

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

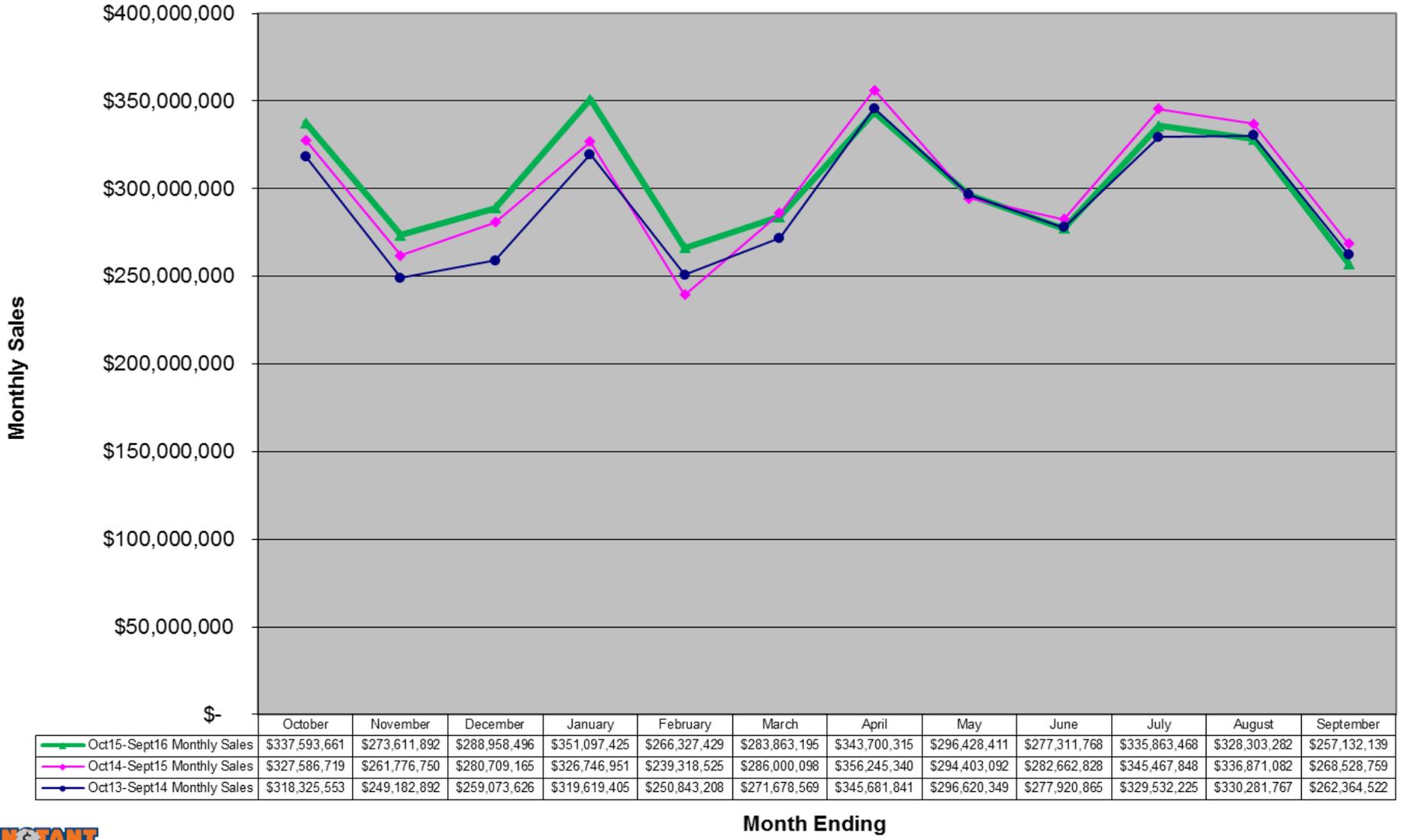
October 25, 2016



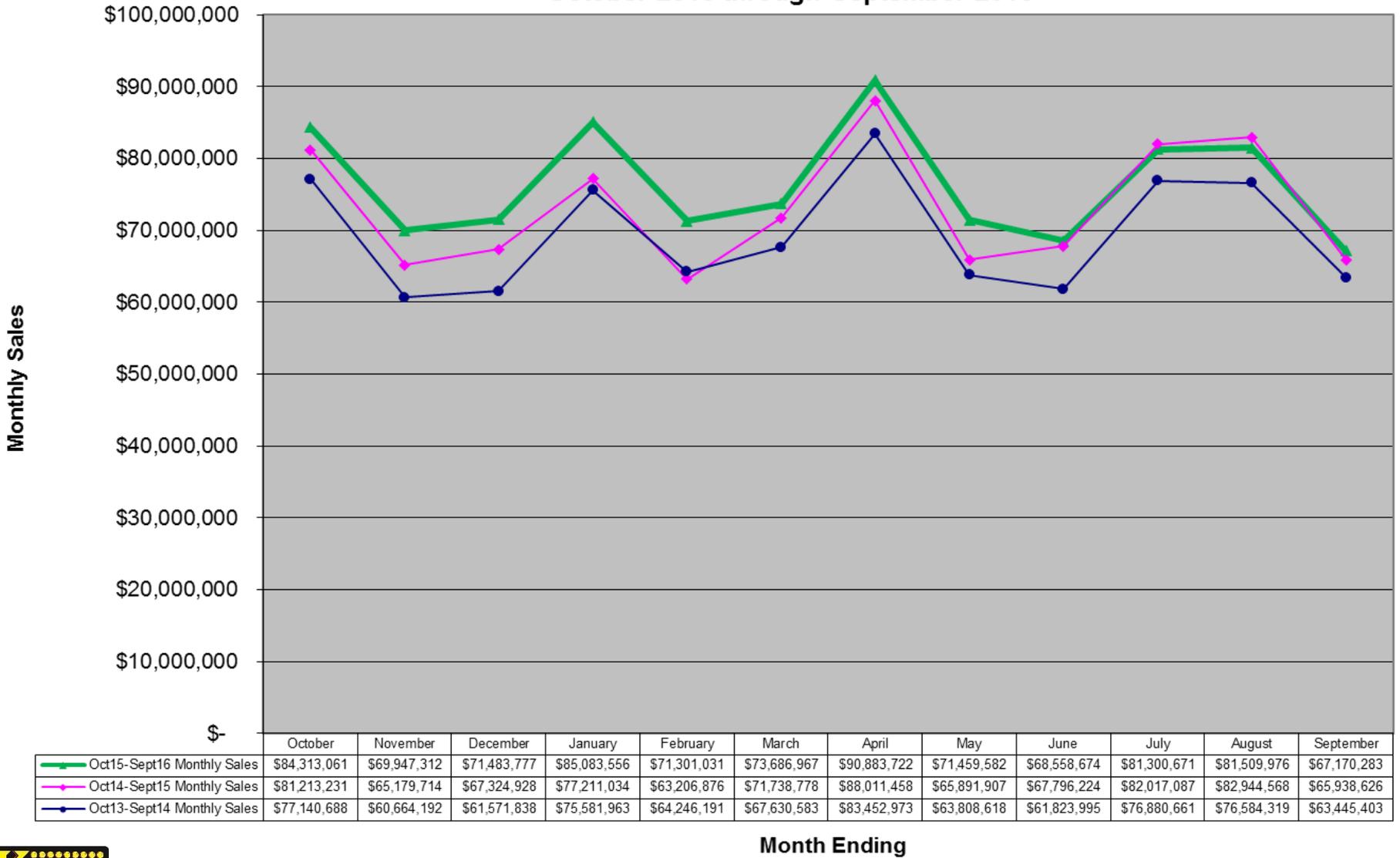
Lottery Sales Update - September

- Overall sales for September of 2016 were down \$15.0 million from September 2015.
- Net profit for September 2016 was \$69.7 million compared to \$73.4 million in September 2015, a decrease of \$3.7 million.
- Our prize payout for September 2016 was 73.75 percent, as compared to 73.30 percent in September 2015. Due in part to the absence of last fiscal year's accrual related to the \$20 million end of game Mega Cash prize, our year-to-date prize payout for the first three months of FY17 is 72.26 percent, as compared to 75.23 percent for the first three months of FY16.
- Due to the lower prize payout and a shift in the calendar that resulted in 5 additional days being included in the net profit figure for the first three months of FY17, our year-to-date net profit for the first three months of FY17 is \$264.8 million compared to \$214.3 million for the first three months of FY16. After subtracting a 5-day average net profit figure of \$14.2 million, the adjusted year-over-year change for the first three months of FY17 vs. the first three months of FY16 is a \$36.3 million increase in net profit.
- KENO and Mass Cash experienced sales increases in September of 2016 over September of last year. KENO sales were up over \$1.2 million and Mass Cash sales were up \$127,407.
- Sales of the new All or Nothing monitor game, which launched July 18, totaled over \$1.8 million for the month of September.
- Instant Ticket sales were down \$11.4 million in September of 2016 compared to September of 2015. Compared to September of 2015, Powerball sales for September of 2016 were down \$6.1 million (jackpot last September reached \$310.5 million), Mega Millions sales were down \$224,345, Lucky for Life sales were down \$177,414, Megabucks Doubler sales were down \$80,097 and Numbers Game sales were down \$19,691.

