

Wells Fargo Securities 2014 Boston Gaming Forum Boston, MA

Prepared For: Investor Relations (NASDAQ: CHDN)

December 4, 2014

Bill Carstanjen, CEO
Bill Mudd, President and CFO
Mike Anderson, VP Finance & IR / Treasurer

Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Private Securities Litigation Reform Act of 1995 (the “Act”) provides certain “safe harbor” provisions for forward-looking statements. All forward-looking statements are made pursuant to the Act.

The reader is cautioned that such forward-looking statements are based on information available at the time and/or management’s good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. Forward-looking statements are typically identified by the use of terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “predict,” “project,” “hope,” “should,” “will,” and similar words, although some forward-looking statements are expressed differently. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct.

Important factors that could cause actual results to differ materially from expectations include: the effect of global economic conditions, including any disruptions in the credit markets; a decrease in consumers’ discretionary income; the effect (including possible increases in the cost of doing business) resulting from future war and terrorist activities or political uncertainties; the overall economic environment; the impact of increasing insurance costs; the impact of interest rate fluctuations; the effect of any change in our accounting policies or practices; the financial performance of our racing operations; the impact of gaming competition (including lotteries, online gaming and riverboat, cruise ship and land-based casinos) and other sports and entertainment options in the markets in which we operate; our ability to maintain racing and gaming licenses to conduct our businesses; the impact of live racing day competition with other Kentucky, Illinois, Louisiana and Ohio racetracks within those respective markets; the impact of higher purses and other incentives in states that compete with our racetracks; costs associated with our efforts in support of alternative gaming initiatives;

Forward-Looking Statements (cont'd)

costs associated with customer relationship management initiatives; a substantial change in law or regulations affecting pari-mutuel and gaming activities; a substantial change in allocation of live racing days; changes in Kentucky, Illinois, Louisiana or Ohio law or regulations that impact revenues or costs of racing operations in those states; the presence of wagering and gaming operations at other states' racetracks and casinos near our operations; our continued ability to effectively compete for the country's horses and trainers necessary to achieve full field horse races; our continued ability to grow our share of the interstate simulcast market and obtain the consents of horsemen's groups to interstate simulcasting; our ability to enter into agreements with other industry constituents for the purchase and sale of racing content for wagering purposes; our ability to execute our acquisition strategy and to complete or successfully operate planned expansion projects; our ability to successfully complete any divestiture transaction; market reaction to our expansion projects; the inability of our totalisator company, United Tote, to maintain its processes accurately, keep its technology current or maintain its significant customers; our accountability for environmental contamination; the ability of our online business to prevent security breaches within its online technologies; the loss of key personnel; the impact of natural and other disasters on our operations and our ability to obtain insurance recoveries in respect of such losses (including losses related to business interruption); our ability to integrate any businesses we acquire into our existing operations, including our ability to maintain revenues at historic levels and achieve anticipated cost savings; the impact of wagering laws, including changes in laws or enforcement of those laws by regulatory agencies; the outcome of pending or threatened litigation; changes in our relationships with horsemen's groups and their memberships; our ability to reach agreement with horsemen's groups on future purse and other agreements (including, without limiting, agreements on sharing of revenues from gaming and advance deposit wagering); the effect of claims of third parties to intellectual property rights; and the volatility of our stock price.

Investor snapshot: Key investment highlights

Diversified business model

- Iconic Kentucky Derby & Oaks Brands continue to set all-time records
- ~6,600 gaming positions at six casinos (including Ohio 50% JV) and 10 OTBs
- Largest legal Online gaming platform in the U.S. showing organic growth

Proven management team

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

Organic growth opportunities

- Kentucky Derby & Oaks - new seating, sponsors, long-term TV contract thru 2025, presenting sponsor contract thru 2020, pricing and 15,224 sq. ft. mega 4K video board drive growth options
- Big Fish acquisition (pending) extends presence as a leading digital entertainment provider
- Options on gaming expansion at existing properties in Illinois and Kentucky
- Partnership with Saratoga Harness Racing to bid on New York casino license in Capital region
- Pending purchase of equity stake of Saratoga Harness Racing, management agreement in NY, CO
- Further expansion into other forms of l-gaming as states liberalize laws

Strong Financial Performance & Balance Sheet

- 5 Year Revenue & Adjusted EBITDA CAGR of 11% and 21%, respectively
- Pristine balance sheet backstopped with valuable real estate in IL and FL
- Disciplined maintenance capital spending combined with strong free cash flow generation
- Leverage of ~1.9x¹

¹ Based on LTM Adjusted EBITDA as of 9/30/14

Churchill Downs is unique, more than a regional gaming company...

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



1	Gaming			
(\$ millions)	2012A	2013A	LTM ²	
Net Revenues ¹	\$223	\$297	\$329	
Adj. EBITDA ¹	\$64	\$80	\$97	
Adj. EBITDA Margin	29%	27%	29%	

- Consists of 6 existing operations with ~5,560 slots, 53 tables, 185 hotel rooms, & ~700 video poker machines
- Acquired Riverwalk Casino in mid-Oct 2012
- Acquired Oxford Casino in Maine for approx. \$160 mil. on July 17, 2013
- Developed and opened a \$256 mil. racing & gaming facility as part of 50/50 JV near Lebanon, OH – Miami Valley Gaming opened December 12, 2013



2	Online Business			
(\$ millions)	2012A	2013A	LTM ²	
Net Revenues	\$183	\$185	\$190	
Adj. EBITDA	\$45	\$49	\$46	
Adj. EBITDA Margin	24%	27%	24%	

- Consist of Twinspires.com, the largest legal Online gaming platform in the U.S. (pari-mutuel wagering “ADW” company)
- \$869 mil. in wagering “handle” in 2013; up +1% Y/Y; organic growth offset by loss of IL handle in 1H 2013 and TX handle in 4Q 2013
- Segment also includes Luckcity.com, equity investment in HRTV, BRIS and Velocity – high volume int’l customer focus
- Positioned to participate in Online Poker if legalized with the Bluff brand



3	Racing			
(\$ millions)	2012A	2013A	LTM ²	
Net Revenues	\$302	\$274	\$269	
Adj. EBITDA	\$54	\$50	\$59	
Adj. EBITDA Margin	18%	18%	22%	

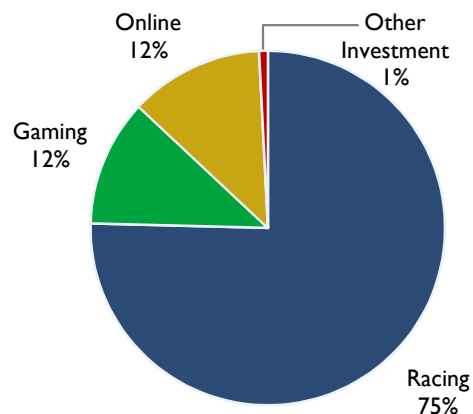
- Consists of 4 race tracks that conducted 374 days of live racing in 2013 and 271 live racing days YTD through 3Q 2014
- In July ‘14, finalized deal to lease FL racing to Stronach Group through 2020
- Includes longest continuously held annual sporting event in the U.S., the “Kentucky Derby”, 140 consecutive years
- Growth driven by Oaks & Derby innovations, new seating venues, media rights, sponsorships and productivity (“cost out”) initiatives

¹ In 2014, Adj. EBITDA includes 50% share of MVGR's operating income, MVGR net revenues not consolidated

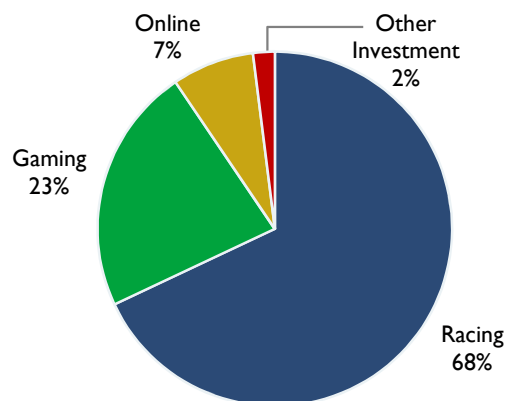
² For trailing twelve month period ended September 30, 2014

...and has diversified its business model significantly via acquisitions...

