

PUBLIC

# GAMING

I N T E R N A T I O N A L

World's most widely read Lottery-Racino-Gaming magazine • Video, Racino, Casino, Internet, Wireless, Online, Scratch-Off

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*  
May 30, 2005

### HALL OF FAME AWARDS FOR 2005

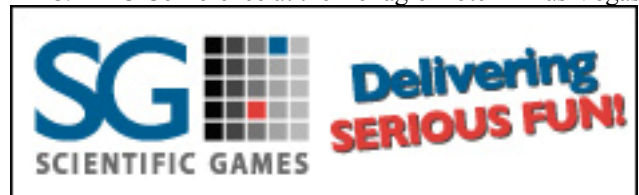
Duane Burke, CEO of Public Gaming Research Institute is pleased to announce the **LOTTERY INDUSTRY HALL OF FAME AWARD** recipients for 2005. They are: Daniel Bower, Gordon Graves, John Koza, Jean Marc Lafaille, Lothar Lamars, Victor Markowicz, Tim Nyman, Rebecca Paul, Steve Saferin, Guy Simonis, Guy Snowden, Edward Stanek, Cal Tigner, and Lorne Weil. Our congratulations to these outstanding individuals and our thanks to them for their contributions to making the lottery industry the great success that it is today for raising revenue for good causes. Details of their individual contributions will be read during the Award presentations. In addition, there will be two awards in memoriam to honor Ralph Batch and Edward Powers, two US lottery pioneers.

As a part of its 35-year tradition of recognizing outstanding people in the world lottery industry, Public Gaming Research Institute has established this new award for world lottery professionals in the tradition of other established industries. The **Lottery Industry Hall of Fame Award** is an opportunity to honor multiple government and industry individuals each year for important contributions to the long-term growth and success of the lottery industry. The **Lottery Industry Hall of Fame Awards** presentations will be at 1 PM on July 12 during the EXPO/ILAC Conference at the

Bellagio Hotel in Las Vegas. We hope that you will join us to honor these outstanding individuals.

### LOTTERY PRODUCTS OF THE YEAR AWARDS

Public Gaming Research Institute is pleased to also announce the **LOTTERY PRODUCTS OF THE YEAR AWARDS** to highlight products introduced during the past 12 months that promise to be important contributors to future lottery revenues. This new award is in recognition of the importance of new products to the growth and continuing success of the lotteries everywhere. Products and the associated supplier companies to be recognized will be announced at the EXPO/ILAC Conference. Award presentations will be made at 1PM on July 13 at the EXPO/ILAC Conference at the Bellagio Hotel in Las Vegas.



### EXPO/ILAC 2005 INTERNATIONAL LOTTERY & GAMING EXPO & ILAC CONGRESS 2005

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

#### EXPO/ILAC FEATURES

This year's International EXPO/ILAC Conference will feature technological advancements, innovations in games, as well as best management practices, advertising successes and successful marketing strategies for increasing revenues. The program will feature presentations and panel discussions with special emphasis on broad participation. Some of the latest examples of successful TV advertising will also be featured. A highlight of EXPO/ILAC will be the

VIP Technology Tour of leading suppliers.

**EXPO/ILAC CONFERENCE REGISTRATIONS** for government representatives, other lottery operators and track/racino operators is complimentary. The registration fee for vendors and other commercial representatives is \$895 per person. All spouses are complimentary. A registration form is attached or you can register on-line at [www.publicgaming.org](http://www.publicgaming.org).

For assistance, please call: 425-985-3159.

#### SPONSORSHIPS & EXHIBITING:

Sponsorship and exhibit opportunities are available. Details are posted on web site: [www.publicgaming.org](http://www.publicgaming.org) or by calling: Raquel Orbeagozo at 425-765-4119 or Paul Jason at 425-985-3159.

**HOTEL RESERVATIONS:** A discounted room rate of \$159 per night is available to EXPO/ILAC Conference attendees. Please make your reservations directly with the Bellagio Hotel by calling: 702-693-7444 or 888-987-7111. Be sure to mention the name of the conference to get the discounted room rate.  
RESERVATIONS DEADLINE: **JUNE 15.**



## COMPANY ANNOUNCEMENTS

**NEW ZEALAND TO BECOME INTRALOT HUB.** A \$35 million, six-year gaming machine monitoring contract signed last week between INTRALOT and New Zealand's Department of Internal Affairs, will provide the base for INTRALOT to make New Zealand its hub to expand into the Asia Pacific region. INTRALOT already has offices in the Philippines and Beijing, but this is its first win in Australasia.



