

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 3, 2003

NEW DIRECTOR IN TEXAS APPOINTED. On Friday, the Texas Lottery Commission named Reagan Greer as the new Executive Director of the Texas Lottery. Greer most recently served as Bexar County District Clerk as well as a member of the Texas Electronic Government Task Force and the Texas Online Authority. He chaired the Texas Uniform Electronic Transaction Act Task Force and was a liaison with the Texas Judicial Council on Information Technology. The Commission also voted to name Gary Grief as Deputy Executive Director. Grief had been serving as Acting Executive Director

AZ'S GONSHER REASSIGNED. AZ Governor Janet Napolitano has asked Lottery Director Geoffrey Gonsher to become Acting Director of the State Racing Department, while appointing corporate marketing specialist Kathleen "Katie" Pushor as Interim Executive Director of the Arizona State Lottery. Both moves are subject to Senate confirmation. For the past four years, Pushor has operated her own business, helping companies to develop computer information systems and business development strategies using the Internet and other high tech means. She is the former Executive VP and Chief Marketing Officer of MicroAge, Inc., and previously worked for PricewaterhouseCoopers.

ND SAYS YES TO 18. A North Dakota bill to allow 18-year-olds to play the lottery was approved 81-12 by the state House. The measure also puts regulation of the Lottery in the Attorney General's office.

IN GRANT TO MARCH OF DIMES. The Hoosier Lottery's Region Eight Office in Terre Haute presented the March of Dimes with a \$1,800 grant. The money will go toward their "Walk America" program. The grant was made possible through the Hoosier Lottery's "Alliance With America" program administered by IGT.

MN GOES DIGITAL. The Minnesota Lottery is switching from bouncing balls to digital for their Gopher 5 and Pick 3 games. It's been estimated that the change could save the lottery about \$600,000 a year.

Viewers who tune in to watch the drawing will see a digitally animated show that takes place in the cartoon version of a traditional Minnesota lake cabin, with a cartoon rendering of a bouncing ball machine. The winning numbers will be drawn ten minutes prior to the show and placed into the cartoon sequence.

MA GIVES KENO A BOOST. The Massachusetts Lottery is speeding the pace of Keno games to generate more revenue. The games, which were drawing every five minutes, will now be drawn every four minutes. Officials are hoping the change will result in an extra \$30 million per year.

SD LOTTERY AD BILL DEFEATED. HB1255, A South Dakota bill to ban lottery advertising, was killed 8-4 by the House State Affairs Committee on Valentine's Day. Apparently, the bill rears its ugly head once a year. The Lottery spends \$800,000 a year to advertise Instants and lotto games. Video lottery is not advertised.

HOG HEAVEN: The Virginia Lottery launched its second Harley-Davidson Scratcher game in late January. This year's Harley-Davidson game is Virginia's first MDI game at the \$5 price point. Through the first three weeks, consumer sales have averaged more than \$1.1 million per week. This is more than 37% better than average for the lottery's \$5 games.

CT GOES VIRTUAL. It's virtual fun at ctlottery.org. Viewers to the lottery's web site can now view and try game demonstrations for three of the newest scratch games: "Progressive Poker," "Progressive Blackjack," and "Slingo™." Also this week, web watchers can surf through a Treasure Tower demo designed to provide information and instruction on how-to-play the CT Lottery's first CD-ROM based scratch game.

TREASURE TOWER IN CT. CT consumers looking for a whole new way to play scratch games will find just the ticket on March 6, when the CT Lottery launches "Treasure Tower," the CD-ROM based scratch game created by Ingenio. Starter Kits containing four \$4 scratch tickets and one CD-ROM will retail for \$15. Nearly 1,700 of the Lottery's 2,800 retailers will carry the Starter Kits and after-market tickets. A comprehensive marketing package has been created for the launch including a web based demonstration, brochure, POS, radio and TV ads, a toll-free hotline for consumer questions, and How-To-Win sheets.

VLTs PROPOSED IN WA. WA House Bill 1948, an entertainment industry-backed bill that allows restaurants, bars and other establishments to operate the VLTs could raise \$84 million for Washington State in the next two years. Under the proposal, the state would levy a 20% tax on proceeds from the machines, with another 5 percent going to local governments. The legislation would allow approximately 18,000 machines.

IN KILLS GAMBLING BILLS. Indiana gambling expansion bills, one that would have placed VLTs at

tracks and another that would have placed VLTs in bars and taverns were shelved in the state House. The racetrack bill would have allowed Hoosier Park and Indiana Downs to install up to 750 video pull-tab machines, and up to 1,500 machines at off-track-betting parlors in Indianapolis and Fort Wayne. The machines were expected to produce \$435 million annually.

