

**BETTING DIVISION QUARTERLY REPORT
SEPTEMBER 2007**

This report provides information on the performance of the horse racing promoter, Caymanas Track Limited and the bookmakers that comprise the betting industry.

THE RACING PROMOTER

The Racing Promoter conducted betting activity on two betting modes namely, local horse racing and simulcast races. Betting was conducted on 19 local race meets and seventy-five days of simulcast races during the quarter.

The company's operations generated overall sales of \$1.035B, an increase of 3.40% on the \$1.001B recorded for the corresponding quarter of 2006. Information provided at **Table I** shows a 0.04% decrease in sales on local races when compared to the corresponding quarter of the previous years slipping from \$557.322M to \$557.081M. Such decrease may be attributed to the effects of hurricane Dean on the racing plant at Caymanas Park and the company's Off Track Betting (OTB) parlours. On the other hand sales on simulcast races increased by 7.72%, improving from the \$443.985M recorded over the September quarter of 2006 to \$478.261M over the review period. Total sales generated over the period under review were in excess of all such quarters for the previous five years, 2003 – 2007.

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

	Q/E SEPT. 2003	Q/E SEPT. 2004	% CHANGE	Q/E SEPT. 2005	% CHANGE	Q/E SEPT. 2006	% CHANGE	Q/E SEPT. 2007	% CHANGE
RACING PROMOTER	\$	\$		\$		\$		\$	
LOCAL	393,810,918	330,511,697	-16.07%	452,186,603	36.81%	557,321,924	23.25%	557,081,167	-0.04%
NO. OF RACE DAYS	22	18		20		22		19	
AVG. SALES	17,900,496	18,361,761	2.58%	22,609,330	23.13%	25,332,815	12.05%	29,320,061	15.74%
SIMULCAST	310,204,245	298,006,682	-3.93%	346,263,037	16.19%	443,984,540	28.22%	478,260,844	7.72%
NO. OF RACE DAYS	80	74		75		79		75	
AVG. SALES	3,877,553	4,027,117	3.86%	4,616,840	14.64%	5,620,057	21.73%	6,376,811	13.47%
TOTAL FOR PROMOTER	704,015,163	628,518,379	-10.72%	798,449,640	27.04%	1,001,306,464	25.41%	1,035,342,011	3.40%

BOOKMAKERS

Table 2 provides information on the sales performance of bookmakers over the review period. From a total of 364 betting offices located across the island, such licensees generated total sales of \$580.325M or 4.52% less than the \$607.779M recorded for the corresponding quarter of the previous year. Sales on local races slipped from \$348.967M in the September quarter of 2006 to \$333.736M over the period under review. This decline should however be viewed against the background of 22 local race days in the September quarter of 2006 and nineteen (19) scheduled such race days over the review period. Additionally, it should be noted that two of the nineteen scheduled race days were lost consequent upon the effects of hurricane Dean on the country during the month of September. There was also a 5.14% decline in the sales recorded by bookmakers on overseas races, decreasing from \$256.494M in the September quarter of 2006 to \$243.320M over the period under review. It should be noted that the abovementioned information on bookmakers did not include the sales recorded by Olympic Sports and Data Services, a bookmaker that is located in the Montego Bay Free Zone and who because of their free zone status is not required to pay taxes or contributions to this Commission.

