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New Technologies and the New Realities For the Distribution of Racing Content

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Mr. Doug Reed: Good morning again, welcome to another beautiful day in Tucson, Arizona. Again, welcome to the 37th Annual Symposium on Racing and Gaming. We're glad you're all here, and probably many of you'd rather be out on the golf course, but we appreciate you getting here for this panel this early in the morning. Today, we start with the second of two Webinars — New Technologies and the New Realities for the Distribution of Racing Content. This session, as well as the International Simulcast Webinar from yesterday, will also be archived and available starting Friday and through the end of June.

I'd like to first start off this morning by thanking Paul Estock, I know he's somewhere in the room here, this light's blinding so I can't quite see him. But Paul Estock and the entire Harness Tracks of America organization who this morning is presented by, in conjunction with them. We've worked together and I think it's been a great partnership for the content this morning, so we very much appreciate Harness Tracks of America, and Paul. So, please give them a round of applause.

I'd also again like to take this time to thank our sponsors, because they are a huge help to us, the Race Track Industry Program. As you all know, this is an important event for us too, and it does help fund a lot of the operations for our students. I'd like to thank the panel sponsor, International Sound Corporation, and this webinar is being presented by and sponsored by Roberts Communications Network. The breakfast we had this morning was sponsored by InCompass, and the refreshment break following this session in the exhibit area is sponsored by Plusmic Corporation. So, I'd like to thank all of them very much. And one last housekeeping note, if any of you in the audience are a mentor, a student mentor, for the Mentor Luncheon, that'll be at 12:15 today upstairs in the Cottonwood room. So, just ask somebody if you can't find the Cottonwood room, and it is at 12:15.

We have a little change in the race today, here. We have a late supplemental entry, and Matthew Imi came all the way from the United Kingdom to join this panel, as a late supplement entry. We'll collect that fee later. And also, drawing in from the also-eligible is our moderator, Sean Pinsonneault from Woodbine Entertainment Group, and I'm very appreciative of Sean to pinch hit, as our moderator got snowed in — too bad for him. We won't tell him what the weather is here. And Sean is the executive vice president and chief operating officer of the Woodbine Entertainment Group and Sean has been with them for ten years. He's been in the racing industry since 1988, and prior to his current position, Sean was in charge of all the wagering and simulcasting operation for Woodbine. So, I think we've got a great substitute drawing in off the also-eligible, and the morning line's got you as the favorite. So, thanks Sean, for pinch hitting.

Mr. Sean Pinsonneault: Thank you. Matthew Imi is going to be our first speaker. He's the CEO of At The Races. Matthew has been a chief executive officer at At The Races, which operates the UK and Ireland's most widely-distributed horse racing channel since February of 2004. Since March 2010 he's also been joint chief executive of GBI Racing, the venture established to distribute British and Irish horse racing into the international and simulcast market. From 1997 to 2004, Mr. Imi worked for British Sky Broadcasting where he was the managing director of Sky Ventures, and responsible for Sky's shareholding in a portfolio of channel-based businesses. Matthew?

Mr. Matthew Imi: Thanks a lot, Sean. Good morning, everyone. So I'd like to thank Doug for the opportunity to speak at this morning's session. When he invited me to get involved in a discussion about racing and technology, I had mixed feelings. Like many people in the industry, I suspect my comfort level is a lot more on the level of racing than technology. But, I only have to watch in awe as my three children — age 13, 10 and 8 — effortlessly navigate around the various devices I bring back from work, to understand that if racing is to retain market share, generate new revenue streams and capture the attention of a new generation of fans, then we have to embrace all that technology has to offer our sport.

So first, a bit of background about our business. We're a media rights owner, with the rights to 30 UK tracks and all 26 Irish tracks. This gives us over 1200 fixtures a year. That means we offer live racing every day of the year, apart from three. The cornerstone of our business has always been our broadcast channel, which is and always has been the most watched racing channel in the UK and Ireland.

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We cover some great fixtures, including Royal Ascot Week, King George Meeting, QE2, the St. Leger, and all the Irish classics. And as far as our domestic distribution is concerned, we're available across Sky, Virgin and UPC, which gives us access to 14 million out of 25 million TV households.

We were the first sports channel in the UK to stream our products and operate a website which regularly attracts a million different users per month. On the mobile front, we've aligned ourselves with BSkyB, and we're currently one of the top ten channels subscribed to on a monthly basis by Vodafone 3 or engine O2.

So, not surprisingly, our customers range from punters, bookmakers and international rights holders to owners, trainers, jockeys, and the racing media. And if you look at what people want from our content, they look to us to provide them with an ever-increasing amount of coverage and information, and of course they want high quality coverage of live racing. But, they also want punter-friendly info, form, tips, betting shows, etc., and they want news and feature material to help conform their view.

So, how do we get the most out of our content? We have to place technology at the heart of our business, if we're to give our customers what they want. So, we offer Attheraces as a live broadband-streamed subscription service. We offer access free of charge to an archive of races which we make available less than two minutes after the end of each race. All of our news and feature programming is published online, and we also produce in-depth, tailored micro-sites around big fixtures and meetings.

Now, we're not a betting operator. But, we syndicate our live content on a race-by-race basis — we call it Bet & Watch — to pretty much all of our domestic bookmakers. And in return, pick up a media rights fee and a streaming fee.

In the UK, there's absolutely an expectation from punters that they can watch our racing on a bookmaker website, and that the pictures will be high quality with no latency issues. And then, there are the social networking sites. We use Facebook, YouTube and Twitter to drive interest from new users, and time will tell I guess how effective that will be. But, given that these are the platforms which racing fans of the future are currently using, we can't afford to neglect them.

So, identifying growth opportunities for all of us in our respective domestic industries is a difficult job. Our view as a rights owner is that we need to make all of our racing available across all platforms, and we need to do so at a low or zero-based price point. And the reason for this is that it presents us with the best possible chance to attract larger audiences, and also more valuable customers, who in turn we can monetize through the deals we have in place with various commercial partners.

So, this takes the form of broadcast ad revenues, selling online commercial page impressions, clipping the ticket in perpetuity on all new users we attract to bookmaker websites, and also commissions from bets placed by UK punters on international horse racing.

And for us, in the absence of a horse like Zenyatta, audience growth becomes quite organic. In recent years, our biggest marketing opportunity was probably around See the Stars, but he was retired as a three-year-old. So, we're just not set up, within flat racing at least, to follow our equine stars year after year. So this means it's a long, hard slog, not only to attract a new audience but to retain the existing one.

