

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

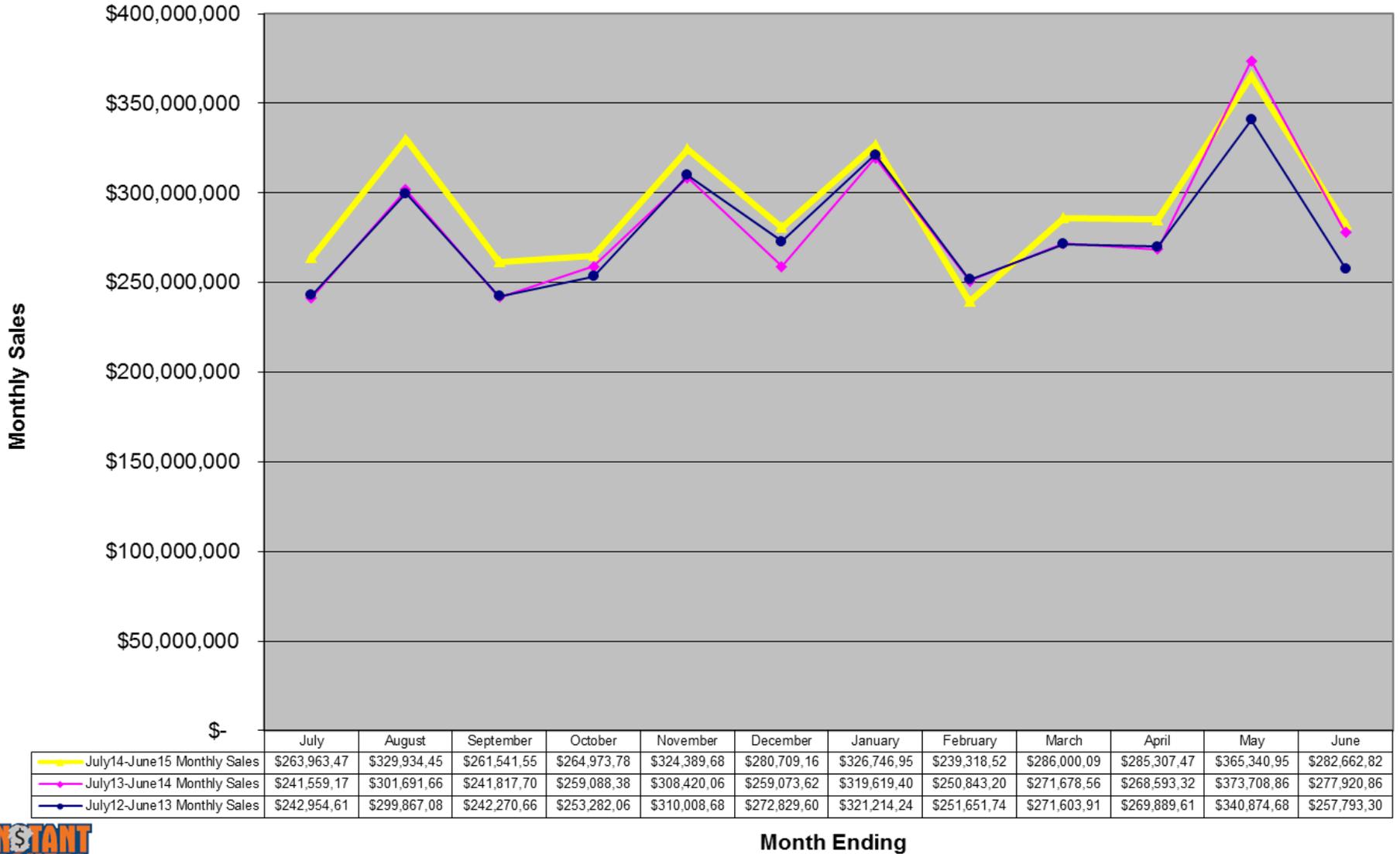
July 23, 2015



Lottery Sales Update

- The Lottery's fiscal year commenced on July 1, 2014 and ended June 30, 2015. Sales of \$5.011 billion topped the previous sales record of \$4.863 billion set last year by \$148 million, marking the fourth consecutive year of record-setting sales. We anticipate returning \$983.5 million in net profit to the Commonwealth, \$35.7 million higher than the \$947.8 million that was included in the FY14 state budget. The finalized financial statement of operations for FY15 is anticipated to be completed in September.
- The Lottery spent an estimated \$100.5 million on administrative costs in FY15. These costs remained at approximately 2 percent of overall revenues, the lowest of any Lottery operating in the United States.
- June 2015 adjusted Fiscal Year sales were up over \$28 million over last year and our prize payout for the month was 75.46 percent as compared to 75.15 percent in June 2014. This increase for the month drove the overall estimated prize payout for FY15 to 72.65 percent, which is just under the 72.7 percent payout rate that was budgeted for the fiscal year. As explained in previous correspondence, the prize payout percentage fluctuates based on the schedule or rate at which players cash in their prizes.
- June's adjusted Fiscal Year sales increase was driven by a \$17 million bump in the Instant Ticket portfolio, thanks to four new games that were released (\$1, \$2, \$5, \$10 tickets) and continued excitement around the \$30 Supreme Millions ticket that debuted in late April. Additionally, there was a nearly \$9 million increase in KENO sales; a \$2 million increase in Mega Millions sales; and, nearly a \$2 million bump in Numbers Game sales. Powerball experienced a sales decrease of over \$1 million in June.

Instant Games Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015



June Instant Ticket Sales Update

Hit \$50!

Price Point: \$1

4 Week Sales: \$1,848,809

Money Money Money

Price Point: \$2

4 Week Sales: \$5,099,926

\$1,000,000 Jackpot

Price Point: \$5

4 Week Sales: \$12,800,480

\$4,000,000 Payout

Price Point: \$10

4 Week Sales: \$22,132,030



August Instant Ticket Release (August 4)

