

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by Paul R. Sternburg

April 23, 2013



Lottery Sales Update

- Sales for the month of March were down as compared to last year due to the world record-breaking \$656 million Mega Millions jackpot we experienced last year.
- Additionally, the prize payout for March 2013 was 71.9 percent, as compared to 68.3 percent for March 2012. The 3.6 percent increase in payout caused our overall net profit to drop \$55.4 million behind last year's record-setting pace. Our overall prize payout for the first nine months of the fiscal year is 73.2 percent, as compared to last year's overall prize payout through March of just 71.4 percent.
- Several games experienced sales increases in March, including: Instant Tickets, which were up \$7 million; Powerball, which was up \$12 million due to higher jackpot offerings as compared to last year; and, KENO, which was up \$1 million.
- Games experiencing sales declines in March were: Mega Millions, which was down \$30 million compared to last year's record-setting jackpot; Lucky for Life, which was down \$1 million as compared to last March when the game first launched; and, the Numbers Game which was down \$1 million.

April Instant Ticket Release Sales Update



Cadillac Riches

Price Point: \$5

13 Day Sales: \$8,044,900

Second Chance Drawing Program:

Total Second Chance Entries:	188,695
Total Bonus Entries Earned:	109,863
Total Number of Unique Entrants:	10,787

April Instant Ticket Release POS



VIP Platinum

Price Point: \$1

Top Prize: \$10,000



Triple Winning 7s

Price Point: \$2

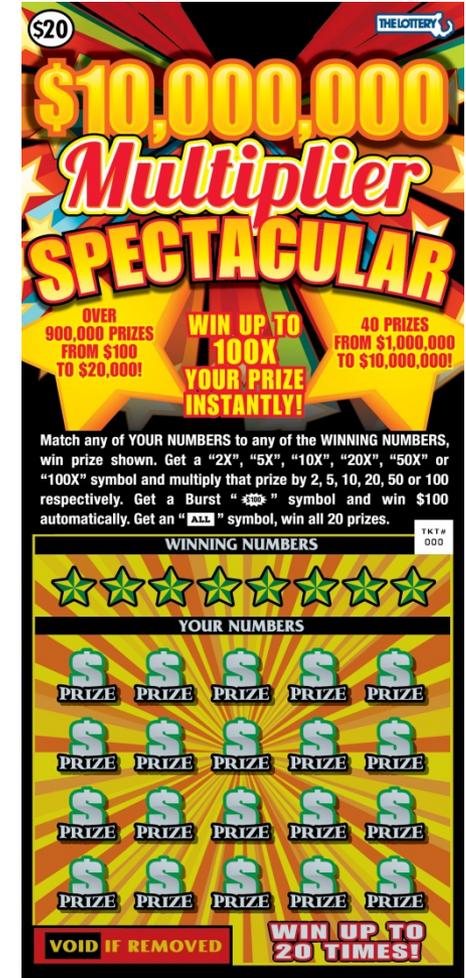
Top Prize: \$50,000



\$1,000,000 Lucky Numbers

Price Point: \$5

Top Prize: \$1,000,000



\$10,000,000 Multiplier Spectacular

Price Point: \$20

Top Prize: \$10,000

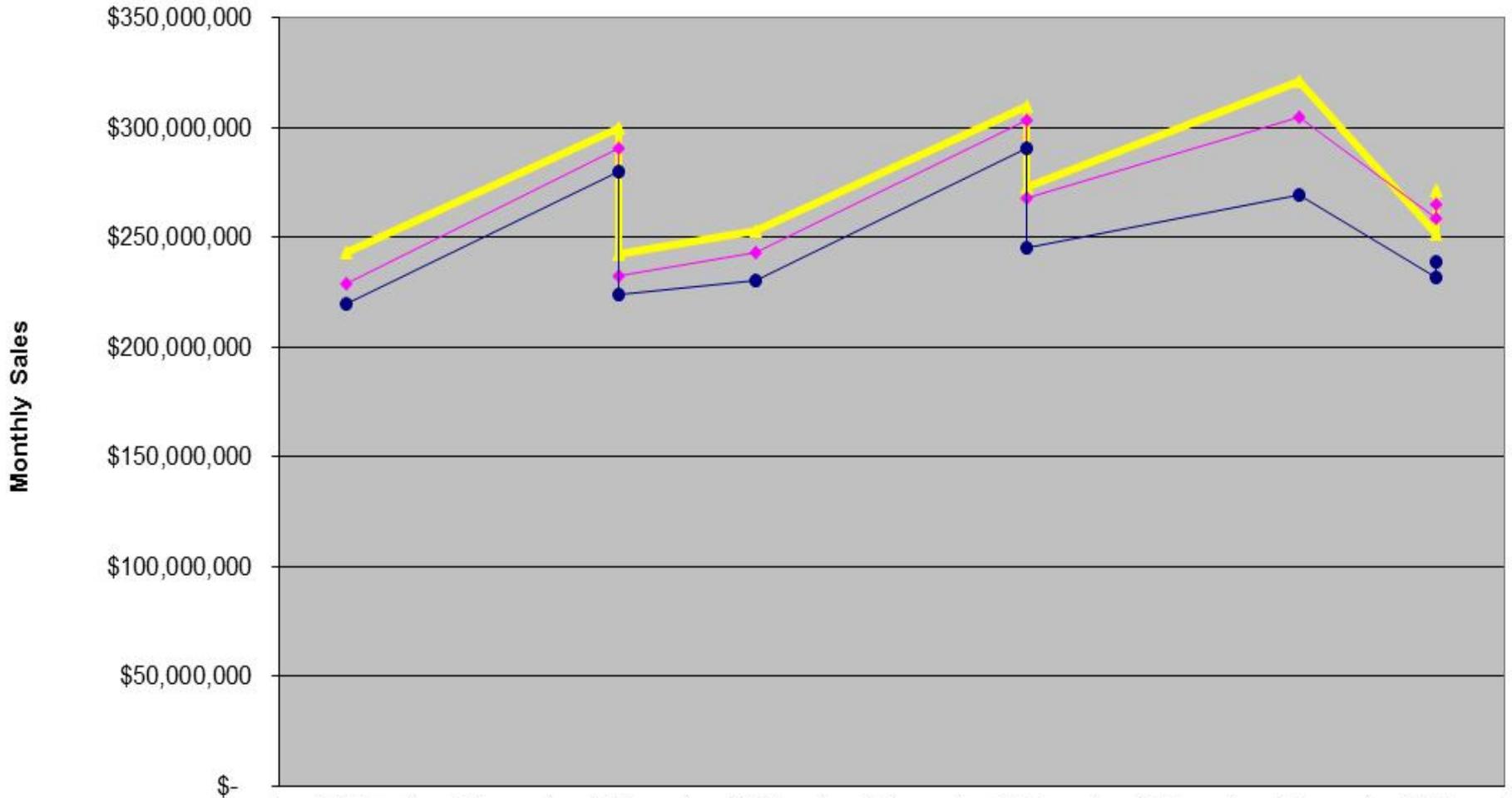


\$10,000,000 HOLD'EM POKER Tournament

- On April 6, the Lottery awarded over \$14 million in prizes, including a \$10 million Grand Prize, to participants in its \$10,000,000 HOLD'EM POKER® Tournament at the TD Garden. The Tournament officially concluded the Lottery's "\$10,000,000 HOLD'EM POKER®" instant ticket – a \$10 scratch game that debuted in 2005. Over 1,200 people, including 560 Lottery players who each won a chance to participate in the Tournament via bonus drawings offered in conjunction with the scratch game, along with their guests, attended the two and a half hour long event that simulated an actual poker tournament.
- All 560 Tournament participants received a guaranteed \$2,000 for Round One; the 64 participants who advanced to Round Two each won \$10,000; and the 12 participants who made it to Round Three each won \$50,000. At the end of the three elimination rounds, just four participants remained in the game – Eugene Condon, Jr. of East Falmouth; Dennis Foster of Everett; John Hall of Worcester; and, Dana Weiker of Worcester - each winning \$1 million and one chance at claiming the Tournament's coveted \$10 million Grand Prize.
- Anticipation built around the table as the winning poker hand was announced. Confetti cannons fired as Eugene Condon, Jr. of East Falmouth was revealed as the Lottery's "\$10,000,000 HOLD'EM POKER®" Grand Prize Winner. Condon elected to receive the prize in a one-time, lump sum of \$6.5 million, less taxes.

