

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*  
June 02, 2002

**MAKE PLANS FOR PGRI's INTERNATIONAL LOTTERY EXPO.** Mark July 18-21 on your calendars for PGRI's International Lottery Expo which will be held at the fabulous Sonesta Beach Resort in Key Biscayne, FL. Hotel rooms can be reserved by calling the Sonesta at **305-361-2021. The deadline for discounted hotel rooms at the Sonesta is June 17.** For more information, please call PGRI at **425-803-2900** or visit **www.publicgaming.org**.

**ADAMS TO HEAD IL.** Illinois Gov. Rod Blagojevich has appointed Carolyn Adams as the new Illinois Lottery superintendent. The former Clear Channel Communications senior account manager previously worked in marketing for WGN and WVON radio stations in Chicago.

**DC STARTS KENO PUSH.** The DC Lottery has launched a massive campaign to promote its new Keno game. The tagline "Play DC Keno – It's Time" is being featured on radio stations, bus shelters, cable TV, and during movie previews in city theaters. The Lottery has set a goal of selling \$3.4 million in Keno sales during the first year, and \$8.5 million in the second.

**TX HOUSE WANTS MULTI-STATE.** The Texas House used a voice vote to pass Senate Bill 270, providing for the Lottery to join a multi-jurisdiction game. The bill, which, if passed, is expected to bring the state an additional \$100 million over two-years, also would re-authorize the Texas Lottery Commission for 12 more years. Once the Senate and House iron-out the differences the bill will head to the Governor's desk, where it faces an unlikely future. It's unclear as to whether Gov. Rick Perry will veto the bill should it pass the Senate. The Governor is opposed to expanded gambling.

**MI HOUSE VOTES FOR VLTs.** The Michigan House voted 61-42 in favor of legislation that would allow the state's racetracks to install 500 VLTs. The number of VLTs could be boosted to 2,000 if the Bureau of State Lottery approved. Also approved was a bill that would allow people to bet on horse races over the telephone and via the Internet.

**SUNFLOWER SALUTE.** The Kansas Lottery's new \$2 Sunflower Salute scratch game is a tribute to all Kansas and

U.S. military personnel. The game donates all net profits into two special funds within the state treasury, where it is split between Kansas national guard educational assistance act scholarships and a home fee fund to be used for the Kansas soldiers' home and the state veterans cemetery system.

**QUEBEC GIVES LIFE.** Loto-Québec teamed with Héma-Québec in inviting the public to give the gift of life. On Tuesday, May 27, 2003, at Loto-Québec's offices in Québec City, a blood drive was conducted. This is the third consecutive year that Loto-Québec worked with Héma-Québec to coordinate a blood drive in Québec City.

**SHRIMP TO SELL IN MARYLAND.** The Maryland Lottery will be airing new TV spots starting in July. The ads feature the return of the Lottery's animated blue crab characters, Jimmy and Shelley, and the addition of a shrimp named Scampi.

**SHOP NOW, PAY NEVER.** In June, the Washington Lottery is offering Mega Millions players a chance to shop till they drop during the Mega Millions Shopping Spree promotion. The Lottery announced its first "Shop Now, Pay Never!" promotion where players purchasing a \$5 Mega Millions ticket receive a bonus trailing ticket and are automatically entered for a chance to win one of four \$25,000 Shopping Spree at a major regional mall. In addition to \$25,000, winners get an additional \$1,000 to cover expenses and incidentals for travel to the mall of their choice.

**WV HONORED FOR FINANCIAL REPORTING.** For the sixth consecutive year, the West Virginia Lottery is the recipient of the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada. The Lottery received the award May 23.

**PAGCOR CHARTER MAY CHANGE.** The Philippines House of Representatives has approved House Bill 5619, which amends the Philippine Amusement and Gaming Corporation's Charter. If passed, PAGCOR will not be able to offer multi-jurisdictional jai alai games. Also, the Lottery could be stopped from operating gaming machines in public places.

**UGANDA LOTTO TO LAUNCH.** The Uganda Lottery Company will hold a 'free' mini-launch of its new Lotto game on May 29 at the Nile Hotel. The May 31 draw will be shown on TV, where the winner will receive Shs 10 million. The official Lotto launch will take place on June 2.

**NZLC TO MAKE MORE CHANGES.** The New Zealand Lotteries Commission is planning to revamp its Lotto game for the second time since December 2002. NZLC Chief Trevor Hall believes the game has become too complicated. Hall's version of the game is expected to be on sale by the end of 2003. The Lottery is also planning changes that will create a better partnership with retailers, including the introduction of new online games that will draw on days other than Saturday, which will keep retailers busy on days other than Friday and Saturday.

