



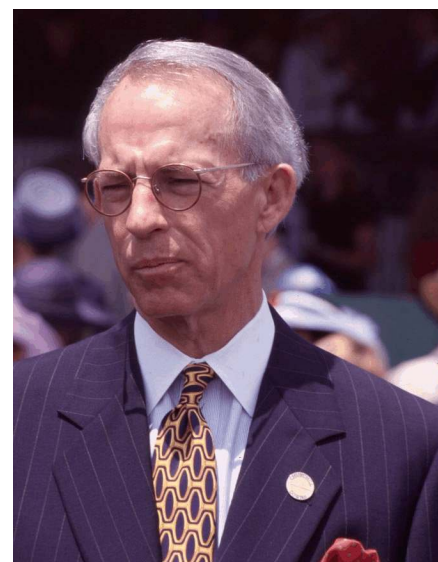
TDN

Q & A

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The renaissance of Churchill Downs, from a single track facing hard times, to a thriving company that owns five additional racetracks, may have been a team effort, but the team was captained by Churchill Downs Incorporated President and Chief Executive Officer Thomas H. Meeker. Meeker, who was named Churchill's president in 1984, has been the man behind one of racing's greatest success stories. Meeker is widely recognized as one of the most influential individuals in the history of Churchill Downs; second, perhaps behind only Col. Matt Winn. He served three tours of duty in Vietnam

and left the Marine Corps in 1977 as a lieutenant colonel. A graduate of the University of Louisville School of Law, where he was No. 1 in his class, he worked for the Louisville law firm of Wyatt, Tarrant & Combs. There, he served as general counsel for Churchill Downs before replacing Lynn Stone as the track's president. In January, Meeker announced that he



Tom Meeker horsephotos

would retire at the conclusion of his current contract, which expires in March, 2007. His successor, Robert Evans, has big shoes to fill. Meeker recently sat down with the Thoroughbred Daily News to discuss his reasons for retiring, his future plans and to look back at 22 years at the helm of Churchill Downs.

LEADING FRESHMAN SIRE IN U.S.A. IN 2006

RK	STALLION	(SIRE)	SWs	SHORSES
1	JOHANNESBURG	(HENNESSY)	5	7
2	Officer	(Bertrando)	4	5
3	E Dubai	(Mr. Prospector)	2	3
4	Pure Prize	(Storm Cat)	2	3

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Q) You are only 63 and would appear to have many good years in front of you. Why did you pick this time in your life to retire?

A) You start off with the basic equation: I've been at this now for 22 years and before that I was associated with the company as outside counsel, so I've been working at this location for a number of years. You look at any company, any organization, and the longevity of the CEO is generally five to eight years or something like that. So I have overstayed my welcome. That is number one. Number two, while I would like to think I have all sorts of skills, there are some skills with which I am not blessed. As I look toward what's going on within our industry, I see some exciting things happening. Those things relate to a larger distribution base of our products and a more generous introduction of technology onto our product mix. These skills do not really resonate in me. We have some people who are good at those things, but we need someone such as a Bob Evans to come in and take a different view of life and to apply his skills in assisting the company as well as the industry at large to exploit new opportunities that are clearly out on the horizon today. His prism is very much different from mine. I looked at that and I looked at my family. I've had a number of jobs all my life,

ranging from the military and then practicing law and the 22 years out here. The way I work is to work 24-7...not literally...but I am devoted to my work and I just thought it was appropriate with two grandchildren sitting out there--who are the love of my life--that I spend more time with them. I don't know what I might do in the future. I'm going to take six months off and kind of think about life and enjoy life a little bit and see what happens.



