UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **March 15, 2005**

CHURCHILL DOWNS INCORPORATED

(Exact name of registrant as specified in its charter)

Kentucky	**0-1469**	**61-0156015**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

700 Central Avenue Louisville, Kentucky	**40208**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(502) 636-4400**

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information provided in Item 4.02 of this Current Report on Form 8-K is incorporated by reference.

The Company's earnings press release dated March 16, 2005, reporting its fourth quarter 2004 and full year results of operation and financial condition, is attached hereto as Exhibit 99.1 and incorporated by reference herein. This information is being furnished to the U.S. Securities and Exchange Commission pursuant to Item 2.02 of Form 8-K.

ITEM 4.02. NON-RELIANCE ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS OR A RELATED AUDIT REPORT OR COMPLETED INTERIM REVIEW.

(a) The Company recently determined that an accrued liability related to a supplemental benefit plan (the “Plan”) maintained by the Company for the chief executive officer was misstated. The Plan provides for a pre-determined monthly benefit to be paid upon the performance of service as defined in the Plan. The Company has historically recorded compensation expense equal to the estimated present value of future payments to be made under the Plan over the period of active employment of the employee covered under the Plan. The Company has now determined that, from inception of the Plan, the liability was recorded net of income tax benefits while also recording a separate income tax benefit in accordance with the recognition of the income tax accrual. As a result, the income tax benefit was recorded twice, and the accrued liability was understated at the end of each year. The liability was also understated as a result of using erroneous actuarial information to calculate the estimated present value of future payments. Accordingly, the Company's December 31, 2003 and 2002 Consolidated Financial Statements should no longer be relied upon. The Company will restate its Consolidated Financial Statements as of and for the years ended December 31, 2003 and 2002 for the effect of this error, with such restated financial information included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2004, filed on or about March 16, 2005. The restatement will serve to increase the liability to the estimated present value of future payments based on the terms of the Plan. The restatement will have no effect on the Consolidated Statements of Net Earnings for the years ended December 31, 2003 and 2002.

The following tables represent the effect of the restatements on the Company’s Consolidated Balance Sheets as of the years ended December 31, 2003, 2002 and 2001:

	As Previously	**Adjustment**	**As Restated**

	As Previously Reported	Adjustment	As Restated
December 31, 2003			
Other liabilities	$11,719	$2,165	$13,884
Deferred income tax liabilities	$13,327	($802)	$12,525
Retained earnings	$124,491	($1,363)	$123,128

	As Previously Reported	Adjustment	As Restated
December 31, 2002			
Other liabilities	$12,603	$2,165	$14,768
Deferred income tax liabilities	$13,112	($802)	$12,310
Retained earnings	$107,737	($1,363)	$106,374

	As Previously Reported	Adjustment	As Restated
December 31, 2001			
Other liabilities	$11,302	$2,165	$13,467
Deferred income tax liabilities	$15,124	($802)	$14,322
Retained earnings	$94,680	($1,363)	$93,317

On March 15, 2005, the Company's Audit Committee and senior management deemed the restatement necessary and discussed the matters disclosed in this item with the Company's independent registered public accounting firm, PricewaterhouseCoopers, LLP. Investors should look to the restated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 filed on or about March 16, 2005.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of December 31, 2004, the Company did not maintain effective control over a supplemental retirement plan liability for its chief executive officer. Specifically, the accrued liability for this plan was understated as a result of errors caused by management using incorrect actuarial information and incorrectly recording the amount on an after-tax basis. The Company did not have effective review and approval controls to prevent or detect these errors on a timely basis. This control deficiency resulted in the restatement of the Company's consolidated financial statements for 2002 and 2003. Additionally, this control deficiency could result in a misstatement of the accrued supplemental retirement plan liability and the related expense that would result in a material misstatement to annual or interim financial statements that would not be prevented or detected. Accordingly, management determined that this control deficiency constitutes a material weakness.

ITEM 9.01 FINANICAL STATEMENTS AND EXHIBITS.

