

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

March 29, 2016



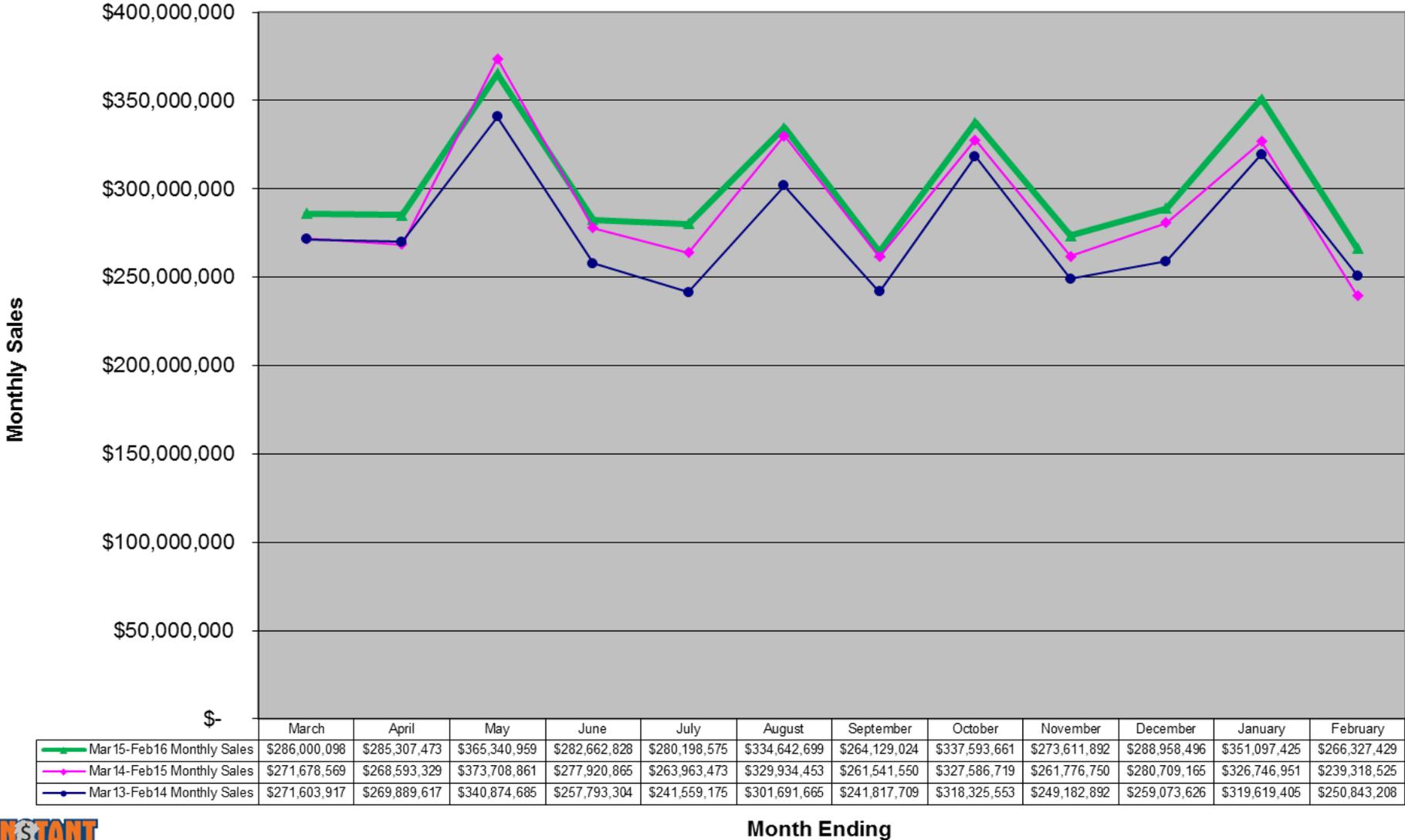
Lottery Sales Update - February

- Overall sales for February of 2016 were up \$27.9 million over February 2015.
- Net profit for February 2016 was \$51.0 million compared to \$73.9 million in February 2015 for a decrease of \$22.9 million. The February 2016 net profit figure was impacted by the purchase of STRIPS for annuity prizes won from August 2015 through February 2016 (see next slide for explanation).
- 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 eight months of FY16 is \$686.3 million compared to \$665.4 million through the first eight months of FY15, an increase of \$20.9 million. After adding a 1-day average net profit figure of \$2.8 million, the adjusted year-over-year change for the first eight months of FY16 vs. the first eight months of FY15 is a \$23.7 million increase in net profit.
- For the month of February 2016, our prize payout was 79.68 percent, as compared to 72.21 percent in February 2015. Prize payout for February 2016 was also impacted by the purchase of STRIPS. Our year-to-date prize payout for FY16 is 72.92 percent, as compared to 72.29 percent for the same eight-month period of FY15.
- The FY16 net profit and prize payout figures both include the costs of purchasing STRIPS for a one-time end of game \$20 million bonus prize in the Mega Cash Instant Ticket game that has been awarded in FY16. This cost had been accrued in previous months.
- The Instant Ticket portfolio saw a \$27.0 million sales increase in February of 2016 vs. February of 2015. KENO sales continue to be strong, experiencing an increase of \$8.1 million over February of last year. The Numbers Game, Mass Cash and Megabucks Doubler all increased in sales over February of 2015.
- Powerball sales were down \$9.8 million compared to February of 2015 due primarily to larger jackpots in February of 2015. Compared to February of 2015, Mega Millions sales were down \$511,132, Lucky for Life sales were down \$227,870 and Jackpot Poker sales were down \$24,282.

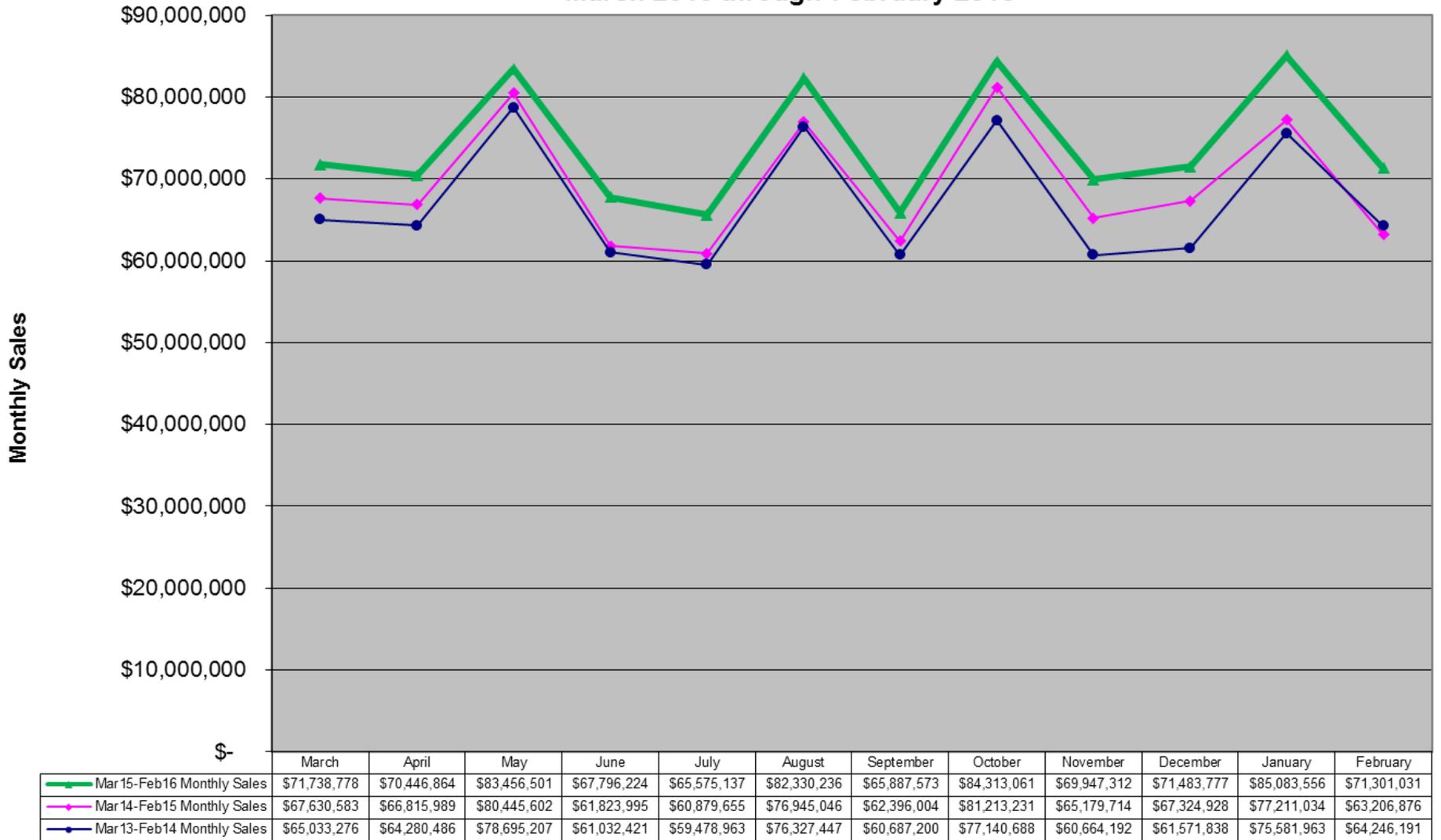
STRIPS

- STRIPS (Separate Trading of Registered Interest and Principal of Securities) are purchased via a competitive offering process to fund jackpot and instant ticket prizes paid by the MSLC as annuities.
- These prizes are paid in 20 or 30 annual installments, with the first payment being made by the MSLC following validation of the winning ticket and payment election (cash option or annuitized prize) by the winner. The remaining annual payments are funded by STRIPS.
- In February 2016, the Lottery purchased STRIPS to fund prizes paid as annuities that were won from August 2015 through February 2016.
 - Total STRIPS purchased in February \$37,600,417
 - Total for prizes won in February \$1,547,029
 - Total for prizes won in prior months \$36,053,388
- STRIPS for prizes won from August 2015 through January 2016 had previously been accrued.

