MIDLANDS
(LAOIS/OFFALY/ LONGFORD/WESTMEATH)

THE ECONOMIC IMPACT OF BREEDING AND RACING IN YOUR REGION

Deloitte.

HORSE RACING IRELAND

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(LAOIS/OFFALY/LONGFORD/ WESTMEATH)

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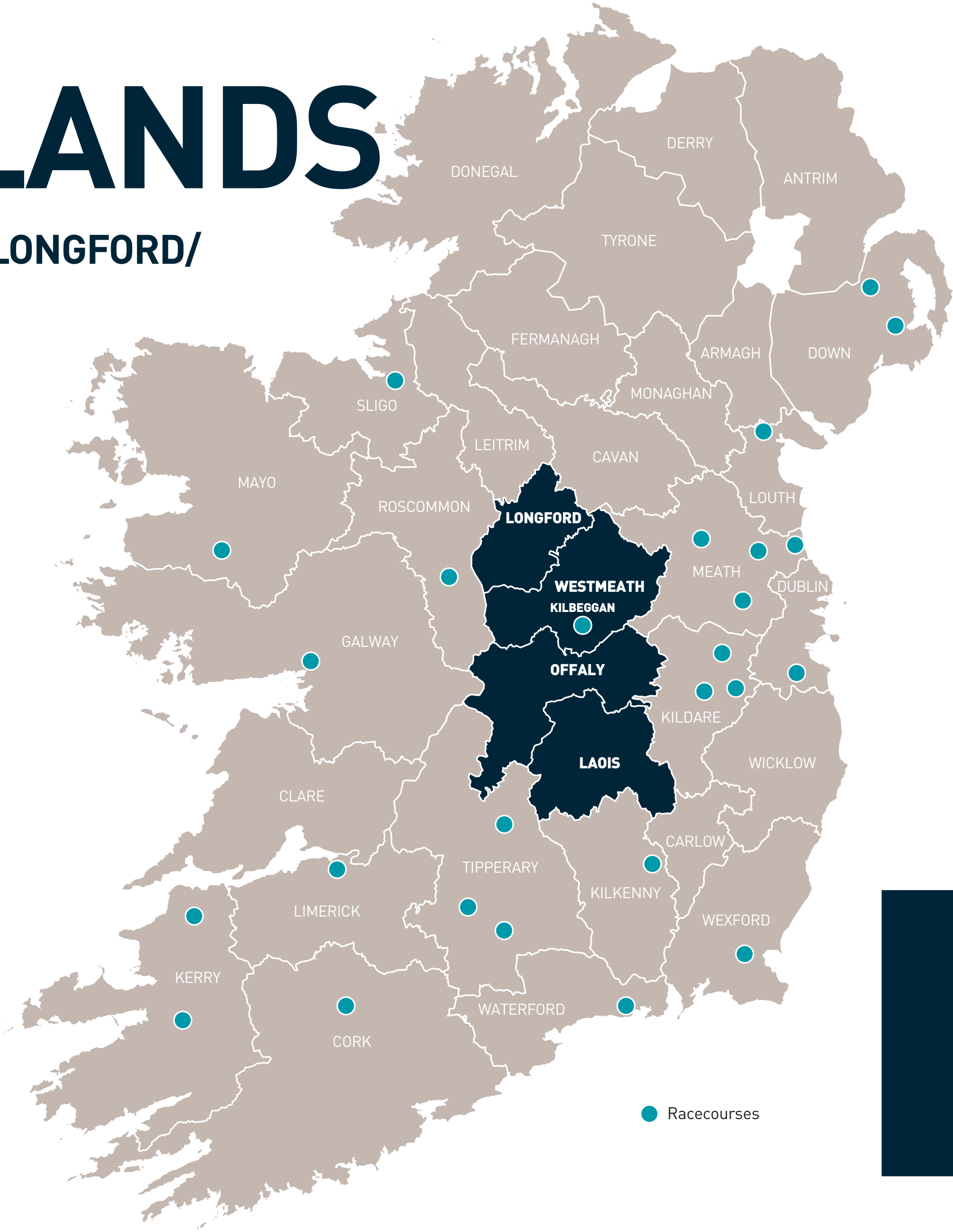


FOREWORD

BREEDING AND RACING ENJOYS A RICH TRADITION OF SUCCESS IN THE MIDLANDS. AS WELL AS SUCCESS ON THE TRACK AND IN THE BREEDING SHEDS, THE INDUSTRY PROVIDES AROUND 1,200 JOBS AND ALMOST €100m IN ANNUAL EXPENDITURE.

THE MIDLANDS ALSO HOSTS ONE OF IRELAND'S MOST POPULAR RACECOURSES IN KILBEGGAN, A TRACK WHICH BOASTS AVERAGE ATTENDANCES OF ALMOST 5,000 FOR EACH OF ITS SUMMER FIXTURES.

MIDLANDS

It is a great privilege to introduce Deloitte's Economic Impact Study into the Breeding and Racing Industry in the Midlands, for the first time capturing the contribution this industry makes to life – social and economic – in counties Westmeath, Longford, Laois and Offaly.

Two years ago, in spring 2017, Horse Racing Ireland commissioned Deloitte to quantify the up-to-date economic impact of Irish Breeding and Racing, and Deloitte's report confirmed the incredible dividend provided by the industry with almost 29,000 direct and indirect jobs across the country, and over €1.8 billion in expenditure.

