



# CHURCHILL DOWNS

INCORPORATED

## 2012 Shareholders' Meeting

June 14, 2012

Churchill Downs Racetrack

Louisville, KY



# New Corporate Office

600 North Hurstbourne Parkway • Louisville, Kentucky



## Forward-Looking Statements

*In addition to historical facts or statements of current conditions, this document contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that include projections, estimates, expectations or beliefs about future events, results or outcomes, or otherwise are not statements of historical fact. The actual performance of the Company may differ materially from what is projected in such forward-looking statements.*

*Investors should refer to statements included in reports filed by the Company with the Securities and Exchange Commission for discussion of additional information concerning factors that could cause the Company's actual results of operations to differ materially from the forward-looking statements made in this document and related presentation.*

*The information being provided today is as of this date only and Churchill Downs Incorporated expressly disclaims any obligation to release publicly any updates or revisions to these forward-looking statements to reflect any changes in expectations.*

## Today's Topic: Building CDI's profitable growth portfolio

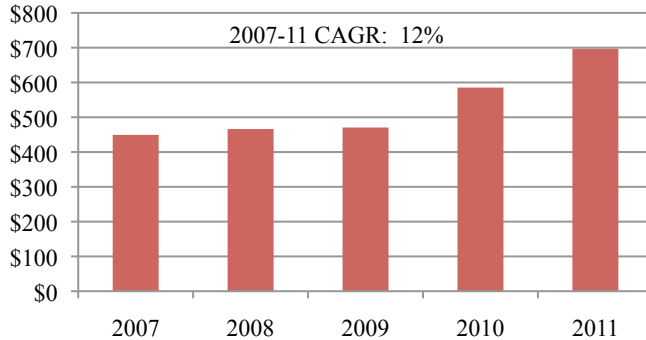
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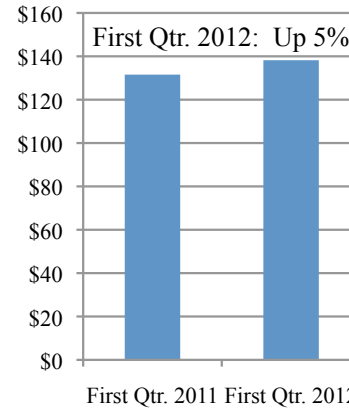
## Net revenues set an all-time record in 2011

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**Net Revenues**  
(Millions of Dollars)



**Net Revenue growth continued in  
2012's first quarter**  
(Millions of Dollars)



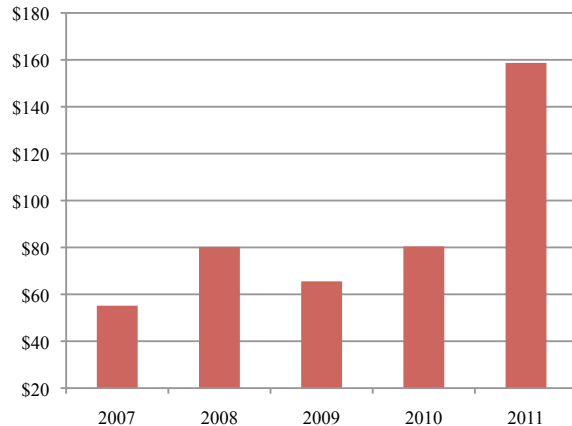
CAGR is compound annual growth rate.



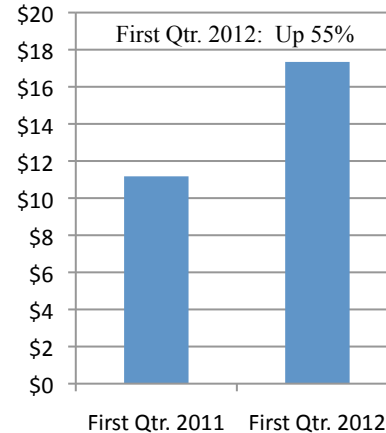
## EBITDA also set an all-time record in 2011

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**EBITDA**  
(Millions of Dollars)



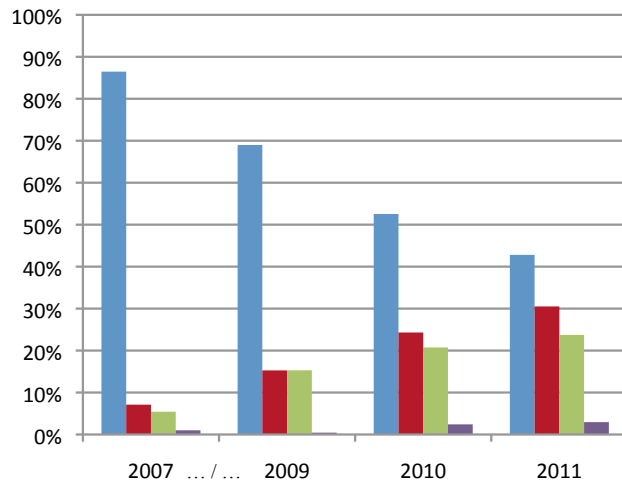
**EBITDA growth continued in  
2012's first quarter**  
(Millions of Dollars)



