

BETTING DIVISION QUARTERLY REPORT FOR QUARTER ENDED DECEMBER 2007

Introduction

This report provides information on the performance of the racing promoter, Caymanas Track Limited and ten bookmakers. It should be noted that information on the eleventh bookmaker, Olympic Sports Data Services Limited, was not forthcoming as a result of their free zone status which precludes the company from providing us with betting information.

Growth in sales of 15.81% was recorded by the industry when compared to the corresponding quarter of the previous year as sales progressed from \$1.599B in the December quarter of 2006 to a record high of \$1.852B over the review period.

Racing Promoter

Table 1 shows that the racing promoter, generated sales of \$1.156B over the review period some 15% in excess of the \$1.005B recorded over the corresponding quarter of the previous year. It should be noted that such sales were the highest for quarters ended December 2003 to December 2007.

The review period saw the racing promoter accepting bets on two betting modes, local races and simulcast races. From a total of 22 local race days the company realized sales of \$684.780M or 11.39% in excess of the \$614.758M realized during the corresponding quarter of the previous year. Sales on simulcast races increased by 20.68% moving from \$390.460M to \$471.204M. Such sales were realized from 76 race days while in the corresponding quarter of the previous year sales were realized from 77 race days.

TABLE 1
SUMMARY OF RACING PROMOTER SALES
QUARTERS ENDED DECEMBER 2003-2007

	Q/E DEC. 2003	Q/E DEC. 2004	% CHANGE	Q/E DEC. 2005	% CHANGE	Q/E DEC. 2006	% CHANGE	Q/E DEC. 2007	% CHANGE
RACING PROMOTER									
LOCAL RACES	439,477,612	462,544,924	5.25%	503,389,423	8.83%	614,757,617	22.12%	684,779,740	11.39%
NO. OF RACE DAYS	24	23		22		22		22	
AVG. SALES	18,311,567	20,110,649	9.82%	22,881,337	13.78%	27,943,528	22.12%	31,126,352	11.39%
SIMULCAST RACES	322,776,858	349,167,583	8.18%	341,243,364	-2.27%	390,459,962	14.42%	471,204,151	20.68%
NO. OF RACE DAYS	78	78		77		77		76	
AVG. SALES	4,138,165	4,476,507	8.18%	4,431,732	-1.00%	5,070,909	14.42%	6,200,055	22.27%
RACING POOLS	N/A	N/A		N/A	N/A	N/A		N/A	
NO. OF POOLS DAYS									
AVG. SALES									
TOTAL FOR PROMOTER	762,254,470	811,712,507	6.49%	844,632,787	4.06%	1,005,217,579	19.01%	1,155,983,891	15.00%

Bookmakers

Presented at **Table 2** are the sales performances of ten of the eleven bookmakers. From 22 local race days, \$459.810M was realized or 20.80% in excess of the \$380.641M recorded over the corresponding quarter of the previous year. Such sales were the highest for all quarters ended December for the five year period 2003 – 2007. At the same time sales by such licensees on overseas races totalled \$228.929M or 12.72% in excess of the \$203.094M realized over the corresponding quarter of the previous year. Such sales were the highest for the December ended quarters 2003 to 2007.

