

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 27, 2005

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

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 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, Equador, El Salvador, Germany, Guatemala, India, Italy, Jamaica, 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.



**Creative
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International**

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 Orbeago 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 still be able to get a room for you at the discount rate of \$159. 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

CA CHOOSES SCIENTIFIC GAMES. Scientific Games has been awarded the contract to provide the California State Lottery with instant lottery tickets and marketing services beginning July 1, 2005. Scientific Games will provide the Lottery with 75% of its instant products for a base term of four years. The contract contains four one-year options to extend. The California State Lottery is projected to reach a total of \$3.3 billion in total sales with \$1.7 billion in instant sales for fiscal year 2005 generating \$1 billion for public education. Since its creation in 1985, the lottery has contributed more than \$15 billion to California's public schools.



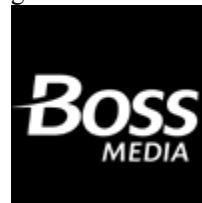
**GTECH
ANNOUNCES JOINT
VENTURE WITH**

VEIKKAUS OY. GTECH has entered into a joint venture agreement with Veikkaus Oy, the operator of the Finnish national lottery, to develop and market innovative new games and solutions for the lottery and gaming industries. The primary focus of the joint venture is the development of government-sponsored games and solutions over expanding interactive channels such as Internet, mobile telephony, and interactive television, with a main emphasis on sports betting. GTECH will hold an 81 percent equity stake in the joint venture, with the remaining 19 percent held by Veikkaus. The joint venture will be located in Finland, and initially staffed by Veikkaus personnel. The joint venture agreement is expected to close and be operational in the third quarter of this fiscal year, subject to certain closing conditions in the agreement.



SHANGHAI WELFARE LOTTERY AWARDS TWO CONTRACTS TO SCIENTIFIC GAMES.

The Shanghai Welfare Lottery Issuing Center (SWLIC) has awarded Scientific Games two contracts with a combined valued of \$40 million over ten years. Under the new online lottery agreement, Scientific Games will maintain SWLIC's online lottery software and supply 4,000 new online lottery terminals. Under the first agreement, Scientific Games will supply keno game software and provide 1,000 keno terminals. Of the 4,000 online lottery terminals Scientific Games is providing under the second agreement, 2,100 represent an expansion of the current network while the remaining 1,900 terminals will upgrade older machines. The 1,000 keno terminals will be installed at new retailers who sell only keno games. Both contracts commence July 1, 2005.



SHUFFLE MASTER, IGT AND PROGRESSIVE GAMING ANNOUNCE WORLDWIDE PRODUCT INTEGRATION AGREEMENT. Shuffle Master, IGT and Progressive Gaming International

announced a worldwide product integration agreement to create a comprehensive, automated table management solution using complementary capabilities, technologies, and resources of the three companies. Under the terms of the agreement, Shuffle Master will be the provider of automatic card shufflers, card reading intelligent shoes, card and chip sorters and verifiers. IGT will be the provider of back-end table gaming management systems, including player tracking, patron loyalty and rewards, as well as bonusing applications. Progressive Gaming will be the provider of RFID bet recognition, automated gaming chip tracking and payoff recognition. Each company will cooperatively interface their respective products into a combined product offering to be known as the Intelligent Table System. The agreement also provides a framework for the cooperative development of new technologies and products that build on automated table management and real-time monitoring of player activity.



WMS AND CYBERVIEW SIGN AGREEMENTS.

WMS Gaming entered into wide ranging technology transfer agreements with Cyberscan Technology Inc. (d/b/a Cyberview Technology). Under the terms of the agreements, WMS has purchased the latest versions of Cyberview's server-based and downloadable gaming systems and related technologies. The non-exclusive agreements also give WMS the right to create derivative versions of these systems and to use, sell, lease, export or distribute the Cyberview technologies in all gaming markets, subject to certain restrictions including time and product restrictions on entry into certain markets. In addition, Cyberview has granted WMS a non-exclusive, perpetual, irrevocable, worldwide license to its technology patent portfolio related to server-based gaming. Cyberview will provide WMS' system technology team with initial technical and functional support to enable WMS to operate, maintain and further develop these technologies. WMS has also entered into a five-year agreement to license certain of its game content to Cyberview on a royalty-based, recurring revenue basis for use in lottery markets and certain other non-casino markets outside of North America. Cyberview will be paid total cash consideration of \$15 million over 2 years for these agreements and WMS has been granted certain rights of first refusal relating to common shares of Cyberscan Technology held by Jean-Marie Gatto and Sylvie Linard.