Money Bags

Price Point: \$1
Top Prize: \$10,000

Break the Bank

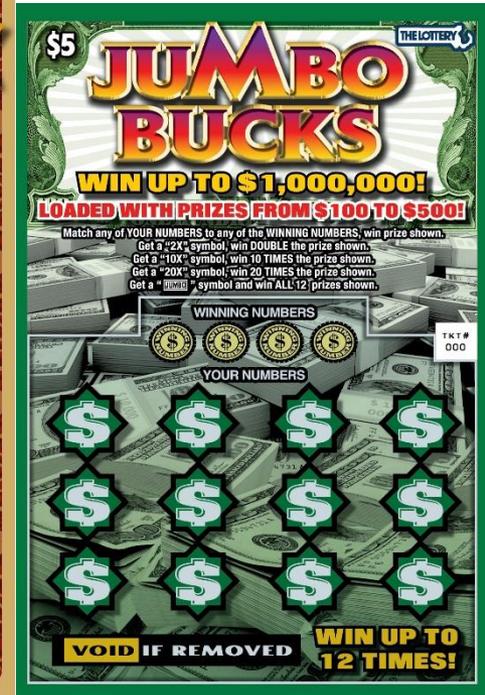
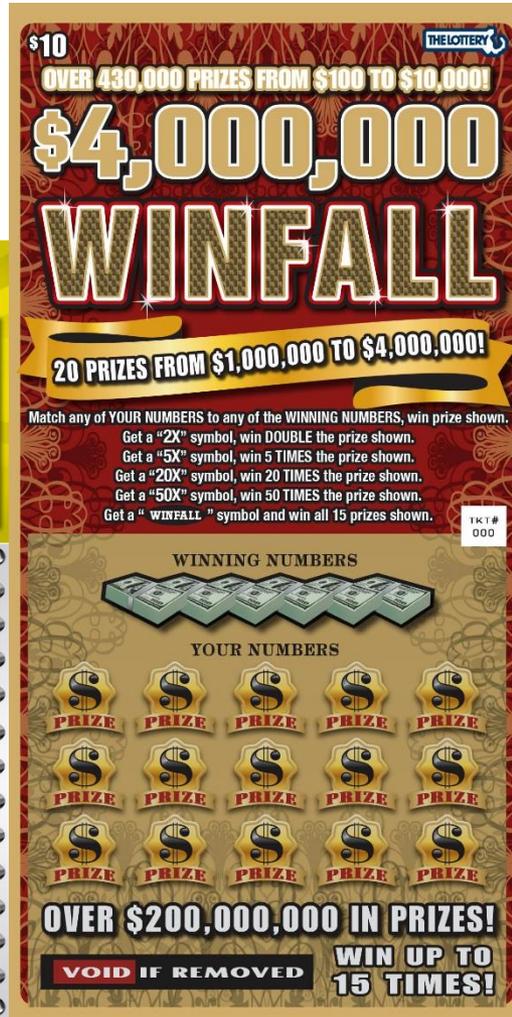
Price Point: \$2
Top Prize: \$100,000

Jumbo Bucks

Price Point: \$5
Top Prize: \$1 million

\$10,000,000 Winfall

Price Point: \$10
Top Prize: \$4 million



August Instant Ticket POS Advertising



Wobbler



11x17 Poster



August Instant Ticket Social Media Graphics



Facebook.com/MAStateLottery (Cover Photo)



YouTube.com/MassStateLottery (Cover Photo)



MassLottery.com (Homepage Sliding Banner)



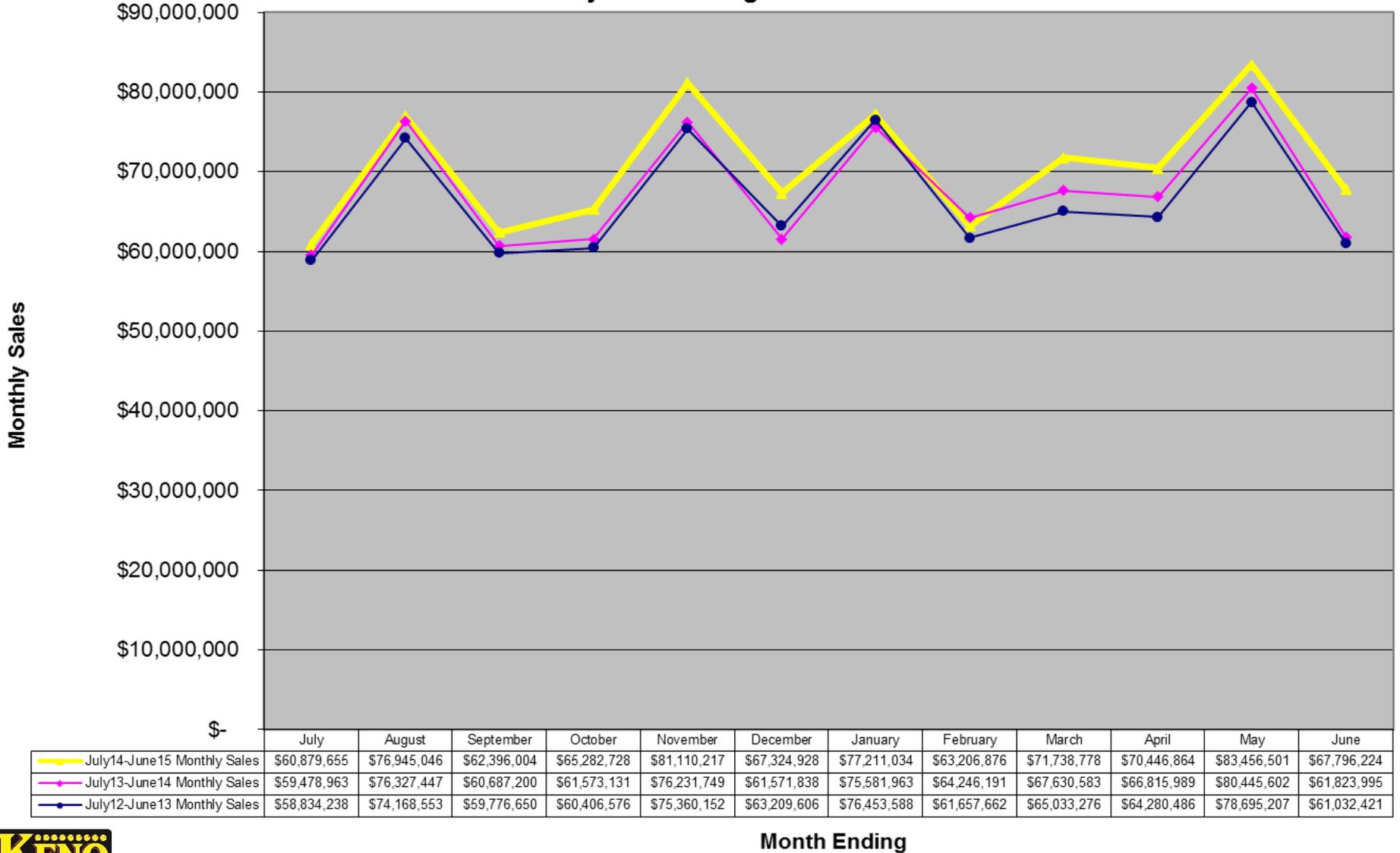
Twitter.com/MAStateLottery (Background Skin)



