

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**  
September 23, 2002

**NC HOUSE KILLS LOTTERY.** The North Carolina House of Reps went against public opinion last week and rejected legislation (69-50) that would have put a Lottery referendum on the state ballot. The vote means the lottery issue is dead for the year.

**LOTTERY ADVOCATES SEEK HELP.** Tennessee Lottery advocates have a new website ([www.lotteryes.com](http://www.lotteryes.com)) and are requesting contributions. Money is needed for television ads to inform voters of educational benefits of the Lottery. Those who wish to give, please send to Tennessee Student Scholarship Lottery Coalition; c/o Sen. Steve Cohen; 349 Kenilworth; Memphis, TN 38112. 501(c)(40) Corporate Contributions are welcome.

**TEXAS TRANSFER RISING.** Texas Lottery sales grew by nearly five percent during Fiscal Year 2002, helping to create a 10.6% increase in the Lottery's transfer to the state. Total sales for FY 2002 were \$2.966 billion, and the Lottery transferred \$956.6 million to the state. A Pick 3 day drawing and an aggressive Instant Ticket Game Plan get a lot of the credit. Pick 3 sales grew by 14.3%, while an Instant strategy stressing more games with shorter runs and well supplied retailers created a 12.5% boost in Instant sales over FY01.

**NE VLT INITIATIVE SHOT DOWN.** Supporters of an initiative that would allow VLTs in Nebraska restaurants, racetracks, bars, keno parlors and designated slot parlors that are within 20 miles of any community in a neighboring state that already has video gambling were shot down when a judge refused to allow the initiative onto Nebraska's ballots. While the pro-VLT group had gathered more than 150% of the required signatures, the judge ruled that the initiative violated an amendment limiting initiatives to a single subject. The initiative included a restriction on the Legislature from authorizing any form of competing gambling and requiring that at least 7 percent of the net proceeds be used for charitable grants.

**NEW ZEALAND EARNINGS UP.** Despite reduced sales, the New Zealand Lotteries Commission reported a better earnings trend, with the fall in underlying profitability year on year reducing from around 10 per cent for the previous 12-month period to just two per cent for 2001-02. The earnings result was \$113.063 million. The positive trend is the result of the impact of Powerball and Strike, tight cost control, and an improved cost of sale ratio brought about by the demise of the game show Risk and the move away from uneconomic Superdraws. The Lottery hopes to continue the earning trend this year once a new version of Lotto is launched at the end of October.

**UTHINGO TO LAUNCH NEW GAME.** The South African National Lottery will introduce a new game in the coming months. Uthingo is bound by its license commitment to introduce new games throughout its seven-year license period. While not many details have been announced, there has been speculation that the game will be a daily lottery.

**VIRGINIA, MDI TEAM UP WITH "MONSTERS".** The first-ever Universal Studios Monsters instant lottery game will become reality when the Virginia Lottery's "Monster Money" (courtesy of MDI) goes on sale later this month. In addition to cash prizes of up to \$20,000, Monster Money will give lottery players a second chance to win prizes in three drawings. Three Grand Prize winners will enjoy watching their collection of classic movies on a big screen TV and home theater system. Entrants will also compete for 720 Monster Prize Packs featuring video collections, tee shirts and other official Universal Monsters memorabilia. MDI will provide the Lottery with a Second Chance Bonus Zone web site for the game that gives players the option of submitting entries over the Internet instead of mailing them in. Universal Studios has granted an exclusive license to MDI for classic horror film icons including Frankenstein's Monster, Bride of Frankenstein, The Wolf Man, Dracula, The Mummy, Phantom of the Opera and the Creature from the Black Lagoon. The license is for lottery games, promotions and advertising.

**CAMELOT LOOKS TO STOP SALES DECLINE.** UK National Lottery Operator Camelot is planning some moves to try to boost fading sales. One plan includes a Spring launch of a daily Lotto game. Another has tickets being made available at ATMs and supermarkets.

**JAPANESE BANK TO USE LOTTERY TO BOOST REVENUE.** Japan's Mizuho Bank plans to sell lottery tickets at all of its branches within three years. The Bank, which is looking for ways to boost revenue, has more than 600 branches. Mizuho is the result of a three bank merger last April, one of which, Dai-ichi Kangyo Bank, sold lottery tickets in the past.

**WESTERN AUSTRALIA FUNDS TRAILS.** The Western Australian Lotteries Commissions has offered

more than \$500,000 to build or upgrade trails throughout the jurisdiction. The funding further enhances WA's status as the host of the Second Australian Tracks and Trails Conference Making Tracks 2002, to be held in October.

