



Morgan Stanley
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New York, NY

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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; our continued ability to attract new users in the social gaming market, and to achieve significant engagement and monetization levels; 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 or 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 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 ability of our totalisator company, United Tote, to maintain its processes accurately or keep its technology current; 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.

We are a diversified gaming, racing & online entertainment company...



❑ **Casinos...** six casinos & two hotels with over 6,700 gaming positions located in 5 different states

❑ **Racing ...** namesake, Churchill Downs hosts the longest continuously held sporting event in the U.S., **The Kentucky Derby**

❑ **TwinSpires ...** the largest¹, legal online wagering platform in the U.S., **Twinspires.com**

❑ **Big Fish Games ...** one of the world's largest producers and distributors of casual games, acquired in Dec 2014

¹ Based on annual / quarterly figures released by Oregon Racing Commission for LTM 12/31/14

Investor snapshot: Key investment highlights

Diversified business model

- Big Fish Games positions us at forefront of organically growing casual games industry
- Iconic Kentucky Derby & Oaks Brands continue to set all-time records
- ~6,700 gaming positions at six casinos (including 50% owned Ohio 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

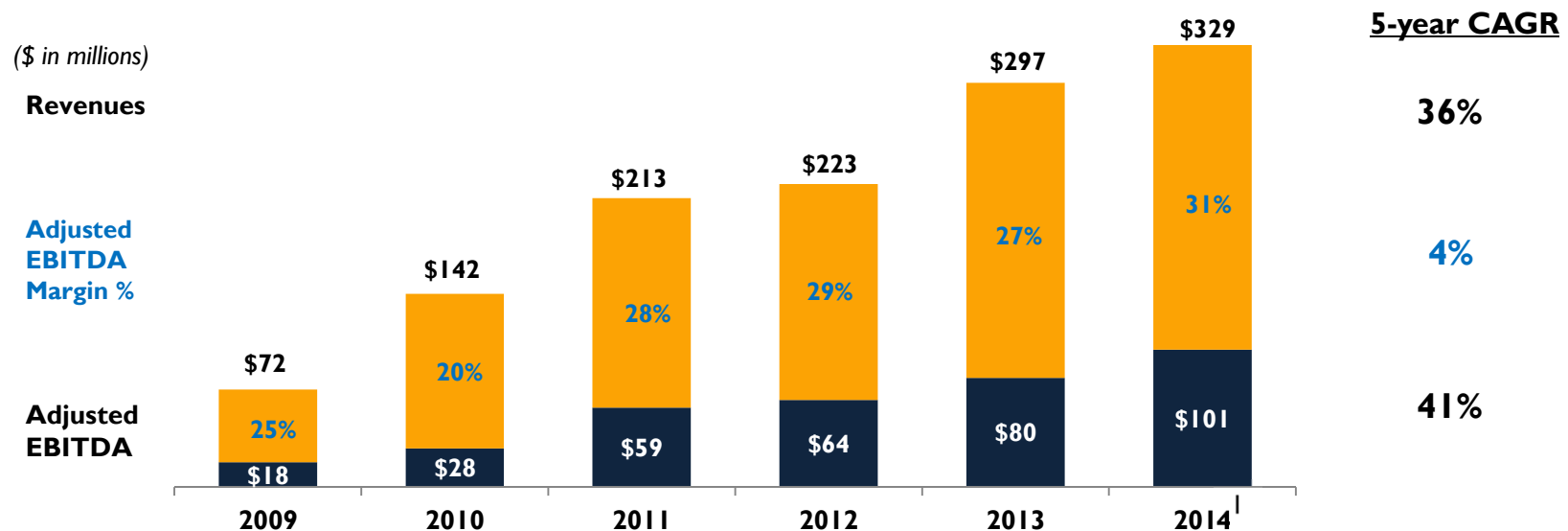
- Kentucky Derby & Oaks - new seating, sponsors, long-term TV contract thru 2025, presenting sponsor contract thru 2020, pricing and 15,224 sq. ft. mega 4K video board drive growth options
- Options on gaming expansion at existing properties in Illinois and Kentucky
- Pending purchase of equity stake of Saratoga Harness Racing, management agreement in NY, CO
- Further expansion into other forms of I-gaming as states liberalize laws

Strong Financial Performance & Balance Sheet

- 5 Year Revenue & Adjusted EBITDA CAGR of 12% and 25%, respectively
- Strong balance sheet backstopped with valuable real estate in IL and FL
- Disciplined maintenance capital spending combined with strong free cash flow generation
- Modest gross leverage of ~3.8x¹, net leverage of ~3.5x

¹ Based on LTM Adjusted EBITDA as of 12/31/14 Form 10-K, excluding pro-forma impact of Big Fish Adjusted EBITDA for LTM

Casinos: Growth through development & acquisition



- Consists of 6 existing operations with ~5,560 slots, 53 tables, 185 hotel rooms, & ~700 video poker machines in 5 states
- Casino acquisitions include Oxford Casino in Maine in July 2013, Riverwalk Casino in Mississippi in Oct 2012 and Harlow's Casino in Mississippi in Dec 2010
- Greenfield developments include 50% owned JV Miami Valley Gaming in Ohio (open Dec 2013), Calder Casino in Florida (open Jan 2010) and Fair Grounds Slots (open Oct 2008)
- Developed and opened a ~\$250 mil. racing & gaming facility as part of 50/50 JV near Lebanon, OH – Miami Valley Gaming opened December 12, 2013

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

Casinos: Our properties are relatively new and most are in mature markets

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
- 750 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
- 860 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, opened December 2013
- Located in Lebanon, OH (Off I-75 north of Cincinnati, south of Dayton)
- \$250mm total investment split (50/50)
- 1,580 slot machines



