SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 10, 1999

Commission File Number 0-1469

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

Kentucky	61-0156015
(State or other jurisdiction of incorporation or organization)	(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)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

A. FINANCIAL STATEMENTS OF BUSINESS ACQUIRED

Report of Independent Public Accountants

To The Board of Directors and Stockholders of
Hollywood Park, Inc.:

We have audited the accompanying combined balance sheets of the Hollywood Park Race Track and Casino, combined on the basis described in Note 2, to be acquired by Churchill Downs, Inc. from Hollywood Park, Inc. (the "Parent"), pursuant to the purchase agreement dated May 5, 1999, as of December 31, 1998 and 1997, and the related combined statements of operations, Parent's equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of Hollywood Park, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hollywood Park Race Track and Casino as of December 31, 1998, and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Los Angeles, California
June 9, 1999

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Balance Sheets

	As of December 31, 1998	As of December 31, 1997
Assets		
Current Assets:		
Cash and cash equivalents	$ 2,241,951	$ 3,788,016
Restricted cash	287,518	407,241
Other receivables, net allowance for bad debts of $916,916 in 1998 and $557,336 in 1997	7,391,583	6,680,902
Intercompany receivable	6,202,692	-
Prepaid expenses and other assets	2,558,380	3,005,197
Total current assets	18,682,124	13,881,356
Property, plant and equipment, net	75,626,084	78,220,360
Goodwill, net	19,286,227	19,825,171
Long term gaming assets	1,260,417	1,764,584
Other assets	18,401	20,398
	$114,873,253	$113,711,869
Liabilities and Parent's Equity		
Current Liabilities:		
Accounts payable	$ 5,704,233	$ 5,625,780
Intercompany payable	-	9,137,382
Accrued liabilities	6,108,774	7,218,328
Accrued workers' compensation	2,356,266	2,176,827
Accrued slip and fall claims	1,176,693	1,255,442
Gaming liabilities	2,444,371	2,459,881
Amounts due to horsemen for purses, stakes and awards	-	278,356
Outstanding pari-mutuel tickets	1,850,288	3,245,466
Current portion of notes payable	37,309	36,018
Income taxes payable	16,232,324	11,259,411
Total current liabilities	35,910,258	42,692,891
Notes payable	227,679	255,923
Deferred tax liabilities, net	4,934,437	5,115,886
Total liabilities	41,072,374	48,064,700
Parent's Equity:		
Common stock-$.10 par value, authorized 100 shares; 100 issued and outstanding in 1998 and in 1997	10	10
Capital in excess of par	990	990
Accumulated earnings	73,799,879	65,646,169
Total Parent's equity	73,800,879	65,647,169
	$114,873,253	$113,711,869

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Statements of Operations

	For the years ended December 31, 1998	1997	1996
Revenues:			
Pari-mutuel commissions	$39,524,470	$40,412,063	$40,735,953
Gaming-Casino	46,254,519	50,816,983	50,271,952
Admissions, programs, and other racing income	15,099,076	16,635,495	17,422,226
Concession sales	11,008,599	11,601,280	11,557,248
Other income	2,863,941	2,333,206	2,282,324
	114,750,605	121,799,027	122,269,703
Expenses:			
Operating expenses	88,670,970	92,717,751	91,499,991
Depreciation and amortization	8,410,852	8,437,757	8,306,739
Operating expenses	97,081,822	101,155,508	99,806,730
Selling, general and administrative	6,676,729	6,586,853	8,194,726
Operating income	10,992,054	14,056,666	14,268,247
Interest expense	23,048	25,156	27,101
Income before income taxes	10,969,006	14,031,510	14,241,146
Income tax expense	4,791,464	6,103,638	6,142,480
Net income	$6,177,542	$7,927,872	$8,098,666

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Statements of Cash Flows

For the years ended December 31, 1998, 1997, and 1996

Balance as of December 31, 1996	$ 57,719,297
Net income	7,927,872
Balance as of December 31, 1997	65,647,169
Net income	6,177,542
Capital contribution	1,976,168
Balance as of December 31, 1998	$ 73,800,879

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Statements of Cash Flows

	For the years ended December 31, 1998	1997	1996
Cash flows from operating activities:			
Net income	$6,177,542	$7,927,872	$8,098,666
Adjustments to reconcile net income to net cash provided by operating activities:			
Taxes and licenses	504,167	504,166	1,035,417
Depreciation and Amortization	8,410,852	8,437,757	8,306,739
Changes in assets and liabilities:			
Decrease (increase) in restricted cash	119,723	4,078,752	(3,841,535)
Decrease in short term investments	-	-	1,942,716
(Increase) decrease in other receivables, net	(710,681)	(1,213,922)	560,564
Decrease (increase) in prepaid expenses and other assets	446,817	(390,111)	1,561,985
Increase (decrease) in accounts payable	78,453	178,271	(1,132,946)
(Decrease) increase in accrued liabilities	(1,109,554)	(805,029)	325,088
Increase (decrease) in accrued workers' compensation	179,439	210,165	(310,659)
(Decrease) increase in slip and fall claims	(78,749)	(462,927)	175,326
(Decrease) in accrued gaming liabilities	(15,510)	(38,773)	(1,499,278)
(Decrease) increase in amounts due to horsemen for purses, stakes and awards	(278,356)	(4,075,426)	3,645,085
(Decrease) increase in outstanding pari-mutuel tickets	(1,395,178)	2,086,898	(1,366,633)
Increase in income taxes payable	4,972,913	5,424,476	5,834,935
(Decrease) increase in deferred tax liabilities, net	(181,449)	679,162	307,545
Net cash provided by operating activities	17,120,429	22,541,331	23,643,015
Cash flows from investing activities:			
Additions to property, plant and equipment	(3,301,464)	(3,336,628)	(4,596,255)
Other assets	1,997	4,003	1,999
Net cash used in investing activities	(3,299,467)	(3,332,625)	(4,594,256)
Cash flows from financing activities:			
Increase in intercompany receivable, net	(15,340,074)	(19,317,848)	(21,795,049)
Payment of unsecured notes payable, net	(26,953)	(24,844)	(22,899)
Long term gaming liabilities	-	-	(500,000)
Net cash used for financing activities	(15,367,027)	(19,342,692)	(22,317,948)
Decrease in cash and cash equivalents	(1,546,065)	(133,986)	(3,269,189)
Cash and cash equivalents at the beginning of the period	3,788,016	3,922,002	7,191,191
Cash and cash equivalents at the end of the period	$2,241,951	$3,788,016	$3,922,002
Supplemental disclosure of non-cash transactions:			
Contribution of capital	$1,976,168	-	-
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$ 23,000	$ 25,000	$ 27,000
Cash paid during the year for income taxes	$ -	$ -	$ -

