

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Beth Bresnahan

June 24, 2014



Lottery Sales Update

- Lottery sales were up \$7 million for the month, as compared to May 2013. The prize payout for May 2014 was 72.17 percent, significantly higher than the 68.75 percent payout of last May.
- While last month's fluctuation has caused the year-to-date prize payout to increase to 72.15 percent, it continues to remain below the FY14 budgeted rate of 72.3 percent. Consequently, our net profit is \$16.1 million ahead of last year's pace through the first 11 months of the fiscal year.
- Instant Ticket sales increased by \$33 million last month following the introduction of the \$30 World Class Millions game in late April 2014. KENO also saw an increase in May, with sales ringing in \$2 million ahead of last year's figures.
- Powerball experienced a \$22 million drop in sales due to a significantly lower jackpot offering in May 2014 as compared to the previous May (\$100 million versus \$590.5 million respectively). Other draw games that experienced sales declines for the month were: Mega Millions, which was down \$2 million; Lucky for Life, which was down \$1 million; and, The Daily Race Game, which was down \$3 million because the game has not generated any sales since its official end in June 2013.

June Instant Ticket Sales Update

Gold Rush

Price Point \$1

5.5 Day Sales: \$36,635

Golden Spin

Price Point: \$2

5.5 Day Sales: \$236,608

Million Dollar Gold

Price Point: \$5

5.5 Day Sales: \$1,258,760

\$4,000,000 Gold Bullion

Price Point: \$10

5.5 Day Sales: \$1,745,530

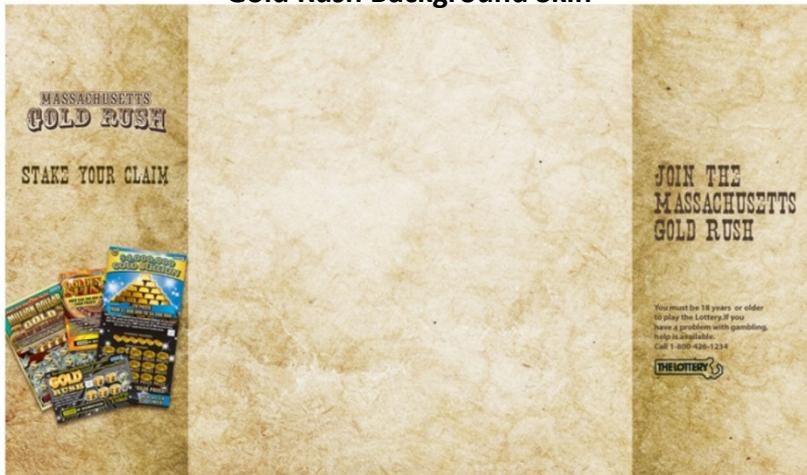


June Instant Advertising

Gold Rush Pencil Pushdown



Gold Rush Background Skin



300x600 Banner Ads



700x500 Banner Ads



Gold Rush

Master High Impact Calendar (June)

Updated 6.9.14

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|-----------------------------------|-------------------------------------|---|---|---|---|-----------------------------------|
| June 15 | June 16 | June 17 | June 18 | June 19 | June 20 | June 21 |
| | | WHDH City Site Homepage Expandable GR | Boston Herald Home Page SBB GR Centro - MassLive.com Sliding Home Page GR Billboard | WHDH City Site Homepage Expandable GR WCVB Homepage Pushdown GR | Boston Herald Home Page SBB GR WCVB Homepage Pushdown GR | Boston Herald Home Page SBB GR |
| June 22 | June 23 | June 24 | June 25 | June 26 | June 27 | June 28 |
| Boston Herald Home Page SBB GR | Boston Herald Home Page SBB GR | WHDH City Site Homepage Expandable GR WCVB Homepage Pushdown GR | Boston Herald Home Page SBB GR | Centro - MassLive.com Sliding Home Page Billboard GR | WHDH City Site Homepage Expandable GR | |
| June 29 | June 30 | | | | | |
| | CBS Boston Home Page Takeover GR | | | | | |

