

Dear Casino Professional:

Spring is here, taxes are looming and the poker world is evolving as always. Operator consolidation and advances in technology are driving some aspects of our business to change very fast. In this issue we'll address some of these change items, and review some basics we believe you'll find useful.

Nikol Abelman, who handles our largest video poker market – Nevada – shares some meat 'n' potatoes ideas she's learned nurturing two very different markets – the Locals and The Strip. Though like night and day in some ways, there are some consistent paths to profit in both segments.

Rarely do products have long legs these days. Even rarer is finding a sleeper that keeps getting stronger and more popular after five years in the field. The Spin Poker[™] phenomenon is somewhat a freak of nature, one we think you'll find interesting.

With Oklahoma having recently approved "games-of-skill," Game King® video poker games are now being introduced into a market that has grown up on another style of game. What is our man Mike Drummond doing about it? Find out inside.

Many Native American casinos in Southern California have successfully brought a little bit of Vegas to their respective areas. Many others are doing it their own way. Our Western Regional Sales Product Specialist, Sal Lambert, shares with us a couple of tremendous observations learned from his "windshield time" spent driving around Southern California and un-learning some Vegas lessons.

We hope you'll find these stories interesting and even useful, and if you have comments or specific questions, please contact us at John.Daley@IGT.com or Mike.Fields@ActionGaming.com.

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March

2006

Inside The INSIDE Straight



Meet Shannon Bloom



Lessons From Nevada



The Spin Poker™ Sensation



Triple the Action at Your Poker Bar!



"Real" Video Poker is Settling in Oklahoma



Meet Shannon Bloom

We're extremely pleased to introduce the newest member of our Video Poker team – Shannon Bloom – now managing our Midwest and Northeast regions.

Based in West Hartford, Connecticut, Shannon is responsible for both traditional and Native American customers in New York, Connecticut, Michigan, Minnesota, Wisconsin, Northern Illinois, Northern Indiana, North Dakota, South Dakota, and Pennsylvania as it goes "live."

Shannon comes to us from Progressive Gaming, Inc. (PGI), formerly Mikohn Gaming, where she was responsible for Northeast region sales which covered much of the same territory. Prior to that, Shannon was in charge of Original Equipment Manufacturer (OEM) accounts – including IGT – out of Las Vegas, Nevada.

She has been a top-producing sales executive for several years for PGI. Prior to becoming involved in gaming she managed key accounts at Coca-Cola Enterprises in Canada, and later in Las Vegas. With all her gaming and corporate experience, it's no surprise she has already hit the ground running.

Shannon replaces Erika Reuter whose poker experience enabled her to secure a position as an Account Executive in Florida, selling the entire IGT product line. While we'll all miss Erika, her move to Sales is a great benefit to customers in Florida, a



market we believe will blossom with video poker in the coming years.

Please join us in welcoming Shannon Bloom as our – or your – newest Video Poker Sales Product Specialist. If you're in her region and haven't spoken with her yet, why not reach out and let her know you're there? Her E-mail address is Shannon.Bloom@IGT.com.

And remember,





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Lessons From Nevada

By Nikol Abelman Video Poker Senior Sales Product Specialist Nevada

IGT video poker has been a stable cornerstone of most casino floors across the country for over 15 years. About 8 years ago video poker was forever changed by the introduction of Triple Play™ Poker, which resulted in the creation of Video Poker Product Specialists like me. In this role, questions I'm most often asked by customers are "How are our poker games doing compared to other casinos?" "What more can we do to improve revenues?" and "What new games should we add?" Of course the answer has changed with the introduction of new themes over the years, but there are some consistent guidelines you can always count on...

First, make sure you have an adequate number of the workhorse Triple Play™/Five Play® games. Recently one of our clients suggested he should change some of his Triple Play™/Five Play® machines in his casino to a "newer" theme because he felt the new machines could be "stronger." While that works sometimes, that approach is not always the best solution.

We did a little research, including checking the paytables, the chips' capabilities, and of course the denominations. Based on what we saw, we found that we could fine-tune his existing games to produce a rather immediate increase in revenue without him having to pony up for new games or game conversions. This is just one example of how you can improve handle using existing resources. And it's this kind of collaborative effort that makes my job so rewarding.



Secondly, I always believe you should check the number of single-hand video poker machines you have in relation to your multi-hand games, striving to maintain a mix of approximately 8-10% of the floor in multi-hand games. While we're happy to sell you more games, more isn't always better. We want to ensure you have a balanced and therefore effective mix. Sometimes this analysis – revenue by product type – shows you need more multi-hand games as it did in Southern Nevada late last year. And as I've said many times, we'll gladly support you in any way we can in your efforts to optimize game revenues.

