

To: Lottery CEO's, IALS Members, Marketing Directors,
PR/Communications Directors

Public Gaming Research Institute Inc.'s

INTERNATIONAL

MORNING

REPORT

Your weekly supplement to
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BAUER NAMED ACTING DIRECTOR OF NJ LOTTERY. New Jersey State Treasurer John E. McCormac announced that Virginia S. Bauer has been named the acting executive director of the New Jersey Lottery. Gov. James McGreevey is expected to formally nominate Ms. Bauer as Executive Director of the Lottery soon. Ms. Bauer, formerly a financial planning and account management executive for Merrill Lynch, as well as a board member of Family and Children's Services, is a September 11, 2001 widow, and has been a key activist on behalf of the families of the 9/11 victims. She spearheaded efforts to enact federal tax relief legislation for surviving family members and is assisting in the creation of a new development plan for the WTC site in lower Manhattan.

ACTING DIRECTOR NAMED IN ND. North Dakota Attorney General Wayne Stenehjem named Charles Keller as the Acting Director of the North Dakota state Lottery. Keller, who has worked in the AG office for twenty years is currently the chief auditor of the state's Gaming Division.

ND GETS THE NOD FOR POWERBALL. The North Dakota Lottery has been accepted into the Powerball lottery group. While the state is still months away from being able to sell tickets, they are now officially allowed to do so once they are ready to start selling. Twenty-two states, The District of Columbia and the Virgin Islands currently offer Powerball.

IA LEGISLATURE VOTES TO TURN LOTTERY INTO INDEPENDENT AUTHORITY. Both the Iowa House and Senate approved a 'Reinvention Bill' that would change the Iowa Lottery from a not-for-profit corporation into an Authority, and would remove the Lottery from under the jurisdiction of the Department of Revenue and Finance. If the Governor signs the bill Lottery proceeds would continue to go into the state's general fund, and laws governing the types of games would stay in effect. There has been no indication whether the Governor will sign the bill into law.

OK LOTTERY VOTE DELAYED. A statewide vote on an Oklahoma Lottery has been delayed until November 2004. Gov. Brad Henry was lobbying for the vote to happen this summer, but Oklahoma Legislators could not come to the two-thirds majority required to put a constitutional amendment before voters in a special election.

MA MAY BE IN FOR AN AD BUDGET BOOST. Reports indicate that the Massachusetts House set aside \$5 million in its 2004 budget plan for Lottery advertising. This would be an enormous budget compared to the Lottery's current \$100,000 allotted for promotions. Some reports speculate that the Senate won't oppose the increase, and Governor Romney has indicated that he would consider approving the budget if it passes the Legislature.

ID HELPS GUARD MEMBERS PHONE HOME. Members of Idaho's National Guard will be able to call home free thanks to the Idaho Lottery. Idaho Lottery Director Roger Simmons presented more than 500 15-minute calling cards for domestic use to the Idaho National Guard. The Lottery offered the calling cards as a gesture of aid and support to those who are away from their families. The free long distance cards were used for Lottery promotions during the year, and they would have expired in June. The Lottery was elated to find a good use for the cards before they expire and go to waste.

BIG HELP EMPLOYED IN NY. The New York Lottery is celebrating the launch of its new \$1,000,000 Jumbo Bucks Instant game with the debut of Bubbles, a twenty-something rescued African elephant who, according to her trainer, "is as warm and friendly as a golden retriever." The elephant, along with trainer, Rob Johnson, will star in the Lottery's newest television ad trumpeting the arrival of Jumbo Bucks, a \$5 Instant Game that packs a top prize of \$1,000,000. The new ticket features a quartet of smartly appointed pachyderms sauntering across the lush, jungle-esque background of the ticket. The 30-second spot promoting the ticket hit the air April 12, 2003.

MI LAUNCHES MEGA PLAY PROMOTION. From May 5 to May 23, 2003, the Michigan Lottery will be conducting the Mega Millions "Mega Play" promotion. Mega Millions players who purchase a ticket with five wagers or more will get an extra "easy pick" free. Those players who purchase a 10-panel wager will get two free "easy picks."

MN RACINO LEGISLATION GAINS GROUND. Canterbury Park Holding Corporation announced today that its proposal to develop a "Racino" by adding new casino gaming options to its existing Racetrack and Card Club in Shakopee has been approved by a 71 to 60 margin by the Minnesota House of Representatives. The Racino legislation, which authorizes the Minnesota Lottery to operate slot machines at the Shakopee

location owned by Canterbury Park, still requires a number of approvals in the Minnesota Legislature.