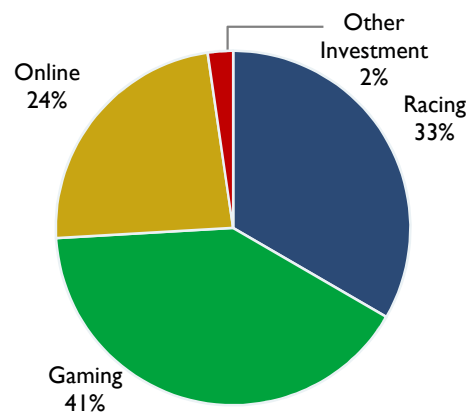
2008 Revenue by business unit



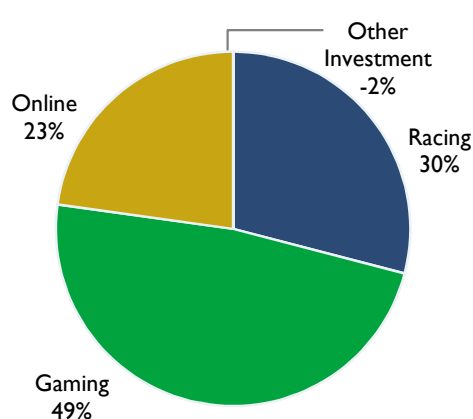
2008 Adj. EBITDA by business unit



LTM 9/30/14 Revenue by business unit¹



LTM 9/30/14 Adj. EBITDA by business unit¹



□ Churchill has significantly diversified its revenue mix through acquisitions in the gaming and online business units

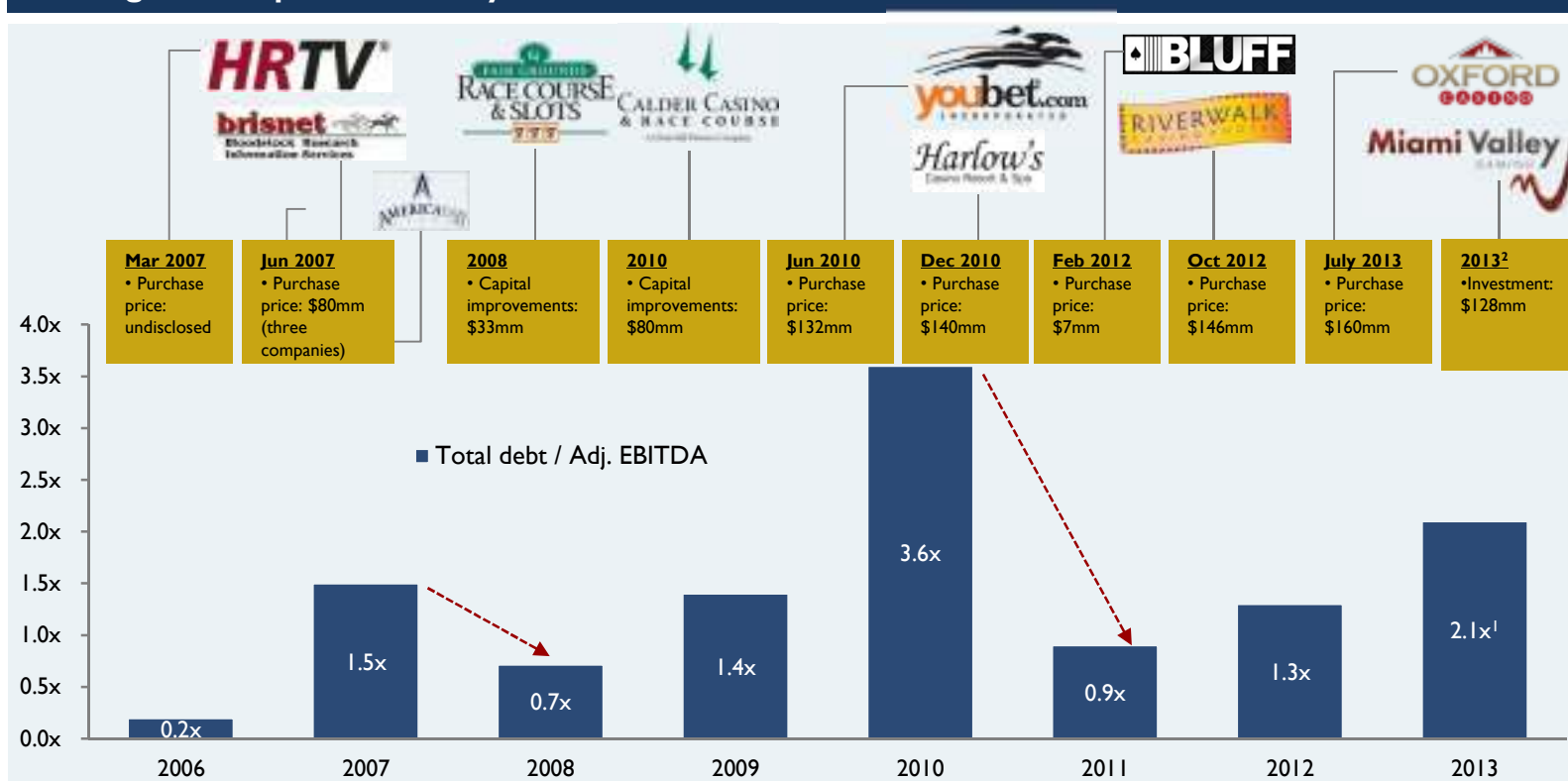
□ Includes the recent acquisition of Oxford Casino (July 2013) and the opening of Miami Valley Gaming (MVG) in Dec 2013

□ Further liberalization of state online gaming laws could add meaningful diversification into online poker and casino games

Source: Company filings
Note: Includes external revenues, excludes eliminations.
Revenues & Adj. EBITDA excludes Corporate

...driven by successfully investing nearly \$900 million since 2007

Leverage and acquisition history



Source: Company filings

¹ Leverage based on 2013 Adjusted EBITDA of \$176.2 mm (Excludes pro-forma impact of run-rate full-year Oxford EBITDA of \$20.1mm)

² Miami Valley Gaming investment reflects 50% of the projected joint venture cost of \$256mm with Delaware North Companies; Project-to-date Churchill investment of \$97mm

□ Churchill has built one of the most diversified gaming platforms in the U.S. through strategic acquisitions

□ Its track record of quickly deleveraging following transactions speaks to the Company's conservative capital allocation and leverage strategy

We are geographically diversified



Note: TwinSpires allows residents of 37 states to register and place online horseracing bets

Churchill Downs has an experienced, proven management team

Bob Evans, Chairman of the Board



- ❑ Chairman of the Board, served as CEO from 2006 through Aug 2014
- ❑ Diverse background – strategy consulting, software, private equity
- ❑ Technology-focused
- ❑ Led CDI's diversified growth strategy
- ❑ Long time commercial breeder and racehorse owner
- ❑ B.A. in Economics; M.A. in Quantitative Economics

Bill Mudd, President & CFO



- ❑ Named President in August 2014
- ❑ CFO since joining CDI in 2007
- ❑ 15 year multi-industry, multi-business background with GE
- ❑ International experience
- ❑ Leads operations, finance, IR and corporate communication teams
- ❑ Former Captain in the U.S. Army Reserves
- ❑ B.A. in Mathematics; M.B.A

Bill Carstanjen, Chief Executive Officer



- ❑ Named CDI's 12th CEO in Aug 2014
- ❑ Served as President & COO since March 2011, with CDI for ~9 years total
- ❑ M&A background with Cravath, Swaine & Moore LLP and GE
- ❑ Previously led legal and development teams
- ❑ Formerly with 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

Growth opportunities could provide significant upside



- ✓ ☐ Derby and Oaks
 - ☐ Recent presenting sponsor renewal (Yum! Brands), new 5-yr deal through 2020
 - ☐ Recent media sponsorship renewal (NBC), new 10-yr deal through 2025
- ✓ ☐ Big Fish acquisition extends presence as a leading digital entertainment provider
 - ☐ Positions us at the forefront of a growing mobile and online games industry
 - ☐ Provides diversification with powerful organic growth
- ✓ ☐ New York Gaming
 - ☐ Partnership with Saratoga Harness (SH) for JV bid on casino in Capital Region
 - ☐ Pending deal for purchase of 25% stake in SH, management agreement
- ✓ ☐ Real-money gaming (RMG) - Internet and mobile
 - ☐ Positioning Bluff brand and developing a RMG online gaming platform
- ✓ ☐ Kentucky gaming (Churchill Downs Racetrack)
 - ☐ Gaming expansion bills introduced in 2014 legislative session seeking public referendum, session ended without consideration, positioning for 2015 and 2016
 - ☐ Louisville has established gaming market feeding Southern Indiana properties
- ✓ ☐ Illinois Gaming (Arlington Park)
 - ☐ Gaming bills passed in two prior legislative sessions, but both were vetoed
 - ☐ Continuing to work on a gaming expansion bill – unclear as to new Governor's (Rauner) position on gaming expansion

CDI recently announced that it intends to acquire Big Fish Games

Big Fish at a glance

- ❑ Founded in 2002 by Stanford business school grad Paul Thelen, Big Fish is one of the world's largest producers and distributors of casual games, delivering entertainment to millions of people worldwide
- ❑ Through its mobile and online distribution platforms, Big Fish has distributed more than 2.5 billion games from a growing library of unique mobile and PC games to customers in 150 countries
- ❑ Big Fish Games has emerged as a #4 top-grossing mobile (both iOS and Android) publisher worldwide with a portfolio that includes the #1 mobile social casino on iOS and #2 on Google Play¹

By the Numbers

- ❑ 3,950+ games (3,500+ PC games; 450+ mobile games)
- ❑ ~560 total employees in Seattle, WA (HQ); Oakland, CA and Luxembourg
- ❑ ~1.15 million quarterly average paying users

Source: Big Fish Games, Inc., quarterly avg. paying users based on Q3 2014 consolidated

Big Fish Casino



Gummy Drop!



