



**Unaudited Consolidated
Financial Statements
30th April 2007**



Commentary on the Six-Month Unaudited Results

The Directors of Supreme Ventures Limited are pleased to release the consolidated unaudited financial results for the second quarter (six-month period) ended 30th April 2007 for the company and its subsidiaries.

The company's net profit after tax was \$228.95 million, which represented a **102% increase** over the corresponding period last year. This translated to an increase in earnings per share of \$0.087, compared to \$0.043 for the corresponding period last year. The positive results are directly attributable to significant increases in revenue from all of the contributing segments, in particular lottery and gaming (VLT). Lottery revenue amounted to \$8.17 billion compared to \$7.20 billion for the corresponding period last year. VLT revenue was \$379.41 million compared to \$253.86 million last year. There were also significant increases in revenue from PIN codes and Financial Services.

The company paid out \$5.70 billion in lottery prizes to players, an increase of 16.8% over last year, when prizes paid amounted to \$4.88 billion. Our agents also saw significant increases in commissions earned. Agent commissions for this review period was \$403.52 million compared to \$356.29 million for the same period last year.

The overall Cash Pot liability for February to April 2007 was 71.27%, which is in line with the game design. The 2nd quarter also benefited from sales associated with a large Lotto Jackpot of \$120 million. This jackpot was won on 31st March 2007 and shared by 10 players.

The company's asset position improved significantly over the review period, with total assets being \$3.18 billion at the end of April 2007. This compared favourably to total assets of \$2.83 billion at financial year end (October 2006) and \$2.74 billion at the end of the six-month period last year (April 2006).

Contributions to Lottery Tax, BGLC fees and the CHASE Fund amounted to \$928.83 million, compared to \$868.05 million for the corresponding period last year.

The Board of Directors is also very pleased that the restructuring of Acropolis operations undertaken by the management team has redounded to a significant increase in revenue. Coral Cliff gaming lounge continues to contribute well to total VLT revenue.

We wish to take this opportunity to thank all our stakeholders. To our shareholders, agents, customers and staff, we say thanks for your continued support to our various business segments. Our success would not be possible without your input.



Paul Hoo
Chairman



Brian George
President & C.E.O.

7th June 2007

Statement I

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Balance Sheet****As at 30th April 2007**


(Expressed in thousands of Jamaican dollars)

		Unaudited six months ended April 2007	Audited year ended October 2006	Unaudited six months ended April 2006
ASSETS	Notes			
Non-current assets				
Property, plant and equipment		1,183,039	1,232,921	1,263,726
Goodwill and other intangibles		614,060	614,727	616,038
Long-term receivables		-	2,036	333,430
Investment in Joint Venture		34,221	34,221	-
Available-for-sale-investments		263,711	365,461	16,939
Deferred tax assets		<u>51,411</u>	<u>28,926</u>	<u>6,267</u>
		<u>2,146,442</u>	<u>2,278,292</u>	<u>2,236,400</u>
Current assets				
Income tax recoverable		-	12,288	-
Inventories		56,900	29,304	44,026
Accounts receivable & prepayments		262,918	160,954	188,584
Investment in cash securities		-		10,065
Cash and bank deposits	(3)	<u>710,340</u>	<u>353,763</u>	<u>261,174</u>
		<u>1,030,158</u>	<u>556,309</u>	<u>503,849</u>
Total assets		<u>3,176,600</u>	<u>2,834,601</u>	<u>2,740,249</u>
EQUITY AND LIABILITIES				
Shareholders' equity				
Stated capital		1,967,183	1,967,183	1,967,183
Profit and loss account – deficit		<u>256,976</u>	<u>28,022</u>	<u>(23,963)</u>
		<u>2,224,159</u>	<u>1,995,205</u>	<u>1,943,220</u>
Non-current liabilities				
Long-term liabilities		<u>78,620</u>	<u>93,222</u>	<u>94,877</u>
		<u>78,620</u>	<u>93,222</u>	<u>94,877</u>
Current liabilities				
Accounts payable and accruals	(3)	675,642	624,088	628,974
Prizes payable	(3)	74,518	75,359	66,715
Income tax payable		<u>123,661</u>	<u>46,727</u>	<u>6,463</u>
		<u>873,821</u>	<u>746,174</u>	<u>702,152</u>
Total equity and liabilities		<u>3,176,600</u>	<u>2,834,601</u>	<u>2,740,249</u>

Approved and authorized for issue by the Board of Directors on June 7, 2007 and are signed on its behalf by:



 Paul Hoo – Chairman



 Brian George – President and CEO

Statement II

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Profit and Loss Account – Unaudited****For the period ending 30th April 2007**

(Expressed in thousands of Jamaican dollars)

	Unaudited 6 months to <u>April 07</u> \$'000	Unaudited 6 months to <u>April 06</u> \$'000	Unaudited 3 months to <u>April 07</u> \$'000	Restated Unaudited 3 months to <u>April 06</u> \$'000
Revenue	9,136,600	7,957,115	4,613,387	3,972,724
Direct expenses	<u>8,117,029</u>	<u>7,213,737</u>	<u>3,993,047</u>	<u>3,666,527</u>
Gross profit	1,019,571	743,378	620,340	306,197
Expenses	<u>(658,003)</u>	<u>(570,185)</u>	<u>(359,165)</u>	<u>(244,772)</u>
Profit from operations	361,568	173,193	261,175	61,425
Interest income	9,350	8,209	8,133	3,746
Finance cost	<u>(6,687)</u>	<u>(9,160)</u>	<u>(3,019)</u>	<u>(4,452)</u>
PROFIT BEFORE TAXATION	364,231	172,242	266,289	60,719
Taxation	<u>(135,277)</u>	<u>(58,880)</u>	<u>(105,489)</u>	<u>(20,597)</u>
NET PROFIT	<u>228,954</u>	<u>113,362</u>	<u>160,800</u>	<u>40,122</u>
EARNINGS PER STOCK	<u>0.087</u>	<u>0.043</u>	<u>0.061</u>	<u>0.015</u>

