

**THE ECONOMIC IMPACT OF SLOT MACHINES  
ON PENNSYLVANIA'S PARI-MUTUEL  
WAGERING INDUSTRY**



***BENCHMARKING THE INDUSTRY  
2006 – 2007***

**PREPARED FOR: MELINDA M. TUCKER, DIRECTOR OF RACETRACK GAMING  
PREPARED BY: KEVIN C. KILE, GAMING OPERATIONS LIAISON**

## ***BACKGROUND***

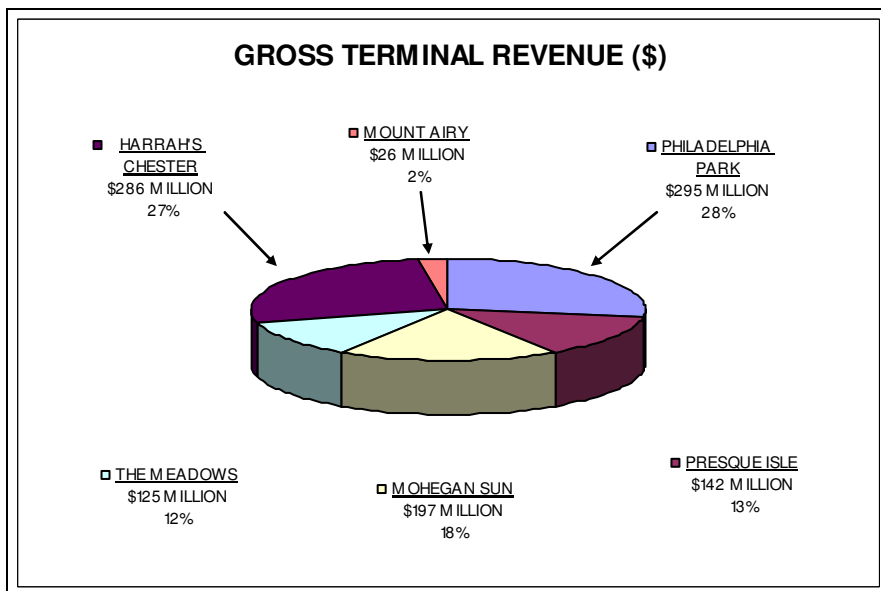
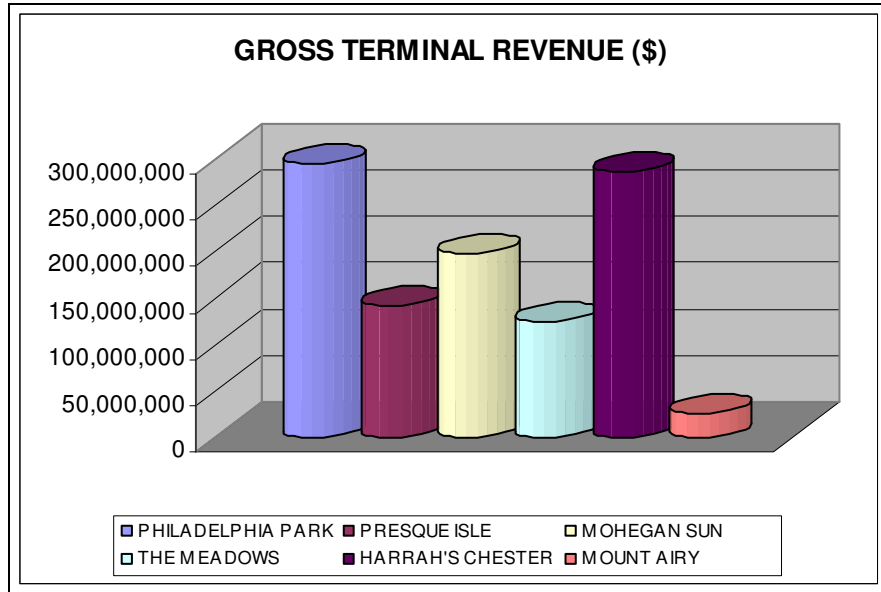
- ✓ This report presents a preliminary overview of the economic impact of slot machines on Pennsylvania's pari-mutuel wagering industry.
- ✓ The Pennsylvania Race Horse Development Fund has been established within the State Treasury.
- ✓ The Pennsylvania Race Horse Development Fund is the economic driver which is derived from gaming revenue and is used to stimulate the success of racing in Pennsylvania.
- ✓ Each active and operating licensed gaming entity pays a daily assessment to this fund based on a percentage of each licensed gaming entity's gross terminal revenue.
- ✓ Pursuant to 4 Pa.C.S. §1406(a)(1), the distributions to licensed racing entities from the Pennsylvania Race Horse Development Fund are allocated as follows:
  - 80% is deposited weekly into a separate, interest bearing purse account for the benefit of the horsemen. Licensees combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.
  - For thoroughbred tracks, 16% is deposited on a monthly basis into the Pennsylvania Breeding Fund as defined in section 223 of the Race Horse Industry Reform Act.
  - For standardbred tracks, 8% is deposited on a monthly basis in the Pennsylvania Sire Stakes Fund as defined in section 224 of the Race Horse Industry Reform Act, and 8% is deposited on a monthly basis into a restricted account in the State Racing Fund known as the Pennsylvania Standardbred Breeders Development Fund.
  - 4% is used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates.

## ***DEFINITIONS***

- ✓ ***Gross terminal revenue*** – is slot machine wagers less payouts and promotional credits.
- ✓ ***Purses earned*** - is the total amount of money available to be paid to the winning horses. Purses come from different sources, one of which is distributions from the Pennsylvania Race Horse Development Fund.
- ✓ ***Purses paid*** - is the total amount of money distributed to the winning horses.
- ✓ ***Live racing handle*** - is total wagers accepted through a single racetrack operation on their own live races.
- ✓ ***On-track*** - represents on location at a live racing facility.
- ✓ ***Phone wagering*** - is a phone betting service which allows people with betting accounts to place wagers via telephone.
- ✓ ***Off-track*** - represents off location at a stand alone wagering facility, which accepts wagers on live races simulcast via television.
- ✓ ***In-state export*** - is the total amount wagered at other facilities in Pennsylvania through simulcast wagering. A racino ***exports*** their live racing signal to other properties within Pennsylvania.
- ✓ ***Inter-state export*** - is the total amount wagered on Pennsylvania racing at other facilities outside of Pennsylvania through simulcast wagering. A racino ***exports*** their live racing signal to other properties outside of Pennsylvania.
- ✓ ***Total export*** - is a combination of in-state and inter-state export.
- ✓ ***Import*** - is the total amount wagered through simulcast wagering on live races held at other facilities. A racino ***imports*** and accepts wagers on live racing signals from other properties.
- ✓ ***Total handle*** - is the total amount wagered on racing. This includes import and is used as the basis for pari-mutuel tax.
- ✓ **This report details monthly gaming and pari-mutuel wagering statistics from 2006 through 2007. All pari-mutuel handle statistics are deemed an extension of racetrack operations. All statistics have been provided from various sources and have not been audited by the Pennsylvania Gaming Control Board. Figures are rounded in some cases. This does not have a material effect on the results.**

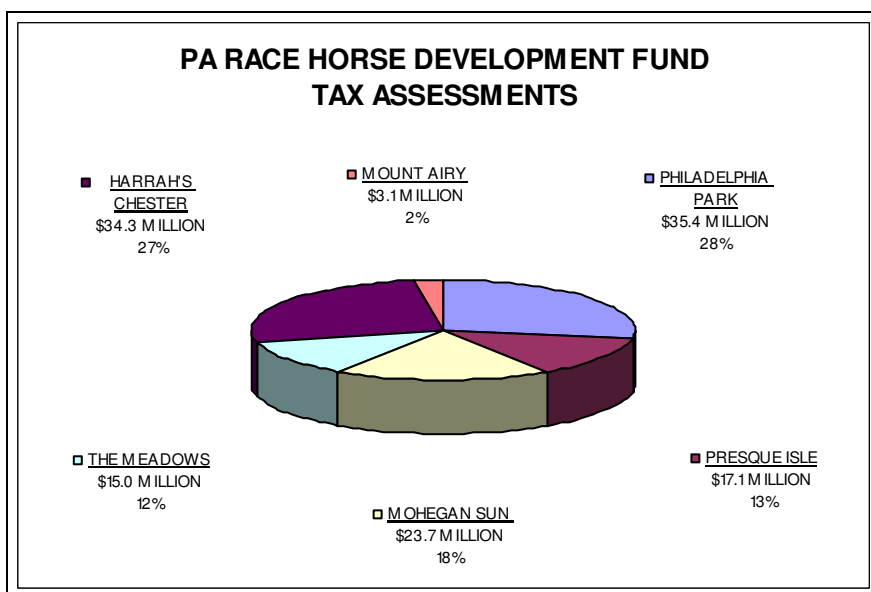
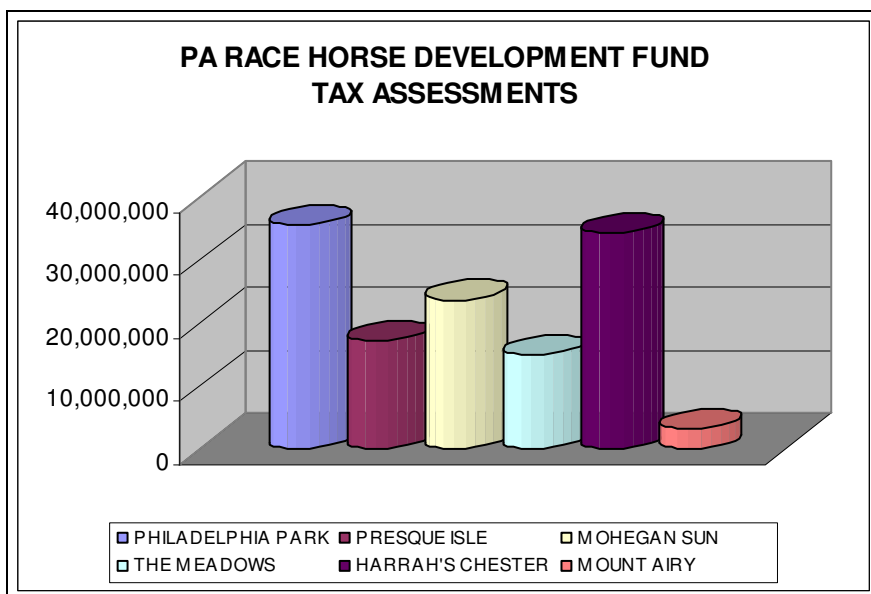
## ***GROSS TERMINAL REVENUE***

- ✓ Total gross terminal revenue in Pennsylvania *exceeded \$1.0 billion* as of the end of December 31, 2007. The following information depicts total gross terminal revenue by licensee through the end of 2007.



