

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
March 10, 2003

BUSH NAMES NEW FLORIDA HEAD. Florida Governor Jeb Bush named former state Film Commissioner Rebecca Mattingly to head the Florida Lottery. Former lottery secretary David Griffin is now serving as executive director of the transition team that Bush appointed to review each of the state's major agencies.

OHIO RFP. The Ohio Lottery Commission has released a RFP to provide for the agency's creative production services. The Ohio Lottery intends to award multiple contracts to vendors to provide these services. The selected vendors' primary responsibility will be to develop advertising programs and provide marketing services following direction provided by the Ohio Lottery. Vendors will be placed on a monthly retainer and will be expected to submit creative concepts for Lottery advertising campaigns. Vendors submitting the concepts chosen for use will be compensated based on a percentage of the job cost. These programs include performing marketing research, designing and developing creative concepts and ad campaigns, producing TV, radio and print media spots, and creating POS materials. Responses are due back March 20, 2003. The contract period runs from July 1, 2003 to June 30, 2005, with two, two-year renewal options.

TEXAS WINS TELLY. The Texas Lottery Commission won three prestigious awards for its in-house video productions. The "Latin Lotto Scam Public Service Announcement" earned the agency a Telly Award. This was the agency's first-ever entry in this national competition. The Telly has become one of the most sought-after awards in the TV, commercial and video industry. The other two honors were Communicator Awards: a "Crystal Award of Excellence" for its "Retailer Town Hall Video," and an "Award of Distinction" for the "Latin Lotto Scam Public Service Announcement."

CA TEAMS UP WITH NBA. The California Lottery and the NBA teamed-up to offer sports fans a new way to

play their way to the NBA Finals. Sports fans can take a shot with the new \$2 Scratchers® game filled with the high excitement and energy of NBA basketball. The Lottery's Scratchers tickets feature teams like the Sacramento Kings and the Los Angeles Lakers and incorporate bonus prizes such as game tickets, road trips, all-star experiences, plus packages of high quality, genuine NBA collectible merchandise.

CT AG PUTS CD-GAME ON HOLD. Connecticut Attorney General Richard Blumenthal has asked the Connecticut Lottery to hold off on introducing its new interactive lottery game, because Blumenthal is concerned the game, Treasure Tower, comes very close to Internet gambling. Another concern is the fear that the game could be construed as a video lottery, which might be prohibited by state law.

MUSGRAVE HEADS NEW GAMING DIVISION. West Virginia Senate Finance Committee members amended a bill (SB153) to ensure that John Musgrave, the West Virginia Lottery Director, will be in charge of a new gaming division that brings the lottery, dog and horse racing, and charitable bingo under a single agency.

KY LAUNCHES SECOND HARLEY INSTANT. Harley-Davidson® is celebrating its 100th Anniversary and the Kentucky Lottery is helping celebrate with a \$5 instant ticket. Players can win a 100th Anniversary Harley-Davidson motorcycle instantly or through a second-chance promotion.

OK LOTTERY BILL DEFEATED. The Oklahoma House defeated a plan to put a state lottery to a vote of the people. Representative Ron Kirby of Lawton managed to keep the measure alive on a procedural move, which could cause the House to reconsider the issue in a few days.

EHRlich REVISES VLT PLAN. Maryland Gov. Robert L. Ehrlich Jr. revised his VLT plan by increasing the share of the projected \$1.5 billion gambling jackpot that would go to racetrack owners and cutting the percentage earmarked for public education. Ehrlich also slashed by two-thirds the licensing fees that he wants to charge tracks, and increased the number of machines allowed at tracks to 11,500. The Governor hopes the new plan will gather support in the General Assembly.

CT LAUNCHES UNDERAGE PSA. The CT Partnership for Responsible Gambling will launch its first underage gambling PSA to coincide with the state's second annual "Gambling Awareness Week," beginning March 10. The 30-second spot, produced by the CT Lottery, encourages parents to talk about gambling issues with their children, before problems occur. Reminding adults that "underage gambling is illegal," the spot advises "if you don't talk with your kids about gambling, the odds could be against them."

