

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 22, 2004

***PGRI announces our combined ILAC
Congress and Lottery Expo 2004, June
28-July 2, Loews Miami Beach Hotel,
Miami Beach, Florida.***

MD CELEBRATES A MILLION KENO GAMES.

Hidden away in a secret Maryland Lottery facility is the machine that keeps the agency's popular Keno game running. Since January 1993 it has been sending winning numbers out to the several thousand Keno screens around Maryland. All those games, all those days recently brought the Lottery to a milestone – the millionth Keno game. Records show that since inception, Keno and its companion game Keno Bonus have brought in \$2.6 billion in sales – 15% of the Lottery's total sales - and delivered \$868 million in revenue. After a million games, have Keno players become bored with the game? Apparently not. A recent week's sales of over \$8.9 million broke the previous record set just last month. There's even more reason for the lottery to celebrate - Keno isn't the only game on the rise. Pick 4 and scratch-off games recently set weekly sales records, \$4.5 million and \$7.7 million, respectively. The millionth-game celebration involved a series of lottery events during the two weeks surrounding the millionth game and, an opportunity for all Keno players to triple their winnings at no additional cost. During the hours the tripler was available each day officials reported a significant increase in Keno sales.

MI LAUNCHES SPEEDWAY CASH. Lottery players all across the state are racing to Lottery retailers to purchase the Michigan Lottery's newest \$3 instant game, "Speedway Cash," which hit ticket counters statewide on March 16! The "Speedway Cash" game offers lucky Michigan Lottery players the opportunity to win instant \$50,000 cash prizes; Michigan International Speedway racing event tickets; official Michigan International Speedway merchandise and one lucky individual will win a trip for two to watch the 2005 DAYTONA 500. In order to have a chance at winning the great merchandise prizes and trips in this game, players

REMEMBERING THE FAMILY. There is nothing that can replace our loved ones when they pass on. But those of us who are left can try to ease the suffering of the family with donations to help them through the day-to-day challenges of carrying on without their loved one.

A trust for the George Andersen family has been established for this purpose and to which some companies have already made pledges. This support is deeply appreciated by the family.

Those companies that have not yet pledged a donation may do so by sending an e-mail to duaneburke@aol.com committing your pledge. You will be sent an invoice for your pledge on behalf of the family fund.

Those companies and individuals who wish to, may send their donations directly to the family fund account as noted below:

**"Darlene Andersen, Trustee" account
Affinity Plus Federal Credit Union
175 West Lafayette Road
Saint Paul, MN 55107**

Please note if the family may publicly acknowledge your pledge or donation --- amounts of pledges and donations will be confidential.

will need to send in two non-winning "Speedway Cash" instant tickets for a second-chance drawing. The Michigan Lottery will conduct four separate second-chance drawings to award Michigan International Speedway tickets and merchandise. For each bonus drawing, 100 winners will be selected to receive two tickets and hospitality credentials to the Michigan International Speedway racing event designated for that particular drawing: Additionally, for each bonus drawing, the 300 winners will be selected to receive the official Michigan International Speedway prize packs. Each pack consists of one Michigan International Speedway sweatshirt and hat. A total of 1,600 bonus drawing winners will be selected: 400 racing event winners (100 each drawing) and 1,200 prize packs winners (300 each drawing). Finally, on July 21, 2004, one entry will be drawn from the 1,600 total winners of racing event tickets and prize packs to win the trip for two to the 2005 DAYTONA 500(R). Players can also enter the "Speedway Cash" bonus drawings via the Internet at www.michigan.gov/lottery.

VIRGINIA LOTTERY HAS MEGA FEBRUARY. The Virginia Lottery saw record sales in February, a month made even better when Virginia sold the only winning ticket for the \$239 million Mega Millions jackpot drawing on February 20. While sales of Mega Millions were bolstered by the large jackpot, sales were up in all product lines, making it the best February in the Virginia Lottery's 15-year history. Year-to-date, sales in the scratch, daily games, and jackpot categories have increased a total of 9.4% over last year's record pace.

