

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

May 20, 2013
(Date of Earliest Event Reported)

CHURCHILL DOWNS
INCORPORATED
(Exact name of registrant as specified in its charter)

Kentucky
(State of incorporation)

001-33998
(Commission file number)

61-0156015
(IRS Employer Identification No.)

600 North Hurstbourne Parkway, Suite 400, Louisville, Kentucky 40222
(Address of principal executive offices)
(Zip Code)

(502) 636-4400
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

Churchill Downs Incorporated's ("CDI") (NASDAQ: CHDN), Executive Vice President and Chief Financial Officer, William E. Mudd ("Mudd") along with CDI's Vice President of Finance and Treasurer, Mike Anderson ("Anderson"), will participate in Wells Fargo Securities' 4th Annual Gaming & Hospitality Conference on May 20-21, 2013 in Las Vegas, Nevada.

Mudd and Anderson will participate in small group sessions and one-on-one meetings. A copy of their presentation notes is attached hereto as Exhibit 99.1 and is incorporated by reference into Item 7.01 of this Current Report on Form 8-K, and will be made available on Monday, May 20, 2013 beginning at 9:00 a.m. EST at <http://ir.churchilldownsincorporated.com/events.cfm>

This information in Item 7.01 of this Current Report on Form 8-K, including the exhibit relating hereto, is furnished pursuant to Item 7.01 and shall not be deemed "filed" under the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is furnished with this Current Report on Form 8-K.

99.1 Wells Fargo Securities' 4th Annual Gaming & Hospitality Conference Presentation

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto, duly authorized.

CHURCHILL DOWNS INCORPORATED

May 20, 2013

/s/ Alan K. Tse

By: Alan K. Tse

Title: Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Wells Fargo Securities' 4 th Annual Gaming & Hospitality Conference Presentation
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4th Annual Gaming & Hospitality Conference
Wells Fargo Securities
Las Vegas, NV

Prepared For: Investor Relations (NASDAQ: CHDN)

May 20-21, 2013

Bill Mudd, Executive VP & CFO
Mike Anderson, VP Finance & Investor Relations

Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: ["anticipate,"] ["intend,"] ["plan,"] ["goal,"] ["seek,"] ["believe,"] ["project,"] ["estimate,"] ["expect,"] ["strategy,"] ["future,"] ["likely,"] ["may,"] ["should,"] ["will"] and similar references to future periods. Forward-looking statements are statements that include guidance relating to net income and net income per share, expected operating results, our belief that we have sufficient liquidity to fund our business operations, expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings, strategy for customer retention, growth, product development, market position, financial results and reserves, and strategy for risk management.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, investors should not rely on any of these forward-looking statements, but instead should refer to statements included in reports filed by the Company with the Securities and Exchange Commission.

Any forward-looking statement made by us in this document is based only on information currently available to us and speaks only as of the date on which it is made. Churchill Downs Incorporated undertakes no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Churchill Downs Incorporated operates in three distinct segments

We are a diversified Racing, Gaming, & Online Entertainment Company

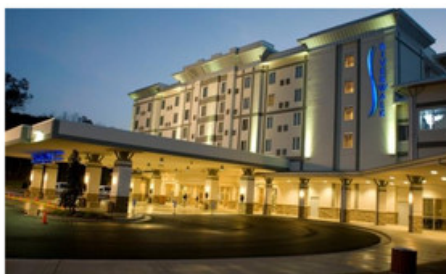


1 Racing

(\$millions)	2012A	1Q 2013
Revenue	\$302	\$28
EBITDA	\$50.3	(a- (\$11.8))
EBITDA Margin	17%	(42%)

- Consists of 4 race tracks that conducted 381 days of live racing in 2012, 395 live racing days projected for 2013, majority of racing occurs in 2Q, 3Q & 4Q
- Includes longest continuously held annual sporting event in the U.S., the "Kentucky Derby", 139 consecutive years
- Growth driven by Oaks & Derby innovations, new seating venues, Night Racing events and productivity ("cost out") initiatives

(a – excludes \$0.4 mil. net insurance gains)



2 Gaming

(\$millions)	2012A	1Q 2013
Revenue	\$223	\$72
EBITDA	(b- \$61.3)	\$20.8
EBITDA Margin	27%	29%

- Consists of 5 existing operations with ~3,400 slots, 33 tables, 36 poker tables, 185 hotel rooms, & ~775 video poker machines
- Acquired Riverwalk Casino in mid-Oct 2012 which will add ~\$19 mil. in annual EBITDA
- Developing a \$272 mil. Racing & Gaming facility as part of 50/50 JV near Lebanon, OH, scheduled to open in December 2013
- Announced pending acquisition of Oxford Casino in Maine casino for \$160 mil. – expected to close in 4Q 2013

(b – excludes \$6.5mil. net insurance gains)



3 Online Business

(\$millions)	2012A	1Q 2013
Revenue	\$183	\$43
EBITDA	\$40.3	\$10.4
EBITDA Margin	22%	24%

- Consist of Twinspires.com, the largest legal Online gaming platform in the U.S. (pari-mutuel wagering "ADW" company)
- \$860 mil. in wagering "handle" in 2012; up +11% Y/Y over 2011; Q1 2013 handle down (3)% Y/Y, driven by loss of IL handle
- Segment includes "Luckcity.com" recently launched in 4Q12, equity investment in HRTV and Velocity– high volume int'l customer focus
- Positioned to participate in Online Poker if legalized with the Bluff brand