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

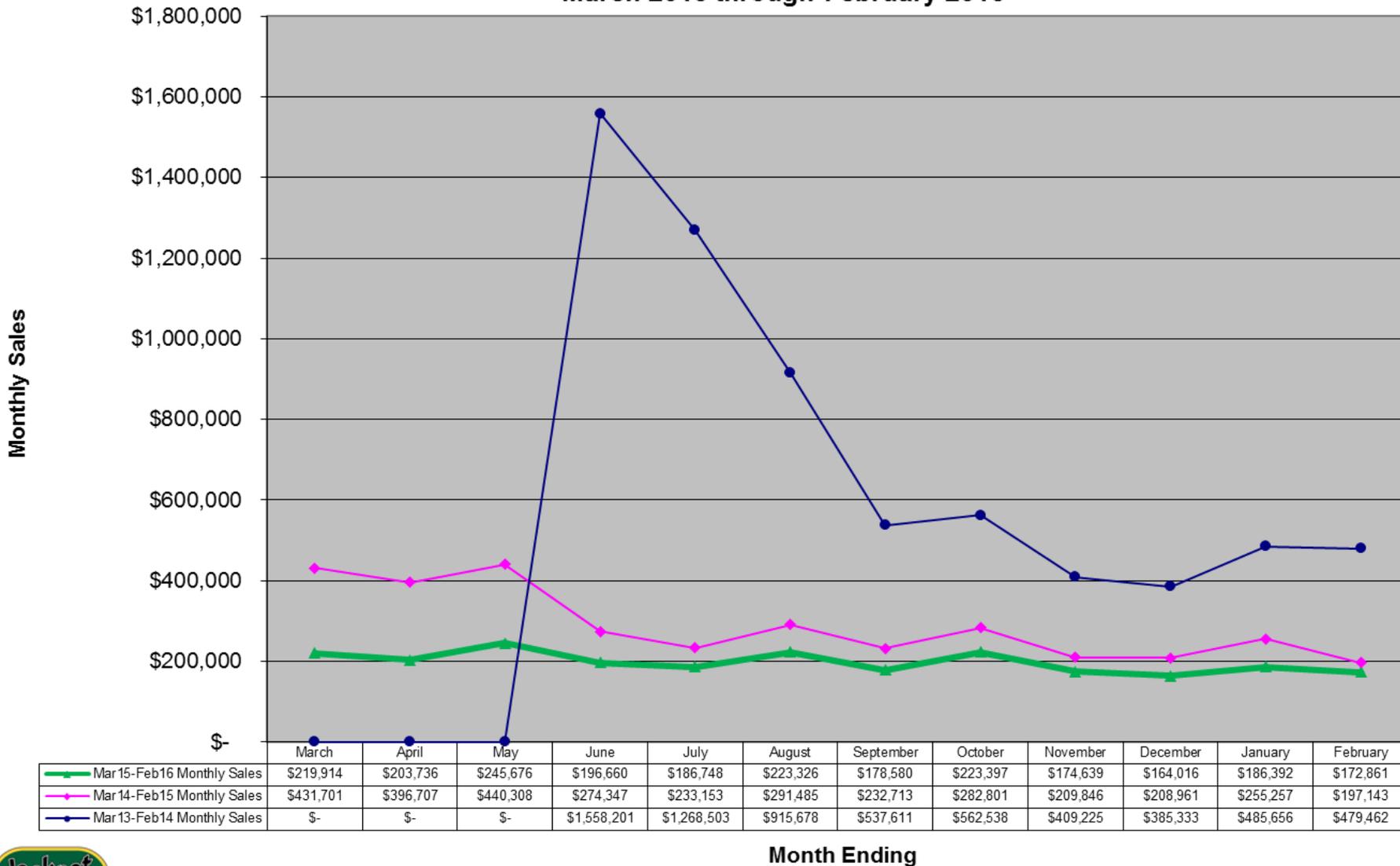


KENO Game Monthly Sales Unadjusted Non Fiscal Year March 2013 through February 2016