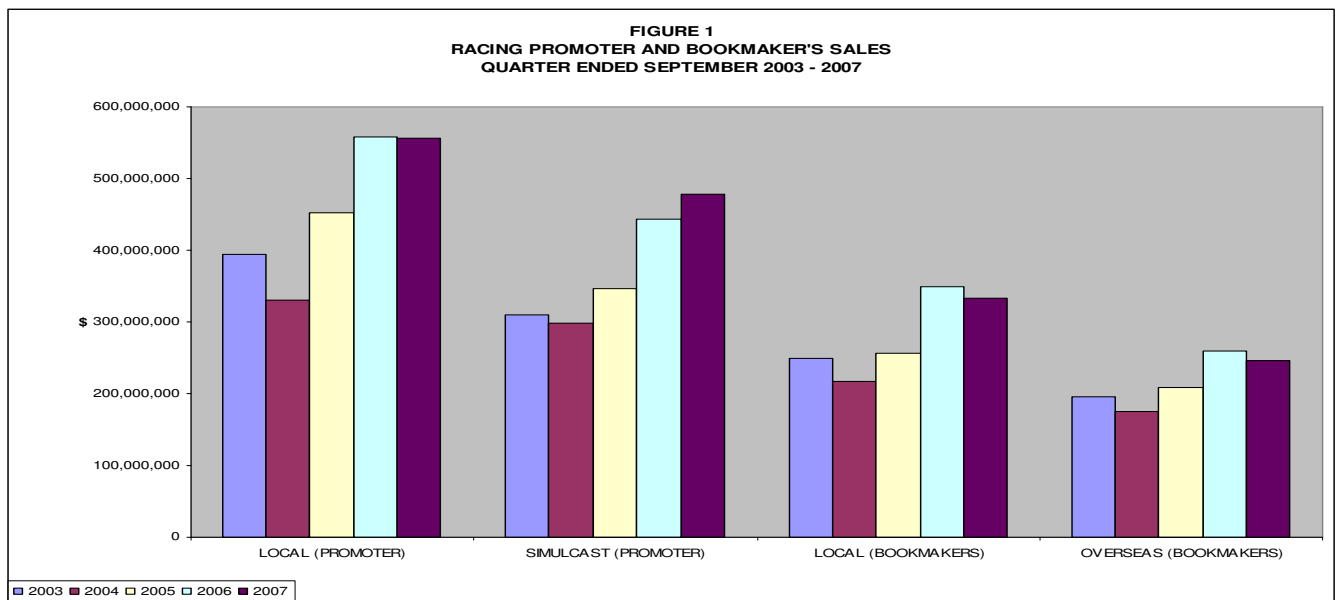
INDUSTRY

The review period saw the industry growing by an anaemic 0.41% moving from \$1.609B in the September ended quarter of 2006 to \$1.616B over the review period. The growth recorded by the industry over the review period was in contrast to that of the corresponding quarters of the two previous years during which growth of 23.82% and 27.35% were recorded in 2005 and 2006, respectively. An overview of the performance of the industry for the September ended quarters over the last five years 2003 – 2007 can be seen at **Table 2** and **Figure 1**.

**TABLE 2
SUMMARY OF BOOKMAKERS' SALES
QUARTERS ENDED SEPTEMBER 2003 - 2007**

	Q/E SEPT. 2003	Q/E SEPT. 2004	% CHANGE	Q/E SEPT. 2005	% CHANGE	Q/E SEPT. 2006	% CHANGE	Q/E SEPT. 2007	% CHANGE
BOOKMAKERS									
LOCAL	248,762,800	216,770,820	-12.86%	256,879,897	18.50%	348,967,416	35.85%	333,736,447	-4.36%
NO. OF RACE DAYS	22	18		20		22		19	
AVG. SALES	11,307,400	12,042,823	6.50%	12,843,995	6.65%	15,862,155	23.50%	17,565,076	10.74%
OVERSEAS	195,094,198	174,080,811	-10.77%	206,658,376	18.71%	256,493,663	24.11%	243,319,920	-5.14%
NO. OF RACE WEEKS	13	13		13		13		12	
AVG. SALES	15,007,246	13,390,832	-10.77%	15,896,798	18.71%	19,730,282	24.11%	20,276,660	2.77%
SPORTS EVENT	1,799,460	1,127,509		1,572,270		2,318,176	47.44%	3,268,146	40.98%
TOTAL FOR OVERSEAS	196,893,658	175,208,320	-11.01%	208,230,646	18.85%	258,811,839	24.29%	246,588,066	-4.72%
TOTAL FOR BOOKMAKERS	445,656,458	391,979,140	-12.04%	465,110,543	18.66%	607,779,255	30.67%	580,324,513	-4.52%
TOTAL FOR PROMOTER	704,015,163	628,518,379	-10.72%	798,449,640	27.04%	1,001,306,464	25.41%	1,035,342,011	3.40%
TOTAL FOR THE INDUSTRY	1,149,671,621	1,020,497,519	-11.24%	1,263,560,183	23.82%	1,609,085,719	27.35%	1,615,666,524	0.41%

Figures 1 and 2 provide a graphic overview of the promoter's dominance within the industry. Figure 2 shows that the promoter recorded 64% of the sales generated within the industry, this was an improvement of 2% over the corresponding quarter of the previous year during which 62% was recorded. It should also be noted that sales on local races outstripped that on overseas races and were responsible for 55% of the total sales, with the remaining 45% being on overseas races.



