

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
April 15, 2002

LOTTERY PIONEER PASSES

Lynn Nelson, former Director of the Pennsylvania Lottery, former NASPL president, highly respected industry professional and good friend to many passed away Saturday night from complications following heart surgery. His wife Doris, son Ray, daughter Diann and other family members were at his side.

George Anderson's office at the Minnesota Lottery will have details of the arrangements -telephone: 651 635 8210.

MICHIGAN BRINGS BACK HARLEY. This spring the Michigan Lottery is inviting players to "hit the road" with its "Harley-Davidson" instant game. The Lottery first introduced the game in April 2001. In addition to the cash (\$50,000) and merchandise (Harley) prizes that can be won on the new instant ticket, the Lottery is also offering players the opportunity to send in their non-winning \$3 Harley tickets for a second-chance drawing featuring a motorcycle.

NASCAR BACK WITH PA. The Pennsylvania Lottery is returning as a sponsor for two NASCAR Winston Cup Series races, the Pocono 500 and the Pennsylvania 500. The Lottery will select five finalists and their guests to attend each race weekend (a total of 10 finalists and 10 guests in all) and to have a chance to win up to \$20,000!

Beginning Monday, April 8, 2002, with every \$5 block purchase of CASH 5 tickets for the next available drawing, Lottery terminals will automatically generate an entry ticket for a chance to enter the CASH 5 NASCAR contest. To enter the drawings, the player must fill out mail the form. For more of the exciting details on this contest, please be sure to read Public Gaming International's May issue.

SCARBOROUGH TAKES A HIT. The NY Lottery expansion took a hit when Scarborough town councilors voted 5-1 to prohibit video gambling at Scarborough Downs. While the council didn't specifically mention the facility, they did ban VLTs in the business zone the track is in.

UNCLAIMED TX MONEY TO HOSPITALS. In a great move, the Texas Department of Health is distributing unclaimed lottery winnings to hospitals. The Texas Lottery has had \$57.2 million in unclaimed winnings in the last two years, and instead of sitting on it, they're giving it to a good cause. The Department of Health will be distributing the money to hospitals. By law, the first \$40 million goes to the University of Texas Medical Branch, the rest is distributed to hospitals who applied for the money.

EXPLORE MISSOURI. The Missouri Lottery will be adding more than beneficiary dollars to the state's economy in the near future – they'll be stimulating tourism. Explore Missouri, a joint partnership between the Missouri Department of Tourism and the Lottery will feature Missouri products and destinations as the top prizes. The top prizes for the \$2 instants include five 2002 Ford Explorers (assembled in state), and 30 all expense paid trips to St. Louis, Kansas City, Branson, Hannibal, or Lake of the Ozarks.

COMMUNITY LOTTERY BOARD COMEBACKS?

Alberta Gaming Minister Ron Stevens will take a second look at the controversial decision to cut community lottery boards. The program funneled \$50 million in Lottery profits to communities, but was cut in the provincial budget. Still, to make it work, \$50 million must be cut out of other areas in the budget.

LOTTERY OPPOSITION. A new organization, the Sumner County Coalition for a Gambling Free Tennessee, launched its anti-lottery campaign last week. The group will place ads, supply information to community leaders, and use church vans to get people to the polls.

LOTTERY PROVIDES MEDICAL CARE. Casino Filipino branches in Luzon, Visayas, Mindanao and Luneta provided free medical/dental consultation and medicine in an event held in honor of President Arroyo's birthday. One location served more than 3,000 patients. The event was successful enough that PAGCOR is planning on holding more events like it.

KIWIS TO REVAMP LOTTO. The New Zealand Lottery is planning to revamp its Lotto game in an attempt to reverse the trend of losing \$10 million per year in gross sales. The revamp, planned for September, will include a guaranteed \$1 million payout to each first-division prizewinner and Powerball jackpots of up to \$10 million. The Lottery makes these changes financially feasible by offering fewer middle-tier prizes.

WHERE THERE'S A WILL... People want to play the Lottery, even in non-lottery states. This became glaringly obvious in Mississippi, where a phone card billed as Mississippi's First Free Money Lotto is selling like hot cakes. The \$1 phone card, which provides two-minutes of pre-paid long distance calling, comes with a scratch ticket attached that offers a chance to win \$9,999. To eliminate consideration people can request a free ticket via mail, while supplies last. The game, first introduced in 1994, has resurfaced after spending 5 years in court. It's been deemed legal.

TATTERSALL'S HELPING THE BLIND. In an effort to promote literacy, Australia's Tattersall's is providing Braille storybook kits to blind children six years of age and younger. The project will cost \$100,000, and will include finding suitable stories, reproducing them with a Braille-writing machine, and including "props" and audio components to enhance the experience.

LAUNCHES \$10 CAESARS PALACE. The CT Lottery and Promo-Travel have teamed up to offer the highest price point Licensed Property ticket in industry history. The \$10 Caesars Palace instant has a top prize of \$100,000 and 200 instant win trips to Caesars Palace in Las Vegas plus \$500 spending money.

OREGON BUYS FROM INTERLOTT. The Oregon Lottery will purchase 125 new 16-bin ITVMs and 100 certified new ITVMs as well as additional parts inventory from Interlott. As part of the contract the lottery will return 200 of its eight-bin machines. The Lottery is the most recent to take advantage of Interlott's certified new program, that allows lotteries to economically increase their bin capacity by returning previously purchased machines.

INTRALOT ON THE RISE. Intralot's shares increased 5.26% in March, while the general index declined by 2.24% during the period. The significant growth in revenues and earnings for 2001, and a new acquisition in Bulgaria, has created interest in the stock.

