

**THE BETTING DIVISION  
QUARTERLY REPORT  
FOR THE QUARTER ENDED JUNE 2007**

**INTRODUCTION**

This report provides information on the performance of the Horse Racing Promoter, Caymanas Track Limited and the eleven bookmakers that comprise the Betting Industry. The review period saw the betting industry recording growth of 20.55% over the corresponding period of 2006, as sales progressed from \$1.417B to a record high of \$1.708B. Such sales were however realized from the operations of the promoter and ten of the eleven bookmakers as the eleventh, Olympic Sports Data Services Limited as stipulated by their permit is not obliged to provide us with quarterly reports because of their free zone status.

**RACING PROMOTER**

**Table 1** shows that the Racing Promoter, Caymanas Track Limited generated sales of \$1.068B for the quarter ended June 2007 an increase of 21.96% over the \$875.734M recorded during the corresponding quarter of 2006. It should be noted however that such sales were the highest among quarters ended June 2003 to June 2007. Indeed the growth over the five years was 64.3%, an average of 12.86% per year as sales progressed from \$650.154M in the June quarter of 2003 to \$1.068B recorded over the review period.

During the review period the racing promoter accepted bets on two betting modes, local races and simulcast races. From a total of nineteen (19) local race meets, the company realized sales of \$585.546M, 18.71% in excess of the \$493.263M recorded during the corresponding period of the previous year. Sales on simulcast races also showed a significant increase of 26.16% from a total seventy-seven (77) race days moving from \$382.471M for the quarter ended June 2006 to a record high of \$482.511M for the period under review. In this respect the increase over the five year period, 2003 to 2007 was

76.4% an average of 15.3% per year as sales progressed from \$273.455M in the June quarter of 2003 to the \$482.511M realized over this quarter.

**TABLE 1  
SUMMARY OF RACE DAY SALES  
QUARTERS ENDED JUNE 2003 - 2007**

	Q/E JUNE 2003	Q/E JUNE 2004	% CHANGE	Q/E JUNE 2005	% CHANGE	Q/E JUNE 2006	% CHANGE	Q/E JUNE 2007	% CHANGE
<b>RACING PROMOTER</b>									
<b>LOCAL</b>	<b>374,416,807</b>	<b>414,606,222</b>	10.73%	<b>456,669,906</b>	10.15%	<b>493,262,922</b>	8.01%	<b>585,546,447</b>	18.71%
NO. OF RACE DAYS	22	20		20		19		19	
AVG. SALES	17,018,946	20,730,311	21.81%	22,833,495	10.15%	25,961,206	13.70%	30,818,234	18.71%
<b>SIMULCAST</b>	<b>273,454,832</b>	<b>340,993,084</b>	24.70%	<b>363,075,420</b>	6.48%	<b>382,470,995</b>	5.34%	<b>482,510,668</b>	26.16%
NO. OF RACE DAYS	77	77		78		77		77	
AVG. SALES	3,551,361	4,428,482	24.70%	4,654,813	5.11%	4,967,156	6.71%	6,266,372	26.16%
<b>RACING POOLS</b>	<b>2,282,123</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 DAYS	12								
AVG. SALES	190,177	N/A		N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL FOR PROMOTER</b>	<b>650,153,762</b>	<b>755,599,306</b>	16.22%	<b>819,745,326</b>	8.49%	<b>875,733,917</b>	6.83%	<b>1,068,057,115</b>	21.96%

## **BOOKMAKERS**

The sales performance of bookmakers are presented at **Table 2**. From nineteen (19) local race meets and thirteen (13) weeks of overseas racing, bookmakers recorded overall sales of \$640.404M an increase of 18.26% when compared to the \$541.528M recorded for the corresponding period of the previous year. When looked at over the five years, 2003 to 2007 the increase was 45.15% an average of 9.03% per year moving from \$441.188M in the June quarter of 2003 to the current figure of \$640.424M.

