

**Keeping Racing Relevant
& the
Pari-Mutuel Side of the Racino Profitable**

Erich Zimny
VP of Racing Operations
Hollywood Casino at Charles Town Races

Historical Background

- 1933 - Facility was built for \$160,000 and opened for live racing
- 1996 - Referendum authorizing video lottery terminals is passed
- 1997 - Penn National Gaming agrees to purchase of the facility and begins operating Charles Town
- 2009 - Referendum authorizing table games is passed
- 2011 - Charles Town sets a record for pari-mutuel handle on its races

ANNUAL PURSES PAID

<u>1997</u>	<u>2006</u>	<u>2011</u>
\$5,065,422	\$44,181,000	\$36,803,150

"The horsemen must continue to look at (gaming revenue) as a supplement. Our main source of revenue is pari-mutuel wagering. If you can't continue to work on the pari-mutuel side and improve it drastically, your racing will continue to decline. This will cause the track operator to continue questioning the need for live racing."

- Justin Cassity

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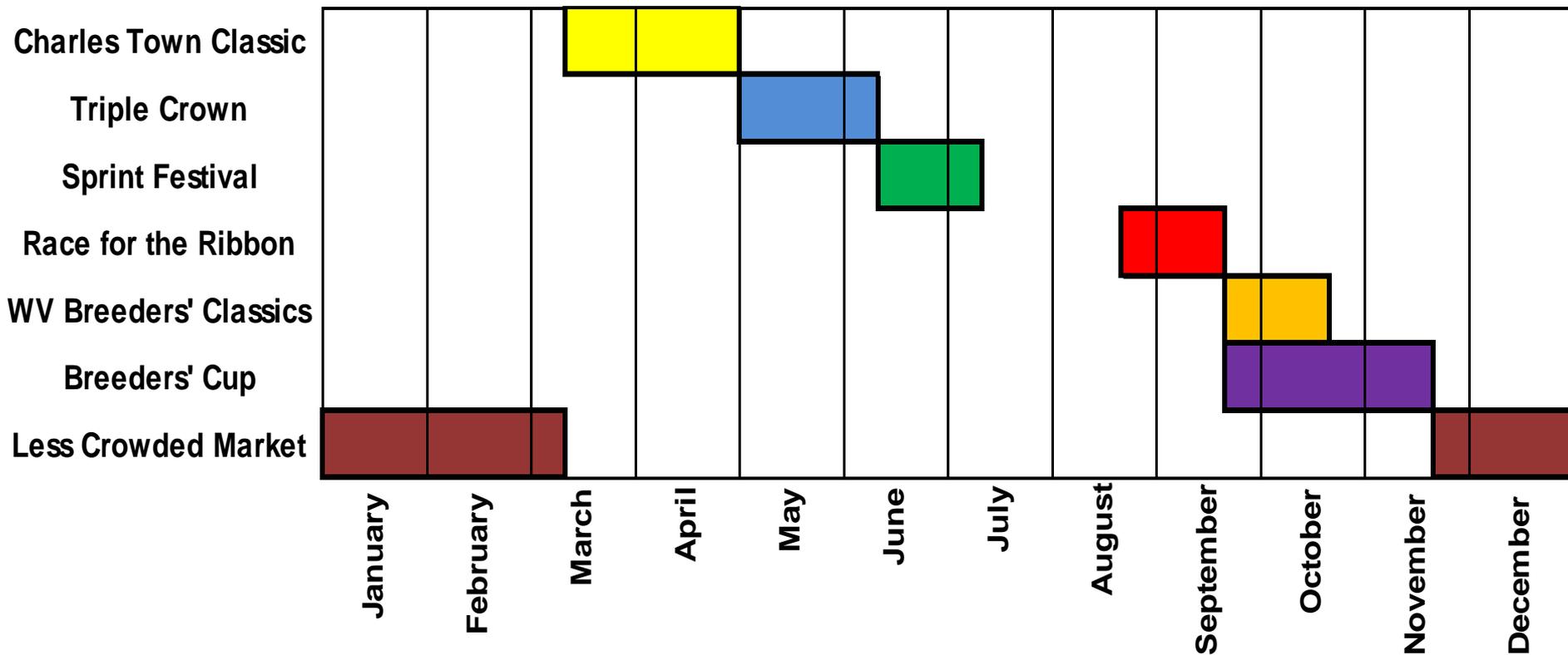
Move the Focus & Push the Signal



Tizway

HOLLYWOOD
Casino
AT CHARLES TOWN RACES

Staying Relevant & Pushing the Signal



Average Daily Handle

	<u>United States</u>	<u>Charles Town</u>
2009	\$2,005,222	\$770,265
2010	\$2,032,923	\$847,896
2011	\$2,085,763	\$958,811
2012	\$2,076,025	\$1,019,480

	<u>2012</u>	<u>2009</u>	<u>Δ (\$)</u>	<u>Δ (%)</u>
Charles Town	\$1,019,480	\$770,265	\$249,215	32.35%
United States	\$2,076,025	\$2,005,222	\$70,802	3.53%

**2012 figures thru November 1*

Purses Earned

2008 Purses Earned Live + Export: \$3,694,507

National Trend vs. Prior Year			ACTUAL
2009	-7.44%	\$3,419,699	\$3,456,074
2010	0.47%	\$3,435,741	\$3,683,401
2011	-2.53%	\$3,348,701	\$4,227,391
2012	-1.36%	\$3,303,072	\$4,525,000
TOTAL			\$15,891,866

Incremental Purses Earned Live + Export

<u>Actual</u>	<u>Projected</u>	<u>Δ (\$)</u>
\$15,891,866	\$13,507,213	\$2,384,652

**2012 figures prorated*

HOLLYWOOD
Casino
AT CHARLES TOWN RACES

Purses Earned

Incremental Purses Earned Live + Export

<u>Actual</u>	<u>Projected</u>	<u>Δ (\$)</u>
\$15,891,866	\$13,507,213	\$2,384,652

Approx. Avg. Daily Purse Distribution: \$150,000

10% Cut in Daily Purse Distribution: \$15,000 per day

Incremental Increase in Purses Earned: \$2,384,652

Race Days Saved From 10% Purse Cut: 159

**2012 figures prorated*

HOLLYWOOD
Casino
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