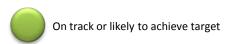
Race Club and Key Stakeholders Monthly Report

March 2014



Key Performance Indicators YTD

KPI	Actual	FY13	Budget	Commentary	Status
Funded prizemoney	\$29.2m	\$29.0m	\$29.5m	For the seven months ending 28 February 2014. Includes Special Interest and Iconic races funding.	
Average funded prizemoney	\$16,668	\$16,066	\$16,527	For the seven months ending 28 February 2014.	
Race meetings conducted	208	211	214	To 23 Feb 2014, against Business Plan (BP) 14-16 and Funding Model, applied YTD.	
Average field size	10.43	10.42	10.51	Average field size in NZ thoroughbred racing to 23 Feb 2014, against average field size in BP 14-16, applied YTD. Slight improvement on FY13, behind Budget	
Races with less than 8 starters	282	253	241	To 23 Feb 2014 v pro rata amount 23 Feb 2013 for Budget. Note only small positive change since comparison against Northern Region drought in Feb to Mar FY13 began.	
Total starts	17,937	18,555	18,357	Total starts made by thoroughbreds to 23 Feb 2014, against budgeted starts in Business Plan 14-16, applied YTD. Behind last year & budget.	
Individual starters	4,262	4,420	4,331	Individual thoroughbreds making starts to 23 Feb 2014, against budgeted starts in BP 14-16, applied YTD. Individual starters also projected to decline on FY13.	
Domestic sales (FOB and Tote)	\$270.3m	\$275.8m	\$272.5m	Total domestic turnover to 23 Feb 2014, against budget in BP14-16, applied YTD. Turnover declining partly on decrease in races – per race turnover is actually up.	





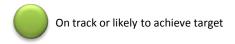
Still possible to achieve target but some risks to outlook



Low possibility of attaining FY14 target

Key Performance Indicators YTD (cont'd)

KPI	Actual	FY13	Budget	Commentary	Status
Domestic market share	55.08%	55.67%	55.43%	For the six months ending 31 January 2014	
NZRB distribution to NZTR	\$46.2m	\$44.7m	\$46.2m	For the seven months ending 28 February 2014 NZRB Distributions on budget.	
International royalties	\$4.64m	\$6.02m	\$5.46m	To 31 Jan 2014, against budget in BP14-16, applied YTD. Exchange rate and reduction in Sky 1 coverage.	
NZTR core op ex (excl. marketing)	\$3.5m	\$3.5m	\$3.4m	For the seven months ending 28 February 2014 Full Year forecast now slightly above budget.	
Females as % of individual starters	48.45%	48.42%	49.50%	Behind expected % of female individual starters as at 23 Feb 2014. Small improvement on FY13 season YTD.	
Races conducted at venues with 10+ mtgs p/a	68.72%	64.00%	69.97%	To 23 Feb 2014 a higher than budgeted % of races have been run at venues with 10+ meetings a year. Significant improvement on FY13 projected, behind budget, though.	
% of starts from strategic training tracks	71.85%	70.92%	71.00%	To 23 Feb 2014 a higher number of horses trained at Strategic Training Centres have started compared to FY14 budget. Improvement on FY13 projected.	





