

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

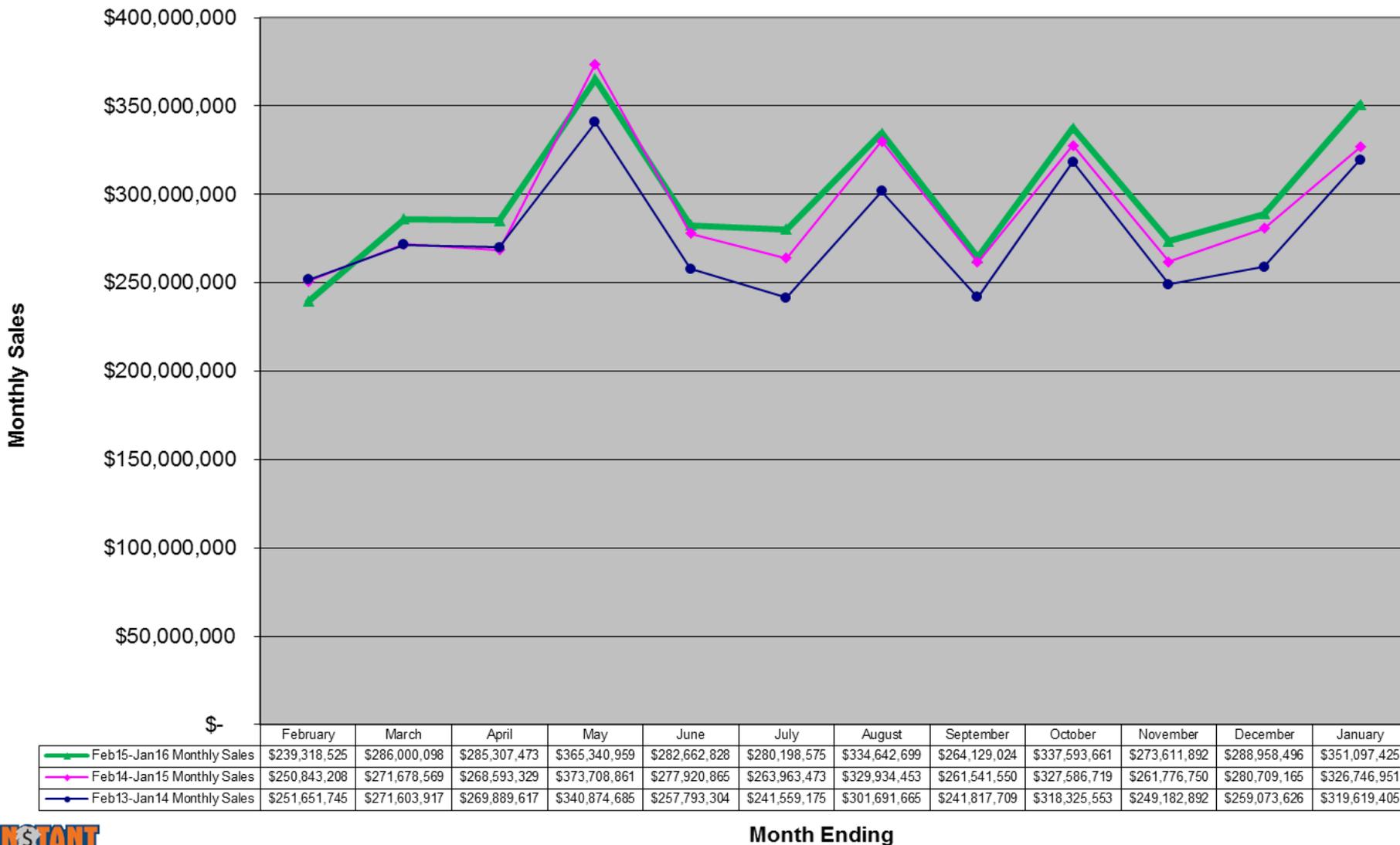
February 23, 2016



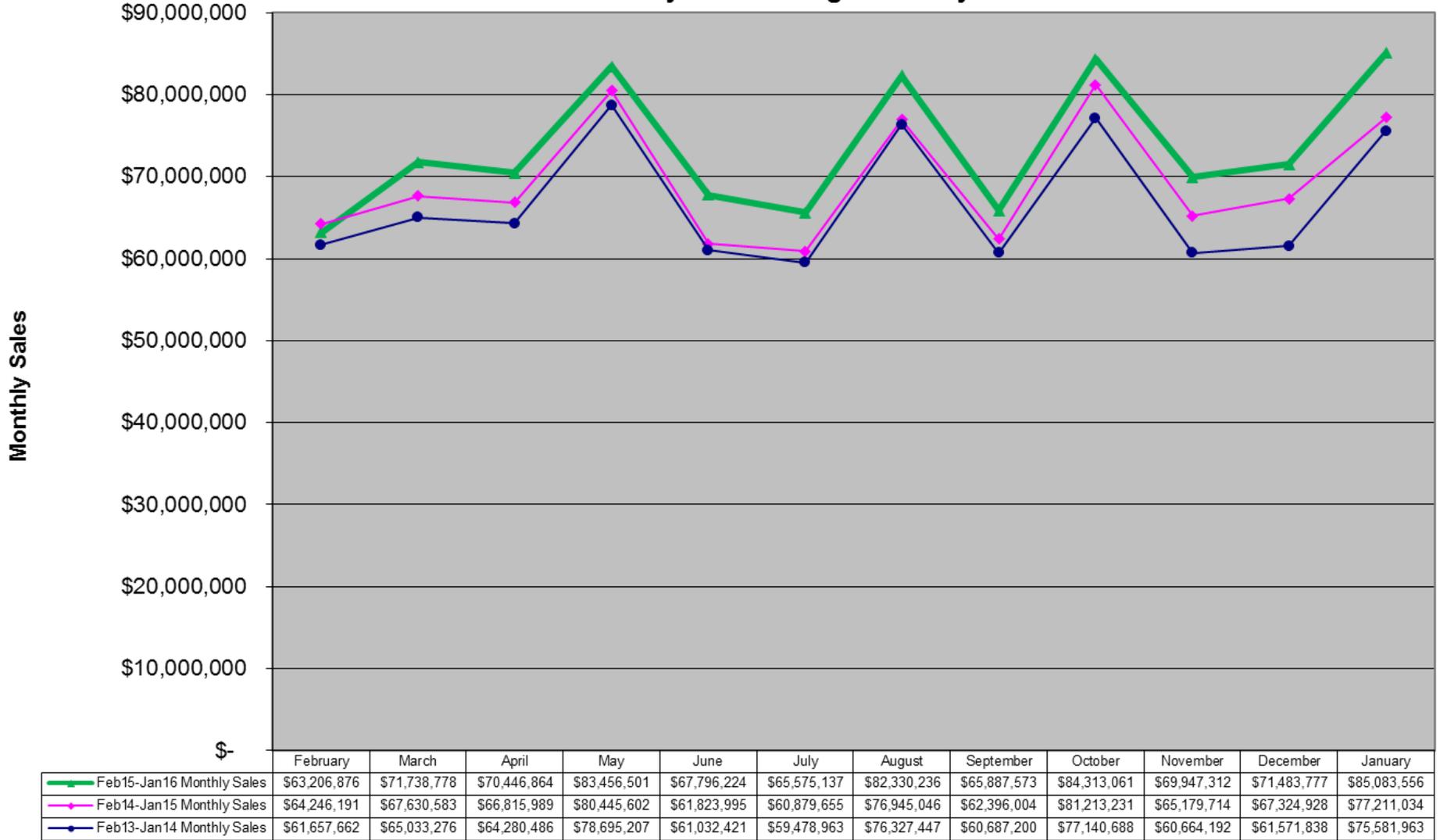
Lottery Sales Update - January

- Overall sales for January of 2016 were up an estimated \$96.6 million over January 2015.
- Estimated net profit for January 2016 was \$124.9 million compared to \$93.3 million in January 2015 for an estimated increase of \$31.6 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 estimated net profit for the first seven months of FY16 is \$602.6 million compared to \$587.2 million through the first seven months of FY15, an estimated increase of \$15.4 million. After adding a 1-day average net profit figure of \$2.8 million, the adjusted year-over-year change for the first seven months of FY16 vs. the first seven months of FY15 is an estimated \$18.2 million increase in net profit.
- Our estimated prize payout for January 2016 was 70.74 percent, as compared to 73.14 percent in January 2015. Our estimated year-to-date prize payout for FY16 is 73.12 percent, as compared to 72.45 percent for the same seven-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 has been awarded in FY16.
- With consecutive record-setting jackpots driving unprecedented levels of sales, Powerball sales increased \$66.3 million in January of 2016 compared to January of 2015. The Instant Ticket portfolio saw a sizable \$24.4 million sales increase in January of 2016 vs. January of 2015. KENO sales continue to be strong, experiencing an increase of \$7.9 million over January of last year. Megabucks Doubler, the Numbers Game, Lucky for Life and Mass Cash all increased in sales over January of 2015.
- Mega Millions sales were down \$4.6 million compared to January of 2015 due primarily to larger jackpots in January of 2015. Jackpot Poker sales were down \$68,865 in sales compared to January of 2015.

