

Town Hall Meeting Agenda

January 24, 2017

- Introductions
- Why Are We Converting Systems
- ICIS Issues
- New System Features
- Project Issues
- ICIS Conversion
- Timeline
- Challenges
- Scientific Games & Pricing
- Q&A



Introductions

- **WV Lottery:**
 - Alan Larrick Lottery Director
 - Tacy Donovan, Deputy Director Video
 - Keith Morgan, Information Technology Director
 - Danielle Boyd, Managing General Counsel
 - Ray Moore, Deputy Director Security



Introductions

- **WV Lottery:**
 - Alvin Rose, Deputy Director LVL Security
 - David Bradley, Deputy Director Table Games
 - June Somerville, Counsel
 - Video Division Support
 - Arnold Baldwin, Video Operations Manager
 - Buddy Whitley, Video Operations Supervisor
 - Bob Humphrey, Video Audit Manager
 - Brad White, Video Audit Supervisor
 - Shawn Konchesky, LVL Auditor

Introductions

- This Town Hall is the second of several meetings over the next 11 months to educate and inform the LVL community on important topics. (More to come during the year).
- We have provided a microphone and podium for you to ask questions during a question and answer period (Q&A) at the end of this presentation. This presentation is being recorded for reference.
- We will recognize people wishing to speak and ask them to step to the microphone, please identify yourself and your organization.

Why A New System?



- West Virginia State Purchasing Requirements
- New Functionality
- Better Connectivity (Cellular vs. Dialup)
- Better Problem Determination & Resolution (NMS)
- 15 Year Term to align with future permit renewals
- Ability to handle new gaming machines and download games (increase efficiency by eliminating trips to locations in the future)

ICIS

- ICIS is a protocol that defines how events that occur on a machine are interpreted by the Central Management System, one of the distinguishing features of SAS as a protocol is it can support more event types
- The ICIS protocol is owned by IGT who notified us it was end-of-life and no longer supported or usable
- The Lottery met with the LVL community in a Town Hall Meeting in 2013 to indicate all ICIS machines had to be upgraded or replaced by the end of 2017

ICIS

- Former Lottery Director Musgrave worked with Purchasing, Scientific Games and IGT to negotiate a two year extension of the ICIS protocol until December 31, 2017- WV is the only Lottery continuing to utilize ICIS in the US
- We have exhausted 4 of 5 years to complete the upgrade/replacement project.
- Hall of Fame kits were intended to be a cost-effective solution to utilize SAS without replacing the entire machine

ICIS

- 100% SAS locations on new system - cannot use ICIS
- No mixed protocol (ICIS & SAS) sites will be converted
- SCIGAMES awarded the contract - implementation due 12/31/17

ICIS

- Possibility of additional terminals impacting the conversion
 - Legislative Issues
 - Legislative Rule Changes
 - Proposed changes by Association
 - Approximately 700 ICIS machines in warehouse
 - Approximately 300 active permits without machines

