

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Michael R. Sweeney

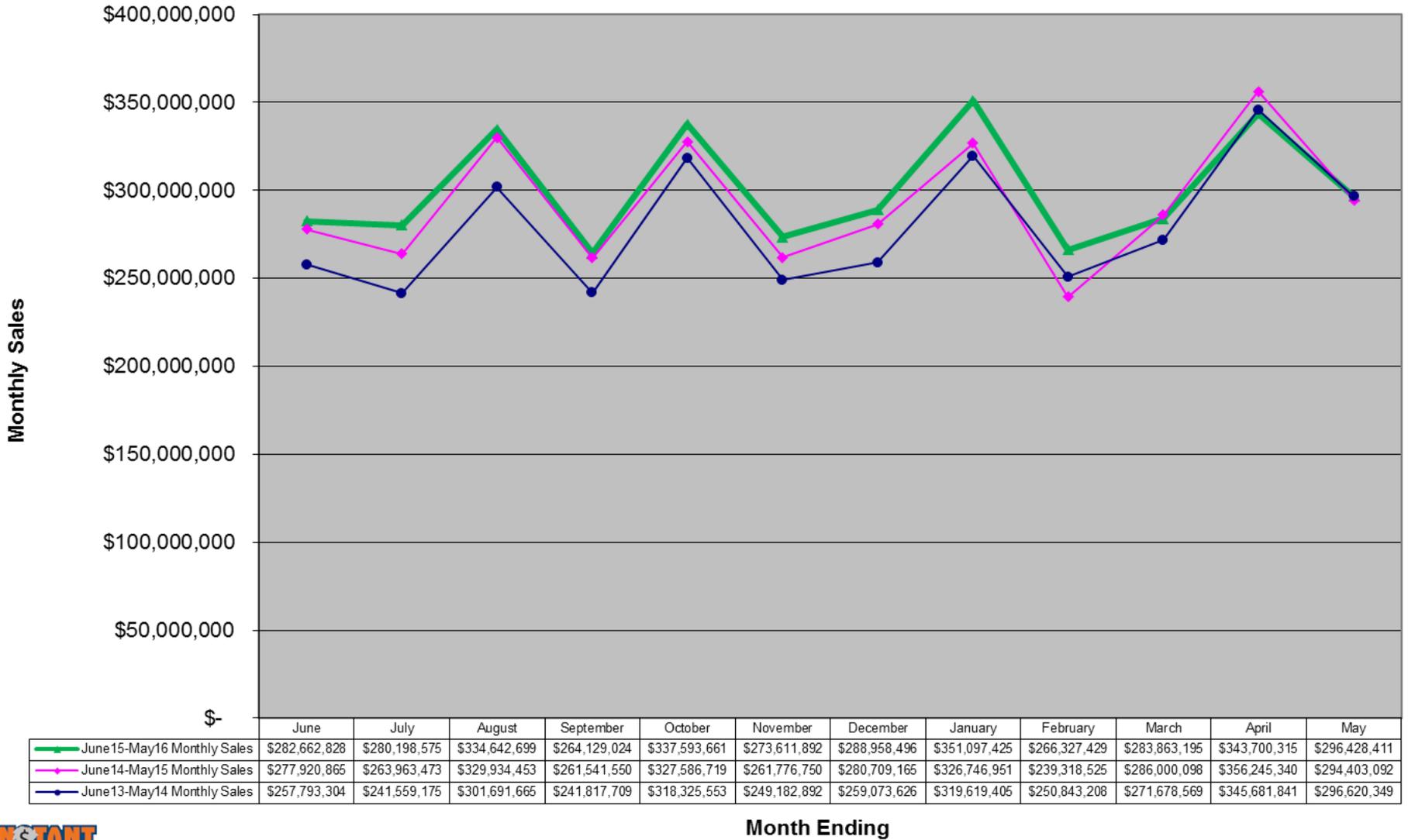
June 28, 2016



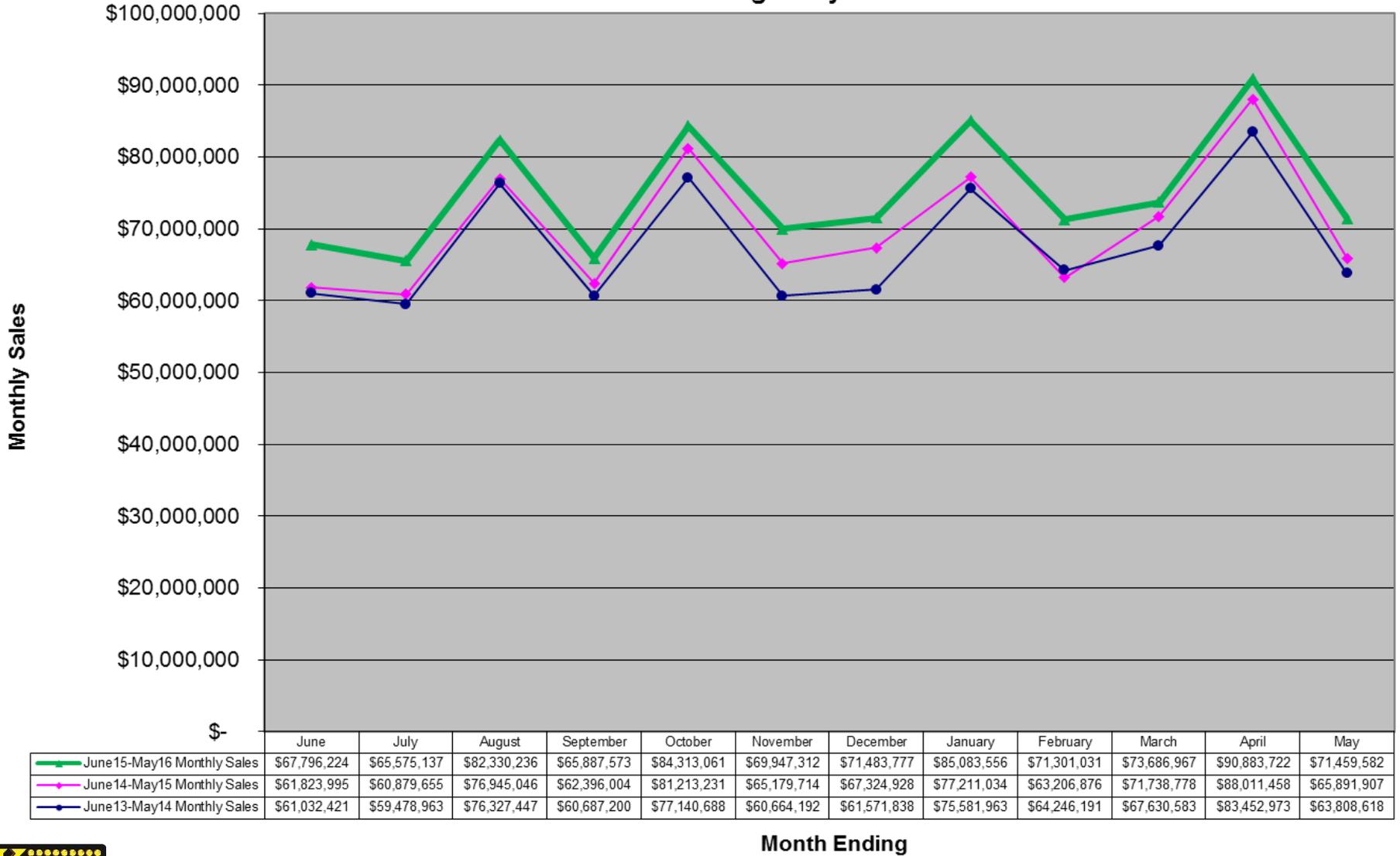
Lottery Sales Update - May

- Overall sales for May of 2016 were up \$10.4 million from May 2015.
- Due primarily to a shift in the calendar that resulted in 7 fewer days being included in the net profit figure for May 2016, net profit for the month was \$86.6 million compared to \$109.3 million in May 2015. After adding a 7-day average net profit figure of \$21.6 million, the adjusted change for May 2016 vs. May 2015 is a \$1.1 million decrease in net profit.
- Due in part 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 11 months of FY16 is \$929.8 million compared to \$924.7 million through the first 11 months of FY15. After adding a 1-day average net profit figure of \$2.8 million, the adjusted year-over-year change for the first 11 months of FY16 vs. the first 11 months of FY15 is a \$7.9 million increase in net profit.
