

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 23, 2000

CHURCHILL DOWNS INCORPORATED

(Exact name of registrant as specified in its charter)

Kentucky
(State or other
incorporation or
organization)

0-01469
(Commission File Number)

61-0156015
(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.)

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 February 23, 2000.

ITEMS 8-9. Not Applicable.

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CHURCHILL DOWNS REPORTS 42 PERCENT GAIN IN 1999 NET EARNINGS

NET REVENUES INCREASE TO \$258 MILLION

LOUISVILLE, Ky. (Feb. 23, 2000) - Churchill Downs Incorporated (Nasdaq/NM: CHDN) ("CDI") today reported record results for the fourth quarter and fiscal year ended Dec. 31, 1999.

Net revenues for the year totaled \$258.4 million, a 75 percent increase over \$147.3 million in 1998. Net earnings were \$15.0 million, a 42 percent increase over \$10.5 million in 1998. Earnings per share for the year were \$1.72 diluted on 8.7 million average diluted shares outstanding, compared with \$1.40 diluted on 7.5 million average diluted shares outstanding in 1998.

During the fourth quarter of 1999, the Company reported net revenues of \$93.5 million, up 200 percent compared with \$31.2 million in the year-earlier period. Net earnings during the quarter were \$3.1 million, compared with a net loss of \$0.8 million during the fourth quarter of 1998. Earnings per share were 31 cents diluted on 10 million average diluted shares outstanding, compared with a loss of 10 cents diluted on 7.5 million average diluted shares outstanding during the same period in 1998.

The increases of 16 percent and 32 percent in average diluted shares outstanding for the year and the fourth quarter, respectively, were due principally to the public offering of 2.3 million common shares in July 1999.

The results represented the seventh consecutive year of record earnings for the Company. Thomas H. Meeker, CDI's president and chief executive officer, said the increases reflected a dynamic year.

"The gains for the fourth quarter and full year exceeded analysts' estimates and further validated the strength of our ongoing growth strategy," Meeker said. "The results for the fourth quarter reflected the initial contribution from Hollywood Park, which we acquired in September 1999, and the impact of Calder Race Course, which we acquired in April 1999. We historically have either operated at a loss or been only marginally profitable during this quarter, so we are especially pleased with the level of earnings we achieved during this period in 1999.

"Accumulating additional live racing signals is key to our goal of building our year-round simulcast product, which also will reduce the seasonality of our results. As we have integrated our acquisitions, the need for additional support and services at the corporate level has resulted in increased expenses for our Churchill Downs business unit. Even with these incremental costs, we achieved solid growth for the year, aided particularly by the inclusion of Calder Race Course. We are starting to realize meaningful synergies with our two newest acquisitions as well as among our live racing operations in Kentucky and Indiana."

Meeker continued, "By capitalizing on our core resources and strong financial position, we significantly enhanced CDI's leadership in the racing industry during 1999. We recognize that there is still a distinct seasonality to our results, which is especially evident in the first quarter when we do not have a track offering live racing. Additionally, we do have risks associated with higher interest rates, but we are confident that we can continue to effectively manage these risks. With well-established racetracks in key markets, we are excited about the opportunity to extend the Company's long-term record of growth.

"Earlier this month, we announced the first phase of the national branding program that will encompass our current and future network of racetracks and off-track betting facilities. Under this new program, we have a single logo tangibly unifying our operations and symbolically representing the work underway to maximize the value of our combined assets. This combined profile is helping us to increase our share in the simulcast market and to build the Churchill Downs Simulcast Network, or CDSN."

Downs, is home of the Kentucky Derby and will host its 126th running on May 6, 2000. The Company owns additional racetracks in Kentucky, California and Florida and has interests in an Indiana pari-mutuel operation as well as various racing services companies. Churchill Downs Incorporated can be found on the Internet at 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; the impact of interest rate fluctuations; 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, cruise ship and land-based 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; and the Company's success in its pursuit of strategic initiatives designed to generate additional revenues.

