

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**  
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**HOT OFF THE PRESSES.** Public Gaming Research announces two industry conferences. Please mark your calendars now to attend and participate in the Institute's **SMART-Tech** 2004 meeting at the Peabody Hotel, Memphis, Tennessee, Feb. 6-9; and our **ILAC Congress** 2004, June 28-July 1, Loews Miami Beach Hotel, Miami Beach, Florida.

**TX SETS MEGA MILLIONS LAUNCH DATE.** The date has been set for Mega Millions sales in Texas. The Texas Lottery will start selling tickets on Dec. 3, making players eligible for the drawing on Dec. 5. Texas is the eleventh jurisdiction to offer Mega Millions. Texans will be able to see Mega Millions billboards by the time the game is launched, as the first 40 billboards will be converted from Lotto Texas™ billboards by December. By the time the conversion is finished in mid-2004, there will be approximately 59 Mega Millions billboards and 53 Lotto billboards.

**TN MAILS RETAILER APPLICATIONS.** The Tennessee Lottery mailed nearly 3,600 application packages to independent and corporate retailers who have expressed interest in selling lottery tickets. Those who didn't register during the recruitment campaign can download the 'retailer package' online at [www.tnlottery.gov](http://www.tnlottery.gov).

**MICHIGAN LAUNCHES GAMES IN BARS AND RESTAURANTS.** On October 27, tickets for the Michigan Lottery's new Club Games – Club Keno and Pull Tabs – go on sale at bars and restaurants that have been licensed to sell these products. The first Club Keno drawing will take place on October 27, 2003 at 6:05 a.m. Club Keno drawings take place seven days a week, every five minutes, from 6:05 a.m. to 1:45 a.m.

**PA SALES SURGE.** The Pennsylvania Lottery finished the first quarter of fiscal year 2003-04 with total sales of \$551,508,387 -12.02 percent or \$59 million above first quarter sales for the previous fiscal year. New marketing strategies and growing jackpots have been cited as a major reason for the rise. Sales increased most significantly for the multi-million dollar jackpot

games, Super 6 (49.66 percent) and Powerball (48.64 percent). Instant game sales increased considerably as well, as eight of the Lottery's 30 best weeks for instant-game sales occurred during the first fiscal quarter of 2003-04, July 1 to September 30, 2003.

**RECORD QUARTER FOR KLC.** The Kentucky Lottery Corporation sales for the first quarter of this fiscal year are up, producing another record-breaking quarter. Total sales for July through September were \$181.5 million, which is \$25.1 million or 16% higher than the same period last year. This number is also nearly 16% higher than what the KLC was projected to produce during this quarter. The state has received \$40 million in revenue from the lottery so far this fiscal year.

**PA LOOKS TO EXPAND TICKET OUTLETS.** The Pennsylvania Lottery Commission is asking that the senior center in Penn Hills be allowed to be licensed to sell lottery tickets. While some Pennsylvania nonprofit organizations already sell tickets, this would be the first senior center to do so. The proposal is part of an initiative to add 2,000 lottery outlets to the 8,000 already across the state in order to provide better access.

**"DOG-GONE LUCKY" A WINNER.** The Iowa Lottery's Dog-Gone Lucky scratch tickets have been a big success. The tickets, which feature pictures of six dogs selected through a state-wide contest, are selling faster than the average ticket. The typical scratch-run sells out in six months, but so far, 1.1 million of the 2.7 million Dog-Gone Lucky tickets have been distributed to retailers within the first month.

**MA TICKET RECYCLING.** Massachusetts Government Regulations Committee is considering a bill that would allow all non-winning Lottery scratch tickets to be redeemed for five cents. The idea is that the tickets could then be recycled.

**PA DRAWING MAKEOVER.** The Pennsylvania Lottery began broadcasting its new nightly drawing show look last week. The show, which has been the venue for almost 10,000 drawings, has remained virtually the same since the Lottery's first live drawing took place March 1, 1977. To create the new look, the drawing show has undergone several revisions - including a twist to its familiar theme song, several animated graphics and more active staging.

**GA MAY TRIM HOPE.** A Georgia state commission has proposed eliminating HOPE book and student fee funds as a way to preserve the scholarship fund. The proposal states that eliminating the funds in FY05 would save \$125 million. The proposal stems from a GLC report stating that there may not be enough revenue for the HOPE Scholarship by 2007.

**VLT DEBUT DELAY.** New York's Saratoga Raceway is pushing the debut of its 1,300 VLTs from New Year's Eve until mid-January. The delay is mainly attributed to a two-week construction delay that occurred while the raceway was waiting for a permit.

