



**Building Sustainable Growth:
Progress Report No. 4**

February 27, 2013

Introduction

The Jockey Club and its affiliated companies have been implementing various initiatives recommended by McKinsey & Company in August 2011 and distributing updates to keep the industry apprised of its progress.

The attached 10-page synopsis is the fourth of those progress reports. Media outlets are welcome to use this information in any coverage.

Jason Wilson, vice president of business development for The Jockey Club, oversees these projects, with assistance from a group of managers from The Jockey Club, NTRA Communications and several consultants.

ABRV

The America's Best Racing Tour, known as the ABRV, was announced in November and six "brand ambassadors" have been selected. They are Jose Contreras, John Cox, Mary Frances Dale, Victoria Garafalo, Hallie Hardy and Chip McGaughey.

The ambassadors are recent college graduates who have been recruited to travel around the country, promoting increased interest in the lifestyle and competition of Thoroughbred racing's premier events. All six started training in Lexington, Ky., on January 2.

The ABRV tour will begin the week of March 11 at the South by Southwest Festival in Austin, Texas. This festival has become a showcase for original music, independent films, and emerging technologies and it attracts a national audience with more than 20,000 registrants over a 10-day period.



From there, it will follow the Triple Crown trail with stops in Miami, Lexington, Louisville, Baltimore, and New York, among other cities. The schedule for the second half of the year will include stops in Saratoga Springs, N.Y.; Chicago; Oceanport, N.J.; San Diego; and Los Angeles (for the 2013 Breeders' Cup). In all, the ABRV tour is scheduled to spend at least 60 days at more than 20 stops.

Industry and mainstream publications have expressed interest in covering the launch of the tour, as evidenced by recent or soon-to-be-published stories placed by NTRA Communications in the *Huffington Post*, *Sports Business Daily*, *Bleacher Report* and *Forbes*.

"Our mission is to promote the exciting lifestyle and competition that occur around our sport's best events — highlighting the fashion, celebrity participation, travel opportunities, gambling and racing — and we believe this is a great way to introduce a younger audience to the sport," stated Wilson. "We decided to take our compelling story on the road and to interact and engage directly with the millennial generation on their turf."

America's Best Racing 2013 Initial Tour Schedule

3/17 South By Southwest (Austin, TX)
3/30 Florida Derby (Gulfstream, FL)
4/13 Blue Grass Stakes (Keeneland, KY)
5/4 Kentucky Derby (Louisville, KY)
5/18 Preakness Stakes (Baltimore, MD)
6/8 Belmont Stakes (New York, NY)
7/10 ESPY Awards (Los Angeles, CA)
7/17 Del Mar opening (Del Mar, CA)
7/27 Haskell Invitation (Oceanport, NJ)
8/3 Whitney Stakes (Saratoga, NY)
8/10 Saratoga Special (Saratoga, NY)
8/17 Arlington Million (Chicago, IL)
8/25 Pacific Classic (Del Mar, CA)
9/8 MTV Music Awards (Los Angeles, CA)
9/28 Super Saturday (Santa Anita, CA)
11/2 Breeders Cup (Santa Anita, CA)

America's Best Racing Brand Ambassadors

Following are thumbnail bios of the six ambassadors, along with links to their respective video resumes.



Jose Contreras (CA):

http://www.youtube.com/watch?v=A_vaZSsdf8g&feature=youtu.be

Contreras is currently enrolled in the Racetrack Industry Program at University of Arizona. He is taking a sabbatical from school in order to spend the year with the ABRV tour. He has extensive handicapping experience, especially at his home California tracks, and writes a popular handicapping and racing blog.



John Cox (KY): <http://www.youtube.com/watch?v=V1WkkRIB4oM>

A graduate of the University of Kentucky, Cox has worked in various marketing capacities in the Thoroughbred industry, including Keeneland.



Mary Dale (KY):

<http://www.youtube.com/watch?v=bVDGgqJRgww&feature=youtu.be>

A graduate of Sewanee: the University of the South, Dale has ridden and enjoyed horses since childhood. Additionally, she has toured and managed musical artists with independent record labels based out of Austin, Texas, and brings excellent “road” knowledge to the team.



