

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by Paul R. Sternburg

April 2, 2012



Lottery Sales Update

- February sales were up \$35 million – a 10 percent increase over February 2011.
- This sales spike, coupled with a 0.7 % decrease in the prize payout for the year to date from 72.3 % in FY11 to 71.6 % in FY12, raised the Lottery’s net profit for the first eight months of the year to \$53.3 million higher than the same eight month period in FY11. This figure is \$11.5 million higher than last month.
- We continue to produce these projections for budget purposes using the historical average prize payout percentage of 72.3%.
- February’s sales increase was driven by:
 - \$27 million bump in the Instant Ticket portfolio;
 - \$6 million increase in Powerball sales;
 - \$1 million increase in Keno sales;
 - \$2 million increase in Mass Cash sales;
 - and, a \$1 million dollar increase in Megabucks Doubler.
- Mega Millions and Cash WinFall, both experienced sales decreases in sales last month. Mega Millions sales dropped \$1 million due to competition from a higher Powerball jackpot. Cash WinFall sales were down \$2 million dollars because the game ended in January, hence there were no game sales for the month.

Lucky for Life Update

- Lucky for Life ticket sales began in all six New England states on Sunday, March 11 and held its first drawing on Thursday, March 15.
- Massachusetts Lottery players had lots of luck in the inaugural drawing for the multi-state lottery game.
- The new game, which is the first to be played in all six New England states, had its first top prize winner of \$1,000 a day, every day, for life after the ticket Bruce Campbell, 39, of Hanover purchased at Myette's Country Store in Hanover matched all six numbers drawn (1-2-6-10-19, Lucky Ball 15).
- There were also two tickets in the first drawing that won \$25,000 for matching the first five numbers, both of which were sold by Massachusetts Lottery retailers – Shaw's Supermarket in Canton and Patriot Pub in East Bridgewater. Bernadette McMahon of Canton and William Donovan of Bridgewater were the winners of those second tier prizes.
- Lucky for Life sales are strong, as projected, and continue to increase with each drawing.



“For Life” Ticket Suite Sales (Released Feb. 21)

\$500 A Week For Life

Price Point: \$1

36 Day Sales: \$6,659,933

\$1,000 A Week For Life Price

Point: \$2

36 Day Sales: \$19,578,330

\$2,500 A Week For Life

Price Point: \$5

36 Day Sales: \$32,379,717

\$5,000 A Week For Life Price

Point: \$10

36 Day Sales: \$35,889,945

Total Sales:

\$94.5 million

Just think what you could do with ...

PICK ONE UP FOR A CHANCE OF A LIFETIME

Total Cash Prizes of \$564,708,660!

THE LOTTERY



New Instant Ticket Release (April 3rd)

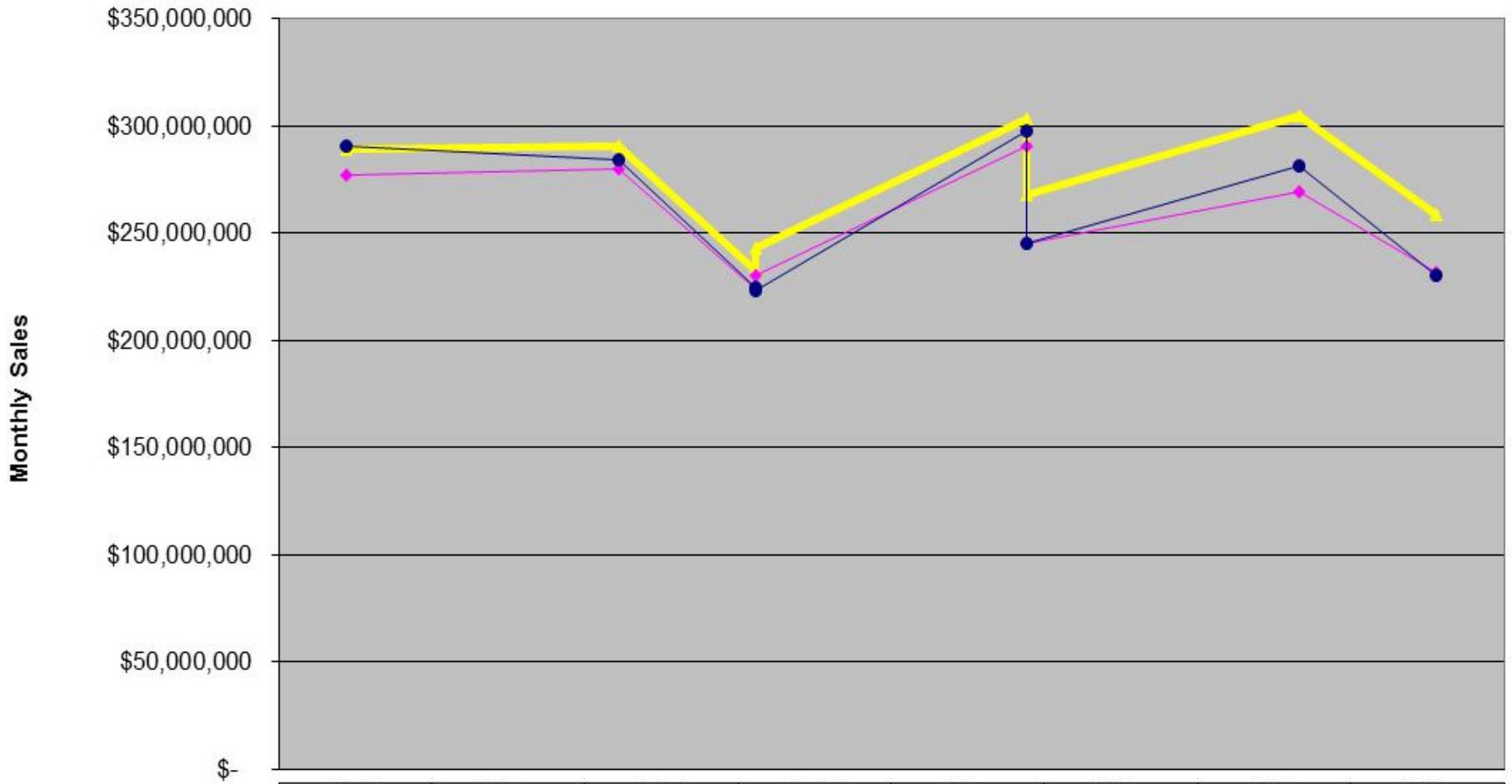
The THREE STOOGES[®]

- The Three Stooges' brand is recognized worldwide with proven appeal amongst lottery players.
- More than 10 lotteries have put forth successful instant tickets, several doing multiple games.
 - \$2 Instant Ticket featuring 16 different classic black & white Stooges scenes.
 - 30 million print run = \$60 million in sales, approximately \$12 million net profit.