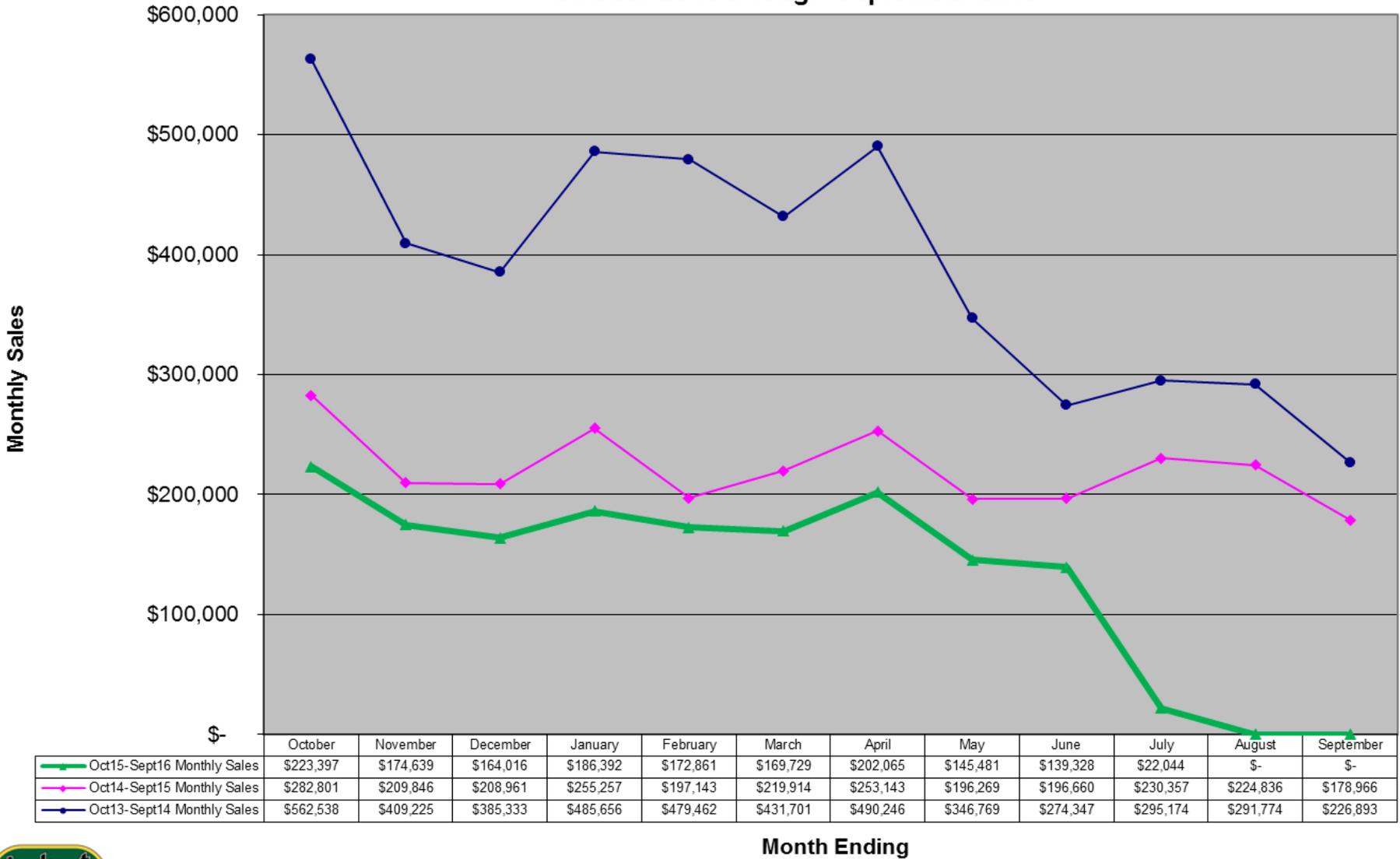
Instant Ticket Games Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



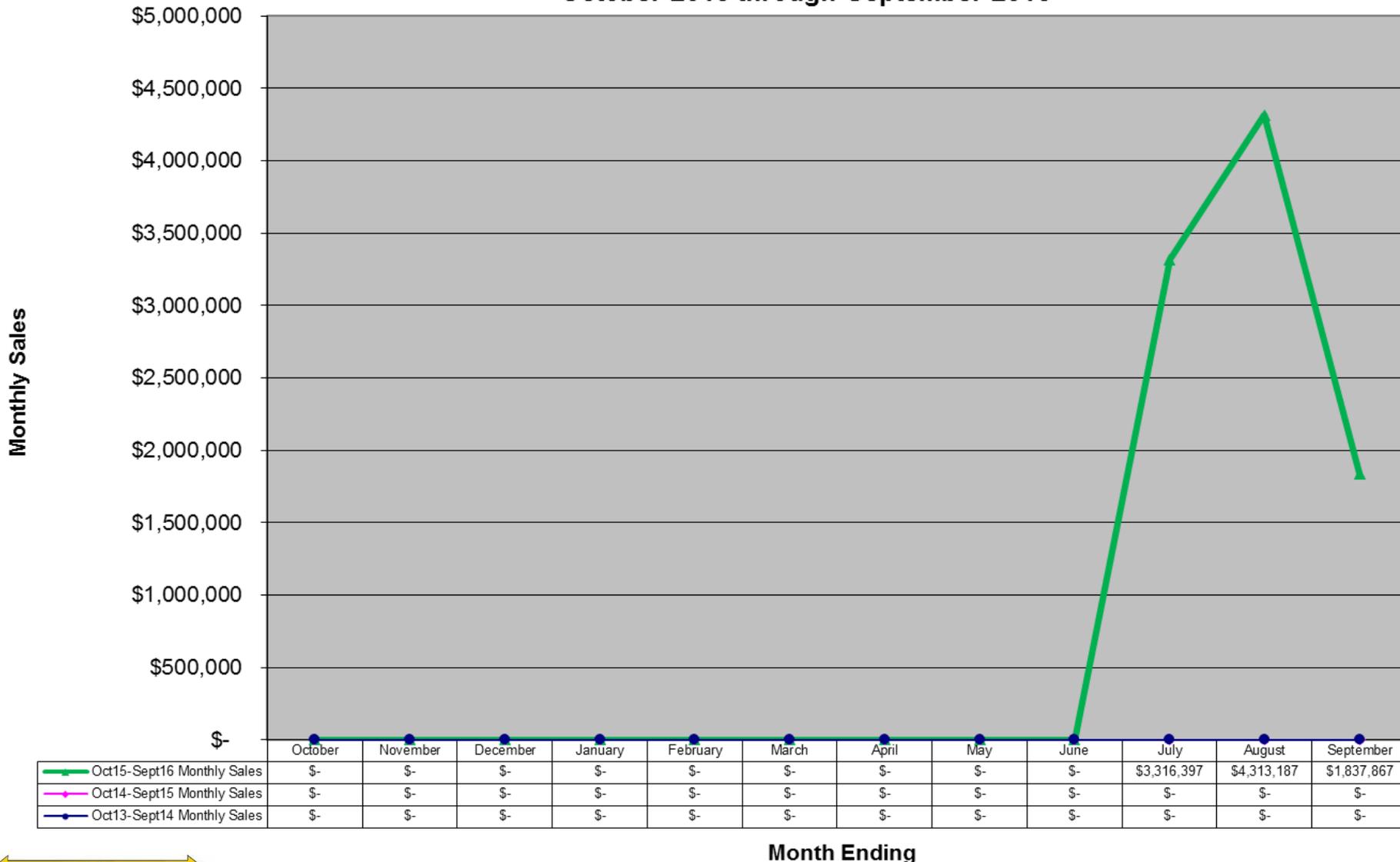
KENO Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



