

To: Lottery, Video Gaming & Racino Executives  
Interested in Growth, Expansion & added Success

Public Gaming Research Institute Inc.'s

# International Morning Report

Your weekly supplement to  
**Public GAMING International Magazine**  
June 14, 2004

## TO OUR LOTTERY FRIENDS.

We want to thank everyone in the lottery industry for all of your support during the past few months. You made getting through the days a little easier. Everyone was extremely helpful and supportive during this difficult time. Your monetary gifts were over and above anything I had imagined.

We also greatly appreciated all of your cards, letters and notes. They really meant a lot to us at the time and also to look back on in the future.

We especially want to give a gracious and heartfelt thank you to Duane for spearheading the fund raising and publishing the memorial issue about George.

Again, thank you for remembering our family.

Sincerely,  
Darlene, Mark and Beth Andersen

**ND TO LAUNCH HOT LOTTO.** The North Dakota Lottery has announced that Hot Lotto will launch on June 24<sup>th</sup>. In Hot Lotto, players pay \$1 for a chance at up to \$1 million. Odds of winning a Hot Lotto prize are 1 in 16. Wild Card 2 is expected to be introduced in September or October. The Lottery may also introduce 2 by 2 early next year.

**NY CROSS-PROMOTES WITH TRACKS THROUGH FAST CASH FINISH.** New York Lottery Director Nancy A. Palumbo introduced Fast Cash Finish, the Lottery's newest addition to its popular series of racing-themed Instant game tickets. The new game offers players an opportunity to win a top prize of \$1,500 and numerous other prizes ranging from \$1 to \$500. The game went on sale on June 2, 2004. In addition, Director Palumbo introduced details of the Fast Cash Finish Sweepstakes that offers New Yorkers a chance to experience the excitement of thoroughbred racing first-hand. The \$1 Fast Cash Finish Instant ticket prominently features the logos of three of New York's most exciting thoroughbred race tracks: Aqueduct, Belmont Park and



Please click [here](#) for more information.

Saratoga. The Fast Cash Finish Sweepstakes offers New Yorkers an opportunity to experience the thrilling sights and sounds of horse racing at historic Saratoga Race Course. The sweepstakes is open to holders of non-winning New York Lottery Fast Cash Finish tickets or any non-winning New York Lottery tickets on sale or open for redemption during the promotion period between June 2 and June 30, 2004. Sweepstakes winners will receive: one night accommodation; clubhouse admission for two; seating and lunch for two at the "At the Rail" pavilion; two Post Parade programs; and \$100 spending money.

## ALC LAUNCHES NEW PROGRAMS TO

**HELP RETAILERS.** The Atlantic Lottery is introducing its new Inside Sales and Courier Distribution service in June. Under this new model, ALC will help retailers build their lottery business by maintaining inventory levels and delivering the right product mix quickly and efficiently. The Inside Sales team will make regularly scheduled calls each week to take retailer's orders. All retailers, except for a few in isolated locations, will receive their orders within 24 to 48 hours of placing them. New products will be delivered prior to launch. With Inside Sales processing ticket orders and managing inventory levels, ALC's Business Development Representatives (BDRs) will also begin their new roles this summer. The BDRs will have more time to help retailers maximize their sales and profit potential. Dedicated regional trainers have also been hired to provide retailers and their staff with all their training needs.

**KLC LAUNCHES NEW LOOK SITE.** The Kentucky Lottery has unveiled a new website, complete with a fresh look and exciting new features for players. The website ([www.kylottery.com](http://www.kylottery.com)) already receives a tremendous amount of traffic, with 300,000 unique users each month accessing the 2.6 million page views. New features on the site include: "Check how often your numbers have won"; Animated "Lucky Number Cruncher"; Horoscopes; Spanish language sections; and Re-vamped winners pages. The site is home to the Player's Fun Club, an area where registered users can play cool games, win prizes, enter members-only second-chance promotions, and get coupons for free Lottery items. The club is free to join and has nearly 30,000 members.

**WA DRAWING GOES OFF THE AIR.** The Washington Lottery will not renew its contract to broadcast lottery drawings. Draw games had been televised on Television Washington, a public affairs network, but research found that less than 1 percent of players viewed

the drawings on a regular basis. Conversely, 34 percent of players check numbers via self-service automated systems available at retail locations. Televised drawings end 7/1.

