

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

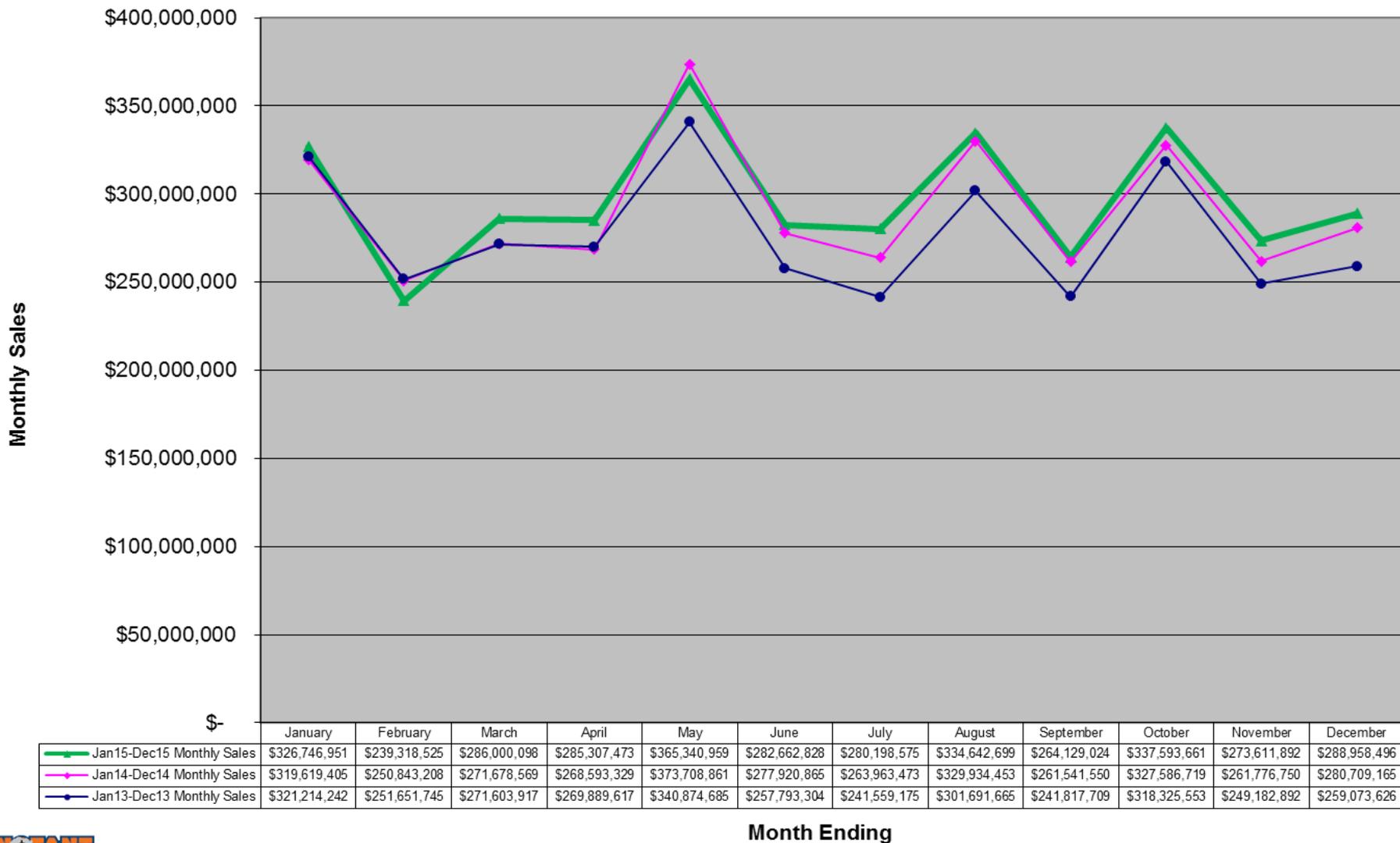
January 26, 2016



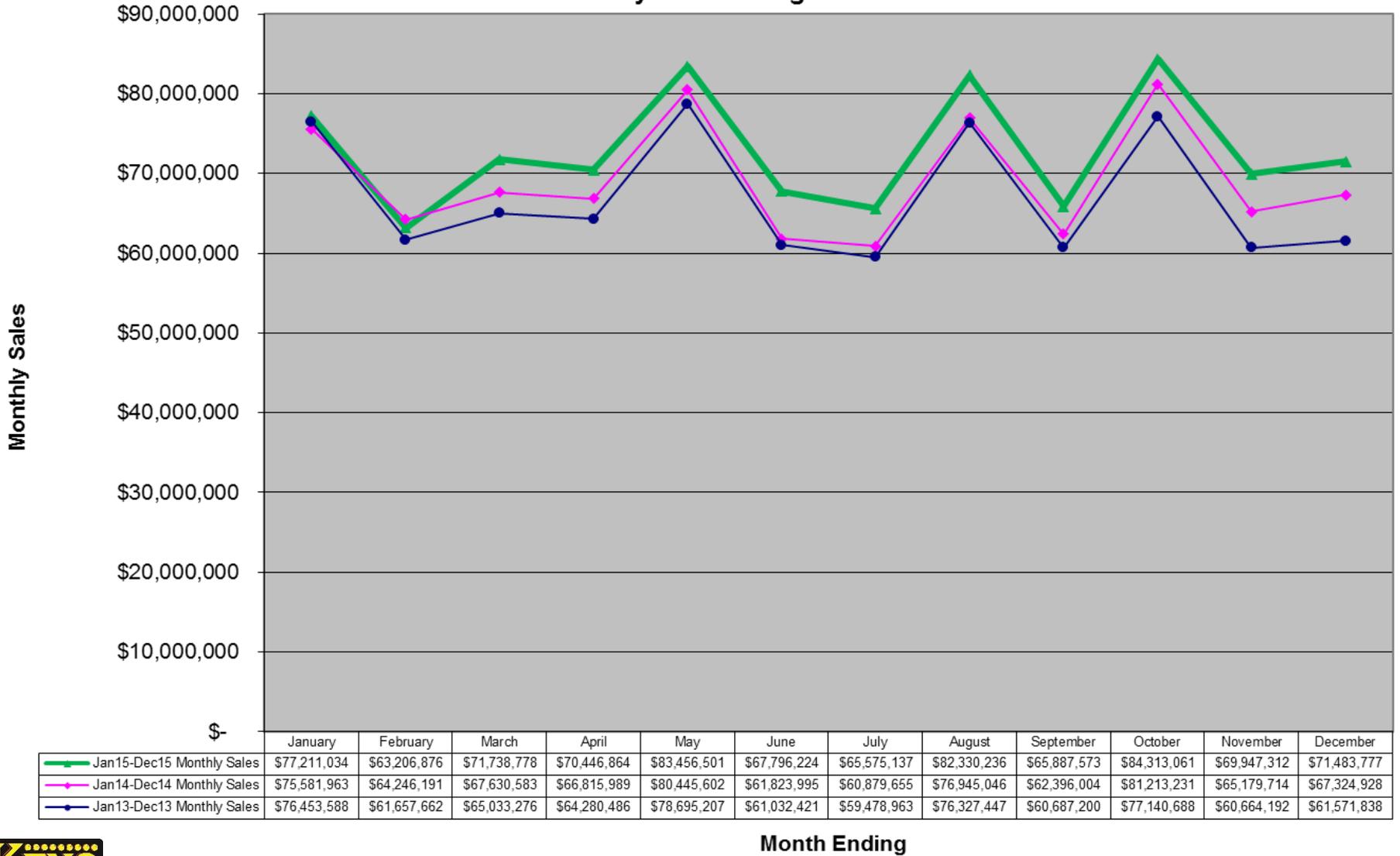
Lottery Sales Update - December

- Overall sales for December of 2015 were up an estimated \$16.2 million over December 2014.
- Net profit for December 2015 was \$91.9 million compared to \$86.5 million in December 2014 for an increase of \$5.4 million.
- Due to a shift in the calendar, 1 fewer day is included in the Fiscal Year 2016 year-to-date net profit figure when compared to FY15. Our net profit for the first six months of FY16 is \$479.2 million compared to \$494.9 million through the first six months of FY15, a decrease of \$15.7 million. After adding a 1-day average net profit figure of \$2.7 million, the adjusted year-over-year change for the first six months of FY16 vs. the first six months of FY15 is a \$13.0 million decrease in net profit.
- Our prize payout for the month was 70.47 percent, as compared to 70.21 percent in December 2014. Our year-to-date prize payout for FY16 is 73.61 percent, as compared to 72.28 percent for the same six-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 has been awarded in FY16.
- The Instant Ticket portfolio saw an \$8.2 million sales increase in December of 2015 vs. December of 2014 during our Holiday campaign. Powerball increased by \$4.3 million this December compared to last December as the jackpot reached the \$300 million mark. KENO sales continue to be strong, experiencing an increase of \$4.2 million over December of last year. Megabucks Doubler, the Numbers Game, Lucky for Life and Mass Cash all increased in sales over December of 2014.
- Mega Millions sales were down \$1.66 million compared to December of 2014 due primarily to larger jackpots in December of 2014. Jackpot Poker sales were down \$44,945 in sales compared to December of 2014.