From that report in 2017 – a summary of which is contained at the back of this document – we were able to measure the phenomenal international success of Irish-bred horses and its export reach.

Domestically, the report calculated that 92% of the 6,777 registered breeders in the country have fewer than five mares, and with breeders in every county, trainers in most counties and 26 racecourses dotted around the country, it made sense to dig deeper and assess the impact of Breeding and Racing in counties and regions across Ireland, and explore the spread of that economic reach.

Deloitte estimate in this new report that Breeding and Racing plays an important role in the rural economy of the Midlands, contributing around 1,200 jobs in direct, indirect and secondary employment, and nearly €100m of expenditure per annum.

The popularity of Kilbeggan racecourse continues to grow, and the growing popularity of racing and breeding in the Midlands can be seen by over 1,100 registered mares last year and as many as 20 stallions standing in the region.

It all makes more relevant the issue of a long-term and sustainable funding structure for the industry, which can allow it develop to its full potential, increasing both the economic and social dividend for the Midlands, and to that end we would ask politicians from all parties to provide the necessary policy support for this to happen.

Brian Kavanagh
Chief Executive
Horse Racing Ireland

This document first provides a specific overview of the contribution of horseracing to the counties of Westmeath, Longford, Laois and Offaly. This is followed by an overview of the Irish Breeding and Racing industry including the economic impact of the industry and the success of the industry on an international scale.

This document incorporates summarised findings from the Economic Impact of Irish Breeding and Racing 2017.

The full report can be downloaded at https://www.hri.ie/press-office/economic-impact/

REGIONAL SUMMARY: MIDLANDS

c.1,200
DIRECT, INDIRECT AND SECONDARY EMPLOYMENT

32,129
ATTENDEES AT RACING

€97m
TOTAL DIRECT AND STIMULATED EXPENDITURE

€31m
BLOODSTOCK SALES BY VENDORS

MIDLANDS

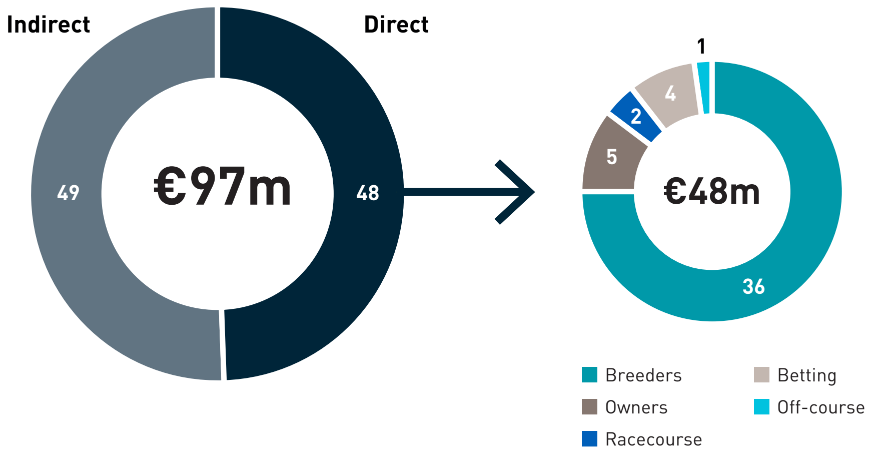
THE MIDLANDS REGION COVERS THE COUNTIES OF LAOIS, LONGFORD, OFFALY AND WESTMEATH AND HAS A RICH HISTORY IN THE BREEDING AND RACING INDUSTRY, BEING BEST RECOGNISED FOR THE BREEDING AND TRAINING OF NATIONAL HUNT HORSES

The presence of Kilbeggan racecourse in the region provides the opportunity for the local community to regularly attend fixtures, whilst the Point-to-Point industry is also well represented, both in terms of racing staged and also the production of horses that develop into top quality Jumpers under Rules.

In predominantly rural regions such as the Midlands, the Breeding and Racing industry does not only contribute directly to the local economy through the c.500 full time jobs that it supports, but also through the many ancillary suppliers that rely on the industry for the majority of their business. A total direct expenditure of €48m is estimated to be generated in the Midlands each year, the majority of which comes from Breeding operations €36m (75%).

The €48m of direct expenditure in turn leads to an additional indirect expenditure of €49m, composed of the secondary business-to-business spending of suppliers to the core

MIDLANDS



RACECOURSE
Kilbeggan Racecourse

CODE
Jump

ATTENDANCES 2018
32,129

FIXTURES 2018
8

AVERAGE ATTENDANCE 2018
4,016

Breeding and Racing industry and secondary consumer expenditure, as those people working in the core industry spend their wages on local goods, services and amenities. This results in a total economic impact on the four counties of €97m.

The core racing industry is estimated to employ approximately 500 people (FTE) in the region.

RACECOURSE

Situated in County Westmeath, Kilbeggan racecourse is a thriving National Hunt only racecourse. It is predominantly a summer track with the majority of meetings held in the evening, including the Midlands National Handicap Chase which is a recognised trial for the Galway Plate and other major festival races. The Midlands National Ladies Day fixture is regarded as one of the most successful one-day meetings in Ireland outside the major festivals.