**INSTANT
GAMES**

Instant Game Monthly Sales YTD 2010 thru 2012

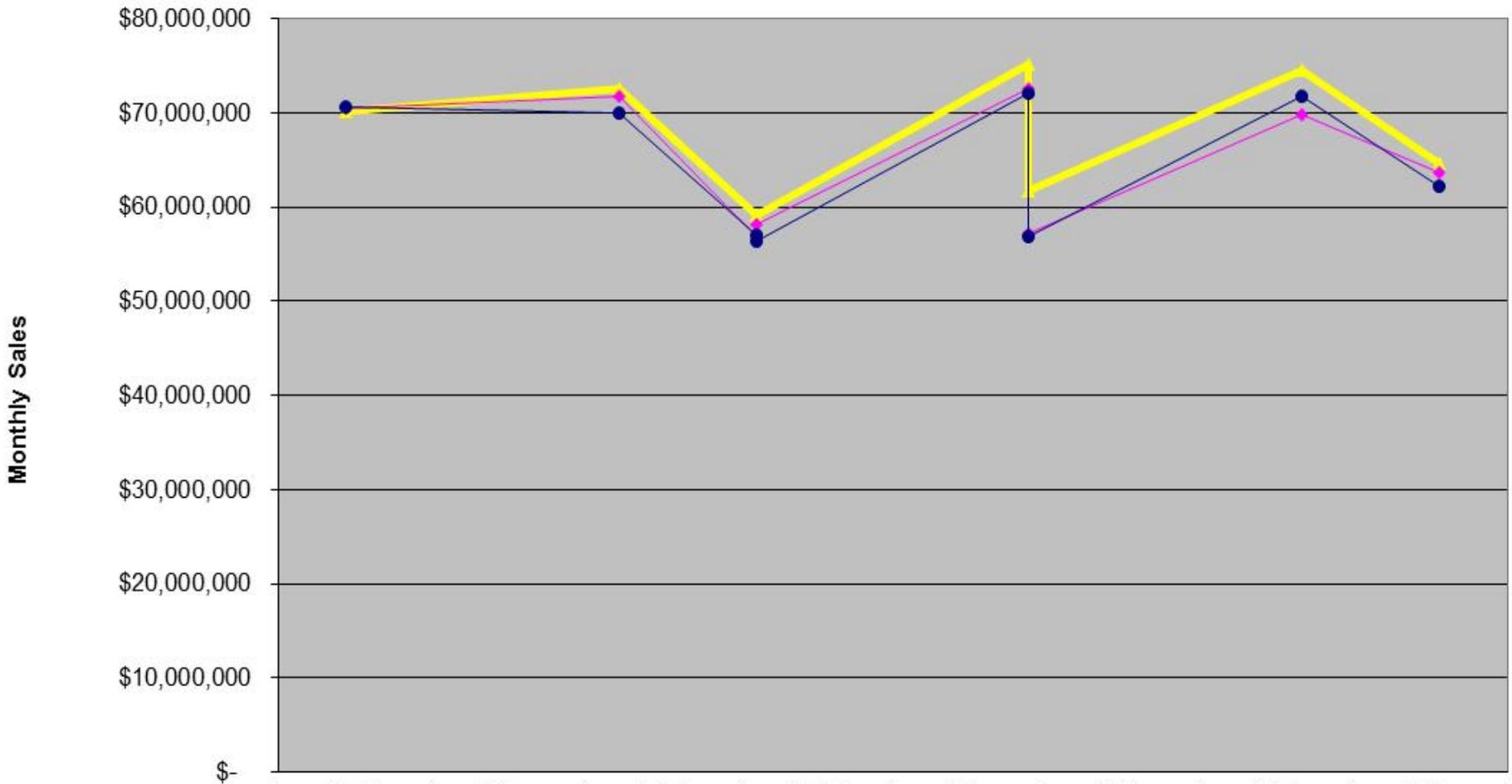


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$289,540,558	\$290,742,927	\$232,227,724	\$242,861,849	\$303,379,350	\$268,100,444	\$304,922,079	\$258,796,180
2011 Monthly Sales	\$277,436,639	\$279,756,652	\$224,154,313	\$230,266,512	\$290,680,776	\$245,104,186	\$269,511,067	\$231,842,548
2010 Monthly Sales	\$290,351,366	\$284,599,739	\$225,028,588	\$223,532,159	\$297,786,355	\$245,199,925	\$281,620,024	\$230,670,567