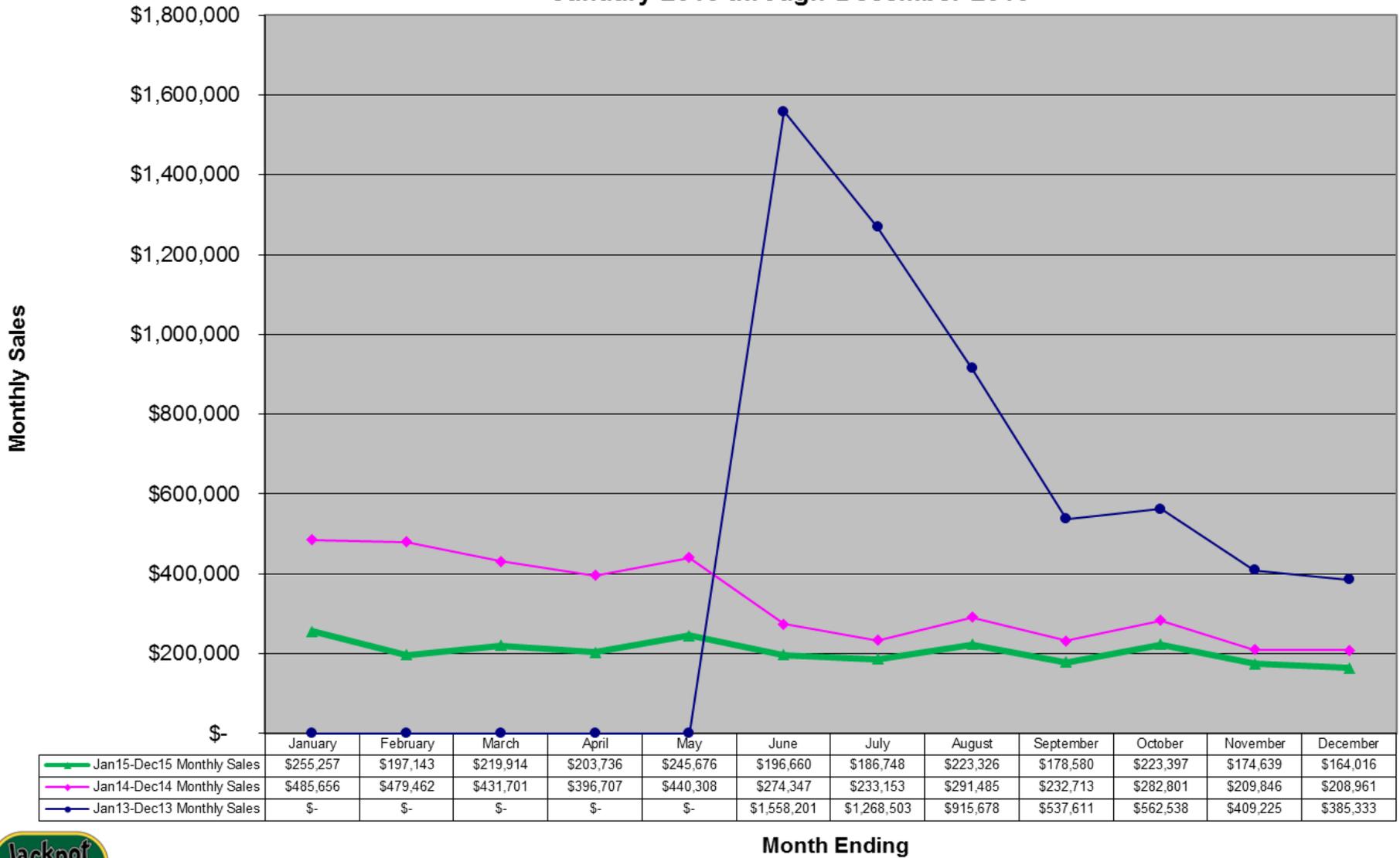
Instant Games Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



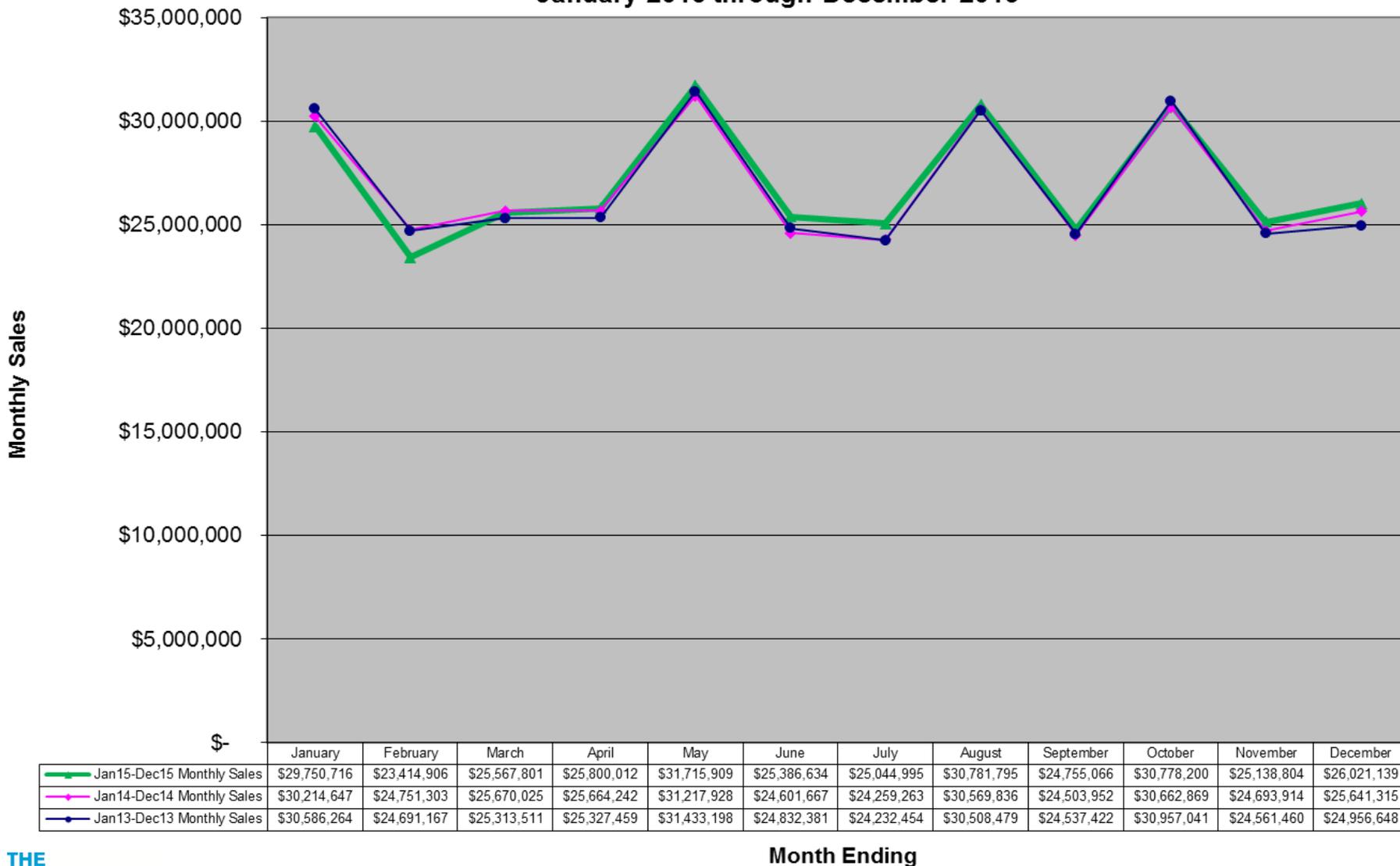
KENO Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



