

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

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

September 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 September 2011.

The Lottery had another strong sales month in September. While overall sales were up \$12 million for the month, prize payments were also \$13 million higher than last year. The prize payout this September was 73.31%, compared to 71.79% in September 2010.

As I've communicated in past letters, the rate at which the Lottery pays out prizes fluctuates from month to month based upon the timing of player cashing activity. This 1.52% increase in prize payout impacted the Lottery's September net profit, which was down \$2.2 million for the month, but the overall transfer for the first quarter of Fiscal Year 2012 was up \$16.8 Million.

Instant ticket sales continue to fuel the Lottery's increased sales in FY2012. Instant sales in September were up \$8 million following the release of four new games - *\$10,000,000 Diamond Millionaire* (\$20), *20X The Cash* (\$5), *Strike It Witch* (\$5), and *2011 New England Patriots* (\$2).

Other games that performed well in September were Keno, which was up \$2.2 million thanks to a second chance promotion launched in the first weeks of the month, Mass cash which was up \$2 million following the move to a nightly draw schedule, and Mega Millions which was up \$1 million due to higher average jackpots as compared to last year's offerings.

Two games that saw sales decreases in September are the multi-state Powerball game and the daily Numbers Game. Powerball sales were down \$1 million due to the lower than last year jackpot levels. The Numbers Game, which is drawn twice daily, was also down \$1 million. This decrease can be attributed to cannibalization from Mass Cash sales. We are currently offering a second chance promotion to help boost Numbers Game sales and will continue to explore ways to keep game sales strong against Mass Cash.

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.