Instant Tickets Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016

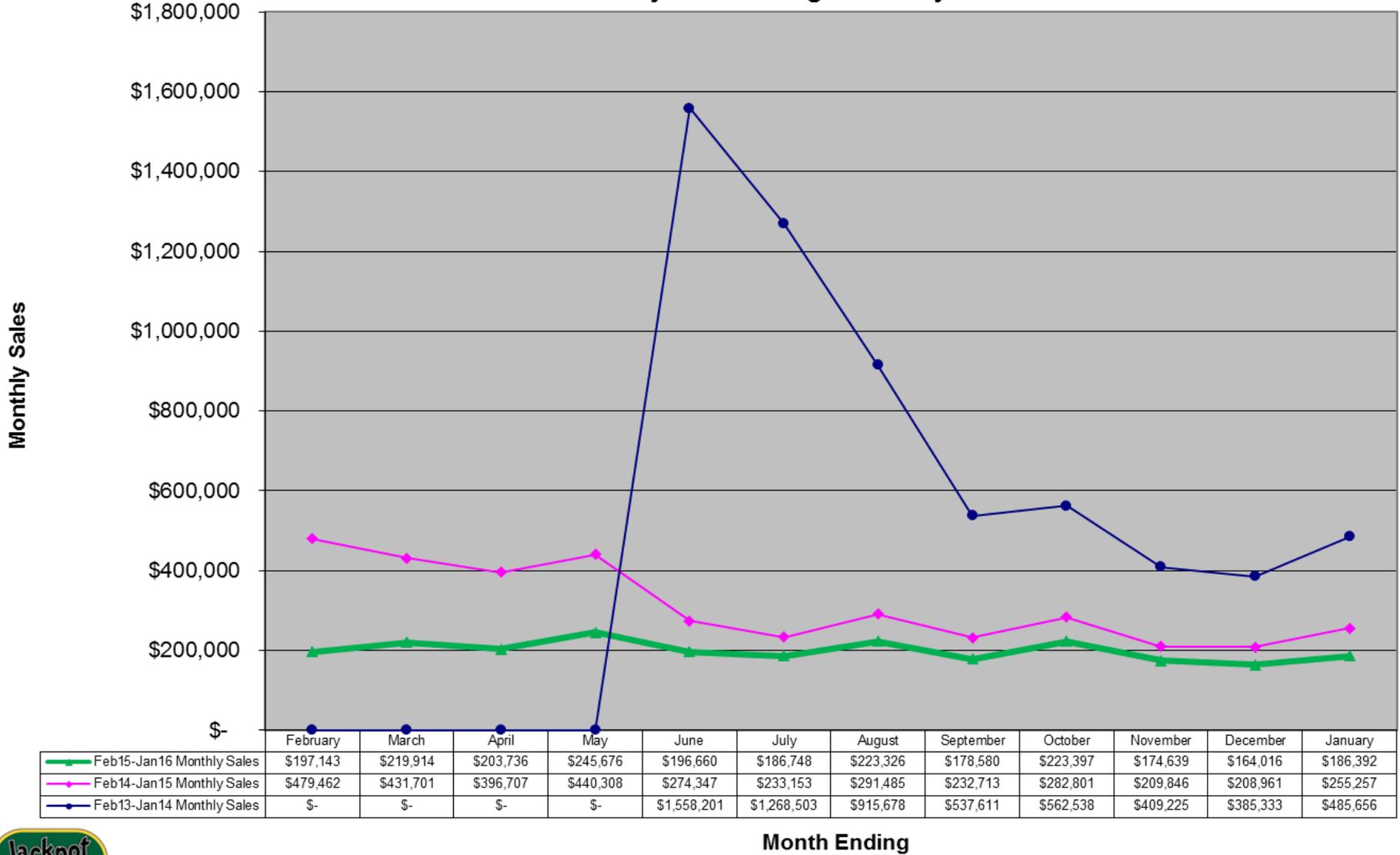


KENO Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016

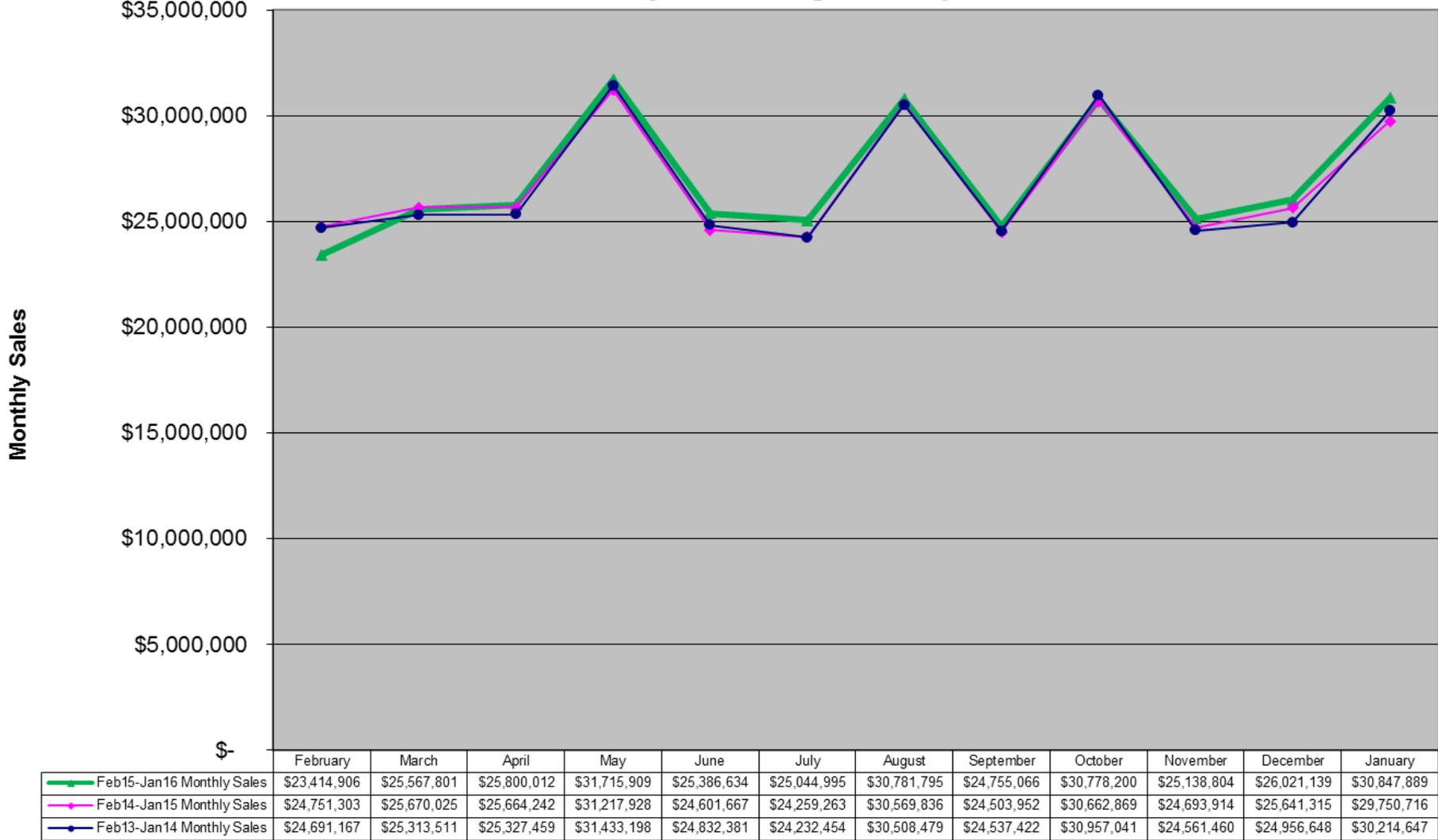


Month Ending

Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016

