

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



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

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BACKGROUND

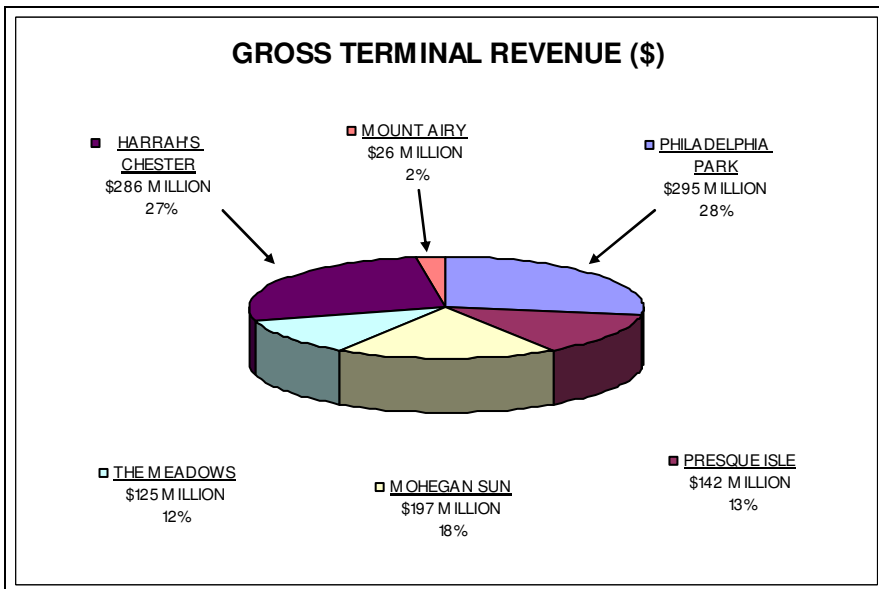
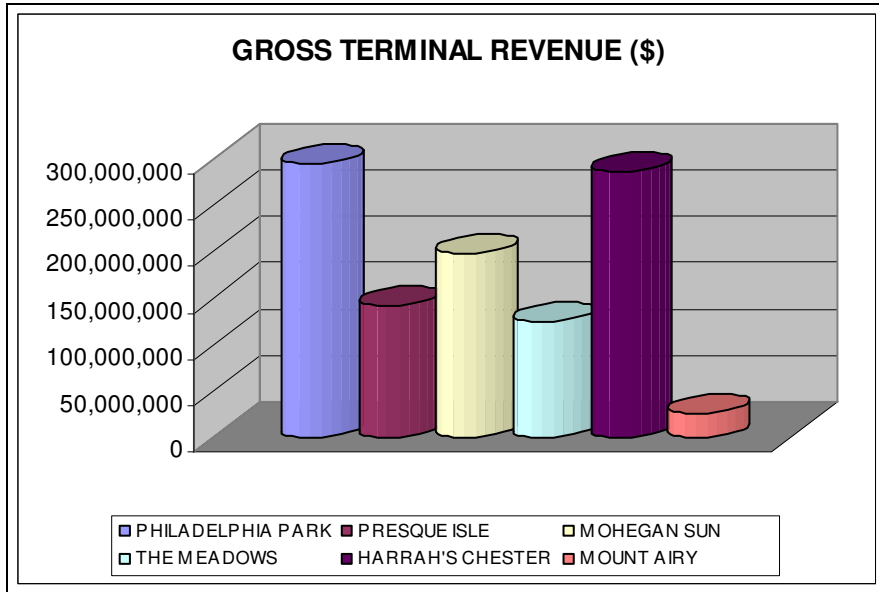
- ✓ This report presents a preliminary overview of the economic impact of slot machines on Pennsylvania's pari-mutuel wagering industry.
- ✓ The Pennsylvania Race Horse Development Fund has been established within the State Treasury.
- ✓ The Pennsylvania Race Horse Development Fund is the economic driver 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.**

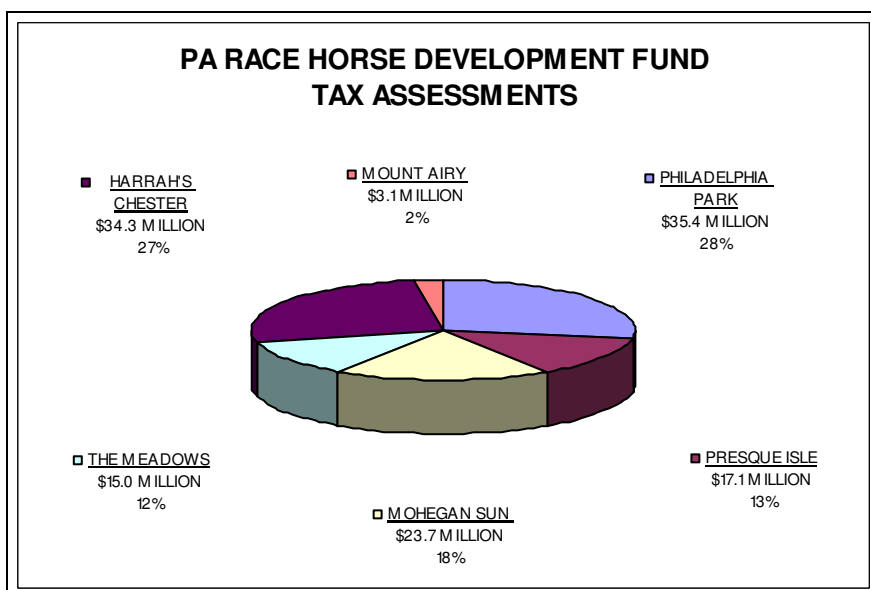
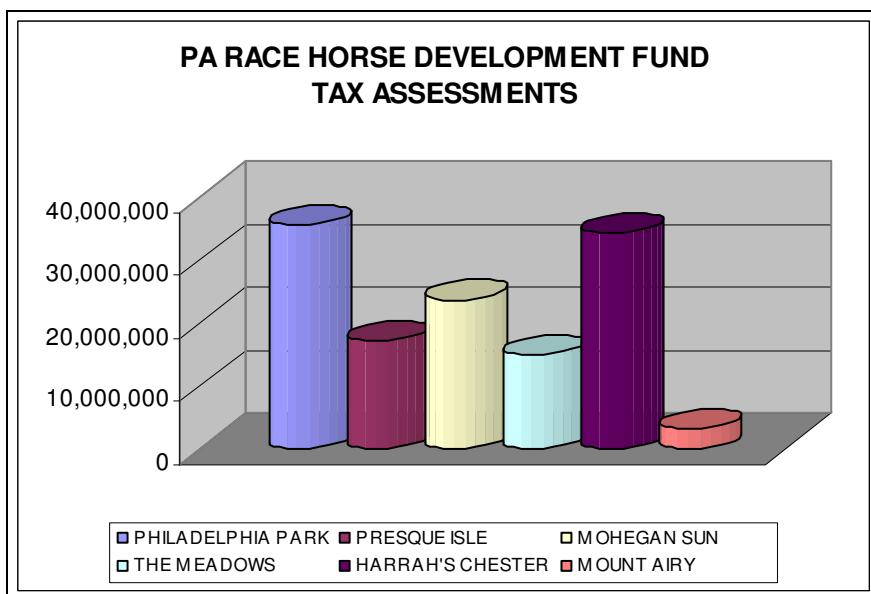
GROSS TERMINAL REVENUE

- ✓ 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.



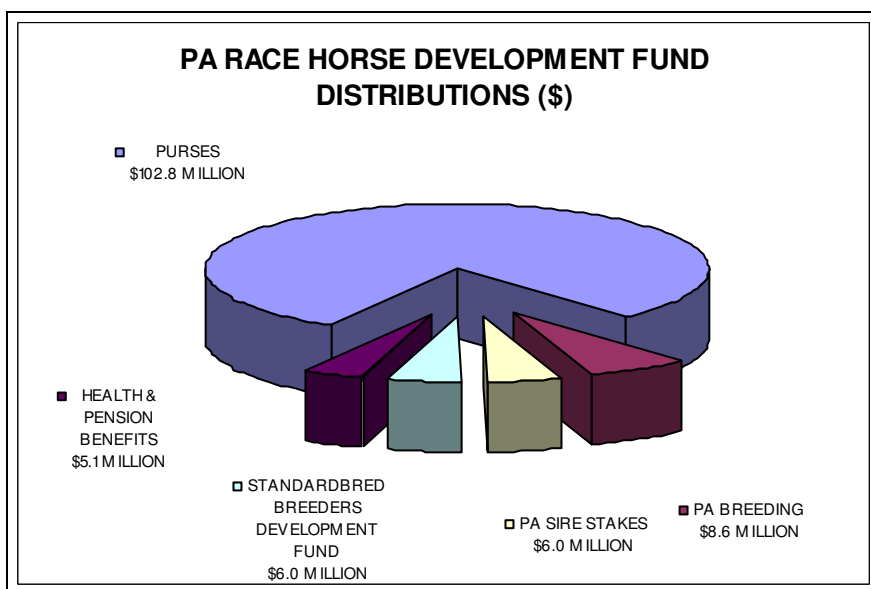
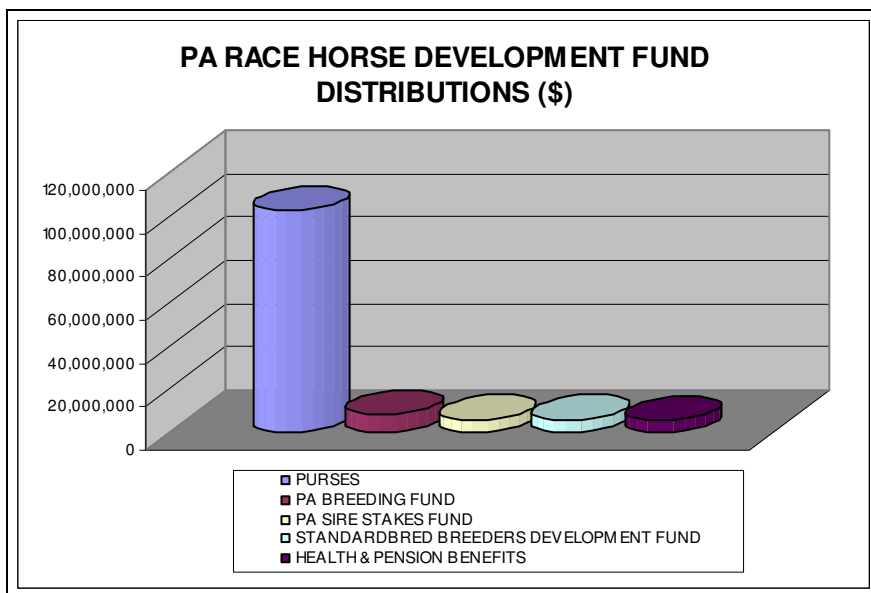
TAX ASSESSMENTS

