

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

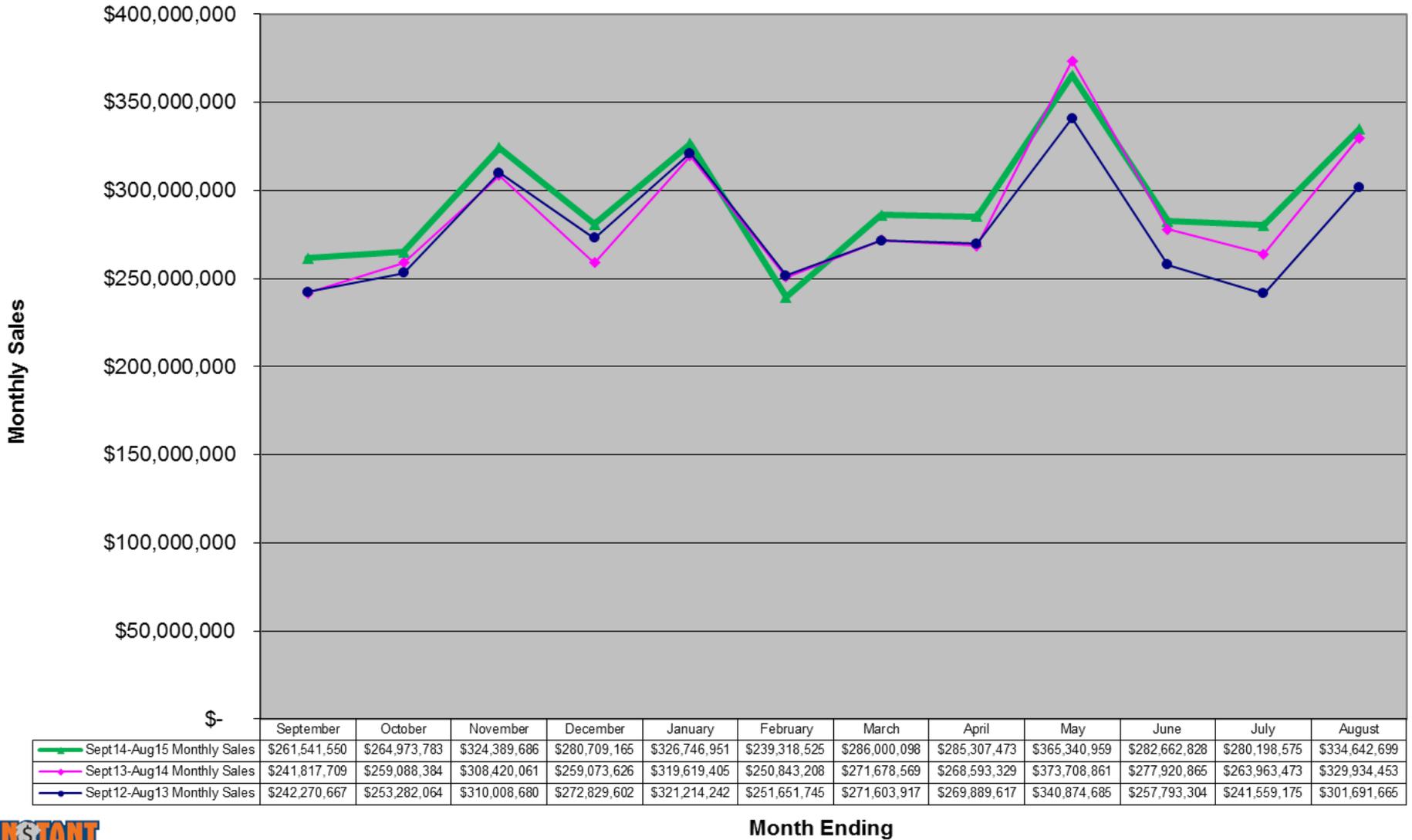
September 22, 2015



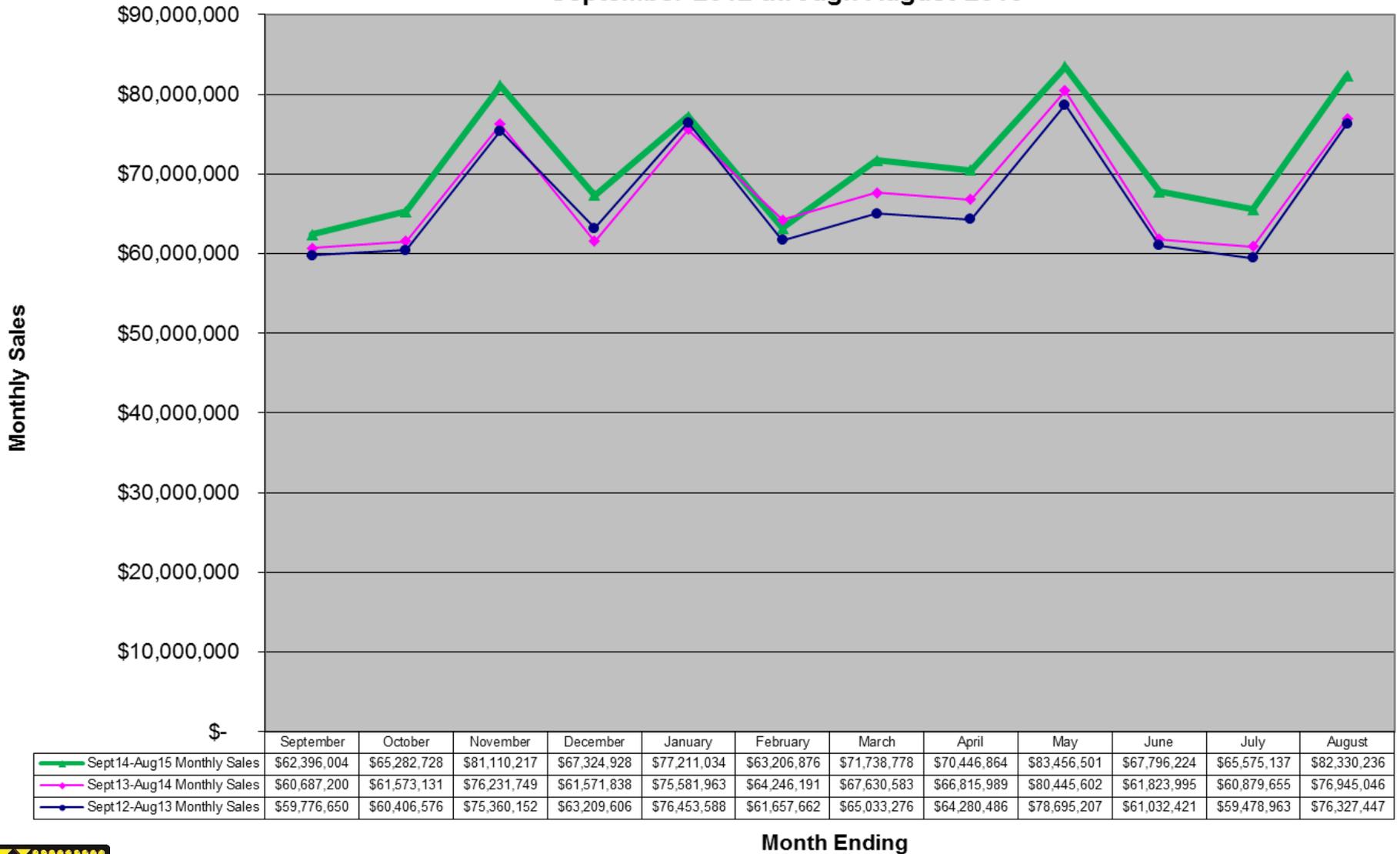
Lottery Sales Update

- Overall sales for August 2015 were up \$8.1 million over last year and our estimated prize payout for the month was 72.20 percent, as compared to 73.71 percent in August 2014. This decrease in prize payout contributed to an \$8.5 million increase in net profit compared to last August. Net profit for the month was \$99.5 million compared to \$91.0 million in August 2014. As explained in previous updates, the prize payout percentage fluctuates based on the schedule or rate at which players cash in their prizes.
- Year-to-date, Fiscal Year 2016 vs. Fiscal Year 2015, our estimated net profit for the first two months of this fiscal year is down \$12.8 million, from \$164.6 million in FY15 to an estimated \$151.8 million in FY16. Our year-to-date prize payout for FY16 is an estimated 74.77 percent, as compared to 72.72 percent for the same two-month period of FY15. The estimated FY16 net profit and prize payout