

SA's Cyber Lotto Limited to invest US\$1.7 million in Malawi

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South African firm Cyber Lotto is to inject US\$1.7m into Malawi's national lottery after taking over from struggling African Lotteries Limited (Aflot).

Aflot, which was running the national lottery as a joint operation comprising France-based Editech and a Malawian company IT Centre, sealed a multi-million kwacha deal with the South African firm in early April.

The National Lotteries Board (NLB) Compliance Manager Olfa Alide, while confirming the deal, also announced that Cyber Lotto is expected to roll out a new national lottery on July 1, 2008.

The South African firm is to pump in US\$1m (K140m) into the lottery game and US\$700,000 into on-line machinery such as 'point-of-sale' gadgets.

Aflot launched as a joint firm in March 2006, running scratch-card and lotto games with an initial capital injection of US\$2 million.

Alide, whose board regulates lottery activities in Malawi, said Cyber Lotto would, among other changes, increase the odds of winning the lottery by reducing the number of tickets from two million to 500,000.

Aflot, which started with a bang soon after government had launched national lottery on April 25, 2006, became unpopular as people lost interest after it failed to honour winners of its highest stakes in its lotto 5.

At least two winners of its K5m jackpot were arrested with Aflot dealers on the pretext that they had colluded to defraud it.

"With new lotto techniques, there will be no cases of consumers or players getting arrested and accused of fraud after hitting the jackpot," said Alide.

Government established the national lottery and arranged that it will be getting 10% from the proceeds, which would be deposited in a National Lotteries Development Fund, 50% goes towards prizes, 30% on operations and 10% towards retailers' commission.

Cyber Lotto has been incorporated as a limited company and it is locally owned by former Aflot shareholders, which include National Bank Pension Fund, the Medical Aid Society of Malawi, the National Investment Trust Limited and

Investment Alliance Limited, which jointly own 30% shares as a local partner.

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