas and Sierra Nevada College in northern Nevada.

He is chairman of the University of Utah's Moran Eye Institute, a Trustee of his Alma Mater, the University of Pennsylvania, and serves on the Board of the George Bush Presidential Library.

Steve Wynn Acceptance Speech

If there's anything worth commenting about, it's that whatever recognition I've received in my career it's as a surrogate of all the people I've worked with, all the wonderful people who've created

these hotels over the years: the designers, the supervisors of construction, the architects, and most of all, all the people who've sweated and died operating these monsters 24-hours-a-day, who've lived through the stress of opening as they get ever more complicated.

The pursuit of excellence was mentioned. I think it's an interesting subject – we use it all the time conversationally. We say, “We’re all dedicated to the pursuit of excellence.”

“That person is in pursuit of excellence.”

“A good thing is to pursue excellence.”

It's interesting whether it is or isn't.

It certainly is a wonderful thing to enjoy the result of excellent achievement, whether it be medicine, education, frivolous things like resort hotels which don't really matter. We all benefit from excellence in our lives, but those people who choose to pursue it I think are an interesting group. It is not often said, but I think it is almost universally true that, such people choose a difficult and uncomfortable existence.

The pursuit of excellence is a lofty and sweet thing to say. It slips off the tongue almost effortlessly. But, the fact of the matter is, it is a miserable and uncomfortable life for those who have chosen it. They do so



with a compulsion, I would imagine, because they can't seem to do anything else. They keep putting themselves in the way of that stress. You're picky. You're never satisfied. You're constantly restless. You only see mistakes. You don't really ever congratulate yourself. You think of yourself as a student in whatever discipline you follow. It is a restless and uncomfortable life.

There are sweet moments, however, to all that. If you're in my business, at least, you do a good job and your friends all come and stay at the hotel, and people you haven't met yet walk up to and say, “This is great, we're having a wonderful time. The place is pretty.” They spot the details, and of course God lives in the details, and your faith in the good judgment of human nature is reaffirmed.

But, the pursuit of excellence, which this award celebrates or recognizes is a good thing, because the people that do pursue excellence...the people that choose this restless and uncomfortable way of living probably make the rest of us a lot better off than we would be otherwise.

So, on behalf of the people who pursue excellence, and live with that stress, and all of my employees, I say thank you for this very nice moment, and please enjoy the hotel. ♣

PGRI Thanks our SMART-Tech 2006 Sponsors!



Ipsos Reid



PoolingPLUS™ – The Winning Combination

Increasing online sales by combining POOLING with multiple online ticket purchases.

We all know players are becoming more and more bored and disenchanted with online games, and most are opting out of playing them altogether until the jackpot gets up over \$50 million. For years, state lotteries have been searching for a solution to entice players back into the game and break the grip of jackpot fatigue, even to the point of giving tickets away free to those who are willing to buy more than a couple of tickets at one time or by increasing prize amounts. Nothing has really worked, and online play continues to decline.

PoolingPLUS™ just might be the permanent answer lotteries have been looking for to get their players excited about online games again, and get them consistently back into the game buying more tickets and playing earlier than ever before, even when jackpots are at their lowest.

What the Heck is PoolingPLUS™ ?

It's a new combination lottery transaction, which results in a new combination lottery ticket. (See Illustration A of sample ticket above) It requires players to purchase a minimum number of full-priced, 100%-owned online tickets to qualify to get into a shared-ownership pool of 10, 20 or even 50 more tickets for an additional charge. For example, take a look at one possible promotion on the right (See Illustration B). If a player buys 5 regular online tickets, for an extra dollar they can get into a pool of ten more tickets – that's 15 chances to win for the price of six!

Players can NOT get the pooling until they buy the required amount of 100%-owned online tickets – that's what PoolingPLUS™ is all about – using pooling as leverage to incentivize multiple online ticket purchases.

Pooling is something all lottery players are interested in, not just because they've seen pool after pool winning major jackpots (including the recent \$365 million Powerball jackpot), but also because with the higher jackpots and the extremely high odds against winning, adding pooling to their play mix just makes good common sense. But, while most players have a high interest in pooling, unless there is an office pool where they work most players don't have any access to pooling.

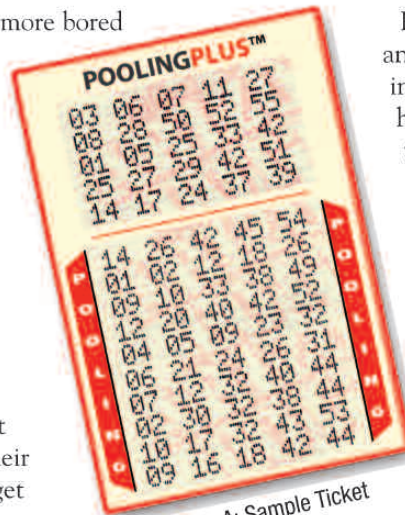


Illustration A: Sample Ticket

Pooling through PoolingPLUS™ is also easy and very convenient – simply put it's "Pooling in a Ticket." It eliminates all of the traditional hassles of putting the pools together, collecting the funds and managing the pool, plus it's backed by the security and reliability of the State Lottery.

That's why PoolingPLUS™ is a simple and powerful win-win solution for everyone. It will give players who have lost interest something exciting to get them back into the game again – an affordable way to get more chances to win. And, it will give the lottery a powerful new incentive that can easily morph into dozens of possible promotions to keep players interested and excitement building and building over time and across all jackpot levels.

