

**TEXAS LOTTERY COMMISSION**  
**Scratch Ticket Game Closing Analysis**  
**SUMMARY REPORT**

**Scratch Ticket Information**

Date Completed

2/3/2017

Game #	1740	Confirmed Packs	13,871
Game Name	Hit \$1,000,000	Active Packs	5,059
Quantity Printed	10,279,550	Warehouse Packs	12,088
Price Point	\$20	Returned Packs	27
Start Date	12/21/2015	Printed Payout Percentage	74.97%
Top Prize	\$ 1,000,000	Percent Sold	91.90%
Number of Top Prizes Remaining	0	Number of Weeks Out	58

**Current Game Sales Analysis**

TANGIBLE COSTS

**Expenditure Impact:**

Cost to print tickets	\$ 332,132	Actual ticket production costs
Prize payout expense	\$ 140,891,190	Data from Instant Ticket Tier Liability screen in ES

**Estimated Direct Costs**

\$ 141,223,322

TANGIBLE BENEFITS

**Revenue Impact:**

Estimated sales	\$ 188,938,129	Based on # of tkts printed, times % sold from DaVinci report, times the price point
<b>Total Estimated Benefits</b>	<u><b>\$ 188,938,129</b></u>	
<b>Excess of Revenue over Expended</b>	<u><b>\$ 47,714,807</b></u>	

INTANGIBLE POSITIVE BENEFITS:

- Allows for open bin space for new games at same price point with higher average weekly sales.
- Allows retailers to return inventory to TLC that is not selling thus releasing their financial burden

INTANGIBLE NEGATIVE BENEFITS:

- There are still valuable prizes remaining in this game

Assumptions:

- Estimated sales revenue is calculated based on the number of tickets printed times the percent sold from the DaVinci report. The percent sold amount is based on pack settlements. Some partial packs could be returned thus slightly reducing the sales revenue amount reported above

**Weekly Sales Comparison Information**

Previous 3 Weeks Sales from DaVinci

Most recent week sales	\$	1,729,080
Next week	\$	1,771,780
Next week	\$	2,024,500
Avg Weekly Sales Current Game	\$	1,841,787
Avg Weekly Sales \$20; >9M Qty	\$	4,464,715
<b>Percentage Of Variance In Sales</b>		<b>59%</b>

TEXAS LOTTERY COMMISSION  
Scratch Ticket Game Closing Analysis  
RECOMMENDATION AND APPROVALS

Instant Ticket Information

Game #	1740	Printed Payout Percentage	74.97%
Game Name	Hit \$1,000,000	Actual Payout Percentage	74.57%
Percent Sold	91.90%	Number of Weeks Out	58
Average # of Weeks for 85% Sell-through for Same Price Point Game With Similar Print Run			39*

\*only one game at this level with 85% sell through

Recommendation

Based on the findings in this Summary Report, I am recommending closing the above game.

I am recommending closing the above game based on the below business reason(s)

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Insta

Not Required. Zero Top Prize.

Product Manager \_\_\_\_\_ Date \_\_\_\_\_

By signing below, I agree with the recommendation of the Products Department Staff to close the above game.

Lottery Operations Division Director \_\_\_\_\_

Contr

Not Required. Zero Top Prize.

Executive Director \_\_\_\_\_ Date \_\_\_\_\_



Product Line	Game	\$	Tix Run	Name	Start	Call	Close	Wks	% Sold	Confirmed	Active	Ware	Return	Net Sales			
														1/28/17	1/21/17	1/14/17	1/7/17
Sold/Closing	1740	\$20	10,279,550	HIT \$1,000,000	12/21/15			58	91.90%	13,871	5,059	12,088	27	\$1,729,080.00	\$1,771,780.00	\$2,024,500.00	\$1,851,340.00