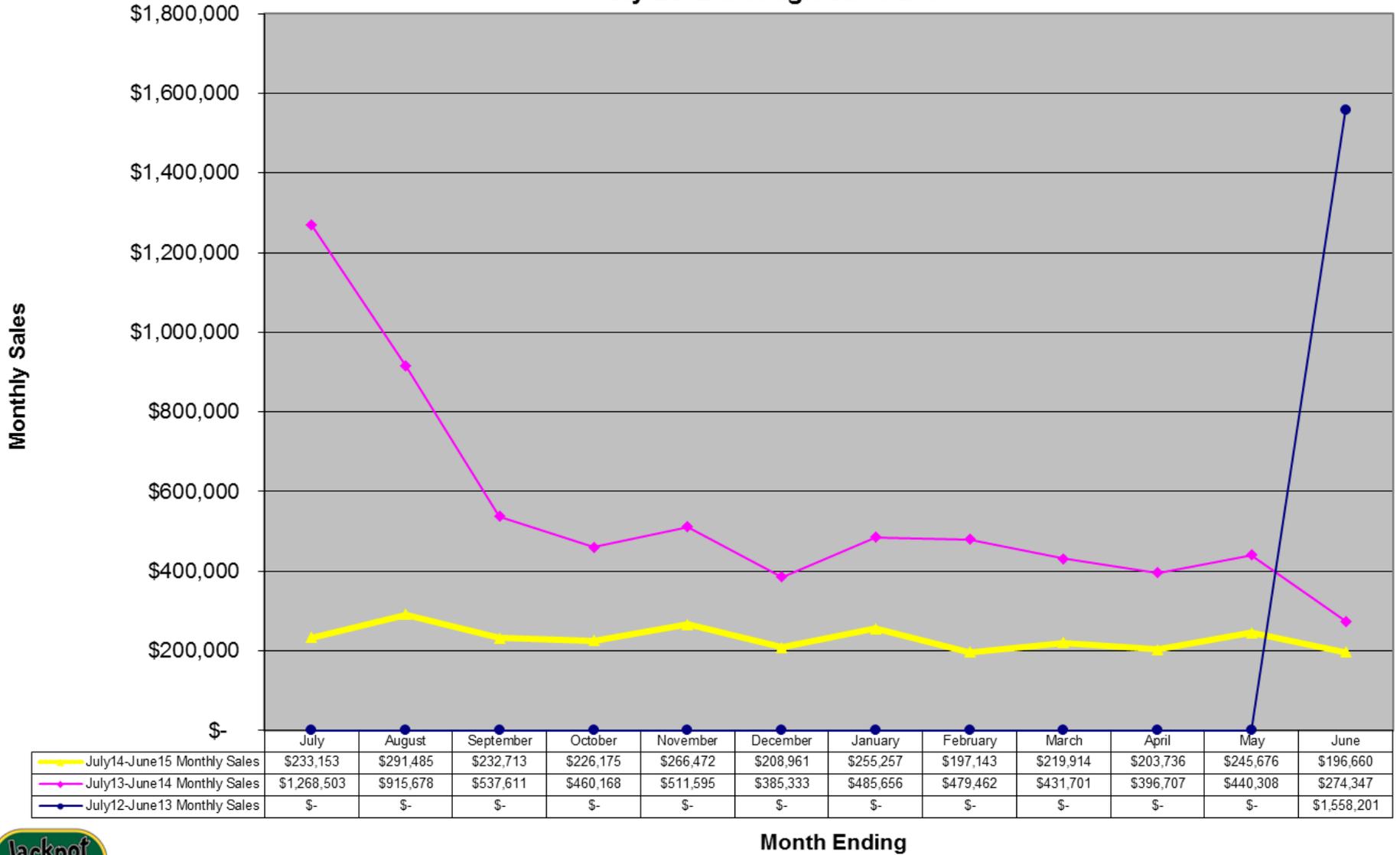
Flickr.com/MAStateLottery (Cover Photo)



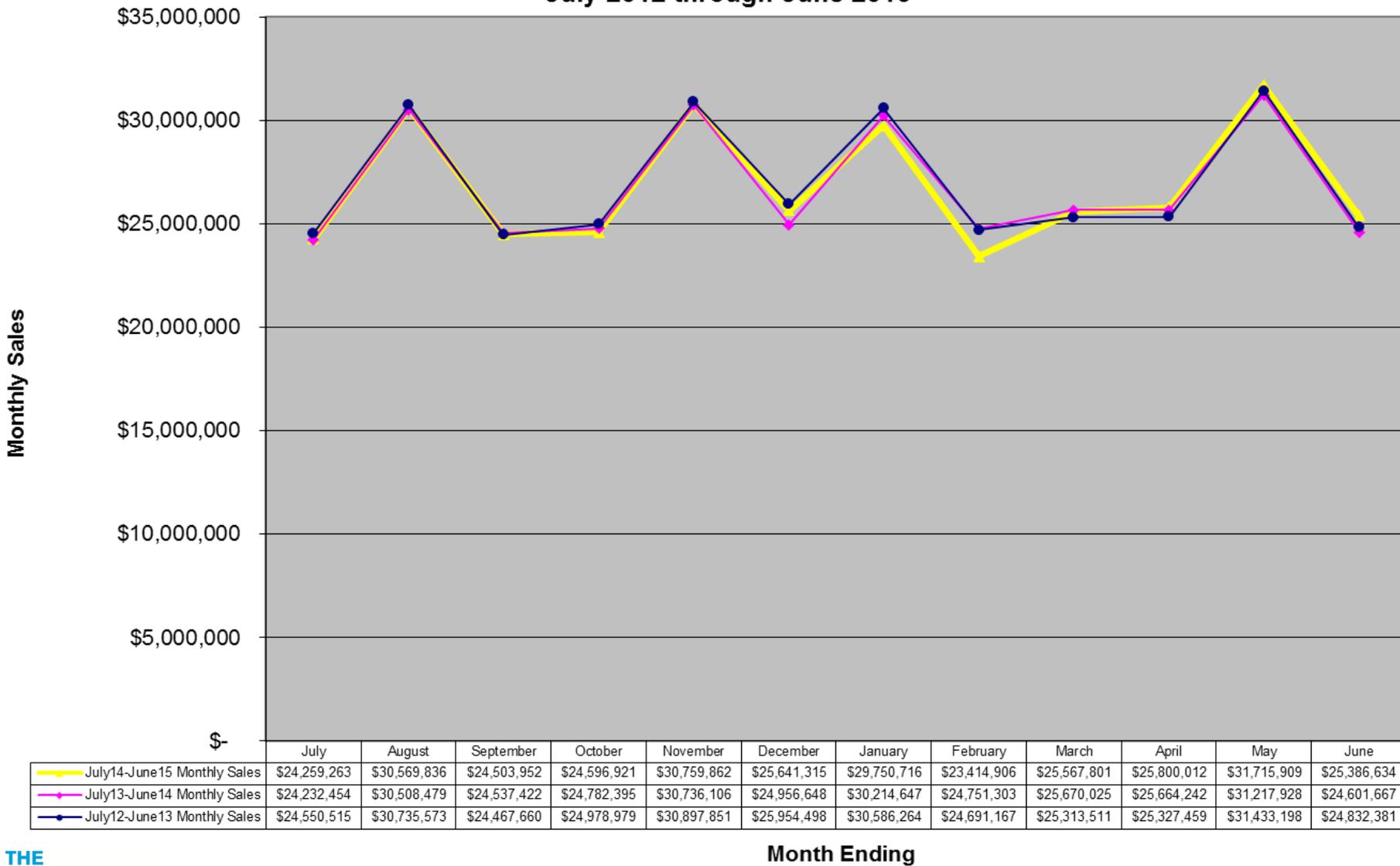
KENO Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015