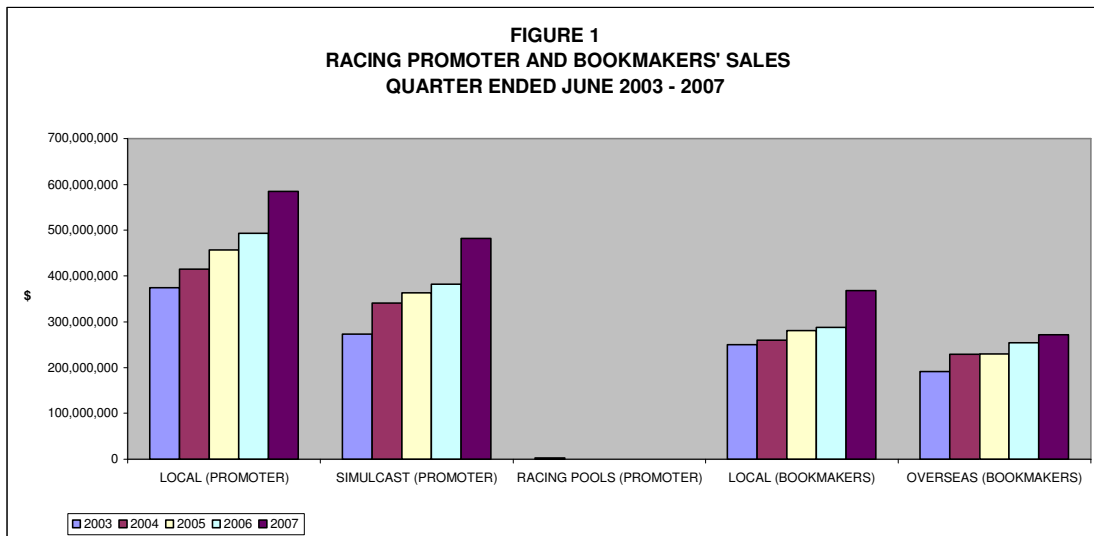
Sales on local races increased by 28.20% moving from \$287.466M for the June quarter of 2006 to \$368.535M for the review period. This increase was not in keeping with the pattern established over the five year period 2003 to 2007, as over that period sales had progressed from \$250.210M to \$368.535M or by 47.3% an average of 9.46% per year. On the other hand sales on overseas races were \$256.668M a marginal increase of 2.73% when compared to the corresponding quarter of the previous year when sales were \$249.850M. The increase over the five year period on this occasion being 35.06% progressed from \$190.044M in 2003 to \$256.668M over the review period an average increase of 7.01% per year. At the same time, it should be noted that sales on other sporting events recorded the largest increase of 260.87% moving from \$4.212M for the quarter ended June 2006 to \$15.202M for the period under review.

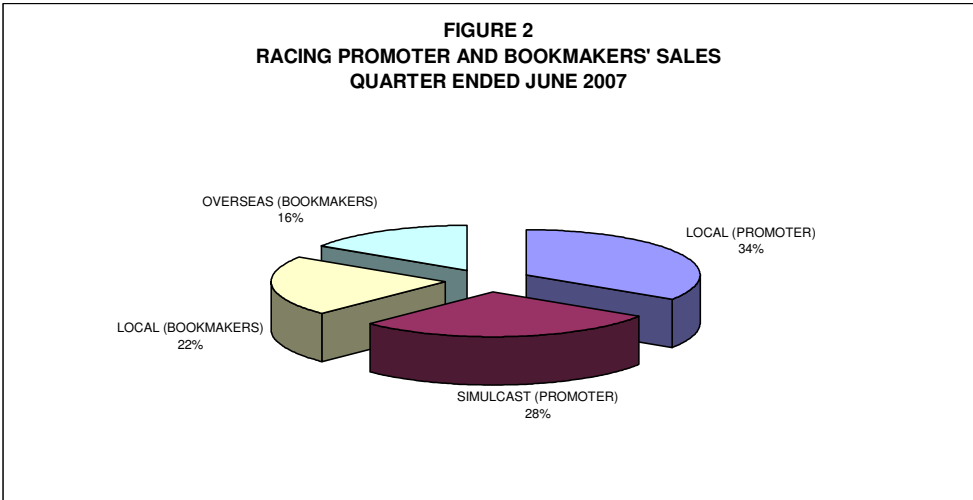
**TABLE 2  
SUMMARY OF RACE DAY SALES  
QUARTERS ENDED JUNE 2003 - 2007**