Midnight Castle



Fairway Solitaire



¹ According to App Annie as of October 2014

CDI will pay \$485 million upfront and up to \$350 million in an earn-out

Big Fish Transaction structure

Consideration	<ul style="list-style-type: none"> ■ Upfront consideration: \$485 million, on a debt-free, cash-free basis <ul style="list-style-type: none"> • ~\$392 million in cash and ~\$15 million in CHDN stock at closing; ~\$79 million paid over three years • Represents ~8.5x multiple on 3Q 2014 LTM Adjusted EBITDA of \$57.3 million • Adjusted EBITDA includes an adjustment for change in deferred revenue ■ Earn-out consideration: maximum of \$350 million based on 2015 Adjusted EBITDA performance <ul style="list-style-type: none"> • Equal to 2015 Adjusted EBITDA less base value of \$51.2 million multiplied by 9x • For purposes of earn-out calculation, 2015 Adjusted EBITDA is reduced by subtracting expected costs associated with the change in deferred revenue • Paid in 1Q 2016 except for founder portion which is paid evenly over three years ■ Founder bonus payment of \$50 million if Big Fish achieves \$1 billion in bookings during 2016 (compares to 3Q 2014 LTM bookings of \$312 million) paid in four equal annual installments
Management Retention	<ul style="list-style-type: none"> ■ Key management shareholders required to execute non-competition and non-solicitation agreements with a term ending two years from the date they are no longer employed by CDI ■ Big Fish employees will be eligible for equity compensation programs based on performance & retention
Financing	<ul style="list-style-type: none"> ■ \$200 million new term loan A; remainder financed with existing revolving credit facility ■ Pro-forma Total Funded Debt / Adjusted EBITDA of 3.2x at closing
Segment Reporting	<ul style="list-style-type: none"> ■ Big Fish results will be reported in a new, standalone segment
Expected Closing	<ul style="list-style-type: none"> ■ By year end 2014

The Big Fish transaction continues CDI's growth strategy

Extends Churchill Downs' presence as a leading digital entertainment provider

1

Positions Churchill Downs at the forefront of the mobile and online games industry, particularly social casino genre, which is experiencing strong organic global growth based on positive industry fundamentals and the acceptance of new forms of gaming on mobile devices

2

Strong cultural fit; management teams share emphasis on innovation, technology, customer-centric approach and value creation

3

Provides diversification with powerful organic growth and external opportunities via bolt-on acquisitions

4

Strategically improves the competitive position of Churchill Downs as the mobile and online gaming landscape evolves

CDI Recent Acquisition History

2007-2010: Twinspires.com (ADW)

- America Tab
- Bloodstock Research & Information Systems
- Youbet.com

2010-2014: Casinos

- Harlow's Resort & Casino
- Riverwalk Hotel Casino
- Oxford Casino
- Miami Valley Gaming (JV)
- Saratoga Harness Racing Inc. (JV)

2014: Mobile Social Games

- Big Fish Games

Gaming: Our properties are relatively new and in mature markets

Growing our Gaming Business thru development and acquisitions

Calder Casino

- Greenfield construction at the Calder Race Course racetrack, opened January 2010
- Located in Miami Gardens Florida, near Sun Life Stadium
- Convenient location off Florida Turnpike
- 1,130 Slot Machines
- Among top 3 in slots market share for South FL pari-mutuel gaming facilities



Harlow's Casino Resort & Spa

- Acquired in December 2010 for \$140mm
- Located in Greenville, MS
- 741 Slot Machines, 13 table games
- 105-room attached hotel (50% rooms renovated in 2012)
- #1 in gaming market share in Greenville
- \$15 million in renovations / new amenities in Jan 2013



Oxford Casino

- Acquired in July 2013 for \$160mm
- Located in Oxford, ME
- 858 slot machines
- 26 table games
- 4Q '13 investment of \$3.2 million which expanded gaming floor with more table games and slot machines



Fair Grounds Slots & Video Poker

- Greenfield construction at the Fair Grounds Race Course racetrack, opened November 2008
- Located in New Orleans, LA
- 620 slot machines
- 10 Off Track Betting facilities operate ~700 Video Poker Machines



Riverwalk Casino Hotel

- Acquired in October 2012 for \$146mm
- Located in Vicksburg, MS
- 620 slot machines
- 14 table games
- Five-story, 80-room attached hotel
- Newest property in Vicksburg market
- Attached hotel / casino



Miami Valley Gaming

- Joint Venture with Delaware North Companies
- Located in Lebanon, OH (formerly Lebanon Raceway)
- \$256mm total investment split (50/50)
- 1,600 slot machines
- Opened December 12, 2013



Gaming Adj. EBITDA growth driven by greenfield development & acquisitions

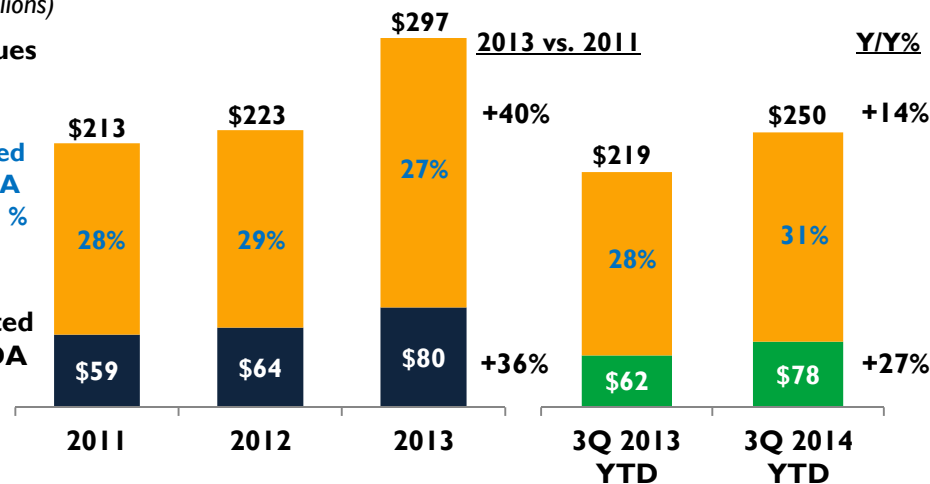
Acquisition & development focused on ROI

(\$ in millions)

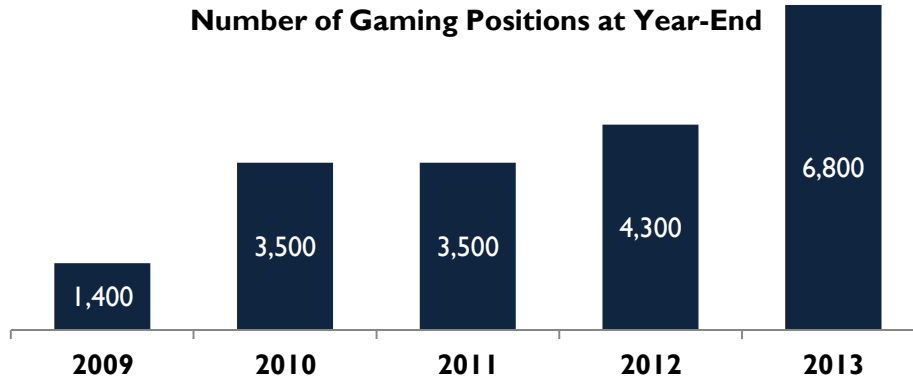
Revenues

Adjusted
EBITDA
Margin %

Adjusted
EBITDA



Number of Gaming Positions at Year-End



Note: positions as indicated in the 10-K for 2009-2013.

- Revenue and Adj. EBITDA growth driven by Oxford Casino acquisition. Ohio JV – Miami Valley Gaming - helps drive Adj. EBITDA growth (unconsolidated equity investment)
- Gaming assets are still relatively “young” which require less maintenance-related cap-ex, oldest gaming asset less than 8 years old (avg. age of just over 4 years)
 - Fair Grounds Slots greenfield opened Oct 2008
 - Calder Casino greenfield opened Jan 2010
 - Harlow’s Casino Resort & Spa acquired in Dec 2010 – originally opened Nov 2007, with major renovation in 2013
 - Riverwalk Casino Hotel acquired in Oct 2012 – originally opened Oct 2008
 - Oxford Casino acquired in July 2013 – originally opened June 2012, with major additions in Oct 2012 and Dec 2013
 - Miami Valley Gaming – \$256 mil. gaming & racing greenfield facility between Cincinnati and Dayton OH opened Dec 12, 2013 (50% JV with Delaware North)

New York gaming option, equity investment provide potential upside

NY partnership adds greenfield gaming opportunity / Management contracts & equity purchase pending

- ❑ On May 13, 2014, CDI announced a partnership (50/50 JV) with Saratoga Harness Racing Inc. ("Saratoga") to bid for a casino license in the Capital Region in New York
 - Churchill will manage the facility if winning bidder
- ❑ Approximately \$330 mil. proposed investment
 - Includes \$50 mil. License fee, capitalized interest and chase costs
 - Located in Town of East Greenbush – in close proximity to Albany, NY
 - Proposed ~100-room resort style hotel plus several dining, entertainment and retails venues
- ❑ License application was submitted timely to NY State Commission by June 30, 2014 deadline, with licenses expected to be awarded in December 2014
- ❑ On July 30, 2014, CDI announced the execution of a binding term sheet with Saratoga which will allow CDI
 - 5-yr management contract to manage Saratoga casinos in NY (Saratoga) and CO (Black Hawk)
 - Purchase 25% equity stake in Saratoga
- ❑ In October 2014, CDI signed a purchase agreement to purchase a 25% equity stake in Saratoga with the funding of purchase and management contracts to become effective when CDI obtains necessary state licenses and regulatory approvals, which is expected in the 1st half of 2015



