

# **Berjaya Sports Toto Berhad**

(Company no: 9109-K)

Subject: **UNAUDITED QUARTERLY FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JULY 2007**

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**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2007**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Group</b>	
	<b>31-7-2007</b>	<b>30-4-2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	93,227	92,132
Long term investments	17,316	13,231
Investment properties	68,344	68,031
Investment in associated company	165	165
Deferred tax assets	1,402	1,468
Intangible assets	619,162	617,810
	<u>799,616</u>	<u>792,837</u>
<b>Current assets</b>		
Inventories	10,634	10,284
Receivables	55,267	67,881
Tax recoverable	7,779	10,444
Amount due from affiliated companies	-	75,056
Short term investments	1,284	8,811
Deposits, cash and bank balances	366,540	246,860
	<u>441,504</u>	<u>419,336</u>
Asset classified as held for sale	-	1,062
	<u>441,504</u>	<u>420,398</u>
<b>TOTAL ASSETS</b>	<u>1,241,120</u>	<u>1,213,235</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital (par value per share : RM0.10)	135,103	135,103
Share premium	207,431	207,431
Exchange reserve	13,802	10,768
Retained earnings	377,454	346,222
Equity funds	733,790	699,524
Less : Treasury shares	(357,139)	(281,239)
Net equity funds	376,651	418,285
<b>Minority interests</b>	12,467	10,179
<b>Total equity</b>	<u>389,118</u>	<u>428,464</u>
<b>Non-current liabilities</b>		
Provisions	864	774
Borrowings	330,000	360,000
Deferred tax liabilities	3,400	3,400
Deferred income and liabilities	47,482	46,639
	<u>381,746</u>	<u>410,813</u>
<b>Current liabilities</b>		
Provisions	606	832
Payables	290,707	205,348
Amount due to affiliated companies	134	605
Borrowings	115,000	112,500
Tax payable	63,809	54,673
<b>Total current liabilities</b>	<u>470,256</u>	<u>373,958</u>
<b>Total liabilities</b>	<u>852,002</u>	<u>784,771</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,241,120</u>	<u>1,213,235</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.30	0.33

The net assets per share is calculated based on the following :

Net equity funds divided by the number of outstanding shares in issue with voting rights.

**The annexed notes form an integral part of this quarterly financial report.**

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2007**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>3 months ended</b>	
	<b>31-7-2007</b>	<b>31-7-2006</b>
	<b>RM'000</b>	<b>RM'000</b>
REVENUE	756,998	745,599
PROFIT FROM OPERATIONS	140,423	137,237
Investment related income	8,535	14,524
Investment related expenses	(1,801)	(1,349)
Finance costs	(5,719)	(7,667)
PROFIT BEFORE TAX	141,438	142,745
INCOME TAX EXPENSE	(39,910)	(44,380)
PROFIT FOR THE PERIOD	101,528	98,365
ATTRIBUTABLE TO :		
Equity holders of the parent	100,273	95,636
Minority interests	1,255	2,729
	101,528	98,365
EARNINGS PER SHARE (SEN)		
-Basic	7.87	7.39
-Diluted	N/A	N/A
DIVIDEND PER SHARE (SEN)		
- First interim	7.30	9.00

The annexed notes form an integral part of this quarterly financial report.

