

A Special Report by Global Gaming Business Magazine



G2E REVIEW

 Reed Exhibitions

 global gaming expo



State of the Industry

For the third year in a row,, the highlight of the conference program at the G2E was the State of the Industry keynote hosted by Emmy Award-winning talk show host, Larry King, the master of the tough question, on October 6. The discussion, involving the top executives from major U.S. gaming corporations, major U.S. trade associations and an international slot machine supplier, was wide-ranging, informative, somewhat casual and full of humor.

Consider the following exchanges:

What is your biggest concern?

Fahrenkopf: Our biggest concern is at the state levels. The states always turn to gambling to solve their economic problems. Gambling is "the man behind the tree." We need to do a better job at the state government level of getting our message out about the positive aspects of the gambling industry.



Terrorism: Should casinos tell the public when a threat comes in?

Lanni: If it's a credible threat, then everyone should be told. But we need better communication between the industry and Homeland Security.

Expansion: Will there be a casino in every city?

Loveman: I think eventually there will be a casino in every city. Americans have the funda-

mental right to gamble.

Lanni: MGM Mirage's growth will be in three states: Nevada, New Jersey and Mississippi, because those jurisdictions understand gaming and support it. That can't be said about other jurisdictions.

How do you fight the opposition?

Fahrenkopf: The major problem is with the media. Most major papers are virulently anti-gambling. We have to do a better job getting the message out to our customers. We need our customers to become better spokesmen for us.

Moderator: Larry King

Panelists: Frank J. Fahrenkopf, Jr., president and CEO, American Gaming Association; Paulus Karskens, president, IGT International; J. Terrence Lanni, chairman and CEO, MGM Mirage; Gary Loveman, president and CEO, Harrah's Entertainment; Ernie Stevens, chairman, National Indian Gaming Association

Food Fight

Global Gaming Expo kicked off with bang on October 5 when the Keynote Presentation brought together some of the most noted chefs in Las Vegas for a competition to determine who was the most inventive in the preparation of lobster. Man-about-town Robin Leach emceed the event, and a panel of knowledgeable judges rendered their opinion: The winners and new champions are Bellagio's Marc Poidevin and James Benson.



Master Of Ceremonies: Robin Leach

Teams: David Robbins, executive chef and managing partner, Puck Fine Dining Group, and Peter Woo, executive chef, NOBU Restaurant at the Hard Rock Hotel & Casino, versus Marc Poidevin, executive chef, Le Cirque at Bellagio, and James Benson, executive chef, Circo at Bellagio.

Judges: Muriel Stevens, Nevada food critic and writer, Las Vegas Sun; Lincoln Spoor, Krispy Kreme Nevada franchise owner, food and wine enthusiast and bon vivant; Chris Marcoux, partner, Shonkwiler-Marcoux Agency and former chef.



Poker Power

"Legendary" is a term not lightly used, but when G2E presented its "Power Poker" keynote presentation on Thursday, October 7, there was no other word to describe the panel. Starting with the moderator, the "Mad Genius of Poker" Mike Caro (standing), the panel included (l. to r.) Doug Dalton, the poker room manager at Bellagio; players Jennifer Harman and Doyle Brunson; former Horseshoe Gaming Chairman Jack Binion, and Lyle Berman of Lakes Gaming and co-founder of the World Poker Tour. Caro led a lively discussion of the history of poker, why the game has experienced the remarkable resurgence of popularity and how



casinos can profit from installing or expanding poker rooms. The highlight of the session was when the legendary Brunson explained how he brought a "little game" called Texas hold 'em to Las Vegas in the 1940s.

Moderator: Mike Caro - The Mad Genius of Poker

Speakers: Lyle Berman, chairman and CEO, Lakes Entertainment, Inc.; Jack Binion, former chairman, Horseshoe Gaming; Doyle Brunson, professional poker player; Doug Dalton, poker room manager, Bellagio; Jennifer Harman, professional poker player



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Conference Conduit

G2E Conference sessions well attended, well reviewed.

With a 20 percent increase in attendance over 2003, more than 140 sessions and 400 speakers, the G2E conference program once again provided attendees with information from the recognized experts.

The Slot Debate 2004: Manufacturers vs. Operators

This second session of a double-session panel, moderated by *Global Gaming Business* Senior Editor Frank Legato, was the second annual version of a roundtable discussion begun last year. Representatives of slot manufacturers joined a panel with several casino slot operations professionals to discuss and debate issues such as revenue participation, life cycles of slot machines, the coming of server-based gaming and other issues.



GGB Senior Editor Frank Legato convenes a debate between slot manufacturers and casino operators.

Joining the panel from the slot manufacturing sector were Ed Rogich, vice president of marketing for IGT; Marcus Prater, senior vice president of marketing for Bally Gaming; Joe Bailo, chief operating officer of Atronic Americas; and Kent Young, vice president of marketing for Aristocrat Technologies. Representing the slot operations side were Bruce Rowe, the longtime VP of slot operations for Harrah's Entertainment, now president of industry consulting firm Renaissance Casino Solutions; Frank Neborsky, vice president of slot operations for Mohegan Sun in Connecticut; and John Hawkins, vice president of slot operations for Michigan's Potawatomi Casino and a longtime slot executive at Detroit's Greektown casino.

The debate started out with the revenue participation issue, with manufacturers such as IGT's Rogich noting that the leasing

of slot machines with revenue sharing is a necessary part of business, which benefits both sides. Mohegan Sun's Neborsky, however, stressed the manufacturer sometimes gets the better of the deal if the game does not earn sufficiently in a market like Connecticut, where the operator must pay a flat fee to lease the game rather than a percentage of win as in Nevada.

Operators called manufacturers on the carpet for overkill in the amount of product rolled out at G2E. "We're just now seeing games approved that were introduced at last year's show," Rowe commented. Headed by Aristocrat's Young, though, all of the manufacturers said they have made a concerted effort to display a majority of games this year that are available for sale, immediately or very soon.