Kentucky & Illinois gaming expansion provides significant upside opportunity

Legislative debates in both states expected to continue in future sessions

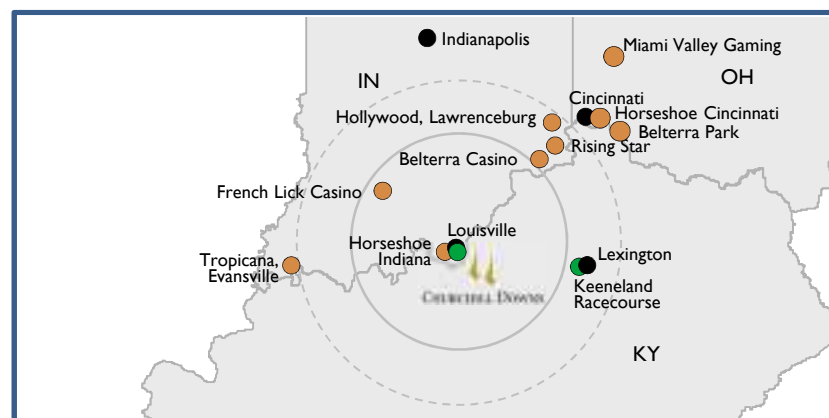
Kentucky

- The Kentucky Constitution requires the Kentucky General Assembly pass a Constitutional Amendment with 60% approval in both the House & Senate
- Two constitutional amendments allowing for gaming expansion were filed during the 2015 legislative session. Session is expected to conclude on March 24, 2015, without consideration of the proposed constitutional amendments
- Gaming expansion likely to be topic of discussion in future legislative sessions
- 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)

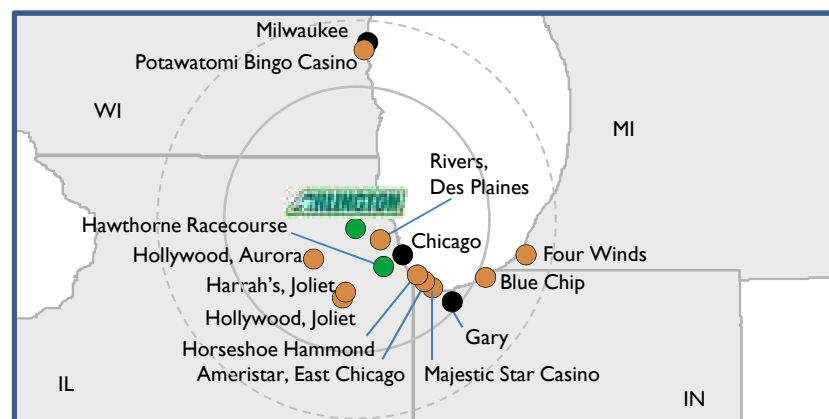
Illinois

- Attractive location – Arlington Heights is a suburb of Chicago, the commercial hub of the Midwest and 3rd largest metro area in U.S.
- Two House bills have been filed in the 2015 legislative session but have not been considered. No Senate bills have been introduced to date
- Chicago Mayor Emanuel is now supportive of using revenues from a Chicago casino to solve the city's unfunded pension liabilities
- Spring Session is scheduled to adjourn on May 31, 2015
- Gaming expansion likely will continue to be a topic of discussion with legislators including newly elected Governor Rauner

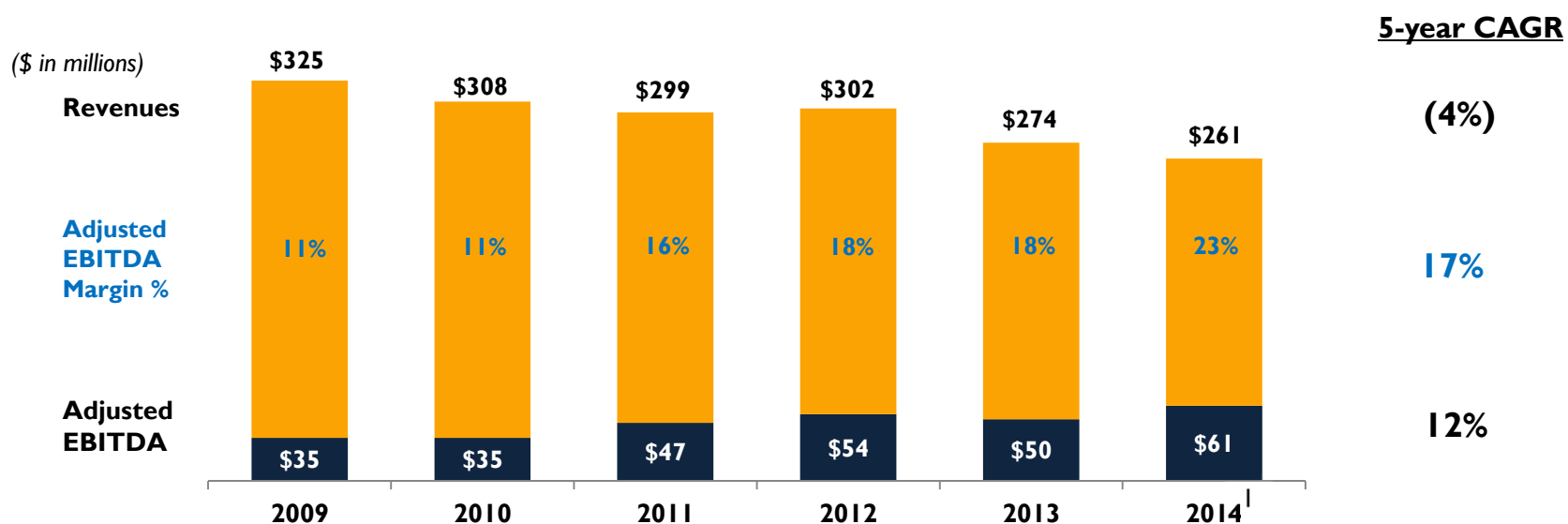
Regional overview – KY & IL



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



Racing: Pari-mutuel industry declines / flattening continue



- Consists of 4 racetracks in 4 states that produced total handle of \$1.5 billion in 2014¹ (~14% of total U.S. industry handle) versus \$1.8 billion in 2013 (~17% of industry handle)
- Despite declines in Racing revenues, Adj. EBITDA and Adj. EBITDA margins have grown
- In July 2014, we began leasing our Florida racing operations to TSG (owner of Gulfstream Park) in which TSG will operate the required number of live racing events and bear all the costs of the racing operations
- Derby Week Adj. EBITDA improved \$8.8 mil. in 2014 and ~\$30 mil. over the last 5 years
- Valuable real estate underlying racing assets in Miami Gardens, Florida (231 acres) and Arlington Heights, Illinois (336 acres)

¹ In 2014, Revenues and Adj. EBITDA were impacted by the leasing of Racing Ops at Calder (FL) starting in July 2014. See 12/31/14 Form 10-K for more details.