figures both include accruals associated with a one-time end of game \$20 million bonus prize in the Mega Cash Instant Ticket game that is expected to be awarded later this month.
- KENO sales continue to be strong, experiencing an increase of \$5.4 million over August of last year. The Instant Ticket portfolio saw a \$4.7 million sales increase in August following the release of four new games (\$1, \$2, \$5, \$10) early in the month and sustained traction in the marketplace for the \$30 *Supreme Millions* ticket that launched at the end of April. Powerball, Mass Cash, the Numbers Game, Lucky for Life and Megabucks Doubler all had slight increases in sales versus August of 2014.
- Mega Millions sales were down over \$3 million from August of 2014. This can be attributed to larger jackpots in August of 2014 as compared to August of 2015. Jackpot Poker, our second monitor game, also experienced a sales decrease in August and was down just over \$68,000 in sales compared to August of 2014.

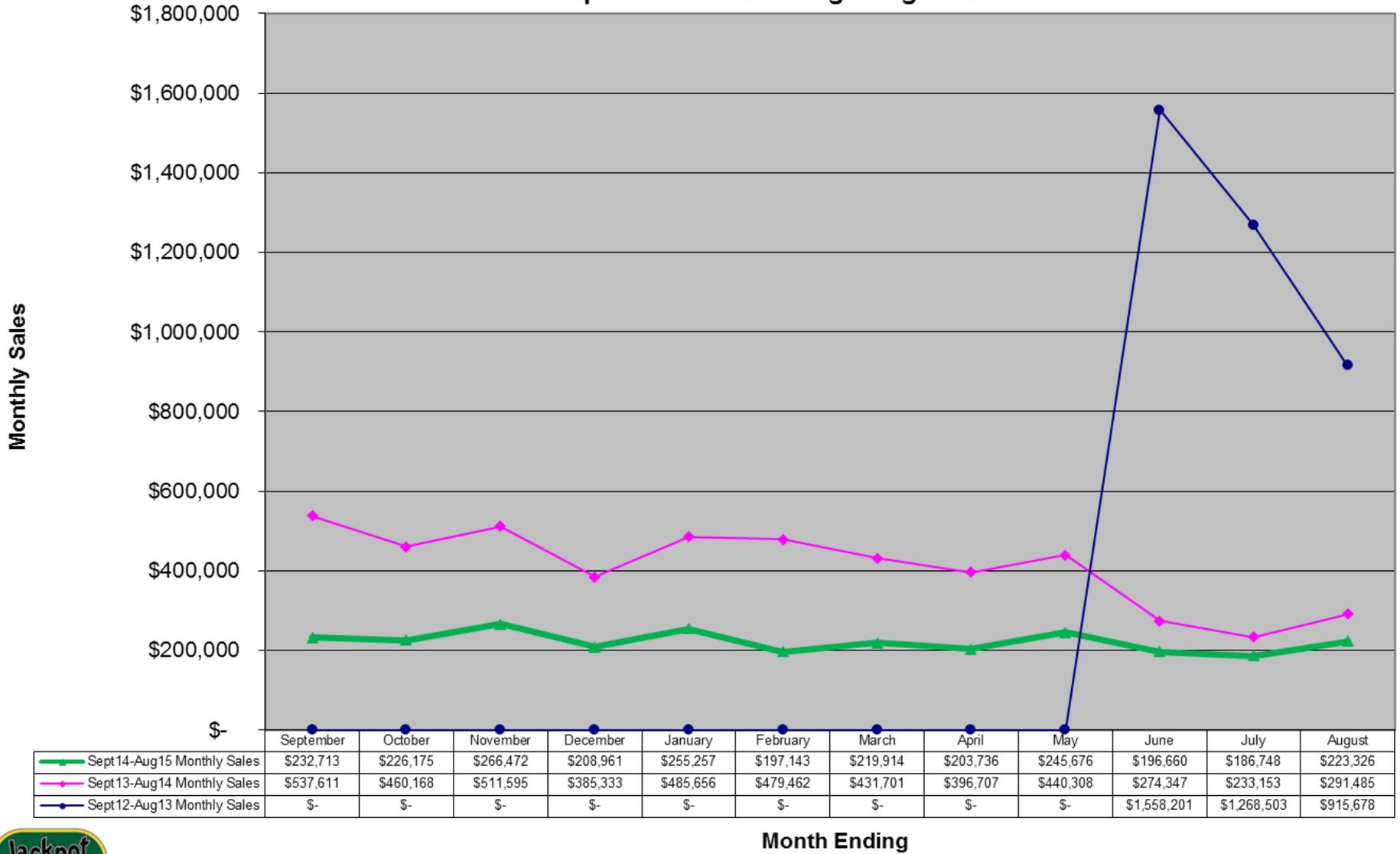
Instant Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



