

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by Paul R. Sternburg
December 17, 2013



Lottery Sales Update

- Lottery sales were down \$30 million overall for the month of November 2013 as compared to sales in November 2012. The sales decline can be attributed to the jackpot level in multi-state Powerball game, which offered a \$130 million jackpot this year as compared to a record-breaking \$578 million jackpot in November 2012.
- The prize payout for the month was 70.2 percent as compared to 72.3 percent for November 2012. Our overall prize payout is 70.5 percent through the first 5 months of the year, as opposed to 72.2 percent for the same time period last year. Because the prize payout is 1.7 percent lower this year, our net profit is \$28.4 million ahead of last year.
- The games in our portfolio that experienced sales increases in November were: Mega Millions, which was up \$2 million due to higher jackpot offerings; KENO, which was up \$1 million; and, Jackpot Poker, which delivered \$1 million in new sales.
- The games that saw sales decreases for the month were: Powerball, which was down \$29 million because of a significantly lower jackpot than last year; Instant Tickets, which experienced a \$2 million decrease; Lucky for Life, which was down \$1 million; and, the Daily Race Game, which was down \$2 million after game sales ceased in June 2013.

January Instant Ticket Release (Jan. 7)

10X The Cash

Price Point: \$1

Top Prize: \$10,000

20X The Cash

Price Point: \$2

Top Prize: \$50,000

40X The Cash

Price Point: \$5

Top Prize: \$1,000,000

100X The Cash

Price Point: \$10

Top Prize: \$4,000,000



January Instant Ticket Release POS & Ad Design

In-Store POS:

- 11x17 poster
- Wobbler/Shelf Talker

Media (in development):

- Radio DJ endorsements (2 week buy)
- Online pushdown banner ads on Bostonherald.com

Total Budget: \$105,000



Instant Ticket Sales Update

Bingo Star Tripler

Price Point: \$2

5 Day Sales: \$139,000

INTRODUCING BINGO STAR TRIPLER

- New \$2 game replaces another \$2 bingo-themed ticket, Diamond Bingo, that sold out of the warehouse in November.
- Diamond Bingo is still available at Lottery retailers in very limited quantities and selling approximately \$95,000 a week after two years in the marketplace.



