International Simulcast Update
PMU – French Racing

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France, a nation of horse lovers

**The racing sector**
- 242 racecourses: 50% of all tracks in Europe
- More than 15,000 races (trotting, flat and jumps)
- 2014 prize money: €190 million for flat and Jump races and €250 million for trotting
- World famous racing events: Prix de l’Arc de Triomphe and Prix d’Amérique

**The equine sector**
- 1 million equine animals
- Over €14 billion turnover*
- 180,000 jobs e.g. 0.6% of active population

*Sales of the final products of the « Racing » and « Leisure and Sport » economic sectors, plus associated activities (e.g. horse feed, veterinaries cares...)*
PMU Facts and Figures

- 6 million customers in France
- 12,200 retail outlets
- PMU.fr the n°1 online betting site in France with 363,700 active accounts
- 6 billion betting transactions per year
- €10,552,310 : record winning Quinté+ in October 2011
€10 billion handle in 2014

In 2014 PMU paid €850m to Racing Associations, funding 80% of the French Equine sector.

Division of ‘offline’ handle on horse race betting

- Punters: 75.0%
- Net Betting revenue: 14.9%
- VAT: 3.0%
- Betting Tax: 7.1%
PMU’s international activity

**Import**
Foreign races offered to French punters complement the domestic program

- 2,793 foreign races from 28 countries in 2014
- €647 million handle (+13%)

**Export**
French races simulcast abroad to foreign markets

**In common pool:**
- 34 BtoB partners in 19 countries in 2014
- €728 million handle (+14%)

**In separate pool:**
- 38 BtoB partners in 27 countries
- >€1 billion estimated turnover
PMU’s international activity

- PMU’s subsidiary
- BtoB Common pool
- BtoB Separate pool
- BtoB CP & SP
- Import of foreign races

Map showing the international locations and activities of PMU.
PMU’s international activity

- PMU has historically developed international markets through BtoB partnerships
- Since 2010, PMU has also undertaken BtoC developments and investments in strategic markets
- The long term goal of PMU is to generate 10% of its international revenue by 2020 (BtoC)
- A first step was made in 2013 with the purchase of a Belgian operator, EuroTierce
- In 2015, PMU moved further with the launch of BtoC operations in Germany and Brazil
In August 2015, PMU bought a 51% share in German Tote, the leading German pari-mutuel operator owned by the German thoroughbred Racing Industry (BGG)

- BtoB partner of PMU since 2002 – €236 million handle in 2014
- 74 betting outlets including 7 owned by the company - 3 websites

PMU wants to take advantage of its expertise in horserace betting organization and commercial networks management to reinvigorate horserace betting in Germany

- Modernize and develop sales networks
- Rejuvenate and improve the image of horse racing and betting in Germany
- Increase the revenues of German and French racing industries
In October 2015, PMU’s subsidiary PMU Brasil signed with the Jockey Club Brasileiro (JCB) a 10 year partnership agreement to develop their revenue from betting activities in Rio and the rest of the country.

The purpose is to increase funding to Brazilian horseracing Industry and improve the quality and exportability of its races.

Organization and distribution of betting will be optimized using PMU’s know-how.

PMU Brasil will also offer simulcasting of foreign races.

Through this new partnership, PMU wants to show its ability to succeed on a new and promising continent.
Exporting French racing to North America

- Separate B-pool betting offered on Prix de l'Arc de Triomphe since 2002

- Daily common pool betting launched in November 2011
  - Numerous tote, data and picture issues to resolve
  - Perfect links for ITSP compliant bet types
  - Seven USA betting partners (predominately online and mobile)

- Common pool betting offered on Prix de l'Arc de Triomphe since 2012
  - Time of day (early morning in USA) always a hurdle to overcome
  - Up to 55 USA betting partners

- Looking ahead
  - Expand play on French harness racing with USA-style data feeds and PPs
  - Launch live broadcast service (in English) aimed at North American market
  - Development of interfaces that handle French "super exotic" bet types
Importing foreign races into France

- Among the agreements signed by France Galop and LeTrot, the following have proven especially successful thanks to the cooperation of foreign partners adapting to French requirements:
  - Flat racing: Argentina, Chile, Uruguay
  - Trotting: Netherlands, Spain, Yonkers (USA)
  - Both disciplines: Belgium, Germany, Switzerland
Merci!
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