

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): February 27, 2001

CHURCHILL DOWNS INCORPORATED

(Exact name of registrant as specified in its charter)

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

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CHURCHILL DOWNS INCORPORATED

I N D E X

ITEM 1-4. Not Applicable

ITEM 5. OTHER EVENTS

A Copy of press release is set forth in Exhibit 99.1 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 99.1 Press Release dated February 27, 2001

ITEM 8-9. Not Applicable

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CHURCHILL DOWNS INCORPORATED REPORTS EIGHTH CONSECUTIVE YEAR
OF RECORD EARNINGS

Net revenues rose 40 percent to \$362.0 million.
Net earnings for 2000 increased to new high of \$19.2 million.
Earnings per share reached \$1.75.

LOUISVILLE, Ky. (Feb. 27, 2001) -- Churchill Downs Incorporated (Nasdaq: CHDN) ("CDI") today reported record revenues and earnings for the year ended December 31, 2000.

Net revenues for the year totaled \$362.0 million, a 40 percent increase over \$258.4 million in 1999. Net earnings were \$19.2 million, a 28 percent increase over \$15.0 million last year. Earnings per share for the year were \$1.75 diluted on 10.9 million average diluted shares outstanding, compared with \$1.72 diluted on 8.7 million average diluted shares outstanding in 1999.

During the fourth quarter of 2000, the Company reported net revenues of \$100.9 million, up 8 percent over the \$93.5 million reported during the same period in 1999. Net earnings for the quarter were \$2.3 million, a decrease of 27 percent from \$3.1 million earned during the last quarter of 1999. Earnings per share were 17 cents diluted on 13.2 million average diluted shares outstanding, compared with 31 cents on 10.0 million diluted shares outstanding from the same period last year.

The increases of 33 percent and 25 percent in the number of average diluted shares outstanding for the fourth quarter and year ended December 31, 2000, respectively, were due principally to the issuance of 3.15 million common shares for the September 2000 merger with Arlington International Racecourse, now doing business as Arlington Park. Our July 1999 public offering of 2.3 million common shares also had an effect on the full-year comparison of average shares outstanding.

Thomas H. Meeker, CDI's president and chief executive officer, said that 2000 was the Company's eighth consecutive year of record earnings.

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"Our ability to achieve this sustained record of progress clearly validates the growth strategy we are following to capitalize on the outstanding opportunities for CDI. The last several years have been particularly eventful within our Company's 127-year history," Meeker said. "We have substantially broadened the geographic and operating scope of our live racing, implemented a comprehensive branding program and begun to pursue the exciting potential available to us through our simulcast operations. One of the important highlights of 2000 was blending our operations into a branded product, a first for our industry and an integral component of our plans to expand our simulcast operations through the Churchill Downs Simulcast Network ("CDSN"). During 2000, we also continued our plan of aggregating premier racing content when we merged with Arlington Park in September 2000. This merger is one of our largest transactions to date and, with the inclusion of the management fees that we earned prior to closing, was modestly accretive to our year-end earnings. The first full-year inclusion of Calder Race Course and Hollywood Park, both acquired during 1999, had a significant impact on the comparison with our 1999 results. We completed our acquisition of Calder in April 1999, just a few weeks before the start of its racing season. So in 2000, we had to absorb losses from four months of the year when Calder conducts no live racing. With Hollywood Park, which we did not acquire until September 1999, our earnings benefited from having that racetrack's Spring Meet in our 2000 calendar.

"Our earnings for the full year and the fourth quarter were in line with our expectations. Our fourth-quarter results were impacted by having significantly more shares outstanding and including Arlington Park for the first time during a period in which it is not conducting any live racing."

Meeker continued, "2001 should mark another year of record revenues and

earnings for our Company. We are optimistic about the current year given the inclusion of Arlington Park under the CDSN brand and the synergies we are already realizing from our six racetracks. We have completed our assimilation of Arlington Park, and consistent with the results we achieved with our prior acquisitions, we are confident that Arlington Park will positively impact our operating results."