	Q/E JUNE 2003	Q/E JUNE 2004	% CHANGE	Q/E JUNE 2005	% CHANGE	Q/E JUNE 2006	% CHANGE	Q/E JUNE 2007	% CHANGE
<b>BOOKMAKERS</b>									
<b>LOCAL</b>	<b>250,210,202</b>	<b>259,854,993</b>	3.85%	<b>280,979,576</b>	8.13%	<b>287,466,333</b>	2.31%	<b>368,534,805</b>	28.20%
NO. OF RAC DAYS	22	20		20		19		19	
AVG. SALES	11,373,191	12,992,750	14.24%	14,048,979	8.13%	15,129,807	7.69%	19,396,569	28.20%
<b>OVERSEAS</b>	<b>190,044,261</b>	<b>226,109,662</b>	18.98%	<b>227,480,853</b>	0.61%	<b>249,849,569</b>	9.83%	<b>256,668,078</b>	2.73%
NO. OF RACE WEEKS	13	13		13		13		13	
AVG. SALES	14,618,789	17,393,051	18.98%	17,498,527	0.61%	19,219,198	9.83%	19,743,698	2.73%
OTHER EVENTS	933,560	2,675,245		2,204,603		4,212,433	91.07%	15,201,533	260.87%
<b>TOTAL FOR OVERSEAS</b>	<b>190,977,821</b>	<b>228,784,907</b>	19.80%	<b>229,685,456</b>	0.39%	<b>254,062,002</b>	10.61%	<b>271,869,611</b>	7.01%
<b>TOTAL FOR BOOKMAKERS</b>	<b>441,188,023</b>	<b>488,639,900</b>	10.76%	<b>510,665,032</b>	4.51%	<b>541,528,335</b>	6.04%	<b>640,404,416</b>	18.26%
<b>TOTAL FOR PROMOTER</b>	<b>650,153,762</b>	<b>755,599,306</b>	16.22%	<b>819,745,326</b>	8.49%	<b>875,733,917</b>	6.83%	<b>1,068,057,115</b>	21.96%
<b>TOTAL FOR THE INDUSTRY</b>	<b>1,091,341,785</b>	<b>1,244,239,206</b>	14.01%	<b>1,330,410,358</b>	6.93%	<b>1,417,262,252</b>	6.53%	<b>1,708,461,531</b>	20.55%

## THE INDUSTRY

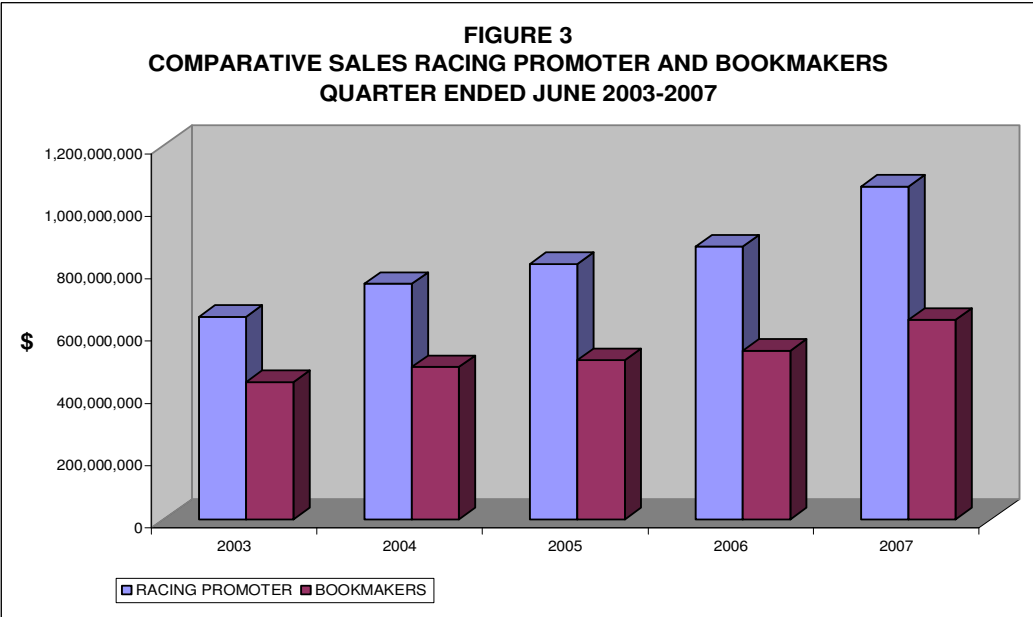
Figures 1 and 2 provide a graphic overview of the promoter's continued dominance within the industry with 62% of the industry's sales and the remaining 38% being shared among the bookmakers. The dominance of the local product is also shown with local racing being responsible for 56% of the industry's sales with the remaining 44% being generated from sales on overseas races.