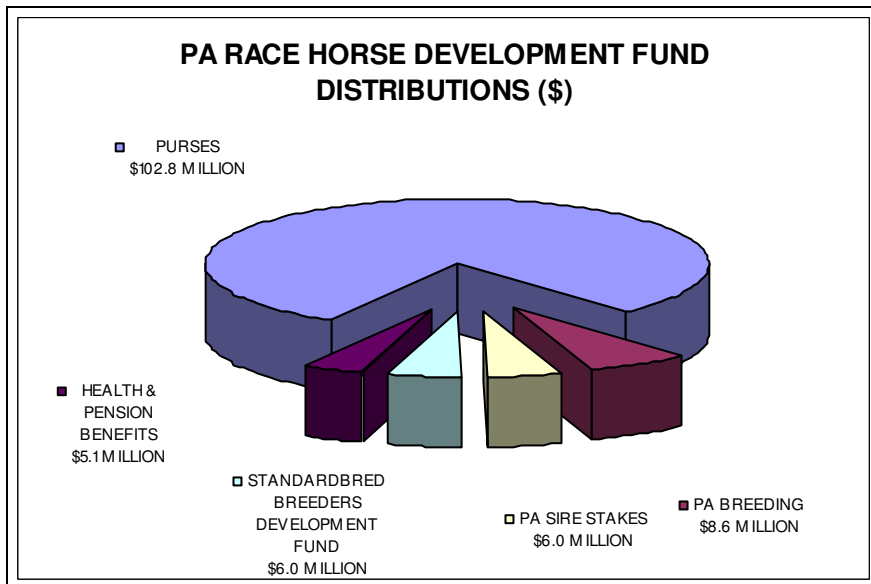
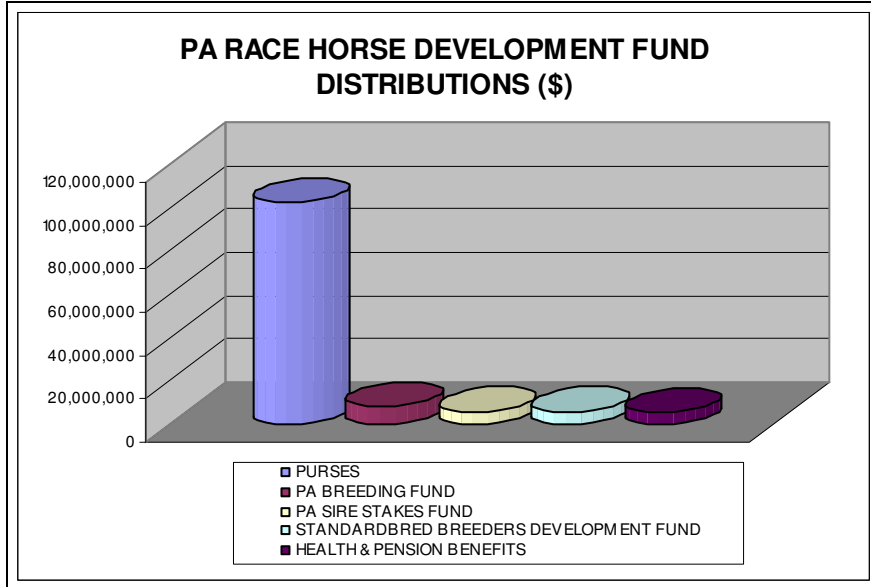
## TAX ASSESSMENTS

- ✓ Each active and operating licensed gaming entity pays a daily assessment to the Pennsylvania Race Horse Development Fund based on a percentage of the licensed gaming entity's gross terminal revenue. The industry total in Pennsylvania was **\$128.5 million** as of December 31, 2007. The following graphs depict total tax assessments through the end of 2007.



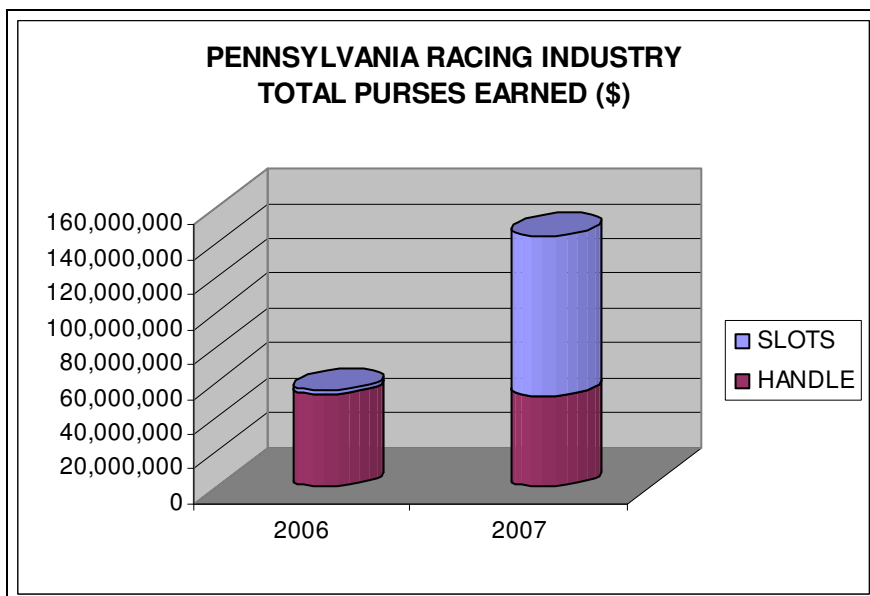
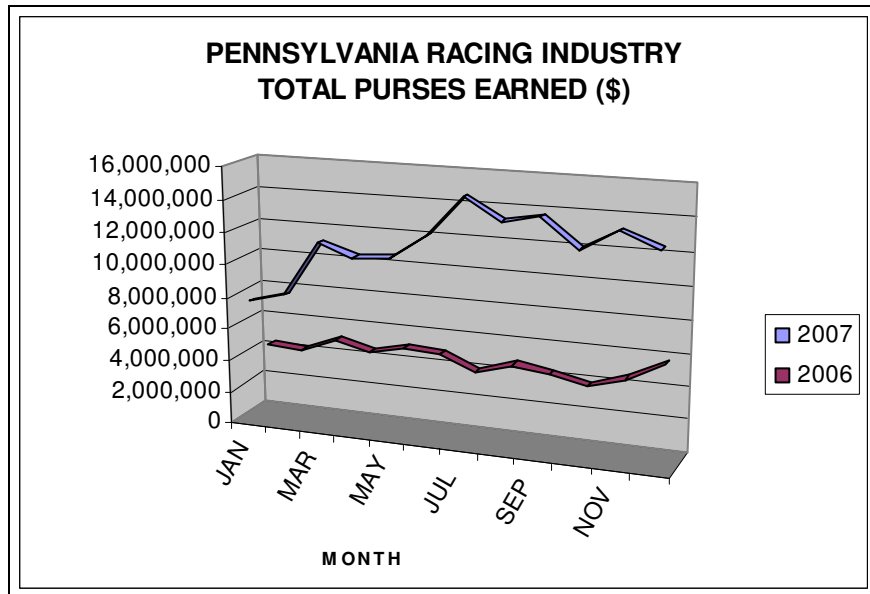
## ***DISTRIBUTIONS***

- ✓ The total distributions from the Pennsylvania Race Horse Development Fund were ***\$128.5 million*** as of the end of December 31, 2007. The following graphs depict the allocation of the distributions through the end of 2007.



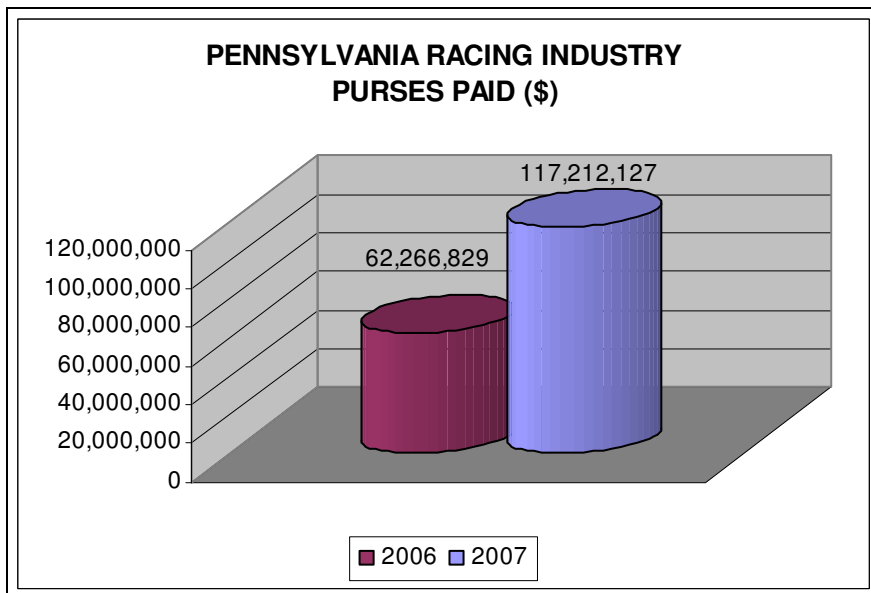
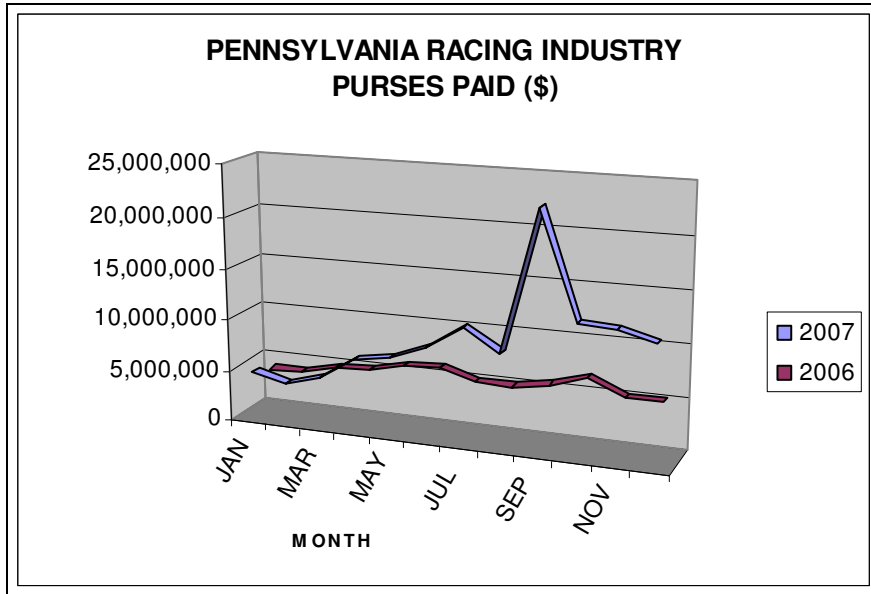
## *PURSES EARNED*

- ✓ Higher purses attract better horses to the racetracks in Pennsylvania. This makes racing more interesting and encourages more patrons to visit the track. The industry total of all purses earned in Pennsylvania **increased by 162.30%** from **\$55.0 million** in 2006 to **\$144.3 million** in 2007. This represents an **increase of \$89.3 million**. The following presents a graphical representation of these results.



