

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Subject: **UNAUDITED QUARTERLY FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2010**

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2010
CONDENSED CONSOLIDATED BALANCE SHEET

	Group	
	31-01-2010	30-4-2009
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	93,227	98,362
Long term investments	20,088	13,204
Investment properties	73,606	73,166
Investment in associated companies	171	164
Prepaid land lease payments	2,677	2,705
Deferred tax assets	8,813	5,214
Intangible assets	644,907	618,358
	843,489	811,173
Current assets		
Inventories	7,561	7,471
Receivables	136,554	50,483
Tax recoverable	6,005	8,443
Short term investments	4,155	6,429
Deposits, cash and bank balances	251,459	230,475
	405,734	303,301
TOTAL ASSETS	1,249,223	1,114,474
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
Capital reserve	21,327	21,327
Exchange reserve	10,279	11,729
Retained earnings	261,620	513,456
Equity funds	428,329	889,046
Less : Treasury shares	(57,341)	(406,099)
Net equity funds	370,988	482,947
Minority interests	12,521	15,959
Total equity	383,509	498,906
Non-current liabilities		
Retirement benefit obligations	1,399	1,308
Borrowings	305,000	124,247
Deferred tax liabilities	1,710	1,710
Deferred liabilities	36,882	37,147
	344,991	164,412
Current liabilities		
Provisions	79	75
Payables	259,306	276,483
Borrowings	215,000	138,439
Tax payable	46,338	36,159
Total current liabilities	520,723	451,156
Total liabilities	865,714	615,568
TOTAL EQUITY AND LIABILITIES	1,249,223	1,114,474
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.28	0.38

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 JANUARY 2010
CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended			9 months ended		
	31-01-2010	31-01-2009	+/->	31-01-2010	31-01-2009	+/->
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE	850,759	1,057,663	(19.6)	2,534,029	2,825,353	(10.3)
PROFIT FROM OPERATIONS	145,337	142,004	2.3	441,065	443,224	(0.5)
Investment related income	713	3,392	(79.0)	6,473	8,289	(21.9)
Investment related expenses	505	(115)	N/A	(27)	(4,327)	(99.4)
Finance costs	(7,296)	(3,861)	89.0	(18,677)	(12,671)	47.4
PROFIT BEFORE TAX	139,259	141,420	(1.5)	428,834	434,515	(1.3)
INCOME TAX EXPENSE	(40,597)	(42,960)	(5.5)	(125,502)	(126,073)	(0.5)
PROFIT FOR THE PERIOD	98,662	98,460	0.2	303,332	308,442	(1.7)
ATTRIBUTABLE TO:						
Equity holders of the parent	97,851	97,112	0.8	300,847	303,244	(0.8)
Minority interests	811	1,348	(39.8)	2,485	5,198	(52.2)
	98,662	98,460	0.2	303,332	308,442	(1.7)
EARNINGS PER SHARE (SEN)						
-Basic	7.29	7.73	(5.7)	22.86	24.14	(5.3)
-Diluted	7.29	7.73	(5.7)	22.86	24.14	(5.3)
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		19.00	4.50	
- Second interim	-	-		-	5.25	
- Third interim	-	4.46		-	4.46	
- Share dividend	-	-		30.50	-	