**Figure 3** gives a comparative view of the performance of the racing promoter and bookmakers for the five year period 2003 to 2007.

The promoter's dominance within the industry is again reinforced with sales moving beyond \$1B for the first time over the five years, 2003 to 2007 while sales by bookmakers moved beyond \$600M for the first time.

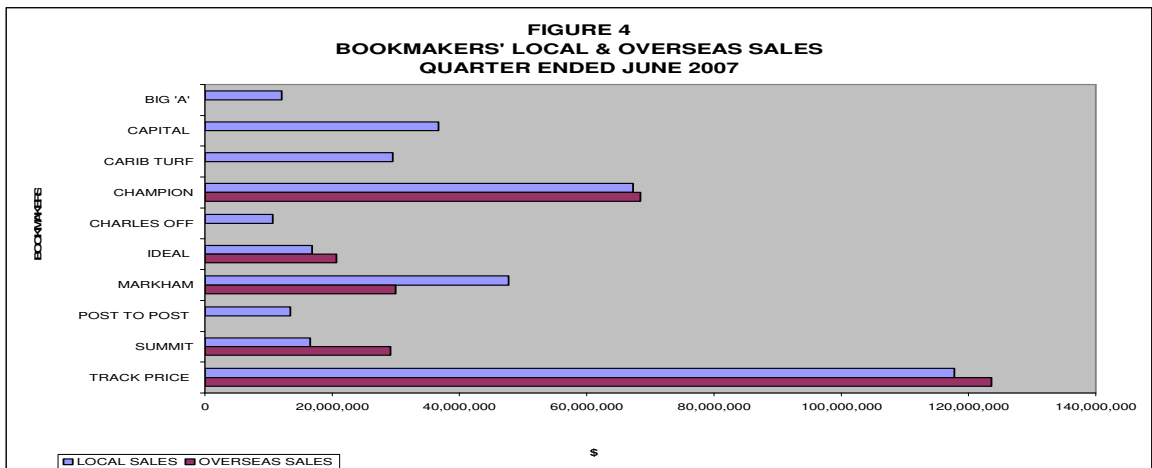


**BOOKMAKERS' SALES**

Information on the sales performance of individual bookmakers is provided at **Table 3** and **Figure 4**. Track Price Plus Limited maintained their position as the premier bookmaking entity in the country. Operating a total sixty-three (63) betting offices island wide, the company reported total sales of \$241.392M, 36.38% in excess of the \$176.994M reported for the corresponding period of the previous year. It should also be noted that Champion Betting Company Limited reported total sales of \$135.769M from forty-eight (48) betting offices and as such the two companies were responsible for sales of \$377.161M or 60.33% of the total sales generated by all bookmakers. Charles Off Betting Limited accepted bets from thirty (30) betting offices on local races only, reported the lowest sales \$10.655M, 8.85% in excess of the \$9.789M reported for the similar period of 2006.

