HARRAH'S PHILADELPHIA CASINO & RACETRACK

REPORT ON LIVE HARNESS RACING

PART 1 SUMMARY

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- 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 12th live racing season in 2017 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 11 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. In 2017 we have included a series of commemorative night cards to celebrate the history of Delaware Valley Harness Racing. We had a very successful anniversary celebration and hope to continue with some special event themes for our fans.

The Handle & Attendance statistics are attached and separated by year 2006 through 2016.

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 & 2017 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: Daily Average:	\$5,501,314 \$39,295
Export of Live: Daily Average:	\$66,604,639 \$475,747
Import Races: Daily Average:	\$27,207,576 \$74,952
	2009 - 150 Live Days
On-Track Live: Daily Average:	2009 - 150 Live Days \$5,841,890 \$38,946
	\$5,841,890

\$25,732,509 \$71,084

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Daily Average:

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: Daily Average: \$21,663,696 \$59,515

Account Wagering

\$6,035,312

HANDLE

On-Track Live: Daily Average:	2014 - 150 Live Days \$3,133,242 \$20,888
Export of Live: Daily Average:	\$72,115,563 \$480,770
Import Races: Daily Average:	\$18,357,148 \$50,431
Account Wagering	\$9,907,132
On-Track Live: Daily Average:	2015 - 150 Live Days \$3,025,998 \$20,173
Export of Live: Daily Average:	\$66,984,648 \$446,564
Import Races: Daily Average:	\$17,166,891 \$47,161
Account Wagering	\$14,459,733
On-Track Live: Daily Average:	2016 - 150 Live Days \$2,848,829 \$18,992
Export of Live: Daily Average:	\$60,509,597 \$403,397
Import Races: Daily Average:	\$18,200,159 \$50,000

Account Wagering \$14,713,258

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

2016 - 150 Live Days

76,781 Guests attended Live Racing 511 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 July 14th, August 11th & September 8th 2017, Harrah's Philadelphia Racetrack will celebrate the history of Delaware Valley Harness racing with commemorative racing programs honoring the history of Liberty Bell Park, Garden State Park & Brandywine Raceway. The Festivities will include entertainment & themed events focused on the history of each of the tracks.

2016 & 2017 Highlights:

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

Live Racing Events

- Celebrating the History of Delaware Valley Harness Racing
- Family Day Every Summer Sunday (Family Friendly Events)
- 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 & 2017- 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
- s31,155,092 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

2016 Racing Season

- 407 Owners & Trainers / PA Residents
- \$11,095,024 Total Purses Earned
- 37% of Purses Paid to PA Residents
- 1,206 Owners & Trainers / Non Residents
- \$18,922,670 Total Purses Earned
- 63% of Purses Paid to Non PA Residents

2017 Harrah's Philadelphia Race Dates

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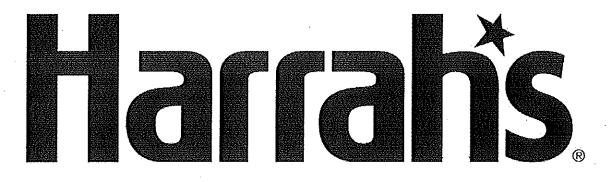
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PH A 9017 Race Classes for Pa

2017 Race Classes for Facers	
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Pace	4 Yr. Olds & Under Fillies & Mares NW 3 Ext. PM Races or \$30,000 Lifetime ◀	14,000
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Pace	Fillies & Mares - NW \$15,000 in Last 5 Starts - AE: NW 7 EXT. PM Races or \$70,000	15,000
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Pace	Winners Over 25,000 Lifetime	25,000
Pace	Fillies & Mares Winners Over \$25,000 Lifetime	25,000
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Pace	Fillies & Mares Claiming \$15,000	12,000
Pace	4 & 5 Yr. Olds Claiming Handicap \$15,000	12,000
Pace	Claiming Handicap \$20,000-25,000	16,000



PHILADELPHIA

2017 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	12,000
Trot	Claiming \$12,500	10,000
Trot	Claiming \$10,000 ◀	8,500

◄Preference regarding Ext. PM wins and	◄ Preference regarding Earnings Last 5 and
Lifetime Earnings	Claiming Events
1. Pa Sired that are <u>Wholly</u> Pa Owned	1. Pa. Wholly Owned horses
2. Pa Sired Horses	2. Pa. Trained horses
3. Pa Wholly Owned Horses	3. Pa. Sired horses
4. All other horses	4. All other horses
HORSES INTO RACE LOSE THEIR ◀ PREFERENCE	HORSES INTO RACE LOSE THEIR ◀ PREFERENCE
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2017 Qualifying Standards

PACE	2:00
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PROJECT WAVE 1 Messaging **JOB NO.** PHHA-26278 COLOR 4/c SIZE 14' x 48' OutFront Media MADIERAMINAO

 CONTROL
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 GAMBLING PROBLEM?
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GAMBLING

PROJECT WAVE 1 Messaging **Job No.** Phha-26278 COLOR 4/c **SIZE** 14' x 48' Steen

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CALL

PROBLEM?

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PROJECT WAVE 1 Messaging **JOB NO.** PHHA-26278

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GAMBLING

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EXCITEMENT LIVE AFTERNOON RACING

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PROBLEM?





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PROJECT WAVE 1 Messaging **Job No.** Phha-26278 COLOR 4/c SIZE 46"' x 60" Intersection PHDIEFATILO