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent						
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Total to holders of parent company RM'000	Minority interests RM'000	Total Equity RM'000
At 1 May 2009	135,103	(406,099)	240,487	513,456	482,947	15,959	498,906
Share buyback	-	(34,556)	-	-	(34,556)	-	(34,556)
Effects of foreign exchange differences	-	-	(1,450)	-	(1,450)	1,299	(151)
Net income recognised directly in equity	-	-	(1,450)	-	(1,450)	1,299	(151)
Profit for the period	-	-	-	300,847	300,847	2,485	303,332
Total net recognised income and expense for the period	-	-	(1,450)	300,847	299,397	3,784	303,181
Adjustment due to parent's increase equity interest in a foreign subsidiary company	-	-	-	-	-	(7,222)	(7,222)
Distribution of treasury shares as share dividend	-	383,314	(207,431)	(175,883)	-	-	-
Distribution of dividends	-	-	-	(376,800)	(376,800)	-	(376,800)
At 31 January 2010	135,103	(57,341)	31,606	261,620	370,988	12,521	383,509
At 1 May 2008	135,103	(406,099)	218,284	383,388	330,676	23,244	353,920
Effects of foreign exchange differences	-	-	6,973	-	6,973	(2,251)	4,722
Net income recognised directly in equity	-	-	6,973	-	6,973	(2,251)	4,722
Profit for the period	-	-	-	303,244	303,244	5,198	308,442
Total net recognised income and expense for the period	-	-	6,973	303,244	310,217	2,947	313,164
Adjustment due to foreign subsidiary company's share buyback	-	-	-	-	-	(10,401)	(10,401)
Transferred from distributable profits to capital reserves due to a foreign subsidiary company's issuance of bonus shares	-	-	27,184	(27,184)	-	-	-
Distribution of dividends	-	-	-	(206,110)	(206,110)	-	(206,110)
At 31 January 2009	135,103	(406,099)	252,441	453,338	434,783	15,790	450,573

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2010
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9-month ended 31-01-2010 RM'000	9-month ended 31-01-2009 RM'000
OPERATING ACTIVITIES		
Receipts from customers	2,716,068	3,060,715
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(2,377,838)	(2,686,661)
Other receipts	8,740	8,287
Net cash generated from operating activities	346,970	382,341
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	508	667
Net proceeds from disposal of investments	6,429	2,055
Acquisition of additional equity interest in a subsidiary company	(33,959)	-
Acquisition of investment in an associated company	(7)	-
Acquisition of treasury shares by a subsidiary company	-	(12,351)
Acquisition of property, plant and equipment	(10,812)	(17,421)
Acquisition of investment properties	(440)	-
Acquisition of other investments	(8,084)	(4,570)
Interest received	3,454	3,535
Other (payments)/receipts for investing activities	(46,166)	6,379
Net cash used in investing activities	(89,077)	(21,706)
FINANCING ACTIVITIES		
Capital distributions	-	(255)
Drawdown of bank borrowings	380,000	-
Repayment of bank borrowings	(122,686)	(90,000)
Treasury shares acquired	(34,556)	-
Dividends paid	(432,917)	(174,761)
Interest paid on bank borrowings	(25,722)	(13,043)
Net cash used in financing activities	(235,881)	(278,059)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,012	82,576
CASH & CASH EQUIVALENTS AT 1 MAY	230,475	126,173
Exchange difference	(1,028)	7,039
CASH & CASH EQUIVALENTS AT 31 JANUARY	251,459	215,788
	9-month ended 31-01-2010 RM'000	9-month ended 31-01-2009 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	48,640	60,565
Deposits with financial institutions	202,819	155,223
	251,459	215,788

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2010
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 and paragraph 9.22 of the Bursa Securities Main Market Listing Requirements.

The quarterly financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2009.

The same accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 April 2009 have been applied in the preparation of the quarterly financial statements under review.

- A2 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.
- A3 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 period ended 31 January 2010 except for the distribution of share dividend on 27 July 2009 as mentioned in Notes A4 and A5 and reflected in the statement of changes in equity.

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

- A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the third quarter ended 31 January 2010.

The details of the share buy-back during the third quarter ended 31 January 2010 are as follows :

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
December 2009	4.13	4.34	4.22	8,198,140	34,556
TOTAL				8,198,140	34,556

On 27 July 2009, 89,698,140 treasury shares were distributed as share dividend on the basis of one treasury share for every fourteen existing ordinary shares held.

