



# Massachusetts State Lottery Commission

STEVEN GROSSMAN  
*Treasurer and Receiver General*

BETH BRESNAHAN  
*Executive Director*

January 7, 2015

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 December 2014.

December sales were up \$11 million as compared to December 2013 thanks to a combination of a strong product/game mix, a robust holiday advertising campaign and relatively mild weather as compared to last year.

The estimated prize payout for December 2014 was 70.38 percent, as compared to 70.75 percent in December 2013. While there was a slight year-over-year decrease, the estimated prize payout for the first six months of FY15 is 72.31 percent as compared to 70.54 percent in FY14. This has decreased net profit by an estimated \$26.1 million as compared to the first six months of last year. As explained in previous correspondence, the payout percentage fluctuates based on the timing at which players cash in their prizes. Also as previously shared, an adjustment to the budgeted annual prize payout from 72.3 percent to 72.7 percent was made in September 2014 to accommodate a gradual shift in player purchases toward higher priced games which offer higher prize payouts. Notwithstanding, the Lottery remains on track to meet its FY15 net profit projection of \$947 million.

Instant Ticket sales for the month were up \$22 million, while KENO sales increased by \$6 million, and The Numbers Game experienced a \$1 million increase. Mega Millions experienced a \$16 million decrease due to significantly smaller jackpot offerings as compared to last year (\$172 million high vs. \$646 million high), and sales for Lucky for Life game were down approximately \$1 million as compared to last year.

Starting on January 27<sup>th</sup>, Lucky for Life will expand from its current six New England state footprint to a total of 17 states, including: Arkansas, District of Columbia, Delaware, Idaho, Iowa, Kentucky, Michigan, Minnesota, Missouri, Montana, and South Carolina. The expanded game will offer larger lower-tier prizes and better odds at winning the \$1,000 a day for life top prize (1: 30,821,472 vs. current 1 in 41,391,714), which should serve to generate excitement amongst current, lapsed and new players, and to reinvigorate game sales. To generate additional buzz around the expanded game with more prizes and more winners, the participating lotteries will be launching a coordinated advertising campaign. Massachusetts will be launching statewide paid campaign from January 27<sup>th</sup> – February 21<sup>st</sup> that includes TV, Radio, Digital, and Social Media ads. You will be able to watch the :30 TV ad by logging onto the Lottery's website: [www.masslottery.com](http://www.masslottery.com).

