

September 12, 2008

Calder Race Course to Reduce Purses for Overnight Races and Stakes Races

Calder Race Course ("Calder") announced today that due to lower than anticipated business levels, the racetrack is reducing overnight purses by 17 percent, effective with the Thursday, Sept. 18, card. The reductions will affect most races, although overnight stakes will retain their \$55,000 level. Several stakes races during both the Calder Meet and Tropical Meet will also be affected.

"A number of factors require that these reductions be made," said Kevin Flanery, senior vice president of Churchill Downs Incorporated, Calder's parent company. "Calder has not fully recovered from the two and a half months at the beginning of the season when its signal was not allowed to be simulcast out of state. In addition, Calder racing has not been available through advance deposit wagering platforms, such as TwinSpires.com, since the season began on April 21 due to an ongoing dispute with the Thoroughbred Horsemen's Group."

Due to a dispute with the Florida Horsemen's Benevolent and Protective Association that prevented the export of Calder's signal into the simulcast market and the import of certain out-of-state horse racing signals into the Florida simulcast market, Calder reduced purses by 30 percent effective April 27 and announced a subsequent reduction in the purses of eight stakes races in May. The dispute was resolved in July and purses were restored to the level at the beginning of the meet; however, in the time since then, lower than anticipated business levels necessitated the present reduction.

In addition to the reduction of overnight purses, cuts totaling \$1,020,000 will now be made to upcoming stakes races on the Calder and Tropical schedules. Those reductions are as follows:

Calder Meet

- Brave Raj Stakes from \$150,000 to \$90,000
- Foolish Pleasure Stakes from \$150,000 to \$90,000
- \$100,000 Shocker T. Handicap and \$100,000 Hollywood Wildcat Handicap – cancelled

Tropical Meet:

- \$100,000 Challenge of the Americas Invitational – cancelled
- \$100,000 Kris S. Stakes and \$100,000 Cherokee Frolic Stakes – cancelled
- La Prevoyante Handicap from \$200,000 to \$150,000
- W.L. McKnight Handicap from \$200,000 to \$150,000
- \$100,000 Chamosa Springs Handicap and \$100,000 Pete Axthelm Stakes – cancelled
- \$100,000 Tropical Park Oaks – cancelled

Business levels will continue to be monitored and adjustments to the distribution of overnight purses will be made accordingly.

Calder Race Course, located on South Florida's Miami-Dade / Broward county line, offers Thoroughbred horse racing during two consecutive meets and year-round simulcasting. The track is home of the Turf Million, Summit of Speed, Juvenile Showcase, Festival of the Sun, Florida Million and Grand Slam series of events. A wholly owned property of Churchill Downs Incorporated (NASDAQ Global Select Market: CHDN), Calder also operates the Tropical Meet. In 2008, the Calder Meet runs from April 21 through October 19 and the Tropical Meet runs from Oct. 20 through Jan. 2, 2009. Information about Calder Race Course can be found on the Internet at www.calderracecourse.com.

Information set forth in this discussion and analysis contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Private Securities Litigation Reform Act of 1995 (the "Act") provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made in this Quarterly Report on Form 10-Q are made pursuant to the Act. The reader is cautioned that such forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. Forward-looking statements are typically identified by the use of terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "might," "plan," "predict," "project," "should," "will," and similar words, although some forward-looking statements are expressed differently. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be

correct. Important factors that could cause actual results to differ materially from expectations include: the effect of global economic conditions; the effect (including possible increases in the cost of doing business) resulting from future war and terrorist activities or political uncertainties; the economic environment; the impact of increasing insurance costs; the impact of interest rate fluctuations; the effect of any change in our accounting policies or practices; the financial performance of our racing operations; the impact of gaming competition (including lotteries and riverboat, cruise ship and land-based casinos) and other sports and entertainment options in those markets in which we operate; the impact of live racing day competition with other Florida and Louisiana racetracks within those respective markets; costs associated with our efforts in support of alternative gaming initiatives; costs associated with customer relationship management initiatives; a substantial change in law or regulations affecting pari-mutuel and gaming activities; a substantial change in allocation of live racing days; changes in Illinois law that impact revenues of racing operations in Illinois; the presence of wagering facilities of Indiana racetracks near our operations; our continued ability to effectively compete for the country's top horses and trainers necessary to field high-quality horse racing; our continued ability to grow our share of the interstate simulcast market and obtain the consents of horsemen's groups to interstate simulcasting; our ability to execute our acquisition strategy and to complete or successfully operate planned expansion projects; our ability to successfully complete any divestiture transaction; our ability to execute on our temporary and permanent slot facilities in Louisiana and permanent slot facility in Florida; market reaction to our expansion projects; the loss of our totalisator companies or their inability to provide us assurance of the reliability of their internal control processes through Statement on Auditing Standards No. 70 audits or to keep their technology current; the need for various alternative gaming approvals in Louisiana; our accountability for environmental contamination; the loss of key personnel; the impact of natural disasters on our operations and our ability to adjust the casualty losses through our property and business interruption insurance coverage; any business disruption associated with a natural disaster and/or its aftermath; our ability to integrate businesses we acquire, including our ability to maintain revenues at historic levels and achieve anticipated cost savings; the impact of wagering laws, including changes in laws or enforcement of those laws by regulatory agencies; the outcome of pending or threatened litigation, including the outcome of any counter-suits or claims arising in connection with a pending lawsuit in federal court in the Western District of Kentucky styled Churchill Downs Incorporated, et al v. Thoroughbred Horsemen's Group, LLC, Case #08-CV-225-S; changes in our relationships with horsemen's groups and their memberships; our ability to reach agreement with horsemen's groups on future purse agreements; our ability to reach agreement with the Florida Breeders and Owners Association on the sharing of slots revenues; the effect of claims of third parties to intellectual property rights; and the volatility of our stock price.