**TABLE 3  
BOOKMAKER'S LOCAL & OVERSEAS SALES  
QUARTER ENDED JUNE 2007**

BOOKMAKERS	LOCAL RACING		OVERSEAS RACING		
	SALES \$	NO. OF BETTING OFFICES OPERATED	SALES HORSE RACING \$	NO. OF BETTING OFFICES OPERATED	SALES SPORTS EVENT \$
BIG 'A' TRACK 2003 LIMITED	12,054,873	24	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	36,672,974	53	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	29,552,901	19	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	67,288,000	48	68,448,534	32	0
CHARLES OFF BETTING LIMITED	10,654,590	30	N/A	N/A	N/A
IDEAL BETTING COMPANY LIMITED	16,808,830	27	20,657,378	18	N/A
MARKHAM BETTING COMPANY LIMITED	47,722,853	40	29,790,584	24	193,875
POST TO POST BETTING LIMITED	13,421,080	22	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	16,562,353	37	29,183,570	23	N/A
TRACK PRICE PLUS LIMITED	117,796,351	63	108,588,012	52	15,007,658
<b>TOTAL</b>	<b>368,534,805</b>	<b>363</b>	<b>256,668,078</b>	<b>149</b>	<b>15,201,533</b>



**Table 4** provides a comparative view of individual bookmaker's sales for 2006 and 2007 on local and overseas races. All ten bookmakers recorded increased sales, with Track Price Plus Limited recording the impressive increase of 68.88% moving from \$69.750M for the June quarter of 2006 to \$117.796M for the review period. On the converse Caribbean Turf Service Limited recorded the smallest increase of 4.90% progressing from \$28.173M for the June ended quarter of 2006 to \$29.553M over the review period. The situation with respect to sales on overseas races was somewhat different as three of the five bookmakers that accepted bets on this betting mode recorded increases over the review period when compared to the corresponding period of the previous year. Track Price Plus Limited recorded the highest increase of 15.25% moving from \$107.244M during the June quarter of 2006 to \$123.596M for the review period. On the converse, Summit Betting Company Limited recorded the largest decline with sales of \$29.184M some 7.80% less than the \$31.651M reported for the June quarter of 2006. It should also be noted that with the exception of Markham Betting Company that reported sales on overseas races of \$29.984M for the review period, the remaining four bookmakers all reported sales on this bet type in excess of the local product.

**TABLE 4  
BOOKMAKERS' COMPARATIVE SALES  
QUARTER ENDED JUNE 2006 & 2007**

BOOKMAKERS	LOCAL 2006	LOCAL 2007	% CHANGE	OVERSEAS 2006	OVERSEAS 2007	% CHANGE
BIG 'A' TRACK 2003 LIMITED	9,012,818	12,054,873	33.75%	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	33,755,495	36,672,974	8.64%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	28,172,743	29,552,901	4.90%	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	48,911,320	67,288,000	37.57%	65,052,789	68,448,534	5.22%
CHARLES OFF BETTING LIMITED	9,789,964	10,654,590	8.83%	N/A	N/A	N/A
IDEAL BETTING COMPANY LIMITED	15,595,273	16,808,830	7.78%	19,424,792	20,657,378	6.35%
MARKHAM BETTING COMPANY LIMITED	45,179,888	47,722,853	5.63%	30,689,700	29,984,459	-2.30%
POST TO POST BETTING LIMITED	11,943,411	13,421,080	12.37%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	15,362,079	16,562,353	7.81%	31,651,112	29,183,570	-7.80%
TRACK PRICE PLUS LIMITED	69,749,972	117,796,351	68.88%	107,243,844	123,595,670	15.25%
<b>TOTAL</b>	<b>287,472,963</b>	<b>368,534,805</b>	<b>28.20%</b>	<b>254,062,237</b>	<b>271,869,611</b>	<b>7.01%</b>

**Table 5** provides information on the average sales, payouts and gross profits recorded by bookmakers. On average, bookmakers recorded gross profits per betting office of \$593,215 from average sales and payouts of \$1,722,322 and \$1,129,107 respectively. This represented an increase in average gross profits of 6.26% when compared to the corresponding period of the previous year during which gross profits per betting office of

\$558,265 were realized. Track Price Plus Limited achieved the highest gross profit per betting office of \$1,207,220 from average sales and payouts of \$3,593,403 and \$2,386,182 respectively. Additionally, it should be noted that there were three other bookmakers whose average gross profits were in excess of the overall average for the review period. The bookmakers were Caribbean Turf Service Limited, Champion Betting Company Limited and Markham Betting Company with average gross profits per betting office of \$618,434, \$986,918 and \$652,072 respectively.

