

BETTING DIVISION FISCAL REPORT APRIL 2007 – MARCH 2008

Introduction

This report provides information on the performance of the betting industry for the fiscal year 2007 – 2008. The industry is comprised of the racing promoter, Caymanas Track Limited (CTL) and eleven bookmakers. Olympic Sports Data Services Limited which facilitates internet wagering, out of the Montego Bay Free Zone did not impact the sales performance of the industry owing to their tax-free status.

The Betting Industry

Revenue generated by the industry was derived from horseracing promoted locally by CTL and conducted at Caymanas Park, the island's sole horse racing facility. Additional revenue was also derived from CTL and the five bookmakers that accepted bets on overseas horse races transmitted from the United States, the United Kingdom, Australia and South Africa and broadcast island wide via satellite feed. Additionally, two bookmakers, Track Price Plus Limited and Markham Betting Company Limited accepted bets on other sporting events.

CTL accepted bets through its network of approximately 70 off track betting (OTB) parlours located island wide, while at the same time bookmakers operated from a network of 384 betting offices across the island. The review period saw betting being conducted on eighty local race meets by bookmakers and the promoter and 305 days of simulcast races by the promoter and 52 weeks of wagering on overseas races by bookmakers. Such operations resulted in an 11% growth of the industry as sales progressed from \$6.3B in year ended March 2007 to \$7.3B over the period under review.

Table 1 provides details of the promoter's sales performance for the fiscal years April 2004 to March 2008. The review period saw sales of \$4.7B being generated by the licensee, some 20% in excess of the previous year's total of \$3.9B. The total wagered was made up of \$2.8B from sales on local races and \$1.9B from sales on simulcast races. Wagering on local races produced

the larger increase of 26%, moving from \$2.2B in fiscal year 2007 to \$2.8B over the review period. At the same time, wagering on simulcast races was \$1.9B for the review period, an increase of 12% when compared to the previous year's total of \$1.7B. It should however be noted that in the case of simulcast races, there were 305 race days for the review period, as against 311 the previous year and for local races there were 80 race days over the review period and 83 over the corresponding period of the previous year.

TABLE 1
SUMMARY OF RACING PROMOTER SALES
FISCAL YEARS APRIL 2004 - MARCH 2008

	Y/E MAR. 2004	Y/E MAR. 2005	% CHANGE	Y/E MAR. 2006	% CHANGE	Y/E MAR. 2007	% CHANGE	Y/E MAR. 2008	% CHANGE
RACING PROMOTER									
LOCAL	1,577,737,094	1,650,283,220	4.60%	1,857,268,886	12.54%	2,249,918,963	21.14%	2,834,021,621	25.96%
NO. OF RACE DAYS	87	79		81		83		80	
AVG. SALES	18,134,909	20,889,661	15.19%	22,929,246	9.76%	27,107,457	18.22%	35,425,270	30.68%
SIMULCAST	1,268,041,907	1,372,068,222	8.20%	1,500,234,981	9.34%	1,689,315,026	12.60%	1,888,791,938	11.81%
NO. OF RACE DAYS	312	305		307		311		305	
AVG. SALES	4,064,237	4,498,584	10.69%	4,886,759	8.63%	5,431,881	11.16%	6,192,760	14.01%
RACING POOLS	2,282,123	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NO. OF POOLS MEET	12								
AVG. SALES	190,177		-100.00%						
TOTAL	2,848,061,124	3,022,351,442	6.12%	3,357,503,867	11.09%	3,939,233,989	17.33%	4,722,813,559	19.89%

Table 2 provides information on bookmakers' sales performance over the five-year period April 2004 to March 2008. The period under review saw bookmakers recording a 12% increase in sales when compared to the previous year. Sales for the period ended March 2007 were just over \$2.3B, while for the review period it had progressed to just over \$2.6B. The increase for local races was 15%, moving from just over \$1.4B in the fiscal year ended March 2007 to \$1.6B over the review period. On the other hand, sales on overseas races showed a moderate increase of 8% moving from just over \$928M in the period ended March 2007 to \$1B for the review period. The review period also saw sales on other sporting events declining from \$37M over fiscal year 2007 to \$33M over the review period, a 10% decrease. This may be attributed to the betting public being less enthused to wager on World Cup Cricket over the review period as against World Cup Football the previous year.

Table 2 also provides a comparison between the sales generated by bookmakers and that generated by the promoter. It shows that the pattern established over the previous four years was

maintained over the review period as the promoter continued to out-perform bookmakers in terms of the sales generated.

TABLE 2
SUMMARY OF BOOKMAKERS' SALES
FISCAL YEARS APRIL 2004 - MARCH 2008

	Y/E MAR. 2004	Y/E MAR. 2005	% CHANGE	Y/E MAR. 2006	% CHANGE	Y/E MAR. 2007	% CHANGE	Y/E MAR. 2008	% CHANGE
BOOKMAKERS									
LOCAL	1,052,845,954	1,101,561,570	4.63%	1,130,357,811	2.61%	1,383,721,642	22.41%	1,592,845,909	15.11%
NO. OF RACE DAYS	87	79		81		83		80	
AVG. SALES	12,101,678	13,943,817	15.22%	13,955,035	0.08%	16,671,345	19.46%	19,910,574	19.43%
OVERSEAS	750,218,280	791,197,018	5.46%	837,269,958	5.82%	928,165,234	10.86%	999,972,551	7.74%
NO. OF RACE WEEKS	52	52		52		52		52	
AVG. SALES	14,427,275	15,215,327	5.46%	16,101,345	5.82%	17,849,331	10.86%	19,230,241	7.74%
OTHER EVENTS	9,265,669	11,566,048		9,245,109		36,549,055		32,971,694	-9.79%
TOTAL FOR OVERSEAS	759,483,949	802,763,066	5.70%	846,515,067	5.45%	964,714,289	13.96%	1,032,944,245	7.07%
TOTAL FOR BOOKMAKERS	1,812,329,903	1,904,324,636	5.08%	1,976,872,878	3.81%	2,348,435,931	18.80%	2,625,790,154	11.81%
TOTAL FOR RACING PROMOTER	2,848,061,124	3,022,351,442	6.12%	3,357,503,867	-9.98%	3,939,233,989	17.33%	4,722,813,559	19.89%
INDUSTRY TOTAL	4,660,391,027	4,926,676,078	5.71%	5,334,376,745	8.28%	6,287,669,920	17.87%	7,348,603,713	16.87%

Figure 1 provides a graphic overview of the performance of the promoter and bookmakers over the five-year period 2004 – 2008. In both local and overseas races, sales by the promoter was in excess of that reported by bookmakers.

