

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

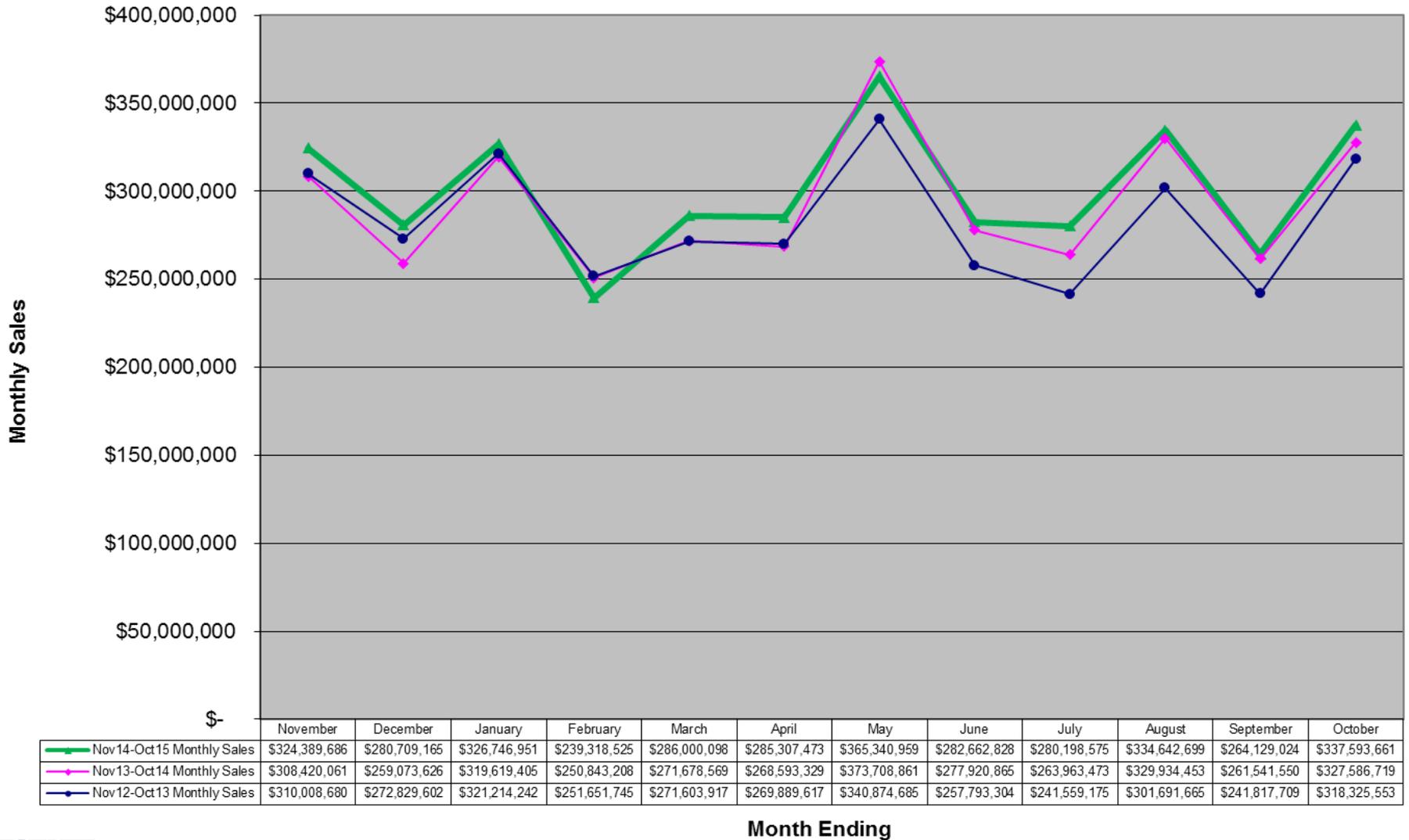
December 22, 2015



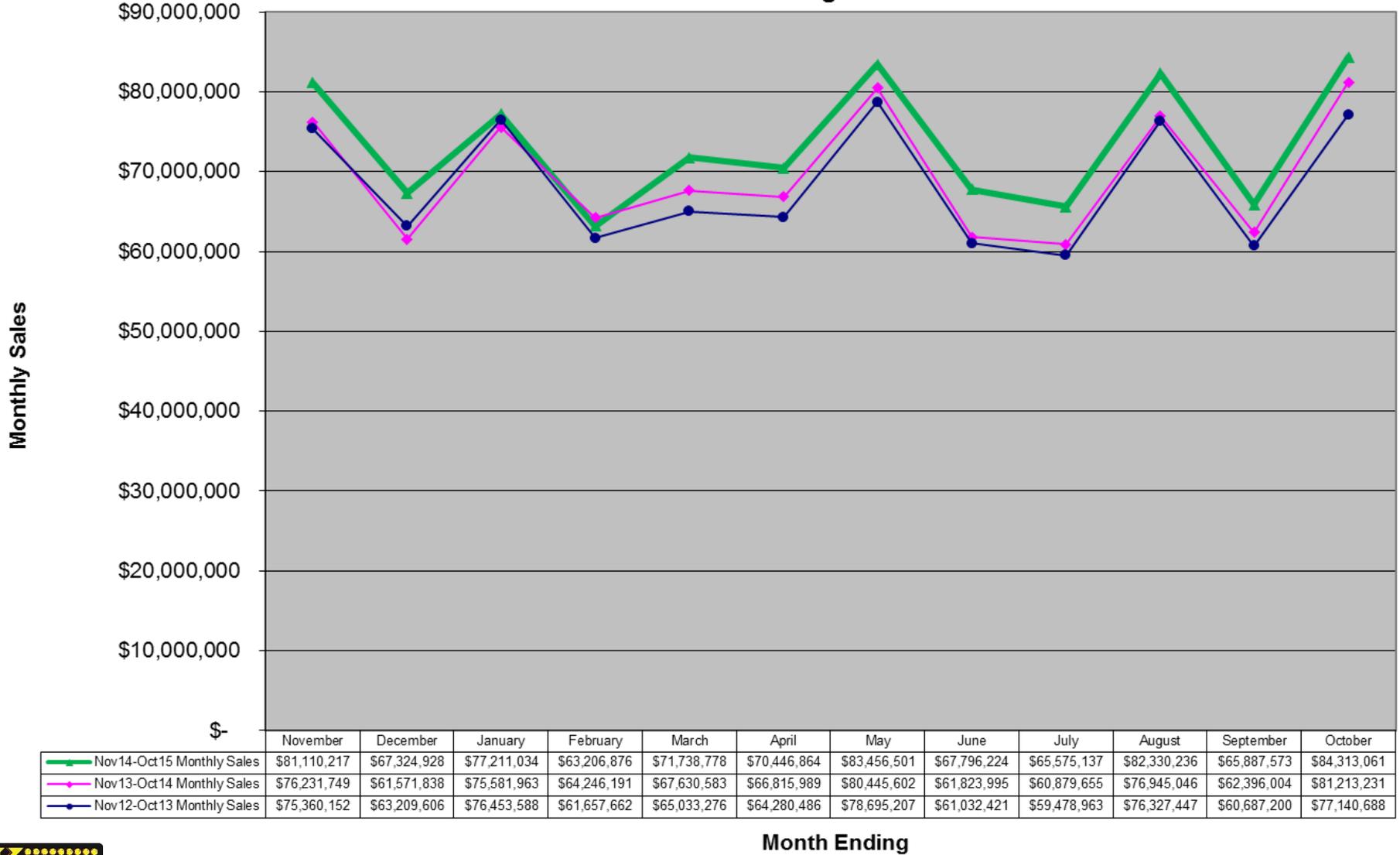
Lottery Sales Update - October

- Overall sales for October 2015 were up an estimated \$7.1 million over October 2014.
- Due primarily to a shift in the calendar that resulted in 7 additional days being included in the net profit figure for October 2015, net profit for the month was \$106.5 million compared to \$70.5 million in October 2014. After subtracting a 7-day average net profit figure of \$21.3 million, the adjusted change for October 2015 vs. October 2014 is a \$14.7 million increase in net profit.
- Due primarily to a shift in the calendar that resulted in 6 additional days being included in the Fiscal Year 2016 year-to-date net profit figure, our net profit for the first four months of FY16 is \$319.1 million compared to \$309.2 million through the first four months of FY15. After subtracting a 6-day average net profit figure of \$15.6 million, the adjusted year-over-year change for the first four months of FY16 vs. the first four months of FY15 is a \$5.7 million decrease in net profit.
- Our prize payout for the month was 70.33 percent, as compared to 73.73 percent in October 2014. Our year-to-date prize payout for FY16 is 73.93 percent, as compared to 73.01 percent for the same four-month period of FY15.
- The 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 in FY16.
- The Instant Ticket portfolio saw a \$10.0 million sales increase in October following the release of five new games (\$1, \$2, \$5, \$5, \$20), including the Halloween-themed *Monster Cash* game, in the middle of September. KENO sales continue to be strong, experiencing an increase of \$3.1 million over October of last year. Powerball, Megabucks Doubler, Mass Cash and the Numbers Game all had slight increases in sales versus October of 2014.
- Mega Millions sales were down \$8.1 million compared to October of 2014, when the Mega Millions jackpot grew from \$120 million to \$284 million. Lucky for Life sales decreased by \$75,494 and Jackpot Poker sales were down \$59,404 in sales compared to October of 2014.

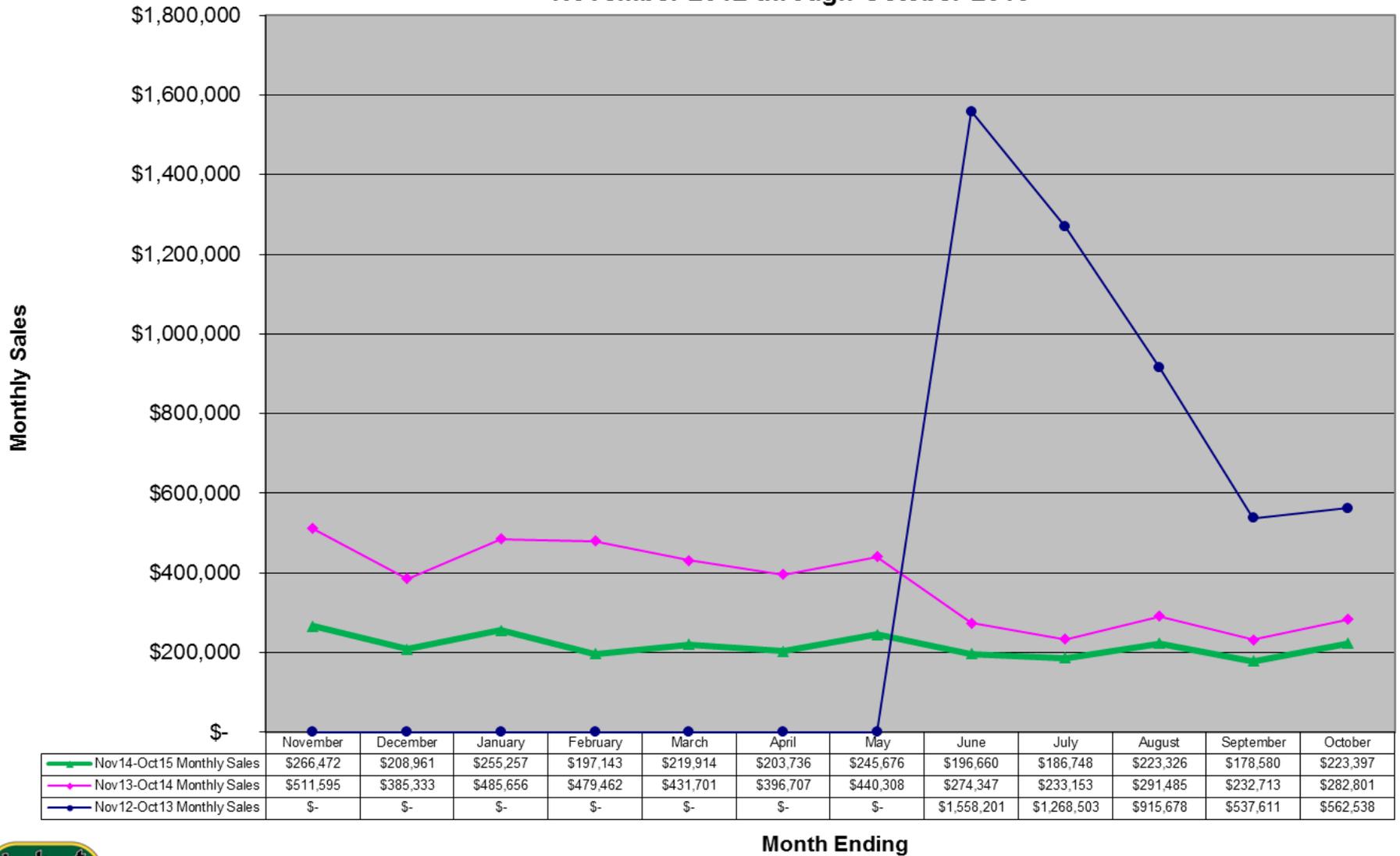
Instant Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