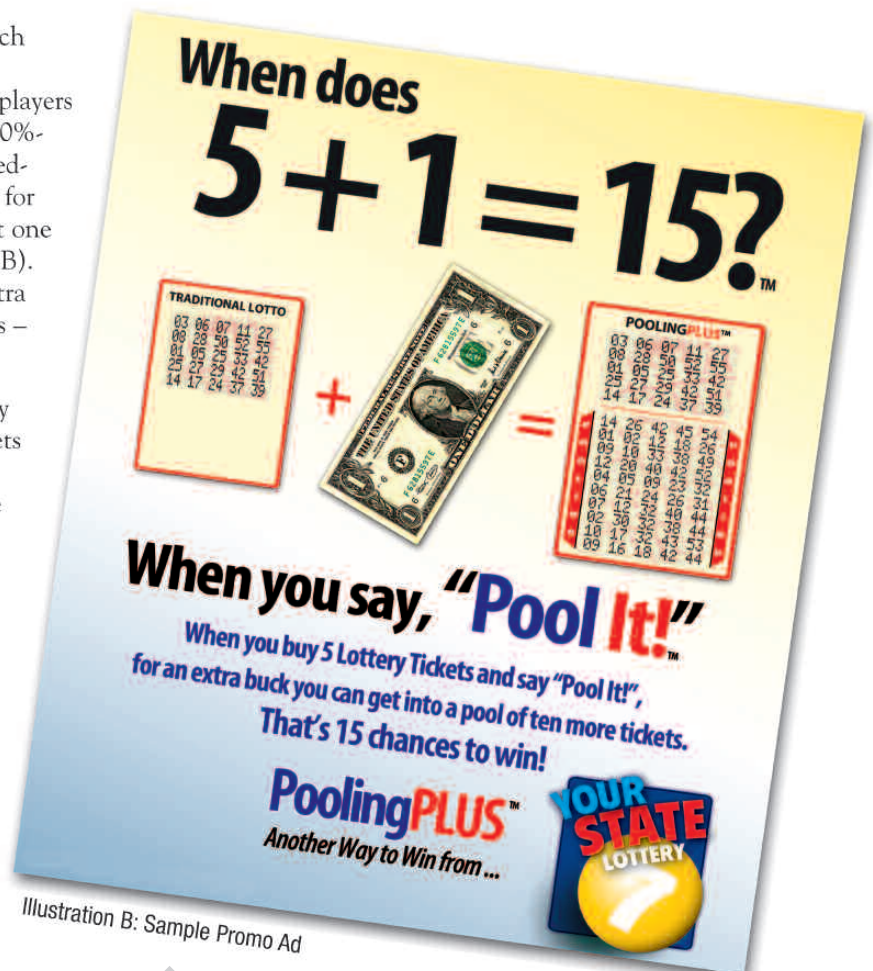


Illustration B: Sample Promo Ad

How to Master the WORLD OF GAMING in Three Days.

G2E 2006

November 14–16, 2006

Las Vegas Convention Center

November 13, 2006

G2E Training & Development Institute

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How Can There Be Dozens of Possible Promotions?

Because there are 5 separate parameters of play that the lottery can adjust AT ANY TIME to stimulate player interest. The lottery controls: The MINIMUM QUALIFYING PURCHASE of 100% owned tickets, the PRICE of PoolingPLUS™ incentive, the SIZE OF THE POOL of shared online tickets, any JACKPOT LEVEL promotion triggers, and any TIME OR DATE promotion triggers. Changing these parameters individually or in tandem can create an almost unlimited number of different promotions.

“Simply put, it’s Pooling in a Ticket.”

– Andy Amada, President of RMS

Here are examples of just a few PoolingPLUS™ promotions with completely different marketing objectives:

PROMO 1 – THE LAUNCH: As a launch promo with a strategy to generate trial, the Lottery could offer a promotion: “Buy 2 (or more) regular lottery tickets and for an extra dollar get into a pool of ten more tickets – that’s 12 chances to win for the price of 3!”

PROMO 2 – INCREASE EARLY PLAY: As a strategy to increase online sales just after a jackpot is won, the Lottery could run a promotion: “Until the Jackpot reaches \$25 million, buy 1 (or more) regular lottery tickets and for an extra dollar get into a pool of ten more tickets – that’s 11 chances to win for the price of 2. Hurry, this offer expires the minute the jackpot hits \$25 million!” With this incentive, many players who have dropped out of online games will be attracted back to take advantage of the pooling, many current players will increase their normal after-jackpot purchases by \$1, and those who normally hold off until the jackpot gets much higher will start playing sooner than ever before.

PROMO 3 – BIGGER CARROT, BIGGER PRICE: As the jackpot goes over a certain amount, say \$75 million, when players would ‘normally’ start getting more into the game, the promotion could be: “Buy 10 (or more) regular lottery tickets, and for an extra five dollars, get into five pools of ten more tickets each. That’s 60 chances to win for the price of 15!”

PROMO 4 – LAUNCH OR INCENTIVIZE ANYTHING: The lottery can also harness the player excitement about PoolingPLUS™ to incentivize trial or increase sales of almost ANY lottery product. For example, to launch a new scratcher the promo could be: “Buy two new Godzilla meets King Kong scratcher tickets, and for an extra dollar you can get into a pool of 10 Powerball tickets!” Even the lottery’s VIP players’ club could get a boost from a promo, such as: “Join the lottery’s new VIP club, and for only a buck get into a pool of ten state lotto tickets!”

How Difficult Is It to Set Up?

PoolingPLUS™ is available now and ready to go. It does not require any game changes and works with all online games. PoolingPLUS™ combination tickets can be printed from any terminal printer. All software specifications will be provided to the lottery’s online vendor who can make the simple adjustments to the lottery’s existing software without any outside security issues.

What Will Lotteries Have to Give Away to Get Player’s Into This?

Nothing! The pooling itself is the incentive. Therefore, all tickets are sold at full price – no discounts or freebies needed.

Who Thought of This?

PoolingPLUS™ is the latest in the arsenal of state-of-the-art lottery marketing products created by the talented team at Relationship Marketing Systems, and was recently unveiled at PGRI’s Smart-TECH 2006, where it received lots of attention, praise and positive interest from lotteries across the US.

According to Andy Amada, president of RMS, “We were blown away by all the positive feedback from state lotteries who couldn’t believe how simple and affordable we’ve made this for them. We’re confident this is going to be ‘The Next Big Thing’ to help lotteries get players excited about online games again, and the lotteries will fall in love with its power and flexibility, not to mention how easy it is to deploy.”

Other products offered by RMS include: The Retailer Marketplace™, a program that for the first time empowers state lottery retailers with powerful tools to market directly to state lottery players; and EasyPLAY™ Subscriptions, easily the best lottery subscription player program available anywhere in the world today.

PoolingPLUS™
The Winning Combination

How Can We Find Out More About It?

For licensing info or to find out more about any of the RMS programs, or to set up a presentation for your state, contact RMS at 888.777.5131. Or you can check out the RMS and PoolingPLUS™ videos on the company websites at www.rmswebsite.com or www.poolingplus.com. PoolingPLUS™, EasyPLAY™ Subscriptions, and The Retailer Marketplace™ are patent-pending.

2nd G2E Ad
I don't have do I?

North Carolina Update

– North Carolina Prepares for March 30 Launch

The North Carolina Education Lottery is moving ever closer to its projected March 30 launch date, and at last check, things appear to be going according to schedule.

As of the beginning of March, nearly 5,800 North Carolina retailers have applied for a license to sell lottery games. State ALE agents are conducting security background checks, a credit agency is checking the retailers' credit history and the Department of Revenue is checking to make sure the retailers are caught up on their taxes. The Lottery Commission is waiving the background checks of retailers that already have alcohol permits, since they've already gone through criminal background checks. By February 25 more than 700 retailers had been cleared for installation of online terminals. The Lottery expects 5,000 to be operational by the launch date.

"The response from retailers has been fantastic," said Tom Shaheen, executive director. "The retailers want to ensure they get in on the game and provide a service to their customers. It's a service that means a seven percent commission for retailers on each ticket sold and potentially hundreds of millions of dollars for education in North Carolina."

