

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by Paul R. Sternburg

May 29, 2012



Lottery Sales Update

- Lottery sales continue to rise with last month's sales ringing in \$30 million higher than April 2011 sales.
- Strong sales coupled with a 1.1 percent drop in the overall prize payout for the year, from last year's 72.4 percent to the current 71.3 percent, has increased the Lottery's net profit for the year by \$92.5 million over the same period during fiscal year 2012. This represents a \$10.8 million increase over last month.
- April's top sales performers were Instant Tickets which saw a \$26 million increase; the multi-state Powerball game, which was up \$1 million; Mass Cash, which was up \$2 million; and the regional Lucky For Life game, which brought in \$4 million in new sales.
- The two games that experienced sales decreases in April were Cash WinFall, which saw a \$2 million decrease as compared to last year because there have been no ticket sales since the game officially ended on January 23; and, the Numbers Game saw a \$1 million decrease due to cannibalization from Mass Cash's expansion to a seven-day-a-week draw schedule.

40th Anniversary Retailer Recognition & Promotional Events

- As part of our 40th anniversary celebration, staff from the Lottery's Marketing Department will be visiting the 95 retailers across Massachusetts who have been selling game tickets since the Lottery's inception in 1972 and holding promotional events at their store locations.
- We will be commemorating the four decade-long partnership with the 95 original retailers by presenting a plaque to each store owner.
- In addition, we will be holding player-focused events at each location that include "Lucky Wheel Spins." Everyone (over 18, of course) who purchases \$5 in any Lottery games get to spin the wheel and are guaranteed to win a prize. Prizes will include sweatshirts, hats, t-shirts, watches, and more.
- The events started last Friday and will continue throughout the summer. A schedule is posted on masslottery.com, as well as Facebook, and will be updated as more dates are scheduled.



Upcoming Instant Ticket Releases (June 12)

7-11-21

Price Point: \$1

Top Prize: \$10,000

\$50,000 Grant

Price Point: \$2

Top Prize: \$50,000/Loaded
with \$50 & \$500 prizes

Red White & Blue 7's

Price Point: \$2

Top Prize: \$30,000

Double Platinum Payday

Price Point: \$5

Top Prize: \$1 million



April Instant Ticket Sales (April 17)

Solid Gold

Price Point: \$1

34 Day Sales: \$3.3 million



Cash Up

Price Point: \$2

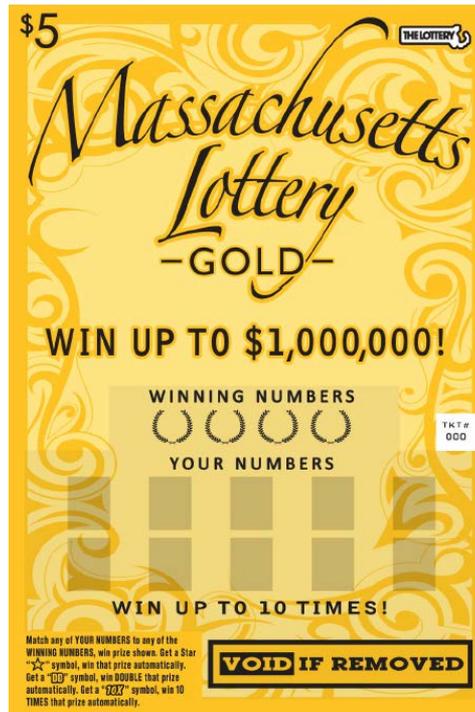
34 Day Sales: \$9.73 million



Massachusetts Lottery Gold

Price Point: \$5

34 Day Sales: \$21.3 million



40th Anniversary Millions

Price Point: \$20

34 Day Sales: \$46.6 million



**INSTANT
GAMES**

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

\$500 A Week For Life

Price Point: \$1

90 Day Sales: \$13.1 million

\$1,000 A Week For Life Price

Point: \$2

90 Day Sales: \$36.8 million

\$2,500 A Week For Life

Price Point: \$5

90 Day Sales: \$63 million

\$5,000 A Week For Life Price

Point: \$10

90 Day Sales: \$69.1 million

Total Sales: \$182 million

Just think what you could do with ...

PICK ONE UP FOR A CHANCE OF A LIFETIME

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

\$500 A WEEK FOR LIFE!

\$1,000 A WEEK FOR LIFE!

\$2,500 A WEEK FOR LIFE!

\$5,000 A WEEK FOR LIFE!

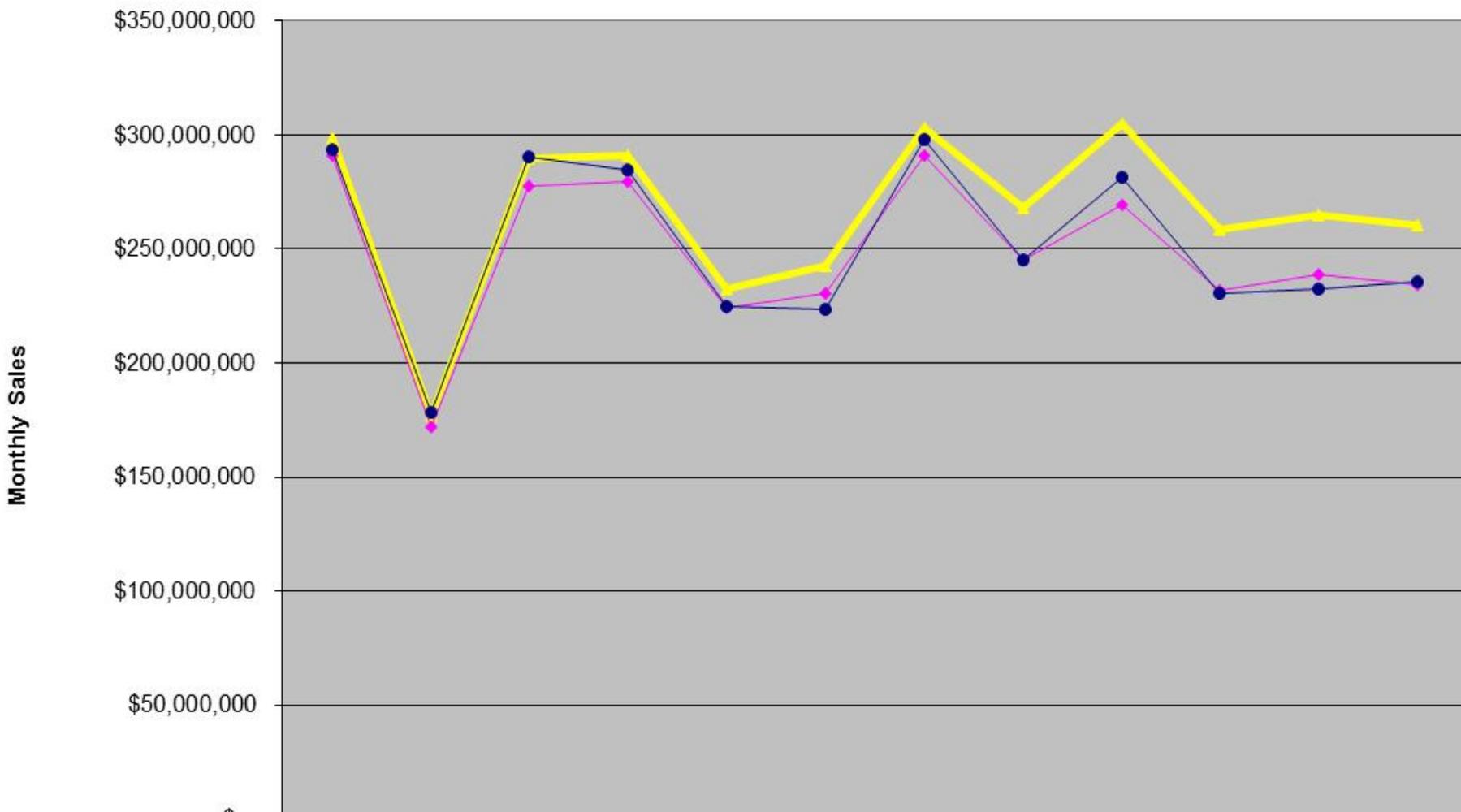
VOID IF REMOVED

WIN UP TO 10 TIMES!