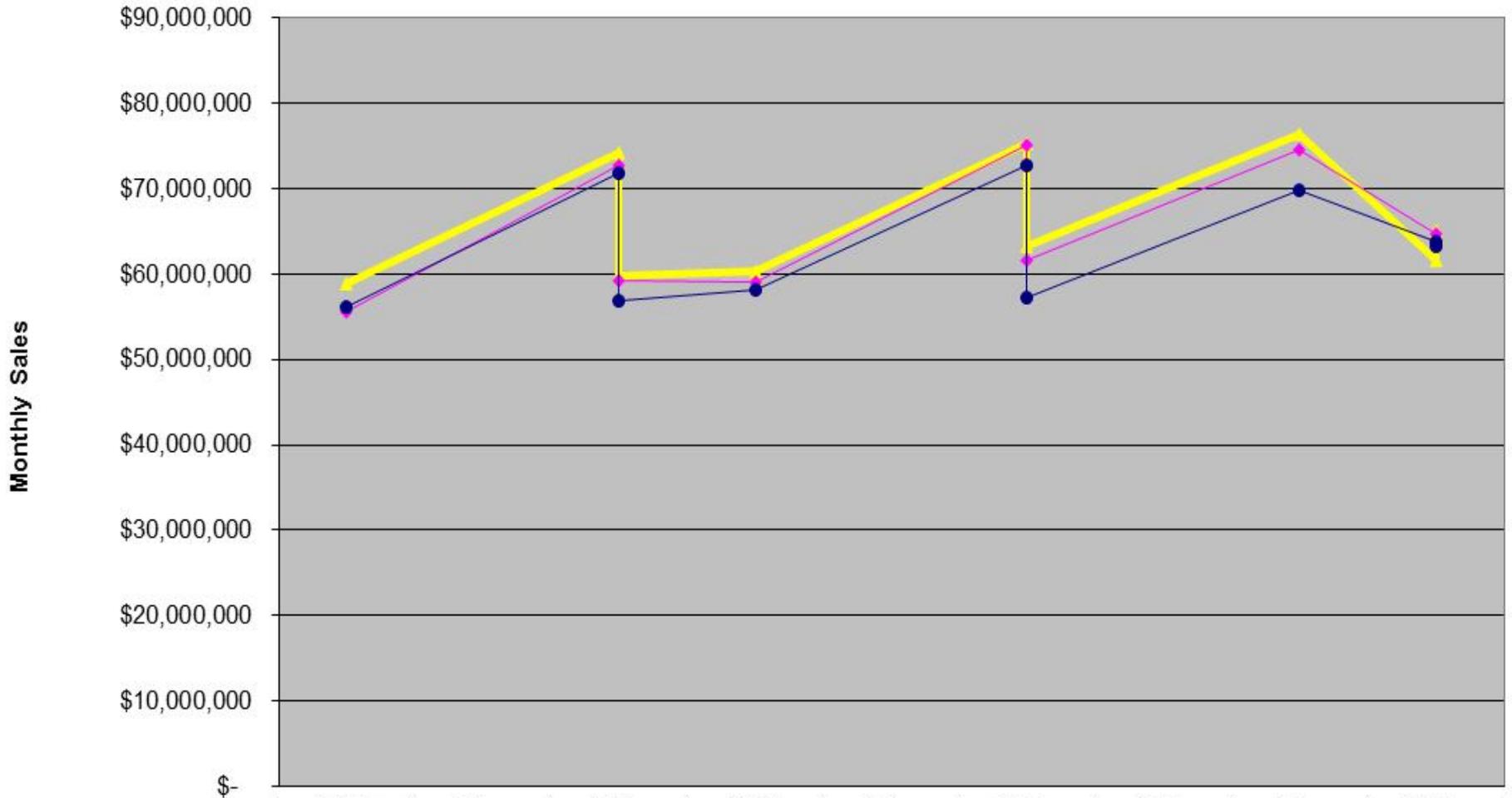


Instant Game Monthly Sales YTD 2011 thru 2013



	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$242,954,61	\$299,867,08	\$242,270,66	\$253,282,06	\$310,008,68	\$272,829,60	\$321,214,24	\$251,651,74	\$271,603,91
2012 Monthly Sales	\$228,848,53	\$290,742,92	\$232,227,72	\$242,861,84	\$303,379,35	\$268,100,44	\$304,922,07	\$258,796,18	\$265,035,53
2011 Monthly Sales	\$219,634,23	\$279,756,65	\$224,154,31	\$230,266,51	\$290,680,77	\$245,104,18	\$269,511,06	\$231,842,54	\$238,933,61

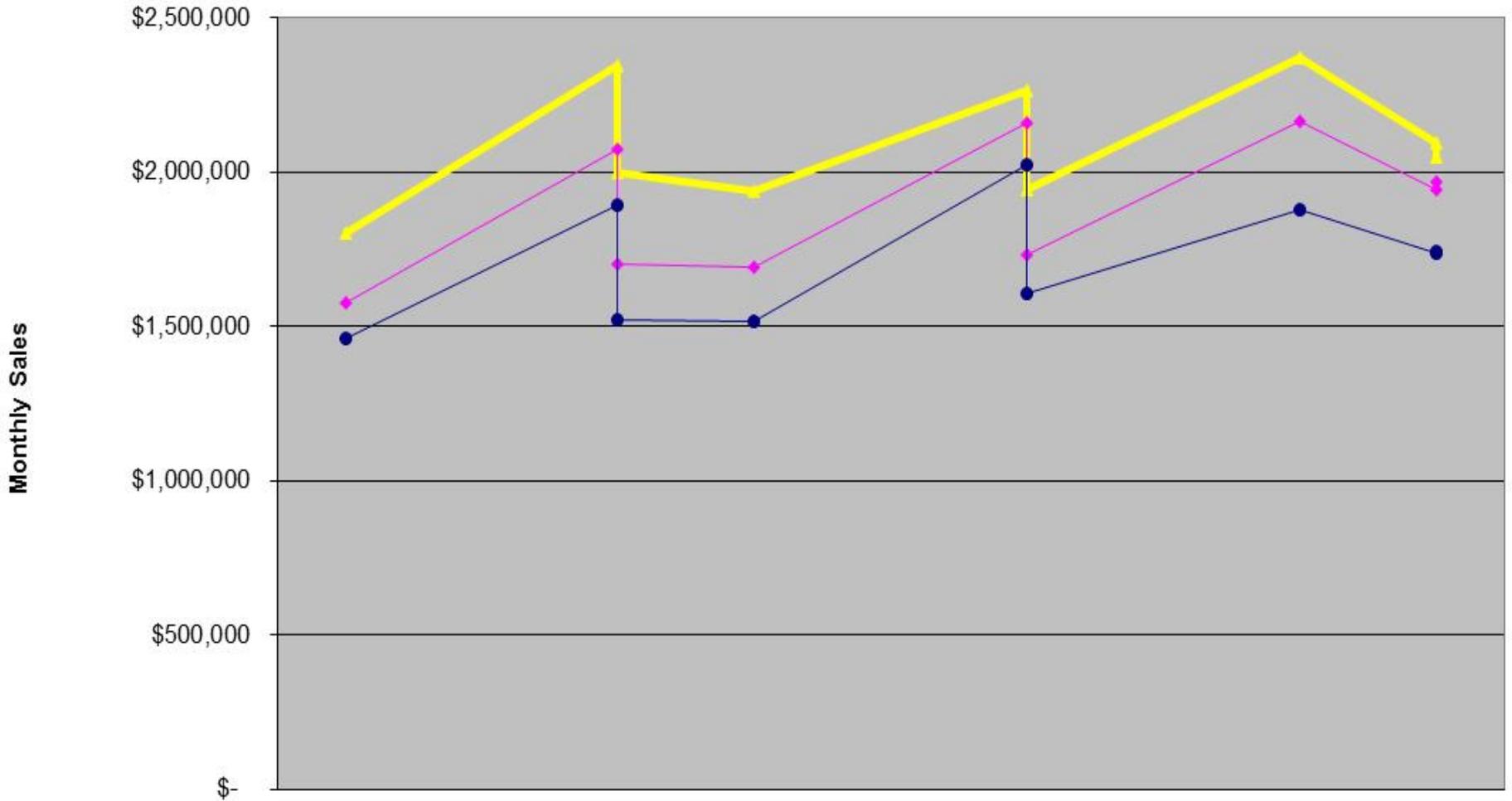
Keno Game Monthly Sales YTD 2011 thru 2013



