



COMMERCIALLY SENSITIVE

IGB Business Model Analysis

by

Preferred Results Ltd.

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Highlighted chapters not included

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Executive Summary

In the tender document submitted relating to this report, it was stated that “the goal in conducting a business model analysis is to reach detailed fact-based conclusions on the critical aspects of the business and to design changes which will allow it to achieve a stepped improvement in its performance once the proposed changes are fully implemented. In the search for performance-improvement opportunities the review will focus on the following areas: Business Configuration; The Satisfaction of Customer Needs & Wants; The Delivery of Products & Services; Volume of Business; Organisation Crewing; ICT Systems Review; Competencies & Skills; Financial Review”.

At an early stage in the assignment it became apparent that the IGB Business Model is inextricably linked to the overall Industry and that focussing on an IGB, the organisation, without taking the wider industry into account, would render any analysis and recommendations of little value or relevance. Embracing the reality of the situation, the analysis was expanded to include the industry as a whole and a greater focus than was originally intended, was placed on meeting with over one hundred stakeholders, across the range of stakeholders comprising the industry, at each of the IGB Race Tracks. One of the most critical findings of the analysis is that the IGB is not actually a racing-centric organisation and that the primary focus of the organisation is actually on Breeding. That focus causes some 15,000 pups to be bred for racing each year, for a Dog Pool with approximately 3,600 dogs. Taking into account the potential racing-life of a greyhound, it turns out that the industry produces in the region of 1,000% more greyhounds each year than would be required to sustain a Greyhound Racing Industry. Reflecting the excess of dogs, each year some 6,250 Dogs are exported to the UK, for prices which are less than 50% of their actual production cost; a fact which has enabled the Irish Greyhounds to take over 83% of the UK Greyhound Pool.

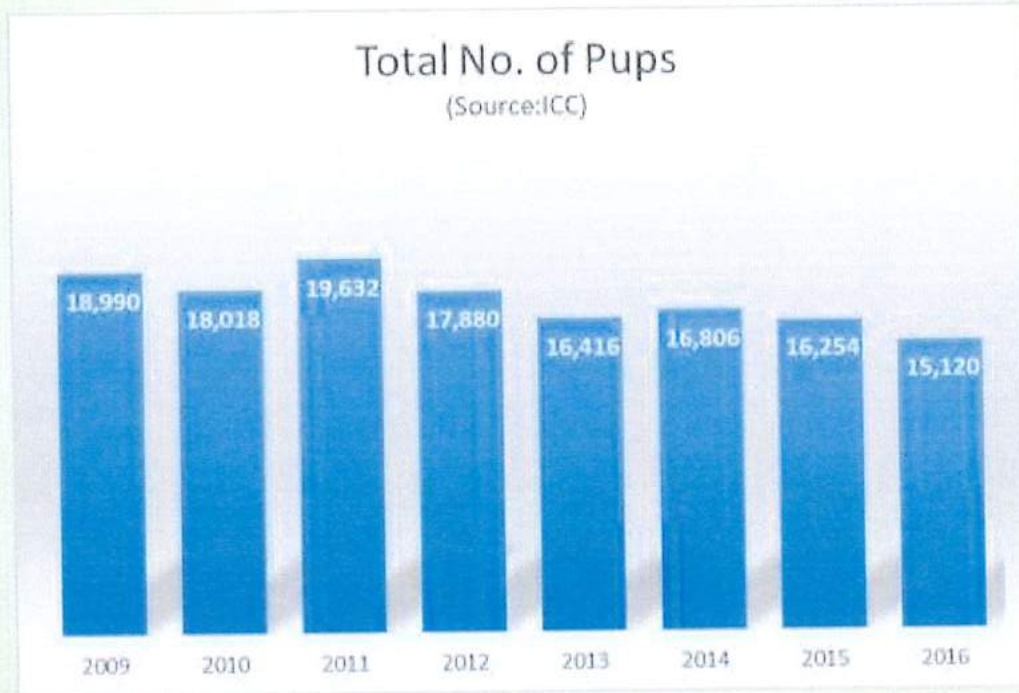
On a positive note, dogs exported to the UK are accounted for and are likely to be well looked after as the majority are used for BAGS racing and are likely to have racing careers lasting up to four and even five years. The bigger problem emerges with the lack of clarity around what happens to some 6,000 pups each year which are not accounted for. One may dispute figures regarding what happened to these pups, given the current lack of traceability. However, within the next couple of years, full traceability should be in place and if steps are not taken immediately to address the root causes giving rise to the mass culling of pups, the very future of the industry could be threatened.

Both from a welfare and from a financial perspective, the industry must now move to put racing at the centre of what it does and must ensure that breeding is undertaken to support the industry and not as an alternative to it. With that goal in mind, it is proposed that a Breeding Licencing System be put in place for both the Domestic Market and the Export Market and that licenses be issued and regulated by a separate Irish Greyhound Racing Regulator, the creation of which would require a change in national legislation. In that way, overbreeding, which is estimated could cost the industry in excess of €10M each year can be tackled, together with the resultant welfare issues. In designing a new organisation structure to deliver the Racing Model proposed, a new position of Racing Director is created which puts Racing at the centre with each of the other functions aligned to it. In that respect, the Finance Function is also radically changed as head-office accountants dealing with the Race Tracks, Tote and Prizemoney are reassigned to the proposed new Racing Department.

While for the most part the findings of the analysis raise serious issues, on the other hand, nothing was identified which could not be fixed and there is every reason to believe that IGB could, within a short number of years, become a financially viable entity, drugs free, and with an impeccable record on animal welfare. The future now depends on the choices made by the organisation.

Section 2

Irish Dog Pool Analysis & Findings



Pups Available for RMS Registration								
Indicator	Year							Average
	2009	2010	2011	2012	2013	2014	2015	
Litters Registered with ICC	3165	3003	3,272	2,980	2,736	2,801	2,709	2,952
No. of Litters for Coursing	475	450	491	449	415	401	396	440
Net Litters for Racing	2,690	2,553	2,781	2,531	2,321	2,400	2,313	2,513
ICC figure for Pups per Litter	6	6	6	6	6	6	6	6
Racing Pups Registered per Year	16,142	15,315	16,687	15,186	13,926	14,400	13,878	15,076
% Racing Pups per Year	85%	85%	85%	85%	85%	86%	85%	85.11%
Total No. of Pups Chipped	0	0	324	923	2,789	8,554	13,081	na
% of Pups Racing Pups Chipped							94.26%	na
% Pups not Chipped	5.74%	5.74%	5.74%	5.74%	5.74%	5.74%	5.74%	5.74%
Racing Pups Chipped (calculation)	15,215	14,436	15,729	14,314	13,126	13,573	13,081	14,210
Mortality 2Wks to RMS Registration	5%	5%	5%	5%	5%	5%	5%	5%
Pups lost 2 wks to RMS Registration	807	766	834	759	696	720	694	754
Available for RMS Registration (est)	15,334	14,550	15,853	14,427	13,230	13,680	13,184	14,322

