

#### BETTING ON RACE TRACKS, THE MAJOR STAKE



#### The French context

- French racetracks belong to horse breeders local unions.
- They are Non for profit organizations
- Mainly, the racetrack is a place
  - To train and run the horses
  - To show and sell the breeders achievements
  - To bet
  - To have fun



## An exceptional density:

- . 245 tracks
- . As many as in the rest of EEC



#### 214 HIPPODROMES 2" à 4" CATEGORIE

ASON-COUTAINVILLE BUILT CAROURG (14) T AME BURL ADOUR (40) AJADDIO (20A) RIT ALENCON (61) PT AMERICALES LES-VALLEES ANSIGULENE (16) P/I/O APPRAIS (80) P/T AUCH DIS PIT AURILLIAG (15) PATOLO AVISINON (84) P/T/O MARAMICHES ISSU MOD BACQUEVILLE-EN-CALV BAGINERES-DE-LUCION (St) PITAD BAGNOLES-DE-L'OPINE (M) BEAUPPEAU (49) P/D/O BERCK-BUR MER BU DYNO PYTHO. BERNAY (14) T DIAPPRITZ (N.) T BIGUIGUA (20) P BHOREL4 EB-ROUEN (78) **BLAIN BOUNRON-LE** CHURE :44: PIT/O BOLLENE MAI PYT SOURIGNY (50) T CORDEMAIS (44) T

ARREVILLE (90) P/T

DINAN (22) PVDO CAENTIAT CANCARRONNE (11) WIND PURIO CARENTAN (SOLT DOMERONT (81) T CARDIAIN COD PITAD DOZULE (14) T CARPENTRAS (64) PVT DEBUX (26) T CASTELBARRAZIN (NO P. DEJETAL MAR RYTYC CASTERA-VERCUZAN (32) EALIZE (32) P/Y ECOMMOY (72) BYTEO CASTALUNES (47) T BLUDGUP (32) T. CANALLON 084) PVT FIRRIAN (SAS PITA) EVHILLX 1271 P/DD CAZAUBON BARBOTAN (SIL PEURS (40) 9/0/0 FLEURANCE (XI) Y CHALAIS HIS PITO CHALLANS MS: PYT/O FOUGERER (SE) PYT/D PERANCHEVELE (27) T CHALONG-EN CHAMPAGREE GASARRET (40) PY CHANGOUX (NE PAT DEMOCRACITY PATRO CHARTRES ON T GENETA (60) T CHATEAU DO LON 1725 PAT CHATEAU-BONTIER (B3) GRAMAT WE PIECE CHATEAUROUX (MI) P/D/D CHATILLON-BUR-CHALARCINNE (01) P/T/O CHEPBOURG IND T CHINON ST) P/D/O CHIERLESCH IN CHE PROD CALINIV (7th PVDD) OW BUILDING THE PRO OCCUPANDED NO. BOTTO

BSIGEAC (24) T

MILAIS (48) PAND JARNAG HAS PYTRO DIVONNELES BAINS (01) JOSEPH MICHIEF PATAD SUBJECTANOPINE 6450 T A CAPELLE (02) T LA CHARTRE BURLLE-L LA CLAMBETTE (71) T A PERCE-BERNARD COLT A PERTE-VIDAME (86) T LA GACILLY ISBI PYDO A GUEFICHE CE BRICTABNE (80) P/T ANDIVISIAU (29) PYTHO LANGEN (SH P/D/D LANNEMEZAN (66) PYT LACIN IND T LARRICLE (UNI PATO) COLUMNAY STORING YOU T LARCOMELE PROO LA ROCHE FORAY (HIS PATO LA ROCHE-BUR-YON (RIS) ORANVELLE (EU) PYWO GRENADO-BUR-DARRONNE PATA AWAIL (ISS) T GULMENE-PENEWO (44) P/Y LE DOBAT MO RYAD QUEN-COETQUIDAN (FE) LE GRAND-FOUGERAY (%) LE MANS (72) PYT/O

LE MONT-ST-MICHEL (90) Y

LE NEUBOURG (27) T

OF PERCHE BUILT LE PERTINE (20) PVDQ LE PIN-ALIX-HARAB (81) PIT/O JULICIANLE LES PINS (SOLT LE SAP (ST) T LA HARRISE EN CLICKE (127) T. LES ANDELYS (127) TO LESPARRE (\$3) PVT LE SOUGHET AND PYDIO **BOTHFORE USO PAY** ADMETERS CHE PASS LIMOGES (87) PM LIBRELIX (14) PIT LYELE BUSY LA SCHIQUE (B4) P/T LOUDGAC (US) PYL/O LUCON 1951 PIT/O LINE CHE PATO MACHINCOUR (44) P/E/O NAMERIE DOE'T NANSLE IND PIT/O MARKANS IT IS T MAURE-DE-BRETAGNE WI/O MALIBON ISTO PYTAD MERAL HOLD BYTH MERILANDUMAINE MIN TIO MIRAMONT DE GUYENNE BEANDE (20) T