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 10 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

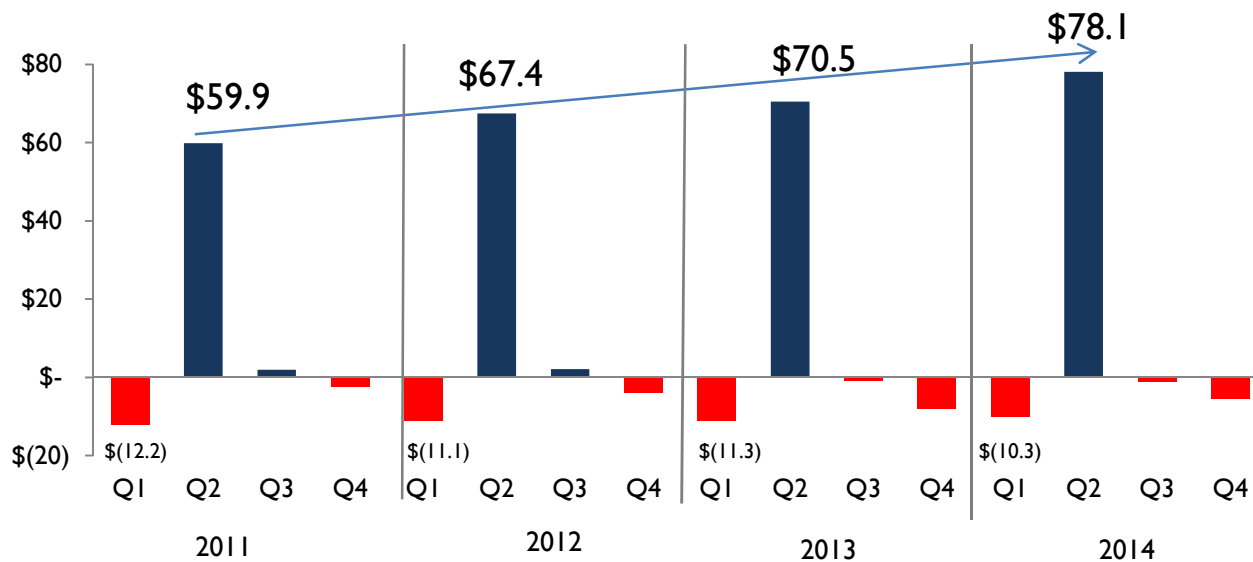


- 145 acres in New Orleans, LA
- Network of 12 OTB's
- Video poker machines in 10 of the OTB's
- Home of the "Louisiana Derby"
- New Orleans Jazz Festival host since 1972

Racing Operations profitability focused around Derby Week

Racing Ops Adj. EBITDA by quarter

(\$ in millions)



- ❑ The Kentucky Derby always occurs on “The First Saturday of May” (CDI’s second and most profitable quarter)
- ❑ Racing operates at an operating loss the remainder of the year
- ❑ U.S. industry handle in 2014 of \$10.6 billion fell ~3% below 2013 handle levels and is 30% below the industry peak of \$15.2 billion in 2003

The Kentucky Derby is stronger than ever

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

(\$ in millions)



- Record Derby Week Adjusted EBITDA for the fifth consecutive year, up \$8.8 mil. in Adj. EBITDA
 - Derby attendance of 164,906, 2nd highest all-time
 - Derby wagering of \$186.6 mil. ties all-time high
- Continued innovation driving growth
 - New seating areas introduced in 2014 ... The Mansion, Plaza Balcony, Grandstand Terrace & Rooftop Garden plus world's largest 4K ultra high-definition video board
 - \$4.2 mil. capital project underway in 2015 to add new section called the Winner's Circle Suites & Courtyard

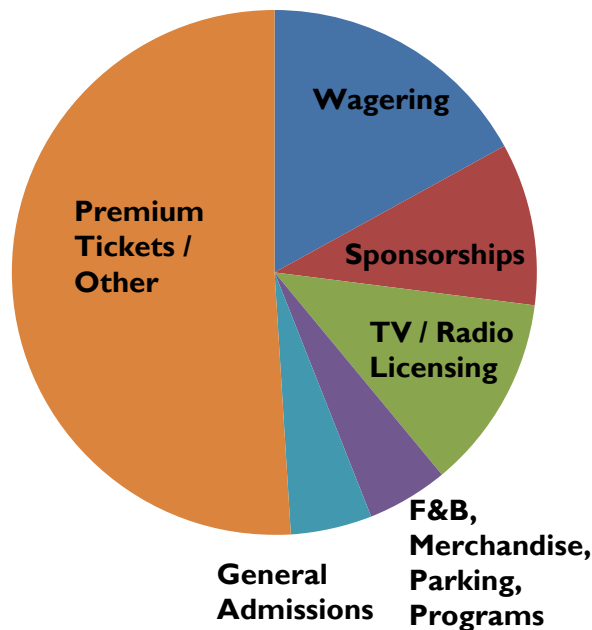
- New Television Rights and Presenting Sponsor agreements increase economics and lock-in cash flows for years to come
 - New 10-year NBC deal runs from 2016-2025
 - New Presenting Sponsor deal with Yum! Brands runs through 2020



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 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
- ❑ Wagering profits are impacted by the weather and the strength of the field (a strong favorite hurts wagering)

Illustrative approximations of profitability based on actual 2014 results

What is The Kentucky Oaks & Derby worth?

