

1/ST TECHNOLOGY

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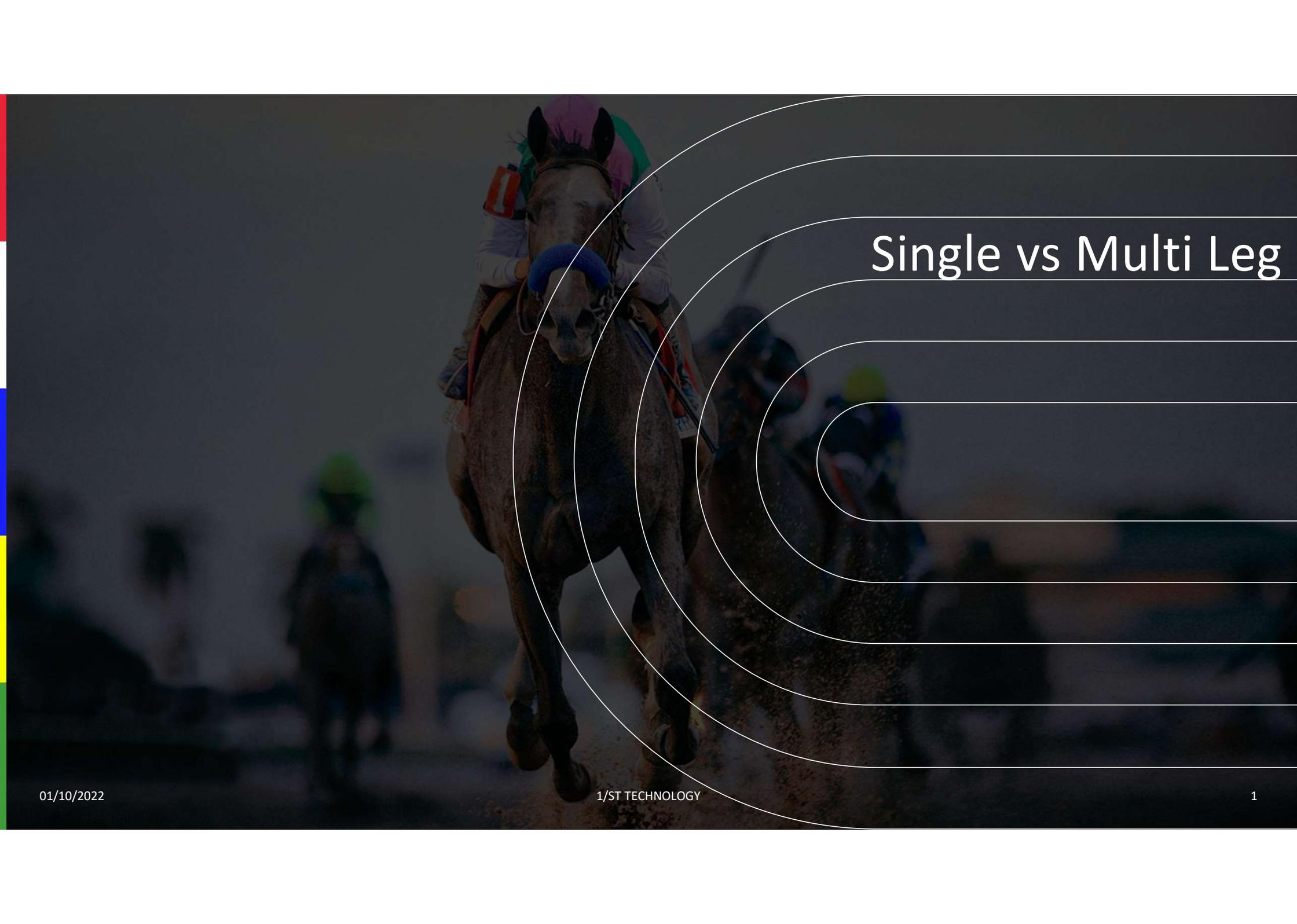
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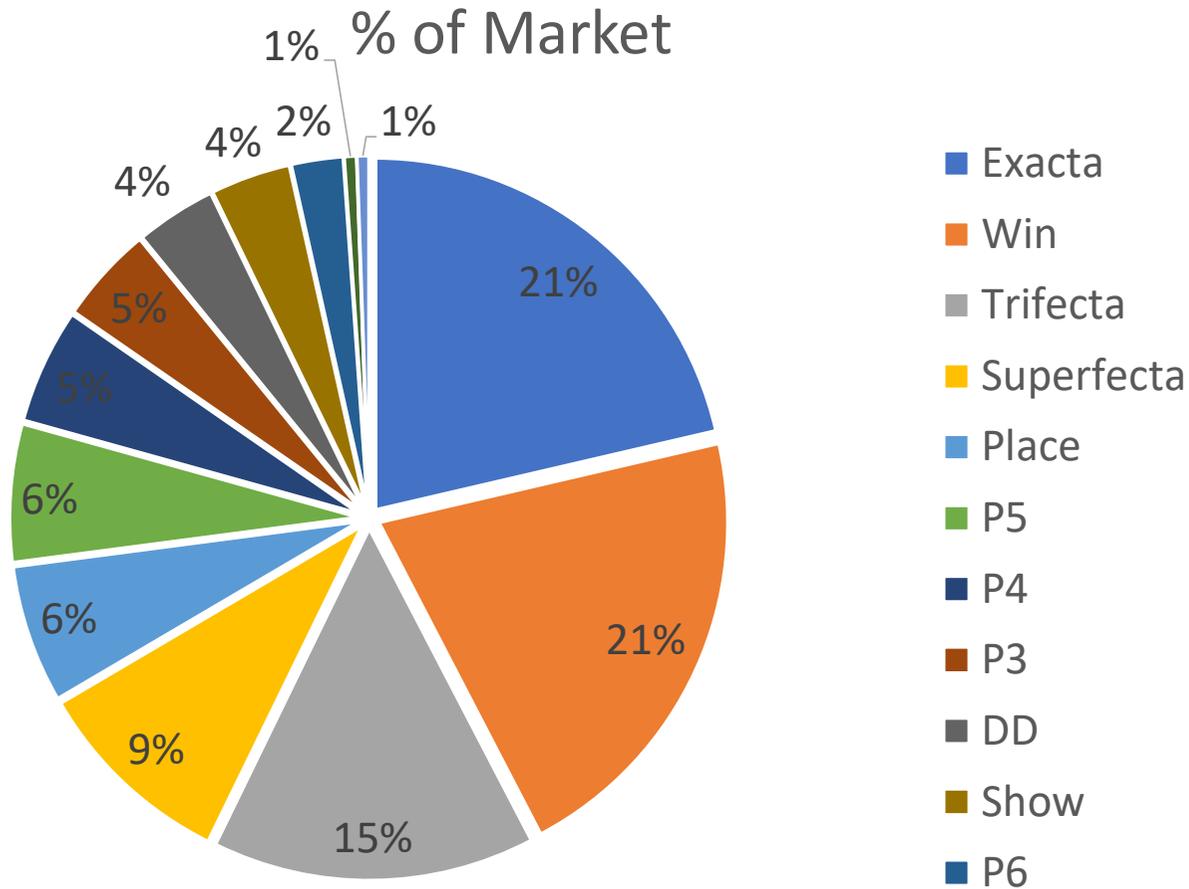
Single vs Multi Leg

