

A New Joker Joins the Deck...

It is my great pleasure to share the news that our video poker family has grown by one – and not just any "one." John Daley, former National Sales Manager for Mikohn Corporation has joined IGT's poker team and will oversee the sales,

marketing and operations of our group. Like myself, John is a Double Bonus Poker fan. We argue for hours over the right play on a given paytable. He's also one of the most knowledgeable men in the business when it comes to setting up and running

progressives. Good timing too, as we're launching our own progressive device soon enough! His addition is just one more reason that here at IGT, we like to think – Poker Rules!

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Summer

2003

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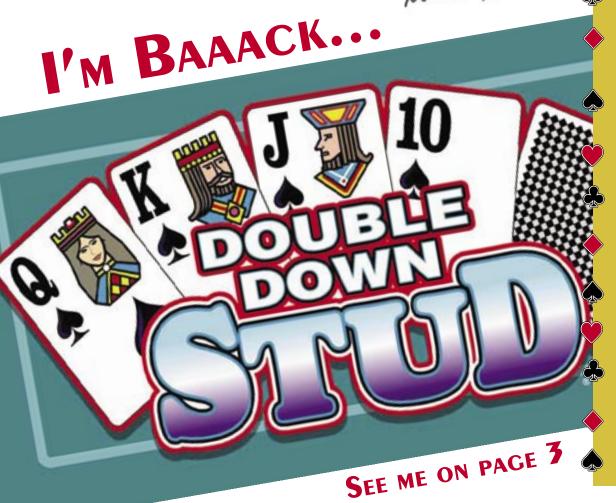
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There's a New Poker Face at IGT

By definition, a "poker face" is expressionless – the face of an expert poker player. The latest "poker face" to join IGT's Action Gaming product line and business unit is anything but expressionless. It belongs to John Daley, our new Video Poker Product Manager.

John is indeed an expert in the realm of video poker. You'll find he's animated by enthusiasm, and driven by a desire to please. He's earned a respected reputation in the industry by identifying customer needs, and responding with innovative "Why didn't I think of that?" solutions.

It's no accident that John is a high flier. He's always met life's challenges with a zest for excitement and adventure, and a craving for learning. He attended the University of LaVerne while serving six years in the United States Air Force, where he specialized in Public Affairs, and later became a Non-Commissioned Officer In Charge of the Strategic Missile Evaluation



Squadron at California's Vandenberg Air Force Base.

Upon leaving the USAF, John signed on as Assistant General Manager of Calamity Jane's Casino in Deadwood, South Dakota, and was soon promoted to General Manager of Wild Bill's Bar and Gambling Hall, both owned by Deadwood Partners.

In 1993, John began a ten-year career with Mikohn Gaming Corporation, where he served as General Manager in the firm's Australian office. He returned to Las Vegas in 1996, implementing a national account program. Challenged with an opportunity to rebuild Mikohn's Northern Nevada sales team, John relocated to Reno where he worked his magic once again. He later returned to Las Vegas to assume the position of Director of OEM Business Development, and was ultimately promoted to Director of North American Sales for Mikohn.

While John likes to discover subtle business opportunities and develop them into grand-scale achievements, he found the obvious growth and potential of IGT's video poker business irresistible. This is very good for IGT, and John's timely arrival is nothing short of excellent for our customers. We hope you'll welcome John when his smiling poker face makes an appearance in your office.

What Do Players Trade When They Trade Up?

How does the *Trade Up Poker* game compare with conventional Triple Play and Five Play Draw Poker games? We asked Chris Brune, our resident video poker guru, to compare numbers on things like feature hits, volatility, skunk factors, etc. Assuming a \$40.00 bankroll, playing a 5-cent denomination game, and betting max (5) credits per hand, here are some of Chris' calculations and observations:

- In a Triple Play game (where Trade Up Poker trades up to 6 hands), there is a 52% chance of getting skunked once you're in the Trade Up feature... and a 33% chance in the Five Play game (or Triple Play when it goes to 10 hands).
- In the *Triple Play* game, there's a 2% chance of never seeing the Trade Up feature before dropping \$40. There's an 8% chance in the Five Play format.