- Our prize payout for May 2016 was 71.73 percent, as compared to 71.32 percent in May 2015. Our year-to-date prize payout for FY16 is 73.16 percent, as compared to 72.42 percent for the same 11-month period of FY15.
- KENO sales experienced a \$5.6 million sales increase in May of 2016 vs. May of 2015. Powerball sales for May of 2016 increased \$4.2 million over May of last year due primarily to larger jackpots (\$429.6 million on May 7). Instant Ticket sales were up \$2.0 million over May of 2015. Mass Cash and the Numbers Game also both experienced sales increases over May of 2015.
- Mega Millions sales were down \$2.2 million compared to May of 2015. Compared to May of 2015, Jackpot Poker sales were down \$50,788, Lucky for Life sales were down \$38,724 and Megabucks Doubler sales were down \$24,133.

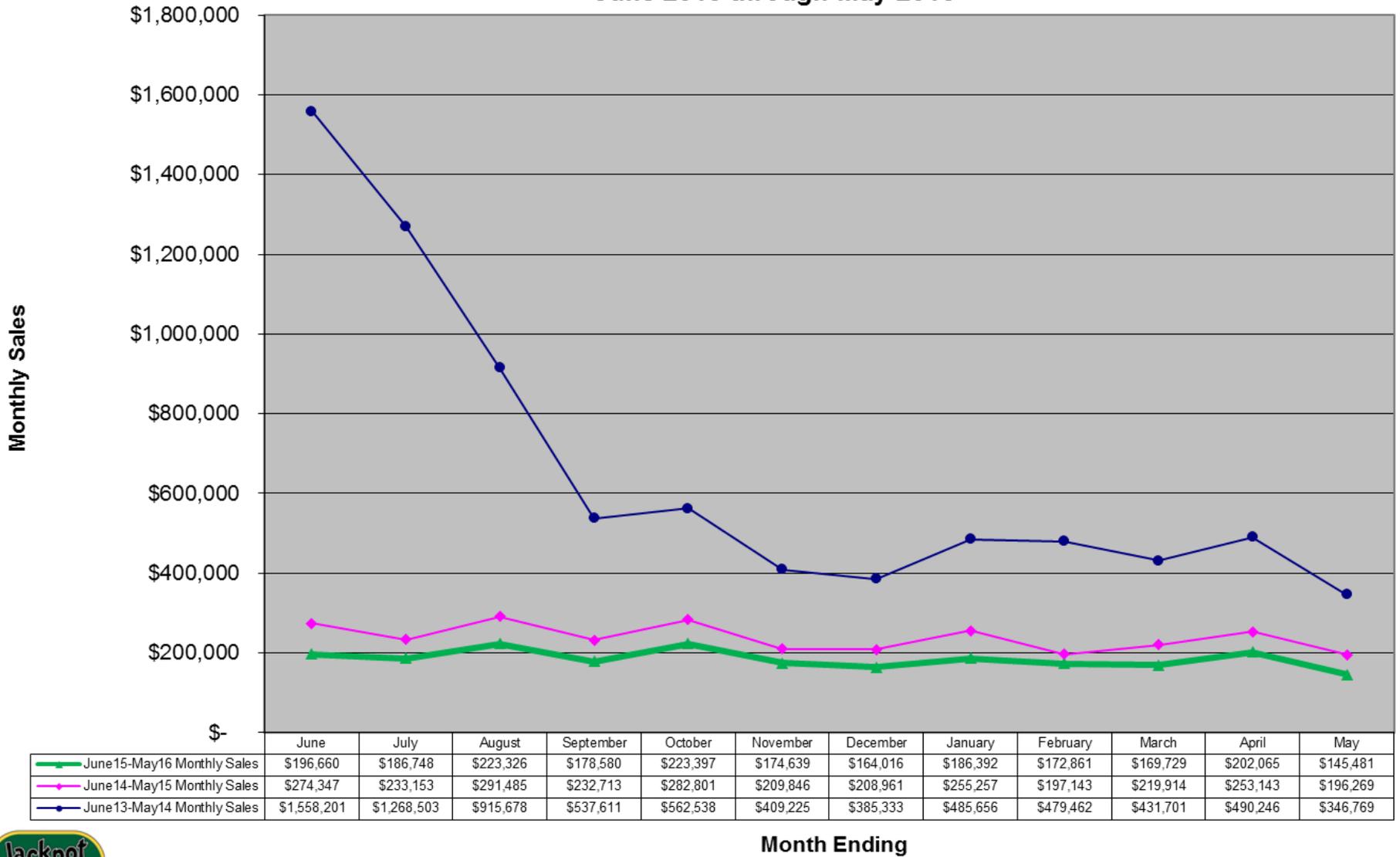
Instant Ticket Games Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