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2007**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Equity Holders of the Parent						
	Share capital	Treasury shares	Reserves		Total to holders of parent company	Minority interests	Total equity
			Non-distributable	Distributable			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 May 2007</b>	135,103	(281,239)	218,199	346,222	418,285	10,179	428,464
Share buyback	-	(75,900)	-	-	(75,900)	-	(75,900)
Foreign currency translation of foreign subsidiary companies	-	-	3,034	-	3,034	1,033	4,067
Net income recognised directly in equity	-	-	3,034	-	3,034	1,033	4,067
Profit for the period	-	-	-	100,273	100,273	1,255	101,528
Total recognised income and expense for the period	-	-	3,034	100,273	103,307	2,288	105,595
Distribution of dividends	-	-	-	(69,041)	(69,041)	-	(69,041)
<b>At 31 July 2007</b>	135,103	(357,139)	221,233	377,454	376,651	12,467	389,118
<b>At 1 May 2006</b>	675,515	(238,427)	346,849	453,946	1,237,883	10,306	1,248,189
Effects on adopting FRS 140	-	-	-	14,134	14,134	-	14,134
	675,515	(238,427)	346,849	468,080	1,252,017	10,306	1,262,323
RM0.50 Second Capital Distribution	(540,412)	22,520	(129,473)	-	(647,365)	-	(647,365)
Foreign currency translation of foreign subsidiary companies	-	-	233	-	233	739	972
Net income recognised directly in equity	-	-	233	-	233	739	972
Profit for the period	-	-	-	95,636	95,636	2,729	98,365
Total recognised income and expense for the period	-	-	233	95,636	95,869	3,468	99,337
Distribution of dividends	-	-	-	(139,831)	(139,831)	-	(139,831)
<b>At 31 July 2006</b>	135,103	(215,907)	217,609	423,885	560,690	13,774	574,464

The annexed notes form an integral part of this quarterly financial report.

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2007**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3-month ended 31-7-2007 RM'000</b>	<b>3-month ended 31-7-2006 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	841,172	810,847
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(694,355)	(684,743)
Other receipts	11	10
<b>Net cash generated from operating activities</b>	<b>146,828</b>	<b>126,114</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from disposal of property, plant and equipment	50	12
Net proceeds from disposal of investments	7,535	21,965
Acquisition of investments	-	(20,685)
Acquisition of treasury shares by a subsidiary company	-	(1,353)
Acquisition of property, plant and equipment	(2,796)	(7,846)
Repayment from affiliated companies	75,949	80,363
Repayment to affiliated companies	(695)	(298)
Interest received	3,492	6,282
Other receipts from investing activities	160	1,783
<b>Net cash generated from investing activities</b>	<b>83,695</b>	<b>80,223</b>
<b>FINANCING ACTIVITIES</b>		
Capital distribution	(224)	(643,094)
Drawdown of bank borrowings	-	200,000
Repayment of bank borrowings	(27,500)	(25,000)
Treasury shares acquired	(75,900)	-
Dividends paid	(471)	(1,279)
Interest paid on bank borrowings	(7,462)	(7,542)
Other payment from financing activities	-	(41)
<b>Net cash used in financing activities</b>	<b>(111,557)</b>	<b>(476,956)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>118,966</b>	<b>(270,619)</b>
<b>CASH &amp; CASH EQUIVALENTS AT 1 MAY</b>	<b>246,860</b>	<b>659,742</b>
Exchange difference	714	244
<b>CASH &amp; CASH EQUIVALENTS AT 31 JULY</b>	<b>366,540</b>	<b>389,367</b>
	<b>3-month ended 31-7-2007 RM'000</b>	<b>3-month ended 31-7-2006 RM'000</b>
Cash and cash equivalents carried forward comprise the following :		
Cash and bank balances	36,082	19,447
Deposits with financial institutions	330,458	369,920
	<b>366,540</b>	<b>389,367</b>

The annexed notes form an integral part of this quarterly financial report.

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2007**  
**NOTES TO THE QUARTERLY FINANCIAL REPORT**

- A1 The quarterly financial report is not audited and has been prepared in compliance with FRS 134, Interim Financial Reporting.

The quarterly financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2007.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2007 have been applied in the preparation of the quarterly financial statements under review except for the adoption of the new / revised Financial Reporting Standards ("FRS") 117 : Leases and FRS 124 : Related Party Disclosures which were effective for financial periods beginning on or after 1 October 2006. These FRSs have no significant impact on the financial statements of the Group upon their initial application.

- A2 The audit report of the Company's most recent annual audited financial statements does not contain any qualification.
- A3 Our business operations are not significantly affected by seasonal or cyclical factors except for our toto betting operations that may be positively impacted by the festive seasons.
- A4 There were no other unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the quarter ended 31 July 2007 other than that as disclosed in Note A5, statement of changes in equity and cash flow statement.

There were no changes in estimates reported in the prior financial year that had a material effect in the current quarter.

- A5 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the first quarter ended 31 July 2007.

