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MARYLAND
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Buddy W. Roogow
Lottery Director

Maryland State Lottery Agency

Winning Ways

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NEWSLETTER FOR MARYLAND COMMUNITY LEADERS

Lottery Sales Reach $1 Billion, Crushing Past Records

Overall sales for the Maryland Lottery's current fiscal year recently hit $1 billion, setting a record for the earliest date, in any fiscal year, that the Lottery has reached the billion-dollar mark. "Attaining this milestone so soon in the fiscal year is quite an accomplishment," said Buddy Roogow, Director of the Maryland Lottery. "If sales continue at this pace, the Lottery is likely to exceed sales and revenue estimates for the year."

The record was set following one of the Lottery's biggest weeks in history. During the first week of February, the Lottery generated nearly $35 million in sales. That same week, scratch-off sales exceeded $11 million for the first time, and Pick 4 sales reached an all-time high of almost $5 million. Keno and Keno Bonus recently experienced their largest week as well, producing more than $10.2 million in sales.

Prizes paid to players also increased significantly. During the first week of February, Pick 3 payouts averaged 98% and Pick 4 payouts averaged more than 97%, hitting their highest level since July 2005.

Roogow attributes the Lottery's success to the launch of a variety of brand-new games and promotions in the first half of the fiscal year. "We are committed to making players' experiences fun by refreshing playing options and introducing concepts they haven't seen before," said Roogow. The Lottery's most recent unveilings include *Multi-Match*, which has sales averaging 44% more per week than previous *Lotto* sales, and *$20 Million Mania*, which has significantly contributed to the scratch-off category's recent spike in sales.

Scratch-Offs Pump Up Revenue

Scratch-offs continue to be a sales leader for the Maryland Lottery. Ranging in price from $1 to $20, scratch-off games are frequently reinvented and refreshed to encourage player fun and generate increased revenue for the State.

While higher priced tickets with larger payoffs can fuel new player interest, lower priced tickets keep players coming back. To maximize lower priced scratch-off sales and reward loyal players, the Maryland Lottery recently introduced an exciting new *Pump It Up* promotion.

Designed to ease the gas crunch for Marylanders, the *Pump It Up* program enables players to send in $5 worth of non-winning $1 and/or $2 scratch-off tickets for the chance to win one of 200 BP or Shell pre-paid gas cards. "With gas prices lingering near an all-time high, we think this quick and easy-to-implement program will really capture player attention," said Lottery Director Buddy Roogow.

To reinforce the driving theme and reach players in their cars, the promotion was supported with radio spots that ran during traffic reports.

Maryland Lottery Promotes
National Problem Gambling Awareness Week

The Maryland Lottery joined forces with the National Council on Problem Gambling to support *National Problem Gambling Awareness Week*. The week, which ran from March 6th through March 13th, focused on creating awareness of problem gambling and identified resources available to help individuals affected by this important public health problem.

Lotteries and retailers across the nation promoted a variety of problem gambling services, including websites and hotlines for the National Council on Problem Gambling, Gambler's Anonymous, Gam-Anon, and NASPL. "We recognize that problem gambling exists and actively support efforts to minimize gambling-related problems throughout the country," said Lottery Director Buddy Roogow.

The Maryland Lottery promotes responsible play by designing games that are fun and modestly priced forms of entertainment. Its core marketing message, *Let Yourself Play*, stresses the value of having fun rather than winning and reminds players to exercise caution when playing.

Retailer Incentives Rally a Sales Boom

Marlow Wing House and Sports Center

New games are only part of the reason for the Maryland Lottery's continued success. Much of the credit belongs to the more than 3,600 Lottery retailers located throughout Maryland. As the agency's front-line sales force, agents serve as Lottery experts in the field, interacting with players and driving sales.

Lottery retailers receive commissions that begin at 5% of ticket sales (on July 1, 2006, this will increase to 5-1/2% of ticket sales) and up to a 3% cashing fee. To further motivate and reward agents, the Lottery implements sales incentive programs. Programs include bonus commissions, regional sales competitions with cash rewards, and additional bonuses for agents that sell winning tickets. Such programs continue to be effective in boosting new product sales while reinforcing core games.