June Instant Social Media Presence

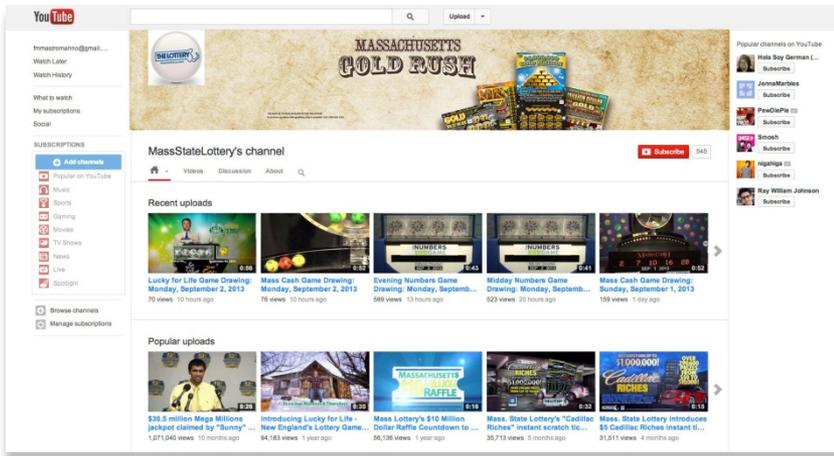
Facebook.com/MASStateLottery



Twitter.com/MASStateLottery



Youtube.com/MasStateLottery



Flickr.com/MASStateLottery



World Class Millions Sales Update

World Class Millions

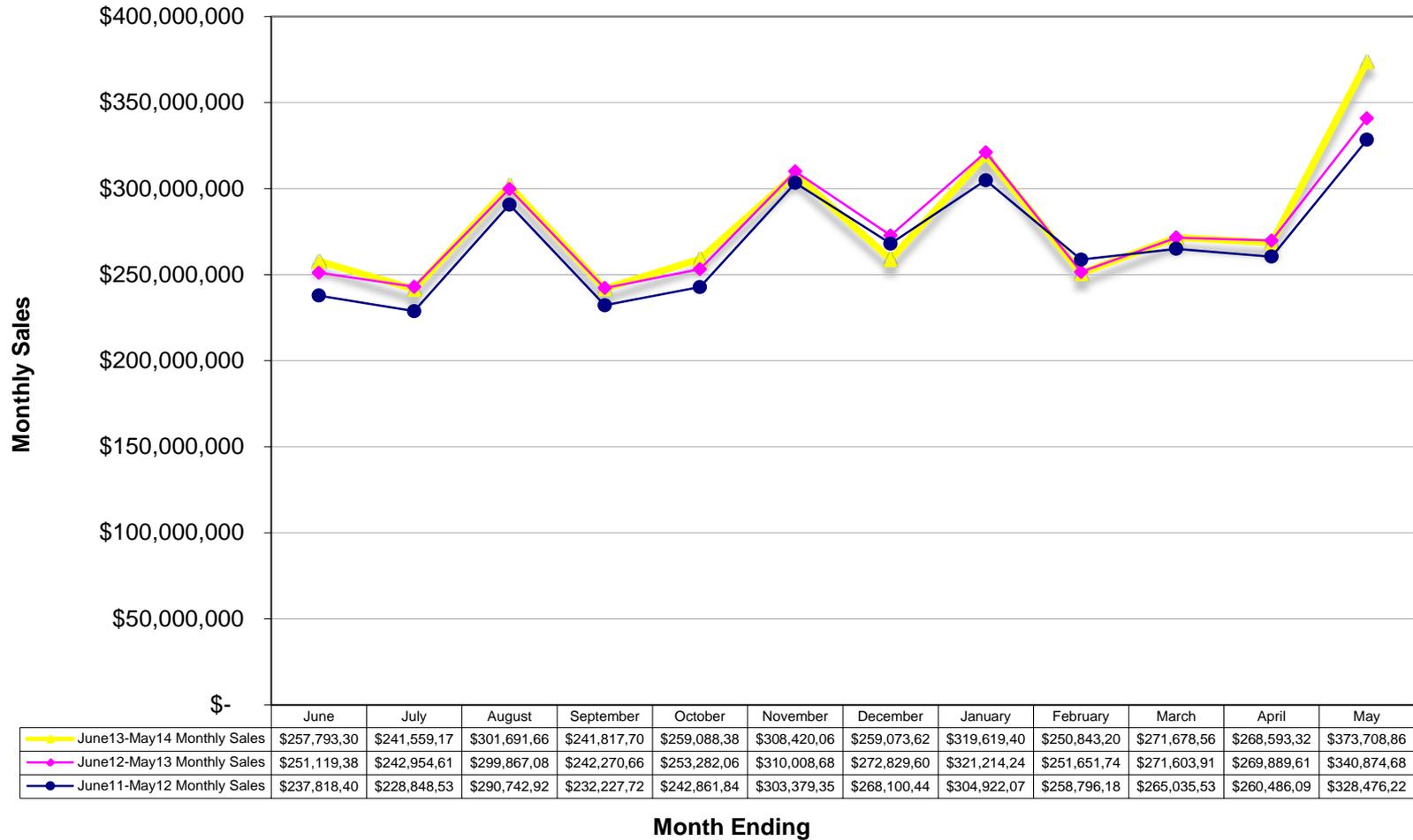
Price Point: \$30

9 Week Sales: \$150,731,310

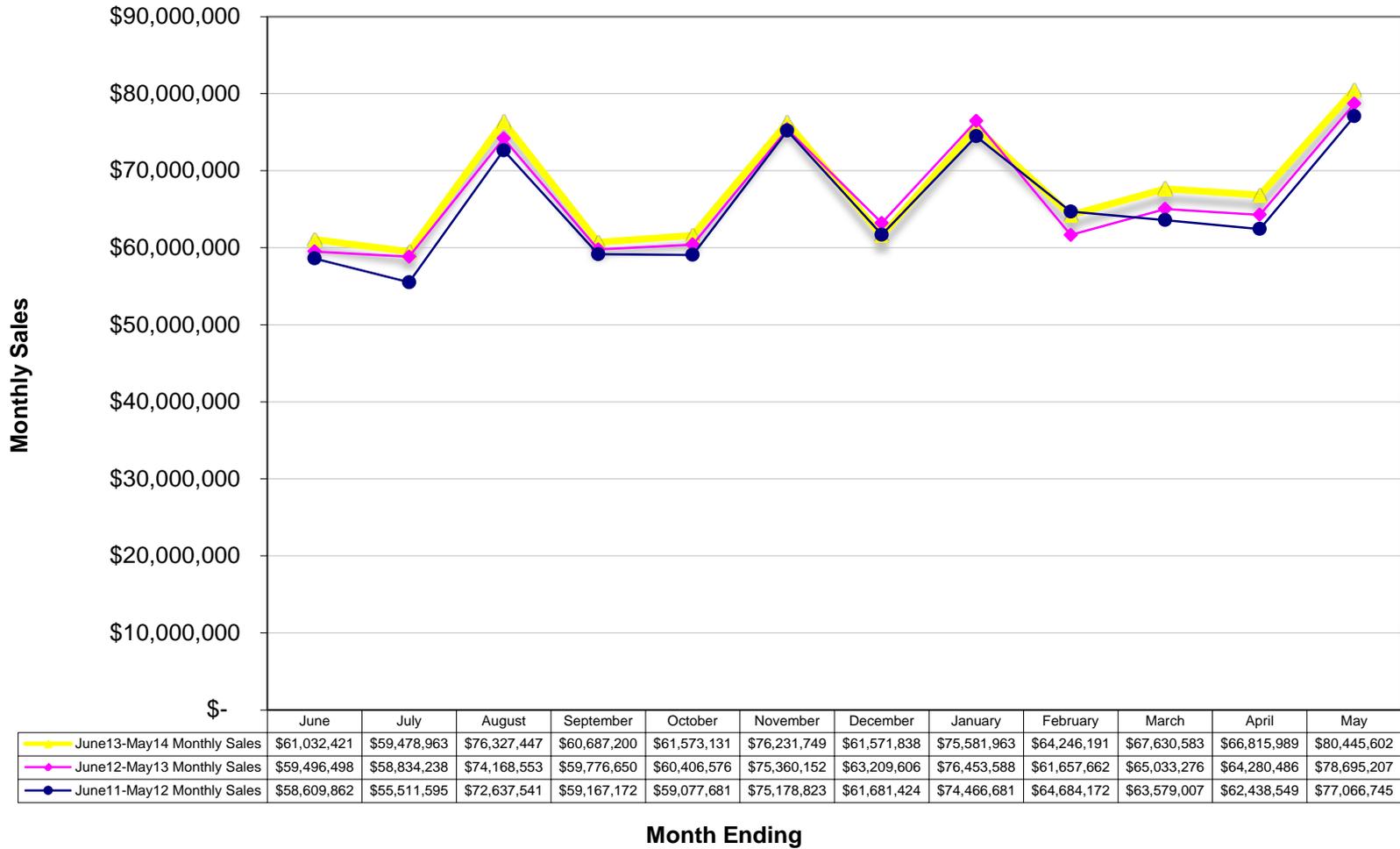
- Game is 20 percent sold. Entry deadline for 1st Second Chance Drawing was set for 6/23/14 at 3:00 pm.
- Marginal cannibalization in the \$20 portfolio since the game's release on 4/22/14.
- Incremental growth in the overall Instant Ticket portfolio has been outstanding.
- Weekly instant sales have averaged over \$73.3 million since the game's release vs. \$66.9 million last year – a 9.6 percent gain.



