

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
March 14, 2005

SPECIAL ANNOUNCEMENT

OKLAHOMA LOTTERY EXECUTIVE DIRECTOR NEEDED

The Board of Trustees of the State of Oklahoma Lottery Commission is seeking a qualified individual to serve as Executive Director of the Oklahoma Lottery Commission. The successful candidate will be responsible for the start-up and operations of the Oklahoma lottery recently approved in a vote of the people. The Executive Director will be accountable to and serve at the pleasure of the Board of Trustees of the Oklahoma Lottery Commission. Qualified candidates should have appropriate management and lottery operations experience. Compensation will be commensurate with level of experience. Copies of the legislation and other information is or will soon be available at www.lottery.ok.gov.

To apply, you can access a draft job description and the application at:

www.osf.ok.gov/lottery_director.html

Instructions for submitting your application are on the web site. You may also contact Rollo Redburn at 405-521-3715 with questions.



INTERNATIONAL LOTTERY & GAMING EXPO & ILAC CONGRESS July 11-14, 2005

Bigger and better than ever for this year and in the world's most exciting gaming venue, the Bellagio Resort Hotel in Las Vegas, July 11-14.

Technological, management, advertising and marketing strategies for increased revenues - presentations and panel discussions plus a VIP Technology Tour of leading industry supplier companies.

For details, E-mail: info@publicgam.com.

COMPANY ANNOUNCEMENTS

3 New monitor games to excite your players and accelerate your online revenues.

SCIENTIFIC GAMES ANNOUNCES THREE PARI-MUTUEL AGREEMENTS. Scientific Games Corporation announced three pari-mutuel agreements in various parts of the world. Together the agreements are estimated to be worth \$6.2 million. In an agreement that is the first of its kind anywhere, Scientific Games Worldwide Limited and The Racing Network International (TRNI) have agreed to use SGWs worldwide tote hub in Ireland to commingle wagers from the UK, Ireland and mainland Europe back to US host racetrack wagering pools that are TRNI customers. The agreement with SGW will enable the TRNI system to commingle the international racing product on the At The Races channel with the pools of the respective US host racetracks. It also opens up the distribution of US racing into mainland Europe through a joint venture between At The Races and TRNI.

With the second agreement, the Horserace Totalisator Board of the UK is purchasing 800 of Scientific Games new EXTREMA® C-X Mini terminal for use at 59 UK racetracks. The new state of the art EXTREMA C-X is a full-featured wagering terminal that is half the weight and much smaller than prior models. The new terminals are scheduled for installation in early summer 2005.

In addition, SGW completed an agreement with Dansk Tipstjeneste A/S, the Danish racing organization for the sale of a new central totalisator system, software and support services, and 450 terminals. The terminals will include Scientific Games' popular MAX 3000® terminals and handheld wagering units for use at nine racetracks and over

200 off-track betting locations across Denmark. The launch of the new tote system is planned for late 2005.



MDI SIGNS GOLF GREATS. U.S. lotteries will now be able to offer their instant ticket players games featuring five of professional golf's hottest players. MDI Entertainment LLC, a wholly-owned subsidiary of Scientific Games, announced that it has signed an exclusive agreement for the licensing rights to Vijay Singh, Sergio Garcia, John Daly, Raymond Floyd and Annika Sorenstam. The agreement gives lotteries rights to the names, nicknames, images, autographs, audio and video of the players on lottery tickets and related advertising materials. Grand Prize possibilities include dream golf vacations to the winners' choice of destinations, and high quality golf merchandise.



G2E 2005 EXTENDS TRADE SHOW HOURS. In response to both exhibitor and attendee requests for more time to conduct business

at Global Gaming Expo (G2E), show organizers announced that G2E 2005 will feature extended trade show hours. Scheduled this year for Sept. 13-15 at the Las Vegas Convention Center, G2E gives gaming executives a first look at the innovative products and services that will drive the future of the industry. Trade Show Hours for G2E 2005: Sept. 13: Noon - 6 p.m. (Extended); Sept. 14: 10 a.m. - 6 p.m. (Extended); Sept. 15: 10 a.m. - 4:30 p.m. (Extended)



GREEK CASINO CHOOSES EZ PAY®. IGT's EZ Pay® ticket-in, ticket-out system will be installed at Thessaloniki's Hyatt Regency Resort Casino making it the first for Greece.

