

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Beth Bresnahan

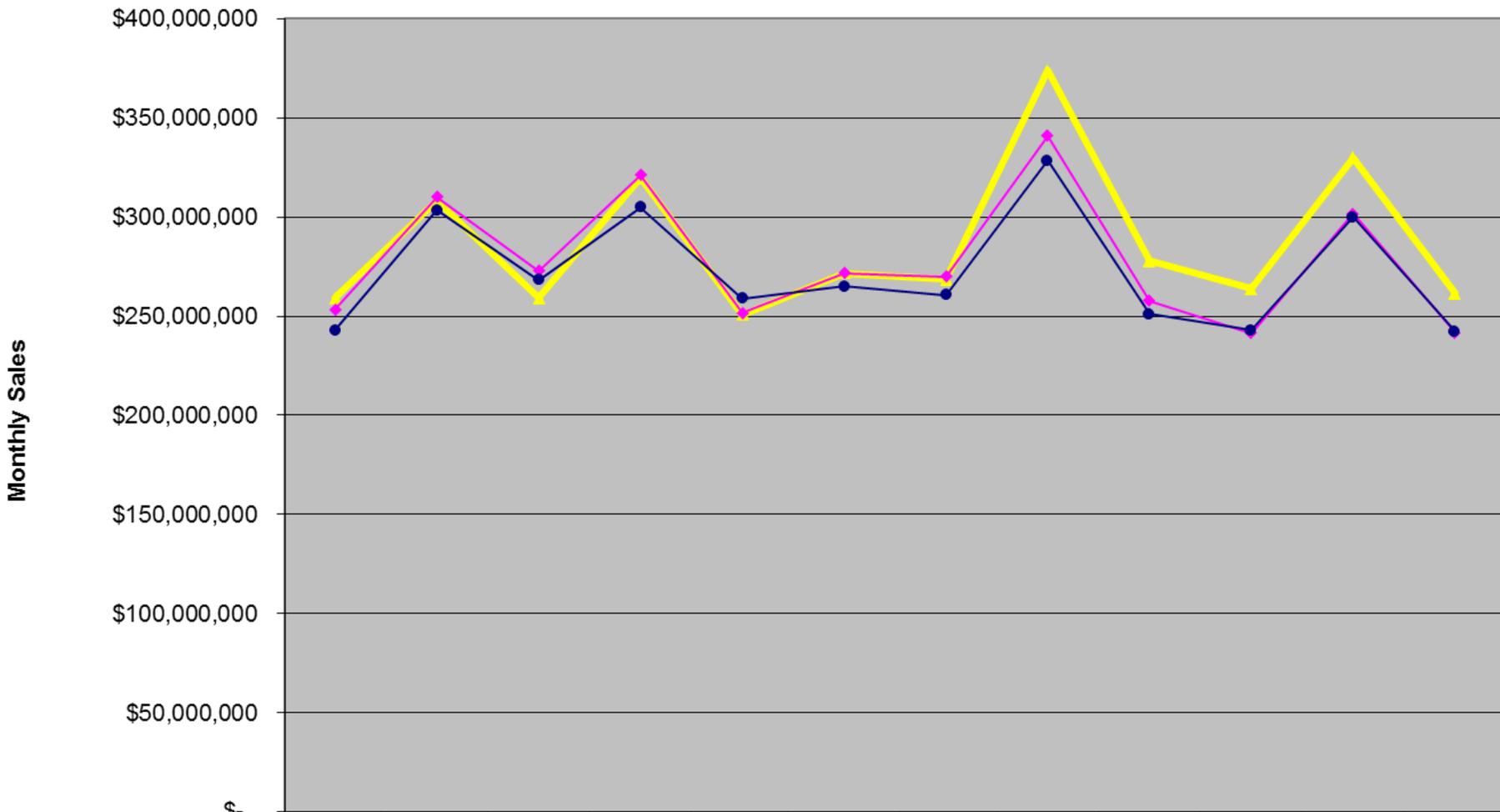
October 28, 2014



Lottery Sales Update

- Sales for September were up \$14 million as compared to September 2013. The prize payout for September 2014 was 72.05 percent, as compared to 69.72 percent in September 2013. This increase has driven the prize payout for the first three months of FY15 to 72.49 percent as compared to FY14's 70.63 percent, and has decreased net profit by \$12.3 million as compared to last year.
- The Lottery for the last seven fiscal years has budgeted its annual prize payout using an average of 72.3 percent. This figure incorporates the payout of all offerings within our game portfolio, which range from a 50 percent payout in the multi-state jackpot games to the 80.4 percent payout of our \$20 Instant Tickets.
- The addition of the \$30 Instant Ticket, which offers an 80.7 payout, in April 2014, combined with a gradual shift in player purchases toward our higher price point offerings (nearly 50 percent of all FY14 Instant sales were derived from \$10, \$20, and \$30 games) has necessitated an adjustment to the historic budgeted prize payout percentage.
- Accordingly, the Lottery is budgeting 72.7 percent for prize expenses, and even with this increase we anticipate meeting our FY15 net profit projections.
- September's sales increase were primarily due to a \$20 million surge in Instant Ticket sales over last year. Additionally, KENO experienced an increase of nearly \$2 million.
- Powerball sales were down \$5 million due to a smaller jackpot offering as compared to last year; Mega Millions sales decreased by \$2 million; and, Lucky for Life sales were down approximately \$1 million.

Instant Game Monthly Sales October 11 thru September 14



	October	November	December	January	February	March	April	May	June	July	August	September
Oct13-Sept14 Monthly Sales	\$259,088,38	\$308,420,06	\$259,073,62	\$319,619,40	\$250,843,20	\$271,678,56	\$268,593,32	\$373,708,86	\$277,920,86	\$263,963,47	\$329,934,45	\$261,541,55
Oct12-Sept13 Monthly Sales	\$253,282,06	\$310,008,68	\$272,829,60	\$321,214,24	\$251,651,74	\$271,603,91	\$269,889,61	\$340,874,68	\$257,793,30	\$241,559,17	\$301,691,66	\$241,817,70
Oct11-Sept12 Monthly Sales	\$242,861,84	\$303,379,35	\$268,100,44	\$304,922,07	\$258,796,18	\$265,035,53	\$260,486,09	\$328,476,22	\$251,119,38	\$242,954,61	\$299,867,08	\$242,270,66

Month Ending



September Instant Ticket Sales Update



\$10,000 Payout

Price Point: \$1

6 Week Sales: \$2,409,668



\$100 Frenzy

Price Point: \$2

6 Week Sales: \$7,696,634



\$1,000,000 Payday

Price Point: \$5

6 Week Sales: \$20,338,015



\$10,000,000 Mega Fortune

Price Point: \$20

6 Week Sales: \$28,708,840



World Class Millions Sales Update

World Class Millions

Price Point: \$30

27 Week Sales: \$350,052,960

- The \$30 game is approximately 46 percent sold.
- To date, the following Grand Prizes in the game have been claimed :
 - One (1) \$15 million prize
 - 14 \$1 million instant “scratch & win” prizes
 - Two (2) \$1 million Second Chance prizes
- *World Class Millions* was named “Best New Instant Ticket” by the North American Association of State & Provincial Lotteries (NASPL) on October 2nd at NASPL’s 2014 Trade Show & Conference held in Atlantic City, NJ.

It was the first NASPL/Best New Instant Ticket win in Massachusetts Lottery history.



