

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

Public Gaming Research Institute Inc.'s

INTERNATIONAL **MORNING** **REPORT**

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TN, ND AND AZ ELECTIONS FAVOR LOTTERIES.

The November elections were kind to Lotteries this year. Both Tennessee and North Dakota approved their Lottery referendums, with Tennessee support coming in at approximately 60%. Another Lottery victory was won in Arizona, as the Arizona Lottery was extended through 2012.

WLA CONFERENCE SET TO START. There are just a few days to go until the start of the 2002 World Lottery Association Congress, being held in Adelaide, South Australia. With the theme "The Knowledge To Lead. The Vision To Prosper", the Congress will aim to push the boundaries on business thinking. Among the keynote speakers will be Gerhard Heiberg, who was President and CEO of the Lillehammer Olympic Organizing Committee, and has been a member of the International Olympic Committee since 1994. The Congress will also feature a panel of medal-winning Olympic athletes who will talk on the theme of "The Vision To Prosper" and discuss what has inspired their success. Details of the Adelaide Congress are available now on the Congress website at www.wla2002.com.

ALC LAUNCHES ATLANTIC 6/49. In November, in conjunction with the 20th anniversary celebration for Lotto 6/49, Atlantic Lottery is launching the new ATLANTIC 6/49 game with top prizes of \$1,000,000! Starting November 12th, players will be able to purchase ATLANTIC 6/49 on their Lotto 6/49 tickets. ATLANTIC 6/49 offers players two plays for \$1, has its own prize structure, with five ways to win and a top prize of \$1,000,000; is available only in Atlantic Canada; and has its own draw.

MD CELEBRATES WITH CASH ENCOUNTERS. The Maryland Lottery will join in the excitement of the revitalization of Reisterstown Plaza with its latest promotion for the holidays. On Thursday and Friday, Dec. 19 and 20, Lottery officials will join the Plaza and

its merchants for a special holiday celebration. The Lottery will introduce its latest promotion, called Cash Encounters, a second-chance drawing contest designed to award more than \$1.6 million in prizes. The promotion is part of the Lottery's 2002 holiday shopping mall tour, which showcases the agency's variety of exciting and colorful games at venues statewide. The Lottery's exhibit features a 20-foot display highlighting the Lottery's contribution to the State General Fund and how the fund utilizes that revenue to benefit the citizens of Maryland. Lottery officials will also be on hand to answer questions about Lottery games and register players for the Lottery's VIP Club.

WA LOTTERY HELPS TV SHOW GO "CONTEST

CRAZY". Seattle's NBC affiliate, Channel 5, enlisted the Washington State Lottery to help the station's show, Evening Magazine, celebrate the winning spirit during its special, "Contest Crazy". WA Lottery Research and Planning Manager Todd Bauman was featured on the show as he shared interesting statistics and inside information with Evening Magazine host John Curley. Throughout Washington, people are proving they'll do anything for cash and prizes and Evening Magazine is there to capture their "thrill of victory" on camera.

TN ANTI-LOTTERY GROUP UNDER

INVESTIGATION. Tennessee's Registry of Election Finance is investigating the Gambling Free Tennessee Alliance to see if it breached campaign disclosure laws with its involvement in the lottery campaign. Under federal law nonprofit foundations cannot donate to political campaigns without endangering their tax-exempt status. The GFTA reportedly formed a separate entity, GFT Inc., to educate voters about the lottery. It is believed GFT raised \$107,000 from five Tennessee foundations. The IRS will also review the groups campaign involvement.

OHIO TO OFFER GIFT CARDS IN PILOT PROGRAM.

The Ohio Lottery has picked the holiday season for a pilot program offering gift cards that can be used to play several lottery games. The "Wild Cards," essentially a gift certificate, will be sold from Monday through Feb. 2 by 380 lottery agents in central Ohio. Cards can be purchased in amounts ranging from \$5 to \$50. The recipient can spend the money at once or a dollar at a time on tickets generated by a lottery terminal - such as Super Lotto or Pick 3 - or on instant tickets.

HAPPY NEW YEAR. Official New Year greeting postcards for 2003, with numbers for lottery prizes, were launched last week in Japan. The first run is for 3.8 billion cards, down 4% from last year and the third straight year to see a print reduction.

MEXICO LOOKING AT GAMBLING REGULATIONS.

Mexico's National Council on Business Tourism is supporting a gambling bill being considered by Mexican legislators. The proposal includes 194 articles to

regulate gambling and lottery, calls for the creation of the National Gaming and Lottery Commission, and proposes public auctions for operations and licenses.