- ✓ 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.



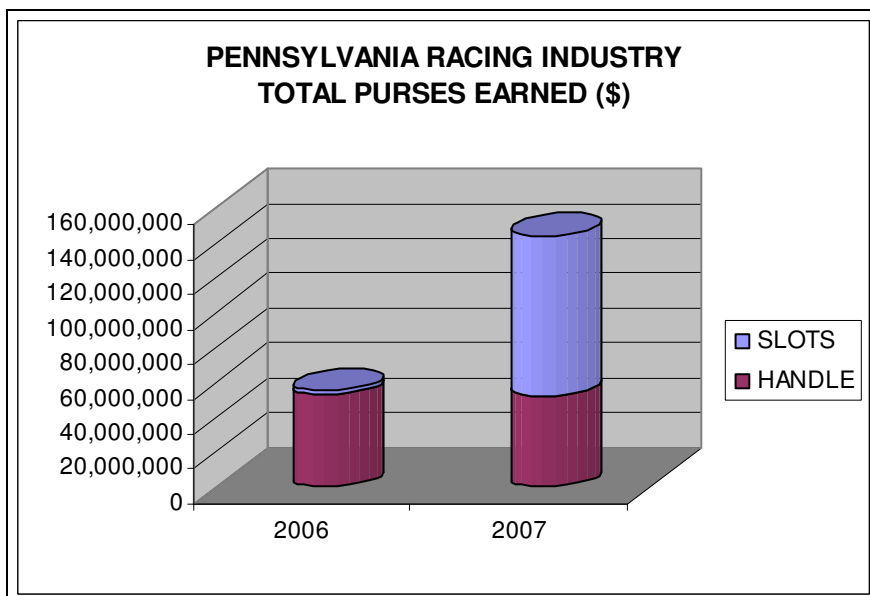
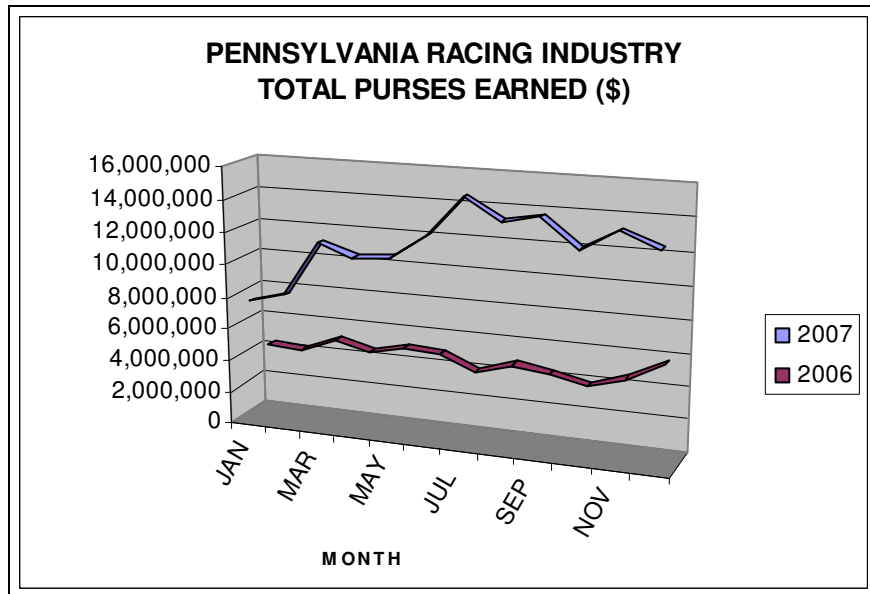
DISTRIBUTIONS

- ✓ 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.



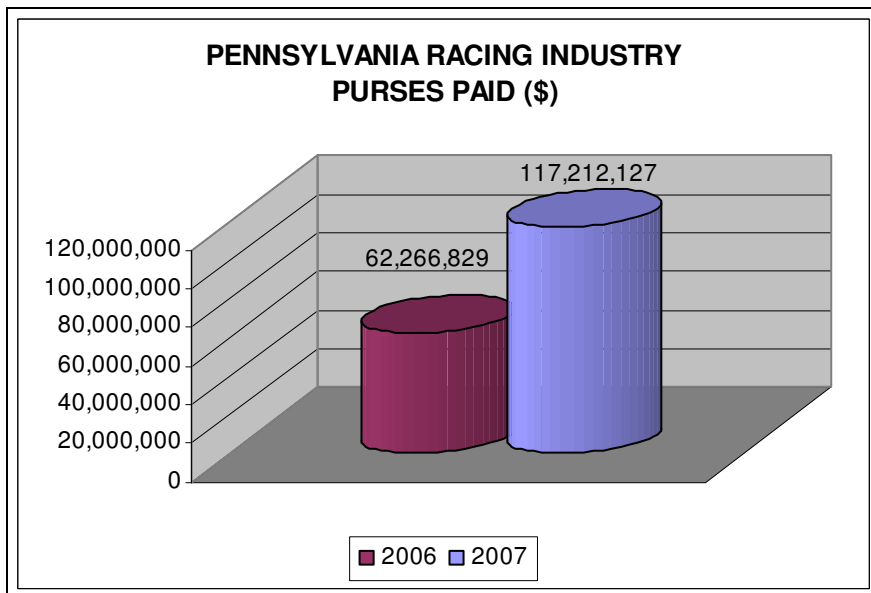
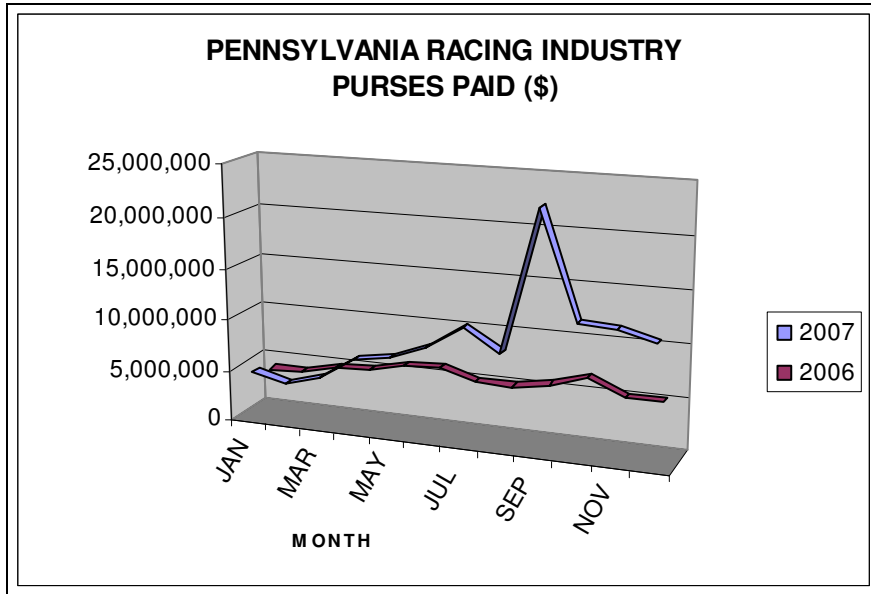
PURSES EARNED

- ✓ 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.