TABLE 2
SUMMARY OF BOOKMAKERS SALES
QUARTERS ENDED DECEMBER 2003-2007

	Q/E DEC. 2003	Q/E DEC. 2004	% CHANGE	Q/E DEC. 2005	% CHANGE	Q/E DEC. 2006	% CHANGE	Q/E DEC. 2007	% CHANGE
BOOKMAKERS									
LOCAL RACES	299,811,736	322,296,406	7.50%	309,715,453	-3.90%	380,640,861	22.90%	459,809,545	20.80%
NO. OF RACE DAYS	24	23		22		22		22	
AVG. SALES	12,492,156	14,012,887	12.17%	14,077,975	0.46%	17,301,857	22.90%	20,900,434	20.80%
OVERSEAS RACES	167,390,469	171,406,371	2.40%	192,377,433	12.23%	203,094,237	5.57%	228,928,632	12.72%
NO. OF RACE WEEKS	13	13		14		13		14	
AVG. SALES	12,876,190	13,185,105	2.40%	13,741,245	4.22%	15,622,634	13.69%	16,352,045	4.67%
Sports Event	3,653,543	4,285,405		3,144,886	-26.61%	9,929,509	215.74%	6,885,962	-30.65%
TOTAL OVERSEAS	171,044,012	175,691,776	2.72%	195,522,319	11.29%	213,023,746	8.95%	235,814,594	10.70%
TOTAL FOR BOOKMAKERS	470,855,748	497,988,182	5.76%	505,237,772	1.46%	593,664,607	17.50%	695,624,139	17.17%
TOTAL FOR PROMOTER	762,254,470	811,712,507	6.49%	844,632,787	4.06%	1,005,217,579	19.01%	1,155,983,891	15.00%
TOTAL FOR THE INDUSTRY	1,233,110,218	1,309,700,689	6.21%	1,349,870,559	3.07%	1,598,882,186	18.45%	1,851,608,030	15.81%

Figures 1 and 2 provide a graphic overview of the promoter's continued sales dominance within the industry. Figure 1 shows that for the five years 2003 to 2007 the promoter's sales outstripped that of bookmakers in both local and overseas races. At the same time, Figure 2 shows that the promoter recorded 62% of the sales generated within the industry while bookmakers were responsible for the remaining 38%.