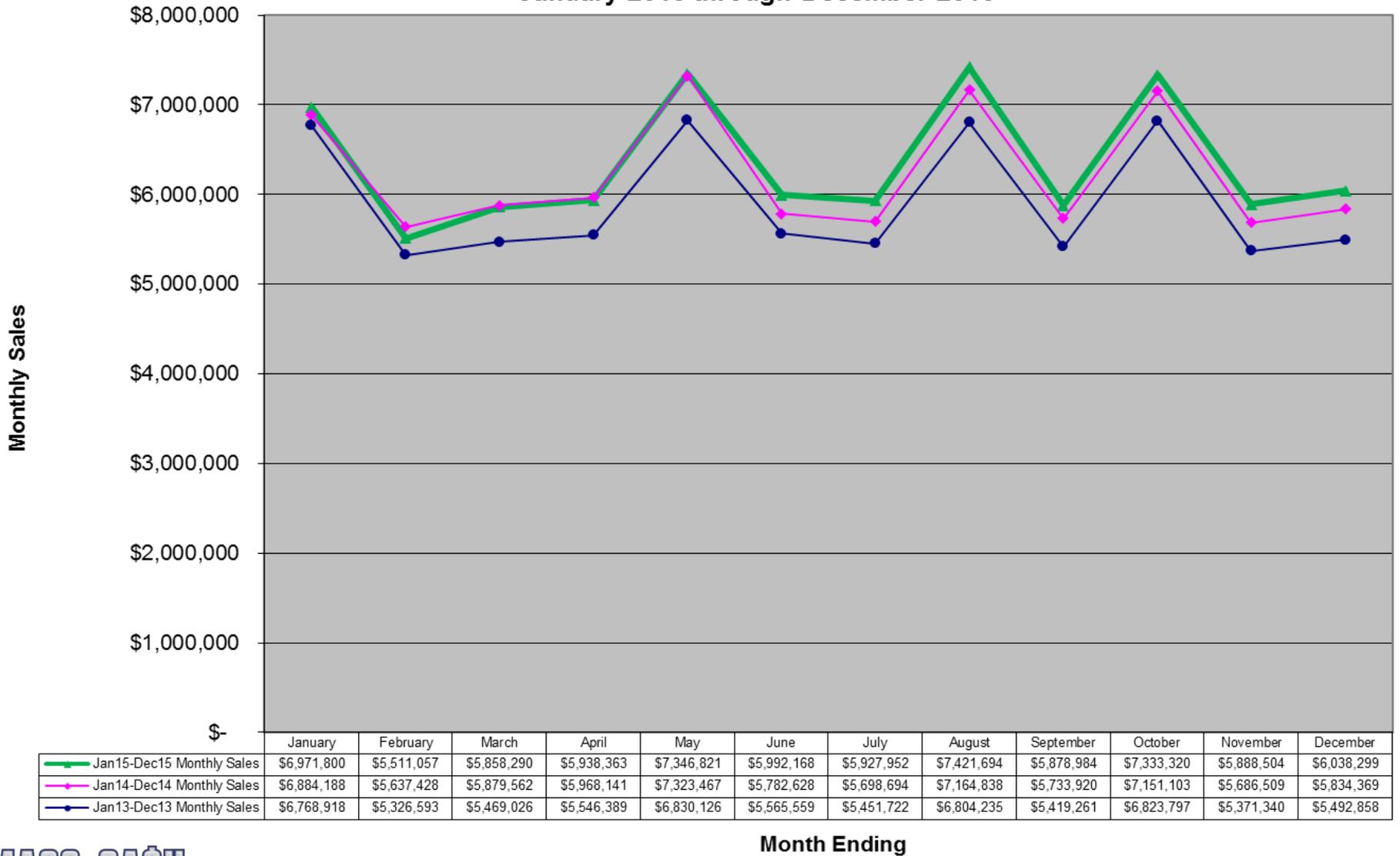
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



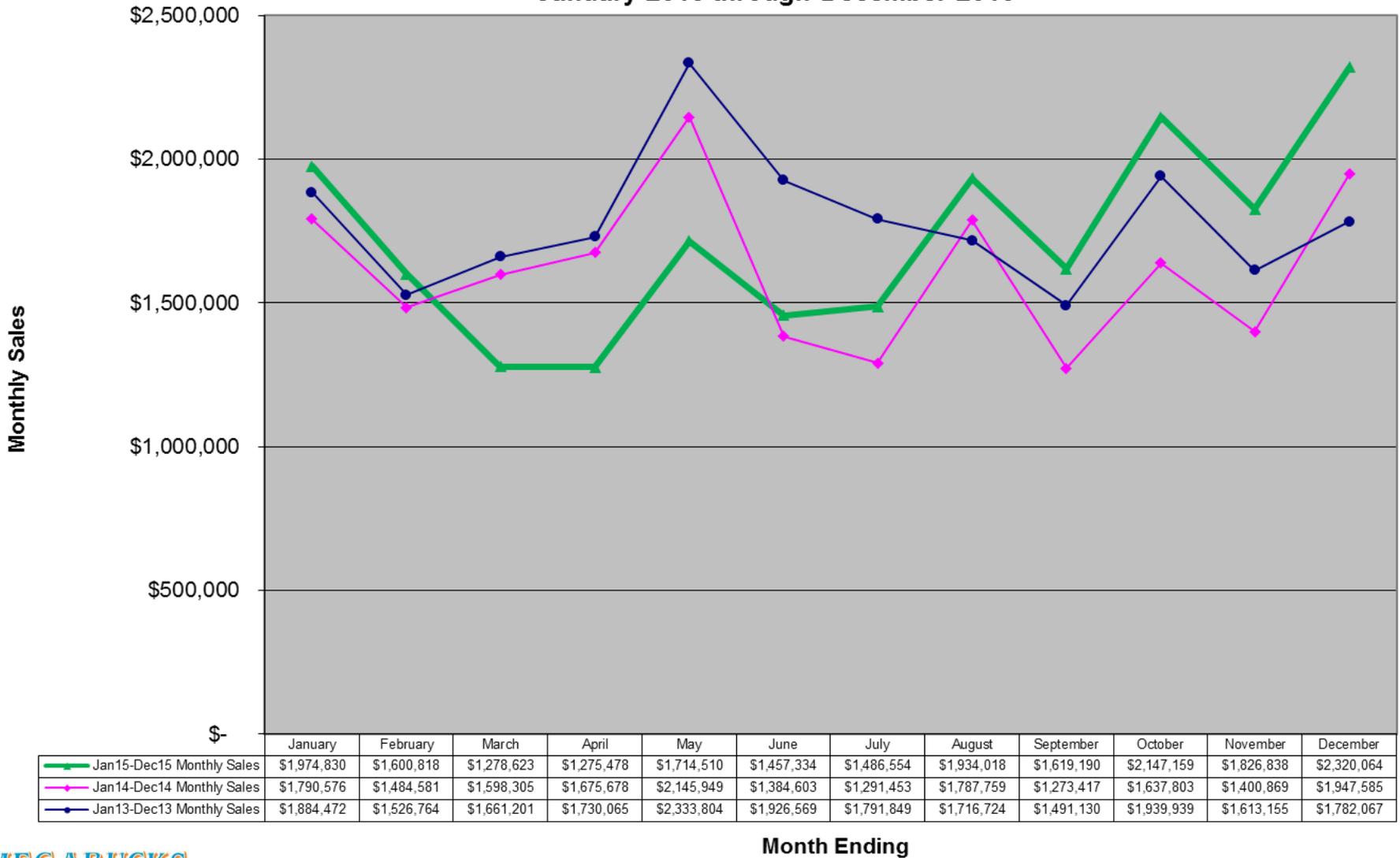
Numbers Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