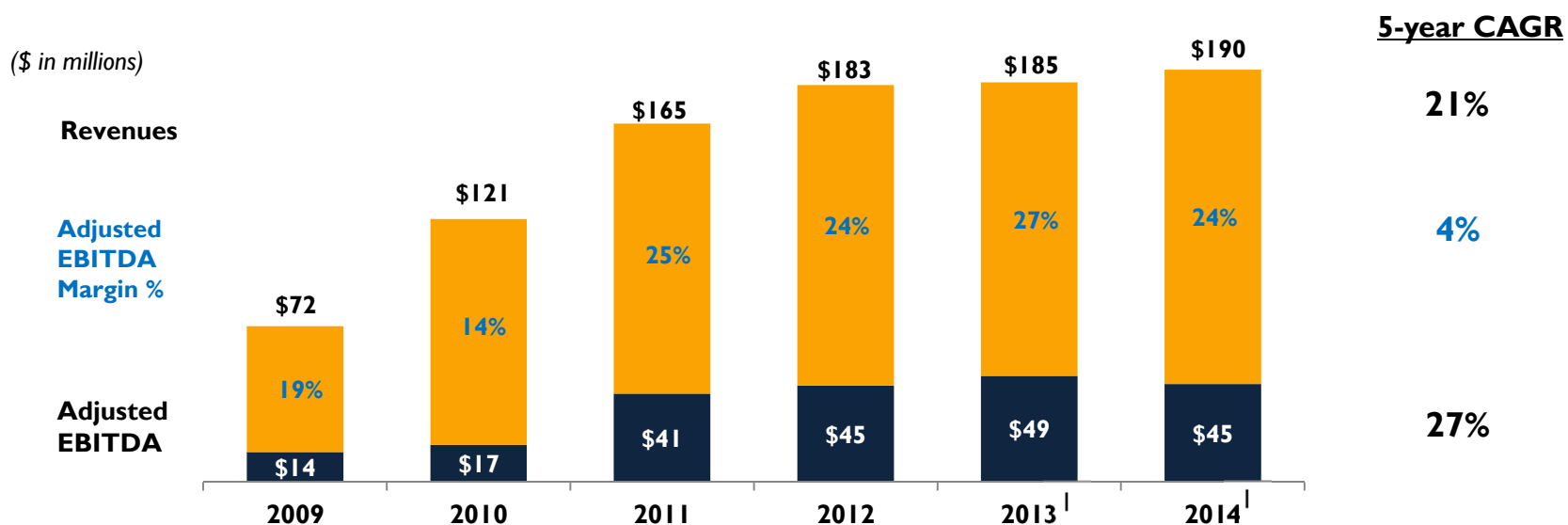
Based on other pro sports valuations, The Kentucky Derby is under-valued at Regional gaming multiples

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

TwinSpires: Despite industry declines, online channel grows

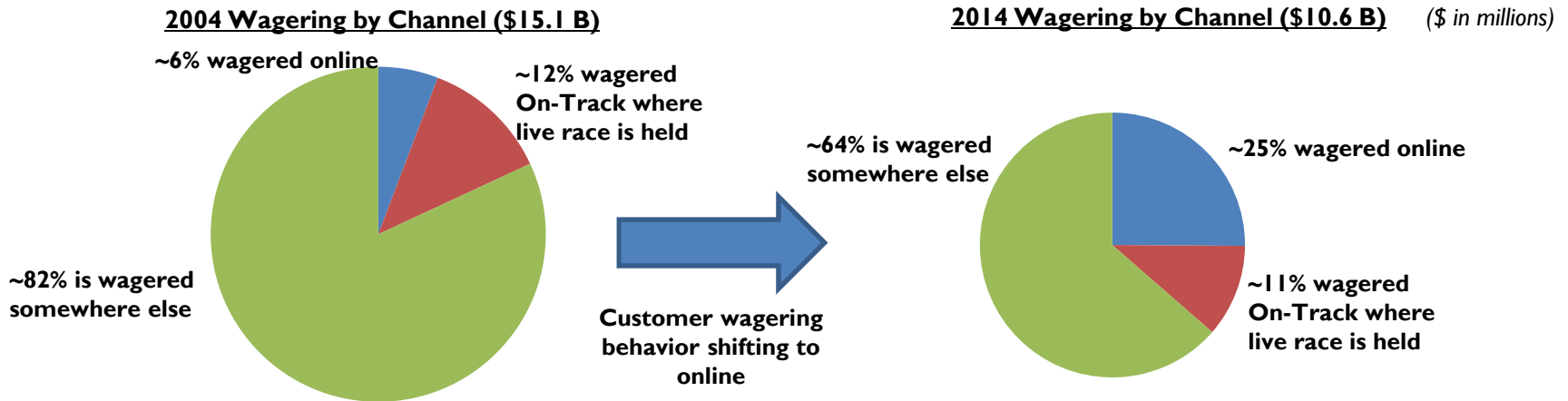


- TwinSpires was developed and launched in 2007 following the end of 10-year exclusive licensing deal which allowed a third-party online provider our racing content
- Organic customer growth coupled with acquisitions of AmericaTab in 2007 and Yobet in 2010 fueled revenue and profitability growth
- TwinSpires currently operates in 38 U.S. states and has grown despite overall industry contraction as customers continue to shift to online wagering channels due to convenience, accessibility & ease of use
- Margin pressure in 2014 occurred as a result of the loss of Texas resident wagering beginning Sept 2013

¹ In 1H 2013, TwinSpires stopped taking wagers from IL residents until June 2013 when IL resident wagering resumed with passage of new law.

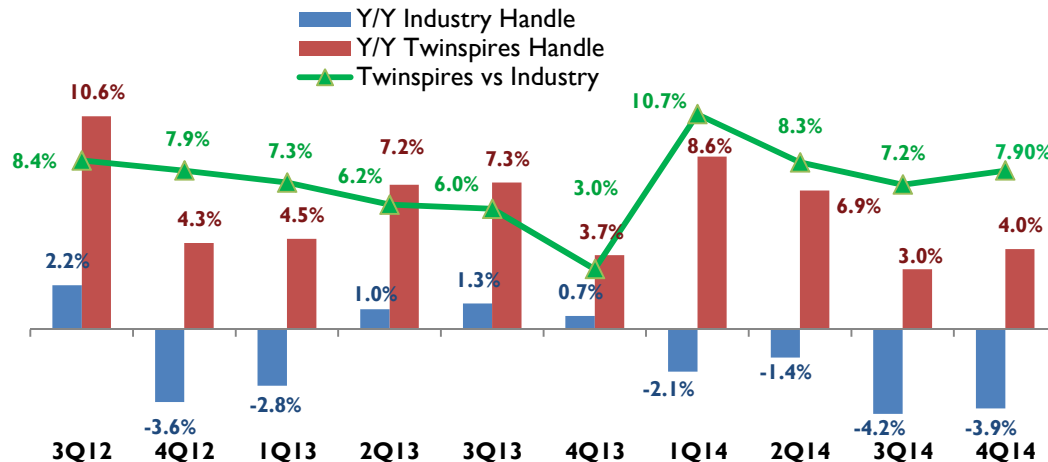
In Sept 2013, TwinSpires stopped taking wagers from TX residents after court ruling upheld a TX law requiring all wagering to take place at racetracks

Online Business has grown organically as customers shift wagering behavior



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

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



- Online wagering has grown ~3% to ~11% faster than the industry, as customers continue to shift wagering channels due to convenience, accessibility & ease of use
- 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 5.1% in 2014 and 6.2% in TY '13

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 '14 per Form 10-K

Big Fish Games acquired in Dec 2014

One of the world's largest producers and distributors of casual games

- ❑ \$485 million in up-front consideration, plus up to \$350 million in an earn-out based on 2015 Adj. EBITDA performance
- ❑ 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

Big Fish Casino



Midnight Castle



Gummy Drop!



