



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

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**
- **2nd 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

The French paradox

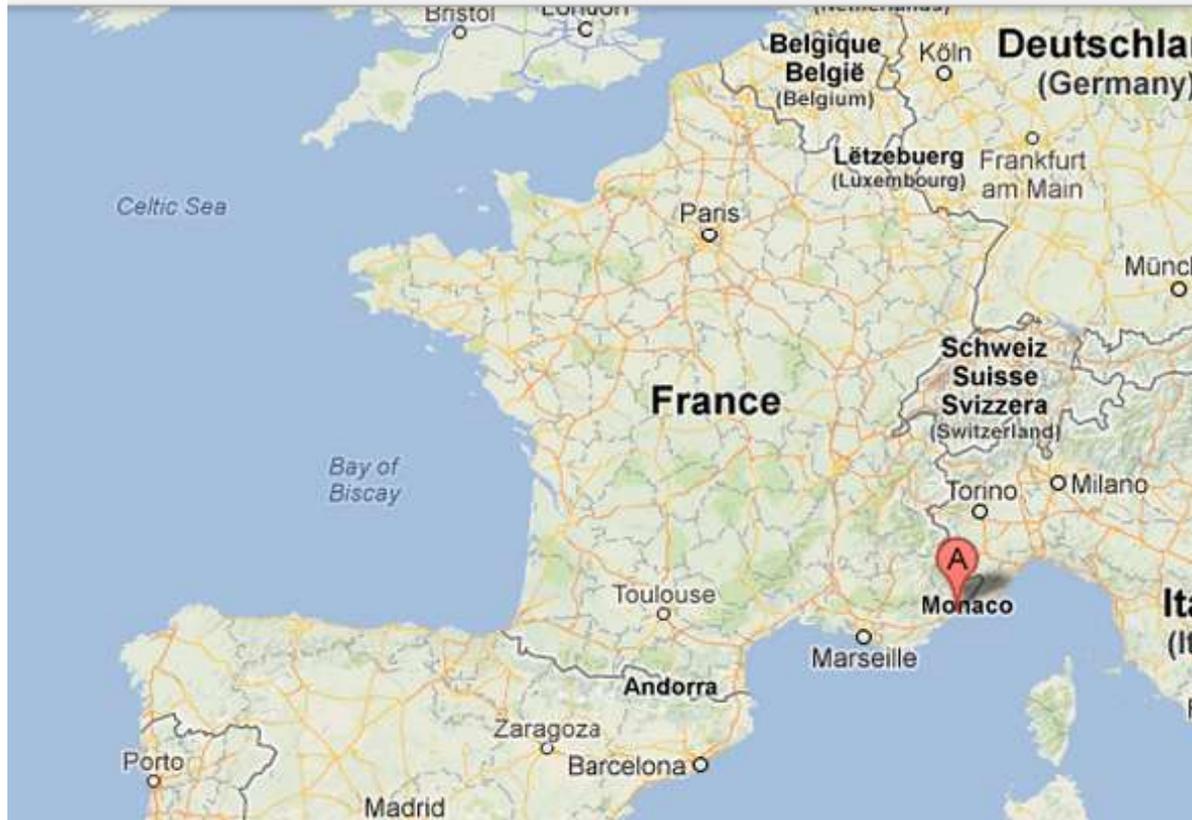
- For the last 10 years, French racing has been very successful at developing the PMU revenue...
- *While simultaneously racetracks are faced to a stable decline of on-track betting !*

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

Hippodrome de la Côte d'Azur, Boulevard J F Kennedy, Cagnes-sur-



COTE D'AZUR

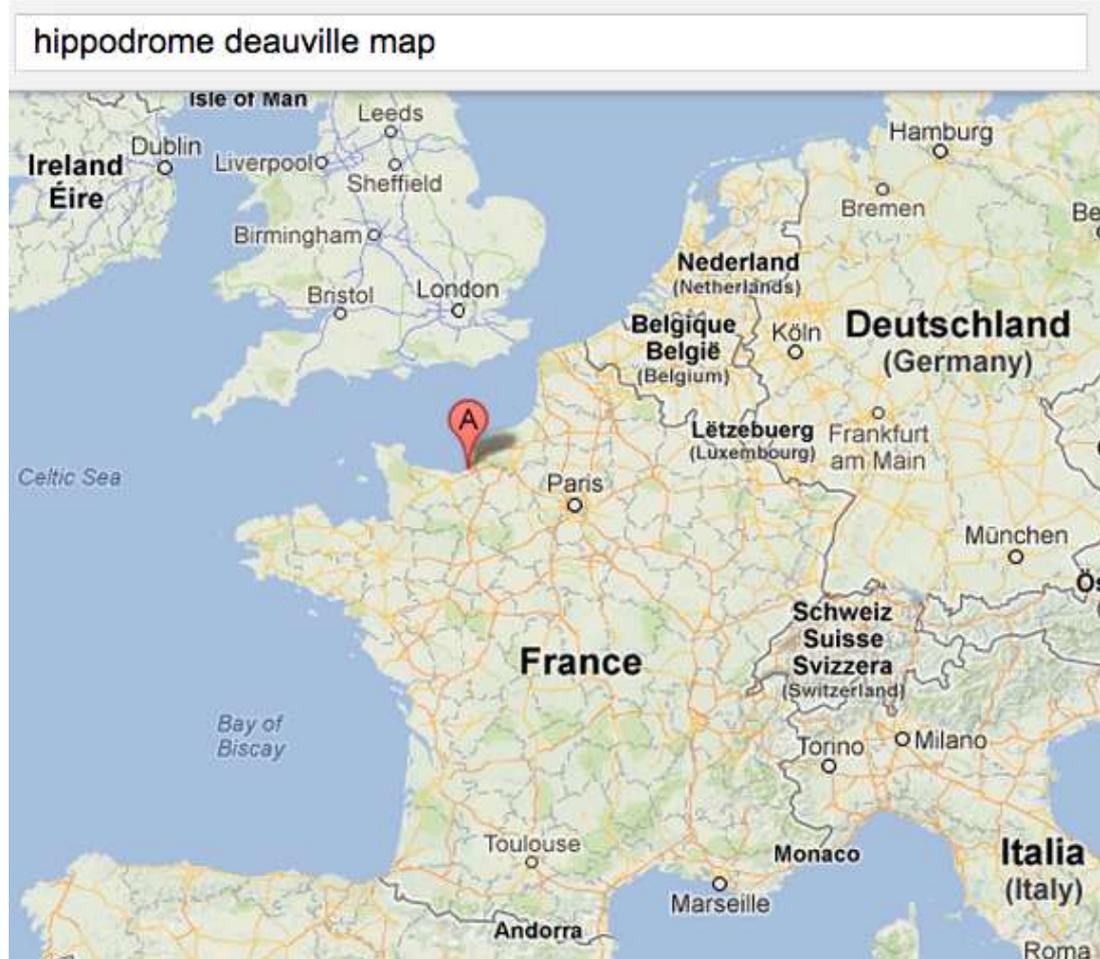
- **6 football fields by the Mediterranean sea**
- **900 horse stalls, a training center**
- **Accommodation for 150 trainers and their teams**
- **A veterinary clinic and 100,000 admissions**
- **81 racing days**