Month Ending

Keno Game Monthly Sales YTD 2010 thru 2012

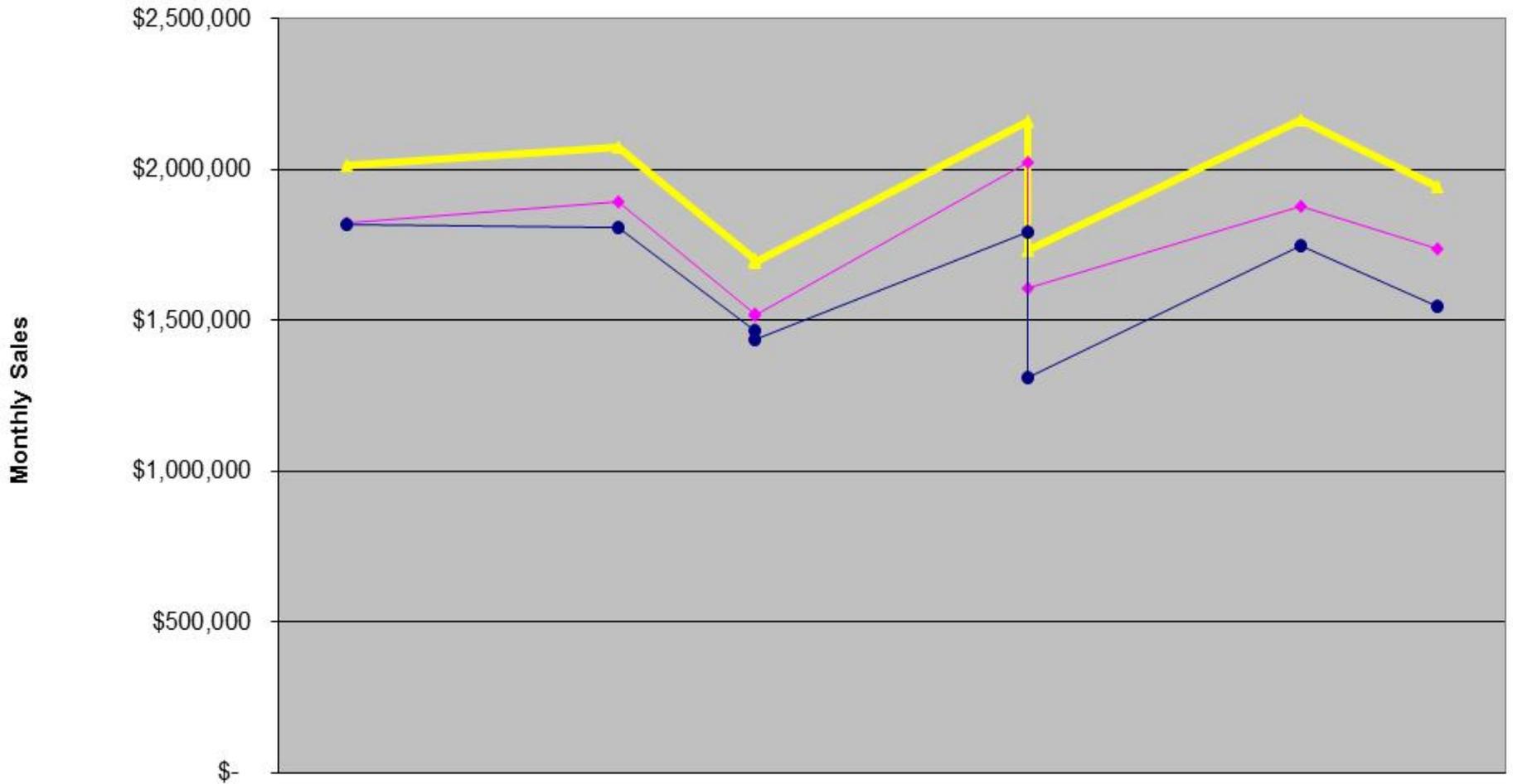


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$70,087,630	\$72,637,541	\$59,167,172	\$59,077,681	\$75,178,823	\$61,681,424	\$74,466,681	\$64,684,172
2011 Monthly Sales	\$70,481,804	\$71,819,357	\$56,939,601	\$58,222,815	\$72,659,946	\$57,173,914	\$69,753,994	\$63,723,343
2010 Monthly Sales	\$70,642,387	\$69,959,878	\$56,950,538	\$56,451,730	\$72,043,331	\$56,913,417	\$71,790,468	\$62,282,300



Month Ending

Race Game Monthly Sales YTD 2010 thru 2012

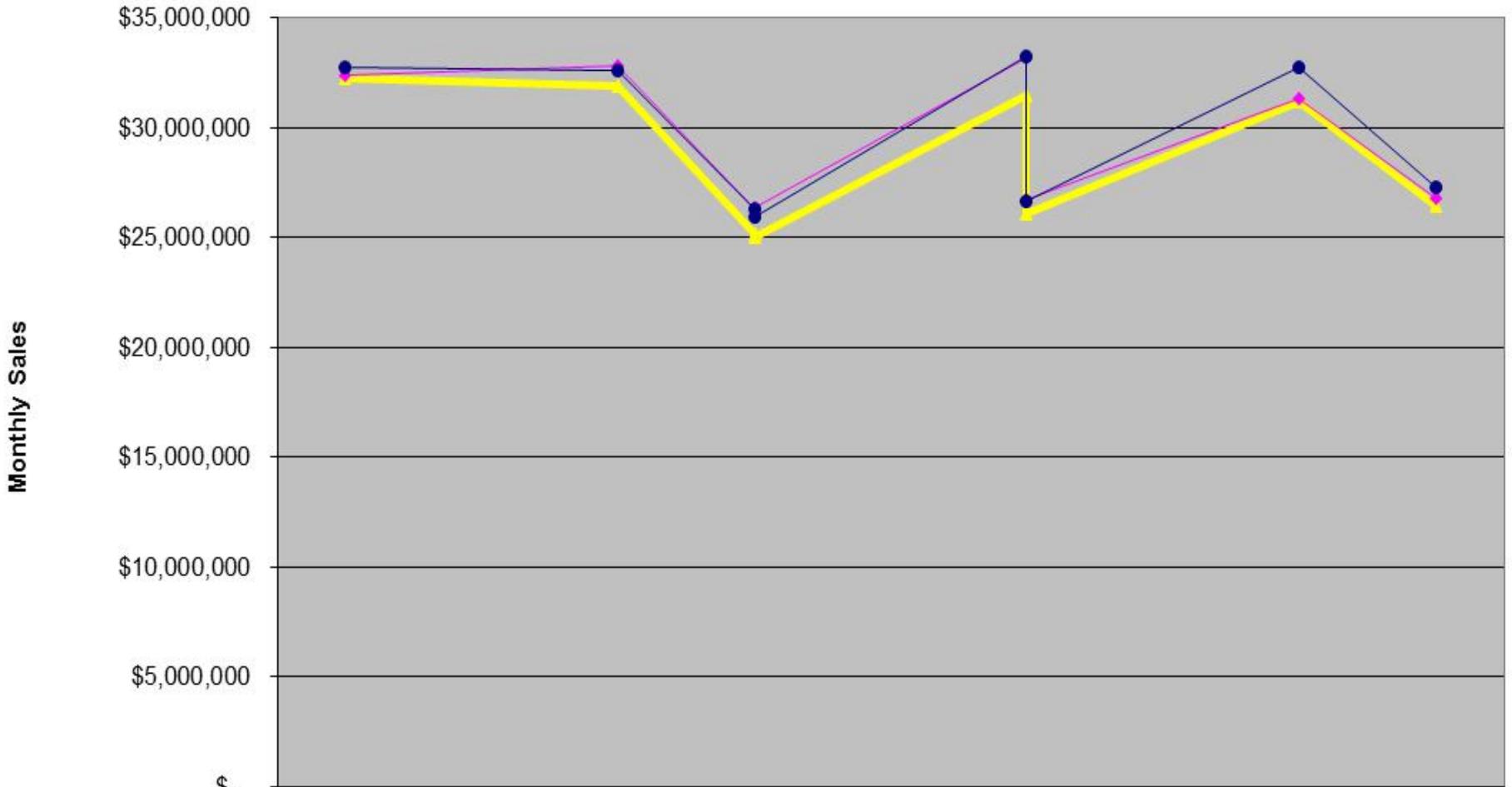


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$2,012,693	\$2,072,780	\$1,704,618	\$1,693,344	\$2,160,773	\$1,733,166	\$2,162,232	\$1,941,576
2011 Monthly Sales	\$1,823,068	\$1,890,989	\$1,520,639	\$1,517,425	\$2,026,063	\$1,608,235	\$1,878,607	\$1,736,019
2010 Monthly Sales	\$1,816,897	\$1,809,525	\$1,465,347	\$1,434,933	\$1,794,758	\$1,309,946	\$1,749,829	\$1,547,939



