

**INSIDE: MAGIC MILLIONS GOLD COAST SALE & RACES REVIEW**

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# Turf

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THE MAGIC CONTINUES...



**DARLEY  
AUSTRALIA**

A world-class operation



**MM ADELAIDE,  
PERTH & TASSIE**

Yearling sale previews



# FULLHOUSE



## Darley deals a strong hand

Story by Nathan Exelby

**T**HE DECISION BY SHEIKH Mohammed to open Darley Stud for business in Australia back in 2001 created much discussion – and continues to do so – among all industry players.

What was the motivation to come to Australia? Was it going to be a long-term project? How would it affect the local industry? Would it put the squeeze on established local farms?

The expense that Sheikh Mohammed and Team Darley have gone to since setting up its Hunter Valley operation leave no one in any doubt that this is indeed a very serious venture – and one they intend to make wonderfully successful.

The angst among those in the 'negative' camp grew higher last year when the "Darley Deal" came to fruition. Suddenly

broodmare owners were granted not only long term payment terms (which had been available since the stud began operating in Australia), but transport terms which had rarely – if ever – been offered previously. Add that to significantly reduced service fees and the consensus among those in the anti-Darley corner was that these types of terms would make it impossible for smaller players to compete.

At the same time Darley paid multi-million dollar sums for outstanding gallopers Exceed And Excel and Reset, which in effect, changed the traditional model on which sire prospects are valued in Australia. Furthermore, the million dollar yearling purchase Untouchable proved one of the most popular first season sires in 2004, covering close to 200 mares. Another seven-figure yearling, Keep The Faith, also

has the potential to become a stud prospect when his racing days are over.

In fact, Darley's presence in Australia created so much debate that the issue became the subject of a report on a national current affairs program last year.

But there are many people who couldn't be happier about Sheikh Mohammed's lofty Down Under ambitions.

Without any doubt, Darley, under the careful guidance of 'locally grown product' Oliver Tait, has signaled its intention to be the pre-eminent stud farm in Australasia.

Broodmare owners are loving it. Close to two thousand mares visited the Aberdeen property last spring, many of them from interstate and even overseas, keen to take advantage of the free transport offer for mares residing outside the Hunter Valley.

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The first runners from Darley's inaugural 2001 season have just hit the track and already the Kevin Moses trained filly Paulini has scored a feature race success for her sire Singpiel, who sadly could not return again after encountering travel sickness problems. But there has been – and will be – no shortage of horses to take his place. Fifteen stallions shared the duties at Darley Australia in 2004 and that figure is likely to grow again in 2005.

The stud employs 45 staff during peak season and will sell 30 yearlings of its own in 2005 at Magic Millions Gold Coast and Adelaide, William Inglis Classic, Premier and Easter and at New Zealand Bloodstock's National Sales. Darley cannot accommodate outside mares, but its own broodmare band has swelled to 90 and will continue to grow in the next few years as the Aberdeen farm nears completion.

'Olly' Tait has overseen the development of Darley Australia from Day 1 and is justifi-

ably proud of how successful the operation has become. But he acknowledges there is still much work to be done – most notably making champion stallions – before Darley can call itself a success.

He recently spoke to Turf Monthly Editor Nathan Exelby to discuss the past, present, future and to answer some of the critics who have labelled Darley a threat to the local industry.

### WHY DID SHEIKH MOHAMMED CHOOSE AUSTRALIA?

THE AUSTRALIAN INDUSTRY is the strongest in the Southern Hemisphere. Now naturally enough we did start out shuttling stallions. Sheikh Mohammed's racing interests are based in the Northern Hemisphere but by shuttling stallions you give them a second chance at success.

In addition, Sheikh Mohammed wants to participate in the Australian industry as he recognizes it is part of the international picture. He enjoys standing his stallions in Australia as he feels he is contributing to our industry by giving Australian breeders access to his world-class stallions.

### WHAT IS THE AIM HERE IN AUSTRALIA?

THE AIM IS TWOFOLD: to be the premier thoroughbred stud in Australasia and also to make great stallions. Our stallion business is our main focus in Australia and obviously therefore those two goals go hand in hand.

From day one that has been what we have set out to do. How long that takes depends entirely on the animals you have at your disposal, so a specific time frame in achieving that goal has never been set.

Fortunes can fluctuate very quickly in this industry, so when we started out in 2001 we didn't know what stallion power we would have down the track, but as it has transpired we've had a lot of good colts running with Godolphin and we have also been able to purchase some very nice local stallion prospects, so the business has grown quite rapidly.

