

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): October 25, 2000

CHURCHILL DOWNS INCORPORATED

(Exact name of registrant as specified in its charter)

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

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

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

NOT APPLICABLE
(Former name or former address, if changed since last report)

1

CHURCHILL DOWNS INCORPORATED

I N D E X

ITEM 1-4. Not Applicable

ITEM 5. OTHER EVENTS

Copy of press release is set forth in Exhibit 99 to this filing and
is incorporated herein by reference

ITEM 6. Not Applicable

ITEM 7. Financial Statements and Exhibits

(a) Financial statements of business acquired
Not Applicable

(b) Pro forma financial information
Not Applicable

(c) Exhibits
- Exhibit 99 Press Release dated October 25, 2000

ITEM 8-9. Not Applicable

2

Contact: Chantelle Kammerdiener
(502) 636-4415/(502) 266-8731
chantellek@kyderby.com

CHURCHILL DOWNS INCORPORATED REPORTS
RECORD THIRD-QUARTER RESULTS

Net revenues increased 64 percent to \$103.5 million.
Net earnings rose 513 percent to \$7.3 million.
Earnings per share increased to a new third-quarter high of 68 cents.

LOUISVILLE, Ky. (Oct. 25, 2000) -- Churchill Downs Incorporated (Nasdaq: CHDN) ("CDI") today reported its financial results for the three months ended Sept. 30, 2000, which included record third-quarter revenues and net earnings.

Net revenues for the third quarter were \$103.5 million, an increase of 64 percent over \$63.1 million reported for the same period last year. Net earnings for the quarter were \$7.3 million, up 513 percent from \$1.2 million a year ago. Diluted earnings per share were 68 cents on 10.7 million average diluted shares outstanding, compared with 12 cents on 9.6 million average diluted shares outstanding during the third quarter of 1999. CDI also recorded sharply higher net revenues and earnings for the nine months ended Sept. 30, 2000, and those results are included in the accompanying tables.

The increases of 12.1 percent and 22.6 percent in the number of average diluted shares outstanding for the third quarter and nine months, respectively, were due to the issuance of 3.15 million common shares for the September 2000 merger with Arlington International Racecourse, now doing business as Arlington Park.

Thomas H. Meeker, CDI's president and chief executive officer, said that the completion of the Arlington merger highlighted the Company's ongoing progress during the third quarter and contributed significantly to the year-to-year gains, especially to the significant increase in net income.

Meeker noted, "As expected, our results during the quarter benefited from the income from the management contract that was in effect from July 1 through the closing of the merger on Sept. 8. We had indicated in our mid-year report that we anticipated a significant increment to per-share earnings in the third quarter from this pre-closing management agreement. We also noted that this gain would be largely offset in the fourth quarter as we assimilate Arlington into our operations at a time when the racetrack would not be racing and there would be significantly more shares outstanding. Our third-quarter

3

year-to-year comparisons were also aided by the inclusion of the live racing portion of Arlington's race meet from the closing of the merger through Sept. 30.

"Our experience to date with Arlington supports our confidence that this transaction represents another important event in the long-term record of CDI. It is important to note, however, that our results for the third quarter were also aided by strong performances by our other operations. We benefited from a full quarter with Hollywood Park, after being able to only include a few weeks of their operations during the year-earlier quarter due to the timing of the acquisition's completion in September 1999. Churchill Downs' results were impressive beyond the benefit of having the additional week of live racing, which we transferred from Ellis Park. Our Henderson, Ky., track reduced the number of live racing days it offered, including the first week in July that was transferred to Churchill Downs. Ellis Park's total reduction from 61 to 41 days helped the racetrack to increase its purses, improve the quality of its racing and produce a superb on-track performance during its race meet this year. We plan to continue to strengthen all of our racing operations and make rewarding strides in our plans to build the CSDN brand as the premier simulcast product in horse racing."