Month Ending

Numbers Game Monthly Sales YTD 2010 thru 2012

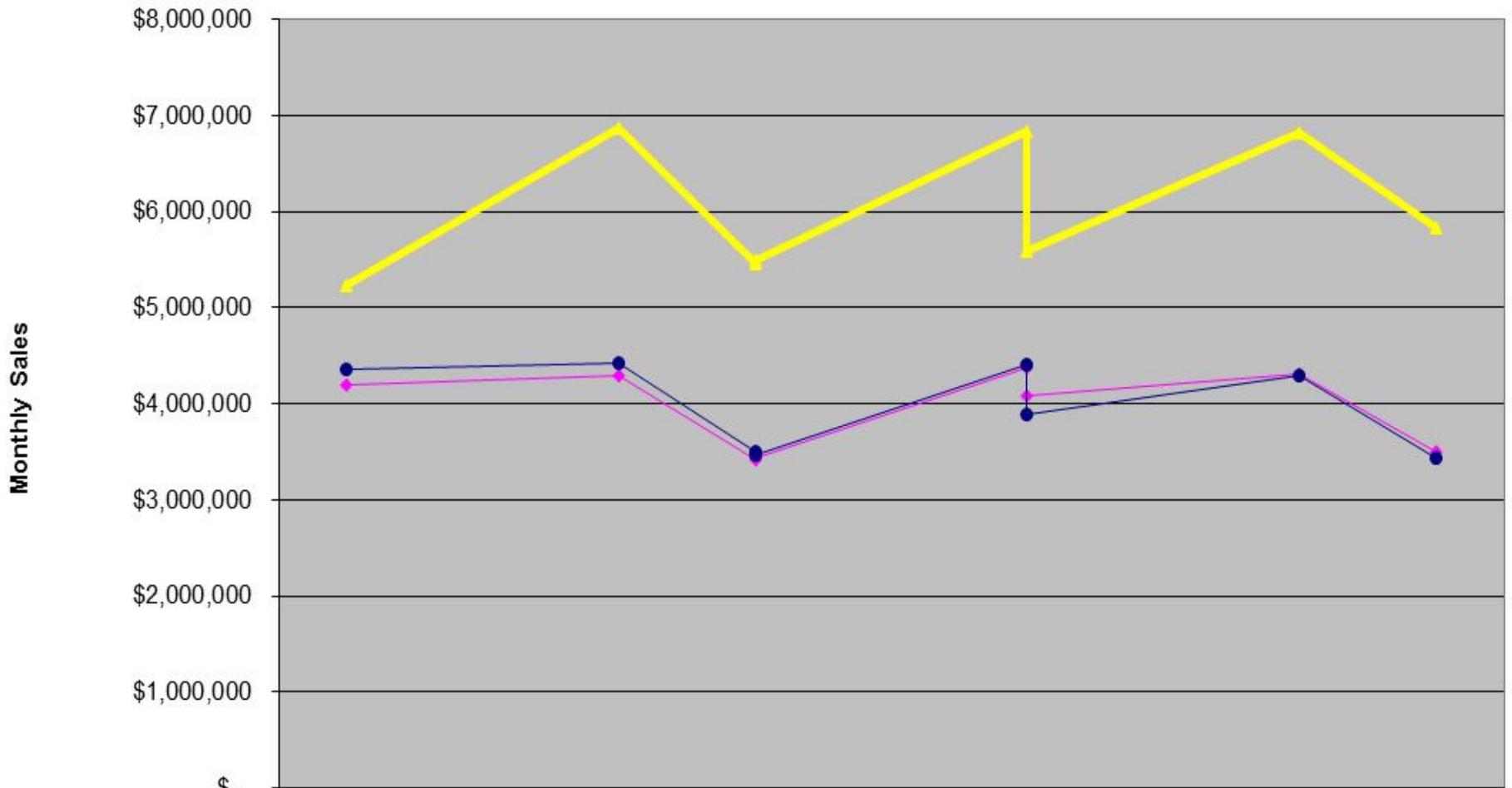


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$32,241,280	\$31,896,957	\$25,134,513	\$24,989,841	\$31,502,648	\$26,103,834	\$31,223,074	\$26,412,960
2011 Monthly Sales	\$32,410,221	\$32,843,654	\$26,268,575	\$26,342,732	\$33,189,633	\$26,725,004	\$31,355,851	\$26,812,928
2010 Monthly Sales	\$32,746,435	\$32,575,271	\$26,319,786	\$25,935,233	\$33,272,384	\$26,680,618	\$32,764,621	\$27,275,789



