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**June 09, 2002

MAKE PLANS FOR PGRI'S INTERNATIONAL

LOTTERY EXPO. Mark July 18-21 on your calendars for PGRI's International Lottery Expo which will be held at the fabulous Sonesta Beach Resort in Key Biscayne, FL. Hotel rooms can be reserved by calling the Sonesta at 305-361-2021. The deadline for discounted hotel rooms at the Sonesta is June 17. For more information, please call PGRI at 425-803-2900 or visit www.publicgaming.org.

#### TN LEGISLATURE AGREES ON LOTTERY. The

Tennessee Legislature finally passed the State's lottery legislation, and now Governor Phil Bredesen will begin appointing members to the Tennessee Education Lottery Corp. He will be appointing all seven members of the semi-governmental company that will oversee lottery operations. Bredesen has until July 1 to name the board. The board will then look to hire a chief operating officer for the Lottery, a position that requires two years' experience as CEO of another state lottery or five years at a lower executive level. Then the CEO and board will solicit bids from vendors to manage the Lottery. The management company will subcontract for advertising, PR, games contracts and other functions.

The legislation also set scholarship criteria. Students with a 3.0 GPA or higher are eligible for a \$3,000 annual scholarship. Students from families earning less than \$36,000 per year are eligible for an extra \$1,000.

#### TX LEGISLATURE SAYS YES TO MULTI-STATE.

Language was amended to House Bill 3459 that would allow Texas to join a multi-jurisdiction game. The bill now heads to Governor Perry's desk. The Gov has until June 22 to sign the bill, veto it or to allow it to become law without his signature. As with other Texas Lottery games, the proceeds would continue to support public education in Texas. The bill also includes language that would keep the Texas Lottery operating for the next two years.

**PA INSTANTS SOAR.** The Pennsylvania Lottery set a record for yearly instant sales by selling \$722,540,077

through May 27, 2003. With more than a month before the end of the fiscal year, there's no telling how high the figure will rise. Through May 27 instant sales are up 8.3% over last year. Retailer effort, game variety, second-chance drawings and a rise in the popularity of \$5 and \$10 games are all sited as reasons for the sales boost.

HULK UNLEASHED. Pennsylvania's new \$2 HULK instant ticket went on sale Tuesday, June 3, 2003, in anticipation of the Friday, June 20, 2003 premiere of Universal Pictures' HULK, the movie. HULK debuts along with two other new instant games from the Lottery: SIZZLING 7s and BONUS 3s. Fans of The Hulk will love the new HULK ticket, which features the Universal Pictures' movie logo, official images of the Hulk, and a top prize of \$12,000. HULK offers over \$4.2 million in cash prizes, and the overall odds of winning a prize are 1-in-3.57. Colorado, Iowa, and Mexico will also offer versions of the game.

### INTERNET GAMBLING PLAN AXED AGAIN. A vote

to ban Internet gambling was cancelled due to a lack of support in the House of Representatives. The bill, which required a two-thirds vote for approval, would block credit-card payments to gambling websites. One opponent of the bill, Judiciary Committee Chairman James Sensenbrenner, is in favor of passing a bill with stronger penalties.

**SLOT PLAN ANNOUNCED IN OH.** Ohio lawmakers have come up with a plan that would see slot machine revenues building a fund that would allow high school students with a 3.0 GPA or higher to qualify for a \$5,000 college scholarship if voters approve slot machines at Ohio's racetracks. Governor Taft has stated opposition to casino gambling and has renewed a pledge to campaign against the plan if it makes it to the November ballot. If passed, it is estimated that the plan would generate approximately \$550 million annually.

**NEW SLOT PROPOSAL IN MD.** A new slot proposal has surfaced in Maryland. MD House Speaker Michael Busch is in favor of state-owned slot machines that would allow the state (rather than the track) to pull in more money and weed out potential areas of corruption. Public hearings will be held. Earlier in the year the House failed to pass a proposal from Governor Ehrlich that would put 10,000 machines in three Maryland tracks.

**ROMANIA SEES BIG SALES BOOST.** Compania Nationala Loteria Romana S.A. has recorded a significant increase in sales for the first five months of 2003. Sales totaled US\$50.1 million, compared to US\$25.4 million in the same period last year, an increase of 97.2%.

