



The Arizona Lottery

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Executive Director
April 2010**



Today's Topics

1. The Lottery's Impact
2. Recent Beneficiary Changes
3. Planned Securitization
4. The Lottery's Long-Term Vision
5. Audience Questions



The Arizona Lottery Mission

“To support Arizona programs for the public benefit by maximizing revenue in a responsible manner.”



Lottery Dollars

Ops 2%

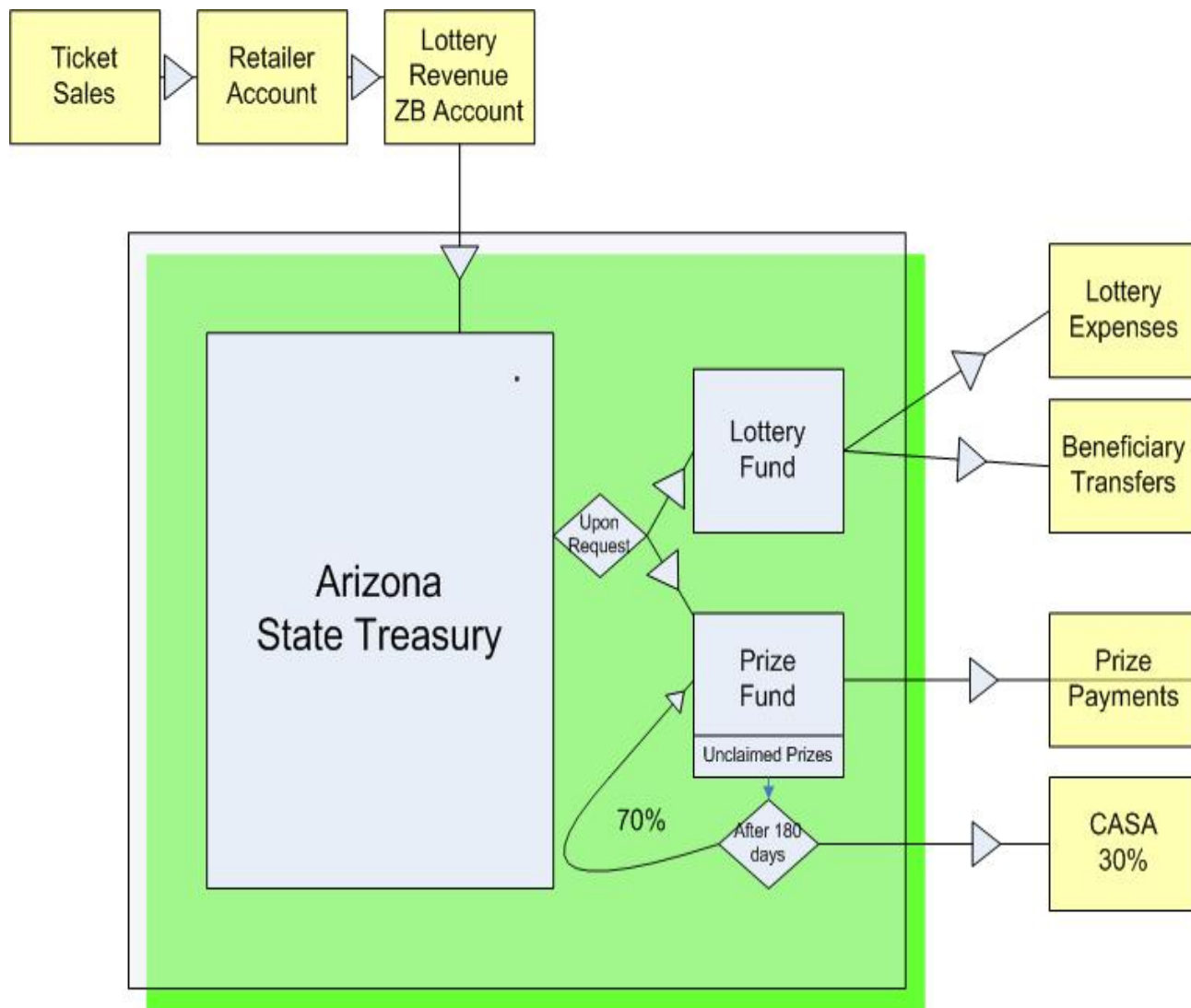


Prizes 58%

Games 13% Trans 27%



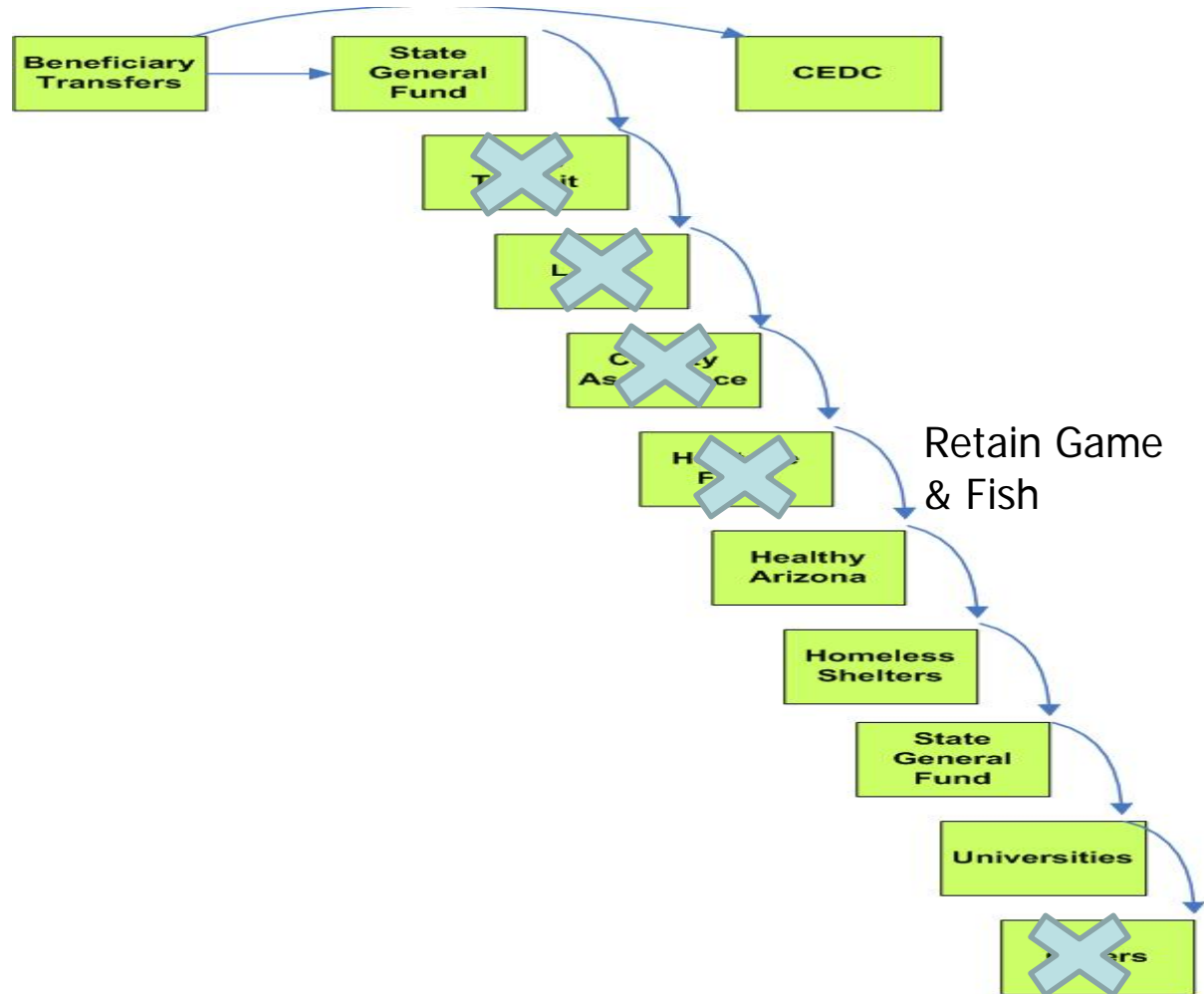
Lottery Funds Flow Chart 2009





Change in Beneficiary Transfers

\$450
Million
Bond





FY09-10 Transfer Maximization Strategy

Increase Sales and Revenue

- New Instant and Drawing Games
- Faster Game Introduction
- Higher Prize Jackpots
- More Winners
- Strengthened Focused Advertising
- Increased Use of Ticket Dispensers

