

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

Public Gaming Research Institute Inc.'s

**INTERNATIONAL**

# MORNING REPORT

Your weekly supplement to  
*Public Gaming International Magazine*  
December 8, 2003

**HOT OFF THE PRESSES.** PGRI announces two industry conferences. Please mark your calendars now to attend and participate in the Institute's **SMART-Tech 2004** meeting at the Peabody Hotel, Memphis, Tennessee, Feb. 6-9; and our **combined ILAC Congress and Lottery Expo 2004**, June 28-July 2, Loews Miami Beach Hotel, Miami Beach, Florida.

**ND CHOOSES SCI-GAMES.** The North Dakota Lottery Advisory Board voted last week to select Scientific Games as the state's lottery vendor. The decision will not become final until other tenders have been given a chance to dispute the decision. Scientific Games will supply the lottery 325 ticket terminals, computer hardware and services needed to sell Powerball tickets, and in exchange will receive 8.98% of ticket sales. The state also has permission to enter two other multistate lottery games, Wild Card 2 and Hot Lotto. The state hopes to launch Powerball by April 1.

**TX LAUNCHES MEGA MILLIONS.** Texans lined up last Wednesday for their first chance at the Mega Millions multi-state lottery game and a shot at the \$44 million jackpot. Tickets began selling at 6 a.m. CST at more than 16,000 retailers statewide. As of 4:30pm the day's sales figures for Lotto Texas and Mega Millions were: Lotto Texas – more than \$978,798; and Mega Millions – over \$627,984 (\$121,014 in sales was for the Megaplier™).

**LA REVENUE REACHES \$4 BILLION MILESTONE.** The Louisiana Lottery Corporation has reached \$4 billion in revenue since it began operations 12 years ago. Revenue for October totaled over \$30.4 million, bringing the Lottery's total revenue since inception to \$4,022,236,033. The total equates to more than \$1.4 billion being transferred to the state's treasury, \$10.6 million of which was transferred as a result of October's revenue.

**GOV. TIPS HAT TO PA LOTTERY.** Pennsylvania Governor Edward Rendell signed legislation expanding the 'PACE/PACENET' prescription-drug plan for older Pennsylvanians by more than 115,000 people. The



[Click Here for a PDF](#)

expansion is the largest in PACE's history. Governor Rendell cited the continued success of the Lottery as a major factor allowing the expansion of PACE and PACENET. Lottery sales reached a record \$2.13 billion in 2002-03, an increase of 10% from the prior record and the largest jump in 19 years.

**IL RETAILER LEAP.** The Illinois Lottery entered a new era of communication and commitment when it held two well-attended retailer meetings in November. About 1,200 retailers attended the two "Lottery Excels At Partnership" (LEAP) meetings on Nov. 12 and Nov. 20. The retailer LEAP meetings are believed to be the best attended in industry history, and were bolstered by eight \$25,000 prizes given away at the gatherings (four prizes per meeting). Illinois Lottery Superintendent Carolyn Adams and a panel of industry experts provided attendees with a glimpse of upcoming changes to the Lottery's product lines. In addition, Lottery officials heard first-hand numerous suggestions from retailers on ways to improve everything from ticket design to product distribution and point-of-sale strategies. The two LEAP meetings are the first of a series of on-going meetings designed to improve communication and strengthen the Illinois Lottery's retail partnerships.

**DC LAUNCHES POWERBALL SUNDAY.** The DC Lottery and MUSL have teamed to offer a new promotion POWERBALL® SUNDAY. DC Lottery players will have a chance to win a super trip to experience pro-football's biggest weekend, January 30, 2004 through February 1, 2004. To enter, the players must purchase a single ticket with \$5 worth of Powerball and \$5 worth of Power Play. Four prize packages each valued at \$26,000 will be awarded. Each includes airfare for two to Houston, an invitation to attend the "Lynn Swann MVP Party" Saturday night prior to the main event, \$500 spending cash per couple, and a commemorative leather jacket.

**MD LAUNCHES HOLIDAY MALL TOUR.** The Maryland State Lottery began its traditional shopping mall tour last week to showcase how the agency benefits the citizens of Maryland through its contributions to the state's General Fund. The exhibit features a 20-foot showcase and an exciting array of Lottery games including holiday-themed scratch-off tickets. Lottery officials were on hand to answer questions about Lottery facts and figures and to register shoppers for free Lottery VIP Club memberships. Shoppers also enjoyed playing the Lottery's "Spin & Win" wheel for a host of prizes, including Lotto gift subscriptions, scratch-off tickets, and holiday goodies.

