

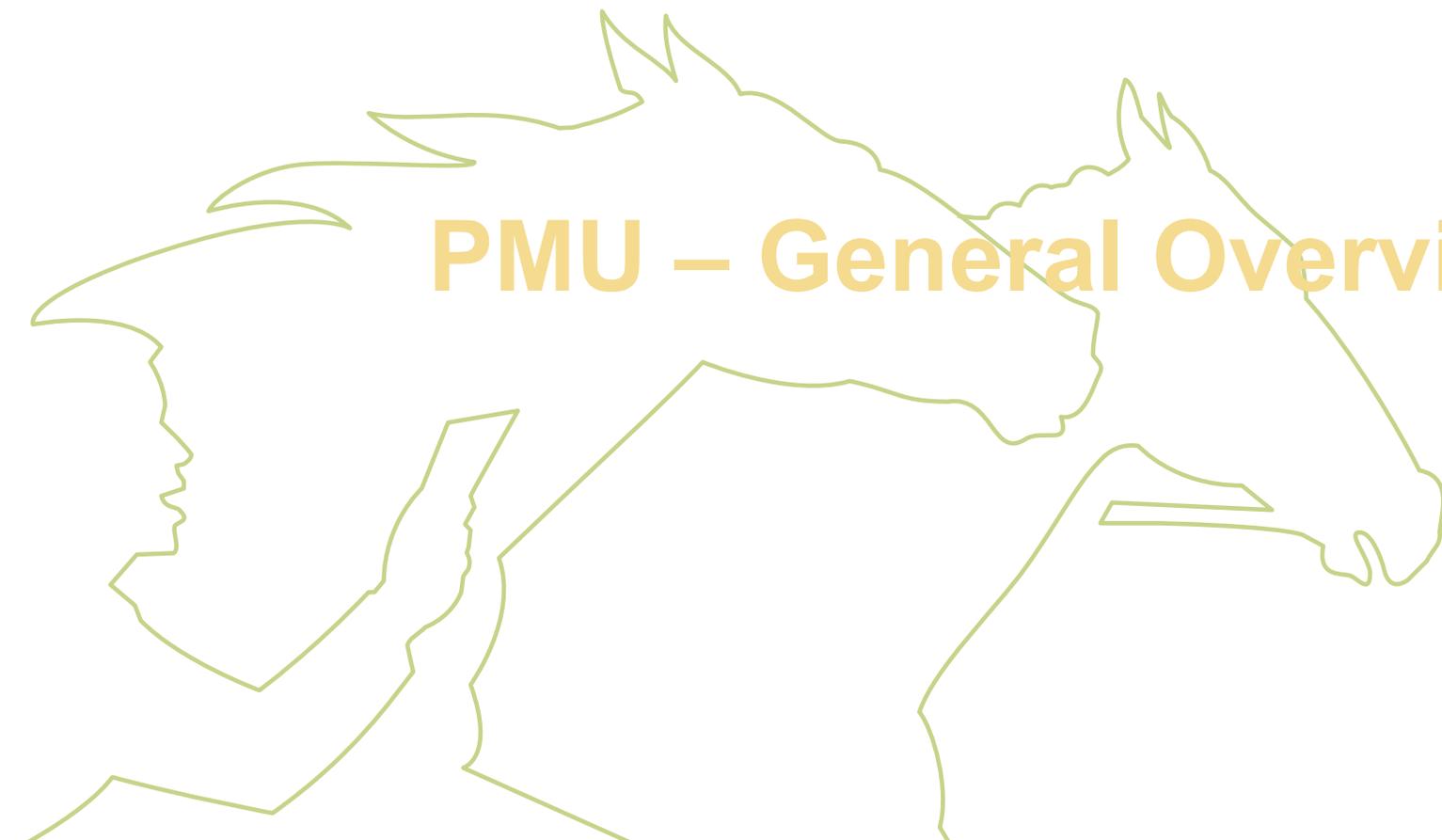


Symposium on Racing & Gaming 2010

SUMMARY

- General overview of the Company PMU
 - Role and mission
 - Key facts and figures
 - PMU's strategy
- PMU International
 - Betting on French racing
 - PMU's partners abroad
 - Business cases





