

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*  
January 12, 2004

**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.

**TN WORKS OVERTIME TO START 3 WEEKS EARLY.** The Tennessee Education Lottery Corporation will begin selling games for its new lottery on Jan. 20, three weeks ahead of schedule. The earlier start should produce an extra \$15 million to \$20 million in revenue to fund college scholarships. Critical needs, including security and software, will be ready and tested for the launch. But some other things, such as permanent phone lines for sales representatives, won't be in place by Feb. 10. TELC employees have been working a reported 14 to 16 hours per day, seven days a week in an attempt to meet their start-up goal. They worked right through the holidays, only taking Christmas Day off. In the end, the Lottery will have 3,000 retailers up-and-running by February 10<sup>th</sup>.

**PA SETS NEW ONE-WEEK RECORD FOR INSTANTS.** The Pennsylvania Lottery had record instant games sales of \$30,293,262 the week of December 23 through 29. The sales week topped the old record of \$25,820,287, set December 16 - 22, 2003, by \$4,472,975, or 17.3 percent. Of the Lottery's 30 best instant sales weeks since its inception, 18 have occurred since the beginning of the fiscal year, July 1, 2003. Six of the top ten instant sales weeks have occurred in November and December, 2003. Instant games sales for the current fiscal year totaled \$462,542,865 through week 26, which ended Monday, December 29, 2003. These sales represent a \$79,160,055 or 20.6 percent increase over last fiscal year's sales through week 26, \$383,382,810.

**OH PROFITS RISE.** Ohio Lottery profits for the first six months of the fiscal year are approximately \$12 million higher than the same six-month period last year.



Despite the profit-rise, these numbers are 1-percent lower than what the budget called for, but there's six months left to make up the difference.

**IA BILLBOARDS GO HIGH-TECH.** The Iowa Lottery is using state-of-the-art solar technology to advertise jackpots on a number of billboards throughout the state. The solar-powered billboards allow the lottery to electronically update the jackpot numbers by satellite from a central location.

**SCEL TURNS 2.** The South Carolina Education Lottery passed the two-year mark last week. The Lottery, which sold its first tickets Jan. 7, 2002, has grown from four scratch-off lottery games to several dozen and four numbers games - Pick 3, Pick 4, Carolina 5 and Powerball. Since the games began, more than \$1.5 billion in tickets have been sold, providing more than \$429 million to pay for scholarships and education programs

**MO TO HELP "LOTTERY CAPTAINS".** Missouri Lottery players can access a variety of "Lottery Captain" forms at [www.Molottery.com](http://www.Molottery.com) that will help them manage their group-play activities. To access the "Lottery Captain" tools, players simply need to click on this link in the "My Preferences" section and create or sign in to their existing My Lottery account. From there, they will be able to take advantage of new printable jackpot alert signs, winning number forms and forms to help keep track of who played for how much on which date. And if the group likes to play every week or only after the jackpot reaches a certain amount, Lottery Captains can choose the amount at which they'd like to begin receiving jackpot alert messages via e-mail. Lottery Captains also can share a little information about their team, how much they've won, how often they like to play, etc.

**ONTARIO MEDIA TEAM WITH LOTTERY.** Toronto media personalities are taking their favorite charities for a ride, but it's the charities that will win up to \$15,000 with the ONTARIO INSTANT MILLIONS MEDIA CHARITY CHALLENGE! The charity challenge will feature Toronto Media personality contestants playing a version of a scratch and win game, with each guaranteed to win at least \$2,000 and as much as \$5,000 for a favored charity. Ontario Instant Millions tickets, and information on how to win the trip on the Orient Express, are now available province-wide at more than 10,000 lottery retailers, and on the OLG website ([www.OLGC.ca](http://www.OLGC.ca)).

**PA JOINS AMBER ALERT.** More than 6,500 Pennsylvania Lottery online retailers have joined the

state's effort to find abducted children, as the state announced the broadening of Pennsylvania's Amber Alert Plan through a new partnership between the Pennsylvania Lottery and the State Police. When the State Police activate an Amber Alert on a statewide or regional basis through the Emergency Alert System, Scientific Games and the Lottery's Security Division will receive information regarding the abduction. Upon reception, Scientific Games will send a message to all Lottery terminals within the designated region, notifying retailers that the Amber Alert Plan has been activated. LED will be immediately re-programmed to display information about the abduction, including details about the victim, the suspect and, if available, the suspect's vehicle. Retailers will also be instructed to print copies of the Amber Alert message from their Lottery terminals. Retailers will distribute copies of the Amber Alert message to customers.