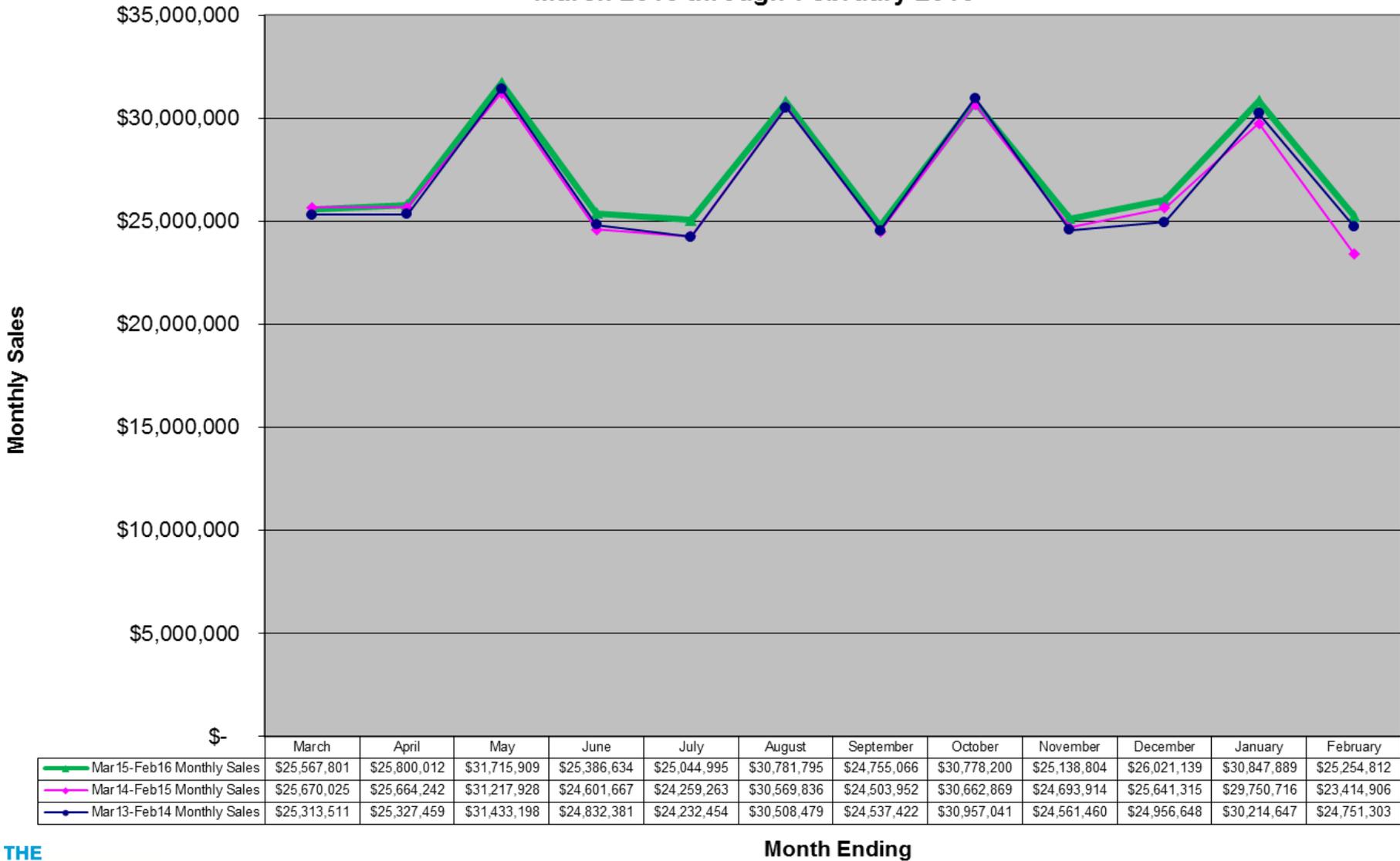


Month Ending

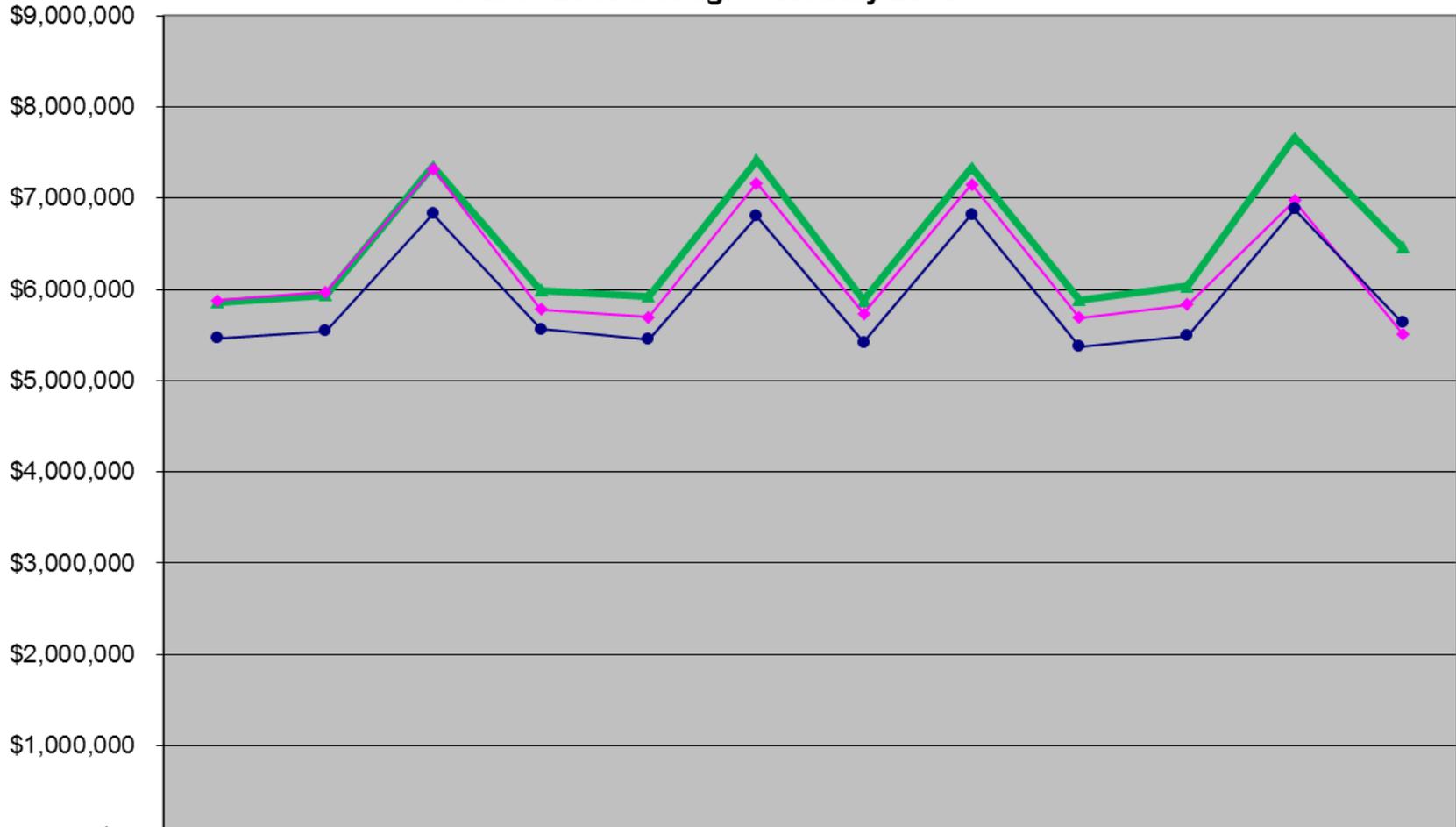
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year March 2013 through February 2016



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



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

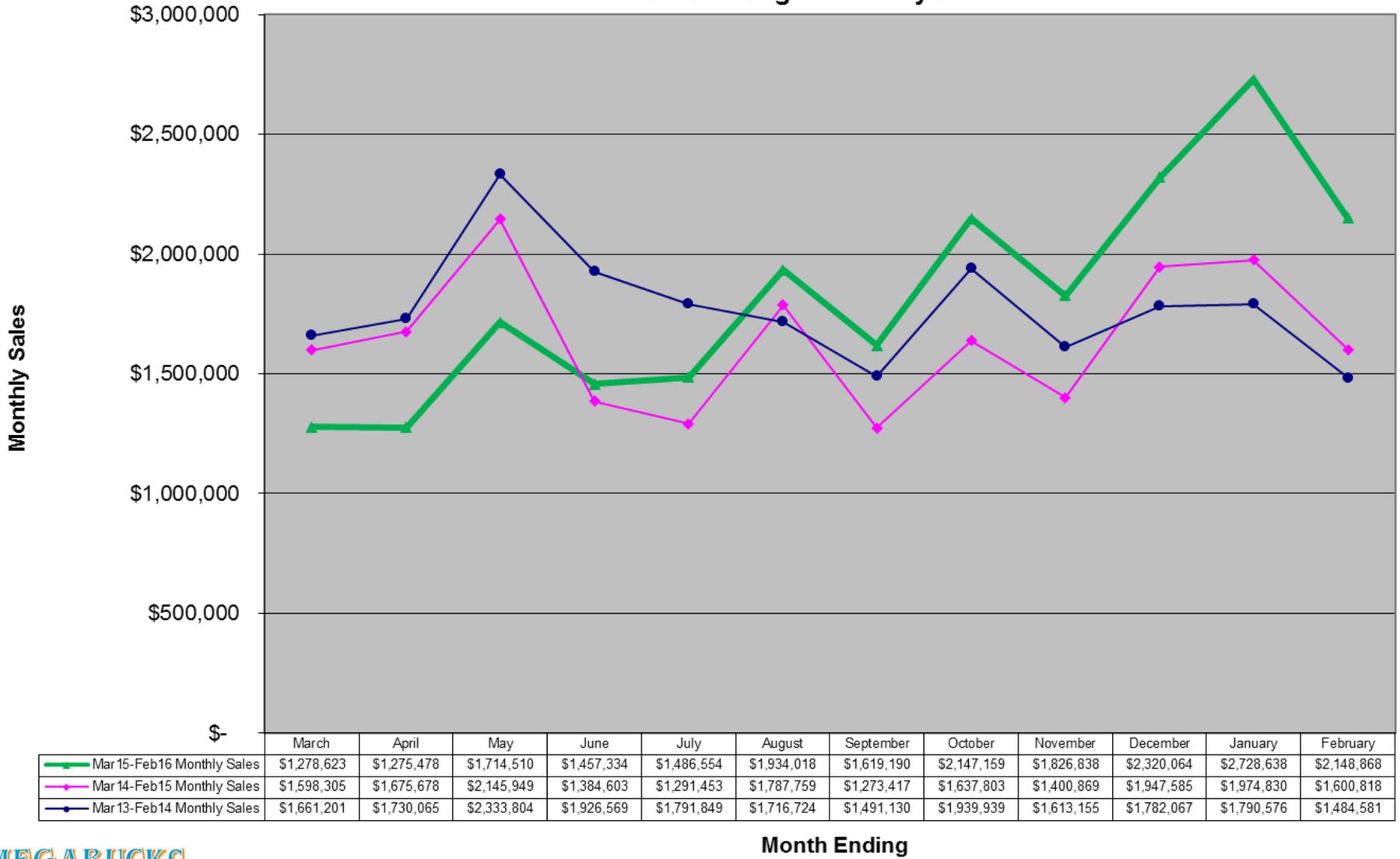


	March	April	May	June	July	August	September	October	November	December	January	February
Mar 15-Feb 16 Monthly Sales	\$5,858,290	\$5,938,363	\$7,346,821	\$5,992,168	\$5,927,952	\$7,421,694	\$5,878,984	\$7,333,320	\$5,888,504	\$6,038,299	\$7,664,145	\$6,459,774
Mar 14-Feb 15 Monthly Sales	\$5,879,562	\$5,968,141	\$7,323,467	\$5,782,628	\$5,698,694	\$7,164,838	\$5,733,920	\$7,151,103	\$5,686,509	\$5,834,369	\$6,971,800	\$5,511,057
Mar 13-Feb 14 Monthly Sales	\$5,469,026	\$5,546,389	\$6,830,126	\$5,565,559	\$5,451,722	\$6,804,235	\$5,419,261	\$6,823,797	\$5,371,340	\$5,492,858	\$6,884,188	\$5,637,428

