



FORTY-SIXTH ANNUAL
ROUND TABLE CONFERENCE

On Matters Pertaining to Racing

GIDEON PUTNAM HOTEL & CONFERENCE CENTER
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FORTY-SIXTH ANNUAL ROUND TABLE CONFERENCE
ON MATTERS PERTAINING TO RACING
HOSTED BY
THE JOCKEY CLUB

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The complete transcription of the 1998 Round Table Conference as published in this book is also accessible on the Internet where it may be downloaded in sections or in its entirety.

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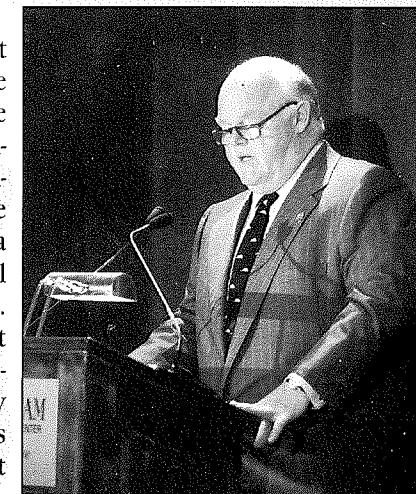
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WELCOME BY OGDEN MILLS PHIPPS
Ogden Mills Phipps: I'm pleased that you all are here at our 46th Round Table Conference. We believe we gather here today in a new and refreshing air of optimism. And the larger part of this morning's program is devoted to one of the reasons behind that optimism . . . a progress report on the National Thoroughbred Racing Association. However, we still have much to do to put our house in order. There are still problems which must be addressed squarely and resolved. Our program also deals today with probably the most important of these.

As usual we are indebted to John Hettinger in his capacity as Program Chairman, and move straight away into the traditional Report on the Activities of The Jockey Club, presented by our vice chairman, Will Farish.



Ogden Mills Phipps

ACTIVITIES OF THE JOCKEY CLUB IN 1998

William S. Farish: Thank you, Dinny. Good morning. The Jockey Club has been active this past year basically on two fronts. The continual development of our core businesses and helping build the foundation for the NTRA. I'm not going to dwell this morning on our core activities, but I would urge you to read your leaflet in your packets detailing the progress of our divisions.

It has been truly a remarkable year. Equal emphasis has been put on the NTRA project, both financially and in practical support. We have donated many of our people, and particularly Nick Nicholson has done a tremendous job.

This morning we're going to hear an encouraging report on the first one hundred days of our new national organization and an informative discussion on drug testing. In the same way the industry has come together in support of the NTRA, it is equally essential that this

industry come together on a unified national drug testing program. We will hear a lot more of this later.

The NTRA is off to a great start. Preliminary polls have begun to show positive results from just a smattering of national advertising. Conveniently, we've been able to ride the wave of having a possible Triple Crown winner going into the Belmont for the second year in a row. Aided by remarkable advertising by Visa, tremendous crowds turned out to watch, in person and on television, the third leg of the Triple Crown, introducing thousands of new fans to racing and giving our national office a welcome environment in which to launch.

We've seen it is possible to make things happen if we concentrate serious funds into a coordinated national advertising and marketing program. At this conference last year we said that every segment of our industry would be

expected to help fund the initiative. The industry has responded. But this isn't a one time deal. We are undertaking a major modernization of our sport. We're going to have to persevere and keep the funding coming, at least in the early years. The NTRA blueprint can work. We've already had indications of that. But let's put things into perspective.

The total first year NTRA budget of \$22 million dollars is far from extreme. When the Japanese undertook this project in the mid-1980s they budgeted \$100 million dollars a year and that was for paid advertising alone over five years. Their program worked, but it took three years to see any tangible results and obviously a great deal of money.

We are currently making sacrifices but I'm afraid we must be prepared to dig deeper. For example, our sales companies, and buyers and sellers at our auctions, have been asked to contribute one-tenth of one percent on all sales and purchases on a voluntary basis.

By comparison, at Sotheby's and Christie's buyers pay a 10 percent buyers premium and sellers a 10 percent commission on sales ... and it's not voluntary.



William S. Farish

Obviously we've got to come up with other sources of revenue and increase existing sources where they are out of line. We will have an encouraging report from Tim Smith, our new Commissioner who, I might add, we are very fortunate to have. We're headed in the right direction, but if we are to be successful we must give him the funds to carry out his job.

Thank you.

Ogden Mills Phipps: On repeated occasions there have been calls from this conference to address the problem of medication and a national program for drug testing.

In 1990 The Jockey Club knew that racing had a major problem in the drug testing area and we commissioned the internationally-respected firm of McKinsey & Company to produce a blueprint for a world-class national drug testing program.

As you will remember, McKinsey unveiled their program at this meeting the following year. But our industry is still far from implementing it.

Ned Bonnie, who leads the discussion on the problem, needs little introduction to most of you. A respected attorney who has been legal counsel to countless Thoroughbred and other equine organizations, he is a horseman in his own right and has spent a lifetime in practical pursuit of what is best for Thoroughbred racing.

Ned ...

DRUG TESTING: A PROBLEM UNSOLVED

Edward S. Bonnie: Lights, camera, action. Mr. Chairman, Members of The Jockey Club and distinguished guests.

Drug testing properly designed and properly executed can provide a level playing field and a sport which we can prove is run at the highest degree of integrity. As was stated in the McKinsey Report in 1991, we're spending over \$27 million dollars a year on direct costs related to drug testing and an additional approximately \$30 million in indirect costs. That's an amount in excess of \$50 million dollars a year, and I challenge any one or all of you in this audience to tell me if you know exactly where that money is going and what it's being spent for and what you're getting for your money.

As the Chairman has stated, the McKinsey Report in 1991 made a lot of recommendations. They were sound. They were based on good demographics and research.

And maybe that was the problem.

There were too many facts and too much material in there to be digested. Nick Nicholson has provided you the summary and I would hope that you would read it this time.

Unfortunately, the study itself and its recommendations were not implemented except in isolated states. I'm not here today, however, to find fault or point fingers at the past. I want to state to you that this problem can be fixed. And the first portions of the problem and the fixing are not expensive.

We believe that there is a short-term process which we have already started in one state which I'll talk to you a little bit more about later, and a long-term process at a drug and research laboratory and center which will help solve our problems for the long term. I say again, it can be fixed.

I have other members of this panel who are going to give you a little more detail on what the problem is and how it can be fixed.

Edward S. Bonnie: Our next speaker is Tom Lomangino. Tom is the director of the Maryland Racing Lab. He is a consultant to the Racing Commissioners International Quality Assurance Program and he's past president of the International Association of Official Racing Chemists.

Tom ...

Thomas F. Lomangino, Jr.: Thank you.

We'll go over a slight review on drug testing. We'll start with the drug rules.

For a very long time the industry has been seeking a level playing field. A lack of strong leadership and oversight have allowed laboratories to achieve their own level of competence. This is not impressive in many cases. This has caused a very large imbalance from one jurisdiction to the next. Drug rules and permissive medication practices can differ drastically from one state to the next, even when they are bordering.

Rules normally follow the path of least resistance. States with more liberal rules often have their rules accepted by others in order to attract horsemen with more permissive medication allowances.

Examples would be Ohio to Kentucky's non-steroidal anti-inflammatory drug rule, New York's lasix rules. Other examples are phenylbutazone and lasix.

Drug testing is performed by laboratories in the United States in three basic categories: state or jurisdictional labs, university-affiliated labs and private labs.

State laboratories are either funded through state budgets or totally paid for by race tracks. Many would argue that tracks pay for everything, which makes both cases equivalent. But state budgets and procurement procedures often make equipment, servicing and purchase of expendables difficult.

University-based laboratories have a much loftier appearance. Indirect cost recoveries are not uniform and sometimes add expense to testing programs.

Some state agreements earmark percentages of handle to go directly to the respective universities but are not guaranteed to go towards drug testing research. Private laboratories do this work to make a profit. Bids have historically been undercut by other private laboratories, leading to laboratory cost savings and demonstrating that the concept of bid process of rewarding lowest bid are not conducive to good testing practices.

With the advent of immunoassay testing many states relaxed medication rules, and tests like enzyme-linked immunosorbent assays, also known as ELISAs, can look beyond the labor-intensive and more expensive thin layer chromatography, also known as TLC. Those tests have higher sensitivities.

Unfortunately, what actually happened was a de-tuning of drug testing practices. A comprehensive TLC scheme was either abandoned in favor of the more sensitive but specific ELISA test, or TLC was continued with relaxed medication rules. The relaxed permissive medication practices then compromised the laboratories' ability to effectively screen for drugs.

There have been significant improvements in the technology in the last 15 years. We as an industry have not taken advantage of these improvements.

As it now exists in this nation, laboratory oversight is minimal within the states. The testing now being performed really requires drastic improvement. Even the best laboratories have had their programs slashed. Reviews of several lab-

oratories have shown ineffective testing procedures that have remained unchanged even after superiors were informed of their existence. One state even had evidence of sample disposal before testing and still elected to continue services with that laboratory.

The RCI Drug Testing Standards and Practices Committee was established in 1988 and was known as the Quality Assurance Program. It was born of the original Quality Assurance Program that started in the early '80s. The Committee had lofty goals, but through a combination of racing politics, laboratory autonomy and self-protective desires, the program has been incapable of attaining its goals through several attempts. The concept in '88 had merits in good conceptual design. A central office was formed addressing new drugs and attempted to control quality assurance activities on a national basis.

There are solutions. The following topics need to be addressed, but participation in a national program requires 100 percent participation and intense support from their respective commissions. With the large variances in rules a uniform national program for proficiency and blind-sample testing; is impossible. The rules must be made to be more uniform.

At the root of the problem lies the financial capability of each state and contracts between racing commissions and their respective laboratories. The situation which exists will continue until commissions fully understand the cost of quality testing; the benefits of proficiency and blind-sample testing, and have the necessary expertise to compose con-



Thomas F. Lomangino, Jr.

tracts which will achieve the purposes which each racing commission desires and can afford.

National investigatory agents have demonstrated illegal use of illegal drugs. For the entire industry not to address these issues unilaterally has done nothing more than exacerbate the issue. The suggestion that others address the issue and have hidden results is a bomb which can explode at any time. There's an explosion of new drugs available to the unscrupulous. The industry cannot afford to take a wait and see attitude or look for the workaholics to solve the industry's ills.

It is obvious that the current structure has done little to further the science or mandate professional conduct and ethics. Some organization needs to take a strong hold on this issue and save the waste of money, time and effort.

Thank you very much.

