

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 21, 2004

NY SENATE WANTS TO EXPAND QUICK DRAW. The New York Senate voted 52 to 5 in favor of a bill that would expand Quick Draw Keno. Currently the game can only be played at convenience stores, bowling alleys, restaurants and taverns that receive at least 25 percent of revenue from food. The bill would allow any tavern to carry the game. The bill now heads to the state Assembly.

ND TO LAUNCH HOT LOTTO. The North Dakota Lottery will begin selling Hot Lotto tickets this week (June 24). A formal rollout ceremony is being planned at a Mandan convenience store. A third game, Wild Card 2, is slated for introduction in September or October.

SCEL TEAMS WITH USC. Many of you will soon begin to see the "*fruits of labor*" of some South Carolina Education Lottery (SCEL) scholarship recipients. The SCEL and the University of South Carolina's (USC) Media Arts program are co-producing their first commercial. It's all a part of an outreach program at USC. Some of the students participating are on lottery-funded scholarships. Heidi Mehlretter, a Media Arts professor at USC, approached the SCEL's Advertising Department about having students enrolled in one of her classes pitch advertising ideas to the agency. Eight teams were derived from the group of students. The venture was associated with the students' "end of the year" project. The eight teams proposed at least two ideas. Four of the teams were chosen to present their ideas before SCEL staff. SCEL's staff was pleased with all of the four teams' ideas and the first commercial will be filmed this week. The SCEL will seek opportunities to conduct similar projects with other colleges and universities in South Carolina in the future.

SAZKA BROADCASTS. SAZKA will invite tenders to broadcast its two lottery games this fall. The company's agreement with Czech Television expires on December 31.

IA TEAMS WITH FAIR FOR 150 Iowa Lottery players can win a Winnebago motor home, Dodge Ram pickup and other prizes in a contest celebrating the Iowa State Fair's 150th birthday. The "*Iowa State Fair 150th Anniversary Sweepstakes*" promotion begins Sunday and will culminate with a prize drawing during the 2004 fair to determine the winners of 12 cash

MDI REMEMBERS RAY CHARLES.

MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation (NASDAQ: SGMS), joined the rest of the world in mourning the death of music giant Ray Charles, whose tremendous talents were shared with many U.S. lotteries over the past four years through advertising campaigns and instant game promotions licensed through MDI. Mr. Charles died after a lengthy illness. He was 73. Considered one of television advertising's most effective spokespersons of all time, Mr. Charles lent his unique style to advertising campaigns that reached lottery consumers in eighteen states, beginning in 2000 with a series of television and radio commercials in his native state of **Georgia**, highlighting how the Georgia Lottery Corporation benefits education in Georgia by funding three popular educational initiatives. The series included a rare performance of Mr. Charles' classic "Georgia On My Mind." Additional Georgia Lottery commercials featuring Mr. Charles were produced in subsequent years. Also in 2000, Ray Charles brought life to a new TV/radio marketing campaign by the **New Jersey** Lottery, reminding lottery players in song that "For Every Dream, There's A Jackpot." In early 2001, the **Wisconsin** Lottery launched a memorable beneficiary campaign in which Mr. Charles sang the original theme "You Don't Have To Play To Win." In describing the lottery's contributions to property tax relief in the state. The campaigns in Georgia, New Jersey and Wisconsin were all supported by instant "Ray Charles" lottery games. Mr. Charles' largest undertaking in the lottery industry came in 2001 when a series of TV and radio commercials was produced by **MUSL** to promote Powerball. MUSL used the superstar to launch its successful marketing theme, "It's America's Game." Lotteries in **Colorado, Connecticut, Delaware, D.C., Iowa, Kansas, Kentucky, Louisiana, Minnesota, New Hampshire, New Mexico, Oregon, Pennsylvania, Rhode Island and West Virginia** participated in bringing the Ray Charles commercials to their respective audiences.

A great entertainer, a mentor to young artists, a man beloved by his millions of fans and a friend to many in the lottery industry - he will be sorely missed.

expositions in the country. From Sunday through July 17, Iowa Lottery players who make a purchase of \$5 or more (purchase on one ticket in Powerball, Hot Lotto, Iowa's \$100,000 Cash Game, Pick 3 or Pick 4) will automatically receive an entry form for the promotion. prizes of \$1,500; a Dave Lennox Signature Collection furnace installed in the winner's home; a 2004 Dodge Ram pickup; and a 2005 Winnebago 22-foot Minnie motor home. The lottery and State Fair worked together to design a contest featuring Iowa-made and Iowa-marketed products to help highlight the sesquicentennial of one of the oldest and largest agricultural expositions in the country. From Sunday through July 17, Iowa Lottery players who make a purchase of \$5 or more (purchase on one ticket in Powerball, Hot Lotto, Iowa's \$100,000 Cash Game, Pick 3 or Pick 4) will automatically receive an entry form for the promotion.

