

PUBLIC

GAMING

I N T E R N A T I O N A L

World's most widely read Lottery-Racino-Gaming magazine • Video, Racino, Casino, Internet, Wireless, Online, Scratch-Off

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
July 11, 2005

CONGRATULATIONS TO AWARD WINNERS

Our congratulations to all of those receiving PGRI Awards at EXPO/ILAC 2005. All awards will be presented in the EXPO/ILAC Conference meeting rooms on July 11, 12, 13 & 14. The days and times for the presentations are noted below.

LIFETIME ACHIEVEMENT AWARD

The Major Peter J. O'Connell Lottery Lifetime Achievement Award will be presented this year to **Dan Bower**. Our congratulations to this outstanding individual. The award presentation will be at 5pm on July 11 just prior to the reception.

HALL OF FAME AWARDS FOR 2005

Congratulations to the Lottery Industry Hall of Fame Award recipients for 2005. They are: **Daniel Bower, Gordon Graves, John Koza, Jean Marc Lafaille, Lothar Lammers, Victor Markowicz, Tim Nyman, Rebecca Paul, Steve Saferin, Guy Simonis, Guy Snowden, Edward Stanek, Cal Tigner, and Lorne Weil** and "In Memorium", **Ralph Batch and Edward Powers**. Our congratulations to these outstanding individuals and our thanks to them for

their contributions to making the lottery industry the great success that it is today in raising revenues for good causes. Details of their individual contributions will be read during the Award presentations.



The *Lottery Industry Hall of Fame Awards* presentations will be made between noon and 1 PM on July 12 in the EXPO/ILAC Conference room.

PRODUCTS OF THE YEAR AWARDS

Public Gaming Research Institute is pleased to also announce the *Lottery Products of the Year Awards* to highlight products introduced during the past 12 months that promise to be important contributors to future lottery success. This new award is in recognition of the importance of new products to the growth and continuing success of the lotteries everywhere. Products presented on the morning of July 13 and will be judged at the Conference by a committee of lottery directors. Award presentations will be made between noon and 1PM on July 13 in the EXPO/ILAC Conference room.



TEN LOTTERY TV ADS AWARDS

TV ads submitted by participating lotteries will be shown and judged on the morning of July 13. Winners will be chosen by the conference attendees. Award presentations will be at 10am on July 14 in the EXPO/ILAC closing session meeting room.

OUR THANKS TO THE EXECUTIVES FROM 78 ORGANIZATIONS & 30 COUNTRIES ATTENDING EXPO/ILAC

The International Lottery & Gaming EXPO and ILAC Congress 2005 (EXPO/ILAC) is better attended than ever before. Our thanks to the representatives attending from 78 organization in 30 countries. The countries are: **Argentina, Aruba, Australia, Barbados, Brazil, Bulgaria, Canada, Chile, Colombia, Dominica, Dominican Republic, El Salvador, France, Germany, Guatemala, India, Israel, Italy, Jamaica, Mexico, Nicaragua, Panama, Peru, Senegal, Spain, St. Vincent, Sweden, Trinidad, USA and Venezuela.**



OUR THANKS TO EXPO/ILAC SPEAKERS

Our special thanks to those who have made the EXPO/ILAC program successful this year by their participation as speakers and panelists.

OUR THANKS TO EXPO/ILAC 2005 SPONSORS AND EXHIBITORS

Our thanks to the following sponsors and exhibitors that have helped make EXPO/ILAC 2005 successful:

A.Rifkin, Creative Games, Enterprise, GTECH, IGT, Lottery Dynamics, Olivetti, Planet Bingo, Scientific Games, SplashDOT, Szrek & Ticker Communications.
Gold Sponsor: Scientific Games
Silver Sponsor: IGT
Bronze Sponsor: GTECH



COMPANY ANNOUNCEMENTS

JCM, BETSON IMPERIAL COMBINE FORCES TO CREATE SUPPLIER POWERHOUSE.

JCM American Corporation and Betson Imperial have joined forces to create a powerhouse network for automated transaction products. Under the agreement, Betson Imperial will sell, distribute and service JCM products, touching all markets the companies do business in, including the amusement, gaming, lottery and vending industries. Under the agreement, which takes effect immediately, Betson Imperial will sell, distribute and service all JCM vending products, including the revolutionary new Optipay Vending System; amusement products; Tovis monitors; and gaming parts and units based on area and jurisdiction.



INTRALOT HONORED. INTRALOT was honored with the award of International Business Activity for 2004, from the Athens Chamber of Commerce and Industry, in a ceremony, held on July 4th at HILTON Hotel, in Athens, attended by representatives from the political and business community. This award, attributed to companies with successful business activity in the global market, was presented to Mr. Constantinos Antonopoulos, C.E.O. of INTRALOT, by the Greek Minister of Economy & Finance, Mr. George Alogoskoufis.

