

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*  
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## **LOTTERIES EXPERIENCE RECORD YEAR.**

The **Georgia** Lottery sold a record \$2.604 billion in FY03, gaining more than 6% over FY02. The increase in sales also meant an increase to the state, from FY02's \$726 million up to \$750 million in FY03. The increase in money to the HOPE scholarship fund has more than made up for this year's increase in state college tuition. The Georgia Lottery has set sales records in nine out of the ten years it has existed.

The **Oregon** Lottery sold a record \$853.5 million (an increase of \$36.5 million) and sent a record \$387.1 million to public education, economic development, state parks and salmon enhancement in FY03. Included in the transfer was \$45.2 million in administrative savings and contingency reserve funds. The rise in profit can be attributed to a second straight year of record net sales for video poker and traditional lottery games. Powerball and Sports Action posted their highest sales ever, Keno had its second best year, and Instants and Megabucks saw their highest sales in years.

The **Hoosier** Lottery experienced a record year for Instant sales in FY03. Instant sales jumped approximately 9.5%, rising from \$352.5 million to \$386.1 million. Total revenues also rose nearly \$40 million in FY03, reaching \$665.58 million, then second-highest sales total in Hoosier Lottery history.

The **Virginia** Lottery shattered several records in fiscal year 2003, which ended June 30. Virginia's total sales were up 2.5% (\$27.7 million) over fiscal year 2002, finishing at almost \$1.14 billion. This record-breaking figure for FY03 gave Virginia its third consecutive year of more than one billion dollars in total sales. Operating expenses as a percentage of sales was at the lowest rate ever: 6.1%. By statute, the Lottery is allowed to spend up to 10% of its gross revenues on operations.

On Monday, July 14, 2003, the **South Carolina** Education Lottery transferred \$18.5 million to the State Treasury for deposit into the Education Lottery Account. SCCEL has transferred more than \$220 million to the ELA from operations of fiscal year '03 -- \$43 million over the Board of

Economic Advisory estimate for the year. The BEA has estimated the Lottery will transfer \$173 million in FY04.

**GOLDEN OPPORTUNITIES IN PA.** Pennsylvania Governor Edward G. Rendell has issued a "Golden Opportunities Challenge," inviting each of the state's approximately 440,000 companies to purchase Lottery tickets in bulk and use the tickets as rewards for employees. So far, nine companies have accepted the challenge, including Hershey Foods Corp. and the Wawa Convenience Store Chain. The Challenge is seen as one way to help the Lottery reach its goal of increasing Lottery sales by 22% during the next two years.

**NY TRACK LOOKING TO INSTALL VLTs.** NY's Vernon Downs has received approval from the NY Lottery to install VLTs. The track has written a commitment letter detailing their intention to construct a 32,000-square foot, freestanding building to house the machines. The track plans to install between 1,100 to 1,200 VLTs, which the company hopes to receive in late September or early October.

**HOG WILD IN MA.** Massachusetts Lottery players spent \$10.3 million during the first six days of the Lottery's Harley Davidson promotion. The rush made the ticket the fastest selling \$5 product in the Lottery's 30-year history.

**GFOA HONORS WA AGAIN.** Thirteen is a lucky number in the Evergreen State as the Washington Lottery celebrates a thirteenth year of financial reporting excellence. In 1990, Washington was the first lottery to receive a Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association of the United States and Canada (GFOA). As of June 27, the Washington Lottery has been GFOA-certified for each of the past 13 fiscal years (1990 to 2002). This month, the Lottery also received its fifth-consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting. The Lottery has received the Popular Annual Financial Report (PAFR) award each year since fiscal year 1998, the first year Washington submitted the popular report for consideration. See Washington Lottery fiscal year 2002 annual reports at: [www.walottery.com/a\\_annual.asp](http://www.walottery.com/a_annual.asp)

**ND WORKING ON RULES.** North Dakota has continued to work out the details involving their soon-to-be-launched lottery. Among the proposed rules, players would be allowed to use credit cards, debit cards or checks to buy tickets. Also, winners would be allowed to keep their name secret if they wish -- only the amount of money won and the winner's hometown would be considered public information. Finally, winners who are behind on child support could see that money be taken from their winnings. The Lottery is authorized to sell Powerball, Hot Lotto, and Wild Card 2.

**BC SEEKS RESPONSIBLE GAMING TRAINERS.** The BCLC is looking for problem gambling experts to help train Lottery retailers, and casino and bingo hall workers. The Lottery wants workers to be able to see when someone is in distress and know how to respond.