## Liability for 1740 / for Life to Date

Product Status		SmartCash Enabled		Validation Range		11/26/2015 - 09/17/2017			
Active		N/A		Outstanding Prizes				Tickets	
Tier	Ref	SmartCash	Tier Value	Count	Amount	Paid Life to Date	Amount Paid Life to Date	% paid	Est. Tickets Sold
1	1	N/A	\$20.00	118899	\$2,377,980.00	1114823	\$22,296,460.00	90.36%	9288866
2	2	N/A	\$40.00	38635	\$1,545,400.00	372500	\$14,900,000.00	90.60%	9313564
3	3	N/A	\$40.00	33414	\$1,336,560.00	377727	\$15,109,080.00	91.87%	9444116
4	4	N/A	\$50.00	8191	\$409,550.00	94564	\$4,728,200.00	92.03%	9460127
5	5	N/A	\$50.00	8443	\$422,150.00	94359	\$4,717,950.00	91.79%	9435303
6	6	N/A	\$50.00	8337	\$416,850.00	94445	\$4,722,250.00	91.89%	9445740
7	7	N/A	\$50.00	9674	\$483,700.00	93169	\$4,658,450.00	90.59%	9312596
8	0	N/A	\$100.00	2510	\$251,000.00	23060	\$2,306,000.00	90.18%	9270489
9	0	N/A	\$100.00	2167	\$216,700.00	23499	\$2,349,900.00	91.56%	9411639
10	0	N/A	\$100.00	2148	\$214,800.00	23485	\$2,348,500.00	91.62%	9418141
11	0	N/A	\$100.00	2155	\$215,500.00	23479	\$2,347,900.00	91.59%	9415368
12	0	N/A	\$100.00	8086	\$808,600.00	86762	\$8,676,200.00	91.47%	9403195
13	0	N/A	\$200.00	1600	\$320,000.00	15551	\$3,110,200.00	90.67%	9320580
14	0	N/A	\$200.00	1418	\$283,600.00	15713	\$3,142,600.00	91.72%	9428671
15	0	N/A	\$200.00	1454	\$290,800.00	15682	\$3,136,400.00	91.51%	9407323
16	0	N/A	\$200.00	1380	\$276,000.00	15792	\$3,158,400.00	91.96%	9453450
17	0	N/A	\$200.00	2874	\$574,800.00	31441	\$6,288,200.00	91.62%	9418602
18	0	N/A	\$200.00	2881	\$576,200.00	31442	\$6,288,400.00	91.61%	9416706
19	0	N/A	\$200.00	5673	\$1,134,600.00	62863	\$12,572,600.00	91.72%	9428670
20	0	N/A	\$500.00	102	\$51,000.00	928	\$464,000.00	90.10%	9261575
21	0	N/A	\$500.00	81	\$40,500.00	958	\$479,000.00	92.20%	9478160
22	0	N/A	\$500.00	197	\$98,500.00	2198	\$1,099,000.00	91.77%	9434008
23	0	N/A	\$500.00	198	\$99,000.00	2201	\$1,100,500.00	91.75%	9431133
24	0	N/A	\$500.00	214	\$107,000.00	2202	\$1,101,000.00	91.14%	9369026
25	0	N/A	\$10,000.00	8	\$80,000.00	79	\$790,000.00	90.80%	9334304
26	0	N/A	\$10,000.00	4	\$40,000.00	83	\$830,000.00	95.40%	9806927
27	0	N/A	\$10,000.00	16	\$160,000.00	157	\$1,570,000.00	90.75%	9328840
28	0	N/A	\$100,000.00	1	\$100,000.00	9	\$900,000.00	90.00%	9251595
29	0	N/A	\$100,000.00	3	\$300,000.00	7	\$700,000.00	70.00%	7195685
30	0	N/A	\$1,000,000.00	0	\$0.00	5	\$5,000,000.00	100.00%	10279550
		Totals		260763	\$13,230,790.00	2,619,183	\$140,891,190.00		

Prize Structure

TEXAS LOTTERY

GAME NO.1740 "HIT \$1,000,000"

8/24/2015 VERSION A

Order Quantity:	10,279,550	Pack Size:	25	Pool Size:	120,000	Winners:	2,879,946	Prize Fund:	\$154,121,980.00	Total Payout:	
Price Point:	\$20.00	Packs/Game:	411,182	Number of Pools:	85 66	Non-winners:	7,399,604	Payout:	74.97%		
Revenue:	\$205,581,000.00	Packs/Pool:	4,800			Overall Odds:	3.5694				