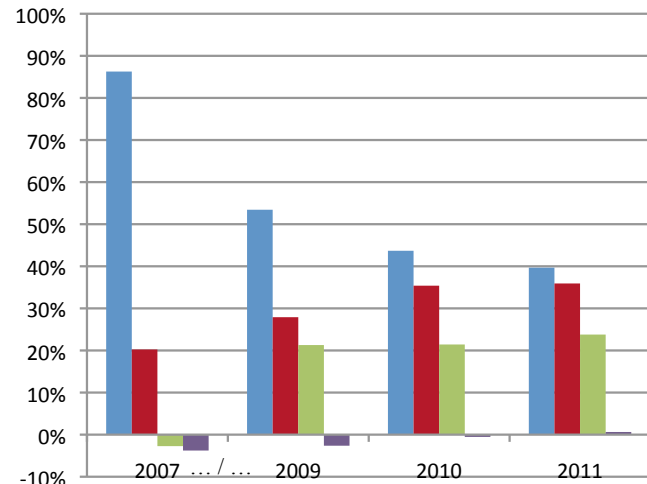
*EBITDA is earnings before interest, taxes, depreciation and amortization, a measure of profitability used by some of the financial analysts who follow CDI in making their determination of the value of CHDN common stock.*

## Net revenues and EBITDA have grown because we have diversified

Percent of Total Net Revenues



Percent of Total EBITDA



Business  
Segment

Racing

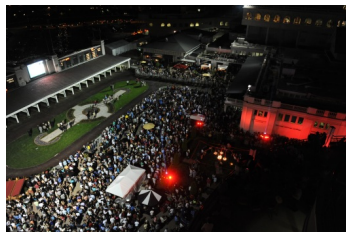
Gaming

Online

Other

# We continue to invest in building our future growth portfolio

## Racing



Downs After Dark

## Gaming



Lebanon, Ohio Joint Venture



Rebuilt Harlow's

Slots at Arlington Park and/or  
Churchill Downs

Additional casino acquisitions  
or joint ventures

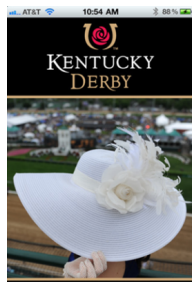
## Online



# Top-flight racing combined with entertainment continues to grow

## Kentucky Derby Records in 2012

- Record KY Derby Attendance (165,307)
- Record All-Sources, Full-Card KY Derby Handle (\$187.0 million)
- Second Highest KY Oaks Attendance (112,552) despite weather
- Record All-Sources, Full-Card KY Oaks Handle (\$39.9 million)
- Record EBITDA (up \$4.5 - \$5.5 million versus 2011)



**200,000 Have Downloaded the Kentucky Derby iPhone and Android App**

## Kentucky Oaks & Derby Sponsor Growth

Sponsor Category	2009	2010	2011	2012
KY Derby Presenting	Yum! Brands	Yum! Brands	Yum! Brands	Yum! Brands
Bourbon	Woodford Reserve	Woodford Reserve	Woodford Reserve	Woodford Reserve
Soft Drink	Pepsi	Pepsi	Pepsi	Pepsi
Beer	Bud Select	Bud Select	Bud Select	Stella Artois
Auto/Truck	-	Dodge Ram	Dodge Ram	Dodge Ram
Apparel	-	-	Vineyard Vines	Vineyard Vines
Watch / Timekeeper	-	-	Longines	Longines
Vodka	-	-	-	Grey Goose
Champagne	-	-	-	Moët

To get your FREE copy of the KY Derby App, go to your iTunes or Android store and search "Kentucky Derby."



# **400,000 people have attended a Churchill Downs night racing event**

## **KY Oaks & Derby Week Opening Night 2012**



*Early in the evening it was nice...  
...later in the evening it was less nice*



## **Racing Plus Entertainment Works**



**Attendance for the 15 night  
racing events since 2009  
has averaged 26,000, over  
3-times the attendance on  
the equivalent day.**

## Hope to complete construction of Ohio JV gaming/racing property in 2013



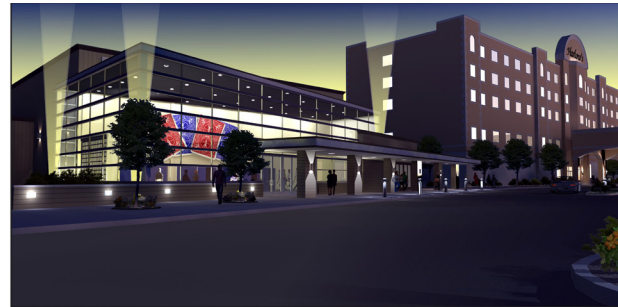
*Conceptual rendering, subject to change and regulatory approvals.*