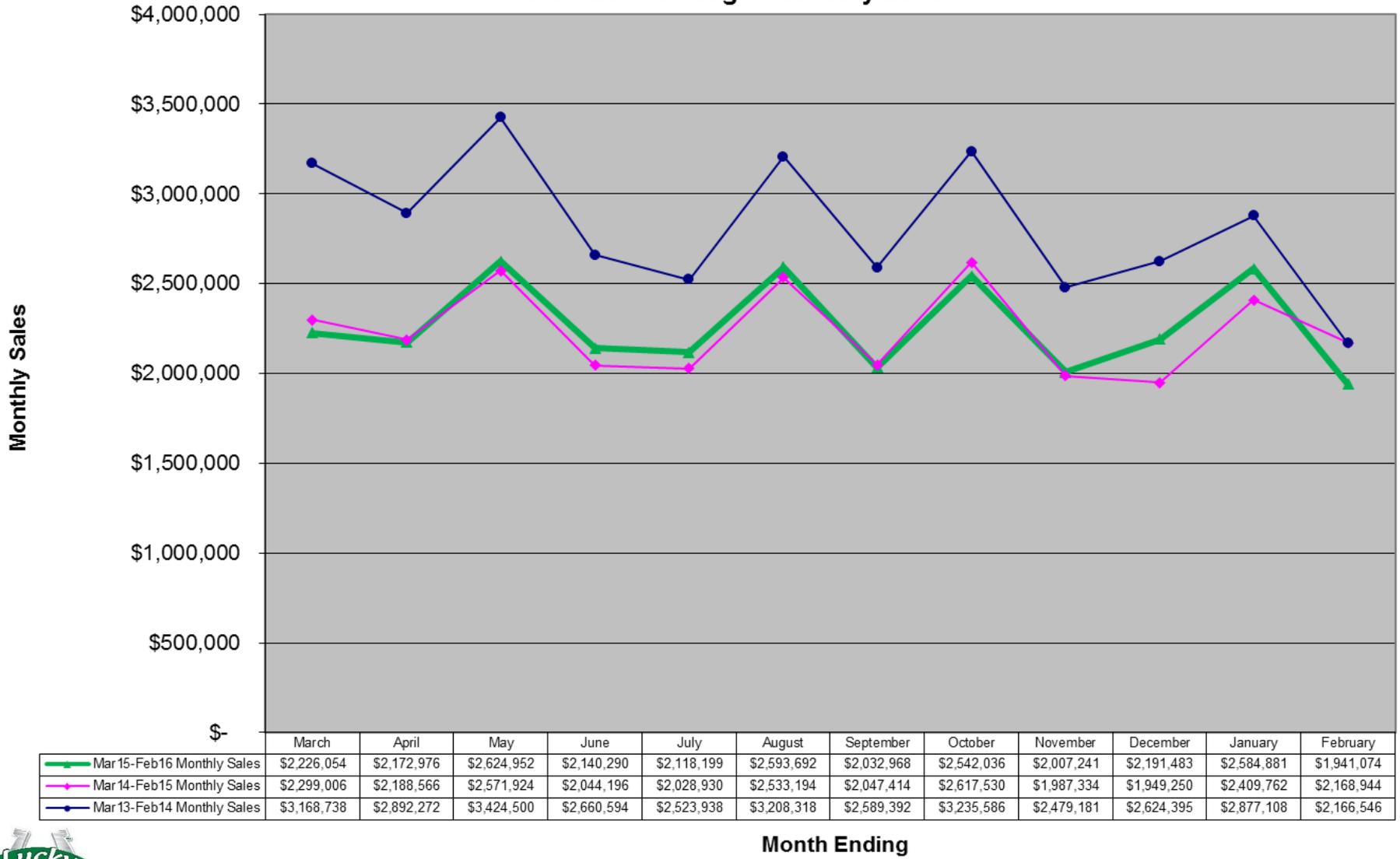
Month Ending



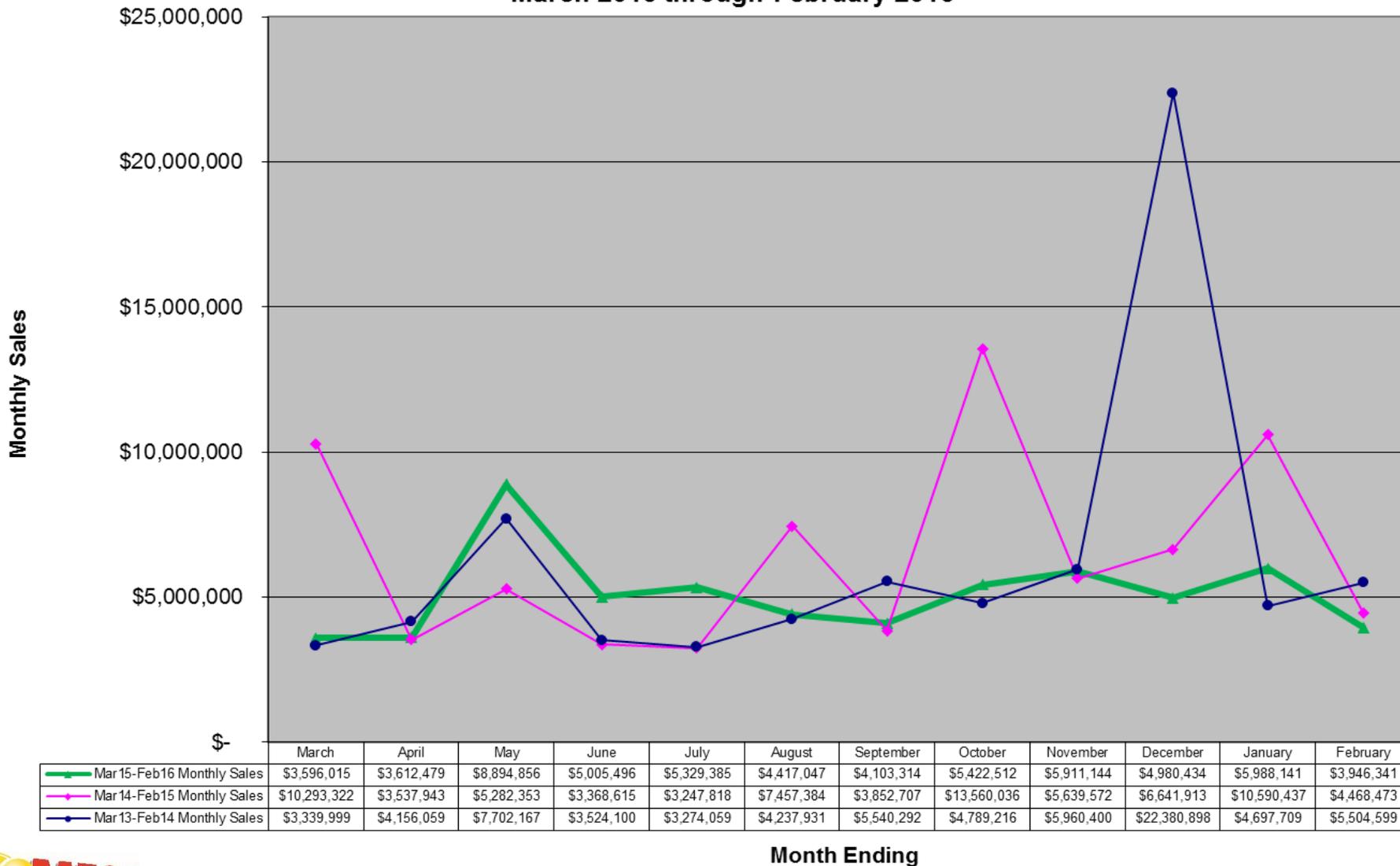
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year March 2013 through February 2016