## *PURSES PAID*

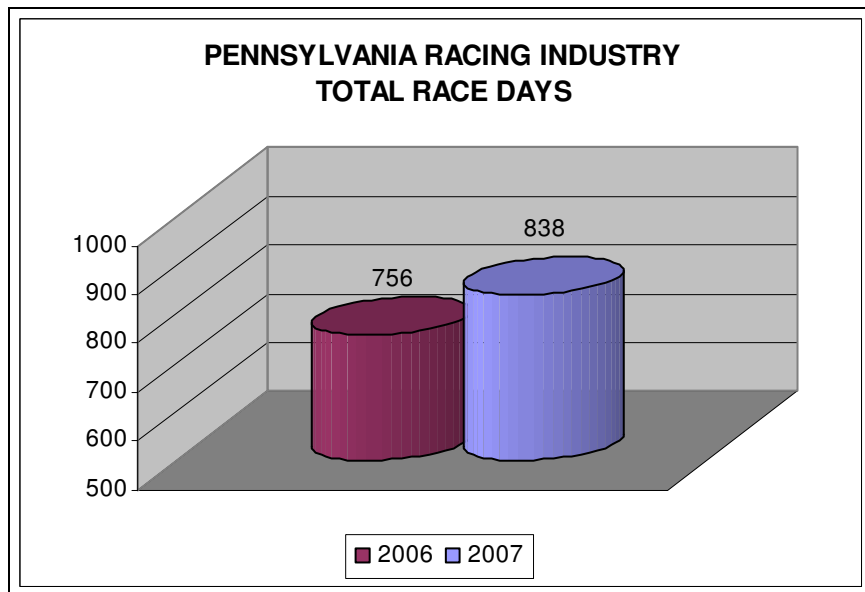
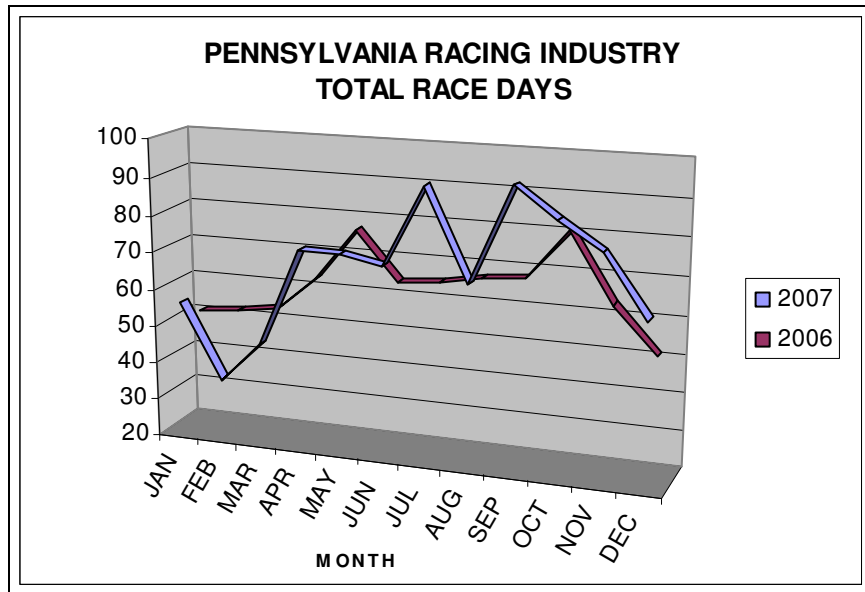
- ✓ The industry total of all purses paid in Pennsylvania *increased by 88.24%* from *\$62.3 million* in 2006 to *\$117.2 million* in 2007. This represents an *increase of \$54.9 million*. The following presents a graphical representation of these results.





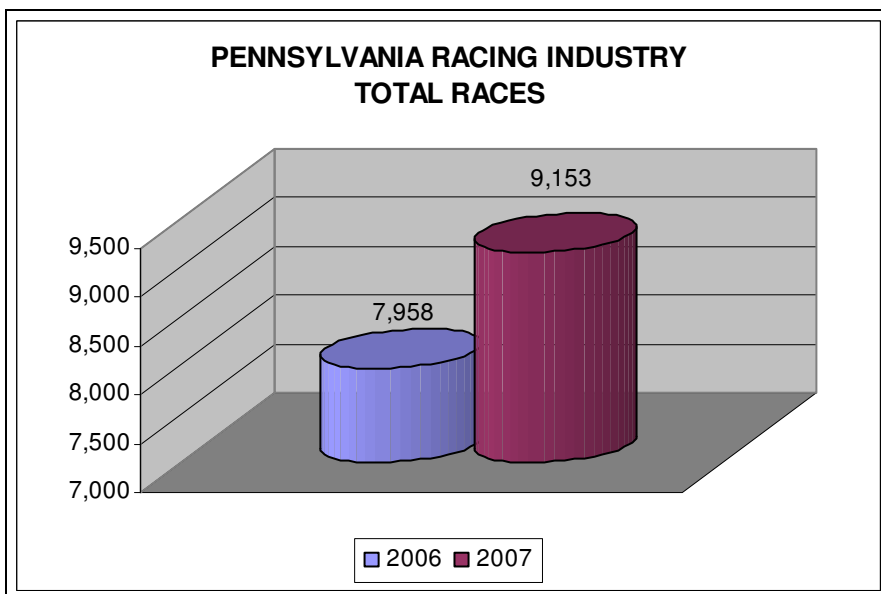
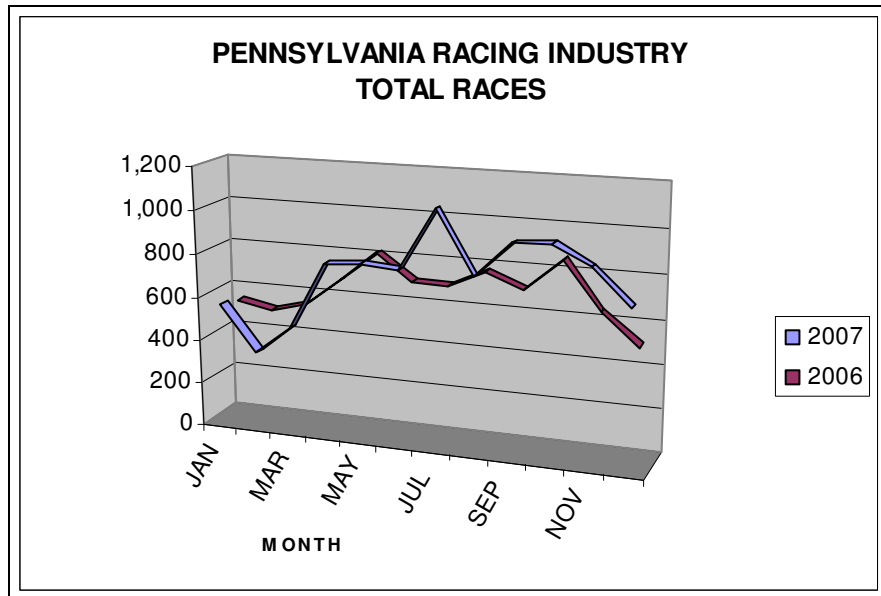
## RACING DAYS

- ✓ With the addition of new tracks in Pennsylvania, the total number of race days has increased. The industry total of all race days in Pennsylvania **increased by 10.85%** from **756 race days** in 2006 to **838 race days** in 2007. This represents an **increase of 82 race days**. The following presents a graphical representation of these results.



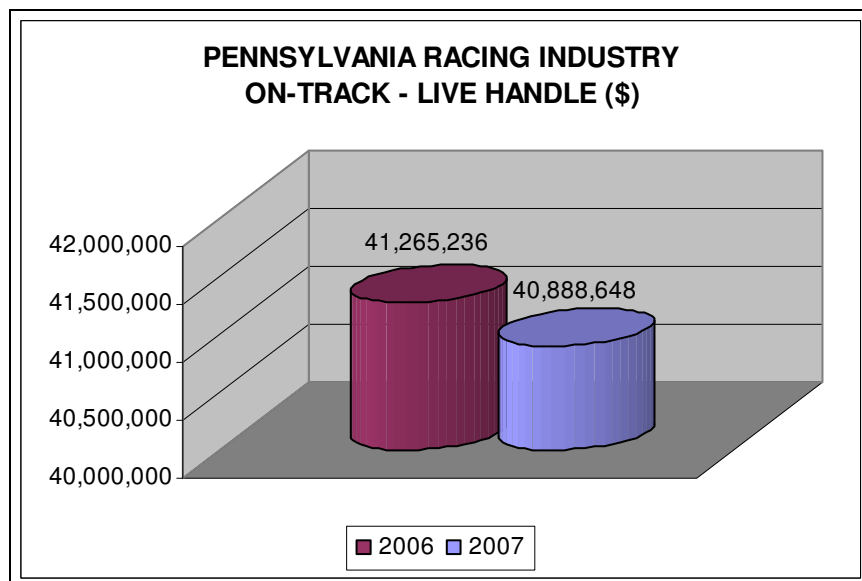
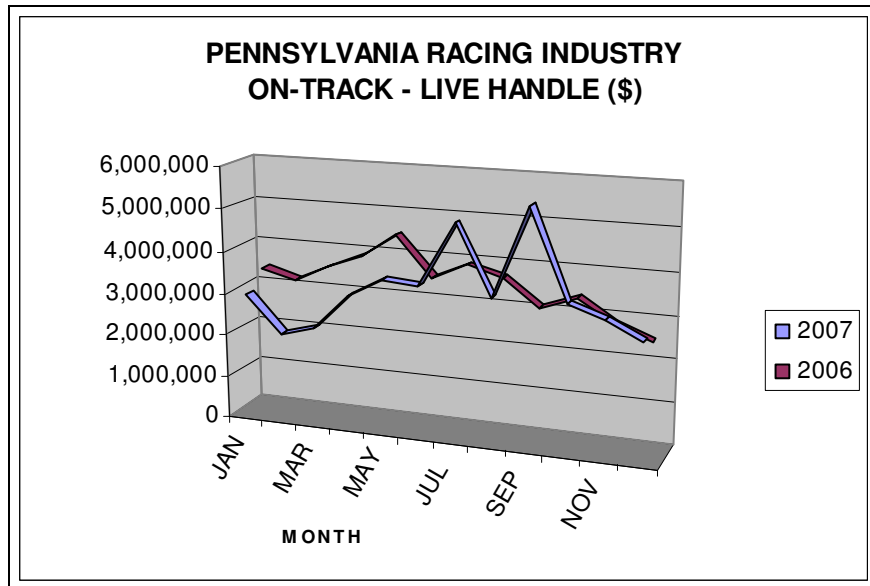
## LIVE RACES

- ✓ Along with an increase in race days, the total number of races has also increased. The industry total of all live races in Pennsylvania **increased by 15.02%** from **7,958 live races** in 2006 to **9,153 live races** in 2007. This represents an **increase of 1,195 live races**. The following presents a graphical representation of these results.



