

CHURCHILL DOWNS

INCORPORATED

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Justify Wins the 144th Kentucky Derby Presented by Woodford Reserve in Front of Rain-Soaked Crowd *Highest All-Sources Wagering on Kentucky Derby Day program and Kentucky Derby race 157,813 Endure Wettest Kentucky Derby*

LOUISVILLE, Ky. (May 5, 2018) – Fans braved a steady all-day rain and the wettest Kentucky Derby ever as Justify captured the 144th Kentucky Derby Presented by Woodford Reserve over a sloppy track. Attendance of 157,813, was the eighth highest attendance figure in track history.

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 \$225.7 million, an 8% increase over the 2017 total and previous record of \$209.2 million. Wagering from all-sources on the Kentucky Derby race increased 8% to \$149.9 million from the previous record of \$139.2 million set last year.

TRACK PRESIDENT COMMENTARY

“Congratulations to the connections of Justify on a very impressive performance to win the 144th Kentucky Derby Presented by Woodford Reserve,” 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 guest experience every year. A special thanks to the Louisville Metro Police Department for their efforts to deliver our new transportation improvement plan. Thanks and congratulations to our horsemen, employees and volunteers that made this an amazing Derby and a phenomenal opening to our 2018 Spring Meet.”

BUSINESS COMMENTARY

“We are deeply grateful to all of the fans of the Kentucky Derby around the world who once again made this an amazing and memorable experience,” said Bill Carstanjen, CEO of Churchill Downs Incorporated (“CDI”). “We expect the Kentucky Derby Week Adjusted EBITDA to reflect another record with \$11.0-to-\$13.0 million of growth over last year.” The Adjusted EBITDA range includes approximately \$2.5 million of favorability related to the adoption of the new revenue accounting standard ASC 606.

TWINSPIRES

TwinSpire, 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 \$39.2 million in handle on Churchill Downs races for the Kentucky Derby Day program, an increase of 15% over the prior year. TwinSpire’s handle on the Kentucky Derby alone race was \$24.6 million, up 18% over 2017.

DERBY WEEK

All-sources handle for Opening Night, Saturday, April 28, through Derby Day, Saturday, May 5, rose to a new record of \$311.2 million, up 9% from the previous record of \$285.1 million set last year. Attendance for those five days was 375,346, up 7% over 2017.

DERBY WINNER

Justify, owned by Kenny Troutt's WinStar Farm, LLC, Ah King Teo's China Horse Club, Sol Kumin's Head of Plains Partners, LLC, and Jack Wolf and partners' Starlight Racing, and bred in Kentucky by John Gunther, cruised to win by two and a half lengths as the 5-2 favorite, returning \$7.80 for each \$2 win wager. Justify earned \$1,432,000 for the victory, increasing his lifetime earnings to \$2,098,000. The winner covered 1 ¼ miles over a sloppy track in 2:04.20 to remain undefeated with his fourth win in four career starts. Trainer Bob Baffert won the Kentucky Derby for the fifth time. His prior victories were with Silver Charm in 1997, Real Quiet in 1998, War Emblem in 2002, and American Pharoah in 2015. Jockey Mike Smith won the Kentucky Derby for the second time, winning previously on Giacomo in 2005. Justify is by Scat Daddy out of the Ghostzapper mare Stage Magic. Good Magic finished second and Audible finished third.

Use of Non-GAAP Measures

In addition to the results provided in accordance with U.S. generally accepted accounting principles ("GAAP"), CDI also uses non-GAAP measures, including EBITDA (earnings before interest, taxes, depreciation and amortization) and adjusted EBITDA as described in CDI's 2017 Annual Report on Form 10-K.

Adjusted EBITDA includes CDI's portion of the EBITDA from our equity investments.

