



Games people love to play...and more

***Unaudited Consolidated
Financial Statements
31st July 2006***



Commentary on the Unaudited Nine-Month Results

The Directors of Supreme Ventures Limited are pleased to release the un-audited financial results for the nine-month period ended 31st July 2006 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The company's turnover for this period was \$12 billion when compared to \$11 billion for the corresponding period last year. This is an increase of 8.6%.

The operating profit for the period was \$202 million when compared to \$138 million for the corresponding period last year. Profit after tax attributable to shareholders for the period amounted to \$129 million, a significant improvement on the \$20 million posted for the corresponding period last year. The segment results for the nine-month period showed significant improvements in Lottery & Gaming, PIN codes, Others and Financial Services (MoneyGram and Cambio), when compared to the corresponding period last year.

High Cash Pot liabilities over the second and third quarters continue to be a challenge. This adversely affected profitability, with millions in additional prize payments made between February and July 2006. Whilst we cannot accurately predict the game liability trend on a quarterly basis, it is our experience that over time the game will perform to its model of 72% liability.

Having implemented the 'get well' plan referred to in the second quarter financial statements, the Video Lottery Terminal division is now showing positive growth trends, with a significant increase in patronage at The Acropolis, Villagio and Coral Cliff Gaming lounges.

In 2007, the company should show better profits as a result of the negotiated reduction in payments to our technology provider (GTECH). Significant strides have been made in negotiations for the West Indies Lottery game and revenue from this product would improve the segment results for Lottery & Gaming in the coming year.

Supreme Gaming Limited (which has a franchise agreement relationship with Supreme Ventures Limited) and our technology provider recently signed the agreement for lottery operations in Guatemala. Supreme Ventures Limited anticipates a gain of 2% on gross online sales in franchise fees from these operations, conservatively estimated at \$250 million over the period 2007 to 2009. Negotiations are on-going in El Salvador, Nicaragua and Costa Rica.

A handwritten signature in black ink, appearing to read 'Paul Hoo', written over a horizontal line.

Paul Hoo
Chairman
13th September 2006

A handwritten signature in black ink, appearing to read 'Brian George', written over a horizontal line.

Brian George
President & C.E.O.

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Balance Sheet****As at 31st July 2006**

(Expressed in thousands of Jamaican dollars)

	Unaudited nine months ended July 2006	Restated Audited year ended October 2005	Restated Unaudited nine months ended July 2005
ASSETS			
Non-current assets			
Property, plant and equipment	1,257,897	980,107	253,751
Goodwill and other intangibles	666,431	206,967	206,332
Long-term receivables	348,511	421,389	362,276
Investment securities	16,939	16,939	16,939
Deferred tax assets	<u>24,664</u>	<u>50,187</u>	<u>39,750</u>
	<u>2,314,442</u>	<u>1,675,589</u>	<u>879,048</u>
Current assets			
Inventories	47,782	42,566	37,350
Accounts receivable & prepayments	178,255	118,728	206,247
Due from related parties	-	284,464	229,153
Investment in cash securities	340	19,557	19,850
Cash and bank deposits	<u>189,284</u>	<u>404,517</u>	<u>882,384</u>
	<u>415,661</u>	<u>869,832</u>	<u>1,374,984</u>
Total assets	<u>2,730,103</u>	<u>2,545,421</u>	<u>2,254,032</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Stated capital	1,967,183	1,850,846	1,850,846
Profit and loss account – deficit	<u>(8,242)</u>	<u>(137,325)</u>	<u>(307,661)</u>
	<u>1,958,941</u>	<u>1,713,521</u>	<u>1,543,185</u>
Non-current liabilities			
Long-term liabilities	<u>95,397</u>	<u>124,808</u>	<u>37,626</u>
	<u>95,397</u>	<u>124,808</u>	<u>37,626</u>
Current liabilities			
Accounts payable and accruals	586,643	589,915	519,732
Prizes payable	61,609	84,221	116,928
Income tax payable	22,876	21,829	22,725
Bank overdraft (unsecured)	<u>4,637</u>	<u>11,127</u>	<u>13,836</u>
	<u>675,765</u>	<u>707,092</u>	<u>673,221</u>
Total equity and liabilities	<u>2,730,103</u>	<u>2,545,421</u>	<u>2,254,032</u>

