

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
May 19, 2003

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 visit **www.publicgaming.org**.

ARIZONA AGE CHANGE TO HAPPEN SOON. On June 1, Arizona law changes to make it illegal for anyone under 21 to purchase lottery tickets. Currently, anyone 18 or older can buy. The Lottery has reportedly put a lot of effort in communicating the changes to its 18- to-20-year-old market. Language explaining the transition appears on instant tickets as well as information and promotion pieces.

12 MORE YEARS FOR TEXAS. The Texas Senate passed legislation keeping the Texas Lottery running for at least another 12 years. If the bill passes, it will also increase the number of lottery commissioners from three to five and require new commissioners to complete a training course. The bill now returns to the House.

KY LOTTERY TEAMS WITH TOURISM. Free weekend getaways, discounted hotel rooms, information about the good causes supported by Kentucky Lottery dividends, and cash prizes. Those are the benefits of a promotional partnership among the Kentucky Lottery, the Kentucky Tourism Council, the Kentucky Department of Transportation, and the Greater Louisville Convention & Visitors Bureau. Travel Kentucky is a new \$1 scratch-off game from the Kentucky Lottery. The game offers cash prizes up to \$1,000 while promoting a variety of tourist attractions across the Commonwealth. Players can mail non-winning Travel Kentucky tickets to the Lottery for a chance to win one of 40 Kentucky getaway vacations this summer. The non-winning Travel Kentucky scratch-offs are also good for a 50 percent discount off the rack rate at participating Louisville area hotels this summer.

KS TO LAUNCH VETERANS GAME. The Kansas Lottery will be launching a *Veterans Benefit Game* for limited periods this year and next. Profits from the game will be split between veterans' homes, cemeteries, and programs

and scholarships for National Guard members. The game will offer a top prize of \$15,000.

BIG WEEK FOR NY INSTANTS. The New York Lottery reported cumulative Instant game sales totaling \$54,592,961 for the week ending May 10, 2003. One of the reasons for the success was the successful launch of the \$10 Casino Fortune game pack. Sales for the new Casino Fortune game pack totaled \$3,728,313 in its debut week. The perforated, tear-open game card opens to reveal two play areas featuring 12 separate games, offering players 24 chances to win up to 12 times. Separate validation codes are printed on the upper and lower play areas to allow players to claim prizes on both halves of the ticket, as needed.

CAROLINA 5 MOVES TO TWICE A WEEK. The SCEL's Carolina 5 game began holding drawings twice a week, starting May 13. Drawings will be held on Tuesday and Friday nights at 11 p.m.

LA TAKES CASH QUEST TO 5 TIMES. The Louisiana Lottery has increased the number of drawings for its Cash Quest game to five days a week. Drawings now take place Tuesday through Saturday (previously Wed. and Sat. nights).

ALC CHANGES WILD 5. The Atlantic Lottery implemented changes to its weekly online Wild 5 game. The "advance play" feature will no longer be available on Wild 5 purchases. This feature was not popular among Wild 5 players (fewer than 4% used it) and the change is expected to have very little impact on players. Wild 5 liability limitations were revised to reflect the liability limitations in place for other online products offered by ALC. In the unlikely event of multiple top-prize winners on a single draw, the \$500,000 and \$200,000 prizes will be divided by the total number of winners in each category.

OLGC'S NEW WEB SITE. The Ontario Lottery now has a single, easy-to-navigate Web site - www.OLGC.ca. Click on specific icons for news about lotteries including winning numbers and winners, commercial, charity and aboriginal casinos, and slots-at racetrack facilities. Click on the Corporate icon and you will access the Media Centre, where news releases, fact sheets and financial highlights are posted.

NZLC TURNS OUT THE LIGHTS. The New Zealand Lotteries Commission has instructed its 620 Lotto outlets to turn off their under counter lights in support of the Government's call to action to reduce power usage. As of Wednesday 7 May in recognition of the impending power crisis all Lotto outlets switched off their under counter display lights.

THAI RECEIPT LOTTERY. Thailand has launched a receipt lottery to force shopkeepers into paying income tax. The lottery, similar to those launched in South Korea and China, has customers using shop receipts as lottery tickets, which should encourage the public to ask for receipts, forcing the businesses to report the sale as income.

GREECE TO SELL MORE OPAP. Greece is opening its third offering of OPAP shares on the Athens Stock Exchange in June. The government currently holds more than 75% of the company. OPAP has reported that sales for the first quarter are expected to show a more than 30% increase.