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Notes to Combined Financial Statements

1. Basis of Presentation

On May 5, 1999, Hollywood Park, Inc. ("Hollywood Park" or the "Parent") and Churchill Downs, Inc. ("Churchill Downs") signed a definitive agreement for Churchill Downs to acquire the Hollywood Park Race Track in Inglewood, California, along with 240 acres of surrounding land, and the Hollywood Park Casino. The Hollywood Park Race Track and Hollywood Park Casino will be sold to Churchill Downs for purchase prices totaling $140 million in cash. The transaction is subject to certain closing conditions, including the approval of the California Horse Racing Board, and is expected to close in the third quarter of 1999. Churchill Downs will grant Hollywood Park a long-term lease with a renewal option at a lease rate of $3 million per year for the Hollywood Park Casino.

2. Summary of Significant Accounting Policies

Principles of Combination

These combined financial statements have been prepared from Hollywood Park's historical accounting records and present operations of the businesses that will be acquired by Churchill Downs as if the Company had been a separate entity for all periods presented. These combined financial statements principally include the accounts of the Hollywood Park Operating Company (the "HPOC"), a Delaware corporation, and its two wholly owned subsidiaries, Hollywood Park Food Services, Inc. and Hollywood Park Fall Operating Company, and the Hollywood Park Casino which is a division of Hollywood Park, Inc. (collectively referred to as the "Hollywood Park Race Track and Casino" or the "Company"). Long-term debt historically recorded on HPOC's books, consisting of $125 million in 9.5% Notes which were co-issued in August 1997 by Hollywood Park and HPOC, and related interest expense, have been excluded from the combined financial statements because the proceeds of the notes were used to fund other businesses of the Parent. All significant intercompany accounts and transactions have been eliminated in the preparation of these combined financial statements. The financial information included herein may not necessarily reflect the combined results of operations, financial position, changes in Parent's equity and cash flows of the Company in the future or what they would have been had it been a separate, stand-alone entity during the periods presented.

Acquisition of Pacific Casino Management, Inc.

The Hollywood Park Casino was opened by the Parent in July 1994 under a third party leasing arrangement with Pacific Casino Management, Inc. ("PCM"). On November 17, 1995, Hollywood Park acquired substantially all of the assets, property and business of PCM, and assumed substantially all of PCM's liabilities. Prior to the acquisition, under a lease with the Company, PCM operated the gaming floor activities of the Hollywood Park Casino. The purchase price of PCM's net assets was an aggregate $2,640,000, payable in shares of Hollywood Park, Inc. common stock, in three installments: (i) shares of Hollywood Park common stock, having a value of $1,600,000, or 136,008 common shares, issued on November 17, 1995, (ii) shares of Hollywood Park common stock, having a value of $540,000, or 48,674 common shares, issued on November 19, 1996 and (iii) shares of Hollywood Park common stock, having a value of $500,000, or 33,417 common shares, issued on February 10, 1997. Virtually all of the approximately $21,568,000 of excess acquisition cost over the recorded value of the net assets acquired from PCM was allocated to goodwill and is being amortized over 40 years. The amortization of the goodwill is not deductible for income tax purposes.

2. Summary of Significant Accounting Policies (cont'd)

Restricted Cash

Restricted cash as of December 31, 1998 and 1997, was for amounts due to horsemen for purses, stakes and awards.

Racing Revenues and Expenses

The Company records pari-mutuel revenues, admissions, food and beverage and other racing income associated with racing on a daily basis, except for prepaid admissions, which were recorded ratably over the racing season. Expenses associated with racing revenues were charged against income in those periods in which the racing revenues are recognized. Other expenses were recognized as they occurred throughout the year.

Gaming-Casino Revenue and Promotional Allowances

Gaming-Casino gaming revenues consisted of fees collected from patrons on a per seat or per hand basis. Revenues in the accompanying statements of operations exclude the retail value of food and beverage provided to card players on a complimentary basis. The estimated cost of providing these promotional allowances during the years ended December 31, 1998, 1997, and 1996 was approximately $554,000, $945,000, and $1,316,000, respectively.

Property, Plant and Equipment

Property, plant and equipment are depreciated on the straight line method over their estimated useful lives as follows:

	Years
Land improvements	3 to 25
Buildings	5 to 40
Equipment	3 to 10

Maintenance and repairs were charged to operations of facilities; betterments were capitalized. The cost of property sold or otherwise disposed of and the accumulated depreciation were eliminated from both the property and accumulated depreciation accounts with any gain or loss recorded in the expense accounts.

Property, plant and equipment is carried on the Company's balance sheets at depreciated cost. Whenever there are recognized events or changes in circumstances that affect the carrying amount of the property, plant and equipment, management reviews the assets for possible impairment.

2. Summary of Significant Accounting Policies (cont'd)

Income Taxes

The Company accounts for income taxes under Statement of Financial Accounting Standards ("SFAS") 109, Accounting for Income Taxes, whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date.