Meeker on the Churchill Downs backstretch

Horsephotos

TABLE TOPPERS

TOP OLDER HORSES IN EUROPE

- | | | |
|---|--|-----|
| 1 | HURRICANE RUN by MONTJEU | 131 |
| 2 | Shirocco by Monsun | 129 |
| 3 | YEATS by SADLER'S WELLS | 126 |

TOP 3-Y-O COLTS IN EUROPE

- | | | |
|---|---|-----|
| 1 | GEORGE WASHINGTON by DANEHILL | 131 |
| 2 | DYLAN THOMAS by DANEHILL | 129 |
| 3 | Araafa by MULL OF KINTYRE | 126 |
| 4 | Sixties Icon by GALILEO | 123 |

TOP 3-Y-O FILLIES IN EUROPE

- | | | |
|---|--------------------------------------|-----|
| 1 | Alexandrova by SADLER'S WELLS | 121 |
| 2 | Nannina by Medicean | 119 |
| - | Mandesha by Desert Style | 119 |
| 4 | Nighttime by GALILEO | 116 |

TOP 2-Y-O COLTS IN EUROPE

- | | | |
|---|---------------------------------------|-----|
| 1 | Teofilo by GALILEO | 119 |
| 2 | Holy Roman Emperor by DANEHILL | 118 |
| 3 | Dutch Art by Medicean | 116 |
| 4 | Conquest by Invincible Spirit | 114 |
| 5 | Admiralofthefleet by DANEHILL | 113 |

SOURCE RACING POST RATINGS.

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Q) Is there any particular accomplishment of which you are most proud?

Yes, there is. It's our people. If you look at Churchill Downs the way it was in 1984, we had a loyal and energetic but somewhat demoralized team base at that point. Today, we have a sense of energy, a sense of commitment and an overwhelming acceptance of change that exists among our team that is something that has held us in good stead over the years. More important, that will allow us to be very nimble and flexible as we move forward in the future. Then you look at what the team has been able to accomplish over the years, taking a monolithic, single track, which was not much, not withstanding the fact that we had the Derby, and taking Churchill Downs and moving it to the front of the racing world. And our team took the Derby and elevated it to a position that is untouched by any other racing event in the world. You see what they have been able to accomplish over the years and it is pretty impressive. But it all centers on the culture and the team that really represents Churchill Downs today.



Churchill's 2001-2005 \$121 million renovation was one of many improvements under the Meeker era. Horsephotos

Q) What is the one thing you regret the most?

A) Our inability to convince various legislators of the needs of racing as it relates to slots. That's probably the single greatest disappointment.

Q) From so many standpoints, Churchill Downs was not in good shape when you took over. How bad was the situation and were you confident you could turn things around?

A) They had suffered through two years of summer racing that were an abysmal failure. They had lost money for three years in a row. It was financially strained. It was physically strained. All of that was reflected in the attitude of the employees. Did I think it

was going to be a hard job? Yes. Was it going to be easy to do something? The answer is yes because it was so far down that anything you did was going to produce a result. If my memory serves me correctly, after we started in 1984 here at Churchill, we had 14 meets in a row where we increased attendance and handle. That was reflection of a couple of things: one, an attitudinal change among our employees and team

members and, two, the introduction of some capital on the order of \$35 million. That was the most difficult thing I had to do since I joined the company--to convince the board that they ought to spend \$35 million on an asset that was losing money. It was that commitment from the board that allowed us to add money and leverage the company up a little bit. From there, we started down the road that led us to where we are today.

LEADING THE WAY.....

LEADING SIRES IN EUROPE IN 2006

(IN ORDER OF GROUP RACES WON)

Rk.	SIRE (GRANDSIRE)	Gr. WNS	Gr. WINS
1	DANEHILL (Danzig)	11	17
2	Monsun (Königsstuhl)	9	13
3	SADLER'S WELLS (Northern Dancer)	9	12
4	DANEHILL DANCER (DANEHILL)	9	10
5	GALILEO (SADLER'S WELLS)	6	8
6	Pivotal (Polar Falcon)	7	7
7	MONTJEL (SADLER'S WELLS)	4	6