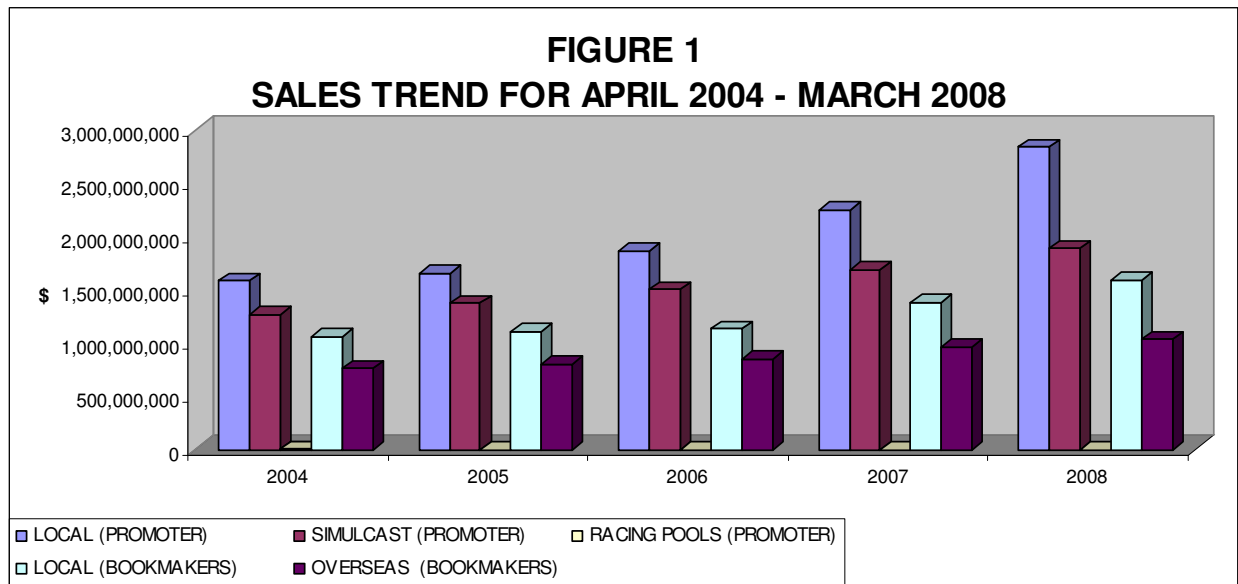


Figure 2 also highlights the promoter’s dominance with respect to sales generated within the industry. The promoter was responsible for 64% of the total sales generated within the industry,

while bookmakers were responsible for the remaining 36%. It should however, be noted that included in the sales generated by bookmakers was the amount wagered on other sporting events.

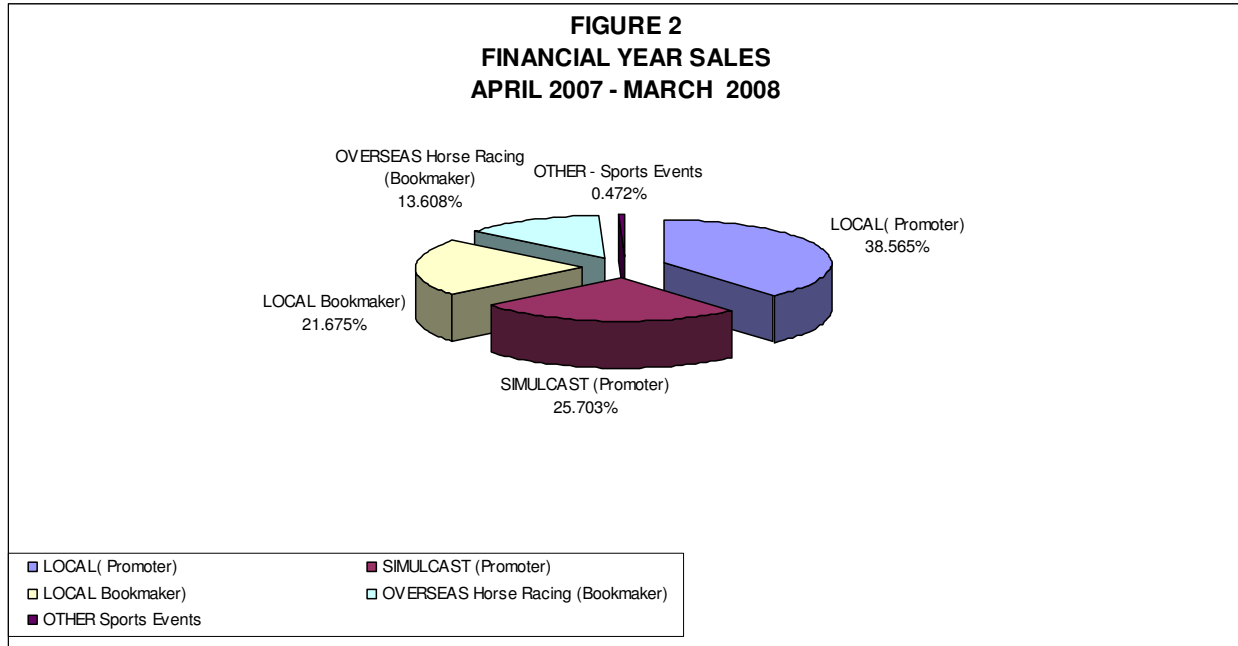


Table 3 provides information on the performance of individual bookmakers over the fiscal year 2007 – 2008. Track Price Plus Limited with 62 betting offices that accepted bets on local races, and with 52 of such offices also accepting bets on overseas races reported sales of over \$882M to remain the leading bookmaker in the country in terms of sales generated. Champion Betting Company Limited also enjoyed a relatively good year with total sales of \$595M, with 49 betting offices accepting bets on local races and 32 of such offices also accepting bets on overseas races.

The total sales generated by Track Price Plus Limited was 34% of the \$2.6B reported by all ten bookmakers for the review period, while the total reported by Champion Betting Company Limited was 23% of the total. It should therefore be noted that such bookmakers were responsible for 57% of the total sales generated by bookmakers. The dominance of the two is even more pronounced with respect to sales on overseas races as they were responsible for \$702M from 84 of the 143 betting offices that accepted bets on this betting mode, or 70% of the \$1B recorded by such licensees. Sales on local races totalled just over \$1.5B and of this total, Track Price Plus Limited was responsible for \$459M or 29.% and Champion Betting Company

Limited \$316M or 20.%. At the other end of the spectrum Big ‘A’ Track 2003 Limited, the smallest bookmaker in terms of sales generated, reported sales of \$44M or 3% of total sales on this betting mode.

A total of \$33M was wagered with the two bookmakers that accepted bets on other sporting events over the review period, with \$193K being wagered with Markham Betting Company and the remainder with Track Price Plus Limited.