"We are proud of how we have grown our business and our profit over the last several years, which was a period of strong economic growth. Today, the economic environment is, at best, uncertain, which presents a new challenge for our Company as well as most American businesses. During the course of developing our business through internal growth and acquisitions, we have also been effective in managing our cost structure and improving our operating margins. This discipline allows us to continue to manage our expenses and effectively meet the challenge of a slowing economy.

"For the first quarter, we will have to absorb for the first time the results of Arlington Park, which hosts no live racing during this period, but the impact of that factor on our per-share results will be mitigated by the higher number of shares outstanding. We expect to report a loss of 86 to 88 cents per share diluted for the first quarter, compared to a loss of 89 cents in 2000. It is important to note that we do not host live racing during the first quarter with the exception of

two days of Thoroughbred racing at Calder and 19 days of Standardbred racing at Hoosier Park at Anderson. Therefore, we have historically reported a loss during this period.

"For 2001 as a whole, we expect an approximate 20 percent increase in net earnings over the record \$19.2 million in 2000. As a result of the substantial increase in our average shares outstanding, we expect a much more moderate gain in earnings per share. This improvement would be in line with the percentage increase we realized in 2000. Finally, we expect our balance sheet in 2001 to continue benefiting from a positive cash flow. Internally generated funds in 2000 enabled us to reduce our long-term debt by \$25 million, from \$181 million to \$156 million."

A conference call regarding this release is scheduled for Wednesday, Feb. 28, 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.kentuckyderby.com or www.streetevents.com or by calling (913) 981-5571 at least 10 minutes before the appointed time. The online replay will be available at approximately 11 a.m. (EST) and continue for two weeks. An eight-day telephonic replay will be available two hours after the call ends by dialing (719) 457-0820 and entering 620324 when prompted for the access code.

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," "believe," "could," "intend," "might," "plan," "predict," "project," "should," "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 our racing operations; litigation surrounding the Rosemont, Ill., riverboat casino; 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; market reaction to our expansion projects; 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 years and three months ended December 31,
(Unaudited)

(In thousands, except per share data)

	Years Ended December 31,		Three Months Ended December 31,	
	2000 ----	1999 ----	2000 ----	1999 ----
Net revenues	\$362,016	\$258,427	\$100,897	\$93,548
Operating expenses				
Purses	128,982	97,585	39,567	38,844
Other direct expenses	158,624	109,783	47,085	39,736
	-----	-----	-----	-----
	287,606	207,368	86,652	78,580
	-----	-----	-----	-----
Gross profit	74,410	51,059	14,245	14,968
Selling, general and administrative expenses	27,832	18,546	7,439	6,184
	-----	-----	-----	-----
Operating income	46,578	32,513	6,806	8,784
	-----	-----	-----	-----
Other income (expense):				
Interest income	1,023	847	248	281
Interest expense	(14,848)	(7,839)	(3,495)	(3,677)
Miscellaneous, net	(166)	334	348	40
	-----	-----	-----	-----
	(13,991)	(6,658)	(2,899)	(3,356)
	-----	-----	-----	-----
Earnings before income tax provision	32,587	25,855	3,907	5,428
	-----	-----	-----	-----
Federal and state income tax provision	(13,423)	(10,879)	(1,621)	(2,300)
	-----	-----	-----	-----
Net earnings	\$ 19,164	\$14,976	\$ 2,286	\$ 3,128
	=====	=====	=====	=====
Earnings per common share data:				
Basic	\$1.77	\$1.74	\$0.18	\$0.32
Diluted	\$1.75	\$1.72	\$0.17	\$0.31
Weighted average shares outstanding:				
Basic	10,849	8,598	13,016	9,854
Diluted	10,940	8,718	13,219	9,967

CHURCHILL DOWNS INCORPORATED
SUPPLEMENTAL INFORMATION BY OPERATING UNIT
for the year and three months ended December 31,
(Unaudited)