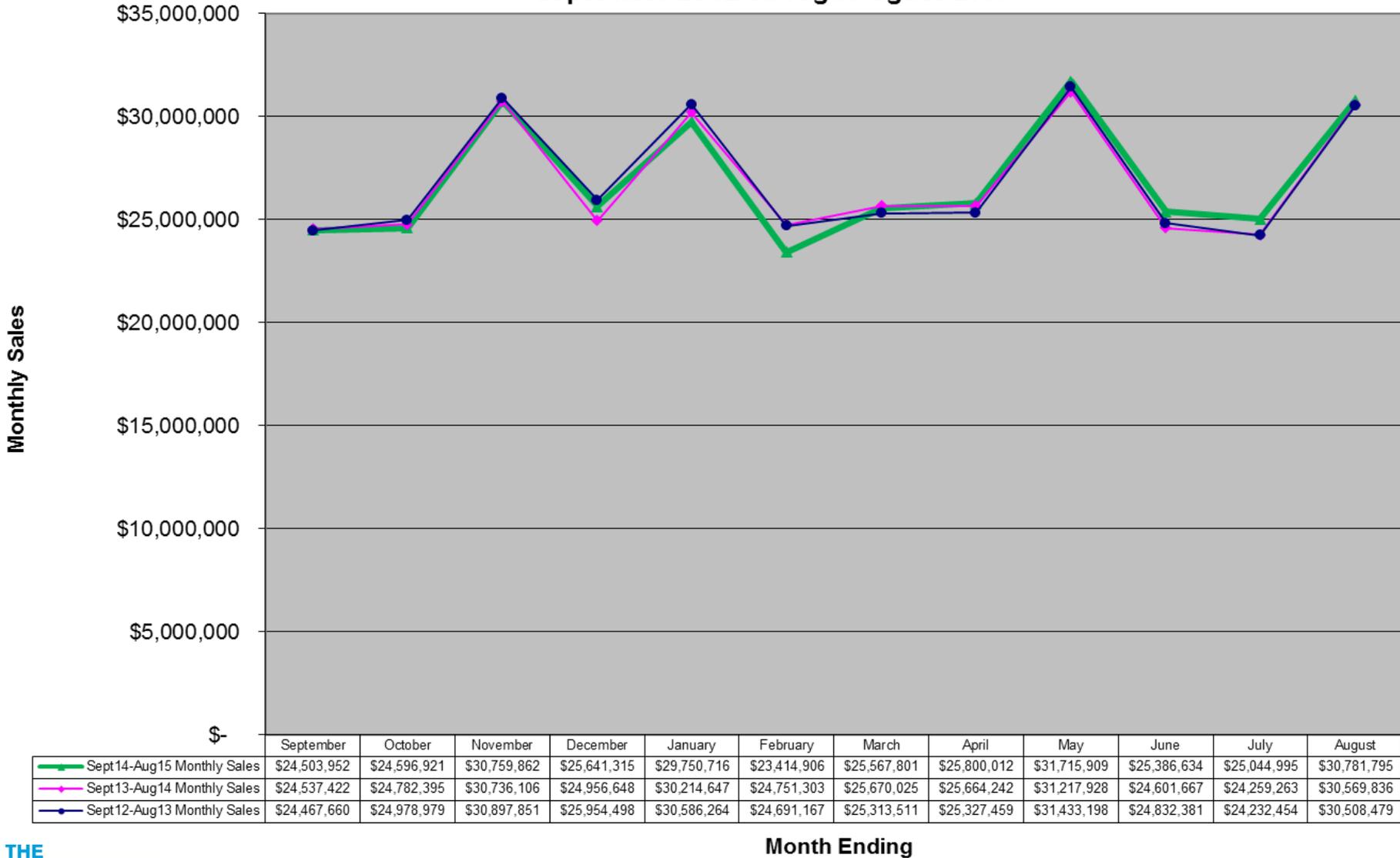
KENO Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



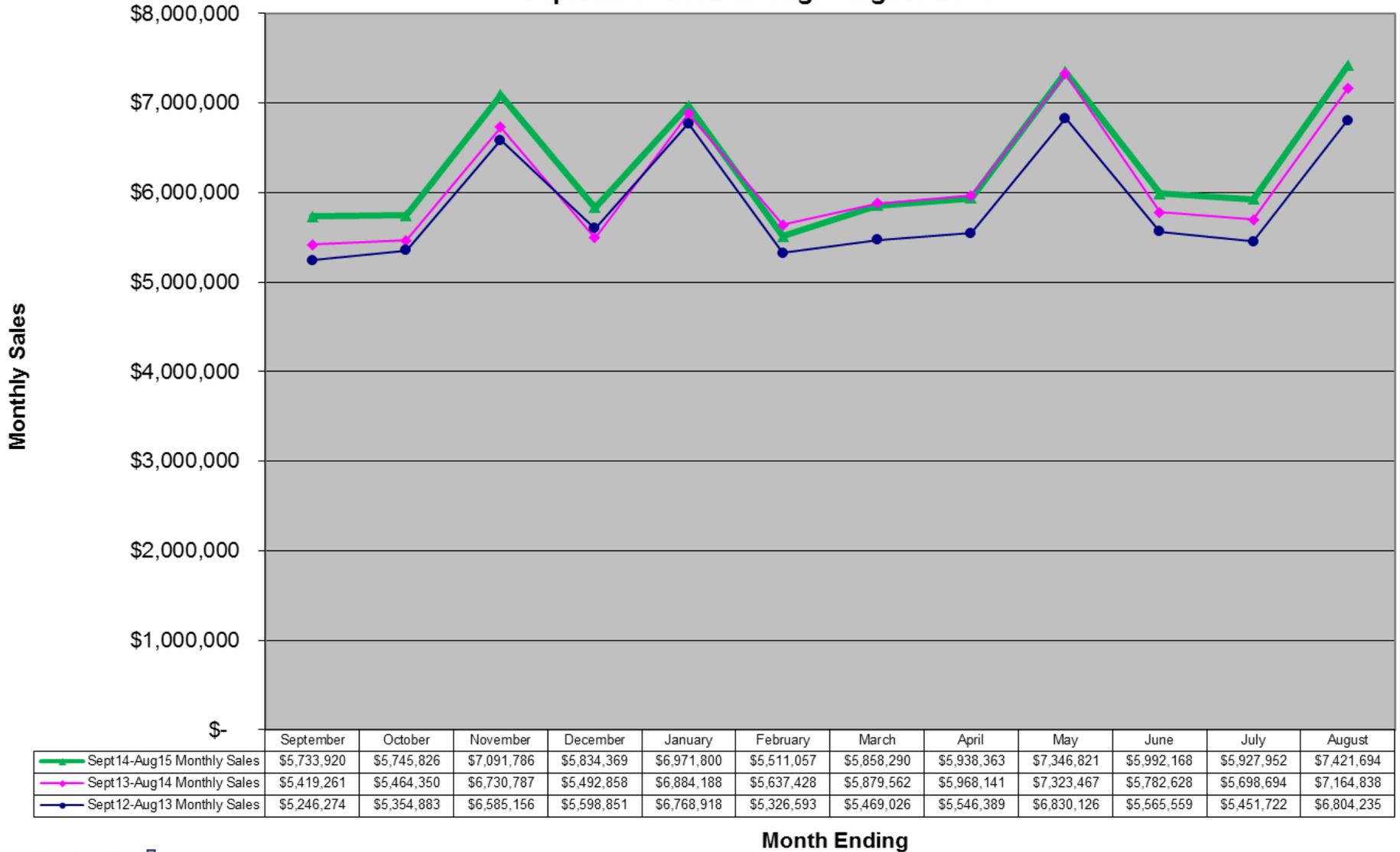
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



