



Massachusetts State Lottery Commission

STEVEN GROSSMAN
Treasurer and Receiver General

PAUL STERNBURG
Executive Director

October 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 September 2012.

Overall sales for the month were \$13 million higher than September 2011. The Lottery had another good month in terms of sales growth; however, the prize payout percentage for the first three months of the fiscal year was 73.9 percent, compared to 72.1 percent in FY 12. This 1.8 percent increase has caused our overall net profit for the first quarter of the year to drop by \$15.2 million compared to the first quarter of last year. This is a slight improvement from last month, when profits were down \$17.8 million. I would also like to note that the 73.9 percent payout percentage is 1.3 percent higher than our record payout of 72.6 percent in fiscal year 2008. We are hopeful that as the fiscal year continues our payout percentage will return to the mean. As explained in previous correspondence, the payout percentage fluctuates based on the schedule or rate at which players cash in prizes.

September's sales increase can be attributed to a \$10 million increase in the Instant Ticket portfolio following the release of five new games during the month: Money Roll (\$2); 2012 Boston Celtics Instant Ticket (\$2); Spooky Loot (\$5); Silver, Gold, Platinum 7s (\$5); and, \$10,000 A Week For Life (\$20). Also contributing to the month's strong sales performance were a: \$3 million increase in Powerball sales due to higher jackpots than last year; a \$1 million increase in KENO sales over last year; and, \$3 million in new sales brought in from the regional Lucky for Life draw game, which debuted in March 2012.

Four draw games in the portfolio experienced sales decreases in September, including: a \$2 million decline in Mega Millions sales due to smaller jackpots 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 smaller jackpots this year; and a \$1 million decrease in Cash WinFall sales because there have been no 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.

