

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 4, 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
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.

Tema

*EXPO-ILAC 2005 es la conferencia para
funcionarios de gobierno y particulares, que
representan a sus gobiernos y compañías para
maximizar los ingresos de loterías, racinos, y
otros organismos de juegos. El enfoque será en
las tecnologías e innovaciones más modernas
para aumentar drásticamente las ventas y los
ingresos.*

COMPANY ANNOUNCEMENTS

CASINO ARIZONA CHOOSES JCM AS EXCLUSIVE BILL VALIDATOR SUPPLIER. Casino Arizona has chosen JCM American as the exclusive supplier of bill validators for its two Scottsdale-area properties. JCM currently holds more than 85 percent market share in the region, and this agreement is the company's first major contract in state. Under the agreement, JCM will be the exclusive bill validator supplier for Casino Arizona's Indian Bend and McKillips locations, and will replace other validators currently in use at the properties. Casino Arizona operates more than 1,500 gaming devices at its two locations.



HOOSIER CHOOSES GTECH.

GTECH has been chosen by the Hoosier Lottery to provide new instant ticket vending machines, subject to negotiation of a contract. Once contract details have been worked out, GTECH will replace the Hoosier Lottery's existing instant ticket machines with approximately 680 Expandable Dispensing System Quad Burster (EDS-Q) machines, beginning delivery around May. GTECH will also provide maintenance for the machines.



JCM/AGA GOLF CLASSIC BENEFITS NCRG.

Reconfirming its deep commitment to the gaming industry, JCM American is partnering once again with the American Gaming Association (AGA) to present the 7th Annual JCM/AGA Golf Classic. The annual tournament is a fundraiser for the National Center for Responsible Gaming (NCRG), and is slated for Monday, April 25 at the picturesque Revere Golf club in Henderson, Nevada, one of Nevada's finest golf courses. Now in its seventh year, the JCM/AGA Golf Classic attracts the biggest names from companies across the gaming industry, including operators, manufacturers, suppliers and media. Last year's event raised \$77,000.00. Organizers hope to raise \$80,000.00 this year.



PEOPLE

J. Michael Downey has been named the new CEO of Owner Revolution Inc. and its subsidiaries

Schafer Systems Inc., Connect-A-Dock Inc. and Plastic Professionals Inc. He replaces former CEO **Victor Aspengren** who resigned to pursue other interests. Downey has been closely associated with Owner Revolution Inc. for the past five years as a member of its Board of Directors. Downey holds a degree in Industrial Engineering from Iowa State University and a law degree from the University of Iowa. He also serves as chairman and CEO of HandEra,

Inc., an Iowa based engineering company that specializing in contract engineering services and handheld computer solutions for industrial applications.

Gideon Brickman has been appointed as the new Chairman of the Israel Sports Betting Board. Brickman is one of the leading advertising personalities in Israel. He is currently the owner and president of a major advertising agency. During the past 4 years he volunteered to serve as Deputy Chairman of the Israel Football Federation, and promoted reforms in the Federation's computer systems and medical supervision. Brickman previously served as the Chairman of the Maccabi Tel Aviv football team and Maccabi Tennis Club. He is an active member of the Israel Olympic Committee and of the Association of Friends of the Municipal Hospital in Tel Aviv.

VIDEO GAMING/RACINOS

PENN PROPOSES NEW VIDEO COMMISSION

RATES. (AP) Oregon bars and taverns with video gambling machines would get commissions averaging just under 25 percent, under a proposal made last week by Lottery Director Dale Penn. The new rates, which are lower than the current rate of 28.8 percent, would take effect after slot-styled games enter the marketplace on July 1. Penn estimated that his plan, which is a significant shift from a previously proposed commission of 15 percent on slot-styled games, would yield \$124 million for the state.

FL SENATE CONSIDERS SLOT OPTIONS.

Florida State senators considering the tax and regulation of slot machines had several suggestions last week: a tax rate between 30 and 35 percent, a limit on hours, no limit on the number of machines and banning free drinks as well as people under the age of 21. The committee didn't vote on anything but discussed issues that will be covered in a bill to be voted on this week.

OH RACINO BILL PASSES

SENATE. The Ohio Senate voted 19-14 in favor of legislation (SB442) to legalize racinos. The bill now heads to



the House of Delegates.

BILL FOR VLTs ON NY FERRY REINTRODUCED.

New York Senator Joe Robach recently reintroduced legislation that would allow VLTs on the Spirit of Ontario ferry that runs between New York and Ontario. The original legislation, which called for up to 300 VLTs to be placed on the boat, passed the Senate last year, but failed in the Assembly.



Wireless Information Solutions...

