



Throughout its 128-year history, Churchill Downs Incorporated has built on its core strengths as a means to advance the racing industry, grow the Company and deliver value to our owners. This approach helped create an event, a tradition and a brand that today inspire race fans from across the country and throughout the world.

In 2002, we again built on our strengths—*our financial performance, our products and our people*—to grow the Company, deliver value to our shareholders and ensure the success of our Company for the next 100 years.

Building on STRENGTH

Letter to Shareholders

Throughout its 128-year history, Churchill Downs Incorporated (“CDI” or “the Company”) has built on its core strengths as a means to advance the racing industry, grow the Company and deliver long-term value to our owners.

This approach created an event, a tradition and a brand that today inspire and excite race fans from across the country and throughout the world.

In 2002, this course carried us through many challenges and opportunities. Our financial performance gave us the confidence to embark on the Company’s most ambitious renovation project, the “Master Plan” to modernize Churchill Downs racetrack. Our strong racing product allowed us to bring the Breeders’ Cup World Thoroughbred Championships to Arlington Park. And our employees provided the leadership and expertise to address issues such as post-Sept. 11, 2001, security and the Breeders’ Cup Ultra Pick 6 investigation in a manner that well served our Company, our customers, our industry and our communities.

In 2002, we again built on our strengths—our financial performance, our products and our people—to grow the business, deliver value to our shareholders and bolster our foundation for future success.

2002 Financial Results

Our progress during 2002 included another record in net revenues that topped \$439 million, an increase of 2.8 percent over 2001. Earnings per share—before a special non-cash asset impairment charge for Ellis Park—reached \$1.78, up 6.6 percent over the prior year.

We generated these record results despite significant increases in our insurance and security costs as a result of the events of Sept. 11, and increased lobbying expenses related to alternative gaming legislative initiatives. Growth in simulcasting and account wagering, coupled with ongoing expense controls, enabled us to overcome these factors to produce sound year-end results.

Operational Highlights

We built on several traditions that stamp our organization as an industry leader. The Kentucky Derby and Kentucky Oaks, our greatest racing days, attracted nearly 250,000 race fans over two days at Churchill Downs racetrack and set a new combined record of more than \$150 million in total wagering. In addition to achieving this gratifying bottom-line success, we were also pleased with our efforts to ensure a safe and secure event and accommodate patrons in a manner that maintained our high standards for customer service.

Arlington Park, in just its second full year under the Twin Spires brand, hosted its first Breeders’ Cup World Thoroughbred Championships in October 2002. The event set records for total wagering and marked the ninth time a CDI-owned racetrack hosted a Breeders’ Cup—the most of any racing company.

We further accelerated our leadership in the simulcast market in 2002 by creating a separate operating unit for Churchill Downs Simulcast Network (CDSN). As a result, additional resources and focus were directed toward increasing our share of this growing worldwide market. Initial returns were encouraging, as our simulcast market share grew by 5 percent in 2002.

In addition, we bolstered our industry-leading Twin Spires Club “customer-rewards” program by expanding it to Ellis Park and Television Games Network (TVG), creating VIP levels and using direct mail, e-mail and Trackside off-track betting (OTB) facility kiosks to promote member benefits. In 2002, Twin Spires Club membership grew by nearly 18,000 to include more than 60,000 members who accounted for 22 percent of wagering at Arlington Park, Calder Race Course, Churchill Downs racetrack, Ellis Park, Hoosier Park and our 10 Trackside OTBs.

Employee Achievement

We built on the strengths of our staff. Our accomplishments over the past year and throughout our venerable history would not be possible without the dedicated and talented people who lead and serve this Company. Examples abounded again in 2002.

Churchill Downs racetrack staff responded to entirely new “post 9-11” security challenges around Kentucky Derby and Kentucky Oaks with well-conceived measures and innovations that actually improved the customer experience. Arlington Park staff rose to the occasion of hosting their first Breeders’ Cup in such a manner that the event will likely return to the Chicago area. And Calder Race Course continued to defy the difficult on-track environment by generating increased attendance while maintaining the best margins among all of our live racetrack operations.

We invite you to read through the rest of this report to learn more about how our Company capitalized on our basic resources to produce a successful year despite a sluggish economy. This performance speaks volumes about the resiliency of our business, the strength of our model and the power of the CDI brand in the racing and gaming industries.

The Year Ahead

In 2003, our goal is to maintain the momentum we have established, recognizing that we must overcome a racing schedule that includes fewer race days and the loss of \$3 million in pre-tax revenues due to a significant reduction in Hoosier Park’s share of the Indiana riverboat subsidy.

Our strong racing product and marquee race days are vital to our on-track business, providing the high-quality content that enables CDSN to garner additional market share. We continue to fine-tune ways to improve our customers’ experience and are excited about enhancements that will be part of a new Customer Relationship Management initiative in the second half of 2003.