(In thousands)	Years Ended December 31,		Three Months Ended December 31,	
	2000	1999	2000	1999
	-----	-----	-----	-----
Net revenues:				
Churchill Downs	\$ 89,547	\$ 82,429	\$ 15,909	\$15,776
Hollywood Park	105,628	30,494	30,626	29,377
Calder Race Course	77,552	72,418	34,995	33,365
Arlington Park	14,781	-	5,609	-
Hoosier Park	51,250	51,280	13,161	13,766
Ellis Park	16,119	19,653	1,171	1,162
Other investment	13,069	6,151	1,546	1,773
	-----	-----	-----	-----
	367,946	262,425	103,017	95,219
Corporate revenues*	778	-	126	-
Eliminations	(6,708)	(3,998)	(2,246)	(1,671)
	-----	-----	-----	-----
	\$362,016	\$258,427	\$100,897	\$93,548
	=====	=====	=====	=====
EBITDA:				
Churchill Downs	\$21,715	\$17,789	\$ 213	\$ (212)
Hollywood Park	18,898	3,842	5,518	4,384
Calder Race Course	16,718	17,946	9,717	9,081
Arlington Park	(427)	-	(2,520)	-
Hoosier Park	5,920	6,423	980	1,292
Ellis Park	936	2,071	(598)	(763)
Other investments	7,815	1,314	678	199
	-----	-----	-----	-----
	71,575	49,385	13,988	13,981
Corporate expenses*	(8,486)	(5,679)	(2,357)	(1,730)
	-----	-----	-----	-----
	\$63,089	\$43,706	\$11,631	\$12,251
	=====	=====	=====	=====
Operating income (loss):				
Churchill Downs	\$17,857	\$14,240	\$ (864)	\$(1,088)
Hollywood Park	14,407	2,574	4,325	3,369
Calder Race Course	13,397	15,564	9,090	8,200
Arlington Park	(1,133)	-	(3,093)	-
Hoosier Park	4,538	5,246	596	1,063
Ellis Park	(481)	721	(923)	(1,121)
Other investments	6,252	(153)	107	91
	-----	-----	-----	-----
	54,837	38,192	9,238	10,514
Corporate expenses*	(8,259)	(5,679)	(2,432)	(1,730)
	-----	-----	-----	-----
	\$46,578	\$32,513	\$6,806	\$8,784
	=====	=====	=====	=====

* 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 year and three months ended December 31, 2000 and 1999 are reported separately.

Certain financial statement amounts have been reclassified in the prior periods to conform to current period presentation. In addition, one week of live racing was shifted from Ellis Park to Churchill Downs for 2000.

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
December 31,
(Unaudited)

(in thousands)

ASSETS	2000	1999	1998
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Current assets:			
Cash and cash equivalents	\$ 19,814	\$ 29,060	\$ 6,380
Accounts receivable	32,535	24,279	11,968
Other current assets	2,799	2,751	1,049
	-----	-----	-----
Total current assets	55,148	56,090	19,397
Other assets	8,117	4,740	3,796
Plant and equipment, net	342,935	274,882	83,088
Intangible assets, net	63,851	62,334	8,370
	-----	-----	-----
	\$470,051	\$398,046	\$114,651
	=====	=====	=====
 LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 38,576	\$ 14,794	\$ 6,381
Accrued expenses	27,115	23,821	8,248
Dividends payable	6,508	4,927	3,762
Other current liabilities	13,885	11,748	8,797
	-----	-----	-----
Total current liabilities	86,084	55,290	27,188
Long-term debt	155,716	180,898	13,538
Other liabilities	25,766	23,737	8,694
Shareholders' equity:			
Preferred stock, no par value; 250 shares authorized; no shares issued	-	-	-
Common stock, no par value; 50,000 shares authorized; issued: 13,019 shares in 2000, 9,854 shares in 1999; and 7,525 shares in 1998.	123,227	71,634	8,927
Retained earnings	79,323	66,667	56,599
Deferred compensation costs	-	(115)	(230)
Note receivable for common stock	(65)	(65)	(65)
	-----	-----	-----
	202,485	138,121	65,231
	-----	-----	-----
	\$470,051	\$398,046	\$114,651
	=====	=====	=====

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

February 28, 2001

/s/Robert L. Decker

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

February 28, 2001

/s/Michael E. Miller

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