**TABLE 5  
INDIVIDUAL BOOKMAKER'S AVERAGES  
QUARTER ENDED JUNE 2007**

BOOKMAKERS	BETTING OFFICES	TOTAL SALES	AVERAGE SALES	TOTAL PAYOUTS	AVERAGE PAYOUTS	TOTAL GROSS PROFIT	GROSS PROFIT
BIG 'A' TRACK 2003 LIMITED	24	12,054,873	502,286	8,528,588	355,358	3,526,285	146,929
CAPITAL BETTING & WAGERING LIMITED	53	36,672,974	691,943	24,601,578	464,181	12,071,396	227,762
CARIBBEAN TURF SERVICE LIMITED	19	29,552,901	1,555,416	17,802,661	936,982	11,750,240	618,434
CHAMPION BETTING COMPANY LIMITED	48	135,736,534	2,827,844	88,364,466	1,840,926	47,372,068	986,918
CHARLES OFF BETTING LIMITED	30	10,654,590	355,153	6,465,029	215,501	4,189,561	139,652
IDEAL BETTING COMPANY LIMITED	27	37,466,208	1,387,637	24,009,721	889,249	13,456,487	498,388
MARKHAM BETTING COMPANY LIMITED	40	77,513,437	1,937,836	51,430,539	1,285,763	26,082,898	652,072
POST TO POST BETTING LIMITED	22	13,421,080	610,049	9,194,830	417,947	4,226,250	192,102
SUMMIT BETTING COMPANY LIMITED	37	45,745,923	1,236,376	29,138,818	787,536	16,607,105	448,841
TRACK PRICE PLUS LIMITED	63	226,384,363	3,593,403	150,329,480	2,386,182	76,054,883	1,207,220
<b>TOTAL/ AVERAGE</b>	<b>363</b>	<b>625,202,883</b>	<b>1,722,322</b>	<b>409,865,710</b>	<b>1,129,107</b>	<b>215,337,173</b>	<b>593,215</b>

N.B: Sports Betting sales and payout of \$15,201,533 and \$11,450,756 respectively is not included in the above totals as the tax structure on this event is calculated as 10% Bet Winning Tax. (See table 8)

## REVENUE

The total gross profits attained by the promoter and bookmakers are presented at **Table 6**. The promoter realized gross profit of \$322.972M some 15.73% in excess of the \$279.085M earned during the June quarter of 2006. Bookmakers also recorded increased gross profits of \$215,337M an increase of 7.44% when compared to the \$200.417M realized during the corresponding period of the previous year.