#### SCRATCHING BOOSTS CHANNEL ISLANDS SALES.

Channel Islands Lottery ticket sales have increased by nearly 50% this year due to the introduction of scratch-cards. The tickets offer prizes £1,000, £500, £2 and £1 and feature a 1-in-4 chance of winning.

#### HONG KONGERS GAMBLE BILLIONS EVERY

**YEAR**. Hong Kong people wager US\$3.2 billion a year but most residents support increased gaming. The average Hong

Kong household spends HK\$750 a month on mahjong, a table game played with patterned tiles, and HK\$400 on offshore soccer betting, according to a University of Hong Kong survey, which polled 600 residents. Seventy-five percent were in favor of legalizing soccer betting, with 12 percent saying they would bet on soccer matches if it was not illegal. The survey results come just weeks before the government tries to push through a bill legalizing betting on soccer, which it hopes will put illegal operators out of business and bring in billions in new tax revenues to help with its budget deficit. Support for legalizing soccer betting has risen steadily from 51 percent recorded in another survey in 2001. The government expects HK\$30 billion a year to be spent on soccer wagers with at least HK\$1 billion going to the government.

LOTTERY FOR GUNS. NATO-led peacekeepers have launched a lottery for Bosnians who turn in illegal wartime weapons. The Lottery, which will last until June 22, features a top prize of a VW Polo car, and 210 additional prizes given in seven municipalities. Rifles are worth five tickets, grenades or grenade launchers receive three tickets, and 20 rounds of ammunition can be exchanged for one ticket. The Lottery has been successful in retrieving 90-mm howitzer, 43 light anti-tank weapons, some 200 guns, 100,000 rounds of small ammunition and 1,000 hand grenades.

**RESPONSIBLE GAMING IN ISRAEL.** Mifal Hapais has started a new responsible gaming campaign, highlighting the phrase, "It's only a game. Did you forget? If you feel things are getting out of hand and games of chance are no longer your game, dial our number. We are here to help you." The Lottery will distribute a flyer at all Lottery booths featuring this message. The flyers contain the telephone number of the Lottery's new gambling hotline. The Lottery is investing NIS 250,000 in the project and will assess the results after a year.

#### **COMPANY ANNOUNCEMENTS**

INTRALOT ANNOUNCES FIRST QUARTER EARNINGS. INTRALOT announced its financial results for the three-month period ending March 31, 2003, prepared in accordance with Greek GAAP as well as International

accordance with Greek GAAP as well as International Accounting Standards. Revenues for the period grew to 92.8m, 21.6% up on Q1 2002. EBITDA increased by 34.0% to 30.2m, compared to the same period last year. EBITDA margin reached 32.6% (last year 29.5%) reflecting operational efficiency. Profits Before Taxes (EBT) recorded an increase of 39.3% y.o.y. by reaching 273 million compared to 19.6 million for Q1 2002. Net cash position has grown by an impressive 69.0% y.o.y. reaching 105.7m for the quarter (Q1 2002: 62.6m), demonstrating the company's ability to generate significant free cash flow through the projects it undertakes and efficiently utilize its capital employed.

### ME EXTENDS, MA ORDERS MORE FROM

**INTERLOTT.** Interlott announced that the Maine State Lottery has awarded the company a one-year contract extension for the lease, maintenance and service of its 150 TTS 12-bin ITVMs. The contract now will run through July 11, 2004. The Massachusetts State Lottery has also placed an

order for the purchase of 75 16-bin Expandable Dispensing System ITVMs, bringing the total number of machines in the state to 1,575.

PTI SIGNS PPE. Promo-Travel International (PTI) has signed a master agreement with Park Place Entertainment to represent all of its gaming properties. In addition to the Caesars Palace® brand, which has proven to be one of the most successful license properties for state lotteries, PTI now offers Flamingo®, Bally® and Paris® Hotels & Casinos. These additional properties offer lotteries an expanded selection of highly recognized names and themes associated with Las Vegas. And as always, PTI's comprehensive marketing support provides for a guaranteed successful program. Among the many new benefits the additional properties offer players a wider range of entertainment activities including the new Caesars Palace Coliseum featuring Celine Dion's highly acclaimed "A New Day" show. Please see the Park Place Entertainment website http://www.parkplace.com/ ffor full descriptions of each hotel and related amenities.

