

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): August 4, 1999

CHURCHILL DOWNS INCORPORATED
(Exact name of registrant as specified in its charter)

Kentucky (State or other jurisdiction of incorporation or organization)	0-01469 (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.)

ITEMS 1-4. Not Applicable.

ITEM 5. OTHER EVENTS.

A copy of a 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 August 4, 1999.

ITEMS 8-9. Not Applicable.

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CHURCHILL DOWNS INCORPORATED REPORTS SECOND QUARTER RESULTS

LOUISVILLE, Ky. (Aug. 4, 1999) - Churchill Downs Incorporated (Nasdaq NM: CHDN) today made an additional announcement of its reported second-quarter and half-year results for the period ended June 30, 1999. It made this announcement to include additional supplemental information for its operating units and to provide operating income for its business units consistent with its segment disclosures.

Net revenues for the second quarter were a record \$84.1 million, up 25 percent over \$67.4 million reported for the same period in 1998. Net earnings for the quarter were \$13.7 million, up 1 percent from \$13.5 million in 1998. Diluted earnings per share were \$1.79 for the second quarter of both 1999 and 1998.

Net revenues for the first half of 1999 were a record \$101.8 million, a 23 percent increase over \$82.8 million reported for the same period for 1998. Net earnings were \$10.7 million, an 11 percent decrease from \$12 million in 1998. Diluted earnings per share were \$1.39, compared with \$1.61 diluted in 1998.

Thomas H. Meeker, president and chief executive officer of Churchill Downs Incorporated, said net revenues were fueled by the April 1999 acquisition of Calder Race Course in Miami and record attendance and wagering for the Kentucky Oaks and Kentucky Derby.

"Our completion of the Calder Race Course acquisition in April has allowed us to fully realize the benefits of the track's 1999 race meet. Our integration of the property has been successful, and we are pleased with the positive contribution this acquisition is making to our 1999 performance," Meeker said.

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"Additionally, we are especially proud of the outstanding results and publicity we received from the 125th runnings of the Kentucky Oaks and the Kentucky Derby. These premier racing events continue to be valuable assets for our Company, and the momentum and excitement they generated carried through Churchill Downs' 1999 Spring Meet."

The Kentucky Oaks attracted to Churchill Downs a record attendance of 101,000 people on April 30. The Kentucky Derby, held the following day, attracted the race's second largest crowd of 151,000 people and brought in record total wagering of \$57.3 million. The track's total wagering during the 1999 Spring Meet, April 24 through June 27, reached a record \$430.5 million, a 7 percent increase over last year.

Meeker said the Company's earnings for both the half year and the second quarter were affected by increased expenses incurred as a result of the Company's development activities and the expansion of corporate services to support that growth. Combined with increased interest expense and a higher tax rate, the Company incurred higher operating costs than in 1998, which resulted from the additions of Ellis Park Race Course in April 1998 and Calder Race Course and the seasonality of those operations. Calder's race meet began in late May while Ellis Park's meet started June 28, two days before the second quarter ended.

"Even with these additional expenses, we achieved a slight gain in net earnings for the second quarter," Meeker said. "We are pleased with our overall corporate progress, which included earnings that were in line with analysts' projections."

In addition to the acquisition of Calder Race Course and Churchill Downs' Spring Meet, the second quarter was highlighted by the announcements of a public offering of the Company's common stock and the Company's agreement to purchase Hollywood Park Race Track in Inglewood, Calif. The public offering was completed July 20, while closing of the Hollywood Park purchase is expected by the end of August.

Meeker noted that the Company's proceeds from the stock offering, less commission expenses and before offering expenses, contributed \$63.2 million in additional equity capital during the third quarter of 1999. The proceeds were used to repay bank borrowings.

"We are pleased with the success of the offering," he said. "It not only strengthened our financial position but it also broadened the support of the stock among analysts, institutional and individual investors. We believe this capital infusion, coupled with the increased line of credit and expected positive cash flow from operations, will enable us to continue expanding our existing racing operations and to pursue additional strategic acquisitions - all of which, we believe, will help add to the Company's growth."

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 hosted its 125th running on May 1. The Company has additional racing and simulcast-wagering operations in Kentucky, Indiana and Florida and interests in various racing services companies. Churchill Downs Incorporated can be found on the Internet at WWW.KENTUCKYDERBY.COM.

This press 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 actual results to differ materially from the presently estimated amounts. These risks and uncertainties include: the continued ability of the Company to effectively compete for the country's top horses and trainers necessary to field high-quality horse racing; the continued ability of the Company to grow its share of the interstate simulcast market; a substantial change in regulations affecting our gaming activities; a substantial change in allocation of live racing days; the impact of competition from alternative gaming (including lotteries and riverboat and cruise ship casinos) and other sports and entertainment options in those markets in which the Company operates; a decrease in riverboat admissions revenue from the Company's Indiana operations; Year 2000 computer issues; and the Company's success in its pursuit of strategic initiatives designed to generate additional revenues.

