

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

Public Gaming Research Institute Inc.'s

INTERNATIONAL

MORNING

REPORT

Your weekly supplement to
Public Gaming International Magazine
March 29, 2004

***PGRI announces our combined ILAC
Congress and Lottery Expo 2004, June
28-July 2, Loews Miami Beach Hotel,
Miami Beach, Florida.***

ND LAUNCHES LOTTERY SALES. The North Dakota Lottery launched in a very unique way on Thursday, March 25. The Lottery didn't launch with Instant, but rather with Powerball – the type of game which is generally added to the Lottery product mix much later in the process. Attorney General Wayne Stenehjem kicked-off the festivities by selling the first ticket to Rep. Andy Maragos, who led the initiative campaign to allow Powerball sales in the state. Just after 6pm, the sales total had reached \$119,453. This equates to 18.77 cents being spent per person in North Dakota, which is believed to be a single-day Powerball record.

POWERBALL SHOW TO END. The Multi-state Lottery Association voted to end the Powerball Instant Millionaire game show after four television seasons. The show will end Sept. 25, 2004.

30 YEARS FOR IL. The Illinois Lottery is celebrating its 30th anniversary in a big way with signature commercials featuring a well-known celebrity (and Chicago native). But the fun doesn't stop there, because a summer-long promotion featuring millions in prizes will kick off during April. Beginning April 12, players can send in non-winning "30th Anniversary" instant and specially marked online tickets for the chance to win big money. Each week for 20 weeks beginning May 6, the Lottery will have a drawing for \$100,000. In September, there will be a final, grand prize drawing for \$1 million.

TELC STILL GOING STRONG. As of March 23, sales for the Tennessee Lottery are hovering at \$210 million, and an estimated \$65 million will be turned over the state on April 15. The Lottery currently has 4,000 retail locations selling tickets, and nearly 2,000 more have been approved

REMEMBERING THE FAMILY. There is nothing that can replace our loved ones when they pass on. But those of us who are left can try to ease the suffering of the family with donations to help them through the day-to-day challenges of carrying on without their loved one.

A trust for the George Andersen family has been established for this purpose and to which some companies have already made pledges. This support is deeply appreciated by the family.

Those companies that have not yet pledged a donation may do so by sending an e-mail to duaneburke@aol.com committing your pledge. You will be sent an invoice for your pledge on behalf of the family fund.

Those companies and individuals who wish to, may send their donations directly to the family fund account as noted below:

**"Darlene Andersen, Trustee" account
Affinity Plus Federal Credit Union
175 West Lafayette Road
Saint Paul, MN 55107**

Please note if the family may publicly acknowledge your pledge or donation --- amounts of pledges and donations will be confidential.

and are awaiting the go-ahead.

TX PASSES \$6 BILLION TO EDUCATION. The Texas Lottery Commission reached another milestone this month, as the latest monthly transfer to the Foundation School Fund from its operation of the Texas Lottery® pushed total contributions to education past the \$6 billion mark.

NEW PROBLEM GAMBLING WEB PAGE IN VIRGINIA. The Virginia Lottery marked Problem Gambling Awareness Week by revealing a new webpage dedicated to problem gambling awareness. The page is designed to inform website visitors as to what problem gambling is (and is not) and how to seek help. With links to Gamblers Anonymous and The National Council on Problem Gambling as well as a toll-free Virginia Lottery problem gambling help line number, Lottery officials hope the page can serve as a first step for someone with a gambling problem to find help. During Problem Gambling Awareness Week, the Lottery also included a prominent link on its homepage to the Problem Gambling Awareness Week website. "Devoting prominent space on our high-traffic lottery website to problem gambling is the right thing to do," says Virginia Lottery Executive Director Penelope W. Kyle. "We want to present the facts to anyone who suspects they or someone they know may have a problem."

LITTLE LOTO CHANGE IS BIG SUCCESS. Changes to the Illinois Lottery's Little Lotto game are proving to be wildly successful. On Feb. 25, the Little Lotto matrix was expanded from 5/30 to 5/39. In addition, "New Little Lotto" features rolling jackpots that start at \$100,000 and a new prize

level for matching just two numbers. Great sales combined with several rollovers have led to several high jackpots. Sales for New Little Lotto on Monday, March 22 were a whopping \$677,000, which enabled Lottery officials to bump the jackpot for the Tuesday, March 23 drawing to \$1.2 million.

PA LAUNCHES MOTHER'S DAY TICKET. The Pennsylvania Lottery is launching a Mother's Day ticket on Tuesday, March 30, 2004. Mother's Day Bouquet is a \$5 instant game that makes a great enhancement to cards and gifts for Mom. The game offers a \$50,000 top prize and there are 12 chances to win on each ticket. Mother's Day Bouquet has more than 100,000 prizes between \$20 and \$500 and more than \$7 million in total cash prizes. Overall odds of winning a Mother's Day Bouquet prize are 1-in-3.74.

WTO SIDES AGAINST U.S. IN INTERNET GAMBLING DISPUTE. The World Trade Organization ruled in favor of Antigua and Barbuda on a dispute between the island state and the United States over Internet gambling. WTO trade judges will take 30 days to issue a final ruling, and then the U.S. can appeal.

PAGCOR TO LAUNCH INTERNET CASINO. The Philippine Amusement and Gaming Corp. is launching an Internet casino this week. PAGCOR is taking the venture over from a company that it had granted a franchise for six years ago. The Philippine Supreme Court ruled that PAGCOR didn't have the authority to grant that franchise.