THE LOTTERY



Instant Game Monthly Sales May 09 thru April 12

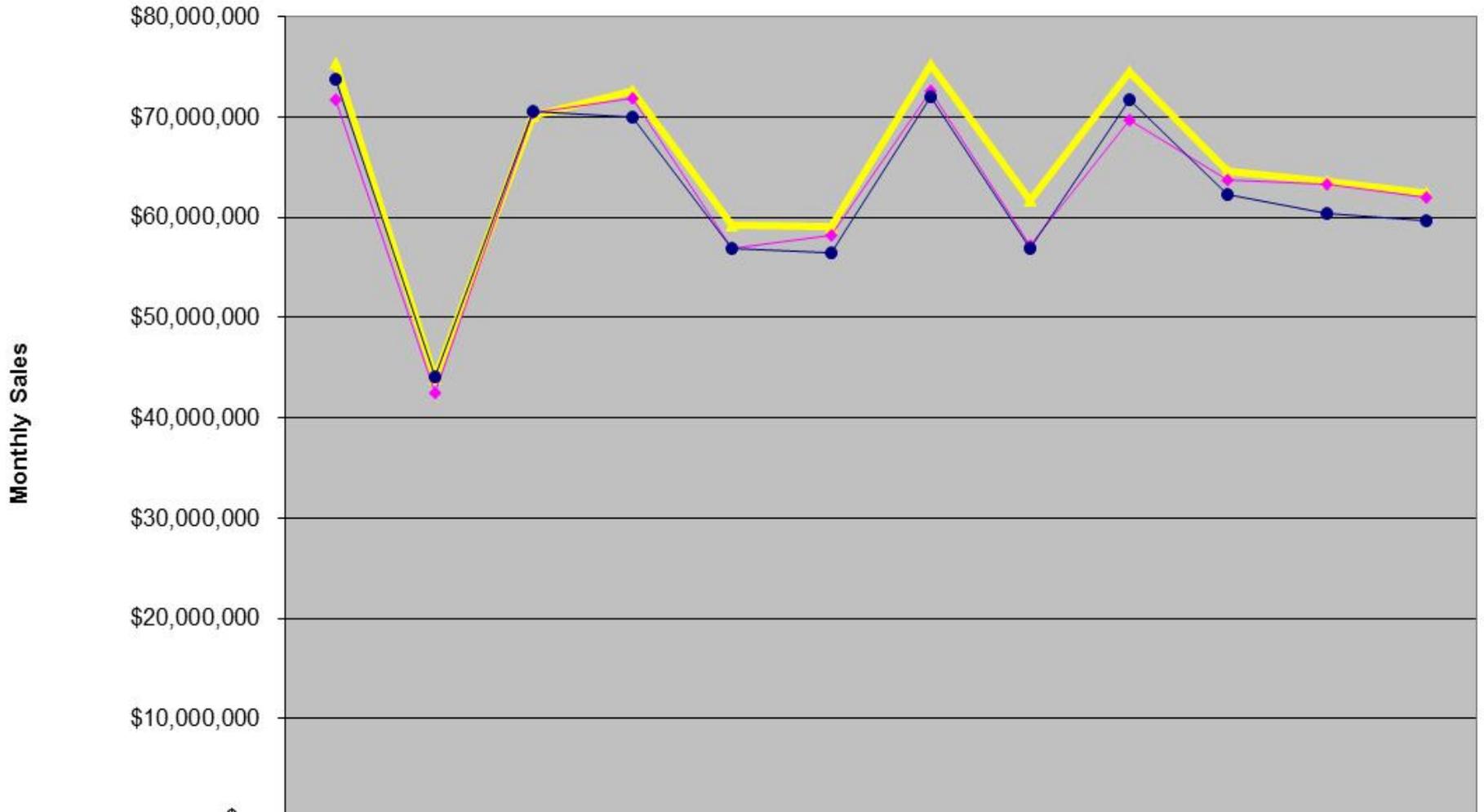


	May	June	July	August	September	October	November	December	January	February	March	April
May11-Apr12 Monthly Sales	\$298,916,07	\$177,126,38	\$289,540,55	\$290,742,92	\$232,227,72	\$242,861,84	\$303,379,35	\$268,100,44	\$304,922,07	\$258,796,18	\$265,035,53	\$260,486,09
May10-Apr11 Monthly Sales	\$290,738,59	\$171,650,75	\$277,436,63	\$279,756,65	\$224,154,31	\$230,266,51	\$290,680,77	\$245,104,18	\$269,511,06	\$231,842,54	\$238,933,61	\$234,649,19
May09-Apr10 Monthly Sales	\$293,577,54	\$178,177,88	\$290,351,36	\$284,599,73	\$225,028,58	\$223,532,15	\$297,786,35	\$245,199,92	\$281,620,02	\$230,670,56	\$232,736,74	\$235,776,65



Month Ending

KENO Game Monthly Sales May 09 thru April 12

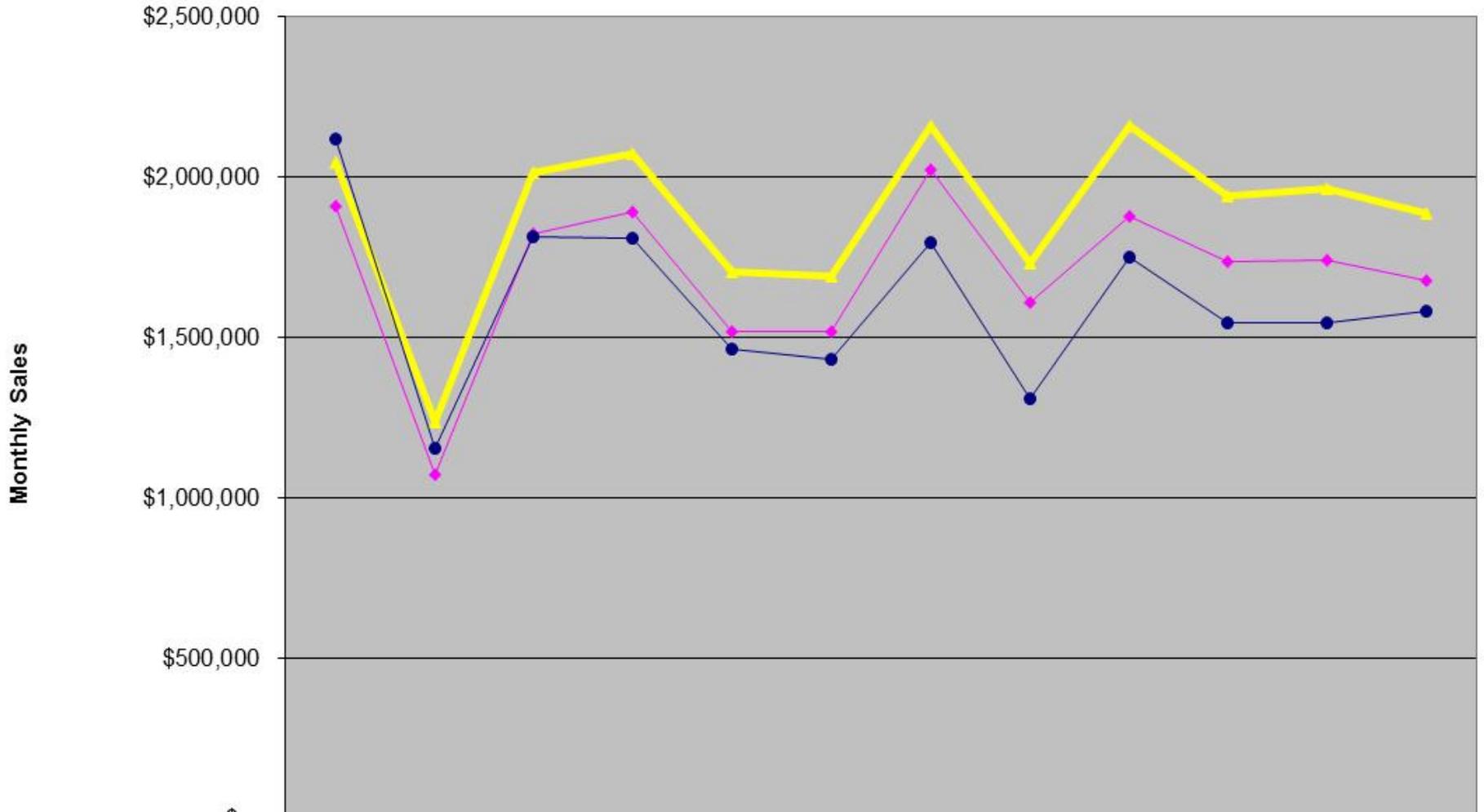


	May	June	July	August	September	October	November	December	January	February	March	April
May11-Apr12 Monthly Sales	\$75,374,599	\$44,033,827	\$70,087,630	\$72,637,541	\$59,167,172	\$59,077,681	\$75,178,823	\$61,681,424	\$74,466,681	\$64,684,172	\$63,579,007	\$62,438,549
May10-Apr11 Monthly Sales	\$71,815,309	\$42,506,911	\$70,481,804	\$71,819,357	\$56,939,601	\$58,222,815	\$72,659,946	\$57,173,914	\$69,753,994	\$63,723,343	\$63,268,022	\$61,946,220
May09-Apr10 Monthly Sales	\$73,727,679	\$44,131,997	\$70,642,387	\$69,959,878	\$56,950,538	\$56,451,730	\$72,043,331	\$56,913,417	\$71,790,468	\$62,282,300	\$60,463,763	\$59,646,060

