

December 12, 2008

## Calder Race Course Cancels Three Remaining Stakes on Tropical Schedule

Calder Race Course ("Calder") announced today that due to the continuing overpayment of purses at the current Tropical Meet, the racetrack is cancelling three stakes races from the schedule: the \$100,000 Stage Door Betty Handicap (G3) and \$100,000 Frances Genter Stakes (G3) on Dec. 27, and the \$100,000 Tropical Park Derby (G3) on Jan. 1. The 2008/09 Tropical Meet ends on Jan. 2, 2009.

"Unfortunately, we have to take this action to lessen the overpaying of purses and to help balance the purse account," said Kevin Flanery, senior vice president of Churchill Downs Incorporated, Calder's parent company.

Reductions were made earlier in the year to daily purses and stakes races at both the Calder Meet and Tropical Meet due to lower than anticipated business levels. Various factors have contributed to the reductions, including a poor economy and the unavailability of wagering on Calder's races through advance deposit wagering (ADW) platforms, such as TwinSpires.com, since the Calder Meet began on April 21. A dispute with the Thoroughbred Horsemen's Group continues to prevent Tropical Meet races from being offered to ADW platforms.

Stakes cancellations on the Tropical schedule were made in September and included the \$100,000 Cherokee Frolic Stakes and \$100,000 Kris S. Stakes (both on Dec. 6); and the \$100,000 Pete Axthelm Stakes and \$100,000 Chaposas Springs Handicap (both on Dec. 27). In addition, purses to the La Prevoyante Handicap (G2) and W.L. McKnight (G2) were reduced from \$200,000 each to \$150,000 apiece.

Calder will present the final four stakes races of the season this Saturday, Dec. 13. The four graded events comprise the track's Grand Slam event: \$150,000 La Prevoyante Handicap (G2), \$150,000 W.L. McKnight Handicap (G2), \$100,000 Fred W. Hooper Handicap (G3), and \$100,000 Kenny Noe, Jr. Handicap (G3).

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. 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](http://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, including any disruptions in the credit markets; the effect (including possible increases in the cost of doing business) resulting from future war and terrorist activities or political uncertainties; the overall 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 permanent slot facility 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 and other agreements (including, without limiting, agreements on the sharing of revenues from gaming and advance deposit wagering); the effect of claims of third parties to intellectual property rights; and the volatility of our stock price.