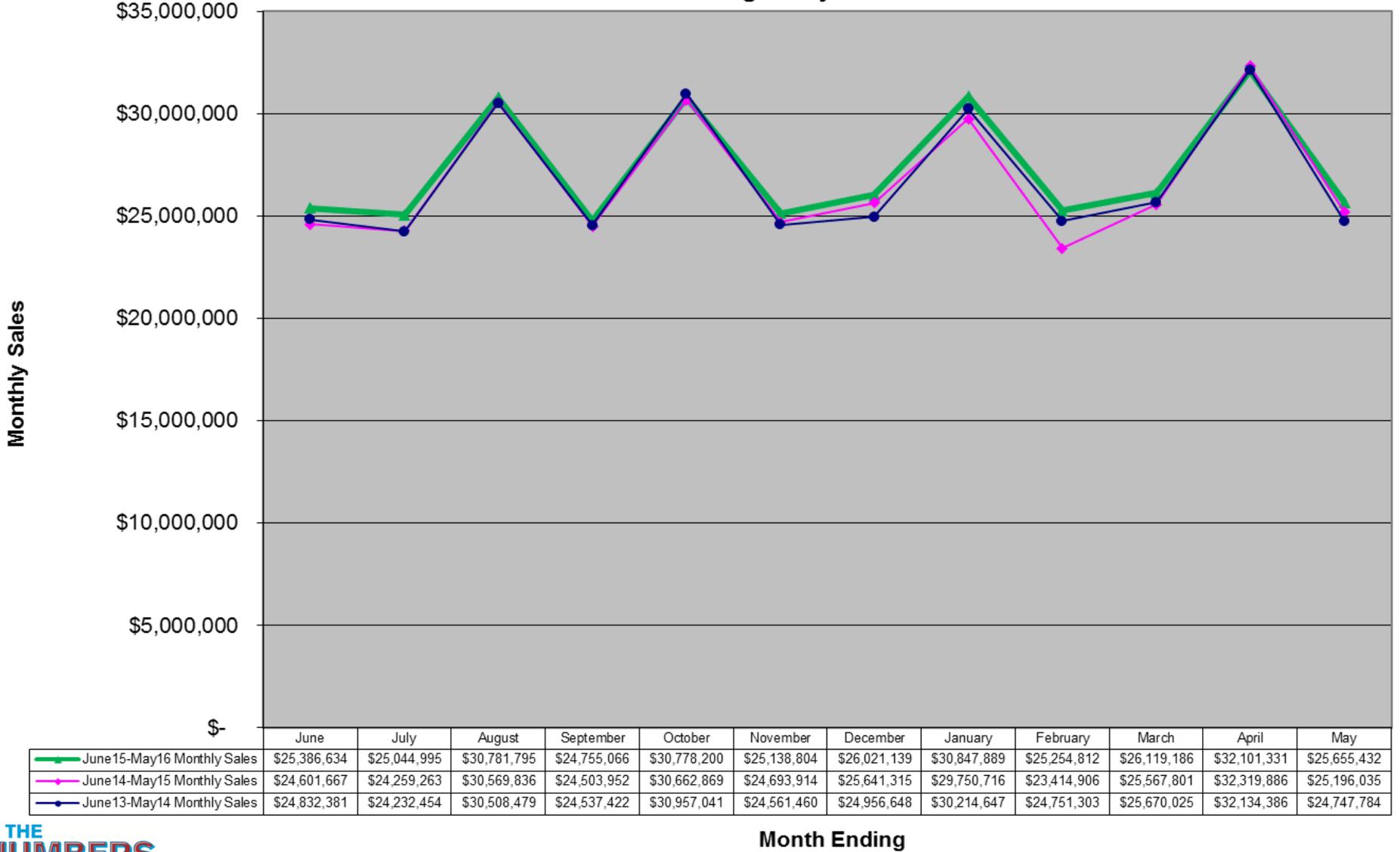
KENO Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



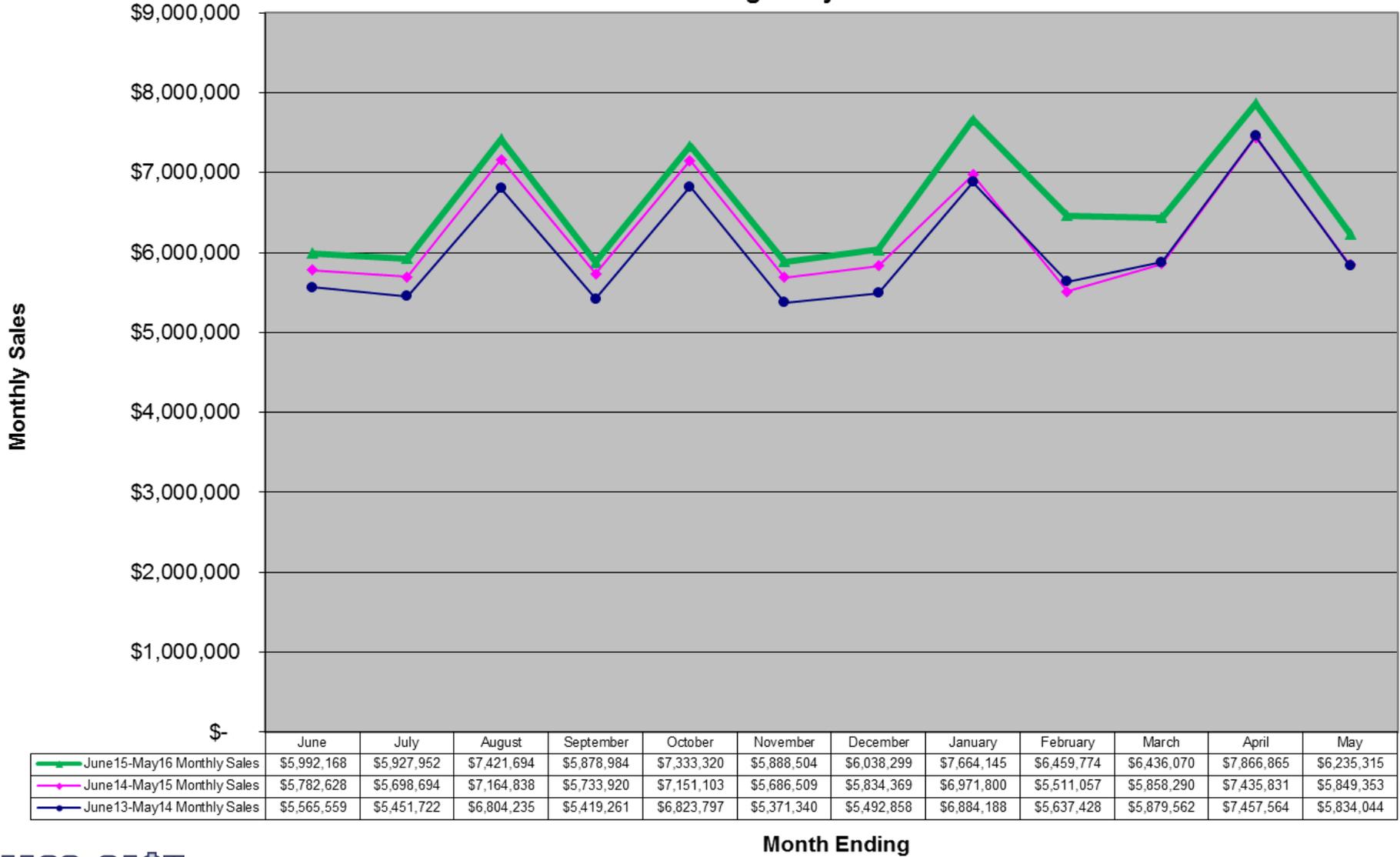
Jackpot Poker Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