Still possible to achieve target but some risks to outlook

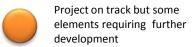


Low possibility of attaining FY14 target

Key Projects as at 27 February 2014

Project	Commentary	Status
Race Club Partnership Program	The roll out of the race club partnership program has commenced with eight race clubs. Feedback from these pilot clubs will be incorporated into the full roll-out due to commence by 31 March 2014. Stakeholder surveys for initial race clubs have been sent out. Racecourse venue inspections have already been conducted at a number of South Island racecourses.	
Marketing	A marketing meeting took place on Wednesday 12th February, attended by Andrew Birch and Tara Hughes from NZTM; Greg Purcell, Campbell Moncur, Stuart Duggan and Aliesha Moroney from NZTR; and Brent Cooper for Social Racing. The meeting discussed development of the NZTR Strategic Marketing Plan and key marketing areas to be addressed and overseen by NZTM including development of a consumer facing brand (and accompanying website), with the brand to appeal and target those beyond the converted racing fans; overhaul of complicated ownership forms and subsequent development of a strategy to better promote ownership; ongoing development of the NZ Racing Desk (Media Desk); improvements to the existing NZTR website and the Digital Media Strategy, which includes a handover of some of the duties of recently resigned James Preston; improved relationship with Trackside and the NZRB On Course Marketing Team; development of a PR and Media Relationship Strategy; Social Racing, in particular, Social Racing's pairing of rowers Hamish Bond, Eric Murray and Joseph Sullivan with Sir Patrick Hogan in a horse named Aotearower, an entry-level way into Racehorse Ownership; and establishment of Silk Club, which has a fashion focus linked to racing.	
Synthetic Track	NZTR is still working with the NZRB on the synthetic trials and training track proposed at Cambridge or Matamata. NZTR is holding \$2m to fund its share of the project. Two preferred providers are being evaluated for site engineering and survey assessment.	







Project requires urgent action to achieve targeted outcomes

Key Projects as at 27 February 2014

Project	Commentary	Status
2014-15 Race Dates	On 19 December Clubs received advice outlining timelines to be adopted leading to the intended completion of the 2014-15 Racing Calendar renewal. It was originally planned to present a Draft calendar to the Dates Committee of the NZRB Board on 18 February followed by circulation of the draft calendar to Clubs on 24 February. In discussions with the Codes over recent weeks proposals affecting the makeup of the 2014-15 Calendar have been mooted which warrant further discussion and development. The Dates Committee meeting of 18 February has now been moved to 4 March. As a consequence we now aim to circulate the draft in mid-March. Although there has been a compression of timelines it is still intended that Clubs will have a month to then respond with their submissions.	
On-course Wi-Fi evaluation	The trial of a potential on-course mobile Wi-Fi solution was conducted at Trentham on Saturday 25 January. This trial is currently being evaluated. A second trial will be held over Auckland Cup week.	
Self-Service Terminals	25 self service terminals have been ordered for use at Ellerslie (6), Te Rapa (4), New Plymouth (3), Awapuni (4), Trentham (4) and Riccarton (4). It is anticipated that delivery of the self-service terminals will be in April/May 2014.	
Sectional Timing System	A full trial will be held at Counties on 19 March.	







Project requires urgent action to achieve targeted outcomes

Further Matters for Information

1. Vacant Seat On NZTR Board

The Members' Council will meet on 10 March to consider all applications for the vacant seat. Applications close at 5pm on 28 February and the Members' Council will receive on 3 March copies of all applications received by the deadline.

2. NZTR Members' Council

Charles Whyte (Central Region) resigned from the Members' Council. This vacancy has been filled by Bruce Perry, who was appointed by the Members' Council, until the AGM in November 2014.

3. Rangiora

NZTR Chief Executive will be attending a special meeting of the Canterbury Jockey Club on 11 March 2014 to discuss the future of racing and training activity at Rangiora racecourse.

4. Visit by the Hong Kong Jockey Club (HKJC)

Executives from the HKJC visited New Zealand between 3 February 2104 and 6 February 2014 at the invitation of the Department of Foreign Affairs. The delegation was hosted by NZTR on 4 February 2014 and 5 February 2014 touring the Waikato and Wellington. Meetings were held with Department of Primary Industry on quarantine and horse movement issues; NZRB on comingling and race scheduling; and NZTR on re-homing ex-racehorses and other issues. The visit proved extremely positive in deepening the HKJC/NZTR relationship.

5. Meeting to discuss Thoroughbred racing coverage in Australia

A meeting between NZTR and Racing Victoria was held on 17 February 2014 in Australia to discuss Thoroughbred racing coverage in Australia. The meeting was extremely positive with all parties agreeing to enter into further dialogue.

Matters for Information (cont'd)

6. Thoroughbreds In Equestrian Sport (TiES)

A partnership between NZTR and Equestrian Sports New Zealand (ESNZ), titled Thoroughbreds in Equestrian Sport (TiES), promoting opportunities for second careers for thoroughbreds in equestrian sport, has been extended to Showing. A Thoroughbred Class has been added to Showing (in addition to Eventing, Dressage and Jumping) at the Horse of the Year Show in Hawke's Bay on 18-23 March. This comes under the Royal Agricultural Society.