	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$58,834,238	\$74,168,553	\$59,776,650	\$60,406,576	\$75,360,152	\$63,209,606	\$76,453,588	\$61,657,662	\$65,033,276
2012 Monthly Sales	\$55,511,595	\$72,637,541	\$59,167,172	\$59,077,681	\$75,178,823	\$61,681,424	\$74,466,681	\$64,684,172	\$63,579,007
2011 Monthly Sales	\$56,082,403	\$71,819,357	\$56,939,601	\$58,222,815	\$72,659,946	\$57,173,914	\$69,753,994	\$63,723,343	\$63,268,022



Race Game Monthly Sales YTD 2011 thru 2013

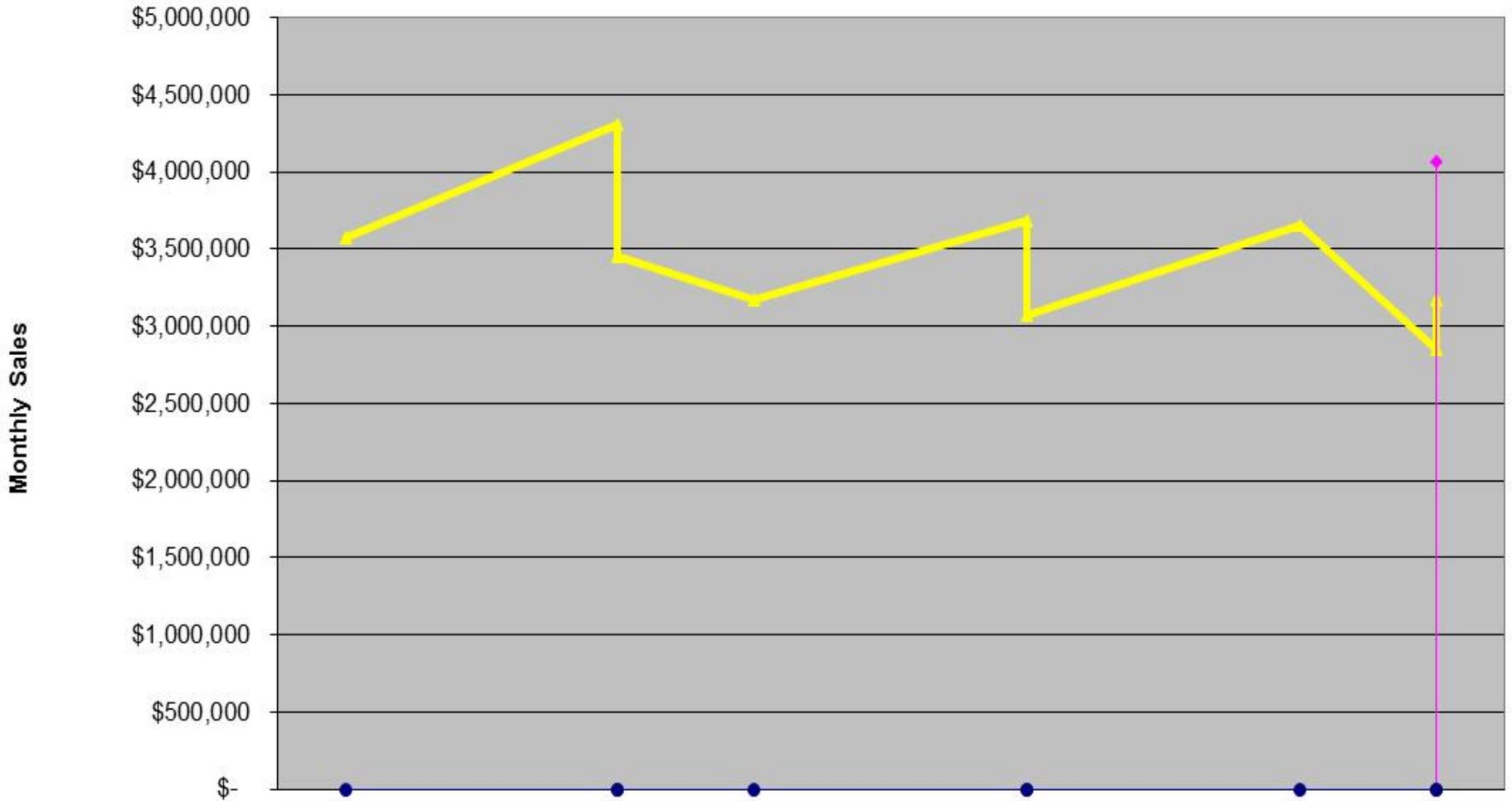


	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$1,802,060	\$2,345,349	\$1,999,691	\$1,938,989	\$2,263,830	\$1,941,072	\$2,370,591	\$2,096,591	\$2,049,646
2012 Monthly Sales	\$1,578,823	\$2,072,779	\$1,704,619	\$1,693,343	\$2,160,773	\$1,733,167	\$2,162,231	\$1,941,576	\$1,966,920
2011 Monthly Sales	\$1,458,654	\$1,890,989	\$1,520,639	\$1,517,425	\$2,026,063	\$1,608,235	\$1,878,607	\$1,736,019	\$1,744,067