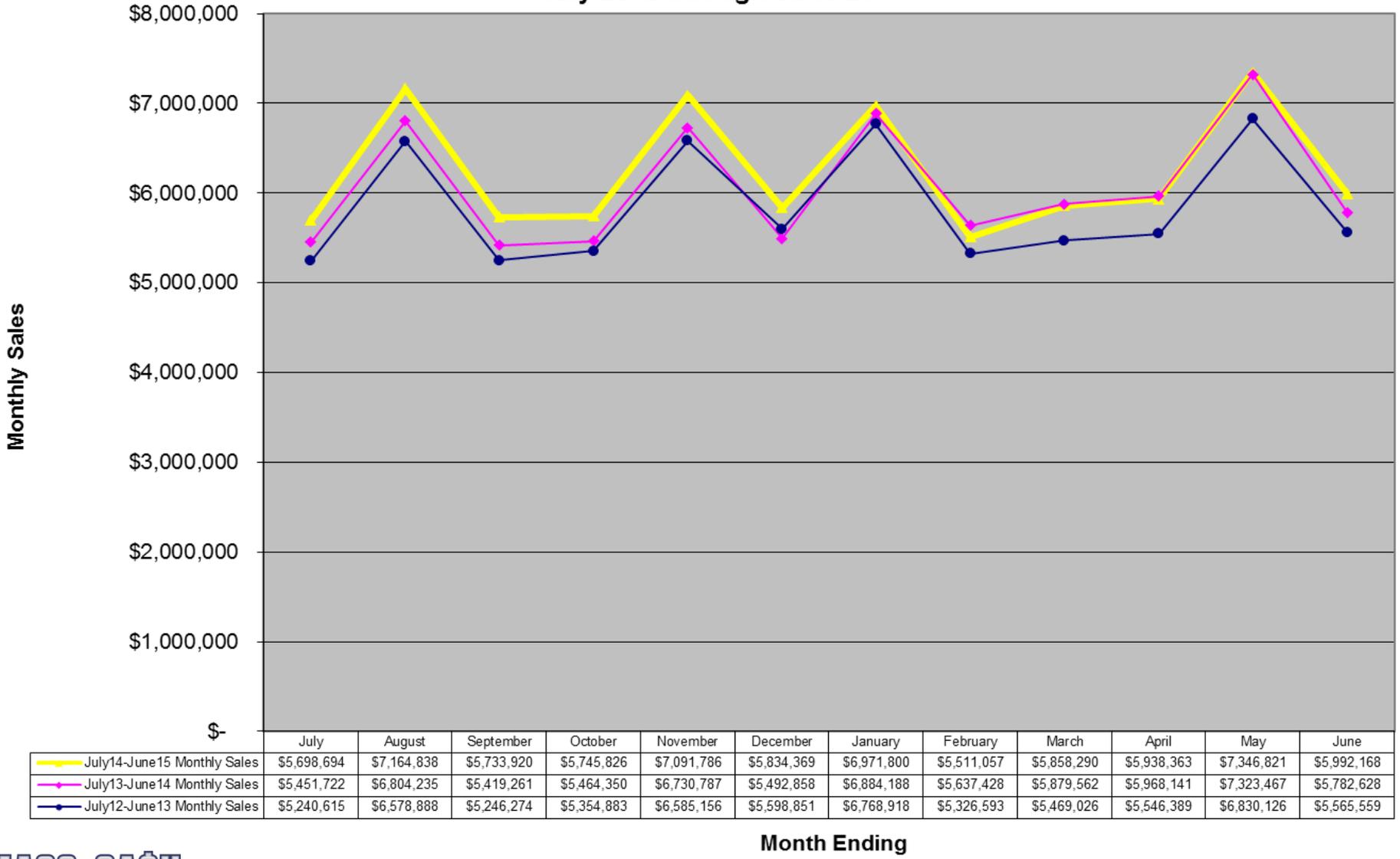
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015