CHURCHILL DOWNS
INCORPORATED

Racing Operations: We own 4 premier Thoroughbred Racetracks

Our debt and equity is back-stopped with valuable real estate

Arlington International Racecourse



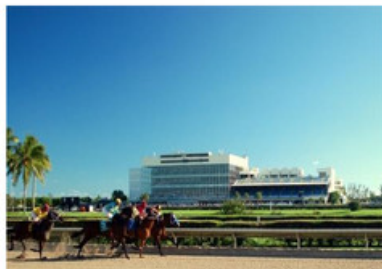
- 336 acres in western Chicago suburb, Arlington Heights
- Operates 10 OTB's
- 20 minutes from O'Hare airport
- Metra commuter train stop on property - easy access to other suburbs & Chicago
- Rich history with the "Arlington Million"

Churchill Downs Racetrack



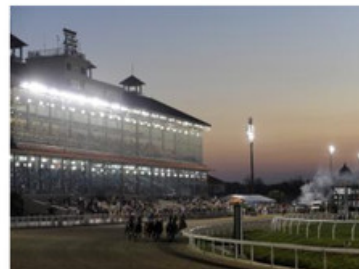
- Home of the Kentucky Oaks and Kentucky Derby
- 147 acres in Louisville, KY
- National historic landmark
- 139 consecutive years of iconic international event
- Night racing series beginning in 2009

Calder Race Course



- 231 acres in Miami Gardens, FL with convenient access off Florida Turnpike
- Sits adjacent to Sun Life Stadium – home of the NFL's Miami Dolphins
- Conducts ~150 live racing days each year

Fair Grounds Race Course

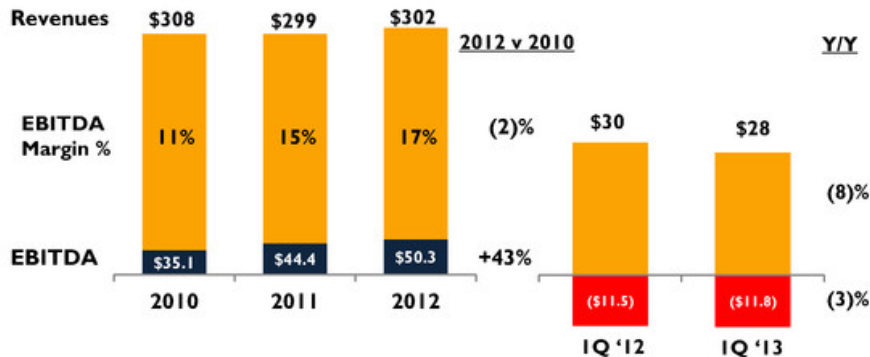


- 145 acres in New Orleans, LA
- Network of 12 OTB's
- Video poker machines in 10 of the OTB's
- Home of the "Louisiana Derby"
- New Orleans Jazz Festival host since 1972

Racing Operations EBITDA has grown despite industry declines

Derby Week, Night Racing & Productivity have increased margin rates

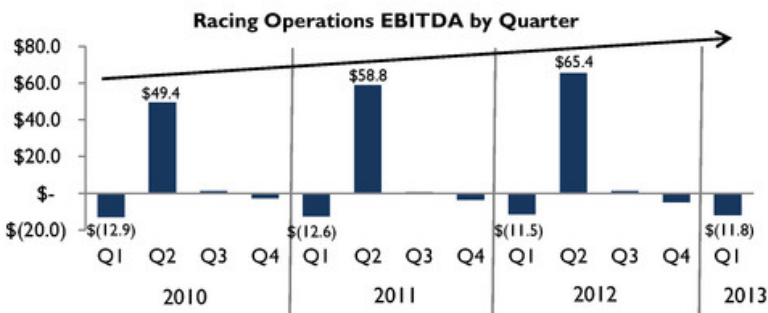
(\$ in millions)



- Wagering on U.S. Thoroughbreds in 2012 was up 1% Y/Y, first total year increase since 2006
 - 2012 U.S. Industry still down 20% from 2008 according to *The Jockey Club Online Fact Book*
 - April 2013 YTD industry handle down 2% on 4% fewer live race days

- Despite Industry weakness, Racing Operations EBITDA has grown consistently driven by the strength of The Kentucky Derby, innovations like Night Racing, and a focus on cost productivity

Racing Operations profitability is driven by The Kentucky Oaks & Derby



- The Kentucky Derby always occurs on "The First Saturday of May" (our 2nd quarter)

- Derby Week Profitability has proven resilient through economic cycles, up ~ \$20 mil. over the last four years