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So, each of the platforms we distribute across have their own respective strengths and weaknesses. Television's pretty straight forward. High definition picture quality, no latency issues, secure, and in the UK now on the Sky platform, as well as many HD channels, there's now a dedicated 3-D television channel. But, for racing to join that party, 3-D and HD, is cost prohibitive on a daily basis. So, our view going forward is that we will probably offer HD and 3-D on an event-driven basis.

Broadcast via the internet probably offers the most interactive experience for the user, with what we call a producer's chair. And by that, we mean customers can sit back, view multiple streams, lots of data, and bet at the same time, but it's still a relatively anchored experience. And, users are sometimes put off thinking they need more technical knowledge than they actually do.

With regards to mobile, this is easily the most convenient way to watch racing, where the user is no longer anchored and little technical knowledge is required. However, frustrations

are there associated largely with getting a signal, as well as with the small screen size, and also it's not a multi-tasking environment.

So, maybe, it's the hybrid platforms. iPads and tablets, internet-enabled TV's, and Google TV, which will prove to most effectively, incorporate all the various elements valued by a racing and wagering customer. Combinations of ultra-slim units which can access mobile signals and offer high quality video, or dual-purpose TV's optimized for internet usage, enabling content to be viewed on much larger screens. Or, dedicated apps which can be built to enable a viewer to watch broadcast coverage and browse simultaneously.

Now apps, it has to be said, that's really driven the demand for smartphones, iPads and tablets. And mobile apps in particular can instantly be monetized when purchased through an app store, and can store our data, encouraging us to make quick and easy future transactions. And therefore, just as the user experience differs from platform to platform, it's important to recognize that certain types of content will perform differently. Watching the full, live broadcast is of course perfect for TV, but the Internet user is likely to want to do other tasks at the same time, whilst the mobile user might be more inclined to dip in and out.

Bearing in mind that splicing your content up into much more digestible clips is a good approach, this has worked particularly well for us on the web and it's something that we'll transfer to mobile in the near future.

At this point, it's also worth mentioning the difference between streamed and downloadable content. So far, we've always streamed our content, as that's the only way to deliver live video, but also the most secure means of distributing high value archived content. However, as mobile and tablet use increases, but whilst connectivity remains an issue, being able to download content will provide the users with the best experience. Short life content, such as news clips or race previews, is perfect for this mechanism.

So with developments in technology come challenges, and this slide lists three that are relevant to us, but the list could run to many more. The growth potential in iPads and tablets is immense, but we need to think about how the user will want to access our content. Would they always use a dedicated app if the platform was our PC-level web browsers? Additionally, there's a danger of over-committing to a technology that becomes obsolete quickly.

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A question facing us at the moment is, do we go through the cost of encoding and streaming in QuickTime, the format used by Apple, when other platforms such as the latest tablets can support Flash, which we currently use on our website? And, what if Apple and Adobe did reach an agreement enabling Flash to be streamed via iPhones and iPads? How much would we have wasted by investing in a streaming format we no longer need?

And for the user, developments such as Slingbox and Remote Desktop have been fantastic, but for the rights holder, they're a headache. We recently prosecuted a guy in Sri Lanka who set up an illegal betting shop out of his house just outside Colombo using our pictures which he'd sourced illegally through Slingbox.

But of course, new platforms bring new opportunities. First and foremost, they present us with the chance to improve our service to the user, utilizing video and data feeds that cannot be built into the traditional satellite TV broadcast. And we should also look to the market-leading social networking sites, which are leading the way in terms of sharing content and interacting with users. And also, expect to see more hybrid platforms being

developed, particularly around viewing in the home which enable the user to switch quickly from traditional TV broadcast to a more two-directional, interactive one. Thank you.

Mr. Sean Pinsonneault: Thank you, Matthew. Our next speaker is Steven Hawley, he's the principal analyst and consultant for tvstrategies, Advanced Media Strategies LLC. Steven has worked with many telecommunications in the media industry and professional service clients, contributing in areas that include business and product strategy and infrastructure selection, among many other things. His company, tvstrategies, publishes qualitative technology and market research directly, as well as in collaboration with industry opinion leaders. Steven?

Mr. Steven Hawley: Okay. Just want to get oriented, here. Okay. Well, thank you for being up at 8:30 in the morning, for those of you who were out late last night, and I'd like to give maybe a visual version of Matthew's presentation. I'm amazed, because we didn't — we didn't talk before the session and yet my thought process is very much the same as Matthew's. A few years ago, I was invited to speak at this event, and I wonder if anybody is here in this audience that was at that session, it was in 2007. I made a very technical presentation about Internet protocol television, and it probably you know, in retrospect I'm thinking first off, it was probably over a lot of people's heads because it was very technical. And the other thing I think back on now is that this whole technology discussion has evolved quite a bit in the last three years. So, maybe the best way to frame the discussion is to think a little bit about television.

This is AT&T's U-Verse TV service. Is anybody here in the room taking U-Verse TV from AT&T? We've got a few. That's a service built on Internet protocol, in other words, it's delivered over your DSL telephone line, not a cable, and not over satellite, and it uses the same technologies as the Internet to deliver the TV experience. And what it enables is not just the broadcast, the linear broadcast of TV, but also interactivity.

So, if I look at these three screen views here on the left, you can see weather, stocks, sports, so I can click on those things with my remote control. Anybody who watches TV today is familiar with clicking on a program in the program guide, and finding out what's on the program, who the actors are, what time it'll be, press a button and they can record it for later using DVR. But, AT&T has taken it a step further, as have many of the other telephone companies around the world. In fact, Matthew, in the UK I'm a little bit jealous of the technologies they have in the UK, because they've been living with interactive television probably about five years longer than we have. So, the services have evolved quite a bit.

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And he gets right to the crux of the matter — what's the reason for all this interactivity? Well, in very many subtle ways, it's about making money, because every little piece of that screen is clickable, and every one of them is associated with a revenue stream. You can click on an advertisement on a website, well, that's going to pay a few pennies to Google. And it's the same thing with interactive television.

These happen to be fairly passive experiences here, but the one on the right you can see there's four screens there. I could go up and down with my remote control, and select different channels, and you can see I've got picture-in-picture of four different screens right now. And that's something that traditional TV couldn't do.

So, this is all kind of creeping up on us. If you think about what TV was like ten years ago, it wasn't multi-view. If somebody made a phone call and the Caller ID came with the phone call, you wouldn't see it on your TV screen. But, that's something that people live with, now.