Holiday Instant Tickets (October 28)

\$10,000 Holiday Gifts

Price Point: \$1

Top Prize: \$10,000



\$50,000 Holiday Gifts

Price Point: \$2

Top Prize: \$50,000



\$1,000,000 Holiday Gifts

Price Point: \$5

Top Prize: \$1,000,000



\$2,500,000 Holiday Gifts

Price Point: \$10

Top Prize: \$2,500,000



Holiday POS Advertising Examples

IT'S OK IF THEY ALREADY HAVE ONE.

HAPPY TO GIVE. HAPPY TO GET.

OVER \$185,345,000 IN CASH PRIZES!

ODDS ARE THEY'LL LOVE IT.

HAPPY TO GIVE. HAPPY TO GET.

OVER \$185,345,000 IN CASH PRIZES!

IF THEY DON'T LOVE THE COLOR, THEY CAN SCRATCH IT OFF.

HAPPY TO GIVE. HAPPY TO GET.

OVER \$185,345,000 IN CASH PRIZES!

You must be 18 years or older to play the Lottery.
If you have a problem with gambling, help is available. Call 1-800-426-1234.
Be kind to the environment. Please recycle your Lottery tickets.



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8.5x11 & 11x17 Posters



Holiday POS Advertising Examples

YOUR HOLIDAY GIFT SHOPPING ENDS...NOW.

HAPPY TO GIVE. HAPPY TO GET.

OVER \$185,345,000 IN CASH PRIZES!

THE LOTTERY
meadlottery.com

You must be 18 years or older to play the Lottery. If you have a problem with gambling, help is available. Call 1-800-426-1234. Be kind to the environment. Please recycle your Lottery tickets.

WRAP UP YOUR HOLIDAY SHOPPING IN AN INSTANT.

HAPPY TO GIVE. HAPPY TO GET.

OVER \$185,345,000 IN CASH PRIZES!

THE LOTTERY
meadlottery.com

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11x17 Change Mat Inserts

OVER \$185,345,000 IN CASH PRIZES!
HAPPY TO GIVE. HAPPY TO GET.

OVER 12,830,000 WINNERS!

THE LOTTERY
meadlottery.com

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

LED Frame

OVER \$185,345,000 IN CASH PRIZES!
OVER 12,830,000 WINNERS!

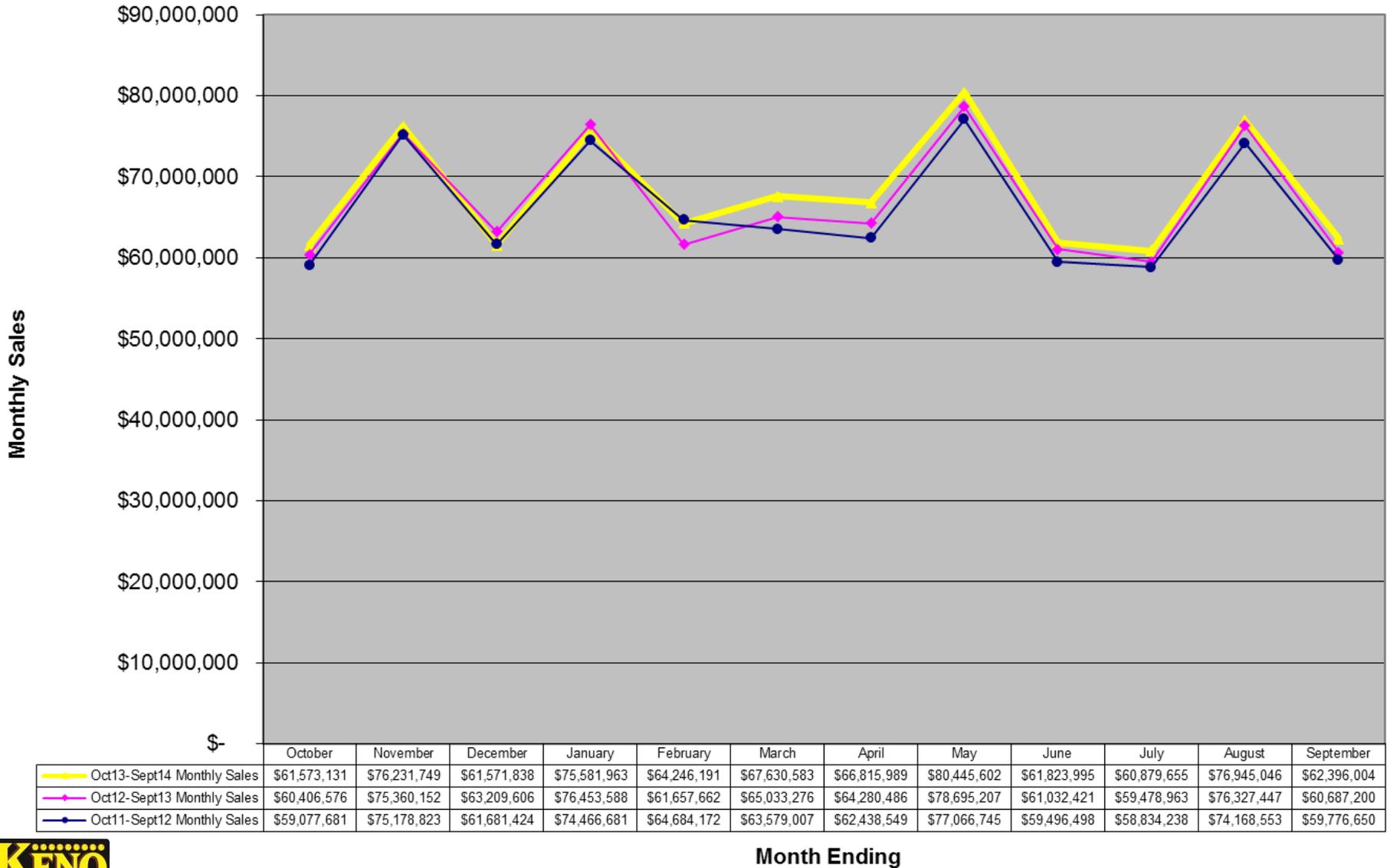
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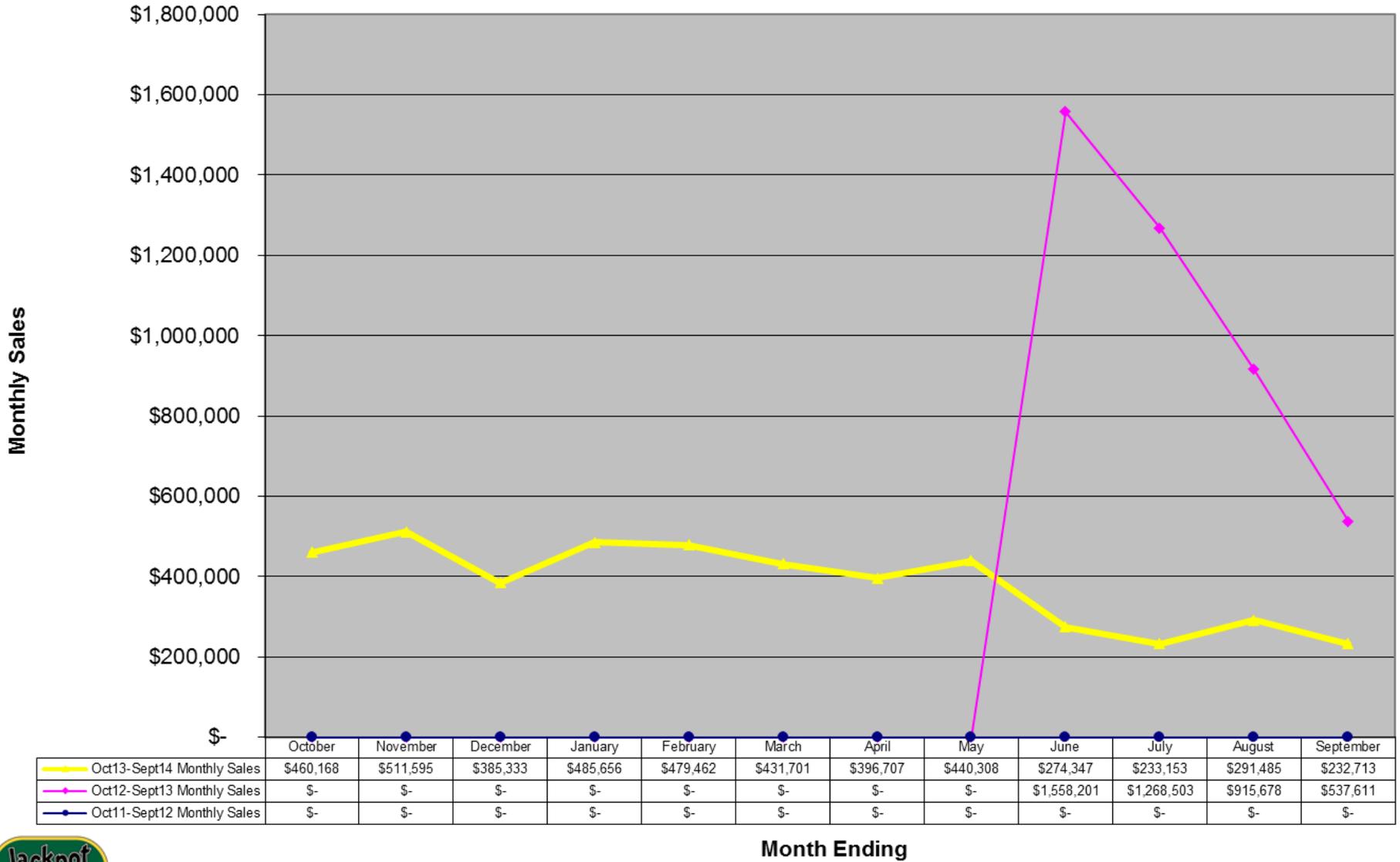
Wobbler/Shelf Talker



