Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Beth Bresnahan

November 25, 2014

Lottery Sales Update

- Sales for October were up $11.4 million as compared to October 2013. There were an extraordinary high number of grand prize claims during the month, including three $10 million and eight $1 million Instant prizes, as well as one $2 million Powerball prize and five $25,000 a year for life prizes in the Lucky for Life draw game.

- Accordingly, the prize payout for October 2014 was 73.85 percent, as compared to 71.74 percent in October 2013. This increase has driven the prize payout for the first four months of FY15 to 73.04 percent as compared to 70.72 percent in FY14, and has decreased net profit by $25.9 million as compared to last year. As previously explained, the payout percentage fluctuates based on the timing at which players cash in their prizes. We anticipate that the prize payout return to the budgeted average of 72.7 percent during the course of the fiscal year.

- October's sales increase was primarily due to a $5.8 million increase in Instant Ticket sales and a $5.4 million increase in Mega Millions sales over last year. Additionally, KENO experienced an increase of $3.7 million.

- Powerball sales were down just over $2.5 million due to a smaller jackpot offering as compared to last year, and Lucky for Life sales were down approximately $528,000.

October Winners (Sept. 28 – Oct. 25)

9/29/14
Janice Lapierre
Springfield, MA Prize:
$10 million

9/29/14
Sopheak Chhay
Raynham, MA
Prize: $1 million

9/29/14
Robert Withrow of
Winthrop, MA
Prize: $25,000/Yr for Life

10/1/14
Janis Galotti
Plymouth, MA
Prize: $1 million

10/1/14
Saad Alasadi
Orlando, FL
Prize: $1 million

10/1/14
James Wallace
Sterling, MA
Prize: $1 million

10/3/14
Ann Luippold
Greenfield, MA
Prize: $2 million

10/7/14
Kent Shigley
Tyngsboro, MA Prize:
$10 million

10/9/14
Minnie Wright
Springfield, MA
Prize: $1 million

10/9/14
Robert Bara
Dudley, MA
Prize: $25,000/Yr for Life

10/10/14
Ana Rodriguez
Malden, MA
Prize: $10 million

10/13/14
Lester Salisbury
Brockton, MA
Prize: $25,000/Yr for Life

10/15/14
Brandon Besaw
Ludlow, MA
Prize: $1 million

10/16/14
Oscar Castillo
Northboro, MA
Prize: $1 million

10/22/14
Bulaninna Nabakooza
Waltham, MA
Prize: $1 million

10/23/14
Kenneth Stokes
Norwood, MA
Prize: 2 $25,000/Yr for Life

Season Ticket Advertising & Discount Promotion

During the holiday season, the Lottery traditionally launches a discount period on its Season Tickets (subscription sales) offerings. Between November 16, 2014 and January 3, 2015, customers will receive discounted prices for all Mega Millions, Megabucks Doubler and Powerball Season Tickets sold in 13, 26 and 52 week increments.

In addition to the point-of-sale materials *(shown here)* distributed to 7,500 retailers statewide, the Lottery is launching its first-ever paid TV advertising campaign (:15 spot), along with a Digital Media campaign, solely dedicated to support the Season Tickets program.

The POS materials were posted in early November, while the media campaign launched on November 17 and will run in rotation with the larger Holiday Instant Tickets campaign. It ends on January 3.

5 in. x 5 in. Sticker

8.5 in. x 11 in. Poster

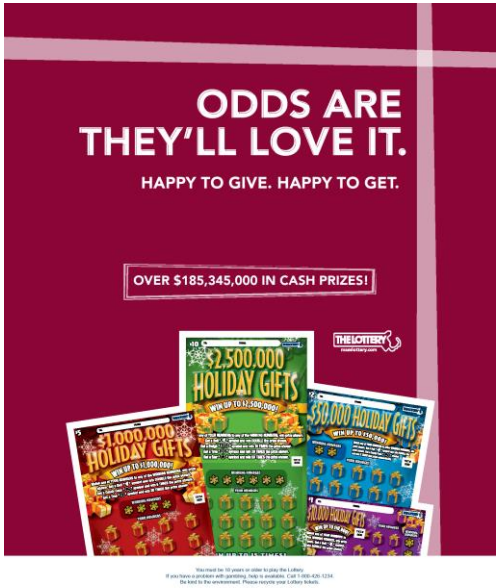
Season Ticket Paid Advertising Breakdown & Schedule

Closing Scene :15 TV Spot

Media	NOVEMBER				DECEMBER				
Weeks begin on Mondays	3	10	17	24	1	8	15	22	29
									starts 12/25
TELEVISION *(grps)*									
- Boston (:15s all dayparts)				rotation in bonus from Holiday					
- Springfield (:15s all dayparts)				rotation in bonus from Holiday					
LOCATION-BASED *(impressions)*									
Gas Station TV (:15 spot/15x/hour - 100% frequency)				1.122 MM Impressions					
- 63 stations; 536 screens (including Mass Pike)									
DIGITAL VIDEO DISTRIBUTION *(impressions)*									
TV-Targeted Online Video (:15s)									
TruViews (general Lottery targeting)									