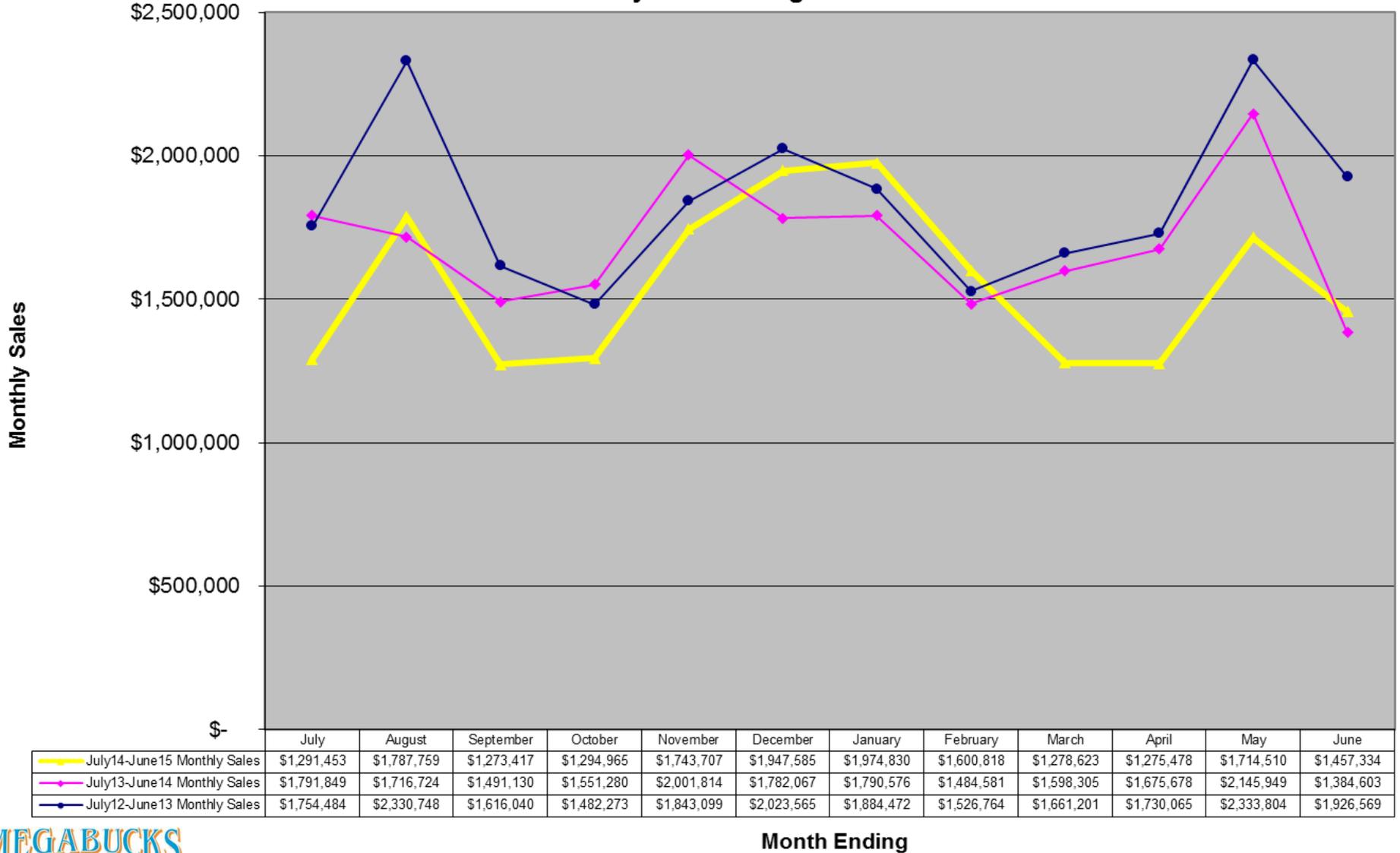
Numbers Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015



