

SESSION 1

Gaming History,
Australian Snapshot,
& Terminology



ARISTOCRAT GAMING™

SLOT HISTORY



CHARLES FEY (1862-1944)



“The Thomas Edison of Slot Machines”

VENUES	PRIZES
<ul style="list-style-type: none">• Saloons• Cigar Stands• Pool Parlours• Bowling Alleys• Other Businesses	<ul style="list-style-type: none">• Mints• Gum• Cigars• Cigarettes• Golf Balls• Drinks• Tokens





HISTORY

- 1891 First machine developed
- 1897 Charles Fey - Liberty Bell
Watling - Mills - Caille - Jennings - Pace - Bally
- 1901 Draw feature added
- 1911 Production centered around San Francisco
- 1923 Start of the Golden age of slots (to 1950)

HISTORY

- 1951 Congress passed the Johnson act
- 1960 Nevada was the only legal haven
- 1976 Gaming approved in New Jersey
- 1980 5 more states legalised gaming
- 1983 Slot revenue surpassed table revenue

HISTORY

- 1988 Indian Gaming act approved
Other states implemented lotteries
- 1989 Slot revenue accounted for 59% revenue
- 2001 3 U.S. states still do not allow gambling
- 2003 Tennessee introduces lotteries
- 2006 Online gambling prohibited

HISTORY

- 2008 Non-smoking..... Restrictions
- 2010s Harm minimization - RSG
- 2020s Anti-Money Laundering
- **Current - Cashless Gaming, A.I. , Facial Recognition**





AUSTRALIAN HISTORY





- **Aristocrat Technologies** - an Australian Gaming Manufacturer with over 65+ years Industry Experience
- Employs over 7,000 staff globally
- Offices in Sydney, Australia (HQ), USA, New Zealand, United Kingdom, South Africa, Sweden, Japan, India, the Philippines, and Macau
- Noida Office operational since 2009
- Gaming Manufacturer who produces:
 - Games
 - Cabinets
 - Systems
 - Service

HISTORY OF ARISTOCRAT

- Established in 1953 in Australia as a family owned business to develop and manufacture gaming machines for Clubs & Casinos
- Became a public listed company in 1996 and is now one of the leading provider of gaming solutions in global markets
- Aristocrat has a strong brand equity in more than 200 jurisdictions around the world
- The diverse product line-up extends from electronic gaming machines (EGMs) to complete gaming solutions, including systems, services, electronic tables, and ancillary equipment
- Aristocrat Design & Development Centres are established in Australia, USA, Sweden, Japan and India



GAMING SNAPSHOT

HISTORY - CLUBS

- 1898 Poker machines were introduced into Australia
- 1921 Deemed illegal
- 1932 Raise revenue for hospitals
- 1933 All poker machines removed
- 1935 Applications lodged from non-proprietary organisations
- 1939 In contravention of the law
- 1952 Poker machine introduced – mechanical, single line/coin
- 1953 First Australian made (mechanical) machine produced
- 1979 Release of the first microprocessor-based slot
- 1981 Introduction of the 5-reel multi-line, 5c & 10c machines



Her Majesty's Hotel, Swanson St, Melbourne.

The hotel was one of the first to introduce poker machines into the Australian colonies.

Picture: Melbourne Sportsman October 25 1898

HISTORY - CLUBS

- 1982 Steppers introduced Virtual Reel (Telnae's patent)
- 1983 Introduction of the 5c, 10c, 20c multipliers
Cash flow made compulsory
- 1986 Leasing of machines permitted
Maximum standalone prize \$10,000
- 1988 Introduction of Link Progressive Jackpot Systems (\$100K)
Introduction of \$1 & \$2 machines & \$10 max bet per game
- 1990 Introduction of Mystery Jackpots
- 1992 Introduction of tokenisation
- 1994 Introduction of Technical Standards



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Picture: Melbourne Sportsman October 25 1898

HISTORY - CLUBS

- 1996 Introduction of BACCs
MTGMs approved
- 1997 Permitted to install AADs
- 1998 TAB issued CMC license
- 1999 Productivity Report
Parliament Passes Recommendations
CMS Connection (tests)
- 2000 Responsible Gaming Act
RCG notices/courses
Government announces cap on machines



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Picture: Melbourne Sportsman October 25 1898

