

# **Berjaya Sports Toto Berhad**

(Company no: 9109-K)

Date: 21 March 2012

Subject: **UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012**

<u>Table of contents</u>	Page
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Income Statement	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Quarterly Financial Report	6 - 8
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	9 - 12

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Group</b>	
	<b>31-1-2012</b>	<b>30-4-2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	128,501	135,900
Other investments	30,659	30,745
Investment properties	87,168	80,776
Investment in associated companies	4,839	2,238
Deferred tax assets	10,820	8,820
Intangible assets	643,627	642,757
	905,614	901,236
<b>Current assets</b>		
Inventories	11,978	5,919
Receivables	93,078	87,712
Tax recoverable	155	61
Short term investments	1,526	1,483
Deposits, cash and bank balances	442,878	449,897
	549,615	545,072
<b>TOTAL ASSETS</b>	<b>1,455,229</b>	<b>1,446,308</b>
<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
Capital reserve	21,327	21,327
Exchange reserve	4,728	(1,582)
Available-For-Sale ("AFS") reserve	13,873	15,015
Retained earnings	398,518	341,846
Equity funds	573,549	511,709
Less : Treasury shares	(71,970)	(57,341)
Net equity funds	501,579	454,368
Non-controlling interests	25,818	23,723
<b>Total equity</b>	<b>527,397</b>	<b>478,091</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,936	1,556
Medium Term Notes	550,000	550,000
Deferred tax liabilities	3,095	3,065
Other long term liabilities	706	867
	555,737	555,488
<b>Current liabilities</b>		
Provisions	446	92
Payables	321,828	389,162
Tax payable	49,821	23,475
<b>Total current liabilities</b>	372,095	412,729
<b>Total liabilities</b>	927,832	968,217
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,455,229</b>	<b>1,446,308</b>
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 JANUARY 2012**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 months ended			9 months ended		
	31-1-2012 RM'000	31-1-2011 RM'000	+/-<-> %	31-1-2012 RM'000	31-1-2011 RM'000	+/-<-> %
REVENUE	983,459	851,166	15.5	2,691,640	2,532,351	6.3
PROFIT FROM OPERATIONS	170,303	166,845	2.1	458,073	380,757	20.3
Investment related income	3,506	2,420	44.9	10,382	6,118	69.7
Investment related expenses	(1,172)	-	100.0	(1,599)	(211)	657.8
Finance costs	(7,598)	(7,713)	(1.5)	(22,971)	(28,408)	(19.1)
Share of results of associated companies	(100)	(59)	69.5	(54)	(425)	(87.3)
PROFIT BEFORE TAX	164,939	161,493	2.1	443,831	357,831	24.0
INCOME TAX EXPENSE	(50,354)	(43,781)	15.0	(128,124)	(107,654)	19.0
PROFIT FOR THE PERIOD	114,585	117,712	(2.7)	315,707	250,177	26.2
PROFIT ATTRIBUTABLE TO:						
Equity holders of the parent	112,740	114,875	(1.9)	310,517	243,913	27.3
Non-controlling interests	1,845	2,837	(35.0)	5,190	6,264	(17.1)
	114,585	117,712	(2.7)	315,707	250,177	26.2
EARNINGS PER SHARE (SEN)						
-Basic	8.44	8.59		23.23	18.24	
-Diluted	8.44	8.59		23.23	18.24	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		8.00	8.00	
- Second interim	-	-		8.00	4.00	
- Third interim	6.00	6.00		6.00	6.00	

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

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended			9 months ended		
	31-1-2012 RM'000	31-1-2011 RM'000	+/<-> %	31-1-2012 RM'000	31-1-2011 RM'000	+/<-> %
PROFIT AFTER TAXATION	114,585	117,712	(2.7)	315,707	250,177	26.2
OTHER COMPREHENSIVE INCOME						
Gain/(loss) on changes in fair value of available-for-sale investments	3,337	3,354	(0.5)	(791)	2,795	N/A
Effects of foreign exchange differences	(4,402)	(7,310)	(39.8)	6,067	(5,271)	N/A
<b>TOTAL COMPREHENSIVE INCOME</b>						
<b>FOR THE PERIOD</b>	<b>113,520</b>	<b>113,756</b>	<b>(0.2)</b>	<b>320,983</b>	<b>247,701</b>	<b>29.6</b>
<b>TOTAL COMPREHENSIVE INCOME</b>						
<b>ATTRIBUTABLE TO:</b>						
Equity holders of the parent	112,083	110,684	1.3	315,685	240,484	31.3
Non-controlling interests	1,437	3,072	(53.2)	5,298	7,217	(26.6)
	<b>113,520</b>	<b>113,756</b>	<b>(0.2)</b>	<b>320,983</b>	<b>247,701</b>	<b>29.6</b>

