

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

Public Gaming Research Institute Inc.'s

INTERNATIONAL

MORNING

REPORT

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NORTH DAKOTA TO VOTE ON LOTTERY. North Dakotans will vote in November on a statewide lottery. Lottery proponents were given the task of collecting 25,688 signatures to get the initiative on the ballot. In the end, 554 petitions contained 27,041 signatures. The November measure would repeal a state constitutional prohibiting lotteries and have the state join a multi-state game.

FLORIDA MAY HELP WITH "AMBER ALERTS". Taking a cue from the highway signs used to help find two abducted California teenagers, the Florida Department of Law Enforcement (FDLE) is looking to print "Amber Alert" messages on Florida Lottery online tickets. The Amber Alert System, named for a 9-year-old Texas girl who was abducted in '96, uses TV and radio airwaves, as well as highway signs to broadcast notices of child abductions. At one point last year, Florida's Lotto was selling at the rate of 700 tickets per minute.

NEBRASKA ON THE RISE. The Nebraska Lottery reported its first sales increase in seven years for the fiscal year 2002, which ended June 30. Preliminary figures released Friday indicate Nebraska Lottery sales were up 11% from the year before, reaching a five-year high at \$73.9million. It was the first year that lottery sales increased in the state since 1996, when sales peaked at \$81.8million. Sales had steadily declined since then to \$66.4million in fiscal year 2001.

POWERBALL COMES THROUGH FOR CO. Powerball was expected to generate \$4 million for Colorado's public school fund contingency reserve but instead generated \$8.5 million in FY02. Other recipients of the funds include Great Outdoors Colorado (50%, equaling \$46.5 million), local parks,

recreation, wildlife and conservation programs (40%), and state parks (10%).

GOVERNOR CANDIDATES STATE LOTTERY VIEWS. Oklahoma Democratic Governor Candidate Jim Dunegan has differentiated himself from other OK Democratic candidates. He's gone on record saying he opposes any form of gambling, including Lotteries. Jimmie Lou Fisher, an Arkansas Democratic Governor Candidate, would not oppose a lottery to fund education. She stated that she's uncomfortable with a lottery, but that her personal opposition would not be part of her platform. Hawaii's Gubernatorial Candidate, D.G. "Andy" Anderson would support creating a "Pineapple Lottery" if elected. Revenue would go towards education.

PA CANDIDATE WANTS MORE LOTTERY MONEY. Pennsylvania's Democratic gubernatorial candidate Edward G. Rendell wants to boost state lottery revenues. Rendell wants to increase the number of lottery vendors, since PA's retailer-to-population ratio ranks 36th out of 39 state lotteries. He also wants to add Keno and other new games to the Lottery's mix. The state is projecting a lottery fund deficit of \$187 million by July 2003, although Powerball is expected to fill in some of that .

DC LAUNCHES EXTRA. The D.C. Lottery launched a new game last week to celebrate its 20th anniversary. The game called EXTRA allows players, for an additional dollar, to win up to \$500 instantly by matching the EXTRA numbers to those that are in the same position as their Lucky Numbers or DC-4 numbers.

MO GOES FOR \$10 GAME. The Missouri Lottery is releasing "\$300,000 Cash," the first \$10 game ever to be offered by the Lottery on Saturday, August 24. Players can win up to 24 times and up to \$300,000 on each ticket. Prizes start at \$10.

NEBRASKA LAUNCHES SLINGO. The Nebraska Lottery has launched SLINGO. The popular numbers matching game offered by OGT sells for \$3 and gives players 40 numbers to match for prizes on a grid. Prizes range from \$3 for matching two lines up to \$35,000 for a complete SLINGO blackout.

CO BUILDS MORE EXCITEMENT FOR FAIR DRAWINGS. or more than 10 years, the Colorado Lottery has been giving Scratch players the opportunity to win a brand new truck at the State Fair in Pueblo. This year, to create more excitement, the Lottery has added even more opportunities for players to qualify for a chance to win a brand new Chevy S-10

truck, as the number of finalists will increase from 8 to 15.