HISTORY - CLUBS

- 2001 All product 'X' series (LAB protocol)
Serial controllers (Mikohn/Paltronics/Translux)
Release of WAPJ
1000 credit max bet games
25-line games
- 2002 Reduction of machines to 450 (10%)
CMS commenced
Advertising restrictions
Permit to trade (in blocks of three)
Reduced trading hours (three)
Cheque payments (over \$1,000)
MTGM – Max prize \$100,000



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Picture: Melbourne Sportsman October 25 1898

HISTORY - CLUBS

- 2003 Reduced trading hours (6)
New tax announced
- 2004 New tax introduced
- 2005 Smoking allowed in one room only
- 2006 75% - 25% rule
Tax amended
Cheque payments (over \$2,000)
- 2007 Prohibition on smoking in licensed venues
Al fresco gaming: 75%-25% rule
- 2008 LIA replaced in SIA
- 2009 Removal of Adviser's license
Monthly meter readings abolished



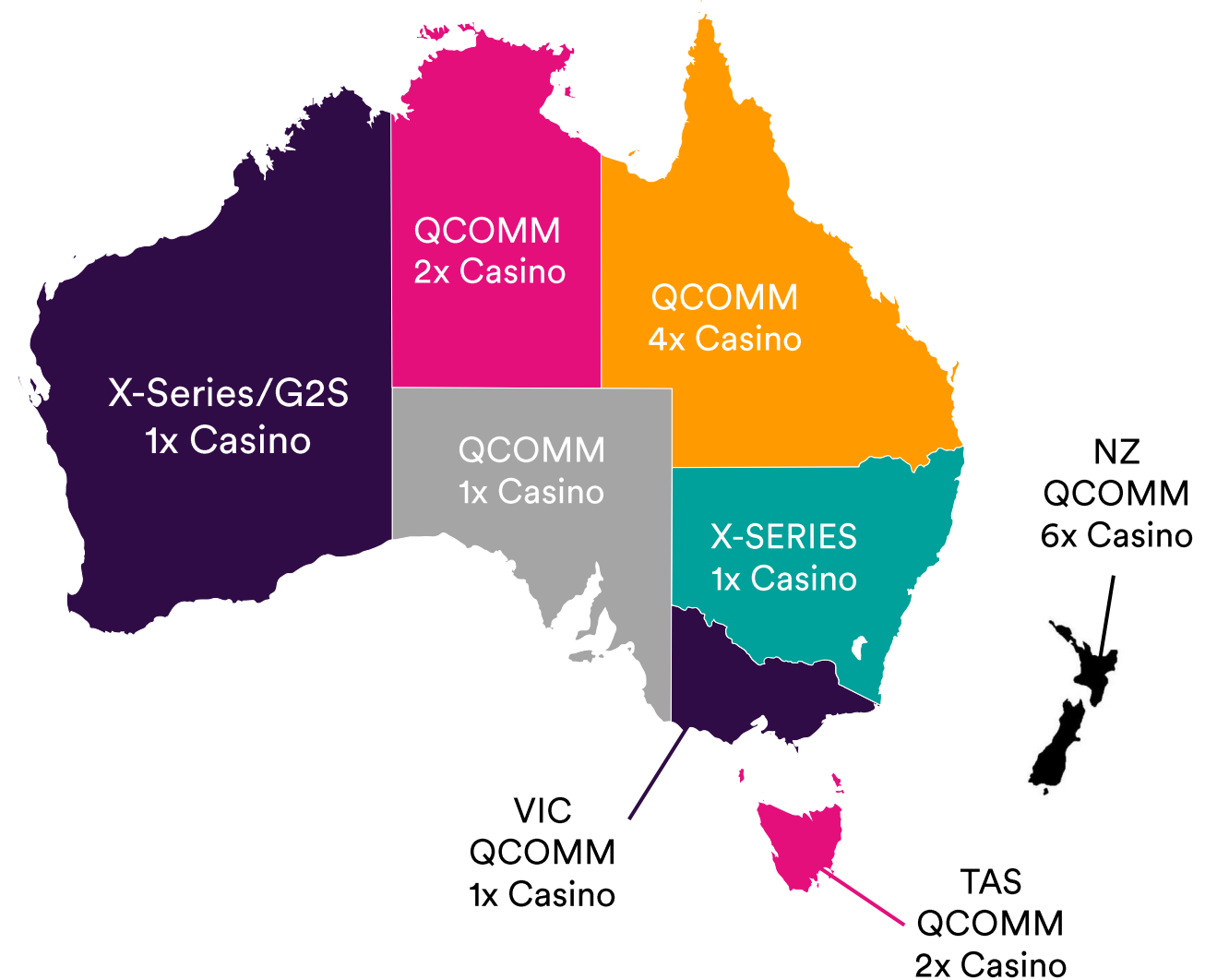
HISTORY - CLUBS

- 2009 15% cap on MTGMs
Promotional material opt-in
- 2011 Pre-commitment rulings pending
- 2012 Technology – regulation/harm minimisation
- 2015 CRT cash payments \$5,000
Further smoking restrictions (food areas/4m from entrances)
- 2020 Covid 19 restrictions and regulations
- 2023 Cashless Gaming Trials



AUSTRALIAN EGMS (Including Casinos)

JURISDICTION	TOTAL MARKET
NSW/ACT	91,600
QLD/NT	47,000
VIC	27,500
SA/WA	16,100
TAS	3,600
TOTAL	185,800



NEW SOUTH WALES

- Mix of Video Reel (Pokies) & Draw Poker (Cardies – Minimal)
- AAD's prior to EGMS; April 1st 1997

	EGMS	MTGMS
CLUBS (1,060)	68,430	1,200
HOTELS (1,310)	22,600	
STAR CASINO	1,500 (Crown pending)	
TOTAL	88,000	



