

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

Public Gaming Research Institute Inc.'s

INTERNATIONAL

MORNING

REPORT

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OREGON EXPANDING? A \$1.2 billion revenue raising measure calling on the Lottery to generate \$67 million passed the Oregon Legislature last week. The state Senate then passed a bill that would expand the number of machines a video poker establishment could operate. According to the bill, bars and taverns would be allowed a sixth machine, while greyhound and horse racing tracks would be allowed five extra machines, bumping the number up to ten. It's estimated that this proposal would provide \$14 million extra for the state.

BAUER SWORN IN. New Jersey Lottery Director Virginia Bauer was recently sworn in by Gov. James E. McGreevey as the new executive director of the New Jersey Lottery, a position she has held in an acting capacity for four months.

GET IN THE GAME. The Tennessee Education Lottery Corporation began a campaign to recruit retailers on Sunday. Quarter-page ads appeared in newspapers statewide, encouraging retailers to "Get in the Game." The Lottery expects 3,000 to 4,000 retailers to be signed up before the launch.

ND GAME OFFERINGS GROW. A North Dakota advisory board agreed to support the Lottery's entry into the MUSL games Hot Lotto and Wild Card 2.

TN TIMELINE CHANGE. The Tennessee Lottery has rescheduled the deadline for deciding on whether or not to join forces with the Georgia Lottery. The Lottery needs more time to examine the complexities of the proposal. The new date is September 5.

DC HARLEY PACK. Beginning on September 1, D.C. Lottery agents have a chance to win an exclusive Harley-Davidson prize pack, which includes a Harley bag, watch, blanket, sunglasses, leather cap, t-shirt, and playing cards. To participate in the Lottery's latest agent incentive promotional contest, agents must order

a pack of Harley-Davidson instant tickets. For each pack ordered, agents will receive a color-coded entry card that is based on a three-tiered sales level system. With this system, agents are grouped by achievable sales goals that are based on past performance. At the end of the promotional on September 30, the Lottery will hold three drawings per sales levels to award 15 Harley-Davidson prize packs.

SC PARTNERS WITH AMBER ALERT. On August 27, 2003, the South Carolina Education Lottery began partnering with the SC AMBER Alert System to distribute information in the event a South Carolina child is abducted. The SCEL will link more than 3,400 on-line terminals to the system.

MO FEATURES RESPONSIBLE GAMBLING EDUCATION. Numerous awareness events, a featured speaker and counselor training highlighted Missouri's Responsible Gaming Education Month in August. This is the fifth year Missouri has designated time to raise statewide awareness about problem gambling issues. The featured event of the month was the fifth annual meeting of the Missouri Alliance to Curb Problem Gambling held Aug. 13 in Kansas City. The event featured Joanna Franklin as the guest speaker. During the event, problem gambling public service announcements created by the Missouri Lottery, featuring Crystal Gayle and Wynonna Judd, were presented.

LIFETIME OF RICHES. The Pennsylvania Lottery introduced a new instant ticket game called Lifetime Riches – a \$10 ticket offering \$100,000 a year for life with \$2 million guaranteed.

DC FUNDRAISING WORKSHOP. As the licensing agent for all charitable gaming in the District of Columbia, The DC Lottery held its Annual "Putting the Fun into Fundraising" workshop, which is open to all 501c organizations, government agencies, civic groups, and educational institutions. The Lottery's Charitable Games department showed attendees how to develop financially successful raffle, bingo, and Monte Carlo Night party fundraising events.

FLY THE FRIENDLY LOTTERY. Boston's Logan International Airport's International Departures Terminal is now selling Lottery tickets. The new 24-hour Hudson newsstand in Terminal E is now an official agent for the Massachusetts Lottery.

NORTH DAKOTA LOGO DESIGN. Students from 13 North Dakota state, private and tribal colleges will be submitting their logo ideas for the new state lottery. The winning logo will appear on lottery ads and tickets next year. Students have until September 30th to make their submissions.

LOTTERYWEST BRAND HONORED. Australia's Lotterywest brand has been voted the number two most recognizable brand in 2003 for Western Australia. The Lottery instituted a multi-million dollar re-branding campaign last year.