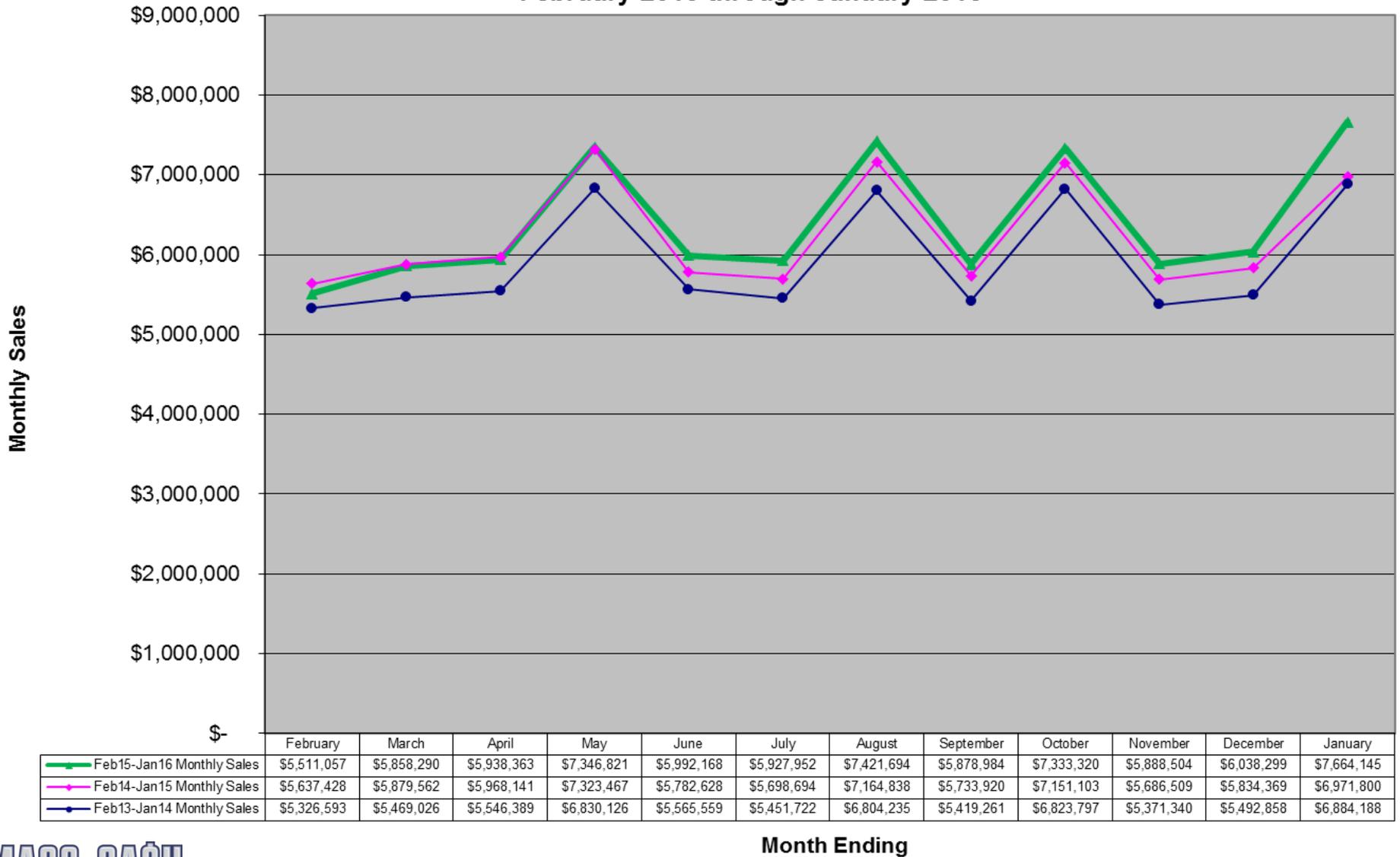


Numbers Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016

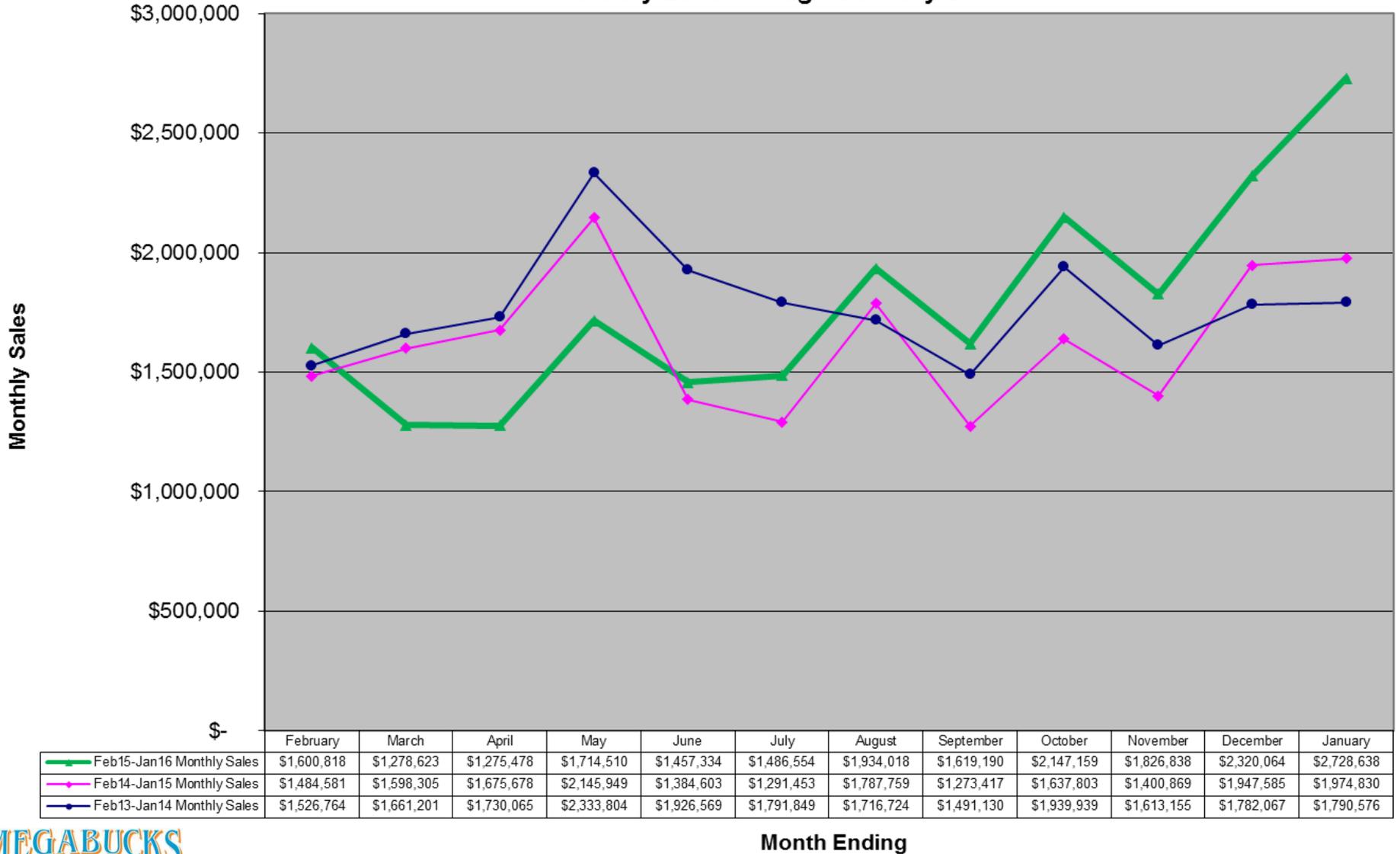


Month Ending

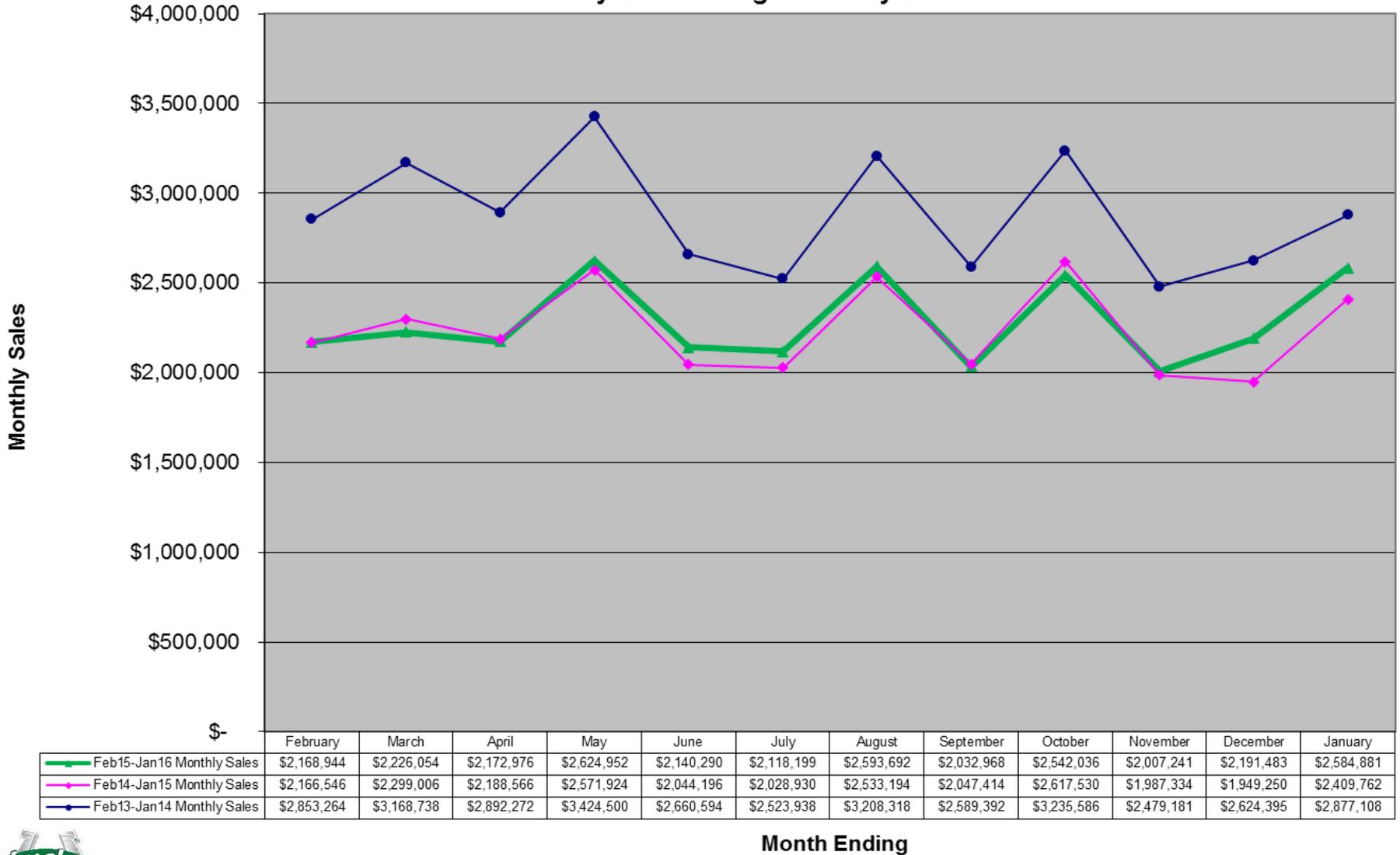
Mass Cash Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016



