

PUBLIC

# GAMING

I N T E R N A T I O N A L

World's most widely read Lottery-Racino-Gaming magazine • Video, Racino, Casino, Internet, Wireless, Online, Scratch-Off

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*  
April 11, 2005



### **INTERNATIONAL LOTTERY & GAMING EXPO & ILAC CONGRESS 2005**

***Bigger and better than ever for this year and in the world's most exciting gaming venue, Bellagio Resort Hotel, Las Vegas, Nevada, July 11-14.***

### **Dan Bower, Co-founder of Scientific Games to receive PGRI's Lifetime Achievement Award**

Public Gaming Research Institute is pleased to announce that **Dan Bower**, co-founder of Scientific Games, has been chosen to receive PGRI's *Major Peter J. O'Connell Lifetime*



**3 New monitor games**  
to excite your players  
and accelerate  
your online revenues.

**Lottery Achievement Award.** Dan has been a leader in the lottery industry for over 30 years. He and Dr. John Koza founded Scientific Games in 1973. The company has gone on to become the world's leading supplier of instant ticket products and services as well as being a leader in all other lottery products. Presentation of his award will be on the afternoon of July 11 at the International EXPO/ILAC conference. This is PGRI's second Lifetime Achievement Award for 2005 reflecting PGRI's new policy of having one such award at each of its two annual conferences. Jerry Young of IGT received the Lifetime Achievement Award at PGRI's SMART-Tech meeting in February.

### **EXPO/ILAC FEATURES**

This year's International EXPO/ILAC Conference will feature technological advancements, innovations in games, as well as best management practices, advertising successes and successful marketing strategies for increasing revenues.

The program will feature presentations and panel discussions with special emphasis on broad participation. Some of the latest examples of successful TV advertising will also be featured.

*A highlight of EXPO/ILAC will be the VIP Technology Tour of leading suppliers with demonstration centers in Las Vegas.*

*For additional information on EXPO/ILAC program participation, sponsorships and exhibit opportunities, e-mail: [susanjason@aol.com](mailto:susanjason@aol.com) or call 425-985-3159.*

### **HOTEL ROOM RESERVATIONS**

*Call the Bellagio toll free at 888-987-7111 or 702-693-7444; be sure to mention the name of the conference PGRI's EXPO/ILAC to get discounted group room rates.*



## COMPANY ANNOUNCEMENTS

**MA CHOOSES SCIENTIFIC GAMES FOR DAILY RACE GAME.** Scientific Games was chosen as the vendor to provide a new monitor game to the Massachusetts State Lottery Commission (MSLC). The award is worth an estimated \$3.5 million over the initial term of three years and includes two one-year extension options. The new monitor game, The Daily Race Game(TM)/Run for the Money, extends the use of state lottery keno networks, which in many cases, usually run only one game. Run For The Money is a broadcast quality, animated horse race game designed to complement keno in the social environment. It provides entertaining winner delivery animation with simple betting and prize structures. Run For The Money features twelve horses in each race with every horse having a chance to win as they sprint out of the turn for the wire. Scientific Games has teamed with TeleCom Game Factory, the original developers of the game, to deliver this exciting product to the MSLC.



### JCM RECEIVES FULL GAMING-RELATED SUPPLIER LICENSE IN MICHIGAN.

JCM American has received a full gaming-related supplier license from the Michigan Gaming Control Board. In addition, JCM's parent company, Japan Cash Machine Co., Ltd., and Johto Investment and Development, Inc., were found suitable as entity qualifiers, and the entire board of directors for JCM American and Japan Cash Machine were found suitable as individual qualifiers.

**HiQ & GTECH TEAM UP FOR FINNISH PLATFORM.** The Swedish IT and management consulting group HiQ International AB will team up with

GTECH to develop a new integrated gaming platform for the Finnish national lottery operator Veikkaus Oy. The three-year agreement is expected to be worth some SEK160m for HiQ International.