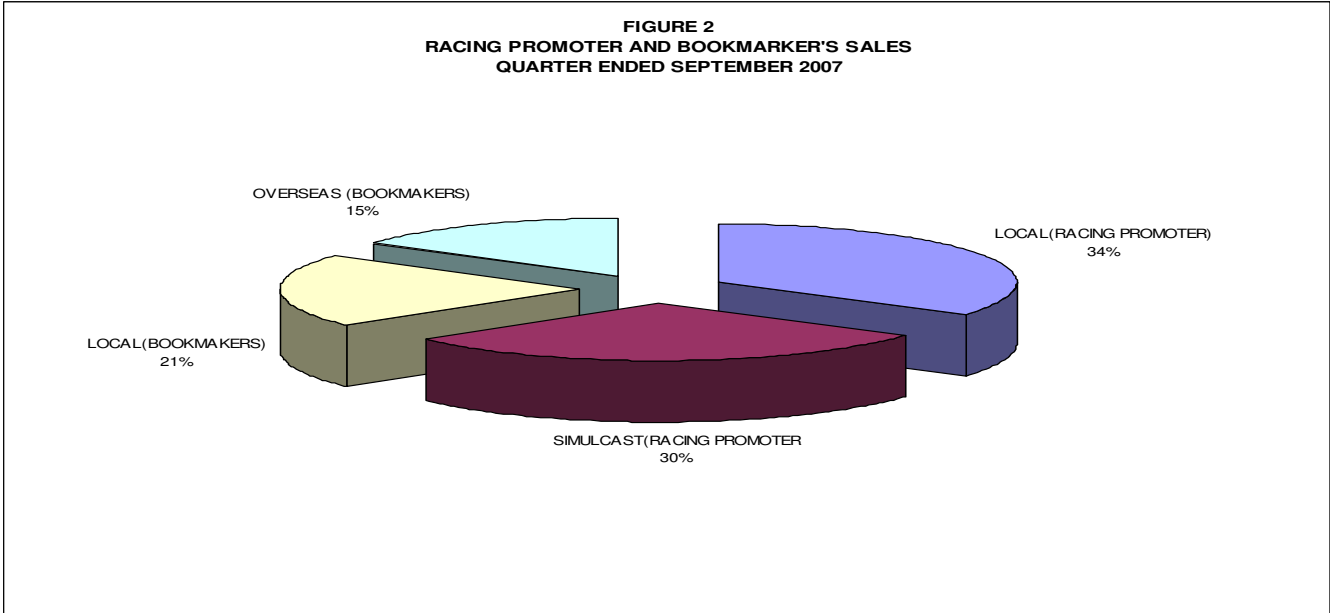
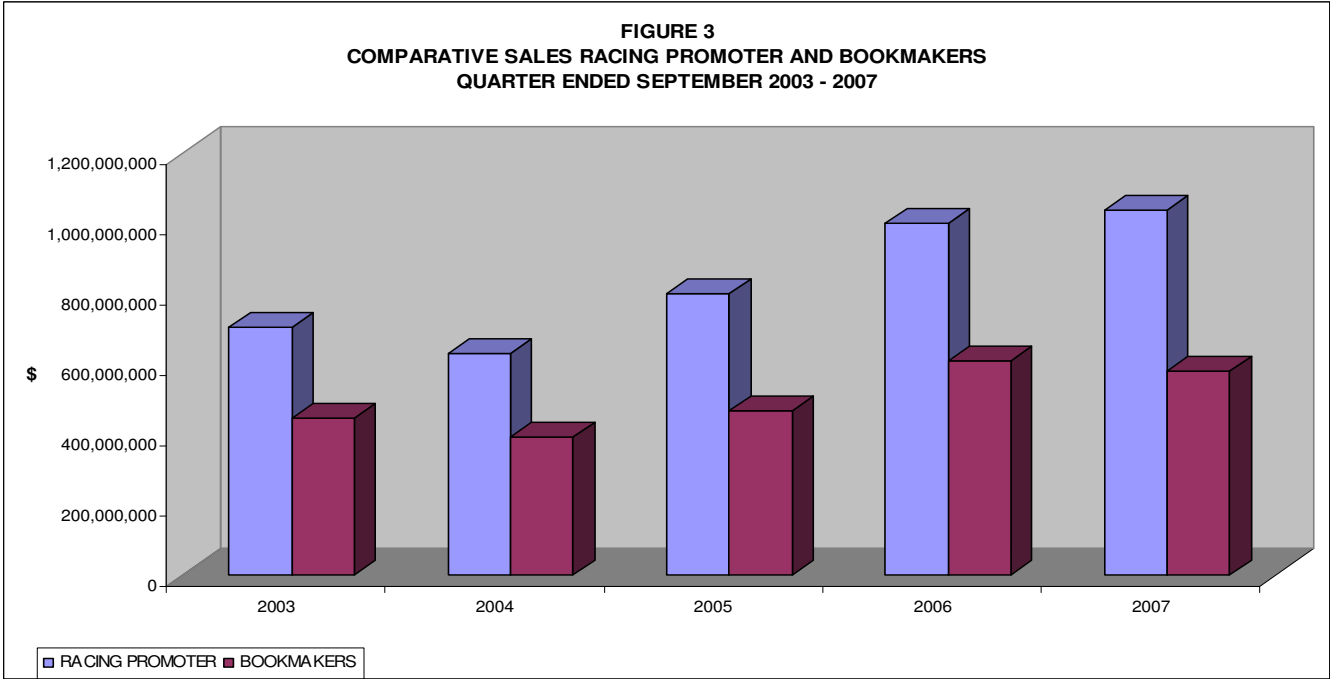


