



THE JOCKEY CLUB

Since 1750



Online | In Store | Go Racing

Review of 2013 | 2014 Outlook



“I think Rewards4Racing is what they call a “no brainer” really. You get rewarded for doing what you normally do anyway, but it does make you more loyal to those brands offering points. As a racing fan who likes a bet and has a wife that loves to shop, I thought why not sign up and reap the benefits. My points will help to pay for my annual pilgrimage to the Cheltenham Festival in March.”

David Burke
Rewards4Racing Member

£18 million in racecourse ticket sales
£5 million spent with our retail network
£25 million bet with our exclusive bookmaker
Expansion of our racecourse network

We're excited about our future

Josh Apiafi
Founder and Director



2013 was a huge growth year for Rewards4Racing. Membership grew by 100,000, their R4R Points generation doubled, staff numbers increased to over 20 at our Head Office in Catton, we launched our exclusive bookmaker partnership and had a major part to play in The Jockey Club raising over £25 million with their Racecourse Bond.

The launch of Coral as the programme's Betting and Gaming partner burst out of the stalls in January. After only twelve months, Rewards4Racing is now one of Coral's largest partners in terms of acquisition. Over 7,800 members signed up to Coral in 2013 earning R4R Points on every bet and staking over £25 million.

Total membership now exceeding 300,000

The Rewards4Racing membership continues to grow at around 2,000 new members per week with the total membership now exceeding 300,000. Over the last twelve months our members earned over 100 million R4R Points with our racecourse, retail and betting partners. Up over 100% year on year.

Our retail network now numbers over 3,500 online stores and 30 in-store retailers. It is well-known that December is a key month for retailers and, throughout the month, our members spent over £1 million with them earning R4R Points on every transaction.

Our retail network now numbers over 3,500 online stores and 30 in-store retailers

Additional racecourse and redemption partners in 2014

Since our launch in January 2011 redemption has been exclusively focused on Jockey Club Racecourse related items. The Rewards4Racing Board, which includes representatives from both The Jockey Club and the Racing Post, feel that the time is now right to investigate an expansion of our racecourse network and invite non-Jockey Club owned racecourses to join the fold, witnessing for themselves the huge advantages of the Rewards4Racing programme to their business, their members and their raceday customers.

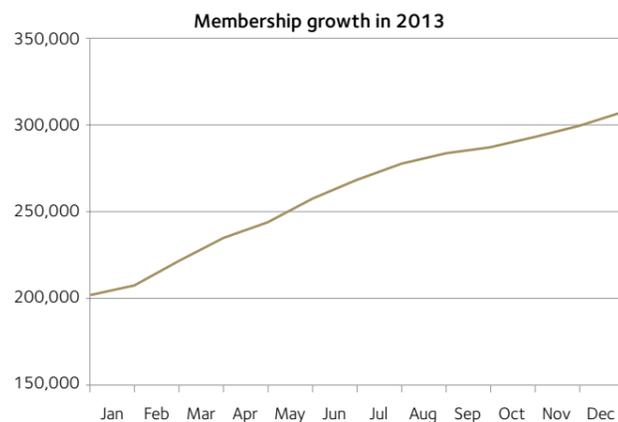
Customer insight is key to the future of the sport

Over the following pages we set out in further detail what the business has achieved over the past year for its members, stakeholders and partners. Our annual review and outlook for the future should also give an insight into how we've positioned the business to make significant progress again in 2014 in assisting the racing industry with customer insight and most importantly loyalty.

