

PUBLIC

GAMING

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

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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
June 20, 2005

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

**EXECUTIVES FROM 70
ORGANIZATIONS & 24
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 70 organization in 24 countries. The countries represented so far are: *Argentina, Aruba, Barbados, Bolivia, Brazil, Bulgaria, Canada, Colombia, Ecuador, El Salvador, Germany, Guatemala, India, Itajamaica, Mexico, Nicaragua, Peru, Senegal, Spain, Sweden, Trinidad, USA and Venezuela. More are expected.*

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. The latest Interim Program for EXPO/ILAC is included with this MORNING REPORT.

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.



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.

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 Orbezo at 425-765-4119 or Paul Jason at 425-985-3159.

HOTEL RESERVATIONS: The EXPO/ILAC room block has been sold-out but PGRI may be able to get a room for you at the discount rate. E-mail your room requests to duaneburke@aol.com. We will e-mail you a room confirmation within two days of receipt of your request or will suggest how you should proceed if PGRI is not able to secure a room for you.

RESERVATIONS SHOULD BE MADE IMMEDIATELY!

COMPANY ANNOUNCEMENTS

INSTANT GAMES WILL BE ¡MUY CALIENTE! WITH NEWLY LICENSED HISPANIC CULTURE ICONS.

MDI Entertainment, a wholly-owned subsidiary of Scientific Games, has signed an exclusive agreement with Star Slots International Corp. to develop instant lottery tickets featuring some of the world’s most famous Latin icons. Star Slots International specializes in the marketing of Latin culture icons to the gaming and lottery industries worldwide. The agreement is a result of MDI’s efforts to expand the offerings available to its international customers. The worldwide agreement gives MDI the rights to a large portfolio of brands, including Latin music superstars Celia Cruz and Tito Puente, and international soccer star Pele. With the first round of the World Cup beginning in June of 2006, Lotteries still have time to capitalize on the immense popularity of this soccer sensation. Lotteries can also choose from a diverse catalog that includes boxers Julio Cesar Chavez and Roberto Duran, baseball superstar Roberto Clemente, racing legend Emerson Fittipaldi, television personality Susana Gimenez, comedic actor Jorge Porcel and musicians Los Tigres Del Norte, Jose Luis Rodriguez “El Puma” and Palito Ortega.



SAZKA EXTENDS OGT. Oberthur Gaming announced a three-year contract extension with SAZKA a.s., the National Lottery of the Czech Republic. Under the terms of this contract that was originally signed in 1998, OGT is responsible for manufacturing 100% of the instant ticket volume of the Lottery as well as for providing SAZKA with marketing related services.



TABCORP WORKING ON CHINA MARKET. Tabcorp has entered into a joint venture arrangement for the purpose of providing systems and support services to the lottery market in the People’s Republic of China. Tabcorp International No. 1 Pty Limited, has entered into a joint venture shareholders’ agreement with China Lotsynergy Limited, a wholly owned subsidiary of Worldmetal Holdings Limited listed on the Stock Exchange of Hong Kong, whereby Tabcorp International No. 1 Pty Limited has a 67% interest and China Lotsynergy Limited has a 33% interest. The joint venture shareholders’ agreement, if completed, will provide lottery operating systems, terminals, proprietary intellectual property rights and other technological support services to, and cooperating with, the Keno lottery market operators authorised by the People’s Republic of China.

EGET LAUNCHES WINONE™ UPGRADE. EGET announced the latest release of its WinOne™ Mobile

Gaming Platform, giving gaming operators a compelling reason to expand their businesses into the mobile channel. EGET has joined forces with Finnish mobile marketing technology provider, Add2Phone, to offer player profiling, mobile CRM capabilities and advanced mobile marketing tools on the WinOne™ Mobile Gaming Platform.



Creative Games International

DE LOTTO TO TEST COMTECH DISPLAY

MESSAGING SOLUTION. Comtech Holdings announced a Pilot trial of their Wireless Display Messaging solution with De Lotto. The aim of the pilot is to encourage new and non regular players to play the games by having a combination of window and in-store displays to make the lottery more visible. Currently, the games present challenges in the retail outlets to communicate the level of the Jackpot, especially since turn around times do not permit accurate printing of Jackpot amounts in time. Point of Sale ("POS") literature also places too much emphasis on the retailers to update. The key needs are to reduce costs and the retailer involvement and increase the accuracy of the rollover communication and the associated Jackpot level. Furthermore, De Lotto wants to raise awareness of their lottery games to ensure customers are aware of the Jackpot levels. A pilot system will be deployed in the Netherlands utilizing Comtech's Wireless Display Messaging solution. It comprises a Central Management software application, which determines Jackpot levels from De Lotto and delivers this information to the automated displays over the wireless network.



INTRODUCING THE MARKETING RESOURCE

GROUP. Based out of Los Angeles, California, TMRG Worldwide (The Marketing Resource Group) has begun marketing itself to provide entertainment and lifestyle brands to Lotteries throughout North America and the world. The company, based on its internationally experienced and contemporary team from around the world, will aim to scientifically establish promotions and bring brands that are both contemporary and appealing to the emerging markets, while simultaneously offering products for the core player. The companies management team is comprised of entertainment, licensing and lottery experience.

VIDEO GAMING/RACINOS

VLTs DRAWING A CROWD AT BATAVIA. Since adding 586 VLTs in May, New York's Batavia Downs has recorded approximately 50,000 customers giving the machines a try (through June 12). It's been estimated that the machines will bring in \$34 million in revenues in their first year.



Wireless Information Solutions...

