



FY 2010 ANNUAL REVIEW



LETTER FROM ABEL TAPIA

With another successful year on the record books, I would like to take this opportunity to look back at the successes and challenges of Fiscal Year 2010. The Colorado Lottery provided \$112.9 million to our proceeds partners to help make ongoing improvements to Colorado. These improvements include the preservation, protection, enhancement and management of our state's natural beauty, and expansion of recreational opportunities all across Colorado. Our partners include Great Outdoors Colorado (GOCO), the Conservation Trust Fund and the Colorado Division of Parks and Outdoor Recreation.

In addition to supporting the Colorado outdoors, the Lottery achieved more than \$501.2 million in sales, our second best year ever. Our biggest partners, comprised of more than 3,000 retailers across the state who sell our products, earned close to \$33.3 million in commissions in FY 2010. Large Powerball jackpots drove our sales up for the year to \$101.6 million from \$100.7 million in FY 2009. Sales of Cash 5 also grew, jumping from \$20.8 million in FY 2009 to \$21.3 million in FY 2010—another record year for the game. Due to lower jackpot levels, Lotto sales dropped approximately 4 percent from the year prior. Scratch games remain our biggest seller; this product still contributed more than 65 percent of all Lottery sales, totaling \$328.1 million for the year. The Lottery Commission also authorized the addition of two new drawing games, MatchPlay and Mega Millions.

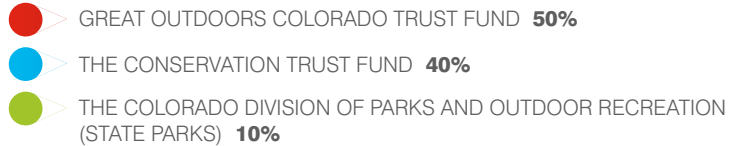
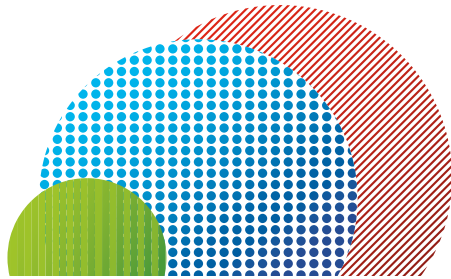
With the introduction of our auto-reorder and full courier system that supports our Scratch ticket delivery, development of new games, robust product lineup and our strong retail partnerships and incentives, I have no doubt that we'll continue to provide our customers, proceeds partners and retailers with the same product integrity, improved customer service and efficient operations that they have always appreciated.

We are proud of the accomplishments we have made in FY 2010. We look forward to the coming year and are grateful for your support as we continue to give back to our customers, community and the great outdoors.

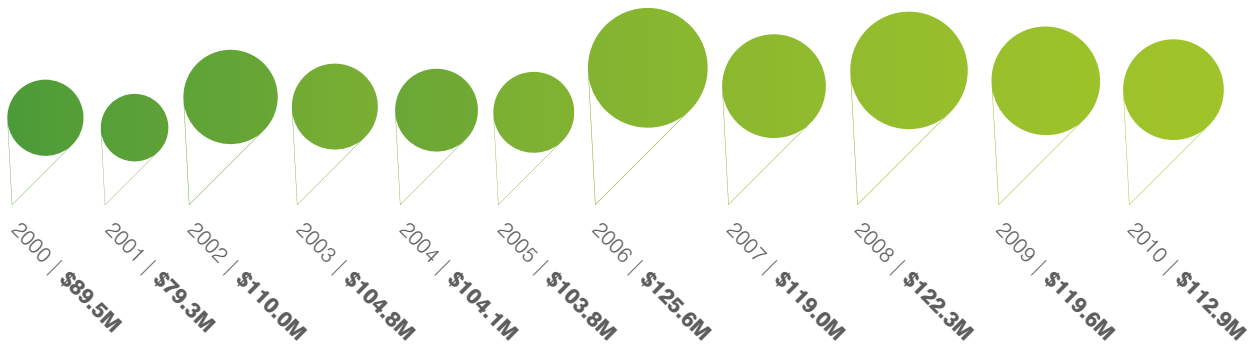
A handwritten signature in black ink, appearing to read 'Abel J. Tapia'. The signature is fluid and cursive, with a large loop at the end.