Finally, in terms of "must have" games, your poker mix needs to include Triple Play™/Five Play®/Ten Play™ games, Fifty Play Draw Poker™, Hundred Play Draw Poker™, Spin Poker™, Super Times Pay Poker®, and Multi-Strike Poker® machines. These proven player favorites generate consistent revenues in every market and continue to grow in popularity in jurisdictions where they're installed. With the constant "churning" of games these days, it is good to have some long-term reliable games to pick from.

I consider myself very lucky to be able to help all of my clients re-evaluate and constantly re-market their casino floor. That's part of the job of being an IGT Video Poker Product Specialist, and it's the kind of work each of us truly enjoy doing.

Why? Because Poker Rules!

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The Spin Poker™ Sensation

By Mike Fields Executive Vice President, Action Gaming

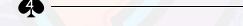


Rarely do slot games hang in there for years, consistently beating house average and developing and keeping a loyal base of fans. Even rarer is it for games to not only survive and succeed for years, but to actually enjoy a resurgence where over time they steadily develop a whole new generation of new and rabid fans. For the record books − here's one that did just that: Spin Poker™.



Over the past two years, this steady earner on floors all over the country has surged and grown 166% in terms of installed games. As a daily fee game – which we know all of you manage carefully – it's obvious this growth isn't by accident, but rather because this game is more popular than ever.

In keeping with the video slot trend of moving towards increased max bets and more paylines, we introduced the Spin Poker Deluxe® game in December of 2004. It's no surprise that this theme has also steadily attracted a huge following of its own, taking off like a rabbit. Together, the "spin" style game is the second most popular multi-hand poker game, second only to the original Triple Play™ game.





What we find fascinating is that the growth of Spin Poker Deluxe[®] has been incremental to the original Spin Poker[™] install base, making us wonder if these two different player types are converging somewhere between slots and video poker.



Knowing this "spin" slot-style of play is clearly a winner and a solid investment for our casino clients, later this year we're going to blend two other highly successful concepts with Spin Poker™. These two "flavors" are Super Times Pay Poker®, with its frequently occurring random multiplier, and Double Pay Poker™, where players get paid on the deal AND the draw. Look for these games over the summer.

I wish we could tell you exactly why this is working so well, but all we have are theories. However, what we do know with certainty is that your players love this style of game, and with all the choices you have for your conversion dollars, we'd strongly recommend you consider these themes for your game mix as they have a pedigree and track record for performance that's second to none.







Triple The Action At Your Poker Bar!

By Sal Lambert Video Poker Sales Product Specialist Western Region

How would you describe the earnings of the video poker games at your bar? "Poker house average?" "Below poker house average?" Would you like to do better?

I spent years in Nevada thinking all casinos and products they offered were pretty similar. Boy was I wrong! One of the most astounding things I've learned in my new Western Native American Gaming territory in California is how innovative some of my clients are, and just how profitable their clever ideas can be!

Take the Spa Casino in sunny Palm Springs. They have a beautiful 18-machine circle bar that really rocks. They've incorporated half a dozen Triple Play™/Five Play® poker themes into their bars and I kid you not – they are regularly generating 4 to 5 times house average! Wow! I was astounded. Back in Vegas, one or two Triple Play™ games per bar was more the rule. Not so out here.

Another great example of trying something different is the San Manuel Casino outside Ontario. They have a classy center bar that's also a major hub of activity, and there they've gone a step further. In addition to Triple Play™/Five Play® games, they've added Spin Poker™ and Multi-Strike® games. Their earning results mirrored the Spa's. Interesting, huh?

Offering your average and loyal poker players the choice of wagering fifteen, twenty-five, or as high as fifty credits per game on their favorite poker themes really increases handle. There's no disputing the fact that Triple Play™/Five Play®/Ten Play™ poker is one of the most popular and top revenue-producing video poker themes to date, and if placed strategically among your bar top machines, this game will generate two to three times more coin-in than your typical Game King® single-hand poker counterpart.

Let's explore the top multi-hand themes I'd recommend for your bar.



