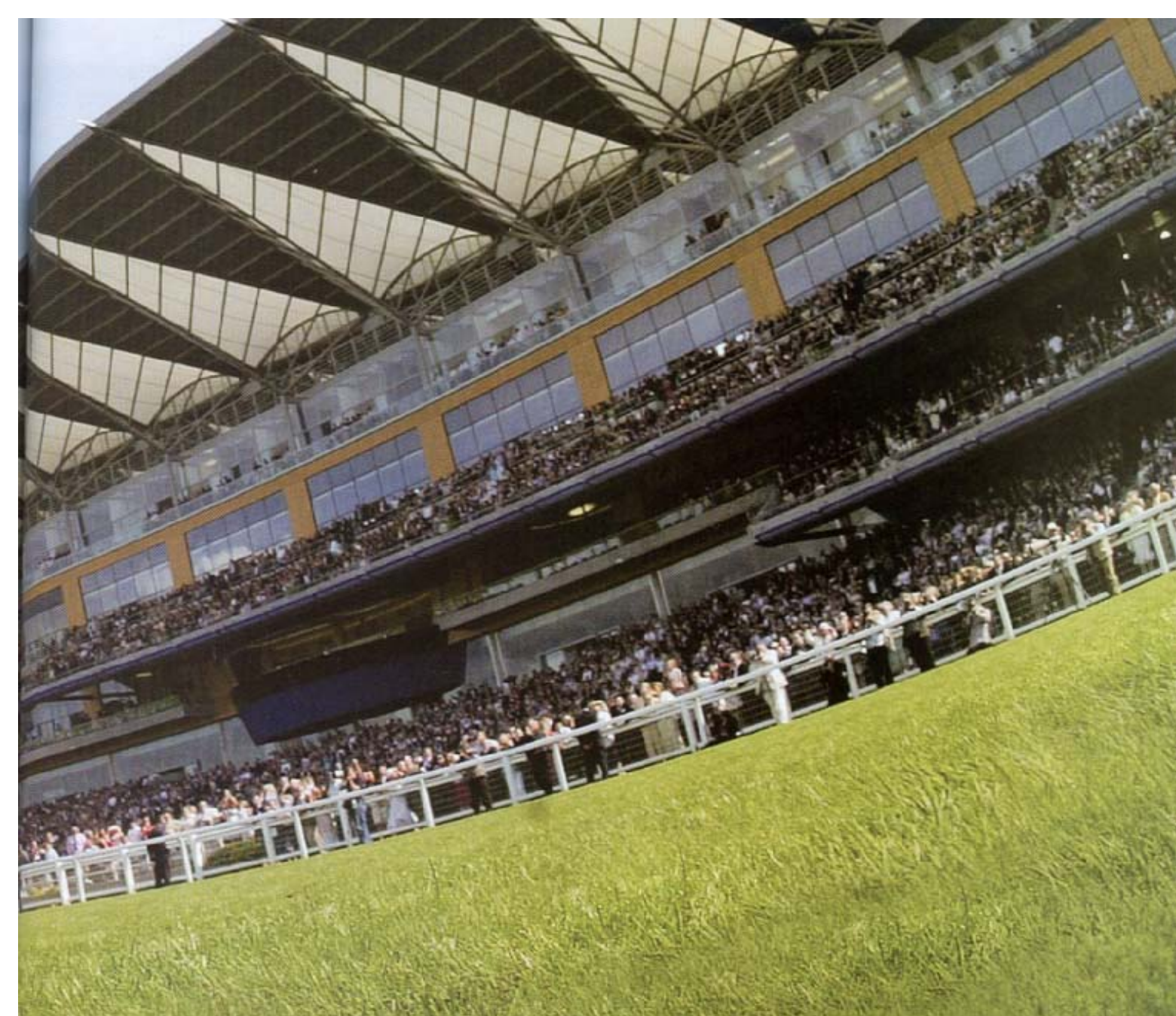




ASCOT IN RACE FOR INVESTORS

This year's US\$1.7 million King George VI and Queen Elizabeth Stakes was the richest race ever run at Ascot. The prestigious middle distance contest attracts the world's very best horses. Now, as Lyndsey Steven learns, it's looking for investors to go the full distance



The Duke of Devonshire welcomed guests to the Ascot Authority luncheon room with his charismatic wit. Alex James (ex-Blur bassist and “new-age farmer”), along with his pregnant wife and her Little Bo Peep parasol, were there to present an award and an exuberant punter’s rolled up newspaper thumped the stand to usher in his horse and plump out his bank account. “About a grand”, he conceded when we questioned him on his winnings.

The grand finale brought the well-groomed crowds (no fake tan or bare midriffs in sight) to their jubilant feet to cheer on the favourite, Aidan O’Brien’s Duke of Marmalade, to the winning post. Now rated as the leading turf horse in the world, the four-year-old recorded his career-best Timeform rating of 133 when winning the most recent King George VI and Queen Elizabeth Stakes

at the end of July. A rousing race, it provided heartening proof that King George Day is still very much alive and well received.

But, with the direction of its future foggy, the real groundwork begins now; that of finding a sponsor for the prestigious race and the three-day meeting surrounding it. It is second only to football as the UK’s most popular spectator sport, yet horse racing reaps very few of the same financial benefits.

THE LEGACY OF ASCOT

Until recently the main press surrounding Ascot has been on its dramatic and often controversial redevelopment. Originally founded by Queen Anne, the first race on Ascot racecourse took place on August 11, 1711. A new grandstand was built in 1956 and then, in 2004, a two-year US\$350 million redevelopment funded by Allied »



PICTURED A prestigious event, Ascot is second only to football as the UK's most popular spectator sport

Irish Bank began. Although the new stand has come under criticism for failing to offer adequate raised viewing, with a glut of space devoted to money spinning restaurants and corporate hospitality facilities, there's no denying that the new glass and steel structure is a magnificent one. It needs to be – prices for boxes at Royal Ascot in 2009 will range from US\$14,000 to US\$44,000.