(continued on page 3)



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Action Gaming multi-hand poker games utilize U.S. Patent Nos. 5,823,873; 6,007,066; 6,098,985; and other patents pending that are licensed from Action Gaming, Inc., and must be operated under separate license agreements with IGT.

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You asked for it – your players have asked for it – and at last this proven favorite stud poker game is available on the *Game*

King Series platform. Now you can give your players more action and excitement with new features like touchscreen convenience, six-level progressives, and more game families than ever before. It's even available as a flat top drop-in bar model. In addition, the Game King platform makes the Double Down Stud Poker game compatible with the EZ Pay Ticket System and Multi-Denomination gaming, where jurisdictional regulations allow.

Every time this tantalizing multi-hand theme deals up any three-of-a-kind, players have the option of trading their three or five starting hands for at least twice as many potentially winning hands. It's a riot of excitement for the casual player, and challenges the pros with interesting new strategies and gaming opportunities. The *Trade Up Poker* game features a complete library of all the poker favorites players love.



Free! Each *Trade Up Poker* game comes with a colorful paddle topper at no extra charge.

Deal players more four-ace hands, and reward them with bigger jackpots when they win with the *White Hot Aces* game. A four-ace hand in *Double Bonus Poker*, for instance, earns 1,200 credits for a five-coin wager, instead of the customary 800 credits – no kicker required. Payouts for four 2s, 3s, or 4s are more generous too – 600 vs. 400 credits. Consider that you get *Triple Play, Five Play* and *Ten Play* multi-hand games all on one chip, all for one daily fee, and you'll see, the *White Hot Aces* game is a winner for sure!



What Do Players Trade When They Trade Up? (continued from page 2)

- The probability of hitting no features, or of hitting the feature at least once but never winning anything once you get there before losing your 40 bucks is 9% in the *Triple Play* game. There's a 15% chance in the *Five Play* game.
- The *Triple Play* game stats that fell out of the simulations most closely resemble that of a standard 5-cent *Five Play* game. The *Five Play* game stats are close to that of a

25-cent single-hand, *Game King* poker game. This will give you an idea of what the *Trade Up Poker* game would "feel like" in the short term, if you hadn't already played it.

In the longer term, the overall volatility is increased by 10% in both the *Triple Play* and *Five Play* games, so you may expect it to take 10% longer for the games to "settle down" to their long-term theoretical percentage (when compared to a standard *Triple Play* or *Five Play* game).





Invoice: 90012345

Page 1 of 1

Invoice Date: 1/26/2003

Jane Poker (775)448-7777

Sold To Ship To

Your Company
Your Address
Your Address

Your City, State and Zip Your City, State and Zip

Bill To Install

Your Company
Your Address
Your Address

Your City, State and Zip Your City, State and Zip

Confirmation

Customer Number: 9876543 Account Executive: John Poker

Accounting Representative:

Total Amount

 Order:
 71111111

 Billing Terms:
 Net 30

 Net Due Date:
 2/26/2003

 Currency:
 USD

Billing Type: Daily Fee Royalty

	Serial Number	Theme			Beginning Date	Ending Date	# of Days	Rate	Extended	Tax
	8008215	50PLYPKR			1/26/2003	2/22/2003	28	25.00	700.00	N
	8008216	50PLYPKR			1/26/2003	2/22/2003	28	25.00	700.00	N
	8008217	50PLYPKR			1/26/2003	2/22/2003	\28 <i>/</i> `\	25.00	700.00	N
•	Theme Total: 50PLY	PKR						\	2100.00	
•	Theme Count:	3		amples			ber of days for this pe		led for	
	8008071	DPPK10PLY		game	1/26/2003	2/22/2003	28	15.00	420.00	Ν
	8008072	DPPK10PLY ←	the	mes.	1/26/2003	2/22/2003	28	15.00	420.00	N
	8008073	DPPK10PLY		end.	₫/26/2003	2/13/2003	19	15.00	285.00	\overline{N}
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	Theme Count: 3 Example of a removal done during Notice the end date is the 13th. That									
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	8008245	FLXPKR 📈			•	ed up the returr	ı package.		420.00	N
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	8008247	FLXPKR			1/26/2003	2/13/2003	28	15.00	420.00	N
	Theme Total: FLXP	KR		This is how a	a credit will appear.	The			1260.00	
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	ed EPROM numbers, not	t machines.		than one gar	me being credited.					
Actual					1/00/0000	0/00/0000		45.00	0.40.00	_
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`	9001340	FVPLYTPLYDP			1/26/2003 1/26/2003	2/22/2003 2/22/2003	28 28	15.00 15.00	420.00 420.00	N N
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					Discounts			3,74	0.00	
	Department 7866					Sub Total			E 7.	45.00
	•		Sub Total Sales Tax	0.00	0/	5,72	0.00			
	LOS ANGELES, CA 90088-7866					Jaies iax	0.00	/0		0.00

