

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

December 4, 2013  
(Date of Earliest Event Reported)

**CHURCHILL DOWNS**  
I N C O R P O R A T E D

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))-2-

**Item 7.01 Regulation FD Disclosure.**

Churchill Downs Incorporated (CDI) (NASDAQ: CHDN), Executive Vice President and Chief Financial Officer, William E. Mudd along with CDI's Vice President of Finance and Treasurer, Mike Anderson, will participate in the Wells Fargo Securities 2013 Boston Gaming Conference on Thursday, December 5, 2013.

Mudd and Anderson will participate in small group sessions and one-on-one meetings. A copy of presentation notes will be available on Wednesday, December 4, 2013 beginning at 8 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  |
| 99.1 | Wells Fargo Securities 2013 Boston Gaming 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.

December 4, 2013

**CHURCHILL DOWNS INCORPORATED**

/s/ Alan K. Tse

By: Alan K. Tse

Title: Executive Vice President, General Counsel and Secretary

**Wells Fargo Securities  
2013 Boston Gaming Forum  
Boston, MA**

Prepared For: Investor Relations (NASDAQ: CHDN)

*December 5, 2013*

Bill Mudd, EVP and CFO  
Mike Anderson, VP Finance & IR

---

## Forward-Looking Statements

*This document 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 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.*

## Forward-Looking Statements (cont'd)

*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 Florida, Illinois and Louisiana 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 and gaming activities; a substantial change in allocation of live racing days; changes in Kentucky, Florida, Illinois or Louisiana 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.*

## Key investment highlights

### Diversified business model

- Iconic Kentucky Oaks & Derby Brands continue to set all-time records
- ~6,700 gaming positions at six casinos (including Ohio joint venture in 4Q 2013) and 10 OTBs
- Largest legal Online gaming platform in the U.S. showing strong organic growth

### Proven management team

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

### Organic growth opportunities

- Kentucky Oaks & Derby new high-end seating, seat pricing, sponsorships,
- Opening of Miami Valley Gaming JV with Delaware North in December 2013
- Options on gaming expansion in Illinois and Kentucky
- U.S. states continue to liberalize online gaming legislation

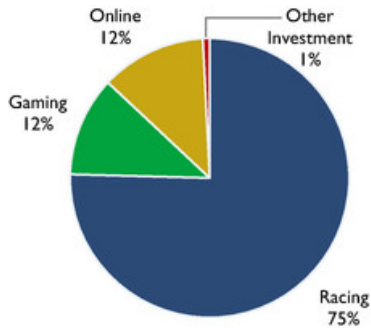
### Strong Financial Performance & Balance Sheet

- 5 Year Revenue & Adjusted EBITDA CAGR of 11% and 21%, respectively
- Pristine balance sheet backstopped with valuable real estate
- Disciplined maintenance capital spending combined with strong free cash flow generation
- Leverage of ~1.7x<sup>1</sup>

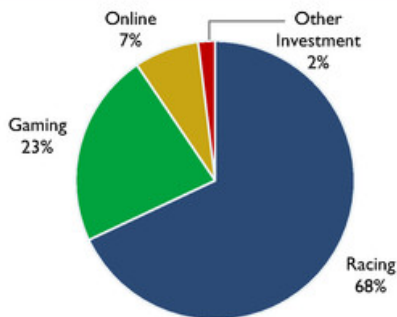
<sup>1</sup> Excluding earnings from Ohio Joint Venture, but includes debt

## Churchill Downs has diversified its business model...

2008 Revenue by business unit

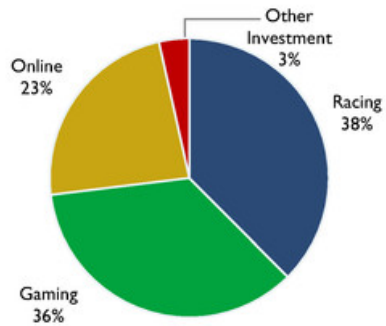


2008 Adj. EBITDA by business unit

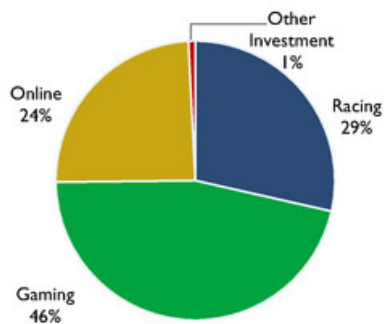


Source: Company filings  
Note: Revenues exclude corporate revenue and eliminations

LTM 9/30/13 Revenue by business unit



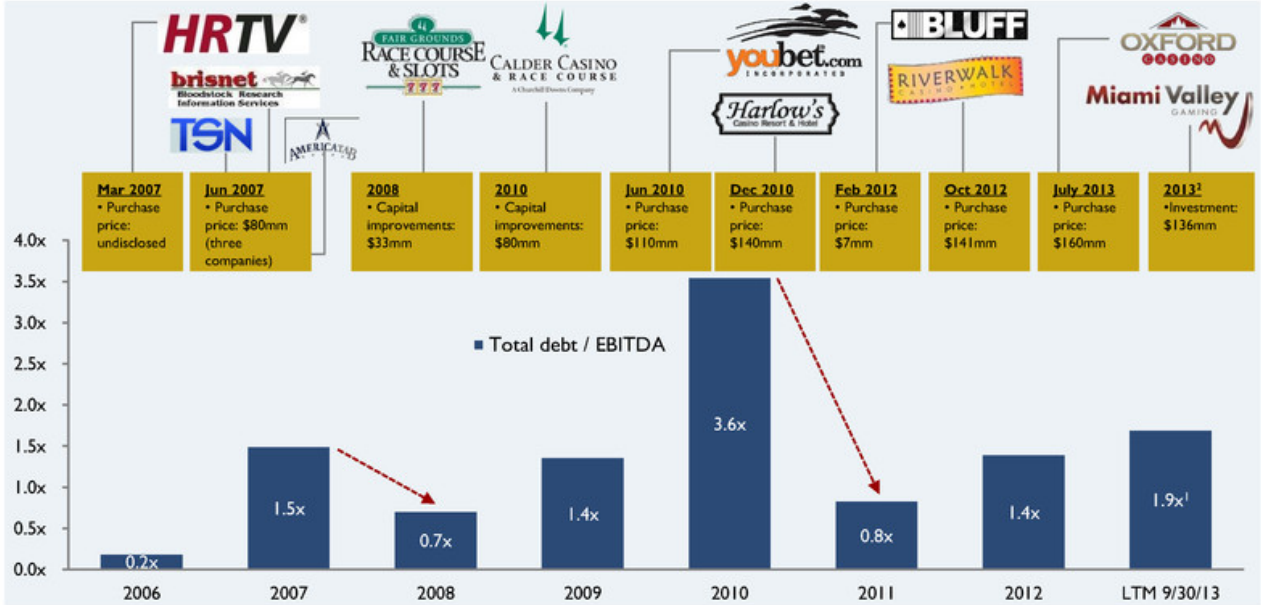
LTM 9/30/13 Adj. EBITDA by business unit