The first phase of the Master Plan renovation at Churchill Downs racetrack will be completed in 2003 and will revitalize the racetrack with premium venues and year-round utilization. Phase II, which will begin immediately following the Spring Meet, will involve razing and rebuilding most of the clubhouse area over the next year and provide another stern test in the near term for our staff, especially during the “Demolition Derby” of 2004.

Every year arrives with uncertainties, challenges and potential. Well-managed, well-positioned companies leverage their strengths to endure and even thrive in such a climate. In 2003 as in 2002, we will build upon our core strengths to generate value for all of our constituencies and position CDI for continued success.



A TRADITION OF LEADERSHIP
From racetrack founder C. Lewis Clark to the Kentucky Derby's greatest promoter, Matt Winn, the Company's history is marked by an unparalleled level of leadership and vision. It is this rare combination that transforms a racetrack into a national landmark and a race into the "Greatest Two Minutes in Sports." CDI Chairman Carl F. Pollard and President and CEO Thomas H. Meeker continued that legacy in 2002 by boldly investing \$121 million to modernize the Company's flagship racetrack, Churchill Downs.

Carl F. Pollard
Chairman

Thomas H. Meeker
President and Chief Executive Officer

BUILDING FOR THE 21ST CENTURY

The Kentucky Derby at Churchill Downs racetrack is the nation's longest continuously running sporting event and the signature race and venue for CDI. For 128 years, the race has captivated fans from around the nation and world. To ensure the success of the event and its legendary home over the next century, CDI will spend \$121 million to transform the facility into a modern sports complex with premium venues and amenities—accommodations more commensurate with racing's greatest event.



STRENGTH of our product

In horse racing, there is no stronger product than the Kentucky Derby at Churchill Downs and no stronger brand than the Twin Spires. Leveraging this quality product and brand is critical for CDI's success in an industry with modest growth.

The Company did just that in 2002, as wagering on CDI content grew at twice the rate of the industry and CDI purses increased at 10 times the industry's rate of growth. We built upon the strength of our product as we delivered outstanding live racing, enhanced our leading-edge simulcast network, expanded our popular player-affinity program and started to rebuild our flagship facility.

Live Racing

Our 2002 racing calendar began with the most challenging Kentucky Derby and Kentucky Oaks of this generation. In the aftermath of the terrorist attacks of Sept. 11, 2001, our ability to conduct a safe and successful event was paramount for the 250,000 fans that would be in attendance over two days at Churchill Downs racetrack.

The security measures worked well and became a template for future events, including Kentucky Derby 129 in 2003. War Emblem began his near-Triple Crown run with a wire-to-wire upset victory.

And the 128th Derby and Oaks set new on-track and total-wagering records, with total wagering up 15.4 percent for Oaks and 14.5 percent for Derby. Total wagering on the Derby Day card set a single day record of more than \$123 million.

Five months later, the industry's richest single day of racing—the Breeders' Cup World Thoroughbred Championships—made its Midwestern debut at Arlington Park on Oct. 26, 2002, marking the ninth time a Breeders' Cup has been held at a CDI racetrack. The best Thoroughbreds in the world competed in seven races for \$13 million in purses for the first time ever in the Chicago area. Arlington sold out its facility—including the extra 30,000 seats added for the event—and set a new Breeders' Cup total-wagering record of more than \$116 million.

Other outstanding CDI stakes events delivered encouraging results throughout the year.

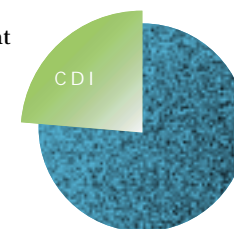
- *Arlington Park's International Festival of Racing Day—an event culminated by Beat Hollow's narrow victory over rival Sarafan in the 20th Arlington Million—generated strong attendance and an all-time total wagering record.*
- *Hollywood Park's Hollywood Gold Cup Day garnered nearly \$18 million in wagering, and the racetrack's inaugural American Oaks Day attracted nearly \$17 million in wagering.*
- *Hoosier Park's two biggest racing events—the Dan Patch Invitational during the Standardbred Meet and the Indiana Derby during the Thoroughbred Meet—drew well over six times the average daily attendance.*
- *Ellis Park recorded an increase in attendance for the fourth consecutive meet, highlighted by the 6,370 that visited on Jon Court bobblehead day.*
- *Calder Race Course hosted two of Florida's biggest racing days, the Summit of Speed and the Festival of the Sun, which set new attendance and wagering records at the Miami-area racetrack.*
- *Churchill Downs' Stephen Foster Super Saturday—the second-richest day of stakes racing at Churchill Downs racetrack—saw Street Cry raise his career earnings to over \$5 million with a decisive victory against a top-notch field.*

Throughout the year, CDI coordinated its race calendar to focus on marquee race days that encouraged horsemen to participate in our racing circuits.