Approved and authorized for issue by the Board of Directors on 12th September 2006 and are signed on its behalf by:.....
Paul Hoo – Chairman.....
Brian George – President and CEO

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Profit and Loss Account – Unaudited****For the period ending 31st July 2006**

(Expressed in thousands of Jamaican dollars)

	Unaudited Three Months ended 31st July 2006	Unaudited Nine Months ended 31st July 2006	Restated Unaudited Three Months ended 31st July 2005	Restated Unaudited Nine Months ended 31st July 2005
Revenue	4,089,840	12,046,955	3,311,407	11,090,326
Direct expenses	<u>3,775,784</u>	<u>10,993,481</u>	<u>3,015,183</u>	<u>10,243,230</u>
Gross profit	314,056	1,053,474	296,224	847,096
Expenses	<u>(285,056)</u>	<u>(851,281)</u>	<u>(230,612)</u>	<u>(709,391)</u>
OPERATING PROFIT	29,000	202,193	65,612	137,705
Interest income	2,401	10,610	722	4,584
Finance cost	<u>(3,848)</u>	<u>(13,008)</u>	<u>(23,102)</u>	<u>(61,756)</u>
Amortization of goodwill	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>	<u>(194)</u>
PROFIT BEFORE TAXATION	27,553	199,795	43,232	80,339
Taxation	<u>(11,832)</u>	<u>(70,712)</u>	<u>(36,993)</u>	<u>(60,483)</u>
Profit for period	<u>15,721</u>	<u>129,083</u>	<u>6,239</u>	<u>19,856</u>
Attributable to:				
Equity holders of the company	<u>15,721</u>	<u>129,083</u>	<u>6,239</u>	<u>19,856</u>
Earnings per stock unit attributable to equity holders of the company during the period				
Basic	<u>0.006</u>	<u>0.049</u>	<u>0.012</u>	<u>0.040</u>
Fully diluted	<u>0.006</u>	<u>0.049</u>	<u>0.012</u>	<u>0.040</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity
As at 31st July 2006

(Expressed in thousands of Jamaican dollars)

	Stated Capital	Profit & Loss Account - Deficit	Total
Nine months ended 31st July 2006			
Balance, 1 st November 2004 (as previously stated)	1,000	(316,850)	(315,850)
Effects of the changes in accounting policy (see note 7)	<u>-</u>	<u>(10,667)</u>	<u>(10,667)</u>
Balance, 1 st November 2004 (restated)	1,000	(327,517)	(326,517)
Advances on purchase of shares	1,849,846		1,849,846
Net profit for the year (See note 7)	<u>-</u>	<u>190,192</u>	<u>190,192</u>
Balance at 1 st November 2005 (restated)	1,850,846	(137,325)	1,713,521
Contribution arising from the acquisition of Subsidiary (see note 6)	196,674	-	196,674
Cost of Initial Public Offer	(80,337)	-	(80,337)
Net profit for the period	<u>-</u>	<u>129,083</u>	<u>129,083</u>
Balance at 31 st July 2006	<u>1,967,183</u>	<u>(8,242)</u>	<u>1,958,941</u>
Nine months ended 31st July 2005			
Balance, 1 st November 2004 (restated)	1,000	(327,517)	(326,517)
Advances on purchase of shares	1,849,846		1,849,846
Net Profit for the period	<u>-</u>	<u>19,856</u>	<u>19,856</u>
Balance at 31 st July 2005 (restated)	<u>1,850,846</u>	<u>(307,661)</u>	<u>1,543,185</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Statement of Cash Flows****As at 31st July 2006**

(Expressed in thousands of Jamaican dollars)

	Unaudited Nine months ended July 2006	Restated audited year ended October 2005	Restated Unaudited Nine months ended July 2005
SOURCES/(USES) OF CASH			
Operating activities			
Profit from operations	202,193	282,610	137,705
Adjustments for items not affecting cash, changes in non-cash working capital components and other, net	(88,541)	(97,422)	(73,917)
Cash provided by operating activities	113,652	185,188	63,788
Cash used in investing activities	(377,524)	(944,167)	(369,614)
Cash provided by/(used in) financing activities	<u>55,129</u>	<u>870,147</u>	<u>892,152</u>
NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES	(208,743)	111,168	586,326
OPENING CASH AND BANK BALANCES	<u>393,390</u>	<u>282,222</u>	<u>282,222</u>
CLOSING CASH AND BANK BALANCES	<u>184,647</u>	<u>393,390</u>	<u>868,548</u>
Comprising:			
Cash and bank deposits	189,284	404,517	882,384
Bank overdraft	(4,637)	(11,127)	(13,836)
	<u>184,647</u>	<u>393,390</u>	<u>868,548</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Financial Information by Business Segment- Unaudited
(Expressed in thousands of Jamaican dollars)