Cash Flows

Cash and cash equivalents consisted of cash, certificates of deposit and short term investments with original maturities of 90 days or less.

Accounting Pronouncements

Segment Information

Statement of Financial Accounting Standards No. 131 Disclosures about Segments of an Enterprise and Related Information ("SFAS No. 131") was effective for years after December 31, 1997, and has been adopted by the Company for all periods presented in these combined financial statements. SFAS No. 131 establishes revised guidelines for public companies in determining operating segments based on those used for internal reporting to management. Based on these guidelines, Hollywood Park reports information under a single gaming segment.

Long-lived Assets

The Company periodically reviews the propriety of the carrying amount of long-lived assets and the related intangible assets as well as the related amortization period to determine whether current events or circumstances warrant adjustments to the carrying value and/or the estimates of useful lives. This evaluation consists of the Company's projection of the undiscounted operating income before depreciation, amortization and interest over the remaining lives of the excess costs, in accordance with FASB Statement No. 121 Accounting for the Impairment of Long-Lived Assets to Be Disposed Of. Based on its review, the Company believes that as of December 31, 1998, there were no significant impairments of its long-lived assets or related intangible assets.

Start-Up Costs

The Company's policy has been to expense start-up costs as incurred. In April 1998, Statement of Position 98-5 Reporting on the Costs of Start-Up Activities was issued and was effective for years after December 31, 1998. Statement of Position 98-5 required that start-up activities and organizational costs be expensed as incurred. The adoption of Statement of Position 98-5 did not have an impact on the financial statements of the Company.

2. Summary of Significant Accounting Policies (cont'd)

Accounting Pronouncements (cont'd)

Derivative Instruments and Hedging Activities

In September 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 Accounting for Derivative Instruments and Hedging Activities ("SFAS No.133"). The Company has not made such investments in the past and does not expect to make such investments in the foreseeable future, and thus SFAS No. 133 has no impact on the financial reporting of the Company. SFAS No. 133 established accounting and reporting standards with respect to recording derivative instruments on the balance sheet measured at its fair value. SFAS No. 133, also sets reporting requirements for changes in the fair value of a derivative, and for qualifying hedges. SFAS No. 133 will be effective for accounting years beginning after June 15, 1999.

Comprehensive Income

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard's No. 130, Reporting Comprehensive Income ("SFAS No. 130"), which became effective for years beginning after December 31, 1997. The Company adopted SFAS No. 130 in 1998. SFAS No. 130 requires the classification of other comprehensive income by its nature in a financial statement, and to disclose the accumulated balance of other comprehensive income separately in the shareholders' equity section of the balance sheet.

Interim Period Financial Statements

The combined interim financial statements have been prepared by the Company and is unaudited, however, in the opinion of the Company, the interim data includes all adjustments, consisting of only normal recurring adjustments necessary for a fair statement of the results of cash flows for the interim period. The interim results of operations are not indicative of the results for the full year, due to the seasonality of the horse racing business.

3. Allowance for Bad Debts

Balance as of December 31, 1996	$1,088,510
Charges to expense	76,000
Write offs	607,174
Balance as of December 31, 1997	557,336
Charges to expense	481,000
Write offs	121,420
Balance as of December 31, 1998	$916,916

4. Property, Plant and Equipment

Property, plant and equipment held at December 31, 1998, and 1997 consisted of the following:

	December 31, 1998	December 31, 1997
Land and land improvements	$12,251,511	$12,059,906
Buildings	119,470,712	117,472,053
Equipment	21,874,841	18,728,723
Construction in progress	449,244	509,845
	154,046,308	148,770,527
Less accumulated depreciation	78,420,224	70,550,167
	$75,626,084	$78,220,360

5. Unsecured Notes Payable

Notes payable as of December 31, 1998, and 1997 consisted of the following:

	December 31, 1998	December 31, 1997
Unsecured note payable-Gold Cup	$264,988	$291,941
Less current maturities	37,309	36,018
	$227,679	$255,923

The Company's Gold Cup note payable resulted from the $1,000,000 Gold Cup Contest on July 20, 1986. The prize money is payable to the winner in 20 annual installments of $50,000, beginning August 1, 1986. The remaining liability at December 31, 1998 is net of unamortized discount at 8.5%.

6. Income Taxes

During the periods presented, the Company was included in the consolidated tax returns of Hollywood Park, Inc. The Company has provided for income taxes as if it were a stand-alone taxpayer, in accordance with SFAS No. 109. The Company was part of the Hollywood Park tax group and therefore did not directly pay any current taxes on a stand-alone basis.

6. Income Taxes (cont'd)

The composition of the Company's income tax expense for the years ended December 31, 1998, 1997 and 1996 is as follows:

	Current	Deferred	Total
YEAR ENDED DECEMBER 31, 1998:			
U.S. Federal	$3,879,000	$(141,000)	$3,738,000
State	1,093,913	(40,449)	1,053,464
	$4,972,913	$(181,449)	$4,791,464
YEAR ENDED DECEMBER 31, 1997:			
U.S. Federal	$4,232,000	$530,000	$4,762,000
State	1,192,476	149,162	1,341,638
	$5,424,476	$679,162	$6,103,638
YEAR ENDED DECEMBER 31, 1996:			
U.S. Federal	$4,551,000	$240,000	$4,791,000
State	1,283,935	67,545	1,351,480
	$5,834,935	$307,545	$6,142,480

The following table reconciles the Company's income tax expense (based on its effective tax rate) to the federal statutory tax rate of 35%:

	1998	1997	1996
Income before income tax expense, at the statutory rate	$3,839,152	$4,911,029	$4,984,401
State taxes	593,477	806,251	818,296
Goodwill amortization	220,434	220,434	220,434
Political and lobbying costs	120,000	139,000	92,000
Other non-deductible expenses	18,401	26,924	27,349
Income tax expense	$4,791,464	$6,103,638	$6,142,480

6. Income Taxes (cont'd)

For the years ended December 31, 1998, and 1997, the tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below.