**GTECH FILES PATENT ON FOR PICK 'N PLAY™.** GTECH has filed for patent protection of a revolutionary new game concept designed to energize online lottery ticket sales. The innovative game concept, branded Pick 'n Play™, gives players the chance to convert a themed player card into instant online winnings, future draw winnings, or a combination of both. The Pick 'n Play format can be extended through an unlimited number of branded and traditional themes and styles. Ideas for getting play cards in the hands of lottery customers are endless and not limited by concerns of game security. The centerpiece of Pick 'n Play is a vibrant, theme-based player card which, once in the hands of a player, can be used to purchase a Pick 'n Play online game. Once the online ticket is produced, it is matched to the player card to create an instant win experience, or it is used as part of a future drawing. Multiple Pick 'n Play test games are currently in development and will be ready for pilot sales this year. One of the most appealing aspects of the game is that it will operate on any GTECH online lottery system.



Wireless Information Solutions...

**GSA OPENS ITS STANDARDS.** In a sweeping move that makes industry standardization a reality, the Gaming Standards Association announced its protocol standards are immediately available to the industry for free on its public website at <http://www.gamingstandards.com>. GSA member companies will continue to enhance and expand the existing

protocols to benefit the industry. Draft standards will only be available to members, which will give them the opportunity to provide input and direction, as a benefit of membership.

## 3M TOUCH SYSTEMS, INC. INTRODUCES MICROTOUCH INTERACTIVE SURFACE TECHNOLOGY.

3M Touch Systems, Inc. introduced a new touch technology platform - Interactive Surface Technology (IST) - offering the ability to apply a touch interface to nearly any surface, completely expanding the possibilities of where touch can be implemented. The new technology is an evolution of 3M's projected capacitive touch technology. Its unique design is based on the fact that the interactive touch surface is constructed of a flexible, polyester layer that can be laminated to the front of any surface, laminated to the back of any surface, or applied to a contoured surface. The substrate for lamination can be plexiglass, polycarbonate, plastic, glass, laminated glass or any other non-conductive surface. In addition, MicroTouch IST can support "on display" use with LCD panels or "off display" use creating touch pad or button interface designs not using a display.

**AGI SELLS TO NEW GERMAN CASINO.** Austrian Gaming Industries GmbH (AGI) has announced that it will supply a substantial order of its broad product range to the new casino Bad Wiessee. The new games and gaming machines that are going to feature in Bad Wiessee range from the very popular games like Book of Ra™, Riches of India™, Roller Coaster™, Queen of Hearts™, Dolphin's Pearl™, Bananas go Bahamas™, Columbus™, Knight's Quest™ and Venetian Carnival™ to the favoured Multi-Gaminator™-machine, on which casino guests can choose between ten different games on one machine, without needing to find another free slot machine for more excitement.



**IGT RELEASES SUPERSAS.** IGT has released the latest version of the SuperSAS gaming machine protocol to more than 200 gaming manufacturers worldwide. The new version of SuperSAS is the first industry-wide open standard protocol to incorporate both download and remote configuration capabilities.

**BINGO.COM LAUNCHES CASH GAMES.** Bingo.com has launched cash-based gaming on its website, [www.bingo.com](http://www.bingo.com). The new cash gaming software has been provided under license by Chartwell Technology Inc. Both 90 and 75-ball bingo games are available.

**CYOP LAUNCHES POKER.** CYOP Systems has launched its demo version of its online poker product at <http://www.redfelt.com/demo.html>. This initial release is to showcase the Company's licensed software to prospective clients, and stakeholders. This version is the English play-for-fun version that is being rolled out on Sina.com. A site

for players to wager in real dollars is going through final integration and will be ready for play in the near future.