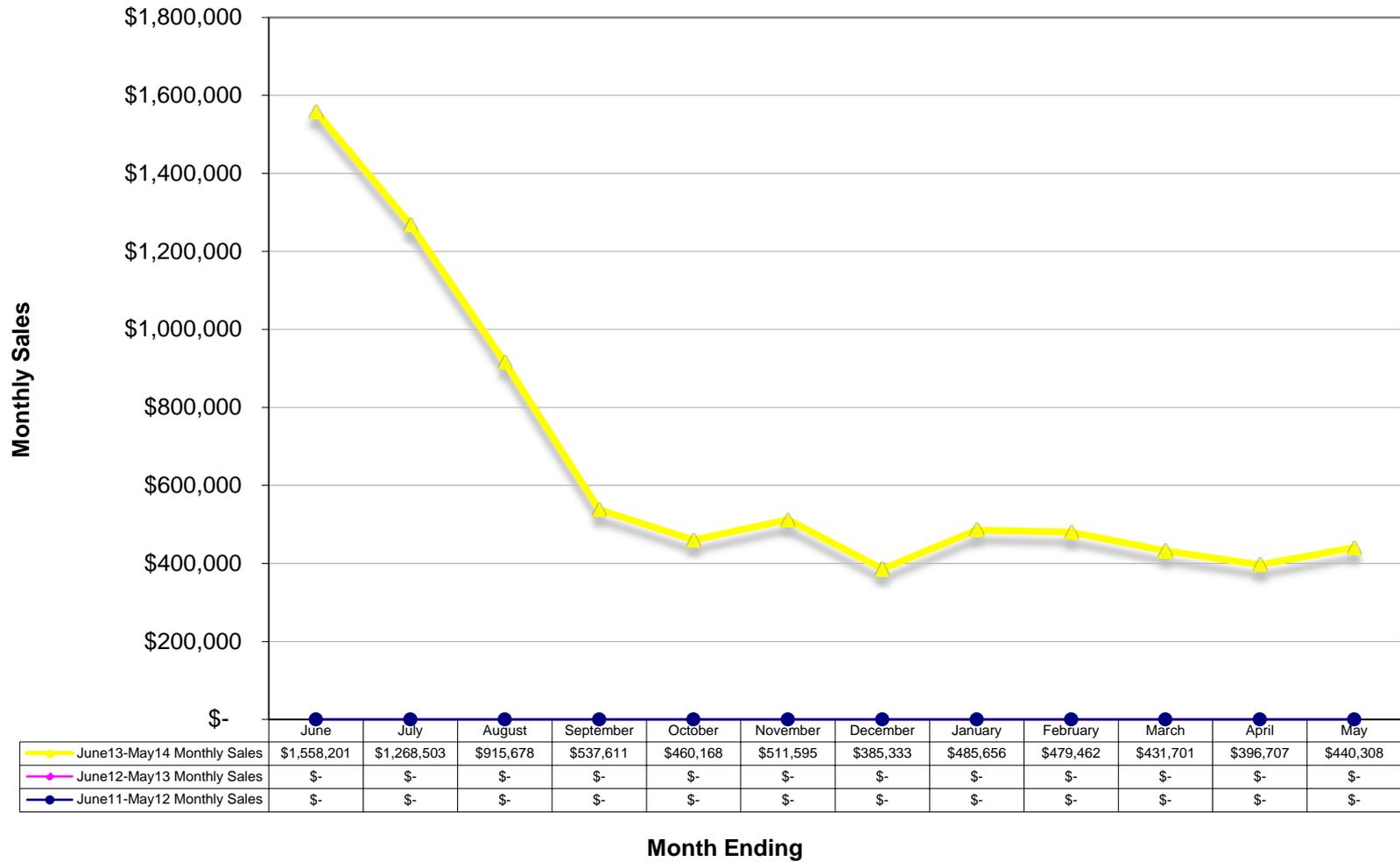
Instant Game Monthly Sales June 11 thru May 14



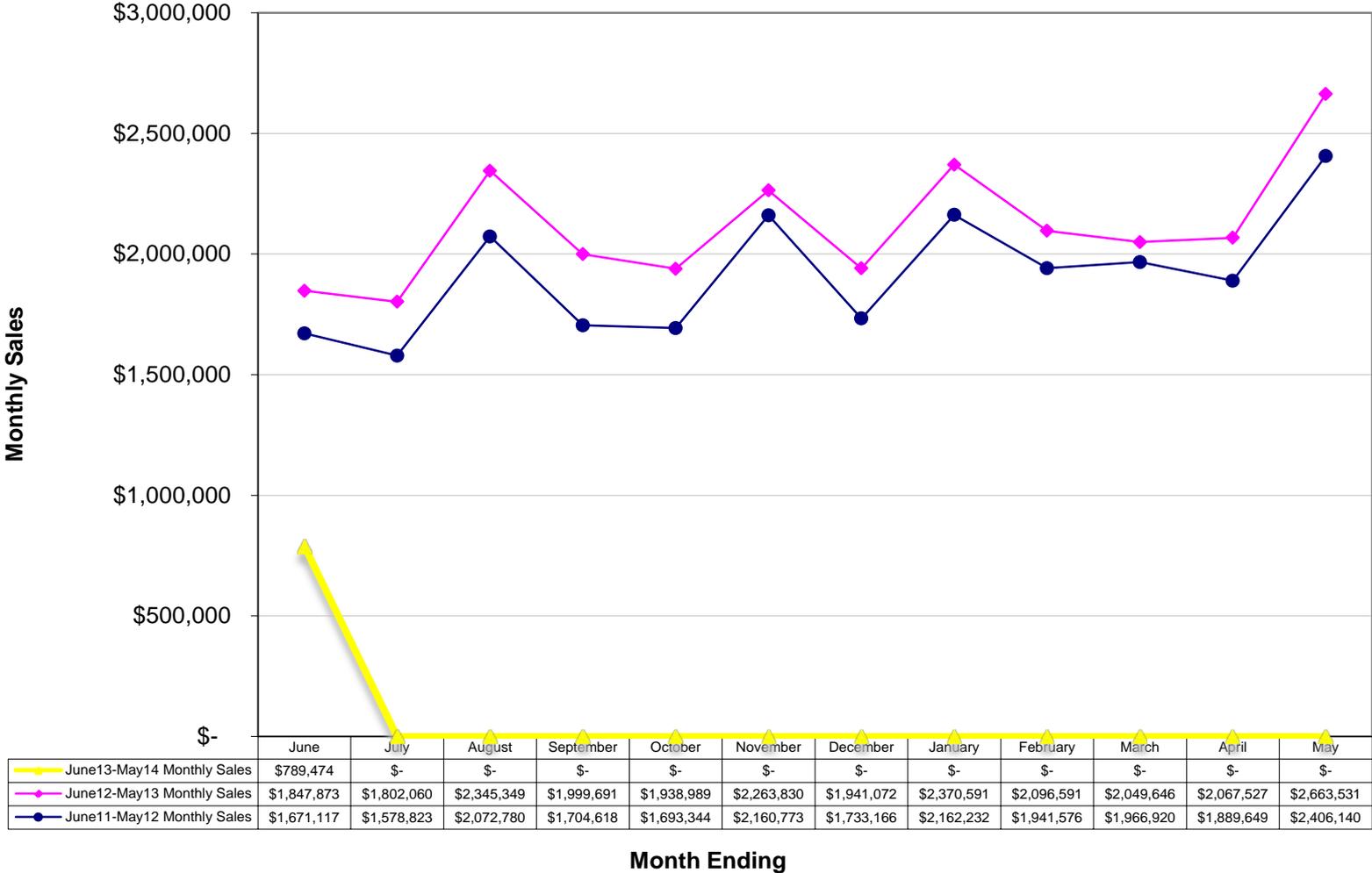
KENO Game Monthly Sales June 11 thru May 14