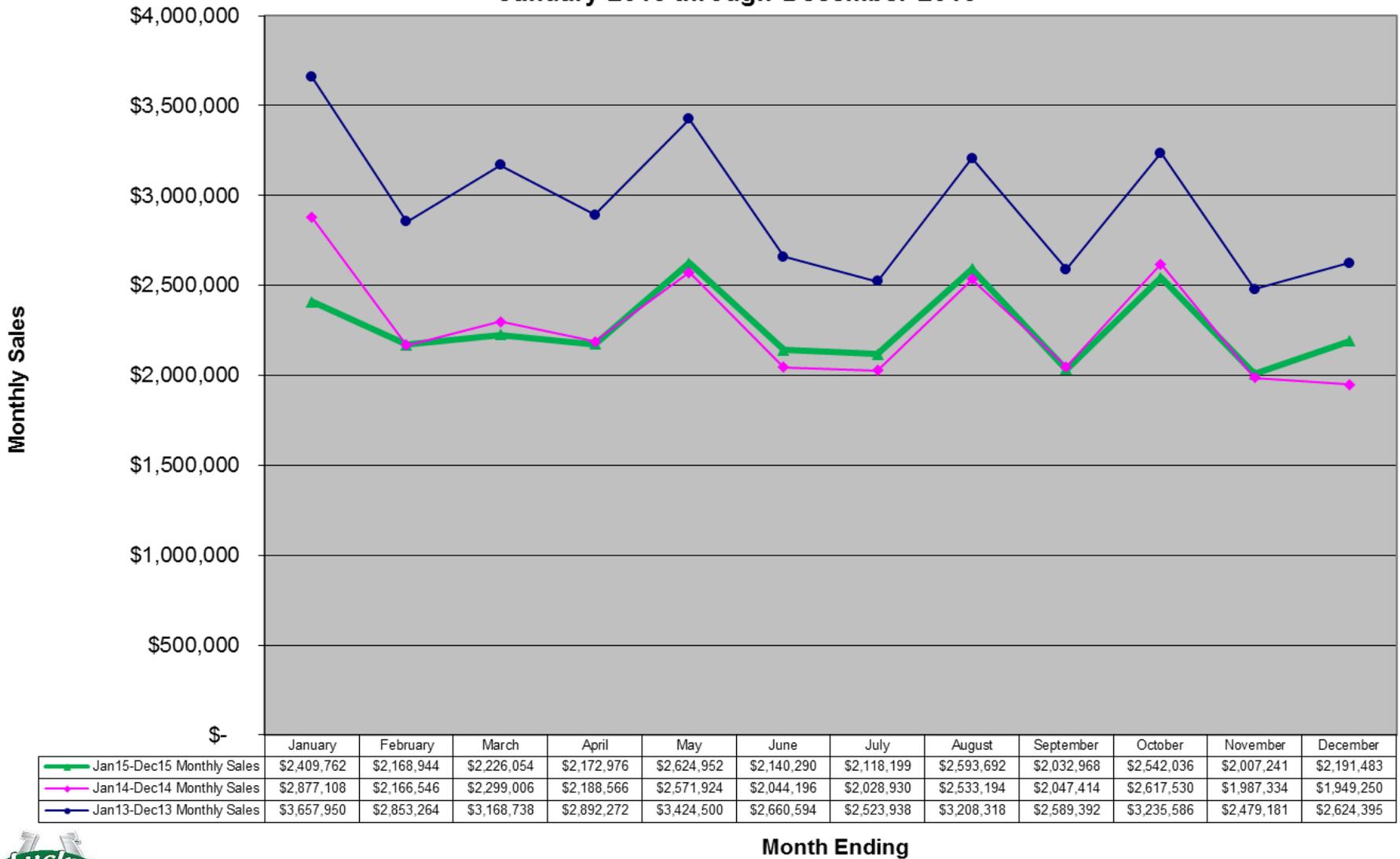
Mass Cash Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



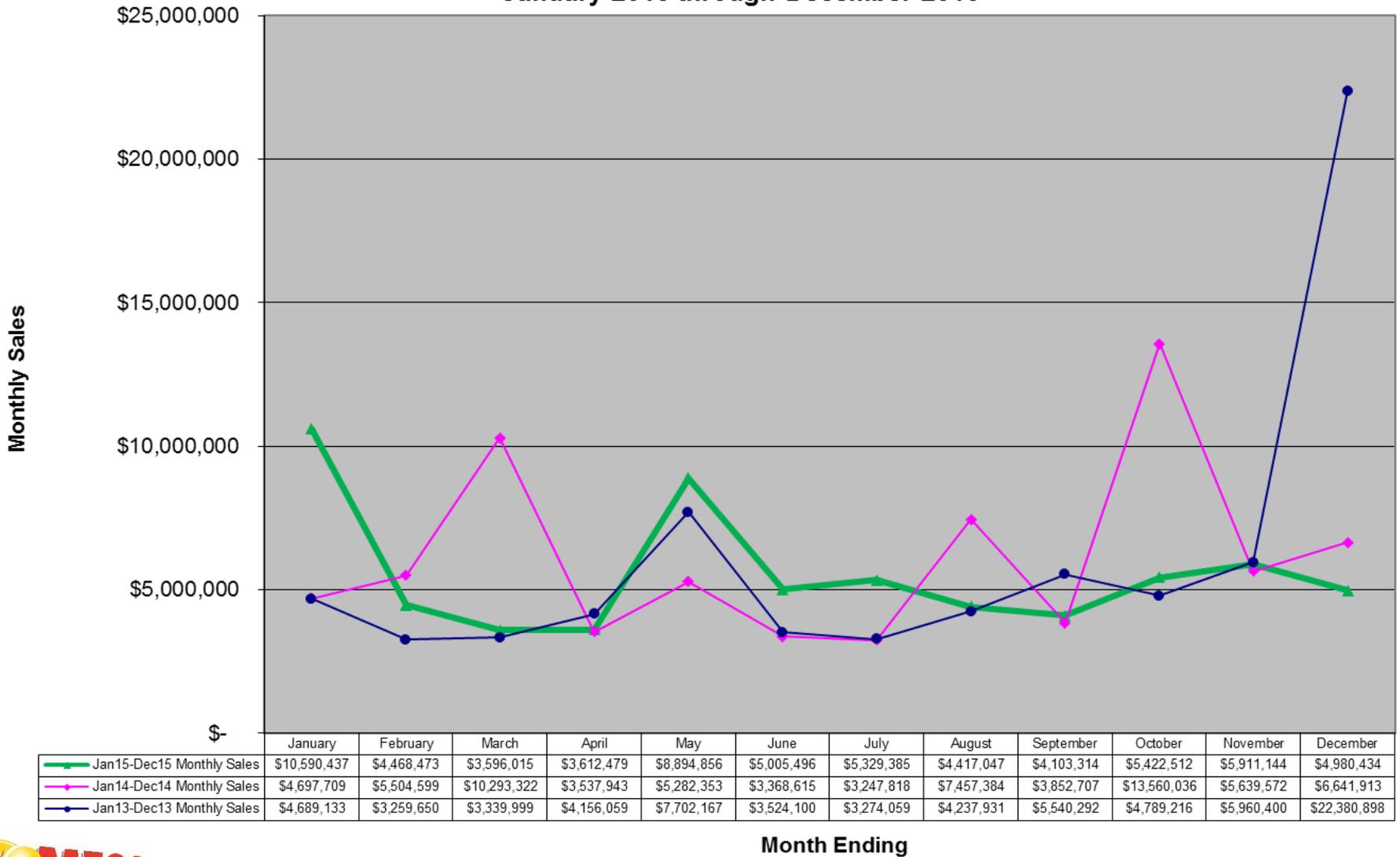
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