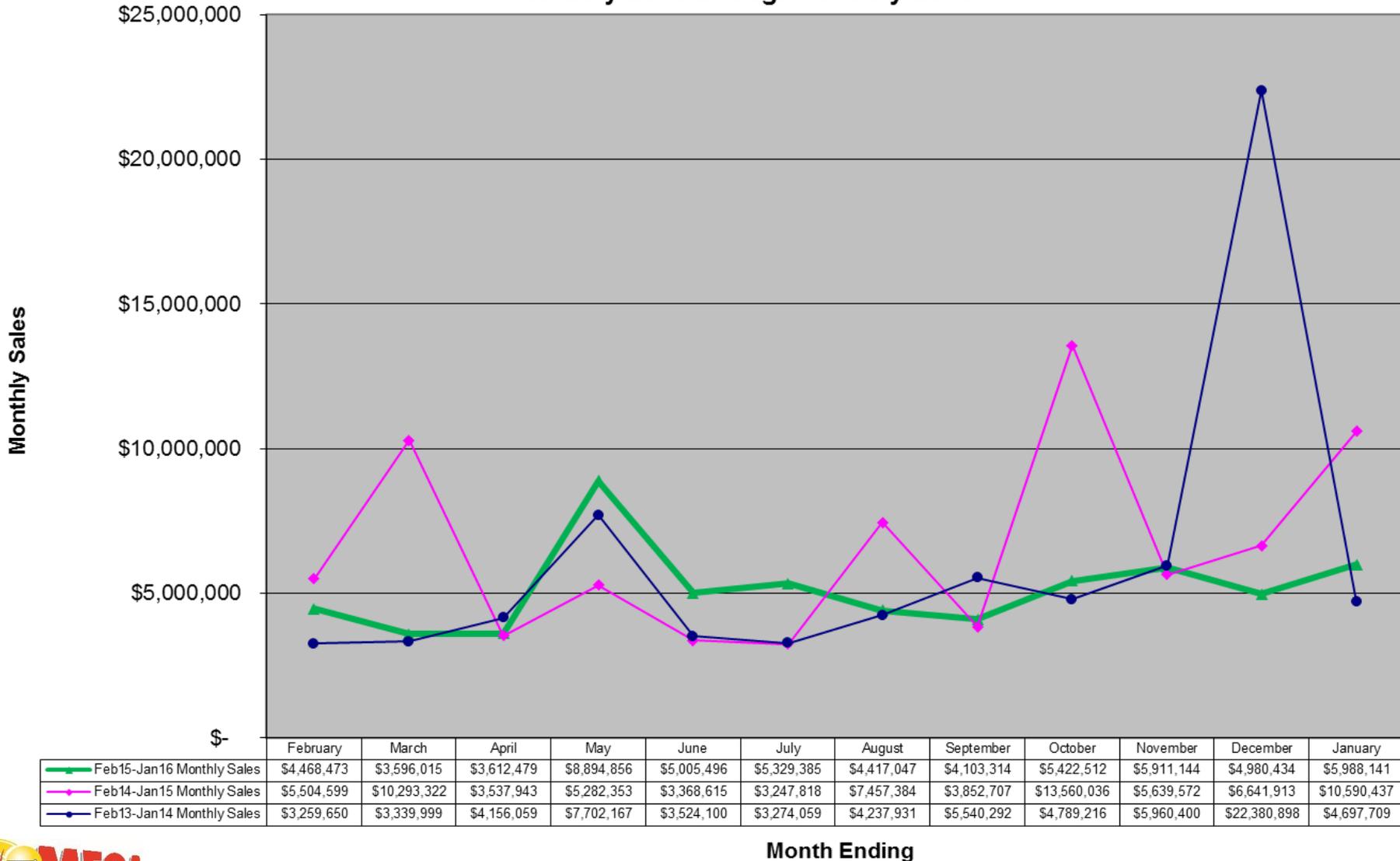
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016



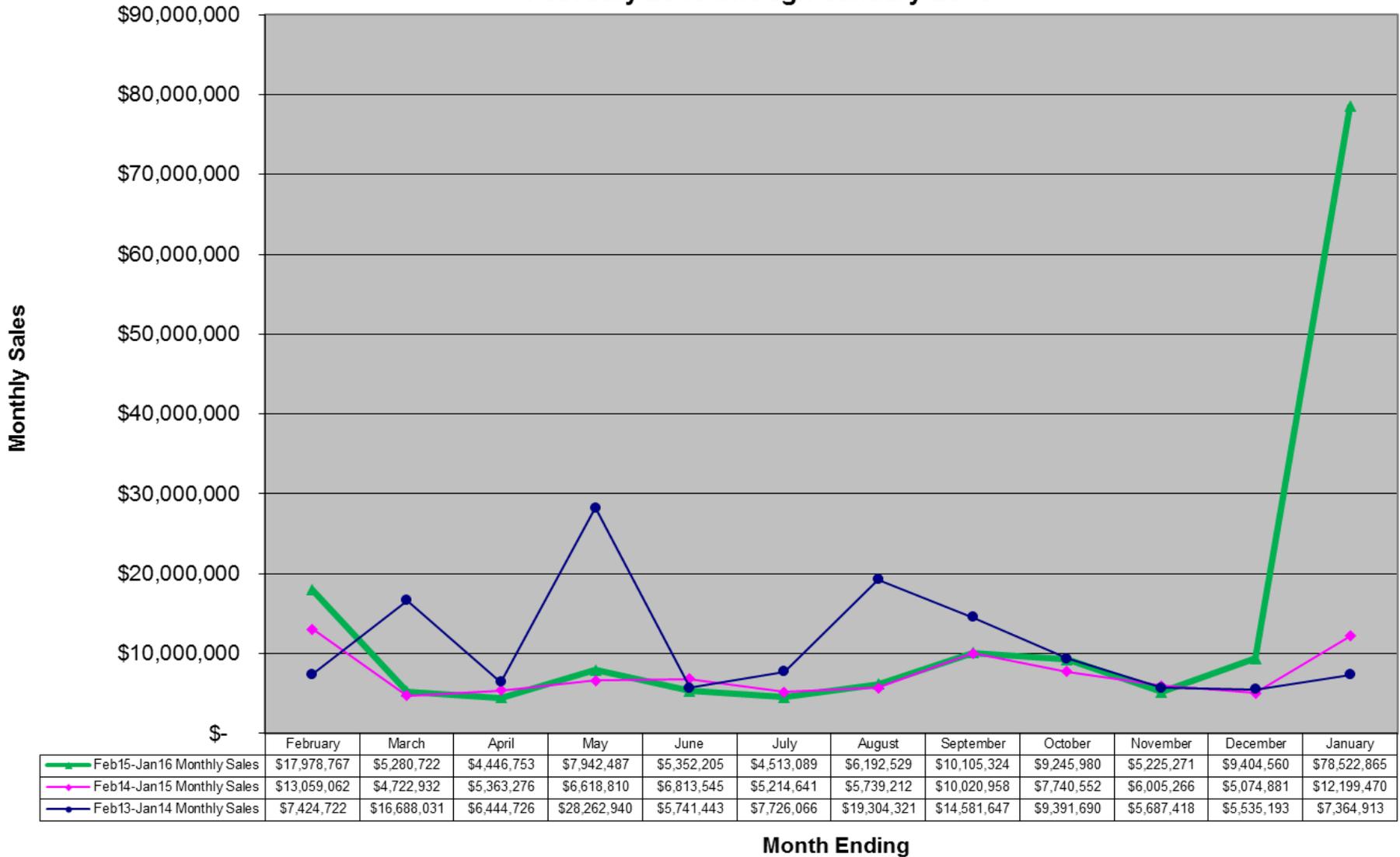
Lucky for Life Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016



