

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



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COMPANY ANNOUNCEMENTS

SCIENTIFIC GAMES WINS MARYLAND CONTRACT. Scientific Games was awarded the online lottery contract to supply a new range of lottery management services and equipment to the Maryland Lottery. The contract has an initial term of five years, expiring in June of 2011, and provides for a single five-year extension. The contract is valued at approximately \$81 million over its initial term. In addition to full facility management services, Scientific Games will provide telemarketing sales and support for instant tickets, a service currently not being provided to the Lottery. The company will also supply the Lottery at start-up with new gaming equipment including approximately 4,200 Extrema® terminals, 3,200 monitors for Keno and other monitor games, 300 player-activated terminals, and the telecommunications network for the entire Maryland Lottery system.



MDI SIGNS FLINTSTONES, JETSONS. MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation, has been awarded the license to produce state-wide lottery games based on two of television's most-loved animated families, *The Flintstones™* and *The*



Jetsons™. Through MDI, individual state lotteries will have access to games incorporating likenesses of all related characters associated with *The Flintstones* and *The Jetsons* brands. As part of this agreement, MDI also has the rights to specific footage and sound effects from both cartoon series to be used in advertising campaigns. MDI also has rights to create and distribute merchandise related to lottery promotions. MDI is currently working with Warner Bros. Consumer Products to create unique television spots that will support the launch of these new lottery games.

BOSS MEDIA AND SVENSKA SPEL PREPARE INTERNET POKER LAUNCH. Boss Media and Svenska Spel are preparing to expand the companies' partnership, which already includes an instant gaming platform www.svenskaspel.se. Svenska Spel has applied for a license for Internet poker. Boss Media is now implementing a number of preparatory measures so that a government license can be transformed as quickly as possible into an attractive poker site at www.svenskaspel.se, based on the cooperation that currently exists regarding the instant gaming platform.



HESSEN CONTRACTS WITH SCIENTIFIC GAMES. Scientific Games' German subsidiary Scientific Games Honsel GmbH was awarded a contract with Lotterietreuhandgesellschaft mbH Hessen, the state lottery of Hessen, based in Wiesbaden, to supply instant lottery tickets and other lottery services. The contract begins February 1, 2006, and will run for five years, with options to extend for additional two-year increments. Scientific Games Honsel will handle the manufacturing and distribution of instant tickets throughout Hessen, including shipping, warehousing, telemarketing, retailer recruitment and will advise on game design and marketing issues. Revenues to Scientific Games Honsel will be based on a percentage of sales.

ARISTOCRAT TO SPONSOR PA GAMING CONGRESS. Aristocrat is returning as Major Sponsor of the 2nd annual Pennsylvania Gaming Congress (<http://www.pagamingcongress.com>). The conference, expected to attract 500 gaming-related professionals nationwide, takes place March 6-7 at the Whitaker Center. The theme for the 2006 conference is "At The Starting Gate," as Pennsylvania racetrack slot-machine operations are expected to commence next year. The conference will

take place in the 660-seat Sunoco Performance Theater at the Whitaker Center and adjacent Kunkel Gallery lobby. The Pennsylvania Gaming Congress is produced by Spectrum Gaming Group and presented by the Duane Morris law firm and Duane Morris Government Affairs.

OGT ACQUIRES RIGHTS TO CLASSIC GAME SHOWS. Oberthur Gaming welcomes Card Sharks™, Password™, and Press Your Luck™ to OGT's Winning Concepts® portfolio. These games perfectly complement OGT's already top-rated "Family of Game Shows", which includes The Price is Right™ and Family Feud™. OGT has been granted rights from FremantleMedia for all three classic game show properties.



EGET SIGNS GLOBAL MOBILE GAMING ALLIANCE. EGET announced a global mobile gaming alliance with a leading UK mobile content and applications provider. Under the agreement EGET and **Stream Group plc**, will work together to bring mobile gaming to new markets across the world. EGET will provide Stream with its WinOne™ Gaming Platform, enabling players worldwide to enjoy a substantial portfolio of products, ranging from bingo to casino games. Players will be able to move seamlessly between mobile, internet and interactive digital television and enjoy the benefits of community-based gaming. Starting next spring, the two companies will partner to enable Stream to offer a fully branded and managed "white label" gaming operation to other companies, again based on the EGET WinOne™ Gaming Platform.

WLA MEETING POSTPONED (Excerpt of letter from WLA President Reidar Nordby, Jr)After careful review and consultation with local and national Mexican authorities, following the heavy damages caused by the hurricane Wilma on the Cancun area, the leadership of the WLA and Loteria Nacional had no choice than to move the dates of the World Lottery Forum from November 6 - 10 to dates in early February of next year (probably February 5th to 9th). Your registration, as well as hotel and other payments will remain valid for these new dates, the exact dates to be confirmed before the end of this week.

