

**ALL-TIME
RECORD**

Keeneland September
yearling sale breaks
\$320-million barrier

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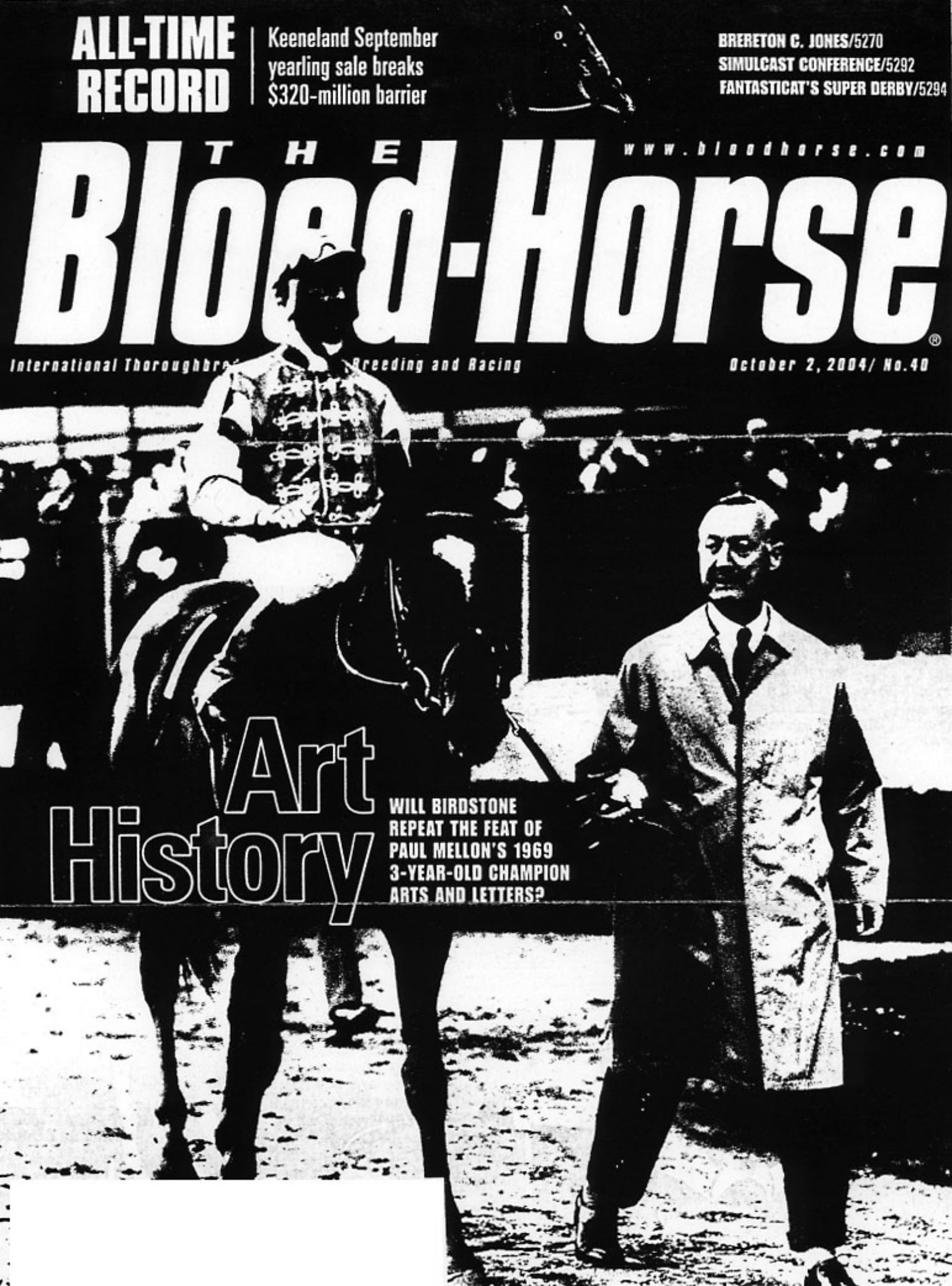
T H E Blood-Horse

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Art History

WILL BIRDSTONE
REPEAT THE FEAT OF
PAUL MELLON'S 1969
3-YEAR-OLD CHAMPION
ARTS AND LETTERS?