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

Sincerely,

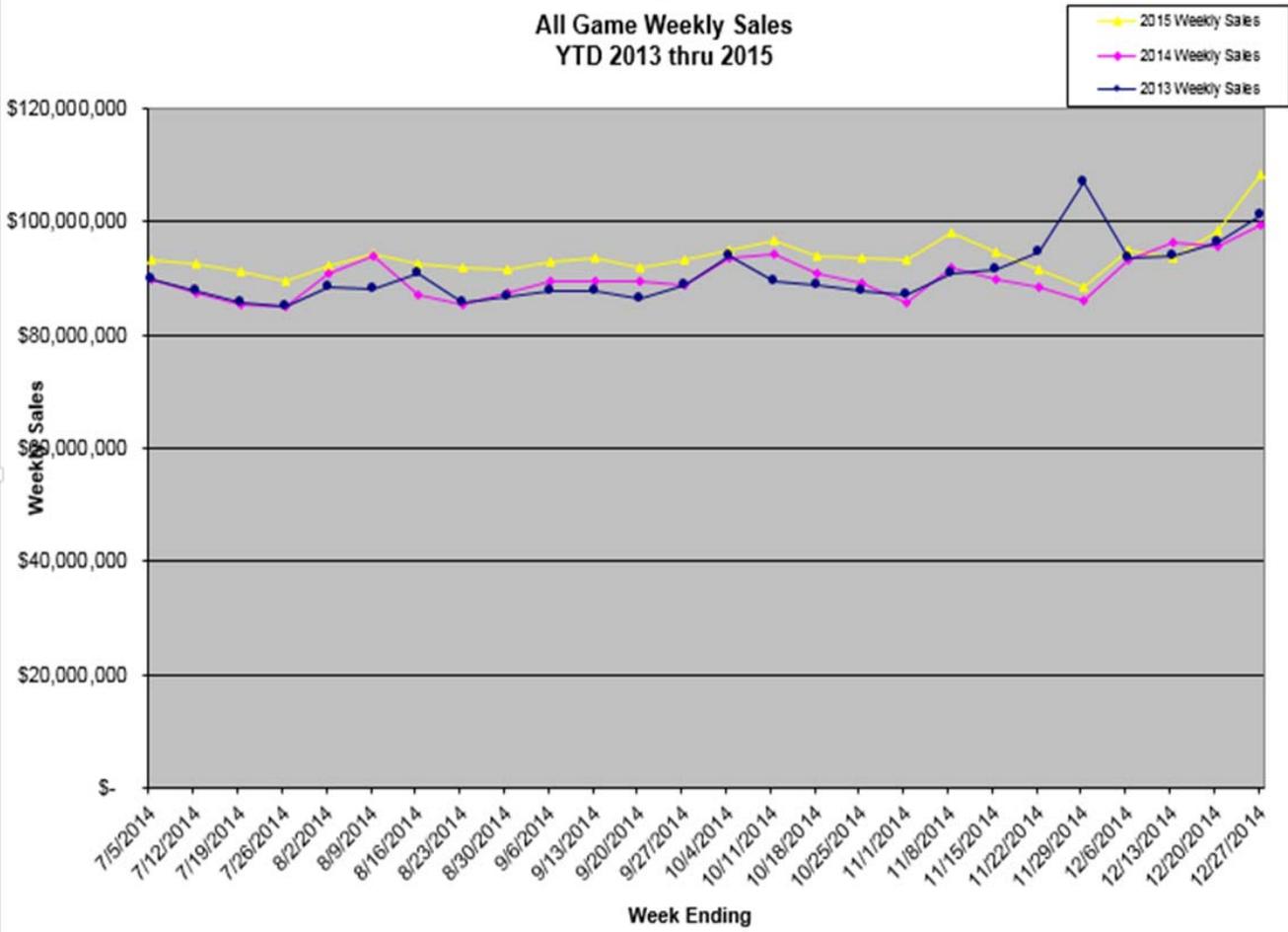
*Beth Bresnahan*

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*Supporting the 351 Cities and Towns of Massachusetts*

### All Game Weekly Sales YTD 2013 thru 2015



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<b>MSLC Revenue Results</b>							
<b>December FY15 vs. FY14</b>							
(\$ millions)							
Through December 27, 2014							
	<b>FY15</b>	<b>% of Total</b>	<b>FY14</b>	<b>% of Total</b>	<b>\$ Change</b>	<b>% Change</b>	
<b>Instant Tickets</b>	\$281	71.0%	\$259	67.4%	\$22	8.4%	
<b>MegaMillions</b>	7	1.7%	22	5.8%	-16	-70.3%	
<b>Powerball</b>	5	1.3%	6	1.4%	0	-8.3%	
<b>Keno</b>	67	17.0%	62	16.0%	6	9.3%	
<b>Mass Cash</b>	6	1.5%	5	1.4%	0	6.2%	
<b>Race Game</b>	0	0.0%	0	0.0%	0	0.0%	
<b>Lucky For Life</b>	2	0.5%	3	0.7%	-1	-25.7%	
<b>Numbers Game</b>	26	6.5%	25	6.5%	1	2.7%	
<b>Super 50-50 Raffle</b>	0	0.0%	0	0.1%	0	-100.0%	
<b>Megabucks</b>	2	0.5%	2	0.5%	0	9.3%	
<b>Jackpot Poker</b>	0	0.1%	0	0.1%	0	-46.0%	
<b>Total</b>	<b>\$395</b>	<b>100.0%</b>	<b>\$384</b>	<b>100.0%</b>	<b>\$11</b>	<b>2.9%</b>	
<b>Instant Tickets</b>	\$281	71.0%	\$259	67.4%	\$22	8.4%	
<b>Online Games</b>	115	29.0%	125	32.6%	-11	-8.4%	
<b>Total</b>	<b>\$395</b>	<b>100.0%</b>	<b>\$384</b>	<b>100.0%</b>	<b>\$11</b>	<b>2.9%</b>	



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<b>MSLC Revenue Results</b>								
<b>Year-to-Date FY15 vs. FY14</b>								
(\$ millions)								
Through December 27, 2014								
	<b>FY15</b>	<b>% of Total</b>	<b>FY14</b>	<b>% of Total</b>	<b>\$ Change</b>	<b>% Change</b>		
<b>Instant Tickets</b>	\$1,726	70.7%	\$1,612	68.8%	\$114	7.1%		
<b>MegaMillions</b>	40	1.7%	46	2.0%	-6	-12.5%		
<b>Powerball</b>	40	1.6%	62	2.7%	-22	-36.0%		
<b>Keno</b>	414	17.0%	396	16.9%	18	4.6%		
<b>Mass Cash</b>	37	1.5%	35	1.5%	2	5.4%		
<b>Race Game</b>	0	0.0%	0	0.0%	0	0.0%		
<b>Lucky For Life</b>	13	0.5%	17	0.7%	-3	-21.0%		
<b>Numbers Game</b>	160	6.6%	160	6.8%	1	0.4%		
<b>Super 50-50 Raffle</b>	0	0.0%	1	0.0%	-1	-100.0%		
<b>Megabucks</b>	9	0.4%	10	0.4%	-1	-9.6%		
<b>Jackpot Poker</b>	1	0.1%	4	0.2%	-3	-64.2%		
<b>Total</b>	<b>\$2,441</b>	<b>100.0%</b>	<b>\$2,343</b>	<b>100.0%</b>	<b>\$98</b>	<b>4.2%</b>		
<b>Instant Tickets</b>	\$1,726	70.7%	\$1,612	68.8%	\$114	7.1%		
<b>Online Games</b>	716	29.3%	731	31.2%	-16	-2.1%		
<b>Total</b>	<b>\$2,441</b>	<b>100.0%</b>	<b>\$2,343</b>	<b>100.0%</b>	<b>\$98</b>	<b>4.2%</b>		



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