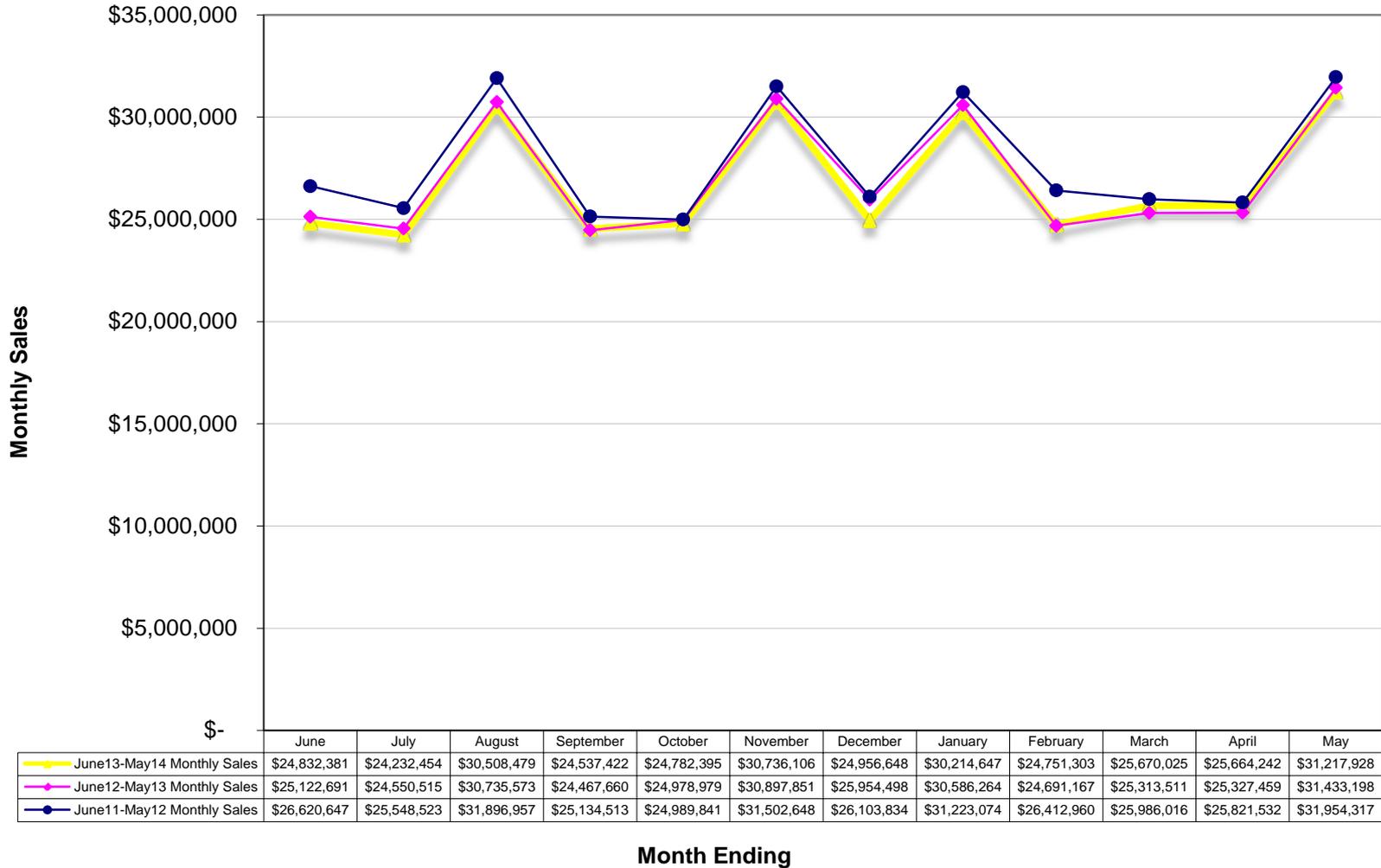
Poker Game Monthly Sales June 11 thru May 14



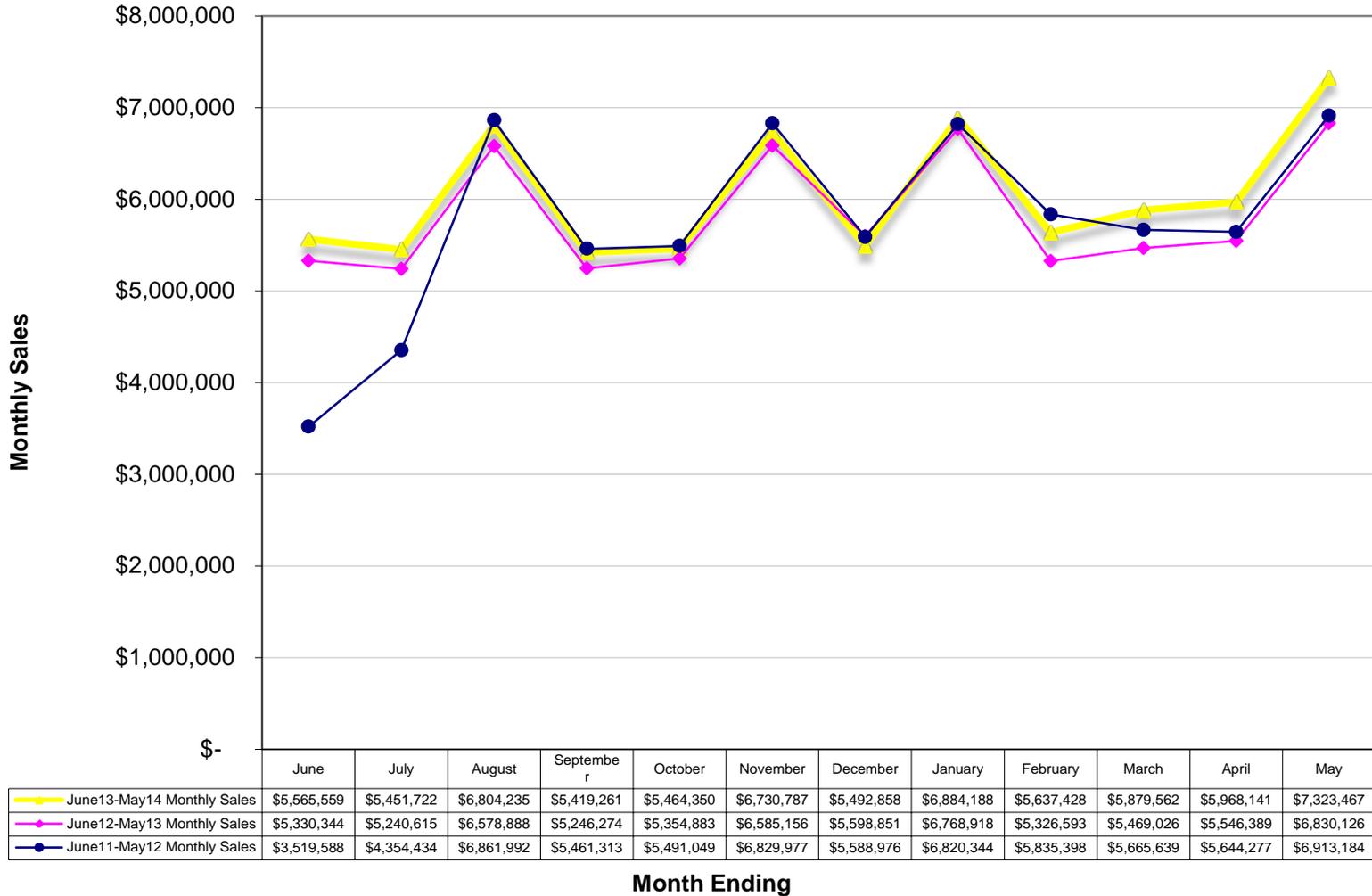
Race Game Monthly Sales June 11 thru May 14