Holiday Instant Ticket Sales Update

Holiday Cash

Price Point: \$1

7 Week Sales: \$3.9 million

New Year Tripler

Price Point: \$2

7 Week Sales: \$6 million

Holiday Surprise

Price Point: \$2

7 Week Sales: \$11.8 million

Nutcracker Cash

Price Point: \$5

7 Week Sales: \$24.5 million

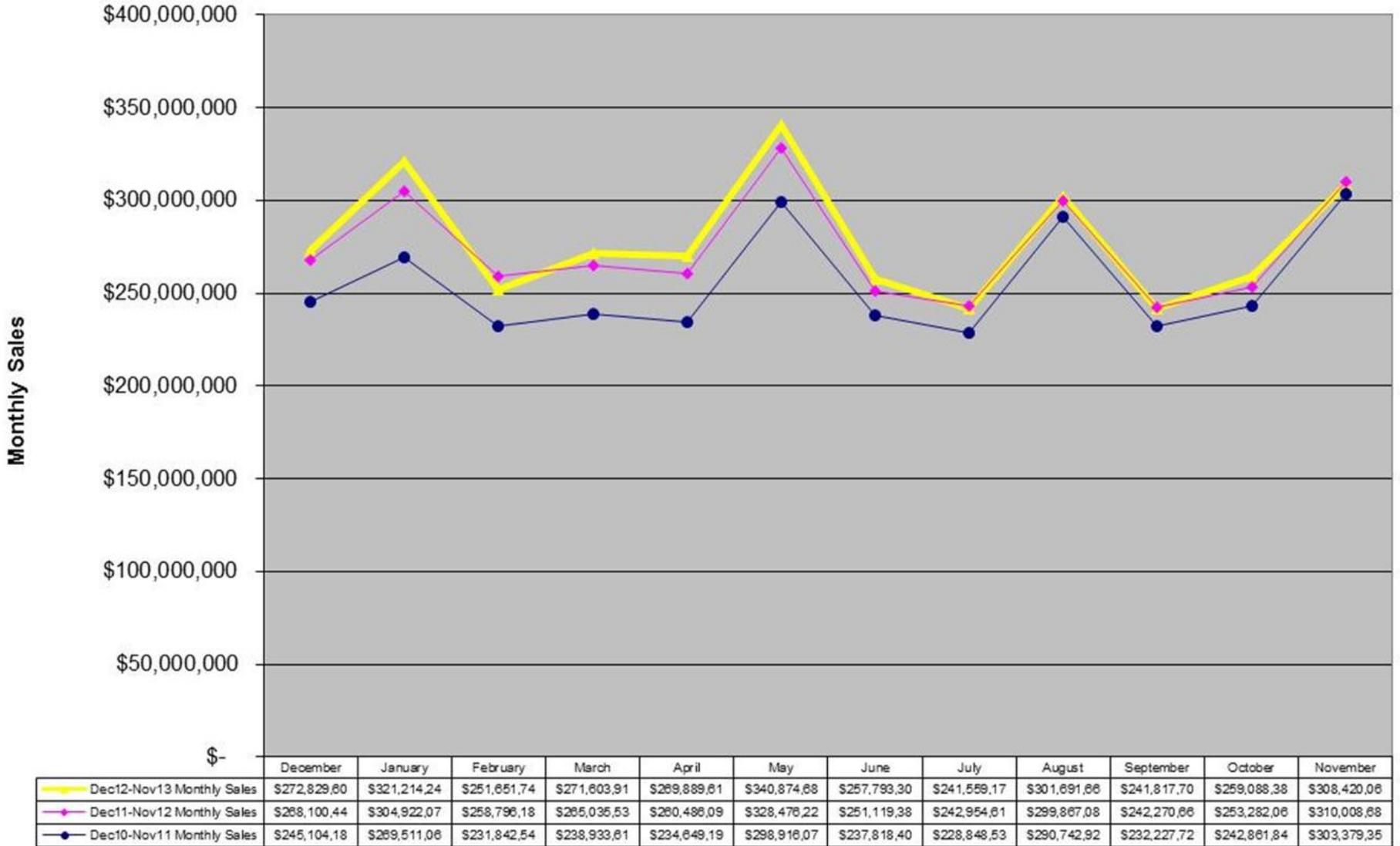
Holiday Gold

Price Point: \$10

7 Week Sales: \$35.4 million



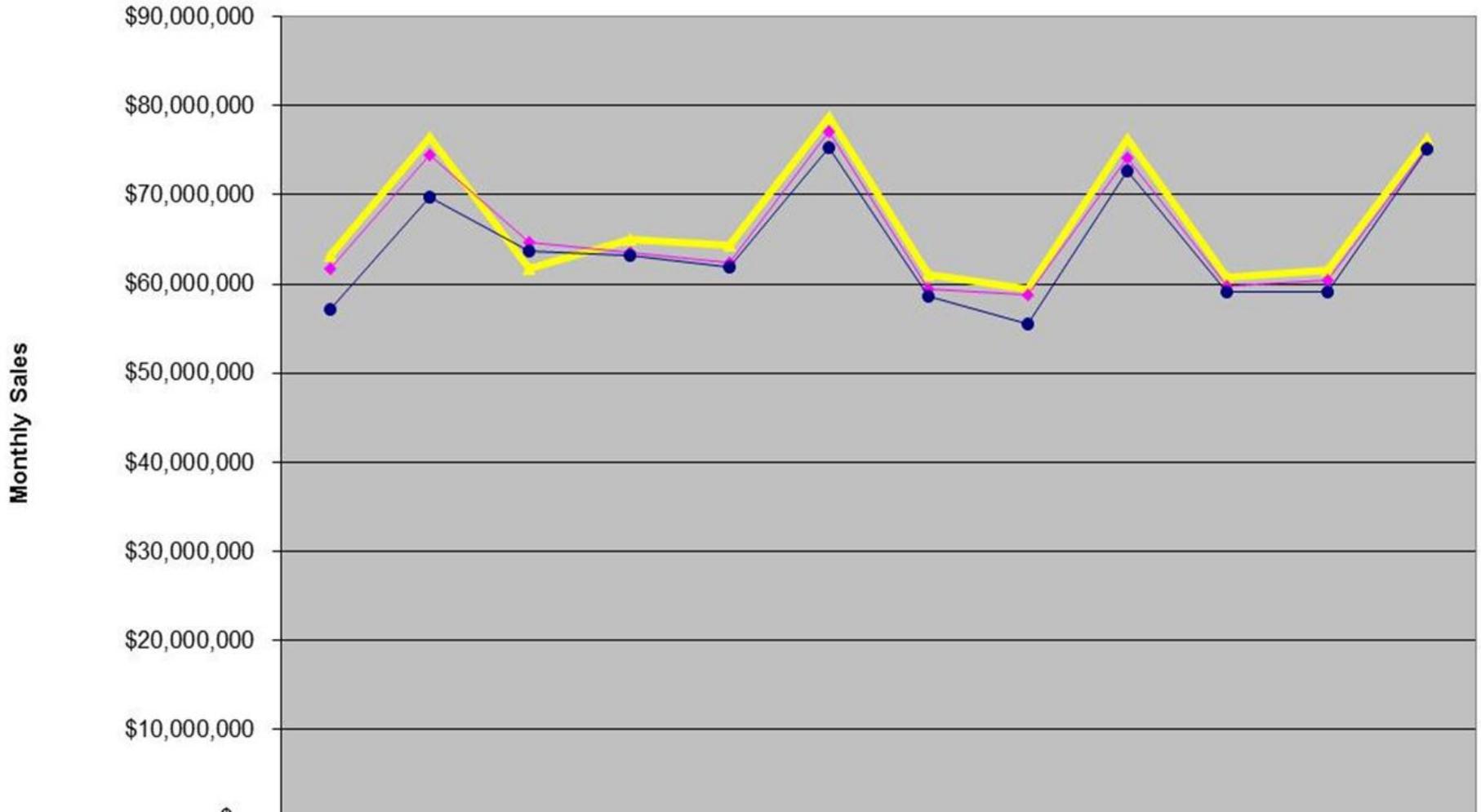
Instant Game Monthly Sales December 10 thru November 13



Month Ending



KENO Game Monthly Sales December 10 thru November 13



	December	January	February	March	April	May	June	July	August	September	October	November
Dec12-Nov13 Monthly Sales	\$63,209,606	\$76,453,588	\$61,657,662	\$65,033,276	\$64,280,486	\$78,695,207	\$61,032,421	\$59,478,963	\$76,327,447	\$60,687,200	\$61,573,131	\$76,231,749
Dec11-Nov12 Monthly Sales	\$61,681,424	\$74,466,661	\$64,684,172	\$63,579,007	\$62,438,549	\$77,066,745	\$59,496,498	\$58,834,238	\$74,168,553	\$59,776,650	\$60,406,576	\$75,360,152
Dec10-Nov11 Monthly Sales	\$57,173,914	\$69,753,994	\$63,723,343	\$63,268,022	\$61,946,220	\$75,374,599	\$58,609,862	\$55,511,595	\$72,637,541	\$59,167,172	\$59,077,661	\$75,178,823

Month Ending