Holiday Paid Advertising Breakdown & Overview

Closing Scene :30 TV Spot



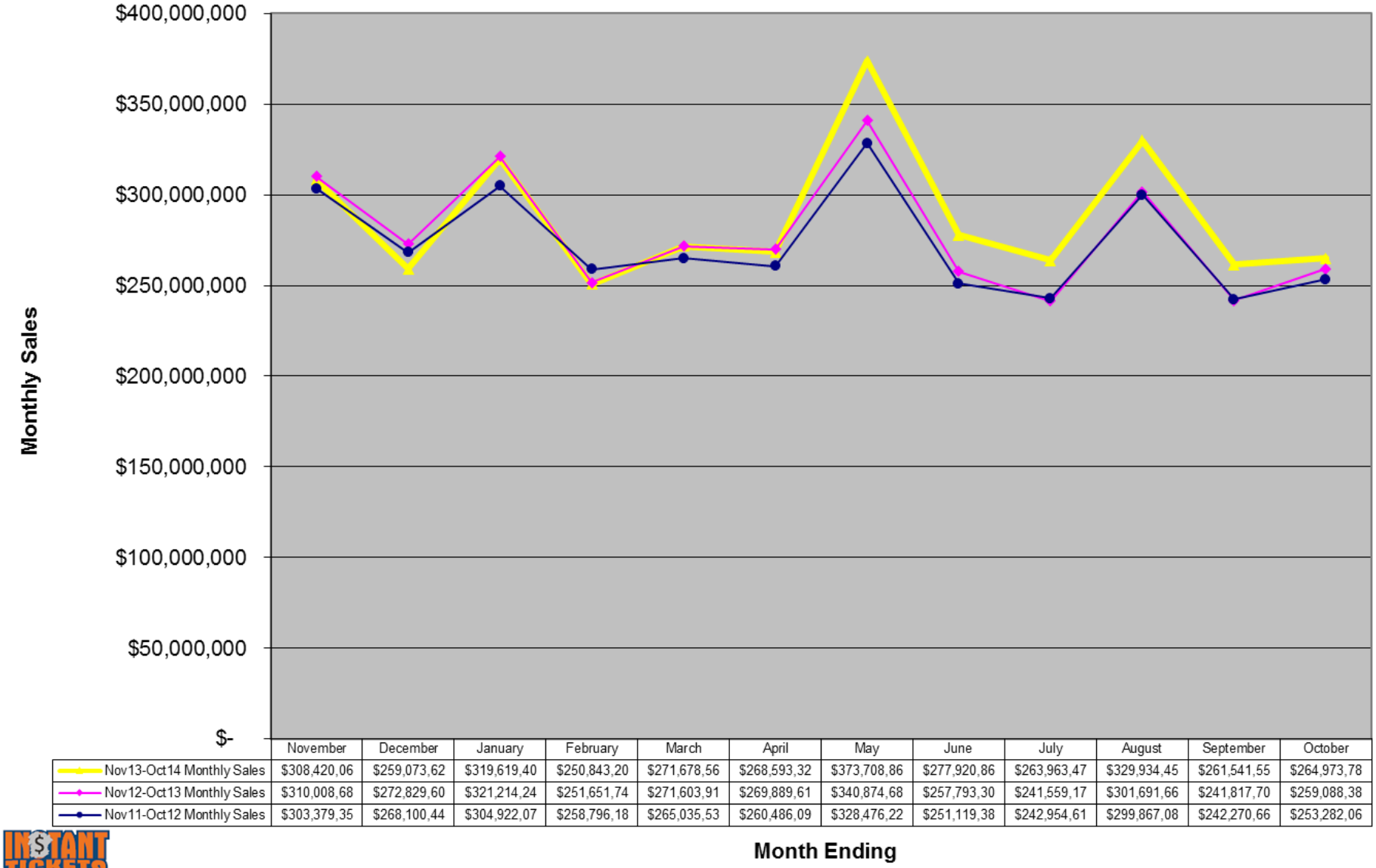
Example: Location-Based/Mall Ads

Media	NOVEMBER				DECEMBER				
Weeks begin on Mondays	3	10	17	24	1	8	15	22	29
							ends 12/24		
TELEVISION (grps)									
- Boston (:30s Prime / :15s other dayparts)									
- Springfield (:30s Prime / :15s other dayparts)									
RADIO (grps)									
:10s :15s :30s product spots									
- Boston									
- Cape Cod, New Bedford, Springfield, Worcester, Greenfield, Pittsfield, Ethnic									
:10/:15/:30/60 DJ Endorsements									
- Boston, Springfield									
LOCATION-BASED (impressions)									
Mall									
- Video Network, 8 MA Malls (all w/ Lottery retailers), :15, 5x/hour, all hours of mall opening									
Mall									
- Static backlits in supplementary Mall list (2-4 per mall)									
Transit									
- Bus Kings, 25 Showing, 125 panels, 75 bus tails as bonus (mixed sizes)									
DIGITAL (impressions)									
Cross Platform Video (:15s & :30s)									
Banners (Retargeting and Select Homepage Takeovers)									
Social Media (Facebook - gift targeting)									
TruViews (Gift-giving targeting)									

Example: Location-Based/Transit Bus Kings

Example: Digital Banners

Instant Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$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	$264,973,78
Nov12-Oct13 Monthly Sales	$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	$259,088,38
Nov11-Oct12 Monthly Sales	$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	$253,282,06

Holiday Instant Tickets Sales Update

$10,000 Holiday Gifts

Price Point: $1

4 Week Sales: $1,372,993

$50,000 Holiday Gifts

Price Point: $2

4 Week Sales: $5,696,260

$1,000,000 Holiday Gifts

Price Point: $5

4 Week Sales: $13,129,325

$2,500,000 Holiday Gifts

Price Point: $10

4 Week Sales: $18,724,610

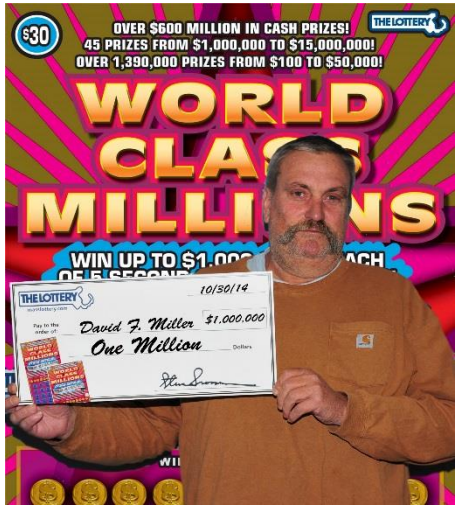
World Class Millions Sales Update

World Class Millions

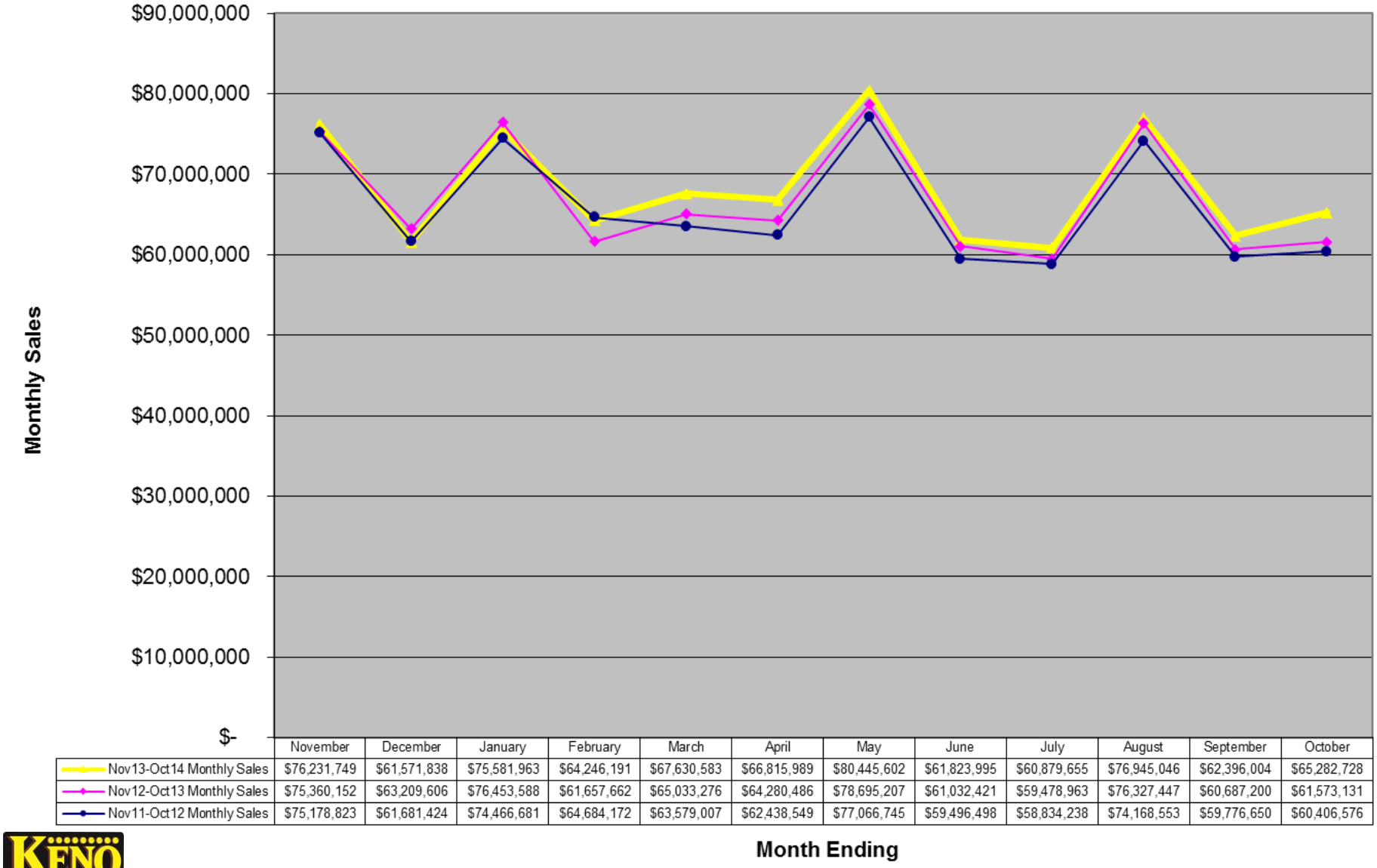
Price Point: $30

31 Week Sales: $384,807,300

- The $30 game is approximately 51 percent sold.
- To date, the following Grand Prizes in the game have been claimed :
  - One (1) $15 million prize
  - 17 $1 million instant “scratch & win” prizes
  - Two (2) $1 million Second Chance prizes
- Next Second Chance Drawing is projected to take place in January 2015.