**47 Lotteries from
23 countries confirmed**

**12 newly appointed lottery directors
International Lottery Expo**

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June 28-July 2

Loews Miami Beach Hotel

Co-hosted by

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TO REGISTER for the CONFERENCE

Please call 1-800-493-0527 or tel. 425-985-3159

For details see: www.publicgaming.org

FOR HOTEL RESERVATIONS

Call Loews Miami Beach Resort

Tel. 305-604-1601

THE UK'S NATIONAL LOTTERY COMMISSION has commissioned independent research to assess likely market interest in bidding for the next National Lottery license. The new research will comprise a detailed analysis of the economic and commercial incentives to bid for the Lottery license, alongside an audit of key interested parties to assess their perceptions of the current Lottery franchise arrangements and what the attractions and potential barriers to entry are likely to be. This work initiates the design of the next license competition, which will take place in 2007. The results will be published in late Autumn 2004. The present license to operate the National Lottery ends on January 31, 2009. In order to allow a hand-over period of 12 to 15 months for the successful bidder, the competition is likely to take place in 2007. This will require the Commission to issue the final Invitation to Apply (ITA) late in 2006.

QUEENSLAND HOTELS CAN BUY/SELL MACHINE RIGHTS. Queensland's hotel industry could now buy and sell rights to operate gaming machines. The new system still caps the number of machines at 18,843 but would allow hotels to buy gaming machines when other hotels in their region close or reduce their number of machines.

UK SELLS DRAW TICKETS THROUGH TV. Last week, UK Lotto players became able to buy tickets through their TV. The new service allow Sky Digital users to buy tickets for Camelot's Wednesday and Saturday draws. Players taking part through Sky Active must register by supplying their name, date

of birth and home address and then choose a user name and password. They will automatically be informed if they have won a prize, which will be credited to their account or, for larger prizes, tell them to contact officials.

LOTTERY TO SPONSOR PERUVIAN ATHLETES. Loterias PeruGana will support the Peruvian athletes who will participate in the Olympic Games of Athens. Loterias PeruGana belongs to INTRALOT de Peru, the sole State licensed operator of lottery games in Peru.

***NEW* RACINO NEWS**

STAR WARS SLOTS. IGT has partnered with Lucasfilm to create a series of Star Wars themed slots for casinos. The first game represents 'A New Hop.' Other episodes and specific characters will be represented in the future. The Star Wars slot game should be available by the end of 2004.

MIKOHN'S GARFIELD APPROVED. Mikohn Gaming today that it has received approval from Gaming Laboratories International (GLI) for the Garfield™ slot game in 16 of 18 targeted GLI jurisdictions. Additionally, the Company has completed initial installations at various customer locations in North America slightly ahead of its estimated target dates.

COMPANY ANNOUNCEMENTS

ESSNET SIGNS WITH RHEINLAND-PFALZ. EssNet and Lotto Rheinland-Pfalz, Germany, have signed a cooperation agreement under which the sales outlets will be modernized and player services improved. The agreement includes not only new terminals, but also introduction of new sales channels and updating of the central system. Initially, up to 1150 new E6 lottery terminals will be provided.

IGT/ACRES DEFENDS CYBER SPACE WITH HIGH TOWER. High Tower Software announced that Acres Gaming Incorporated, a wholly-owned subsidiary of International Game Technology, has selected High Tower's SEM solution, TowerView, for its real-time, intelligent correlation and patented 3-D display packaged in an easy-to-install appliance. TowerView enables IT staff to respond to worms, viruses or other security breaches.

YOUBET TO OFFER VIRTUAL HORSE RACING. Youbet.com has signed a multiyear agreement with VIS iTV to become the U.S. platform for the launch of I-Race, the Scottish company's highly popular virtual horse management and race entry game. With I-Race, Youbet fans will be able to own, train and race a stable of virtual horses. The new game will be available at Youbet.com beginning in the first quarter of 2005. Wagering on the races will not be part of the initial offering.

**Submit material for next week's Morning Report by
Wednesday of this week to Toddpr2@aol.com**

CONFERENCE REGISTRATION FORM

Public Gaming Research Institute's INTERNATIONAL LOTTERY EXPO & ILAC CONGRESS 2004

June 28-July 2, 2004

Loews Miami Beach Hotel, Miami Beach, Florida

Loews Hotel Tel. 305-604-1601 Fax 305-604-3999

PGRI Tel. 425-985-3159 or 800-493-0527; Fax 206-232-2564 or 800-657-9340

Name & Title: _____

First Name to use on badge: _____; Spouse, if attending _____

Organization: _____

Street Address: _____ City: _____

State/Province: _____ Zip Code _____ Country _____

Telephone: _____ Fax: _____

E-mail: _____ Web Site: _____

INDIVIDUAL REGISTRATION FEES (check one):

Non-government US\$895; Extra Exhibitor: US\$795; Government: No charge*

*Note: confirmation of government employment status required

PAYMENT:

All payments are due in advance. Space is confirmed when payment is received.

Refunds are available until May 27 but not after that date.

Credit card authorization for US\$ _____ Date of purchase _____

Please circle credit card type: American Express Visa Master Card

Card Number: _____ Expiration Date _____

Cardholder's name if different than above: _____

Signature: _____

Alternative payment methods available upon request

Call Susan Burke Jason at PGRI for assistance: 425-985-3157 or 800-493-0527

HOTEL RESERVATIONS

Please call directly to the Loews Miami Beach Hotel for room reservations.

Discounted room rates for Expo/ILAC attendees: US\$199 single or double

Telephone: 305-604-1601 or 877-563-9762 Fax: 305-535-5218

BE SURE TO MENTION NAME OF THE CONFERENCE

Loews Hotels Web Site: www.loewshotels.com

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