



**OREGON
LOTTERY®**

WELCOME TO THE OREGON LOTTERY



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OUR MISSION

“To operate a lottery with the highest standards of integrity and security to earn maximum profits for the people of Oregon commensurate with the public good.”



It Does Good Things®



HISTORY OF THE LOTTERY

- | | |
|--------------------------------|---|
| 1984: <i>Ballot Measure 4</i> | Oregon Lottery voted in to aid economic development |
| 1995: <i>Ballot Measure 21</i> | 15% of Oregon Lottery proceeds go to Education Endowment Fund |
| 1997: <i>Ballot Measure 52</i> | Lottery bonds to finance school projects |
| 1998: <i>Ballot Measure 66</i> | 15% of Lottery funds go to state parks, watersheds, fish and wildlife |
| 2002: <i>Ballot Measure 19</i> | Conversion of Education Endowment Fund to Education Stability Fund. Increases education support to 18% |
| 2005: <i>HB 3466</i> | Repealed statute dealing with games on sporting events
Dedicated 1% for sports programs at public universities |
| 2010: <i>Ballot Measure 76</i> | 15% to parks and natural resources made permanent |
| 2016: <i>Ballot Measure 96</i> | 1.5% of net proceeds to Oregon Veterans |
| 2016: <i>Ballot Measure 99</i> | Outdoor School Education Fund to receive 4% of net proceeds, not to exceed \$22 million |