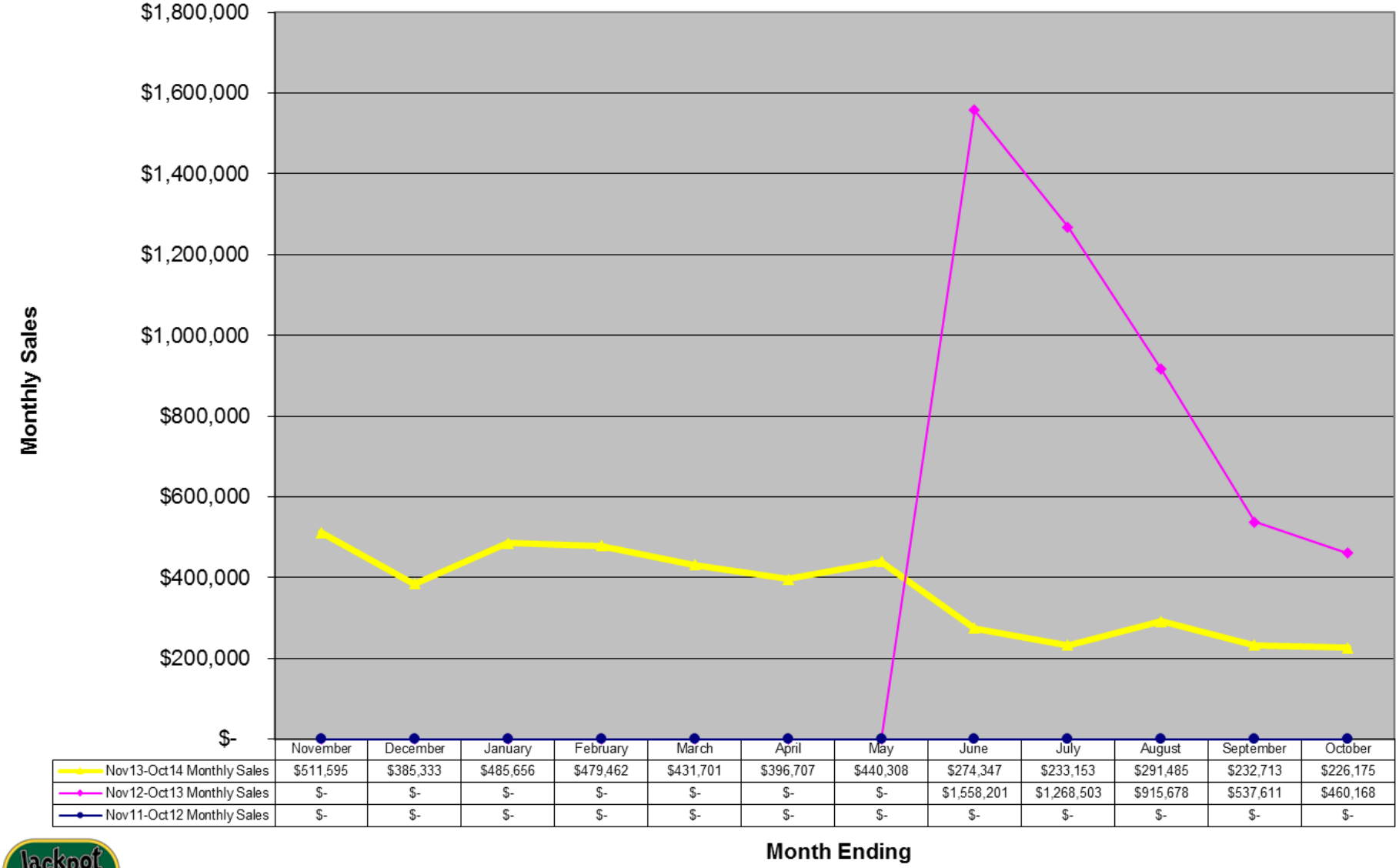


KENO Game Monthly Sales
November 11 thru October 14



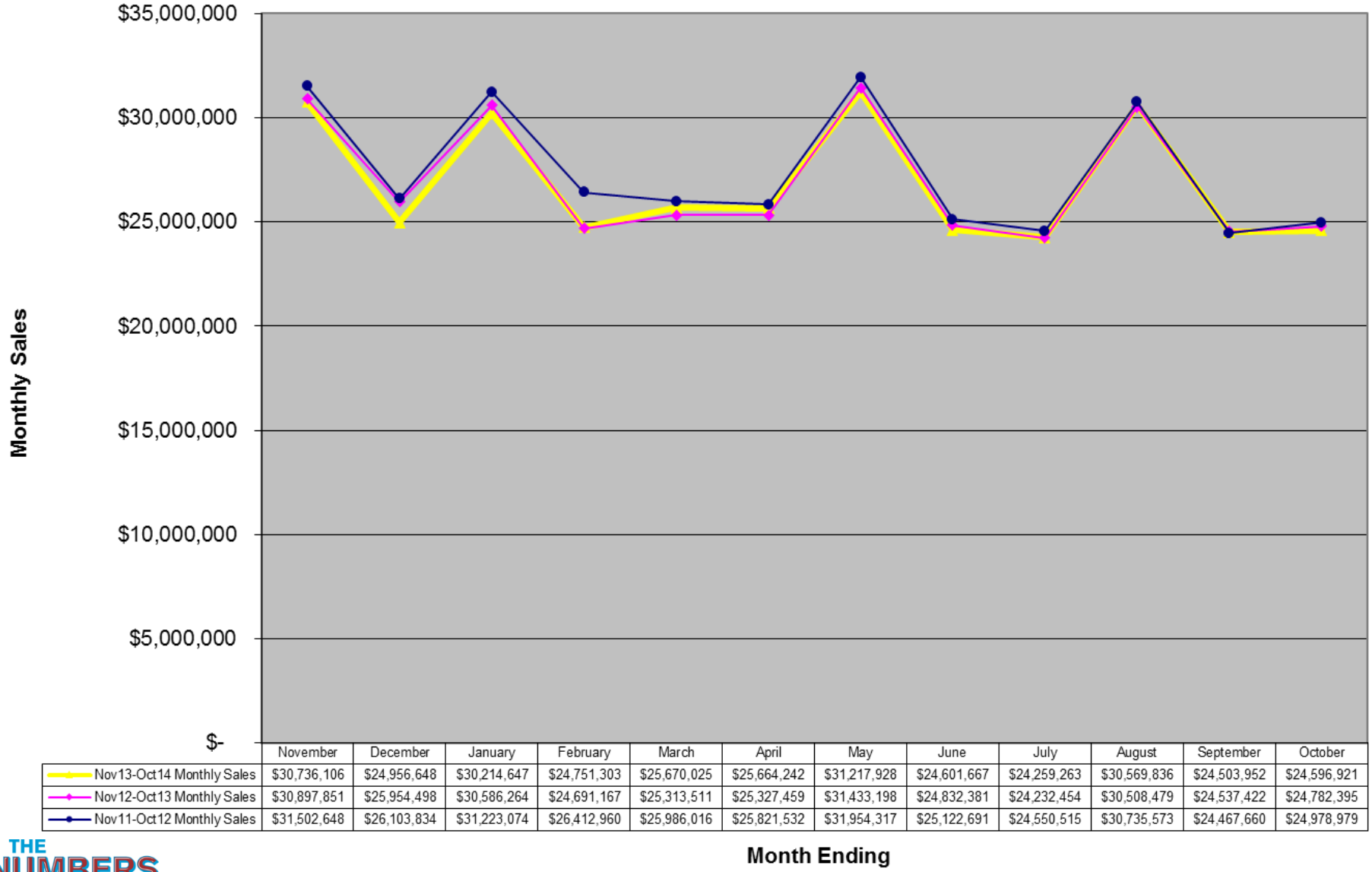
	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$76,231,749	$61,571,838	$75,581,963	$64,246,191	$67,630,583	$66,815,989	$80,445,602	$61,823,995	$60,879,655	$76,945,046	$62,396,004	$65,282,728
Nov12-Oct13 Monthly Sales	$75,360,152	$63,209,606	$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
Nov11-Oct12 Monthly Sales	$75,178,823	$61,681,424	$74,466,681	$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