## VIDEO GAMING/RACINOS

**VV SLOTS PASS \$1 BILLION FOR FY05.** Gross revenue from the West Virginia Lottery's nearly 19,000 video lottery machines operating statewide topped the \$1 billion mark for the FY 2005. Through May 21, VLTs at the state's four racinos have achieved \$792.12 million in gross profits, while limited video at bars, clubs and fraternal organizations have reached gross profits of \$275.16 million. With six weeks remaining in FY05, VLT sales are sitting at \$1.067 billion, needing only \$29 million more in sales to beat FY04's record profits of \$1.096 billion. The state's share of racetrack video lottery profits through April is \$298.15 million.



**COMMITTEE OKAYS LINCOLN PARK SALE.** A Rhode Island Senate committee on Tuesday passed a bill that would pave the way for the sale of Lincoln Park gambling center and dog track to an investor. The legislation includes a gambling revenue-sharing requirement. The bill would allow BLB Investors to enter into a contract with the state through the Lottery Commission. Under the bill, the state would get 58% from any VLTs added at the park. The state would retain a minimum 60.4% from revenues from the VLTs already at the facility.

**LA SLOTS AT AIRPORT?** A Louisiana House Committee approved a bill on that would allow gaming machines at Louis Armstrong International Airport in New Orleans. The gaming machines would be placed in areas open only to ticketed passengers at the airport, with approval from voters in Jefferson Parish, where the airport is located. The bill now heads to the full House for debate.



**QUEBEC PRIVATIZATION?** Control of VLTs at racetracks would be taken away from Loto-Quebec under a plan introduced by Quebec Finance Minister Michel Audet. Audet's plan, which will soon go to cabinet for a vote, would also privatize the four planned "entertainment centres" formerly known as racetracks. If approved, private consortiums would operate the machines, and the province of Quebec would receive a percentage of the profits.

## GUATEMALA VIDEO BUSINESS FOR SALE

ILAC de Guatemala S.A., which operates a video lottery business in Guatemala, is for sale. The business, which is in its seventh year, generates revenue from 816 video lottery terminals in seven hotels with the opportunity to generate revenues at additional hotel locations. A portion of the revenues fund children's health care in the country. Interested parties are invited to e-mail [duaneburke@aol.com](mailto:duaneburke@aol.com).

sales in the year to March 31, 2005 rose by more than £150 million, to £4,766.1 million, over three times the £40 million increase seen in the previous year. Returns to the Good Causes were up nearly £60 million, or 4.6 per cent, from £1,289.3 million in 2003/4, to £1,349.1 million in 2004/5. The results are the latest evidence that Camelot's strategy for growth is working. The strategy, revealed in May 2003, was focused on two main themes: diversifying the game portfolio and improving access to lottery games through new channels of distribution. Total sales for the financial year to 31 March 2005 grew to £4,766.1 million, up 3.3 per cent from the figure of £4,614.6 million the previous year. Annual sales were also up for each quarter compared to the same quarter the previous year, across both Lotto and non-Lotto games, and by distribution channel. Ticket sales for non-Lotto games continued to see double-digit growth, up 10.9 per cent year on year at £1,540.8 million. These games now represent 32.3 per cent of the portfolio of National Lottery games, up from 30.1 per cent the previous year. Year-on-year sales of the main Lotto game remained rock solid at £3,225.3 million. **Sales were also up across each channel of distribution.** At £4,654.7 million, retail sales remain by far the largest channel and rose by £69.7 million or 1.5 per cent year on year. The new distribution channels which Camelot has developed in the last two years are also beginning to drive substantial incremental sales. Sales from postal and online subscriptions rose 38 per cent to £23.9 million. Separately, interactive sales for national-lottery.co.uk, the Sky interactive service and Play by Text on mobile phones were £87.5 million, up over 600 per cent from £12.3 million in 2003/4. Current sales via interactive channels are already above £2 million a week and rising, making the UK National Lottery the largest interactive lottery in the world. As of 31 March 2005 the number of registered interactive players was 964,769, with the one millionth player registered in mid-April.