Introduction

- My Background
- Fixed odds legislation in the US
- How can pool betting compete with fixed odds in the US
- What will competition mean for multileg bets?

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US current average market breakdown bet type and take outs



Pool	Commission %
Exacta	21%
Win	17%
Trifecta	25%
Superfecta	25%
Place	17%
P5	17%
P4	22%
P3	23%
DD	20%
Show	17%
P6	21%
Exact 5	19%
Quniella	21%

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What does fixed odds mean for the US Market

- Interstate Horse racing acts delivers protection for horse racing
- Majority of US turnover does not come from multi-legs
- Price movements – NYRA have prevented CAW players coming into the Win pools 3 minutes before the off this has greatly removed price movements
- Distribution of pool access
- Currently limited access to big international pools

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Lessons for North America from Australia

1. Legislation
2. Return to racing
3. Retail monopolies
4. Integrity first
5. Good media coverage on betting channels and DTH services
6. Corporate Bookmakers paying out on 'best tote price' to buy market share

Solutions to fixed odds competition

- Concentrate on win/place pools and reducing price movement
 - Fast data
 - Restricting access to big players
- Distribution and integration – encourage fixed odds bookmakers in North America and Worldwide to integrate into pool,
 - no tote no fixed odds
- Worldwide commingled ‘Superbet’ start in Aus/NZ everyday and follow sun through to US West Coast

THANK YOU

Q&A

Words of caution – not all Aussie KPI's have gone up

- Since 2000/01 Live foals born in Aus have dropped 30%
- Mares covered has dropped from 26,694 -20,328
- Number of thoroughbred registered has dropped 22%
- Number of races has dropped 1,359
- As prize money has gone up substantially races numbers have been pretty stable but foal crop has plummeted
- Horses have longer careers
- Gambling Market has grown 325%

Figures from Racing Australia fact book