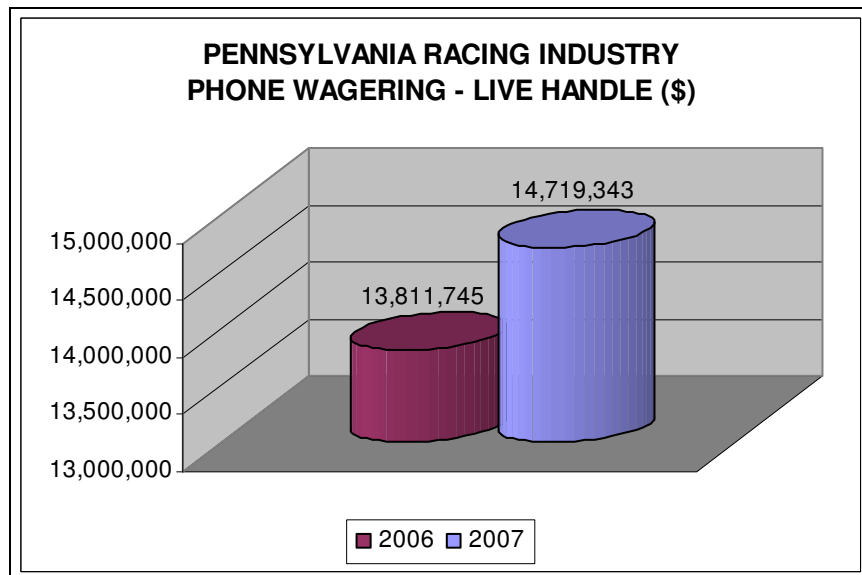
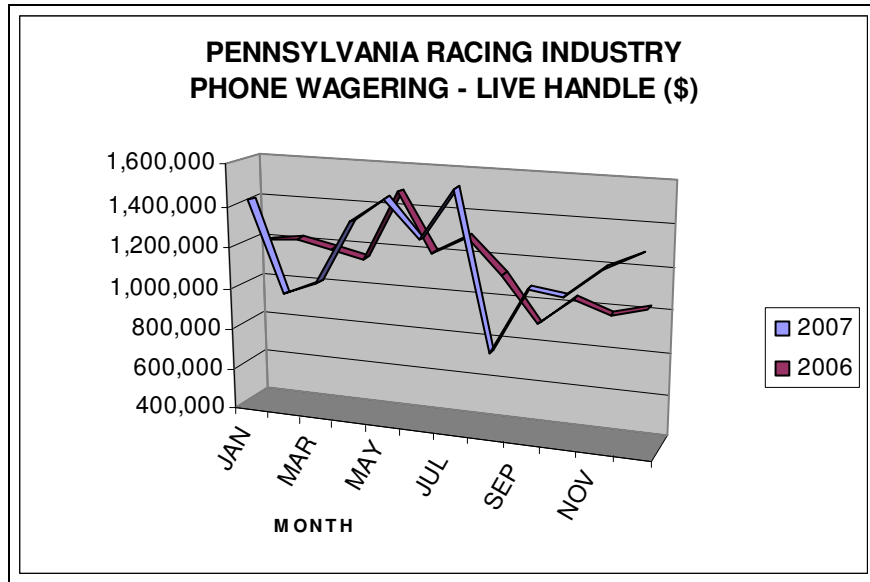
## ***ON-TRACK – LIVE RACING HANDLE***

- ✓ As the gaming market stabilizes and interest builds in the racing industry, the amount wagered on races should begin to increase. The industry total of all live racing handle wagered on-track in Pennsylvania ***decreased by 0.91%*** from ***\$41.3 million*** in 2006 to ***\$40.9 million*** in 2007. This represents a ***decrease of \$376.6 thousand***. The following presents a graphical representation of these results.



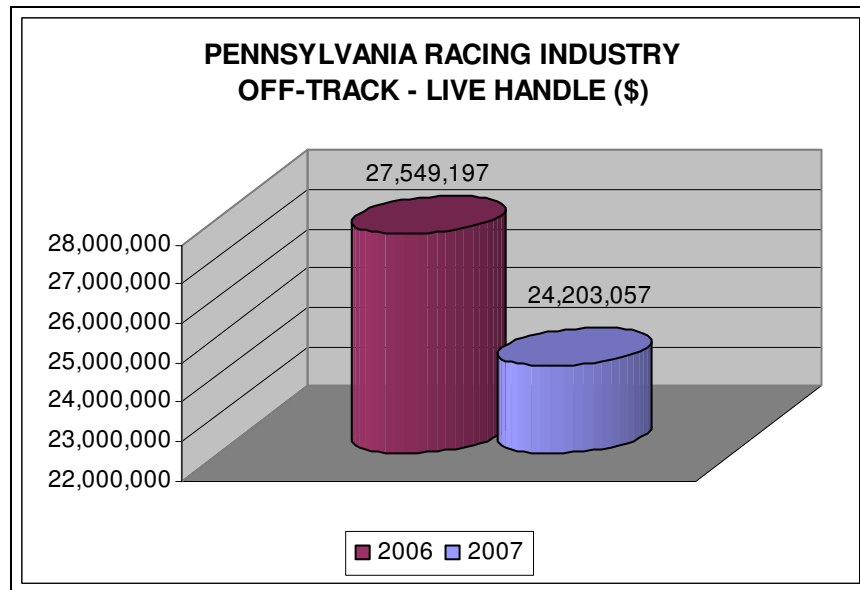
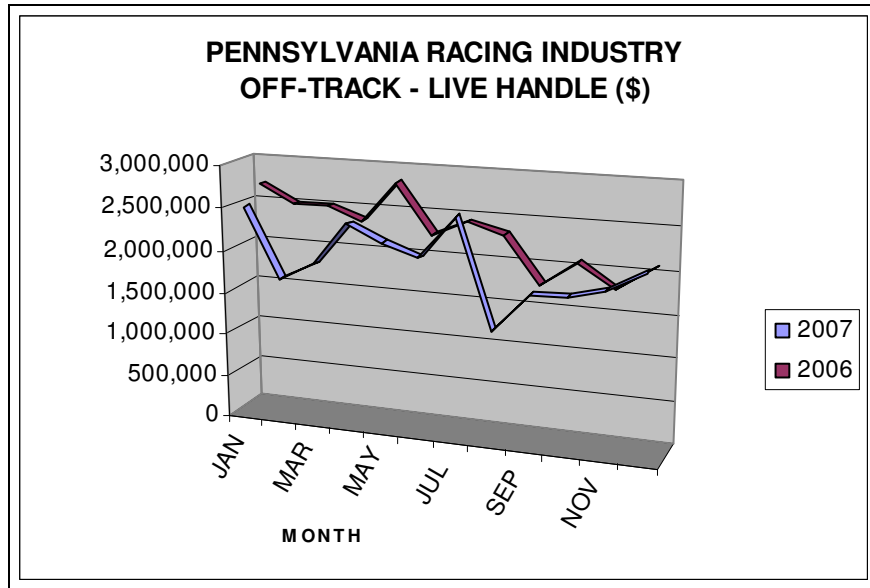
## *PHONE WAGERING – LIVE RACING HANDLE*

- ✓ The industry total of all live racing handle wagered through account wagering or telephone *increased by 6.57%* from *\$13.8 million* in 2006 to *\$14.7 million* in 2007. This represents an *increase of \$907.6 thousand*. The following presents a graphical representation of these results.



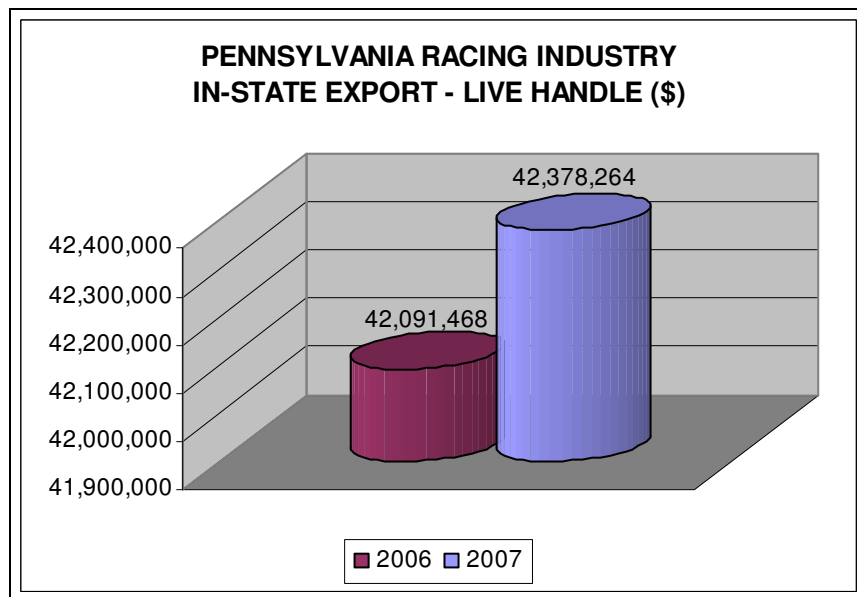
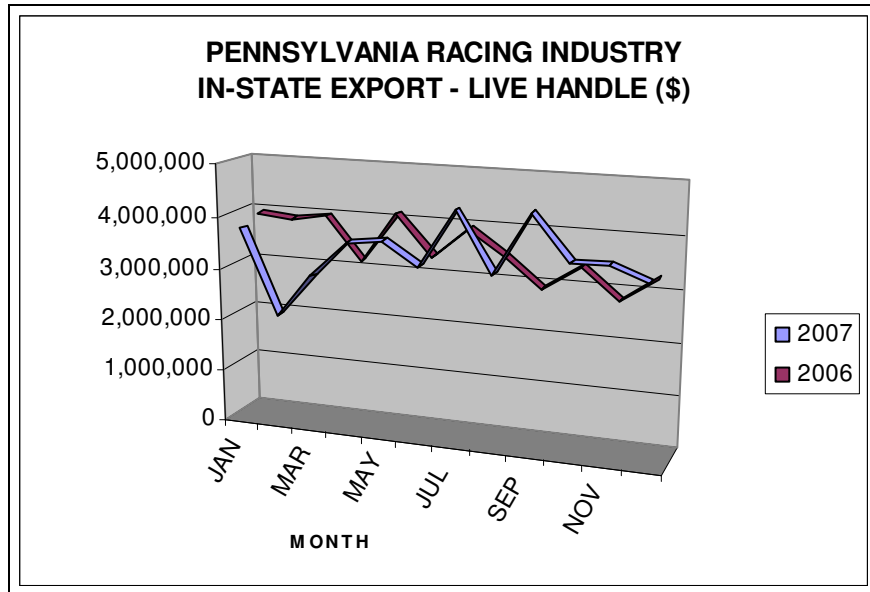
## ***OFF-TRACK – LIVE RACING HANDLE***

- ✓ The industry total of all live racing handle wagered off-track in Pennsylvania *decreased by 12.15%* from *\$27.6 million* in 2006 to *\$24.2 million* in 2007. This represents a *decrease of \$3.3 million*. The following presents a graphical representation of these results.