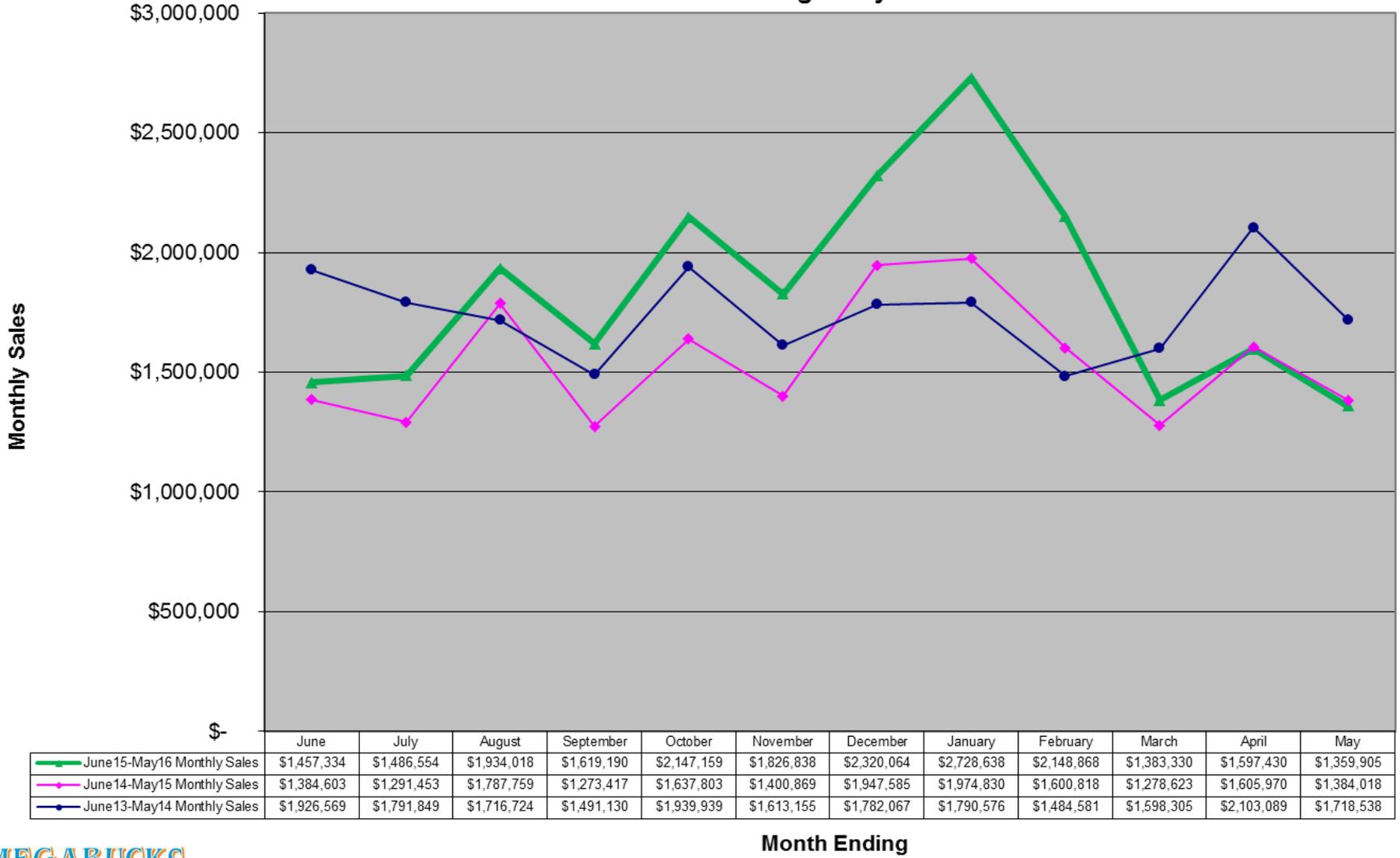
Numbers Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



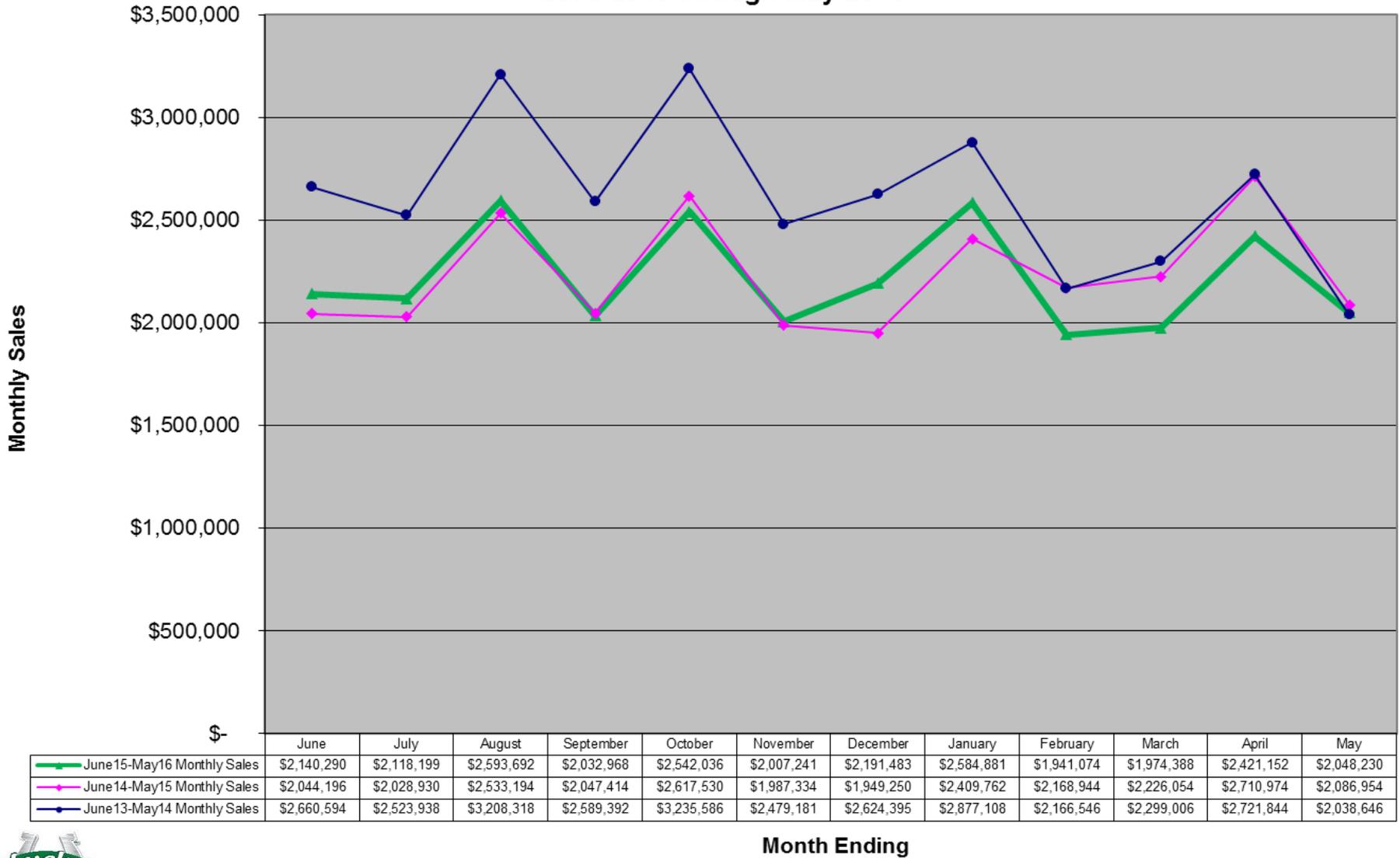
Mass Cash Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