Mass Cash Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015

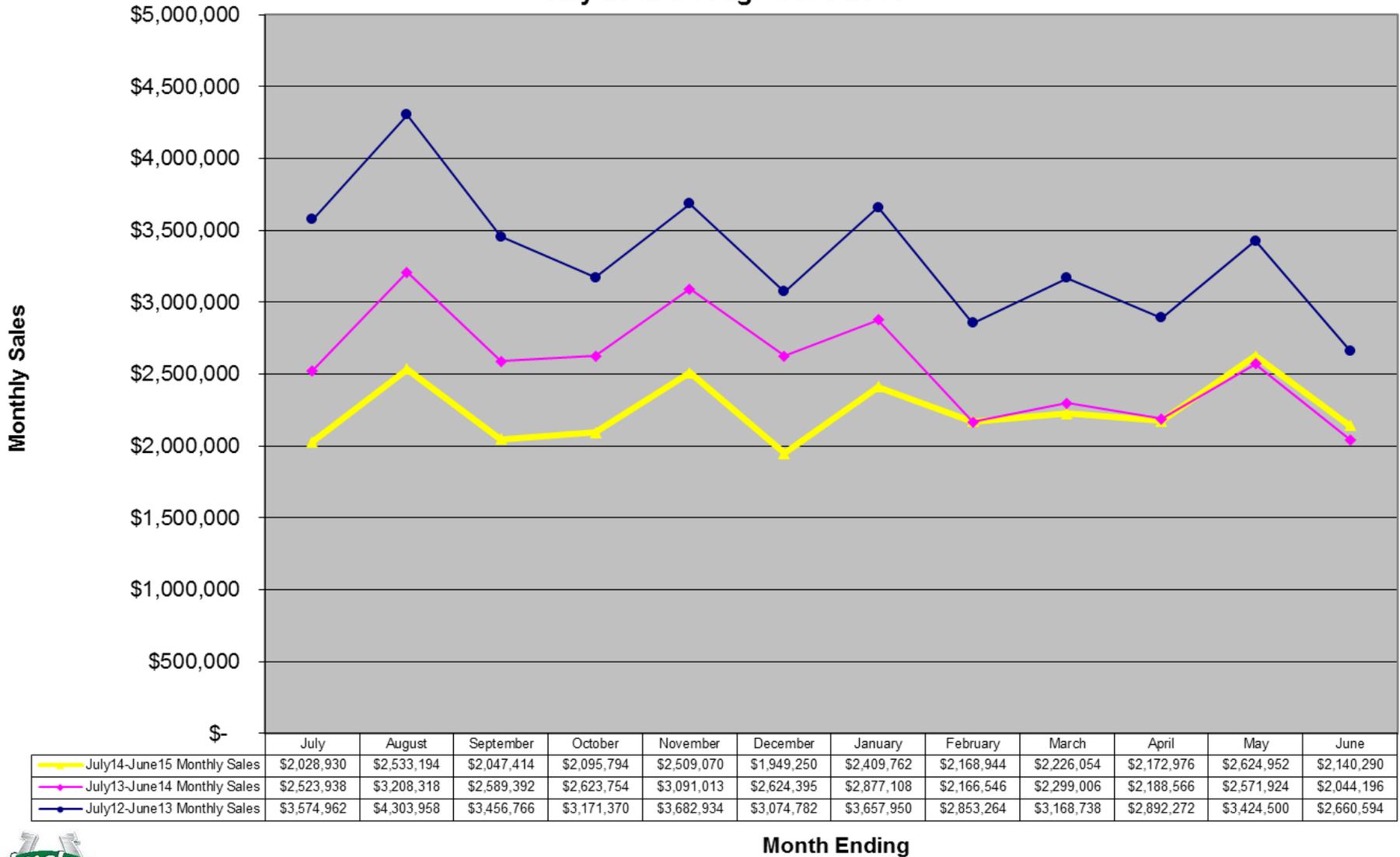


Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015

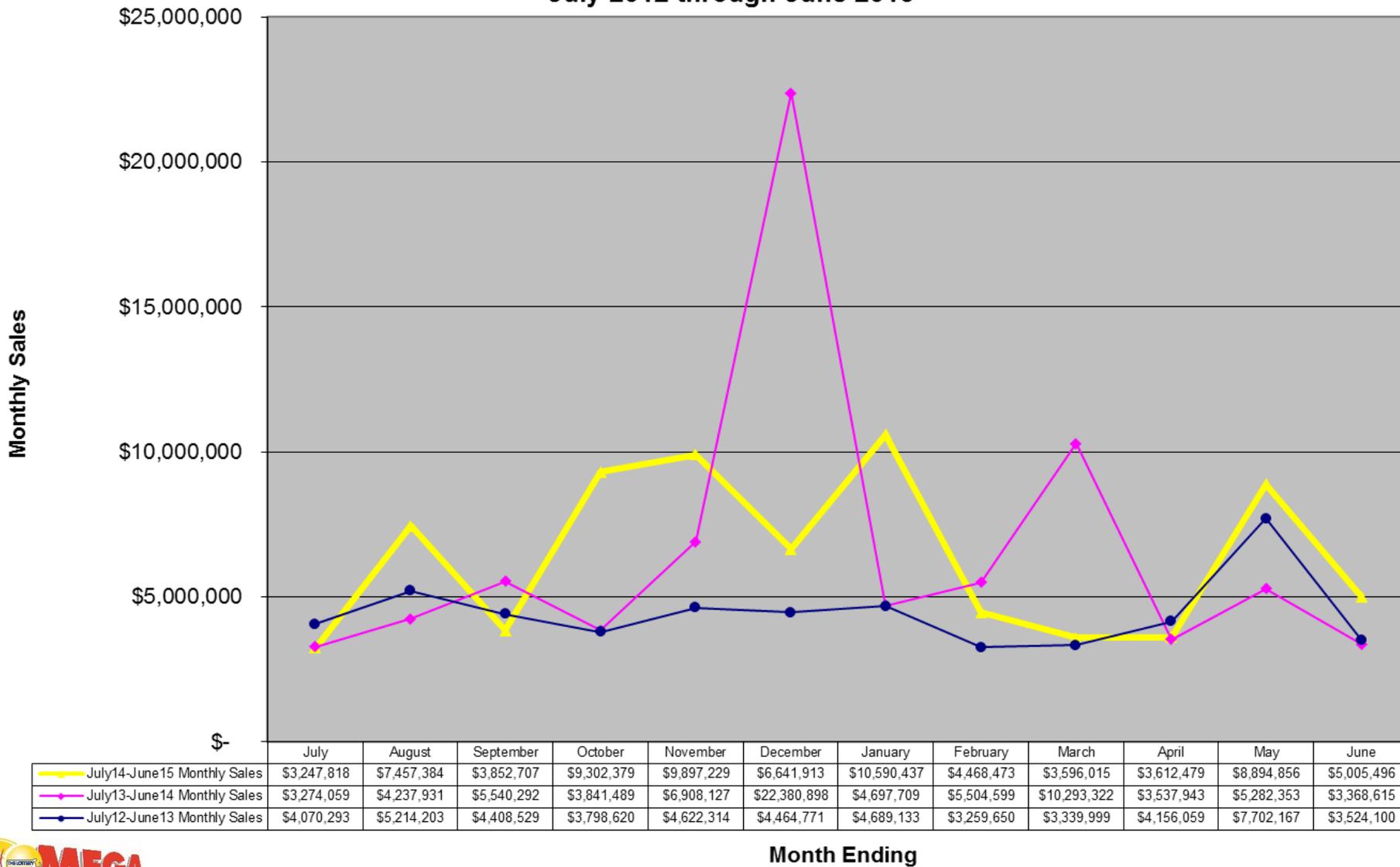


Month Ending

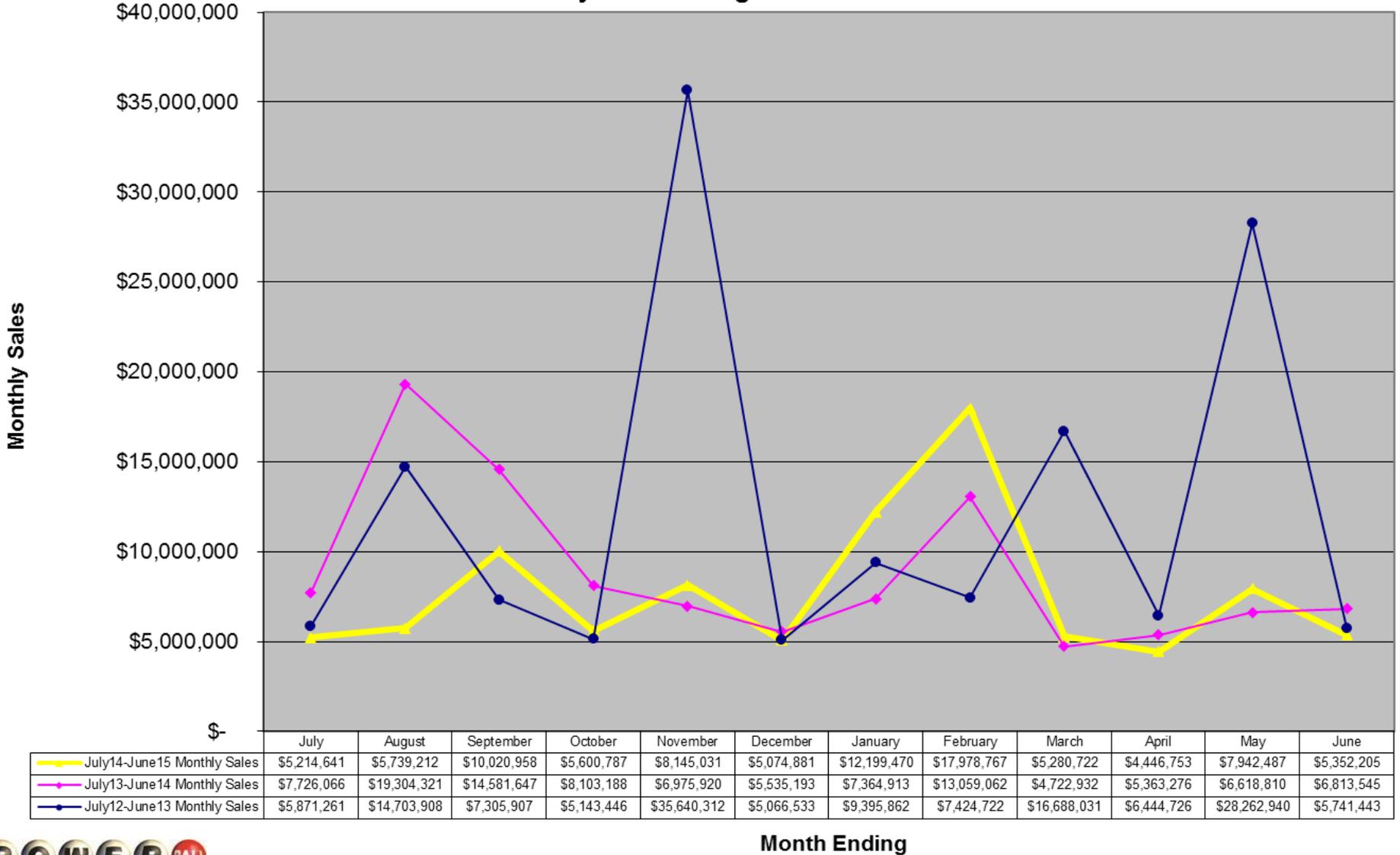
Lucky For Life Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015



Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015

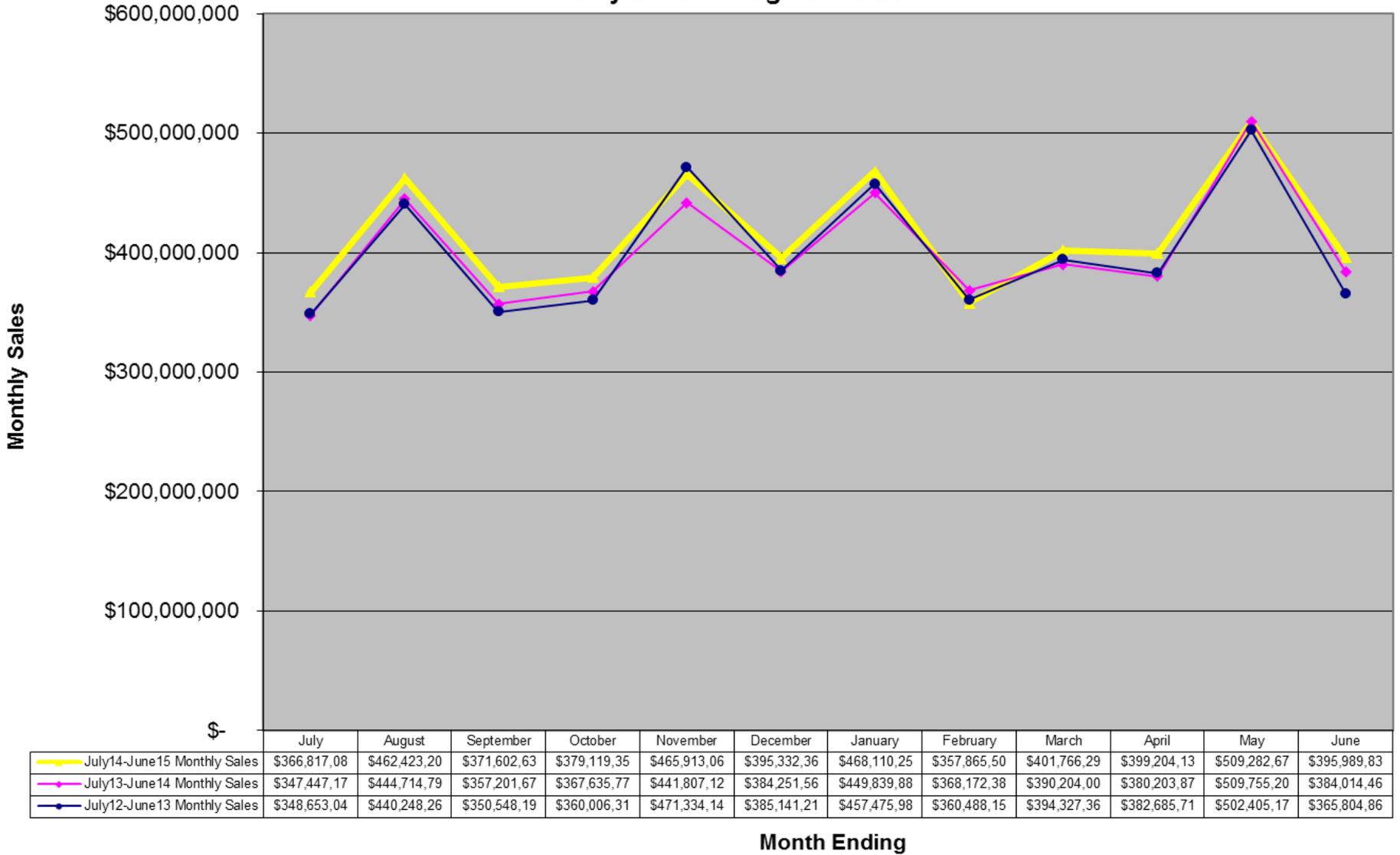


Powerball Game Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015

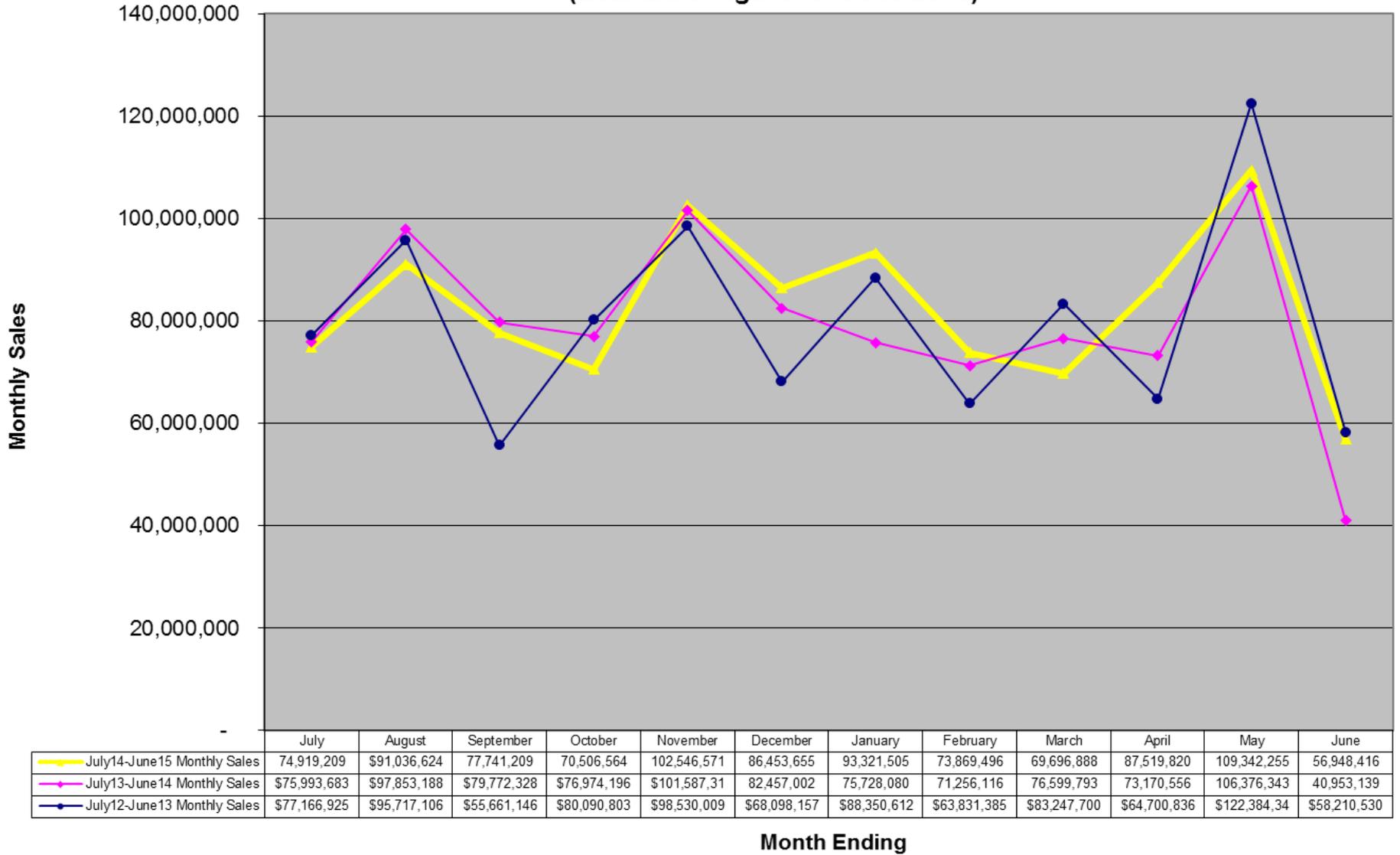


Month Ending

All Games Monthly Sales Unadjusted Non Fiscal Year July 2012 through June 2015



Monthly Net Profit
July 2012 through June 2015
(Estimated Figure for June 2015)



MSLC Revenue Results

June FY15 vs. FY14 Unadjusted Non Fiscal Year

(\$ millions)

Through June 27, 2015

	FY15	% of Total	FY14	% of Total	\$ Change	% Change
Instant Tickets	\$282.7	71.4%	\$277.9	72.3%	\$4.7	1.7%
MegaMillions	\$5.0	1.3%	\$3.4	0.9%	\$1.6	48.6%
Powerball	\$5.4	1.4%	\$6.8	1.8%	-\$1.5	-21.4%
Keno	\$67.8	17.1%	\$61.8	16.1%	\$6.0	9.7%
Mass Cash	\$6.0	1.5%	\$5.8	1.5%	\$0.2	3.6%
Race Game	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Lucky For Life	\$2.1	0.5%	\$2.0	0.5%	\$0.1	4.7%
Numbers Game	\$25.4	6.4%	\$24.6	6.4%	\$0.8	3.2%
Super 50-50 Raffle	\$0.0	0.0%	\$0.3	0.1%	-\$0.3	-100.0%
Megabucks	\$1.5	0.4%	\$1.4	0.4%	\$0.1	5.3%
Jackpot Poker	\$0.2	0.0%	\$0.3	0.1%	-\$0.1	-28.5%
Total	\$396.0	100.0%	\$384.3	100.0%	\$11.7	3.0%
Instant Tickets	\$282.7	71.4%	\$277.9	72.3%	\$4.7	1.7%
Online Games	\$113.3	28.6%	\$106.4	27.7%	\$6.9	6.5%
Total	\$396.0	100.0%	\$384.3	100.0%	\$11.7	3.0%
Unadjusted	Month	5/31/15-6/27/15	Month	6/1/14-6/28/14		
		4 weeks		4 weeks		
		28 days		28 days		

MSLC Revenue Results

Year-to-Date FY15 vs. FY14 Unadjusted Non Fiscal Year

(\$ millions)

Through June 27, 2015

	FY15	% of Total	FY14	% of Total	\$ Change	% Change
Instant Tickets	\$3,510.9	70.6%	\$3,374.0	69.9%	\$136.9	4.1%
MegaMillions	\$76.6	1.5%	\$78.9	1.6%	-\$2.3	-2.9%