*profits or net proceeds means the funds left over after payment of prizes (50%) and operating expenses (3.1%)



OUR PRODUCT PORTFOLIO

TRADITIONAL GAMES

- Currently there are 1,695 Oregon Lottery retailers offering just these games.
- To play any of these games, players must be at least 18 years old.
- In Fiscal Year 2016, the Lottery's Traditional games had revenues of \$353 million.
- The top three revenue-producing Traditional games were Scratch-its with \$131.6 million, Keno with \$95.8 million and Powerball with \$63.8 million.





OUR PRODUCT PORTFOLIO

VIDEO LOTTERY GAMES

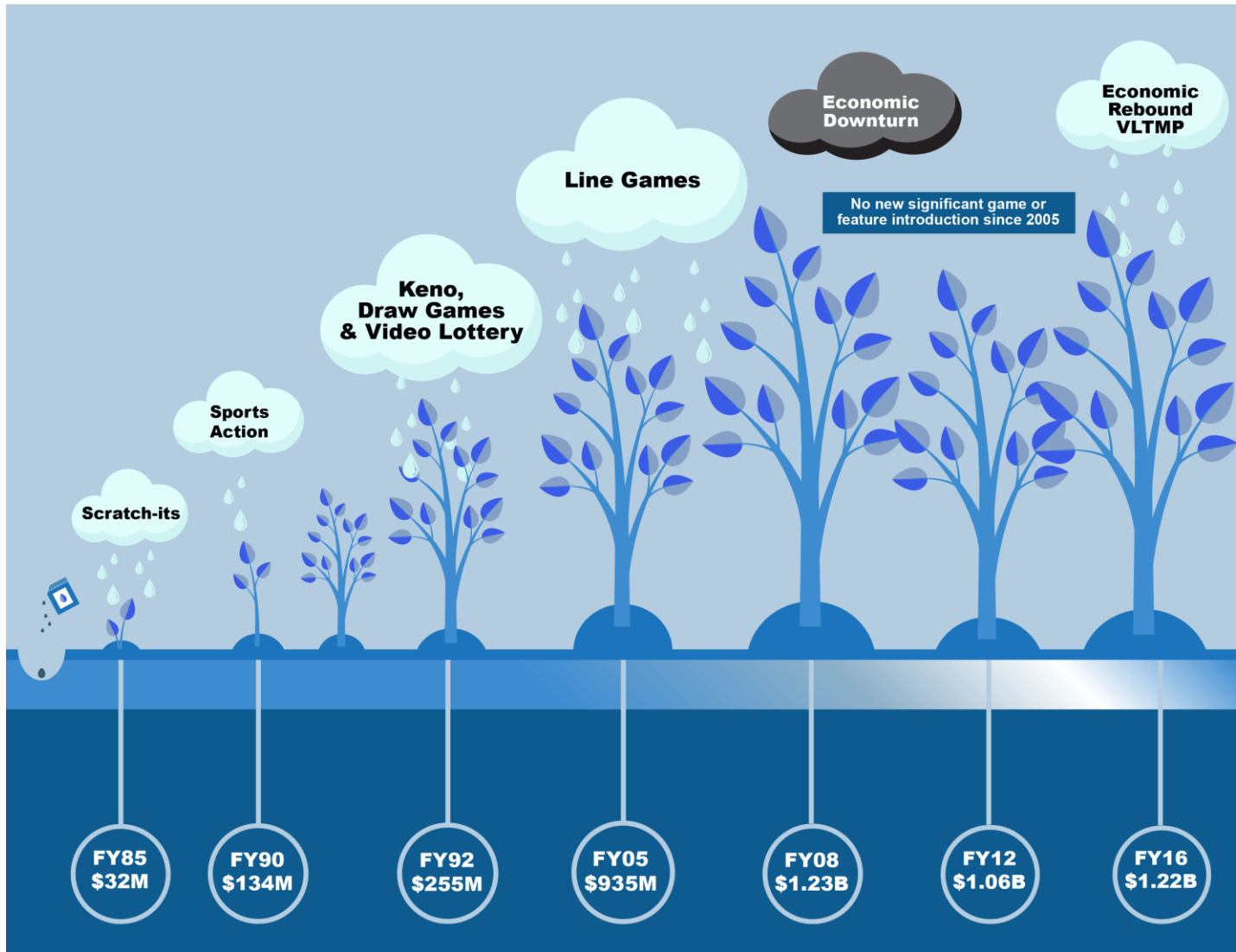
- There are currently 1,766 retail locations offering both Traditional games and Video Lottery games, as well as 480 Video Lottery-only locations.
- Retail locations with Video Lottery games must have an age-restricted area where the games are located and are required to possess an “on premise” OLCC license.
- To play Video Lottery games players must be at least 21 years old.
- There are three types of games offered on a Video Lottery terminal – poker and assorted “line games” and Video Keno.
- In Fiscal Year 2016, Video Lottery games brought in \$876.5 million in revenues.