Reduce Cost of Operations

- Hire at Lower Salaries (ED & PIO)
- Leave Positions Open
- Limit Consultant Use
- Remove Performance Pay
- Tighten Travel Restrictions
- Restrict Conferences and Education
- Cancel Subscriptions
- Negotiate Better Prices
- Buy Used Equipment



Arizona Lottery National Ranking - 2009

#2 in US: Percentage Increase in Total Sales (11%)

#1 in US: Percentage Increase in Instant Sales (21%)

LeFleur's Magazine, March 2010



Lottery Retailers

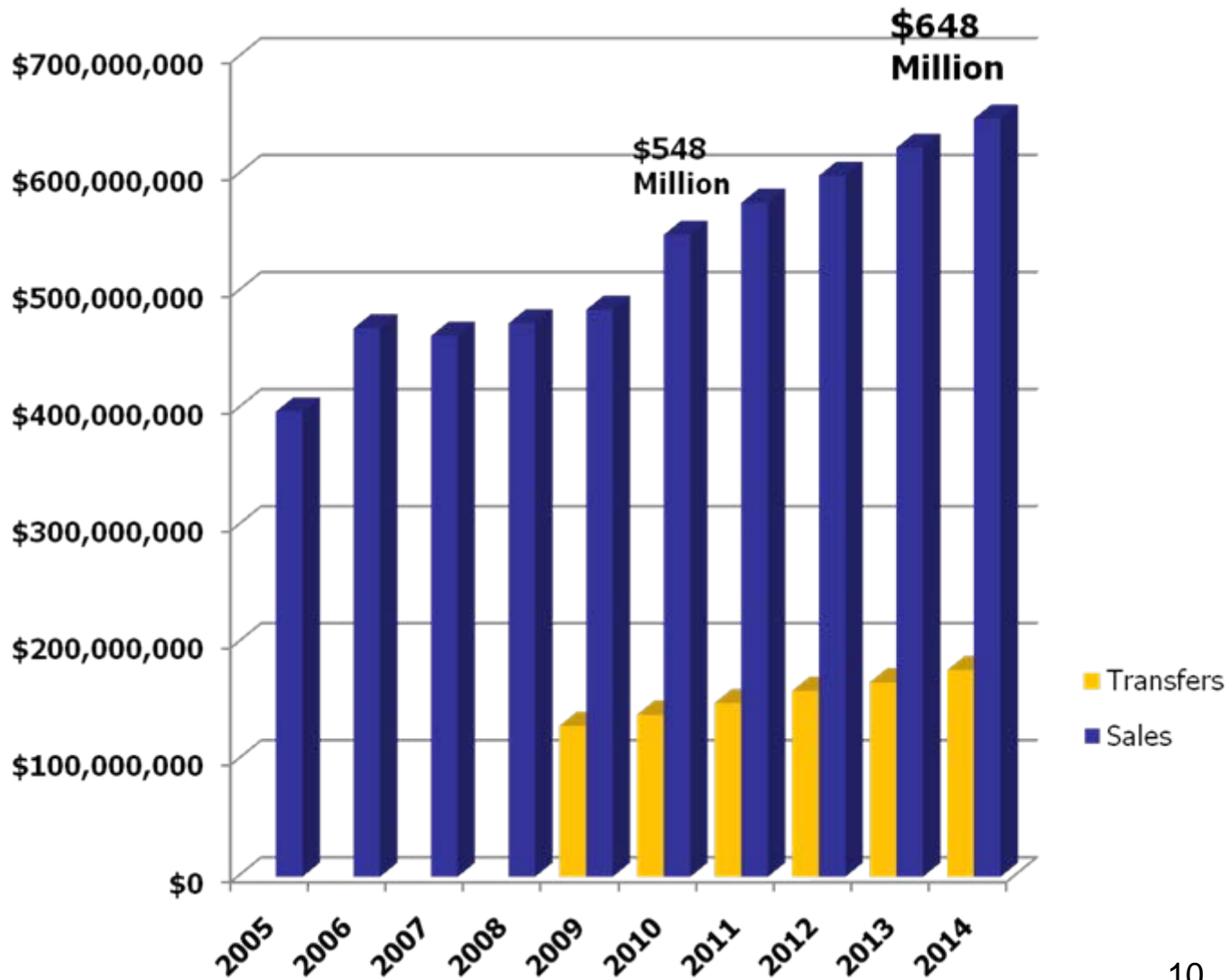
2741

and growing

LeFleur's Magazine, March 2010



Sales and Transfers





We're Adding Major New Games

World's Largest Jackpots



Charity Game - 4th Quarter 2010

National Game 2011?

World Game 2012?



Securitization

The Arizona Department of Administration will issue bonds in the amount of \$450 million. The expected time to maturity is 20 – 25 years. Principle and interest payments will be made using Arizona Lottery funds.