### PHILIPPINE COMPANY CHOOSES SCIENTIFIC GAMES.

Pacific Online Systems Corporation, the operator for the official Philippines lottery in Visayas and Mindanao, has awarded Scientific Games the contract to supply 900 EXTREMA® online lottery terminals and a central system. The seven and a half year contract, which includes maintenance and support, is valued at \$12 million over its initial term and commences in the second half of 2005.



**GOLDEN CASSET CHOOSES ESSNET.** EssNet has finalized a new contract with Golden Casket Lottery Corporation Limited in Queensland, Australia. Under the terms of the agreement, EssNet will supply an EssNet e-Channel solution for selling lottery products via the Internet. Golden Casket's new "Lotto Direct™" solution will be launched towards the end of 2005, allowing Queenslanders to buy entries into popular lottery games such as Gold Lotto, Powerball and Oz Lotto on the Internet.

**SCIENTIFIC GAMES ACQUIRES REMAINDER OF SGLA.** Scientific Games Corporation announced that it has acquired the 35% of Scientific Games Latin America S.A. that it did not already own for \$19.6 million. Scientific Games had originally acquired 65% of the company, originally known as Serigrafica Chilena S.A., in June of 2002.



### OGT RECEIVES SMART-TECH AWARD FOR MOBILE GAMING.

Oberthur Gaming is proud to announce the company

won an award for its Mobile Gaming "SMART-Idea" presented at the SMART-TECH 2005 Conference in Las Vegas. OGT's mobile gaming solution was presented by Art Kiuttu, Lottery Account Executive for OGT, who demonstrated how mobile gaming has been successfully implemented by OGT in Europe, and how OGT can provide North American Lotteries with a turnkey solution perfectly tailored to their sales objectives and business strategies. OGT's solution, developed through its JV company OE Netgame, has been successfully implemented for the first time in 2003 with SWISSLOS' Mini-SMS. Following the outstanding success of the first series of mobile games in Switzerland, the Lottery has decided to integrate this interactive game as part of its regular portfolio. Since then, other European Lotteries followed closed behind in launching mobile games in their market.



SCS designs and implements everything a State Lottery needs to offer its Players a comprehensive, flexible and state-of-the-art subscription services program.



## PEOPLE

GTECH announced that Executive Vice President and Chief Operating Officer **David J. Calabro** has elected to retire from the Company effective May 15, 2005. In making the announcement, GTECH President and Chief Executive Officer W. Bruce Turner said, "Since his arrival over six years ago, Dave has played an important role in helping GTECH to re-gain and maintain its leadership in the lottery industry. His contributions have been significant and much

appreciated. We all wish him well in his future endeavors." It was also announced that Mr. Turner will assume Mr. Calabro's responsibilities.



## VIDEO GAMING/RACINOS

### FL SENATE PANEL OKAYS CLASS III SLOTS.

Broward County racinos could install as many slot machines as they want and run them 16 hours a day, 365 days a year under a bill approved by a Senate panel Tuesday. The bill, which would allow Class III slots, was approved 6-3 by the Regulated Industries Committee. Last week, a House committee approved a bill that would limit the four pari-mutuels to the kind of electronic bingo machines now at Indian-run casinos. The Senate plan would also tax slot machines at a lower rate than the House. Both proposals need approval from more committees before coming up for full chamber votes.



### CARNEGIE COOKE TO ADD BINGO TO ITS OTB'S.

Carnegie Cooke & Company, Inc. will be applying for Bingo Lotteries at its current and future OTB locations upon completion of the new legislation currently in front of the Brazilian government. Two Constitutional Amendments and two new laws, all presented by Senator Gilberto Miranda, are the new hopes that the Brazilian bingo industry has, to finally get their regulation and be able to operate normally. The first amendment proposes changing article 22 of the Brazilian Constitution, to allow individual States plus the Federal Government to legislate bingo. Alternatively, Senator Miranda presented a second amendment, touching up the same article and which states that the Federal Government, the States and the Federal District can decide on bingo. The first of the projected laws states very much the same: individual States plus the Federal District could regulate bingos, while the second law is more complex and gives the Federal Government power over bingos.