- ❑ Churchill has significantly diversified its revenue mix through acquisitions in the gaming and online business units
- ❑ The acquisition of Oxford Casino and the opening of Miami Valley Gaming (MVG)
- ❑ Further liberalization of state online gaming laws could add meaningful diversification into online poker and casino games

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

Leverage and acquisition history



Source: Company filings

<sup>1</sup> Pro forma leverage based on LTM 9/30/13 unadjusted EBITDA of \$178 million (includes Oxford LTM EBITDA of \$20.9 million)

<sup>2</sup> Miami Valley Gaming investment reflects 50% of the projected joint venture cost of \$272mm with Delaware North Companies; 9/30/13 YTD Churchill investment of \$47mm

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



## Churchill Downs has an experienced management team

### Bob Evans, Chairman & CEO



- ❑ CEO since 2006
- ❑ 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, EVP & CFO



- ❑ CFO since 2007
- ❑ 15 year multi-industry, multi-business background with GE
- ❑ International experience
- ❑ Leads strategic, finance and development teams
- ❑ Former Captain in the U.S. Army Reserves
- ❑ B.A. in Mathematics; M.B.A

### Bill Carstanjen, President & COO



- ❑ President and COO, 8 years with CDI
- ❑ 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 provide significant upside



- ✓ Derby and Oaks
  - ❑ High-end seating expansion and amenities funded through cash flow
  - ❑ Renegotiation of media and presenting sponsor in 2015
- ✓ Ohio Joint Venture
  - ❑ Currently under construction
  - ❑ Scheduled opening December 12, 2013
- ✓ Kentucky gaming
  - ❑ Targeting a 2014 public referendum, assuming legislation passed
  - ❑ If things go well facility would open no earlier than 2017
- ✓ Arlington Park Gaming
  - ❑ Gaming bills passed in two prior legislative sessions, but Governor vetoed both
  - ❑ Will continue to work to get a gaming bill passed and signed by the Governor
  - ❑ Facility would open approx. 18 months after bill passage
- ✓ Internet and mobile gaming
  - ❑ Positioning Bluff brand and developing strategy to function as an online technology operator or affiliate

## Churchill Downs operates in three distinct segments

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



### 1 Racing

	LTM		
(\$ millions)	2011A	2012A	2013
Net Revenues	\$299	\$302	\$284
Adj. EBITDA	\$47	\$54	\$54
Adj. EBITDA Margin	16%	18%	19%

- 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

### 2 Gaming

	LTM		
(\$ millions)	2011A	2012A	2013
Net Revenues	\$213	\$223	\$282
Adj. EBITDA	\$59	\$64	\$79
Adj. EBITDA Margin	28%	29%	28%

- Consists of 6 existing operations with ~4,200 slots, 55 tables, 36 poker tables, 185 hotel rooms, & ~775 video poker machines (includes Oxford Casino acquired in 3Q)
- Acquired Riverwalk Casino in mid-Oct 2012
- Acquired Oxford Casino in Maine for approx. \$160 mil. on July 17, 2013
- Developing a \$272 mil. Racing & Gaming facility as part of 50/50 JV near Lebanon, OH, scheduled to open in December 2013

### 3 Online Business

	LTM		
(\$ millions)	2011A	2012A	2013
Net Revenues	\$165	\$183	\$185
Adj. EBITDA	\$41	\$45	\$48
Adj. EBITDA Margin	25%	24%	26%

- 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; 9/30/13 YTD handle remained flat, organic growth offset by loss of IL handle
- Segment also includes Luckcity.com, equity investment in HRTV and Velocity— high volume int'l customer focus
- Positioned to participate in Online Poker if legalized with the Bluff brand

## Racing Operations: 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 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
- 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

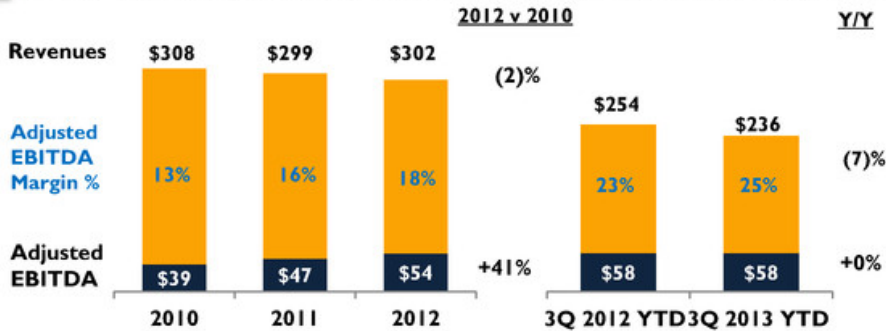


- 145 acres in New Orleans, LA
- Network of 12 OTB's
- Video poker machines in 10 of the OTB's
- Home of the "Louisiana Derby"
- New Orleans Jazz Festival host since 1972

## Racing Operations Adjusted EBITDA has grown despite industry declines

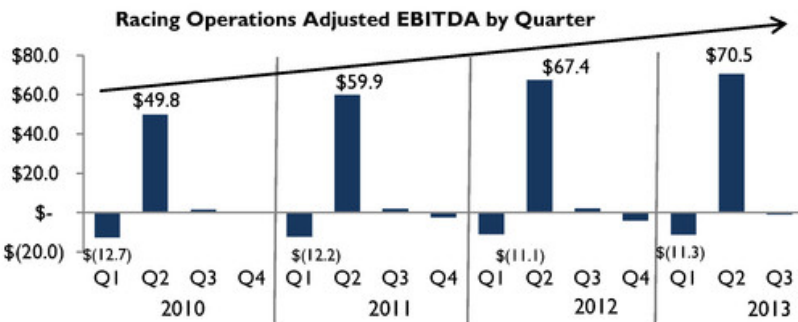
Derby Week, Night Racing & Productivity have increased margin rates