The movement of treasury shares for the period ended 31 January 2010 are as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2009	4.27	95,030,072	406,099
Distributed as share dividend on 27 July 2009	4.27	(89,698,140)	(383,314)
Increase in treasury shares	4.22	8,198,140	34,556
Total treasury shares as at 31 January 2010	4.24	13,530,072	57,341

As at 31 January 2010, the number of outstanding shares in issue and fully paid with voting rights was 1,337,500,000 ordinary shares of RM0.10 each (30 April 2009 : 1,256,000,000 ordinary shares of RM0.10 each).

A5 During the financial period ended 31 January 2010, the Company paid the following dividends:

On 15 May 2009

Third interim dividend in respect of financial year ended 30 April 2009, of 5 sen per share comprising 2.15 sen dividend less 25% income tax, and 2.85 sen single tier exempt dividend on 1,256,000,000 ordinary shares with voting rights amounting to RM56,049,000.

On 27 July 2009

i) fourth interim tax exempt dividend in respect of financial year ended 30 April 2009, of 11 sen per share on 1,256,000,000 ordinary shares with voting rights amounting to RM138,160,000; and

ii) first interim dividend in respect of financial year ending 30 April 2010, of 19 sen per share comprising 9 sen tax exempt dividend and 10 sen single tier exempt dividend on 1,256,000,000 ordinary shares with voting rights amounting to RM238,640,000.

On 27 July 2009, the Company also distributed a share dividend, in respect of financial year ending 30 April 2010, via distribution of 89,698,140 treasury shares on the basis of one treasury share for every fourteen existing ordinary shares held.

A6 Segmental revenue and results for the financial period ended 31 January 2010 were as follows:

<u>REVENUE</u>	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting and leasing of lottery equipment	2,526,165	-	2,526,165
Others	7,864	10,317	18,181
Elimination : Intersegment Revenue	-	(10,317)	(10,317)
Total revenue	<u>2,534,029</u>	<u>-</u>	<u>2,534,029</u>
 <u>RESULTS</u>			
Toto betting and leasing of lottery equipment			463,615
Others			(11,980)
			<u>451,635</u>
Unallocated corporate expenses			(10,570)
Operating profit			441,065
Finance costs			(18,677)
Interest income			3,476
Other investment related income			2,997
Investment related expenses			(27)
Profit before tax			<u>428,834</u>
Income tax expense			(125,502)
Profit for the period			<u>303,332</u>

A7 There were no material subsequent events for the financial period ended 31 January 2010 up to the date of this announcement.

- A8 There were no changes in the composition of the Group for the current period ended 31 January 2010 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the following:
- i) On 4 May 2009, Berjaya Sports Toto (Cayman) Limited ("BSTC"), a wholly-owned subsidiary company had entered into a Share Sale Agreement with Ferrystar Limited for the acquisition of 60.655 million ordinary shares of Php1.00 each representing approximately 6.81% equity interest in Prime Gaming Philippines, Inc. ("PGPI"), a subsidiary company for a total consideration of Php455.95 million (equivalent to RM33.959 million). Upon completion of the acquisition, the total equity interests held by the Group increased from 81.45% to 88.26%.
 - ii) On 15 June 2009, the Company entered into a Share Sale Agreement with its wholly-owned subsidiary, Magna Mahsuri Sdn Bhd ("Magna Mahsuri") for the disposal of 19,500,000 shares of USD1.00 each representing 100% of the issued and paid-up share capital of BSTC, another wholly-owned subsidiary of the Company for a total consideration of RM520.0 million. The total consideration of RM520.0 million for the sales of shares is satisfied by Magna Mahsuri via the issuance of 260.0 million new ordinary shares of RM1.00 each valued at RM2.00 per share. Upon completion of the disposal of BSTC, an exceptional gain on disposal of approximately RM469.33 million was recognised at the Company level. However, the disposal is an intra group transaction and does not have any effect at the Group level as the gain on disposal is eliminated under the consolidation principles.
 - iii) On 17 December 2009, the Company acquired a total of 2,000 ordinary shares of USD1.00 each representing 20% equity interest in Berjaya Lottery Vietnam Limited (formerly known as Berjaya Corporation (Labuan) Limited) from Berjaya Corporation Berhad, the ultimate holding company of the Company, for a total cash consideration of USD2,000 or approximately RM6,900.
 - iv) On 28 December 2009, the Company announced that Prime Gaming Philippines, Inc., an indirect subsidiary of the Company has incorporated a wholly-owned subsidiary, Perdana Hotel Philippines, Inc. in the Philippines to acquire an interest in the operation of a hotel in Makati, Philippines for a total consideration of Peso785.0 million (equivalent to RM57.57 million). As at 31 January 2010, a sum of Peso524.9 million (equivalent to RM38.50 million) was paid to the vendor.