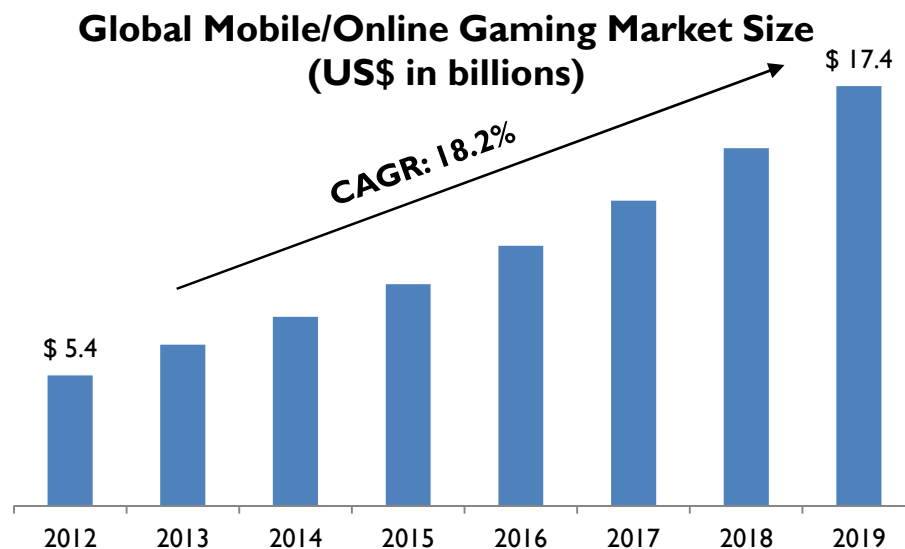
Fairway Solitaire



¹ According to App Annie as of October 2014

Allows us to participate in the rapidly growing mobile/online gaming industry

- ❑ Large market in early growth stage with no clear, sustainable leaders established
- ❑ Global mobile and online gaming revenue growth expected to continue
 - Social Casino is one of the largest genres of mobile and online games at ~\$3 billion worldwide in 2014






Source: Transparency Market Research



Source: SuperData Research

Big Fish is a diversified games company

	Free-to-Play Casino	Premium Paid	Free-to-Play Non-Casino
Top Games	 <p><i>Big Fish Casino</i></p>	 <p><i>Dark Parables</i></p>	 <p><i>Gummy Drop!</i></p>
Description	<ul style="list-style-type: none"> Casino-style games such as blackjack, poker, slots, craps and roulette 	<ul style="list-style-type: none"> PC and Mobile games that customers pay upfront to purchase 	<ul style="list-style-type: none"> All non-casino game types including casual free-to-play games
Monetization	<ul style="list-style-type: none"> Through in-game micro-transactions 	<ul style="list-style-type: none"> Customers pay upfront 	<ul style="list-style-type: none"> Through in-game micro-transactions
Characteristics	<ul style="list-style-type: none"> Evergreen content with limited “hit” risk 	<ul style="list-style-type: none"> Steady cash flow stream built on monthly subscribers, but declining as market moves to F2P Huge installed base allows low cost to acquire customers for new games 	<ul style="list-style-type: none"> Represents ~11% of 2014 bookings (\$39 mil.); currently losing money Optionality upside with strong new game development pipeline

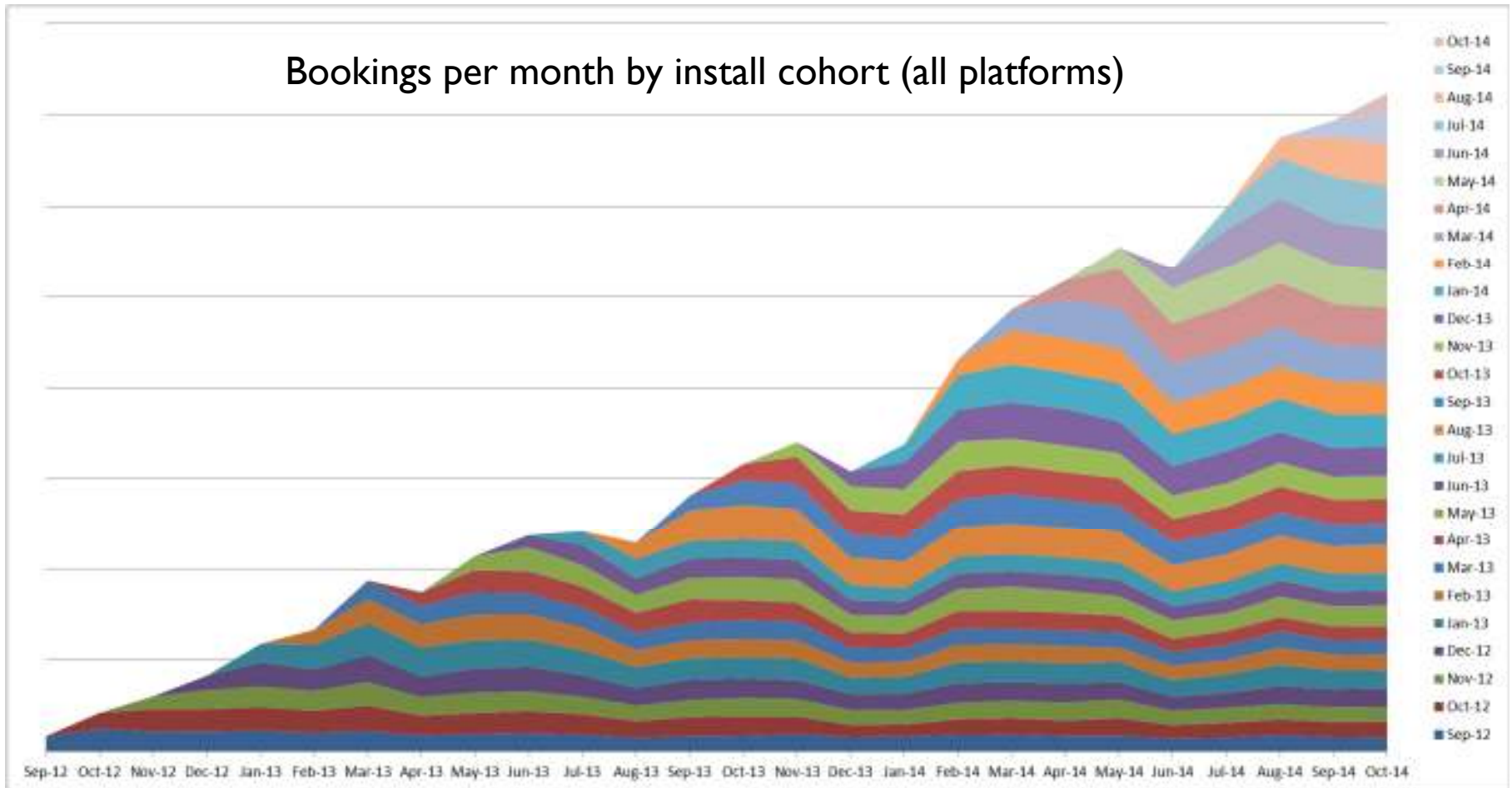
Big Fish Casino is a platform, not a single game