Month Ending

Lucky For Life Game Monthly Sales YTD 2011 thru 2013

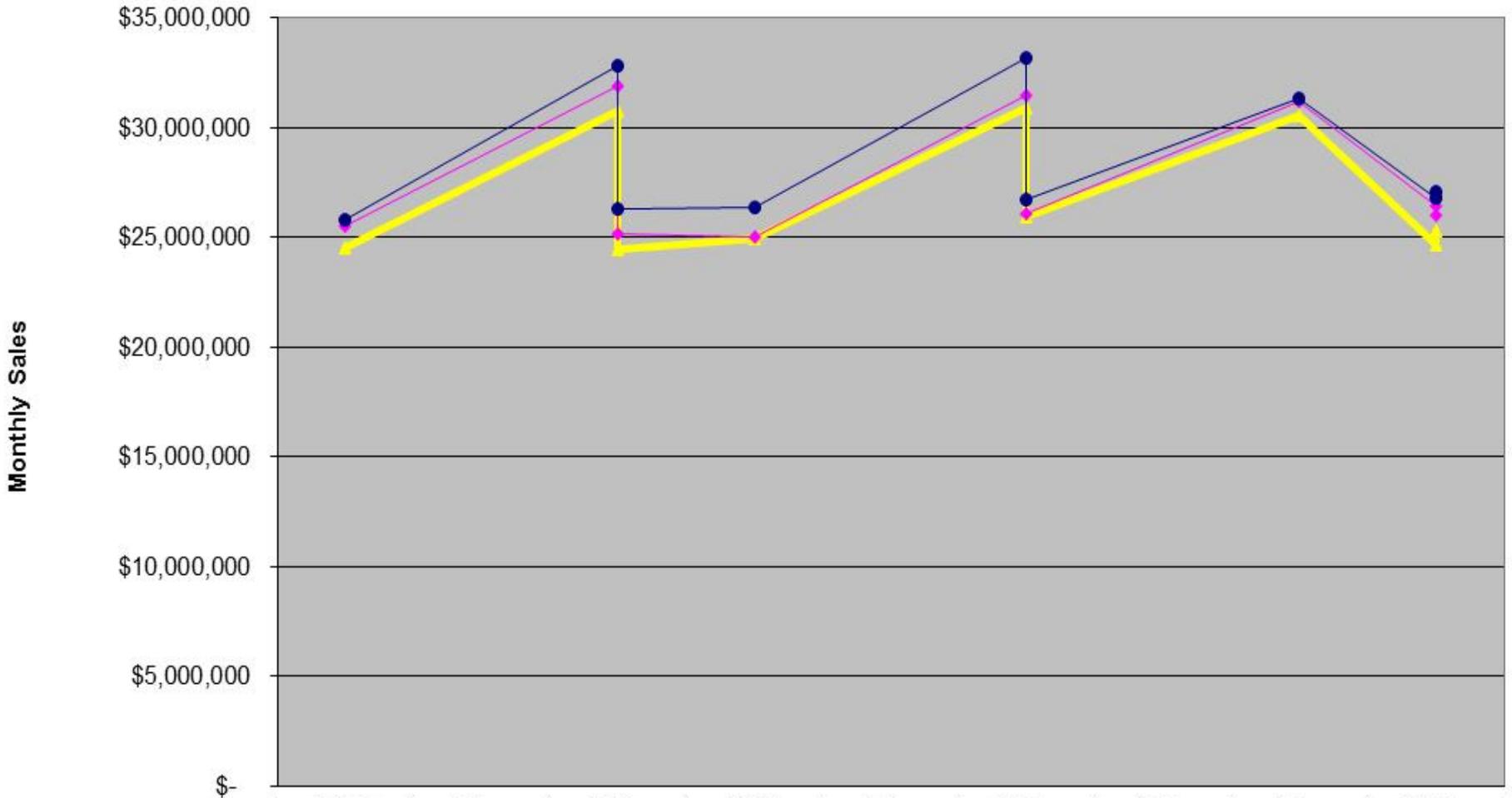


	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$3,574,962	\$4,303,958	\$3,456,766	\$3,171,370	\$3,682,934	\$3,074,782	\$3,657,950	\$2,853,264	\$3,168,738
2012 Monthly Sales	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$4,071,160
2011 Monthly Sales	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-