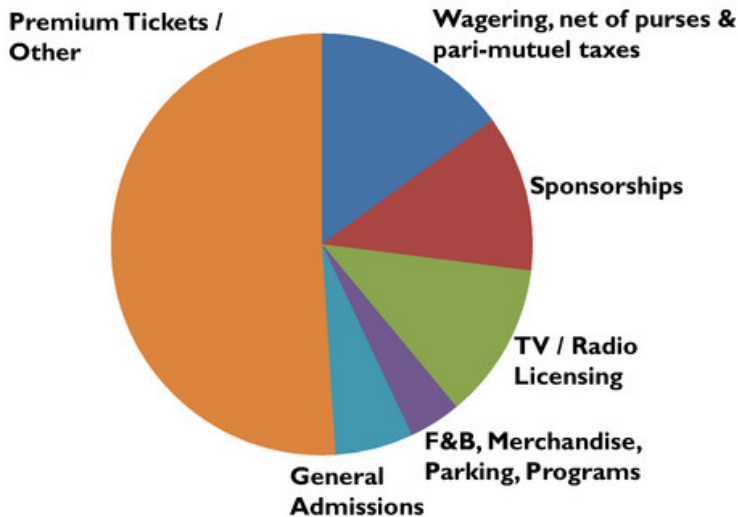
- 2010 EBITDA up \$3.4 mil. Y/Y
- 2011 EBITDA up \$6.4 mil. Y/Y
- 2012 EBITDA up \$5.4 mil. Y/Y
- 2013 EBITDA projected up \$4.5 - \$6.5 mil Y/Y

Note: EBITDA excludes net insurance recoveries and IL Horse Racing Equity Trust Fund proceeds in both charts

The Kentucky Oaks & Derby profits come from many sources

A significant portion of Derby Week Profits happen before the event takes place

Sources of Derby Week Profitability
(Illustrative Approximations)



- ❑ Premium tickets is the largest EBITDA contributor to profitability
 - ~55,000 reserved seats sold in advance, typically sold out in the early part of the year
 - Includes 77 permanent suites which are under 3 to 7 year contracts with staggered expirations
 - A significant % of seats are committed under long term personal seat licenses (PSLs)
 - Demand for premium tickets exceeds supply
 - Attendance set all-time records in both 2011 & 2012, near record in 2013 for Kentucky Oaks
 - New high-end seating venues added in 2013 with the "Mansion" and "Plaza Balcony"
- ❑ Wagering profits are impacted by the weather and the strength of the field (a strong favorite hurts wagering)
- ❑ NBC Sports TV agreement was renewed in 2011
 - 5 year agreement expires after the 2015 Derby
 - Increased economics compared to the prior deal
 - 2013 was the 2nd most watched Derby in 24 years
 - Only annual sporting event that draws more female viewers (52%) than male
- ❑ Yum! Brands presenting sponsor agreement renewed in 2011
 - 5 year agreement expires after the 2015 Derby
 - Increased economics compared to the prior deal
- ❑ Longines, Swiss watchmaker, expands relationship as Entitlement Partner of the Kentucky Oaks in 2013

Kentucky Derby continues economic growth / popularity

2013 Derby Week results prove the resiliency and brand power of this iconic entertainment event

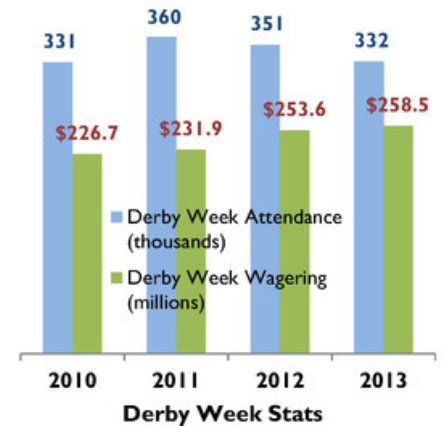


Kentucky Oaks 139
Churchill Downs May 3, 2013



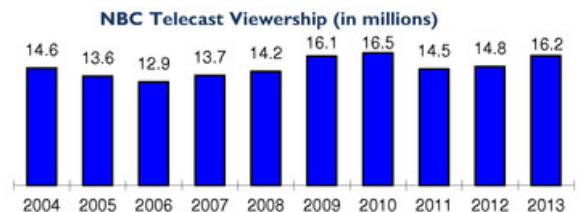
- Record Derby Week EBITDA for the fourth consecutive year, projected range of \$4.5 to \$6.5 mil. growth in EBITDA

- Kentucky Derby Week EBITDA has increased ~ \$20 mil. over the past 4 years
- Despite dismal weather on both Opening Night and Derby Day, Derby Week economics still strong with all-sources wagering up 2% over 2012 to record \$258.5 mil.
- New high-end seating venues added in 2013 with the "Mansion" and "Plaza Balcony"
- Second-highest all-sources wagering on Derby Day







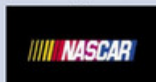
- Kentucky Oaks records 2nd highest attendance, record all-sources wagering up 15% Y/Y
 - Longines, Swiss watchmaker, expands relationship as Entitlement Partner of the Kentucky Oaks in 2013

- Television ratings 2nd highest since 1989
 - 16.2 million viewers is up 9% from 2012, up 12% from 2011
 - Only annual sporting event that draws more female viewers than male, 52% of viewers were women



What is The Kentucky Oaks & Derby worth?