FAIR GROUNDS HANDLE INCREASE. New Orleans' Fair Grounds Race Course concluded its 133rd season of racing, and its first under the ownership of Churchill Downs Incorporated with its first increases in average all-sources and on-track wagering in four years. In the 82-day meet, a total of \$343.1 million, or an average of \$4.18 million per day, was wagered on Fair Grounds races, versus a total of \$317.1

million wagered during the 80-day meet in 2003-04



TEXAS GAMING LEGISLATION. (AP) More than 20 bills have been filed to create

different forms of gambling in Texas. A sampling of the proposals:

- House Bill 897 by Rep. Sylvester Turner, D-Houston, allows video lottery terminals for horse or greyhound racetracks and recognized Indian tribes.
- House Bill 1337 by Rep. Kino Flores, D-Mission, allows casino gambling in Texas cities and counties if local voters approve it.
- Senate Bill 1097 by Sen. Royce West, D-Dallas, allows the Texas Lottery Commission to issue licenses for video lottery terminals to applicants in cities or counties where voters have approved the machines.
- Senate Bill 1326 by Sen. Ken Armbrister, D-Victoria, allows local voters to create county gaming districts where video lottery terminals could be operated.
- Senate Joint Resolution 18 by Sen. Rodney Ellis, D-Houston, would create 12 major casino-anchored destinations throughout the state, abolish the Texas Lottery Commission and the Texas Racing Commission and create a Texas Gaming Commission.



CANTERBURY PARK REPORTS 2004 RESULTS.

Canterbury Park Holding Corporation announced financial results for the fourth quarter and year ended December 31, 2004. The Company earned net income of \$3,862,308 on revenues of \$54.9 million for the year ended December 31, 2004, compared to net income of \$2,870,130 on revenues of \$47.8 million for the year ended December 31, 2003. Fully diluted earnings per share for fiscal 2004 were \$.92 compared with \$.70 for fiscal 2003. Further results for 2004 are presented in the accompanying table. The Company's 2004 revenues of \$54.9 million represented a 14.8% increase over 2003. Card Club revenues increased 23.5% to \$28.4 million in 2004 compared to \$23.0 million in 2003, due to the continued growth in popularity of Poker. Pari-mutuel revenues increased 2.7% to approximately \$17.8 million in

2004 as compared to the prior year, primarily due to increased on-track wagering. Operating expenses increased 13.0% to \$48.1 in 2004, primarily due to increases in purse expense, salaries and wages, and other operating expenses incurred to support the overall increase in revenues in 2004.



SYMPOSIUM ON RACING AND GAMING. The Race Track Industry Program announced a new format and name for its 32nd Annual conference. The Symposium on Racing and Gaming, will be held December 5 – 8, 2005 at Loews Ventana Canyon Resort.

LOTTERY NEWS

OK LEGISLATURE APPROVES START-UP MONEY.

The Oklahoma House approved \$500,000 in startup money for the state's new education lottery last week. The supplemental funding bill, passed by the Senate on March 17, now goes to Gov. Brad Henry for his signature.

OHIO OFFERS "PLAY-IT-AGAIN" BARCODE.

The Ohio Lottery recently added a second barcode to the top of all on-line tickets, allowing customers to easily play the same numbers again. Retailers who scan the Play-It-Again barcode can generate a new ticket with the same wager information, good for the next scheduled drawing. This "repeat" feature was designed to speed up terminal transactions. GTECH, Ohio's on-line gaming system vendor, developed Play It Again after Ohio Lottery retailers requested a faster way to process wagers during Town Hall meetings a couple of years ago. Since introduced in October 2004, nearly 11 percent of all on-line wagers are generated using the Play-It-Again feature.



D.C. USING TAXI TOPS.

The D.C. Lottery made its debut on 75 cabs throughout the city. The displays feature the latest Powerball jackpot totals as well as the date of drawings. D.C. Lottery will be able to post updates almost instantaneously via wireless technology. For more on this story, see the March issue of Public Gaming International



SEARCH FOR OK DIRECTOR UNDERWAY.

The search for an executive director to head Oklahoma's new statewide education lottery picked up steam on Tuesday as lottery directors from Tennessee and New Mexico offered their advice to members of the Oklahoma Lottery

Commission. The state began advertising for an executive director earlier this month. The lottery's top



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



job requires previous experience in starting up a lottery operation. No salary has been set, and lottery officials said compensation would be commensurate with experience.



DOUBLE UP CASH. The Kentucky Lottery launched a new computerized game, Double Up Cash, that offers players a chance to double non-jackpot prizes if they correctly pick "heads" or "tails." The \$1 game, which operates on a 5:36 matrix and draws nightly Monday through Saturday, gives prizes in the range of a free-play up to a minimum jackpot of \$40,000. Jackpots will grow at a rate of \$10,000 each night it isn't hit, up to a maximum of \$500,000.

NO NV LOTTERY. The Nevada Senate Judiciary Committee voted 5-2 in favor of scrapping a proposal that would have put the issue of a state lottery before voters.

