



BRISBANE
RACING CLUB

Brisbane Racing Club Limited

Annual General Meeting
9 November 2011





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Agenda

1. Welcome
2. Apologies
3. Period of Silence for Deceased Members
4. Approval of Previous Minutes
(AGM - Wednesday 29 September 2010)
5. Chairman's and Financial Report
6. General Business/Questions
7. Close of Meeting



Chairman's Report - Summary

- 2011 - a consolidation year for the company
- BRC now operational for two (2) full years - launch pad fully established for the future
- Significant initiatives across the year included:
 - Growth of the Winter Racing Carnival (crowds up 17%)
 - Completion of Doomben as a modern day racing facility
 - Full year operation of BRSSC
 - First polo tournament (Oct 2010)
 - Successful launch of Sunday Markets (Apr 2011)
 - Formal completion and lodgement of Master Plan with BCC (Apr 2011)





2011 Financial Review - Normalised Earnings

BRISBANE RACING CLUB INCOME STATEMENT	2011 \$000s	2010 \$000s
Annual Attendance	219,057	226,563
Revenue		
Catering Sales	13,217	11,124
Admissions & Racebooks	1,928	1,716
Wagering, Broadcast & Sponsorship	12,713	7,636
Track Revenue	2,434	2,216
Membership Revenue	955	874
Rental & Sundry Income	454	512
BRC Driven Revenue	31,701	24,078
Queensland Racing Subsidy	1,183	863
Interest Income	368	469
Other Revenue	1,550	1,332
Total Revenue	33,251	25,410
Expense Accounts		
Employee Expenses	11,233	10,293
COGS, Catering & Equipment Hire	6,680	5,217
Racing, Wagering and Gaming Expenses	4,973	4,365
Maintenance, Utilities & Cleaning	4,086	3,443
Marketing & Promotions	1,201	1,314
Administrative & IT Expenses	2,287	1,889
Total Expenses	30,460	26,521
EBITDA	2,791	(1,111)
Depreciation	2,520	2,059
Profit/(Loss) from Normal Operations	271	(3,170)

- On a normalised basis, BRC has improved its financial position
- Primarily driven by new broadcast agreement including a one off initial payment, catering revenue improvements and sponsorship
- Full year impact of BRSSC is neutral at bottom line
- BRC still underfunded from RQL
- Casual Saturday raceday attendances continue to decline
- Cost base steady on like for like basis





2011 Financial Review - Balance Sheet

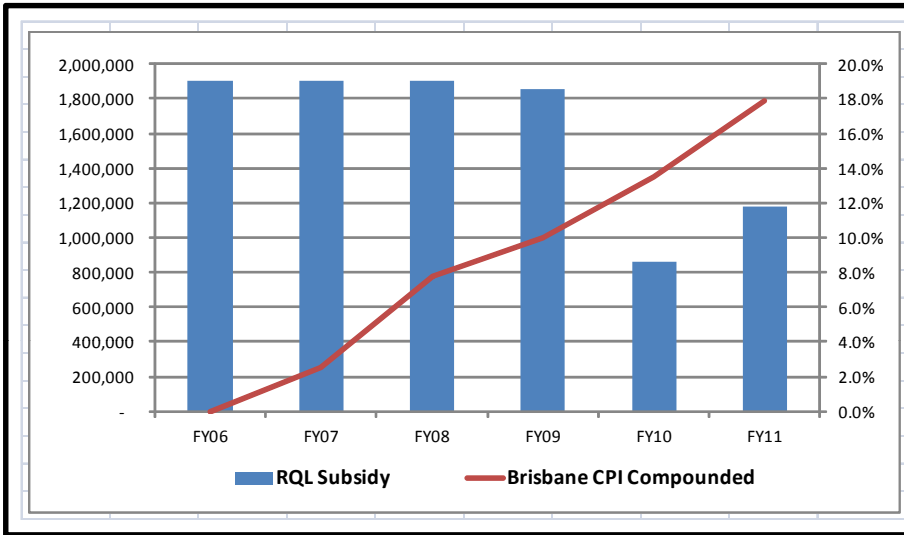
BRISBANE RACING CLUB BALANCE SHEET	2011	2010
Current Assets		
Cash	7,676	7,465
Receivables	1,357	1,462
Inventory	809	526
TOTAL CURRENT ASSETS	9,842	9,453
Non-Current Assets		
Racetrack, Land and Properties	42,475	42,633
Buildings & Grandstands	38,627	38,773
Plant & Equipment	2,150	2,844
Furniture and Fittings	595	668
Gaming Machines and Licenses	443	453
Leased Assets	327	0
Work in Progress	2,196	428
TOTAL NON CURRENT ASSETS	86,814	85,798
TOTAL ASSETS	96,656	95,251
Current Liabilities		
Payables	(4,349)	(3,722)
Income in Advance	(1,176)	(1,066)
Lease Liability	(82)	0
Provisions and Other	(1,747)	(1,482)
TOTAL CURRENT LIABILITIES	(7,355)	(6,270)
Non-Current Liabilities		
Provision for LSL/Deferred Settlement	(480)	(645)
Provision for Lease Liability	(213)	0
TOTAL NON CURRENT LIABILITIES	(693)	(645)
TOTAL LIABILITIES	(8,047)	(6,915)
NET ASSETS	88,608	88,337