COMPANY ANNOUNCEMENTS

IGT-OES HIRES LINDA MELONE. IGT OnLine Entertainment Systems, Inc. (IGT OES) announced that Linda Melone has been appointed Customer Marketing Manager. In her new role, Ms. Melone will be responsible for working with customers and introducing them to new game concepts, as well as helping them to develop product launch strategies and promotions. Prior to joining IGT OES, Ms. Melone spent 34 years with the New Jersey State Lottery in many capacities, most recently holding the position of Deputy Director of Marketing and Sales where she developed the sales, advertising and promotional strategies that resulted in record revenues to the state. "Ms. Melone has had extensive experience in the lottery industry and has demonstrated her ability to deliver strong results for her former employer, The New Jersey State Lottery," said Christer Roman, President of the IGT Lottery Group. "In addition to her unique expertise in marketing, Ms. Melone brings to IGT OES a strong background in product development and management. I am confident that she will be a tremendous asset to our company."

ESSNET TO SUPPLY TO BREMEN. EssNet has signed a contract with Bremer Toto Lotto GmbH in Bremen, Germany, to supply E6 terminals and win-check terminals. A total of 250 E6 terminals and 225 win-check terminals will be installed, starting in December 2003. The agreement includes delivery of terminal hardware and software, training and project management. Also, a four-year maintenance and services agreement is included.

IGT GETS TAYLOR RIGHTS. Elizabeth Taylor has signed an agreement with IGT, giving the company the right to develop a gaming machine using her name and image. The company would not release details about the Elizabeth Taylor machine but did say that it would be as unique and beautiful as its namesake.

NETGAME ACQUIRED BY ESSNET. EssNet acquired the business of Netgame Factory to further expand EssNet's product portfolio and add competence within the mobile gaming area. NGF was set up in Stockholm in 2000 to develop, license and operate mobile gaming solutions worldwide. Customers include lotteries, telephone network operators and media companies, e.g. Mobilkom, E-plus, Folkspel and Burda Media. The acquisition also includes 50% of OberthurNetgameFactory Ltd., a joint venture

company set up last year by NGF and Oberthur Gaming Technologies.

NEW VLT BASES – PRONTO. Quebec's PRONTO, has completed the development, manufacturing and delivery of 15,000 VLT bases for Loto-Quebec's Société des Loteries Videos. PRONTO was selected to produce a highly durable and maintenance-free base made of composite materials. This new VLT base is ergonomic to provide a better seating position, aesthetic and extremely robust. The delivery of the 15,000 units was successfully completed in a period of 10 months.

RI SELECTS OGT. The Rhode Island Lottery has selected OGT as one of its printers of instant lottery tickets. OGT has printed exclusive licensed games such as Slingo® and Beetle Bailey® for the Lottery. The Rhode Island Lottery has also printed Crossword and Wordsearch using OGT's state-of-the-art, patented two-pass imaging extended-play technology.

LOTTERY JOBS

IL LOTTERY SEEKS ON-LINE PRODUCT

MANAGER. The Illinois Lottery is seeking an On-Line Games Product Manager for its \$900- million-per-year on-line product portfolio. The successful candidate will be responsible for administering all facets of the Lottery's on-line system, including in-field hardware and software. Additional responsibilities include researching, developing and implementing (with Marketing and Sales staff) new on-line games and promotions; developing long-term prize-structure strategies based upon sound research and industry trends; developing long-term growth strategies for each product in the on-line portfolio; compiling sales and statistical reports for Marketing and Sales staff; and coordinating on-line vendor contracts to ensure adherence standards, implementation schedules and user training. **Preferred Qualifications:** The successful candidate should possess a Bachelor's degree (Master's preferred) and a minimum of five years experience in the gaming industry. Applicants should possess a demonstrated ability to plan, develop, and direct comprehensive research and game-development programs. Experience with on-line vendor "Request For Proposals" a plus. Good communication skills (both oral and written) a must. The successful candidate should possess creativity, boundless energy, and unimpeachable integrity. **Salary Range:** \$65,000-\$115,000 per year, plus comprehensive State of Illinois benefits package. The successful candidate will be based in Springfield, Illinois. *The Illinois Lottery values diversity and is an equal opportunity employer.* **Applicants should respond by Sept. 30, 2003 and send resume/ cover letter (including salary requirements) to: Illinois Lottery Superintendent Carolyn Adams, 100 W. Randolph Suite 7-274 Chicago, IL 60601.** Finalists will be selected for interviews in October.

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