

Harrah's Philadelphia Casino & Racetrack

Report on Live Harness Racing

Part 1 Summary

Part 2 Handle

Part 3 Live Attendance

Part 4 Native Breeding

Part 5 Class

Part 6 Residence

Racetrack Handle & Racetrack Attendance at Harrah's Chester (Philadelphia):

We are entering our 11th live racing season in 2016 and we continue to gain recognition on the national racing scene. This has been evident since the first season in 2006.

On-track Handle & Attendance:

The on-track handle & attendance has remained in-line with industry trends over the first 10 years at Harrah's Philadelphia. We have experimented with a different schedule of days & post times trying to find our right place in the racing market. Our very popular Sunday matinee has been a constant for us as we have been a very popular "family outing" for the Philadelphia market on Sunday afternoons. We have been able to bring back great excitement to the Delaware Valley Racing scene by hosting some great Stakes from the old days of Brandywine & Liberty Bell. These favorites have brought some great crowds out to Harrah's Philadelphia on Sunday afternoons. In 2009 we tried some late afternoon / early evening weekday Post Times (5pm) with the hope that we could increase on-track attendance. We were able to generate some interest with our Friday evenings cards but our other weeknights underperformed in comparison to the previous years daytime racing programs. The overall blend of days ended keeping our on-track handle almost steady from 2008 to 2009. We had our very best season in terms of Handle Growth in 2010. The move back to Day Racing was the key to our success. In addition our racing received increased national attention in 2010. During the 2011 thru 2015 Racing Seasons we worked closely with the PHHA on several targeted promotional days, these days were specific for the race guests and generated interest and Handle. In 2016 the focus continues to be on targeted High Volume days to increase visitation by the casual race fans. Also in 2016 we have enhanced our mkt program thru our partnership with the PHHA, a new outdoor billboard campaign along with a bus mkt program (bus wraps) we are working to increase awareness in the Philadelphia market about Live Racing at Harrah's Philadelphia.

The Handle & Attendance statistics are attached and separated by year 2006 through 2015.

Live Racing Export Handle:

This is where Harrah's Philadelphia has gained tremendous national attention on the racing scene. Currently Harrah's Philadelphia exports its live racing signal to nearly 500 wagering locations in North America. Harrah's Philadelphia showed tremendous growth from 2006 through 2008 as our Export Handle grew significantly each of those years. We hit our "bump in the road" in 2009, the decision to race late afternoon / early evening was not helpful to the export program. Prior to the 2010 racing season our best season for export handle was 2008 when we averaged over 475k daily. The switch to nights impacted our export handle downward by 15% in 2009. The in-state export showed the most significant decreases as five of the six racetracks in the state were all racing at night, this ended up splitting the in-state export handle to all five PA Racetracks. These results led Harrah's Philadelphia to move its 2010 Post Time back to afternoon's at 12:45pm. The 2010 resulted in tremendous growth in Export Handle over 2009. We also showed growth over 2008 when we had gained strong national attention not only in the United States but Canada as well. Racing at Harrah's Philadelphia is simulcast all through the major Racing markets in both countries. The 2011 thru 2015 racing seasons remained steady compared to 2010 in the Export markets. The expectation is that we will continue to remain strong in 2016 despite continued industry declines nationally. The racing schedule in 2016 is targeted to take advantage of export opportunities.

NATIVE BREEDING & CLASS & RESIDENCE

Native Breeding:

Harrah's Philadelphia has developed a great relationship with the Pennsylvania Harness Horsemen's Association (PHHA). Over the years we have worked with the Horsemen to promote racing opportunities for PA Sired & Owned Horses & now PA Stabled Horses. The PHHA offers an incentive / bonus program for PA Owned & Sired Horses. Our current Horsemen's agreement grants final approval of the Weekly Condition sheet to the Horsemen. We continue to evaluate opportunities to promote racing to PA Owned & Sired Horses. We look forward to being able to enhance that program with the Pennsylvania Harness Horsemen's Association as we move into the future.

Class:

Harrah's Philadelphia is the host to World Class Racing action. The highlight of some previous seasons has been Super Stakes Sunday. Other Great Stakes include the Betsy Ross & Maxie Lee Stakes and new in 2016 is the Dorothy Mullin Invitational which features some of the best horses in training. Our Daily Overnights average nearly 200k per day as we have one of the highest Purse Structures in North America. Harrah's Philadelphia has also been active participants in the PA Sire Stakes & Stallion Series Programs.