7. Meeting with the NZ Trainers' Association

The Chairman and Chief Executive conducted a teleconference with NZTA Chairman Tony Pike and NZTA Executive Officer Wendy Cooper on 18 February 2014 to discuss a wide range of issues.

8. Meeting with the NZ Jockeys' Association

The Chief Executive met with the NZJA President Dave Taylor, Reese Jones and Hayden Tinsley at Hamilton on 7 February 2014 to discuss a wide range of issues.

9. 2013-14 New Zealand Pattern Committee Nominees

NZTBA has confirmed their nominees to the 2014 NZ Pattern Committee as being Andrew Stewart, Michael Martin and Mark Freeman (replaces Steve Till). NZTBA has confirmed its nomination for Chas Amon as Chairman and Andrew Seabrook on behalf of the Bloodstock (Sales) Agents. NZTR has also confirmed its nomination for Chas Amon as Chairman and approved Tom Jamison, Russell Warwick and Jeff McCall continue as its nominees.

10. Racing Safety Development Fund

The latest round of Racing Safety Development Fund applications close on 31 March 2014.

Matters for Information (cont'd)

11. Equine Herpes Virus-1

An outbreak of Equine Herpes Virus-1 a neurological disease, diagnosed at a Cambridge stud in early January, is the first outbreak ever reported in New Zealand. The disease has been previously reported in Australia and is endemic in America and Europe. The Department of Primary Industry (MPI) put in place appropriate biosecurity measures designed to contain the spread of the disease. This was successful with all confirmed cases being restricted to two adjoining paddocks at the stud. The NZ Equine Health Association and the Executive of the NZ Equine Branch of the Veterinary Association has worked closely with MPI on this issue.

Representatives from MPI and the NZEHA met with Studmasters (including representatives from the affected farm) on 26 February in Cambridge to discuss the outbreak, in particular to explain what actions were taken and why, and the decision not to release the name of the farm. Discussion also included reasons for and against application to place EHV-1 as a 'notifiable disease.' Such status comes with far-reaching national and international restrictions.

Of interest too, a study started at Massey University in February 2012 on 52 horses heads processed at a NZ abattoirs suggests that EHV-1 (the neuropathogenic D752 strain) has been present in the NZ horse population for at least two years. Further testing of the samples from this study is still in progress.

12. Rule Amendments

A meeting between Integrity Committee chairman Peter Hutt, NZTR Chief Executive, Simon Cooper and Bell Gully Partner Mike Colson was conducted on 12 February 2014 to discuss Rule amendments, with increased emphasis undertaken in the initial stages of formulation in relation to the objectives of any rule change being considered.

It is the intention of NZTR to make Rule changes quicker as they pass through the 10-step process, from drafting and consultation through to Ministerial approval and tabling in the House, without compromising any stage in this process. It can sometimes take many months to complete the Rule amendment process.

Matters for Information (cont'd)

13. Nine Apprentices Complete Qualifications in 2013

The Primary Industry Training Organisation (PITO) has advised there has been a significant increase in the number of Apprentice Jockeys completing their jockey qualification programme in 2013. Eleven riders have attained the required number of credits (222) to complete their Level 5 Jockey qualification. This compares with just four that completed in 2012.

The following Apprentices completed last year and are now licensed as Senior Riders – Rosie Myers, Michael McNab, K C Walters, Shaun Phelan and Lisa Robertson. A further six have recently completed their qualifications but are continuing to ride as Apprentices to take advantage of their claim – Ross Doherty (69 wins), Lisa McKay (9), Alysha Templeman (24), Ashley McKay (8), Brittany Moore (Pittman) (74), and Merena Hudson (8).

There are a further 49 registered Apprentices currently engaged in training through the PITO, along with the Probationers, who are not captured on the PITO jockey training schedule until they are actually licensed as Apprentices. The majority of the Probationers are currently working through the Level 2 stablehand and track rider introductory training programme.

The uptake reflects the work being undertaken by the PITO and NZTR to improve the delivery of training through the apprentice schools with an increased focus around on-job as distinct from theory based assessments.