Month Ending

MassCash Game Monthly Sales YTD 2010 thru 2012

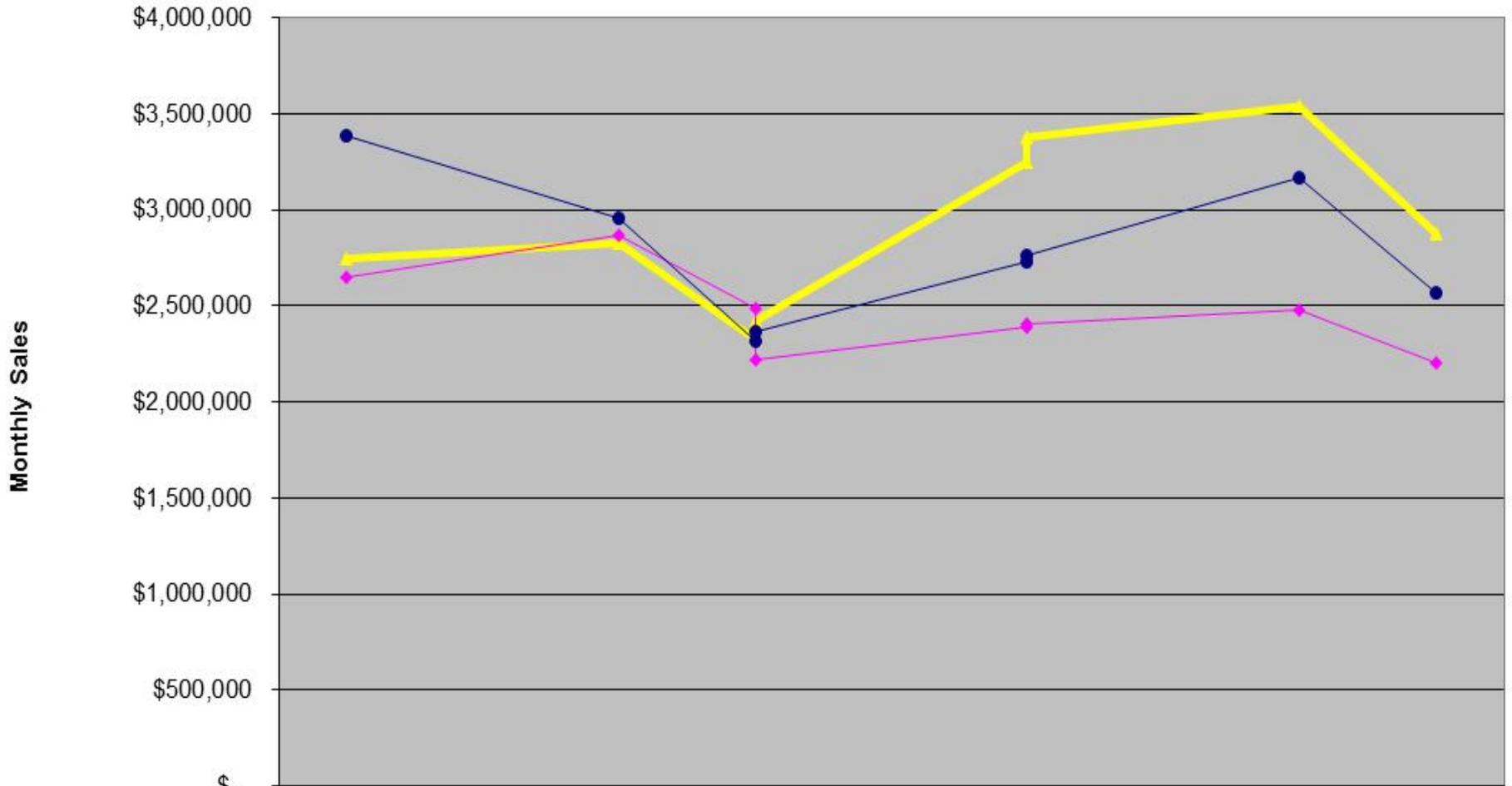


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$5,238,180	\$6,861,992	\$5,461,313	\$5,491,049	\$6,829,977	\$5,588,976	\$6,820,344	\$5,835,398
2011 Monthly Sales	\$4,192,059	\$4,285,392	\$3,420,098	\$3,431,267	\$4,373,524	\$4,089,223	\$4,317,543	\$3,495,779
2010 Monthly Sales	\$4,365,827	\$4,421,481	\$3,502,774	\$3,468,431	\$4,399,497	\$3,890,104	\$4,289,568	\$3,428,168



Month Ending

Megabucks Game Monthly Sales YTD 2010 thru 2012

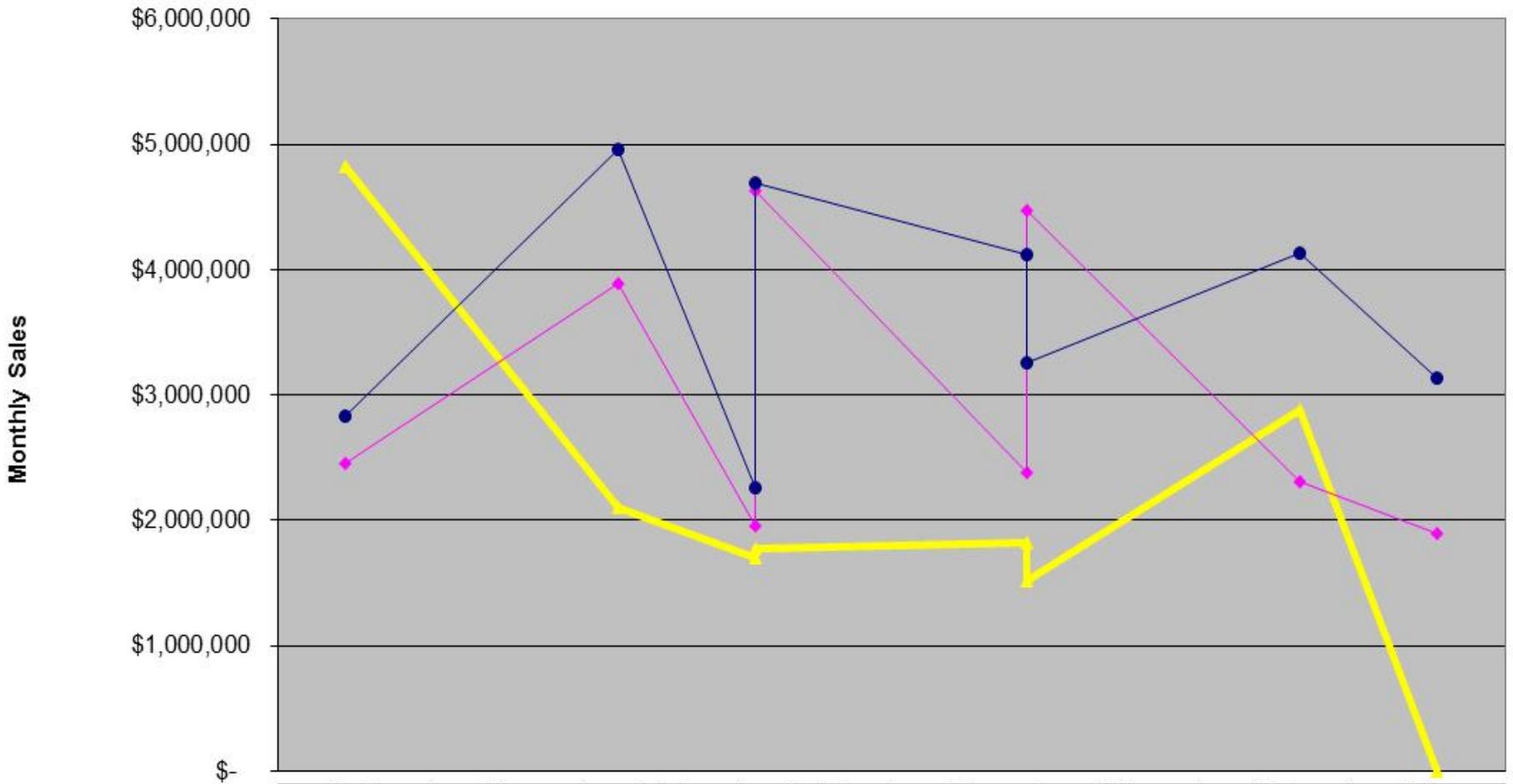


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$2,742,547	\$2,823,960	\$2,327,303	\$2,418,913	\$3,249,651	\$3,381,264	\$3,540,270	\$2,879,330
2011 Monthly Sales	\$2,652,162	\$2,871,261	\$2,485,109	\$2,220,819	\$2,389,826	\$2,409,018	\$2,481,937	\$2,205,105
2010 Monthly Sales	\$3,384,868	\$2,953,182	\$2,316,107	\$2,366,330	\$2,730,667	\$2,761,509	\$3,165,619	\$2,570,280