Poker Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$511,595	$385,333	$485,656	$479,462	$431,701	$396,707	$440,308	$274,347	$233,153	$291,485	$232,713	$226,175
Nov12-Oct13 Monthly Sales	$-	$-	$-	$-	$-	$-	$-	$1,558,201	$1,268,503	$915,678	$537,611	$460,168
Nov11-Oct12 Monthly Sales	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-

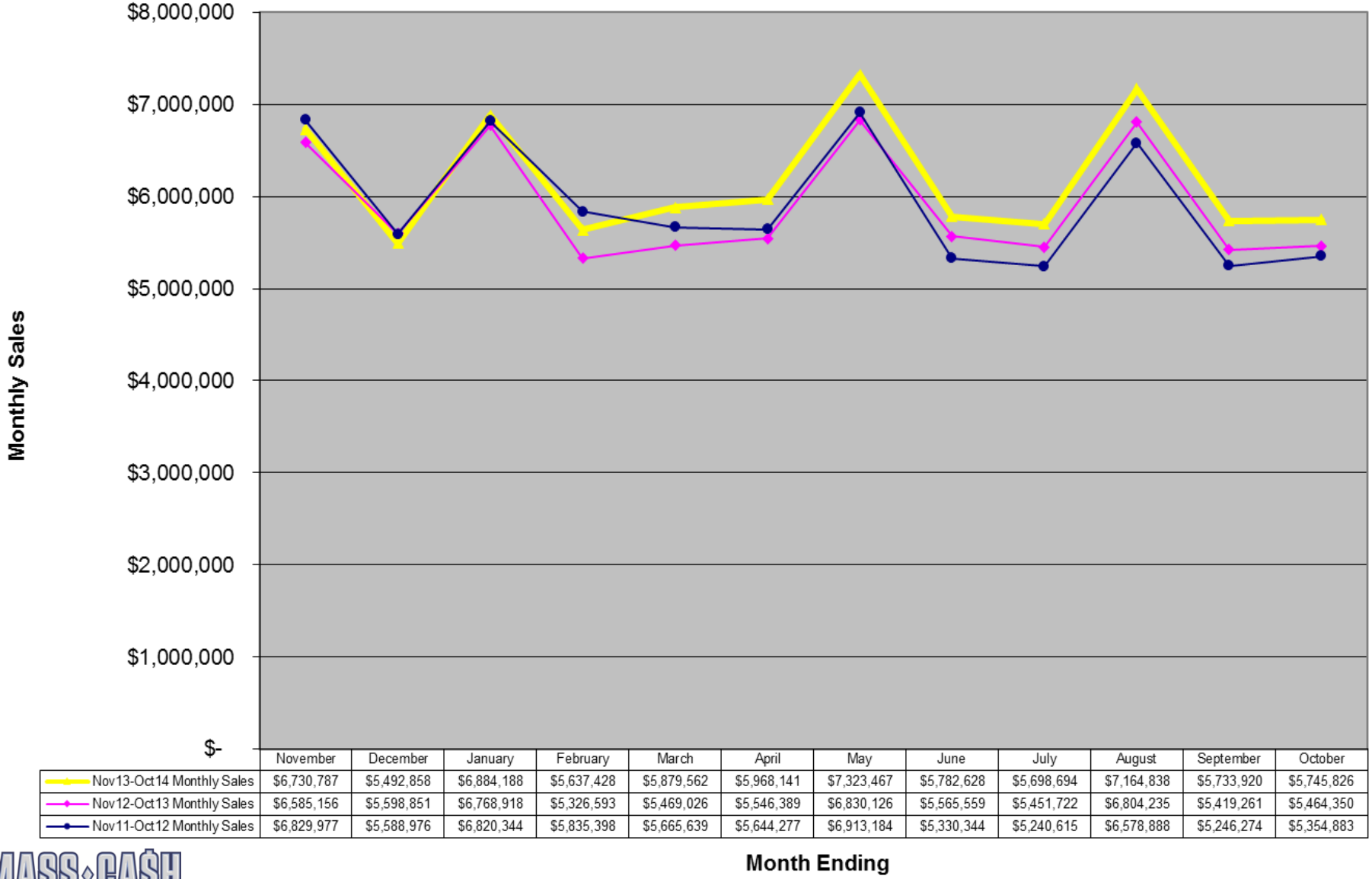
Numbers Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$30,736,106	$24,956,648	$30,214,647	$24,751,303	$25,670,025	$25,664,242	$31,217,928	$24,601,667	$24,259,263	$30,569,836	$24,503,952	$24,596,921
Nov12-Oct13 Monthly Sales	$30,897,851	$25,954,498	$30,586,264	$24,691,167	$25,313,511	$25,327,459	$31,433,198	$24,832,381	$24,232,454	$30,508,479	$24,537,422	$24,782,395
Nov11-Oct12 Monthly Sales	$31,502,648	$26,103,834	$31,223,074	$26,412,960	$25,986,016	$25,821,532	$31,954,317	$25,122,691	$24,550,515	$30,735,573	$24,467,660	$24,978,979

THE NUMBERS GAME

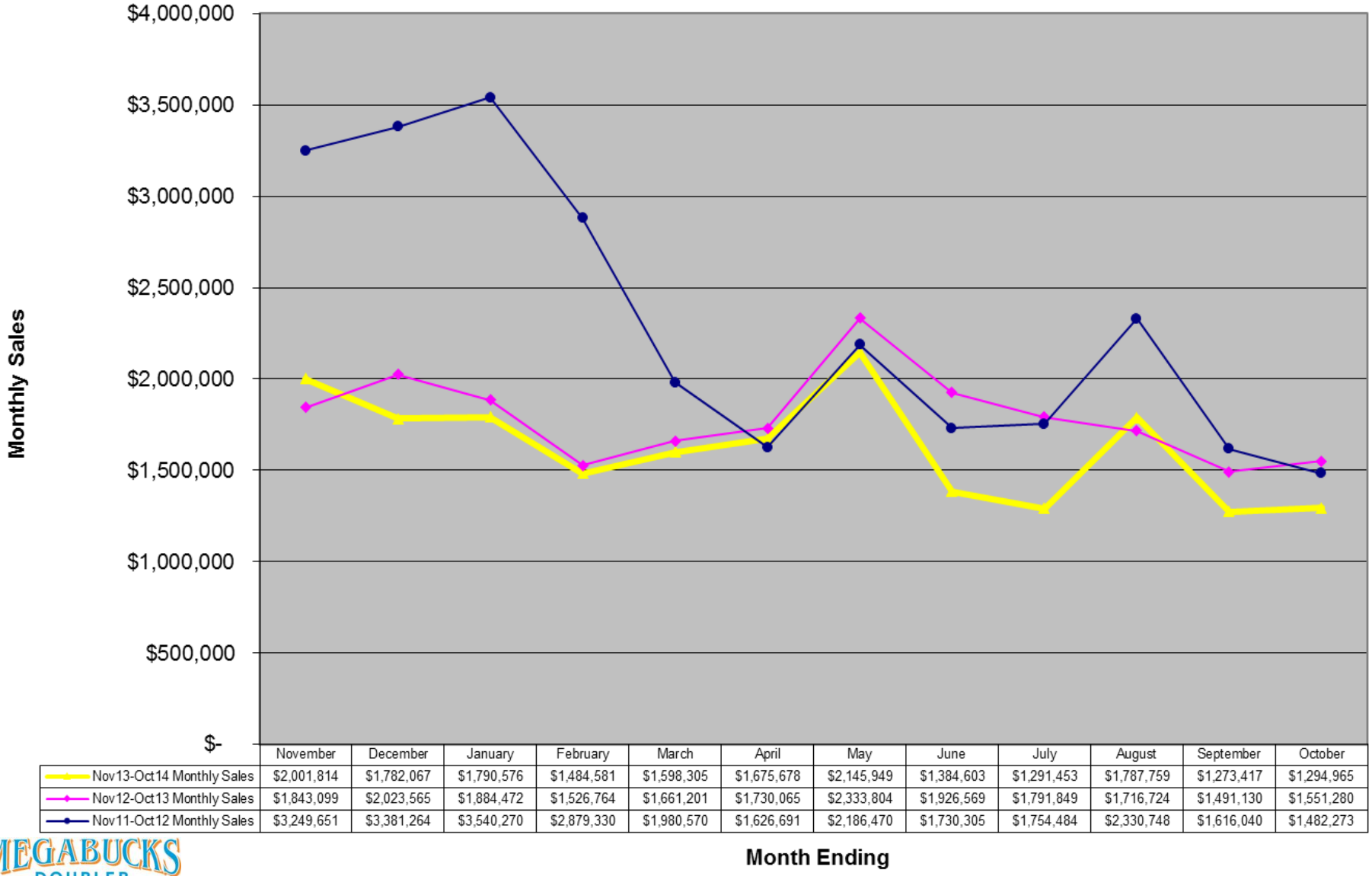
Mass Cash Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$6,730,787	$5,492,858	$6,884,188	$5,637,428	$5,879,562	$5,968,141	$7,323,467	$5,782,628	$5,698,694	$7,164,838	$5,733,920	$5,745,826
Nov12-Oct13 Monthly Sales	$6,585,156	$5,598,851	$6,768,918	$5,326,593	$5,469,026	$5,546,389	$6,830,126	$5,565,559	$5,451,722	$6,804,235	$5,419,261	$5,464,350
Nov11-Oct12 Monthly Sales	$6,829,977	$5,588,976	$6,820,344	$5,835,398	$5,665,639	$5,644,277	$6,913,184	$5,330,344	$5,240,615	$6,578,888	$5,246,274	$5,354,883