SGI AUSTRIA WINS SWISSLOS ORDER. Scientific Games Austria, has signed a contract with SWISSLOS, to deliver an on-line gaming system that will operate the Swiss version of the popular ODDSET sports betting products. The first Oddsetgame is scheduled to launch in October 2003. Software for the existing terminals will be provided by the incumbent terminal vendor, Wincor Nixdorf, which will provide its products as a subcontractor to Scientific Games Austria. ISWISSLOS will manage the ODDSET product in all of Switzerland on behalf of the Sport-Toto-Gesellschaft. The Loterie Romande terminals located in West-Switzerland will also connect to the SWISSLOS system when processing ODDSET wagers.

### **LOTTERY PEOPLE**

**Tom Towslee** has been named the Oregon Lottery's Public Affairs Manager. Towslee was most recently public services division manager for the Oregon Parks and Recreation Department, and brings 15-years of public agency experience to the job.

Israeli Prime Minister Ariel Sharon has appointed Mr. Shimon Katznelson as the new Chairman of the Board & CEO for Mifal Hapais. His term started on June 8th. Mr. Katznelson will replace Mr. Avraham Katz-Oz, who served as Chairman & CEO for the last seven years. Mr. Katznelson, 57, immigrated to Israel from the former Soviet Union in the early seventies. He is a certified engineer, a graduate of MBA program for Public Management, and has until recently served as Deputy Mayor for the southern city of Ashdod.

**Barbara Hobbs** and **Mark Patrick**, have been replaced as hosts of the Hoosier Millionaire. **Cody Starks** and **Cat Sadler** of WXIN-FOX59 in Indianapolis are replacing the pair. Announcer **Tony Lamont** will remain with the show. The change resulted from an FOX59's response to an RFP that marked a financial improvement for the Lottery.

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

### Advertising Bulletin for the JULY Issue of

## Public Gaming

### Public Gaming International Fast Facts

- · Circulation: 340+ lotteries in 120 countries
- 100% focus on the worldwide lottery industry
- · More copies distributed to more lotteries than any other trade publication
- · Bonus Conference Distribution at the International Lottery Expo in Florida

### JULY EDITORIAL FEATURES

- · Cover Feature: PGI Introduces Seven New US Lottery Directors
- · Future Video Lottery Expansion with a Special Focus on New York
- · Success of Higher Price-Point Instant Tickets in North America
- · Lotteries on the *Internet*, Part IV: Defending the Market from Illegal Operators
- · Spotlight on the *Florida Lottery*, Co-host of the International Lottery Expo
- · 2003 ILAC Congress Summary and Report
- · The Success of the Amber Alert Program

### SPECIAL BENEFITS FOR ADVERTISERS

### Editorial Support

This month, advertisers will be *invited to contribute sidebars* to the following:

- · Future Video Lottery Expansion with a Special Focus on New York
- · Success of *Higher Price-Point* Instant Tickets in North America
- · Lotteries on the *Internet*, Part IV: Defending the Market from Illegal Operators

### Two Ads for the Price of One

All ads in the traditional printed version of *Public Gaming International* also appear in the pages of the **Web version** of our magazine at no extra charge.

### "Pick Your Place"

Confirm your ad by the space reservations deadline and you can choose which article your ad will appear within.

Click here to visit our Web Archive where your past advertisements are still making an impact for your company.

### PGRI Partnership Program

All advertisers receive a link on the main page of our Web site.

### **D**EADLINES

- · Space Reservations: Monday, June 16
- Editorial: Wednesday, June 18

### · Ad Materials: Friday, June 20

David Mello

Tel.: 202-244-9301 Fax: 202-244-9302 davemello@earthlink.net

### Don't Have An An Ready?

Consider Having Your Corporate Brochure Inserted Into The Pages of *PGI*.







# CIRCLES OF LEARNING RETURN TO INTERNATIONAL LOTTERY EXPO!

32 Lotteries and 25 Directors Registered to Attend Last Year's Expo in Miami.

# Win Lottery Business More Cost-Effectively With A Circle of Learning@Expo

- Be part of the inclusive Circles of Learning where all Expo events are held in the same room.
- Bring your products, ideas and solutions to Miami, but leave your expensive booth behind.
- Display, demonstrate and receive feedback on your products and services, people and ideas, solutions and technologies, without spending money to ship and build an elaborate booth.
- Take advantage of the first lottery event of most lotteries new fiscal year.