### LA BILL WOULD ALLOW GAMBLING ON DOMESTIC CRUISES.

A bill has been filed in the Louisiana House that would allow gambling aboard cruise ships that sail the Mississippi from New Orleans to other locations. The bill would set up a seven-member "Domestic Cruise Ship Gaming Control Assistance District," which would have the same boundaries as Orleans Parish. The state would take up to 18.5% of the net win. Louisiana currently allows international ships to gamble, but not domestic cruises. Qualifying ships would be able to accommodate more than 400 guests and sail for at least 48 hours. Gambling operations would shut down when the ship docks.

**TX VLTS WOULD GENERATE \$1.2 BILLION IN NEW REVENUE.** A recently released study by The Perryman Group shows that authorizing VLTs at licensed

Texas racetracks would create 26,073 new jobs and contribute more than \$1.2 billion annually in State fiscal receipts. The Perryman study projects that implementing VLTs at Texas racetracks could result in substantial increases in purse winnings, acting as a catalyst for improved quality racing, higher attendance and visitor spending, and greater agricultural activity. This additional economic stimulus, combined with existing racing activity would result in more than 72,500 permanent jobs and more than \$1.4 billion annually to State revenue, of which almost 90 percent represents a net increase over current totals.



### MN GAMING PROPOSALS FAIL SENATE VOTE.

Canterbury Park's proposal to develop a "Racino" by adding new casino gaming options to its existing Racetrack and Card Club in Shakopee failed to pass the Minnesota Senate Committee on Agriculture, Gaming and Veterans Affairs on a 10 - 4 vote. This committee was the first stop for Senate File 1609, which is authored by Senate Minority Leader Dick Day (R-Owatonna). The Racino legislation is still moving forward in the Minnesota House. The House companion file, HF 1664, met the first committee deadline when it passed through the House Regulated Industries Committee on March 29th. The bill will be heard next by the House Committee on Taxes. The Racino legislation authorizes the Minnesota Lottery to operate slot machines at the Shakopee location owned by Canterbury Park. The Racino at Canterbury Park proposal would add several new forms of entertainment at this site, including 3,000 slot machines, 40 Blackjack tables, an Olympic-scale equestrian center, and a major hotel and conference center. The Senate Committee also voted down Gov. Tim Pawlenty's plan for a state-tribal casino in the Twin Cities.



**NOVIA SCOTIA TO ELIMINATE 1,000 VLTs.** The Nova Scotia government is planning to reduce the number of video lottery terminals in the province by about 1,000 machines. It is expected that 800 of the machines would be pulled from bars and taverns by autumn and 200 more would be eliminated by attrition. There are 3,234 machines in the province, not counting the hundreds on native reserves.



Wireless Information Solutions...

**INTERNET/WIRELESS**  
**WTO FAVORS ANTIGUA IN DISPUTE WITH U.S.**

The World Trade Organization's appellate body today upheld a ruling in favor of Antigua in its trade dispute with the United States regarding cross-border, online gambling. For the ruling, see: <http://www.wto.org>.

**lotterygifts.com**

SPECIALIZING IN PRODUCTS  
TO HELP ADVERTISE YOUR GAMES  
301-317-5874

**GAMING CORP LAUNCHES MOBILE SERVICE WITH ORANGE.** Gaming Corporation plc, the owner of a top U.K. gaming website [www.casino.co.uk](http://www.casino.co.uk), has signed a contract with Orange, to launch a fully interactive mobile cash gaming service on the Orange World WAP portal. This service is due to be launched this month. The service which has been developed over the past 18 months will include nine state of the art java games including Blackjack, Roulette, Stud Poker, slots and scratch cards, and will be available for both practice and real cash play. Registration and deposits can be made via the mobile handset. Age verification for cash players will be in accordance with the mobile industry's own Code of Practice, with player deposits being initially restricted to valid credit card transactions only. In addition maximum bet sizes, daily limits on user deposits and advice on cash gaming will be available in order to help prevent irresponsible usage.