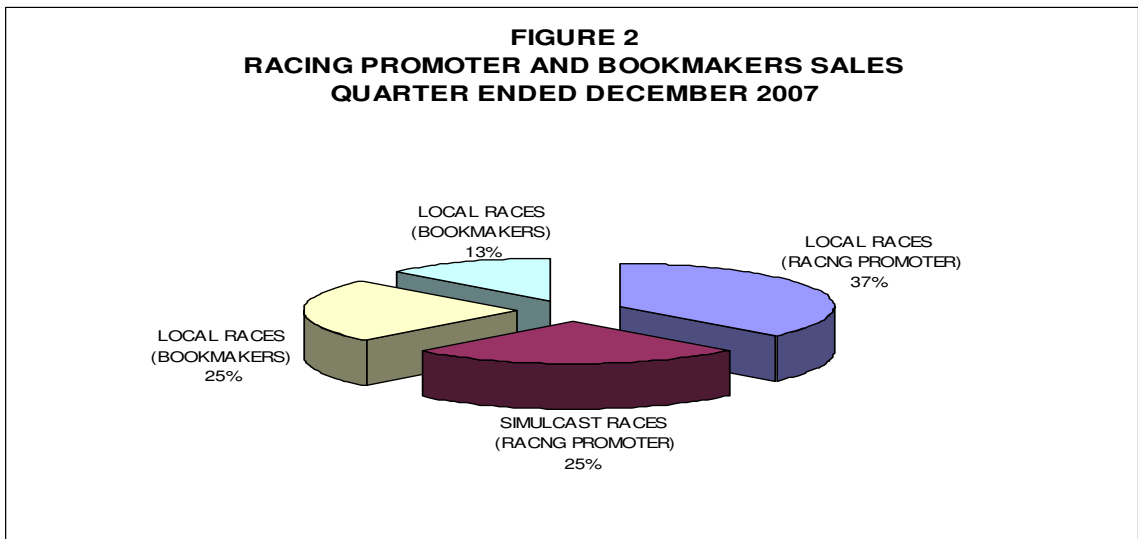
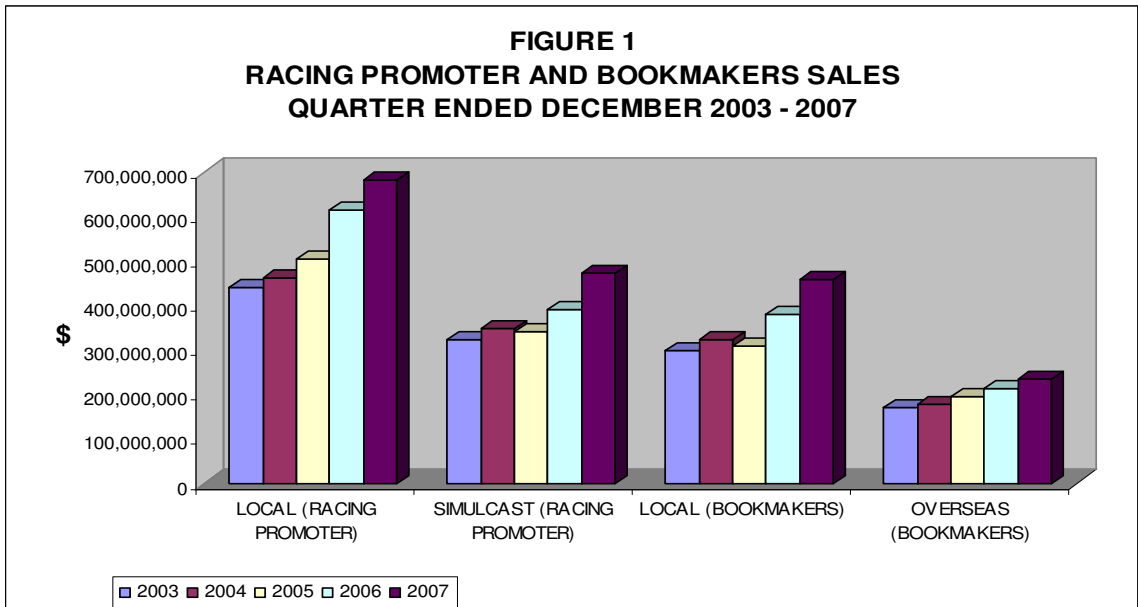
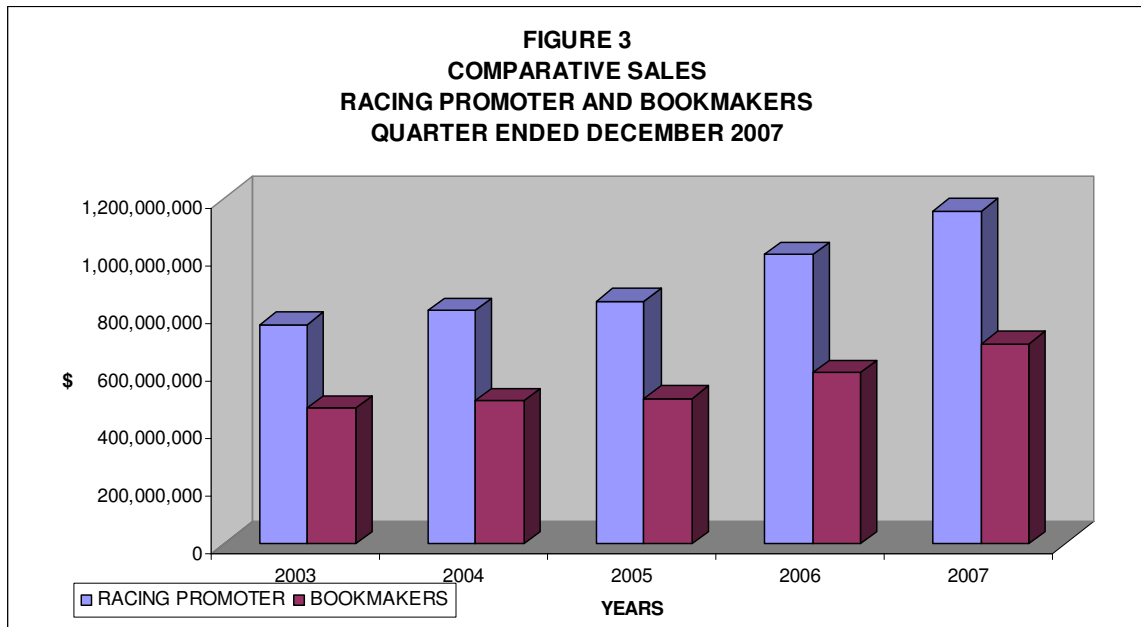