**IL LAUNCHES PICK 3 PROMO.** To celebrate this year's holiday season, the Illinois Lottery is offering Pick 3 players a chance for two sets of winning numbers for every drawing. For every Pick 3 game drawn in December, the Lottery will hold a special Double Draw promotional drawing with ten white and one green ball. If the green ball is selected, the Lottery will hold an additional Pick 3 drawing and will pay out on both sets. If a white ball is selected, it will not be included in the next promotional drawing. Removal of the white balls will continue until the green ball is selected.

**BCLC CANUCKS TICKET STILL SCORING.** The BCLC scratch ticket featuring a number of popular Canuck players has been a huge success for the Lottery and the NHL team. The original 400,000 tickets were sold out in the first three weeks of October. Another 200,000 tickets were produced, and now there are only a few hundred left. Sales have been 50% higher than projected.

**VLT LOOPHOLE.** A report stated that bars in New Brunswick are getting around provincial limits on the number of VLTs they can have by obtaining multiple liquor licenses. New Brunswick regulations allow a bar or restaurant with a valid liquor license up to five machines, but one restaurant in Saint John has 34 VLTs in one building by operating each room as a separate business, with its own owner and own liquor license. Two other establishments have been reported as holding multiple licenses for the same purpose. The government is reviewing its VLT policy to see if a rule change is necessary.

#### **NSW LAUNCHES LORD OF THE RINGS**

**SCRATCHER.** The anticipation is mounting for the movie release of the final installation in the Lord of the Rings trilogy. In the lead up to the movie premiere, NSW Lotteries fans can treat themselves to a preview of the stars following the release of a series of instant games featuring all 12 major characters from the epic movie. The 2 'Lord of the Rings - The Return of the King' instant games gives players the chance to win up to \$100,000 and also collect the twelve different tickets depicting the major characters including Frodo, Gandalf the White, Aragorn and Legolas.

#### **VIETNAM TO LAUNCH RECEIPT LOTTERY.**

Vietnam's Ministry of Finance's General Department of Taxation plans to introduce a retail receipt lottery. The government, who sent officials to China to study their receipt lottery, will offer prizes between VND5,000 and VNC 1 million.

### **COMPANY ANNOUNCEMENTS**

**AFL SIGNS WITH MDI & SGI.** The exciting action of the Arena Football League (AFL), the nation's fastest-growing sports league, will be available for lottery games and promotions, due to a deal signed by Scientific Games and its wholly-owned subsidiary MDI Entertainment. The retail licensee partnership is a three-year deal. Under the terms of the agreement, lotteries will be able to market instant scratch tickets featuring the logos, themes, marks designs and colors of the Arena

Football League or, with their approval, specific AFL teams and special events, available at lottery retailer outlets. 2004 Arena Football League teams include: Arizona Rattlers, Austin Wranglers, Carolina Cobras, Chicago Rush, Colorado Crush, Columbus Destroyers, Dallas Desperados, Detroit Fury, Georgia Force, Grand Rapids Rampage, Indiana Firebirds, Las Vegas Gladiators, Los Angeles Avengers, New Orleans Voodoo, New York Dragons, Orlando Predators, Philadelphia Soul, San Jose Sabercats, Tampa Bay Storm.

**ESSNET SIGNS WITH NORSK TIPPING.** EssNet Interactive has signed a contract to provide a new, state-of-the-art IVT system to Norsk Tipping. In order to replace the slot machines with less aggressive VLTs, and to control under-age gaming and limit the risk of game addiction, the government has given Norsk Tipping the exclusive right to operate VLTs in Norway. Under the terms of the contract, EssNet will deliver 10,000 terminals, a central system and games.

**INTRALOT'S LOTROM HONORED.** The Chamber of Commerce and Industry of Romania announced that Lotrom, Intralot's subsidiary, was awarded the 2<sup>nd</sup> place at the "Top of the Firms" business competition among the best-performing companies of 2002.

#### **OGT RECEIVES ISO 9001:2000 CERTIFICATION.**

OGT is pleased to announce that its Canadian facility, located in Montreal, has received the ISO 9001:2000 certification. The ISO certification provides quality assurance and guarantees consistency in process management. ISO 9001:2000, which is the upgraded standard, not only testifies to the company's capacity to efficiently manage the documentation of its systems, but also confirms the company's competency in mastering its process.