**Trusted Draw™**  
secure electronic drawing system

by Szrek 2 Solutions

## LOTTERY NEWS

**POWERBALL TO CHANGE.** The 29 lotteries that operate America's Game, Powerball, have voted to make changes to the nation's first big jackpot game to meet players' demands for larger and faster growing jackpots. One of the most exciting changes will be in the amount of the starting jackpot, which will jump from the current \$10 million to \$15 million and will increase by no less than \$5 million for each drawing. The annuity option will also be changed so that players will receive an annual payment that increases each year. Players can still elect to receive the jackpot as a lump-sum cash payment. Another added feature to the game will be to double the second prize for matching five white ball numbers, from \$100,000 to \$200,000 in cash. To increase the average jackpot size, two white ball numbers will be added, changing the jackpot odds to 1 in 146.1 million.

**RIFKIN Co.**  
Established 1892

**THE FORCE IS WITH CA.** Californians can be the first in the nation to try their luck with the release of the new collectible Star Wars Scratchers(TM) ticket! In conjunction, with the arrival of the most anticipated theatrical release in history, Star Wars: Episode III--Revenge of the Sith, the California State

Lottery will be the first lottery in the nation to debut Star Wars Scratchers tickets. These tickets depict the epic battle between the Sith, with images of Darth Vader, Emperor Palpatine and Darth Maul, and the Jedi with images of Yoda, Obi-Wan Kenobi and Luke Skywalker as well as the forbidden love of Anakin Skywalker and Padme. "Everyone's favorite characters are on the tickets, including Chewbacca, Han Solo, C-3PO and R2-D2," said Chon Gutierrez, Interim Lottery Director. "The scenes make these tickets an instant collector's item." The Scratchers tickets will be released statewide in April in advance of the worldwide release of the movie on May 19, 2005. Each episode of the Star Wars saga is represented by two tickets with screen shots and characters from it, including the AT-AT walkers and Star Destroyers from The Empire Strikes Back and what promises to be the most epic battle ever between Anakin Skywalker and Obi-Wan Kenobi from Revenge of the Sith. Players and fans can see all of the tickets and find out more about the limited release of exclusive collectible Star Wars coins on the Lottery website at <http://www.calottery.com>. The Star Wars Scratchers tickets cost \$2.



**NC HOUSE PASSES LOTTERY.** The North Carolina House voted 61-59 in favor of a bill that would create an education-funding lottery. It's been estimated that a Lottery could raise as much as \$400 million a year for the state. The bill now heads to the Senate.

**IL LAUNCHES NEW MONDAY LOTTO DRAWING AND \$20 INSTANT TICKET.** The Illinois Lottery is adding a Monday Lotto drawing on top of the existing drawings on Wednesday and Saturday, and it will also be launching a brand new \$20 instant ticket called "\$50 Million Spectacular." A first of its kind ticket in Illinois, "\$50 Million Spectacular" will have the best odds and biggest prizes of any Illinois Lottery instant ticket, providing players with 25 different chances to win one of three \$2 million top prizes. Currently, the largest prize available on an instant ticket in Illinois is \$1 million. "



**ISRAEL CUTS TURN INTO PROFITS.** In 2004 Mifal Hapayis posted its biggest profit in five years. Earnings of NIS 569 million were 15.4% (NIS 76 million) higher than '03 figures. It was efficiency, rather than revenue gains, that were most responsible for the rise. The Lottery tendered new marketers in order to decrease distribution costs, cut advertising costs and entered into a new collective employment agreement. Revenues rose NIS 40 million, to NIS 3.05 billion in 2004.

**VIRGINIA LOTTERY RETAILERS RACE TO THE FINISH.** As fiscal year 2005 draws to a close, Virginia Lottery retailers are racing to the finish for a chance to share

in a pot worth half-a-million dollars. The top 1,000 retailers, measured by April 1 - June 30 scratcher sales, will share \$500,000 in the Lottery's fourth quarter "Race to the Finish" retailer incentive program. How much each retailer earns is directly proportional to how much that retailer sells during the promotional period. The objective of the incentive is to keep retailers focused on scratcher sales as they help the Lottery race to the finish, trying to beat the competition to the checkered flag!