Ian Gosling Vice Chairman & Chief Operating Officer of the facility, says his decision was based on the player reaction and acceptance he saw in Las Vegas where the EZ Pay® system stands head and shoulders above the competition. In preparation for the installation, the casino will begin replacement of its single denomination games with IGT's multi-denomination themes in an area near their existing high limit table and machine area. It is their intention to convert much of their existing slot inventory to multi-denomination.

WMS GAMING AND ARUZE TO DEVELOP PROPRIETARY DISPLAY TECHNOLOGY FOR MECHANICAL REEL GAMING DEVICES.

WMS Gaming announced that it has entered into a worldwide agreement with Aruze Corp., a Japanese leader in the development, manufacturing, and sales of pachislot, pachinko and various other amusement machines, whereby the companies will collaborate on the development of a new proprietary interactive display technology for mechanical reel gaming devices. Under the new agreement, WMS and



Aruze have cross-licensed intellectual property and entered into a development and supply agreement.

The companies currently anticipate introducing the first new game featuring this innovative technology to North America later next year.

FIRST CANADIAN AMERICAN HOLDING CORPORATION ANNOUNCES EXPANSION TO MACAU.

First Canadian American Holding Corporation has set up a division to pursue casino related opportunities for development and management in Macau. Sandy Winick of FCAH said the new division reflects the emphasis the company is placing on expanding its overseas business, "Asia, and specifically Macau, is rapidly becoming one of the most important gaming markets in the world," Mr. Winick continued "that as more Western-style casino developments open in Macau, more and more opportunities will develop."

SAP TO HELP CAMELOT BUILD FOR FUTURE.

SAP UK & Ireland today announced that Camelot Group plc, the operator of the UK National Lottery, has selected SAP® services and software to innovate its business to ensure it continues to run The National Lottery® in the most efficient and socially responsible way. The integrated SAP software is replacing a variety of legacy business support systems, and will be implemented directly by Camelot and SAP Consulting with change management and employee training conducted jointly. mySAP Business Suite, based on the SAP NetWeaver platform, will help Camelot to continue to maximise operational efficiency by automating activities, and reducing administration.



KISQUARED AWARDED CONTRACT TO STUDY VLT

RESPONSIBLE GAMING FEATURES. The Manitoba Lotteries Corporation, (MLC) has chosen *kisquared*, an independent Manitoba-based company, as the successful firm that will study the new VLT Responsible Gaming Features (RGF) over the next two years. Last fall, MLC installed new VLTs with state of the art responsible gaming technology which provides players with time and money control tools and educates players as to how gambling works. The features include a permanent on-screen clock, mandatory cash out, choice of playing time limits, a countdown clock, pop-up time reminders and the Addictions Foundation of Manitoba (AFM)'s Helpline number and information pages on responsible gaming. In order to assess the impact and effectiveness of these features, MLC has also contracted Dr. Harold Wynne, a well-known Canadian gambling researcher, who will work with *kisquared*.



PEOPLE

Deputy director of Dansk Tilstjenerne, **Jean Jørgensen**, has chosen to resign from the Danish lottery operator and will instead work as an independent consultant. Based in

Brussels, Jean Jørgensen will offer consultancy services to governmental gambling and lottery institutions, starting with Norsk Tipping and the Finnish Veikkaus. Jean Jørgensen has worked for Dansk Tipstjeneste since 1991. He started as management secretary and has since worked as general manager and deputy director. Jean Jørgensen, who will attend to his responsibilities at the Lottery until the end of April, has been responsible for Dansk Tipstjeneste's international relations for several years.