5,745.00

Decipher D'Invoices

Our new invoice format will thrill bean counters and game chip chasers alike. We've made some significant improvements in the way the game theme names, EPROM serial numbers, and other information is presented. You should now find it easier to account for the chips on your gaming floor, and any that may be idling on the shelf.

This change was made necessary largely by our introduction of serialized EPROM numbers. Serialization enables us to better manage our chip inventory, and the new invoice format will give you everything you need to know to account for the chips in your possession. This should ensure more accurate billing and make tracking all EPROMs in your possession much easier.

Because the invoice may appear a little daunting at first glance, we've highlighted some of the more important features and added captions in this example to help you navigate among the numbers. Use the game theme legend below to identify theme abbreviations shown in the invoice. In order to help your accounting department, you might want to give this example invoice to the person(s) in the accounts payable department that is responsible for reconciling the Poker invoices. By "connecting the dots" between your accounting group and ours, we may just avoid disconnects that keep us both from focusing on our primary duties. If you would like us to send you or your accounting department more copies of this please contact us, with their names, at VideoPoker@IGT.com and we'll send extra copies.

Numbers...Numbers...Numbers...

The new serial numbers on your daily fee invoice can assist you in verifying which EPROMS/game themes are being billed. It's a good idea to keep a record of all serialized EPROMs assigned to your property, whether on or off the floor, for easy invoice reconciliation.

Serialized EPROM numbers start with a "9" and have colored, bar coded labels on each EPROM. Serial numbers that start with an "8" are unserialized EPROMs, and do not have a bar coded label on them.

More Numbers...Numbers... Numbers...

Before IGT assigned serial numbers to EPROMs, it was difficult to identify which were associated with a daily fee and would need to be returned to IGT. Now, with the new serialized EPROMs and the colored bar coded labels, it's easy!

Be sure to remind your slot technicians that when daily fee EPROMs are removed from service, they should call for an RMA at 1-888-777-5101, prompt 6.

Game The	eme Legend					
Triple Play, Five Play or Ten Play Draw Poker games are listed as:						
3PLDRWPKMD	10PLDRWPJMD					
FVEPLYDRWPKR	10PLDRPK2					
5PLDRWPKMD	10PLYDRPKR3					
FVPLYTRPYDPKR	5PLTPLPLDRPK2					
5PL3PLMD	TPL PLAY DRAW POKER					
TENPLYDRWPKR						
Fifty Play Draw Poker games are listed as:						
50PLYDRPKR	50PLYPKR					
Hundred Play Draw Poker games are listed as:						
100 PLYPKR	100 PLAY DRAW POKER					
Spin Poker is listed as:	Austin Powers™ Poker is listed as:					
SPINPKR	AP3/10PLYPKR					
Double Down Stud Poker is listed as:						
DDS						
Double Pay Poker games are listed as:						
DPPK10PLY	DP5P3P10P					
DP5PTP						
Flex Play Poker is listed as:	Matrix Poker is listed as:					
FLXPKR	MATRIX					
Multi-Deck Three Card Poker is listed as:						
3CARDPKR						



Scratch the Progressive Itch

Many operators want to try progressives, but don't always know the ins and outs of how to do it and how to do it without giving away the house. We've seen killer banks of games in various locales around the country. Banks that loyal players flock to regularly and more so when the expected (or perceived) value gets to a point that looks "ready."