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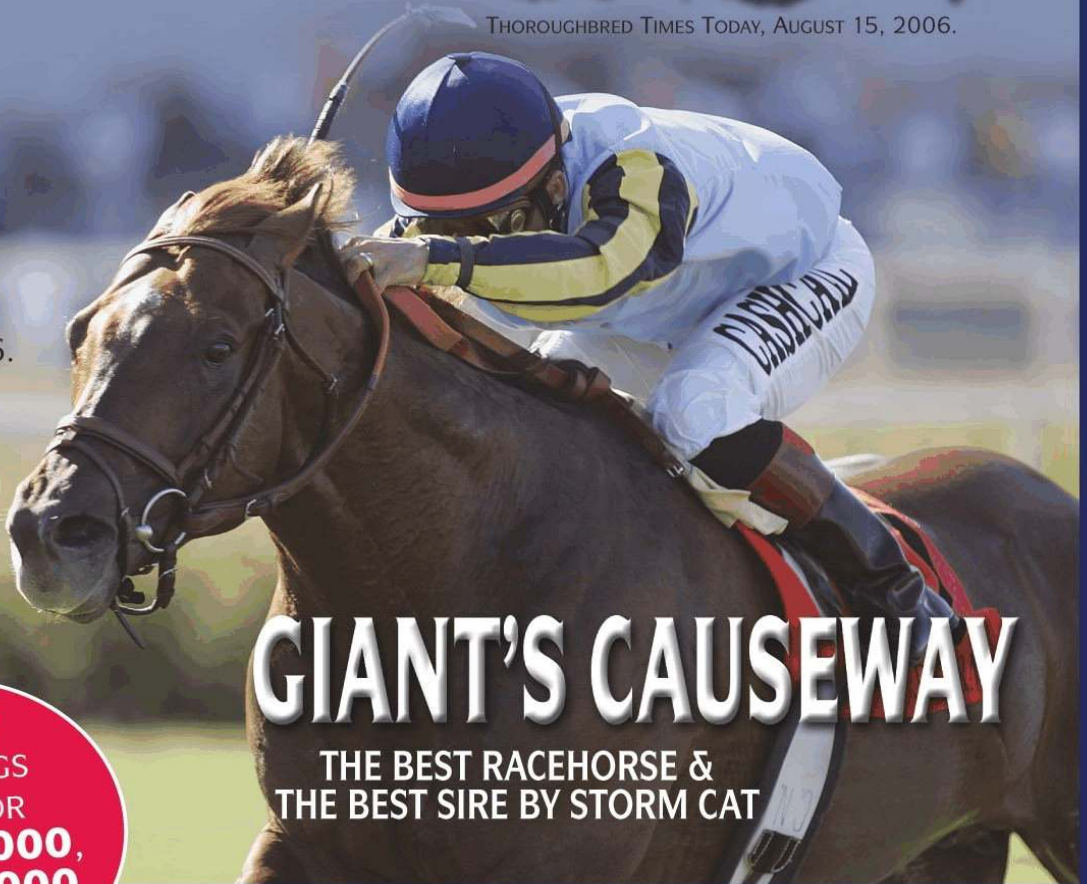
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LEADING NORTH AMERICAN SIRES IN 2006
(BY INDIVIDUAL GRADED STAKES WINNERS)

Rk	Sire (YOB)	GSW's
1	GIANT'S CAUSEWAY (1997)	8
2	Storm Cat (1983)	7
	Distorted Humor (1993)	7
4	A.P. Indy (1989)	6
5	Awesome Again (1994)	5
	Seeking The Gold (1985)	5
	Dynaformer (1985)	5
	Danzig (1977)	5
	Maria's Mon (1993)	5
	Awesome Again (1994)	5
	Unbridled's Song (1993)	5

THOROUGHBRED TIMES TODAY, AUGUST 15, 2006.

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Q) We have seen a new era of cooperation between Churchill Downs Inc. and Magna lately, which includes the two coming together to bid on the NYRA franchise in a partnership that also includes Empire Racing. Are we going to continue to see more examples of these two rivals working together?