MEET GUS THE GROUNDHOG. Gus the Groundhog, the new spokesperson for Pennsylvania Lottery Instant Games, introduced himself on Monday, March 15, through a feature interview. Gus, the second-most famous groundhog in Pennsylvania, answered questions regarding why he was selected as the new spokesperson for Lottery's instant games, how he plans to help increase funds for older Pennsylvanians and where consumers can expect to see him in the coming months. Gus made his television debut on Sunday, Feb. 29, and was featured in a commercial promoting Lottery's new St. Patty's Day themed instant game, POT O' GOLD.

CA SCHOOLS HIT THE JACKPOT. California's public schools will receive more than \$15 million in unclaimed lottery winnings as no one stepped forward to claim a \$28.5 million SuperLotto Plus jackpot by the California Lottery before the March 8th deadline. This is the largest unclaimed Lottery jackpot in California's history and the 15th time a SuperLotto Plus ticket has not been claimed. This unclaimed prize will generate an additional \$1.86 for each of California's 8.1 million public school students.

MA RETAILERS WIN BIG. Five Massachusetts Lottery agents participated in a drawing for the chance to win \$50,000 or a grand prize of \$100,000. The grand prize drawing, which was held at Lottery headquarters in Braintree on Tuesday, March 9, is part of a bi-monthly Lottery program designed to encourage the promotion of new Lottery products in more than 7300 locations statewide. Each agent is guaranteed to win \$50,000 and one agent is guaranteed \$100,000. Agents are automatically entered into the drawing when they sell a book of the Lottery's newest instant tickets within an eight-week period. Agents are selected randomly by Lottery computers. The latest incentive focused on the sale of three instant games, Mistle Dough, Royal Riches and Cash Blizzard.

SCEL MILESTONE TRANSFER. The South Carolina Education Lottery reached another milestone! On Friday, March 13, the SCEL transferred \$21 million to the State Treasury for deposit into the Education Lottery Account (ELA). This transfer brings the total amount transferred to education since January 2002 to more than \$502 million!

FL PULL-TAB BILL HEADS TO GOV. The Florida Senate voted 34-5 in favor of a measure that would allow charities and veterans organizations to sell Pull-Tab tickets if they already offer regular bingo. The bill has already passed the House, so it now goes to Gov. Jeb Bush.

IDAHO SCRATCHING FOR SCHOOLS. The Idaho Lottery is hosting a charity event called Jim Bruce Scratch for Schools to help schools in the Canyon County area raise additional funds. The event is scheduled to kick off at 11 a.m. at the Albertson College gymnasium in Caldwell. 108 schools in the region were invited to participate. All thirty-one schools that responded to the invitation are able to send a team of two adults who are given 300 Idaho Lottery scratch tickets. The teams scratch like crazy for 5 minutes, and the schools get to keep what the team uncovers on the tickets. There are additional prizes awarded to the teams that uncover the largest dollar amount and the teams that scratch off the most tickets.



Please click here for .pdf brochure.

WV TO END POWERBALL GAME SHOW PARTICIPATION. The West Virginia Lottery's Powerball Instant Millionaire TV Game Show will end this fall, according to Lottery Director John Musgrave. Noting that the Powerball TV Game Show is nearly four years old, he said it is the longest-running second chance promotion in the Lottery's history. The last show will air September 25.

MO BRACING FOR DEEPER AD CUTS. The Missouri House is contemplating cutting the Lottery's ad budget to almost nothing. The Lottery's ad budget, which was \$8.25 million in 2002, would be slashed down to \$50,000 for 2005. The plan would make Missouri the only Lottery with virtually no money to advertise its product.

OLDEST SPORTS GAME IN WORLD GETS FACE-LIFT. Stryktipset is Svenska Spel's oldest sports game, as a matter of fact the oldest in all state lotteries in the world, introduced in 1934. This pools game has more or less remained unchanged since then, apart from increasing the number of matches from 12 to 13 in the 60's and, represents a tradition for both older and young punters. For the last few years it has had steady annual sales of approx. SEK1.2 billion (US\$170 million), 7% of the total turnover at Svenska Spel. To make the game even more attractive Svenska Spel recently introduced the chance for the players to double their winnings by adding a supplementary feature called 13Plus. For an extra SEK0.25 (US\$0.4 cents) per column you mark how many goals will be scored in the first match of the coupon - 0-1, 2, 3, 4 or more. If you have marked the correct number of goals you will win twice as much as those who have guessed incorrectly or not opted for this supplementary game.