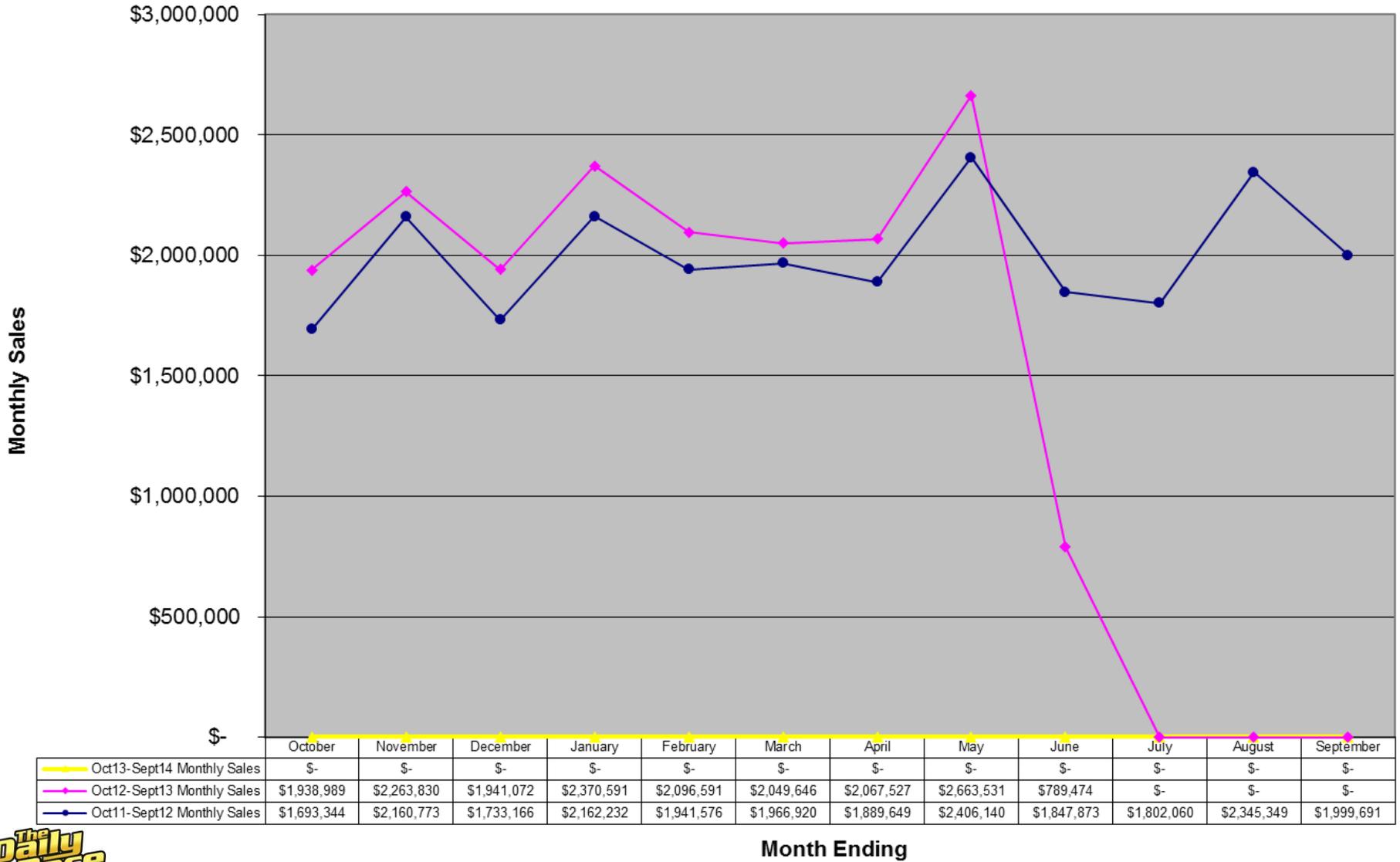
KENO Game Monthly Sales October 11 thru September 14



