

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

Public Gaming Research Institute Inc.'s
INTERNATIONAL
MORNING
REPORT

Your weekly supplement to
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NY TRACKS READY FOR VLTs. New York's Vernon Downs still appears to be on-track for opening VLT operations to the public on November 1. The track is expecting to open with 1,100 VLTs in a new 32,000-square-foot facility. Saratoga Raceway is also very close to being ready for VLT business. The track is aiming for a January 15 start date.

IA LAUNCHES PICK 4. The Iowa Lottery will soon be launching a new online game – Pick 4. Also, the Lottery will be adding an additional daily Pick 3 draw on Monday through Saturday. During the first week of Pick 4 (9/21-9/27) players who buy a Pick 3 ticket will receive a free \$1 straight/box easy pick play for Pick 4. Pick 4 replaces Freeplay Replay.

NO PLUS FOR LOTTO. On October 5, the Washington Lottery will drop the "Plus" on its Lotto game. The Lottery is hoping to differentiate the game from Mega Millions, and appease Lottery customers, who are asking for more Washington millionaires. The Lotto Plus format is very similar to the Mega Millions format – each utilizing a Pick 5 plus one. Lotto Plus will change to a Pick 6 format, and go back to being called Lotto.

POWERBALL SUNDAY IN MN. On Sunday, February 1, 2004, the two top professional football teams will compete for the championship at Reliant Stadium in Houston, Texas – and 10 Minnesota Powerball players will be there. The Minnesota State Lottery will be awarding 10 Powerball Sunday trip packages for two that include: suite tickets to the championship game in Houston, airfare (coach), hotel (three nights), \$500 spending money, state and federal withholding, tickets to Lynn Swann's MVP Party and commemorative merchandise. Each prize package is valued at approximately \$30,000. The Powerball Sunday coupon promotion kicks off on September 7, 2003 and continues to December 28, 2003. Entries will automatically print from the Lottery's Online terminals when a player makes a \$10 (minimum) Powerball (or Powerball with Power Play®) purchase on one ticket. The player simply fills out and mails the entry to the address printed on the front of the entry. The Lottery will conduct

five drawings to determine the Powerball Sunday winners (two winners from each drawing).

QUEBEC SIGNS QMSHL FOR PRONOSTIK

LAUNCH. Loto-Québec announced the signing of a business agreement with the Quebec Major Senior Hockey League (QMSHL). This one-year association will allow Loto-Québec to promote the visibility of its brand-new sports betting game - Pronostik - among a large population of adult hockey enthusiasts. Valued at approximately \$150,000, the agreement provides for the exchange of a variety of different services, as well as the implementation of numerous activities at hockey arenas. Pronostik is a new sports betting game to be officially launched this coming September 26th. To play, hockey enthusiasts simply answer a series of eight questions pertaining to professional hockey teams, choosing from five possible answers for each. Four of these questions call for the selection of the team that will score the most goals, the four others asking for predictions about the teams that will allow the fewest. Offered at a cost of \$3 per selection, Pronostik features a cumulative and shareable grand prize of at least \$25,000.

CRAZY CASH WEEKS IN CA. The California Lottery kicked-off Fantasy 5 "Crazy Cash" Weeks giving Fantasy 5 top prize-winners a chance to win an extra \$500,000 each week from September 14 through October 4, 2003. The \$500,000 is an additional prize that will be added to one Fantasy 5 top prize each week during the promotion period. The serial numbers from the winning Fantasy 5 top prize tickets will be put in a special drawing each week (Sun - Sat). One winner will be drawn each week to win the extra \$500,000. There will be a total of 3 winners.

SUMMER FUN IN IL. The Illinois Lottery helped make summer fun last a little longer for some lucky Lottery players. As part of the second chance "Fun for Summer" promotion, Edward Wagner from Westmont, Illinois was awarded \$100,000 and 50 others won a pair of tickets to the Aerosmith/KISS grand finale concert of the season on September 26. The promotion allowed players to send in \$5 worth of non-winning Illinois Lottery online or instant tickets for the chance to win tickets to the summer's hottest concerts and the grand prize of \$100,000. During the course of the promotion, the Lottery has also awarded 50 pairs of tickets to nine concerts to winners from across the state, ranging from Collinsville and Centralia to Chicago and Rock Island, Illinois.

ALABAMA LOTTERY BILL TO BE PROPOSED.

Alabama State Rep. Alvin Holmes is planning to introduce a lottery bill during a special session of the Legislature to set up a state lottery during a special session of the Legislature that begins Monday. Holmes' bill would see proceeds split between the General Fund and the Education Trust Fund. Governor Bob Riley's press secretary, David Azbell, said the governor is opposed to the idea of a state lottery.

WA PAGE AHEAD. Celebrating five years in partnership, the WA Lottery and Seattle Mariners are continuing the collection of children's books for Page Ahead, a Washington nonprofit children's literacy program. As part of the success of the Lottery's Home Runs for Reading program, the Mariners

Wives and Lottery representatives were outside the SAFECO Field gates collecting children's books and cash donations before Sunday's Mariners game against defending World Series champions, the Anaheim Angels. The first 1,000 fans age 18 or older who donated a new children's book received a \$1 *Lotto Plus* ticket for a chance to win Wednesday's \$42 million *Lotto Plus* Jackpot.