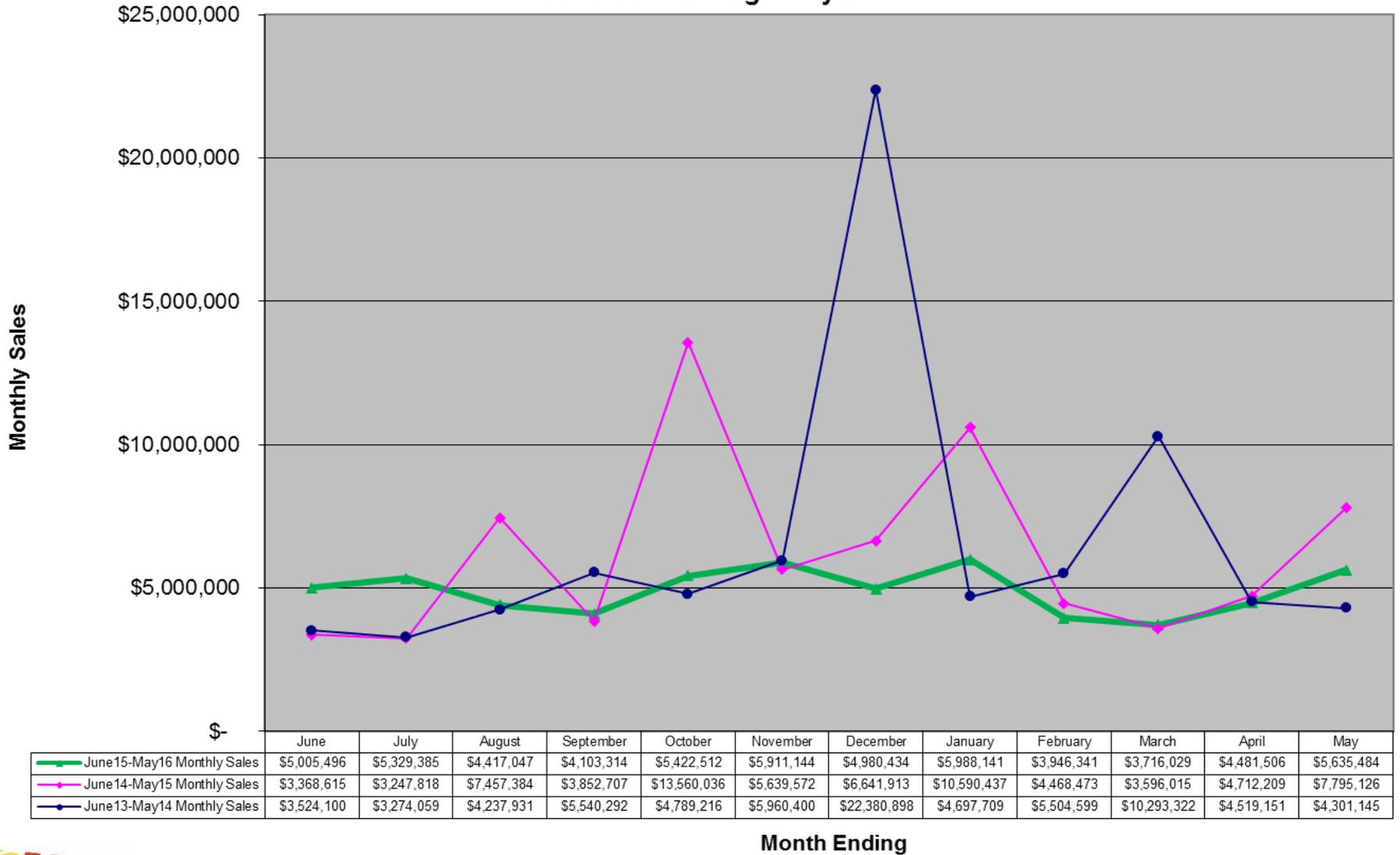
Megabucks Doubler Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



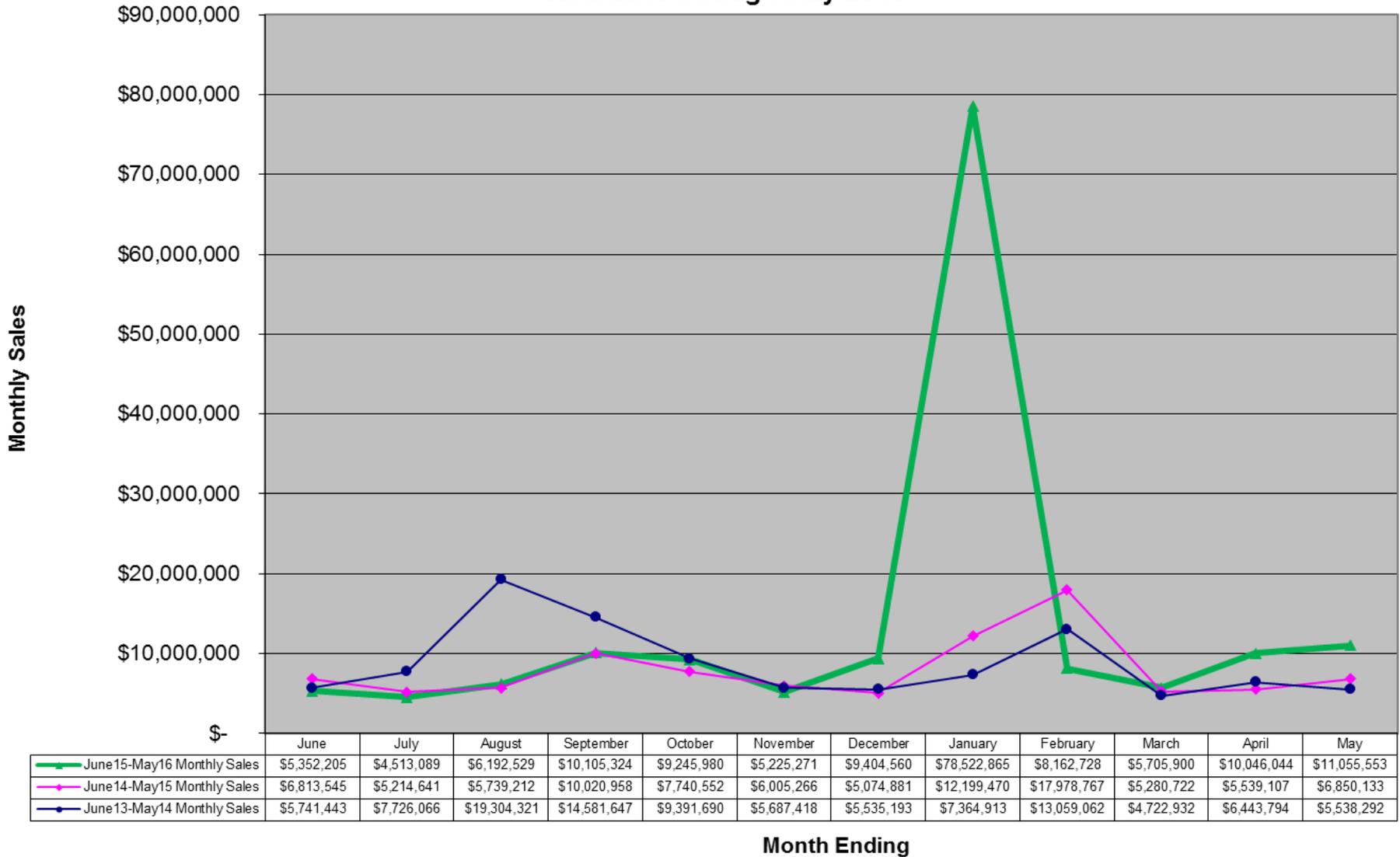
Lucky For Life Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



