



FOR IMMEDIATE RELEASE: December 28, 2005

Western Fair Raceway stands firm, latest contract proposal demonstrates W.F.A. commitment to horsepeople and live racing.

The Western Fair Raceway and the Ontario Harness Horse Association (O.H.H.A.) have been in talks since the early fall of 2005 to solidify a 2006 horse racing contract. As of today, despite our best efforts, the Western Fair Raceway has been unsuccessful in reaching a 2006 race date agreement with O.H.H.A.

O.H.H.A.'s contract negotiations proposed 142 race dates and a 50/50 split of all wagering commissions earned. Western Fair Raceway's offer contains 130 race dates and a 50/50 split of the first \$3.9 million (the equivalent of 2005 revenues on 112 race dates) and a 75/25 split for Western Fair Raceway based on the incremental wagering that is created by 18 additional race dates.

In 1999, the year slots were introduced at Western Fair Association, the track raced 95 days, carded 1046 races and the average purse payout was \$4555 per race. The proposed 2006 race date schedule represents a 37% increase in race days and a 49% increase in race opportunities for horsepeople compared to 1999. We estimate that in 2006 the purses paid will be 10 million, a doubling of purses since 1999 levels.

The above statistics are a testament to the fact that, since 1999, horsepeople have benefited greatly from the government's racetrack slot initiative and Western Fair Raceway's commitment to live racing. Western Fair Association has also invested over \$6.5 million improving our facilities for our horsepeople and our customers and invested a further \$17 million for enhancements to our slot operation, which was beneficial to both organizations.

Currently, the Western Fair Raceway and O.H.H.A. find themselves in the same unfortunate situation; that the growth in race dates and race opportunities has come at a time when the demand for live racing has declined significantly. This decline is not

unique to Western Fair Raceway in fact live wagering trends are consistently declining at racetracks across North America.

The above trends prove that the market is now over-supplied with live race dates. Most businesses would respect market forces and downsize their supply of product to better match current demand.

“We recognize the challenges that a significant reduction in race dates and race opportunities will have on our horsepeople. Given today’s gaming trends, the traditional model of a 50/50 split in wagering commissions is not appropriate. Wagering that is generated by oversupplying the market to create race opportunities and help sustain rural jobs as O.H.H.A. argues; requires a different split that is essential for the racetrack. For these reasons we view our offer of a 50/50 split on the first \$3.9 million in commissions (the equivalent of 2005 revenues on 112 race dates) and a 75/25 split in our favour on the incremental wagering created by the additional race dates as fair and reasonable.”

Hugh Mitchell
Chief Operating Officer
Western Fair Association

The most unfortunate ripple that could come from the lack of a race date contract is that the Canadian Pari-Mutuel Agency, which requires an agreement to be in place with horse-people at the beginning of each calendar year, will not issue Western Fair Raceway a betting permit for intertrack, teletheatre, remote and account wagering. The consequences of this ruling will mean that Western Fair Raceway will have to shut down indefinitely.

Due to this possibility and the trouble and inconvenience this will cause our staff, horse-people and customers Western Fair Raceway will continue to strive for a negotiated settlement that is practical and financially fair for all concerned.

Western Fair Raceway’s live racing schedule will continue as follows:

Wednesday, December 28, 2005
Friday, December 30, 2005
And Saturday, December 31, 2005

Post time: 7:35 p.m.

Live racing has been cancelled for Sunday, January 1, 2006

For more information please contact:

Hugh Mitchell

Chief Operating Officer

WESTERN FAIR ASSOCIATION

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