

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 21 September 2011

Subject: **UNAUDITED QUARTERLY FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JULY 2011**

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UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	31-07-2011	30-4-2011
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	133,518	135,900
Other investments	28,882	30,745
Investment properties	80,776	80,776
Investment in associated companies	2,230	2,238
Deferred tax assets	10,700	8,820
Intangible assets	643,155	642,757
	<u>899,261</u>	<u>901,236</u>
Current assets		
Inventories	7,579	5,919
Receivables	111,091	87,712
Tax recoverable	57	61
Short term investments	738	1,483
Deposits, cash and bank balances	436,789	449,897
	<u>556,254</u>	<u>545,072</u>
TOTAL ASSETS	<u>1,455,515</u>	<u>1,446,308</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital (par value per share : RM0.10)	135,103	135,103
Capital reserve	21,327	21,327
Exchange reserve	1,565	(1,582)
Available-For-Sale ("AFS") reserve	12,889	15,015
Retained earnings	393,825	341,846
Equity funds	564,709	511,709
Less : Treasury shares	(57,341)	(57,341)
Net equity funds	507,368	454,368
Non-controlling interests	26,277	23,723
Total equity	<u>533,645</u>	<u>478,091</u>
Non-current liabilities		
Retirement benefit obligations	1,622	1,556
Medium Term Notes	550,000	550,000
Deferred tax liabilities	3,065	3,065
Other long term liabilities	801	867
	<u>555,488</u>	<u>555,488</u>
Current liabilities		
Provisions	71	92
Payables	334,149	389,162
Tax payable	32,162	23,475
Total current liabilities	<u>366,382</u>	<u>412,729</u>
Total liabilities	<u>921,870</u>	<u>968,217</u>
TOTAL EQUITY AND LIABILITIES	<u>1,455,515</u>	<u>1,446,308</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.38	0.34

Notes:

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 2011
CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		+/-<-> %
	31-07-2011 RM'000	31-07-2010 RM'000	
REVENUE	845,810	835,395	1.2
PROFIT FROM OPERATIONS	134,630	110,646	21.7
Investment related income	3,146	1,689	86.3
Finance costs	(7,661)	(13,449)	(43.0)
Share of results of associated companies	(8)	(288)	(97.2)
PROFIT BEFORE TAX	130,107	98,598	32.0
INCOME TAX EXPENSE	(36,344)	(33,341)	9.0
PROFIT FOR THE PERIOD	93,763	65,257	43.7
PROFIT ATTRIBUTABLE TO:			
Equity holders of the parent	92,104	63,956	44.0
Non-controlling interests	1,659	1,301	27.5
	93,763	65,257	43.7
EARNINGS PER SHARE (SEN)			
-Basic	6.89	4.78	
-Diluted	6.89	4.78	
DIVIDEND PER SHARE (SEN)			
- First interim	8.00	8.00	

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		+/-<-> %
	31-07-2011 RM'000	31-07-2010 RM'000	
PROFIT AFTER TAXATION	93,763	65,257	43.7
OTHER COMPREHENSIVE INCOME			
Loss on changes in fair value of available-for-sale investments	(1,959)	(2,530)	(22.6)
Effects of foreign exchange differences	3,875	(3,873)	N/A
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	95,679	58,854	62.6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	93,125	58,037	60.5
Non-controlling interests	2,554	817	212.6
	95,679	58,854	62.6

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent							
	Share capital RM'000	Treasury shares RM'000	AFS reserve RM'000	Reserves		Total to holders of parent company RM'000	Non- controlling interests RM'000	Total equity RM'000
				Non- distributable RM'000	Distributable RM'000			
At 1 May 2011	135,103	(57,341)	15,015	19,745	341,846	454,368	23,723	478,091
Total comprehensive income for the period	-	-	(2,126)	3,147	92,104	93,125	2,554	95,679
	135,103	(57,341)	12,889	22,892	433,950	547,493	26,277	573,770
Distribution of dividends	-	-	-	-	(40,125)	(40,125)	-	(40,125)
At 31 July 2011	135,103	(57,341)	12,889	22,892	393,825	507,368	26,277	533,645
At 1 May 2010	135,103	(57,341)	-	27,438	344,277	449,477	15,074	464,551
Effects of adopting FRS 139 (Note A1)	-	-	2,523	-	(405)	2,118	-	2,118
	135,103	(57,341)	2,523	27,438	343,872	451,595	15,074	466,669
Total comprehensive income for the period	-	-	(2,530)	(3,389)	63,956	58,037	817	58,854
	135,103	(57,341)	(7)	24,049	407,828	509,632	15,891	525,523
Distribution of dividends	-	-	-	-	(107,000)	(107,000)	-	(107,000)
At 31 July 2010	135,103	(57,341)	(7)	24,049	300,828	402,632	15,891	418,523