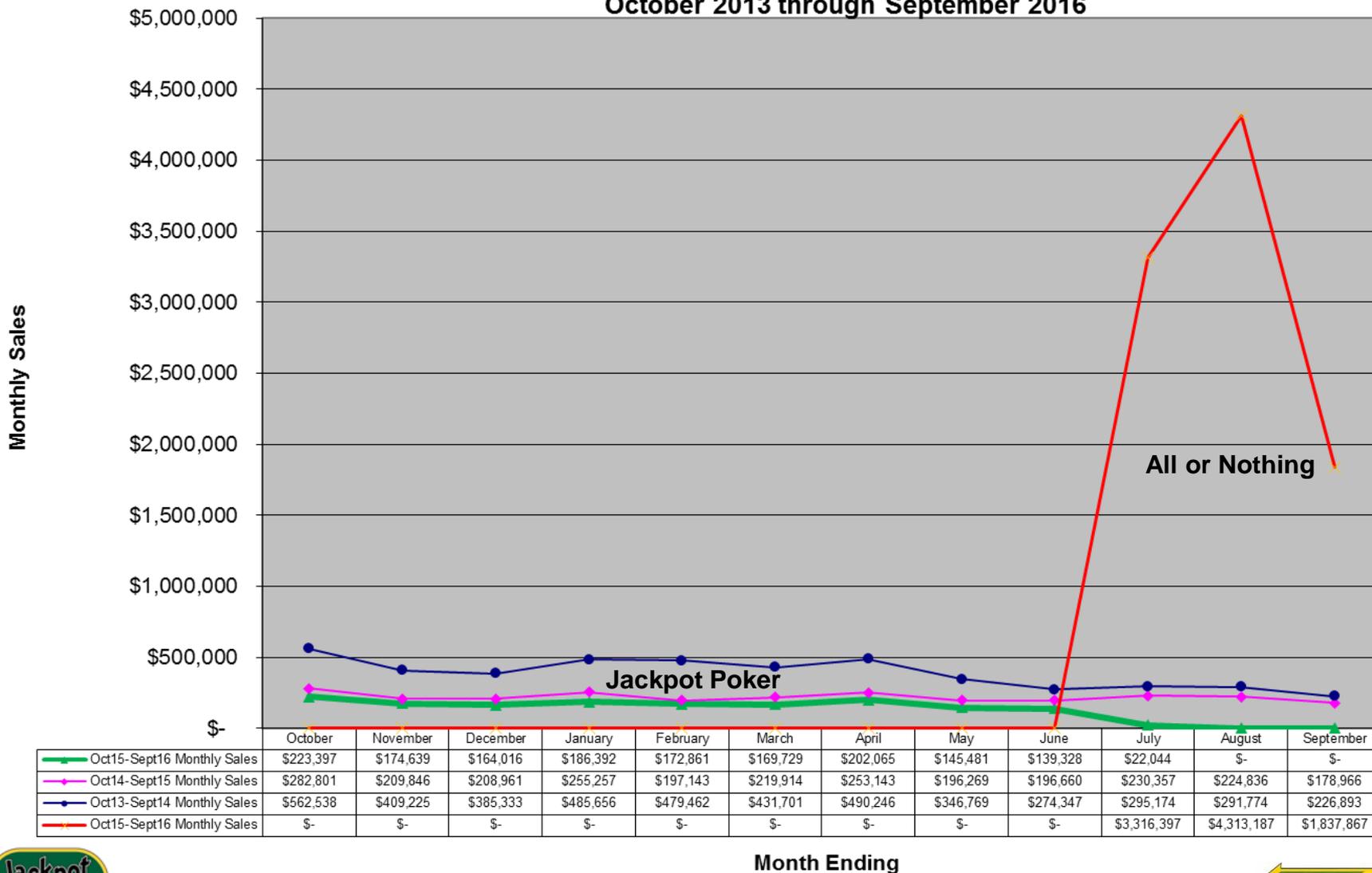
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



All or Nothing Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



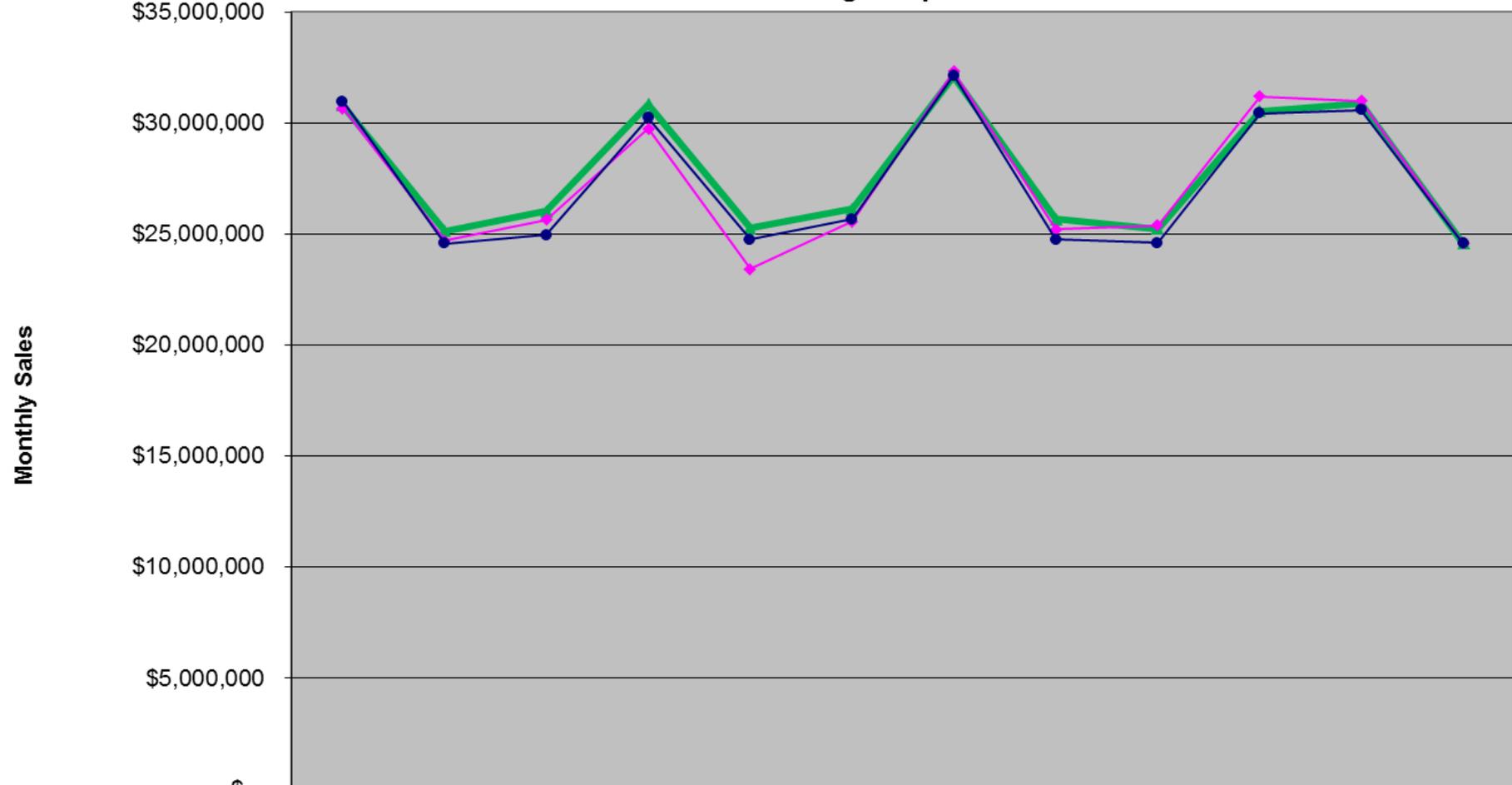
Jackpot Poker and All or Nothing Games Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



Month Ending



Numbers Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016

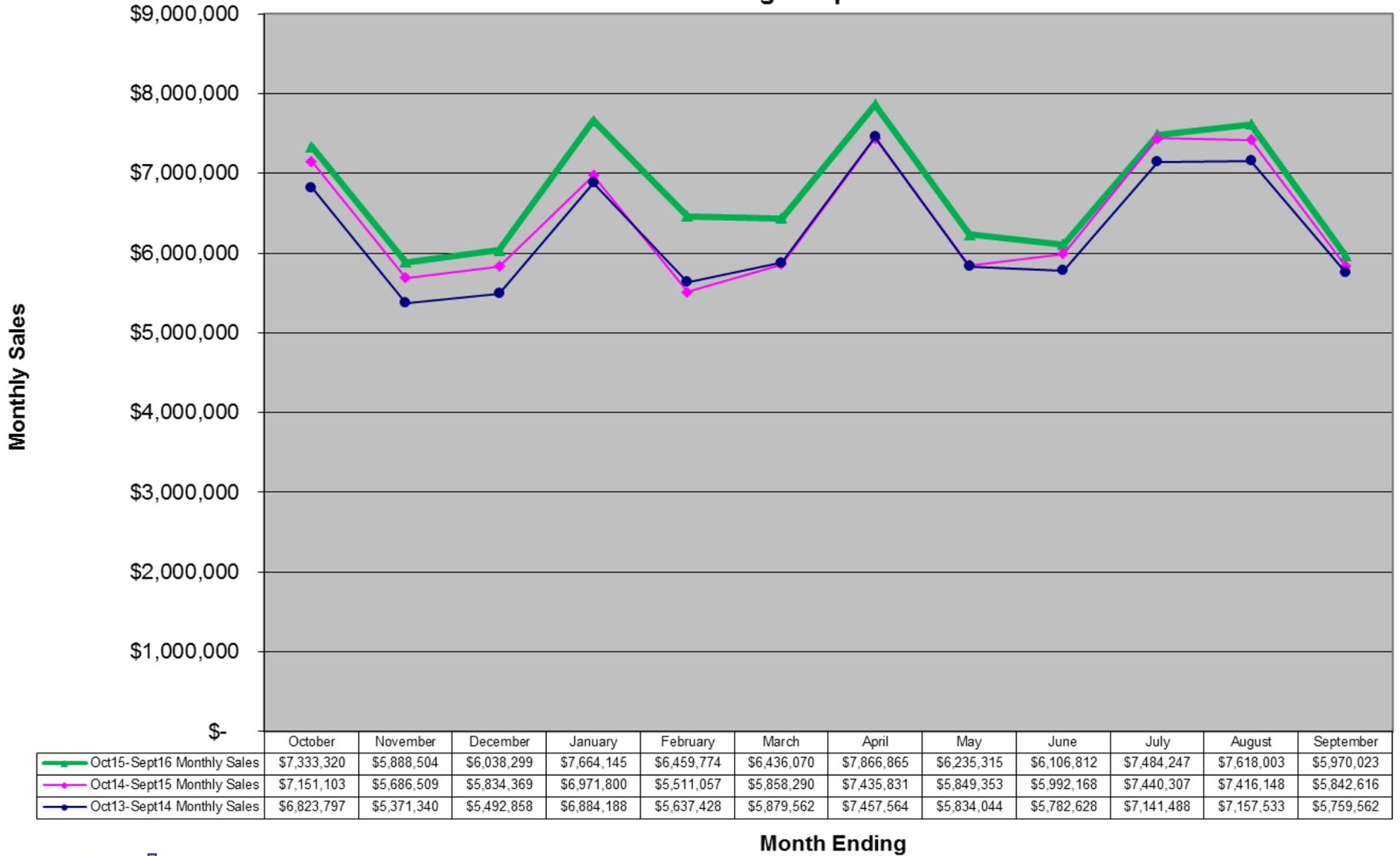


	October	November	December	January	February	March	April	May	June	July	August	September
Oct15-Sept16 Monthly Sales	\$30,778,200	\$25,138,804	\$26,021,139	\$30,847,889	\$25,254,812	\$26,119,186	\$32,101,331	\$25,655,432	\$25,230,364	\$30,527,848	\$30,882,626	\$24,561,460
Oct14-Sept15 Monthly Sales	\$30,662,869	\$24,693,914	\$25,641,315	\$29,750,716	\$23,414,906	\$25,567,801	\$32,319,886	\$25,196,035	\$25,386,634	\$31,201,461	\$30,998,815	\$24,581,151
Oct13-Sept14 Monthly Sales	\$30,957,041	\$24,561,460	\$24,956,648	\$30,214,647	\$24,751,303	\$25,670,025	\$32,134,386	\$24,747,784	\$24,601,667	\$30,420,196	\$30,582,827	\$24,570,375

