

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 12 December 2011

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

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

	Group	
	31-10-2011	30-4-2011
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	132,508	135,900
Other investments	26,442	30,745
Investment properties	87,168	80,776
Investment in associated companies	2,284	2,238
Deferred tax assets	10,718	8,820
Intangible assets	643,999	642,757
	903,119	901,236
Current assets		
Inventories	10,841	5,919
Receivables	102,416	87,712
Tax recoverable	58	61
Short term investments	1,535	1,483
Deposits, cash and bank balances	471,794	449,897
	586,644	545,072
TOTAL ASSETS	1,489,763	1,446,308
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	8,543	(1,582)
Available-For-Sale ("AFS") reserve	10,715	15,015
Retained earnings	392,498	341,846
Equity funds	568,186	511,709
Less : Treasury shares	(57,341)	(57,341)
Net equity funds	510,845	454,368
Non-controlling interests	27,584	23,723
Total equity	538,429	478,091
Non-current liabilities		
Retirement benefit obligations	1,815	1,556
Medium Term Notes	550,000	550,000
Deferred tax liabilities	3,095	3,065
Other long term liabilities	733	867
	555,643	555,488
Current liabilities		
Provisions	80	92
Payables	357,326	389,162
Tax payable	38,285	23,475
Total current liabilities	395,691	412,729
Total liabilities	951,334	968,217
TOTAL EQUITY AND LIABILITIES	1,489,763	1,446,308
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.38	0.34

Note:

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 2011
CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended			6 months ended		
	31-10-2011 RM'000	31-10-2010 RM'000	+/-> %	31-10-2011 RM'000	31-10-2010 RM'000	+/-> %
REVENUE	862,371	845,790	2.0	1,708,181	1,681,185	1.6
PROFIT FROM OPERATIONS	153,140	103,266	48.3	287,770	213,912	34.5
Investment related income	3,730	2,009	85.7	6,876	3,698	85.9
Investment related expenses	(427)	(211)	102.4	(427)	(211)	102.4
Finance costs	(7,712)	(7,246)	6.4	(15,373)	(20,695)	(25.7)
Share of results of associated companies	54	(78)	N/A	46	(366)	N/A
PROFIT BEFORE TAX	148,785	97,740	52.2	278,892	196,338	42.0
INCOME TAX EXPENSE	(41,426)	(30,532)	35.7	(77,770)	(63,873)	21.8
PROFIT FOR THE PERIOD	107,359	67,208	59.7	201,122	132,465	51.8
PROFIT ATTRIBUTABLE TO:						
Equity holders of the parent	105,673	65,082	62.4	197,777	129,038	53.3
Non-controlling interests	1,686	2,126	(20.7)	3,345	3,427	(2.4)
	107,359	67,208	59.7	201,122	132,465	51.8
EARNINGS PER SHARE (SEN)						
-Basic	7.90	4.87		14.79	9.65	
-Diluted	7.90	4.87		14.79	9.65	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		8.00	8.00	
- Second interim	8.00	4.00		8.00	4.00	

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

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

	3 months ended			6 months ended		
	31-10-2011 RM'000	31-10-2010 RM'000	+/-> %	31-10-2011 RM'000	31-10-2010 RM'000	+/-> %
PROFIT AFTER TAXATION	107,359	67,208	59.7	201,122	132,465	51.8
OTHER COMPREHENSIVE INCOME						
Gain/(loss) on changes in fair value of available-for-sale investments	(2,169)	1,971	N/A	(4,128)	(559)	638.5
Effects of foreign exchange differences	6,594	5,912	11.5	10,469	2,039	413.4
TOTAL COMPREHENSIVE INCOME						
FOR THE PERIOD	111,784	75,091	48.9	207,463	133,945	54.9
TOTAL COMPREHENSIVE INCOME						
ATTRIBUTABLE TO:						
Equity holders of the parent	110,477	71,763	53.9	203,602	129,800	56.9
Non-controlling interests	1,307	3,328	(60.7)	3,861	4,145	(6.9)
	111,784	75,091	48.9	207,463	133,945	54.9