- Balance sheet remains strong
- Adequate cash levels in the near term
- Some asset liquidity
- No long term debt
- Financial ratios sound



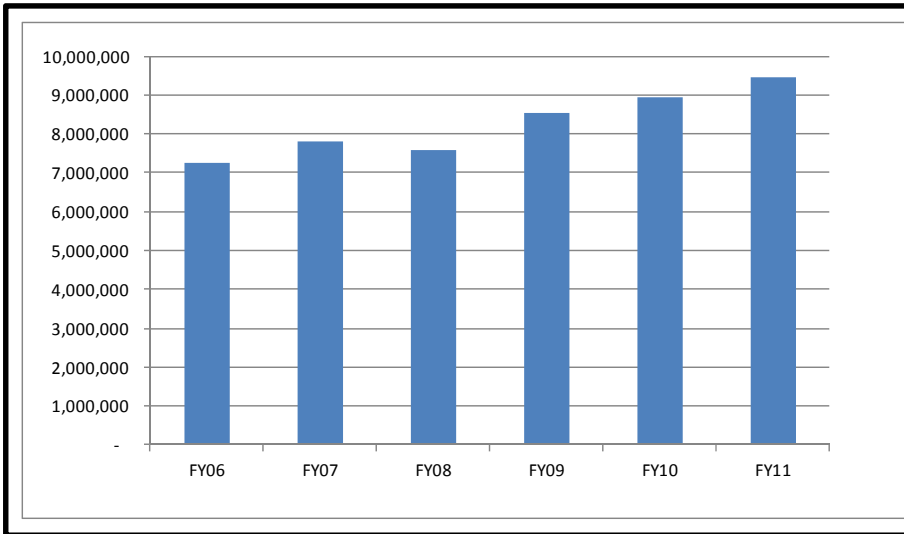


2011 Review - Inequitable Funding Continues



Subsidy to BRC by RQL

If the RQL subsidy from 2006 had been paid to BRC in accordance with CPI movements, BRC would have received an additional \$1.91 million in FY11



Costs of Racing and Track Maintenance

Costs of racing have risen over \$2 million in the last 6 years...yet funding has actually decreased by 38% from 2006 levels