KENO Second Chance Promotion (Dec. 31 – Jan. 4)

- We will be offering players a KENO second chance promotion for the New Year's holiday.
- Every non-winning KENO, KENO Bonus & KENO-to-Go ticket sold from December 31st through January 4th will have a second chance to win \$2,014.
- We offer similar promotions during various holiday weekends throughout the year that yield a sales boost during the promotional period.



HAPPY \$2,014

KENO **KENO BONUS** **KENO to-go**

Every non-winning KENO, KENO Bonus & KENO to-go ticket sold December 31, 2013 through January 4, 2014 will have a second chance to

WIN \$2,014!

Twenty (20) winning serial numbers will be posted on masslottery.com after 10:00 a.m. on January 6, 2014.

YOU CAN WIN MORE THAN ONCE!

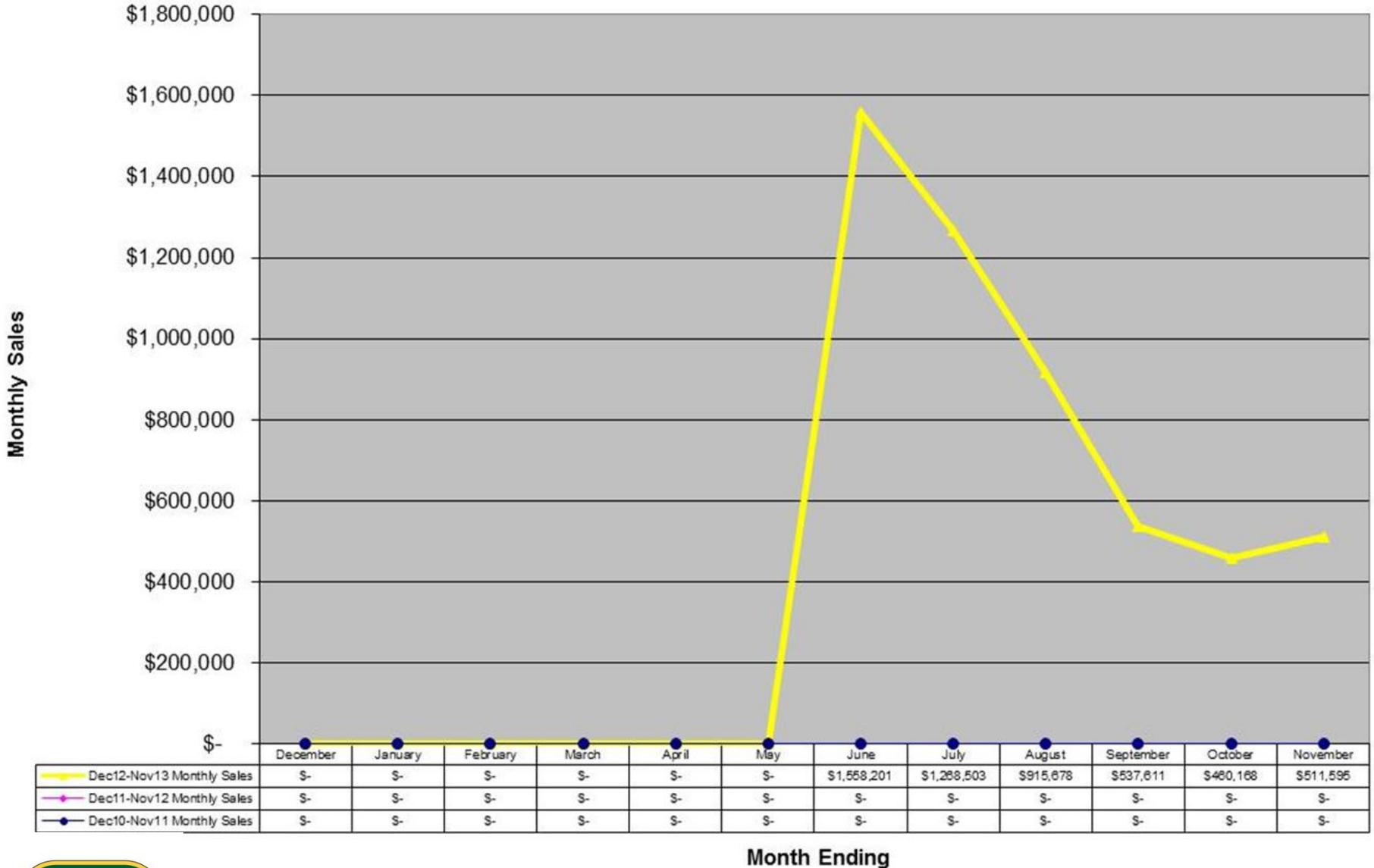
Winning ticket holders in the "New Years Eve 2014" drawing must claim their prizes by February 7, 2014 at a Lottery Regional Office (check www.masslottery.com for office locations). To claim a prize, winning ticket holder must present winning ticket and proper identification. Prize check will be mailed approximately two weeks after prize is claimed. Actual prize amount will be less applicable taxes and withholdings.