CAMELOT GOES INTERACTIVE. Camelot launched a new online interactive service allowing players to

purchase National Lottery tickets over the Internet, on TV and cellular phones. The five new interactive Instant Win Games start at just 25p per ticket and are available for play between 7:00 am and midnight seven days a week with a maximum instant jackpot of £10,000. Players must be aged over 16 to play and resident in the UK or the Isle of Man. Plans include the launch of Lotto online later this year.

SAZKA GOES AHEAD WITH STADIUM. SAZKA has moved ahead with plans to build the Hala Sazka ice hockey stadium despite fears in recent weeks that the project could be halted for lack of financial backing. Apparently the company signed a loan agreement with a consortium of banks on February 18 that will allow it to complete the 20,000-capacity arena in time for the 2004 World Ice Hockey Championships.

FIXED-ODDS RECORD IN GREECE. Greek fixed-odds betting registered an increase of more than 15% in 2002, which was another record year. With sales of betting products topping 1.5 billion, Betting Company maintains its leading position in the fixed-odds betting and bookmaking business, worldwide. Betting Company is a member of the Intralot Group.

MULTI-CHANNEL GAMING AT NORSK TIPPING. Norsk Tipping launched its wide range of games both on the Internet and as a test pilot on mobile telephones in 2002. In the year ahead, customers will also get the opportunity to make their bets via their digital television, and it is also very likely that the government will give Norsk Tipping the exclusive right to run slot machines in Norway.

THAILAND LOOKS TOWARD JULY LOTTO LAUNCH. The Director of Thailand's Government Lottery Office announced that approximately 3,000 lottery terminals will be installed by July. The Director said that eventually there would be 12,000 terminals installed nationwide. The terminals would sell two and three-digit tickets.

LOTTERY PEOPLE

RANDEE KERNS JOINS ILAC DE GUATEMALA. ILAC de Guatemala, S.A. is pleased to announce it has contracted for the services of Randee Kerns to be the Director of Compliance, Security and Operations for its video lottery operations in Guatemala. Randee was most recently the Security Chief for the Washington State Lottery, spent over 15 years with the Washington State Gambling Commission, has experience in casino and tribal gaming operations and his more than 25 years total experience in gaming and lottery regulation and operations will make him a welcome addition to the ILAC team. Randee can be reached at the ILAC office in Guatemala at 011-502-361-6304 or by e-mail at rkerns1000@aol.com.

COMPANY ANNOUNCEMENTS

IGT INCREASES SHARE REPURCHASE. IGT's Board of Directors increased the company's share repurchase

authorization by 7.4 million shares to a total of 10.0 million shares.

INTRALOT REPORTS YEAR-END RESULTS. Intralot achieved a 20.3% growth in its pre-tax profits, 13.3% in sales (to 319.3 m) and 18.2% (87.1 m) in EBITDA, for the year ended December 31, 2002. Intralot achieved to sustain a high growth in its revenues, operating earnings, earnings per share and to maintain its ability to generate considerable operating cash flow.

SGI REPORTS 4th QUARTER AND YEAR-END RESULTS. For the fiscal year 2002, Sci-Game's revenues increased to \$455.3 million compared to \$440.2 million in 2001, and EBITDA grew to \$123.7 million from \$105.1 million in the prior year. EBITDA for the 2002 year, adjusted to exclude the costs attributable to the Pick Six matter, increased by 19% to \$124.7 million from \$105.1 million for the comparable period in 2001. Net income in 2002 before the non-cash preferred stock dividend was \$52.1 million or \$0.65 per diluted share. This unusually high level of net income is primarily attributable to the inclusion in the fourth quarter of 2002 of an income tax benefit of approximately \$42.4 million from the recognition of net operating tax loss carryforwards. Financial results for the fourth quarter ended December 31, 2002 show revenue and EBITDA for the fourth quarter of 2002 increased to \$118.9 million and \$30.7 million, respectively, from \$108.4 million and \$24.8 million, respectively, for the comparable period in 2001.

GTECH PURCHASES POLISH CREDIT CARD COMPANY. GTECH has entered into an agreement to purchase a controlling equity position in PolCard S.A., the leading debit and credit card merchant transaction acquirer and processor company in Poland, with a nationwide retail network of 34,000 point-of-sale terminals and relationships with many of the country's leading card-issuing banks. GTECH, partnered with two funds managed by Innova Capital Sp. z o.o., a Warsaw-based private equity investment advisor, will acquire 99.7 percent of the outstanding share capital of PolCard for a total purchase price of approximately \$60 million. GTECH will hold a 62.8 percent stake in PolCard and 36.9 percent will be held by Innova.

