

Churchill Downs buying YouBet.com

12 November 2009



A view of Churchill Downs following the 135th running of the Kentucky Derby, seen in May, in Louisville, Kentucky. Churchill Downs Inc., owner of the horse racing track which hosts the famed Kentucky Derby, announced it has agreed to acquire online betting website YouBet.com.

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The Louisville, Kentucky-based Churchill Downs said it was acquiring all of the outstanding shares of YouBet in a transaction valued at nearly 127 million dollars.

It said that YouBet shareholders would receive 0.0598 shares of Churchill Downs common stock plus 97 cents in cash for each share of YouBet [common stock](#) they own.

YouBet shareholders would own some 16 percent of Churchill Downs at the close of the transaction.

YouBet is a provider of off-track betting services to a number of race tracks inside and outside the United States including Aqueduct, Belmont, Keeneland and Saratoga in addition to Churchill Downs.

It reported 70.8 million dollars in revenue through the first nine months of 2009.

The Churchill Downs statement said less than 14 percent of wagering on US thoroughbred racing is placed online.

"We believe, however, that this percentage will continue to grow, consistent with recent trends toward online transactions in other consumer industries," Churchill Downs said.

Churchill Downs said the deal has been approved by the boards of both companies but is subject to regulatory approval and the approval of YouBet shareholders.

It said it expects the transaction to close in the first or second quarter of 2010.

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APA citation: Churchill Downs buying YouBet.com (2009, November 12) retrieved 20 January 2022 from <https://phys.org/news/2009-11-churchill-downs-youbetcom.html>

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