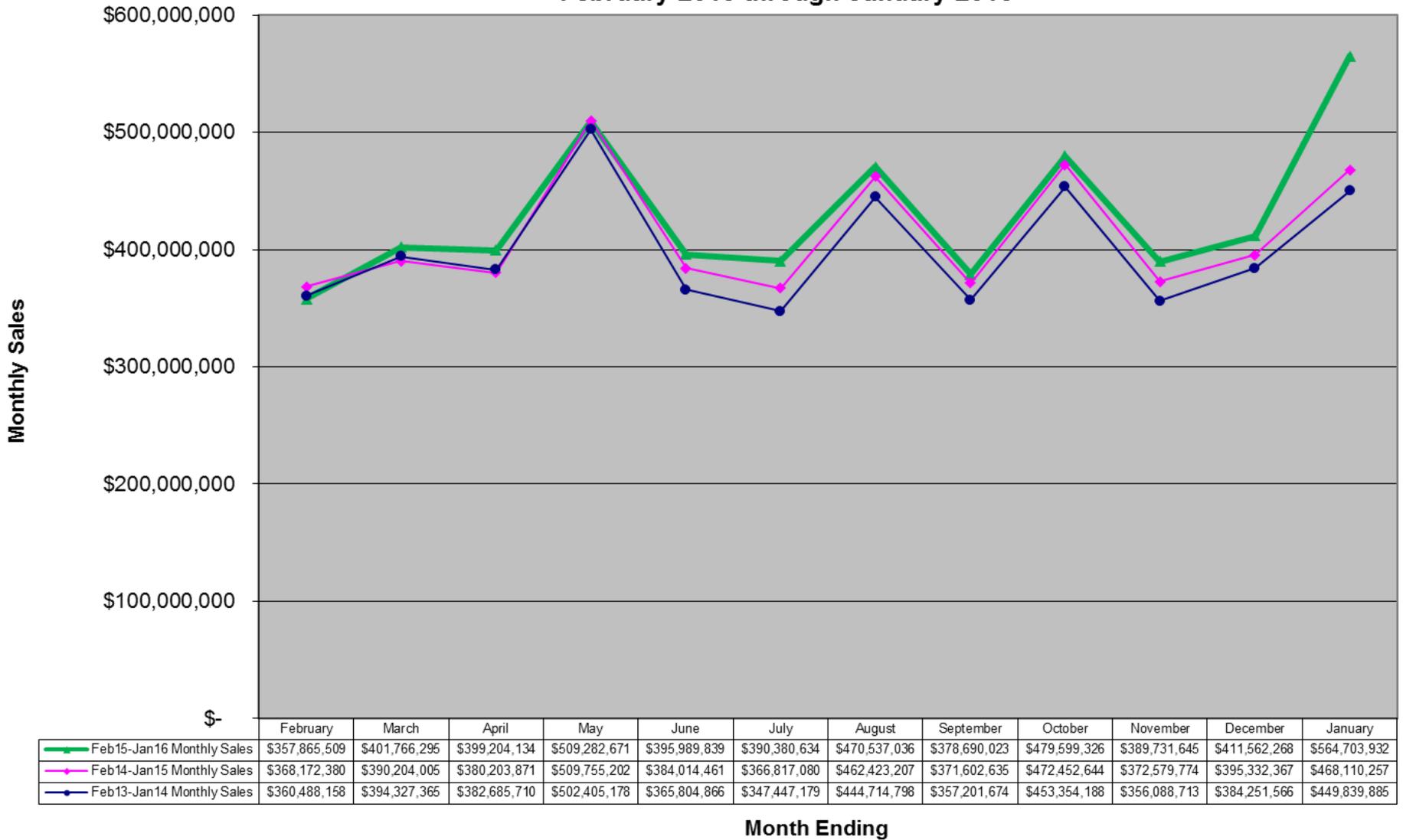
Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016



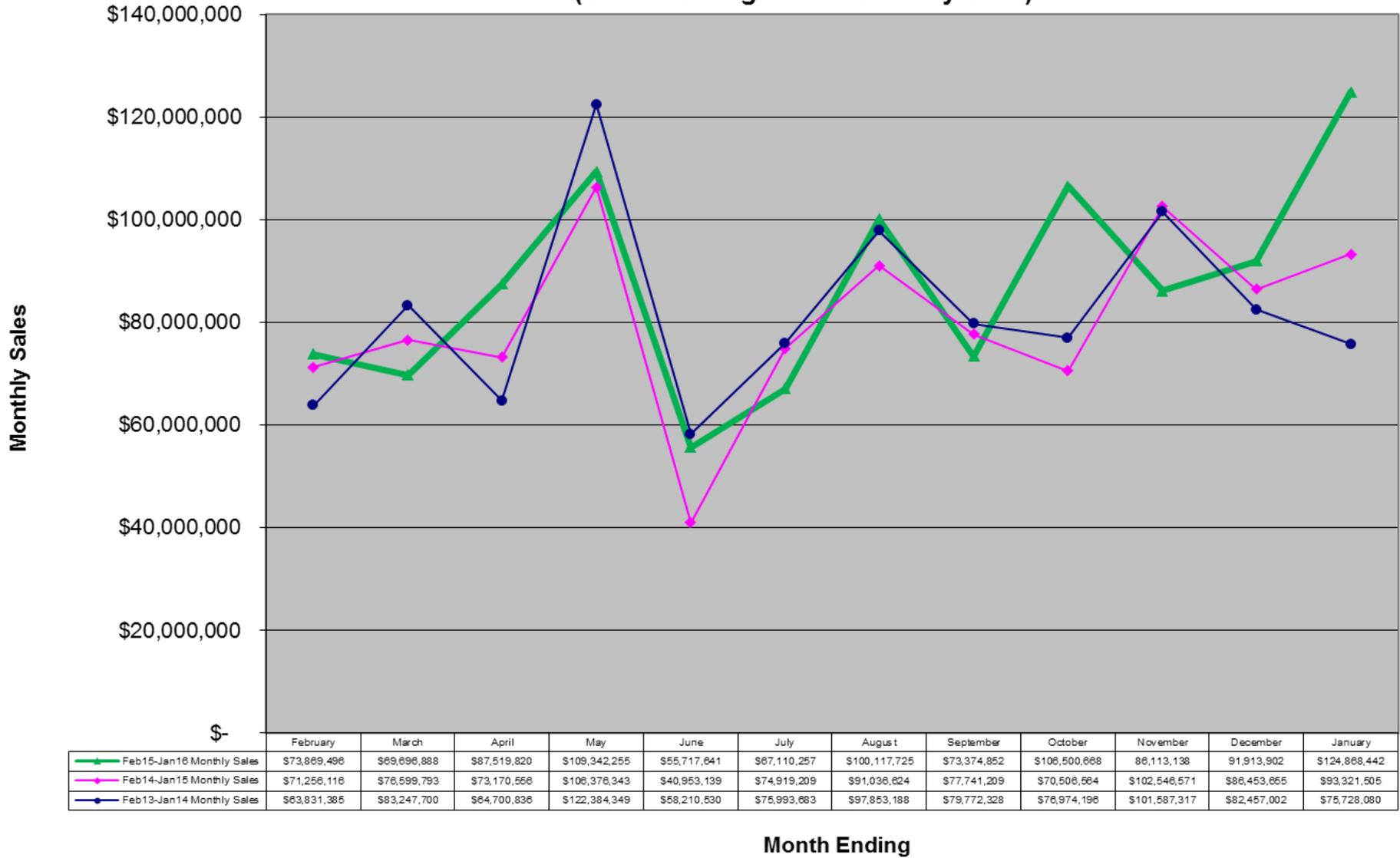
Powerball Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016