TOTAL NUMBER OF ACTIVE RETAILERS: 3,941

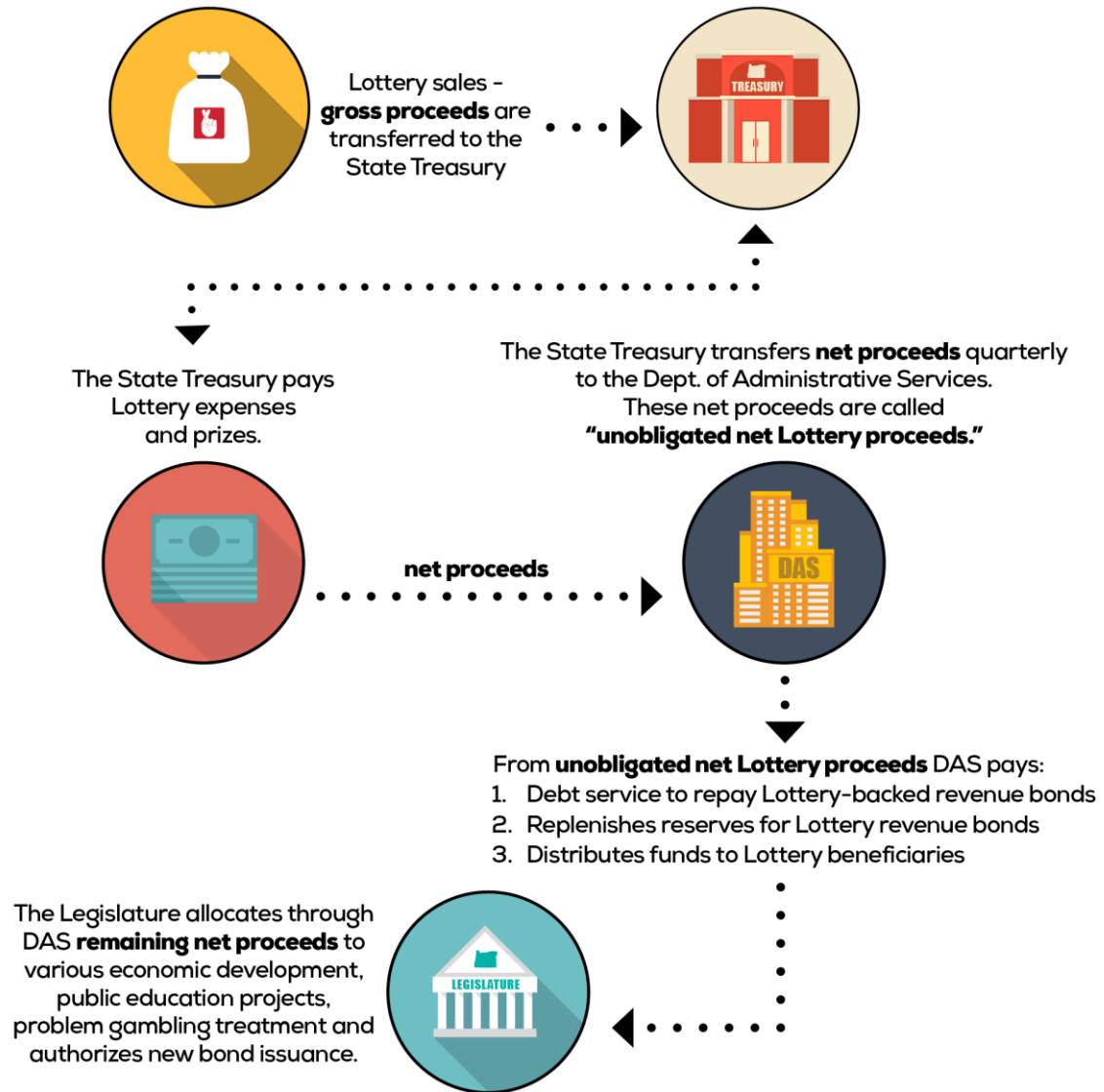


GROWTH AT A GLANCE





WHERE THE MONEY GOES





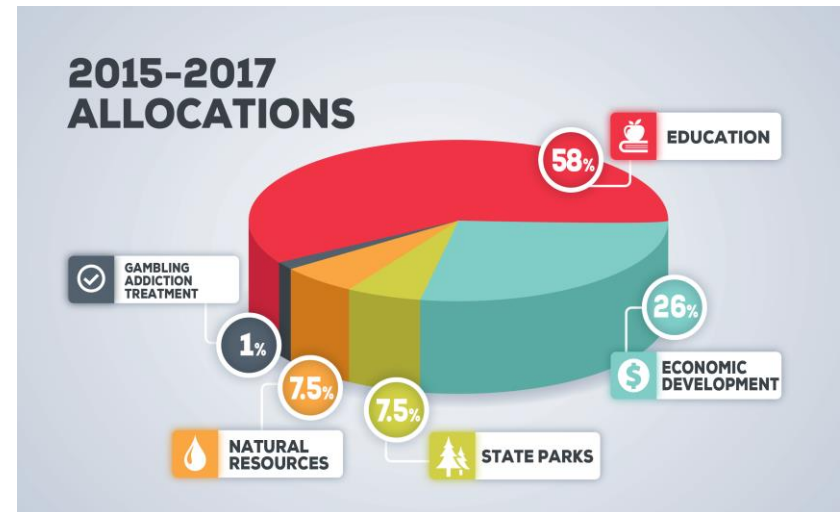
BENEFICIARY ALLOCATIONS

2015-2017 = \$1.2 BILLION

- Education: \$662.2 million
- Economic Development: \$297 million
- Parks & Natural Resources: \$338.8 million
- Gambling Addiction Treatment: \$11.3 million

HISTORICAL TOTALS = \$11 BILLION

- Education: \$6.7 billion
- Economic Development: \$2.9 billion
- Parks & Natural Resources: \$1.2 billion
- Gambling Addiction Treatment: \$92.7 million