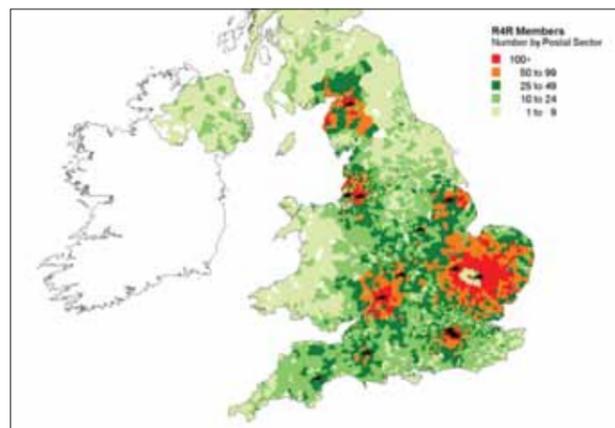
Key Performance Indicators

Membership

Rewards4Racing membership continues to grow at a healthy rate of 2,000 members per week on average. Members join the programme for free directly on our website or through one of our key partners. At the end of 2013 we had 310,000 members.



In terms of geographical spread, the Rewards4Racing membership covers the majority of the UK, with the most densely populated areas of membership around our leading racecourses.



Ticket Sales and Shopping

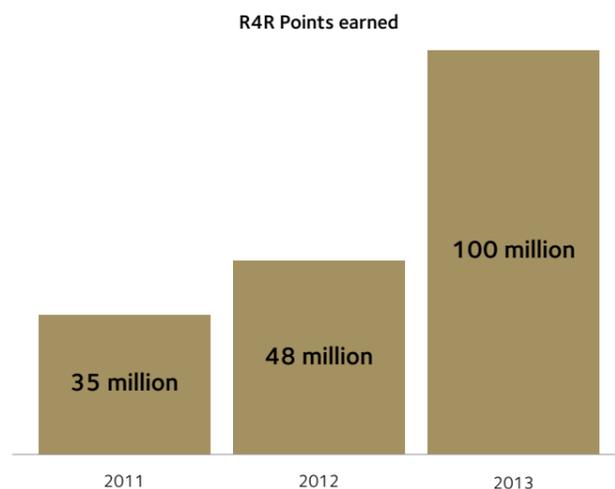
Over the last twelve months our members spent £18 million on racecourse ticket sales across The Jockey Club's 15 courses.

In December 2013, 19% of The Jockey Club's advance ticketing transactions were by Rewards4Racing members using their points.

In 2013, 50,000 of our members spent in excess of £5,000,000 earning themselves a phenomenal 15 million R4R Points from 'smart' shopping with their favourite retailers through www.rewards4racing.com

In addition, in 2013 almost 800 Rewards4Racing members invested over £7 million in The Jockey Club's Racecourse Bond and 94% of bondholders opted to receive R4R Points as part of their annual interest from the Bond.

R4R Points



Betting and Gaming

Over 7,800 Rewards4Racing members joined Coral in the first year of our exclusive partnership and staked bets in excess of £25,000,000.

Rewards4Racing members joining Coral are rewarded with £20 in R4R Points and receive a 2% return in points for every sports bet plus 0.5% on casino betting turnover.

By the end of the year, Rewards4Racing had become one of Coral's leading partners in terms of customer acquisition.

The Vital Statistics

364 Race meetings to redeem R4R Points in 2014

500 R4R Points when you join The Racegoers Club

94% The percentage of Bondholders who opted in to receive R4R Points

310,000 Rewards4Racing Members

£20 of R4R Points when you sign up with Racing UK Anytime plus 3 points/£ each month

15 Racecourses nationwide

30 In Store Retailers

100 MILLION R4R Points earned in 2013

£50 MILLION Membership spend with all R4R Partners in 2013

3,500+ Online Retailers

ONE Official Bookmaker

50 R4R Points per month with your Racing Post Membership

£20 in R4R Points when you join Coral online

2% of bet stake with Coral in R4R Points

500 R4R Points with your ROA Membership

£25 MILLION Amount raised by the Jockey Club's Racecourse Bond

FOUNDING PARTNER AND SHAREHOLDER



KEY PARTNER AND SHAREHOLDER



15 RACECOURSE PARTNERS



KEY PARTNERS



Rewarding frequency
Attracting new customers
Delivering value

Driving Loyalty

Ian Lancaster
Director



May saw Rewards4Racing launch our Pay with Points mechanic which enables Rewards4Racing members to redeem their points directly with their chosen Jockey Club Racecourse either online or over the phone. Since its rollout, over 15 million R4R Points have been used in transactions with Jockey Club Racecourses by our members.