Figure 3 provides a comparative overview of the sales performance of the promoter and bookmakers for the September ended quarters of 2003 – 2007. The promoter's dominance has been clearly established and for each of the five years was in excess of that recorded by bookmakers. For the review period, the \$1.035B recorded by the promoter was some 56.05% in excess of the \$580.325M recorded by bookmakers.



BOOKMAKER'S SALES

Table 3 and **Figure 4** provide information on the sales performance of each bookmaker. Track Price Plus Limited with 63 betting offices was the leading bookmaker and for the review period recorded total sales of \$199.668M or 0.91% in excess of the \$197.866M recorded over the corresponding period of the previous year. Champion Betting Co. Limited with 48 betting offices in operation was the second largest bookmakers in terms of sales generated over the review period. The company recorded total sales of \$126.464M, some 10.01% less than the \$140.538M recorded over the corresponding quarter of the previous year. This decline may once again be attributed to the loss of two scheduled local race days over the review period.

On the converse, Big 'A' Track 2003 Limited with 23 betting offices in operation and sales of \$9.876M on local races was the smallest bookmaker, in terms of sales generated.

**TABLE 3
BOOKMAKER'S LOCAL & OVERSEAS SALES
QUARTER ENDED SEPTEMBER 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	9,876,270	23	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LIMITED	35,140,427	56	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	29,079,449	20	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	60,989,105	48	65,475,025	32	0
CHARLES OFF BETTING LIMITED	10,703,850	29	N/A	N/A	N/A
IDEAL BETTING COMPANY LIMITED	17,024,042	27	16,831,698	18	N/A
MARKHAM BETTING COMPANY LIMITED	47,570,560	42	27,644,748	26	0
POST TO POST BETTING LIMITED	12,979,119	22	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	14,827,077	38	29,247,162	24	N/A
TRACK PRICE PLUS LIMITED	95,546,548	63	104,121,287	52	3,268,146
TOTAL	333,736,447	368	243,319,920	152	3,268,146