You must be 18 years or older to play the Massachusetts Lottery.

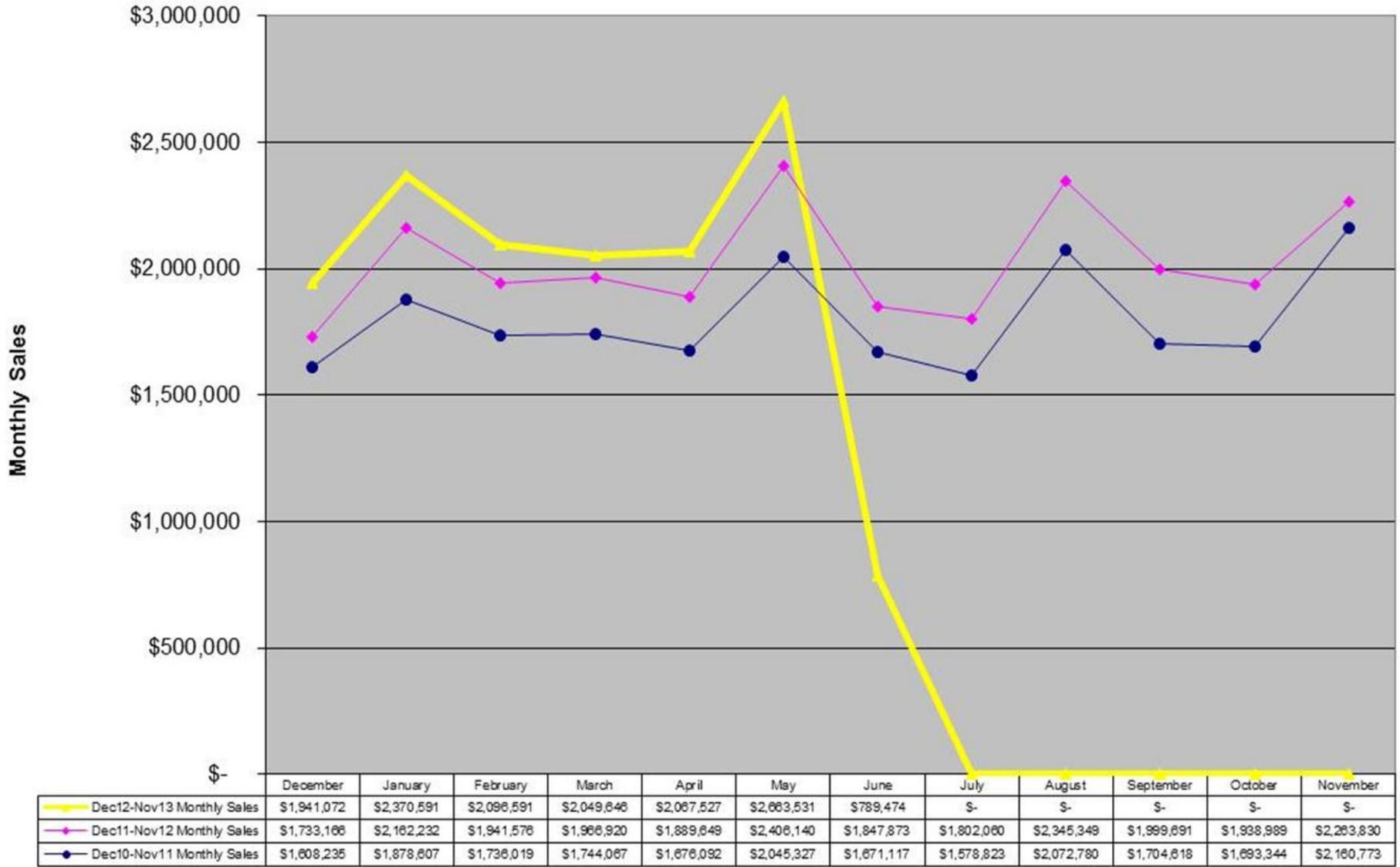
THE LOTTERY
masslottery.com



Poker Game Monthly Sales December 10 thru November 13



Race Game Monthly Sales December 10 thru November 13

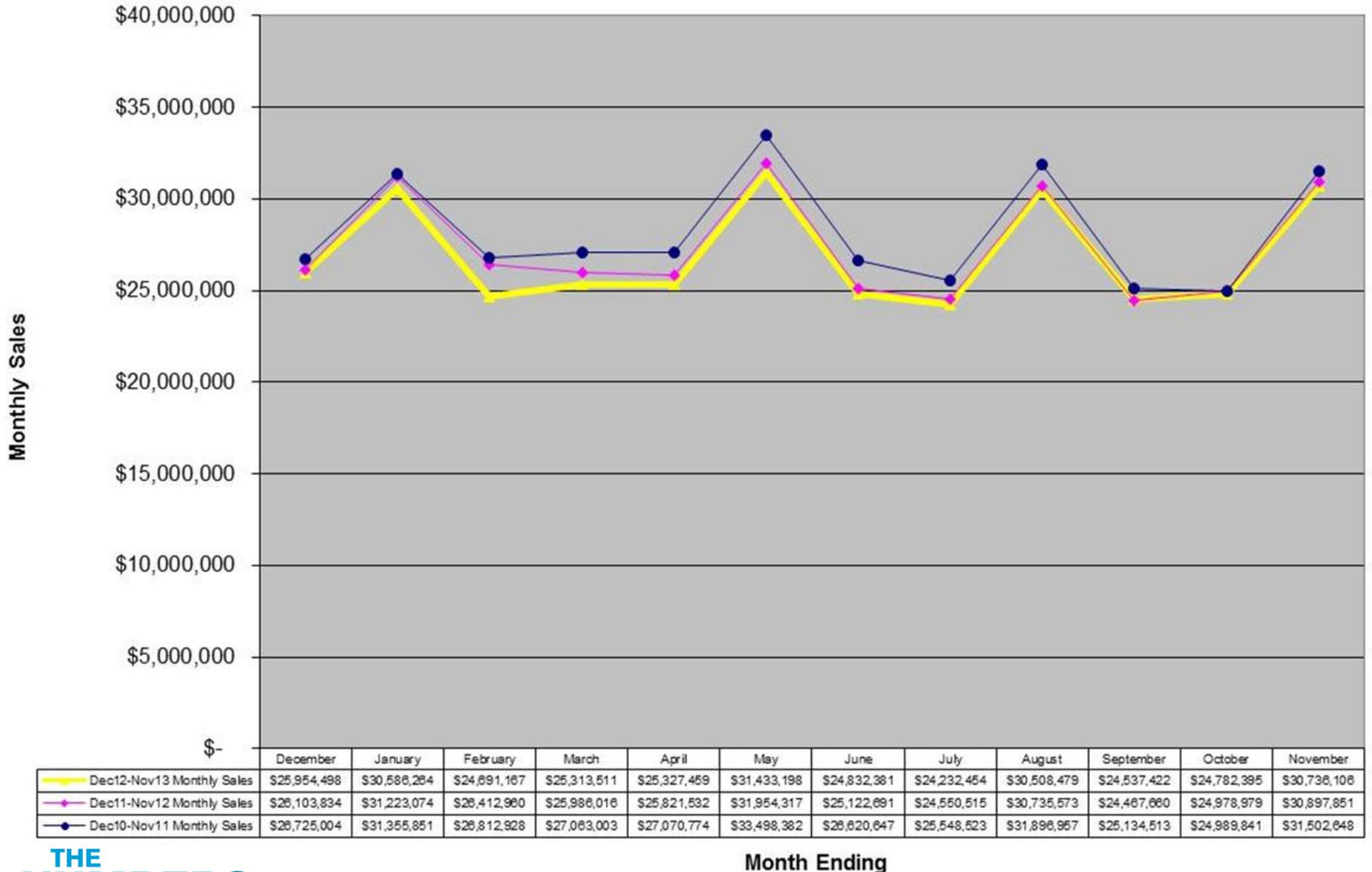


Month Ending

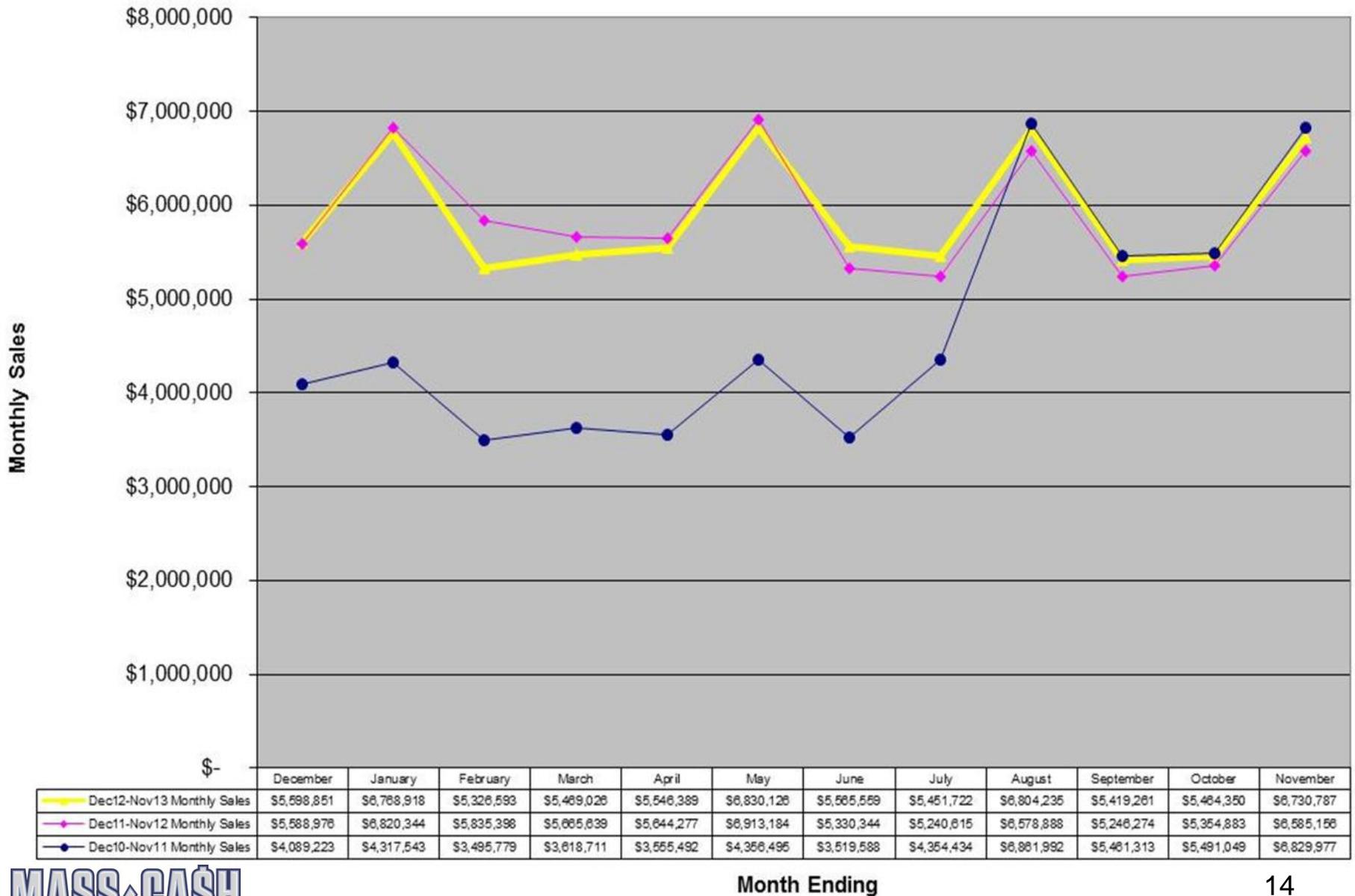
Lucky For Life Game Monthly Sales December 10 thru November 13