PEOPLE

Irish National Lottery Director, **Ray Bates**, will leave the National Lottery in early 2006 after almost 20 years. **Dermot Griffin**, currently National Lottery Chief Operating Officer, will be appointed Director Designate and will take full responsibility for the running of the company.



A global leader. your local partner

Katie Pushor will step down as executive director of the Arizona Lottery at the end of November to head the Greater Phoenix Chamber of Commerce. Pushor's last day at the lottery will be Nov. 28 and she will start at the chamber Jan. 2. There has been no word yet as to who will take over for Pushor at the Lottery.

Mark Hutchinson, director of public gaming and international sales for JCM American, was recently elected as secretary of the Association of Gaming Equipment Manufacturers (AGEM) by a vote of 7-1. AGEM promotes and represents the interests and concerns of gaming manufacturers and operates as a trade association to the benefit of the industry of manufacturers.

North Carolina State Lottery Commission Member **Malachi Greene** resigned from the nine-member commission a day before it was to hold its second meeting. Greene said that, due to previous commitments, the Lottery Commission would require more time than he was able to give.

The chairman of the Bulgarian Gambling Commission **Metodi Kirov** has filed his resignation. Kirov will remain at the helm of the Commission until his replacement is chosen.

Tabcorp Holdings Ltd chief financial officer **David Elmslie** will reportedly leave the gaming company on January 31, 2006. Mr. Elmslie will be succeeded by Hong Kong-based financial adviser **Matthias**



Bekier. Howard Fitch, the Deputy Director for Corporate Retailers & Off-Site Lottery Retailer Locations for the New Jersey Lottery, has claimed the Powers Award from NASPL. The award is presented in recognition of lottery employees across the United States and Canada who have made significant contributions to their lotteries. The award is named in honor of the late Edward Powers, a pioneer in the lottery industry.

VIDEO LOTTERY/RACINO

MORE MACHINES FOR CHARLES TOWN. Charles Town Races & Slots won permission to add 1,500 gaming machines as part of an \$80 million expansion plan, an investment that executives say helps keep the Eastern Panhandle track ahead of looming competition from neighboring states. The Lottery Commission's approval brings the number of machines the track can have to 6,000. The new machines will be added in batches of 500 to 800.

Charles Town's current expansion plans include: a second parking for 2,300 terminals; the state hasn't yet bought the second batch but the projected rate is about \$8,000 apiece.

RENDELL SEEKS DISTRIBUTION RESOLUTION.

Pennsylvania Gov. Ed Rendell has told the state Gaming Control Board that if they can't resolve their dispute over the slot distribution issue that he and the legislature will step in and resolve the issue for them. One member of the Board wants multiple distributors, while the balance of the Board wants one distributor. The requirement for a unanimous decision, coupled with the fact that neither side has budged on this issue for months, is slowing down the process, and is ultimately costing the state of Pennsylvania millions of dollars. The launch date for racinos has already been pushed from March/April until June at the earliest due to the distribution issue. Rendell says he doesn't care how the machines are distributed, he just wants the issue resolved so the state can move towards implementation.



BANGOR'S HOLLYWOOD SLOTS SET TO OPEN.

Two years after voters approved slot machines at harness-racing tracks, the Maine's first slots parlor is set to open this week. Hollywood Slots, scheduled to open on November 4, will feature 475 slot machines. A larger, permanent facility is in the works which will eventually house 1,500 machines.

QUEENSLAND ALLOWS MORE GAMING

MACHINES. Queensland will raise the number of gaming machines allowed by 1,200, to help pay for the State's under-funded public hospitals. The limit is now at 20,000.

FAIR GROUNDS OPENS OTBs. Fair Grounds Race Course opened five of its Finish Line off-track betting locations on Wednesday, Oct. 26. Four of the OTBs reopening also offer video poker. The Finish Line OTB locations in Covington, Elmwood, Houma, LaPlace and Thibodaux will be the first to open since Hurricane Katrina struck southeast Louisiana nearly two months ago.



HARRAH'S HONORED. In 2004, a grant from Harrah's Entertainment, Inc. helped the University of Nevada, Las Vegas launch a formal training program for problem gambling counselors - the first time an American university had offered such a regimen. The BEST Coalition for a Safe and Drug-Free Nevada recently honored Harrah's for its assistance in helping make UNLV's ground-breaking program a reality. Harrah's was one of seven recipients of

this year's "Best of the BEST Awards," presented to Nevada organizations and individuals in recognition of their efforts in building a safe, drug-free Nevada.