EGC GETS NIGC APPROVAL. Electronic Game Card, Inc. is pleased to announce it has received an Opinion from the National Indian Gaming Commission (NIGC) that EGC's Tribal Numbers™ GameCard has been designated as a Class II device under the Indian Gaming Regulatory Act. The NIGC rendered the Opinion that the Tribal Numbers™ electronic GameCard satisfies the Act on all counts as a technologic aid to the scratchcard featured on the card, so allowing the sale of the EGC Gamecard in Indian Country to the public (subject to Class II provisions). Class II gaming is not subject to the Tribal-State Compacts pursuant to which states exert control over the type of gaming allowed on Tribal Land.



ARISTOCRAT INTRODUCES GEORGE LOPEZ PENNY SLOT. Aristocrat Technologies announced the launch of its new The George Lopez Game, a 25-line video slot based on the unique and hilarious comedy of the well-known actor and comedian. The game, an addition to Aristocrat's double standalone progressive product line, is already approved in Nevada and most Native American and riverboat jurisdictions in the United States and will start to appear in casinos this summer.



ALC CHOOSES CYBERPLEX. Cyberplex Inc. has been selected by the Atlantic Lottery Corporation to provide SMART Application Management of its online lottery gaming platform. ALC was the first lottery in North America to offer some of its lottery products for sale over the Internet. PlaySphere, ALC's online gaming environment, was launched in August 2004 and provides lottery players in the Atlantic provinces with safe and convenient online access to selected ALC lottery products. Through its SMART Application Management solution, Cyberplex provides ongoing application support on a 24/7 basis assisting ALC's IT resources in maintaining the overall health and performance of the application. As well, Cyberplex is providing ongoing upgrades and enhancements to the PlaySphere application.



GLI APPROVES AGASSI SLOTS FOR NATIVE AMERICAN AND RIVERBOAT JURISDICTIONS.

Aristocrat Technologies announced that Gaming Laboratories International, Inc. (GLI) approved its new Agassi penny slot machine for introduction into most Native American and riverboat gaming jurisdictions. The game is already starting to appear in Nevada casinos after its launch last month at the MGM Grand Hotel and Casino in Las Vegas.



PEOPLE

Andreas Kohlmann has assumed the leadership of the Lottery Solutions division at Wincor Nixdorf as of July 1, 2005. **Rainer Schilbach**, who has led the division since 1997, will continue to be available to the company in a consulting capacity. With Andreas Kohlmann, Lottery Solutions in Constance acquires a manager with broad experience in the lottery business. Kohlmann has been head of Sales and Business Development since 2004. Before that, he was responsible for eight years for the software development group, whose expansion, first-class performance and expertise has contributed significantly to the success of Lottery Solutions.



VIDEO GAMING/RACINOS

CDI TO SELL HOLLYWOOD PARK TO BMLC.

Churchill Downs Incorporated ("CDI") and Bay Meadows Land Company LLC have signed a definitive agreement in which CDI will sell Hollywood Park racetrack and surrounding acreage at the Inglewood, Calif., site to BMLC for \$260 million. The transaction is subject to customary closing conditions and is expected to be completed in the third quarter of 2005. Under the terms of the deal, BMLC will purchase the land and facilities of the Hollywood Park race site and assume management of racing operations. Pinnacle Entertainment Inc. will continue to operate the Hollywood Park Casino facility under a long-term lease. Over the next three years, CDI will distribute the Hollywood Park simulcast signal through its Churchill Downs Simulcast Network ("CDSN"). CDSN will also distribute the simulcast signal for Bay Meadows Racetrack, which is owned and operated by BMLC, for a period of time. CDI will have an option to reinvest in Hollywood Park should significant alternative gaming or gaming subsidies occur.



ON THE FELT. Major League Poker and The Gaming Club Online Poker Room announced today the launch of 'On The Felt,' an online radio show created for poker players that is available both live and on demand. 'On the Felt' is the first online show to broadcast LIVE from the World Series of Poker Lifestyle Show at the Rio All Suite Hotel and Casino during the 2005 tournament in Las Vegas from July 6th through to the finals on the 15th. Reports will be exclusively available on The Gaming Club's poker website (www.gamingclubpoker.com).

WIRELESS/INTERNET

PLAYWIN LAUNCHES SMS LOTTERY IN BOMBAY.