Abel J. Tapia
Director, Colorado Lottery

PROCEEDS DOLLARS



PROCEEDS CONTRIBUTIONS 2000–2010



PROCEEDS

Sales generated by the Lottery's 3,000 retailers raised nearly \$113 million for the agency's proceeds partners—Great Outdoors Colorado, the Conservation Trust Fund and Colorado State Parks. The three organizations received the following contributions from sales of Lottery tickets in FY 2010:

- **Great Outdoors Colorado (GOCO): \$56.3 million**
 - Great Outdoors Colorado gives money to projects across the state that impact communities. Lottery proceeds have helped preserve, protect, enhance and manage Colorado's wildlife, park, river, trail and open-space heritage. In FY 2010, the distribution to GOCO was \$56.3 million.
- **Conservation Trust Fund: \$45.1 million**
 - Local parks and recreation providers—towns, cities, counties and special districts—receive money from the Conservation Trust Fund in proportion to their population. We distributed \$45.1 million through the fund in FY 2010 for open space and land acquisition, equipment purchases, facility development, park maintenance and renovation or restoration of local facilities.
- **Colorado State Parks: \$11.2 million**
 - Colorado's 42 state parks use Lottery money for trail construction and maintenance, equipment and facility purchases, land acquisition and maintenance of state park facilities. \$11.2 million was distributed directly to state parks in FY 2010.

In addition, the Lottery generated \$88,000 to the Public School Capital Construction Assistance Fund.

TOTAL SALES

\$501.2 MILLION

TOTAL PROCEEDS

\$112.9 MILLION

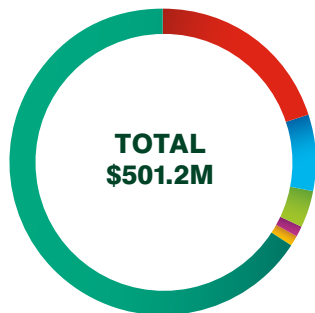
TOTAL PRIZES

\$310.4 MILLION

SALES

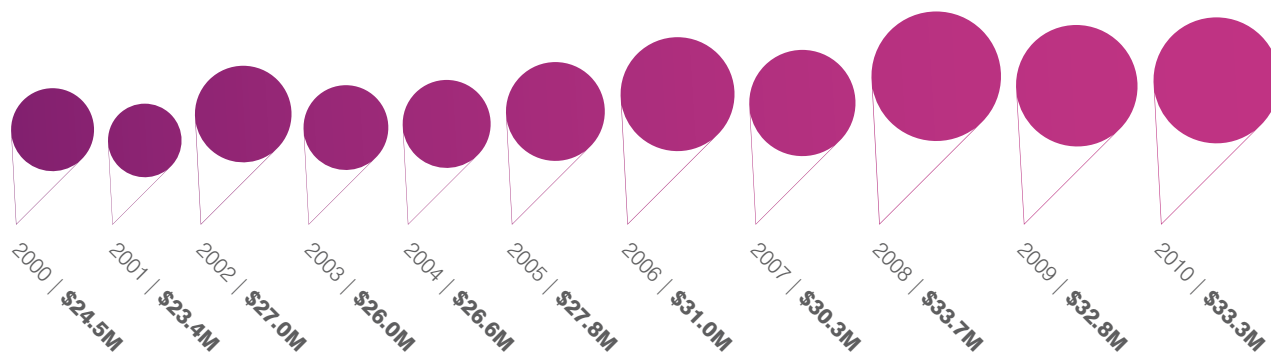
Sales of Lottery tickets overall increased 1.6 percent in FY 2010. Big jackpots drove sales of Powerball up to \$101.6 million from \$100.7 million the year before. Sales of Cash 5 also grew, jumping from \$20.8 million in FY 2009 to \$21.3 million in FY 2010—another record year for the game. The Lottery's two newest games—MatchPlay and Mega Millions—generated \$6.2 million and \$2.4 million in sales. MatchPlay, which offers players four ways to win, launched in February, while Mega Millions began selling in mid-May.