The NCEL's contractor, GTECH Corporation, has deployed about 60 crews all over the state to install over 100 terminals total each day. Terminals will not be fully operational until the lottery start day. Shaheen added that retailers must go through training in order to get their terminals activated to sell tickets. GTECH will start training in



mid-March to show retailers how to sell tickets, validate them, and perform all other accounting functions.

4 Tickets at Launch

The NCEL will launch four scratch games on March 30. Two \$1 tickets, a four scene "North Carolina Education Lottery ticket and Tic Tac Toe, a \$2 Blackjack ticket, and a \$5 game, \$100,000 Carolina Cash, featuring 15 chances to win, will compose the Lottery's initial offerings. The payout for the tickets will be at least 50 percent and TV ads will launch on March 27.

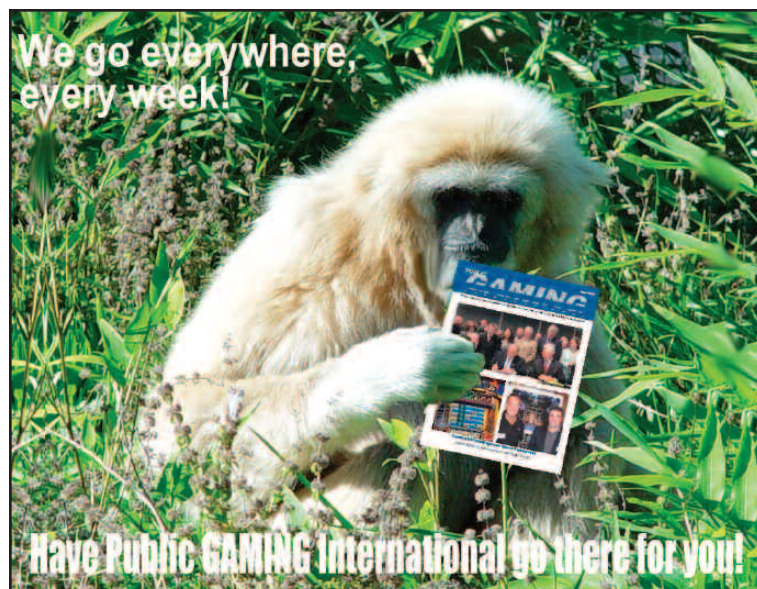
Ad Agency Hired

The Lottery hired Wray Ward Laseter, a new ad agency, after Howard Merrell & Parnters, the agency that originally won the job, refused to put up a \$500,000 bond to ensure its vendors were paid. Wray Ward's clients includes the NBA's Charlotte Bobcats.

As the agency-of-record for the NCEL, WWL will develop a communications program that includes print, outdoor, radio and television advertising, as well as informational materials. The three-year contract includes three one-year renewal opportunities.

Logo

The North Carolina Lottery recently unveiled its official logo. The blue, green and yellow logo, featuring a lighthouse, mountains and a shooting star is meant to reflect the character of the state, and also to signal to lottery customers that tickets are nearby. ♣



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Video News

Alliance Name Change

Alliance Gaming Corp. has proposed an official name change to Bally Technologies, Inc. to more appropriately reflect the Company's focus on technology and innovation and to further build on the powerful Bally brand. Upon approval of shareholders, the name change would be officially announced at the annual meeting of shareholders on March 6, 2006.

Paltronics One Link at Coast Casinos

Paltronics Inc. announced that Coast Casinos, a wholly-owned subsidiary of Boyd Gaming Corp., has completed the installation of two One Link slot and media systems at its Suncoast and new South Coast properties in Las Vegas. Coast Casinos has also installed Paltronics' new advanced RGB (red, green, blue) and RGY (red, green, yellow) overhead graphical displays for these same properties.

This is the first time Coast Casinos has purchased a One Link system. It will be used to provide an easy and scaleable way to configure and operate progressive games from a centrally-located area inside the slot management department. Removing slot management from the 80,000 square foot casino floors at the Suncoast and South Coast eliminates many regulatory aspects of the casino business and creates a simpler environment on the "floor". In addition, One Link will control the digital media on the slot floor and connect screens throughout the property.

EGC Secures Order from UK's Largest Gaming Centre Operator

Electronic Game Card announced that it has signed an initial order with Talarius plc, the UK's largest High Street slot machine operator. Currently operating 164 Quicksilver Adult Gaming Centres across the UK, Talarius is looking to use Electronic Game Card's "Pocket Slots"

GameCard in a major promotion initially targeting 30 of its Adult Gaming Centres across Britain.

New Macau Office for Bally

Bally Gaming has opened a new office in the Bank Of China Building in the heart of Macau S.A.R. to provide sales and service support for its slot machines, systems and table management business efforts throughout Asia. The 31st-floor office features approximately 1,900 square feet of space, including a showroom and sales offices, and directly overlooks the new Wynn Macau resort under construction as well as the venerable Casino Lisboa. Bally has also retained an additional 2,000 square feet of nearby warehouse space for machine stock and parts. Bally is hosting the office's official Grand Opening on Friday, Feb. 24. Customers, dignitaries and media from throughout Asia have been invited.

GSA Welcomes Atronic Americas as Platinum Member

In a show of support for the Gaming Standards Association, long-time member company Atronic Americas, LLC., has upgraded its membership in the organization to Platinum. Atronic has been a GSA member since 1999. Also joining GSA's ranks is new Gold member Detroit Entertainment, owner and operator of MotorCity Casino. Bulgaria-based manufacturer Casino Technology has joined as a Silver member.

AGMMA Supports G2S

The Gaming Standards Association has received further support of its new Game-to-System protocol that will be the result of the integration between its Best-of-Breed and IGT's SuperSAS™ protocols. The Australasian Gaming Machine Manufacturers Association Board of Directors has advised GSA that it supports this protocol as its official protocol. ♣

RACINO NEWS

Delaware to Receive Multi-Player VLT Proposals

The Delaware State Lottery will receive sealed Proposals for Multi-Player Video Lottery Machines, due to the Lottery by 2:00 p.m. E.S.T., April 14, 2006. The Lottery may extend this time at its discretion. Copies of the RFP may be obtained by contacting Donald R. Johnson, (302)744-1615. An affidavit of publication is required.

Massachusetts Slots Bill

A Massachusetts slots initiative is expected to be taken up in the

House in March. The bill, which would allow up to 2,000 machines at each of the state's four racetracks, has already passed the Senate.

OLGC Teams With David Foster

The Ontario Lottery announced it will present David Foster and Friends, a star-studded charity gala at Niagara Fallsview Casino Resort on Saturday, September 16, 2006. Internationally acclaimed singer Andrea Bocelli will headline this unique event, which is the inspiration

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on the internet

eLOT Wins New Patent in Mexico

eLOT, Inc. received a Mexican certificate of patent registration #230592 that covers eLOT's system for purchasing state and government lottery tickets over the Internet. The patent is based on U.S. patents awarded to eLOT in 2002 and 2004 for its operating system that includes daily number, LOTTO and instant game lottery products purchased and played on the Internet and sold on either a daily basis or by a long-term subscription service.

