

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

**Public Gaming Research Institute Inc.'s**

# INTERNATIONAL MORNING REPORT

Your weekly supplement to  
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**BCLC NAMED MARKETER OF THE YEAR.** The BC Chapter of the American Marketing Association (BCAMA) has awarded the 2003 title of Marketer of the Year to the British Columbia Lottery Corp. and will honor the winner at the 32nd annual Marketer of the Year Award Dinner at the Westin Bayshore on September 24th. The MOY Award is one of BC's most prestigious marketing awards and is the highest award given by the BCAMA. The Crown Corporation faced a soft economy, an influx of legal and illegal gaming choices, more brands to market than ever before and less to spend per brand than it had 10 years before. So, working with its advertising agency, TBWA, BCLC used a process called Disruption, to unlock revolutionary ideas by first discovering, then challenging, long-held conventional thinking within the industry and the organization. From idea to delivery, the process changed not only BCLC's marketing thinking, but also the way the whole organization does business.

**NE CELEBRATES 10<sup>th</sup> ANNIVERSARY.** The Nebraska Lottery will hold its 10th Anniversary Party on September 20 at Pershing Auditorium in downtown Lincoln. The party is open to the public with a \$2 admission donation to the Nebraska Jaycees, who will be helping to staff the event. The event runs from 5 until midnight. Food and refreshments will be available throughout the evening, and door prize drawings will take place every 30 minutes. At 7 p.m., the 10 Years of Fun Second Chance Game Show will take place. At that time, the field of 50 semi-finalists selected in preliminary drawings on May 30, June 27, July 18, August 8 and September 5 will be narrowed to six finalists. The winner of the grand prize will receive \$100,000. The second place winner will receive a 2003 Ford F-150 SuperCrew—Lariat edition truck valued at \$42,000 (the Nebraska Lottery pays withholding taxes and provides \$1,909 for costs incurred with ownership). Other finalists receive between \$500 and \$2,000. At 9:59 p.m., the Powerball drawing will be conducted live at the event, and the nationwide broadcast of the drawing will originate from Pershing Auditorium.

**MO OFFERS BULLS-EYE.** Club Keno players in Missouri will be on the mark with the Lottery's new Bulls-Eye play option, which officially started in mid-August. The new

feature gives Club Keno players three ways to win prizes, instead of one: win by matching the Club Keno numbers, win even more by matching the Club Keno numbers and the Bulls-Eye number and win by matching just the Bulls-Eye itself. To access the feature players need only to make their regular Club Keno play and select "Bulls-Eye." The total cost of the transaction will double, but the winnings could be multiplied as much as six times. Top prize for matching all 10 numbers plus the Bulls-Eye is \$300,000.

**IA LOOKS FOR WINNER.** The Iowa Lottery is working hard to find a \$100,000 Powerball winner. The winner's prize expires on September 15<sup>th</sup>, and the Lottery doesn't want that to happen. They've held a news conference, and posted signs in the Larsen's Food Pride grocery in Osage, where the winning ticket was sold for the September 14, 2002, Powerball drawing.

**ALC CELEBRATES SUCCESSFUL YEAR.** The Atlantic Lottery Corp. announced that they generated \$397 million for their four Atlantic provinces in 2002-2003, \$327 million in player prizes, \$145 million in retailer commissions while contributing over \$1.4 million to the sponsorship of community events across the region.

**CO CELEBRATES 2<sup>nd</sup> BEST YEAR.** Despite the poor economy, the Colorado Lottery was able to record its second-best sales in the agency's 20-year history. In fiscal year 2003, the Lottery posted sales of \$391.4 million. The previous high was \$407 million set in fiscal year 2002, the year the Lottery introduced Powerball. More impressively, the Lottery's efforts generated \$104.7 million in proceeds, an amount exceeded only by the \$110 million in FY02. Scratch games, generating \$254 million, and Powerball, bringing in \$75 million, led the way for the Lottery in FY03.

**ME TO VOTE ON MACHINES AT TRACK.** In November, Maine voters will get the chance to overturn an ordinance prohibiting gaming machines at Scarborough Downs. In April 2002, the Scarborough Town Council passed an ordinance banning gaming machines in the business zone in which the track is located.

**CO TO VOTE ON VLTs.** Enough valid signatures have been gathered in Colorado to put VLTs on the November 4 ballot. The measure, which is meant to boost tourism, would allow 500 VLTs at each of the state's five tracks. The state would receive 61% of the machine revenue.

**OR PARTNERS WITH AMBER ALERT.** Oregon Governor Ted Kulongoski signed a bill making the Oregon Lottery a partner in the state's Amber Alert system. When Amber Alerts are issued, lottery tickets, keno monitors and the Lottery's website will carry the message.

**TN CONSULTS ALC ON GLC PROPOSAL.** The Tennessee Lottery has until September 1<sup>st</sup> to decide on whether to link operations to the GLC. To help in the decision process, TN officials consulted with the Atlantic Lottery. The ALC was a logical choice for consultation as they operate a Lottery stretching across four provinces.

**CAMELOT PROMO SIZZLES.** Camelot's Lotto promotion with Bold washing powder (Procter & Gamble)

has produced record sales, and the Lottery has dubbed it the most successful third-party lottery promotion to date. So far, 28% of the vouchers issued have been redeemed – more than one million total – and more than 20,000 winners have won more than £375,000 in prizes.