AT JUNESCHIN (AT) T MICHARLESS 29 T MONTALBAN DES PITAD MONTENDRE (17) POTO MONTHER EN-DEFI (92) P/D/D MONTH INVESTIGATION MONTLUCION-NERIS (RIS) PATRICI MICHIEMBAS (78) TIO MONTREVALLT (AS) PVT MORLAIK (09) WITO MOULINS (61) PVT NAME AND PERSONS PROPERTY AND NAMES (30) P/T/O NUMBER OF PARTIES NORT-SUR-ERDRE (44) NUILLE-SUR-VICON (ES) PTO CHARRON (04) P/T CHEST PLANNES YOUR SECTION PARKYLE MONIAL CTO PET/O FLERRE IMI PYDD PLESTINALISHABIVEVES (22) RATIO PLOEFMAL IIII P/1/O PLOUGALAY (22) T PLOUBERGAT (ERD PVT MOLERES ON PADO MONODUBLEAU (41) T POMPADOUR (19) IND

PONS (17) P/DO UNITAL SHIP PATO PORNICHET MAI PYTAD T other magnifical PRUNBLI-DI-PAMORSO DAMES POT DUBETEMBERT (56) P/1/O RAMBOUILLEY (78) Y RANES (61) T REDON (35) PAT REIMS (51) T FICHELBU (NY) T ROCKETORT-MARK CHIEF 400 W/D/D ROSTRIDIEN (21) WHO HOUSE I'M T ROYAN-LA-PALATYRE (17) PYTA BAIK E-GUR GARBHE (TO PYTAD AT SRIEUC (25) P/T/O ST-JEAN-DE-MONTE GISH PYTAD ST-MALO (20) IVINO ST-OVER (62) T

STE-MARKE DUANONT (NO) T SAULT (84) T

BAUMUH (490 PYT/O BAUTINAY (44) PYT SANGNY SUR-BRAYE BEICHER-BURLOUGE SENIONNES POUNTE SELE-LE-BUILLAUME TARRES (AS) P
THENIAMS (AS) PATO
THE SUB-BASE (AS)
WALENCE SUB-BASE WALDGNES (80) T VERNON (27) T VERTOU 440 P/DIO VERDIA (20) P/T VIBINAVE (72) Y VIC-EN BISORFE MS VILLEDIEU-LES-POEL VILLENELVE -SURFLE VILLEREAL (III) T VITTE (SE PUTIO) VITTEALIX (21) PUT WESSEMMOURS (SE) ST-CUEN DES-TORES SWE STATEMENT ACCUR METO SEPERFE SUR DIVES 141 T ACREA (COA) PAT HI-POL-DE-LEON (20) MIND



## The big figures

13 Billions dollars: PMU Off Track

98 % of total handling

2 % On track betting



## The big figures

- **75**% back to the Wagerers
- **10** % to State
- 15 % to Breeders unions
  - Breeders,
  - Prizes
  - And Race tracks operations



# PMU: A very powerful machine jointly owned by the breeders unions

- 1st operator in Europe
- 2<sup>nd</sup> worldwide
- 11,300 point of sales
- 14 years of consistent growth
- Profitable. All profits paid back to the industry
- 80% of Industry's funding comes from the PMU
- Successful diversification (on line betting, sports betting, poker)
- Successful international development



#### Other Resources

- Direct sales (Admissions, Restaurants, Beverages)
- Local fundings
- On track pari mutuel (the historical activity of Groupe Carrus)
- A non expense : a strong tradition of volunteering
- 6,000 volunteers from top management to tracks helpers



## The big risk

- Race tracks are financed by the racing activity but mostly indirectly
- If race tracks are not profit centers or even become heavy loss centers, a big risk of concentration on
  - A few major showcase racing capitals
  - And technical facilities to make the horses run





#### 4 Successful benchmarks

- A few race tracks have engaged in major rejuvenating actions.
  - A Regional Race track : Cagnes Côte d'Azur
  - A Seasonal Race track : Deauville Clairefontaine
  - A Local Race track : Feurs
  - A Country Race track: Corlay



## COTE D'AZUR





#### COTE D'AZUR





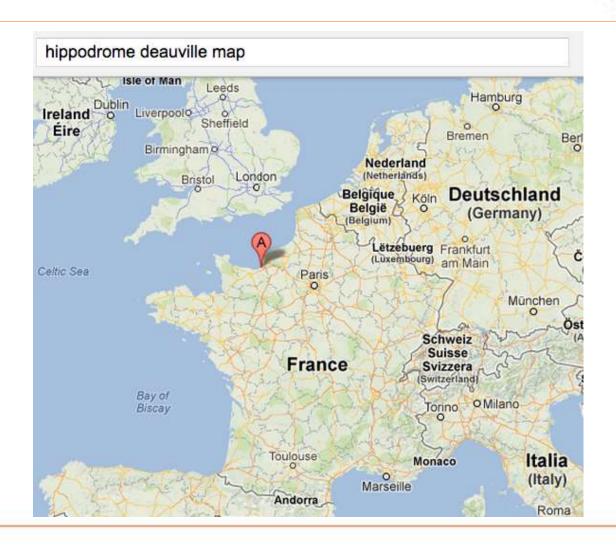
#### COTE D'AZUR

#### at the heart of the town

- An ex lawyer's idea : making a gathering place
- Strategic partnerships with regional authorities
- Integrating the racetrack within the local community
- Significant investments in infrastructure
- A new polytrack track
- Focusing on the younger generations offering a host of quality entertainment to a wide audience
- Has become the second largest racetrack in France