As it prepares to move from development to implementation of worldwide standards, the Gaming Standards Association (GSA) has elected new Board of Directors officers. **Lyle Bell**, Senior VP of IT with the Seminole Tribe of Florida has been elected Chairman of the Board. Bell has been extremely active in GSA since 2003 and replaces outgoing Chairman **Gregg Solomon**, who remains on the Board, but chose to step down in anticipation of the merger between MGM and Mandalay Resort Group. Other elected officers include **Mark Lipparelli** of Bally Gaming & Systems, Vice Chairman; **John Boushy** of Harrah's Entertainment, Secretary; and **Fred Lychock** of R. Franco, Treasurer. The new Board leadership was elected to a one-year term, which officially began on Monday, February 28, 2005. Additionally, three individuals were elected to the Board of Directors: **Joe Bailo**, Atronic Americas, LLC; **Moti Vyas**, Viejas Enterprises; and **Jeanne-Marie Wilkins**, Argosy Gaming Company. The Board of Directors appointed two persons from new Platinum member companies to the Board: **Ron Harris**, Rocket Gaming; and **Russ McMeekin**, Progressive Gaming. Other Board members include Gregg Solomon, Mandalay Resort Group; **Derrik Khoo Sin Huat**, E-Genting Holdings Sdn Bhd; **Steve Sutherland**, Konami Gaming, Inc.; **Jon Berkley**, Transact Technologies; and **Rob Siemasko**, WMS Gaming.

Games Inc. has appointed **Dennis G. Kennedy**, former Director of the Ohio Lottery, as President of its Lottery Division. Mr. Kennedy, a CPA and respected lottery official, has spent over 26 years in the lottery industry, most recently serving as Executive Director of the Ohio Lottery from 2000 through 2004. Mr. Kennedy also served as vice-president of the multi-state Mega Millions Association in 2004, a group of 12 lottery states most recently joined by California.

Louisiana Governor Kathleen Babineaux Blanco announced the appointment of **Larry C. Cager**, of New Orleans, to the Lottery Corporation Board of Directors.

VIDEO GAMING/RACINOS

FL SLOTS VOTE PRODUCES MIXED RESULTS. The slots referendum in two Florida counties produced mixed results last week. Broward County voted 57% in favor of adding machines at tracks, while machines were rejected in Miami-Dade County by a 51.7% majority. The state legislature must now decide how to regulate the machines and determine the tax rate. Governor Bush has gone on record as saying that he will attempt to keep the four tracks in Broward County from obtaining Class III machines, and instead allowing them the Class II machines that Florida's

tribal casinos operate. Miami-Dade County may get the opportunity to revisit the referendum in two years.



NM SEEKS TO EXTEND SLOT HOURS. The New Mexico Senate voted 21-20 in favor of a bill that would allow State racetracks to operate gaming machines for 18-hours-a-day. A similar version of the bill has passed the state House of Representatives each of the last two years. If the manages to pass the House on this occasion, it would then head to Governor Bill Richardson. Governor Richardson has indicated that he was in favor of the added revenue such a bill would provide, and that he would sign the bill if it reaches him. The bill's supporters project that the longer hours and tax increase would yield an additional \$7 million to \$10 million annually.

GAMING MACHINE BILL PASSES ARKANSAS SENATE. A bill to allow gambling on electronic games of skill has passed the Arkansas Senate by a vote of 18-14. The bill, which now heads to the House, would call for county elections to determine whether to allow games involving some skill and analysis. One example would be a game where players would analyze data from past car races and try to pick which driver actually won the race. It's been estimated that the machines, which would be allowed at Oaklawn Jockey Club in Hot Springs and Southland Greyhound Park in West Memphis, could generate as much as \$200 million in revenue for the state.



NEW ZEALAND MACHINES TO ADD RESPONSIBLE GAMING FEATURE. Starting in October, 2005, all new gaming machines in New Zealand will be required to inform the player how long he or she has played, the amount spent, and ask if he or she would like to continue. The messages will be required on all machines, new or not, starting in July, 2009.



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INTERNET/WIRELESS

ND HOUSE APPROVES INTERNET POKER AMENDMENT. The North Dakota House of Representatives voted 50-44 to approve an amendment to allow North Dakota to become the first state to proceed with licensing of Internet poker sites. The amendment now heads to the state Senate for review. If the Senate approves, voters will be required to vote on the amendment before it can become part of the constitution.



SCS designs and implements everything a State Lottery needs to offer its Players a comprehensive, flexible and state-of-the-art subscription services program.