### IS THIS A LONG TERM PROJECT?

ABSOLUTELY. IT'S HARD TO look into a crystal ball but the amount of Sheikh Mohammad's resources that have been put into making this a success confirms that this is very much a long-term venture. Literally tens of millions of dollars, both on bloodstock and infrastructure, have been spent on ensuring Darley is a world-class operation and here for the long term.

### WHERE IN THE PRODUCTION CYCLE ARE YOU AT THE MOMENT?

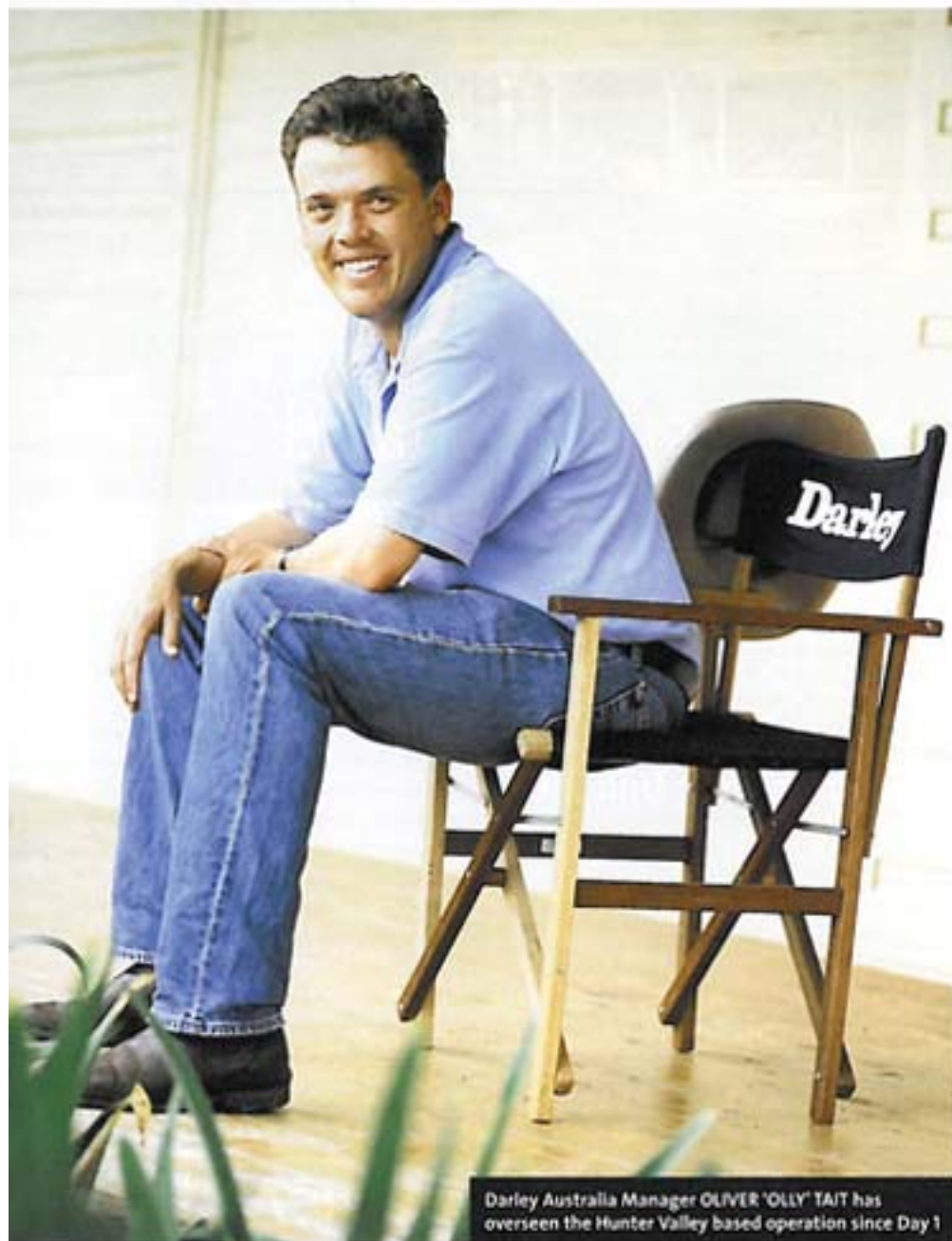
IN TERMS OF EQUINE RESOURCES, we're always looking, but in terms of the farm at Aberdeen, we're well over half way to developing the property to the point we want to.

### IS THERE PLANS TO DEVELOP ANOTHER FARM?

NO. NOT AT THIS STAGE.