In December, 19% of The Jockey Club's advanced ticketing transactions were by Rewards4Racing members using their points

It is clear from member testimonials as well as the significantly increased activity this year that our members place a very high value on their loyalty programme. The success of 2013 has owed a lot to us further interacting with our members, listening and acting on the invaluable feedback that we receive from them.

As a business, as well as delivering value for our members we are also focused on creating value for our partners. In 2013, the return on The Jockey Club's investment in Rewards4Racing was most evident by the success of The Racecourse Bond as almost 800 Rewards4Racing members invested over £7,000,000 in The Bond and 94% of Bondholders opted to receive R4R Points.

Increasing both spend and frequency of attendance for Jockey Club Racecourses is also a core business objective. In 2013, we started to track this through a number of KPI targets including:

- increase in year on year spend by regular JCR customers
- generating new revenue for JCR by acquiring new customers
- re-activating JCR customers through targeted points-based offers

From 2012 to 2013, Rewards4Racing showed an increase of over 10% in the spend of engaged members who are also regular JCR customers, ie. they are engaged with Rewards4Racing and purchased a ticket in 2012 and purchased again in 2013.

1/3 of all Rewards4Racing members who redeemed in 2013 using Pay with Points were re-activated Jockey Club Customers ie. they had not purchased a ticket to any race meeting within the previous 12 months

In 2014, we will focus on engaging even more Jockey Club customers and passionate racegoers. Following the investment in our new CRM marketing system, we will be able to target and personalise offers and rewards for our members so that they are even more relevant and exciting.

Rewarding Your Passion

Join Rewards4Racing and sign up to Coral.co.uk to receive **£20 worth of R4R Points** and a **Free £50 matched bet**, that can be redeemed for tickets to one of The Jockey Club's 364 race meetings annually!

Already a member?

Rewards4Racing members get access to exclusive Coral offers as well as earning R4R Points on every single sportsbook and casino bet, up to a maximum of 5,000 points per month!

CORAL
RAISING THE GAME



Rewards4Racing.com



For exclusive offers and competitions follow us on Twitter @Rewards4Racing

Online | In Store | Go Racing

Betting and Gaming

Following the launch of the Rewards4Racing programme in January 2011, it was a strategic decision not to promote any betting or gaming related retailers on the programme until we'd reached an attractively sized and engaged membership base. This would then give Rewards4Racing and our chosen bookmaker partner a chance to launch an exclusive agreement with a large, clean and inspired database.

At the start of 2013, Rewards4Racing spearheaded an exclusive partnership with one of the largest and most recognised bookmakers in the UK, Coral.

Rewards4Racing members now have the opportunity to gain points from signing up to Coral online and are then rewarded for every sports bet placed with them.

In 2013 over 7,800 Rewards4Racing members joined Coral and staked bets in excess of £25,000,000

Within days of the partnership starting both management teams realised this was a match made in heaven. The results were both immediate and impressive. So much so, that Coral has extended their contract with Rewards4Racing for a further two years. Included in the new agreement is the addition of Casino, Games and Bingo, so our members have a whole plethora of gaming options for which they are being rewarded.



By the end of 2013, Rewards4Racing has become one of Coral's leading partners in terms of customer acquisition

An exciting development to be rolled out in Q2 2014 is the Rewards4Racing slot machine. Both 'free to play' and 'pay to play' versions are under construction and this marks Rewards4Racing's first branded gaming solution.

Rewards4Racing members joining Coral are rewarded with £20 in R4R Points and receive a 2% return in points for every sports bet plus 0.5% on Casino betting turnover

CORAL
RAISING THE GAME

<Full page Racing Post advert promoting our key partner Coral

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“I am partially blind and I am no longer able to drive, so attending racecourses has become problematic in recent years. After my wife and I invested in The Jockey Club Racecourse Bond, we receive a sizeable allocation of R4R Points and it has given me an incentive to attend again. After the Rewards4Racing team went the extra mile to help me out, I was able to purchase a membership from Wincanton Racecourse. My wife now drives me to the racecourse and reads her books while I watch and rekindle my love for racing. My only regret is that we did not invest more in this fabulous scheme!”