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	3-month ended 31-07-2011 RM'000	3-month ended 31-07-2010 RM'000
OPERATING ACTIVITIES		
Receipts from customers	899,716	887,088
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(781,527)	(774,220)
Other (payments) / receipts	(4)	64
Net cash generated from operating activities	118,185	112,932
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	163	66
Net proceeds from disposal of investments	1,479	3,180
Acquisition of property, plant and equipment	(2,113)	(2,877)
Acquisition of investments	(738)	(2,398)
Interest received	3,146	1,631
Other receipts / (payments) from investing activities	39	(5,235)
Net cash generated from / (used in) investing activities	1,976	(5,633)
FINANCING ACTIVITIES		
Issuance of Medium Term Notes	-	500,000
Repayment of bank borrowings	-	(450,000)
Payment of hire purchase liabilities	(59)	(52)
Dividends paid	(120,264)	(106,037)
Interest paid on bank and other borrowings	(13,837)	(8,521)
Net cash used in financing activities	(134,160)	(64,610)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,999)	42,689
CASH & CASH EQUIVALENTS AT 1 MAY	449,897	257,462
Exchange difference	891	(312)
CASH & CASH EQUIVALENTS AT 31 JULY	436,789	299,839
	3-month ended 31-07-2011 RM'000	3-month ended 31-07-2010 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	49,114	58,285
Deposits with financial institutions	387,675	241,554
	436,789	299,839

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 April 2011.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 April 2011.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2011.

The initial application of the FRSs, Amendments to FRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their first adoption.

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 quarter ended 31 July 2011.

There were no major changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 31 July 2011.

A4 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 2011.

The number of treasury shares held in hand as at 31 July 2011 are as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2011 / 31 July 2011	4.24	13,530,072	57,341

As at 31 July 2011, 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 2011 : 1,337,500,000 ordinary shares of RM0.10 each).

A5 During the financial period ended 31 July 2011, the Company paid the following dividends:

- i) third interim single tier exempt dividend on 10 May 2011, in respect of financial year ended 30 April 2011, of 6 sen per share on 1,337,500,000 ordinary shares with voting rights amounting to RM80,250,000; and
- ii) fourth interim single tier exempt dividend on 20 July 2011, in respect of financial year ended 30 April 2011, of 3 sen per share on 1,337,500,000 ordinary shares with voting rights amounting to RM40,125,000.

A6 Segmental revenue and results for the financial period ended 31 July 2011 were as follows:

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	840,192	-	840,192
Others	5,618	721	6,339
Elimination : Intersegment Revenue	-	(721)	(721)
Total revenue	<u>845,810</u>	<u>-</u>	<u>845,810</u>
 <u>RESULTS</u>			
Toto betting and leasing of lottery equipment			139,902
Others			(2,485)
			<u>137,417</u>
Unallocated corporate expenses			(2,787)
Operating profit			134,630
Finance costs			(7,661)
Interest income			3,146
Share of results of associated companies			(8)
Profit before tax			<u>130,107</u>
Income tax expense			(36,344)
Profit for the period			<u><u>93,763</u></u>

A7 There were no material subsequent events for the financial period ended 31 July 2011 up to the date of this announcement.

A8 There were no changes in the composition of the Group for the current quarter ended 31 July 2011 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A9 The changes in contingent liabilities since the last annual reporting date as at 30 April 2011 are as follows:

RM'000

Secured

Corporate Guarantee of RM550 million given by the Company to holders of Medium Term Notes ("MTNs") that was issued by a wholly-owned subsidiary company

*

* No value is placed on the corporate guarantee provided by the Company to secure the MTNs issued by the wholly-owned subsidiary company where such facility is fully collateralised by a third party first equitable charge over the entire issued and paid up share capital of the subsidiary company. The directors are of the opinion that the financial guarantee is not likely to be called upon and regard the value of the credit enhancement provided by the corporate guarantee as minimal.

