

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

*PAUL R. STERNBURG
Executive Director*

November 2011

As part of the continuing effort to uphold State Treasurer Steve Grossman's commitment to transparent and open operations at the Lottery, enclosed are fiscal performance documents accounting for results through October 2011.

Fiscal Year 2012 Lottery sales continue to be on the rise, with October's results ringing in \$13 million higher than last year. While a 0.8 percent increase in prize payouts impacted the gain, the Lottery's overall net profit in October 2011 still grew by \$6 million.

In previous correspondence, I have addressed prize payout percentages and how the rate at which the Lottery pays out prizes fluctuates from month to month based upon the timing of player cashing activity. The prize payout in October 2011 may be 0.8 percent higher than the rate in October 2010; however, the Lottery's overall prize payout for the first four months of FY12 is 72 percent compared to a 73.1 percent prize payout for the same time period in FY11. This 1.1 percent decrease in prize payout thus far in FY12, coupled with several months of strong sales brings the Lottery's overall increase in net profit to \$23 million for the first third of the year.

The sales increase in October was largely fueled by instant ticket sales, which were up \$13 million. Sales for the multi-state Powerball game increased by \$4 million due to the higher jackpot levels this year; Mass Cash sales were up \$2 million; and, Keno saw a \$1 million increase last month.

Games that experienced sales decreases in the month of October were the multi-state Mega Millions game, due to smaller jackpots compared to last year's offerings; Cash WinFall sales decreased by \$3 million largely because the jackpot was won before the game reached its signature \$2 million "rolldown" mark; and, The Numbers Game was down \$1 million due to the continued cannibalization stemming from Mass Cash's expanded draw schedule.

I anticipate that with the release of our holiday-themed instant tickets, the announcement of a holiday season ticket discount program and the introduction of the Massachusetts \$10 Million Raffle ticket, sales for the month of November will be equally strong.

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. I can be reached directly at 781-849-5500.