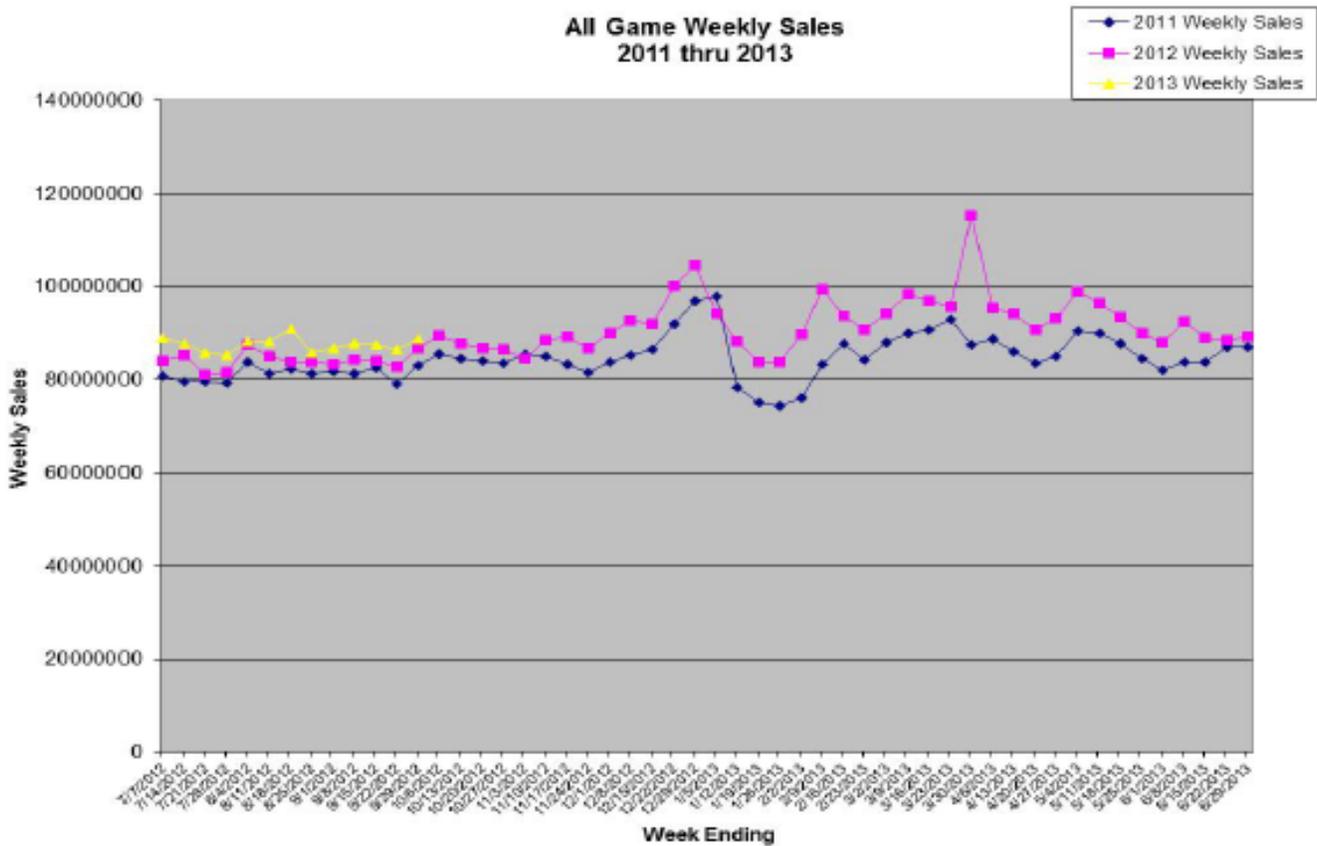
Sincerely,

Paul R. Sternburg
Executive Director



Supporting the 351 Cities and Towns of Massachusetts

**All Game Weekly Sales
2011 thru 2013**



Supporting the 351 Cities and Towns of Massachusetts



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MSLC Revenue Results

FY13 vs. FY12

(\$ millions)

Through September 29, 2012

	<u>FY13</u>	<u>% of Total</u>	<u>FY12</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% Change</u>
Instant Tickets	\$785	68.9%	\$752	68.8%	\$33	4.4%
MegaMillions	14	1.2%	17	1.5%	-3	-19.4%
Powerball	28	2.4%	17	1.5%	11	65.1%
Keno	193	16.9%	187	17.1%	6	2.9%
Mass Cash	17	1.5%	17	1.5%	0	2.4%
Race Game	6	0.5%	5	0.5%	1	13.0%
Lucky For Life	11	1.0%	0	0.0%	11	100.0%
Cash WinFall	0		8		-8	-100.0%
Numbers Game	80	7.0%	83	7.5%	-3	-3.4%
Megabucks	6	0.5%	7	0.7%	-2	-21.9%
Total	\$1,140	100.0%	\$1,093	100.0%	\$46	4.2%
Instant Tickets	\$785	68.9%	\$752	68.8%	\$33	4.4%
Online Games	354	31.1%	341	31.2%	13	3.8%
Total	\$1,140	100.0%	\$1,093	100.0%	\$46	4.2%



Supporting the 351 Cities and Towns of Massachusetts

MSLC Revenue Results

FY13 vs. FY12

(\$ millions)

Through September 29, 2012

	<u>FY13</u>	<u>% of Total</u>	<u>FY12</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% Change</u>
Instant Tickets	\$242	69.2%	\$232	68.8%	\$10	4.3%
MegaMillions	4	1.3%	6	1.8%	-2	-27.9%
Powerball	7	2.1%	4	1.2%	3	84.3%
Keno	60	17.1%	59	17.5%	1	1.0%
Mass Cash	5	1.5%	5	1.6%	0	-3.7%
Race Game	2	0.5%	2	0.5%	0	11.8%
Lucky For Life	3	1.0%	0	0.0%	3	100.0%
Cash WinFall	0		2		-2	-100.0%
Numbers Game	24	7.0%	25	7.4%	-1	-2.8%
Megabucks	2	0.5%	2	0.7%	-1	-30.4%
Total	\$350	100.0%	\$338	100.0%	\$13	3.7%
Instant Tickets	\$242	69.2%	\$232	68.8%	\$10	4.3%
Online Games	108	30.8%	105	31.2%	3	2.4%
Total	\$350	100.0%	\$338	100.0%	\$13	3.7%



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