SMS LAUNCH IN CHINA. ROK Corporation launched the first Mobile Lotto Game in China last week. Developed entirely in-house by ROK, the game is a 5 from 25 Lotto which people are now able to play on their mobile phones via SMS. For a cost of just Yuan 1.2 (approximately US\$0.14) per play, the 5 from 25 lotto is an instant 'Points for Prizes' game which offers a range of prizes valued at up to Yuan 5,000 (approximately US\$600). Game winners are directed to visit a dedicated website where they are able to select from a range of prizes. ROK will introduce an average of one new game every month in China, and will be introducing JAVA games for mobiles by the end of the year.

***NEW* RACINO NEWS**

KS COMMITTEE EXPANDS EXPANDED GAMBLING BILL. A Kansas Senate committee endorsed Gov. Kathleen Sebelius' gambling proposals, even expanding upon them. The Federal and State Affairs Committee passed the legislation, which would allow slots at tracks and up to five state-owned casinos, after expanding it to allow slots at bowling alleys, driving ranges and other facilities. Under the expanded legislation, the smaller facilities could have five machines each. The bill would require approval by a county's voters before a casino could be built or slot machines placed in clubs or businesses.



Please click here for a .PDF brochure

CDP COULD BE IN FOR GAMING EXPANSION. The Province of New Brunswick has reportedly asked the Atlantic Lottery to work up a business plan for renovating Charlottetown Driving Park (CDP) and increasing the gaming available at the Park. CDP currently has 10 VLTs, and while no indication has been made that the number of machines will increase, there is room in the Provincial legislation for that number to increase. Legislation allows 680 gaming machines on the island, and only 415 are currently in use.

MD HOUSE SET TO DISCUSS SLOTS. Dozens of gambling expansion opponents bill testified before the Maryland House Ways and Means Committee, as the House gets ready for the hearing on Gov. Robert Ehrlich's slot bill. The Senate has already passed Ehrlich's plan, which would put 15,500 machines at six locations, including three racetracks.

COMPANY ANNOUNCEMENTS

OGT BRAZILIAN BRANCH RELOCATES. With the aim of improving the efficiency of its business process, Oberthur Jogos e Tecnologias Ltda has decided to relocate its head office from Rio de Janeiro to Curitiba, where the company already operates its printing facility. This move will strengthen the interaction between its sales and marketing staff and its production personnel, in order to continue providing its clients with the highest quality products and services. As of April 1, the company's head office address will be as follows: Rua Pasteur 463 - conj. 1003 - Batel; Curitiba - PR 80 250-080; BRASIL. Phone: +55 41 3024-1174 Fax: +55 41 3013-4221

SCI-GAMES GETS WA EXTENSION. Scientific Games has been awarded two one-year contract extensions by the Washington Lottery. The contract is valued at approximately \$5 million over its two-year term. Scientific Games has been the Lottery's primary ticket supplier for many years.

VT, WA PICK OGT. Oberthur Gaming Technologies ("OGT") announced that the Vermont Lottery Commission has decided to exercise the two-year extension option of its original contract with OGT. Through this agreement, OGT remains the Lottery primary instant ticket vendor until December 2005. In other OGT news, the Washington State Lottery decided to exercise the option to extend its contract with Oberthur Gaming for one year, from January 2004 through January 2005. This contract for the manufacturing of instant lottery tickets was originally awarded to OGT in 2000.

WA SELECTS GTECH. GTECH was named the apparent successful bidder for a contract to provide vending machines and ongoing maintenance and support services for the Washington Lottery. GTECH will deliver an estimated 1,000 machines, which are expected to be operational by November. The three-year contract, which includes three one-year extension options, is expected to generate \$6 million to \$8 million in revenue for the supplier.

LOTTERY PEOPLE

Kentucky Lottery Corporation (KLC) President & CEO Arch Gleason announced the selection of **Mary Harville** as the KLC's new General Counsel. Harville comes to the KLC from the Louisville law firm of Reed Weitekamp Schell and Vice, where she has practiced for the past seven years. Harville has argued cases before the Kentucky Supreme Court and the Kentucky Court of Appeals, and has been lead counsel on cases before the United States Court of Appeals and the United States District Courts. Three bills written by Harville have been enacted by the Kentucky General Assembly.

Scientific Games announced that **Brad Mohs** has joined the company as Senior Vice President Software Engineering as of March 3, 2004. Mr. Mohs was previously Senior Vice President and Chief Technology Officer for AutoTrader.com, the Internet's leading automobile classifieds marketplace and consumer information website.

Oberthur Gaming Technologies announced on February 9 the appointment of **Lori Montana** and **Dave Mizeur** who joined the OGT-USA Sales and Marketing team. The agreement consists of an exclusive consulting contract with the two founding partners of the DMM Group.

Submit material for next week's Morning Report by Wednesday of this week to Toddpgr2@aol.com

MARK YOUR CALENDARS

Plan to Attend

*Public Gaming Research Institute's
Combined meetings –*

Intern'l Lottery

Expo

and

ILAC Congress

2004

June 28-July 2

Loews Miami Beach Hotel

AN EDUCATIONAL OPPORTUNITY

For Increasing Sales and Net Revenues

New Marketing to Increase Revenues

New Products to Increase Revenues

New Ideas to Increase Revenues

New Internet Uses to Increase Revenues

New Themes for Video Gaming

New Strategies for Racinos

New Licensed Properties

New Scratch Games

New On-line Games

To register:

Please call 1-800-493-0537 or tel. 425-765-4119

For Loews Hotel Reservations:

Please call 305-604-3900