Based on other professional sports valuations, The Kentucky Derby is under-valued at Regional Gaming multiples

Sports League	Number of Teams	Enterprise Value (\$B)	EBITDA (\$ millions)	EV / EBITDA (multiple)
	30	\$18.2	\$432 (\$14.4 Avg./Team)	42.0x
	32	\$33.2	\$979 (\$30.6 Avg./Team)	33.9x
	30	\$11.8	\$175 (\$5.8 Avg./Team)	67.4x
	30	\$7.2	\$127 (\$4.2 Avg./Team)	56.9x
	9	\$1.3	\$58 (\$6.4 Avg./Team)	22.0x
Total	131	\$71.6	\$1,770 (\$13.5 Avg. / Team)	40.4x

Source: Forbes.com

Date: Various – Late 2011 to Mid 2012

Enterprise Value: Based on current arena deal, unless new arena deal is pending

Gaming: Our properties are relatively new and in mature markets

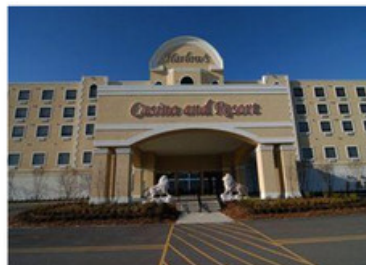
Growing our Gaming Business thru development and acquisitions

Calder Casino



- Located in Miami Gardens Florida, near Sun Life Stadium
- Greenfield construction, opened January 2010
- 1,207 Slot Machines
- 29 Poker Tables

Harlow's Casino & Resort & Spa



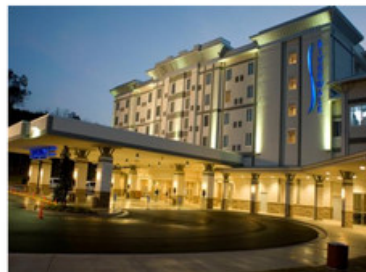
- Acquired in December 2010 for \$138 million
- 821 Slot Machines
- 15 table games & poker room
- 105-room attached hotel (50% rooms renovated in 2012)
- \$15 million in renovations grand opening of new amenities in January 2013

Fair Grounds Slots & Video Poker



- Greenfield construction at the racetrack, opened November 2008
- Located in New Orleans, LA
- 625 slot machines
- 12 Off Track Betting facilities operate ~775 Video Poker Machines

Riverwalk Casino Hotel

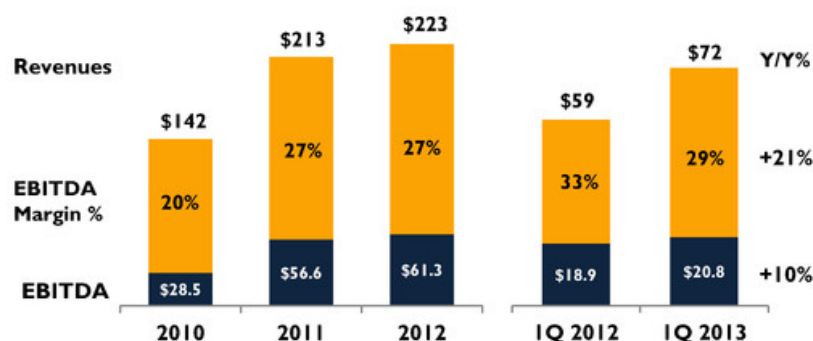


- Acquired in October 2012 for \$145.6 million
- Located in Vicksburg, MS
- 736 slot machines
- 18 table games
- 80-room attached hotel

Gaming EBITDA growth driven by greenfield development & acquisitions

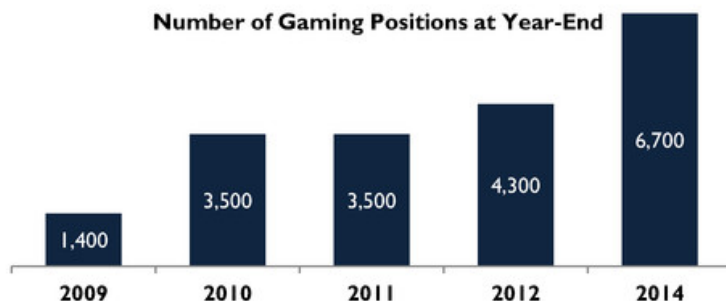
Acquisition & development focused on ROI

(\$ in millions)



Note: EBITDA excludes net insurance gains

Number of Gaming Positions at Year-End



Note: positions as indicated in the 10-K for 2009-2012; 2014 assumes our OH property opens with 1,600 machines and our acquisition of Oxford Maine property adds approx. 800 machines

- Fair Grounds permanent gaming facility opened October 2008 with ~600 machines
- Calder Casino opened in January 2010 with ~1,200 machines and 29 poker tables
- Acquired Harlow's Resort & Casino in December 2010 (facility opened in Nov 2007)
 - Our first non-racing casino
 - ~900 slots & 15 table games, 105-room hotel
- Ohio JV project with DNC - completed purchase of Lebanon OH facility in Dec 2012
- Construction of \$272 mil. racing & gaming facility between Cincinnati & Dayton OH underway – expected to open Dec 2013
- Acquired Riverwalk Casino Hotel in October 2012 (facility opened in Oct 2008)
 - 723 machines, 18 tables, 80-room hotel
- Announced pending acquisition of Oxford Casino in Oxford, Maine for \$160 mil.
 - 790 slots & 22 table games
- "Younger" gaming assets require less maintenance-related cap-ex