Month Ending

Cash WinFall Game Monthly Sales YTD 2010 thru 2012

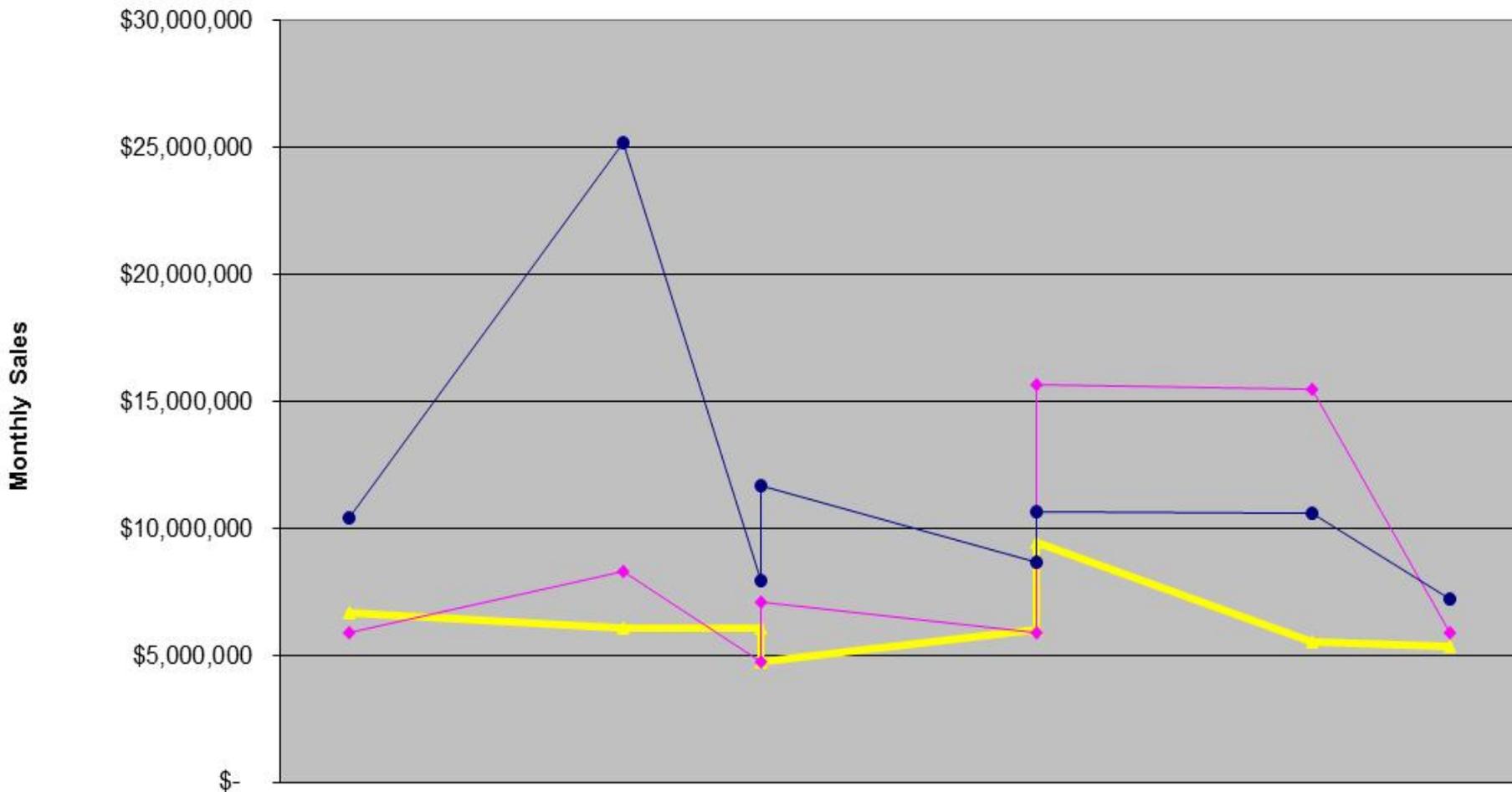


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$4,825,786	\$2,100,832	\$1,700,768	\$1,772,788	\$1,826,476	\$1,518,634	\$2,881,202	\$-
2011 Monthly Sales	\$2,452,192	\$3,889,326	\$1,954,272	\$4,633,496	\$2,379,763	\$4,470,730	\$2,306,710	\$1,894,620
2010 Monthly Sales	\$2,836,678	\$4,955,388	\$2,258,664	\$4,694,362	\$4,116,505	\$3,260,305	\$4,135,018	\$3,135,552



