

PUBLIC GAMING INTERNATIONAL

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 4, 2005

EXPO/ILAC 2005 CONFERENCE
July 11-14 – Bellagio Hotel – Las Vegas

There is still time to register!

Special Note To Vendors

EXPO/ILAC is a very unique marketing opportunity for suppliers to lottery and gaming operators to meet prospective customers and business partners from 78 organizations and 30 countries.

Signup today – don't miss out!

Call 1-425-985-3159.

AWARDS TO BE IMPORTANT

Awards will be an important part of EXPO/ILAC this year with the following awards programs:

Lottery Lifetime Achievement Award

Lottery Hall of Fame Awards

Lottery Products of the Year Awards

Top Ten Lottery TV Ads Awards

Descriptions of these awards and the recipients chosen for them follow. Please join us to honor the winners.



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 a reception honoring Dan in the EXPO/ILAC meeting room.



HALL OF FAME AWARDS FOR 2005

Duane Burke, CEO of Public Gaming Research Institute is pleased to announce 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**. 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 for raising revenue for good causes. Details of their individual contributions will be read during the Award presentations. In addition, there will be two awards in memoriam to honor **Ralph Batch and Edward Powers**, two US lottery pioneers. The **Lottery Industry Hall of Fame Awards** presentations will be at 1 PM on July 12 during the EXPO/ILAC Conference at the Bellagio Hotel in Las Vegas.

LOTTERY PRODUCTS OF THE YEAR

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 revenues. This new award is in recognition of the importance of new products to the growth and continuing success of the lotteries everywhere. Products will be judged



at the Conference by a committee of lottery directors. Products must be exhibited to be considered for this award. Award winners can use the Award seal to promote their winning products. Award presentations will be made at 1PM on July 13 at the EXPO/ILAC Conference at the Bellagio Hotel in Las Vegas. *NOTE: There is still time to submit entries for "Lottery Products of the Year Awards". E-mail description to duaneburke@aol.com.*

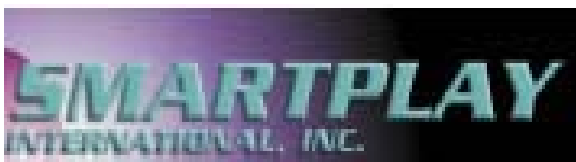
TOP TEN LOTTERY TV ADS AWARDS

Each participating lottery is invited to provide a copy of its best lottery TV ad for use in the *Top Lottery TV Ads* competition. Ads can be on CD, floppy or on VCR tape and should be sent to Susan Jason, PGRI, 218 Main St., #203, Kirkland, Washington 98033 USA for arrival by July 7 or before. 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.



EXECUTIVES FROM 78 ORGANIZATIONS & 30 COUNTRIES CONFIRMED FOR CONGRESS

The International Lottery & Gaming EXPO and ILAC Congress 2005 (EXPO/ILAC) is going to be bigger and more productive than any previous conference. Confirmed participation is already ahead of last year's total, with more top executives and directors than ever. There are currently representatives confirmed from 78 organization in 30 countries. The countries represented so far 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.*



EXPO/ILAC PROGRAM HIGHLIGHTS

This year's International EXPO/ILAC Conference will feature technological advancements, innovations in games, as well as best management practices, advertising successes and successful marketing strategies for increasing revenues. The program will feature presentations and panel discussions with special emphasis on broad participation. Some of the latest examples of successful TV advertising will also be featured. A highlight of EXPO/ILAC will be the VIP Technology Tour of leading suppliers.

EXPO/ILAC CONFERENCE REGISTRATIONS for government representatives, other lottery operators and track/racino operators is complimentary. The registration fee for vendors and other commercial representatives is \$895 per person. All spouses are complimentary. A registration form is attached or you can register on-line at www.publicgaming.org.

For assistance, please call: 425-985-3159.

SPONSORSHIPS & EXHIBITING:

Sponsorship and exhibit opportunities are available. Details are posted on web site: www.publicgaming.org or by calling: Raquel Orbeagozo at 425-765-4119 or Paul Jason at 425-985-3159.

