

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 30, 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**. For more
information, please call PGRI at **425-803-2900** or
[click here](#) to visit us www.publicgaming.org.

BARBARO STEPS DOWN IN ONTARIO. Ontario
Attorney General Norman Sterling today announced the
resignation of Ron Barbaro as Chair and CEO of the OLG.
Barbaro was appointed Chair of the Ontario Casino
Corporation and Ontario Lottery Corporation in 1998, and
oversaw the merger of the two organizations in April 2000.
He was appointed Chair and CEO of the OLG in April 2000
and oversaw the successful expansion of Ontario's gaming
industry. Stanley Sadinsky has been appointed the new Chair
of the organization. Sadinsky, considered an expert in
gaming law, has practiced law in Kingston, Ontario since
1971. Sadinsky has also served as Chair of the Ontario
Racing Commission for the past nine years. Barbaro will
stay on as Chair and CEO of the OLG until the end of July
to provide a period of transition for the new Chair. The Board
of Directors has appointed current Chief Operating Officer
Brian Wood as acting CEO effective August 1, 2003, until a
competitive process is completed and a permanent
replacement found.

PA SENATE PASSES SLOTS. The Pennsylvania Senate
passed (27-22) a bill that would authorize slot machines at
state tracks. PA Gov. Ed Rendell is a big proponent of
racinos, having pushed the plan during his candidacy. The
bill now heads to the state House.

ANOTHER RECORD YEAR FOR NM. In May, the New
Mexico Lottery's annual contribution to the Lottery Success
Scholarship program exceeded \$30 million for the first time

(last year saw a record profit of \$29.6 million). The Lottery is
also projecting a sixth straight record year for overall sales.

\$2 BILLION FOR MO. The Missouri Lottery has two
billion reasons to celebrate after its monthly transfer of \$13.8
million on Friday, June 20. The June transfer, based on sales
in May, pushed total Lottery proceeds to the state, including
education, to \$2,009,280,676. In addition to surpassing the \$2
billion mark, this transfer also ends the Lottery's fiscal year
2003 with record annual proceeds of \$193,940,550. This is a
21 percent increase over the fiscal year 2002 total of \$160
million, the previous annual record.

KLC HONORED FOR RESPONSIBLE GAMING. The
Kentucky Lottery Corporation has been recognized with
national and state awards for its efforts in promoting
responsible gaming. The National Council on Problem
Gambling and the Kentucky Council on Problem Gambling
have separately honored the KLC with their Industry Awards
for 2003 for exceptional contributions to the recognition,
prevention and treatment of problem gambling. The awards
were given to the KLC at the National Council on Problem
Gambling Conference held in Louisville last week. In
particular, both the NCPG and the KYCPG noted the
Kentucky Lottery's efforts in initiating and organizing the
state's first ever Responsible Gaming Education Week in
August of 2002. Additionally, both organizations recognized
the KLC for producing and airing two series of public service
announcements, one promoting responsible play and another
discouraging youth gambling. The NCPG and the KYCPG
also noted the Lottery's pervasive Play Responsibly messages
and promotion of the 1-800-GAMBLER helpline number
over the past seven years as contributions worthy of these
awards.

ALC WINS HR AWARD. Atlantic Lottery Corporation
(ALC) claimed top honors at the recent Atlantic Canada
Human Resources Awards. The awards recognize leadership,
innovation and distinction in human resource management.
ALC took home the award in the Strategic Partnership
category, which recognizes the successful link between
organizational strategy and human resources.

SC ADDS DRAWS. The South Carolina Education Lottery
added another draw to its Pick 3 and Pick 4 games. The
Lottery added a second draw to Carolina 5 on May 13, and
ticket sales immediately rose 38 percent.

OHIO TRIMS AIR TO CUT COST. The Ohio Lottery is
stopping live broadcasts of midday draws on Tuesday, July 1.
Instead, the winning midday Pick 3 and Pick 4 numbers will
be superimposed on screens of participating stations. The
move will save about \$1.1 million a year. The Lottery will
continue to broadcast Monday through Saturday evening
draws, but will cut a half-minute from each broadcast, saving
an additional \$100,000.

VA CUTS LINES. The Virginia Lottery will be
discontinuing several regional telephone information
numbers on July 1. The change, which is expected to save
\$150,000 per year, will require players who are seeking

lottery results to call a number in the 804 area code (804-662-LUCK). All together, the twelve regional numbers the Lottery had been operating cost approximately \$250,000 per year to operate.

PA ADDS A NUMBER. The Pennsylvania Lottery has added a toll-free number enabling players to obtain mid-day draw results for The Daily Number and BIG 4 via telephone. The toll-free number, 1-877-282-4639, comes in response to requests from players and retailers. The line will only give information pertaining to the most recent mid-day draw.