(\$ 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*
  - September 2013 YTD industry handle is flat on 2% fewer live race days
- Despite Industry weakness, Racing Operations Adjusted 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

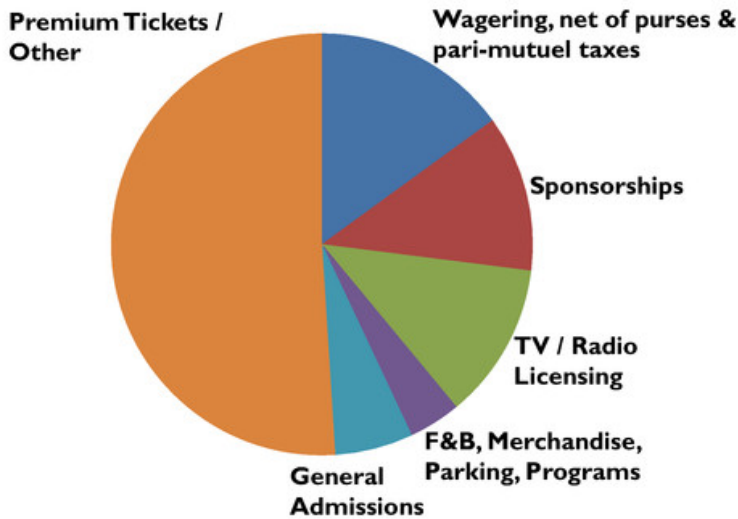


- The Kentucky Derby always occurs on "The First Saturday of May" (our 2<sup>nd</sup> quarter)
- Derby Week Profitability has proven resilient through economic cycles, up ~ \$21 mil. over the last four years
  - 2010 Adjusted EBITDA up \$3.4 mil. Y/Y
  - 2011 Adjusted EBITDA up \$6.4 mil. Y/Y
  - 2012 Adjusted EBITDA up \$5.4 mil. Y/Y
  - 2013 Adjusted EBITDA up \$5.8 mil. Y/Y

## The Kentucky Oaks & Derby profits come from many sources

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

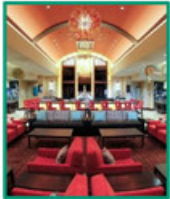
**Sources of Derby Week Profitability**  
(Illustrative Approximations)



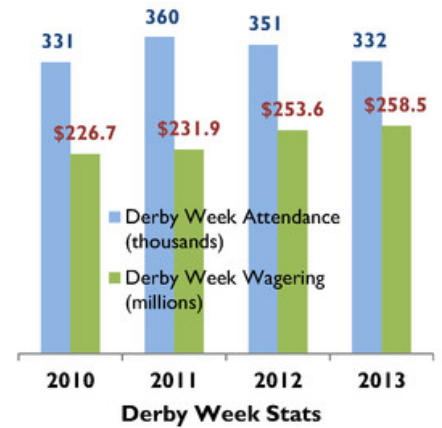
- Premium tickets is the largest Adjusted EBITDA contributor to profitability
  - ~55,000 reserved seats sold in advance, typically sold out in the early part of the year
  - Includes 77 permanent suites which are under 3 to 7 year contracts with staggered expirations
  - Demand for premium tickets exceeds 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 2<sup>nd</sup> 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

## The Kentucky Derby has proven resilience to economic weakness

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



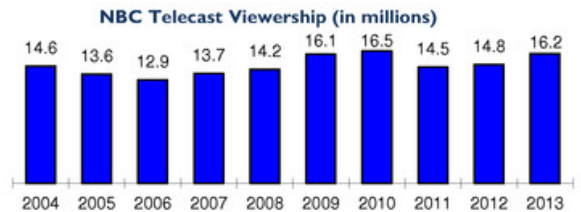
- ☐ Record Derby Week Adjusted EBITDA for the fourth consecutive year, up \$5.8 mil. in Adjusted EBITDA
  - Kentucky Derby Week Adjusted EBITDA has increased ~ \$21 mil. over the past 4 years
  - Despite dismal weather on both Opening Night and Derby Day, Derby Week economics still strong with all-sources 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 139  
Churchill Downs May 3, 2013



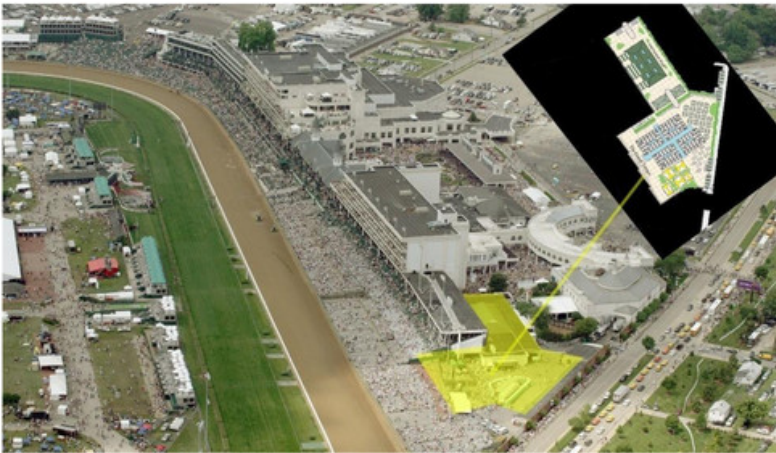
- ☐ Kentucky Oaks records 2<sup>nd</sup> highest attendance, record all-sources wagering up 15% Y/Y
  - Longines, Swiss watchmaker, expands relationship as Entitlement Partner of the Kentucky Oaks in 2013
- ☐ Television ratings 2<sup>nd</sup> highest since 1989
  - 16.2 million viewers is up 9% from 2012, up 12% from 2011
  - Only annual sporting event that draws more female viewers than male, 52% of viewers were women



## 2014 Kentucky Derby growth expected from new venues / seating expansion

*Continued growth and popularity of Kentucky Derby Week fuels expansion efforts*






- In July 2013, we announced a \$14.5 mil. expansion project at Churchill Downs Racetrack
  - New Grandstand Terrace & Rooftop Garden
  - 51,000 square feet of new space
  - Adding ~ 2,400 new reserved seats
  - New amenities serving 20,400 existing seats (37% of reserved seat capacity)





## 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)
 MAJOR LEAGUE BASEBALL	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

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

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
- 1,214 Slot Machines
- 29 Poker Tables



### Harlow's Casino Resort & Spa

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



### Oxford Casino

- Acquired in July 2013 for \$160mm
- Located in Oxford, ME
- 789 slot machines
- 22 table games