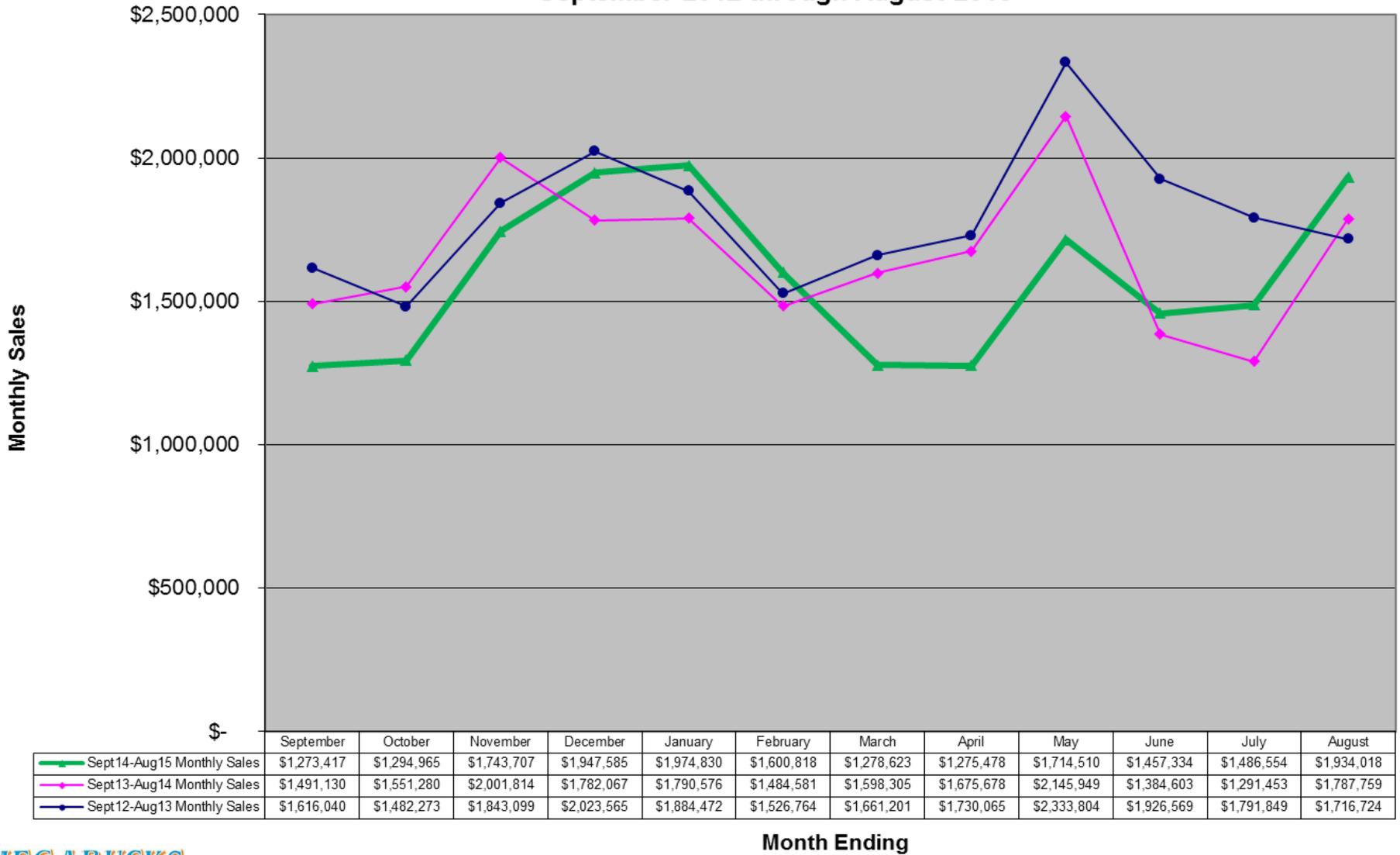
Numbers Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



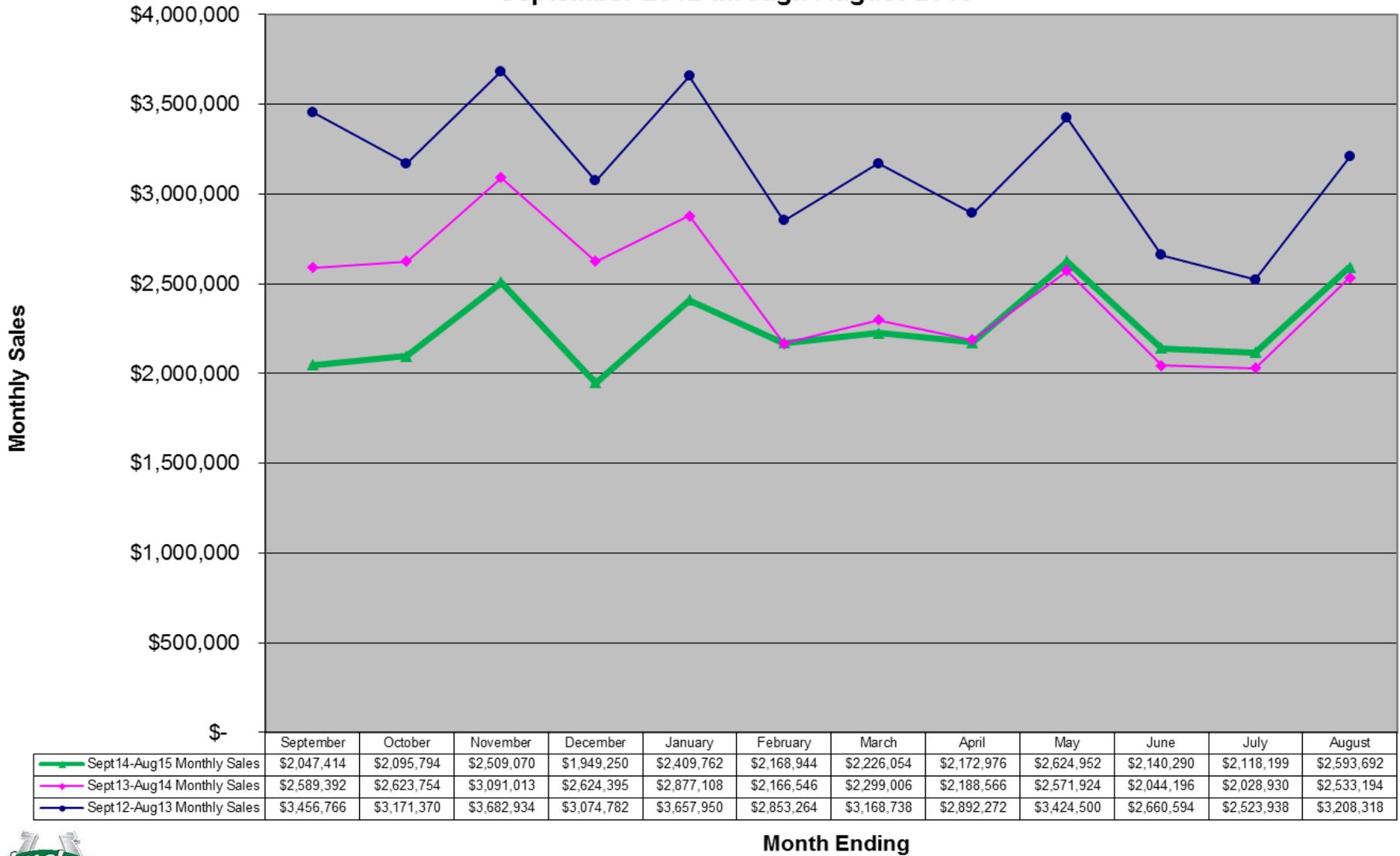
Mass Cash Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