- ❑ Big Fish delivers a steady flow of new casino games they own and develop thru an in-house studio
 - A new slot product is launched approximately every three weeks
- ❑ Big Fish Casino is the only platform that offers synchronous social features for slots (chatting, gifting, friending)
- ❑ The “social first” approach generates vast in-game friend connections, resulting in high switching costs, engaged players and very strong life-time values

Social Casino customer retention patterns are very long

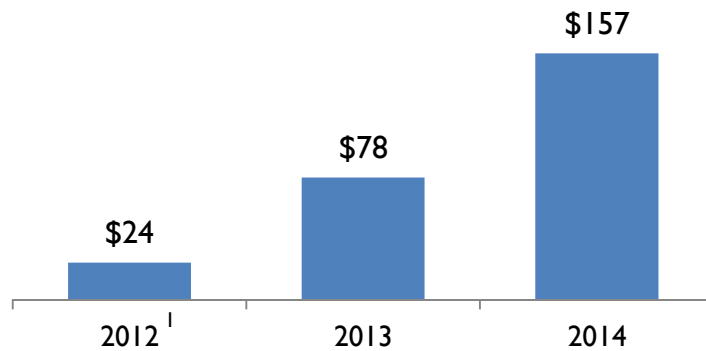
Cohorts are becoming larger with awareness and TV advertising



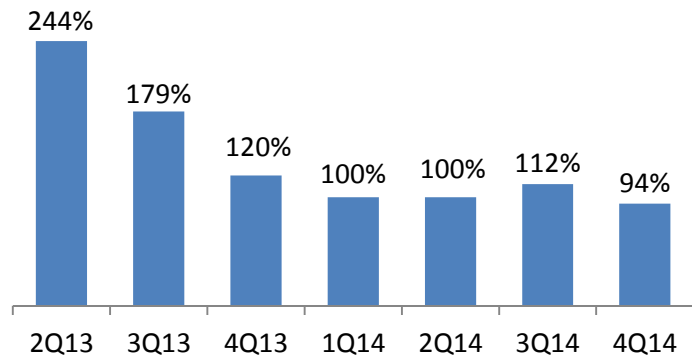
There are a number of synergies and opportunities to continue growth

Big Fish Casino bookings growth driven by strong retention and high monetization

Big Fish Casino Bookings
(\$ in millions)



Year-Over-Year Bookings Growth



¹Reflects Big Fish Casino results from April to December

- Big Fish Casino was the top generating casino app on iOS in both 2013 and 2014
- We believe an overlap exist between regional gaming and social gaming customers; CDI's customer data-bases are a source for new customer acquisition
- There are more synergy opportunities longer term

Big Fish's has a long history of growth, successfully transitioned to mobile

Achieved long-term growth in the games industry with superior leadership in both content and distribution

Big Fish Games - Annual Bookings Since Founding (\$ millions)