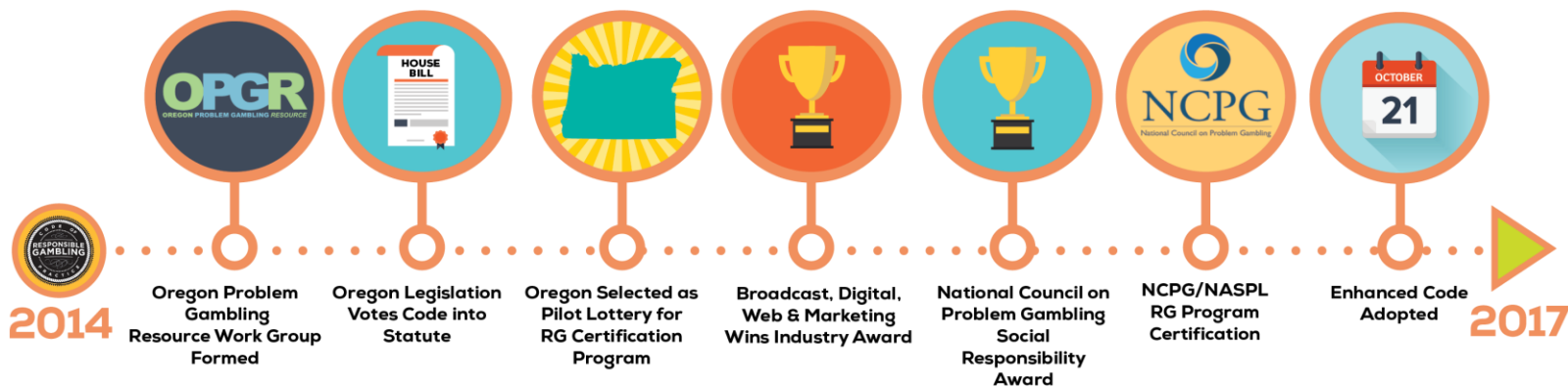
CORPORATE SOCIAL RESPONSIBILITY

Our nationally recognized Responsible Gambling Program promotes healthy gambling behaviors and creates awareness of the availability of the free and effective treatment that Lottery revenues fund.

PLAY RESPONSIBLY



keep your entertainment entertaining



Implementation

Television • Radio • Digital • "Trigger" • Website • Gam Talk
Retailer Training • Employee Training • Multi-Cultural



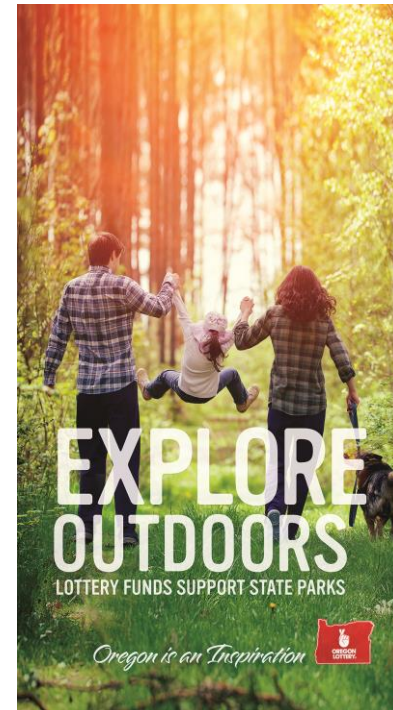
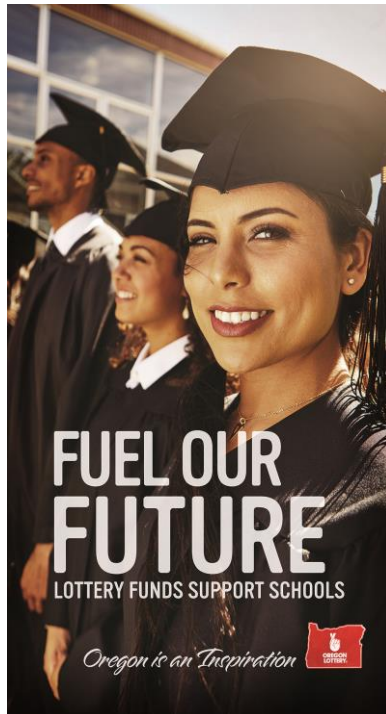
WHERE WE ARE HEADING

- Modernize our gaming platforms to keep pace with the industry
- Modernize our internal business operations and systems to leverage efficiencies and data
- Build out a robust Corporate Social Responsibility program
- Develop and execute a responsible revenue strategy
- Welcome our two newest beneficiaries: Outdoor Schools and Veterans' Services





BENEFICIARIES ARE OUR BRAND





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Oregonians feel positively about the Lottery because Lottery funds support causes they care about

- 65% of adult Oregonians have a positive opinion about the Lottery.
 - Among Oregonians who hold a positive opinion, most (63%) cite Lottery dollars supporting state projects and programs as the reason why.
- When asked to rate how they feel about what Lottery dollars do for Oregon, 72% are positive.
- 91% of adult Oregonians can correctly identify at least one recipient of Lottery dollars. One in three can identify all four. Identification as a Lottery beneficiary is highest for public education:
 - Public education: 74%
 - Problem gambling: 68%
 - State parks/Natural resources: 68%
 - Economic development: 57%



EXAMPLES OF OUR BENEFICIARY ADVERTISING





QUESTIONS