PEERDIRECT INTEGRATED INTO ORDERPAD. The Progress Real Time Division announced that its innovative PeerDirect® database replication and data synchronization technology has been integrated into Cole Systems' OrderPad Enterprise™ mobile sales force automation software. With these PeerDirect capabilities, OrderPad enables sales reps to more easily access reliable, up-to-date information from headquarters even while in the field and disconnected from the

network. More than 430 lottery sales representatives in Indiana, New York, Pennsylvania and Kentucky are using OrderPad to manage the entire sales process from a single mobile device, the Tablet PC. OrderPad Enterprise, the first Tablet PC-optimized mobile sales software, allows sales representatives to manage the entire sales process from a single device.



PIXIEM/WIN WIN LAUNCH "WIMBLEDON 2005".

Pixiem, Inc., a wholly-owned subsidiary of Win Win Gaming, Inc., announced the launch of Wimbledon's first officially licensed cell phone tennis game, "Wimbledon 2005," in North America and Europe through lead mobile carriers Verizon and Cingular. "Wimbledon 2005" was developed under license from the All England Lawn Tennis and Croquet Club Ltd. ("All England Tennis Club"), the organizer of the annual Wimbledon Lawn Tennis Championships. Included in the exclusive three-year licensing deal are performance goals and revenue sharing based on royalties. "Wimbledon 2005" offers a realistic virtual tennis experience for cell phone players. Players can adjust the velocity of their serves, attack the net, and add spin to their shots. "Wimbledon 2005" also offers four levels of increasing difficulty starting with Club Challenge, moving up to Open Crown, then Royal Cup, and ending with The Wimbledon Championship.



Wireless Information Solutions...

PEOPLE

On June 20, Scientific Games Corporation appointed **Michael Chambrello**, formerly a top executive at GTECH, as its president and chief operating officer. The appointment splits off the role of president from **A. Lorne Weil**, who will continue as Scientific Games chairman and chief executive. Weil said the change will allow him to focus more on future development opportunities, while Chambrello will concentrate more on daily operations, though there will be overlap. Asked about specific development plans, Weil said the company hopes to expand its horse-race betting business to other sports and continues to search out acquisition prospects. Chambrello most recently served as president and CEO of a private environmental testing company called Environmental Systems Products. He previously held the position of president of GTECH Corp. and executive vice president of GTECH Holdings Corp. Chambrello will start in his new role on July 1.

The European Lotteries Association's (EL) General Assembly appointed **Doctor Winfried Wortmann**, General Director of the Westdeutsche Lottery of Münster/Germany as its new President. Dr. Wortmann, succeeds **Mr. Hans-Jürgen Reißiger**, of Deutsche Klassenlotterie, Berlin, who after 4 years did not run again for election. Dr. Wortmann is 58 years old, and has been working with the Westdeutsche Lotterie since 1994. Ten Executive Committee Members were also elected during this assembly: **Mr. Christophe**

Blanchard-Dignac, President-General Director de la Française des Jeux / France, was appointed 1st Vice-President and **Mr. Sotiris Koulossoussas**, Member of the Board and President of 'Sports Business Partnership,' Greek Organization of Football Prognostics OPAP / Greece, was appointed 2nd Vice-President. **Mr. Hans-Jürgen Reißiger** was nominated "Honorary President" by the General Assembly named in acknowledgement of his successful work for enhancing awareness in the domain of State Lotteries in Europe. 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.



VIDEO GAMING/RACINOS

MGM, NYRA AGREE ON AQUEDUCT. MGM Mirage has entered into a definitive management agreement with the New York Racing Association (NYRA), under which MGM Mirage will develop and manage a 4500-unit VLT facility at Aqueduct. The project had been on hold pending favorable legislative and judicial developments in New York State, which now will permit the project to move forward. MGM Mirage's participation remains subject to New York regulatory approval. The Aqueduct facility, budgeted at \$170 million, is expected to open in mid-2006.