A Racecourse Bondholder

Customer Insight

Data and customer insight are increasingly becoming the cornerstones of our business. In the current environment, all businesses require a better understanding and knowledge of their customers than ever before and we are no exception. Our commitment to grow our Customer Insight Division was corroborated by the recent recruitment of Chris Newell, Rewards4Racing’s Senior Commercial Analyst.

Data and customer insight are increasingly becoming the cornerstones of our business

The principal objective in developing our Customer Insight Division is to ensure that the valuable data that we collect on a daily basis is effectively analysed and utilised. This enables us to generate even more opportunities for Rewards4Racing members to collect and redeem R4R Points. We will be working with our founding partner The Jockey Club, as well as our key partners to deliver ‘data dashboards’ which will greatly assist them when it comes to planning commercial strategy.

The Great Racing Survey

As well as developing a deeper understanding of the data that we have collected since our launch in 2011, our CRM strategy will continue to evolve. This will include the launch of our inaugural ‘Great Racing Survey’ to Rewards4Racing members and racing customers nationwide. The survey will enable us to further understand our member profiles and target audience and to tailor our offers accordingly.



The value of enhanced data knowledge was demonstrated in 2013 with the successful launch of The Jockey Club’s Racecourse Bond. The Bond was seen as an alternative funding source for The Jockey Club’s plan to build a new stand at Cheltenham Racecourse.

Prior to launching The Racecourse Bond, The Jockey Club carried out in-depth research and surveys among its most engaged customer groups including the Rewards4Racing membership. Through this research, they were able to glean valuable insight and information on, for example, whether there was an appetite among its customers and supporters for the Bond and if so, how The Racecourse Bond should best be structured.

In connection with this research, Paul Fisher, Group Managing Director of Jockey Club Racecourses, said:

“We conducted in-depth research before we launched the first retail bond in British sport and that gave us confidence that our offer of generous cash returns and racing rewards would go down well. We were expecting to raise around £15 million, so to have exceeded that by almost £10 million is an achievement we’re hugely proud of.”

Develop our targeting capability for campaigns using segmentation and analytical techniques

This year we will also be using data analytics to deliver more targeted and relevant communications through our new email marketing platform, Exact Target. We will see enhanced automated and triggered emails based on member behaviours and interactions. We will also develop our targeting capability for campaigns using segmentation and analytical techniques. We are confident that this can lead to increased engagement levels amongst our members.

Further developments to our website will also allow us to track and measure the online activity of our members and communicate more effectively using web analytics. These web statistics and email engagement reports will be delivered alongside all of our member, transactional and commercial reporting in a single Rewards4Racing dashboard.

Invest in The Racecourse Bond and Earn 3 Points per £!

The Jockey Club

1750

Racecourse Bond

7.75%
gross return

An investment opportunity
you can't ignore.

Find out more at
www.racecoursebond.com



RACECOURSE BOND APPLICATIONS ARE NOW CLOSED

This information has been approved as a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 for UK publication by BDO LLP of 55 Baker Street, London W1U 7EU, which is authorised and regulated by the Financial Conduct Authority to conduct investment business (FRN: 229378). Before you buy any The Jockey Club Racecourse Bonds you should make sure that you fully understand the risks which are set out in the Invitation Document and you should determine whether the investment is suitable for you on the basis of all the information contained in the Invitation Document. Specifically, in the event that The Jockey Club Racecourse Bond Company plc becomes insolvent you may lose some or all of your investment. If you are in any doubt about the contents of this information or the Invitation Document or the action you should take, you should consult a professional financial adviser.



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Growing Racing since 1750
Embracing Loyalty

The Racecourse Bond

Paul Fisher
Group Managing Director
Jockey Club Racecourses



In April, we launched the first retail bond in British sport to raise capital to invest in the new £45 million development at Cheltenham Racecourse.