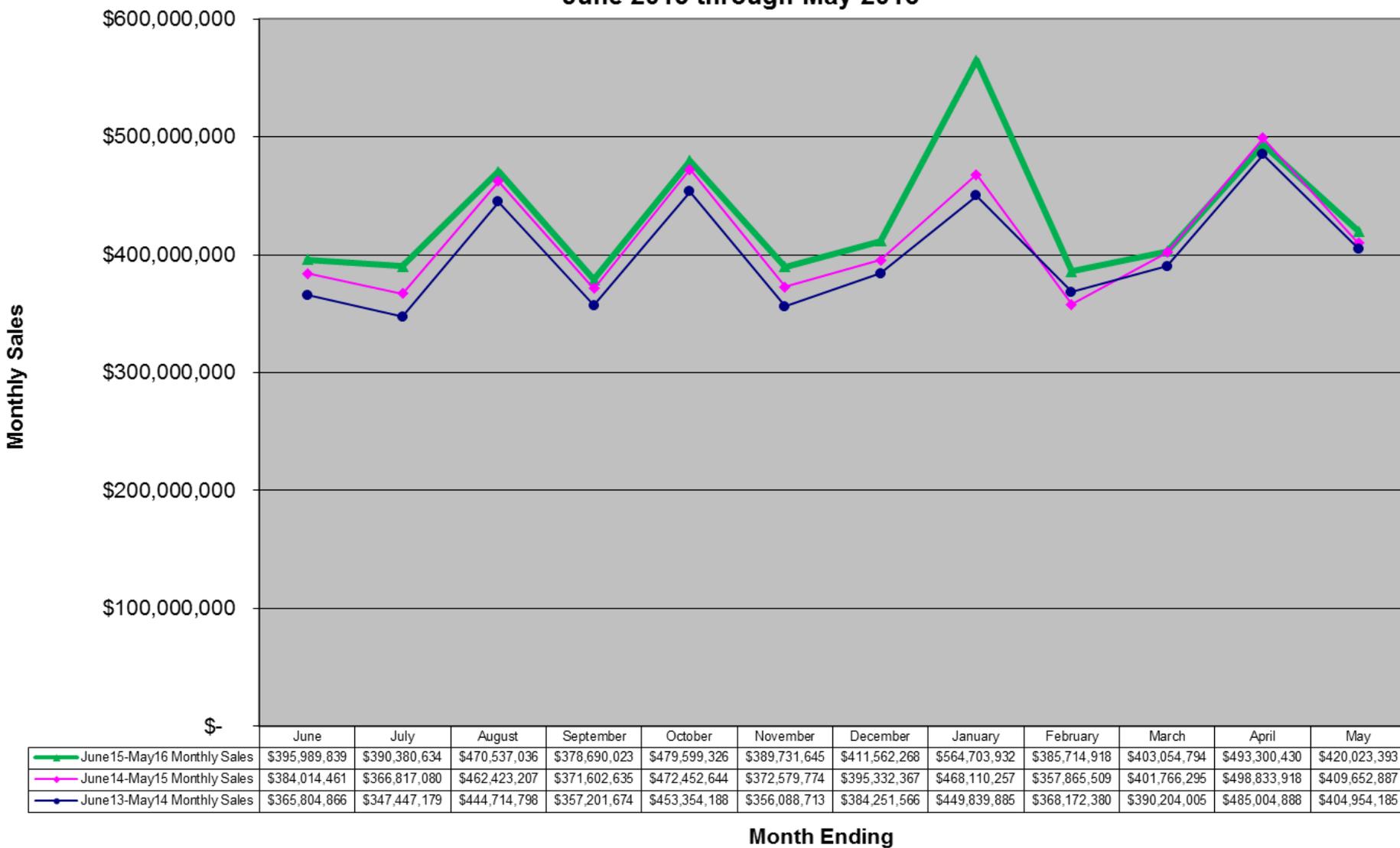
Mega Millions Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



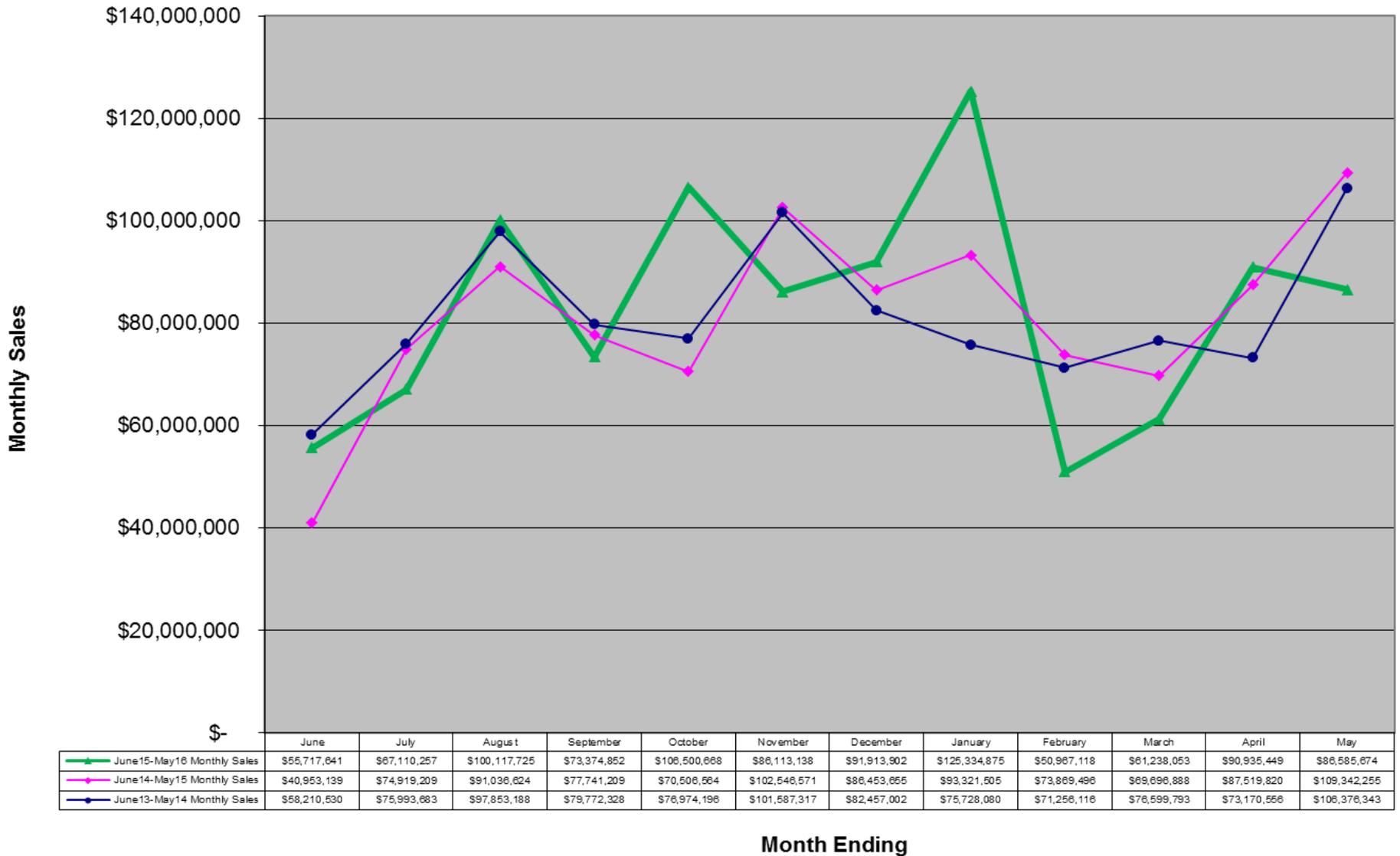
Powerball Game Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