NEW SOUTH WALES - CMS

- LAB protocol (X-Series)
- All machines connected to the CMS
- Clubs - December 2001
- Hotels - January 2002
- CMS is run by DMS (Data Monitoring Services) – MaxGaming
- All machines have a GMIC (Gaming Machine Interface Card)
- Reasons – industry integrity, assessment and billing of duty, collection of duty returns



VICTORIA

Max 105 EGMs per venue (Hotel or Club)

- 1992 Introduction by TabCorp and Tattersall's
- 2008 Announcement of cancellation of duopoly
- 2013 Duopoly expired
- 2020 TITO approved

	EGMS	TABLES
CLUBS (250)	12,940	
HOTELS (280)	13,630	
CROWN CASINO	2,600	350
TOTAL	27,500	



TASMANIA

- 1994 Introduction of EGMs into Casinos

	EGMS	TABLES
CLUBS (10)/HOTELS (95)	2,400	
WREST POINT CASINO	660	23
LAUNCESTON CASINO	520	17
TOTAL	3,580	



QUEENSLAND

- 1985 Introduction of EGMs into Casinos
- 1992 Introduction of EGMs into Clubs/Hotels



	EGMS	
CLUBS (375)	21,400	280 max install
HOTELS (705)	19,600	45 max install
	EGMS	TABLES
STAR CASINO TOWNSVILLE	500	24
REEF CASINO CAIRNS	650	43
STAR CASINO GOLD COAST	1,500	106
STAR CASINO TREASURY	1,500	111
TOTAL	44,330	

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SOUTH AUSTRALIA

- 1985 Adelaide Casino opened
- 1994 Introduction of EGMs into Clubs/Hotels
- 2020 TITO and B/ACCs Approved

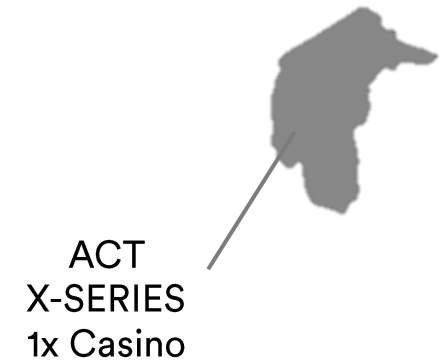


	EGMS	TABLES
CLUBS (50)	1,310	
HOTELS (450)	11,120	
SKYCITY (ADELAIDE) CASINO	1,080	99
TOTAL	13,510	

AUSTRALIAN CAPITAL TERRITORY

- 1976 Poker Machines launched in Clubs only
- 1987 Draw Poker Machines launched into Hotels
- 1992 Casino opened