TELECOM EXTENDS HASBRO LINE. TeleCom Productions announced a contract with Hasbro Classic Games which allows TeleCom Game Factory to use Hasbro's Life®, Risk® and Twister® names and logos in the development of lottery instant scratch games. The agreement grants TeleCom Game Factory exclusive use featuring names, characters, images, trademarks, logos, game pieces, play styles and other imagery associated with the Hasbro games.

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

-Congreso ILAC 2003-

Formulario de Inscripción/Registration Form

27-30 abril, 2003 • Hilton Cancun Beach and Golf Resort • Cancun, Mexico

Instrucciones para la inscripción y el pago:

Llenar un formulario de inscripción por cada participante. Para inscribirse en el Congreso sírvase enviar su formulario de inscripción por **fax al +1 425-803-6830**. El pago puede efectuarse con tarjeta de crédito o con un cheque en dólares de Estados Unidos girado en un banco estadounidense o como orden de pago internacional pagadero a Public Gaming Research Institute. Envíe su cheque por correo a 4020 Lake Washington Blvd. NE, Suite 100, Kirkland, WA 98033-7862, USA. No habrá reembolsos después del **25 de marzo** del 2003.

- Empleados de Loterías de Gobierno: **No Pagan**
- Empleados de Loterías en Concesión: \$795
- Empleados de Empresas Proveedoras: \$795
- Empleados Adicionales de Stand: \$695
- Esposa(o): **No Pagan**

Información para los proveedores:

Para obtener información más detallada sobre el Congreso ILAC, por favor contacte a Raquel Orbezo, Coordinadora de la Conferencia al **425-821-8361** (Tel/Fax), **RaquelPGR2@aol.com**.

Reservación del hotel:

La sede del Congreso es el Hilton Cancun Beach & Golf Resort. Sírvase contactarse directamente con el hotel para reservar su habitación. **Tel: +52 (9988) 81 80 00 ó Fax +52 (9988) 81 80 80**. Tarifa por habitación: **US \$140 (gobierno) ó US \$160 (proveedores)**. Sírvase mencionar que Ud. concurrirá al Congreso de ILAC, para recibir estas tarifas especiales. El hotel tiene un número limitado de habitaciones reservadas para este Congreso hasta el **25 de marzo**.

Registration Instructions and Payment:

Use a separate registration form for each registrant. Payment must be in U.S. funds either as a check drawn on a U.S. bank, an international money order or by credit card (see below). Make checks payable to Public Gaming Research Institute and mail to 4020 Lake Washington Blvd. NE, Suite 100, Kirkland, WA 98033-7862, USA. **No refunds after March 25, 2003**. To register for the Congress, please complete your registration form and **fax to 425-803-6830**.

- Employee of Government Lottery: No Charge
- Employee of Privately Operated Lottery: \$795
- Vendor Employee: \$795
- Exhibitor Employee: \$695
- Spouse: No charge

Exhibit Information:

For ILAC 2003 exhibit information, please contact Public Gaming Research Institute at **425-803-2900**.

Hotel Reservations:

The Congress hotel is the Hilton Cancun Beach & Golf Resort. To reserve your room, please call the hotel at **Tel: +52 (9988) 81 80 00 or Fax +52 (9988) 81 80 80**. Room rates: **US \$140 (government) or US \$160 (non-government)**. Space is limited. Reserve your room before the March 25 deadline to receive these ILAC Congress rates. For hospitality suites, contact PGRI at **425-803-2900**.