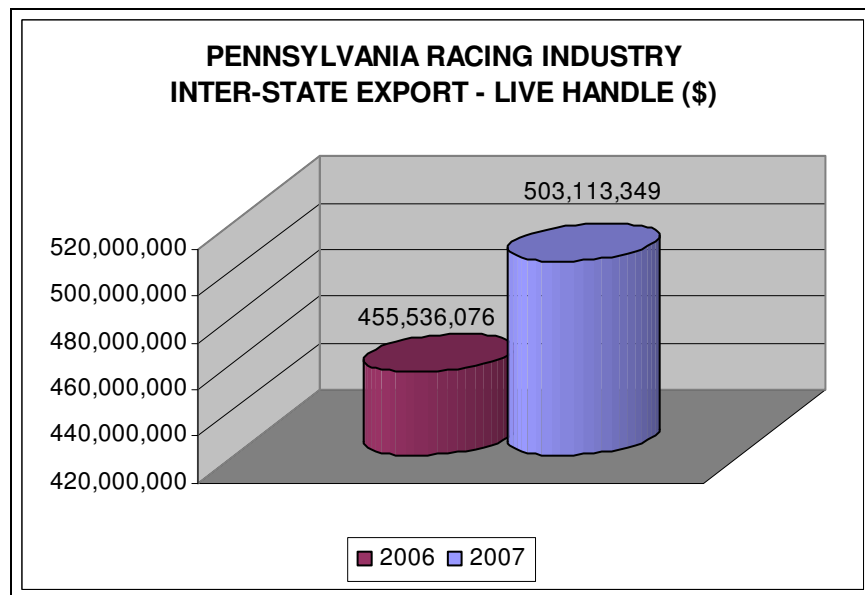
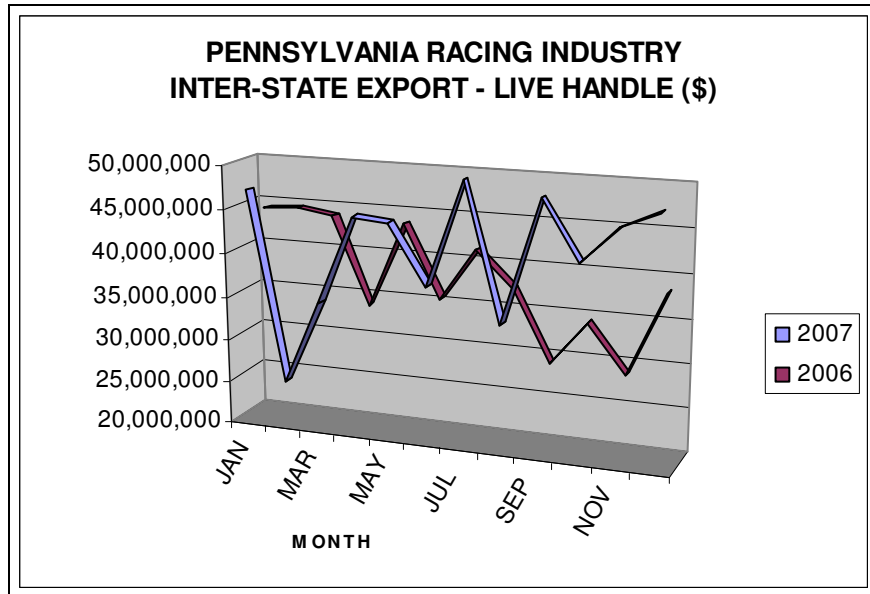
## *IN-STATE EXPORT*

- ✓ The industry total of all in-state export in Pennsylvania *increased by 0.68%* from *\$42.1 million* in 2006 to *\$42.4 million* in 2007. This represents an *increase of \$286.8 thousand*. The following presents a graphical representation of these results.



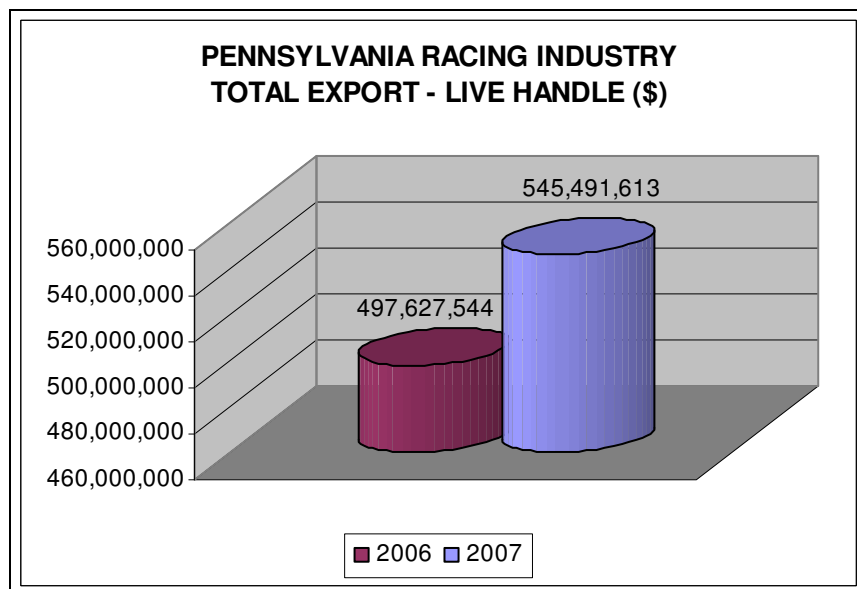
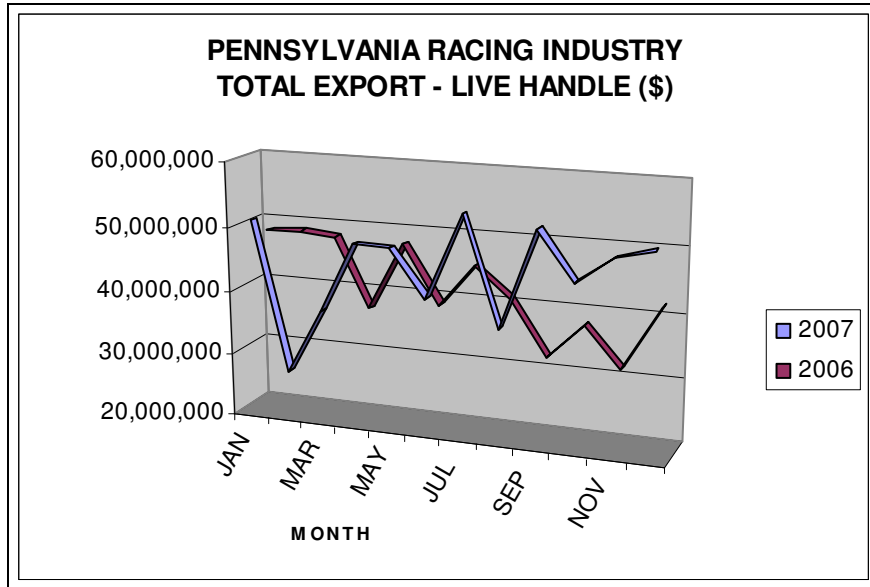
## *INTER-STATE EXPORT*

- ✓ The industry total of all inter-state export in Pennsylvania *increased by 10.44%* from *\$455.5 million* in 2006 to *\$503.1 million* in 2007. This represents an *increase of \$47.6 million*. The following presents a graphical representation of these results.



## ***TOTAL EXPORT***

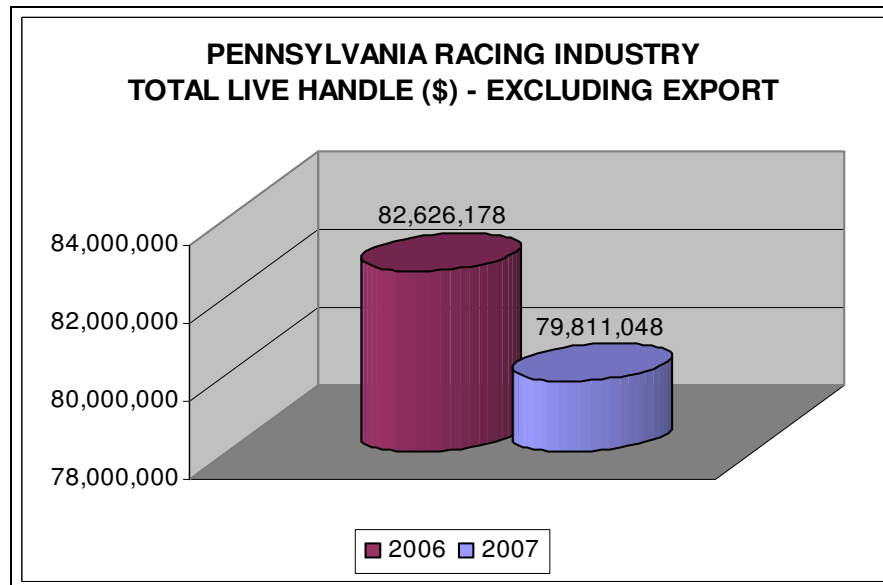
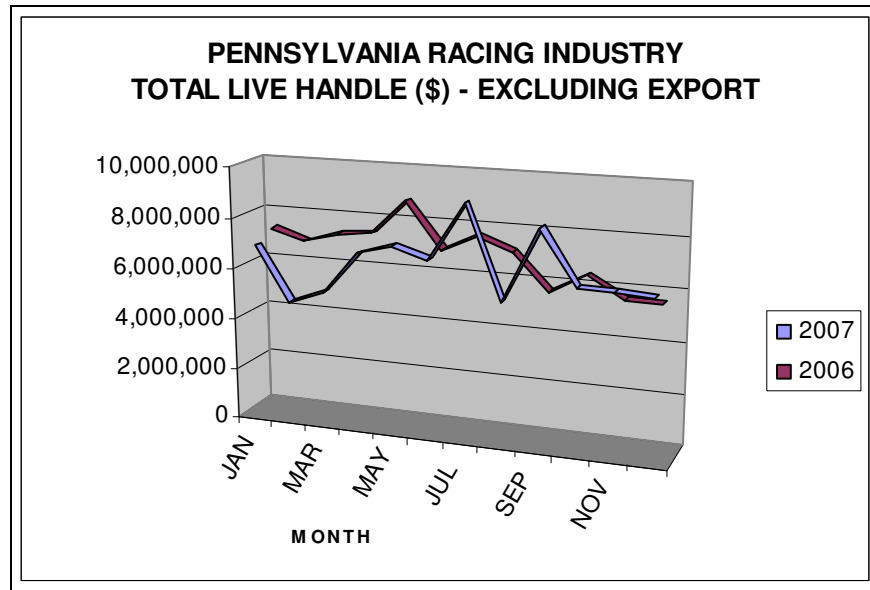
- ✓ The industry total of all export in Pennsylvania *increased by 9.62%* from *\$497.6 million* in 2006 to *\$545.5 million* in 2007. This represents an *increase of \$47.9 million*. The following presents a graphical representation of these results.