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

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012**  
**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				
<b>At 1 May 2011</b>	135,103	(57,341)	15,015	19,745	341,846	454,368	23,723	478,091
Total comprehensive income for the period	-	-	(1,142)	6,310	310,517	315,685	5,298	320,983
	135,103	(57,341)	13,873	26,055	652,363	770,053	29,021	799,074
<b>Transactions with owners:</b>								
Treasury shares acquired	-	(14,629)	-	-	-	(14,629)	-	(14,629)
Adjustment due to foreign subsidiary company's share buyback	-	-	-	-	-	-	(2,476)	(2,476)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(727)	(727)
Distribution of dividends	-	-	-	-	(253,845)	(253,845)	-	(253,845)
	-	(14,629)	-	-	(253,845)	(268,474)	(3,203)	(271,677)
<b>At 31 January 2012</b>	135,103	(71,970)	13,873	26,055	398,518	501,579	25,818	527,397
<b>At 1 May 2010</b>	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	-	-	2,795	(6,224)	243,913	240,484	7,217	247,701
	135,103	(57,341)	5,318	21,214	587,785	692,079	22,291	714,370
Distribution of dividends	-	-	-	-	(267,500)	(267,500)	-	(267,500)
<b>At 31 January 2011</b>	135,103	(57,341)	5,318	21,214	320,285	424,579	22,291	446,870

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9-month ended 31-1-2012 RM'000</b>	<b>9-month ended 31-1-2011 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	2,925,207	2,700,303
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(2,546,533)	(2,439,965)
Other receipts	58	6,075
<b>Net cash generated from operating activities</b>	<b>378,732</b>	<b>266,413</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from disposal of property, plant and equipment	322	335
Net proceeds from disposal of investments	1,483	4,651
Net proceeds from disposal of an investment property	-	889
Acquisition of property, plant and equipment	(9,025)	(10,701)
Acquisition of investment properties	(6,392)	(4,362)
Acquisition of investments	(4,469)	(2,906)
Acquisition of treasury shares by a subsidiary company	(2,476)	-
Interest received	10,354	5,712
Other receipts/(payments) from investing activities	517	(2,399)
<b>Net cash used in investing activities</b>	<b>(9,686)</b>	<b>(8,781)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of Medium Term Notes	-	550,000
Repayment of bank borrowings	-	(450,000)
Payment of hire purchase liabilities	(183)	(161)
Treasury shares acquired	(14,629)	-
Dividends paid	(332,985)	(265,871)
Dividends paid to non-controlling interests	(727)	-
Interest paid on bank borrowings	(29,065)	(20,307)
<b>Net cash used in financing activities</b>	<b>(377,589)</b>	<b>(186,339)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,543)</b>	<b>71,293</b>
<b>CASH &amp; CASH EQUIVALENTS AT 1 MAY</b>	<b>449,897</b>	<b>257,462</b>
Exchange difference	1,524	(816)
<b>CASH &amp; CASH EQUIVALENTS AT 31 JANUARY</b>	<b>442,878</b>	<b>327,939</b>
	<b>9-month ended 31-1-2012 RM'000</b>	<b>9-month ended 31-1-2011 RM'000</b>
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	72,783	49,154
Deposits with financial institutions	370,095	278,785
	<b>442,878</b>	<b>327,939</b>

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

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012**  
**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 January 2012.

There were no changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 31 January 2012.

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 2012.

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		
November 2011	4.15	4.18	4.17	2,200,000	9,183
December 2011	4.17	4.18	4.18	1,300,000	5,446
<b>TOTAL</b>				<b>3,500,000</b>	<b>14,629</b>

The number of treasury shares held in hand as at 31 January 2012 are as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2011		13,530,072	57,341
Increase in treasury shares		3,500,000	14,629
<b>Total treasury shares as at 31 January 2012</b>	<b>4.23</b>	<b>17,030,072</b>	<b>71,970</b>

As at 31 January 2012, the number of outstanding shares in issue and fully paid with voting rights was 1,334,000,000 ordinary shares of RM0.10 each (30 April 2011 : 1,337,500,000 ordinary shares of RM0.10 each).