Residence:

In 2009 & 2010, 21% of the Purses Paid went to PA Residents. In 2011, 24% of the Purses Paid went to PA Residents and in 2012 nearly 30% of the Purses Paid went to PA Residents. 2013 saw that # increase to 32% and in 2014 that # has grown to 39%. We have seen this grow year after year. Harrah's Philadelphia has participated in conducting New Owner Seminars sponsored by the United States Trotting Association & Harness Racing Communications. The PHHA also has been active in promoting ownership to PA Residents with various programs.

HANDLE

2006 - 45 Live Days

On-Track Live:	\$1,842,896
Daily Average:	\$40,953
Export of Live:	\$7,184,401
Daily Average:	\$159,653
Import Races:	\$6,152,108
Daily Average:	\$54,930

2007 - 90 Days Live

On-Track Live:	\$3,744,794
Daily Average:	\$39,419
Export of Live:	\$25,689,295
Daily Average:	\$270,414
Import Races:	\$27,170,533
Daily Average:	\$74,644

2008 - 140 Live Days

On-Track Live:	\$5,501,314
Daily Average:	\$39,295
Export of Live:	\$66,604,639
Daily Average:	\$475,747
Import Races:	\$27,207,576
Daily Average:	\$74,952

2009 - 150 Live Days

On-Track Live:	\$5,841,890
Daily Average:	\$38,946
Export of Live:	\$61,009,168
Daily Average:	\$406,728
Import Races:	\$25,732,509
Daily Average:	\$71,084

HANDLE

2010 - 140 Live Days

On-Track Live:	\$4,435,450
Daily Average:	\$31,682
Export of Live:	\$76,151,913
Daily Average:	\$543,942
Import Races:	\$25,125,376
Daily Average:	\$69,025

2011 - 150 Live Days

On-Track Live:	\$4,594,189
Daily Average:	\$30,628
Export of Live:	\$74,803,741
Daily Average:	\$498,692
Import Races:	\$24,479,070
Daily Average:	\$67,066

2012 - 150 Live Days

On-Track Live:	\$4,070,110
Daily Average:	\$27,134
Export of Live:	\$73,256,024
Daily Average:	\$488,373
Import Races:	\$22,992,312
Daily Average:	\$63,165
Account Wagering	\$1,477,527 (launched 7/31/12)

2013 - 150 Live Days

On-Track Live:	\$3,587,472
Daily Average:	\$23,916
Export of Live:	\$74,996,314
Daily Average:	\$499,975
Import Races:	\$21,663,696
Daily Average:	\$59,515
Account Wagering	\$6,035,312

HANDLE

2014 - 150 Live Days

On-Track Live:	\$3,133,242
Daily Average:	\$20,888
Export of Live:	\$72,115,563
Daily Average:	\$480,770
Import Races:	\$18,357,148
Daily Average:	\$50,431
Account Wagering	\$9,907,132

2015 - 150 Live Days

On-Track Live:	\$3,025,998
Daily Average:	\$20,173
Export of Live:	\$66,984,648
Daily Average:	\$446,564
Import Races:	\$17,166,891
Daily Average:	\$47,161
Account Wagering	\$14,459,733

LIVE ATTENDANCE

2006 - 45 Live Days

26,671 Guests attended Live Racing
593 Daily Average

2007 - 95 Live Days

78,545 Guests attended Live Racing
827 Daily Average

2008 - 140 Live Days

113,305 Guests attended Live Racing
809 Daily Average

2009 - 150 Live Days

113,185 Guests attended Live Racing
755 Daily Average

2010 - 140 Live Days

99,060 Guests attended Live Racing
708 Daily Average

2011 - 150 Live Days

103,042 Guests attended Live Racing
686 Daily Average

2012 - 150 Live Days

97,950 Guests attended Live Racing
653 Daily Average

2013 - 150 Live Days

90,750 Guests attended Live Racing
605 Daily Average

2014 - 150 Live Days

78,150 Guests attended Live Racing
521 Daily Average

2015 - 150 Live Days

77,282 Guests attended Live Racing
515 Daily Average

FACILITY

- Outdoor Grandstand Seating
- Outdoor Patio
- Spacious Paddock & Drivers Lounge
- Philly Steak Shack
- Personal wagering machines
- Indoor Spacious Bar - Copper Mug
- 35 Table Poker Room located adjacent to Simulcast area.
- Large Video Wall
- Newer Flat Screens installed before the 2013 racing season
- New Table top TV's installed in 2015

SIGNAGE AND INFORMATION

- Racing Billboards on Several Major Routes
- Racing Level Parking
- Player Services / Program Booth Area
- Two Central Teller Wagering Locations
- Indoor Signage / Wagering & Dining Options

Harrah's Philadelphia Casino and Racetrack opened its doors as a new racetrack on September 10, 2006.

