

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

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

# INTERNATIONAL MORNING REPORT

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**LOTTERY FISCAL SUCCESS.** The **Florida** Lottery completed its third straight year of record sales, surpassing the \$12 billion milestone in money earned for Florida's education programs. The Lottery transferred \$926 million to education for fiscal year 2001/2002 - a new record. Net ticket sales for the 2001/2002 fiscal year were \$2.33 billion - \$56 million above 2000/2001. It was also the third year in a row the Lottery generated a billion dollars for education in just 13 months. The **Atlantic** Lottery Corporation (ALC) marked its 25th year of business by returning \$365 million in profit to Atlantic Canada, helping the provinces sustain their social, health, education and infrastructure programs. Atlantic sales for '02 topped \$963 million.

**WISCONSIN STARTS TV SHOW.** The Wisconsin Lottery just completed the first two episodes of the new and improved Super Money Game Show—it's off to a great start! The new show offers travel and merchandise prizes plus a top cash prize of \$100,000!

**SC ANNOUNCES POWERBALL DATE.** The South Carolina Lottery Commission approved an agreement to join 23 other states in the Powerball group. Powerball tickets will go on sale in South Carolina on October 5.

**WA LOTTERY DRAWINGS MOVE.** Washington Lottery drawings are making a prime-time move today. In preparation for the state's Mega Millions launch, online Lottery game drawings will be at 8 p.m. each evening. The new drawing time coincides with Mega Millions drawings each Tuesday and Friday in Atlanta, Georgia.

**MDI PARTNERS WITH NBA & WNBA.** MDI reached a licensing agreement with the NBA to create the first-ever NBA and WNBA-themed Scratch and Win Game Cards for government sponsored lotteries in the U.S. and Canada. The new multi-year agreement, which runs through September 2005, allows MDI to incorporate NBA and WNBA league and team names

and logos on lottery instant scratch tickets. MDI has already begun working with state and provincial lotteries and NBA teams to introduce the first games during the 2002-2003 NBA season. The Company expects to announce the first games shortly. In addition to cash prizes, the games will offer a variety of NBA and WNBA merchandise and experiences as secondary prizes.

**OHIO CONTRACTS WITH COLLEY.** Colley Corporations GameBanc Unit has been awarded a contract to provide Database Management Services to the Ohio Lottery. The contract is for a one-year initial term with a renewal option for two additional one-year terms. Work has already begun with the Ohio Lottery to fully implement this program by August 1, 2002.

**WILSON RECOMMENDS GTECH FOR CA.** California Lottery Director Joan Wilson announced the selection of GTECH Corp. as the "apparent successful bidder" for a six-year new gaming and telecommunications systems and services contract. Wilson's recommendation goes to the Lottery Commission on August 16, 2002 for final approval. If the Commission approves award of the contract, GTECH will provide a new integrated gaming system, retailer terminals and equipment, a statewide telecommunication network with associated network management components, and support services.

**DATAWEST CONTRACTS FOR BCLC PAYMENT OPTION.** Datawest Solutions entered into an agreement with the BCLC to offer debit payment options at BCLC's Retail Stores Group Lottery Ticket Centres. BCLC will offer Interac® Direct Payment (IDP) service, a convenient electronic payment solution, to its lottery customers at 130 retail locations throughout BC. IDP allows Canadians to make cashless purchases drawing money electronically from their bank accounts. Datawest's contract with BCLC is for a three-year renewable term to provide IDP processing services.

**POPEYE JOINS MDI.** Popeye the Sailor Man will be available for Lottery games in an agreement between King Features Syndicate and MDI. The agreement will enable government sponsored lotteries in the U.S. and Canada to build games and promotions using images of Popeye and the salty sailor's famous co-stars: Olive Oyl, Swee'Pea, Brutus and Wimpy.

**NEBRASKA MAY REDIRECT PROCEEDS.** The NE Governor has proposed that profits from the Nebraska Lottery, which are currently split between education and the environment, be redirected. The environment money may also begin being sent to the general fund to pay for litigation in the ongoing battle for Republican River water rights.

**NORTH DAKOTA PRO LOTTERY SPEAKS OUT.** The North Dakota Association of Counties urged the state legislature to adopt a lottery. Representatives pointed out that all the states surrounding North Dakota--Montana, South Dakota and Minnesota -- as well as

Canadian provinces, offer lotteries that many North Dakotans spend money on. Currently, supporters of the petition drive to put a state lottery on the November ballot are scrambling to get the required 25,688 signatures by the August 7 deadline. The petition is asking for voters to put the issue of a state Powerball or some other multi-state lottery on the ballot.