When the discussion turned to downloadable gaming, the consensus was that the new delivery system for slot games will only be as good as the content of the games themselves. Rogich commented, also, that the delivery system would not be an end-all for the slot floor, noting that slot games are merchandised by their individual presentation to a great extent. "Packaging is important," he said. Rogich also noted protocols must be universal before downloadable gaming rolls out. "We need to create public highways," he said, "because though we're competitors, we have to coexist."

Rowe called on all the manufacturers to do a better job in giving operators all the information on the math of each slot game, before the purchase is made. "Imagine playing in a ball game where you can't see the scoreboard," he said. "Information must become better."

Marketing racinos: A "shot in the arm"

Jim Rafferty, vice president of Wheeling Island Racetrack and Gaming Center; Bob Farinella, Iowa Prairie Meadows CEO and general manager; and Midway Slots Executive Vice President Bruce McKee hosted a discussion during G2E's conference sessions about marketing racinos and the issues involved in growing the racino business.

Bruce McKee, Executive Vice President, Midway Slots, Delaware



After a brief history of Prairie Meadows, Farinella talked about slots coming to the track in April 1995 as a "much needed shot in the arm" after river boats kept horse track revenue down in the state.

By marketing themselves, Prairie executives highlight the venue's commitment to bettering the community, creating jobs, improving products and services and contributing to a healthy economic climate.

"It's necessary for tracks to increase the local fan base," Farinella said. "We're still working to overcome the lack of a local fan base . . . our job is to get new fans into the facility."

One new initiative Farinella announced for his Iowa racetrack was the introduction of table games into the facility in December in an effort to tap into the recent poker craze.

"We believe table game players are likely to play the races," he said. "We are able to market an entire entertainment package."

McKee said racinos exist to save the racing industry, but that competition, legislation and taxes contribute to revenue loss. While revenue was up in many racing states, tax rates also remain high compared to average casinos. The average casino tax rate in 2003 was 20 percent, while most racinos paid upwards of 50 percent in taxes. In Delaware, a smoking ban caused an 11 percent decrease in business generation, he said.

Rafferty said successfully marketed racinos use disadvantages, such as high taxes, as advertising tools. For example at one New York race track, where an 80 percent tax rate exists, a huge marketing campaign is under way with the slogan "We win, they win," referring to the track's contribution to funding local education.

"It doesn't matter what you spend. It's what you have at the end of the day," Rafferty said.

Tribal government gaming: Regulation at every level

Featuring a diverse group of tribal gaming regulators, this session focused on the regulation needs of tribes and the processes put in place to ensure the security of Indian gaming operations.

Panelists included, National Indian Gaming Commissioner Nelson Westrin; Joseph Carlini, gaming commission executive director for the Agua Caliente Band of Cahuilla Indians; gaming commissioner Norm Des Rosiers of the Viejas Band of Kumeyaay Indians; executive director of the Morongo gaming agency, Jerome Schultze; and Steve Lewis, a Gila River gaming commissioner.

Each panelist described the structure of their particular tribal agency, some of which consist of one-man operations while others include multi-member boards. All the commissioners discussed their roles in doing background checks on key employees and in implementing strong internal controls.

Responding to recent media scrutiny and reports of lax security at some Indian gaming facilities, Schultze in particular argued most Indian gaming regulators go beyond their resources in ensuring the security of the tribe's gaming assets. He said he and many other regulators, including all the panelists, have gaming agents in their tribe's casinos 24-hours a day, unlike many non-Indian casinos.

Internal controls—the guidelines followed by casino employ-



Attorney Nick Casiello moderated a panel of corporate counsels.

ees in accounting for funds as well as in other operations—are important to preserving tribal assets as well as strengthening tribal government, the panelists agreed.

"The biggest problem with casinos is the protection of assets," Carlini said. "The process of internal controls . . . that's what you use to protect yourself."

Des Rosiers added "80 percent of my prosecutions have come because of our internal controls (of which) I am a firm believer."

Internal controls also include background checks on key employees, which NIGC rules give individual tribes the right to designate within their gaming operations. Each tribe may do it differently.

Des Rosiers said, "In our jurisdiction, everyone is a key employee. The housekeeper gets the same background check as the CEO." Schultze said his agency completes checks on any employee "who touches our money."

Conference Conduit

Gaming and the law: Compliance and the role of the chief counsel

Moderated by gaming attorney Nick Casiello, Jr., this panel discussion examined the role of the chief counsel in the litigious world of gaming supply. The panel consisted of Mark Lerner, senior vice president and general counsel of Alliance Gaming; Walt Stowe, senior vice president and general counsel of Aristocrat Technologies; and Jerry Smith, senior vice president and general counsel of Shuffle Master Gaming.

The panel examined the chief counsel position as it relates to working with regulatory agencies, particularly in compliance issues. Each panelist outlined how his company structures compliance committees in relation to the chief counsel position, and discussion highlighted whether or not conflicts of interest can arise if a chief counsel also serves on the compliance committee.

Panelists addressed the question of whether self-reporting requirements in compliance violations imposed by regulatory agencies conflicts with the attorney/client privilege inherent in the general counsel's position. (Shuffle Master's Smith, for instance, serves on the company's compliance committee in addition to his role as general counsel.) Aristocrat's Stowe asserted that a general counsel gives up a portion of that attorney/client privilege by serving on the compliance committee. Lerner from Alliance disagreed, noting that an attorney cannot relinquish the privilege; only a client can.

Among other issues discussed was the use of outside counsel when dealing with regulators in various jurisdictions. It was the consensus of the panel that it is best to employ an outside counsel in each jurisdiction. "All of us work with outside counsel familiar with the market," said Smith. "Regulators don't want to deal with a stranger from a strange state; they want someone who knows the lay of the land."