HOTEL RESERVATIONS: The EXPO/ILAC room block has been sold-out but PGRI will be glad to assist you in finding a convenient hotel room – susanjason@aol.com.

RESERVATIONS SHOULD BE MADE IMMEDIATELY!



COMPANY ANNOUNCEMENTS

OH SIGNS TWO DEALS WITH GTECH. GTECH has signed a two-year contract extension with the Ohio Lottery Commission to continue its role as the provider of an online/instant lottery central system and related services. In addition, the Lottery signed a separate two-year extension with GTECH for the lease of ITVMs. Both extensions will commence on July 1, 2005, and can be extended for an additional two years at the option of the Lottery. Under the terms of the online/instant system contract extension, GTECH will continue providing the Lottery with the operation and maintenance of the central system, including instant ticket validation; maintenance of terminals; marketing support; hotline management; and field service. Under the ITVM extension, GTECH will continue to supply the Lottery with 1,500 ITVMs through June 30, 2007. In addition, the Lottery will receive a minimum of 50 additional ITVMs, which are expected to be deployed by September 2005.



GLI'S THIRD ANNUAL EUROPEAN ROUNDTABLE DRAWS 24 REGULATORS FROM 14 COUNTRIES.

Drawing the largest number of attendees in its three years,

GLI's annual European Regulators Roundtable and Workshop presented a wealth of information on emerging systems and technologies. Twenty-four regulators from 14 countries across Europe came for the two-day conference. The Regulators Roundtable and Workshop took place 26-27 May at the Hilton Amsterdam Airport Schiphol in Amsterdam, The Netherlands. GLI Europe BV presented the roundtable free of charge to regulators as a means of helping them prepare for the latest wave of technology and technological advancements that are now making their way into jurisdictions across Europe.



ESSNET AND COMSET SERVICES PARTNER ON PAKISTANI HERO CARD. EssNet has supplied an ELOS system to Comset Services International, for the online sale and administration of the 'Hero Card', a pick 6 out of 49 collector's scheme in Pakistan. The Hero Card, a project of the Pakistan Sports Trust is a new concept. A draw is performed once a week live on TV and those who have picked 3 to 6 of the drawn numbers win prizes. Following the Islamic Banking model, it has been developed by Comset Services International to keep the Hero Card and its 'play and win' concept legal and acceptable in Pakistan and other Islamic countries. Initially, the system will include a network of 2,000 terminals, connected online to the ELOS system. Deliveries from EssNet also include implementation services, on-site support and remote ELOS support. If the Hero Card proves successful, the number of terminals may grow to 20,000 in the next few years.



FRANCE CHOOSES GTECH ITVMs. GTECH has signed a product sale agreement with the operator of the French National Lottery, La Francaise Des Jeux (FDJ), to provide new ITVMs. Additionally, the Company signed a separate agreement with FDJ to provide ITVM repair services over an initial term of six years. Under the product sale agreement, GTECH will provide FDJ with a minimum of 575 Expandable Dispensing System Quad Burster™ (EDS-Q) ITVMs. Replacing a portion of the approximately 1,000 machines already in operation, the new ITVMs are expected to be installed and operational by the end of February 2006.



InLott E Gaming Services Limited

WPT LAUNCHES GAMING SITE. WPT Enterprises announced the launch of a WORLD POKER TOUR branded real-money gaming website. WPTonline.com makes participation in the WPT phenomenon possible the world over. Featuring a live multiplayer poker room with head-to-head and tournament play, players can now enjoy the WPT experience from home. The site prohibits bets from players in the U.S. and other jurisdictions where online gaming is prohibited. WPTonline.com is regulated by the Alderney Gambling Control Commission. WagerWorks developed the software being used by WPTonline.com under a licensing agreement with WPTE.

PEOPLE

INTRALOT's CEO **Mr. Constantinos Antonopoulos**, received the "Manager of the Year" award, at a ceremony held on June 29th at the Covent Garden, London, during the Euromoney Conference : "INVEST IN GREECE 2005". The award was presented to Mr. C. Antonopoulos by the Chairman of the Athens Stock Exchange, Mr. S. Kapralos. Commenting on the award, Mr C. Antonopoulos said : "This award reflects the company's success in evolving into a metanational company, from the traditional model of multinational, supported by decentralized processes of decision making, in parallel with best corporate governance practices."