Online lottery company Playwin Infravest has launched a



'Mobile Lotto' game in Mumbai (Bombay). Currently the service is only available to Orange and BPL Mobile subscribers in Mumbai. Players can play

the Sikkim Super Lotto by choosing six numbers from 1 to 49 and texting them to the Mobile Lotto number. Players receive a return SMS confirming their entry. Players also receive an SMS if they win. The cost is Rs 10 per game, the same as charged through Playwin terminals, plus Re 1.50 for government levies. Players are also charged for the SMS message by the Mobile Operator.



LOTTERY NEWS

OK PROPOSAL DEADLINE APPROACHES. Proposals for Oklahoma Lottery instant tickets and online games are due July 18. Once the contracts are awarded, Oklahoma Director Jim Scroggins anticipates the vendors having several employees working in the state. A target date of Oct. 12 has been set to launch scratch games, with online games expected to be operational by November. The Lottery also hopes to be involved in a multi-state lottery game after Jan. 1.



RECORD YEAR FOR IL. The Illinois Lottery recently ended its 2005 fiscal year by setting records in both sales and education contributions. Gross revenue for the year grew by eight percent (\$134 million) to \$1.84 billion and education contributions grew by eight percent (\$44 million) to \$614 million. Lottery sales and education contributions have significantly increased for the past two years. Sales alone have increased by more than a quarter-of-a-billion dollars and education contributions have increased by \$74 million. Instant ticket sales played a major role in this having increased by \$127 million to \$907 million in 2005.



OH TRANSFERS EXCEED COMMITMENT. The Ohio Lottery completed its fiscal year on Friday, June 30, securing total FY05 transfers of \$645.1 million to education, after certifying its June transfer to the Lottery Profits Education Fund. This year's transfers are \$7.2 million more than committed to the Office of Budget and Management. While final figures will be tabulated over the next few months, the Ohio Lottery estimates total sales to reach \$2.158 billion.



3rd WA DRAW PRODUCING RESULTS. The Washington Lottery's Average weekly sales are reportedly up 11.2 percent since it introduced a third weekly Lotto drawing on February 14. Lottery commissioners initiated the change in an effort to end a 14% slide in Lotto sales (\$120 million in 2002 to \$103 million in 2003).



LOTTA LOTTO IN LOUISIANA. During the month of July, the Louisiana Lottery Corporation will offer players the opportunity to purchase a \$5 Lotto ticket for just \$4. From July 1-31, when players purchase five Lotto plays for a single drawing on one ticket, they will automatically receive

the one-dollar discount. The promotion does not apply to tickets purchased for multiple drawings.



GREECE TO LAUNCH INSTANTS. (AP) Greece will soon reintroduce the Xysto instant lottery game. It is hoped that state revenue will be boosted by euro95 million (US\$113 million) a year through the scratch card game. No starting date was given. INTRALOT ran and managed the instant-win game for the Greek government for a decade until the contract was terminated in September 2003 and the game discontinued. Sales of the game reached euro122 million (US\$145 million) during the January-September 2003 period. This time, the state lottery division will manage the game.

VEIKKAUS TO INTRODUCE AGE LIMITS. Veikkaus will introduce age limits to all its games by September 1, 2005. The general age limit for buying Veikkaus' games will be 15 years, whereas the age limit for playing via the electronic channels, for example on the Internet, will be 18 years. The reason for introducing two different age limits is that the sales channels are different in nature. The age limit for playing at retail outlets will be 15 years, since the control at the retail outlets is stricter than with the electronic channels. At retail outlets, players always submit their game entries directly to a sales clerk. The age limit for playing through the electronic channels will be 18 years, since it is more difficult for the parents to control their children's playing there, and the social control is not as strict as with the traditional retail outlets. Further, games with high event frequency are played more through the electronic channels than at retail outlets.



CASE STUDIES

HARLEY ULTIMATE SUMMER INTEGRATED MARKETING PROGRAM RIDES INTO SOUTH CAROLINA.

To support the June 24th launch of its new Ultimate Harley-Davidson instant game, SCEL enlisted MDI to create an integrated marketing program that would catch and keep players' attention during the summer, a traditionally slow sales period. MDI worked with the Lottery to create the Harley Ultimate Summer program. The program began on June 25th with a kick-off event at the "Harley Haven" dealership in Columbia. The Lottery sponsored a barbecue rib-eating contest, supplied by local merchant Myer's BBQ, with representatives of five of South Carolina's HOG chapters competing for the coveted "Hog Award". The contestants, who competed for charity, faced stiff

competition from Eric Booker, ranked #4 by the International Federation of Competitive Eating (IFOCE). MDI provided \$500 to the winner's charity of choice.