PMU – General Overview



Role and mission

- PMU is a **leisure company** whose role is to **conceive, market, totalize and promote bets on horse races** for the account of French Horseracing Associations. This year, it also diversified its activities into **online sports betting** and **poker**.
- Through its net result integrally paid to Horseracing Associations, \$ 994 million net profit in 2009, **PMU funds 80%** of the French equine sector:
 - The French equine sector represents **74,300** direct jobs (+7,7% vs 2008) and 130,000 people in France, notably in rural zones, live thanks to the horse activity.
 - **Renowned Grand Prix** (Prix de l'Arc de Triomphe, Prix d'Amérique, Prix de Diane) and almost **18,200 horse races** on **248** racetracks were organised in France in 2009



Key facts and figures

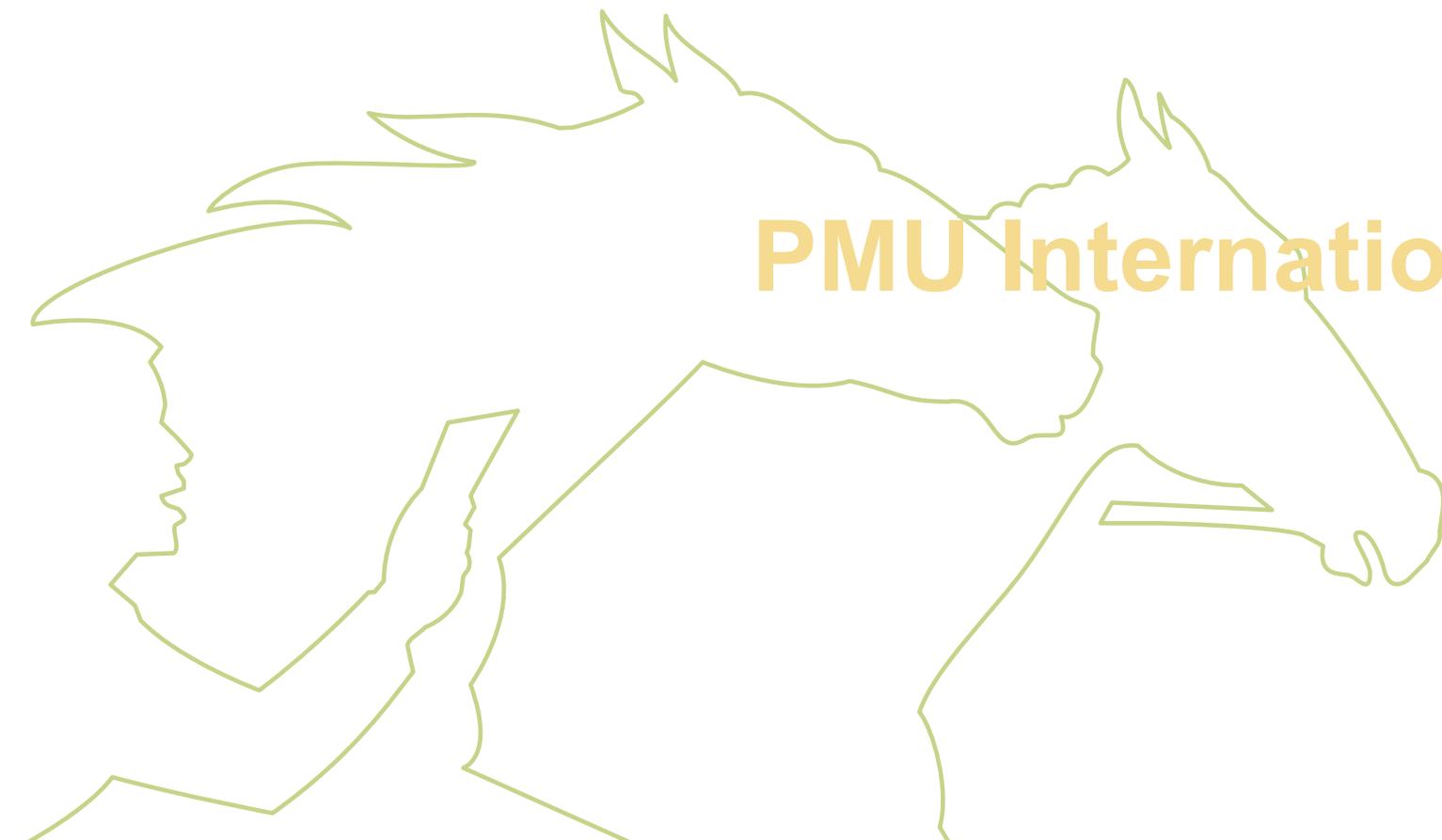
- **1st pari-mutuel company in Europe** with **\$ 12.6 billion handle** in 2009 and **2nd pari-mutuel company in the world**
- **\$ 9.97 million** : record winnings on November 3rd, 2008
- **27 %** of the total betting and gambling market in France in terms of gross revenue
- **Sales network:**
 - **11,000 sales outlets** under license with other activities (Bar, Tobacco, Press...) using 16,000 terminals
 - Telephone, Interactive television, Internet, Mobile phone and iPhone **PMU.FR**
- **Customers**
 - **6.5 million** customers
 - **500,000** active accounts
 - **9.3 million** households subscribing to PMU's TV Channel Equidia