CALDER CANCELS LATE OCT DATES. Calder Race Course cancelled its live race cards scheduled for Thursday, Oct. 27, and Friday, Oct. 28, and was closed for simulcast wagering through Thursday, Oct. 27. The Miami-area racetrack closed temporarily as it awaited the restoration of electrical power and began on-site repairs related to Hurricane Wilma. Calder sustained some damage to its stable area and clubhouse as a result of Hurricane Wilma, which passed through South Florida on Oct. 24. The racetrack property remains without electrical power.

WINDSOR TOWNSHIP TRACK VOTED DOWN.

The Windsor Township Board of Commissioners voted unanimously against a proposed race track and equestrian center in Ontario's Windsor Township. The Board said the developer didn't meet the township's requirement.

YOUBET.COM PICKS UP TWO MORE OH TRACKS.

Youbet.com, Inc. has signed a two-year agreement with Beulah Park and River Downs race tracks in Ohio to simulcast and accept wagers on races at the two tracks. The agreement with Beulah Park and River Downs, which has received approval from the Ohio Horsemen's Benevolent and Protective Association (OHBPA) and the Ohio State Racing Commission, means that Youbet customers once again will have access to live video and wagering on all thoroughbred races run in Ohio.



GROWTH AND OPPORTUNITIES IN RACETRACK CASINO SECTOR TO BE FOCUS OF RACINO 2005.

The expansion and dramatic growth of racetrack casinos is having an impact from Wall Street to Main Street, and from horse farms in Maryland to tribal councils across the nation. Many of the gaming industry's top experts will address the implications of this growth and dozens of other issues at 2005, Nov. 2-4, at Dover Downs in Dover, Del. A G2E event, the conference is organized by Reed Exhibitions and the American Gaming Association and focuses exclusively on issues facing racetrack casinos. The event will feature 16 sessions over three days covering issues such as the impact of new and planned racinos in the United States, growth beyond U.S. borders, the video lottery terminals vs. slot machines debate, the impact of potential smoking bans, and how architectural design can revitalize a venue.

LOTTO 6/49 PRODUCES RECORD CANADIAN

JACKPOT. Lotto 6/49 just produced the biggest jackpot win in Canadian lottery history. The golden ticket was sold somewhere in the Western Canada jurisdiction. The jackpot was initially estimated at about \$40 million. However, the first place prize jumped to \$54.3 million by the time sales

were closed – sales reached into the thousands a minute as the clock ticked down on the 9 p.m. ET deadline. The previous Canadian record - set in May 2002 - was \$37.8 million offered in a Super 7 draw.



NH LAUNCHES \$20 INSTANT. The New Hampshire Lottery Commission launched its new \$20 scratch tickets last week at more than 12,000 retail locations. The top prize is \$250,000 with two prizes of \$20,000 and ten prizes of \$10,000. Smaller prizes range from \$20 to \$500.

NC COMMISSION ADOPTS ETHICS CODE. The North Carolina lottery commission adopted an ethics code Wednesday that bars its members from playing the state's new numbers game and becoming lobbyists or contractors with the agency immediately after they leave the panel. The commission stopped short of preventing members from working for lottery vendors or retailers during a two-year "cooling off" period after their term expires.

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AZ FAIR FEATURES STAR WARS COSTUME CONTEST. The Arizona Lottery and The Edge 103.9 are inviting Star Wars fans to strut around as their favorite saga character at the 'Arizona Lottery Backyard' at the Arizona State Fair. Participants could win a set of 16 Arizona Lottery Star Wars Scratchers tickets and authentic Star Wars merchandise. All participants will get cool Edge 103.9 merchandise and free spins on the Arizona Lottery prize wheel. The winner will be entered to win a Home Theater System valued at \$5,000.

LA LOTTERY THANKS SCIENTIFIC GAMES FOR HURRICANE RELIEF DONATION. The Louisiana Lottery Corporation expressed appreciation to the

management and staff of its instant ticket printing vendor, Scientific Games, after the company's outpouring of financial and in-kind contributions to local hurricane relief efforts. Scientific Games matched its employees' monetary donations and presented a total check for \$75,000 today to the Louisiana Capital Area chapter of the American Red Cross.

RECORD RETURNS FOR SA LOTTERIES. SA Lotteries contributed a record amount of \$89 million to the State Hospitals Fund in 2004-05, increasing the total returned since SA Lotteries was established in 1967 to \$1.6 billion. Sales for '04-'05 were \$348.8 million, reflecting an increase of \$3.7 million over the previous year.