**TABLE 3
BOOKMAKERS SALES LOCAL & OVERSEAS
FISCAL YEAR APRIL 2007 - MARCH 2008**

BOOKMAKERS	LOCAL RACING		OVERSEAS RACING	
	SALES \$	NO. OF BETTING OFFICES OPERATED	SALES \$	NO. OF BETTING OFFICES OPERATED
BIG "A" TRACK 2003 LIMITED	44,065,322	25	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	163,753,330	44	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	127,040,253	19	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	316,150,395	49	279,309,603	32
CHARLES OFF BETTING LIMITED	46,414,961	32	N/A	N/A
IDEAL BETTING COMPANY LIMITED	79,144,456	27	79,321,480	18
MARKHAM BETTING COMPANY LIMITED	227,415,901	40	122,422,105	17
POST TO POST BETTING LIMITED	57,187,606	22	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	72,275,267	37	128,953,806	24
TRACK PRICE PLUS LIMITED	459,398,418	62	422,937,251	52
TOTAL	1,592,845,909	357	1,032,944,245	143

	horse racing	other events
Champion Betting	279,309,603	0
Markham Betting	122,228,230	193,875
Track Price Plus	390,159,432	32,777,819
	791,697,265	32,971,694

Table 4 provides a comparison between the sales reported by individual bookmakers over the review period and that of the previous year.

Track Price Plus Limited recorded the largest increase on local races of 27% moving from \$361M in fiscal year 2006 – 2007 to \$459M over the review period. On the converse Big ‘A’ Track 2003 Limited recorded a 12% decline as sales slipped from \$50M over the previous year

to \$44M for the period under review. The decline in sales by the bookmaker may be attributed to Capital Betting and Wagering Limited acquiring seven (7) of the company's betting offices which depleted its complement from 25 at the start of the review period to 18 by the end of the period. In total, there was a 15% increase in sales on this betting mode, progressing from just over \$1B in fiscal year 2006-2007 to \$1.6B during the period under review.

In the case of sales on overseas races, Summit Betting Company Limited recorded the largest increase of 18% moving from \$109M in fiscal year 2006 – 2007 to \$129M over the period under review. At the same time, there was only a marginal increase of less than 1% on the sales reported by Track Price Plus Limited. Total sales on this betting mode increased by 7% moving from \$965M in year ended March 2007 to \$1B over the period under review.

TABLE 4
BOOKMAKERS' COMPARATIVE SALES
FINANCIAL YEAR ENDED MARCH 2007 AND MARCH 2008

BOOKMAKERS	LOCAL 2007	LOCAL 2008	% CHANGE	OVERSEAS 2007	OVERSEAS 2008	% CHANGE
BIG 'A' TRACK (2003) LIMITED	50,348,171	44,065,322	-12.48%	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	143,995,817	163,753,330	13.72%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	125,832,014	127,040,253	0.96%	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	262,063,370	316,150,395	20.64%	245,089,707	279,309,603	13.96%
CHARLES OFF BETTING LIMITED	44,654,422	46,414,961	3.94%	N/A	N/A	
IDEAL BETTING COMPANY LIMITED	69,311,423	79,144,456	14.19%	74,803,459	79,321,480	6.04%
MARKHAM BETTING COMPANY LIMITED	215,064,566	227,415,901	5.74%	112,752,654	122,422,105	8.58%
POST TO POST BETTING LIMITED	49,738,556	57,187,606	14.98%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	61,603,014	72,275,267	17.32%	109,458,249	128,953,806	17.81%
TRACK PRICE PLUS LIMITED	361,110,289	459,398,419	27.22%	422,610,220	422,937,251	0.08%
TOTAL	1,383,721,642	1,592,845,909	15.11%	964,714,289	1,032,944,245	7.07%

sports events sales
Y/E 2007 Y/E 2008

Champion Betting	162,567	0
Markham Betting	54,995	193,875
Track Price Plus	36,331,493	32,777,819
TOTAL	36,549,055	32,971,694

Table 5 provides details on the payouts of individual bookmakers for the financial years 2007 and 2008 for both local and overseas races. Total payouts on local races for the review period were \$1B, a 27% increase on the \$857M of the corresponding period of the previous year. The largest percentage increase in payouts on this betting mode was recorded by Post to Post Betting

Company Limited, progressing from \$29M for fiscal year ended March 2007 to \$41M over the review period. On the converse, Big 'A' Track 2003 Limited recorded a 12% decline, moving from \$35M for the year ended March 2007 to \$30M over the review period.

With respect to payouts from sales on overseas races, a total of \$673M was paid out over the review period some 6% in excess of the \$637M over the corresponding period of the previous year. Summit Betting Company Limited recorded the largest increase in payouts on this betting mode of 17% over the review period, moving from \$71M over the corresponding period of the previous year to \$83M over the review period. At the same time, Track Price Plus Limited recorded a 3% decline moving from \$285M over the corresponding period of the previous year to \$276M over the review period.

Payouts on other sporting events over the review period totalled \$26M or 25% less than the \$34M recorded for the corresponding period of the previous year.

**TABLE 5
BOOKMAKERS' COMPARATIVE PAYOUTS
FISCAL YEAR ENDED MARCH 2007 AND MARCH 2008**

BOOKMAKERS	LOCAL 2007	LOCAL 2008	% CHANGE	OVERSEAS 2007	OVERSEAS 2008	% CHANGE
BIG 'A' TRACK (2003) LIMITED	34,529,590	30,487,383	-11.71%	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	90,979,831	113,204,511	24.43%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	74,413,294	85,740,404	15.22%	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	156,503,302	209,363,379	33.78%	157,957,070	183,529,977	16.19%
CHARLES OFF BETTING LIMITED	26,081,065	30,004,141	15.04%	N/A	N/A	N/A
IDEAL BETTING COMPANY LIMITED	42,443,876	51,834,900	22.13%	49,648,769	51,694,636	4.12%
MARKHAM BETTING COMPANY LIMITED	137,040,832	160,719,674	17.28%	73,578,183	79,207,246	7.65%
POST TO POST BETTING LIMITED	29,274,155	41,347,730	41.24%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	35,035,755	46,408,795	32.46%	70,725,176	82,724,215	16.97%
TRACK PRICE PLUS LIMITED	230,219,696	319,883,074	38.95%	285,329,965	276,056,295	-3.25%
TOTAL	856,521,396	1,088,993,992	27.14%	637,239,163	673,212,368	5.65%

**sports events payouts
Y/E 2007 Y/E 2008**

Champion Betting	127,763	0
Markham Betting	71,799	310,492
Track Price Plus	34,125,798	25,300,277
TOTAL	34,325,360	25,610,769

Table 6 provides information on the gross profit attained by individual bookmakers for both local and overseas races over the financial year 2007 – 2008. With total sales of \$2.6B and payouts of \$1.7B, bookmakers realized total gross profit of \$900M or 67% as a percentage of sales. This translated into gross profits as a percentage of sales of 33%.

Post to Post Betting Company Limited reported the largest payouts as a percentage of sales of 72% from sales of \$57M and payouts of \$41M while Summit Betting Company Limited with sales of \$201M and payouts of \$129M had the smallest at 64% of sales. Track Price Plus Limited recorded the largest gross profit of \$279M or 33% of sales while Post to Post Betting Limited recorded the smallest at \$16M or 28% of sales.