Month Ending

Mega Millions Game Monthly Sales YTD 2010 thru 2012

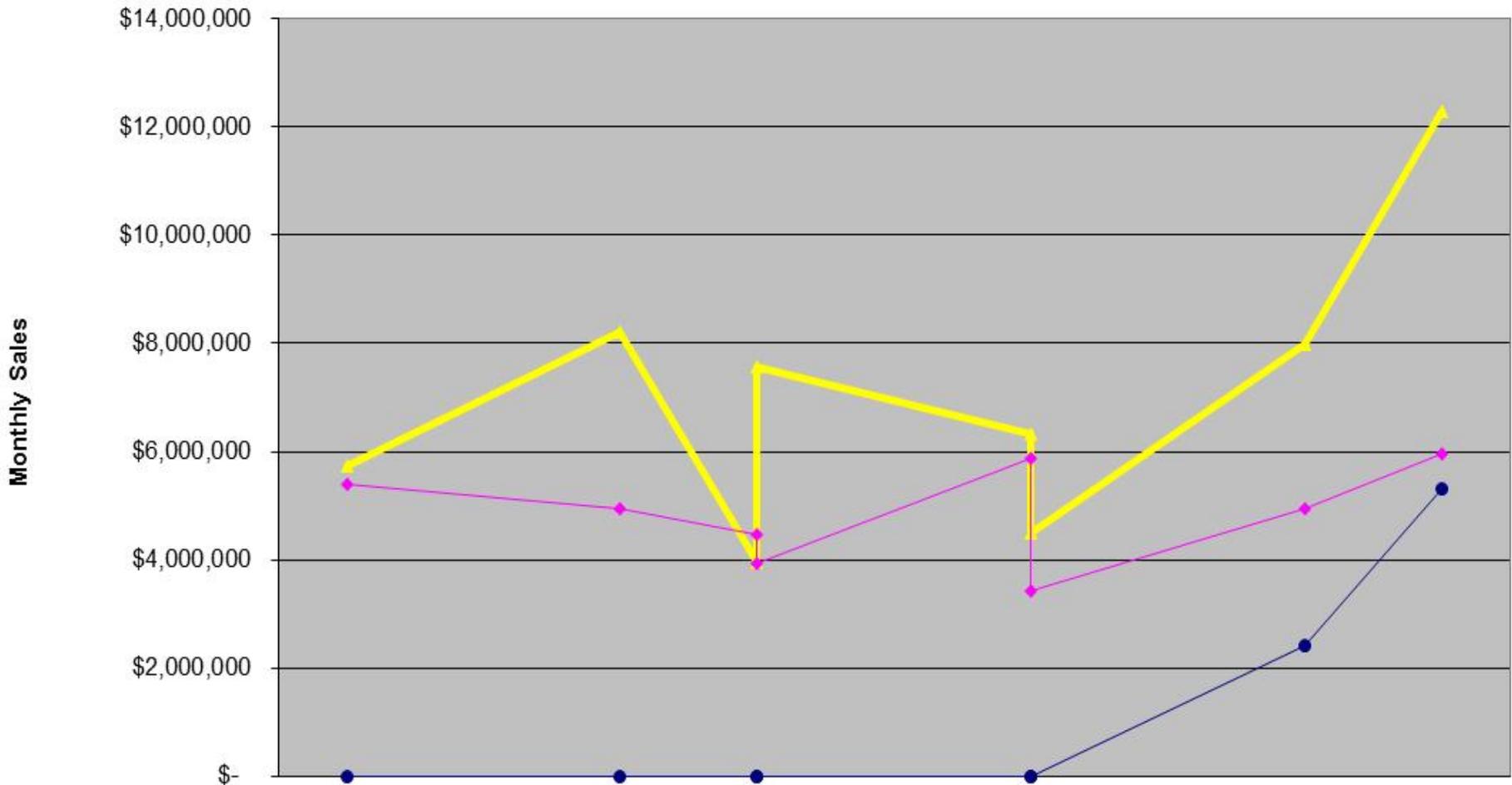


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$6,665,583	\$6,044,294	\$6,093,254	\$4,732,239	\$5,999,489	\$9,455,586	\$5,561,441	\$5,356,677
2011 Monthly Sales	\$5,883,069	\$8,310,970	\$4,721,634	\$7,127,421	\$5,863,271	\$15,659,859	\$15,471,338	\$5,890,784
2010 Monthly Sales	\$10,418,665	\$25,167,564	\$7,936,388	\$11,679,247	\$8,689,758	\$10,675,467	\$10,591,247	\$7,211,225



Month Ending

Powerball Game Monthly Sales YTD 2010 thru 2012

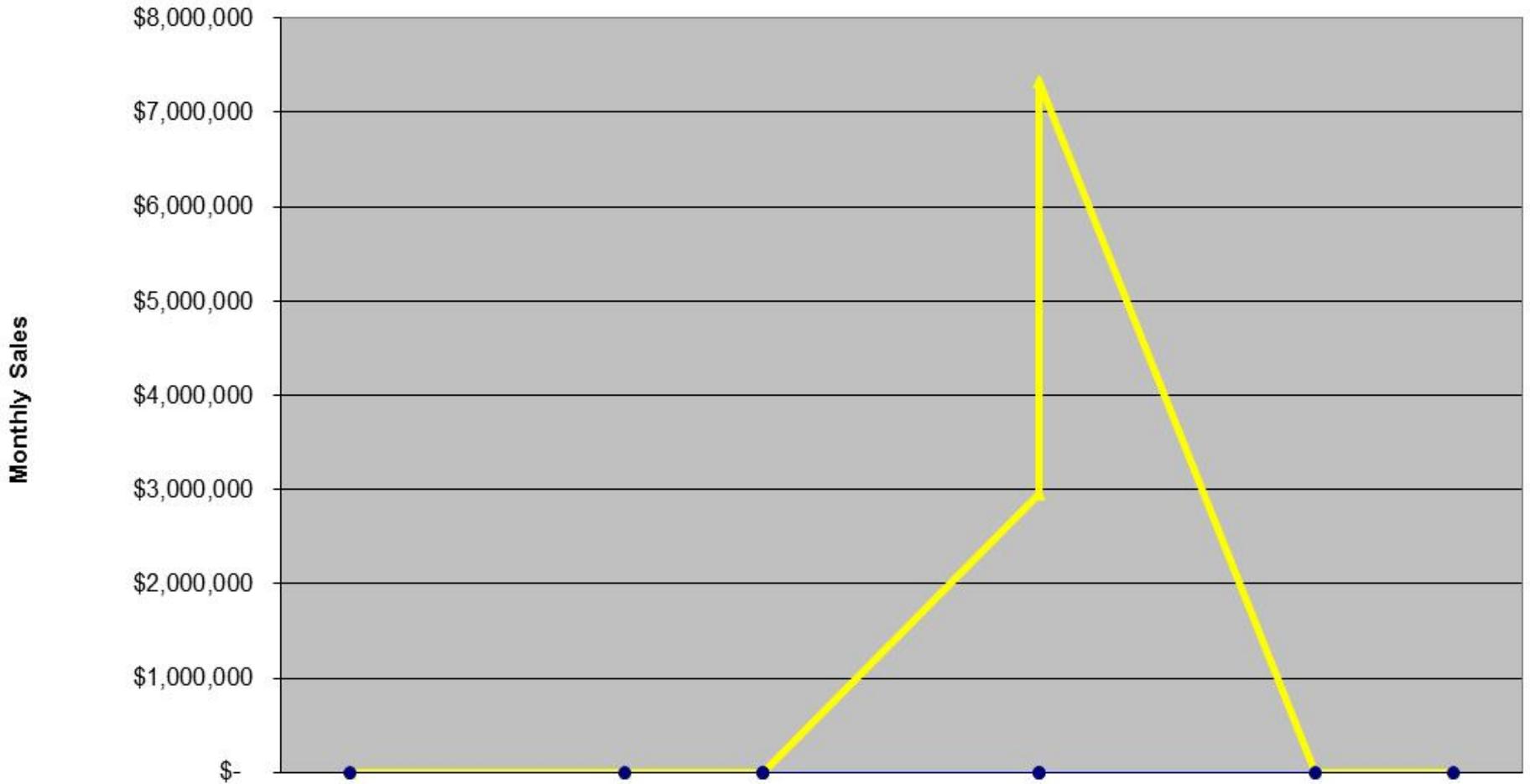


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$5,740,306	\$8,203,762	\$3,960,797	\$7,572,365	\$6,321,130	\$4,483,881	\$7,978,580	\$12,278,938
2011 Monthly Sales	\$5,395,080	\$4,948,365	\$4,464,904	\$3,923,359	\$5,870,310	\$3,433,022	\$4,937,356	\$5,963,943
2010 Monthly Sales	\$-	\$-	\$-	\$-	\$-	\$-	\$2,412,639	\$5,304,136



