

Berjaya Sports Toto Berhad

(Company no: 9109-K)

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

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

| | Group | |
|---|-------------------|------------------|
| | 31-10-2007 | 30-4-2007 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 92,744 | 92,132 |
| Long term investments | 18,127 | 13,231 |
| Investment properties | 68,344 | 68,031 |
| Investment in associated companies | 165 | 165 |
| Deferred tax assets | 1,405 | 1,468 |
| Intangible assets | 619,250 | 617,810 |
| | 800,035 | 792,837 |
| Current assets | | |
| Inventories | 11,914 | 10,284 |
| Receivables | 80,005 | 67,881 |
| Tax recoverable | 14,359 | 10,444 |
| Amount due from affiliated companies | - | 75,056 |
| Short term investments | - | 8,811 |
| Deposits, cash and bank balances | 183,147 | 246,860 |
| | 289,425 | 419,336 |
| Asset classified as held for sale | - | 1,062 |
| | 289,425 | 420,398 |
| TOTAL ASSETS | 1,089,460 | 1,213,235 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital (par value per share : RM0.10) | 135,103 | 135,103 |
| Share premium | 207,431 | 207,431 |
| Exchange reserve | 18,506 | 10,768 |
| Retained earnings | 373,476 | 346,222 |
| Equity funds | 734,516 | 699,524 |
| Less : Treasury shares | (380,863) | (281,239) |
| Net equity funds | 353,653 | 418,285 |
| Minority interests | 14,792 | 10,179 |
| Total equity | 368,445 | 428,464 |
| Non-current liabilities | | |
| Provisions | 920 | 774 |
| Long term borrowings | 300,000 | 360,000 |
| Deferred tax liabilities | 1,717 | 3,400 |
| Deferred income and liabilities | 47,350 | 46,639 |
| | 349,987 | 410,813 |
| Current liabilities | | |
| Provisions | 217 | 832 |
| Payables | 186,855 | 205,348 |
| Amount due to affiliated companies | - | 605 |
| Short term borrowings | 117,500 | 112,500 |
| Tax payable | 66,456 | 54,673 |
| Total current liabilities | 371,028 | 373,958 |
| Total liabilities | 721,015 | 784,771 |
| TOTAL EQUITY AND LIABILITIES | 1,089,460 | 1,213,235 |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.28 | 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 OCTOBER 2007
CONDENSED CONSOLIDATED INCOME STATEMENT

| | 3 months ended | | 6 months ended | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31-10-2007 RM'000 | 31-10-2006 RM'000 | 31-10-2007 RM'000 | 31-10-2006 RM'000 |
| REVENUE | 792,471 | 688,415 | 1,549,469 | 1,434,014 |
| PROFIT FROM OPERATIONS | 121,981 | 104,932 | 262,404 | 242,169 |
| Investment related income | 6,009 | 6,390 | 14,544 | 20,914 |
| Investment related expenses | (2,695) | (1,868) | (4,496) | (3,217) |
| Finance costs | (6,089) | (7,578) | (11,808) | (15,245) |
| PROFIT BEFORE TAX | 119,206 | 101,876 | 260,644 | 244,621 |
| INCOME TAX EXPENSE | (28,281) | (27,109) | (68,191) | (71,489) |
| PROFIT FOR THE PERIOD | 90,925 | 74,767 | 192,453 | 173,132 |
| ATTRIBUTABLE TO : | | | | |
| Equity holders of the parent | 89,470 | 71,378 | 189,743 | 167,014 |
| Minority interests | 1,455 | 3,389 | 2,710 | 6,118 |
| | 90,925 | 74,767 | 192,453 | 173,132 |
| EARNINGS PER SHARE (SEN) | | | | |
| -Basic | 7.09 | 5.51 | 14.96 | 12.90 |
| -Diluted | 7.09 | 5.51 | 14.96 | 12.90 |
| DIVIDEND PER SHARE (SEN) | | | | |
| - First interim | - | - | 7.40 | 9.00 |
| - Second interim | 5.92 | 9.13 | 5.92 | 9.13 |