### Fair Grounds Slots & Video Poker

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



### Riverwalk Casino Hotel

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



### Miami Valley Gaming

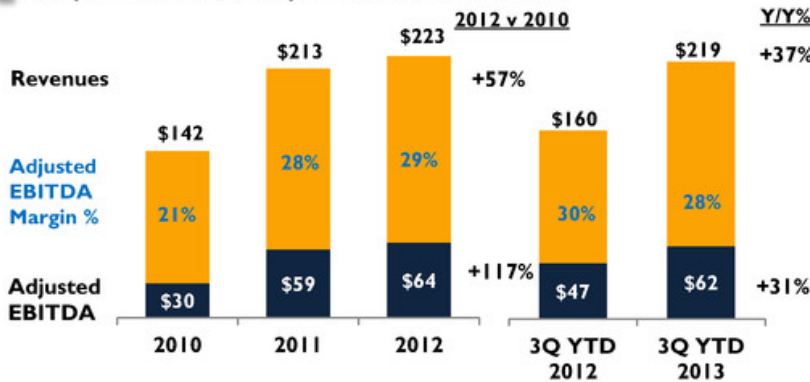
- Joint Venture with Delaware North Companies
- Located in Lebanon, OH (formerly Lebanon Raceway)
- \$272mm total investment split (50/50)
- 1,600 slot machines
- Opening 4Q 2013



## Gaming Adj. EBITDA growth driven by greenfield development & acquisitions

Acquisition & development focused on ROI

(\$ in millions)



- ❑ 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
  - ~800 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)
  - 711 machines, 17 tables, 80-room hotel (at opening)
- ❑ Acquired Oxford Casino in July 2013 (facility opened in June 2012) for approx. \$160 mil.
  - 789 slots & 22 table games
- ❑ "Younger" gaming assets require less maintenance-related cap-ex

### Number of Gaming Positions at Year-End

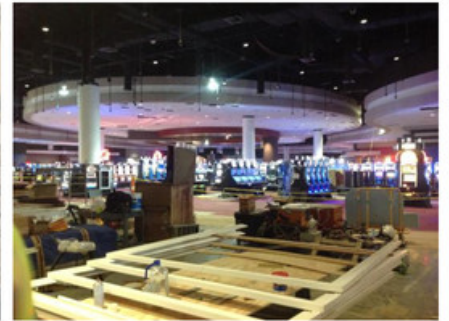


Note: positions as indicated in the 10-K for 2009-2012; 2014 assumes our OH property opens with 1,600 machines and our acquisition of Oxford Maine property adds approx. 800 machines

## New Miami Valley Gaming joint venture opens December 2013

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

- ❑ 1Q 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 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 1<sup>st</sup> 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.)
- ❑ Churchill invested \$46.9 mil. in JV through September 2013, remaining share of investment to be funded by existing credit facility



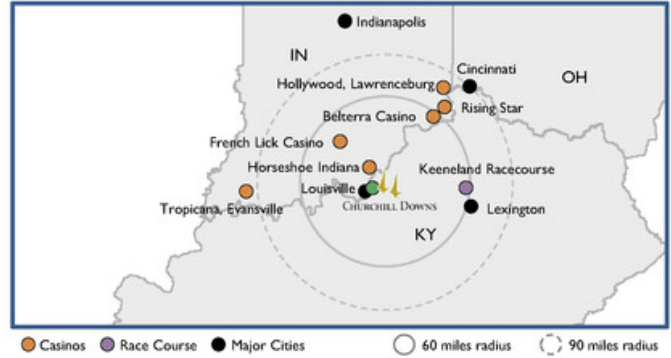
## Kentucky gaming expansion provides significant upside opportunity

Legislative session begins in January with alternative gaming as a major topic

### Commentary

- **Kentucky Wins!** Was created by a group of business leaders to change the debate on expanded gaming in the Commonwealth
- Launched in October, 2013 this organization continues to build momentum heading into the 2014 legislature session
- Three main goals
  - Change the narrative to "Create jobs and revenue for Ky"
  - Show grass roots support of "letting the people decide"
  - Organize a critical mass of business, community and civic leaders to provide cover for politicians to address the issue
- Over 60 business, community and political leaders have signed up as Executive Board members, over 43,000 Facebook "Likes" (Gov. Steve Beshear has ~5,000)
- The Kentucky Constitution requires that the Kentucky General Assembly pass a Constitutional Amendment with 60% approval in both the House & Senate
- House Pro Tem. Larry Clark pre-filed an expanded gaming constitutional amendment and enabling legislation Nov 20<sup>th</sup> allowing a total of 8 casinos with 5 locations for racetracks protected by a 50 mile radius
- 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)
- Should an amendment pass the assembly in 2014, it would be voted on by the public in November 2014

### Regional overview



### Competitive overview

		Slots	Tables	Gaming Sq Ft	Hotel Rooms	Employees	Admissions (mm) <sup>1</sup>	Total Win <sup>1</sup>
Hollywood Lawrenceburg	IN	2,534	91	175,000	300	1,231	2.8	\$334.3
Horseshoe So. Indiana	IN	1,747	106	86,600	503	1,540	2.2	269.6
Belterra	IN	1,436	50	40,200	608	1,024	1.5	140.7
Tropicana Evansville	IN	905	40	38,360	347	852	1.1	115.8
French Lick Casino	IN	1,047	44	49,719	686	1,254	1.0	83.9
Rising Star	IN	1,264	33	40,000	201	675	1.0	79.7

Source: Indiana Gaming Commission  
<sup>1</sup> 12 months ended 6/30/13

## Illinois gaming expansion also provides significant upside

Legislation debate expected to commence once pension reform is completed

### Commentary

- Attractive location .. Arlington Heights is a suburb of Chicago, the commercial hub of the Midwest and 3<sup>rd</sup> largest metropolitan area in the United States
  - ~9 miles from Des Plaines Casino (\$759 win per unit in 2011 according to Wells Fargo research)
  - Train station on property
  - Chicago 2012 population: 7,318,387<sup>1</sup>
  - Chicago median household income: \$47,371<sup>2</sup>
- Illinois Senate passed latest version of gaming expansion, SB 1739, in May 2013, sponsored by Sen. Terry Link
- SB 1739 would allow 5 new casinos, including one in Chicago and permit slot machines at racetracks
- Bill would allow for Class III gaming at racetracks including 1,200 at Arlington Park
- Governor Quinn has softened his opposition to expansion of gaming in recent comments, focusing his energy on a strict regulatory regime and ethical standards for racinos and the proposed Chicago casino
- SB 1739 is pending in the Illinois House, and is expected to see action as soon as the Governor and legislative leaders come to agreement on a solution for the Illinois pension crisis. Due to the overwhelming budget problems in Illinois, we expect both of these issue to be resolved in the very near future.

