



STEVEN GROSSMAN
Treasurer and Receiver General

PAUL STERNBURG
Executive Director

July 2012

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 June 2012. These figures represent our unaudited year-end sales and estimated net profit figures for fiscal year 2012.

The Massachusetts State Lottery is celebrating a milestone this year with 40 years of successful operation under our belt. Since selling the first game ticket in March 1972, we have amassed some astounding accomplishments and numbers that have positioned the Lottery as an industry leader. It is a great pleasure to report that fiscal year 2012 marks another highpoint in our 40-year history as we produced a record-breaking year all around for the Lottery.

Overall sales for July 1, 2011 through June 30, 2012 rang in at \$4.740 billion, topping the previous sales record of \$4.709 billion set in FY08 by \$31 million. More importantly, the Lottery is returning an unprecedented \$981 million in net profit to the Commonwealth in FY12 – a full \$87 million higher than the \$894 million initially projected for the year and \$30 million higher than the previous profit record of \$951 million set in FY06.

Strong sales in June 2012 capped off the Lottery's banner year with overall sales for the month ringing in \$17 million higher than June 2011 results. While there was significant year over year sales growth, there was also a considerable increase in the prize payout percentage for the month, which as explained in previous correspondence fluctuates based on the schedule or rate at which players cash in prizes.

The prize payout for the month was 74.8 percent, as compared to 72.73 percent in June 2011. The increase raised our overall prize payout for the year from 71.45 percent to 71.65 percent.

The sales increase in June 2012 was largely driven by a \$13 million bump in the Instant Ticket portfolio. Also contributing to the strong month was a \$3 million increase in Powerball sales due to a higher jackpot offering than last year, along with the ticket price increase to \$2; a \$2 million increase in Mass Cash sales; a \$1 million increase in KENO sales; and, \$4 million in new sales brought in from Lucky for Life, which debuted in March 2012.

There are four games in the portfolio that experienced sales decreases in June. Mega Millions sales were down \$2 million due to smaller jackpot offerings as compared to last June; sales for The Numbers Game declined \$1 million due to continued cannibalization following Mass Cash's expansion to a nightly schedule; Megabucks sales were down \$1 million due to last year's higher jackpot offering; and, Cash WinFall sales were down \$2 million because there have been no ticket sales since the game officially ended on January 23.

Over the coming weeks, we will be performing audit work on these year-end figures and look forward to sharing our finalized financial statement in early September. In the meantime, I am



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happy to answer any questions you may have about the estimated net profit figure shared above or concerning the Lottery's overall fiscal performance. I can be reached directly at 781-849-5500.

Sincerely,



Paul R. Sternburg
Executive Director



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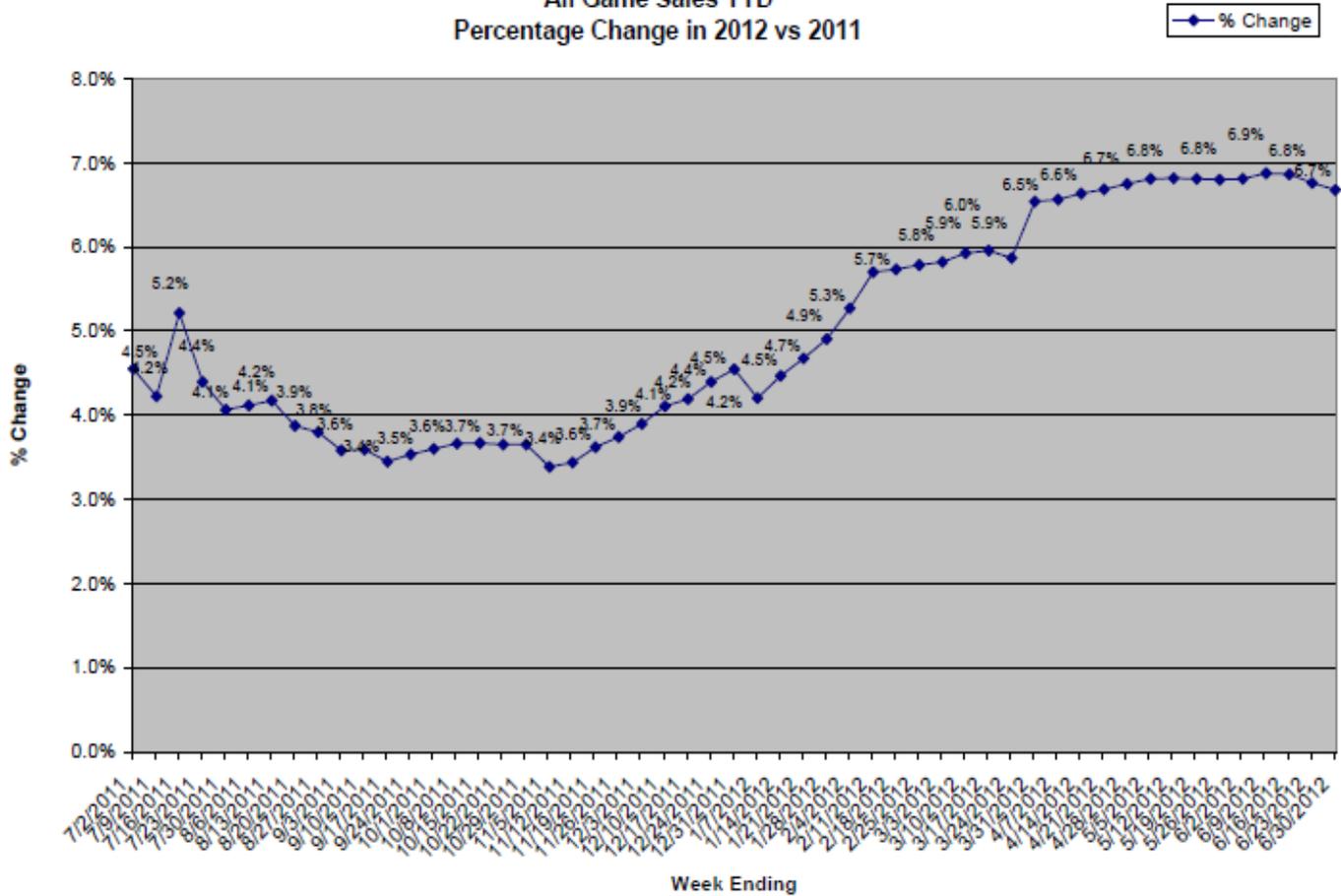