Figure 3 provides a comparative overview of the sales performance of the promoter and bookmakers for the December ended quarters 2003 – 2007 with the promoter’s dominance clearly seen in each of the five years. For the review period, the \$1.156B recorded by the promoter was some 66.09% in excess of the \$695.594M recorded by bookmakers.



Bookmakers' Sales

Table 3 and **Figure 4** provide information on the sales performance of ten of the eleven bookmakers. Track Price Plus Limited with a total of 63 betting offices in operation was the leading bookmaker in terms of sales generated over the review period. The company recorded total sales of \$224.276M or 17.8% in excess of the \$191.240M recorded over the corresponding quarter of the previous year. Champion Betting Company Limited with a total of 48 betting offices in operation generated total sales of \$164.701M or 19.14% in excess of the \$129.853M recorded over the corresponding quarter of the previous year.

**TABLE 3
BOOKMAKERS LOCAL AND OVERSEAS SALES
QUARTER ENDED DECEMBER 2007**

BOOKMAKERS	LOCAL RACING		OVERSEAS RACING	
	SALES \$	NO OF BETTING OFFICES OPERATED	SALES \$	NO OF BETTING OFFICES OPERATED
BIG 'A' TRACK 2003 LIMITED	11,965,513	23	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	46,466,640	56	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	35,056,427	20	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	96,075,232	48	68,625,656	32
CHARLES OFF BETTING LIMITED	13,053,851	29	N/A	N/A
IDEAL BETTING COMPANY LIMITED	23,531,231	27	19,460,722	18
MARKHAM BETTING COMPANY LIMITED	62,314,930	42	27,308,027	26
POST TO POST BETTING LIMITED	14,861,690	22	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	21,055,077	38	31,572,767	24
TRACK PRICE PLUS LIMITED	135,428,954	63	88,847,422	52
TOTAL	459,809,545	368	235,814,594	152