CALIFORNIA ISSUES AD RFP. The California Lottery has increased the value of their ad contract by 25%. RFPs for the \$125 million, five year contract were recently mailed. The new contract will include an option for an additional one-year extension. The original RFP called for a 4-year, \$100 million contract, but the lottery is hoping

the longer length of the contract will encourage agencies to offer their lowest possible fee structure.

RAY CHARLES ON MY MIND. Ray Charles is all over the place. In addition to endorsing Powerball the Game Show, and being featured in 16 state lottery campaigns, the entertainer will be featured on Bally Gaming's new slot machines for the visually impaired. The units include audio cues and a Braille button deck. He's also reprising his version of Georgia on My Mind for the Georgia State Lottery.

BIG GAME'S BIG JACKPOT. The Big Game broke the \$200 million dollar barrier last week – Friday's jackpot was estimated to be \$220 million. I can't wait for the game to come to Washington State!

PAY METHOD FOR ONLINE GAMERS. Bentley Communications Corp. has come out with the ATM@HOME machine, a small keypad Internet payment device that plugs into a USB port and allows Web-surfers to purchase and wager on the Internet by sending credit card information directly to the banks, and bypassing the Internet. The device is designed for online gamblers, and promises that winnings will be immediately inserted into their bank account.

MEGA MILLIONS. New York and Ohio aren't the only new things about to happen to the Big Game. On May 15, 2002, the current Big Game jackpot will become the Mega Millions jackpot, as The Big Game will go into retirement. Mega Millions will be played in Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio and Virginia. It's estimated that the average jackpots will be \$80 million, and there will be potential for a \$500 million pot. Starting jackpots will be \$10 million, and the matrix will be 5:52 with a 1:52 Gold Mega Ball.

OHIO SUPER LOTTO PLUS HITS HIGH. The Ohio Lottery saw its largest Super Lotto Plus jackpot ever last week: \$56 million. Congratulations!

LOTTERY MAKES THE BIG LEAGUES. The complete lineup of Michigan Lottery games can now be purchased at the Detroit Tiger's Comerica Ball Park in the Pro Shop. In addition to this, a 36-foot by 8-foot electronic billboard is being put up in left field to announce winning numbers and lottery info.

A VERY GOOD YEAR. The Georgia Lottery has been experiencing record sales this year. As of last week, the Lottery has sold \$200 million more than during the same period last year. Way to Go!

CITY PICKS PRODUCES. It's been a busy April so far for the Wisconsin Lottery. Just two weeks after its launch, the new on-line game City Picks produced a top prizewinner

of \$50,000. The very next day, a lucky player won a \$13.5 million jackpot in Wisconsin's Very Own Megabucks. A lot of excitement in Wisconsin...what will the rest of April bring?

HAPPY ANNIVERSARY! On April 4th the Kentucky Lottery Corporation celebrated its 13th Anniversary. Over \$6.3 billion in Kentucky Lottery tickets have been sold, with \$3.7 billion of that amount going back to the players in prizes, and \$1.7 billion going to the state. Here's to 13 more great years!

GTECH STOCK RISES. While GTECH reported that their net profits fell in the last quarter, stronger-than-expected earnings from aggressive international expansion gave their stock a 9% boost in price.

COMBATTING FRAUD. The main cause of gambling related fraud is crooks stealing cardholders' account details. To combat the problem of online gambling fraud, Europay is launching an antifraud technology to 11,000 member banks in 43 European countries. The system might ask for the cardholders billing address, or confirmation of a 3-digit security code. Banks are also being asked to monitor transaction patterns, and to send customers text messages after transactions are made using their account.

THANKS TO ALL FOR SUCCESSFUL ILAC
Public Gaming Research Institute thanks Laura Valdés, Director General and the staff of the National Lottery of Mexico for their help in conducting this year's very successful ILAC Congress in Cancun, Mexico.

Our thanks also to the following sponsors and exhibitors at ILAC who helped make it successful:

EDITEC, INTERNATIONAL GAMCO, INTRALOT de CHILE, LOTERIA NACIONAL PARA LA ASISTANCIA PUBLICA DE MEXICO, MDI, POLLARD BANKNOTE, PROMO-TRAVEL INTERNATIONAL, PRO-LITE, SCHAFFER SYSTEMS, SCIENTIFIC GAMES INTERNATIONAL, SMARTPLAY INTERNATIONAL, TECNOST-SISTEMI, WINCOR-NIXDORF.

ILAC RETURNS TO MEXICO FOR 2003

Public Gaming Research Institute is very pleased to announce that the PGRI conference for Latin and Caribbean lotteries, ILAC CONGRESS, will return to Cancun, Mexico next year with the National Lottery of Mexico again as co-host. The Congress will return to the Hilton Cancun Beach & Golf Resort, Cancun, Mexico, April 25-29, 2003.

CALL FOR PROFESSIONAL PRESENTATIONS

Public Gaming Research Institute invites lottery industry professionals to make presentations at PGRI's **INTERNATIONAL LOTTERY EXPO 2002**, August 1-4, 2002 at Loews Miami Beach Hotel, Miami, Florida. **E-mail expressions of interest to:**
duaneburke@aol.com

LOTTERY EXPO 2002 REGISTRATION

TO REGISTER FOR THE INTERNATIONAL LOTTERY EXPO AT THE LOEWS MIAMI BEACH HOTEL, AUGUST 1-4, E-MAIL YOUR NAME, TITLE, ORGANIZATION, ADDRESS, TELEPHONE AND FAX TO:
ELSIEPGRI@AOL.COM

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INTERNATIONAL LOTTERY EXPO 2002

August 1-4, Loews Miami Beach

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For more info: WWW.PUBLICGAMING.ORG

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