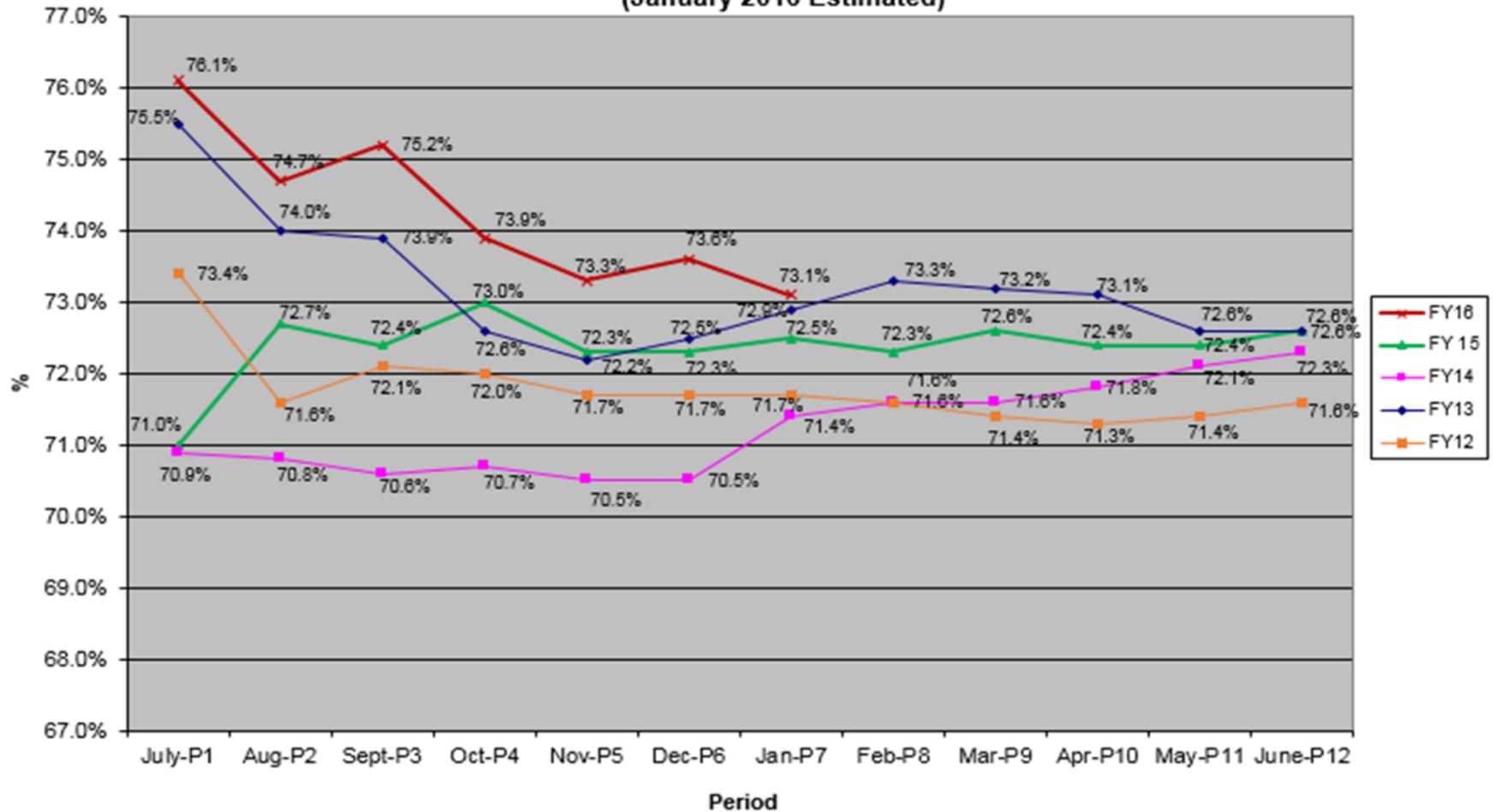
All Game Monthly Sales Unadjusted Non Fiscal Year February 2013 through January 2016



Monthly Net Profit February 2013 through January 2016 (Estimated Figure For January 2016)



5 Year Comparison Prize Payout as a % of Sales Through January 2016 (January 2016 Estimated)



MSLC Gross Sales Results

JANUARY FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through January 30, 2016

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$351.1	62.2%	\$326.7	69.8%	\$24.4	7.5%
Mega Millions	\$6.0	1.1%	\$10.6	2.3%	-\$4.6	-43.5%
Powerball	\$78.5	13.9%	\$12.2	2.6%	\$66.3	543.7%
KENO	\$85.1	15.1%	\$77.2	16.5%	\$7.9	10.2%
Mass Cash	\$7.7	1.4%	\$7.0	1.5%	\$0.7	9.9%
Lucky for Life	\$2.6	0.5%	\$2.4	0.5%	\$0.2	7.3%
Numbers Game	\$30.8	5.5%	\$29.8	6.4%	\$1.1	3.7%
Megabucks Doubler	\$2.7	0.5%	\$2.0	0.4%	\$0.8	38.2%
Jackpot Poker	\$0.2	0.0%	\$0.3	0.1%	-\$0.1	-27.1%
Total	\$564.7	100.0%	\$468.1	100.0%	\$96.6	20.6%
Instant Tickets	\$351.1	62.2%	\$326.7	69.8%	\$24.4	7.5%
Draw Games + KENO	\$213.6	37.8%	\$141.4	30.2%	\$72.2	51.1%
Total	\$564.7	100.0%	\$468.1	100.0%	\$96.6	20.6%
Unadjusted	Month	12/27/15-1/30/16	Month	12/28/14-1/31/15		
		5 weeks		5 weeks		
		35 days		35 days		

MSLC Gross Sales Results

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

(\$ millions)

Through January 30, 2016

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$2,130.2	69.0%	\$2,052.3	70.5%	\$78.0	3.8%
Mega Millions	\$36.2	1.2%	\$51.0	1.8%	-\$14.8	-29.1%
Powerball	\$123.2	4.0%	\$52.0	1.8%	\$71.2	137.0%
KENO	\$524.6	17.0%	\$491.1	16.9%	\$33.5	6.8%
Mass Cash	\$46.2	1.5%	\$44.2	1.5%	\$1.9	4.3%
Lucky for Life	\$16.1	0.5%	\$15.6	0.5%	\$0.5	3.2%
Numbers Game	\$193.4	6.3%	\$190.1	6.5%	\$3.3	1.7%
Megabucks Doubler	\$14.1	0.5%	\$11.3	0.4%	\$2.7	24.3%
Jackpot Poker	\$1.3	0.0%	\$1.7	0.1%	-\$0.4	-22.0%
Total	\$3,085.2	100.0%	\$2,909.3	100.0%	\$175.9	6.0%
Instant Tickets	\$2,130.2	69.0%	\$2,052.3	70.5%	\$78.0	3.8%
Draw Games + KENO	\$955.0	31.0%	\$857.1	29.5%	\$97.9	11.4%
Total	\$3,085.2	100.0%	\$2,909.3	100.0%	\$175.9	6.0%
Unadjusted	Year	6/28/15-1/30/16	Year	6/29/14-1/31/15		
		31 weeks		31 weeks		
		217 days		217 days		

Powerball

- Powerball is offered in 44 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands
- The jackpot prize is funded by all participating lotteries, proportionate to each lottery's sales of the game
- Each participating lottery is responsible for paying out all other prizes on tickets that they sell (including \$2 million and \$1 million prizes)



Powerball

- The cost of a single Powerball ticket is \$2. A Power Play option, which multiplies any lower-tier prizes won, is available for an additional \$1 per play (Power Play does not apply to jackpot).
- How to play
 - Select 5 out of 69 numbers
 - Select 1 out of 26 Powerball numbers
- How to win
 - Match 5 numbers and match the Powerball number to win the jackpot*
 - Match 5 numbers, but not the Powerball, to win \$1 million (\$2 million with the Power Play option)
 - 7 ways to win lower tier prizes ranging from \$4 to \$50,000