Special on-track promotions and innovative simulcast wagers tied into these events—such as the CDSN Pick 4 or the

CDSN Turf Pick 3—made our racing product even more attractive to live and simulcast audiences.

All told, CDI presented 668 race days that generated more than \$3 billion in total wagering in 2002. Though CDI live racing accounted for approximately 10 percent of the annual domestic total number of races, it produced 24 percent of all graded stakes in 2002 and generated more than 20 percent of overall wagering.



2002 Graded Stakes

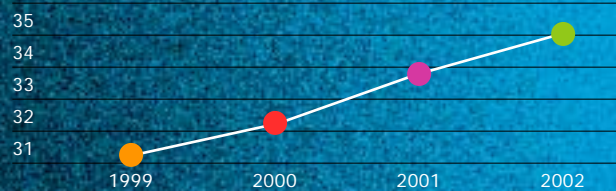
STRENGTH of our product

Simulcast

CDSN, the industry's premier simulcast brand, gained additional resources and focus in 2002 when it was positioned as a separate operating unit within CDI. The new structure enhanced the network's original marketing and sales initiatives in order to maximize the distribution of CDSN products in all markets, including in-home and international.

With a focused and innovative management team in place, CDSN stepped up its marketing efforts to many of the country's 1,100 simulcast outlets,

Expanding Horseracing Fan Base
(Percent per year among U.S. population 18-plus)



and worked with partners TVG and its licensee, Youbet, to expand the emerging account-wagering market. As a direct consequence of in-roads made in the newly opened

California market, account-wagering handle on CDI racing grew in 2002 by 253 percent through TVG and 1,692 percent via Youbet. TVG subscribers tripled in 2002, and subscribers more than doubled at Youbet.

For the year, the strength of the brand, the growth of account wagering and the more-focused approach on sales and marketing enabled CDSN to build upon its product. CDSN boosted its market share by 5.1 percent in 2002, growing from 18.3 percent of all domestic simulcast wagering to nearly 19.2 percent.

Twin Spires Club

In 2002, CDI's Twin Spires Club (TSC)—the industry's leading player affinity program—grew even stronger. Nearly 18,000 new members joined the customer-rewards program, raising total membership to more than 60,000. The program expanded to include Ellis Park and TVG members, and is now available at every CDI racetrack and OTB with the exception of Hollywood Park, which is part of the Golden State Rewards Network, California's player affinity program.

Members tracked their points—which are awarded based on the amount wagered on CDI races—at TSC offices in each racetrack and OTB, new kiosks placed at Trackside locations and on the redesigned Twin Spires Club Web site. They were invited to participate in special promotions through e-mail and direct mail, as well as new VIP levels of membership. Trifecta contests, Pick 4s and free past performances served to activate members.

Over the course of 2002, 26,617 Twin Spires Club players visited a CDI facility 682,023 times and wagered more than \$213 million dollars at five CDI racetracks and 10 OTBs. Club members accounted for more than 22 percent of the total handle at these facilities.

Master Plan

In the wake of an economic downturn that prompted many companies to reduce capital expenditures, our Board of Directors approved the most extensive renovation project in the Company's history—the \$121 million Master Plan to modernize Churchill Downs racetrack. The project will add seating, premium venues and amenities that will upgrade the facility to a level commensurate with its signature race.

As important, the project symbolizes the Company's resolve to honor its traditions and build upon its strengths. Churchill Downs is a national landmark and the foundation of our Twin Spires brand. As host to the "Greatest Two Minutes in Sports," Churchill Downs captivates horseracing fans around the country while bringing worldwide attention to our sport through NBC's Kentucky Derby broadcast.

That said, the venerable facility needs a facelift. Portions of Churchill Downs are more than 128 years old, and the racetrack's antiquated facilities pale in comparison to modern sports and entertainment venues. The board's bold decision to proceed with the \$95 million second phase of the renovation plan will ensure that the facility delivers an exciting customer experience for the next 128 years.

One floor of the Jockey Club Suites facility under construction as part of the first phase of the Master Plan will be open for Kentucky Derby and Kentucky Oaks in 2003. The second phase of the project, the renovation of the clubhouse area, will begin in July, immediately following the close of the Spring Meet. The entire Jockey Club Suites portion will be completed in 2003, and the clubhouse modernization will be finished by 2005.

All told, the project will add several dozen luxury suites as well as meeting rooms, banquet facilities, lounges and restaurants, kitchen facilities, elevators and escalators and integrated simulcast areas. It will add a number of premium venues and allow the facility to be used year-round. Overall seating capacity will increase by nearly 3,000. In its first year after completion, the project is anticipated to be accretive to the Company's earnings.