LA GRANDE LOTTERY IN PERU. The International Lotto Corp. has signed an agreement with BellSouth Peru, that will allow ILC to implement a wireless lottery network starting with some 2,000 retail locations this summer. It will be called 'La Grande Lottery.'

GHANA DECENTRALIZES LOTTERY. Kojo Andah, director of Ghana's Department of National Lotteries launched a program to decentralize DNL operations. The plans include opening offices at regional and district capitals, which would cut down retailers' travel time to obtain lotto coupons and books. The DNL is also planning an incentive scheme to reward retailers with vacations, including such countries as the USA, South Africa and Australia.

APUESTAS EN LINEA. A new company, Apuestas en Linea, is being created to develop a new system of real-time betting called Pagatodo. The company is the result of seven Bogota and Cundinamarca lottery and betting companies' investment of eight million pesos. Apuestas en Linea will develop a five-year plan with GTECH for the national on-line betting system. The company is striving to corner a 25% share of the domestic betting market.

ETHIOPIA'S NLA WOULD RESTRUCTURE LOTTERY. Ethiopia's National Lottery Administration has drafted amended regulations restructuring the department into a regulatory agency. The NLA would both operate lotteries and oversee the private sector's participation in lottery games. If passed, the amendment would not allow private companies to run independent lottery operations, but would allow them to join with the NLA in activities that required investment.

COMPANY ANNOUNCEMENTS

GTECH SIGNS ON RI DEAL. GTECH has agreed to a Master Contract with the Rhode Island Lottery that amends existing contracts to give the Company the right to be the exclusive provider of online, instant ticket, and video lottery central systems and services for the Rhode Island Lottery for a 20-year term. The Master Contract is part of a comprehensive economic development incentive package designed to retain GTECH as a Rhode Island-based company. GTECH has agreed to invest in aggregate \$100 million by December 31, 2008. The investment commitment includes a \$12.5 million license fee payable to the Lottery upon the new contract's effective date of July 1, 2003; new online and video lottery related hardware, software, and services; the development of a new world headquarters building in Providence; and improvements to the Company's existing manufacturing facility in West Greenwich.

MD SELECTS INTERLOTT. Interlott has been named the selected vendor, subject to final approval by the Board of Public Works, to supply up to 250 Instant Ticket Vending Machines (ITVMs) by the Maryland Lottery. This will bring the lottery's ITVM network to more than 900 machines. Delivery of the new units is scheduled to begin in July 2003. Interlott also was named the selected vendor to provide service for the new machines as well as for a five-year service contract on the lottery's existing ITVMs.

URUGUAY REDUCES COST WITH WIRELESS. VeriFone, Incorporated's hardware and software products

have enabled Banca de Quinielas de Montevideo to reduce costs by 80% in operating its lottery in Montevideo, Uruguay. In January, VeriFone began to supply the Lottery with Omni 3750 terminals, equipped with a wireless TCP/IP communications module. VeriFone's solution has enabled Banca to replace its time-consuming manual method of processing lottery tickets to the implementation of a rapid, 100% electronic solution. This has enabled the bank's several hundred agents and dealers that sell the game tickets to increase ticket sales. VeriFone and the Lottery plan to have approximately 1,000 of the wireless terminals installed by the end of the year.

LOTTERY PEOPLE

International Lotto Corp announced that **Lou Burns** has been named ILC Vice President of Sales and Marketing for the upcoming La Grande Lottery in Lima. Lou brings over 15 years of lottery industry experience to ILC's startup operation in Peru. Burns started his lottery career with GTECH as Site Director for Arizona, was VP of ILAC Guatemala, VP of Sales and Marketing for ILTS, and General Manager of Global Technologies Ltd., a UK lottery startup.

William Atkins, director of the Texas Lottery Commission's Charitable Bingo Operations Division, was elected 2004 VP of the North American Gaming Regulators Association (NAGRA) during the organization's Spring Conference in Winnipeg. He will become president of the organization after his tenure as vice president ends in July 2004.

After 7-1/2 years, **Mary Willrich** has resigned from Schafer Systems. She will be going back to being a paralegal at the law office where she worked for more than fourteen years.

LOTTERY JOBS

FINANCIAL SERVICES MANAGER, WA LOTTERY.