Edwin McGuinn, eLOT's President & CEO, said: "The granting of this patent will make it possible for the two National Lotteries in Mexico, Loteria Nacional and Pronosticos to offer an added sales channel domestically and also to expatriate citizens to play their national lottery via the Internet, representing a substantial untapped source of new inflow to the Mexican treasury."

McGuinn went on to note that the patent grant is the first of more than 20 pending patent applications made to foreign governments including Canada, China, Japan, Australia and the European Union.

"The approval of our patent in Mexico is going to be significant in affirming our system worldwide as a primary candidate for improving the sophistication and convenience of purchasing lottery tickets and accessing vast new audiences of potential players," McGuinn added.

The patent also covers both the eLOT software system and methodology that: * Enables lottery players to receive player and ticket information; * Screens and verifies that lottery players satisfy state eligibility criteria; * Stores player and ticket information * Determines winning tickets and notifies winning players, upon receipt of these data from state authorities.

"Our Internet technology patents (U.S. Patent Nos. 6,322,446 and 6,383,078) already enable us to offer lottery jurisdictions in the U.S. a comprehensive e-commerce solution addressing minimum age, problem gaming and residency requirement," McGuinn noted.

Chariot Lottery to Use Trusted Draw

Szrek2Solutions LLC and Chariot (UK) plc have signed a license and services agreement, calling for the implementation of the Trusted Draw™, an electronic draw and audit system offering the most advanced random number security available to the gaming industry. Trusted Draw will be used to generate the draw outcomes for the charity games offered by Chariot to lottery players in the UK over the internet platform, supplied by Betware of Iceland. Chariot will use audit functionality in Trusted Draw to verify the integrity of the draw outcomes and of the winner selection process, to ensure that utmost safety measures are taken to protect properness of the games.

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Racino News... continued from page 24

of 14-time Grammy-award winner, David Foster. Additional performers will be announced in the coming months, and posted on <http://www.davidfosterandfriendsont.com>. All proceeds from the event will benefit the David Foster Foundation. The foundation was established in 1986 to help pay non-medical expenses for families with children who require organ transplants, such as transportation and accommodation. Last year, the event held at River Rock Casino in British Columbia raised over \$2.8 million. In addition to raising funds for a worthwhile cause, this world-class event enables OLGC to deliver exciting and entertaining experiences for its patrons.

Kentucky Derby Goes Yum!

Churchill Downs racetrack announced that Yum! Brands Inc., the world's largest restaurant company and parent of KFC, Taco Bell, Pizza Hut, Long John Silver's and A&W Restaurants will become the historic first-ever presenting sponsor of the Kentucky Derby. This year's 132nd renewal of America's greatest horse race on Saturday, May 6, will be referred to as "the Kentucky Derby presented by Yum! Brands." The Kentucky Derby sponsorship agreement between Churchill Downs and Yum! Brands is a five-year partnership that matches two

Louisville, Ky.-based companies with reputations and business operations that are international in scope.

Yum! Brands – which has nearly 34,000 restaurants in more than 100 countries and territories – becomes the first Churchill Downs corporate partner to become a named sponsor of the classic race that is an American sports icon. Yum! Brands has been a corporate partner with Churchill Downs and the Kentucky Derby for several years, but the new agreement represents a decision by Yum! Brands to significantly upgrade its sponsorship commitment. On Derby Day, the Yum! Brands logo will appear beneath the Twin Spires on a Kentucky Derby sign that shows the time span the race has been run (1875 to 2006), on the sign above the starting gate for the Derby race, on the jackets of the pony riders who escort the Derby horses and jockeys during the post parade, on television billboards before and throughout the broadcast as well as in various places around the racetrack facility. In addition, Yum! Brands will receive six, 30-second television ads on NBC's Derby broadcast along with two, 30-second television commercials on ESPN and ESPN2 during their event coverage. A portion of the sponsorship's revenues will go to race purses through a formula negotiated in the most recent agreement between the track and its horsemen. ♣

Tennessee Lottery Goes “All In” with New Hold ‘Em Poker Instant Ticket

Tennessee Lottery CEO and President Rebecca Paul was joined last month by poker pro Chris Moneymaker on a “poker run” across the state to launch the Lottery's new World Series of Poker, “\$100,000 Hold ‘Em Poker” instant ticket.

The Tennessee Lottery launched the instant game at more than 4,400 retail locations across the state. The game offers over \$17 million in prizes and a chance to enter a second chance drawing for other prizes, including a seat in a World Series of Poker tournament.

The tour, accompanied by a full advertising campaign titled “Deal Yourself In,” was part of an Integrated Marketing campaign designed by the Lottery; Gish, Sherwood and Friends; and MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation (NASDAQ: SGMS).

MDI Entertainment's Integrated Marketing Communications (IMC) division offers customers a full-service, comprehensive strategy to help lotteries take their sales to the next level. By coordinating all pieces of a marketing campaign including broadcast, out-of-home, POS, promotions, special events and grass-roots efforts, MDI's IMC team works one-on-one with lotteries to build product awareness and increase sales.

“This collaboration between the Tennessee Education Lottery, our ad agency, Gish, Sherwood and Friends, and MDI Entertainment has been a win-win effort for everyone,” Paul said. “When we first entered into this agreement, we knew the ‘\$100,000 Hold ‘Em Poker’ game would be a success, and an enormous benefit to the education programs we fund.”

Moneymaker, a native of Tennessee, shared the details of the game

during a media tour, in which he also described his transformation from working as an accountant in Tennessee to becoming a poker superstar after winning the \$2.5 million first-place prize at the World Series of Poker tournament in 2003.

Steve Saferin, president of MDI Entertainment, said lotteries are continually looking at ways to increase their bottom line while enhancing the play experience and fun for their players. He said MDI's IMC services are designed to achieve those goals.

“Sometimes, just launching a game and letting it ride on its own simply isn't enough to achieve sales goals or ticket awareness,” Saferin said. “But with our IMC efforts, sales will remain strong throughout the life of the game and awareness will remain heightened. In doing so, lotteries will discover not just strong sales for a particular game, but a noticeable boost throughout their entire product lines.”

The Tennessee Lottery began selling tickets on January 20, 2004. As of Dec. 31, 2005, the Lottery has raised more than \$487 million to fund specific education programs, including college scholarships, pre-kindergarten and after-school programs. ♣



Montana

Montana Lottery Hosts Big Sky Retailer Roundup



Montana Lottery staff, along with staff from their new online vendor, INTRALOT USA, is kicking off a 17-city tour of the state, offering Lottery retail-

ers a chance to preview and practice with the new red Lottery terminals that will be operating beginning March 31.

Called the Big Sky Retailer Roundup, the training sessions will give Montana Lottery retailers an overview of how the new terminals work and the features that are available.