LOTTERYWEST PICKS UP BEST BRAND AWARD. Lotterywest has been rated as Western Australia's third strongest brand in this year's Branding Awards conducted by WA Business News. The two strongest rated brands were BankWest, a major Western Australian Bank, and Bunnings, a well known hardware chain. In 2004 Lotterywest was ranked fifth in the same awards.

PHILIPPINE ONLINE OPERATION EXPANDED. A unit of publicly listed Prime Gaming Philippines, Inc. will expand the online lottery operations of the Philippine Charity Sweepstake Office in Luzon to 3,000 from 1,600.

SWAZI LOTTO TROUBLE. Things aren't looking promising for the Swaziland Lottery. The Lottery, which was supposed to go up for auction, recently cut 20 of its 24 workers. Other financial troubles point to the possibility that Swazi Lotto may be closing its doors, though no official word from the Lottery has been issued.

WINNERS

US SENATOR WINS BIG IN DC. United States Senator Judd Gregg (R) of New Hampshire was a big winner in Washington, D.C. The Granite State Senator is one of two lucky D.C. Lottery players who won \$853,492 playing POWERBALL. The Senator successfully matched five white balls to win \$200,000 in the POWERBALL drawing on Wednesday, October 19. And since the new *Share the Winnings* feature was in effect, Gregg received his portion of a \$32 million Bonus Prize Pool - \$653,492 – for a total prize of \$853,492.

FORMER VA BOARD CHAIR WINS EXTREME CASH. For the 10 years that Virginia Hall of Danville served on the Virginia Lottery Board she was barred by law from playing Virginia Lottery games. But when she left the state board in January of 2004, she was able to resume playing, and it didn't take long to pay off. Hall recently won

\$100,000 with a Virginia Lottery Extreme Cash scratch ticket.

JOB ANNOUNCEMENTS

CA SEEKS MARKETING MANAGER. The California State Lottery is currently recruiting for a Senior Marketing Specialist who will act as the **Retail Marketing Manager**. This individual will report to the Director of Marketing and be responsible for the planning and implementation of new strategies and programs to enhance the sales efforts of Lottery retailers and the Lottery's internal sales force. The Retail Marketing Unit within Marketing develops and executes promotions and incentives specifically designed for retailers (agents); R & D programs exploring new selling devices or equipment; in-store point of sale strategies and merchandising plans; key account marketing; and trade advertising. The successful candidate should have a broad technical knowledge in point of sale devices and retail merchandising and promotion programs. Personal skills should include analysis, insight, strong verbal and written communication skills and the ability to build a strong team relationship between the marketing staff and sales force.



Minimum Qualifications: Education: Equivalent to graduation from an accredited college. (Additional qualifying experience may be substituted for education on a year-for-year basis.) Possession of a Master's Degree in Business Administration from an accredited college, preferably with a specialization in marketing, may be substituted for one year of experience. **Experience:** At least four years of progressively responsible professional experience performing duties comparable to that of either: (a) a marketing manager at a large national or regional corporation engaged in the marketing of a mass consumer product or service, or (b) account supervisor, in a large regional or nationally-based promotions agency. Duties must be oriented to marketing a mass consumer product or service. **Salary Range:** \$4,979 - \$6,052. **Applications due by November 1, 2005.** Additional information is available at the California Lottery's website – www.calottery.com.



CA SEEKS SENIOR MARKETING SPECIALIST. The California State Lottery is currently recruiting for a Senior Marketing Specialist to act as the Consumer Promotions Manager. This individual will be responsible for overseeing the development and implementation of the annual promotion plan ensuring that it is consistent with the key objectives and strategies in the Marketing Plan. The incumbent will develop new ideas for statewide promotions

and DMA specific promotions and product publicity efforts working with TV stations who are syndication partners in carrying Lottery broadcasts as well as with radio stations and sports teams. The successful candidate should have a broad technical knowledge in consumer promotions and collateral point-of-sale programs. Personal skills should include analysis, insight, strong verbal and written communication skills and the ability to work well under pressure and changing priorities. **Minimum Qualifications: Education:** Equivalent to graduation from an accredited college. (Additional qualifying experience may be substituted for education on a year-for-year basis.) Possession of a Master's Degree in Business Administration from an accredited college, preferably with a specialization in marketing, may be substituted for one year of experience. **Experience:** At least four years of progressively responsible professional experience performing duties comparable to that of either: (a) a marketing manager, brand manager, or promotion manager in the marketing division of a large national or regional corporation engaged in marketing of mass consumer products or services, or (b) an account supervisor in a large regional or nationally-based advertising or promotions agency. Duties must be oriented to marketing or advertising a mass consumer product or service. **Salary Range:** \$4,979 - \$6,052 **Applications due by November 1, 2005.** Additional information is available at the California Lottery's website – www.calottery.com.

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