POSITION RESPONSIBILITIES: Prepare and analyze monthly, quarterly, and annual financial statements for Lottery, including Comprehensive Annual Financial Report. Oversee financial accounting work of the agency, including revenue and expenditures, accounts payable/receivable, payroll preparation, general ledger, fund accounting, financial reporting and analysis. Develop and maintain appropriate financial systems and processes. Oversee specialized lottery accounting functions. Assists in the establishment of financial and internal controls and procedures to uphold the integrity and credibility of Lottery. Develops biennial divisional budget and monitors monthly expenditures. Supervise accounting staff and supervisors. **DESIRABLE QUALIFICATIONS:** Bachelor's Degree involving major study in accounting, finance or closely allied field and four years of management experience of a full service, accounting department are desired. Certified Public Accountant designation is a plus. **SALARY AND BENEFITS:** Salary is \$54,696 – \$69,072 annually, DOQ. Excellent benefit package. Contact Lottery Human Resources at (360) 664-4814 or email Applications@walottery.net. Position open till filled. Prompt reply is encouraged. Screening of resumes will begin on May 12, 2003. For more information, see <http://www.walottery.com/FinanceWMS.htm>.

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



CIRCLES OF LEARNING RETURN TO INTERNATIONAL LOTTERY EXPO!

32 Lotteries and 25 Directors Registered to Attend Last Year's Expo in Miami.

Win Lottery Business More Cost-Effectively With A Circle of Learning@Expo

- ☞ Be part of the **inclusive** Circles of Learning where all Expo events are held in the same room.
- ☞ Bring your products, ideas and solutions to Miami, but **leave your expensive booth behind.**
- ☞ Display, demonstrate and receive feedback on your products and services, people and ideas, solutions and technologies, **without spending money to ship and build an elaborate booth.**
- ☞ Take advantage of the first lottery event of most lotteries **new fiscal year.**

With expected attendance by more than **30 lotteries** from around the world, **especially Latin America**, a **Circle of Learning@Expo** is a cost-effective way of growing your lottery business this year and beyond.

Take advantage of this **new business environment**, which is more conducive to interaction, education and dialogue, by calling your PGRI representative at **425-803-2900**.

—Tentative Agenda—

July 17, Thursday

4pm-6pm	Registration Open
6pm-9pm	Circle of Learning Setup

July 18, Friday

9am-3pm	Circle of Learning Setup
9am-7pm	Registration Open
Noon-2pm	PGRI's Sister Lottery Meeting
3pm-5pm	Opening General Session I
5pm-7pm	Welcome Reception in the Circles

July 19, Saturday

8am-9am	Coffee and Danish in the Circles
9am-Noon	General Session II
Noon-2pm	Lunch in the Circles
2pm-4pm	Roundtable Breakout Sessions
Evening	Open

July 20, Sunday

8am-9am	Coffee and Danish in the Circles
9am-Noon	General Session III
Noon-2pm	Lunch in the Circles
Afternoon	Open for Private Meetings