2013 Gaming EBITDA expected growth driven by Riverwalk acquisition

Newest property in Vicksburg with a superior design and high quality amenities

- ❑ **Acquired Riverwalk Casino Hotel in Vicksburg, MS in October 2012 for \$145.6 million**
 - Expected to add approximately \$55 million in revenue, \$19 million in EBITDA, and \$10 million in free cash flow annually
 - Transaction price was ~7.4x trailing twelve months EBITDA; including tax benefits the multiple is approximately 6.4x
- ❑ **Constructed on 22 acres of land and opened in October 2009 with the following amenities:**
 - 25,000 Square foot gaming floor with 736 slots & 18 table games
 - 80-room, 5-story hotel attached to the gaming floor
 - 220-seat Magnolia Hill Buffet, 102-seat Rocky's casual grill as well as casino bar and a private VIP Lounge
 - 750 parking spots including a 325-space covered parking garage
 - One of only two Mississippi River Casino properties that did not close during the 2011 record flooding
- ❑ **Consistently grown market share since opening due to its easy-to-navigate single-level gaming floor, superior design aesthetic and marketing programs**
- ❑ **Positioned less than 1 mile from Interstate 20, a major thoroughfare across Mississippi and Louisiana**



Harlow's has new amenities in 2013

Updated amenities will hopefully allow Harlow's to pull customers from a farther distance and return property to pre-flood performance levels



❑ Renovations include the following amenities:

- Buffet area
- Steakhouse
- Business center
- Spa facility
- Fitness center
- Outdoor Pool
- Multi-purpose event center



- ❑ New event center focuses on attracting meeting groups, local VIP entertainment, family reunions, weddings and attracting new gaming guests
- ❑ \$15 million construction project complete, multi-purpose event center and buffet opened in December 2012, Official Grand Opening for all other areas was January 25, 2013

2014 Gaming EBITDA growth driven by new Ohio Gaming & Racing Facility

Partnering with Delaware North on a \$272 million development in an attractive gaming market

- ❑ Q1 2012 – announced a Joint Venture (“JV”) with Delaware North Companies (“DNC”) to purchase Lebanon Raceway license in Ohio to develop a new Video Lottery Terminal (“VLT”) facility and harness racetrack
- ❑ JV’s applications to Ohio Lottery Commission and Ohio State Racing Commission were approved in December 2012 (Lottery license remains subject to completion of corporate and individual suitability reviews)
- ❑ JV Closed on the purchase of Lebanon Raceway on December 21, 2012; Construction began in early 2013 on a new gaming & racing facility located near exit 29 off I-75 between Cincinnati and Dayton, scheduled to open in Dec 2013
- ❑ \$272 mil. total investment will be split evenly (50/50) with partner, DNC (previous estimate was \$285 mil.)
 - \$60 mil. purchase price includes \$10 mil. cash (paid in Dec 2012) and \$50 mil. sellers note (with 6 year payback schedule beginning with 1st coin drop) - plus \$10 mil. contingent payment to sellers based on performance
 - \$50 mil. license fee includes 3 installments - \$10 mil. upon license approval (paid in Dec 2012), \$15 mil. upon first coin drop (expected Dec 2013) and \$25 mil. on 1-year anniversary of first coin drop
 - \$162 mil. construction cost of gaming & racing facility including cost of VLT machines (former est. \$175 mil.)
- ❑ CDI invested \$23.4 mil. in JV through March 2013, remaining share of investment to be funded by existing credit facility



Pending Gaming Acquisition in Oxford, Maine

Announced purchase agreement to acquire Oxford Casino in Oxford, Maine

- ❑ March 2013 – announced pending acquisition of Oxford Casino for total consideration of approx. \$160 mil.
- ❑ Oxford Casino, which opened in June 2012, is located approximately 35 miles northwest of Portland, OR
- ❑ Completed an expansion of its gaming floor in Oct 2012 bringing total slot machines to 789 and 22 table games

	Opened	Gaming sq. ft.	Slots	Tables
Initial Phase	June 2012	16,000	529	12
Expansion	September 2012	9,000	260	10
Current		25,000	789	22

- ❑ Transaction price represents projected 7.5x EBITDA multiple (based on CDI's projections)
- ❑ Expected to be immediately accretive to EPS and provide annual cash flow of approx. \$12.5 mil.
- ❑ Subject to CDI successfully obtaining gaming license from the Maine Gaming Control Board and other customary closing conditions, subject to \$8 mil. termination fee if certain closing conditions are not satisfied
- ❑ Expected to close in the 4th quarter 2013



Illinois & Kentucky provide future gaming growth options

Gaming expansion is currently a major topic of political discussions in both states

Arlington Park

- ❑ Attractive location
 - Approximately 25 miles from downtown Chicago
 - Train station on property
 - ~9 miles from Des Plaines Casino (\$759 win per unit in 2011 according to Wells Fargo research)
- ❑ General Assembly passed gaming expansion, SB 1849, in May 2012 sponsored by Rep. Lou Lang
- ❑ SB 1849 would have allowed 5 new casinos, including one in Chicago and permit slot machines at racetracks
- ❑ Bill would have allowed for Class III gaming at racetracks including 1,200 at Arlington Park
- ❑ Governor Quinn vetoed the bill in August 2012 over the absence of strict ethical standards and comprehensive regulatory oversight including a ban on campaign contributions from licensees
- ❑ Compromise legislation that addresses the majority of Gov. Quinn's concerns, SB 1739, passed the IL Senate on May 1, 2013, with 32 votes. This legislation closely resembles SB 1849, with the addition of tighter regulatory oversight, ethical standards, and a ban on campaign contributions. Conversations between House, Senate and Gov. are ongoing and we are optimistic that this legislation will pass this session