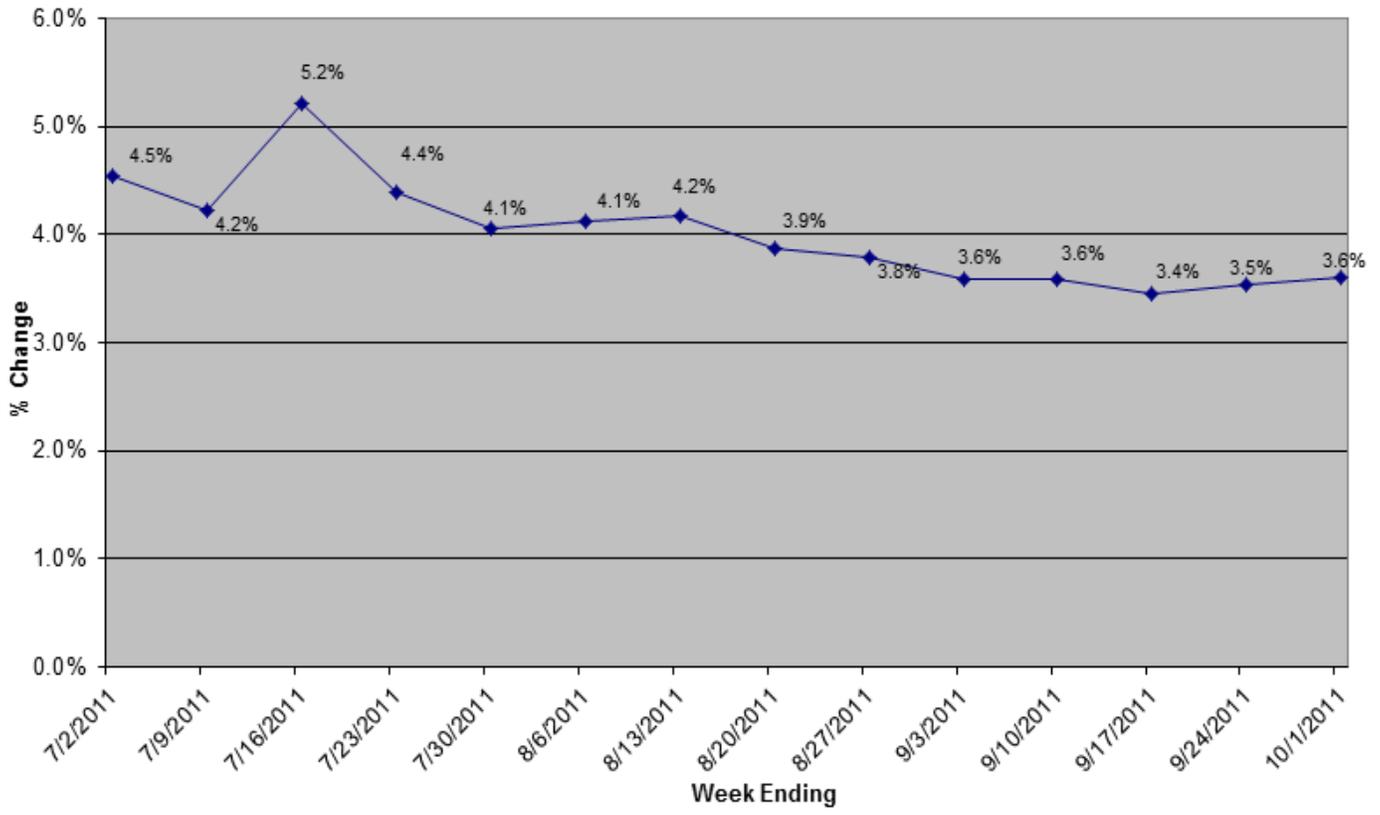
Sincerely,



Paul R. Sternburg
Executive Director

All Game Sales YTD Percentage Change in 2012 vs 2011

◆ %...



MSLC Revenue Results *

September FY12 vs. September 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%	\$232	68.7%	\$224	68.8%	\$8	3.6%
MegaMillions	50%	6	1.8%	5	1.4%	1	29.8%
Powerball	50%	4	1.2%	5	1.4%	-1	-11.1%
Keno	70%	59	17.5%	57	17.5%	2	4.0%
Mass Cash	55%	6	1.6%	3	1.0%	2	61.8%
Race Game	70%	2	0.5%	2	0.5%	0	13.3%
Cash WinFall	60%	2	0.5%	2	0.6%	0	-15.0%
Numbers Game	63%	25	7.4%	26	8.1%	-1	-4.6%
Megabucks	55%	2	0.7%	3	0.8%	0	-8.0%
Total		\$338	100.0%	\$326	100.0%	\$12	3.6%
Instant Tickets		\$232	69.1%	\$224	68.9%	\$8	3.6%
Online Games		106	30.9%	102	31.1%	4	3.7%
Total		\$338	100.0%	\$326	100.0%	\$12	3.6%

* As reported on MSLC Weekly Sales Report dated October 1, 2011.

MSLC Revenue Results *

FY12 vs. FY11

Through October 1, 2011

(\$ millions)

	Payout %	FY12	% of Total	FY11	% of Total	\$ Change	% Change
Instant Tickets	69.9% to 80.4	\$813	68.8%	\$781	68.6%	\$31	4.0%
MegaMillions	50%	19	1.6%	19	1.7%	0	-0.5%
Powerball	50%	18	1.5%	15	1.3%	3	20.9%
Keno	70%	202	17.1%	199	17.5%	3	1.4%
Mass Cash	55%	18	1.5%	12	1.0%	6	47.9%
Race Game	70%	6	0.5%	5	0.5%	1	11.5%
Cash WinFall	60%	9	0.7%	8	0.7%	0	3.8%
Numbers Game	63%	89	7.6%	92	8.0%	-2	-2.5%
Megabucks	55%	8	0.7%	8	0.7%	0	-1.3%
Total		\$1,180	100.0%	\$1,139	100.0%	\$41	3.6%
Instant Tickets		\$813	69.1%	\$781	68.9%	\$31	4.0%
Online Games		368	30.9%	358	31.1%	10	2.8%
Total		\$1,180	100.0%	\$1,139	100.0%	\$41	3.6%

* As reported on MSLC Weekly Sales Report dated October 1, 2011.