“We think our retailers and players will be pleased with the new system,” says George Parisot, Montana Lottery Director. “The new terminal will be easy to operate and will give players and retailers information that will make it simple to sell and pay Lottery tickets.”

In addition to introducing the new Lottery terminal, the Montana Lottery will be showing a newly designed logo and website. *“Since we're reinventing our Lottery system, we decided that it was time to update our most important image, our logo. There are similarities to our previous logo, so people will still recognize it as being the Montana Lottery,”* says Parisot. *“But the overall feel is ‘Fun,’ and that's what the Montana Lottery is about.”*

Retailers also have a chance to talk to Lottery Security and Accounting staff on ways to improve security and accounting procedures for Lottery products. And retailers will review the Lottery's Scratch product and advertising plans for the next several months. *“We think the retailers will learn a lot about the operation of the Montana Lottery”* says Parisot. *“The Montana Lottery is a multi-million-dollar business operated for the benefit of Montana citizens.”* ♣

KENO Bonus is Off to Strong Start

New “Multiplier” Feature Sales Are Outperforming Expectations

In just its first month of play, the Massachusetts Lottery's new Keno Bonus feature generated excitement with players across the Bay State and additional revenue for the state.

Launched on December 14, Keno Bonus registered more than \$15 million in sales in its first four weeks of availability. The addition of the Bonus feature helped boost total Keno sales to an impressive \$77.5 million over that four-week period.

In an exclusive agreement with Scientific Games, the Massachusetts State Lottery not only offers players further entertainment value, but also the chance to increase their Keno winnings by as much as 10 times. To partake in the bonus game, players double their wagers as the Keno Bonus wager always equals the same amount as the KENO wager.

Before each Keno drawing, a group participation multiplier, patented by Scientific Games Corporation, randomly selects which Keno Bonus value (if any) will apply to the upcoming game. Once the value (either 3, 4, 5, 10 or “no bonus”) is selected, it is displayed upon the monitor throughout the subsequent Keno game. Players who choose the Bonus option and win a prize for that particular drawing then multiply their winnings by the number drawn earlier. The Bonus is not available on the 10-spot, 11-spot or 12-spot Keno games.

“Keno Bonus has exceeded all of our expectations and we couldn't be more pleased with the game's performance,” said Lottery Executive Director

Joseph C. Sullivan. *“We're very excited about the customer response and enthusiasm for this entertaining addition to Keno because the better our games perform, the more prizes are won, and the more revenue we can return to the cities and towns of Massachusetts.”*

Steve Saferin, president of Scientific Games Ventures, said game additions like Keno Bonus help breath new life into Lottery games and grab the interest of both core lottery players and new customers.

“Massachusetts Keno Bonus is the perfect addition to their Keno game,” Saferin said. *“Multipliers like Keno Bonus really assist games in reaching their full potential.”*

Keno players throughout Massachusetts are responding positively to the exciting new feature as evidenced by the sales. Keno Bonus sales are averaging nearly \$500,000 per day, pushing the Lottery's total Keno sales up almost 23 percent, or \$11.4 million higher, than the same four weeks the previous year.

Keno Bonus is available at each of the Lottery's 1,700 Keno agents across the state. Accounting for almost 16 percent of the Lottery's overall revenue in Fiscal Year 2005, Keno is the second most popular lottery product. At \$742 million, Keno revenues generated more than \$163 million in local aid for Massachusetts municipalities last year. The addition of the Bonus feature is projected to generate about \$100 million in new local aid revenues after one full year of play. ♣

Michigan

Michigan Nets Record Club Games Profits During Super Bowl Week

Michigan's hosting of the 40th Super Bowl spurred on a phenomenal sales week for the Michigan Lottery, translating into nearly \$14 million for the state's school children. The \$47 million sales for the week ending Feb. 6 resulted in a deposit of \$13.9 million to the state School Aid Fund.

The Lottery saw record sales in Club Keno and its Kicker option, which were attributed to the thousands of Michigan residents and visitors from other states who were celebrating the excitement of the national sporting event and patronizing the bars and restaurants that offer Lottery games.

Not only were sales up on Game Day itself, but for the entire week and for the same week the previous year. For the week ending Feb. 6, 2006, Club Keno and Kicker sales were \$9.1 million; for the

same week in 2005, which also included the Super Bowl, sales were \$7 million.

“The Lottery is just one of the many success stories Michigan can celebrate on the heels of the Super Bowl,” Peters said. *“That we were able to generate this amount of profit in just seven days is incredible and demonstrates the trickle-down effect of the Super Bowl on our economy. Fans, both from Michigan and elsewhere, were out enjoying the festivities offered in conjunction with the game, eating at our state's fine restaurants and pubs, and adding to their fun by playing the Lottery.”*

In addition to transferring \$13.9 million to the School Aid Fund, the Lottery paid out \$27.6 million in prizes and \$3.5 million in commissions during that same week. ♣

Lotto South

The Virginia, Kentucky and Georgia Lotteries officially replaced Lotto South with Win for Life. The game, which features a prize of \$1,000 per week for life (with a 10-year guarantee), offers winners a \$520,000 cash option. Odds of hitting the jackpot are 1-in-5.2 million.

Atlantic

Atlantic Lottery has added a new daily draw game to its product line: Bucko. The first draw for Bucko took place on Thursday, Feb. 2. Bucko is a \$1, daily draw game, available by Instapik only. There are no bonus numbers and no spiel games attached. Bucko offers players a \$20,000 top prize.

Based on the odds of the game and sales assumptions, ALC expects the top prize will be awarded every nine to 10 days. Based on these same assumptions, ALC expects that the next highest prize (\$1,000) will be awarded every one to two days. Each \$1 ticket gives players three sets of five numbers and prizes for matching numbers in any one line, and/or across the three lines. Bucko is being supported by POS, radio, television,

website and newspaper advertising. Responsible gambling training also accompanied the retail training component of this game.

British Columbia

The British Columbia Lottery announced an exciting new addition to the SportsFunder suite of lottery products; the \$10 SportsFunder Instant Win ticket. SportsFunder-branded games are the first lottery products in B.C. to directly benefit amateur sports, producing an estimated \$20 million in funding over the next six years. As a special prize feature, players who win the Share the Dream prize will win \$1,000 and direct a further \$1,000 to their favorite sports organization. Players will also have the chance to win two top prizes of \$100,000 and the option to enter a Bonus Internet contest for the chance to win an Ultimate Whistler Getaway.

The set of four tickets feature British Columbian athletes who were representing Canada at the 2006 Torino Winter Games: Alexa Loo; Alanna Krause; George Grey; and Chris Wong.

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People



Reidar Nordby, Jr. has stood down as President of the WLA after almost six years, handing the gavel to Kentucky Lottery President and CEO **Arch Gleason**. Gleason is a past president of NASPL and has been Senior Vice-President of the WLA since 2004.

