



THE CORPORATION

With roots dating back to 1881, Woodbine Entertainment Group (WEG) is the largest operator of horse racing in Canada. It is also recognized as being one of the most innovative in North America.

WEG is a privately operated without share capital corporation. The Corporation is committed to maximizing financial performance in order to achieve the highest quality of horse racing. The Corporation reinvests its cash flow, after debt repayment, in upgrading its facilities and products as required under its not-for-profit mandate. WEG is governed by a Board of Directors comprised of experienced business leaders who have a clear understanding of governance based on the principles of accountability, responsibility and transparency. WEG employs approximately 2,300 staff.

WEG has invested almost \$385 million since 1999 to upgrade its facilities, of which approximately \$175 million has been capital investments related to the slots which are operated by the OLG at both Woodbine and Mohawk Racetracks. Investments in racing have been made to improve the quality and presentation of its product, expand its distribution networks, implement programs to enhance service levels and provide world class racing facilities. *Woodbine Racetrack* (Toronto) and *Mohawk Racetrack* (Milton) are now amongst the very best horse racing facilities in North America, and indeed the world. WEG is also the Ontario Lottery & Gaming (OLG) largest lottery retailer operator.

The Woodbine/Mohawk standardbred circuit is #1 in North America, both in terms of wagering and purses. Wagering on WEG thoroughbred product has increased by 25% over the last four years as the quality of racing and its presentation have improved and is being exported to nations around the world. In 2011, WEG grew its share of the U.S. wagering market to 5% from virtually nothing four years ago. WEG also exports to Ireland, Great Britain, France, Germany, Turkey, Trinidad and Jamaica. Plans to export to Australia, New Zealand, South Africa and Sweden are in place.

In addition to its two racetracks, WEG operates the *Champions* Off-Track Wagering network, plus *WEGZ Stadium Bar* in Vaughan, *Turf Lounge* in downtown Toronto and *Greenwood Teletheatre* in the Beach Area of the City. Remote wagering is also available to customers through *HorsePlayer Interactive (HPI)*, the Company's telephone and online account wagering service. WEG offers this service to all Canadian racetracks. WEG also operates *HPItv*, a CRTC licensed digital television channel, that broadcasts its racing product into homes across Canada.

The horse racing industry has become increasingly global and competitive. Technology has changed the marketplace for horse racing which was once thought to be a local activity. WEG has been expanding its distribution to access new international markets for both its standardbred and thoroughbred racing products while respecting all relevant laws and regulations.

In 2012, WEG will host 394 race days, representing 167 thoroughbred race days and 227 standardbred race days at its two racetracks. Woodbine Racetrack is the only dual breed racing operation in Ontario offering both standardbred and thoroughbred racing on the same day.

The backstretch of Woodbine is a village within the city where people not only work but live. Over 2,200 people work on the backstretch, 300 of whom are permanent residents in WEG subsidized on-site dorms during the racing season.

Woodbine Entertainment Group is not only a leader within the horse racing industry but within the communities in which it operates. WEG demonstrates its commitment to social responsibility by ensuring economic sustainability of the business and the rural economy through the horse racing industry, being a strong community partner through its philanthropic donations and a strong steward of the environment. WEG is the founding business partners in Partners for Project Green as well as an Ambassador for Partners in Project Green.

Environmental sustainability is reflected throughout the business in a manner that minimizes environmental risk, maximizes energy and water conservation and waste management.

WEG is recognized by the Canadian Centre for Philanthropy's IMAGINE program as a "Caring Company" that donates more than 1% of pre-tax profit to charity. WEG exceeds the IMAGINE standard and donates 3% of its net revenues to charitable causes. Since the introduction of the Racetrack Slot program in 1999, WEG has contributed approximately \$6 million (cash and in-kind donations) to community charities.

WEG has received numerous awards for environmental sustainability, community investment quality management and excellence in service.

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