July 21, Monday

8am-9am	Coffee and Danish in the Circles
9am-11am	Closing Session and Awards

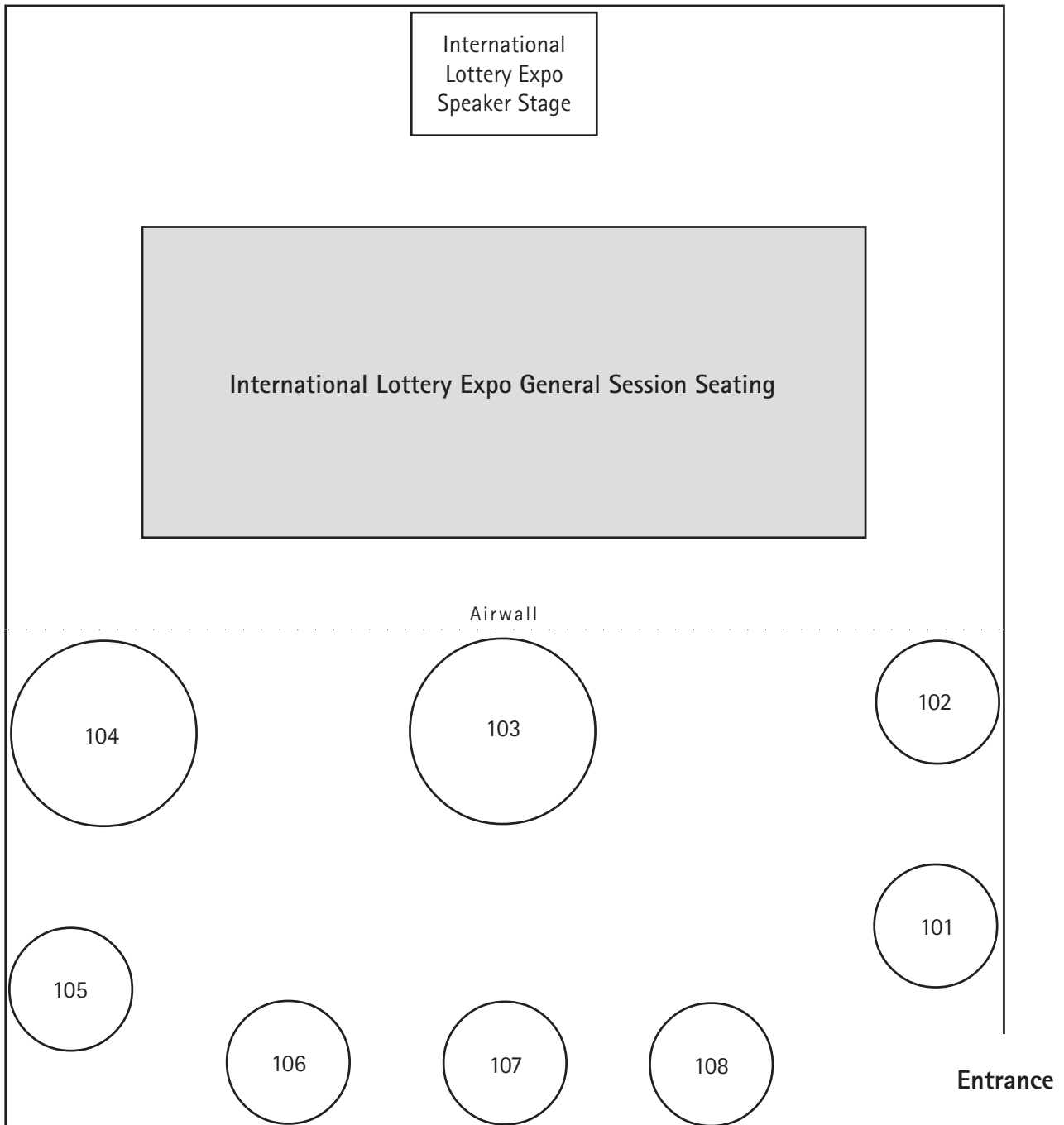
For more details on hosting your own **Circle of Learning@Expo**, please visit our Web site at **www.PublicGaming.org** or call PGRI at **425-803-2900**.

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Circles of Learning at International Lottery Expo 2003

July 18-21 • Sonesta Beach Resort • Key Biscayne, FL

Co-hosted by Public Gaming Research Institute and the Florida Lottery



Bonus For Exhibitors!

Participation as a Speaker on the Expo Program is available to exhibitors! If your company has interest in **making an Expo presentation**, please contact PGRI for details on how to participate on the Program.

In addition, PGRI will provide your Circle with basic furniture at no extra cost to you.

Notes:

- All Circles have a diameter of 10' except #103 and #104 which are 15' wide
 - The Grand Ballroom
 - Ballroom is carpeted
 - Ceiling height is 12'



INTERNATIONAL LOTTERY EXPO PROGRAM TOPICS

- The Florida Lottery Today And Plans For Growth
- The Big Kahuna Of Lottery Revenues—Video Lottery
 - How Much To The Lottery's Bottom Line
 - Race Tracks And Lotteries Working Together
 - Other Help For States Wanting Video Lottery
- High-Tech Solutions At The South Carolina Lottery
- Making Use Of Mobile Services To Promote Or Market Games
- Still More Room For Revenue Growth Using Instant And Licensed Games
- New Developments In Using The Internet For Lotteries
- Introduction To New Lottery Directors
- Plans For New Lottery States: Tennessee And North Dakota; And Prospects For Additional Lotteries In The Near Future
- The Visionaries—Lottery Leaders Offering Their View Of Lottery Revenues, Growth Prospects And The Application Of New Technologies
- New Strategies In Advertising And Promotions
- Building More Revenue With Multi-State Games
- The Multi-State Lottery Association—Leveraging The Powerball Brand To Introduce New Games
- Today's Options For Lottery Drawing Equipment And Services
- Developments In Lottery Ticket Dispensing
- Lottery Advertising Competition For TV, Radio And Point-Of-Sale Ads
- How Does She Do It? Rebecca Paul's Management Strategies—Experience In Guiding Two Of The Most Successful Lottery Start-Ups Ever
- Qe Awards For Excellence In Lottery Leadership, Advertising And Service For 2003
- Lottery Lifetime Achievement Award For 2003
- Iowa's New Lottery Law And Its Advantages For All Lotteries
- Expanding Regional Multi-State Games
- Lottery Technology Workshop
- Lottery Advertising And Marketing Workshop

-Exhibit Booth Application and Contract-

All locations are good, but space is limited! Reserve yours today!