**KLC NAMED ONE OF COMMONWEALTH'S 20 BEST PLACES TO WORK.** The Kentucky Lottery has been named one of the "20 Best Places to Work in Kentucky". The designation has been awarded by the Kentucky Society for Human Resource Management (SHRM) state council, in conjunction with the Kentucky Chamber of Commerce. The selection process, conducted by Best Companies Group, was based on an assessment of the company's employee policies and procedures and the results of an internal employee survey.

**OLGC ESTABLISHES RESPONSIBLE GAMING CODE.** The Ontario Lottery and Gaming Corporation recently strengthened its commitment to reduce the risk of problem gambling through the launch of its Responsible Gaming Code of Conduct. The Code is based on three overarching elements: (1) Deepening OLGC's corporate commitment to responsible gaming, including investing in staff resources to ensure responsible gaming policy is translated into practice. It also involves an ongoing commitment to test and develop new programs, as well as validate their results through independent measurement and research. (2) Enhancing OLGC's customer information and education programs. According to OLGC, an example of this commitment is its province-wide advertising campaign, launched earlier this month, which dispels myths about odds and outcomes, and informs players about how games operate and their real chances of winning and losing. (3) Identifying and developing programs and policies that improve upon OLGC's responsible gaming environment. This includes the launch of innovative initiatives at OLGC facilities, such as enhanced employee programs, and the lottery retail network to better respond to those who require assistance. OLGC also outlined its plans to implement its first Responsible Gaming Information Centers at Casino Windsor and Fallsview Casino Resort by the fall. The Centers will be operated by independent problem gambling counselors who will assist the at-risk gambler and promote responsible gaming practices.



**Please submit material for next week's Morning Report by Wednesday of this week to [Toddpgr2@aol.com](mailto:Toddpgr2@aol.com)**

*Public Gaming Research Institute's*

# **EXPO-ILAC 2005**

**Bellagio Las Vegas**

**July 11 – 14, 2005**

*EXPO-ILAC 2005 is the conference for government, private operators on behalf of government and suppliers charged with maximizing revenues for lotteries, racinos and other gaming enterprises. The focus will be on the latest and smartest technologies and innovations for dramatically increasing sales and profits.*

## **PROGRAM**

**JULY 10 - Sunday**

**8am-Midnight – Exhibit Set-up**

**JULY 11 –MONDAY**

**8am – 2pm – Exhibit Set up**

**12 NOON – 7pm Registration Open/**

**2pm – 3pm**

**ORIENTATION FOR THOSE NEW TO THE GAMING & LOTTERY INDUSTRY**

**3pm – 5:30pm – General Session I**

**WELCOME TO EXPO-ILAC 2005**

**DUANE BURKE**

**CEO, Public Gaming Research Institute, Inc.; Publisher, Public Gaming International Magazine;  
& CEO, Video Lottery Salons of Guatemala (ILAC de Guatemala, S.A.)**

**5:30pm – 7:30pm**

**Reception in Exhibit Area**

**JULY 12 – TUESDAY**

**8am – 9am – Coffee & Danish in Exhibit Area**

**8am – 5:30pm – Registration Open**

**9am – 1pm – General Session II**

**1 – 3pm**

**Luncheon & Networking Break - Exhibit Area**

**3pm – 5pm – General Session III**

**5pm - On**

**Evening Open**

**JULY 13 – WEDNESDAY**

**8am – 9am – Coffee & Danish**

**8am – 2:30pm – Registration Open**

**9am – 1pm – General Session IV**

**1– 2pm**

**Luncheon & Networking Break in Exhibit Area**

**2:30pm – 6:00pm**

**VIP TOUR OF GAMING TECHNOLOGY**

**– Limited to government representatives only – ID required –**

**Transportation will depart from the front entrance of Bellagio at 2:30pm**

**And will return by 6:00pm**

**The most advanced and proprietary technologies of these companies will be presented.**

**Refreshments, paid for by conference Host Public Gaming Research Institute, will be served.**

**5:30pm – Evening Open**

**JULY 14 - THURSDAY**

**8am – 9am – Coffee & Danish**

**9am – 11am**

**EXPO-ILAC AWARDS**

**CLOSING DISCUSSIONS**

**11am**

**Conference Adjourned**



**EXPO-ILAC 2005 – Bellagio Hotel**  
**JULY 11-14, 2005**  
**CONFERENCE REGISTRATION FORM**

Please fill out this form and fax back to 206-232-2564. Please mail original and payment to:  
 Public Gaming Research Institute, 218 Main Street, #203, Kirkland, WA 98033, or charge to American Express, MasterCard, or Visa (see below).  
 Each Registration is \$895.00

Conference registration includes all events, cocktail parties, continental breakfasts, luncheons, exhibit hall, all conference seminars, off-site events.