**SIGNIFICANT SALES GROWTH IN ROMANIA FOR CNLR.** A significant growth in sales was reached by Compania Nationala Loteria Romana S.A. for the first five

months of 2003. The sales totaled \$50.1 million (USD), compared to \$25.4 million (USD) in the same period last year, an increase of 97.2%. Additionally, an increase of 58.9% was achieved over the previous 12-month period (May 2002 - May 2003), when sales reached \$89.3 million (USD) compared to 56.2 million (USD) in May 2001 - May 2002. CNLR offers games Loto 6/49, Noroc, Joker and Super Loto (numerical lotteries), Pronosport and Prono-S (soccer betting) as well as instant lottery tickets. Its network consists of 1659 points of sales and almost 2000 lottery terminals. CNLR's network takes advantage of VSAT technology by having installed more than 400 remotes at its agencies. This number will reach up to 1,000 remotes by the end of 2004, connecting on-line more than half of its network. CNLR is also running a video lottery game, called "Videoloteria", which was started in 2002. Currently, there are 500 terminals installed and another 2000 to follow during the next twelve months. The video lottery game is operated and managed on-line through a central system parallel to the existing one also using the VSAT communication infrastructure.

**UK LOTTERY REORGANIZATION POSSIBLE.** The UK's Culture Secretary Tessa Jowell has announced plans to reorganize the national Lottery in June, and the buzz is that Camelot may no longer be the lone license holder. Last year the National Lottery Commission called for more competition in Lottery licensing. If the reorganization bill gets through Parliament, discussions with potential operators could start in 2005. Current options include one company running the main Lotto draw, while separate license holders will take care of scratchcards, and Internet/mobile lotteries. Camelot will be invited to bid for all licenses.

**MALTA TO END NATIONAL LOTTERY.** Malta's National Lottery will be discontinued after June 2003 due to continued losses. The Lottery, known as the Big Lottery, has been operating at a loss for the last three years, due to the growing popularity of the weekly Super 5 Lottery. The last draw will be held on June 29. The Lottery began in 1948.

**EUROFOOTBALL CONTINUES GROWTH.** Bulgaria's Eurofootball's results for the first quarter of 2003 show the continuing growth and development of the company. Sales had a growth of 40% compared to the 1st quarter of 2002. The offered games are: Football halftime, full and exact result; Section list; Super Change; Jackpot and Super Jackpot. In 2002, Eurofootball ranked 26th in terms of profitability among Bulgarian enterprises. The company's sales reached 21.8 million, achieving a 25% growth compared to 2001.

**FORTUNE LOTTO AIRS IN INDIA.** Fortune Lotto, Nagaland, India's online lottery, aired its draws live on NDTV. The results of the first Fortune Lotto draw were telecast on May 24. Subsequent draws will be aired every Saturday at 10pm. The draws are conducted utilizing Editec draw machines.

### **COMPANY ANNOUNCEMENTS**

**NH RENEWS INTERLOTT.** Interlott received a two-year contract extension from the New Hampshire Lottery for the lease, maintenance and service of its 221 TTS 12-bin ITVMs. The contract now will run through June 30, 2005.

**SMARTPLAY ANNOUNCES NEW PRODUCT AND CONTRACT IN PERU.** Smartplay International will introduce the "SOLUTION" at the European Lotteries 2nd Congress in Prague, June 8-12. This system utilizes the latest technology in automatic number recognition to interface the Draw Machine and an animated video presentation. The system provides, Broadcast Quality Video, Maximum Security, Low Cost Production and Custom Animation.

In related news, Smartplay also announced that they have been awarded the contract to supply Custom Lotto Draw Machines to International Lotto Corp. in Lima, Peru. An early summer start up is expected.

**ID INKS DEAL WITH OGT.** The Idaho Lottery named Oberthur Gaming as its primary vendor for the printing of instant tickets and related services. OGT and the Lottery have been doing business together since the Lottery launched in 1989. This new contract solidifies the relationship through September 2005, with two one-year extension options.

**CBN REPORTS FIRST QUARTER.** Canadian Bank Note Company reported its first quarter results. Sales of \$27.2 million in the first quarter were \$3.4 million higher than sales in 2002. Net earnings were \$0.3 million compared to \$0.8 million in the similar period in 2002. Gross profit percentage decreased to 35.4% from 42.5% as a result of low margins in the start-up phase of the Honduras lottery and as a result of product mix. Expenses were \$0.8 million higher than in the first quarter of 2002, mainly as the result of increased accounting accruals for employee benefit expenses. Lottery Systems' sales, \$6.2 million, showed an increase of \$0.4 over the same period last year. Identification Systems' sales increased by \$3.2 million to \$12.8 million, and payment systems' sales were \$4.5 million compared to \$3.5 million in 2002.

