

***Massachusetts State Lottery Commission
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***STEVEN GROSSMAN
Treasurer and Receiver General***

***PAUL R. STERNBURG
Executive Director***

June 2011

In keeping with State Treasurer Steve Grossman's commitment to providing timely, accurate, and relevant information concerning the operations of the Lottery, enclosed are fiscal performance documents accounting for results through May 2011, as well a forecast of the overall sales/net profit for the fiscal year ending June 30, 2011.

It is a pleasure to report that the estimated net profit for the fiscal year has risen to \$885,304,000 – a \$10,594,000 increase from last month's projection and a \$25,304,000 gain in net profit from the estimated figure provided to the Joint Committee on Ways and Means in February.

Much of May's increase in net profit stems from an \$8.2 million sales increase in our Instant Ticket portfolio, due to continued success of the new games released in April and also the introduction of the \$10 Cashword ticket. A continued reduction in the payout rate/cashing of prizes also helped the bottom line in May.

Our Keno game continues to perform well with sales up \$3.5 million for the month of May. Cash WinFall experienced a \$2.4 million bump in sales after the jackpot reached its \$2 million cap without a top prize winner and "rolled down" to fund the lower-tier prizes at increased levels.

Sales for the multi-state jackpot games – Mega Millions and Powerball were both down \$2 million due to the smaller jackpots offered this year as compared to last. As previously shared, these multi-state offerings are jackpot-driven games so the higher the jackpot soars, the more excitement grows with players and sales reflect as such.

With just three weeks left until the close of fiscal year, we are hopeful to achieve strong sales results for the month of June so we can once again increase the projected return to the Commonwealth for FY11.

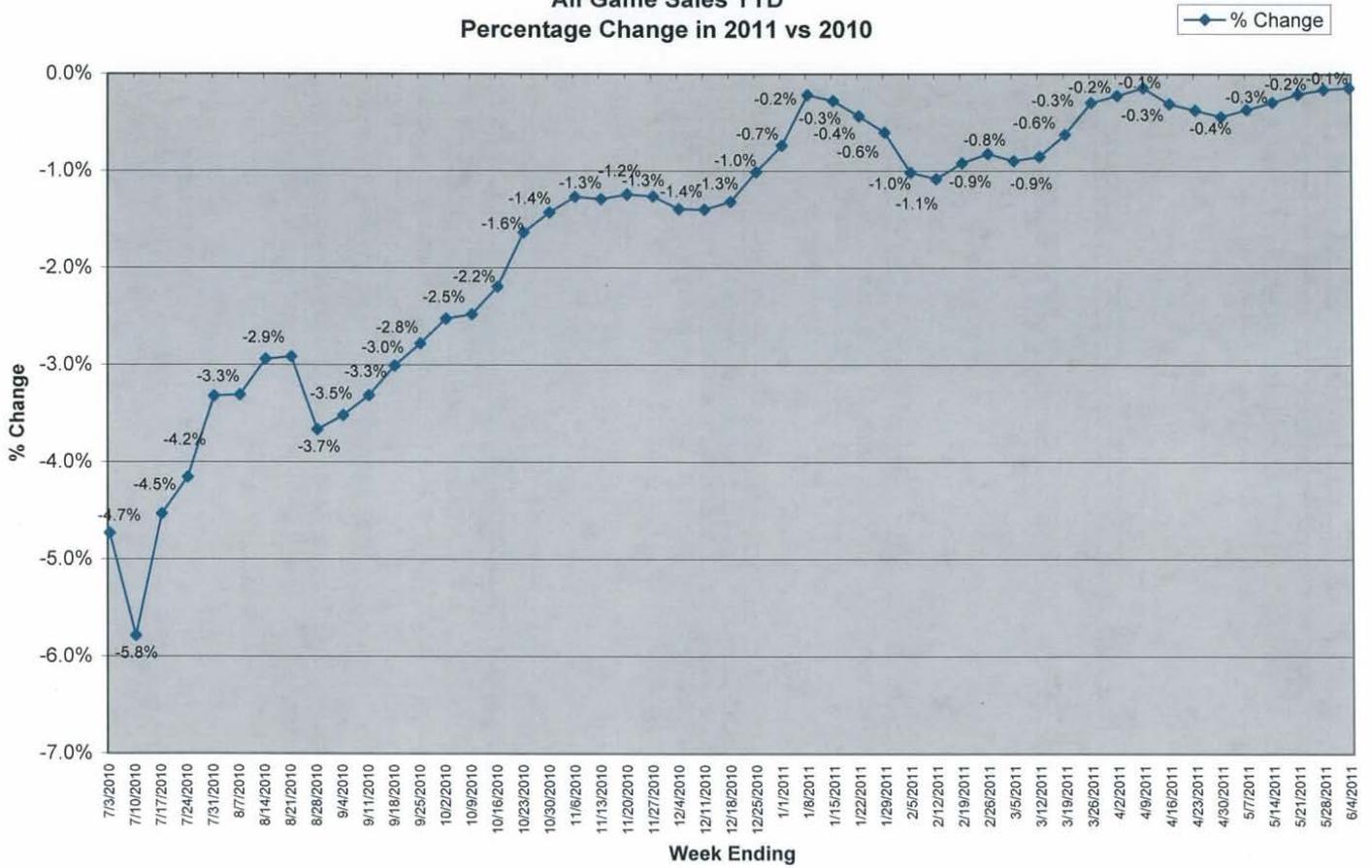
As always, I am happy to answer any questions you may have about the above mentioned figures or concerning the Lottery's overall fiscal performance.

