

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 6, 2004

MEGA EXPLOSION. Last Friday's Mega Millions jackpot was at \$290 million when it was hit, the highest it has been since changing its name from The Big Game. This jackpot, which was won by a single lottery ticket, was the second largest prize won by a single ticket in the US. The jackpot had been rolling-over since May 7, 2004.

NM GROWS FOR 7th STRAIGHT YEAR. The New Mexico Lottery Authority reported Thursday it had a record \$148 million in sales for the 12-month period ending June 30. The Lottery also announced it has surpassed last year's \$33.1 million profit for education, but final figures on those revenues won't be available until later this month. New Mexico and Georgia are the only two U.S. lotteries to have seven consecutive full years of sales increases since their startups. In addition, the New Mexico Lottery has set in-state net profit records each of the last five years. Overall sales for fiscal year 2004 increased by \$11 million (8 percent) over the same period in fiscal 2003.

OH PROFITS BEAT PROJECTIONS. The Ohio Lottery FY04 profits are \$10 million higher than projected. The Lottery will transfer about \$648 million to the Department of Education, the highest total since the Lottery made a \$686 million transfer in 2000.

TX POSTS RECORD MONTH. The Texas lottery hit an all-time sales record in June. Figures released show sales for the month were nearly \$392 million. The previous monthly sales record in Texas was \$344 million in November 1996. June included the highest jackpot ever for Lotto Texas.

ND BIG ON HOT LOTTO. The North Dakota Lottery has done it again. The Lottery's recent Hot Lotto launch tied a record for sales on the first drawing, bringing in 8.9 cents per capita – more than four times the average per capita sales of the seven other Hot Lotto jurisdictions. The \$56,330 in sales may have been helped by a record-breaking Hot Lotto jackpot of \$5.5 million.

DC LOTTERY PROCUREMENT SYNOPSIS. The District of Columbia Lottery and Charitable Games Control Board is releasing a solicitation for products and services to enhance its

instant ticket games. The successful Offeror shall provide: Instant ticket design, Instant Ticket production, Warehousing and storage facilities, Instant Ticket distribution services, Return and disposal services, Telemarketing services, Ticket ordering and inventory control system, Sales support services and equipment, Marketing support services. **CONTACT INFORMATION:** Interested parties should request an RFP by contacting Claudia Booker, Esq.; Director of Procurement; D.C. Lottery and Charitable Games Control Board; 2101 Martin Luther King Jr. Ave., S.E.; Washington, D.C. 20020; Telephone: 202-645-7947; Email: claudia.booker@dc.gov

OR BUDGET APPROVED. The Oregon Lottery Commission adopted a 2005 budget that continues spending reforms that began at the end of Gov. John Kitzhaber's term. Besides cuts in travel costs, reductions in expenses include reducing cell phone costs to about \$141,000 from about \$234,000 in 2002. The lottery budget approved by the commission includes \$663.5 million in net revenue after lottery prizes are paid. The lottery's net profit for distribution to state programs is \$403.3 million for the fiscal year beginning July 1. Oregon Lottery Director Brenda Rocklin said the agency is on its way toward fulfilling an order from the 2003 Legislature to generate an additional \$108 million for state programs. The agency, Rocklin said, has achieved about \$86 million of that goal. It has another year to cover the remaining \$22 million. Video poker revenue should be a big help in gaining that additional revenue. Video poker revenue is growing faster than had been predicted, with an expected 2 percent increase for 2003-05.

MO TELL-A-FRIEND. The Missouri Lottery's new "Tell-A-Friend" limited-time promotion, which starts June 28, gives players who get their friends to join the Lottery's My Lottery player services a chance at a special night out at the ballpark or \$500 cash. Players receive one entry in the promotion for every friend that joins the program. Also, starting July 1, My Lottery participants will receive a free-play coupon on their birthday, which is good towards the purchase of any Missouri Lottery Numbers game, except Club Keno, at any Missouri Lottery Numbers Games retailer.

VIRGINIA LOTTERY RETAILERS ACTIVATE AND EARN. The Virginia Lottery has moved into the final phase of its consignment sales conversion, and Lottery retailers are getting a chance to cash in on it. The "pack activation" phase, in which retailers activate packs of instant tickets using their ISYS terminals, was introduced on June 6 with a retailer incentive program called Activate and Earn. Every time retailers activate a pack of instant tickets, they receive a bonus equal to ½% of the pack's retail value.

IL BIRTHDAY BASH. The Illinois Lottery celebrated a record sales year and a major anniversary with a 30th Anniversary Birthday Bash at the James R. Thompson Center in Chicago. The birthday party was a virtual throwback to 1974. Hundreds of Lottery fans and players were on hand as Illinois Lottery Superintendent Carolyn Adams gave remarks on the success of the Lottery and Jimmy "JJ" Walker from the 1970's hit television series "Good Times" entertained the crowd with a stand-up

comedy performance. V103 FM DJs Ramonski Luv and Joe Soto served as emcees for the event, while Jimmie Walker and Superintendent Adams also served as judges in a 1970's Television Celebrity Look-A-Like contest. Contestants competed for cash prizes of \$5000, \$2500 and \$1000, while impersonating celebrities such as JJ Walker and Pam Grier. During the event, Lottery players also had a chance to win thousands of dollars in prizes with the "Prize Wheel" and the "Money Machine."

