

GTECH and the Georgia Lottery's Comprehensive iLottery Game Offering

Following a controlled test period during which interactive games were gradually introduced to the Georgia playing public, the Georgia Lottery recently became the first lottery in the U.S. to offer a full complement of iLottery games. Adults over the age of 18 located within Georgia state lines can now play traditional draw based games, iKeno, and instant games at various price points – the most diverse and comprehensive online content of any U.S. lottery – on the Internet at mygalottery.com.

Fueled by GTECH's full suite of interactive technology, content, and services, the Georgia Lottery's iLottery offering combines enhanced play experiences with online convenience. GTECH's solution for the Georgia Lottery also provides player protection and responsible gaming features, as well as a complete view of the interactive player.



mygalottery.com Home page

Georgia's iLottery launch strategy included a deliberate rollout schedule and the creation of working partnerships with all its stakeholders, including players, the Georgia public, advocacy groups, and the retail community. The Lottery invited customers to play online before the official launch and gathered their feedback, ensuring that the final site and games are not only entertaining but user-focused, user-friendly, and player protective. The soft launch was accomplished with no marketing spend on the part of the Lottery and no pushback from Georgia retailers. Even so, Georgia Lottery's online sales have continually improved with the introduction of each product, and the Lottery is forecasting \$25 million in Internet sales this fiscal year.

According to Debbie Alford, Georgia Lottery Corporation President and CEO, deploying iLottery games was a logical step

for the Lottery. "You have to reinvent the marketplace to grow in this digitally competitive world. We're innovating around the iLottery opportunity." She views the benefits this opportunity will bring to Georgia as threefold: "The convenience and timeliness of the online channel will grow sales and participation with our games through new players who currently are not going into retail outlets; it will integrate and provide a richer experience for our players who move between retail and the Internet; and it gives us the opportunity to have a direct player relationship, allowing us to migrate the anonymous player to known monetized relationships." Players may add funds to their Lottery accounts via their debit cards (Visa, MasterCard, or Discover), ACH bank transfer, and cash deposits at Georgia Lottery retailers through their iHOPEcards.

iKENO

Georgia's iKeno game (supplied by GTECH), introduced in December 2013, is synchronized with and directly mirrors the Lottery's Keno game at retail, with real-time drawings every 3.5 minutes.

The number of possible spots, wager amounts, and advance draw options are identical



Georgia's iKeno game offers all the options available at retail.

to those available at retail. Players can watch the drawing as it happens (or any time after they purchase the ticket on Georgia's KENO! To GO site); as the numbers are drawn, matching numbers on the player's ticket are highlighted. As of August 2014, the offering also includes Bulls-Eye, the new iKeno add-on game where players can win larger prizes by matching one of the 20 winning numbers randomly selected as the Bulls-Eye number at the end of each KENO! drawing. The Georgia Lottery is the only U.S. lottery to offer iKeno, and the results have been very favorable, with online sales now accounting for nearly 8% of all of Georgia's Keno ticket sales.

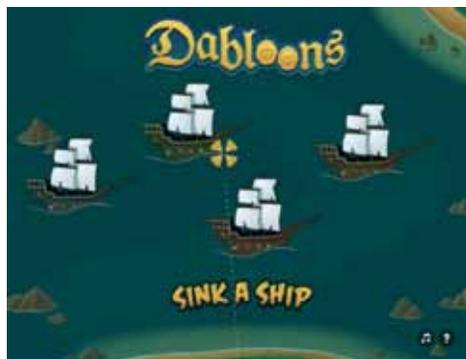
eINSTANTS

Included in the Georgia iLottery offering is a full line of eInstants provided by GTECH, branded in Georgia as Diggi Games. All are available in both “Buy” and “Try” modes to allow players a no-risk way to sample the game before purchase; surprisingly, 75% to 82% of plays are purchases, not trials. Although Diggi Games represent an entirely new product for a new market (an important distinction for Georgia’s retailer association) they feature the same great attributes – engaging game play, fun graphics, attractive payouts (slightly better than at retail), and near-win opportunities – that make Georgia’s traditional instant games so popular.