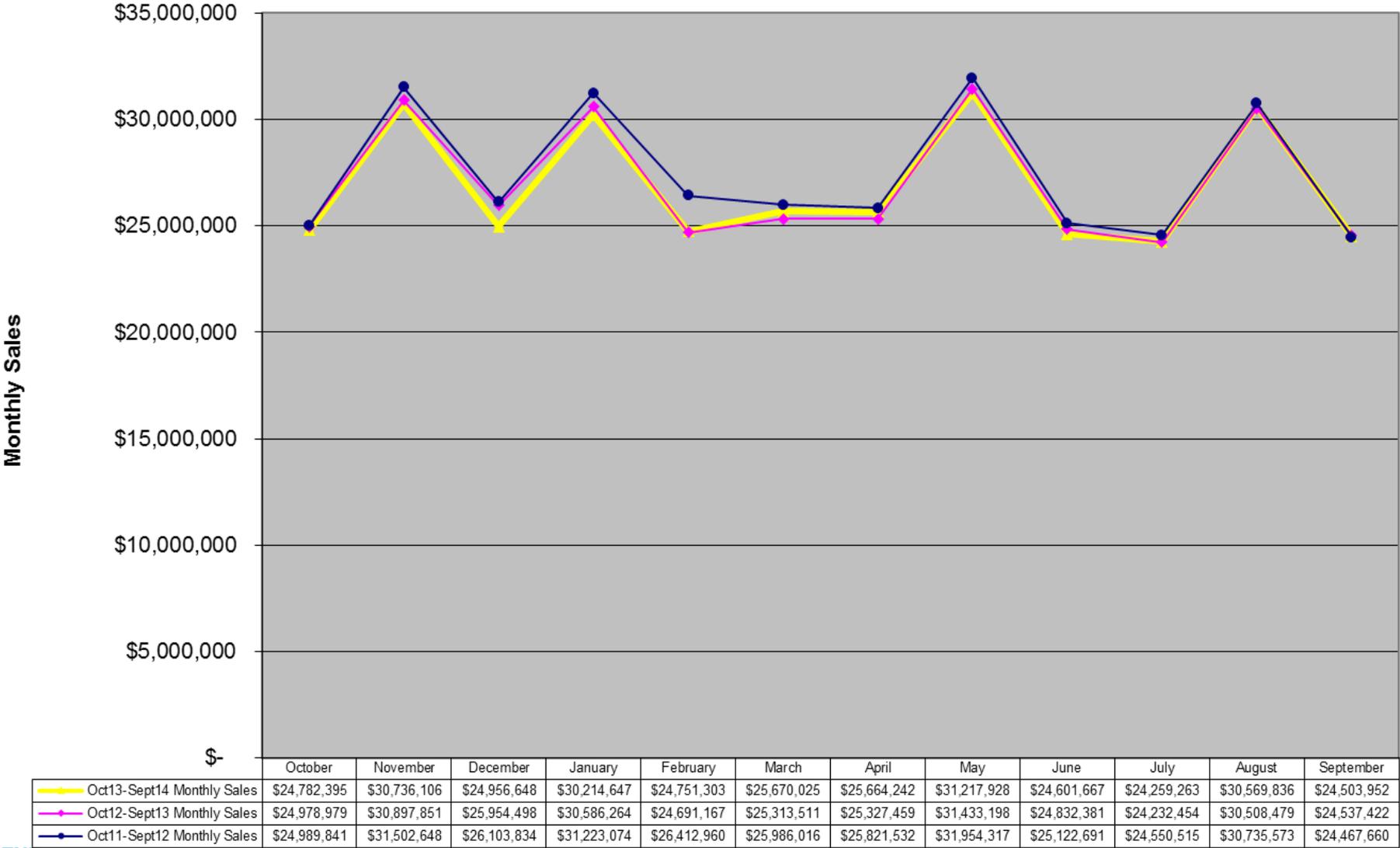
Poker Game Monthly Sales October 11 thru September 14