Another thing, we used to talk about interactive TV a few years ago as this futuristic thing. Interactivity, interactive TV will be here, some day. Well, we use interactive TV all the time. If you've ever pressed a button to record a show that's going to be on after I go out to the races, and I still want that show, I can just press a button and it's recorded on my DVR. The latest generation of DVR now brings that technology to every room in the home, and you don't have to have a separate box for each room. A couple of the service providers in the US have started to introduce that, and a number of them in Europe as well.

So on the left is Video On Demand, that's Verizon's Fios TV service. Any Fios subscribers in the room? Yeah, we've got a few. So that again is, that's a hybrid Internet protocol television service, and when I say "hybrid," it's a hybrid of broadcast using Cable TV technology, which has very little delay or latency, combined with the Internet technology that makes it interactive, so I can select things. I can select movies, I can press the Info key on my remote control and find out who's in the movie and what the plot is, and so forth.

On the right is a service from Deutsche Telekom called T-Home, and it's basically an interactive TV service very much like the ones from the major cable companies these days and AT&T and Verizon. This one happens to be press a button and it's recording, and not I want to rewind back a few seconds and watch that play again, so you can see that visually on the screen. So, TV has become interactive. This has all kind of crept up on us.

Now, something over the last few years, anybody who's got a laptop, how many people watch TV and have a laptop with them at the same time they're watching TV? Look at this, about a third of the room. So, this is something that we've all become accustomed to. This was all very futuristic just three years ago, but all the major TV networks bring their content over the Internet, and there's a huge battle underway right now between who controls this content — is it the service provider? So, do Comcast, AT&T, Time-Warner Cable, are they the gatekeepers? Or, is it CBS, NBC, Turner Broadcasting and so forth the owners of the content? So, there's this huge battle going on, and the control of the way that this content is presented over the Internet is in flux right now.

The content owners want to have control and bypass the cable companies. The cable companies, of course, want to retain their gatekeeper role, and their advantage is that you can go to one place and get all that programming. So, most people, certainly people of the age in this audience, they prefer to go to one place to watch TV. My kids don't even watch TV, they just get the laptop out and they'll watch whatever it is they want to watch, at the time they want it. And they don't even watch broadcast any more, so there's this huge change demographically going on, and we have to anticipate that in this industry that we call TV. And of course, I'm sure, Todd, you've got a lot of thoughts about that, and being with Sky I'm sure you've got a lot of thoughts about that too, so we'll have a good discussion.

So, TV is a multi-screen experience. On the left, the left-hand third there, is pay television. So, on the top, that's — I can't remember which service provider that is, it might be Comcast. But anyway, fairly traditional TV experience these days. Just below it is TV Everywhere, to the PC, that's an AT&T service that basically it's called an "authentication service," because you have to be a pay TV subscriber and authenticate yourself to sign in to that programming on the web. So, the TV industry calls that, "TV Everywhere," if you ever hear that term you'll know what it means.

And, as Matthew talked about, they deliver TV to the mobile phone. In Hong Kong, there's a telephone carrier called PCCW that brings race programming — actually, race programming both from Asia, because of course racing's a big deal in Hong Kong, and also Latin America, but also from Europe, and there's a lot of English ex-patriots in Hong Kong, so while they're out at the pub at night, they can tune in on the races during the day, or on the game during the day, on their mobile phone, or they happen to have a device that looks like a telephone, sits in your kitchen, or in whatever room and it has a screen on it and delivers the full TV experience. So now, I could record a show, and let's say it's a cooking show and I'm watching it in my living room or my den, later on I want to prepare that dish. I could bring that little screen or a tablet — of course, now we've got things like iPads and mobile phones, and we could bring that into the kitchen and prepare the dish, and start and stop it.

Matthew referred to something called a "hybrid TV experience," so hybrid is a term used in the TV industry for more than one way to deliver the signal. In the case of Verizon, they deliver using cable and IP over a fixed broadband line. The satellite TV companies here in the US, both Dish and DirecTV, deliver a hybrid experience. If you ever — if any of Dish subscribers here, or DirecTV use their Video On Demand feature, that's delivered over your Broadband connection whereas their live TV is delivered over satellite. We just talked about the Internet TV options on the right, so I won't talk about them again.

Matthew, you also talked about apps. So, how many people use a device that has apps? Everybody. Everybody, so that's in — that's part of the furniture now, that's in the woodwork. Well, GoogleTV and Verizon and Fios TV have both put apps in their services, and GoogleTV is another big battle going on right now. All the TV broadcasters, NBC, Viacom, all of those big media companies, are blocking the content. News Corporation, as well, with Fox, they're blocking content from GoogleTV because Google sees this as a revenue stream.

Everybody here know that Google, 97% of Google's revenue stream is from advertising revenue? Now, that's kind of a revelation to a lot of people, but that's their business, and so they're trying to get that in the TV platform and that's what GoogleTV really is about. And they've put a nice wrapper around it, and they're trying to — the content company, say, "Oh, you're stealing my content, you're stealing my revenue stream." So, that'll be an interesting battle to play out.

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So, we talked about, and this is a recurring theme in this session I think, IPTV — Internet Protocol Television, there's two definitions here. They both use Internet technologies to deliver the content to your screen, and IPTV is managed delivery. It's very high quality. It's high performance, meaning the latency, they try to get the latency as low as possible but channel change times in the TV world could still be a half a second or more, so think about that in terms of that person pressing that button to place a wager in the last second before post time — is that half second tolerable? Probably not, but it's a pay TV experience.

In contrast to IP video, the Internet's a best-effort delivery platform, so if somebody's sending you an e-mail, it doesn't matter that you got that e-mail 10 seconds later. And, it could go through servers all over the world. You don't know where that e-mail has gone between when it was sent and when it was received. Well, you can't tolerate delays like that with live video. So, it's not as good a platform for live video, however, it's a terrific platform to surround the live video experience with other content.

So, I'll finish with a few examples, here. In the US, and I think probably worldwide, sporting events — the sports industry has led the way with interactive and multi-screen

applications. Anybody who's into baseball is probably familiar with the screen in the upper right. On the left, AT&T has put that on the mobile phone. You can — "there's an app for that," as they say.

And, in Australia, and you're probably familiar with this, aren't you? BskyB, or Sky Broadcasting in Australia, has got racing on TV. I happened to find this searching through Google, because I don't know that market, but it was a revelation to me. You see that they've done exactly what Matthew was saying, they've got video clips from races. They've got a live feed. They've got various data about the races, the horses, the players, the jockeys, and so forth, and they've created a very rich media experience.