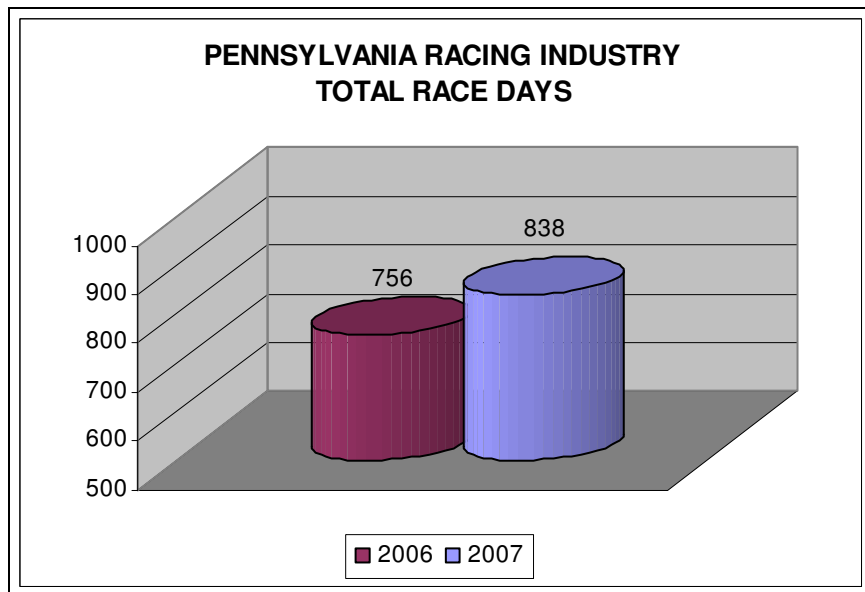
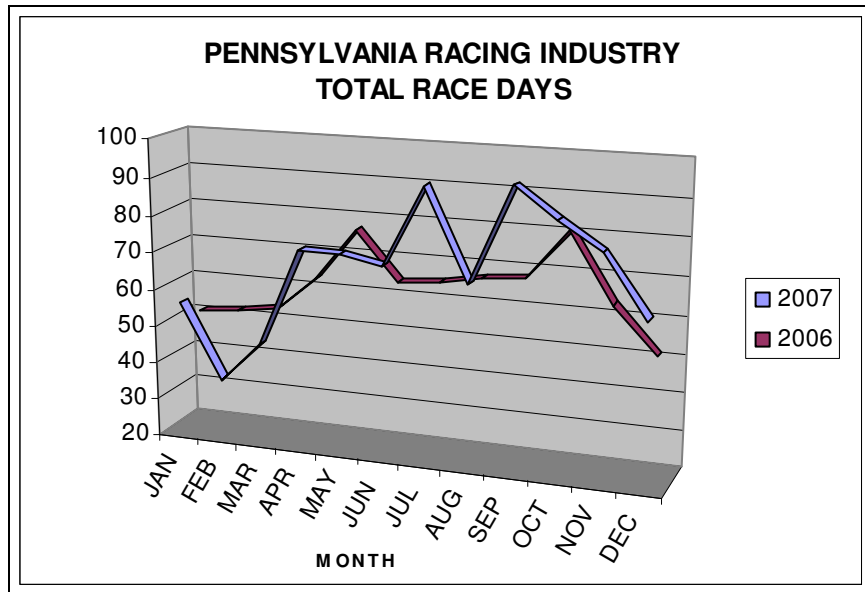
PURSES PAID

- ✓ 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.



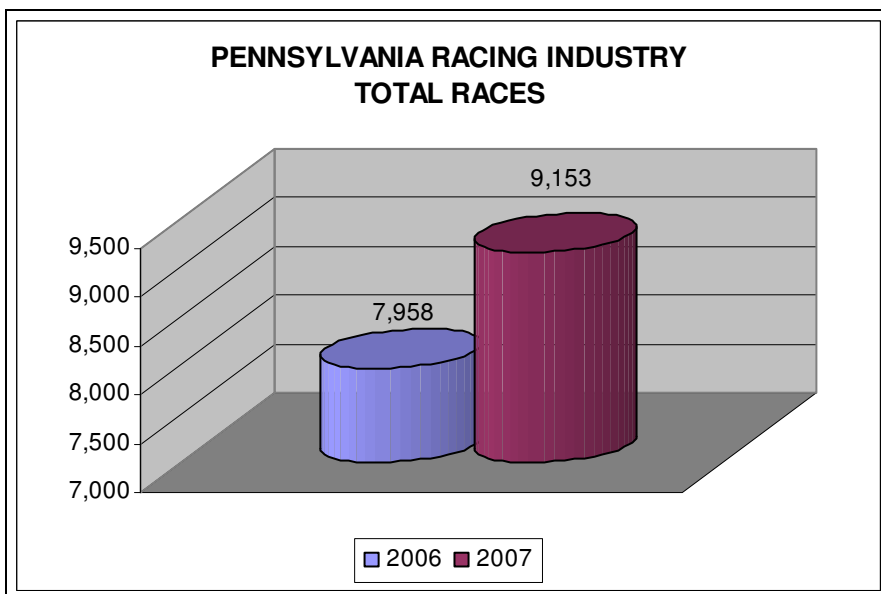
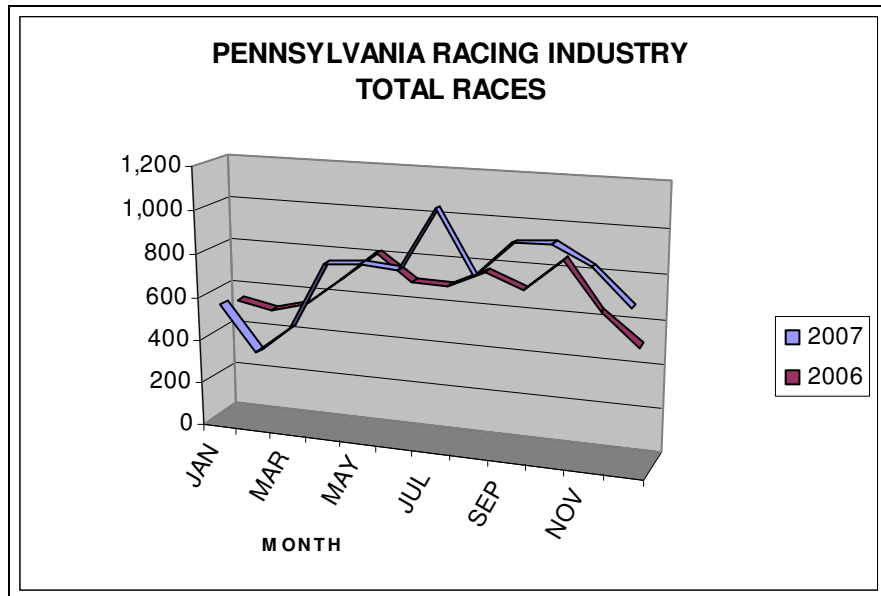
RACING DAYS

- ✓ 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.



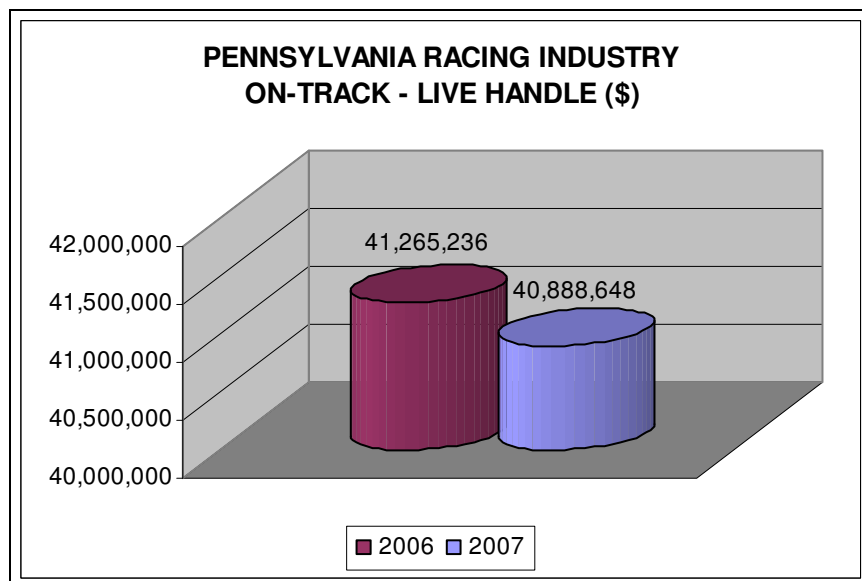
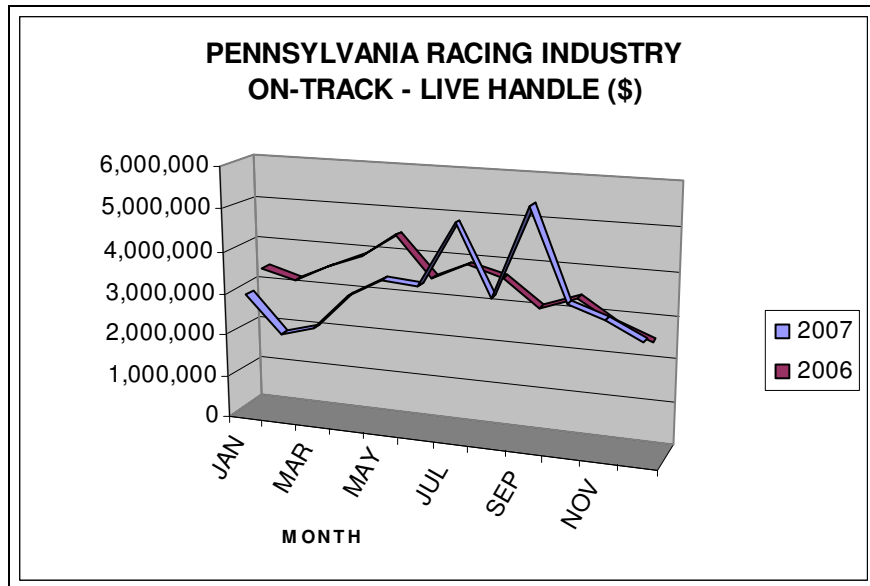
LIVE RACES

- ✓ 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.