The details of the share buy-back are as follows :

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
June 2007	4.88	5.46	5.23	14,000,000	73,237
July 2007	5.31	5.31	5.31	500,000	2,663
<b>TOTAL</b>				<b>14,500,000</b>	<b>75,900</b>

The number of treasury shares held in hand as at 31 July 2007 are as follows :

	Average price per share (RM)	Number of shares	Amount RM'000
Balance as at 1 May 2007		70,500,000	281,239
Increase in treasury shares		14,500,000	75,900
<b>Total treasury shares as at 31 July 2007</b>	<b>4.20</b>	<b>85,000,000</b>	<b>357,139</b>

As at 31 July 2007, the number of outstanding shares in issue and fully paid with voting rights was 1,266,030,072 ordinary shares of RM0.10 each (30 April 2007 : 1,280,530,072 ordinary shares of RM0.10 each).

- A6 The Company did not pay any dividend in the current period ended 31 July 2007.

Subsequent to the financial period ended 31 July 2007, the Company had on 30 August 2007 paid the fourth interim dividend, in respect of the financial year ended 30 April 2007, of 7.5 sen per share on 1,263,430,072 ordinary shares with voting rights, less income tax of 27% amounting to RM69,172,788.

A7 Segmental revenue and results for the financial period ended 31 July 2007 were as follows :

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting operations	753,581	-	753,581
Others	3,417	2,288	5,705
Elimination : Intersegment Revenue	-	(2,288)	(2,288)
Total revenue	<u>756,998</u>	<u>-</u>	<u>756,998</u>
 <u>RESULTS</u>			
Toto betting operations			143,827
Others			<u>(1,440)</u>
			142,387
Unallocated corporate expenses			<u>(1,964)</u>
Operating profit			140,423
Finance costs			(5,719)
Interest income			4,247
Other investment related income			4,288
Investment related expenses			<u>(1,801)</u>
Profit before tax			141,438
Income tax expense			<u>(39,910)</u>
Profit for the period			<u>101,528</u>

A8 The valuation of land and buildings have been brought forward without amendment from the previous annual report as no revaluation has been carried out since 30 April 2007.

A9 There were no material subsequent events for the financial period ended 31 July 2007 up to the date of this announcement.

A10 There were no changes in the composition of the Group for the current quarter ended 31 July 2007 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the disposal of 1,388,889 shares of Roadhouse Grill, Inc., representing equity interest of 4.75% by Prime Gaming Philippines, Inc., a subsidiary company, for a total consideration of USD40,124 (equivalent to RM138,528).

A11 The changes in contingent liabilities since the last audited balance sheet date as at 30 April 2007 are as follows :

	RM'000
<u>Unsecured</u>	
Corporate Guarantee given by the Company to financial institutions for a RM600 million syndicated credit facilities granted to a wholly-owned subsidiary company :	
Balance as at 1 May 2007	472,500
Reduction due to repayment of borrowings	<u>(27,500)</u>
Balance as at 31 July 2007	<u>445,000</u>

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2007**  
**ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA**  
**MALAYSIA SECURITIES BERHAD**

B1 As compared to the corresponding quarter ended 31 July 2006, the Group recorded an increase in revenue of 1.5% but registered a marginal decrease of 0.9% in pre-tax profit due to lower interest income as a result of the substantial reduction of the inter-company balance (fully settled on 30 July 2007) due from Berjaya Land Berhad and distribution of surplus funds to the Company's shareholders via capital distribution and dividend payments. However, the Group recorded an increase in attributable profit of 4.8% mainly due to lower tax expense in this quarter under review. Accordingly, the Group reported a net earnings per share ("EPS") of 7.87 sen in this quarter representing a growth of 6.5% over the corresponding quarter. This higher growth in EPS is attributed to the effect of lower weighted average number of voting rights shares.

The principal subsidiary, Sports Toto Malaysia Sdn Bhd ("Sports Toto"), registered a revenue of RM729.8 million compared to RM729.9 million in the previous year corresponding quarter even though the current quarter had two draws less. In spite of the aforesaid, revenue, on a per draw basis, increased by approximately 7% compared to previous year corresponding quarter. However, the pre-tax profit decreased by 3.4% to RM135.1 million mainly due to higher prize payout in the current quarter under review.