- A4 Subsequent to the financial period ended 31 January 2012, the Company bought back additional shares with details as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
March 2012	4.35	4.39	4.39	5,520,000	24,228
<b>TOTAL</b>				<b>5,520,000</b>	<b>24,228</b>

As at 20 March 2012, the number of outstanding shares in issue and fully paid with voting rights was 1,328,480,000 ordinary shares of RM0.10 each. Total number of treasury shares held in hand as at 20 March 2012 is 22,550,072 amounting to RM96.198 million valued at average price of RM4.27 per share.

- A5 During the financial period ended 31 January 2012, the Company paid the following dividends:
- 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;
  - 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
  - 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; and
  - second interim single tier exempt dividend on 18 January 2012, in respect of financial year ending 30 April 2012, of 8 sen per share on 1,334,000,000 ordinary shares with voting rights amounting to RM106,720,000.

- A6 Segmental revenue and results for the financial period ended 31 January 2012 were as follows:

<u>REVENUE</u>	External	Inter-segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	2,666,380	-	2,666,380
Others	25,260	10,456	35,716
Elimination : Intersegment Revenue	-	(10,456)	(10,456)
<b>Total revenue</b>	<b>2,691,640</b>	<b>-</b>	<b>2,691,640</b>

RESULTS

Toto betting and leasing of lottery equipment	472,971
Others	(5,569)
	<u>467,402</u>
Unallocated corporate expenses	(9,329)
Operating profit	458,073
Finance costs	(22,971)
Interest income	10,354
Investment related income	28
Investment related expenses	(1,599)
Share of results of associated companies	(54)
Profit before tax	<u>443,831</u>
Income tax expense	(128,124)
<b>Profit for the period</b>	<u><u>315,707</u></u>



- A7 There were no material subsequent events for the financial period ended 31 January 2012 up to the date of this announcement.
- A8 There were no changes in the composition of the Group for the period ended 31 January 2012 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except the following:
- i) Berjaya Philippines Inc. ("BPI"), an indirect subsidiary company acquired an additional 24.6 million ordinary shares of Philippines Peso ("Php") 1.00 each representing 20.5% equity interest in Berjaya Pizza Philippines Inc. ("BPPI") at a consideration of Php26.0 million or approximately RM1.8 million. Upon completion of the acquisition, BPI's equity interest in BPPI increased from 9.5% to 30.0% and BPPI became an associate company of BPI.
- 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 January 2012.

**UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012  
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1 The main business segment of the Group is toto betting and leasing of lottery equipment as the Group is primarily engaged in the number forecast operation ("NFO") business. The key factors affecting the performance of the Group include the disposable income of the general public, Jackpot cycles, luck factor and the number of draws in the financial period.

For the quarter

Compared to the previous year corresponding quarter ended 31 January 2011, the Group registered an increase in revenue and pre-tax profit of 15.5% and 2.1% respectively. The higher percentage increase in revenue was mainly attributed to the higher revenue reported by Sports Toto Malaysia Sdn Bhd ("Sports Toto") as explained in the ensuing paragraph. Berjaya Philippines Inc. group reported lower revenue and pre-tax profit for the current quarter under review mainly attributed to higher revenue achieved in the previous year corresponding quarter as a result of the high Jackpot prize then.

Sports Toto, the principal subsidiary, recorded an increase in revenue and pre-tax profit of 17.5% and 13.7% respectively compared to the previous year corresponding quarter mainly attributed to the traditionally high sales during the Chinese Lunar New Year festive season in the current quarter coupled with higher number of draws in the current quarter under review.

For the 9-month period

For the 9-month period under review, the Group recorded an increase in revenue and pre-tax profit of 6.3% and 24.0% respectively as compared to the previous year corresponding period ended 31 January 2011. The improved performance of the Group was primarily attributed to the improved results of Sports Toto as explained in the ensuing paragraph.

Sports Toto recorded an increase in revenue of 6.5% compared to the previous year corresponding period ended 31 January 2011 mainly attributed to the current period under review benefiting from the traditionally high sales during the Chinese Lunar New Year festival in the month of January 2012 as well as having higher number of draws in the current period. Compared to the previous year corresponding period ended 31 January 2011, Sports Toto recorded an increase in pre-tax profit of 25.4% mainly due to lower prize payout in the current period under review.