Indian innovations: Transforming the gaming industry

This panel, moderated by Sodak Gaming President Knute Knudson, highlighted the industry-wide technological innovations that have originated in the Native American markets. Panelists included Susan Kesel, vice president of the Oneida Nation's Standing Stone Gaming; Charlie Lombardo, vice president of slot operations for Florida's Seminole casinos; and Mickey Brown, president of Seneca Gaming Enterprises.

Among the innovations highlighted was the first cashless

gaming system at the Oneidas' Turning Stone casino in New York, which Kesel noted was a creation borne of necessity. She said the Oneidas' compact with New York required two things: central control of the games and a totally cashless slot floor. The Oneidas developed their central system and card-based cashless system 10 years before the first ticket-in/ticket-out system hit commercial casinos.

Lombardo, a longtime slot executive at Caesars Palace prior to joining the Seminole organization, described how, when faced with the need for 4,000 electronic bingo machines to fill the two Florida Hard Rock casinos, he worked with Sierra Design Group to develop bingo slot machines that have become models for Class II gaming.

Knudson noted that server-based gaming also originated in Indian country, where there are five such systems currently operating. Lombardo commented that if he were ever to go back to a Class III casino, he would want a portion of his floor server-based.

Looking to the future, Brown said the Senecas are bringing in more sophisticated Class II games to the bingo halls, and working on a single-card system that will reward players for money spent in both the hotel and casino. Kesel said the Oneidas would continue to develop new products. "If it isn't available, we have someone develop it for us, or we develop it ourselves," she said.

Market explosion: The next generation of gaming customers

Once considered minimal to the gaming industry, the next generation of gamers in Gen X and Gen Y are attracting the attention of several gaming properties, according to moderator Glenn Buxton, a consultant with Peabody Pacific; Brooke Dunn, senior VP marketing for Shuffle Master; Kevin Kelley, president and COO of the Las Vegas Hard Rock.

"It's a young, affluent, hip market of people with money to spend," said Kevin Kelley, president and COO at Hard Rock



Glenn Buxton (r.) brought a "Palms Girl" to the "Market Explosion" panel to demonstrate ways to attract younger customers.

Hotel and Casino in Las Vegas. "They're not saving for retirement. They're saving for Friday night."

Attracted to "hip" properties like Las Vegas' Hard Rock and Palms Casino Resort, the one-time niche market is growing and beginning to influence the gaming industry. A number of properties from hotels to casinos are now themed to relate to Gen X and Gen Y including the Venetian Hotel and Casino, Mandalay Bay Resort and Casino, Mexico's Las Brisas in Acapulco and Mississippi's Hard Rock in Biloxi.

Industry experts said they believe the keys to attracting the next generation is keeping the atmosphere "fun and lively" and managing the property's location, facility and staff accordingly. From celebrity affiliations and a hot nightclub scene to hip casino staffers and outstanding signage, some properties are thriving on this market.

"Having celebrities in attendance helps create 'stories' and that sells this generation on your property," said moderator Glenn Buxton, senior marketing consultant at Peabody Pacific.

According to panelist Brooke Dunn of Shuffle Master Gaming, the next generation appreciates the social aspects of gaming. "Younger people are going to lean to table games, because of the socialization factor," he said. "They want to have fun with other people instead of just sitting at boring slot machine."

Kelley agreed. "You need to speak to their lifestyle," he said. "They aren't interested in buffet specials and they're not interested in slot machines and Wayne Newton. They live like there's no tomorrow and it's time to party."

Industry myths: Who's to blame?

"A good rule of thumb is that, whenever we engage in the process of expansion into new markets, 30 percent of the people will be opposed to us on moral grounds," moderator Lesley Pittman, vice president of corporate and government relations at Station Casinos said in kicking off the panel, "Overcoming Opposition: Strategies to Countering Industry Myths. "But there's not much we can do about them. It's the other 70 percent we have to worry about, and what can we do to overcome their opposition."



Lesley Pittman, Vice President, Station Casinos



Alan Feldman, Vice President, MGM Mirage

While each of the panelists—Alan Feldman, senior VP of public affairs, MGM Mirage; Dean Hestermann, director of issues management and strategic communications, Harrah's Entertainment; Nancy Mathis, consultant, First Take Communications;

Terry Wade, president, the Wade Group—offered their own take, it was Mathis, a Washington D.C.-based consultant who provided broad focus on the question.

"You have to maintain a positive strategy," she said. "You have to talk about what you are, not what you're not. You have to talk about what you can do for the community—jobs, taxes, entertainment, new business. You have to keep up a drumbeat of what you are and what you do. Even when you've said it enough times that you think you're going to throw up if you say it once more, say it once more."

Wade, whose firm represents the AGA, agreed with Mathis, adding, "You really need to be in the community. People in the community need to know that the casino industry isn't just the fat cats in the head office; the casino industry is their neighbor."

The press can be a major part of the problem, the panelist agreed, saying the press was biased against the industry.

"Dealing with journalists is hand-to-hand combat," Feldman said. "Put everything in writing, because a paper trail can be helpful. After a phone interview, follow it up with a memo to make sure the reporter knows exactly what you said. I cannot stress this enough."

Finally, as Hestermann suggested, the industry can help itself dispel the myths by educating its employees on all the positive benefits of casino gaming in the community.

"Let's keep our own folks informed," he said. ▣

g&a

One year ago, Aristocrat Technologies came into Global Gaming Expo a shaken company. Former CEO Des Randall had been removed, questions abounded about financial reporting and corporate performance, and its share price was plunging on the Australian stock market. Gavin Isaacs had just been appointed head of Aristocrat's important Americas division, but Paul Oneile would not come on board for six months. One year later, the company has achieved a remarkable comeback, led chiefly by its products, which never suffered, even during the long management crisis. *Global Gaming Business* Editor Roger Gros and Senior Editor Frank Legato met with Oneile and Isaacs during Global Gaming Expo in October.

Global Gaming Business: What was it that turned Aristocrat around in the past year? Was it really just an issue of corporate mismanagement? Were the games sound all along?