Victoria Garofalo (NY):

<http://www.youtube.com/watch?v=yZ7vqCx0sBw&feature=youtu.be>

Born in the Saratoga Springs, N.Y., area and frequent visitor to Saratoga Race Course, Garofalo has visited tracks all over the world. She graduated from Georgia College & State University with a degree in Public Relations, Broadcast & Electronic Media and has extensive experience in the marketing and public relations fields.



Hallie Hardy (KY):

http://www.youtube.com/watch?v=gXCNHoLk_DI&feature=youtu.be

A graduate of the University of Kentucky and tour guide for WinStar Farm, Hardy has spent years studying the Thoroughbred industry and involving her friends in the racing experience.



Chip McGaughey (KY):

<http://www.youtube.com/watch?v=0pwK2NOz8fs&feature=vmdshb>

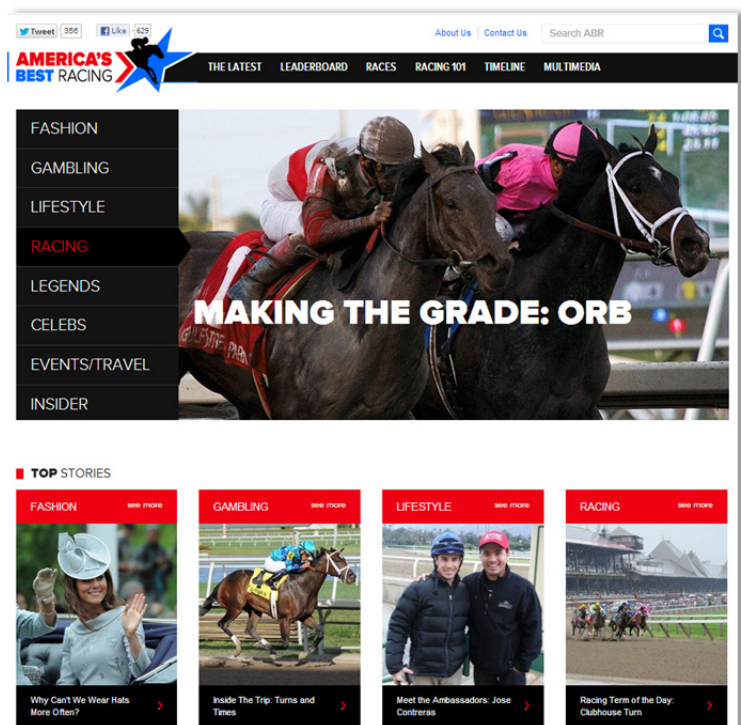
Born and raised in the Thoroughbred horse industry, McGaughey has an impressive knowledge of all aspects of the racing world. He is a graduate of the University of Kentucky and has marketing experience.

America's Best Racing

A second version of *followhorseracing.com*, geared toward showcasing racing's major events, was launched February 11. The homepage features a new look and feel, focusing on fashion, lifestyle, racing, gambling, travel, celebrities and legends.

The site also features several new bloggers in 2013 (in addition to the six Brand Ambassadors). Among the newcomers are:

- Brooklyn-based artist/illustrator Jen Ferguson
- Writer David Hill, who has written for *The New York Times* and the *Huffington Post*
- Celebrity-focused blogger Kelly Lynch
- Jockey agent / screenwriter John Perrotta
- Former jockey Julie Krone
- Former jockey Frank Lovato Jr. (Equicizer and Jockey World)



Jockeys Rosie Napravnik and David Flores will contribute blogs, and several high-profile trainers have agreed to provide ABR with insider access throughout the year.

ABR Bloggers		
Tim Brannan	Bunny Hinzman	Briana Mott
Terry Conway	Joe Kristufek	Rosie Napravnik
Pat Cummings	Julie Krone	Tom Pedulla
Marc Doche	Melanie LaCour	John Perrotta
Bob Ehalt	Frank Lovato Jr.	Lauren Shoff
David Flores	Kelly Lynch	Ellis Starr
David Hill	Katie Mikolay	Gary Stevens

The new fan fiction serial, “Out of Luck,” written by John Perrotta and illustrated by Jen Ferguson, has proved to be a popular destination on the ABR website. The blog is the writer’s depiction of an imagined racetrack-based story, an ongoing saga, which includes some of the characters depicted in last year’s “Luck” series on HBO.