MARKETING

Public Awareness and Outreach

On September 9th, 2016 Harrah's Philadelphia Racetrack will celebrate its 10th anniversary with a Special Racing Program honoring the milestone event. The Festivities will center around both Racing Fans & Employees.

2016 Highlights:

10th Anniversary Celebration
Outdoor Billboards
Bus Marketing (Bus Wraps)
Bounce Back Offers
Riverview Terrace – Select Sunday's
Stakes Races / Invitationals

Live Racing Events

- Family Day – Select Sunday's during the summer
- Triple Crown Days
- USTA Sponsored Promotions
- PHHA Sponsored Promotions
- Giveaway Days – Promotional Items
- Stakes Race Promotions
- Comeback Offers – Future Race Dates

AWS

- AWS Wagering with National Partner
- Increased Exposure of Live Racing in Simulcast Markets through ADW
- Promotional Days Designed to drive Attendance on-track thru Account Wagering Provider

Changes to Physical Plant

- Installed Race Track Lighting System in 2009
- Poker Room incorporated into Simulcast Operation July 2010
- Philly Steak Shack on the Racing Level
- Newer Flat Screen Televisions – Racing Level & Paddock & New Table Top TV's in simulcast area

Native Breeding Industry

2006-2009 Racing Season

Order Preference Given

- Pa Sired
- Pa Owned
- Open to all remaining horses
- 2009 PA Bonus Program

2010 & 2011 & 2012 - Racing Season

Order Preference Given

2011 & 2012 PA Bonus Program

Races 4YO & Under

- Pa Sired
- Pa Owned
- Open to all remaining Horses

Other conditioned and claiming races

- Pa Owned or Sired

2013 – Racing Season

Pennsylvania Sired & Pennsylvania Owned have equal preference listed in any race listed as Pennsylvania Preferred. On the average condition sheet 70% of classes are written Pennsylvania Preferred. In these races horses stabled in PA are given second preference.

2014 – Racing Season

PA Stabled Horses are Given Preference

2015 & 2016 – Racing Season

Depending on Condition or age of Horse, either PA Owned or PA Sired gets Preference in PA Preference Races.

Current Horsemen's Contract with the PHHA grants final approval of the Weekly Condition Sheet to the Horsemen.

CLASS

- World Class Stakes Racing
- Industry - Major Invitational Races
- \$200,000 in Daily Overnights
- Pa Sire Stakes Program
- PA Stallion Series Program

Working with Industry Trade Organizations to convene New Owners Seminars in 2016 which will be supported by:

- United States Trotting Association
- Harness Racing Communications
- PHHA Horsemen's Organization

RESIDENCE

2009 Racing Season

- 348 Owners & Trainers / PA Residents
- \$8,233,683 Total Purses Earned
- 20% of Purses Paid to PA Residents

- 1,787 Owners & Trainers / Non Residents
- \$31,155,092 Total Purses Earned
- 80% of Purses Paid to Non PA Residents

2010 Racing Season

- 431 Owners & Trainers / PA Residents
- \$6,841,579 Total Purses Earned
- 21% of Purses Paid to PA Residents

- 1,600 Owners & Trainers / Non Residents
- \$25,256,424 Total Purses Earned
- 79% of Purses Paid to Non PA Residents

2011 Racing Season

- 445 Owners & Trainers / PA Residents
- \$7,803,769 Total Purses Earned
- 24% of Purses Paid to PA Residents

- 2,548 Owners & Trainers / Non Residents
- \$24,779,224 Total Purses Earned
- 76% of Purses Paid to Non PA Residents

2012 Racing Season

- 529 Owners & Trainers / PA Residents
- \$11,122,925 Total Purses Earned
- 30% of Purses Paid to PA Residents

- 1,875 Owners & Trainers / Non Residents
- \$25,968,427 Total Purses Earned
- 70% of Purses Paid to Non PA Residents

RESIDENCE

2013 Racing Season

- 415 Owners & Trainers / PA Residents
- \$10,393,795 Total Purses Earned
- 32% of Purses Paid to PA Residents

