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Contacts:

Tracy Owens	Laura Lehmann
Illinois Lottery	Hill & Knowlton
(312) 793-1682 (office)	(312) 475-5901 (office)
(312) 590-9933 (cell)	(773) 226-2392 (cell)

Illinois Lottery Continues Next Step in Private Manager Selection Process

SPRINGFIELD – MAY 13, 2010 – The Illinois Lottery today asked private firms for expressions of interest in managing its operations for a period of up to 10 years. The Illinois General Assembly mandated private management of the Lottery in late 2009. Initial expressions of interest are due May 24 and the private manager is expected to be named before the end of the year.

The General Assembly mandated private management of the Lottery, together with sale of Lottery tickets on the Internet, as part of a plan to increase Lottery revenues. Proceeds from the Lottery, which is the fifth largest revenue generator for the State, are used to support education and will form a significant part of the funding for the State's new capital projects program. The Lottery generated \$2 billion in revenue and \$630 million in free cash flow for the State during fiscal year 2009. Since 1974, the Lottery has contributed nearly \$15 billion to the State's Common School Fund, and it currently contributes 9 percent of the State's contribution to the school fund.

While the Lottery has been successful, its per capita sales are below average for U.S. lotteries and it faces increasing competition from other forms of gaming. A private manager is expected to provide the capital and know how to increase sales and meet competition. The State expects the private manager to focus on winning business from new, infrequent and lapsed Lottery players.

"Illinois has been struggling with outdated hardware and software programs," said Jodie Winnett, Acting Superintendent of the Illinois Lottery. "The private manager will provide funding for state-of-the-art technology that will allow for more exciting games and customer interaction while reducing costs. The private manager also will be expected to introduce best practices in management, marketing and socially responsible gaming."

Winnett added, "The private manager will provide the expertise necessary to bring the Lottery to the Internet, which the General Assembly has mandated under a pilot program pursuant to Federal authority. This will open a channel that will connect the Lottery with a large group of new customers—many of them younger—who prefer to play on-line."

An increasing number of States and foreign governments have been hiring private firms to improve the operations of their lotteries. A copy of the Request for Expressions of Interest is available on the Illinois Procurement Bulletin at www.purchase.state.il.us.

About the Illinois Lottery

Founded in 1974, the Illinois Lottery is a state agency with annual sales more than \$2 billion. Since its inception, the Lottery has contributed more than \$14 billion to the state Common School Fund to assist K-12 public schools. Players must be at least 18 years old. For more information on the Illinois Lottery please visit our website at www.illinoislottery.com.