



Response to 'Today Tonight' Story (11 July 2011) and 'Herald Sun' Article (12 July 2011)

Dear Retailer

By now you would have heard about the 'Today Tonight' story entitled "Scratchie Feud" which aired on the Seven Network on Monday evening 11 July 2011 and also read a similar story in today's Melbourne 'Herald Sun' newspaper (Page 12).

As a company we have the utmost confidence in the integrity of our lottery systems and processes and in our Lucky Scratchie ticket supplier's independent verification of the Lucky Scratchie tickets.

Accordingly we wanted to clarify the facts to you and explain to you what action we have taken in this matter.

Ms Stagg claimed a AUD\$10,000 Lucky Scratchie winning prize on a AUD\$4 Bingo Wizard Lucky Scratchie ticket which Ms Stagg purchased from the Heritage Springs Tatts Agency in Pakenham, Victoria.

On 25 June 2011 a copy of Ms Staggs' Lucky Scratchie ticket was sent to Intralot for independent verification of its winning status after the Heritage Spring Tatts Agency scanned the barcode on the ticket and determined it not to be a winning ticket.

In accordance with its procedures Intralot requested an independent verification of Ms Staggs' ticket from its Lucky Scratchie ticket supplier to determine the winning status of the ticket.

As you are probably already aware Intralot's Lucky Scratchie ticket supplier is independent and unrelated to Intralot and is approved by the Victorian Commission for Gambling Regulation (**VCGR**). Only Intralot's Lucky Scratchie ticket supplier (and NOT Intralot) has access to the reconstructed image of each Lucky Scratchie ticket supplied to Intralot.

This independent reconstruction and verification was completed and the results supplied to Ms Stagg by letter dated 29 June 2011. Unfortunately, the independent verification of Ms Staggs' ticket determined it not to be a winning ticket.

Intralot certainly understands that its consumers play its lottery games in order to win the larger prizes it offers. The Company empathises with its consumers when they genuinely believe they have won a larger prize and it is later established, after independent verification, that this is not the case. Naturally, Ms Stagg was disappointed.

However, contrary to popular belief and to Ms Staggs' suggestion in the 'Today Tonight' story Intralot does not determine who wins and who is not a winner of its Lucky Scratchie tickets – this is determined by a completely random computer process over which Intralot has no control.

It is also important to note that Intralot receives its income from ticket sales and not whether a ticket is a winning ticket or not. Intralot therefore has no commercial reason to want any valid winning ticket not to be paid.

As you also know all winning Lucky Scratchie tickets are subject to verification of their winning status to ensure the integrity and fairness of the lottery game and to ensure that only genuine winning tickets are the subject of a prize. This is clearly stated in the Conditions of Sale on the reverse of every Lucky Scratchie ticket.

This matter has now been referred to the VCGR for further investigation.

Intralot will await the report of the VCGR and naturally we are obligated to abide by its decision in this matter. If after investigating the matter fully the VCGR determines that Ms Stagg has a winning Lucky Scratchie ticket, Intralot will pay the determined winning prize to Ms Stagg in accordance with Intralot's approved lottery rules.

Since Intralot commenced operations under its Category 2 Public Lottery Licence in Victoria on 1 July 2008 Intralot has paid out approximately 10,967,148 winners of Lucky Scratchie tickets totalling approximately AUD\$69,800,000 in prizes.

Leo Watling
Chief Executive Officer
12 July 2011