

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
October 14, 2002

NEW MEXICO RFP. The New Mexico Lottery Authority has issued an RFP for Instant Lottery Ticket Printing/Related Services and Customer Relationship Management Systems. Individuals and corporations interested in submitting proposals for these services may contact the NMLA's purchaser after October 15 at **505-342-7623** or **505-342-7600**. Copies shall be available for review by mail, or during normal business hours at the NMLA corporate offices, 4511 Osuna Rd. NE, Albuquerque, NM 87109. Parties may contact the purchaser for the sole purpose of requesting to be added to the distribution list for the issuance of the request for proposals. The NMLA reserves the right to accept or reject any or all bids or parts thereof.

SCEL POWERBALL LAUNCH A SUCCESS. SCEL Powerball sales were excellent in the first hour after the game began. Scientific Games reported ticket sales of more than \$29,000 from 11 pm to midnight on October 5, when the tickets first went on sale. Tickets sold as briskly as 1,600 per minute.

TEXAS STAYS WITH \$4M. Texas Lottery Acting Executive Director Gary Grief decided to continue offering the beginning Lotto Texas jackpot at \$4 million. In announcing the decision, Grief said he wants more time to consider the potential impact that changes to the beginning jackpot, or the game itself, might have. An earlier announcement to reduce the beginning jackpot to \$3 million was made on September 26.

WV JOINS AMBER ALERT. West Virginia Governor Bob Wise announced that the Amber Alert System for notifying the public of child abduction cases will include notices printed on all online lottery tickets. West Virginia is the third U.S. Lottery (Florida and Nebraska) to use online lottery for the system.

BCLC EXPANDS SELF-EXCLUSION. BCLC's "self-exclusion" program is being expanded from the province's 19 casinos to include 37 bingo halls. The

program allows a person who feels they have a problem to phone the Lottery, who will then take the person's photo and distribute it to casinos and bingo halls. The person will then be refused entry into the facilities.

NY LAUNCHES BASKETBALL PROMO. The New York Lottery is conducting a statewide promotion to give one lucky person a chance to sink a half-court shot for \$1,000,000. It's all part of New York's Mega Millions \$1,000,000 Shoot-Out Sweepstakes. In October, the New York Lottery will conduct a random drawing of all entries received to select the names of 25 people various areas. These individuals will participate in a regional shoot-out where they will have the chance to make as many foul-line baskets as they can in 30 seconds. The top two scorers in each regional competition will go on the road with the Lottery to Madison Square Garden, where they will compete in a sudden death shoot-out to determine who will get the chance to take the \$1,000,000 half-court shot in front of a live crowd during the Knicks home game on November 16, 2002. The grand-prize winner is guaranteed to take home at least \$5,000.

INGENIO LAUNCHES MINI-GOLF. Ingenio launched its 5th CD-ROM-based instant lottery - "Mini-golf". Following on the heels of "Tresors de la Tour", "Mot Mystere", "Mozaic" and "Trio Royal", the brand-new interactive game is available now throughout the Corporation's retailer network.

ALC TO OPERATE PEI MACHINES. Prince Edward Island's government will take over the operation of VLTs on January 1, and hand it to the ALC. The government will buy the machines from their current owners and replace them with new ones, but owners won't be compensated for the loss of the \$1.7 million revenue. The province has been warning the group of five business people that operate the machines for some time.

WCLC'S NHL TICKET IS BACK. Alberta's NHL scratch-and-win lottery tickets returned last week. Tickets are now available at nearly 10,000 lottery outlets province-wide. The top prizes include a trip for four to Hockey's 2003 'All-Star' game in Florida, a trip to New York, as well as golf and home entertainment prize packages.

PA TRANSITIONS TO NEW MANAGEMENT SYSTEM. The Pennsylvania Lottery has successfully transitioned to a new state of the art Lottery Enterprise Management System provided by Lapis Software Associates. The new system, called gemEnterprise™, was put into production on September 19, with the Retailer Licensing Department of the Lottery the first users of the system. Among the principal benefits of the new system are reduced processing time and improved access to historical data.

CALIFORNIA'S TOP DOGS. Together with PETCO stores, the California Lottery wants to know if you have one of California's Top Dogs. The Lottery is developing a new series of Instant tickets featuring California's Top Dogs. The Lottery will be traveling across the state and holding contests to select the "Top Dogs" to be featured on these Scratchers in 2003.