Greatest Sale on Earth

BY DEIRDRE B. BILES

Keeneland's September yearling sale had the perfect combination of speed and stamina. After getting off to a blazing start that pushed many of the select session results to unprecedented September heights, the Central Kentucky auction still had enough steam left to generate the largest-ever gross revenue for a Thoroughbred sale. The world record total stood at \$324,904,300 on Sept. 27, when the auction ended its longest ever run of 14 sessions. The gross was 2.3% ahead of the previous mark of \$317,666,000, which dated back to the Keeneland November breeding stock sale of 1999. This year's total also represented an 11.3% advance from Keeneland September's former all-time high of \$291,827,100, posted in 2000, and an 18.6% increase from the 2003 gross of \$273,925,300.

In addition, the 3,370 horses that sold, their average price of \$96,411, and their median price of \$37,000 all were September records. The number sold exceeded the previous mark of 3,313 in 2000 by 1.7% and last year's total of 2,968 by 13.5%. The average was up 4.5% from 2003's comparable figure of \$92,293, which was the auction's former peak. And the median rose 8.8% over the prior middle market record of \$34,000, also established last year.

The buy-back rate was about the same, advancing slightly from 22.3% last year to 22.7% this year. That was good news because Keeneland catalogued more horses than ever before, 4,891, for its September auction and a record total of 4,539 passed through the sale ring. The former marks of 4,652 catalogued and 4,302 offered both were set in 2000.

Final hip-by-hip data and full stats for the entire Keeneland September yearling sale will appear in next week's issue

Business was so good this year that it saved at least one small Central Kentucky Thoroughbred operation from the possibility of extinction. Prior to the September auction, Connie Ingle was thinking about getting out of the horse business. She was struggling to cover the expenses for her 65-acre Meadowdale Farm, where she keeps six of her own broodmares and boards other horses for clients. Then, on Sept. 23, Ingle sold a Clever Trick—Southern Musical filly through Rick Littrell's Viking Stud for a session-topping price of \$230,000.

"When it reached \$150,000, I was already crying and wanting to jump out of my seat," Ingle said. "I had such a tough year last year that I thought I would at least have to put my farm on the market and see what happened. Now, this will let me hold on. I can paint my fences, and do what I need to do on the farm."

While not teetering on the brink of a financial crisis, many other sellers also were satisfied with their Keeneland September experience.

"Nearly all our horses brought or exceeded our pre-sale predictions," said Rick Abbott of Charlton Bloodstock Agency. "There were a few that we bought back, but they had obvious problems and we knew we were in trouble with them."

Said Robert Harris, who resold yearlings that he had purchased privately as weanlings: "We've more than tripled our investment money, so we're tickled to death."

Keeneland's September auction enjoyed a spectacular opening during its two select sessions, with records for average and median, an increase in gross of 15%, and an \$8-million Storm Cat—Welcome Surprise colt that was September's most expensive horse ever. The colt also was the fourth-highest-priced yearling in Thoroughbred auction history.

In the open sessions that followed, the momentum continued to exceed last year's hot pace. The cumulative gross topped the previous mark for a September auction during the eighth session of the sale, roared past \$300 million during the ninth session, and became the highest ever in Thoroughbred sale history during the 11th session. The take during the final three days was just icing on the cake.

"It's been phenomenal," said Geoffrey Russell, Keeneland's director of sales. "The select sessions really did surprise me because I didn't think we would grow that much. Then the rest of the sale performed ahead of our expectations."

"Even though it's fabulous to sell a horse for \$8 million, what we're the happiest about is the increase in the median. Breeders in Central Kentucky have had a tough time the last few years with MRLS (mare reproductive loss syndrome) and the downturn in the economy following 9/11. It's good to see that the wealth this year has been spread around to nearly everyone, and it's not top heavy. Not everybody had great sales, but the ones who didn't understood why. They just didn't have the right stock. If you had any sort of quality (and had clean veterinary reports), you got very good prices for your horses."

According to Russell and others, a multitude of factors contributed to the upswing in the Keeneland market.