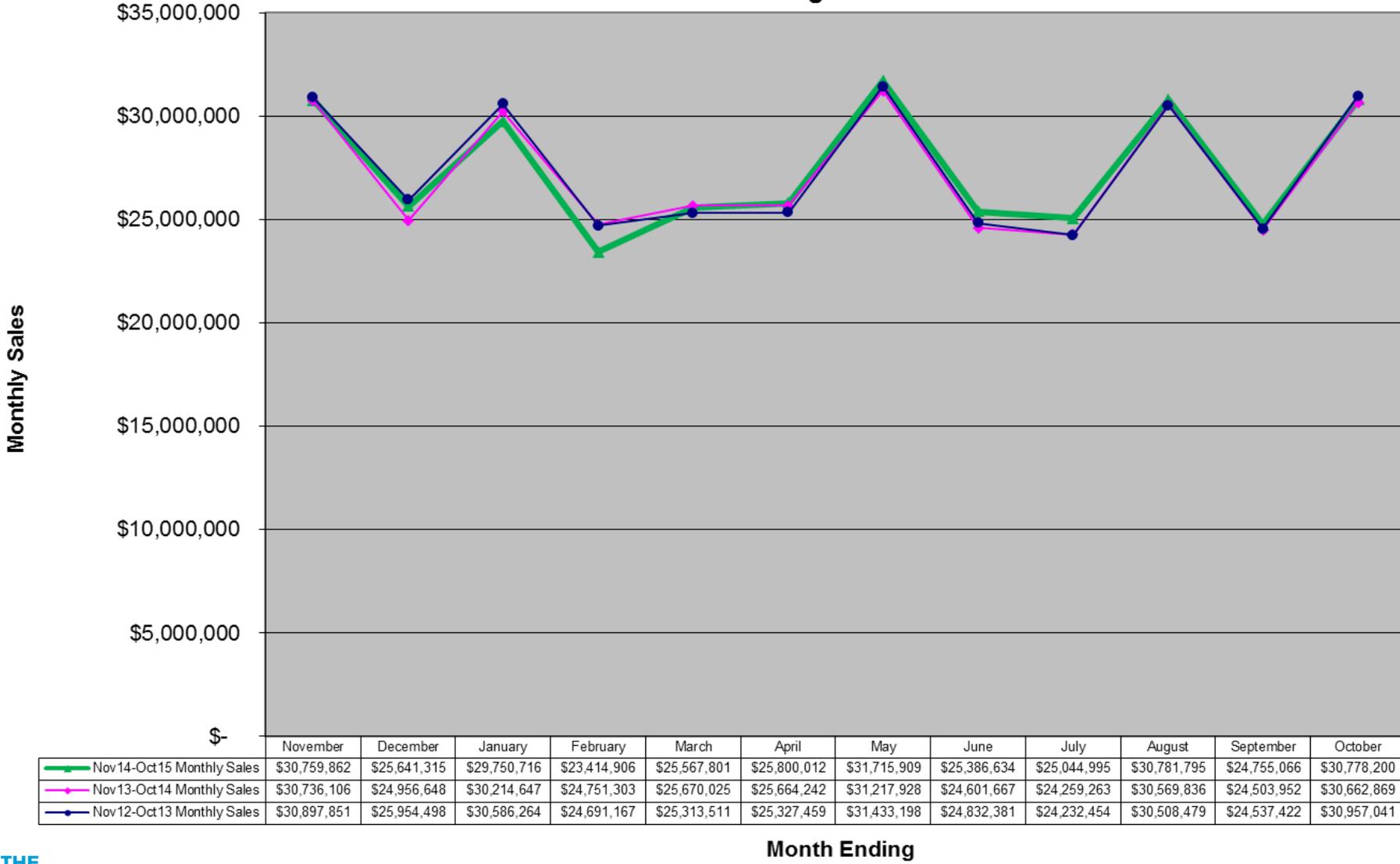
KENO Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



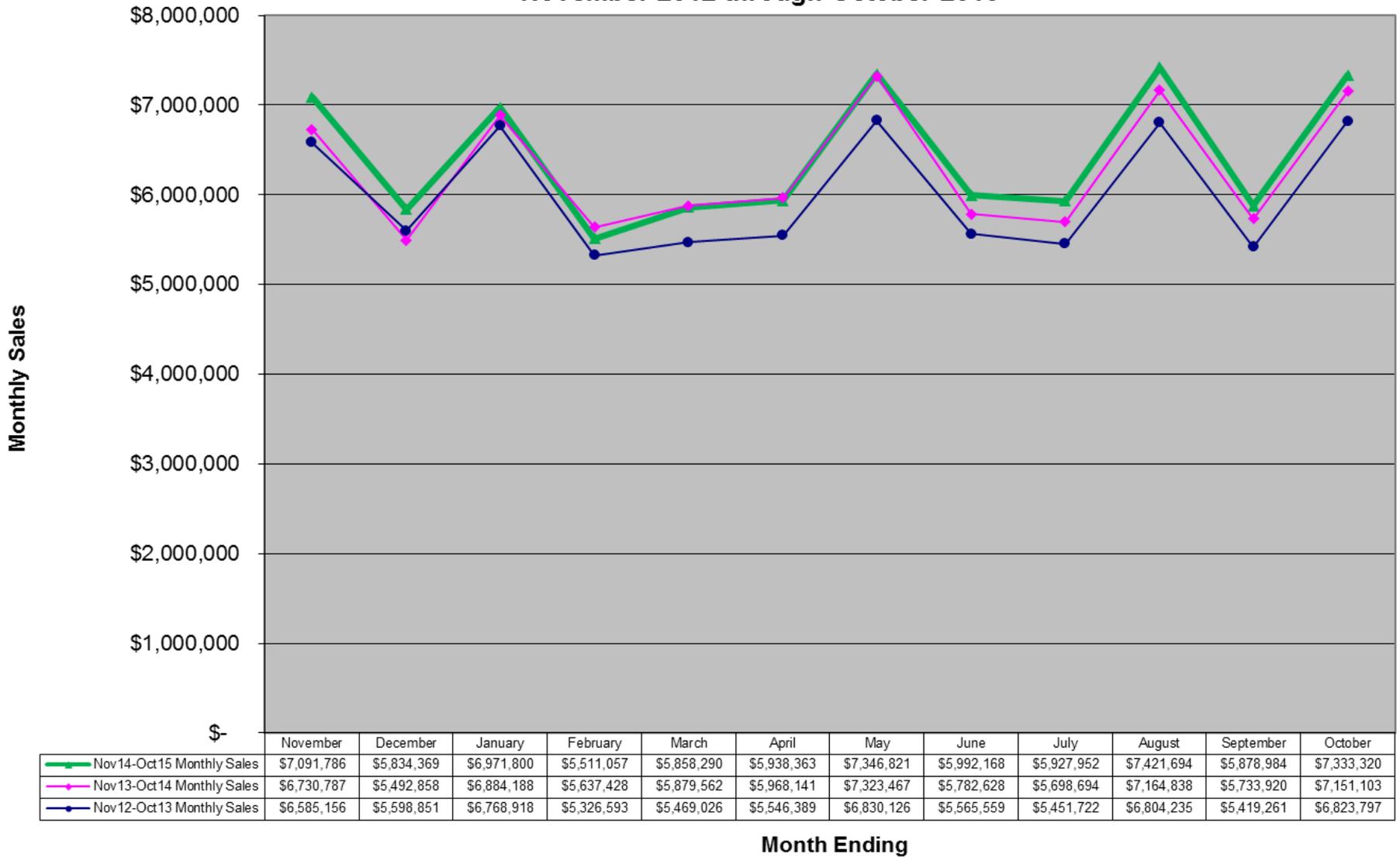
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



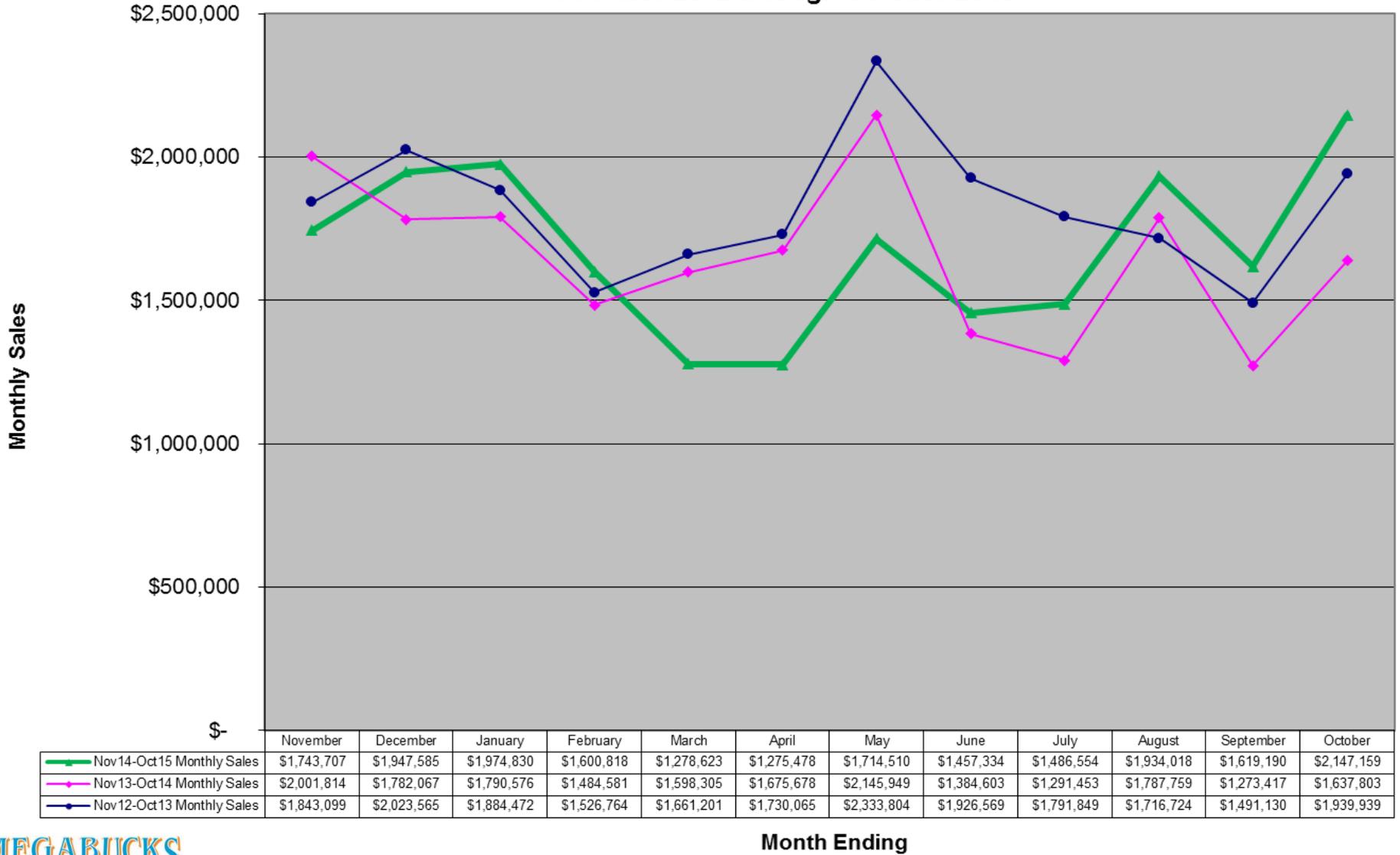
Numbers Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