Churchill Downs

- ❑ Historic location, huge visitor destination and an iconic brand
 - Approximately 5 miles from downtown Louisville
 - ~20 miles from Caesar's Horseshoe Southern Indiana property (~\$270 million of gaming win per Wells Fargo Research)
- ❑ Senate President David Williams accepted a judicial appointment on October 26th, removing the long time opponent of gaming from the political process
- ❑ Polling in early 2012 indicated 87% favor a public vote on expanded gaming with 64% saying they would vote in favor
- ❑ Spectrum gaming released a study dated January 17, 2012 showing Churchill Downs location annual revenues could exceed \$250 million
- ❑ The Kentucky Constitution requires that the Kentucky General Assembly pass a Constitutional Amendment with 60% approval in both the House & Senate
- ❑ Budgetary concerns are putting additional pressure on the Kentucky General Assembly to enact expanded gaming legislation. CDI is working to build the requisite support ahead of the 2014 session. Should we be successful in passing an amendment, it would then be subject to a vote of the public in November 2014

Online Business has grown organically as customers shift wagering behavior

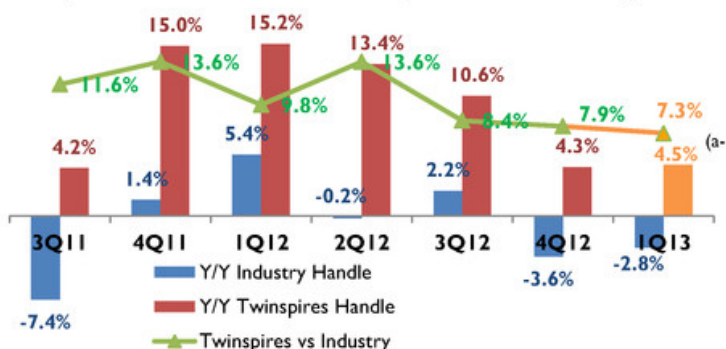
The Online channel is growing despite industry declines

(\$ in millions)



- Online wagering has grown ~8% to ~14% faster than the industry through 4Q 2012, as customers continue to shift wagering channels due to convenience, accessibility and ease of use
- In Q1 2013, Twinspires.com stopped taking wagers from IL customers as online wagering legislation expired. Excluding IL handle for both periods, online handle increased 4.5% - outpacing industry by 7.3%
- Currently working with IL legislators to get a new bill passed to resume wagering online
- CDI well positioned to continue growing & gaining market share from better technology, innovation and ability to offer integrated data

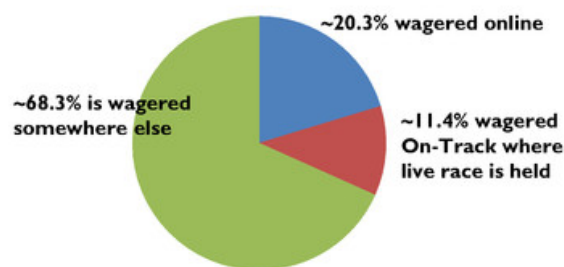
Twinspires.com Handle Growth compared to U.S. Industry Growth



Sources: Twinspires.com growth 10-Q/10-K; Industry: equibase.com

(a- excluding impact of IL handle loss for both 1Q13 & 1Q12, reported results show 3% decline Y/Y per Form 10-Q for 1Q13)

2012 Wagering by Location



Source: Online (ADW) handle from Oregon Racing Commission and SEC filings, Industry: The Jockey Club

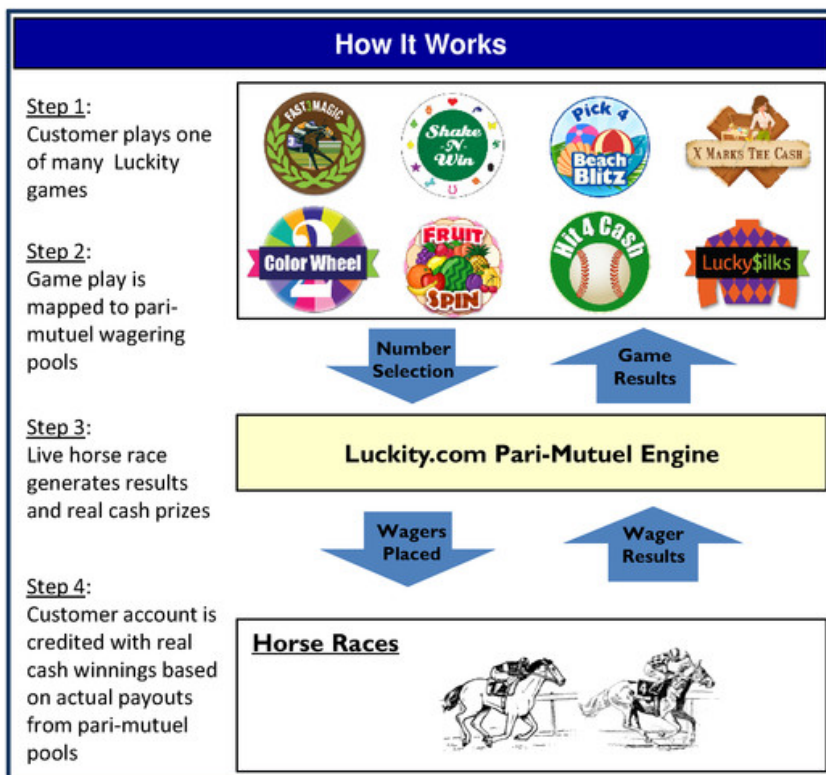
CHURCHILL DOWNS
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Luckity leverages our Twinspires platform to attract new customers

