

Message from the President & CEO

On behalf of the Tennessee Education Lottery Corporation, I am pleased to present an overview of the organization's diversity and minority business participation plan. In addition to this year's record returns for education programs in Tennessee, the Lottery Corporation and its three major procurement vendors exceeded statutory and contractual goals set for our Equal Opportunity Business Program ("EBO") for the eighth year in a row.

As you will see in the following pages, all of us at the Tennessee Lottery remain committed to these efforts and the resulting accomplishments. In addition to setting aggressive EBO goals, we continue to gain valuable insight about our current and proposed initiatives by working with our Advisory Council on Minority Business Participation. These dedicated individuals assist with reviewing and developing strategies to further educational and economic development opportunities throughout the state. Together, we continue to create and maintain initiatives to build on the rich heritage of all Tennesseans and foster effective relationships between the Lottery and the minority business community.

We're enormously proud to have developed and implemented this successful program. Through such efforts we broaden our impact and enhance our mission to provide funding for valuable education programs in Tennessee.

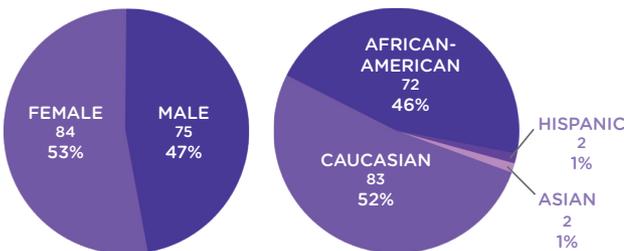


REBECCA HARGROVE
PRESIDENT & CEO
TENNESSEE EDUCATION LOTTERY CORPORATION

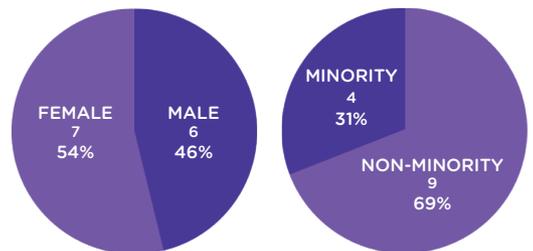
Employee Diversity

The TEL recognizes the importance of diversity in its workforce. From July 1, 2007 to June 30, 2011, the TEL averaged 159 employees. Of the 159 employees, 48% were minority and 53% were female.

Overall Employment Averages



Senior Management Averages



Procurement Results 2007–2011

Pursuant to T.C.A. § 4-5-112, the TEL Board of Directors (the “Board”) adopted the Equal Business Opportunity Plan (the “EBO”) to achieve the maximum level of participation by minority-owned businesses in the operation of Tennessee’s lottery.

In addition to ensuring that at least fifteen percent of all contracting opportunities are filled by minority-owned business, the EBO provides a mechanism by which the TEL can make a positive impact in many other facets of the minority community. The EBO provides guidelines for equal opportunities in all procurement, as well as training, education and support for minority-owned businesses.

We are extremely proud of our true commitment to making sure that everyone has a stake in the economic opportunities provided to Tennessee through the state’s lottery. A summary of the TEL’s results for the last five years are shown to the right.

Diversity Business Spotlight



ANTHONY TATE
PRESIDENT & CEO

ASHAUN, LLC

Ashaun, LLC, has provided call center solutions for over 5,000 Lottery retailers throughout the state of Tennessee since 2004. Ashaun, located in Memphis, is the only minority-owned call center in the State of Tennessee. Ashaun’s CEO and President, Anthony Tate, and his staff are dedicated to delivering high-quality customer service and technical support to Lottery retailers.

BURNS MAILING & PRINTING, INC.

Phyllis Burns, owner of Burns Mailing & Printing, Inc. in Knoxville, has produced outstanding products for the TEL since 2009. Burns Mailing & Printing, Inc. is a minority-owned mailing, graphic design, and printing company that prides itself in providing service for all of its clients’ mailing and printing needs “under one roof.” With over 30 years’ experience in the printing industry, Burns Mailing & Printing has established a reputation and growing list of clientele throughout the state of Tennessee. Contracted through Scientific Games International, Burns Mailing & Printing prints 6x10 placards, or jumbo tickets, which are used as advertisement for the TEL’s newest instant tickets at retailer locations.