### WILL SHEIKH MOHAMMED EVER COME DOWN HERE?

HE CAME TO AUSTRALIA to see Faithful Son run in the Melbourne Cup in 1998 but to date he hasn't been to Darley (Aberdeen), but I'm sure he will come down at some stage.



Darley Australia Manager OLIVER 'OLLY' TAIT has overseen the Hunter Valley based operation since Day 1



Irish Champion Stakes winner and Emirates World Champion GRANDERA in his paddock at Darley

## THE DARLEY DEAL – WHERE DID IT COME FROM AND IS IT UNIVERSAL FOR ALL SHEIKH MOHAMMED'S STUDS AROUND THE WORLD?

THE DARLEY DEAL COMES from a number of different things. We're trying to make it easier for people to breed horses and obviously trying to attract mares to our stallions. The terms that are offered for stallions in each different country vary depending on the individual country.

When we started shuttling stallion in 2001 in Australia we decided that all payments for nominations would be payable upon a live foal and that has been very successful and breeders appreciate those sorts of terms.

Now this year we undertook that any mare residing outside the Hunter Valley, that Darley would pay for the transport for those mares to visit our stallions. Essentially we're trying to make our stallions attractive for breeders to use and if you can bring the costs of production down for a breeder, well obviously they are going to find that attractive and the response has been fantastic.

## THAT'S AN EXPENSIVE UNDERTAKING FOR DARLEY TO DO. SOME PEOPLE MAY BE UNDER THE IMPRESSION THAT THIS IS JUST A BOTTOMLESS PIT OF MONEY AND THE BOTTOM LINE DOESN'T MATTER AT ALL. IS THAT THE CASE?

DEFINITELY NOT. Obviously it's expensive to do that, BUT it is also reflected in the mares that came to our stallions this season. Every decision is made with financial considerations in mind. We have to make the bottom line look good and therefore revenue is very important. Darley is not going to just keep on tipping in money for the sake of it. We have to make this work down here and like I said, stallion nominations are the core of our business and we have to make that work.

## WITH THAT IN MIND, WHEN YOU STARTED OUT IN 2001, WOULD YOU HAVE ANTICIPATED DARLEY STALLIONS SERVING

## CLOSE TO 2000 MARES THREE YEARS LATER?

AGAIN, I COULDN'T necessarily have anticipated it would have grown as fast as it has, but it comes down to the equine resources.

In 2001 we had four stallions we thought were suitable to shuttle. In 2004 we have 11 horses based in the Northern Hemisphere who are shuttling, we have three horses based in Australia (Exceed And Excel, Reset and Untouchable), two of which are shuttling and we have a horse that was raced in the Northern Hemisphere who doesn't shuttle, which is Carnegie. So sure, it has grown quite rapidly but that's because the horses have been good and are attractive to Australian breeders.

I think it's a reflection on the success of the horses as much as anything and naturally the business has had to grow with that. Additionally the purchase of these local stallions came about because they were lovely sire prospects and their presence has further necessitated the growth of the business.

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[OUR] AIM IS TWOFOLD: TO BE THE PREMIER THOROUGHBRED STUD IN AUSTRALASIA AND ALSO TO MAKE GREAT STALLIONS.

## HOW DO YOU RESPOND TO SOME OF THE CRITICISM THAT HAS BEEN LEVELLED AT DARLEY WITH REGARDS TO 'THE DARLEY DEAL' AND THE AMOUNT OF MONEY PAID FOR STALLION PROSPECTS?

WE MAKE SO SECRET of us being competitive in the stallion business. That is our business and we are happy to compete in it. The beneficiaries of that competition are the broodmare owners.

There are still small stallion farms that are doing well. Equally the competitive terms and the prices we stand our stallions at might have made it difficult for some stallions. But that's the business. We're in the business of standing stallions and hence we are going to be competitive in it.

Broodmare owners have a fantastic choice of stallions in general terms and in world terms. That is reflected in the return they get for their horses here.

Our clients seem very happy. On the whole it's been very positive. Providing things like free transport and payment on live foal are both big advantages for broodmare owners so the response we have had from our clients has been very good.

We covered a large number of mares in 2004 and that's a reflection of our customers' attitudes towards us.

In regard to the money paid for stallion prospects, the horses we purchased in 2004 were understandably not cheap, however they were also keenly sought after by other studs.

