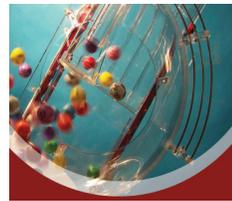


Smartplay International

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www.smartplay.com

Quarterly Update/ Fall 2009



New designs keeping us ahead of the game!

Smartplay redesigned two of our most popular lottery draw machines, the *Halogen* and *Magnum* throughout the winter of 2008-09. Through a coordinated effort of Camelot Group, a marketing firm and Smartplay, we succeeded in creating a new image for both machines which exceeded everyone's expectations. Now, Smartplay can offer these sleek, newly styled machines to the market as well.



The original *Halogen* gravity pick draw machine was developed in 1999 at Camelot's request. Those first machines are still in service nine years later, and resulted in a new age in rubber ball drawing machines.

(L to R) David Michaud, Smartplay President, with Paul Van Den Bosch and Chris Bishop from Camelot



The *Halogen II* was also a joint effort with Camelot. The British Lottery's operation process is considered the gold standard in our industry -- a highly secure and yet dynamic operation. Always forward-looking, Camelot began to invest in modernization and common branding to improve their lottery product. The resulting *Halogen II* machine has a futuristic appearance as it sends balls down either side of the ball trail after selection.

Camelot uses two of these machines in their "Thunderball" game. The first machine picks five balls on the left side of the trail, stopping at center, and the second picks one ball on the right side, also stopping at center. As each ball is selected it's "chased" down the trail by a row of LED lights. The truly flexible machine can pick up to ten balls down either or both sides!

The *Magnum* rubber ball machine has been a paragon of lottery excellence. But its robust engineering and premium features translated into a

higher bottom line when compared to air-mix machines. So in 2005, we introduced a *Magnum* drawing machine to meet the needs of budget-restrained domestic lotteries. The simplified model offers the same reliability, minus the trim and glamorous accent features of a premium model. The Ohio Lottery was the first to purchase this hearty, durable machine at a more budget-conscious price.



The sturdy, industrial feel of our standard *Magnum* remains popular. But we felt it was time to slim down the machine's cabinet for a sleeker look. It received a cabinet

redesign, optimum branding locations and, most notably, twisted, clear, acrylic mixing paddles and a totally clear ball rack. The scooping shape of the paddles provides a superior mix in the newest model. Camelot was immediately interested in the new *Magnum II*. By purchasing this redesigned *Magnum II*, Camelot achieved their marketing goal of common branding and contemporary design, while retaining the same confidence in the *Magnum's* operation.

We are confident these machines will become an industry standard.

Smartballs Make It Smarter!

Our new products, Smartballs, made out of solid polymer, make the *Halogen II* and *Magnum II* a smarter draw! Just like our rubber balls, they provide the highest level of security. Molded inside each Smartball is an RFID identification tag and 12 adhesive numbers, equally spaced to ensure good number visibility. The numbers are printed inside stickers, making them wear-resistant. Smartballs come in yellow, green, red, white, light blue and dark blue and are available in 40mm and 50mm sizes.



Manufacturer
of Custom
Lottery
Equipment
Worldwide



Customize your drawings – it's our specialty!

Smartplay makes more than traditional air mix and gravity feed lottery drawing machines. Use your creativity, combine it with our engineers' ideas and you may revive your lottery's sales and enthusiasm.

This summer, Taiwan Lottery Corporation (TLC) came to us for a custom game machine similar to a childhood classic game, **Tic Tac Toe**. On the resulting machine, each of the nine squares contains a rotating wheel which is also divided into four numbered segments. And a brightly colored ball bounces wildly inside the wheel until it settles on the winning segment.



A remote control box operates the new programmable machine. A lottery official pushes a button on the remote to start the wheels spinning. After a few moments the wheels coast to a stop and the ball settles into the winning segment. Smartplay has several variations on this drawing machine and there are a variety of operational settings available to meet a lottery's specifications. Taiwan held the first of their week-day, daily drawings on July 27th. They are

broadcasting the draw Mondays through Fridays on both television and internet.

Displaying their creativity, Ireland's lottery, An Post, began a new season and fresh format of their wildly successful weekly game show: "*Winning Streak: Dream Ticket*." Smartplay happily contributed to the excitement.

"**Cash Cubes**" is the latest segment of Ireland's popular game show, using equipment produced by Smartplay. Despite an extremely short timeline, all aspects of design, construction, custom java application development and electronics were accomplished by Smartplay's talented in-house staff. A panel of cubes, six across and five tall, hide monetary prizes for the player. Smartplay's new Director of Technical Products, Mike Rado, helped automate a system where the prize behind each door is easily set prior to the game and then can be reset for the next show according to the lottery's needs. Although not used in this game, the Cash Cube numerical display can easily be replaced with animations or special graphics for another game. An internal

computer system contains an easily auditable log for every action the game conducts. The log simplifies the lottery's ability to review the game for randomness and security.

