



Massachusetts State Lottery Commission

STEVEN GROSSMAN
Treasurer and Receiver General

PAUL STERNBURG
Executive Director

September 2012

As part of the continuing effort to uphold State Treasurer Steve Grossman's commitment to transparent and open operations at the Lottery, enclosed are fiscal performance documents accounting for August 2012.

Overall sales for the month were \$17 million higher than August 2011. It marked another great month in terms of growth; however, the prize payout percentage for the first two months of the fiscal year was 74.1 percent, compared to 71.6 percent in FY12. This 2.5 percent increase caused the overall net profit for the month to fall \$19 million below the net profit for the first two months of last year. As explained in previous correspondence, the payout percentage fluctuates based on the schedule or rate at which players cash in prizes.

August's sales increase can be attributed to a \$9 million spike in the Instant Ticket portfolio thanks to the release of four new games: Lucky Stars (\$1), Aces & 8's (\$2), Bank On It (\$2) and Jumbo Bucks (\$5). Also contributing to the month's strong sales performance were: a \$7 million dollar increase in Powerball sales due to this August's \$325 million jackpot, which was much larger than last year's offering; a \$2 million increase in KENO sales over last year; and, \$4 million in new sales brought in from the regional Lucky for Life draw game, which debuted in March 2012.

There were four draw games in the portfolio that experienced sales decreases in August, including: a \$1 million decline in Mega Millions sales due to smaller jackpots as compared to last year's offerings; a \$1 million dip in Numbers Game sales due to continued cannibalization from Mass Cash's expansion to a nightly draw schedule; a \$1 million decrease in Megabucks Doubler sales due to a smaller jackpot this year; and, a \$1 million decrease in CASH WinFall sales because there have been no ticket sales since the game officially ended on January 23, 2012.

As always, I am happy to answer any questions you may have about the aforementioned figures or concerning the Lottery's overall fiscal performance. I can be reached directly at 781-849-5500.