Michelle Mealy recently joined the Missouri Lottery staff as financial accountant. Mealy is in charge of account reconciliation, budget reports and other accounting functions. Mealy previously worked as a financial services specialist for the Missouri Department of Transportation. Prior to that, she was employed with the state Office of Administration.

INTRALOT recently announced the appointment of **Mr. Mark Michalko** as President and **Mr. Tim Groth** as Vice President, Product Development of INTRALOT's Asia/Pacific Division. Michalko is a 29-year veteran of the lottery industry, with unique credentials and experience in the United States and many foreign jurisdictions. He stands as the only lottery industry executive to serve as both Executive Director of a world-class lottery organization, the California State Lottery and as a CEO of an International lottery supplier company, ILTS. For the past 11 years Groth has been VP of Technical Operations for ILTS in the US.

Electronic Game Card announced that health concerns have forced **John Bentley** to stand down as President and CEO with immediate effect. The company's existing Board and management team will continue the day-to-day running of the business prior to the appointment of a new CEO.

The Gaming Standards Association has elected a diverse new board of directors that represents all facets of the industry and all

corners of the globe. The new board also elected officers at a recent meeting. **Lyle Bell** of the Seminole Tribe of Florida was re-elected to his position as GSA Board Chairman. Newly elected board officers are **Randy Hedrick** of IGT as Vice-Chairman, and **Moti Vyas** of Viejas Enterprises, Secretary. **Fred Lychock** of R. Franco was re-elected as Treasurer. **Steve Sutherland** of Konami Gaming was re-elected board executive committee member at large.

Re-elected to two-year terms as board members were **Bell**; **Ken Bossingham**, Atronic Americas; **Randy Hedrick**, IGT; **Derrik Khoo Sin Huat**, eGenting; **Mark Lipparelli**, Bally Gaming & Systems; **Brendan O'Connor**, MultiMedia Gaming; **Rob Siemasko**, WMS Gaming; and **Steve Sutherland**, Konami Gaming. Newly elected members include **Thomas Galanty**, Progressive Gaming; **Robert Marnell**, Aristocrat Technologies; and **Ken Weil**, Harrah's Entertainment.

Elected to a one-year term as at-large board members were **Jon Berkley**, TransAct Technologies; **Don Karrer**, Penn National Gaming; **Lychock** and **Vyas**.

Bally Gaming has appointed **Catherine Burns** to the position of Vice President and Managing Director for Bally Pan-Asia. In her new role, Burns will be responsible for gaming and systems activities throughout Asia, with an initial emphasis on Bally Casino Management Systems (CMS™), Bally Slot Management Systems (SMS™) and Bally TMS. Burns previously served as General Manager for VLC, where she was responsible for video lottery and gaming interests in Australia and New Zealand, specializing in video lottery consulting and sales and gaming machine and software sales. She also previously served as Director, International Sales for VLC. ♣

Proceeds from SportsFunder-branded lottery games will be distributed by the provincial government to directly support: 1) Sport BC's KidSport™ program providing sport registration grants to financially disadvantaged children; 2) Game Plan/Team BC, providing support for high-performance B.C. athletes; 3) financial assistance for coaching development; 4) travel assistance for B.C. athletes to attend sporting competitions. The release of the ticket is part of the partnership BCLC with the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC).

California

The California Lottery reported sales for the first two quarters of fiscal year '05-06 at \$1.751 billion. These figures show an increase in Lottery sales compared to the same period of last fiscal year, when sales were \$1.532 billion.

At the end of last fiscal year, the California State Lottery closed its books with record high sales of \$3.333 billion. The increase in sales is due to several factors; Scratchers with Bingo and Crossword themes outperformed other Scratchers for a solid 13% increase and Mega Millions to date have totaled \$243 million in sales. The \$119 million growth over the same period last year represents a 7% increase. With additional promotions, advertising programs and retailer network enhancements planned for the third and fourth quarters, the Lottery projects positive growth in sales for all games and expects to exceed last years' education contribution of \$1.175 billion.

Florida

The Florida Lottery launched a new \$20 Scratch-Off game, LUCKY FOR LIFE. LUCKY FOR LIFE features tons of prizes including the largest top prize ever offered on a Lottery Scratch-Off game – "\$100,000 a year for life!" The new game was launched on Tuesday, Jan. 24.

With overall odds of winning at 1 in 3.27 and a prize pool valued at more than \$400 million in cash, LUCKY FOR LIFE is set to increase sales traffic. The game is expected to generate between \$6 million and \$10 million and boost total sales for all \$20 Scratch-Off games to \$18 million and \$20 million per week.

GOLD RUSH, Florida Lottery's first \$20 Scratch-Off game, has generated more than \$820 million in sales averaging \$10.2 million per week. It continues to build higher and higher sales each week and set the high mark for weekly sales a full 77 weeks after its launch. Features that have contributed the longevity of GOLD RUSH have also built into LUCKY FOR LIFE.

Georgia

The week ending Feb. 4 was the highest sales week in Georgia Lottery history – \$80,449,963. Both online and instant games performed strongly. Instant games were led by the new game \$300 Million Gold Rush and the corresponding promotion Rush to Win. The \$10 game offers over \$304 million in total cash prizes including 10 record-breaking top prizes of \$2.5 MILLION, 20 \$1 MILLION prizes, more than 19,600 prizes from \$1,000 to \$50,000, and over 498,000 prizes from \$100 to \$500. Adding to the excitement of \$300 Million Gold Rush is the statewide promotion Rush to Win. Players can enter a second chance drawing with any non-winning \$300 Million Gold Rush ticket for a chance to win \$1 MILLION.

Illinois

The Illinois Lottery recently launched Veterans Cash, a new game that will raise money for veterans programs. This is the second game to earmark

proceeds for a specific cause. The first was Ticket for the Cure, which is raising money for breast cancer research and treatment. The Lottery will send 27% of revenue from Veterans cash, an estimated \$3 million per year, to help the state pay for new services and programs to help veterans, including the treatment of post traumatic stress disorder and dealing with homelessness. Tickets for the new game sell for \$2 and the top prize is \$20,000.

Kansas

As part of the Kansas Lottery's commitment to develop Kansas-themed tickets and promote Kansas business and tourism, the Lottery recently launched its new "Golf Giveaway" instant ticket during a news conference at Prairie Dunes Country Club in Hutchinson. The ticket ties into the 27th U.S. Senior Open Championship being played at Prairie Dunes Country Club in Hutchinson July 6-9. Prairie Dunes Country Club is pictured on the front of the "Golf Giveaway" ticket, along with the "KANSAS, as big as you think" state tagline, and the grand prizes are trips to the U.S. Senior Open Championship.