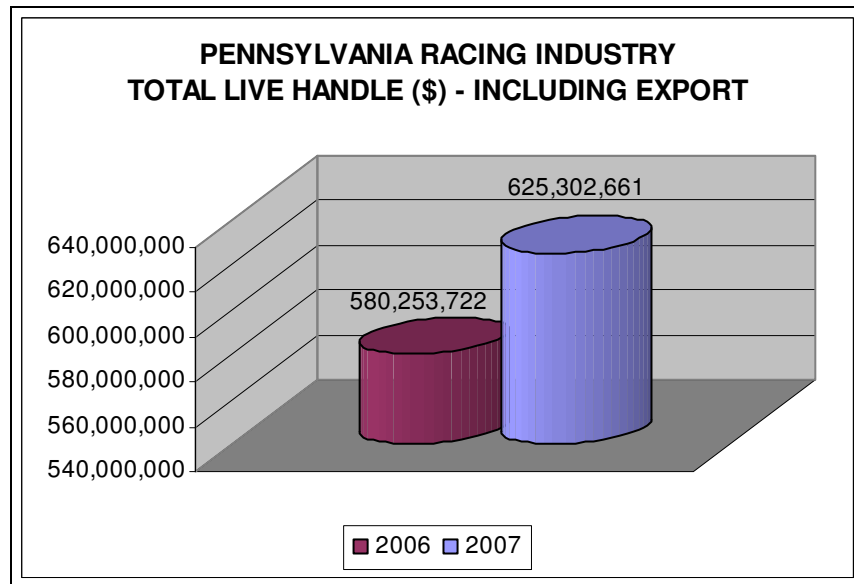
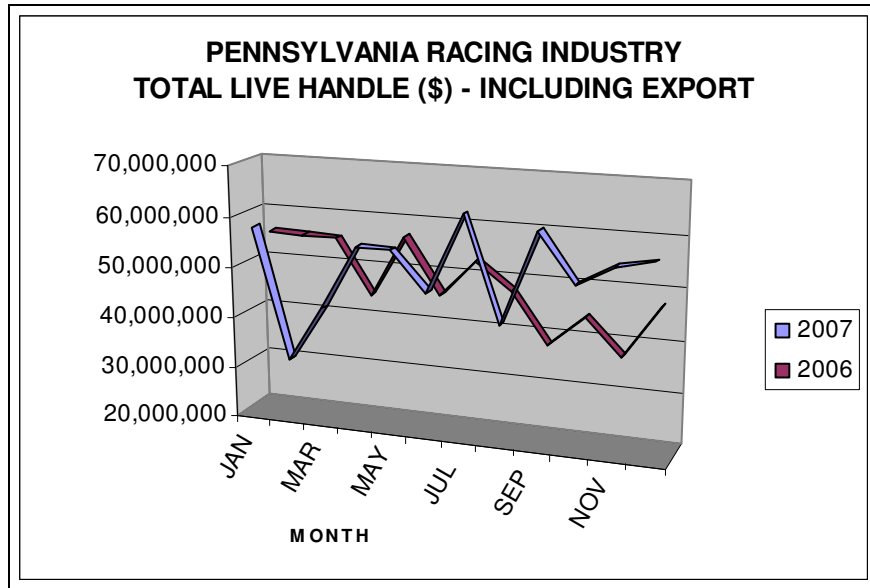
## LIVE RACING HANDLE – EXCLUDING EXPORT

- ✓ The industry total of all live racing handle excluding export in Pennsylvania **decreased by 3.41%** from **\$82.6 million** in 2006 to **\$79.8 million** in 2007. This represents a **decrease of \$2.8 million**. The following presents a graphical representation of these results.



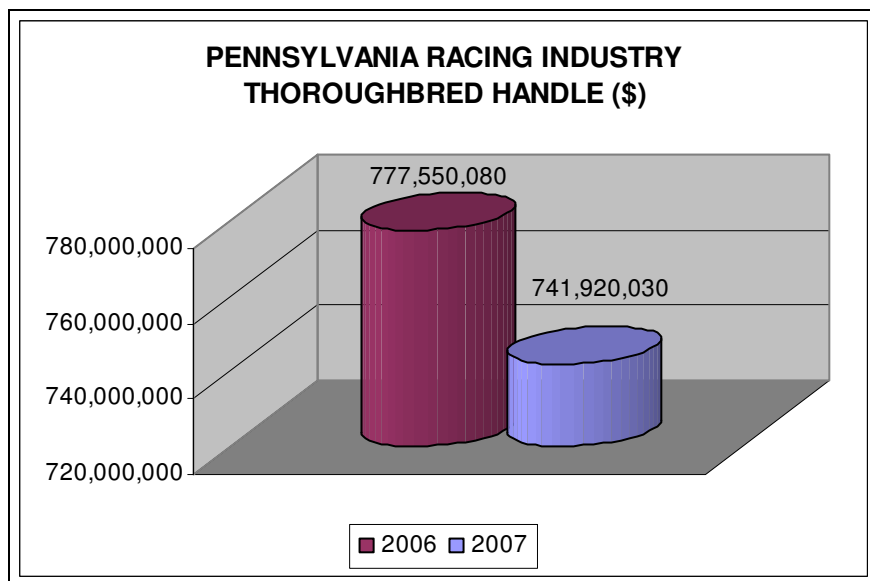
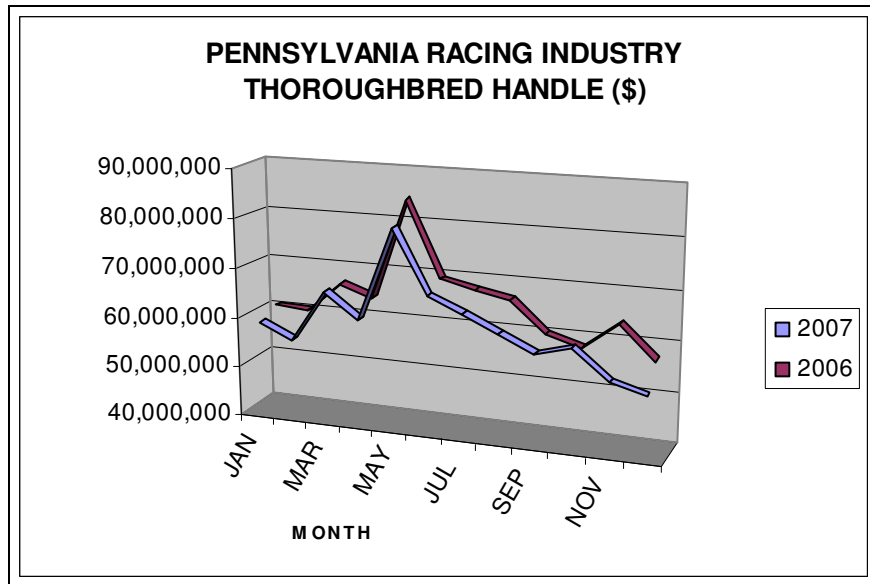
## *LIVE RACING HANDLE – INCLUDING EXPORT*

- ✓ The industry total of all live racing handle including export in Pennsylvania **increased by 7.76%** from **\$580.3 million** in 2006 to **\$625.3 million** in 2007. This represents an **increase of \$45.0 million**. The following presents a graphical representation of these results.



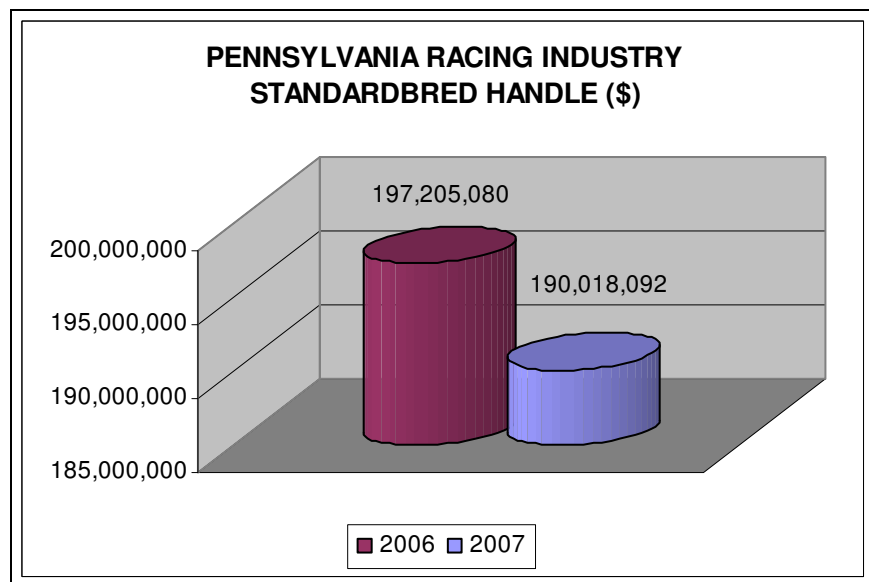
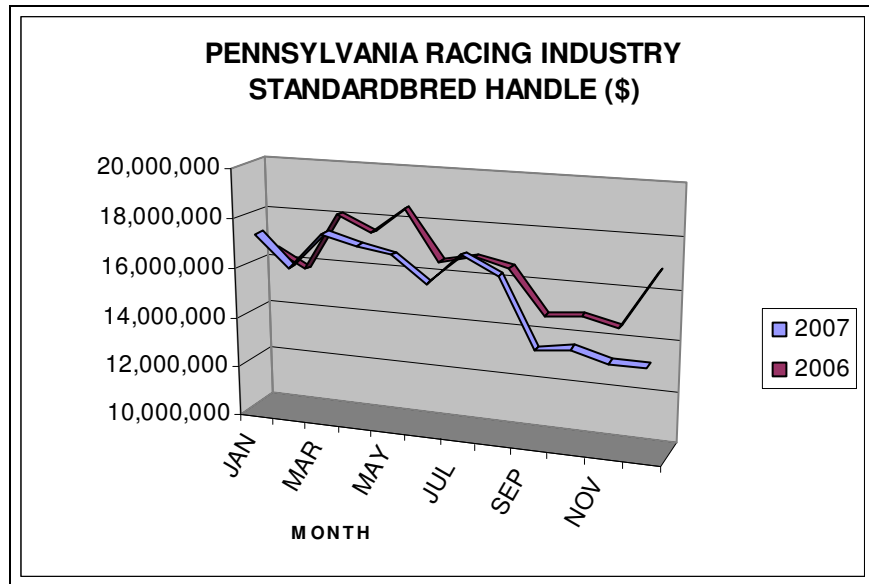
## *THOROUGHBRED HANDLE*