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
for the six and three months ended June 30, 1999 and 1998
(Unaudited)

	Six Months Ended June 30, 1999	1998	Three Months Ended June 30, 1999	1998
Net revenues	\$101,802,751	\$82,759,503	\$84,139,825	\$67,374,352
Operating expenses	74,819,679	58,336,648	55,662,526	42,337,520
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Gross profit	26,983,072	24,422,855	28,477,299	25,036,832
Selling, general and administrative expenses	6,889,501	4,972,595	3,586,386	2,816,841
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Operating income	20,093,571	19,450,260	24,890,913	22,219,991
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Other income (expense):				
Interest income	362,233	362,305	214,802	173,035
Interest expense	(2,208,832)	(405,297)	(1,773,367)	(300,773)
Miscellaneous, net	125,025	166,186	80,908	49,131
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	(1,721,574)	123,194	(1,477,657)	(78,607)
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Earnings before income tax provision	18,371,997	19,573,454	23,413,256	22,141,384
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Federal and state income tax provision	(7,716,239)	(7,620,000)	(9,747,362)	(8,618,900)
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Net earnings	\$10,655,758	\$11,953,454	\$13,665,894	\$13,522,484
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Net earnings per share:				
Basic	\$1.42	\$1.62	\$1.82	\$1.81
Diluted	\$1.39	\$1.61	\$1.79	\$1.79
Weighted average shares outstanding:				
Basic	7,525,041	7,395,387	7,525,041	7,472,978
Diluted	7,670,520	7,438,018	7,649,420	7,546,183

CHURCHILL DOWNS INCORPORATED
CONDENSED SUPPLEMENTAL INFORMATION BY OPERATING UNIT
for the six and three months ended June 30, 1999 and 1998
(Unaudited)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1999	1998	1999	1998
Net revenues:				
Churchill Downs	\$ 61,133,244	\$59,229,012	\$56,489,871	\$53,862,049
Calder Race Course	11,701,055	-	11,701,055	-
Hoosier Park	24,257,551	21,892,138	13,309,144	11,873,950
Ellis Park	2,962,494	1,297,524	1,796,177	1,297,524
Other operations	2,711,303	946,832	1,498,383	612,832
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	102,765,647	83,365,506	84,794,630	67,646,355
Eliminations	(962,896)	(606,003)	(654,805)	(272,003)
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	\$101,802,751	\$82,759,503	\$84,139,825	\$67,374,352
	=====	=====	=====	=====
EBITDA:				
Churchill Downs	\$ 19,469,093	\$ 19,162,953	\$23,943,786	\$22,513,814
Calder Race Course	1,887,829	-	1,887,829	-
Hoosier Park	3,386,777	3,006,942	1,708,437	1,353,128
Ellis Park	(803,070)	(428,540)	(421,362)	(428,540)
Other operations	661,687	426,664	333,602	223,187
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	\$ 24,602,316	\$22,168,019	\$27,452,292	\$23,661,589
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Operating income (loss):				
Churchill Downs	\$ 17,665,499	\$17,296,551	\$23,055,787	\$21,639,683
Calder Race Course	1,301,995	-	1,301,995	-
Hoosier Park	2,765,830	2,456,892	1,389,071	1,078,103
Ellis Park	(1,449,988)	(628,704)	(747,982)	(628,704)
Other operations	(189,765)	325,521	(107,958)	130,909
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	\$20,093,571	\$19,450,260	\$24,890,913	\$22,219,991
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CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS	June 30, 1999 ----	December 31, 1998 ----	June 30, 1998 ----
Current assets:			
Cash and cash equivalents	\$ 21,927,123	\$ 6,379,686	\$ 7,952,835
Accounts receivable	14,652,743	11,968,114	14,436,397
Other current assets	1,670,492	1,049,084	363,734
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Total current assets	38,250,358	19,396,884	22,752,966
Other assets			
Plant and equipment, net	8,947,247	3,796,292	4,452,913
Intangible assets, net	133,461,131	83,088,204	84,663,446
	62,268,627	8,369,395	9,488,088
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	\$242,927,363	\$114,650,775	\$121,357,413
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LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 14,717,921	\$ 6,530,502	\$ 11,375,368
Accrued expenses	16,937,491	8,098,228	9,359,247
Dividends payable	-	3,762,521	-
Income taxes payable	7,678,956	257,588	7,110,768
Deferred revenue	3,362,318	8,412,552	2,307,262
Long-term debt, current portion	479,202	126,812	122,801
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Total current liabilities	43,175,888	27,188,203	30,275,446
Long-term debt, due after one year	103,271,284	13,538,027	8,728,963
Other liabilities	4,553,890	1,755,760	4,099,794
Deferred income taxes	15,982,069	6,937,797	8,000,643
Shareholders' equity:			
Preferred stock, no par value; authorized, 250,000 shares; issued, none			-
Common stock, no par value; authorized, 20,000,000 shares, issued 7,525,041 shares, June 30, 1999 and December 31, 1998 and 7,516,934 shares, June 30, 1998	8,926,975	8,926,975	8,808,613
Retained earnings	67,254,715	56,598,957	61,796,384
Deferred compensation costs	(172,458)	(229,944)	(287,430)
Note receivable for common stock	(65,000)	(65,000)	(65,000)
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	75,944,232	65,230,988	70,252,567
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	\$242,927,363	\$114,650,775	\$121,357,413
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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

August 4, 1999

\s\ Robert L. Decker

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

August 4, 1999

\s\Vicki L. Baumgardner

Vicki L. Baumgardner
Vice President, Finance and Treasurer
(Principal Accounting Officer)