Meeker added, "Although we face a difficult comparison in earnings per share for the fourth quarter, we expect to meet the published consensus estimate for the final period, and we believe our earnings for 2000 as a whole will at least match the \$1.72 diluted per share reported for 1999. That achievement will cap a very successful year in which we absorbed the first full year of

operations of both Calder Race Course and Hollywood Park, completed the Arlington merger and made substantial investments in the personnel resources that will be vital to our future expansion. We will end 2000 with an annual schedule of live racing programs that is triple what we offered just three years ago, and we are excited about the prospect for continued growth that our momentum offers in 2001.

A conference call regarding this release is scheduled for Thursday, Oct. 26, at 9 a.m. EDT. Interested parties can access the live call in listen-only mode by calling (719) 457-2604 or using the Internet at www.kentuckyderby.com or www.streetevents.com. A telephone replay will be available for five days beginning at noon on Oct. 26. To access the replay, dial (719) 457-0820, code 404211. Additionally, the call will be archived for a maximum of 30 days on the Web sites listed above.

Churchill Downs Incorporated - headquartered in Louisville, Ky. - is one of the world's leading horse racing companies. Its flagship operation, Churchill Downs, is home of the Kentucky Derby and will host the race's 127th running on May 5, 2001. The Company owns additional racetracks in Kentucky, Illinois, California and Florida and has interests in a pari-mutuel operation in Indiana as well as various racing services companies. CDI trades on the Nasdaq National Market under the symbol CHDN and can be found on the Internet at www.kentuckyderby.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 "may," "will," "expect," "anticipate," "estimate," 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 financial performance of Arlington International Racecourse; litigation surrounding the Rosemont, Ill., riverboat casino; market reaction to our merger agreement with Arlington; changes in Illinois law that impact revenues of the racing operations in Illinois; 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; a substantial change in law or regulations affecting our pari-mutuel activities; a substantial change in allocation of live racing days; a decrease in riverboat admissions revenue from our Indiana operations; the impact of an additional racetrack near our Indiana 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; the impact of interest rate fluctuations; our ability to execute our acquisition strategy and to complete or successfully operate planned expansion projects; our ability to adequately integrate acquired businesses; the loss of our totalisator companies or their inability to keep their technology current; our accountability for environmental contamination; the loss of key personnel and the volatility of our stock price.

CHURCHILL DOWNS INCORPORATED
CONSOLIDATED STATEMENTS OF EARNINGS
for the nine and three months ended September 30,
(Unaudited)

(In thousands, except per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2000	1999	2000	1999
Net revenues	\$261,120	\$164,879	\$103,536	\$63,076
Operating expenses	200,954	129,482	80,282	54,662
Gross profit	60,166	35,397	23,254	8,414
Selling, general and administrative expenses	20,394	11,668	7,430	4,779
Operating income	39,772	23,729	15,824	3,635
Other income (expense):				
Interest income	774	566	269	204
Interest expense	(11,353)	(4,162)	(3,683)	(1,953)
Miscellaneous, net	(513)	293	(97)	169
	(11,092)	(3,303)	(3,511)	(1,580)
Earnings before income tax provision	28,680	20,426	12,313	2,055
Federal and state income tax provision	(11,802)	(8,579)	(5,010)	(863)
Net earnings	<u>\$ 16,878</u>	<u>\$ 11,847</u>	<u>\$ 7,303</u>	<u>\$ 1,192</u>
Earnings per common share data:				
Basic	\$1.67	\$1.45	\$0.69	\$0.13
Diluted	\$1.66	\$1.43	\$0.68	\$0.12
Weighted average shares outstanding:				
Basic	10,121	8,175	10,649	9,455
Diluted	10,176	8,297	10,707	9,552

Certain financial statement amounts have been reclassified in the prior years to conform to current year presentation.