**TELECOM'S PA RADD COMPLETE.** TeleCom Game Factory announced the installation and testing of its Random Digital Draws System (RADDS®) at the Pennsylvania Lottery. The customized system consists of an independently certified random number generator to select daily game numbers and an animated digital draw system (ADDS) to create and produce virtual draw shows for the Lottery's mid-day drawings for both The Daily Number and Big 4 games. The new mid-day draws began in February. TeleCom has developed and installed RADDS® for the Minnesota, DC and Delaware lotteries.

**POLCARD ACQUISITION COMPLETE.** GTECH has completed the acquisition of PolCard S.A., the leading credit and debit card merchant transaction acquirer and processor company in Poland. GTECH entered into an agreement to purchase a 62.8% controlling equity stake in PolCard. Innova Capital Sp. z o.o., a Warsaw-based private equity investment advisor, holds a 36.9% equity stake, with the remaining 0.3% retained by one of the original owners, the Polish Bank Association. The total equity purchase price for PolCard was \$60 million.

**Submit material for next week's Morning Report by  
Wednesday of this week to [Toddpr2@aol.com](mailto:Toddpr2@aol.com)**



# INTERNATIONAL LOTTERY EXPO PROGRAM TOPICS

- The Florida Lottery Today And Plans For Growth
- The Big Kahuna Of Lottery Revenues—Video Lottery
  - How Much To The Lottery's Bottom Line
  - Race Tracks And Lotteries Working Together
  - Other Help For States Wanting Video Lottery
- High-Tech Solutions At The South Carolina Lottery
- Making Use Of Mobile Services To Promote Or Market Games
- Still More Room For Revenue Growth Using Instant And Licensed Games
- New Developments In Using The Internet For Lotteries
- Introduction To New Lottery Directors
- Plans For New Lottery States: Tennessee And North Dakota; And Prospects For Additional Lotteries In The Near Future
- The Visionaries—Lottery Leaders Offering Their View Of Lottery Revenues, Growth Prospects And The Application Of New Technologies
- New Strategies In Advertising And Promotions
- Building More Revenue With Multi-State Games
- The Multi-State Lottery Association—Leveraging The Powerball Brand To Introduce New Games
- Today's Options For Lottery Drawing Equipment And Services
- Developments In Lottery Ticket Dispensing
- Lottery Advertising Competition For TV, Radio And Point-Of-Sale Ads
- How Does She Do It? Rebecca Paul's Management Strategies—Experience In Guiding Two Of The Most Successful Lottery Start-Ups Ever
- Qe Awards For Excellence In Lottery Leadership, Advertising And Service For 2003
- Lottery Lifetime Achievement Award For 2003
- Iowa's New Lottery Law And Its Advantages For All Lotteries
- Expanding Regional Multi-State Games
- Lottery Technology Workshop
- Lottery Advertising And Marketing Workshop



# International Lottery Expo 2003

## Registration Form

July 18-21, 2003 • Sonesta Beach Resort • Key Biscayne, FL USA  
Co-hosted by Public Gaming Research Institute and the Florida Lottery

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_  
First Name for Badge: \_\_\_\_\_ Spouse's Name (if attending): \_\_\_\_\_  
Title: \_\_\_\_\_ Organization: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State/Province: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_ Country: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Web Site: \_\_\_\_\_

Registration Fees (check one):  
 Non-Government: \$795     Exhibitor: \$695     Government (No Charge)  
Method of Payment:  
 Check     Amex     Mastercard     Visa

Credit Card #: \_\_\_\_\_ Exp.: \_\_\_\_\_  
Print Name (as it appears on card): \_\_\_\_\_  
Signature: \_\_\_\_\_

**Fax Registration Form to: Public Gaming Research Institute, Inc. at 425-803-6830.**  
For additional information: Please call, e-mail or see Web site:  
Tel.: 425-803-2900 • E-mail: [elsiepr2@aol.com](mailto:elsiepr2@aol.com) • [www.publicgaming.org](http://www.publicgaming.org)

### Hotel Reservations

For the discounted room rate of \$98 (government)/\$125 (corporate), please contact the Sonesta Beach Resort directly. Room rate does not include tax and resort fee of \$12 per day.

**To ensure the disounted Expo rate, you must book your rooms by June 17, 2003.**

Telephone 305-361-2021 or 800-477-4556 • Fax 305-361-3096 • [www.sonesta.com](http://www.sonesta.com)

**Be sure to mention International Lottery Expo when calling.**





# Scenes from the Sonesta Beach Resort, Official Hotel for the 2003 International Lottery Expo

## International Lottery Expo 2003

Co-hosted by the Florida Lottery • July 18-21, 2003 • Sonesta Beach Resort in Key Biscayne, FL



For more information, please contact Public Gaming Research Institute, Inc. at 425-803-2900, fax 425-803-6830, e-mail [publicgam@aol.com](mailto:publicgam@aol.com), or [click here](#) to visit us on the Web at [www.publicgaming.org](http://www.publicgaming.org)

[Click here to visit the fabulous Sonesta on the Web.](#)