B2 As compared to the preceding quarter ended 30 April 2007, the Group registered a decrease in revenue of 8.7% and pre-tax profit of 5.2%.

Sports Toto, the principal subsidiary, registered a drop in revenue and pre-tax profit of 9.8% and 16.3% respectively. This was mainly due to the preceding quarter's high seasonal sales during the Chinese Lunar New Year festive season in February 2007 as well as the current quarter having one draw less than the preceding quarter. On a per draw basis, revenue for the current quarter under review decreased by 5.7% as compared to the preceding quarter. The higher decrease in pre-tax profit as compared to the drop in revenue was mainly due to higher prize payout in the current quarter under review.

B3 Barring unforeseen circumstances, the Directors are confident that the Group's performance for the remaining quarters of the financial year ending 30 April 2008 will be good.

B4 Not applicable.

B5 Income tax expense

Current quarter and  
financial period  
ended 31 July 2007  
RM'000

Based on the results for the period:-

- Malaysian income tax
- Foreign countries income tax

35,129

4,781

39,910

The effective tax rate on the Group's profit for financial period ended 31 July 2007 was higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes.

B6 Other than subsidiary companies with principal activities of property development, there were no profits / (losses) on sale of properties and there were no profits / (losses) on sale of unquoted investments for the financial period ended 31 July 2007.



B7 The particulars of the acquisition and disposal of quoted investments by the Group were as follows :

(a) The acquisition and disposal of quoted securities during the financial period ended 31 July 2007 were as follows :

	Current quarter ended 31 July 2007 RM'000
Cost of purchase of quoted securities	-
Disposal of quoted securities	<u>139</u>
Loss on disposal of quoted securities	<u>(1,801)</u>

(b) Investments in quoted securities as at 31 July 2007 were as follows :

	Current quarter ended 31 July 2007 RM'000
(i) Total quoted long term investments at cost	<u>19,438</u>
(ii) Total quoted long term investments at book value	<u>15,491</u>
(iii) Total quoted long term investments at market value	<u>15,740</u>

B8 There were no other corporate proposals announced but not completed as at the date of this announcement.

B9 The Group's bank borrowings as at 31 July 2007 were as follows :

	RM'000
Short term borrowings :	
Unsecured                      Denominated in Ringgit Malaysia	115,000
Long term borrowings :	
Unsecured                      Denominated in Ringgit Malaysia	<u>330,000</u>
Total	<u>445,000</u>

B10 The Group has not entered into any financial instruments with off balance sheet risk since the last annual balance sheet date up to the date of this announcement saved for that disclosed in Note A11.

B11 There is no pending material litigation since the last annual balance sheet date up to the date of this announcement.

B12 The Board has declared a first interim dividend of 10 sen per share (31 July 2006 : 12.5 sen per share) less 27% income tax in respect of the financial year ending 30 April 2008 and payable on 10 October 2007. The entitlement date has been fixed on 28 September 2007.

Based on the number of RM0.10 fully paid ordinary shares in issue and with voting rights as at 10 September 2007 of 1.261 billion, the first interim net dividend distribution for the financial year ending 30 April 2008 is approximately RM92.1 million **representing about 91.8% of the attributable profit of the Group** for the financial period ended 31 July 2007.

A Depositor shall qualify for the entitlement only in respect of :

- a. Shares transferred to the Depositor's Securities Account before 4:00 p.m. on 28 September 2007 in respect of ordinary transfers.
- b. Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the rules of BMSB.

B13 The earnings per share is calculated by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue as follows :

	<u>Group (3-month ended)</u>	
	<u>31-7-07</u>	<u>31-07-06</u>
Profit attributable to equity holders of the Company (RM'000)	<u>100,273</u>	<u>95,636</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,274,380</u>	<u>1,294,730</u>
Basic earnings per share (sen)	<u>7.87</u>	<u>7.39</u>

The diluted earnings per share for the financial period ended 31 July 2007 has not been presented as there was no potential ordinary shares outstanding.

cc: Securities Commission