***NEW* RACINO NEWS**

MI RACINO PROPOSED. Detroit Thoroughbred Raceway submitted a proposal for a full-scale Thoroughbred racing complex at the Michigan State Fairgrounds, housing up to 500 VLTs, and a 164-room hotel with a restaurant and convention center. The construction of the facility would create 1,900 jobs, and would generate estimated annual revenues of \$23.5 million. The site hinges on the success of a racino bill that was approved by the state House in May, 2003, and is under review by the Senate.

NE SENATORS NOT GIVING UP ON CASINOS. Sen. Ray Janssen of Nickerson, Nebraska and Sen. Pam Brown of Omaha are continuing efforts to pass casino gambling bills in the state. Janssen filed an amendment to attach a two-casino compromise to his proposal, and Brown filed an amendment to add a three-casino plan to the State Fair lottery funding proposal. A similar bill missed escaping a filibuster by one vote - 32 to 12.

NY'S VERNON DOWNS TO OPEN SOON. Vernon Downs will be open for the 2004 racing season under a deal reached Tuesday between the state and the track's owner. Last month, the state Racing and Wagering Board refused to renew the operating license for the embattled harness track 35 miles east of Syracuse. Vernon Downs had hoped to start its 120-day racing season April 3. Fortunately, Mid-State Raceway Inc., the track's publicly held parent company, reached an 11th-hour deal with state racing officials to save the racing season. An opening date for the track has not been set.

MN BILL CALLS FOR LOTTERY/TRIBES PARTNERSHIP. A Minnesota bill that would create a partnership in a casino venture between the state and two Native American tribes passed the House Ways and Means Committee by a 6-4 vote. The bill would see the Lottery team with the Red Lake and White Earth tribes to operate a casino that would house 4,000 slots. Estimates claim the state's 20 percent share of the venture would yield \$26 million in 2005, \$56 million in 2006, and \$89 million in 2007.

KANSANS ENDORSE EXPANDED GAMING. According to results of the Kansas Lottery's recent market research, 55 percent of adult Kansas residents favor the expansion of destination resort gaming. Results indicate installation of state-owned and operated slot machines at fraternal organizations were slightly favored, and Kansas residents showed somewhat less interest in slot machines at horse and dog tracks, than previous surveys reported. The study also indicates that half of those surveyed oppose allowing Indian tribes to build casinos on non-reservation land or installing video lottery terminals (VLTs) at Lottery retailer locations in the state. Christiansen Capital Advisors LLC and Behavioral Research Center, Inc. was retained to conduct market research and related services pertaining to electronic and/or casino gaming in the State of Kansas. The full text of this study, including all Appendices, may be found at www.kslottery.com/News/NewsReleases.htm, or go to www.kslottery.com and hit the "News" link located on the left side of the page.

COMPANY ANNOUNCEMENTS

I DREAM OF JEANNIE. The Golden Casket Lottery in Queensland, Australia has become the first lottery to introduce an "I Dream Of Jeannie" series of tickets featuring the Sony Pictures nostalgic television show. With a worldwide recognition factor and a large demographic range of appeal, the lottery is using six different "Jeannie" images to create a series of AUS\$2 tickets. Marketing support materials include a full compliment of window posters, danglers and retail counter cards. This is the first in a series of PTI licensed property promotions tied to nostalgic Sony Pictures TV shows including "Fantasy Island" and several possible others.

INTRALOT DE PERU SIGNS EXTENSION. Intralot de Peru signed, through its fully owned subsidiary Tektron SA, a six-year extension of its license operation agreement with Sociedad de Beneficencia de Hunacayo. The agreement includes the operation of the lottery games La Tinka (the most popular game in Peru), Juega 3 (3 digit numbers) and Rapi tinkas (instant games) and has an option for a three-year renewal.

SAGAM WINS SWEDISH CONTRACT. SAGEM signed with Svenska Spel for the development and manufacturing of 6600 on-line lottery terminals and instant ticket validation terminals. The contract will be implemented in collaboration with French company LOTSYS, in charge of software developments .

MARK YOUR CALENDARS Plan to Attend

*Public Gaming Research Institute's
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June 28-July 2

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