The course attracts over 32,000 attendees at its 8 fixtures, with an estimated expenditure of €2m attributable to on-course activities. The main components of this are the general admissions and catering spend of racegoers, alongside media rights payments for provision of pictures to the betting industry. In addition to the direct on-course expenditure, racing in Kilbeggan generates c.€1m of racegoer off-course expenditure as attendees visit local bars, pubs and restaurants before and after racing.

COMFYBED EQUINE BEDDING – LAOIS

ComfyBed Equine Bedding is an award-winning alternative horse bedding product which has become popular among trainers and horsemen and women generally. It is produced at the foot of the Slieve Bloom Mountains in Co Laois.

ComfyBed is a dry and absorbent fine woodchip product which has the advantage of being almost entirely dust-free and has been attributed with reducing and preventing chronic obstructive pulmonary disease (COPD) in horses, the name for a collection of lung diseases including chronic bronchitis, emphysema and chronic obstructive airways disease. Trainer Gavin Cromwell estimates that he spends €42,000 yearly on bedding, which gives some indication as to how much is spent by trainers alone.

Trading as CJ Sheeran Limited, it has offices in Portlaoise, Mountrath, Tallaght, Ballinrobe and Coolrain. In all, 144 are employed full-time, with more employed part-time, and this is a business reliant on the racing industry to survive.

A spokeswoman said: "Of the 144, these would be divided out through our offices and divided further into areas like production, drivers, mechanics, admin, breakdowns.

"We are in business 25 years. In addition to trainers, studs and the RDS, we do a great deal of business with Tattersalls and Goffs sales. We have the potential to develop further with horseracing in the years to come and we also construct fences, gates and play equipment."

MIDLANDS

BREEDING

The primary contributor to the direct economic impact of horseracing in the four counties of the Midlands region is the Breeding sector. Total breeding revenue of €36m constitutes 75% of direct economic impact, with the majority of this revenue derived from bloodstock sales (€31m).

The Irish Breeding industry is the first step in the 'production line' of racing and is well represented in the Midlands. More than 460 breeders are registered in the region, representing 7% of the Irish total.

The registered broodmare population of more than 1,150 (c.8% of the Irish total) generates further expenditure in the region and will include some mares owned not only by individuals from elsewhere in Ireland but also internationally. The region's mares produce more than 650 foals p.a., c.8% of the Irish crop. Whilst the majority of these will likely be sold as foals or yearlings, a proportion will also remain in the region as they progress into racing and/or breeding careers.

Stallions 20 → **Nominations** €4m

Mares 1,157 → **Foals** 655 → **Bloodstock Sales** €31m

Whilst the majority of Breeding revenue in the region is generated from bloodstock sales, the Midlands is also home to 20 stallions, 9% of the Irish total, estimated to generate c.€4m in nomination fees p.a.

A notable breeding operation in the region is Tally Ho Stud in County Westmeath, a leading consignor of thoroughbreds in both Ireland and Great Britain. Run by Tony O'Callaghan for over 40 years, Tally Ho stands six stallions including world-record breaking sire of 2 year olds Kodiac.

The Midlands also contains a significant number of smaller breeding operations, which regardless of their scale still regularly produce top quality thoroughbreds. One such example is Paddy Behan from Portarlington, County Laois, breeder of multiple Grade 1 and Cheltenham Festival winner Altior.

OWNERS AND TRAINERS

Racehorse owners represent the largest single contributors to the Breeding and Racing industry via their purchase of bloodstock and subsequent expenditure on keeping horses in training. As well as supporting trainers and jockeys, other industries throughout the Irish rural economy such as vets, farriers and transport companies also ultimately rely on the expenditure of Owners.

Horses in Training

Of the c.8,700 horses in training in Ireland, approximately 200 (2%) are trained in the Midlands. This number represents the number declared in training at some point of the year, so the total number of horses based at training and pre-training yards is likely to be higher than this as horses are only required to be registered in training just before being entered for a race.

There are over 25 trainers located in the four counties, predominantly National Hunt focused. One of the best known training yards in the region, Charlestown Stud in Westmeath run by Dot Love and Ciaran Murphy (see case study), has established a reputation for its breaking in and pre-training services, including for locally based leading owner Gigginstown House Stud.

The region also produces talented horsemen, none more so than nine times Irish Champion Flat jockey Pat Smullen who hails from Offaly.

Owners' cost and prize money

After bloodstock purchases, the majority of the expenditure of racehorse owners keeping horses in training goes to trainers. The trainers then pass it on to other stakeholders both within the core racing industry and elsewhere in the local economy.

The total owners' expenditure for horses in training in the Midlands, including point-to-point is estimated at c.€5m p.a. Financial return is not the main driver of racehorse ownership, however prize money plays an important role in both attracting new owners and keeping existing ones by ensuring owners feel they are being fairly treated, the sport largely being built on their investment. Total owners expenditure net of prize money earned for horses trained in the Midlands is estimated at approximately €4.5m.

The most significant owner based in the Midlands region has been Gigginstown House Stud in Westmeath, owned by Michael O'Leary of Ryanair fame. The Stud has had huge success in recent years, with multiple Cheltenham Festival winners including two Gold Cups, and three Aintree Grand Nationals including consecutive years with Tiger Roll in 2018 and 2019.