Month Ending



Race Game Monthly Sales May 09 thru April 12

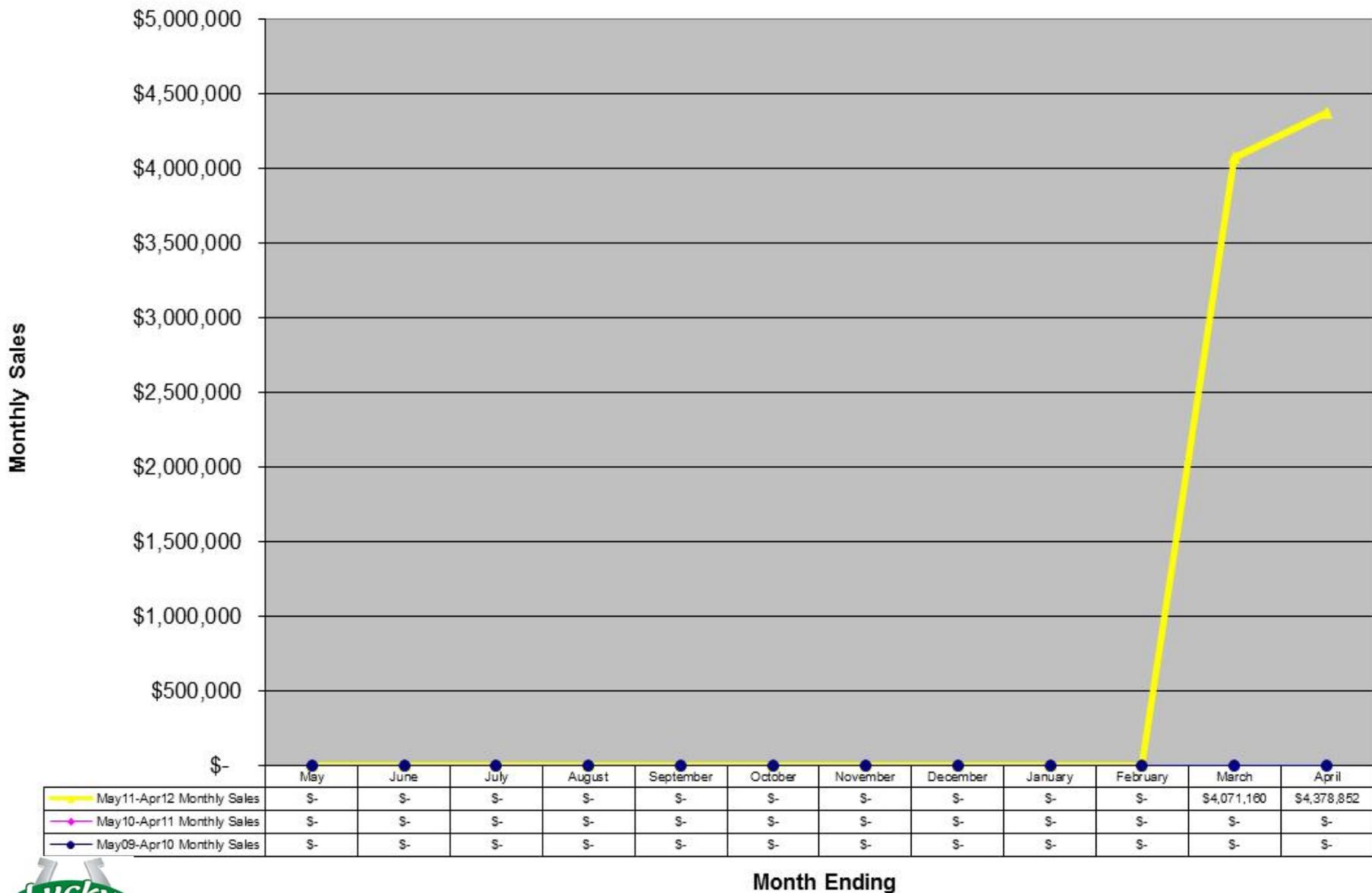


	May	June	July	August	September	October	November	December	January	February	March	April
May11-Apr12 Monthly Sales	\$2,045,327	\$1,237,246	\$2,012,693	\$2,072,780	\$1,704,618	\$1,693,344	\$2,160,773	\$1,733,166	\$2,162,232	\$1,941,576	\$1,966,920	\$1,889,649
May10-Apr11 Monthly Sales	\$1,908,279	\$1,074,712	\$1,823,068	\$1,890,989	\$1,520,639	\$1,517,425	\$2,026,063	\$1,608,235	\$1,878,607	\$1,736,019	\$1,744,067	\$1,676,092
May09-Apr10 Monthly Sales	\$2,117,116	\$1,156,630	\$1,816,897	\$1,809,525	\$1,465,347	\$1,434,933	\$1,794,758	\$1,309,946	\$1,749,829	\$1,547,939	\$1,546,623	\$1,582,824