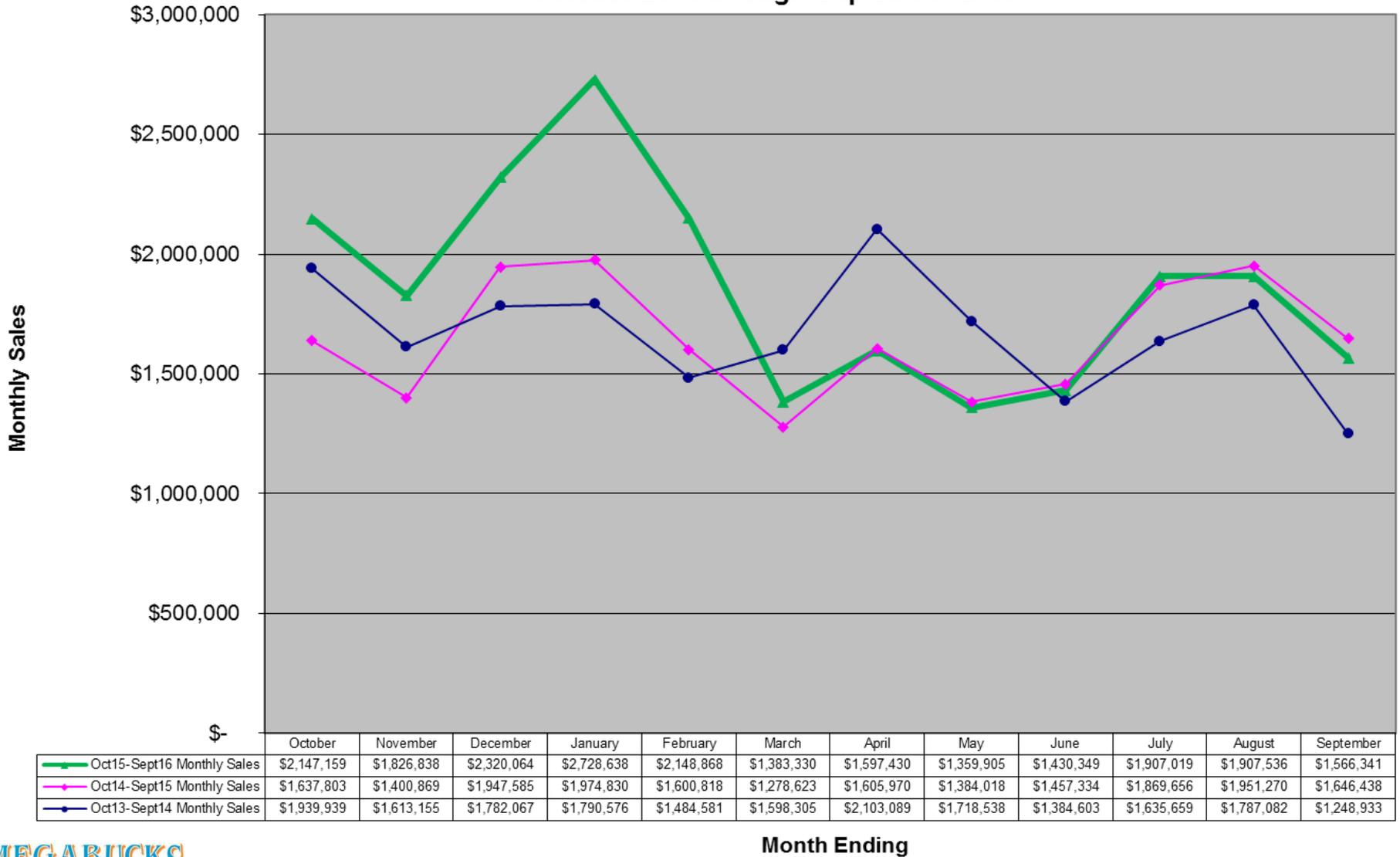
Month Ending



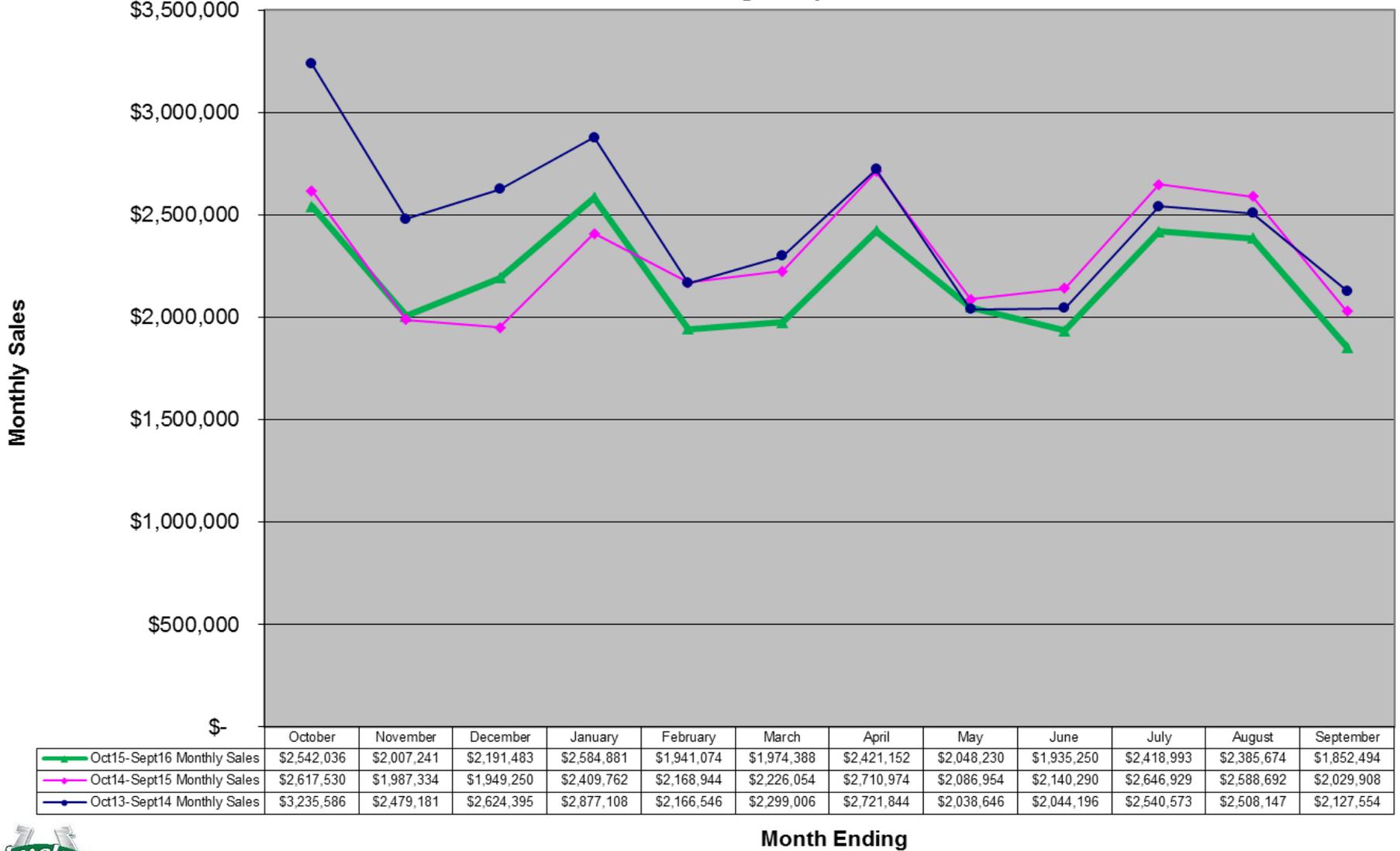
Mass Cash Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