So, where does all this come from? Well, here's the live feed, it comes from TV encoders. Anybody here who's involved in broadcasting race content knows about encoders, and it takes some amount of time for the content to get encoded from the TV camera and fed into a cable that can be distributed.

The game and player data, this happens to be NFL RedZone from Verizon, and from ESPN. So, the player data comes from a database somewhere out in the network somewhere, we call it the Cloud these days. Today's games, well, here's a major —let's say this is an NFL database, and it shows what's going on in the industry as a whole, if you will — what all the football games are, which ones are in progress, and then social media. So, there's a set of interfaces, if you're a software programmer you know what API's are. They're basically the way that two software packages will talk to each other, and so if I really want to know what the Tampa Bay Buccaneers are doing, I might subscribe to the feed on Twitter. Just as I would if I want to find out what's going on with the race or a horse or a jockey, and so, this has become a much richer experience than broadcast.

There's a lot of moving parts. I like to use that term. There's the device you hold in your hand, and that's got the content on it, but underneath all that, to make that all happen, there's a lot of infrastructure to do the distribution. And so, there's a lot of trade-offs. You can invest a lot and get really good video quality, and use a hybrid of live video so you can have that live experience and interactive content, using Internet technologies. And you heard Matthew talk about a hybrid experience. I am, and I'm sure you'll — I'm sure we'll all talk about it in the conversation.

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So, the question is, does the Internet actually help the operator save money? Well, I don't think so. You know that was one of the hopes that the Internet technology we use in interactive television might help save the operator some money. But, what really happens is that you still need a lot of skills on board in your company to do it, and so the costs shift. Instead of in the broadcast world, you need the broadcast infrastructure, you need encoders and a network, and you need video production. With these new media formats, you need multi-format productions so you can have a format that goes to a TV screen, another that goes to a mobile, another that goes to your laptop. You need web production to assemble that on a page, and there — the distribution involves new levels of complexity I'll give you a little peek at. As I say, a lot of moving parts.

The content moves from left to right, from acquisition through a set of processing that makes it capable of distribution to finally the consumer all the way over to the right, and there's a network involved. And every one of these things, every box there has a bunch of vendors attached to it that are competing for your business, and so, it's probably a good idea to take a few steps back and ask yourself the basic questions, and I'll bet these are the same questions that you ask right now. And I would ask the same questions when you're looking at an interactive IP video experience for race programming.

Is it where people want it to be? So nowadays, that means, is it on your iPad, is it on your mobile phone, is on a laptop, is it on TV, is it at other tracks? How can you monetize it? Perfect example, in the broadcast TV world, I've talked to operators now that say, "Well, if I put together a video storefront, and I sell let's say, this movie Inception that just came out on DVD, that'll be available on Video On Demand pretty soon. But, wouldn't it be cool if I could sell a soundtrack, or sell other movies like it, so there are all kinds of cross-selling and upselling opportunities? Maybe a higher tier of video programming?" So. Is it compelling, or will people abandon it for another screen that doesn't involve you?

Quality is an interesting question. Todd will talk about trade-offs, I'm sure. Is it unique? You can make it unique using Internet technologies. Justifying the expense, if you can find ways to monetize things other than the live broadcast, I would argue that this could all very much justify the expense, and I've actually done some projects recently for service providers that highlighted at least a dozen very significant revenue opportunities associated with Internet-delivered video. Well at scale, that's more a telephone company question than it is a racetrack question, but can you get it everywhere you need it to get?

I'll leave it there, I've taken probably more time than I thought I would. But, thank you for your attention, and I'm all set. Thank you.

Mr. Sean Pinsonneault: So, that's kind of the commercial world, that's how it works. How do we relate that to racing? And that's where we've got Todd Roberts, to tell us how he's been developing things here in North America, and to do that again, it's a big transition point right now. He's responsible for taking us through the DishNet platform, with his updated 80 tracks through the DishNet platform. That transition is going on right now. Todd, as you know, is the President and CEO of Roberts Communications Network. Handles basically all the communications that we do as a racing industry, for the most part, and is a key part of kind of our strategies to try to take this distribution further in the racing world. So, Todd, if you would?

Mr. Todd Roberts: Thank you, Sean. Well, as Steven said about Matthew, I need to say about both of these speakers. I couldn't have had a more perfect setup for my presentation. I talked to Steven prior to the speeches this morning, and told him kind of what I saw as the problems and the confusion that exist from all the new technologies, from the perspective of our customer base and told him where I thought things need to be clarified, and he did a great job of that.

Matthew and At The Races, what they do is a little bit different in that they're — they're more like HRTV or TVG in our world. The difference being, they don't operate an account wagering platform, but the reason I make this point is the challenges are slightly different for a single channel trying to hit the multitude of screens we're trying to hit in today's environment, and they do an absolutely wonderful job. So, I think both of these guys are going to make what I'm about to show you, they're going to make us look pretty smart, I hope. And that's a good thing, because I can tell you, the project that we've embarked on over the last, it's actually a four-year project, "has been challenging" doesn't describe it. So, let's dig right in. I've already screwed it up.

I'm a technology guy, by the way. Okay. I can't read with my glasses — it went away, thank you. There we go.

So, this is the mission statement that we based our entire existence in the future on. You've seen it before, perhaps in some correspondence from our company. I'll re-read it,

just to emphasize it. "The idea is to create a state of the art content delivery network, which increases distribution." That's pretty obvious. "By more effectively delivering video or — more effectively delivering content," whether it's audio, video or data, "to commercial and residential locations worldwide through a variety of display screens, including televisions, computers, mobile devices and kiosks," and that in itself is our challenge. Our challenge is a little different. We're the core video provider for all of these other platforms that use video, so we have to kind of retool ourselves, and make sure we're able to accomplish this goal.

Surprise-surprise, this is a TV Anywhere approach. It's based on what we call the three-screens approach, in the American media. What's the endgame? You're trying to get the television screens, computer screens and mobile device screens including kiosks in the commercial world. Sounds simpler than it is when you're dealing with 80 channels of content which is what we require in the commercial racing world, in the US.

So, how did we attack the distribution? We use two distribution platforms in two companies. The obvious, Roberts Communications Network, they handle what we call commercial wagering locations, or subscribers, because that's what you are. That's your racetracks, OTB's, casinos, race books, Indian reservations, anywhere where wagering's legal.