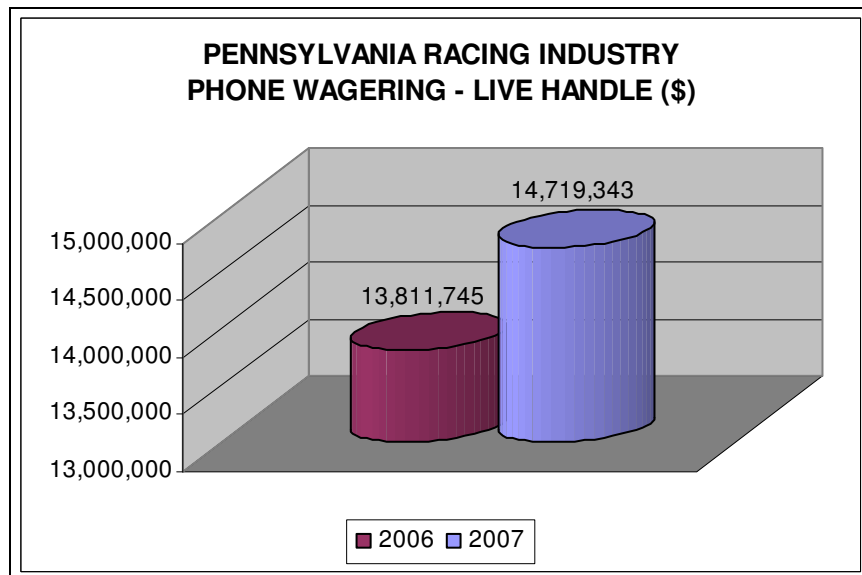
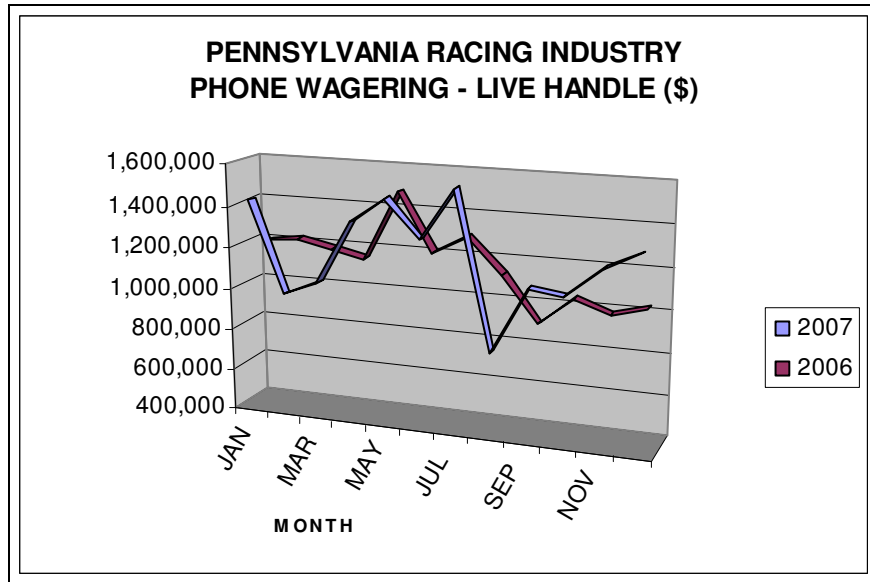
ON-TRACK – LIVE RACING HANDLE

- ✓ 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.



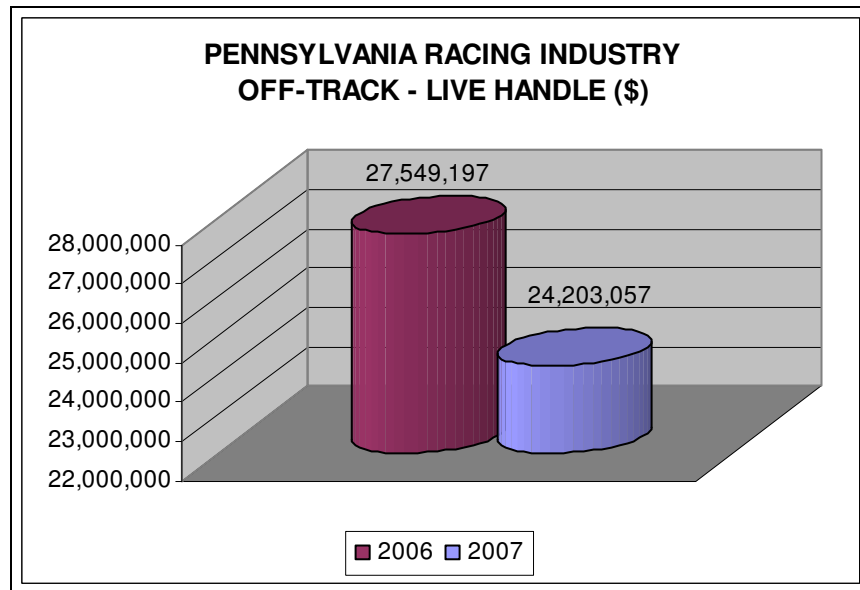
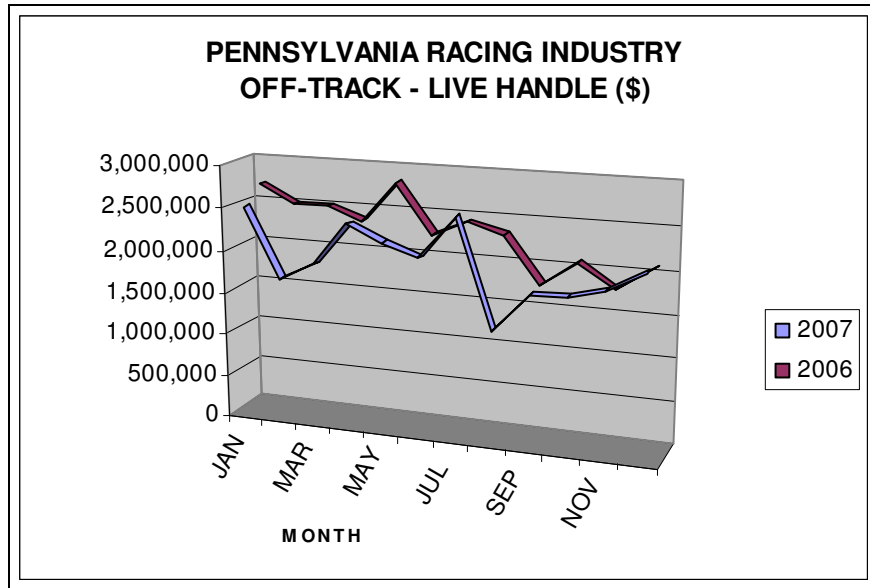
PHONE WAGERING – LIVE RACING HANDLE

- ✓ 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.



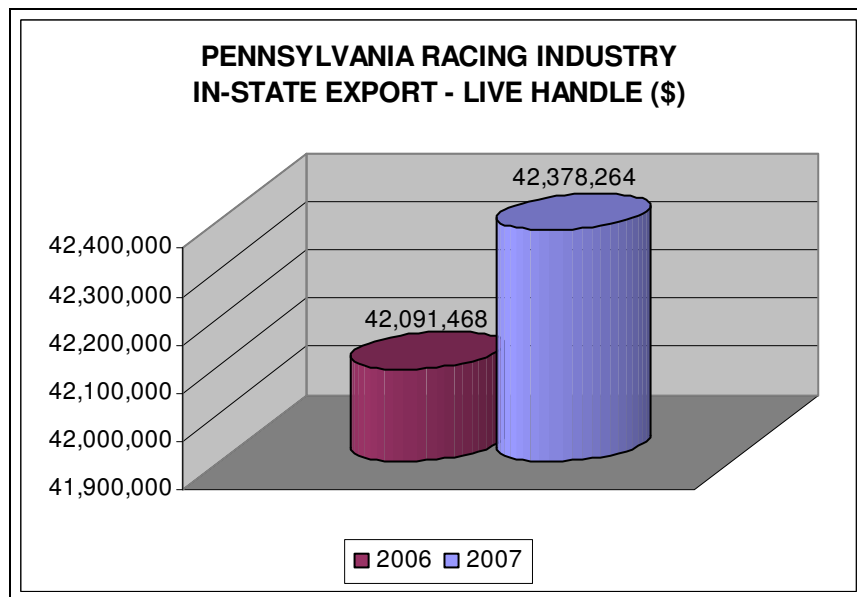
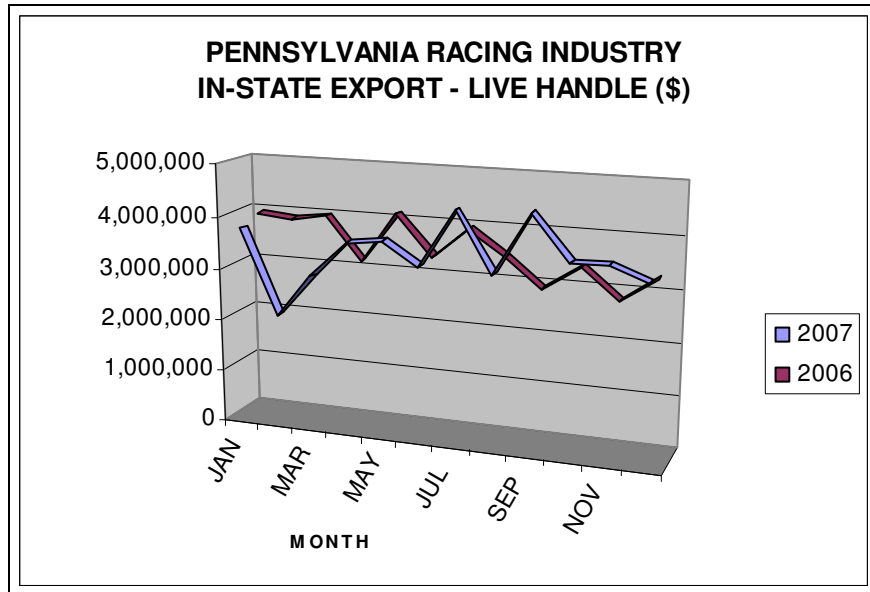
OFF-TRACK – LIVE RACING HANDLE

- ✓ 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.