Edward S. Bonnie: Thank you Tom. Our next panelist is Dr. A. Gary Lavin, veterinarian, past president of the American Association of Equine Practitioners and past president of the Kentucky Thoroughbred Association and a Steward of The Jockey Club.

Gary ...

A. Gary Lavin: Thank you, Ned. Good morning, ladies and gentlemen.

Why must we address the concerns of Mr. Bonnie and Mr. Lomangino? Because the integrity and honesty of purpose in our grand sport must be founded on a solid base of fair play. Those of us who are involved in this industry as a livelihood must work to build and maintain an environment, maintain it for ourselves and our patrons who participate in its competition for the love and enjoyment of the horse ... and perhaps a little profit.

For all of us, it is the love of the horse and the world in which it exists. In modern society the horse has become the neglected animal. Not a member of the food chain, it receives very little attention from government research monies.

Seventy-five million dogs and cats easily outrun the horse for commercial funding in research and development. With other horse-loving entities, such as the American Quarter Horse Association, the American Horse Shows Association, The United States Trotting Association, and the National Steeplechase Association, we must create our own vehicle to improve the status of the horse. This includes nutrition, soundness, pharmaceuticals for disease and preventatives, exercise physiology and track surfaces. It must also include a state-of-the-art facility and procedures for testing and supervising the integrity of the competition.

Fact is, horse racing wants to do a good job of testing for unwanted substances. Facts are, horse racing can do a better job. It is with that goal in mind



A. Gary Lavin, VMD

that we should align ourselves with the existing bodies of regulators and laboratories to effect a system of safeguards and surveillance that can deter those who might take advantage of a less vigilant authority. We must take ourselves past the constraints of frugal finances. The price for integrity and fair play should and must take precedence over any other concerns.

We must not lose the recent advances in public awareness and acceptance of our great sport, which can only be furthered by a solid foundation of confidence in its dedication to the purity of its competition. The rules of the '50s and '60s cannot be fairly administered with the technology of the '90s. Review and revisions of existing regulations must be updated and amended in accordance with the expertise of a state-of-the-art laboratory.

Unjust penalties dictated by antiquated rules have embarrassed owners for years. It has confused the racing fan, and it has frustrated the trainer and the practicing veterinarian. The continuing refinement of laboratory technology must be accompanied by a continuing refinement of rules and regulations. So

many of our existing rules were implemented with the best of intentions for the conditions known at that time. That time, in many instances, was 50 years ago. As some present day philosopher has remarked, "The times they are a changin'."

Thank you for listening.

Edward S. Bonnie: Thank you, Gary.

We're going to conclude this panel with some suggestions for short-term and long-term cures of the problem.

Edward S. Bonnie: Someone said to me, who was much wiser than I, many years ago: "Don't ever talk about problems without talking about solutions."

The solutions are somewhat complex. It's been very easy for experts and consultants to say: "Well, let's just build a couple of big labs and fund them and we'll go about our business."

The problem is that when you get to the facts you see that many of our larger states have laboratories in their states, and the statutes require the testing to be done in that particular state. That's just an example of the problems that you get into with the McKinsey Report and Recommendations or any other generalizations with respect to this problem and its solutions.

Having been there and done that, I have, with the help of many people, come up with what I believe is a practical and fair solution to the problem.

Short-term solutions would go essentially as follows:

We would establish a national administrative structure. We would recommend the employment of a national administrator with an office. This national administrator would work with each state which has racing. This national administrator would offer - and let me make it clear, he would offer free - consultation, I emphasize the word 'free' to

state racing commissions.

This free consultation would involve several aspects: analysis of state drug rules and enforcement policies of that state; and review of current contracts between that commission for testing services including contracts with the state. This free work would include: assistance in drafting requests for proposals; and/or recommending changes in agreements with state laboratories for testing services and compliance with that contract once entered into. It would be an ongoing relationship. It would review laboratory physical facilities, laboratory operating procedures, internal and external proficiency and blind-sample procedures.

This free service would include, as McKinsey recommended in 1991, reviewing of the cost benefit analysis of current testing costs including, but not limited to: the volume of samples taken; the type and number of tests run on those samples; the number of samples collected per racing day; and the number of samples of blood and urine tested per racing day.

You may say: "Well, why that?"

We have demonstrated in the American Horse Shows Association and the English have demonstrated in their testing procedures that you don't have to test all the winners ... you don't have to

test everything in the trifecta or the double trifecta. The deterrence is what we're looking for. And deterrence is achieved with far fewer samples being actually worked on than are actually taken. You know, you drive down the road at 80 miles an hour, you don't see the cops arresting everybody that drives 80. There's a deterrent factor and the efficiencies and economies in this area are manifest.

We have test driven this concept in Kentucky in the last several months. A group of horsemen got together with one of our Kentucky race tracks and we went to the Commission and offered to do what I have suggested in this solution. The Commission accepted our free consultations. We're in the process now of working through them. We redesigned their RFP for them and the system is in progress and in process.

We're optimistic that it will be successful ultimately for Kentucky and for racing. There's an additional aspect of each of these state examinations, however, and that is that a state committee be composed within that state involving all the elements of the interests - the race tracks, the Commission, the veterinarians, the owners and the trainers. And that this committee stays in existence continuously throughout the terms and into the future. And it has continuing responsibilities.

After all, it's not fair to the horse or the industry for us to say, "Well, they're getting paid for it, it's their problem. We're paying for it, but they have the responsibility to do it, so we don't have to get involved."

If you don't get involved, don't complain about the results.

Now, there is going to be a cost of this administrator and a lawyer to assist - a

chemist consultant who will advise this committee and the commission with respect to those problems and solutions. But, when you consider the amount of money - \$50 million-plus that we're spending, and, let's say in a typical state, a half a million dollar contract with a laboratory, the amount of money which it's going to cost to finally get that commission to see what it is getting for its money, we're talking about \$5,000 or less per state. That is the minimal cost for producing a product which will help straighten out the long-term problems for drug testing.

The other aspect of this national administration that I'm talking about would involve a national committee. This national committee would be composed of track representatives, veterinarians, owners, trainers, and Racing Commissioners International representatives. The RCI and the QAP have for years worked hard to try and bring positive results to this industry through drug testing. The system, however, was and continues to be a voluntary system and a voluntary system has not been effective in achieving the ends which we want.

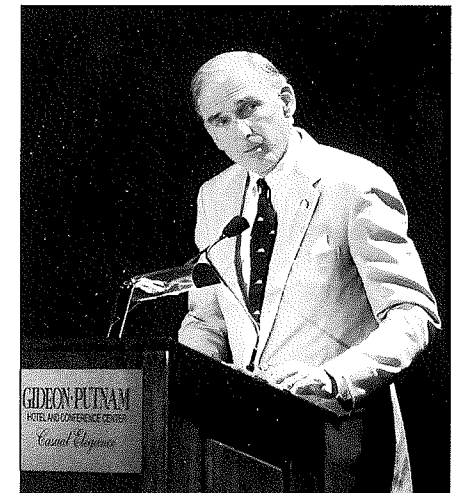
The responsibilities of this national committee would include directing and creation of a reference and research laboratory. It would coordinate interchange of information between states on standards for calling positives, drug rules and split sample rules. It would require laboratories to accept split samples if selected from a blind pool of laboratories which have a demonstrated ability to find the drug in question. It would establish national policies on internal and external proficiency and blind sample procedures. And it would explore available existing investigative and information services within and without the

horse racing industry, which focuses on integrity issues and makes reports and recommendations to the committee relating thereto.

I would be remiss if I didn't say that the contributions of Paul Berube and the TRPB in this entire area have for years been a very constructive influence on this industry. And that the information, which Paul has supplied in sometimes frustrating fashion to the testing laboratories, and which they've been incapable of acting on because of inadequate budgets or lack of interest of Commissions, has been invaluable to the industry. And that type of work needs to be continued and, in fact, expanded.

So much for the short-term. The long-term solutions are going to cost more money, but they will represent an investment in our business which is calculated in the billions of dollars. So, relatively speaking, we're not talking about big dollars. And that is a creation of a reference and research laboratory. This was another one of the recommendations of the McKinsey Study. And, I remind you that was seven years ago.

This reference and research laboratory would assist national and state committees. We've already talked about the national committee and each state committee. It would assist them on drug testing issues. The staff would do research on identification of drugs being used to affect the performance of horses in races. It would perform drug analysis on selected blood and urine samples taken from horses in competition in races at race tracks to demonstrate the importance and effectiveness of aggressive



Edward S. Bonnie

testing methods, employing sophisticated sample preparation techniques; carefully coordinated and extensive combination of TLC and ELISA; testing and highly sensitive confirmation instrumentation.

It would contract with testing laboratories in the United States and elsewhere to do research on methods of identifying specific drugs of interest to the racing industry.

As to the finances of this... If we took the people in this room today and we said, "Would you invest a half a million to a million dollars a year to protect a billion dollar industry, which is currently spending over \$50 million dollars a year in drug testing and doesn't know what it's getting for it," you'd say, "That is cheap, let's get after it."

I close with that recommendation. Thank you.

THE NATIONAL THOROUGHBRED RACING ASSOCIATION (PART I)

Ogden Mills Phipps: Thank you Ned, Tom and Gary.

Twelve months ago many of you heard Tim Smith for the first time, when he made a low-key presentation on the funding of a national Thoroughbred marketing organization. Earlier this year he was officially named as our first commissioner and chief executive officer of the NTRA.

He's been described as an outsider, but his credentials for fulfilling the job before him are impeccable. As a young attorney he cut his professional teeth in the White House and the Department of Justice, before branching out into sports counseling and marketing.

The challenge of national planning and injecting new life into a sport is nothing new to him. He's been there before . . . with the Association of Tennis Professionals and the ATP Tour, and with the PGA Tour. While he was associated with the PGA Tour, eventually as deputy commissioner and chief operating officer, total revenues over a period of seven years grew from \$17 million to over \$300 million. He also co-wrote the marketing plan for the Atlanta Olympic Games.

He was a key figure in the formation of the National Thoroughbred Association. He was even more of a key figure during the long planning process of the Thoroughbred Industry Alliance which eventually became the NTRA.

People may call him an outsider but I can tell you he's a quick study. He brings a new perspective to our sport and the way we should organize and promote it. Nothing fazes him and we're lucky to have him.

To give us his report on the status of the NTRA, I'm pleased now to introduce Commissioner Tim Smith.

THE FIRST 100 DAYS

Tim Smith: First of all, thank you, Dinny, for inviting the NTRA to be part of this important forum. It was just one year ago today that D. G. Van Clief, from this podium, declared the proposed new organization to be "on the launching pad."

With the strong support of The Jockey Club and many other organizations and individuals around this room, I think it is safe to say that the NTRA is now launched and either "in orbit" or, at the very least, rapidly gaining altitude.

