

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

**Public Gaming Research Institute Inc.'s**

# **INTERNATIONAL** **MORNING** **REPORT**

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***Public Gaming International Magazine***  
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**GEORGIA GOES WITH GTECH AND SCIENTIFIC GAMES.** The Georgia Lottery Corporation Board of Directors announced that GTECH was awarded a contract to provide online gaming systems and services and Scientific Games was awarded a contract to provide instant ticket printing and associated services beginning in September 2003. Both contracts are for seven years with no extension options. GTECH and Scientific Games each received the highest technical scores for their respective proposals during the evaluation process conducted by a six-member committee comprised of senior lottery management. The lottery anticipates a savings of approximately \$38 million annually based upon the new contracts.

**LOTO-QUEBEC SHAKES UP THE VLT PICTURE.** Loto-Québec's 2003-2006 action plan, entitled Gaming in Québec: A Necessary Reorganization, targets a significant reduction in access to VLTs, which will help combat the problem of compulsive gambling. The number of establishments that can operate the machines will reduce by 41% before March 31, 2003. Venues that operate 1-3 machines will be compensated for the removal of their machines. The Lottery will also carry out a mandatory withdrawal of any VLTs in excess of 10 in all bars and taverns currently exceeding that number. In total, 3,370 machines will be removed from bars and taverns. Loto-Québec's plan also outlines investments of nearly \$600 million, in conjunction with tourism industry partners, in the network of casinos and their complementary facilities, with the goal of attracting more tourists from outside Québec.

**OKLAHOMA POLARIZING DUE TO LOTTERY ISSUE.** Oklahoma's largest religious denomination, The Baptist General Convention of Oklahoma, announced its opposition to a state lottery. The announcement came a week after the election of a pro-lottery governor. Governor-elect Brad Henry, D-Shawnee, ran on a lottery platform. Henry has gone on record stating that

he is "dead set" on implementing a state lottery, which could raise an estimated \$300 million for education.

**MA LAUNCHES \$30<sup>th</sup> ANNIVERSARY SPECTACULAR.** The Massachusetts Lottery launched its \$30<sup>th</sup> Anniversary Spectacular, selling for \$10 and offering an 80% prize payout. The game features fifty prizes of \$1 million and ten prizes of \$4 million.

**TN NAMES LOTTERY TASK FORCE.** After 58% of Tennessee voters approved a state lottery, State Senator Steve Cohen named 16 education leaders to a task force that will study other states' lotteries. Richard Rhoda, Tennessee Higher Education Commission executive director, will serve as chairman of the task force. The task force will recommend the best uses of money from a Tennessee lottery. The group will include at least one lottery opponent: Steve Flatt, president of Church of Christ-affiliated Lipscomb University in Nashville. While there is still much to work out before Tennessee will officially have a lottery, it's been estimated that Tennessee could be selling Lottery tickets as early as December, 2003.

**MD & PA EYE VLTs.** Maryland and Pennsylvania elections held some promise for the possibility of introducing VLTs to state racetracks. Governors-elect Robert Ehrlich of Maryland and Ed Rendell of Pennsylvania both want to legalize the machines at tracks to generate revenue for their states.

**KENTUCKY VLT BILL LOOKS AT OTHER VENUES.** Leaders in the Kentucky General Assembly are keeping their options open. A bill that was meant to give racetracks an inside track on VLTs has legislators looking at other possibilities. With a budget crisis on hand, Kentucky leaders are looking at other venue options in an effort to maximize revenue streams.

**QUEBEC LAUNCHES PRINTMAKING COMPETITION.** Loto-Québec invited all the province's printmakers to take part in the 2003 edition of the printmaking competition organized by "La Collection Loto-Québec". This annual competition has been rewarding Québec artists since 1979. Anyone wishing to enter must refer to the entry guidelines and register under one of the following categories: **Professional Artist – \$10,000 Grand Prize consisting of a \$5,000 research grant coupled with a \$5,000 acquisition grant; University-Level Student – two grants, one being \$1,500 for an undergraduate student, the other a \$3,000 grant for a graduate student.** Applications will be accepted until FRIDAY, FEBRUARY 7, 2003.

**HALLELUJAH – A BRAND NEW GAME!** Mifal Hapais is marketing a new brand – "Hallelujah". The annual state draw, which starts this year, will be held at the end of each year and the jackpot will be NIS50 million or more. The new product is meant to shake up the gaming market with a special big draw featuring an especially big jackpot that results in a unifying national event. The new brand came into being as a result of the

success of Millennium Draw and Jubilee Draw, which were large draws with a jackpot of NIS 50 million. The Lottery is supporting the game with an extensive, wide-ranging \$2.2 million campaign on television, radio, on billboards, in the press and on the Internet.