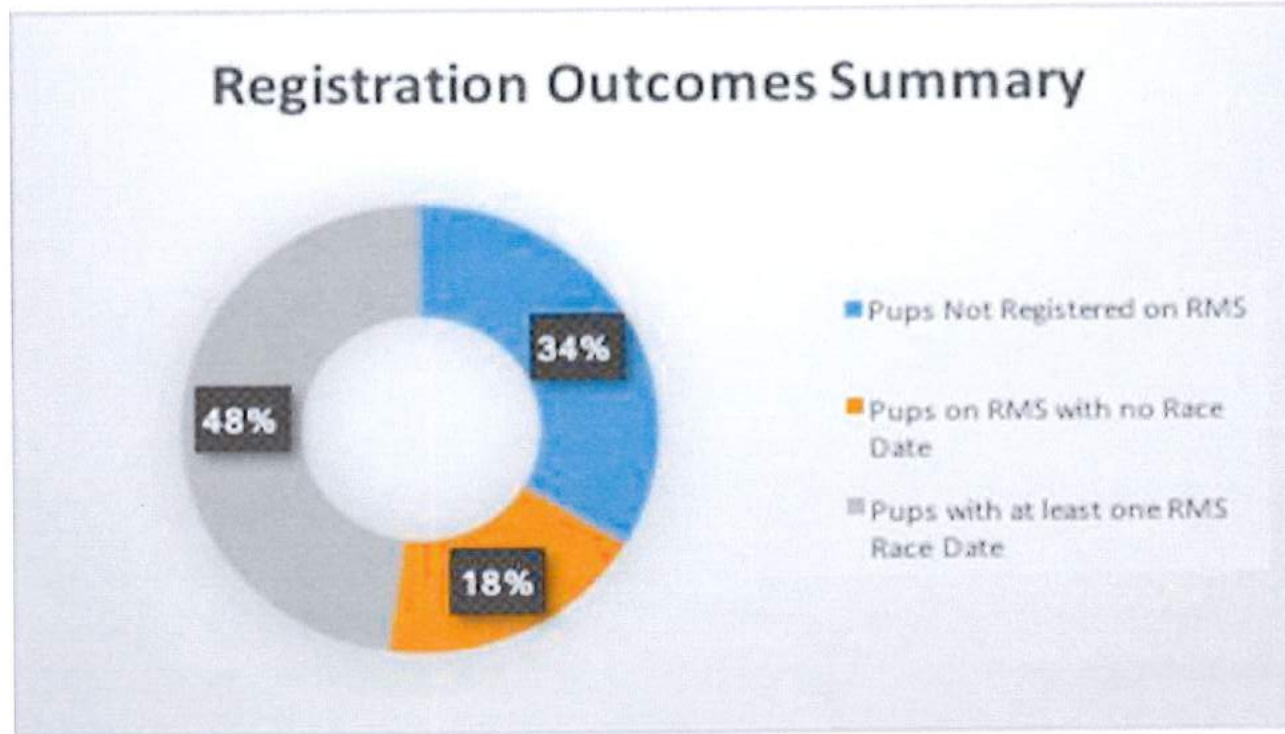
Comments on Previous Slide

- The purpose of the slide is to establish the number of pups which, in theory, should be available for registration on the Race Management System (RMS)
- To obtain that figure, the first step is to remove all Greyhounds which were registered as 'Coursing Dogs', leaving just the dogs which were registered for racing
- Following Registration at 2 weeks of age, the next time data is collected on dogs is when they are Tattooed and Microchipped at 3 months
- Since microchipping is a recent development, the first full year for which data is available is 2015
- The '% of Pups Not Chipped' should equate to the mortality rate between 2 weeks and 3 months.
- For 2015 the microchip figure for mortality was 5.74%, which is somewhat above the anticipated figure of below 5% provided by a highly experienced VET
- Given that there is likely to have been some level of euthanasia of weaker pups, the figure of 5% mortality which refers to mortality between 2 weeks and 13 months was used to calculate the number of pups available in theory for RMS Registration

Estimated v/s Actual RMS Registrations						
Indicator						Average
	2011	2012	2013	2014	2015	
Available for RMS Registration	15,853	14,427	13,230	13,680	13,184	14,075
RMS Registrations by DOB	10,176	9,704	9,134	9,316	8,344	9,335
Pups Not Registered on RMS	5,677	4,723	4,096	4,364	4,840	4,740
% Pups Unaccounted for	36%	33%	31%	32%	37%	34%
Unraced Pups on RMS						
Indicator						Average
	2011	2012	2013	2014	2015	
RMS Registrations by DOB	10,176	9,704	9,134	9,316	8,344	9,335
Pups with at least one RMS Race Date	7,420	7,202	6,713	6,856	5,405	6,719
Pups with no RMS Race Date	2,756	2,502	2,421	2,460	2,939	2,616
% Pups on RMS with Race Date	27%	26%	27%	26%	35%	28%

Comments on Previous Slide

- At around 12 months of age owners who plan to race a pup must have it named and registered on the RMS
- The figures show that only 66% of the pups which should in theory be available for registration were actually registered for the 5 years, 2011 to 2015
- Some pups would have been sold to the UK thereby bypassing the RMS, but the variance is far too large to be explained by that alone
- The second table shows that even when Pups are registered on the RMS, 28% of them have no race records, which means that they never raced
- Once again, some of these pups will no doubt have been sold to the UK but the variance is far too large to be explained by that item alone



Factors Affecting Registration Outcomes

In order to explain what happens to the total number of dogs which would be expected to be available for registration, the starting point is to establish at least a 'best estimate' for the normal channels which are inherent to the industry. These include:

- Dog Pool Replenishment (Stock Movements)
- Replenishment of Brood Bitches
- Replenishment of Stud Dogs
- Exports
- Replenishment of Retiring Dogs
- Replenishment due to Illness & Injury

Dog Pool Rotation Analysis				
Indicator	2013	2014	2015	Average
Opening Dog Pool	3,602	3,894	3,445	3,647
New Dogs	6,713	6,856	5,405	6,325
Exiting Dogs	6,421	7,305	5,499	6,408
Closing Dog Pool	3,894	3,445	3,351	3,563
Change in size of Dog Pool	292	(449)	(94)	(84)
Rotations per yr	1.86	1.76	1.57	1.73
Rotation Duration (Mths)	6.44	6.82	7.65	6.92

Comments on Previous Slide

- Throughout the year the size of the Dog Pool is obtained from the RMS by taking a snap shot of the number of dogs which are active on the system on a given date
 - For the 3 years in question 11 records were available for each of the years with no more than 1 record per month which was taken around the start of the 3rd week of the month
 - These snap shots were averaged for each year to get an estimate of the Dog Pool size for the year
 - The Opening Stock for each year is the average figure for the year in order to minimize uncharacteristic fluctuations
 - While there are significant swings from year to year the average change is just -2.3%
 - The stand-out figure is the number of Dog Pool rotations per year which averages 1.73 which means that on average the Dog Pool is rotated in under 7 months.
 - Given that greyhounds can race until they are 6 and even 7 years of age an average racing life of under 7 months is impacting
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Comments on Previous Slide

- The Analysis of Brood Bitch Requirements is based on ICC Data, with the exception of the 'Brood Bitch Life Span' figure of 3.5 years which is a conservative estimate provided by a subject matter expert
- The number of Stud Dogs registered per year was provided by the ICC
- While taken as given, the figures for Stud Dogs are an over-estimate as they do not take into account that some of those dogs come from outside of the Irish Dog Pool, from countries such as Australia and the US

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Greyhound Registrations by GBGB					
Period	Irish Bred	British Bred	Total	Irish Bred	British Bred
2014	5,976	1,353	7,329	82%	18%
2015	6,372	1,319	7,691	83%	17%
2016	6,322	1,282	7,604	83%	17%
Jan to May 2017	2,839	498	3,337	85%	15%
Total	21,509	4,452	25,961	83%	17%
Yearly Average	6,295	1,303	7,598	83%	17%

Data Source: GBGB

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Understanding Unaccounted-for Pups					
Indicator		Year			Average
		2013	2014	2015	
Available for RMS Registration		13,230	13,680	13,184	13,365
Outcome of Pups Available for Registration	Pups Not Registered on RMS	4,096	4,364	4,840	4,433
	Pups on RMS with no Race Date	2,421	2,460	2,939	2,607
	Pups with at least one RMS Race Date	6,713	6,856	5,405	6,325
	Sub-Total of Outcomes	13,230	13,680	13,184	13,365
Dog Pool Adjustments	Change in size of Dog Pool	292	(449)	(94)	(84)
	Dog Pool Illness & Injury @ 5%	(180)	(195)	(172)	(182)
	Replenishment of Retired Dogs	-	-	-	-
	Replenishment of Brood Bitches	(531)	(549)	(529)	(536)
	Replenishment of Stud Dogs	(309)	(348)	(300)	(319)
	Exports	(6,421)	(5,976)	(6,372)	(6,256)
	Sub-Total for Dog Pool Adjustments	(7,149)	(7,516)	(7,467)	(7,377)
Available for RMS Registration - Dog Pool Adjustments		6,081	6,164	5,717	5,987