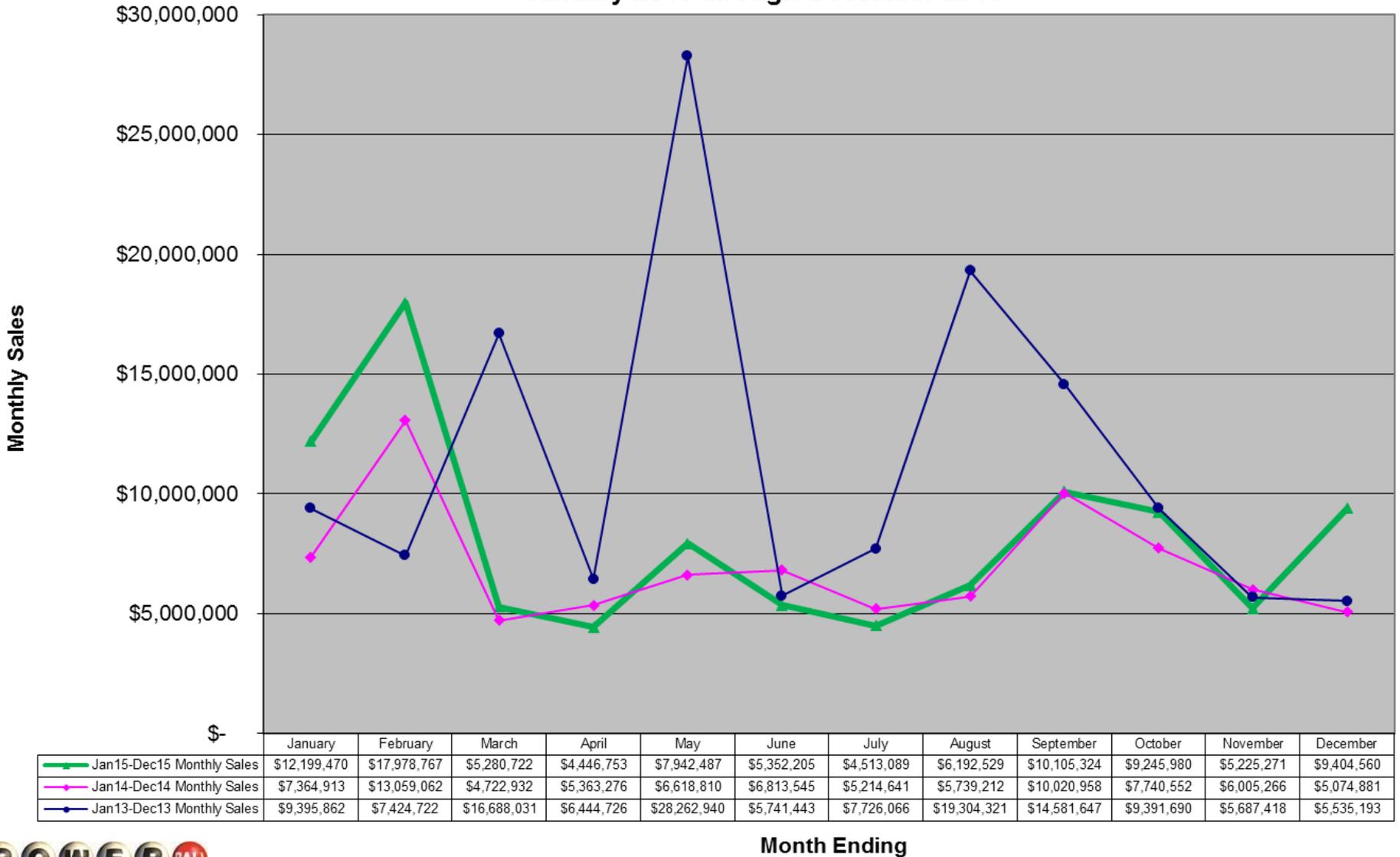
Lucky for Life Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



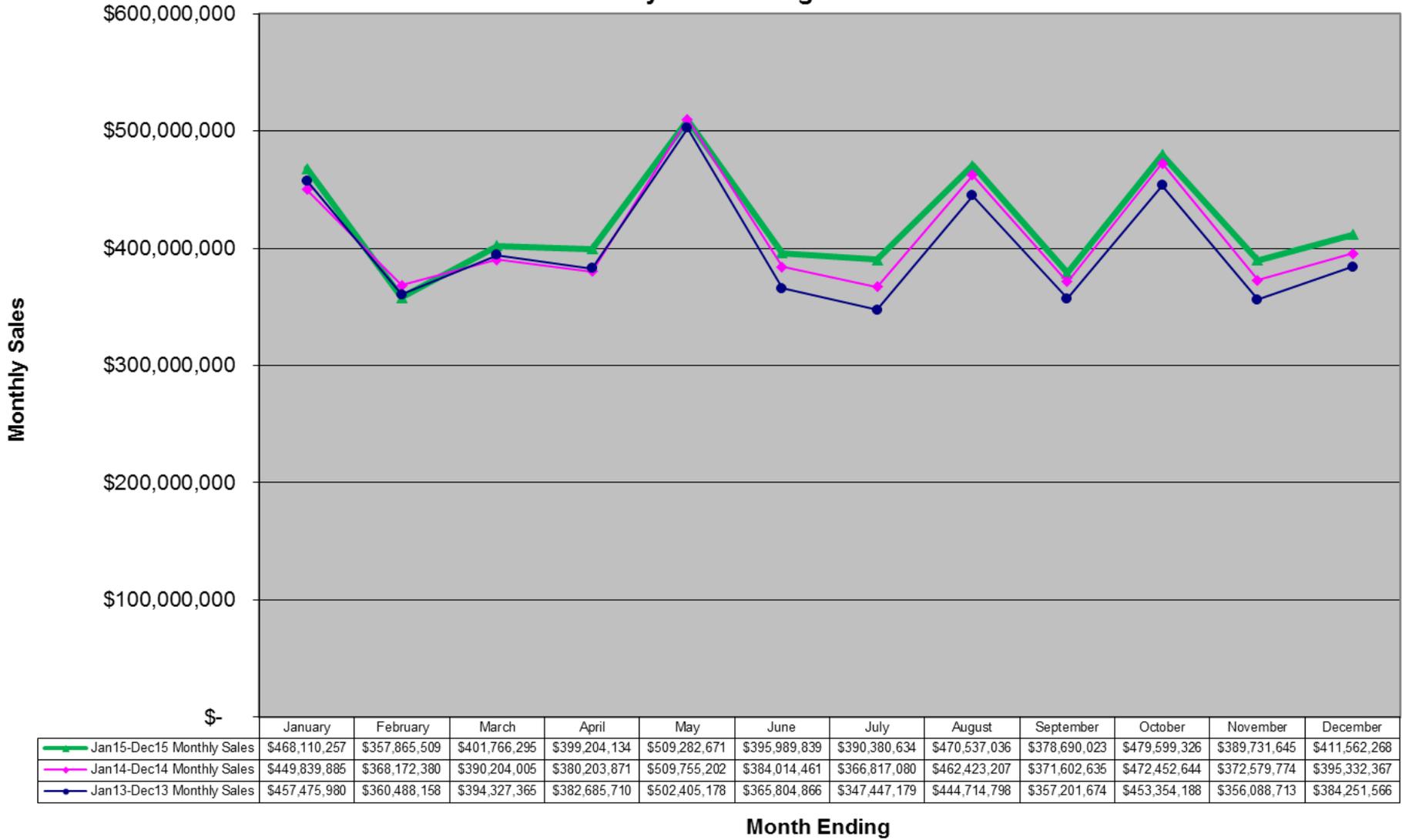
Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