Oneile: You hit the nail on the head. The corporate situation was messy, but the underlying fundamentals of the company were and still are incredibly sound. The product, cash flow and rest of the infrastructure were very strong. The management had already been changed here in the United States. We had very strong management in other offices. So it wasn't all that difficult to turn around.

We had some cultural issues that had to be addressed because when a company that has been distracted by this corporate business, certain things go on within the cultural side of the organization that need some attention.

But overall, the fundamentals of the company were so strong, the people so loyal and the game-designers so talented, we didn't have to do much other than clean up the corporate mess to get us on the right road.

Isaacs: The corporate situation was certainly a distraction, but we knew what we needed to do, so in North America, we were able to move on quite quickly.

How did you win the customers' loyalty?

O: Whenever a company goes through a rocky period, the customers question

whether you're going to be around for the long haul. That had a cascading effect throughout our operations.

We had to reassure our U.S. customers that not only was Gavin going to be around, but also Aristocrat would be here. Gavin and I went around to our major customers to deliver that message and give them that reassurance. Everyone was a little skeptical at first, but when we took them through our issues, explained to them almost line-by-line what we've done, and reinforced that we were going to be here and going to expand they responded.

I: They wanted to know if we were going to continue to be around. When we gave them the honest answer, yes, and then backed it up with what they asked us to do, they started working with us to get the games approved more quickly.

Why did you decide to focus on the penny and two-cent slots, which have really taken off for Aristocrat?

O: That's been our real strength in Australia for several years. We have a lot of experience and expertise in that area.

One of the things that stalled our entry into the U.S. market is that we weren't getting our games approved as quickly as we would like. Gavin addressed that issue and established a really solid relationship with the regulators.

I: With the pennies, it's really our expertise in video games, not just in the denomination. We've been shipping about 30 percent to 35 percent nickels this year, so it's not just pennies. We're across all denominations, not just pennies.

You've also spent the last year consolidating some of your acquisitions. When can we expect to see some of the synergies created by those buys result in advanced products?

O: That's been the focus of our R&D department going back three years. The development program has really gone according to plan. We outlined what we wanted to achieve and when we wanted to roll them out, and it was almost reduced to ticking the box when they occurred. When you look at our development program for the next three years, it's just as exciting as what we've done in the last three years.

Talk of the



Paul Oneile, Chief Executive Officer, Aristocrat Leisure Limited.

Tell us how the integration of CDS has been addressed.

O: Strategically, the acquisition of CDS was a very sound decision. For reasons neither Gavin nor I understand, once we bought the company, it wasn't integrated well into the parent company. It wasn't properly resourced, it wasn't properly funded, and it was given no direction.

I: And then they had to meet market expectations of revenues, and it just didn't work.

Those issues have all been addressed and we've addressed problems with the

Show



**Gavin Isaacs, President, the Americas,
Aristocrat Technologies, Inc.**

system and the legacies that existed even before we bought CDS.

In addition to the great system, CDS had some notable reel-spinners. Is this a market you're going to go after?

I: We did not progress with the CDS line of reel-spinners. We have relaunched the reel-spinner, redesigned it and worked with Gary Harris (formerly with Universal), the recognized expert on reel-spinners. Gary has also had exposure to our video-game department, so we're blending the different ideas. We've currently got 11 models out there, so we'll see what works.

How about the CDS wide-area progressive system? You've just launched one of your own. Does that come from the CDS system?

I: That was one of the other major reasons we bought CDS. It turned out the MSP infrastructure could not support our Hyperlink, so we've had a resubmission of new software. Loony 7s and Zorro will replace the Big Shot for those machines out there.

Your success in the nickel and lower denominations has coincided with their rise in popularity. Is that just a coincidence?

O: It's the chicken and the egg. One wouldn't happen without the other. But certainly the popularity of tickets was a major factor.

Are you happy with the performance of your machines in the cashless environment?

I: We're very happy with it. That was one of the barriers to entry that we've overcome. As a company, our OASIS Quickets as a product line was the first ticketing system. And that was before we even had our Aristocrat games talking to OASIS. We now have ticketing functionality with every ticketing system compatible with Aristocrat games.

Is the strength of your American operations having an impact on your other markets around the world?

O: All of our R&D departments around the world, with the exception of Japan, are charged with developing games for the global market. We try desperately to avoid developing games for specific markets. Sure, you might have to change the language and some of the graphics, but everything should be applicable to the global market.

Japan is the odd man out in that scenario. That market is quite unique. I can't think of a market that would be a logical progression for machines designed for Japan. But with that exception, we're committed to global machines.

Does the Australia market still take the lead with regard to additions to the game library?

O: It does at the moment, but with Gavin's assistance, we've been integrating our R&D departments more and

more. We send people from the states to Australia and vice versa. We have regular R&D get-togethers on a global scale, and we will get to a point where you won't be able to tell the difference.

Aren't U.S. players now playing more like the traditional Australian style of play these days?

I: Yes, exactly. Our first U.S. game designed for the Australian market has just been released and everyone is very excited about that. It was a great morale boost to our R&D team. Our U.S. guys can actually put one back to the mothership!

O: That was a big breakthrough. We wanted a game developed in the U.S. that we could take to the rest of the world and it worked.

Revenues are on the increase. Do you see that continuing?

O: Our recent five-year planning sessions focused on some very aggressive targets. We're confident that we can keep this going in the next five years.

There's been some consolidation in the manufacturing business in the last year. Do you foresee that continuing?

I: A little bit. But I don't see how the bigger players can be helped. We've got a full complement of gaming solutions. IGT and Alliance have full complements of gaming solutions. Atronic and Konami have systems but not the market share. WMS has everything but the systems. It's not as logical as it has been in the past.

O: But we keep looking!

Paul, you came from the film distribution industry to take over Aristocrat. Have you seen parallels between the two industries?