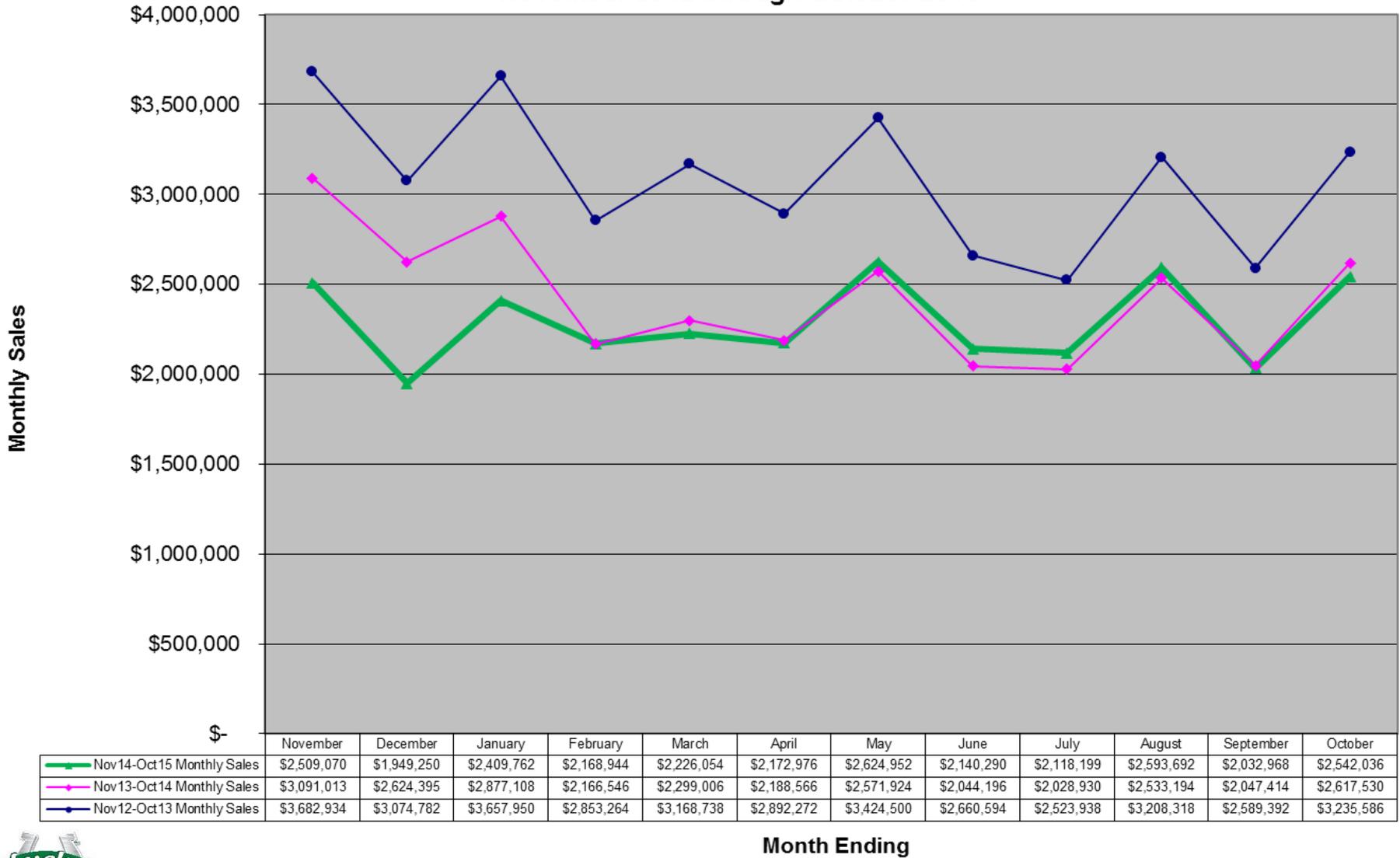
Mass Cash Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



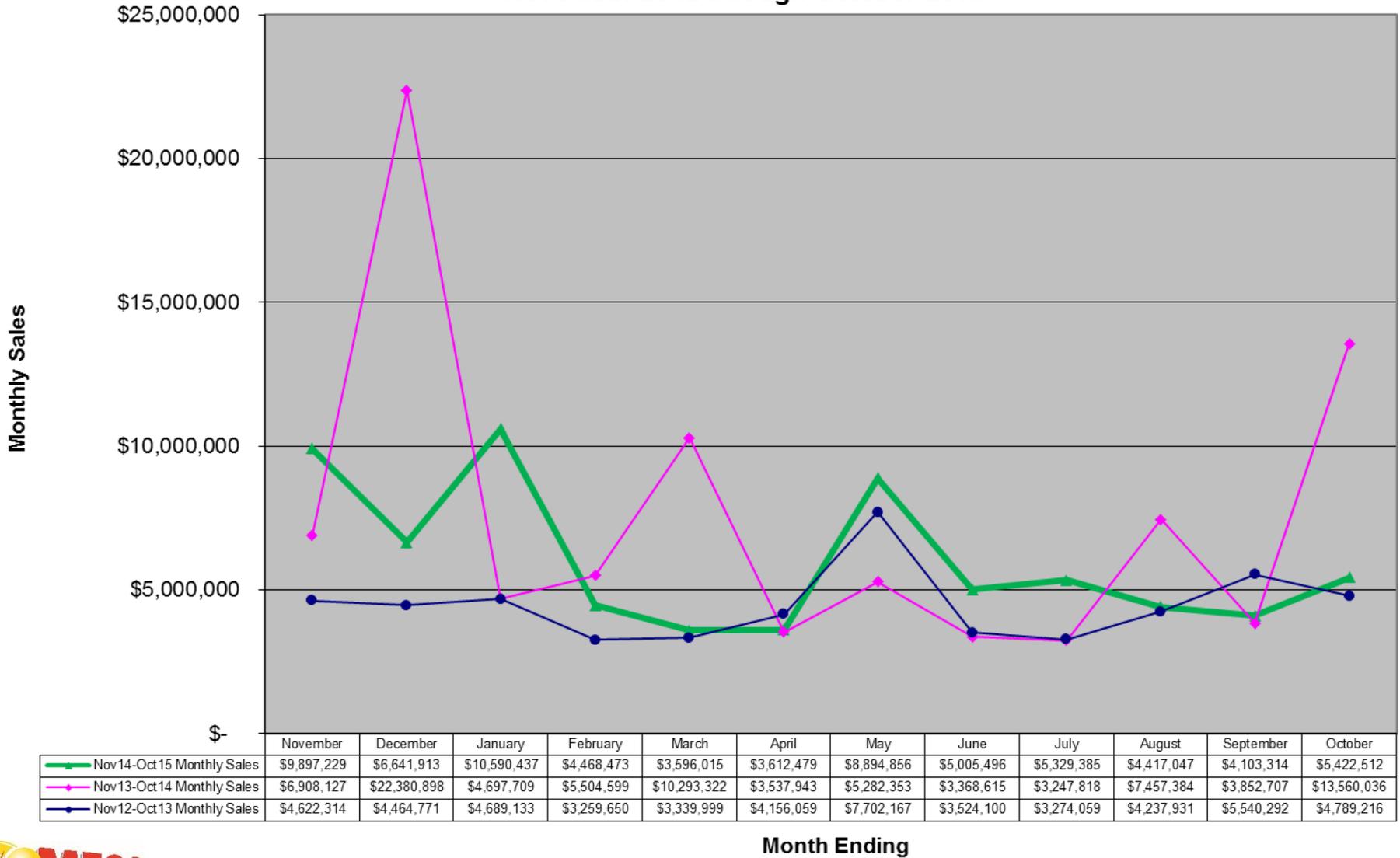
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



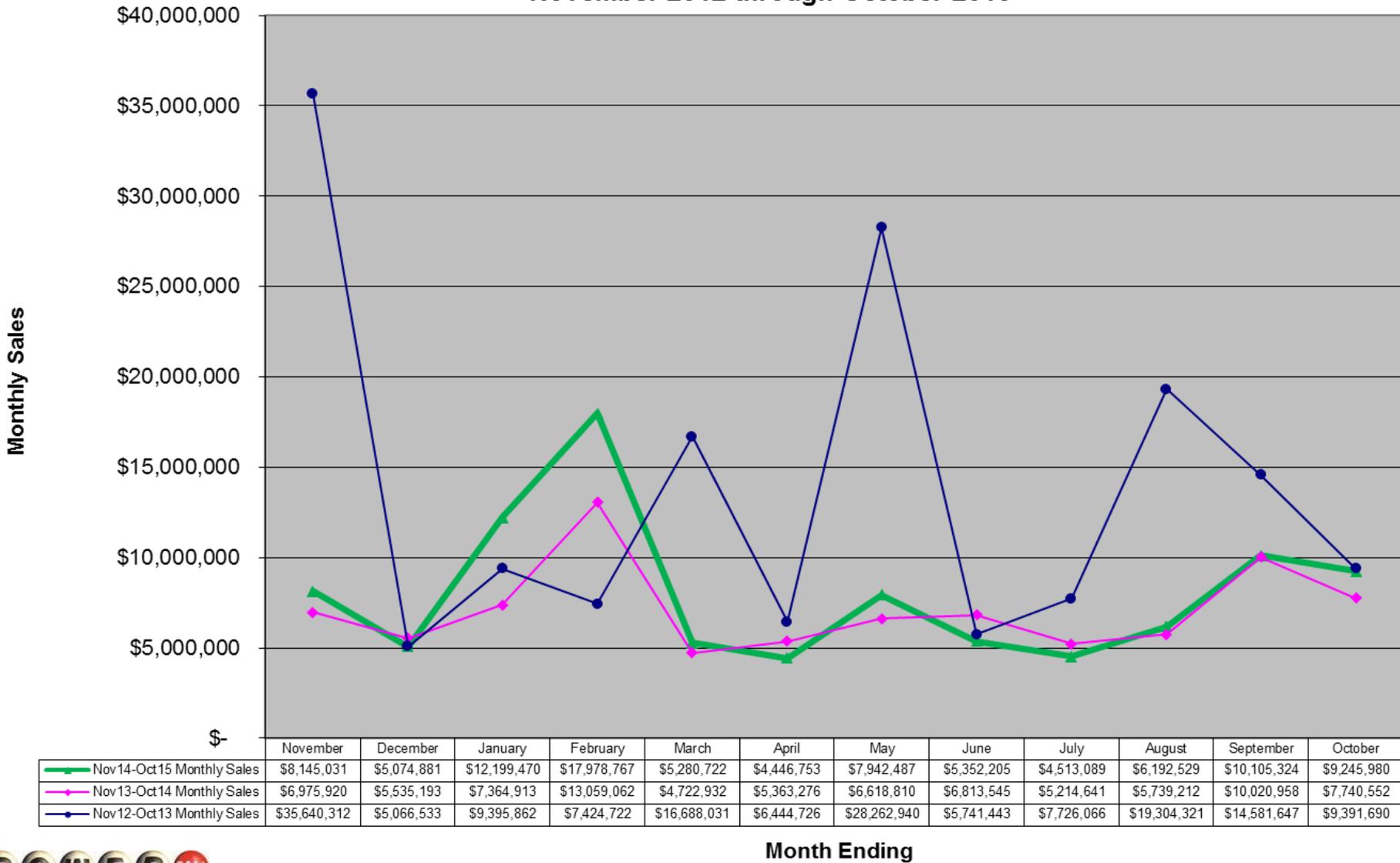
Lucky For Life Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



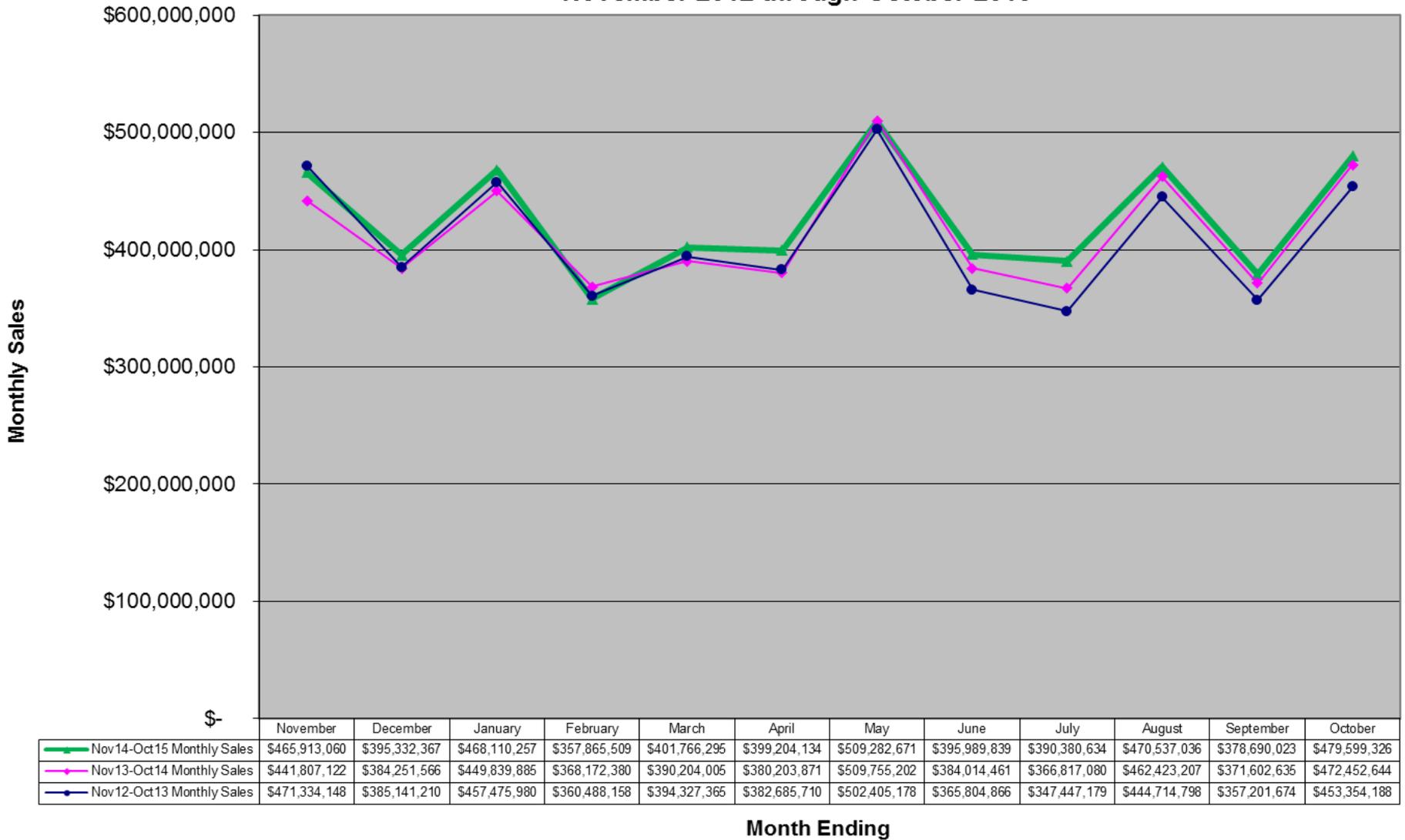
Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



