



# Massachusetts State Lottery Commission

STEVEN GROSSMAN  
*Treasurer and Receiver General*

BETH BRESNAHAN  
*Executive Director*

October 9, 2014

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 2014.

Sales for September were up \$14 million as compared to September 2013. The prize payout for September 2014 was 72.05 percent, as compared 69.72 percent in September 2013. This increase has driven the prize payout for the first three months of FY15 to 72.49 percent as compared to FY14's 70.63 percent, and has decreased net profit by \$12.3 million as compared to last year. As explained in previous correspondence, the payout percentage fluctuates based on the timing at which players cash in their prizes. We monitor prize expenses closely and will continue to report any fluctuations on a monthly basis.

The Lottery for the last seven fiscal years has budgeted its annual prize payout using an average of 72.3 percent. This figure incorporates the payout of all offerings within our game portfolio, which range from a 50 percent payout in the multi-state jackpot games to the 80.4 percent payout of our \$20 Instant Tickets. The addition of the \$30 Instant Ticket, which offers an 80.7 payout, in April 2014, combined with a gradual shift in player purchases toward our higher price point offerings (nearly 50 percent of all FY14 Instant sales were derived from \$10, \$20, and \$30 games) has necessitated an adjustment to the historic budgeted prize payout percentage. Accordingly, the Lottery is budgeting 72.7 percent for prize expenses, and even with this increase we anticipate meeting our FY15 net profit projections.

September's sales increase were primarily due to a \$20 million surge in Instant Ticket sales over last year. Additionally, KENO experienced an increase of nearly \$2 million.

Powerball sales were down \$5 million due to a smaller jackpot offering as compared to last year; Mega Millions sales decreased by \$2 million; and, Lucky for Life sales were down approximately \$1 million.