With expected attendance by more than 30 lotteries from around the world, especially Latin America, a Circle of Learning@Expo is a cost-effective way of growing your lottery business this year and beyond.

Take advantage of this **new business environment**, which is more conducive to interaction, education and dialogue, by calling your PGRI representative at **425–803–2900**.

### -Tentative Agenda-

July 17, Thursday

4pm-6pm Registration Open 6pm-9pm Circle of Learning Setup

July 18, Friday

9am-3pm Circle of Learning Setup 9am-7pm Registration Open

Noon-2pm PGRI's Sister Lottery Meeting
3pm-5pm Opening General Session I
5pm-7pm Welcome Reception in the Circles

July 19, Saturday

8am-9am Coffee and Danish in the Circles

9am-Noon General Session II Noon-2pm Lunch in the Circles

2pm-4pm Roundtable Breakout Sessions

Evening Open

July 20, Sunday

8am-9am Coffee and Danish in the Circles

9am-Noon General Session III
Noon-2pm Lunch in the Circles
Afternoon Open for Private Meetings

July 21, Monday

8am-9am Coffee and Danish in the Circles 9am-11am Closing Session and Awards

For more details on hosting your own Circle of Learning@Expo, please click here to visit our Web site at www.PublicGaming.org or call PGRI at 425–803–2900.

David Mello

Tel.: 202-244-9301 Fax: 202-244-9302 davemello@earthlink.net



### Dear Colleague:

We are excited about the **International Lottery Expo** this year! The program topics are terrific, the Sonesta Beach Resort is terrific and the supplier participation opportunities are terrific.

Here are the various ways in which you can participate in this year's Expo:

- 1. As an exhibitor with a Circle of Learning from which you can promote your products.
  - as an exhibitor, you also have the option of speaking on the program
  - you also receive one free registration plus a \$100 discount on additional registrations for your company
- 2. As a sponsor or co-sponsor of the opening night reception, one of the two luncheons or the morning coffee and danish.
  - as a function sponsor or co-sponsor, you will have the option of speaking on the program
  - sponsors also receive other benefits as outlined on page four of this package
- 3. As a co-sponsor of the program itself.
  - as a program cosponsor, you will have the option of being on the program
- 4. As an attendee able to attend all program and social functions.

And remember, a companion advertisement for your products and services in the July issue of *Public Gaming International Magazine* will help you with not only the lottery attendee prospects at this Expo, but will also help you with all of the lotteries of the world, all of whom receive *Public Gaming International Magazine* each month.

The International Lottery Expo is where decision makers from lotteries in North America and overseas come for good ideas and product demonstrations that can make their lotteries more successful. Your products, services and revenue-generating ideas will be well received by these lottery executives.

Much more information is enclosed with this PDF file, but in addition, new information is continually being added to Public Gaming Research Institute's web site. Be sure to check it too. See our web site at <a href="https://www.publicgaming.org">www.publicgaming.org</a>.

We look forward to your participation and to helping you and your company grow through the marketing opportunity that the **International Lottery Expo** presents.

We hope you will join us. Can you afford not to participate in the International Lottery Expo?