CAGRs

2011 – 2014

Total

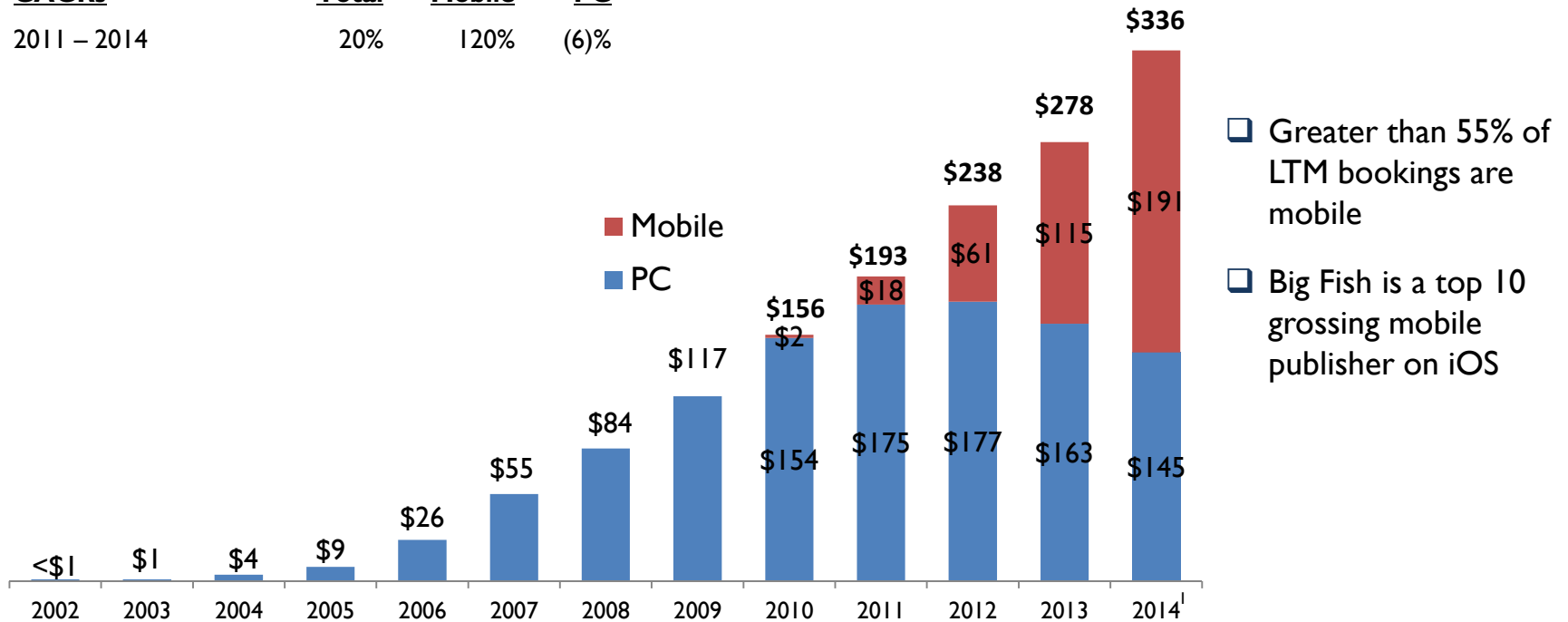
20%

Mobile

120%

PC

(6)%



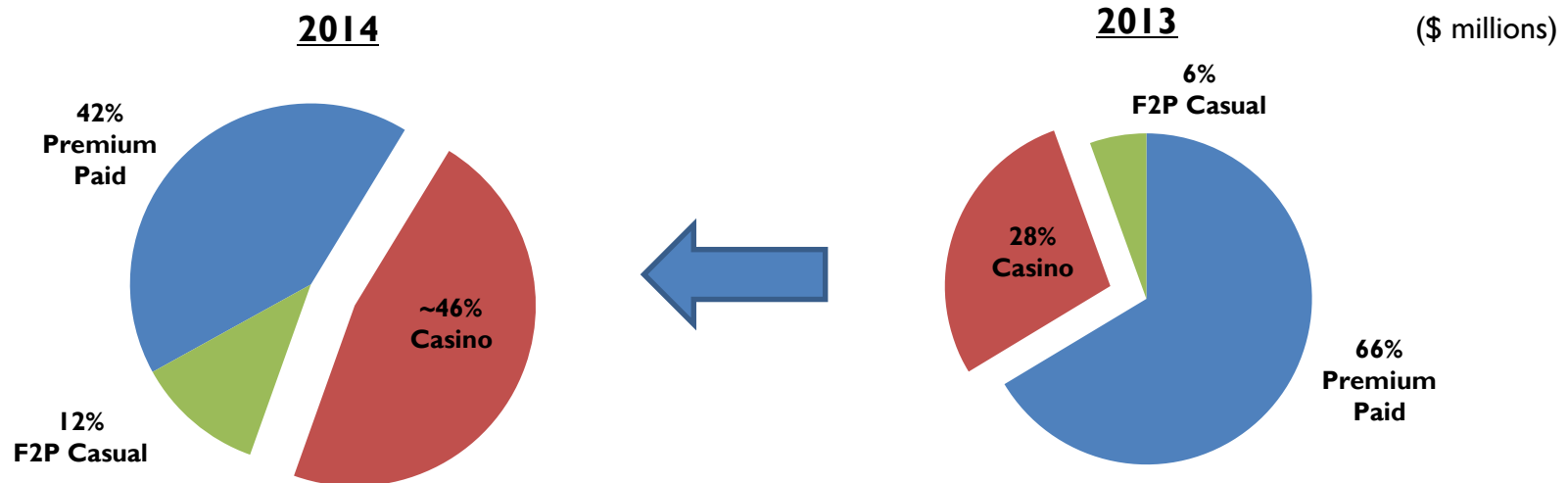
- ☐ Greater than 55% of LTM bookings are mobile
- ☐ Big Fish is a top 10 grossing mobile publisher on iOS

Source: Big Fish Games, Inc.

¹ Big Fish results only included in CDI financials beginning December 16, 2014 (acquisition date)

Bookings growth driven by Casino & Free-to-Play Casual segments

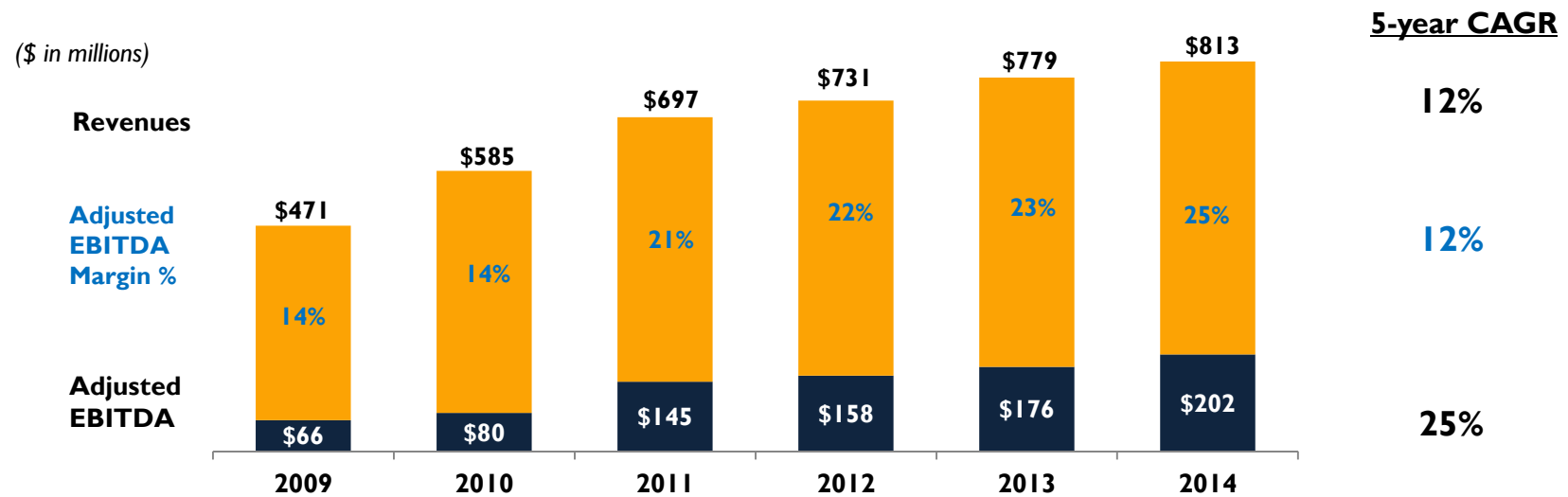
Casino success continues, outpaces premium declines as customers shift to mobile