	1998	1997
CURRENT DEFERRED TAX ASSETS:		
Workers' compensation insurance reserve	$960,177	$887,056
General liability insurance reserve	479,502	511,593
Legal accrual	86,000	113,000
Vacation and sick pay accrual	291,149	250,117
Bad debt allowance	373,644	227,114
Other	36,555	76,656
Current deferred tax assets	2,227,027	2,065,536
CURRENT DEFERRED TAX LIABILITIES:		
Business insurance and other	134,000	134,000
Net current deferred tax assets	$2,093,027	$1,931,536
NON-CURRENT DEFERRED TAX LIABILITIES:		
Depreciation	7,027,464	7,047,422
Net non-current deferred tax liabilities	$7,027,464	$7,047,422

7. Parent's Equity

The Parent owns 100% of the outstanding common stock of the HPOC. Divisional equity of the Hollywood Park Casino is included in accumulated earnings in the accompanying balance sheets.

8. Retirement Plans

The employees of the Company were included in the 401(k) Investment Plan of Hollywood Park (the "401(k) Plan") which is subject to the provisions of the Employee Retirement Income Security Act of 1994. The 401(k) Plan is open to all employees of the Company (except those covered by collective bargaining agreements) who have completed one year of service. Employees can contribute up to 15% of pretax income (subject to legal limitation of $10,000 for 1998). The Company offers a discretionary matching, and for the years ended December 31, 1998 and 1997 contributed $459,325 and $389,804, respectively. The Company did not provide a matching contribution in 1996.

The Company's employees were also included in Hollywood Park's Pension Plan, prior to its termination on January 31, 1997. The funds accumulated under the Pension Plan were distributed to the Pension Plan participants. The Company also contributed to several collectively-bargained multi-employer pension and retirement plans which are administered by unions, and to a pension plan covering non-union employees which is administered by an association of race track owners. Amounts charged to pension cost and contributed to these plans for the years ended December 31, 1998, 1997 and 1996 totaled $1,689,757, $1,842,127, and $1,872,674, respectively. Contributions to the collectively-bargained plans were determined in accordance with the provisions of negotiated labor contracts and generally are based on the

8. Retirement Plans (cont'd)

number of employee hours or days worked. Contributions to the non-union plans are based on the covered employees' compensation. Information from the plans administrators was not available to permit the Company to determine its share of unfunded vested benefits or prior service liability. It is the opinion of management that no material liability exists.

9. Related Party Transactions

The Company is guarantor on both the Hollywood Park, Inc. $125,000,000 aggregate principal amount of 9.5% Notes issued on August 6, 1997 and the Hollywood Park, Inc. $350,000,000 aggregate principal amount of 9.25% Notes issued on February 18, 1999.

The Parent pays for various expenses, including legal and insurance premiums on the Company's behalf. This activity is included in operating and selling, general and administrative expenses and the net intercompany receivable (payable) in the accompanying combined financial statements.

10. Commitments and Contingencies

Lease Obligations

The Company leases certain equipment primarily for use in racing operations (pari-mutuel wagering equipment) and general office equipment. Minimum lease payments required under operating leases that have initial terms in excess of one year as of December 31, 1998 are approximately $678,000 in 1999 and annually thereafter. Total rent expense for these long term lease obligations for the years ended December 31, 1998, 1997 and 1996 was $769,194, $834,150 and $817,564, respectively.

Litigation

The Company is a defendant in various litigation in the normal course of business. Although the outcome of litigation cannot be predicted with certainty, in the opinion of management, based on the facts known at this time, the resolution of such litigation is not anticipated to have a material adverse effect on the financial position or results of operations of the Company.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Balance Sheets

	As of June 30, 1999
	(Unaudited)
Assets	
Current Assets:	
Cash and cash equivalents	$ 8,335,320
Restricted cash	12,301,629
Other receivables, net allowance for bad debts	7,536,111
Intercompany receivable	20,216,612
Prepaid expenses and other assets	2,511,611
Total current assets	50,901,283
Property, plant and equipment, net	72,964,081
Goodwill, net	19,016,755
Long term gaming assets	1,008,334
Other assets	17,400
	$143,907,853

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Balance Sheets

	As of June 30, 1999
	(Unaudited)
Liabilities and Parent's Equity	
Current Liabilities:	
Accounts payable	$ 6,110,356
Accrued liabilities	8,243,382
Accrued workers' compensation	2,576,644
Accrued slip and fall claims	1,182,941
Gaming liabilities	2,624,143
Amounts due to horsemen for purses, stakes and awards	14,162,570
Outstanding pari-mutuel tickets	2,214,020
Current portion of notes payable	48,187
Income taxes payable	21,220,001
Total current liabilities	58,382,244
Notes payable	177,679
Deferred tax liabilities, net	4,843,713
Total liabilities	63,403,636
Parent's Equity:	
Common stock - $.10 par value, authorized 100 shares; 100 issued and outstanding in 1998	10
Capital in excess of par	990
Accumulated earnings	80,503,217
Total Parent's equity	80,504,217
	$143,907,853

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Statements of Earnings

	For the six months ended June 30, 1999	1998
	(Unaudited)	
REVENUES:		
Pari-mutuel commissions	$22,644,404	$21,312,518
Gaming - Casino	24,253,671	23,116,915
Admissions, programs, and other racing income	8,830,425	8,085,314
Concession sales	5,740,125	5,743,306
Other income	1,757,698	1,715,264
	63,226,323	59,973,317
EXPENSES:		
Operating expenses	44,022,701	44,200,777
Depreciation and amortization	4,286,367	4,207,807
Operating expenses	48,309,068	48,408,584
Selling, general and administrative	3,316,964	3,080,221
Total expenses	51,626,032	51,488,805
Income before income taxes	11,600,291	8,484,512
Income tax expense	4,896,953	3,627,397
Net income	$ 6,703,338	$ 4,857,115

