

## BETTING DIVISION REPORT QUARTER ENDED MARCH 2007

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### **Introduction**

The March ended quarter of 2007 saw the betting industry recording a significant increase in sales of 19.07% when compared to the corresponding quarter of 2006 as sales progressed from \$1.391B to \$1.656B over the review period.

### **Racing Promoter**

For the review period, the promoter conducted betting activities on 20 local race meets and 77 days of simulcast races. Total sales generated from such activities were \$1.057B or 18.14% in excess of the \$894.676M recorded for the corresponding period of the previous year.

**Table 10** provides information on the promoter's sales performance during the quarter under review. An examination of the betting modes utilized showed that sales on local races contributed significantly to the overall increase recorded for the review period. Sales on local races increased by 31.36% moving from \$445.023M for the March ended quarter of 2006 to \$584.577M for the review period. In contrast, sales on simulcast races produced a modest increase of 5.06% moving from \$449.653M in the March quarter of 2006 to \$472.400M during the period under review. The relatively small increase may be attributed to poor weather conditions in Great Britain and North America over the review period, the locations from which the majority of simulcast races are taken.

**TABLE 10**  
**SUMMARY OF RACING PROMOTER SALES**  
**QUARTERS ENDED MARCH 2003 - 2007**

	Q/E MAR. 2003	Q/E MAR. 2004	% CHANGE	Q/E MAR. 2005	% CHANGE	Q/E MAR. 2006	% CHANGE	Q/E MAR. 2007	% CHANGE
<b>RACING PROMOTER</b>									
<b>LOCAL RACING</b>	<b>424,851,643</b>	<b>370,031,757</b>	-12.90%	<b>442,620,377</b>	19.62%	<b>445,022,954</b>	0.54%	<b>584,576,500</b>	31.36%
NO. OF RACE DAYS	22	19		18		19		20	
AVG. SALES	19,311,438	19,475,356	0.85%	24,590,021	26.26%	23,422,261	-4.75%	29,228,825	24.79%
<b>SIMULCAST RACING</b>	<b>310,976,642</b>	<b>361,641,965</b>	16.29%	<b>384,306,427</b>	6.27%	<b>449,653,180</b>	17.00%	<b>472,399,529</b>	5.06%
NO. OF RACE DAYS	77	78		76		77		77	
AVG. SALES	4,038,658	4,636,435	14.80%	5,056,664	9.06%	5,839,652	15.48%	6,135,059	5.06%
<b>RACING POOLS</b>	<b>4,419,775</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
NO. OF POOLS MEET	13								
AVG. SALES	339,983	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>TOTAL</b>	<b>740,248,060</b>	<b>731,673,722</b>	-1.16%	<b>826,926,804</b>	13.02%	<b>894,676,134</b>	8.19%	<b>1,056,976,029</b>	18.14%

## Bookmakers

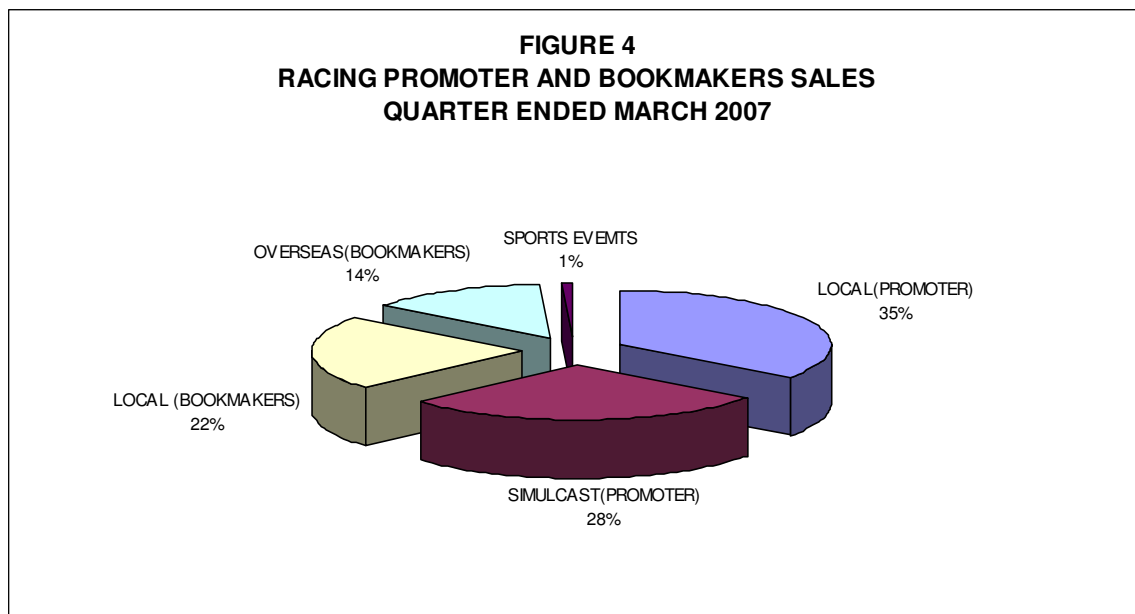
The sales performance of bookmakers also produced similar results over the review period as that of the promoter for the period under review. **Table 11** shows that overall sales were \$602.210M for the period under review or 21.45% in excess of the \$495.857M generated during the corresponding quarter of the previous year. Sales on local races increased by 29.65% moving from \$282.784M for the final fiscal quarter of 2006 to \$366.640M for the review period. Combined sales on overseas races and other sporting events were \$235.570M, an increase of 10.56% when compared with the \$213.073M generated during the corresponding period of 2006. It should be noted however that sales on other sporting events of \$16.842M was an increase of 624.91% when compared with the \$2.323M generated during the same period of the previous year.