Daily Gross Terminal Income

ICS \$101.36

Hall of Fame \$142.65

All SAS 152.86

Benefits of SAS

Limited Video Lottery VLT Performance Report December 2016

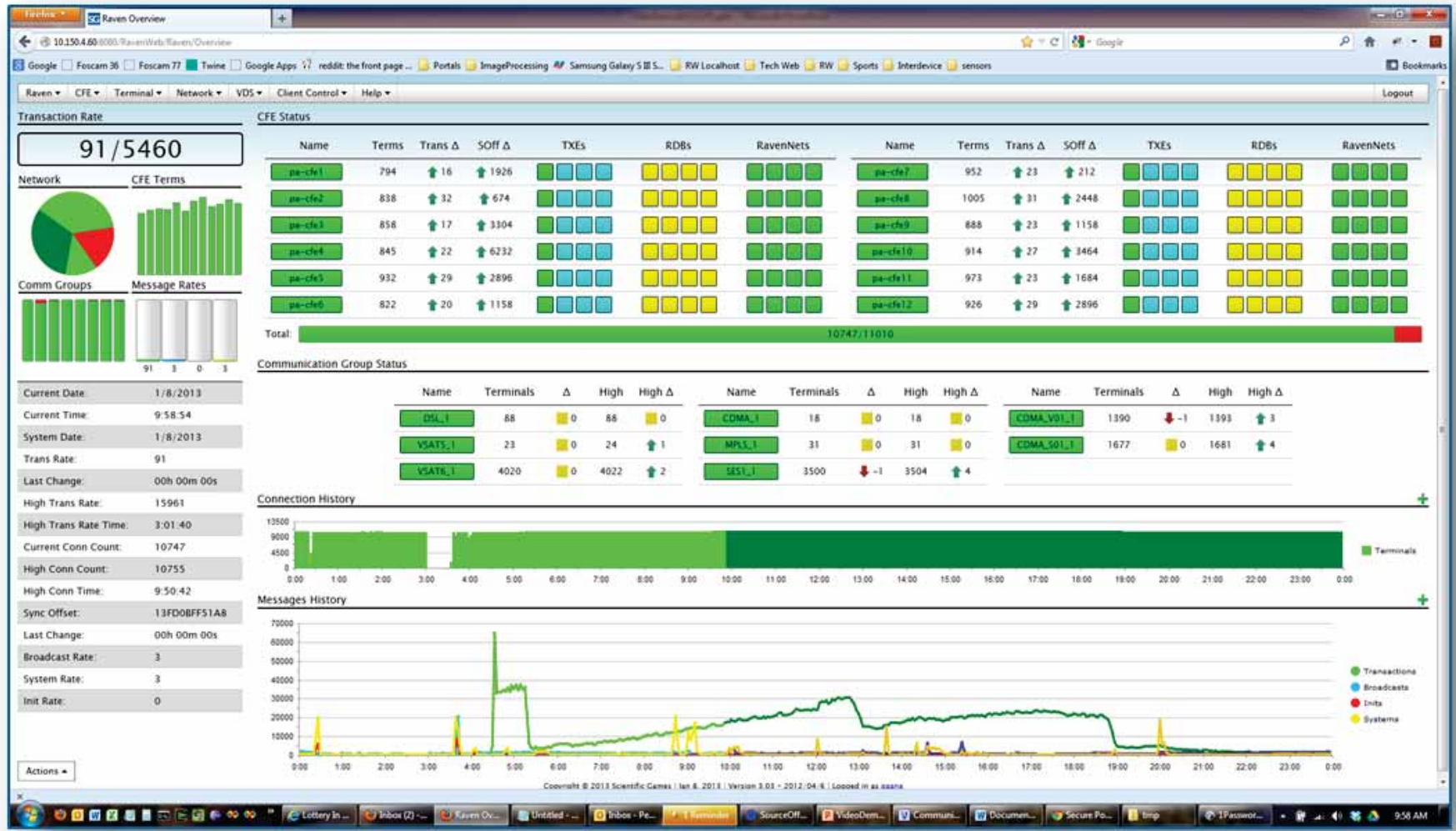
| Manufacturer/ Software Version | Machines | Games Played | Amount Played | Amount Won | Net Terminal Income | Actual Payoff % | Avg Bet | GTI per Machine per Day |
|-----------------------------------|----------|--------------------|--------------------------|--------------------------|-------------------------|-----------------|----------------|-------------------------|
| ICIS PROTOCOL | | | | | | | | |
| IGT 867 (Blue) | 1,018 | 51,626,704 | \$ 38,366,894.75 | \$ 35,271,788.65 | \$ 1,516,601.99 | 91.93% | \$ 0.74 | \$ 98.08 |
| IGT 866 (Red) | 990 | 43,857,965 | \$ 40,085,891.45 | \$ 36,876,826.25 | \$ 1,572,441.95 | 91.99% | \$ 0.91 | \$ 104.56 |
| IGT 3334 (Green) | 288 | 11,246,684 | \$ 8,569,138.91 | \$ 7,649,502.51 | \$ 450,621.84 | 89.27% | \$ 0.76 | \$ 103.01 |
| Spielo 25.02 (5) | 7 | 378,834 | \$ 419,583.65 | \$ 382,177.90 | \$ 18,328.82 | 91.09% | \$ 1.11 | \$ 172.38 |
| Summit 8007 | 5 | 193,687 | \$ 182,006.30 | \$ 166,314.50 | \$ 7,688.98 | 91.38% | \$ 0.94 | \$ 101.24 |
| Summit 8107 | 49 | 2,281,869 | \$ 1,263,720.15 | \$ 1,135,036.40 | \$ 63,055.04 | 89.82% | \$ 0.55 | \$ 84.72 |
| VLC 620 B 2 | 7 | 312,716 | \$ 292,203.90 | \$ 269,396.00 | \$ 11,175.87 | 92.19% | \$ 0.93 | \$ 105.11 |
| WMS 16.05 | 87 | 3,022,477 | \$ 3,180,137.20 | \$ 2,906,728.15 | \$ 133,970.43 | 91.40% | \$ 1.05 | \$ 101.38 |
| TOTAL ICIS PROTOCOL | | 112,920,936 | \$ 92,359,576.31 | \$ 84,657,770.36 | \$ 3,773,884.92 | 91.66% | \$ 0.82 | \$ 101.36 |