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Statements of Cash Flows

	For the six months ended June 30, 1999	1998
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 6,703,338	$4,857,115
Adjustments to reconcile net income to net cash provided by operating activities:		
Taxes and licenses	252,083	252,084
Depreciation and Amortization	4,286,367	4,207,807
Changes in assets and liabilities:		
Increase in restricted cash	(12,014,111)	(5,771,211)
Increase in other receivables, net	(144,528)	(2,303,590)
Decrease (increase) in prepaid expenses and other assets	46,769	(660,380)
Increase in accounts payable	406,123	3,339,556
Increase (decrease) in accrued liabilities	2,134,608	(108,859)
Increase (decrease) in accrued workers' compensation	220,378	(88,003)
Increase (decrease) in slip and fall claims	6,248	(47,836)
Increase (decrease) in accrued gaming liabilities	179,772	(16,929)
Increase in amounts due to horsemen for purses, stakes and awards	14,162,570	12,504,063
Increase (decrease) in outstanding pari-mutuel tickets	363,732	(1,057,252)
Increase in income taxes payable	4,987,677	3,718,122
Decrease in deferred tax liabilities, net	(90,724)	(90,724)
Net cash provided by operating activities	21,500,302	18,733,963
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(1,354,892)	(1,264,873)
Decrease (increase) in other assets	1,001	(59,003)
Net cash used in investing activities	(1,353,891)	(1,323,876)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in intercompany receivable, net	(14,013,920)	(4,544,753)
Payment of unsecured notes payable, net	(39,122)	(38,018)
Net cash used for financing activities	(14,053,042)	(4,582,771)
Increase in cash and cash equivalents	6,093,369	12,827,316
Cash and cash equivalents at the beginning of the period	2,241,951	3,788,016
Cash and cash equivalents at the end of the period	$ 8,335,320	$16,615,332

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Combined Statements of Cash Flows (Continued)

	For the six months ended June 30, 1999	1998
	(Unaudited)	
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING TRANSCATIONS:		
Contribution of capital	$ -	$ 1,970,917

See accompanying notes to combined financial statements.

HOLLYWOOD PARK RACE TRACK AND CASINO

Notes to Combined Financial Statements (Unaudited)

NOTE 1 - BASIS OF PRESENTATION

These combined financial statements principally include the accounts of the Hollywood Park Operating Company (the "HPOC"), a Delaware corporation, and its two wholly owned subsidiaries, Hollywood Park Food Services, Inc. and Hollywood Park Fall Operating Company, and the Hollywood Park Casino which is a division of Hollywood Park, Inc. (collectively referred to as the "Hollywood Park Race Track and Casino" or the "Company"). These combined financial statements have been prepared from the historical accounting records of Hollywood Park, Inc. and present operations of the businesses that were acquired by Churchill Downs Incorporated ("Churchill Downs") as if the Company had been a separate entity for all periods presented.

Long-term debt historically recorded on HPOC's books, consisting of $125 million in 9.5% Notes which were co-issued in August 1997 by Hollywood Park, Inc. and HPOC, and related interest expense, have been excluded from the combined financial statements because the proceeds of the notes were used to fund other businesses of Hollywood Park, Inc. All significant intercompany accounts and transactions have been eliminated in the preparation of these combined financial statements. The financial information included herein may not necessarily reflect the combined results of operations, financial position, and cash flows of the Company in the future or what they would have been had it been a separate, stand-alone entity during the periods presented.

The combined interim financial statements have been prepared by the Company and are unaudited. In the opinion of management, the interim data includes all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the financial position and results of operations and cash flows of the Company for the interim period. The interim results of operations are not indicative of the results for the full year due to the seasonality of the horse racing business. These combined interim financial statements are based on, and should be read in conjunction with, the historical combined financial statements and the related notes thereto of the Hollywood Park Race Track and Casino included in this Form 8-K/A.

NOTE 2 - SUBSEQUENT EVENT

On September 10, 1999, Churchill Downs acquired from Hollywood Park, Inc. the Hollywood Park Race Track and the Casino in Inglewood, California, including approximately 240 acres of land upon which the racetrack and casino are located. The purchase price was approximately $142.5 million including acquisition costs of approximately $2.5 million. The Company will lease the Hollywood Park Casino to Hollywood Park, Inc. under a ten-year lease with one ten-year renewal option. The lease provides for annual rent of $3.0 million, subject to adjustment during the renewal period.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