CHURCHILL DOWNS INCORPORATED
SUPPLEMENTAL INFORMATION BY OPERATING UNIT
for the nine and three months ended September 30,
(Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2000	1999	2000	1999
(In thousands)	-----	-----	-----	-----
Net revenues:				
Churchill Downs	\$ 73,639	\$ 66,653	\$ 8,960	\$ 5,520
Hollywood Park	75,003	1,117	24,124	1,117
Calder Race Course	42,556	39,053	28,888	27,352
Arlington	9,171	-	9,171	-
Hoosier Park	38,090	37,514	13,872	13,256
Ellis Park	14,947	18,491	12,265	15,528
Other investments	11,524	4,378	8,011	1,667
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	264,930	167,206	105,291	64,440
Corporate revenues*	651	-	46	-
Eliminations	(4,461)	(2,327)	(1,801)	(1,364)
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	\$261,120	\$164,879	\$103,536	\$63,076
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EBITDA:				
Churchill Downs	\$ 21,502	\$ 18,001	\$ (2,361)	\$(4,013)
Hollywood Park	13,380	(542)	3,909	(542)
Calder Race Course	7,001	8,865	7,746	6,977
Arlington	2,093	-	2,093	-
Hoosier Park	4,939	5,131	1,497	1,744
Ellis Park	1,534	2,834	2,581	3,637
Other investments	7,137	1,115	6,437	454
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	57,586	35,404	21,902	8,257
Corporate expenses*	(6,129)	(3,949)	(1,940)	(1,404)
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	\$ 51,457	\$ 31,455	\$ 19,962	\$ 6,853
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Operating income (loss):				
Churchill Downs	\$ 18,721	\$ 15,328	\$ (3,282)	\$(4,883)
Hollywood Park	10,082	(795)	2,767	(795)
Calder Race Course	4,307	7,364	6,834	6,062
Arlington	1,960	-	1,960	-
Hoosier Park	3,942	4,183	1,164	1,417
Ellis Park	442	1,842	2,211	3,292
Other investments	6,146	(244)	6,169	(54)
	-----	-----	-----	-----
	45,600	27,678	17,823	5,039
Corporate expenses*	(5,828)	(3,949)	(1,999)	(1,404)
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	\$ 39,772	\$ 23,729	\$ 15,824	\$ 3,635
	=====	=====	=====	=====

* As a result of a reorganization for internal reporting during 2000, the Company's segment disclosures are presented on a new basis to correspond with internal reporting for corporate revenues and expenses. Corporate revenues and expenses for the nine and three months ended September 30, 2000 and 1999 are reported separately.

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

CHURCHILL DOWNS INCORPORATED
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands)

ASSETS	September 30, 2000	December 31, 1999	September 30, 1999
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Current assets:			
Cash and cash equivalents	\$ 11,359	\$ 29,060	\$27,936
Restricted cash	9,270	-	-
Accounts receivable	35,096	24,279	14,812
Other current assets	4,627	2,751	3,110
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Total current assets	60,352	56,090	45,858
Other assets			
Plant and equipment, net	7,390	4,740	6,167
Intangible assets, net	339,593	274,882	275,631
	64,346	62,334	61,899
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	\$471,681	\$398,046	\$389,555
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 34,572	\$ 14,794	\$ 19,616
Accrued expenses	38,025	23,821	18,102
Dividends payable	-	4,927	-
Income taxes payable	1,774	336	1,529
Deferred revenue	5,386	10,860	3,094
Long-term debt, current portion	2,277	552	465
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Total current liabilities	82,034	55,290	42,806
Long-term debt	157,183	180,898	186,104
Other liabilities	10,299	8,263	4,836
Deferred income taxes	15,565	15,474	15,938
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: 13,015 shares September 30, 2000, and 9,854 shares December 31, 1999 and September 30, 1999	123,149	71,634	71,634
Retained earnings	83,545	66,667	68,446
Deferred compensation costs	(29)	(115)	(144)
Note receivable for common stock	(65)	(65)	(65)
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	206,600	138,121	139,871
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	\$471,681	\$398,046	\$389,555
	=====	=====	=====

Certain financial statement amounts have been reclassified in the prior years to conform to current year presentation.

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, thereunto duly authorized.

CHURCHILL DOWNS INCORPORATED

October 25, 2000

/s/Robert L. Decker

Robert L. Decker
Executive Vice President and Chief
Financial Officer
(Principal Financial Officer)

October 25, 2000

/s/Michael E. Miller

Michael E. Miller
Senior Vice President, Finance
(Principal Accounting Officer)