- 1,308 Owners & Trainers / Non Residents
- \$21,902,952 Total Purses Earned
- 68% of Purses Paid to Non PA Residents

2014 Racing Season

- 355 Owners & Trainers / PA Residents
- \$12,366,293 Total Purses Earned
- 39% of Purses Paid to PA Residents

- 1,056 Owners & Trainers / Non Residents
- \$19,075,348 Total Purses Earned
- 61% of Purses Paid to Non PA Residents

2015 Racing Season

- 389 Owners & Trainers / PA Residents
- \$11,040,738 Total Purses Earned
- 37% of Purses Paid to PA Residents

- 1,222 Owners & Trainers / Non Residents
- \$18,976,956 Total Purses Earned
- 63% of Purses Paid to Non PA Residents

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2016 Race Classes for Pacers

Pace	4 Yr. Olds & Under Colts, Horses & Geldings NW 1 Ext. PM Race ◀	12,000
Pace	4 Yr. Olds & Under Fillies & Mares NW 1 Ext. PM Race ◀	12,000
Pace	4 Yr. Olds & Under Colts Horses & Geldings NW 3 Ext. PM Races or \$30,000 Lifetime ◀	14,000
Pace	4 Yr. Olds & Under Fillies & Mares NW 3 Ext. PM Races or \$30,000 Lifetime ◀	14,000
Pace	4 Yr. Olds & Under Colts Horses & Geldings NW 5 Ext. PM Races or \$50,000 Lifetime ◀	16,000
Pace	4 Yr. Olds & Under Fillies & Mares NW 5 Ext. PM Races or \$50,000 Lifetime ◀	16,000
Pace	NW \$4,500 in Last 5 Starts – ◀	9,000
Pace	Fillies & Mares - NW \$4,500 in Last 5 Starts ◀	9,000
Pace	NW \$7,500 in Last 5 Starts ◀	11,500
Pace	Fillies & Mares - NW \$7,500 in Last 5 Starts ◀	11,500
Pace	NW \$10,500 in Last 5 Starts ◀	13,000
Pace	Fillies & Mares - NW \$10,500 in Last 5 Starts ◀	13,000
Pace	NW \$15,000 in Last 5 Starts – AE: NW 7 EXT. PM Races or \$70,000 Lifetime	15,000
Pace	Fillies & Mares - NW \$15,000 in Last 5 Starts – AE: NW 7 EXT. PM Races or \$70,000 Lifetime	15,000
Pace	Winners Over 25,000 Lifetime	25,000
Pace	Fillies & Mares Winners Over \$25,000 Lifetime	25,000
Pace	Claiming \$10,000 ◀	6,500
Pace	Fillies & Mares Claiming \$10,000 ◀	6,500
Pace	Claiming \$12,500 ◀	8,500
Pace	Fillies & Mares Claiming \$12,500 ◀	8,500
Pace	Claiming \$15,000	10,000
Pace	Fillies & Mares Claiming \$15,000	10,000
Pace	4 & 5 Yr. Olds Claiming Handicap \$15,000	10,000
Pace	Claiming Handicap \$20,000-25,000	14,000

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2016 Race Classes for Trotters

Trot	4 Yr. Olds & Under NW 1 Ext. PM Race ◀	12,000
Trot	4 Yr. Olds & Under NW 3 Ext. PM Race or \$30,000 Lifetime ◀	14,000
Trot	4 Yr. Olds & Under NW 5 Ext. PM Race or \$50,000 Lifetime ◀	16,000
Trot	NW \$4,500 in Last 5 Starts- ◀	9,000
Trot	NW \$7,500 in Last 5 Starts- ◀	11,500
Trot	NW \$10,500 in Last 5 Starts- ◀	13,000
Trot	NW \$15,000 in Last 5 Starts - AE: NW 7 Ext. PM Races or \$70,000 Lifetime	15,000
Trot	Winners Over \$25,000 Lifetime	25,000
Trot	Claiming \$15,000	10,000
Trot	Claiming \$12,500 ◀	8,500
Trot	Claiming \$10,000 ◀	6,500

<p>◀ Preference regarding 4 Yr. Olds & Younger</p> <ol style="list-style-type: none"> 1. Pa Sired that are <u>Wholly</u> Pa Owned 2. Pa Sired Horses 3. Pa Wholly Owned Horses 4. All other horses <p>HORSES INTO RACE LOSE THEIR ◀ PREFERENCE</p>	<p>◀ Preference regarding 5 Yr. Olds & Older</p> <ol style="list-style-type: none"> 1. Pa. Wholly Owned horses 2. Pa. Trained horses 3. Pa. Sired horses 4. All other horses <p>HORSES INTO RACE LOSE THEIR ◀ PREFERENCE</p>
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2016 Qualifying Standards