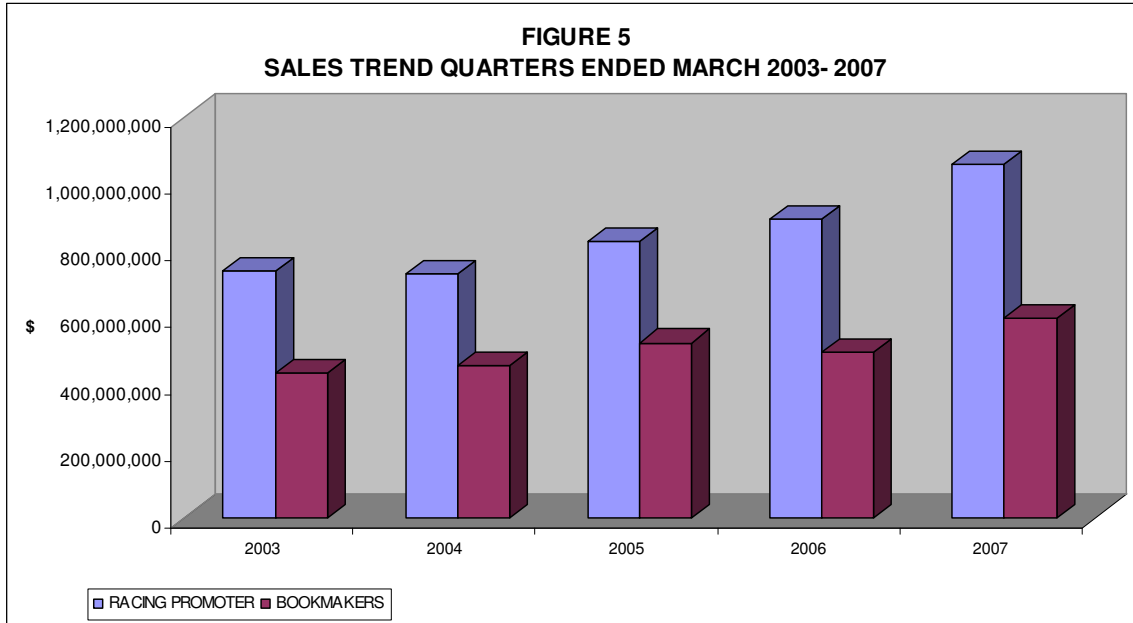
**TABLE 11**  
**SUMMARY OF BOOKMAKERS' SALES**  
**QUARTERS ENDED MARCH 2003 - 2007**