	EGMS	TABLES
CLUBS (60)	3,600	
HOTELS (6)	40 (AADs only)	
CASINO	0	47
TOTAL	4,040	



WESTERN AUSTRALIA

● 1985 Introduction of EGMs into Casino

- Machine Type: Skill games - Keno/Bingo



	EGMS	TABLES
CROWN CASINO	2,600	182
TOTAL	2,600	

NORTHERN TERRITORY

● 1982 Introduction of EGMs into Casinos

- Clubs – up to 45x EGMs
- Hotels – up to 23x EGMs



	EGMS	TABLES
CLUBS (26)/HOTELS (50)	1,835	
LASSETERS CASINO	390	18
SKYCITY (DARWIN) CASINO	575	25
TOTAL	13,510	

REGULATORS

STATE	REGULATOR	ACCREDITED TESTING FACILITY (ATF)
NSW	ILGA	LAB, GLA, BMM
QLD	QOGR	QOGR
WA	ORG	WAR, GL
SA	OLGC	GLA
VIC	VCGLR	BMM, TST
TAS	TGC	LAB, TST
NT	QOGR	GLA
ACT	GRC	LAB
CASINOS	CCA	LAB, GLA, BMM

GAMING TECHNOLOGIES ASSOCIATION (GTA)

- The Manufacturer's voice
- There are 8 regulators in Australia
- 8 different regulations and specifications
- Standardisation requirement
- National standards - messages – software

AIM: Build a Machine to ONE Standard



GAMING TERMINOLOGY

DEFINITION OF GAMING

‘To stake or risk money, or anything of value, on the outcome of something involving chance’ -
Macquarie Dictionary



‘Legal forms of gambling, other than Racing and
Sports Betting’ - AGC

Racing and Sports Betting is referred to as
‘Wagering’.



GAMBLING

WHAT ARE YOUR CHANCES OF WINNING?

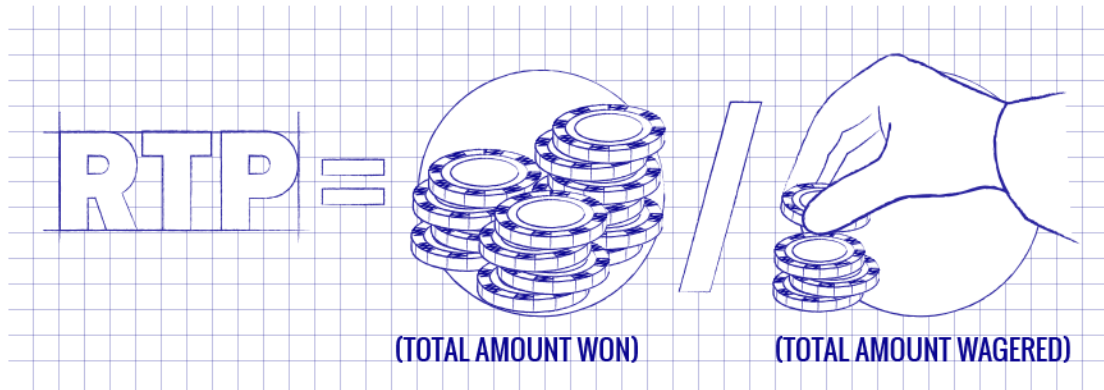
Winning Powerball	55 million to one
Winning OZ Lotto	45 million to one
Winning Lotto	8 million to one
Winning 6 from 38 pools	2.7 million to one
Being killed by lightning	1.6 million to one
Winning \$2 Scratchie	960,000 to one
Winning \$2 Lottery	200,000 to one
Winning \$5 Lottery	160,000 to one
Being murdered in NSW	57,000 to one



Official Home of
Australia's Lotteries by



RTP



OTHER FORMS OF GAMBLING

Pools	50%
Lottery	60%
Lotto	60%
Instant Lottery	60%
Keno	76%
TAB	84%
Gaming Machines	85%+
Bingo/Minor Gaming	90%

