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Churchill Downs Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Ryan Worst - Brean Murray.

Ryan Worst - Brean Murray

I'm sorry if I missed this, but what was CapEx in the quarter and also what was the severance expense in the quarter?

Bill Mudd

Yes, the severance expense was \$1.1 million in the quarter and the CapEx in the quarter, on a year-to-date basis; you got both periods, but about \$13 million in the third discreetly.

Ryan Worst - Brean Murray

13 million?

Bill Mudd

Right.

Ryan Worst - Brean Murray

Then as far as the payments go to the acquired ADW's, how much more do you owe on that?

Bill Mudd

About \$3.5 million.

Ryan Worst - Brean Murray

Is that the last payment that you guys have?

Bill Mudd

We accrued \$7 million into goodwill in the second quarter, we paid \$3.5 of that out in July and there is 3.5 to go, which will be paid sometime between now and the end of the agreement.

Ryan Worst - Brean Murray

Okay and then when you are talking about your increase in handle, does that include the separate platforms last year, so you are 62% over the combined platforms?

Bill Mudd

Yes, last year had the acquired businesses. I would say that, content and states that we are in and things like that changes over here, so it is a tough comparison, but it does contain the operations of both for the full period.

Ryan Worst - Brean Murray

So did you say wagering was like \$64 million through TwinSpires this quarter?

Bill Mudd

The handle on TwinSpires online was 56.

Ryan Worst - Brean Murray

56 okay, and then maybe you or Bob could comment on, what the content picture looks like for TwinSpires relative to last year in the third quarter and then in the fourth quarter or not only content but states you are accepting wagers in?

Bill Mudd

Maybe Bill Carstanjen is the best guy to answer that question, since he deals with it day-in and day-out.

William Carstanjen

I think it is hard to tell exactly what the content picture will be in the fourth quarter, hopefully it will be consistent with what we had last year, but those are the sort of decisions that you have made right before meets open, so they haven't been made yet, but certainly we are optimistic and hopeful. We will work as hard as we can to get as much content as possible and that is in everybody's interest.

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