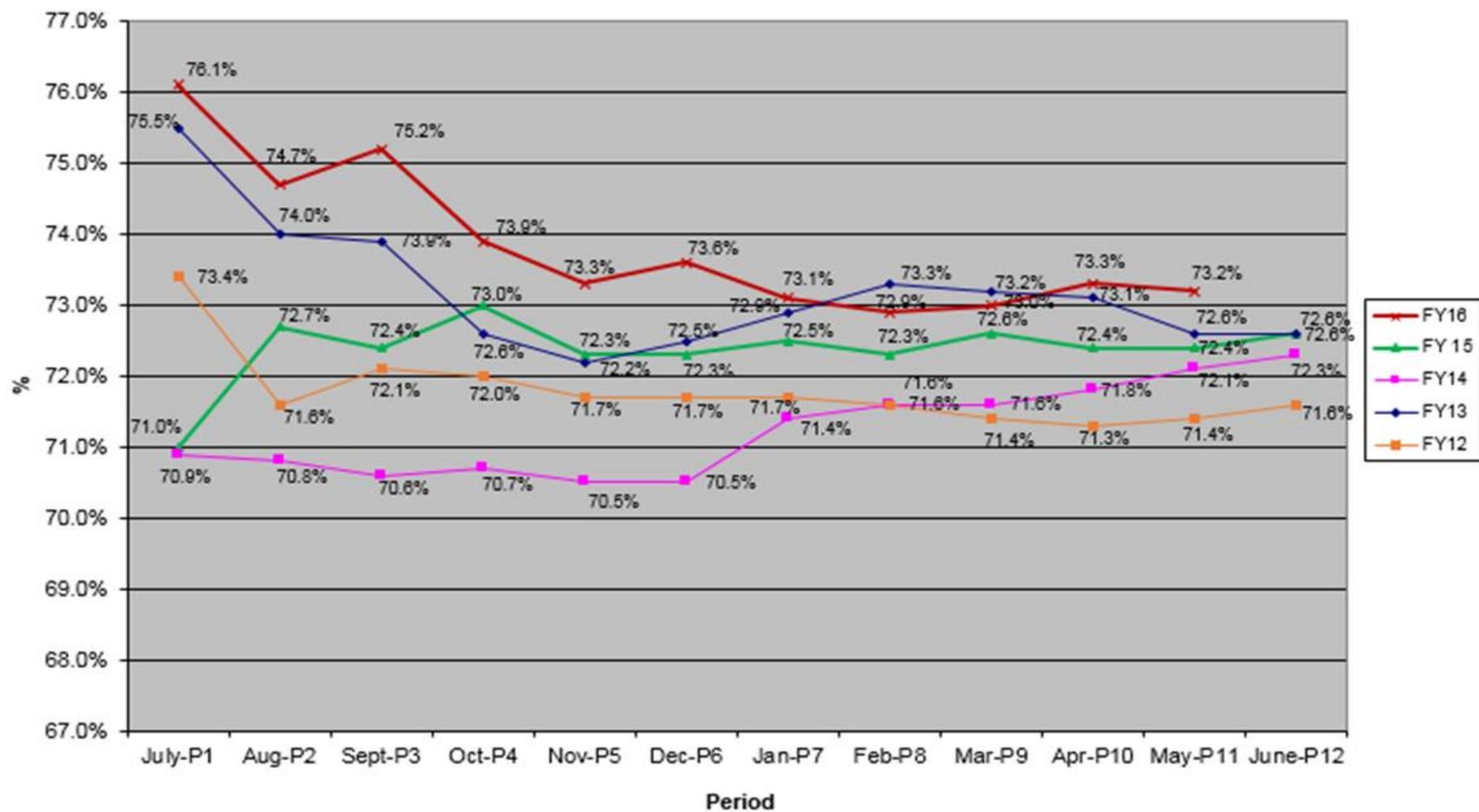
All Games Monthly Sales Unadjusted Non Fiscal Year June 2013 through May 2016



Monthly Net Profit June 2013 through May 2016



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



MSLC Gross Sales Results

MAY FY16 vs. FY15 Unadjusted Non Fiscal Year

(\$ millions)

Through May 28, 2016

	FY16	% of Total	FY15	% of Total	\$ Change	% Change
Instant Tickets	\$296.4	70.6%	\$294.4	71.9%	\$2.0	0.7%
Mega Millions	\$5.6	1.3%	\$7.8	1.9%	-\$2.2	-27.7%
Powerball	\$11.1	2.6%	\$6.9	1.7%	\$4.2	61.4%
KENO	\$71.5	17.0%	\$65.9	16.1%	\$5.6	8.5%
Mass Cash	\$6.2	1.5%	\$5.8	1.4%	\$0.4	6.6%
Lucky for Life	\$2.0	0.5%	\$2.1	0.5%	\$0.0	-1.8%
Numbers Game	\$25.7	6.1%	\$25.2	6.2%	\$0.5	1.8%
Megabucks Doubler	\$1.4	0.3%	\$1.4	0.3%	\$0.0	-1.8%
Jackpot Poker	\$0.1	0.0%	\$0.2	0.0%	-\$0.1	-26.0%
Total	\$420.0	100.0%	\$409.7	100.0%	\$10.4	2.5%
Instant Tickets	\$296.4	70.6%	\$294.4	71.9%	\$2.0	0.7%
Draw Games + KENO	\$123.6	29.4%	\$115.2	28.1%	\$8.3	7.2%
Total	\$420.0	100.0%	\$409.7	100.0%	\$10.4	2.5%
Unadjusted	Month	5/1/16-5/28/16	Month	5/3/15-5/30/15		
		4 weeks		4 weeks		
		28 days		28 days		

MSLC Gross Sales Results

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

(\$ millions)									
Through May 28, 2016									
		FY16	% of Total	FY15	% of Total	\$ Change	% Change		
Instant Tickets		\$3,320.6	69.4%	\$3,228.2	70.5%	\$92.3	2.9%		
Mega Millions		\$53.9	1.1%	\$71.6	1.6%	-\$17.6	-24.6%		
Powerball		\$158.2	3.3%	\$87.6	1.9%	\$70.5	80.5%		
KENO		\$832.0	17.4%	\$780.0	17.0%	\$52.0	6.7%		
Mass Cash		\$73.2	1.5%	\$68.9	1.5%	\$4.3	6.2%		
Lucky for Life		\$24.5	0.5%	\$24.8	0.5%	-\$0.3	-1.3%		
Numbers Game		\$302.5	6.3%	\$296.6	6.5%	\$5.9	2.0%		
Megabucks Doubler		\$20.6	0.4%	\$17.2	0.4%	\$3.4	19.6%		
Jackpot Poker		\$2.0	0.0%	\$2.6	0.1%	-\$0.6	-21.4%		
Total		\$4,787.3	100.0%	\$4,577.4	100.0%	\$209.9	4.6%		
Instant Tickets		\$3,320.6	69.4%	\$3,228.2	70.5%	\$92.3	2.9%		
Draw Games + KENO		\$1,466.7	30.6%	\$1,349.2	29.5%	\$117.5	8.7%		
Total		\$4,787.3	100.0%	\$4,577.4	100.0%	\$209.9	4.6%		
Unadjusted		Year	6/28/15-5/28/16	Year	6/29/14-5/30/15				
			48 weeks		48 weeks				
			336 days		336 days				

May Instant Tickets Sales Update

Power Play Cashword

Price Point: \$2

6 Week Sales: \$7,760,542

\$2 POWER PLAY CASHWORD

YOUR 20 LETTERS

THE LOTTERY

If you win in the CASHWORD PUZZLE, scratch the POWER PLAY MULTIPLIER. Multiply your prize won by the number revealed! (1X, 2X, 5X or 10X)

TKT# 000

SCRATCH HERE

POWER PLAY MULTIPLIER

WIN UP TO \$50,000!