The Lottery's Long-Term Vision

The Arizona Lottery functions within the limitations imposed by Arizona's negotiated gaming compacts with the Tribes.

The Lottery will continue to offer new and interesting products that match the qualities being requested by our players.

We will work with other states to offer games with higher jackpots, won more often by more people.

We do not expect to engage in electronic or Internet gaming.



An Arizona Success Story

It's not about what we sell...

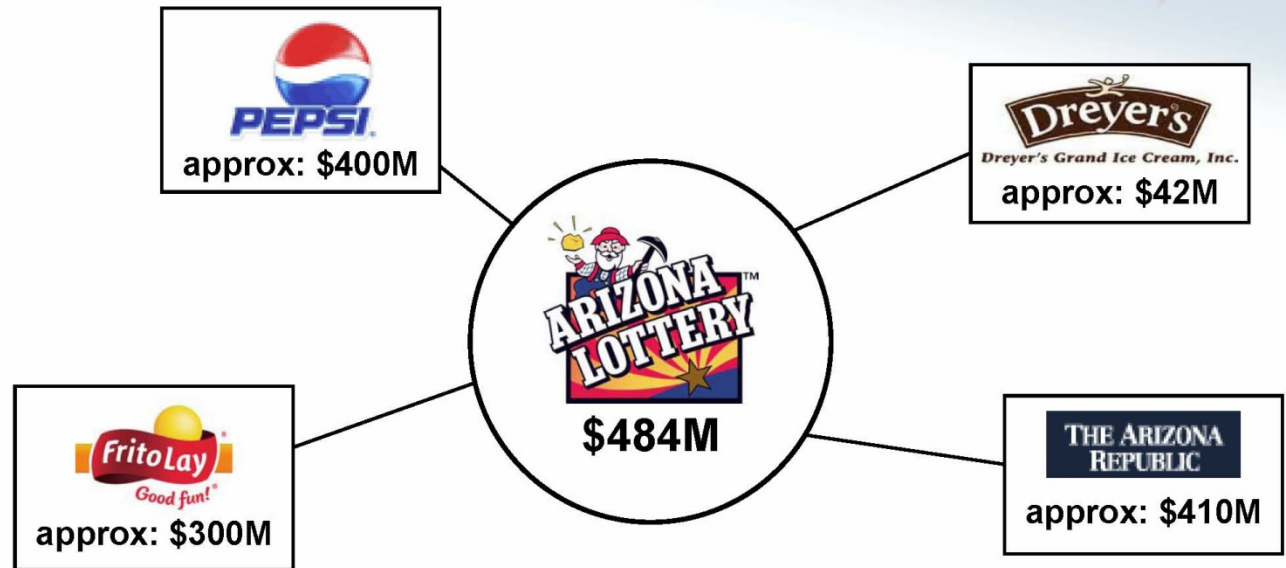
*It's about what we
make possible.*





The Lottery is a Product

The Arizona Lottery is the only product that gives back to Arizona communities.





Arizona Lottery History

Sales	= over \$6.9 billion
Prizes	= over \$3.6 billion
Beneficiaries	= over \$2.2 billion
Commissions	= over \$441 billion

Providing benefits to our state for over 29 years!



Your Questions?

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