The dream of a broadly supported national office for Thoroughbred racing is now a reality. As you will hear this morning, the conceptual plans presented last year - in television, marketing,

advertising, promotion, group purchasing and other important areas - are now operating NTRA programs.

To be sure, much remains to be done. In reality, we are still a start-up - less than five months old as an operating business. I have been in my post a little over 100 days. Yet, with seed capital provided by the NTRA's five founding Members - The Jockey Club, Breeders' Cup, Keeneland, Oak Tree and the NTA - we have managed a running start and the results have met or exceeded expectations in almost all respects.

By launching during the Triple Crown period, we received extra attention from the media and they, in effect, helped introduce to our target audience a new

brand, a new league office, and a new approach to raising the awareness and popularity of Thoroughbred racing.

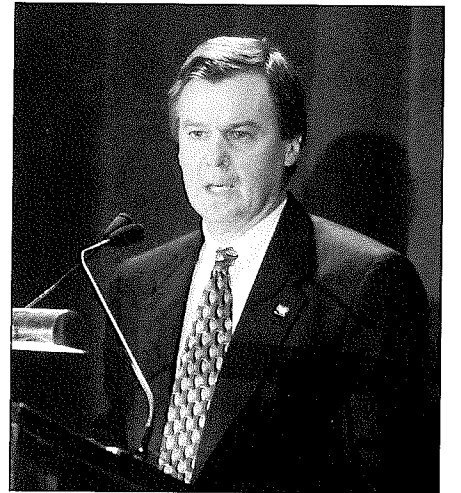
The natural excitement of a second consecutive chance at a Triple Crown winner - enhanced by additional national advertising and promotion by NYRA, Visa and this year, the NTRA - brought new attention to the game, not to mention 10,000 more fans than last year to Belmont Park and millions more in TV viewership and handle.

And this upturn in interest and this new spirit in the industry has been evident elsewhere, too.

From Santa Anita's attendance increase; to Hollywood Park's guaranteed Pick Six success; to Lone Star Park's terrific sophomore year; to fuller fields in the Mid-Atlantic due to the Match series; to the wonderful crowds here at Saratoga; to new programs for multi-breed cooperation; to recent legislative successes like last week's \$40 million racing tax relief bill in California; to the constructive new arrangements between Equibase and the *Daily Racing Form*, racing has clearly demonstrated new momentum and reasons to be encouraged.

One of the main objectives of the NTRA advertising during the launch period was fairly simple. It was to draw attention to the NTRA and Thoroughbred racing. To get noticed by new and younger fans. To get noticed by the media, to be talked about. To break through the rampant clutter of today's advertising environment.

I'm sure this group is aware that favorable editorial coverage is just as valuable and in many ways more effective than paid advertising. By editorial coverage I mean references in news stories, comments by columnists, anchor people, television hosts. And when you actually have your 30-second commercials covered as news, or better yet, run



Tim Smith

in their entirety as news, well then, you've hit the marketing trifecta. We were pleasantly surprised by how often this happened during our roll-out period and the following video recaps some of this impact.

[VIDEO]

The planners of the NTRA told you last year in this room that they hoped 75 percent of racetracks and horsemen would join the new organization and help fund it. The actual number turned out to be a little over 90 percent.

It was estimated that, if the industry organized itself to buy goods and services together, instead of separately, the NTRA could have group purchasing volume of \$20 million dollars after three years. After further analysis - including the important insight that not just racetracks needed this service, but horsemen, farms, sales companies, equine veterinarians, tote companies, etc. - that estimate has been revised by a digit: to \$200 million dollars of projected program volume after three years.

Last year, cautious plans were laid out for raising racing's profile on network television, for educating new fans, for creating new racing series. As you will

hear after the break, each of these things is happening now and, indeed, will expand and accelerate in 1999.

Have there been any disappointments or frustrations? Are there areas, in addition to those where results have been quicker or better than expected, where the NTRA is a little behind schedule? Clearly, the answers are "yes" and "yes." These experiences should not be surprising or even, ultimately, discouraging. As we all were told as kids, Rome was not built in a day, but neither was NASCAR or the PGA Tour or the NFL, or for that matter, state lotteries or Powerball or riverboats.

It is important to remember that much of what the NTRA is attempting to do, besides being difficult and challenging, is multi-year, not multi-month, in nature. Reversing on-track attendance declines, attracting younger fans, making

the NTRA self-sufficient with outside revenue sources like sponsorship and TV rights fees -- these things will take some time.

Overall, though, the NTRA is on track. I am very optimistic about the prospects for significant improvement in the popularity and economics of Thoroughbred racing. And, I want to add, I held this view prior to the Keeneland and Fasig-Tipton sales! We are proud of what has been accomplished together over the last year and in our first 130 days in business. After the break, our team looks forward to giving you a preview of what lies ahead.

But before we break, to remind us of the essence of what we are really all about, share with me this brief retrospective of this year's Triple Crown.

[VIDEO]

INTERMISSION

THE NATIONAL THOROUGHBRED RACING ASSOCIATION (PART II)

Ogden Mills Phipps: When the NTRA picked Rick Baedeker as senior vice president of marketing, they got someone who's been associated with racing all his life, most recently as vice president of marketing at Hollywood Park where he supervised advertising, marketing, group sales and publicity.

Deep down he probably would characterize himself as just a dedicated racegoer. But he brings to his position a wide range of hands-on experience in introducing racing to the general public.

Rick is going to lead us through the rest of the update on the NTRA programs. Rick...

INTRODUCTION

Rick Baedeker: Thank you Mr. Phipps. Tim Smith spoke earlier about the purpose of the NTRA advertising. It's important to remember that the television commercials and other ads are not designed to tell a story about racing. They are designed to raise awareness of our sport.

On average the American television viewer sees 141 commercials per day. If the advertising does not stand out, if it is not unique and different, it will not be noticed. And if it is not noticed, then we're wasting our money.

This is a huge challenge and it has been eagerly accepted and embraced by the NTRA's advertising agency, Merkley Newman Harty. The man who leads the Merkley team is Steve Bowen. He brings a wealth of experience to our account, having spent 12 years as president of J. Walter



Rick Baedeker

Thompson U.S.A., building such brands as Ford, Burger King, Kellogg's and the United States Marine Corps. Steve.

ADVERTISING & RESEARCH

Steve Bowen: Thank you very much Rick and good morning everybody. I'm very flattered and delighted to be here. Interestingly, my first exposure to this industry came about a year ago when I actually saw the video from your meeting last year, when the NTRA was being introduced to all of you.

Watching the media piece that Tim

presented this morning was really a dramatic reminder of how much has been accomplished in a really short period of time.

Unquestionably on an informal basis you can feel that the excitement of Thoroughbred racing is beginning to permeate the culture out there. Entertainment figures are talking about

Thoroughbred racing. You can feel people talking about it. You can feel it in the whole world of entertainment. As we all know, getting the sport on people's radar screen is really half the battle. But there is a bit more to it and there's also some more scientific analysis. My purpose this morning is to give you a quick report on the formal progress that NTRA advertising has made over the last five months and a sense of where we're going to be heading as we go into 1999.

When you all met here last year, the picture looked very different for Thoroughbred racing. This fine industry was staring at negative and rapidly declining numbers on almost every front, whether it's attendance, TV ratings, fan interest or sponsor involvement - all very significant problems.

At that moment when you all were first hearing about the NTRA's plan to establish a league and begin to address all of these issues, we at Merkle Newman Harty were in the middle of an intense national competition to win the account.

We were scurrying all over the country interviewing racing fans and people we felt are prospects to be racing fans to try to figure out what we could say to help this sport appeal to them.

One of the products of that effort was this video. It pretty much told us what we should *not* do. As a result we kind of dubbed it "The Definition of Insanity."

[VIDEO]

That was actually a piece that we used in the presentation to the NTRA's agency selection committee. And, as exciting as it is to watch those beautiful equine athletes run, we believed as advertising and marketing professionals, who are being engaged to raise the profile of this sport to a whole new generation, that it would have been a complete waste of the NTRA's money for us to have crafted an advertising campaign

whose primary purpose was to give all of us in this room goose bumps.

Instead, we went out and found a strategy that seemed to have real impact on people who, by every other measure that you could look at, appeared to be likely prospects for Thoroughbred racing.

Currently, there are about six million people who last year would report that they attended a Thoroughbred race.

But, as we went out and did national research, what we found was that there are another 59 million people who have demographic, psychographic and behavioral patterns that are very, very similar to those who go to Thoroughbred racing. What this suggested to us was that there is a far wider audience for Thoroughbred racing than just the current fan who is attracted to purely the beauty and the love of the horse.

In addition to feeling that there was an enormous target out there, we felt that there was a unique positioning for Thoroughbred racing. We expressed it this way. (Slide - "Everyone lets loose at the races") What makes Thoroughbred racing unique from other forms of gambling, from other sports, from other kinds of entertainment is that it is one activity, as I think you heard Tim saying on that video, it's one activity where people really do let loose. I don't care who you are. Whether you're a railbird, a young fan coming to the sport or a traditionalist who has been in it for decades, everybody does let loose at the races. All you have to do is look around you this afternoon at the races and you'll see people sitting next to you who are very formal and staid just jumping up and down and screaming. That is the fundamental appeal of Thoroughbred racing that we think can attract an awful lot of those other 59 million fans.

We were lucky I think to also have found an expression that really captures

what this sport is all about. And that's "Go, Baby, Go." We're delighted that the sport now has a theme and a rallying cry that we believe honestly can work for years and it can become genuinely a famous advertising slogan.

But more importantly and fundamentally - what I'm here to talk about this morning - we are seeing substantial movement in awareness and attitudes toward Thoroughbred racing among those 59 million targeted fans directly as a result of this advertising.

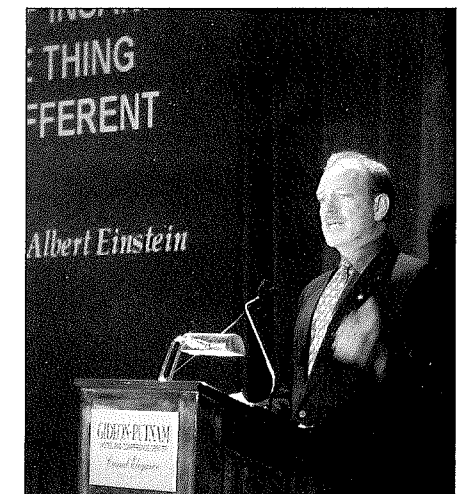
Most major advertisers - companies like Proctor & Gamble, Coca Cola, Nike, General Motors, etc. - measure the effectiveness of their advertising through a research tool called a tracking study.