	Q/E MAR. 2003	Q/E MAR. 2004	% CHANGE	Q/E MAR. 2005	% CHANGE	Q/E MAR. 2006	% CHANGE	Q/E MAR. 2007	% CHANGE
<b>BOOKMAKERS</b>									
<b>LOCAL RACING</b>	<b>263,183,994</b>	<b>253,990,017</b>	-3.49%	<b>302,585,650</b>	19.13%	<b>282,784,123</b>	-6.54%	<b>366,640,392</b>	29.65%
NO. RACE DAYS	22	19		18		19		20	
AVG. SALES	11,962,909	13,367,896	11.74%	16,810,314	25.75%	14,883,375	-11.46%	18,332,020	23.17%
<b>OVERSEAS</b>	<b>169,454,784</b>	<b>197,693,800</b>	16.66%	<b>219,368,240</b>	10.96%	<b>210,749,271</b>	-3.93%	<b>218,727,530</b>	3.79%
NO. OF RACE WEEKS	13	13		13		12		13	
AVG. SALES	13,034,983	15,207,215	16.66%	16,874,480	10.96%	17,562,439	4.08%	16,825,195	-4.20%
OTHER EVENTS	<b>1,610,050</b>	<b>2,879,106</b>		<b>2,932,039</b>		<b>2,323,350</b>		<b>16,842,196</b>	624.91%
<b>TOTAL FOR OVERSEAS</b>	<b>171,064,834</b>	<b>200,572,906</b>	17.25%	<b>222,300,279</b>	10.83%	<b>213,072,621</b>	-4.15%	<b>235,569,726</b>	10.56%
<b>TOTAL FOR BOOKMAKERS</b>	<b>434,248,828</b>	<b>454,562,923</b>	4.68%	<b>524,885,929</b>	15.47%	<b>495,856,744</b>	-5.53%	<b>602,210,118</b>	21.45%
<b>INDUSTRY TOTAL</b>	<b>1,174,496,888</b>	<b>1,186,236,645</b>	1.00%	<b>1,351,812,733</b>	13.96%	<b>1,390,532,878</b>	2.86%	<b>1,659,186,147</b>	19.32%

## The Industry

Further details of the performance of the racing promoter and bookmakers are presented at **Figures 4 and 5**. For the review period, the promoter secured 64% of sales generated within the industry, while bookmakers were responsible for the remaining 36%. **Figure 5** also shows the performance of the industry for quarters ended March 2003 – 2007 and further highlights the promoter's dominance in terms of sales generated. Of significance is the fact that sales surpassed the \$1B mark over the review period, the first time this was achieved for any March ended quarter over the five years 2003 – 2007.





### **Individual Bookmakers' Sales**

The sales performance of individual bookmakers is presented at **Table 12** and **Figure 6**. Track Price Plus Limited who operated 61 betting offices islandwide reported total sales of \$211.768M for the review period was the premier bookmaking entity for the quarter. Charles Off Betting Limited with a complement of 35 betting offices reported the lowest sales of \$11.908M.

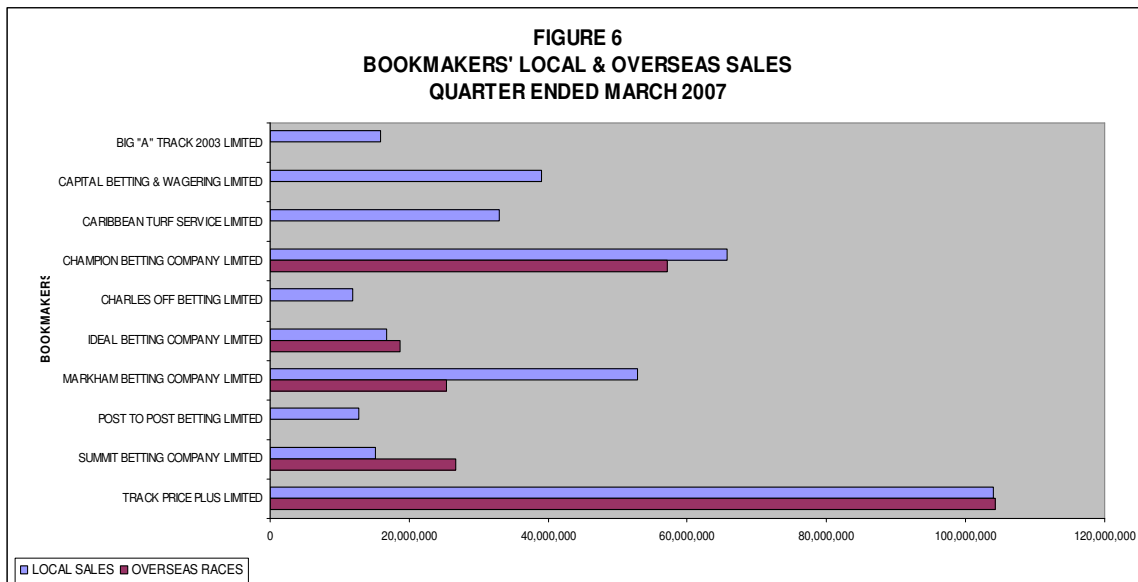
Track Price Plus Limited along with Champion Betting Company Limited that operated 49 betting offices and reported sales of \$122.714M for the review period were responsible for \$334.482M or 55.54% of total sales generated by bookmakers.