### CLAIREFONTAINE





#### CLAIREFONTAINE

- A famous breeding and summer region
- 600 acres
- 500 m from the coast and yet competing with two other well-known racing venues
- 100,000 flowers, all cultivated on site



#### CLAIREFONTAINE

#### more than just a racecourse

- A woman's idea: attract families
- Significant investments
- An original viral marketing using small medias: including bread and vegetable packaging, table settings, tissue packets and gas pumps decoration and ...condoms.
- Tons of entertainment experiences and 250 local sponsorships
- Betting revenues are still key
   From 25 000 to 70 000 racegoers in 10

General Secretary of the Racing Company of Pays d'Auge



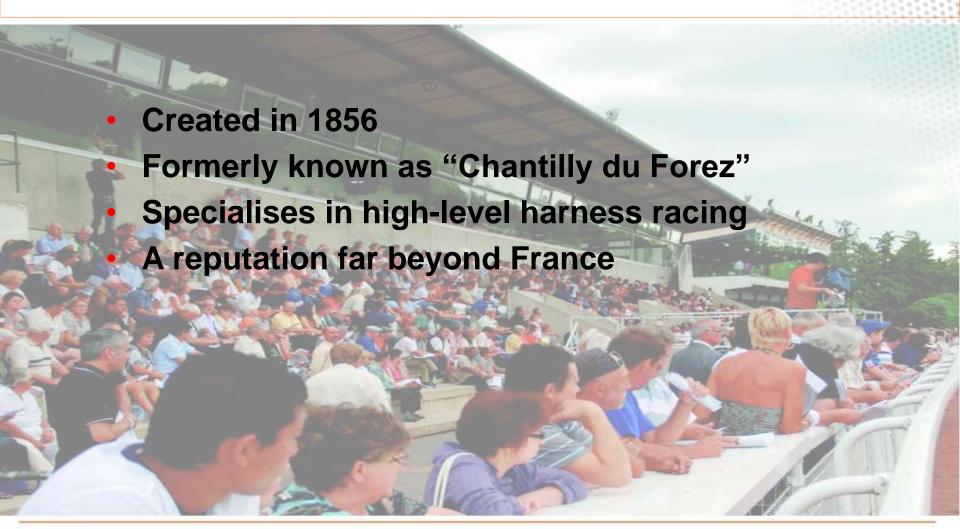
years

## **FEURS**





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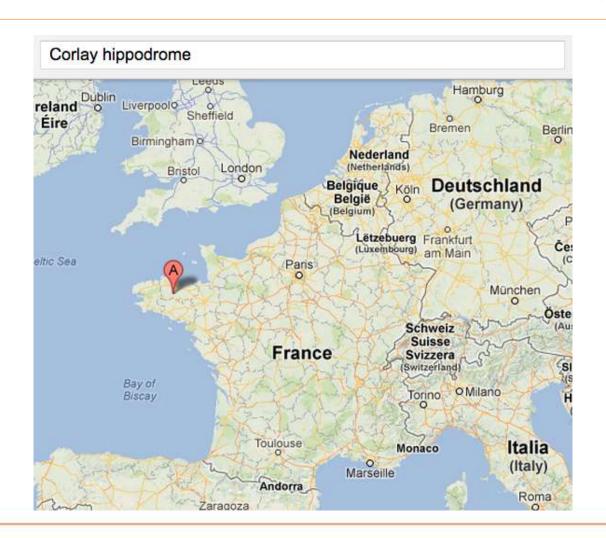
#### A winning team

- A businessman's idea : a team strategy.
- Introducing a strong management structure based on 18 corporate representatives, all with an active business role, including company directors, accountants, lawyers, vets and horseracing industry experts, all with complementary, tried and tested skills.
- Making the racecourse as professional as possible

Ranked 150th among French race tracks 12 years ago, is now in the top 10



## CORLAY





#### CORLAY

- A strong reputation of crosscountry racing
- An idyllic setting, undulating parklands
- and magnificent woodlands
- Overlooked by several stands from which racegoers can watch every hurdle



#### CORLAY

#### Sport and the great outdoor

- A farmer's idea : a countryside experience
- Warm welcome and various events targeting children
- The famous "pancake and sausages" annual event
- Lots of secondary activities linked to the equestrian world, including harness racing, national endurance racing, dressage, jumping and crosscountry

Strong increase in family frequentation and fidelity