TX SET TO RUN-THE-TABLE. Texas Lottery players have a brand new opportunity to win a million dollars. Starting today the newest Scratch Off game to hit the streets, Run-The-Table, allows players the chance to run away with three \$1,000,000 top-cash prizes. Run-The-Table, which is the Lottery's first \$25 ticket, has great odds. Chances of winning any prize, including break-even prizes, are 1 in 2.78. Chances of winning one of three \$1,000,000 prizes are 1 in 1,680,000.

CAMELOT LAUNCHES INTERNET SALES OF EUROMILLIONS. Camelot has launched sales for EuroMillions on interactive platforms. The game can now be bought over the at the National Lottery website, or through Sky Active, an interactive TV platform. Once registered, online players can pick their own numbers or select the Lucky Dip option for any EuroMillions draw up to four weeks in advance. Players will be automatically informed if they win a prize. The National Lottery has been selling through interactive channels for a number of months now, and online registrations are coming in at a rate of more than 10,000 per week.

MILLION-2-1. Manchester-based Million-2-1 launched the UK's first regional mobile phone lottery, aiming to raise £1m for local charities in its first year. In addition to signing up several more regions, Million-2-1 is also looking to strike a deal with Camelot to offer the National Lottery on handsets. Million-2-1 users text their orders for up to 10 £1 electronic tickets, then wait for the results from the weekly draw. While the prizes are much smaller than that of the National Lottery (maximum win of £25,000), the game offers a 15-times greater chance of winning £1,000.

VIRGIN GAMES TO LAUNCH ONLINE. Sir Richard Branson's Virgin Group will reportedly launch an Internet betting and casino business. Virgin is teaming with WagerWorks to launch Virgin Games, accessible through Virgin.com. The site will offer roulette, black jack, bingo, poker and slots, and is hoping to sign up a partner to add sports betting.

NZLC LAUNCHES FORD FALCON PROMO. The New Zealand Lotto is kicking its latest promotion between the uprights, giving away 10 limited edition Ford Falcon XR8s complete with an All Black signature, the All Blacks logo, and a personalized All Blacks number plate. To be eligible for the promotion, players must purchase a "Triple Dip" between 27 June and 10 July. The lucky winners will be announced on Saturday 10 July on the 9pm Lotto Draw on TV2.

UK CELEBRATES 10 YEARS. UK National Lottery will be celebrating its tenth anniversary in a big way. The anniversary celebrations include a 'tea dance' at the Royal Opera House in Covent Garden, while the English Heritage will offer free entry to all its lottery funded buildings and 25 National Trust properties

will be opened up specially for a anniversary weekend. The events will start over the summer and continue up to the 10th birthday weekend on November 6, 2004.

***NEW* RACINO NEWS**

RI SENATE WANTS STATE VOTE ON CASINO. The Rhode Island Senate approved a bill (23-11) that would allow voters to decide whether a casino should be built in West Warwick. The bill now heads to the House. Harrah's Entertainment, the company that would own the casino, has agreed to a higher maximum tax rate (between 25 and 40 percent) and to paying a \$100 million licensing fee over three years, instead of 10. The company says the state would collect \$113 million in additional gambling revenues in the casino's first year of operation.

DC CASINO PROPONENTS SEEK SIGNATURES.

Proponents of a casino in D.C. will have less than a week to gather the 17,500 signatures needed to get the measure on the Nov. 2 ballot. If approved by voters, the measure would allow the D.C. Lottery to issue an exclusive license to operate up to 3,500 VLTs at a site located on New York Avenue. Licensees would be allowed to operate without competition for 10 years.

PA SENATE PASSES SLOTS. The State of Pennsylvania has passed a bill legalizing slots. The slot revenues are expected to send \$1 billion yearly to schools in order to reduce property taxes. The bill is expected to cut property taxes by approximately 20% and will also help with other public projects around the state.

MD GOV. INCREASES SLOTS PRESSURE. The Pennsylvania Senate's decision to approve slot legislation has caused Maryland Governor Bob Ehrlich to increase pressure on Maryland lawmakers to approve expanded gambling. Senate President Thomas V. Mike Miller has responded by suggesting a special legislative session in August for lawmakers to vote on slots. House Speaker Michael Busch doesn't like that suggestion. He supports a referendum on the November ballot that would allow Maryland voters to decide the issue.

COMPANY ANNOUNCEMENTS

BAVARIA SIGNS WITH WINCOR NIXDORF. Wincor Nixdorf is to equip the ticket acceptance points of the Bavarian State Lottery with 4,400 new Xion/Mtop lottery terminals. Bavaria is the fifth German lottery company to offer Wincor Nixdorf technology.

CHINA ORDERS FROM OLIVETTI. Olivetti Tecnost has been awarded a major order worth more than 2 million dollars for the supply of 2,000 Mael 205 gaming automation terminals to the province of Shanghai in China. The first 1,000 terminals, which will go into operation by the end of June, were delivered in May. The remaining systems will be delivered by the end of the year.

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