**TABLE 12**  
**BOOKMAKERS SALES LOCAL & OVERSEAS**  
**QUARTER ENDED MARCH 2007**

BOOKMAKERS	LOCAL RACING		OVERSEAS RACING	
	SALES \$	NO. OF BETTING OFFICES OPERATED	SALES \$	NO. OF BETTING OFFICES OPERATED
BIG "A" TRACK 2003 LIMITED	15,884,625	25	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	38,947,422	44	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	32,866,357	19	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	65,666,673	49	57,046,667	31
CHARLES OFF BETTING LIMITED	11,908,245	35	N/A	N/A
IDEAL BETTING COMPANY LIMITED	16,753,104	26	18,759,146	15
MARKHAM BETTING COMPANY LIMITED	52,845,910	40	25,316,752	21
POST TO POST BETTING LIMITED	12,719,091	23	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	15,077,758	37	26,649,875	25
TRACK PRICE PLUS LIMITED	103,971,207	61	107,797,286	52
<b>TOTAL</b>	<b>366,640,392</b>	<b>359</b>	<b>235,569,726</b>	<b>144</b>

**Sports Betting**

	SALES	PAYOUTS
<b>Champion Betting</b>	<b>1,250</b>	<b>2,720</b>
<b>Markham Betting</b>	<b>10,040</b>	<b>10,695</b>
<b>Track Price Plus</b>	<b>16,830,906</b>	<b>15,335,667</b>
	<b>16,842,196</b>	<b>15,359,123</b>



The comparative analysis of individual bookmakers' sales for the March ended quarters of 2006 and 2007 presented at **Table 13**, shows that Big 'A' Track 2003 Limited recorded the highest increase in sales on local races of 90.05% moving from \$8.358M for the March quarter of 2006 to \$15.885M for the period under review. The lowest increase was recorded by Summit Betting Company Limited with sales of \$15.078M, a 2.05% increase when compared with the \$14.775M reported for the corresponding quarter of the previous year.

Track Price Plus Limited recorded the most improved performance among bookmakers who accepted bets on overseas races and other sporting events. With reported sales of \$107.797M, the company recorded a 25.50% increase in excess of the \$85.892M achieved for the March ended quarter of the previous year. It should also be noted that \$16.831M or 15.60% of that total was wagered on other sporting events.

The only decline among the five bookmakers that accepted bets on overseas races was recorded by Summit Betting with sales of \$26.650M, a 5.29% decline when compared with the \$28.139M reported for the March quarter of 2006. Notwithstanding the decline, Summit Betting was one of only two bookmakers who recorded sales on overseas races in excess of the local product. The company's sales of \$26.650M on this bet type was 76.75% in excess of the \$15.078M recorded for local races, while Ideal Betting with reported sales on overseas races of \$18.759M was some 11.97% in excess the \$16.753M in sales reported on local races.

**TABLE 13  
BOOKMAKERS' COMPARATIVE SALES  
QUARTER ENDED MARCH 2006 & 2007**

<b>BOOKMAKERS</b>	<b>LOCAL 2006</b>	<b>LOCAL 2007</b>	<b>% CHANGE</b>	<b>OVERSEAS 2006</b>	<b>OVERSEAS 2007</b>	<b>% CHANGE</b>
BIG 'A' TRACK (2003) LIMITED	8,357,912	15,884,625	90.05%	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	29,276,997	38,947,422	33.03%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	28,475,567	32,866,357	15.42%	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	50,757,860	65,666,673	29.37%	55,315,357	57,046,667	3.13%
CHARLES OFF BETTING LIMITED	10,213,609	11,908,245	16.59%	N/A	N/A	
IDEAL BETTING COMPANY LIMITED	15,918,943	16,753,104	5.24%	18,253,682	18,759,146	2.77%
MARKHAM BETTING COMPANY LIMITED	41,967,701	52,845,910	25.92%	23,149,397	25,316,752	9.36%
POST TO POST BETTING LIMITED	11,070,786	12,719,091	14.89%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	14,775,095	15,077,758	2.05%	28,139,333	26,649,875	-5.29%
TRACK PRICE PLUS LIMITED	68,806,778	103,971,206	51.11%	85,891,502	107,797,286	25.50%
<b>TOTAL</b>	<b>279,621,248</b>	<b>366,640,391</b>	<b>31.12%</b>	<b>210,749,271</b>	<b>235,569,726</b>	<b>11.78%</b>