LOTTERY NEWS

OK TO START SEARCH FOR DIRECTOR.

Oklahoma's new Lottery Commission is preparing to begin the hiring process for an executive director. The commissioners will start by approving a job description for the

post. They will also decide how they should solicit applications. **Resumes can be sent to:** Kristie Ice; Director of Appointments; State Capitol Building; 2300 N. Lincoln Blvd., Room 212; Oklahoma City, OK 73105; Telephone: (405) 521-2342; Fax: (405) 521-3353. The pay is expected to approach \$200,000.



NV ASSEMBLY PASSES LOTTERY AMENDMENT.

The Nevada Assembly voted 33-9 in favor of a measure to create a statewide lottery to help pay for textbooks, school supplies and smaller public school classes. The resolution to amend the Nevada Constitution to allow a lottery must pass the full Legislature twice before it's put before the voters. It couldn't become law before 2009. The lottery resolution now moves to the Republican-controlled Senate, where Senate Majority Leader Bill Raggio, R-Reno, has come out in support of the bill.



OK

COMMISSION MISSES OUT ON SUPPLEMENTAL FUNDING.

(AP) An aide to Governor Henry says he's concerned that the House hasn't approved a request for supplemental funding for the Oklahoma Education Lottery Commission. State Finance Director Scott Meacham says he hopes that Republicans -- who didn't support the lottery -- aren't trying to sabotage something the people overwhelmingly support. Meacham commented after the



House and Senate passed \$63-million in supplemental funding bills

Tuesday, but not the proposed \$500,000 in funding for the lottery commission. The Senate approved \$20-million in supplemental funding for the Department of Human Services and \$15.2-million for public schools. The House approved \$17.9-million in funding for the Department of Corrections and \$4-million for the college scholarship program. Tulsa state Representative Chris Benge confirmed the state House

was resisting using General Fund money for lottery purposes.

GA MAY SEEK AIRPORT KIOSK. Georgia Governor Sonny Perdue and the Georgia Lottery Corporation are reportedly examining the possibility of opening a lottery kiosk in the main terminal of Hartsfield-Jackson International Airport. The airport hosts approximately 84 million travelers each year. If implemented, it is believed that airport sales could generate an additional \$2 million annually.

FRANCE LAUNCHES A NEW INSTANT GAME. On March 3, La Française des Jeux launched 5 new permanent instant games based on friendly bar games, under the umbrella brand 'Baraka®'. The tickets are sold separately and cost 2 euros each. Each ticket includes a second game allowing players to win 'a free game', i.e. 2 euros. Players can win up to 10,000 euros on a ticket. Overall odds of winnings a prize are 1 in 3.9.

NZLC RESULTS ABOVE BUDGET. The New Zealand Lotteries Commission has posted an above budget half year sales result of \$305.9 million. The results for the six months to 31 December 2004 were released in the NZ Lotteries 2005 Half Year Report. Payments totalling \$54 million were made to the Lottery Grants Board for distribution to fund sporting, arts and community activities around the country. This was \$6 million more than for the same period last year. It was noted in the Half Year Report that sales were down on the same period last year which had benefited from two exceptional Powerball jackpot runs. In the six months under review, the retail network was expanded, and a new look store design was introduced. Sixty-eight new stores were opened, bringing the network total to 701 as at 31 December 2004. In the same period 41 existing stores were refurbished using the new store design.

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KLC PASSES \$5 BILLION IN PRIZES. The Kentucky Lottery Corporation has reached yet another milestone - this time surpassing \$5 billion in prizes paid to players. KLC sales started April 4, 1989. It took the organization nearly five years to reach the first billion dollar in prizes paid mark. The gap between the 4th billion and 5th billion prize dollar paid however was marked in just a little over two years.

WHO'S ON FIRST? Abbott and Costello impersonators, Lou Sciarra and Gil "Bud" Palmer, were on hand to announce the New Jersey Lottery's "Who's on First" instant game at a celebration in Paterson commemorating what would have been Lou Costello's 99th birthday. The game offers a top prize of \$30,000, is priced at \$2 and has some fabulous prizes in the second chance drawing for non-winning tickets.