- ✓ The industry total of all thoroughbred handle in Pennsylvania **decreased by 4.58%** from **\$777.6 million** in 2006 to **\$741.9 million** in 2007. This represents a **decrease of \$35.6 million**. These figures include import handle and are used for the basis of pari-mutuel tax. The following presents a graphical representation of these results.



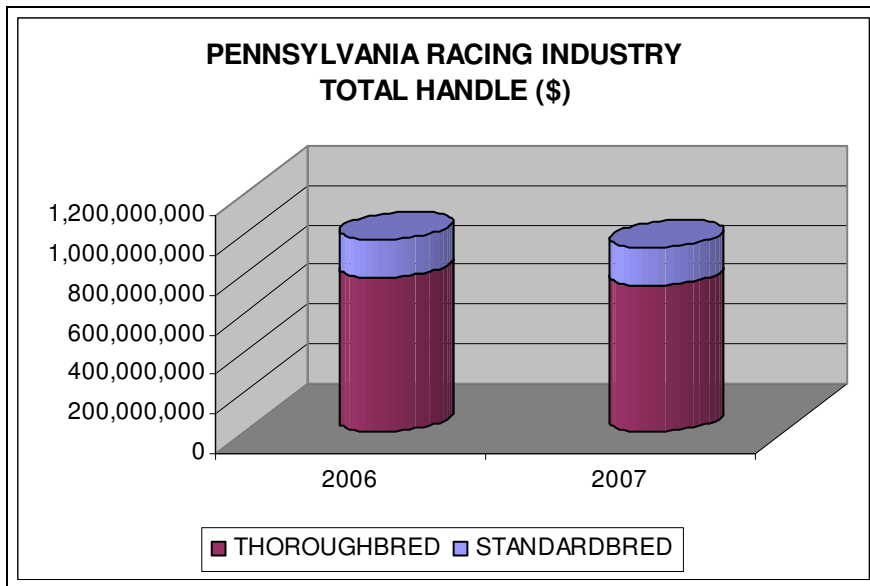
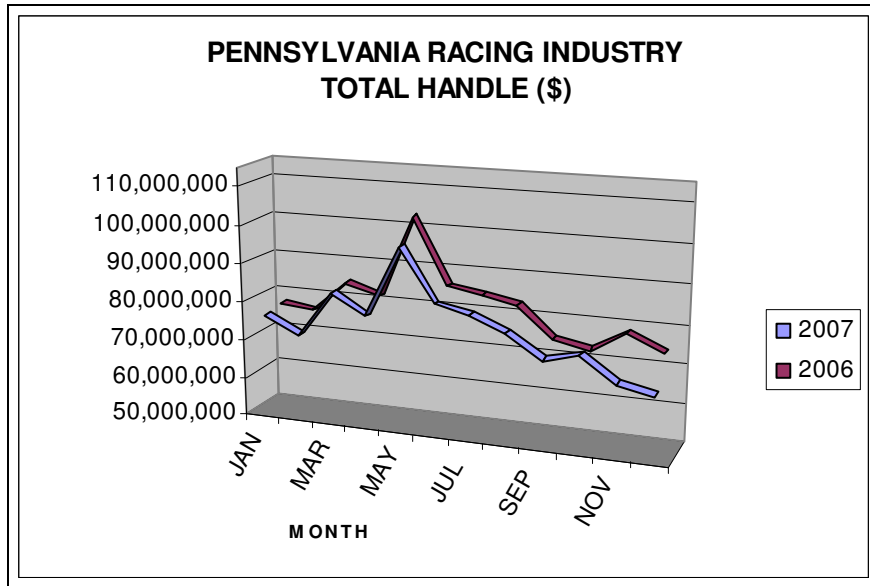
## **STANDARD BRED HANDLE**

- ✓ The industry total of all standardbred handle in Pennsylvania **decreased by 3.64%** from **\$197.2 million** in 2006 to **\$190.0 million** in 2007. This represents a **decrease of \$7.2 million**. These figures include import handle and are used for the basis of pari-mutuel tax. The following presents a graphical representation of these results.



## TOTAL HANDLE

- ✓ The industry total of all handle in Pennsylvania **decreased by 4.39%** from **\$974.8 million** in 2006 to **\$931.9 million** in 2007. This represents a **decrease of \$42.8 million**. These figures include import handle and are used for the basis of pari-mutuel tax. The following presents a graphical representation of these results.













## APPENDIX-A

<u>2006 PRHDF DISTRIBUTIONS (\$)</u>						
	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
PURSES	0	0	0	0	0	0
PA BREEDING FUND	0	0	0	0	0	0
PA SIRE STAKES FUND	0	0	0	0	0	0
PA STANDARDBRED BREEDERS DEVELOPMENT FUND	0	0	0	0	0	0
HEALTH & PENSION BENEFITS	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
PURSES	0	0	0	0	847,932	2,182,589
PA BREEDING FUND	0	0	0	0	0	190,328
PA SIRE STAKES FUND	0	0	0	0	84,793	123,095
PA STANDARDBRED BREEDERS DEVELOPMENT FUND	0	0	0	0	84,793	123,095
HEALTH & PENSION BENEFITS	0	0	0	0	42,397	109,129
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,059,915</b>	<b>2,728,236</b>
						<b>PURSES TOTAL</b>
						<b>3,030,521</b>
						<b>PA BREEDING FUND TOTAL</b>
						<b>190,328</b>
						<b>PA SIRE STAKES FUND TOTAL</b>
						<b>207,888</b>
						<b>PA STANDARDBRED BREEDERS DEVELOPMENT FUND TOTAL</b>
						<b>207,888</b>
						<b>HEALTH &amp; PENSION BENEFITS TOTAL</b>
						<b>151,526</b>
<b>*N/A</b>						<b>2006 TOTAL PRHDF DISTRIBUTIONS</b>
						<b>3,788,151</b>

## APPENDIX-A

### 2007 PRHDF DISTRIBUTIONS (\$)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
PURSES	4,279,524	5,064,292	7,822,582	7,303,034	7,407,702	8,732,008
PA BREEDING FUND	426,545	396,105	815,900	706,964	714,849	719,844
PA SIRE STAKES FUND	214,680	308,377	374,308	376,821	383,346	513,279
PA STANDARDBRED BREEDERS DEVELOPMENT FUND	214,680	308,377	374,308	376,821	383,346	513,279
HEALTH & PENSION BENEFITS	213,976	253,215	391,129	365,152	370,385	436,601
<b>TOTAL</b>	<b>5,349,405</b>	<b>6,330,365</b>	<b>9,778,228</b>	<b>9,128,792</b>	<b>9,259,627</b>	<b>10,915,010</b>
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
PURSES	10,217,182	9,899,111	9,753,795	9,933,113	9,749,127	9,585,493
PA BREEDING FUND	774,817	762,095	767,440	782,247	758,342	773,986
PA SIRE STAKES FUND	634,310	608,864	591,659	602,188	595,742	571,557
PA STANDARDBRED BREEDERS DEVELOPMENT FUND	634,310	608,864	591,659	602,188	595,742	571,557
HEALTH & PENSION BENEFITS	510,859	494,956	487,690	496,656	487,456	479,275
<b>TOTAL</b>	<b>12,771,478</b>	<b>12,373,889</b>	<b>12,192,244</b>	<b>12,416,392</b>	<b>12,186,409</b>	<b>11,981,867</b>
						<b>PURSES TOTAL</b>
						<b>99,746,964</b>
						<b>PA BREEDING FUND TOTAL</b>
						<b>8,399,133</b>
						<b>PA SIRE STAKES FUND TOTAL</b>
						<b>5,775,130</b>
						<b>PA STANDARDBRED BREEDERS DEVELOPMENT FUND TOTAL</b>
						<b>5,775,130</b>
						<b>HEALTH &amp; PENSION BENEFITS TOTAL</b>
						<b>4,987,348</b>
						<b>2007 TOTAL PRHDF DISTRIBUTIONS</b>
						<b>124,683,705</b>

\*N/A

## APPENDIX-B

### 2006 PURSES EARNED (\$)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
PARI-MUTUEL HANDLE	4,376,769	4,247,267	5,044,572	4,467,582	4,976,049	4,888,380
% OF TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SLOT REVENUE	0	0	0	0	0	0
% OF TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>4,376,769</b>	<b>4,247,267</b>	<b>5,044,572</b>	<b>4,467,582</b>	<b>4,976,049</b>	<b>4,888,380</b>
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
PARI-MUTUEL HANDLE	4,028,959	4,652,117	4,291,762	3,838,541	3,672,411	4,448,583
% OF TOTAL	100.00%	100.00%	100.00%	100.00%	81.30%	78.33%
SLOT REVENUE	0	0	0	0	844,702	1,230,951
% OF TOTAL	0.00%	0.00%	0.00%	0.00%	18.70%	21.67%
<b>TOTAL</b>	<b>4,028,959</b>	<b>4,652,117</b>	<b>4,291,762</b>	<b>3,838,541</b>	<b>4,517,113</b>	<b>5,679,534</b>
	<b>PARI-MUTUEL HANDLE TOTAL</b>					<b>52,932,992</b>
	<b>% OF TOTAL</b>					<b>96.23%</b>
	<b>SLOT REVENUE TOTAL</b>					<b>2,075,653</b>
	<b>% OF TOTAL</b>					<b>3.77%</b>
	<b>2006 TOTAL PURSES EARNED</b>					<b>55,008,645</b>