**D.C. STUDENTS BREATHE LIFE INTO AMERICAN HISTORY.** Six D.C. Public School students won hundreds of dollars in U.S. Savings Bonds courtesy of Riggs Bank, N.A. at the D.C. Lottery and Charitable Games Control Board's (D.C. Lottery), *Voices From the Pearl* oratorical contest. The competition was open to all D.C. Public School students, grades 7-12. Using the D.C. Lottery's 2004 Black History Calendar, with the theme: *The Pearl: A Washington, D.C. Story*, as a starting point, the students were challenged to develop an oration in the voice of one of the 77 men, women, and children who attempted to escape to freedom in April of 1848 aboard the schooner, Pearl. All six winners captured trophies and prizes ranging from \$100 to \$700 dollars, and the remaining finalists received plaques of Honorable Mention.

**45 Lotteries from  
21 countries confirmed  
Intern'l Lottery Expo  
& ILAC Congress 2004**

**June 28-July 2**

**Loews Miami Beach Hotel**

*Co-hosted by*

**Public Gaming Research & the Florida Lottery  
For Increasing Sales and Net Revenues**

**Case Studies for Increasing Revenues from  
on-line and scratch-off games  
Video Gaming – racinos, bars and more**

**Video Pull-Tab Machines**

**“Display and Play” Monitor Games**

**Wireless Devices and the Internet**

**Exciting Products for POS**

**“Circles of Learning” with key products**

**The Best of Lottery TV Ads**

**Qe Awards – Quality & Excellence Awards for  
Service and Achievement**

**TO REGISTER for the CONFERENCE**

**Please call 1-800-493-0527 or tel. 425-985-3159**

**For details & reg form: [www.publicgaming.org](http://www.publicgaming.org)**

**FOR HOTEL RESERVATIONS**

**Please call Loews Hotel at Tel. 305-604-1601**

**ALC SPONSORS TALL SHIPS.** The Atlantic Lottery is a gold sponsor of the Tall Ships Challenge 2004 taking place this summer in Halifax, Nova Scotia. The ALC is the sole sponsor of the volunteer program, which will see more than 600 volunteers' assist with

numerous activities throughout the downtown core. To mark the event, ALC is launching a \$2 Atlantic Sails Scratch'n Win ticket.

**FRENCH LAUNCH OLYMPIC INSTANT.** On June 7, La Française des Jeux launched a new special event instant game linked to the Olympic Games: Avec l'équipe de France Olympique à Athènes 2004 (With the French Olympic team in Athens 2004). The ticket features 5 games as well as a quiz and costs €5. This is the highest price La Française des Jeux has ever put on a scratch game. The 5 different games present 5 sports disciplines and different ways to play: Game 1: for cycling, the objective is to beat the stopwatch; Game 2: for athletics, it is necessary to reach a certain distance; Game 3: for judo, the positions have to be the same; Game 4: for handball, a series of balls is necessary; Game 5: for swimming, from 1 to 4 medals win a prize. Players can win up to 5 times on a ticket, a total of €50,000.

**BULGARIA BACKS OUT OF OFFER.** Bulgaria's Minister of Finance canceled a procedure to hire Intralot to manage Bulgaria's state lottery. The Minister said the company's offer did not meet the requirements of the Bulgarian public procurement law.

**NEW PHILIPPINE LOTTERY LAW.** The Philippines' Government has reportedly put in place new laws to combat illegal gambling. Prison terms for participating in illegal lotteries have been increased to as much as 20 years, and fines have been increased to up to P5 million.

**THAI SOCCER LOTTERY SCRAPPED.**

Thailand's Prime Minister has reportedly scrapped a plan to use a state lottery to buy a stake in the English soccer club, Liverpool, because of mounting opposition. The government had proposed a one-off state lottery to fund the \$115 million deal to purchase a 30% stake in Liverpool, one of the world's best known soccer teams. The plan met intense opposition by critics who said it would promote gambling.

**SINGAPORE GOES CASHLESS, ADDS NEW**

**PRIZES.** Singapore Pools is introducing a new prize category for the monthly Singapore Sweep and will allow cashless payments for its 4D, Toto and Singapore Sweep lotteries. The new bonus prize for the Singapore Sweep draw will be an adventure trip, such as a luxury cruise or a wildlife experience, instead of cash. Also, starting last week, customers are now able to pay for their bets by CashCard and Nets. The new mode of payment will be introduced in phases, starting with 85 of

the operator's branches and 12 retail outlets. Those who go cashless will have to pay a two-cent service charge for every CashCard payment and 20 cents for every Nets payment.