In addition to generating income through Lottery commissions, bonuses, and incentives, retailers find that sales for other merchandise increases at a result of carrying Lottery games. Customers come in to buy Lottery tickets and often walk out with other products as well. "Offering a specialty product not carried by everyone else gives retailers an edge on their competitors and acts as a powerful traffic builder that comes with zero investment," said Steve Meehan, Director of Sales for the Lottery. Hardware, installation, maintenance, advertising support, and training are all provided free of charge.

For many retailers, partnering with the Maryland Lottery is a valuable opportunity – one that helped Lottery sales exceed $1.4 billion and retailer commissions reach more than $97 million last year alone.

Second Chances for Players Boost Lottery Sales

The Maryland Lottery has been a creative force in developing innovative second-chance promotions. After all, what could be more fun for players than a two-for-one chance to double the entertainment value of their favorite Lottery games?

Players currently have four chances to win – the second time around – with *Ancient Treasures*, *$20 Million Mania*, *Pump It Up*, and *Pick 3 Bonus Match Up*. The promotional offerings include mail-in opportunities for second-chance drawings and random coupons issued with certain ticket purchases. "Players look forward to having additional game opportunities," said Tracey Cohen, Director of Product Development, Creative Services and Research for the Lottery. "These contests are a creative way to reward our players, reach out to new markets, and boost sales."

Players have responded well to current promotions so far. Gail Pelovitz, Lottery Drawings Manager for Special Projects reported, "The first drawing for *$20 Million Mania* brought in over 53,000 entries alone."

Lottery Advertising Reaches Viewers During High-Profile Programming

Pop Star television spot

Archery television spot

The Maryland Lottery started the New Year off with the launch of *Multi-Match* and *$20 Million Mania*. In true Lottery spirit, the new games were introduced to players through marketing campaigns that effectively reached the Lottery's core demographic segment of 25 to 54 year-olds.

The campaigns used a combination of advertising tools, most notably television commercials that ran during specialty programming. Negotiations enabled the Lottery to secure television placement during several recent high-profile programs. The Lottery's humorous 30-second *Pop Star* commercial aired during *Super Bowl XL*. "We're fortunate to have strong relationships with our media partners," said Jill Baer, Director of Creative Services for the Lottery. "By negotiating to be part of the local station break during the Super Bowl, we reached a huge audience – without having to spend the millions of dollars that national advertisers paid for other time slots."

Lottery ads could also be viewed during the 2006 Grammy awards show and the 2006 Winter Olympics. Thanks to strong showings, the Lottery reached an estimated 3.3 million Marylanders and increased sales for each of the new products.

Baltimore Personalities Named Host and Co-Host for Lottery TV Event

Steve Rouse

Gabrielle Abiera

Local personality Steve Rouse will host the Lottery's upcoming *Ancient Treasures* television event. Co-hosting the event will be Fox 45's Traffic Reporter, Gabrielle Abiera. Among many prizes given away, one lucky contestant will walk away with a $1 million grand prize.

Rouse is well known throughout the market. Most will remember him from WQSR-FM where he hosted *Rouse and Company* for 17 years. Currently, he is hosting WMAR-TV's talk show *Baltimore Saturday Night*. He also led the Lottery's *Cash Encounters* television event in 2003.

This will be Abiera's first time participating in a Lottery event. A Maryland native, Abiera has a background in broadcasting and was once a cheerleader for the Canadian Football League's Baltimore Stallions. Currently, Abiera gives Marylanders their traffic reports weekday mornings on Fox 45.

With hosts now selected, the Lottery is focusing on game and set design, logistics, and intense testing. The *Ancient Treasures* television event will air on June 24, 2006.

Multi-Match Game Gets New Set

To help bring attention to *Multi-Match*, the Lottery's new *Lotto*-style game, drawings were designed to give the game its own identity. Among the set changes are a new, bold background and more prominent signage. Viewers are also experiencing a more personal feel as drawings officials are introduced prior to conducting each drawing.

MULTI MATCH™
LOTTO JUST GOT BETTER

Lottery Drawings Manager Patrick Morton poses on the set of the new Multi-Match game.