(c) Exhibits

Exhibit 99.1 Press release dated March 16, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHURCHILL DOWNS INCORPORATED

March 16, 2005

/s/ Michael W. Anderson
Michael W. Anderson
VP Finance and Treasurer

EXHIBIT 99.1

FOR IMMEDIATE RELEASE

Contact: Mike Ogburn
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CHURCHILL DOWNS INCORPORATED REPORTS 2004 EARNINGS

LOUISVILLE, Ky. (March 16, 2005) - Churchill Downs Incorporated (Nasdaq: CHDN) ("CDI" or "Company") today reported earnings results for the fourth quarter and year ended Dec. 31, 2004.

Net revenues for the year totaled $463.1 million, a 4.3-percent increase from revenues of $444.1 million in 2003. Net earnings totaled $0.67 per fully diluted share, compared with $1.75 per fully diluted share in 2003. The 2004 results included a one-time, $1.6 million gain from the sale of a portion of the Company's ownership in Kentucky Downs offset by $5.9 million in expenses related to alternative gaming ballot initiatives, $6.2 million in non-cash impairment charges at Ellis Park, and a $4.3 million non-cash, unrealized loss related to the terms of a convertible note issued in the fourth quarter.

For the fourth quarter of 2004, the Company reported net revenues of $116.1 million, an increase of 17.5 percent from the $98.8 million reported during the same period in 2003. The net loss was $3.2 million, or ($0.25) per diluted share, versus a loss of $389,000 or ($0.03) per diluted share in the fourth quarter of 2003. The results include the non-cash, $4.3 million mark-to-market, unrealized loss related to the terms of a convertible note issued in the fourth quarter of 2004.

Thomas H. Meeker, CDI's president and chief executive officer, described 2004 as a pivotal year for the Company. "Our 2004 performance was strong across our operations, especially when looking beyond the unusual items that reduced our earnings by approximately $0.98 per share," stated Meeker. "In 2004 we grew our revenues, maintained our gross profit margin of 17 percent and generated EBITDA of more than $50 million.

"We also achieved several key objectives over the course of the year. We acquired Fair Grounds Race Course and in the process gained first quarter racing and an entry into the 'racino' business. We gained statewide approval to pursue alternative gaming in Florida, and despite a setback at the local level, remain hopeful that we can win an enabling vote in 2007. We continued the build out of our Customer Relationship Management ("CRM") platform, and have nearly completed the renovations at Churchill Downs racetrack, where sales of our new luxury suites and personal seat licenses more than exceeded our expectations. These achievements are significant examples of steps we are taking to position our Company for future growth.

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"In 2005, we anticipate an exceptional Kentucky Derby and Oaks in our newly renovated Churchill Downs facility, improvement in our simulcast sales and initial returns from our CRM initiative," Meeker continued. "We also will continue to aggressively pursue additional opportunities to build shareholder value, including ongoing development initiatives, exploration of options to maximize our Hollywood Park asset, and the potential incorporation of slot machines at Fair Grounds in 2006."

Meeker concluded, "Because of the unpredictable nature of these development-related activities, both in the coming years and the recent past, providing guidance on an earnings per share ("EPS") basis has proven to be more and more difficult and less meaningful. Consequently, we have made a decision to suspend our practice of assigning an EPS target to our various reporting periods. We will continue to provide updates on business trends, operational results and ongoing development initiatives, but will not attempt to quantify their impact through EPS guidance."

Note: As part of the 2004 internal controls review mandated by Sarbanes Oxley, the Company identified two material weaknesses in its controls and disclosed them in the Form 10-K filed for the period discussed in this press release. One of these issues has been resolved and is no longer a material weakness. The second involves the controls and audit procedures of our tote vendors, and will be resolved by Dec. 31, 2005.

A conference call regarding this release is scheduled for Thursday, March 17, 2005, beginning at 9 a.m. EST. Investors and other interested parties may listen to the teleconference by accessing the online, real-time webcast and broadcast of the call at www.churchilldownsincorporated.com or www.fulldisclosure.com or by calling (719) 457-2727 at least 10 minutes before the appointed time. The online replay will be available at approximately noon and continue for two weeks. A six-day telephonic replay will be available two hours after the call ends by dialing (719) 457-0820 and entering 5620447 when prompted for the access code. A copy of this press release announcing earnings and relevant financial and statistical information about the period will be accessible at www.churchilldownsincorporated.com/investor_relations.