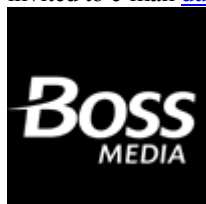


## OLGC LAUNCHES PAYDAY.

What would you do with an extra \$1,000 a week for the rest of your life? Ontario lottery players now have a chance to answer that question every Thursday with PAYDAY, a new weekly lottery draw game launched by the OLG. PAYDAY is a \$2 game with an annuity top prize paying \$1,000 a week for life. Other prizes of up to \$50,000 are also available. The odds of winning the top prize are 1 in 1.35 million, while the odds of winning any prize are 1 in 6.1. For \$2 per play, consumers select a set of four numbers from a field of 1 to 77 either by selection slip or by Quick Pick. Fourteen additional sets of four numbers are then automatically system generated for a total of fifteen sets of 4 numbers, which are printed on your ticket in various prize categories: 1 player selection or Quick Pick selection for the \$1,000 A Week For Life prize category (or an optional, one-time lump sum of \$675,000); 2 sets in the \$50,000 prize category; 4 sets in the \$20,000 prize category; 8 sets in the \$1,000 prize category; and Subsidiary prizes include \$25 for matching three numbers in any set and \$2 for matching any two numbers in any set.

## LOTTERY NEWS

**UK SEES BIG GROWTH.** Camelot announced that U.K. National Lottery



**MI LAUNCHES MATCH GAME™.** The Michigan Lottery has become the first Lottery to launch Pollard's newest licensed property, Match Game™. The unique play format of the game is a natural tie-in to the Match Game™ television show. Match Game™ was launched on March 21st and is currently available for the suggested retail price of \$3.00.

**MAINE TO LAUNCH TRI-STATE TRIPLE PLAY.** On Sunday, June 26, 2005, The Maine Lottery will launch a new on-line game called "Tri-State Triple Play" replacing "Heads or Tails". Draw days will be Tuesday and Friday. Draw time will be 6:50 p.m. Cost per play is \$2.00 for 3 sets of numbers. Rolling top prize starts at \$30,000. Players pick 5 numbers from 1 to 45 or Easy Pick. In addition to the five numbers picked, the player will automatically receive two additional sets of five numbers, for a total of three sets of five numbers on one ticket. Players can "Win in a Line" by matching three, four, or five numbers straight across on any one of the three lines of numbers (players can win on more than one line); "Combination Win" - combining at least four number matches from all three lines; "Win Both Ways" by winning in a line and combined match of at least four numbers from the three lines; and even win \$2.00 by matching zero numbers on all three lines.

**LOTTO SOUTH SUBSCRIPTIONS WINNER IN VIRGINIA.** The Virginia Lottery's Executive Director, Penelope W. Kyle, made a unique and rare phone call on February 14, 2005. She called Nancy Phillips, a Lotto South subscriptions player, to inform her that she had one of the two winning tickets for the \$20.6 million Lotto South drawing on February 12, 2005. When Ms. Phillips claimed her share of the prize on May 9, she became Virginia's first Lotto South subscription jackpot winner and only the fifth Virginia subscriptions player to win a jackpot since Virginia added the feature to its jackpot games in 1992. The Lottery has approximately 34,000 Lotto South and Mega Millions subscriptions and plans to expand that number by implementing online subscriptions later this year.

**OR HOUSE VOTES TO END SPORTS BETTING GAMES.** In a move designed to lure the NCAA basketball tournament back to Oregon, the Oregon House voted 51-0 to pass HB 3466, a bill that would abolish state-run sports lottery games. The NCAA has said that it would not conduct any NCAA tournament games in any state conducting sports betting games. If the bill passes the Oregon Lottery's Sports Action and Scoreboard games will end.

**SCRATCH A NEW CAR WITH SA LOTTERIES.** South Australian Lotteries is encouraging local players to scratch new Holden motor vehicles, as series 4 of Instant Scratchies' popular Scratch, Match & Drive promotion gets underway. From Tuesday 17 May, players will receive three BONUS Scratch, Match & Drive tickets with any Instant Scratchies purchase of \$10 or more. To win one of seven brand new Holdens, players must correctly match the license plate on their Scratch, Match & Drive ticket to one of the seven winning license plates printed on posters located at point of sale.

**LOTTERYWEST LAUNCHES GRANT WEBSITE.** Lotterywest has proudly launched its 'new look' Grants website - Grants Central at [www.lotterywest.wa.gov.au/grants](http://www.lotterywest.wa.gov.au/grants). The new and improved site is designed to provide customers with all the information they need to find out about Lotterywest grant opportunities and how to apply for a grant. Color coded areas, simpler and faster navigation and a checklist to help people negotiate the grants process are just some of the improvements.