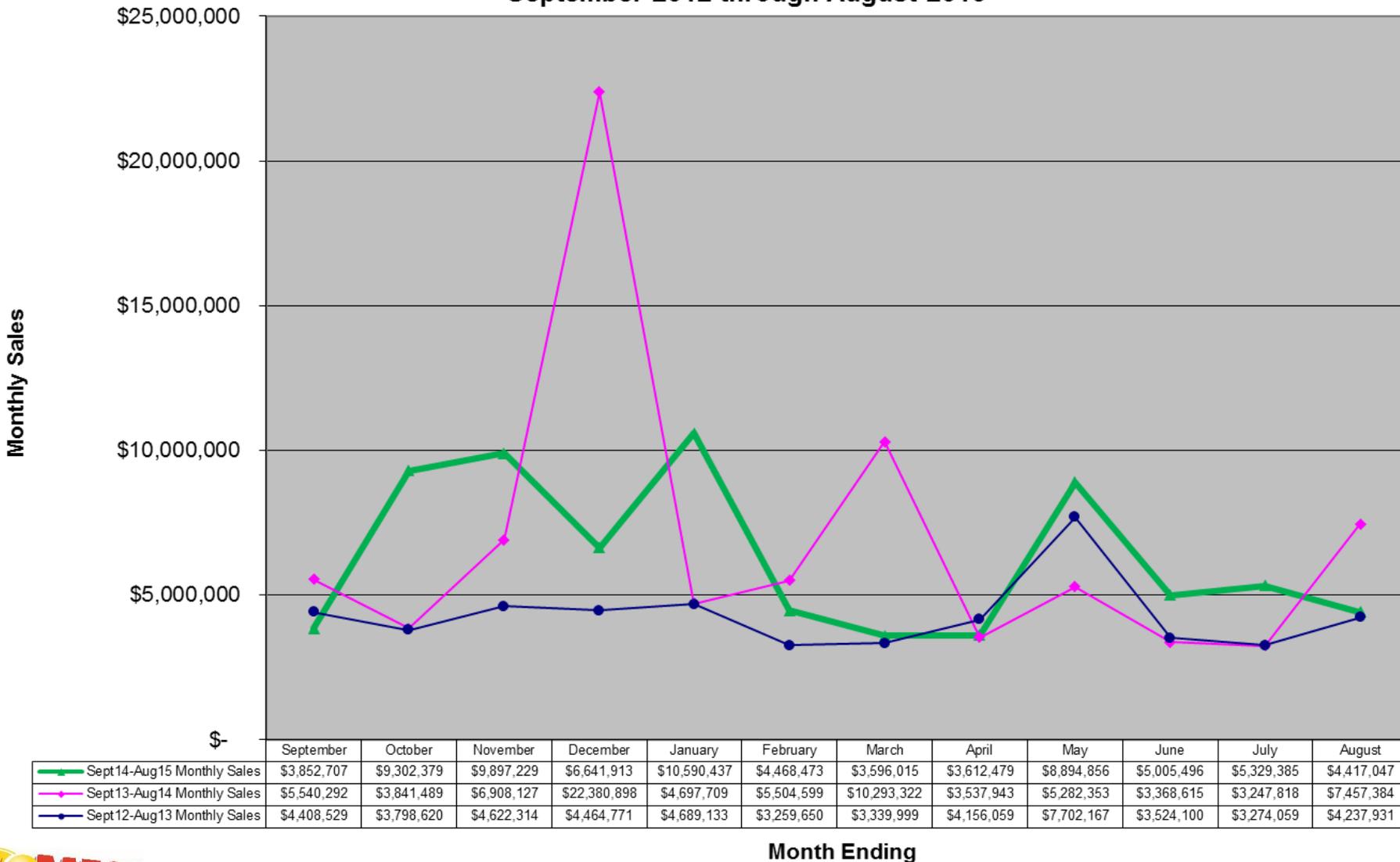
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



