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Churchill Downs Incorporated Completes Acquisition of Minority Stake in Saratoga Harness Racing, Inc.'s New York Assets

LOUISVILLE, Ky. and SARATOGA SPRINGS, N.Y., Oct. 02, 2015 (GLOBE NEWSWIRE) -- Churchill Downs Incorporated (NASDAQ:CHDN) (CDI or Company) and Saratoga Harness Racing, Inc. (SHRI) have completed the previously announced transaction whereby CDI has acquired a 25 percent membership interest in Saratoga Casino Holdings, LLC (SCH) for approximately \$24.8 million. SCH is a newly formed entity that includes Saratoga Casino and Raceway in Saratoga Springs, N.Y. and a 50 percent interest in a joint venture with Delaware North Companies to manage the Gideon Putnam Hotel and Resort in Saratoga Springs, N.Y. Saratoga Casino and Raceway includes the \$40 million hotel expansion under construction and scheduled to open late spring 2016. The purchase price remains subject to final adjustments for SCH's working capital related to the transferred New York operations.

Given that regulatory approvals for the transfer of SHRI's controlling interest in Saratoga Casino Black Hawk in Black Hawk, Colo. are expected to require several more months, CDI and SHRI have amended their purchase agreement to split the closing of their transaction for SHRI's New York and Colorado properties. Upon receipt of applicable approvals from the Colorado Division of Gaming, SHRI will contribute its controlling interest in Saratoga Casino Black Hawk in Black Hawk, Colo. to SCH. At such time, CDI will pay the remainder of the purchase price to SHRI of approximately \$6.4 million for CDI's pro-rata ownership of Colorado operations, subject to adjustments for working capital.

ABOUT CHURCHILL DOWNS INCORPORATED

Churchill Downs Incorporated (CDI) (NASDAQ:CHDN), headquartered in Louisville, Ky., owns the world-renowned Churchill Downs Racetrack, home of the Kentucky Derby and Kentucky Oaks, as well as casino operations in Miami Gardens, Fla.; racetrack, casino and video poker operations in New Orleans, La.; racetrack operations in Arlington Heights, Ill.; a casino resort in Greenville, Miss.; a casino hotel in Vicksburg, Miss.; a casino in Oxford, Maine; and a 50 percent owned joint venture, Miami Valley Gaming and Racing LLC, in Lebanon, Ohio. CDI also owns Big Fish Games, Inc., one of the world's largest producers and distributors of casual games; the country's premier online wagering company, TwinSpires.com; the totalisator company, United Tote; and a collection of racing-related telecommunications and data companies. Additional information about CDI can be found online at www.churchilldownsincorporated.com.

About Saratoga Harness Racing, Inc.

Saratoga Harness Racing, Inc. is the Northeast's premier racing and gaming company, and one of the Capital Region's largest employers, boasting a \$15 million annual payroll and 630 employees at its Saratoga Springs facility. SHRI traces its history to June 1941 with the start of harness racing at the nation's third oldest harness track. Today, Saratoga Harness Racing, Inc. operates gaming, racing and entertainment venues in three states, including Saratoga Casino Black Hawk in Colorado, Ellis Park in Kentucky and the Gideon Putnam Hotel and Resort in Saratoga Springs, N.Y.

Information set forth in this discussion and analysis contains various "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 made in this Quarterly Report on Form 10-Q 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," "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 impact of increasing insurance costs; the impact of interest rate fluctuations; maintaining favorable relationships we have with third-party mobile platforms, the inability to secure new content from third-party developers on favorable terms, keeping our games free from programming

errors or flaws, the effect if smart phone and tablet usage does not continue to increase; the financial performance of our racing operations; the impact of casino 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; costs associated with customer relationship management initiatives; a substantial change in law or regulations affecting pari-mutuel or casino 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 in those states; the presence of wagering and casino 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 acquisitions and planned expansion projects including the effect of required payments in the event we are unable to complete acquisitions; 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 Big Fish Games or TwinSpires to prevent security breaches within their 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 or anticipated 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 limitation, agreements on sharing of revenues from casinos and advance deposit wagering); the effect of claims of third parties to intellectual property rights; and the volatility of our stock price.

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