Very simply, it's a survey that is taken among a projectable sample of a company's customer and prospect base, conducted by an outside research company. It is designed to specifically measure whether the advertising is cutting through and specifically, if it is, is it having the desired effect. It isn't enough just to be seen. It's mandatory to be seen. But it has to also produce the result we are looking for.

Usually such research has a benchmark wave that is taken before the advertising begins and then subsequent measures are taken at regular intervals.

As other major advertisers do, the research is commissioned to an outside, independent research company who specializes in this kind of research.

That's precisely the direction that the NTRA sent us and one of the leading advertising research firms in the U.S. and U. K., Hall & Partners, was engaged to conduct this important research. They provide various similar research products for Coca Cola, General Motors, Adidas and Proctor & Gamble, so their views on the objective impact of the NTRA advertising are very important, I think, to all of us. Here to give you a



Steve Bowen

quick report on those topline results is Murray Hardie, Director of Hall & Partners in the United States. Murray...

Murray Hardie: The task that Steve and his team sent us was to try and understand how people responded to the campaign and to really answer the question how it was working so far. In order to do this we really had to answer three broad questions.

The first question was are people noticing the advertising? Was it cutting through amongst all the advertising that we will see on a daily basis?

Secondly, if they did see the ads, we wanted to know how they responded to them. In this particular case, did they find them distinctive and entertaining advertising to watch, and did it convey the thrill of Thoroughbred racing?

And finally - and really most importantly - we wanted to understand whether it was starting to change people's perceptions of Thoroughbred racing, and really to give it that sense of being a fun and exhilarating activity.

The actual research covered dozens and dozens of measures and what I'd like to share with you this morning are just a

few of the things we've learned so far.

Directly following the main burst of the TV advertising we asked people if they could actually remember seeing the advertising.

What this slide shows is that about 36 percent of people could actually remember the campaign. This actually fares quite favorably for new campaigns. We'd expect this to be around 23 percent and you can see that here, with our benchmark.

By the way, our benchmarks really are comparisons to other new campaigns we've measured in the U.S. over the last couple of years.

Amongst those people who had recognized the ads we asked more detailed, prompted questions to understand what they thought of the advertising.

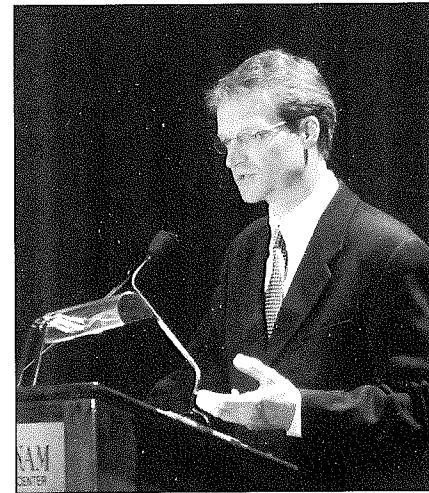
What this next chart shows is that for the vast majority it was seen as advertising - or felt to be advertising - that really sticks in the mind. And clearly the fact that it was distinctive advertising is really helping to get this campaign noticed.

But, further than that, we also wanted to understand at a spontaneous level how it was making people feel about Thoroughbred racing.

What this next slide shows is that for the vast majority of people it was conveying very positive messages about Thoroughbred racing. In fact about 85 percent of people had positive things to say about the campaign and racing. But not only that, more specifically it was conveying the sense that it was an exciting, fast-paced and thrilling activity.

So not only was it getting noticed because it was distinctive in style but it also conveyed very positive messages about the campaign.

Further than this, we also wanted to understand the impact of this advertising in real perceptions about Thoroughbred racing. In order to do this, what we did was we asked some questions about rac-



Murray Hardie

ing amongst these people who had seen the advertising, comparing it to those people who had not actually seen the advertising.

What this first slide shows is that only 20 percent of people thought that racing was a fun thing they would strongly consider if they had not seen the campaign compared with about 38 percent of people who had. So clearly a stronger perception amongst people who had seen the ads.

Finally what we also found was that amongst those people who had seen the advertising, it was conveying a real sense that it was an exhilarating activity, far more so than people who had not seen the advertising.

Now this is just early evidence that the ad campaign is starting to change perceptions of racing and it really helps to have something this distinctive. I hope that this very brief insight into our research has proved useful and helpful.

Thank you.

Steve Bowen: I want to stress something that Murray said as he finished. This is not a one-time event. This is something that we are going to continue to do. We don't

make advertising recommendations to clients based purely on our own judgment. It's very, very important that we continue to read the marketplace and understand exactly how people are responding to all of the advertising communications that are being put forward for the NTRA.

Nonetheless, as our first real market feedback, these are, I will tell you, extraordinarily encouraging results. They suggest that the advertising is beginning to change attitudes about racing. They may also help explain why, among many other things, so many tangible measures such as attendance, handle, TV ratings and perhaps even the yearling sales seem to be trending in a positive direction. Advertising alone certainly can't do it. It requires all of the elements of the industry moving together and that certainly seems to be happening.

I want to take a moment to thank all of you, as well as the other industry members of the NTRA for the courage, the wisdom and the dollars that have allowed this campaign to make such a mark in a very few short months.

I'd also like to compliment all of the tracks throughout the country who have, to date, invested millions of dollars in their local track and co-op advertising dollars behind the NTRA creative.

This has brought our total expected media expenditure for year one to about \$20 million. That is a very, very significant level of communication on a national basis. And we also believe it has had a huge impact on the early effectiveness of the campaign.

I'd like to end this morning on a positive but perhaps cautionary note. As pleased as we all should be with these results, we don't yet own a success. We're only renting it. It took racing 25 years to get into this problem and we do, indeed, have a long way to go to restore this sport to its natural level.

The good news, though, is we've got a terrific platform . . . a platform meaning what we think this sport can come to stand for in the minds of our target customers. And also we've got a terrific way to express it - "Go, Baby, Go." As we've said all along, it has a natural real emotion that comes right out of the drama of the sport and we believe, as a result, it has tremendous impact.

To give you a quick preview into where we will be going in future advertising particularly for '99 . . . there are many different elements of this platform. Whether it is, as we have communicated in the first round of advertising, that it is a hip, cool thing to do, for example. One of the reasons that we had to be as extreme as we were in our original advertising was that there was a lot to overcome in terms of people's perceptions that this was a stiff, stodgy or off-trend activity. So hipness and coolness and a little touch of slight naughtiness will remain part of the advertising.

There are other things that have to do with the social aspect of it. You don't just get escorted to a seat when you go to Thoroughbred racing. It's a really interactive social day and we know that that is part of the appeal.

In addition, and I think it is very important to mention in front of this group, there is tremendous drama inherent in the accomplishments of certain horses and certain times. Perhaps one of the best examples of that was with the Triple Crown.

Let me show you a commercial that many of you may not have seen because it ran mainly in New York. But it was for this year's Belmont Stakes.

[VIDEO]

Belmont Stakes television commercial

I think most people in the industry really liked that and most people in the marketplace really liked that. And we should thank NYRA for giving us the

opportunity to produce that for them and for the dollars that they put behind it. As you all recall, there was a similar situation in the preceding year – perhaps, even, with a little more inherent drama – with Silver Charm's run in 1997. And the same kind of promotional spot was run, but we like to believe that some of the terrific results that were achieved were a function of the fact that that particular promotional spot was able to capitalize on the momentum that is being built by a national brand campaign.

There are other elements to Thoroughbred racing and to our platform that we intend to exploit in advertising as we go forward. And certainly there is a role for tradition and for pageantry that is an inherent part of the sport. It isn't the only thing but it certainly will be part of our communications.

And lastly, and very importantly, because it is part of the uniqueness of this sport, this: it is the only live wager on an exciting sporting event that is available. And we intend to make sure that this platform exploits that.

I'd like to end, perhaps, on a visualization of what we think real success for Thoroughbred racing will look like in the very near-term future. Last year what you are about to see probably would have looked like a fantasy. But I think we are all now seeing that it is clearly possible.

[VIDEO BEGINS]

This town's been abuzz for nearly a week now. The event sold out for months. Not a hotel room that isn't booked. Welcome ladies and gentlemen to New York City, the home of majestic Belmont Park. Today the event everybody's been waiting for. The NTRA Breeders' Cup Championship. These magnificent athletes have been at it all season long, battling it out at tracks all across the country. And now all thoughts are on this afternoon's featured race, pitting the season's two dominant horses, Ivory Coast and Sir Shangbai. Both with eight victories, both undefeated. It's nearly impossible to escape the magnitude of today's event. You can see it in the faces of the fans tuning in from all around the world. Even the crew of the USS Enterprise will be watching. You can feel it at tracks all around the country as fans crowd together for the largest simulcast audience ever. You can measure it in the nearly half billion dollars wagered online, with more coming in even as we speak. And you can certainly see it in the waves of celebrities that have been arriving here at Belmont one after another. Even the Thoroughbreds themselves, normally so poised, so graceful, seem anxious to get on with it. Post time is coming up. Go, Baby, Go.

[VIDEO ENDS]

I should add that the horse's names were fictitious but the opportunity is not. Thank you very much.

Rick Baedeker: Thank you Steve.

Both Steve and Murray have cautioned us that we had better be able to deliver on the promise that's contained in the advertising. Improving the racing product, as you know, has always been a key component of the NTRA business plan. We all agree we need to make our game more accessible to new fans; we need to make it easier to play and more entertaining. Our racetracks and simulcast facilities need to be cleaner, they need to be wired with today's technology, and friendly places to be.

CUSTOMER RETENTION & FAN EDUCATION

Rick Baedeker: So, to begin the task, we brought together our most valuable resource: members of the NTRA. Three weeks ago, in Dallas, twenty of the sport's most talented individuals came in for the first of several work groups. We asked them to brainstorm for us the race-track of the future; then develop a plan to get us there. Here are a few preliminary, or early, ideas that they've come up with.

In the area of Customer Service they say, "Listen, customer service has to be more than information booths at tracks. You need to have a complete Customer Service Department, with well-trained staffs. Also, it's not enough to care only about the customer. We need to start by caring for our employees. Make them a part of the process that welcomes fans from the time they enter the parking lot until the time they leave." Preliminary plans call for regional employee training sessions this fall, available to all NTRA members via satellite. These are simple attainable goals that can be achieved soon.

Another focus of the workgroup is simulcast standardization.

More than 70 percent of American handle is generated from simulcasting. On some screens we say exacta, on another screen we say perfecta and maybe another says exactor. Some tracks provide extensive coverage of horses in

the paddock and post parade, others do not. And perhaps the most confusing aspect of simulcasting is overlapping races. The work groups are identifying "best practices" currently in use in the industry and will recommend common terms, coordinated presentations and the implementation of our own kind of air traffic control system, to make sure our races don't land at the same time.