- A9 The changes in contingent liabilities since the last audited balance sheet date as at 30 April 2009 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 2009	262,686
Reduction due to repayment of borrowings	(122,686)
Balance as at 31 January 2010	140,000

- A10 There were no material changes in capital commitments since the last audited balance sheet as at 30 April 2009 to 31 January 2010 except for the remaining balance sum payable for the acquisition of an interest in the operation of a hotel in Makati, Philippines amounting to Peso260.1 million (equivalent to RM19.08 million).

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2010
ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B1 For the quarter

As compared to the previous year corresponding quarter ended 31 January 2009, the Group recorded a decrease in revenue and pre-tax profit of 19.6% and 1.5% respectively mainly due to the results of Sports Toto Malaysia Sdn Bhd ("Sports Toto") as explained in the ensuing paragraph coupled with higher finance cost incurred, while Prime Gaming Philippines, Inc. registered an increase in revenue of 1.9% but reported a drop in pre-tax profit of 13.2%.

The principal subsidiary, Sports Toto registered a slight increase in pre-tax profit of 1.8% despite the decrease in revenue of 20.2% as compared to previous year corresponding quarter. The decrease in revenue was mainly due to the previous year corresponding quarter benefiting from the traditionally high Chinese Lunar New Year festive sales in the month of January 2009 coupled with the strong sales from high jackpots in the Mega 6/52 game and additional draw. The increase in pre-tax profit despite the decrease in revenue was mainly attributable to higher prize payout in the previous year corresponding quarter.

For the 9-month period

For the 9-month period under review, the Group recorded a decrease in revenue and pre-tax profit of 10.3% and 1.3% respectively as compared to the previous year corresponding period ended 31 January 2009. The performance of the Group was mainly attributed to the results of Sports Toto as explained in the ensuing paragraph as well as higher finance cost incurred.

Sports Toto recorded a drop in revenue and pre-tax profit of 10.8% and 0.9% respectively as compared to the previous year corresponding period ended 31 January 2009 which had benefited from the traditionally high Chinese Lunar New Year festive sales in the month of January 2009 coupled with the strong sales from high jackpots in the Mega 6/52 game. The lower drop in pre-tax profit as compared to the decrease in revenue was mainly due to the lower prize payout in the current period under review.

B2 Quarter 3 Vs Quarter 2

As compared with the preceding quarter ended 31 October 2009, the Group recorded a slight decrease in revenue of 0.7% and a drop in pre-tax profit of 5.5%. The performance of the Group was mainly attributed to the results of Sports Toto as explained in the ensuing paragraph. Prime Gaming Philippines, Inc. registered slight increase in revenue and pre-tax profit in the current quarter as compared to the preceding quarter ended 31 October 2009.

The principal subsidiary, Sport Toto, recorded a slight decrease in revenue of 0.9% and a drop in pre-tax profit of 5.8% as compared to the preceding quarter. The higher decrease in pre-tax profit as compared to the drop in revenue was mainly attributed to a lower prize payout in the preceding quarter.