Gigginstown currently has horses in training in six yards spread across many counties in Ireland, hence its total prize money won is not reflected in any one specific region.

HORSES IN TRAINING
202

TRAINERS
27

OWNERS TOTAL EXPENDITURE
€5m

TOTAL PRIZE MONEY WON
€0.5m

MIDLANDS

EMPLOYMENT

The core industry is estimated to employ c.500 people (FTE) across the four counties of the Midlands region. These are split approximately as below:

Role	FTE
Trainers and stable staff	115
Jockeys (inc. agents and valets)	5
Breeders	355
Racecourses	10
On-course betting (bookmakers and Tote)	5
Racecourse catering	5
TOTAL	**495**

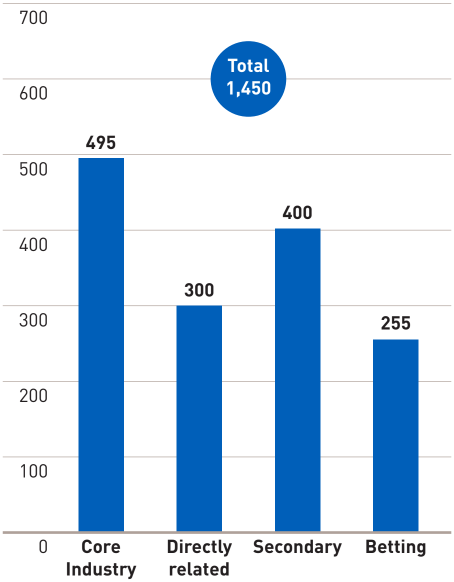
Whilst the 495 roles described above are FTE, due to the seasonal nature of the Breeding industry and event-focused nature of racing these include a considerable number of part-time roles. As such the total number of individuals with some form of employment in the core industry is likely to be considerably more than this.

In addition to the core industry workforce, there are a significant number of individuals employed in activities which, whilst being reliant on the Breeding and Racing industry, will also serve other economic sectors. Estimated at c.300 FTE positions in the Midlands, these will include roles such as vets and farriers in addition to those working in other sectors such as leisure and hospitality.

Secondary employment represents those jobs which are supported by the spending of the core industry participants in other areas of the economy, commonly known as the 'ripple effect'. This will include, for example, people employed in the service industry in the four counties who serve racing's participants as they spend their wages in shops, bars and restaurants. Secondary employment is estimated to equal approximately 400 FTE positions.

Around 255 individuals are also employed in LBOs (Licensed Betting Offices) in the four counties. Whilst the staff in LBOs also take bets on other sports, racing remains the primary product.

Irish Breeding and Racing Industry core, directly related, secondary and betting employment



Source: HRI; Deloitte analysis.

DOT LOVE – MULLINGAR

Originally from Denmark, Dot Love moved to Ireland over 40 years ago. Along with Ciaran Murphy, she runs a yard near Mullingar, and plays a big part in Michael O'Leary's Gigginstown House Stud team, for which she breaks in and pre-trains young horses.

Ciaran Murphy is Love's assistant, while his brother Aaron is a key part in the yard. "We have Veronica from Ballymahon; Laragh from Mullingar and Branagh from Mullingar, who came through the pony club. We have six full-time and three part-time, all local. "My grandson, Timmy Love, comes in to ride out every weekend."

Dot Love trained an Irish Grand National winner in 2013 in Liberty Counsel. She recalls her local publican, Ciaran Clarke, providing "a two-day feast". "He is a very good supporter and we always celebrate a winner there."

The yard's role in the local economy goes far beyond providing direct employment. "We get the bedding locally as well. It comes in bulk in sawdust shavings," she says.

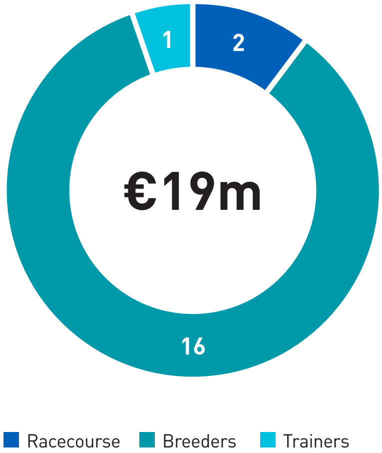
"The hay we feed the horses with is produced by my son Micky Love around Trim and he has been providing it for the last 20 years. Our vet Mark is from Mullingar."

Between Flat and National Hunt horses, Dot Love has approximately 15 in training going into the summer of 2019. She also is very busy looking after horses for pre-training, whilst she also breaks horses before they go into training.

"Our aim here is simply to keep improving and two years ago we installed 12 new stables and a beautiful viewing tower to look out on the horses as they work. All of this work was done by local people. It is very much a family feeling to the operation but the locals are proud of our success and we are a long-time part of the community here."

MIDLANDS

Breeding and Racing industry capital expenditure 2007-2016 (€m)



Source: HRI; Deloitte analysis.

In addition to the core industry workforce, there are a significant number of individuals employed in activities which, whilst reliant on Breeding and Racing, also serve other sectors.