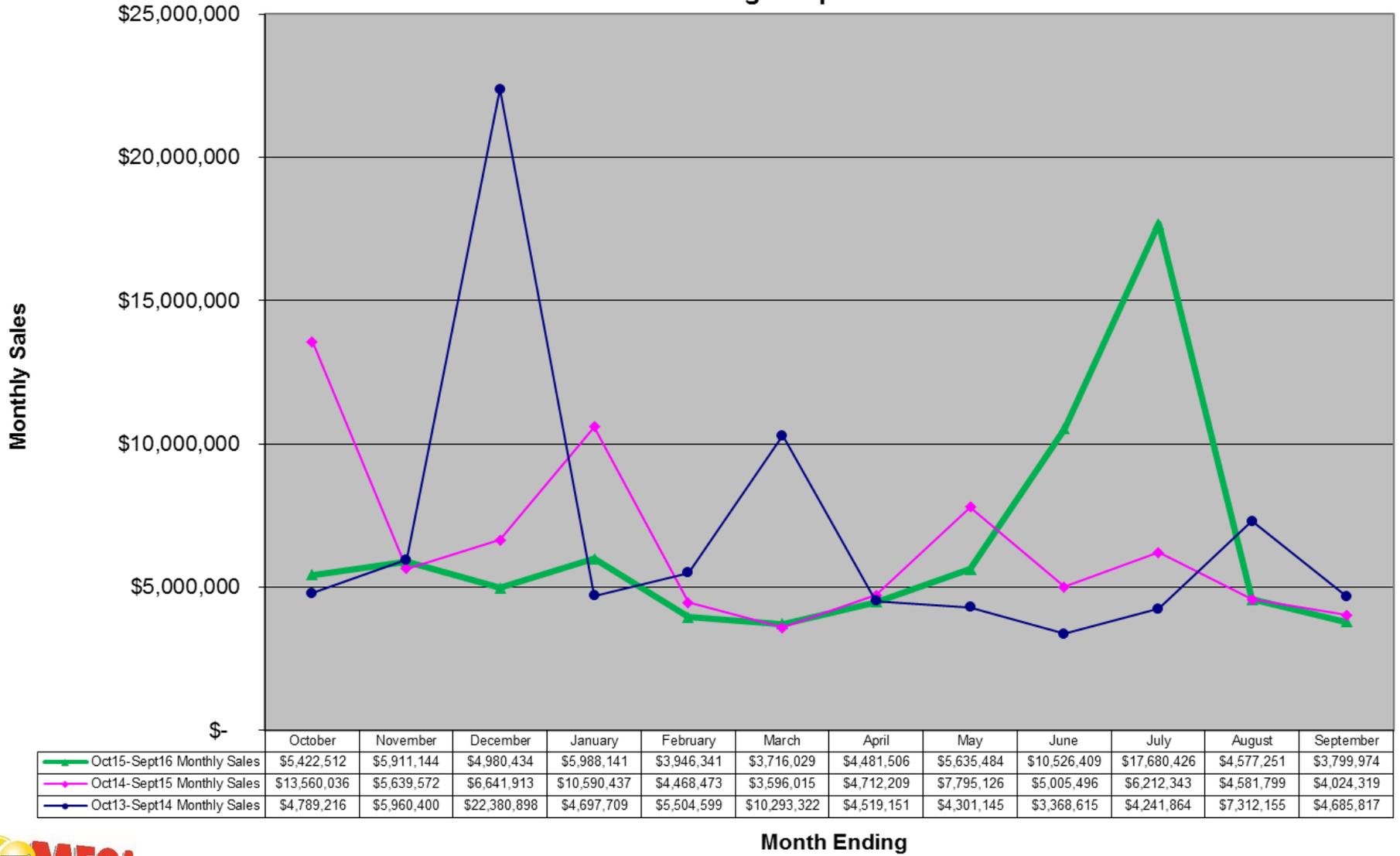
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



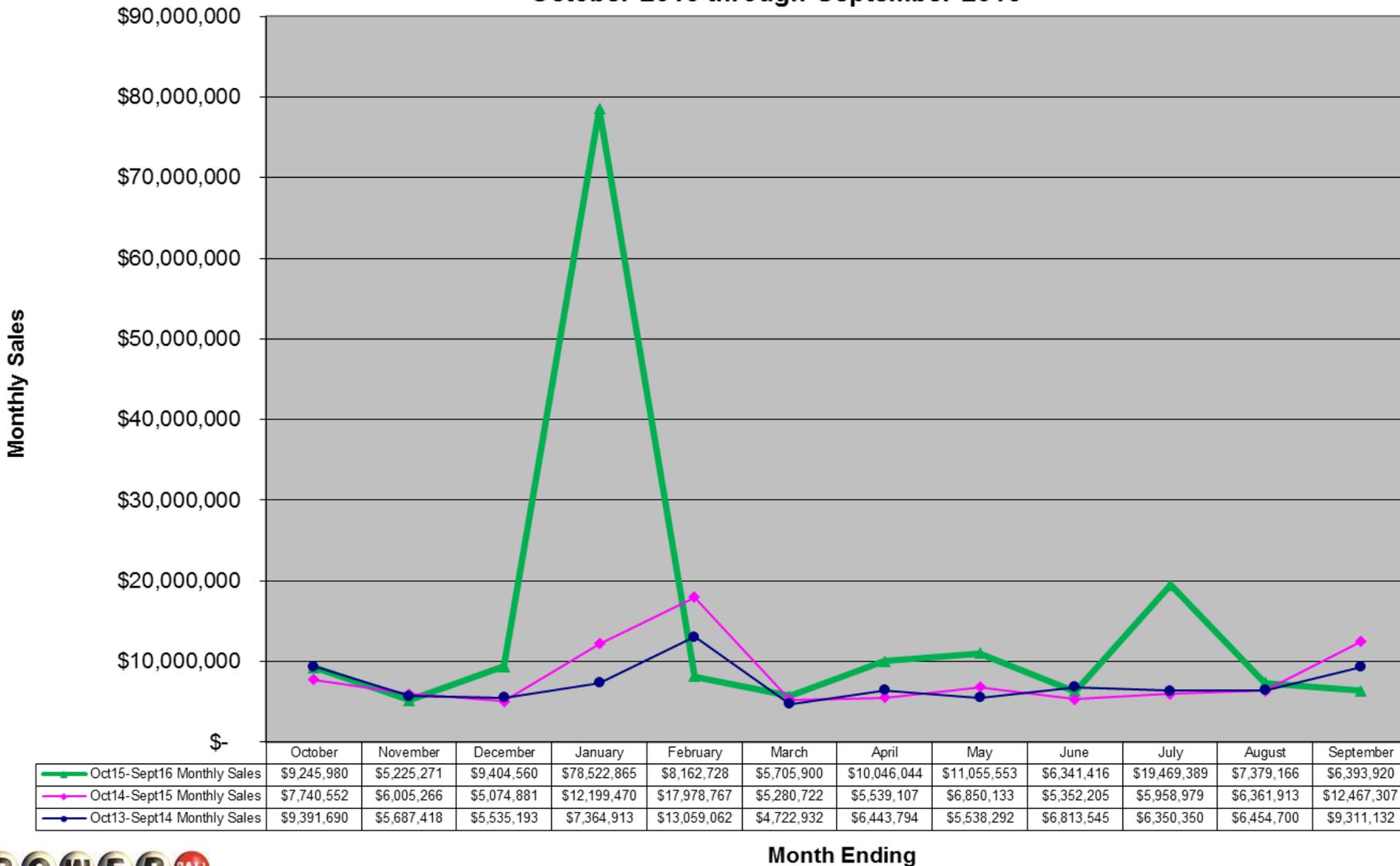
Lucky for Life Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016