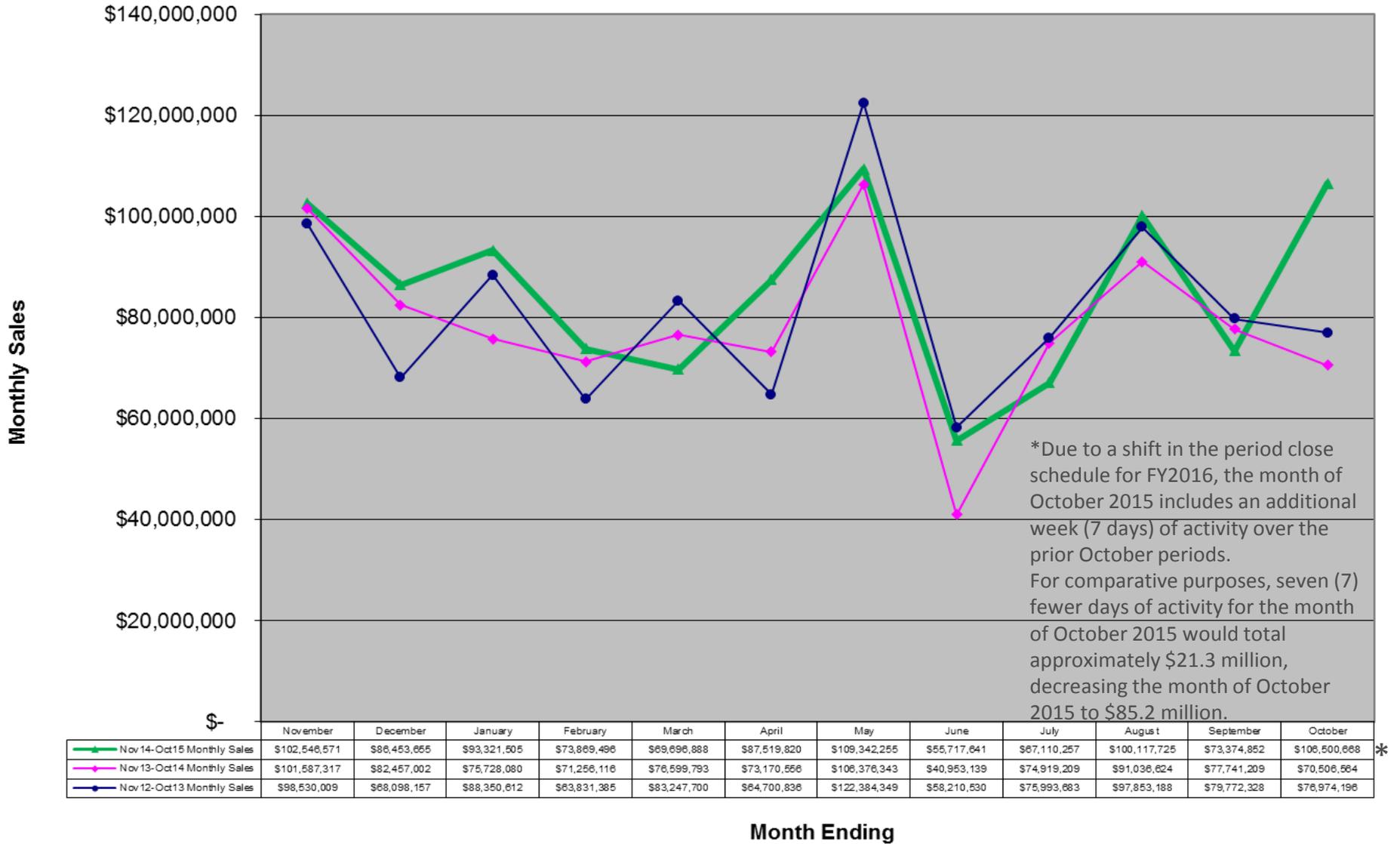
Powerball Game Monthly Sales Unadjusted Non Fiscal Year November 2012 through October 2015



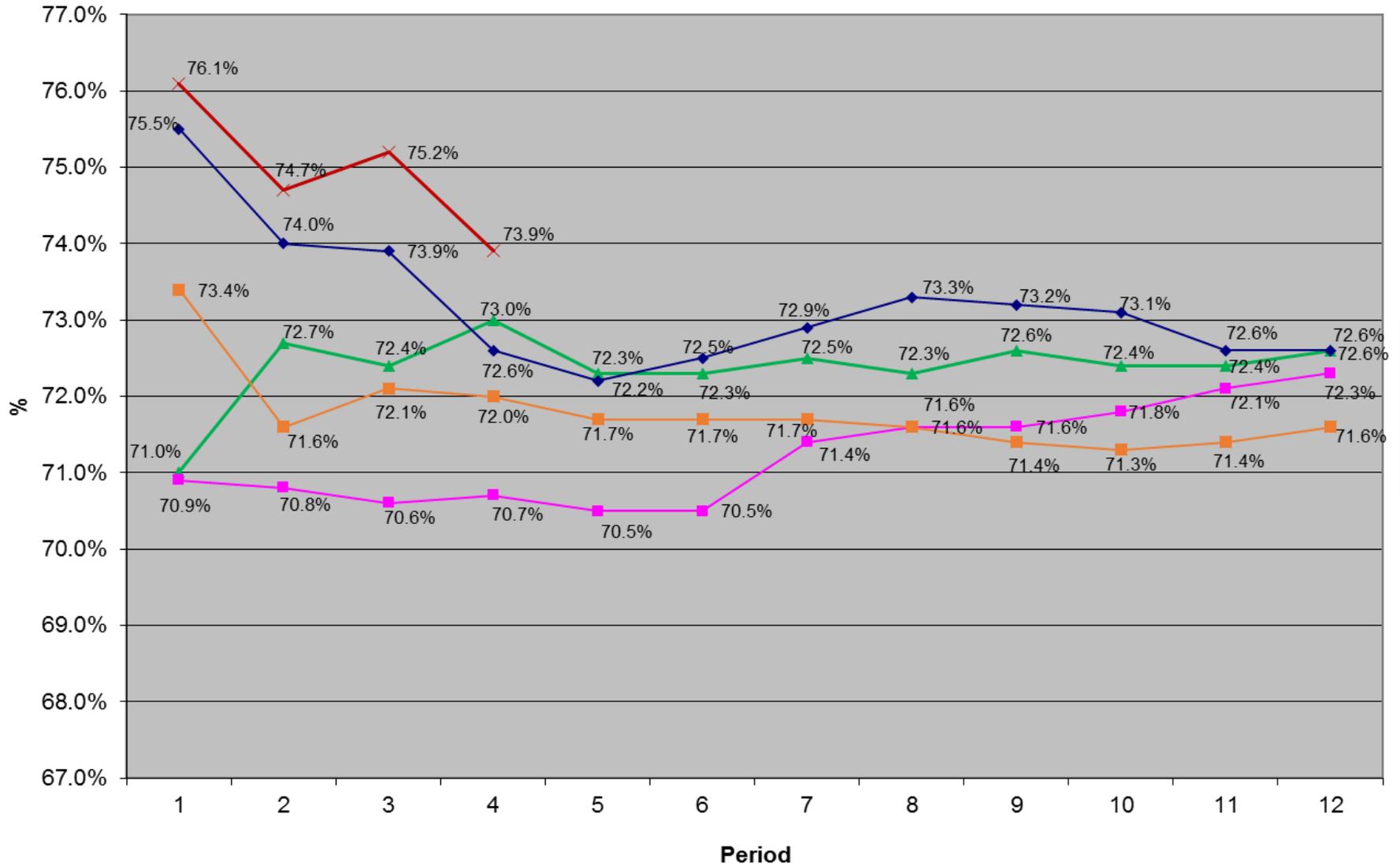
**All Game Monthly Sales
Unadjusted Non Fiscal Year
November 2012 through October 2015**



Monthly Net Profit November 2012 through October 2015



5 Year Comparison Prize Payout as a % of Sales Through October 2015



MSLC Gross Sales Results

October FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through October 31, 2015

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$337.6	70.4%	\$327.6	69.3%	\$10.0	3.1%
Mega Millions	\$5.4	1.1%	\$13.6	2.9%	-\$8.1	-60.0%
Powerball	\$9.2	1.9%	\$7.7	1.6%	\$1.5	19.4%
KENO	\$84.3	17.6%	\$81.2	17.2%	\$3.1	3.8%
Mass Cash	\$7.3	1.5%	\$7.2	1.5%	\$0.2	2.5%
Lucky for Life	\$2.5	0.5%	\$2.6	0.6%	-\$0.1	-2.9%
Numbers Game	\$30.8	6.4%	\$30.7	6.5%	\$0.1	0.4%
Megabucks Doubler	\$2.1	0.4%	\$1.6	0.3%	\$0.5	31.2%
Jackpot Poker	\$0.2	0.0%	\$0.3	0.1%	-\$0.1	-20.9%
Total	\$479.6	100.0%	\$472.4	100.0%	\$7.1	1.5%
Instant Tickets	\$337.6	70.4%	\$327.6	69.3%	\$10.0	3.1%
Draw Games + KENO	\$142.0	29.6%	\$144.9	30.7%	-\$2.9	-2.0%
Total	\$479.6	100.0%	\$472.4	100.0%	\$7.1	1.5%
Unadjusted	Month	9/27/15-10/31/15	Month	9/28/14-11/1/14		
		5 weeks		5 weeks		
		35 days		35 days		

MSLC Gross Sales Results

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

(\$ millions)

Through October 31, 2015

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$1,216.6	70.8%	\$1,183.0	70.7%	\$33.5	2.8%
Mega Millions	\$19.3	1.1%	\$28.1	1.7%	-\$8.8	-31.5%
Powerball	\$30.1	1.7%	\$28.7	1.7%	\$1.3	4.7%
KENO	\$298.1	17.3%	\$281.4	16.8%	\$16.7	5.9%
Mass Cash	\$26.6	1.5%	\$25.7	1.5%	\$0.8	3.2%
Lucky for Life	\$9.3	0.5%	\$9.2	0.6%	\$0.1	0.6%
Numbers Game	\$111.4	6.5%	\$110.0	6.6%	\$1.4	1.2%
Megabucks Doubler	\$7.2	0.4%	\$6.0	0.4%	\$1.2	20.0%
Jackpot Poker	\$0.8	0.0%	\$1.0	0.1%	-\$0.2	-21.9%
Total	\$1,719.2	100.0%	\$1,673.3	100.0%	\$45.9	2.7%
Instant Tickets	\$1,216.6	70.8%	\$1,183.0	70.7%	\$33.5	2.8%
Draw Games + KENO	\$502.6	29.2%	\$490.3	29.3%	\$12.4	2.5%
Total	\$1,719.2	100.0%	\$1,673.3	100.0%	\$45.9	2.7%
Unadjusted	Year	6/28/15-10/31/15	Year	6/29/14-11/1/14		
		18 weeks		18 weeks		
		126 days		126 days		