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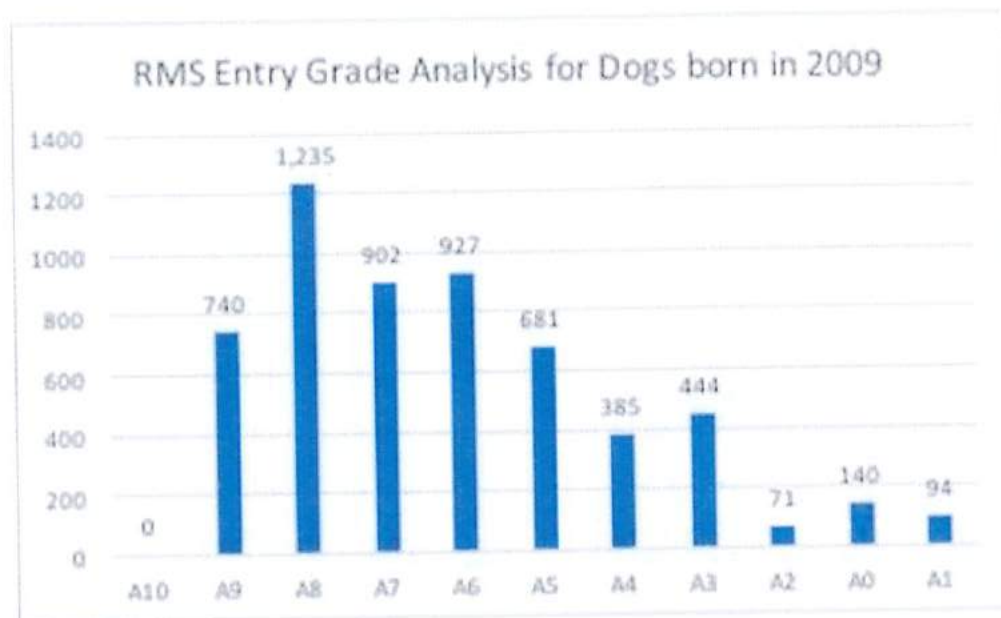
- The purpose of the table is to summarise the adjustments to the figures for Pups 'Available for RMS Registration', for each of the normal channels which are inherent to the industry
- An Illness and Injury allowance of 5% means that an estimated 5% of dogs are retired from racing due to these causes
- 'Replenishment of Retired Dogs' is left blank for each of the years because for the years included in the analysis no dog was retired with a grade of A10, which means that no dog had reached the end of its official racing life when it was retired
- Were dogs to be allowed to retire having reached the official end of their racing life, the allowance for Illness and Injury would be increased to an estimated 5% for Illness and an estimated 12.5% for Injury
- What happened to approximately 6,000 dogs per year still can not be explained under the normal headings for dog pool adjustments

Explaining Unaccounted-for Pups

- What happens to some 6,000 pups per year remains to be explained
- While not officially recognised there have been many reports in the media and elsewhere of the large-scale culling of under-performing dogs
- It is important to clarify and to quantify the level of culling which may exist due to the fact that from an animal rights perspective it could threaten the very existence of the industry and from a cost perspective it could do likewise
- To determine whether there is in fact an issue with the culling of under-performing dogs the following analyses were conducted:
 - RMS Dog Entry Grade Analysis for 2009
 - RMS Dog Exit Grade Analysis for 2009

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RMS Entry Grade Analysis for Dogs born in 2009											
A10	A9	A8	A7	A6	A5	A4	A3	A2	A0	A1	Total
0	740	1,235	902	927	681	385	444	71	140	94	5619
0%	13%	22%	16%	16%	12%	7%	8%	1%	2%	2%	100%
0%	13%	35%	51%	68%	80%	87%	95%	96%	98%	100%	-
100%	100%	87%	65%	49%	32%	20%	13%	5%	4%	2%	-

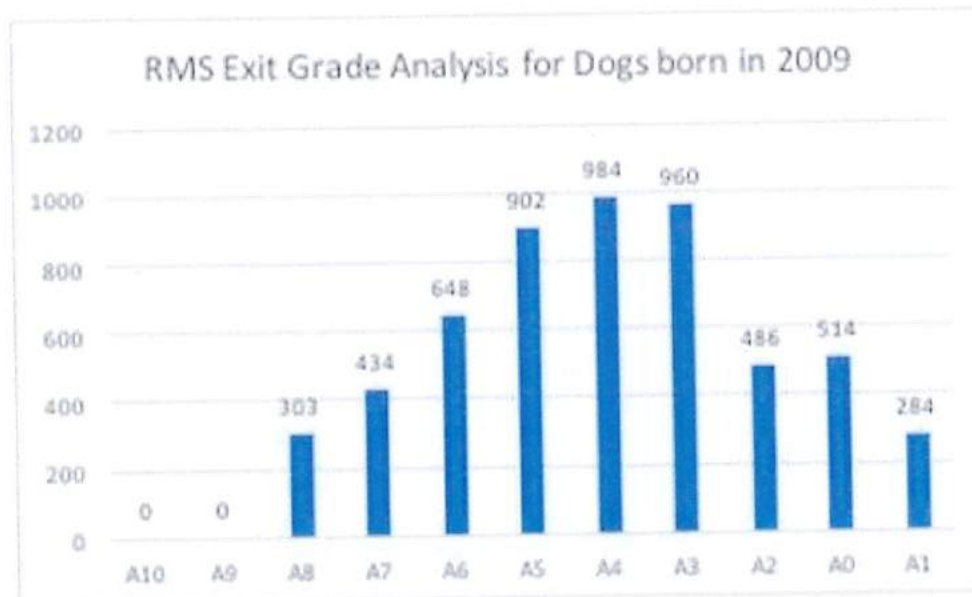


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- The year 2009 was selected for analysis in order to be certain that for the data set being analysed every dog would be retired from racing
- The graph clearly shows that for dogs born in 2009, no dogs were entered on to the RMS with a grade A10 which can be discounted as being a normal occurrence
- While one can only provide an 'educated guess', it would appear that at least half of the dogs which one might expect to see in the A9 grade are missing
- It is likely that additional dogs are missing from higher grades but that is based on feedback from interviews conducted with Owners and Breeders during the course of the assignment