Powerball	\$93.0	1.9%	\$106.2	2.2%	-\$13.2	-12.4%
Keno	\$847.8	17.0%	\$812.4	16.8%	\$35.4	4.4%
Mass Cash	\$74.9	1.5%	\$72.8	1.5%	\$2.0	2.8%
Race Game	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Lucky For Life	\$26.9	0.5%	\$30.8	0.6%	-\$3.9	-12.7%
Numbers Game	\$322.0	6.5%	\$321.9	6.7%	\$0.1	0.0%
Super 50-50 Raffle	\$0.0	0.0%	\$1.3	0.0%	-\$1.3	-100.0%
Megabucks	\$18.6	0.4%	\$20.4	0.4%	-\$1.8	-8.7%
Jackpot Poker	\$2.8	0.1%	\$6.6	0.1%	-\$3.8	-57.8%
Total	\$4,973.4	100.0%	\$4,825.2	100.0%	\$148.2	3.1%
Instant Tickets	\$3,510.9	70.6%	\$3,374.0	69.9%	\$136.9	4.1%
Online Games	\$1,462.5	29.4%	\$1,451.2	30.1%	\$11.3	0.8%
Total	\$4,973.4	100.0%	\$4,825.2	100.0%	\$148.2	3.1%
Unadjusted	Year	6/29/14-6/27/15	Year	6/30/13-6/28/14		
		52 weeks		52 weeks		
		364 days		364 days		

MSLC Revenue Results					
Year-to-Date FY15 vs. FY14 Unadjusted Non Fiscal Year					
(\$ millions)					
Through June 27, 2015					
		FY15	\$ Change		% Change
Instant Tickets		\$3,510.9	\$136.9		4.1%
MegaMillions		\$76.6	-\$2.3		-2.9%
Powerball		\$93.0	-\$13.2		-12.4%
Keno		\$847.8	\$35.4		4.4%
Mass Cash		\$74.9	\$2.0		2.8%
Race Game		\$0.0	\$0.0		0.0%
Lucky For Life		\$26.9	-\$3.9		-12.7%
Numbers Game		\$322.0	\$0.1		0.0%
Super 50-50 Raffle		\$0.0	-\$1.3		-100.0%
Megabucks Doubler		\$18.6	-\$1.8		-8.7%
Jackpot Poker		\$2.8	-\$3.8		-57.8%
Total		\$4,973.4	\$148.2		3.1%
Instant Tickets		\$3,510.9	\$136.9		4.1%
Online Games		\$1,462.5	\$11.3		0.8%
Total		\$4,973.4	\$148.2		3.1%
Unadjusted		Year: 6/29/14-6/27/15		Year: 6/30/13-6/28/14	
		52 weeks		52 weeks	
		364 days		364 days	

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.