As the sport continues to develop new fans, there will be an increasing demand for new wagers. The recent innovation at Lone Star Park, wherein fans were able to bet on jockeys competing in the All-Star Jockey Championship, is an example of a new simple wager that appealed to new and existing fans alike.

The work group is also exploring a "mega wager" – possibly along the lines of Hong Kong's Triple-Trifecta – that could generate huge pools and potentially capture the attention of the lottery-playing public.

We are also looking at ways to make a day at the races more entertaining. Now, other sports do a terrific job of keeping fans entertained with spectacular introductions, exciting videos, upbeat music, contests between periods, and so on.

We are not those other sports. We walk a fine line between entertainment and distraction. But we can make a day at the races more fun.

The work group will recommend such things as short video clips for use between races; DiamondVision games; methods to build up the anticipation leading up to a race; opening ceremonies and the like. It will also look to make the experience more enjoyable by reducing lines, bringing wagering terminals right to the seats, and even bringing brand-named fast food courts, with the Burger Kings and Pizza Huts that you find in other arenas to a racetrack near you.

Another project relates to fan education. Wouldn't it be great if millions of potential fans could learn about Thoroughbred racing in their own homes at their own pace. And current fans could get instantaneous news and results simply by pushing a button. As a matter of fact they can.

(www.intraracing.com VIDEO)

The Internet provides us an excellent opportunity to reach potential fans but our game remains very difficult for a newcomer to understand and play. The origin of the slogan "Go, Baby, Go," as Steve was talking about, is the emotion felt by our fan. We are the only sport with a legal game attached and the only form of gaming that is a sport. As commissioner Smith has said in the past, the popularity of the slot machine is a byproduct of the "dumbing down of America" whereas we are "the thinking man's wager."

That is the essence of our product. Each race is an upcoming puzzle that our fans attempt to put together. It's called handicapping and it gets our players involved in our game like no other. And the adrenaline rush felt when your 9-1 shot takes the lead at the top of the stretch is second to none. The race is more exciting than the result. The reward is more than money - it's the satisfaction of solving the puzzle.

Add the thrill of the race to the beauty of the Thoroughbred and the grace

and strength of our jockey athletes and the result is the greatest sport in America.

Why, then, are we not drawing and keeping new fans? The fact of the matter is we have a significant product flaw. Namely, a new fan cannot play America's Greatest Sport.

This weakness is simultaneously one of our greatest strengths: the past performances. Serious fans love them. New fans are scared to death of them.

Consider this. We run a fancy commercial and entice a new fan to try our sport. He accepts our invitation, shows up eager to play and this is what we give him:

"22:37 45:98 59:33 111:41"

Plus this:

"Sloppy, muddy, soft, firm, fast, inner, moved to dirt, blinkers, lasix, bute, margin ahead, distance behind, owner, trainer, breeder, jockey, workouts, furlong, stakes, handicap, claiming, maiden, maiden claiming, maiden special weight, starter handicap, overnight handicap, final price, weight, sire, and so on, and so on, and so on"

And even more complicated, this:

"F-S-3/-Alw3200n2x"

And that's just one line. Then we add nine more.

You get the point. For the new fan this is information overload. The new fan can't understand it and I'll bet some of us in this room can't understand all of it.

So the new fan resorts to cute names, numbers, colors, birthdays and probably has a pretty good time and may or may not come back. Never gets the satisfaction of solving the puzzle. Never feels the thrill of participating in the sport the way we do. It's frustrating. We've got a great story to tell but the new fan does not speak our language.

So the bad news is: we have a product flaw. The good news is: we think we have a solution.

And the best news is that Equibase is already on the job. We are never going to do away with the PPs we all know and love. But we are going to create new

ones for our new fans and the thousands of less sophisticated fans who might find the advanced past performances a little too confusing.

Rick Baedeker: Here to tell you more about it is the chairman of Equibase, Alan Marzelli.

FAN EDUCATION

Alan Marzelli: Thank you Rick, but I have to tell you even I'm confused!

As you all know, Equibase has come a long way in a short time and I believe the progress that we have made serves as a primary example of what this industry can achieve when we all work together. It's an example that should be kept in mind in these early days of our first ever league office.

For, long before a group of industry leaders joined forces to create what we now know as the NTRA, The Jockey Club and the member racetracks of the TRA were forming a strategic alliance that came to be known as Equibase Company. And while some of our early years were filled with turmoil, along the way we learned that by working with, rather than against one another, we could together achieve more than if we acted alone in our own self interests.

So here we are after just eight years, having achieved the goal of establishing a uniform industry-owned database of racing information and statistics. Through the joint efforts of Equibase and the *Daily Racing Form* we have successfully transitioned from two databases to one, on schedule and without any disruption in service to our customers - further evidence of what can be achieved when seemingly disparate organizations set aside their differences in pursuit of common goals.

With this most important strategic initiative behind us, we can now concen-



Alan Marzelli

trate on fulfilling another basic goal of our original business plan - developing ways to simplify the presentation of past performances and related statistical information for even the casual racing fan. Not only simplifying the information per se but presenting it in such a way that we teach fans over time how to play our great game.

Now some may call this next statement heresy but it's my belief that every time a casual fan walks into one of our racetracks and is presented with the option of purchasing either a traditional past performance program or the *Daily Racing Form*, we are missing an opportunity to cultivate that fan. In fact, we instead are perpetuating the stereotype that this is an insider's game and that

they are clearly on the outside looking in. We simply need to overcome that perception if we are to grow the fan base. But how do we do it?

Well, our approach is to combine the basic elements of the past performance program with information that can serve to educate novice fans on the art of handicapping while at the same time still providing valuable information to our more sophisticated players.

In the example we're going to show you, the first thing that you might notice is that we've included on the race page a simple, easy-to-understand race analysis which is provided, I might add, by the *Daily Racing Form* - further evidence of the strategic relationship being developed between our two companies.

Next, we've simplified the past performance line itself. In this example, we will reduce what typically contains 68 separate elements to 33. While at this point we're not sure if the 33 elements that we presented are the most relevant, we do know that the casual race fan has no chance of looking at all 68 and knowing how to evaluate their relative importance in a given race. That's because our information has historically focused on the performance of the horse rather than the human stars involved in the race or the distinguishing characteristics of the race itself.

So, to go further, we'll provide a graphical analysis of jockey and trainer records in this type of race at this type of track. While the statistical content may vary from race to race, we intend to focus this section of the program page on the human stars participating in the race.

Finally, we'll look to provide our fans with charts that contain a variety of information that will not only serve to

inform and educate the casual fan but will provide all fans with valuable information to aid in their analysis of the race.

In this example, we focused on the historical effects of odds at post time and also running style which will determine the outcome of the race. Now you might ask how can we teach fans to read past performance lines by providing them with this information?

Well, if I told you that early speed determined who the winner would be more than 90 percent of the time, as it did last year here at Saratoga in 5 1/2 furlong races, how long would it take for even the casual fan to recognize that early speed just might be a factor. And if we correlate that graph to the early call in the past performance lines, which you can see we've done here, haven't we then begun to educate our fans how to play this game?

As I said earlier, this is just a work in progress. But it is directionally where we are headed.

As we get further down the road, we'll conduct focus groups and market research to further refine our product. We will work with Rick and the NTRA and our partner racetracks to help them choose the right mix of past performance products, including the *Daily Racing Form*, that they think work best for them in their particular market. And we will continue to creatively apply what we have learned to leverage the powerful tool that our information provides us to both attract and retain new fans.

I appreciate having had the opportunity today to share these new and exciting developments with you and look forward to keeping you apprised of our progress over the next several months. Thank you.

Rick Baedeker: Thank you Alan. Well changes and improvements such as Alan is recommending can only be done, obviously, with the cooperation of the industry. In fact, the NTRA will never be stronger than the collective strength of its individual members.

A year ago you heard about aggressive goals designed to make this organization truly representative of the entire industry.

Here with an update on current membership status is the NTRA's senior vice president and executive director, Nick Nicholson.

Nick ...

MEMBERSHIP & REVENUE DEVELOPMENT

Nick Nicholson: Thank you, Rick.

The staff of the NTRA and the people involved in the agencies of the NTRA, working on the NTRA, have very diverse backgrounds, particularly as it relates to racing.

Yesterday, the entire group was here in this room working on today's presentation. About halfway through it, I looked over there and there was a circle of a group of different folks. I could tell the circle was very intense and they were looking at these pages very seriously.

And I thought this is great, they're fine tuning their presentations for today and I thought smugly, I'll just go over there and pat them on the back for doing such a great job and paying attention to details and all that. Well, I walked over there and what they were doing was working on the Del Mar Pick Six.

I woke up in the middle of the night with this horrible thought that they're going to hit the huge Pick Six and none of them are going to show up for work this morning.

Well, as you can see they did show up for work this morning, so I guess we know the results of that.

As you are beginning to see this morning, the NTRA has certainly come a long way from the concept that was laid out at this meeting last year - to the functioning national operation that you're seeing today. I think there are many reasons for



Nick Nicholson

this unprecedented progress. Certainly the need is there. Certainly the business plan is sound and workable. But I believe the most important factor is the broad-based support of the industry. The active financial support of all facets of the industry is the glue that holds the NTRA together.

Every major race track has joined.

All of the national horsemen's organizations have joined as well as most of their state affiliates. Every major public auction sales company is a member. And it doesn't stop there. Horse farms of all sizes, consignors and buyers from all over the country, indeed even from other countries, are joining. This is just a small

sampling of the membership that has come in already.

The industry has truly come together in an unprecedented show of unity from every single facet of the industry.

There's no doubt that future NTRA success will depend to a very large degree on this industry unity and this financial support continuing. We are now developing membership programs for each economic interest in the industry.

We will recognize publicly and often all members. Membership categories

have been developed to reflect the total contributions of members.

A central concept to the NTRA business plan is that the start up funding from the industry will be supplemented and gradually reduced and replaced by third party revenue sources, so that in the future we will have an aggressive national structure with an overall modern television strategy, a corporate sponsorship strategy, and effective national advertising and marketing programs, all funded with revenues from these new sources.

Nick Nicholson: One of the most exciting of these new revenue sources is the national group purchasing program. Our partner in this endeavor is a specialized company by the name of EquiSource. We are privileged today to have with us the President of EquiSource, Miles Lee, to bring us up to date on this program which will be a substantial benefit that is open only to members of the NTRA.
Miles...

GROUP PURCHASING

Miles Lee: Thank you Nick, and good morning everyone.