Please fill out this form and fax back to 425-803-6830. Please mail original and payment to: Public Gaming Research Institute, 4020 Lake Washington Blvd. NE, Suite 100, Kirkland, WA 98033, or charge to American Express, MasterCard, or Visa (see below).

Mark each event that applies: SMART-Tech '03 ILAC '03 International Lottery Expo '03

Contact/Title: _____

Company: _____

Address: _____

City: _____

State/Prov./Zip/Postal Code: _____

Tel.: _____ Fax: _____

Signature: _____

Circle of Learning Options (SMART-Tech and Expo Only):

- Basic Circle \$2,995: includes space (78 sq. ft.), carpet and one badge/registration
- Deluxe Circle \$3,695: includes space (78 sq. ft.), carpet, one badge/registration, standard electricity, 25" TV/VCR, 1 table, 2 chairs, easel and wastebasket
- Extra-large Basic Circle \$5,890: includes space (175 sq. ft.), carpet and two badges/registrations
- Extra-large Deluxe Circle \$6,590: includes space (175 sq. ft.), carpet, two badges/registrations, standard electricity, 25" TV/VCR, 2 tables, 4 chairs, easel and wastebasket

SMART-Tech '03 Circle of Learning Location Choice (February 9-12 in Charleston, SC):

1st Choice #: _____

2nd Choice #: _____

3rd Choice #: _____

ILAC '03 Exhibit Booth Location Choice (April 27-30 in Cancun, Mexico):

1st Choice #: _____

2nd Choice #: _____

3rd Choice #: _____

**For assistance or
more information,
please contact:**

David Mello
202-244-9301
f: 202-244-9302
davemello@earthlink.net

International Expo '03 Circle of Learning Location Choice (July 18-21 in Key Biscayne, FL):

1st Choice #: _____

2nd Choice #: _____

3rd Choice #: _____

Payment Terms and Options:

- Please charge to my credit card Please invoice me

Costs for Circles of Learning are above. Standard exhibit space cost for ILAC is \$2,995 per booth which includes one registration per booth. **Full payment is due with your application for SMART-Tech, ILAC and Expo. Full refund if space is cancelled 90 days before event.** Payment is accepted by American Express, MasterCard or Visa credit cards. Fill-in below for charges.

Amount: U.S.\$ _____ Card Number: _____ Exp. date: _____

Signature: _____ Date: _____

Name on Card: _____

Fax back to 425-803-6830



International Lottery Expo 2002

Registration Form

July 18-21, 2003 • Sonesta Beach Resort • Key Biscayne, FL USA
 Co-hosted by Public Gaming Research Institute and the Florida Lottery

First Name: _____ Last Name: _____
 First Name for Badge: _____ Spouse's Name (if attending): _____
 Title: _____ Organization: _____
 Street Address: _____
 City: _____
 State/Province: _____ Zip/Postal Code: _____ Country: _____
 Phone: _____ Fax: _____
 E-mail: _____ Web Site: _____

Registration Fees (check one):
 Non-Government: \$795 Exhibitor: \$695 Government (No Charge)

Method of Payment:
 Check Amex Mastercard Visa

Credit Card #: _____ Exp.: _____
 Print Name (as it appears on card): _____
 Signature: _____

Fax Registration Form to: Public Gaming Research Institute, Inc. at 425-803-6830.

For additional information: Please call, e-mail or see Web site:
 Tel.: 425-803-2900 • E-mail: elsiepr2@aol.com • www.publicgaming.org

Hotel Reservations

For the discounted room rate of \$98 (government)/\$125 (corporate), please contact the Sonesta Beach Resort directly. Room rate does not include tax and resort fee of \$12 per day.
 Telephone 305-361-2021 or 800-477-4556 • Fax 305-361-3096 • www.sonesta.com

Be sure to mention International Lottery Expo when calling.



Scenes from the Sonesta Beach Resort, Official Hotel for the 2003 International Lottery Expo

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