And then, we draw an important line and distinction, and that is that the Racetrack Television Network handles the residential distribution. Those two companies don't overlap. We have common ownership in both, but we have different partners. In the Roberts world, Scientific Games Lottery, no longer the tote business, is our partner. And, in the Racetrack Television Network, Magna is our partner.

Important point that we want to emphasize, both platforms are a service model. People get confused when they see how we go about trying to monetize the platforms, and it's important to remember that this is a service we provide to you as host tracks and the ultimate users are the guest sites. And, as we go further in the presentation, you'll understand why that's important.

Both services are based on what we know in our industry as the Host and Control Model. That, basically, means that both companies work for host tracks, and their job is to supply end users, whether they're commercial wagering locations or residential now in the case of RTN. But, it's very important to keep that in mind, because we don't do anything unless you tell us. Lots of times, people think that somehow we're getting out in front of the curve here, and stepping into an area where the revenues should be going directly to the host.

So, we set out and rebuilt the entire infrastructure for the racing industry to try and get the following benefits, and you've seen the other two speakers talk about this. We had to improve the picture quality. Bob Evans said it yesterday, doesn't necessarily mean that it has to be high def, but to give you an example of the difference between racing quality video and regular sports quality video, which we transmit for non-racing users. Typical amount of bandwidth that a regular sports content provider will use is nine megabits, and that's an MPEG2, and in the racing world it's four-and-a-half. So, we're already halved, we're already at a disadvantage. Why do we do that? Price. Cost. There's no way around it. Our industry wouldn't pay for and can't afford to provide more bandwidth on all the basic broadcasts, and that led to an assortment of problems, which we're trying to correct.

Tried to increase the security, and the control for the host track. The current system is a perfect example of shoot first and aim later. What's happened is, the host and control

model for your simulcast video has always been the proper model, and we do that very well. But, when it comes to the Internet, you can go now and it's a lot better than it used to be, but about two years ago at its peak of what I call host-out-of-control, you could find 10 different versions of a host track simulcast on the Internet, provided by 10 different people, all at different quality levels, all at different security levels. And, this is because in our infinite quest to increase distribution we said "yes" to anybody and everybody that wanted the video, and wanted to put it on the Internet, and we didn't stop to think about the best way to do that.

What we've tried to do is develop an infrastructure that gives you that security and control without having to hand off to 10 different providers, yet allowing the host track to continue to dictate where the video goes.

We wanted to add flexibility. One of the knocks that our company has, I think, is the perception that we're a satellite and decoder-based company, which it's kind of funny to us because I tell people that every single day in this business environment, my racetrack customers say to me two things. "When can I get rid of satellites and uplinks," and "When can I get rid of decoders?" There has not been a day in 25 years where somebody didn't ask me that.

My non-racing customers, in 25 years, have never once asked me that question. Cable, head-ins, DBS providers, other programmers, they all kind of get where the technology fits. So, in an effort to kind of deal with that, we wanted to create options and as you'll see later, that's what we've done.

We had to make the network HD-capable, that was a given even though the reality of whether or not this industry ever ends up HD is probably — it's a long shot. I like At The Races' approach, big events, special events, but perhaps not on an everyday basis.

The be-all end-all of this is that we're trying to create more hosts and guest revenue generation potential, and we think we've done that. We think we've made it easier to expand commercial distribution into locations that perhaps couldn't put in a big satellite dish. One of the big, hot topics in our industry is the use of commercial wagering kiosks, and we think the best way to get video to work in conjunction with those kiosks is through the system that we've built. But at the same time, we wanted non-satellite options, because there are challenges. In Sean's world, we have those challenges right now as we're installing the new system. There are sites that can't take even a small satellite dish. We're putting in IP TV-based solutions there, and that's the whole key to what we're trying to do here.

Probably the most important thing, and yet the most difficult thing in trying to build what we build, was dealing with the requirement that there could be no cost increase to the commercial side of this industry. That is a really tough condition to have to rebuild a network on, and in fact, as you look through the challenges and the trade-offs, when you build a network like this, it's almost like a Rubik's Cube. And when you say that cost has to stay the same, it changes all the other potential outcomes as you're playing with that Rubik's Cube. So, it was difficult, but we've done that and we'll continue to do that.

And last but not least, we wanted to completely future-proof our network. We want to get rid of the stigma that perhaps racing was behind the times when it comes to video distribution. We think we've combined both IP technologies and satellite technologies, and MPEG technologies and all the things that you don't care to really understand too deeply,

but to create a network that can basically do anything. And to the other two speakers' points, a lot of hybrid networks will develop out of what we build.

So, this is the first time we've ever really released the network architecture for our new network. So, if you start going from left to right, what you have is the racetrack uplink, as you know it, remains in place. And it will serve off of a C band satellite, is the backup to what we're doing. So, it's a pretty big investment to keep as a backup — 110 uplinks in our universe, we'll maintain four transponders of C band capacity, all as a backup that won't get used, and that's because our motto's always been, "It just can't fail." It'd be a hell of a lot cheaper to take that piece out, but you've never been on the other end of one of your calls when there's a failure in simulcast feed. So. That's going to say in place.

The video gets encoded at the track, and what we do is, we now feed it through an MPLS network which is an IP-based network dedicated, and it'll go directly to multiple locations, and that's the beauty of using MPLS technology which, being IP-based, we can multi-cast. It's almost like satellite delivery in that with traditional fiber, you'd have to repeat the entire circuit to all the different locations. With MPLS, you create it one time at the source and it can hit multiple stops.

So, where's this video going? The primary path is going to three locations. First and foremost, the Dish Network in Cheyenne, Wyoming. That's their transmission facility, and from there the video will go up onto the satellite, which is a Dish Network satellite, and come back down through a small dish and into a set-top box. It'll be a bigger dish than your traditional residential delivery by dish, so that we can deal with the effects of rain fade and quality of service, trying to get a 99.99% reliability.

At the same time the video's going to our Internet collocation facility in Las Vegas, which will also be where our Latin American platform is ultimately based, and when it hits that location, it's going into the Internet in traditional streaming fashion to serve computers and mobile devices.

And last but not least, while those are the primary two distribution hubs, the video can also go to any single receive location and this is what we're doing for one of the sites in Sean's network, up in Ontario. Direct off of the encode from the racetrack, so we can bypass all the satellite stuff and go direct by building a pipe at the receive site, and running the video into a set-top box.

