



## NEWS – September 2010

At the last directors meeting 15/6/10 it was decided that Kingston Bloodstock will set up its own web site in which general information and news updates on Racehorses, broodmare's, weanlings/pin hooks /yearlings and Snitzel can be viewed by shareholders and friends as required.

For more up to date information regarding Snitzel, we would also refer you to the Arrowfield web site [www.arrowfield.com.au](http://www.arrowfield.com.au). Over time we will add links to relevant partners and industry sites for more information. We also intend to use it as a marketing tool for our trading stock and future investors.

The directors agreed that Kingston Bloodstock has a great future, with all the difficulties arising from the Equine influenza crisis and the greater part of the Global financial problems now behind us, the company is in a sound financial footing and have consolidated a small diversified, quality stock portfolio.

Over past 12 months we have increased our involvement in the racing side of the business, which has been well received by the majority of our shareholders. Our Broodmare Keela has proved to be a good investment from our initial purchase of \$75,000 we have returned a sale of her Fastnet Rock filly for \$80,000 and a 25% pkg to Paul Davis for \$25,000, she has a Snitzel colt for the Ylg sales in 2011 and we are expecting her to foal to the high class Coolmore stallion Dylan Thomas in mid/late August.

Alcazaba who we owned in partnership with Widden Stud has been divested, the mare selling for \$90,000, she delivered a Hussonet colt sold for \$65,000 and a General Nediym filly who had issues for \$9,000.

The investment in Snitzel continues to grow in value and is providing a great source of interest for the shareholders with his battle for the title of leading freshman sire with Stratum who is bred on almost similar breeding lines. To be fair he cannot win the title with number of horses Stratum has on the ground by comparison and his Golden Slipper winner Crystal Lilly, however is boxing well above his weight and should finish in the top three, which is a great effort. He has to date had 8 individual winners of 20 races and a group 2 winner of the Silver Slipper in Chance Bye, and with only two to face the starter in Japan has returned a 100% result one winning by 8 1/2 Lengths, from his only overseas assignment, so all augurs well for his future stud career.

We continue to strengthen our alliance with Widden Stud and are assured of a brighter future with our continued investment with such a respected and high profile operator. We suggest that for more information on Widden you look at their web site [www.widden.com](http://www.widden.com).

Kingston Bloodstock still continues to support Riverslea Farm under the management of Karen Irwin, Riverslea will still carry out some yearling preparation and agistment for us. Having reached our current level we believe we do however need to continue to grow the company even further to maximize the current benefits that we now enjoy. An ambitious goal is to double the size of the company over the next two years. This will require encouraging new investors to join us as well as current investors having the faith in our potential by increasing their current holdings. The directors will meet in the near future to map out our strategy on how best we can achieve this goal.

As shareholders we will be seeking your assistance in promoting and encouraging future investors and in doing so focusing on the following facts:

We are one of a handful of thoroughbred syndicates/company's that can offer the small investor an entry into the elite industry level with a diversified portfolio of quality stock:

The Four Pillars:

1. Stallion Share
2. Broodmares
3. Weanlings/Pin hooks/Yearlings
4. Shares in Racehorses

Our breeding and sale stock are all quality horses that can be nominated for the premier sales, and our racehorses are all with leading trainers! Another point worth noting is that no shareholder has been asked to contribute any further monies since their original investments, for most since the companies humble beginnings as a pure Pin hook play in 2005/2006.

We have been able to provide the enjoyment of racing and the sale of quality thoroughbreds without the burden of continued monthly payments. The point is we have been able to do this through some difficult times whilst maintaining capital value of the company as a minimum through diversification. We firmly believe that by growing the company an additional benefit will be provided.