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## Magna Entertainment Corp. Q2 2008 Earnings Call Transcript

### Earnings Call Excerpt

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Magna Entertainment Corp. (MECA)

Q2 2008 Earnings Call

August 6, 2008 3:00 pm ET

#### **Executives**

Frank Stronach – Chairman of the Board & Chief Executive Officer

Blake S. Tohana – Executive Vice President & Chief Financial Officer

Tom Hodgson – President & Chief Executive Officer

#### **Analysts**

Bill Dane – Private Investor

[Glenn Matthews – GSK Capitals]

[Unidentified Analyst]

Neil Weiner – Foxhill Capital Partners

[Oliver Corlett] – RW Press Ridge

Sandra McKee – Baltimore Sun

#### **Presentation**

#### **Operator**

Welcome to the Magna Entertainment announcement of the second quarter results conference call. (Operator Instructions) I would now like to turn the conference over to Frank Stronach, Chairman and Chief Executive Officer of Magna Entertainment.

#### **Frank Stronach**

Welcome to the Magna Entertainment Corporation second quarter 2008 investor conference call. My name is Frank Stronach and I am the Chairman and Chief Executive Officer of MEC. In a few moments, I will turn the call over to Blake Tohana, MEC's Executive Vice President and Chief

Financial Officer to discuss our operating results for the second quarter. Before I do so, let me make a few brief comments.

First, let me remind you that this call will include some forward-looking statements with the meaning of applicable security laws. Rather than read you the company's disclaimer with respect to forward-looking statements, I would refer you to the disclosure contained in the final paragraphs of the press release issued by MEC this morning. Second, I would like to assure you that the company remains strongly committed to dramatically reducing its debt and strengthen its balance sheet to continue and focus on the sale of non-core assets and the pursuit of joint venture opportunities as previously announced.

Given the current environment for real estate markets and credit markets in the United States, we do not expect to achieve our previously announced targets of eliminating our debt by December 31, 2008. We did close the sale of Great Lakes Downs in July and we remain in serious discussion with a number of interested parties with respect to many of our other non-core assets. We look forward to making further public announcements as we enter into our binding agreements.

Thirdly, as you are all aware, a shareholder proposal has been tabled with respect to MID Developments, MEC's controlling shareholder, which if completed would have a dramatic and positive impact on the balance sheet of MEC and could cause us to reconsider some potential asset sale opportunities. We are not able to comment on this call on anything related to this proposal and will not be able to answer any questions you raise with regard to this shareholder proposal.

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