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Many people think that that's the model of the future, and it may be, and we're positioned to do anything and everything. But, right now, the economics and a bunch of other factors lead us to combine — and this is a hybrid — the IP technology and the satellite technology to deliver to the end user.

In the event that any of that MPLS fails, we need a way to get the video to Cheyenne, because if it doesn't, you guys don't get any video. So, that's where the C band network comes in. We have the capacity to send 80 channels to Dish, and then there's ways from Dish that we get it back to our Internet facility, and to commercial wagering sites, if needed.

One important point, and one big change that's going to happen, is right now all streaming platforms rely on the satellite feed that we provide, or providers like us to provide. When we go to the final architecture that you see here, the Internet distribution that we provide will all come with a total non-reliance on the satellite feed. So, we're going directly to the Internet from the track, which for the first time ever, that'll be the quickest, lowest-latency

feed of any of the feeds out there. And that's going to give us a distinct advantage as a service provider. It's going to give you, as a program provider, as a host racetrack, better quality and a whole bunch of other advantages.

So, the be-all, end-all of the distribution options that we've created, we now have a multitude using different technologies of options for you. Starting at the top, you've got your traditional 80-channel delivery over satellite, but that's going to be small-dish based, now. Or, smaller-dish-based. It's Ku band, we have 80 channels of capacity. It looks and feels like Dish Network. It's really not. We built all the infrastructure to Dish to deliver to you as commercial wagering locations.

Also in North America, we'll use our old C band network to do high def where needed, and do other special feeds. We're going to be offering some lower-latency feeds that way, for people that want them. Latin America, same thing, it's a bigger dish. C band. We have 40 channels of capability, that market is growing. So, it's important that you stay focused on what the revenue opportunities are, there.

And then on a worldwide basis, the MPLS-based IP network, or IPTV as we call it, it's a managed network. It's terrestrial, and it's got 80 channels of capacity so we can connect anywhere as needed. This is also the solution that we're using to supply some of the redistribution channels that our industry uses — TVG is operating more and more off of our MPLS network, HRTV will utilize it, and streaming platforms such as ours utilizes.

Other worldwide distribution opportunities are the obvious ones that these guys talked about — streaming on the internet, and mobile opportunities.

So now, there's your multitude of delivery options. There are certain ones that for the masses are going to be the obvious choice, and then the rest can fill in when needed.

On the residential side, RCN does the distribution, and this is probably the big home run to the new platform. In North America, we'll have every channel of video that we do commercially available in — direct into the home off of the Dish platform. It's not intended for Dish to be the only residential delivery platform. The concept is to go to DirecTV, to Comcast, to the IPTV platforms such as Verizon and AT&T. The difference is going to be the channel capacity capability. We had to build our own channel capacity to get on Dish Network. Most of these guys, as much as you hear about the 500-channel world, go try and get 80 channels for horse racing and the door slams quick in your face.

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So, there'll be different varieties of RTN available on different platforms. But, as an industry, the key was you have to be able to go home at some point in the future, turn on your television, turn on your computer, turn on your mobile device, whatever it may be, where you want to watch the video, and you've got to be able to find the racing and watch it. And we just did not have that capability the way we were doing it.

RTN, a few unique points and important points are, that it is the simulcast feed that we all know from the OTB experience. It's uninterrupted, it's unedited, it's full cards. It's what the viewer wants, and anybody who has ever watched TVG or HRTV always has a comment about their inability — because they're single channels — to show the races they want to see or to show the entire card. That's not a knock on those two channels, they do a great job. But, with one channel of video, you can't distribute 80 channels of content.

These are the same, as I said, same feeds as RCN delivers to the OTB's. We'll have live racing obviously, we'll have replays, handicapping shows, all kinds of associated

programming. It's a 24 by 7 network, so the idea is to start to fill in the gaps and create more of an atmosphere that will be, hopefully, the single most important source of video for our industry long into the future.

Most important of all, though, this fills the giant void that we had in this industry as far as TV distribution. We did a great job on the Internet, we did a great job with mobile, we did a great job in the closed circuit world of your commercial locations. But, this has been the missing link.

Some of the other ways that we'll distribute the RTN 80-channel package, obviously on the Internet. We have a variety of ways that we provide it. Flash, Windows Media, other H.264 type encodes. Live and replays, there'll be Equibase data mixed throughout. It'll be a great experience, but it's just video. No wagering. You wager with who you want. If you're a horseman, perhaps you don't care. And on mobile devices, iPhone, Droid, Windows Media-type applications will be available.

So, where are we going with this thing? Well, these four logos probably represent the four best examples in the sports world of what we're trying to do and what has been done. We're actually, we were ahead of this curve in trying to get all three screens, and now everybody's kind of caught up. But, these are examples of subscription pay packages available today through a variety of platforms that use what we call this three-screens approach to distribute video. Some of you probably subscribe to them. The difference on these four is that the NFL is exclusive to DirecTV. It's a very controversial model to use, but difficult to argue with the NFL with the amounts of money they're making from these strategies.

So, all the RTN platforms are based on that concept. They're subscription-based, and modeled after those four leagues. The four leagues all do it differently, though. RTN's going to do it this way. We're obviously available on Dish Network for $50 a month, you can see every track that we have the rights to. Hopefully, all the commercial users that we provide service for as host tracks will sign up for RTN.

On the Internet, we'll sell it for $9.95 a month and mobile will be $5.95 a month. The difference between the other leagues and how they handle these three subscription packages, it varies. Some of them say one price gets you all three screens, make it simple. Others say you have to buy the TV package and be authenticated to get the Internet or the mobile package, and yet others say you can buy whatever you want, whenever you want it. We have to be careful not to cannibalize the main TV package with the lower priced but different Internet and mobile packages.

So, where's this all going? The new distribution options that we've created are intended to lead to greater handle and both commercially and residentially. Pretty simple. And again, I mean, this almost looks like one of Matthew's comments — the bigger the audience, the bigger potential you have for advertising dollars, and this is an element that this industry has never capitalized on, and I can see a day where between the subscription revenue that we generate from end users residentially, and the ad revenue that we can generate for you and that you'll generate on your own, that commercially this could be — don't get too excited, but this could be a free experience commercially. And if that could happen, then I wouldn't feel like a balloon in a room full of needles like I do at times trying to negotiate contracts.

All that leads to happier fans and betters and horsemen, which is what we're trying to do.