Since its first installment on February 14, the blog has become the most viewed page of the week and has led to mainstream press in outlets such as the *Hollywood Reporter*, *Vulture.com* and other popular television and comic strip related websites.

To supplement the blog, ABR will launch a Twitter Chat on Monday evenings, whereby fans can ask John Perrotta direct questions about the show and anything horse-racing related. The first one is scheduled for Monday, March 4, at 9 p.m. ET.

The appointment viewing/reading concept and expanded mainstream resulting PR will continue to help increase the traffic to the website.

The popular America’s Best Racing Thoroughbred Notebook was re-launched on January 10 and is now a fully embedded part of the website. The Notebook features notes, quotes, tweets, video, a racing calendar, fan photos and a Q&A with prominent personalities who enjoy Thoroughbred racing.

ABR is also building upon a partnership with *Equibase.com* to provide fans with more in-depth statistics.

Television

Live Racing Series

As previously announced, the “Road to the Kentucky Derby” televised series for 2013 focuses on races in Churchill Downs’ new points system, which is being used to determine the 20 starters for the Kentucky Derby.



The televised racing series this year includes expanded coverage from six racetracks:

Saturday, March 23, 6:00-6:30 p.m.: Road to the Kentucky Derby preview show (NBC Sports Network)

Saturday, March 30, 6:00-7:00 p.m.: Florida Derby / Louisiana Derby (NBC Sports Network)

Saturday, April 6, 6:00-7:30 p.m.: Wood Memorial / Santa Anita Derby (NBC Sports Network)

Saturday, April 13, 4:30-6:00 p.m.: Blue Grass Stakes (NBC)

6:00-7:00 p.m.: Arkansas Derby (NBC Sports Network)

Reality Programming

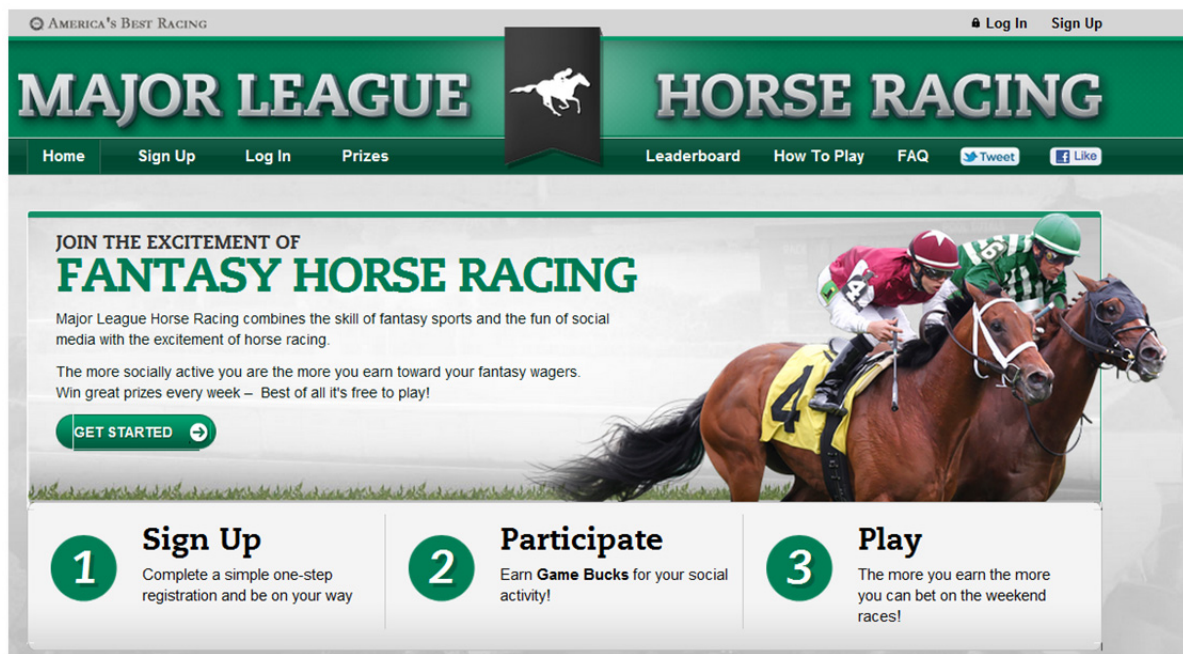
Last year, The Jockey Club retained The Wolper Organization to develop a reality show concept and pitch it to the networks. Wolper produced a rough cut sizzle reel that has garnered initial interest from several networks.