B. PRO FORMA FINANCIAL INFORMATION

CHURCHILL DOWNS INCORPORATED
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed balance sheet was derived from our unaudited consolidated balance sheet and the unaudited balance sheet of Hollywood Park Race Track and Casino ("Hollywood Park") as of June 30, 1999. The unaudited pro forma condensed statements of earnings for the six-month periods ended June 30, 1999 and 1998 were derived from our unaudited consolidated statements of earnings, the unaudited statements of earnings of Hollywood Park for the six-month periods ended June 30, 1999 and 1998, the unaudited statements of earnings for Calder Race Course, Inc. ("Calder") and Tropical Park, Inc ("Tropical") (which together comprise Calder Race Course) for the period from January 1, 1999 through April 23, 1999 and for the six-month period ended June 30, 1998 and the unaudited statement of earnings of Racing Corporation of America (Ellis Park) for the period from January 1, 1998 through April 21, 1998. The unaudited pro forma condensed statement of earnings for the year ended December 31, 1998 was derived from our audited consolidated statement of earnings for the year ended December 31, 1998, the audited statements of earnings of Hollywood Park, Calder and Tropical for the year ended December 31, 1998 and the unaudited statement of earnings of Ellis Park for the period from January 1, 1998 through April 21, 1998. The unaudited pro forma financial statements reflect the pro forma effects of the acquisitions of Hollywood Park, Calder, Tropical, and Ellis Park, as well as our new credit agreement. These unaudited pro forma financial statements give effect to the acquisitions and the new credit agreement as if they had occurred on January 1, 1998 for the statements of earnings and June 30, 1999 for the balance sheet. The statements do not purport to represent what our results of operations or financial position actually would have been if the acquisitions and the new credit agreement had occurred on or as of such dates and are not necessarily indicative of future operating results or financial position. The unaudited pro forma condensed consolidated financial statements are based upon, and should be read in conjunction with, the historical consolidated financial statements of Churchill Downs Incorporated, including notes thereto, included in its report on Form 10-K for the year ended December 31, 1998 and its unaudited interim financial statements including notes thereto, included in its report on Form 10-Q for the quarterly period ended June 30, 1999, the financial statements including notes thereto of Calder Race Course and Ellis Park included in our Forms 8-K/A dated June 18, 1999 and December 21, 1998, respectively, and the audited annual financial statements and the unaudited interim financial statements of Hollywood Park, and the notes thereto included in this Form 8-K/A.

The acquisitions of Hollywood Park, Calder Race Course and Ellis Park have been accounted for using the purchase method of accounting. Under the purchase method of accounting, the purchase price is allocated to the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed. The pro forma adjustments related to the Hollywood Park acquisition are based on preliminary assumptions of the allocation of the purchase price and are subject to revision once appraisals, evaluations and other studies of the fair value of assets acquired and liabilities assumed are completed. Actual purchase accounting adjustments related to Hollywood Park may differ from the pro forma adjustments presented herein.

Unaudited Pro Form Condensed Consolidated Balance Sheet
June 30, 1999
(in thousands)

	Pro Forma Churchill Downs Historical	Hollywood Park Historical	Adjustments and Eliminations(1)	Pro Forma Churchill Downs
Assets				
Current Assets:				
Cash and cash equivalents	$ 21,927	$ 8,335	$ (8,335)(2)	$ 21,927
Accounts receivable	14,653	27,753	(27,753)(2)	14,653
Other current assets	1,670	14,813	(14,504)(2)	1,979
Total current assets	38,250	50,901	(50,592)	38,559
Other assets	8,947	1,026	(1,026)(2)	8,947
Plant and equipment, net	133,461	72,964	(4,569)(2)	
			73,846 (3)	275,702
Intangibles, net of amortization	62,269	19,017	(19,017)(2)	62,269
Total assets	$ 242,927	$ 143,908	$ (1,358)	$385,477
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable	$ 14,718	$ 6,110	$ (6,110)(2)	$ 14,718
Accrued liabilities	16,938	31,004	(31,004)(2)	16,938
Income taxes payable	7,679	21,220	(21,220)(2)	7,679
Deferred revenue	3,362	-	-	3,362
Long-term debt, current portion	479	49	(49)(2)	479
Total current liabilities	43,176	58,383	(58,383)	43,176
Long-term Liabilities:				
Long-term debt, due after one year	103,271	178	142,372 (4)	245,821
Other liabilities	4,554	-	-	4,554
Deferred income taxes	15,982	4,843	(4,843)(2)	15,982
Total liabilities	166,983	63,404	79,146	309,533
Shareholders' equity				
Common stock	8,927	-	-	8,927
Retained earnings	67,255	80,503	(80,503)(2)	67,255
Additional paid-in-capital	-	1	(1)(2)	-
Deferred compensation costs	(173)	-	-	(173)
Notes receivable for common stock	(65)	-	-	(65)
Total shareholders' equity	75,944	80,504	(80,504)	75,944
Total liabilities and shareholders' equity	$ 242,927	$ 143,908	$ (1,358)	$385,477

(1) Adjustments give pro forma effect to the Hollywood Park acquisition as if the transaction had occurred on June 30, 1999.
(2) To eliminate assets and liabilities of Hollywood Park that were not acquired or assumed by Churchill Downs in the transaction.
(3) To record the revaluation of acquired property, plant and equipment to its estimated fair value.
(4) To record borrowings on Churchill Downs' line of credit necessary to finance the purchase price of $140.0 million plus estimated acquisition costs of $2.5 million and to eliminate historical long-term debt of $178,000 not assumed by Churchill Downs.

Unaudited Pro Forma Consolidated Statement of Earnings
For the Six-Month Period ended June 30, 1999
(in thousands, except per share data)