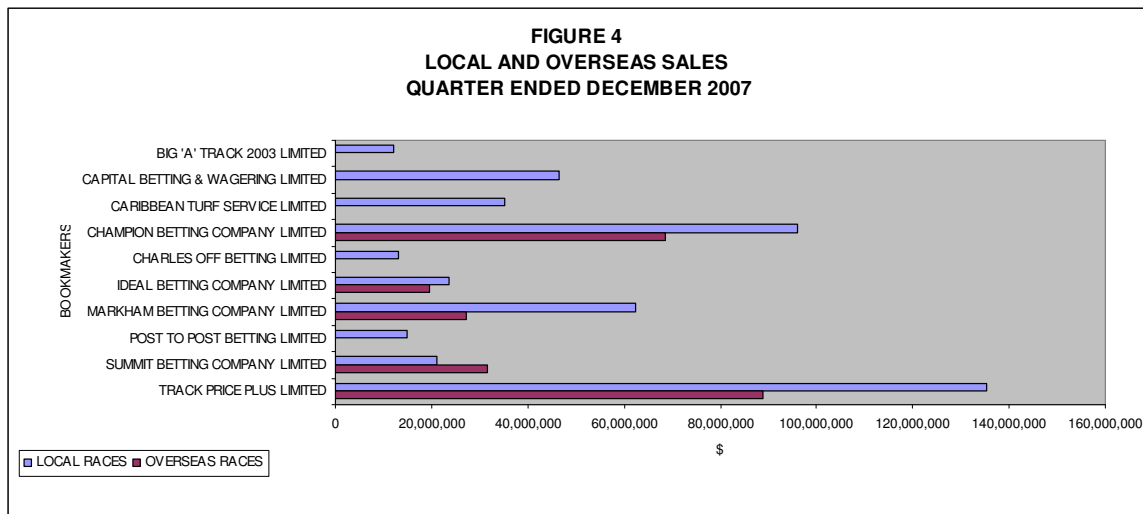


Table 4 provides a comparative view of the individual sales performance of bookmakers on local and overseas races for the review period and that of the corresponding period of the previous year. Two of the ten bookmakers recorded a decline in local sales over the review period when compared to the corresponding quarter of the previous year, with the Big 'A' Track 2003 Limited showing the largest decline of 9.77%, as sales slipped from \$13.261M in the December ended quarter of 2006 to \$11.966M over the review period. On the

converse, Track Price Plus Limited reported the largest increase of 37.50% as sales improved from \$98.494M over the December ended quarter of 2006 to \$135.429M during the period under review.

All five bookmakers that accepted bets on overseas races recorded increased sales, with Champion Betting Company Limited recording the largest increase moving from \$50.928M in the December ended quarter of 2006 to \$68.626M or by 34.75% during the period under review. On the other hand Ideal Betting Company Limited recorded the smallest increase of 5.89% with sales moving from \$18.378M in the December ended quarter of 2006 to \$19.461M over the review period. Also to be noted is the fact that Track Price Plus Limited was the only bookmaker to offer bets on other sporting events for the review period and reported sales totalling \$6,885,962. Such sales were however 30.65% less than the \$9.930M recorded by the bookmaker over the corresponding quarter of the previous year.

**TABLE 4
INDIVIDUAL BOOKMAKERS AVERAGES
QUARTER ENDED DECEMBER 2007**

BOOKMAKERS	LOCAL 2006	LOCAL 2007	% CHANGE	OVERSEAS 2006	OVERSEAS 2007	% CHANGE
BIG 'A' TRACK (2003) LIMITED	13,261,230	11,965,513	-9.77%	N/A	N/A	
CAPITAL BETTING & WAGERING LIMITED	35,802,578	46,466,640	29.79%	N/A	N/A	
CARIBBEAN TURF SERVICE LIMITED	33,599,479	35,056,427	4.34%	N/A	N/A	
CHAMPION BETTING COMPANY LIMITED	76,032,512	96,075,232	26.36%	50,927,574	68,625,656	34.75%
CHARLES OFF BETTING LIMITED	11,621,118	13,053,851	12.33%	N/A	N/A	
IDEAL BETTING COMPANY LIMITED	19,185,745	23,531,231	22.65%	18,378,082	19,460,722	5.89%
MARKHAM BETTING COMPANY LIMITED	62,953,657	62,314,930	-1.01%	23,417,921	27,308,027	16.61%
POST TO POST BETTING LIMITED	13,197,131	14,861,690	12.61%	N/A	N/A	
SUMMIT BETTING COMPANY LIMITED	16,493,261	21,055,077	27.66%	27,215,885	31,572,767	16.01%
TRACK PRICE PLUS LIMITED	98,494,160	135,428,954	37.50%	75,582,857	88,847,422	17.55%
TOTAL	380,640,871	459,809,545	20.80%	195,522,319	235,814,594	20.61%

Sports Events

	<u>SALES</u>
Champion Betting Company	0
Markham Betting Company Limited	0
Track Price Plus Limited	6,885,962
TOTAL	6,885,962

Information on the average sales, payouts and gross profits for each bookmaker is shown at **Table 5**. Average gross profits of \$552,620 per betting office were recorded by bookmakers. This was realized from average sales and payouts of \$1.872M and \$1.3194M respectively. This represents a 4.32% decline in average profits per betting office as such profits slipped from \$577,562 per betting office in the December quarter of 2006 to \$552,620 recorded over the review period. Notwithstanding the 17.17% increase in overall sales by bookmaker the average decline in average gross profit per betting office may be attributed to an increase in the number of betting offices operated with the total moving from 354 for the December ended quarter of 2006 to 368 for the review period.