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

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

	Attributable to Equity Holders of the Parent							Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Reserves		Retained earnings RM'000	Total to holders of parent company RM'000	Non-controlling interests RM'000	
			Non-distributable AFS reserve RM'000	Other reserves 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	-	-	(4,300)	10,125	197,777	203,602	3,861	207,463
Distribution of dividends	135,103	(57,341)	10,715	29,870	539,623	657,970	27,584	685,554
	-	-	-	-	(147,125)	(147,125)	-	(147,125)
At 31 October 2011	135,103	(57,341)	10,715	29,870	392,498	510,845	27,584	538,429
At 1 May 2010	135,103	(57,341)	-	27,438	344,277	449,477	15,074	464,551
Effects of adopting FRS 139	-	-	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	-	-	(559)	1,321	129,038	129,800	4,145	133,945
Distribution of dividends	135,103	(57,341)	1,964	28,759	472,910	581,395	19,219	600,614
	-	-	-	-	(214,000)	(214,000)	-	(214,000)
At 31 October 2010	135,103	(57,341)	1,964	28,759	258,910	367,395	19,219	386,614

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6-month ended 31-10-2011 RM'000	6-month ended 31-10-2010 RM'000
OPERATING ACTIVITIES		
Receipts from customers	1,859,651	1,776,428
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(1,590,770)	(1,650,446)
Other receipts	21	89
Net cash generated from operating activities	268,902	126,071
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	166	326
Net proceeds from disposal of investments	1,483	4,651
Net proceeds from disposal of an investment property	-	44
Acquisition of property, plant and equipment	(5,432)	(7,594)
Acquisition of investment properties	(6,392)	(4,320)
Acquisition of investments	(1,535)	(2,964)
Interest received	6,876	3,569
Other payments from investing activities	(2,775)	(554)
Net cash used in investing activities	(7,609)	(6,842)
FINANCING ACTIVITIES		
Issuance of Medium Term Notes	-	550,000
Repayment of bank borrowings	-	(450,000)
Payment of hire purchase liabilities	(119)	(106)
Dividends paid	(227,081)	(212,569)
Interest paid on bank borrowings	(15,215)	(6,355)
Net cash used in financing activities	(242,415)	(119,030)
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,878	199
CASH & CASH EQUIVALENTS AT 1 MAY	449,897	257,462
Exchange difference	3,019	(456)
CASH & CASH EQUIVALENTS AT 31 OCTOBER	471,794	257,205

	6-month ended 31-10-2011 RM'000	6-month ended 31-10-2010 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	45,512	63,990
Deposits with financial institutions	426,282	193,215
	471,794	257,205

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

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 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 October 2011.

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

A4 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 2011.

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

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

As at 31 October 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 October 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;
 - 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; and
 - iii) first interim single tier exempt dividend on 18 October 2011, in respect of financial year ending 30 April 2012, of 8 sen per share on 1,337,500,000 ordinary shares with voting rights amounting to RM107,000,000.

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

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	1,696,293	-	1,696,293
Others	11,888	4,440	16,328
Elimination : Intersegment Revenue	-	(4,440)	(4,440)
Total revenue	<u>1,708,181</u>	<u>-</u>	<u>1,708,181</u>
 <u>RESULTS</u>			
Toto betting and leasing of lottery equipment			298,583
Others			(4,918)
			<u>293,665</u>
Unallocated corporate expenses			(5,895)
Operating profit			287,770
Finance costs			(15,373)
Interest income			6,876
Investment related expenses			(427)
Share of results of associated companies			46
Profit before tax			<u>278,892</u>
Income tax expense			(77,770)
Profit for the period			<u><u>201,122</u></u>

- A7 There were no material subsequent events for the financial period ended 31 October 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 October 2011 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.
- A9 There were no changes in contingent liabilities since the last audited reporting date as at 30 April 2011.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2011 to 31 October 2011.

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

B1 For the quarter

Compared to the previous year corresponding quarter ended 31 October 2010, the Group registered an increase in revenue and pre-tax profit of 2.0% and 52.2% respectively primarily due to the improved performance of Sports Toto Malaysia Sdn Bhd ("Sports Toto") as explained in the ensuing paragraph. Berjaya Philippines Inc. group also contributed to the growth in the Group's revenue but it reported a marginal drop in pre-tax profit in the current quarter under review.

Sports Toto, the principal subsidiary, recorded an increase in revenue of 1.8% compared to the previous year corresponding quarter despite having a lower number of draws in the current quarter under review. It registered a higher percentage increase in pre-tax profit of 56.1% mainly attributed to higher prize payout in the previous year corresponding quarter.