**SAZKA ACCEPTS NEW STRATEGY.** SAZKA has accepted a new "Strategy in the Area of Support Extended to Responsible Gaming and Ethical Principles in the Gaming and Lottery Industries". The strategy is based on the contemporary trends and recommendations supported by international lottery associations, primarily the World Lottery Association and the European Lotteries. The strategy concerns the non-playing public, the problem-free, risk and problem players. In addition to legislation measures it comprises promotional, marketing and other activities as well as informing the general public and communication with various target groups. It interconnects legislative regulation and principles of ethical self-regulation and responsibility of subjects active in the betting, lottery and gaming industries. In implementation of the Strategy SAZKA will rely on co-operation of public institutions, regulatory bodies and the expert public. In formulating the Strategy SAZKA relied on the fact that the betting industry is a legitimate business segment existing and developing in regulated environment. It offers the customer a socially responsible entertainment creating funds for good causes in various areas. In conformity with the new Strategy SAZKA will focus *inter alia* on utilisation of various communication channels to present the principles of responsible gaming in the media, between the players/bettors, operators of gaming outlets, business partners and employees of the company. SAZKA will regularly analyse and evaluate the implementation and results of the Strategy.

## **EMPLOYMENT ADS**

**LOTTERY VISIONARY NEEDED.** Interstate Lotto, is looking for an industry visionary to lead our company. The company is involved in wireless, internet, and cable lottery applications with a uniform game management system that integrates into the legacy systems in use today at QSR locations globally. Ideally, the candidate should have the following experience/qualifications: Previous senior executive experience (VP level, COO, or CEO); Lottery vendor experience required; Passion for launching and growing new businesses; Previous experience in licensing to systems vendors; Previous lottery commission experience desired; Strong background in technology from a sales, bus dev, or marketing perspective; Global experience, selling outside of the US market; Fundraising experience ideal. **For more details, send email to [janism@paladinpartners.com](mailto:janism@paladinpartners.com), preferably with a bio or resume.**

**Please submit material for next week's Morning Report by Wednesday of this week to [Toddpg2@aol.com](mailto:Toddpg2@aol.com)**

# PUBLIC GAMING INTERNATIONAL

## EXPO/ILAC 2005 Conference & Exhibits Bellagio Hotel – Las Vegas July 11 – July 14, 2005 CONFERENCE REGISTRATION FORM

Contact & Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State/Prov. \_\_\_\_\_ Zip/PostalCode \_\_\_\_\_  
Tel \_\_\_\_\_ Fax \_\_\_\_\_  
Signature \_\_\_\_\_ Email \_\_\_\_\_  
Number of Registrations \_\_\_\_\_ Total \$ \_\_\_\_\_

**FEES: NO CHARGE FOR LOTTERY, OTHER GOVERNMENT &  
RACING/RACINO REPRESENTATIVES  
\$895 FOR VENDORS, SUPPLIERS AND ALLOTHERS;  
\$795 FOR EXTRA EXHIBITOR REPRESENTATIVES.  
SPOUSES ATTEND FOR FREE**

Conference registration includes admission to all meetings, opening night cocktail reception, continental breakfast and luncheons on each conference day. Call 800-493-0527 to register.

### REGISTRATION PAYMENT:

Please circle the credit card to charge: American Express, MasterCard, or VISA.  
Amount to charge: \$895. Fill-in below for charges.

Card Number: \_\_\_\_\_ Exp. date: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Name on Card: \_\_\_\_\_ Please invoice me \_\_\_\_\_

Please fill out this form and fax back to **800-657-9340** or **206-232-2564**.

Please send checks to:

Public Gaming Research Institute, 218 Main Street, #203, Kirkland, WA 98033. USA.

**Website: [www.publicgaming.org](http://www.publicgaming.org) - Phone: 425-985-3159 or 800-493-0527.**

**HOTEL RESERVATIONS:** Bellagio Hotel, 3600 S. Las Vegas Blvd., Las Vegas, NV 89109 -Contact Room Reservations Department at (888) 987-6667, (702) 693-7444 or on the website at [www.bellagio.com](http://www.bellagio.com) under the **PUBLIC GAMING / EXPO/ILAC 2005.**