The Lottery is taking a portfolio approach to eInstants, and its Diggi Games include some of the best content from GTECH’s 100+ title game market. From an initial offering of 4 games available to 5,000 randomly chosen active players (June 2014), Georgia’s Diggi Game collection has grown to include 10–

12 games, at prices ranging from \$.50 to \$3. These include “click and win” games that reflect instant scratch card play styles such as Key Numbers Match and Match 3, revamped with interactive twists; core games such as Crossword and Bingo, enhanced with new and exciting graphics and superior playability; and innovative extended play games that provide the player with a prolonged, immersive experience.

Alford credits the Lottery’s commitment to player satisfaction as well as the diverse online content mix enabled by GTECH’s large game library for much of Georgia’s eInstants success: “In the digital space, we need to keep things fresh, so each visit offers something new. We stay actively engaged with our players and monitor feedback closely. Just a few months in, we are already expanding the game offering, which is a simple process with GTECH as our partner. Their advanced system allows us to select games with themes that fit our players and then quickly configure game payouts and prize amounts.”



Exciting graphics and immersive game play, including potentially two bonus rounds, help make the \$1 Diggi Game “Dabloons” a Georgia iLottery player favorite.



To shake up the holiday season, the Georgia Lottery introduced four seasonally themed eInstants into its Diggi Game rotation, including \$.50 “Sugar Cookies” and \$3 “Snow Globe Bonus.”

DRAW BASED GAMES

Completing the Georgia Lottery’s iLottery offering are the multistate draw based games Powerball and Mega Millions and Georgia’s in-state draw game, Fantasy 5, all launched in November 2013 and all available as both single draw and extended play. Like KENO!, Internet wagering on these draw based games mirrors that found in the retail environment.

INTEGRATING INTERNET WITH RETAIL

To support iLottery gaming, the Georgia Lottery and GTECH also introduced the iHOPEcard – the first Lottery-branded debit card linked to a player’s eWallet – which extends Georgia’s Internet players’ Lottery accounts to retail. Winnings of \$5,000 or less are paid directly to the card; players can withdraw the winnings as cash through an ATM or use the card to purchase lottery products at Lottery retailers and non-lottery products

wherever Discover cards are accepted. Lottery purchases are “closed loop,” which means there are no interchange or card processing fees for the retailer (standard fees apply for non-lottery purchases). Players can also use their iHOPEcard to validate winning instant tickets at retail to their Lottery account. In addition, 30% of Internet players venture into retail to top up their iHOPEcards.

The iHOPEcard provides the first opportunity in the U.S. for a lottery to track player behavior and spending within and across multiple channels (retail and Internet). Together with player analytics derived from Internet play, the iHOPEcard helps improve the Lottery’s understanding

of the consumer and the purchasing decision. From that, the Lottery plans to tailor communications based on an understanding of that individual’s play.

RESPONSIBLE GAMING CONTROLS

GTECH worked with the Georgia Lottery to construct an interactive gaming offering that adheres to the highest standards of responsible gaming and player protection. “Georgia’s online gaming site was built to guide players to play responsibly,” said Matteo Monteverdi, GTECH SVP iGaming & SVP Americas Interactive. “It offers multiple controls to keep play levels where the player wants them, and provides visible gaming updates such as session time lengths as well as quick access to call center support.”

Daily, weekly, and monthly wagering limits are preset; the site also allow players to set lower wagering limits and to self-exclude. Full player registrations, with external Know Your Customer confirmation, is required, even to play the “Try” (non-purchase) games.

iGAMING BY DESIGN – A PLAYER-CENTRIC APPROACH

Through a very deliberate rollout schedule, the Lottery solicited feedback from customers invited to play online before the official launch, to make certain that the site is user-friendly and the games offered are fun and engaging.