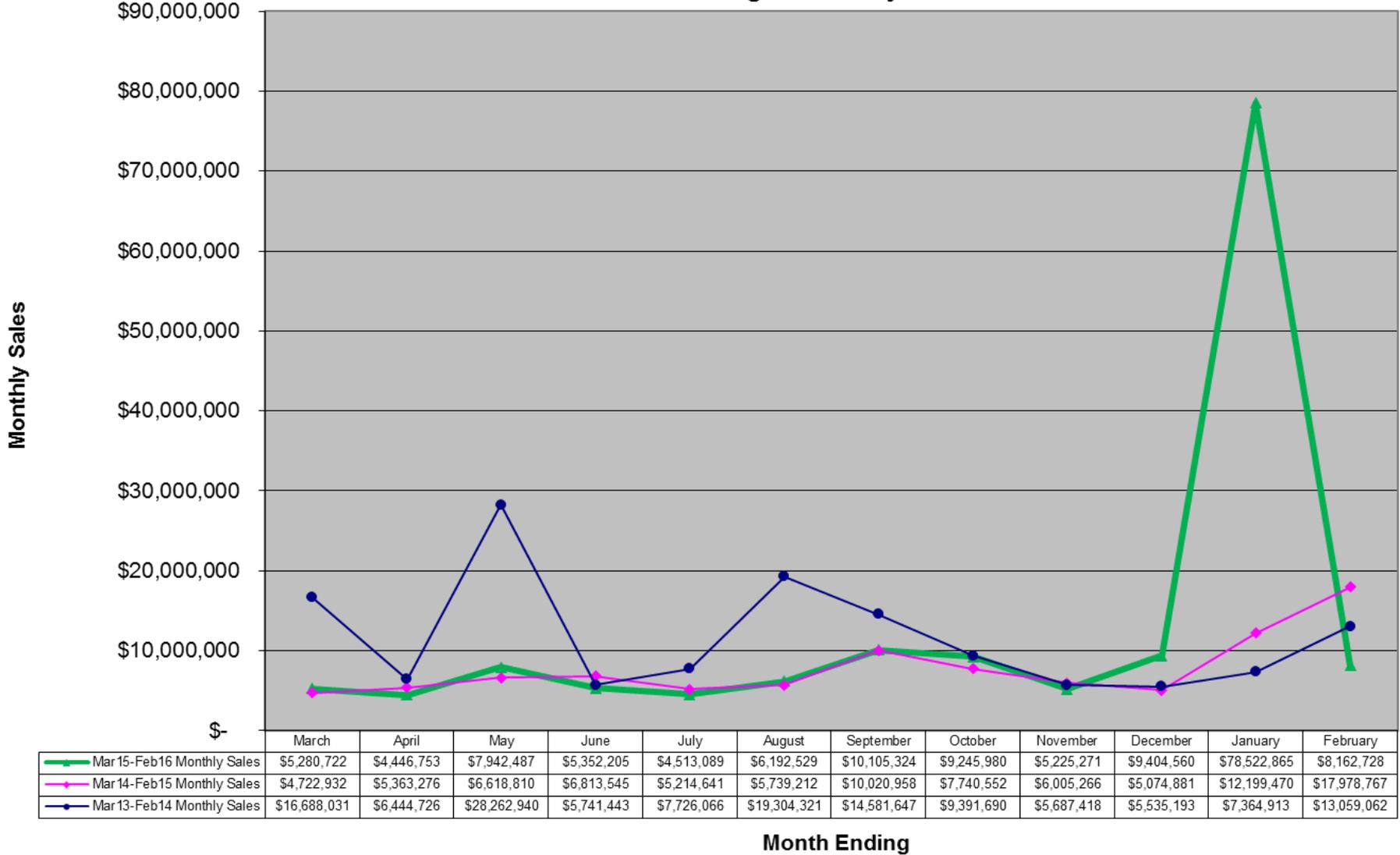
Lucky For Life Game Monthly Sales Unadjusted Non Fiscal Year March 2013 through February 2016



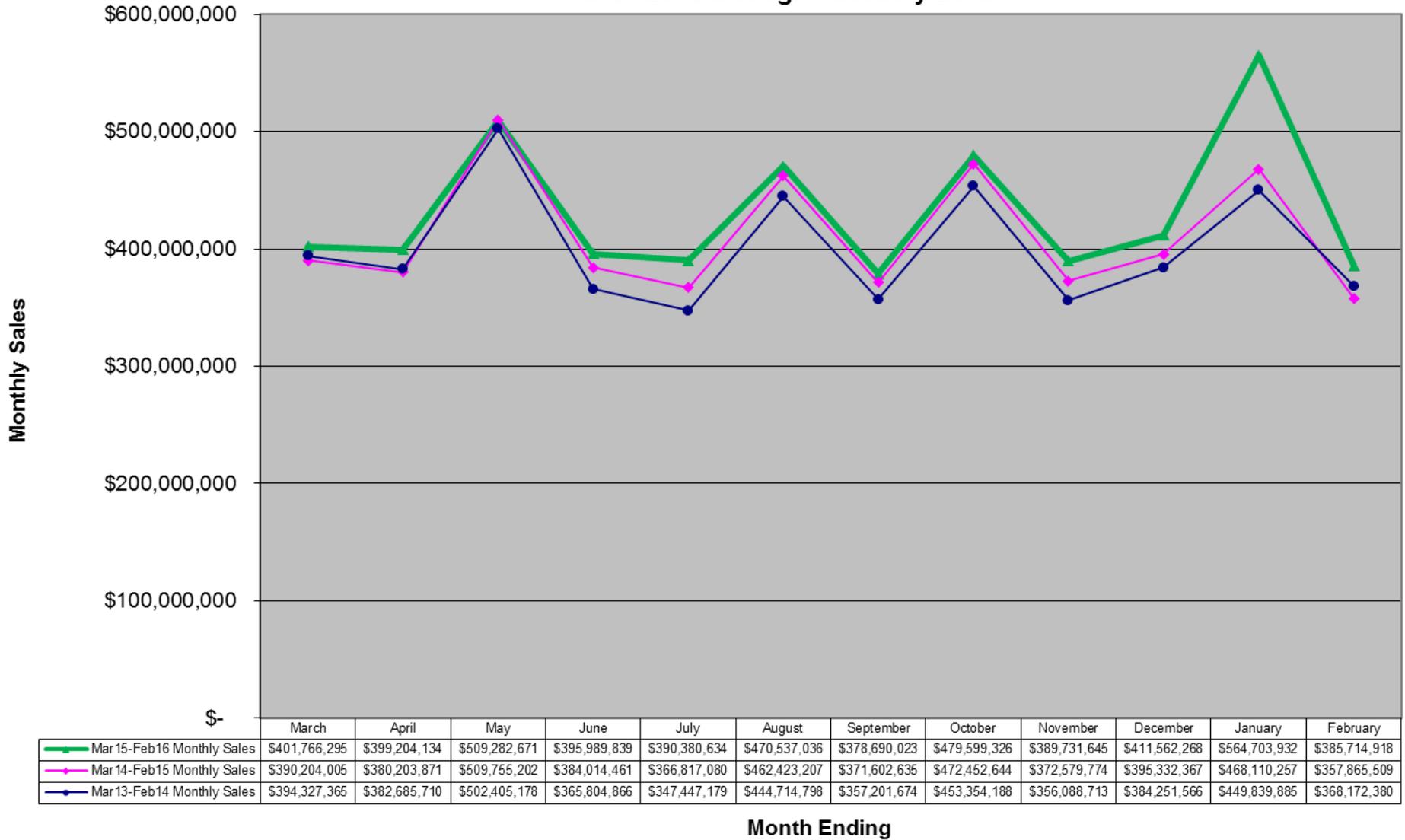
Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year March 2013 through February 2016



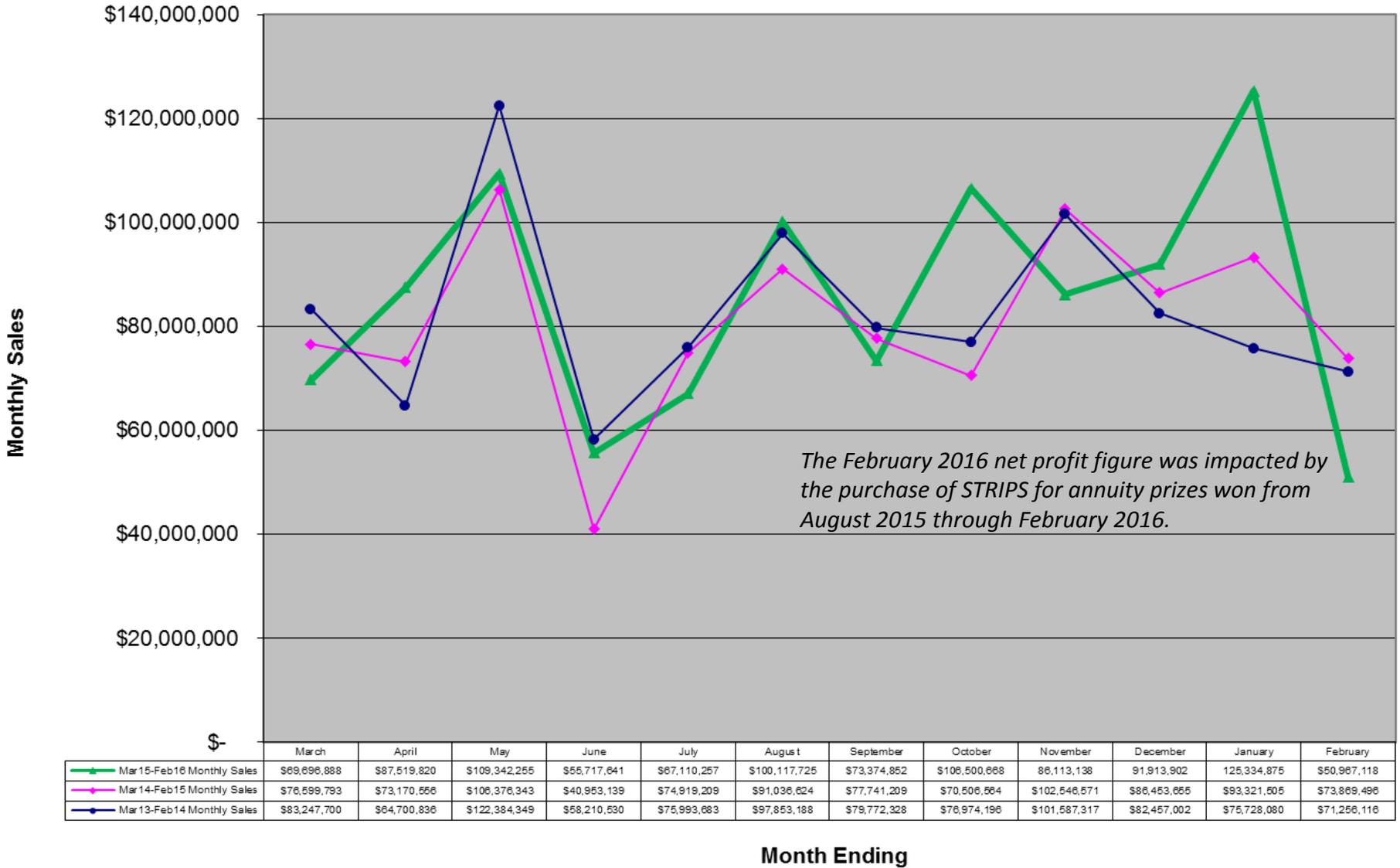
Powerball Game Monthly Sales Unadjusted Non Fiscal Year March 2013 through February 2016



