



RACING ASSOCIATION

The White House
14 Turf Club Street
Turffontein 2190
(Within Turffontein Racecourse)
74054 Turffontein 2140
(011) 683-3220/683-3221
Fax: (011) 683-3222
e-mail: info@racingassociation.co.za
Website: www.racingassociation.co.za

RA FEEDBACK TO MEMBERS

The world is going through incredibly uncertain times, and the South African racing industry is of course by no means immune. The RA Board is acutely aware of the risks facing our industry and owners, and we would like to keep you abreast of what is happening as far as we can.

South Africa is in lockdown, and all racing for the three-week period has been cancelled. We have no indication yet as to whether the lockdown period will be extended, nor whether racing will be able to resume on Friday, 17 April.

Good news is that training facilities continue to operate albeit under very strict regulations. Trainers have had to make special arrangements, including having staff temporarily living at training facilities to help manage the risks relating to spreading the virus. The RA has participated actively in the formulation of the risk management response, including providing funding for some of the measures introduced. Specifically, we have provided some funding for the feeding of grooms at various centres. A special mention must be made of Adrian Todd and the SAEHP team who offered their disease management expertise and have played a crucial role in determining and documenting control procedures.

One of the stark realities of the lockdown is that most industry revenues have all but dried up. The financial challenges and cashflow constraints of the operator, Phumelela, are well documented. The financial impact of Covid-19, not only on South African and international racing but also sport in general must be enormous. Phumelela is a listed company and is currently in a closed period meaning we have no access to information on the extent of the impact.

As the RA, we can assure you that our priority remains the protection and advancement of the interests of all owners. We are engaging with Phumelela management, particularly with regards to the stakes agreement. Potential stakes reductions have been mentioned, but we have no indication of the extent of these potential reductions, nor the operator's strategy on returning stakes to levels as determined by the stakes agreement.

We are also engaging with Phumelela management as concerned shareholders via the Horseracing Trust.

Lastly, we are engaging with several industry bodies to discuss the industry's response to the challenges faced. This is in line with our vision of playing a leading role in the inevitable restructure, transformation and re-capitalization of the horseracing industry.

We would like to be more definitive with our report back but nothing definitive has been decided upon at the time of writing.

As we know more, we will share this with members.

Stay safe.

CHARLES SAVAGE
ON BEHALF OF THE BOARD OF THE RA

National Board: ME Leaf (Chairman), M de Kock, G Paddock, B Riley, C Savage, W Smith