- Triple Play™/Five Play® not a lot of explanation is needed here. Hardcore video poker, three hands at a time. After all, there's no rush quite like holding 3 aces and watching to see if that elusive fourth one is going to show up! Well, maybe a dealt royal or dealt quad, but three aces happens a lot more!
- Spin Poker™ This long-lasting successful cross-over between video poker and 9-payline video slots is very popular with poker players and video slot players alike. It's especially attractive at a bar where thirsty slot players may linger longer as cards are spin-dealt to them. I hear that bars in Nevada are also embracing this theme more and more.
- Multi-Strike Poker® This was a surprise to me, but it shouldn't have been, given this game's following. Sprinkle a couple of this multi-level, multiplying poker theme on your bar and you'll find your mature poker player fervently chasing the 8x-level royal!

When people question me about closely observing bars throughout my territory, now you know why—'cause there's gold in them that bars and you just have to mine it with some proven multi-hand games! For more information about my experiences in this territory, contact me at Sal.Lambert@IGT.com.





"Real" Video Poker Is Settling In Oklahoma

By Mike Drummond Video Poker Senior Sales Product Specialist Southwest Region

Hey Buckaroo! For a very long time, Game King[®] video poker and other games-of-skill were not allowed in Oklahoma tribal casinos. The games that were there operated on a pre-determined outcome basis where the game provided a visual representation of a bingo ball outcome. But it's a whole new rodeo now, and there's some genuine 52-card excitement in store for players who have enjoyed these bingo-ball games.

The good news is that "real" video poker is now up and running at some hot properties in the Sooner State. And what a great opportunity for IGT and me to get busy, spreading the "real thing" with our popular Game King® single- and multi-hand video poker product lines! I was pleased to see that some operators have already placed Game King® machines on their floors, and do these games look great! With several expansions under way, we expect the market to develop a strong video poker following in no time at all.

One property that has embraced these changes as an opportunity – incorporating restaurants, bars and hotel rooms to create the first Vegas-style casino in Oklahoma – was the Cherokee Casino. For starters, they added 193 Game King® machines to their floor, and have cleverly utilized nearly every feature available in their IGT video poker machines.

Almost all of these have specific poker theme glass, which is key for loyal poker fans who are "drawn" to the themes they know and love. The brand identification of Double Bonus Poker®, Double Double Bonus Poker®, and Deuces Wild is powerful and often more alluring than the standard "Multi-Game" name on conventional Game King® glass. Cherokee also mixed up the glass themes on several of the banks. This makes an eye-catching bank that players are sure to investigate, and once close to the machine they easily recognize its many multi-game choices.

I also like how they've utilized multi-denomination options. Their machines are set up with a choice of $25 \, \text{¢}$, $50 \, \text{¢}$ and \$1 denominations, and as players move up the denom scale they're rightfully rewarded with a better paytable. Applying this "sliding pay scale" principle to the Double Bonus Poker® game, for instance, the $25 \, \text{¢}$ and $50 \, \text{¢}$ paytables return 9/6/4 (full



house/flush/straight), which represents a 96.38% payback, and the \$1 denom returns 9/6/5, for a 97.81% payback.

With a setup like this players will see the carrot they can receive for wagering at the higher denomination. The sliding pay scale works in every market and is quickly being adopted in Oklahoma. And don't think this has gone unnoticed. Most of the other properties in OK have set their pay schedules similar to what Cherokee has done – which is a good thing and will help the video poker market pie grow for all.

Given that "real" video poker is new to some players, several properties are taking advantage of being able to offer up to 12 game families on the main player menu screen. Cherokee started with 8 themes, while other properties have chosen to introduce their players to 6 to 8 games. Players' choices and preferences will become obvious, and it's easy and completely free for operators to "enable" other game types for players to enjoy without changing chips.

Along with single-hand video poker, it is no surprise that multi-hand themes are taking off too. Several properties have introduced new themes, including Triple Play™/Five Play®/Ten Play™ Draw Poker, Spin Poker™, Five Play® Multi-Strike Poker®, Fifty Play Draw Poker™, and Hundred Play Draw Poker™. Even though these are brand new games to this market, they are consistently out-earning single-hand poker as we expected.

As established and proven as video poker is, it's rare for it to be considered "the new kid on the block." We're sure it's only a matter of time before video poker takes a stronghold in this emerging market.

Check Out This "All-Star" Lineup!















BONUS HAND TIRIPLE DRAW POKER



- ★ Triple Play™ Five Play® Ten Play™ versions of Draw Poker, Double Pay Poker™, Five Aces PokerTM, Super Times PayTM Poker, and Chase the Royal® ★ Triple Play™ and Five Play®
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