## SO DARLEY HAS BEEN – AND WILL CONTINUE TO BE – AN IMPORTANT PART OF THE AUSTRALIAN INDUSTRY?

WE'RE INVOLVED IN THE industry at many different levels; we own stallions, we

breed racehorses, we buy yearlings and have 22 horses in training – not a huge number but significant enough – and if you couple that with the money that has been put into the development of the farm at Aberdeen and the purchase of two significant stallion prospects, I think, as has been the case anywhere in the World, Sheikh Mohammed being involved has been a great benefit to not just the racing industry, but the wider community in the areas where the farms are located.

## DARLEY SLASHED ITS SERVICE FEES IN 2004 – WAS THERE ANY BACKLASH FROM CLIENTS WHO SUPPORTED THE SAME STALLIONS A YEAR EARLIER AT THE HIGHER PRICE?

SOME OF THE PEOPLE who used the stallions at the higher fees were understandably disappointed, but largely the benefits of what we have done outweigh that negative feeling that may have existed because of that.

In the grand scheme of things I don't think there would be any broodmare owners disappointed to see stallion fees reduced.

## WAS IT ALWAYS THE INTENTION TO BUY LOCALLY BRED HORSES THAT HAVE PERFORMED UNDER AUSTRALIAN CONDITIONS?

DEFINITELY. WE ALWAYS believed it would be extremely important to stand those types of horses here. They are very popular and there's no doubt that locally raced and performed stallions can be very successful – as can shuttle stallions. Again, when the aim is to be standing great stallions you can't just be saying 'we're going to shuttle them' because the local product is there and they can do the job for you.

## HAS HAVING THOSE LOCAL HORSES HELPED BRING IN OTHER MARES TO SOME OF THE LOWER PROFILE HORSES?

YES AND NO. I do think those local horses draw the attention of a lot of breeders so therefore you are able to market your other horses to them at the same time. However I think each horse on our roster is good enough to stand on its own merits and the response by breeders lends a lot of weight to that opinion.

## HOW BIG WILL DARLEY BECOME? IS THERE A LIMIT ON THE NUMBER OF STALLIONS YOU INTEND TO STAND?

THAT'S A DIFFICULT question for me to answer. There are no plans to cap the stallions we stand at a certain number. If the stallions are available and suitable then we certainly would look at standing them. It depends entirely on the horses.

## ARE THERE PLANS TO LOOK AT PURCHASING MORE LOCALLY BRED HORSES?

YES. WE'RE ALWAYS ON the lookout for stallions.

## DOES DARLEY INTEND TO BOOST THE SIZE OF THE RACING TEAM OR LEAVE IT AS A RELATIVELY SMALL OPERATION?

There's no plans to make it a comparable size to Sheikh Mohammed's team in the Northern Hemisphere, but we would like to try to race potential stallions and breeding prospects – horses that can fly the flag for us down here in Australia.



FANTASTIC LIGHT



High profile purchase, ESET

WE USE THE  
LINE TO OUR  
BREEDERS THAT  
'IF YOU DO WELL,  
WE'LL DO WELL'

FROM THE YEARLINGS YOU  
HAVE BOUGHT IN  
AUSTRALIA, YOU ALREADY  
HAVE UNTOUCHABLE ON  
THE ROSTER AND  
POTENTIALLY KEEP THE  
FAITH. IS THAT A GOOD  
RESULT FROM THE  
PURCHASES SO FAR?

WE HAVE BOUGHT about 15 yearlings since we started three years ago, so to have a couple of stallion prospects from that group has been okay. Obviously it would be nice to get a few more! Untouchable was a very good horse and it would have been nice if his race record could have been better (but for injury), but nonetheless he's a very popular stallion. He served 190 mares this season. Keep The Faith is still racing and if his race performances warrant it, we will be delighted to stand him in the Hunter Valley in the future.

ON A PERSONAL NOTE,  
HOW DOES IT FEEL TO BE  
RUNNING SUCH A HUGE

OPERATION AT A  
RELATIVELY YOUNG AGE?

I'VE BEEN GRANTED A fantastic opportunity by Darley and I've tried to grab it with both hands and I'm lucky in that sense. It's exciting to be involved in such a professional operation and I look forward to the satisfaction that will come with making champion stallions and enjoying the success of the people who have supported us.

HOW IMPORTANT THEN IS  
IT TO SEE YOUR CLIENTS  
GAIN SUCCESS IN THE SALES  
RING WITH PROGENY BY  
DARLEY STALLIONS?

WE USE THE LINE to our breeders that 'if you do well, we'll do well, so if a broodmare owner breeds a good horse or gets a bit extra in the sales ring, then we are very happy for them and are with them every step of the way.

It's quite simple. We provide stallions to them and if they are successful, they are more likely to come back and use either that stallion or another one of our stallions again. 