Race Game Monthly Sales October 11 thru September 14

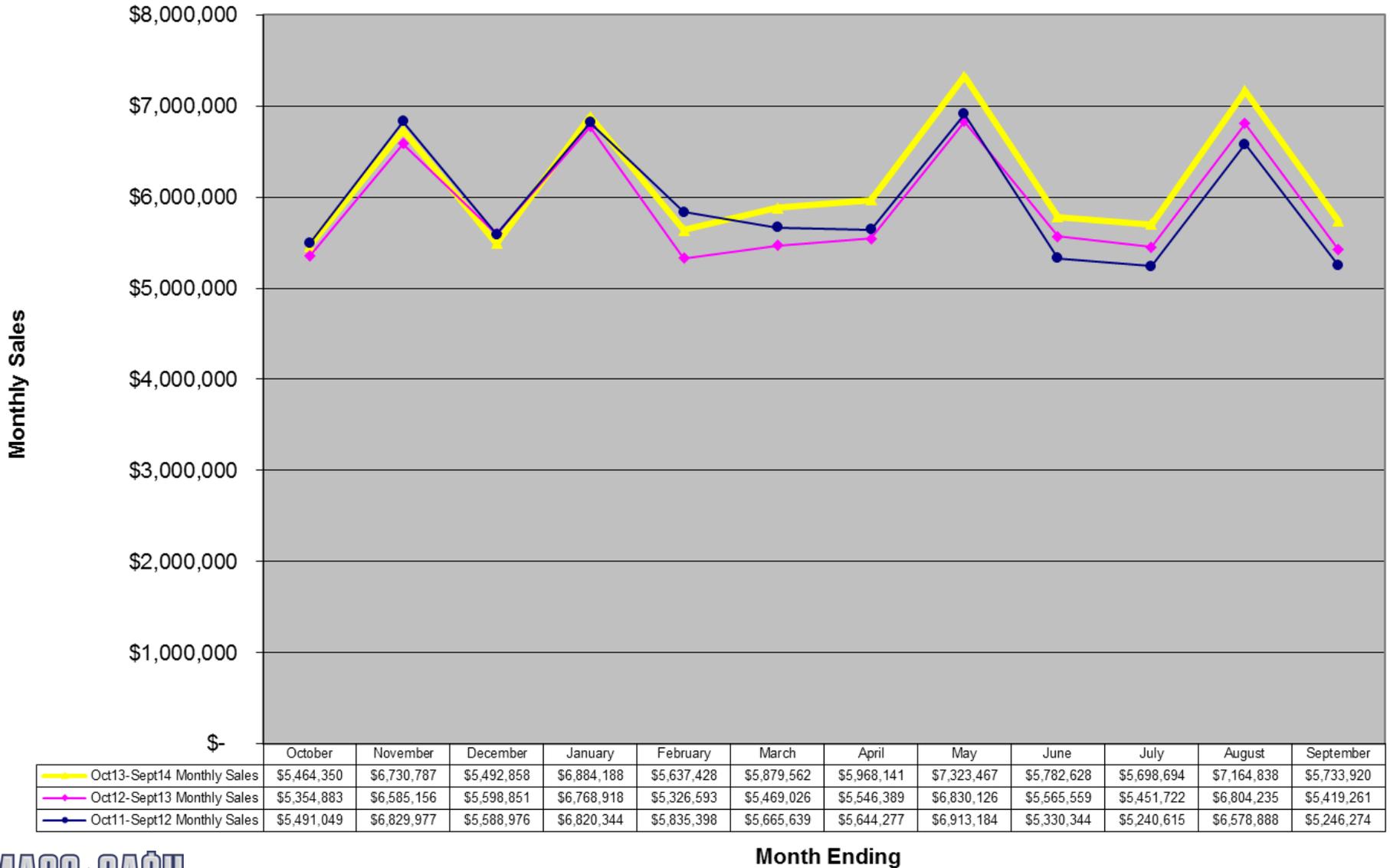


Numbers Game Monthly Sales October 11 thru September 14

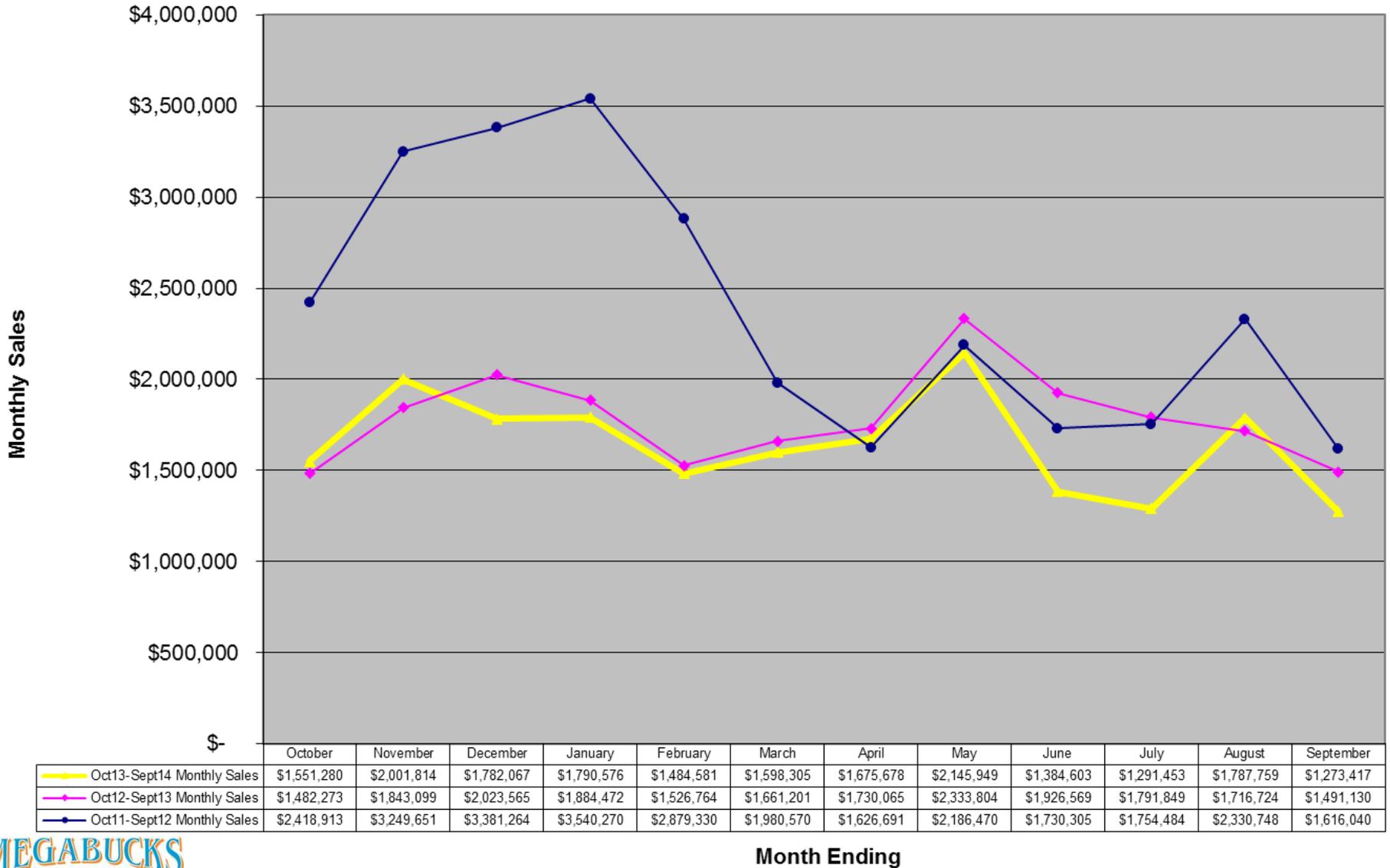


Month Ending

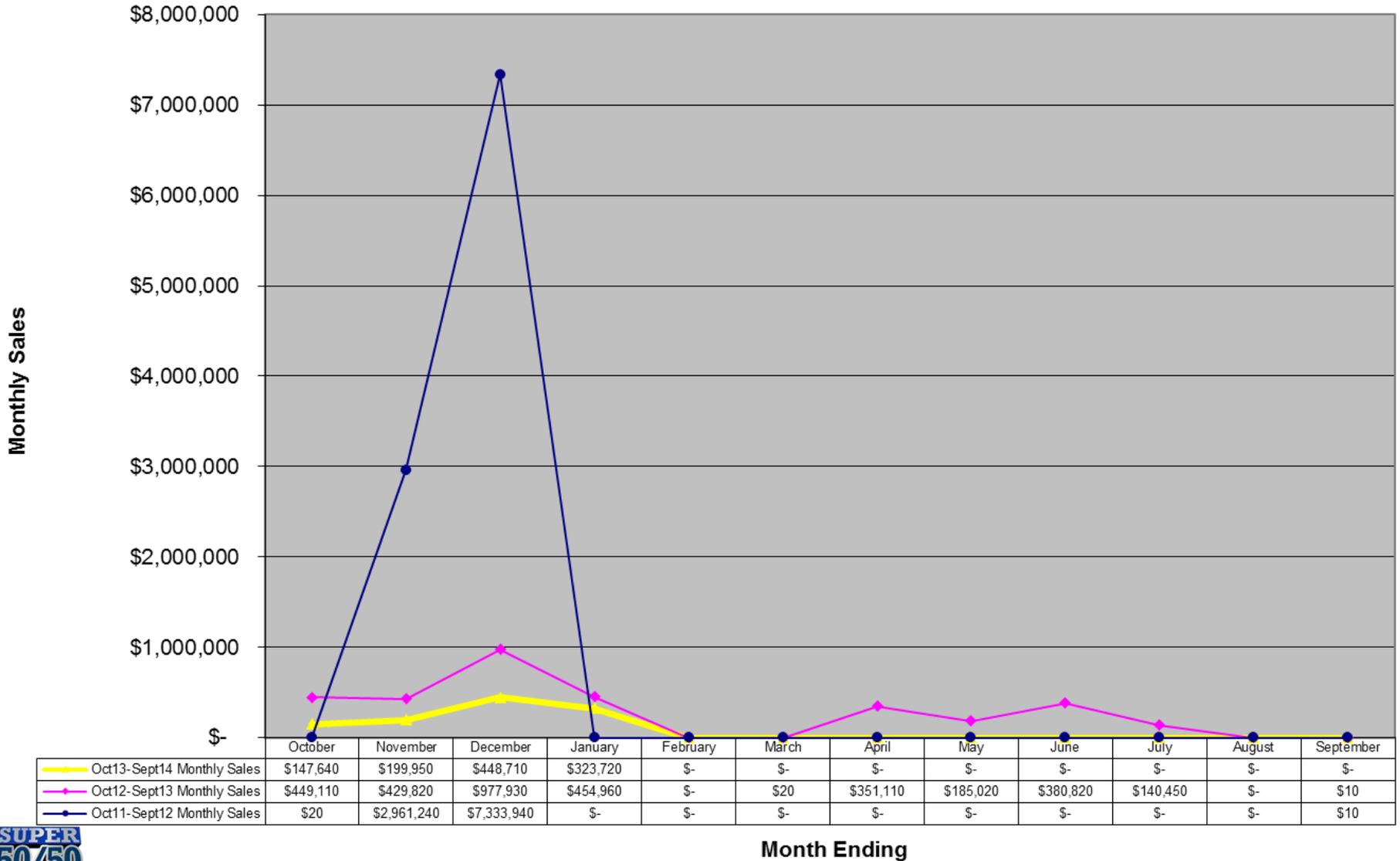
Mass Cash Game Monthly Sales October 11 thru September 14