Trackside Sites

- South Elgin
- Quad City Downs
- Rockford
- Arlington Park
- Waukegan
- Chicago
- Merrillville
- Fort Wayne
- Indianapolis
- Louisville

THE CDI RACING NETWORK
 From coast-to-coast to the heart of the Midwest to the Bluegrass, CDI presents quality racing that sets the standard for horsemen, race fans, simulcast outlets and other racetracks. Our favorable share of graded stakes—and the disproportionate amount of money wagered on our racing—bears out the strength of our product. And in 2002, CDI and the industry's efforts to deliver a more compelling experience continued to pay off, as fan interest in horse racing rose for the third consecutive year.



Strength in Character

A company is only as strong as its most essential asset—its employees. It is their leadership, innovation, commitment and service that make the difference between a good year or a bad year, a successful company or failure.

With a workforce of nearly 1,300 in five states, CDI is blessed with talented, dedicated employees whose skill at delivering a quality racing product and customer experience is consistently reflected in the Company's bottom line. Staff are constantly called upon to apply their skill and experience to tackle issues or design and implement measures that benefit customers. In 2002, our employees again rose to the occasion—even in extraordinary circumstances—to prove how a company's strength does make a difference.

Leadership

CDI staff responded to two significant challenges—Kentucky Derby and Kentucky Oaks security efforts after the Sept. 11, 2001, terrorist attacks and the Breeders' Cup Ultra Pick 6 fraud—with leadership and effort that paid dividends for our Company and our customers.

Just months after the tragic events of Sept. 11 and amid the ongoing threat of additional terrorist activity, Churchill Downs racetrack prepared to host approximately 250,000 fans during North American racing's two biggest days, the Kentucky Derby and Kentucky Oaks. Unable to attain major assistance through the Department of Homeland Security, Churchill Downs employees instead worked with federal, state and local law enforcement agencies to devise measures—including magnetic wand searches of all patrons, the presence of additional law enforcement officers and limits on what items could be brought into the facility—to ensure a safe and secure event.

Churchill Downs employees also increased their overall emphasis on customer service and hospitality to help Derby and Oaks patrons adjust to these changes. Staff went so far as to create two mini-markets (courtesy of Thornton Oil Corp) in the Churchill Downs infield that sold items, such as coolers that were not

allowed through the gates, and found a sponsor (Banana Boat®) to provide free packets of sunscreen to patrons. As a result, both days proved to be successful, safe and secure events that generated record wagering, a great customer experience and a minimal decline in attendance.

CDI's Arlington Park hosted North American racing's other major event, the Breeders' Cup World Thoroughbred Championships, in October of 2002. Transforming a 15,000-seat racetrack into a facility that could host 45,000 was a feat in itself, but the event created a more serious challenge to the Company and the industry when a tote company insider worked with two others to alter a Breeders' Cup Ultra Pick 6 wager.

The Company's response demonstrated why it is considered an industry leader. CDI management teams immediately upgraded the security measures within the tote facilities at all of its pari-mutuel facilities and put in place wagering measures to address the perception of "past-post" betting. CDI employees across the country planned and executed a coordinated marketing and communications campaign to explain the revised wagering policies to customers. CDI employees also spearheaded industry working groups that were organized to review the computerized wagering systems used by the horse racing industry and address public relations issues as they arose.

The prompt action and steps implemented have improved wagering security without a noticeable drop-off of customer confidence in the pari-mutuel wagering system.

Innovation

CDI's legacy of innovation spans more than a century, from the origin of the nation's greatest race and most legendary racetrack to the popularization of pari-mutuel wagering, color-coded saddlecloths and the Twin Spires brand.

STRENGTH of our people



OUR UNBRIDLED CHAMPIONS

From Trackside to the racetracks' backside, CDI's true key assets are our people. Hundreds of men and women at our facilities in five states go to work each morning with the intent of bettering the Company. Their efforts result in everything from satisfied customers to clean and attractive facilities to multi-million dollar initiatives to grow the business. In 2002, our employees helped us achieve solid results in the face of a difficult economy and unique challenges.

In recent years, CDI has mined its operations' "best practices" and its employees' brightest ideas and implemented them Company-wide through its Winning Colors® program. In this manner, employee innovations in such areas as customer service and horsemen relations have spread from one racetrack or operation to all in the CDI network.

In 2002, CDI reaped the benefits of a Winning Colors initiative to address rising costs associated with workers' compensation insurance. The program sought to reduce claims cost by 25 percent through the implementation of a safety management system, more rapid reporting of claims to the insurance companies and a quicker return of injured workers to the job.

The early results include improved safety awareness, more timely reporting of claims and claim costs that were 49 percent lower in 2002 versus 2001.

Another example of employee innovation in 2002 involved the creation of a new generation of off-track betting facilities under CDI's "Trackside" brand. In December, Arlington Park opened its sixth off-track betting facility, "Longshots Bar & Grill featuring Trackside OTB," pairing off-track wagering with an existing sports bar. The concept—which CDI is pursuing in other communities—seeks to drive traffic to an existing establishment by adding OTB capacities and at the same time cultivate new racing fans.