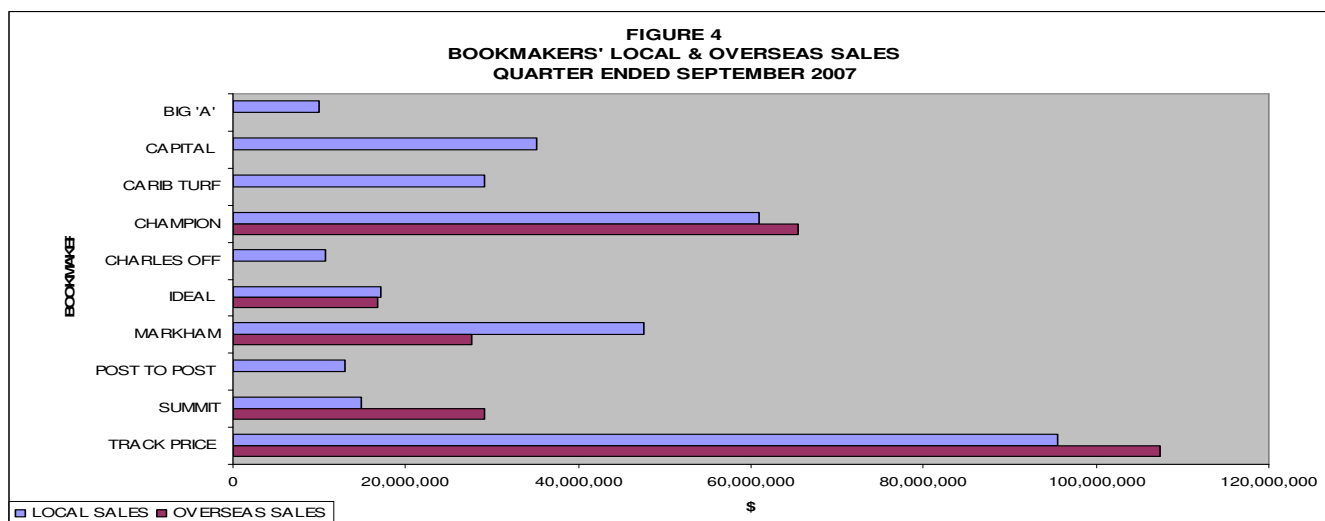
Table 4 provides a comparative view of the individual sales performance of bookmakers on local and overseas races for the review period and that of the corresponding period of the previous year. Seven of the ten bookmakers recorded a decline in local sales over the review period when compared to the corresponding quarter of the previous year with Big 'A' Track 2003 Limited showing the largest decline of 18.97% as sales slipped from \$12.188M in the

September quarter of 2006 to \$9.876M over the review period. On the other hand, of the three bookmakers that recorded increased sales over the period in question, Post to Post Betting Limited recorded the largest increase of 9.26% as sales progressed from \$11.879M in the September ended quarter of 2006 to \$12.979M over the period under review.

Of the five bookmakers that accepted bets on overseas races, four recorded declining sales with Ideal Betting Co. Limited recording the largest decrease of 15.71%, as sales slipped from \$19.969M in the September ended quarter of 2006 to \$16.832M over the review period. Summit Betting Co. Limited was the only bookmaker to show an increase, moving from \$27.049M in the September ended quarter of 2006 to \$29.247M over the period under review.

**TABLE 4
BOOKMAKER'S COMPARATIVE SALES
QUARTER ENDED SEPTEMBER 2006 & 2007**

BOOKMAKERS	LOCAL 2006	LOCAL 2007	% CHANGE	OVERSEAS 2006	OVERSEAS 2007	% CHANGE
BIG 'A' TRACK 2003 LTD.	12,188,387	9,876,270	-18.97%	N/A	N/A	N/A
CAPITAL BETTING & WAGERING LTD.	35,487,491	35,140,427	-0.98%	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LTD.	31,192,595	29,079,449	-6.77%	N/A	N/A	N/A
CHAMPION BETTING CO. LTD.	71,451,455	60,989,105	-14.64%	69,168,077	65,475,025	-5.34%
CHARLES OFF BETTING LIMITED	11,335,535	10,703,850	-5.57%	N/A	N/A	N/A
IDEAL BETTING COMPANY LIMITED	17,777,301	17,024,042	-4.24%	19,969,423	16,831,698	-15.71%
MARKHAM BETTING COMPANY LIMITED	54,084,261	47,570,560	-12.04%	31,446,727	27,644,748	-12.09%
POST TO POST BETTING LIMITED	11,878,933	12,979,119	9.26%	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	14,669,916	14,827,077	1.07%	27,049,132	29,247,162	8.13%
TRACK PRICE PLUS LIMITED	88,895,781	95,546,548	7.48%	111,178,480	107,389,433	-3.41%
TOTAL	348,961,655	333,736,447	-4.36%	258,811,839	246,588,066	-4.72%



Information on the average sales, payouts and gross profits for each bookmaker is shown at **Table 5**. The review period saw bookmakers recording average gross profits per betting office of \$540,948 from average sales and payouts of \$1,568,088 and \$1,027,140, respectively. This represents a decrease of 13.51% in average gross profits per betting office when compared to the average per betting office of \$625,466 recorded for the September quarter of 2006. Track Price Plus recorded the largest gross profits of \$1,140,680 per betting office and was followed by Champion Betting Co. Limited with \$928,502 per betting office. On the converse Charles Off Betting Co. Limited recorded the smallest average gross profits of \$122,200 per betting office.