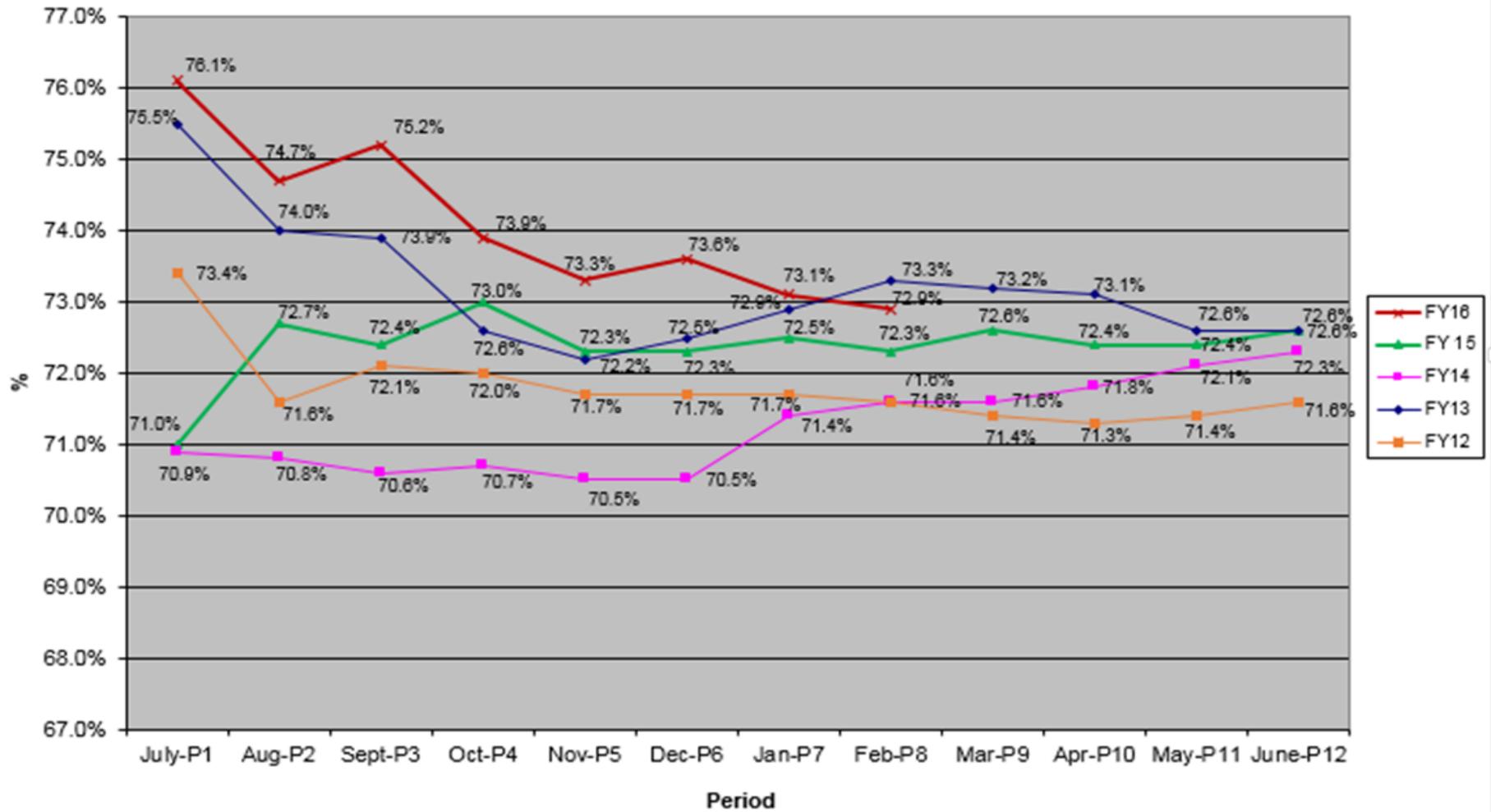
**All Games Monthly Sales
Unadjusted Non Fiscal Year
March 2013 through February 2016**



Monthly Net Profit March 2013 through February 2016



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



MSLC Gross Sales Results

FEBRUARY FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through February 27, 2016

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$266.3	69.0%	\$239.3	66.9%	\$27.0	11.3%
Mega Millions	\$3.9	1.0%	\$4.5	1.2%	-\$0.5	-11.7%
Powerball	\$8.2	2.1%	\$18.0	5.0%	-\$9.8	-54.6%
KENO	\$71.3	18.5%	\$63.2	17.7%	\$8.1	12.8%
Mass Cash	\$6.5	1.7%	\$5.5	1.5%	\$0.9	17.2%
Lucky for Life	\$1.9	0.5%	\$2.2	0.6%	-\$0.2	-10.5%
Numbers Game	\$25.3	6.5%	\$23.4	6.5%	\$1.8	7.9%
Megabucks Doubler	\$2.1	0.6%	\$1.6	0.4%	\$0.5	34.3%
Jackpot Poker	\$0.2	0.0%	\$0.2	0.1%	\$0.0	-12.7%
Total	\$385.7	100.0%	\$357.9	100.0%	\$27.9	7.8%
Instant Tickets	\$266.3	69.0%	\$239.3	66.9%	\$27.0	11.3%
Draw Games + KENO	\$119.4	31.0%	\$118.5	33.1%	\$0.8	0.7%
Total	\$385.7	100.0%	\$357.9	100.0%	\$27.9	7.8%
Unadjusted	Month	1/31/16-2/27/16	Month	2/1/15-2/28/15		
		4 weeks		4 weeks		
		28 days		28 days		

MSLC Gross Sales Results

YEAR-TO-DATE FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through February 27, 2016

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$2,396.6	69.0%	\$2,291.6	70.1%	\$105.0	4.6%
Mega Millions	\$40.1	1.2%	\$55.5	1.7%	-\$15.4	-27.7%
Powerball	\$131.4	3.8%	\$70.0	2.1%	\$61.4	87.7%
KENO	\$595.9	17.2%	\$554.4	17.0%	\$41.6	7.5%
Mass Cash	\$52.6	1.5%	\$49.8	1.5%	\$2.9	5.7%
Lucky for Life	\$18.0	0.5%	\$17.7	0.5%	\$0.3	1.5%
Numbers Game	\$218.6	6.3%	\$213.5	6.5%	\$5.1	2.4%
Megabucks Doubler	\$16.2	0.5%	\$12.9	0.4%	\$3.3	25.5%
Jackpot Poker	\$1.5	0.0%	\$1.9	0.1%	-\$0.4	-21.0%
Total	\$3,470.9	100.0%	\$3,267.2	100.0%	\$203.7	6.2%
Instant Tickets	\$2,396.6	69.0%	\$2,291.6	70.1%	\$105.0	4.6%
Draw Games + KENO	\$1,074.4	31.0%	\$975.6	29.9%	\$98.8	10.1%
Total	\$3,470.9	100.0%	\$3,267.2	100.0%	\$203.7	6.2%
Unadjusted	Year	6/28/15-2/27/16	Year	6/29/14-2/28/15		
		35 weeks		35 weeks		
		245 days		245 days		

March Instant Tickets Sales Update

10X The Cash

Price Point: \$1

4-Week Sales: \$1,464,566



20X The Cash

Price Point: \$2

4-Week Sales: \$5,643,248



40X The Cash

Price Point: \$5

4-Week Sales: \$14,174,335



100X The Cash

Price Point: \$10

4-Week Sales: \$19,137,420



\$1,000,000 Lucky Numbers Instant Ticket Launch (April 5)

\$1,000,000 Lucky Numbers
Price Point: \$5



8.5 x 11 Poster



Cadillac Riches Instant Ticket

Scene 4



Scene 3



Scene 1



Scene 2



Cadillac Riches
Price Point: \$5
(4 Scenes)
Launched in 2013



Cadillac Riches POS and Agent Incentive

Cadillac RICHES
INSTANTLY WIN UP TO **\$1,000,000!**

ENTER THE SECOND CHANCE DRAWING FOR A CHANCE TO WIN A CADILLAC VEHICLE OR MERCHANDISE PRIZE PACK!
(Enter by mail or internet.)