CHURCHILL DOWNS INCORPORATED
CONSOLIDATED STATEMENTS OF EARNINGS
Years and Quarters ended December 31, 1999 and 1998
(Unaudited)

	Years Ended December 31,		Quarters Ended December 31,	
(In thousands, except per share data)	1999 ----	1998 ----	1999 ----	1998 ----
Net revenues	\$258,427	\$147,300	\$93,548	\$31,242
Operating expenses:				
Purses	97,585	50,193	38,844	11,502
Other direct expenses	109,783	68,788	39,736	18,702
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	207,368	118,981	78,580	30,204
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Gross profit	51,059	28,319	14,968	1,038
Selling, general and administrative expenses	18,546	11,176	6,184	2,328
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Operating income (loss)	32,513	17,143	8,784	(1,290)
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Other income (expense):				
Interest income	847	680	281	230
Interest expense	(7,839)	(896)	(3,677)	(250)
Miscellaneous, net	334	342	40	81
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	(6,658)	126	(3,356)	61
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Earnings (loss) before provision for income taxes	25,855	17,269	5,428	(1,229)
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Provision (benefit) for income taxes	10,879	6,751	2,300	(449)
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Net earnings (loss)	\$14,976	\$10,518	\$3,128	\$(780)
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Earnings (loss) per common share data:				
Basic	\$1.74	\$1.41	\$.32	\$(.10)
Diluted	\$1.72	\$1.40	\$.31	\$(.10)
Weighted average shares outstanding:				
Basic	8,598	7,460	9,854	7,525
Diluted	8,718	7,539	9,967	7,525

CHURCHILL DOWNS INCORPORATED
SUPPLEMENTAL INFORMATION BY OPERATING UNIT
Years and Quarters ended December 31, 1999 and 1998
(Unaudited)

(In thousands)

	Years		Quarters	
	Ended December 31,		Ended December 31,	
	1999	1998	1999	1998
Net revenues:				
Churchill Downs including				
corporate expenses	\$ 82,429	\$ 80,925	\$15,776	\$16,213
Hollywood Park	30,494	-	29,377	-
Calder Race Course	72,418	-	33,365	-
Hoosier Park	51,280	47,744	13,766	13,204
Ellis Park	19,653	17,386	1,162	1,347
Other operations	6,151	2,497	1,773	821
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	262,425	148,552	95,219	31,585
Eliminations	(3,998)	(1,252)	(1,671)	(343)
	\$258,427	\$147,300	\$93,548	\$31,242
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EBITDA:				
Churchill Downs including				
corporate expenses	\$12,110	\$14,417	\$(1,942)	\$ (321)
Hollywood Park	3,842	-	4,384	-
Calder Race Course	17,946	-	9,081	-
Hoosier Park	6,423	5,599	1,292	1,208
Ellis Park	2,071	2,305	(763)	(585)
Other operations	1,314	909	199	260
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	\$43,706	\$23,230	\$12,251	\$ 562
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Operating income (loss):				
Churchill Downs including				
corporate expenses	\$ 8,561	\$10,700	\$(2,818)	\$(1,252)
Hollywood Park	2,574	-	3,369	-
Calder Race Course	15,564	-	8,200	-
Hoosier Park	5,246	4,499	1,063	934
Ellis Park	721	1,422	(1,121)	(1,095)
Other operations	(153)	522	91	123
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	\$32,513	\$17,143	\$8,784	\$(1,290)
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CHURCHILL DOWNS INCORPORATED
CONSOLIDATED BALANCE SHEETS
December 31, 1999
(Unaudited)

(in thousands)

ASSETS	1999	1998
Current assets:		
Cash and cash equivalents	\$ 29,060	\$ 6,380
Accounts receivable	24,279	11,968
Other current assets	2,751	1,049
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Total current assets	56,090	19,397
Other assets	4,740	3,796
Plant and equipment, net	274,882	83,088
Intangible assets, net	62,334	8,370
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	\$398,046	\$114,651
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 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 14,794	\$ 6,381
Accrued expenses	23,821	8,248
Dividends payable	4,927	3,762
Income taxes payable	336	258
Deferred revenue	10,860	8,412
Long-term debt, current portion	552	127
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Total current liabilities	55,290	27,188
Long-term debt	180,898	13,538
Other liabilities	8,263	1,756
Deferred income taxes	15,474	6,938
Shareholders' equity:		
Preferred stock, no par value; 250 shares authorized; no shares issued	-	-
Common stock, no par value; 50,000 shares Authorized; issued: 9,854 shares in 1999 7,525 shares in 1998; and 7,317 shares in 1997	71,634	8,927
Retained earnings	66,667	56,599
Deferred compensation costs	(115)	(230)
Note receivable for common stock	(65)	(65)
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	138,121	65,231
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	\$398,046	\$114,651
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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

February 23, 2000

\s\ Robert L. Decker

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

February 23, 2000

\s\Vicki L. Baumgardner

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