To help the Georgia Lottery realize its interactive vision, before the iKeno launch, GTECH commissioned YouGov/Definitive Insights to conduct a study to determine receptivity to the idea of online KENO!; understand key features and characteristics that would encourage or inhibit trial; evaluate how the overall online experience compares to known/familiar KENO! game play; ensure the game is easy to understand and play to attract new players; and explore potential site enhancements to increase enthusiasm and keep gamers on the site, playing more draws. This included two 90-minute, focus groups, each with 30 players consisting of a mix of current, light, lapsed, and non-KENO! players. These groups included hands-on game play to enable players to actually experience what the iKeno game could be.

“We believe that the convenience and timeliness of the Internet channel will facilitate incremental growth for the Georgia Lottery and maximize revenues to enhance educational funding.”

Debbie Alford, President and CEO,
Georgia Lottery Corporation

Georgia’s Diggi Game offering was refined over several months during which GTECH and the Lottery engaged Gamers Insights Group to conduct Web research in an effort to better understand Lottery players’ interest in this type of game. Georgia Lottery “Buyers,” “Triers,” and “Non-triers” were surveyed online (either via a pop-up survey invitation after

two-game-buying instances or via an email invitation). They were asked about the potential as well as the strengths and opportunities for improvement of eight different instant games. Across three points in time, of the 225 Buyers responding, on average, 74% “agreed completely” that Georgia Diggi Games “are fun to

play,” 71% that the games “take the right amount of time to play,” and 61% that the games “add excitement to playing Lottery.” A little more than half of Buyers across three waves of the study said that Diggi Games’ entertainment value caused them to play more overall. Feedback from the study also showed that adding games adds purchases – almost one in four Buyers bought all eight games offered at the time – and that progressive jackpot games hold the most potential for future Diggi Game expansion.

To help ensure Georgia’s iLottery success, GTECH has worked closely with the Lottery so that the games offered and the site itself meet player demand and exceed player expectations. In addition to conducting research on the Lottery’s behalf, GTECH provides the Lottery with:

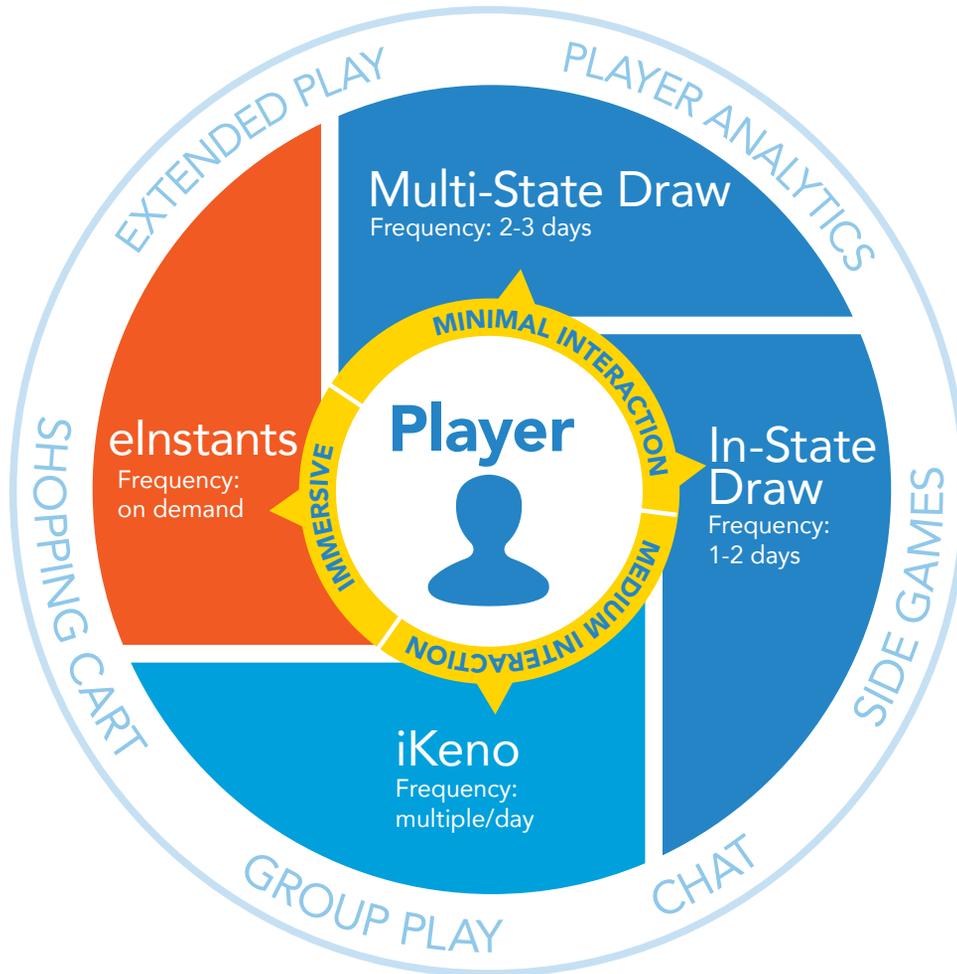
- » Pool management services: No need to pull tickets when top prizes are won.
- » Portfolio marketing services: Managing the existing game portfolio as well as adding new game offerings.
- » Marketing services in the following areas:
 - » Business analytics: Measuring and evaluating business KPIs and making recommendations for areas of improvement.
 - » Customer Relationship Management: Communications and retention strategies and tactics.
 - » Player Experience: Enhancements to the player site experience.