The Jockey Club Racecourse Bond was a financial product that offered investors a return of 7.75% interest each year for investments between £2,000 and £100,000. The competitive headline rate of 7.75% annual interest was split into a 4.75% cash return and a further 3% paid in R4R Points. The Racecourse Bond was a unique proposition from us and a great example of our continued innovation.

We were absolutely delighted by the response from investors and I'd like to thank racing fans and our customers for their support. We felt it was a win-win proposition for all concerned: investors received a strong rate of return in cash as well as R4R Points to spend across all 15 of our racecourses, whilst we raised almost £25 million in capital towards our investment in facilities at Cheltenham, which surpassed our expectations.

Following the success of the Rewards4Racing programme among our customer base, it was particularly pleasing that so many Bondholders chose to take up their allocation of R4R Points as part of their annual interest payments. In fact, as 94% of Bondholders opted to receive their points. This was a resounding endorsement of our loyalty programme. As ever, you can use R4R Points to buy tickets, hospitality, restaurant packages and annual memberships at our courses. This dedicated loyalty programme being part of The Racecourse Bond offer has given us the opportunity to get closer to Bondholders by welcoming them to our courses as valued customers.

The interest in, and applications for, The Racecourse Bond showed a great level of trust in our 263-year-old brand and the modern, commercial approach we take today, where we are investing to grow our business for the good of British racing, reinvesting every penny of profit we make back into the sport.



< Full Page Racing Post Advert to promote The Racecourse Bond

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“I managed to accumulate over £100 worth of R4R Points just by making purchases from my favourite stores. I used this on a fantastic day of food and racing with my husband in the Summer House Restaurant at Newmarket’s July Course. I’m well on my way to having enough points for a repeat visit.”

Natalie White
Rewards4Racing Member



The Retail Network

2013 has seen an exciting year of growth in our Retail Network.

The number of in-store retailers has doubled

Our online retailers now exceed 3,500 which, coupled with the expansion to 30 in-store retailers, means that our members have even more choice and opportunity to earn R4R Points every time they shop.

Over 50,000 members spent in excess of £5,000,000

In the past twelve months, over 50,000 of our members spent in excess of £5m with our retail network, an increase of 66% year on year.

As well as earning R4R Points online through www.rewards4racing.com, our award-winning cardless technology has also proved very popular among our members. The technology links their debit or credit cards to their Rewards4Racing account, enabling members to earn points each time they shop with our in-store retailers.

We continue to leverage our partnership with Quidco to increase the number of retailers on our network. Travel and Fashion remain two of the most popular shopping categories among our members. However, points can be earned across a wide variety of categories including entertainment, food and drink, insurance, utilities and mobiles.

Travel and fashion are our most popular shopping categories

As part of our on-going commitment to provide the best customer service and shopping experience for our members, 2014 will see website improvements including an overhaul of our online and in-store shopping pages.

All offers from our network of retailers will be displayed in R4R Points as opposed to ‘cashback.’ This will simplify the purchasing decisions for members when calculating how many points they will earn when they make an online or in-store purchase.

With the launch of the Rewards4Racing smart phone App and mobile site in 2014, our members’ shopping experience will be greatly improved and simplified. This will enable them to shop and earn on-the-go.





“I have found Rewards4Racing great because it’s so easy to earn points from buying racing tickets and purchasing items with all their connected partners.

I have used the rewards points to pay for part or all of my days at the races including a free racecard which once again, helps to reduce the cost of going racing.”

Kevin Steel
Rewards4Racing Member

Going Global

As a sport, horseracing is becoming ever more international with racing authorities around the world ramping up the prize money in their top events to entice foreign runners and visitors.