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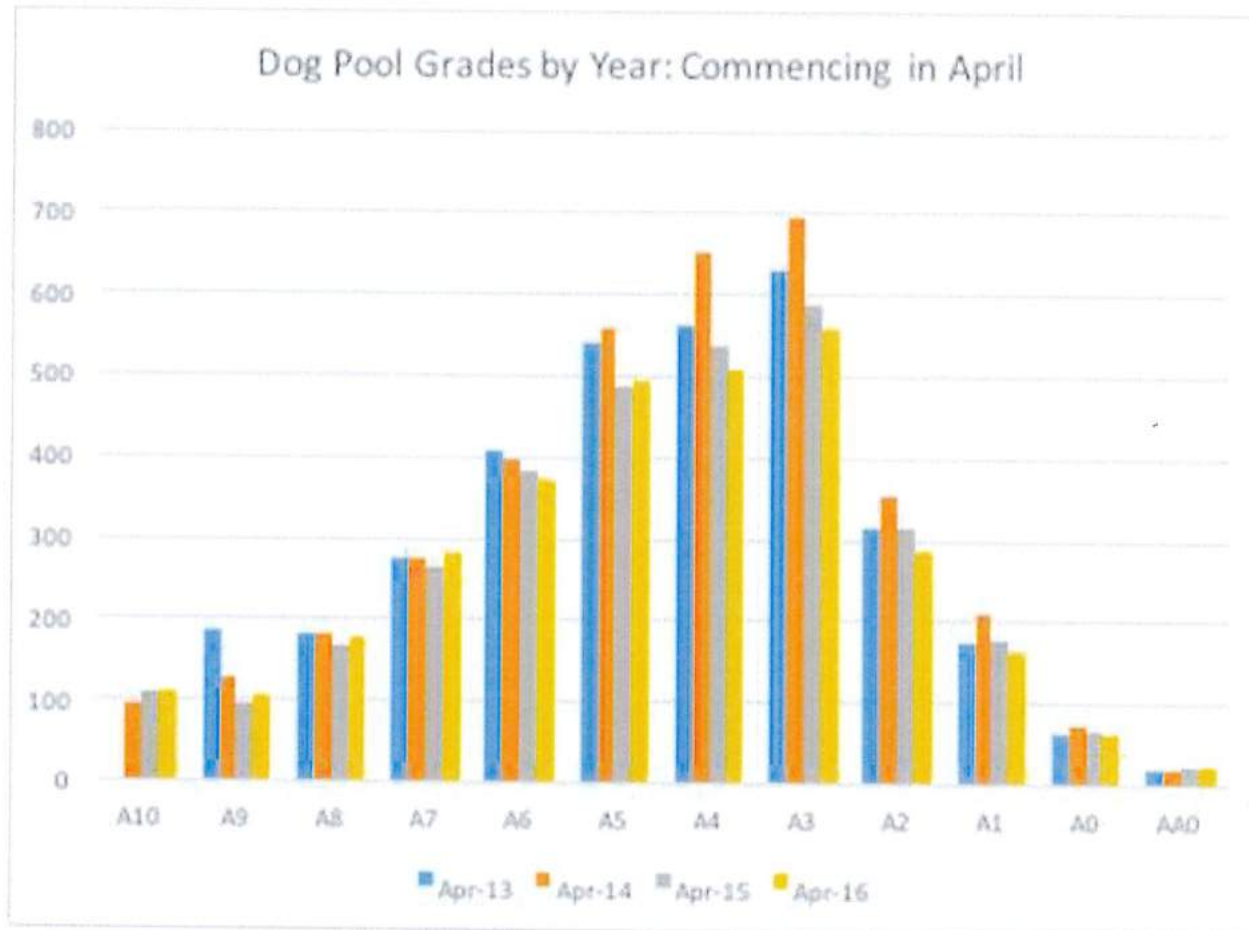
RMS Exit Grade Analysis for Dogs born in 2009											
A10	A9	A8	A7	A6	A5	A4	A3	A2	A0	A1	Total
0	0	303	434	648	902	984	960	486	514	284	5,515
0%	0%	5%	8%	12%	16%	18%	17%	9%	9%	5%	100%
0%	0%	5%	13%	25%	41%	59%	77%	86%	95%	100%	-
100%	100%	100%	95%	87%	75%	59%	41%	23%	14%	5%	-



Comments on Previous Slide

- Dogs exiting the system draw in replacement dogs from the Pups entered onto the RMS
- From Grade A5 down to A8 there would appear to be unusually sharp drops in the number of dogs by Grade
- The Absence of A9 and A10 grade Dogs confirms that dogs are being retired from racing while still running qualifying times
- The conclusion that large numbers of dogs are culled based on their performance would appear to be indisputable

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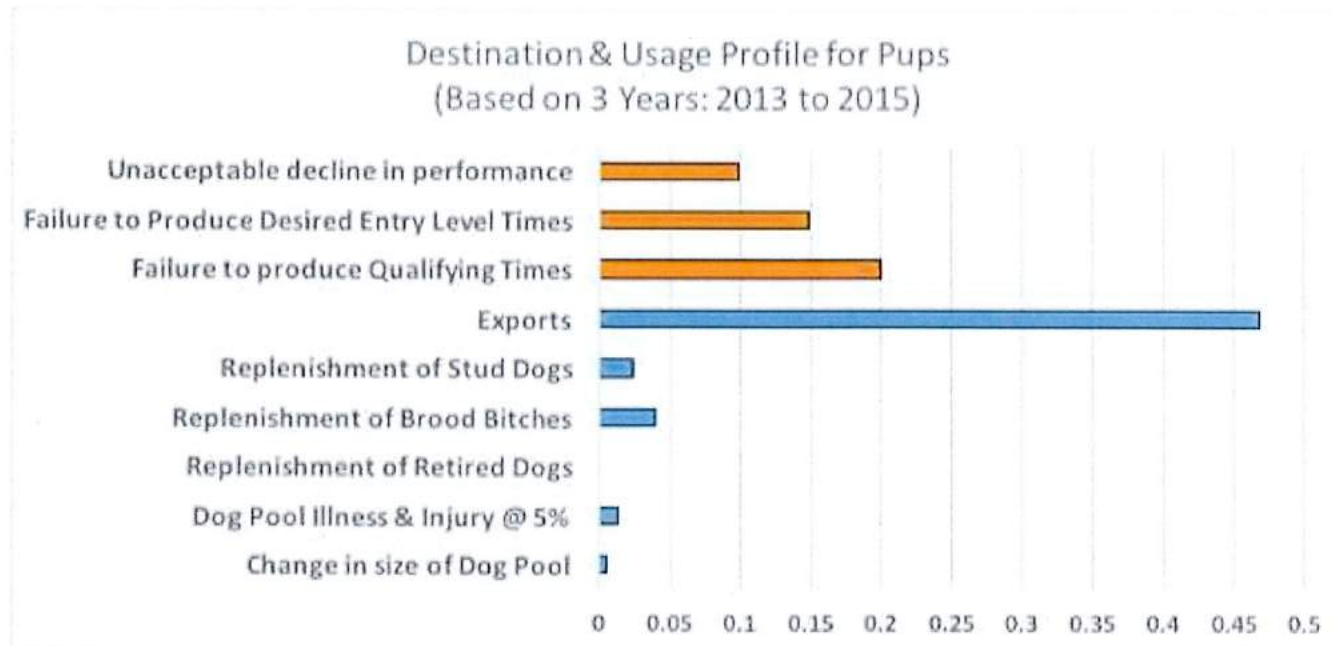
- Due to the influence of 'Back-graders', the curve which is skewed to the right should be skewed to the left if dogs were being retired at an A10 Grade
- The shape of the curve suggests once again that dogs are being culled for performance on a significant scale from grade A5 backwards
- While their numbers are still very low, for the years selected, it is observed that some dogs are starting and/or finishing their careers at grade A10

Destination & Usage Profile for Pups Available for RMS Registration					
Indicator		Year			Average
		2013	2014	2015	
Available for RMS Registration		13,230	13,680	13,184	13,365
Outcome of Pups Available for Registration	Pups Not Registered on RMS	4,096	4,364	4,840	4,433
	Pups on RMS with no Race Date	2,421	2,460	2,939	2,607
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	Replenishment of Stud Dogs	(309)	(348)	(300)	(319)
	Exports	(6,421)	(5,976)	(6,372)	(6,256)
	Sub-Total for Dog Pool Adjustments	(7,149)	(7,516)	(7,467)	(7,377)
Culling of Dogs	Failure to produce Qualifying Times (20%)	(2,646)	(2,736)	(2,637)	(2,673)
	Failure to Produce Desired Entry Level Times	(2,061)	(2,057)	(1,848)	(1,989)
	Unacceptable decline in performance	(1,374)	(1,371)	(1,232)	(1,326)
	Sub-Total for Culling of Dogs	(6,081)	(6,164)	(5,717)	(5,987)
Total of Dog Pool Adjustments + Culling of Dogs		(13,230)	(13,680)	(13,184)	(13,365)

Comments on Previous Slide

- The purpose of the slide is to provide a full explanation for what happened to each of the pups which should have been available for registration for the three years commencing 2013
 - The estimate of 20% for Pups available for registration on the RMS which fail to produce Qualifying Times was provided by a VET with years of experience in the sport
 - Following on discussions with several knowledgeable stakeholders it was decided to split the remainder of pups to be explained as follows:
 - Failure to produce desired entry level times 60%
 - Unacceptable decline in performance 40%
-

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Evaluation of 'Waste'