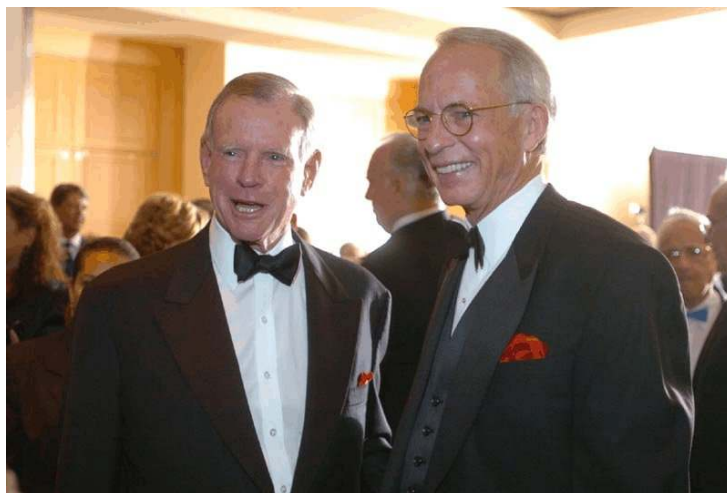
A) The short answer is yes. I think the whole industry has to coalesce and come together and I'm not talking about mergers. Right now, the industry is being challenged on a number of fronts, but the facts are that the industry is at the point in its history where there are terrific opportunities, much like what occurred in the eighties when we introduced interstate simulcasting. There are terrific growth opportunities out there that demand a couple of things—a consistent, unified approach to some of these opportunities, working hand in glove with competitors, etc.; and, number two, a recognition that there is an interdependence among the racing industry that is as important as it has ever been. When I first came out here in 1984, there was no mutual interdependence among the participants in the industry except that which occurred at the track itself. I wasn't concerned about what was going on at Arlington Park or in California or New York. There was no simulcasting. We introduced simulcasting and all of a sudden we became very dependent upon one another. The success that a track has in New York reflects itself in our financial performance because we were exporting our signal. That continues today. We're in an era where this cooperative approach to solving problems and exploiting opportunities is imperative. That sense and commitment resides in organizations like Magna, NYRA and several other tracks. Executing on those commitments is going to be difficult, but we are slowly moving down the road with Magna in a very cautious way to make sure that we can execute on our individual strategic goals while at the same time assisting the industry at large in growing.

Q) Here's your chance to campaign for the Magna-Churchill-Empire team that is trying to obtain the New York racing franchise. Why should some pick a group that includes Magna and Churchill?

A) I'm really not in a position to comment on that other than saying the obvious--you have three of the top content providers in the country who, with an aggregation of content, could do some significant things to improve the whole of the racing industry.

Q) We often hear that slot machines are the savior of the horse racing industry? Do you share that view?

A) If you believe that slots are the savior of racing you ought to be out of racing. What slots do is to provide money to the state, money to the horseman and money to the track. The most important of those three, I believe, is the purse contribution. They drive purse programs so an individual track remains competitive within the racing world. At some point, it may be a situation where you have the haves and the have nots. The have nots are as important to Churchill as the haves are. The have nots provide a distribution point for our simulcast products. But, in the end, those tracks, with a slot component in their revenue bases as it relates to purses, will have an advantage over other tracks. In terms of pure racing--one track against another--competition exists for horses today, and slots are an important ingredient. From the track's perspective, beyond the issue of profitability, if a track commits to slots with a view toward increasing purses and taking monies that are derived from the slot operation and improving their facilities, then you've got a terrific, terrific equation. To say that slots in and of themselves is going to become the primary revenue driver of the company...well, if that's the case, you ought to just get into the casino business.



Meeker and Will Farish at the 2004 Eclipse Awards *Horsephotos*

Q) If slot machines aren't the savior of horse racing, then what is?

A) If you look on the horizon, there are a number of things. Number one--account wagering and the increased distribution of our product base into the four corners of the domestic market. Number two--the international opportunities. Right now, we have an industry that is generally defined as \$15 billion a year in total wagering. It's been there, from \$14.2 to \$15 billion, for the last four or five years. If you add the international component to that, you're up to \$80-plus billion. That's a helluva lot bigger target than the \$15 billion, and that's a terrific opportunity when you understand that U.S. racing is without question the best racing in the world. If you can access individuals throughout the world who are horseplayers and handicappers, it's a terrific opportunity. How to get there? Aggregation of content, a more customer-centric customer interface, and all of the things that we went through in the United States when we tried to increase distribution through the interstate simulcasting system. All of those issues resonate in the international marketplace. But, not to arouse fear, all those challenges can be met and, if they are met, I think that U.S. racing could be absolutely dynamite in the next five to 10 years.