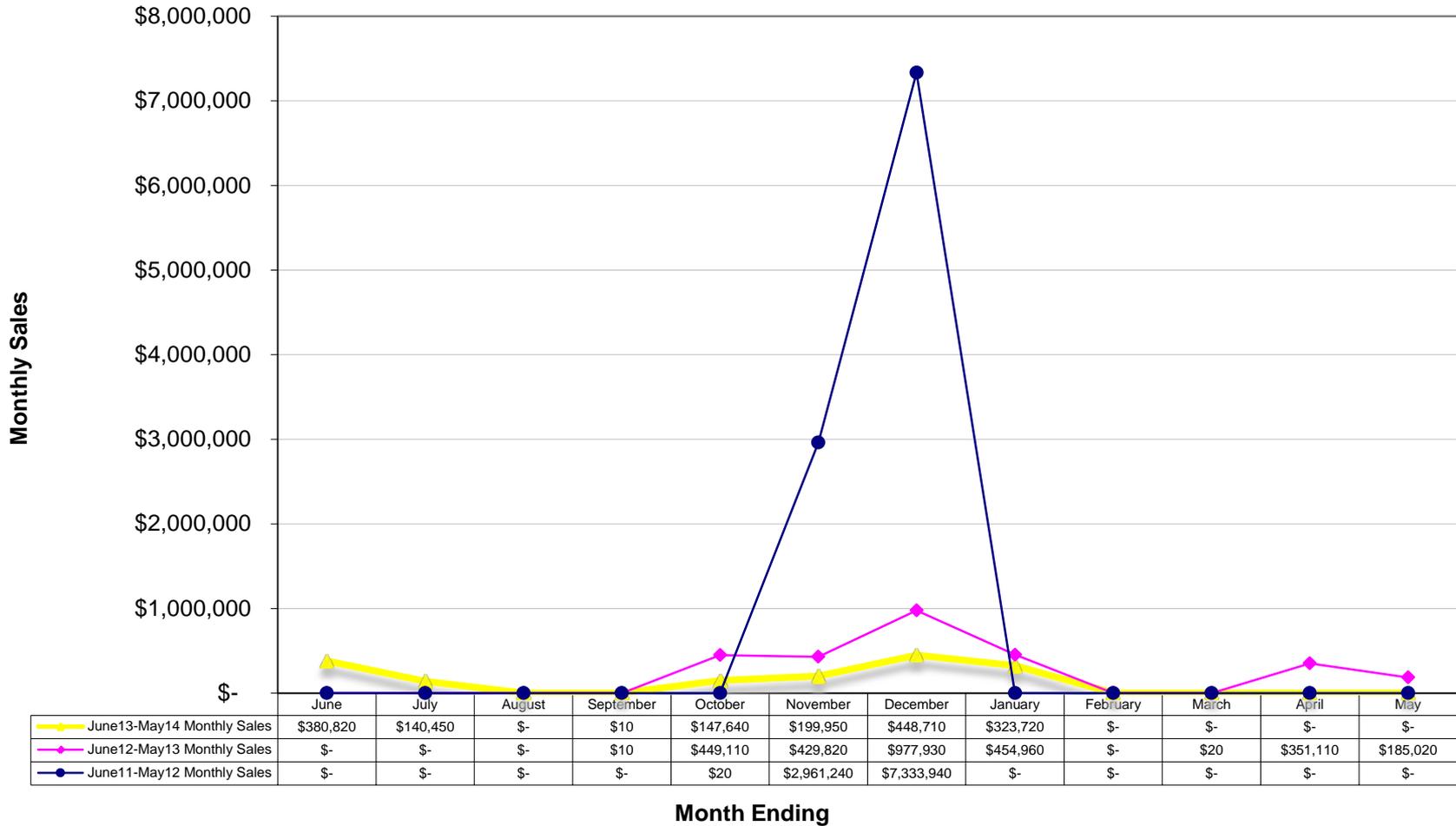
Numbers Game Monthly Sales June 11 thru May 14



Mass Cash Game Monthly Sales June 11 thru May 14



Online Raffle Game Monthly Sales June 11 thru May 14



Season Tickets Summer Discount Program

Valpak July single panel insert:
Mailed to 850,000 MA households



THE LOTTERY
masslottery.com

Buy Any Lottery Season Ticket Between
July 6 & August 9 and Receive a

SUMMER DISCOUNT

GET WICKED LUCKY WITH YOUR OWN LOTTERY SEASON TICKET!

You must be 18 years or older to play the Massachusetts State Lottery. If you have a problem with gambling, help is available. Call 1-800-426-1234.

MORE ON BACK!

ON SALE AT ALL LOTTERY SALES AGENTS

OR CALL 1-800-222-8587
During Regular Business Hours

THE LOTTERY
masslottery.com

MEGA MILLIONS
MEGA PLUS

MEGABUCKS DOUBLER

Lucky FOR LIFE
NEW ENGLAND'S GAME

POWERBALL
POWERPLAY

\$1 PER WAGER - DRAWN TWICE A WEEK

- 13 Weeks/26 Drawings for \$23 - Total Savings \$3
- 26 Weeks/52 Drawings for \$45 - Total Savings \$7
- 52 Weeks/104 Drawings for \$90 - Total Savings \$14

\$2 PER WAGER - DRAWN TWICE A WEEK

- 13 Weeks/26 Drawings for \$45 - Total Savings \$7
- 26 Weeks/52 Drawings for \$90 - Total Savings \$14
- 52 Weeks/104 Drawings for \$180 - Total Savings \$28

Buy any Season Ticket here between **July 6 and August 9** and receive a

SUMMER DISCOUNT

GET WICKED LUCKY WITH YOUR OWN LOTTERY SEASON TICKET.

The Lottery will send you your prizes over \$10!
Prizes under \$10 will be collected until they equal \$10 or more.

SEASON TICKETS ALSO MAKE GREAT GIFTS!

MEGA MILLIONS **MEGABUCKS DOUBLER**

\$1 PER WAGER - DRAWN TWICE A WEEK

- 13 Weeks/26 Drawings for \$23 - Total Savings \$3
- 26 Weeks/52 Drawings for \$45 - Total Savings \$7
- 52 Weeks/104 Drawings for \$90 - Total Savings \$14

Lucky FOR LIFE **POWERBALL**
NEW ENGLAND'S GAME POWERPLAY

\$2 PER WAGER - DRAWN TWICE A WEEK

- 13 Weeks/26 Drawings for \$45 - Total Savings \$7
- 26 Weeks/52 Drawings for \$90 - Total Savings \$14
- 52 Weeks/104 Drawings for \$180 - Total Savings \$28

WIN A FULL YEAR MEGA MILLIONS SEASON TICKET!