PA GAMING BOARD POSTS MANUFACTURER LICENSE FORMS. The Pennsylvania Supreme Court upheld most of Act 71 of 2004 permitting the expansion of gaming. In related news, the Pennsylvania Gaming Control Board posted on its Web site downloadable application forms for companies and people interested in becoming licensed manufacturers of gaming equipment in the Commonwealth. The deadline for returning completed applications to the Board is Aug. 15, 2005. Applications, instructions for their proper preparation and a fee schedule are available only at <http://www.pgcb.state.pa.us>. Please click "Applications" to reach the license applications page.

WIRELESS/INTERNET

SVENSKA SPEL LAUNCHES MOBILE BINGO. The latest addition to games offered on your mobile phone by Svenska Spel will be Bingo says Mathias Hedlund, VP for Division Direct. Svenska Spel has had Bingo on its website for almost two years and it has proved to be a hit. Already Swedes can play two of Svenska Spel's Oddset sports betting games and the two scratch tickets 'Triss' and 'Tia' on cellular phones. Svenska Spel intends to continue launching product on mobile phones.



LOTTERY NEWS

CA LAUNCHES MEGA MILLIONS. The California Lottery launched Mega Millions on Wednesday, June 21. Lottery officials said about \$1.1 million had been spent statewide on Mega Millions tickets by mid-afternoon. By comparison, about \$1.6 million had been spent on Super Lotto tickets.

TRI-STATE TRIPLE PLAY STARTS. Tri-State Triple Play tickets went on sale Sunday, June 26 and the first drawing will be held on Tuesday, June 28th. The tickets, offered by the Maine, Vermont and New Hampshire lotteries gives three plays for \$2 and offers two play styles on one ticket, including a Base Game, which is the typical lotto style game, and a Combined Play feature. The all-cash rolling jackpot starts at \$30,000. The Vermont Lottery is supporting this new game with a variety of consumer and clerk promotions. Consumers can win a \$100 VISA gift card by displaying *Triple Play* stickers, which are available at Lottery agents. Players will also get a chance to win a free *Triple Play* ticket when playing *Megabucks* or *Powerball* June 26 through July 17. Lottery agents and their clerks can also enter to win prizes during the *Triple Play* introduction.

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LOTO QUEBEC POSTS INCREASED REVENUES.

With consolidated revenues of \$3.937 billion and net income of \$1.583 billion, Loto-Québec remitted a total of \$1.511 billion in dividends to the Québec Government during the fiscal year ended March 31, 2005. As such, the Corporation's revenues, net income and dividends showed a 4.7%, 8% and 1.2% increase respectively as compared to the previous year. The Corporation remitted a total of \$1.669 billion in dividends, taxes and other sums directly to Government Ministries during fiscal 2004-2005. All three of Loto-Québec's principal activity sectors contributed to the increase in the Corporation's total revenues, with Lotteries, Casinos (including Restaurants and Hotels) and Video Lotteries recording increases in earnings of 2.5%, 3.3% and 9.6% respectively. With respect to net income, Lottery revenues grew by 6.9% and Video Lotteries by 11.8%, while Casinos showed a slight decline of 0.6%.

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PA SCRATCHER OFFERS 20 \$1 MILLION PRIZES. The Pennsylvania Lottery will introduce its largest instant game ever on Tuesday, June 28. "\$275 Million Cash Extravaganza" will feature 20 top prizes of \$1 million each, 12,000 prizes between \$1,000 and \$20,000 and more than

490,000 prizes from \$100 to \$500. \$275 Million Cash Extravaganza will be the Lottery's latest \$20 game. The overall odds of winning a prize are 1-in-3.06.



NM GOV NIXES CASINO/LOTTERY GAME. New Mexico's Governor Richardson has reportedly directed the New Mexico Lottery Board to discontinue the lottery's just-released joint tribal-casino and lottery scratch ticket, LottoSino. The 'Associated Press' reported that the lottery will comply and all of the tickets will disappear when a four-month contract ends. The scratch-off game tickets featured prizes from the lottery and Santa Ana Star Casino. Richardson said he was concerned that the tickets sent a message that the state promoted casino-style gambling. Sales of the ticket began June 14th and drew quick criticism from 'New Mexico Coalition Against Gambling' director Guy Clark. He said the tickets amounted to a state endorsement of casino gambling.



InLott E Gaming Services Limited

MO MAKES FINAL FY05 TRANSFER. The Missouri Lottery made its final transfer of fiscal year 2005 with its monthly transfer of \$19.5 million to the Lottery Proceeds Fund for public education. The June transfer - \$19,500,078 - is based on ticket sales in May, and it brings the total proceeds to education for fiscal year 2005 to \$218,285,010. The fiscal year total is \$3.2 million or 1.5 percent more than the Lottery's estimated goal of \$215 million.