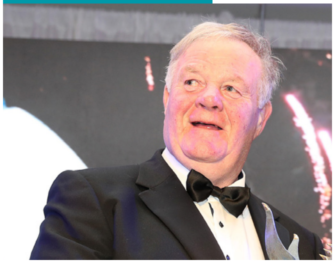
CAPITAL EXPENDITURE

Approximately €19m is estimated to have been invested in capital projects in the Midlands in the last 10 years, predominantly by Breeders €16m, with smaller amounts of expenditure on racecourse improvements at Kilbeggan and from trainers maintaining and improving their facilities to ensure they are of a suitable standard to train top thoroughbreds.

The predominantly rural location of breeding and racing facilities within the region also means that capital projects provide significant opportunities, and subsequent employment, for local construction and development firms.

THE ECONOMIC IMPACT OF ONE RACEHORSE

BREEDERS



TRAINERS

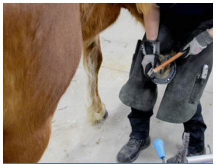
SALES HOUSE EMPLOYEES

OWNERS

RACECOURSE STAFF

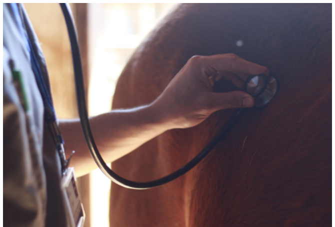
JOCKEYS

EXERCISE RIDER

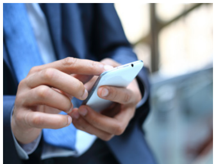


FARRIER

FEED AND BEDDING



VETERINARIANS



JOCKEY'S AGENT

GROOMS AND HORSEBOX DRIVERS

The Breeding and Racing industry supports a diverse workforce encompassing the core industry, directly related industries such as vets and farriers and secondary employment. This workforce has a broad geographic spread, with breeders drawn from every county and racecourses and trainers also spread across the island, all supporting jobs in the rural economy.

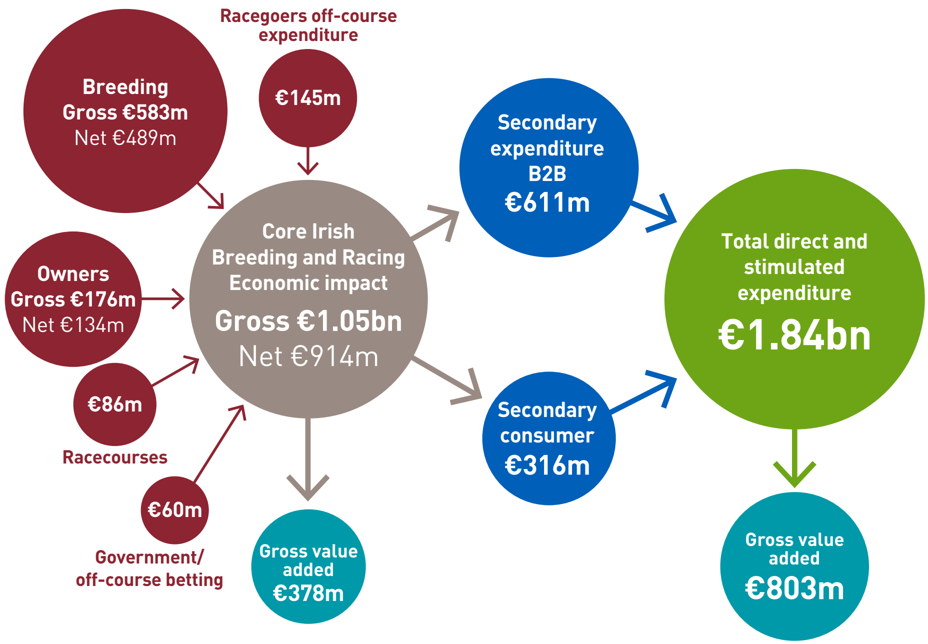
ECONOMIC IMPACT OF BREEDING AND RACING IN IRELAND

THE TOTAL DIRECT AND STIMULATED EXPENDITURE OF THE IRISH BREEDING AND RACING INDUSTRY WAS ESTIMATED AT €1.84 BILLION IN 2016, AND WILL BE HIGHER IN 2018.

The core industry is estimated to generate €914m of expenditure into the Irish economy made up of the following components:

- **Breeding** contributes €489m through public and private sales of bloodstock, nomination fees and keep costs for mares;
- **Owners** incurred gross expenditure of €176m, but received €42m back in

Overall economic impact – total impact



domestic prize money, resulting in a net contribution to the economy of €134m (not including expenditure on bloodstock);

- **Racecourses**, via the spending by racegoers, sponsors and commercial partners contribute €80m to the core industry. Additionally HRI receives direct media and data rights income of €6m;

- **Government**, via betting tax from off-course betting and the subsequent annual Horserace and Greyhound Fund payment to HRI, represents a €60m contribution;

- **Off-course expenditure** by racegoers (e.g. on food and drink, accommodation and transport) is estimated to contribute €145m.

This core Breeding and Racing industry input of €914m is then augmented by secondary input of €927m as the initial expenditure filters through the economy, via:

- Secondary business-to-business (B2B) expenditure of €611m as businesses supplying the core Breeding and Racing industry source their own goods and services from other providers;

- Secondary consumer expenditure of €316m as people working in the core industry spend their wages on other goods and services within the Irish economy.