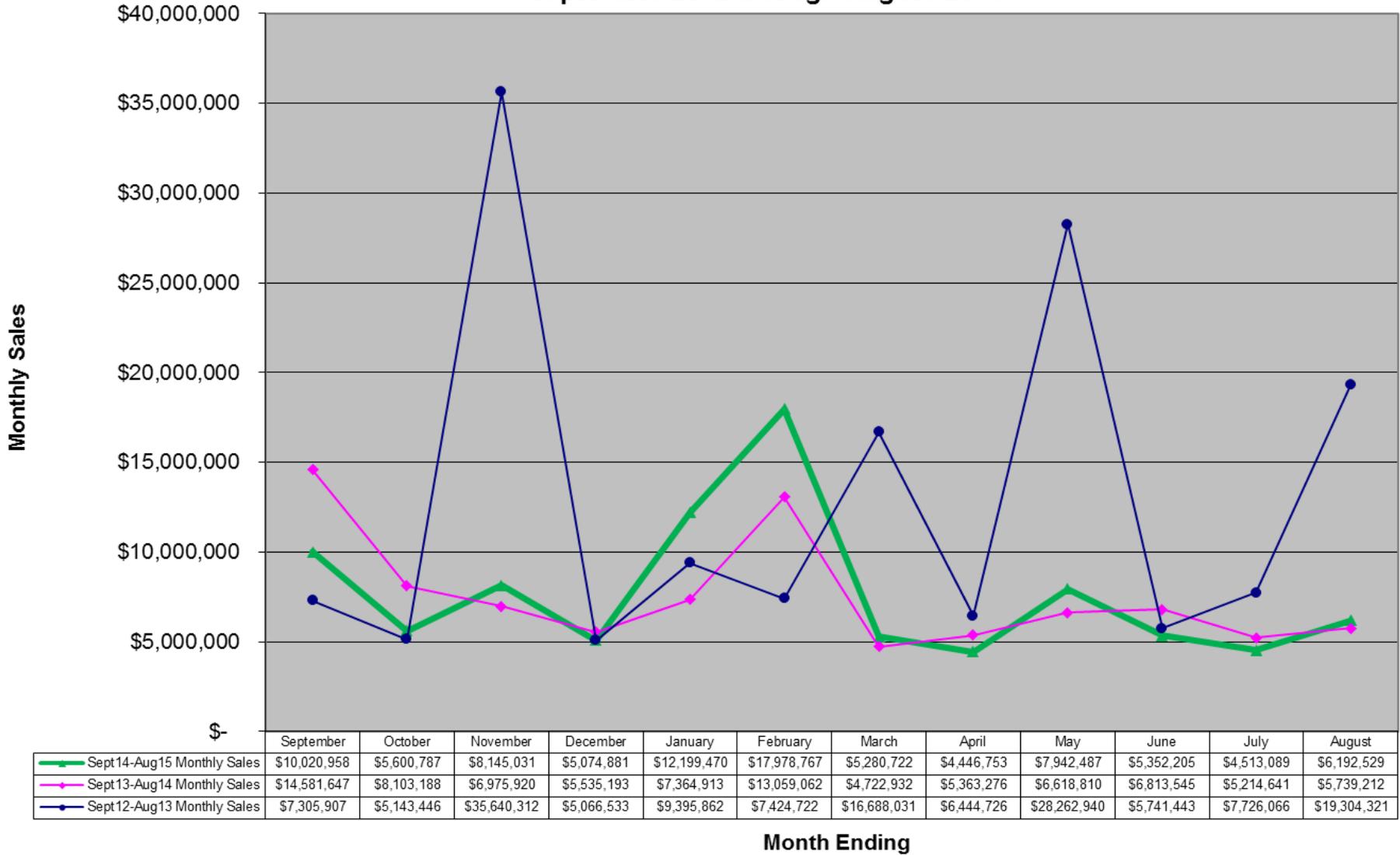
Lucky For Life Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



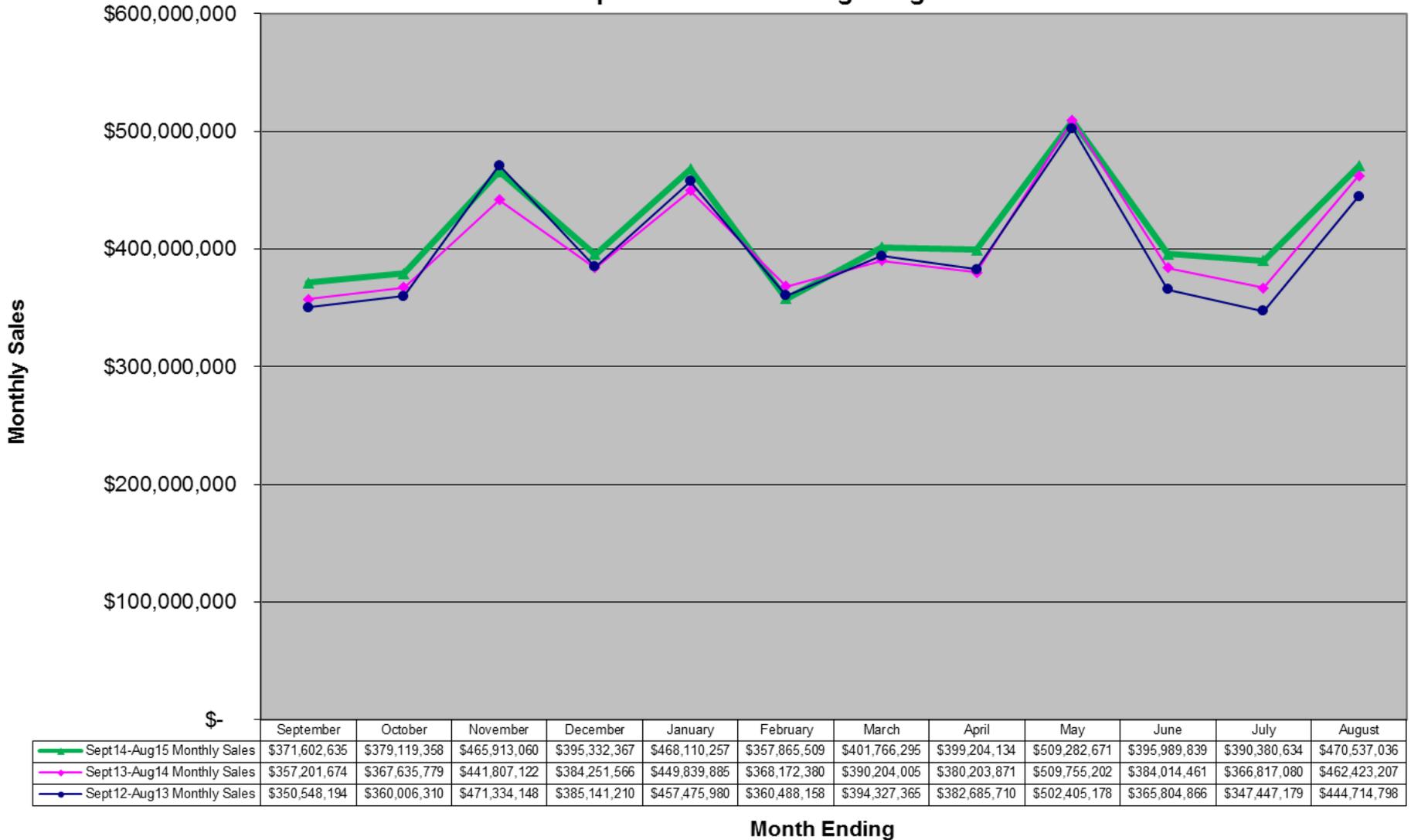
Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