Statement III

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Statement of Changes in Equity****As at 30th April 2007**

(Expressed in thousands of Jamaican dollars)

Stated Capital**Profit & Loss
Account****Total****Six months ended 30th April 2007**

Balance, 1 st November 2006 (as previously stated)	1,967,183	28,022	1,995,205
Net profit for period	<u>-</u>	<u>228,954</u>	<u>228,954</u>
Balance as at 30 th April 2007	<u>1,967,183</u>	<u>256,976</u>	<u>2,224,159</u>

Six months ended 30th April 2006

Balance, 1 st November 2005 (restated)	1,850,846	(137,325)	1,713,521
Capital contribution on existing shares	196,674	-	196,674
Initial public offering and private placement expense	(80,337)	-	(80,337)
Net Profit for the period	<u>-</u>	<u>113,362</u>	<u>113,362</u>
Balance at 30th April 2006	<u>1,967,183</u>	<u>(23,963)</u>	<u>1,943,220</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Statement of Cash Flows****As at 30th April 2007**

(Expressed in thousands of Jamaican dollars)

Unaudited six months ended April 2007	Audited year ended October 2006	Unaudited six months ended April 2006
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SOURCES/(USES) OF CASH**Operating activities**

Profit from operations	375,876	262,946	173,193
Adjustments for items not affecting cash, changes in non-cash working capital components and other, net	<u>(85,462)</u>	<u>20,580</u>	<u>(66,161)</u>
Cash provided by operating activities	290,414	283,526	107,032
Cash provided by/(used in) investing activities	95,401	(167,437)	(322,868)
Cash provided by/(used in) financing activities	<u>(29,238)</u>	<u>(155,716)</u>	<u>83,620</u>
NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES	356,577	(39,627)	(132,216)
OPENING CASH AND BANK BALANCES	<u>353,763</u>	<u>393,390</u>	<u>393,390</u>
CLOSING CASH AND BANK BALANCES	<u>710,340</u>	<u>353,763</u>	<u>261,174</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Financial Information by Business Segment- Unaudited**

(Expressed in thousands of Jamaican dollars)

PERIOD ENDED APRIL 30, 2007

	Lottery & Gaming	Hospitality	Financial Services	Pin codes & Others	Consolidation Adjustments	Group Total
<u>Revenue</u>						
External sales	8,707,261	74,853	57,953	445,888	(149,355)	9,136,600
Segment results	294,263	(20,388)	12,982	74,711		361,568
Finance income-net						<u>2,663</u>
Profit before taxation						364,231
Taxation						<u>(135,277)</u>
Profit for the period						<u>228,954</u>
As at April 30, 2007						
Segment assets	4,214,729	712,915	138,784		(2,231,827)	2,834,601
Segment liabilities	1,484,200	119,301	101,555		(865,660)	839,396

PERIOD ENDED APRIL 30, 2006

	Lottery & Gaming	Hospitality	Financial Services	Pin Codes & Others	Consolidation Adjustments	Group Total
<u>Revenue</u>						
External sales	7,485,906	60,559	44,056	396,876	(30,282)	7,957,115
Segment results	141,429	(12,870)	2,822	41,812		173,193
Finance income-net						<u>(951)</u>
Profit before taxation						172,242
Taxation						<u>(58,880)</u>
Profit for the period						<u>113,362</u>
As at April 30, 2006						
Segment assets	3,661,850	277,393	67,628		(1,266,622)	2,740,249
Segment liabilities	1,465,859	150,288	49,071		(868,189)	797,029

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED 30th APRIL 2007**

1) 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, 2006.

These financial statements are presented in Jamaican dollars.

2) 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) Comparative information

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

3) Conditions attached to Licence granted by the Betting Gaming and Lotteries Commission (BGLC)

Based on approval granted on December 29, 2006 by the BGLC a wholly-owned subsidiary company of Supreme Ventures Limited (SVL) was established, whose operations consist entirely of conducting the licensed lottery games. The new company, Supreme Ventures Lotteries Limited (SVLotteries) will operate Cash Pot, Lucky 5, Dollaz, Pick 3, Lotto and a variety of instant games. The effective date of the licence is January 1, 2007.

Under the new licence SVLotteries is required to establish a dedicated bank account into which will be paid funds to ensure that on a continuous basis throughout the term of the licence, the credit balance on that account is not less than 100% of the aggregate amount of SVLotteries' liabilities which include:

- (a) Prize liabilities
- (b) The fees payable to BGLC
- (c) The specific gaming taxes payable to the Government of Jamaica, and
- (d) The contribution payable to CHASE Fund under the licence.

3) Conditions attached to Licence granted by the Betting Gaming and Lotteries Commission (BGLC) *continued*

Balances at 30th April 2007 are as follows:

	\$'000
Dedicated Cash Account	<u><u>\$380,162</u></u>
Aggregate Liabilities	<u><u>\$140,822</u></u>