TABLE 6
INDIVIDUAL BOOKMAKERS GROSS PROFIT
FISCAL YEAR APRIL 2007 - MARCH 2008

BOOKMAKERS	SALES	PAYOUTS	PAYOUT AS A % OF SALES	GROSS PROFIT	GROSS PROFIT AS % OF SALES
BIG "A" TRACK 2003 LIMITED	44,065,322	30,487,383	69.19%	13,577,939	30.81%
CAPITAL BETTING & WAGERING LIMITE	163,753,330	113,204,511	69.13%	50,548,819	30.87%
CARIBBEAN TURF SERVICE LIMITED	127,040,253	85,740,404	67.49%	41,299,849	32.51%
CHAMPION BETTIG COMPANY LIMITED	595,459,998	392,893,356	65.98%	202,566,642	34.02%
CHARLES OFF BETTING LIMITED	46,414,961	30,004,141	64.64%	16,410,820	35.36%
IDEAL BETTING COMPANY LIMITED	158,465,936	103,529,536	65.33%	54,936,400	34.67%
MARKHAM BETTING COMPANY LIMITED	349,644,131	239,616,426	68.53%	110,027,705	31.47%
POST TO POST BETTING LIMITED	57,187,606	41,347,730	72.30%	15,839,876	27.70%
SUMMIT BETTING COMPANY LIMITED	201,229,073	129,133,010	64.17%	72,096,063	35.83%
TRACK PRICE PLUS LIMITED	849,557,851	570,639,092	67.17%	278,918,759	32.83%
TOTAL	2,592,818,461	1,736,595,589	66.98%	856,222,872	33.02%

	SALES horse racing	SALES other events	PAYOUTS horse racing	PAYOUTS other events
Champion Betting	279,309,603	0	183,529,977	0
Markham Betting	122,228,230	193,875	78,896,754	310,492
Track Price Plus	390,159,432	32,777,819	250,756,018	25,300,277
	791,697,265	32,971,694	513,182,749	25,610,769

Information on the average sales, payouts and gross profit of individual bookmakers for the period under review are shown at **Table 7**. In total bookmakers recorded average gross profit per betting office of \$2M from average sales and payouts of \$7M and \$5M respectively. Track Price Plus Limited reported the largest average gross profit per betting office of \$5M from

average sales and payouts of \$14M and \$9M, respectively. On the other hand, Charles Off Betting Limited reported the smallest average gross profit per betting office of \$513K from average sales of \$1M and \$937K, respectively.

Table 7
Individual Bookmakers' Average Sales, Payouts & Gross Profit
Fiscal Year April 2007 – March 2008

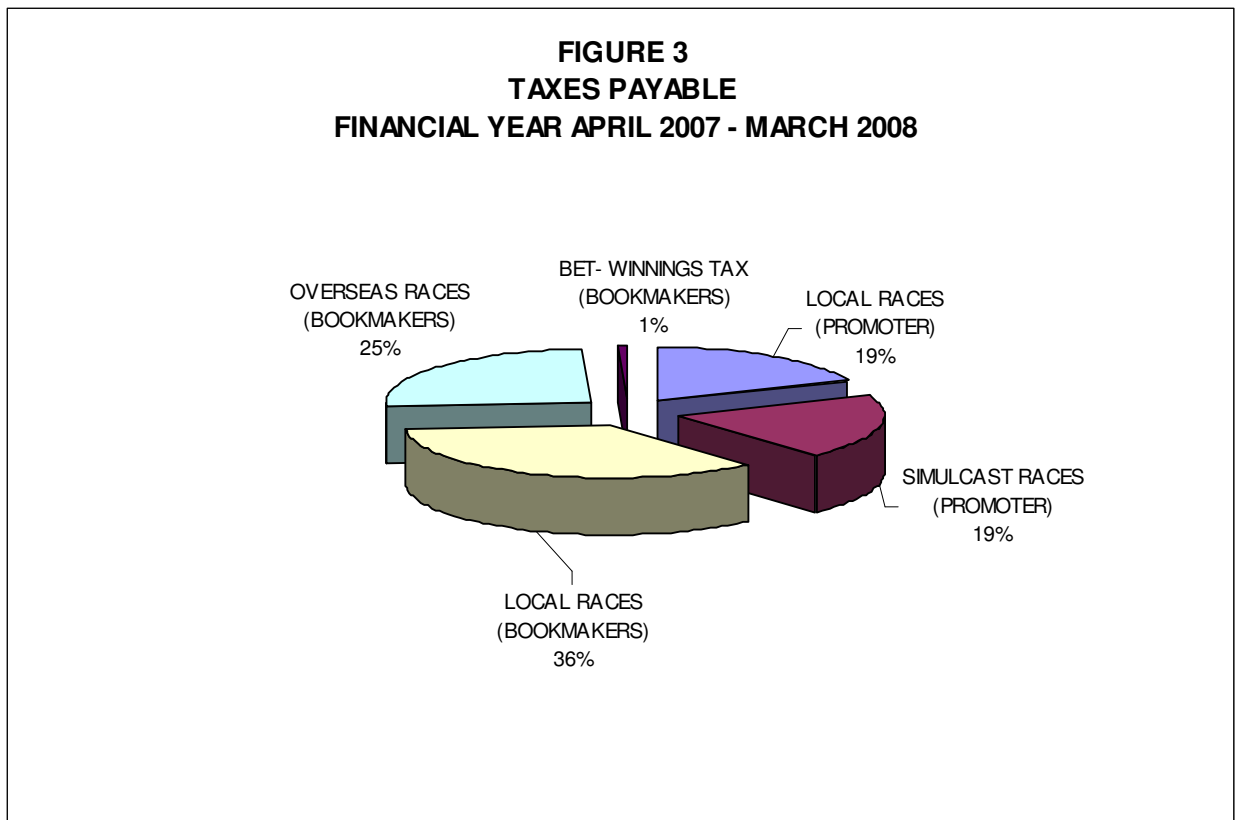
BOOKMAKERS	BETTING OFFICES	TOTAL SALES	AVERAGE SALES	TOTAL PAYOUTS	AVERAGE PAYOUTS	GROSS PROFIT	AVERAGE GROSS PROFIT
BIG "A" TRACK (2003) LIMITED	25	44,065,322	1,762,613	30,487,383	1,219,495	13,577,939	543,118
CAPITAL BETTING & WAGERING LIMITED	44	163,753,330	3,721,667	113,204,511	2,572,830	50,548,819	1,148,837
CARIBBEAN TURF SERVICE LIMITED	19	127,040,253	6,686,329	85,740,404	4,512,653	41,299,849	2,173,676
CHAMPION BETTING COMPANY LIMITED	49	595,459,998	12,152,245	392,893,356	8,018,232	202,566,642	4,134,013
CHARLES OFF BETTING LIMITED	32	46,414,961	1,450,468	30,004,141	937,629	16,410,820	512,838
IDEAL BETTING COMPANY LIMITED	27	158,465,936	5,869,109	103,529,536	3,834,427	54,936,400	2,034,681
MARKHAM BETTING COMPANY LIMITED	40	349,644,131	8,741,103	239,616,426	5,990,411	110,027,705	2,750,693
POST TO POST BETTING LIMITED	22	57,187,606	2,599,437	41,347,730	1,879,442	15,839,876	719,994
SUMMIT BETTING COMPANY LIMITED	37	201,229,073	5,438,624	129,133,010	3,490,081	72,096,063	1,948,542
TRACK PRICE PLUS LIMITED	62	849,557,851	13,702,546	570,639,092	9,203,856	278,918,759	4,498,690
TOTAL	357	2,592,818,461	7,262,797	1,736,595,589	4,864,413	856,222,872	2,398,383