	2016	2018	+/-
Bloodstock sales	€318m	€352m	10.7% ↑
Horses in Training	8,561	8,688	1.5% ↑
Owners	3,663	3,817	4.2% ↑
Attendances	1.32m	1.27m	-3.5% ↓
Off-Course Betting Duty Receipts	€51m	€52m	3.2% ↑

The data used in this report is from 2016 to ensure consistency with the previously released Economic Impact of Irish Breeding and Racing 2017. Analysis of changes in key metrics from 2016 to 2018 indicate that the economic impact of Irish Breeding and Racing in 2018 would be at least as large as that calculated in 2016 with all key metrics, bar attendances, increasing over this period.

Overall economic impact of racing consists of:

- **Core industry** – expenditure generated by Racing's participants and consumers, including other administrative media organisations which work exclusively in the Breeding and Racing Industry

- **Other direct impacts** – primarily off-course expenditure of racegoers e.g. on food, accommodation, transport. For economic modelling purposes this expenditure is included in the core industry; and

- **Indirect and induced** – Indirect = business to business expenditure of suppliers related to the racing and breeding industry; Induced = additional expenditure from consumer spending e.g. individuals working in the Breeding and Racing industry spending their wages.

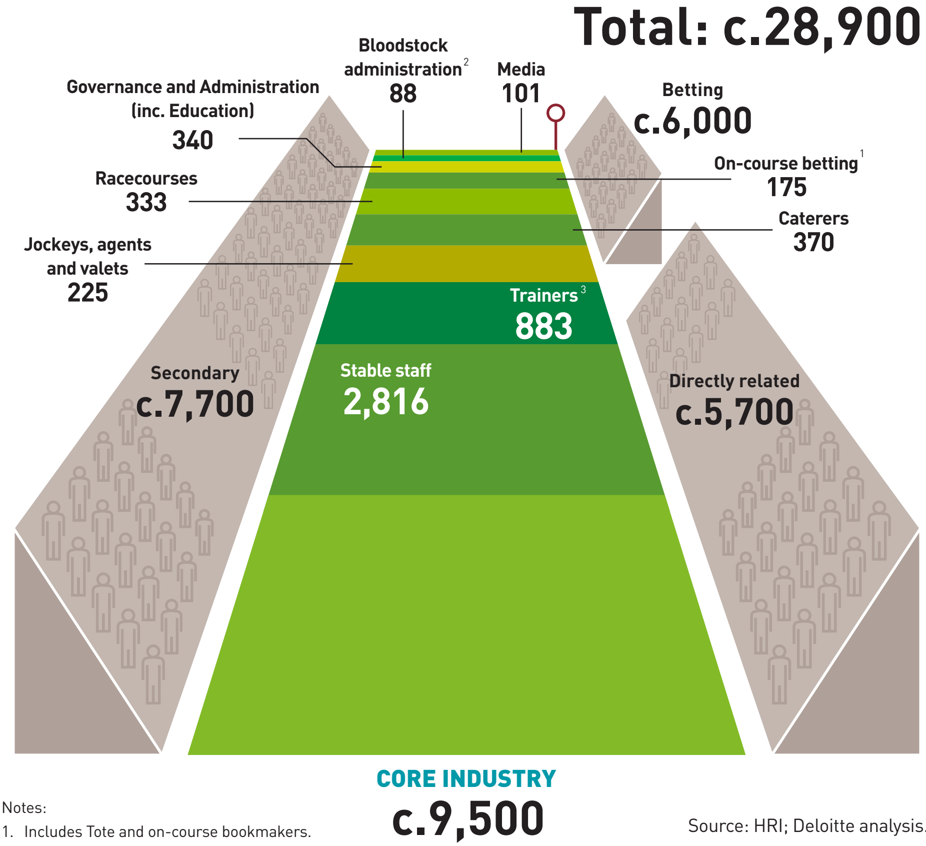
- **Gross value added** – an alternative measure of the industry's contribution that can be compared to national indicators such as Gross Domestic Product (GDP), based on data from the Central Statistics Office.

The Breeding and Racing industry is also a significant employer across all regions of Ireland. Core industry employment of 9,500 is supplemented by an additional:

- 5,700 directly related roles (i.e. heavily reliant on Breeding and Racing but also serving other sectors)
- 7,700 secondary roles (supported by the spending of racing's participants in other areas of the economy)
- 6,000 betting industry employees, primarily in Licensed Betting Offices (LBOs).

The economic impact of Irish Breeding and Racing in 2018 would be at least as large as that calculated in 2016 with all key metrics

Irish Breeding and Racing industry direct, indirect and secondary employment (FTE) – 2016



Notes:

