

Texas Lottery Commission Press Release - September 8, 2003

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Texas Lottery FY 03 Sales Climb By More Than Five Percent, Preliminary Figures Show

(Austin, September 8) - Unaudited figures of all Texas Lottery products show fiscal year 2003 sales at approximately \$3.130 billion, a 5.53 percent jump over last year's total of \$2.966 billion. It is the largest margin of sales increase since 1997.

"The unaudited report of our sales this past fiscal year show that once again sales have crossed the \$3 billion mark, and helped us create the fifth-largest transfer of Lottery dollars to the State in the agency's 11-year history," Texas Lottery Commission Executive Director Reagan E. Greer said. "Thanks go in part to the work of our 16,395 retailers across the state, and to the players who helped us create this year's \$955.2 million transfer, of which \$888.1 million went to the Foundation School Fund that supports public education."

Additionally, unclaimed prize money in the amount of \$67 million was transferred from the Texas Lottery to the Multicategorical Teaching Hospital and the Tertiary Care Facility accounts. The funds for the Multicategorical Teaching Hospital Account benefits the teaching hospital at University of Texas Medical Branch at Galveston. Hospitals, seeking to defray indigent health care costs, were able to apply for money from the Tertiary Care Facility Account.

Texas Lottery players spent \$2.1 billion on instant tickets in FY 2003, 10.3 percent more than in FY 2002. Instant tickets account for more than 60 percent of total ticket sales.

"By giving our retailers games with shorter runs, different price points, and new themes, as well as making sure they received the tickets that are popular with their customers, we've kept our players interested in the "Games of Texas," Greer said. "Our plan has worked well and has helped catapult the Texas Lottery into the number three spot among North American lotteries this year."

Cash Five™ accounted for \$141.0 million in sales, 15.9 percent more than one year ago. *Pick 3*™, with two daily drawings, posted sales of \$261.3 million, 10.5 percent above last year. *Lotto Texas*™ sales came in at \$526.3 million, 11.4 percent lower than the year before. *Texas Two Step*®, which was launched in May 2001, brought in \$72.4 million in its second full year of operation, down 12.8 percent from 2002.

"While we've had a significant rise in sales, I still want to encourage our players to play responsibly," Greer said. "We've created a campaign to provide a public service to players in response to the recent legislative budget cuts to the

Texas Council on Problem and Compulsive Gambling hotline. It's my hope that our players remember that the Games of Texas are just that, games, which were created to provide fun and entertainment for players."

The Texas Lottery anticipates higher revenues for FY 2004 with the introduction of new games and the possible joining of a multijurisdiction game. Currently, negotiations are being conducted between the Texas Lottery and the existing states in the Mega Millions game. In making his recommendation to the Commission on August 5, 2003 to enter into negotiations with the Mega Millions states, Executive Director Greer stated, "I anticipate that the net revenue from Mega Millions will meet or exceed the initial estimate of \$101 million for the biennium." The upcoming year promises to be an exciting time for the Texas Lottery Commission, its retailers and its players.

For more information about the Texas Lottery, please visit the official Texas Lottery Commission web site at <http://www.txlottery.org>