While I'm sure most of you are aware of EquiSource, I'm not quite sure everyone fully understands the benefit that we offer the NTRA, and specifically how you can participate to help us add to that benefit.

As Nick stated, industry unity is one of the NTRA's most powerful strengths. For EquiSource, economic unity is our most powerful strength. Together, we combine the buying power of the industry to negotiate best-in-class prices and services from suppliers on items as wide ranging as paper for the front office, fertilizer for the infield, and tractors for the farms.

Our three-year vision at EquiSource is to unite all segments of the industry in the procurement of what we believe will be more than \$200 million of materials, supplies and services each year. Collectively, this Fortune 500-type buy-

ing power not only offers substantial cost savings to you the members, the tracks, farms, vet groups, and others, but also generates significant new dollars for the NTRA to reinvest in other programs.

To date we've just scratched the surface. We have a full-time staff. We've just scratched the surface and are averaging more than 20 percent savings for the members who are participating in our programs to date, some of which are in our audience today. In addition to the savings we're averaging, we've negotiated anywhere from one to four percent of every dollar spent on items through our contracts to be rebated back to the NTRA.

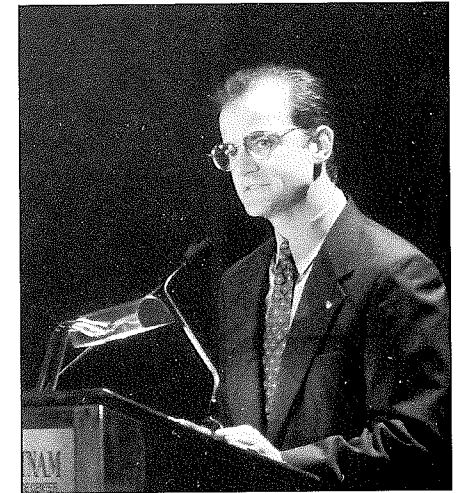
A compelling example would be our contract with RCA Consumer Electronics.

RCA believes that, through the race tracks and OTBs, it's a \$20 million a year market. At three percent you can imagine that, as this purchasing activity grows,

the annual dollars back to the NTRA would exceed \$500,000 a year. A similar contract with IKON Office Equipment would generate another \$200,000 for the NTRA in rebates. That is an example of why it is important to us that we get as much participation as possible from the industry.

These are just two examples of what will ultimately be more than 100 specific categories of products and services that we all buy in common. In short, we need your participation to fully capitalize on the significant economic opportunity for the NTRA. We urge your organization to commit in writing in as many categories as possible when we call on you. And if we haven't called on you to date, our staff will in the weeks to come.

In return for this commitment we will guarantee you savings and also guarantee potentially millions of dollars to the NTRA over the years to come. Thank you



Miles Lee

for your attentiveness this morning. Thanks to our current customers who are in the audience, and I personally look forward to working with many of you in the future. Thank you.

Rick Baedeker: Thank you, Miles. We're going to flip-flop the order of the next two categories that you might have found in your program. We're going to talk first about "Interactive" before "Television."

With everything we've heard today, there is real reason to be optimistic about racing's future. Add the huge potential of interactive or account wagering, with racing reaching millions of new fans through new technologies, and contemplating that same future becomes downright exhilarating.

Our next speaker, Mark Wilson, serves as the special assistant to the commissioner and has spent the better portion of the last few years working to make racing's interactive future a reality.

Mark ...

INTERACTIVE

Mark Wilson: Thank you, Rick.

The NTRA is working with significant new partners in the next generation of interactive television, pursuing the dream and now the foreseeable reality of the 24-hour-per-day racing channel.

Earlier this year, the NTRA announced a non-exclusive agreement with ODS and their product, the Television Games

Network. A recent positive development for everyone in this room is that ODS has been acquired by United Video. United Video is a highly successful television producer, distributor and technology company that, among other things, produces and distributes the Prevue Channel.

United Video is now owned by TCI,

the largest cable system in this country. And, as part of its recent acquisition of TV Guide, Fox Corporation is now major owner of TCI.

This means: increased capability in the areas of distribution - TCI is in over 21 million homes; production - for example, Fox Sports and their innovative ways to enhance sports broadcasting; and, most importantly, the financial strength and staying power - because, you probably know, TCI recently merged with AT&T.

For the first time, this gives racing unprecedented corporate firepower in the technology and entertainment arena. While the NTRA television relationship with ODS is non-exclusive and others in the industry are pursuing similar and related interactive projects, the news that companies like TCI and United Video think enough of the interactive business opportunity to aggressively enter this area bodes well for our collective future.

To support this critical component of racing, the NTRA in partnership with United Video and others is working on passing account wagering in new states while assisting the industry in identifying



Mark Wilson

fair and equitable revenue models for all legal account wagering markets.

As we move forward, we will need the help of everyone in this room to motivate state legislative bodies to allow racing to embrace new technology and the myriad of opportunities that that technology can provide. We're truly on the doorstep of unprecedented growth for racing and interactive technologies properly harnessed will lead the way.

Thank you very much.

Rick Baedeker: Thank you, Mark.

While interactive wagering will become increasingly important to this industry over the next few years, and certainly, the next months, the NTRA set an immediate goal to increase the coverage of our best races on live television networks.

Basil DeVito, our senior vice president of television and sponsorship, has not only an update for you, but an important announcement along those lines.

TELEVISION

Basil DeVito, Jr.: Thank you, Rick.

Each year in recent history at industry gatherings, including last year's Round Table, any discussion of television and Thoroughbred racing centered on two themes: the need for more and the need

for change.

More television, specifically more network coverage, attracted universal agreement. Network exposure for our sport was basically limited to the Triple Crown and the Breeders' Cup. And, although

ABC and NBC provided additional programming in the weeks prior to these events, the coverage was widely scattered and not very good at attracting audiences.

Thoroughbred racing is not a sport where new viewers become initiated easily. There was a need for consistent exposure to the largest possible audience. And, as an industry, we recognized this.

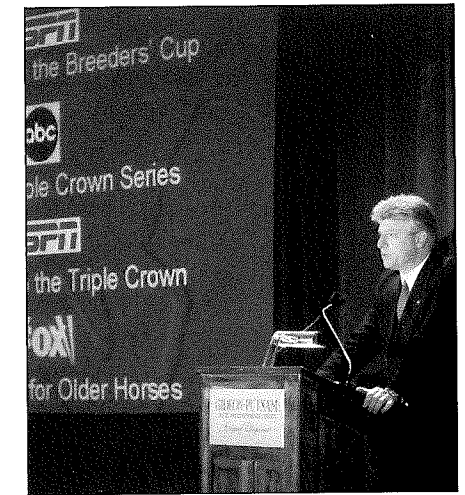
We also recognized the need for change. Although racing did enjoy a significant amount of cable coverage, there was no logical flow to the programming. There was no way to capture viewer attention, or even make them aware that Thoroughbred racing was a viewing option.

Television seemed like such a difficult proposition for racing. It was expensive, it was difficult to acquire and, despite our best individual efforts, racing did not seem to reap the same benefits that other sports did from television.

The lack of a central organization responsible for the coordination of racing on television compounded this problem. Many organizations were all trying to do the same thing. As a result, the coverage of racing on television lacked focus.

These basic themes were specifically addressed in the television strategy of the NTRA business plan. You will see how the actions we have taken as an industry begin to address these issues, and position Thoroughbred racing as a valuable television partner as we move forward into the next century.

The NTRA strategy called for several immediate initiatives. The creation of a direct link to current national programming was essential. By re-branding existing programming with the NTRA logo and message, we immediately positioned ourselves with networks and sponsors



Basil DeVito, Jr.

alike. *NTRA Racing To The Breeders' Cup*, currently airing on ESPN, is an example of this effort. Now in its sixth season, the series has been expanded by five hours and now represents 15 programs in the 18 weeks leading to, and promoting, the Breeders' Cup Championship Day.

In addition to improved consistency, program content has also been enhanced. Improvements like Super-Slow Motion replay, additional camera positions, the creation of on-site features, and use of technology that allows the home viewing audience to hear from the jockeys just before entering the starting gate and just after the finish line. These all add up to better programming.

And better programming will help to stimulate viewer interest. But alone it won't be enough. We must do more. We must present our athletes, competitors, and events in a manner which encourages familiarity and invites comparison.

There is no better way to accomplish this than with statistics. We are a game of numbers. We must establish basic categories that allow fans to easily "catch-up" with our statistical leaders.

In 1999, the Breeders' Cup will crown Champions in eight divisions. Ultimately, every horse that makes it to the Championship Day earned that right by performing on the track. By recognizing the top races in each category and awarding NTRA performance points for success in these races, we can immediately establish rankings in each division.

Initially, weekly standings can be placed in newspapers as part of our sponsored advertising. We can also effectively promote leaders regularly on television. But the ultimate value of our "fan stats" will be determined by how well we, as an industry, promote our divisions and rankings. The cost is negligible, the downside is non-existent, and the upside is enormous.

Our goals of branding and expanding racing coverage as well as this divisional focus is dramatically evidenced by the new broadcast television deals that the NTRA has been able to secure.

Announced this past Wednesday is a new deal with ABC Network. ABC will air four new racing programs and expand a fifth network telecast to one hour, all in the build up to the Triple Crown.

[VIDEO]

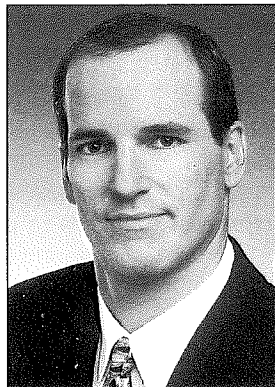
Brian McAndrews, executive vice president and General Manager, ABC Sports: *We at ABC Sports are very excited about the creation of the NTRA and the spirit of cooperation it represents within the industry. As the network of the VISA® Triple Crown Challenge, we look forward to expanding our coverage of the three-year-old division by showcasing some of the most important races leading to the Triple Crown in four new network shows. We're anx-*

ious to join our new partners at the NTRA in presenting Thoroughbred racing to more new fans than ever before.

[VIDEO ENDS]

This ABC series will be combined with *NTRA Road To The Triple Crown* on Disney-owned ESPN. In all, television coverage leading to the Triple Crown will begin on January 31 and continue on a weekly basis through April 18 just two weeks prior to the Derby.

This consistent exposure, rich with human interest and national awareness of the Triple Crown, will provide viewers with compelling reasons to watch and participate.



Brian McAndrews
ABC Sports

In addition to the effort to expand existing programming, the NTRA business plan recognized the need for the creation of new programming as well. Logic dictates that you try to spotlight the best possible racing product for television. The fastest horses, the biggest purses; the most familiar names.