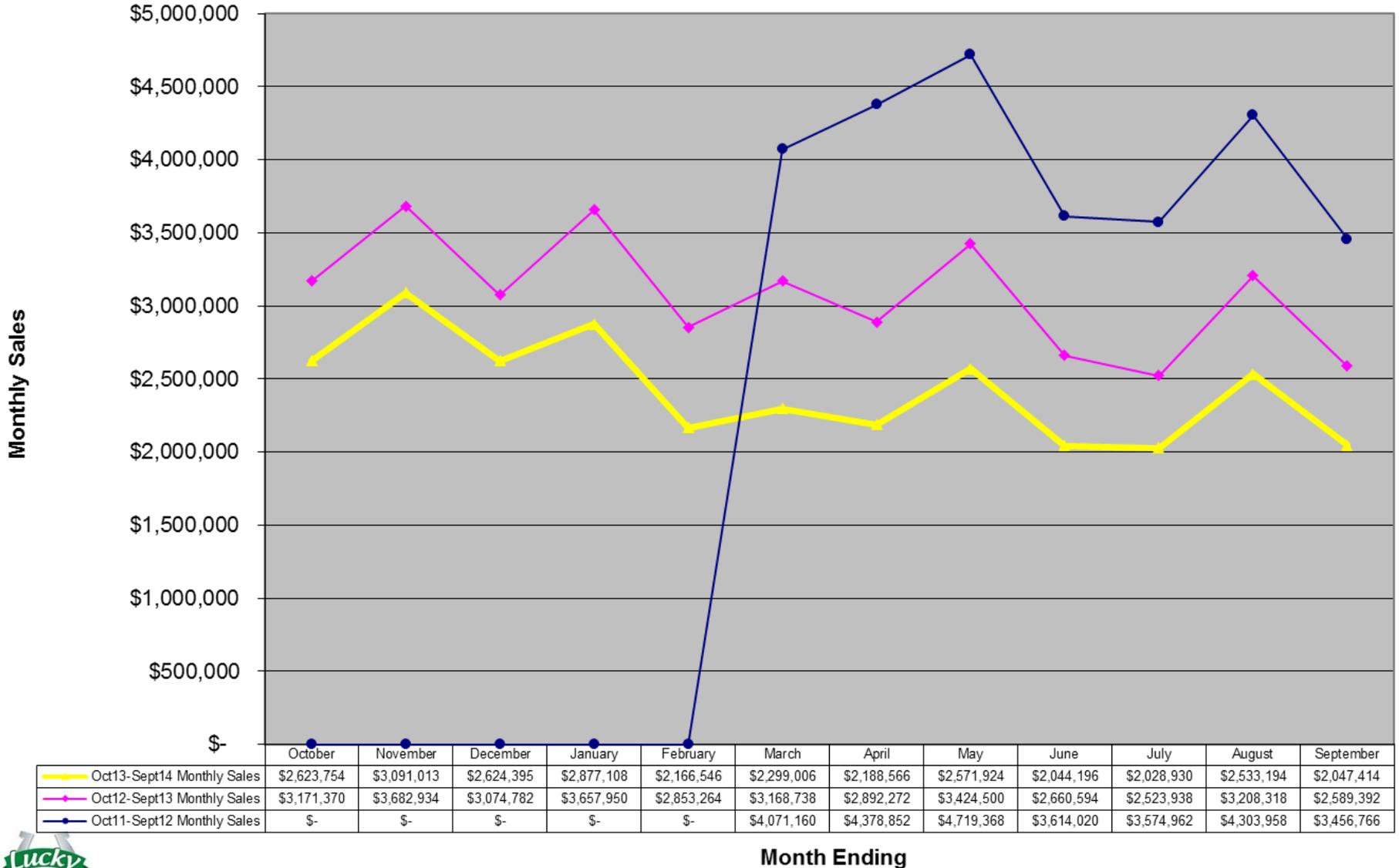
Megabucks Game Monthly Sales October 11 thru September 14



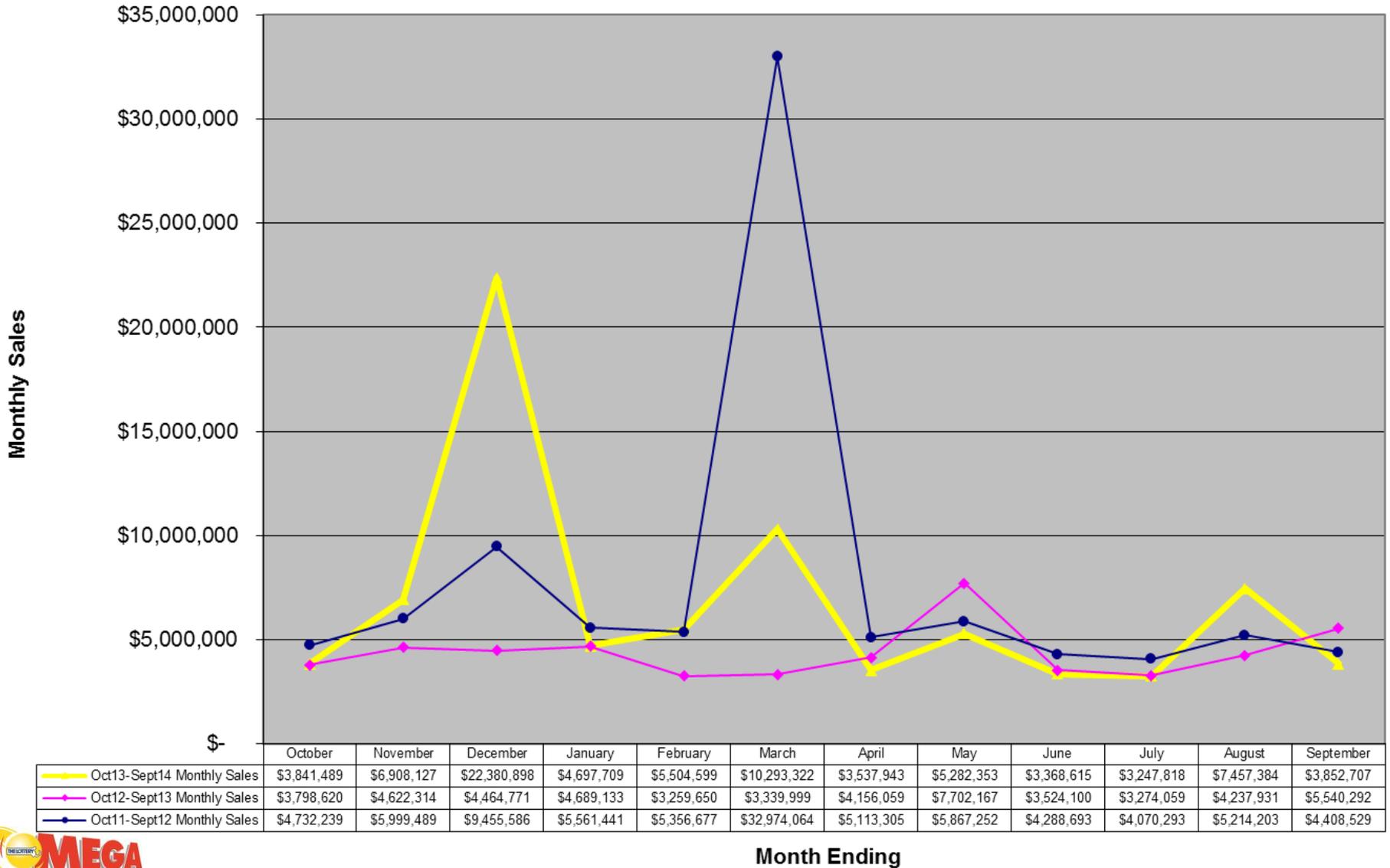
Online Raffle Game Monthly Sales October 11 thru September 14