O: It is remarkable how much alike they are, and that's even before you get to the themed machines. The risks and rewards are very similar, the timing of a release, the concerns about acceptances... they're all aspects of each business. But most of all, they are both fun industries and we all enjoy being involved. ■

International: It's all about Russia

Russia, Russia and more Russia: The world's largest country was largely on the minds of the panel gathered to discuss "International Challenges and Opportunities: Exploring the Possibilities" on Wednesday, October 6.

"I love this country," said Michael Boettcher, CEO of Storm International, which operates four casinos in Moscow and numerous slot casinos throughout the region. "It's the greatest country in the world, with the greatest people and the greatest potential. That said, I really don't want any of you to come."

While Boettcher was poetic about Russia and its potential—and provoked the audience with his comments on deregulation in the U.K. and regulation in general—Boris Belotserkovsky, president of the Unicum Group of Companies, Russia's largest distributor, came armed with facts and figures to support Russia as perhaps the casino industry's most dynamic marketplace today.

Russia presently has more than 1,000 full-scale casinos and more than 8,000 slot venues—which include slot casinos, gaming halls, amusement centers with slot halls and street gaming locations—with gross gaming revenues of \$4.5 billion per year.

But most of that business is concentrated in Moscow, St. Petersburg and a few of the larger cities in the western part of the giant country, Belotserkovsky said. "The regions haven't even been developed," he added.

International Challenges and Opportunities: Exploring the Possibilities

Moderator: John Harris, Managing Director, Xanadu Casinos

Speakers: Boris Belotserkovsky, president, Unicum Group of Companies; Michael Boettcher, CEO, Storm Casinos International; Martin Canepa, managing director, Codere; Ales Husak, chairman and managing director, SAZKA; Frank McFadden, COO, Casinos Austria International

Design & Decor: It's the design, stupid...

The design process will continue to play a critical role in the overall success of a property and, increasingly, casinos in the future will be designed primarily with a younger audience in mind rather than for older, more affluent customers,

Those were two of the main areas of discussion at the panel "Signature Series: Design and Décor: The Shape of the Casino of the Future," held Tuesday, October 5.

"I agree with that," said Dan Lee, chairman and CEO of Pinnacle Entertainment, about the imperative of design. "Take a look at the Aladdin. With its shopping center, it cost as much to build as the Borgata, but the results are very, very different."

The panel format was based on "Future Watch 2004, The Future of Casino Design and Décor," an annual survey conducted by the American Gaming Association on one aspect of the future of the gaming industry.

In the survey, 71 percent of respondents said the casino industry is witnessing a permanent shift toward "younger" designs appealing to 25 to 39-year-olds.

While he agreed with the survey results, Terry Dougall, president and CEO of Dougall Design Associates, said such designs also appeal to older customers who want to act young.

"We're not going to grow old without kicking and screaming," he said.

Design and Décor: The Shape of the Future Casino

Moderator: Phil Satre, chairman, Harrah's Entertainment

Speakers: Terry Dougall, president and CEO, Dougall Design Associates; Dan Lee, chairman and CEO, Pinnacle Entertainment; Bill Newby, managing director, Bank of America; Richard Rizzo, chairman, Perini Building Co.

Native American Leaders: Powerful messages from strong leaders

The Native American Leaders Roundtable brought together leaders from the Morongo Band of Mission Indians, the Viejas Band of Kumeyaay Indians, the Sandia Pueblo in New Mexico and the Pechanga Band of Luiseno Mission Indians on Thursday, October 7.

Moderating the panel discussion was Ernie Stevens, chairman of the National Indian Gaming Commission.

A variety of topics were discussed.

But one of the most important messages to emanate from the meeting was tribal gaming's commitment to gaining a louder political voice.

"The short term future of Indian gaming is going to be continued political battles," said Mark Macarro, of the Pechanga Band.

Morongo's Maurice Lyons said the nation's tribal leaders now have a permanent foothold in Washington, D.C., referring to the new National Museum of the American Indian.

Stevens said no apologies were necessary for tribal political activity, saying, "the biggest thing Indian Country needs to understand is that we don't have to apologize for it."

Macarro described Indian gaming as "an end in itself."

Among the programs discussed, the highlight of the bunch was Stuart Paisano's depiction of how gaming has helped the Sandia Pueblo send its children to college.

"We pay for secondary education 100 percent," he said. "It allows our families to send their children to any school in the United States."



STEVENS

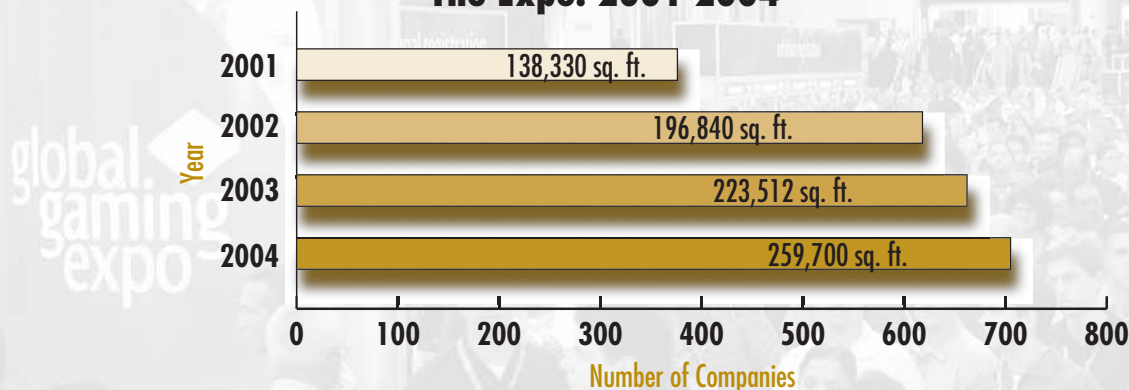
Leading by Example: Native American Leaders Roundtable

Moderator: Ernie Stevens - Chairman - National Indian Gaming Association (NIGA)