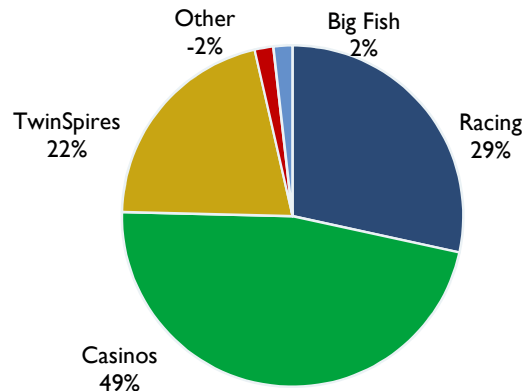
	2014	2013	% Change
Bookings¹			
Premium Paid	\$140.4	\$184.6	(24)
Casino	157.1	78.1	101
Free-to-Play Casual	<u>38.6</u>	<u>15.4</u>	<u>151</u>
Total Bookings	\$336.1	\$278.1	21

¹ Per CDI's 4Q & 2014 Annual Earnings release dated 2/25/15

Unique organically-growing assets & diversification drive overall growth



2014 Adj. EBITDA by business unit

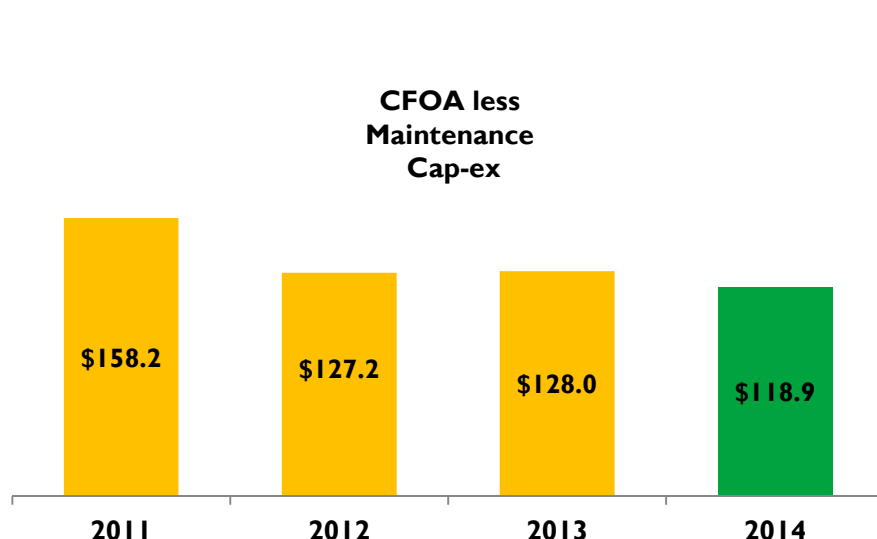


- CDI has consistently grown top-line revenues over the past 5 years through Kentucky Derby and TwinSpires organic growth as well as acquisitions and greenfield developments in the regional gaming space
- Adj. EBITDA and Adj. EBITDA margins have grown significantly over the same timeframe

CDI generates significant free cash flow

Big Fish Games acquisition in late 2014 adds leverage to balance sheet

(\$ in millions)



Other Key Financial Metrics

	2011	2012	2013	2014
Total Debt	\$128	\$210	\$369	\$770 ¹
Leverage Ratio	0.9x	1.3x	2.1x	3.8x
Maint cap-ex	\$15	\$17	\$17	\$23
Dividends (per share)	\$0.60	\$0.72	\$0.87	\$1.00
Dividends (\$)	\$10	\$12	\$15	\$17

- Management's disciplined allocation of capital combined with significant free cash flow has kept CDI's balance sheet pristine over the years
- Uses of cash over the years have included increased dividends, share repurchase, debt reduction and acquisitions
- Big Fish Games acquisition in late 2014 allows for CDI to enter into organically-growing mobile and online games industry while also adding to our technology management team with many opportunities for synergies across our other gaming and online business units

Note: Debt / Adjusted EBITDA metrics shown do not include pro-forma credit for acquisitions. 25

¹ Excludes Big Fish earnout & deferred payments

Growth opportunities could provide significant upside



- ✓ Derby and Oaks
 - ❑ Presenting sponsorship renewal (Yum! Brands), new 5-yr deal through 2020
 - ❑ 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
 - ❑ Pending deal for purchase of 25% equity stake in SH
 - ❑ Management agreement also to be finalized pending gaming licenses in CO, NY
- ✓ 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 2015 legislative session seeking public referendum, positioning for 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 by former Governor Quinn
 - ❑ Gaming expansion bills introduced in 2015 Spring session – unclear as to new Governor's (Rauner) position on gaming expansion





Appendix

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

Saratoga Harness Racing, Inc. equity investment and management agreement

Management contracts & equity purchase pending

- ❑ 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 Casino Holdings, LLC to include:
 - ✓ Saratoga Casino and Raceway in Saratoga Springs, N.Y.;
 - ✓ Saratoga Harness Racing, Inc. controlling interest in Saratoga Casino Black Hawk in Black Hawk, Colo.;
 - ✓ Its 50 percent interest in a joint venture with Delaware North Companies to manage the Gideon Putnam Hotel and Resort in Saratoga Springs, N.Y.;
- ❑ 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
- ❑ The total investment for the 25% equity stake is estimated to be \$30.6 which will be funded from our Senior Credit Facility