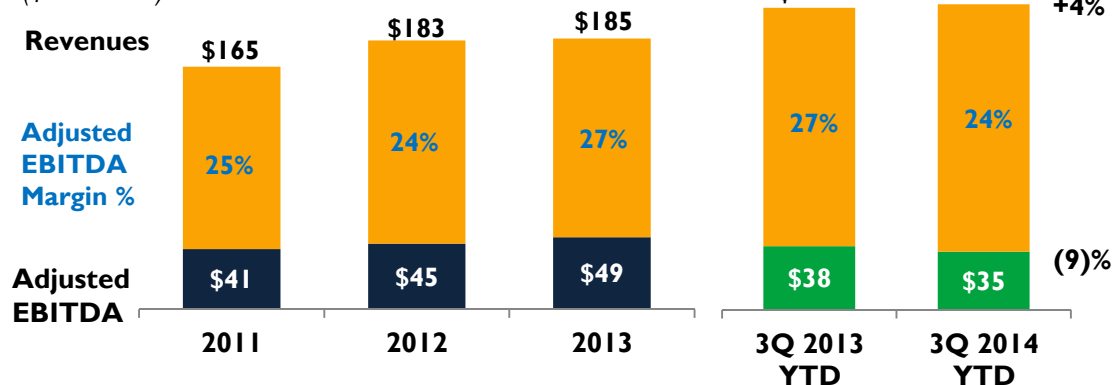
CU
CAPITAL VIEW
CASINO & RESORT



Online Business has grown organically as customers shift wagering behavior

The Online channel is growing despite industry flattening

(\$ in millions)



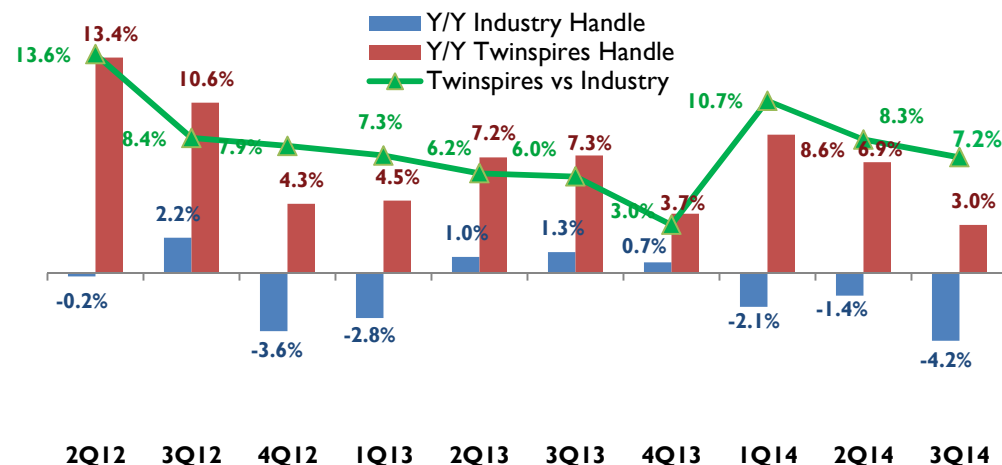
Y/Y%

+4%

(9)%

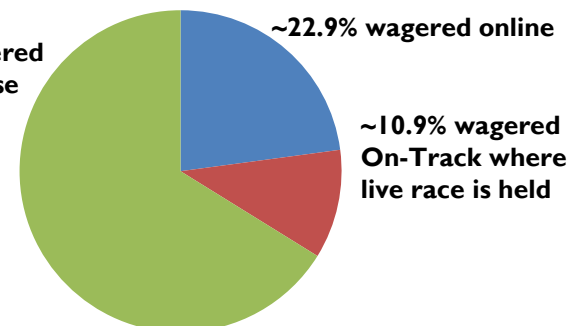
- Online wagering has grown ~3% to ~14% faster than the industry, as customers continue to shift wagering channels due to convenience, accessibility & ease of use
- YTD margin pressure driven by loss of Texas customer wagering and new regulatory taxes in certain states
- In 1H 2013, Twinspires.com stopped taking wagers from IL customers as online wagering legislation expired. Resumed wagering in IL on June 7, 2013 after new bill passed to allow online wagering (thru Jan 2017)
- In Sept 2013, Twinspires.com stopped taking wagers from TX customers as court ruling upheld a TX law requiring all wagering in person at a TX racetrack, currently evaluating appeal opportunity
- Excluding impact of IL and TX lost handle, total CDI online handle grew 5.6% in 9M 2014 and 6.2% in TY '13

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



LTM March 2014 Wagering by Location

~66.2% is wagered somewhere else



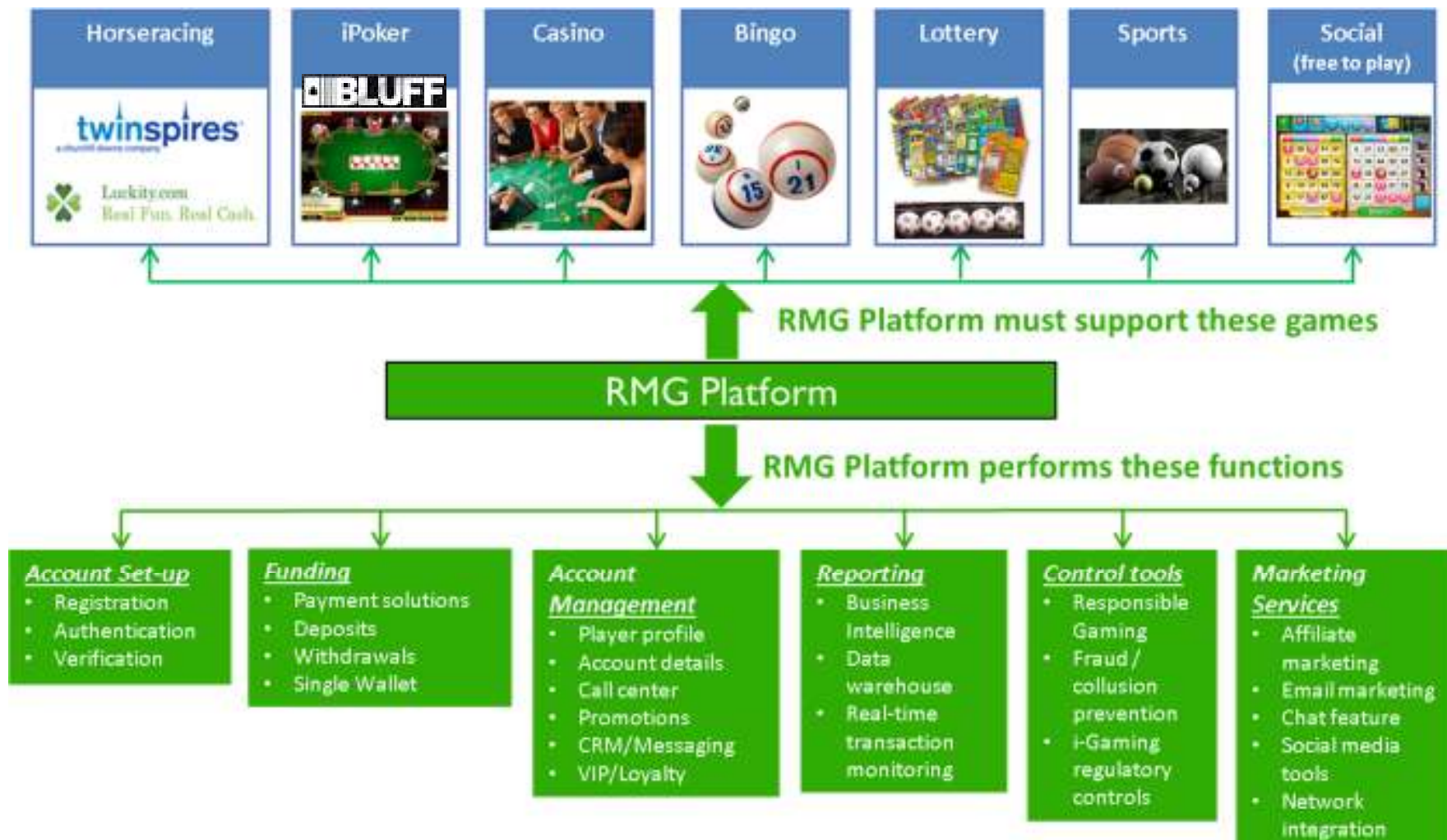
Sources: Twinspires.com growth 10-Q/10-K; Industry: equibase.com

Note: Excludes impact of IL and TX handle loss, actual reported results show 3.3% increase Y/Y in 9M '14 per Form 10-Q

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

Twinspires provides a lot of the functionality required for real money gaming

We plan to compete as an online gaming technology provider



Racing Operations: Own 4 Thoroughbred Racetracks, leasing Calder ops

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

Arlington International Racecourse



- 336 acres in western Chicago suburb, Arlington Heights
- Operates 11 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
- 140 consecutive years of iconic international event
- Over \$35 mil. in ROI capital improvements over last 2 years

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
- In July 2014, closed on deal that allows The Stronach Group to lease racing operations, will improve Racing Ops profitability