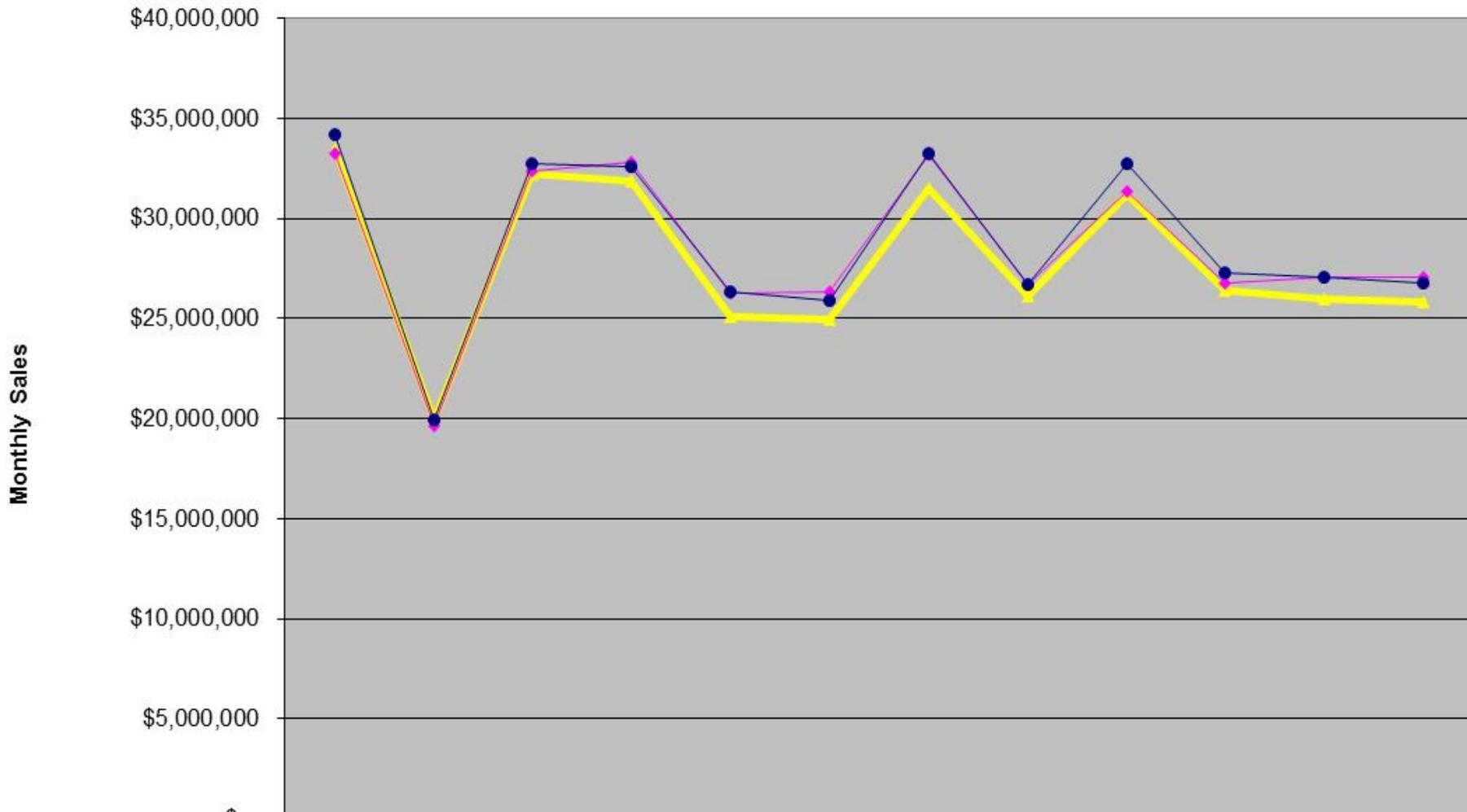
Month Ending



Lucky For Life Game Monthly Sales May 09 thru April 12

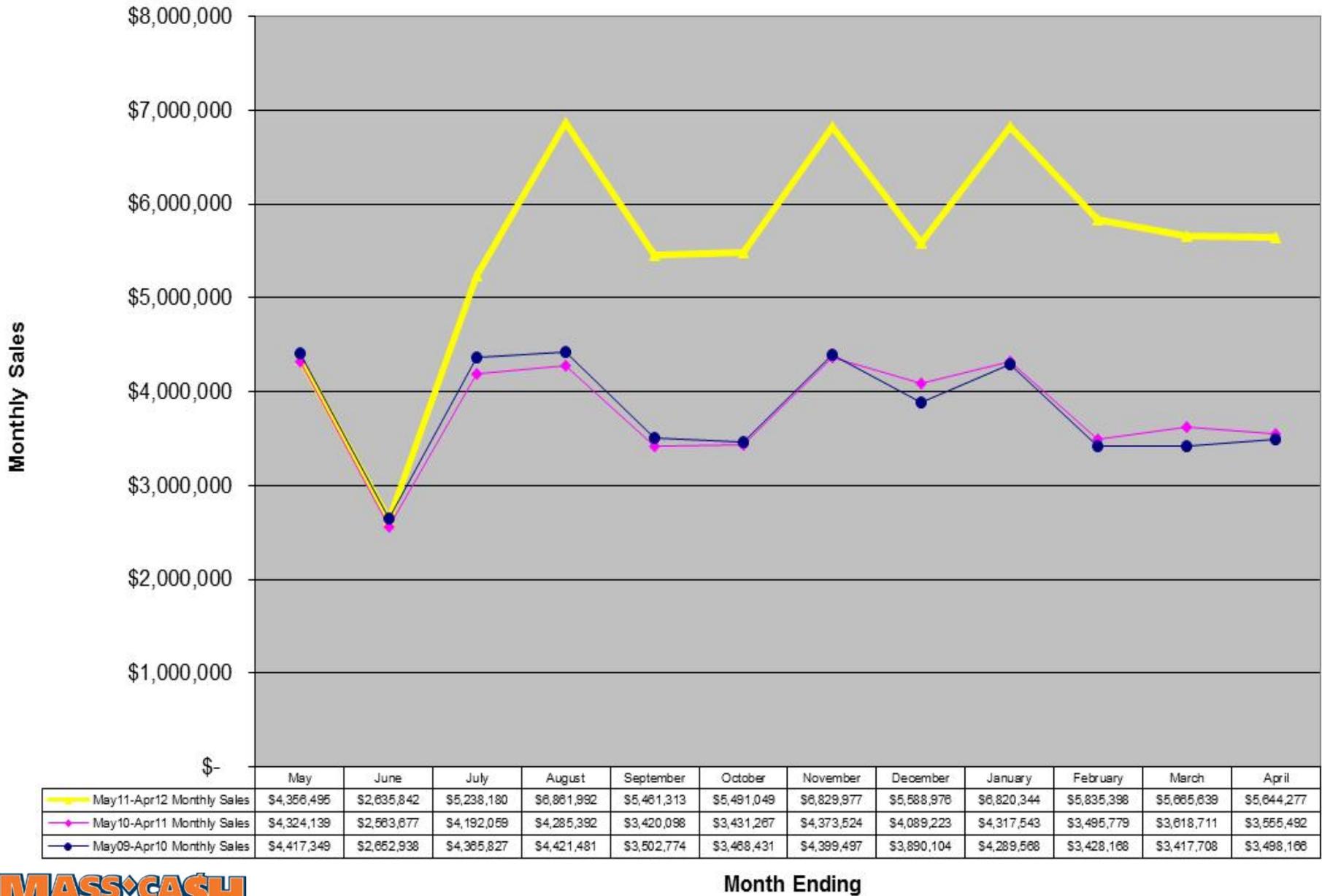


Numbers Game Monthly Sales May 09 thru April 12



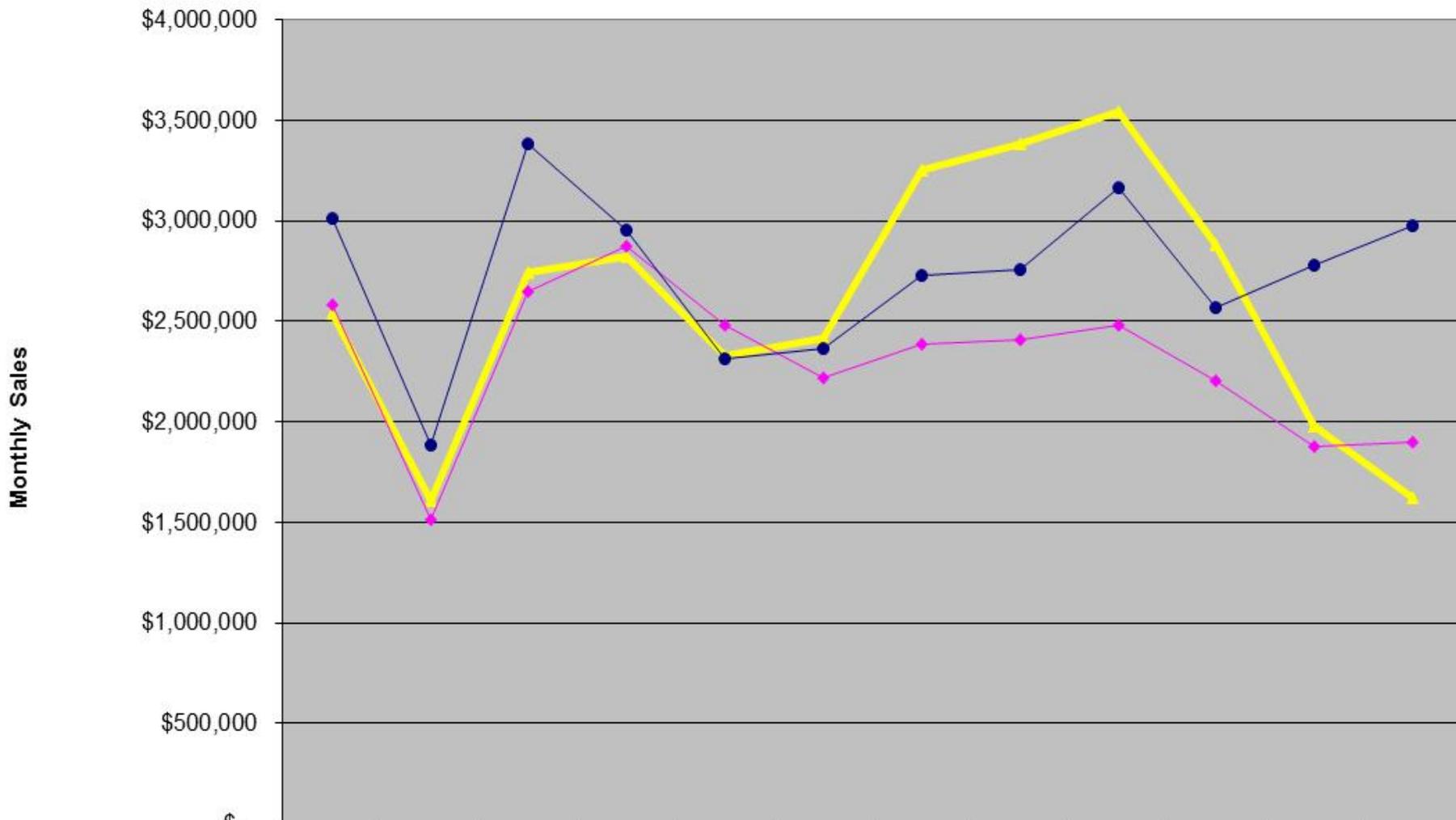
	May	June	July	August	September	October	November	December	January	February	March	April
May11-Apr12 Monthly Sales	\$33,498,382	\$19,927,891	\$32,241,280	\$31,898,957	\$25,134,513	\$24,989,841	\$31,502,648	\$28,103,834	\$31,223,074	\$28,412,960	\$25,986,016	\$25,821,532
May10-Apr11 Monthly Sales	\$33,217,899	\$19,876,509	\$32,410,221	\$32,843,654	\$26,268,575	\$26,342,732	\$33,189,633	\$28,725,004	\$31,355,851	\$28,812,928	\$27,063,003	\$27,070,774
May09-Apr10 Monthly Sales	\$34,166,855	\$19,979,044	\$32,746,435	\$32,575,271	\$26,319,786	\$25,935,233	\$33,272,384	\$28,680,618	\$32,764,621	\$27,275,789	\$27,076,648	\$26,805,374