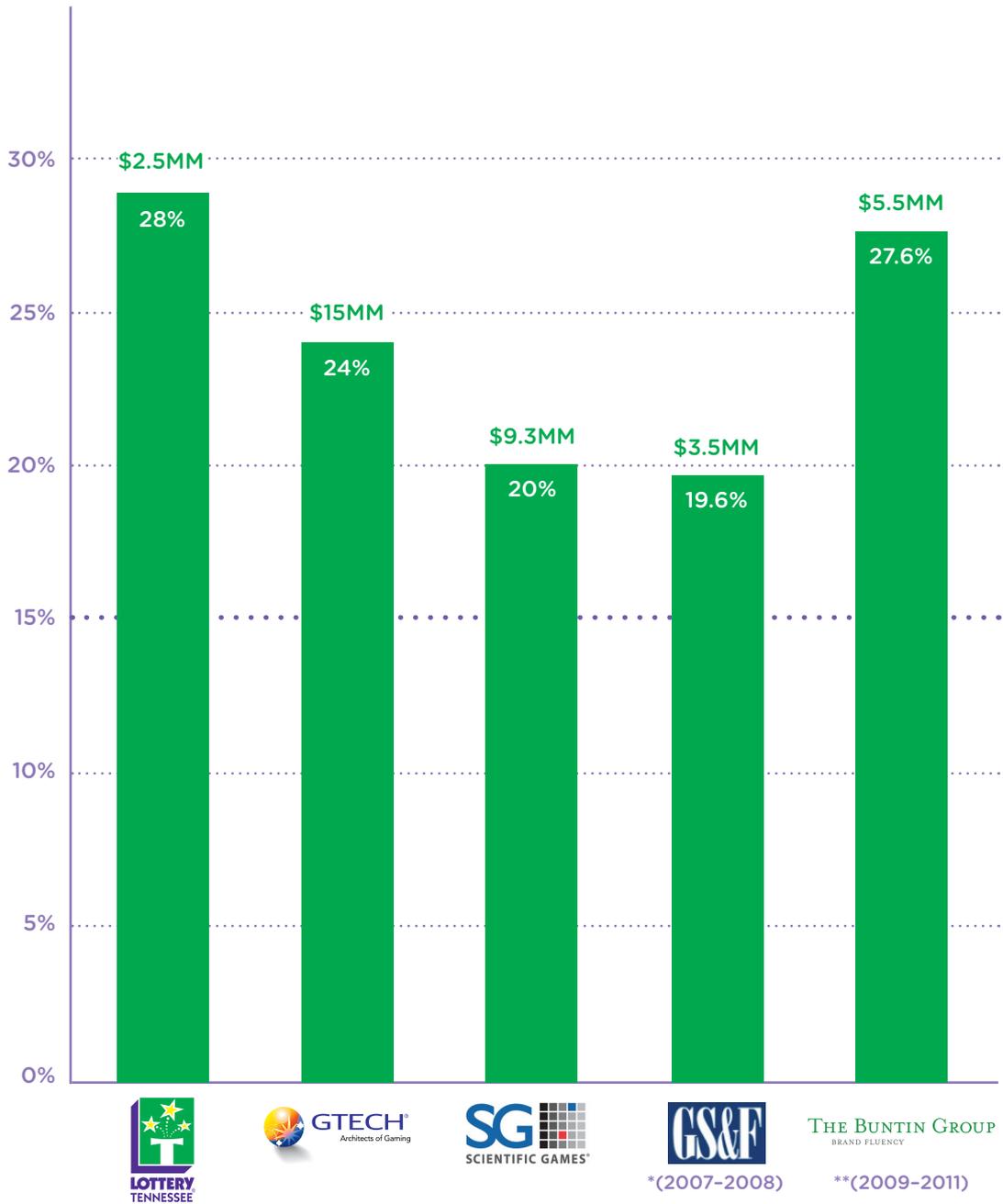


PHYLLIS BURNS
PRESIDENT & CEO

Percentage of Dollars Spent with Minority-Owned Companies by Vendor Five-Year Average (2007–2011)

The five-year averages for the period ending June 30, 2011, for the TEL, its major vendors GTECH Corporation, Scientific Games International, and The Buntin Group (Gish, Sherwood and Friends 2007–2008) are as follows:

The TEL and its major vendors spent \$35,816,857.06 with minority-owned companies.