**Odds of winning jackpot are 1 in 292,201,338*

Powerball

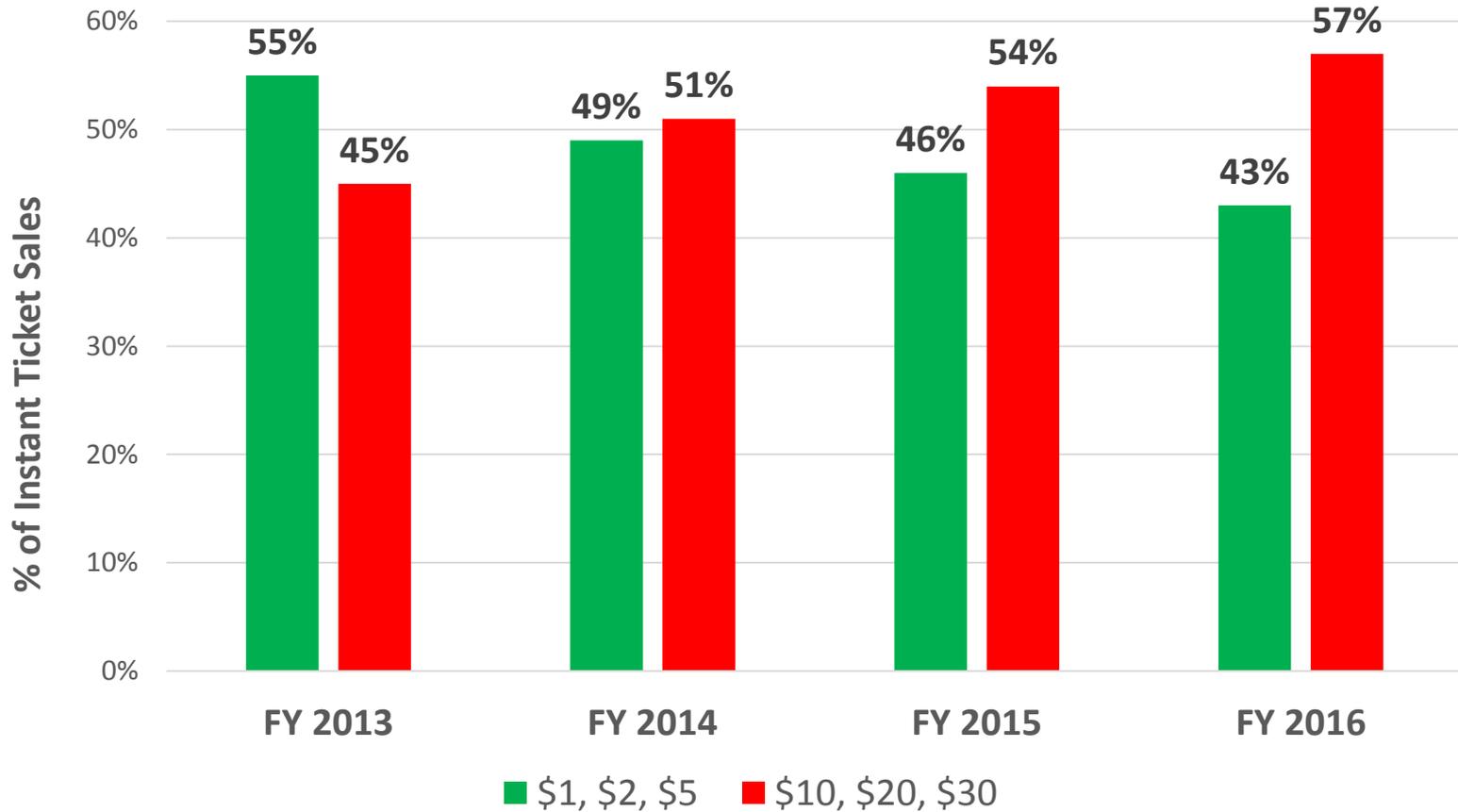
- Powerball sales revenue in MA is broken down as follows:
 - 50% Prizes
 - 42% Contributes to overall net profit
 - 6% Retailer commissions and bonuses
 - 2% Administrative expenses
- Facts & figures for record-setting drawings in January
 - MA Sales for January 13 drawing: \$32,970,847*
 - MA Sales for January 9 drawing: \$23,830,638*
 - \$37,000 in sales per minute during peak hours on Jan. 13



**Record sales total for a single draw
in a multi-state game in MA*

Instant Ticket Sales by Price Points

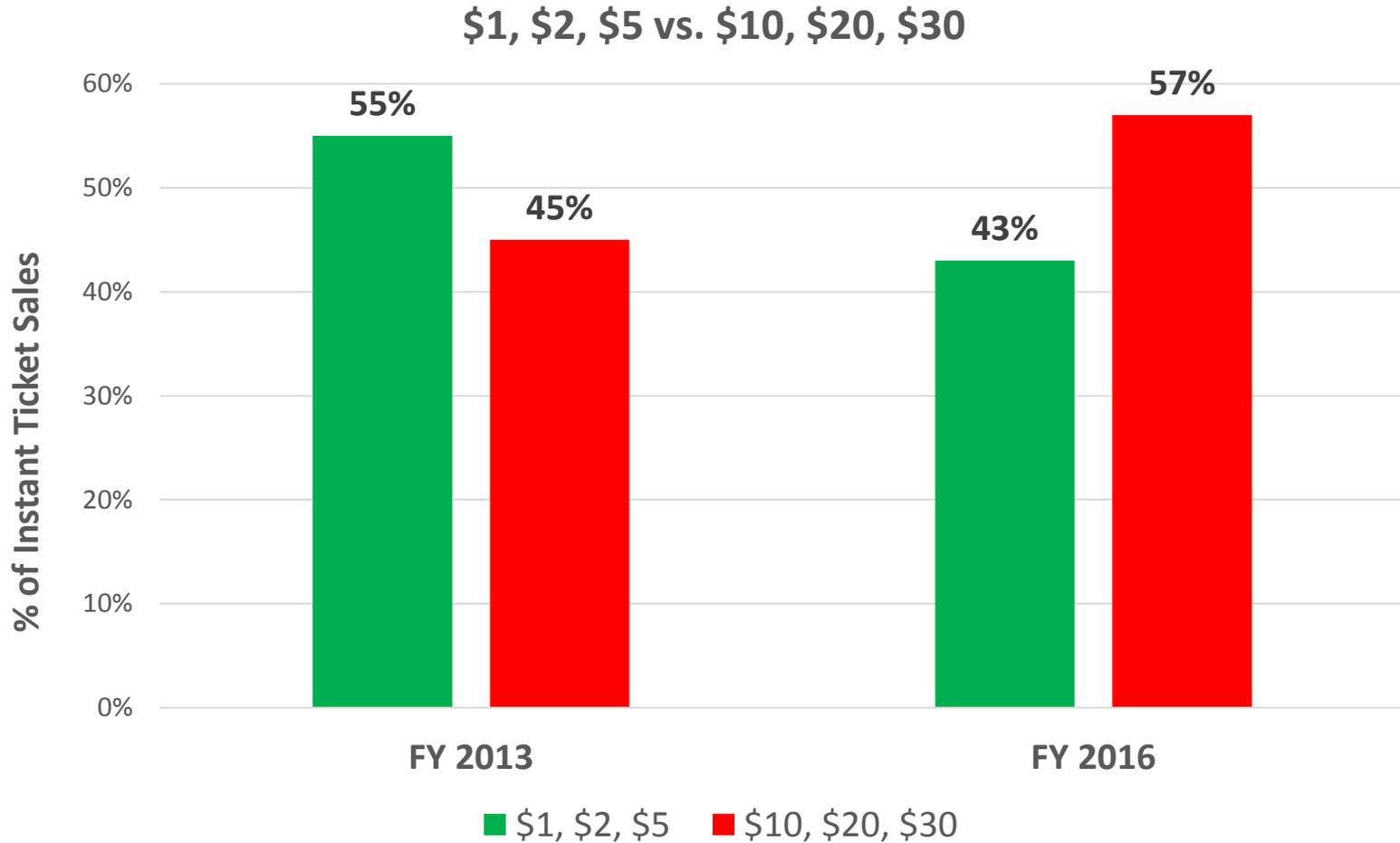
\$1, \$2, \$5 vs. \$10, \$20, \$30



Note: First \$30 Instant Ticket was launched in April of FY 2014



Instant Ticket Sales by Price Points



Note: First \$30 Instant Ticket was launched in April of FY 2014



\$2,000,000 50X Cashword Instant Ticket Sales Update

\$2,000,000 50X Cashword

Price Point: \$10

3 Week Sales: \$10,699,470

New game design includes:

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



March Instant Tickets Release (March 1)

10X The Cash

Price Point: \$1

Top Prize: \$10,000



20X The Cash

Price Point: \$2

Top Prize: \$100,000



40X The Cash

Price Point: \$5

Top Prize: \$1,000,000



100X The Cash

Price Point: \$10

Top Prize: \$4,000,000



March Instant Tickets POS Advertising



Wobbler



11x17 Poster



Megabucks Doubler Promotion

From February 21 through March 5, players who spend \$4 or more on a single Megabucks Doubler ticket (single drawing or multiple advance draws) will receive a promotional ticket for a chance to win \$2,016.

On March 8, twenty (20) promotional ticket serial numbers will be randomly selected and posted on masslottery.com.



PLAY MEGABUCKS DOUBLER!

**SPEND \$4 OR MORE ON THE SAME TICKET
FOR A CHANCE TO WIN \$2,016!**

LIMITED TIME ONLY: FEBRUARY 21 THROUGH MARCH 5, 2016

YOU CAN WIN MORE THAN ONCE!

Every Megabucks Doubler ticket you purchase for \$4 or more February 21 through March 5, 2016, will be followed by its own promotion ticket. Do not mail these tickets to the Lottery. You must keep these promotion tickets to win!

Twenty (20) promotion ticket serial numbers will be drawn on March 8 and posted on masslottery.com after 2 p.m. Each of these tickets will win **\$2,016!** To claim your prize(s), you must visit a Lottery regional office by April 8, 2016, (within 30 days) to complete a claim form. Prizes (less taxes) will be mailed within three (3) weeks of claiming prize.