Commitment

Being selected to host the Breeders' Cup World Thoroughbred Championships is a racetrack's greatest honor—and challenge. For the Arlington Park staff, hosting the Oct. 26, 2002, event meant adding approximately 30,000 temporary seats with a corresponding number of mutuel windows, restrooms, concessions, first aid, security checkpoints and guest services. In addition, a comprehensive traffic plan—involving four locations and special shuttle trains—was devised to accommodate up to 15,000 cars parked off-site.

In a nine-month time frame, Arlington's team worked with corporations, the airport authority, convention and visitor bureaus, and state and city officials to transform the racetrack and prepare the community to host this prestigious, international event. Work often proceeded at night—after racing and training—to construct mini-grandstands around the racetrack.

The resulting event, with its record for total wagering, excellent on-track results and positive customer feedback, certainly spoke to the commitment of Arlington Park's employees—as did the talk in the following weeks of bringing the event back to the Chicago-area racetrack in the future.

Community Service

On any given day, several CDI employees will go to work for someone else—perhaps a neighborhood, an organization, a school or youth in their community.

Workers from CDI's six racetracks and 10 OTBs in five states volunteer thousands of hours through the Company's "Helping Hands" initiative on behalf of neighborhood beautification projects, underprivileged youth and such organizations as Habitat for Humanity, Big Brothers/Big Sisters, Junior Achievement, Special Olympics, Ronald McDonald House, Court Assigned Special Advocates and others.

In 2002, CDI employees continued the Company's tradition of giving back to its communities through volunteerism, financial contributions and industry-specific campaigns. More than 500 staff volunteered to clean and landscape nearby neighborhoods, mentor youth, build houses and serve on boards of non-profit organizations. CDI and its employees gave approximately \$1.3 million in financial contributions to needy social services and organizations through the course of the year. And the Company's inaugural Out to Pasture Party raised more than \$100,000 for the Green Pastures Program®, which works with the Thoroughbred Retirement Foundation to provide a home and care for retired racehorses.



STRENGTH of our performance

Strength in Numbers

With consistent earnings, positive cash flow, a solid balance sheet and a history of revenue growth, CDI's financial performance is a core strength of the Company and a pacesetter for the industry.

CDI's noteworthy performance includes record revenues in each of the past 10 years. Net earnings over this period have risen nearly eight-fold, equating to a compound annual growth rate of 23.9 percent.

In 2002, CDI extended this impressive record. Earnings, before a non-cash asset impairment charge for Ellis Park, totaled \$1.78 per share, up 6.6 percent from the \$1.67 per share in 2001. Net revenues for the year totaled \$439 million, up 2.8 percent from the year prior. Cash flow from 2002 operations totaled \$35 million, and the Company's debt-to-total capital ratio at the close of 2002 was reduced to 34.4 percent, highlighting the flexibility that CDI has for funding future expansion initiatives.

The 2002 results were achieved despite a weak economy and a general decline in discretionary spending, coupled with dramatic increases in the cost of doing business. As a direct result of the events of Sept. 11, 2001, CDI's insurance premiums soared by nearly 50 percent, and the Company incurred significant increases in security costs for the 128th Kentucky Derby and Kentucky Oaks. In addition, lobbying expenses were sharply higher in 2002 as the Company pursued alternative gaming legislation in Illinois, Indiana and Kentucky.

The fact that the Company was still able to grow its earnings, before the special asset impairment charge, and grow its revenues—and reduce debt—