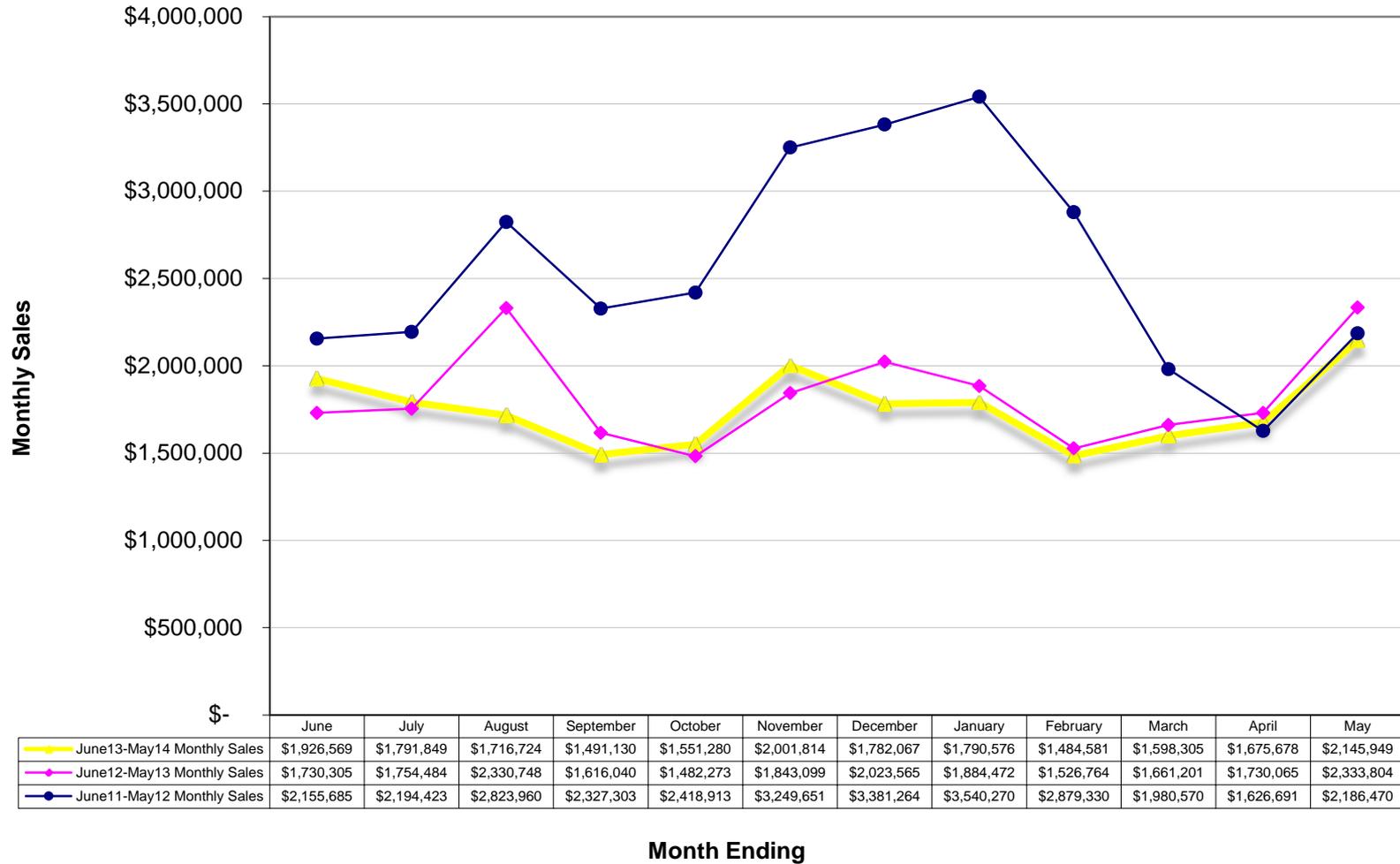
Email the "CONTROL NUMBER" on the Season Ticket you purchased between **July 6 and August 9** to seasonticketcontest@masslottery.com for a chance to win one of 50 Mega Millions Season Tickets. Each "Control Number" may only be entered once. Your email entry must be received by August 22, 2014. Winners will be contacted via the email address used to submit entries.

Every Season Ticket has a "Control Number" which starts with a letter.

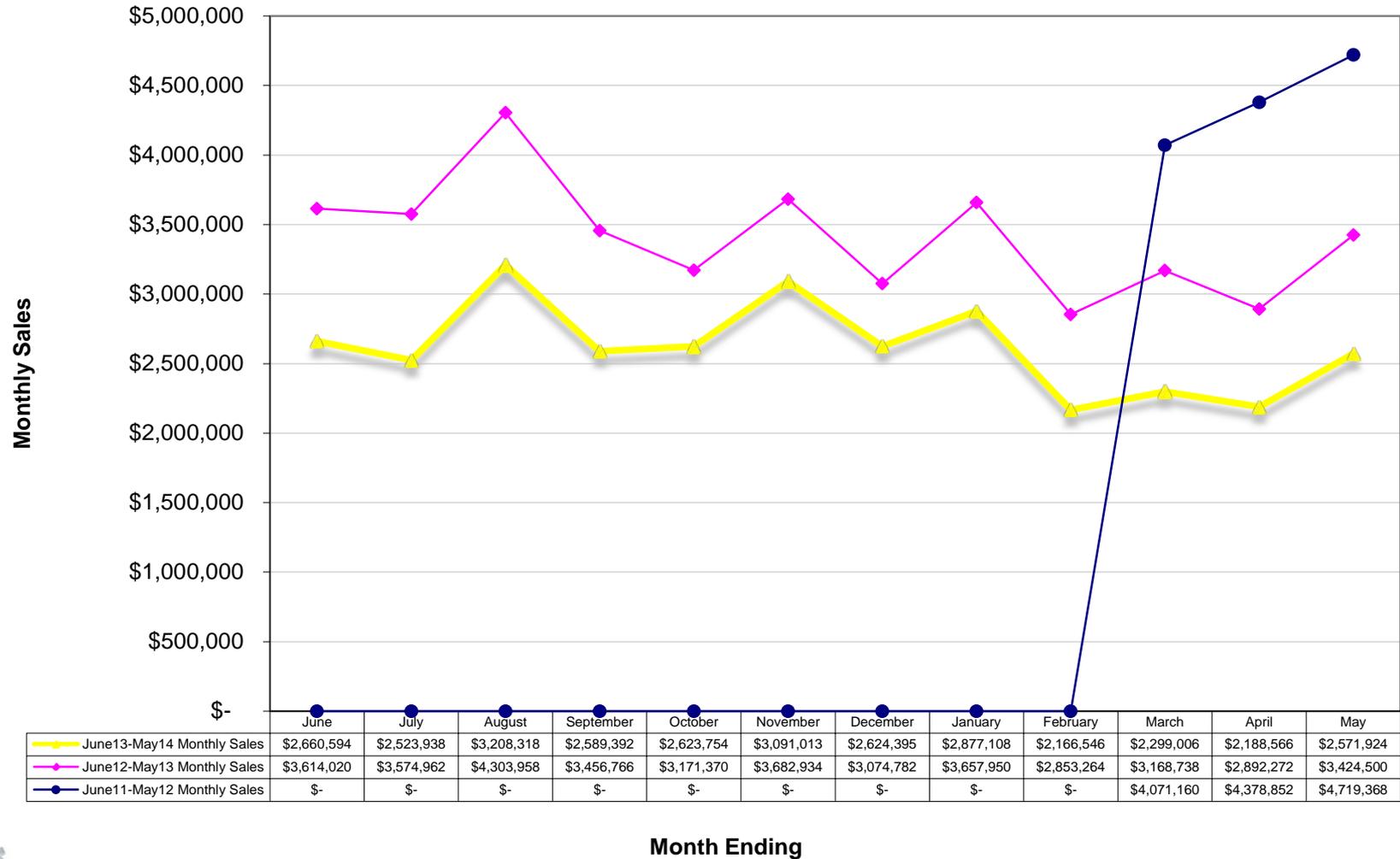
If you have a problem with gambling, help is available. Call 1-800-426-1234.
You must be 18 years or older to play the Massachusetts Lottery.