**RECORD YEAR FOR LOTTERYWEST.** Lotterywest turned in record sales and record returns in FY2002/03. Sales of lottery games totaled \$490.8 million while Lotterywest distributed \$145 million in funding to the Western Australian community. Western Australia reportedly had the lowest per capita expenditure on gambling of any state but recorded the country's highest per capita sales for Lotto. The state's public hospitals and health services received \$75 million in funding, sporting associations received \$9.4 million in funding provided through the Department of Sport and Recreation, and lotteries funding to the Arts, provided through ArtsWA also totaled \$9.4 million. Finally, Lotterywest's direct grant funding for not-for-profit and community groups totaled \$51.2 million. A total of 1,509 grants were made in the year, ranging from a \$4,000 grant to the Darkan Music and Drama Group for sound equipment to a \$4.7 million grant to St John Ambulance to replace a fleet of 96 ambulances.

**NEW GAME LAUNCHED IN CAMBODIA.** Win Win Gaming, Inc., in partnership with its affiliate Golden Win Win Cambodia, Inc., announced the launch of its first lottery game in the Kingdom of Cambodia, the "Pay Day" Instant Scratch Ticket lottery game. Tickets have been introduced at the price of US\$1 per ticket with individual prizes ranging from US\$1.00 to up to US\$2,000. The initial launch of the "Pay Day" game took place on May 15, 2003 in the capital city of Phnom Penh and sales operations are now expanding into other provinces. The Company's sales and marketing strategies include a complete media campaign including TV, radio and newspapers and the development of an extensive sales distribution network through restaurants, nightclubs, shops and marketplaces.

**NEW LOOK FOR KIWI.** The New Zealand National Lottery has launched a new Instant Kiwi logo after months of development, and consultation with customers throughout the country. The Lottery wanted a more modern look, and a logo that reflects the Instant Kiwi brand personality: irrepressible, light hearted, fun, live in the moment, effervescent, optimistic. Instant Kiwi's new designs, completed by Imagination Design, were rated tops by nearly 300 advertising and design professionals against Sky TV, the Target 10% campaign, and the Volkswagen Beetle Cabriolet launch, among others.

**SOCCER BETTING LEGAL IN HONG KONG.** The Hong Kong legislature passed a Bill legalizing soccer gambling by a 30-24 vote. It's anticipated that more than HK\$30 billion per year will be wagered on the legal market, with more than HK\$1 billion going to the government. The license will go to the Hong Kong Jockey Club, which controls horseracing and Mark Six lotteries.

## COMPANY ANNOUNCEMENTS

**MAJOR LEAGUE SIGNS SGI.** Scientific Games signed a licensing agreement with the Major League Alumni Marketing, Inc. (MLAM) that will allow lottery organizations to offer their players unique, baseball-themed lottery games and promotions featuring many of Major League Baseball's greatest legends. The agreement makes Scientific Games the

exclusive representative to negotiate on behalf of individual state lotteries license agreements authorizing the use of the names, images, signatures and likenesses of former Major League Baseball players who are members of the Major League Base-ball Players Alumni Association. Some of the promotional opportunities coming from this partnership include: one-of-a-kind autographed memorabilia available only through the lottery game; memorabilia focused on legendary players of the game; access to over 2,800 former Major League players, many of whom are in the Major League Baseball Hall of Fame; participation in a Fantasy Baseball Camp; an up-close and personal "Spring Training" experience; and season tickets.

**POLLARD TO SUPPLY VA.** Pollard Banknote will continue to supply instant tickets and related services to the Virginia Lottery under the terms of a one-year contract extension that began in May. The company has supplied the Virginia Lottery since 1996.

## LOTTERY PEOPLE

**Miguel Carballeda** has been appointed the new chairman of the Spanish lottery organization ONCE. One of Carballeda's first tasks will be to get the government to review an agreement signed in 1999 concerning ONCE's participation in games on the Internet and digital TV.

The Marketing Communications Manager for the Colorado Lottery, **Lisa Murray**, has been elected to lead the Problem Gambling Coalition of Colorado (PGCC) during its 2003-2004 season. The five-member board of the Colorado agency voted unanimously to select Murray to head their team during the next 12 months.

## THANK YOU TO THE 2003 INTERNATIONAL LOTTERY EXPO SPONSORS!



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