VLTs AT TIOGA DOWNS. TrackPower announced that the County of Tioga legislature has authorized racing and gaming at the Tioga Downs property. Under New York State Law VLTs have not previously been approved at Tioga Downs. In a vote of eight to one, the local representatives passed the enabling legislation to allow horse racing and gaming in the form of VLTs on the Tioga Downs property.

OK TRACKS MAY SOON GET GAMING MACHINES.

(AP) Electronic gaming machines may soon be coming to Oklahoma's horse racing tracks. Three state tracks have reportedly applied for gaming operator licenses and the Oklahoma Horse Racing Commission is establishing infrastructure to support those operations. The Horse Racing Commission is verifying information it receives regarding personnel, security and other issues at the tracks. In addition, the agency recently hired three gaming agents, who will conduct the background investigations, check out personal history and financial information provided by the entities and their key executives and owners. They will also be looking at the equipment, quality assurance and a number of other relevant issues.



WIRELESS/INTERNET

SMS LOTTERY IN NIGERIA.

The first SMS based lottery scheme has been launched in Nigeria on the Glo Mobile Network by Fortune Games Limited. This was launched in Abuja on the 2nd of June 2005. The game commenced almost immediately as live demonstrations were successfully carried out during the launching. The first draw was held on the 18th of June 2005 live on the NTA network. The system entails a subscriber selecting six numbers between 1 and 49 on their phones. The numbers are sent by text to 35400 short code dial on the Glo Mobile. This code will be used for the other networks as the same short dial code has been approved on the Vmobile network. Players also have the option of computer pick on their telephones. The rolling jackpot starts at N5,000,000. This may involve a loss to the promoters for the first few draws if there is an immediate jackpot winner since it is expected that the game will pick up after the players get used to the idea of lotto on GSM phones.

LOTTERY NEWS

NM LAUNCHES GAME WITH TRIBAL CASINO. The New Mexico Lottery and Santa Ana Star Casino have entered into the first joint lottery/tribal casino game in the state and possibly the United States. The two have launched LottoSino(R), an instant game with two distinct playing fields: one for the lottery and the other for the casino. The traditional New Mexico Lottery portion features 11 ways to win with top cash prizes of \$30,000. Santa Ana Star's portion includes a scratch-off playing field revealing various casino prizes ranging from logo-styled merchandise and free bowling to

\$5,000 top cash prizes. Proposed to the Lottery by Vegas Games Inc. (VGI), the LottoSino concept was presented to several New Mexico tribal casinos. Santa Ana Star on the Santa Ana Pueblo not only opted to participate with the Lottery, but also applied to be a New Mexico Lottery retailer.



LOTTERY SALES PROPOSED FOR MILITARY EXCHANGES. The Air Force Times reported that defense officials have proposed that Congress allow sales of lottery tickets in exchange stores. If enacted, the change would only affect bases located in states that have lotteries.



OK EXPECTS 3,500 RETAILERS. (AP) Oklahoma will have 3,500 lottery outlets after the statewide game gears up later this year, one for every 1,000 residents. Speaking at the Oklahoma Grocers Association conference, Director Jim Scroggins said about 80 percent of the tickets will be sold in grocery and convenience stores and retailers can expect a return of about 6 percent. The lottery is expected to offer scratch-off tickets in October and electronic tickets a few months later, with a multistate offering coming next year. It is expected to generate \$150 million a year for education when fully implemented. Applications for 621 retail outlets were turned in June 8.

lotterygifts.com

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MA LOOKS INTO TELEVISED BINGO. (AP) Massachusetts Treasurer Timothy Cahill is studying a proposal to launch a weekly televised bingo game as a way to boost lottery revenues. Before moving ahead, Cahill says he wants to make sure the new televised version wouldn't

hurt participation in more traditional bingo games.

CA MEGA MILLIONS MOVES FORWARD DESPITE LEGAL CHALLENGE.

The California Lottery is moving ahead with ticket sales for the multi-state MEGA Millions lotto game on Wednesday, June 22, despite a last minute opposing opinion from the Legislative Counsel. Based on two years of discussions and legal opinions by the State Attorney General, the California Lottery believes it has the right to join the multi-state game. Before the Lottery



moved forward, the State Attorney General reviewed the game concept, rules and the joint powers agreement.

REELIN' IN THE CASH. On April 18, the Iowa Lottery released a \$1 fishing-themed instant-scratch game called "Reelin' in the Cash." Players who didn't win a cash prize could use their non-winning tickets to buy a fishing license at a discounted price through the Iowa Department of Natural Resources (DNR) Web site. During the "Reelin' in the Cash" promotion period from April 20-May 31, the number of annual fishing licenses sold through the DNR Web site increased more than five fold. And, after just seven weeks of sales, the scratch game was nearly sold out at lottery retail locations, translating into success for both state partners.

VIRGINIA LOTTERY EASES ALLIGATOR FEARS. It was coincidence that the Virginia Lottery began filming a commercial with a stuffed alligator a few days after a live alligator was spotted inhabiting a local reservoir. Area citizens thought they saw an alligator being captured and immediately began calling police, animal control and media. The buzz eventually reached the Lottery and fears were soon eased. What citizens actually saw was the filming of a commercial for the Lottery's new instant game, *Set for Life*, which involved "Rex Danger" thrashing around the water with "Stuff", a nine-foot-long foam-rubber alligator prop. The *Set for Life* game was released on May 23, 2005, and has a top prize of \$2,000 a week for life. While "Stuff" has moved on, the live alligator is still on the loose.



PCSO READY TO TEST VERSION OF JUETENG. The Philippine Charity Sweepstakes Office is reportedly ready to agree to a pilot test of jueteng, a vastly popular underground numbers game that has been siphoning money away from the PCSO for years. The Lottery's version of the game will be called Loterya. The current PCSO board will have to confirm approval of the game before the Lottery can begin the pilot test.



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