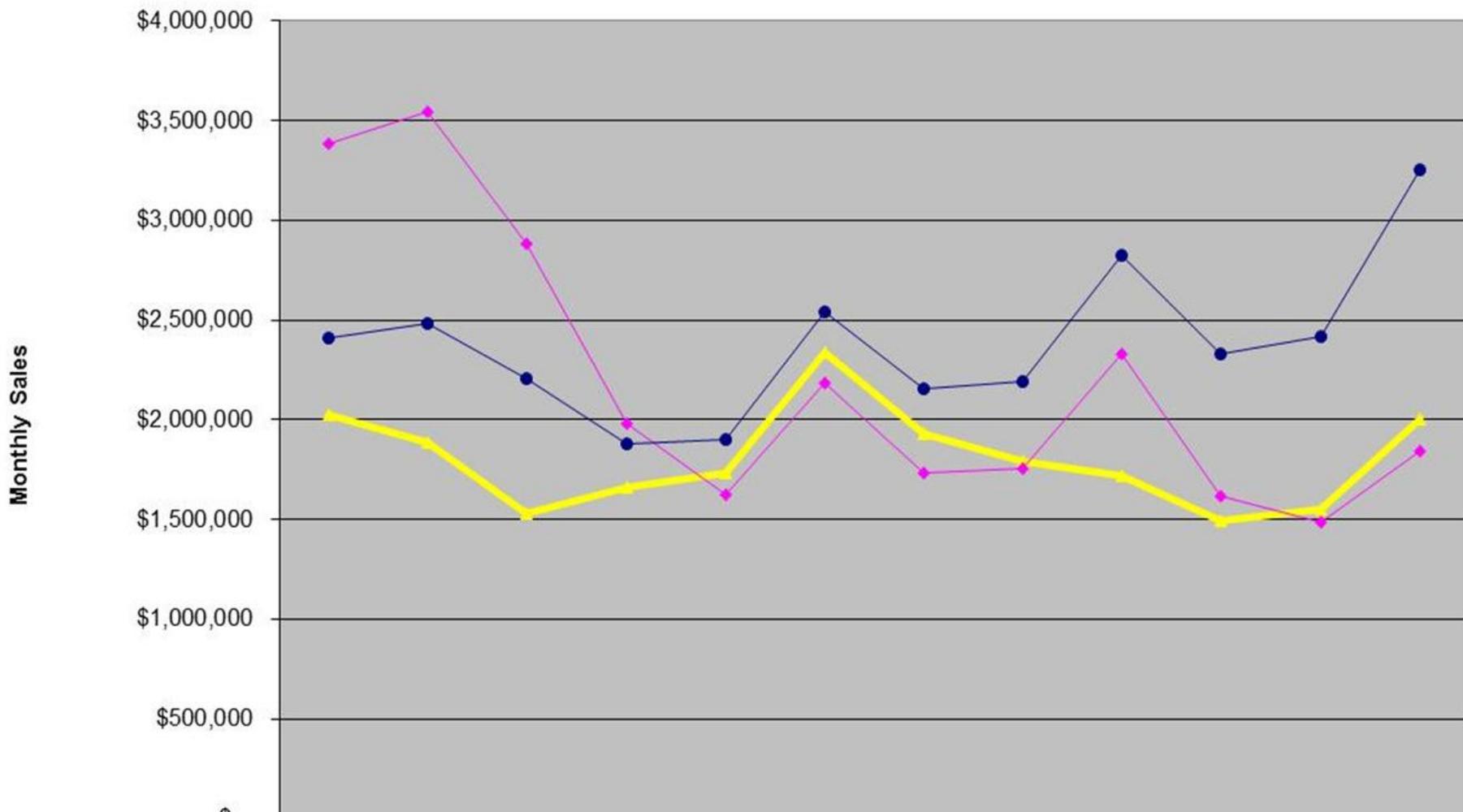
Numbers Game Monthly Sales December 10 thru November 13



Mass Cash Game Monthly Sales December 10 thru November 13



Megabucks Game Monthly Sales December 10 thru November 13

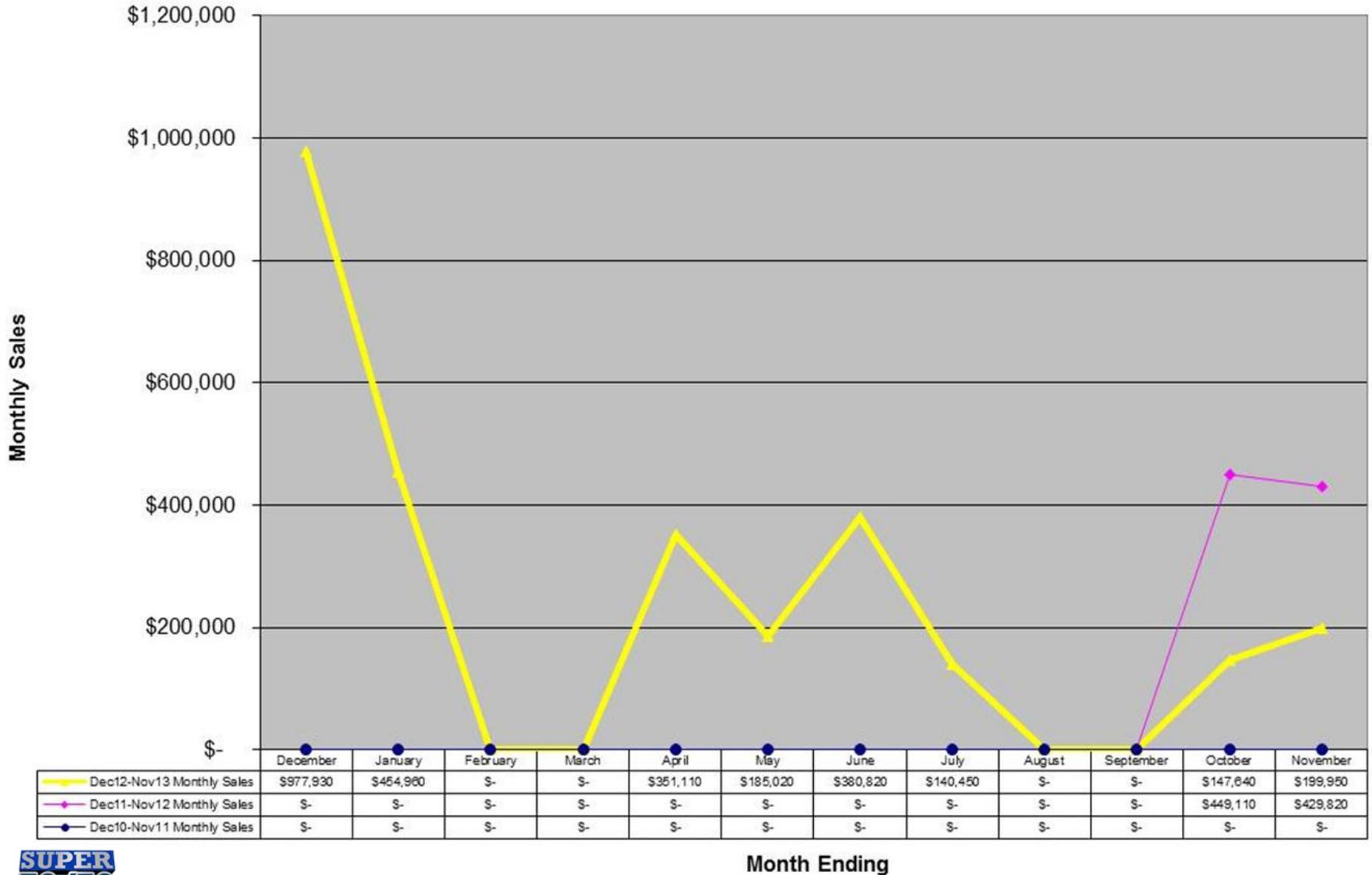


	December	January	February	March	April	May	June	July	August	September	October	November
—◆— Dec12-Nov13 Monthly Sales	\$2,023,565	\$1,884,472	\$1,526,764	\$1,661,201	\$1,730,065	\$2,333,804	\$1,926,569	\$1,791,849	\$1,716,724	\$1,491,130	\$1,551,280	\$2,001,814
—◆— Dec11-Nov12 Monthly Sales	\$3,381,264	\$3,540,270	\$2,879,330	\$1,980,570	\$1,626,691	\$2,186,470	\$1,730,305	\$1,754,484	\$2,330,748	\$1,616,040	\$1,482,273	\$1,843,099
—◆— Dec10-Nov11 Monthly Sales	\$2,409,018	\$2,481,937	\$2,205,105	\$1,878,503	\$1,900,644	\$2,538,472	\$2,155,685	\$2,194,423	\$2,823,960	\$2,327,303	\$2,418,913	\$3,249,651