PACE	1:59
3YO	2:01
TROT	2:01
3YO	2:03

2016 Harrah's Philadelphia Race Dates

MARCH						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

APRIL						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

NOVEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Purple - Post Time 12:40

Red - Post Time TBA



CLIENT
PHHA

PROJECT
WAVE 1
Messaging

JOB NO.
PHHA-26278

COLOR
4/c

SIZE
14' x 48'
OutFront Media

MASTERMINDS



EXCITEMENT

LIVE AFTERNOON RACING

Harrah's
PHILADELPHIA

1-95 EXIT 8

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



CLIENT
PHHA

PROJECT
WAVE 1
Messaging

JOB NO.
PHHA-26278

COLOR
4/c

SIZE
14' x 48'
Steen

MASTERMINDS

PARTY. PLAY.

WIN BIG

LIVE AFTERNOON RACING

Harrah's
PHILADELPHIA

I-95 EXIT 8

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



CLIENT
PHHA

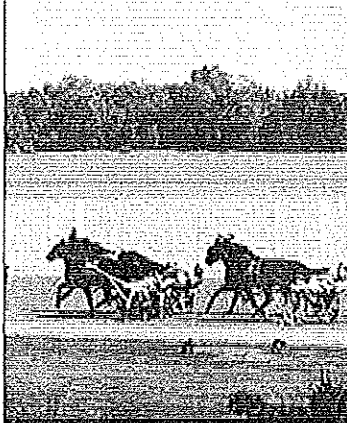
PROJECT
WAVE 1
Messaging

JOB NO.
PHHA-26278

COLOR
4/c

SIZE
20' x 60'
Keystone

MASTERMINDS



EXCITEMENT

WITH A VIEW

LIVE AFTERNOON RACING

Harrah's
PHILADELPHIA

I-95 EXIT 8

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



PARTY. PLAY.

LIVE AFTERNOON RACING

Harrah's
PHILADELPHIA

I-95 EXIT 8

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



CLIENT
PHHA

PROJECT
WAVE 1
Messaging

JOB NO.
PHHA-26278

COLOR
4/c

SIZE
14' x 48'
10'5" x 22'8"
Clear Channel

MASTERMINDS



EXCITEMENT
LIVE AFTERNOON RACING

Harrah's
PHILADELPHIA

I-95 EXIT 8

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



EXCITEMENT
LIVE AFTERNOON RACING

Harrah's
PHILADELPHIA

I-95 EXIT 8

GAMBLING PROBLEM? CALL 1-800-GAMBLER.




PARTY. PLAY.
LIVE AFTERNOON RACING

Harrah's
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GAMBLING PROBLEM? CALL 1-800-GAMBLER.



CLIENT
PHHA

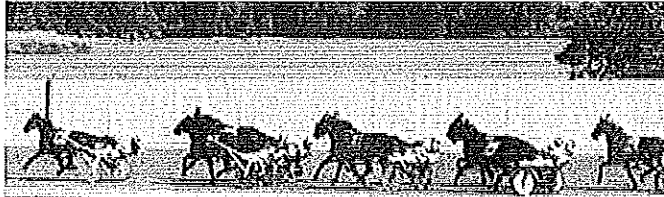
PROJECT
WAVE 1
Messaging

JOB NO.
PHHA-26278

COLOR
4/c

SIZE
46" x 60"
Intersection

MASTERMINDS



EXCITEMENT

LIVE AFTERNOON RACING

NOW - DECEMBER 18
For the complete 2016 racing schedule visit
harrahsphtty.com

Harrah's
PHILADELPHIA

I-95 EXIT 8

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



PARTY. PLAY.

LIVE AFTERNOON RACING

NOW - DECEMBER 18
For the complete 2016 racing schedule visit
harrahsphtty.com

Harrah's
PHILADELPHIA

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GAMBLING PROBLEM? CALL 1-800-GAMBLER.



MAXIE LEE, BETSY ROSS

INVITATIONALS

SUNDAY, MAY 29

Enjoy lunch, wagering and HD monitors from Noon – 4pm in the Riverview Terrace. Experience a fun-filled day of family friendly activities on the Patio.

FOR LUNCH RESERVATIONS: 610-874-5200

Harrah's [★]

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