Champion Betting Company Limited recorded the largest average gross profits of \$1,067,204, while Charles Off Betting Limited recorded the lowest at \$139,950 over the period under review.

**TABLE 5
INDIVIDUAL BOOKMAKERS AVERAGES
QUARTER ENDED DECEMBER 2007**

BOOKMAKERS	BETTING OFFICES	TOTAL SALES	AVERAGE SALES	TOTAL PAYOUTS	AVERAGE PAYOUTS	AVG. GROSS PROFIT
BIG 'A' TRACK (2003) LIMITED	23	11,965,513	520,240	8,056,647	350,289	169,951
CAPITAL BETTING & WAGERING LIMITED	56	46,466,640	829,761	35,249,506	629,455	200,306
CARIBBEAN TURF SERVICE LIMITED	20	35,056,427	1,752,821	27,024,280	1,351,214	401,607
CHAMPION BETTING COMPANY LIMITED	48	164,700,888	3,431,269	113,475,081	2,364,064	1,067,204
CHARLES OFF BETTING LIMITED	29	13,053,851	450,133	8,995,294	310,183	139,950
IDEAL BETTING COMPANY LIMITED	27	42,991,953	1,592,295	27,658,242	1,024,379	567,915
MARKHAM BETTING COMPANY LIMITED	42	89,622,957	2,133,880	61,671,333	1,468,365	665,515
POST TO POST BETTING LIMITED	22	14,861,690	675,531	10,957,695	498,077	177,454
SUMMIT BETTING COMPANY LIMITED	38	52,627,844	1,384,943	35,101,328	923,719	461,224
TRACK PRICE PLUS LIMITED	63	217,390,414	3,450,641	157,184,767	2,494,996	955,645
TOTAL	368	688,738,177	1,871,571	485,374,174	1,318,952	552,620

Gross Profit

Total gross profits realized by the promoter and bookmakers are presented at **Table 6** and **Figure 5**. The promoter realized gross profits of \$307.631M or 26.61% of sales. Such profits were realized from sales of \$1.156B and payouts of \$848.352M. On the other hand bookmakers realized gross profits of \$203.364M or 29.53% of sales. In this case such profits were realized from sales of \$688.738M and payouts of \$485.374M.

TABLE 6
GROSS PROFIT
RACING PROMOTER AND BOOKMAKERS
QUARTERS ENDED DECEMBER 2003 - 2007

	Q/E DEC. 2003	Q/E DEC. 2004	Q/E DEC. 2005	Q/E DEC.2006	Q/E DEC.2007
<u>RACING PROMOTER</u>	\$	\$	\$		
SALES	762,254,470	811,712,507	844,632,787	1,005,217,579	1,155,983,891
PAYOUTS	521,148,488	552,352,660	576,920,697	681,873,368	848,352,459
GROSS PROFIT	241,105,982	259,359,847	267,712,090	323,344,211	307,631,432
GROSS PROFIT AS A % OF SALES	31.63%	31.95%	31.70%	32.17%	26.61%
<u>BOOKMAKERS</u>					
SALES	470,855,748	497,988,182	505,237,772	583,735,088	688,738,177
PAYOUTS	306,933,065	336,197,824	336,129,140	376,390,377	485,374,174
GROSS PROFIT	163,922,683	161,790,358	169,108,632	207,344,711	203,364,003
GROSS PROFIT AS A % OF SALES	34.81%	32.49%	33.47%	35.52%	29.53%