TATTERSALL'S LICENSE UP FOR GRABS. The Victorian Government recently opened up for tender its lottery license. In a move that is expected to make the process more competitive, the government is expected to invite other parties to bid for the license that has been held by Tattersall's since 1954.



GLC RELAUNCHES \$100 MILLION CASH SPECTACULAR. The Georgia Lottery Corporation announced the reprint of its instant game \$100 Million Cash Spectacular. It's the exact same game with the exact same number of winners and the exact same odds. Georgia Lottery players can look forward to 10 additional \$1 million top prizes and the highest payout percentage in GLC history. The \$10 game offers over \$118 million in new cash prizes. Tickets are now arriving at retailer locations. To date, Georgia Lottery players have won more than \$113 million playing \$100 Million Cash Spectacular with eight \$1 million top prizes claimed.

Trusted Draw™
secure electronic drawing system

by Szrek 2 Solutions

PCSO TO SAVE THROUGH WIRELESS SYSTEM. The Philippines Charity Sweepstakes Office (PCSO) has endorsed the release of the performance bond posted by publicly-listed IT firm Diversified Financial Network Inc. (DFNN) that served as guarantee for its delivery of the requirements in the upgrade of the lotto system through wireless protocols. PCSO earlier said that the lotto wireless system upgrade would result in nearly P2 billion a year in additional revenues. The project will also yield substantial cost savings to PCSO.



GLO FINALIZES ONLINE DEAL. A consortium led by Loxley Plc and US-based GTECH has been awarded a contract to set up an electronic lottery system, for Thailand's Government Lottery Office. The contract calls for the installation of 3,000 terminals nationwide within the first seven months, followed by another 1,000 terminals per month until all 12,000 machines are delivered. The GLO will be liable to pay Loxley/GTECH no more than 2.4096 percent of the total lottery sales from the system per year, with payments to start from the second year onward. The five year deal is estimated to be worth 1.5 billion baht.

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Please submit material for next week's
Morning Report by Wednesday of this week to
Toddpg2@aol.com



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 under the PUBLIC GAMING /
EXPO-ILAC 2005 to get special room rate.**

EXPO-ILAC 2005
July 11-14 Bellagio, Las Vegas



EXPO-ILAC 2005

Hotel Bellagio Las Vegas
11 al 14 de Julio, 2005

Tema

EXPO-ILAC 2005 es la conferencia para funcionarios de gobierno y particulares, que representan a sus gobiernos y compañías para maximizar los ingresos de loterías, racinos, y otros organismos de juegos. El enfoque será en las tecnologías e innovaciones más modernas para aumentar drásticamente las ventas y los ingresos.

PROGRAMA

DOMINGO, 10 de JULIO

8am-medianoche: Montaje de exhibiciones

LUNES, 11 de JULIO

8am – 2pm: Montaje de exhibiciones

MEDIODIA – 7pm: Acreditaciones

2pm – 3pm

ORIENTACION PARA LOS NUEVOS PARTICIPANTES EN LA INDUSTRIA DEL JUEGO Y LA LOTERIA

3pm – 5:30pm: Sesión General I

BIENVENIDO A EXPO – ILAC 2005

Duane Burke

CEO, Public Gaming Research Institute, Inc.; Publisher, Public Gaming International Magazine; and CEO, Salones de Video Loteria de Guatemala (ILAC de Guatemala, S.A.)

5pm – 7:30pm: Recepción en el área de las exhibiciones

MARTES, 12 de JULIO

8am – 9am: Café en el área de las exhibiciones

8am – 5:30pm: Acreditaciones

9am – 1pm: Sesión General II

1pm – 3pm: Almuerzo y pausa para intercambiar ideas – Area de Exhibicion

3pm – 5pm: Sesión General III

De las 5pm en adelante – Tiempo libre disponible

MIERCOLES, 13 de MARZO

8am – 9am: Coffee & Danish

8am – 5pm: Acreditaciones

9am – 1pm: Sesión General IV

1pm – 2pm: Almuerzo y pausa para intercambiar ideas – Area de la exhibición

2:30pm – 6:00pm: TOUR DE TECNOLOGIA PARA LOS VP

- Limitado sólo para los representantes de gobierno – se requerirá ID-

Transportación: El transporte saldrá de la entrada principal del Bellagio a las

2:30pm y regresará a las 6:00pm

Se visitarán compañías que presentarán lo más avanzado en tecnología. Se servirán refrescos proporcionados por la compañía auspiciadora de la conferencia Public Gaming Research Institute.

De las 6pm en adelante: Tiempo libre disponible

JUEVES, 14 de MARZO

8am – 9am: Coffee & Danish

9am – 11am: Entrega de Premios EXPO-ILAC

DISCUSIONES FINALES

11am: Clausura de la conferencia

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