MASS CA$H

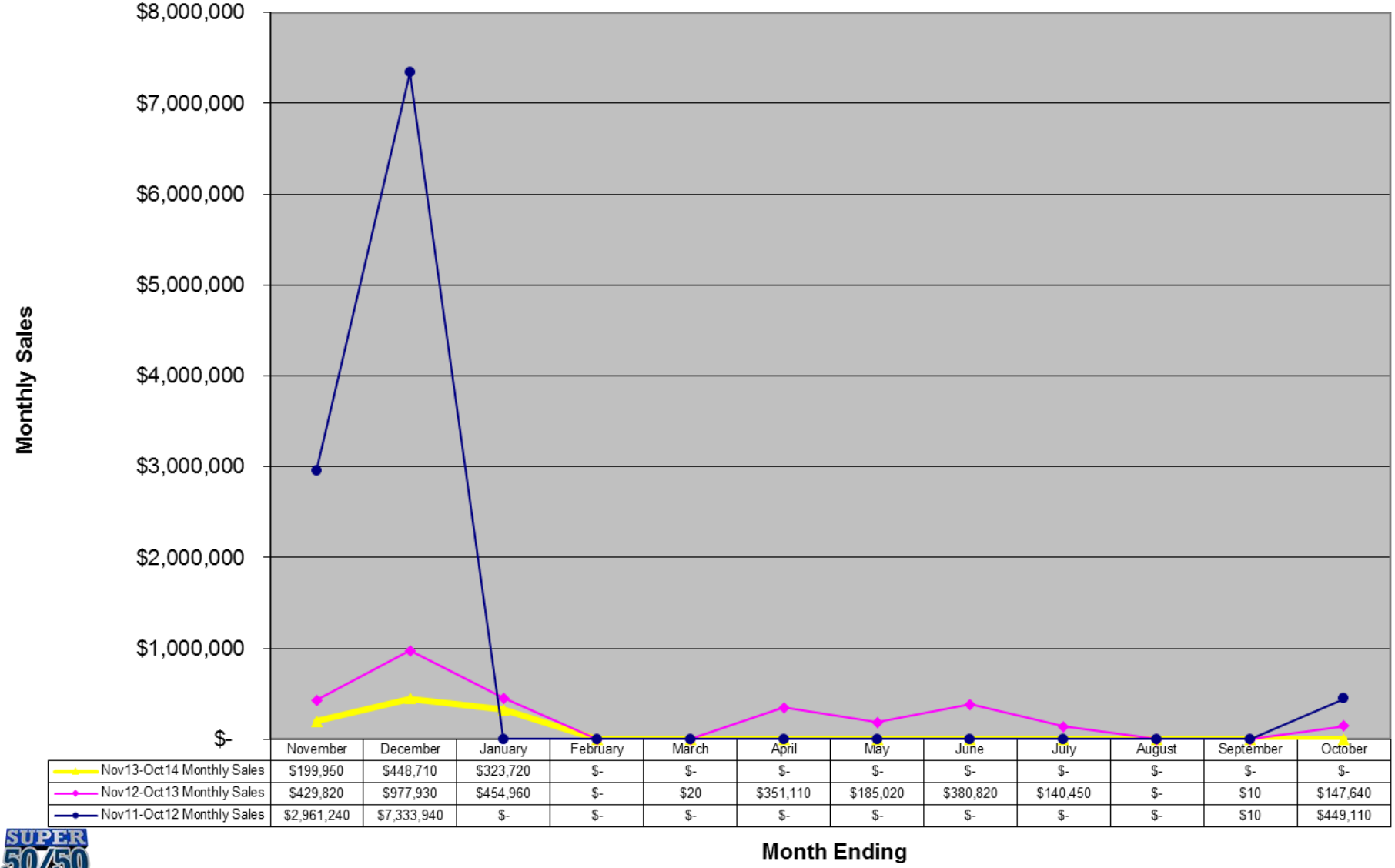
Megabucks Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$2,001,814	$1,782,067	$1,790,576	$1,484,581	$1,598,305	$1,675,678	$2,145,949	$1,384,603	$1,291,453	$1,787,759	$1,273,417	$1,294,965
Nov12-Oct13 Monthly Sales	$1,843,099	$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
Nov11-Oct12 Monthly Sales	$3,249,651	$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