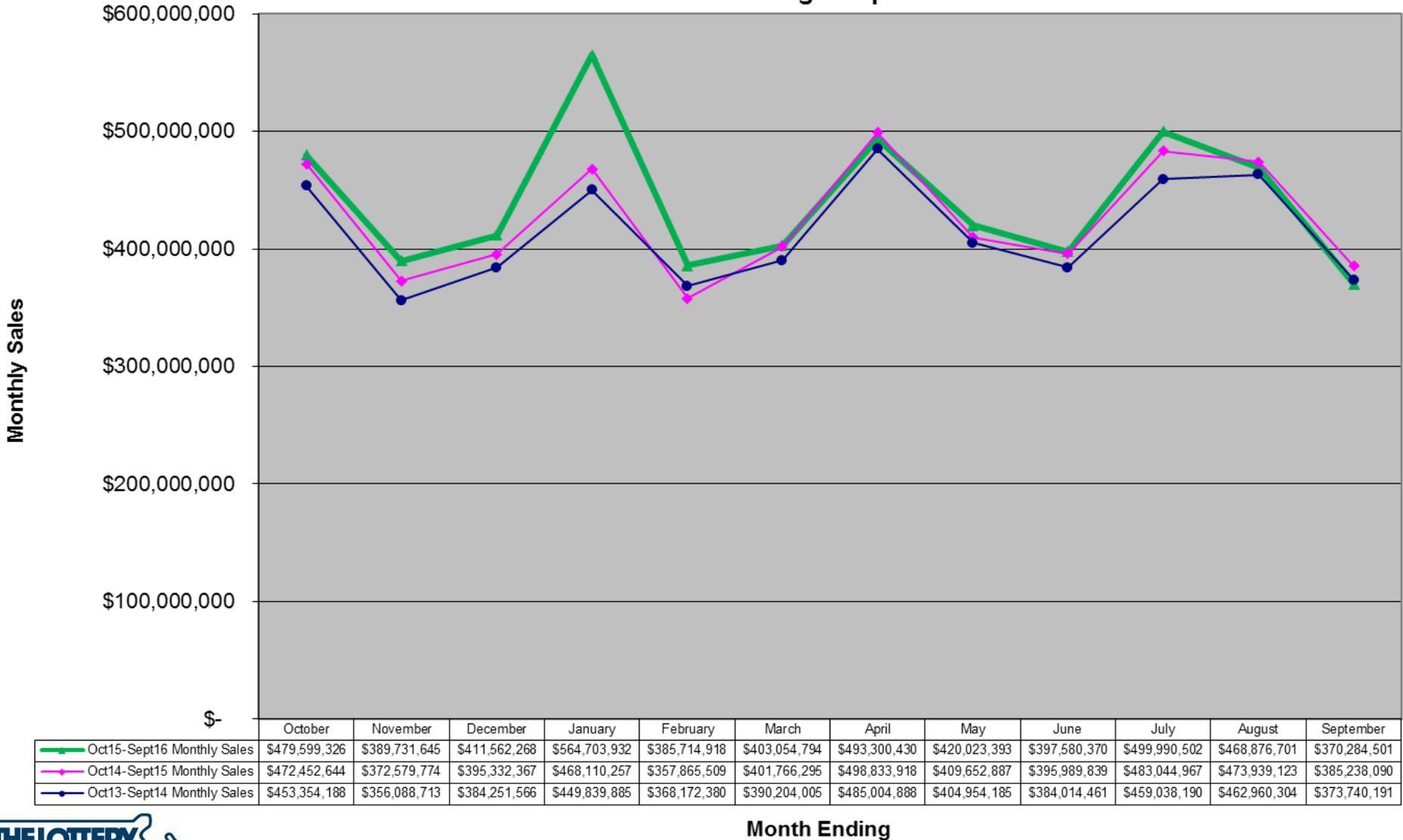


Powerball Game Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016

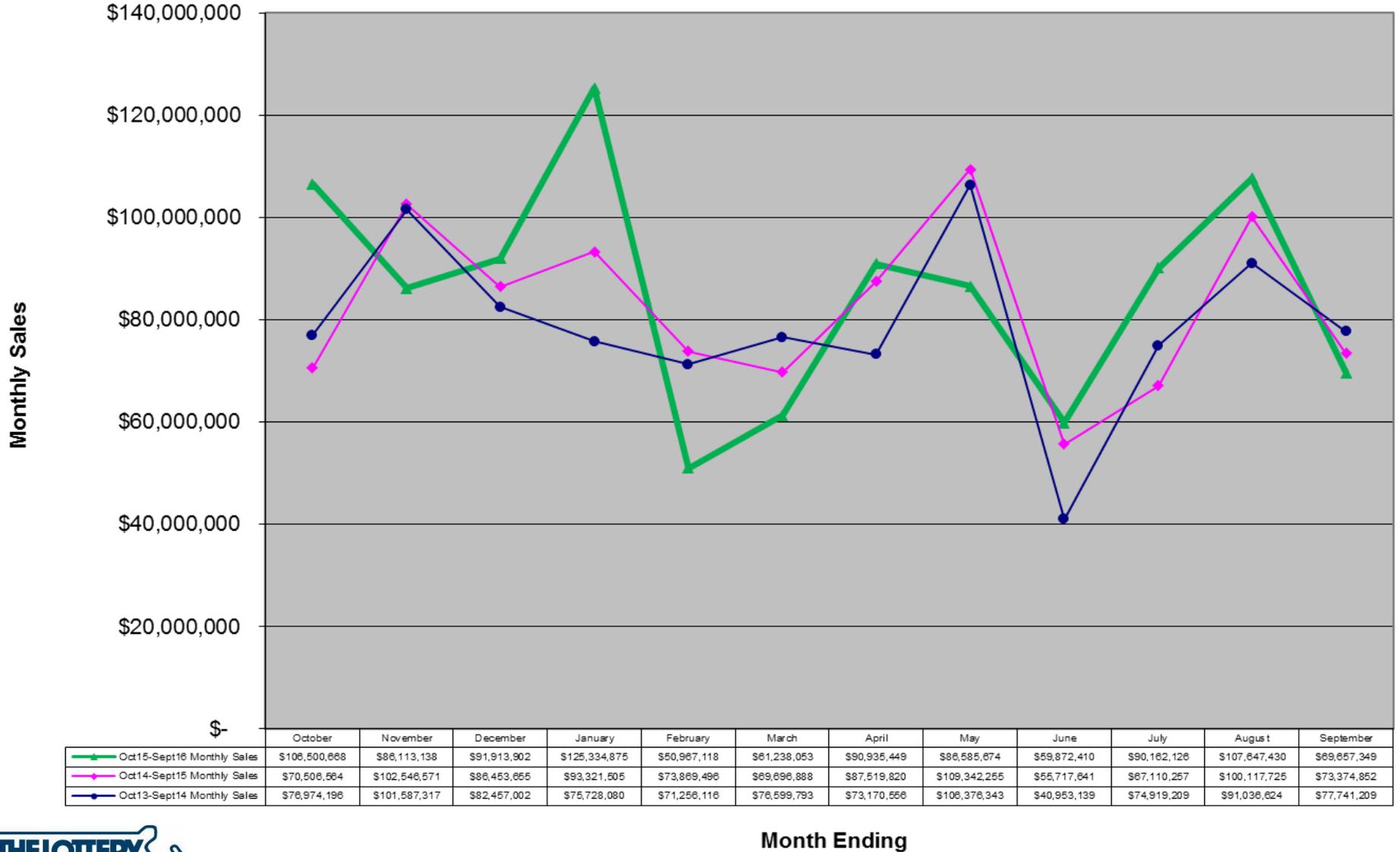


Month Ending

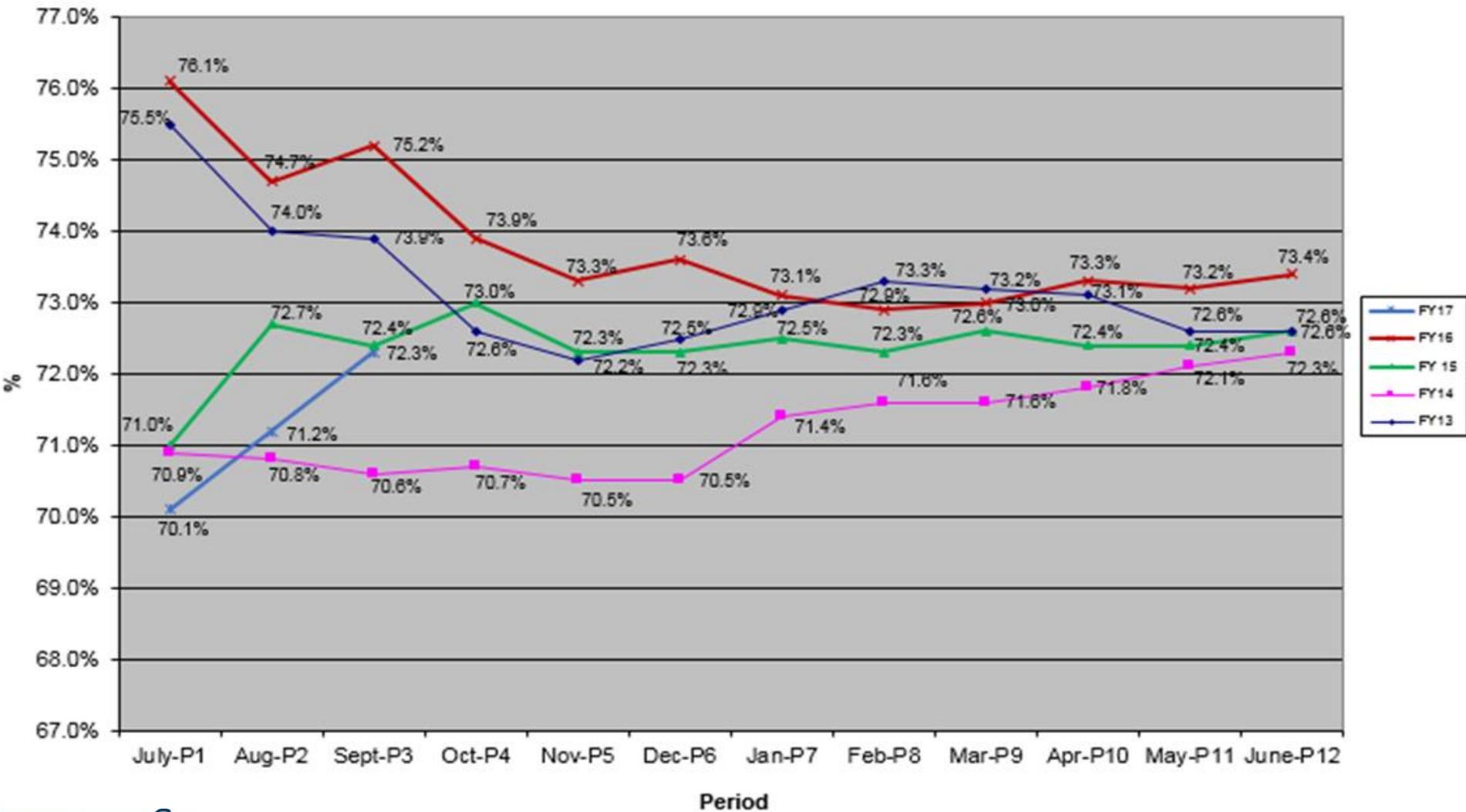
All Games Monthly Sales Unadjusted Non Fiscal Year October 2013 through September 2016