Envíe su formulario de inscripción al 425-803-6830 / Fax your registration form to 425-803-6830

- Empleados de Loterías de Gobierno / Employee of Government Lottery: **No Pagan / No Charge**
- Empleados de Loterías en Concesión / Employee of Privately Operated Lottery: \$795
- No Lotería / Vendor Employee: \$795
- Exhibidor / Exhibitor Employee: \$695

Nombre/Name: _____ Apellido Paterno/Last Name: _____

Cargo/Title: _____

Organización/Organization: _____

Dirección/Address: _____

Ciudad/City: _____ Estado/State: _____

Código Postal/Postal/Zip Code: _____ País/Country: _____

Teléfono/Phone: _____ Fax: _____ Email: _____

Nombre para su distintivo/Badge Name: _____

Nombre del Cónyuge/Spouse's Name: _____

Método de pago/Method of Payment

- Con cheque (adjunto)/by check (enclosed) Con tarjeta de crédito (véase abajo)/by credit card (below)
- Visa Mastercard American Express

Tarjeta de crédito #/Credit Card #: _____

Vence/Exp. date: _____ / _____ Firma/Signature: _____

Nombre y Apellido (letra de imprenta)/Print Name: _____

**Public Gaming Research Institute, Inc. • 4020 Lake Washington Blvd. NE • Suite 100 • Kirkland, WA 98033
Tel.: 425-803-2900 • Fax: 425-803-6830 • www.PublicGaming.org • E-mail publicgam@aol.com**



Hilton Cancun Beach & Golf Resort

SEND THIS FORM DIRECTLY TO THE HOTEL

HOTEL RESERVATION FORM
ILAC CONGRESS / April 27-30, 2003

Group code: ILAC Confirmation #

Please identify yourself as part of The ILAC Congress . By March 27th 2003 the hotel will release the unsold portion of rooms for general sale; however, the Hilton will still receive reservations after this date subject to availability.

Please return directly to:
Reservations Department
reservations@hiltoncancun.com
Fax 011 52 (998) 881 80 80
Entire World Toll Free: 1 888 594 2483
From Mexico: 01800 849 1047
www.hilton.com

Last Name / Name

Companion

Company Name

Address

Thank you for requesting
reservations at the Hilton Cancun
We look forward to extending
to you our hospitality and service.
To ensure you a prompt
reservation and check in,
please complete the registration
form and note the following:

A deposit of two nights
stay is required to hold your
reservation. Such deposit shall
serve to confirm the arrival date
indicated on the form and, upon
check in, shall be applied to the
first night of the reserved stay.
Should the guest fail to check in
on the arrival date indicated on
this form, there will be a charge
of two (2) nights stay
as a "NO SHOW" penalty.

Early Departures will be charged in
full to the individual's credit card
for the number of rooms left
unoccupied.

The hotel will accept cancellations
without penalty (30) days prior
to group's arrival, after this date
a penalty of (2) nights stay will
be applied to the credit card.

Additional occupancy service charges:
Bellboy: \$5.00 In/Out
Room attendant: \$ 4.00 Per night

Check In time is 3:00 p.m.
Check Out time is 12:00 noon

Wire Transfers:
AMERICAN NATIONAL BANK
8990 West Dodge Road
Omaha NE 68114
Account Number 5094844
ABA: # 104000
NHC HOTEL S.A. DE C.V.
Ph. 402 457 1030 Fx. 402 457 1075

City State Zip Code

Tel. (office) Tel. (home)

Fax E-mail:

Accommodations Requested

Requests are subject to room type availability at time of booking

One Bed Two Beds Smoking No smoking

The rates listed below are on an European Plan (no meal included), per room, per night, subject to 10% Federal Tax and 2% city accommodation Tax. Rates quoted on USA dollars.

Standard room \$160.00 Extra person \$55.00
Beach Club room \$207.00
Junior Suite \$385.00 Government Functionary US\$140.00

Please note that the above conference rates are extended 3 days prior and 3 days after the program dates (April 23 - May 2nd, 2003) based on availability

Arrival Date: Departure Date

Special Requests:
(e.g. Cribs, handicap ,low floor)

Reservations must be accompanied by a deposit or an accepted credit card number and signature.

Reservation guaranteed by:

AMEX Master Card VISA Wire Transfer

I authorize Hilton Cancun to charge my credit card one night stay plus applicable taxes at the time of reservation and by March 12th, 2003 one additional night.

Credit card number Exp. Date

Signature

PLEASE ATTACH CLEAR COPY OF THE CREDIT CARD BOTH SIDES OR A COPY OF THE WIRE TRANSFER.



Make Plans to Participate in PGRI's 2003 Events!



ILAC Congress 2003
Co-hosted by the National Lottery of Mexico
April 27-30, 2003
Hilton Cancun Beach and Golf Resort in Cancun, Mexico



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, or visit us on the Web at www.publicgaming.org