| SAS PROTOCOL | | | | | | | | |
| IGT 3520 (Gold) | 205 | 9,449,635 | \$ 8,264,351.68 | \$ 7,507,849.14 | \$ 370,686.24 | 90.85% | \$ 0.87 | \$ 119.04 |
| IGT Hall of Fame | 2,617 | 178,609,046 | \$ 142,299,150.15 | \$ 130,726,513.00 | \$ 5,670,592.20 | 91.87% | \$ 0.80 | \$ 142.65 |
| IGT AVP 3.0 | 688 | 40,755,081 | \$ 43,400,309.97 | \$ 39,657,081.02 | \$ 1,834,182.19 | 91.38% | \$ 1.06 | \$ 175.51 |
| IGT AVP 1.2 | 368 | 19,125,559 | \$ 20,397,082.05 | \$ 18,696,210.14 | \$ 833,427.24 | 91.66% | \$ 1.07 | \$ 149.09 |
| IGT AVP 2.0 | 185 | 10,431,404 | \$ 11,517,840.17 | \$ 10,562,437.37 | \$ 468,147.37 | 91.71% | \$ 1.10 | \$ 166.59 |
| SGL Game Set 3 | 7 | 332,613 | \$ 221,480.42 | \$ 197,175.43 | \$ 11,909.45 | 89.03% | \$ 0.67 | \$ 112.00 |
| SGL Game Set 4 | 4 | 253,863 | \$ 200,508.61 | \$ 180,197.71 | \$ 9,952.34 | 89.87% | \$ 0.79 | \$ 163.80 |
| SGL Game Set 7 | 39 | 1,445,614 | \$ 1,357,770.45 | \$ 1,240,654.01 | \$ 57,387.06 | 91.37% | \$ 0.94 | \$ 96.87 |
| Spielo Pick and Play | 266 | 31,308,449 | \$ 30,794,269.40 | \$ 28,939,737.46 | \$ 908,720.65 | 93.98% | \$ 0.98 | \$ 224.90 |
| Techlink | 10 | 313,959 | \$ 271,261.92 | \$ 253,573.51 | \$ 8,667.32 | 93.48% | \$ 0.86 | \$ 57.06 |
| WMS SC9F-1030 | 14 | 707,010 | \$ 698,356.06 | \$ 651,750.12 | \$ 22,836.91 | 93.33% | \$ 0.99 | \$ 107.39 |
| WMS SC9F-1040 | 75 | 6,050,424 | \$ 4,982,383.46 | \$ 4,572,502.46 | \$ 200,841.69 | 91.77% | \$ 0.82 | \$ 176.29 |
| TOTAL SAS PROTOCOL | | 298,782,657 | \$ 264,404,764.34 | \$ 243,185,681.37 | \$ 10,397,350.66 | 91.97% | \$ 0.88 | \$ 152.86 |
| GRAND TOTAL | | 411,703,593 | \$ 356,764,340.65 | \$ 327,843,451.73 | \$ 14,171,235.57 | 91.89% | \$ 0.87 | \$ 134.64 |