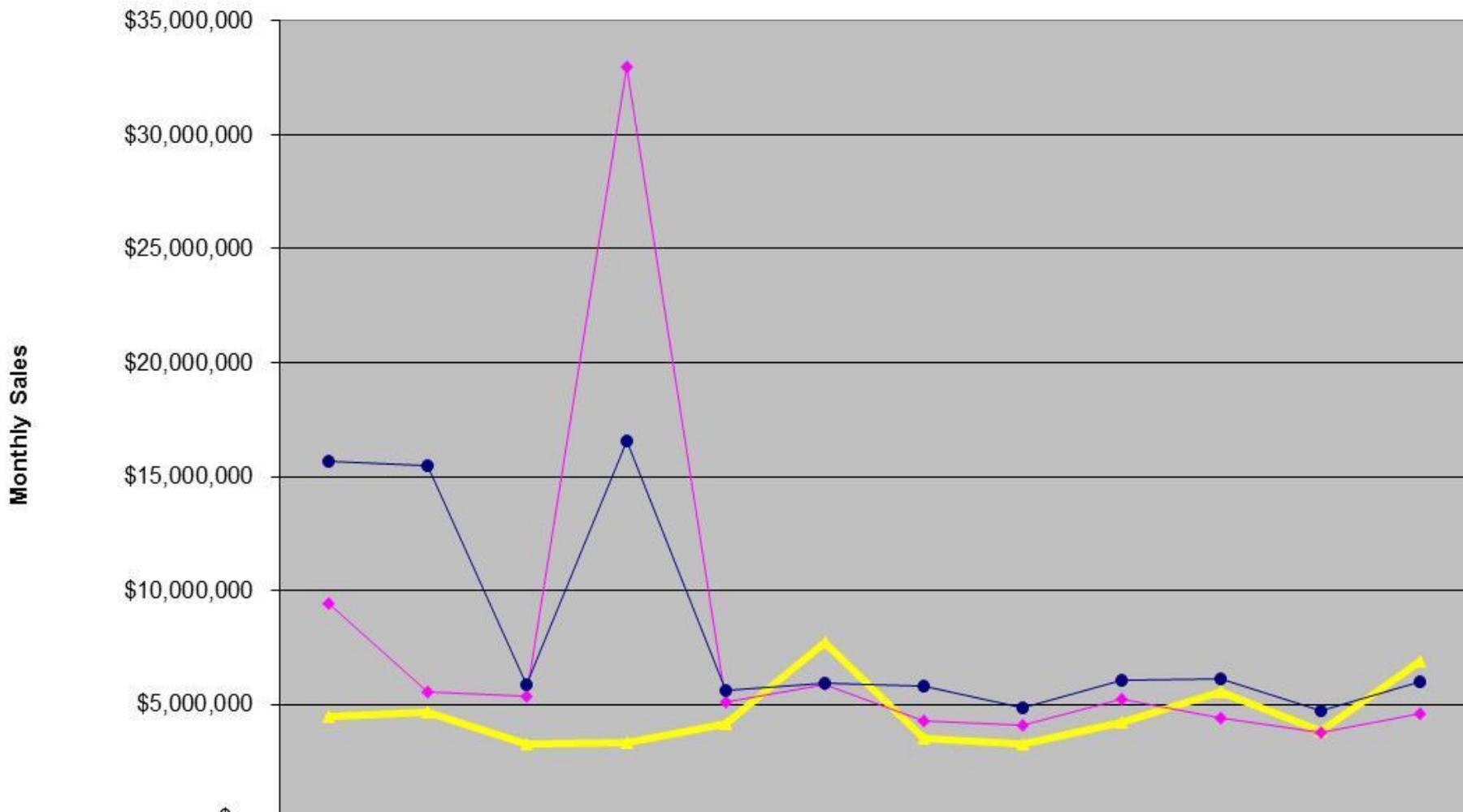
Month Ending



Super 50-50 Raffle Game Monthly Sales December 10 thru November 13



Mega Millions Game Monthly Sales December 10 thru November 13

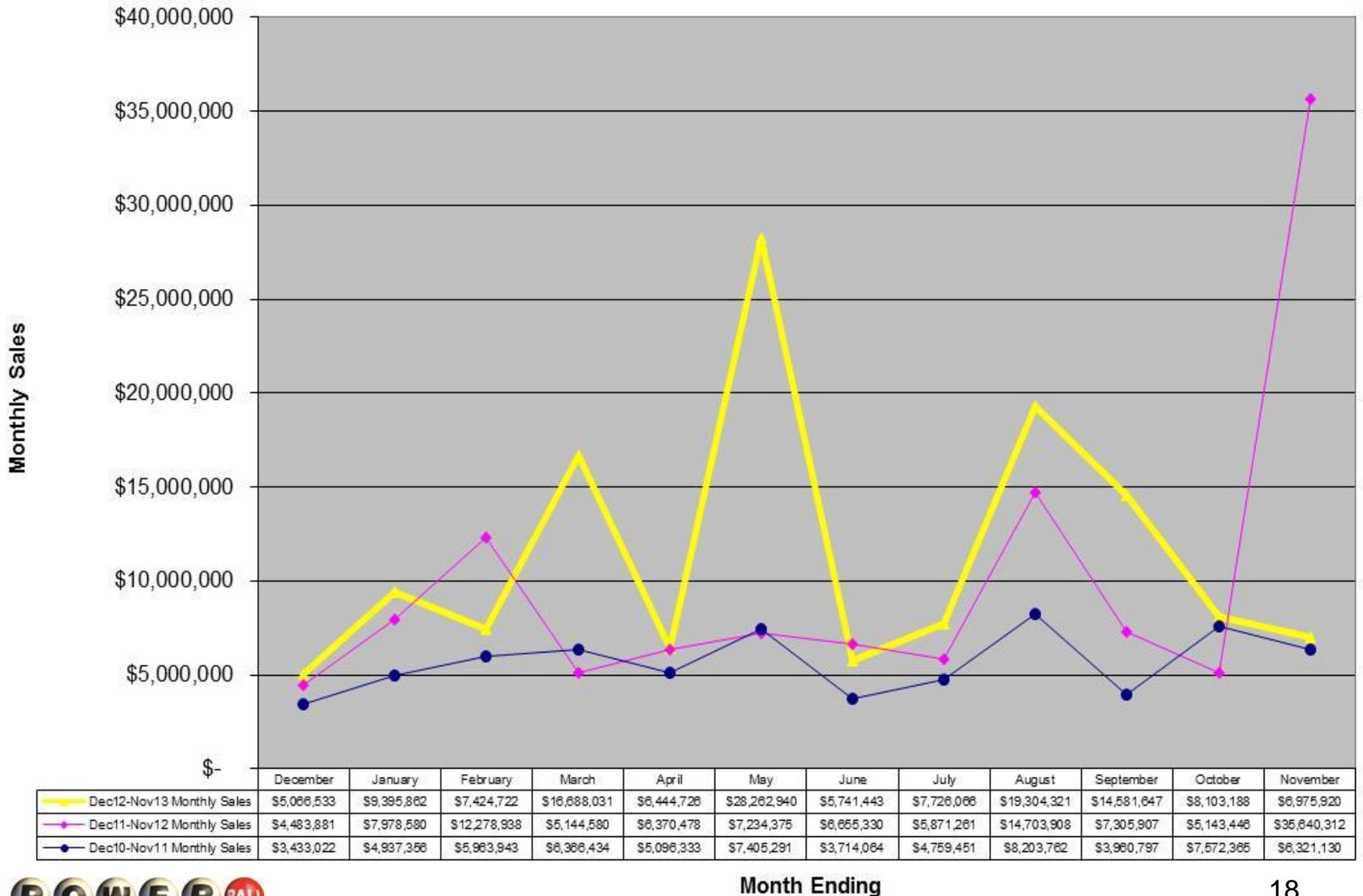


	December	January	February	March	April	May	June	July	August	September	October	November
Dec12-Nov13 Monthly Sales	\$4,464,771	\$4,689,133	\$3,259,650	\$3,339,999	\$4,156,059	\$7,702,167	\$3,524,100	\$3,274,059	\$4,237,931	\$5,540,292	\$3,841,489	\$6,908,127
Dec11-Nov12 Monthly Sales	\$9,455,598	\$5,561,441	\$5,356,677	\$32,974,064	\$5,113,305	\$5,867,252	\$4,288,693	\$4,070,293	\$5,214,203	\$4,408,529	\$3,798,620	\$4,622,314
Dec10-Nov11 Monthly Sales	\$15,659,859	\$15,471,338	\$5,890,784	\$16,576,585	\$5,595,416	\$5,916,940	\$5,824,818	\$4,881,039	\$6,044,294	\$6,093,254	\$4,732,239	\$5,999,489

Month Ending



Powerball Game Monthly Sales December 10 thru November 13



Month Ending

\$61.5 million Powerball Jackpot Winner (Dec. 11)

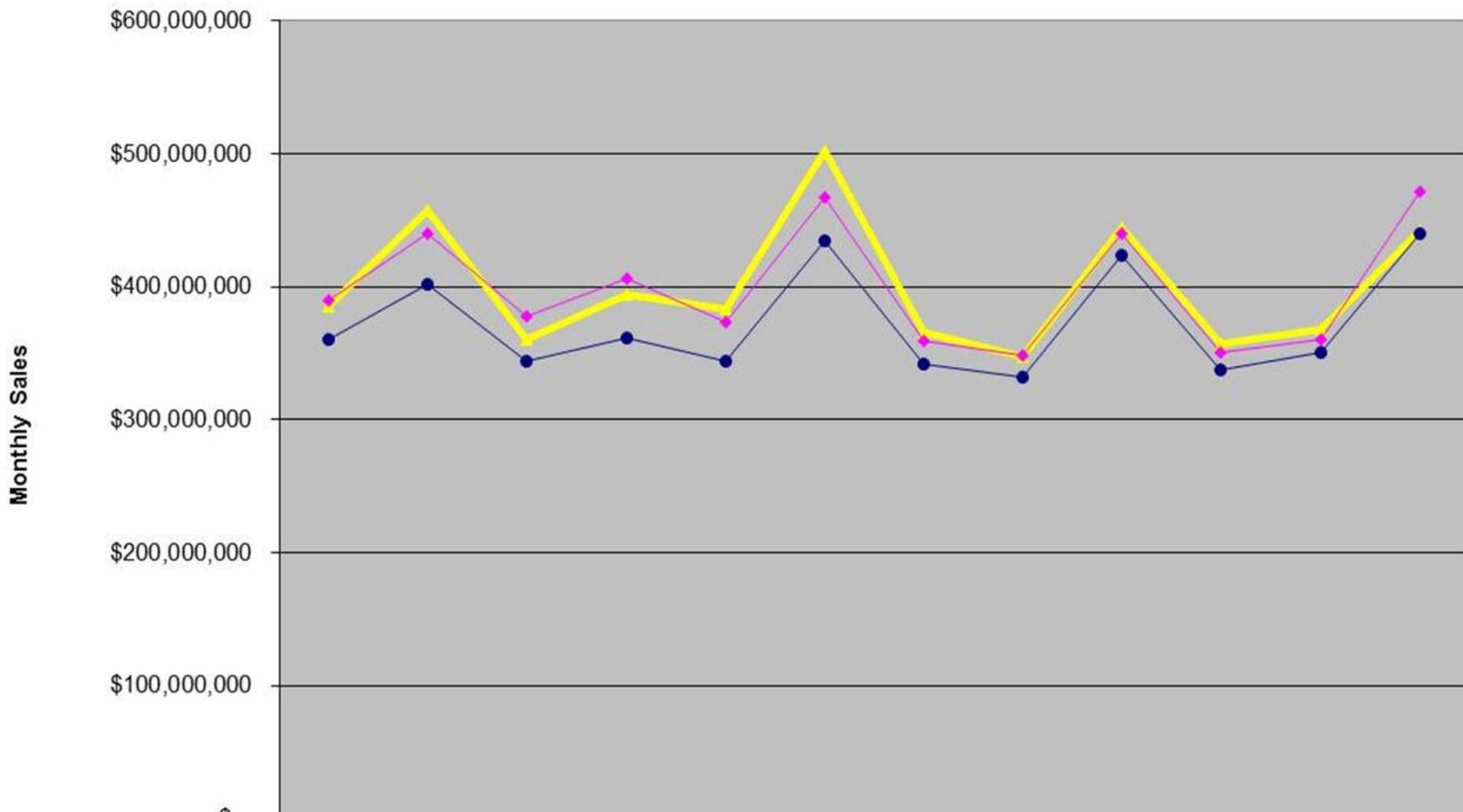
- A ticket sold in Massachusetts was one of two tickets nationwide that matched all five numbers plus the Power Ball in the Wednesday, December 11th Powerball drawing to split the multi-state game's \$122.9 million jackpot. It was sold at Appletown Market located at 9 Main Street in Sterling. The other jackpot-winning ticket was sold in Nebraska.
- The Lottery will not know the identity of the lucky winner until he or she comes forward to claim their half of the prize.
- The winner will have the option of receiving the full \$61,450,000 jackpot in annual prize payments over 29 years or taking a one-time, lump sum payment of \$34,182,985.55, before taxes.



Savan Patel, left, Sanket Patel, Chirag Patel, Taksh Patel and Jay Patel at Appletown Market in Sterling, which sold one of the winning Powerball tickets in the December 11th drawing.

- The owner of Appletown Market, Chirag Patel, also benefitted from this jackpot win by receiving a \$50,000 commission -- the highest retailer commission paid by the Massachusetts Lottery -- for selling the winning ticket. Patel has been a Lottery retailer since November 2011.