Fair Grounds Race Course

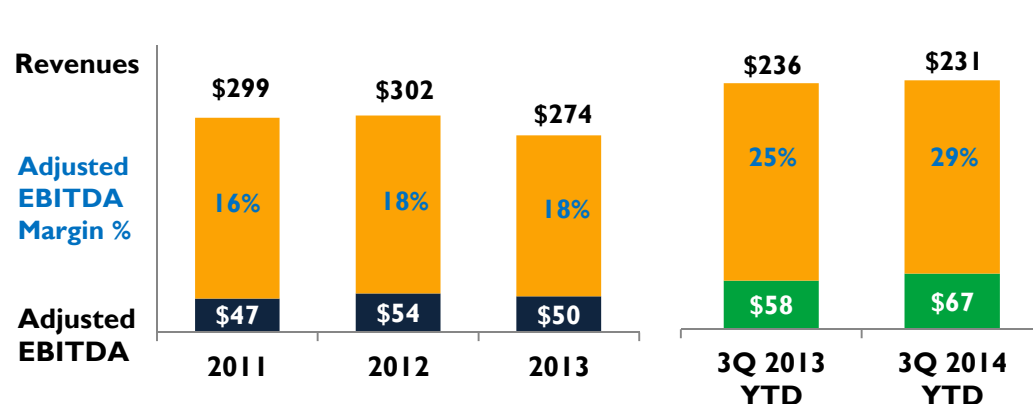


- 145 acres in New Orleans, LA
- Network of 12 OTB's
- Video poker machines in 10 of the OTB's
- Home of the "Louisiana Derby"
- New Orleans Jazz Festival host since 1972

Racing Operations Adjusted EBITDA has grown despite industry declines

Derby Week growth & expense efficiencies / productivity have increased margin rates

(\$ in millions)



Y/Y
(2)%

- Wagering (handle) on U.S. Thoroughbreds in 2013 was flat Y/Y, down 2.5% YTD thru 3Q '14
 - 2013 U.S. Industry still down 26% from 2007 according to *The Jockey Club Online Fact Book*

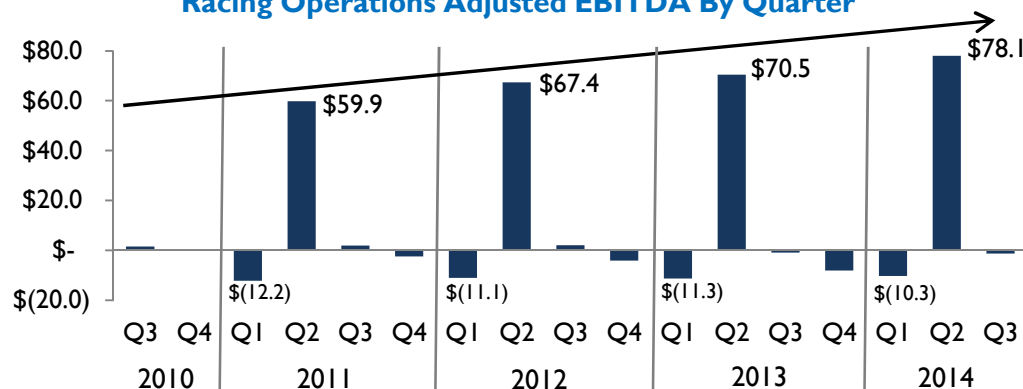
- Adj. EBITDA improvements of \$9 mil. in 2014 primarily from record KY Derby Week

- Adj. EBITDA margin rate has grown consistently driven by KY Derby and Oaks helping to offset
 - FL racing headwinds from hosting dispute and live racing overlap
 - IL temporary ADW loss and fewer live hosting days

14%

Racing Operations profitability continues to be driven by The Kentucky Derby & Oaks

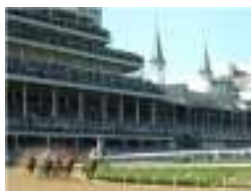
Racing Operations Adjusted EBITDA By Quarter



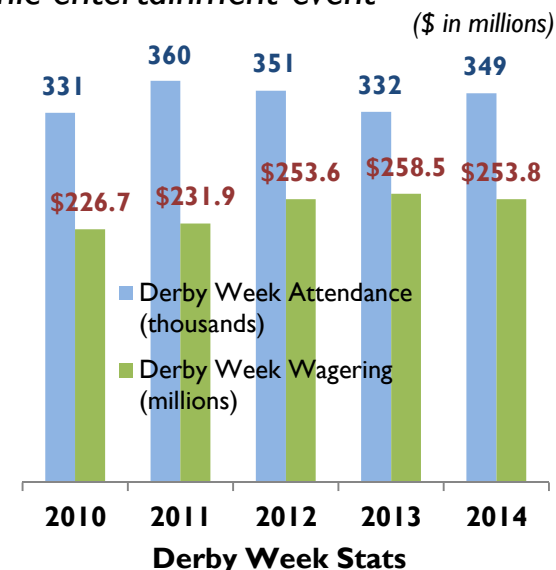
- The Kentucky Derby always occurs on "The First Saturday of May" (our 2nd quarter and most profitable)
- Rest of the year we operate at an operating loss
- Derby Week profitability continues to grow despite the rest of the U.S. wagering trends
 - 2014 Derby Week Adj. EBITDA up \$8.8 mil.
 - Adj. EBITDA up nearly \$30 mil. from 2010-2014 (up each year)

The Kentucky Derby continues to shine with another record year

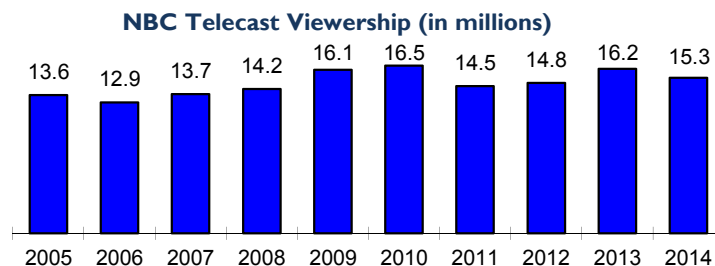
2014 Derby Week results prove the resiliency and brand power of this iconic entertainment event



- Record Derby Week Adjusted EBITDA for the fifth consecutive year, up \$8.8 mil. in Adj. EBITDA
 - Kentucky Derby Week Adjusted EBITDA increased ~ \$30 mil. from 2010 - 2014
 - Near-perfect weather for Kentucky Derby and Oaks leads to great Derby Week economics, attendance up 5% and recorded 2nd highest all-sources wagering
 - Kentucky Derby had attendance of 164,906, 2nd highest all-time
 - Kentucky Derby wagering of \$186.6 mil. ties all-time high
 - New seating in “Grandstand Terrace” and “Rooftop Garden” along with world’s largest 4K high-definition video board added in 2014
 - Kentucky Oaks records 3rd highest all-time attendance of 113,071 and 2nd highest all-sources wagering of \$43.2 mil.



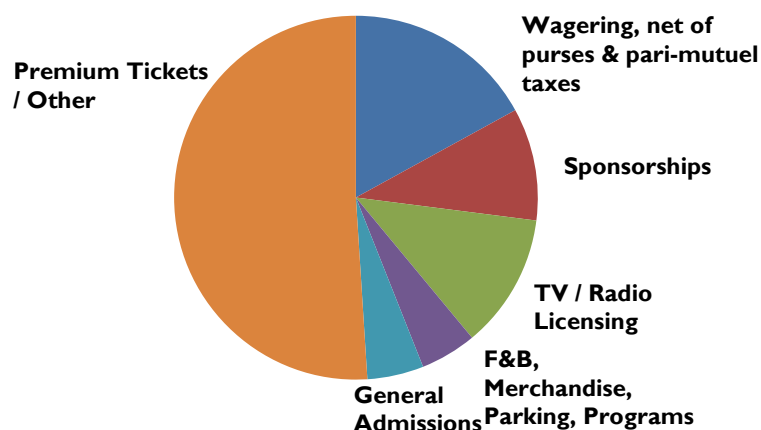
- Television ratings 4th highest since 1989 and 4th time in six years with more than 15 million viewers
 - 15.3 million viewers, up 3% from 2012 – the last time KY Derby competed with NBA Playoffs
 - Only annual sporting event that draws more female viewers than male, 52% of viewers were women
 - 9.4% of households and 22% of TV's in use tuned to Derby telecast – the best Saturday rating of any show on any network since the Sochi Olympics (Feb 2014)



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)



Illustrative approximations of profitability based on actual 2014 results

- ☐ Premium tickets are the largest contributor to profitability
 - ~57,400 reserved seats sold in advance, typically sold out in the early part of the year (includes 2,400 new seats in '14)
 - Includes 77 permanent suites which are under 3 to 7 year contracts with staggered expirations
 - Demand for premium tickets continues to exceed supply
 - New high-end seating venues - the Mansion, Plaza Balcony, Grandstand Terrace and Rooftop Garden in 2014
 - New 4K video board (largest in world) added in 2014
- ☐ Wagering profits are impacted by the weather and the strength of the field (a strong favorite hurts wagering)

Sponsorship agreements provide high margin cash flow streams for many years to come







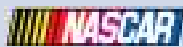
- ☐ Current agreement ends after 2015 Derby
- ☐ New 10-year agreement runs from 2016-2025
- ☐ Increased economics compared to the prior deal
- ☐ 2014 was the 4th most watched Derby in 25 years



- ☐ New 5-year agreement runs 2016-2020
- ☐ Increased economics compared to the prior deal

What is The Kentucky Oaks & Derby worth?