B2 Quarter 3 Vs Quarter 2

Compared to the preceding quarter ended 31 October 2011, the Group registered an increase in revenue and pre-tax profit of 14.0% and 10.9% respectively. The improved performance was mainly attributed to the results of Sports Toto as explained in the ensuing paragraph.

Sports Toto recorded a growth in revenue and pre-tax profit of 13.4% and 11.6% respectively mainly attributed to the traditionally high sales during the Chinese Lunar New Year festival in the month of January 2012 coupled with the current quarter having higher number of draws compared to the preceding quarter ended 31 October 2011.

B3 Future Prospects

Given the cautious economic outlook, the Directors expect the Group to maintain its market share in the NFO business and the performance of the Group will be maintained for the remaining quarter of the financial year ending 30 April 2012.

B4 There was no profit forecast or profit guarantee given by the Group for the financial period ended 31 January 2012.

B5 Income tax expense

	Current quarter RM'000	Financial period ended 31 January 2012 RM'000
Based on the results for the period:		
- Malaysian income tax	44,440	113,196
- Over provision in prior year	(64)	(258)
- Foreign countries income tax	5,282	16,330
- Origination and reversal of temporary differences	(111)	(1,951)
- Withholding tax	807	807
	<u>50,354</u>	<u>128,124</u>

The effective tax rate on the Group's profit for current quarter and financial period ended 31 January 2012 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 other corporate proposals announced but not completed as at the date of this announcement.

B7 The Group's borrowings as at 31 January 2012 were as follows:

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

B8 There is no pending material litigation since the last annual reporting date up to the date of this announcement.

- B9 The Board has declared a third interim single tier exempt dividend of 6 sen per share (previous year corresponding quarter ended 31 January 2011 : third interim single tier exempt dividend of 6 sen per share) in respect of the financial year ending 30 April 2012 and payable on 27 April 2012. The entitlement date has been fixed on 12 April 2012.

The first interim single tier exempt dividend of 8 sen per share was paid on 18 October 2011, the second interim single tier exempt dividend of 8 sen per share was paid on 18 January 2012. This will bring the total dividend distribution per share in respect of the financial period ended 31 January 2012 to 22 sen single tier exempt dividend (previous year corresponding financial period ended 31 January 2011 : 18 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 20 March 2012 of 1.328 billion, the third interim dividend distribution for the financial year ending 30 April 2012 amounts to approximately RM79.7 million. This will bring the total dividend distribution for the financial period ended 31 January 2012 to approximately RM293.4 million **representing about 94.5% of the attributable profit of the Group** for the financial period ended 31 January 2012.

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 12 April 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.

- B10 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>	
	31-1-12	31-1-11
Profit attributable to equity holders of the Company (RM'000)	112,740	114,875
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	1,335,060	1,337,500
Basic earnings per share (sen)	8.44	8.59
	<u>Group (9-month period)</u>	
	31-1-12	31-1-11
Profit attributable to equity holders of the Company (RM'000)	310,517	243,913
Weighted average number of ordinary shares in issue and fully paid with voting rights ('000)	1,336,687	1,337,500
Basic earnings per share (sen)	23.23	18.24

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

B11 Profit before tax is stated after charging/(crediting):

	Current quarter RM'000	Financial period ended 31 January 2012 RM'000
Interest income	(3,478)	(10,354)
Dividend income included in investment related income	(28)	(28)
Other income excluding dividend and interest income	(1,499)	(9,178)
Depreciation of property, plant and equipment	5,902	17,771
Impairment in value of available-for-sale quoted and unquoted investments	1,172	1,599
Foreign exchange (gain)/loss	(488)	(560)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investment or properties	-	-
Gain or loss on derivatives	-	-
	<u>          </u>	<u>          </u>

B12 Realised and unrealised earnings of the Group is analysed as follows:

	As at 31-1-12 RM'000	As at 30-04-11 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	595,591	531,729
- unrealised	38,069	28,700
	<u>633,660</u>	<u>560,429</u>
Less: Consolidation adjustments	(235,142)	(218,583)
Total group retained earnings as per consolidated accounts	<u>398,518</u>	<u>341,846</u>

cc: Securities Commission