

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
May 6, 2002

MARK YOUR CALENDARS NOW FOR ANOTHER GREAT MEETING IN MIAMI BEACH!

Twenty First Century Lottery Marketing & Revenue Strategies, August 1-4, 2002, at Loews Miami Beach Hotel in Miami Beach, FL USA. Co-hosted by Public Gaming Research Institute and the Florida Lottery. That's right, it's PGRI's annual conference that brings lottery and industry people together from around the world for business-building and planning that will be the foundation for growth in the coming years.

To register and for more information, Contact PGRI:

Tel. (425) 803-2900; fax (425) 803-6830
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DAVEMELLO@EARTHLINK.NET
PGRI on the Web: WWW.PUBLICGAMING.ORG

PGRI E-MAIL ADDRESS CHANGES

. Effective immediately, office and conference questions for Elsie Grote should be sent to elsiepgr2@aol.com. Messages concerning the editorial copy of Public Gaming International magazine and Morning Report should be sent to the editor, Todd Koeppen, at toddpgr2@aol.com.

MEGA MILLIONS GOES TO COURT. On Tuesday, May 7, a preliminary injunction hearing will be held at the Franklin County Court of Common Pleas, for seven plaintiffs that are filing suit to stop the Ohio Lottery from joining a multi-state. Meanwhile, anti-gamblers have asked the NY state court to issue an injunction to block the state from joining Mega Millions. I'm really starting to sense that there are some groups out there that aren't in favor of Lottery

expansion. At any rate, Lottery victories are expected in both instances.

MENTOR PROGRAM IN TEXAS. Texas Lottery Director Linda Cloud approved a program called the Mentor Protégé Sponsorship Agreements. The program will help minority-owned and underutilized businesses work with larger companies.

KS DODGES A BULLET. Kansas Legislators finally agreed not to revoke the Lottery sales tax exemption. That's a relief.

AZ LOTTERY IN VOTERS HANDS. The 21-year-old Arizona Lottery is scheduled to terminate on January 1, 2004, but relief is in sight. The State Legislature approved a bill allowing voters to decide whether to extend the Lottery for another ten years.

MIFAL HAPPAIS TO STAY PUT? Contrary to previous plans, Mifal Hapais, Israel's National Lottery may not be buying a 10,000 sq. meter building for \$20 million. A new proposal has the Lottery remaining in its current building and adding two more floors with 2,000 sq. meters on top of the current building. This new plan would only cost approximately \$2 million. Mifal Hapais has been looking for a new building in Tel Aviv for two years.

ISRAEL BROADCASTS DRAWINGS ON THE NET.

Mifal Hapais broadcast their Super Lotto draw live on the Internet for the first time last week. Due to the 1,300 people who view the site daily, the Lottery plans to continue the web-based broadcasts as a complement to their televised draws.

BBC TO AIR NEW LOTTERY TV SHOW. A new Lottery based game show will be airing in the U.K. on BBC One – a new quiz show called "National Lottery In It To Win It." The show was created by the same folks who've brought us The Weakest Link, and features five contestants answering questions worth £5,000 each. The show also will feature the National Lottery Draw, Thunderball and Lottery Extra Draw.

BACK IN PUBLIC SERVICE. Kenneth W. Thorson, the Virginia Lottery's first director, has been named to head the state's Department of Taxation. Thorson is currently an attorney in the McCandlish Holton law firm.

MORE MA AUTOS SEIZED. In last week's Morning Report, we informed readers that two cars had been seized from the Massachusetts State Lottery. That number has since grown. In all, 13 Lottery vehicles were seized and auctioned off to pay candidates money owed them under the state's Clean Elections campaign financing law.

HUNGARY ADDS GPRS. The Hungarian lottery Szerencsejáték Rt has signed a three-year agreement with Westel Mobil Távközlési Részvénytársaság to extend its data transmission system. The agreement adds additional mobile terminals that provide GPRS service and can be installed quickly. The GPRS makes data transmissions faster, and cheaper.

CAMELOT OUTLINES RE-LAUNCH CAMPAIGN.

Camelot's re-launch will be supported by an enormous marketing campaign including ten television commercials, a door drop campaign to 18 million homes who will receive newly designed, easier to use play slips, and a large outdoor poster campaign. The Lottery's new catch phrase in it all will be "Don't Live A Little, Live A Lotto™."

OHIO'S SOLUTION TO SCRATCHER DILEMMA.

The Ohio Lottery has found a way to steer clear of the major prize issue that has developed for many U.S. Lotteries and their instant games. In June, new tickets \$3 and higher will have a TPD (top-prize drawing) symbol on approximately 24 tickets per game. Holders of these tickets will qualify for a jackpot drawing six months after the close of the game.

