



May 7, 2016

## **Second-Highest Attendance in Track History as 167,227 Fans Watch Undefeated Nyquist Win the 142nd Kentucky Derby**

### **Derby Week Breaks All-Sources Wagering and Attendance Records**

LOUISVILLE, Ky., May 07, 2016 (GLOBE NEWSWIRE) -- Nyquist added the 142<sup>nd</sup> Kentucky Derby Presented by Yum! Brands to his already impressive and perfect resume. Attendance of 167,227 was the second largest crowd in Derby history, just under the record of 170,513 in 2015.

Wagering from all-sources on the Kentucky Derby Day program was the second highest in history, totaling \$192.6 million and only 1% off the record set in 2015. Wagering from all-sources on the Kentucky Derby race was \$124.7 million, down 10% from 2015's record, impacted by 2-1 prohibitive favorite, Nyquist.

On-track wagering on the Kentucky Derby Day program was up 2% to \$23.5 million, just shy of the record \$23.7 million in 2012. On-track wagering on the Kentucky Derby race totaled \$11.3 million, a decrease of 6% from 2015.

Churchill Downs returned \$151.8 million to bettors on the Kentucky Derby Day program. Additionally, purses earned from the Kentucky Derby Day program approximated \$10.7 million that will be paid out to horsemen during the remainder of the 2016 race meets.

### **RACE COMMENTARY**

"Congratulations to the connections of Nyquist on a very impressive performance to win the 142<sup>nd</sup> Kentucky Derby Presented by Yum! Brands," said Kevin Flanery, President of Churchill Downs Racetrack. "We were excited to introduce our latest round of renovations and our investments in the facility continue to pay off as we strive to improve the fan experience every year. Thanks and congratulations to our horsemen, employees and volunteers that made this an amazing Derby and a phenomenal opening to our 2016 Spring Meet."

### **BUSINESS COMMENTARY**

"A special thanks to all of the fans of the Kentucky Derby around the world who once again made this an amazing spectacle," said Bill Carstanjen, CEO of Churchill Downs Incorporated. "We expect another record Adjusted EBITDA and estimated growth of \$4.5-to-\$6.0 million over last year's Kentucky Derby week."

### **TWINSPIRES**

TwinSpires, the country's leading online and mobile betting platform and the official betting partner of the Kentucky Derby and the Breeders' Cup World Championships, recorded \$26.8 million in handle on Churchill Downs races for the Kentucky Derby Day program, an increase of 29% over the prior year. TwinSpires' handle on just the Kentucky Derby race was \$16.6 million, up 22% over 2015.

### **DERBY WEEK**

All-sources handle for Opening Night, Saturday, April 30, through Derby Day, Saturday, May 7, rose to a new record of \$266.8 million, up 1% from 2015's previous record. Attendance for those five days was a record-breaking 376,980, up 3% from the previous record set in 2015.

### **DERBY WINNER**

Nyquist, owned by Reddam Racing, LLC, and bred in Kentucky by Summerhill Farm, passed ultimate third-place finisher Gun Runner early in the stretch and held off a late run by Exaggerator to win by a length and a quarter as the 2-1 favorite, returning \$6.60 for each \$2 win wager. The winning connections, Reddam Racing, LLC, trainer Doug O'Neill and jockey Mario Gutierrez, each won the Kentucky Derby for the second time in five years, winning in 2012 with I'll Have Another. The winner covered 1 ¼ miles over a fast track in 2:01:31 to maintain a perfect record in eight career starts. The victory was worth \$1.63 million and increased Nyquist's earnings to \$4.95 million.

### **NON-GAAP MEASURES**

In addition to the results provided in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company has provided a non-GAAP measurement, which presents a financial measure of earnings before interest, taxes, depreciation and amortization and certain other items as described in the Company's Annual Report on Form 10K

("Adjusted EBITDA"). Churchill Downs Incorporated uses Adjusted EBITDA 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 offers year-round simulcast wagering at the historic track. The track's 2016 Spring Meet is scheduled for April 30-July 2. Churchill Downs has hosted the Breeders' Cup World Championships eight times and recently announced that it will host the event a ninth time in 2018. Information about Churchill Downs can be found online at [www.churchilldowns.com](http://www.churchilldowns.com).

#### **ABOUT CHURCHILL DOWNS INCORPORATED**

Churchill Downs Incorporated (CDI) (NASDAQ:CHDN), headquartered in Louisville, Ky., is an industry-leading racing, gaming and online entertainment company anchored by our iconic flagship event - The Kentucky Derby. We are a leader in brick-and-mortar casino gaming with gaming positions in six states, and we are the largest, legal online account wagering platform for horseracing in the U.S., through our ownership of TwinSpires.com. We are also one of the world's largest producers and distributors of mobile games through Big Fish Games, Inc. Additional information about CDI can be found online at [www.churchilldownsincorporated.com](http://www.churchilldownsincorporated.com).

*Information set forth in this news release 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 press release 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; 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; 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 revenue 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; the inability of our totalisator company, United Tote, to maintain its processes accurately, keep its technology current or maintain its significant customers; 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 revenue at historic or anticipated levels and achieve anticipated cost savings; 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 revenue from casinos and advance deposit wagering); and the effect of claims of third parties to intellectual*

*property rights.*

Contact: Lauren DePaso  
(502) 636-4506  
Lauren.depaso@kyderby.com