For additional information contact:
 Sandy Bale, Senior Analyst at 304-558-0500, ext 221 or
 Tacy Donovan, Deputy Director Video Lottery, 304-558-0500, ext 216

New System Features

- Communications (Cellular)/New Terminal Controllers
- CMS – data center conversions
- Dual Operations of Systems
 - Computer Room
 - Security (HOF conversions, Connexus issues, Maintenance/New Machines)
 - Finance and Administration
 - Many Operators will have their locations on two systems
- Monitoring Tools (NMS, Heat Map)
- Operator Portal

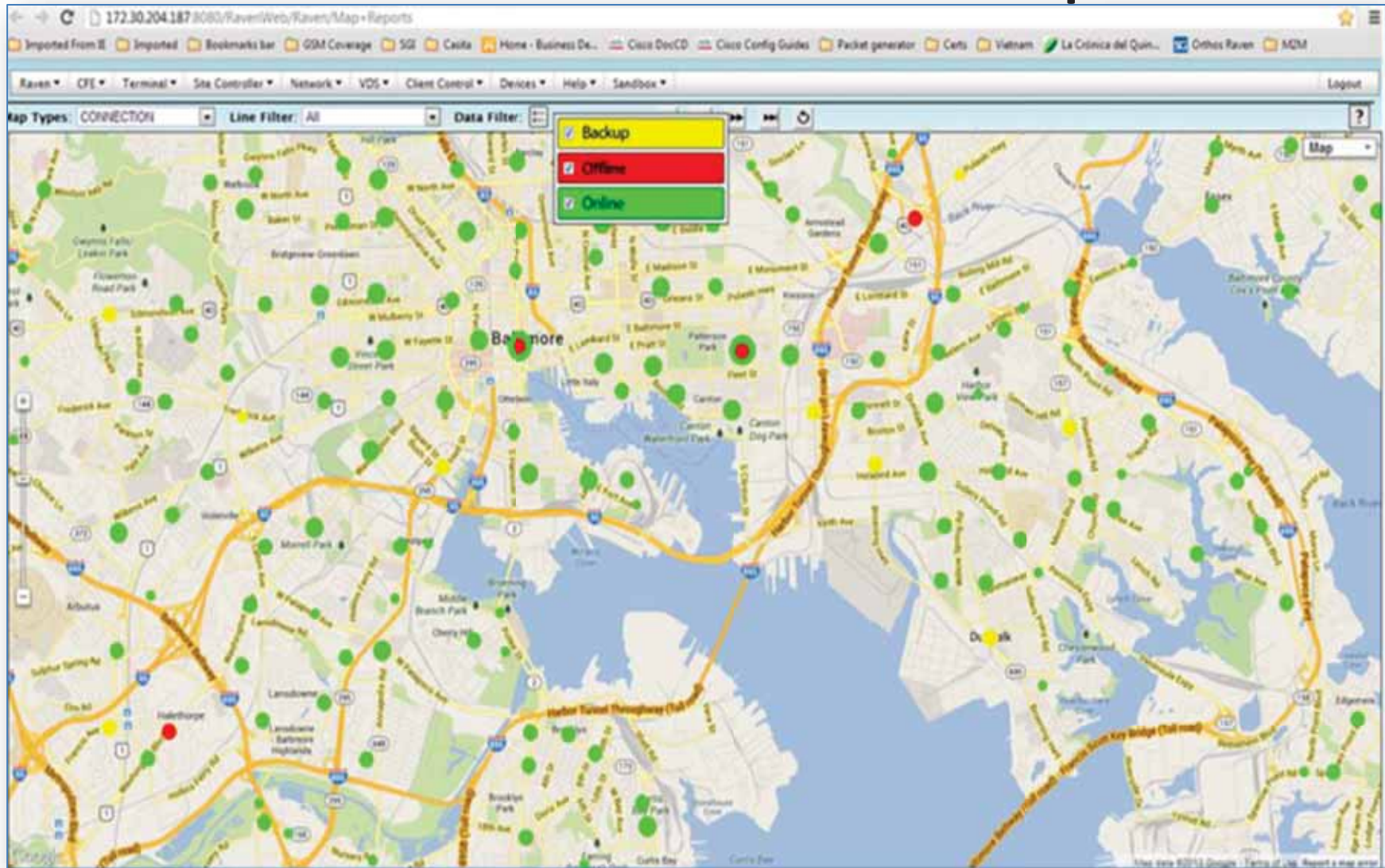
New Features NMS



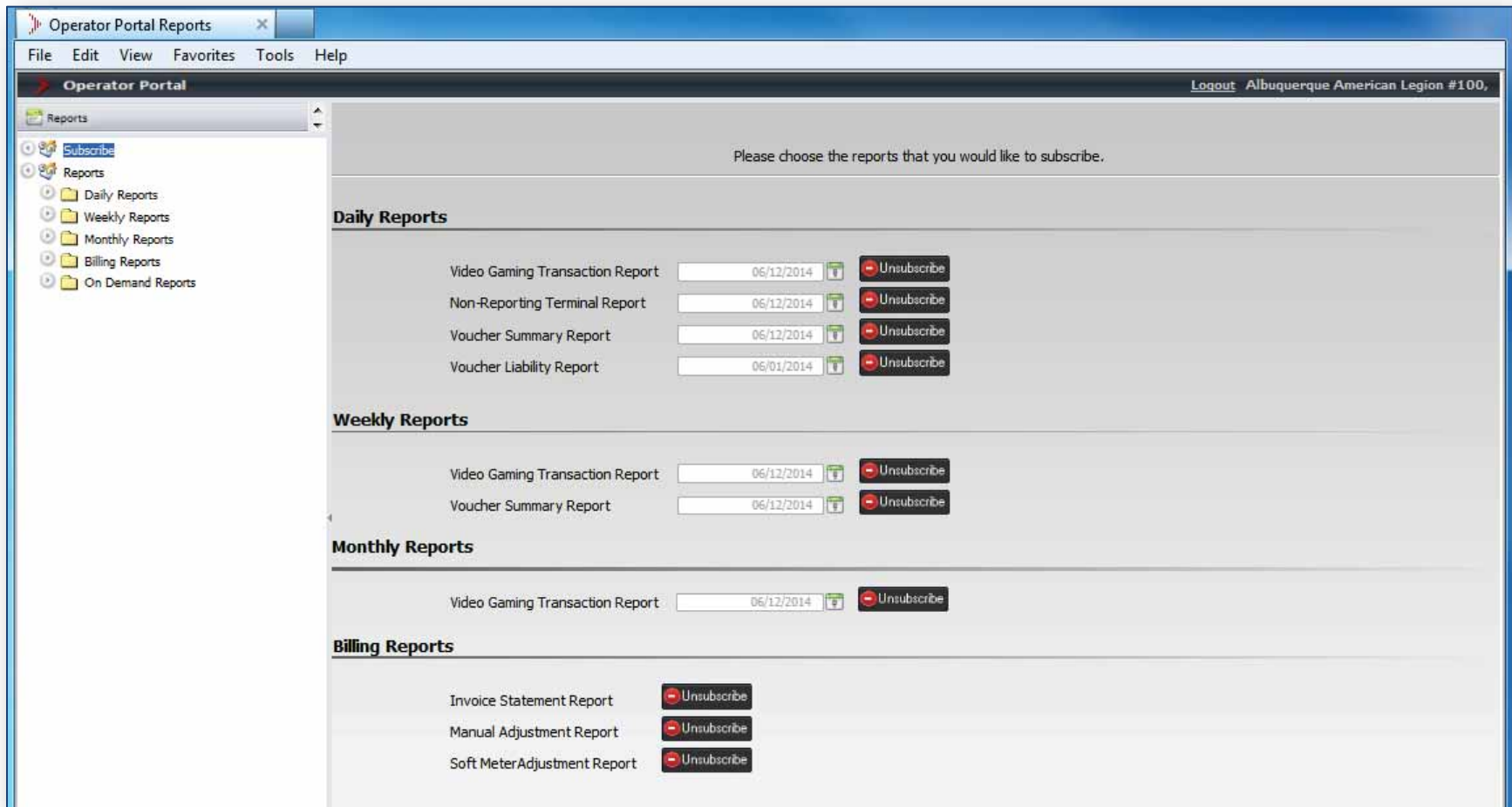
New Features NMS-2



New Features Heat Map



New Features Operator Portal



Project Issues

- Technician Staffing
- Lottery Staffing
- Hardware Conversions
- Communication Conversions