**Sports Events Sales**

	Q/E 2006	Q/E 2007
Champion Betting	0	1,250
Markham Betting	0	10,040
Track Price Plus	2,323,350	16,830,906
<b>TOTAL</b>	<b>2,323,350</b>	<b>16,842,196</b>

**Industry Gross Profit**

**Table 14** provides information on the gross profit achieved by the promoter and bookmakers. The promoter realized gross profits of \$337.325M or 31.91% of sales and 18.99% in excess of the \$283.482M generated during the March quarter of the previous year. Bookmaker's gross profits improved by 21.11% moving from \$181.767M for the March ended quarter of 2006 to \$220.135M for the review period or 37.61% of sales.

**TABLE 14**  
**GROSS PROFIT**  
**QUARTERS ENDED MARCH 2003 - 2007**

	Q/E MAR. 2003	Q/E MAR. 2004	Q/E MAR. 2005	Q/E MAR. 2006	Q/E MAR. 2007
<b><u>RACING PROMOTER</u></b>					
<b>SALES</b>	740,248,060	731,673,722	826,926,804	894,676,134	1,056,976,029
<b>PAYOUTS</b>	495,809,873	497,958,656	570,464,109	611,194,377	719,650,945
GROSS PROFIT	<b>244,438,187</b>	<b>233,715,066</b>	<b>256,462,695</b>	<b>283,481,757</b>	<b>337,325,084</b>
GROSS PROFIT AS % OF SALES	33.02%	31.94%	31.01%	31.69%	31.91%
<b><u>BOOKMAKERS</u></b>					
<b>SALES</b>	434,248,828	454,588,820	524,885,929	495,856,744	585,367,922
<b>PAYOUTS</b>	275,140,923	284,558,581	357,669,347	314,089,719	365,233,214
GROSS PROFIT	<b>159,107,905</b>	<b>170,030,239</b>	<b>167,216,582</b>	<b>181,767,025</b>	<b>220,134,708</b>
GROSS PROFIT AS % OF SALES	36.64%	37.40%	31.86%	36.66%	37.61%

The gross profit achieved by each bookmaker is shown at **Table 15**. Charles Off Betting Limited, the smallest bookmaker with regards to sales, achieved the highest gross profits as a percentage of sales for the review period of 41.47% from sales and payouts of \$11.908M and \$6.970M respectively. The highest gross profits of \$69.228M was however generated by Track Price Plus from sales and payouts of \$194.938M and \$125.709M respectively.

The highest payouts as a percentage of sales of 71.48% was recorded by Big 'A' Track from sales of \$15.885M and payouts of \$11.354M. The lowest payouts as a percentage of sales of 59.54% was recorded by Champion Betting with sales of \$122.712M and payouts of \$73.063M. The payout percentage recorded by each bookmaker should be viewed against the 62.39% average recorded from overall sales of \$585.368M and payouts of \$365.233M by all bookmakers.

**TABLE 15**  
**INDIVIDUAL BOOKMAKERS GROSS PROFIT**  
**QUARTER ENDED MARCH 2007**

BOOKMAKERS	SALES	PAYOUTS	PAYOUTS AS A % OF SALES	GROSS PROFIT	GROSS PROFIT AS A % OF SALES
BIG "A" TRACK 2003 LIMITED	15,884,625	11,354,339	71.48%	4,530,286	28.52%
CAPITAL BETTING & WAGERING LIMITED	38,947,422	25,526,292	65.54%	13,421,130	34.46%
CARIBBEAN TURF SERVICE LIMITED	32,866,357	20,416,173	62.12%	12,450,184	37.88%
CHAMPION BETTING COMPANY LIMITED	122,712,090	73,062,719	59.54%	49,649,371	40.46%
CHARLES OFF BETTING LIMITED	11,908,245	6,970,043	58.53%	4,938,202	41.47%
IDEAL BETTING COMPANY LIMITED	35,512,250	21,885,183	61.63%	13,627,067	38.37%
MARKHAM BETTING COMPANY LIMITED	78,152,622	47,191,654	60.38%	30,960,968	39.62%
POST TO POST BETTING LIMITED	12,719,091	8,096,611	63.66%	4,622,480	36.34%
SUMMIT BETTING COMPANY LIMITED	41,727,633	25,020,963	59.96%	16,706,670	40.04%
TRACK PRICE PLUS LIMITED	194,937,587	125,709,237	64.49%	69,228,350	35.51%
<b>TOTAL</b>	<b>585,367,922</b>	<b>365,233,214</b>	<b>62.39%</b>	<b>220,134,708</b>	<b>37.61%</b>