2010 GAME SALES

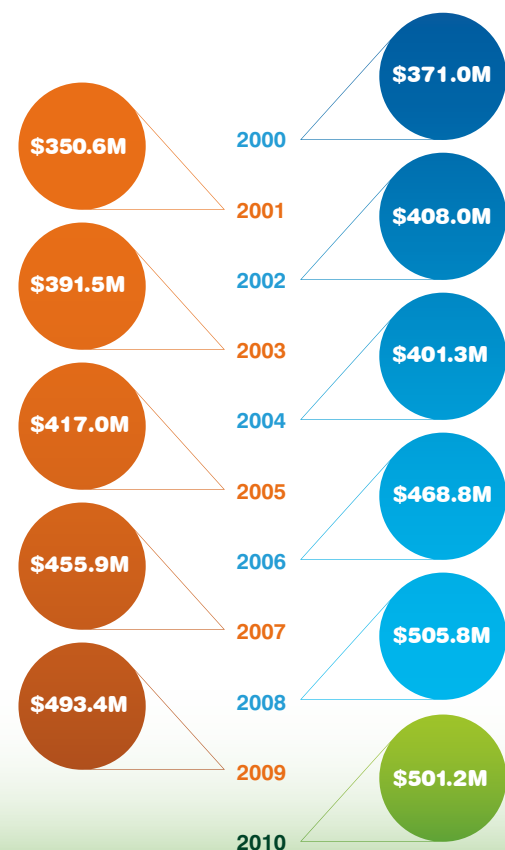


SCRATCH	66%		\$328.1M
POWERBALL	20%		\$101.6M
LOTTO	8%		\$41.6M
CASH 5	4%		\$21.3M
MATCHPLAY	1%		\$6.2M
MEGA MILLIONS	1%		\$2.4M

RETAILER COMMISSIONS 2000–2010



SALES HISTORY 2000–2010



FY 2010 FINANCIALS

	2010	2009
OPERATING REVENUES		
(IN MILLIONS)		
SALES:		
Powerball	\$101.6	\$100.7
Mega Millions	2.4	-
Lotto	41.6	43.6
MatchPlay	6.2	-
Cash 5	21.3	20.8
Scratch	328.1	328.3
TOTAL SALES	501.2	493.4
OPERATING EXPENSES		
Commissions	33.3	32.9
Bonuses	4.9	3.6
Prizes Awarded	310.4	301.7
OTHER:		
Vendor Fees	7.6	7.8
Ticket Costs	3.1	2.7
Marketing and Communications	14.8	11.9
Scratch Ticket Delivery	0.3	0.2
MUSL Admin. Fees	0.1	0.1
Other Admin. Costs	13.7	12.3
TOTAL OTHER	39.6	35.0
TOTAL:	388.2	373.2
Net Operating Income	113.0	120.2
Other Revenue	1.5	1.7
Less Net Change in Assets	1.6	2.3
Distributions	112.9	119.6

SOME OF OUR 2010 WINNERS



LOTTO WINNER
JANET BLACK | **\$2,547,892**



POWERBALL WINNER
SHARON WHITE | **\$1,000,000**



SCRATCH WINNER
ALLEN SCHOLES | **\$50,000**

IN CLOSING

We've enjoyed another successful year of service to the beautiful state of Colorado. We look forward to the new games, winners and proceeds that FY 2011 will bring.

DON'T FORGET TO PLAY™

To view the complete 2010 Annual Report, go to www.coloradolottery.com and select the "Annual Report" icon from the homepage.