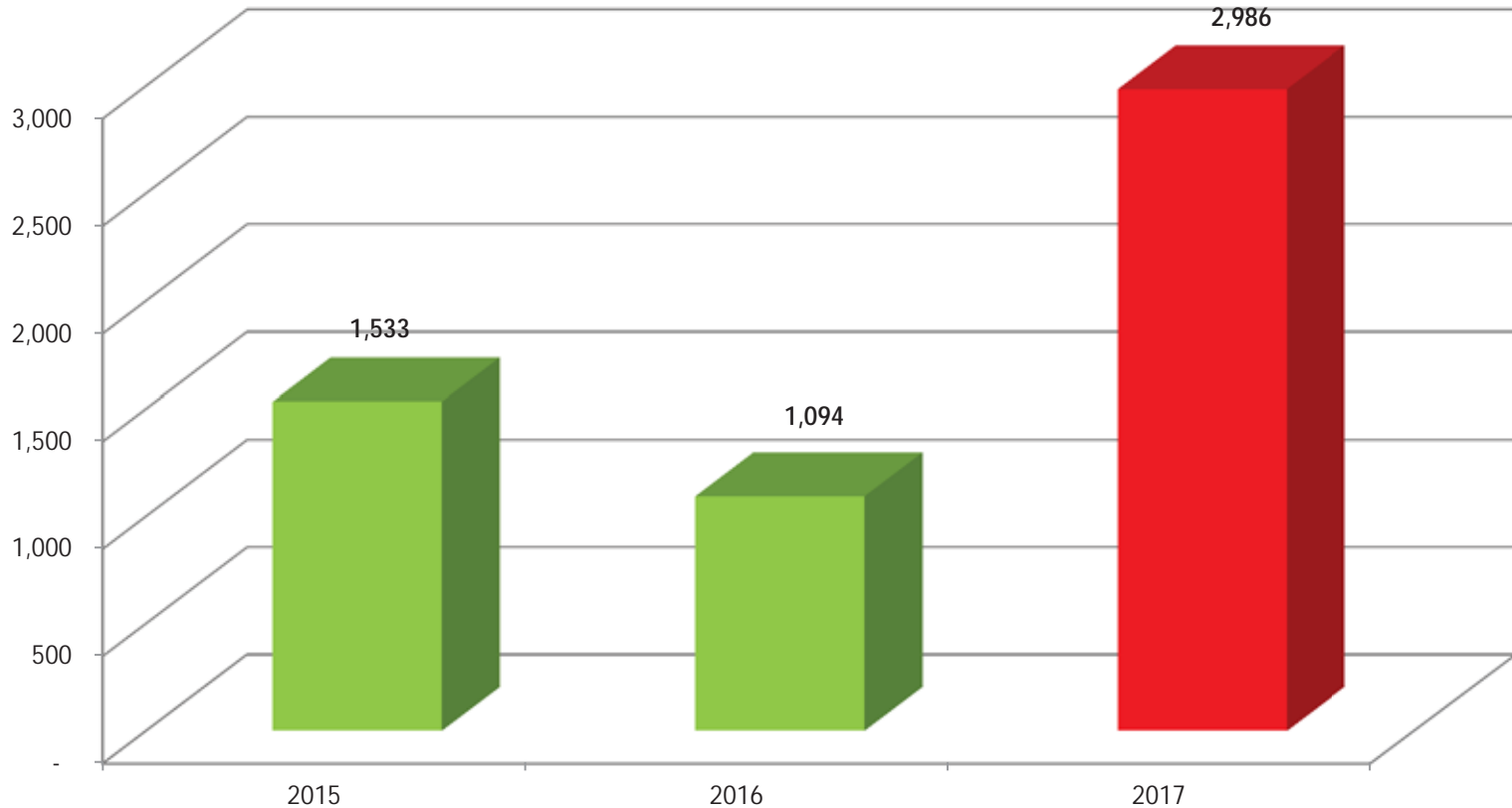
ICIS

- Conversion Status
 - 2015 – 1,533 converted
 - 2016 – 1,094 converted
 - 2017 – 2,986 to do

- As of December 2016, there were 3,027 ICIS machines and 4,736 SAS machines (including 2,627 ICIS converted to SAS) for a total of 7,763 machines.

ICIS

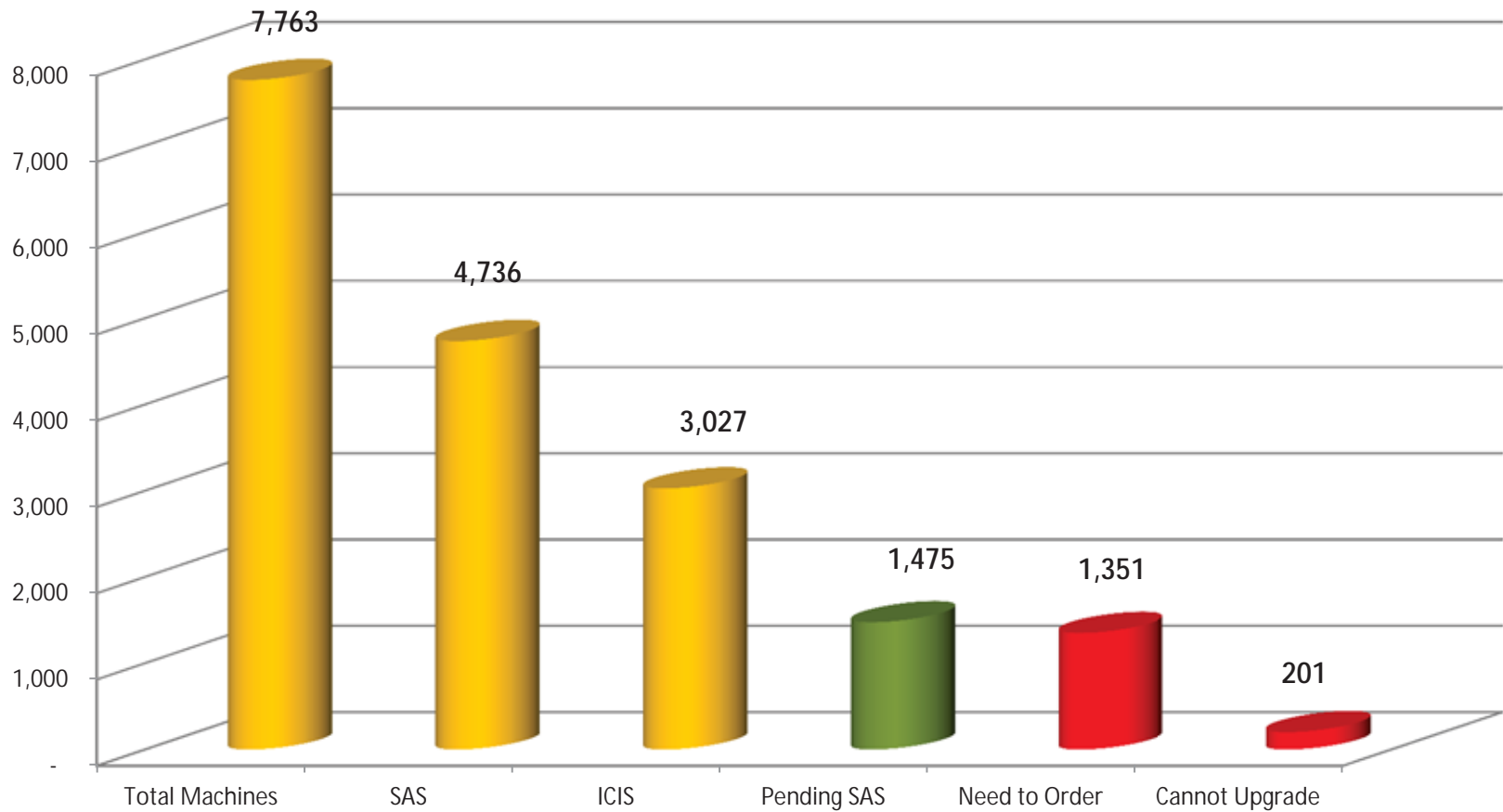
In the next 8 months, we need to convert more machines than have been done in the past two years (See Timeline)