Sincerely,



Paul R. Sternburg
Executive Director

All Game Sales YTD Percentage Change in 2011 vs 2010



MSLC Revenue Results

FY11 vs. FY10

(\$ millions)

Through June 4, 2011 (11 months)

Confidential

	Payout %	FY11*	% of Total	FY10**	% of Total	\$ Change	% Change
Instant Tickets	69.9 to 80.4	\$2,821	68%	\$2,838	68%	-\$17	-0.6%
MegaMillions	50.0	97	2%	116	3%	-19	-16.0%
Powerball (started 2/10)	50.0	58	1%	31	1%	27	86.5%
Keno	70.0	721	17%	709	17%	12	1.7%
Mass Cash	55.0	43	1%	43	1%	0	0.3%
Race Game	70.0	19	0%	18	0%	1	8.3%
Cash WinFall	60.0	33	1%	39	1%	-6	-15.3%
Numbers Game	63.0	324	8%	325	8%	-1	-0.3%
Megabucks	55.0	26	1%	31	1%	-5	-14.9%
Total		<u>\$4,142</u>	100%	<u>\$4,148</u>	100%	<u>-\$6</u>	<u>-0.1%</u>

Instant Tickets	69.9 to 80.4	\$2,821	68%	\$2,838	68%	-\$17	-0.6%
Online Games	50.0 to 70.0	\$1,321	32%	\$1,310	32%	\$11	0.8%
Total		<u>\$4,142</u>	100%	<u>\$4,148</u>	100%	<u>-\$6</u>	<u>-0.1%</u>

		MM & PB	
		+ \$8 + 5.7%	

* Sunday June 27, 2010 - Saturday June 4, 2011

** Sunday June 28, 2009 - Saturday June 5, 2010

MSLC Revenue and Profit Projection

6/8/2011

	FY11	% Change vs FY10
Revenues		
Instant Games	3,002,068	-0.5%
Mega Millions	103,855	-14.8%
Powerball	61,679	73.8%
Numbers Game	344,683	-0.1%
Mass Cash	45,899	-3.2%
Keno	769,091	2.0%
CashWinFall	30,543	-17.9%
Daily Race Game	20,772	8.8%
Megabucks	27,737	-21.7%
Charity Game Tickets	1,965	-4.7%
Beano Tax (2/5)	812	-7.6%
Pull Tabs	873	-4.5%
License Fees	130	-13.0%
Bond Fees and Fines	2,026	8.0%
Service Fees	5,579	0.5%
Miscellaneous Income	53	120.8%
Interest	1,103	0.0%
		Note
Total Revenues	\$ 4,418,868	-0.1%
		100.0%
Total Prize Expenses	\$ 3,191,748	0.5%
		72.2%
Total Agent Expenses		
Commissions	220,105	5.0%
Bonuses	31,520	0.7%
Total	251,625	-2.9%
		5.7%
Net Operating Revenues	\$ 975,494	-1.4%
		22.1%
Administrative Expenses	90,190	4.6%
		2.0%
Net Profit	\$ 885,304	-2.0%
Before Distributions		20.0%

Note: Revenue projections are based on sales results through 6/4/11