The New Jersey Lottery announced that its Public Information Officer, **MaryAnn Rivell** of Delran, has been appointed to the Board of Directors of the Council on Compulsive Gambling of New Jersey, Inc. Rivell presently oversees the Lottery's Responsible Play initiatives which includes: printing 1-800-GAMBLER on all lottery tickets, game brochures and advertising materials; linking the Council on Compulsive Gambling's website from the lottery's website; developing and distributing a free brochure for the lottery's 6,000 retailers on tips for setting guidelines for playing responsibly; and designing and distributing the "Not 18, No Bet" sticker for lottery retailers.

Otunba Solomon Oladunmi, has been appointed chairman of the newly constituted Lagos (Nigeria) State Lotteries Board. Other members of the board are the Lagos State Commissioner for Finance, **Dr. Bayo Adewusi**, a chartered accountant and former commissioner, **Mrs. Olateju Philips**, a lawyer and administrator, **Mr. Dapo Durosimi-Etti** as well as messrs **Ayo Subair** and **Asue Ighodalo**. Under the Lagos State Lotteries Act 2004, the board has the statutory responsibility to monitor and regulate the activities of Orion Technologies, the state's licensed lottery operator, as well as manage and disburse the funds generated for good causes by the lottery.



Barbara H. Pickering was elected chairman of the Missouri Lottery Commission during the commission's quarterly meeting on June 23. Pickering replaces **Kenneth Hensley** who served as the chairman since June 2004. Pickering has served on the commission since May 2000. Pickering and her husband, Connie, and son, David, own and operate Pickering Funeral Home Inc. in Mexico.



Win Win Gaming, Inc. named **Mark Galvin**, formerly Director of Development for Electronic Arts Inc., to the position of Chief Operating Officer. Galvin brings more than 20 years of domestic and international experience in the areas of content development, technical support, production, finance, operations, and administration for companies engaged in game production, creative media, visual effects, animation, and TV/film production.

Youbet.com announced that **Jeff True** has been named a Vice President of the company. True will continue as Western Region General Manager for the company. With the appointment, True also will head promotion and promotion partner development programs.



VIDEO GAMING/RACINOS

LOTTERY TO OVERSEE AQUEDUCT VLTs. New York Governor George Pataki announced a deal with lawmakers that would place the New York Racing Association's \$170-million VLT facility project at Aqueduct under the oversight of state Division of Lottery, rather than the state Racing Wagering and Board. The board had determined that NYRA improperly reached a deal with MGM Mirage to manage the casino.



NMGC B TO ASSUME BINTO, RAFFLE OPERATIONS. (AP) - Anything to do with New Mexico bingo and raffle operations will be turned over from the state Alcohol and Gaming Division to the New Mexico Gaming Control Board on July 1. The Legislature had approved and

Governor Bill Richardson signed a measure transferring the functions to the Gaming Control Board earlier this year. The board has a budget of about \$5 million and more than 50 employees. It regulates gaming machines at racetracks and at veterans' and fraternal organizations.

WIRELESS/INTERNET

IRISH REHAB LOTTERIES TO LAUNCH ON PARLAY BINGO THROUGH NMLS.

Parlay Entertainment has completed a software license agreement with New Media Lottery Services, Inc. (NMLS) who will launch an online bingo game as an expansion of the Irish Rehab Lotteries' existing online lottery site.



GOLDEN CASKET ONLINE. Queensland's Golden Casket Lottery Corporation customers will soon be able to purchase lottery tickets online. Golden Casket expects to have the online system running by October. Players will have to register at existing lottery retail outlets before being allowed to purchase tickets for Gold Lotto, Oz Lotto and Powerball. Lottery retailers will receive a 5% commission from online players registered at their store, compared with around 9% from traditional ticket sales.

LOTTERY NEWS

CA SETS MEGA MILLIONS OPENING DAY MARK.

Californians set a Mega Millions opening day sales record by purchasing \$2.4 million worth of tickets on Wednesday, June 22. The previous high-water mark for opening day sales was set at \$1.7 million by New York in 2002.