Because the September auction's catalogue was so huge, Keeneland made a greater effort than usual to promote the

HIGHEST GROSSING SALES IN NORTH AMERICA

Year	Sale	No. Sold	Gross	Average
2004	KeeSept.	3,370	\$324,904,300	\$96,411
1999	KeeNov.	3,461	\$317,666,000	\$91,784
2000	KeeNov.	3,264	\$301,904,800	\$92,495
2000	KeeSept.	3,313	\$291,827,100	\$88,085
2003	KeeSept.	2,968	\$273,925,300	\$92,293
1998	KeeNov.	3,377	\$264,632,700	\$78,363
2001	KeeSept.	2,895	\$254,190,800	\$87,803
2003	KeeNov.	2,614	\$236,070,900	\$90,310
1999	KeeSept.	3,461	\$233,020,800	\$77,390
1997	KeeNov.	3,011	\$213,807,300	\$71,009
2002	KeeSept.	2,934	\$210,809,000	\$71,850



ARND BRONKHORST/PHOTOS

COMPILED BY DEIRDRE B. BILES, PETE SPANOS, AND AMY WHITFIELD

sale. In addition to the visits to major racing centers in this country, Keeneland's staff made an additional effort to market the sale in the mid-Atlantic states. Director of Racing Rogers Beasley made his usual swing through the Far East, but made some additional stops that included visits to countries that were part of the Soviet Union before its collapse in 1991. European representative Tim Preston covered his territory, but also contacted horsemen in South Africa. Australian representative Vin Cox journeyed to Hong Kong in addition to performing his duties Down Under.

"I think we had someone from every continent in the world here, except for Antarctica," Russell said.

During the select sessions, the Maktoum family of Dubai and the Japanese spent more money than ever before, pumping up the top of the market. The strength of their participation created a trickle-down effect, forcing their competitors to pursue horses in later sessions of the auction. Buyers from Mexico, Panama, Brazil, and South Korea contributed to the market's continued rise after the select sessions ended.

New Yorkers Paul and Kathy Giardina of Cedar Meadow bought yearlings for the Azeri Horse Club of Azerbaijan, a former

member of the Soviet Union. Mehmet Huseynov, who did not attend the Keeneland September sale, heads the racing club, which is involved in building a track in Azerbaijan's capital of Baku. However, the Giardinas' group at Keeneland did include

2004 KEENELAND SEPTEMBER YEARLING SALE BY DAY

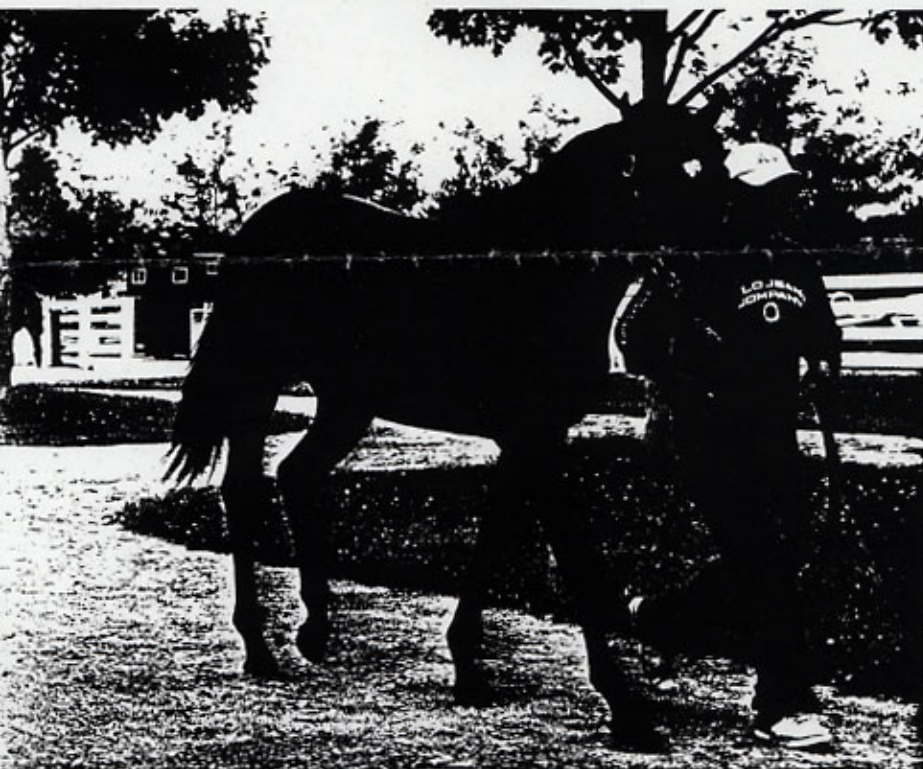
Day Offered	Sold	%RNA	Gross	Average	Median	High Price	
9/13	219	170	22.4%	\$63,185,000	\$371,878	\$262,500	\$3,100,000
9/14	231	179	22.5%	\$87,463,000	\$488,820	\$260,000	\$8,000,000
9/15	359	276	23.8%	\$43,920,000	\$158,130	\$130,000	\$750,000
9/16	363	273	24.8%	\$37,175,000	\$138,172	\$100,000	\$850,000
9/18	361	273	24.4%	\$23,330,000	\$85,458	\$70,000	\$550,000
9/19	354	258	27.1%	\$16,487,000	\$63,903	\$50,500	\$320,000
9/20	371	283	23.7%	\$14,169,700	\$50,070	\$42,000	\$190,000
9/21	363	276	24.0%	\$11,686,700	\$42,343	\$30,000	\$350,000
9/22	353	286	19.0%	\$8,230,700	\$28,779	\$23,000	\$180,000
9/23	354	272	23.1%	\$6,815,400	\$25,057	\$18,500	\$230,000
9/24	336	273	18.8%	\$5,783,200	\$21,184	\$13,000	\$170,000
9/25	265	215	21.8%	\$2,979,100	\$13,858	\$8,000	\$170,000
9/28	243	200	17.7%	\$2,519,000	\$12,595	\$7,000	\$82,000
9/27	174	136	21.8%	\$1,160,500	\$8,533	\$6,000	\$60,000