XTRA REWARDS IN CA. The California Lottery announced that Xtra Reward, a special featured promotion for the SuperLotto Plus game, will be held from June 22 - August 2, 2003. Two eight-digit numbers will be drawn every Wednesday and Saturday giving players two chances to win \$75,000 for every single draw. The first set of eight-digit numbers will be drawn at the June 25th SuperLotto Plus draw. Players receive one Xtra Reward number for five plays; two Xtra Reward numbers for six to nine plays; and three Xtra Reward numbers for nine or ten plays.

LOUISIANA LAUNCHES VENETIAN NIGHTS. On June 23, the Louisiana Lottery Corporation will introduce Venetian Nights in Vegas, a new \$2 scratch-off that showcases The Venetian on the front of the ticket. Venetian Nights in Vegas features three casino-style play areas, giving ticket purchasers 10 different chances to win up to \$10,000 or an entry in the drawing for Powerball Instant Millionaire (the ticket doubles as a postcard). Venetian Nights in Vegas will eventually replace the current Powerball Instant Millionaire scratch-off ticket as the means for entering game show drawings. Sales of Powerball Instant Millionaire will cease in August, and players will have 90 days to claim prizes from the game, including submitting game show drawing entries.

TEXAS ON FAST TRACKS. The Texas Lottery launched a new instant game, called Fast Tracks, offering a top cash prize of \$25,000, and a second-chance drawing that gives players a shot at winning one of five four-day, three-night trip for two to legendary speedways in Daytona, Las Vegas, Atlanta, Talladega or Texas. The game features NASCAR® drivers Dale Earnhardt, Jr., Bill Elliott, Jeff Burton, Mark Martin, Ricky Rudd, Greg Biffle and Matt Kenseth. It is the first time the Lottery has offered a trip as a prize. Players can enter by mailing in two non-winning tickets in an envelope no larger than a #10 envelope to Fast Tracks Second Chance Drawings, 4287 Belt Line Road, PMB 370, Addison, Texas 75001. The second-chance drawings will be open to the public, and the results will be posted on the Texas Lottery's Web site approximately one week after each drawing.

NEW CAMELOT STRATEGY PAYS OFF. Camelot has a new ad strategy, and it appears to be paying off. The Lottery replaced Billy Connolly ads, which really only pushed the main Lotto game, with ads featuring the good causes that benefit from lottery funding. The new ads also promote the Lottery's entire game portfolio. As a result, Thunderball is up 20% this year, and sales of Lotto and HotPicks have increased by more than £4 million. Also,

according to Conquest Tracking, the number of regular Lotto players who feel better about playing the National Lottery has increased by more than 50%.

MALTA ENDS LOTTERY. Malta's National Lottery game sailed into the sunset yesterday (June 29, 2003), as the game was discontinued. The Lottery, which began in 1948, at one point sold close to 450,000 tickets per draw. The game eventually fell victim to cannibalization as the Super Five weekly lottery was launched in 1990. It has been running at a loss for several years.

PAGCOR LAUNCHES MEDICAL HOTLINE. The Philippine Amusement and Gaming Corp. has launched a Hotline 966 project, modeled after the successful 911 system in the United States. PAGCOR's own EMTs man the telephone lines. The EMTs, are specially trained to provide assistance up to the level of advanced life support.

CASINOS IN ISRAEL? Sources are reporting that Israel's Prime Minister's office is supporting a proposal allowing Mifal Hapais to open five casinos in the country. The hope is that the venues will help stop illegal gambling and encourage tourism in remote areas of the country.

SARS INFECTS JOCKEY CLUB REVENUE. The Hong Kong Jockey Club has seen its biggest loss in betting turnover in history. The 8.5% drop, a loss of \$6.7 billion, is being blamed on fear of SARS. In response to the sales drop, pay rates for the company's work force of 4,200 full-time employees will be cut, with senior management, including Chief Executive Lawrence Wong, receiving a 10% cut. Other managers will be docked 8%. The cuts are expected to trim approximately \$15 million.

COMPANY ANNOUNCEMENTS

OGT EXTENDED BY VA. Oberthur Gaming signed a one-year contract extension for instant ticket printing with the Virginia Lottery under its current contract. The Virginia Lottery has also recently signed a warehousing and distribution contract with OGT.

SVENSKA SPEL SIGNS WITH GTECH. GTECH signed a two-year contract extension to provide online lottery products and services to AB Svenska Spel. In addition, GTECH signed its previously-awarded Enterprise Series Video lottery central system contract with Svenska Spel. Under the contract extension,

LOTTERY PEOPLE

The North Dakota Lottery Advisory Commission has been selected. The members include: Fessenden Senator **Jerry Klein**, Mandan Representative **Rae-Ann Kelsch**, Grand Forks Representative **Lois Delmore**, former Minot state senator **Darlene Watne**, and former State Representative **Laurel Thoreson** of West Fargo. The members were selected by Attorney General Wayne Stenehjem and state Senate Republican majority leader Bob Stenehjem.

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