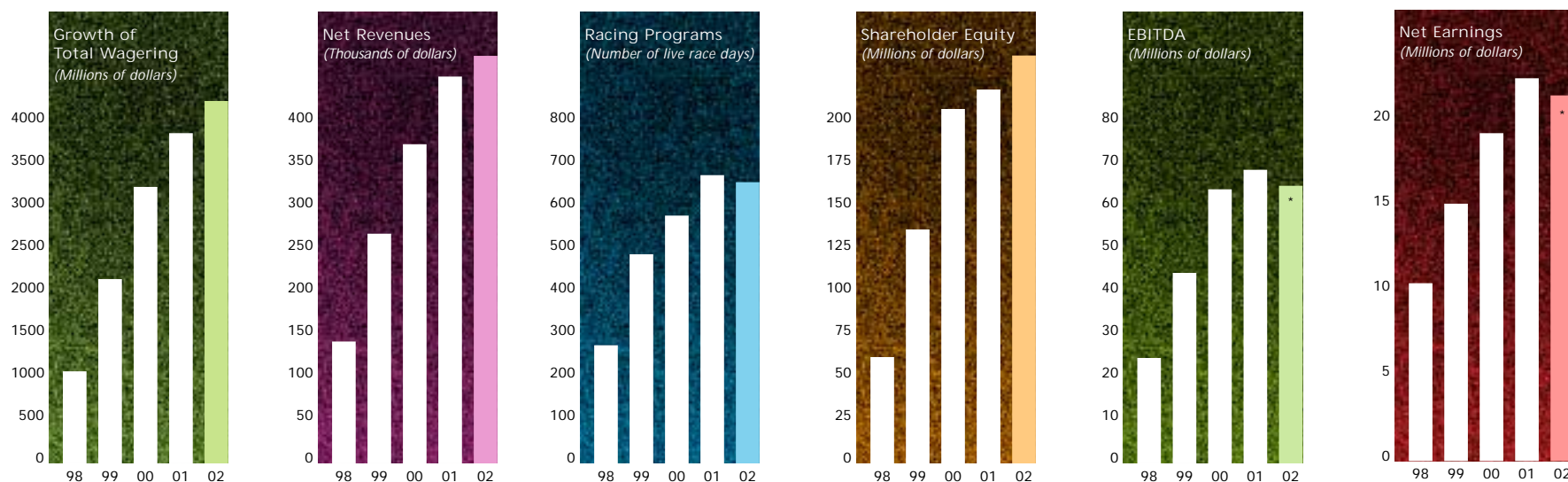
speaks to the soundness of its business model and financial management. The decision to proceed in 2002 with a \$121 million modernization project of its flagship facility is further testament to CDI's financial strength and position as an industry leader.

Since 1998, pari-mutuel wagering in the United States grew at a compounded annual growth rate (CAGR) of 3.5 percent. During that same period, wagering at CDI racetracks grew at a CAGR of 40.6 percent, and net revenues grew from \$147 million to \$439 million, a CAGR of 31.4 percent. While much of this growth through 2001 was due to the addition of new racetracks, CDI's wagering during 2002, where acquisitions were not a factor, rose at a rate double that of the industry.

Access to Capital

Another outcome of CDI's strong financial performance is a broader access to capital. The Company's cash flow, coupled with funds from a secondary offering in 2000, has enabled CDI to access capital on more favorable terms.

