

PUBLIC GAMING INTERNATIONAL

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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
August 29, 2005

EXHIBIT PROMOTION OPPORTUNITY

You can promote your products and your booth locations at the G2E and NASPL tradeshows using MORNING REPORT. For \$250 per issue you can reach our 22,000 readers each week leading up to the shows with your 100 word description and exhibit booth locations. Complete and fax the enclosed form or call Susan, Raquel or Todd at 425-985-3159.

COMPANY ANNOUNCEMENTS

SCI-GAMES SET FOR FAST START IN OK. Scientific Games announced its selection as the full service vendor to provide online and instant lottery tickets and related services for the new Oklahoma Lottery. The contracts are valued at an estimated \$6 million for the initial contract term (nine months) and contain six one-year renewal options. The Oklahoma Lottery start up will be the fastest in the thirty-year history of modern lotteries with instant lottery tickets sales scheduled for launch on or before October 12, 2005 and the online lottery scheduled for launch on November 10, 2005.

MDI TAKES A "SPIN" WITH NEW PAT SAJAK INSTANT GAMES. Lotteries worldwide will be able to offer players a "spin" on traditional instant games, now that MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation, has acquired the rights to Wheel of Fortune game show host Pat Sajak and his new line of



instant games. The contract, which extends through 2008, gives lotteries the rights to Mr. Sajak's name, symbols, designs, likeness and visual representations for lottery games. One game concept already in development includes Pat Sajak's Slotwords™. Slotwords combines the classic best-selling crossword puzzle play with the exciting feature of slot machines. Lotteries looking to offer an instant ticket featuring Pat Sajak will also be able to use MDI custom-designed TV spots featuring Mr. Sajak.

HOOSIER EXTENDS SCIENTIFIC GAMES. Scientific Games has been awarded a two-year extension from the Hoosier Lottery worth \$13.86 million. The agreement commences January 1, 2006. Scientific Games is the Lottery's vendor for both instant tickets and online games.



ATRONIC INKS MIAMI VICE. Atronic announced its agreement with Universal Studios Consumer Products Group to develop slot machines based on the television series that defined the 1980's, Miami Vice. The slot machines will be available at casinos throughout the United States early 2006. Atronic will unveil the Miami Vice slot machines at the Global Gaming Expo in Las Vegas in September. The Miami Vice penny progressive slots will be available on Atronic's e-motion™ cabinet, which features dual screens, digital stereo sound and the industry's only height adjustable playfield.

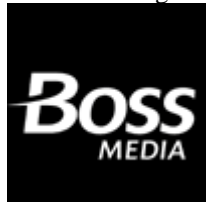


ATRONIC'S e-MOTION APPROVED IN NEVADA. Atronic announces the Nevada Gaming Lab approval for its e-motion™ video slots.

The approval allows Atronic to install its successful e-motion cabinet in casinos throughout Nevada. The approval includes the e-motion cabinet as well as a full compliment of game themes including Angels and Devils™, Gypsy Fortune™, and Xanadu™ with the approval of many more titles expected within weeks. Nevada operators have placed orders for over 350 machines, with the first installations at the Fiesta Rancho in Henderson, the Atlantis Casino and

Resort in Reno, and Palace Station in Las Vegas already complete.

SHUFFLE MASTER ACQUIRES VIP GAMING SOLUTIONS. Shuffle Master has purchased VIP Gaming Solutions Pty Limited. Detailed terms of the transaction were not disclosed. As a result of this acquisition, Shuffle Master will acquire a broader direct sales presence within the Asia-Pacific region, and will expand its product offerings to include a variety of table game related equipment and accessories. As part of the acquisition, Keith Thornton will maintain his current position as Managing Director and will oversee the region's satellite sales and service locations.



