

May 2, 2015

## **Record Breaking 170,513 Fans Watch American Pharoah Take Home 141st 'Run for the Roses' in the Final Stretch**

### **Highest All-Time Wagering From All-Sources on Both the Kentucky Derby Day Program and the Kentucky Derby Race**

LOUISVILLE, Ky., May 2, 2015 (GLOBE NEWSWIRE) -- It was ideal weather for the 141<sup>st</sup> running of the \$2 million Kentucky Derby Presented by Yum! Brands as a record 170,513 fans, the highest attendance in Derby history, watched *American Pharoah* take home the garland of roses in the final stretch. Prior attendance record of 165,307 was set in 2012 when *I'll Have Another* won the 138<sup>th</sup> Kentucky Derby.

Wagering from all-sources was the highest all-time on both the Kentucky Derby Day program and on the Kentucky Derby race.

Wagering from all-sources on the Kentucky Derby Day program totaled \$194.3 million, an increase of 4% over the 2014 total of \$186.6 million, and an increase of 4% over the previous record set in 2012 of \$187.0 million. Wagering from all-sources on the Kentucky Derby race increased 7% to \$137.9 million from 2014's \$129.2 million and a 4% increase over the previous record set in 2012 of \$133.1 million.

On-track wagering on the Kentucky Derby program of \$23.0 million declined 2% from \$23.4 million in 2014. On-track wagering on the Kentucky Derby race totaled \$12.0 million, an increase of 1% over 2014's \$11.9 million.

Churchill Downs returned \$154.3 million to bettors on the Kentucky Derby Day race program. Additionally, purses earned from the Kentucky Derby Day race program approximated \$10.7 million that will be paid out to horsemen during the remainder of the 2015 race meets.

### **RACE COMMENTARY**

"We congratulate the connections of American Pharoah on his victory in this year's 141<sup>st</sup> running of the Kentucky Derby Presented by Yum! Brands," said Kevin Flanery, president of Churchill Downs Racetrack. "It was truly a team effort here at Churchill Downs and I want to thank the horses, jockeys, trainers, owners and employees who created an extraordinary opening week and an unforgettable Derby day. We look forward to an impressive 2015 Spring Meet."

### **BUSINESS COMMENTARY**

"The Kentucky Derby is an awe-inspiring spectacle and all of us who work here feel privileged to be a part of this experience," said Bill Carstanjen, CEO of Churchill Downs Incorporated. "We saw continued improvement again this year and we preliminarily expect record Adjusted EBITDA with growth over last year's Kentucky Oaks and Derby week of \$5.0-to-\$6.5 million."

### **TWINSPIRES**

Bettors took full advantage of TwinSpires.com and the new TwinSpires app for iOS devices to handicap, place wagers, and watch live races. For Derby Day, TwinSpires, the country's leading online betting platform, handle on all Churchill Downs races for the Kentucky Derby Day program totaled \$20.8 million, up 17% over \$17.8 million in 2014. For the Kentucky Derby race itself, handle totaled a record \$13.2 million on TwinSpires, up 17% from \$11.3 million in 2014.

### **DERBY WEEK**

All-sources handle for Opening Night, Saturday, April 25, through Derby Day, Saturday, May 2, rose to a record \$263.3 million, up 4% from 2014's \$253.8 million, and 2% over the record set in 2013. Attendance for those five days was a record, up 5% to 365,006 from 348,530 in 2014 and up 1.5% over the previous record set in 2011.

### **DERBY WINNER**

*American Pharoah*, owned and bred in Kentucky by Ahmed Zayat, passed runner-up *Firing Line* in deep stretch to win by a length as the 5-2 favorite, returning \$7.80 for each \$2 win wager. Trainer Bob Baffert won for the fourth time with prior victories

coming in 1997 with *Silver Charm*, 1998 with *Real Quiet*, and 2002 with *War Emblem*. Baffert also saddled third-place finisher *Dortmund*. It was the third Kentucky Derby triumph for jockey Victor Espinoza, who won the race in 2002 aboard *War Emblem* and last year on *California Chrome*. The winner covered 1 ¼ miles over a fast track in 2:03.02 for his fifth consecutive win and his fifth victory in six career races. The victory was worth \$1.4 million and increased *American Pharoah's* earnings to \$2.8 million.

**NOTE:** Churchill Downs Incorporated uses Adjusted EBITDA, which the Company implemented during the nine months ended September 30, 2013, as a key performance measure of results of operations for purposes of evaluating performance internally. The Company believes the use of this measure enables management and investors to evaluate and compare, from period to period, the Company's operating performance in a meaningful and consistent manner. This non-GAAP measurement is not intended to replace the presentation of the Company's financial results in accordance with GAAP.

## **ABOUT CHURCHILL DOWNS RACETRACK**

Churchill Downs, the world's most legendary racetrack, has conducted Thoroughbred racing and presented America's greatest race, the Kentucky Derby, continuously since 1875. Located in Louisville, the flagship racetrack of Churchill Downs Incorporated (Nasdaq:CHDN) also operates Trackside at Churchill Downs, which offers year-round simulcast wagering at the historic track. The 2015 Spring Meet at Churchill Downs runs from April 25-June 27. The track has hosted the Breeders' Cup World Championships a record eight times. Information about Churchill Downs can be found on the Internet at [www.ChurchillDowns.com](http://www.ChurchillDowns.com).

## **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 racetrack and 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; Bluff Media, an Atlanta-based multimedia poker company; and a collection of racing-related telecommunications and data companies. Additional information about CDI can be found online at [www.churchilldownsincorporated.com](http://www.churchilldownsincorporated.com).

*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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