**COMMUNITY HITS THE JACKPOT.** The community of South Euclid, Ohio, was a big Mega Millions winner. Rebecca Jemison, winner of a \$67 million lump-sum Mega Millions jackpot has brought \$1.4 million in taxes to her cash-strapped community as a result of her win. The tax-money has more than erased the community's \$1 million deficit, and allows it to re-hire at least two of eleven people laid-off two weeks ago.

**BUSCH OPPOSED TO SLOTS.** Maryland House Speaker Michael E. Busch is continuing to stand in opposition to VLTs. The Speaker and Gov. Robert Ehrlich are currently no closer to resolving differences on how to close a projected \$700 million gap in the state's budget than they were last year, when Ehrlich's VLT plan was killed. In Dec., Ehrlich said that he intends to reintroduce his gaming machine bill.

**WV SIGNAGE UPDATE.** There's been a slight change in the signage issue that the West Virginia Lottery is going through with its video lottery establishments. Signage advertising gaming machines or using other gambling references are still forbidden, unless the establishment sells other Lottery games in addition to VLTs. If a video establishment sells other games, they are allowed to put up Lottery issued signage promoting those games. The West Virginia Lottery Commission shut down video lottery terminals at businesses that advertised them with outdoor signs last week. One hundred and forty-seven machines at 33 stores were put out of service.

**MANITOBA TO LAUNCH AGGRESSIVE MARKETING CAMPAIGN.** Manitoba Lotteries is planning to launch an aggressive marketing campaign targeting rural Manitobans and gamblers in other provinces in order to grow VLT and casino revenues. A smoking ban in Winnipeg public places has been labeled the cause of a 20% drop in VLT revenue, and an 11% drop in casino revenue.

**WY LEGISLATORS TAKE SHOT AT MULTI-STATE.** Wyoming Legislators are renewing attempts to get the

state to join a multi-state lottery. The new bill, House Bill 20, is virtually identical to House Bill 160 that died on General File in the House in the 2003 general session. It's been estimated that joining a multi-state would generate approximately \$3 million to \$4 million per year. Proceeds would benefit senior centers around the state, and a Game and Fish trust fund.

**MANITOBA VLTS TO FEATURE RESPONSIBLE GAMING.** The Manitoba Government plans to spend millions of dollars on new VLTs containing responsible gaming' software. The VLTs can update players on how much time and money they're spending at the machines. Also, the software will allow for things such as responsible gaming messages to scroll across the screen.

**CHINESE LOTTERY PICKS WIN WIN FOR NEW GAMES AND SHOW.** Win Win Gaming Inc. has entered into an exclusive agreement with the Shanghai China Welfare Lottery to develop new Instant Ticket lottery games and a new TV lottery game show to be marketed throughout the Shanghai region. Sande Stewart Television Inc., a leading U.S. television lottery game show production company has been retained by Win Win to produce the TV show.

**SAZKA REPORTS RECORD PROFITS.** SAZKA recorded a record after-tax profit of Kc1.4bn last year, an increase of nearly Kc200m over the previous year. Sales from lotteries exceeded Kc8bn for the first time and were more than Kc500m higher than in 2002. Sales were also helped by growing revenues from credit recharging via online Sazka terminals.

**CAMELOT TO DISPERSE BLUE PLAQUES.** Camelot plans to send tens of thousands of National Lottery plaques across the UK, starting next year, in an effort to show how money raised by the Lottery has helped communities across the country. The Lottery will parcel-out the first 10,000 blue, oval-shaped plaques in January.

**MAGNUM TO LAUNCH INDONESIAN LOTTERY.** Malaysia's Magnum Corporation has obtained a license to operate gaming in Indonesia. Magnum Investment Ltd. has been appointed as the sole manager for the development, management, marketing and promotion of a draw known as "*the Sports Welfare Game*" in Indonesia, which is expected to be launched in the first quarter of 2004.

#### **LOTTERY PEOPLE**

Police Maj-Gen **Surasit Sangkhathong** is now heading Thailand's Lottery. Mr. Sangkhathong is part of Prime Minister Thaksin Shinawatra's plan for the GLO to take a leading role in its high-profile crackdown against illegal number lotteries.

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



December 15, 2003

Dear Lottery Associate:

It is with great pleasure that I invite you to attend SMART-Tech 2004 in Memphis, Tennessee, **February 6-9**. I have co-hosted SMART-Tech conferences with Public Gaming Research Institute in past years, but this year is special for me because we are about to start the exciting, new Tennessee Education Lottery!

As the newest lottery in North America, the Tennessee Education Lottery will have the benefit of the latest and best in lottery products, services and technology and we will be happy to share our experiences with you. But I will also look forward to hearing the experiences and smart ideas that you are willing to share. Probably like yourselves, I always come away from SMART-Tech with ideas that I can apply to increase revenues. So, be sure to take advantage of this great learning and sharing opportunity.

