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To: Lottery, Video Gaming & Racino Executives
Interested in Growth, Expansion & Added Success

Public Gaming Research Institute Inc.'s
International

MORNING REPORT

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COMPANY ANNOUNCEMENTS

MDI SIGNS FELIX THE CAT. The popular animated character Felix the Cat® is available to state lotteries now that MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation, has signed an exclusive agreement with GoodTimes Entertainment for the rights to license the extremely popular brand. The new agreement gives lotteries the rights to Felix and his friends' names and likenesses for all lottery games. It also gives lotteries the option to offer second-chance drawings for sought-after Felix merchandise.

QUEBEC SIGNS WITH POLLARD. Pollard Banknote is pleased to announce a new, five-year contract to print three of Loto-Quebec's annually released games. Pollard will print Edition Spéciale and Celebration games, as well as Jeux Tele Ponctuel, an instant/passive game that ties into a televised prize draw. This is the first contract directly between Pollard Banknote and Loto-Québec, although the company has provided tickets to Loto-Québec for the past 17

OGT BRINGS PRO BULL RIDERS TO LOTTERY INDUSTRY. Oberthur Gaming brings North America's fastest growing sport to the lottery industry with Professional Bull Riders, Inc ("PBR") branded lottery tickets. OGT's newest marketing partnership allows Lotteries to not only use the PBR brand, but its athletes as well, on lottery tickets worldwide. Industry leaders saw a sneak preview from OGT at this year's NASPL Conference and Trade Show with a personal appearance by PBR star B.J. Kramps, and the PBR's life-size bull.



years through a contract with Canada's Interprovincial Lottery Corporation (ILC).

POLLARD UNVEILS NEW ITVMs. Pollard Banknote announced the launch of its newest concept in ITVMs. In addition to the integration of this unique informational element, Pollard Banknote's newest ITVMs boast a retailer-friendly, Windows-style interface that makes inventory control and maintenance simpler than other ITVMs currently in the marketplace. When the machine is opened, its 17" LCD monitor becomes a control terminal that immediately displays critical instructions for retailers and/or technicians. And the onboard full-size keyboard, mouse, and thermal printer allow for easier inputting and assessment of data. In addition, the machine features online connectivity, so real-time scheduling, diagnostics, and reporting can instantly be shared with a lottery's network.



PEOPLE

The nine-member North Carolina Lottery Commission has been named. The commission, which will be headed by **Charles Sanders** of Durham, includes: **Bryan Beatty** of Raleigh; **Linda Carlisle** of Greensboro; **Robert A. Farris Jr.** of Wilson; **John McArthur** of Cary; **Robert Appleton** of Wilmington; **Malachi Greene** of Charlotte; **Kevin Geddings** of Charlotte; and **Gordon Myers** of Asheville.



VIDEO LOTTERY/RACINO

OLGC CONTRIBUTES TO HARRAH'S EMPLOYEE RECOVERY FUND. In the largest donation by a third party to date, the Ontario Lottery and Gaming Corporation has donated C\$250,000 (US\$211,700) to the Harrah's Employee Recovery Fund, Harrah's Entertainment, Inc. The OLGC, a crown agency of the Government of the Canadian province of Ontario, made the donation as part of a C\$1 million (US\$855,000) contribution to Hurricane Katrina relief efforts in the United States. The OLGC is the owner of Casino Windsor, which is operated by Harrah's. The Harrah's Employee Recovery Fund was seeded with a \$1 million allocation by the Harrah's Foundation. To date, \$2.18 million has been contributed to the fund, including nearly \$500,000 from Harrah's employees.



TEAMSTERS SET SIGHTS ON MANITOBA LOTTERY WORKERS. The Teamsters union has filed an application with the Manitoba Labor Board to represent Manitoba Lotteries workers. The 1,300 employees are currently members of the Manitoba Government and General Employees Union (MGEU). Employees of two Winnipeg casinos, the Lottery warehouse and VLT technicians all will be asked to vote on whether to stick with the MGEU or go with the Teamsters.



ARKANSAS GAMING PROPOSAL. Arkansas Attorney General Mike Beebe certified the name and ballot title of a proposal to place a measure on next year's ballot authorizing gambling and lotteries. The certification allows Rep. Charles Ormond, D-Morrilton to collect signatures for the proposal, which would amend the state constitution to create the Arkansas Commission on Lotteries and Wagering, a statewide lottery, gambling at two Arkansas tracks as well as gaming in any county that authorize it. The commission also would regulate charitable bingo. Finally, the proposal would reportedly make Ormond the first director of a commission that would oversee the gaming activities. Ormond would need to obtain in excess of 80,000 signatures to get the measure on the ballot for the November 2006 general election.

INTERNET/WIRELESS

TANZANIAN LOTTERY TO GO MOBILE. Tanzanians will reportedly be the first on the African continent that can play the lottery with a regular mobile phone. Selcom Gaming, the Tanzanian lottery operator, partnered with Openlot Systems to launch a mobile lottery within five months. The lottery offers both sports betting and numbers games. Consumers pay with their mobile phone using SMS. Prizes are redeemed through a player account. An age check is performed and Openlot's SMS Secure technology provides end-to-end security. Players are informed about the results of the games in either English or Swahili through the phone, the Internet or call center and receive an SMS text message if they have won a prize. Winners are directed towards a partner bank branch where they identify themselves and receive the prize money. Regulators and lottery management can follow ticket sales in real-time.