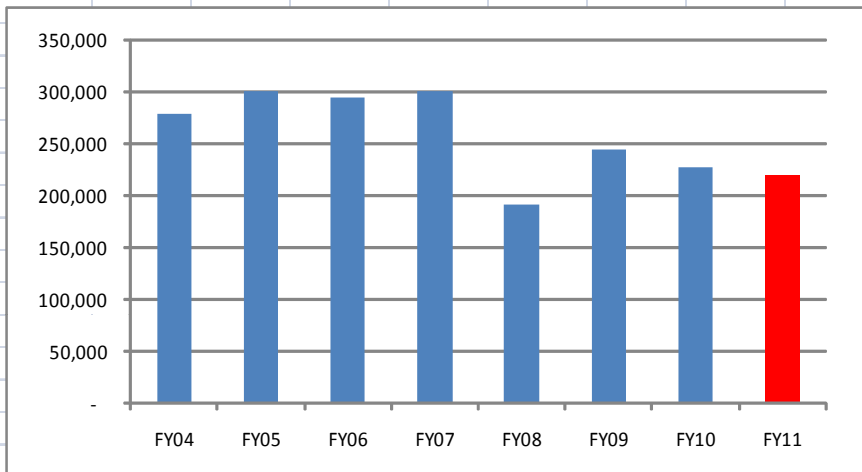
Source: QTC, BTC and BRC Annual Reports



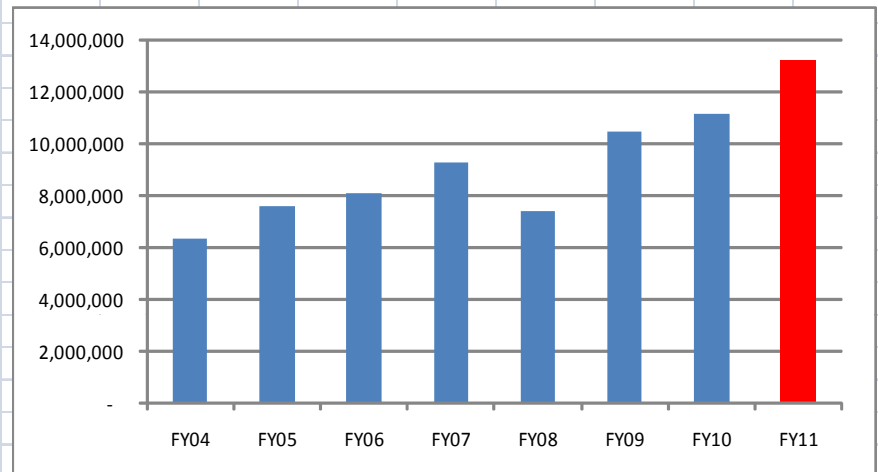


2011 Review - Key Statistics

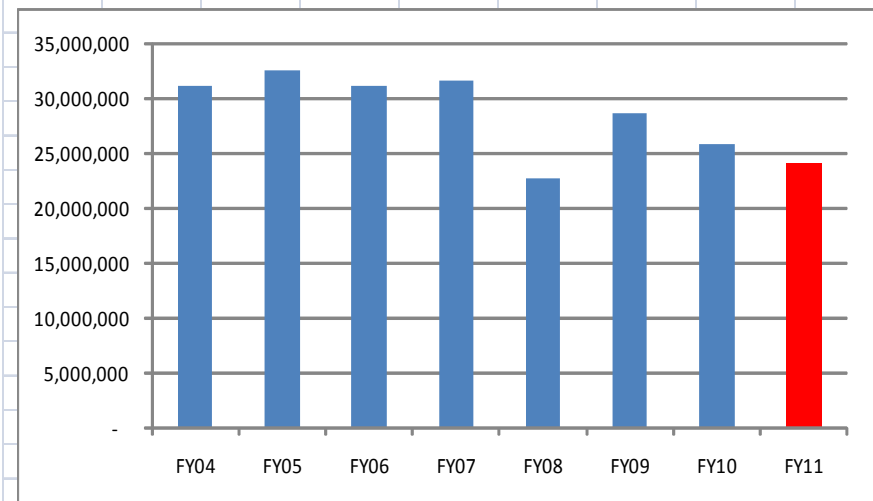
Attendance



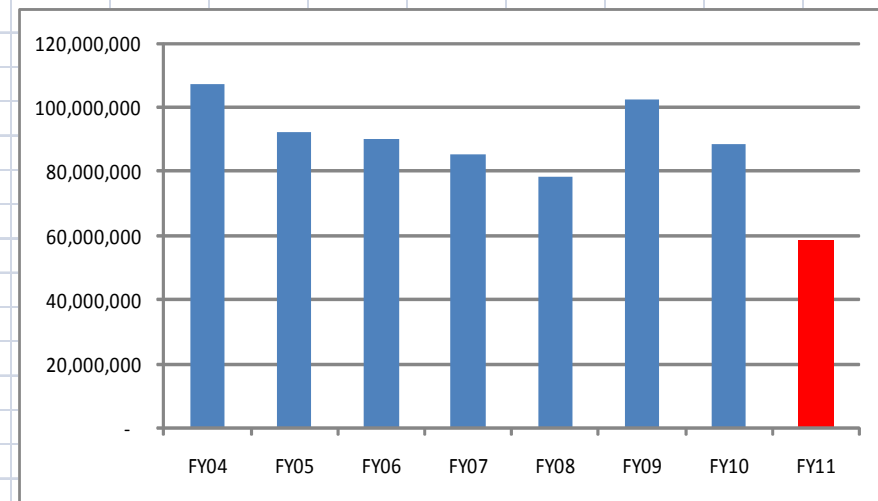
Catering Sales



On Course Totalisator Turnover



Bookmakers Turnover

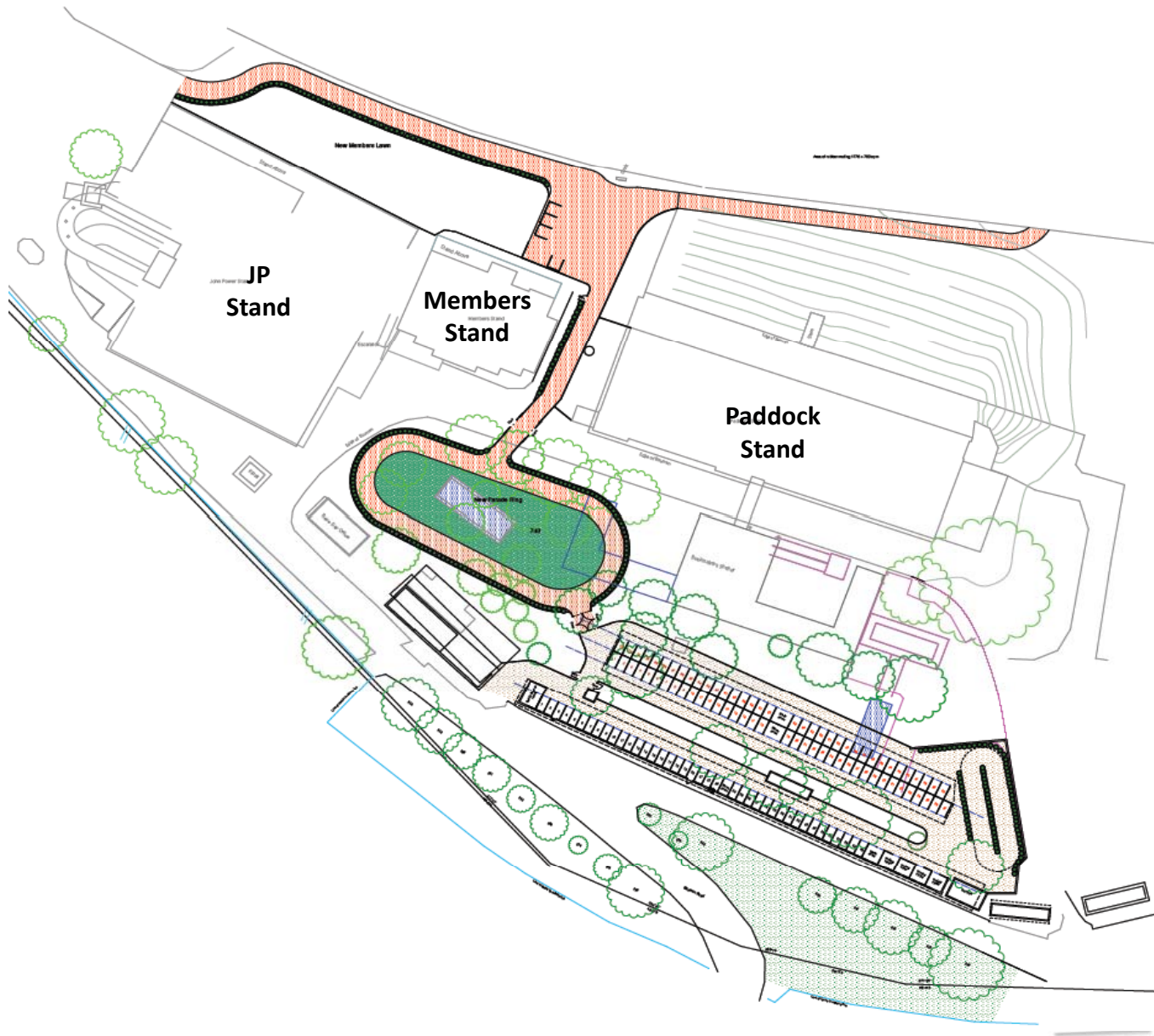


Source: QTC, BTC and BRC Annual Reports





Eagle Farm Upgrade



- Multi million dollar upgrade for EF
- Acceleration of initial phases of master plan
- Creation of Members Lawn
- Improved access to new tie up stalls
- New mounting yard, jockeys and stewards rooms
- Ladies Members toilets
- 150,000L water storage
- Phased project
- Short term issues
- Majority funded by sales of investment properties



Non-Racing Reciprocal Membership Benefits





Future Outlook

Strategically

- Next phase of Master Plan approvals and development
- Continued focus on obtaining an equitable industry funding model
- Wagering renewal - 2014
- Threat to on course bookmaker viability

Operationally

- Difficult financial outlook
- Eagle Farm upgrade
- BRSSC refurbishment and growth
- Improvement in regular race meeting attendances





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General Business and Questions