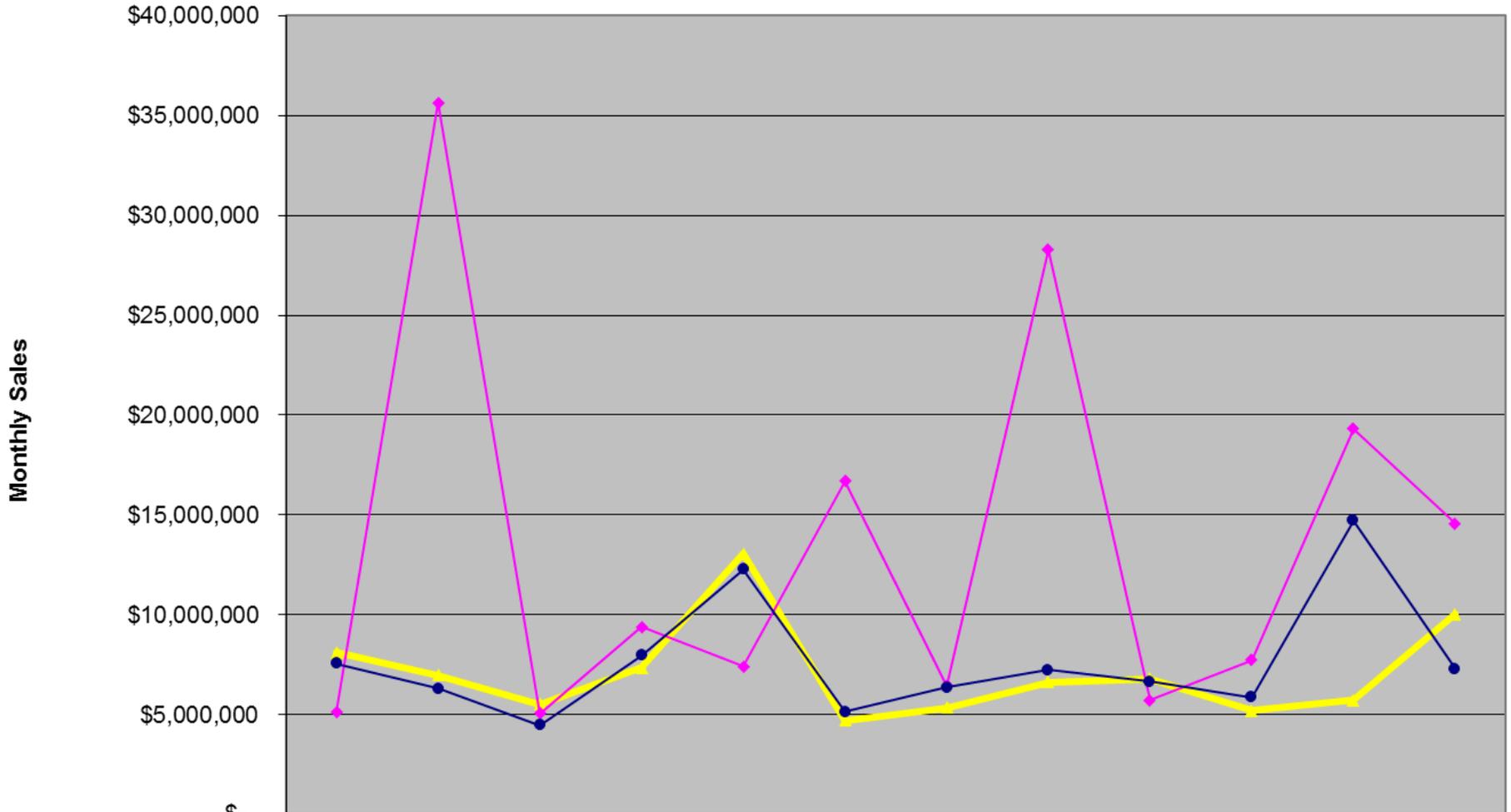
Lucky For Life Game Monthly Sales October 11 thru September 14



Mega Millions Game Monthly Sales October 11 thru September 14



Powerball Game Monthly Sales October 11 thru September 14

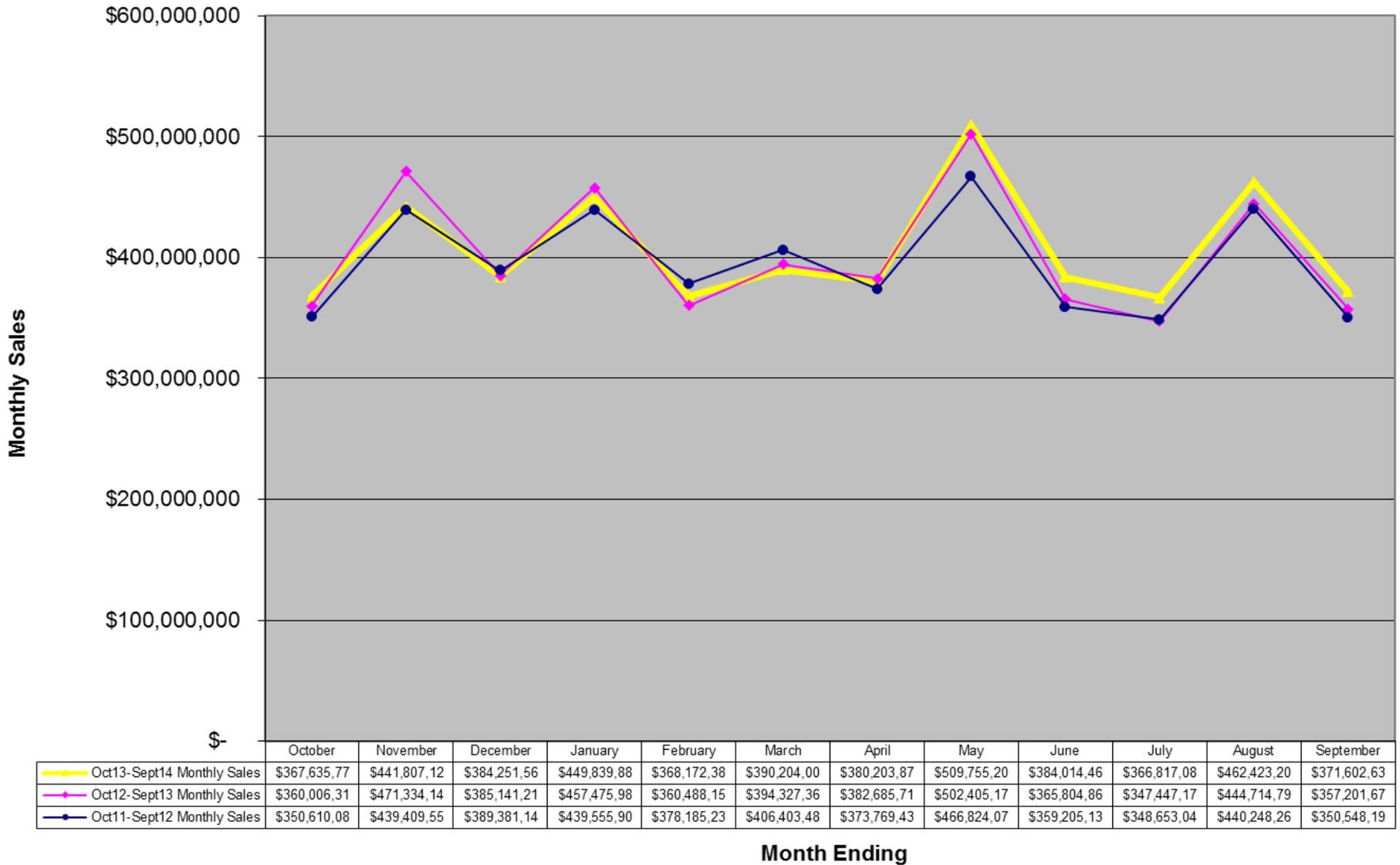


	October	November	December	January	February	March	April	May	June	July	August	September
Oct13-Sept14 Monthly Sales	\$8,103,188	\$6,975,920	\$5,535,193	\$7,364,913	\$13,059,062	\$4,722,932	\$5,363,276	\$6,618,810	\$6,813,545	\$5,214,641	\$5,739,212	\$10,020,958
Oct12-Sept13 Monthly Sales	\$5,143,446	\$35,640,312	\$5,066,533	\$9,395,862	\$7,424,722	\$16,688,031	\$6,444,726	\$28,262,940	\$5,741,443	\$7,726,066	\$19,304,321	\$14,581,647
Oct11-Sept12 Monthly Sales	\$7,572,365	\$6,321,130	\$4,483,881	\$7,978,580	\$12,278,938	\$5,144,580	\$6,370,478	\$7,234,375	\$6,655,330	\$5,871,261	\$14,703,908	\$7,305,907