Table 8 provides information on taxes, duties and levies payable and paid for the fiscal year 2007 – 2008. The industry paid \$287M or 92% of the \$312M payable and of this total, bookmakers paid \$210M or 8% in excess of the \$193M payable as outstanding amounts from sales on local races from the previous year were liquidated over the review period. The total paid was made up of \$144M from sales on local races and \$66M from sales on overseas races. In contrast, the promoter paid just over \$77M of the \$120M payable. This total was made up of \$44M from sales on local races and \$33M from sales on overseas races. It should be noted that there were no payments by bookmakers from sales on local races with respect to the 9% GPT, 3% BGLC contribution and the 11% Jamaica Racing Commission (JRC) contribution as bookmakers continued to pay at 16.5% GPT and 1% of sales contrary to the Ministerial Order of August 2007.

With respect to overseas races for the period April 2007 to September 2007, bookmakers failed to submit receipts attesting to payments of the 1% contribution to JRC. There was also no evidence of payments of the 9% GPT, the 3% contribution to this Commission and the 11% contribution to the JRC from this betting mode for the period September 12, 2007 to March 29,

2008. It should also be noted that for the period April 7, 2007 to August 29, 2007, the promoter failed to submit evidence attesting to the payment of 1% contribution payable to this Commission and to the Benevolent Fund from sales on local races. In the case of Simulcast racing there was no evidence of the payment of the 1% contribution to this Commission, the JRC and the Benevolent Fund for the period April 7, 2007 to August 29, 2007.

Figure 3 compliments **Table 8** and shows taxes, duties and levies payable by the racing promoter and bookmakers over the review period. The promoter was responsible for 38% of payable, while bookmakers were responsible for the remaining 62%.



**TABLE 8
LEVIES & DUTIES PAYABLE AND PAID
FISCAL YEAR APRIL 2007 - MARCH 2008**

BETTING MODE	TAXES, DUTIES & LEVIES	PAYABLE	PAID
<u>BOOKMAKERS</u>			
<i>LOCAL RACING</i>	16.5% GROSS PROFIT TAX (Apr.07,07-Sept.08,07)	34,084,794	113,109,015
	1% CONTRIBUTION TO BGLC (Apr. 07,07-Sept.08,07)	6,122,001	15,229,567
	1% CONTRIBUTION TO JRC (Apr.07,07-Sept.08,07)	6,122,001	15,230,154
	9% GROSS PROFIT TAX (Sept.12,07-Mar. 29,08)	26,754,967	0
	3% CONTRIBUTION TO BGLC (Sept. 12,07-Mar. 29,08)	8,918,322	0
	11% CONTRIBUTION TO JRC (Sept. 12,07-Mar. 29,08)	28,625,103	0
	\$80 SPECIFIC LEVY	64,000	63,560
	TOTAL	110,691,188	143,632,296
<i>OVERSEAS RACING</i>	16.5% GROSS PROFIT TAX (Apr.07,07-Sept.08,07)	26,878,718	55,611,027
	10% BET-WINNINGS TAX (Apr 7,07-Mar 29,08)	2,561,077	752,528
	1% CONTRIBUTION TO BGLC (Apr. 07,07-Sept.08,07)	4,473,097	9,489,717
	1% CONTRIBUTION TO JRC (Apr.07,07-Sept.08,07)	4,473,097	0
	9% GROSS PROFIT TAX (Sept.12,07-Mar. 29,08)	17,052,267	0
	3% CONTRIBUTION TO BGLC (Sept. 12,07-Marc. 29,08)	5,684,089	0
	11% CONTRIBUTION TO JRC (Sept. 12,07-Marc. 29,08)	20,841,660	0
	TOTAL	81,964,005	65,853,272
	TOTAL FOR BOOKMAKERS	192,655,193	209,485,568
<u>RACING PROMOTER</u>			
<i>LOCAL RACING</i>	5% GROSS PROFIT TAX (Apr.07,07-August 29,07)	14,731,106	18,264,108
	1% CONTRIBUTION TO BGLC (Apr.07,07-August 29,07)	9,386,273	0
	1% CONTRIBUTION TO JRC (Apr.07,07-August 29,07)	9,386,273	13,000,000
	2% GROSS PROFIT TAX (Sept.1,07- Mar. 31,08)	4,346,109	3,553,094
	1% CONTRIBUTION TO BGLC (Sept.1,07-Mar.31,08)	2,173,054	1,776,546
	4.5% CONTRIBUTION TO JRC (Sept. 1,07-Mar. 31,08)	9,788,747	8,004,462
	1%CONTRIBUTION TO BENEVOLENT FUND (Apr.07,07-August 29,07)	9,386,273	0
	TOTAL	59,197,835	44,598,210
<i>SIMULCAST RACING</i>	5% GROSS PROFIT TAX (Apr.07,07-August 29,07)	12,052,927	12,300,128
	1% CONTRIBUTION TO BGLC (Apr.07,07-August 29,07)	8,149,109	0
	1% CONTRIBUTION TO JRC (Apr.07,07-August 29,07)	8,149,109	0
	1%CONTRIBUTION TO BENEVOLENT FUND (Apr.07,07-August 29,07)	8,149,109	0
	2% GROSS PROFIT TAX (Sept.1,07- Mar. 31,08)	6,352,404	5,436,195
	1% CONTRIBUTION TO BGLC (Sept.1,07-Mar.31,08)	3,176,196	2,718,092
	4.5% CONTRIBUTION TO JRC (Sept. 1,07-Mar. 31,08)	14,292,895	12,231,425
	TOTAL	60,321,749	32,685,840
	TOTAL FOR RACING PROMOTER	119,519,584	77,284,050
	TOTAL FOR INDUSTRY	312,174,777	286,769,618

Conclusion

The review period proved to be somewhat challenging for the industry as the effects of hurricane Dean on the racing plant at Caymanas Park, the company's Off Track Betting parlours and betting offices operated by bookmakers located island wide resulted in a loss of sales on both local and overseas races.

Notwithstanding, such difficulties there was however a 17% increase in sales over the review period. This was in line with the inflation rate over the review period indicating that in real

terms the sales were flat across the industry. It is therefore hoped that the long awaited amendments to the Act now imminent there will be a significant increase in sales and gross profits to facilitate enhanced revenue to government coffers and the two Commissions.