Luckity is like nothing else in the U.S. legal online gaming market today



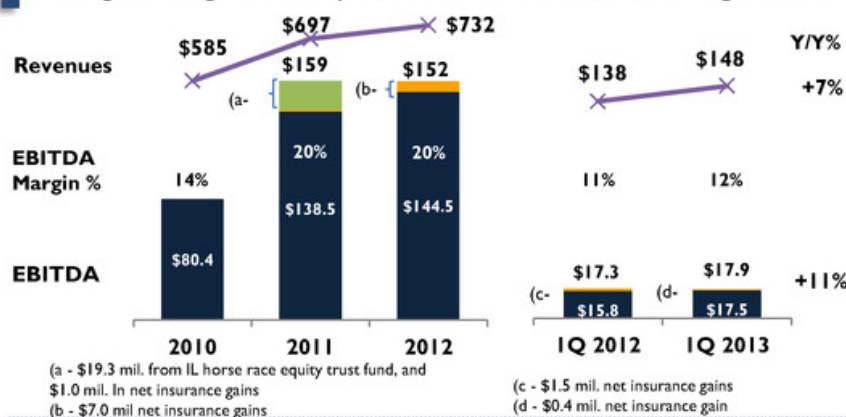
- ❑ Luckity is a mobile and online gaming platform that offers fun games with the opportunity to win real money
 - Outcomes of games are based on and determined by live horse races
 - Technology is based on Twinspires advanced deposit wagering platform
 - Patent protected (pending)
- ❑ Luckity is permissible under the Interstate Horseracing Act and is licensed by the Oregon Racing Commission
- ❑ Launched November 1, 2012 with 25 unique games
- ❑ Targeting social, casino and lottery game players
- ❑ Focused on product quality initially with our customers, looking to make games more interactive and appealing while filling the time gap between customer plays and game results
- ❑ Significant marketing of product will occur after further product enhancements are achieved



Proven ability to grow Revenues & EBITDA

Strong earnings & cash performance allows for future growth investments

(\$ in millions)



- All three segments showed EBITDA growth in 2012 (excluding net insurance gains & IL Horse Racing Equity Trust Fund proceeds):
 - Racing Operations up 13%
 - Derby sets another record, +\$5.4 million
 - Gaming up 8%
 - Online Businesses up 7%

- IQ 2013 revenues and EBITDA up 7% and 11%, respectively (net of insurance gains):
 - Driven by Riverwalk Casino acquisition (4Q '12)
 - Racing Ops negative impact by less IL host days
 - Online Business impacted by loss of IL ADW

- ~\$420 million in cash spent on acquisitions (net of acquired cash) and greenfield developments since 2009 (excludes pending Oxford Casino acquisition):
 - \$80 mil. on Calder Casino
 - \$32 mil. on Youbet.com acquisition
 - \$136 mil. on Harlow's acquisition
 - \$7 mil. on Bluff Media acquisition
 - \$23 mil. on Lebanon Raceway JV
 - \$146 mil. on Riverwalk Casino Hotel
 - \$160 mil. pending acquisition of Oxford Casino

- Strong free cash flow generation allows for rapid debt reduction following acquisitions
 - Maint cap-ex has been limited to <\$20 mil. last several years
 - Leverage / coverage ratios among industry best

We generate significant Free Cash Flow ("FCF")



Note: Debt/EBITDA metrics shown do not include pro-forma credit for acquisitions

Recent actions provide greater flexibility for borrowing / stock repurchase

Amended bank facility adds credit capacity, stock repurchase plan adds option for use of free cash

Amended Revolving Credit Facility

- ❑ CDI Board of Directors approved April 2013, subject to state regulatory approvals
- ❑ Received final state regulatory approval on May 16 and closed on the amended credit facility on May 17 (effective date)
- ❑ Amended Revolving Credit Facility includes:
 - Increase in borrowing capacity from \$375 mil. to \$500 mil.
 - Five year tenor – maturing May 2018
 - Includes an accordion feature which, if exercised, could increase borrowing capacity by additional \$225 mil.
 - LIBOR-based interest rates plus “spread” based on Company’s total leverage ratio (1.125% to 3.0% spread)
- ❑ New two-tiered leverage ratio covenant:
 - 3.5x senior secured leverage max
 - 5.0x total leverage max (provided that minimum adjusted EBITDA is maintained – otherwise 4.5x total leverage)
- ❑ Interest coverage ratio covenant - >3.0 to 1 times
- ❑ Reduced pricing schedule for outstanding borrowings and commitment fees across all leverage pricing levels