- Leaving aside emotions with respect to the culling of dogs, from a 'Lean' perspective it is simply very wasteful to invest in so many pups and to get so little out of them in return
- In order to calculate just how wasteful the system is, it was first of all necessary to establish the cost of breeding pups through to the point where they obtain the necessary qualifying times to race
- A complete costing was prepared initially with a leading breeder and subsequently that draft costing was reviewed with individuals involved in the industry
- The original costing was reduced by €300 per pup in order to error on the side of caution

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IGB											
Breeding Costs Calculation to 2 Qualifying Times											
Dog Type	Stage	Weeks			Cost Item	Weekly Cost	Item (€)	Per per Litter: 6		Per Pup	
		From	To	Elapsed				No.	€		
Brood	Stud Dog	0	0	0	Stud Fees		1,000	1	1,000	167	
	Gestation	0	10	10	Feed	30	300	1	300	50	
					Innoculation 1		10	1	10	1.67	
					Innoculation 2		10	1	10	1.67	
					Sub-Total					1,320	220
	Rearing	0	10	10	Feed	30	300	1	300	50	
Sub-Total for Brood Bitch								1,620	270		
Pup	Rearing	3	6	3	Supplementary Feed	5	15	6	90	15	
					High Proteing Feed	10	40	6	240	40	
					ICC Litter Declaration Fees		16	1	16	2.67	
					Wormer x 5		10	6	60	10	
					Vacinations x 3		20	6	120	20	
					Sub-Total					526	88
					Grass	10	55	45	Feeding pup per week	30	1,350
	Worming		25	6					150	25	
	ICC Naming Form		12	6					72	12	
	Sub-Total									8,322	1,387
	Schooling	55	65	10	Schooling	40	400	6	2,400	400	
					Microchip & Tattoo		7	6	42	7	
					Official Fime Trails x 2		10	6	60	10	
Sub-Total									2,502	417	
Sub-Total of Direct Pup Costs								11,350	1,892		
Total Breeding Costs								12,970	2,162		

2013 to 2015: How the Investment in Pups was Used			
	Cost of Pup: 2,000		
Destination/Usage of Dogs	No. of Dogs	Investment (€)	%
Change in size of Dog Pool	84	168,000	1%
Dog Pool Illness & Injury @ 5%	182	364,000	1%
Replenishment of Retired Dogs	-	-	0%
Replenishment of Brood Bitches	536	1,072,000	4%
Replenishment of Stud Dogs	319	638,000	2%
Exports	6,256	12,512,000	47%
Failure to produce Qualifying Times	2,673	5,346,000	20%
Failure to Produce Desired Entry Level Times	1,989	3,978,000	15%
Unacceptable decline in performance	1,326	2,652,000	10%
Total	13,365	26,730,000	100%

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2013 to 2015: Return on Investment using Highly Optimistic Guesstimates					
	Cost of Pup		2,000		
Destination/Usage of Dogs	No. of Dogs	Investment (€)	Estimated unit Sales Value (€)	Total Sales Value (€)	Profit/Loss
Change in size of Dog Pool	84	168,000	900	75,600	- 92,400
Dog Pool Illness & Injury @ 5%	182	364,000	900	163,800	- 200,200
Replenishment of Retired Dogs	-	-		0	-
Replenishment of Brood Bitches	536	1,072,000	900	482,400	- 589,600
Replenishment of Stud Dogs	319	638,000	15,000	4,785,000	4,147,000
Exports	6,256	12,512,000	900	5,630,400	- 6,881,600
Failure to produce Qualifying Times	2,673	5,346,000	-	0	- 5,346,000
Failure to Produce Desired Entry Level T	1,989	3,978,000	-	0	- 3,978,000
Unacceptable decline in performance	1,326	2,652,000	400	530,400	- 2,121,600
Total	13,365	26,730,000		11,667,600	- 15,062,400

Comments on Previous Slide

- All sales values are estimated as actual values are not tracked by IGB
 - The estimates for racing dogs are based on Public Sales figures
 - It is understood that in practice a really good stud dog is worth 200K or even 300K and that a poor one is worth nothing and that about 20 stud dogs is all that are actually being used at any given time. The average Value of €15K per stud is based on 20 of them being worth 200K, and divided by ICC number for stud dogs of 319.
 - While dogs are often sold multiple times, for the purposes of the analysis a single transaction is applied in order to get a 'rough handle' on the level of waste which is generated
 - Some dogs will be culled and other dogs will be exported to the UK which means that they would have cost somewhat less than the €2,000 used in the analysis, but their numbers are so small that they could not significantly impact on the order of magnitude of the calculated losses
 - A small number of top class dogs will change hands each year for large sums of money, but even if an exaggerated allowance of €5m were to be used to cover these unknowns, it still leaves a deficit of €10M
-

Prizemoney Analysis

- With apparently enormous losses at an industry level from Breeding, an analysis is now presented of the Prizemoney involved
- The analysis is based on the number of Owner Entrants and the number of Trainer Entrants for the 6 years commencing 2010
- The data set was sorted from the highest to the lowest earnings in terms of Prizemoney and the top 20% Owners/Trainers were separated for the purposes of the analysis
- In order to evaluate the earnings per race, the costs of maintaining a racing dog were calculated with the input of experienced stakeholders

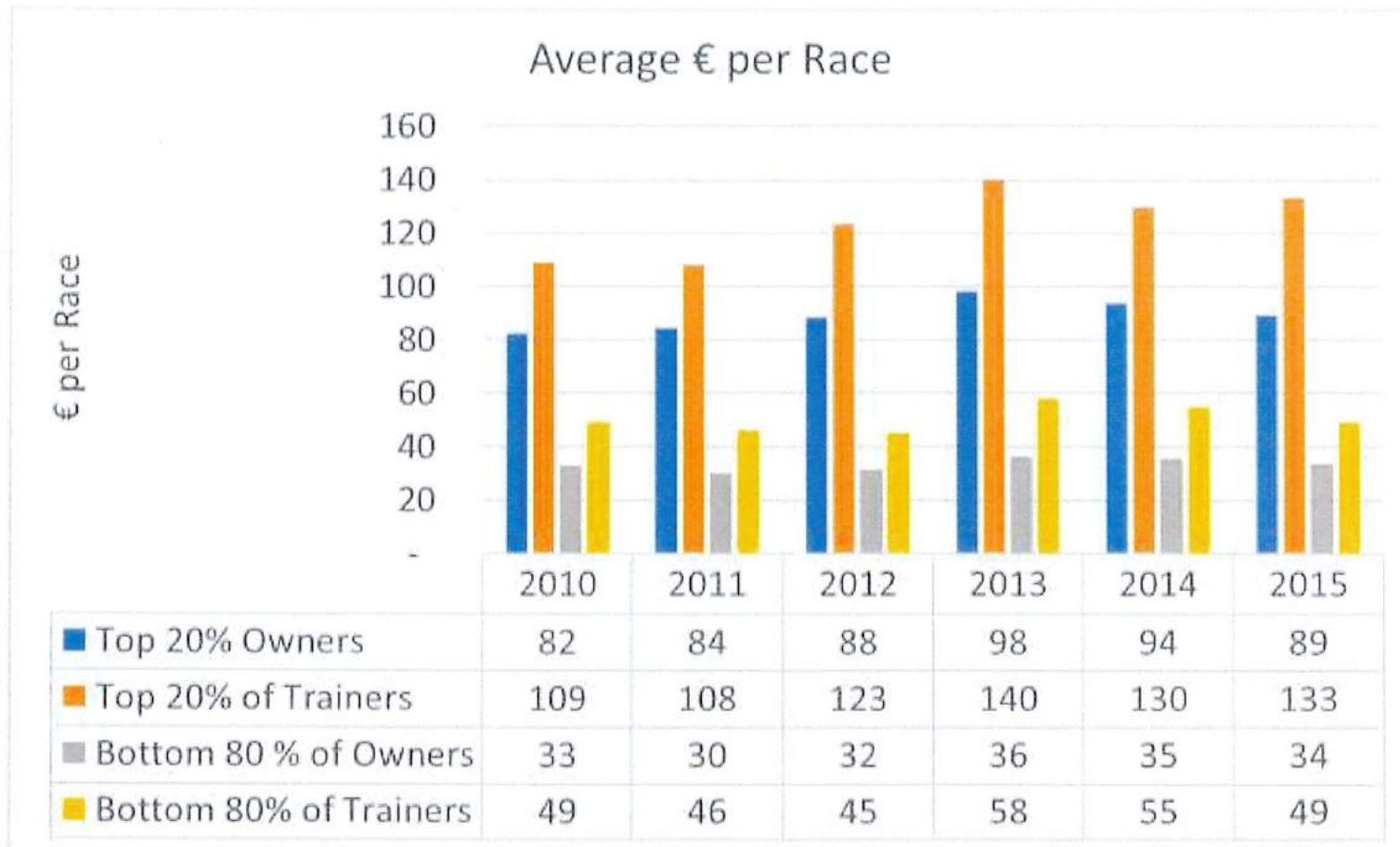
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Owner Entrants Prizemoney Analysis							
Owner Group	Item	2010	2011	2012	2013	2014	2015
All Owners	Prizemoney	6,747,368	6,397,401	6,459,835	6,971,362	6,529,373	5,904,681
	Races	114,770	108,923	105,750	101,241	93,822	93,822
	Average	59	59	61	69	70	63
Top 20%	Prizemoney Won	4,969,924	4,849,261	4,863,305	5,234,588	4,873,887	4,413,167
	Races Run	60,385	57,439	54,999	53,189	51,986	49,447
	Average € per Race	82	84	88	98	94	89
	% of Total Prizemoney	74%	76%	75%	75%	75%	75%
	% of Total Races	53%	53%	52%	53%	55%	53%
Bottom 80%	Prizemoney Won	1,776,296	1,552,601	1,602,730	1,739,752	1,656,879	1,491,514
	Races Run	54,368	51,678	50,835	48,087	46,808	44,375
	Average € per Race	33	30	32	36	35	34
	% of Total	26%	24%	25%	25%	25%	25%
	% of Total Races	47%	47%	48%	47%	50%	47%