BETTING DIVISION QUARTERLY REPORT
JANUARY – MARCH 2008

Introduction

The review period saw an 8% increase in sales, a disappointing performance when compared to the corresponding quarter of the previous year during which a 19% increase was recorded. In total, industry sales progressed from \$1.7B in the March quarter of 2007 to \$1.8B over the review period, an increase of 8%.

Racing Promoter

The period under review saw the promoter accepting bets on 20 local race meets and 77 days of simulcast races. The sales performance over the review period was flat, as only a 3% increase was recorded. **Table 9** shows that over the review period total sales by the licensee were \$1.1B. Such sales were made up of \$637M from sales on local races and \$450M from sales on simulcast races. Sales on local races increased from \$585M for the March quarter of the previous year, while that on simulcast races decreased from \$472M in the corresponding quarter of 2007.

TABLE 9
SUMMARY OF RACING PROMOTER SALES
QUARTERS ENDED MARCH 2004 - 2008

	Q/E MAR. 2004	Q/E MAR. 2005	% CHANGE	Q/E MAR. 2006	% CHANGE	Q/E MAR. 2007	% CHANGE	Q/E MAR. 2008	% CHANGE
RACING PROMOTER									
LOCAL RACING	370,031,757	442,620,377	19.62%	445,022,954	0.54%	584,576,500	31.36%	637,230,808	9.01%
NO. OF RACE DAYS	19	18		19		20		20	
AVG. SALES	19,475,356	24,590,021	26.26%	23,422,261	-4.75%	29,228,825	24.79%	31,861,540	9.01%
SIMULCAST RACING	361,641,965	384,306,427	6.27%	449,653,180	17.00%	472,399,529	5.06%	450,034,945	-4.73%
NO. OF RACE DAYS	78	76		77		77		77	
AVG. SALES	4,636,435	5,056,664	9.06%	5,839,652	15.48%	6,135,059	5.06%	5,844,610	-4.73%
RACING POOLS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NO. OF POOLS MEET									
AVG. SALES	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	731,673,722	826,926,804	13.02%	894,676,134	8.19%	1,056,976,029	18.14%	1,087,265,753	2.87%

Bookmakers

Table 10 provides information on the sales generated by bookmakers over the review period. Unlike the promoter who recorded a marginal increase with respect to sales on local races and a decline in sales on simulcast races, bookmakers reported an overall increase of 17%, moving from \$603M in the March quarter of the previous year to \$704M over the review period. The increase was made up of 17% from sales on local races, moving from \$367M in the corresponding quarter of the previous year to \$431M over the review period. The performance with respect to sales on overseas races was even better moving from \$219M in the March quarter of the previous year to \$271M over the review period, a 24% increase. In contrast, however sales on other sporting events recorded a 87% decline, moving from \$17M for the March ended 2007 quarter to \$2M during the review period.

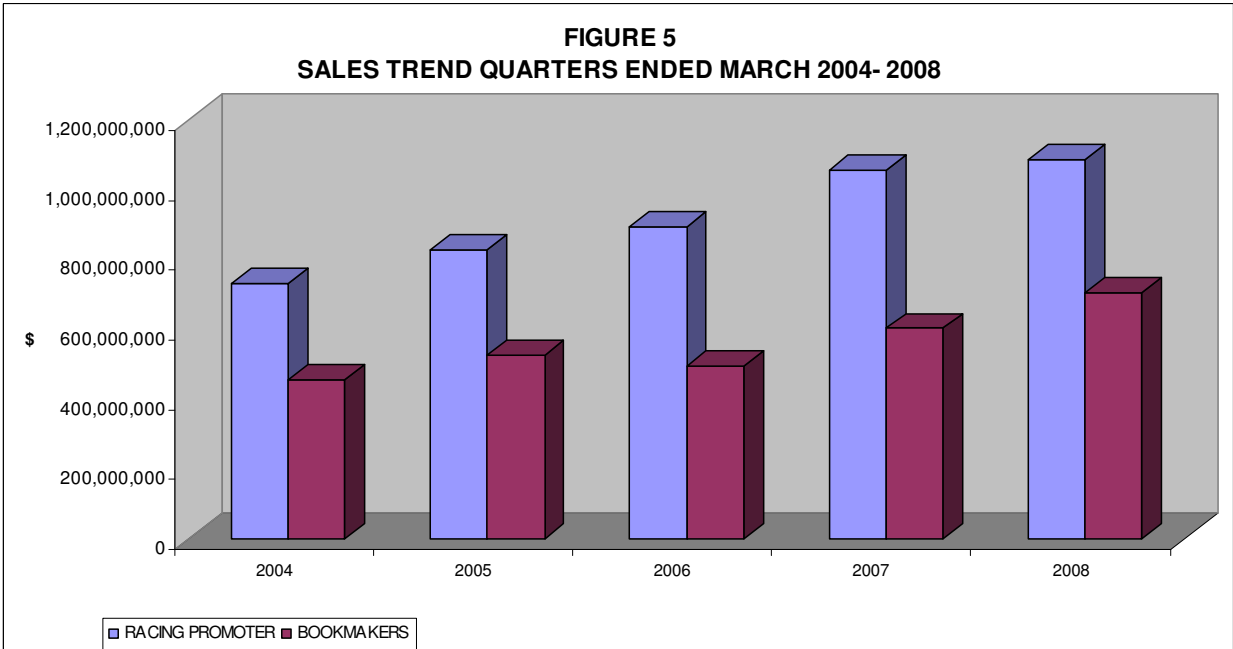
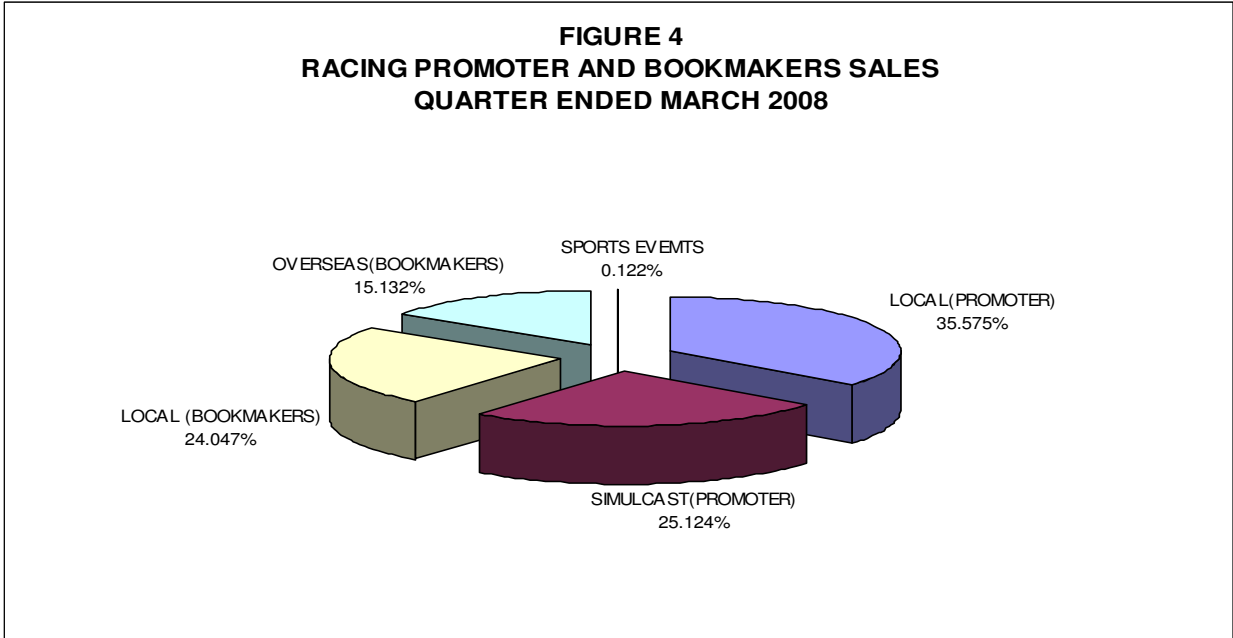
TABLE 10
SUMMARY OF BOOKMAKERS' SALES
QUARTERS ENDED MARCH 2004 - 2008