COMMON TERMS

POKIES	CRT
SLOTS	RTP
EGMS	RNG
MTGMS	AL FRESCO (D.O.S.A.)
TITO	





MACHINES

Styles & Models



UPRIGHT



SUPER
SCREEN



SLANT



Modular Video Platform
Wonder Wheels



Modular Video Platform



Verve 21.5" HD



Verve 31.5" HD



MarsX



**Viridian WS
Hybrid
Stepper**



**Feature Top Box -
Viridian Hybrid**



**Viridian WS -
E Series**



**Viridian WS -
Feature Top
Box (FTB)**



**Viridian VII
Slant**



Xcite/MAV500



Viridian WS



Helix



VGT



LoBoy



Casino



Hi-Boy



Helix Slant Tops

SOFTWARE & HARDWARE EVOLUTION

Convergence of Game Categories & Mechanics



New Cabinet Introduction



2006



2020

MULTIGAMES/MULTI-DENOMINATIONS

- A Multigame product contains 2,4, or 6 standalone games and/or denominations in one software package.
- Traditionally The Player's Choice™ brand allows players to play successful classic games in a multigame cabinet. With multiple games/denoms in one software package.
- This strategy can increase the gaming footprint of a gaming floor with performing products and facilitate variety in less cabinets and 'entitlements'.
- Player's World is the equivalent brand used in the US & Asia. Due to no market caps and limitations this product is not as prominent in the US markets. Macau is piloting the Players World Brand with Aristocrat's Server-based gaming solution.



STANDALONE PROGRESSIVES

- Standalone Progressives (SAP) are games with a single level jackpot on screen.
- Double Standalone Progressives (DSAP) have a 2-level jackpot meter in the top box.
- Triple Standalone Progressives (TSAP) have a 3-level jackpot meter, and so on...
- SAPs, DSAPs, and TSAPs give players the opportunity to win jackpot prizes in addition to the base game's features.
- Some specialty DSAP and TSAP games such as Banana King™ and Hi-Octane™ are an extension of the bonus bank concept, allowing players the choice to pay for the chance to win additional bonus features whilst also playing for the jackpot.



Single
Standalone
Progressive



Double
Standalone
Progressive



Triple
Standalone
Progressive



Quad
Standalone
Progressive

LINKED JACKPOTS

(Symbols, Hyper, Mystery)



MULTI TERMINAL GAMING MACHINES (MTGMS)

- 1x Station = 1x EGM
- Very high RTPs required
- Very high Turnover to achieve
- Comparable EGM average net

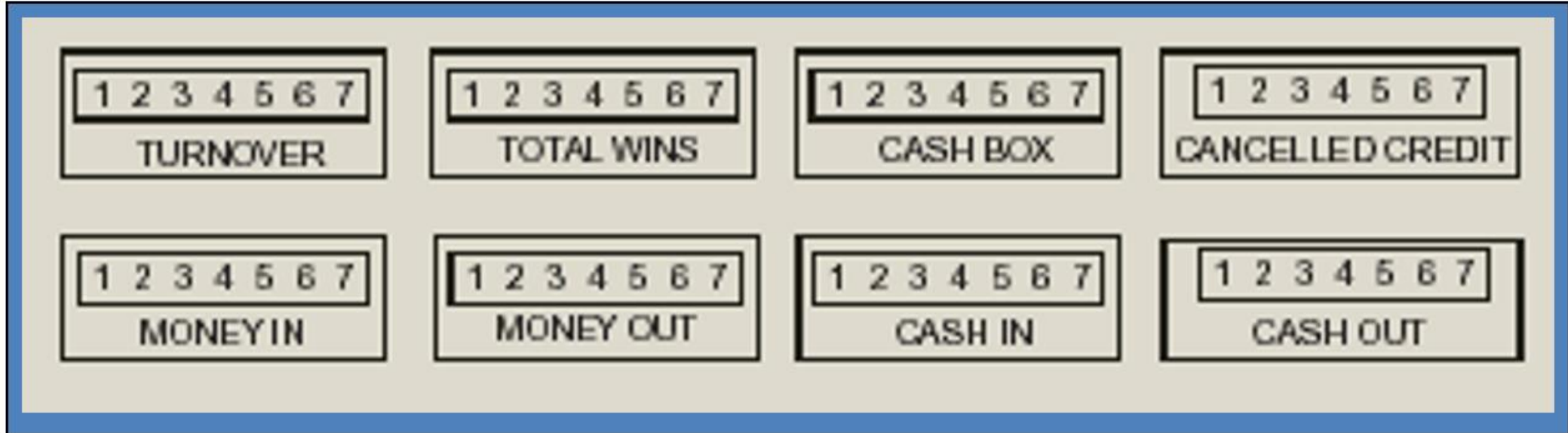




WHAT IS A GAMING MACHINE?

