

Lottery Sales Update for FY 2011-12

Presentation to
California State Lottery Commission
March 22, 2012

Director's Report 7B

YTD Sales: Up 21% over Last Year

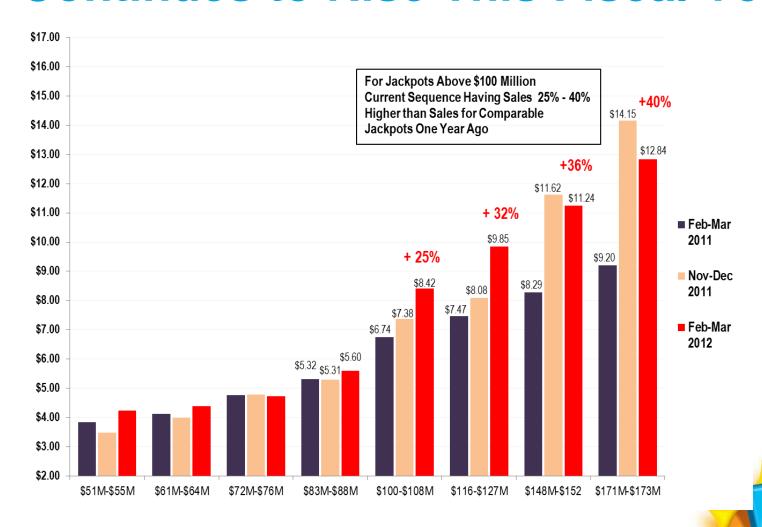
- Sales thru March 10, 2012: just over \$2.8 billion
- Increase of 21% over same period last Fiscal Year (first 36 weeks)
- Sales stand at 102% of the YTD Sales Goal
- Thru March 10th, all products except Hot Spot and MEGA Millions running ahead of goal



MEGA Millions Sales Grew with Recent Jackpots

- Sales thru 3-10-12: \$352 million
- Down 7% from last year
- YTD Sales running at 98% of YTD Goal
- Significantly better than last month's report
- Reported sales reflect a \$148 million Jackpot (March 9) and don't include sales for the other rollovers

MEGA Million Response to Jackpots Continues to Rise This Fiscal Year



Super Lotto Plus Sales Continue to be Better than Anticipated

- SLP Sales thru 3-10-12: nearly \$296 million
- Down 2% compared to last year
- But, YTD sales continue at 106% of YTD Goal
- The 6-year slide in sales has been arrested



Daily Games: \$234 million

- Daily Games thru 3-10: Over \$234 million
- Sales up 2% over last year
 - Daily 3, Daily Derby and Fantasy 5 have higher sales
- YTD sales at 104% of YTD Goal



Hot Spot: \$90 million

- Sales thru 3-10: nearly \$90 million
- Down 1% relative to first 36 weeks of last year
- YTD Sales running at 96% of YTD Goal
- Hot Spot promotions are planned for over half of the remaining weeks this FY



Scratchers Sales Continue to Grow this Year

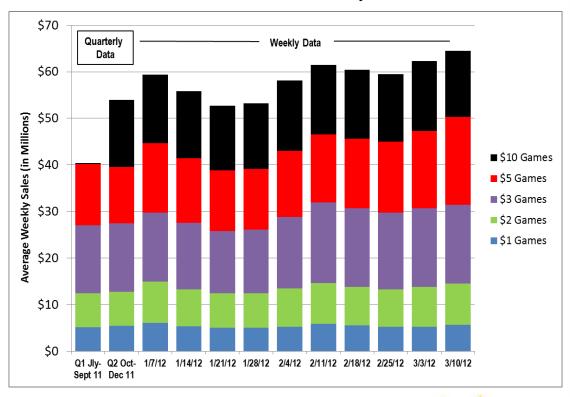
- Consumer Sales thru 3-10-2012 have nearly reached \$1.83 billion
 - Last FY sales were 21% higher than FY 2009-10
 - July-Oct 2011: Scratchers up 24% vs. Prior Year
 - July-Dec 2011: Scratchers up 36% vs. Prior Year
 - July-Mar 10th: Scratchers up 39% vs. first 36 weeks of last year
- YTD Sales running at 102% of YTD Sales Goal



New Growth in \$3 & \$5 Games Driving Recent Scratchers Sales

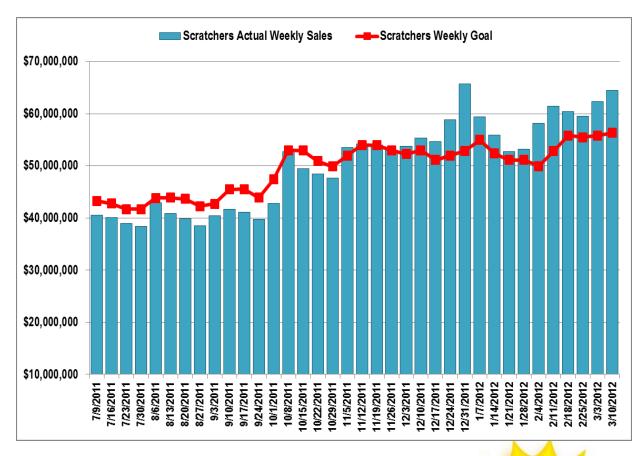
- Oct-Dec Sales gains tied to launch of the \$10 Game
- Jan-Mar increases caused by increases in \$3 and \$5 games while the \$10 game maintained its sales

Scratchers Consumer Sales by Price Point



Scratchers Sales Growing Faster Than Expected Sales

- Since November, sales consistently above \$50 million per week
- Past 5 weeks, averaging above \$60 million
- Since January, sales above anticipated levels by about 10%



FY 2011-12 Sales Estimates

Assumptions

- Scratchers:
 - Continue trend of being ahead of expected sales
 - Sales range from \$56 MM-\$66 MM per week (Apr-June)
 - Based on advertising and improvements at retail
- MEGA Millions:
 - The highest jackpot for the remainder of the year will be \$150 million; others rise to \$75 MM & \$45 million
- Other Games:
 - Estimates based on trend analysis

FY 2011-12 Sales Estimates

- Scratchers, Super Lotto Plus and Daily Games will exceed Annual Goals
- Total Sales will be 22% higher than Last Year
- Sales will be \$120 million above Annual Goal

		FY 2011-12	% Change	% of
	FY 2011-12	Sales	from FY	Budget
	Budget	Estimate	2010-11	Goal
	(in Millions)			
Scratchers	\$2,700	\$2,805	40%	104%
MEGA Millions	\$519	\$510	-5%	98%
Super Lotto Plus	\$403	\$417	-4%	103%
Daily Games	\$328	\$340	2%	104%
Hot Spot	\$140	\$138	6%	99%
Total	\$4,090	\$4,210	22%	103%



FY 2011-12 Profit Estimates

- Goal: \$1.19 billion to public education
- Current Estimate: \$1.20 billion to public schools
- More than \$70 million additional dollars to education than last year
- And, over \$150 million more over AB 142
 Base Year (FY 2008-09)