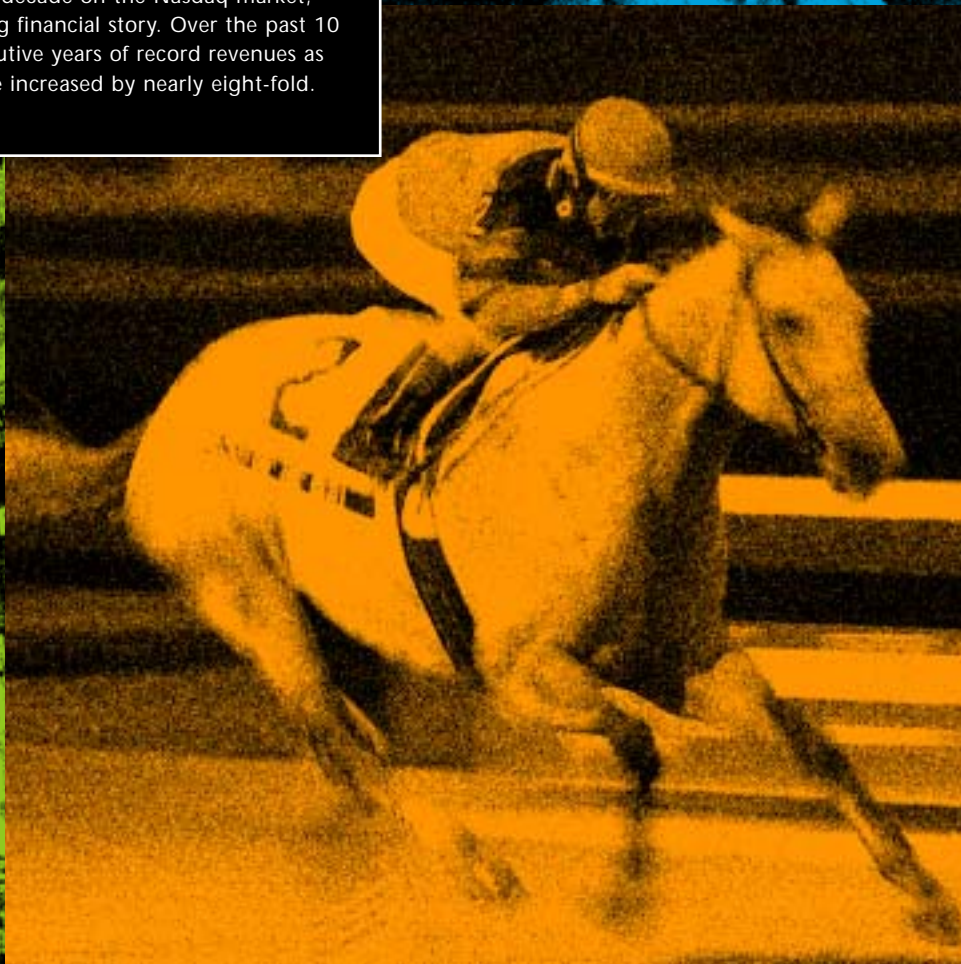
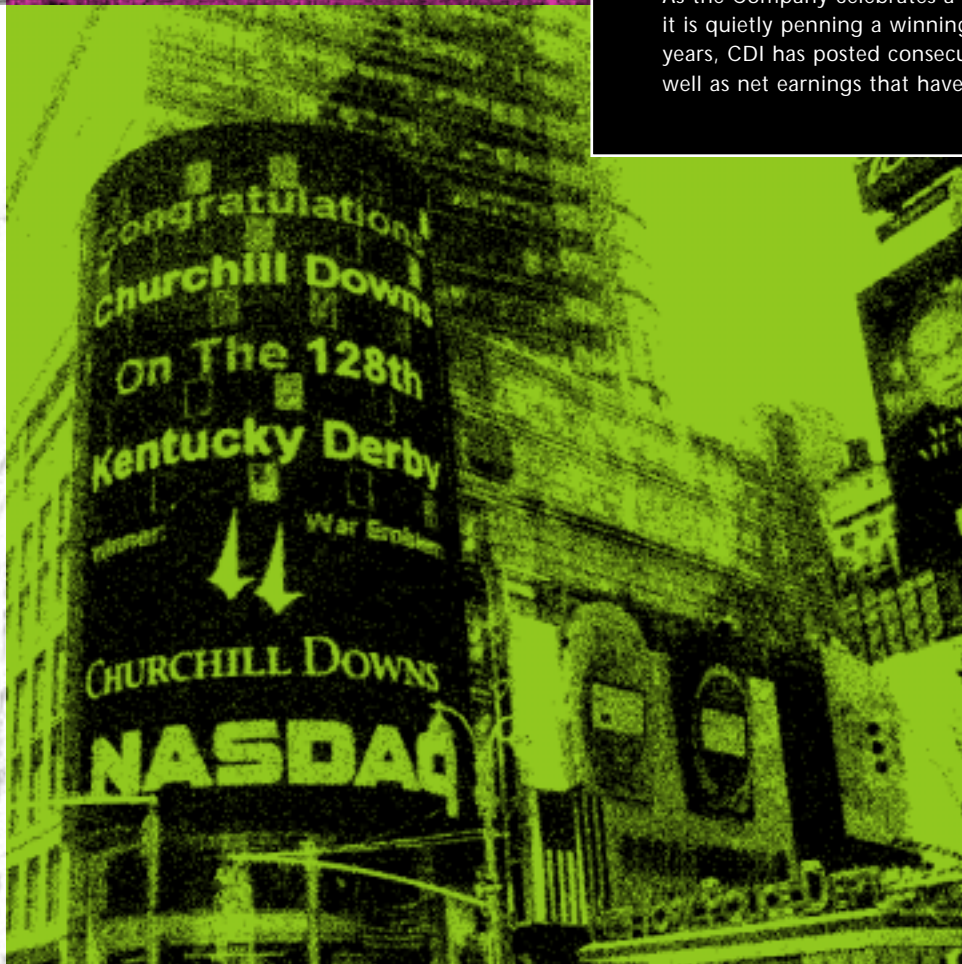
In 2002, the Company began pursuing a refinancing initiative that in April 2003 resulted in the replacement of its \$250 million revolving line of credit with a \$300 million credit facility that includes a \$200 million revolver and \$100 million in senior notes. The terms were competitively priced and both components of the credit facility were oversubscribed. The level of interest and support by the 15 participating institutions affirmed the strength of the Company's assets, management team and business strategy.



*Includes the impact of a pre-tax, \$4.5 million asset impairment loss.



WINNING THE BOTTOM LINE
CDI's storied reputation as a racing company was written largely on the success of the sport's premier event, the Kentucky Derby. As the Company celebrates a decade on the Nasdaq market, it is quietly penning a winning financial story. Over the past 10 years, CDI has posted consecutive years of record revenues as well as net earnings that have increased by nearly eight-fold.



