

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
June 17, 2002

INTERNATIONAL LOTTERY EXPO – AUG 1-4 Advertising, Marketing, Sales & Revenue Strategies

is the theme of this year's Expo being held 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. It is PGRI's annual conference that brings lottery and industry people together from around the world for business-building and planning. A special focus at this Expo will be strategies for accelerating revenues to help state revenue shortfalls.

**To register and for more information,
Contact PGRI:**

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E-mail Elsie Grote: ELSIEPGR2@AOL.COM; or
DAVEMELLO@EARTHLINK.NET
PGRI on the Web: WWW.PUBLICGAMING.ORG

BUBBA MOVES NORTH. Rock Hill Actor Kerry Lee Maher, who portrayed the "Bubba" character in South Carolina's pro-lottery campaign commercials has been hired to do the same in North Carolina. The commercials in SC featured Bubba wearing Univ. of GA Bulldog attire while operating a GA convenience store that made money off of SC players. The new script calls for Bubba to dress in USC attire and thank North Carolinians for supporting South Carolina education.

ALABAMA FAVORS LOTTERY? In a recent survey, the majority of Alabama citizens said they were in favor of a statewide education lottery. Out of 436 adults surveyed, 52% said they favored a Lottery, and 75% said they favored a lottery that

went solely to education. Of course, the problem is getting all these people to the polls.

BLEACHER BUMS IN ILLINOIS. The Illinois Lottery has partnered with the Chicago Cubs to offer the "Ultimate Bleacher Bum" promotion. All current non-winning Lottery tickets with a combined value of five dollars can be entered. In addition, weekly drawings for \$10,000 prizes and Cubs prize packs will begin June 12, 2002. On August 8, 2002 one lucky player will win \$100,000 and an all-inclusive skybox party for 15 at the August 18, 2002 Chicago Cubs/Arizona Diamondbacks game. In addition, the Grand Prize winner will have a chance to meet and greet the players during warm-up and receive autographed Cubs baseballs and Cubs clothing.

FUN & FORTUNE IN MISSOURI. The Missouri Lottery has changed their Fun & Fortune game to offer a bigger instant game top prize, more ways to win and more "ENTRY" winners competing for \$250,000. The new \$2 Fun & Fortune Instant gives players 10 chances to win instead of five, a chance to win up to \$20,000 instantly instead of \$1,000 and the chance to spin the wheel and win up to \$250,000 cash.

NO TUESDAY SALES. SC players who wanted to participate in the Tuesday, June 11 drawing of Pick 3 had to buy their tickets in advance. The South Carolina Education Lottery is prohibited by law from selling lottery tickets on the day of any general or primary election, and last Tuesday was such a day. Still, the law doesn't prohibit the Lottery from conducting draws, so the Lottery made sales on Tuesday's draw on Monday up until midnight.

WV HIRES ARCHITECTURAL FIRM. The West Virginia Lottery recently awarded a \$747,600 contract to a Charleston architectural firm for design services for their new headquarters. Silling's, the firm that won the contract, will be required to include an administration office and computer room for Lottery staff, and an administration office and computer room for the Lottery's operational contractor. Also, the building will have a small auditorium for meetings and TV drawing events, and a Warehouse space with a loading dock for one full size semi trailer.

IOWA CHOOSES AD AGENCY. The Iowa Lottery chose two Des Moines-area ad agencies to share Lottery advertising duties. Integer Group Midwest

will take care of creative services, and Strategic America of Clive will handle media placement. In the past, Strategic America has been in charge of both areas. The media placement contract is worth \$210,000 to \$234,000; the creative will generate \$325,000.

NEW LOTTERY HOME COMPLETE. Montgomery Park Business Center was completed in Baltimore last week. The site, formerly the Montgomery Ward Catalog Building, will include the Maryland Lottery in its first group of tenants. The Lottery expects to move in this summer.

INDIA TO EXPAND ONLINE. The Indian expansion to online continues as the states of Maharashtra and Karnataka plan to launch online lotteries in the next three months. Playwin, the company that will launch the operations has also held preliminary discussions with the state of Kerala.

SITE UNDER INVESTIGATION. An Internet lottery game found on Kipari.com is drawing the attention of the French courts. The site is competing with La Francaise des Jeux, and under French law the site is obligated to make payments to the government.

GAMBLING THEME PARK? The Philippine Amusement and Gaming Corporation (PAGCOR) revealed plans to build a 750 billion Peso "Entertainment City" along Roxas Boulevard in Manila and Pasay City. Plans for the city have it finalizing along the lines of Disneyland. Of course, PAGCOR's franchise is expiring in six years and the firm needs a new congressional authority to venture into theme park development.

MALTESE PRIVATISATION ON HOLD. It's been reported that the privatization of Malta's public lotto has been put on hold. While the game is clearly the most popular offered by public lotteries in Malta, it has begun to show signs of needing an overhaul. Three foreign companies have been competing for the take-over of Malta's Lotto since an RFP was issued last year.

SHARE RESTRICTIONS EASED. The Victorian state parliament passed legislation raising the maximum allowable shareholding in Tabcorp Holdings to 10%. Previously, shareholders were only allowed to own 5% in the Australian gambling company. The legislation also removed a 40% foreign ownership restriction.