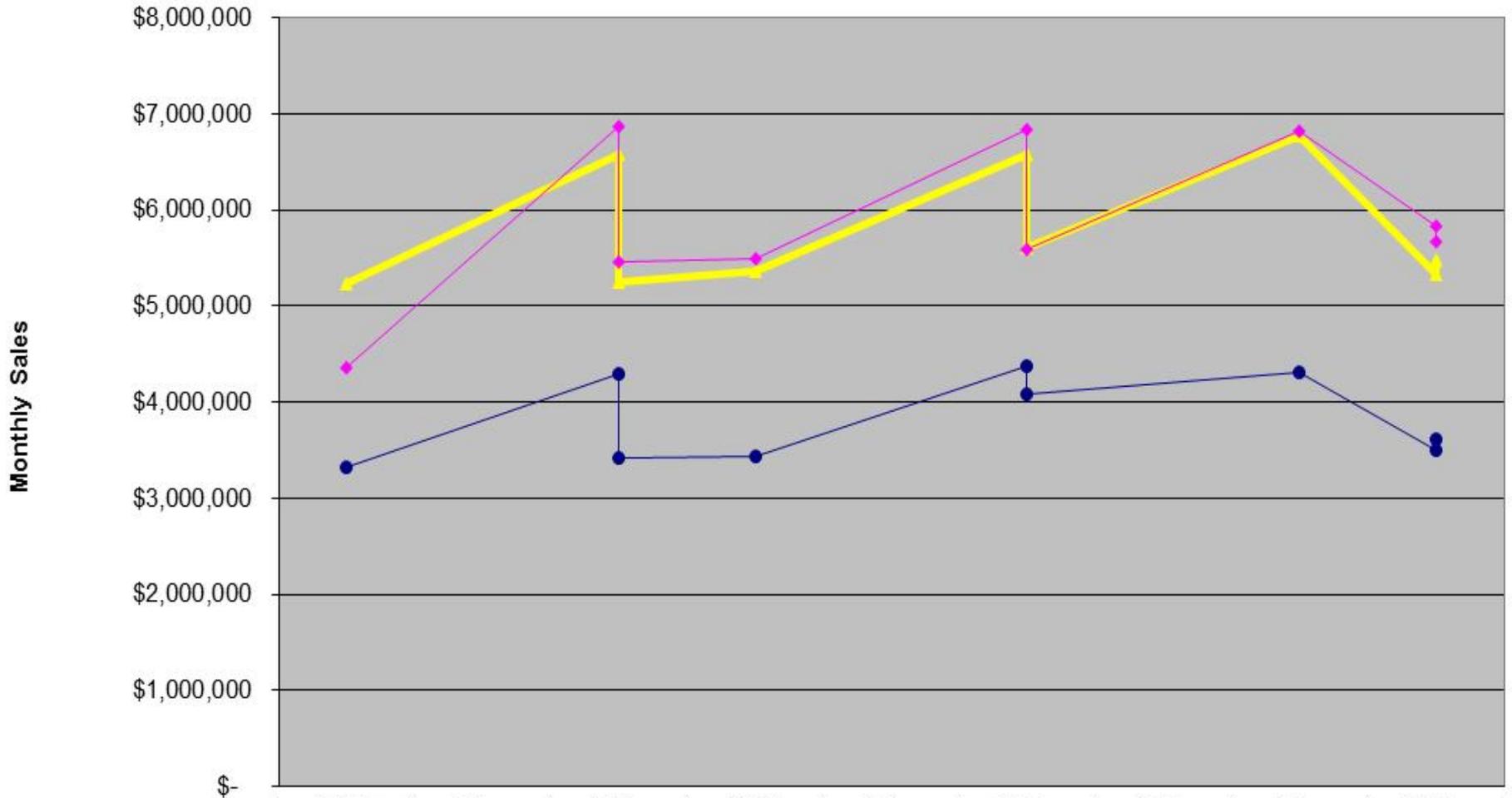
Month Ending

Numbers Game Monthly Sales YTD 2011 thru 2013



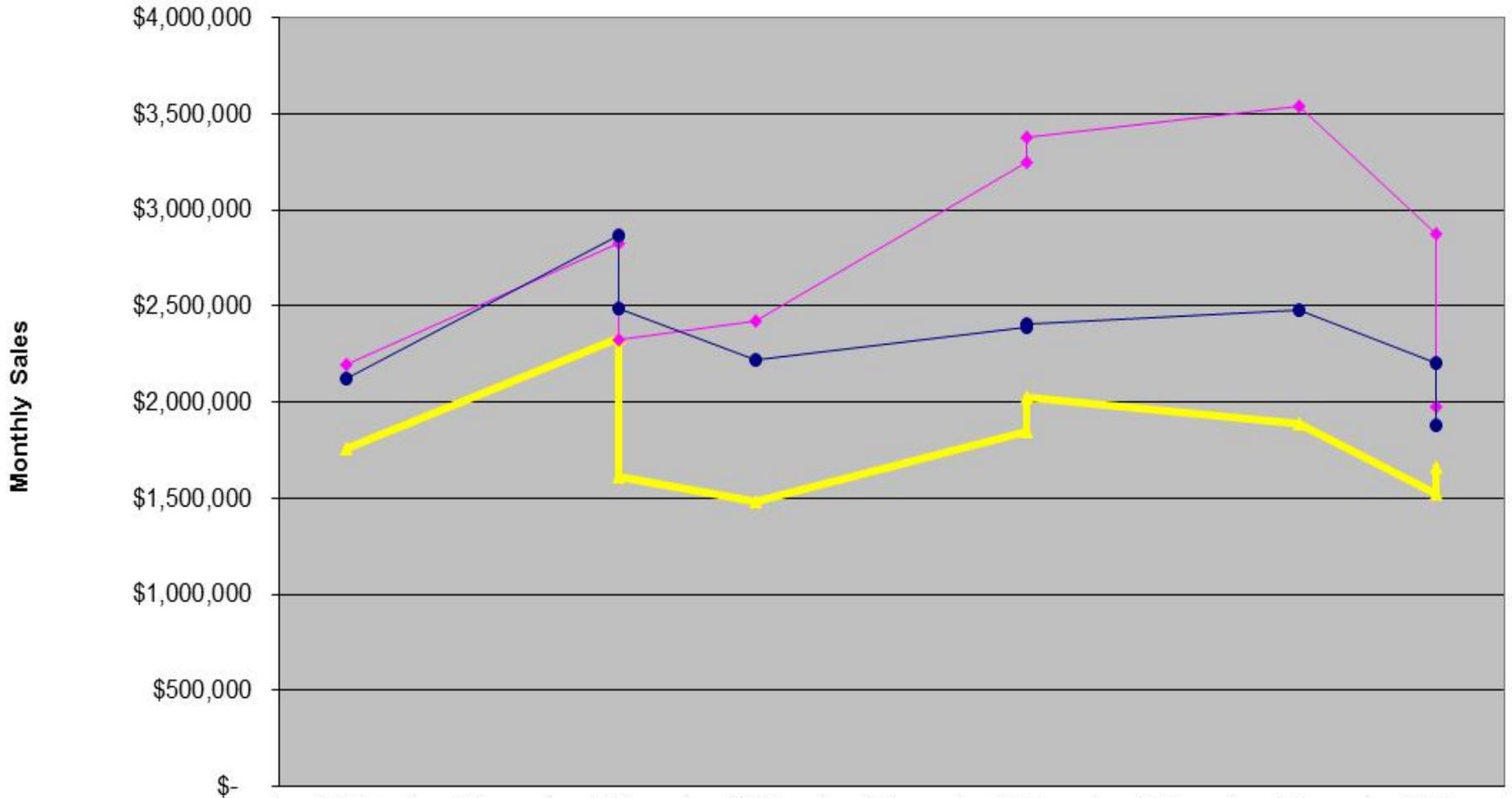
	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$24,550,515	\$30,735,573	\$24,467,660	\$24,978,979	\$30,897,851	\$25,954,498	\$30,586,264	\$24,691,167	\$25,313,511
2012 Monthly Sales	\$25,548,523	\$31,896,958	\$25,134,513	\$24,989,840	\$31,502,649	\$26,103,834	\$31,223,074	\$26,412,960	\$25,986,015
2011 Monthly Sales	\$25,780,080	\$32,843,654	\$26,268,575	\$26,342,732	\$33,189,633	\$26,725,004	\$31,355,851	\$26,812,928	\$27,063,003

MassCash Game Monthly Sales YTD 2011 thru 2013



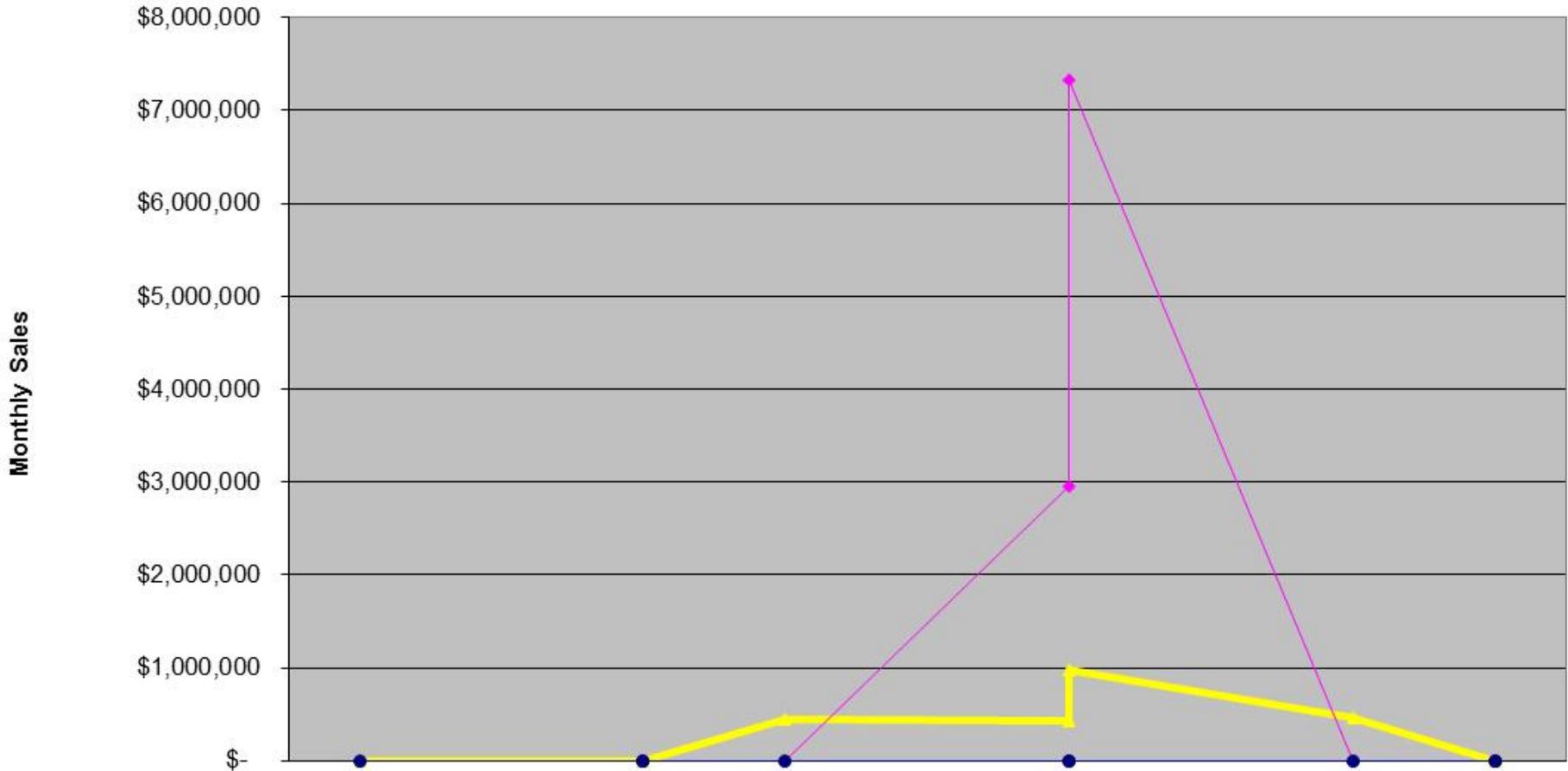
	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$5,240,615	\$6,578,888	\$5,246,274	\$5,354,883	\$6,585,156	\$5,598,851	\$6,768,918	\$5,326,593	\$5,469,026
2012 Monthly Sales	\$4,354,434	\$6,861,992	\$5,461,313	\$5,491,049	\$6,829,977	\$5,588,976	\$6,820,344	\$5,835,398	\$5,665,639
2011 Monthly Sales	\$3,325,644	\$4,285,392	\$3,420,098	\$3,431,267	\$4,373,524	\$4,089,223	\$4,317,543	\$3,495,779	\$3,618,711