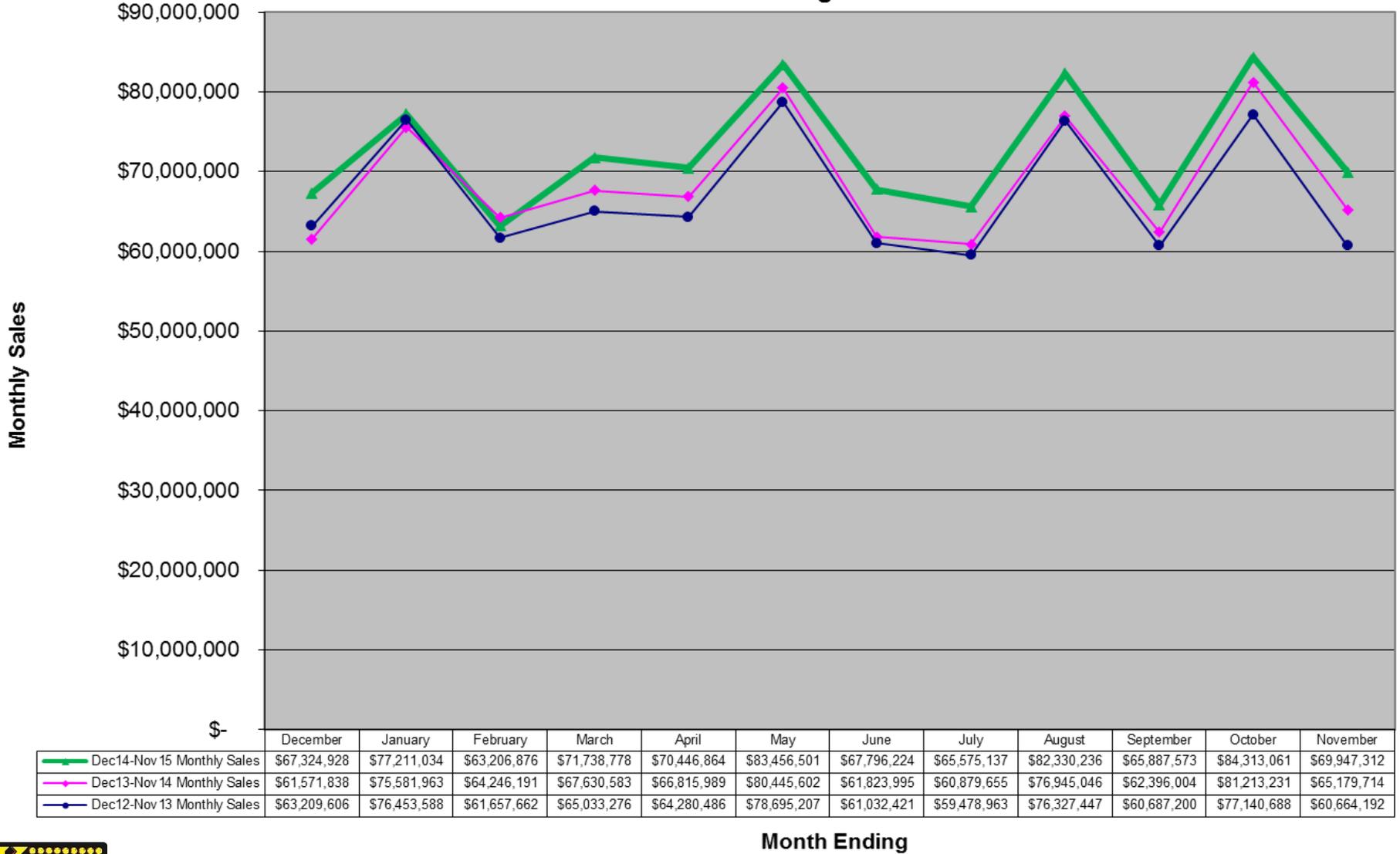
Lottery Sales Update - November

- Overall sales for November 2015 were up an estimated \$17.2 million over November 2014.
- Due primarily to a shift in the calendar that resulted in 7 fewer days being included in the net profit figure for November 2015, net profit for the month was \$86.1 million compared to \$102.5 million in November 2014. After adding a 7-day average net profit figure of \$21.5 million, the adjusted change for November 2015 vs. November 2014 is a \$5.1 million increase in net profit.
- Due primarily to a shift in the calendar that resulted in 1 fewer day being included in the Fiscal Year 2016 year-to-date net profit figure, our net profit for the first five months of FY16 is \$405.7 million compared to \$415.4 million through the first five months of FY15. After adding a 1-day average net profit figure of \$2.7 million, the adjusted year-over-year change for the first five months of FY16 vs. the first five months of FY15 is a \$7.0 million decrease in net profit.
- Our prize payout for the month was 70.98 percent, as compared to 70.88 percent in November 2014. Our year-to-date prize payout for FY16 is 73.34 percent, as compared to 72.34 percent for the same five-month period of FY15.
- The 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 in FY16.
- The Instant Ticket portfolio saw a \$11.8 million sales increase in November following the release of our five holiday games, including four *Holiday Bonus* tickets (\$1, \$2, \$5, \$10) and the \$2 *Frosty Cashword* game, on October 27. KENO sales continue to be strong, experiencing an increase of \$4.8 million over November of last year. Megabucks Doubler, the Numbers Game, Mega Millions, Mass Cash and Lucky for Life all had slight increases in sales versus November of 2014.
- Powerball sales were down just under \$800,000 compared to November of 2014 and Jackpot Poker sales were down \$35,207 in sales compared to November of 2014.

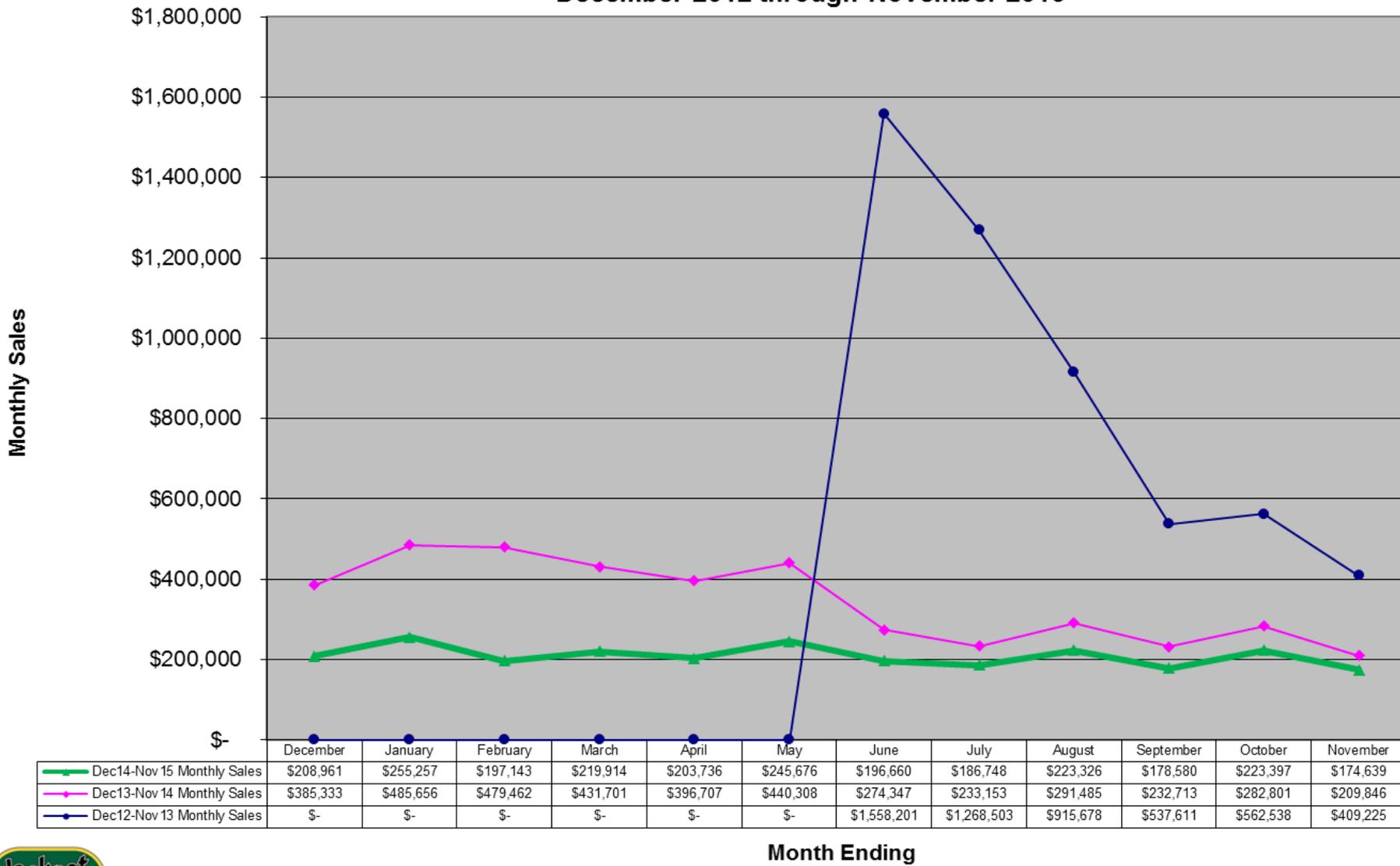
Instant Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015



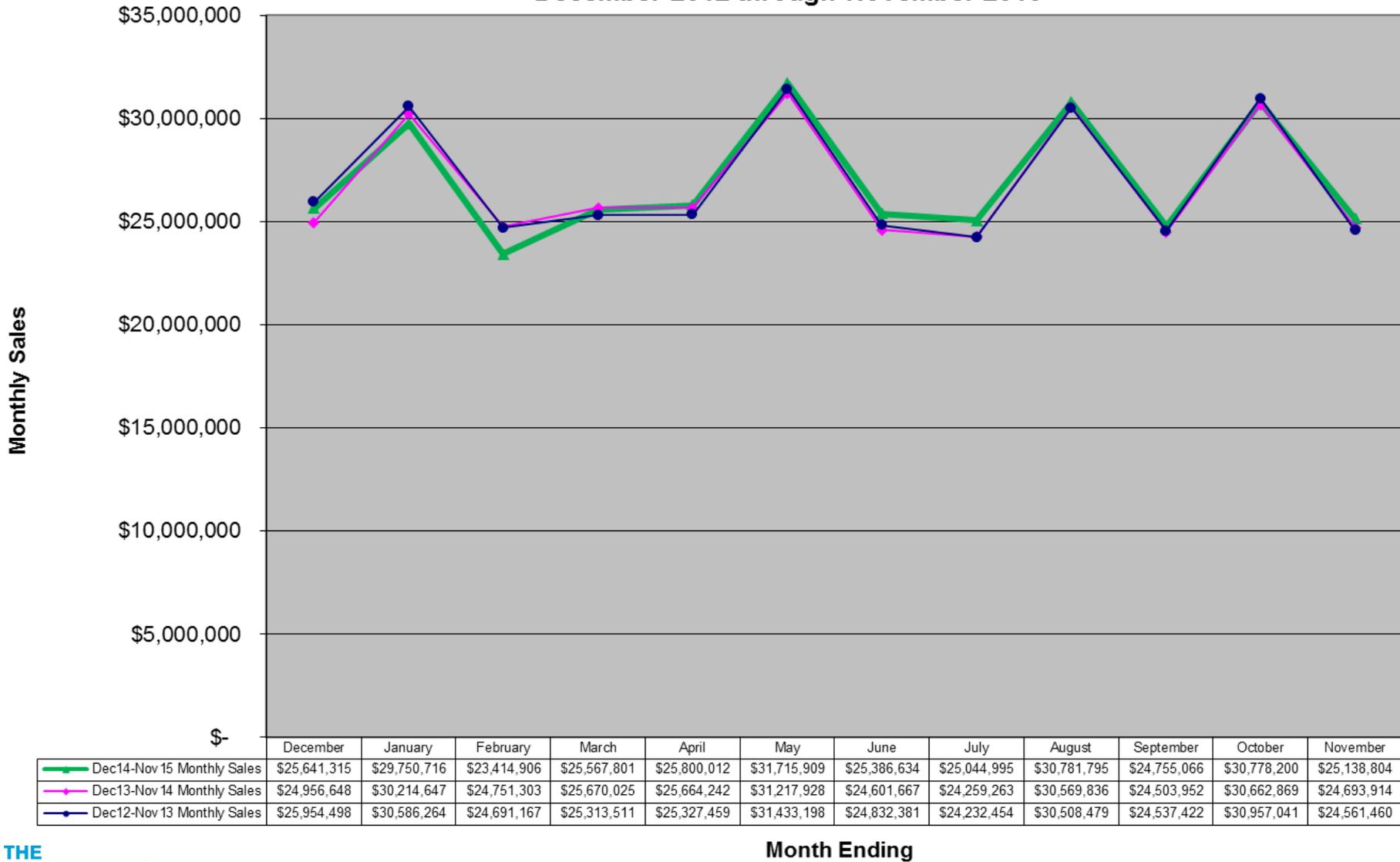
KENO Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015



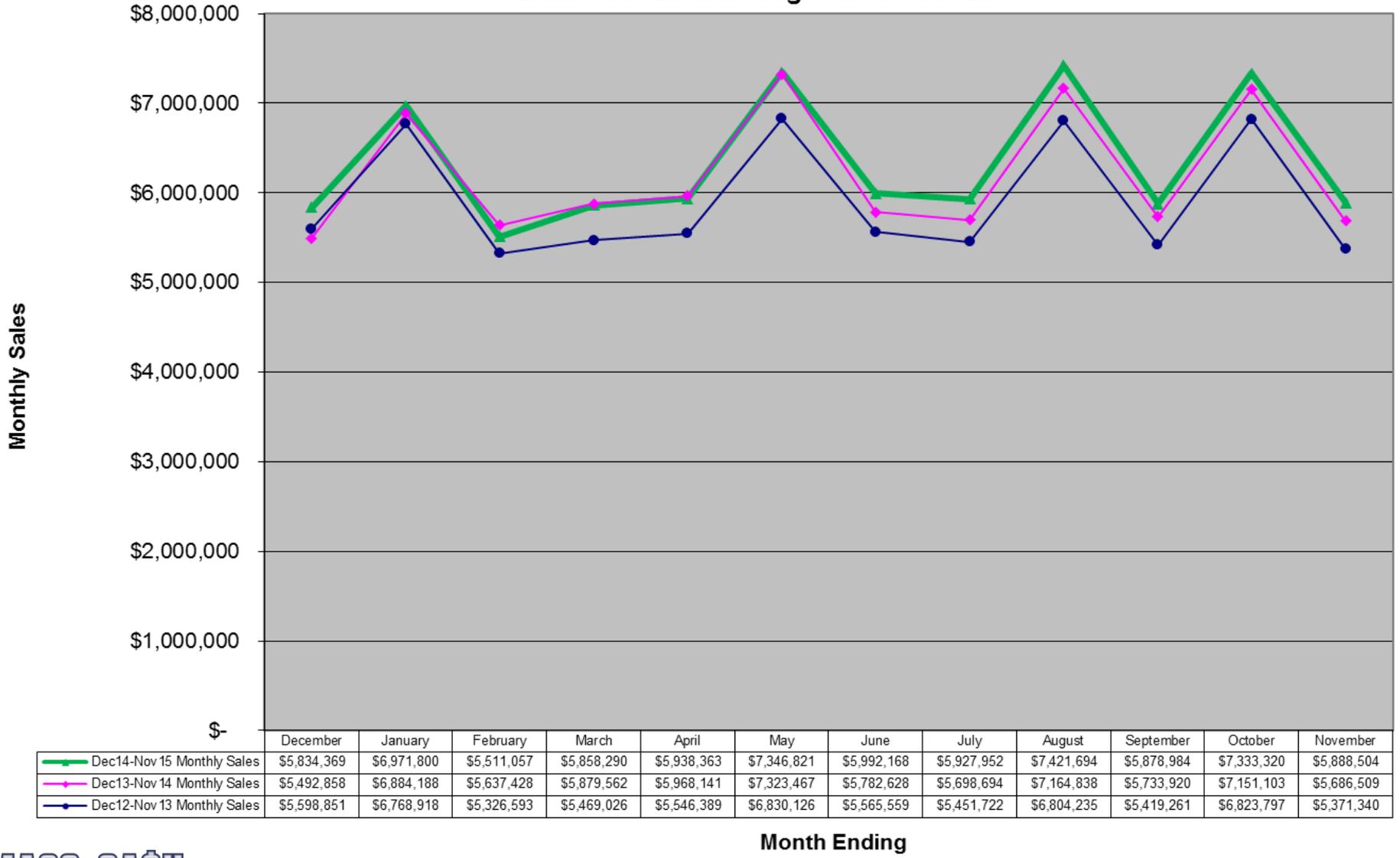
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015