These are the four-year-old and older horses. This is the "superstar" division of our sport. We have seen Cigar and Skip Away thrill fans from coast to coast, but without the television focus to bring full attention to their achievements.

With this in mind, The NTRA is very pleased to announce today that we have reached an agreement with the Fox Network to produce a new television series, which will premiere next year.

This series will kick-off in January and continue on a monthly basis through August. "Kick-off" is the right word, because the first telecast will be a part of Fox Network's Super Bowl programming. Live racing coverage by the Super Bowl network on Super Bowl weekend. This is a promotional environment

which racing has never before enjoyed.

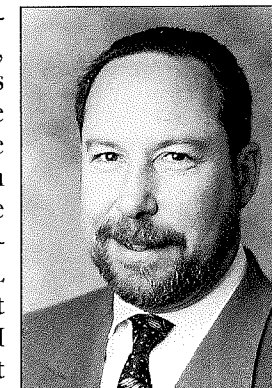
With this high-profile launch, and eight-to-ten well-spaced races, this television series will allow for maximum promotion and sponsor involvement.

By organizing our annual racing calendar, by making quality local races mean something in the national picture, by having our television work harder for us, we can accomplish a great deal.

Basil DeVito, Jr.: I'd like to leave you this morning with some thoughts and comments from our newest television partner.

MESSAGE FROM FOX SPORTS (ON VIDEO)

Ed Goren, Executive Producer FOX Sports: Folks, while you're making plans for the upcoming races, we at FOX Sports are busy here in L.A. taking baseball down the homestretch and into the World Series as well as getting ready for our fifth NFL season that will take us right through Super Bowl XXXIII in Miami on January 31. But I do want you to know that we here at FOX Sports are very excited about the new



Ed Goren
FOX Sports

Thoroughbred racing series that kicks off with the Donn Handicap at Gulfstream Park on January 30. We're eager to get going for several reasons.

After our first venture into racing with the Santa Anita Derby this year we couldn't wait to saddle up again. With the cooperation from the folks at Santa Anita we were able to televise an exciting hour of Thoroughbred racing in the FOX style.

I believe the FOX attitude is a perfect marriage with what is going on with the NTRA and what they are doing for the sport. And what better way to launch the new series than to host our pre-Super

Already the things we have accomplished as an industry can't be ignored. Three broadcast networks, new television programming, a national brand with real fan appeal. We have walked through the networks' door. And opportunities are at hand. What we do with these opportunities will determine our television future.

Bowl coverage on Saturday, January 30 from Gulfstream Park with a great race combined with all the hoopla of the Super Bowl weekend.

There is no question America will be watching. And that presents challenges both for FOX and the NTRA. For FOX we have to present an even better show than we did at Santa Anita. And the racing industry has to deliver a great field to sell this series.

We have an opportunity to hook the nation into this new series on January 30. But if we over-promise and under-deliver we could kill the series before it gets going. But we believe that FOX and racing will be successful together and we're excited about making it happen.

We also understand that 1999 is a pivotal year for Thoroughbred racing and we want to be part of that exciting new era at FOX.

We know what we have to do. You know what you have to deliver.

So very simply, Go, Baby, Go. We'll see you all down at Gulfstream.

CONCLUDING COMMENTS

Tim Smith: In several important areas, you have heard summaries of progress to date and some of the NTRA's plans for the future. Before closing, I want to touch briefly on two other suggested priorities for all of us for the future: the imperative requirement of doing everything possible to maintain public confidence in the integrity of our game; and the equally important need to sustain and build on the spirit of industry cooperation that has brought us to where we are today.

Earlier this morning, you heard a distinguished panel on the topic of drug testing. The NTRA strongly supports The Jockey Club and like-minded organizations in their efforts to ensure long-term public confidence that, together, we are doing everything possible to protect the health and safety of our athletes and the integrity of our game.

The industry's drug testing procedures, therefore, must not only be extensive and vigorous, they must also be consistently effective, adequately funded and, to the maximum extent possible, consistently applied.

To this end, the NTRA is announcing today the formation of a task force on racing integrity and drug testing standards. The task force will be co-chaired by Ogden Mills Phipps and R.D. Hubbard, which itself speaks volumes on the priority the NTRA board places on this area. It also speaks to the reality that this area is not the responsibility of one organization or one region or one segment of the industry. It is the job and duty of all those in the industry and all those who truly care about the game.

The principle aim of the task force will be to develop recommendations for NTRA-endorsed policies and pro-

grams in the racing integrity and drug testing areas.

Specifically the task force will consider such topics as the evaluation of current testing procedures, standards and issues; the potential need for additional research and testing resources for greater uniformity in testing procedures and standards - including the recommendations, by the way, of this morning's panel; and for the establishment, as warranted, of national research reference laboratories or other model programs to promote best practices in the areas of testing and enforcement in as many participating states as possible.

Further details of the task force are covered in the press kits that we hope each of you will take as you leave today.

It should be noted that the NTRA does not confuse itself with either a legally-empowered regulatory body or even a center of scientific expertise. But we are prepared, wherever appropriate, as here, to help act as a catalyst for positive change and to support efforts like this one, that deal proactively and strategically with the long-term best interests of the industry.

My second closing topic - the need for maintaining the spirit of industry cooperation that brought about such progress in just a year - is perhaps less newsworthy, but also critically important. The theme here is very simple and timeless: united we survive and prosper, divided we surely decline.

Together, we are a multi-billion dollar industry with vast collective purchasing power. Together, we have 300 years of racing tradition and a rich collection of stories and heroes. Together, we have the only national sport on which it is legal to wager. Together, we

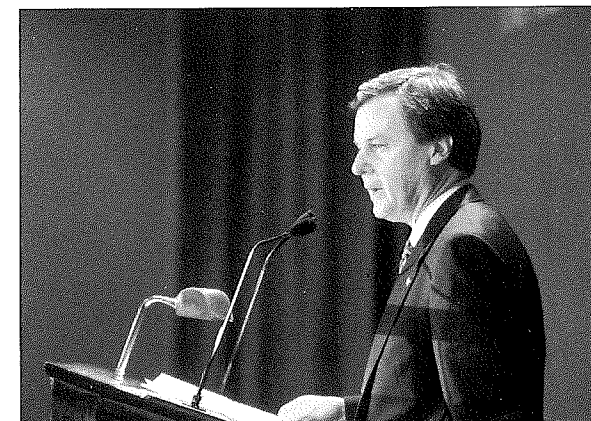
have the potential to add billions of dollars in revenue through new distribution like account wagering and to recruit millions of new fans who just need to be invited to participate and taught how to play.

Together, in other words, we have a once-in-a-generation opportunity. History will judge this industry by what it did together with that opportunity,

whether it seized this chance with enthusiasm and renewed energy or whether it let the moment slip away through lack of cooperation and commitment.

I know where the hearts of those in this room are, and I thank you with respect and gratitude on behalf of the NTRA.

Thank you.



Tim Smith

1998 JOCKEY CLUB GOLD MEDAL AWARDS



Jockey Club Chairman, Ogden Mills Phipps, and 1998 Gold Medal honorees, Nick Nicholson (center) and Alan Marzelli (right).

CLOSING REMARKS

Ogden Mills Phipps: Thank you, Tim and we thank all of your staff and advisors for your reports today.

We've come a long way in a short time. And providing we stand fast together, you've given us more than a glimmer of hope for our future.

Ladies and gentlemen, there's no need for me to add further to what you've heard this morning. The message is clear, whether it's our pursuit of a meaningful nationally-accepted, nationally-implemented drug testing policy or driving forward with a professional and effective campaign to market our sport. The keyword is the same: perseverance. The future is in our hands. We have the tools. If we want a healthy future for our sport and our entire industry, we must persevere.

In closing I'd like to take one minute. For the last three years we have not given out The Jockey Club Gold Medal. The inscription reads "in recognition of your contribution to the Thoroughbred racing and breeding industry." The previous winners are D.G. Van Clief, Jean Romanet, Dick Duchossois, Jack Van Berg, Dennis Swanson, Joe Hirsch, Dr. Charles Rangle, Dr. Manny Gilman, R. Richards Rolapp, Kenny Noe and Dr. Larry Bramlage.

This year the Stewards of The Jockey Club would like me to present the Gold Medal to two individuals. Both of these gentlemen have spent the last few years on an airplane visiting the different constituents of racing. They have made themselves available day or night to get their jobs done. To their children who are here today I say thank you for sharing your fathers. They have shown great pro-

fessionalism and they are highly respected within our industry. They believe in our industry and know our strengths and they know our weaknesses. They have vision and are willing to sacrifice themselves in order to reach their goals.

Nick Nicholson is a dedicated member of the small team putting together and selling the NTRA across the country. He believes, and people believe him, that the NTRA will make a difference.

Alan Marzelli has turned around Equibase and made it the sole source of racing information and is looking into new information frontiers for racing. Without Alan, simulcasting as we know it would be impossible.

Alan and Nick please come here. I'm pleased to present you with these medals.

Nick Nicholson: Thank you very much. I'm speechless. . . I'm not usually that! I've just been part of a team . . . a wonderful team. What makes it so special is the respect I've got for all the previous winners . . . This is just wonderful and thank you very much.

Alan Marzelli: And I second that emotion. I don't know what to say. We just work hard, keep our heads down and try to do what we can for this industry. You've got our word we'll keep doing it.

Thank you.

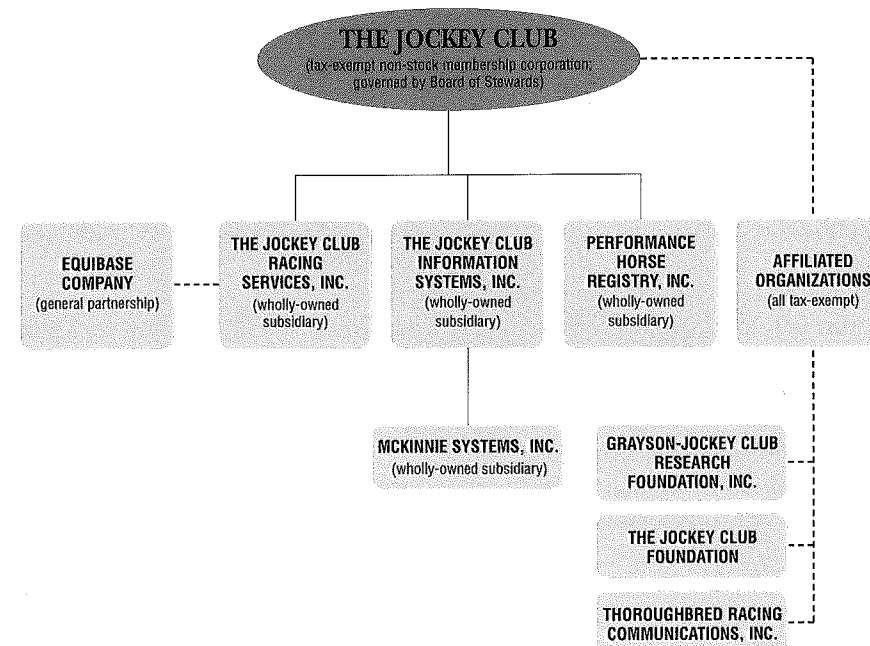
Ogden Mills Phipps: We thank you for coming this morning. We hope you've taken away a great deal. And we look forward to seeing you next year.

