

AUTOMATIC SYSTEMS LTD.
(The "Company")

CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010

Statement of Comprehensive Income

	<u>Unaudited Quarter ended</u>		<u>Audited</u>
	<u>Mar 2010</u>	<u>Mar 2009</u>	<u>Year ended</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Dec 2009</u>
			<u>Rs'000</u>
Revenue	99,006	106,199	1,550,051
Gross profit	11,041	11,428	219,680
Overheads	(15,810)	(14,408)	(184,158)
Net finance income	535	596	2,074
(Loss)/Profit before taxation	(4,234)	(2,384)	37,596
Taxation	272	287	(6,038)
(Loss)/Profit after taxation / Total comprehensive (loss)/income	(3,962)	(2,097)	31,558

	(Rs)		
Earnings per share	(1.12)	(0.59)	8.93
Number of shares in issue	3,535,000	3,535,000	3,535,000

Segment Information

	<u>Unaudited Quarter ended</u>		<u>Audited</u>
	<u>Mar 2010</u>	<u>Mar 2009</u>	<u>Year ended</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Dec 2009</u>
			<u>Rs'000</u>
Revenue			
Horse racing	19,881	-	1,241,900
Foreign football matches	79,125	106,199	308,151
Total	99,006	106,199	1,550,051
EBITDA			
Horse racing	(5,549)	(4,826)	36,735
Foreign football matches	3,212	4,292	9,115
Total	(2,337)	(534)	45,850
Depreciation	(2,432)	(2,446)	(10,328)
Net finance income	535	596	2,074
(Loss)/Profit before taxation	(4,234)	(2,384)	37,596

By order of the Board
Abax Corporate Administrators Ltd
Secretaries
Date: 14 May 2010

The above condensed unaudited financial statements are issued pursuant to Listing Rule 12.20 and the Securities Act 2005. The statement of direct and indirect interests of insiders of the Company required under Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Secretaries. The Board of Directors of Automatic Systems Ltd. accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements. Copies of the condensed unaudited financial statements of the Company are available free of charge at the registered office of the Company c/o Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebene, Mauritius.

Statement of Financial Position

	<u>Unaudited</u>	<u>Audited</u>
	<u>Mar 2010</u>	<u>Dec 2009</u>
	<u>Rs'000</u>	<u>Rs'000</u>
ASSETS		
Non current assets	33,667	34,901
Current assets	27,755	32,085
Total assets	61,422	66,986
EQUITY AND LIABILITIES		
Equity	28,343	32,305
Non current liabilities	2,957	3,417
Current liabilities	30,122	31,264
Total equity and liabilities	61,422	66,986

Statement of Changes in Equity

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
At 01 January 2009	24,745	1,168	6,649	32,562
Loss after taxation / Total comprehensive (loss) for the period At 31 March 2009	-	-	(2,097)	(2,097)
	24,745	1,168	4,552	30,465
At 01 January 2010	24,745	1,168	6,392	32,305
Loss after taxation / Total comprehensive (loss) for the period At 31 March 2010	-	-	(3,962)	(3,962)
	24,745	1,168	2,430	28,343

Statement of Cash Flows

	<u>Unaudited Quarter ended</u>		<u>Audited</u>
	<u>Mar 2010</u>	<u>Mar 2009</u>	<u>Year ended</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Dec 2009</u>
			<u>Rs'000</u>
Net cash (used in)/generated from operating activities	(180)	(1,186)	47,298
Net cash used in investing activities	(1,093)	(1,425)	(5,006)
Net cash used in financing activities	(7,070)	(17,675)	(42,420)
Net decrease in cash and cash equivalents	(8,343)	(20,286)	(128)
Cash and cash equivalents at the beginning of year	31,166	31,294	31,294
Cash and cash equivalents at the end of period	22,823	11,008	31,166

COMMENTS ON RESULTS

ACCOUNTING STANDARDS

The condensed unaudited financial statements for the quarter ended 31 March 2010 have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 31 December 2009 and comply with IAS 34.

ACTIVITIES

The Company is involved in the organisation of totalisator betting on local races and fixed odd betting on foreign football matches.

RESULTS

For the first quarter ended 31 March 2010, the Company had revenues of Rs. 99.0M (2009 - Rs 106.2M) and realised a gross profit of Rs. 11.0M (2009 - Rs 11.4M). The after tax loss amounted to Rs.3.9M compared to Rs 2.1M in 2009. This increase in losses is mainly due to the drop in football turnover.

PROSPECTS

The strong competition, the increase in football betting tax from 2% to 8% and the restriction on advertising time are definitely having an adverse effect on the Company's revenue. It is expected that the coming world cup and the increase in the number of horse racing meetings from 35 to 37 will mitigate the effect of the above factors.