



Massachusetts State Lottery Commission

STEVEN GROSSMAN
Treasurer and Receiver General

PAUL STERNBURG
Executive Director

August 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 July 2012, the first month of fiscal year 2013.

Overall sales for the month rang in \$17 million higher than July 2011 sales; however, while there was considerable year over year sales growth, there was also a sizable increase in the prize payout for the month. As explained in previous correspondence, the payout percentage fluctuates based on the schedule or rate at which players cash in prizes.

The prize payout through July 2012 was 75.5 percent, as compared to 73.4 percent through July 2011. This 2.1 percent increase in prize payout resulted in an \$8.8 million decrease in net profit as compared to last year.

The sales increase can be attributed to a \$14 million increase in the Instant Ticket portfolio; a \$3 million in KENO sales following a July 4th second chance promotion; a \$1 million increase in Powerball sales due to a slightly larger jackpot offering; and, \$4 million in new sales were brought in from the regional Lucky for Life draw game, which debuted in March 2012.

There are three games in the portfolio that experienced sales decreases in July. Mega Millions sales were down \$1 million due to smaller jackpot offerings as compared to last year; sales for The Numbers Game declined \$1 million due to continued cannibalization following Mass Cash's expansion to a seven night-a-week schedule; and, Cash WinFall sales were down \$4 million because there have been no ticket sales since the game officially ended on January 23.

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.

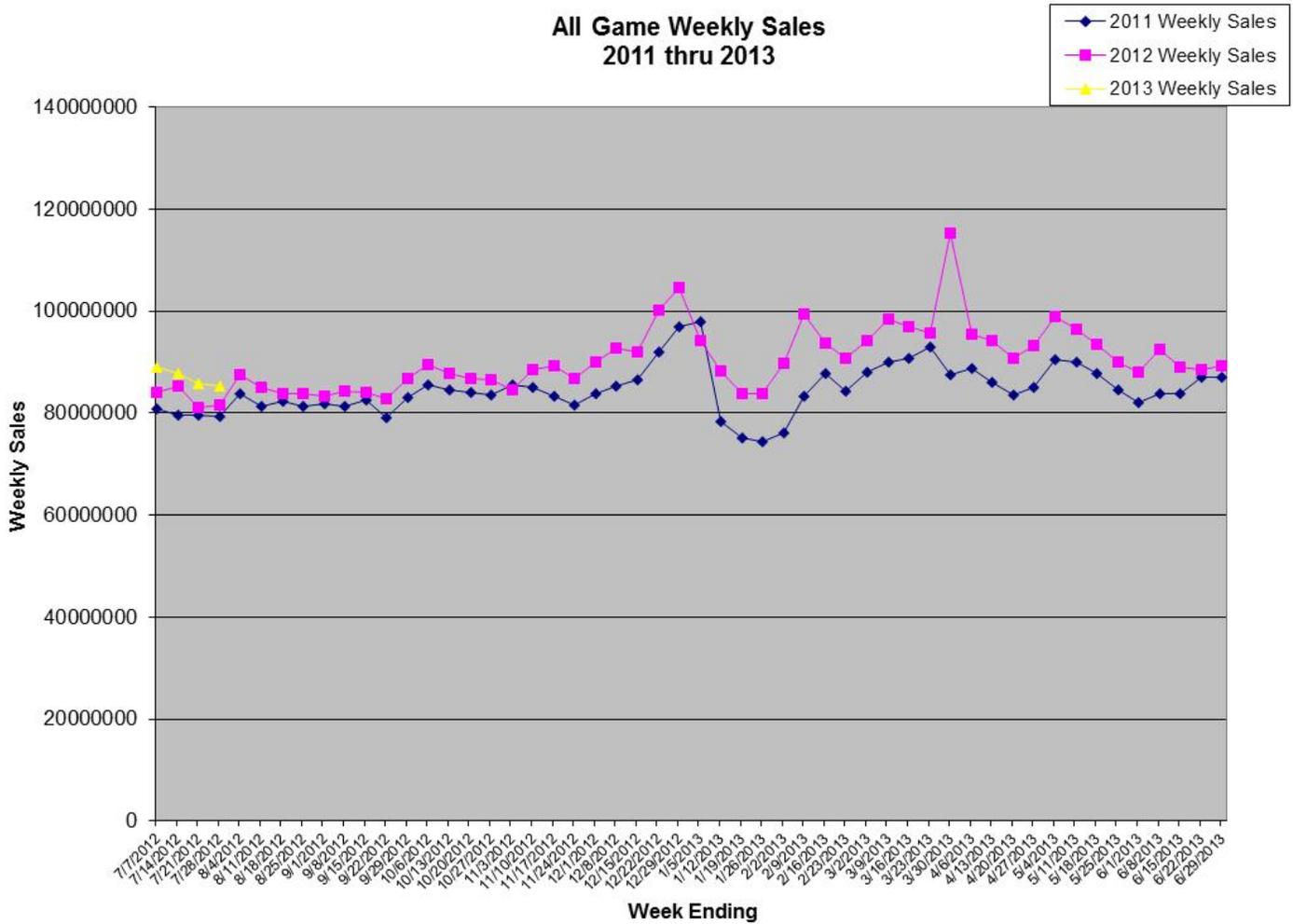
Sincerely,

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

FY13 vs. FY12

(\$ millions)

Through July 28, 2012

| | <u>FY13</u> | <u>% of Total</u> | <u>FY12</u> | <u>% of Total</u> | <u>\$ Change</u> | <u>% Change</u> |
|-----------------|--------------|-------------------|--------------|-------------------|------------------|-----------------|
| Instant Tickets | \$243 | 69.7% | \$229 | 68.9% | \$14 | 6.2% |
| MegaMillions | 4 | 1.2% | 5 | 1.5% | -1 | -16.6% |
| Powerball | 6 | 1.7% | 5 | 1.4% | 1 | 23.3% |
| Keno | 59 | 16.9% | 56 | 16.7% | 3 | 6.0% |
| Mass Cash | 5 | 1.5% | 4 | 1.3% | 1 | 19.5% |
| Race Game | 2 | 0.5% | 2 | 0.5% | 0 | 13.9% |
| Lucky For Life | 4 | 1.0% | 0 | 0.0% | 4 | 100.0% |
| Cash WinFall | 0 | | 4 | | -4 | -100.0% |
| Numbers Game | 25 | 7.0% | 26 | 7.7% | -1 | -3.9% |
| Megabucks | 2 | 0.5% | 2 | 0.7% | 0 | -20.1% |
| Total | \$349 | 100.0% | \$332 | 100.0% | \$17 | 5.0% |
| Instant Tickets | \$243 | 69.7% | \$229 | 68.9% | \$14 | 6.2% |
| Online Games | 106 | 30.3% | 103 | 31.1% | 2 | 2.4% |
| Total | \$349 | 100.0% | \$332 | 100.0% | \$17 | 5.0% |



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