Prizes	Prizes Remaining (as of Jan. 31, 2016)
\$1,000,000	4
\$10,000	82
\$1,000	789
\$500	5,159
\$200	12,919
\$100	35,039
\$50	73,818
\$40	73,924
\$20	266,661
\$10	986,813
\$5	1,012,986

Lots of great prizes are still available!

THE LOTTERY
masslottery.com

General Lottery. Trademarks used under license to Poland Beverage Limited Partnership. 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.

11x17 Poster

ATTENTION SALES AGENTS! OVER \$30,000 IN AGENT PRIZES!

THREE GREAT WAYS FOR YOU TO WIN UP TO \$5,000!

1) You will receive a fresh distribution of **CADILLAC RICHES** (game #76) beginning the week of March 13, 2016. Starting March 13 through April 2, each book of **CADILLAC RICHES** you **activate** will earn you one (1) entry into a drawing. (Activated books cannot be returned.) On April 4, six (6) Agents will be randomly chosen from all entries:

*One (1) Agent will win **\$5,000** and five (5) will each win **\$1,000!***

2) To help you drive sales for **CADILLAC RICHES**, you will receive a new poster listing the remaining prizes, and door and dispenser decals. Your Lottery Sales Representative will assist you in meeting promotional requirements, and will take a photo of your game #76 display. Each photo sent to Lottery headquarters will serve as an entry into a drawing. (Eligible Agents may only enter once.) On April 11, six (6) Agents will be randomly chosen from entries received:

*One (1) Agent will win **\$5,000** and five (5) will each win **\$1,000!***

The Lottery will remind players to purchase **CADILLAC RICHES** via email blasts, ticket messages, KENO and PAT monitor ads, and on **masslottery.com**. A social media promotion will also be conducted by which players can win cash prizes.

3) Each book of **CADILLAC RICHES** you **settle** before June 11 will be entered into a drawing. On June 13, six (6) Agents will be randomly chosen from all entries:

*One (1) Agent will win **\$5,000** and five (5) will each win **\$1,000!***

Cadillac Riches Mystery Caller Promotion

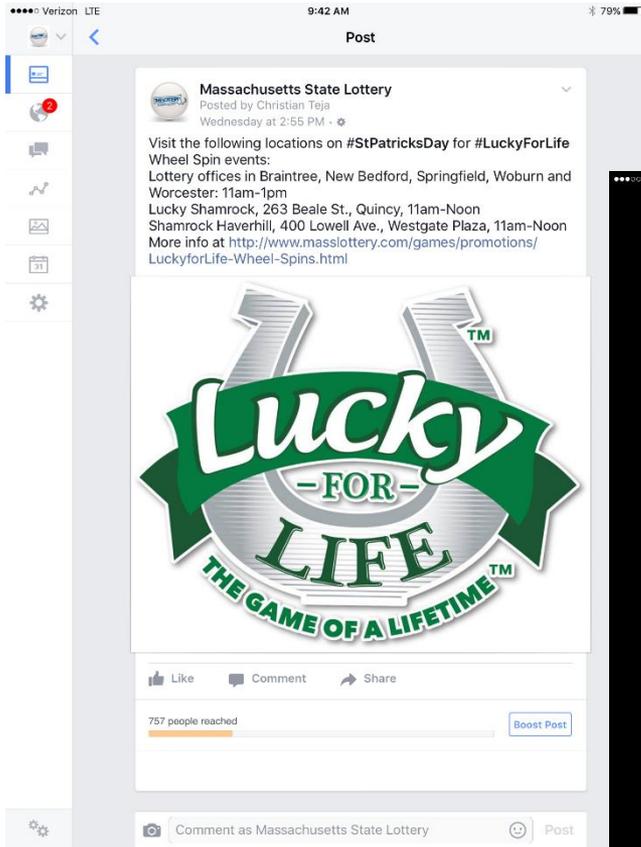
Get a "rebate" in the *Cadillac Riches Mystery Caller* promotion. Each Wednesday starting March 30 through April 20, five (5) Agents will each win \$100. Winning Agents will be chosen from all Agents with an activated book of **CADILLAC RICHES**. Eligible Agents will be contacted by phone until five (5) have correctly answered three (3) questions about game #76. (Hint: Answers can be found on the game poster!)

All prizes will be credited to winning Agents' Lottery accounts within two (2) weeks after the drawing.



Agent Incentive

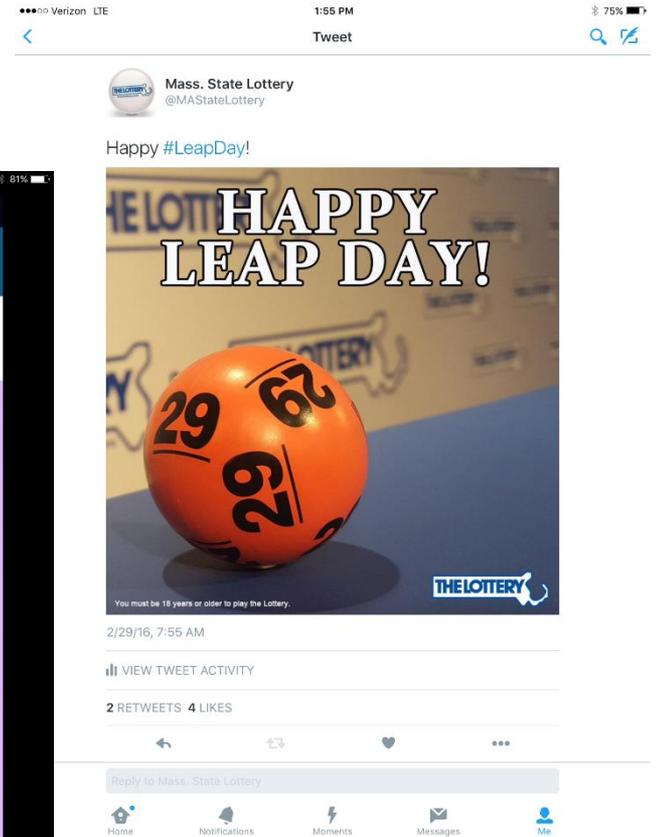
Social Media Messaging



Lucky for Life promo (Facebook)



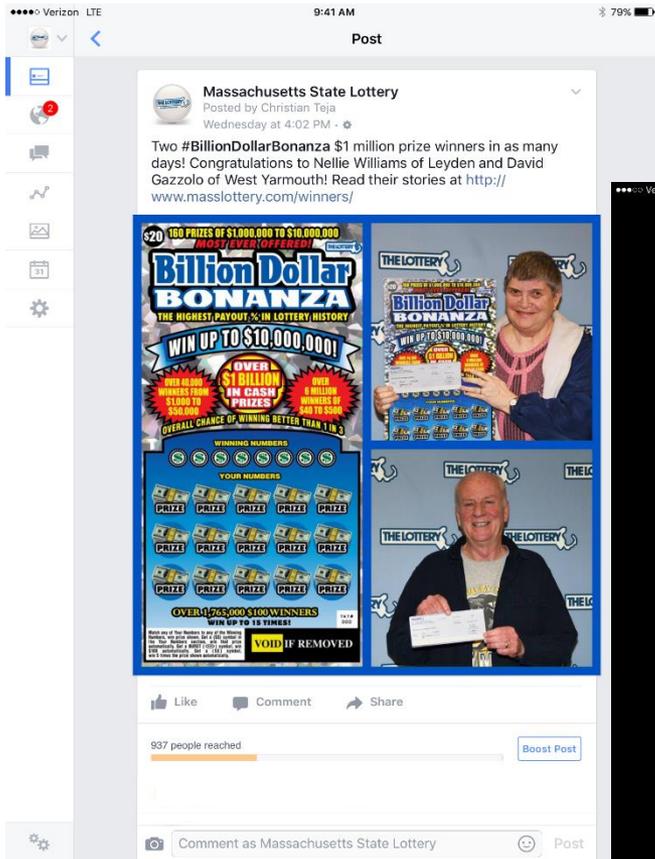
Sweepstakes winners (Instagram)



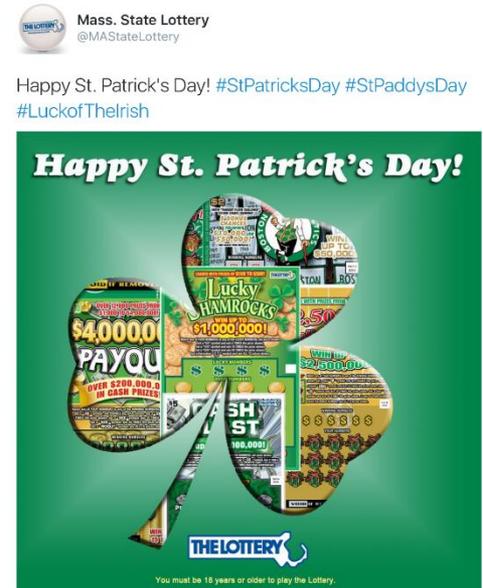
Leap Day post (Twitter)



Social Media Messaging



Winner awareness (Facebook)



St. Patrick's Day post (Twitter)



Launch of Multiplier games (Instagram)



“See the Green” Sweepstakes on Facebook

Post

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

Happy St. Patrick's Day! Last chance to enter. On this post, comment "I want to see the Green Sweepstakes" and you'll be entered into our #SeeTheGreen Sweepstakes for a chance to win a pair of tickets to the **Boston Celtics** game at **TD Garden** on Monday, March 21. For good luck, share this with your friends. More info, including complete official rules, at <http://www.masslottery.com/about/news.html>

SEE THE GREEN!