In addition to the results provided in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company has provided a non-GAAP measurement, which presents a financial measure of Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"). CDI uses EBITDA as a key performance measure of results of operations for purposes of evaluating performance internally. The Company believes the use of this measure enables management and investors to evaluate and compare, from period to period, CDI's operating performance in a meaningful and consistent manner. This non-GAAP measurement is not intended to replace the presentation of CDI's financial results in accordance with GAAP.

Churchill Downs Incorporated, headquartered in Louisville, Ky., owns and operates world-renowned horse racing venues throughout the United States. The Company's seven racetracks in California, Florida, Illinois, Indiana, Kentucky and Louisiana host 121 graded-stakes events and many of North America's most prestigious races, including the Kentucky Derby and Kentucky Oaks,

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Hollywood Gold Cup and Arlington Million. CDI racetracks have hosted nine Breeders' Cup World Thoroughbred Championships – more than any other North American racing company. CDI also owns off-track betting facilities and has interests in various television production, telecommunications and racing services companies that support CDI's network of simulcasting and racing operations. CDI trades on the Nasdaq National Market under the symbol CHDN and can be found on the Internet at www.churchilldownsincorporated.com.

This news release contains forward-looking statements made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The reader is cautioned that such forward-looking statements involve risks and uncertainties that could cause our actual operating results and financial condition to differ materially. 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 our 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 the Company's 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 California racetracks within those respective markets; costs associated with our efforts in support of alternative gaming initiatives; costs associated with our Customer Relationship Management initiatives; a substantial change in law or regulations affecting our pari-mutuel and gaming activities; a substantial change in allocation of live racing days; litigation surrounding the Rosemont, Illinois, riverboat casino; changes in Illinois law that impact revenues of racing operations in Illinois; a decrease in riverboat admissions subsidy revenue from our Indiana operations; the impact of an additional Indiana racetrack and its wagering facilities 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 adequately integrate acquired businesses; market reaction to our expansion projects; any business disruption associated with our facility renovations; the loss of our totalisator companies or their inability to provide adequate reliance on their internal control processes through SAS 70 reports or to keep their technology current; our accountability for environmental contamination; the loss of key personnel and the volatility of our stock price.

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CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF NET EARNINGS
for the twelve and three months ended December 31, 2004 and 2003
(Unaudited) (In thousands, except per share data)

	Twelve Months Ended December 31, 2004	Twelve Months Ended December 31, 2003	Three Months Ended December 31, 2004	Three Months Ended December 31, 2003
Net revenues	$463,113	$444,056	$116,066	$98,799
Operating expenses:				
Purses	150,760	149,805	39,837	39,613
Other direct expenses	232,703	217,101	63,080	50,346
	383,463	366,906	102,917	89,959
Gross profit	79,650	77,150	13,149	8,840
Selling, general and administrative expenses	42,759	34,091	10,347	8,683
Asset impairment loss	6,202	-	-	-
Operating income	30,689	43,059	2,802	157
Other income (expense):				
Interest income	435	1,316	132	120
Interest expense	(6,690)	(6,221)	(2,606)	(1,505)
Unrealized loss on derivative instruments	(4,254)	-	(4,254)	-
Miscellaneous, net	2,725	1,028	1,586	386

	(7,784)	(3,877)	(5,142)	(999)
Earnings (loss) before income taxes	22,905	39,182	(2,340)	(842)
Income tax (provision) benefit	(13,990)	(15,803)	(854)	453
Net earnings (loss)	$ 8,915	$ 23,379	$ (3,194)	$ (389)
Net earnings (loss) per common share data:				
Basic	$0.67	$1.77	$(0.25)	$(0.03)
Diluted	$0.67	$1.75	$(0.25)	$(0.03)
Weighted average shares outstanding:				
Basic	13,196	13,189	12,933	13,231
Diluted	13,372	13,392	12,933	13,231

Certain financial statement amounts have been reclassified in the prior periods to conform to current period presentation.