Contact/Title: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_  
 State/Prov./ \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
 Tel.: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Signature: \_\_\_\_\_

Number of Registrations \_\_\_\_\_ Total \$ \_\_\_\_\_

**Payment Terms and Options:**

Please charge to my credit card \_\_\_\_\_ Please invoice me \_\_\_\_\_  
 Payment is accepted by American Express, MasterCard or Visa credit cards.  
 Fill-in below for charges.

Amount: \_\_\_\_\_  
 Card Number: \_\_\_\_\_ Exp. date: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Name on Card: \_\_\_\_\_

**HOTEL RESERVATIONS: CONFERENCE ROOM RATE \$159/ ROOM**  
**Bellagio Hotel, 3600 S. Las Vegas Blvd., Las Vegas, NV 89109**  
**Contact Room Reservations Department at (888) 987-6667, (702) 693-7444**  
**or on the website at www.bellagio.com under the PUBLIC GAMING /**  
**EXPO-ILAC 2005 to get special room rate.**



**FORMULARIO DE INSCRIPCION PARA LA  
CONFERENCIA  
DE LOTERIA INTERNACIONAL EXPO Y EL CONGRESO ILAC  
del 11 al 14 de Julio, 2005**

Bellagio Resort Hotel • Las Vegas, Nevada USA  
Auspiciada por Public Gaming Research Institute

Nombre y  
Cargo: \_\_\_\_\_

Nombre para su distintivo: \_\_\_\_\_

Nombre de esposa (o) si asiste: \_\_\_\_\_

Compañía: \_\_\_\_\_

Dirección: \_\_\_\_\_

Ciudad: \_\_\_\_\_ Estado: \_\_\_\_\_ CódigoPostal: \_\_\_\_\_ País \_\_\_\_\_

Teléfono: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ PáginaWeb: \_\_\_\_\_

**DERECHOS DE INSCRIPCIÓN POR PERSONA (marque uno):**

Compañías o Loterías particulares: Pagan US\$895 \_\_\_\_\_

Loterías públicas nacionales: No pagan \_\_\_\_\_

**METODO DE PAGO:** Todos los pagos se realizarán por adelantado. El espacio se confirma al recibir el pago. No se efectuarán reembolsos después del 30 de junio, 2005.

**Autorización de la tarjeta de crédito** para \$US \_\_\_\_\_ Fecha de la transacción \_\_\_\_\_ American Express \_\_\_\_\_ Visa \_\_\_\_\_ Mastercard \_\_\_\_\_

**Número de la tarjeta** \_\_\_\_\_ Fecha de expiración \_\_\_\_\_

**Nombre del titular de la tarjeta de crédito** \_\_\_\_\_

**Firma:** \_\_\_\_\_

Existen otras formas de pago disponibles bajo pedido

Para mayor información llame a Raquel al PGRI: 425-765-4119

**ENVIE POR FAX SU FICHA DE INSCRIPCION AL CONGRESO:**

**Fax 206-232-2564**

**RESERVACION DE HOTEL**

Llame directamente al hotel Bellagio Resort Hotel para reservar su habitación.

Habitaciones con descuento para los asistentes a EXPO/ILAC: US\$159 simple o doble

**Bellagio Hotel, 3600 S. Las Vegas Blvd., Las Vegas, NV 89109**

**Contact Room Reservations Department at (888) 987-6667, (702) 693-7444**

**or on the website at [www.bellagio.com](http://www.bellagio.com) under the PUBLIC GAMING /**

**EXPO-ILAC 2005 to get special room rate.**