Mass Cash Game Monthly Sales May 09 thru April 12



Month Ending

Megabucks Game Monthly Sales May 09 thru April 12

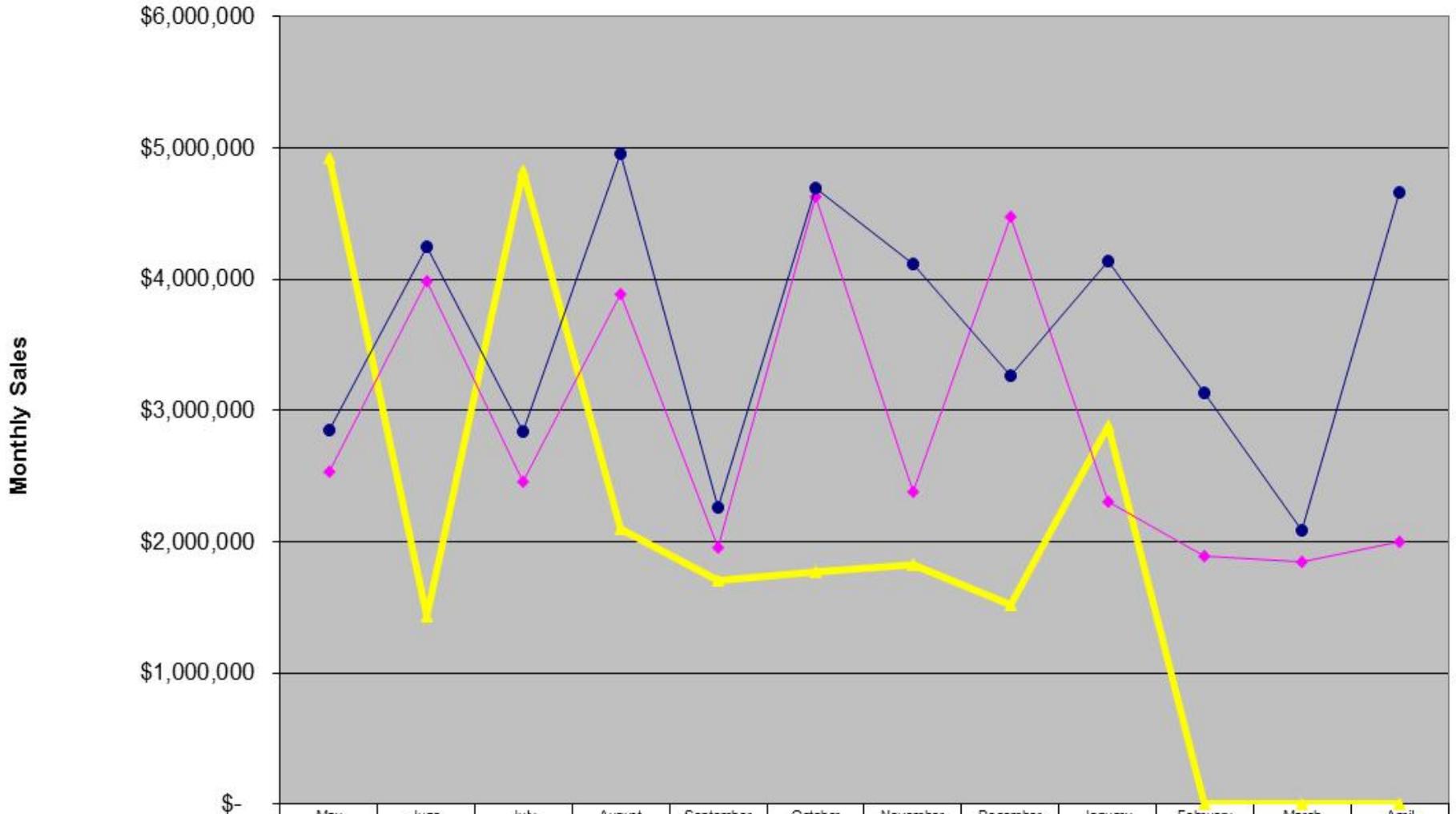


	May	June	July	August	September	October	November	December	January	February	March	April
May11-Apr12 Monthly Sales	\$2,538,472	\$1,607,561	\$2,742,547	\$2,823,960	\$2,327,303	\$2,418,913	\$3,249,651	\$3,381,264	\$3,540,270	\$2,879,330	\$1,980,570	\$1,626,691
May10-Apr11 Monthly Sales	\$2,584,907	\$1,516,082	\$2,652,162	\$2,871,261	\$2,485,109	\$2,220,819	\$2,389,828	\$2,409,018	\$2,481,937	\$2,205,105	\$1,878,503	\$1,900,644
May09-Apr10 Monthly Sales	\$3,012,415	\$1,884,318	\$3,384,868	\$2,953,182	\$2,316,107	\$2,366,330	\$2,730,667	\$2,781,509	\$3,165,619	\$2,570,280	\$2,776,858	\$2,974,056



