

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Churchill Downs Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Okay, sir. Thank you very much. (Operator Instructions). And your first question comes from the line of Ryan Worst with Brean Murray. You may proceed.

Ryan Worst - Brean Murray

Good morning.

Bob Evans

Morning, Ryan.

Ryan Worst - Brean Murray

Just a couple of questions. One, any insight as to how the slots at the Fair Grounds are doing since the meet ended?

Bob Evans

Okay. Well, I guess first of all, we did see a dip in slots at the Fair Grounds during Jazz Fest as parking for our patrons and access to the facility was limited due to the activity on site. Post the live meet we did see a small drop, but it's still outperforming where we expected it would be. And as we go into this year, there is seasonality related to the slots operation we talked about. You tend to see a small dip during the summer months. So far, we've been very pleased with the performance.

Ryan Worst - Brean Murray

When exactly did the racing meet end?

Bob Evans

It was March 23rd. Yeah, third week of March.

Ryan Worst - Brean Murray

It was March 23rd that I'll have to check. Thanks very much. And then you talked about the ADW performance in the first quarter which looked pretty good. But also in the first quarter it seems like you guys have exclusivity on several important racetracks for winter racing like Gulfstream Park and

the Fair Grounds. How do you think your content stacks up the remainder of the year? And is an annualized number of the first quarter, is that really realistic?

Bill Mudd

Well, I'm pretty comfortable with the content lineup going through the balance of the year. There's a couple of race meets such as Oak Tree at Santa Anita, Del Mar and Kemond that we don't have access to. But sort of across all racing, all quarter, we're pretty comfortable with where we are. We're still trying to work out some arrangement where all the ADWs have all the content. I continue to believe that that's the right answer for the industry, because that puts all the ADWs in the position of trying to be innovative in attracting new customers. And I think we'll get the maximum industry growth that way.

But at this point at least, we haven't been able to work out those arrangements with those tracks that I mentioned or with TBG who still has exclusive rights to that content. So I feel pretty positive about our content position through the balance of the year. As far as annualizing the first quarter numbers, we're not in the business of making projections. But I don't think there's any significant change quarter-to-quarter in our content position.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.