The "Golf Giveaway" ticket, which went on sale Jan. 19, is the Lottery's latest in a series of tickets developed through a strategic alliance with the Kansas Department of Commerce and partnerships with Kansas business and tourism. The tickets offer lottery players a chance to win Kansas-themed grand prizes in second-chance drawings. The 25 grand prizes in the "Golf Giveaway" second-chance drawing include two tickets for the U.S. Senior Open Championship, food and other amenities at the Kansas Lottery Hospitality Villa at Prairie Dunes Country Club, four days and three nights lodging at the Grand Prairie Hotel and Convention Center, \$500 credit in the Prairie Dunes Country Club Merchandise Pavilion, \$500 cash, and mandatory income withholding taxes on the prizes. The value of each grand prize is approximately \$7,000.

Kentucky

The Kentucky Lottery Corporation recently announced that it has surpassed \$9 billion in sales since inception. KLC sales first started in April 1989. Of the \$9 billion in tickets sold since then, the biggest share of the money – 59.8% – has been returned to players in the form of prizes. This means lottery winnings have plugged \$5.38 billion into the Kentucky economy. The Commonwealth has earned \$2.38 billion (26.4%) of the overall sales, while \$553.3 million (6.1%) has been paid in retailer commissions and \$692.3 million (7.7%) used for marketing and operating expenses.

Sales for the first six months of FY 06 (July '05 through December '05) were \$365.7 million, which was \$17.3 million (5%) more than the same period in the previous fiscal year and \$14.5 million (4.1%) higher than projected. This led to the second-highest sales quarter in KLC history with \$195.9 million in sales. This was driven in large part due to the \$340 million Powerball jackpot run in October, when online sales alone rose \$15.2 million (62.8%) higher than projected.

Louisiana

The Louisiana Lottery reopened its New Orleans regional office, located in the Clearview Palms Shopping Center in Metairie, on Feb. 3, about five months after Hurricane Katrina destroyed it. Although the complex did not flood, extensive roof damage and subsequent rain caused irreparable damage to the entire contents of the 4,000-square-foot office. It was completely gutted and rebuilt.

Manitoba

The Manitoba Lotteries Corporation (MLC) was recently honored for reaching the silver level in the Progressive Aboriginal Relations Program,

which recognizes commitment to sustainable Aboriginal employment and business development. The program is sponsored by the Canadian Council for Aboriginal Business. Applicants conduct a self assessment, which is then judged by an independent jury of eminent Aboriginal and non-Aboriginal business leaders overseen by the National Quality Institute. MLC achieved the Bronze Level in 2003.

Maryland

The Maryland Lottery recently replaced its Lotto game with Multi-Match, which operates on a 6:43 matrix and draws on Wednesdays and Saturdays. Multi-Match, which costs \$2 (twice the price of a Lotto ticket), has three lines of numbers, and players will be able to mix them for 2nd-tier and lower prizes. The jackpot for Multi-Match begins at \$500,000. The odds of winning any prize in Lotto are 1 in 27; the odds for Multi-Match are 1 in 8.5.

Overall sales for the Maryland Lottery's current fiscal year just hit \$1 billion, setting a record for the earliest date, in any fiscal year, that the Lottery has reached the billion-dollar mark. The record was set following one of the Lottery's biggest weeks in history. During the first week of February, the Lottery generated nearly \$35 million in sales. That same week, scratch-off sales exceeded \$11 million for the first time, and Pick 4 sales reached an all-time high of almost \$5 million. Keno and Keno Bonus recently experienced their largest week as well, producing more than \$10.2 million in sales. Maryland Lottery Director Buddy Roogow attributes the Lottery's success to the launch of a variety of brand-new games and promotions in the first half of the fiscal year, including: Multi-Match, which replaced Lotto; and \$20 Million Mania, a new \$20 instant. If sales continue at this pace, the Lottery is likely to exceed sales and revenue estimates for the year.

Michigan

Fans of the Michigan Lottery's Daily 3 and Daily 4 games can double their chances of winning with the new Straight Back Bonus promotion going on now through March 26. Straight bet players who match their numbers to the drawn number, "straight back" in reverse order, will win a bonus payout. For example, if a person plays a straight bet with the numbers 2-4-6 and the Lottery draws 6-4-2, that player wins \$100 if the wager was \$1 and \$50 if the wager was 50-cents. A straight bet is one in which the player is betting that the Lottery will draw the numbers in the exact order that he or she has. Boxed and 2-way bets are not eligible for the promotion.

The Michigan Lottery's new \$2 Detroit Red Wings instant tickets offer top prizes of \$20,000 and three second chance drawings. Each drawing will award one grand prize of a National Hockey League dream trip, in which the winner can choose an all-expense paid home game getaway package, a road trip getaway package, or a Sony 42-inch widescreen LCD television. Each drawing will also award 185 prize packs of Red Wings/NHL merchandise that include a Red Wings home jersey, an embroidered jacket, embroidered his and her polo shirts, a watch and a leather back pack.

Minnesota

On January 28, Twin Cities Public Television presented the first broadcast of *The Hidden Addiction: Problem Gambling in Minnesota*, a 30-minute documentary on problem gambling, sponsored by the Minnesota Lottery. The documentary introduces viewers to gambling history in Minnesota, gambling myths and misconceptions, problem gambling signs, screening and its effects on family as well as treatment and recovery. Commentary is provided by gambling experts and treatment providers

while recovering problem gamblers tell their stories. The goal of the television program is to bring awareness to problem gambling and the issues that go along with it.

Nebraska

Eight workers at a Nebraska meat processing plant claimed the recent record-breaking \$365 million Powerball jackpot. The seven men and one woman all work at a ConAgra ham processing plant, and purchased their winning ticket at the U-Stop convenience store in downtown Lincoln. The store received \$50,000 for selling the winning ticket.

In the seven days leading up to the record jackpot, Nebraska Lottery sales may have set a record of their own. Preliminary figures show that Powerball sales in Nebraska from February 12 through February 18 totaled more than \$2.8 million. On Saturday, February 18, Nebraska Lottery Powerball sales amounted to more than \$1 million.

New Jersey

Fueled by high jackpots and a successful coupon program, Jersey Cash 5 set a one month record for sales at \$12,844,220 for January. The New Jersey Lottery also announced that 12 different players won a Jersey Cash 5 jackpot during January and 117,721 players were awarded \$6,172,237 in prizes. The average jackpot in January was \$267,761, also a record for the game.

The contribution to the state to support vital education programs and institutions was \$5.5 million. During the month, players had the opportunity to redeem a "buy two, get one free" coupon for Jersey Cash 5 which was inserted in Sunday papers twice in January.

New York

New York Lottery Director Nancy A. Palumbo has announced the launch of the Lottery's biggest Instant game ever, with a \$10,000 a week for life top prize. The Win For Life Spectacular game, with a guaranteed minimum payout of \$10 million, gives New Yorkers the opportunity to win the largest top prize ever offered on a New York Lottery scratch-off ticket. The New York Lottery offers approximately 40 different Instant games at any given time. The Win for Life series of \$1,000 a week, \$2,000 a week and \$5,000 a week for life currently represent 12% of Instant game sales.