So, the trick in today's world is, you've got to have all of these options at your disposal but you have to use them correctly. And that's what I see from our company perspective. People are always trying to put a round peg in a square hole, or vice-versa. They're trying to use the Internet improperly. They're trying to use a cheaper method, a different method, to do a task that it's not intended for, and we are very careful to try to guide you away from that. The new technologies of today are complimentary and ancillary, and this is — they're not replacement technologies. You could try to pick one and do everything, you're not going to do it as effectively. But, this is the biggest misconception that we see.

People, again, going back to my previous comments, when can we get rid of — if you look at, back through the course of time, in all of technology in the media world, you'll see this point to a T played out, and that is, going all the way back to when we didn't have television. People sat in their living rooms and listened to radio broadcasts, and that would kind of be my dad's era. When television came along, people said, "Oh my God, radio is done, no one will ever listen to the radio," but they forgot about cars and the mobile experience with radio. So, television didn't replace radio.

As television developed, the one change that took place, going from black-and-white to color, I would say is as close as we've come to ever replacing a previous technology and making it completely obsolete. But guess what? It didn't happen because you all have surveillance video in your racetracks, and guess what? It's in black-and-white.

From there, the television experience grew into the cable television experience, and everyone said, "That's it. You can kiss television goodbye," but it didn't happen. And then along came DBS and Direct and Dish looked like the be-all end-all for the end user, and guess what? It just became another option, and then we had what Steven was showing you earlier with the IPTV delivery of video by the TelCos. And everyone said, "This is the next thing, it's going to wipe out Cable, wipe out DirecTV, wipe out broadcast television." I personally don't think that'll happen. I just think it's going to grow into a really nice alternative, with different capabilities.

And of course, the last one that kind of is really hot right now is just pure Internet use for delivering video. We call that the over-the-top revolution in the kind of delivery world, and this is where the programmer now thinks that they can bypass the traditional distribution outlets — cable, TelCos, Direct, Dish Network. Best example of this is what's happening with Netflix. Lots of challenges for that to ever happen. If you're a type of viewer who only likes to watch movies, and don't care about anything else, then yeah, you could subscribe to Netflix through your Internet connection and do away with your Cable subscription or your Dish or Direct subscription, and you'd be what we call a "cord cutter."

And those type of users, I believe, are out there, and the numbers support that. But, trying to distribute live sports that way, trying to distribute all this other programming, I think what you're seeing happen in the non-racing world that we are trying to mirror is that all the programmers are taking the three-screens approach and trying to get video distributed that way. Because, at the end of the day, the key to distribution is to get distribution. And not to try to pick one path, but to try to use all of them.

So, that's it for me. Thank you very much.

Mr. Sean Pinsonneault: Thank you very much, Todd. We're going to open up the floor for questions. If you could, just come up to the mic if you have a question for the group.

I want to maybe touch a little bit, Todd, on one of the points you raised there about advertising revenue and how we kind of capitalize on that. What is in your view, the best way to go about that? It seems like we've got to take a collaborative approach to this, and not just individualistic to try to be able to take full advantage of that. What do you see happening there?

Mr. Todd Roberts: So, there's two avenues to the advertising dollar. One of the things that we insisted on when we made the deal with Dish is that during the simulcast presentation of your simulcast on Dish, we wouldn't interrupt the broadcast and insert ads. We wouldn't do anything to mess with your five hour simulcast, because that's your revenue generating opportunity. So, on a local level, you'll go out and try and monetize that space now that you have a bigger audience to tell an advertiser about.

That attempt, some of you will be successful and some of you won't, depending on what market you're in and depending on how big your network is. The bigger potential, I think there, is to leverage our relationship with somebody like Dish, who has a relationship with Google, and last year I believe they generated $750 million in advertising revenue through that relationship.

And, we will go out and we will talk to Pepsi and Coke and whoever, come to you, and say, "We have an industry-wide deal, it's $1 million, you get this piece of it. Do you want it? Yes or no, if you do, you've got to give us a 30-second spot once a day every day that you run your broadcast." And we think that's going to produce the big dollar gain for host tracks that doesn't exist today. If you don't want to do it, you don't have to. If you have a better deal locally, or you have a prohibition about having Pepsi advertise because you have a deal with Coke, that can all be dealt with. But, there's just — it's a wide open slate to get to that revenue stream.

Mr. Sean Pinsonneault: It's a delicate balance that we have to face, though, with that as well. I mean, customers as you said, expect the uninterrupted feed and don't want a whole lot of advertising. That's been our experience in the past. Steve, do you have any kind of insight on what the commercial operators are doing from that perspective to really better utilize that?

Mr. Steven Hawley: Well, yeah. As — and I was kind of chomping at the bit to jump in when he was talking about linear broadcasts, because the Internet and the Internet technologies on all these other screens open up many more potential revenue streams.

For example, if you look at video on the web, Netflix — Todd, you mentioned Netflix before, and again I wanted to jump in, because that's just what I do. Twenty percent of the traffic on the Internet in prime time is Netflix, on the whole Internet. Imagine that, prime time in the US is Netflix. So, people that distribute video have the opportunity to do pre-rolls, mid-rolls, ad insertions on Internet-delivered video content just as they do with broadcast and satellite-delivered video content. But then, in addition to that, they have the opportunity to create little buttons on the screen that each can be clicked and generate ad revenue on their own.

So, if I clicked on "watch the replay of the Preakness sponsored by dot-dot-dot," and there's a 70/30 revenue split for that advertising which is pretty much the traditional broadcast TV revenue split, you suddenly not only have the linear broadcast revenue, advertising revenue stream, but you have it for Internet-delivered video and you have it for interactive content delivered over the web to whatever screen.

Mr. Sean Pinsonneault: Matthew, you've had some experience with the Internet — sorry, not the Internet, but the interactive ability with the television with wagering. What's been your experience?

Mr. Matthew Imi: I think until in the UK you have broadband-enabled set-top boxes, it's not something that we push that hard. I mean, it's still possible to press the red button when you're watching At The Races and place a bet with a number of different bookmakers, but it's not a quick experience, at the moment at least, compared to picking up the phone or doing it on your laptop. I suppose, I mean, from our perspective we're trying to monetize the audience on-air in a number of ways, but A, through ad revenue. And B, through providing punter-friendly information which we can monetize through our dealers, the bookies. Sadly, for us I guess extending our broadcast offering boils logic down to cost.