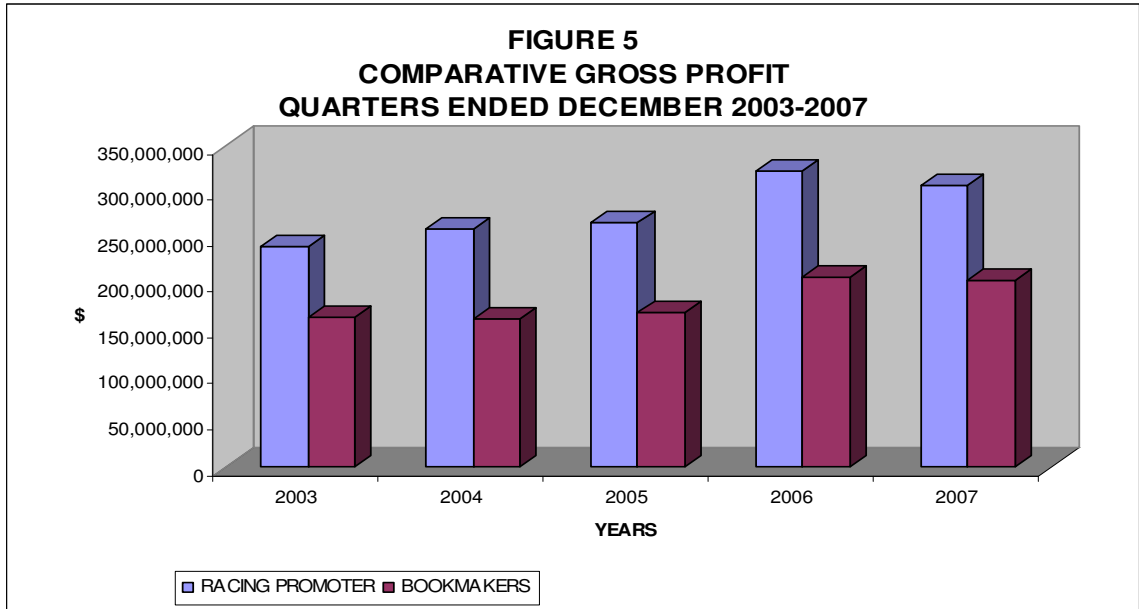


Table 7 provides information on the gross profits realized by individual bookmakers. Track Price Plus Limited with sales of \$217.390M from horse races and payouts of \$157.185M realized the highest gross profits of \$60.206M and accordingly realized payouts as a percentage of sales of 72.31%. The company was closely followed by Champion Betting Company Limited that realized gross profits of \$51.226M from total sales of \$164.701M and payouts of \$113.475M. This performance resulted in payouts as a percentage of sales of 68.90%. In contrast Big ‘A’ Track 2003 Limited recorded the lowest gross profits of \$3.909M from sales of \$11.966M and payouts of \$8.057M. The company’s payouts as a percentage of sales were 67.33%.

Ideal Betting Company Limited with sales of \$42.992M and payouts of \$27.658M recorded the lowest payouts as a percentage of sales of 64.33%. On the other hand Caribbean Turf Service Limited with sales of \$35.056M and payouts of \$27.024M recorded the highest payouts as a percentage of sales of 77.09%.

TABLE 7
INDIVIDUAL BOOKMAKER GROSS PROFIT
QUARTER ENDED DECEMBER 2007

BOOKMAKERS	SALES	PAYOUTS	PAYOUTS AS % OF SALES	GROSS PROFIT
THE BIG 'A' TRACK COMPANY LIMITED	11,965,513	8,056,647	67.33%	3,908,866
CAPITAL BETTING & WAGERING LIMITED	46,466,640	35,249,506	75.86%	11,217,134
CARIBBEAN TURF SERVICE LIMITED	35,056,427	27,024,280	77.09%	8,032,147
CHAMPION BETTING COMPANY LIMITED	164,700,888	113,475,081	68.90%	51,225,807
CHARLES OFF BETTING LIMITED	13,053,851	8,995,294	68.91%	4,058,557
IDEAL BETTING COMPANY LIMITED	42,991,953	27,658,242	64.33%	15,333,711
MARKHAM BETTING COMPANY LIMITED	89,622,957	61,671,333	68.81%	27,951,624
POST TO POST BETTING LIMITED	14,861,690	10,957,695	73.73%	3,903,995
SUMMIT BETTING COMPANY LIMITED	52,627,844	35,101,328	66.70%	17,526,516
TRACK PRICE PLUS LIMITED	217,390,414	157,184,767	72.31%	60,205,647
TOTAL	688,738,177	485,374,174	70.47%	203,364,003