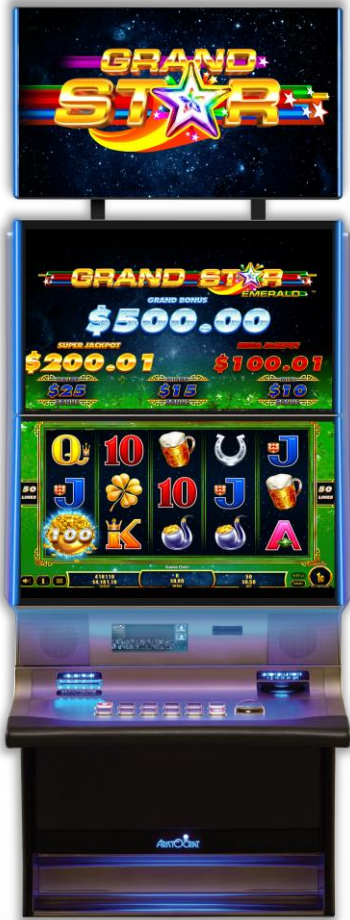
METERING

ELECTRO-MECHANICAL COUNTERS (non-resettable)



MANDATORY IN NSW

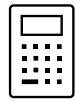
WHAT IS AN EGM PLATFORM?



- An EGM (Electronic Gaming Machine) is a cabinet engineered by gaming manufacturers to deliver gaming software.
- A platform is the engine that drives the gaming software inside the cabinet.
- The games are delivered via a smart card (sim card) and flash memory card into the cabinet.

WHAT IS A GAME?

A game can be broken into three high level areas:



Mathematical Model



Artistic Themed Package



Sound & Lighting

These 3 elements are integrated together with quality software to produce a game

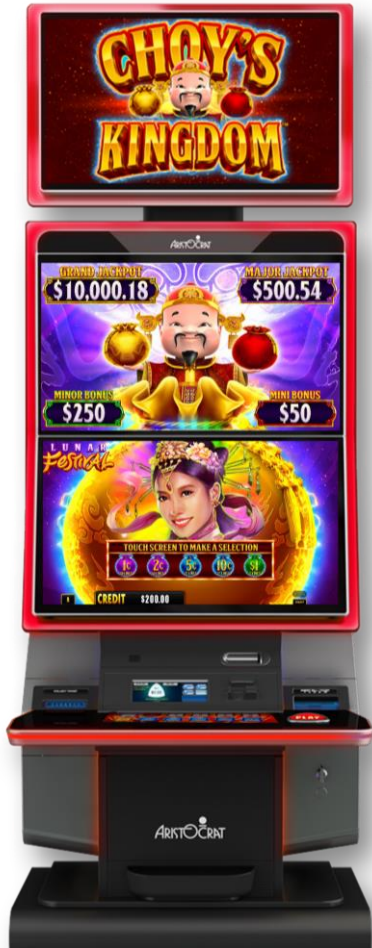


BASE GAME



- The **base game** is the starting point of any game.
- It is the component where a player picks their stake by picking a bet multiplier and then selects the number of lines or reels, they want to play.
- The value of the player's wins in the base game are multiplied by the bet multiplier selected.
- The player must continue to stake an amount to play the base game.
- Base games vary in RTP split between 45% to 60%

FREE GAME FEATURE



- The free game feature is the most traditional form of bonusing on slot machines. Players play their way through the base game to trigger or win a free game feature.
- The way the free game feature is won can be controlled by our Game Designer through the game rules.
- The reason why players love the excitement of playing slots is that the Feature returns a much higher percentage of the RTP for the potential of a BIG win.
- The Free Game Feature returns between 25% to 40%.

ANTE BET



Aristocrat's fastest growing product success is through Ante Bet style games. It is a core element in our product portfolio and is a patented game form.

Ante Bet is where the player is charged more credit per game upfront and rewarded for the additional stake somewhere else. Traditionally, this is in the free game feature. Ante Bet can be a player selectable option, or the game can force the player into playing the Ante Bet.

Examples of Ante Bet game:

- **5 Dragons** – by playing Ante, player is awarded additional 3x free games for larger wins in the free game feature

GAMBLE OPTION

Bets generally do not increment the turnover meter. Generally, the credit win meter is only incremented at completion of gamble sequence.

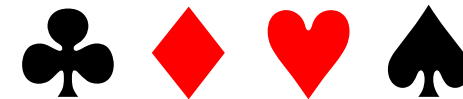
RED & BLACK - 1 in 2 chance of winning

A win doubles the bet - generally venue revenue neutral



SUIT - 1 in 4 chance

A win quadruples the bet - generally venue revenue neutral



Suit gamble also has the option of Red & Black





ARISTOCRAT GAMING™