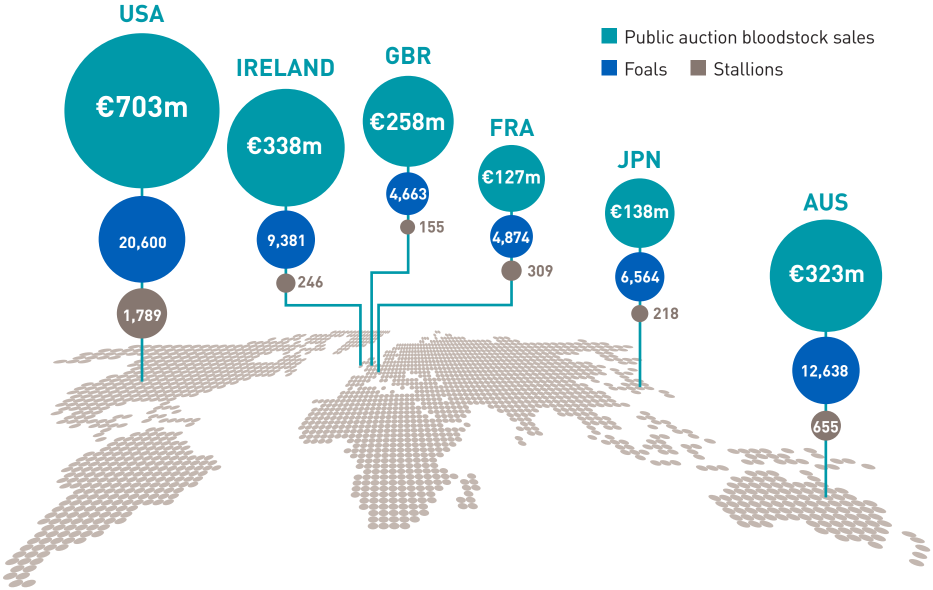
1. Includes Tote and on-course bookmakers.
2. Includes Weatherbys Ireland and bloodstock auctioneers and agents.
3. Includes Public Trainers, Restricted Licence Holders and point-to-point Handlers.

Source: HRI; Deloitte analysis.

SUCCESS OF IRISH BREEDING AND RACING

THE IRISH BREEDING AND RACING INDUSTRY IS EXTREMELY COMPETITIVE AT A GLOBAL LEVEL, DESPITE OTHER MAJOR RACING NATIONS HAVING MUCH LARGER POPULATIONS AND ECONOMIES.

Public auction bloodstock values, live foals and standing stallions – 2016



Source: Weatherbys; IFHA; HRI; Auction Houses; Deloitte analysis.

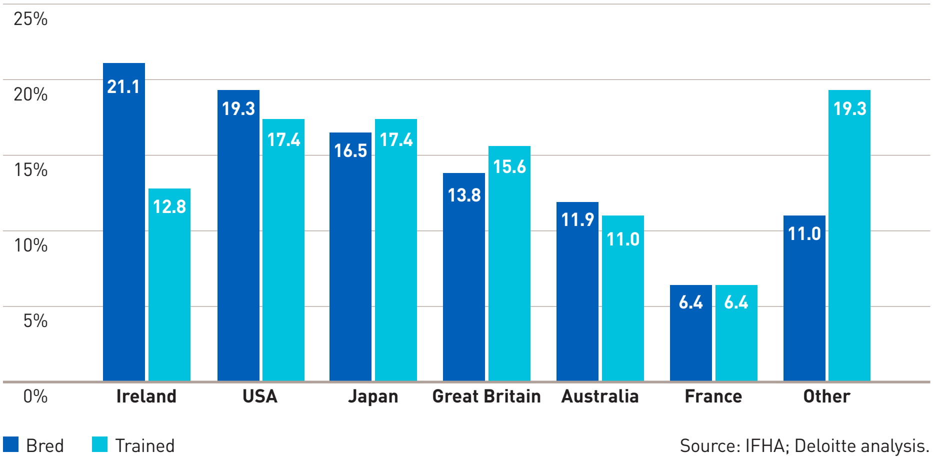
BREEDING

Irish thoroughbred breeding is highly successful and influential on the global stage in terms of production levels and, more importantly, quality.

Ireland is the second largest producer of bloodstock by value, at approximately €338m in 2016, making up c.18% of bloodstock auctions from major racing nations.

In 2016, the progeny of stallions standing in Ireland earned in excess of €43m in prize money, approximately 21% of the global top 100 sire earnings, led by the "super sire" Galileo (€19.9m, 1st overall).

Percentage of Top 100 rated horses by breeding and training location (%) 2016



Source: IFHA; Deloitte analysis.

RACING

In the 2016 racing season, Irish trained horses won a total of 29 Group 1 races (Flat) and 47 Grade 1 races (Jump), while taking home approximately €79m across all races globally. Examining the top 100 rated Flat horses for the 2016 season demonstrates the Ireland is the most successful breeding nation with more than 1 in 5 of the top 100 rated Flat horses being Irish bred, with approximately 13% also being trained in Ireland.

While Ireland hosts significantly fewer races in a year than other major racing countries, and is the only major racing country where there are more Jump than Flat races, it is still well represented in the top rated Flat races with the QIPCO Irish Champion Stakes being the equal second highest rated race in the world in 2016.

REPORT PREPARATION, METHODOLOGY AND LIMITATIONS

INTRODUCTION AND SCOPE OF OUR REVIEW
Horseracing Ireland ("HRI") commissioned Deloitte to produce this Report, which has been prepared in accordance with the contract dated 8 January 2019. The Report sets out the results of research and analysis of the Economic Impact of the Irish Breeding and Racing Industry on a specific region in the Republic of Ireland. Separate reports for 13 regions were prepared in total.