DELAWARE DOUSES TV DRAWINGS. The Delaware State Lottery discontinued televised lottery drawings last week. A declining number of viewers and an annual cost of \$400,000 to air the drawings contributed to the decision. Only 7% of players viewed the drawings, meaning most people get the information via other means. Drawings will continue to be filmed and aired on the Internet at www.delottery.com.

NORWAY MAY TAX LOCAL WINNERS. European Free Trade rules are demanding that either a local tax be imposed on Norwegians who win in local lotteries, or foreign lotteries also be given an exemption. The country gives an exemption to local lotteries, while wins exceeding NOK 10,000 from foreign lotteries are taxable. EFTA regulators are giving the country three months to comply.

MEXICO USING BEIJING PLAN. The Beijing government's Receipt Lottery may be catching on. The Mexican Government has instituted a similar plan called the Fiscal Lottery, which is aimed at turning sales receipts into a chance to win up to 750,000 pesos. The game would give the government, which has one of the lowest tax collection rates in Latin America, a chance to use receipts to audit businesses sales. The game will be nationwide by the end of the year.

LOTTERY RFP

BCLC TERMINAL RFP. The BCLC has issued a RFP for Lottery Terminals - Competition Number 0203-020417 dated August 6, 2002. Only companies currently supplying the lottery industry with proven terminal technology may apply, and a request for the RFP must be made in writing; solicitations by phone will not be accepted.

Eligible companies requiring a copy of the RFP document may write to British Columbia Lottery Corporation, 74 West Seymour Street, Kamloops, British Columbia V2C 1E2; email purchasing@bclc.com -- Attention Jeff Warren Senior Buyer; or fax (250) 828-5678 and -- **include the following pre-qualifying information:** Name of company; Address; City; Postal Code; Country; Contact person; Phone Number; Fax Number; Email address; Current lottery jurisdiction(s) using terminals; How many terminals installed; and How long the company has been in operation. The RFP will be sent by courier and can **NOT** be emailed due to printed examples within the RFP. Closing date is Friday October 4, 2002 at 14:00 hours local time.

WALC AWARDS AMBULANCE GRANT. The Western Australia Lotteries Commission announced that a \$4.7 million grant will be made to St John Ambulance. The funding will enable the 96 ambulances in St John's metropolitan fleet to be replaced.

TATTERSALL'S RAISES MONEY FOR CANCER. Tattersall's Camp Quality Pro-Celebrity Golf Classic raised a \$40,000 for young cancer sufferers and their families this year. It's the fifth year Tattersall's has backed the event.

MORE TALK ON WORLD LOTTERY. Officials from the WLA met for the first time last week to discuss launching an international lottery that would benefit the United Nations. The proposed lottery could have a first prize as high as US\$250 million while generating an equal amount for the UN and participating governments. The UN has not officially endorsed the idea.

COMPANY ANNOUNCEMENTS

CGI WINS AZ CONTRACT. Creative Games International was chosen by the Arizona Lottery as one of four successful vendors in the lottery's recent procurement for a 5-year instant ticket production contract. The contract is worth approximately \$2.0 million annually. Ticket production will begin early next year. The Arizona contract award comes on the heels of a new, two-year contract award by the Connecticut Lottery, a similar award from the New Hampshire Lottery and a one-year extension of a current contract with the Rhode Island Lottery.

INTRALOT MEMBER RECEIVES DISTINCTION.

Yugolot, a member of the [Intralot Group](http://www.intralot.com), has been placed in the 300 most successful enterprises in Serbia for the year 2001. As a result, the "Certificate for Profitability" was awarded by the Globemark Business Research, which conducted the research.

MDI LOCKS IN WHEEL AND JEOPARDY

THROUGH 2005. MDI announced that Sony Pictures Consumer Products, Inc. has extended through 2005 MDI's licensing rights to WHEEL OF FORTUNE® and JEOPARDY!® for lottery games and promotions. The new North America contracts represent the longest term in MDI's licensing history. The stability of the agreement maximizes the opportunity for MDI customers to include Wheel® and Jeopardy!® games in strategic planning through December 2005.

MILWAUKEE FIRM WINS WI AD CONTRACT.

Milwaukee's Hoffman York has won another two-year advertising contract for the Wisconsin Lottery.

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