Government Revenue

Information on taxes and levies payable and paid by the promoter and bookmakers for the review period are shown at **Table 8**. In total some \$66.396M of the \$134.536M payable was paid by licensees. Of the total paid bookmakers were responsible for \$37.317M of the \$47.693M payable, while the promoter was responsible for \$29.079M of the \$87.296M payable.

In the main, bookmakers continue to be relatively responsive with respect to making such payments and had it not been for the disputed payments due to the Jamaica Racing Commission (JRC) from bets placed on overseas races it is conceivable they would have been in complete compliance. In contrast the delinquency of the promoter continues to be alarming as no receipts attesting to payments from sales on simulcast races to the JRC and to this Commission were submitted. In addition, it should be noted that we are currently in the process of allocating pool betting duty payable and paid by CTL and as such payments recorded and taxes payable by such licensee in **Table 8** may not have been correctly allocated.

TABLE 8
TAXES DUTIES & LEVIES PAYABLE AND PAID
QUARTER ENDED DECEMBER 2007

BETTING MODE	LEVY, TAX & DUTY	PAYABLE	PAID
<u>BOOKMAKERS</u>			
LOCAL RACES	9% LEVY	11,000,355	16,718,941
	\$ 80 SPECIFIC LEVY	17,440	16,440
	3% LEV TO BGLC	3,666,785	3,543,305
	11% LEVY TO JRC	13,444,878	3,543,305
	TOTAL FOR LOCAL RACING	28,129,457	23,821,991
OVERSEAS	9% LEVY	7,449,993	11,111,038
	3% LEV TO BGLC	2,483,331	1,960,671
	11% LEVY TO JRC	9,105,547	0
	BET WINNINGS TAX (Sports Events)	524,610	423,604
	TOTAL FOR OVERSEAS RACING	19,563,481	13,495,313
TOTAL FOR BOOKMAKERS		47,692,938	37,317,304
<u>RACING PROMOTER</u>			
LOCAL RACES	2% POOL BETTING DUTY	16,769,057	2,302,340
	1% CONT. TO BGLC	8,384,529	1,151,169
	4 1/2% CONT. TO JRC	37,730,379	17,989,311
	TOTAL FOR LOCAL RACING	62,883,965	21,442,820
SIMULCAST	2% POOL BETTING DUTY	2,789,976	7,636,109
	1% CONT. TO BGLC	1,394,988	0
	4 1/2% CONT. TO JRC	20,227,327	0
	TOTAL FOR SIMULCAST RACING	24,412,291	7,636,109
TOTAL FOR PROMOTER		87,296,256	29,078,929
TOTAL FOR INDUSTRY		134,989,194	66,396,233

First Instance Tribunal

There was no sitting of the First Instance Tribunal.

Conclusion

The shortage of staff within the inspectorate department continues to militate against the department achieving all performance objectives and as such it is hoped that the vacancies that now exist will be filled as promised, early in this

calendar year. Also of concern is the failure of Caymanas Track Limited to pay outstanding contributions to the JRC and to this Commission. It should be noted that the total amount outstanding for the quarter was \$5,567,582 and that the total indebtedness by the company for the period November 2005 to December 2007 was \$26,153,404. The failure of bookmakers to make payments to the JRC from sales on overseas races is a matter that should be addressed urgently. For the quarter under review the five bookmakers that accepted bets on this betting mode were in arrears to the JRC totalling \$8,925,163 with the total indebtedness for the period November 2005 to December 2007 being approximately \$207,813,768.

Both situations are untidy at best and should not be allowed to continue.