Based on other pro 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	\$24.3	\$291 (\$9.7 Avg./Team)	83.7x
	32	\$45.7	\$1,706 (\$53.3 Avg./Team)	26.8x
	30	\$19.0	\$712 (\$23.7 Avg./Team)	26.7x
	30	\$12.4	\$210 (\$7.0 Avg./Team)	58.9x
	9	\$1.3	\$55 (\$6.1 Avg./Team)	22.9x
Total	131	\$92.3	\$2,780 (\$21.2 Avg. / Team)	33.2x

□ The value of the Kentucky Derby is an incredible backstop to debt and equity holders

Source: Forbes.com

Dates: Various – Nov 2013 to Aug 2014

Calder Racing lease arrangement resolves conflict, FL Gaming intact

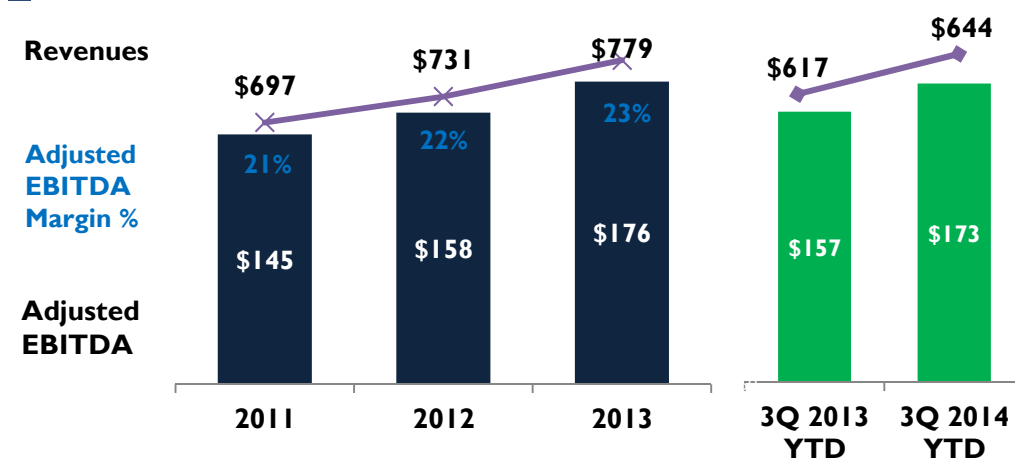
Agreement with TSG removes long-term headwind with Calder Racing, provides for HRTV investment exit

- ❑ During 2013, Calder and Gulfstream Park began conducting concurrent live thoroughbred racing which resulted in direct competition for on-track handle, intrastate & interstate simulcasting and for racehorses in South Florida. This negatively affected Calder's ability to achieve full fields for races and to generate handle on live racing.
- ❑ On July 1, 2014, CDI finalized a lease agreement allowing The Stronach Group ("TSG") to operate live racing and maintain certain facilities used for racing and training at our Calder Race Course located in Florida
- ❑ Agreement / operating lease will provide for:
 - TSG to run at least the minimum number of live race days at Calder required by Florida law under Calder's racing permits
 - Operate and maintain Calder's racetrack, portion of the barns including 430 stalls, certain racing and training facilities
 - Lease will be in effect through end of 2020
 - TSG will bear all costs and earn all revenues associated with racing at Calder
 - Simulcast and account wagering contracts extended for the term of the deal
 - Amended purse agreement reducing the rate of overnight purse supplements payable by Calder Casino from 12 percent of slot machine revenue to 10 percent
 - Remaining HRTV equity interest to be sold to TSG in early 2015
- ❑ Agreement is viewed as positive for customers, South FL horsemen, TSG and CDI – expect improved Racing Operations results over next 12 months
- ❑ Severance and other benefit costs totaling \$2.3 million recorded during the 3rd quarter of 2014

Total Company Revenues & Adjusted EBITDA continue to grow

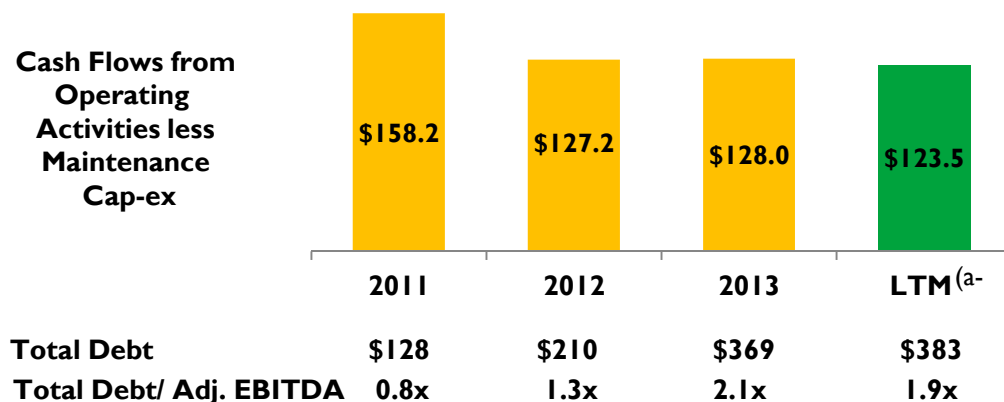
Strong earnings & cash performance allows for future growth investments

(\$ in millions)



- Y/Y%**
- +4% 3Q '14 YTD revenues & Adj. EBITDA grew as a result of Oxford acquisition & another record KY Oaks and Derby week, offset partially by FL racing ops lease
 - Gaming 3Q YTD revenues up 14%
 - Online 3Q YTD revenues up 4%
 - Racing Operations 3Q YTD revenues down 2%
 - Adj. EBITDA growth also driven by our 50% share of Miami Valley Gaming OH JV of \$8.5 mil.
 - +10% 2013 Revenues and Adjusted EBITDA were up 7% and 11%, respectively:
 - Driven by Riverwalk Casino acquisition (4Q '12), Oxford acquisition (3Q '13)
 - Online Business net revenues up 1% despite the loss of IL ADW from Jan to June and TX ADW from Sept through end of year
 - Racing Ops improvement from record Derby Week more than offset by negative impact of less IL host days and loss of FL hosting revenues

We generate significant Free Cash Flow ("FCF")



- ~\$680 million in cash spent on acquisitions (net of acquired cash) and greenfield developments since 2009 (including \$97 mil. of OH JV - MVG)
- Strong free cash flow generation allows for rapid debt reduction following acquisitions
 - Maint cap-ex annual run rate of ~\$20 mil. last several years
 - Leverage / coverage ratios among industry best

Note: Debt / Adjusted EBITDA metrics shown do not include pro-forma credit for acquisitions.
 (a- Includes trailing twelve months through September 30, 2014, per SEC filings



Appendix

Kentucky & Illinois gaming expansion provides significant upside opportunity

Legislative debates in both states expected to continue in future sessions

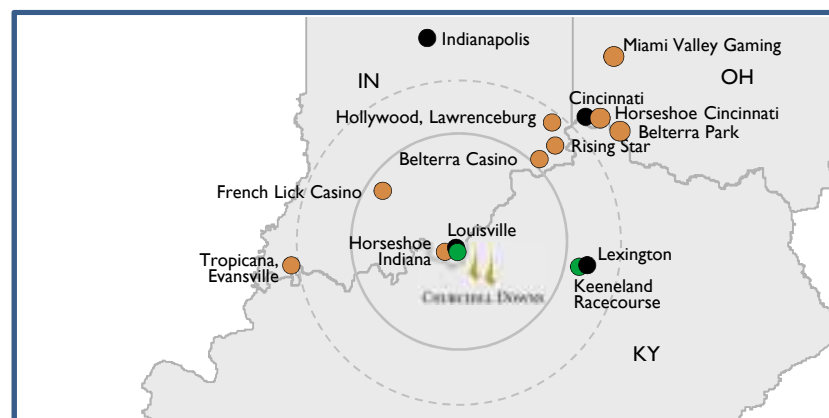
Kentucky

- The Kentucky Constitution requires the Kentucky General Assembly pass a Constitutional Amendment with 60% approval in both the House & Senate
- Three constitutional amendments plus enabling language allowing for gaming expansion in Kentucky were filed during the 2014 legislative session. Session ended on April 15, 2014, without consideration of the legislation
- Gaming expansion likely to be topic in future legislative sessions in 2015 and 2016
- Spectrum gaming released a study dated January 17, 2012 showing Churchill Downs location annual revenues could exceed \$250 million (Horseshoe Southern Indiana produces ~\$270 million)

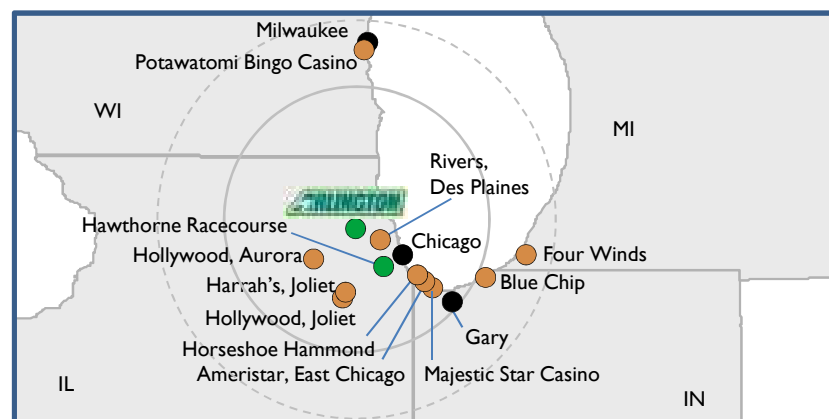
Illinois

- Attractive location – Arlington Heights is a suburb of Chicago, the commercial hub of the Midwest and 3rd largest metro area in U.S.
- Illinois Senate passed latest version of gaming expansion, SB 1739, in May 2013, sponsored by Sen. Terry Link
- SB 1739 would have allowed 5 new casinos, including one in Chicago and permit slot machines at racetracks, including 1,200 at Arlington Park – bill remains pending in IL House until new legislative body takes office in January 2015
- Gaming expansion likely will continue to be a topic of discussion with legislators including newly elected Governor Rauner