Adjusted EBITDA excludes:

- Transaction expense, net which includes:
 - Acquisition and disposition related charges, including fair value adjustments related to earnouts and deferred payments; and
 - Other transaction expense, including legal, accounting, and other deal-related expense;
- Stock-based compensation expense;
- Asset impairments;
- Gain on Calder land sale;
- Calder exit costs;
- Loss on extinguishment of debt; and
- Other charges, recoveries and expenses

CDI uses adjusted EBITDA as a key performance measure of the results of operations for purposes of evaluating performance internally. The measure facilitates comparison of operating performance between periods and helps investors to better understand the operating results of CDI by excluding certain items that may not be indicative of CDI's core business or operating results. CDI believes the use of this measure enables management and investors to evaluate and compare, from period to period, CDI's operating performance in a meaningful and consistent manner. Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with GAAP, and should not be considered as an alternative to, or more meaningful than, net income (as determined in accordance with GAAP) as a measure of our operating results.

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 2018 Spring Meet is scheduled for April 28 – June 30. Churchill Downs has hosted the Breeders' Cup World Championships eight times and will host the event for a ninth time in 2018 tying Churchill Downs with Santa Anita Park in California for the most ever held at one venue. Information about Churchill Downs can be found online at 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 approximately 10,000 gaming positions in eight states, and we are the largest legal online account wagering platform for horseracing in the U.S., through our ownership of TwinSpire.com. Additional information about CDI can be found online at www.churchilldownsincorporated.com.

Information set forth in this press 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," "seek," "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 following: the effect of economic conditions on our consumers' confidence and discretionary spending or our access to credit; additional or increased taxes and fees; the effect of changes in tax laws on CDI or an investment in our shares, including as a result of changes made pursuant to recently enacted U.S. tax legislation; public perceptions or lack of confidence in the integrity of our business; loss of key or highly skilled personnel; restrictions in our debt facilities limiting our flexibility to operate our business; general risks related to real estate ownership, including fluctuations in market values and environmental regulations; catastrophic events and system failures disrupting our operations, including the impact of natural and other disasters on our operations and our ability to obtain insurance recoveries in respect of such losses; inability to identify and complete acquisition, expansion or divestiture projects, on time, on budget or as planned; difficulty in integrating recent or future acquisitions into our operations; legalization of online real money gaming in the United States, and our ability to capitalize on and predict such legalization; the number of people attending and wagering on live horse races; inability to respond to rapid technological changes in a timely manner; inadvertent infringement of the intellectual property of others; inability to protect our own intellectual property rights; security breaches and other security risks related to our technology, personal information, source code and other proprietary information, including failure to comply with regulations and other legal obligations relating to receiving, processing, storing and using personal information; payment-related risks, such as chargebacks for fraudulent credit card use; compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations; work stoppages and labor issues; difficulty in attracting a sufficient number of horses and trainers for full field horseraces; inability to negotiate agreements with industry constituents, including horsemen and other racetracks; personal injury litigation related to injuries occurring at our racetracks; the inability of our totalisator company, United Tote, to maintain its processes accurately, keep its technology current or maintain its significant customers; weather conditions affecting our ability to conduct live racing; increased competition in the horseracing business; changes in the regulatory environment of our racing operations; declining popularity in horseracing; seasonal fluctuations in our horseracing business due to geographic concentration of our operations; increased competition in our casino business; changes in regulatory environment of our casino business; development and expansion of casinos is costly and susceptible to delays, cost overruns and other uncertainties; concentration and evolution of slot machine manufacturing and other technology conditions that could impose additional costs; impact of further legislation prohibiting tobacco smoking; geographic concentration of our casino business; changes in regulatory environment for our advanced deposit wagering business; increase in competition in the advanced deposit wagering

business; inability to retain current customers or attract new customers to our advanced deposit wagering business; uncertainty and changes in the legal landscape relating to our advanced deposit wagering business; and failure to comply with laws requiring us to block access to certain individuals could result in penalties or impairment in our ability to offer advanced deposit wagering.

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