To support and sustain the program over the summer, MDI and the SCEL developed the Ultimate Summer Hog Callin' radio promotion on radio stations throughout the state. In a spin on the traditional "suey" call used in hog calling competitions, contestants will compete to be the best at calling "Harley". The DJs will determine the winners, who will get Lottery prize packages consisting of Ultimate Harley-Davidson instant tickets and other lottery merchandise. Winners from each radio station will go on to compete for cash and lottery prizes at the SCEL's Ultimate Hog Callin' Championships at the South Carolina State Fair in October.

The final element in the Harley Ultimate Summer program is the Grand Prize drawing event at the South Carolina State Fair. The Grand Prize in the Ultimate Harley-Davidson instant game is a Harley-Davidson® Fat Boy motorcycle and a Ford Harley-Davidson™ F-250 Super Duty truck. This marks the first time a lottery will offer the truck and motorcycle combo. A celebrity emcee will host both the Hog Callin' Contest and the drawing for the Ultimate Harley-Davidson truck and motorcycle package.

"We were delighted when the SCEL approached us about developing the marketing program for their Ultimate Summer instant game," said Steve Saferin, MDI President. "It gave us the opportunity to showcase our experience in serving the lottery industry's integrated marketing needs, and we were able to work with the Lottery as a proactive and committed partner."

As part of its marketing program, the Lottery and MDI created radio spots, P-O-P and an informational website that use the same elements throughout for a seamlessly integrated message. In order to generate excitement among the media, a lot of thought was put into the design of the press kit. The kit includes sample tickets, croakies (eyeware retainers), a flashlight key chain, coupons to Myer's BBQ, and a Harley compass, all in a cardboard tube that when opened plays the distinctive "vroom" of a Harley-Davidson motorcycle. Patricia Koop, Director of Sales and Marketing for the SCEL, is thrilled with the results of the SCEL's collaboration with MDI. *"The program MDI developed has the potential to expand player participation. We're confident it will encourage players to keep playing throughout the summer, and will highlight both the Ultimate Harley-Davidson game and the lottery in general."*

HELP WANTED

MISSOURI SEEKING LOTTERY DIRECTOR



Executive Director Missouri Lottery Commission

The Missouri Lottery Commission is seeking qualified candidates for the position of Executive Director in our Jefferson City Headquarters office. The successful candidate will report directly to a five-member commission and will be responsible for all aspects of the operation of the state lottery. Individual will be responsible for the management of: 176 member staff in four statewide lottery offices, an annual operating budget of \$36 million, the development, implementation, marketing and sales of all lottery products, and overall supervision of four agency divisions.

Qualifications: Candidates should have a minimum of five years managerial experience in an area related to the operation of a consumer products company or in the operation of a state lottery; and must have graduated from an accredited four-year college or university with specialization in marketing, public relations, or business administration. Salary range is \$70,704 up to 102,804 commensurate with experience. Resume, cover letter, salary history, and employment application must be received by 5:00 P.M. Central Standard Time on August 12, 2005. Employment applications can be loaded at www.molottery.com, under "General Information." All correspondence will be kept confidential and should be mailed to: Missouri Lottery, Executive Director Search, Attn: Human Resources Manager, P.O. Box 1603, Jefferson City, MO 65102.

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



EXPO/ILAC 2005 Conference & Exhibits
Bellagio Hotel – Las Vegas
July 11 – July 14, 2005
CONFERENCE REGISTRATION FORM

Contact & Title
Company
Address
City State/Prov. Zip/PostalCode
Tel Fax
Signature Email
Number of Registrations Total \$

FEEES: NO CHARGE FOR LOTTERY, OTHER GOVERNMENT & RACING/RACINO REPRESENTATIVES
\$895 FOR VENDORS, SUPPLIERS AND ALLOTHERS;
\$795 FOR EXTRA EXHIBITOR REPRESENTATIVES.
SPOUSES ATTEND FREE

Conference registration includes admission to all meetings, opening night cocktail reception, continental breakfast and luncheons on each conference day.

REGISTRATION PAYMENT:

Please circle the credit card to charge: American Express, MasterCard, or VISA. Amount to charge: \$895. Fill-in below for charges.

Card Number: Exp. date:
Signature: Date:
Name on Card: Please invoice me:

Please fill out this form and fax back to 800-657-9340 or 206-232-2564.

Please send checks to:

Public Gaming Research Institute, 218 Main Street, #203, Kirkland, WA 98033. USA.

Website: www.publicgaming.org / Phone: 425-985-3159 or 800-493-0527

HOTEL RESERVATIONS: Bellagio Hotel, 3600 S. Las Vegas Blvd., Las Vegas, NV 89109 -Contact Room Reservations Department at (888) 987-6667, (702) 693-7444 or on the website at www.bellagio.com under the PUBLIC GAMING / EXPO/ILAC 2005.