# **Reconstruction of Harlow's should be completed around year-end 2012**

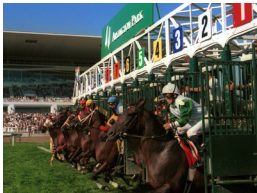
**Harlow's Today - June 2012**



**The "New" Harlow's - Early 2013**



**We continue to pursue other gaming opportunities**



*Slots at Arlington Park*



*Slots at Churchill Downs*

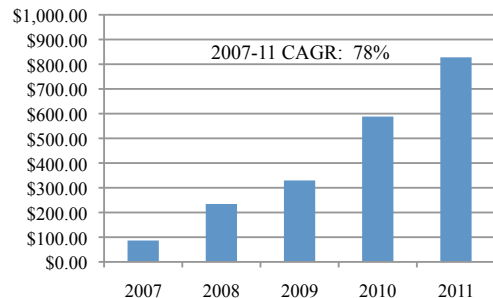


*Other Acquisitions and Joint Ventures*

## Twinspires.com continues to grow as fans embrace online wagering

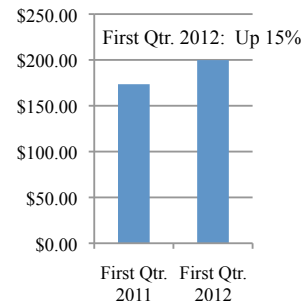
### Twinspires.com Handle

(Millions of Dollars)

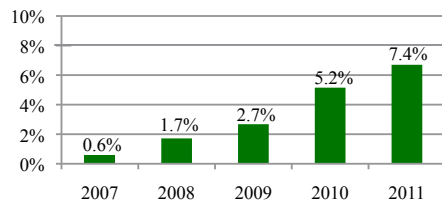


### Twinspires.com handle growth continued in 2012's first quarter

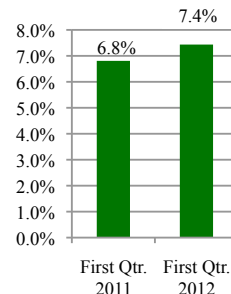
(Millions of Dollars)



### Twinspires.com Handle as % of Total U.S. Handle



### Twinspires.com continued to grow as a % of total U.S. handle in 2012's first quarter





We hope to launch our new online business, **Luckity.com**, this summer

Some initial Luckity.com games



*Real Fun. Real Cash.*



*Go to Luckity.com today, leave your email address, and we'll send you more information soon!*

# Building Bluff.com to serve the online poker customer, when legalized



Past Magazine Issues  
Latest Poker News  
Player Rankings  
Tweets



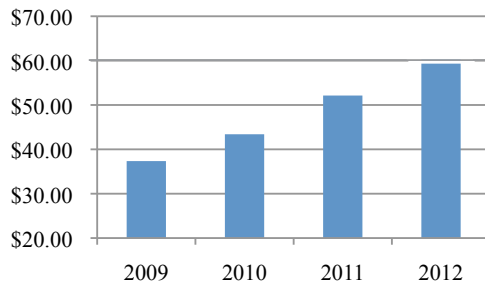
Get your **FREE** copy of the Bluff Mobile App by visiting your iTunes or Android store and search for "Bluff Mobile."

# Growth benefits shareholders, employees, racing & our communities

Growth means stock price appreciation plus dividend increases for our shareholders.

## Year-End Closing CHDN stock price

(2012 price as of June 8)



Dividend Rate per share    \$0.50    \$0.50    \$0.50    \$0.60

20% Increase ↑

Growth means greater and more diverse career opportunities for our employees.

Growth of our Gaming business generated \$24.8 million in purses in 2011 for our racetracks.

Growth means more charitable contributions and tax revenues for our communities.



## CDI donated over \$2.6 million to charities supporting our communities in 2011

(Selected charities shown below)



Taxes Paid by CDI	2011
Racing taxes	\$21.8 mil.
Gaming taxes	\$52.0 mil.
Income, payroll & property taxes	\$42.9 mil.
Total taxes	\$116.7 mil.

# CDI: Racing, Gaming & Entertainment Delivered Onsite & Online

**DOWNS  
AFTER DARK**

  **CHURCHILL DOWNS**  
Nowhere else.

 **FINLANDIA**  
VODKA OF FINLAND

ChurchillDowns.com    Must be 18+ to enter (or accompanied by a responsible adult) and 21+ to drink. Always enjoy responsibly.    Find us on  

**SATURDAY, JUNE 2**    **SATURDAY, JUNE 16**    **SATURDAY, JUNE 30**

 **Remix**     **Desert Oasis**     **the white party**