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

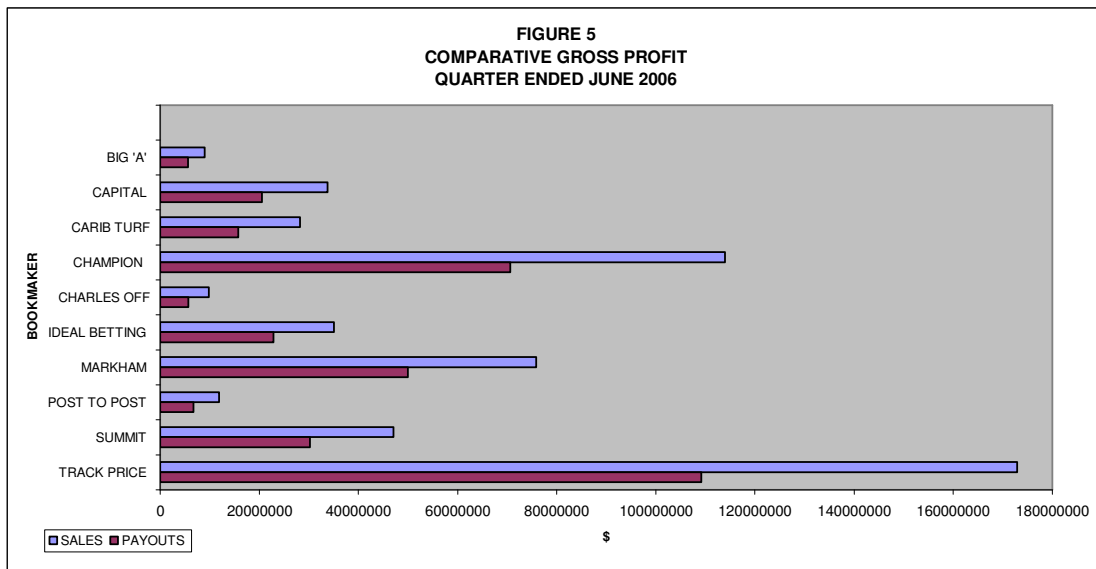
	Q/E JUNE 2003	Q/E JUNE 2004	Q/E JUNE 2005	Q/E JUNE 2006	Q/E JUNE 2007
<b><u>RACING PROMOTER</u></b>					
SALES	650,153,762	755,599,306	819,745,326	875,733,917	1,068,057,115
PAYOUTS	433,992,552	505,779,987	511,057,312	596,649,122	745,084,675
<b>GROSS PROFIT</b>	<b>216,161,210</b>	<b>249,819,319</b>	<b>308,688,014</b>	<b>279,084,795</b>	<b>322,972,440</b>
<b>GROSS PROFIT AS A % OF SALES</b>	<b>33.25%</b>	<b>33.06%</b>	<b>37.66%</b>	<b>31.87%</b>	<b>30.24%</b>
<b><u>BOOKMAKERS</u></b>					
SALES	441,188,023	488,639,900	510,665,032	537,315,902	625,202,883
PAYOUTS	279,649,539	314,113,378	329,727,618	336,898,596	409,865,710
<b>GROSS PROFIT</b>	<b>161,538,484</b>	<b>174,526,522</b>	<b>180,937,414</b>	<b>200,417,306</b>	<b>215,337,173</b>
<b>GROSS PROFIT AS A % OF SALES</b>	<b>36.61%</b>	<b>35.72%</b>	<b>35.43%</b>	<b>37.30%</b>	<b>34.44%</b>

Presented at **Table 7** and **Figure 5** is information on the gross profits earned by individual bookmakers. Caribbean Turf Service Limited with sales of \$29.552M and payouts of \$17.803M recorded the highest gross profit of 39.76% as a percentage of sales Big 'A' Track 2003 Limited achieved the lowest gross profits as a percentage of sales of 29.25% from sales of \$12.055M and payouts of \$8.529M. By extension the company also recorded the highest payouts percentage of 70.75%, while the lowest payouts as a percentage of sales of 60.24% was recorded by Caribbean Turf Service Limited. **Table 7** also shows that over the review period bookmakers' recorded overall average payouts of 65.56%.

**TABLE 7  
INDIVIDUAL BOOKMAKER'S GROSS PROFIT  
QUARTER ENDED JUNE 2007**

BOOKMAKERS	SALES	PAYOUTS	PAYOUTS AS A % OF SALES	GROSS PROFIT	GROSS PROFIT AS A % OF SALES
BIG 'A' TRACK 2003 LIMITED	12,054,873	8,528,588	70.75%	3,526,285	29.25%
CAPITAL BETTING & WAGERING LIMITED	36,672,974	24,601,578	67.08%	12,071,396	32.92%
CARIBBEAN TURF SERVICE LIMITED	29,552,901	17,802,661	60.24%	11,750,240	39.76%
CHAMPION BETTING COMPANY LIMITED	135,736,534	88,364,466	65.10%	47,372,068	34.90%
CHARLES OFF BETTING LIMITED	10,654,590	6,465,029	60.68%	4,189,561	39.32%
IDEAL BETTING COMPANY LIMITED	37,466,208	24,009,721	64.08%	13,456,487	35.92%
MARKHAM BETTING COMPANY LIMITED	77,513,437	51,430,539	66.35%	26,082,898	33.65%
POST TO POST BETTING LIMITED	13,421,080	9,194,830	68.51%	4,226,250	31.49%
SUMMIT BETTING COMPANY LIMITED	45,745,923	29,138,818	63.70%	16,607,105	36.30%
TRACK PRICE PLUS LIMITED	226,384,363	150,329,480	66.40%	76,054,883	33.60%
<b>TOTAL</b>	<b>625,202,883</b>	<b>409,865,710</b>	<b>65.56%</b>	<b>215,337,173</b>	<b>34.44%</b>