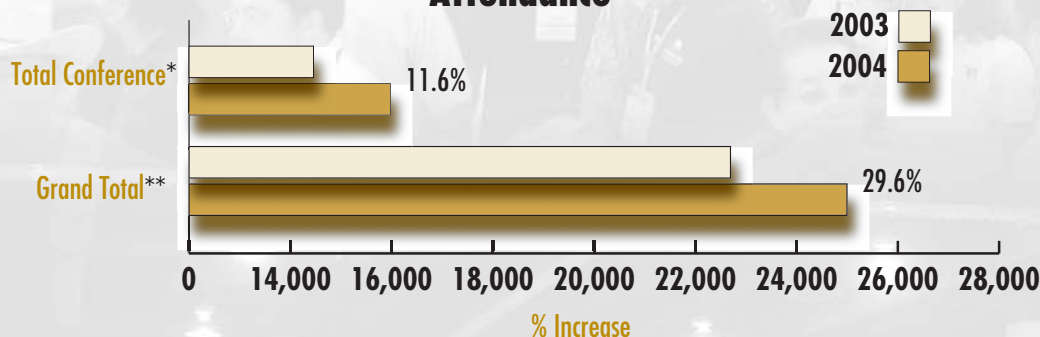
Speakers: Maurice Lyons, chairman, Morongo Band of Mission Indians; Mark Macarro, chairman, Pechanga Band of Luiseno Mission Indians; Stuart Paisano, governor, Sandia Pueblo; Anthony Pico, chairman, Viejas Band of Kumeyaay Indians

G2E 2004: By the Numbers

The Expo: 2001-2004

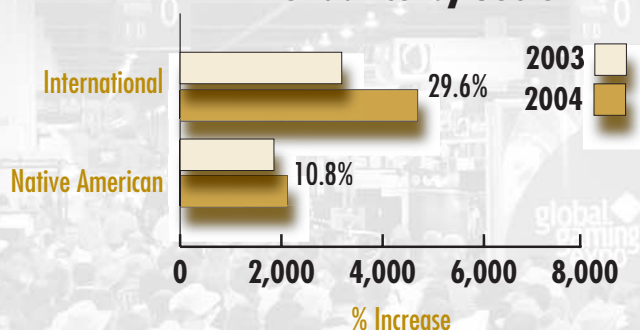


Attendance

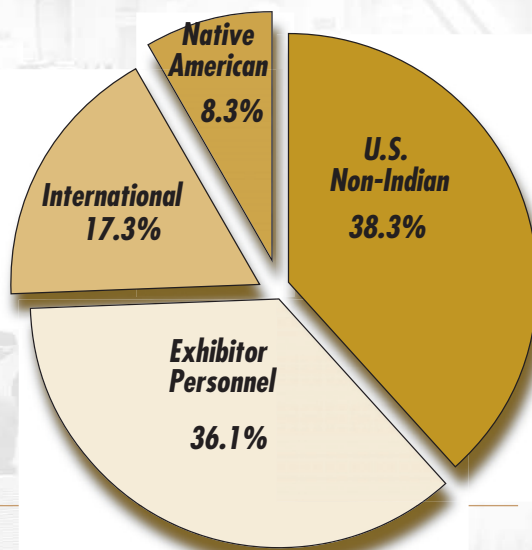


*Includes conference and show attendees **Includes exhibitor personnel

Attendance by Sector



Attendance by Category



Total Number of Seminars: 134

Panels	106
Training and Development Institute	22
Keynotes	3
Signature Series	3

G2E: Top Ten Games

Out of scores of new slot games launched at the Global Gaming Expo by all the world's slot manufacturers, these are the standouts.

by Frank Legato

EDITOR'S NOTE: Our own Frank Legato is the undisputed expert on slot machines. Heck, he wrote the book "How to Win a Million at Slot Machines... or Lose Trying!" So we asked Frank to walk the show and pick his 10 favorite slots. A daunting task, yes, but he was up to it. So sit back and learn from the expert.

As we all know, the Global Gaming Expo serves as an annual showcase for all of the new slot games manufacturers intend to launch within the next year or so. Scores of games were launched this year by scores of manufacturers, with some stands numbering in the hundreds of machines.

With hundreds of new games displayed, it is a daunting task indeed to single out ten that can be considered the "top" new games. Even amid the hundreds, however, there were definite standouts this year.

Here's my Top Ten:

Pong • Bally Gaming

This is my pick for "Best of Show." Ingenious in its simplicity, this multiline video slot is the first fruit of Bally's recent agreement with Atari Corporation to produce a series of slot games based on the amusement game company's legendary arcade and home video games of the 1970s and 1980s. It is also one of the first fruits of Bally's acquisition last year of Sierra Design Group and its fantastic "Alpha" video platform, which eventually will be Bally's primary video operating system.

What really makes this game intriguing, though, is its skill factor. The main bonus round is an actual game of Pong, the simple video paddle-tennis game that started it all for the video amusement game genre. There is a real game paddle on the console to adjust your paddle to try to beat the computer. As in the real game of Pong, your "score" jumps if you get the blip by the computer's paddle—and the speed of play increases. The better you do at the Pong game, the higher your bonus. Skill? Maybe, but Bally officials say they polled regulators ahead of time, and this game is a go. And any Baby Boomer worth his salt is going to have a blast.



Wheel of Fortune Super Spin • International Game Technology

You won't be able to miss this behemoth on a casino floor; it is a giant to which you will need to devote some serious floor space. Trust me—go ahead and do it, because this game's going to be hot.

IGT has taken the traditional Wheel of Fortune game and re-formed the wheel as a nine-foot, horizontal wheel with nine players at individual play stations surrounding it. The multi-player concept arises in the bonus round: As individual players hit bonus triggers, their player station number goes up on a display board above the unit, and the big wheel spins periodically for several players. With nine people on the bank, wheel-spin bonuses hit approximately every 40 seconds, according to the manufacturer. Because of the horizontal configuration of the big wheel, the spin itself looks much like the wheel spin on the game show. Each player wins the bonus amount that lands at their machine's player station.



