

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

Public Gaming Research Institute Inc.'s

INTERNATIONAL MORNING REPORT

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PLAN TO BE THERE. Please mark your calendars now to attend and participate in the Institute's **combined ILAC Congress and Lottery Expo 2004**, June 28-July 2, Loews Miami Beach Hotel, Miami Beach, Florida.

QUINN STEPS DOWN IN NE. James Quinn resigned as director of the Nebraska Lottery on Wednesday, February 18. He stepped down in spite of being cleared of wrongdoing in a recent investigation. Quinn stated that it was, "probably time to move on." Initially, Quinn had asked for his resignation to be affective immediately, but State Tax Commissioner Mary Jane Egr requested that he stay on until April 16, to assist with the transition from the state's current online vendor to Intralot USA.

TELC CHOOSES POWERBALL, ONLINE AHEAD OF SCHEDULE. The Tennessee Education Lottery Corporation announced that it will be joining Powerball in early summer. TELC also announced that they are once again ahead of schedule, as the Lottery plans to launch Pick 3 on March 1st, 19 days ahead of the projected date of March 20th. The lottery also unveiled two new instant games – Shamrock Green (\$2) and Money Bags (\$1).

NO LULL IN SALES FOR TELC BORDER STATES. At least initially, the launch of the Tennessee Lottery isn't hurting lotteries in surrounding states. The Kentucky, Georgia and Virginia Lotteries have all seen a rise in sales since the TELC's January 20th launch. The KLC saw sales for the week of Feb. 8 jump \$1 million over the same period last year. The GLC had its highest sales week in over a year-and-a-half over the same time period, and The Virginia Lottery experienced a \$5 million rise in sales over the same week (Feb. 8) last year.

WA BILL WOULD LEGALIZE PHONE/INTERNET BETS. Washington horseplayers could bet by phone or over the Internet under a bill passed last week by the state Senate. Senate Bill 6481 is aimed at helping the state's struggling racing industry, essentially by



legalizing wagers that are currently being made illegally over the Internet. Neither tracks nor the state make any money from such bets. The bill would also expand Emerald Downs' authorization to simulcast live horse races from tracks in other states and allow two more off-track betting parlors in King County. The bill passed 38-10. The bill now goes to the House.

ALC LAUNCHES REDESIGNED SITE. On Monday, February 16th, Atlantic Lottery launched its redesigned web site. The look is new but more importantly, the content and services have been improved to better serve players. The redesign will enhance the features that players are already used to. One exciting aspect of the redesign is the site's ability to deliver winning numbers to players' wireless phones and hand held wireless devices. Also, group players now have access to a group play form and jackpot and winning numbers form available for printing from the site. Other new sections highlight how ALC impacts the community and what every player should know about playing ALC games responsibly. Check it out at: <http://www.alc.ca/>.

ID SPONSORS TICKET DESIGN CONTEST. In an effort to continue the mission to benefit Idaho's schools, the Idaho Lottery is offering a chance for college students to earn a scholarship through the newly organized "Student Scratch Ticket Design Contest." This preliminary trial of the program is offered at Boise State University but the "Student Scratch Ticket Design Contest" will be available to colleges statewide in the future. Students will create a scratch ticket that could be used for the Lottery. Tickets will be judged on creativity, visual appeal, play style and overall marketability. Three students will receive awards: 1st Place – \$1,000 scholarship; 2nd Place – \$500 scholarship; and 3rd Place – \$100 scholarship. The deadline for all entries is 5 p.m. March 19, 2004. Lottery personnel will notify the winners the week of April 5, 2004.

TLC HONORED WITH TELLY. The Texas Lottery Commission has won two prestigious awards for one of its in-house video productions. The agency was recognized for its "Lottery Promotional Video" in two categories of the "Special Anniversary Classic Telly Awards" competition. The 5-minute video won awards in the "Public Relations" and "Corporate Image" categories. The video was produced in-house by the Lottery Commission's Media Relations Division, which is headed by Director of Media Relations Bobby Heith. Philip Bates served as producer and editor, and Glenn Hill served as contributing videographer for the winning video.

SCHOOL FILMS LOTTERY COMMERCIAL FOR FREE. Students and faculty members from Watkins

Film School, part of Watkins College of Art & Design, shot a public service announcement about Lottery scholarships for the TELC last week. The school is doing the work, valued at \$15,000 to \$20,000, for free, and the 30-second spot will start airing in March.

NJ MOVES TO STOP RACINOS IN THEIR TRACKS.

State officials and Atlantic City casino reps are close to signing a deal that would make racinos illegal for the next four years. The deal includes provisions that would send between \$20 mil-\$25 million to racetracks to supplement prize money.