We look forward to seeing you in Memphis for SMART-Tech and to help us celebrate the start of the Tennessee Education Lottery.

Sincerely,

Rebecca Paul  
President and CEO



## Public Gaming Research Institute, Inc.

218 Main Street, Suite 203, Kirkland, Washington 98033 USA  
Home Office: (425) 653-1253 • Fax (425) 378-2748 • Cell (425) 985-3157  
[www.publicgaming.org](http://www.publicgaming.org) • [duaneburke@aol.com](mailto:duaneburke@aol.com)

### **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

December 15, 2003

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 **January 6**. 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 **901-529-4000**.

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,

A handwritten signature in black ink that reads 'Duane V. Burke'.

Duane V. Burke  
President & CEO

[duaneburke@aol.com](mailto:duaneburke@aol.com)  
[www.publicgaming.org](http://www.publicgaming.org)  
Tel.: 800-493-0527  
Mobile: 425-985-3157



**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**. 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 **901-529-4000** or **1-800-PEABODY**. Be sure to mention SMART-Tech for discounted room rates. **Deadline for discounted hotel rate is January 6, 2004.**

### Public Gaming Research Institute

Phone: 800-493-0527 / 425-765-4119 • Fax: 800-657-9340 / 425-415-2125

[publicgam@aol.com](mailto:publicgam@aol.com) • [www.publicgaming.org](http://www.publicgaming.org)

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

# SMART-Tech 2004

Co-Sponsored by Public Gaming Research Institute and  
THE TENNESSEE EDUCATION LOTTERY  
February 6-9, 2004 • Peabody Hotel • Memphis, Tennessee

## Program Schedule and Outline

### FEBRUARY 6, FRIDAY

8 am-3 pm Exhibit Setup  
11 am-7:30 pm Registration Open  
3 pm-5:30 pm OPENING SESSION

#### **Welcome to SMART-Tech 2004**

Speaker & Co-host: Duane Burke, CEO, Public Gaming Research Institute

#### **WELCOME TO TENNESSEE!**

##### **THE TENNESSEE LOTTERY START-UP STORY**

Sharing the story of the newest lottery in North America – an application of the latest technology and a wealth of lottery experience

Speaker & Co-host: Rebecca Paul, CEO, Tennessee Education Lottery

#### **GUEST SPEAKER – To be announced**

#### **SMART-TECH LEADERSHIP FORUM**

An open-format panel discussion on what is happening, what is important and trends in the lottery industry today.

Panelists:

The Leadership Forum is invariably one of the most popular features of SMART-Tech. Here lottery leaders share their views on topics important to the industry. Panelists will be comprised of some of the most knowledgeable people from lottery and supplier organizations in North America.

5:30 pm-7:30 pm **“CONGRATULATIONS TENNESSEE EDUCATION LOTTERY!” RECEPTION**  
Sponsor: To be announced

### FEBRUARY 7, SATURDAY

8 am-4:30 pm Registration Open  
8:30 am-9 am **“GOOD MORNING” COFFEE & DANISH**  
Sponsor: To be announced

9 am-12:30 pm GENERAL SESSION II  
**VIDEO LOTTERY/RACINOS TO EXPAND**

The lottery industry's most profitable product, in the locations where it is implemented, is headed for major expansion into new jurisdictions.

Presentations and a panel discussion.

#### **INSTANT GAMES & LICENSED PRODUCTS – THE PRODUCT LEADER**

Instant games with licensed product themes are becoming the hottest growth games for lotteries. Instant games continue to lead others in sales for most lotteries.

#### **THE VALUE OF COOPERATIVE TYPE SERVICES**

Products aren't enough. To be most successful today, lotteries need the range of support services available from lottery suppliers.

#### **GROWING REVENUES WITH MULTI-STATE GAMES**

Multi-State games continue to be key to on-line game revenues with Texas just starting, Tennessee set to decide on which multi-state game to choose and North Dakota preparing to start with Powerball.

Presentations and a panel discussion.

### **EXCITING NEW PRODUCTS WITH PROMISE**

The new game card being implemented in Iowa shows definite promise. Other new products are expected to be highlighted, also. Presentations.

12:30 pm-2:30 pm **“WELCOME TO MEMPHIS” BUFFET LUNCH**  
Sponsor: To be announced

2:30 pm-4:30 pm GENERAL SESSION III

### **STRATEGIES TO IMPROVE RETAILER PERFORMANCE**

With the added emphasis on the need for higher revenues, added emphasis has been given over the past year to new strategies for increasing sales with the help of the retailers.

Presentation and panel discussion.