Cash Fever • Atronic Americas

This is an innovative multiple linked progressive game with a great bonus experience for the player, but also a sure-fire method of encouraging maximum coin-in for the operator.

The game is on Atronic's radical "e-motion" platform, with its adjustable ergonomic cabinet and oblong dual video screens. The bonus round displays a large thermometer, next to four progressive jackpot amounts (they can be set by the casino). When the bonus round is triggered, a free-spin sequence begins on the lower screen as the mercury in the thermometer on the top screen begins at the lowest progressive jackpot level. The thermometer rises with coins won in the free-spin round. Since wins in the free-spin round are based on the line bet of the triggering spin, a max-coin free-spin round causes the mercury to rise faster to the higher jackpots. Thus, max-coin is encouraged on this game, meaning more coin-in per spin for the operator.



King Kong • A.C. Coin & Slot

This one's a welcome sight to any of us who have loved the old A.C. Coin game "Empire" over the years. That game featured the Empire State Building on the top box, with an anonymous miniature gorilla climbing toward a bonus zone. This one replaces the no-name ape with Kong, the real deal—as well as advanced player features on IGT's S2000 base game and a new twist to the bonus round.



There is a fourth reel on a small video display next to the three primary reels. When the "advance" symbol lands on the primary reels, the video display lights up with a cute little animated sequence display the number of reels Kong will traverse up the face of the building. A bonus is awarded when he reaches the top floor. There also is a special reel combination in the primary game that sends Kong immediately to the top for an instant bonus. A cool twist to the instant bonus: If the player lands on the symbol sending Kong to the top, he doesn't go all the way back to the bottom floor after the bonus is awarded—he goes back to

his former perch on the building. So if you accumulate enough advance symbols to reach, say, the 90th floor and get the instant bonus, you will often get two bonuses in a row.

Baccarat Plus Jackpot • Waz Lian Gaming

Singapore-based Waz Lian Gaming, founded in 2002 to serve the Asian games market, has come up with a real winner in this electronic version of baccarat. It is a five-player unit, with individual play stations in front of a video screen on which the dealer lays out baccarat hands. The main game simulates a live baccarat game with amazing authenticity—right down to a finite period in which players can place their bets on the banker, player or tie. There is even a "peek" feature, in which the player touches his cards on the video display to bend up the corners and view his hand, just like they do in the "live" game.

The main game progresses just like a live baccarat hand, but there



are two side bets to this game that add the "mystery plus" feature. The first side bet activates a separate pay table for successive hands in which a natural 9 appears in the hand on which the player bets (banker or player, or both if betting the tie). On a five-coin bet, the side wager returns 30 coins for one natural, progressing up to 20,000 coins for five naturals in a row. A cool twist—players betting the tie get credit for two naturals in the progression.

The other side bet is a wager on a million-dollar-plus progressive. The progressive hits when five hands are dealt including a natural 9 in either the banker or player hand. When that happens, the big-money progressive jackpot is split among all players on the bank who made the progressive side bet on all five hands. Again, tied naturals add two to the progression.

Monopoly Reel Riches • WMS Gaming

WMS introduced several new games in its franchise Monopoly series this year, but the best for my money is Reel Riches, which offers an incredible number of credit opportunities in the main bonus round.

The main bonus round features the "Mr. Monopoly" character rolling dice for the player's move around the top-box Monopoly board. The board's properties are pre-loaded with houses and hotels, and a few of them are already sold. The bonus round continues until the player lands on a property that has already been sold. When landing on an available property, the deed appears—houses or hotels increase the bonus amount.

But there also is a wealth of variety built into the non-property spots on the Monopoly board, each of which has a separate "mini-bonus" sequence attached to it. Land on a railroad, and you select flashing railroad crossing lights to rack up bonus coins. Land on the Electric Company, and flashing light bulbs appear from which to choose for bonus coins. Chance or Community Chest award coins or advance you to another spot on the board. The mini-bonus awards are followed by a resumption of the main bonus game to continue the journey around the board.



Pele's Golden Goals • Aristocrat Technologies

Pele's Golden Goals, a video slot featuring the international soccer star in a second-screen bonus, combines several Aristocrat innovations. The base game is a penny game with 50 paylines—four rows of symbols instead of three. It also is a "Hyperlink" game, in which slots in a bank are linked to a common bonus round triggered by coin-in levels, and resulting in one of four progressive jackpots. Finally, the top jackpot is a big-money wide-area progressive. The progressive jackpot is won through the common bonus round, and every bonus has a shot at the top prize or three smaller-level prizes.



The second-screen event is triggered randomly through normal game play, transforming the screen into a scene of a soccer field from Pele's perspective as he prepares to kick for a goal. The player is awarded five "penalty kicks," and is prompted to choose one of six possible directions to kick the soccer ball at the goal. Each goal that strikes home adds to

a jackpot score—that score determines which of the four levels of progressive jackpot the player wins. A comical addition to the round—if a "streaker" runs buck-naked across the field, a bonus of 10 points is added to the jackpot score.

The Apprentice • International Game Technology

We all knew this game was coming, didn't we? Donald Trump's famous TV show in which back-stabbing protégés compete for a job with the Trump organization is conveyed here in grand style, in the form of a game in IGT's new "Wheelionaire" series of multi-
progressive slots. In this series, coin-in levels on a bank of linked slots trigger a common bonus round in a random machine that leads to one of four levels of progressive jackpot.



But the reason the game makes my list of picks is not the technology, but the content: Even if you don't like the show, this game is a load of fun. Donald Trump hosts the "Boardroom" bonus round from a large LCD screen in the top box—the bonus sequence stars all the contestants from the first season of *The Apprentice*. The player gets to pick *Apprentice* candidates they want to be "fired." Say you pick Omarosa. (I know I will.) If her image on the screen reveals a bonus amount, The Donald does his trademark scowl on the big video screen and gives the termination speech: "Omarosa, you're fired!" The bonus amounts

rack up as you go through each candidate, until you reveal a symbol that indicates that you are fired, ending the bonus round.

