

To: All members of NAB affiliated BPA's.

Update on Negotiations.

I am writing to update you with reference to the ongoing negotiations with racecourses regarding the post 2012 situation.

As you will be aware we have concluded the deal with Towcester racecourse, but as yet do not have final proposals to put before members on other locations.

However, we are at a stage with Northern racing where we expect and hope to have terms which we can recommend within the next few weeks. These terms will be broadly similar to those discussed with many members – 5 times on most days and 6 times on premium days to last for 40 years, with a further period of 10 years to be individually negotiated from 2052. The full detail will be discussed as soon as we can agree the final proposal..

It has become apparent that many of the smaller tracks will be prepared to follow similar lines and once we can agree the deal with Northern, and have it ratified by members, we expect to make progress fairly rapidly with a number of independent tracks and with Arena courses, where productive talks have already taken place.

It is fair to say that more difficult discussions are likely with the larger independents and groups where the model referred to above, of having graded days with multiples of entry price, comprise only one component of their initial positions – a variety of suggestions have been made by them including turnover, higher multiples of entry fees, combinations of both etc etc.

We will continue to negotiate with these tracks in order to arrive at a deal which we can recommend to members, but there is clearly quite a way to go to get to that stage.

Our principals in the negotiations are to achieve a fair deal for all bookmakers, to achieve certainty for all bookmakers (for example, we do not see why there should be a need for reviews on the commercial terms if the badge fee is linked to a multiple of entry price – reviews would only cause uncertainty every 3, 4 or 5 years), and to arrive at deals which can be notified to bookmakers for their consideration with a recommendation to accept.

As stated, we would hope to have some news on the Northern deal within the next few weeks -- in the meantime please contact me either on the racecourse or by e-mail the NBPA or the NAB should you wish to discuss any part of this strategy or the content of this note – I would welcome your feedback and comment.

Keith Johnson

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