TATTERSALL'S DONATES 50,000 TO SOUTH AFRICAN CHILDREN.

Tattersall's is donating \$50,000 to help a school in South Africa. Johannesburg's Orange Grove Primary School is responsible for more than 600 children from local suburbs, and, like all South African schools, depends substantially on voluntary financial contributions to survive. The donation comes as a result of the Lottery becoming a shareholder in the country's national lottery, Uthingo, and was aimed at helping to improve educational standards and enhance cultural life in South Africa.

NO MORE PB GAMESHOW IN NE. The Nebraska Lottery is ending its participation in Powerball – The Game Show. The Lottery stated that the game is not doing as well in Nebraska as it is in other states, and the response has been weaker than other \$3 instants. The game will end in NE on May 30th, which is the final draw date for contestants and at-home players in the state. The last contestants will appear on television in September.

TEXAS MAKES CHANGES TO 5-DIGIT. Texas Players will see their overall odds of winning Cash Five change from 1 in 100 to 1 in 8, as the Texas Lottery makes some changes to the game. The game, launching July 28th will operate on a 5:37 matrix, and will be the only 5-digit game in the U.S. giving a \$2 cash prize for matching two numbers. The Lottery is

expecting the change to generate a 10% sales increase.

TEXAS KICKS-OFF PICK 3. The Texas Lottery launched Pick 3 day drawings last week, and saw \$191,760 in its first day of sales. The Lottery is counting on the day draws bringing in approximately \$4.6 million in additional revenue.

POLAND MAY INCREASE LOTTERY TAX. Poland's Totalizator Sportowy may have to endure an increase in tax on the Lottery. The current tax rate of 20% has been in place since 1994.

GIVE THIS A TRY. There's an interesting draw method in Shillong, India. Sixty archers shoot more than 1,000 arrows at a large straw target, after which lottery officials begin to count the number of arrows in the target. The last two numbers in the count make the winning lottery number. The game was legalized in 1982, but the method is estimated to more than 100 years old.

TEXAS RIDES WITH HARLEY. The Texas Lottery launched a \$5 Harley-Davidson® ticket on May Day. In all, 25 motorcycles and up to \$50,000 can be won instantly, with five additional motorcycles available through second chance

LOTO-QUEBEC INCREASES NON-PROFIT CONTRIBUTION. Loto-Quebec is increasing its annual payment to non-profit organizations participating in network bingo whose products are marketed by its subsidiary, the Société des bingos du Québec (SBQ), to approximately \$12 M – a \$3 million increase.

LOTTERY ON TOP. The Tennessee Senate voted to place the Lottery issue at the top of the state ballot. The House has yet to vote on the subject. Issues like the Lottery are typically placed after the gubernatorial races.

CAESAR IS BACK IN ILLINOIS. The fourth version of the Caesars Palace® instant game will hit Illinois Lottery retailers in May. The \$5 ticket will feature four games and 13 chances to win on each ticket; top cash prizes of \$50,000 and, of course, trips for two to Las Vegas.

PA LAUNCHES INSTANTS. The Pennsylvania Lottery introduced three new instants. The \$2 Royal Riches with a top prize of \$25,000, and the \$1 Cool 7's features a \$777 top-prize. The \$10 CASH SPECTACULAR becomes the Lottery's first \$10 non-holiday instant. Top prize for the game is \$120,000.

COMPANY & PRODUCT ANNOUNCEMENTS

COMPANY USES LOTTERY FOR INCENTIVE.

Southeast-Atlantic Beverage Company, with 800 employees in Florida, is buying \$1 instants for each employee who is accident-free during each pay period. There's no limit on how many times an employee can receive the award. The incentive program uses 6,600 tickets every three months. The company utilizes a similar program in Georgia.

GTECH SIGNS WITH AKAMAI FOR INTERNET ADVANTAGE.

GTECH has chosen the Akamai EdgeScape(SM) service to assist in complying with geography-oriented Internet access regulations. Using EdgeScape, GTECH will add geo-location functionality to its Internet-based solution for a European customer. GTECH European customers will now be able to determine in real-time whether an end user meets certain criteria necessary to gain access to a site or particular Web page.

MINNESOTA GOES WITH GTECH. The Minnesota State Lottery has selected GTECH to supply online lottery equipment, technology, and services. GTECH is now negotiating a contract, which will include a base of five years, with an option for the Lottery to extend the contract for an additional five years. The Request for Proposal (RFP) calls for the replacement of the Minnesota State Lottery's existing system with new central system hardware and software. In addition, the Lottery intends to replace its current terminal equipment and communications network

INTERLOTT FIRST QUARTER RESULTS. Interlott's first quarter revenue \$11.1 million, up 43 percent from \$7.8 million in the first quarter of 2001. Net income for the quarter was \$522,000, or 8 cents per diluted share, compared with \$196,000, or 3 cents, a year ago.