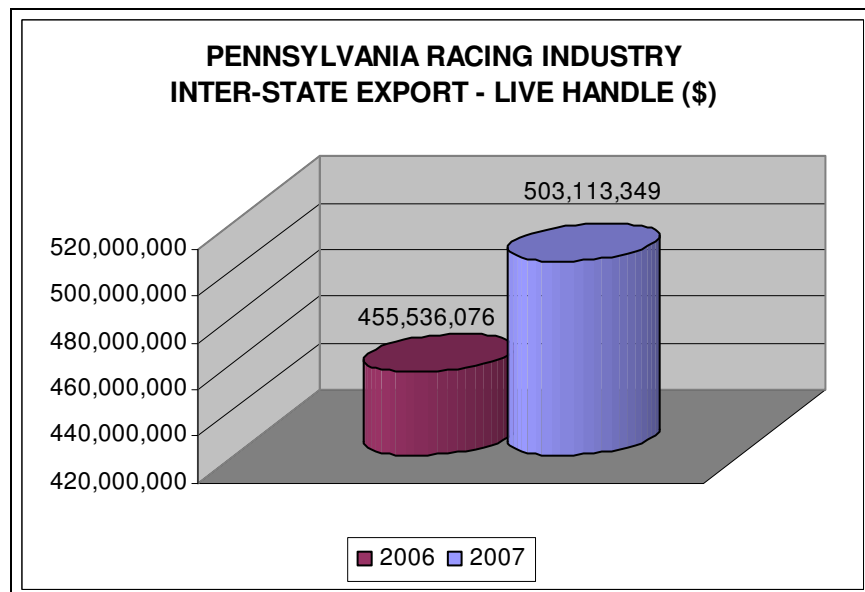
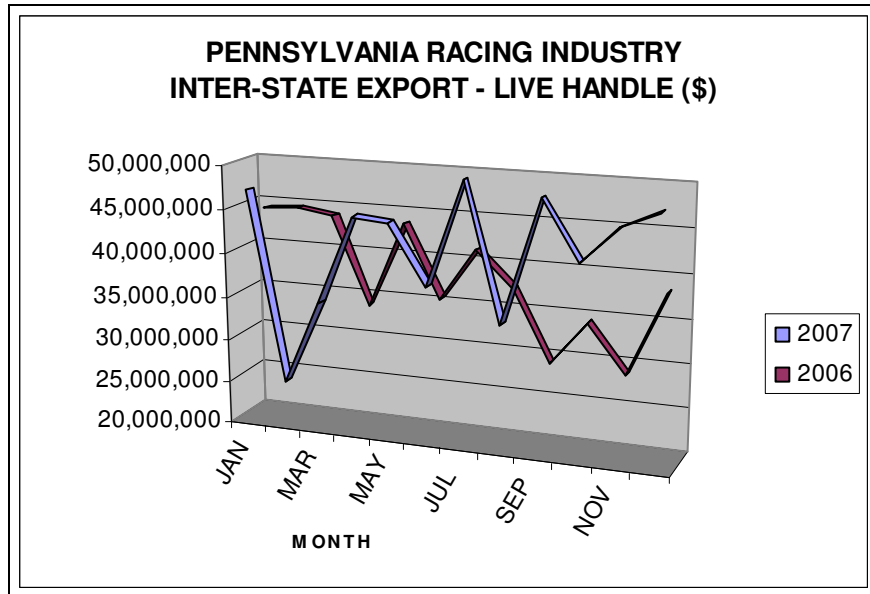
IN-STATE EXPORT

- ✓ 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.



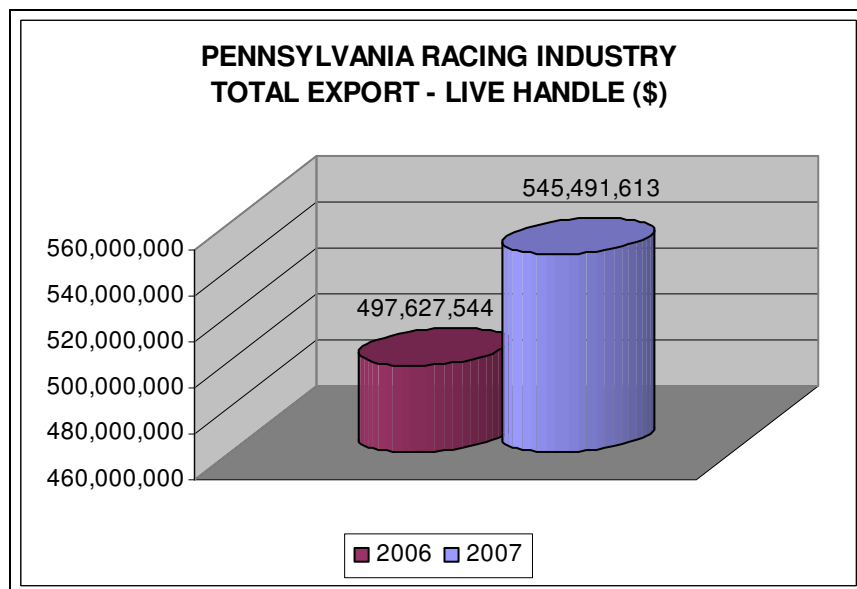
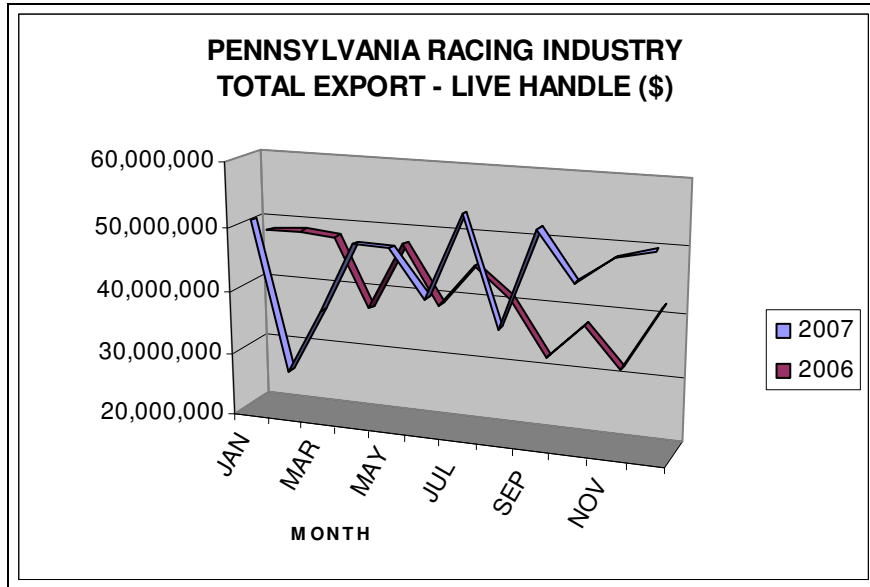
INTER-STATE EXPORT

- ✓ 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.