JAMAICA SEES INCREASE IN SALES. Supreme Ventures Limited (SVL) and the Jamaica Lottery Company have seen a three per cent increase in total lottery sales. Together, the companies recorded sales of \$12.7 billion, up from \$12.4 billion the previous year. Even with the increase, Supreme Ventures saw a slight dip in revenue, from \$11.08 billion in 2002 to \$11.07 billion in 2003. The dip is mainly attributed to the country's tax on winnings, which ended in December.

BULGARIA LOOKS AT RECEIPT LOTTERY. Bulgaria is considering a receipt or VAT (value added tax) lottery. The country's General Tax Directorate is creating a VAT bill that would require all retailers to provide a receipt with every purchase. Prizes for the VAT lottery will reportedly include TV sets, washing machines and a car.

LIBERIA UPS LOTTO JACKPOT. The Liberian National Lotteries has increased the first division prize for its pick 5 Lotto game from L\$300,000 to L\$500,000. The move was meant to encourage the public to play Lotto.

COMPANY ANNOUNCEMENTS

DE LOTTO TO SELL PINK PANTHER. De Lotto in the Netherlands this month becomes the first lottery outside the United States to introduce an instant scratch game featuring images of the world famous cartoon icon, The Pink Panther. The Pink Panther game is the first MDI-licensed property game to be sold in the Netherlands. Fun-filled graphics of the Pink Panther character in four different poses, along with a bonus game featuring the Inspector from Pink Panther's animated movies, highlight the scratch game of De Lotto. The tickets have a top prize of €10,000 and are priced at €1.25. 1.2 million tickets for the game were printed at Scientific Games' Alpharetta, Georgia facility.

ESSNET SIGNED BY SCHLESWIG-HOLSTEIN.

EssNet has signed a contract with NordwestLotto Schleswig-Holstein, Germany, to supply 950 E6 terminals. The agreement includes delivery of terminal hardware and software, training and project management. Also, a four-year maintenance and services agreement is included. The rollout will start in August 2004 and is scheduled to be finalized in March 2005.

GTECH OPEN HOUSE. GTECH has approximately 100 open positions in Rhode Island (mostly technology jobs), and is looking to fill about 300 positions over the

next year. GTECH is planning a daylong job fair, or what it terms a technology "**open house**" on Feb. 26 at the Rhode Island Convention Center in downtown Providence.

INTRALOT, MALTCO LOTTERIES AWARDED

MALTA CONTRACT. Intralot is 73% shareholder in Maltco Lotteries, the new National Lottery of Malta. The Malta operation will be based on a mixed license model, whereby the state collects an up front fee for the license (Lm8 million) and also receives a percentage of revenue from the games. Maltco Lotteries will be making a total investment of approximately Lm13 million over the seven-year period and will upgrade all current games and introduce new ones by the end of the year.

SCHLESWIG-HOLSTEIN SIGNS INTRALOT.

Following an international tender, INTRALOT signed a 5-year contract with the German State Lottery of Schleswig-Holstein "NORDWESTLOTTO STAATLICHE LOTERIE DES LANDES SCHLESWIG HOLSTEIN" for the supply of 200 (with an option for additional 200 units) state-of-the-art CORONIS TC terminals plus maintenance services. The CORONIS TC terminal is the latest product of CORONIS family of products, designed for self-service function by the players, since it is checking players' winning tickets through the on-line network connected with the Lottery's central system. The terminals will be installed within the 4th quarter of 2004.

LOTTERY PEOPLE

Camelot has hired former BBC World head of marketing and communications **Liz Warner** for the newly created role of head of publicity. Warner will take up the post in April. Warner comes to Camelot from Fremantle Media - formerly Pearson Television - where she is head of corporate communications, responsible for generating publicity for shows including Pop Idol and American Idol. Warner will lead Camelot's core publicity function within the company's communications division and report to head of corporate communications Mark Galagher.

Robert J. Laird, a founding official of the Maryland State Lottery who created some of the early games and directed its marketing and advertising, died of cancer on Friday, Feb. 13. He was 75. He was the first person hired by Stanley S. Fine, the original director of the Maryland Lottery. Laird helped set up the lottery's first draw, and also helped start components of other games, including the first 50-cent weekly game, the daily pick-three and pick-four games, a 1976 computerized system and, in the early '80s, a rollover jackpot for Lotto. In 1985, Laird was named the lottery's chief deputy director while retaining his title as director of marketing. He was also a consultant to other states setting up lotteries. He retired 10 years ago and founded RJL Marketing.

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