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 years

General Secretary of
the Racing Company
of Pays d'Auge

FEURS



FEURS

- Created in 1856
- Formerly known as “Chantilly du Forez”
- Specialises in high-level harness racing
- A reputation far beyond France

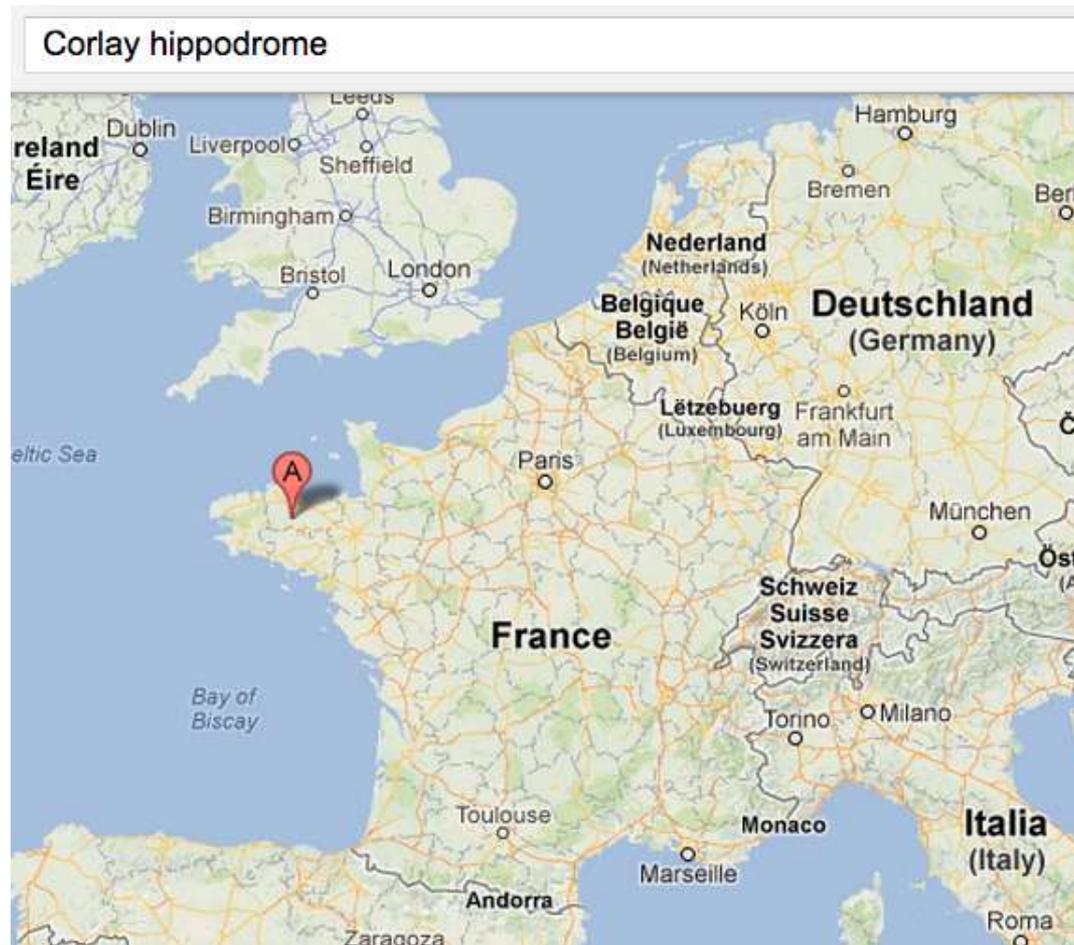
FEURS

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

*Racetracks must be
to wagers what
concerts are to fans*