Q) In general, horse racing is in the midst of a decline, yet the Kentucky Derby has never been bigger or more popular. How has this one race, and, the Triple Crown as a whole, managed to do so well in a time when racing is struggling?

A) I disagree with you on your first point. Sometimes we are our own worst enemies. Attendance is up. It may not be at racetracks, but when you think of the number of people involved with racing on a day-to-day basis and count them, I would tell you that the number is up over what was occurring during the heyday, the thirties, the forties, the fifties. The distribution pattern of racing today in terms of the wagering products is remarkably different over what it was in the forties. We have simulcasting, we have people going to OTBs, we have people going to bet on racing at casinos, we have people betting from their homes on the computer. There is a lot of activity and a lot of people who continue to be involved in racing on a day-to-day basis that we are not counting. All we continue to do is look at what goes on on-track and we look at the numbers and say, 'Geez, look at the average daily attendance.' You have to understand we are running more races and that racing is going on 12 months a year. It's a remarkably different equation than it was back in the heyday. As it relates to the Derby, the Derby is, without question, growing in popularity. The important thing is to look at other days that are similar to the Derby, like the Summit of Speed at Calder and a myriad of other special events that we put on and other tracks put on. You see why people come to them. Racing is a social event. There are very few people you see walking into the racetrack alone. People today come with a partner or friend or they meet people at the racetrack. It is a fun day. The Derby is the tip of the iceberg. Everybody sees it. The final thing is, the change in our customer. You see young people today at racetracks. All too often, you see an old guy like me at the racetrack and that's what the writers want to write about. 'There's ole' Meeker and he can hardly walk around the place. He's at the racetrack and he'll be dead in the next couple of weeks.' That's the image the sport has, but I am telling you, you can see it every day here--you see young people and you see families. Who are these young people? They are the same people who are on the Internet four hours a day and they digest information in a way that I could never digest or was never trained to digest when I was growing up. They use a myriad of sources of information to make decisions, to play games, etc. When you talk to these young people about handicapping, you don't hear them say, 'It's too hard.' They are energized by it. It is stimulating to them. As we move forward and get into this distribution system that is largely technology based, we have to understand that customer in a way that we've never done before. We have to understand what drives him or her. If we can find out those things, and I'm confident that we can, the number of people that will be at-

tracted to our product will increase dramatically and, more important, once we get them interested in our wagering product they will come to the track, particularly on big days and see the real showcase product we have, which is the live racing experience.

Q) Once retired, how will you spend your time?

A) I don't know. For the next six months, I am committed to working for the company and assisting Bob in executing on various strategies. I won't be here every day like I have been, from seven in the morning to whatever at night. I will be involved with the company. I have committed to my family that for six months I am not going to do anything or make any decisions. We'll just see what happens after that. Since 1965, I have been gainfully employed in jobs that require a fairly large commitment of my time, be it when I was in the Marine Corps or when I was practicing law and then coming out here. I need to find out if indeed I can improve on my golf swing, if indeed I can read maybe two more books a week.

Q) Then are you leaving the door open a crack you will return and work in racing in some capacity?

A) Everything is open. My commitment to racing is fairly firm. I want it to succeed and I love it. When I first came here, I knew nothing about racing other than the legal aspects of it from representing the track. Quite honestly, Carol and I had a view that I would be out here a couple of years and then return to my law practice. Something happened during that first two years that really got me locked into racing. What happened was that I got to meet the people and I got to understand the sport. It's part of my life now. I can't imagine not having some part of each day of my life not involved with racing.

Q) You had a distinguished career in the Marines before working at Churchill Downs. Did your military career help you become a better executive?