If you've never done this before, here are a few bits of information that might help when considering establishing a "killer" bank or two of your own. Remember to take into account the effect of a W-2G on a player's choices.

So if you're offering a typical 5-coin dollar game and you want to know what you'll be adding to the base game by upping the payout for a royal – and the temptation – here are some rough numbers to consider where the royal flush typically pays \$4.000:

5-CREDIT. \$1.00 DENOMINATION GAME

ROYAL FLUSH PAY	% ADDED*
\$5,000	+0.5%
\$6,000	+1.1%
\$8,000	+2.3%
\$10,000	+3.5%

We're big fans of the reset not being exactly the basic top award. It's always a bit more enticing when it's at \$4,300.00 instead of \$4,000.00. Some players will know the true reset amount, but the extra money in the pot is as sweet as the filling in a Twinkie. Wait until it hits that \$5,000 number – they'll get hungrier and hungrier.

Quarter games are a bit trickier because the W-2G implications need to be considered. It's a fact: your players do think about this. One approach is to change the royal flush pay on a 5-credit, 25-cent denomination game from \$1,000 to \$1,199. How much does that change the payback percentage?

It depends on the base paytable, but it's usually around 0.4%. You can do this and establish some more attractive non-

progressed games that will find a loyal following, all for the cost of top glass or a topper.

If you want to set up quarter progressives, here's what it looks like, generally speaking:

5-CREDIT. \$0.25 DENOMINATION GAME

% ADDED*
+0.4%
+1.1%
+2.3%
+3.5%

With quarters, try resetting the royal at about \$1,400. That's enough over the

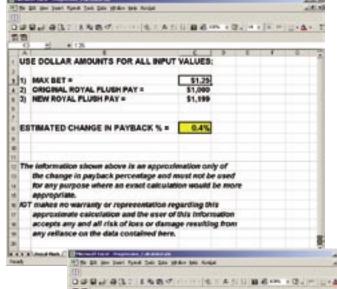
W-2G threshold to make the tax bite seem less painful. Plus, it just goes up from there.

Another wrinkle: link a bar top progressive with an on-floor bank. Same system, same game – different players. Your floor players will walk to the bar for a beer and go back to their favorite machine. The barflies will hang and chat with your bar staff, and they'll both be growing the same jackpot pool. And they'll see it growing twice as fast and hitting twice as often.

You can determine the impact of different payback amounts using a handy payback calculator we've posted on our Web site at www.IGT.com/VideoPoker. You can activate the calculator right from the

web site, or right click the link to download it to your computer so it's always handy. The download takes only seconds, and it'll save you lots of time you might otherwise spend making manual calculations. And it's free!

*Percentages shown are estimates only; actual values may vary slightly.



USE DOLLAR AMOUNTS FOR THE FIRST 4 INPUT VALUES:

1) MAX BET = \$1,000

2) ORIGINAL ROYAL FLUGH PAY = \$1,000

3) NEW ROYAL FLUGH PAY = \$1,000

4) SEQUENTIAL ROYAL FLUGH PAY = \$12,500

5) NUMBER OF DIRECTIONS = 2

1 = RIGHT-TO-LEFT ONLY (A-K-Q-J-T) OR

LEFT-TO-RIGHT ONLY (A-K-Q-J-T) AND

LEFT-TO-RIGHT (T-J-Q-K-A)

2 = BOTH RIGHT-TO-LEFT (A-K-Q-J-T) AND

LEFT-TO-RIGHT (T-J-Q-K-A)

5)

The information shown above is an approximation only of the change in payback percentage and must not be used for any purpose where an exact calculation would be avere appropriate.

ACT makes no warranty or representation regarding this approximate calculations and the user of this information accepts any and all risk of loss or damage resulting from any reflance on the data constained here.

Sample payback calculator spreadsheets available online.





Poker Rules

There's never been a better time than now to visit our video poker web site. Drop in and see what's new at www.IGT.com/VideoPoker. You'll find hot links to poker product literature and newsletters, game reviews by industry trade magazines, useful free downloads, and more.