MONTANA LOTTERY ISSUES RFP. On June 23 the Montana Lottery issued an RFP for its Lottery Operating (Online) System. The RFP response date is August 22, 2005. The Montana Lottery invites Offerors to submit written proposals for the Lottery Operating System. The contract term is for a period of seven years beginning March 31, 2006 and ending March 30, 2013. Renewals of the contract, by mutual agreement of both parties, may be made in one-year intervals, or any interval that is advantageous to the State, not to exceed a total of ten years. The RFP is posted and can be viewed at the following URL:

<http://discoveringmontana.com/doa/GSD/osbs/Results.asp?CategoryID=14>

HOT, HOT, HOT INCENTIVE WAS SIZZLING FOR

RETAILERS. As the summer heats up, Virginia Lottery retailers are cooling off with some cash from the Virginia

Lottery. More than 2,500 retailers earned nearly \$550,000 in the Hot, Hot, Hot retailer incentive that ran April 25 – June 19. To promote the “Family of Games” scratch tickets to players, retailers were awarded a \$50 bonus for placing a special ticket dispenser displaying the four “Red Hot”-themed scratchers (\$1, \$2, \$5, \$10). Retailers also earned a 2% bonus selling commission and 1% bonus cashing commission on the games. Retailers who displayed the “Red Hot”-themed tickets in the four-game dispenser had 40% higher sales for the games.



ANTI-SPORTS BETTING BILL SLOWED BY COMMITTEE. Oregon House Bill 3466, proposing to kill the Oregon Lottery’s sports betting games in order to bring the NCAA tournament back to the Beaver State, is stuck in the Senate Budget Committee after flying through the House with a 51-0 vote.



OK LOAN DELAYED. Oklahoma Lottery Commission officials said instant lottery tickets should still go on sale in October, despite an unexpected delay in obtaining loan funds for the state's new lottery operation. The commission is negotiating with lenders for a line of credit of up to \$10 million to get the lottery off the ground. After the loan is approved by the state Council on Bond Oversight, it goes to the attorney general for approval and then a 30-day "cooling off" period is required by state law before the transaction can be completed. After the 30 days, the commission cannot be sued over the loan.



CHINESE DELEGATION OF SPORTS LOTTERY OFFICIALS VISITS NJ. The New Jersey State Lottery’s outstanding reputation as one of the most efficient and cost effective state lotteries in the United States has earned a visit from the representatives of China’s Sports Lottery. The contingent of 10 met with Executive Director Michellene Davis and several members of her senior staff. Among the topics discussed were security, licensing and sales. The visit was arranged by the Vincent International Culture Exchange, a Los Angeles-based company dedicated to promote the culture and economic exchange between China and the U.S.. New Jersey was the only lottery the group visited in the

United States. The China Sports Lottery has 30 employees at their headquarters in Guangzhou and 10 employees in each of 22 other cities. Their lottery started 11 years ago and is generating nearly \$1.5 billion in revenue. The lottery revenue helps support China’s national sports programs.



DON'T BELITTLE MILLIONS. The Minnesota State Lottery today launches the largest, most visible marketing effort in the agency's history in order to remind people that winning a few million dollars is nothing to breezily disregard. Titled, "*Don't Belittle Powerball® ... It's Always Big,*" the new campaign targets Minnesotans who only play the Powerball when the jackpot hits record dollar amounts, instead of playing when payouts are more modest at \$10 million or \$20 million. The campaign includes mobile marketing elements that will appear at events across the state, creative television and radio advertising spots, strategic Web announcements, and soon-to-be- completed revamped Powerball billboards.

CO MOVING HEADQUARTERS. The Colorado Lottery headquarters in Pueblo is moving to a new location. Effective June 27, the Pueblo Lottery offices will be located at 212 W. 3rd Street (the corner of 3rd and Main), Suite 210, Pueblo, CO, 81003-3227. Visitors to the new location will enter the Lottery offices via the side entrance of the building along 3rd Street.

BELLAGIO RESORT, LAS VEGAS, NEVADA



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 ALLOTHEERS;
\$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.

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

Please send checks to:

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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.