PERIOD ENDED JULY 31, 2006

	Lottery and Gaming \$'000	Hospitality \$'000	Financial Services \$'000	Pin Codes \$'000	Others	Consolidation adjustments \$'000	Group \$'000
Revenue							
External sales	11,322,837	95,888	65,955	519,736	86,541	(44,374)	12,046,583
Inter-segment sales							
Total Revenue	11,322,837	95,888	65,955	519,736	86,541	(44,374)	12,046,583
Segment Result	155,958	(20,002)	4,577	17,336	44,324		202,193
Finance income-net							(2,398)
Profit before taxation						-	199,795
Taxation							(70,712)
Profit for the period							129,083

As at July 31, 2006

Segment assets	3,269,429	272,264	112,625			(924,215)	2,730,103
Segment liabilities	1,017,357	137,518	91,202			(474,916)	771,161

PERIOD ENDED JULY 31, 2005

	Lottery and Gaming \$'000	Hospitality \$'000	Financial Services \$'000	Pin Codes \$'000	Others	Consolidation adjustments \$'000	Group \$'000
Revenue							
External sales	10,606,996	-	41,504	401,612	44,480	(4,266)	11,090,326
Inter-segment sales							
Total Revenue	10,606,996	-	41,504	401,612	44,480	(4,266)	11,090,326
Segment Result	93,331	-	(9,019)	13,179	40,214		137,705
Finance income-net							(57,172)
Goodwill amortisation							(194)
Profit before taxation						-	80,339
Taxation							(60,483)
Profit for the period							19,856

As at July 31, 2005

Segment assets	3,101,663	-	96,713			(944,344)	2,254,032
Segment liabilities	1,270,940	-	82,605			(642,698)	710,847

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS
NINE MONTHS ENDED 31st JULY 2006**

Notes

1) Identification

The Group comprises the company and its wholly owned subsidiaries.

The wholly owned subsidiaries and their subsidiaries that are consolidated and their principal activities are as follows:

<u>Name of Company</u>	<u>Principal Activity</u>	<u>Percentage Ownership</u>	<u>Included in Consolidation</u>	
			<u>31-July-06</u>	<u>31-July -05</u>
Supreme Ventures (IBC) Holdings Limited and its wholly owned subsidiaries				
Prime Sports Jamaica Limited	Gaming operations	100	<i>Yes</i>	<i>No</i>
Chillout Ventures Limited	Gaming operations	100	<i>No</i>	<i>No</i>
Jamaica Lottery Company Limited (JLC) and its wholly owned subsidiaries				
Supreme Ventures Financial Services Limited	Foreign exchange dealer and remittance	100	<i>Yes</i>	<i>Yes</i>
Jamaica Lottery Holdings Limited (JLH)	Lottery operations	100	<i>No</i>	<i>Yes</i>
Coral Cliff Entertainment Limited	Hospitality services	100	<i>Yes</i>	<i>No</i>
Village Square Entertainment Limited	Gaming operations	100	<i>Yes</i>	<i>No</i>

Comparison of the prior period to 31st July 2005 is on a limited basis as those results were generated under a different corporate structure.

2) Statement of Compliance and Basis of Preparation

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

The interim financial statements have been prepared using the same accounting policies and methods of computation as compared with the audited Financial Statements for year ended October 31, 2005, except for the change in policy to recognize the advertised Lotto jackpot prize liabilities [Note 3 (c)]. The effects of the adoption of the new policy are fully described in note 7.

These financial statements are presented in Jamaican dollars.

3) Significant Accounting Policies

(a) Goodwill

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the fair value of the net assets acquired. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(b) Deferred taxation

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(c) Lotto Prize Liability

Lotto jackpot prize liabilities are recognized on the accrual basis.