PHFB SIGNS WITH NEW MEDIA LOTTERY SERVICES. Phantom Fiber Corporation has signed a five-year license agreement with News Media Lottery Services Inc. Under terms of the

agreement, the Company will enable NMLS' suite of lottery games for use on mobile lottery terminals owned and operated lotteries authorized by state governments. In addition, New Media Lottery Services Inc. is expected to list in the very near future. NMLS plans to offer dozens of video lottery games plus multi-million dollar progressive jackpots in contracted countries across mobile, Internet, and retail channels with jackpots in excess of \$2 million per week and also plans to partner with charity lotteries in many markets to gain first-mover advantage. Initial mobile plans involve the deployment of mobile lottery terminals powered by Phantom Fiber's Advanced Wireless Platform to capture immediate lottery revenue using NLMS lottery management systems and game products. Mobile lottery terminals will be used in retail and public locations to sell lottery tickets to consumers in a number of select markets.



TMRG LAUNCHES ONLINE GAMING TOOL. TMRG Worldwide now offers an online gaming tool, which teaches people how to play Poker and other Casino related games. This technology has been applied to their Chris MoneyMaker property, whereby Lottery players can log onto a website and be given a lesson on how to play Poker, or play against a simulated Chris MoneyMaker program. TMRG has also developed 3D shockwave video to help drive younger players (emerging market) to a Lottery website and enhance loyalty. This gaming software has been designed to allow licensed properties to be integrated into the game, in order for the Lottery to provide consumer added value to any licensed property they decide to market. To request a demo of this exciting breakthrough please contact TMRG Worldwide directly.



C+K GETS CT AD ACCOUNT. Cashman + Katz Integrated Communications has won a three-year contract for the Connecticut

Lottery Corp.'s advertising and public relations account. New Britain-based Cronin & Co. held the account for 14 years.



PEOPLE

After more than 34 years of public service for the state of California, Acting Lottery Director **Chon Gutierrez** announced that he will finally retire. Chon Gutierrez has worked for every governor since Ronald Reagan, holding key positions at some of the most prominent state agencies and departments. Some of the posts held by Gutierrez include: Acting Director of the California State Lottery (2004 -2005); Co-Director of the California Performance Review team; Interim Director of the Department of Motor Vehicles; Chief Assistant Secretary of State; Chief Financial Officer of the Business, Transportation & Housing Agency; Director of the California State Lottery (1987-1991); Undersecretary for the Youth and Adult Correctional Agency; Deputy Director of the Department of Finance; Director of the Office of Economic Opportunity; and Deputy Director of the California Youth Authority.



A global leader. your local partner

Ticker Communications, Inc. (TCI) announced that **Ray Michel** has been appointed to the newly created position of President. In addition to his current sales and marketing duties at the Winnipeg-based company, Michel will assume responsibility for day-to-day operations while working out of TCI's Indianapolis, IN and Las Vegas, NV offices. He will also serve as a member of the Board of Directors. The appointment became effective July 20, 2005.



VIDEO GAMING/RACINOS

PA GAMING BOARD OPENS REGISTRATION FOR DIVERSITY FORUM. The Pennsylvania Gaming Control Board opened registration for the first of two scheduled Gaming Diversity forums designed to promote the inclusion of women- and minority- owned businesses in the Commonwealth's emerging gaming industry. The first forum is scheduled for Thursday, Sept. 29, 2005, in the Fox- Gittis Room of the Liacouras Center on the Temple University campus in Philadelphia. A downloadable registration form for the daylong event is now available in English and Spanish on the Board's Web site, <http://www.pgcb.state.pa.us>. Registration instructions are on the form. The Board is also moving forward with its second planned forum, scheduled for Thursday, Oct. 27, 2005, on the campus of Duquesne University in Pittsburgh. Details of the Pittsburgh forum will also be announced as soon as they are completed.



OREGON VLTs PAYING OFF. Oregon's video lottery sales have climbed by 20% over the same time last year after slot-styled games were implemented in May. VLT

sales recently topped \$13 million, a weekly record. More increases could be on the way as the Lottery will soon begin installing new terminals using the latest software.