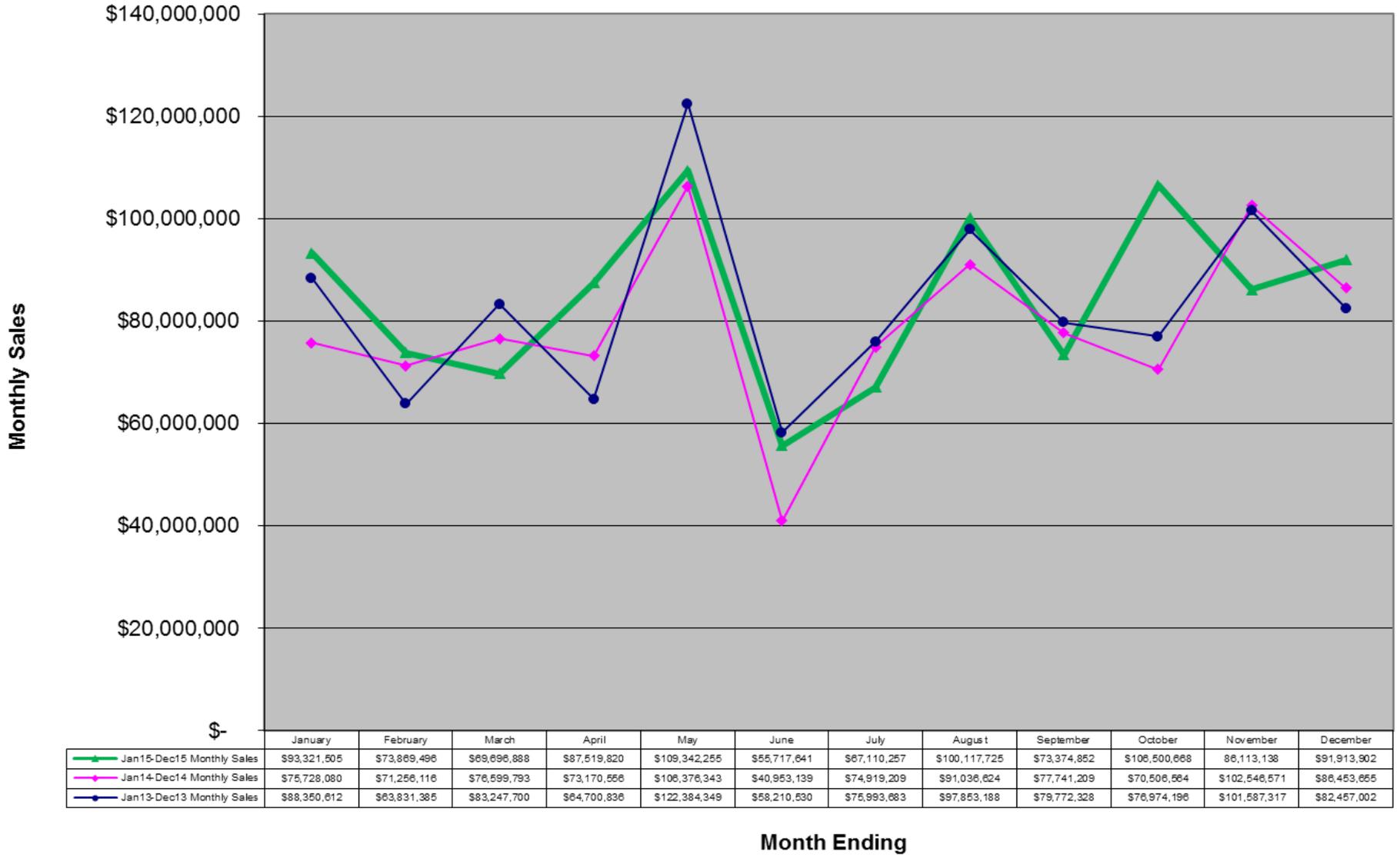
Powerball Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



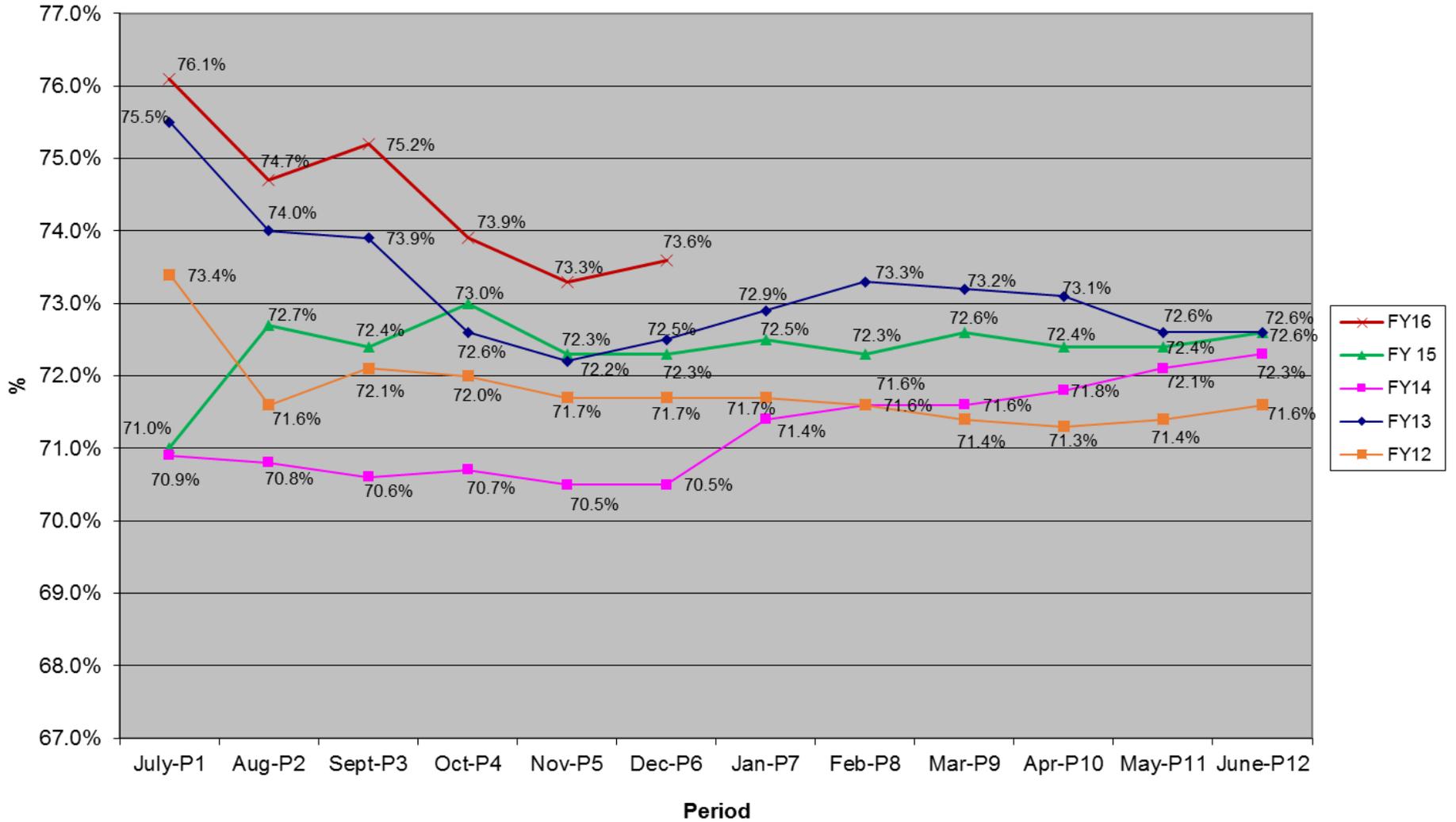
All Game Monthly Sales Unadjusted Non Fiscal Year January 2013 through December 2015



Monthly Net Profit January 2013 through December 2015



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



MSLC Gross Sales Results

DECEMBER FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through December 26, 2015

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$289.0	70.2%	\$280.7	71.0%	\$8.2	2.9%
Mega Millions	\$5.0	1.2%	\$6.6	1.7%	-\$1.7	-25.0%
Powerball	\$9.4	2.3%	\$5.1	1.3%	\$4.3	85.3%
KENO	\$71.5	17.4%	\$67.3	17.0%	\$4.2	6.2%
Mass Cash	\$6.0	1.5%	\$5.8	1.5%	\$0.2	3.5%
Lucky for Life	\$2.2	0.5%	\$1.9	0.5%	\$0.2	12.4%
Numbers Game	\$26.0	6.3%	\$25.6	6.5%	\$0.4	1.5%
Megabucks Doubler	\$2.3	0.6%	\$1.9	0.5%	\$0.4	19.2%
Jackpot Poker	\$0.2	0.0%	\$0.2	0.1%	\$0.0	-21.2%
Total	\$411.6	100.0%	\$395.3	100.0%	\$16.2	4.1%
Instant Tickets	\$289.0	70.2%	\$280.7	71.0%	\$8.2	2.9%
Draw Games + KENO	\$122.6	29.8%	\$114.6	29.0%	\$8.0	7.0%
Total	\$411.6	100.0%	\$395.3	100.0%	\$16.2	4.1%
Unadjusted	Month	11/29/15-12/26/15	Month	11/30/14-12/27/14		
		4 weeks		4 weeks		
		28 days		28 days		

MSLC Gross Sales Results

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

(\$ millions)