### **REVENUE RAISING INNOVATIONS IN ON-LINE GAMES**

Although on-line games have been in the doldrums, new strategies are showing promising results.

Panel discussion.

Evening Open

## **FEBRUARY 8, SUNDAY**

8 am-3 pm Registration Open

8:30 am-9 am **“GOOD MORNING” COFFEE & DANISH**  
Sponsor: To be announced

9 am-11:30 am GENERAL SESSION IV

### **SMART-IDEAS THAT CAN IMPROVE YOUR LOTTERY**

These SMART-IDEAS will be presented by lottery and supplier representatives to help lotteries be more successful.

11:30 am-1:30 pm **“NEW PRODUCTS FOR GROWTH” BUFFET LUNCH**  
Sponsor: To be announced

1:30 pm-3:00 pm GENERAL SESSION V

### **MARKETING & OTHER USES OF THE INTERNET & eCOMMERCE**

The Internet is becoming a common tool for all commerce, except lottery. 2004 will see expansion in the use of the Internet by lotteries.

Panel discussion

3:00 pm-on OPTIONAL TOUR OF GRACELAND  
Details to come

Evening Open

## **FEBRUARY 9, MONDAY**

8:30 am-9 am **“GOOD MORNING” COFFEE & DANISH**  
Sponsor: To be announced

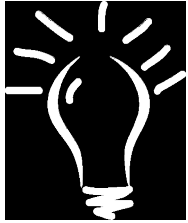
9 am-10 am GENERAL SESSION VI

### **OPEN FORUM ON IMPROVING LOTTERY REVENUES**

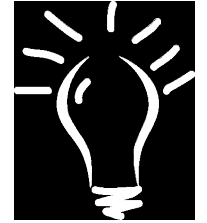
All additional ideas are welcome from lottery and supplier representatives alike on how lotteries can best improve revenues.

### **SMART IDEA AWARD PRESENTATIONS**

10 am MEETING ADJOURNED



# SMART IDEAS



**SMART-Tech 2004**

February 6-9, 2004 • Memphis, TN • The Peabody Hotel

## ***Do You Have One?***

The lottery industry has honored people, advertising and promotions. At SMART-Tech, we honor ideas and the people who have them.

There will be **THREE** categories:

- 1** To the person, department, lottery or lottery supplier with the most effective **cost-saving** idea. How did you save money for the organization and still do the job effectively or perhaps better?
- 2** To the person, department, lottery or lottery supplier with the best **revenue-enhancing** idea. A promotion? A game? A technology? Or just a simple change that took something you had and made it a better revenue generator.
- 3** To the person, department, lottery or lottery supplier using a **new technology** that led to revenue generation, enhancement or savings and/or better service. A new communications system, a new POS piece, a new way to distribute or sell your products. The key word is **NEW**, and you're the first on the block to have it.

---

The SMART IDEAS will highlight the creativity of lotteries, lottery suppliers and their staffs. The actual dollar amount is not as important as the originality of the idea and its effectiveness.

All presenters of SMART IDEAS at SMART-Tech 2004 will receive a "**Golden Idea Award**" trophy to take home and display in recognition of their unique contributions to the lottery industry.

Presentation of SMART IDEAS will be on **Sunday, February 8, 2004**. Awards will be presented at the end of the General Session on **Monday, February 9, 2004**.

To present SMART IDEAS, please fill out the below form and fax to Duane Burke at **425-378-2748** or e-mail to [duaneburke@aol.com](mailto:duaneburke@aol.com). The deadline for participation in SMART IDEAS is **January 30, 2004**. Additional SMART IDEAS presentations in multiple categories is allowed.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

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

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Title of Presentation: \_\_\_\_\_

Category:     cost-savings     revenue-enhancing     new technology

**Fax this form to 425-378-2748 or e-mail above information to [duaneburke@aol.com](mailto:duaneburke@aol.com).  
For more information, please call Duane Burke at 425-985-3157 or visit [www.publicgaming.org](http://www.publicgaming.org).**





**SMART-Tech 2004**  
Memphis, TN

# HOTEL ALERT!

In order to receive the discounted hotel rates of \$149 (government) / \$169 (corporate) at the Memphis Peabody Hotel, please make your hotel reservations directly with the hotel by **January 6**.

Be sure to mention  
**SMART-Tech** when calling:  
Tel.: 901-529-4000 or 1-800-PEABODY  
[www.peabodymemphis.com](http://www.peabodymemphis.com)

**For more information on SMART-Tech,  
please contact Public Gaming Research Institute**  
Phone: 800-493-0527 / 425-765-4119 • Fax: 800-657-9340 / 425-415-2125  
[publicgam@aol.com](mailto:publicgam@aol.com) • [www.publicgaming.org](http://www.publicgaming.org)