The show is provisionally titled, “The Syndicates,” and follows regular people as they join a racing syndicate and try to get their horses to the track. If a network signs on, production could begin during 2013.

Collaborative developmental efforts are ongoing with several other projects in the reality television space.

Games

The 2013 version of the free-to-play sports fantasy game, Major League Horse Racing, which made its debut in August 2012, is scheduled to be launched in March, in coordination with the Road to the Kentucky Derby series of televised races.



This version of the game will have an improved sign-up process, and other enhancements will be introduced throughout the year. Software development for the game is provided by The Jockey Club Technology Services.

The Jockey Club is also in the process of licensing an existing successful mobile game with a rollout that will initially include the Apple platform in the spring.

Finally, the Thoroughbred World social game that was launched in August 2012 is being re-positioned and will be re-launched later this year.

“These types of games have an evolutionary nature, and we are constantly seeking and monitoring feedback to improve the player experience,” Wilson said.

NTRA Communications

The NTRA Communications team, under the direction of Stephen Panus, is implementing a public and media relations strategy designed to highlight and profile an array of diverse storylines emerging in 2013. Among them are personalities connected to Triple Crown contenders, the launch of the ABRV and the brand ambassadors, jockey Rosie Napravnik, and Saratoga's 150th Anniversary.

Recent media placements include:

- "An American hero battles in NHC" on *ESPN.com*: http://espn.go.com/horse-racing/story/_/id/7503567/american-hero-battles-nhc
- *The New York Times* featured a preview story on the National Handicapping Championship with a special focus on returning champion Michael Beychok:
http://www.nytimes.com/2013/01/25/sports/michael-beychok-is-political-consultant-and-handicapper-on-horse-races.html?_r=0
- "Horse Racing Promotes Major Events With National Bus Tour":
<http://bleacherreport.com/articles/1499508-horse-racing-promotes-major-events-with-national-bus-tour>
- "Engaging the Elusive Millennial," *HuffingtonPost*: http://www.huffingtonpost.com/liz-o/horse-racing-is-engaging-_b_2477693.html (ABRV)
- "Horseplayer Seeks \$2.75 Million Pay Day in National Handicapping Championship," *Bleacher Report*: <http://bleacherreport.com/articles/1495236-horseplayer-seeks-275-million-payday-in-national-handicapping-championship> (NHC)

The ABRV tour and brand ambassadors were also featured in *Al Adiyat*, the official government-operated racing publication in the United Arab Emirates (only available in print).

In keeping with the mission of ABR, NTRA Communications will continue to reach out to mainstream outlets. ABR will also be sharing select video content for distribution on top mainstream digital platforms in 2013, including *ESPN.com* and *Bleacher Report*.

ABR will continue to reach out to the blogging community and other publications to get them more interested in the sport. For example, ABR has made arrangements for a writer from *Vice.com* (1,000,000 Facebook followers and 241,000+ Twitter followers) and a writer from *TheClassical.org* to cover and subsequently write long-form narratives about their experiences attending the 2013 Belmont Stakes.