Contrary to naysayers protesting that the redevelopment has taken away some of Ascot's soul, the lucullan traditions and royal connections are very much in place.

As owner of the Ascot estate, Her Majesty Queen Elizabeth reopened the racecourse on Tuesday, June 20, 2006. On Royal Ascot day the Queen lunches in Windsor Castle – the world's largest inhabited castle – before her horse-drawn carriage brings her to the grounds in a suitably regal fashion. While ma'am is not as closely involved as she used to be, her approval was sought for all of the plans for the new 30,000-capacity grandstand.

BREAKING NEW GROUND

Today the focus is firmly on the future and the acquisition of a fourth backer to support its existing sponsors Cisco, Sony and the aforementioned Allied Irish Bank. Charles Barnett, CEO of Ascot and previous managing director of Aintree Racecourse is, in his own words, "taking stock of everything here, of what's exciting and what's new." Acknowledging it is important for Ascot to celebrate its history and traditions, he feels these should be presented in a modern context and operated as a modern business. "What is so fantastic about the Royal Meeting is seeing traditions, such as the Royal Procession, played out in front of one of the most modern sports stadiums in the world. Ascot wouldn't be Ascot without its traditions," he stresses before continuing, "but we have a TV network and zoning system here that puts other venues in the shade.

"What I wasn't prepared for is just how high-profile Ascot is all-year-round"



History and modernity complement each other – that was one of the key aspirations of the redevelopment."

Barnett is all too aware that a new modus operandi is needed to continue the Ascot legacy and to keep the cache of races such as the King George VI. "We suspect the way of approaching

a sponsor for this race is to try and create a partnership arrangement, rather than just having a straightforward sponsor, which most people are used to and have received in the past," he says.

"The sponsor would derive benefits for the whole year. They would receive branding throughout the year and use the benefits of being connected with Royal Ascot.

"On the actual race days they would be able to entertain their clients with, for example, 200 key guests invited to a premier restaurant.

"They would also present the trophy – or have a celebrity do it on their behalf," he continues.

Previous luminaries have included Hollywood royalty Helen Mirren and Judi Dench – and presentations don't get more dramatic than that.

"We're looking for a partner, rather than just a cheque – someone who is as enthusiastic as us about developing the King George and shares our international ambitions for what is the UK's most valuable all-aged race," he concludes.

HARD TIMES?

It may seem odd that big races like the King George and the Derby are struggling for sponsorship, but according to the CEO this is a difficult time for sport sponsorship in general.

"To an extent these things are cyclical. It's not all plain sailing in sport – snooker's biggest two backers have just pulled out and although football is often thought to be



sacrosanct, some Premier League clubs are yet to secure shirt sponsorships for the new season," he laments.

With the Derby and King George the prime assets in racing outside Royal Ascot, at which races aren't open to sponsorship, they command the highest premium.

"When you get to that level sponsors have so many options to trade down. It is highly likely that backer will come from outside the UK, outside Europe even. We're extremely robust about not having run the race with a sponsor for the past two years, we even increased prize money this year by £100,000, as we don't think it would do us any good at all to undersell our premier race.

"We're confident that the right partner, a company that wishes to be linked with one of the strongest aspects of our brand, is out there and we can be very versatile in tailoring a package."

INTERCONTINENTAL APPEAL

Has the status of these races diluted or is it a harder leisure market for racing to penetrate?

"The races are as strong as ever, but racing generally doesn't do itself any favours when it comes to breaking into the mainstream. We have achieved that at Royal Ascot, which is very much a national event, and it is very much on our minds to build the King George as Britain's overarching championship race, and indeed an international championship," says Barnett, keen to stress just how international the King George Day is, with an increasing trend of horses from Australia, the US, South Africa and Japan. In fact, the winner and runner-up of this race now receive automatic invitations to run in the showpiece international event, the Japan Cup in November. The last Japanese-trained horse to run in the King George was Heart's Cry in 2006. Despite the race being screened at around midnight in Japan, 10 million people

watched it there live. Even the catering for Royal Ascot has international flair, courtesy of Dubai's Jumeirah Burj Al Arab's executive chef. "Ascot is not just a UK brand," Barnett says.

Because the King George VI and Queen Elizabeth Stakes commemorates the Queen's late parents, there are sensitivities with branding, meaning they may not be rushing to follow in America's footsteps where big races such as the Kentucky Derby are sponsored by Yum Brands!

"The naming of the race and framing of the sponsorship is quite an important aspect." That said they don't want to put up any barriers regarding discussion with interested parties. "Flexibility is the key and we can always discuss ways to present the race," he argues.

THE STATUS QUO

With a 13-year tenure at Aintree, Barnett is no stranger to the wonderful world of racing, but he's eager to press how inimitable Ascot is.

"I was aware of the scale of the Royal Meeting before I joined, but what I wasn't perhaps prepared for is just how high profile Ascot is all year round," he says. "We are always under the microscope here with so many of racing's crown jewels and, because we're expected to set the standard, we come under particular media and public scrutiny. The fact that we have built up such a strong 365-day-a-year non-racing business is testimony to the fact that people think that staging any event at Ascot lends that extra something to it."

"Royal Ascot is a staggering five days of sustained racing of the very highest class, five days of an event that is always buzzing from start to finish and four weeks later we have arguably the highest rated event in the UK."

Surely that is testament enough to Ascot's singularity and sponsorship potential? •

PICTURED Top hats and the Royal Procession are two of Ascot's treasured traditions