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The government reiterates its decision not to inject more public money into horse racing and will announce one-time assistance to horse breeders

Québec, October 2, 2009 – The government reiterates its decision, already stated by the Minister of Finance, Raymond Bachand, and his predecessor, Monique Jérôme-Forget, not to inject more public money into horse racing, whether through a transfer of revenues from video lottery terminals or a return of receipts from the tax on pari-mutuel wagers.

It should be noted that the decline of the horse racing industry began many years ago. Since 1995, governments have provided subsidies in excess of \$450 million to support the industry. Despite this assistance, the industry continues to lose ground. The trend in wagers on horse races reflects this situation. From a value of \$315 million in 1990, wagers dropped to \$136 million in 2008. More than 80% of this amount is wagered on races held outside Québec and shown on screens at Hippo Clubs.

Nonetheless, the government has tried to maintain the industry, while disengaging from a non-essential sector. In 2006, it transferred the management of racetracks to a private promoter, Attractions Hippiques, which was selected following a public call for proposals. Unfortunately, the business plan of Attractions Hippiques was not successful and, in June 2008, the company sought protection under the Companies' Creditors Arrangement Act, protection which continues to apply.

The government will ask the Superior Court, at the next hearing in the case of Attractions Hippiques scheduled for October 13, 2009, to allow it to cease further payments to Attractions Hippiques, given that the company failed to satisfy its obligations under the agreement entered into with the Société nationale du cheval de course.

The government is aware of the difficulties caused by the situation of Attractions Hippiques among breeders and persons employed in the horse racing sector. "That is why a one-time assistance program for breeders of Standardbred horses will be introduced very soon," Minister Bachand added.

Under the program, Québec breeders will benefit from one-time measures that will remain in effect until March 31, 2012. Total assistance under the program will amount to \$9.2 million. The details of the program will be released within the next few days by the Minister of Agriculture, Fisheries and Food, Claude Béchard.

- 30 -

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