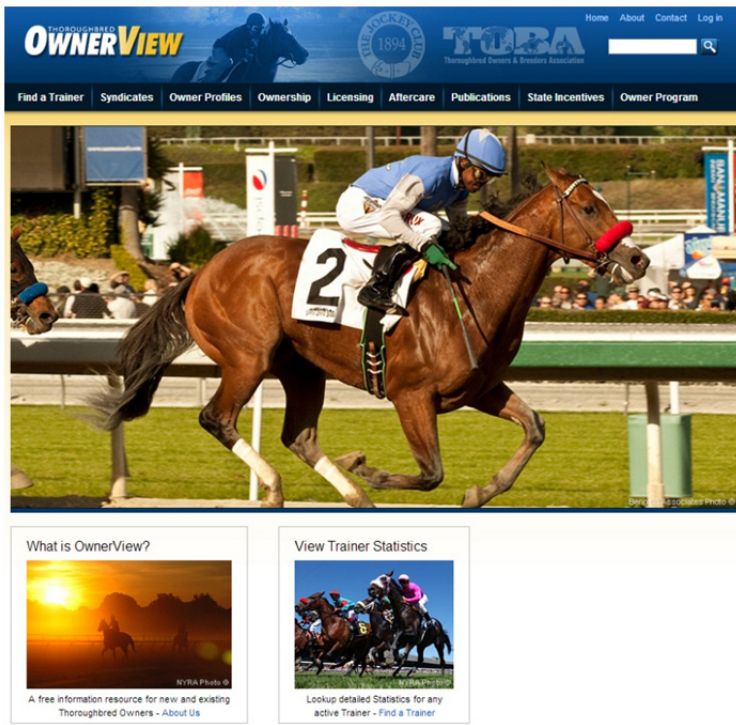
Additional invites to the Florida Derby, Louisiana Derby, Blue Grass Stakes and Preakness have been extended to writers from other mainstream, non-traditional platforms that have traditionally not covered horse racing.

On the social media front, America's Best Racing's Facebook following is up 70 percent from last year and Twitter following is up 90 percent. ABR also unveiled a Pinterest and Instagram page that is growing and will serve to augment the new homepage via a photo-sharing experience with fans, using the hashtags #americasbestfashion and #americasbesttracing.

This enables fans to share their photos and see themselves and their friends on the ABR website.

OwnerView

Creating a central resource to encourage ownership of Thoroughbreds and provide accurate information on trainers, public racing syndicates, the process of purchasing and owning a Thoroughbred, racehorse retirement, and owner licensing was one of the recommendations emanating from the comprehensive economic study of the sport.



In May 2012, The Jockey Club and the Thoroughbred Owners and Breeders Association (TOBA) launched Thoroughbred OwnerView (ownerview.com), a free website that reduces the barriers to ownership and serves as a comprehensive resource for current and prospective Thoroughbred owners. It features a wide range of information regarding owner orientation, trainers, public racing syndicates, licensing, and racehorse retirement, among other topics.

Since its debut, the OwnerView website has attracted approximately 56,000 unique visitors. The site traffic in January 2013 was 20 percent higher than the traffic in December 2012.

Approximately 80 different organizations within the Thoroughbred industry are promoting OwnerView and 68 of the nation's top 100 trainers have registered and posted their profiles on OwnerView.

“We want the ownership experience to be as rewarding and enjoyable as possible, and the early response to this initiative has been exceptional,” said Dan Metzger, president of TOBA.

The Stronach Group recently created a software widget that promotes Thoroughbred ownership through OwnerView on its various Facebook pages.

“We believe OwnerView, with its wealth of free information and the transparency it offers, is a valuable initiative for this entire industry, and the Stronach Group wants to do its part to support it,” said Mike Calderone, chief marketing officer of the Stronach Group.

The new Facebook widget includes the full OwnerView content from the getting started with “Ownership” section. Topics covered in this section include Expert Advice videos, Selecting Your Advisors, Purchase Options, Developing a Business Plan and eight additional topics.

The Facebook widget features different racing syndicates from the OwnerView site. “Many new owners get started in ownership by investing in one or more of these managed syndicates,” said Calderone. “The new widget showcases a different racing syndicate each week.”

The new OwnerView Facebook widget is available to any industry organization that wants to promote ownership and OwnerView on their Facebook site.

Gary Falter, vice president of operations for The Jockey Club, said the website will serve as a foundation for future strategic recruiting activities, most notably in the area of social media such as Facebook and Twitter.

Recent features added to OwnerView include State Incentive Programs and Publications & Books.

The next new feature to be included will be a listing of all Thoroughbred racetracks in North America with a link to their Racetrack Profile.