**OVERSEAS Q/E MARCH 2007**

	HORSE RACING SALES	HORSE RACING PAYOUTS	OTHER EVENTS SALES	OTHER EVENTS PAYOUTS
Champion Betting	57,045,417	36,050,502	1,250	2,720
Markham Betting	25,306,712	15,997,011	10,040	20,736
Track Price Plus	90,966,380	57,856,757	16,830,906	15,335,667
<b>TOTAL</b>	<b>173,318,509</b>	<b>109,904,270</b>	<b>16,842,196</b>	<b>15,359,123</b>

**Government Revenue**

**Table 16** provides information on the taxes and levies payable and paid by the racing promoter and bookmakers for the review period. The industry paid \$70.019M or 70.60% of \$99.221M payable and 30.37% less than the \$101.031M paid out during the corresponding period of the previous year.

Bookmakers paid a total of \$52.792M, or \$2.147M in excess of the \$50.645M payable, as outstanding payments from previous quarters were liquidated. The amount paid by bookmakers also represents 75.40% of the total amount paid by the industry. This should be viewed against the background of the promoter being responsible for 64% of the sales generated within the industry and bookmakers 36%. The promoter in contrast paid \$17.227M or 35.46% of the \$48.576M payable and 66.12% less than the \$50.826M paid during the corresponding quarter of 2006.

**TABLE 16  
TAXES, DUTIES & LEVIES  
PAYABLE AND PAID  
QUARTER ENDED MARCH 2007**

BETTING MODE	TAXES, DUTIES & LEVIES	PAYABLE	PAID
<b><u>BOOKMAKERS</u></b>			
<b><i>LOCAL RACING</i></b>	16.5% GROSS PROFIT TAX	23,280,074	25,767,424
	1% CONTRIBUTION TO BGLC	3,666,404	4,273,410
	1% CONTRIBUTION TO JRC	3,666,404	4,273,410
	\$ 80 SPECIFIC LEVY	16,000	17,680
	<b>TOTAL</b>	<b>30,628,882</b>	<b>34,331,924</b>
<b><i>OVERSEAS RACING</i></b>	16.5% GROSS PROFIT TAX	13,042,152	14,267,143
	1% CONTRIBUTION TO BGLC	2,187,275	2,377,156
	1% CONTRIBUTION TO JRC	2,157,275	0
	1/2% CONTRIBUTION TO SPORTS	1,093,638	37
	BET-WINNINGS TAX	1,535,912	1,815,715
	<b>TOTAL</b>	<b>20,016,252</b>	<b>18,460,051</b>
<b>TOTAL FOR BOOKMAKERS</b>		<b>50,645,134</b>	<b>52,791,975</b>
<b><u>RACING PROMOTER</u></b>			
<b><i>LOCAL RACING</i></b>	5% GROSS PROFIT TAX	9,452,444	10,123,206
	1% CONTRIBUTION TO BGLC	5,845,765	0
	1% CONTRIBUTION TO JRC	5,845,765	0
	1% CONTRIBUTION TO BENEVOLENT FUND	5,845,765	0
	<b>TOTAL</b>	<b>26,989,739</b>	<b>10,123,206</b>
<b><i>SIMULCAST RACING</i></b>	5% GROSS PROFIT TAX	7,413,825	7,104,233
	1% CONTRIBUTION TO BGLC	4,723,995	0
	1% CONTRIBUTION TO JRC	4,723,995	0
	1% CONTRIBUTION TO BENEVOLENT FUND	4,723,995	0
	<b>TOTAL</b>	<b>21,585,810</b>	<b>7,104,233</b>
<b>TOTAL FOR RACING PROMOTER</b>		<b>48,575,549</b>	<b>17,227,439</b>
<b>INDUSTRY TOTAL</b>		<b>99,220,683</b>	<b>70,019,414</b>

### **The First Instance Tribunal**

The First Instance Tribunal had two sittings during the review period with none being completed as the ongoing matter of five bookmakers, namely Big 'A' Track 2003 Limited, Capital Betting & Wagering Limited, Markham Betting Company and Track Price Plus Limited operating beyond the prescribed opening hour was discontinued pending the reappointment of the members of the Tribunal all of whose tenure had expired on March 31, 2007.