PMU's strategy

- **An offensive strategy to take advantage of the opening of the market :**
 - Become a major **sports betting** operator on the online Market: launch of fixed odds sports betting in partnership with **Paddy Power**
 - Offer online **poker**: from the end of June in partnership with **PARTYGAMING**
 - Offer the best **horserace betting** service in France and maintain growth on horserace betting market
- **A very strong increase in the racing offer** to compete against the new legal gaming offer:
 - **15%** increase in national racing meetings' number (973) in 2010 and more than 400 additional foreign races
 - **1040** meetings in **2011** with equal offer for **Gallop and Trotting** :
 - 3 meetings a day, from 12 am to 8 pm
 - 2 night meetings a week, from 8 to 11:30 pm (February to November)
- **To seize development opportunities abroad**, for the benefit of the French Racing Associations and the local horse racing sectors





PMU International





Betting on French racing abroad

- **PMU**, entrusted by the French Racing Associations, **sells to foreign operators the signal of French horseracing for betting purposes**
 - **Pictures:** Equidia Pro with French, English, German and Spanish commentaries
 - **Data:** Infocentre website, pull and push
 - **IT connexion:** ITSP (Win to Trio), Synchronous interface (simple and exotic bets)
- **PMU's partners can offer :**
 - its **whole French racing offer**
 - a **weekly** selection
 - a selection of **trotting or gallop races**
 - a selection of « **Grands Prix** »
 - a **part of or all bets**
- **PMU also advises operators in the marketing of that offer**



Betting on French racing abroad

Partnerships in more than **50 countries** with more than **\$1.6 billion** handle bet outside France on French racing

Two kinds of B2B agreements:

