



**MEDIA RELEASE**  
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## **NZ Racing Board posts solid half-year result**

The NZ Racing Board has reported a six-month profit of \$69.6 million for the 2010/11 racing season. Total turnover for the same period is \$800.7 million, down \$30 million or 3.6% from 2009/10.

NZ Racing Board chairman Michael Stiasny said the stagnant economy was continuing to impact on the business.

“Like many businesses we had expected an uplift by now, but it’s clear that people are still reining in their spending.

“What we’re seeing is a shift in our overall betting mix. Punters are betting more on Fixed Odds options and international racing, and less on the Tote. We’ve deliberately targeted these growth areas for investment. In addition, exporting New Zealand races to offshore markets has been a significant revenue earner that deserves continued focus.

“These initiatives have generated strong turnover, enabling a better result than could have been expected given the economic climate. And more importantly, our margins on these products outperformed expectations so we were able to maintain profitability close to last year’s figure,” he said.

The NZ Racing Board has committed to the three Racing Codes – New Zealand Thoroughbred Racing, Harness Racing New Zealand, and Greyhound Racing New Zealand – funding of \$127.9 million for the 2011/12 season, up \$2.9 million from the previous season.

Mr Stiasny said that, despite the outlook for the second half being extremely challenging, the NZ Racing Board would meet this commitment through driving cost savings, exploiting new revenue growth opportunities and using money from cash reserves.

“We’ve worked hard to weather the storm and maintain a strong balance sheet. However, in the wake of the Christchurch earthquake, it’s clear that the economy will continue to struggle for some time to come and we do not expect to meet our budget for the second half. We are prepared for this and will make the tough decisions necessary to ensure the industry can still receive the distributions we have forecast.

“We have cash reserves that we can draw on but we’re also taking a number of steps to give our business a renewed focus on operations. In short, we will make savings where we can, but will continue to invest where we know there are long-term revenue benefits to be had,” he said.

Over the past six months the NZ Racing Board implemented significant improvements to its products and infrastructure that have expanded its customer base and delivered strong returns. The introduction of mobile phone betting has proven popular with punters while TAB TV continued to expand its broadcasting of races from Australia, Hong Kong, Singapore, North America, South Africa, France and the United Kingdom.

“These initiatives, along with the planned introduction of our new wagering system, will lay a strong foundation for exploiting future growth opportunities in the business,” Mr Stiasny said.

“But we’re under no illusions that we have our work cut out for us. Right now, it’s about consolidating the gains we’ve made and continuing our investment in New Zealand racing.”

Last season, the NZ Racing Board distributed approximately \$125 million to the racing industry. Total funding to the racing industry has grown by more than 42% over the past four racing seasons.

#### Half-year summary

\$'000	YTD Actual (to 31 Jan)	YTD Budget (to 31 Jan)	Variance	%
Turnover	800,703	863,614	(62,911)	-7.2%
Net Profit	69,564	69,414	150	0.22%

Ends

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