TABLE 5
INDIVIDUAL BOOKMAKER'S AVERAGES GROSS PROFITS
QUARTER ENDED SEPTEMBER 2007

BOOKMAKERS	BETTING OFFICES	TOTAL SALES	AVERAGE SALES	TOTAL PAYOUTS	AVERAGE PAYOUTS	AVG. GROSS PROFIT
BIG 'A' TRACK 2003 LTD.	23	9,876,270	429,403	6,864,751	298,467	130,936
CAPITAL BETTING & WAGERING LTD.	56	35,140,427	627,508	23,171,101	413,770	213,738
CARIBBEAN TURF SERVICE LTD.	20	29,079,449	1,453,972	19,309,617	965,481	488,492
CHAMPION BETTING CO. LTD.	48	126,464,130	2,634,669	81,896,016	1,706,167	928,502
CHARLES OFF BETTING LIMITED	29	10,703,850	369,098	7,160,043	246,898	122,200
IDEAL BETTING COMPANY LIMITED	27	33,855,740	1,253,916	23,344,250	864,602	389,314
MARKHAM BETTING COMPANY LIMITED	42	75,215,308	1,790,841	51,492,993	1,226,024	564,817
POST TO POST BETTING LIMITED	22	12,979,119	589,960	9,214,952	418,861	171,099
SUMMIT BETTING COMPANY LIMITED	38	44,074,239	1,159,848	27,728,932	729,709	430,140
TRACK PRICE PLUS LIMITED	63	199,667,835	3,169,331	127,804,969	2,028,650	1,140,680
TOTAL/AVERAGE	368	577,056,367	1,568,088	377,987,624	1,027,140	540,948

N.B: Sports Betting sales and payout of \$3,268,146 and \$3,693,525.90 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

Total gross profits made by the promoter and bookmakers are presented at **Table 6** and **Figure 5**. The promoter realized gross profit of \$312.632M or 30.20% of sales. In contrast bookmakers recorded gross profits of \$199.069M or 34.50% of sales. Such profits were some 2.57% less than the \$224.542M over the September ended quarter of 2006.

**TABLE 6
GROSS PROFIT
RACING PROMOTER AND BOOKMAKERS
QUARTER ENDED SEPTEMBER 2007**

	Q/E SEPT. 2003	Q/E SEPT. 2004	Q/E SEPT. 2005	Q/E SEPT. 2006	Q/E SEPT. 2007
	\$	\$	\$	\$	\$
RACING PROMOTER					
SALES	703,979,170	628,112,825	798,449,640	1,001,306,464	1,035,342,011
PAYOUTS	480,509,638	428,702,916	540,915,741	680,588,196	722,709,601
GROSS PROFIT	223,469,532	199,409,909	257,533,899	320,718,268	312,632,410
GROSS PROFIT AS A % OF SALES	31.74%	31.75%	32.25%	32.03%	30.20%
BOOKMAKERS					
SALES	445,608,476	392,199,416	465,088,909	605,455,318	577,056,367
PAYOUTS	282,091,651	256,515,911	294,081,039	380,913,011	377,987,624
GROSS PROFIT	163,516,825	135,683,505	171,007,870	224,542,307	199,068,743
GROSS PROFIT AS A % OF SALES	36.70%	34.60%	36.77%	37.09%	34.50%

N.B: Sports Betting sales and payout of \$3,268,146 and \$3,693,525.90 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)