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

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

| | Attributable to Equity Holders of the Parent | | | | | | |
|--|--|---------------------------|-----------------------------|-------------------------|--|------------------------------|------------------------|
| | Share capital RM'000 | Treasury shares RM'000 | Reserves | | Total to holders of parent company RM'000 | Minority interests RM'000 | Total Equity RM'000 |
| | | | Non-distributable RM'000 | Distributable RM'000 | | | |
| At 1 May 2007 | 135,103 | (281,239) | 218,199 | 346,222 | 418,285 | 10,179 | 428,464 |
| Share buyback | - | (99,624) | - | - | (99,624) | - | (99,624) |
| Translation difference of foreign subsidiary companies | - | - | 7,738 | - | 7,738 | 1,903 | 9,641 |
| Net income recognised directly in equity | - | - | 7,738 | - | 7,738 | 1,903 | 9,641 |
| Profit for the period | - | - | - | 189,743 | 189,743 | 2,710 | 192,453 |
| Total recognised income and expense for the period attributable to shareholders of the Company | - | - | 7,738 | 189,743 | 197,481 | 4,613 | 202,094 |
| Distribution of dividends | - | - | - | (162,489) | (162,489) | - | (162,489) |
| At 31 October 2007 | 135,103 | (380,863) | 225,937 | 373,476 | 353,653 | 14,792 | 368,445 |
| At 1 May 2006 | 675,515 | (238,427) | 346,849 | 453,946 | 1,237,883 | 10,306 | 1,248,189 |
| Effects on adopting FRS140 | - | - | - | 14,134 | 14,134 | - | 14,134 |
| RM0.50 Second Capital Distribution | (540,412) | 22,520 | (129,473) | - | (647,365) | - | (647,365) |
| Translation difference of foreign subsidiary companies | - | - | 3,007 | - | 3,007 | (72) | 2,935 |
| Net income recognised directly in equity | - | - | 3,007 | - | 3,007 | (72) | 2,935 |
| Profit for the period | - | - | - | 167,014 | 167,014 | 6,118 | 173,132 |
| Total recognised income and expense for the period attributable to shareholders of the Company | - | - | 3,007 | 167,014 | 170,021 | 6,046 | 176,067 |
| Distribution of dividends | - | - | - | (256,357) | (256,357) | - | (256,357) |
| At 31 October 2006 | 135,103 | (215,907) | 220,383 | 378,737 | 518,316 | 16,352 | 534,668 |

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

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

| | 6-month ended 31-10-2007 RM'000 | 6-month ended 31-10-2006 RM'000 |
|---|--|--|
| OPERATING ACTIVITIES | | |
| Receipts from customers | 1,682,686 | 1,562,871 |
| Payments to prize winners, suppliers, duties, taxes and other operating expenses | (1,502,642) | (1,430,390) |
| Other receipts | 2,693 | 26 |
| Net cash generated from operating activities | 182,737 | 132,507 |
| INVESTING ACTIVITIES | | |
| Net proceeds from disposal of property, plant and equipment | 441 | 17 |
| Net proceeds from disposal of investments | 10,671 | 38,774 |
| Acquisition of investments | - | (32,743) |
| Acquisition of treasury shares by a subsidiary company | - | (1,353) |
| Acquisition of property, plant and equipment | (5,210) | (7,179) |
| Repayment from affiliated companies | 75,883 | 468,841 |
| Repayment to affiliated companies | - | (623) |
| Interest received | 1,215 | 9,575 |
| Receipts from disposal of investments in prior year | - | 1,841 |
| Other receipts for investing activities | 354 | 3,139 |
| Net cash generated from investing activities | 83,354 | 480,289 |
| FINANCING ACTIVITIES | | |
| Capital Distributions | (276) | (646,935) |
| Drawdown of bank borrowings | - | 200,000 |
| Repayment of bank borrowings | (55,000) | (250,000) |
| Treasury shares acquired | (99,624) | - |
| Dividends paid | (162,537) | (256,588) |
| Interest paid on bank borrowings | (12,990) | (15,674) |
| Other payments for financing activities | - | (79) |
| Net cash used in financing activities | (330,427) | (969,276) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (64,336) | (356,480) |
| CASH & CASH EQUIVALENTS AT 1 MAY | 246,860 | 659,742 |
| Exchange difference | 623 | 554 |
| CASH & CASH EQUIVALENTS AT 31 OCTOBER | 183,147 | 303,816 |
| | 6-month ended 31-10-2007 RM'000 | 6-month ended 31-10-2006 RM'000 |
| Cash and cash equivalents carried forward comprise the following : | | |
| Cash and bank balances | 40,672 | 33,528 |
| Deposits with financial institutions | 142,475 | 270,288 |
| | 183,147 | 303,816 |