<sup>1</sup> US Census Bureau 2012 estimate: Chicago / Naperville / Arlington Heights, IL  
<sup>2</sup> US Census Bureau 2007-2011 estimate: Chicago

### Regional overview



### Competitive overview

		Slots	Tables	Admissions <sup>1</sup>	Employees	Gaming So. Ft.	Total Win <sup>1</sup>
Horseshoe, Hammond	IN	3,002	158	4.9	2,072	108,000	\$489.8
Rivers, Des Plaines	IL	783	48	3.8	1,443	43,687	410.1
Ameristar, East Chicago	IN	1,986	39	2.7	1,085	53,492	229.6
Harrah's, Joliet	IL	1,138	33	1.7	941	39,000	206.5
Majestic Star Casino <sup>2</sup>	IN	1,897	79	2.6	1,189	79,571	189.4
Blue Chip	IN	1,946	50	2.4	1,099	65,000	167.9
Hollywood, Aurora	IL	1,172	27	1.3	614	41,384	149.2
Hollywood, Joliet	IL	1,177	22	1.3	758	50,000	140.9
Four Winds	MI	3,000	60	N/A	N/A	124,000	N/A
Potawatomi Bingo Casino	WI	3,100	110	N/A	N/A	38,400	N/A

Source: Illinois Gaming Board; Indiana Gaming Commission; Forest County Potawatomi Community; Michigan Gaming Control Board; Four Winds Casino property profile  
<sup>1</sup> 12 months ended 6/30/13 in millions  
<sup>2</sup> Represents combined figures for Majestic Star Casino I & Casino II

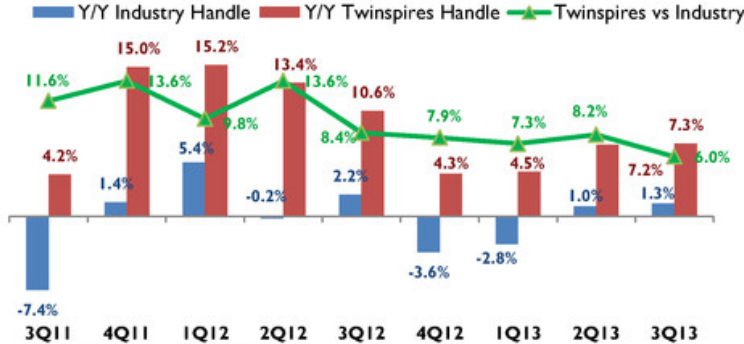
## Online Business has grown organically as customers shift wagering behavior

The Online channel is growing despite industry declines

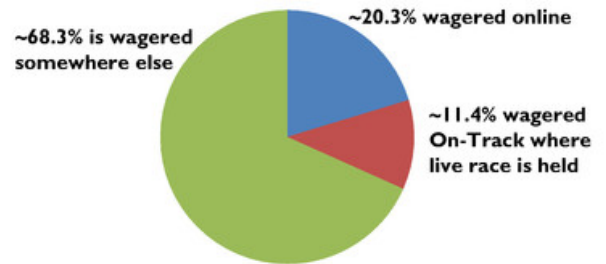


- Online wagering has grown ~8% to ~14% faster than the industry, as customers continue to shift wagering channels due to convenience, accessibility and ease of use
- In 1H 2013, Twinspires.com stopped taking wagers from IL customers as online wagering legislation expired. Excluding IL handle for both periods, online handle increased 6% - outpacing industry by 6.8%
- Twinspires.com resumed online wagering in IL on June 7, 2013 after IL legislators and the Governor passed a new bill to allow online wagering on horseracing
- Churchill 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