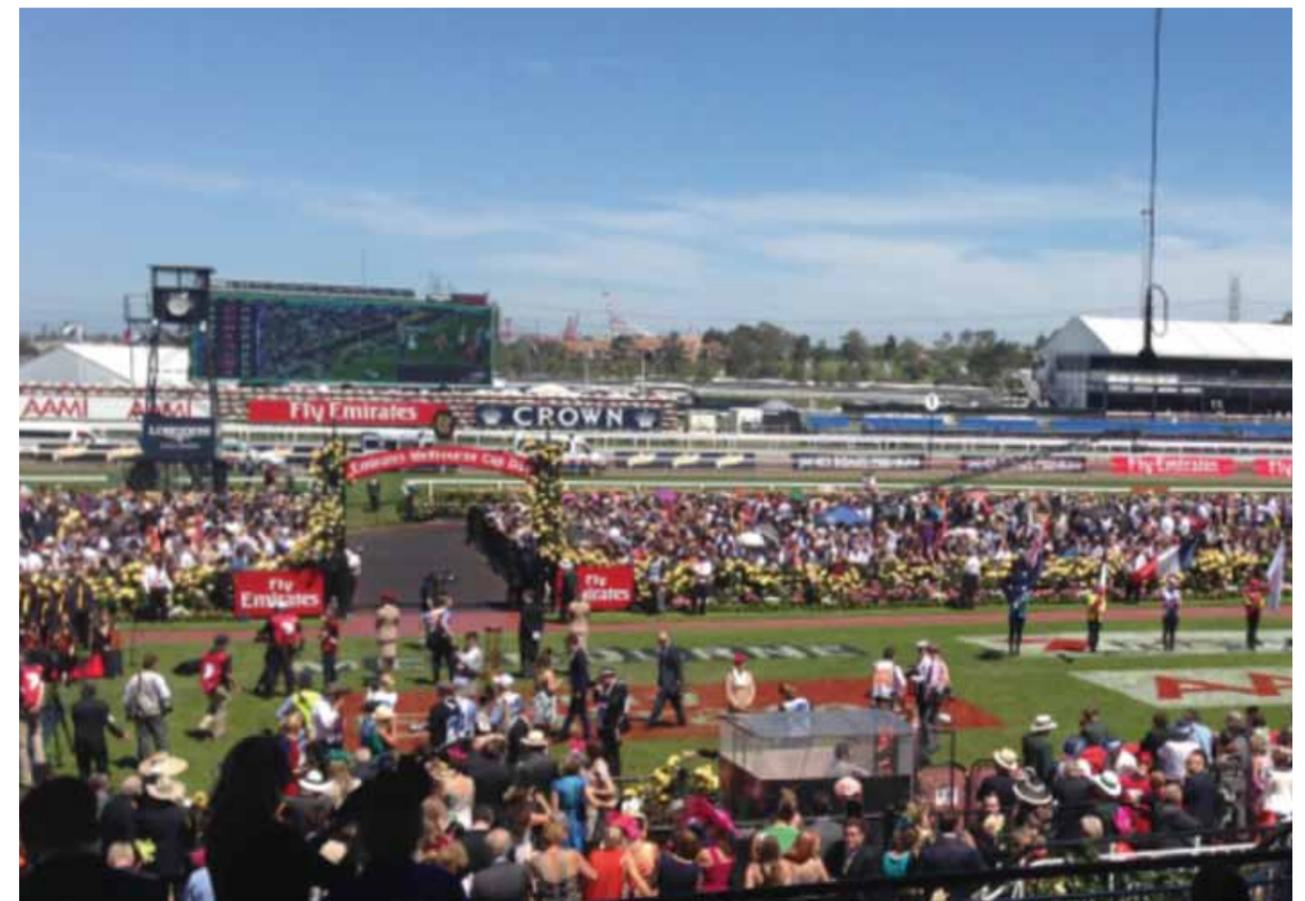
In the UK, we are now an established part of the British racing scene recognised by racecourses, racing’s governing body - the BHA, the betting industry and customers alike. We remain convinced that we have only scratched the surface of what we can achieve in this increasingly global industry.

As well as being easy to integrate, the Rewards4Racing platform is a proven revenue generator to any digital strategy

With a successful domestic business that has doubled in size year on year, the Rewards4Racing Board has tasked the management team to explore international opportunities for the Rewards4Racing platform over the coming twelve months.