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,

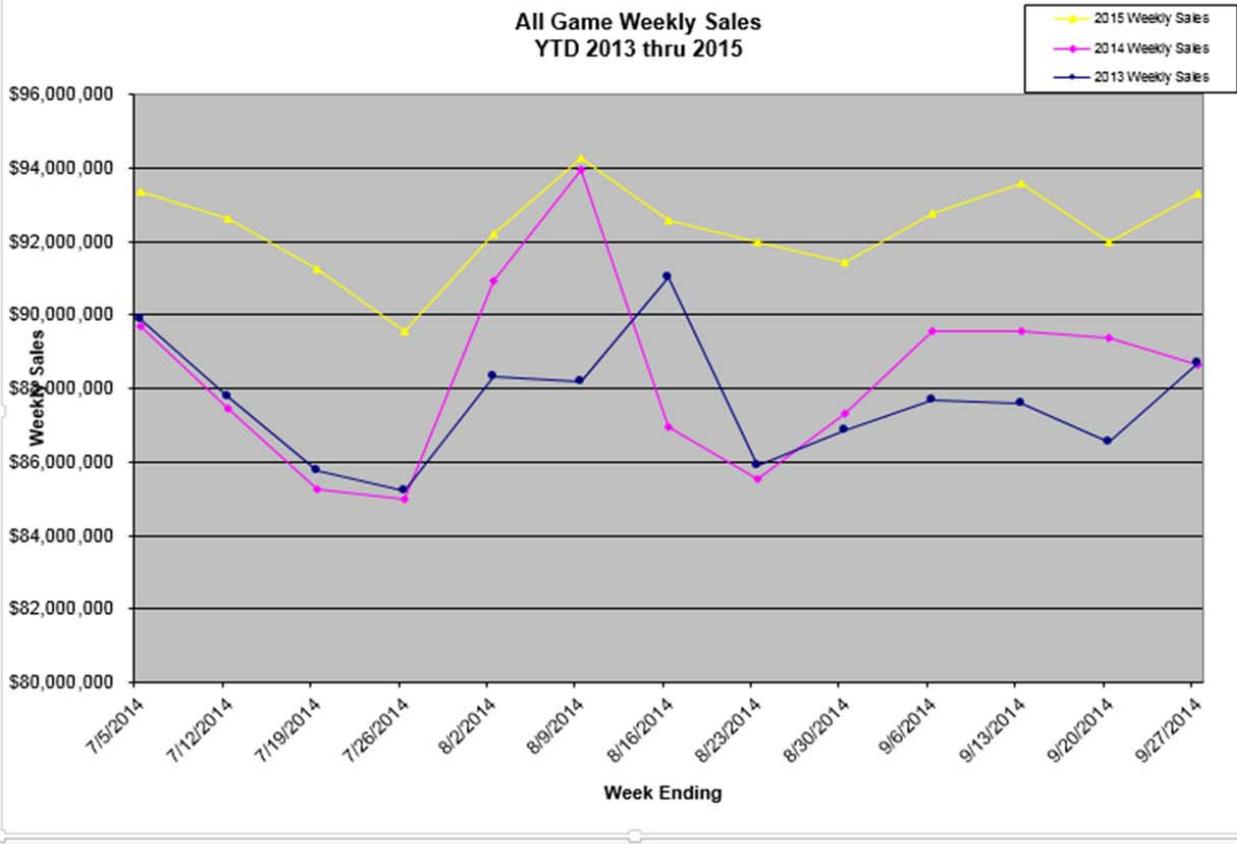
*Beth Bresnahan*

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Executive Director



*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>September FY15 vs. FY14</b>							
(\$ millions)							
Through September 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>	\$262	70.4%	\$242	67.7%	\$20	8.2%	
<b>MegaMillions</b>	4	1.0%	6	1.6%	-2	-30.5%	
<b>Powerball</b>	10	2.7%	15	4.1%	-5	-31.3%	
<b>Keno</b>	62	16.8%	61	17.0%	2	2.8%	
<b>Mass Cash</b>	6	1.5%	5	1.5%	0	5.8%	
<b>Race Game</b>	0	0.0%	0	0.0%	0	0.0%	
<b>Lucky For Life</b>	2	0.6%	3	0.7%	-1	-20.9%	
<b>Numbers Game</b>	25	6.6%	25	6.9%	0	-0.1%	
<b>Super 50-50 Raffle</b>	0	0.0%	0	0.0%	0	0.0%	
<b>Megabucks</b>	1	0.3%	1	0.4%	0	-14.6%	
<b>Jackpot Poker</b>	0	0.1%	1	0.2%	0	-56.8%	
<b>Total</b>	<b>\$372</b>	<b>100.0%</b>	<b>\$357</b>	<b>100.0%</b>	<b>\$14</b>	<b>4.0%</b>	
<b>Instant Tickets</b>	\$262	70.4%	\$242	67.7%	\$20	8.2%	
<b>Online Games</b>	110	29.6%	115	32.3%	-5	-4.6%	
<b>Total</b>	<b>\$372</b>	<b>100.0%</b>	<b>\$357</b>	<b>100.0%</b>	<b>\$14</b>	<b>4.0%</b>	



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<b>MSLC Revenue Results</b>								
<b>Year-to-Date FY15 vs. FY14</b>								
(\$ millions)								
Through September 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>	\$855	71.2%	\$785	68.3%	\$70	9.0%		
<b>MegaMillions</b>	15	1.2%	13	1.1%	2	11.5%		
<b>Powerball</b>	21	1.7%	42	3.6%	-21	-49.6%		
<b>Keno</b>	200	16.7%	196	17.1%	4	1.9%		
<b>Mass Cash</b>	19	1.5%	18	1.5%	1	5.2%		
<b>Race Game</b>	0	0.0%	0	0.0%	0	0.0%		
<b>Lucky For Life</b>	7	0.6%	8	0.7%	-2	-20.6%		
<b>Numbers Game</b>	79	6.6%	79	6.9%	0	0.1%		
<b>Super 50-50 Raffle</b>	0	0.0%	0	0.0%	0	-100.0%		
<b>Megabucks</b>	4	0.4%	5	0.4%	-1	-12.9%		
<b>Jackpot Poker</b>	1	0.1%	3	0.2%	-2	-72.2%		
<b>Total</b>	<b>\$1,201</b>	<b>100.0%</b>	<b>\$1,149</b>	<b>100.0%</b>	<b>\$51</b>	<b>4.5%</b>		
<b>Instant Tickets</b>	\$855	71.2%	\$785	68.3%	\$70	9.0%		
<b>Online Games</b>	345	28.8%	364	31.7%	-19	-5.2%		
<b>Total</b>	<b>\$1,201</b>	<b>100.0%</b>	<b>\$1,149</b>	<b>100.0%</b>	<b>\$51</b>	<b>4.5%</b>		