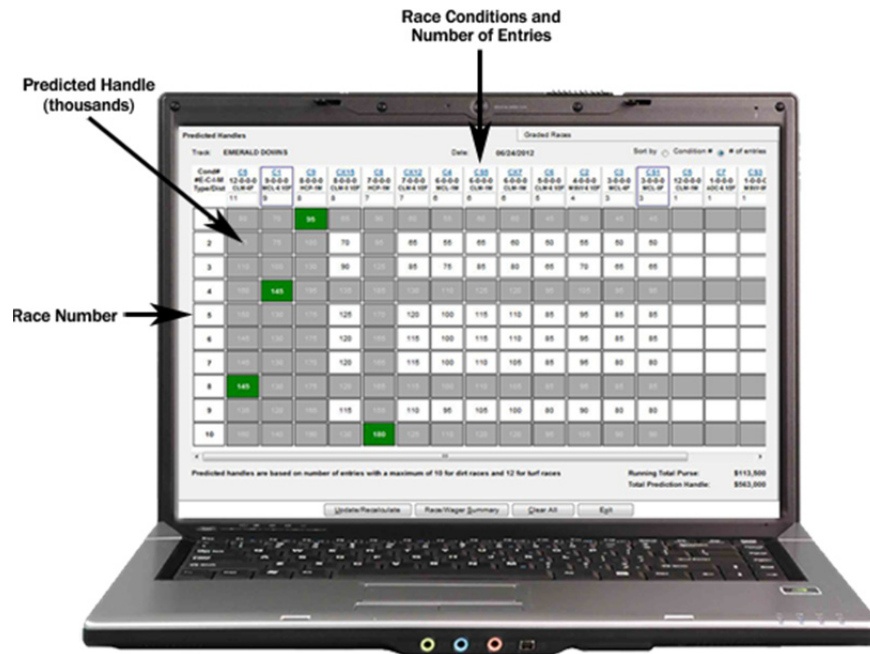
Additional information about OwnerView or the Stronach Group's Facebook OwnerView widget can be obtained by contacting Gary Falter at The Jockey Club, (859) 224-2803 or gfaller@jockeyclub.com.

Recent feedback about OwnerView:

- *"This looks like an excellent and much needed website for owners. It brings all the salient features of horse racing together and saves a lot of time otherwise spent browsing different programs for information. Additionally, there is information which is not normally found on the internet. Keep up the good work."* — Arthur Amos, Thoroughbred owner
- *"I would recommend a visit to the OwnerView website to every current and prospective owner. This is one-stop shopping for a wealth of vital information about everything from trainers and partnerships to aftercare."* — Jeff Cannizzo, New York Thoroughbred Breeders
- *"OwnerView is a valuable tool for anyone wanting to become more educated on thoroughbred ownership. The website provides free information to the public as a way to benefit the sport through education and transparency."* — David Switzer, Kentucky Thoroughbred Breeders
- *"Transparent information and statistical data is standard for the modern day investor and OwnerView provides that platform for any existing or prospective owner."* — Aron Wellman, Eclipse Thoroughbred Partners

Scheduling Tool

In January, InCompass Solutions Inc., a subsidiary of The Jockey Club, announced that it had completed development of an analytic Scheduling Tool designed to maximize handle for its customer racetracks.



The Scheduling Tool projects handle based on a comprehensive set of variables, including expected field size, post time and the quality of races being offered by competing tracks. It also recommends the optimal placement of individual races on the card, thus providing benefits to racing facilities of all sizes.

Developed by InCompass and The Jockey Club Technology Services in collaboration with McKinsey & Company, the Scheduling Tool is already in use at 10 racetracks, and InCompass expects widespread adoption in 2013. After a successful beta test this past spring at Turfway Park, the Scheduling Tool is now being used at Churchill Downs, Fair Grounds, Hoosier Park, Keeneland, Laurel, Monmouth Park, Parx Racing, Pimlico, Santa Anita and Turfway Park.

The Scheduling Tool, which complements a Post Time Coordination Tool that InCompass introduced in March 2011, is offered free of charge to all Thoroughbred racetracks that are InCompass customers.

Earlier this month, InCompass purchased the customer relationship management (CRM) software of Minneapolis-based Redfish Studio. The CRM-consulting division of InCompass will be known as InCompass360, and Matt Scalzo, the founder of Redfish Studio, will serve as a full-time consultant.

With the acquisition, InCompass now offers a full array of marketing and CRM consulting services.

InCompass360 will enable racetrack management personnel to view customer activity in all areas of contact, including advanced deposit wagering, live wagering, attendance, ticketing, group sales, marketing, point-of-sale systems, and racing data.