



***Unaudited Consolidated  
Financial Statements  
as at 30<sup>th</sup> April 2006***

## **Report of the Board Of Directors Unaudited Financial Statements 30<sup>th</sup> April 2006**

The Board of Directors is pleased to present its unaudited financial results for the six-month period 1st November 2005 to 30th April 2006. The Board is also cognizant that this is the first publication of Supreme Ventures financial results since its listing on the Jamaica Stock Exchange on Tuesday, 28th February 2006 arising out of the IPO that closed on Friday, 27th January 2006.

Supreme Ventures Ltd. and its subsidiaries have shown gross revenues of \$7.9 billion that represents an increase of \$178.1 million over the similar six-month period in 2005. This is due mainly to increased contributions from the PIN Code (Phone Card Top Up) & Other Segments, the acquisition of Prime Sports Ltd. which operates Gaming lounges in the Hilton Kingston Hotel under the name of Villaggio, the Holiday Inn in Montego Bay and the Acropolis Gaming Suites at Barbican Centre, 29 East Kings House Road in Kingston, along with the acquisition of Coral Cliff and Village Square Entertainment in Montego Bay.

Pre-tax profit for the two quarters ending 30th April 2006 was \$172.2 million vs. \$37.1 million for the similar period in 2005. After-tax profit was \$113.3 million vs. \$13.6 million, again on a period-to-period basis. Special reference is made to note 3(b) of the notes to the financial statements referring to deferred taxation and the effect of this on our after-tax profit. Attention is also drawn to note 8 of the notes to the financial statements that highlight the effect on EPS arising from the proportionate change in the number of stock units, as a result of the subdivision in May 2005.

Both the pre-tax and after-tax results fell short of expectations due to the below par performance of Prime Sports, arising mainly from significantly lower than anticipated revenue and profit contribution from the Acropolis facility in particular. Arising out of these challenges we have embarked on a “get well plan” for the Acropolis. This includes significant restructuring of operations, including the removal of non-performing game themes and the introduction of new games consistent with player feedback, changes to the floor layout, changes to the restaurant operations and the restructuring of our operating cost, as well as the temporary reduction of payments to our technology partner GTECH during the period of the implementation of the get well plan.

The full roll out of these changes will be completed by 16th June 2006, however the initial feedback to the changes so far has been extremely positive and we have seen an increase in both the number of players and play at the Acropolis facility. We will continue to be bullish about our ability to grow the video lottery/slot machine sector outside of the traditional hotel environment.

In addition to changes at the Acropolis in Barbican, we have taken steps to improve both the game themes and the number of available games at all of the other locations. This has led to an increase in the number of games at the other facilities. The effects of all of these changes should have a positive impact on the results of these locations in the second half of the year.

Lottery operations continue to be extremely strong, notwithstanding the adverse economic climate associated with the dramatic effect of the cement shortage and the resulting loss of jobs in that sector. It must be noted that the jobs and the families that they support represent the core of our player community, especially for the Cash Pot game.

## Report of the Board Of Directors (cont'd)

As planned, the Lucky5 game was re-launched on Monday, 15th May 2006 with a new prize structure guaranteeing an increased top prize of \$600,000. As expected, we have had positive results from this change with an increase of 25% in sales for this product over the thirteen-week average prior to the change. In addition to this, we will be launching a major promotion for the Cash Pot game starting on 23rd June 2006. Cash Pot represents 77% of overall Lottery revenues; as such, an increase in revenues from this game will have a dramatic impact on overall lottery revenues.



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**Paul Hoo**  
**Chairman**



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**Brian George**  
**President & C.E.O.**

**SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES****Consolidated Balance Sheet****As at 30<sup>th</sup> April 2006**

(Expressed in thousands of Jamaican dollars)

	Unaudited six months ended April 2006	Restated Audited year ended October 2005	Restated Unaudited six months ended April 2005
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,263,726	980,107	260,664
Goodwill and other intangibles	599,185	206,967	206,232
Long-term receivables	333,430	421,389	261,185
Investment securities	16,939	16,939	16,939
Deferred tax assets	<u>6,267</u>	<u>50,187</u>	<u>80,047</u>
	<u>2,219,547</u>	<u>1,675,589</u>	<u>825,067</u>
<b>Current assets</b>			
Income tax recoverable	-	-	2,732
Inventories	44,026	42,566	16,542
Accounts receivable & prepayments	205,437	118,728	80,282
Due from related parties	-	284,464	209,126
Investment in cash securities	10,065	19,557	28,246
Cash and bank deposits	<u>261,174</u>	<u>404,517</u>	<u>188,012</u>
	<u>520,702</u>	<u>869,832</u>	<u>524,940</u>
<b>Total assets</b>	<u>2,740,249</u>	<u>2,545,421</u>	<u>1,350,007</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Stated capital	1,967,183	1,850,846	1,000
Profit and loss account – deficit	<u>( 23,963)</u>	<u>(137,325)</u>	<u>(313,900)</u>
	<u>1,943,220</u>	<u>1,713,521</u>	<u>(312,900)</u>
<b>Non-current liabilities</b>			
Long-term liabilities	94,877	124,808	669,404
Directors loan	<u>-</u>	<u>-</u>	<u>158,035</u>
	<u>94,877</u>	<u>124,808</u>	<u>827,439</u>
<b>Current liabilities</b>			
Accounts payable and accruals	628,974	589,915	665,132
Prizes payable	66,715	84,221	153,166
Income tax payable	6,463	21,829	-
Bank overdraft (unsecured)	<u>-</u>	<u>11,127</u>	<u>17,170</u>
	<u>702,152</u>	<u>707,092</u>	<u>835,468</u>
<b>Total equity and liabilities</b>	<u>2,740,249</u>	<u>2,545,421</u>	<u>1,350,007</u>