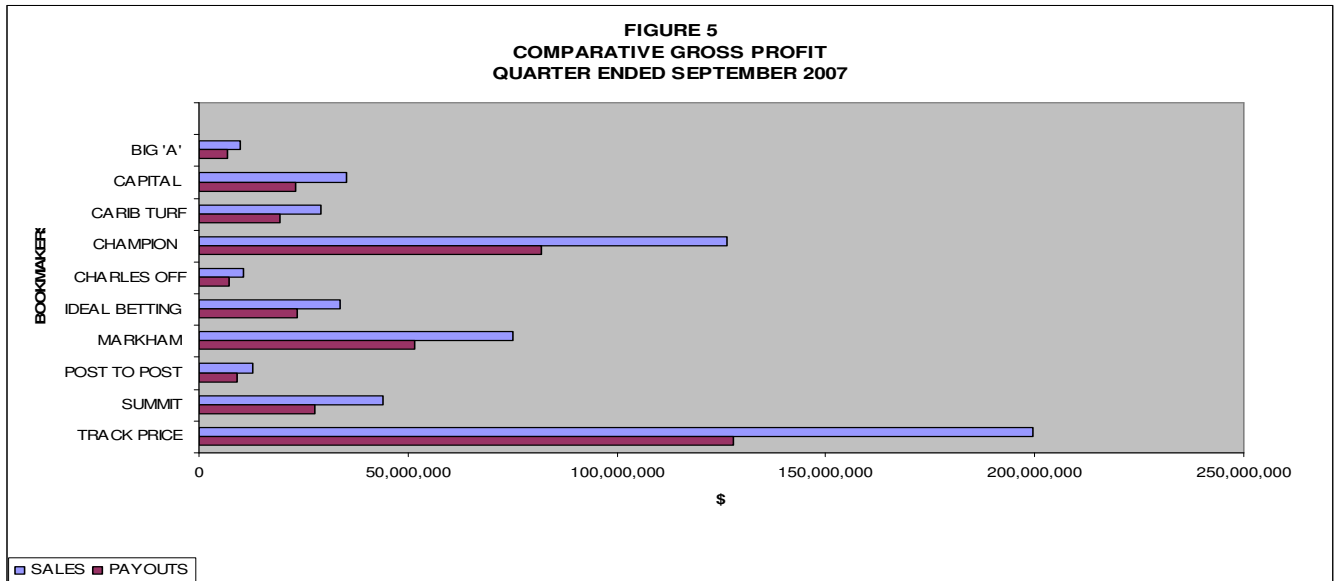


Table 7 provides information on the gross profit realized by individual bookmakers. Track Price Plus with sales of \$199.668M and payouts of \$127.805 realized the largest gross profit of \$71.863M, some 1.94% greater than the \$70.494M realized during the corresponding quarter of the previous year. On the converse, Big 'A' Track 2003 Limited with sales of \$9.876M and payouts of \$6.865M recorded the lowest gross profit of \$3.012M.

TABLE 7
INDIVIDUAL BOOKMAKER'S GROSS PROFIT
QUARTER ENDED SEPTEMBER 2007

BOOKMAKERS	SALES	PAYOUTS	PAYOUTS AS A % OF SALES	GROSS PROFIT
BIG 'A' TRACK 2003 LIMITED	9,876,270	6,864,751	69.51%	3,011,519
CAPITAL BETTING & WAGERING LIMITED	35,140,427	23,171,101	65.94%	11,969,326
CARIBBEAN TURF SERVICE LIMITED	29,079,449	19,309,617	66.40%	9,769,832
CHAMPION BETTING COMPANY LIMITED	126,464,130	81,896,016	64.76%	44,568,114
CHARLES OFF BETTING LIMITED	10,703,850	7,160,043	66.89%	3,543,807
IDEAL BETTING COMPANY LIMITED	33,855,740	23,344,250	68.95%	10,511,490
MARKHAM BETTING COMPANY LIMITED	75,215,308	51,492,993	68.46%	23,722,315
POST TO POST BETTING LIMITED	12,979,119	9,214,952	71.00%	3,764,167
SUMMIT BETTING COMPANY LIMITED	44,074,239	27,728,932	62.91%	16,345,307
TRACK PRICE PLUS LIMITED	199,667,835	127,804,969	64.01%	71,862,866
TOTAL	577,056,367	377,987,624	65.50%	199,068,743

N.B: Sports Betting sales and payout of \$3,268,146 and \$3,693,525.90 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 and levies payable and paid by the promoter and bookmakers for the review period are shown at **Table 8**. In total some \$65.141M was paid by the players in the industry or 79.44% of the \$82.001M payable. Of the total paid, bookmakers were responsible for \$43.646M or 67%, while the promoter was responsible for \$21.495M or 33%. In the main, bookmakers continue to be relatively responsive with respect to such payments but were delinquent in making payments to the Jamaica Racing Commission (JRC) and to sports. In contrast the delinquency of the promoter was quite alarming as no payments were made from sales on both local and simulcast races to the JRC, BGLC and the Benevolent Fund. It should also be noted that the \$21.495M paid over by the promoter represents 51.94% of the \$41.381M payable for the review period.