Win For Life Spectacular is a \$20 game that offers players 15 chances to win \$10,000 a week for life with a guaranteed minimum payout of \$10 million. As with the New York Lottery's other Win For Life games, the top prize can extend well beyond the guaranteed minimum payout amount - as long as the lucky winners keep living, the New York Lottery keeps paying. Win For Life Spectacular top prize winners will receive their \$520,000 annual prize in quarterly payments of \$130,000, before required tax withholdings. Overall odds of winning a prize on the new Win For Life Spectacular ticket are 1 in 3.31.

North Dakota

The North Dakota Lottery expects \$4 million more in gross ticket sales for the 2005-07 budget period than originally projected. According to the AP, Lottery Director Chuck Keller said sales of \$36 million had initially been forecast, but the lottery has since increased projections to \$40 million after an October Powerball rush. North Dakotans reportedly set a single-day state record Oct. 21 of \$589,000 in tickets. Keller said the lottery will reach its projection of contributing \$10 million to the state's general fund in the biennium.

The North Dakota Lottery's recent launch of 2by2 was considered a huge success, with first day ticket sales of \$14,674. Of the 8,128 winning tickets for Thursday's first day draw, 4,085 were sold in North Dakota. The Lottery

conducted a "Get 6 Draws for the Price of 5" promotion in conjunction with the beginning of the 2by2 game. Through February 16, 2006, players could purchase a single play, 6 draw ticket for the discounted price of \$5.

Ohio

Beginning Monday, Feb. 6, Ohio Lottery players can look forward to the return of the popular Pick 3 Red Ball promotion. Red Ball, which provides Pick 3 winners with the chance for a prize boost of about 20 percent, will be held for all Pick 3 drawings through Saturday, March 18. The Lottery will start the Red Ball promotion by placing seven balls (one red ball and six white balls) in a drawing machine. After the Pick 3 numbers are drawn, the Lottery draws one ball from the Red Ball drawing machine. When a red ball is chosen, Pick 3 winners for that drawing get an automatic prize boost of about 20 percent. When a white ball is chosen, Pick 3 winners for that drawing win the standard prize. Each time a white ball is drawn, the white ball will be removed from the machine in subsequent draws until the red ball is drawn. Once the red ball is drawn, all the balls are placed in the hopper for the next drawing. If the red ball isn't drawn after six consecutive drawing, it's an automatic red ball bonus for Pick 3 winners that next drawing!

Oklahoma

The Oklahoma Lottery recently launched four new instant games featuring top prizes of \$500 and \$5,000 at retail locations statewide. The new \$1 and \$2 games join the other instant scratch-off games already on sale. The two new \$1 games include Quick 5's and Fast Cash. The two new \$2 games are Winner Take All and Cool Cash. The quadruple launch is part of a broader initiative to continually refresh the scratch-off product category and to maintain a high level of excitement among players.

Ontario

The Ontario Lottery recently launched Pick 4, offering players a chance to win up to \$5,000 every day for \$1 per play. Sales for PICK 4 started at 6:00 AM, Saturday February 4, 2006. PICK 4 prizes range from \$200 to \$5,000 depending on how players combine their four favorite numbers. The odds of matching all four numbers in the exact order are 1 in 10,000.

The odds of matching all four numbers in any order are 1 in 417. Pick 4 joins Pick 3 and Daily Keno in the daily game category.

Texas

The Texas Lottery launched an AMERICAN IDOL licensed instant on February 1st. The game features 13 top cash prizes of \$20,000, as well as other cash prizes ranging from \$2 to \$2,000.

The cumulative amount Texas Lottery transfers to the state's Foundation School Fund recently topped the \$8 billion mark. As of February 3, 2006, the exact amount sent from the Texas Lottery to the Foundation School Fund stood at \$8,034,186,919. Lottery revenues have gone to the Foundation School Fund since September 1, 1997, as directed by the state legislature. Prior to that date, they were allocated to the General Revenue Fund.

Washington

Washington's Lottery will not continue earlier plans to market itself to young adults after an order from Gov. Chris Gregoire. The lottery, which reports \$13.7 million in annual sales to 18- to 20-year-olds, said in its 2005-2007 business plan that it planned to advertise to that age group. But in a letter to the lottery's governing board, Gregoire told the agency to "not, in any way, market lottery products to youth."

West Virginia

The Red Ball has bounced back into the West Virginia Lottery's Daily3 and Daily4 games. The popular promotion is part of a year of activity planned to help players celebrate the Lottery's 20th anniversary. The bonus drawing guarantees that in one out of six drawings, prizes won in the daily game drawings will be increased by 20 percent. From Feb. 5 through April 1, six balls will be placed in an extra nightly drawing machine. One of them will be red. Five of them will be white. If a white ball is drawn, it will be discarded, increasing the odds of the red ball coming up during the next drawing. When the red ball is drawn, all Daily3 and Daily4 prizes won that night would automatically increase 20 percent, a percent for every year the Lottery has been in business. ♦

On the Internet... continued from page 25

GlassHouse to Overhaul Camelot's Interactive Infrastructure

GlassHouse Technologies announced that Camelot has selected GlassHouse to radically overhaul the Lottery's storage infrastructure and also create the storage at Camelot's new disaster recovery datacenter. GlassHouse planned the infrastructures and designed processes to strategically and safely manage the large amounts of sensitive customer data generated by the rapidly increasing sales of lottery products through interactive channels.

Littlewoods Launches Bingo

Parlay Entertainment announced that Littlewoods Gaming has launched LittlewoodsBingo.com on the St. Minver Bingo Network. The addition of online bingo is a logical extension to Littlewood's suite of

gaming products, and it marks the first time that Littlewoods Gaming will specifically target the growing market of young, female online gamers.

Shuffle Master, Sona Mobile Launch Wireless Product Line

Shuffle Master and Sona Mobile announced the launch of their wireless gaming product line that will enable players to conduct their preferred wagering activities from mobile devices. As part of their previously announced strategic alliance, Shuffle Master and Sona Mobile will license, develop, distribute and market wireless gaming delivery systems that enable both in-casino WiFi gaming as well as off-property wagering from mobile devices within areas where mobilized gaming is permitted. Commercial availability for both platform versions is anticipated in late calendar 2006.

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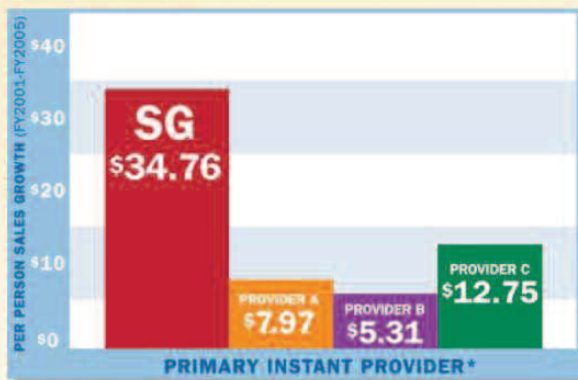


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