### 2012 Wagering by Location

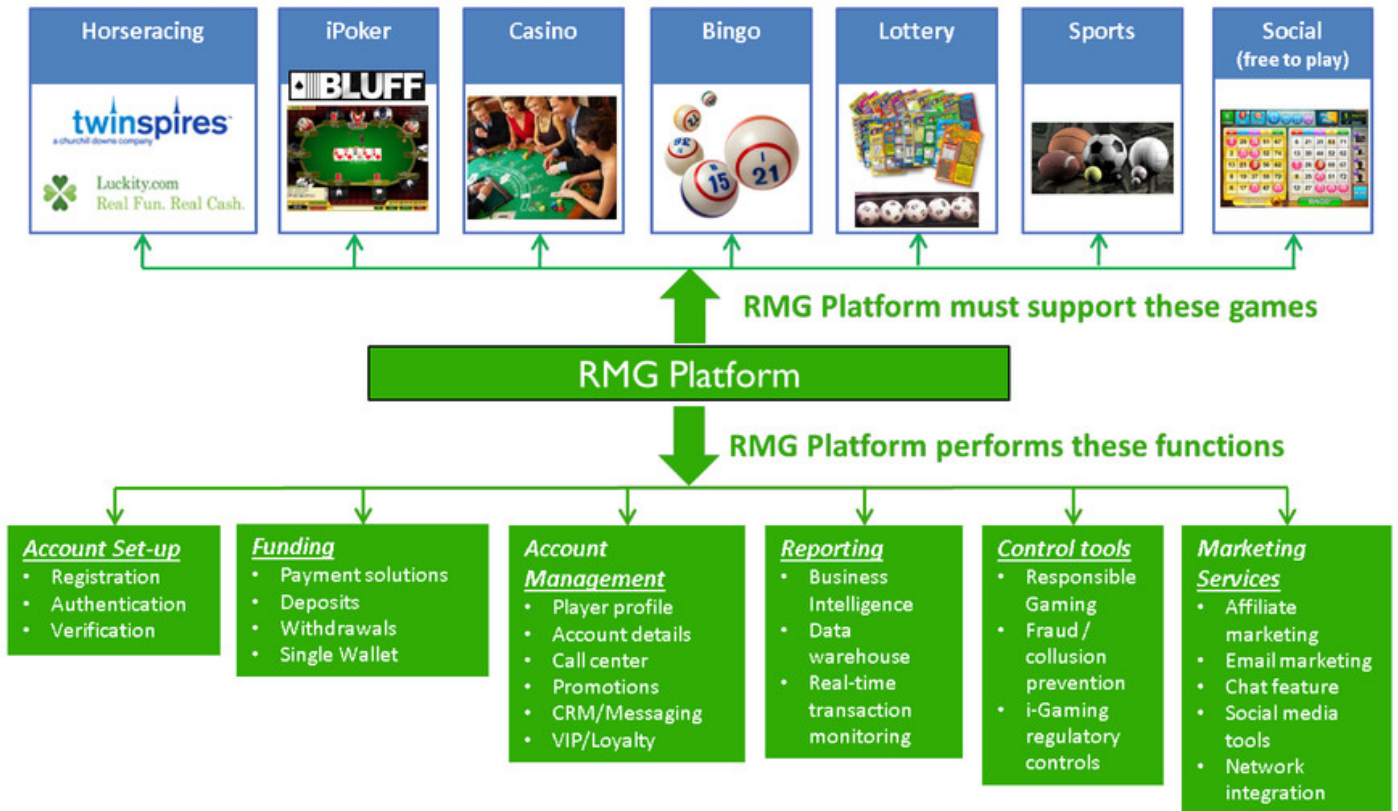


Sources: Twinspires.com growth 10-Q/10-K; Industry: equibase.com  
 Note: Excludes impact of IL handle loss for both 1Q and 2Q of 2013 and 2012, actual reported results show 3% decline Y/Y in 1Q and 1% growth in 2Q per Form 10-Q 's for respective period

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

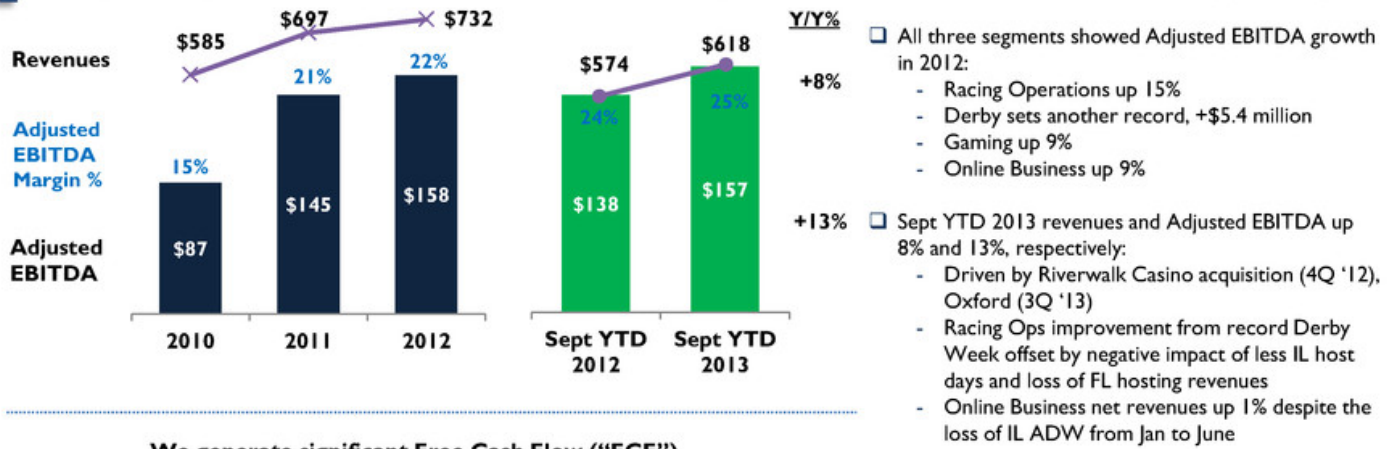




## Proven ability to grow Revenues & Adjusted EBITDA

Strong earnings & cash performance allows for future growth investments

(\$ in millions)



### We generate significant Free Cash Flow ("FCF")



- ~\$630 million in cash spent on acquisitions (net of acquired cash) and greenfield developments since 2009 (including Oxford Casino in 3Q '13, \$47 mil. of MVG to-date)
- 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

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

## Investment highlights

---



Diversified business model



Proven and experienced management team



Significant organic growth opportunities



Strong financial performance & balance sheet



## Appendix

---



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

## South Florida gaming market

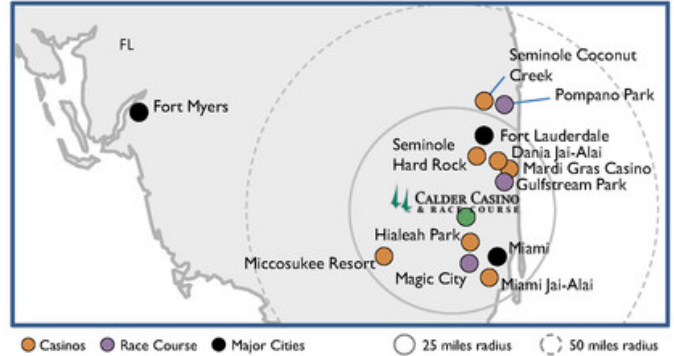
### Commentary

- Calder is located just north of Miami with easy access to all of South Florida's major highways
  - Miami / Fort Lauderdale 2012 population: 2,591,035<sup>1</sup>
  - Miami-Dade County median household income: \$43,957<sup>2</sup>
  - Miami unemployment rate: 6.9%<sup>3</sup>
- 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
  - 1,214 Slot Machines; 29 Poker Tables



<sup>1</sup> US Census Bureau 2012 estimate: Miami / Miami Beach / Kendall, FL  
<sup>2</sup> US Census Bureau 2007-2011 estimate: Miami-Dade County  
<sup>3</sup> Bureau of Labor Statistics estimate: Miami / Fort Lauderdale / Pompano Beach (as of August 2013)

### Regional overview



### Competitive overview

	State	Slots	Tables	YTD Slot Rev (\$mm)
<b>Calder Casino &amp; Race Course</b>	<b>FL</b>	<b>1,214</b>	<b>29<sup>1</sup></b>	<b>\$23.8</b>
Seminole Hard Rock	FL	2,300	65	N/A
Gulfstream Park (RC)	FL	861	20 <sup>1</sup>	14.1
Miccosukee Resort	FL	+1,700	58	N/A
Magic City (GR - Flagler)	FL	800	18	25.5
Mardi Gras Casino	FL	1,100	30	15.2
Pompano Park (RC)	FL	1,435	38	39.6
Dania Jai-Alai	FL	-	17	-
Hialeah Park	FL	882	23	12.4
Seminole Coconut Creek	FL	2,300	65	N/A
Miami Jai-Alai	FL	1,058	-	20.0