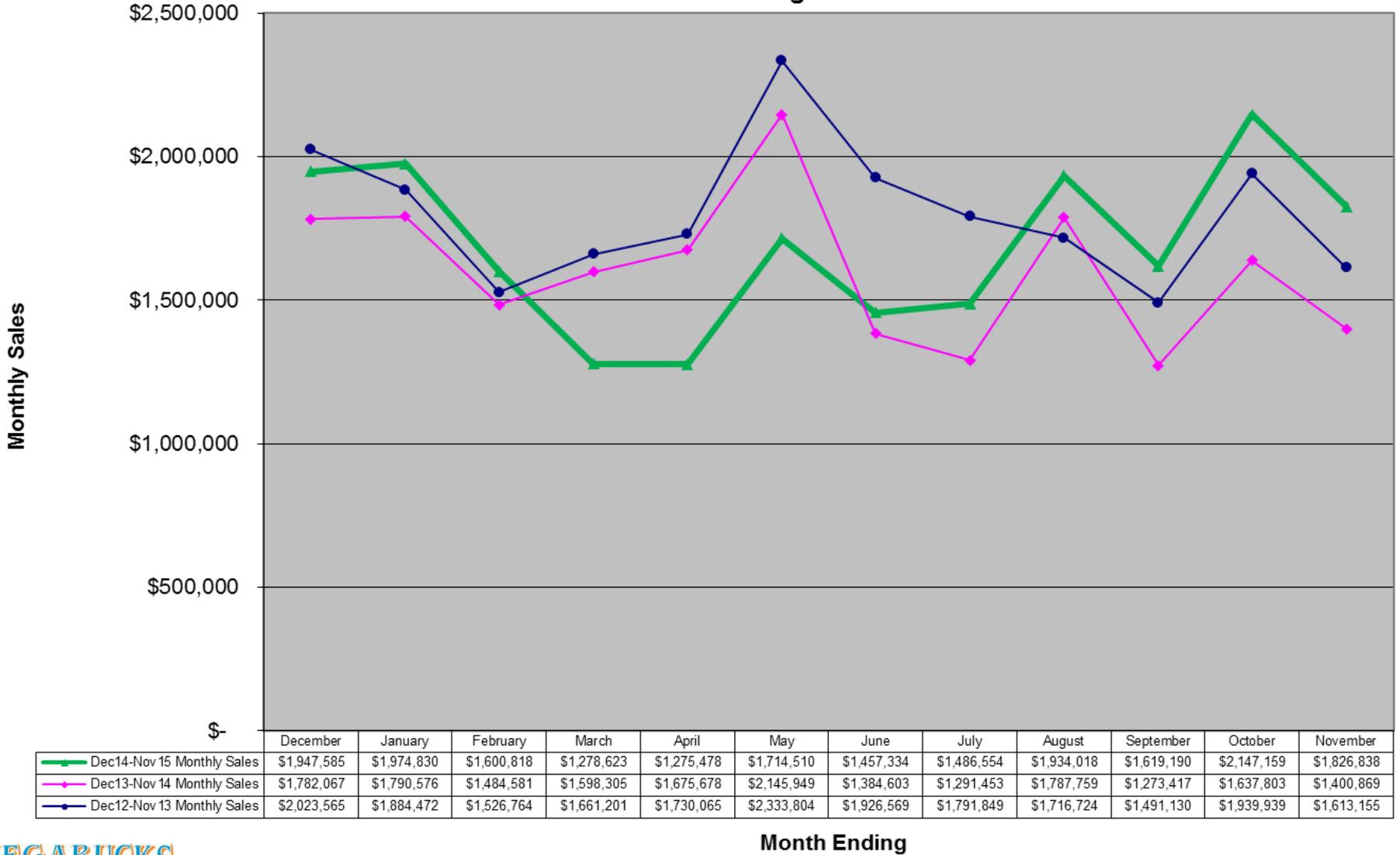
Numbers Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015



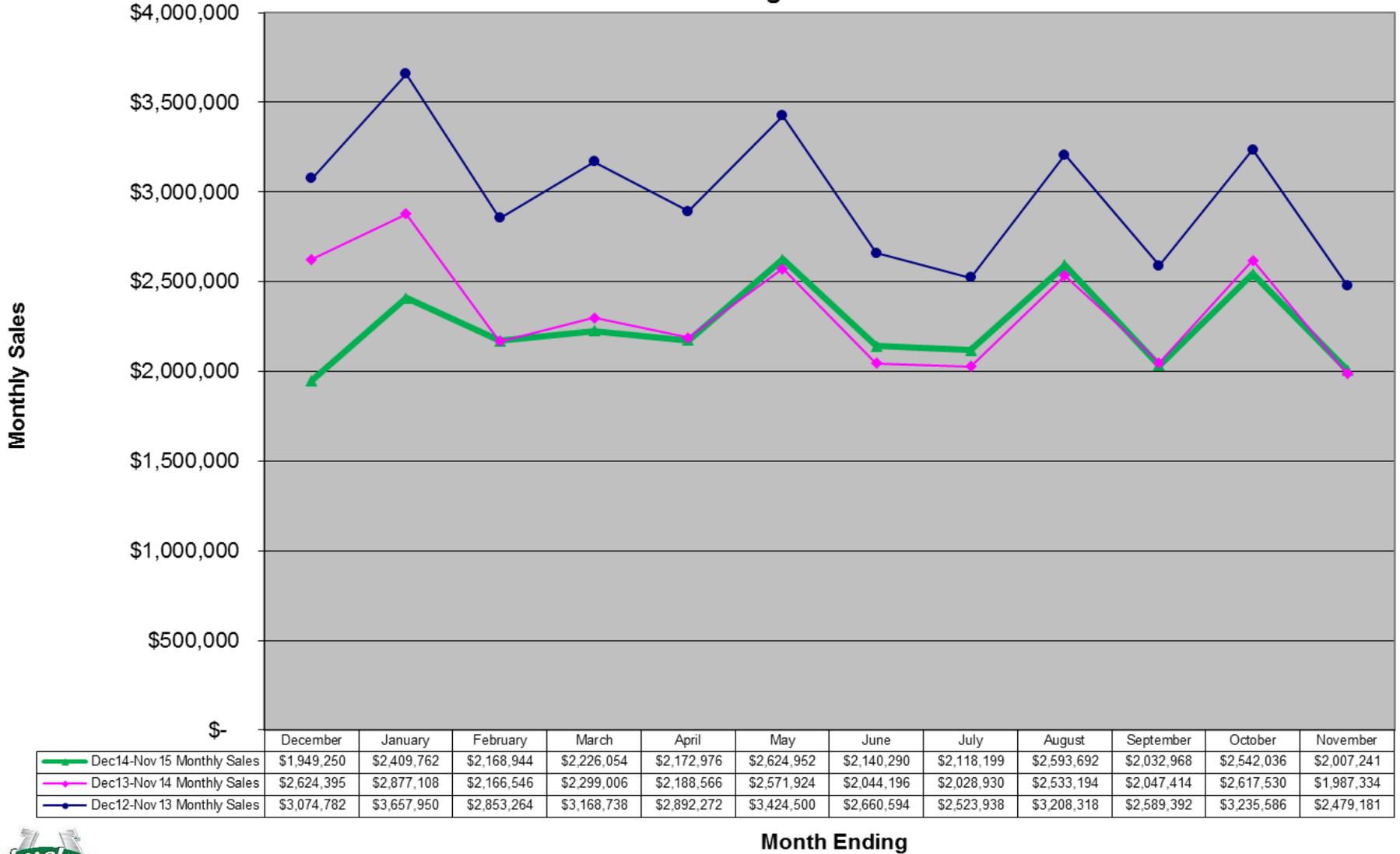
**Mass Cash Game Monthly Sales
Unadjusted Non Fiscal Year
December 2012 through November 2015**



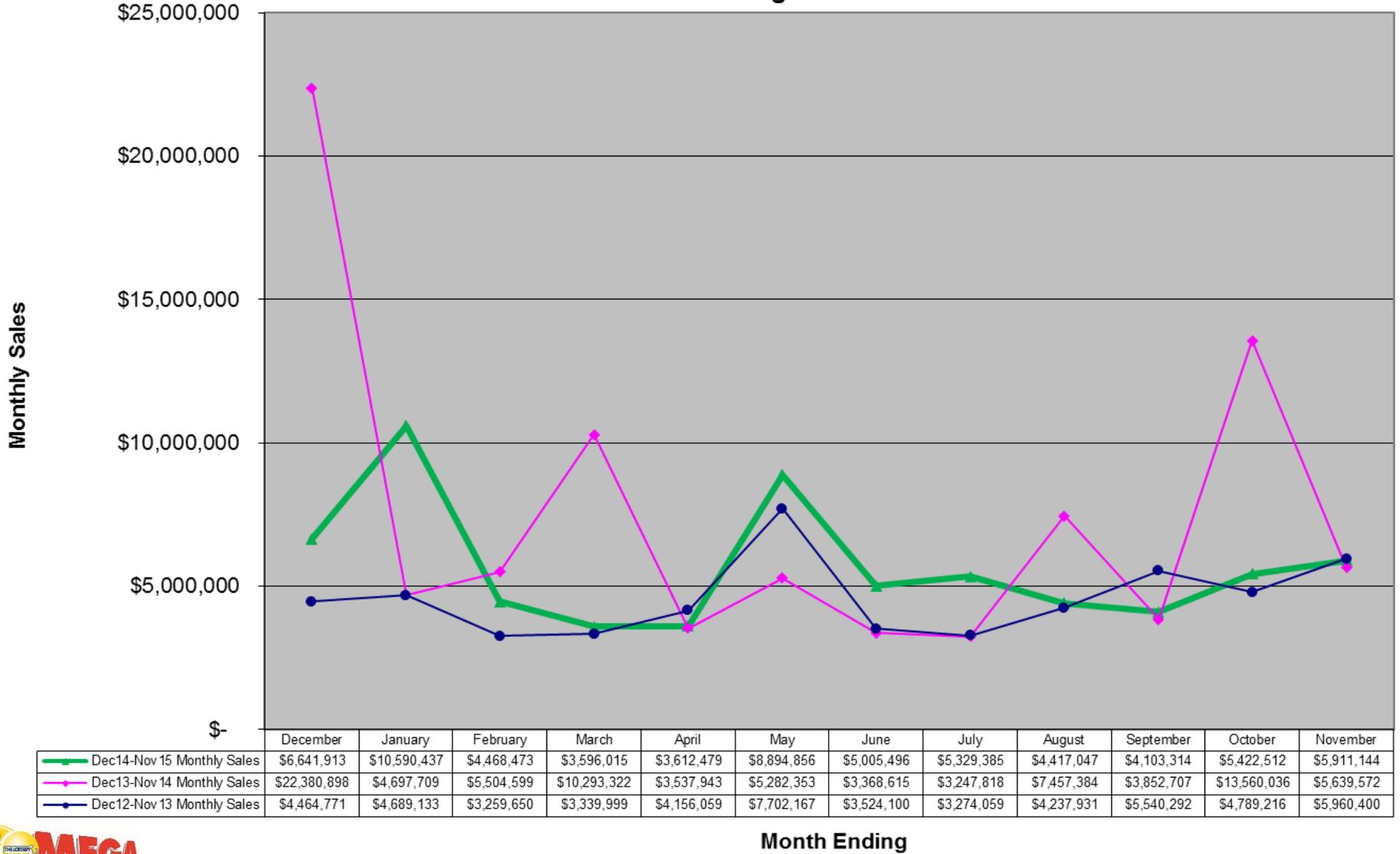
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015