Details of the methodology of preparing these 13 regional reports are set out below, but the overarching principle is to allocate the national results of the Economic Impact of Irish Breeding and Racing 2017 report prepared by Deloitte for HRI between the 13 regions determined by HRI (and which exclude Northern Ireland).

Details of the methodology of how the national economic estimates were derived are set out in the Economic Impact of Irish Breeding and Racing 2017 (available at www.hri.ie) hence are not replicated in this Report.

USE OF THIS REPORT AND LEGAL RESPONSIBILITY
Some of the matters discussed in this Report are by their nature technical. The intended recipient of the report, HRI, is familiar with the issues, facts and other matters addressed and the Report was written with that in mind.

This Report is prepared for the sole and confidential use of HRI and for the purposes set out in the terms of engagement. In preparing this report our only responsibility and duty of care is to HRI. We did not, and do not by consenting to publication of this Report, assume or accept or owe any responsibility or duty of care to any other person.

HRI has asked for our consent to making this report publicly available by posting it on HRI or other Racing websites, and other appropriate distribution methods as agreed with Deloitte. We have agreed to provide such consent on the following conditions:

- This report may not be suitable for the use of any person other than HRI. Accordingly, publication of this report to persons other than HRI is for information purposes only and no person other than HRI should place any reliance on this Report; and
- We do not assume or accept or owe any responsibility or duty of care to any person other than HRI. Accordingly, any person other than HRI who, contrary to the above, chooses to rely on this Report, does so at their own risk and we will not be responsible for any losses of any such person caused by their reliance on this Report.

METHODOLOGY TO APPORTION NATIONAL ESTIMATES INTO REGIONS
As noted above this report apportions the metrics reported in the Economic Impact of Irish Breeding and Racing 2017, which reported data relating to 2016, into a specific region. The data in this report therefore related to 2016 unless otherwise stated, and the approach to apportionment below has been taken for the following areas of expenditure and other economic metrics:

Breeding – An analysis of the location within Ireland of the ultimate vendor of all Irish sales at Tattersalls sales in Great Britain and Ireland and the major French sales was carried out, so that the proportion of total sales for each region could be estimated. The proportion was then applied to the total Irish sales figure for 2016 to give an estimated bloodstock sales figure for that region. For example if the sales analysis showed that the proceeds from 20% of Irish horses sold went to a specific region, that region was allocated 20% of the total Irish sales figure.

The only exception to this is private sales, where known values were allocated to specific regions. The remainder was then apportioned as per the public sales methodology described above. Stallion nomination income was apportioned to the region in which the stallion was standing in 2016.

Owners – The expenditure of Owners on keeping horses in training was apportioned based on the number of horses in training in the specific region in 2018. Therefore if a region contained 5% of the horses in training in 2018, 5% of Owners expenditure was allocated to that region (values based on 2016 expenditure).

Racecourses – Expenditure related to on-course racecourse spend was apportioned to the region in which the racecourse is located.

Betting – The industry's income from betting has been apportioned based on the population of each region – the more people that live in a region, the more betting will take place there. The population of each region is closely correlated to the number of betting shops in each region, which provided another proxy to validate this apportionment method against, albeit not factoring in remote betting which now forms a significant proportion of total betting turnover.

Off-course expenditure – the expenditure of racegoers away from the racecourse has been apportioned according to the proportion of total racecourse attendance in that region, adjusted for the major racing festivals where enhanced expenditure per attendee associated with these festivals takes place.

Due to the nature of these festivals attracting racegoers from significant distances (including overseas) some of this expenditure will actually take place in other regions as racegoers travel into transport hubs and stay in hotels etc. However, the level of information available means that analysis to this further level of detail has not been possible.

Indirect expenditure – total indirect expenditure calculated in 2016 has been apportioned to the specific region in the same proportion as the direct expenditure of that region compared to the total expenditure for the industry in the Republic of Ireland. For example, if a region constitutes 10% of the total direct expenditure of the industry in the Republic of Ireland then 10% of the total indirect expenditure for the country has been apportioned to it. It is therefore possible that for some regions this indirect expenditure may be significantly over or under stated depending on the nature of the local economy.

OUR RELIANCE ON INFORMATION
In preparing this Report, we have used information and data extracted from various published reports, which we assume to be reliable, to obtain the inputs into the economic model which we used to estimate the economic impact of the Breeding and Racing Industry.
In addition, we have used information and data which have been provided to us by a wide variety of organisations including HRI, other Irish racing organisations, overseas Racing bodies, the betting industry and Government sources. The case studies included in this Report have been prepared by HRI.

In all cases, we have relied upon such information and data as being true, correct and complete and have not audited, tested or checked any such information or data.

SPECIFIC LIMITATIONS OF OUR REVIEW
In accordance with our terms of engagement, or due to our findings when performing our work, the following specific limitations should be noted. As a simplification of any industry an economic model of this type can only ever be expected to represent an approximation of a real-life outcome. The model relies upon information provided by stakeholders as well as data published by the Central Statistics Office. It is possible that industry linkages have changed since the publication of the Domestic Use Matrix, but as the latest available data on which to base our analysis the data used is the most appropriate.

EXCHANGE RATES
For the purpose of the international analysis and comparisons we have converted the figures into euros using the average exchange rate for the respective year ending 31 December.
The sterling to euro exchange rate used for 2016 was (€1 = £0.79).

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