Source: Florida Department of Business and Professional Regulation; Division of Pari-Mutuel Wagering; World Casino Directory; Isle of Capri financials; Miami Jai-Alai financials  
<sup>1</sup> Poker tables

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

## New Orleans gaming market

### Commentary

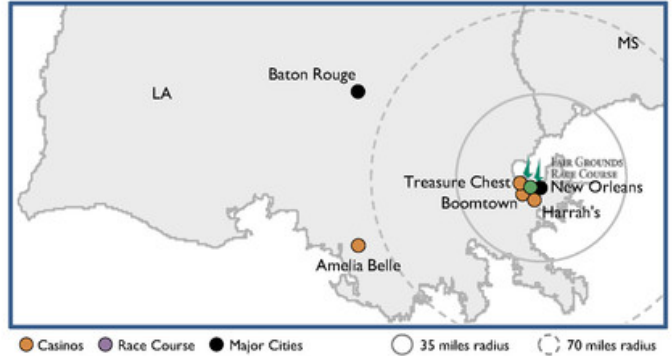
- New Orleans is a major U.S. port and metropolitan area in the state of Louisiana and is located on the Mississippi River. It is a major tourist destination, known for its various entertainment attractions
  - New Orleans 2012 population: 1,227,096<sup>1</sup>
  - New Orleans unemployment rate: 6.7%<sup>2</sup>
  - Large energy hub due to its proximity to the Gulf of Mexico
- Fair Grounds Race Course & Slots was acquired in 2004
  - The 3<sup>rd</sup> oldest racetrack in North America (established 1872)
  - Located on 145 acres just minutes from the French Quarter
  - Features 620 slot machines, ~775 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



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

<sup>2</sup> Bureau of Labor Statistics estimate: New Orleans / Metairie / Kenner (as of August 2013)

### Regional overview



### Competitive overview

Land-Based Licenses		Slots	Tables	Slot Machines AGR <sup>1</sup>	Gaming Square Feet
Fair Grounds Race Course & Slots <sup>2</sup>	LA	620	-	\$46.1	\$37.8
Harrah's New Orleans	LA	2,506	106	73.9	60.6

Riverboat Licenses		Slots	Tables	2012 Figures:		
				Admissions (mm)	Total AGR	Fee
Amelia Belle	LA	+800	7	0.7	\$52.8	\$11.4
Boomtown	LA	1,470	40	1.5	134.4	28.9
Treasure Chest	LA	1,000	50	1.1	109.1	23.5

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

<sup>1</sup> LTM as of 6/30/13 in millions

<sup>2</sup> Has ~775 video poker machines in addition to 600 slots

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

## Central Mississippi gaming market

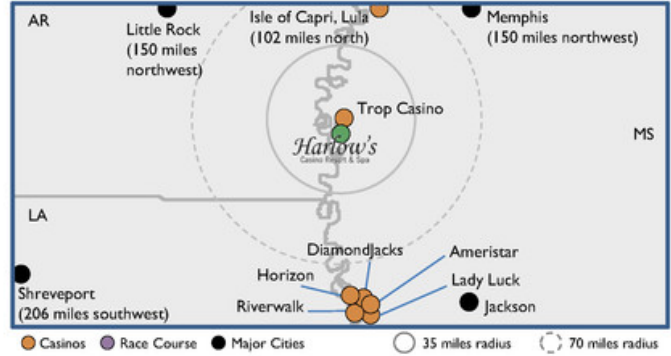
### Commentary

- 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 2012 population: 1,341,690 / 576,800<sup>1</sup>
  - Memphis / Jackson unemployment growth: 9.3% / 6.7%<sup>2</sup>
  - Mature gaming market with over ten years of operating history
- Harlow’s was acquired in December 2010 for \$138 million
  - 801 Slot Machines; 21 table games & poker room
  - 105-room attached hotel (50% rooms renovated in 2012)
  - 69 acres of land
  - Multipurpose event center
  - \$15 million in renovations of new amenities in January 2013



<sup>1</sup> US Census Bureau 2012 estimate: Memphis, TN-MS-AR & Jackson, MS  
<sup>2</sup> Bureau of Labor Statistics estimate: Memphis & Jackson (as of August 2013)

### Regional overview



### Competitive overview

	City	Slots	Tables	Total Employees	Gaming Sq Ft	Hotel Rooms	Total Parking
<b>Harlow's</b>	<b>Greenville</b>	<b>801</b>	<b>15</b>	<b>408</b>	<b>33,000</b>	<b>105</b>	<b>1,500</b>
<b>Riverwalk</b>	<b>Vicksburg</b>	<b>711</b>	<b>17</b>	<b>417</b>	<b>25,000</b>	<b>80</b>	<b>748</b>
Trop Casino	Greenville	602	6	213	21,300	N/A	386
Ameristar	Vicksburg	1,564	37	706	72,210	149	3,063
DiamondJacks	Vicksburg	690	13	332	28,000	122	N/A
Horizon	Vicksburg	N/A	N/A	N/A	N/A	N/A	N/A
Lady Luck	Vicksburg	593	8	305	25,000	89	948

Source: Mississippi Gaming Commission

# Market overview – Riverwalk (Vicksburg, MS)

## Northern Mississippi gaming market

### Commentary

- Vicksburg, Mississippi is located in Warren County, Mississippi. Vicksburg is the 16<sup>th</sup> largest city in the state, 234 miles northwest of New Orleans and 40 miles west of the state capital, Jackson
  - Jackson 2012 population: 576,800<sup>1</sup>
  - Jackson unemployment rate: 6.7%<sup>2</sup>
  - Attractive Mississippi tourist destination with landmark civil war battlefield
- Riverwalk was acquired in October 2012 for \$141mm
  - 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
  - 736 slot machines; 18 table games
  - 80-room hotel; 22 acres of land; 5,600 square foot event center

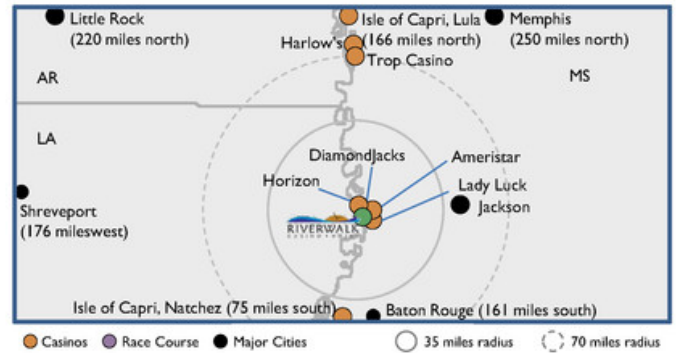


Source: Company presentation 9/9/13

<sup>1</sup> US Census Bureau 2012 estimate: Jackson, MS

<sup>2</sup> Bureau of Labor Statistics estimate: Jackson (as of August 2013)