Thank you.

104th Annual Report of
THE JOCKEY CLUB
 & RELATED ORGANIZATIONS

THE JOCKEY CLUB

As an organization dedicated to the improvement of Thoroughbred breeding and racing, The Jockey Club pledges its support and assistance in matters concerning the Thoroughbred industry. www.jockeyclub.com



Registry

The primary responsibility of The Jockey Club is to maintain The American Stud Book in a manner which insures the integrity of the breed in the United States, Canada and Puerto Rico.

INTERACTIVE REGISTRATION GAINS MOMENTUM

The migration of all of The Jockey

Club's information systems to an advanced communications and data network has enhanced the organization's level of service to the Thoroughbred industry.

Efforts to simplify and expedite the processing of Registration requirements have resulted in more than 2,750 owners and breeders submitting over 21,000 forms electronically via Jockey

Club Interactive in the 14 months since the program's general release.

The system's impact can be seen no more clearly than with the 1998 foal crop, for which more than 7,000 Live Foal/No Foal Reports have been submitted electronically. An additional 4,500 online name claims have been received this year, results of which can normally be retrieved within one business day.

Most recently, The Jockey Club added Reports of Mares Bred to the menu of available products, resulting in quicker issuance of Service Certificates to stallion owners who file online.

The Jockey Club Information Systems, Inc.

Incorporated in 1989 as a wholly-owned for-profit subsidiary of The Jockey Club, all the profits from The Jockey Club Information Systems (TJCIS) are re-invested in the Thoroughbred industry, helping to stabilize Registration fees and fund industry projects.

www.equineonline.com

SERVING THE INDUSTRY THROUGH NEW TECHNOLOGIES

While reinforcing its status as industry leader in the electronic dissemination of Thoroughbred breeding information, The Jockey Club Information Systems, Inc. (TJCIS) has positioned itself for future growth across product divisions as a result of increased computer capabilities associated with The Jockey Club's new client-server platform.

The internationally-acclaimed online information service, Equine Line® 2000, replaced the original Equine Line® system on April 1. The new system is designed in an easy-to-use "point and click" format, accessible via the Internet (at www.equineline.com) and by direct-dial.

Equine Line® 2000 features innovative interactive features and more detailed information than its predecessor. Among these is Personal Equine Line®, a unique service which allows users to design their own reports. Additional types of information available include currency conversions and race records in past performance and race chart format.

Efficiency and cost savings have been realized in the Cataloguing Division where excellent service standards continue to be maintained as auction sale entries increase. Further automation has allowed for the retrieval of foreign racing and produce information that previously was compiled manually.

The Consulting Division's Windows-based Farm Management software, in place at leading farms throughout North America, has gained international recognition with installations planned at leading farms in England and France.

Equibase Company

A partnership between The Jockey Club and TRA founded in 1990 to establish a single industry-owned database of racing and pedigree information.

www.equibase.com

EQUIBASE UNIFIES RACING'S RECORDS

The long-sought ambition of establishing a uniform industry-owned database of racing information and statistics is nearing completion, following the March announcement that Equibase would become the official data supplier to *Daily Racing Form*. Fulfillment of this goal from the Company's original business plan allows racing to move forward with one definitive record of events, much to the benefit of fans and the industry alike.

Consolidation of field operations and re-design of collection systems, including the physical transition of DRF and Equibase personnel, is being phased in with completion expected by the end of August.

Fulfillment of another goal from the business plan stems from last year's retirement of the Company's original startup loan. For the first time, Equibase has declared quarterly dividends to its partners totalling \$675,000 through the first half of 1998, helping achieve financial strength for the TRA and its partner tracks.

Equibase's reputation as an Internet services provider continues to grow. The Company provides web hosting services to 20 tracks and racing organizations, all housed on a central server that regularly exceeds 450,000 hits daily. An additional 60 tracks use Equibase to post entries, results and charts on the Internet.

Grayson-Jockey Club Research Foundation, Inc.

Established in 1940 to raise funding for equine veterinary research, the Grayson Foundation was combined with the similarly-chartered Jockey Club Research Foundation in 1989.

www.jockeyclub.com/grayson.html

MORE THAN \$5 MILLION SINCE THE MERGER

With the board's approval of \$700,000 for grants in fiscal 1998-99, the total which Grayson-Jockey Club Research Foundation has provided since the merger in 1989 will exceed \$5.3 million. Thus, approximately half of the funding in the entire history of the Foundation will have come since the merger.

In the most recently completed fiscal year, the Foundation funded 17 projects for some \$600,000. This included ongoing work on the disease Equine

Protozoal Myeloencephalitis, a subject which has been a high priority for several years and which has seen significant developments in treatment. Other topics addressed currently include laminitis, osteoarthritis, DNA vaccination and effects of track condition changes on equine locomotion.

The Foundation board last year approved a merger of the advisory committees of research veterinarians and clinical veterinarians, further increasing cooperative evaluation of grants on the basis of scientific validity and high relevance to the horse industry.

Contributions in support of the Foundation may be addressed to:
Grayson-Jockey Club Research Foundation, Inc.
821 Corporate Drive
Lexington, KY 40503-2794.

The Jockey Club Foundation

Established in 1943 to provide relief of poverty and distress among indigent members of the Thoroughbred industry and their families.

www.jockeyclub.com/tjcf.html

CHARITABLE SUPPORT HITS RECORD LEVEL

Grants from The Jockey Club Foundation continue to grow, with a record disbursement of nearly \$700,000 in 1997.

Almost half of that total went to help meet the daily living expenses of monthly assistance program recipients, who range from a farm manager with multiple sclerosis to several exercise riders paralyzed in riding accidents. Medical and funeral expenses of almost \$175,000 were paid, and individual one-time grants of nearly \$140,000 were bestowed.

Distributions from the Cavanagh Trust again amounted to \$40,000 and included a grant to the University of

Arizona Race Track Industry Program.

Looking to the future, the Foundation hopes to surpass its success of last year, intending to focus on improving the backstretch lifestyle, while keeping a better quality of life for all of racing's needy as its number one priority.

Contributions in support of the Foundation may be addressed to:
The Jockey Club Foundation
40 East 52nd Street, 15th Floor
New York, NY 10022.

Performance Horse Registry, Inc.

Established in 1994 to create the first central database in North America to combine the pedigrees and performances of Thoroughbreds and half-Thoroughbreds competing in non-racing equestrian events.

www.equineonline.com/phr.html

ENHANCING SERVICE TO ENTIRE SPORT HORSE INDUSTRY

The concept and philosophy of the Performance Horse Registry (PHR) continues to attract ever-widening attention in the sport horse media and in the sport horse industry at large.

Efforts to forge alliances with key sport horse organizations continue, the focus of which is to establish a comprehensive database of pedigree and performance information to benefit the entire sport horse industry.

These alliances ultimately will make comparisons of Thoroughbred performance and pedigree in non-racing equestrian disciplines more meaningful, and go far towards fulfilling one of the Registry's primary goals to provide owners, riders, breeders and trainers with the most complete information on which to base buying and breeding decisions, a facility already available in many European and other countries.

McKinnie Systems, Inc.

TJCS purchased a minority interest in pioneer racetrack computer system developers McKinnie Systems, Inc., and its Track Manager® product line, in 1997, and acquired the remaining shares held by The Jockey Club Racing Services, Inc., in 1998.

www.jockeyclub.com/mckinnie.html

TRACK MANAGER® DOMINATES MARKET

As the pioneer developers of computer software solutions designed specifically for use by the racing industry, McKinnie Systems, Inc. continues to push the bounds of product innovation and service excellence.

McKinnie's enhanced *Track Manager*® software application suite incorporates a greater range of performance, function and reliability than the original product. The modified software has had universal appeal from current and prospective customers alike.

Following a year in which eight tracks installed *Track Manager*® in their racing office for the first time, McKinnie already has added five new customers in the first half of 1998. Even more current customers have recommitted to McKinnie by upgrading to the enhanced system. These upgrades not only reflect the quality of the product but McKinnie's dedication to customer service and training as well.

In all, tracks using a McKinnie Systems' product represent 64 percent of the total racing days in North America, more than double the 30 percent market share held by the Company in 1994 when The Jockey Club acquired a majority shareholder interest. Growth has been generated through product enhancements, a more concentrated marketing effort and an extensive revision of pricing policies.

McKinnie also develops and supports

custom software to meet the needs of individual tracks on an "as-needed" basis. In these and other areas, McKinnie's unrivaled race track experience is providing industry leadership in integrating the diverse technologies required to manage today's modern racing operations effectively.

Thoroughbred Racing Communications, Inc.

Funded by The Jockey Club, Breeders' Cup Ltd. and the TRA and established in 1987 as a national media relations office to expand awareness of Thoroughbred racing.

www.jockeyclub.com/trc.html

TRC SERVES MEDIA, FANS WITH VARIETY OF PROJECTS

Thoroughbred Racing Communications (TRC), the sport's respected national media relations and information services office, serves an ever-expanding audience with a variety of print, electronic and Internet activities.

Among the ongoing TRC projects are: *Media Update*, a weekly media newsletter; the NTRA Thoroughbred Poll; and the Thoroughbred Notebook which includes a preview of weekend races and appears on the Associated Press wire as well as the Bloomberg

Business News, Dow Jones News Service, ESPN SportsZone and several other sports- and racing-related Internet web sites.

TRC also produces ready-to-air Video News Features for television networks and stations plus audio feeds for radio networks and stations from important races and events. Another service is Fax Findings, a research project consisting of published articles relating to sports and gaming business issues and marketing techniques, which are faxed or mailed to an extensive list of racing industry officials.

TRC also coordinates *EquineCareWatch*, a national communications project with multi-breed sponsorship, which promotes programs throughout horse racing dedicated to the humane use and care of all horses.

Through the years, TRC has become Thoroughbred racing's most prolific source of media teleconferences previewing major races and events. The popular teleconferences allow members of the media to ask questions of prominent owners, trainers and jockeys throughout the country - and even the world.

Plans call for TRC to assume a leading communications role for the National Thoroughbred Racing Association.