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Trainer Entrants Prizemoney Analysis							
Trainer Group	Item	2010	2011	2012	2013	2014	2015
All Trainers	Prizemoney	3,073,414	2,930,638	2,870,980	3,133,540	2,974,938	2,821,501
	Races	40,107	35,198	30,752	28,716	29,843	28,582
	Average	77	83	93	109	100	99
Top 20%	Prizemoney Won	2,302,790	2,283,662	2,343,600	2,507,477	2,319,187	2,246,177
	Races Run	21,132	21,132	19,006	17,903	17,859	16,869
	Average € per Race	109	108	123	140	130	133
	% of Total Prizemoney	75%	78%	82%	80%	78%	80%
	% of Total Races	53%	60%	62%	62%	60%	59%
Bottom 80%	Prizemoney Won	770,624	653,347	532,778	626,064	655,752	581,015
	Races Run	15,739	14,162	11,847	10,813	11,984	11,768
	Average € per Race	49	46	45	58	55	49
	% of Total	25%	22%	19%	20%	22%	21%
	% of Total Races	39%	40%	39%	38%	40%	41%

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High Level Career Statistics for the Irish Dog Pool				
Indicator	Unit of Measure	Year		Average
		2009	2010	
Legal Minimum Age of Pup at First Trial	Months	13	13	13
Age of Pup on Date of First Race	Months	20.40	20.16	20.28
Potential age of Pup at First Race	Months	16.00	16.00	16.00
Unutilised Time at Start of Career	Months	4.40	4.16	4.28
Average Length of Career	Months	8.88	9.12	9.0
No. of races per Dog by year of birth	Races	12.59	13.43	13.0
Average No. of races per month	Races	1.42	1.47	1.4
Average No. of races per year	Races	17.01	17.67	17.3
Potential No. of Races per Year	Races	31.20	31.20	31.20
Potential length of career from Potential Start Date	Years	3.50	3.50	3.50
Potential Career Races	Races	109	109	109
Dog Utilisation based on Actual/Potential Races	%	11.5%	12.3%	11.9%

Owner Entrants Prizemoney Analysis per Dog							
Owner Group	Item	2010	2011	2012	2013	2014	2015
All Owners	Prizemoney	6,747,368	6,397,401	6,459,835	6,971,362	6,529,373	5,904,681
	Total Races per Year	114,770	108,923	105,750	101,241	93,822	93,822
	Average € per Race	59	59	61	69	70	63
	Average No. of Races per Dog	17.3	17.3	17.3	17.3	17.3	17.3
	Average Prizemoney per Dog	1,017	1,016	1,057	1,191	1,204	1,089
Top 20%	Prizemoney Won	4,969,924	4,849,261	4,863,305	5,234,588	4,873,887	4,413,167
	Races Run	60,385	57,439	54,999	53,189	51,986	49,447
	Average € per Race	82	84	88	98	94	89
	Average No. of Races per Dog	17.3	17.3	17.3	17.3	17.3	17.3
	Average Prizemoney per Dog	1,424	1,461	1,530	1,703	1,622	1,544
Bottom 80%	Prizemoney Won	1,776,296	1,552,601	1,602,730	1,739,752	1,656,879	1,491,514
	Races Run	54,368	51,678	50,835	48,087	46,808	44,375
	Average € per Race	33	30	32	36	35	34
	Average No. of Races per Dog	17.3	17.3	17.3	17.3	17.3	17.3
	Average Prizemoney per Dog	565	520	545	626	612	581

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Trainer Entrants Prizemoney Analysis per Dog							
Trainer Group	Item	2010	2011	2012	2013	2014	2015
All Trainers	Prizemoney	3,073,414	2,930,638	2,870,980	3,133,540	2,974,938	2,821,501
	Total Races per Year	40,107	35,198	30,752	28,716	29,843	28,582
	Average € per Race	77	83	93	109	100	99
	Average No. of Races per Dog	17.3	17.3	17.3	17.3	17.3	17.3
	Average Prizemoney per Dog	1,326	1,440	1,615	1,888	1,725	1,708
Top 20%	Prizemoney Won	2,302,790	2,283,662	2,343,600	2,507,477	2,319,187	2,246,177
	Races Run	21,132	21,132	19,006	17,903	17,859	16,869
	Average € per Race	109	108	123	140	130	133
	Average No. of Races per Dog	17.3	17.3	17.3	17.3	17.3	17.3
	Average Prizemoney per Dog	1,885	1,870	2,133	2,423	2,247	2,304
Bottom 80%	Prizemoney Won	770,624	653,347	532,778	626,064	655,752	581,015
	Races Run	15,739	14,162	11,847	10,813	11,984	11,768
	Average € per Race	49	46	45	58	55	49
	Average No. of Races per Dog	17.3	17.3	17.3	17.3	17.3	17.3
	Average Prizemoney per Dog	847	798	778	1,002	947	854

Annual Cost of Maintaining a Race Dog		
Cost Item	Weekly Cost	Annual Cost (€)
Feed	25	1,300
Worming, Vaccination & Flea Treatment		30
Sub Total		1,330

Observations on Prizemoney Analysis

- When it comes to prizemoney, the bottom 80% of Owners do not come even close to being compensated for maintaining a greyhound and raising prizemoney by even 100% will not fix the problem
 - The bottom 80% of Trainers are not doing much better than the bottom 80% of Owners. They just lose less money.
 - The category which is doing well is the top 20% of Trainers with the Top 20% of owners winning on a small scale
 - Given that the majority of the top owners and trainers qualify for the €800 per 100 races incentive, whereas the bottom 80% in both categories do not, on average the Top Owners and Trainers are doing well out of greyhound racing
-

Section 3

What Needs to Change

What Needs to Change

- The Value Chain Model
- Regulation
- The Cost Base
- Management of the Dog Pool
- Below-cost Exporting of Dogs
- Prizemoney & Reward Management
- The Organisation Structure of the Business
- Organisation Development