**N.B:** Sports Betting sales and payout of \$15,201,533 and \$11,450,756 respectively is not included in the above totals as the tax structure on this event is calculated as 10% Bet Winning Tax. (See table 8)



## GOVERNMENT REVENUE

Information on taxes, duties and levies payable and paid by the promoter and bookmakers are shown at **Table 8**. In total, the industry paid \$64.433M in imposts for the review period or 65.30% of \$98.689M payable. The amount was also 12.56% in excess of the \$57.243M paid for the corresponding period of the previous year. Bookmakers were responsible for paying 74.36% or \$47.910M of the total paid by the industry, while the racing promoter paid the remaining 25.64% or \$16.523M. It should be noted however

that the \$16.523M paid by the promoter represented 34.29% of the \$48.190M outstanding in government imposts as contributions to Jamaica Racing Commission, the Benevolent Fund and to this Commission were not paid for the review period.

**TABLE 8  
TAXES, DUTIES & LEVIES PAYABLE AND PAID  
QUARTER ENDED JUNE 2007**

BETTING MODE	TAXES, DUTIES & LEVIES	PAYABLE	PAID
<b><u>BOOKMAKERS</u></b>			
<b>LOCAL RACING</b>	16.5% GROSS PROFIT TAX	19,824,543	21,544,436
	1% CONTRIBUTION TO BGLC	3,685,348	3,632,278
	1% CONTRIBUTION TO JRC	3,685,348	3,632,278
	\$80 SPECIFIC LEVY	15,200	16,000
	<b>TOTAL</b>	<b>27,210,439</b>	<b>28,824,992</b>
<b>OVERSEAS RACES</b>	16.5% GROSS PROFIT TAX	15,706,091	15,065,499
	1% CONTRIBUTION TO BGLC	2,566,681	2,432,351
	1% CONTRIBUTION TO JRC	2,566,681	0
	1/2% CONTRIBUTION TO SPORTS	1,283,340	0
	<b>TOTAL</b>	<b>22,122,793</b>	<b>17,497,850</b>
<b>SPORT EVENTS</b>	10% BET-WINNING TAX	1,145,076	1,587,014
<b>TOTAL FOR BOOKMAKERS</b>		<b>50,478,308</b>	<b>47,909,856</b>
<b><u>RACING PROMOTER</u></b>			
<b>LOCAL RACING</b>	5% GROSS PROFIT TAX	8,996,226	9,156,944
	1% CONTRIBUTION TO BGLC	5,855,464	0
	1% CONTRIBUTION TO JRC	5,855,464	0
	1% CONTRIBUTION TO BENEVOLENT FUND	5,855,464	0
	<b>TOTAL</b>	<b>26,562,620</b>	<b>9,156,944</b>
<b>SIMULCAST RACING</b>	5% GROSS PROFIT TAX	7,152,396	7,365,772
	1% CONTRIBUTION TO BGLC	4,825,107	0
	1% CONTRIBUTION TO JRC	4,825,107	0
	1% CONTRIBUTION TO BENEVOLENT FUND	4,825,107	0
	<b>TOTAL</b>	<b>21,627,716</b>	<b>7,365,772</b>
<b>TOTAL FOR RACING PROMOTER</b>		<b>48,190,335</b>	<b>16,522,716</b>
<b>INDUSTRY TOTAL</b>		<b>98,668,643</b>	<b>64,432,572</b>

### **THE FIRST INSTANCE TRIBUNAL**

There was no sitting of the First Instance Tribunal during the review period as the gazetting of the names of the members was not completed.

## **SUMMARY**

We are encouraged by the growth in sales recorded by the industry over the review period, as the 20.55% increase argues well for the industry. We however continue to be concerned with the failure of the promoter in meeting its tax obligations to the government and its contributions to the Jamaica Racing Commission, the Benevolent Fund and to this Commission

Also of concern, is the shortage of manpower within the inspectorate department, as over the review period this department was forced to operate with two inspectors less than the full complement, and as such there are signs that the monitoring of betting offices, bookmakers head offices and off track betting parlours have been adversely affected. To this extent, it is not yet clear as to the level of unreported sales that have not been detected and the corresponding impact this may have had on government taxes and the various contributions payable.