GREENIN' UP THE OZARKS.

On the first day of summer, a group of 21 Missouri Lottery-made millionaires and their families were found "greenin' up the Ozarks" during a litter pick-up event on the South Creek Greenway in Springfield. The event was part of the Lottery's 19th annual millionaires' reunion. This year's attending jackpot winners represented combined winnings of more than \$242 million. The Lottery organizes the reunion and the millionaires pay their own way. There are many reasons the reunions are important, including that it is a good opportunity for the millionaires to meet others who have experienced such a sudden life change. In addition to their clean-up efforts on the Greenway, Lottery winners were presented with two seminars during the reunion: one seminar titled "The Power of Sleep" by Dr. Terrence Coulter, medical director at the CoxHealth Sleep Disorders Center in Springfield; and one seminar called "Goal Digging: Your Map to Success" presented by Geri Wiseman, professional development manager for the Missouri Lottery. The millionaires also enjoyed entertainment in Branson during

their stay, including a dinner at the Hard Luck Diner and seeing the "Lost in the '50s" show at the Starlite Theater.

NZLC LAUNCHES NON-CASH PRIZE FOR KENO.

New Zealand Lotteries Keno players could win one of 20 awesome Warriors supporter packs in the first ever non-cash prize promotion for Keno. Each pack consists of a Sony 32" FD Trinitron widescreen WEGA TV, a one year Sky Digital subscription and a signed Warriors jersey. To enter players need to buy a Keno ticket between Sunday, June 19 and Saturday, July 9. With every Keno entry into a Keno draw players will receive a voucher that puts them in the 9 July draw for the Warriors packs. The winning voucher numbers will be available in-store on Sunday, July 10 after the Saturday, July 9th 6pm draw.



POOLZCONNECT. Singapore Pools will be introducing PoolzConnect, a phone service for football betting. The Lottery will pre-launch PoolzConnect with the start of the Confederations Competition on Jun 15, 2005. Pre-launch activities include having staff at 12 selected branches (Annex A) from June 15-19 between 10 pm to 12 midnight to inform customers about PoolzConnect and to receive their feedback and indication of interest in the service. The current criteria for Singapore citizens and permanent citizens interested to use PoolzConnect service are that they must be at least 21 years of age and be able to set aside a sum of S\$5,000 in a designated bank account. PoolzConnect customers are required to place a minimum bet amount of \$50 per call.

ALC CALL CENTER EMPLOYEES HONORED. The Atlantic Lottery's in-house team of 40 call centre employees were honored with a Community Involvement award at the ContactNB Awards of Excellence gala. The team, called Lottery Support Services (LSS), picked up the award that recognizes outstanding voluntary contributions made by a contact centre to the citizens of N.B. Recipients are selected for "demonstrating tremendous spirit and enriching both their workplace and their community." The LSS team faithfully fundraises for the IWK and Kids Help Phone as part of the Contact Centre Challenge but last fall, the group decided that they could do more. Their generosity and willingness to "do more" translated into some unique support for the Moncton Headstart Christmas food box program, Nazareth House, and Sue Stultz's turkey drive. Moncton Headstart received nearly 400, one kilogram jars of peanut butter in time for their Christmas food box program. Any ALC employees who donated jars were "thanked" by LSS, who arranged a "letter from Santa" for the peanut butter donor's child of choice. Thanks to LSS, Christmas also came to the 30 residents of Nazareth House. Each received a gift and a box of essentials including a toothbrush, mittens, toques, razors and socks. They didn't stop there. In January, they were compelled to fundraise again; this time in support of tsunami relief, and generated \$1165 for the cause. Most recently, LSS handed over a cheque for \$3889 at the IWK telethon, representing their fundraising efforts for that charity.



EXPO/ILAC 2005 Conference & Exhibits
Bellagio Hotel – Las Vegas
July 11 – July 14, 2005
CONFERENCE REGISTRATION FORM

Contact & Title
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Signature Email
Number of Registrations Total \$

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\$895 FOR VENDORS, SUPPLIERS AND ALLOTHEERS;
\$795 FOR EXTRA EXHIBITOR REPRESENTATIVES.
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Conference registration includes admission to all meetings, opening night cocktail reception, continental breakfast and luncheons on each conference day.

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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.