**SAZKA APPROVED FOR VLTs.** The Ministry of Finance of the Czech Republic has authorized SAZKA to operate VLTs. The Lottery has been making preparations for such an authorization since mid-2002.

**ISRAEL GETS CASINO.** The municipality of Eilat and Israel's National Lottery Mifal Hapayis signed an agreement in principle for the joint construction of a casino in the city. The casino, which has been in negotiation for years, will be run by a franchisee that will be chosen by tender.

**SOUTH AFRICA SEES GAMING RISE.** The South African National Gambling Board conducted a survey indicating a .6% growth in household expenditures on gambling, up to 1.9%. The rise has caused a revenue growth of 46% for the Lottery. The survey also indicated that more than 70% of the population has participated in the lottery.

**GHANA LAUNCHES MID-WEEK DRAW.** Ghana's Department of National Lotteries (DNL) launched a new national lotto game called "Mid-Week Lotto." The game will be drawn every Wednesday at 10:00 am. Price points for the tickets are €1,000, €2,000 and €5,000, and will be issued in the same way as the weekly lotto game. Prizes will also operate on the same format as the weekly game, and will be available on the Thursday following the draw.

**IRISH MAY TRY THEIR LUCK.** Ireland's National Lottery is reportedly mulling over the prospect of joining Euro-Millions. An Post would join in during the games second phase, which is expected to be launched around October of 2004. The initial launch will be in February with France, Spain and the UK being the first lotteries involved.

**CAMELOT PUTS CAMPAIGN TO TENDER.** Camelot has put the ad campaign for the launch of its Pan-European lottery game (run in conjunction with La Française des Jeux and Loterías y Apuestas del Estado) out to tender, inviting their current agency and two others to make a pitch. Camelot stressed that the decision is not a reflection on their current agency's performance.

#### **COMPANY ANNOUNCEMENTS**

**IMPORTANT CHANGES WITHIN OGT SENIOR MANAGEMENT.** Etienne Couelle, President and CEO of Oberthur Gaming Technologies announced that Kathy Matson is resigning from her current position as Senior Vice-President of U.S. Sales and Marketing to spend more time with her family. OGT has signed an exclusive consulting agreement with Ms. Matson to continue to provide the company with strategic marketing and sales support for OGT's worldwide clients. Effective September 2, 2003, Ms. Matson will be replaced by John Connelly, who is promoted to Senior Vice-President of U.S. Sales and Marketing. Mr. Connelly, who joined OGT in early 2001 as Corporate Vice President of Strategic Development, brings an extensive expertise in the lottery industry, having previously worked

with GTECH, AWI and Oasis. Mr. André Nadeau, who joined OGT on June 2nd as Corporate Senior Vice-President of Marketing, takes over the Strategic Development efforts in addition to his primary role, which consists in establishing the company's global marketing strategy and overseeing marketing support to our customers worldwide. As Corporate Senior Vice-President Marketing and Strategic Development, Mr. Nadeau will oversee the overall activities related to the development of new high-tech products and services, which include logistics (warehousing and distribution), e-gaming, m-gaming and validation systems.

**IGT GETS DILBERT RIGHTS.** IGT has been granted licensing rights to develop a gaming machine based on the popular Dilbert™ comic strip. The agreement gives IGT access to all of the Dilbert™ characters created by cartoonist Scott Adams: Dilbert, the high-tech engineer, and his adversary/companion, Dogbert; the Pointy-Haired Boss; Wally, Dilbert's fellow engineer; Alice, the secretary; Asok the Intern, Tina the Tech Writer, Catbert, the human resources director, and a host of others.

**POLLARD SELECTED BY ISRAEL.** Pollard Banknote has been named sole supplier of instant lottery tickets to Mifal Hapais, the National Lottery of Israel. The initial contract term is for two years, with three one-year renewal options. Mifal Hapais prints 70 million instant tickets annually, launches 12 new tickets each year and currently offers 30 different tickets (at the 5 NIS to 50 NIS price points), featuring themes ranging from traditional money games to unique tickets such as greeting cards and holiday games. Instant tickets represented 29% of the Lottery's total sales in first half of 2003.

**SPIELO SIGNS WITH NY.** Spielo signed a contract with the New York State Lottery to provide VLTs. The contract expires on December 31, 2007 with three one (1) year optional extensions and based on Spielo's Participation Gaming Program under which Spielo will be responsible for the operation of its terminals, games, maintenance, and marketing/promotional services.

#### **LOTTERY PEOPLE**

New Jersey State Lottery Executive Director Virginia S. Bauer announced the retirement of the organization's first employee, **Linda Melone**, Deputy Director of Marketing. Ms. Melone began her career with the Lottery in 1970 as an Administrative Assistant to the Executive Director. Over her 34-year career, she continually advanced within the Lottery serving as the Deputy Director of Marketing for the past 12 years. In that role, she was responsible for the development, implementation and execution of marketing and advertising initiatives for the state's fourth largest revenue producer.

Oregon Governor Ted Kulongoski appointed Oregon Lottery Director **Brenda Rocklin** to the Board of the Public Employees Retirement System (PERS) Board, effective September 1. The PERS Board manages and administers the system as set forth by law, and also monitors the plan for compliance with federal laws.

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