Regional overview – KY & IL



● Casinos ● Race Course ● Major Cities ○ 60 miles radius ○ 90 miles radius



Market overview – Calder Casino & Race Course (Miami Gardens, FL)

South Florida gaming market

Commentary

- Calder is located just north of Miami with easy access to all of South Florida's major highways
 - Miami / Fort Lauderdale population: 2,591,035¹
 - Miami-Dade County median household income: \$43,957²
 - Miami unemployment rate: 6.2%³
- 231 acres in Miami Gardens, FL, adjacent to Sun Life Stadium – home of the NFL's Miami Dolphins
- Racetrack opened in 1971 and is one of Florida's most successful pari-mutuel facilities
- Casino opened in January 2010
 - 1,120 Slot Machines, Poker operation closed in June 2014

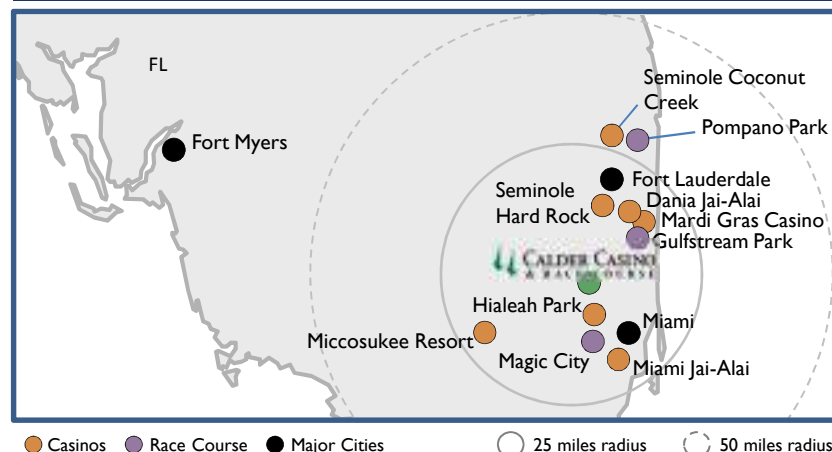


¹ US Census Bureau 2012 estimate: Miami / Miami Beach / Kendall, FL

² US Census Bureau 2007-2011 estimate: Miami-Dade County

³ Bureau of Labor Statistics estimate: Miami / Fort Lauderdale / Pompano Beach (as of January 2014)

Regional overview



Competitive overview

	State	Slots	Tables	LTM Slot Rev ¹
Calder Casino & Race Course	FL	1,120	0²	\$74.0
Seminole Hard Rock	FL	2,300	65	N/A
Gulfstream Park (RC)	FL	874	20 ²	47.9
Miccosukee Resort	FL	+1,700	58	N/A
Magic City (GR - Flagler)	FL	801	18	76.8
Mardi Gras Casino	FL	998	30	50.6
Pompano Park (RC)	FL	1,447	41	133.3
Dania Jai-Alai (opened in Feb '14)	FL	543	26 ²	4.6
Hialeah Park	FL	859	23	51.6
Seminole Coconut Creek	FL	2,300	65	N/A
Miami Jai-Alai	FL	1,042	-	58.2

Source: Florida Department of Business and Professional Regulation; Division of Pari-Mutuel Wagering;

World Casino Directory; Isle of Capri financials; Miami Jai-Alai financials

¹ 12 months ended June 2014 (\$ in millions)

² Poker tables, closed poker operations on June 30, 2014

CHURCHILL DOWNS
INCORPORATED

Market overview – Fair Grounds Race Course & Slots (New Orleans, LA)

New Orleans gaming market

Commentary

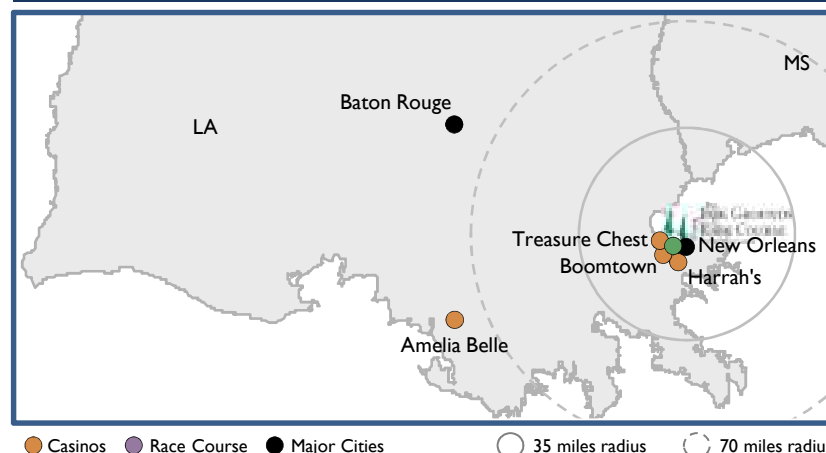
- New Orleans is a major U.S. port and metropolitan area in the state of Louisiana and is located on the Mississippi River. It is a major tourist destination, known for its various entertainment attractions
 - New Orleans population: 1,227,096¹
 - New Orleans unemployment rate: 5.1%²
 - Large energy hub due to its proximity to the Gulf of Mexico
- Fair Grounds Race Course & Slots was acquired in 2004
 - The 3rd oldest racetrack in North America (established 1872)
 - Located on 145 acres just minutes from the French Quarter
 - Features 620 slot machines, ~770 video poker machines, and a network of 12 Off Track Betting facilities around New Orleans
 - In addition to hosting the New Orleans Jazz Festival, the track is home to Kentucky Derby prep races, including the Louisiana Derby



¹ US Census Bureau 2012 estimate: New Orleans / Metairie, LA

² Bureau of Labor Statistics estimate: New Orleans / Metairie / Kenner (as of January 2014)

Regional overview



Competitive overview

2013 / 2014 Figures ¹ :						
Land-Based Licenses		Slots	Tables	Admissions (mm)	Total AGR	Fee Remittance
Fair Grounds Race Course & Slots²	LA	620	-	0.7	\$45.9	\$37.6
Harrah's New Orleans	LA	2,506	105	5.0	66.3	54.4

2013 Figures ¹ :						
Riverboat Licenses		Slots	Tables	Admissions (mm)	Total AGR	Fee Remittance
Amelia Belle	LA	+800	7	0.7	\$52.9	\$11.4
Boomtown	LA	1,470	40	1.5	124.8	26.8
Treasure Chest	LA	1,000	50	1.1	105.7	22.7

Source: Louisiana Gaming Control Board; World Casino Directory; BYD financials

¹ 12 months ended June 2014 (\$ in millions) for land-based, June 2013 for Riverboats

² Has ~770 video poker machines in addition to 620 slots

CHURCHILL DOWNS
CORPORATION

Market overview – Harlow's Casino Resort & Hotel (Greenville, MS)

Central River County Mississippi gaming market

Commentary

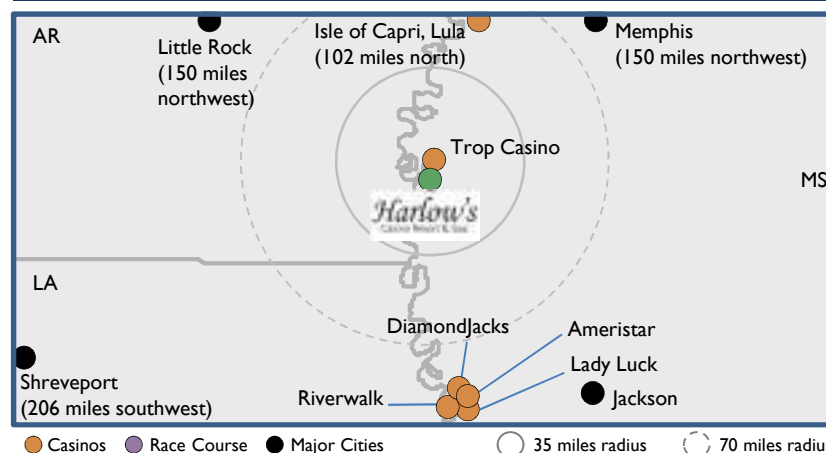
- Greenville is a city in Washington County, Mississippi, sandwiched between the Memphis and Jackson MSAs. It lies on the eastern bank of Lake Ferguson, one of three major gaming markets in the state
 - Memphis / Jackson population: 1,341,690 / 576,800¹
 - Memphis / Jackson unemployment growth: 8.4% / 6.1%²
 - Mature gaming market with over ten years of operating history
- Harlow's was acquired in December 2010 for \$140 million
 - ~750 Slot Machines; 13 table games & poker room
 - 105-room attached hotel (50% rooms renovated in 2012)
 - 69 acres of leased land (long-term lease)
 - Multipurpose event center
 - \$15 million in renovations of new amenities in January 2013



¹ US Census Bureau 2012 estimate: Memphis, TN-MS-AR & Jackson, MS

² Bureau of Labor Statistics estimate: Memphis & Jackson (as of January 2014)

Regional overview



Competitive overview

	City	Slots	Tables	Total Employees	Gaming Sq Ft	Hotel Rooms	Total Parking
Harlow's	Greenville	748	13	439	33,000	105	1,500
Riverwalk	Vicksburg	745	14	397	25,000	80	748
Trop Casino	Greenville	401	7	157	21,318	40	386
Ameristar	Vicksburg	1,550	27	713	72,210	149	3,063
DiamondJacks	Vicksburg	653	13	326	28,000	122	631
Horizon	Vicksburg	N/A	N/A	N/A	N/A	N/A	N/A
Lady Luck	Vicksburg	591	8	293	25,000	89	948