JAMAICA SALES PLUMMET AFTER TAX. Jamaica's Lottery firms have seen a significant drop in sales since the country imposed a 15% tax on Lottery winnings. Sales fell 38.1% during the first nine days of the tax. The country's two lottery firms, Supreme Ventures and the Jamaica Lottery Company, may join together in asking the government to repeal the tax.

NEW ZEALAND GAMBLING EXPANSION. The New Zealand Parliament passed a new gaming law (vote of 62 to 52) legalizing Internet gambling. The bill not only allows the NZLC to sell games via the Internet, it also allows bank notes to be accepted on gaming machines.

COMPANY ANNOUNCEMENTS

PA EXTENDS IGT OES. IGT Online Entertainment Systems announced that its longtime customer, the Pennsylvania Lottery, has concluded a contract amendment providing for a three-year extension of the term of the current contract. Under the amendment, IGT OES has reduced its online fee by 5 percent to help keep Pennsylvania one of the three most efficient lotteries in the nation. Under the extension, IGT OES will also now provide Pennsylvania with 1,000 Player-Activated Terminals (PATs) and related services. IGT OES will also provide the Lottery with software to offer their players a Lottery gift card program. This program will be similar to those used in department stores and will provide an additional marketing tool to increase sales. The gift cards will be sold in \$5 increments. IGT OES installed the first online system in Pennsylvania in March 1977 and has been the Lottery's sole online systems provider ever since. This ongoing partnership is the longest in the lottery industry.

INTRALOT SUBSIDIARY GOES ALTERNATIVE. Intralot has announced the establishment of Libero SA, a new subsidiary in Turkey. Libero SA is a joint company of Intralot and Turkcell group, the leading mobile operator of Turkey. The new company's main activity is to provide sports betting services via alternative channels: mobile phones, call centers, digital TV and the Internet. The new company will start operations within 2003.

GTECH SIGNS IN DENMARK. GTECH signed a two-year contract extension with Dansk Tipstjeneste A/S, the operator of the National Lottery in Denmark. Under the terms of the contract extension, GTECH will continue to provide Dansk Tipstjeneste with software support and terminal maintenance and repair through August 31, 2005.

HASBRO EXTENDS WMS. WMS Gaming Inc. and Hasbro, Inc. announced that they have extended the long term license agreement whereby WMS retains exclusive

worldwide rights to develop, manufacture and market MONOPOLY branded slot machines through 2011.

IOWA EXTENDS POLLARD. Pollard Banknote will continue as the Iowa Lottery's exclusive provider of instant tickets through December 31, 2004. This is the fourth one-year renewal of a contract that began in 1999. Pollard Banknote has supplied the Iowa Lottery since 1993. Along with game designs and ticket production, the company has provided the Lottery with marketing recommendations to ensure the vitality of the Lottery's instant game lineup.

NCR SIGNS WITH OLGC. NCR Corporation announced that it is providing the OLGC with overall services and support management of OLGC's more than 8,000 province-wide lottery gaming terminals. Under the terms of this program, NCR will provide terminal pre-staging, deployment, field maintenance, technical support and training and ongoing installation services. According to Dave Myers, vice president of Sales and Service for OLGC, in order to provide retailers with faster, more reliable transaction processing in the future, Ontario has embarked on a major upgrade of its existing network of gaming terminals. To meet its commitment to OLGC, NCR is partnering with Scientific Games.

POLLARD WELCOMES SWISSLOS. Pollard Banknote is working with Interkantonale Landeslotterie (Swisslos). Pollard's first game for Swisslos was the pull-tab product *Vegas*. Although pull-tabs are a relatively untested product in Europe, *Vegas* has generated a positive response in non-traditional retail markets, including bars and restaurants.

SMARTPLAY EXPANDS IN INDIA. Smartplay has provided fully automatic equipment for the late August launch of Sunshine India Lottery. Smartplay's Revolution™ model was delivered to Mumbai in mid August, where the manufacturer conducted a training seminar. Operations will be held in the state of Manipur, where the license is held. The lottery will boast a network of 8,600 online lottery retail terminals at retail outlets across 13 states in the country. Integrated Technology Solutions Pvt. Ltd. (ITSPL) has been appointed as distributor.

TELECOM SIGNS RESORT DEAL. TeleCom Game Factory signed a joint marketing agreement with Kerzner International Resorts, Inc. to offer lottery promotions featuring deluxe resort trips packed with amenities to Atlantis, Paradise Island in The Bahamas as part of an exclusive three year contract it has just signed with Kerzner International. Both partners pledge complete satisfaction of all partners, participants and customers.

LOTTERY PEOPLE

Bruce Jones has joined ALC as Director of Corporate Marketing. This is a new role at ALC, responsible for leading all aspects of corporate marketing, including research, corporate branding and advertising, community relations and sponsorship strategies. A former ALCer, Bruce was a strong contributor to the Marketing management team from 1992-1997, serving in a number of management roles. Bruce returns to ALC after six years with the Bristol Group.

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