Approved and authorized for issue by the Board of Directors on June 6, 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 six months ended 30<sup>th</sup> April 2006**

(Expressed in thousands of Jamaican dollars)

	<b>Three months ended 30 April 2006</b>	<b>Six months ended 30 April 2006</b>	<b>Restated Three months ended 30 April 2005</b>	<b>Restated Six months ended 30 April 2005</b>
Revenue	3,972,707	7,957,115	3,816,698	7,778,919
Direct expenses	<u>3,680,200</u>	<u>7,213,737</u>	<u>3,474,432</u>	<u>7,228,047</u>
Gross profit	292,507	743,378	342,266	550,872
Expenses	<u>( 233,616)</u>	<u>( 570,185)</u>	<u>( 258,428)</u>	<u>(478,779)</u>
<b>OPERATING PROFIT</b>	58,891	173,193	83,838	72,093
Interest income	3,746	8,209	2,444	3,862
Finance cost	( 4,452)	( 9,160)	( 14,656)	( 38,654)
Amortization of goodwill	<u>( - )</u>	<u>( - )</u>	<u>( - )</u>	<u>( 194)</u>
<b>PROFIT BEFORE TAXATION</b>	58,185	172,242	71,626	37,107
Taxation	<u>( 19,753)</u>	<u>( 58,880)</u>	<u>( 20,552)</u>	<u>( 23,490)</u>
Profit for period	<u><u>38,432</u></u>	<u><u>113,362</u></u>	<u><u>51,074</u></u>	<u><u>13,617</u></u>
<b>Attributable to:</b>				
Equity holders of the company	<u><u>38,432</u></u>	<u><u>113,362</u></u>	<u><u>51,074</u></u>	<u><u>13,617</u></u>
<b>Earnings per stock unit attributable to equity holders of the company during the period</b>				
Basic	<u>0.015</u>	<u>0.043</u>	<u>2.33</u>	<u>0.62</u>
Fully diluted	<u>0.015</u>	<u>0.043</u>	<u>2.33</u>	<u>0.62</u>

**SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Changes in Equity**  
**As at 30<sup>th</sup> April 2006**

(Expressed in thousands of Jamaican dollars)

	Stated Capital	Profit & Loss Account - Deficit	Total
<b>Six months ended 30<sup>th</sup> April 2006</b>			
Balance, November 1, 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, November 1, 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 November 1, 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>113,362</u>	<u>113,362</u>
Balance at April 30, 2006	<u>1,967,183</u>	<u>( 23,963)</u>	<u>1,943,220</u>
<b>Six months ended 30<sup>th</sup> April 2005</b>			
Balance, November 1, 2004 (restated)	1,000	(327,517)	( 326,517)
Net profit for the period	<u>-</u>	<u>13,617</u>	<u>13,617</u>
Balance at April 30, 2005 (restated)	<u>1,000</u>	<u>(313,900)</u>	<u>(312,900)</u>

**SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES****Consolidated Statement of Cash Flows****As at 30<sup>th</sup> April 2006**

(Expressed in thousands of Jamaican dollars)

	<b>Unaudited six months ended April 2006</b>	<b>Restated audited year ended October 2005</b>	<b>Restated Unaudited six months ended April 2005</b>
<b>SOURCES/(USES) OF CASH</b>			
<b>Operating activities</b>			
Profit from operations	173,193	282,610	72,093
Adjustments for items not affecting cash, changes in non-cash working capital components and other, net	<u>( 66,161)</u>	<u>( 97,422)</u>	<u>247,847</u>
Cash provided by operating activities	107,032	185,188	319,940
Cash used in investing activities	(322,868)	(944,167)	(280,027)
Cash provided by/(used in) financing activities	<u>83,620</u>	<u>870,147</u>	<u>(151,293)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES</b>	(132,216)	111,168	(111,380)
<b>OPENING CASH AND BANK BALANCES</b>	<u>393,390</u>	<u>282,222</u>	<u>282,222</u>
<b>CLOSING CASH AND BANK BALANCES</b>	<u>261,174</u>	<u>393,390</u>	<u>170,842</u>
Comprising:			
Cash and bank deposits	261,174	404,517	188,012
Bank overdraft	<u>-</u>	<u>( 11,127)</u>	<u>( 17,170)</u>
	<u>261,174</u>	<u>393,390</u>	<u>170,842</u>

**SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**  
**Financial information by Business Segment- unaudited**  
(Expressed in thousands of Jamaican dollars)

**Six months ended April 30, 2006**

	<b>Lottery &amp; Gaming</b>	<b>Hospitality</b>	<b>Financial Services</b>	<b>Pin codes &amp; Others</b>	<b>Consolidation Adjustments</b>	<b>Group Total</b>
External sales	7,487,874	84,559	46,401	368,563	( 30,282)	7,957,115
Total revenue	<u>7,487,874</u>	<u>84,559</u>	<u>46,401</u>	<u>368,563</u>	<u>( 30,282)</u>	<u>7,957,115</u>
Segment results	90,429	11,130	3,010	68,624		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>
<b>As at April 30, 2006</b>						
Segment assets	<u>3,661,850</u>	<u>277,393</u>	<u>67,628</u>		<u>(1,266,622)</u>	<u>2,740,249</u>
Segment liabilities	<u>1,465,859</u>	<u>150,288</u>	<u>45,071</u>		<u>( 864,189)</u>	<u>797,029</u>

**Six months ended April 30, 2005**

	<b>Lottery &amp; Gaming</b>	<b>Hospitality</b>	<b>Financial Services</b>	<b>Pin Codes &amp; Others</b>	<b>Consolidation Adjustments</b>	<b>Group Total</b>
External sales	7,475,477	-	39,009	264,433		7,778,919
Total revenue	<u>7,475,477</u>	<u>-</u>	<u>39,009</u>	<u>264,433</u>		<u>7,778,919</u>
Segment results	45,993	-	2,996	23,104		72,093
Finance income-net						<u>(34,792)</u>
Goodwill amortization						<u>( 194)</u>
Profit before taxation						37,107
Taxation						<u>(23,490)</u>
Profit for the period						<u>13,617</u>
<b>As at April 30, 2005</b>						
Segment assets	<u>2,162,905</u>	<u>-</u>	<u>100,689</u>		<u>(913,587)</u>	<u>1,350,007</u>
Segment liabilities	<u>2,133,391</u>	<u>-</u>	<u>81,657</u>		<u>(552,141)</u>	<u>1,662,907</u>

**SUPREME VENTURES LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS  
SIX MONTHS ENDED 30<sup>TH</sup> APRIL 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>30 April 2006</u>	<u>30 April 2005</u>
%				
<b>Supreme Ventures (IBC) Holdings Limited and its wholly owned subsidiaries</b>				
Prime Sports Jamaica Limited	Gaming operations	100	Yes	No
Chillout Ventures Limited	Gaming operations	100	No	No
<b>Jamaica Lottery Company Limited (JLC) and its wholly owned subsidiaries</b>				
Supreme Ventures Financial Services Limited	Foreign exchange dealer and remittance	100	Yes	Yes
Jamaica Lottery Holdings Limited (JLH)	Lottery operations	100	No	Yes
Coral Cliff Entertainment Limited	Hospitality services	100	Yes	No
Village Square Entertainment Limited	Gaming operations	100	Yes	No

Comparison of the prior period to 30 April 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 new 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 accruals 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; and Money Gram services and commissions.
- 4) Pin codes and others - this incorporates the 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)**

Clause 3 of the condition attached to the licence granted by BGLC 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 July 11, 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 are allotted share 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 January 12, 2006, and those shares were listed on the JSE on February 28, 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 own subsidiary within the Supreme Ventures Group. This amount has been recognized as part of the value of the investment in the subsidiary.

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:

	<b>Previously Stated</b> \$'000	<b>Adjustments</b> \$'000	<b>Restated</b> \$'000
<b>October 2005</b>			
<b>Balance Sheet</b>			
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>
<b>Profit and Loss amount</b>			
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>
<b>April 2005</b>			
<b>Balance Sheet</b>			
Assets	<u>1,347,673</u>	<u>2,334</u>	<u>1,350,007</u>
Liabilities	1,655,907	7,000	1,662,907
Shareholders' equity	<u>(308,234)</u>	<u>(4,666)</u>	<u>( 312,900)</u>
	<u>1,347,673</u>	<u>2,334</u>	<u>1,350,007</u>
<b>Profit and Loss amount</b>			
Direct expenses	(7,237,047)	9,000	(7,228,047)
Taxation	( 20,490)	(3,000)	( 23,490)
Net Profit attributable to Shareholders	<u>7,617</u>	<u>6,000</u>	<u>13,617</u>

8) **Earnings per stock**

The weighted average number of shares in 2005 reflects the 1,000,000 shares in issue adjusted for the proportionate change in number of stock units as a result of the subdivision in May 2005.

	<b><u>April 2006</u></b>	<b><u>April 2005</u></b>
Weighted average number of ordinary stock units in issue ('000)	2,637,255	21,895