(d) Segment reporting

The activities of the Group are organized into the following four primary segments:

- 1) Lottery and Gaming - this incorporates lottery games, operated through the agent network and VLT games offered at gaming lounges.
- 2) Hospitality - this incorporates room, restaurant and bar and related guest services.
- 3) Financial Services - this incorporates foreign exchange dealer services and commissions from Money Gram services.
- 4) PIN codes and Others - this incorporates sale of PIN codes.

(e) Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

4) Conditions attached to Licence by Betting Gaming and Lotteries Commission (BGLC) to conduct Lottery-Type Games

Clause 3 of the condition attached to the licence granted by BGLC to conduct Lottery-Type Games requires the company to ensure that its liquid assets are on average not less than 75% of its current liabilities. The company did not meet condition.

5) Cost of Initial Public Offer

In accordance with an offer for subscription by way of the Private Placement on 11th July 2005, the Company committed to undertake an Initial Public Offering (“IPO”) for sale of shares in SVL by its existing shareholders (including the persons who were allotted shares in the Private Placement) for the listing of the shares in the company on the Jamaica Stock Exchange (JSE). In this regard, an offer for sale of 124,940,125 ordinary stock units of no par value at \$4.81 per stock unit in Supreme Ventures Limited was made by the shareholders on 12th January 2006, and those shares were listed on the JSE on 28th February 2006. The cost of \$80,337,000 that was incurred in achieving this transaction has been set off against the proceeds of the private placement in July 2005.

6) Contribution arising from the transfer of SVL shares in connection with the acquisition of Prime Sports

The founding shareholders of the company transferred their shareholdings in Supreme Ventures Limited equivalent to a value of \$196,674,000 as part of the purchase consideration to acquire Prime Sports Jamaica Limited, which is a wholly owned subsidiary of the Supreme Ventures Group. This amount has been recognized as part of the value of the investment in subsidiary by the creation of a capital reserve.

Goodwill arising on the acquisition of the subsidiary will be tested for impairment at year end, in accordance with International Financial Reporting Standards and if warranted the capital reserve will be adjusted accordingly.

7) Effects of the change in accounting policy.

The directors during the current period adopted a policy to recognize the advertised lotto jackpot prizes at the end of a reporting period. An extract from the reconciliation of the effect of this change in policy on the prior year is as follows:

	Previously Stated \$'000	Adjustments \$'000	Restated \$'000
October 2005			
Consolidated balance sheet			
Assets	<u>2,532,088</u>	<u>13,333</u>	<u>2,545,421</u>
Liabilities	791,901	39,999	831,900
Shareholders' equity	<u>1,740,187</u>	<u>(26,666)</u>	<u>1,713,521</u>
	<u>2,532,088</u>	<u>13,333</u>	<u>2,545,421</u>
Consolidated profit and loss account			
Direct expenses	(13,260,773)	(23,999)	(13,284,772)
Taxation	(103,493)	8,000	(95,493)
Net Profit attributable to shareholders	<u>206,191</u>	<u>(15,999)</u>	<u>190,192</u>
July 2005			
Consolidated balance sheet			
Assets	<u>2,254,032</u>	-	<u>2,254,032</u>
Liabilities	710,847	-	710,847
Shareholders' equity	<u>1,543,185</u>	-	<u>1,543,185</u>
	<u>2,254,032</u>	-	<u>2,254,032</u>
Consolidated profit and loss account			
Direct expenses	(10,259,230)	16,000	(10,243,230)
Taxation	(55,150)	(5,333)	(60,483)
Net Profit attributable to Shareholders	<u>9,189</u>	<u>10,667</u>	<u>19,856</u>

8) Earnings per stock

In July 2005, the company raised additional capital of \$1,852.6 million through a private placement, by offering additional 500,715,405 ordinary stocks. These stocks have been allotted to the new shareholders and the issued capital at balance sheet date represents 2,637,254,926 ordinary stocks. Basic earnings per stock unit is calculated by dividing the net profit (loss) attributable to shareholders, by the weighted average number of ordinary stock units in issue during the year.

	<u>July 2006</u>	<u>July 2005</u>
Weighted average number of ordinary stock units in issue ('000)	2,637,255	499,900