Best regards,

Duane Burke CEO/Publisher

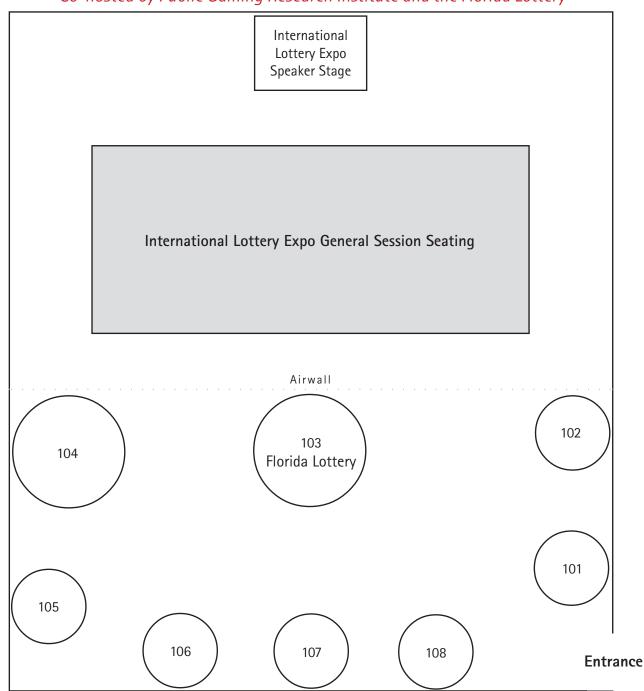
Public Gaming International Magazine

Diane V Berke

### Circles of Learning at International Lottery Expo 2003

July 18-21 • Sonesta Beach Resort • Key Biscayne, FL

Co-hosted by Public Gaming Research Institute and the Florida Lottery



### **Bonus For Exhibitors!**

Participation as a Speaker on the Expo Program is available to exhibitors! If your company has interest in making an Expo presentation, please contact PGRI for details on how to participate on the Program.

In addition, PGRI will provide your Circle with basic furniture at no extra cost to you.

### Notes:

- All Circles have a diameter of 10' except #103 and #104 which are 15' wide
  - The Grand Ballroom
  - Ballroom is carpeted
  - Ceiling height is 12'







# SUCCESS! BE AN OFFICIAL EXPO SPONSOR.

### What a Sponsorship Entitles You To:

- Logo Slideshow on General Session Screen During Your Event: NEW for Expo!
- Opportunity to Welcome Attendees to Your Event During General Session: NEW for Expo!
  - Multiple Opportunities to Participate on the Program as a Panelist or Speaker
    - On-site signage at your event featuring company name and logo
      - Advance information on preregistered attendees
    - Company logo, greeting and recognition in official Show Program
    - Company acknowledgment in pre-show promotions to lotteries
    - Follow-up acknowledgment in Public Gaming International Magazine

### What a Sponsorship Does For You:

- COMMUNICATES your solid reputation in the industry.
  - DEMONSTRATES your concern for your customers.
    - INCREASES your company name recognition.
      - REINFORCES your product awareness.
      - PROMOTES good customer relations.
        - **PROJECTS** your successful image.

### International Lottery Expo Sponsorships:

- Welcome to Florida Reception on Friday: \$4,500
- Good Morning Continental Breakfast on Saturday, Sunday and Monday: \$3,000
  - Welcome to New Lottery Executives Lunch on Saturday: \$3,000
    - New Technology for Growth Lunch on Sunday: \$3,000

For more information, please call PGRI at 425-803-2900, or visit us at www.publicgaming.org.

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### International Lottery Expo Program Topics

- Welcome Remarks from the New Secretary of the Florida Lottery
- High-Tech Solutions At The South Carolina Lottery
- Making Use Of Mobile Services To Promote Or Market Games
- Still More Room For Revenue Growth Using Instant And Licensed Games
- New Developments In Using The Internet For Lotteries
- Introduction To New Lottery Directors
- Video Lottery Revenues
  - How Much To The Lottery's Bottom Line
  - Race Tracks And Lotteries Working Together
  - Other Help For States Wanting Video Lottery
- Plans For New Lottery States: Tennessee And North Dakota; And Prospects For Additional Lotteries In The Near Future
- The Visionaries—Lottery Leaders Offering Their View Of Lottery Revenues, Growth Prospects And The Application Of New Technologies
- New Strategies In Advertising And Promotions
- Building More Revenue With Multi-State Games
- The Multi-State Lottery Association—Leveraging The Powerball Brand To Introduce New Games
- Today's Options For Lottery Drawing Equipment And Services
- Developments In Lottery Ticket Dispensing
- Lottery Advertising Competition For TV, Radio And Point-Of-Sale Ads
- How Does She Do It? Rebecca Paul's Management Strategies—Experience In Guiding Two Of The Most Successful Lottery Start-Ups Ever
- Qe Awards For Excellence In Lottery Leadership, Advertising And Service For 2003
- Lottery Lifetime Achievement Award For 2003
- Iowa's New Lottery Law And Its Advantages For All Lotteries
- Expanding Regional Multi-State Games
- Lottery Technology Workshop
- Lottery Advertising And Marketing Workshop

### -Circles of Learning and Exhibit Booth Application and Contract-

All locations are good, but space is limited! Reserve yours today!