Monthly Net Profit October 2013 through September 2016



5 Year Comparison Prize Payout as a % of Sales Through September 2016



MSLC Gross Sales Results

SEPTEMBER FY17 vs. FY16 Unadjusted Non Fiscal Year

(\$ millions)

Through October 1, 2016

	FY17	% of Total	FY16	% of Total	\$ Change	% Change
Instant Tickets	\$257.1	69.4%	\$268.5	69.7%	-\$11.4	-4.2%
Mega Millions	\$3.8	1.0%	\$4.0	1.0%	-\$0.2	-5.6%
Powerball	\$6.4	1.7%	\$12.5	3.2%	-\$6.1	-48.7%
KENO	\$67.2	18.1%	\$65.9	17.1%	\$1.2	1.9%
Mass Cash	\$6.0	1.6%	\$5.8	1.5%	\$0.1	2.2%
All or Nothing	\$1.8	0.5%	\$0.0	0.0%	\$1.8	100.0%
Lucky for Life	\$1.9	0.5%	\$2.0	0.5%	-\$0.2	-8.7%
Numbers Game	\$24.6	6.6%	\$24.6	6.4%	\$0.0	-0.1%
Megabucks Doubler	\$1.6	0.4%	\$1.6	0.4%	-\$0.1	-4.9%
Jackpot Poker	\$0.0	0.0%	\$0.2	0.0%	-\$0.2	-100.0%
Total	\$370.3	100.0%	\$385.2	100.0%	-\$15.0	-3.9%
Instant Tickets	\$257.1	69.4%	\$268.5	69.7%	-\$11.4	-4.2%
Draw Games + KENO	\$113.1	30.6%	\$116.7	30.3%	-\$3.6	-3.0%
Total	\$370.3	100.0%	\$385.2	100.0%	-\$15.0	-3.9%
Unadjusted	Month	9/4/16-10/1/16	Month	9/6/15-10/3/15		
		4 weeks		4 weeks		
		28 days		28 days		



MSLC Gross Sales Results

YEAR-TO-DATE FY17 vs. FY16 Unadjusted Non Fiscal Year

(\$ millions)

Through October 1, 2016

	FY17	% of Total	FY16	% of Total	\$ Change	% Change
Instant Tickets	\$921.3	68.8%	\$950.9	70.8%	-\$29.6	-3.1%
Mega Millions	\$26.1	1.9%	\$14.8	1.1%	\$11.2	75.8%
Powerball	\$33.2	2.5%	\$24.8	1.8%	\$8.5	34.1%
KENO	\$230.0	17.2%	\$230.9	17.2%	-\$0.9	-0.4%
Mass Cash	\$21.1	1.6%	\$20.7	1.5%	\$0.4	1.8%
All or Nothing	\$9.5	0.7%	\$0.0	0.0%	\$9.5	100.0%
Lucky for Life	\$6.7	0.5%	\$7.3	0.5%	-\$0.6	-8.4%
Numbers Game	\$86.0	6.4%	\$86.8	6.5%	-\$0.8	-0.9%
Megabucks Doubler	\$5.4	0.4%	\$5.5	0.4%	-\$0.1	-1.6%
Jackpot Poker	\$0.0	0.0%	\$0.6	0.0%	-\$0.6	-96.5%
Total	\$1,339.1	100.0%	\$1,342.2	100.0%	-\$3.1	-0.2%
Instant Tickets	\$921.3	68.8%	\$950.9	70.8%	-\$29.6	-3.1%
Draw Games + KENO	\$417.8	31.2%	\$391.4	29.2%	\$26.5	6.8%
Total	\$1,339.1	100.0%	\$1,342.2	100.0%	-\$3.1	-0.2%
Unadjusted	Year	6/26/16-10/1/16	Year	6/28/15-10/3/15		
		14 weeks		14 weeks		
		98 days		98 days		



Advertising Campaign Comparison

FY16 Campaigns	FY17 Removal Due to Budget Cuts	FY17 Confirmed Campaigns
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GENERAL	GENERAL	GENERAL
Annual Paid Search	Annual Paid Search	
Annual Winner Announcement Social Media		Annual Winner Announcement Social Media
Bruins/Celtics Annual Sponsorships		Bruins/Celtics Annual Sponsorships
Boston Marathon Lottery TV/OOH	Boston Marathon Lottery TV/OOH	
Brand Campaign based on \$90,000 segmentation research investment	Brand Campaign based on \$90,000 segmentation research investment	
Community Event Sponsorships (Zip Trips)		Community Event Sponsorships (Zip Trips)

INSTANT TICKETS	INSTANT TICKETS	INSTANT TICKETS
June Instant Ticket Digital/OOH Production/Media	June Instant Ticket OOH/Radio Production/Media & Digital Production	June Instant Ticket Media Digital Only
Holiday POS/Radio/TV/OOH/Digital Production/Media		Holiday POS/Radio/TV/OOH/Digital Production/Media
August Instant Ticket Social Media		August Instant Ticket Social Media
September Instant Ticket Digital Production/Media	September Instant Ticket Digital Production	September Instant Ticket Digital Media
January Instant Ticket Radio/Digital Production/Media	January Instant Ticket Radio Production/copy & Digital Production	January Instant Ticket Media
General Instant Ticket Radio Media	General Instant Ticket Radio Media	
Cashword Radio Media	Cashword Radio Media	
Misc. Instant Ticket Social Media	Misc. Instant Ticket Social Media Graphics	Misc. Instant Ticket Social Media

CUT

KEPT **REDUCED**



Advertising Campaign Comparison

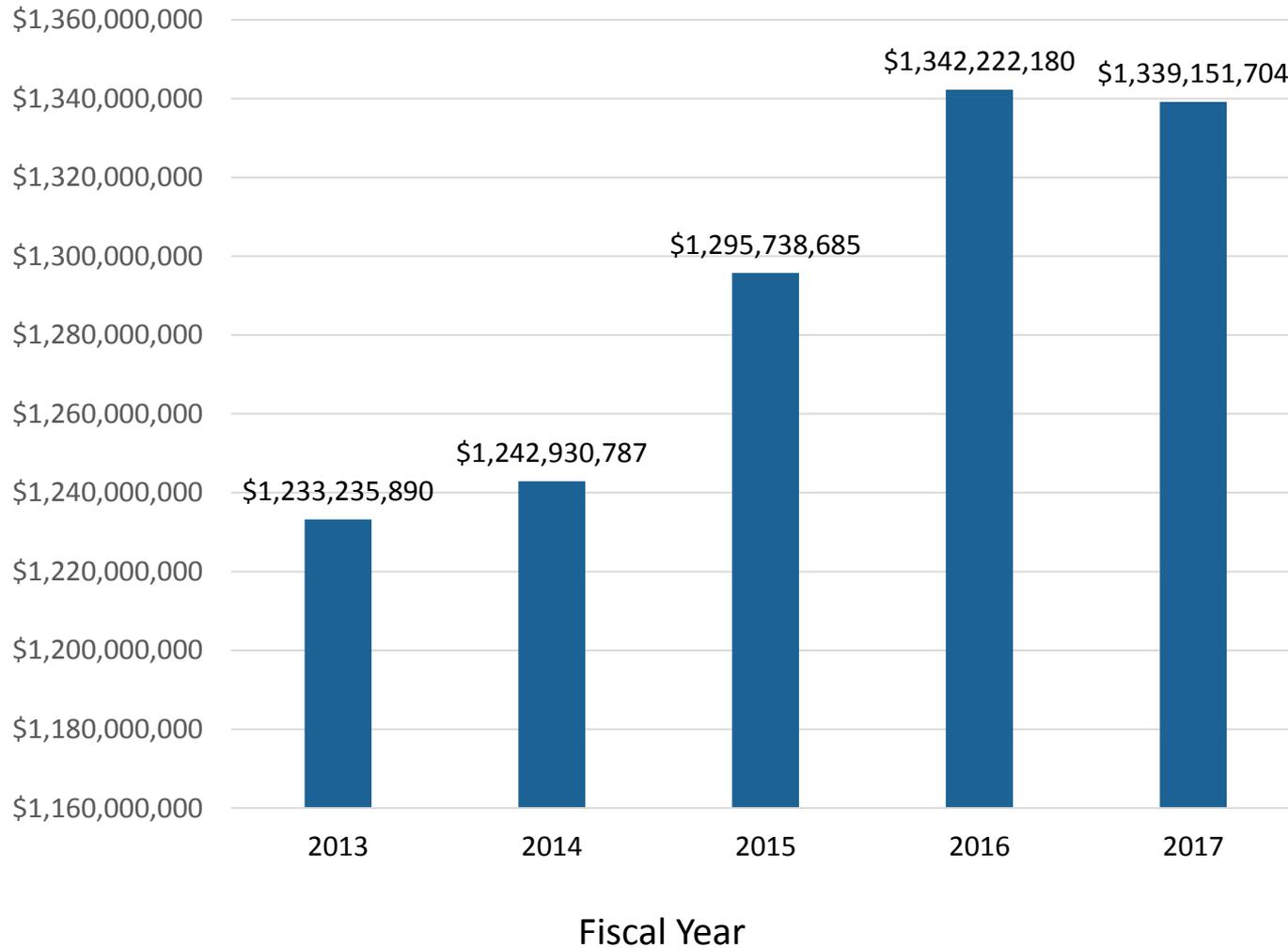
FY16 Campaigns	FY17 Removal Due to Budget Cuts	FY17 Confirmed Campaigns
DRAW GAMES	DRAW GAMES	DRAW GAMES
Summer Season Ticket TV/Digital Production/Media	Summer Season Ticket TV/Digital Production/Media	
Jackpot Awareness TV/Radio/Digital/Social Production/Media	Jackpot Awareness TV/Radio Production/Media, Digital & Social Production	Jackpot Awareness Media Digital & Social Only
Winter Season Ticket TV/OOH/Digital Production/Media	Winter Season Ticket TV/OOH/Digital Production/Media	
Lucky for Life Radio Media	Lucky for Life Radio Media	
General Draw Game Radio/TV Media	General Draw Game Radio/TV Media	
April Instant Ticket OOH/Digital/Radio/ Social Production/Media	April Instant Ticket OOH/Radio/ Production/Media & Digital/Social Production	April Instant Ticket Media
Numbers Game Radio Media	Numbers Game Radio Media	
Misc. Draw Game Social Media	Misc. Draw Game Social Media Graphics	Misc. Draw Game Social Media
MONITOR GAMES	MONITOR GAMES	MONITOR GAMES
Misc. KENO/All or Nothing Social Media	Misc. KENO/AON Social Media Graphics	Misc. KENO/AON Social Media
All or Nothing TV/POS/Radio/Social Production		All or Nothing TV/POS/Radio/Social Media (one flight only)