INTRALOT READY FOR NORTH AMERICA. Intralot has established Intralot Inc. to help the company increase penetration into North America. 'Intralot Inc' is based outside of Atlanta in Duluth, Georgia.

OGT PROMOTES BOCCON-GIBOD. Oberthur Gaming's Vincent Boccon-Gibod has been promoted to Vice-President, Manufacturing/Finance for OGT-Australia. Mr. Boccon-Gibod will focus on research and development as well as on improving industrial methods and increasing the productivity of the Australian unit.

NSW EXTENDS WITH OGT. NSW Lotteries (Australia) has agreed to extend OGT's printing

contract for an additional 12 months beginning July 2002.

INTERNATIONAL LOTTERY EXPO 2002

August 1-4, 2002
Loews Miami Beach Hotel
Miami, Florida

For more information, see web site:
WWW.PUBLICGAMING.ORG
Or call in the US (425) 803-2900

PUBLIC GAMING RESEARCH INSTITUTE WEBSITE CONTENTS THIS WEEK

- INTERNATIONAL LOTTERY EXPO VENDOR INFO
- INTERNATIONAL LOTTERY EXPO – REGISTRATION
- INTERNATIONAL LOTTERY EXPO – GENERAL INFO
- MAY 6, 2002 MORNING REPORT
- MAY, 2002 PUBLIC GAMING INTERN. MAGAZINE
- PUBLIC GAMING ORDER FORMS
- 2002 WORLD DIRECTORY OF LOTTERIES & SUPPLIERS
- MORNING REPORT (ARCHIVE)
- PUBLIC GAMING INTERNATIONAL MAG. (ARCHIVE)
- ASSOCIATION OF LOTTERY SUPPLIERS INFO
- U.S. AND CANADIAN LOTTERY LINKS
- A LETTER FROM THE PUBLISHER
- ADVERTISING INFO FOR PUBLIC GAMING MAGAZINE
- TOP TEN MYTHS IN THE LOTTERY INDUSTRY
- LOTTERY BENEFICIARIES
- THE FUTURE OF THE LOTTERY INDUSTRY
- DORIS AND DUANE BURKE HONORED BY NASPL
- FROM THE PUBLISHER'S PERSPECTIVE
- ILAC 2003 ANNOUNCEMENT
- PASSAGES OF LOTTERY PEOPLE
- ABOUT THE INSTITUTE
- SEARCH FUNCTION FOR SITE CONTENTS
- INDEX OF SITE CONTENTS

TO ACCESS THE ABOVE INFORMATION, LOG ONTO PUBLIC GAMING RESEARCH INSTITUTE'S WEB SITE, WWW.PUBLICGAMING.ORG AND CLICK ON ITEMS OF INTEREST AS NOTED IN THE DIRECTORY.

WOULD YOU LIKE PGRI TO INCLUDE ADDITIONAL LOTTERY INDUSTRY INFORMATION IN THE MORNING REPORT?

IF SO, E-MAIL A NOTE TO
DUANEBURKE@AOL.COM.
WE WELCOME YOUR SUGGESTIONS.



International Lottery Expo 2002

Registration Form

Twenty First Century Lottery Marketing & Revenue Strategies
August 1-4, 2002 • Loews Miami Beach Hotel • Miami Beach, FL USA
Co-hosted by Public Gaming Research Institute and the Florida Lottery

First Name: _____ Last Name: _____

First Name for Badge: _____ Spouse's Name (if attending): _____

Title: _____ Organization: _____

Street Address: _____

City: _____

State/Province: _____ Zip/Postal Code: _____ Country: _____

Phone: _____ Fax: _____

E-mail: _____ Web Site: _____

Registration Fees (check one):

Non-Government: \$795

Exhibitor: \$695

Government (No Charge)

Method of Payment:

Check

Amex

Mastercard

Visa

Credit Card #: _____ Exp.: _____

Print Name (as it appears on card): _____

Signature: _____

Fax Registration Form to: Public Gaming Research Institute, Inc. at 425-803-6830.

For additional information: Call, e-mail or see Web site:

Tel.: 425-803-2900 • E-mail: elsiepgri@aol.com • www.publicgaming.org

Hotel Reservations

For the discounted room rate of \$159, please contact the Loews Miami Beach Hotel directly at:
Telephone: 305-604-1601 or 877-563-9762 • Fax: 305-535-5218 • www.loewshotels.com
Be sure to mention International Lottery Expo when calling.