MI VLT BILL INTRODUCED. A bill was introduced to the Michigan Legislature would allow each of the state's seven race tracks to install VLTs. It's been estimated that the bill could generate well over \$300 million in revenue. If the bill passes, tracks would own the terminals, and the Lottery would operate and regulate the machines.

PA LAUNCHES NEW TICKETS. The Pennsylvania Lottery is introducing three new instant tickets on Tuesday, May 6. Cash Bonanza, a \$10 game, joins two other instant ticket games – the \$5 High Stakes and Sunny Money, a \$1 game. The top prize for Cash Bonanza is \$120,000.

NE PAYOUT BILL CLEARS ANOTHER HURDLE. The Nebraska Legislature gave a bill increasing Lottery payouts second-round approval in a voice vote. The bill would eliminate the requirement that 25% of lottery proceeds go to the Environmental Trust Fund, the Excellence in Education Fund and the Compulsive Gamblers Assistance Fund.

GLC CHOOSES COMPANY TO REDESIGN WEB SITE. An Atlanta company called Acuity has been selected by the Georgia Lottery Corp. to redevelop the Lottery's Web Site. The redesigned site is scheduled to launch in June, complete with new graphics, information on new games, updated navigation and payouts. Ten Atlanta-based companies competed for the account. Acuity will partner with Objectware to provide Web hosting and back-end programming.

WESTERN AUSTRALIA UNVEILS LOTTERYWEST NAME. 'Lotterywest' will be the new trading name for the Western Australia Lotteries Commission. The updated corporate identity is part of the Lotteries Commission's long term positioning and marketing strategies to ensure the ongoing success of Western Australia's lottery system. The need for an overarching lottery brand became evident during the early stages of the development of a new lottery shop-fit for the 480 small businesses that sell lottery products in WA. Research showed that the lotteries seventy-year-old name seemed bureaucratic and old-fashioned – particularly the word 'Commission'. Enterprise IG, worked with the Lotteries Commission in developing the 'Lotterywest' identity. A key part of the new branding is the introduction of new logos for every lottery game. The development process has taken more than two years to ensure it was done well and based on thorough market research and business analysis.

RECORD FIRST QUARTER FOR PAGCOR. Philippine Amusement & Gaming Corp. (PAGCOR) has announced a record-breaking income of P5.05 billion for the first quarter of 2003. The corporation's first quarter income is eight percent higher than the same

period last year. Since 2001, PAGCOR's average annual growth rate has risen from 14 to 16 percent.

TATTERSALL'S FUNDS CANCER RESEARCH. Australia's Tattersall's is donating \$1 million over five years to The Cancer Council Victoria's Research Institute for the Tattersall's Cancer Epidemiology Research Floor. The Centre, which is involved in a wide range of research projects, houses the Cancer Epidemiology Centre, which researches the incidence and distribution of cancer in populations.

ISRAEL CELEBRATES INDEPENDENCE. Mifal Hapayis decided to celebrate Independence Day due next week with an "*Independence*" package. The package presents customers the gift of a large Israeli cloth flag to be hung on balconies, which is a common practice during the holiday, as an addition to lottery products at a special price of only NIS 55. The holiday package includes: 10 Lotto tables, (without Super Bull); 2 tables of the daily keno-style 777; a table of the Chance number game; a table of the new daily 1-2-3 game; and a new instant card, "My Israel", presenting the flag with the Star of David. The project is accompanied by a television, radio and billboard campaign that will last about two weeks through May 7th, 2003, at a cost of approximately half a million dollars.

ISSB LAUNCHES NEW ODDS BETTING GAMES. The Israel Sports Betting Board has launched two new odds games, Match and Top, adding to Winner, which became a leading brand in the Israeli market after only one year of operation. Income from Winner so far is more than 300 million NIS (US\$65 million).

COMPANY ANNOUNCEMENTS

FRANCE SIGNS OGT. Oberthur was awarded a new contract by La Française des Jeux for the production of a portion of the lottery's instant ticket market. The contract, which spans a 3-year period, includes three one-year renewal options.

RI PANEL APPROVES GTECH DEAL. The Rhode Island House Finance Committee unanimously approved the state's 20-year lottery deal with GTECH Holdings Corp. The deal, which was made to keep GTECH from leaving Rhode Island, paves the way for GTECH to pay the state Lottery Commission \$12.5 million for exclusive rights to provide online, instant ticket and video lottery central systems.

LOTTERY PEOPLE

After seven years as chairman of the board of Svenska Spel, **Mr. Bengt Åke Berg** handed over the gavel to banker **Anders Gustafzon** of Föreningsbanken. Gustafzon worked for 16 years in the old Swedish Lottery Gaming Board before joining the Bank.

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