IT'S NOT US, IT'S YOU. Mifal Hapais launched a new corporate image campaign that presents a new concept – "it's not us, it's you". Until now, the Lottery used an image concept that conveys the idea that the extensive giving and activities carried out by Mifal Hapais for the community places it at the center of attention. The Lottery feels the new approach is more modest – that Mifal Hapais should be saying thank-you to its customers.

UK LOTTERY IN IRELAND? A new company has been formed to sell Irish citizens U.K. lottery tickets. Easycash plans to open 300 ATMs around the country where consumers can buy U.K. lottery tickets. Reportedly, 20 such ATMs have already been established on a pilot basis at a number of locations around the country. The Irish National Lottery says it's illegal for the tickets to be sold in Ireland, but Easycash contends that a loophole in the law allows agents to sell random numbers.

YEE-HAA! A NEW GAME. Netgame Factory (NGF) has developed a concept and system for "YeeHaa!" which is launched by Folkspel. "YeeHaa!" is a scratch card combined with an SMS competition in which the gamblers/competitors can win up to one million SEK (approx. US\$108,000) by scratching three identical symbols on the lottery ticket, and a further one million SEK by answering questions in a knowledge competition which is carried out via text messages. www.netgamefactory.com

CAMELOT TO CUT COST. Camelot announced to its staff proposed cost saving measures to maintain its efficiency. The company plans to achieve operational efficiencies by reducing non-core activities, consolidating the regionally based prize payment and advisory service and streamlining call centers and other operations. This is likely to lead to the layoff of around 80 staff - 8% of headcount.

COMPANY ANNOUNCEMENTS

CA SELECTS GTECH. GTECH signed a contract with the California Lottery to provide equipment and services for a new integrated online and instant-ticket lottery system, and associated telecommunications network. The six-year integrated services contract, which is expected to commence on October 14, 2003, includes four one-year extension options. Under the terms of the contract, GTECH will replace the Lottery's current online system, with GTECH's Enterprise Series

architecture, and will replace the Lottery's existing communications network. GTECH initially will replace the California Lottery's current terminal base with approximately 17,300 GTECH Altura terminals, as well as provide other equipment and services. With respect to its contract with the California Lottery, GTECH anticipates generating revenues of approximately \$300 million over the initial term of the contract.

GTECH TO LAUNCH KIOSKS IN CA CIRCLE K STORES. GTECH announced an agreement to add lottery sales capabilities to ZapLink™ kiosks in Circle K stores in California. The agreement will permit customers to purchase lottery tickets through a new self-service interactive kiosk, along with a range of other services.

MDI NBA GAME READY FOR TIP-OFF. MDI is racing down the court with the NBA and the nation's first Major League Sports lottery license, and has already passed the ball to a number of customers. NBA games will hit the hardwood at lotteries in New Jersey, Indiana, Wisconsin and DC early in the 2002/2003 NBA season. Several other states are in negotiation with MDI for NBA basketball instant games, the company said.

PREPAID SYSTEM FROM SCI-GAMES. Scientific Games introduced its new prepaid lottery account system through which account holders can play state-sponsored lotteries over the phone. SGI AccountPlay™ cards (or vouchers) would be sold only at authorized lottery retailers for designated amounts, such as \$10, \$25 or \$100 ensuring that lottery agents continue to earn commissions on card sales. Players open an account with the lottery that they can use to play the lottery over the telephone using a unique identification number that is either preprinted on an account card, or issued on-line by the agent's terminal.

POLLARD BANKNOTE WINS MICHIGAN ITVM CONTRACT. The Michigan Lottery has awarded Pollard Banknote an eight-year contract to supply up to 500 ITVMs. The machines will be 16-bin models that can be expanded to 24 bins. The contract includes installation and maintenance service for the Lottery's ITVM network. Michigan is Pollard's first ITVM client. The company's pull tab vending machines (PTVMs) are used by several lotteries.

SCI-GAMES LAUNCHES SEVERAL NEW PRODUCTS. Scientific Games launched a family of products that makes it easier for state lottery professionals to reduce costs and maximize lottery revenues. SGI Map™, SGI Aegis Mobile™ and SGI Aegis Mobile Map™ enable lottery professionals to analyze and project lottery sales by location, game, and many other variables, to maximize game management.