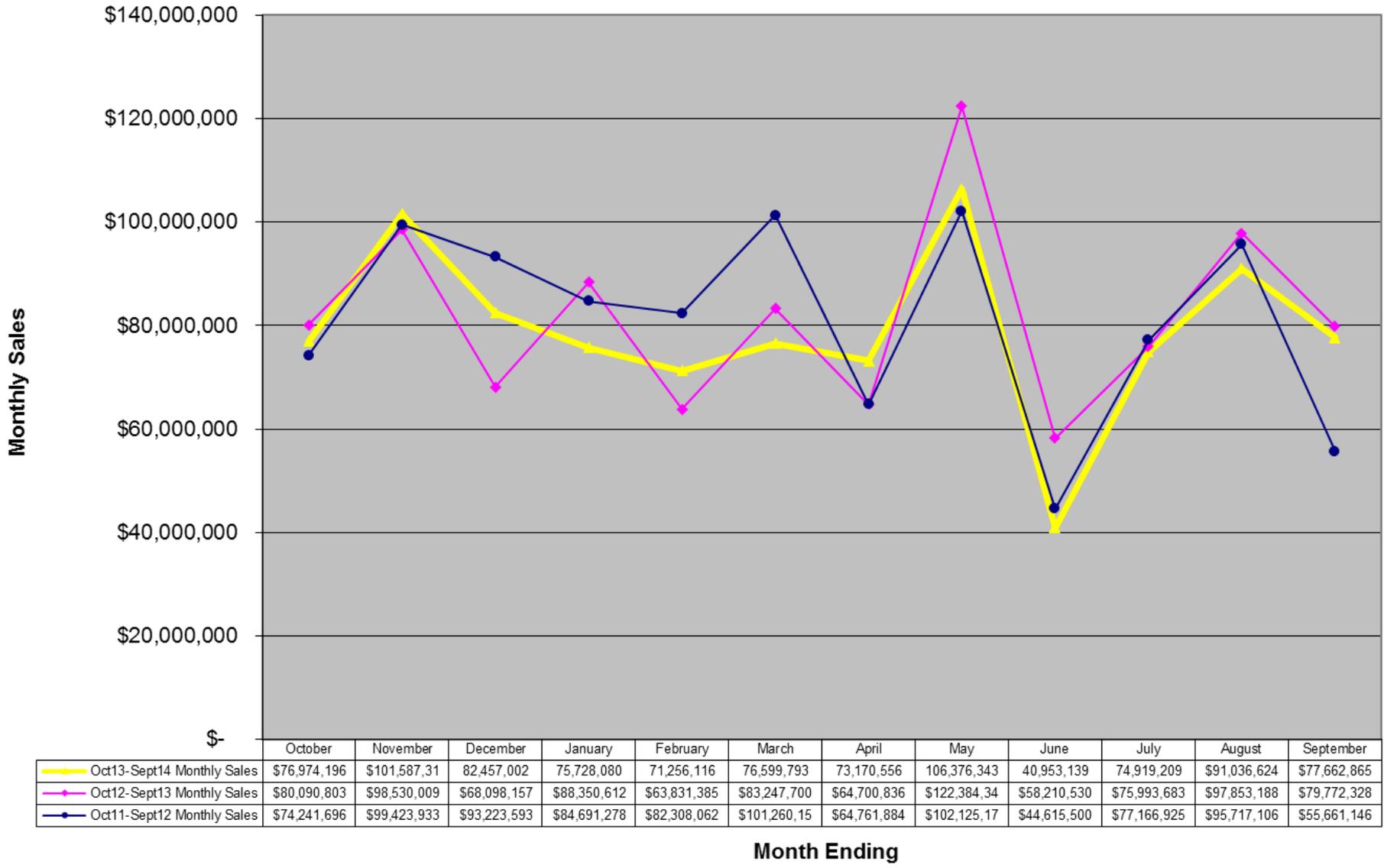
Month Ending



All Game Monthly Sales October 11 thru September 14



Net Profit Monthly Sales October 11 thru September 14



MSLC Revenue Results

September FY15 vs. FY14

(\$ millions)

Through September 27, 2014

	FY15	% of Total	FY14	% of Total	\$ Change	% Change
Instant Tickets	\$262	70.4%	\$242	67.7%	\$20	8.2%
MegaMillions	4	1.0%	6	1.6%	-2	-30.5%
Powerball	10	2.7%	15	4.1%	-5	-31.3%
Keno	62	16.8%	61	17.0%	2	2.8%
Mass Cash	6	1.5%	5	1.5%	0	5.8%
Race Game	0	0.0%	0	0.0%	0	0.0%
Lucky For Life	2	0.6%	3	0.7%	-1	-20.9%
Numbers Game	25	6.6%	25	6.9%	0	-0.1%
Super 50-50 Raffle	0	0.0%	0	0.0%	0	0.0%
Megabucks	1	0.3%	1	0.4%	0	-14.6%
Jackpot Poker	0	0.1%	1	0.2%	0	-56.8%
Total	\$372	100.0%	\$357	100.0%	\$14	4.0%
Instant Tickets	\$262	70.4%	\$242	67.7%	\$20	8.2%
Online Games	110	29.6%	115	32.3%	-5	-4.6%
Total	\$372	100.0%	\$357	100.0%	\$14	4.0%

MSLC Revenue Results							
Year-to-Date FY15 vs. FY14							
(\$ millions)							
Through September 27, 2014							
	FY15	% of Total	FY14	% of Total	\$ Change	% Change	
Instant Tickets	\$855	71.2%	\$785	68.3%	\$70	9.0%	
MegaMillions	15	1.2%	13	1.1%	2	11.5%	
Powerball	21	1.7%	42	3.6%	-21	-49.6%	
Keno	200	16.7%	196	17.1%	4	1.9%	
Mass Cash	19	1.5%	18	1.5%	1	5.2%	
Race Game	0	0.0%	0	0.0%	0	0.0%	
Lucky For Life	7	0.6%	8	0.7%	-2	-20.6%	
Numbers Game	79	6.6%	79	6.9%	0	0.1%	
Super 50-50 Raffle	0	0.0%	0	0.0%	0	-100.0%	
Megabucks	4	0.4%	5	0.4%	-1	-12.9%	
Jackpot Poker	1	0.1%	3	0.2%	-2	-72.2%	
Total	\$1,201	100.0%	\$1,149	100.0%	\$51	4.5%	
Instant Tickets	\$855	71.2%	\$785	68.3%	\$70	9.0%	
Online Games	345	28.8%	364	31.7%	-19	-5.2%	
Total	\$1,201	100.0%	\$1,149	100.0%	\$51	4.5%	

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.