	Q/E MAR. 2004	Q/E MAR. 2005	% CHANGE	Q/E MAR. 2006	% CHANGE	Q/E MAR. 2007	% CHANGE	Q/E MAR. 2008	% CHANGE
BOOKMAKERS									
LOCAL RACING	253,990,017	302,585,650	19.13%	282,784,123	-6.54%	366,640,392	29.65%	430,732,663	17.48%
NO. RACE DAYS	19	18		19		20		20	
AVG. SALES	13,367,896	16,810,314	25.75%	14,883,375	-11.46%	18,332,020	23.17%	21,536,633	17.48%
OVERSEAS	197,693,800	219,368,240	10.96%	210,749,271	-3.93%	218,727,530	3.79%	271,055,921	23.92%
NO. OF RACE WEEKS	13	13		12		13		13	
AVG. SALES	15,207,215	16,874,480	10.96%	17,562,439	4.08%	16,825,195	-4.20%	20,850,455	23.92%
OTHER EVENTS	2,879,106	2,932,039		2,323,350		17,206,317		2,188,498	-87.28%
TOTAL FOR OVERSEAS	200,572,906	222,300,279	10.83%	213,072,621	-4.15%	235,933,847	10.73%	273,244,419	15.81%
TOTAL FOR BOOKMAKERS	454,562,923	524,885,929	15.47%	495,856,744	-5.53%	602,574,239	21.52%	703,977,082	16.83%
INDUSTRY TOTAL	1,186,236,645	1,351,812,733	13.96%	1,390,532,878	2.86%	1,659,550,268	19.35%	1,791,242,835	7.94%

The Industry

Additional information on the performance of the racing promoter and bookmakers are presented at **Figures 4 and 5**. The review period saw the promoter securing 61% of the sales generated within the industry, down some 3% on the corresponding quarter of the previous year. On the other hand, bookmakers were responsible for 39%, an increase of 3% on the performance of the corresponding quarter of the previous year.

Figure 5 also shows the performance of the industry for quarters ended March 2004 – 2008. The promoter’s dominance in terms of sales generated for all five quarters can clearly be seen.



Individual Bookmakers' Sales

The sales performance of individual bookmakers is shown at **Table 11** and **Figure 6**. Track Price Plus Limited operated a total of 63 betting offices, 52 of which sold both local and overseas races while 11 only accepted bets on sold local races, recorded total sales of \$209M and continues to be the largest bookmaker in terms of sales generated. It should also be noted that this bookmaker is 95% computerized. They were followed by Champion Betting Company Limited with total sales of \$169M from 48 betting offices with 32 having accepted bets on both local and overseas races and 16 accepting bets only on local races. In this case 83% of such betting offices were computerized. It should be noted that these two companies were responsible for \$378M or 54% of the \$704M in sales generated by the ten bookmakers. On the other hand, Big 'A' Track 2003 Limited with the transfer of seven (7) betting offices to Capital Betting and Wagering Limited, a sister company was the smallest bookmaker, both in terms of betting offices operated 20, for the quarter, and in terms of sales generated \$10M.

TABLE 11
BOOKMAKERS SALES LOCAL & OVERSEAS
QUARTER ENDED MARCH 2008

BOOKMAKERS	LOCAL RACING		OVERSEAS RACING	
	SALES \$	NO. OF BETTING OFFICES OPERATED	SALES \$	NO. OF BETTING OFFICES OPERATED
BIG "A" TRACK 2003 LIMITED	10,156,526	23	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	45,464,379	56	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	33,351,216	20	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	91,798,058	48	76,760,388	32
CHARLES OFF BETTING LIMITED	12,001,510	29	N/A	N/A
IDEAL BETTING COMPANY LIMITED	21,779,443	27	22,371,682	18
MARKHAM BETTING COMPANY LIMITED	69,806,358	42	37,484,871	26
POST TO POST BETTING LIMITED	15,919,657	22	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	19,830,100	38	38,950,307	24
TRACK PRICE PLUS LIMITED	110,625,416	63	97,677,171	52
TOTAL	430,732,663	368	273,244,419	152

Table 12 provides a comparison between the sales generated over the March ended quarters of 2007 and 2008 on both local and overseas races. Sales on local races saw Champion Betting

Company Limited recording the largest increase of 40%, progressing from \$66M for the March ended quarter of 2007 to \$92M over the period under review. On the converse, Big 'A' Track 2003 Limited recorded a 36% decrease in sales, dipping from the \$16M recorded for the March quarter of 2007, to \$10M over the review period. In total, there was a 17% increase for the quarter under review, when compared to the corresponding quarter of the previous year, as sales progressed from \$367M to \$431M.

Sales on overseas races from the five bookmakers that accepted bets on this betting mode recorded a 16% increase, progressing from \$236M in the March ended quarter of 2007 to \$273M over the review period. Summit Betting Company Limited recorded the largest increase over the the two periods in question as sales moved from \$27M in the March ended 2007 quarter to \$39M over the review period, a 46% increase. On the converse, Track Price Plus Limited recorded a decline of 10% as sales slipped from \$108M in the March ended quarter of 2007 to \$98M over the period under review.