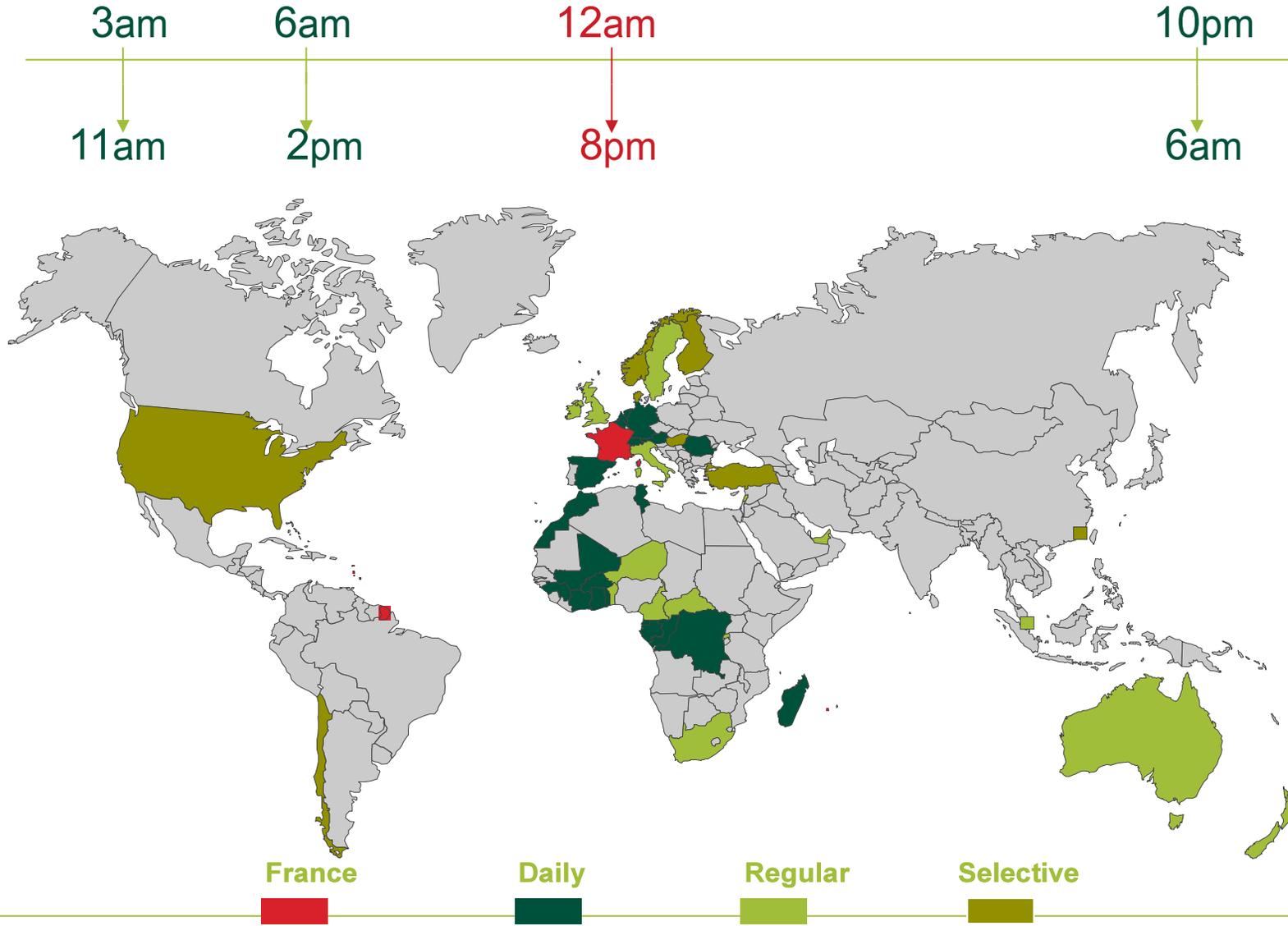
- **Separate pool betting:** partners generate their own pool and their own dividends on the basis of bets registered locally.
 - **41** countries take French races on a regular basis
 - **7** countries take a selection of French races
- **Common pool betting:** foreign bets are pooled with French bets: **8** partners;

French speaking Switzerland	Monaco
Germany	Austria
Great Britain	Spain
Sweden	The Netherlands





PMU's partners abroad (B2B)





Business case: Italy

- **Market: 2nd market in Europe** for pari mutuel on horseracing (\$2.6 billion handle in 2009); totalizator owned by AAMS (Ministry of Finance); race rights owned by UNIRE (Ministry of Agriculture); distribution by private operators
- **Italian races:** 2,239 meetings in 2010, gallop and trotting
- **Agreement with PMU:** Separate pool on French races for 10 years (330 French race meetings in 2010)
- **New project development: Quinté+ in common pool**
 - Limited bet range for take out reasons
 - Specific information to provide to Italian players
 - Necessity to develop a new connexion protocol
 - Multiple interlocutors to deal with



Business case: partners for Grand Prix

- **Profile:** developed horse racing markets, take the best international races
- **Agreement with PMU:** separate pool on a selection of races (Prix de l'Arc, Prix d'Amérique)
- **Specific requirements**
 - Pre race information early: post times, potential runners
 - Specific information
 - Information for promotion: pictures, video, press release
 - Uplink the video signal on a specific satellite
 - Test everything before the event (signal, data)
 - Organise an easy contact with PMU during races



Business case: long distance partners

- **Profile:** developed horse racing market, great time zone differences
- **Agreement with PMU:** separate pool
- **Specific environment and needs**
 - Communication takes more time
 - Specific data: content and format
 - Video signal: new technologies or cost sharing
 - Internet wagering
 - Night operations request automatic processes
 - Lower pool sizes (night or early morning)

**Thank you
Merci
Grazie
Gracias
Danke**