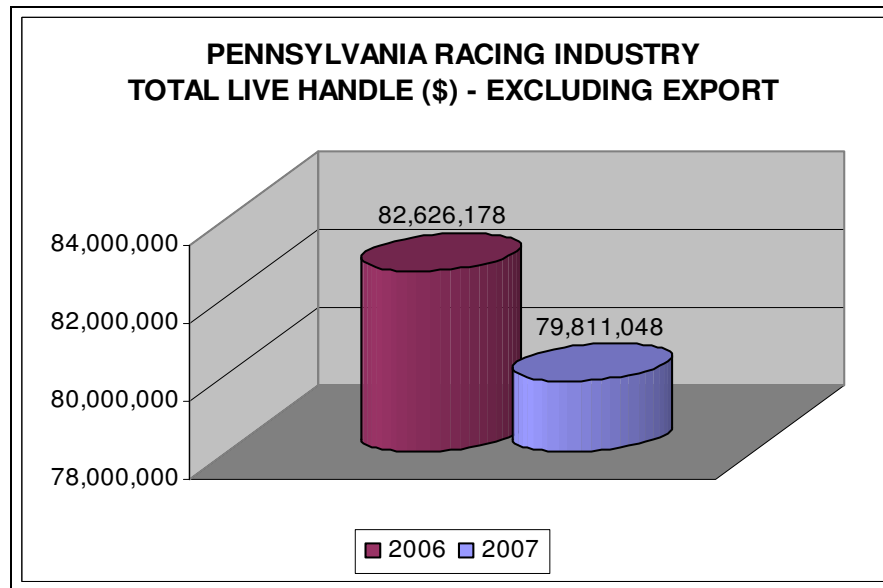
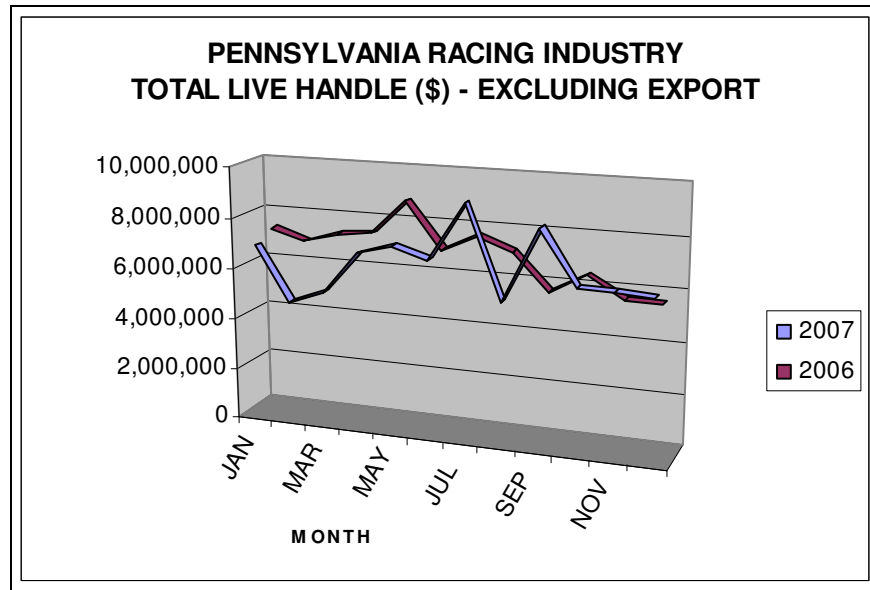
TOTAL EXPORT

- ✓ 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.



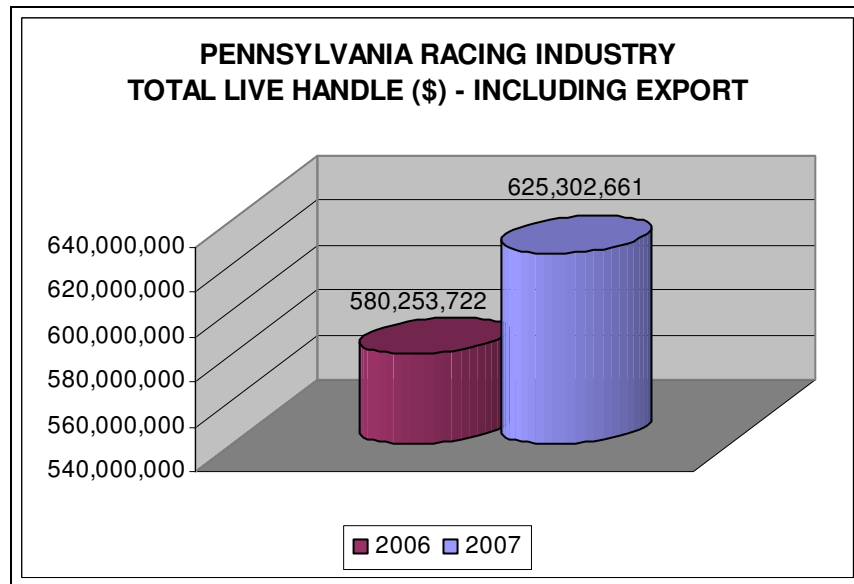
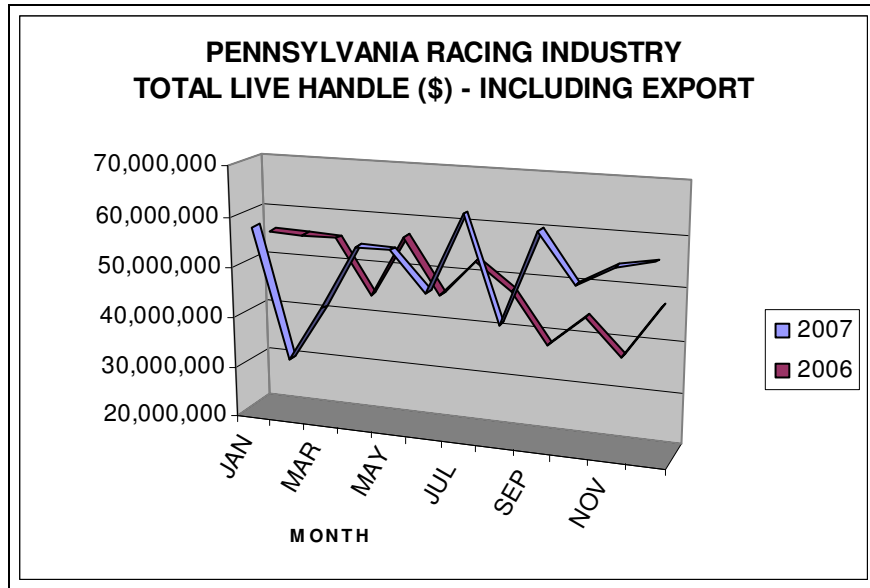
LIVE RACING HANDLE – EXCLUDING EXPORT

- ✓ 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.



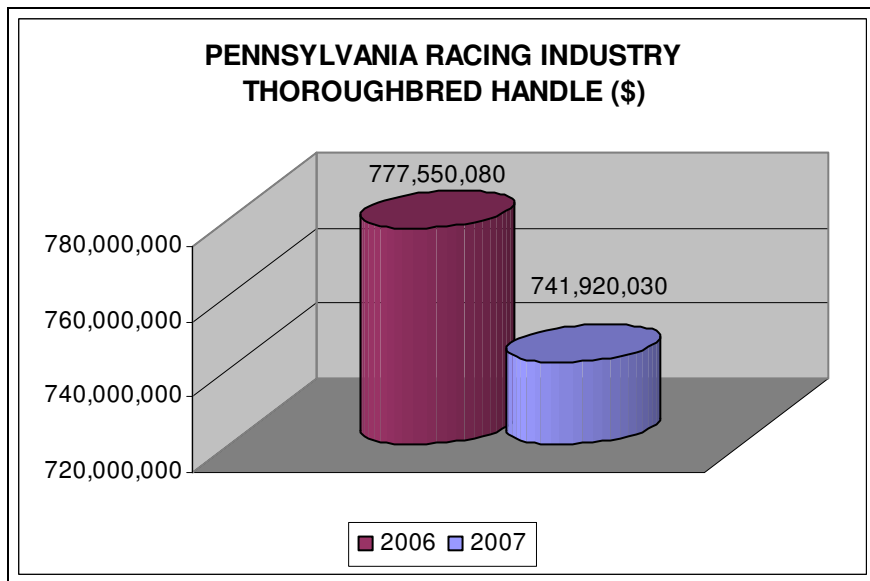
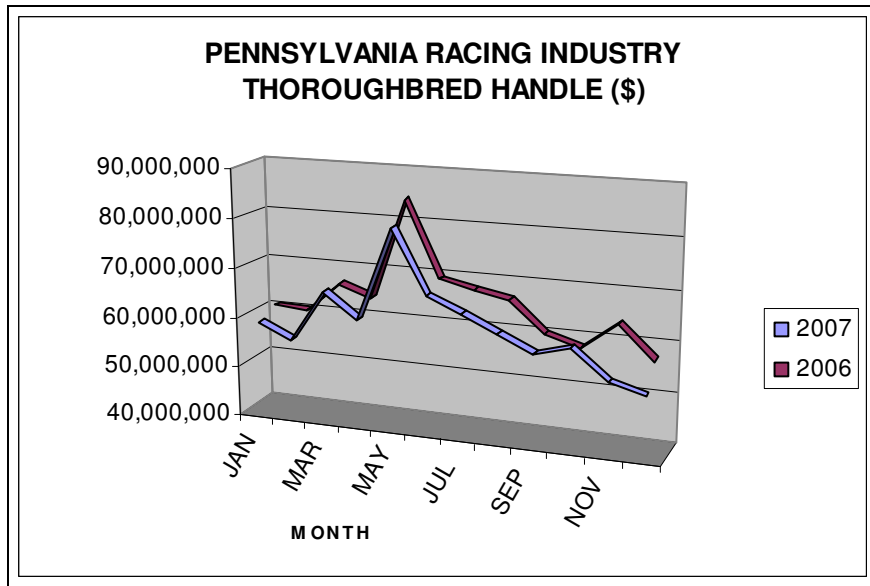
LIVE RACING HANDLE – INCLUDING EXPORT

- ✓ 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.