SHIPMENT # 1-4  
COMPLETE  
POOLS # 1 - 95

Kind	Wins	Get	Win	Value	Odds (1 in)	Pack	Pool	Winners		Total	Total Prize Cost	% Prize Fund
								Total	Prize Fund			
01	1	\$20	\$20	\$20.00	8,3321	3.00	14,400.00	1,233,722	\$24,674,440.00	16.01%	1233722	
02	1	\$40	\$40	\$40.00	25,0029	1.00	4,800.00	411,135	\$16,445,400.00	10.67%	411135	
03	3	\$20 × (\$10 × 2)	\$40	\$40.00	25,0025	1.00	4,800.00	411,141	\$16,445,400.00	10.67%	411141	
04	3	(\$20 × 2) + \$10	\$50	\$50.00	100,0394	0.25	1,200.00	102,755	\$5,137,750.00	3.33%	102755	
05	2	\$40 + \$10	\$50	\$50.00	99,9937	0.25	1,200.00	102,802	\$5,140,100.00	3.34%	102802	
06	5	\$10 × 5	\$50	\$50.00	100,0131	0.25	1,200.00	102,782	\$5,139,100.00	3.33%	102782	
07	1	\$50	\$50	\$50.00	99,9938	0.25	1,200.00	102,843	\$5,142,150.00	3.34%	102843	
08	1	\$100	\$100	\$100.00	402,0160	0.06	300.00	28,570	\$2,557,000.00	1.66%	25570	
09	2	\$50 × 2	\$100	\$100.00	400,5124	0.06	300.00	28,668	\$2,568,600.00	1.67%	25666	
10	5	\$20 × 5	\$100	\$100.00	401,0280	0.06	300.00	28,633	\$2,563,300.00	1.66%	25633	
11	4	\$50 × (\$20 × 2) + \$10	\$100	\$100.00	401,0123	0.06	300.00	28,634	\$2,563,400.00	1.66%	25634	
12	1	\$10 (10X)	\$100	\$100.00	108,3792	0.23	1,106.00	94,848	\$9,484,800.00	6.15%	94848	
13	1	\$200	\$200	\$200.00	599,3557	0.04	200.00	17,151	\$3,430,200.00	2.23%	17151	
14	2	\$100 × 2	\$200	\$200.00	600,0555	0.04	200.00	17,131	\$3,426,200.00	2.22%	17131	
15	7	(\$50 × 2) + (\$20 × 5)	\$200	\$200.00	599,8804	0.04	200.00	17,136	\$3,427,200.00	2.22%	17136	
16	5	\$100 + \$50 + (\$20 × 2) + \$10	\$200	\$200.00	598,6228	0.04	200.00	17,172	\$3,434,400.00	2.23%	17172	
17	1	\$20 (10X)	\$200	\$200.00	299,5643	0.08	400.00	34,315	\$6,883,000.00	4.45%	34315	
18	1	\$10 (20X)	\$200	\$200.00	299,4945	0.08	400.00	34,323	\$6,884,600.00	4.45%	34323	
19	1	\$200 (HIT)	\$200	\$200.00	149,9876	0.17	800.00	68,638	\$13,707,200.00	8.88%	68536	
20	1	\$500	\$500	\$500.00	9980,1456	0.00	12,00	1,030	\$515,000.00	0.33%	1030	
21	25	(\$50 × 3) + (\$20 × 13) + (\$10 × 9)	\$500	\$500.00	9893,8959	0.00	12,00	1,039	\$519,500.00	0.34%	1039	
22	4	\$200 (HIT) + (\$50 × 2) + \$20 (10X)	\$500	\$500.00	4292,0877	0.01	28.00	2,386	\$1,197,500.00	0.78%	2395	
23	14	\$100 + (\$50 × 2) + (\$40 × 4) + (\$20 × 7)	\$500	\$500.00	4284,9312	0.01	28.00	2,389	\$1,199,500.00	0.78%	2399	
24	13	\$200 (HIT) + (\$50 × 2) + \$20 × 10	\$500	\$500.00	4254,7806	0.01	28.00	2,416	\$1,208,000.00	0.78%	2416	
25	1	\$10,000	\$10,000	\$10,000.00	118155,7471	0.00	1.00	87	\$870,000.00	0.56%	87	
26	12	(\$1,000 × 5) + \$200 (10X) + (\$500 × 6)	\$10,000	\$10,000.00	118155,7471	0.00	1.00	87	\$870,000.00	0.56%	87	
27	1	\$500 (20X)	\$10,000	\$10,000.00	59419,3642	0.00	2.00	173	\$1,730,000.00	1.12%	173	
28	1	\$10,000 (10X)	\$100,000	\$100,000.00	102795,0000	0.00	0.12	10	\$1,000,000.00	0.65%	10	
29	1	\$100,000	\$100,000	\$100,000.00	102795,0000	0.00	0.12	10	\$1,000,000.00	0.65%	10	
30	1	\$1,000,000	\$1,000,000	\$1,000,000.00	205591,0000	0.00	0.06	5	\$5,000,000.00	3.24%	5	
Total :								3,5694	7,00	33,818,30	2,379,546	\$154,121,980.00
										100.00%		

Exact quantity to be delivered to the lottery.