Please fill out this form and fax back to 425-803-6830. Please mail original and payment to: Public Gaming Research Institute, 4020 Lake Washington Blvd. NE, Suite 100, Kirkland, WA 98033, or charge to American Express, MasterCard, or Visa (see below).

Contact/Title:		MART-Tech '03 □ ILAC '03 □ Internation	onal Lottery Expo '03
City			
1			
C.		Fax:	
☐ Deluxe Circle \$3,695: electricity, 25" TV/VCR, ☐ Extra-large Basic Circ ☐ Extra-large Deluxe Circ electricity, 25" TV/VCR,	includes space (includes space) table, 2 chaile \$5,890: includes \$6,590: i	(78 sq. ft.), carpet and one badge/registration (78 sq. ft.), carpet, one badge/registration rs, easel and wastebasket udes space (175 sq. ft.), carpet and two baccludes space (175 sq. ft.), carpet, two badgairs, easel and wastebasket	, standard dges/registrations es/registrations, standard
SMART-Tech '03 Circle  1st Choice	O	Location Choice (February 9-12 in Char	eleston, SC):
2 <sup>nd</sup> Choice	# <u>.</u> #•		For assistance or
3 <sup>rd</sup> Choice	# <u>:</u>		more information,
ILAC '03 Exhibit Booth		oice (April 27-30 in Cancun, Mexico):	please contact:  David Mello
1st Choice	#:		202-244-9301
2 <sup>nd</sup> Choice	#:		f: 202-244-9302
3 <sup>rd</sup> Choice	#:		davemello@earthlink.net
<b>International Expo '03</b>	Circle of Lear	ning Location Choice (July 18-21 in Key	y Biscayne, FL):
1 <sup>st</sup> Choice	#:		
2 <sup>nd</sup> Choice	#:		
3 <sup>rd</sup> Choice	#:		
Payment Terms and Op  ☐ Please charge to my		☐ Please invoice me	
includes one registration and Expo. Full refund if	per booth. Ful f space is cand	. Standard exhibit space cost for ILAC is \$ l payment is due with your application feelled 90 days before event. Payment is acts. Fill-in below for charges.	or SMART-Tech, ILAC
Amount: U.S.\$C	ard Number:		Exp. date:







# International Lottery Expo 2003 Registration Form

July 18-21, 2003 • Sonesta Beach Resort • Key Biscayne, FL USA Co-hosted by Public Gaming Research Institute and the Florida Lottery

First Name:	Last Name:
First Name for Badge:	Spouse's Name (if attending):
Title:	Organization:
Street Address:	
City:	
State/Province:Zip/Postal Co	ode:Country:
Phone:	Fax:
E-mail:	Web Site:
Registration Fees (check one):	-
Credit Card #:	Exp.:
Print Name (as it appears on card):	
Signature:	

Fax Registration Form to: Public Gaming Research Institute, Inc. at 425-803-6830.

For additional information: Please call, e-mail or see Web site:

Tel.: 425–803–2900 • E-mail: elsiepgr2@aol.com • www.publicgaming.org

### **Hotel Reservations**

For the discounted room rate of \$98 (government)/\$125 (corporate), please contact the Sonesta Beach Resort directly. Room rate does not include tax and resort fee of \$12 per day.

To ensure the disounted Expo rate, you must book your rooms by June 17, 2003.

Telephone 305-361-2021 or 800-477-4556 • Fax 305-361-3096 • www.sonesta.com

Be sure to mention International Lottery Expo when calling.







# Scenes from the Sonesta Beach Resort, Official Hotel for the 2003 International Lottery Expo

### **International Lottery Expo 2003**

Co-hosted by the Florida Lottery • July 18-21, 2003 • Sonesta Beach Resort in Key Biscayne, FL





For more information, please contact Public Gaming Research Institute, Inc. at 425–803–2900, fax 425–803–6830, e-mail publicgam@aol.com, or click here to visit us on the Web at www.publicgaming.org

Click here to visit the fabulous Sonesta on the Web.