Source: Mississippi Gaming Commission

Note: Figures as of June 2014

Market overview – Riverwalk (Vicksburg, MS)

Central / Southern River County Mississippi gaming market

Commentary

- Vicksburg, Mississippi is located in Warren County, Mississippi. Vicksburg is the 16th largest city in the state, 234 miles northwest of New Orleans and 40 miles west of the state capital, Jackson
 - Jackson population: 576,800¹
 - Jackson unemployment rate: 6.1%²
 - Attractive Mississippi tourist destination with landmark civil war battlefield
- Riverwalk was acquired in October 2012 for \$146mm
 - Opened in October 2009
 - Market share consistently grown due to easy navigation gaming floor, superior aesthetics, aggressive marketing program
 - Less than one mile from Interstate 20
 - ~750 slot machines; 22 table games
 - 80-room hotel; 22 acres of land; 5,600 square foot event center

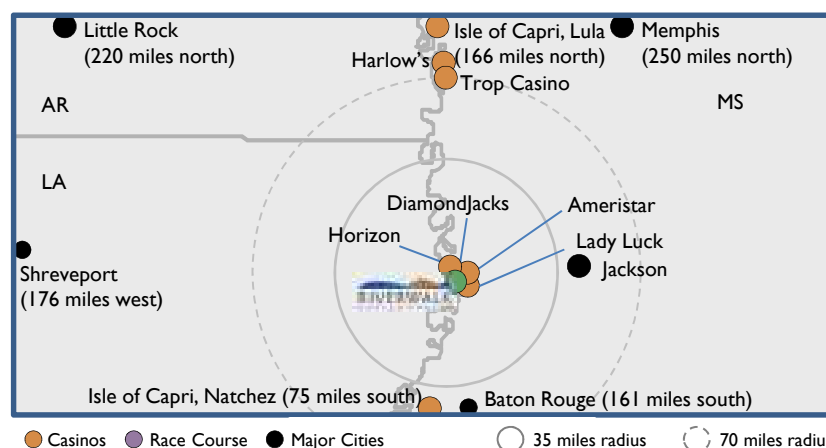


Source: Company presentation 9/9/13

¹ US Census Bureau 2012 estimate: Jackson, MS

² Bureau of Labor Statistics estimate: Jackson (as of January 2014)

Regional overview



Competitive overview

	City	Slots	Tables	Total Employees	Gaming Sq Ft	Hotel Rooms	Total Parking
Riverwalk	Vicksburg	745	14	397	25,000	80	748
Harlow's	Greenville	748	13	439	33,000	105	1,500
Ameristar	Vicksburg	1,550	27	713	72,210	149	3,063
Diamond Jacks	Vicksburg	653	13	326	28,000	122	631
Horizon	Vicksburg	N/A	N/A	N/A	N/A	N/A	N/A
Lady Luck	Vicksburg	591	8	293	25,000	89	948
Trop Casino	Greenville	401	7	157	21,318	40	386
Isle of Capri	Natchez	562	6	218	17,634	126	908
Magnolia Bluffs	Natchez	505	16	234	16,032	0	427

Source: Mississippi Gaming Commission; Company Investor Presentation

Note: Figures as of June 2014

CHURCHILL DOWNS
CORPORATION

Market overview – Oxford Casino (Oxford, ME)

Portland, Maine gaming market

Commentary

- Oxford is located 140 miles northwest of Boston, MA, 125 miles from Manchester, NH, and 35 miles northwest of Portland, ME
 - Portland population: 518,117¹
 - Portland median household income (2007-2011): \$45,153²
 - Portland unemployment rate: 5.4%³
- Acquired Oxford Casino in July 2013 for approximately \$160mm
 - Completed expansion in October 2012 adding 260 slots / 10 tables to bring total of 789 slots / 22 tables
 - \$3.2mm expansion project announced after acquisition closing – completed in December 2013 adding 46 slots and 4 table games
 - Captive market due to lack of nearby competition

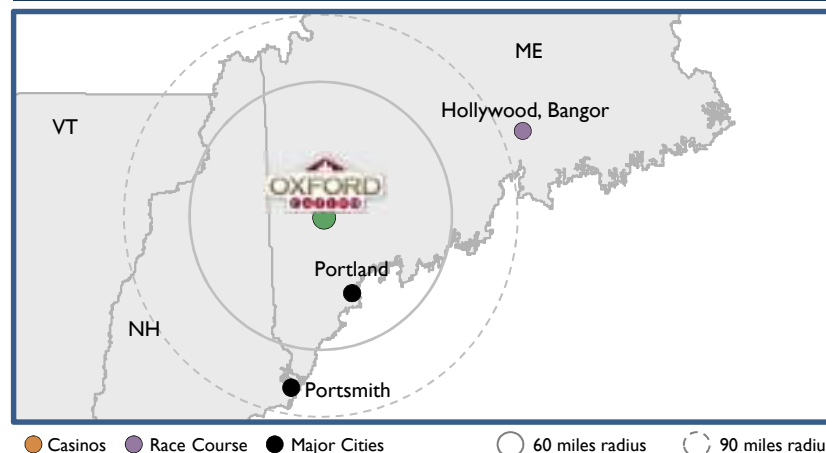


¹ US Census Bureau 2012 estimate: Portland / South Portland, ME

² US Census Bureau 2007-2011 estimate: Portland

³ Bureau of Labor Statistics estimate: Portland (as of January 2014)

Regional overview



Competitive overview

		Slots	Tables	Slot Net Revenue ¹	Table Win ¹	Total distributions ¹
Oxford	ME	858	26	\$39.83	\$10.0	\$18.3
Hollywood, Bangor	ME	900	16	31.1	5.1	10.6

Source: Maine Gambling Board

Note: Figures as of August 2014

¹ 8 months ended August 2014 (\$ in millions)

Market overview – Miami Valley Gaming & Racing (Lebanon, OH)

Cincinnati / Dayton gaming market

Commentary

- Lebanon is located in Warren County, ~30 miles outside of Cincinnati
 - Cincinnati / Dayton population: 2,128,603 / 800,972¹
 - Warren County median household income: \$71,961²
 - Cincinnati / Dayton unemployment rate: 6.8% / 7.5%³
- On December 12, 2013, Churchill Downs with joint venture partner - Delaware North Companies opened Miami Valley Gaming & Racing to public – ahead of original 1Q 2014 planned opening
 - Total investment of \$256 mm by JV (CDI share 50%)
 - JV purchased Lebanon Raceway harness racing license
 - New location features an on site Video Lottery Terminal (“VLT”) facility with 1,600 slots and a 5/8-mile harness racing track

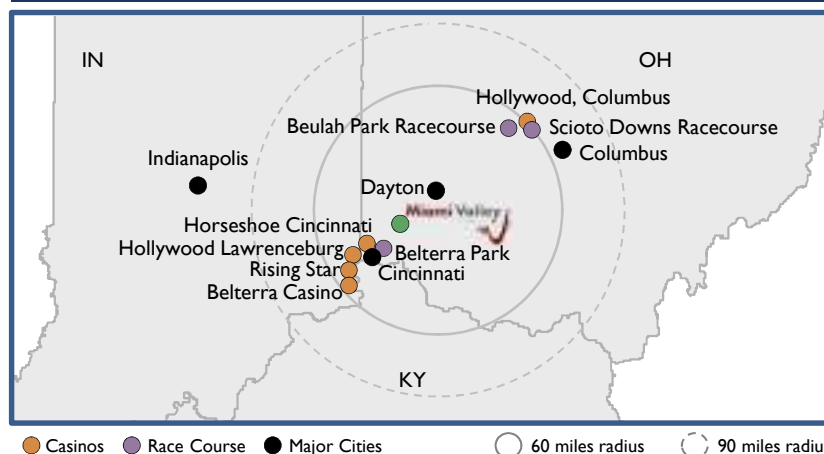


¹ US Census Bureau 2012 estimate: Cincinnati, OH-KY-IN & Dayton, OH

² US Census Bureau 2007-2011 estimate: Warren County & Dayton

³ Bureau of Labor Statistics estimate: Cincinnati / Middletown & Dayton (as of January 2014)

Regional overview



Competitive overview

		Slots	Tables	Total AGR ¹	Table AGR ¹	Slot AGR ¹
Miami Valley Gaming	OH	1,595	N/A	\$43.7	N/A	\$43.7
Horseshoe Cincinnati	OH	1,928	117	\$118.3	\$41.9	\$76.4
Hollywood, Columbus	OH	2,261	114	122.7	40.9	81.8
Hollywood, Lawrenceburg	IN	2,399	90	166.0	N/A	N/A
Rising Star	IN	1,215	30	48.0	N/A	N/A
Belterra Park	OH	1,471	N/A	6.2	N/A	6.2
Scioto Downs Racecourse	OH	2,103	N/A	89.2	N/A	89.2

Source: Ohio Casino Control Commission; Wall Street research

Note: Figures as of July 2014 for OH casinos, December 2013 for IN properties, June 2014 for Racinos

¹ AGR stands for Adjusted Gross Revenue; 7 months ended July 2014 (\$ in millions) for OH casinos, 12 months ended June 2014 for OH racinos, 12 months ended Dec 2013 for properties.

Miami Valley opened in Dec 2013, Belterra Park opened in May 2014

CHURCHILL DOWNS
CORPORATION