Rocky & Bullwinkle & Friends • Bally Gaming

Bally did a fantastic job here with a cartoon theme near and dear to the heart of any Baby Boomer. With a voice-over cast headed by 80-year-old June Foray, the original voice of Rocky the Flying

Squirrel, the manufacturer has succeeded in re-creating the laughs and the feel of the wonderfully quirky 1960s cartoon series.



Bonus rounds in this game faithfully replicate bits from the show. In the "Save Nell" bonus, the player makes selections to prompt a race around a bonus game board between Mountie Dudley Do-Right and evil Snidely Whiplash to the point where damsel Nell Fenwick is tied to railroad tracks. If Dudley wins, she is saved. If Snidely wins, well...there is an oncoming train. The other bonus round features Rocky and Bullwinkle in the bit where the famous moose (portrayed by the official voice of Bullwinkle, Australian impressionist Keith Scott) tries to pull a rabbit out of his hat and pulls out tigers and other beasts instead. Each try produces a digit, which the player places to form his bonus amount. This game is great fun.

Ye Ha Hai • Asian Gameworks Ltd.

Jackie Yee, a veteran table game executive, began designing games several years ago for the Asian market. Ye Ha Hai promises to be a real winner for the market, because it is based on an ancient Chinese dice game that Asians grow up playing.

The screen is a three-by-three grid of dice, each bearing pictorial symbols similar to those in the child's game. The player wagers on horizontal, vertical and diagonal paylines and tries to match the pictorial symbols. This results in frequent small wins and lots of time-on-device for the player, plus the opportunity to win a top million-coin jackpot. It is available in linked or non-linked progressive versions.

Any casino with a significant Asian clientele will want to take a serious look at this game.

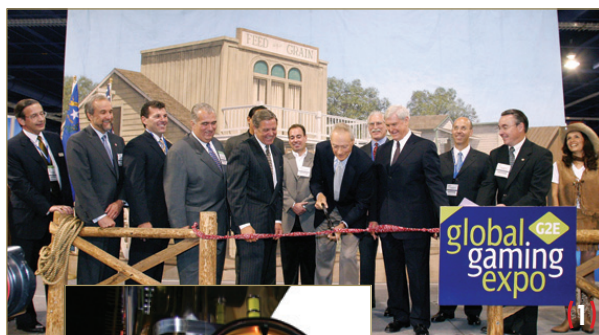


Stars of the Show

The stars came out at G2E this year during the parties, events and on the show floor. The exhibit hall opened with a bang when Clint Eastwood, on hand to promote his new "Fistful of Dollars" slot machines developed by WMS, was joined by Nevada

Governor Kenny Guinn, and members of the board of directors of the American Gaming Association, to cut the ribbon (1). Over at the Bally's booth, a stir was created by the appearance of Pamela Anderson, introducing her own themed slot machine (2). Anderson was the star at the Bally Gaming party at the Palms, the toughest

ticket at the Expo. Over at IGT, the hottest U.S. television program appeared on a slot machine when the company introduced "The Apprentice" slots, complete with many of the stars of the first season (3). "Pocket Fisherman" hawker Ron Popiel and "Back to the Future" creator Bob Gale (4) both appeared to promote their themed slots. But the star of the show for IGT was a machine (surprise!), a remarkable carousel version of the venerable "Wheel of Fortune" that replicates the big wheel seen on TV (5). Cyberview Technologies announced a deal for movie-themed slot games with Legends and Icons, a company owned by Joel Douglas (I.), son of Kirk and brother of Michael, shown with Cyberview President Roy Student (6). And at the Aristocrat booth, football (soccer) legend Pelé is welcomed by Aristocrat Americas President Gavin Isaacs for the introduction of "Pelé's Golden Goals" slot machines (7).



My Favorite Products at G2E



“The new video slot machines, Men in Black, Star Wars, the Blues Brothers, those machines are the future to me. Games are also becoming more interactive.”

—**Yvon Theoret**, Manager of multimedia production and localization at Ingenio in Quebec, Canada

“My favorite was the Pamela Anderson slot machine. I liked her promoting it, and how Bally used her to promote it. I like the way Bally is marketing it.”

—**Gareth Lewis**, business development executive for The North of England investment agency



“I liked all the new slots. I particularly liked the Honeymooners. It's colorful and the icons were large and eye-catching. It will be a very hot machine.”

—**Collette Flanagan**, Regional Manager, Casino Ready Technologies, Inc.

“My favorite machine was the Back to the Future game. I loved that movie, so I thought the game was awesome. I really liked the Atari game, too. Everybody knows Pong.”

—**Adam Dunn**, a freshman at the University of Nevada Las Vegas, attending G2E as part of a gaming course



“I was impressed by the new chip machine from Shuffle Master. It's a new product and very innovative.”

—**Wolfgang Bliem**, CEO Grand Casino Luzern, Switzerland

“I would say I liked the products and the machines from IGT and Aristocrat. I liked Fort Knox. I liked the Bluebird cabinet by WMS. This year, G2E had a lot of great machines for tickets. And the information I got about the wireless ATM (by CashSystems Inc.) was very informative and interesting.”

—**Ada Perez**, Casino Director, Sheraton Old San Juan, Puerto Rico



“I liked the downloadable slots because they offer quite a bit of flexibility. If you look at the future of slots, the downloadable machines hold significant promise.”

—**Sharon L. Lewis**, Senior Associate Gaming Consulting Practice, PricewaterhouseCoopers LLP



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September 12, 2005 G2E Training & Development Institute

Global Gaming Expo (G2E) 2005 will attract thousands of gaming professionals from around the world who'll come to sharpen their competitive edge. Join us, and ensure you stay ahead in this challenging market. Mark the date on your calendar.

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