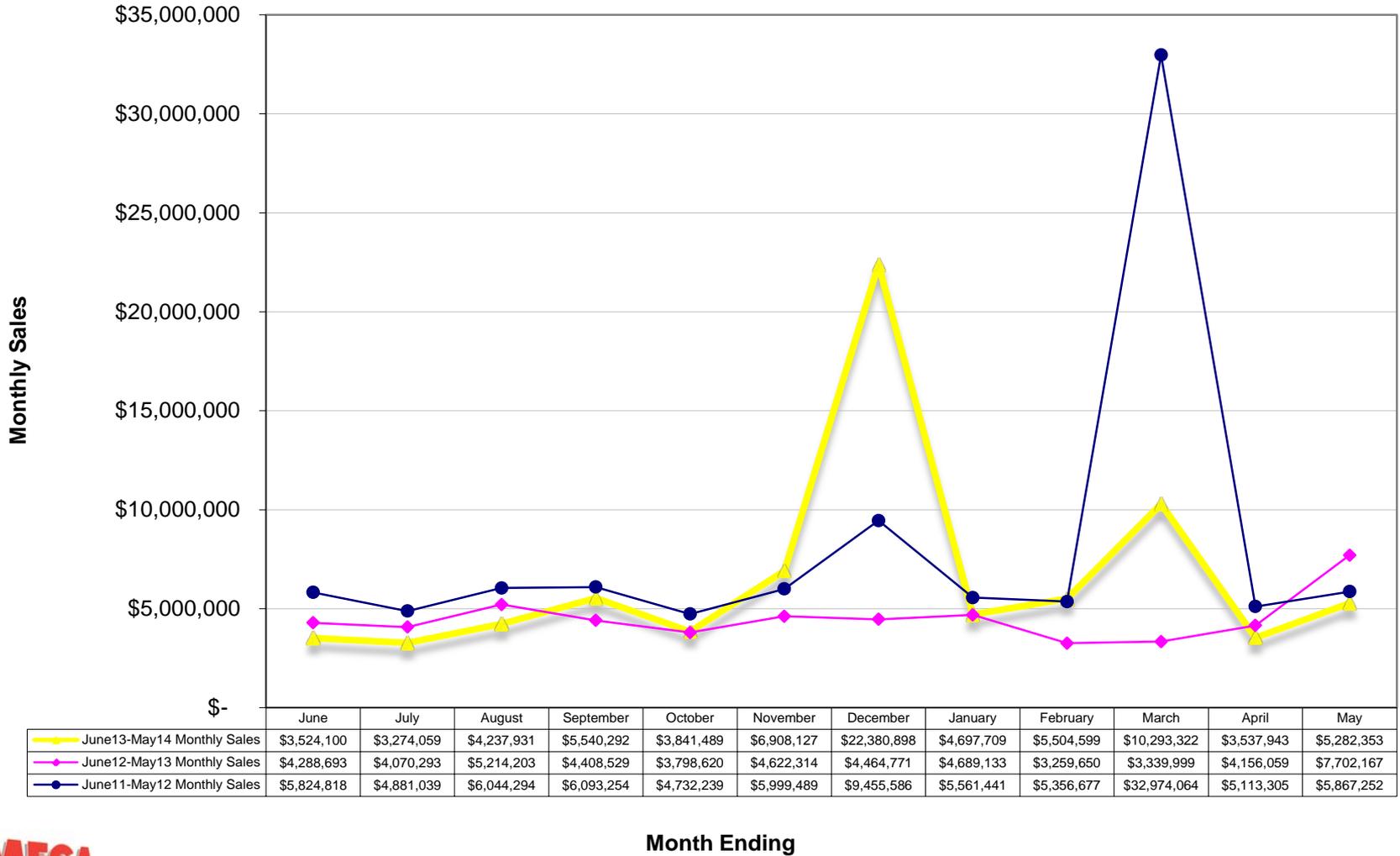
Megabucks Game Monthly Sales June 11 thru May 14



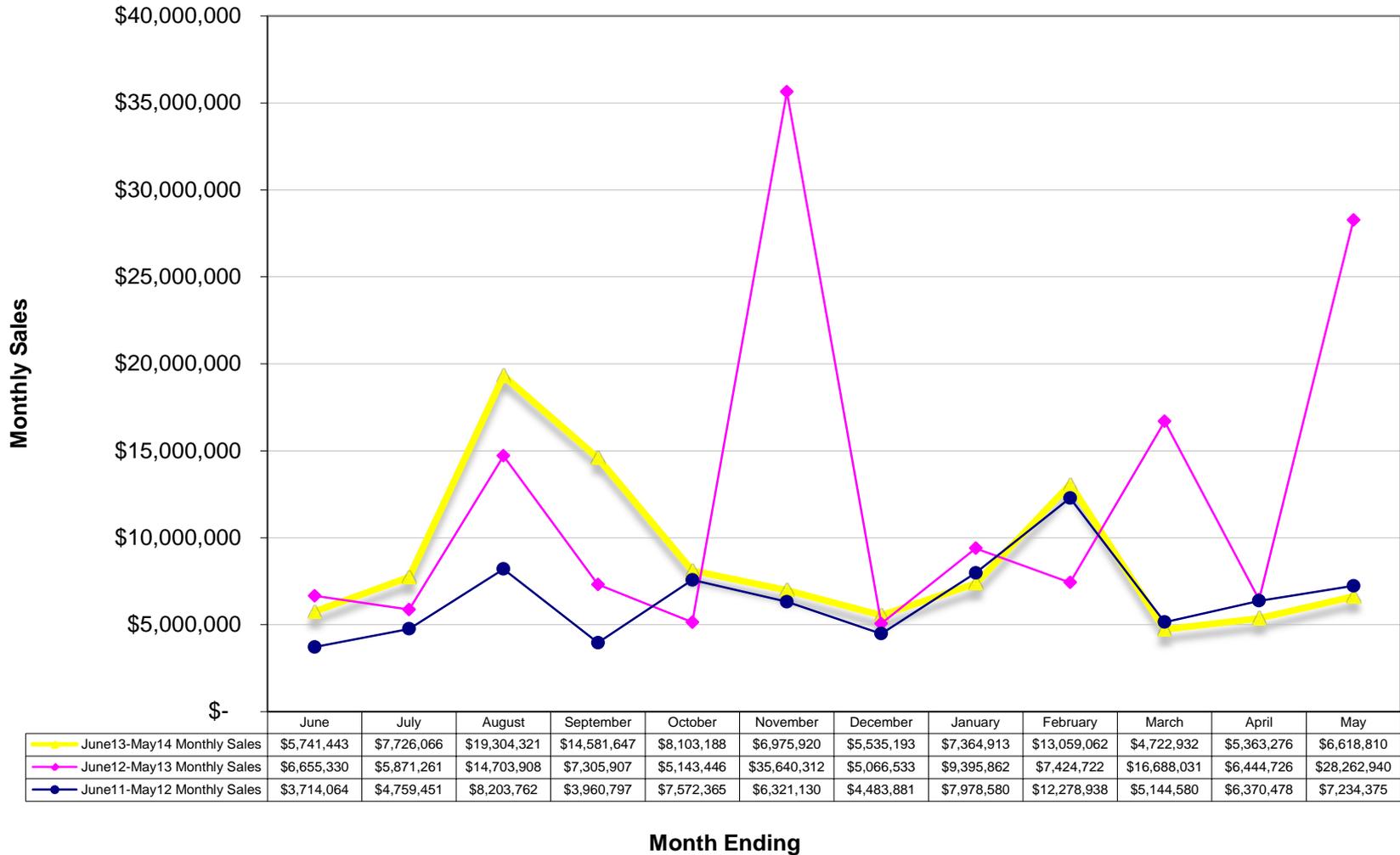
Lucky For Life Game Monthly Sales June 11 thru May 14