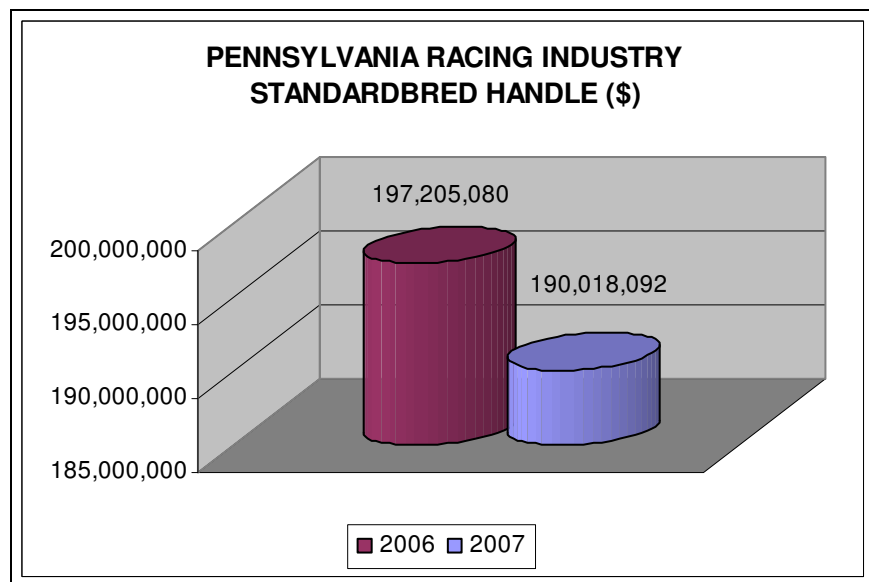
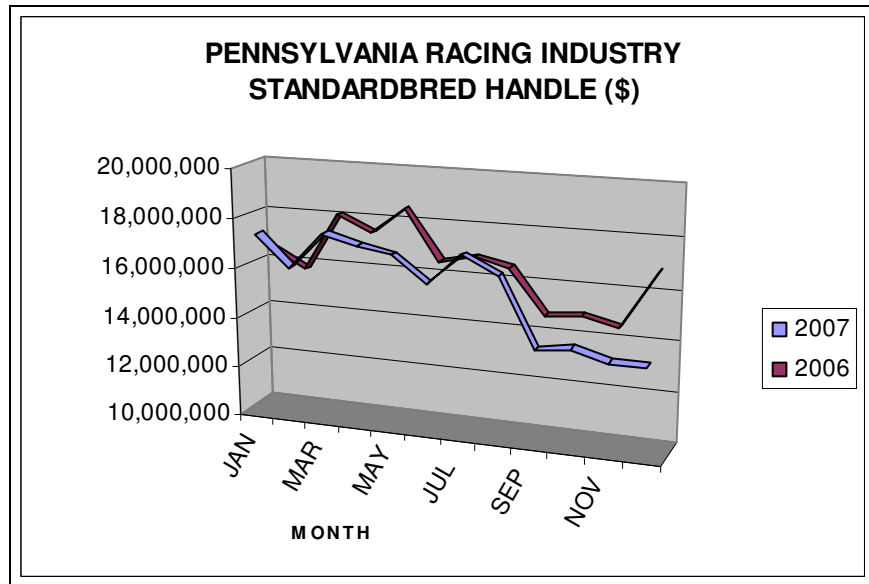
THOROUGHBRED HANDLE

- ✓ 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.



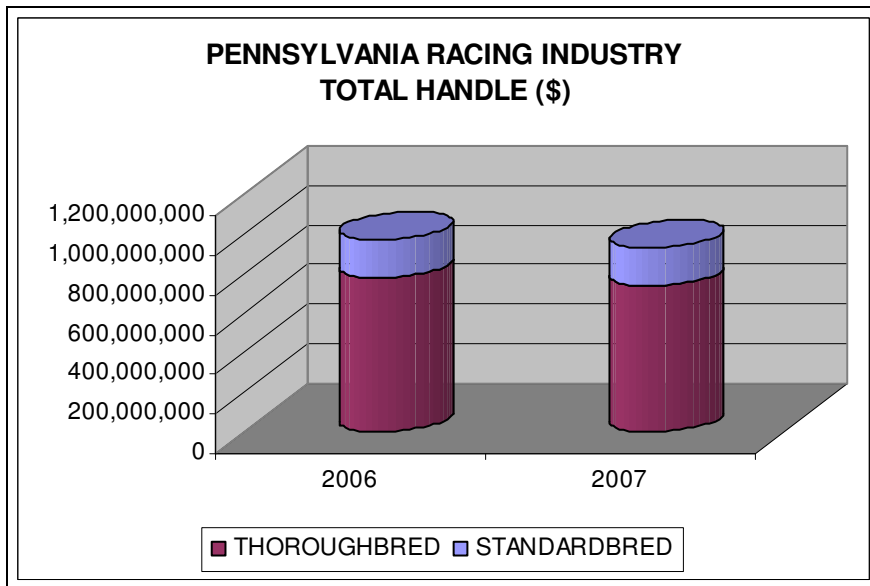
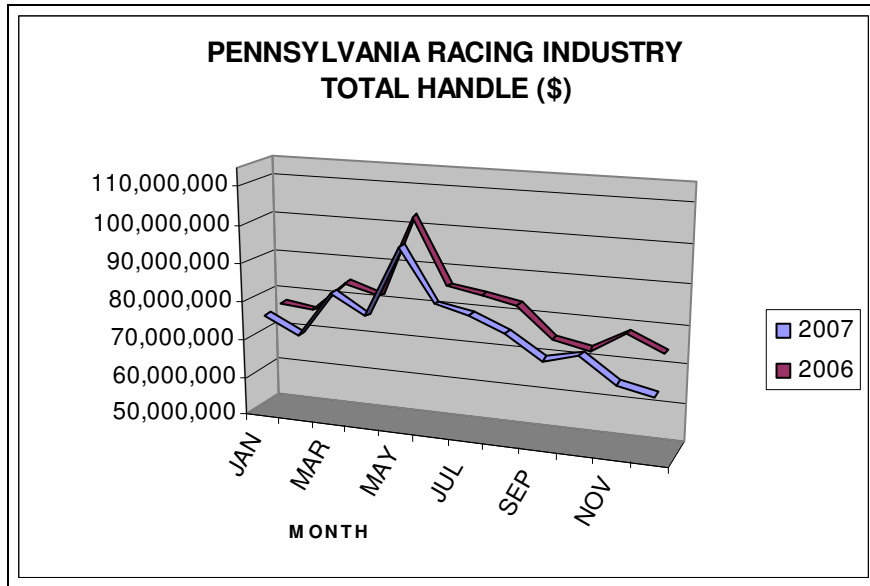
STANDBRED HANDLE

- ✓ 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

2007 GROSS TERMINAL REVENUE (\$)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	
PHILADELPHIA PARK	22,215,859	19,583,310	23,400,147	22,609,117	22,757,237	23,807,429	
% OF TOTAL	49.84%	37.12%	28.72%	29.72%	29.49%	26.17%	
PRESQUE ISLE DOWNS	0	1,047,158	19,094,649	14,211,917	14,474,496	13,684,445	
% OF TOTAL	0.00%	1.99%	23.43%	18.68%	18.76%	15.04%	
MOHEGAN SUN	13,774,041	11,949,289	14,757,665	15,038,361	14,914,161	14,968,495	
% OF TOTAL	30.90%	22.65%	18.11%	19.77%	19.33%	16.46%	
THE MEADOWS	0	0	0	0	0	13,406,163	
% OF TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	14.74%	
HARRAH'S CHESTER	8,588,475	20,173,105	24,232,769	24,213,872	25,017,663	25,091,885	
% OF TOTAL	19.27%	38.24%	29.74%	31.83%	32.42%	27.59%	
MOUNT AIRY	0	0	0	0	0	0	
% OF TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TOTAL	44,578,375	52,752,862	81,485,230	76,073,267	77,163,558	90,958,418	
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>	
PHILADELPHIA PARK	25,591,145	25,318,803	25,732,968	25,716,496	23,203,273	25,096,386	
% OF TOTAL	24.05%	24.55%	25.33%	24.85%	22.85%	25.13%	
PRESQUE ISLE DOWNS	14,763,892	14,373,648	14,237,881	13,197,224	11,898,680	11,198,562	
% OF TOTAL	13.87%	13.94%	14.01%	12.75%	11.72%	11.22%	
MOHEGAN SUN	17,374,084	16,667,462	16,084,385	15,388,736	12,594,977	11,991,935	
% OF TOTAL	16.32%	16.16%	15.83%	14.87%	12.40%	12.01%	
THE MEADOWS	19,963,012	19,761,844	19,476,665	18,387,882	17,583,273	16,009,074	
% OF TOTAL	18.76%	19.16%	19.17%	17.77%	17.31%	16.03%	
HARRAH'S CHESTER	28,736,853	26,993,980	26,070,135	26,244,100	24,968,483	25,647,343	
% OF TOTAL	27.00%	26.18%	25.66%	25.36%	24.59%	25.69%	
MOUNT AIRY	0	0	0	4,535,521	11,304,722	9,905,590	
% OF TOTAL	0.00%	0.00%	0.00%	4.38%	11.13%	9.92%	
TOTAL	106,428,985	103,115,738	101,602,034	103,469,958	101,553,408	99,848,889	
PHILADELPHIA PARK TOTAL							285,032,169
% OF TOTAL							27.43%
PRESQUE ISLE DOWNS TOTAL							142,182,554
% OF TOTAL							13.68%
MOHEGAN SUN TOTAL							175,503,593
% OF TOTAL							16.89%
THE MEADOWS TOTAL							124,587,912
% OF TOTAL							11.99%
HARRAH'S CHESTER TOTAL							285,978,663
% OF TOTAL							27.52%
MOUNT AIRY TOTAL							25,745,832
% OF TOTAL							2.48%
*N/A							
2007 TOTAL GROSS TERMINAL REVENUE							1,039,030,723