#### **INDIAN TV TO FEATURE LOTTERY GAME SHOWS.**

India-based Zee Telefilms plans to launch two new lottery game shows in August. Each week the two game shows will highlight the group's online lottery venture. The UK-based format-company Chatterbox has developed both the game shows for Zee.

**DANISH LOTTERY TO OFFER MORE PITSTOP CAFÉ OUTLETS.** Dansk Tipstjeneste entered into a contract with Australia's Structured Data Systems (SDS) to extend the SDS Trackside™ animated racing game to over 50 PitStop cafés and other outlets throughout Denmark this year and next. Following its success in Australia and Denmark, SDS is now offering this game to lotteries in Europe and North America. In the USA and Canada Trackside is branded Racetrax™, and it will be shown at both NASPL '02 Baltimore in October and WLA 2002 Adelaide in November.

**KANSAS RETAINS BE&P.** The Kansas Lottery has chosen Barkley Evergreen & Partners, Inc. to remain 'agency of record' for another 6 years. With this agreement, BE&P will continue to provide advertising and marketing support for all Kansas Lottery games. This support includes all strategic planning, creative development and media implementation.

**GEORGIA LOTTERY STAYS PUT.** Cousins Property has locked the Georgia Lottery into a 10-year renewal at the Inforum in downtown Atlanta, where the Lottery occupies about 125,000 square feet.

#### **SCI-GAMES REPORTS SECOND QUARTER.**

Scientific Games Corporation second quarter financial results (ending 6/30/02): Revenues for the second quarter of 2002 were \$114.3 million compared to \$112.6 million for the second quarter of 2001. EBITDA was \$31.6 million in the second quarter of 2002 an increase of 11% over 2001's 2<sup>nd</sup>. Net income available to common stockholders was \$6.5 million or \$0.12 per diluted share in the second quarter of 2002.

**ILTS REPORTS PROFIT FOR FY02.** ILTS announced results for the 12-month fiscal year ending April 30, 2002, and the four-month transition period ending April 30, 2001. For 2002, revenues were \$18.2 million compared to \$24.1 million for the prior full fiscal year ending December 31, 2000. The Company posted net income of \$1.3 million or \$0.10 per share for fiscal 2002, compared with net income of \$2.6 million or \$0.20 per share for the 12-month fiscal year ending December 31, 2000.

**NEW MEXICO EXTENDS INTERLOTT.** Interlott received a three-year contract extension from the New Mexico Lottery for the lease, maintenance and service of its Instant Ticket Vending Machine (ITVM) network. The original five-year contract, which expired on May 21, 2002 will now run through May 21, 2005.

**IGT HELPS RAISE AWARENESS OF RESPONSIBLE GAMING.** IGT will join with other gaming companies nationwide in sponsoring the fifth annual Responsible Gaming Education Week Aug. 5-9. The event is designed to heighten awareness of responsible gaming and disordered gambling among employees, customers and the general public. IGT's support of research into problem gambling includes a \$400,000 contribution to NCRG for research, \$94,000 in contributions to the National Council on Problem Gambling and other regional organizations, sponsorships for responsible gambling conferences and events, and problem gambling awareness promotions for employees.

**TEXAS LAUNCHES NEW CASH FIVE.** Sales for the Texas Lottery's newest game – Cash Five – began last week. The first drawing for the daily game was held on Monday, July 29. The games 5:37 matrix, with prizes for matching as low as two numbers, results in 1-in-8 odds – a great chance of winning. The Lottery is projecting a 10-percent increase in sales with the new game.

**INTERNET KENO LAUNCHED.** Interspace Enterprises' online entertainment business, Planetlotto.com, has introduced a new lottery-style flash game, Keno, to add to its stable of Lottery, Bingo and Scratch-card games. Planetlotto Keno allows wagers of \$0.25, \$0.50, \$1.00, \$2.00, \$5.00 or \$10.00, and players can select up to 10 numbers.

**TATERSALL'S AWARDS RETAILERS.** Tattersall's gathered its retailers together last week at the Melbourne Town Hall to celebrate 30 years of Tattslotto as part of their Annual Lotteries Meeting and Awards Presentation. More than 400 Lottery staff and retailers attended the annual event, which gave the Lottery a chance to recognize the outstanding efforts of its retailers. More than 100 award certificates were presented to deserving winners.

**RI EXTENDS OGT.** The Rhode Island Lottery has signed a one-year contract extension with OGT, exercising all of the extensions in the contract executed in August 1998. Under this new extension, the Lottery plans to increase their number of game orders to utilize OGT's printing capabilities.

**KENTUCKY EXTENDS WITH SCHAFFER.** The Kentucky Lottery recently extended two of its contracts with Schaffer Systems for an additional year. The contract for Attention Grabbers has been extended through August 13, 2003 and the contract for Instant Ticket Dispensers and Accessories has been extended through August 16, 2003.