A sample of a promotional ticket form. The form is titled "MEGABUCKS DOUBLER PROMOTION" and includes instructions to visit masslottery.com for more details and winning serial numbers. It contains fields for "CLAIM FORM", "PHONE", "OWNER'S NAME", "STREET", "CITY", "STATE", and "ZIP". A specific serial number "93357400 [973-035882113-110410]" is printed on the form. An arrow points from the text "promotion ticket serial number" below the form to the serial number field.

promotion ticket
serial number

MEGABUCKS DOUBLER

Drawn every Wednesday and Saturday!

The non-jackpot prize amounts on every tenth ticket sold state-wide are doubled!

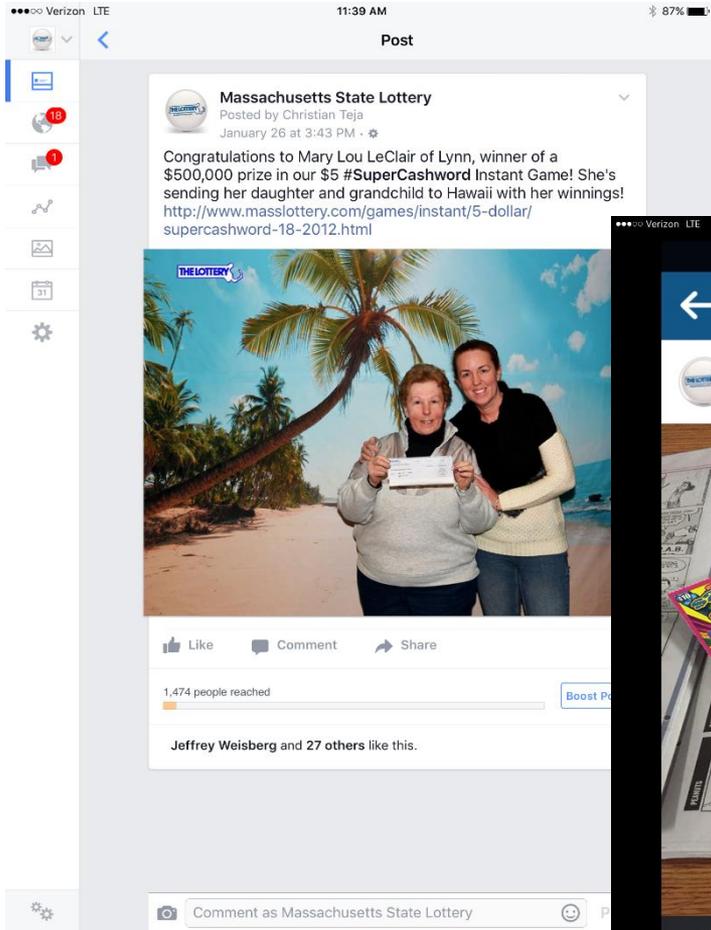


You must be 18 years or older to play the Lottery.
If you have a problem with gambling, help is available. Call 1-800-426-1234.

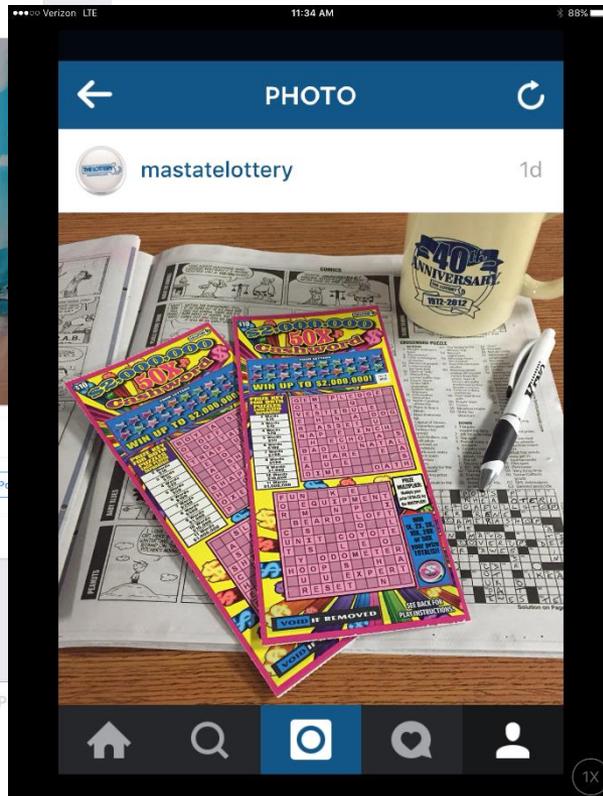


Poster

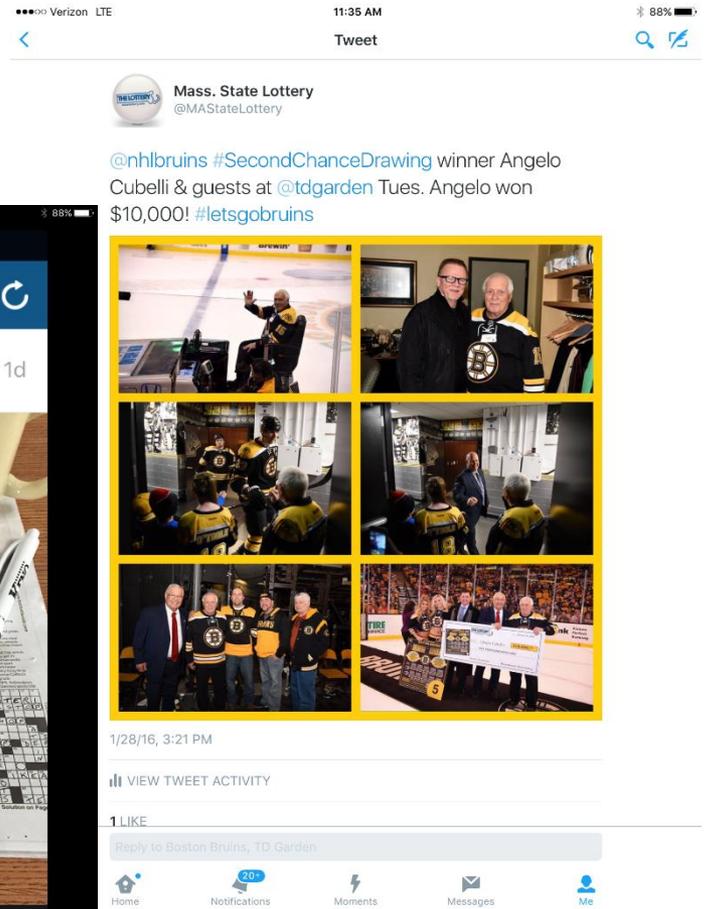
Social Media Messaging



Winner awareness (Facebook)



Cashword launch (Instagram)



Bruins 2nd Chance winner (Twitter)



"Taxes Paid" Sweepstakes

Massachusetts State Lottery
Posted by Christian Teja
Wednesday at 9:00 AM · 🌐

Entering this sweepstakes won't be taxing! On this post, comment "I want my Taxes Paid" and you'll be entered for a chance to win a \$1,000 #TaxesPaid cash prize and a 3-month #Powerball Season Ticket in our "Taxes Paid" Sweepstakes. Let your friends in on the fun by sharing this post. More info at <http://www.masslottery.com/about/news.html>

\$100,000 TAXES PAID
TOP PRIZE \$100,000 AFTER TAXES!
WIN UP TO 10 TIMES!

Wednesday
February 10, 2016
THELOTTERY

You must be 18 years or older to play the Lottery.

716 Likes 2K Comments

Like Comment Share

33,053 people reached

Boost Post

Daily entry post (Facebook)



Mass. State Lottery
@MAStateLottery

As one of our daily sweepstakes winners, Charles Staples of Shrewsbury now has a chance to win \$1,000, #TaxesPaid!

WINNER!

I won a Season Ticket!

WINNERS!

2/12/16, 12:46 PM

VIEW TWEET ACT

Reply to Mass. State Lottery

Home

You must be 18 years or older to play the Lottery.

Winner claiming prize (Twitter)

Announcement of daily winners (Instagram)

mastatelottery

22 likes 2d

mastatelottery Congratulations to our #TaxesPaid Sweepstakes winners for Monday, February 8, 2016. Facebook: Karen Thompson Grabowski Instagram: Jen Lavalley Twitter: Vanessa Allia They have each won a 3-month #Powerball #SeasonTicket and are finalists for a \$1,000 Taxes Paid cash prize. The cash prize winner for this week will be announced on Tuesday, February 16.

- randyjkummins Congrats! ✓
- sjm1121 I want my taxes paid! #taxespaid ✓
- debra.doucette "I want my Taxes Paid" ✓
- jazzakazz Yayayayayay woooooo ✓
- leahw_truestar "I want my Taxes Paid" ✓

👍 Add a comment...

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.