A) There's no question that it did. There are two things that I have done in my life that have assisted me in accomplishing what I have done and meeting my obligations as the CEO of this company. The first is the services. In 13 years in the Marine Corps, I led men and women and had to build teams. And I was taught leadership the Marine Corps way. All the qualities of leadership the Marines try to impress upon all of their officers are very important skills in leading any kind of organization. The second thing was what I learned going to law school, like the ability to think, to take a set of facts and come to a conclusion and to be able to argue those facts to the board of directors, members of the industry, our team members, whatever it might be. You put those two things together, the leadership qualities you are trained to have and the intellectual thought processes that law teaches you about, and you have two things that assisted me greatly.



Q) What person or persons have been the greatest influences on your career and your life?

A) There's no question Warner Jones was the most important person in my career, as far as my racing associations go. There was a general officer back when I was serving in the Marines that was sort of my mentor. Then I had Gordon Davidson when I was practicing law. He really showed me the way. He and Wilson Wyatt, who was named partner in the firm, instilled in me this concept of community service which has been a hallmark of Churchill since we came out here. They taught me how important it is to get involved in the community at every level in the community and with every person within the organization. As I moved into Churchill Downs, Warner Jones was without question the most important influence on my life, from two perspectives. One, he provided me with a sense of confidence in that what we were doing out here was the correct approach and he helped me to understand what was going on in the industry. On a personal level, he assisted me in solving some of my personal problems with alcohol.

Q) Did your bout with alcohol threaten your career as the head of Churchill Downs?

A) Sure. I was on a slope, as any alcoholic is. There comes a time in your life that you finally recognize that you are moving toward bottom. I don't know how far away I was from that, but I was getting pretty close. Usually, the job is the last thing that goes. First, family life starts getting a little hectic and messed up. Fortunately, with the help of Warner and others--and it just wasn't Warner who helped me--I finally made the decision that I needed to get some professional help. That was relatively easy with the help of a number of people. The more important thing that really assisted me over the past 17 years has been the support of my friends and my colleagues here in the company. They didn't miss a beat. I walked back in and they accepted me for what I was and am--an alcoholic. We've been able to proceed day to day on the right path.

Q) After all these years, it seems that the industry still isn't sure what the role of the NTRA should be. Your thoughts on this subject?

A) Where I'd like them to go is on a very focused, one-two-three plan that starts off with this basic proposition. There are a number of problems that exist in the industry and we've got to solve them. We've got to solve them one, two, three, four. We can't try to solve 852 problems with 8,000 different organizations with every letter in the alphabet displayed on top of these organizations. We need to come to the consensus that these objectives can be accomplished in this particular amount of time and that this is item number one. We have to set a course for the industry in terms of new growth channels, be it international wagering or domestic wagering. We have to take these things in bite-

size chunks and not have 20 objectives. Let's isolate on one and get the job done and turn the page. The next year we can do one more or two more.

Q) On the same subject, what should the relationship between the NTRA and the Breeders' Cup be? Should the two organizations be joined at the hip?

A) Organizational structures are fundamentally a predicate of personality. In the end, an organization works because of its personality, and I'm talking about individual personalities. This person has one strength as VP of XYZ. You tell me who's going to be in the lead of these organizations and then I'll tell you how the organizations should work and how the responsibilities should be allocated. I don't think we're there yet.



Q) What will it feel like when you stroll out of Churchill Downs on your very last day? Will it be sadness, a sense of accomplishment, a sense of pride?

A) All of those things in various degrees. I think the overwhelming emotion that will come to the front will be this sense of missing people that you work with every day. Notwithstanding my public image, internally, I'm not a warm and fuzzy guy. But I enjoy working

with my fellow team members here on a day-to-day basis. I understand them and I understand what's going on in their families. I understand what they like and don't like. Just that daily interaction that you have with your friends and colleagues--sure, I'll miss that. In terms of a sense of pride, the only pride I really have, and I say this sincerely, comes from seeing people succeed. When I look back and see what our folks have done over the last 22 years...it would be much like a jockey. A jockey climbs on a horse for two minutes and gets all the accolades. People forget about all the hours the hotwalker, the groom, the trainer put into getting the horse ready to go. I am kind of like a jockey. I just take a two-minute ride every day and when the horse wins I get all the praise. I am telling you, our folks have grown so much in terms of their basic business skills, their communication skills, you name it. That's what I'm most proud of. That emotion is there.