CUT

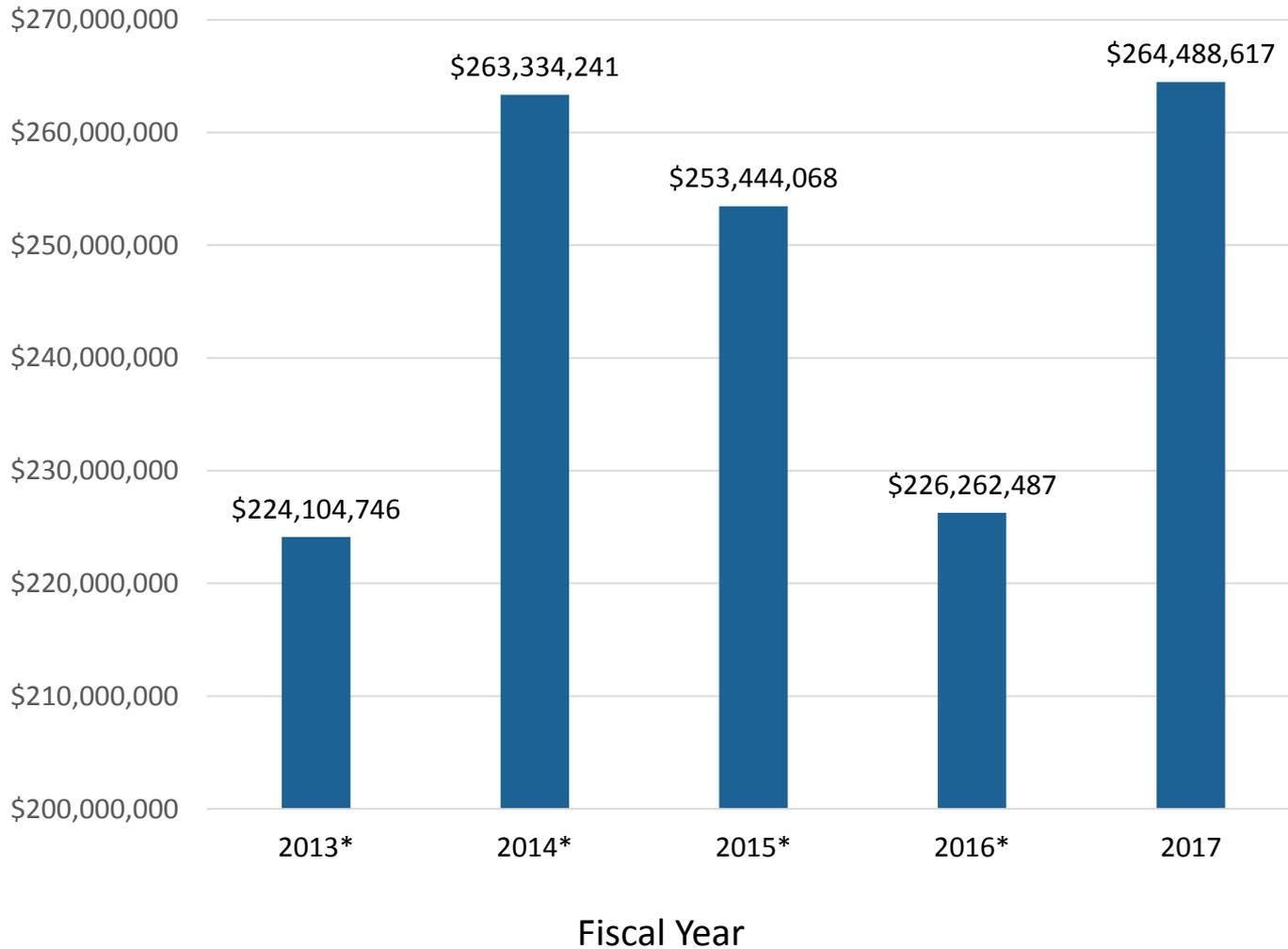
KEPT **REDUCED**



First Quarter Sales, FY2013 - FY2017



First Quarter Net Profit, FY2013 - FY2017



**Figures for FY2013-2016 adjusted to include same number of days as FY2017*



September Instant Tickets Sales Update



Loose Change (2 scenes)
 Price Point: \$1
 5 Week Sales: \$2,350,121

\$100,000 Triple Diamonds
 Price Point: \$2
 5 Week Sales: \$4,407,008



\$
 Price Point: \$5
 5 Week Sales: \$12,750,425



\$10,000,000 Gold
 Price Point: \$20
 5 Week Sales: \$18,425,480

Spooky Cash
 Price Point: \$5
 5 Week Sales: \$9,040,565



Halloween Social Media Promotion (October 21-28)

From October 21 through October 28, we are conducting a Halloween social media promotion on Facebook, Instagram and Twitter.

Entrants must comment, post or tweet as instructed to be eligible to win.

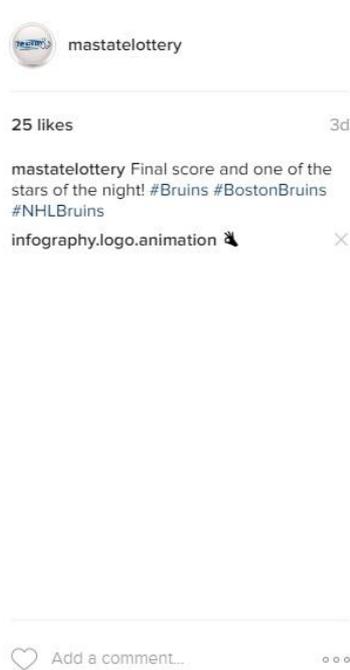
Three winners are selected each day of the promotion, one each from Facebook, Instagram and Twitter. Winners will receive a one-year Megabucks Doubler Season Ticket.



Social Media Messaging



Bruins win season opener
(Instagram)



Brady's first game back
(Twitter)

Responsible play (Twitter)



Social Media Messaging



Lottery at the Big E (Instagram)

 mastatelottery

11 likes 2w

mastatelottery Mr. Biggie, official mascot of @thebigfair, was kind enough to visit the Lottery tent.

 **Massachusetts State Lottery**
Published by Christian Teja [?] · October 4 at 4:14pm · ✨

REMINDER: The Lottery is warning all consumers about scammers who are sending false announcements regarding lottery prizes. As part of these scams, targeted individuals are contacted by phone, email, letter or text message from a scammer claiming that the recipient has won a lottery prize. While these scams come in many different forms and have varying messages, they are often fraudulently branded as a Mega Millions prize. These are fraudulent claims and no such prize has been won. Never respond to these communications and never provide personal information or send money to a scammer. For more information, visit <http://www.masslottery.com/legal.html#lotteryscams>



Massachusetts State Lottery - Legal Notice

The Massachusetts State Lottery is warning all consumers about scammers who are sending false announcements regarding lottery prizes.

MASSLOTTERY.COM

16,414 people reached

Boost Post

 **Massachusetts State Lottery**
Published by Christian Teja [?] · October 3 at 3:39pm · ✨

Massachusetts resident wins "\$1,000 a Day for Life" prize in multi-state #LuckyForLife draw game! Read her story at <http://www.masslottery.com/winners/>



286,055 people reached

Boost Post

Lucky for Life Grand Prize Winner (Facebook)



Holiday Instant Tickets Release (November 1)

\$10,000 Holiday Magic

Price Point: \$1

Top Prize: \$10,000



Frosty Cashword

Price Point: \$2

Top Prize: \$50,000



\$1,000,000 Holiday Magic

Price Point: \$5

Top Prize: \$1,000,000



\$2,500,000 Holiday Magic

Price Point: \$10

Top Prize: \$2,500,000



\$100,000 Holiday Magic

Price Point: \$2

Top Prize: \$100,000



Thank you for the opportunity to share this presentation. We look forward to your feedback and to further discussion on this information, as well as other Lottery initiatives.