Directors for Churchill Downs Incorporated and Subsidiaries

Churchill Downs Incorporated

Nominated for Term expiring in 2006:

Leonard S. Coleman, Jr.
Senior Advisor, Major League Baseball

Craig J. Duchossois
Chief Executive Officer, Duchossois Industries, Inc. (private holding company with diversified business interests); Chairman, The Chamberlain Group, Inc. (garage door opener manufacturer); Chairman, Thrall Car Management Co., Inc. (investments)

G. Watts Humphrey, Jr.
President, GWH Holdings, Inc. (private investment company); Chief Executive Officer, The Conair Group, Inc. (plastics machinery equipment company); Chief Executive Officer, The Techs (metals manufacturing and distribution companies); Chief Executive Officer, Centria (manufacturer and erector of metal building systems)

Dennis D. Swanson
Executive Vice President and Chief Operating Officer, Viacom Television Stations Group

Term Expiring in 2004:

Richard L. Duchossois*
Chairman, Duchossois Industries, Inc. (private holding company with diversified business interests); Vice Chairman, Thrall Car Management Co., Inc. (investments)

J. David Grissom*
Chairman, Mayfair Capital, Inc. (private investment firm); Chairman, The Glenview Trust Company (trust and investment management company)

Seth W. Hancock
Partner and Manager, Claiborne Farm; President, Hancock Farms, Inc. (Thoroughbred breeding and farming); Vice President and Director, Clay Ward Agency, Inc. (equine insurance)

Frank B. Hower, Jr.
Retired. Former Chairman and Chief Executive Officer, Liberty National Bancorp, Inc. (bank holding company) and Liberty National Bank & Trust Company of Louisville

Thomas H. Meeker*
President and Chief Executive Officer, Churchill Downs Incorporated

Term expiring in 2005:

Charles W. Bidwill, Jr.*
Director Emeritus, National Jockey Club (operator of Sportsman's Park Racetrack)

Robert L. Fealy
Chief Financial Officer, Duchossois Industries, Inc. (private holding company with diversified business interests); Chief Operating Officer, Duchossois TECnology Partners, LLC (venture capital); Chief Financial Officer and Director, The Chamberlain Group, Inc. (garage door opener manufacturer); Vice President, Thrall Car Management Co., Inc. (investments)

Daniel P. Harrington
President and Chief Executive Officer, HTV Industries, Inc. (private holding company with diversified business interests)

Carl F. Pollard*
Owner, Hermitage Farm (Thoroughbred breeding)

Darrell R. Wells
General Partner, Security Management Company (investments)

Term expiring in 2003:

Brad M. Kelley
Former Chief Executive Officer and Chairman, Commonwealth Brands, Inc. (cigarette manufacturer)



Directors Emeriti:

Catesby W. Clay
Chairman Emeritus, Kentucky River Coal Corporation (coal land lessor); President, Runnymede Farm, Inc. (Thoroughbred breeding)

Louis J. Herrmann, Jr.
Owner, Louis Herrmann Auto Consultant Incorporated (automobile sales)

Stanley F. Hugenberg, Jr.
President, Jackantom Sales Company (manufacturers' representative)

Arthur B. Modell
Owner and Chief Executive Officer, Baltimore Ravens Football Company, Inc. (professional football team)

William T. Young
Chairman, W.T. Young, LLC (warehousing); Owner, Overbrook Farm (Thoroughbred racing and breeding)

* Executive Committee

Churchill Downs Management Company

Thomas H. Meeker, Chairman

John R. Long

Michael E. Miller

Rebecca C. Reed

Karl F. Schmitt, Jr.

Andrew G. Skehan

Officers for Churchill Downs Incorporated and Subsidiaries

Churchill Downs Incorporated

Carl F. Pollard
Chairman

Thomas H. Meeker
President and Chief Executive Officer

John R. Long
Executive Vice President and Chief Operating Officer

Michael E. Miller
Executive Vice President and Chief Financial Officer

Rebecca C. Reed
Senior Vice President, General Counsel and Secretary

Andrew G. Skehan
Senior Vice President, Sales and Marketing

Alexander M. Waldrop
Senior Vice President, Public Affairs

Michael W. Anderson
Vice President, Finance and Treasurer

Stephen L. Fugitte
Vice President, New Media

Jeanne A. Keats
Vice President, Human Resources

Jeffrey A. Mainka
Vice President, Development

Cathy Z. Rutter
Vice President, Community Relations

Tyrone E. Tubbs
Vice President, Sales

Mark W. Midland
Vice President, Marketing

Mary Ann Guenther
Assistant Secretary

Karl F. Schmitt, Jr.
President, Churchill Downs Simulcast Network

Patrick Troutman
Vice President, Churchill Downs Simulcast Network

Churchill Downs Management Company

Thomas H. Meeker
Chairman

John R. Long
President

Frederick M. Baedeker, Jr.
Senior Vice President, California Operations

C. Kenneth Dunn
Senior Vice President, Florida Operations

Richard B. Moore
Senior Vice President, Indiana Operations

Clifford C. Goodrich
Senior Vice President, Illinois Operations

Steven P. Sexton
Senior Vice President, Kentucky Operations

Donald R. Richardson
Senior Vice President, Racing

Vicki L. Baumgardner
Vice President, Finance & Administration, and Treasurer

Rebecca C. Reed
Secretary

Mary Ann Guenther
Assistant Secretary

Michael E. Miller
Assistant Treasurer