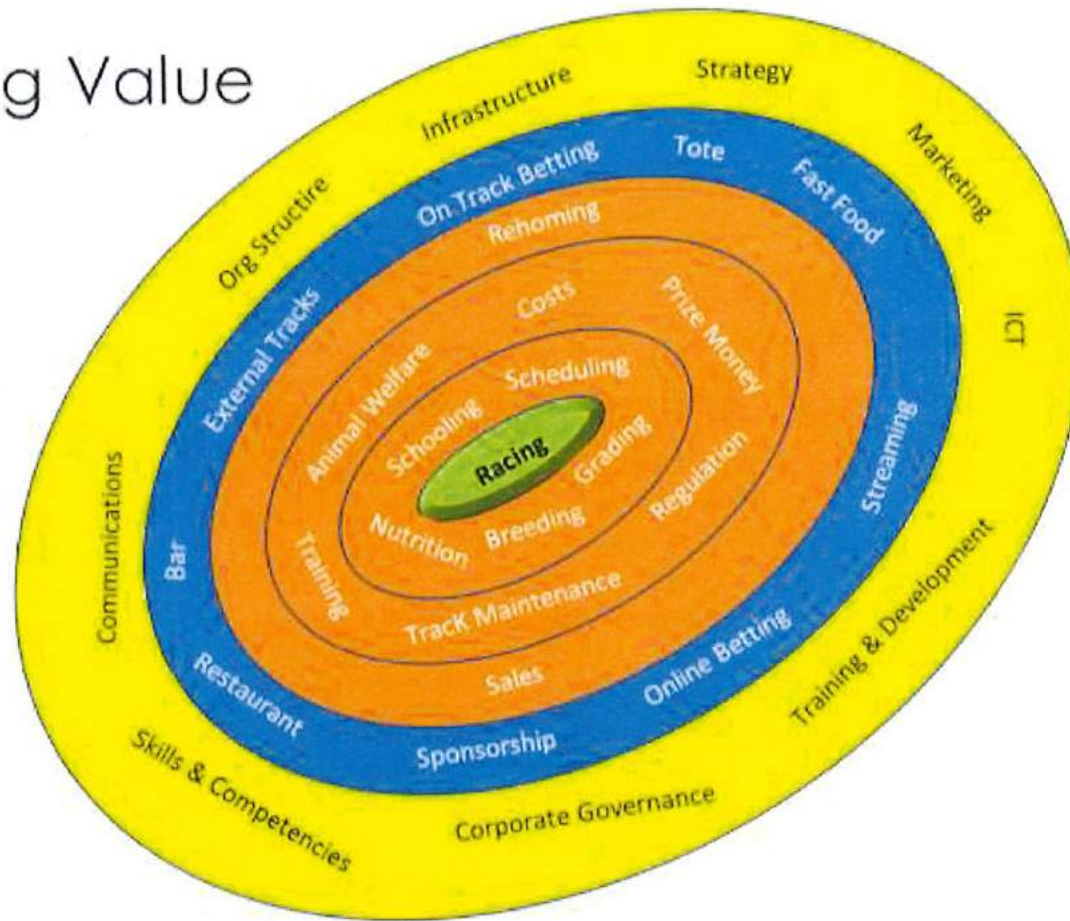
The Value Chain Model

Racing-centric Value Chain

Within every Value Chain there is a 'point of most value' which a business should seek to optimise as it strives to unleash its full potential. Each of the other steps in the Value Chain and the Support Functions of the business, should then be configured so as to support the creation of value at that point. In the case of IGB the point of most value is defined by PRL as:

- ***The point where greyhounds holding the required qualifying times, race on a level playing field, with their owners receiving just financial reward for the entertainment provided.***

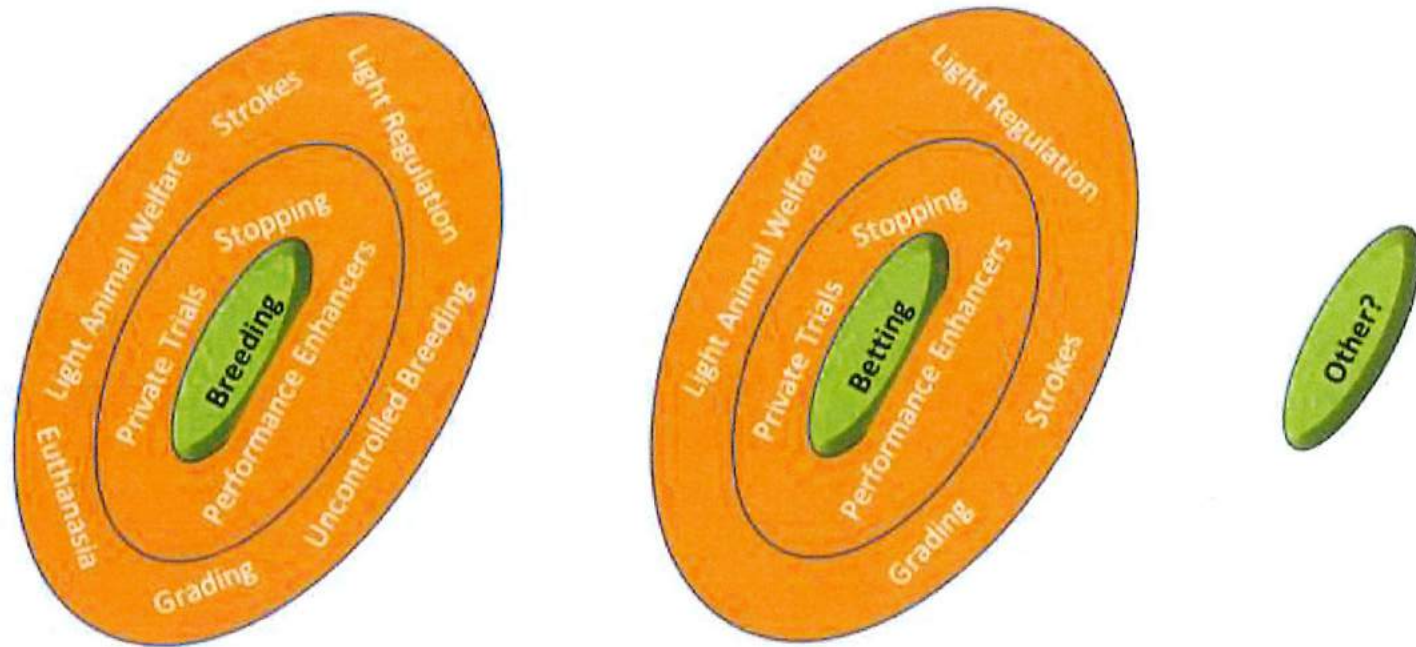
Nurturing Value



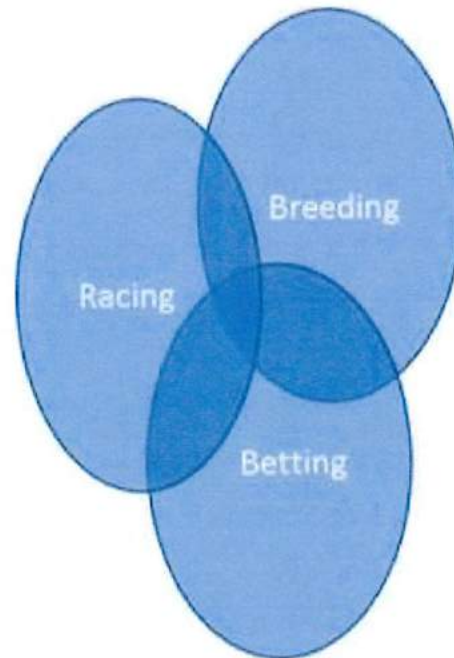
Not a Racing-centric Value Chain

- Dog Pool Size is out of control
- Culling of Dogs is out of control and blanket re-homing is not an option
- Prize Money incentivizes breeding and promotes culling which could potentially close the industry down
- Reward Incentives incentivize breeding and promotes culling which could potentially close the industry down
- Regulatory focus is on Racing leaving Breeding pretty much to its own devices
- The Industry is failing from both a Commercial and a Regulatory point of view