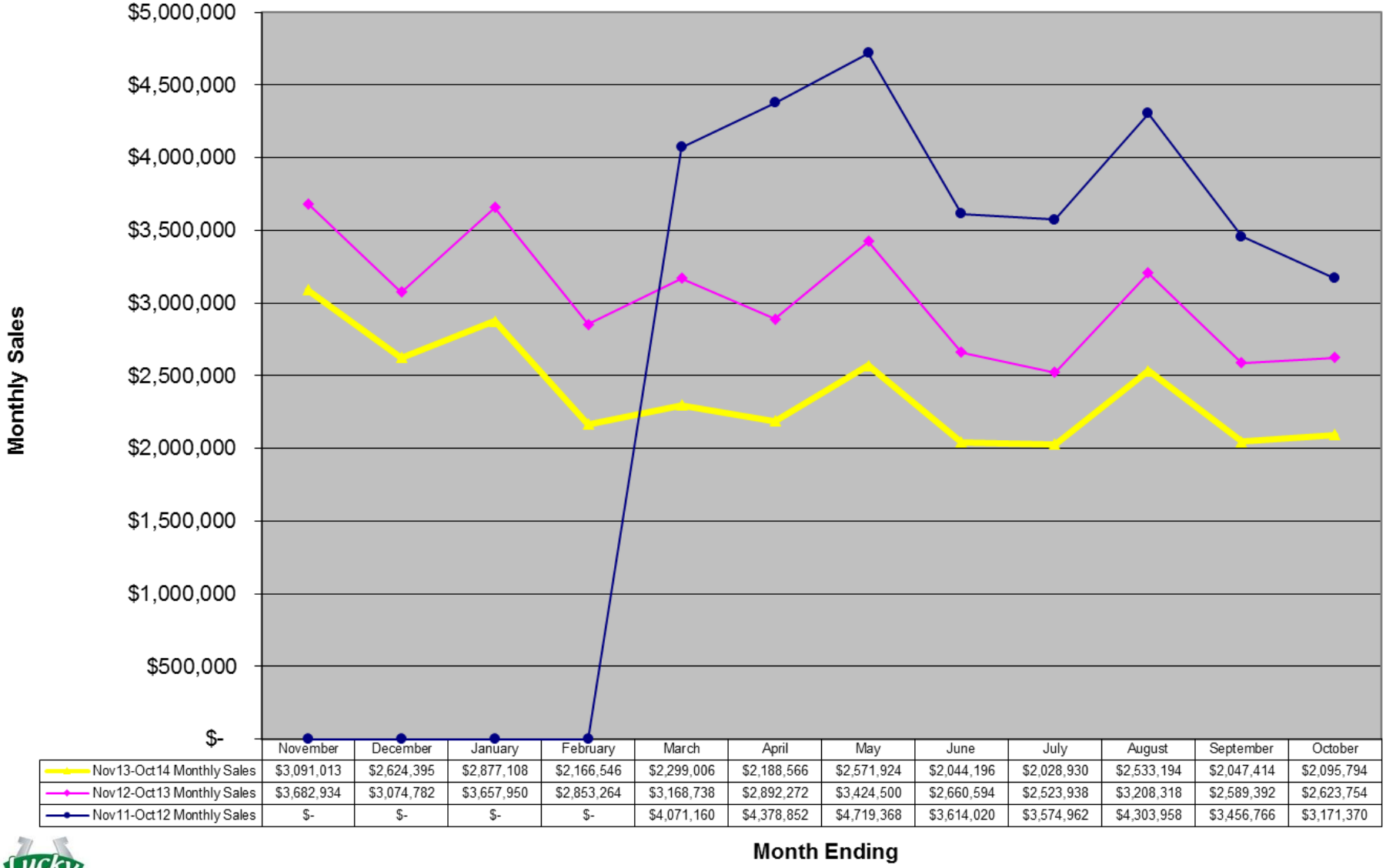
MEGABUCKS DOUBLER

Online Raffle Game Monthly Sales
November 11 thru October 14



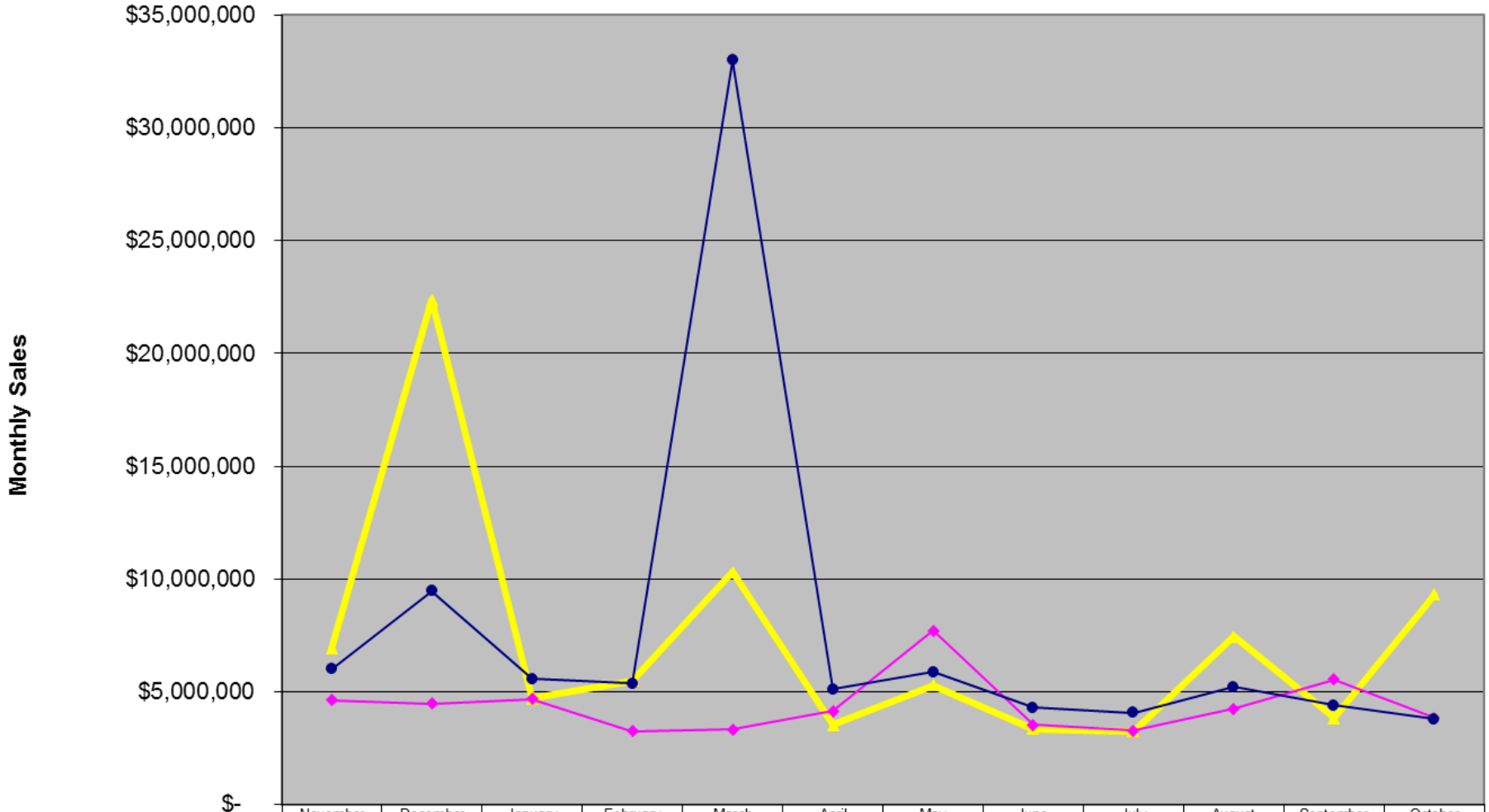
	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$199,950	$448,710	$323,720	$-	$-	$-	$-	$-	$-	$-	$-	$-
Nov12-Oct13 Monthly Sales	$429,820	$977,930	$454,960	$-	$20	$351,110	$185,020	$380,820	$140,450	$-	$10	$147,640
Nov11-Oct12 Monthly Sales	$2,961,240	$7,333,940	$-	$-	$-	$-	$-	$-	$-	$-	$10	$449,110

Lucky For Life Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$3,091,013	$2,624,395	$2,877,108	$2,166,546	$2,299,006	$2,188,566	$2,571,924	$2,044,196	$2,028,930	$2,533,194	$2,047,414	$2,095,794
Nov12-Oct13 Monthly Sales	$3,682,934	$3,074,782	$3,657,950	$2,853,264	$3,168,738	$2,892,272	$3,424,500	$2,660,594	$2,523,938	$3,208,318	$2,589,392	$2,623,754
Nov11-Oct12 Monthly Sales	$-	$-	$-	$-	$4,071,160	$4,378,852	$4,719,368	$3,614,020	$3,574,962	$4,303,958	$3,456,766	$3,171,370

