



10<sup>th</sup> February 2009.

### News Update from the Chairman.

Dear Members,

With nearly all racecourses opening transfer windows and an auction planned for the 4<sup>th</sup> of March, several bookmakers are currently reviewing their pitch portfolios and have been enquiring about my intentions at the auction and also asking me for information to help them make their decisions.

Each bookmaker's situation is different and I can only offer some general observations. You will appreciate that I am limited to what I can say without potentially prejudicing the actions and discussions that are ongoing on behalf of all of us.

I firmly believe that on-course bookmaking will have a future up to 2012 and beyond, but trading conditions are currently tough and may well get tougher. The future may be quite different to what we are used to and the market may not support as many full time businesses as has been the case historically.

In calculating the value of a list position, bookmakers may want to consider the following factors –

Currently we are facing a triple whammy of falling turnover, falling margins and increasing costs, this has led to a reduced number of bookmaker attendances and on most days now there are empty pitches and it is quite likely that this trend will continue.

The 'credit crunch' is going to effect racecourses in the next few years in that there will be a falling number of race-goers and corporate hospitality could well be decimated. Even some of the bigger meetings may suffer.

Going forward there are the triple uncertainties of post 2012. Tenure, commercial arrangements and the threat of new competition on the racecourse. A lot of bookmakers are focusing almost entirely on the issue of tenure, but tenure isn't any good on its own, we also need to have a viable business.

The FRB continues to deal with an enormous amount of work to achieve a fair and workable solution post 2012 and there have been several positive developments, in particular, comments made recently in Parliament by the Sports Minister, Mr Gerry Sutcliffe. A well respected team of professionals are engaged to ensure that no options are ignored and we also enjoy the support of quite a number of Members of Parliament.



However, the RCA have still not withdrawn the letter of March 2007 which stated that list positions “will not be recognised after 1<sup>st</sup> September 2012”. The RCA has mentioned the possibility of a period of ‘Right of First Refusal’ but this is unacceptable, as it would not provide any rights to buy or sell OUR list positions.

As with all business investments, bookmakers should consider issues such as potential return on capital and estimated number of years required for payback.

Bookmakers must make their own calculations as to the valuation of any list position. I expect to remain an active bidder at auctions but not necessarily always a buyer.

A satisfactory resolution of 2012 is vital to us but there are other issues –

Levy – as a result of the efforts of the NAB on the Bookmakers’ Committee, there will be no daily attendance fees at racecourses from April 2009.

SIS/TurfTV – the FRB has reached agreement with both companies that will secure an income stream for the next five years. On-course bookmakers are reminded to forward their ‘Notice of Assessment’ and ‘Certificate of Discharge’ for the 46<sup>th</sup> Levy to the Secretary of the FRB in good time for payment. (The last date for submissions is 30th April 2009).

AGT - it is hoped that once the contract with the RCA is finally signed, a meeting with bookmakers will take place to enable AGT to answer any questions that bookmakers might have.

RIGT – negotiations are on-going which we hope will lead to RIGT accepting a single payment from the FRB, on behalf of all racecourse bookmakers, to cover all donations due.

Gambling Commission – we continue to meet with GC representatives to try to clarify and simplify the responsibilities of on-course bookmakers.

Tattersalls Committee – this is now under the wing of AGT.

Communications – if any bookmaker wishes to contact me directly, they may do so by e-mail at [kjohnsonltd@hotmail.com](mailto:kjohnsonltd@hotmail.com). Any other enquiries or comments can be made to the Secretary via the e-mail facility available on the NAB website.

I would like to conclude by thanking all those that continue to help me on a daily basis and to offer thanks on behalf of all on-course bookmakers for the efforts that our former Chairman, George Moir, has put in over many years.

*Keith Johnson - Chairman  
National Association of Bookmakers.  
10<sup>th</sup> February 2009.*