## APPENDIX-B

### 2007 PURSES EARNED (\$)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
PARI-MUTUEL HANDLE	4,079,263	4,155,024	4,846,066	4,781,082	4,760,733	4,664,258
% OF TOTAL	53.01%	50.17%	41.49%	43.78%	42.92%	37.13%
SLOT REVENUE	3,615,688	4,127,473	6,833,703	6,138,418	6,331,035	7,898,213
% OF TOTAL	46.99%	49.83%	58.51%	56.22%	57.08%	62.87%
<b>TOTAL</b>	<b>7,694,951</b>	<b>8,282,497</b>	<b>11,679,769</b>	<b>10,919,500</b>	<b>11,091,768</b>	<b>12,562,471</b>
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
PARI-MUTUEL HANDLE	4,985,523	4,299,855	4,213,139	3,910,962	3,563,536	3,680,263
% OF TOTAL	33.18%	31.26%	29.72%	31.24%	25.98%	28.60%
SLOT REVENUE	10,041,125	9,454,555	9,961,336	8,606,332	10,151,719	9,188,959
% OF TOTAL	66.82%	68.74%	70.28%	68.76%	74.02%	71.40%
<b>TOTAL</b>	<b>15,026,648</b>	<b>13,754,410</b>	<b>14,174,475</b>	<b>12,517,294</b>	<b>13,715,255</b>	<b>12,869,222</b>
	<b>PARI-MUTUEL HANDLE TOTAL</b>					<b>51,939,704</b>
	<b>% OF TOTAL</b>					<b>36.00%</b>
	<b>SLOT REVENUE TOTAL</b>					<b>92,348,556</b>
	<b>% OF TOTAL</b>					<b>64.00%</b>
	<b>2007 TOTAL PURSES EARNED</b>					<b>144,288,260</b>



## APPENDIX-B

### PURSES PAID (\$)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
2007	4,744,669	3,887,202	4,954,698	7,114,668	7,743,122	8,916,235
2006	4,029,838	4,087,530	4,950,810	5,002,923	5,796,446	6,112,858
+ / (-)	714,831	-200,328	3,888	2,111,745	1,946,676	2,803,377
% CHANGE	17.74%	-4.90%	0.08%	42.21%	33.58%	45.86%
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
2007	11,292,874	9,177,698	22,817,658	12,573,404	12,503,924	11,485,975
2006	4,970,310	4,914,827	5,517,924	6,636,675	5,086,855	5,159,833
+ / (-)	6,322,564	4,262,871	17,299,734	5,936,729	7,417,069	6,326,142
% CHANGE	127.21%	86.73%	313.52%	89.45%	145.81%	122.60%
				<b>2007 TOTAL</b>		<b>117,212,127</b>
				<b>2006 TOTAL</b>		<b>62,266,829</b>
				<b>+ / (-)</b>		<b>54,945,298</b>
				<b>% CHANGE</b>		<b>88.24%</b>

## APPENDIX-C

### RACE DAYS

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
2007	56	36	47	73	73	71
2006	51	52	54	63	77	64
+ / (-)	5	(16)	(7)	10	(4)	7
% CHANGE	9.80%	-30.77%	-12.96%	15.87%	-5.19%	10.94%
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
2007	92	68	94	86	79	63
2006	65	67	68	81	63	51
+ / (-)	27	1	26	5	16	12
% CHANGE	41.54%	1.49%	38.24%	6.17%	25.40%	23.53%
<b>2007 TOTAL RACE DAYS</b>						<b>838</b>
<b>2006 TOTAL RACE DAYS</b>						<b>756</b>
<b>+ / (-)</b>						<b>82</b>
<b>% CHANGE</b>						<b>10.85%</b>

### TOTAL RACES

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
2007	562	352	480	793	804	794
2006	538	510	552	676	818	698
+ / (-)	24	(158)	(72)	117	(14)	96
% CHANGE	4.46%	-30.98%	-13.04%	17.31%	-1.71%	13.75%
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
2007	1074	790	950	961	876	717
2006	698	770	706	852	638	502
+ / (-)	376	20	244	109	238	215
% CHANGE	53.87%	2.60%	34.56%	12.79%	37.30%	42.83%
<b>2007 TOTAL</b>						<b>9,153</b>
<b>2006 TOTAL</b>						<b>7,958</b>
<b>+ / (-)</b>						<b>1195</b>
<b>TOTAL RACES % CHANGE</b>						<b>15.02%</b>





## APPENDIX-D

### 2007 LIVE HANDLE (\$)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
ON-TRACK	2,957,855	2,056,765	2,327,568	3,156,586	3,584,058	3,515,960
% OF TOTAL	5.11%	6.42%	5.41%	5.69%	6.44%	7.32%
PHONE WAGERING	1,430,175	986,658	1,051,650	1,360,520	1,480,622	1,300,352
% OF TOTAL	2.47%	3.08%	2.44%	2.45%	2.66%	2.71%
OFF-TRACK	2,504,825	1,691,054	1,902,003	2,395,401	2,217,439	2,074,281
% OF TOTAL	4.33%	5.27%	4.42%	4.31%	3.99%	4.32%
<b>SUBTOTAL</b>	<b>6,892,855</b>	<b>4,734,477</b>	<b>5,281,221</b>	<b>6,912,507</b>	<b>7,282,119</b>	<b>6,890,593</b>
IN-STATE	3,771,030	2,145,287	2,966,990	3,654,743	3,735,100	3,317,093
% OF TOTAL	6.51%	6.69%	6.90%	6.58%	6.72%	6.90%
OUT-OF-STATE	47,222,738	25,181,442	34,774,406	44,948,859	44,604,136	37,832,458
% OF TOTAL	81.58%	78.54%	80.83%	80.97%	80.19%	78.75%
<b>SUBTOTAL</b>	<b>50,993,768</b>	<b>27,326,729</b>	<b>37,741,396</b>	<b>48,603,602</b>	<b>48,339,236</b>	<b>41,149,551</b>
<b>TOTAL</b>	<b>57,886,623</b>	<b>32,061,206</b>	<b>43,022,617</b>	<b>55,516,109</b>	<b>55,621,355</b>	<b>48,040,144</b>
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
ON-TRACK	5,022,494	3,404,802	5,528,590	3,433,738	3,167,298	2,732,934
% OF TOTAL	7.91%	7.88%	9.01%	6.62%	5.67%	4.77%
PHONE WAGERING	1,547,085	798,169	1,115,742	1,095,742	1,235,760	1,316,868
% OF TOTAL	2.44%	1.85%	1.82%	2.11%	2.21%	2.30%
OFF-TRACK	2,569,595	1,304,895	1,763,502	1,786,750	1,881,880	2,111,432
% OF TOTAL	4.05%	3.02%	2.87%	3.45%	3.37%	3.68%
<b>SUBTOTAL</b>	<b>9,139,174</b>	<b>5,507,866</b>	<b>8,407,834</b>	<b>6,316,230</b>	<b>6,284,938</b>	<b>6,161,234</b>
IN-STATE	4,424,424	3,267,119	4,462,811	3,623,576	3,635,022	3,375,069
% OF TOTAL	6.97%	7.56%	7.27%	6.99%	6.50%	5.89%
OUT-OF-STATE	49,903,940	34,429,834	48,518,774	41,913,188	45,980,762	47,802,812
% OF TOTAL	78.63%	79.69%	79.03%	80.83%	82.25%	83.37%
<b>SUBTOTAL</b>	<b>54,328,364</b>	<b>37,696,953</b>	<b>52,981,585</b>	<b>45,536,764</b>	<b>49,615,784</b>	<b>51,177,881</b>
<b>TOTAL</b>	<b>63,467,538</b>	<b>43,204,819</b>	<b>61,389,419</b>	<b>51,852,994</b>	<b>55,900,722</b>	<b>57,339,115</b>
				<b>ON-TRACK TOTAL</b>		<b>40,888,648</b>
				<b>% OF TOTAL</b>		<b>6.54%</b>
				<b>PHONE WAGERING</b>		<b>14,719,343</b>
				<b>% OF TOTAL</b>		<b>2.35%</b>
				<b>OFF-TRACK TOTAL</b>		<b>24,203,057</b>
				<b>% OF TOTAL</b>		<b>3.87%</b>
				<b>SUBTOTAL</b>		<b>79,811,048</b>
				<b>IN-STATE TOTAL</b>		<b>42,378,264</b>
				<b>% OF TOTAL</b>		<b>6.78%</b>
				<b>OUT-OF-STATE TOTAL</b>		<b>503,113,349</b>
				<b>% OF TOTAL</b>		<b>80.46%</b>
				<b>SUBTOTAL</b>		<b>545,491,613</b>
				<b>2007 TOTAL LIVE HANDLE</b>		<b>625,302,661</b>









## BENCHMARK REPORT CHEATSHEET/EXAMPLES

### On-Track – Live Racing Handle

- Total wagers placed at a pari-mutuel facility on live races run at that facility. For example, total wagers placed at Penn National Race Course on races run at Penn National.

### Phone Wagering – Live Racing Handle

- Total wagers placed through a pari-mutuel facility's phone wagering system (account wagering, including internet wagering which is allowed for horse racing) on races run at that pari-mutuel facility. For example, total wagers placed through Penn National's phone wagering system on races run at Penn National.

### Off-Track – Live Racing Handle

- Total wagers placed at a pari-mutuel facility's off track locations ("OTW") on races run at the OTW operator's live racing facility. For example, total wagers placed at Penn National OTWs on races run at Penn National.

### In-State Export

- Total wagers placed at a pari-mutuel facility located in Pennsylvania on races run at another pari-mutuel facility located in Pennsylvania. For example, wagers placed at Chester Downs on races run at Penn National.

### Inter-state Export

- Total wagers placed at a pari-mutuel facility not in Pennsylvania on races run at a pari-mutuel facility in Pennsylvania. For example, wagers placed at Fair Grounds Racecourse on races run at Penn National.

### Thoroughbred Handle / Standardbred Handle / Total Handle

- These three categories include import (also know as "simulcast-in")<sup>1</sup>. Though still important in the grand scheme of things, slot operations do not directly impact Total Handle because it includes simulcast-in.

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<sup>1</sup> Import is total wagers placed through a pari-mutuel operator on live races held at another facility. For example, total wagers placed at Penn National on live races held at Fair Grounds.