Megabucks Game Monthly Sales YTD 2011 thru 2013



	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$1,754,484	\$2,330,748	\$1,616,040	\$1,482,273	\$1,843,099	\$2,023,565	\$1,884,472	\$1,526,764	\$1,661,201
2012 Monthly Sales	\$2,194,423	\$2,823,960	\$2,327,303	\$2,418,913	\$3,249,651	\$3,381,264	\$3,540,270	\$2,879,330	\$1,980,570
2011 Monthly Sales	\$2,120,276	\$2,871,261	\$2,485,109	\$2,220,819	\$2,389,826	\$2,409,018	\$2,481,937	\$2,205,105	\$1,878,503

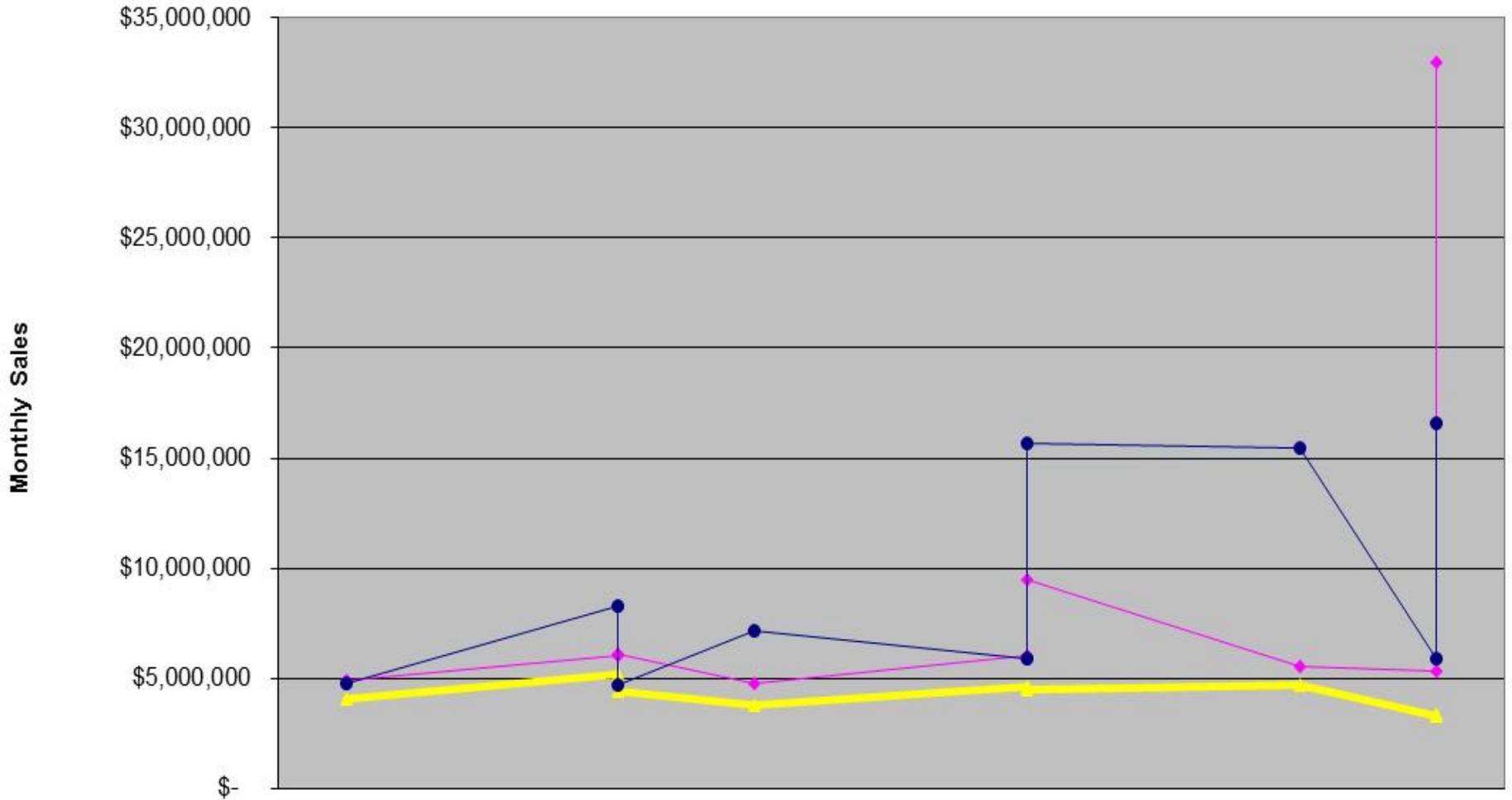
Online Raffle Game Monthly Sales YTD 2011 thru 2013



	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$-	\$-	\$10	\$449,110	\$429,820	\$977,930	\$454,960	\$-	\$20
2012 Monthly Sales	\$-	\$-	\$-	\$20	\$2,961,240	\$7,333,940	\$-	\$-	\$-
2011 Monthly Sales	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

Month Ending

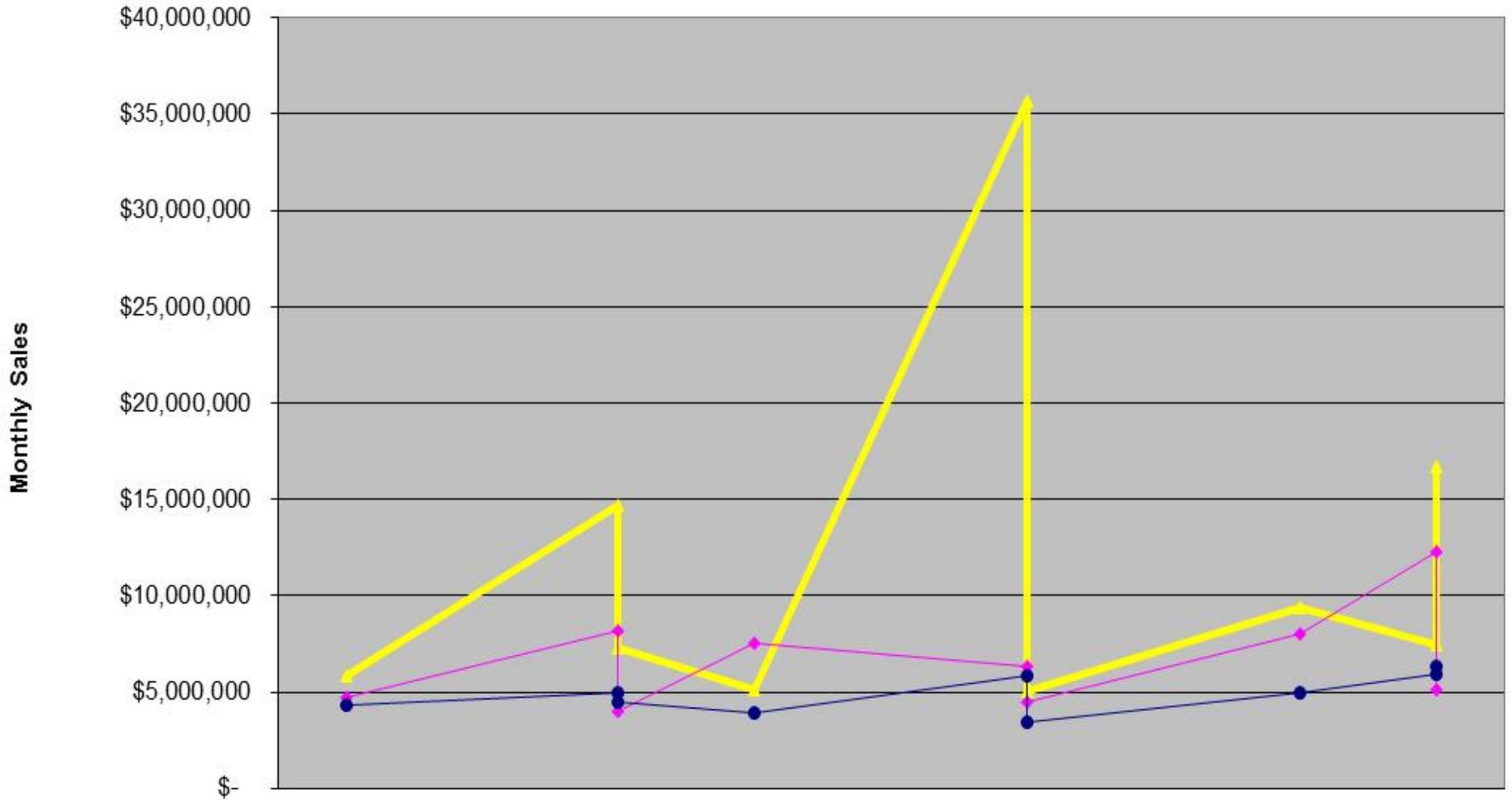
Mega Millions Game Monthly Sales YTD 2011 thru 2013