	Churchill Downs Historical	Calder Race Course: Historical(1) Calder	Calder Race Course: Historical(1) Tropical	Calder Race Course: Pro Form Adjustments And Eliminations(1)	Calder Race Course: Pro Forma with Calder Race Course	Hollywood Park: Historical(2)	Hollywood Park: Pro Forma Adjustments and Eliminations(2)	Pro Forma Churchill Downs
Net revenues	$ 101,803	$2,394	$ 1,181	-	$ 105,378	$ 63,226	(29,014)(8) 19,620 (9) 1,580 (10)	
	101,803	2,394	1,181	-	105,378	63,226	(7,814)	160,790
Operating expenses	74,820	2,911	1,068	(115)(3) 65 (4) 377 (5)	79,126	48,309	(22,426)(8) 19,620 (9) (505)(11) (1,248)(12)	
	74,820	2,911	1,068	327	79,126	48,309	(4,559)	122,876
Gross profit (loss)	26,983	(517)	113	(327)	26,252	14,917	(3,255)	37,914
Selling, general and administrative expenses	6,890	685	212	-	7,787	3,317	(1,701)(8)	9,403
Operating income (loss)	20,093	(1,202)	(99)	(327)	18,465	11,600	(1,554)	28,511
Other income(expense):								
Interest income	363	33	79	-	475	-	-	475
Interest expense	(2,209)	(446)	(325)	(1,504)(6)	(4,484)	-	(5,290)(13)	(9,774)
Rental income	-	191	13	(115)(3)	89	-	-	89
Miscellaneous income	125	-	-	-	125	-	-	125
	(1,721)	(222)	(233)	(1,619)	(3,795)	-	(5,290)	(9,085)
Earnings (loss) before income tax provision (benefit)	18,372	(1,424)	(332)	(1,946)	14,670	11,600	(6,844)	19,426
Federal and state income tax provision (benefit)	7,716	-	-	(1,555)(7)	6,161	4,897	(2,874)(14)	8,184
Net earnings (loss)	$ 10,656	$(1,424)	$ (332)	$ (391)	$ 8,509	$ 6,703	$ (3,970)	$ 11,242
Earnings per common share:								
Basic	$ 1.42							$ 1.49
Diluted	$ 1.39							$ 1.47
Weighted average shares outstanding								
Basic	7,525							7,525
Diluted	7,671							7,671

(1) The Calder Race Course acquisition occurred on April 23, 1999, and the results of operations of Calder Race Course have been included in the historical statement of earnings of Churchill Downs since that date. The pro forma Calder Race Course adjustments give effect to the Calder Race Course acquisition and Churchill Downs' new credit agreement if these transactions had occurred on January 1, 1998. Historical Calder Race Course statement of earnings information is based on the unaudited financial statement for the period from January 1, 1999 to April 23, 1999.
(2) Adjustments necessary to give pro forma effect to the Hollywood Park acquisition as if the transaction had occurred on January 1, 1998. Historical statement of earnings information is based on the unaudited financial statements for the six month period ended June 30, 1999.
(3) To eliminate intercompany rental income and expense between Calder and Tropical.
(4) To record the estimated increase in depreciation expense as a result of the revaluation of the acquired Calder and Tropical property, plant and equipment to its fair value and estimated useful lives.
(5) To record estimated amortization over 40 years of the excess of the Calder Race Course purchase price over the fair value of net assets acquired of $48.7 million.
(6) To record the estimated incremental interest expense using an average 7.45% interest rate on borrowings of $92.0 million necessary to finance the Calder Race Course acquisition and fund deferred financing costs, including amortization expense of $250,000 related to deferred financing costs of $2.5 million over 5 years.
(7) To adjust historical Calder Race Course tax benefit and to record the income tax effect of the estimated increase in depreciation and incremental interest expense resulting from the Calder Race Course acquisition to our estimated federal and state income tax rate of 42%.
(8) To eliminate the historical results of operations of Hollywood Park Casino, which will not be operated by Churchill Downs under the terms of the transaction.
(9) To reclassify purse expense of Hollywood Park to conform to Churchill Downs' historical presentation of this item.
(10) To record $1.5 million in rental income and $80,000 in admissions revenue related to the lease by Churchill Downs of the Hollywood Park Casino to Hollywood Park, Inc. under the terms of the transaction.
(11) To eliminate historical depreciation expense on Hollywood Park assets not acquired by Churchill Downs in the transaction.
(12) To record the estimated decrease in depreciation expense as a result of the revaluation of the acquired Hollywood Park property, plant and equipment to its fair value and estimated useful lives.
(13) To record the estimated incremental interest expense using an average of 7.45% interest rate on borrowings of $142.5 million necessary to finance the Hollywood Park acquisition.
(14) To record the income tax effect of the pro forma adjustments related to the acquisition of Hollywood Park to our estimated federal and state income tax rate of 42%.

Unaudited Pro Forma Consolidated Statement of Earnings
For the Six-Month Period ended June 30, 1998
(in thousands, except per share data)

	Churchill Downs Historical	Ellis Park Historical(1)	Ellis Park Pro Forma Adjustments(1)	Pro Forma with Ellis Park	Calder Race Course Historical(2) Calder	Calder Race Course Historical(2) Tropical	Calder Race Course Pro Forma Adjustments and Eliminations(2)	Pro Forma with Ellis Park and Calder Race Course
Net revenues	$ 82,760	$ 1,972	-	$ 84,732	$11,367	$ 1,218	$ -	$ 97,317
	82,760	1,972	-	84,732	11,367	1,218	-	97,317
Operating expenses	58,337	2,553	221 (3) 28 (4)	61,139	11,875	1,077	(107)(7) 132 (8) 610 (9)	74,726
	58,337	2,553	249	61,139	11,875	1,077	635	74,726
Gross profit (loss)	24,423	(581)	(249)	23,593	(508)	141	(635)	22,591
Selling, general and administrative expenses	4,973	269	-	5,242	1,057	286	-	6,585
Operating income (loss)	19,450	(850)	(249)	18,351	(1,565)	(145)	(635)	16,006
Other income(expense):								
Interest income	362			362	38	125	-	525
Interest expense	(405)	(9)	(384)(5)	(798)	(969)	(698)	(2,011)(10)	(4,476)
Rental income	-	-	-	-	207	30	(107)(7)	130
Miscellaneous income	166	-	-	166	-	-	-	166
	123	(9)	(384)	(270)	(724)	(543)	(2,118)	(3,655)
Earnings (loss)before income tax provision (benefit)	19,573	(859)	(633)	18,081	(2,289)	(688)	(2,753)	12,351
Federal and state income tax provision (benefit)	7,620	-	(207)(6)	7,413	-	-	(2,349)(11)	5,064
Net earnings (loss)	$ 11,953	$ (859)	$ (426)	$ 10,668	$(2,289)	$ (688)	$ (404)	$ 7,287
Earnings per common share:								
Basic	$ 1.62							
Diluted	$ 1.61							
Weighted average shares outstanding								
Basic	7,395		200					
Diluted	7,438		200					