Month Ending

Cash Winfall Game Monthly Sales May 09 thru April 12

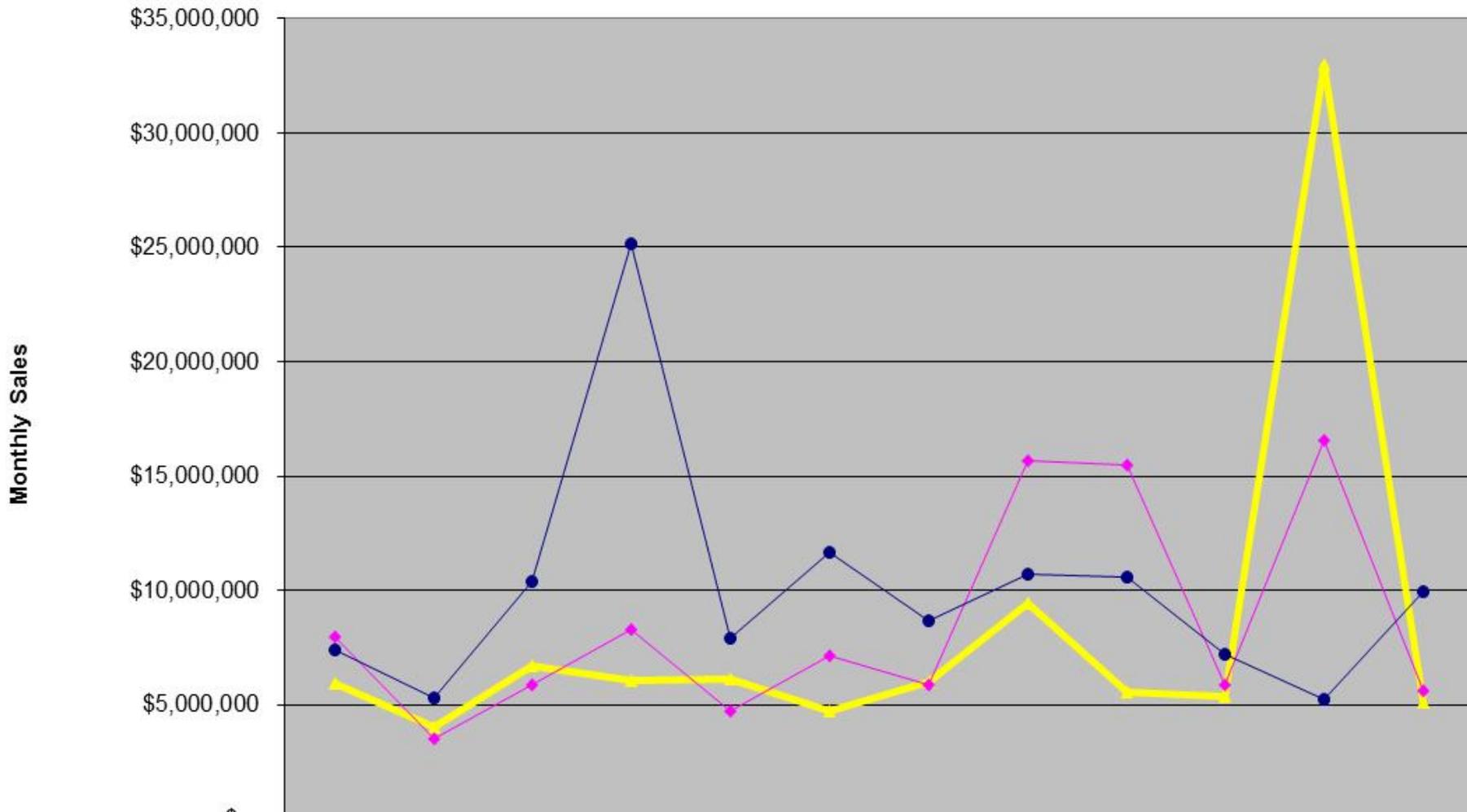


	May	June	July	August	September	October	November	December	January	February	March	April
May11-Apr12 Monthly Sales	\$4,927,088	\$1,427,740	\$4,825,786	\$2,100,832	\$1,700,768	\$1,772,788	\$1,826,478	\$1,518,634	\$2,881,202	\$-	\$-	\$-
May10-Apr11 Monthly Sales	\$2,535,026	\$3,982,374	\$2,452,192	\$3,889,326	\$1,954,272	\$4,633,496	\$2,379,763	\$4,470,730	\$2,306,710	\$1,894,620	\$1,841,414	\$1,999,702
May09-Apr10 Monthly Sales	\$2,847,214	\$4,249,496	\$2,836,678	\$4,955,388	\$2,258,664	\$4,694,362	\$4,116,505	\$3,260,305	\$4,135,018	\$3,135,552	\$2,081,670	\$4,665,288



Month Ending

Mega Millions Game Monthly Sales May 09 thru April 12

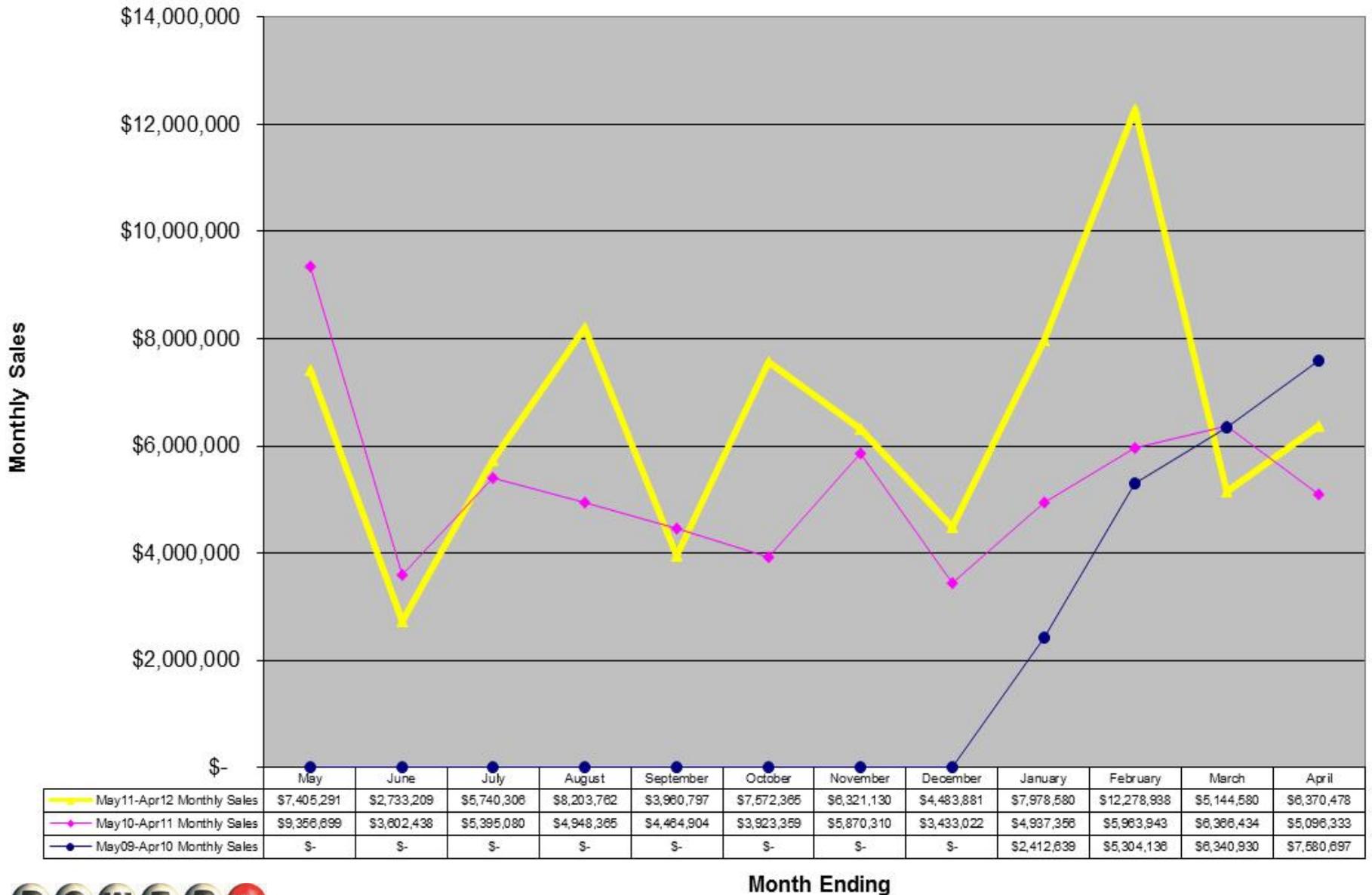


	May	June	July	August	September	October	November	December	January	February	March	April
May11-Apr12 Monthly Sales	\$5,916,940	\$4,040,274	\$6,665,583	\$6,044,294	\$6,093,254	\$4,732,239	\$5,999,489	\$9,455,586	\$5,561,441	\$5,356,677	\$32,974,064	\$5,113,305
May10-Apr11 Monthly Sales	\$7,945,979	\$3,528,946	\$5,883,069	\$8,310,970	\$4,721,634	\$7,127,421	\$5,863,271	\$15,659,859	\$15,471,338	\$5,690,784	\$16,576,585	\$5,595,416
May09-Apr10 Monthly Sales	\$7,382,147	\$5,314,676	\$10,418,665	\$25,167,564	\$7,936,388	\$11,679,247	\$8,689,758	\$10,675,467	\$10,591,247	\$7,211,225	\$5,249,310	\$9,954,180