HOOSIER TV DECISION? The Hoosier Lottery is considering having TV stations bid on rights to broadcast its weekly lottery drawing. The lottery pays the current station to air the drawing and produce the weekly "Hoosier Lottery" show.

COMPANY ANNOUNCEMENTS

WINCOR NIXDORF WINS WESTLOTTO CONTRACT. Wincor Nixdorf will equip all the lottery outlets of Germany's largest state lottery company, Westdeutsche Lotterie GmbH & Co. with 4,300 new Xion /Mtop terminals. In addition, Wincor Nixdorf will also install the new Xiload download servers that allow software updates to be downloaded to the lottery terminals even during operation. "The innovative technology, open interfaces to all central system suppliers in Germany, Wincor Nixdorf's years of experience and not least, the costs over the entire life cycle of the terminals were the key factors in our decision to select Wincor Nixdorf as our new supplier," said Dr. Winfried Wortmann, CEO of WestLotto.

CBN TO MARKET OLGC PRODUCT. Canadian Bank Note has signed an exclusive multi-year marketing agreement with the Ontario Lottery and to market internationally "SuperStar Bingo," the OLGC's proprietary Bingo Gaming and Administration System. This unique system is capable of linking an unlimited number of bingo halls for simultaneous play. Numbers are generated and transmitted through the system to each location, enabling players to play paper bingo for large, progressive jackpots.

KEYTRONIC TO MANUFACTURE FOR IGT. KeyTronicEMS announced a strategic multi-year manufacturing agreement to provide manufacturing services for International Game Technology (IGT). Under the terms of this agreement, KeyTronicEMS will manufacture complex printed circuit board assemblies for IGT's gaming products. KeyTronicEMS will use its Juarez, Mexico manufacturing plant to produce IGT's circuit boards in order to reduce lead times and risk, and to give IGT pricing and quality that is competitive with Asian sources.

OGT'S FOUREAL GRANTED EUROPEAN PATENT. Oberthur has been granted a European Patent for its FouReal™ technology. Although Canadian and U.S. Patents had been granted almost three years ago, obtaining a similar patent in the EU was delayed by an opposition filed against the grant of the patent.

SCHAFFER CELEBRATES 15 YEARS. On October 24th, Schaffer Systems celebrated its 15th Anniversary. The festivities included the employee owners opening their doors to clients, key suppliers and community, and

sharing business knowledge and expertise via plant tours. Door prizes and treats were dispersed and the day's events were broadcast over KSOM, a local radio station of Atlantic, Iowa. During the open house, Schaffer presented the Make-A-Wish Foundation of Iowa with a check in the amount of \$5,000.

TAIWAN TICKET RECALL. GTECH announced that the Taiwan National Lottery has recalled previously issued instant tickets distributed by Lottery Technology Services Corporation (LTSC), a partnership between Acer, Incorporated and GTECH. The Lottery took this action in response to concerns about potential operational and technical issues related to the instant ticket games. The tickets have been removed from public play and will be replaced by a new set of tickets currently under production. Instant tickets are expected to be made available for play in Taiwan within a few weeks. GTECH has conducted a thorough review of all instant ticket game design, distribution, and sales techniques across the jurisdictions it serves. The issues being addressed in Taiwan are the product of unique circumstances that are not present in other jurisdictions.

LOTTERY JOBS

TEXAS LOTTERY COMMISSION SEEKING EXECUTIVE DIRECTOR. (Posting No. 110202) \$95,000-\$110,000/yr. plus State of TX benefits; Open Until Filled. Graduation from an accredited four-year college/university required. Five years of executive management experience preferred. Experience in lottery operations preferred. Willingness to work irregular hours: weekends, holidays, & nights, and travel for job-related purposes required. For specific information, contact TLC at (512) 344-5333 or 1-800-395-JOBS (5627) or www.txlottery.org. State of TX application required. Applicants requesting special accommodations should call (512) 344-5143 three days in advance for appropriate arrangements. EOE

WA SEEKING LEGAL SERVICES MANAGER. The Washington Lottery is seeking a highly qualified Legal Services Manager. Duties include serving as Rules Officer, Public Records Officer, and Contracts Officer; providing ethics advice and training; providing legal analysis and advice on legal, policy, licensing, and prize payment issues. Requires current Washington State Bar Association membership, a law degree from an accredited law school, and two years of legal experience in government or private practice, with emphasis on governmental procurements, administrative law, and/or financial investment/estate planning. Salary is \$54,700 to \$69,000 annually, DOQ. For an application packet, call (360) 664-4813 or visit our web site at http://walottery.net/a_employment.asp Closes December 1, 2002. AA/EOE.

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