ICIS

How can we get to 100% SAS?

As of 12/31/2016



Challenges

- Complicating Factors impacting schedule
 - Effective Planning
 - Scheduling
 - Dialup communication issues
 - Availability of hardware/software
 - New Installs
 - Existing maintenance
 - Moves and changes
 - Competition for Resources

Agenda



1. Same vs. Different
2. Project Plan Update
 - a. Site Survey Information
3. Contracts & Credit Apps
4. Updated Operator Costs
5. Service & Support Overview
6. Q&A

Same vs. Different



✓ Same Company; Different Business Entity



✓ Same People; Different Process



✓ Same System; Different Technology



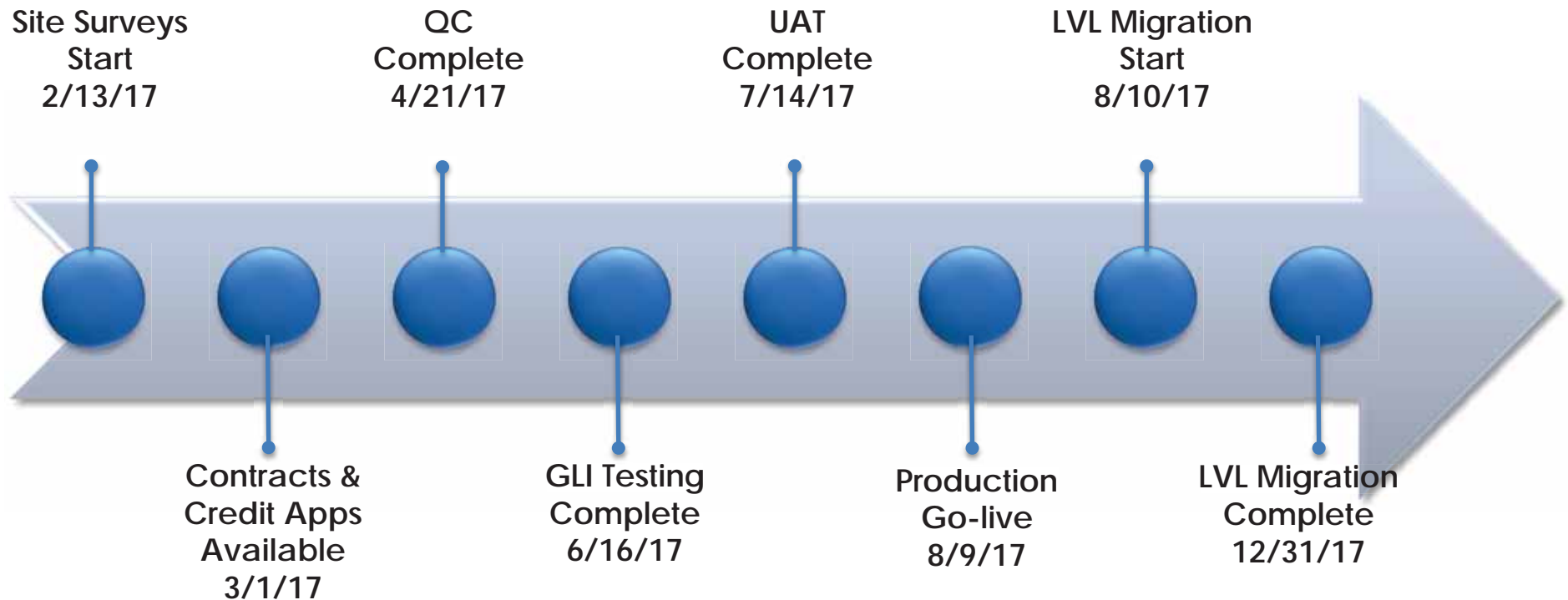
✓ Same SLA's; Different Level of Service