#### **\*NEW\* RACINO NEWS**

**SLOTS DOMINATE IA GAMING.** The slot machine has become an increasingly dominant force in Iowa gambling, making up 96 percent of the money wagered in 13 Iowa casinos and racetracks in 2003. The number of table games has decreased and the number of slot machines has increased in each of the last five years in Iowa. Patrons pumped nearly \$14 billion in slot machines at the non-Indian casinos in Iowa last year, including \$2.6 billion into slot machines at Prairie Meadows Racetrack and Casino in Altoona alone. That's up from \$10.2 billion in 1997. Prairie Meadows recently asked the gaming commission for permission to add 500 more slot machines. The casino, which already has 1,500 slots, keeps 5.86 cents of every dollar pumped into a slot machine.

**VLTs APPROVED FOR PUERTO RICO.** The passage of a new law in Puerto Rico will allow VLTs in approximately 700 pari-mutuel wagering locations making up the El Comandante Off-Track-Betting (OTB) Agency system. The law allocates 15% of the "net win" generated from the new VLT machines as commissions to the respective OTB agencies, and contributes another 15% to the horsemen's purse account at El Comandante, the only horse racing and wagering franchise in Puerto Rico. The balance will be split between the VLT operator and the racetrack operator, respectively. It is expected the El Comandante Racetrack will receive sufficient net revenues from VLT operations to fund the interest and principal repayment on approximately \$60 million of racetrack first mortgage bonds, which have been in default for the past 2 years.

**NY SENATE APPROVES GOV. PLAN.** The New York Senate has approved a measure proposed by Gov. George E. Pataki to create a new regulatory body consolidating many state gambling agencies under one umbrella. The measure is still awaiting approval by the state Assembly.

**SAZKA LAUNCHES NEW CENTRAL SYSTEM WITH INTERACTIVE VLTs.** SAZKA has launched a new product – a central lottery system with interactive video lottery terminals. By the end of 2004 hundreds of interactive video lottery terminals should be in operation. Eventually, the number will grow to 10,000 terminals. The interactive VLTs will be placed primarily in traditional casinos, sports bars and other gambling centers, including SAZKA's selected selling sites.

#### **COMPANY ANNOUNCEMENTS**

**MDI STRIKES DEAL WITH WHAC-A-MOLE®.** Lottery players worldwide: Get ready to Whac-A-Mole®. The fast, frenetic fun and frivolity of this enduringly popular, 27-year-old amusement brand is now available for themed online, instant scratch-off and pull-tab lottery games and promotions through MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation. The exclusive agreement runs through February 1, 2007. Steve Saferin, President of MDI Entertainment, said, "This property lends itself nicely to traditional instant, pull-tab and online games, but perhaps is most intriguing when you consider all of the out-of-the box concepts that can be developed around monitor games, our new electronic game cards, as well as traditional and Internet-based second chance drawing promotions."

**SIGMA LAUNCHES NEW SLOT TECHNOLOGY.** Sigma Game Inc. announced that it has received regulatory approval for its new advanced technology spinning-reel base operating system along with the first in a series of associated game themes. This initial approval from Gaming Laboratories Inc. (GLI) encompasses the company's new "Interactive Series 1000™ (IS1000)" technology and the game title, "Treasure Tunnel™." With this approval, the company can immediately begin selling and installing the new mechanical reel games in gaming locations that accept GLI certification.

**OGT LICENSES NUMERO UNO.** Oberthur Gaming is proud to announce it will offer to the lottery industry the license for America's most popular family card game, UNO® for use on lottery games. UNO® has been the leading card game in America since 1983, with one in seven households owning at least one UNO® game.

**ONCE PLACES GTECH ORDER.** GTECH announced that Spain's ONCE has exercised an option in its existing agreement with GTECH for the provision of an additional 7,000 handheld lottery terminals. ONCE, also known as the Spanish National Organization for the Blind, is authorized by the Spanish government to administer lottery and wagering games in Spain. With respect to this terminal sale with ONCE, GTECH expects to generate approximately \$11 million in revenue.

**PDI LAUNCHES PAGESCAN III.** A new full-page image scanner, designated PAGESCAN III, offers high-speed scanning, fast transmission of data and converts pixel data to 8-bit grayscale for sharper, more precise images is now available from Peripheral Dynamics Inc. (PDI). PAGESCAN III transmits and receives data via a high-speed serial USB 1.1 or 2.0 interface and scans documents at 17 inches per second at 200 dpi. The unit also has the ability to audit information



that has been printed utilizing a high-density thermal brander. The state-of-the-art PAGESCAN III scans forms on a line-by-line basis, which includes 1,728 image-pixels per line at 8 dpm (200 dpi). The pixel data is converted to 8-bit grayscale or 256 tones of gray and transmitted in real time via the USB interface. Bi-tonal (B/W) images are also available. The versatile PAGESCAN III is suitable for lottery and a variety of other applications and can capture and decode optical mark-sense (OMR) data as well as OCR and bar code data. PAGESCAN III provides enhanced images by minimizing sensitivity to document creases. The scanner is modular and designed to fit as an OEM assembly into most terminal enclosures. The unit is also designed with increased form clearance to handle a wide range of paper sizes and to minimize paper jams. For more information, contact Ron DeMarco, Director of Marketing, Peripheral Dynamics Inc., 5150 Campus Drive, Plymouth Meeting, PA 19462-1197. Telephone 610-825-7090 or email [rdemarco@pdiscan.com](mailto:rdemarco@pdiscan.com).

