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**TEXAS LOTTERY ANNOUNCES SIGNING OF NEW LOTTERY
OPERATOR CONTRACT WITH GTECH
OVER \$160 MILLION IN POTENTIAL SAVINGS TO BE REALIZED**

(Austin) - The Texas Lottery Commission (TLC) today announced the award of a new nine-year contract to GTECH Corporation for lottery operations and services. Under the terms of the new Lottery Operator contract, the State of Texas will realize potential savings of over \$18 million annually beginning September 1, 2011, or more than \$160 million through the life of the contract, based on current ticket sales levels.

“While obtaining updated state-of-the-art equipment and services was very important to our ongoing mission of generating revenue for the Foundation School Fund, in these tight budgetary times we are keenly aware that we must be good stewards of State funds,” said TLC Executive Director Gary Grief. “To that end, we believe this new Lottery Operator contract with GTECH provides us with the tools we need to keep moving the Texas Lottery forward while providing significant cost savings to the State.”

Today’s contract announcement was the culmination of an extensive competitive procurement process that required comprehensive responses to a detailed Request for Proposals (RFP) issued in January 2010. All three of the major companies in the world that provide lottery related goods and services, GTECH Corporation, INTRALOT, Inc. and Scientific Games International, Inc., submitted comprehensive bids in response to the RFP.

In addition to the more than \$160 million in potential savings under the new contract, other highlights include:

- GTECH’s latest generation of technology and retailer/player equipment with faster, easier to use terminals and a more reliable telecommunications network, including new player communication displays
- Higher levels of security and redundancy, and expanded capacity to handle the extremely high transaction volumes generated daily by the Texas Lottery
- A new lottery game management system featuring enhanced levels of service and efficiency to support lottery players and retailers
- New system tools that will allow the Texas Lottery to bring exciting new lottery games and promotions to market more quickly in response to consumer demand

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“We are pleased with the outcome of this important procurement process,” said Grief. “Given the significant resources and capital investments necessary to operate the Texas Lottery, we believe we have obtained the required goods and services at an extremely competitive price.”

The new contract has an estimated value of approximately \$83 million annually and \$750 million over the initial nine-year contract term. In addition to the initial nine-year term, the contract includes options for three two-year extensions.

GTECH is the current Lottery Operator for the Texas Lottery and has performed these services since the inception of the Texas Lottery in 1992. GTECH is a \$1.3 billion international company, currently providing lottery services to 24 of the 43 state lotteries in the United States and to over 50 other lotteries around the world. GTECH is a wholly-owned subsidiary of the Lottomatica Group, a publicly traded corporation based in Italy. GTECH’s U.S. headquarters are located in Providence, Rhode Island, with 580 employees in Texas serving the Texas Lottery and as part of GTECH’s *National Response Center* and *Data Center of the Americas*.

Consistent with the Texas Lottery’s commitment to a fair and transparent procurement process, all documents subject to open records requirements in Texas, with the exception of those involving proprietary information and lottery security, have been posted to the Texas Lottery website at www.txlottery.org.

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