MAGNUM DROPS SPONSORSHIP. Malaysian lottery operator Magnum Corporation will no longer sponsor Minardi formula one driver Alex Yoong. The company stated that due to Minardi's performance, continued support of the team is not warranted. The company spent roughly \$6 million sponsoring the team.

INTERNET GAMING IN SWEDEN. The Swedish parliament voted to change lottery laws to allow lotteries, bingo and casino gaming on the Internet. The new lottery law will come into effect in August, so applications from existing operators are now being accepted.

IDAHO LOTTERY MARKETING DIRECTOR
The Idaho Lottery is looking for an energetic and creative individual to head up the Lottery's Marketing Division. This person should have experience in professional marketing; managing professional staff; analyzing marketing and program problems, identifying alternatives and recommending and implementing marketing solutions; preparing and making presentations to groups. (Salary Range: \$44,200 to 69,100)

Nature and scope of the marketing director position

The incumbent manages the lottery's marketing activities to include the development of instant and online games, advertising copy, and promotional materials, and the communication and execution of the Lottery's annual marketing plan. This involves hiring, training, and supervising staff; evaluation employee performance and coordinating work assignments in the development and production of all lottery products, the printing of instant tickets and the administration of the instant ticket production contract. The analysis of current games helps to incorporate changes in the development and marketing of future games.

Other duties include the oversight of advertising agency contracts and direction in the development of advertising copy, media planning, and the purchase of advertising time and space. This incumbent develops the annual promotion and sponsorship plans and supervises the development and distribution of promotional materials and then oversees the production and use of newsletters, brochures, advertising, annual reports, and press kits to communicate with lottery players, lottery retailers, the general public, the legislature, state agencies, and private sector businesses.

The incumbent must have the following educational background:
Bachelor's Degree in Business with 5-7 years of experience and/or MBA

Anyone who is interested in applying for this position must send a resume to the Idaho Lottery, Carol Hickman, PO Box 6537, Boise, ID 83707 or you can e-mail your resume to chickman@islc.state.id.us **All resumes must be received by Noon on Thursday, June 20th, 2002.**

COMPANY ANNOUNCEMENTS

FLORIDA COURT BACKS AWAY FROM LOTTERY CASE. The Florida state Supreme Court will not to hear the case involving GTECH and AWI's long-running dispute concerning Florida's online contract. It's now uncertain whether the contract, won by AWI, will have to be rebid.

GTECH SELECTED BY AN POST. GTECH has been selected as the successful vendor to supply a new integrated online and instant-ticket central system solution and services to An Post National Lottery Company, the operator of the successful online and instant-ticket lottery games in Ireland. Further details of the award will be released upon the Company's signing of a formal agreement with An Post National Lottery Company.

ILTS SHIPPING TO INDIA. ILTS will be shipping additional lottery terminals to India under terms of a contract signed in August, 2001 with Playwin Intravest Pvt., the operator of the only on-line lottery in India. The terminals are to be delivered in kit form, and will be assembled in India under a licensing agreement. The order is valued at approximately US\$4.35 million.

INTRALOT AIDS FLOOD VICTIMS. After the devastating floods experienced in Chile, Intralot de Chile was among the first companies of the private sector to take action by making a donation to the "Foundation of Women's Smile". The donation was delivered by the First Lady of Chile, Mrs. Luisa Duran de Lagos who is the president of the "Foundation of Women's Smile".

KENTUCKY EXTENDS INTERLOTT. Interlott has received approval for a one- year contract extension from the Kentucky Lottery Board for its leased Instant Ticket Vending Machines (ITVMs)

and Pull-tab/Break-open Ticket Vending Machines (PTVMs), as well as replacement parts and extended warranty coverage. The original three-year contract went into effect August 24, 1999 and now has been extended through August 24, 2003. The Kentucky Lottery also has agreed to purchase an additional 40 refurbished eight-bin ITVMs under Interlott's remanufacturing program. To fulfill this order, the Kentucky Lottery will return machines purchased from Interlott eleven years ago.

RIMPAC LAUNCHES SPANISH SITE. Rimpac has launched a Spanish version of its promotional Internet Lottery Web site. The site will allow potential lottery players in Latin America and Spain to join and purchase e-tickets easily, quickly, conveniently and safely to play numerous state and government sanctioned lotteries.

SCI GAMES, SERCHI TRANSACTION COMPLETE. Scientific Games has completed the acquisition of 65% of Serchi. Sci Games will pay a maximum of \$8,255,000, of which \$3,900,000 has been paid in cash at closing, and up to \$4,355,000 will be paid in cash upon the achievement of certain earnings targets over the next four years. Serchi will now be called Scientific Games Latino America and will focus on gaining market share for both instant tickets and phone cards in Latin America.

VENDTEK SELECTED BY BCLC. VendTek Systems has received an order valued at approximately \$280,000 from the BCLC for Quick-Draw 2000 pull tab machines. Delivery is scheduled for September 2002.