PRIZE LEGEND	WORDS	PRIZE
2 WORDS	- \$2	
3 WORDS	- \$4	
4 WORDS	- \$5	
5 WORDS	- \$10	
6 WORDS	- \$20	
7 WORDS	- \$100	
8 WORDS	- \$200	
9 WORDS	- \$1,000	
10 WORDS	- \$50,000	

VOID IF REMOVED

See back for play instructions.

\$5 20X CASHWORD

WIN UP TO \$500,000!

YOUR LETTERS

THE LOTTERY

PUZZLE 1 KEY

2 WORDS	\$5
3 WORDS	\$10
4 WORDS	\$20
5 WORDS	\$40
6 WORDS	\$100
7 WORDS	\$500
8 WORDS	\$1,000
9 WORDS	\$10,000
10 WORDS	\$500,000

PRIZE MULTIPLIER: Multiply the TOTAL prize(s) won by the MULTIPLIER!

WIN 1X, 2X, 5X OR 20X THE TOTAL PRIZE WON!

VOID IF REMOVED

\$5 20X CASHWORD

WIN UP TO \$500,000!

YOUR LETTERS

THE LOTTERY

PUZZLE 1 KEY

2 WORDS	\$5
3 WORDS	\$10
4 WORDS	\$20
5 WORDS	\$40
6 WORDS	\$100
7 WORDS	\$500
8 WORDS	\$1,000
9 WORDS	\$10,000
10 WORDS	\$500,000

PRIZE MULTIPLIER: Multiply the TOTAL prize(s) won by the MULTIPLIER!

WIN 1X, 2X, 5X OR 20X THE TOTAL PRIZE WON!

VOID IF REMOVED

20X Cashword

Price Point: \$5

6 Week Sales: \$14,655,295

June Instant Tickets Sales Update

Hit \$100

Price Point: \$1

1 Week Sales: \$51,600



Hit \$200!

Price Point: \$2

1 Week Sales: \$228,000



Hit \$500

Price Point: \$5

1 Week Sales: \$1,470,000



Hit 1,000!

Price Point: \$10

1 Week Sales: \$1,821,000



KENO Fourth of July Promotion

The Lottery will be offering a bonus chance promotion to KENO players for the Fourth of July holiday.

Every non-winning KENO, KENO Bonus & KENO-to-Go ticket sold from June 30 through July 6 will have a bonus chance to win \$1,000. Five (5) winning serial numbers will be selected each day during the promotional period from the pool of non-winning tickets sold the previous day. The results will be posted on masslottery.com.



The poster features a baseball on a field with the text "\$1,000 BONUS" arched over it and "BABY!" below. At the bottom, it lists "KENO to-go", "KENO", and "KENO BONUS" logos. The main text reads: "Every non-winning KENO, KENO Bonus and KENO to-go ticket sold June 30 through July 6, 2016 will have a bonus chance to WIN \$1,000!". It further states: "Five (5) winning serial numbers from tickets sold the day before will be posted on masslottery.com after 2:00 p.m. starting July 1. Winning serial numbers for tickets sold on Friday, Saturday, Sunday and Monday will be posted Tuesday, July 5." The bottom section says "YOU CAN WIN MORE THAN ONCE!" and includes a disclaimer: " '\$1,000 Bonus Baby!' drawing winning ticket holders must claim their prizes by August 8, 2016 at a Lottery Regional Office (check www.masslottery.com for office locations). To claim a prize, ticket holder must present winning ticket and proper identification. Prize check will be mailed approximately two weeks after prize is claimed and ticket is validated. Actual prize amount will be less applicable taxes and withholdings." Social media icons for Facebook, Twitter, Instagram, YouTube, and YouTube+ are shown. The logo for "THE LOTTERY masslottery.com" is in the bottom right corner. A small note at the bottom reads: "You must be 18 years or older to play the Massachusetts Lottery. If you have a problem with gambling, help is available. Call 1-800-426-1234."

8 x 11 Poster

Season Tickets Summer Discount Period

We will be offering a special, limited time only discount on any Season Ticket purchase starting July 3 and running through August 6.

As an extra incentive, every Season Ticket bought or renewed during this discount period and registered by September 17, 2016 will also be entered into a drawing to win \$1,000. Ten \$1,000 prizes will be awarded.

REGULAR PRICE:	DISCOUNTED PRICE:	REGULAR PRICE:	DISCOUNTED PRICE:
\$100	\$90	\$200	\$180
\$50	\$45	\$100	\$90
\$25	\$23	\$50	\$45

WIN \$1,000 IN THE LOTTERY'S BONUS DRAWING!
 Every Season Ticket bought or renewed during this summer discount sales period and registered by September 17, 2016 will also be entered into a drawing to win \$1,000!* Ten \$1,000 prizes will be awarded!

*Actual prize amount will be less applicable taxes and withholdings.

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.

THELOTTERY.com **SALE**

8 x 11 Poster



Cadillac Riches Instant Ticket Update



- Redistribution of Cadillac Riches instant ticket began Monday, March 13
 - Multiple agent incentives
 - POS materials
 - Wheel Spin events
 - Social media sweepstakes
- Had been projected to reach 60% of game sales in May 2017 (prior to redistribution)
- Weekly sales increased from \$63,745 to a high of \$417,295 in April (555% increase)
- Reached 60% of game sales week ending June 25

Social Media Messaging

Facebook



Massachusetts State Lottery

Published by Christian Teja [?] · June 3 at 9:54am · *

100 days until the New England Patriots kick off their 2016 regular season! Play our #Patriots Instant Ticket game today for the chance to win \$250,000 instantly! Plus, a #SecondChanceDrawing opportunity to win game tickets and other great prizes! For more information, visit <http://www.masslottery.com/.../instant/.../patriots-97-2014.html>



563 people reached

Boost Post



Instagram



Mass. State Lottery @MAStateLottery · Jun 6

Great story about a past Lottery winner!



Telegram & Gazette @telegramdotcom

#Lunenburg lottery winner develops glow-in-the-dark safety vest buff.ly/1U9iqLy #BizMatters @khirtle33

Twitter



You Retweeted

Mass Council CG @MassCouncilCG · Jun 13

Chat with us 24/7, someone who understands is here to help. ow.ly/Z0ly300CKps

Social Media Messaging

Facebook



Massachusetts State Lottery

Published by Christian Teja [?] · June 14 at 11:19am · *

Excited for the start of a 10-game homestand? Speaking of excitement, two \$50,000 instant prizes and one #SecondChanceDrawing remain in our \$2 Boston Red Sox Instant Ticket game! For more info, visit <http://www.masslottery.com/.../.../2-dollar/red-sox-24-2014.html>



Instagram



You Retweeted



Highland Liquors Inc @HighlandLiquors · Jun 15
PowerBall tonight \$153,000,000.00 @MAStateLottery

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.