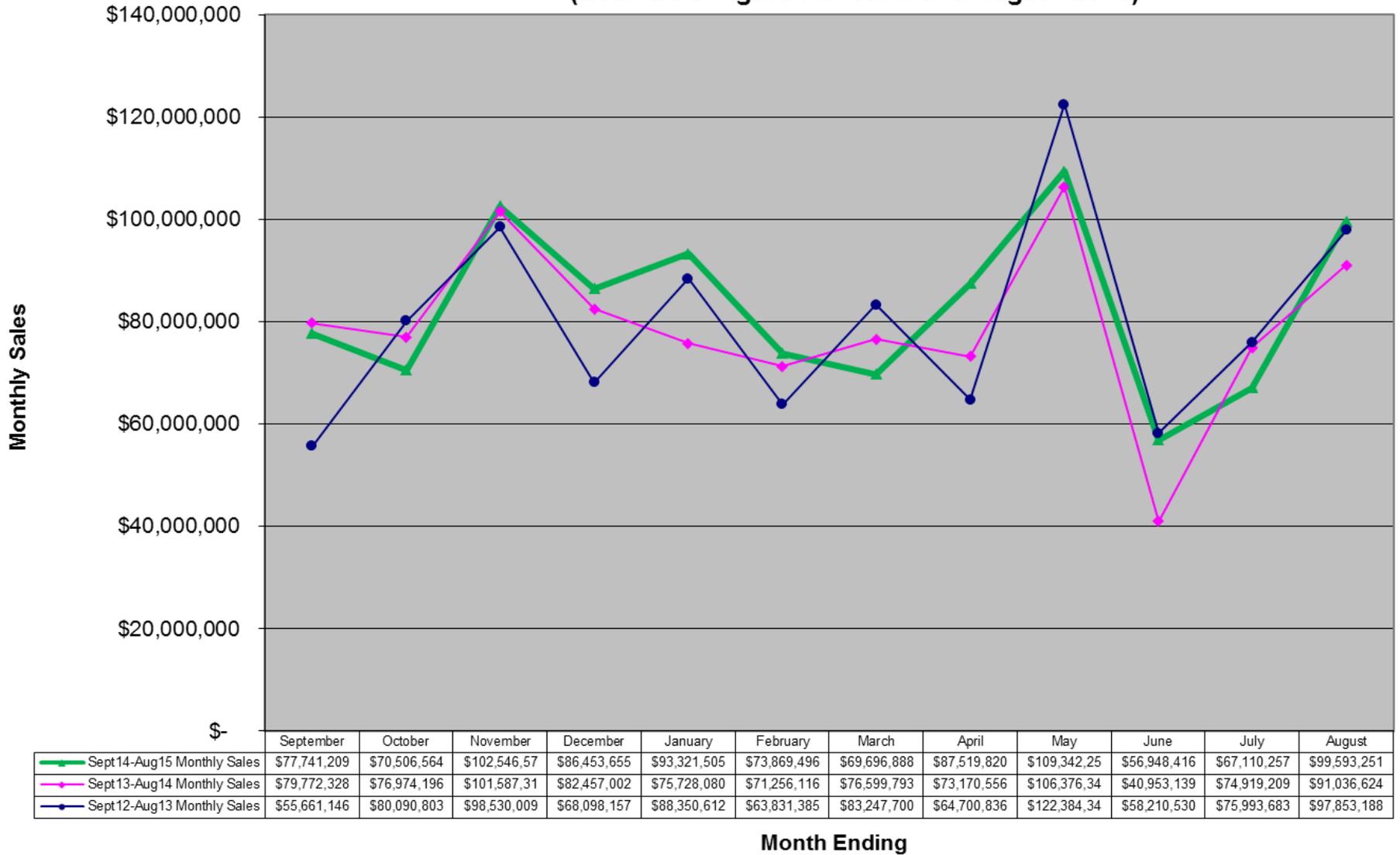
Powerball Game Monthly Sales Unadjusted Non Fiscal Year September 2012 through August 2015



**All Game Monthly Sales
Unadjusted Non Fiscal Year
September 2012 through August 2015**



Monthly Net Profit
September 2012 through August 2015
(Estimated Figure For June and August 2015)



MSLC Gross Sales Results								
August FY16 vs. FY15 Unadjusted Non Fiscal Year								
(\$ millions)								
Through August 29, 2015								
	FY16	% of Total	FY15	% of Total	\$ Change	% Change		
Instant Tickets	\$334.6	71.1%	\$329.9	71.3%	\$4.7	1.4%		
Mega Millions	\$4.4	0.9%	\$7.5	1.6%	-\$3.0	-40.8%		
Powerball	\$6.2	1.3%	\$5.7	1.2%	\$0.5	7.9%		
KENO	\$82.3	17.5%	\$76.9	16.6%	\$5.4	7.0%		
Mass Cash	\$7.4	1.6%	\$7.2	1.5%	\$0.3	3.6%		
Lucky for Life	\$2.6	0.6%	\$2.5	0.5%	\$0.1	2.4%		
Numbers Game	\$30.8	6.5%	\$30.6	6.6%	\$0.2	0.7%		
Megabucks Doubler	\$1.9	0.4%	\$1.8	0.4%	\$0.1	8.2%		
Jackpot Poker	\$0.2	0.0%	\$0.3	0.1%	-\$0.1	-23.4%		
Total	\$470.5	100.0%	\$462.4	100.0%	\$8.1	1.8%		
Instant Tickets	\$334.6	71.1%	\$329.9	71.3%	\$4.7	1.4%		
Draw Games + KENO	\$135.9	28.9%	\$132.5	28.7%	\$3.4	2.6%		
Total	\$470.5	100.0%	\$462.4	100.0%	\$8.1	1.8%		
Unadjusted	Month	7/26/15-8/29/15	Month	7/27/14-8/30/14				
		5 weeks		5 weeks				
		35 days		35 days				

MSLC Gross Sales Results								
Year-to-Date FY16 vs. FY15 Unadjusted Non Fiscal Year								
(\$ millions)								
Through August 29, 2015								
	FY16	% of Total	FY15	% of Total	\$ Change	% Change		
Instant Tickets	\$614.8	71.4%	\$593.9	71.6%	\$20.9	3.5%		
Mega Millions	\$9.7	1.1%	\$10.7	1.3%	-\$1.0	-9.0%		
Powerball	\$10.7	1.2%	\$11.0	1.3%	-\$0.2	-2.3%		
KENO	\$147.9	17.2%	\$137.8	16.6%	\$10.1	7.3%		
Mass Cash	\$13.3	1.6%	\$12.9	1.6%	\$0.5	3.8%		
Lucky for Life	\$4.7	0.5%	\$4.6	0.6%	\$0.1	3.3%		
Numbers Game	\$55.8	6.5%	\$54.8	6.6%	\$1.0	1.8%		
Megabucks Doubler	\$3.4	0.4%	\$3.1	0.4%	\$0.3	11.1%		
Jackpot Poker	\$0.4	0.0%	\$0.5	0.1%	-\$0.1	-21.8%		
Total	\$860.9	100.0%	\$829.2	100.0%	\$31.7	3.8%		
Instant Tickets	\$614.8	71.4%	\$593.9	71.6%	\$20.9	3.5%		
Draw Games + KENO	\$246.1	28.6%	\$235.3	28.4%	\$10.7	4.6%		
Total	\$860.9	100.0%	\$829.2	100.0%	\$31.7	3.8%		
Unadjusted	Year	6/28/15-8/29/15	Year	6/29/14-8/30/14				
		9 weeks		9 weeks				
		63 days		63 days				