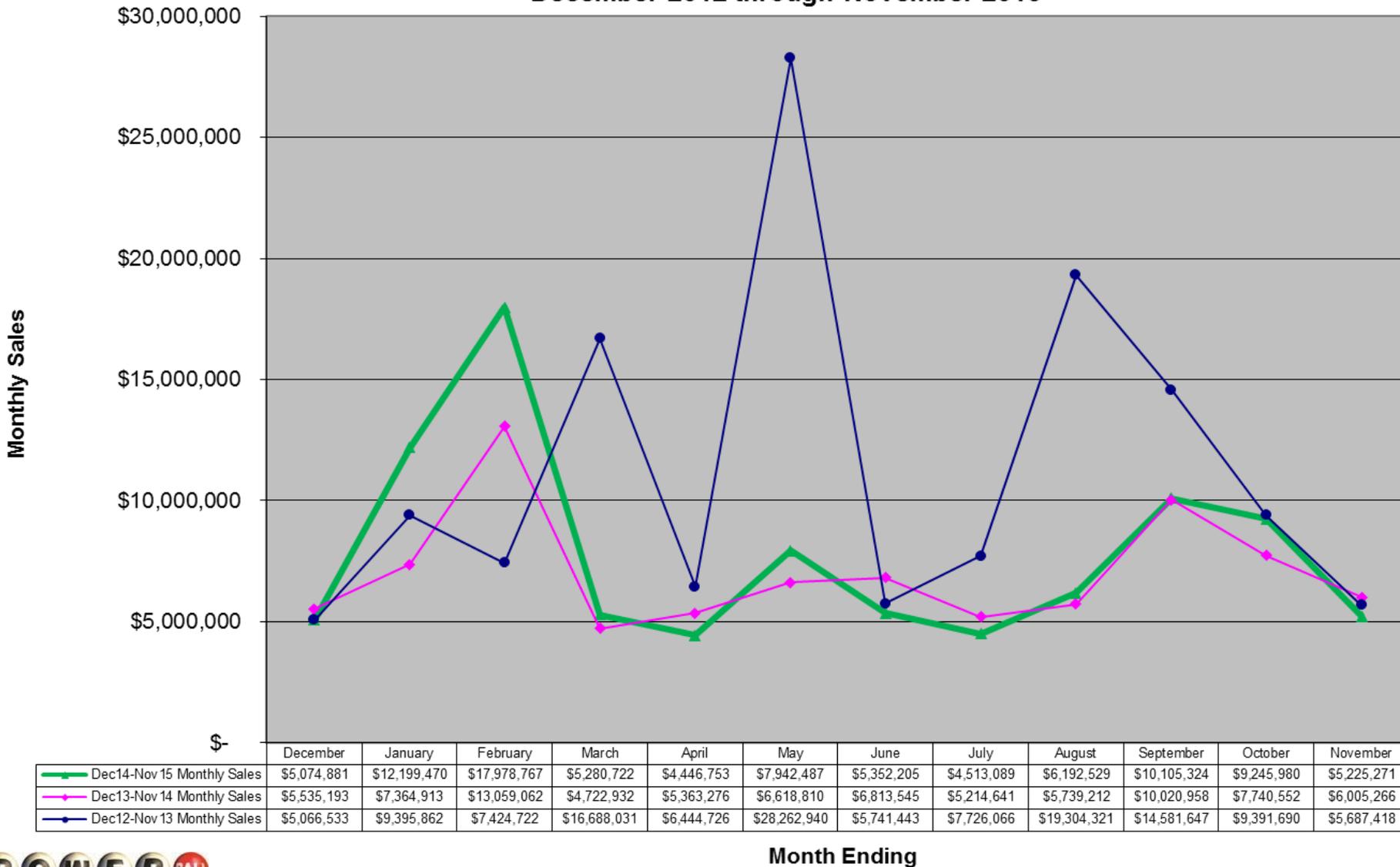
Lucky for Life Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015



Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015

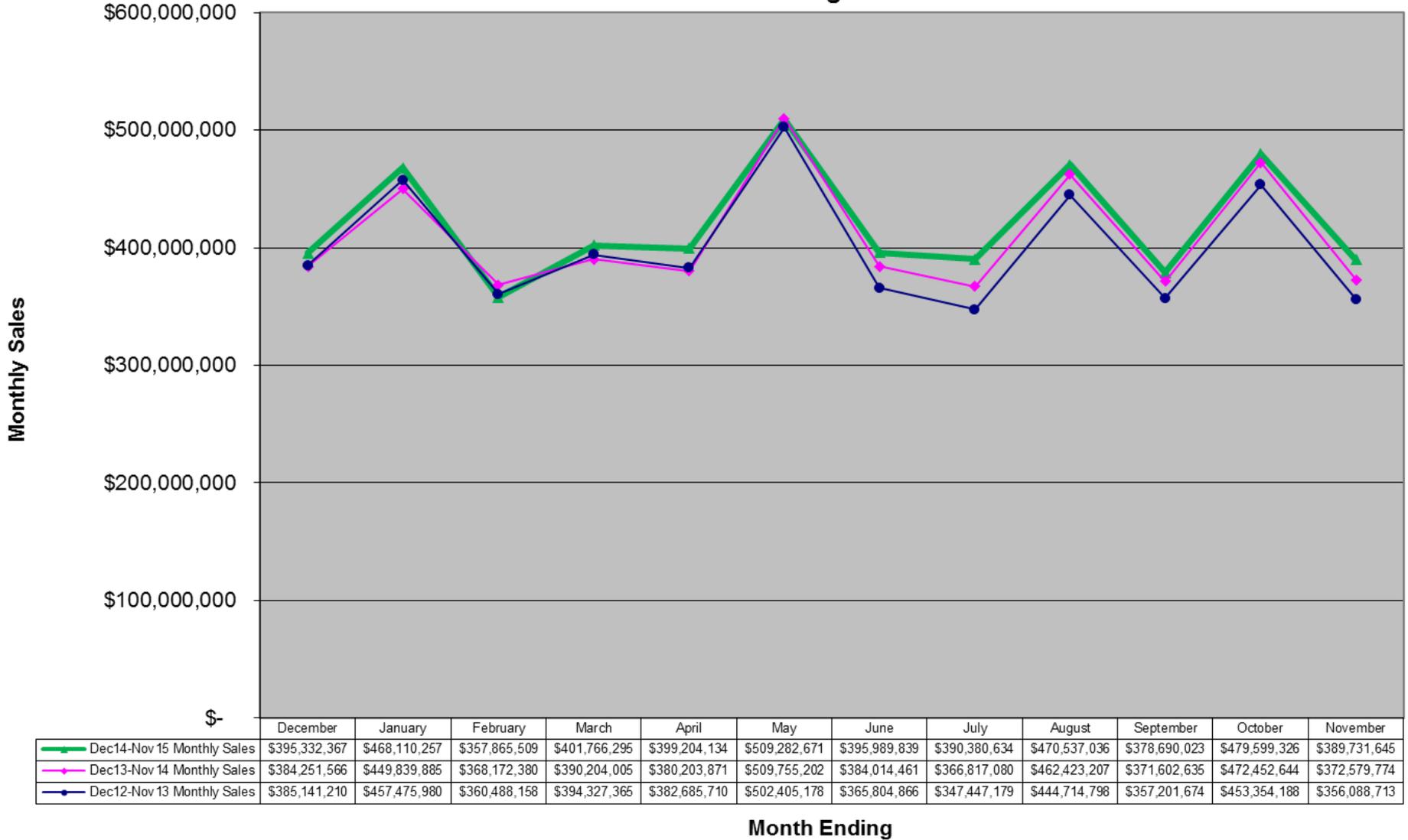


Powerball Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015

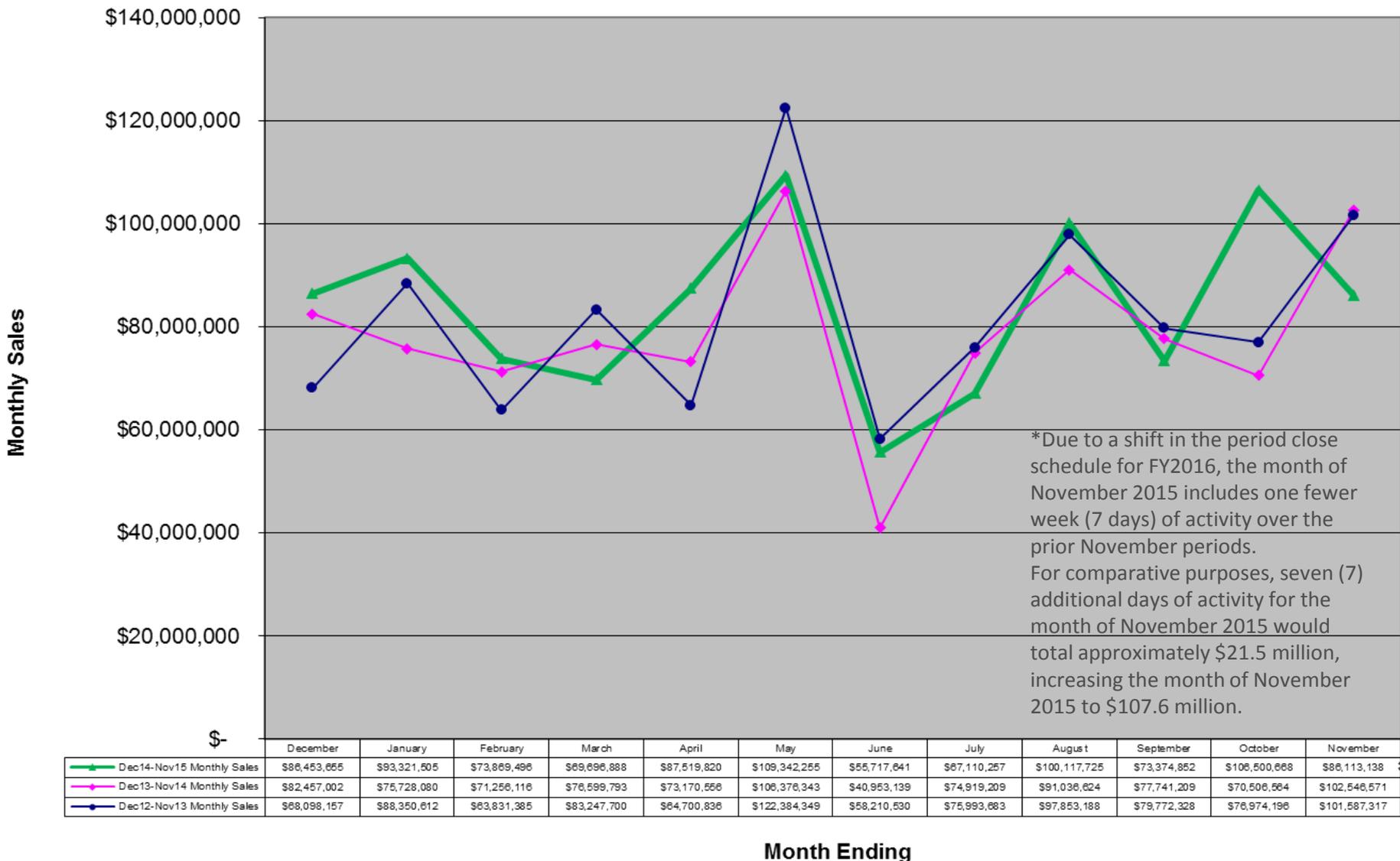


Month Ending

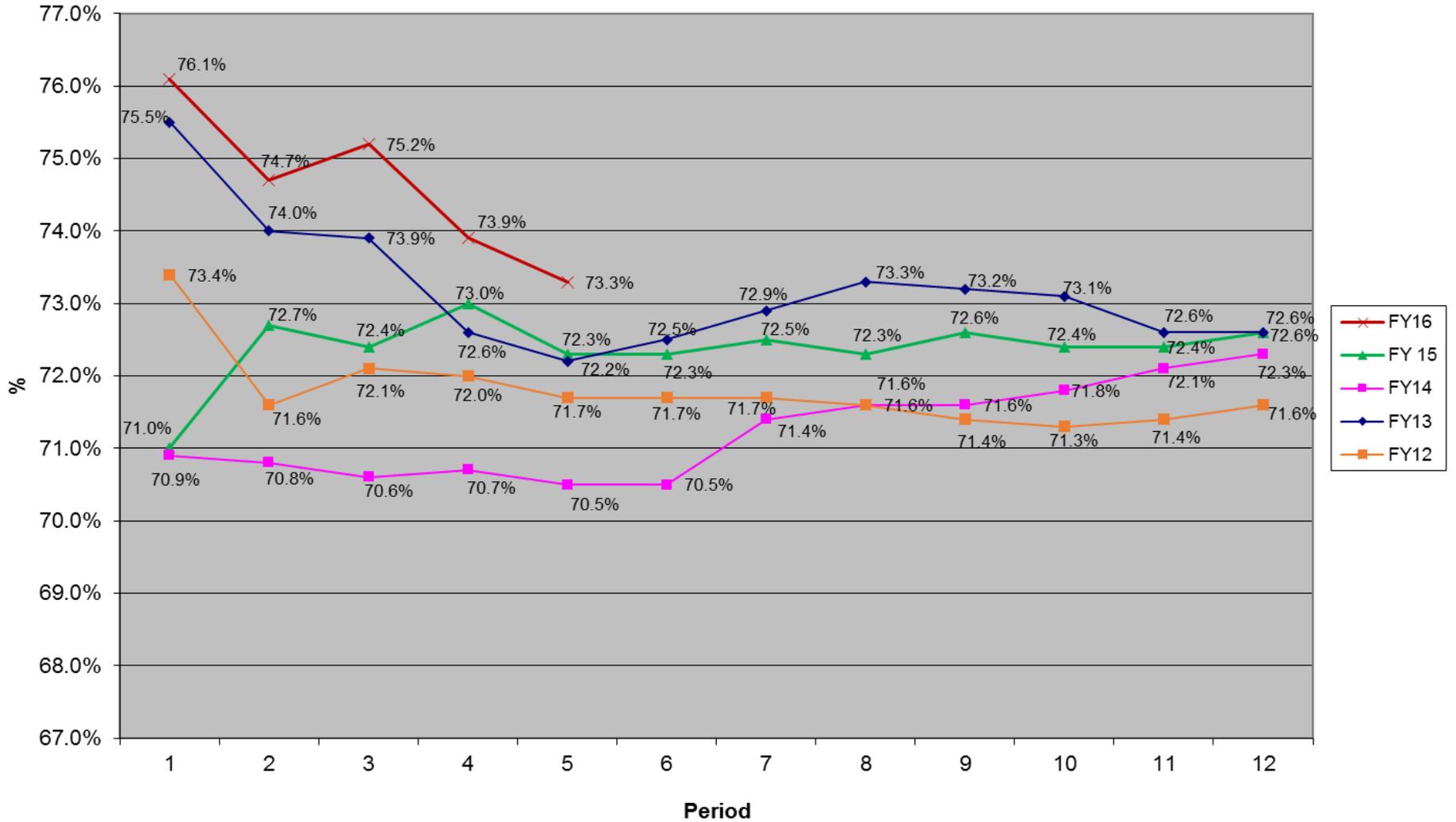
All Game Monthly Sales Unadjusted Non Fiscal Year December 2012 through November 2015



Monthly Net Profit December 2012 through November 2015



5 Year Comparison Prize Payout as a % of Sales Through November 2015



MSLC Gross Sales Results

November FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through November 28, 2015

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$273.6	70.2%	\$261.8	70.3%	\$11.8	4.5%
Mega Millions	\$5.9	1.5%	\$5.6	1.5%	\$0.3	4.8%
Powerball	\$5.2	1.3%	\$6.0	1.6%	-\$0.8	-13.0%
KENO	\$69.9	17.9%	\$65.2	17.5%	\$4.8	7.3%
Mass Cash	\$5.9	1.5%	\$5.7	1.5%	\$0.2	3.6%
Lucky for Life	\$2.0	0.5%	\$2.0	0.5%	\$0.0	1.0%
Numbers Game	\$25.1	6.5%	\$24.7	6.6%	\$0.4	1.8%
Megabucks Doublor	\$1.8	0.5%	\$1.4	0.4%	\$0.4	30.4%
Jackpot Poker	\$0.2	0.0%	\$0.2	0.1%	\$0.0	-16.7%
Total	\$389.7	100.0%	\$372.6	100.0%	\$17.2	4.6%
Instant Tickets	\$273.6	70.2%	\$261.8	70.3%	\$11.8	4.5%
Draw Games + KENO	\$116.1	29.8%	\$110.8	29.7%	\$5.3	4.8%
Total	\$389.7	100.0%	\$372.6	100.0%	\$17.2	4.6%
Unadjusted	Month	11/1/15-11/28/15	Month	11/2/14-11/29/14		
		4 weeks		4 weeks		
		28 days		28 days		

MSLC Gross Sales Results								
Year-to-Date FY16 vs. FY15 Unadjusted Non Fiscal Year								
(\$ millions)								
Through November 28, 2015								
		FY16	% of Total		FY15	% of Total	\$ Change	% Change
Instant Tickets		\$1,490.2	70.7%		\$1,444.8	70.6%	\$45.4	3.1%
Mega Millions		\$25.2	1.2%		\$33.8	1.7%	-\$8.6	-25.4%
Powerball		\$35.3	1.7%		\$34.7	1.7%	\$0.6	1.6%
KENO		\$368.1	17.5%		\$346.6	16.9%	\$21.4	6.2%
Mass Cash		\$32.5	1.5%		\$31.4	1.5%	\$1.0	3.2%
Lucky for Life		\$11.3	0.5%		\$11.2	0.5%	\$0.1	0.7%
Numbers Game		\$136.5	6.5%		\$134.7	6.6%	\$1.8	1.3%
Megabucks Doublor		\$9.0	0.4%		\$7.4	0.4%	\$1.6	21.9%
Jackpot Poker		\$1.0	0.0%		\$1.2	0.1%	-\$0.3	-21.1%
Total		\$2,108.9	100.0%		\$2,045.9	100.0%	\$63.1	3.1%
Instant Tickets		\$1,490.2	70.7%		\$1,444.8	70.6%	\$45.4	3.1%
Draw Games + KENO		\$618.8	29.3%		\$601.1	29.4%	\$17.7	2.9%
Total		\$2,108.9	100.0%		\$2,045.9	100.0%	\$63.1	3.1%
Unadjusted	Year		6/28/15-11/28/15	Year		6/29/14-11/29/14		
			22 weeks			22 weeks		
			154 days			154 days		

Holiday Instant Tickets Sales Update

\$10,000 Holiday Bonus

Price Point: \$1

8 Week Sales: \$3,775,201



Frosty Cashword

Price Point: \$2

8 Week Sales: \$11,687,978



\$1,000,000 Holiday Bonus

Price Point: \$5

8 Week Sales: \$34,392,160



\$2,500,000 Holiday Bonus

Price Point: \$10

8 Week Sales: \$46,869,270



\$100,000 Holiday Bonus

Price Point: \$2

8 Week Sales: \$13,333,802



Holiday Season Sales Update

Through 8 of 10 weeks

All Instant Ticket Sales

WEEK	FY2015	FY2016	VARIANCE
1	\$62,612,936	\$64,407,090	2.9%
2	\$67,527,195	\$69,601,058	3.1%
3	\$67,357,341	\$69,791,664	3.6%
4	\$64,638,184	\$67,165,097	3.9%
5	\$62,254,030	\$67,054,073	7.7%
6	\$67,118,567	\$68,303,867	1.8%
7	\$65,984,000	\$71,061,321	7.7%
8	\$69,325,127	\$72,275,814	4.3%
TOTAL	\$526,817,380	\$549,659,984	4.3%



All Product Sales

WEEK	FY2015	FY2016	VARIANCE
1	\$93,333,286	\$92,732,031	-0.6%
2	\$98,202,114	\$99,794,575	1.6%
3	\$94,607,314	\$99,696,791	5.4%
4	\$91,473,419	\$95,386,375	4.3%
5	\$88,296,927	\$94,853,903	7.4%
6	\$95,032,803	\$97,594,695	2.7%
7	\$93,447,632	\$101,133,353	8.2%
8	\$98,360,392	\$103,343,863	5.1%
TOTAL	\$752,753,887	\$784,535,586	4.2%



January Instant Tickets Release (January 5)

\$10,000 Taxes Paid

Price Point: \$1

Top Prize: \$10,000 taxes paid*



\$100,000 Taxes Paid

Price Point: \$2

Top Prize: \$100,000 taxes paid*

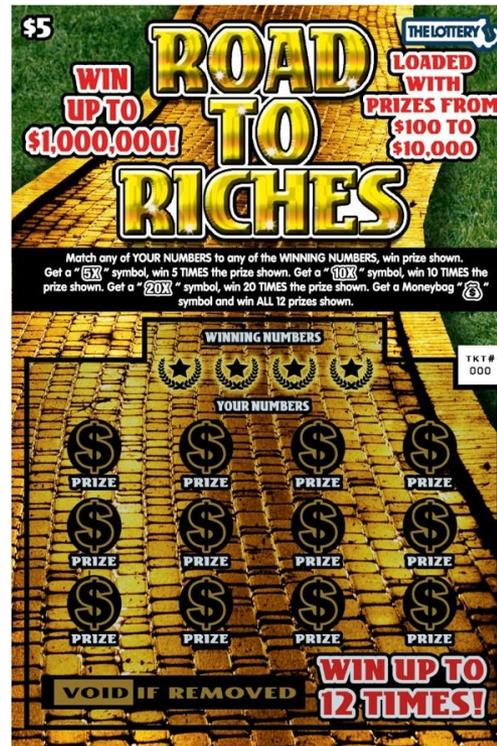


*Top prizes on *Taxes Paid* instant tickets are the winnings after taxes.

Road to Riches

Price Point: \$5

Top Prize: \$1,000,000



Lucky Shamrocks

Price Point: \$5

Top Prize: \$1,000,000



January Instant Tickets POS Advertising



Wobbler



11x17 Poster

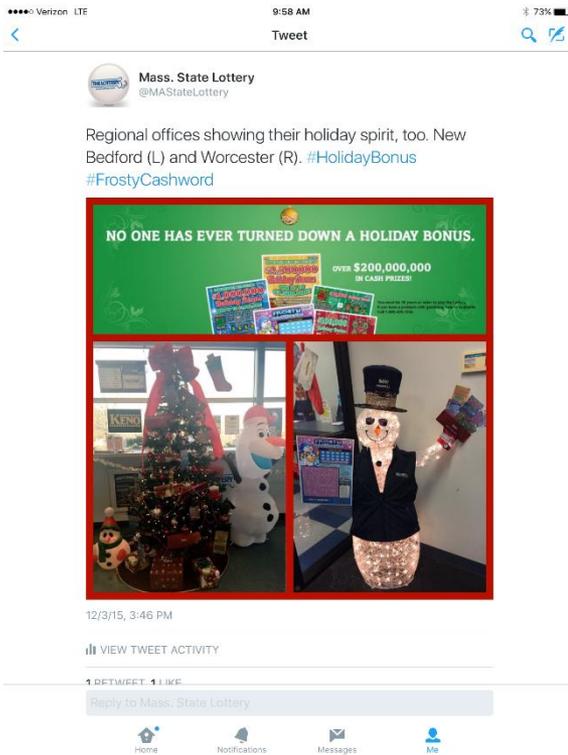


Social Media Messaging



Recent and upcoming social media content includes:

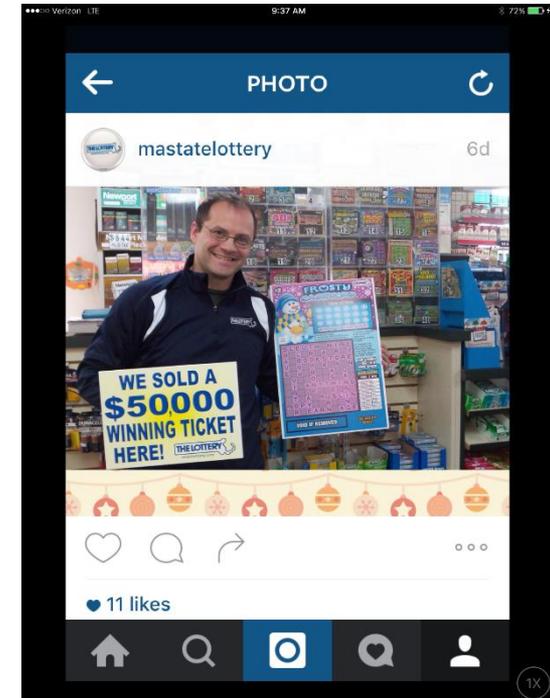
- Holiday messaging
- Responsible gifting
- Agent awareness (where winning tickets are sold)
- Three Sweepstakes (Patriots, Celtics, Holiday Bonus)



Holiday message (Twitter)



Responsible gifting (Facebook)



Agent awareness (Instagram)

Social Media Sweepstakes



THE 12 DAYS OF BONUSES SWEEPSTAKES.

ENTER TO WIN \$100 CASH ON FACEBOOK, INSTAGRAM AND TWITTER. CHECK OUR PAGES DAILY FOR NEW CHANCES TO WIN!

DECEMBER 13TH THROUGH DECEMBER 24TH. [LEARN MORE](#)

You must be 18 years or older to play the Lottery. If you have a problem with gambling, help is available. Call 1-800-428-1234.

12 Days of Bonuses Sweepstakes (Facebook, Instagram, Twitter)

#CelticsSelfie

THELOTTERY

Post a selfie in your Celtics gear and post using #CelticsSelfie to enter to win VIP prizes!

#CelticsSelfie Sweepstakes (Twitter)

Verizon LTE 5:19 PM 81%
Tweet



Mass. State Lottery
@MAStateLottery

Our Twitter contest winners are ready for kick off! Are you? #gopats #NEvsHOU



12/13/15, 8:31 PM

VIEW TWEET ACTIVITY

2 RETWEETS 6 LIKES

Reply to Mass. State Lottery



Home



Notifications



Messages



Me

Patriots Sweepstakes Winners (Twitter)

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.