	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$4,070,293	\$5,214,203	\$4,408,529	\$3,798,620	\$4,622,314	\$4,464,771	\$4,689,133	\$3,259,650	\$3,339,999
2012 Monthly Sales	\$4,881,039	\$6,044,294	\$6,093,254	\$4,732,239	\$5,999,489	\$9,455,586	\$5,561,441	\$5,356,677	\$32,974,064
2011 Monthly Sales	\$4,738,152	\$8,310,970	\$4,721,634	\$7,127,421	\$5,863,271	\$15,659,859	\$15,471,338	\$5,890,784	\$16,576,585



Powerball Game Monthly Sales YTD 2011 thru 2013

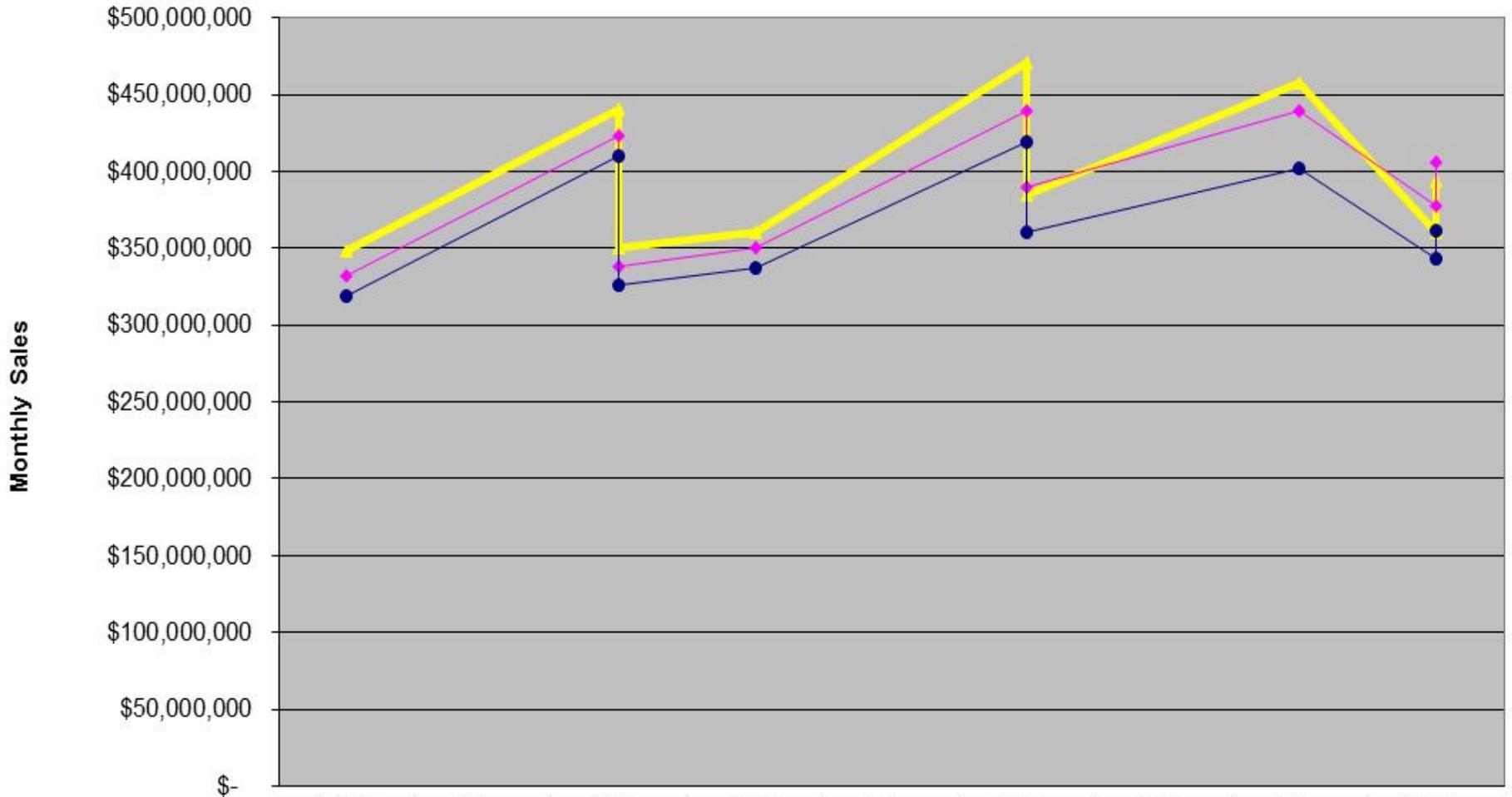


	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$5,871,261	\$14,703,908	\$7,305,907	\$5,143,446	\$35,640,312	\$5,066,533	\$9,395,862	\$7,424,722	\$16,688,031
2012 Monthly Sales	\$4,759,451	\$8,203,762	\$3,960,797	\$7,572,365	\$6,321,130	\$4,483,881	\$7,978,580	\$12,278,938	\$5,144,580
2011 Monthly Sales	\$4,325,348	\$4,948,365	\$4,464,904	\$3,923,359	\$5,870,310	\$3,433,022	\$4,937,356	\$5,963,943	\$6,366,434