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CHURCHILL DOWNS INCORPORATED
SUPPLEMENTAL INFORMATION BY OPERATING UNIT
for the twelve and three months ended December 31, 2004 and 2003
(Unaudited) (In thousands)

	Twelve Months Ended December 31,		Three Months Ended December 31,	
	2004	2003	2004	2003
Net revenues from external customers:				
Kentucky Operations	$ 87,313	$ 84,010	$ 11,105	$ 12,359
Hollywood Park	83,484	78,839	23,271	19,821
Arlington Park	79,586	78,290	8,484	8,122
Calder Race Course	79,469	78,472	29,220	27,513
Hoosier Park	41,487	42,801	10,824	11,631
Louisiana Operations	11,629	-	11,629	-
CDSN	77,848	77,423	21,200	18,681
Total racing operations	460,816	439,835	115,733	98,127
Other investments	953	2,889	78	341
Corporate revenues	1,344	1,332	257	331
	$ 463,113	$ 444,056	$ 116,066	$ 98,799
Intercompany net revenues:				
Kentucky Operations	$ 24,074	$ 25,531	$ 3,857	$ 5,014
Hollywood Park	13,577	12,795	4,674	3,844
Arlington Park	8,365	8,722	16	55
Calder Race Course	12,642	13,281	5,742	5,480
Hoosier Park	162	210	74	121
Louisiana Operations	2,206	-	-	-
Total racing operations	61,026	60,539	16,569	14,514
Other investments	2,087	2,171	561	703
Corporate expenses	967	984	209	219
Eliminations	(64,080)	(63,694)	(17,339)	(15,436)
	$ -	$ -	$ -	$ -
EBITDA:				
Kentucky Operations	$ 12,207	$ 18,093	$ (2,667)	$ (2,549)
Hollywood Park	7,300	7,179	3,255	393
Arlington Park	11,003	8,708	(2,223)	(2,355)
Calder Race Course	9,498	14,329	6,993	6,818
Hoosier Park	1,856	2,422	438	408
Louisiana Operations	23	-	23	-
CDSN	18,832	18,912	5,298	4,489

Total racing operations	60,719	69,643	11,117	7,204
Other investments	3,302	1,457	1,703	381
Corporate expenses	(12,895)	(6,530)	(6,971)	(1,874)
Eliminations	(6)	-	-	-
Total EBITDA	51,120	64,570	5,849	5,711
Depreciation and amortization	(21,960)	(20,483)	(5,715)	(5,168)
Interest income (expense), net	(6,255)	(4,905)	(2,474)	(1,385)
Provision for income taxes	(13,990)	(15,803)	(854)	453
Net earnings	$ 8,915	$ 23,379	$ (3,194)	$ (389)

Certain financial statement amounts have been reclassified in the prior periods to conform to current period presentation.

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CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands)

	December 31, 2004	December 31, 2003
ASSETS		(as restated)
Current assets:		
Cash and cash equivalents	$ 27,712	$ 16,440
Restricted cash	7,267	1,613
Accounts receivable, net	50,523	35,604
Deferred income taxes	3,940	3,767
Other current assets	3,999	1,613
Total current assets	93,441	59,037
Other assets	17,196	16,941
Plant and equipment, net	458,644	367,229
Goodwill, net	53,528	52,239
Other intangible assets, net	19,149	7,464
Total assets	$ 641,958	$502,910
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 34,233	$ 26,565
Purses payable	8,464	8,584
Accrued expenses	37,511	38,491
Dividends payable	6,430	6,625
Deferred revenue	25,941	18,050
Long-term debt, current portion	-	5,740
Total current liabilities	112,579	104,055
Long-term debt, due after one year	242,770	121,096
Other liabilities	20,424	13,884
Deferred revenue	19,071	-
Deferred income taxes	8,686	12,525
Total liabilities	403,530	251,560
Commitments and contingencies	-	-
Shareholders' equity:		
Preferred stock, no par value; 250 shares authorized; no shares issued	-	-
Common stock, no par value; 50,000 shares authorized; issued: 12,904 shares December 31, 2004 and 13,250 shares December 31, 2003	114,930	128,583
Retained earnings	125,613	123,128
Accumulated other comprehensive loss	(180)	(361)
Unearned compensation	(1,935)	-
Total shareholders' equity	238,428	251,350
Total liabilities and shareholders' equity	$ 641,958	$502,910

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