George Seturidze, who owns Kulari Stud in Georgia and is involved in an effort to revive a racetrack in Georgia's capital of Tbilisi. Horsemen from both countries are planning joint ventures and possibly will race horses in the United States in the future, according to Paul Giardina.

"In a year or two, I think that 1,000 to 2,000 Thoroughbreds from the U.S. could be exported to that part of the world," he said.

Some foreign shoppers enjoyed increased spending power at Keeneland because of the dollar's weakness against their currencies.

The marathon Keeneland September sale saw 3,370 yearlings listed as sold



Kitty Taylor, Warrendale Sales, consignor:
"The parking lots are full, and we're seeing a lot more traffic in the barns. We're also seeing people we don't necessarily know. There are people who have been back to the barn two or three times, and I still haven't been able to put names with the faces, but they're buying horses and that bodes well for the market."

John Barger, trainer:
"The market is high. I won't spend more than \$30,000 for a horse unless he's proven. I like to find a diamond in the rough. But when you go up there and bid to your limitations, and the price goes up to \$100,000, what can you do? I hope to afford a decent horse."

Jim Gaston, trainer, consignor:
"The market's good for sellers. Every one of the horses I've liked has gone up twice more than what I could've paid: I'm here this early because I have a few selling later this week. All the catalogue pages are still strong at this time in the sale, and if I see a strong individual then I'll pay for it. My cutoff is about \$40,000."

David Hager, Idle Hour Farm, consignor:
"There are more people here buying to resell than buying to race, and they want only a certain kind of horse. They like a big rear end. They want a correct horse with clean X-rays. They want one that can go :10 and change, but they also want them to be able to get a little distance. They also want the mare to show some kind of production record. There are so many racehorses that come in different shapes and sizes, but (as a breeder) you have to cater to the people who want to resell to get a lot of action on your horse."

Larry Smallwood, consignor:
"Last week the money people were here and the sale was strong. This week it's spotty—over 50% of the horses aren't bringing their stud fees, which I think generally are too high. It's not a good market for sellers."

Tommy Thomas, buyer:
"This is a different sale than last week, and different stock brings out different people, and that's the way it ought to be. There are still bargains to be had. A man does his homework and walks up and down a few hills, he can still find a good horse."

Rick Trontz, Hopewell Farm, consignor:
"We've had lookers from everywhere— all over the country and even from Panama (continued on next page)"