PENN NATIONAL SECURES MAINE OPERATORS

LICENSE. Penn National Gaming, Inc. announced that the Maine Gambling Control Board unanimously approved a final license for its subsidiary, Bangor Historic Track, to operate slot machines in Bangor. Maine regulators also voted unanimously to approve licenses for three key executives who will manage the facility. Penn National's Hollywood Slots facility is now under construction and the Company expects to commence operations with approximately 475 slots at this site in November. Plans for a permanent facility with up to 1,500 slots are also currently underway.

INTERNET/WIRELESS



WTO GIVES U.S. INTERNET GAMBLING DEADLINE. The World Trade Organization gave the United States until April 3 to comply with a ruling that a ban on Internet gambling services offered by Antigua violates the body's rules. US officials had sought a July deadline. WTO countries whose trade partners are found to have failed to implement dispute rulings can be authorized to impose sanctions, usually in the form of extra tariffs, on goods or services from the offending nations.

REQUESTS FOR PROPOSALS

SOUTH AFRICAN RFP. South Africa's Department of Trade and Industry has called for proposals to operate the South African National Lottery. Proposals are reportedly due by the end on November. The successful bidder will be announced in September, 2006.

NEW ZEALAND RFP. The New Zealand Lotteries Commission wishes to announce the launch of an open, international procurement process for the supply and delivery of printed thermal coated roll stock. NZ Lotteries objective in entering into this Request for Proposal (RFP) process is to select a supplier for the supply and delivery of printed thermal coated roll stock for GTECH Altura TM terminals using AccurTherm™ Supreme thermal printers. In order to participate in the RFP process, all interested parties

must contact Felicity Weller, Project Manager at NZ Lotteries, and provide the following details before any such party will be entered on the NZ Lotteries bidder register: Full name of company; Full physical and postal address of company; Phone number of contact person for the company; and Fax number of contact person for the company. The Request for Proposal documentation will only be sent to those parties entered on NZ Lotteries bidder register. All rules associated with the tender process for the supply and delivery of printed thermal coated roll stock to NZ Lotteries are contained in the Request for Proposal documentation. **Closing Date:** Friday September 9, 2005. **Contact Details:** Felicity Weller (Project Manager) NZ Lotteries; Phone: 64-9 356 3800 or 64-9 302 9567; Fax: 64-9 309 2608; email:felicity.weller@nzlotteries.co.nz

LOTTERY NEWS

RECORD CONTRIBUTION FOR FLORIDA. The Florida Lottery's contribution to the Educational Enhancement Trust Fund for FY '05 was a record-breaking \$1.1 billion, surpassing the previous year's record by more than \$50 million. Florida Lottery achievements in fiscal year 2004-2005 also include an all-time record high in total net sales of \$3.47 billion.



D.C. DAILY 6. D.C. Daily 6™ is the newest game in the Nation's Capital. Ticket sales began on August 28, 2005, and the game offers two plays for \$1 with a Bonus Ball, along with seven chances to win per play. Daily 6 replaces Quick Ca\$h™, which for the past six years has generated about \$4 million in revenue. The D.C. Lottery estimates that D.C. Daily 6 sales will reach nearly \$5 million annually and will not cannibalize dollars from other lottery games. D.C. Daily 6 operates on a 6:39 matrix plus a 1:33 Bonus Ball. By matching all six numbers, players have the chance to win the grand prize of \$250,000. The Bonus Ball does not apply to the top prize; however, it increases the amount of the lower tier prizes. The game launches Monday, August 29, at two agent locations.



MO LOTTERY HONORED. For the fifth consecutive year, the Missouri Lottery's Accounting division has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA certificate of achievement award is the highest form of recognition in the area of governmental accounting and financial reporting.

Please submit material for next week's Morning Report by Wednesday of this week to Toddpgr2@aol.com

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MORNING REPORT G2E & NASPL PROMO SPECIAL

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