Through December 26, 2015

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$1,779.1	70.6%	\$1,725.5	70.7%	\$53.6	3.1%
Mega Millions	\$30.2	1.2%	\$40.4	1.7%	-\$10.2	-25.3%
Powerball	\$44.7	1.8%	\$39.8	1.6%	\$4.9	12.3%
KENO	\$439.5	17.4%	\$413.9	17.0%	\$25.6	6.2%
Mass Cash	\$38.5	1.5%	\$37.3	1.5%	\$1.2	3.3%
Lucky for Life	\$13.5	0.5%	\$13.2	0.5%	\$0.3	2.4%
Numbers Game	\$162.5	6.4%	\$160.3	6.6%	\$2.2	1.4%
Megabucks Doubler	\$11.3	0.4%	\$9.3	0.4%	\$2.0	21.4%
Jackpot Poker	\$1.2	0.0%	\$1.5	0.1%	-\$0.3	-21.1%
Total	\$2,520.5	100.0%	\$2,441.2	100.0%	\$79.3	3.2%
Instant Tickets	\$1,779.1	70.6%	\$1,725.5	70.7%	\$53.6	3.1%
Draw Games + KENO	\$741.4	29.4%	\$715.7	29.3%	\$25.7	3.6%
Total	\$2,520.5	100.0%	\$2,441.2	100.0%	\$79.3	3.2%
Unadjusted	Year	6/28/15-12/26/15	Year	6/29/14-12/27/14		
		26 weeks		26 weeks		
		182 days		182 days		

Holiday Instant Tickets – Sales Update

\$10,000 Holiday Bonus

Price Point: \$1

10 Week Sales: \$5,506,590

13 Week Sales: \$6,861,456

57% sold



Frosty Cashword

Price Point: \$2

10 Week Sales: \$14,993,026

13 Week Sales: \$17,822,883

88% sold



\$1,000,000 Holiday Bonus

Price Point: \$5

10 Week Sales: \$48,676,155

13 Week Sales: \$57,691,706

76% sold



\$2,500,000 Holiday Bonus

Price Point: \$10

10 Week Sales: \$63,353,210

13 Week Sales: \$76,541,721

63% sold



\$100,000 Holiday Bonus

Price Point: \$2

10 Week Sales: \$19,127,080

13 Week Sales: \$23,187,274

77% sold



10 Week Holiday Season Sales Recap

October 25, 2015 – January 2, 2016

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%
9	\$78,281,471	\$77,317,494	-1.2%
10	\$80,592,163	\$82,727,056	2.6%
TOTAL	\$685,691,014	\$709,704,534	3.5%

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%
9	\$108,491,549	\$109,490,356	0.9%
10	\$111,060,715	\$117,646,511	5.9%
TOTAL	\$972,306,151	\$1,011,672,453	4.0%



January Instant Tickets Sales Update

\$10,000 Taxes Paid*

Price Point: \$1
3 Week Sales: \$884,045



\$100,000 Taxes Paid*

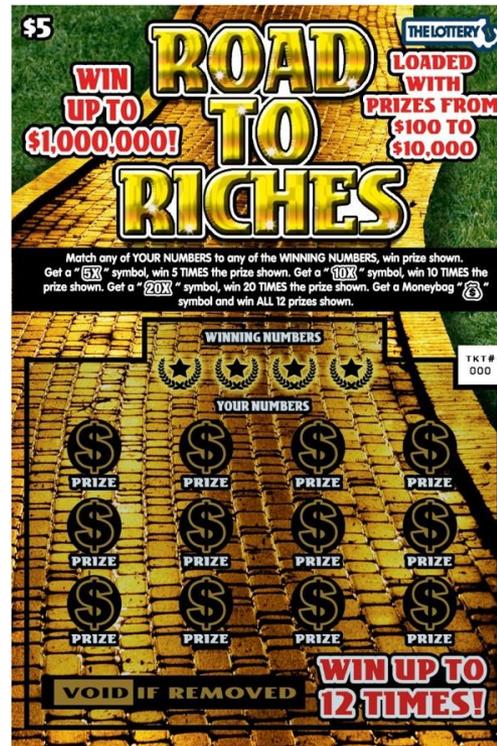
Price Point: \$2
3 Week Sales: \$3,595,656



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

Road to Riches

Price Point: \$5
3 Week Sales: \$6,065,395



Lucky Shamrocks

Price Point: \$5
3 Week Sales: \$5,935,880



\$2,000,000 50X Cashword Instant Ticket (February 2)

\$2,000,000
50X Cashword
Price Point: \$10
(2 scenes)

New game design includes:

- \$2,000,000 top prize
- Win with 2 words
- 5 different multipliers, including 50X



\$2,000,000 50X Cashword POS Advertising

\$2,000,000 50X Cashword

WIN UP TO \$2,000,000!

NEW CASHWORD EXCITEMENT!

HIGHER PRIZES! WIN UP TO \$2,000,000!

MORE EXCITING GAME DESIGN (5 DIFFERENT MULTIPLIERS)

START WINNING AT ONLY 2 WORDS!

WIN UP TO 50X YOUR PRIZE!

MORE WINNERS! OVER 7,700,000 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.

THE LOTTERY

Wobler

NEW CASHWORD EXCITEMENT!

\$2,000,000 50X Cashword

WIN UP TO \$2,000,000!

HIGHER PRIZES! WIN UP TO \$2,000,000!

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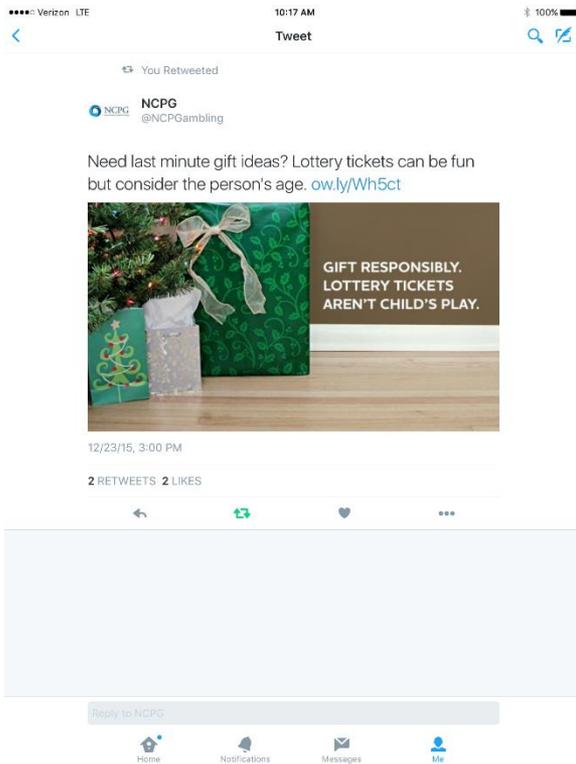
THE LOTTERY

11x17 Poster

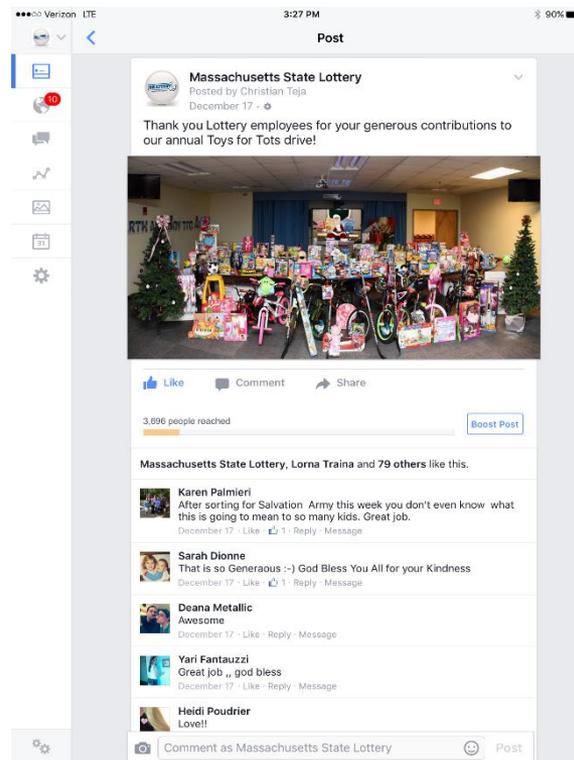


Social Media Messaging

Holiday-themed



Responsible play (Twitter)



Toys for Tots (Facebook)



Holiday greeting (Instagram)