Month Ending

Online Raffle Game Monthly Sales YTD 2010 thru 2012

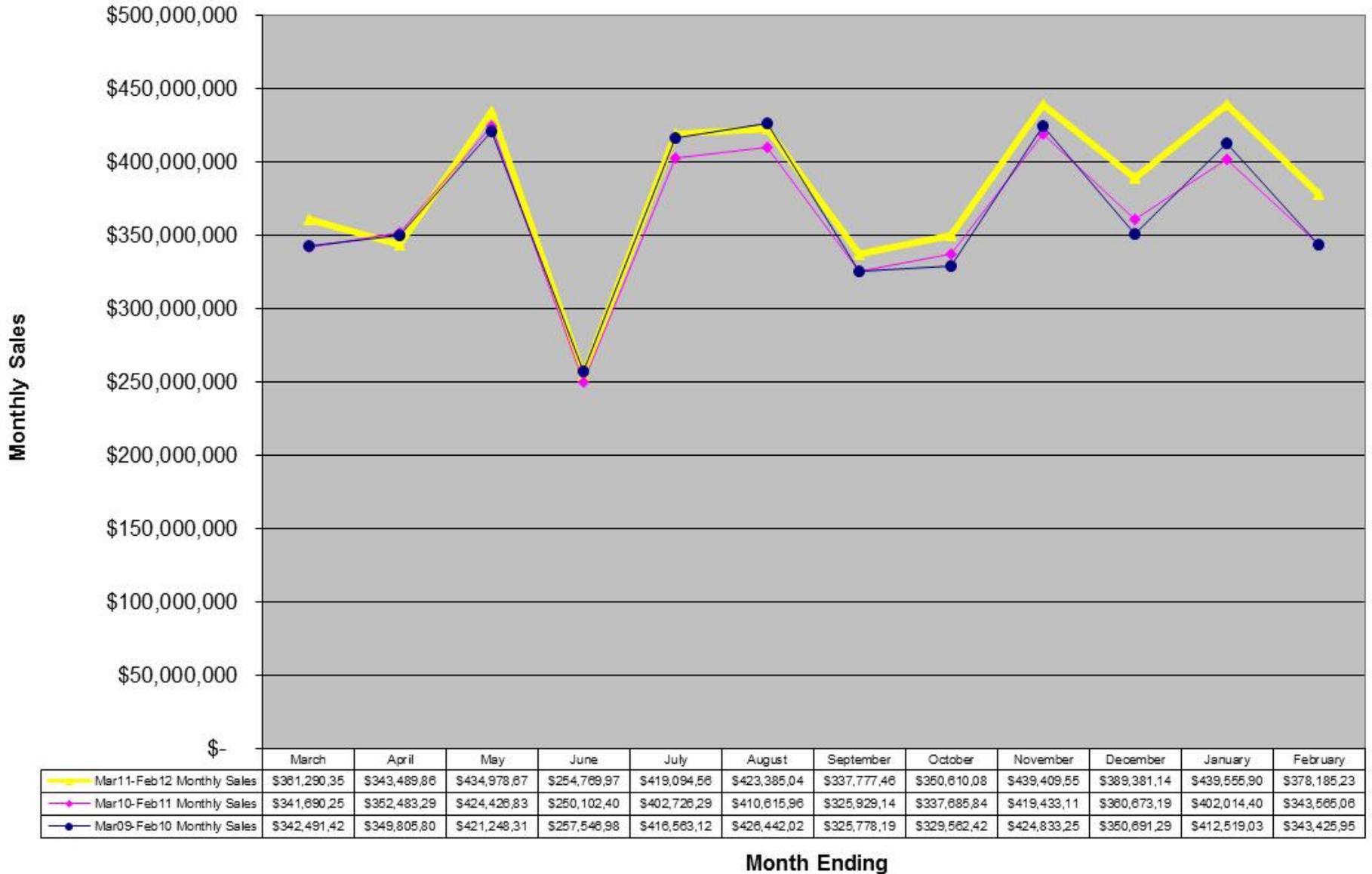


	30-Jul	3-Sep	1-Oct	29-Oct	3-Dec	31-Dec	4-Feb	3-Mar
2012 Monthly Sales	\$-	\$-	\$-	\$20	\$2,961,240	\$7,333,940	\$-	\$-
2011 Monthly Sales	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
2010 Monthly Sales	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-



Month Ending

All Game Monthly Sales Mar 09 thru Feb 12



MSLC Revenue Results

February FY12 vs. February FY11

(\$ millions)

	Payout %	FY12	% of Total	FY11	% of Total	\$ Change	% Change
Instant Tickets	69.9% to 80.4%	\$259	68.4%	\$232	67.4%	\$27	11.6%
MegaMillions	50%	5	1.4%	6	1.7%	-1	-8.5%
Powerball	50%	12	3.3%	6	1.8%	6	95.2%
Keno	70%	65	17.1%	64	18.5%	1	1.6%
Mass Cash	55%	6	1.5%	4	1.0%	2	65.7%
Race Game	70%	2	0.5%	2	0.5%	0	11.8%
Cash WinFall	60%	0	0.0%	2	0.6%	-2	-100.0%
Numbers Game	63%	26	7.0%	27	7.8%	0	-1.5%
Megabucks	55%	3	0.8%	2	0.6%	1	31.8%
Raffle Game	50%	0	0.0%	0	0.0%	0	100.0%
Total		\$378	100.0%	\$344	100.0%	34	10.0%
Instant Tickets		\$259	68.4%	\$232	67.4%	\$27	11.6%
Online Games		119	31.6%	112	32.6%	7	6.6%
Total		\$378	100.0%	\$344	100.0%	34	10.0%

MSLC Revenue Results

FY12 vs. FY11

(\$ millions)

	<u>Payout %</u>	<u>FY12</u>	<u>% of Total</u>	<u>FY11</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% Change</u>
Instant Tickets	69.9% to 80.4%	\$2,191	68.9%	\$2,049	68.2%	\$142	6.9%
MegaMillions	50%	50	1.6%	69	2.3%	-19	-27.6%
Powerball	50%	57	1.8%	39	1.3%	18	45.2%
Keno	70%	537	16.9%	521	17.3%	16	3.1%
Mass Cash	55%	48	1.5%	32	1.1%	17	52.2%
Race Game	70%	16	0.5%	14	0.5%	2	10.7%
Cash WinFall	60%	17	0.5%	24	0.8%	-7	-30.8%
Numbers Game	63%	230	7.2%	236	7.9%	-6	-2.7%
Megabucks	55%	23	0.7%	20	0.7%	4	18.8%
Raffle Game	50%	10	0.3%	0	0.0%	10	100.0%
Total		\$3,177	100.0%	\$3,003	100.0%	\$175	5.8%
Instant Tickets		\$2,191	68.9%	\$2,049	68.2%	\$142	6.9%
Online Games		987	31.1%	954	31.8%	33	3.5%
Total		\$3,177	100.0%	\$3,003	100.0%	\$175	5.8%

Lottery Reform Scorecard

- Governance:
 - The State Ethics Commission has announced that it will make available shortly its new, revised online training program which the Lottery is prepared to implement immediately. The program will satisfy the ethics reform measure requiring all public employees to complete an online training program every two years.

Thank you for the opportunity to share this information. We look forward to your feedback and to further discussion on these figures, as well as other Lottery initiatives.