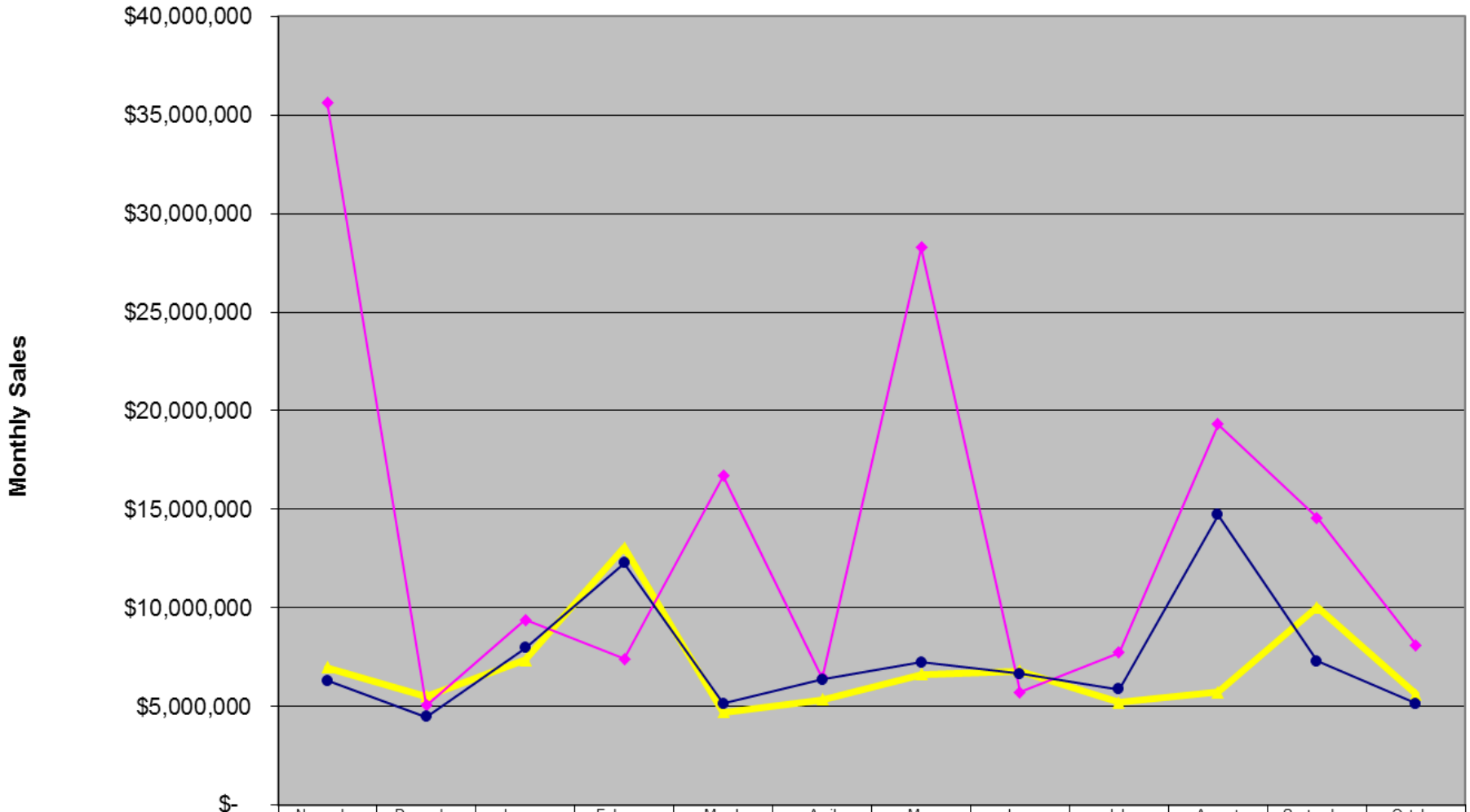
Mega Millions Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$6,908,127	$22,380,898	$4,697,709	$5,504,599	$10,293,322	$3,537,943	$5,282,353	$3,368,615	$3,247,818	$7,457,384	$3,852,707	$9,302,379
Nov12-Oct13 Monthly Sales	$4,622,314	$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
Nov11-Oct12 Monthly Sales	$5,999,489	$9,455,586	$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

Month Ending

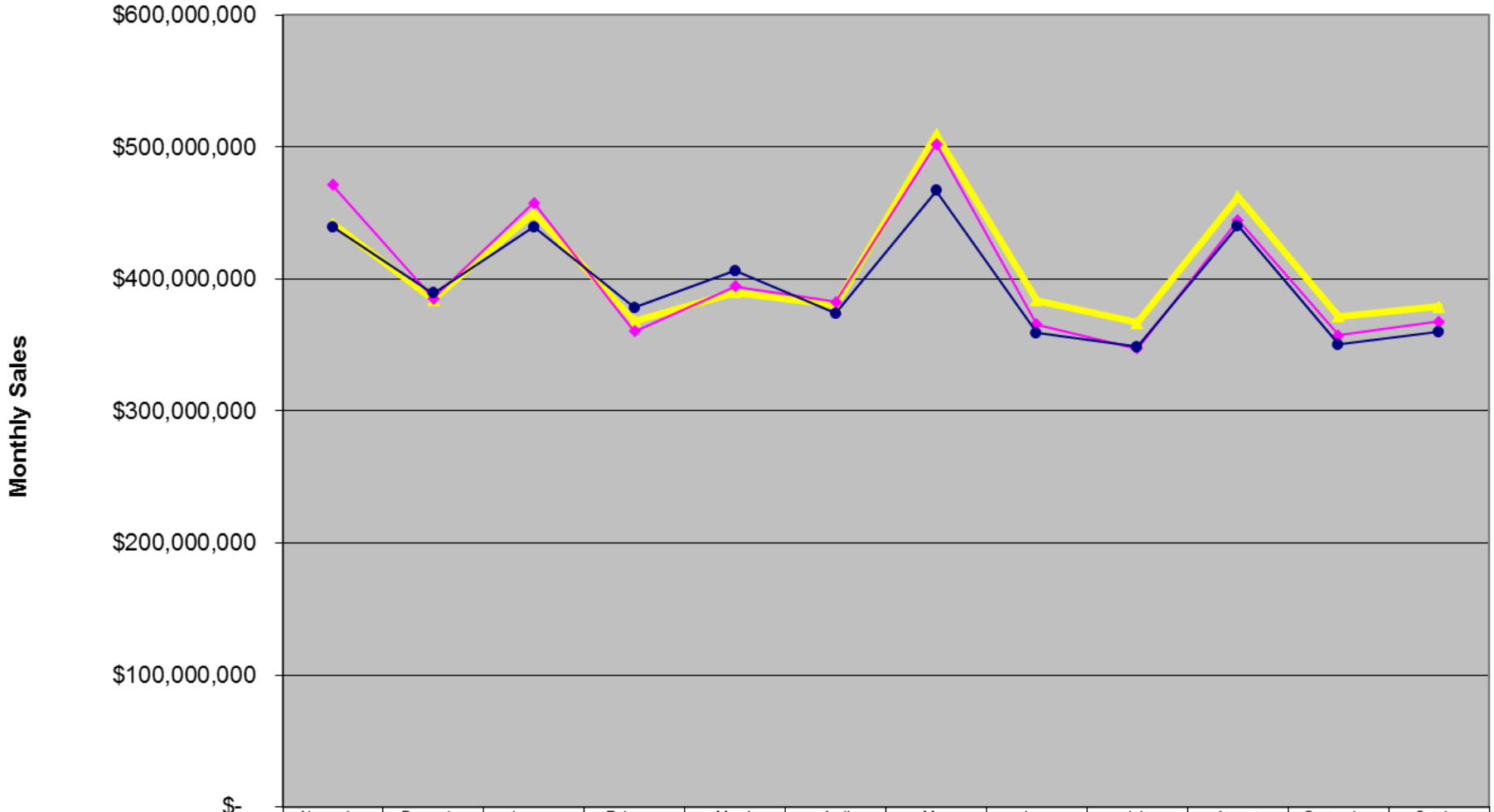
Powerball Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$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	$5,600,787
Nov12-Oct13 Monthly Sales	$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	$8,103,188
Nov11-Oct12 Monthly Sales	$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	$5,143,446