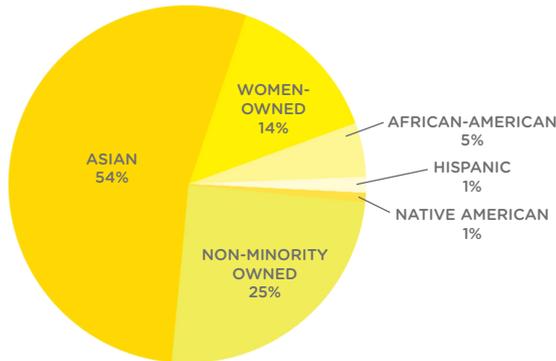
*excluding TV and outdoor media buys (2 years only)

**excluding TV and outdoor media buys (3 years only)

Retailer Diversity

The hard work and enthusiasm generated from our retailers have played a vital role in the funds generated from Lottery proceeds for education. Our retailers interact and build relationships with customers, while promoting the TEL's exciting new products. The TEL is equally proud to report the diversity of its 4,866 retailers as of June 30, 2011.

Of the 720 retailers who answered the optional Minority Ownership question, 541 (75%) indicated that they are minority-owned.



RETAILER NAME: M & R GROCERY
OWNER NAME: ROY WESSON
LOCATION: MEMPHIS, TN

Roy Wesson, owner of M & R Grocery of Memphis, serves as Vice Chair of the TEL's Retailer Advisory Board. The board is comprised of twelve (12) lottery retailers, four from each of Tennessee's grand divisions, representing the broadest possible spectrum of geographical, racial and business characteristics of lottery retailers. The function of the board is to advise the TEL board of directors on retail aspects of the lottery and to present concerns of lottery retailers throughout the state. The board has been instrumental in providing insight on retailer and player perception of TEL initiatives as well as a wealth of retail expertise from across the state.

Thom Thi Tran and her husband Tien Quang have owned Humphrey's Wine & Spirits in Memphis for 16 years. The Trans appreciate the rewards of selling Lottery products. When the TEL launched, the Trans were eager to become lottery retailers. Mrs. Tran states that she is pleased with the increased customer traffic and sales, but the goal of providing financial assistance for Tennessee students is just as important.