**TABLE 12
BOOKMAKERS' COMPARATIVE SALES
QUARTER ENDED MARCH 2007 & 2008**

BOOKMAKERS	LOCAL 2007	LOCAL 2008	% CHANGE	OVERSEAS 2007	OVERSEAS 2008	% CHANGE
BIG 'A' TRACK (2003) LIMITED	15,884,625	10,156,526	-36.06%	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	38,947,422	45,464,379	16.73%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	32,866,357	33,351,216	1.48%	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	65,666,673	91,798,058	39.79%	57,046,667	76,760,388	34.56%
CHARLES OFF BETTING LIMITED	11,908,245	12,001,510	0.78%	N/A	N/A	
IDEAL BETTING COMPANY LIMITED	16,753,104	21,779,443	30.00%	18,759,146	22,371,682	19.26%
MARKHAM BETTING COMPANY LIMITED	52,845,910	69,806,358	32.09%	25,316,752	37,484,871	48.06%
POST TO POST BETTING LIMITED	12,719,091	15,919,657	25.16%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	15,077,758	19,830,100	31.52%	26,649,875	38,950,307	46.16%
TRACK PRICE PLUS LIMITED	103,971,206	110,625,416	6.40%	108,161,407	97,677,171	-9.69%
TOTAL	366,640,391	430,732,663	17.48%	235,933,847	273,244,419	15.81%

Industry Gross Profit

Information on the gross profit achieved by the promoter and bookmakers over the review period are listed at **Table 13**. The promoter realized gross profit of \$235M or 22% of sales. It should however be noted that this performance is inferior to that of the corresponding quarter of the previous year during which gross profit of \$337M or 32% of sales was realized. On the

other hand bookmakers had a better quarter and realized gross profits of \$238M or 34% of sales over the review period. This was marginally less than the 38% realized over the corresponding quarter of the previous year.

TABLE 13
GROSS PROFIT
QUARTERS ENDED MARCH 2004 - 2008

	Q/E MAR. 2004	Q/E MAR. 2005	Q/E MAR. 2006	Q/E MAR. 2007	Q/E MAR. 2008
<u>RACING PROMOTER</u>					
SALES	731,673,722	826,926,804	894,676,134	1,056,976,029	1,087,265,753
PAYOUTS	497,958,656	570,464,109	611,194,377	719,650,945	851,815,449
GROSS PROFIT	233,715,066	256,462,695	283,481,757	337,325,084	235,450,304
GROSS PROFIT AS % OF SALES	31.94%	31.01%	31.69%	31.91%	21.66%
<u>BOOKMAKERS</u>					
SALES	454,588,820	524,885,929	495,856,744	585,367,922	701,788,584
PAYOUTS	284,558,581	357,669,347	314,089,719	365,233,214	463,368,088
GROSS PROFIT	170,030,239	167,216,582	181,767,025	220,134,708	238,420,496
GROSS PROFIT AS % OF SALES	37.40%	31.86%	36.66%	37.61%	33.97%

The gross profit achieved by each bookmaker is shown at **Table 14**. As was the case in the corresponding quarter of the previous year, Charles Off Betting Limited recorded the largest gross profit as a percentage of sales of 38% for the review period, from sales and payouts of \$12M and \$7M respectively. At the same time, the largest gross profits of \$71M was reported by Track Price Plus Limited from sales and payouts of \$206M and \$135M, respectively.

The largest payouts as a percentage of sales of 75% from sales of \$16M and payouts of \$12M was recorded by Post to Post Betting Company Limited. The payout percentages should be viewed against the average for bookmakers at 66% from total sales of \$702M and payouts of \$463M.

TABLE 14
INDIVIDUAL BOOKMAKERS GROSS PROFIT
QUARTER ENDED MARCH 2008

BOOKMAKERS	SALES	PAYOUTS	PAYOUTS AS A % OF SALES	GROSS PROFIT	GROSS PROFIT AS A % OF SALES
BIG "A" TRACK 2003 LIMITED	10,156,526	7,037,397	69.29%	3,119,129	30.71%
CAPITAL BETTING & WAGERING LIMITED	45,464,379	30,182,326	66.39%	15,282,053	33.61%
CARIBBEAN TURF SERVICE LIMITED	33,351,216	21,603,847	64.78%	11,747,369	35.22%
CHAMPION BETTING COMPANY LIMITED	168,558,446	109,157,793	64.76%	59,400,653	35.24%
CHARLES OFF BETTING LIMITED	12,001,510	7,383,776	61.52%	4,617,734	38.48%
IDEAL BETTING COMPANY LIMITED	44,151,125	28,517,324	64.59%	15,633,801	35.41%
MARKHAM BETTING COMPANY LIMITED	107,291,229	75,021,564	69.92%	32,269,665	30.08%
POST TO POST BETTING LIMITED	15,919,657	11,980,253	75.25%	3,939,404	24.75%
SUMMIT BETTING COMPANY LIMITED	58,780,407	37,163,932	63.23%	21,616,475	36.77%
TRACK PRICE PLUS LIMITED	206,114,089	135,319,876	65.65%	70,794,213	34.35%
TOTAL	701,788,584	463,368,088	66.03%	238,420,496	33.97%

Government Revenue

Table 15 provides information on the taxes and levies payable and paid by bookmakers and the racing promoter over the review period. In total \$58M or 79% of the \$73M payable was paid, while in the case of the promoter \$5M or 28% of the \$18M payable was paid.

It should be noted that bookmakers continue to flout the Ministerial Order of August 2007 with respect to the payment of 11% of Gross Profit from sales on overseas races to the Jamaica Racing Commission and for the review period there was no record of any payment being made. Notwithstanding such failure, bookmakers paid \$52M or 95% of the \$55M payable over the review period as they continue to be more responsive than the promoter in the payment of government imposts.

**TABLE 15
TAXES, DUTIES & LEVIES
PAYABLE AND PAID
QUARTER ENDED MARCH 2008**

BETTING MODE	TAXES, DUTIES & LEVIES	PAYABLE	PAID
BOOKMAKERS			
LOCAL RACING	9% GROSS PROFIT TAX	13,206,960	24,640,994
	3% CONTRIBUTION TO BGLC	4,402,320	4,723,739
	11% CONTRIBUTION TO JRC	16,141,841	4,724,325
	\$80 SPECIFIC LEVY	16,000	16,160
	TOTAL	33,767,121	34,105,218
OVERSEAS RACING	9% GROSS PROFIT TAX	8,250,884	14,792,227
	3% CONTRIBUTION TO BGLC	2,750,295	2,601,973
	11% CONTRIBUTION TO JRC	10,084,414	0
	10% BET-WINNINGS TAX	203,396	752,528
	TOTAL	21,288,989	18,146,728
TOTAL FOR BOOKMAKERS		55,056,110	52,251,946
RACING PROMOTER			
LOCAL RACING	2% GROSS PROFIT TAX	2,043,770	553,906
	1% CONTRIBUTION TO BGLC	1,021,885	276,953
	4.5% CONTRIBUTION TO JRC	4,598,483	1,246,289
	TOTAL	7,664,138	2,077,148
SIMULCAST RACING	2% GROSS PROFIT TAX	2,665,236	864,815
	1% CONTRIBUTION TO BGLC	1,332,618	432,408
	4.5% CONTRIBUTION TO JRC	5,966,781	1,945,835
	TOTAL	9,964,635	3,243,058
TOTAL FOR RACING PROMOTER		17,628,773	5,320,206
INDUSTRY TOTAL		72,684,883	57,572,152

First Instance Tribunal

There was no sitting of the First Instance Tribunal over the review period.

Staff Complement:

Director of Betting
Senior Inspector
Inspectors (5)
Audit Supervisor
Senior Audit Clerk
Audit Clerks (8)
Secretaries (2)

June 23, 2008