LOTTERY

LOTTERY PLAYERS HOPE TO BE THE NEXT APPRENTICE. As contestants enter the boardroom for the fourth season of *The Apprentice*, the Virginia Lottery invites players to experience the pressure of the NBC reality show with a new scratch game based on the television series. The Virginia Lottery is the first state to offer "The Apprentice" ticket which launched on September 26, 2005. The \$5 instant ticket is a licensed product of MDI Entertainment and offers players 16 chances to win with a top prize of \$100,000.

CANUCKS SCRATCH & WIN. The British Columbia Lottery Corporation announced the launch of a second Scratch & Win game as part of their long-standing marketing partnership with the Vancouver Canucks. The \$10 Canucks Scratch & Win ticket is available for purchase through all lottery retailers... while supplies last. The first set of tickets released in 2003 sold out in weeks. The Canucks Scratch & Win 2005/06 ticket offers players the chance to win \$2.2 million in cash and prizes, including two top prizes of \$100,000. Among the ticket's features, players can enter a Bonus Internet contest for the chance of a night in a luxury General Motors Place suite and an opportunity to meet a player one on one. Other prizes include Canucks road trips, autographed hockey sticks, 2005 Canucks replica jerseys and Canucks game tickets. The first two Canucks players featured on the six collectible tickets are Trevor Linden and Ed Jovanovski. Todd Bertuzzi, Brendan Morrison, Markus Naslund and Dan Cloutier tickets will be available in the coming weeks. The release of the ticket is part of a marketing partnership between BCLC and the

Vancouver Canucks/Orca Bay Sports and Entertainment that was established in 2003. Their business relationship includes both marketing initiatives and sponsorships designed to create revenue and profit opportunities for both parties.



OLGC BINGO REVITALIZATION. Barrie Charity Bingo at 52 Bayfield Street will be the first of five Ontario bingo sites selected for a bingo revitalization project. Ontario Lottery and Gaming Corporation, Boardwalk Gaming Centre Barrie and the Barrie Charity Bingo Sponsors Association have partnered to launch a pilot project to revitalize the charity bingo industry. Highlights of the revitalization pilot project include extensive renovations to the bingo centre itself to offer players a more comfortable and enjoyable environment, the testing of electronic bingo games, enhanced customer service, and a new revenue-sharing model among the bingo centers, charities and the province. Electronic bingo will give players the option of playing games through computer terminals and/or hand-held devices as a compliment to playing traditional paper bingo cards.

PA POWERBALL WITH POWERPLAY PROMO. The Pennsylvania Lottery will conduct a "Buy 5 And Get 1 Free" Powerball with PowerPlay ticket promotion throughout October. To get a bonus \$2 Powerball with PowerPlay ticket, a player must purchase five \$2 Powerball with PowerPlay plays for the next Powerball drawing. All five tickets, \$10 total, must be purchased for the next Powerball drawing; advance play is not included in this promotion.



OLGC WINS AWARD FOR AMBER ALERT SYSTEM. The Ontario Lottery has received a prestigious Diamond Award for its partnership in Ontario's AMBER Alert program. Diamond Awards are bestowed in seven categories by IT professionals and members of the public sector, and OLGC was acknowledged for excellence in the "Serving Ontario's Citizens Better" category.



LOTTOMATICA-FINEUROGAMES MERGER APPROVED. De Agostini S.p.A. and Lottomatica S.p.A. announced that the planned merger by incorporation of Lottomatica S.p.A. and FinEuroGames S.p.A. into

Newgames S.p.A., has been approved. The merger plan had previously been drawn up by the respective board of directors of the companies above and approved by them on July 21, 2005. Following the merger, the merging company's shareholding will actually reflect Lottomatica's current one, except for the control stake (equal to 55.07% of share capital) in the merging company which will be held directly - and not indirectly - by De Agostini S.p.A., that will also continue to hold, through the controlled company Nuova Tirrena, a further 2.98% stake in the merging company. Moreover, with effect from the effective date of the merger, the merged company will adopt by-laws almost identical to those of Lottomatica currently in force, including the name "Lottomatica S.p.A.", move the registered office to Rome, Viale del Campo Boario no. 56/D and appoint the same corporate bodies of Lottomatica currently in office.



HUNGARIAN LOTTERY EXCEEDING REVENUE PROJECTIONS. Hungarian State lottery company Szerencsejatek Rt. gaming revenue reached HUF 76 billion, exceeding the pro rata target, and putting the lottery on track to exceed its annual target for gaming revenue of HUF 119.5 billion by 10% this year. Last year Szerencsejatek had revenue from gaming of HUF 111.5 billion. Szerencsejatek plans to introduce new games in November which are expected to generate additional revenue of HUF 4bn-5bn. The new games, as well as old ones, will be available in pubs and restaurants, expanding Szerencsejatek's network.

MYANMAR INCREASES TICKET PRICES, JACKPOT. The Myanmar Finance Ministry's Internal Revenue Department, which has been selling lottery tickets for 50 kyats (about US\$0.04) each, will increase the price to 100 kyats (US\$0.08) starting in November. The top prize of the lottery, which had been 30 million kyats (US\$25,000), will be raised to 50 million kyats (US\$41,500) in December.

OZ LOTTO CHANGE. Tattersall's has some exciting changes for the Tuesday night Oz Lotto game. Re-branded 'Super 7's Oz Lotto', the revised game format will feature seven winning numbers, instead of six, plus two supplementary numbers, drawn from 45 balls. The number of prize divisions is also increasing, from five divisions to seven, and the jackpot now has the potential to reach up to \$30 million. The changes are a result of customer feedback and extensive analysis with the National Lottery Bloc.

SMART-Tech 2006

Las Vegas – February 2006

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