MSLC Gross Sales Results

Year-to-Date FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through August 29, 2015

	FY16	% of Total	\$ Change	% Change
Instant Tickets	\$614.8	71.4%	\$20.9	3.5%
Mega Millions	\$9.7	1.1%	-\$1.0	-9.0%
Powerball	\$10.7	1.2%	-\$0.2	-2.3%
KENO	\$147.9	17.2%	\$10.1	7.3%
Mass Cash	\$13.3	1.6%	\$0.5	3.8%
Lucky for Life	\$4.7	0.5%	\$0.1	3.3%
Numbers Game	\$55.8	6.5%	\$1.0	1.8%
Megabucks Doubler	\$3.4	0.4%	\$0.3	11.1%
Jackpot Poker	\$0.4	0.0%	-\$0.1	-21.8%
Total	\$860.9	100.0%	\$31.7	3.8%
Instant Tickets	\$614.8	71.4%	\$20.9	3.5%
Draw Games + KENO	\$246.1	28.6%	\$10.7	4.6%
Total	\$860.9	100.0%	\$31.7	3.8%
Unadjusted	Year	6/28/15-8/29/15		
		9 weeks		
		63 days		

Instant Ticket Sales

Fiscal Year	# of Tickets Sold	Price Points \$10 and Above
2012	800,863,189	43.47%
2013	784,346,484	45.24%
2014	728,859,748	50.90%
2015	700,722,192	54.01%

September Instant Ticket Sales Update

Wild Doubler

Price Point: \$1

1 Week Sales: \$33,300



\$10,000,000 Big Money

Price Point: \$20

1 Week Sales: \$1,404,000

\$1,000,000 Payout

Price Point: \$5

1 Week Sales: \$515,250



Triple 777

Price Point: \$2

1 Week Sales: \$330,000



Monster Cash (2 scenes)

Price Point: \$5

1 Week Sales: \$493,500



Agent Incentive for Bruins and Celtics Instant Tickets

ATTENTION SALES AGENTS!



(Instant Game #14)



(Instant Game #22)

WIN TWO PASSES TO A BOSTON CELTICS OPEN PRACTICE EVENT ON SEPTEMBER 29, 2015, AT TD GARDEN!

~ ~ 50 AGENTS WILL EACH WIN TWO PASSES! ~ ~

All Agents who order a book of *2012 Boston Celtics* (#14) Sept. 15 through Sept. 21, 2015, or who have an activated book of this game on Sept. 21 will be eligible to win. On Sept. 22, 50 Agents will be randomly chosen to win! Winning Agents will be contacted by phone and passes will be sent via *UPS next day* to the Agent business location.

To enter this special evening time Open Practice on Sept. 29, you must have your passes. This will be an evening of fun family activities and the opportunity to meet the Celtics Dancers, Celtics mascot Lucky the Leprechaun, and some Celtics Legends! Light refreshments will also be served.

~ ~ WIN A VISIT FROM THE BRUINS ICE GIRLS AND BLADES! ~ ~

Order a book of *2014 Boston Bruins*® (#22) Sept. 15 through Sept. 21, 2015, or have an activated book of this game on Sept. 21 for a chance to win a visit from two of the Bruins Ice Girls and Bruins mascot Blades to your business location! On Sept. 22, five Agents will be chosen to win.

~ ~ Win \$1,000! ~ ~

All Agents with activated books of both Instant Game #14 and #22 on Sept. 21, 2015, will be entered into a drawing to win \$1,000 each! Ten Agents will be randomly chosen on Sept. 22, to win. (Prize value will be credited to winning Agent's account.)



Notice to Agents

GREAT PRIZES STILL REMAIN!*



♣ Six \$50,000 Instant Cash Prizes!

⚡ Seven \$50,000 Instant Cash Prizes!

♣ Seven Instant Cash Prizes of \$10,000!

⚡ 26 Instant Cash Prizes of \$4,000!

♣ 57 Instant Cash Prizes of \$1,000!

⚡ 225 Instant Cash Prizes of \$1,000!

Win up to \$50,000 Cash in one of two Second Chance Drawings offering unique prizes such as game day experiences and official Celtics merchandise!

Three Second Chance Drawings, win up to \$25,000 in a Bruins On-Ice Challenge, game tickets or memorabilia packages!

* Estimated remaining prizes as of September 1, 2015.

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.



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Powerball “Lucky Ticket” Promotion

Coinciding with the implementation of the new Powerball matrix, from October 4-17, players who spend \$8 or more on a single Powerball ticket (single drawing or multi advanced draws) will receive a promotional ticket for a chance to win \$2,015.

On October 19, twenty (20) promotional ticket serial numbers will be randomly selected and posted on masslottery.com.



PLAY THE *NEW* POWERBALL FOR AN EXTRA CHANCE TO WIN \$2,015!

Match Tier	Base Odds (1:X)	Base Prize	Multiplier "2" (min.)	Multiplier "3"	Multiplier "4"	Multiplier "5"	Multiplier "10"
5 of 5 + PB	292,201,338.00	Jackpot	Jackpot	Jackpot	Jackpot	Jackpot	Jackpot
5 of 5	11,688,053.52	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
4 of 5 + PB	913,129.18	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$500,000
4 of 5	36,525.16	\$100	\$200	\$300	\$400	\$500	\$1,000
3 of 5 + PB	14,494.11	\$100	\$200	\$300	\$400	\$500	\$1,000
3 of 5	579.76	\$7	\$14	\$21	\$28	\$35	\$70
2 of 5 + PB	701.32	\$7	\$14	\$21	\$28	\$35	\$70
1 of 5 + PB	91.97	\$4	\$8	\$12	\$16	\$20	\$40
0 + PB	38.32	\$4	\$8	\$12	\$16	\$20	\$40
Overall Odds	24.8671						

Offering a 10X multiplier when the jackpot is \$150 million or less.

**SPEND \$8 OR MORE ON A SINGLE POWERBALL TICKET
OCTOBER 4 THROUGH OCTOBER 17, 2015,
RECEIVE A LUCKY PROMOTIONAL TICKET
FOR A CHANCE TO WIN \$2,015!**

On October 19, 2015, 20 lucky POWERBALL promotional ticket serial numbers will be drawn and posted on masslottery.com after 2 p.m.

EACH OF THE 20 TICKETS DRAWN WILL WIN \$2,015!

Please do not mail in your Powerball promotional ticket to enter. To claim a prize you must have your winning promotional ticket. Promotional ticket prizes must be claimed by November 19, 2015, at a Lottery regional office. Prizes will be mailed within three weeks of claiming. Visit masslottery.com for details.

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.



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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.