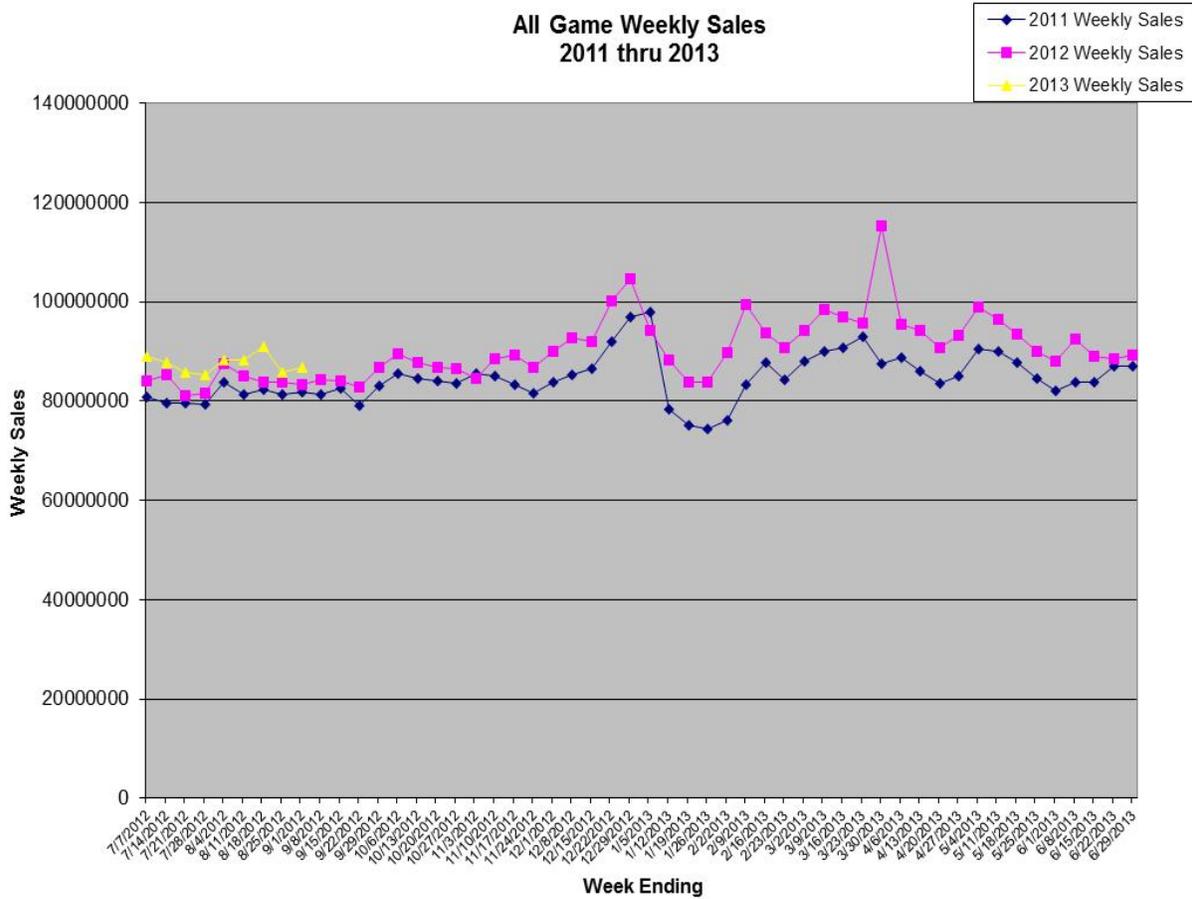
Sincerely,

Paul R. Sternburg
Executive Director



Supporting the 351 Cities and Towns of Massachusetts

All Game Weekly Sales 2011 thru 2013



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MSLC Revenue Results August FY13 vs. August FY12 (\$ millions) Through September 1, 2012

	<u>FY13</u>	<u>% of Total</u>	<u>FY12</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% Change</u>
Instant Tickets	\$300	68.1%	\$291	68.7%	\$9	3.2%
MegaMillions	5	1.2%	6	1.4%	-1	-13.3%
Powerball	15	3.3%	8	1.9%	7	79.3%
Keno	74	16.9%	73	17.2%	2	2.2%
Mass Cash	7	1.5%	7	1.6%	0	-4.3%
Race Game	2	0.5%	2	0.5%	0	9.5%
Lucky For Life	4	1.0%	0	0.0%	4	100.0%
Cash WinFall	0		2		-2	-100.0%
Numbers Game	31	7.0%	32	7.5%	-1	-3.8%
Megabucks	2	0.5%	3	0.7%	-1	-17.9%
Total	\$440	100.0%	\$423	100.0%	\$17	4.0%
Instant Tickets	\$300	68.1%	\$291	68.7%	\$9	3.2%
Online Games	\$140	31.9%	\$133	31.3%	\$8	5.8%
Total	\$440	100.0%	\$423	100.0%	\$17	4.0%



Supporting the 351 Cities and Towns of Massachusetts

MSLC Revenue Results

FY13 vs. FY12

(\$ millions)

Through September 1, 2012

	<u>FY13</u>	<u>% of Total</u>	<u>FY12</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% Change</u>
Instant Tickets	\$543	68.8%	\$520	68.8%	\$23	4.5%
MegaMillions	9	1.2%	11	1.4%	-2	-14.7%
Powerball	21	2.6%	13	1.7%	8	58.5%
Keno	133	16.9%	128	17.0%	5	3.8%
Mass Cash	12	1.5%	11	1.5%	1	5.4%
Race Game	4	0.5%	4	0.5%	0	10.8%
Lucky For Life	8	1.0%	0	0.0%	8	100.0%
Cash WinFall	0		6		-6	-100.0%
Numbers Game	55	7.0%	57	7.6%	-2	-3.7%
Megabucks	4	0.5%	5	0.7%	-1	-18.0%
Total	\$789	100.0%	\$755	100.0%	\$34	4.4%
Instant Tickets	\$543	68.8%	\$520	68.8%	\$23	4.5%
Online Games	246	31.2%	236	31.2%	10	4.4%
Total	\$789	100.0%	\$755	100.0%	\$34	4.4%



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