

To: Lottery CEO's, IALS Members, Marketing Directors,
PR/Communications Directors

Public Gaming Research Institute Inc.'s

INTERNATIONAL

MORNING

REPORT

Your weekly supplement to
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WASHINGTON MAKES IT OFFICIAL. It's now official, the Washington State Lottery will definitely be the 10th jurisdiction to join the Big Game Lottery group under its newest incarnation, Mega Millions. Washingtonians can start to purchase tickets on September 28th, and the first official drawing will be October 1st. The state expects its take from all Lottery games to rise by \$34 million because of the new game. A portion of the proceeds will go to help pay for the new Mariner's and Seahawks stadiums, but the rest will be dedicated to education.

AZ SENATE SAYS NO. AZ Gov. Jane Hull's bill that would expand the number of machines at tribal casinos is officially dead after a 4-4 vote in the Senate (a tie is considered a defeat). This bit of bad news for VLT manufacturers came on the heels of the death of Arizona's bill that would put casino-style gaming in the state's racetracks.

GTECH EXTENDS WITH WASHINGTON. Gtech has extended its lottery services to the Washington State Lottery for an additional two year, through June 2006. The two-year extension includes tickets, lottery systems, marketing and retailer training, and represents \$20 million to \$22 million in revenue.

WE DON'T KNOW THESE PEOPLE. The WLA and the South Australian Lotteries want to make it clear that a website with a similar address to the 2002 World Lottery Association Congress is in no way associated with the Association or the Lottery. The official website for the 2002 World Lottery Association Congress to be held 17 - 22 November, in Adelaide, Australia is www.wla2002.com

IS NC SEEING THE LIGHT? North Carolina House Speaker Jim Black says legislators will have to create

a lottery game, increase taxes or deeply cut funds to education. This from a man who is on record as being personally opposed to a lottery. Governor Mike Easley will be pushing for a vote on the issue when the General Assembly session begins in May.

EXPERIENCE WISCONSIN. The Wisconsin Lottery launches the instant ticket "Experience Wisconsin 3" just in time for travel season. The annual series of tickets features scenes from five Wisconsin counties, with photographs provided by local tourism organizations. Plans are to continue the series until all 72 counties have been featured.

INTERLOTT GETS HOOSIER'S PTVM ORDER. Interlott has been named the successful bidder by the Hoosier Lottery for Pull-tab/break-open Ticket Vending Machines (PTVMs). Under the terms of the bid, Interlott expects the Hoosier Lottery to purchase up to 500 eight-game PTVMs. The PTVMs will be placed in retail outlets throughout the state. It's Interlott's second order for PTVMs in six months – Kentucky also ordered 300 machines.

CAMELOT GETS A NEW FACE. Scottish comedian Billy Connolly will be the new face of UK's National Lottery. Its all part of the Lottery's relaunch, in which they're trying to achieve a new image. Along with the new face, the Lottery will be shifting marketing focus to the impact that hitting the jackpot has on a player's life.

EISNER STAYS IN MARYLAND. Eisner Communications Inc. will continue to be the ad agency for the Maryland Lottery. As long as everything gets approve in May, the contract will be worth \$15 million per year for four years. Eisner has been the Lottery's agency for five years.

SENATE ASKS FOR LOTTERY VOTE IN AZ. The AZ Senate voted 18-11 to bring the issue of the continuation of the Arizona Lottery past its termination date of January 1, 2004. The House has already passed the measure.

MIKOHN GETS NOD IN BC. Mikohn Gaming has been awarded a contract from British Columbia to install the MoneyTime Slot Bonusing system in 11 casinos throughout the Canadian province. Under the terms of the contract with BCLC, a total of 168 games at 11 properties will be linked.

WV VLT DIP. It was bound to happen eventually. The West Virginia Lottery saw its first decline in VLT sales since December. The average daily income for each machine dropped to \$120, down \$10 since February.

The Lottery believes the game may see the same seasonal trends (peaking in winter) as its Travel keno game, which is in the same type of establishments as the VLTs.

WA LAUNCHES LOTTO PLUS. Yesterday (April 28), the Washington State Lottery launched Lotto Plus, an enhanced version of their Lotto game. Lotto Plus features bigger prizes, more chances to win, and better overall odds, while still maintaining the ticket price of two plays for \$1. The game is based on a Powerball style format, with a matrix of 5:43 and a "Gold Ball" on a 1:23 matrix.

IGT NET RISES. IGT's second quarter report revealed a net income rise of 38 percent, but most growth important segments failed to post a gain for the second straight quarter. Earnings for the quarter were \$73.9 million (81 cents per share), compared with last year's second quarter of \$53.6 million.

VT TO DISCUSS POWERBALL. Vermont House Republican leaders are asking to debate the pros and cons of Powerball. Some feel the state has a better chance of okaying the game this year. Proponents feel they may finally get enough votes to override Governor Dean's veto by making the state's transportation budget the beneficiary of the game. Still, some lawmakers feel the estimated \$2 million net the game would bring in doesn't come close enough to the \$3.3 million they feel make the fight worth the while.

NO GAMBLING UNIVERSITY. President Gloria said no to plans to open the world's first gambling university. She stated that she did not want gambling to become a way of life for the Filipinos. PAGCOR had hoped to set up a school that offered degrees in casino operations and management.

TAIWAN CUTS SUNDAY SALES. The Taipei Bank will now suspend sales of Public Interest Lottery on-line tickets on Sundays, but will not change draw days from Tuesday and Friday. The Bank hopes the suspension of sales will help to calm down the country's Lotto frenzy. The government requested both the suspension of sales and a change of draw dates.

LOUISIANA AWARDED. It seems that congratulations are in order. The Louisiana Lottery received the Certificate of Achievement for Excellence in Financial Reporting for the fourth straight year from the GFOA. Way to go!

ECO-FRIENDLY IN QUEBEC. Loto-Quebec will join Sépaq in investing \$6 million and \$3 million

respectively in a tourism infrastructure development project slated to begin this spring and which will result in the creation of some 100 new jobs for the duration of the project. The project will enhance and improve Hautes-Gorges-de-la-Riviere-Malbaie National Park. The ecotourism driven investment will help the park accommodate a growing clientele.

VICTORIA VLT RAKING IT IN. Victoria, Australia has passed the \$5 billion mark in revenue from gaming machines. The \$5.2 billion total was helped by this year's \$1.016 billion take. The machines account for nearly one-fifth of the state's tax revenue.

SOUTH CAROLINA GOING FOR POWERBALL. The South Carolina lottery commission voted to apply to join Powerball. The commission's application is pending approval of the General Assembly. If approved, the game could come to the state as early as September, 2002, and would bring an estimated \$20 million in revenue.

DON'T TRY TO STOP ME! A New York anti-lottery coalition is trying to stop New York's participation in Mega Millions. They claim the state's participation in the game is illegal. Lottery proponents are confident the games will prevail.

IRISH EYES ARE SMILING. The Irish National Lottery headquarters is receiving a 250,000 Euro makeover. Oppermann Associates, architects and interior designers, was commissioned to design and oversee the process, which includes a major refit of the reception area and adjacent grand prize hall. Apparently it gives the room a more modern feel.

OGT SIGNS DILBERT. Oberthur has signed a new property that nearly everyone can relate to – Dilbert. The company will offer Dilbert as its newest instant ticket licensed property through a partnership it has formed with United Media. Dilbert is the most photocopied, pinned-up, downloaded, faxed and e-mailed comic strip in the world

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