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 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 are 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 October 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 second quarter ended 31 October 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 |
| August 2007 | 4.62 | 4.82 | 4.74 | 5,000,000 | 23,724 |
| TOTAL | | | 5.11 | 19,500,000 | 99,624 |

The number of treasury shares held in hand as at 31 October 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 | | 19,500,000 | 99,624 |
| Total treasury shares as at 31 October 2007 | 4.23 | 90,000,000 | 380,863 |

As at 31 October 2007, the number of outstanding shares in issue and fully paid with voting rights was 1,261,030,072 ordinary shares of RM0.10 each (30 April 2007 : 1,280,530,072 ordinary shares of RM0.10 each).

A6 During the financial period ended 31 October 2007, the Company paid the following dividends :

- i) fourth interim dividend on 30 August 2007, in respect of 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.
- ii) first interim dividend on 10 October 2007, in respect of financial year ending 30 April 2008, of 10 sen per share on 1,261,030,072 ordinary shares with voting rights, less income tax of 26% amounting to RM93,316,223.

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

| <u>REVENUE</u> | External | Inter- segment | Total |
|------------------------------------|------------------|-------------------|------------------|
| | RM'000 | RM'000 | RM'000 |
| Toto betting operations | 1,542,805 | - | 1,542,805 |
| Others | 6,664 | 3,935 | 10,599 |
| Elimination : Intersegment Revenue | - | (3,935) | (3,935) |
| Total revenue | <u>1,549,469</u> | <u>-</u> | <u>1,549,469</u> |
| <u>RESULTS</u> | | | |
| Toto betting operations | | | 270,040 |
| Others | | | <u>(3,498)</u> |
| | | | 266,542 |
| Unallocated corporate expenses | | | <u>(4,138)</u> |
| Operating profit | | | 262,404 |
| Finance costs | | | (11,808) |
| Interest income | | | 6,940 |
| Other investment related income | | | 7,604 |
| Investment related expenses | | | <u>(4,496)</u> |
| Profit before tax | | | 260,644 |
| Income tax expense | | | <u>(68,191)</u> |
| Profit for the period | | | <u>192,453</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 October 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 October 2007 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the following :

- i) disposal of 1,388,889 shares of Roadhouse Grill, Inc., representing an equity interest of 4.75% by Prime Gaming Philippines, Inc., a subsidiary company, for a total consideration of USD40,124 (equivalent to RM138,528).
- ii) increase in Berjaya Sports Toto (Cayman) Limited's ("BSTC") equity interest in Berjaya Lottery Management (HK) Limited ("BLM") from 83.7% to 100% as a result of BSTC's acquisition of a total 63,000,000 ordinary shares of HKD1.00 each representing the remaining 16.3% direct equity interest in BLM from Berjaya Group (Cayman) Limited at a consideration of RM1.00.

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>(55,000)</u> |
| Balance as at 31 October 2007 | <u><u>417,500</u></u> |

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

- B1 As compared to the previous year corresponding quarter ended 31 October 2006, the Group achieved an increase in revenue and pre-tax profit of 15.1% and 17.0% respectively.

The principal subsidiary, Sports Toto Malaysia Sdn Bhd ("Sports Toto") achieved an increase in revenue and pre-tax profit of 15.3% and 12.9% respectively as compared to previous year corresponding quarter. The increase in revenue in the current quarter under review was mainly attributed to increased sales of the 4 Digit game as well as having two additional draws compared to the previous year corresponding quarter. On a per draw basis, revenue increased by approximately 10%. The lower increase in pre-tax profit compared to the increase in revenue was mainly due to higher sales and marketing expenses in the current quarter under review.

For the 6-month period under review, the Group achieved an increase in revenue and pre-tax profit of 8.1% and 6.6% respectively as compared to the previous year corresponding period ended 31 October 2006. The lower increase in pre-tax profit compared to the increase in revenue was mainly 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.