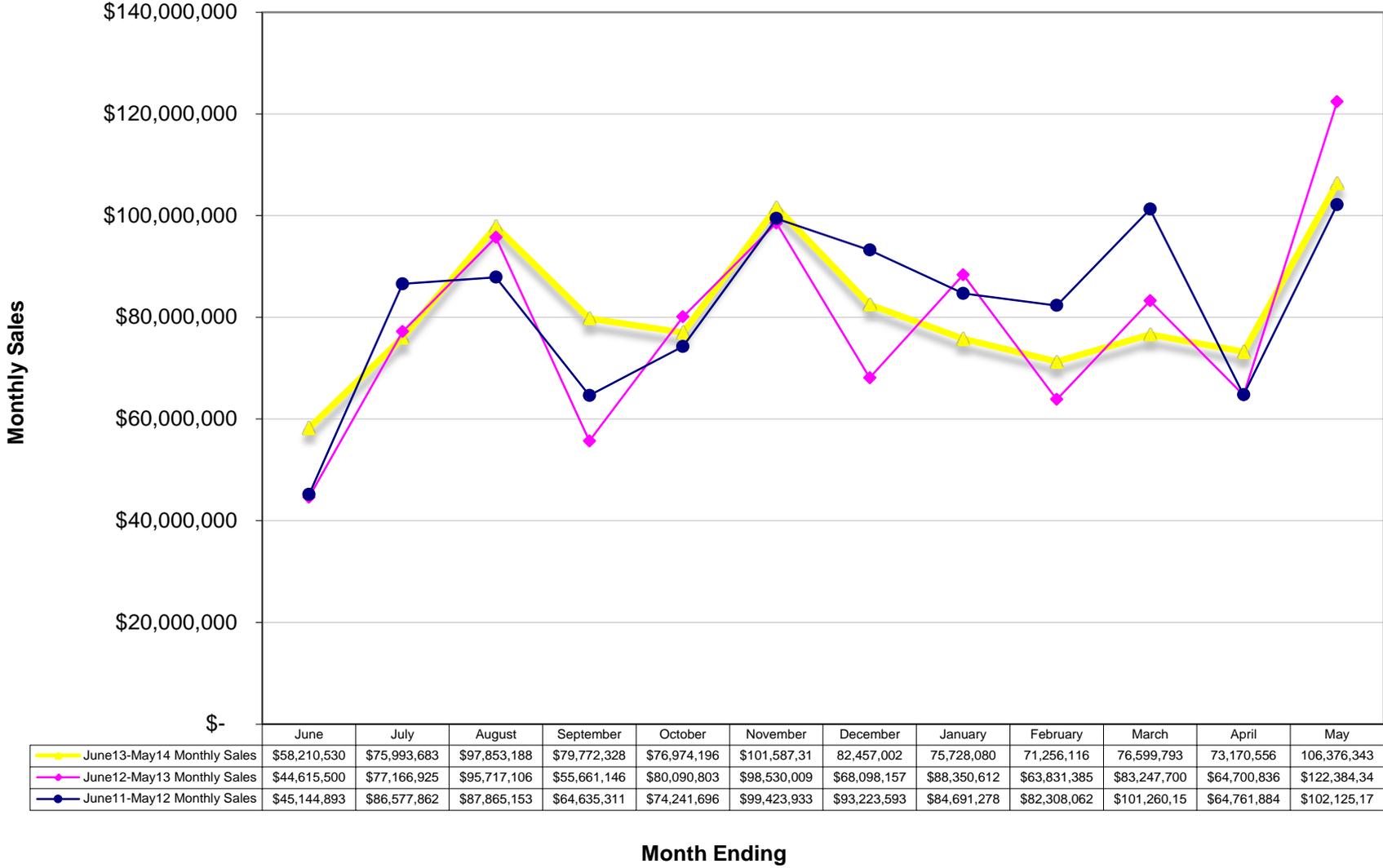
Mega Millions Game Monthly Sales June 11 thru May 14



Powerball Game Monthly Sales June 11 thru May 14



Net Profit Monthly Sales June 11 thru May 14



MSLC Revenue Results

May FY14 vs. FY13

(\$ millions)

Through May 31, 2014

| | <u>FY14</u> | <u>% of Total</u> | <u>FY13</u> | <u>% of Total</u> | <u>\$ Change</u> | <u>% Change</u> |
|---------------------------|-------------|-------------------|-------------|-------------------|------------------|-----------------|
| Instant Tickets | \$374 | 73.3% | \$341 | 67.9% | \$33 | 9.6% |
| MegaMillions | 5 | 1.0% | 8 | 1.5% | -2 | -31.4% |
| Powerball | 7 | 1.3% | 28 | 5.6% | -22 | -76.6% |
| Keno | 80 | 15.8% | 79 | 15.7% | 2 | 2.2% |
| Mass Cash | 7 | 1.4% | 7 | 1.4% | 0 | 7.2% |
| Race Game | 0 | 0.0% | 3 | 0.5% | -3 | -100.0% |
| Lucky For Life | 3 | 0.5% | 3 | 0.7% | -1 | -24.9% |
| Numbers Game | 31 | 6.1% | 31 | 6.3% | 0 | -0.7% |
| Super 50-50 Raffle | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Megabucks | 2 | 0.4% | 2 | 0.5% | 0 | -8.2% |
| Jackpot Poker | 0 | 0.1% | 0 | 0.0% | 0 | 0.0% |
| Total | \$510 | 100.0% | \$502 | 100.0% | \$7 | 1.5% |
| Instant Tickets | \$374 | 73.3% | \$341 | 67.9% | \$33 | 9.6% |
| Online Games | 136 | 26.7% | 162 | 32.1% | -25 | -15.8% |
| Total | \$510 | 100.0% | \$502 | 100.0% | \$7 | 1.5% |

MSLC Revenue Results

Year-to-Date FY14 vs. FY13

(\$ millions)

Through May 31, 2014

| | <u>FY14</u> | <u>% of Total</u> | <u>FY13</u> | <u>% of Total</u> | <u>\$ Change</u> | <u>% Change</u> |
|---------------------------|-------------|-------------------|-------------|-------------------|------------------|-----------------|
| Instant Tickets | \$3,096 | 69.7% | \$3,076 | 69.1% | \$20 | 0.6% |
| MegaMillions | 75 | 1.7% | 50 | 1.1% | 26 | 51.8% |
| Powerball | 99 | 2.2% | 142 | 3.2% | -43 | -30.0% |
| Keno | 751 | 16.9% | 738 | 16.6% | 13 | 1.7% |
| Mass Cash | 67 | 1.5% | 65 | 1.4% | 3 | 3.9% |
| Race Game | 0 | 0.0% | 24 | 0.5% | -24 | -100.0% |
| Lucky For Life | 29 | 0.6% | 37 | 0.8% | -9 | -22.8% |
| Numbers Game | 297 | 6.7% | 299 | 6.7% | -2 | -0.6% |
| Super 50-50 Raffle | 1 | 0.0% | 3 | 0.1% | -2 | -55.6% |
| Megabucks | 19 | 0.4% | 20 | 0.5% | -1 | -5.7% |
| Jackpot Poker | 6 | 0.1% | 0 | 0.0% | 6 | 100.0% |
| Total | \$4,441 | 100.0% | \$4,453 | 100.0% | -\$12 | -0.3% |
| Instant Tickets | \$3,096 | 69.7% | \$3,076 | 69.1% | \$20 | 0.6% |
| Online Games | 1,345 | 30.3% | 1,377 | 30.9% | -32 | -2.3% |
| Total | \$4,441 | 100.0% | \$4,453 | 100.0% | -\$12 | -0.3% |

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.