Project Timeline Update



HIGH-LEVEL OVERVIEW



Contracts & Credit Apps



Site Equipment & Network Fees:

- ✓ New Contracts/ Credit Apps (SG Entity is Bally Technologies)
- ✓ Available March 1st
- ✓ Order management and parts service will be located in Las Vegas

- ✓ Three points of contact:
 - ✓ Steve Angelo, Brandy Brown, LV Parts

Operator Costs

SITE EQUIPMENT

New Site Equipment

- Site Controller
- 22" 10-Touch Screen Monitor
- Thermal Printer
- Scanner w/ stand
- Network Comms HW

2 Purchase options - Initial Setup

Package Pricing: *\$3,095 per kit*

Lease: *\$88.95 per kit per quarter*

- Credit app + requirements
- Non-payment consequences – Site shutdown

Site Equipment Replacement Costs

| | |
|---------------------|---------|
| ■ Site Controller | \$2,795 |
| ■ Monitor | \$895 |
| ■ Printer | \$475 |
| ■ Scanner | \$415 |
| ■ IP Cellular Modem | \$550 |
| ■ DSL modem | \$695 |
| ■ Switch | \$39 |
| ■ Signal Booster | \$225 |
| ■ External Antennae | \$68 |



Operator Costs

NETWORK

- IP Cellular or DSL Network
- Full Data Coverage for life of the contract
- Annual preventative maintenance of site hardware
- Billed by SG
- Credit app + contract terms w/ consequences (site shutdown)

Monthly Fee Per Site: \$70.00



Service & Support

FIELD SUPPORT

- Site Surveys
- Installation Service Includes
 - Site Equipment
 - Networking Equipment
- Warranty Service
- Bench Repair
- Post Warranty Support and Service
 - Hotline phone support
 - Network Communications support
 - Time and Material, on-site billed at standard rate (currently at \$125/hr plus materials)

PartnerTech Integrated Design



SP-2615 Features

- 15.6" Display with Projected Capacitive Touch
- Intel Skylake platform
- High speed USB 3.0 Interface
- High quality HDMI port
- Latest DDR4 Memory
- Integrated barcode scanner



PartnerTech Data Points



U.K. Pub Market Call
Center Data:

2,455 Units in the market

4th generation product

SGI has units in the
Caribbean Islands, Puerto
Rico, and Australian
markets.

| Site Visits Total | 265 | 10.8% |
|------------------------------------|-----|-------|
| Non-repair/ adjust/ replace | Qty | % |
| No Fault Found | 98 | 4.0% |
| Cleaned | 3 | 0.1% |
| Recalibrated Screen 15" | 2 | 0.1% |
| Printer Jam/Paper Out | 19 | 0.7% |
| Recalibrated Screen 22" | 3 | 0.1% |
| Repaired / Adjusted Part | 140 | 5.7% |
| Of Which | | |
| Reimaged_RAM Clear | 17 | 0.7% |
| Re-Imaged | 27 | 1.1% |
| Reset BIOS | 29 | 1.2% |
| Power unit Swap | 20 | 0.8% |
| Replaced LCD | 2 | 0.1% |
| Replaced IO Battery | 4 | 0.2% |
| Replaced Back Office Connection HW | 32 | 1.3% |
| SC Unit Swapped | 9 | 0.4% |

Meeting Wrap Up