Stock Repurchase Plan

- ❑ CDI Board of Directors approved April 2013
- ❑ Stock Repurchase Plan includes:
 - Authorization up to \$100 mil. to repurchase CDI stock
 - Plan expires on December 31, 2015
 - Open market purchases (10b-18 or 10b5-1) , privately negotiated transactions allowed
- ❑ Funding of any repurchases will be made using available cash or borrowings under revolving credit facility
- ❑ Stock Repurchase Plan provides:
 - Another tax efficient way to return capital to shareholders
 - Ability to offset the dilutive effect of share-based compensation plans
 - Viable and accretive option for use of free cash flow
 - Ability to buy back stock if undervalued by the market

Investment Rationale Summary

❑ **Disciplined, Shareholder-Focused Management Team**

- Diverse backgrounds with multi-industry, technology and international experience
- Proven record of capital allocation, revenue & earnings growth

❑ **Diversified portfolio of Racing, Gaming, Online Entertainment Businesses**

- Largest legal Online gaming platform in the U.S. (Twinspires.com), showing organic growth
- Iconic Kentucky Oaks & Derby Brands continue to set all-time records
- Four premier Thoroughbred Race Tracks
- ~4,300 gaming positions at four casinos and 10 OTBs, Ohio JV adds ~1,600 more in 4Q 2013, Oxford acquisition adds ~800 more in 4Q 2013

❑ **Significant Growth Opportunities / Pipeline**

- Organic growth in our Online business as customers shift wagering behavior
- Organic growth with the Kentucky Oaks & Derby as we develop new high-end seating
- ~\$160 million pending acquisition of Oxford Casino in Oxford, Maine – expected to close in 4Q 2013
- ~\$272 million JV racing & gaming development near Lebanon, Ohio – to open 4Q 2013
- Luckity.com a mobile and online social game that pays real money
- Options on gaming expansion in Illinois and Kentucky
- Positioned to participate in U.S. online poker upon legalization
- Low leveraged balance sheet improves ability to repurchase shares or make accretive acquisitions

❑ **Strong Financial Position**

- Strong balance sheet, backstopped with valuable real estate
- Disciplined maintenance capital spending
- Derby and Online businesses, in particular, deliver strong free cash flow



Appendix



Reconciliations

Reconciliation to reported results

(\$ in millions)

	Racing Operations		Gaming		Total Churchill Downs Inc.	
	2011	2012	2011	2012	2011	2012
	Actual	Actual	Actual	Actual	Actual	Actual
EBITDA as reported in Form 10-K	\$ 64.3	\$ 50.8	\$ 57.0	\$ 67.8	\$ 158.7	\$ 151.5
Less: Illinois Horse Racing Equity Trust proceeds recognized in 3Q11	19.3				19.3	
Less: net insurance gains for tornado damage at Churchill Downs in 3Q11	0.6				0.6	
Less: net insurance gains for windstorm damage at Harlow's in 2Q11			0.4		0.4	
Less: net insurance gains for flood damage at Harlow's in 1Q12				1.5		1.5
Less: net insurance gains for flood damage at Harlow's in 2Q12				5.0		5.0
Less: net insurance gains for hail storm damage at Churchill Downs in 4Q12	-	0.5	-	-	-	0.5
Less: net insurance gains for hail storm damage at Churchill Downs in 1Q13						
EBITDA as presented	\$ 44.4	\$ 50.3	\$ 56.6	\$ 61.3	\$ 138.4	\$ 144.5

	Racing Operations		Gaming		Total Churchill Downs Inc.	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012	Q1 2013	Q1 2012
	Actual	Actual	Actual	Actual	Actual	Actual
EBITDA as reported in Form 10-Q	\$ (11.4)	\$ (11.5)	\$ 20.8	\$ 20.4	\$ 17.9	\$ 17.3
Less: net insurance gains for hail storm damage at Churchill Downs in 1Q13	0.4				0.4	
Less: net insurance gains for flood damage at Harlow's in 1Q12				1.5		1.5
	-					
EBITDA as presented	\$ (11.8)	\$ (11.5)	\$ 20.8	\$ 18.9	\$ 17.5	\$ 15.8

Shareholder-Focused Management Team

Bob Evans, Chairman & CEO



- ❑ CEO since 2006
- ❑ Diverse background – strategy consulting, software, private equity
- ❑ Technology-focused
- ❑ Led CDI's diversified growth strategy

Bill Mudd, EVP & CFO



- ❑ CFO since 2007
- ❑ 15 year multi-industry, multi-business background with GE
- ❑ International experience
- ❑ Leads strategic, finance and development teams

Bill Carstanjen, President & COO



- ❑ President and COO, 7 years with CDI
- ❑ M&A background with Cravath, Swaine & Moore LLP and GE
- ❑ Previously led legal and development teams
- ❑ Formerly GE Capital
- ❑ Columbia Law School

Alan Tse, EVP & General Counsel



- ❑ General Counsel since 2011
- ❑ Oversees all legal, corporate governance and compliance
- ❑ Former GC for LG Electronics MobileComm USA
- ❑ Background in technology-focused industries
- ❑ Harvard Law School