### Regional overview



### Competitive overview

	City	Slots	Tables	Total Employees	Gaming Sq Ft	Hotel Rooms	Total Parking
<b>Riverwalk</b>	<b>Vicksburg</b>	<b>736</b>	<b>18</b>	<b>417</b>	<b>25,000</b>	<b>80</b>	<b>748</b>
<b>Harlow's</b>	<b>Greenville</b>	<b>685</b>	<b>15</b>	<b>408</b>	<b>33,000</b>	<b>105</b>	<b>1,500</b>
Ameristar	Vicksburg	1,564	37	706	72,210	149	3,063
Diamond Jacks	Vicksburg	690	13	332	28,000	122	N/A
Horizon	Vicksburg	N/A	N/A	N/A	N/A	N/A	N/A
Lady Luck	Vicksburg	593	8	305	25,000	89	948
Trop Casino	Greenville	602	6	213	21,300	N/A	386
Isle of Capri	Natchez	554	6	231	17,634	141	908
Magnolia Bluffs	Natchez	545	11	210	16,032	-	427

Source: Mississippi Gaming Commission; Company Investor Presentation

## Market overview – Oxford Casino (Oxford, ME)

### Portland, Maine gaming market

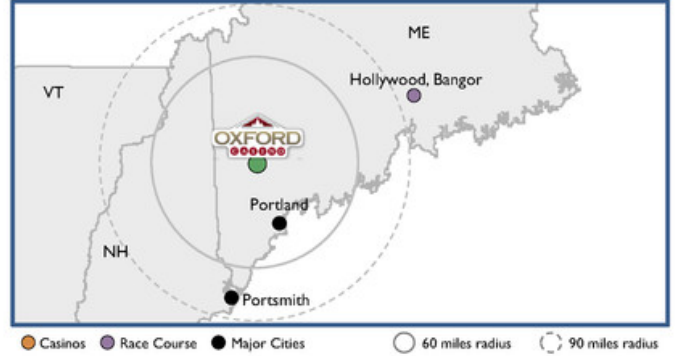
#### Commentary

- Oxford is located 140 miles northwest of Boston, MA, 125 miles from Manchester, NH, and 35 miles northwest of Portland, ME
  - Portland 2012 population: 518,117<sup>1</sup>
  - Portland median household income (2007-2011): \$45,153<sup>2</sup>
  - Portland unemployment rate: 5.8%<sup>3</sup>
- Acquired Oxford Casino in March 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
  - Captive market due to lack of nearby competition



<sup>1</sup> US Census Bureau 2012 estimate: Portland / South Portland, ME  
<sup>2</sup> US Census Bureau 2007-2011 estimate: Portland  
<sup>3</sup> Bureau of Labor Statistics estimate: Portland (as of August 2013)

#### Regional overview



#### Competitive overview

		Slots	Tables	Slot Revenue <sup>1</sup>	Table Revenue	Credits disbursed
Oxford	ME	789	22	\$367.6	\$6.7	\$337.7
Hollywood, Bangor	ME	925	16	567.2	6.5	511.0

Source: Maine Gambling Board  
<sup>1</sup> Based on 2012 figures; in millions



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

## Cincinnati / Dayton gaming market

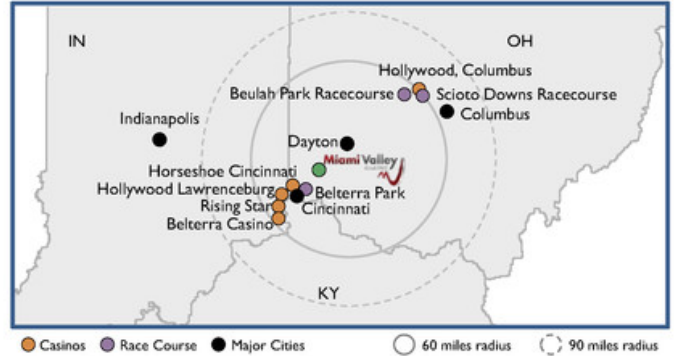
### Commentary

- Lebanon is located in Warren County, ~30 miles outside of Cincinnati
  - Cincinnati / Dayton 2012 population: 2,128,603 / 800,972<sup>1</sup>
  - Warren County median household income: \$71,961<sup>2</sup>
  - Cincinnati / Dayton unemployment rate: 6.9% / 7.5%<sup>3</sup>
- February 29, 2012: Churchill Downs announced plans for a joint venture with Delaware North Companies to purchase the Lebanon Raceway license in Ohio
  - Estimated completion scheduled for 1st quarter of 2014
  - Facility will feature a new on site Video Lottery Terminal ("VLT") facility with 1,600 slots and a 5/8-mile harness racing track



<sup>1</sup> US Census Bureau 2012 estimate: Cincinnati, OH-KY-IN & Dayton, OH  
<sup>2</sup> US Census Bureau 2007-2011 estimate: Warren County & Dayton  
<sup>3</sup> Bureau of Labor Statistics estimate: Cincinnati / Middletown & Dayton (as of August 2013)

### Regional overview



### Competitive overview

		Slots	Tables	Total AGR <sup>1</sup>	Table AGR <sup>1</sup>	Slot AGR <sup>1</sup>
<b>Lebanon Raceway</b>	<b>OH</b>	<b>1,600</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Horseshoe Cincinnati	OH	2,002	116	\$152.7	\$42.1	\$110.6
Hollywood, Columbus	OH	1,827	119	176.8	59.0	117.8
Hollywood, Lawrenceburg	IN	2,534	33	334.3	N/A	N/A
Rising Star	IN	1,264	N/A	N/A	N/A	N/A
Belterra Park <sup>2</sup>	OH	N/A	N/A	N/A	N/A	N/A
Scoto Downs Racecourse	OH	2,100	N/A	N/A	N/A	N/A

Source: Ohio Casino Control Commission; Wall Street research  
<sup>1</sup> AGR stands for Adjusted Gross Revenue; in millions  
<sup>2</sup> Formerly known as River Downs, this is PNK's Cincinnati, Ohio-based racetrack set to open in May 2014