Month Ending

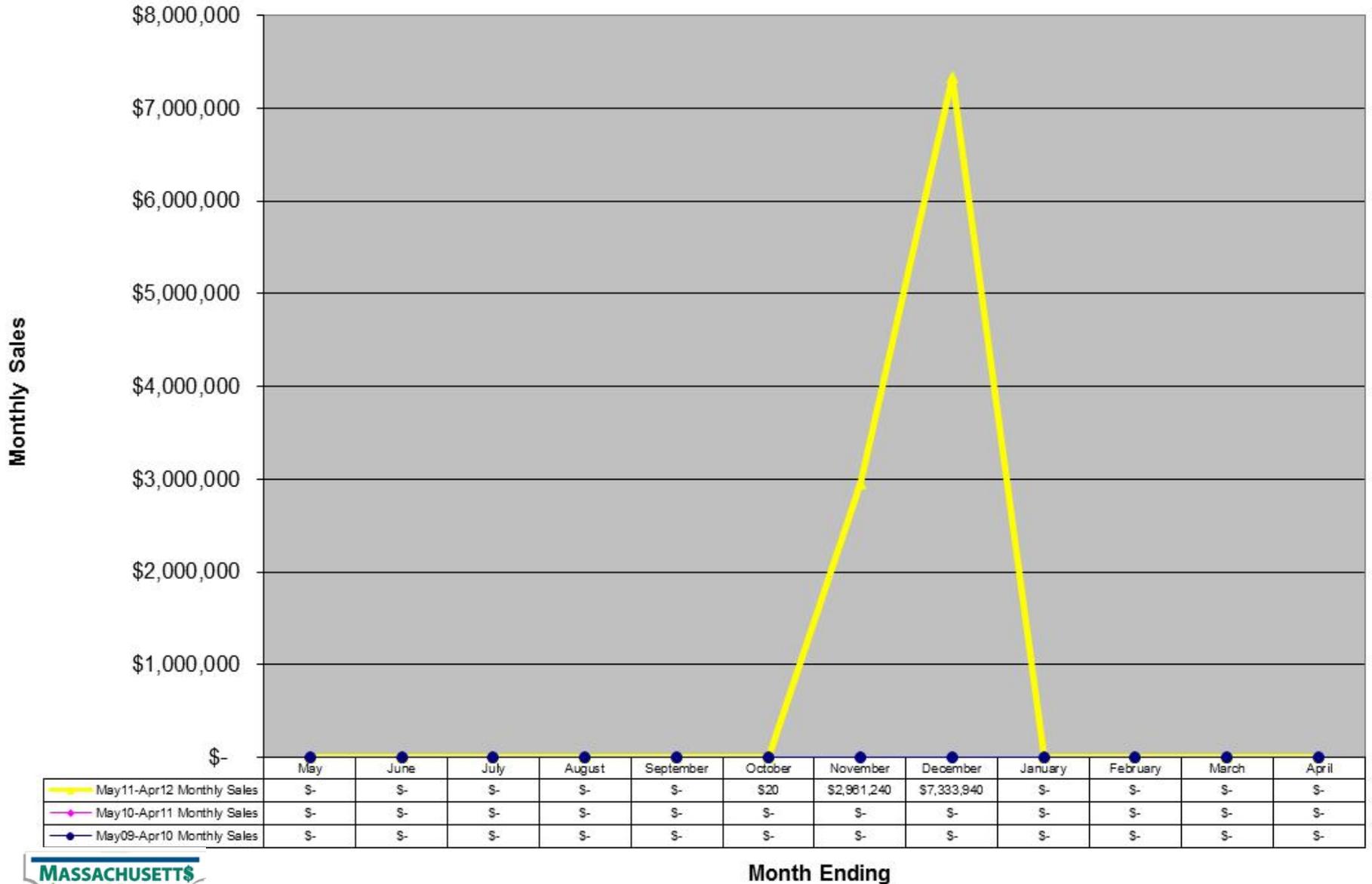


Powerball Game Monthly Sales May 09 thru April 12



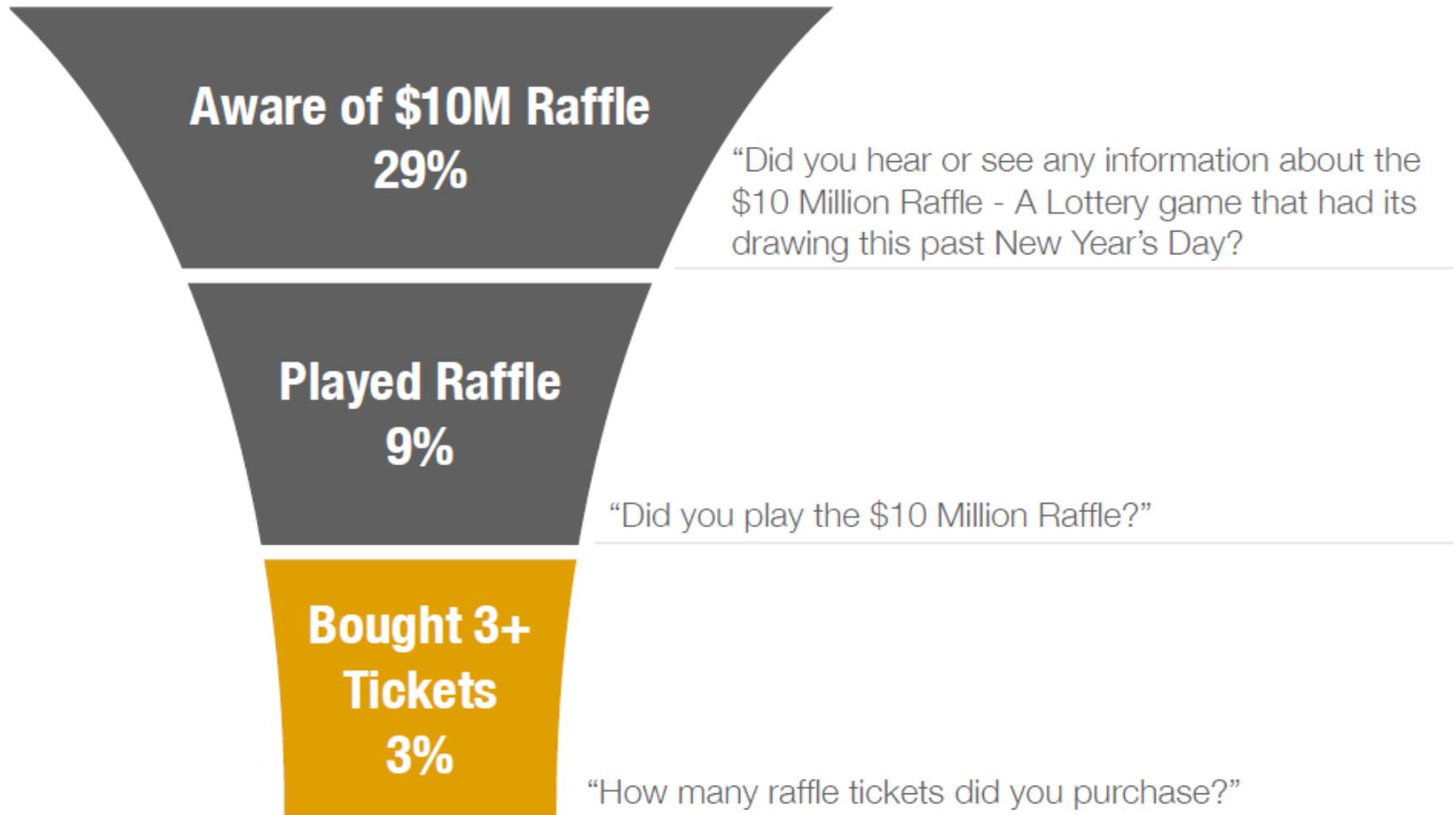
Month Ending

Online Raffle Game Monthly Sales May 09 thru April 12



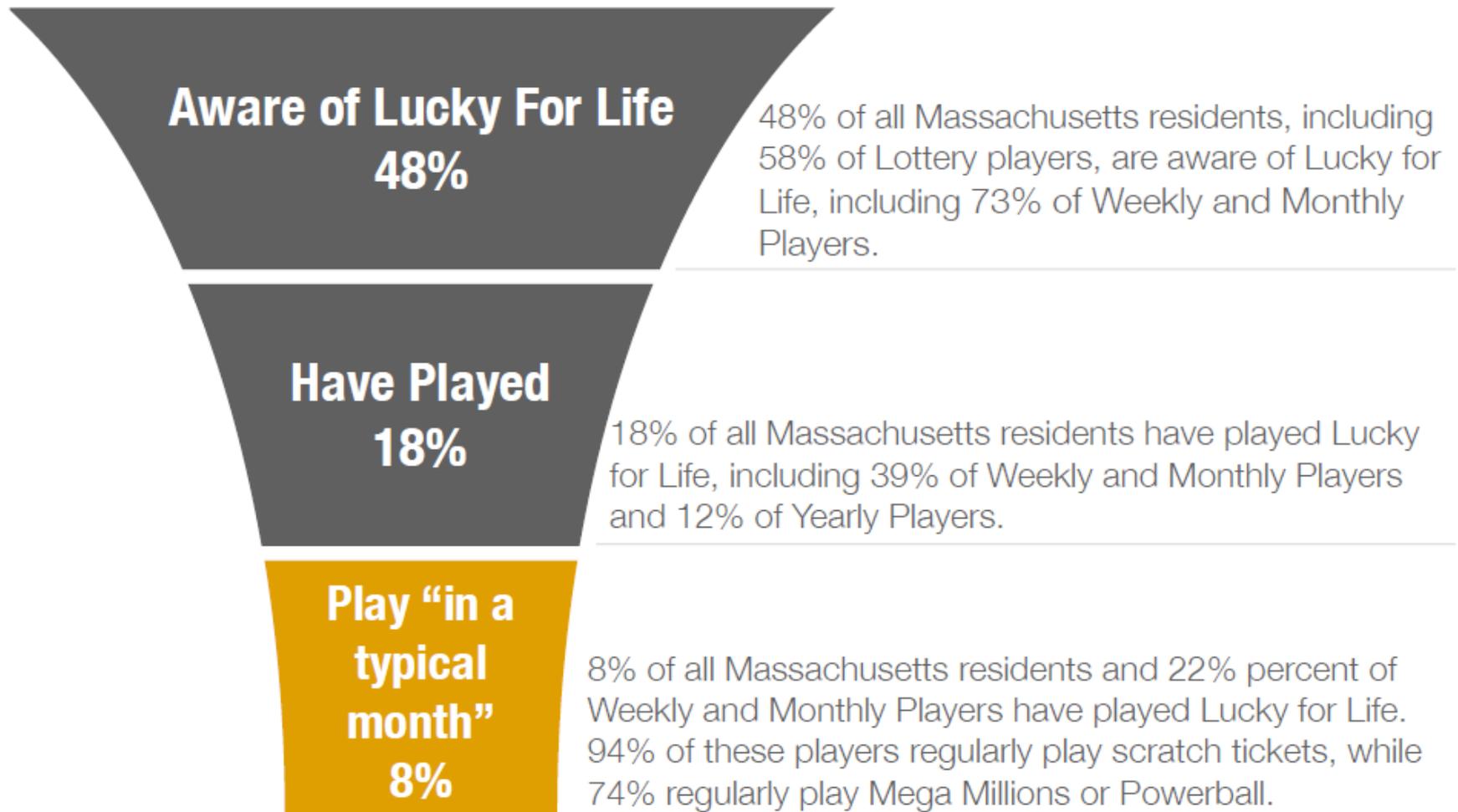
\$10 Million Raffle

Over a quarter of residents (29%) were aware of the \$10 Million Raffle, and about 1/3 of those that were aware played (9%).