For the 6-month period

For the 6-month period under review, the Group recorded an increase in revenue and pre-tax profit of 1.6% and 42.0% respectively compared to the previous year corresponding period ended 31 October 2010. The improved performance of the Group was mainly attributed to the results of 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 recorded in the current period ended 31 October 2011.

Sports Toto recorded an increase in revenue of 1.0% compared to the previous year corresponding period ended 31 October 2010 despite having a lower number of draws in the current period under review. It registered a higher percentage increase in pre-tax profit of 33.8% mainly attributed to higher prize payout in the previous year corresponding period.

B2 Quarter 2 Vs Quarter 1

Compared to the preceding quarter ended 31 July 2011, the Group registered an increase in revenue and pre-tax profit of 2.0% and 14.4% 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. However, the incremental effect was partly set off by the lower revenue and pre-tax profit reported by Berjaya Philippines Inc. group in the current quarter under review.

Sports Toto recorded a growth in revenue of 2.3% despite the current quarter having a lower number of draws compared to the preceding quarter. It registered a higher percentage increase in pre-tax profit of 21.0% mainly attributed to lower prize payout in the current quarter under review.

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

B4 Not applicable.

B5 Income tax expense

	Current quarter RM'000	Financial period ended 31 October 2011 RM'000
Based on the results for the period:		
- Malaysian income tax	36,413	68,756
- Under provision in prior year	(194)	(194)
- Foreign countries income tax	5,177	11,048
- Origination and reversal of temporary differences	30	(1,840)
	<u>41,426</u>	<u>77,770</u>

The effective tax rate on the Group's profit for current quarter and financial period ended 31 October 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 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 2011.

B7 (a) There were no acquisition and disposal of quoted securities during the financial period ended 31 October 2011.

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

	Current quarter ended 31 October 2011 RM'000
(i) Total quoted long term investments at cost	<u>24,657</u>
(ii) Total quoted long term investments at book value/carrying amount	<u>23,592</u>
(iii) Total quoted long term investments at market value/fair value	<u>23,592</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 October 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 financial instruments with off statement of financial position risk as at the date of this announcement.

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 second interim single tier exempt dividend of 8 sen per share (previous year corresponding quarter ended 31 October 2010 : second interim single tier exempt dividend of 4 sen per share) in respect of the financial year ending 30 April 2012 and payable on 18 January 2012. The entitlement date has been fixed on 6 January 2012.

The first interim single tier exempt dividend of 8 sen per share was paid on 18 October 2011. This will bring the total dividend distribution per share in respect of the financial period ended 31 October 2011 to 16 sen single tier exempt dividend (previous year corresponding financial period ended 31 October 2010 : 12 sen single tier exempt dividend per share).

Based on the number of RM0.10 fully paid ordinary shares in issue and with voting rights as at 12 December 2011 of 1.334 billion, the second interim dividend distribution for the financial year ending 30 April 2012 amounts to approximately RM106.7 million. This will bring the total dividend distribution for the financial period ended 31 October 2011 to approximately RM213.7 million **representing about 108.1% of the attributable profit of the Group** for the financial period ended 31 October 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 6 January 2012 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:

	<u>Group (3-month period)</u>	
	31-10-11	31-10-10
Profit attributable to equity holders of the Company (RM'000)	<u>105,673</u>	<u>65,082</u>
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	<u>1,337,500</u>	<u>1,337,500</u>
Basic earnings per share (sen)	<u>7.90</u>	<u>4.87</u>
	<u>Group (6-month period)</u>	
	31-10-11	31-10-10
Profit attributable to equity holders of the Company (RM'000)	<u>197,777</u>	<u>129,038</u>
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	<u>1,337,500</u>	<u>1,337,500</u>
Basic earnings per share (sen)	<u>14.79</u>	<u>9.65</u>

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

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

	As at 31-10-11 RM'000	As at 30-04-11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	570,180	531,729
- unrealised	39,604	28,700
	<u>609,784</u>	<u>560,429</u>
Less: Consolidation adjustments	(217,286)	(218,583)
Total group retained earnings as per consolidated accounts	<u>392,498</u>	<u>341,846</u>

cc: Securities Commission