Month Ending

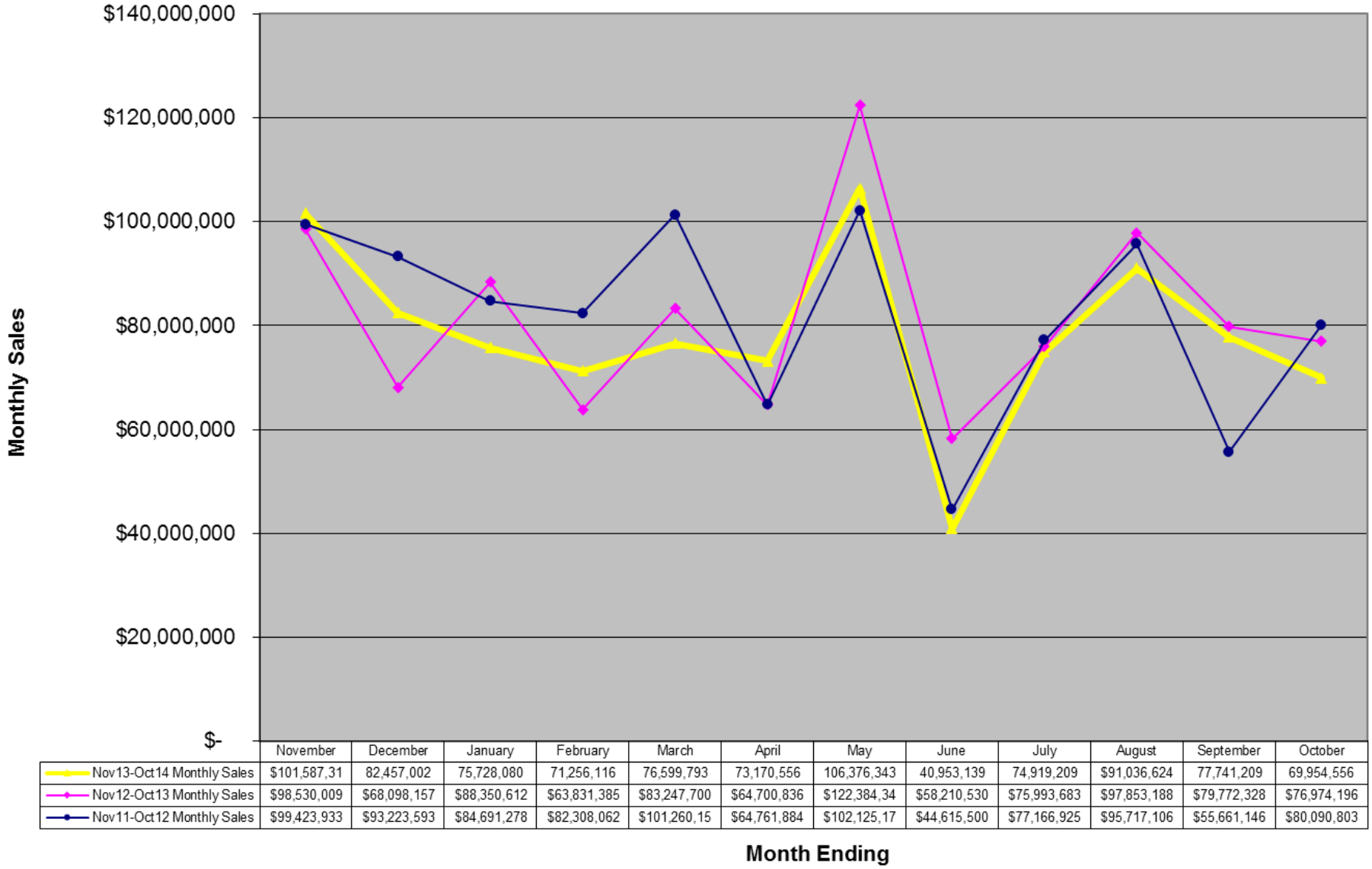
All Game Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$441,807,12	$384,251,56	$449,839,88	$368,172,38	$390,204,00	$380,203,87	$509,755,20	$384,014,46	$366,817,08	$462,423,20	$371,602,63	$379,119,35
Nov12-Oct13 Monthly Sales	$471,334,14	$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
Nov11-Oct12 Monthly Sales	$439,409,55	$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

Month Ending

Net Profit Monthly Sales
November 11 thru October 14



	November	December	January	February	March	April	May	June	July	August	September	October
Nov13-Oct14 Monthly Sales	$101,587,31	82,457,002	75,728,080	71,256,116	76,599,793	73,170,556	106,376,343	40,953,139	74,919,209	$91,036,624	77,741,209	69,954,556
Nov12-Oct13 Monthly Sales	$98,530,009	$68,098,157	$88,350,612	$63,831,385	$83,247,700	$64,700,836	$122,384,34	$58,210,530	$75,993,683	$97,853,188	$79,772,328	$76,974,196
Nov11-Oct12 Monthly Sales	$99,423,933	$93,223,593	$84,691,278	$82,308,062	$101,260,15	$64,761,884	$102,125,17	$44,615,500	$77,166,925	$95,717,106	$55,661,146	$80,090,803

MSLC Revenue Results

October FY15 vs. FY14

($ millions)

Through October 25, 2014

	FY15	% of Total	FY14	% of Total	$ Change	% Change
Instant Tickets	$265	69.9%	$259	70.5%	$6	2.3%
MegaMillions	9	2.5%	4	1.0%	5	142.2%
Powerball	6	1.5%	8	2.2%	-3	-30.9%
Keno	65	17.2%	62	16.7%	4	6.0%
Mass Cash	6	1.5%	5	1.5%	0	5.1%
Race Game	0	0.0%	0	0.0%	0	0.0%
Lucky For Life	2	0.6%	3	0.7%	-1	-20.1%
Numbers Game	25	6.5%	25	6.7%	0	-0.8%
Super 50-50 Raffle	0	0.0%	0	0.0%	0	-100.0%
Megabucks	1	0.3%	2	0.4%	0	-16.6%
Jackpot Poker	0	0.1%	0	0.1%	0	-50.9%
Total	$379	100.0%	$368	100.0%	$11	3.1%

Instant Tickets	$265	69.9%	$259	70.5%	$6	2.3%
Online Games	114	30.1%	109	29.5%	6	5.2%
Total	$379	100.0%	$368	100.0%	$11	3.1%

MSLC Revenue Results

Year-to-Date FY15 vs. FY14

($ millions)

Through October 25, 2014

	FY15	% of Total	FY14	% of Total	$ Change	% Change
Instant Tickets	$1,120	70.9%	$1,044	68.8%	$76	7.3%
MegaMillions	24	1.5%	17	1.1%	7	41.2%
Powerball	27	1.7%	50	3.3%	-23	-46.5%
Keno	266	16.8%	258	17.0%	7	2.9%
Mass Cash	24	1.5%	23	1.5%	1	5.2%
Race Game	0	0.0%	0	0.0%	0	0.0%
Lucky For Life	9	0.6%	11	0.7%	-2	-20.5%
Numbers Game	104	6.6%	104	6.9%	0	-0.1%
Super 50-50 Raffle	0	0.0%	0	0.0%	0	-100.0%
Megabucks	6	0.4%	7	0.4%	-1	-13.8%
Jackpot Poker	1	0.1%	3	0.2%	-2	-69.1%
Total	$1,580	100.0%	$1,517	100.0%	$63	4.2%

Instant Tickets	$1,120	70.9%	$1,044	68.8%	$76	7.3%
Online Games	460	29.1%	473	31.2%	-13	-2.8%
Total	$1,580	100.0%	$1,517	100.0%	$63	4.2%

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.