WHAT’S NEXT

Building on the success of GTECH’s mobile offering in Illinois, where more than a third of interactive sales come from the mobile channel, Georgia will be moving to mobile in the second half of 2015. This is an important aspect of any iLottery program, since research shows that 50% of buyers use a smartphone or tablet to make or research purchases.

The Lottery also plans to begin actively marketing its iLottery offering to consumers in 2015, taking advantage of the CRM and player analytics provided by the current program.

GTECH iLottery Player Experience



GTECH's holistic iLottery solution includes a full spectrum of games and play styles to suit every player's desire, mood, and availability at any point in time as well as a wide selection of features designed to enhance player engagement.

While numbers games and additional elements of GTECH's full iKeno solution are not currently included in Georgia's launch plans, GTECH's full iLottery offering includes chat functionality and side games to prolong visits and encourage cross-play.

GTECH'S iLOTTERY GAME SOLUTION

GTECH approaches iGaming from a lottery perspective. GTECH's all-inclusive interactive game solution offers lotteries easy access to innovative and imaginative games, making it a win-win solution for the industry's next generation of iLottery. Its already large eInstant game library will soon be expanded with more, and more diverse, game selections than ever.

GTECH provides safe, secure, and entertaining interactive solutions to lotteries and around the world. In addition to Georgia, GTECH's North American interactive customers include the Illinois Lottery, the British Columbia Lottery Corporation (BCLC), Loto-Québec, and, most recently, the

Ontario Gaming and Lottery Corporation (OLG), which launched its new iGaming site, PlayOLG.ca – driven by GTECH interactive technology, content, and portfolio management and player services – in January 2015. GTECH launched the first and only legal poker network in North America, the Canadian Poker Network, in December 2010 through an agreement with the BCLC and Loto-Québec. In June 2014, GTECH, Loto-Québec, and BCLC launched North America's first government-regulated interactive bingo network, offering GTECH games to adult residents of British Columbia, Manitoba, and Québec. In Europe, GTECH's interactive lottery customers include Veikkaus Oy in Finland, Norsk Tipping in Norway, Austrian Lotteries, and Svenska Spel in Sweden.