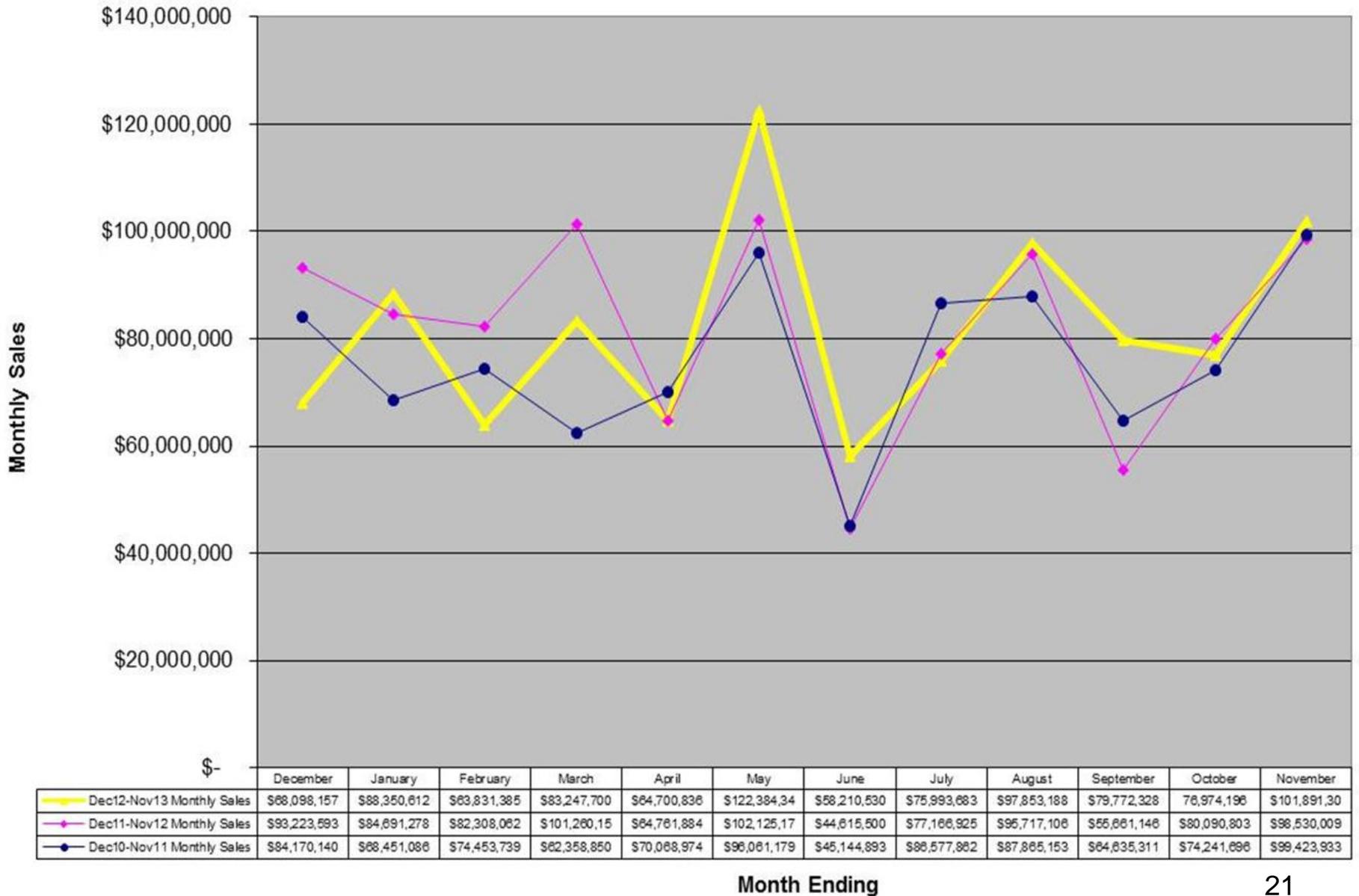
All Game Monthly Sales December 10 thru November 13



	December	January	February	March	April	May	June	July	August	September	October	November
Dec12-Nov13 Monthly Sales	\$385,141,21	\$457,475,98	\$360,488,15	\$394,327,36	\$382,685,71	\$502,405,17	\$365,804,86	\$347,447,17	\$444,714,79	\$357,201,67	\$367,635,77	\$441,807,12
Dec11-Nov12 Monthly Sales	\$389,381,14	\$439,555,90	\$378,185,23	\$406,403,48	\$373,769,43	\$466,824,07	\$359,205,13	\$348,653,04	\$440,248,26	\$350,548,19	\$360,006,31	\$471,334,14
Dec10-Nov11 Monthly Sales	\$360,673,19	\$402,014,40	\$343,565,06	\$361,290,35	\$343,489,86	\$434,978,67	\$341,858,51	\$332,006,02	\$423,385,04	\$337,777,46	\$350,610,08	\$439,409,55

Month Ending

Net Profit Monthly Sales December 10 thru November 13



November FY14 vs. FY13

(\$ millions)

Through November 30, 2013

	FY14	% of Total	FY13	% of Total	\$ Change	% Change
Instant Tickets	\$308	69.8%	\$310	65.8%	-\$2	-0.5%
MegaMillions	7	1.6%	5	1.0%	2	50.0%
Powerball	7	1.6%	36	7.6%	-29	-80.3%
Keno	76	17.3%	75	16.0%	1	1.1%
Mass Cash	7	1.5%	7	1.4%	0	1.5%
Race Game	0	0.0%	2	0.5%	-2	-100.0%
Lucky For Life	3	0.7%	4	0.8%	-1	-16.2%
Numbers Game	31	7.0%	31	6.6%	0	-0.6%
Super 50-50 Raffle	0	0.0%	0	0.1%	0	-50.0%
Megabucks	2	0.5%	2	0.4%	0	11.1%
Jackpot Poker	1	0.1%	0	0.0%	1	0.0%
Total	\$442	100.0%	\$471	100.0%	-\$30	-6.3%
Instant Tickets	\$308	69.8%	\$310	65.8%	-\$2	-0.5%
Online Games	133	30.2%	161	34.2%	-28	-17.4%
Total	\$442	100.0%	\$471	100.0%	-\$30	-6.3%

MSLC Revenue Results

Year-to-Date FY14 vs. FY13

(\$ millions)

Through November 30, 2013

	FY14	% of Total	FY13	% of Total	\$ Change	% Change
Instant Tickets	\$1,353	69.0%	\$1,348	68.4%	\$4	0.3%
MegaMillions	24	1.2%	22	1.1%	2	7.7%
Powerball	57	2.9%	69	3.5%	-12	-17.5%
Keno	334	17.1%	329	16.7%	6	1.7%
Mass Cash	30	1.5%	29	1.5%	1	3.1%
Race Game	0	0.0%	10	0.5%	-10	-100.0%
Lucky For Life	14	0.7%	18	0.9%	-4	-23.1%
Numbers Game	135	6.9%	136	6.9%	-1	-0.6%
Super 50-50 Raffle	0	0.0%	1	0.0%	0	-45.6%
Megabucks	9	0.4%	9	0.5%	0	-4.4%
Jackpot Poker	4	0.2%	0	0.0%	4	100.0%
Total	\$1,959	100.0%	\$1,971	100.0%	-\$12	-0.6%
Instant Tickets	\$1,353	69.0%	\$1,348	68.4%	\$4	0.3%
Online Games	606	31.0%	622	31.6%	-16	-2.6%
Total	\$1,959	100.0%	\$1,971	100.0%	-\$12	-0.6%

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.