SPORTECH SELLS PULL TABS. UK pull tab company, Sportech PLC, is re-focusing its lottery business after selling its non-core pull tab lottery operation to Gamingking PLC for £570,000. The business, which has been operated under the Littlewoods name, consists of machine vended lottery tickets available in private members clubs and generated turnover of £52,000 and profits of £43,000 in the year to December 31, 2001.

TSX SUSPENSION OF COMPANYS LISTING.

International Thunderbird Gaming Corporation (TSX INB) announced the following update: The TSX held a hearing on October 3, 2002 to review the eligibility for continued listing on the TSX of the common shares of the company. Following the hearing, the TSX announced that the common shares of International Thunderbird Gaming Corporation will be suspended from trading as of the market close on Friday, November 1, 2002, for failure to meet the continued listing requirements of TSX. The TSX advised the Company that its decision was based on two factors: (1) the Company currently fails to meet the market capitalization requirement of \$3,000,000 for its common shares; and (2) unsatisfactory operating results and financial condition.

LOTTERY PEOPLE

LOTTERY PEOPLE. Vesselin Tsvetkov succeeded Ivo Traykov as Executive Director of the **Bulgarian Sate Lottery**. Mr. Tsvetkov was formerly Financial Director of the lottery and headed its regional directorate for the city of Vratsa.

Joseph-Emile Vandebosch has succeeded **Michel Ansiaux** as CEO of the **Belgian National Lottery**. Mr. Vandebosch was Vice-President of the Board of Directors before being appointed CEO.

Sally Conkright, Ph.D., has joined **Scientific Games** as Vice President, Organizational Development. Conkright most recently served as Chief Administrative Officer for Converge, Inc.

GTECH elected **Lt. Gen. (Ret.) Emmett Paige, Jr.** as Chairman of the Board of Directors of GTECH Holdings Corporation. General Paige has been a GTECH Director since 1997 and currently serves as Vice President of Lockheed Martin Information Technology Company.

EMPLOYMENT OPPORTUNITY

MARKETING RESEARCH DIRECTOR. MarketVision Research, a leading marketing research and consulting firm with expertise in the lottery industry, is looking for a Director focused on building relationships with lottery organizations. Position offers opportunity to work across the lottery industry in areas of marketing strategy and product development. Includes excellent compensation package. MarketVision Research was

founded in 1983 and is based in Cincinnati with several offices throughout the U.S. Please contact Tyler McMullen at 513-794-3531 or tmcmullen@mv-research.com with interest. MarketVision is an Equal Opportunity Employer.

LOTTERY DIRECTOR OF SALES, WASHINGTON

LOTTERY. The Washington State Lottery is seeking a Director of Sales. The position has primary responsibility for developing product and marketing goals by sales area and by retailer segment and directing sales activities to meet goals. Develops a positive relationship with the Lottery's networks of retail agents and other lotteries in order to maximize sales, and oversees activities of approximately 70 staff.

Desired Qualifications: Bachelor's; 6 years sales experience; 2 years at management level. Experience includes establishing sales goals, analyzing sales data, and implementing high-level sales/marketing programs. Have clear understanding of strategic and long-range planning, setting organizational direction, principles and practices of sales techniques. Strong leadership and admin skills with demonstrated ability to motivate, inspire, and direct others; be organized; attend to and follow through on details. Strong communication, team building, and mentoring skills are a must. Experience working with union bargaining units is beneficial. Experience with food retailers is a plus.

Compensation: \$64,000 - \$77,000 annually, DOQ. Excellent benefits package including medical, dental, pension, life insurance, and deferred compensation plans. For further information, please call (360) 664-4814. Inquire no later than 5 p.m. on October 31, 2002.

TEXAS LOTTERY COMMISSION SEEKS DEPUTY EXECUTIVE DIRECTOR

(Posting No. 090502) \$73,920-\$119,160/yr. plus State of TX benefits. Application Deadline: October 25, 2002, 5 p.m. Bachelor's degree from an accredited four-yr. college/university in Business Administration, Finance, Political Science, or related field required. (Exp. in an executive level position in management, in excess of the required five years, may be substituted for college on a year-for-year basis.) Five years experience in an executive level position in management required. Three years supervision of supervisors required. Experience in federal or state government management preferred. Experience in lottery or gaming industry preferred. Willingness to travel for job-related purposes. Willingness to work irregular hours (i.e., weekends, holidays, and nights). For specific information, contact TLC at (512) 344-5333 or 1-800-395-5627 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. EEO

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