#### **SCIENTIFIC GAMES SIGNS WITH BREEDERS' CUP**

**LIMITED.** Lotteries throughout North America now have a unique opportunity to offer their players themed lottery games and promotions tied to horse racing's biggest event – the Breeders' Cup World Thoroughbred Championships, held every October at a different North American racing venue. The games and promotions are available exclusively through MDI. The agreement with Breeders' Cup Limited makes Scientific Games the representative to negotiate license agreements on behalf of government-sponsored lotteries authorizing the use of the name, marks and logos of Breeders' Cup Limited, including its associated race names: the Breeders' Cup Distaff – Presented by Nextel; Breeders' Cup Juvenile Fillies; NetJets Breeders' Cup Mile; Breeders' Cup Sprint; Breeders' Cup Filly and Mare Turf; Bessemer Trust Breeders' Cup Juvenile; John Deere Breeders' Cup Turf; and the Breeders' Cup Classic – Powered by Dodge. The exclusive agreement extends through June of 2005.

**Submit material for next week's Morning Report by  
Wednesday of this week to [Toddpr2@aol.com](mailto:Toddpr2@aol.com)**

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## YOUR INVITATION TO SMART-TECH 2004

Co-Hosts: Public Gaming Research institute, Inc.  
And the Tennessee Education Lottery Corporation  
February 6-9, 2004  
Peabody Hotel, Memphis, TN

Dear Lottery Associate:

PGRI's SMART-Tech is always an important forum for promoting ideas to make the lotteries more successful. Again this year, PGRI will strive, especially, to make SMART-Tech 2004 a springboard for lotteries to see new ways to help their states close the gap between budgetary needs and serious shortfalls in traditional state revenues. From cutting edge ideas to better application of well know concepts, SMART-Tech will help lotteries and suppliers look ahead and be more successful.

Revenue growth comes in many forms including, expansion of product offerings based on successes elsewhere, improved marketing of existing products, improved retailer sales strategies, improved advertising, reduced operating costs and the addition of products new to the lottery industry. All of these strategies for growth will be explored by the experts participating in the program.

We look forward to your contribution to helping the lotteries grow by participating in SMART-Tech 2004.

A SMART-Tech registration form is enclosed with this note. I encourage you to register for the conference and to make your hotel reservations before the holidays begin - the cut-off for hotel rooms is early January. Please complete the form and fax it to PGRI at 800-657-9340 or 425-415-2125. Or, alternatively, e-mail the information to [sburke@publicgaming.org](mailto:sburke@publicgaming.org). The direct dial number for the Peabody Hotel is 901-543-5333.

If you have questions or need help with your registration or hotel reservations, you can call PGRI at 800-493-0527 or 425-765-4119 or call me personally at the numbers listed below.

We hope to see you at SMART-Tech 2004 at the Peabody Hotel in Memphis, Tennessee, February 6-9.

Sincerely,



Duane V. Burke  
President & CEO

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SMART-TECH 2004  
Memphis, TN

## SMART-Tech 2004 Registration Form

Co-Sponsored by Public Gaming Research Institute and the Tennessee Education Lottery Corp.  
February 6-9, 2004 • Peabody Hotel • Memphis, TN

### Conference Registration Fees and Information:

Complete registration form below and return by fax to **800-657-9340** or **425-415-2125**. Alternatively, you may register via e-mail by providing the same information to the following e-mail address: [sburke@publicgaming.org](mailto:sburke@publicgaming.org). For more information and assistance, please call PGRI at **800-493-0527** or **425-765-4119**. Payment is accepted by check or credit card. Checks must be in U.S. funds made payable to Public Gaming Research Institute, 218 Main St., Suite 203, Kirkland, WA 98033.

**No refunds after January 6th.**

**Fax back to Public Gaming Research Institute at 800-657-9340 or 425-415-2125**

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Title: \_\_\_\_\_ First Name for Badge: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State/Province: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_ Country: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Spouse's Name, if attending: \_\_\_\_\_

### Category (check one):

Vendor \$895

Lottery/Government (No Charge)

Method of Payment:  Check

AMEX

MasterCard

Visa

Credit Card #: \_\_\_\_\_ Exp.: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name (as it appears on card): \_\_\_\_\_

### Hotel Reservations:

Make room reservations directly with the Peabody at **901-543-5333**. Be sure to mention SMART-Tech for discounted room rates. **Deadline for discounted hotel rate is January 6, 2004.**

## Public Gaming Research Institute

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