B3 Sports Toto had on 11 March 2010 announced the replacement of its Super Toto 6/49 lotto game with another lotto game named Supreme Toto 6/58 (which will be launched on 18 March 2010). Supreme Toto 6/58 offers a guaranteed minimum upfront jackpot of RM8,888,888 which is the highest in town. Barring unforeseen circumstances and taking into account of the launch of Supreme Toto 6/58, the Directors are optimistic that the Group's performance for the remaining quarter of the financial year ending 30 April 2010 will be good.

B4 Not applicable.

B5 Income tax expense

	Current quarter RM'000	Financial period ended 31 January 2010 RM'000
Based on the results for the period:		
- Malaysian income tax	38,744	116,221
- Overprovision in prior year	(75)	(75)
- Foreign countries income tax	4,218	12,955
- Origination and reversal of temporary differences	(2,290)	(3,599)
	<u>40,597</u>	<u>125,502</u>

The effective tax rate on the Group's profit for the current quarter and financial period ended 31 January 2010 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 January 2010.

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

(a) There were no acquisition and disposal of quoted securities during the financial period ended 31 January 2010.

(b) Investments in quoted securities as at 31 January 2010 were as follows:

	Financial period ended 31 January 2010 RM'000
(i) Total quoted long term investments at cost	<u>21,820</u>
(ii) Total quoted long term investments at book value	<u>15,367</u>
(iii) Total quoted long term investments at market value	<u>16,418</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 January 2010 were as follows:

	RM'000
Short term borrowings:	
- secured	75,000
- unsecured	140,000
	<u>215,000</u>
Long term borrowings:	
- secured	<u>305,000</u>
Total borrowings	<u>520,000</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 A9.

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

B12 The Directors of the Company did not recommend the payment of any dividend for the quarter ended 31 January 2010 (previous year corresponding quarter ended 31 January 2009 : 5 sen per share comprising 2.85 sen single-tier exempt dividend and 2.15 sen dividend less 25% income tax). The Company had on 27 July 2009 paid a first interim dividend of 19 sen per share comprising 9 sen tax exempt dividend and 10 sen single tier exempt dividend in respect of financial year ending 30 April 2010 (previous year corresponding financial period ended 31 January 2009 : 18 sen per share comprising 15.15 sen dividend less 25% income tax and 2.85 sen single-tier exempt dividend).

The Directors had also approved a share dividend distribution, in respect of financial year ending 30 April 2010, via distribution of 89.7 million treasury shares on the basis of one treasury share for every fourteen existing ordinary shares held, which were distributed on 27 July 2009. Based on the treasury shares book costs as disclosed in Note A4 of RM383.314 million, the share dividend is equivalent to 30.5 sen per share based on the ordinary shares in issue with voting rights as at 27 July 2009 of 1.256 billion.

Based on the number of RM0.10 fully paid ordinary shares in issue and with voting rights as at 27 July 2009 of 1.256 billion, the first interim cash dividend distribution for the financial year ending 30 April 2010 amounted to approximately RM238.64 million **representing about 79.3% of the attributable profit of the Group** for the financial period ended 31 January 2010.

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:

	<u>Group (3-month period)</u>	
	31-01-2010	31-01-2009
Profit attributable to equity holders of the Company (RM'000)	97,851	97,112
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	1,341,727	1,256,000
Basic earnings per share (sen)	7.29	7.73
Diluted earnings per share (sen)	7.29	7.73
	<u>Group (9-month period)</u>	
	31-01-2010	31-01-2009
Profit attributable to equity holders of the Company (RM'000)	300,847	303,244
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	1,316,100	1,256,000
Basic earnings per share (sen)	22.86	24.14
Diluted earnings per share (sen)	22.86	24.14

Diluted earnings per share is same as basic earnings per share as there were no dilutive potential ordinary shares in issue during the financial period.

cc: Securities Commission