LOTTERY PROS AVAILABLE

LOTTERY SALES REP for the past 5 years. Previously worked in the Arizona Lottery claims office. Working knowledge of lottery rules, regulations and everyday operations. Inquiries to: LOTTERY_PROS@AOL.COM.

ON-LINE & INSTANT EXPERT AVAILABLE

A veteran of 16 years, I am a definite battle proven Lottery soldier. My career began with the Massachusetts Lottery in the mid eighties, and includes time with Interlott Technologies. The brunt of my years were spent with a top Lottery Supplier. I am a proud participant and survivor of three major Lottery start-ups, Texas, Camelot of the U.K. and Mexico. My expertise is in Product Management, Telemarketing Sales, Distribution and Logistics of the Instant Games. Please send all inquiries to japapile@aol.com.



International Lottery Expo 2002

Co-Hosted by the Florida Lottery & Public Gaming Research Institute, Inc.
August 1-4, 2002 Loews Miami Beach Hotel Miami Beach, Florida

Program Outline

Expo Theme for 2002:

Advertising, Marketing, Sales and Strategies to Maximize Revenues

Wednesday, July 31

3 PM – 6 PM Registration Open

Thursday, August 1

8 AM – 3 PM Exhibitor Set-Up

9 AM – 6 PM Registration Open

Noon – 2 PM **Sister Lottery Roundtable Sessions**
Developed Lotteries Helping Developing Lotteries
Co-moderators: To be announced

Noon – 2 PM **Administration and Security Roundtable**
Discussions on most effective strategies and Special considerations in today's world
Co-moderators: To be announced

3 PM – 5 PM **GENERAL SESSION I**
Welcome to Florida
Speaker: David Griffin, Secretary, Florida Lottery, Co-Host
Welcome to International Lottery Expo And Introduction of Participating Lotteries and Companies
Speaker: Duane Burke, CEO, PGRI, Co-Host
What's New, What's Best and What's Most Promising In Lotteries Today – A Panel
Co-Moderators: To be announced

5 PM – 7:30 PM **Opening Reception in Circles of Learning**
Sponsor: To be announced

Friday, August 2

8 AM – 6 PM Registration Open

9 AM – Noon General Session II

Video Lottery – New York Gets A New Revenue Bonanza and Breaks the Log-Jam In Video for Lotteries
The implementation plans and choices that New York made to maximize revenues using video lottery at New York tracks.
Speaker: To be announced

Video Lottery Implementation Strategies and Associated Revenue Results – Analysis and Discussion

Co-Moderators and Panelists: To be announced

The Latest Developments, Trends and Plans in Multi-Jurisdictional Games Around the World
Multi-State Games – Getting Bigger; More Going Regional And Now Going International

Moderators and Panelists: To be announced

Exciting Game and Revenue Ideas and Developments From Around the World

Presentations on effective revenue strategies from outside of North America.

Speakers: To be announced

Noon – 2:30 PM **Luncheon in the Circles of Learning Area**

Sponsor: To be announced

2:30 PM – 5 PM **General Session III**

The Best in Lottery Advertising – A Panel

Examples of the best of lottery advertising today will be shown, how advertising budgets are being spent, how lotteries are getting the most for their ad money & ad and budget trends.

Moderators and Panelists: To be announced

Lottery TV and POS Advertising Competitions

All Ads shown in the previous session will be voted upon by attendees to see which are most popular. PGRI will present each lottery showing ads in this session with an Excellence In Lottery Advertising Award. Those ads voted most popular will be announced at Expo and will be publicized in Public Gaming International Magazine.

Marketing Strategies That Work:

Maximizing Retailer Effectiveness

Speakers: To be announced

Georgia's New Loose Change Game

New game makes money from money people don't want

Speaker: To be announced

Other Promising Games for Boosting Revenues

Speakers: To be announced

Latest Uses of the Internet by Lotteries

Speakers: To be announced

5 PM – 7 PM **Reception in the Circles of Learning**

Sponsor: To be announced

Saturday, August 3

8 AM – 1 PM Registration Open

9 AM – 11 AM General Session IV

Instant Games – The Latest Strategies for Maximizing Sales and Net Revenues

Speakers: To be announced

The Irish National Lottery and European Lottery Developments

Speaker: Ray Bates, National Lottery Director, Irish National Lottery

11 AM – 1 PM **Awards Brunch - Honoring all PGRI Quality and Excellence Award Recipients**

Sponsor: To be announced

Master of Ceremonies: Duane Burke

Introduction of Lifetime Achievement Award Recipient

Speaker: Dr. Ed Stanek, Commissioner, Iowa Lottery

Lifetime Achievement Award Recipient: Ray Bates, National Director, National Lottery of Ireland; President, European Lottery Association

Quality and Excellence Awards for Individuals recommended by the heads of their organizations

Quality and Excellence Awards for lottery professionals with 15 or more years of experience

Quality and Excellence Awards for all advertising session contributors and announcement of most popular ads

1 PM – ON Open for private meetings and social activities

Sunday, August 4

9 AM – 11 AM **Closing Session**
Open discussion and planning session for all attendees

11 AM Expo Adjourned



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: elsiepgr2@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.