Sports Toto achieved an increase of 7.3% in revenue to about RM1.50 billion from RM1.40 billion as compared to the previous year corresponding period ended 31 October 2006. The increase in revenue was mainly attributed to the increased sales of the 4 Digit game. The pre-tax profit increased by 3.6% as compared to the previous year corresponding period ended 31 October 2006. The lower increase in pre-tax profit as compared to the increase in revenue was mainly due to higher prize payout in the current period under review.

- B2 As compared to the preceding quarter ended 31 July 2007, the Group recorded an increase in revenue of 4.7% to RM792.5 million. However, the Group registered a decrease in pre-tax profit of 15.7% mainly due to the results of Sports Toto, the principal subsidiary, as explained in the ensuing paragraph as well as the cessation of interest income earned from Berjaya Land Berhad upon the full settlement of the residual inter-company balance on 30 July 2007 and the distribution of surplus funds to the Company's shareholders via dividend payments.

Sports Toto registered an increase in revenue of 5.2% mainly due to increased sales of the 4 Digit game as well as the current quarter having an additional draw over the preceding quarter. However, it recorded a decrease in pre-tax profit of 12.8% as compared to the preceding quarter 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 Taxation

| | Current quarter RM'000 | Financial period ended 31 October 2007 RM'000 |
|---|------------------------------|---|
| Based on the results for the period:- | | |
| - Malaysian taxation | 26,259 | 61,388 |
| - Foreign countries taxation | 4,095 | 8,876 |
| Overprovision of deferred tax in prior year | <u>(2,073)</u> | <u>(2,073)</u> |
| | <u>28,281</u> | <u>68,191</u> |

The effective tax rate on the Group's profit for the current quarter ended 31 October 2007 was lower than the statutory tax rate mainly due to adjustment for overprovision of deferred tax liabilities in prior year. Whereas the effective tax rate on the Group's profit for the financial period ended 31 October 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 October 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 October 2007 were as follows :

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

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

| | Financial period ended 31 October 2007 RM'000 |
|--|---|
| (i) Total quoted long term investments at cost | <u>19,424</u> |
| (ii) Total quoted long term investments at book value | <u>16,302</u> |
| (iii) Total quoted long term investments at market value | <u>16,346</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 October 2007 were as follows :

| | RM'000 |
|--|----------------|
| Short term borrowings : | |
| Unsecured Denominated in Ringgit Malaysia | 117,500 |
| Long term borrowings : | |
| Unsecured Denominated in Ringgit Malaysia | <u>300,000</u> |
| Total | <u>417,500</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.
- 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 second interim dividend of 8 sen per share less 26% income tax (31 October 2006 : 12.5 sen per share less 27% income tax) in respect of the financial year ending 30 April 2008 and payable on 15 January 2008. The entitlement date has been fixed on 28 December 2007.

The first interim dividend of 10 sen per share less 26% income tax was paid on 10 October 2007. This will bring the total gross dividend distribution per share in respect of the financial period ended 31 October 2007 to 18 sen (previous year corresponding financial period ended 31 October 2006 : 25 sen per share).

Based on the number of RM0.10 fully paid ordinary shares in issue and with voting rights as at 7 December 2007 of 1.261 billion, the second interim net dividend distribution for the financial year ending 30 April 2008 is approximately RM74.7 million. This will bring the total net dividend distribution for the financial period ended 31 October 2007 to approximately RM168.0 million **representing about 88.5% of the attributable profit of the Group** for the financial period ended 31 October 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 December 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 and fully paid with voting rights as follows :

| | Group (3-month period) | |
|--|------------------------|------------|
| | 31-10-2007 | 31-10-2006 |
| Profit attributable to equity holders of the Company (RM'000) | 89,470 | 71,378 |
| Weighted average number of ordinary shares in issue and fully paid with voting rights ('000) | 1,261,574 | 1,294,730 |
| Basic earnings per share (sen) | 7.09 | 5.51 |
| Diluted earnings per share (sen) | 7.09 | 5.51 |
| | Group (6-month period) | |
| | 31-10-2007 | 31-10-2006 |
| Profit attributable to equity holders of the Company (RM'000) | 189,743 | 167,014 |
| Weighted average number of ordinary shares in issue and fully paid with voting rights ('000) | 1,267,964 | 1,294,730 |
| Basic earnings per share (sen) | 14.96 | 12.90 |
| Diluted earnings per share (sen) | 14.96 | 12.90 |

cc: Securities Commission