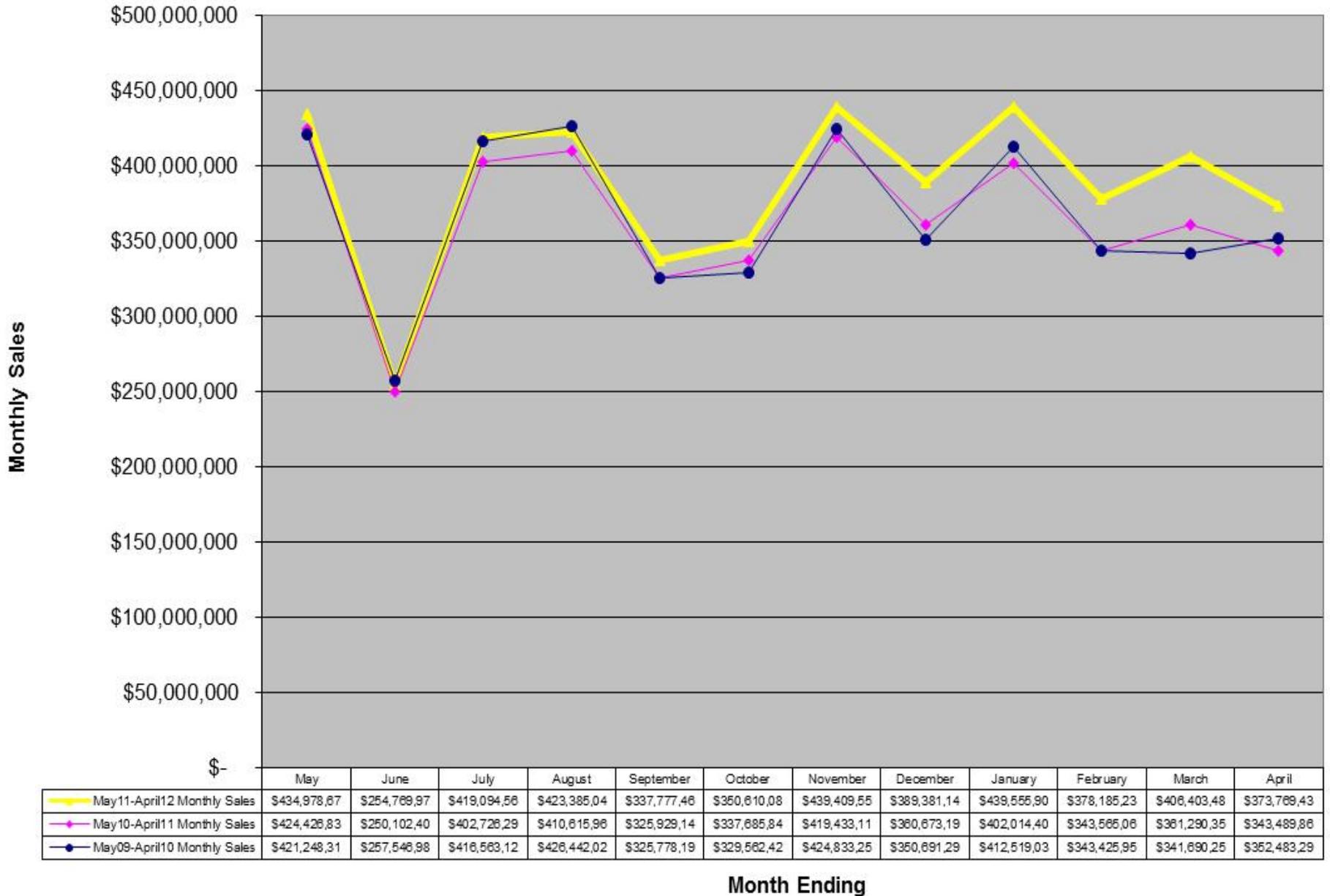


Lucky For Life

Almost half of residents (48%) are aware of Lucky For Life, and almost 1 in 5 residents has played the game.



All Game Monthly Sales May 09 thru April 12



MSLC Revenue Results March FY12 vs. March FY11

(\$ millions)

	Payout %	FY12	% of Total	FY11	% of Total	\$ Change	% Change
Instant Tickets	69.9% to 80.4%	\$260	69.7%	\$235	68.3%	\$26	11.0%
MegaMillions	50%	5	1.4%	6	1.6%	0	-8.7%
Powerball	50%	6	1.7%	5	1.5%	1	24.9%
Keno	70%	62	16.7%	62	18.0%	0	0.8%
Mass Cash	55%	6	1.5%	4	1.0%	2	58.4%
Race Game	70%	2	0.5%	2	0.5%	0	12.5%
Cash WinFall	60%	0	0.0%	2	0.6%	-2	-100.0%
Numbers Game	63%	26	6.9%	27	7.9%	-1	-4.6%
Megabucks	55%	2	0.4%	2	0.6%	0	-14.2%
Raffle Game	50%	0	0.0%	0	0.0%	0	100.0%
Lucky For Life	60%	4		0		4	
Total		\$374	100.0%	\$344	100.0%	\$30	8.8%
Instant Tickets		\$260	69.7%	\$235	68.3%	\$26	11.0%
Online Games		113	30.3%	109	31.7%	4	4.1%
Total		\$374	100.0%	\$344	100.0%	\$30	8.8%

MSLC Revenue Results

FY12 vs. FY11

(\$ millions)

	Payout %	FY12	% of Total	FY11	% of Total	\$ Change	% Change
Instant Tickets	69.9% to 80.4%	\$2,716	68.6%	\$2,522	68.0%	\$194	7.7%
MegaMillions	50%	88	2.2%	91	2.5%	-3	-3.4%
Powerball	50%	68	1.7%	50	1.4%	18	35.0%
Keno	70%	663	16.8%	646	17.4%	17	2.6%
Mass Cash	55%	59	1.5%	39	1.0%	21	53.3%
Race Game	70%	19	0.5%	17	0.5%	2	11.0%
Cash WinFall	60%	17	0.4%	28	0.8%	-11	-40.2%
Numbers Game	63%	281	7.1%	290	7.8%	-9	-3.0%
Megabucks	55%	27	0.7%	23	0.6%	3	14.8%
Raffle Game	50%	10	0.3%	0	0.0%	10	100.0%
Lucky For Life	60%	8		0		8	
Total		\$3,958	100.0%	\$3,707	100.0%	\$250	6.7%
Instant Tickets		\$2,716	68.6%	\$2,522	68.0%	\$194	7.7%
Online Games		1,241	31.4%	1,185	32.0%	56	4.8%
Total		\$3,958	100.0%	\$3,707	100.0%	\$250	6.7%

Lottery Reform Scorecard

- **Human Resources**

- To improve supervisory, communications and other relevant skills, Human Resources has engaged a consultant to conduct a two-day interactive, management training during the month of June for the Lottery's senior managers.
- Also, separate trainings for the Lottery's other managers and supervisors as well as sales representatives and customer service personnel will be conducted. They will focus on improving each group's skill sets and provide opportunity for further professional development.

- **Operations**

- To ensure proper implementation of the new policy, the Lottery's Director of Training is this month conducting an agency-wide training for holders of wireless devices, as well as training for managers to ensure proper oversight and billing.

- **Governance**

- As reported at the last Commission meeting, the Lottery's website's new section on "Commission Meetings and Materials" is prepared to go live, <http://www.masslottery.com/about2012/>.

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.