Massachusetts State Lottery Commission

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All Game Sales YTD Percentage Change in 2012 vs 2011



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MSLC Revenue Results

June FY12 vs. June FY11

(\$ millions)

	Payout %	FY12	% of Total	FY11	% of Total	\$ Change	% Change
Instant Tickets	69.9% to 80.4%	\$251	69.9%	\$238	69.6%	\$13	5.6%
MegaMillions	50%	4	1.2%	6	1.7%	-2	-25.9%
Powerball	50%	7	1.9%	4	1.1%	3	81.1%
Keno	70%	60	16.6%	59	17.1%	1	1.5%
Mass Cash	55%	5	1.5%	4	1.0%	2	51.4%
Race Game	70%	2	0.5%	2	0.5%	0	11.8%
Cash WinFall	60%	0	0.0%	2	0.6%	-2	-100.0%
Numbers Game	63%	25	7.0%	27	7.8%	-2	-5.6%
Megabucks	55%	2	0.5%	2	0.6%	-1	-22.7%
Raffle Game	50%	0	0.0%	0	0.0%	0	100.0%
Lucky For Life	60%	4	1.0%	0	0.0%	4	100.0%
Total		\$359	100.0%	\$342	100.0%	\$17	5.1%
Instant Tickets		\$251	69.9%	\$238	69.6%	\$13	5.6%
Online Games		108	30.1%	104	30.4%	4	3.9%
Total		\$359	100.0%	\$342	100.0%	\$17	5.1%
Month		6/3/12-6/30/12		6/5/11-7/2/11			
		28 days		28 days			



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MSLC Revenue Results

FY12 vs. FY11

(\$ millions)

	Payout %	FY12	% of Total	FY11	% of Total	\$ Change	% Change
Instant Tickets	69.9% to 80.4%	\$3,296	68.9%	\$3,059	68.2%	\$237	7.7%
MegaMillions	50%	98	2.1%	103	2.3%	-5	-4.5%
Powerball	50%	82	1.7%	62	1.4%	20	33.2%
Keno	70%	800	16.7%	780	17.4%	20	2.5%
Mass Cash	55%	72	1.5%	47	1.0%	25	53.5%
Race Game	70%	24	0.5%	21	0.5%	3	11.8%
Cash WinFall	60%	17	0.3%	35	0.8%	-18	-52.2%
Numbers Game	63%	338	7.1%	350	7.8%	-12	-3.4%
Megabucks	55%	31	0.6%	28	0.6%	3	9.6%
Raffle Game	50%	10	0.2%	0	0.0%	10	100.0%
Lucky For Life	60%	17	0.4%	0	0.0%	17	100.0%
Total		\$4,784	100.0%	\$4,484	100.0%	\$300	6.7%
Instant Tickets		\$3,296	68.9%	\$3,059	68.2%	\$237	7.7%
Online Games		1,488	31.1%	1,425	31.8%	63	4.4%
Total		\$4,784	100.0%	\$4,484	100.0%	\$300	6.7%
Year		6/26/11-6/30/12		6/27/10-7/2/11			
		366 days		365 days			



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