It is hoped that by the end of 2014 we will have launched our first venture overseas

Excitingly, in the last quarter of 2013 we opened discussions in America, Ireland and Australia with a number of racing bodies and commercial organisations. This has also included recruiting local agents to act on our behalf in these jurisdictions.



The Rewards4Racing Team



Rewards4Racing HQ - Catton Hall

It has been an incredible year in the Rewards4Racing office, in more ways than one. The combined success of Rewards4Racing's continued growth, the launch of new commercial partnerships and the successful launch of The Jockey Club's Racecourse Bond (a first in British sport) has led to us almost doubling the size of our staff based at Catton.

As well as bolstering resources in Marketing, IT and Customer Service, we have also expanded the team in the crucial area of Data Analytics. Given the amount of data that the programme produces on a daily basis, we are certain that this is an area that will continue to grow as we do.

2013 has seen the Rewards4Racing Team almost double in size

It has been of great importance to us that whilst the company and its staff levels continue to grow at an impressive rate, we do not compromise our core values of choice, speed, simplicity and engagement. We have been delighted with the quality of the successful applicants who have taken up roles within the company in the last 12 months. Our expanded team brings an abundance of experience having come from blue chip leaders in loyalty programmes including Boots Advantage Card, BMI Diamond Club, Virgin Media and Barclays Premier Rewards.

We consider ourselves to be very fortunate to have such a passionate and skilled group of people working to achieve our goals. This has enabled us to expand whilst maintaining the high standards that we have always prided ourselves on and which our members and partners have come to expect from us.

Our core values are Choice, Speed, Simplicity and Engagement

Proof of our partners' continued confidence in the Rewards4Racing team and their ability to deliver at a high level was certainly evident in 2013. The Jockey Club appointed us to take responsibility for managing both the Customer Service and Marketing for The Racecourse Bond. The overwhelmingly positive feedback from both Bondholders and The Jockey Club is testament to the hard work and dedication delivered by the Rewards4Racing team.

We are very fortunate to have such a passionate and skilled group of people working for the company



The Rewards4Racing team building day 2013

Increasing value to our Partners Technology at the forefront Earning on-the-go

Outlook for 2014

Tom Cowgill
Director



You will not be surprised that our plans for this year call for significant further growth. We are confident that as we enter our fourth year of operation, our greatest opportunities still lie ahead of us.

Working closely with British Racing

2014 will see a more concerted branding and marketing exercise for Rewards4Racing across all Jockey Club Racecourses. With increased resources in the important area of 'field marketing', expect to see a lot more about Rewards4Racing at The Jockey Club's Racecourses in the next 12 months, including some engaging video messaging on the big screens.

It has been agreed by the Board that now is the time for us to look at expanding our racecourses to those outside The Jockey Club. This will give our members an increased offering for where they can earn and spend their points. With three years hard work and experience, we are confident that we have the knowledge and expertise to assist other stakeholders within British Racing to embrace Rewards4Racing as their loyalty programme.

Technology is at the heart of Rewards4Racing and we have invested heavily in our platform and resources in 2013

The investment in our technology in 2013 will start to bear fruit in Q1 of 2014. As well as integrating more closely with our key partners, including Coral, the Racing Post, Racing UK, The Racegoers Club and The ROA, we are excited about creating a new look to our website - rewards4racing.com. This will include new functionalities which will allow our members to share content, offers and rewards through email and social media channels, as well as being able to encourage their friends to come racing through our 'refer-a-friend' scheme.

The future is mobile

As we are reminded on a daily basis, 'the future's mobile', so look out for the launch of a slick Rewards4Racing mobile website as well as a smart phone App during the course of the year so that we can deliver rewards to our members 'on-the-go' and even when they are at the races!

Our KPI's and targets have been set and we are excited about embarking on a challenging year. With plenty of new resources and with the momentum of the business continuing to accelerate, the next three years promise to be even more exciting than the last three.



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