**PCSO TO ADD EXCITEMENT.** The Philippine Charity Sweepstakes Office (PCSO) will introduce new features next month to make its sweepstakes game more attractive. "Talo Na, Panalo Pa" will feature a cash prize of P5 million, while non winning tickets will qualify for a second-chance draw to win a brand new car. Also, there will be only one winner in the sweepstakes game; the "sharing system" will be discarded. The old practice had six to 10 winners – those with tickets bearing the same numbers – sharing the top prize.

**TAIWAN TO INCREASE PAYOUT.** The Taiwan Lottery plans to increase prize money and move up the schedule for the next issue of scratch-off lottery tickets to rekindle public interest. The new games will be put on the market at the end of this month, much earlier than the original schedule. The normal payout of 58.6% will be increased to 65% for the first batch of new tickets, and 72% for the second batch. The odds of winning remain the same, but the amount of money won will increase.

**THAI GLO TO GO ONLINE.** Thailand's Government Lottery Office (GLO) has reported that online lottery tickets are expected to be on sale by the middle of next year. A number of vendors have already tendered quotes for the installation of lottery terminals and the bidding process is likely to be completed by the end of November. It's estimated that 20,000 machines will be installed by 2004.

**10€ TICKET IN GREECE.** Instant Lottery S.A has launched a brand new ticket, "Instant Million". It is the first time that such a high price ticket has been launched in Greece. The new "Instant Million", with a 10€ value, has 10 distinct play areas. The player has the chance to win in all 10 games plus the top prize of 1,000,000 €. The ticket is the biggest ticket ever introduced (10"x 4") and is the only one that can be folded, so as to enable the player to keep it and play it later on. The game is being promoted on national TV and radio stations.

## COMPANY ANNOUNCEMENTS

**INTERLOTT GRANTED TEMPORARY RESTRAINING ORDER IN MICHIGAN.** Interlott was granted a temporary restraining order by a judge in Michigan Circuit Court after filing a lawsuit charging the state with procedural deficiencies in its ITVM procurement process.

**IGT REPORTS FY02.** International Game Technology reported its operating results for the fourth quarter and fiscal year ended September 28, 2002. For the fourth quarter (excluding one-time items) adjusted net income increased 49% to \$83.7 million and adjusted earnings

per diluted share increased 30% to \$0.95 compared to the quarter ended September 29, 2001. Total revenues and earnings of unconsolidated affiliates for the current quarter increased 56% to \$522.5 million and operating income increased 46% to \$151.7 million compared to the same period in the prior year. For the fiscal year ended September 28, 2002, adjusted net income increased 34% to \$289.3 million and adjusted earnings per diluted share increased 19% to \$3.36 compared to the year ended September 29, 2001. Total revenues and earnings of unconsolidated affiliates for fiscal 2002 increased 40% to \$1.9 billion and operating income increased 35% to \$532.4 million compared to the same period in the prior year.

## PROMO-TRAVEL INTERNATIONAL BECOMES PTI.

Promo-Travel International, the originator and leader in incorporating travel into lottery structures and providing fantasy vacations as prizes, has changed its name to PTI. As the company has grown since its founding in 1994, it has added highly desirable, high-end gifts to its offerings of fantasy vacations to tropical destinations and trips to Las Vegas resorts and casinos.

**TATTERSALL'S SIGNS WITH OGT.** Tattersall's recently signed a new and exclusive contract with Oberthur Gaming Technologies for the production of its instant lottery tickets. This contract runs through to June 30, 2004, and includes a one-year extension option. Under the terms of this contract, OGT will supply the lottery with all its instant products, from \$1 to \$10 games, including the popular \$3 Crosswords®.

**WISCONSIN GIVES NOD TO GTECH.** GTECH has been selected to negotiate a contract with the Wisconsin Lottery to supply a new online and instant-ticket lottery system, and related telecommunication network. The five-year integrated services contract, expected to commence on June 15, 2004, will include four one-year extension options. Upon successful completion of negotiations, GTECH will replace the Lottery's current system with its Enterprise Series™ architecture, and will replace the Lottery's current terminals with approximately 3,200 Altura® terminals.

## 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](http://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

Submit material for next week's Morning Report by  
Wednesday of this week to [Toddpgr2@aol.com](mailto:Toddpgr2@aol.com)