A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2011 to 31 July 2011.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2011
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 For the quarter

As compared to the previous year corresponding quarter ended 31 July 2010, the Group recorded an increase in revenue and pre-tax profit of 1.2% and 32% respectively. The higher percentage increase in pre-tax profit was mainly attributed to the higher pre-tax profit contributed by Sports Toto as explained in the ensuing paragraph coupled with higher pre-tax profit reported by Berjaya Philippines Inc. group as a result of higher revenue growth registered in the current quarter.

Sports Toto, the principal subsidiary, registered a marginal increase in revenue of 0.3% as compared to the previous year corresponding quarter ended 31 July 2010 despite having less number of draws in the current quarter under review. As compared to the previous year corresponding quarter ended 31 July 2010, Sports Toto recorded an increase in pre-tax profit of 14.1% mainly attributed to a lower prize payout in the current quarter under review.

B2 Quarter 1 Vs Quarter 4 of preceding financial year

As compared to the preceding quarter ended 30 April 2011, the Group registered a decrease in revenue and pre-tax profit of 6.2% and 12.1% respectively. The decrease in revenue and pre-tax profit was mainly due to lower revenue and pre-tax profit recorded by Sports Toto as explained in the ensuing paragraph.

Sports Toto registered a decrease in revenue and pre-tax profit of 7.0% and 17.6% respectively as compared to the preceding quarter ended 30 April 2011. The decrease in revenue was mainly due to the preceding quarter recording seasonally high sales during the Chinese Lunar New Year festive season during the month of February 2011 coupled with the current quarter having less number of draws. The decrease in pre-tax profit was mainly due to the drop in revenue and higher prize payout in the current quarter under review.

B3 Barring any unforeseen circumstances, the Directors are optimistic that the Group's performance for the remaining quarters of the financial year ending 30 April 2012 will be satisfactory.

B4 Not applicable.

B5 Income tax expense

	Current quarter ended 31 July 2011 RM'000
Based on the results for the period:	
- Malaysian income tax	32,343
- Foreign countries income tax	5,871
- Deferred tax	(1,870)
	<u>36,344</u>

The effective tax rate on the Group's profit for financial period ended 31 July 2011 was higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

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 2011.

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 July 2011.

(b) Investments in quoted securities as at 31 July 2011 were as follows:

	Current quarter ended 31 July 2011 RM'000
(i) Total quoted long term investments at cost	<u>24,578</u>
(ii) Total quoted long term investments at book value/carrying amount	<u>25,627</u>
(iii) Total quoted long term investments at market value/fair value	<u>25,627</u>

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

B9 The Group's borrowings as at 31 July 2011 were as follows:

	RM'000
Secured:	
Long term borrowings - denominated in Ringgit Malaysia	
Medium Term Notes	<u>550,000</u>

B10 The Group has no off statement of financial position financial instruments as at the date of this announcement saved for that disclosed in Note A9.

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

B12 The Board has declared a first interim single tier exempt dividend of 8 sen per share (previous year corresponding quarter ended 31 July 2010 : first interim single tier exempt dividend of 8 sen per share) in respect of the financial year ending 30 April 2012 and payable on 18 October 2011. The entitlement date has been fixed on 10 October 2011.

Based on the number of RM0.10 fully paid ordinary shares in issue and with voting rights as at 21 September 2011 of 1.3375 billion, the first interim dividend distribution for the financial year ending 30 April 2012 is RM107.0 million **representing about 116.2% of the attributable profit of the Group** for the financial period ended 31 July 2011.

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 10 October 2011 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)	
	31-07-11	31-07-10
Profit attributable to equity holders of the Company (RM'000)	92,104	63,956
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	1,337,500	1,337,500
Basic earnings per share (sen)	6.89	4.78

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

B14 Realised and unrealised earnings of the Group is analysed as follows:

	As at 31-07-11 RM'000	As at 30-04-11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	580,313	536,982
- unrealised	32,548	28,700
	612,861	565,682
Total share of accumulated losses from associated companies:		
- realised	(5,028)	(5,253)
Less: Consolidation adjustments	(214,008)	(218,583)
Total group retained earnings as per consolidated accounts	393,825	341,846

cc: Securities Commission