WA SUPPORTS LITERACY. The Washington Lottery, the Mid-Columbia Reading Foundation, and the Tri-City Americans are charging the goal to advance children's literacy. Hockey fans age 18 or older who brought a new children's book to Saturday's hockey game at the Tri-Cities Coliseum received a free \$1 Scratch ticket from the Washington Lottery. All books collected benefit the Mid-Columbia Reading Foundation, which supports children's literacy and reading programs in South Central Washington.

M-GAMES FOR LATIN AMERICA. The Spanish group Codere, which administrates bingo and gaming machines in Argentina, has signed an agreement with Digital Orchid to sell gambling games via cellular phones. Digital Orchid specializes in the development and distribution of wireless solutions. The agreement will allow the companies to sell lottery, bingo, roulette, poker, slot, blackjack and sports games via cell phones.

CAMELOT GOES INTERACTIVE. Camelot is investing £45million in a plan to take the Lottery interactive. Lotto should be playable on the Internet and on mobile phones by the end of the year, and five Internet games have already been launched that offer better odds and price points as low as 25p.

TATTERSALL'S EXTENDED. Tattersall's Victoria lottery license has been extended from 2004 to 2007. The gambling giant is expected to make \$120 million from a three-year exclusive lottery license sold by the State Government for \$3 million.

FRENCH LOTTERY OFFERS HOLIDAY. La Francaise des Jeux has launched a new game, Passeport, offering a holiday as the prize. The product offers winners the option of cashing in the prize if they prefer. Should the player go for the holiday, choices include: Greece, Mexico, the US, Africa, Asia or Polynesia.

COMPANY ANNOUNCEMENTS

INTRALOT IN MACEDONIA. According to the Athens News Agency (ANA) Intralot announced the signing of a six-year contract with Lotarija na Makedonija, the lottery organization of the Former Yugoslav Republic of Macedonia (FYROM), for the supply, installation, support and operation of an integrated on-line lottery system. Under the contract, Intralot will install an on-line terminal system around the country for the operation of lottery, soccer betting, bingo and other on-line lottery games in FYROM. Intralot expects turnover to exceed 40 million euros annually.

NM BOARD APPROVES SGI. The New Mexico Lottery Authority board of directors has approved Scientific Games International as the successful competitive bid winner of a new contract for instant ticket printing, related marketing services and a customer relationship management system. The cost of the new contract is estimated at approximately \$1.32 million annually.

SLINGO AS GOOD AS GOLD IN ID. OGT is pleased to announce that the Idaho Lottery has placed its second and third order of Slingo. The classic Slingo game that was launched on January 13, 2003, is slated to sell through before the end of February.

VA SELECTS OGT. The Virginia Lottery has contracted with OGT for a Warehousing and Distribution system for five years commencing February 1, 2003 through January 31, 2008 with the option of five successive one-year periods. The Oberthur Gaming Distribution System (OGDS) is a modular system that runs on PC based software and manages all functions of Telemarketing, Ordering, Warehousing and Distribution. The OGDS Warehousing and Distribution modules that will be installed in Virginia not only manage the ticket stock in the warehouse, but also manage marketing and promotional supplies, office supplies and all other physical inventory in lottery warehouses.

LOTTERY PEOPLE

OGT is pleased to announce the appointment of **Philip Grauer** as Product Director. Philip joined the Strategic Development team on February 3 and will manage all projects related to e-gaming and m-gaming. Philip's main responsibility will be to provide OGT's sales and marketing teams with technical support and insight as to how these technologies can be tailored to the needs of individual jurisdictions. In addition to an MBA and a Bachelor's degree in Electrical Engineering from McGill University, Philip has ten years of experience in the telecom industry.

LOTTERY JOBS

RESEARCH ANALYST: The Washington Lottery is seeking a highly qualified Research Analyst to engage in primary and secondary market research activities; provide thorough and actionable fact-based analyses; identify trends and developments; and develop recommendations based on research findings. A Bachelor's degree, including three college-level courses in statistics, and three years of professional work in research and/or statistical analysis is desired. Must have solid knowledge of research methods, statistical theory and techniques; the ability to develop, organize, and conduct research and statistical projects; analyze and interpret complex data; and write clearly and concisely. Experience using statistical software is preferred. Salary: \$2,526 - \$3,637 per month, DOQ. Send letter of interest and resume to the Washington Lottery, PO Box 43005, Olympia, WA 98504-3005, or email to Applications@walottery.com no later than March 14, 2003. AA/EOE.

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



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

-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: _____

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Tel.: 425-803-2900 • Fax: 425-803-6830 • www.PublicGaming.org • E-mail publicgam@aol.com**



Hilton Cancun Beach & Golf Resort



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

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

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.

Last Name / Name

Companion

Company Name

Address

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.