There's even an e-mail link that'll quickly put you in touch with us. Use the link to tell us what you think, and to let us know what other information or links you'd like to see added to the page. When you click, we listen!

Visit Scenic VideoPoker.com

While you're logged onto the Internet, take a look at the ever-expanding Action Gaming web site at www.VideoPoker.com. Here you can chat with others about poker-related topics, post messages, cash in on freebies, get answers at the FAQ link, find out which casinos offer which games, and even see and actually play the latest multi-hand games licensed by Action Gaming.

Simply set up a user name and password and you're good to go. No obligations and no junk e-mail – just good clean fun and useful information that will help keep you knowledgeable about the dynamic and exciting world of video poker.



Poker Paytable Shortcut

Need the latest scoop on multi-hand game program numbers and paytables? Now you can cut to the chase by pointing your browser to: www.igtproducts.com/igtproducts/games/gameking/list.asp?Type=Multi-hand

The complete "Multi-Hand" program list is now accessible directly under the "Game Library" menu, rather than under the *Game King* heading.

One click serves up a list of every program variation for all multi-hand game themes in our library. Click again on a

program number and you can access payback percentages for all available game families. Then click on a paytable number and you'll find a complete cover sheet for each paytable I.D. number you select.

In addition, the search engine now gives examples of what will or will not work when searching for a paytable. This online renovation is designed to make locating program and paytable information faster and a little easier. We hope you like the improvements!





IGT Playing Cards Go to War

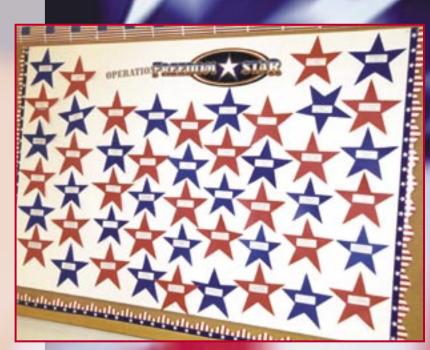
CPT Robert Leverington, SFC Randy Kahl, SSG Dennis Conner of the 244th Engineering Battalion enjoy a friendly game of Gin with IGT playing cards sent by the Video Poker department. A note of thanks arrived from CSM Frank McCabe that said, in part, "...thanks from myself and the members of the 244th Eng Bn (H). The cards arrived last night, and the soldiers couldn't be happier. There have been more card games going on in the last 12 hours than in the last two weeks. Not gambling games, but Gin and such. IGT (cards are) everywhere. Thanks from the bottom of my heart."

The Troops Come First With IGT

In support of our Armed Forces, IGT employees pitched in with donations of hard-to-find-in-the-field items – dental products, shampoo, sunscreen lotion, lip balm, snack items, games, books and the like – enough goodies to fill over 100 large boxes, each packed to the lid. The boxes were delivered to the Red Cross for shipment to our troops in the trenches.

When we learned that some troops were enjoying decks of playing cards they had received from an IGT spouse, we added three more full cases of IGT playing cards to the shipment.

Some employees even "adopted" a group of military search and rescue dogs, collecting more than \$1,000 in donations. The funds were used to purchase canine booties needed to protect the dogs' feet and paws from the harsh desert elements, and when on search and rescue missions. Because the K-9s were also getting sunburned noses and ears, the Minden, Nevada manufacturer of All Pro Sunscreen contributed a shipment of sun block for our K-9 friends and their handlers.



A special "Operation Freedom Star" board was set up in our Reno facility in recognition of the troops whose friends or family members work at IGT. Each star on the board lists the name and location of individual servicemen or women with ties to IGT.



BOWLING FOR POKER

FOUR JOKERS AND A QUEEN. No, that's not a new poker hand, but it is the name of a hot bowling team from Shippensburg, PA. The teammates share a common love of video poker, and contacted us with the idea of making our IGT video poker golf shirts their team uniform for the big American Bowling Congress Championship Tournament in Knoxville, Tennessee. Although they didn't do as well in the bowling competition as they had hoped, they were certainly in the running for the title of best-dressed team.

Front row: Laura Bonanni, James Reed

Back row: Pat Bonanni, Ron McMullen, James St. Clair