**SCI-GAMES EXTENDS WITH WV.** Scientific Games has extended its online lottery contract with the West Virginia for two more years, commencing July 1, 2005. The extension is valued at approximately \$10 million.

**TATTERSALL'S MACHINES IN SOUTH AFRICA.** GrandSlots, 65% owned by Australia's Tattersall's, has been awarded a gaming machine license by the Western Cape Gambling and Racing Board. GrandSlots will reportedly invest more than 70 million rand in the province over the next nine months. The new 1,000-machine operation will create 229 jobs, stimulate development of 225 small business premises, and generate returns for the government of approximately 56 million rand in taxes and other fees over five years.

**YOUBET POSTS RECORD MAY.** Youbet.com saw customers wager more in May 2004 than in any previous month in the Company's history as handle for the month rose a dramatic 16% over May 2003. The total amount wagered through the Youbet network in May was \$32.0 million, \$4.4 million higher than the previous record of \$27.6 million set last year in the same month. The upsurge came even though Youbet could not carry this year's Preakness. Youbet did carry the race in 2003.

### PEOPLE

There are several personnel changes at the **Ontario Lottery and Gaming Corporation (OLGC)**. **Brian Wood**, the OLGC's Chief Operating Officer since the establishment of the Corporation, will retire on June 15, 2004. A newly created role, Chief Marketing Officer, will be filled by **Alan Berdowski**, effective in July. Also, **George Sweny** is returning to the OLGC as Senior Vice President of Lotteries. Sweny is a long time employee of

the Ontario Lottery Corporation, is currently Vice President with the B.C. Lottery Corporation. **Mike Sharland**, Ontario Provincial Police Chief Superintendent, will assume the role of Vice President of Corporate Security and Surveillance, and OLGC Chief Information Officer **Mike Nieder** will assume additional responsibility for technical delivery of the "e-business" functions previously managed by Corporate Planning.

**Penn National Gaming** announced that **James O. Buchanan** has been named Senior Vice President of Government and Public Affairs of the Company's Charles Town Races & Slots facility, a new position at the company. Mr. Buchanan has served since 1998 as President and Chief Operating Officer of Charles Town Races. **John V. Finamore** will assume, on an interim basis, the additional responsibilities of President and Chief Operating Officer at Charles Town Races until a successor to Mr. Buchanan is named. Mr. Finamore has been based at Charles Town since 2002 serving as Senior Vice President of Regional Operations with responsibility for overseeing all facets of Penn National's Charles Town West Virginia operations as well as other northeastern U.S. gaming operations.

### JOBS

**JOB POSTING (OGT) – MARKET INTEGRATION SPECIALIST.** To ensure the development and successful execution of all marketing and sales plans and activities for all printed ticket products and related services which Oberthur Gaming Technologies offers to the marketplace. To provide strategic direction, market analysis and technical support to internal and external customers in an effort to evaluate current business and provide suggestions to improve future performance and increase revenue. The Market Integration Specialist is responsible for providing: Marketing related support services to customers. Designs, develops, coordinates and implements, in conjunction with customer marketing staff, marketing plans aimed at increasing sales; Researches and determines appropriate new products and product enhancements for recommendations to customers; Analyzes performance of customer marketing efforts and provides solid recommendations for improvements having a direct impact on sales performance; Maintains a solid understanding of industry trends and ideas. Maintains expertise in product merchandising, advertising, and point of purchase promotions. Approximately 50% travel. Please send your resume via e-mail to : [info@oberthurgt.com](mailto:info@oberthurgt.com)

### HOTEL ALERT – EXPO/ILAC CONFERENCE

Loews Miami Beach Hotel, site of the EXPO/ILAC conference has advised us that the Hotel is busier than usual this year and recommends that you make your hotel reservations this week..

**CALL 305-604-1601 FOR ROOM RESERVATIONS.**

The conference begins at 3 PM on June 28 and ends at 11AM on July 2.

**Submit material for next week's Morning Report by Wednesday of this week to [Toddpg2@aol.com](mailto:Toddpg2@aol.com)**