**TABLE 8
TAXES, DUTIES & LEVIES
BOOKMAKERS AND RACING PROMOTER
QUARTER ENDED SEPTEMBER 2007**

BETTING MODE	LEVY, TAXES & DUTIES	PAYABLE	PAID TO DATE
BOOKMAKER			
LOCAL RACING			
Jul. 2, 2007 - Sep. 8, 2007	16.5% GROSS PROFIT TAX	14,258,452	14,541,652
	1% CONTRIBUTION TO BGLC	2,436,544	2,554,949
	1% CONTRIBUTION TO JRC	2,436,544	2,554,949
	\$80 SPECIFIC LEVY	11,200	11,280
	TOTAL	19,142,740	19,662,830
Sep. 12, 2007 - Sep. 29, 2007	9% GROSS PROFIT TAX	2,545,712	5,203,271
	1% GROSS PROFIT TO BGLC	282,857	775,296
	1% GROSS PROFIT TO JRC	282,857	775,296
	\$80 SPECIFIC LEVY	4,000	3,520
	TOTAL	22,258,166	26,420,213
OVERSEAS RACING			
Jul. 2, 2007 - Sep. 8, 2007	16.5% GROSS PROFIT TAX	11,466,430	11,162,656
	1% CONTRIBUTION TO BGLC	1,956,194	1,895,606
	1% CONTRIBUTION TO JRC	1,956,194	0
	1/2% CONTRIBUTION TO SPORTS	978,097	0
	TOTAL	16,356,916	13,058,262
Sep. 10, 2007 - Sep. 29, 2007	9% GROSS PROFIT TAX	1,338,720	3,479,607
	1% GROSS PROFIT TO BGLC	148,747	599,116
	1% GROSS PROFIT TO JRC	148,747	0
	TOTAL	17,993,130	17,136,985
	SPORTS EVENTS		
	10% BET- WINNINGS TAX	369,353	89,180
TOTAL FOR BOOKMAKERS		40,620,648	43,646,378
RACING PROMOTER			
LOCAL RACING			
Jul. 2, 2007 - Sep. 8, 2007	5% GROSS PROFIT TAX	6,366,120	6,078,939
	1% CONTRIBUTION TO BGLC	4,162,876	0
	1% CONTRIBUTION TO JRC	4,162,876	0
	1% CONTRIBUTION TO BENEVOLENT FUND	4,162,876	0
	TOTAL	18,854,749	6,078,939
Sep. 12, 2007 - Sep. 29, 2007	2% GROSS PROFIT TAX	882,058	4,542,024
	1% GROSS PROFIT TO BGLC	441,029	441,029
	4.5% GROSS PROFIT TO JRC	1,984,630	1,984,630
	TOTAL	22,162,466	13,046,622
	SIMULCAST		
Jul. 2, 2007 - Sep. 8, 2007	5% GROSS PROFIT TAX	5,609,090	5,584,516
	1% CONTRIBUTION TO BGLC	3,810,748	0
	1% CONTRIBUTION TO JRC	3,810,748	0
	1% CONTRIBUTION TO BENEVOLENT FUND	3,810,748	0
	TOTAL	17,041,333	5,584,516
Sep. 12, 2007 - Sep. 29, 2007	2% GROSS PROFIT TAX	580,506	2,638,904
	1% GROSS PROFIT TO BGLC	290,253	225,073
	4.5% GROSS PROFIT TO JRC	1,306,140	0
	TOTAL	19,218,232	8,448,493
	TOTAL FOR PROMOTER		41,380,698
TOTAL FOR THE INDUSTRY		82,001,346	65,141,493

FIRST INSTANCE TRIBUNAL

There was no sitting of the First Instance Tribunal.

CONCLUSION

The performance over the review period was commendable notwithstanding the effects of hurricane Dean on the racing plant at Caymanas Park and the dislocation caused by the loss of electricity across the island and damage to several betting offices and OTB parlours.

We however continue to be concerned with the failure of the promoter and to a lesser extent, bookmakers in making certain payments. Additionally, the performance of the division continues to be hampered by the shortage of manpower within the inspectorate department.

December 24, 2007
Betting Division

Staff Complement of the Betting Division is as follows:-

Director (1)
Senior Inspector (1)
Inspectors (5)
Audit Supervisor (1)
Senior Audit Clerk (1)
Audit Clerk (7)
Secretaries (2)