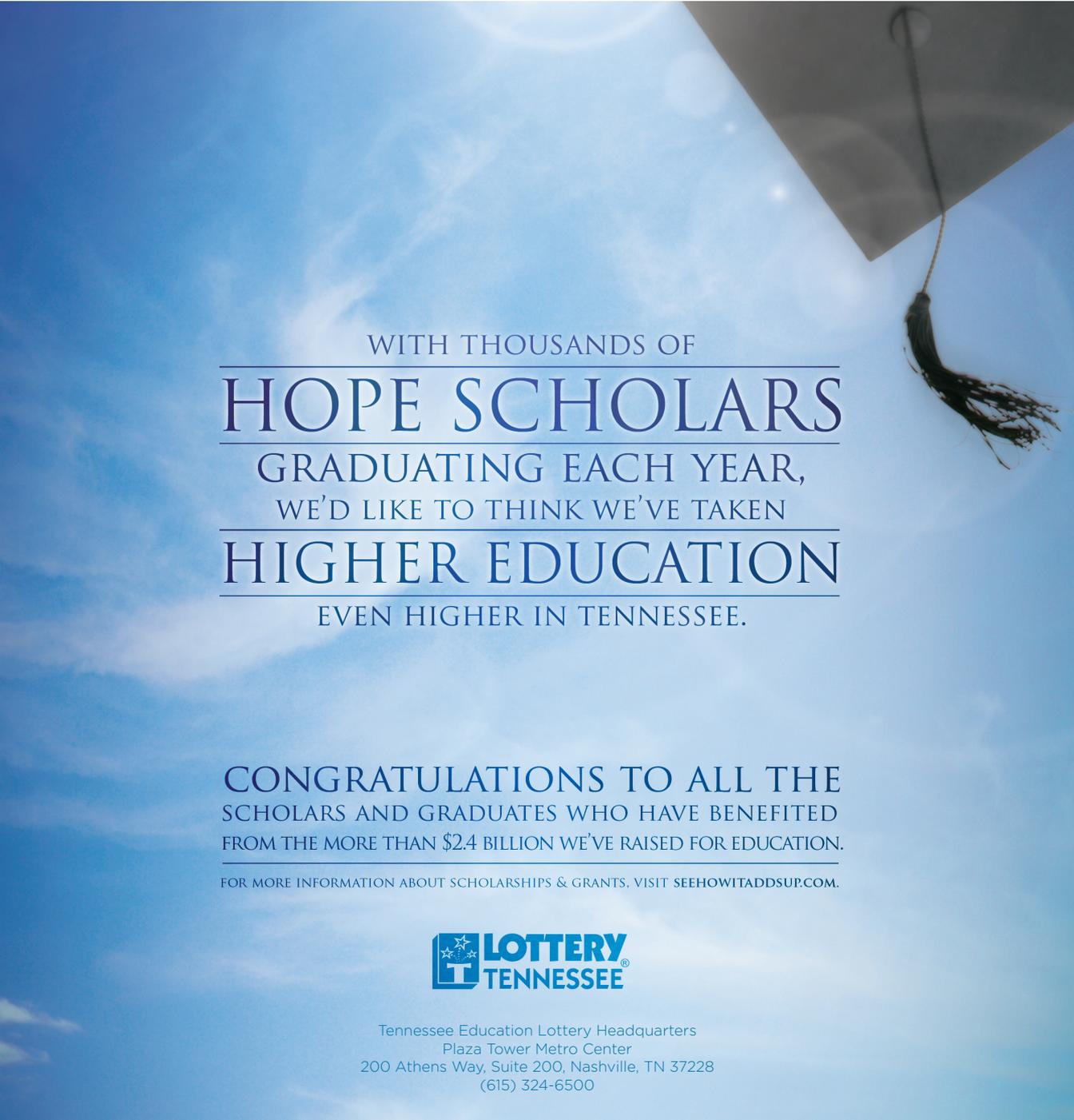


RETAILER NAME: HUMPHREY'S WINE & SPIRITS
OWNER NAME: THOM THI TRAN
LOCATION: MEMPHIS, TN

College Internship Program

The Tennessee Education Lottery Corporation in collaboration with Scientific Games International, GTECH Corporation, and The Buntin Group continuously demonstrates its dedication to education through its summer College Internship Program. The College Internship Program provides hands-on corporate work experience to students of Tennessee's Historically Black Colleges and Universities. Since 2007, seventy-two (72) students who attended Fisk University, Lane College, LeMoyne-Owen College, Knoxville College, and Tennessee State University have participated in the program.

We are pleased that the Lottery provided meaningful and substantive entry-level professional employment for these fine young people during their college experience. Moreover, we're proud to report that 95% of our interns graduated from college, and 13% have become employees of the TEL.



WITH THOUSANDS OF

HOPE SCHOLARS

GRADUATING EACH YEAR,
WE'D LIKE TO THINK WE'VE TAKEN

HIGHER EDUCATION

EVEN HIGHER IN TENNESSEE.

CONGRATULATIONS TO ALL THE
SCHOLARS AND GRADUATES WHO HAVE BENEFITED
FROM THE MORE THAN \$2.4 BILLION WE'VE RAISED FOR EDUCATION.

FOR MORE INFORMATION ABOUT SCHOLARSHIPS & GRANTS, VISIT SEEHOWITADDSUP.COM.



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