Other Value Systems



Competing Value Systems to be resolved within the Model



Decision Time re Value Chain

- IGB needs to decide to fully back a Racing-centric Value Chain Model
 - Greyhounds have no alternative value
 - No other Value Chain is sustainable
 - Competing Value Chains take the industry to where it is today
 - All subordinate Value Chains must be designed to support the Primary Value Chain

Regulation

Proposed Changes in Regulation

- Separate the Regulatory Function from the Value Chain which it is charged with regulating
- Eliminate Private Trials
- Test Dogs for banned substances based on Raced Times versus Predicted Times
- Stewards enquiry when a variance occurs between 'predicted times' and 'actual times' and blood Tests taken accordingly

Reducing the Cost Base

The Cost Base

- Create IGB Own Label for Feed, Wormers and perhaps other Items
 - Done to IGB Spec
 - IGB Never Owns and Never Manages the Stock
 - A 10% Reduction in Feed Costs per Year on a Dog Pool of 3,500 Dogs = +/- €500K +
 - Owners not required to buy Own Label but costings relating to Owners will be based on it
- Eliminate Fixed Charges as they ultimately come out of prizemoney and create non-value-adding workflows
 - Qualifying Trials excluded
 - Race Entry Fee
 - Regulatory Fees

Management of the Dog Pool

Management of The Dog Pool

- Licensed Breeding
 - Licenses issued by the Regulator required for Breeder before Litters produced
 - Breeder Delivers the Maximum Number of Live Pups to 2 Qualifying Times
 - Dogs Offered for Sale at Official Trials before the start of racing
 - Official Trials Recorded and Officiated over in the same manner as a race
- Minimize the Size of the Dog Pool
 - Dogs should race A10 to A10 so long as the Dog is not negatively impacted
 - Dogs should be retired based on not holding qualifying times or based on Health
 - Dogs with Qualifying Times and in Good Health, should not be permitted to be put to sleep
 - IGB should work with Breeders, Owners and Trainers to improve the level of care, health and Schooling of Dogs in order to qualify more dogs and to maximise their retention as Racing Dogs

Manage The Dog Pool

- 'No Dog Left Behind'
 - Embrace Traceability and use to promote the Industry in a positive light
 - Pups failing to achieve qualifying times should be rehomed
 - As soon as a Dog is Retired an Owner should be paid a Re-homing fee until such time as the Dog is rehomed
 - Breeding stock should be rehomed when retired from breeding
- Breeding Stock
 - Only retired dogs should be used for breeding in order to minimize the Dog Pool

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Irish Greyhound Board																						
Analysis of Dog Pool Size Requirements																						
Indicator	10 Races per Night							11 Races per Night							12 Races per Night							
	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	
Racing events per week	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	
No. of Races per Event	10	10	10	10	10	10	10	11	11	11	11	11	11	11	12	12	12	12	12	12	12	
Number of Dogs per Race	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
No. of Dogs on Race Card	60	60	60	60	60	60	60	66	66	66	66	66	66	66	72	72	72	72	72	72	72	
Races per Dog per Week	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Dogs Raced per Night	60	60	60	60	60	60	60	66	66	66	66	66	66	66	72	72	72	72	72	72	72	
Dogs Raced per Week	60	120	180	240	300	360	420	66	132	198	264	330	396	462	72	144	216	288	360	432	504	
Illness Allowance	5.0%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Injury Allowance	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	
Resting	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Scheduling	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	
Illness & Injury Allowance	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
Stadium Dog Pool Required	84	168	252	336	420	504	588	92	185	277	370	462	554	647	101	202	302	403	504	605	706	
Racing Dog Pool Required by Number of Stadia	5	420	840	1,260	1,680	2,100	2,520	2,940	462	924	1,386	1,848	2,310	2,772	3,234	504	1,008	1,512	2,016	2,520	3,024	3,528
	6	504	1,008	1,512	2,016	2,520	3,024	3,528	554	1,109	1,663	2,218	2,772	3,326	3,881	605	1,210	1,814	2,419	3,024	3,629	4,234
	7	588	1,176	1,764	2,352	2,940	3,528	4,116	647	1,294	1,940	2,587	3,234	3,881	4,528	706	1,411	2,117	2,822	3,528	4,234	4,939
	8	672	1,344	2,016	2,688	3,360	4,032	4,704	739	1,478	2,218	2,957	3,696	4,435	5,174	806	1,613	2,419	3,226	4,032	4,838	5,645
	9	756	1,512	2,268	3,024	3,780	4,536	5,292	832	1,663	2,495	3,326	4,158	4,990	5,821	907	1,814	2,722	3,629	4,536	5,443	6,350
	10	840	1,680	2,520	3,360	4,200	5,040	5,880	924	1,848	2,772	3,696	4,620	5,544	6,468	1,008	2,016	3,024	4,032	5,040	6,048	7,056
	11	924	1,848	2,772	3,696	4,620	5,544	6,468	1,016	2,033	3,049	4,066	5,082	6,098	7,115	1,109	2,218	3,326	4,435	5,544	6,653	7,762
	12	1,008	2,016	3,024	4,032	5,040	6,048	7,056	1,109	2,218	3,326	4,435	5,544	6,653	7,762	1,210	2,419	3,629	4,838	6,048	7,258	8,467
	13	1,092	2,184	3,276	4,368	5,460	6,552	7,644	1,201	2,402	3,604	4,805	6,006	7,207	8,408	1,310	2,621	3,931	5,242	6,552	7,862	9,173
	14	1,176	2,352	3,528	4,704	5,880	7,056	8,232	1,294	2,587	3,881	5,174	6,468	7,762	9,055	1,411	2,822	4,234	5,645	7,056	8,467	9,878
	15	1,260	2,520	3,780	5,040	6,300	7,560	8,820	1,386	2,772	4,158	5,544	6,930	8,316	9,702	1,512	3,024	4,536	6,048	7,560	9,072	10,584
16	1,344	2,688	4,032	5,376	6,720	8,064	9,408	1,478	2,957	4,435	5,914	7,392	8,870	10,349	1,613	3,226	4,838	6,451	8,064	9,677	11,290	

Below-cost Exporting of Dogs

Below-cost Exporting of Dogs

- IGB is currently providing a larger subsidy to the UK Dog Pool than to the Irish Dog Pool
- Exported Dogs leave behind collateral pups which fail to make qualifying times, which places an unrecognised burden on the industry in both Financial and Welfare Costs
- The Industry needs to act to prevent against the below cost dumping of dogs into the UK which is ultimately under-pinned by Irish Tax Payers' Money
- An Export Levy and/or controls over Exports need to ensure that market prices prevail
- IGB Should view any reduction in exports as an opportunity to expand the sale of Racing Content into the UK Betting Market (i.e. increased SIS Racing)

Prizemoney & Reward Management

Managing Reward

- Appearance Payments
 - An appearance payment should be made for each Dog entered in a race and for Reserves
 - Appearance fees should be based on a Standard cost Calculations for the maintenance of an A10 Dog
- Races
 - Manage the mix of Races to give each qualifying dog a minimum chance of racing 60% of of the weeks In a year
 - Manage the grading of races to create equal opportunities for dogs in the race
- Prizemoney
 - Rebalance the rewarding of Prizemoney to reflect the normal performance curve of dogs over their racing lives
 - Decouple Trainer payments from prizemoney and leave the negotiation of Trainer Fees to market forces

Redesign of the Organisation Structure

Redesign the Org Structure to support a Racing-centric Value Chain

- Separate Regulation from Commercial Activities
- Decouple IGB from ICC by establishing an 'Irish Greyhound **Racing** Stud Book'
- Create a Veterinary & Regulations structure to better regulate the industry and control the Dog Pool
- Create a new 'Racing Department' by combining 'Tote & Wagering' with Racing Operations
- Treat the Racing Department as a Profit Centre and relocate Track Accounts, Tote and Prizemoney to the Racing Department
- Bring together and strengthen the Sales & Marketing function to support the primary Value Chain
- Outsource functions which are outside of IGB's area of expertise and/or capability from a logistics perspective
- Optimize the cost of the structure to benefit the industry