## GLEPS

Description		G1		G2		G3		G4	
Value	Packs/pool	1,200		1,200		1,200		1,200	
Value	Get	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
20	\$20	1	\$20.00	3	\$60.00	3	\$60.00	5	\$100.00
	\$40	2	\$80.00	0	\$0.00	1	\$40.00	1	\$40.00
40	\$20 + (\$10 x 2)	1	\$40.00	2	\$80.00	1	\$40.00	0	\$0.00
	(\$20 x 2) + \$10	1	\$50.00	0	\$0.00	0	\$0.00	0	\$0.00
	\$40 + \$10	0	\$0.00	1	\$50.00	0	\$0.00	0	\$0.00
50	\$10 x 5	0	\$0.00	0	\$0.00	1	\$50.00	0	\$0.00
	\$50	0	\$0.00	0	\$0.00	0	\$0.00	1	\$50.00
		5	\$190.00	6	\$190.00	6	\$190.00	7	\$190.00

No.	12/10/15			
Game Name	Game No	Inv No.	Vendor	TLC PO #
Hit \$1,000,000	1740	1025955-4	SGI	362-16-9019 RL004

Truck #	Description/Tickets Delivered Qty	Units per 1000	Unit Price	Amount
1	2,606,625	2,606.63	\$32.31	\$84,220.05
2	2,609,400	2,609.40	\$32.31	\$84,309.71
3	2,607,200	2,607.20	\$32.31	\$84,238.63
4	2,456,325	2,456.33	\$32.31	\$79,363.86
				\$332,132.26
	<b>Delivered</b>	10,279,550		
	<b>Ordered</b>	10,080,000		
	<b>2% under</b>	9,878,400		
	<b>2% over</b>	10,281,600		
	<b>Acceptable Range</b>	0		
			<b>Total</b>	<b>\$332,132.26</b>

Instant Ticket Game Analysis  
8/31/14-8/27/16

Average Number of Weeks for 85% Average Sell Through

Print Quantities	Price Point					Print Quantities	Price Point			
	\$1	\$2	\$3	\$5			\$10	\$20	\$25	\$50
< 5M	None	None	None	None		2M	None	None	None	None
5M-9.99M	Week 11*	Week 20	Week 18*	Week 18		3M	None	Week 12*	None	None
10M-14.99M	Week 18	None	Week 26	Week 26		4M	None	None	None	None
15M-19.99M	None	Week 21*	None	Week 26		5M	Week 17	Week 47*	None	None
20M-24.99M	Week 35*	None	Week 25	Week 40		6M	Week 27	None	None	None
25M-29.99M	Week 29	Week 38	Week 33	None		7M	None	None	None	None
30M-34.99M	None	None	None	None		8M	Week 19	None	None	None
>35M	None	None	None	None		>9M	Week 30	Week 39*	None	None

Average Weekly Dollar Sales at 85% Average Sell Through

Print Quantities	Price Point					Print Quantities	Price Point			
	\$1	\$2	\$3	\$5			\$10	\$20	\$25	\$50
< 5M	None	None	None	None		2M	None	None	None	None
5M-9.99M	\$578,969	\$671,321	\$861,712	\$1,964,653		3M	None	\$5,141,903	None	None
10M-14.99M	\$557,959	None	\$1,236,839	\$2,142,670		4M	None	None	None	None
15M-19.99M	None	\$1,273,552	None	\$2,531,546		5M	\$2,712,692	\$2,150,202	None	None
20M-24.99M	\$551,431	None	\$2,124,488	\$2,208,168		6M	\$1,986,191	None	None	None
25M-29.99M	\$786,366	\$1,169,247	\$2,004,832	None		7M	None	None	None	None
30M-34.99M	None	None	None	None		8M	\$4,563,190	None	None	None
>35M	None	None	None	None		>9M	\$3,124,159	\$4,464,715	None	None

None = no games at this level with 85% sell through

\* only one game at this level with 85% sell through

Excludes Promotional Tickets  
Unaudited - For Internal Use Only