A Safe Bet is yet another segment of *Winning Streak: Dream Ticket*. A lucky player is shown to a bank vault, conceived and created by Smartplay, where he selects one of eight "safes" by pressing its numbered dial. Then the player pushes "Go" on the control console. Safe lights flash and sparkle until the player presses the "Stop" button and one safe remains flashing – unless it is the same safe as the one originally selected by the player. If it is the same safe, the player wins double the amount hidden behind the door! Smartplay engineers and An Post drawing managers collaborated on the game idea, resulting in a fantastic final product which is great fun to watch in action.



These are just a few examples of the creations Smartplay engineers and designers have crafted. Does your lottery have a game show that needs new life? Smartplay can help with lottery-quality game show equipment, engineering and ideas.

Put your creativity to work for you!



Smartplay's Origin™ System: Coast to Coast and Mexico, too!

Smartplay's Origin™ System has become the talk of lotteries across the continent. It has so many desirable features that lotteries can't help checking out its possibilities. The Origin™ System is flexible, compact, easy to audit and cost effective. It has rapidly become one of the strongest and highly secure products in the lottery industry. Today, 15 US lotteries and Pronósticos in Mexico are presently exploring its capabilities. They are discovering its range of options to adding game dimension and diversity to on-line game offerings.



Visitors from Pronósticos and CENAM, plus the Smartplay staff

California's state lottery recently contacted us to replace their existing Random Number Generation (RNG) system with the Origin™. The ease of operation and auditing ability appealed to California's decision makers. These are two well-known requirements for lottery draw equipment. Additionally, the Origin™ System's flexible drawing platform has been certified over thirteen times by Gaming Laboratories Incorporated, three times by Secure Software Incorporated and twice by KPMG of Vancouver, Canada.

Lotteries using the Origin™ receive an advanced computer platform containing animations and broadcast-quality graphics on a highly secure and triple-redundant random number software system. Draw results and animations are designed to be sent directly to a satellite uplink for broadcast. Systems also have the inherent ability to conduct raffles and 2nd chance games with populations as large as one billion! With minimal expenditure, these systems can be reconfigured at a later date, adding new games and custom graphics specific to a lottery's requirements.

In December, 2008, the Rhode Island Lottery used an Origin™ System for their Million Dollar Raffle Game. This September they took possession of another long-term lease of two Origin™ digital draw systems. They plan to perform drawings at the GTECH data center in Rhode Island until January, 2010. Their lease provides two complete hardware-based random number sources per system, a secure entry system, and secure housing for their drawing operations.

The Origin™ System is currently in daily use by the **New Mexico Lottery, Arizona Lottery, Washington State Lottery, Ohio Lottery, and Tennessee Lottery**. **North Carolina** is awaiting delivery of their new system. The Origin™ has been selected as the means to conduct raffles by **New Jersey Lottery, New Mexico Lottery, New York Lottery, Ohio Lottery, Tennessee Education Lottery, Arizona Lottery, Washington State Lottery and Virginia Lottery**.



New staff expands Smartplay's technology resources

Anyone involved in the gaming industry knows how rapidly information technology and security requirements can change your operations. Smartplay continues to adapt to these changes and provides our clients with increased security options and a larger variety of technologically advanced products.

Accordingly, we are pleased to introduce Michael Rado as Smartplay's new Director of Technical Products. Rado has worked in the gaming industry since 2005 and is highly experienced in both regulated and unregulated gaming. He brings with him a broad technology skill set including computer networking, Linux operating system customization and integration, PC hardware and electronics skills, and strong troubleshooting skills. He is also educated in the certification standards that are widely used in gaming. Rado attended Penn State University for Information Sciences and Technologies and was trained by Red Hat as a Red Hat Certified Engineer (RHCE).



Before Smartplay, Rado spent four years as System Engineer /Systems Manager for a company producing computerized gaming tables. He was a central part of their development team and designed and debugged innovative gaming systems. Rado also worked to ensure system compliance with the industry's highest certification standards.

Paul Maguire, Smartplay's Chief Technology Officer, has worked with Rado for many years. Asked about his working relationship with Rado, Maguire said, "He is extremely knowledgeable with Linux operating systems and has extensive experience with numerous types of hardware and networks." Maguire actively consulted on developing Smartplay's Origin™ System before committing as the primary director for the product. He is pleased to have Rado to add depth to the IT staff and consulting abilities offered by Smartplay. Welcome aboard, Mike!

Contract Announcements

26 new placements around the world!

Africa

Two **Mercury 3s**

Asia

One **Standard Daily**

Two **MegaGems**

Two **Saturns**

Four **Tic Tac Toe Machines**

Seven **Custom Neptunes**

Two **Phoenixs**

One **Mercury 10**

Two **Halogens**

Europe

One **Criterion II**

One **Bingo Phoenix**

One **Cash Cube**

One **Custom Vault Machine**

One **Roulette Table**

One **Halogen**

Oceania

One **Mercury 3**

Middle East

Six **Custom Saturns**

Two **MultiDigit Gems**

Central America

One **Prize Wheel**

Two **Origin Systems**

One **Revolution**

Four **Mercury 3s**

Two **Phoenix IIs**

Four **Saturn**

North America

Four **Standard Dailys**

Three **Origin Systems**

Two **Phoenixs**

One **Custom Bead Machine**

One **Custom Hand Mixing Drum**

South America

Two **Mercury 4s**

Contact us to receive a brand new brochure!

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