We, sadly, we're also not the scale of Sky Sports or ESPN, so we'd love to be doing a lot more with on-air than we are right now. But I think for the next couple of years, we'll have to bide our time and wait and see. Interactive TV, I guess you can look at it in terms of pressing the red button and placing a bet, or you can look at it in terms of having multiple video streams. And we in the UK, there are two racing channels. So, it's not as if we have to get every single race from every single track on one screen. And so, we can get the 55%-60% of UK races and all the Irish content into one channel. And, we can also get that with 12 minutes of advertising per hour, so that's the way it works.

Mr. Sean Pinsonneault: Is that advertising cut-ins to the video feed, or is it just like a banner at the bottom, or how does it —

Mr. Matthew Imi: No, no, it's full blown 30-second spots.

Mr. Sean Pinsonneault: It is, okay.

Mr. Matthew Imi: And you can imagine, I mean, if you're a producer in the gallery and you're having to manage getting 12 minutes in per hour with — oft times it might run slightly late, and I know races have gone a little bit longer, whatever it is, it's tricky. But we get it done.

Mr. Sean Pinsonneault: I have a question on the floor.

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Mr. Bruce Soulsby: Guys, great vision there. Bruce Soulsby with Avatar. I'm a deposit wagering platform, and some of my customers have come to me and said there's a delay with Dish, and it's about five or six seconds, Todd, with the feed. And obviously, with harness racing, I mean, it's critical to try not to have that delay. Obviously, that's going to hurt them betting, the churn, they bet on the bell type thing. Nowhere near probably as important with the thoroughbreds, but with the harness it's extremely important, and they're having some issues with the bell.

They can't bet the last 5-6-7 seconds of dispatch, which is obviously hurting revenues. Have you got any plans, or — I looked at your grid up there, the tech grid and where the feed was going and coming from and stuff, and is there any way we can get that delay to somewhere where — I mean, the RTN was perfect. You could bet right up to the last second. Have you got any thoughts of how you're going to handle that, and how you're going to try to dispose of that delay?

Mr. Todd Roberts: That's a great question, and it's a perfect example of the old saying where you need to listen to your customers. Don't listen to your customers, because I did, and that's why we're having this issue, and I'll explain.

What you're seeing right now on Dish is not even the final product. It's a transition feed, so the old C band infrastructure is feeding Dish, so it's essentially a double hop, which is adding to the delay. It was never intended that anybody would ever see that feed, and this is where the part about listening to your customers comes in.

We intended there to be a cut-over day, where everybody would have to go into their tracks and OTB's and just move wires from the old system to the new. Too many of the OTB networks said that that wasn't feasible, that they didn't have enough people to do it, even though it might only be a 30-minute job. So, we were forced to allow people to kind of use this transition feed.

And remember, right now the old systems still on the air, and this new hybrid, or transition, feed's on the air. So, we were forced to let people use that, and as a result the picture quality's not even as good as it's going to be, and there's this extra delay. And there's just nothing we could do about it, when people said, "I can't transition unless you let me do that."

What we've told most people is, don't use the new system yet, or the hybrid system, use the old C band system until transition day and then you won't have to deal with the delay. Ultimately, the — well, let me say this. The previous delay in all of the signals was three seconds, and that just comes from the encoding/decoding process. The new system, ultimately, will probably be 4.7 seconds.

So, I maintain that to try to implement the new technologies, it's all a trade-off. To get better picture quality, you increase delay. The manufacturers of all the encoders, and Steven can speak to this as well, they all wanted six, seven seconds of delay to use the new technology. We told them it was unacceptable and forced them to get it, to make it quicker. But, the good news is, if that 4.7 seconds is still not good enough for what we call a bell-better, in harness, there's options that can be given to people.

We can give people iPads that'll have lower latency, we can continue to give you the C band feed from the old MPEG2 world, which will be the feed that you're used to. There's just lots of ways to skin the cat. But, it is important to understand that going back to the Rubik's Cube example, this was one of those things that every time you move the cube, you couldn't get quality, lowest possible latency, and lowest amount of bandwidth, which equates to lowest cost, so. We kind of had to find the sweet spot.

So the good news is, you could start tomorrow and keep using the old feed until the new one is completely ready.

Audience Member: Okay. Just — so my answer to them would be to stick with the old feed and you're working, you're basically working on — but we're always going to have that probably 4.7 second delay?

Mr. Todd Roberts: Yeah, I mean, and if you look at network — again, Steven, I want you to jump in after this. But if you look at any network, if you look at a network broadcast of horse racing, Breeders' Cup, the Triple Crown events, look at the delay on those feeds. They're beautiful looking feeds, and they're beautiful because they throw bandwidth at them and they throw more delay in to allow the video to be processed, and that — you know, that

is a perfect example of what really wouldn't work for us on an everyday basis. So, we tried to create a network-type broadcast infrastructure, but we worked with delay to keep it lower than it should be.

Audience Member: Okay.

Mr. Todd Roberts: You look at a football game, and there was a great — you know, most of the football games you see on TV depending on where you're watching it, have anywhere from 6 to 12 seconds of delay. There was a great example of the high definition broadcast this year during the World Cup where the delay was about 30 seconds, and Matthew, you might be able to speak to this. The story that I heard was that the betters at the stadiums were betting back into the bet shops in Europe on penalty kicks and things like that, on in-game betting, and just — I think they won over 2 million pounds before they caught on. Does that sound about right?

Mr. Matthew Imi: That could be true, yeah. That would also explain our poor performance in the World Cup.

Audience Member: So basically, the tracks are at the same disadvantage, if you go to the track it's still a major delay there, there's still a four second delay at the track?

Mr. Todd Roberts: Yeah, I mean, you can get — again, I could create a sub-one-second delay on the streaming platform. I could create probably a two-second delay on the TV platform, but it would cost a lot more money to do that and still get decent quality. If we wanted lousy quality, I could keep the pricing the same. So. We think that's — we get the game, we've been doing it 25 years, and we understand that angle of it. We think 4.7 seconds is livable based on the players that we've talked to.

Audience Member: Okay, thanks.

Mr. Sean Pinsonneault: Let's part on transition. Thank you very much. No, I'm sorry.

Mr. Doug Reed: I think we're going to have to take questions to the speakers kind of off the floor to stay on schedule. This was a great panel, but we're running quite a bit behind, and maybe if the speakers could meet with people back here, I think that would be great. It was — we really appreciate it, but we're getting so far behind I think, that we best take it to the floor, if you don't mind, Sean?

Mr. Sean Pinsonneault: No, that'll be fine.

Mr. Doug Reed: And for those in the room, first of all, I'd like to thank our speakers. You may want to stay put, I think we —

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