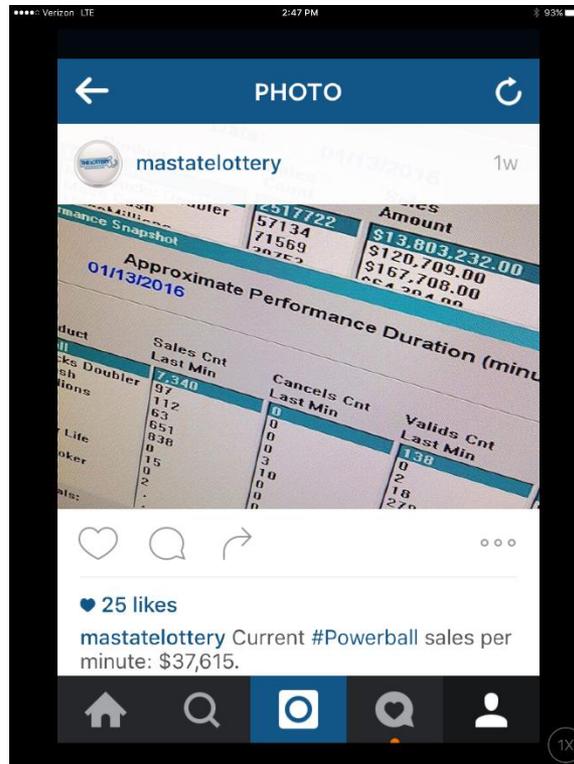
Social Media Messaging



Responsible play (Twitter)



Jackpot awareness (Facebook)



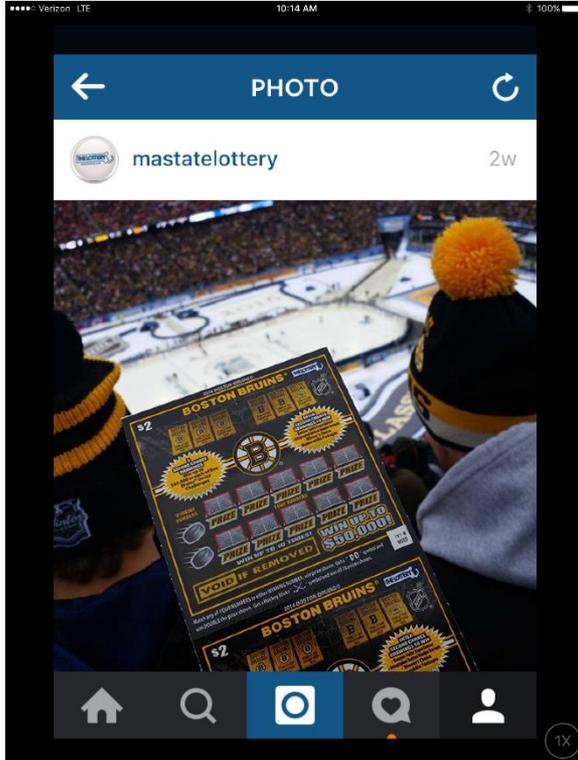
Sales tracker (Instagram)



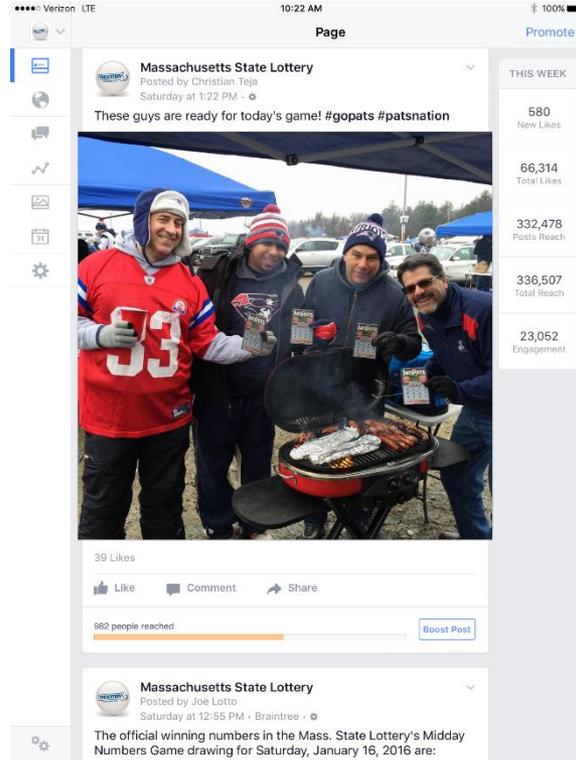
\$1 million winners (Twitter)

Social Media Messaging

Sports-themed 



NHL Winter Classic (Instagram)



Patriots vs. Chiefs (Facebook)



3-win day (Twitter)

"12 Days of Bonuses" 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 of older to play the Lottery. If you have a problem with gambling, help is available. Call 1-800-426-1234.

Verizon LTE 1:27 PM 97%
Tweet

Mass. State Lottery
@MAStateLottery

Feeling lucky today? Tweet with #12DaysOfBonuses & enter for a chance to win a \$100 bonus: masslottery.com/about/news.html

12/24/15, 9:00 AM

VIEW TWEET ACTIVITY

18 RETWEETS 23 LIKES

Christina DiGregorio @XTINAdigregorio @MAStateLottery #12DaysOfBonuses #MerryChristmasEve!! 12/24/15

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Page Promote

Massachusetts State Lottery
Posted by Christian Taja
December 21 · 🌐

Congratulations to our #12DaysOfBonuses Sweepstakes winners for Friday, December 18, 2015! They each won a \$100 prize!
Facebook: Doug May, Norton
Instagram: Ashley Isaac, Methuen
Twitter: Michelle Petrosevich, Rockland

88 Likes 13 Comments

Like Comment Share

2,132 people reached [Boost Post](#)

THIS WEEK

- 580 New Likes
- 66,314 Total Likes
- 332,478 Posts Reach
- 336,507 Reach
- 23,052 Engagement

Verizon LTE 3:45 PM 88%
PHOTO

mastatelottery 4w

WINNERS

4w

Home Search Post Like Profile

Home Search Post Like Profile

The Big E

- Eastern States Exposition in West Springfield
- Over the course of 3 weeks, over 1.5 million visitors from Massachusetts and other New England states
- Conducted review of existing operations and procedures of MSLC activities during annual Big E event



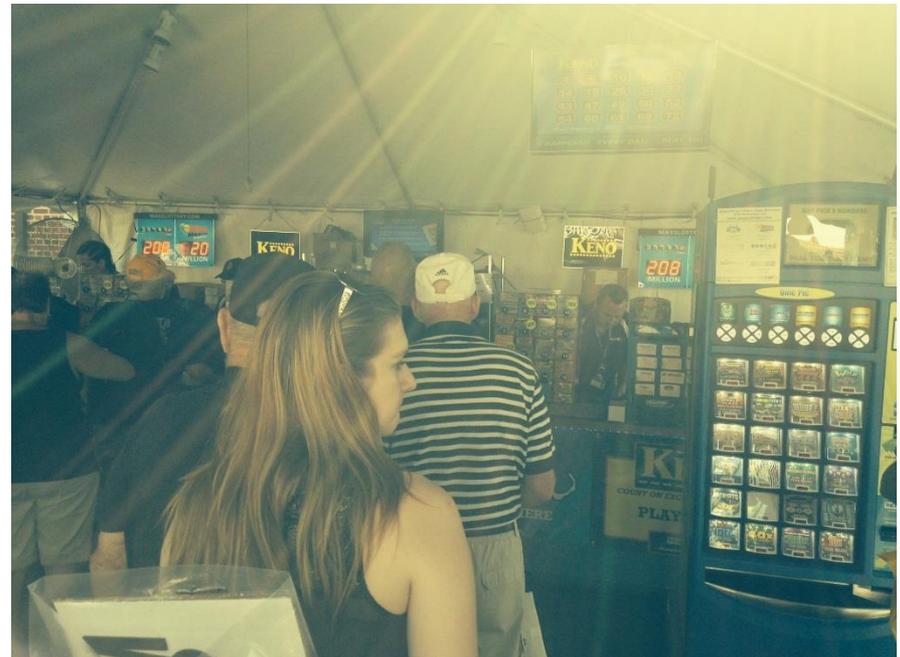
The Big E

- Review of security by Massachusetts State Police
- Implemented enhanced security and controls around cash operations throughout the day/night, including transport and deposit of proceeds
- Heavy gauge lock added to MSLC equipment storage area
- Protocol established for access to key, limiting access to key
- Improved coordination of contact information between MSLC team and Big E contacts
- Enhanced security measures within the count room area



The Big E

- Review by Assistant Executive Directors Michael Lorden (Sales) and Dee Richardson (Finance)
- Review of marketing efforts
- Review of product selection placement
- Review of accounting and reconciliation
- Total sales: over \$440,000
- Net profit: \$132,355



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.