APPENDIX-A

2007 PRHDF - TAX (\$)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
PHILADELPHIA PARK	2,665,903	2,349,997	2,808,018	2,713,094	2,730,868	2,856,892
% OF TOTAL	49.84%	37.12%	28.72%	29.72%	29.49%	26.17%
PRESQUE ISLE DOWNS	0	125,659	2,291,358	1,705,430	1,736,940	1,642,133
% OF TOTAL	0.00%	1.99%	23.43%	18.68%	18.76%	15.04%
MOHEGAN SUN	1,652,885	1,433,936	1,770,920	1,804,603	1,789,699	1,796,219
% OF TOTAL	30.90%	22.65%	18.11%	19.77%	19.33%	16.46%
THE MEADOWS	0	0	0	0	0	1,608,740
% OF TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	14.74%
HARRAH'S CHESTER	1,030,617	2,420,773	2,907,932	2,905,665	3,002,120	3,011,026
% OF TOTAL	19.27%	38.24%	29.74%	31.83%	32.42%	27.59%
MOUNT AIRY	0	0	0	0	0	0
% OF TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	5,349,405	6,330,365	9,778,228	9,128,792	9,259,627	10,915,010
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
PHILADELPHIA PARK	3,070,937	3,038,256	3,087,956	3,085,980	2,784,393	3,011,566
% OF TOTAL	24.05%	24.55%	25.33%	24.85%	22.85%	25.13%
PRESQUE ISLE DOWNS	1,771,667	1,724,838	1,708,546	1,583,667	1,427,842	1,343,827
% OF TOTAL	13.87%	13.94%	14.01%	12.75%	11.72%	11.22%
MOHEGAN SUN	2,084,890	2,000,095	1,930,126	1,846,648	1,511,397	1,439,032
% OF TOTAL	16.32%	16.16%	15.83%	14.87%	12.40%	12.01%
THE MEADOWS	2,395,561	2,371,421	2,337,200	2,206,546	2,109,993	1,921,089
% OF TOTAL	18.76%	19.16%	19.17%	17.77%	17.31%	16.03%
HARRAH'S CHESTER	3,448,422	3,239,278	3,128,416	3,149,292	2,996,218	3,077,681
% OF TOTAL	27.00%	26.18%	25.66%	25.36%	24.59%	25.69%
MOUNT AIRY	0	0	0	544,262	1,356,567	1,188,671
% OF TOTAL	0.00%	0.00%	0.00%	4.38%	11.13%	9.92%
TOTAL	12,771,478	12,373,889	12,192,244	12,416,395	12,186,409	11,981,867
			PHILADELPHIA PARK TOTAL			34,203,860
			% OF TOTAL			27.43%
			PRESQUE ISLE DOWNS TOTAL			17,061,906
			% OF TOTAL			13.68%
			MOHEGAN SUN TOTAL			21,060,452
			% OF TOTAL			16.89%
			THE MEADOWS TOTAL			14,950,549
			% OF TOTAL			11.99%
			HARRAH'S CHESTER TOTAL			34,317,440
			% OF TOTAL			27.52%
			MOUNT AIRY TOTAL			3,089,500
			% OF TOTAL			2.48%
			2007 TOTAL PRHDF TAX			124,683,708

*N/A

APPENDIX-A

2006 PRHDF DISTRIBUTIONS (\$)

	<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
TOTAL	0	0	0	0	0	0
	<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
TOTAL	0	0	0	0	1,059,915	2,728,236
						PURSES TOTAL
						3,030,521
						PA BREEDING FUND TOTAL
						190,328
						PA SIRE STAKES FUND TOTAL
						207,888
						PA STANDARDBRED BREEDERS DEVELOPMENT FUND TOTAL
						207,888
						HEALTH & PENSION BENEFITS TOTAL
						151,526
*N/A						2006 TOTAL PRHDF DISTRIBUTIONS
						3,788,151

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
TOTAL	5,349,405	6,330,365	9,778,228	9,128,792	9,259,627	10,915,010
	<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
TOTAL	12,771,478	12,373,889	12,192,244	12,416,392	12,186,409	11,981,867
						PURSES TOTAL
						99,746,964
						PA BREEDING FUND TOTAL
						8,399,133
						PA SIRE STAKES FUND TOTAL
						5,775,130
						PA STANDARDBRED BREEDERS DEVELOPMENT FUND TOTAL
						5,775,130
						HEALTH & PENSION BENEFITS TOTAL
						4,987,348
						2007 TOTAL PRHDF DISTRIBUTIONS
						124,683,705

*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%
TOTAL	4,376,769	4,247,267	5,044,572	4,467,582	4,976,049	4,888,380
	<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%
TOTAL	4,028,959	4,652,117	4,291,762	3,838,541	4,517,113	5,679,534
	PARI-MUTUEL HANDLE TOTAL					52,932,992
	% OF TOTAL					96.23%
	SLOT REVENUE TOTAL					2,075,653
	% OF TOTAL					3.77%
	2006 TOTAL PURSES EARNED					55,008,645

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%
TOTAL	7,694,951	8,282,497	11,679,769	10,919,500	11,091,768	12,562,471
	<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%
TOTAL	15,026,648	13,754,410	14,174,475	12,517,294	13,715,255	12,869,222
	PARI-MUTUEL HANDLE TOTAL					51,939,704
	% OF TOTAL					36.00%
	SLOT REVENUE TOTAL					92,348,556
	% OF TOTAL					64.00%
	2007 TOTAL PURSES EARNED					144,288,260

APPENDIX-B

PURSES EARNED +(-)

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
PARI-MUTUEL HANDLE	(297,506)	(92,243)	(198,506)	313,500	(215,316)	(224,122)
SLOT REVENUE	3,615,688	4,127,473	6,833,703	6,138,418	6,331,035	7,898,213
TOTAL	3,318,182	4,035,230	6,635,197	6,451,918	6,115,719	7,674,091
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
PARI-MUTUEL HANDLE	956,564	(352,262)	(78,623)	72,421	(108,875)	(768,320)
SLOT REVENUE	10,041,125	9,454,555	9,961,336	8,606,332	9,307,017	7,958,008
TOTAL	10,997,689	9,102,293	9,882,713	8,678,753	9,198,142	7,189,688
			PARI-MUTUEL HANDLE +/(-)			(993,288)
			SLOT REVENUE +/(-)			90,272,903
			TOTAL PURSES EARNED +/(-)			89,279,615

% CHANGE

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
PARI-MUTUEL HANDLE	-6.80%	-2.17%	-3.94%	7.02%	-4.33%	-4.58%
SLOT REVENUE	*	*	*	*	*	*
TOTAL	75.81%	95.01%	131.53%	144.42%	122.90%	156.99%
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>
PARI-MUTUEL HANDLE	23.74%	-7.57%	-1.83%	1.89%	-2.96%	-17.27%
SLOT REVENUE	*	*	*	*	1101.81%	646.49%
TOTAL	272.97%	195.66%	230.27%	226.10%	203.63%	126.59%
			PARI-MUTUEL HANDLE % CHANGE			-1.88%
			SLOT REVENUE % CHANGE			4349.13%
			TOTAL PURSES EARNED % CHANGE			162.30%

*N/A

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%
				2007 TOTAL		117,212,127
				2006 TOTAL		62,266,829
				+ / (-)		54,945,298
				% CHANGE		88.24%

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%
2007 TOTAL RACE DAYS						838
2006 TOTAL RACE DAYS						756
+ / (-)						82
% CHANGE						10.85%

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%
2007 TOTAL						9,153
2006 TOTAL						7,958
+ / (-)						1195
TOTAL RACES % CHANGE						15.02%

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%
SUBTOTAL	6,892,855	4,734,477	5,281,221	6,912,507	7,282,119	6,890,593
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%
SUBTOTAL	50,993,768	27,326,729	37,741,396	48,603,602	48,339,236	41,149,551
TOTAL	57,886,623	32,061,206	43,022,617	55,516,109	55,621,355	48,040,144
	<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%
SUBTOTAL	9,139,174	5,507,866	8,407,834	6,316,230	6,284,938	6,161,234
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%
SUBTOTAL	54,328,364	37,696,953	52,981,585	45,536,764	49,615,784	51,177,881
TOTAL	63,467,538	43,204,819	61,389,419	51,852,994	55,900,722	57,339,115
				ON-TRACK TOTAL		40,888,648
				% OF TOTAL		6.54%
				PHONE WAGERING		14,719,343
				% OF TOTAL		2.35%
				OFF-TRACK TOTAL		24,203,057
				% OF TOTAL		3.87%
				SUBTOTAL		79,811,048
				IN-STATE TOTAL		42,378,264
				% OF TOTAL		6.78%
				OUT-OF-STATE TOTAL		503,113,349
				% OF TOTAL		80.46%
				SUBTOTAL		545,491,613
				2007 TOTAL LIVE HANDLE		625,302,661

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")¹. Though still important in the grand scheme of things, slot operations do not directly impact Total Handle because it includes simulcast-in.

¹ 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.