**RECORD QUARTER FOR NZLC.** The New Zealand Lotteries Commission had its best sales ever in the first quarter of its 2003/04 financial year. Sales of Lotto, Instant Kiwi and Daily Keno totaled \$175.4 million for the three months to the end of September 2003, leaving the Lottery \$42.6 million (32%) up on budget and \$44.4 million (34%) ahead of the same time last year. The key drivers of sales were a successful Holden Monaro promotion which fuelled Powerball which then jackpotted to a record \$19 million. This created a jackpot fever that gripped the nation before the Must Be Won week where the jackpot was shared by 14 Division Two ticket holders who each became overnight millionaires.

**RUSSIAN REGULATION.** Russia is making its first attempt at federally regulating its lottery industry. Legislation passing through appropriate channels would specify types and standards of lotteries, rules for organizing the games, would create a system for controlling lotteries and more. The legislation creates a unified state register of lottery operators, and would implement a mandatory annual audit of their accounting systems. The legislation also states that at least 10% of lottery revenues should be spent on social causes.

**£30 MILLION SPECTACULAR!** Camelot has launched the U.K.'s first high-priced instant ticket – the £30 Million Spectacular. The ticket, which sells for £5, offers a top prize of £2 million, and will be giving away a total of £30 Million in prizes. The game will be promoted through a TV advertising campaign.

**MARIANAS 3 LAUNCHED.** On Monday, October 20, the Marianas Lottery conducted the first draw of its newest game, the Marianas Pick 3, with weekly drawings on Mondays and Wednesday. Top prize for the \$1 game is \$600. The Marianas Lottery anticipates that 60% of sales will be distributed in prize money.

#### **COMPANY ANNOUNCEMENTS**

**CIRCLE K SELF SERVE.** Circle K convenience stores has launched a self-serve lottery feature on selected ZapLink Web-based kiosks in its California stores. This innovative offering was created for Circle K in conjunction with Info Touch Technologies, GTECH, and the California Lottery. The kiosks, which utilize a simple Internet Protocol solution, offer several features in addition to the self-service lottery function. Customers may still purchase lottery tickets from a cashier if they choose to do so. Circle K convenience store customers can now play their favorite online lottery games at nine ZapLink e-services kiosks at select stores in Modesto and Sacramento.

**MI EXTENDS POLLARD.** Pollard Banknote received a two-year contract extension to continue producing instant tickets for the Michigan Lottery. The company has also been awarded a contract for the production, warehousing and distribution of the Lottery's new line of pull-tab tickets. The launch date is October 27th. The original instant ticket contract was signed in 2001, and options remain for three additional years. Pollard

Banknote also supplies instant ticket vending machines to the Lottery under a separate contract.

#### **MLBA SELECTS AMERICAN GAMES PTVMs.**

American Games, a Pollard Banknote company, has partnered with the Michigan Licensed Beverage Association to provide their membership with pull tab ticket vending machines. With this endorsement, the MLBA expects many of its 2500 members to look to American Games to supply their PTVMs.

**NORSK TIPPING SELECTS ESSNET.** EssNet Interactive has been selected by Norsk Tipping as the preferred supplier of a VLT system with 10,000 terminals, a central system and games. The decision follows an extensive evaluation process, following the Norwegian rules for public procurement. The project to implement the new system is expected to be finalized in December 2005. Further details will be released upon the Company's signing of a formal agreement with Norsk Tipping in November.

**SANDE STEWART SIGNED FOR CHINESE GAME SHOW.** Win Win Gaming Inc. entered into an exclusive agreement with Sande Stewart Television Inc. to produce lottery TV game shows in jurisdictions around the world with particular emphasis on China. No further details on the signing have been offered.

**TX SIGNS OGT.** OGT has been selected by the Texas Lottery as a secondary vendor to provide instant tickets and related services. The contract term is six months and may be extended for an additional six months in the Texas Lottery Commission's sole discretion.

#### **LOTTERY JOBS**

**TEXAS LOTTERY COMMISSION (TLC) MARKETING DIRECTOR (POSTING NO. 100403).** \$65,352 - \$105,348/yr. **Closing date: 11/6/03, 5:00pm.** Bachelor's degree in Business Administration, Marketing, or related field from an accredited four-year college or university is required. (Relevant marketing or senior-level management experience may be substituted for college on a year-for-year basis.) Senior level marketing experience is preferred. Senior level management experience is preferred. Experience in the lottery or gaming industry is preferred. Willingness to work irregular hours including weekends, holidays, and nights as required. Willingness to travel for job-related purposes as needed is 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 (3) days in advance for appropriate arrangements. EOE

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