**ESTONIA LOOKING TO M-COMMERCE.** Eesti Loto is looking toward the possibility of making play possible over mobile phones. The Estonian Lottery has agreements with EMT and Tele2, and talks with Radiolinja are in progress. Tests to check security of the mobile lottery and the speed of data communication speed start in October. This new system will not require any infrastructure costs, as the current Internet lottery environment will simply be connected with the mobile lottery system.

**NSW GOES FOR GROOVY.** NSW Lotteries launched a groovy Instant - a \$2 Austin Powers game which is the latest in its popular line of celebrity Instant Scratchies. The new game features ten images from the Austin Powers in Goldmember movie, which opened in Sydney last week. Players scratch panels with typical Austin Powers catch cries, such as "very groovy" and "dig it, baby" to reveal prizes worth up to \$100,000.

## COMPANY ANNOUNCEMENTS

### **DRAWBRIDGE ALLIES WITH GRIC TO OFFER**

**CUPSURE.** Drawbridge Leaders, Inc. has signed a partnership agreement with GRIC (Canada), the developer of a lottery specific business process reengineering methodology called CUPSURE™, to market the process within the USA. Currently, more than 20 European Lotteries are reported to be using the process.

**GTECH, SPACENET INK DEAL.** Spacenet Inc., a subsidiary of Gilat Satellite Networks Ltd. has been selected by GTECH Corporation to provide nearly 7,500 units of Gilat's Skystar Advantage broadband satellite communications equipment. The VSAT equipment will support a new GTECH state lottery contract, as well as other lotteries worldwide.

### **GTECH, VIRGINIA SIGN FIELD SERVICES DEAL.**

GTECH was selected by the Virginia Lottery to provide field services and repair shop services under a three-year contract commencing on October 1, 2002. The contract includes three one-year extension options. Under the terms, GTECH will provide field services and repair shop services for the Lottery's Clerk-Activated Terminals, Self-Service Terminals, Instant-Ticket Validation devices and printers, and ITVMs. GTECH anticipates generating revenues of approximately \$12 million, over the three-year period.

### **IGT APPOINTS RESPONSIBLE GAMING DIRECTOR.**

Connie Jones has been named Director of Responsible Gaming for IGT. She will head up IGT's Corporate Responsible Gaming Program, which was adopted in

1997. Prior to the appointment, Jones was in charge of responsible gaming for Anchor Gaming. For more on IGT's Corporate Responsible Gaming Program, be sure to see the October issue of **Public Gaming International**.

**MITEK SELLS DOCTUS IN URUGUAY.** Banca de Quinielas de Montevideo Banca, a processor for the Uruguay National Lottery, has purchased software licenses and professional services for a Mitek Systems, Inc. Doctus® forms processing system. The Banca is using Doctus to process over 1.5 million tickets per month for three different types of lottery games at its headquarters in Montevideo, Uruguay.

**NEW PRODUCT: ELECTRONIC GAME CARD.** A scratch card that's electronic? The Electronic Scratch Card is in the size and shape of a credit card it packs a microprocessor chip, a long life power source and security devices. It delivers multi play ability allowing any number of plays. The Gamecard currently carries a traditional match three type instant game and can be made to carry any game. And there's no latex under fingernails. Start playing at [www.egcltd.com](http://www.egcltd.com).

**TEXAS EXTENDS INTERLOTT.** Interlott received a one-year contract extension from the Texas Lottery for the lease, maintenance and service of nearly 1,300 ITVMs. With this renewal, the balance of the Texas Lottery's nearly 1,300 ITVM locations will be upgraded to 12-bin machines.

## EMPLOYMENT OPPORTUNITY

### **TEXAS LOTTERY COMMISSION (TLC)**

**DEPUTY EXECUTIVE DIRECTOR** (Posting No. 090502) \$73,920-\$119,160/yr. plus State of TX benefits  
**Application Deadline: October 25, 2002, 5:00 p.m.**  
Bachelor's degree from an accredited four-year college/university in Business Administration, Finance, Political Science, or related field required. (Exp. in an executive level position in management, in excess of the required five years, may be substituted for college on a year-for-year basis.) Five years experience in an executive level position in management required. Three years supervision of supervisors required. Experience in federal or state government management preferred. Experience in lottery or gaming industry preferred. Willingness to travel for job-related purposes. Willingness to work irregular hours (i.e., weekends, holidays, and nights). **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. EEO

**Submit material for next week's Morning Report by Wednesday of this week to [Toddpgr2@aol.com](mailto:Toddpgr2@aol.com)**