Month Ending

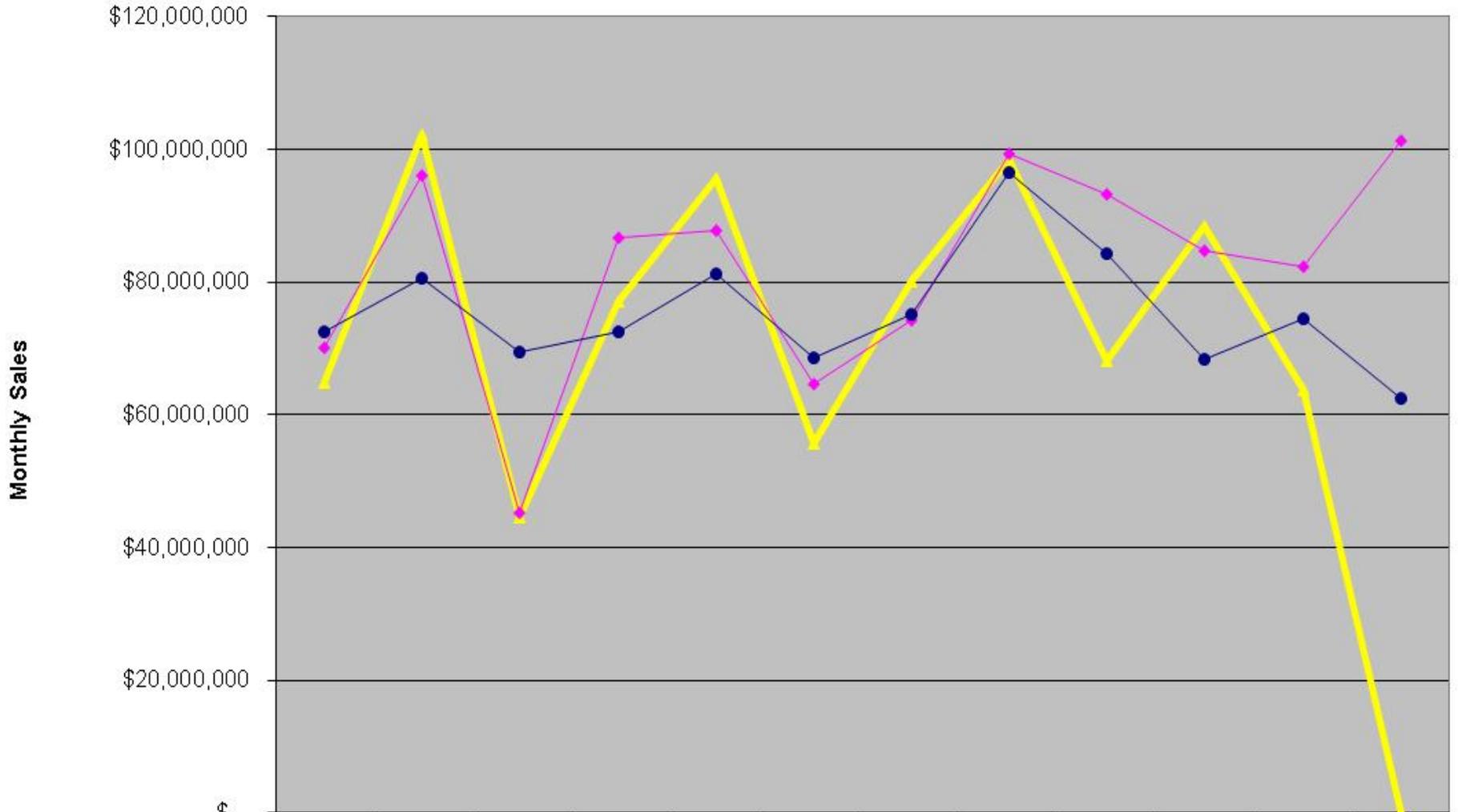
All Game Monthly Sales YTD 2011 thru 2013



	28-Jul	1-Sep	29-Sep	27-Oct	1-Dec	29-Dec	2-Feb	2-Mar	30-Mar
2013 Monthly Sales	\$348,653,04	\$440,248,26	\$350,548,19	\$360,006,31	\$471,334,14	\$385,141,21	\$457,475,98	\$360,488,15	\$394,327,36
2012 Monthly Sales	\$332,006,02	\$423,385,04	\$337,777,46	\$350,610,08	\$439,409,55	\$389,381,15	\$439,555,90	\$378,185,23	\$406,403,48
2011 Monthly Sales	\$319,426,64	\$410,615,96	\$325,929,14	\$337,685,84	\$419,433,11	\$360,673,19	\$402,014,40	\$343,565,06	\$361,290,35

Month Ending

Net Profit Monthly Sales April 10 thru March 13



	April	May	June	July	August	September	October	November	December	January	February	March
Apr12-Mar13 Monthly Sales	\$64,761,884	\$102,125,17	\$44,615,500	\$77,166,925	\$95,717,106	\$55,661,146	\$80,090,803	\$96,530,009	68,098,157	\$88,350,612	63,831,385	-
Apr11-Mar12 Monthly Sales	\$70,068,974	\$96,061,179	\$45,144,893	\$86,577,862	\$87,865,153	\$64,635,311	\$74,241,696	\$99,423,933	\$93,223,593	\$84,691,278	\$82,308,062	\$101,260,15
Apr10-Mar11 Monthly Sales	\$72,512,247	\$80,526,096	\$69,536,040	\$72,478,314	\$81,224,432	\$68,594,914	\$75,070,321	\$96,430,121	\$84,170,140	\$68,451,086	\$74,463,739	\$62,358,850

Month Ending

MSLC Revenue Results

March FY13 vs. FY12

(\$ millions)

Through March 30, 2013

	FY13	% of Total	FY12	% of Total	\$ Change	% Change
Instant Tickets	\$272	68.9%	\$265	65.2%	\$7	2.5%
MegaMillions	3	0.8%	33	8.1%	-30	-90.0%
Powerball	17	4.2%	5	1.3%	12	227.5%
Keno	65	16.5%	64	15.6%	1	2.2%
Mass Cash	6	1.4%	6	1.4%	0	-3.5%
Race Game	2	0.5%	2	0.5%	0	0.0%
Lucky For Life	3	0.8%	4	1.0%	-1	100.0%
Numbers Game	25	6.4%	26	6.4%	-1	-2.7%
Megabucks	2	0.4%	2	0.5%	0	-15.0%
Total	\$394	100.0%	\$407	100.0%	-\$12	-3.0%
Instant Tickets	\$272	68.9%	\$265	65.2%	\$7	2.5%
Online Games	123	31.1%	142	34.8%	-19	-13.3%
Total	\$394	100.0%	\$407	100.0%	-\$12	-3.0%

MSLC Revenue Results								
Year-to-Date FY13 vs. FY12								
(\$ millions)								
Through March 30, 2013								
		FY13	% of Total		FY12	% of Total	\$ Change	% Change
Instant Tickets		\$2,466	69.1%		\$2,395	68.5%	\$71	3.0%
MegaMillions		38	1.1%		81	2.3%	-43	-53.3%
Powerball		107	3.0%		61	1.7%	47	76.6%
Keno		595	16.7%		586	16.8%	9	1.5%
Mass Cash		52	1.5%		53	1.5%	-1	-1.3%
Race Game		19	0.5%		17	0.5%	2	10.6%
Lucky For Life		31	0.9%		4	0.1%	27	100.0%
Cash WinFall		0	0.0%		16	0.5%	-16	-100.0%
Numbers Game		242	6.8%		249	7.1%	-7	-2.7%
Online Raffle		0	0.0%		10	0.3%	-10	0.0%
Super 50-50 Raffle		2	0.1%		0	0.0%	2	100.0%
Megabucks		16	0.5%		25	0.7%	-9	-35.1%
Total		\$3,568	100.0%		\$3,497	100.0%	\$71	2.0%

Lottery Reform Scorecard

Governance

- The Massachusetts Gaming Commission reached out for the Lottery's collective thoughts on how gaming establishment applicants can best mitigate against the impact of expanded gaming on the Lottery. We have gathered that input and will be meeting early next month with a representative of the MGC to discuss its related proposed regulations and criteria for applicant evaluation.

Operations

- The Executive Director executed this month the Compliance and Internal Audit's Policy and Procedure for Investigations of Lost or Stolen MSLC Assets.

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.