ENTER OUR
FREE SWEEPSTAKES
TO WIN A PAIR OF TICKETS
TO AN UPCOMING
GAME!

WINNER!

THELOTTERY

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

Like Comment Share

6,749 people reached Boost Post

Daily entry post

Post

Massachusetts State Lottery
Posted by Christian Teja
Friday at 10:20 AM · 🌐

Congratulations to Christopher Phinney of South Weymouth, winner of our #SeeTheGreen Sweepstakes for Thursday, March 17, 2016. He has won a pair of tickets to the **Boston Celtics** game at **TD Garden** on Monday, March 21. This concludes our sweepstakes. Thank you for participating!

WINNER!

THELOTTERY

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

Like Comment Share

932 people reached Boost Post

Winner announcement

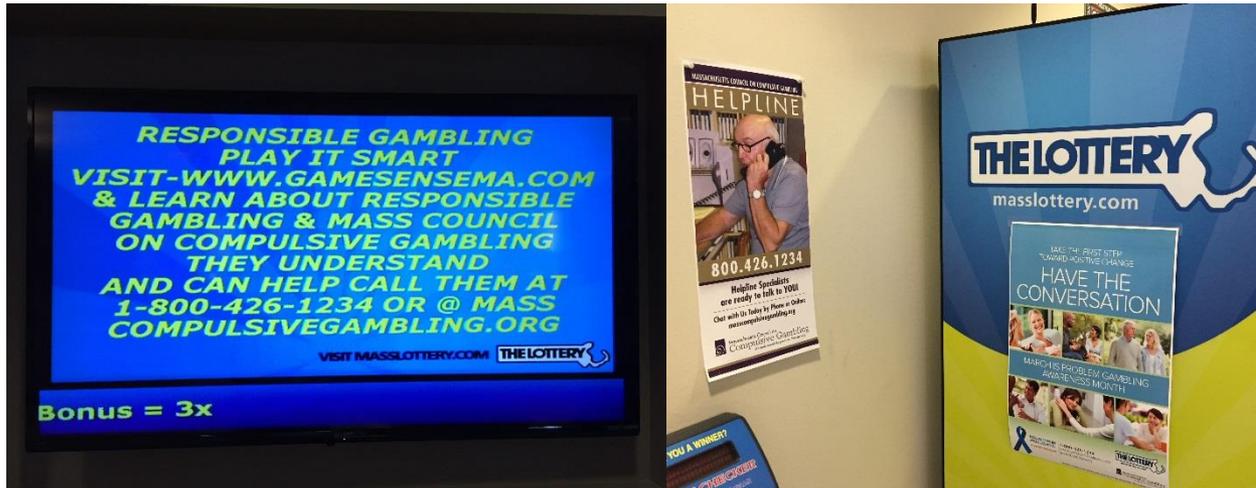


5-day promotion from March 13-17. One winner each day. Winners received 2 tickets to Celtics game on 3/21.

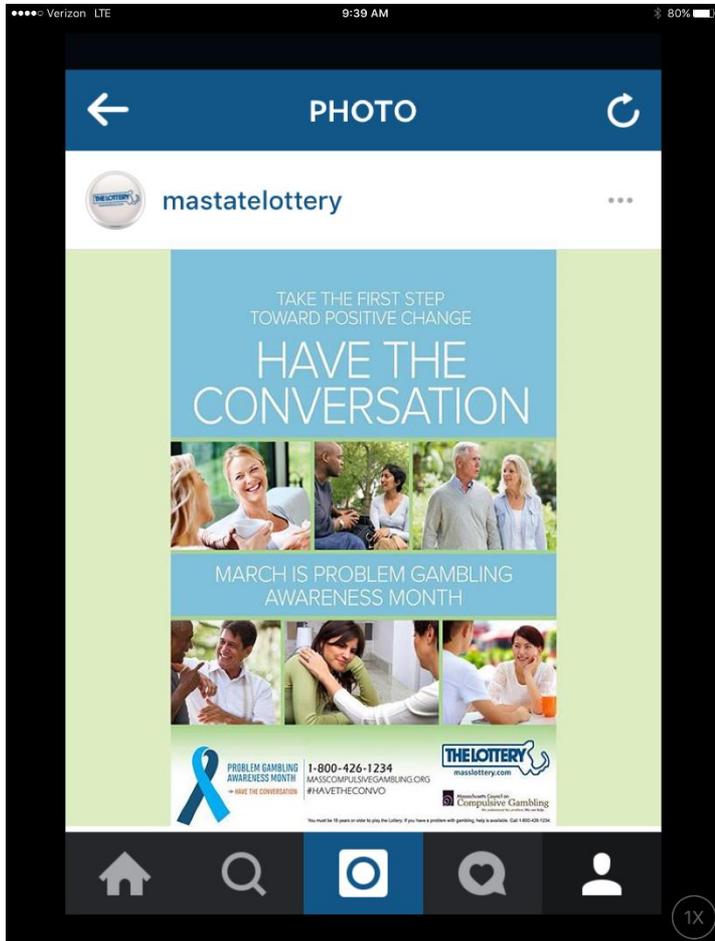
Problem Gambling Awareness Month

As we do each March, the Lottery is participating in Problem Gambling Awareness Month (PGAM) in a variety of ways:

- KENO monitor display
- Draw game ticket message
- Signage in Customer Service areas of our Braintree headquarters and regional offices
- Mass. Council on Compulsive Gambling information table in Braintree (3/24) and Worcester (3/23)
- Letter to employees
- Prominent presence on homepage of Lottery website
- Social media activity



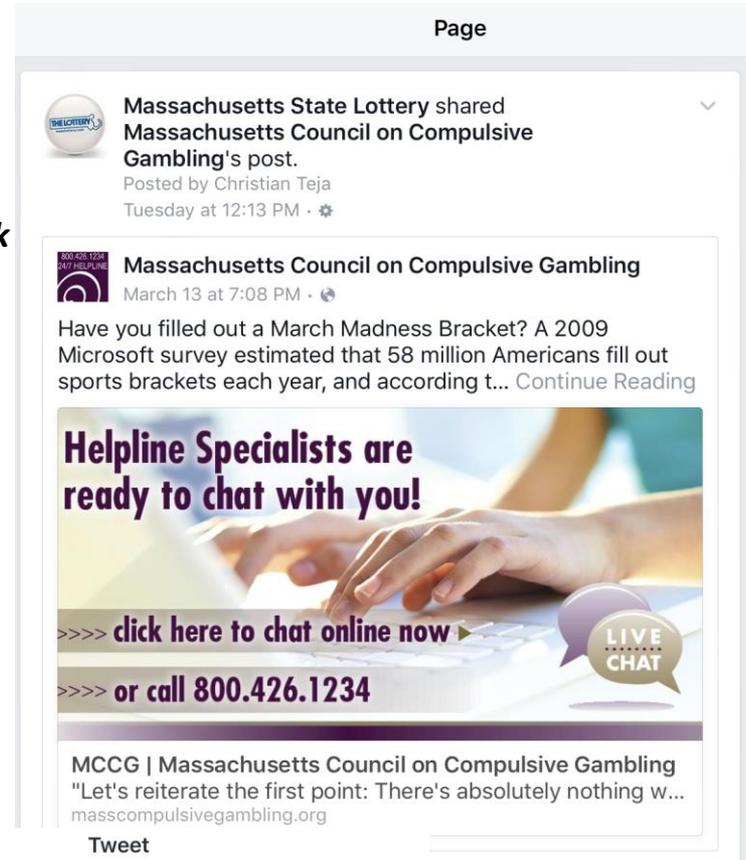
PGAM - Social Media Messaging



Instagram



Facebook



Twitter

March is Problem Gambling Awareness Month. If you have a problem with gambling, help is available.
1-800-426-1234 or masscompulsivegambling.org

3/7/16, 3:41 PM

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.

