

August 29, 2008

Churchill Downs Reduces Stakes Purses for 2008 Fall Meet

Due to a decline of purse money earned from wagering sources during its 2008 Spring Meet, Churchill Downs Racetrack has been forced to reduce \$975,000 from its stakes program for the upcoming 2008 Fall Meet through purse reductions in 11 stakes races and the elimination of two other stakes.

Churchill Downs' 26-day Fall Meet is scheduled to open Sunday, Oct. 26, for a five-week run through Saturday, Nov. 29.

The reduction was due to wagering handle that was lost when the Kentucky Horsemen's Benevolent and Protective Association ("KHBPA") and the Kentucky Thoroughbred Association ("KTA") blocked distribution of Churchill Downs' simulcast signal to all national advance-deposit wagering ("ADW") sites, including TwinSpires.com., the official ADW site for Churchill Downs Incorporated ("Company").

"To offset the amount of lost wagering handle during our Spring Meet resulting in less money available in the purse account for races, we need to reduce our fall stakes program," said Churchill Downs President Steve Sexton. "Negotiations with Kentucky horsemen are ongoing and we remain hopeful this impasse can be resolved."

Five races were lowered in value by \$100,000: the Oct. 26 Ack Ack Handicap (Grade III) from \$200,000 to \$100,000; the Nov. 22 River City Handicap (GIII) from \$200,000 to \$100,000; the Nov. 27 Falls City Handicap (GII) from \$300,000 to \$200,000; and closing day's Kentucky Jockey Club (GII) and Golden Rod (GII) from \$250,000 to \$150,000 each.

Four Grade III events received a \$50,000 cutback from \$150,000 to \$100,000: the Iroquois and Pocahontas on Nov. 1; the Commonwealth Turf on Nov. 9; and the Cardinal Handicap on Nov. 15. Additionally, the Nov. 2 Chilukki (GII) was lowered from \$200,000 to \$150,000, and the Nov. 8 Mrs. Revere (GII) was reduced from \$200,000 to \$175,000.

The two cancelled stakes were a pair of ungraded \$100,000 five-furlong turf sprints: the Nov. 8 Mariah's Storm for fillies and mares and the Nov. 16 Cherokee Run.

The lone unaffected stakes race was the Fall Meet's signature event, the \$500,000 Clark Handicap (GII) for 3-year-olds and up at 1 1/8 miles on dirt scheduled for Friday, Nov. 28.

All told, the 2008 Fall Meet will now feature 12 stakes events – all graded – cumulatively worth \$1,925,000.

Churchill Downs, the world's most legendary racetrack, has conducted Thoroughbred racing and presented America's greatest race, the Kentucky Derby, continuously since 1875. Located in Louisville, the flagship racetrack of Churchill Downs Incorporated (NASDAQ Global Select Market: CHDN) also operates Trackside at Churchill Downs, which offers year-round simulcast wagering at the historic track. Churchill Downs will conduct the 135th running of the Kentucky Derby on May 2, 2009. The track's 2008 Fall Meet runs from October 26 through November 29. Churchill Downs has hosted the Breeders' Cup World Championships a record six times. Information about Churchill Downs can be found on the Internet at www.churchilldowns.com.

Information set forth in this news release 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 news release 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; 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; 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, including Hurricanes Katrina, Rita and Wilma 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 effect of claims of third parties to intellectual property rights; and the volatility of our stock price.