

CRYPTOLOGIC INC
Form 6-K
December 21, 2006
FORM 6-K

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

of the Securities Exchange Act of 1934

For the month of **December, 2006**

Commission File Number **000-30224**

CRYPTOLOGIC INC.
55 St. Clair Avenue West, 3rd Floor

Toronto, Ontario, Canada
M4V 2Y7

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F....o..... Form 40-F...X...

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ___

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ___

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

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Yes [] No[X]

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CRYPTOLOGIC INC.

Lewis N. Rose

President and Chief Executive Officer

Date December 21, 2006

FOR IMMEDIATE RELEASE

Symbol: TSX: CRY; NASDAQ: CRYP; LSE: CRP

**CryptoLogic and William Hill finalize 3-year renewal contract,
launch Spanish poker site**

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Contract includes substantially unchanged financial terms, enhanced exclusivity and incentives to increase gaming activity

December 21, 2006 (Toronto, ON) CryptoLogic Inc., a leading software developer to the global Internet gaming industry, today announced that its wholly-owned subsidiary WagerLogic Limited has executed a final contract with William Hill, one of the best-known names in European betting and gaming. Under the new contract, the companies have renewed their relationship for another three years on financial terms that are materially the same as those in their former agreement, with incentives to increase gaming activity. The companies have also launched a new Spanish language poker site, at www.williamhillpoker.co.uk (or es.williamhillpoker.com).

We are very excited about the prospect of continuing our partnership with William Hill an icon in the UK betting market and one of CryptoLogic's most important relationships, said Lewis Rose, CryptoLogic's President and CEO. While much of the online gaming world has only recently started paying attention to the UK and continental Europe, we have been focusing our attention on these markets for the past five years. Our relationship with William Hill exemplifies our strength in the region and the success of our strategy.

The contract will provide enhanced rights of exclusivity to CryptoLogic as software provider of choice for William Hill's key online casino and poker businesses. While the financial terms remain unchanged based on historical activity levels, William Hill will be rewarded with lower marginal rates for increases in gaming activity. Such increases are expected based on new development and business initiatives planned by the companies.

Based on our seven-year history with CryptoLogic and the exciting initiatives already underway, like Spanish Poker, I am confident that we will grow our business significantly, said Peter Nolan, William Hill's Group Director, Remote Channels. CryptoLogic powers one of the largest poker networks in the world, with particularly strong liquidity in European markets. Their award-winning Internet casino software both download and non-download versions creates an engaging entertainment experience that draws new players to our sites and keeps current players coming back.

The regulations under the UK Gambling Act are scheduled for completion on September 1, 2007, and are expected to have implications for the businesses of both companies. Under the agreement, the companies have committed to work together to achieve a mutually beneficial result in the new environment. If such a result can't be reached, both parties have a right to terminate the contract or portions thereof.

The Spanish language poker site adds to the Greek site that CryptoLogic previously developed for William Hill.

Rose added, Spain is one of Europe's biggest poker markets and the country is embracing Internet gaming. Europe is an increasingly competitive market, so we'll continue to give our licensees an edge and distinguish CryptoLogic as the software provider of choice through more language-specific offerings like Spanish poker.

CryptoLogic-developed games are featured at William Hill's gaming sites, including www.williamhillcasino.com, and www.williamhillpoker.com. Recently, CryptoLogic also announced new contracts with Betsafe and DTDPoker, both European poker rooms with strong potential.

With a new poker customer launched this month, other poker and casino customers that will debut early next year and ongoing business that is secure in long-term agreements, we are excited about the future, said A.J. Slivinski, WagerLogic's Managing Director.

About William Hill

Founded in 1934, William Hill is one of the best-known names in the UK betting industry. It is one of the leading providers of fixed odds bookmaking services, offering odds and taking bets on a wide range of sporting and other events, as well as offering Amusement with Prizes machines and Fixed Odds Betting Terminals in licensed betting offices and operating online casino and poker sites, and greyhound stadia. It is a market leader in all major betting channels in the UK with an established international presence through its online businesses.

About CryptoLogic® (www.cryptologic.com)

Focused on integrity and innovation, CryptoLogic Inc. is a world-leading, blue-chip public developer and supplier of Internet gaming software. CryptoLogic's leadership in regulatory compliance makes it one of the very few companies with gaming software that is certified to strict standards similar to land-based gaming. WagerLogic Limited, a wholly-owned subsidiary of CryptoLogic, is responsible for the licensing of the company's gaming software and services to a blue-chip customer base around the world. For information on WagerLogic®, visit www.wagerlogic.com.

CryptoLogic's common shares trade on the Toronto Stock Exchange (symbol: CRY), on the NASDAQ Global Select Market (symbol: CRYP), and on the Main Market of the London Stock Exchange (symbol: CRP).

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CRYPTOLOGIC FORWARD LOOKING STATEMENT DISCLAIMER:

Statements in this press release which are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, risks associated with the Company's financial condition and prospects, legal risks associated with Internet gaming and risks of governmental legislation and regulation, risks associated with market acceptance and technological changes, risks associated with dependence on licensees and key licensees, risks relating to international operations, risks associated with competition and other risks detailed in the Company's filings with securities regulatory authorities. These risks may cause results to differ materially from those projected in the forward-looking statements.