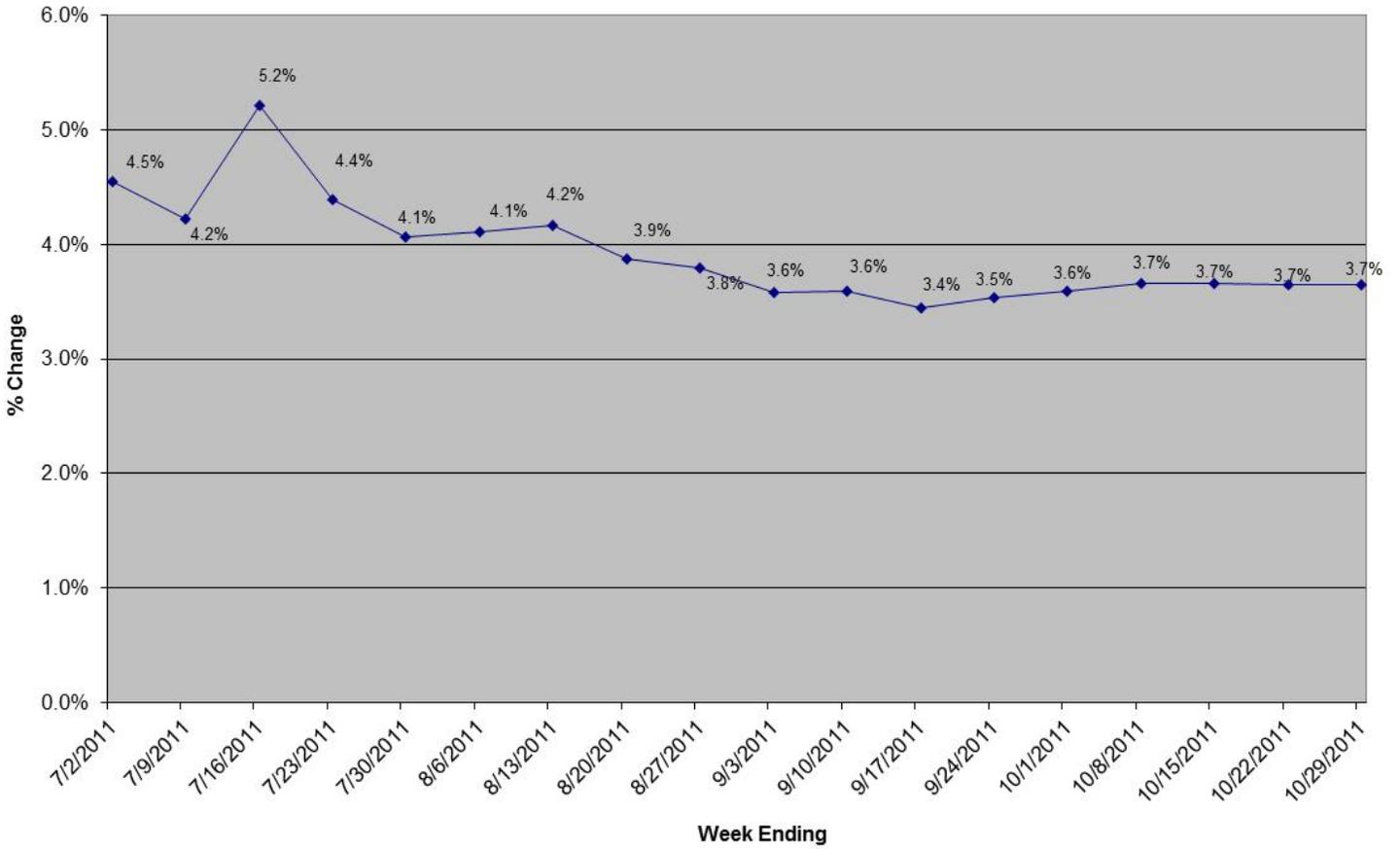
Sincerely,



Paul R. Sternburg
Executive Director

All Game Sales YTD Percentage Change in 2012 vs 2011

◆ % Change



MSLC Revenue Results *
October FY12 vs. October FY11
(\$ millions)

	<u>Payout %</u>	<u>FY12</u>	<u>% of Total</u>	<u>FY11</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% Change</u>
Instant Tickets	69.9% to 80.4%	\$243	69.3%	\$230		\$13	5.5%
MegaMillions	50%	5	1.3%	7		-\$2	-33.7%
Powerball	50%	8	2.2%	4		\$4	93.1%
Keno	70%	59	16.9%	58		\$1	1.5%
Mass Cash	55%	5	1.6%	3		\$2	60.1%
Race Game	70%	2	0.5%	2		\$0	11.2%
Cash WinFall	60%	2	0.5%	5		-\$3	-61.8%
Numbers Game	63%	25	7.1%	26		-\$1	-5.1%
Megabucks	55%	2	0.7%	2		\$0	9.0%
Total		\$351	100.0%	\$338		\$13	3.8%
Instant Tickets		\$243	69.3%	\$230	68.2%	\$13	5.5%
Online Games		108	30.7%	107	31.8%	\$0	0.3%
Total		\$351	100.0%	\$338	100.0%	\$13	3.8%

* As reported on MSLC Weekly Sales Report dated October 29, 2011.

MSLC Revenue Results *

FY12 vs. FY11

Through October 29, 2011

(\$ millions)

	Payout %	FY12	% of Total	FY11	% of Total	\$ Change	% Change
Instant Tickets	69.9% to 80.4%	\$1,055	68.9%	\$1,012		\$44	4.3%
MegaMillions	50%	24	1.5%	26		-\$3	-9.6%
Powerball	50%	25	1.7%	19		\$7	36.0%
Keno	70%	261	17.0%	257		\$4	1.4%
Mass Cash	55%	23	1.5%	15		\$8	50.4%
Race Game	70%	7	0.5%	7		\$1	10.8%
Cash WinFall	60%	10	0.7%	13		-\$3	-19.6%
Numbers Game	63%	114	7.5%	118		-\$4	-3.1%
Megabucks	55%	10	0.7%	10		\$0	0.8%
Total		\$1,531	100.0%	\$1,477		\$54	3.7%
Instant Tickets		\$1,055	68.9%	\$1,012	68.5%	\$44	4.3%
Online Games		475	31.1%	465	31.5%	\$10	2.2%
Total		\$1,531	100.0%	\$1,477	100.0%	\$54	3.7%

* As reported on MSLC Weekly Sales Report dated October 29, 2011.