Unaudited Pro Forma Consolidated Statement of Earnings
For the Six-Month Period ended June 30, 1998
(in thousands, except per share data)

	Hollywood Park Historical(2)	Hollywood Park Pro Forma Adjustments and Eliminations	Pro Forma Churchill Downs
Net revenues	$ 59,974	$ (26,995)(12) 18,368 (13) 1,594 (14)	
	59,974	(7,033)	$ 150,258
Operating expenses	48,409	(22,087)(12) 18,368 (13) (521)(16) (1,151)(16)	
	48,409	(5,391)	117,744
Gross profit (loss)	11,565	(1,642)	32,514

Selling, general and administrative expenses	3,080	(1,389)(12)	8,276
Operating income (loss)	8,485	(253)	24,238
Other income(expense):			
Interest income	-	-	525
Interest expense	-	(5,290)(17)	(9,766)
Rental income	-	-	130
Miscellaneous income	-	-	166
	-	(5,290)	(8,945)
Earnings (loss)before income tax provision (benefit)	8,485	(5,543)	15,293
Federal and state income tax provision (benefit)	3,627	(2,422)(18)	6,269
Net earnings (loss)	$ 4,858	$ (3,121)	$ 9,024
Earnings per common share:			
Basic			$ 1.19
Diluted			$ 1.18
Weighted average shares outstanding			
Basic			7,595
Diluted			7,638

(1) The Ellis Park acquisition occurred on April 21, 1998, and the results of operations of Ellis Park have been included in the historical statement of earnings of Churchill Downs since that date. The pro forma Ellis Park adjustments give effect to the Ellis Park acquisition and Churchill Downs' new credit agreement as if these transactions had occurred on January 1, 1998. Historical Ellis Park statement of earnings information is based on the unaudited financial statements for the period from January 1, 1998 to April 21, 1998.

(2) Adjustments necessary to give pro forma effect to the Calder Race Course and Hollywood Park acquisitions and Churchill Downs' new credit agreement as if these transactions had occurred on January 1, 1998. Historical Calder Race Course and Hollywood Park statement of earnings information is based on the unaudited financial statements of these entities for the six month period ended June 30, 1998.

(3) To record additional depreciation expense from January 1, 1998 through April 21, 1998 as a result of the revaluation of the Ellis Park property, plant and equipment to its fair value and estimated useful lives.

(4) To record estimated amortization over 40 years from January 1, 1998 through April 21, 1998 of the excess of the Ellis Park purchase price over the fair value of net assets acquired of $6.4 million.

(5) To record the estimated incremental interest expense using an average of 7.45% interest rate on borrowings of $16.2 million necessary to finance the Ellis Park acquisition.

(6) To adjust historical Ellis Park tax benefit and to record the income tax effect of the estimated increase in depreciation and incremental interest expense resulting from the Ellis Park acquisition to our estimated federal and state income tax rate of 41%.

(7) To eliminate intercompany rental income and expense between Calder and Tropical.

(8) To record the estimated increase in depreciation expense as a result of the revaluation of the acquired Calder and Tropical property, plant and equipment to its
fair value and estimated useful lives.

(9) To record estimated amortization over 40 years of the excess of the Calder Race Course purchase price over the fair value of net assets acquired of $48.7 million.

(10) To record the estimated incremental interest expense using an average 7.45% interest rate on borrowings of $92.0 million necessary to finance the Calder Race Course acquistion and fund deferred financing costs, including amortization expense of $250,000 related to deferred financing costs of $2.5 million over 5 years.

(11) To adjust historical Calder Race Course tax benefit and to record the income tax effect of the estimated increase in depreciation and incremental interest expense resulting from the Calder Race Course acquisition to our estimated federal and state income tax rate of 41%.

(12) To eliminate the historical results of operations of Hollywood Park Casino, which will not be operated by Churchill Downs under the terms of the transaction.

(13) To reclassify purse expense of Hollywood Park to conform to Churchill Downs' historical presentation of this item.

(14) To record $1.5 million in rental income and $94,000 in admissions revenue related to the lease by Churchill Downs of the Hollywood Park Casino to Hollywood Park, Inc. under the terms of the transaction.

(15) To eliminate historical depreciation expense on Hollywood Park assets not acquired by Churchill Downs in the transaction.

(16) To record the estimated decrease in depreciation expense as a result of the revaluation of the acquired Hollywood Park property, plant and equipment to its fair value and estimated useful lives.

(17) To record the estimated incremental interest expense using an average of 7.45% interest rate on borrowings of $142.5 million necessary to finance the Hollywood Park acquisition.

(18) To record the income tax effect of the pro forma adjustments related to the acquisition of Hollywood Park to our estimated federal and state income tax rate of 41%.

Unaudited Pro Forma Consolidated Statement of Earnings
For the Year ended December 31, 1998
(in thousands, except per share data)

		Ellis Park			Calder Race Course			
	Churchill Downs Historical	Historical(1)	Pro Forma Adjustments(1)	Pro Forma with Ellis Park	Historical(2) Calder	Historical(2) Tropical	Pro Forma Adjustments and Eliminations(2)	Pro Forma with Ellis Park and Calder Race Course
Net revenues	$ 147,300	$ 1,972	$ -	$ 149,272	$49,974	$21,356	$ -	$ 220,602
	147,300	1,972	-	149,272	49,974	21,356	-	220,602
Operating expenses:								
Purses	50,193	491		50,684	23,347	9,655	-	83,686
Other direct expenses	68,896	2,062	221(3) 28(4)	- 71,207	16,858	6,535	(803)(7) 234 (8) 1,219 (9)	95,250
	119,089	2,553	249	121,891	40,205	16,190	650	178,936
Gross Profit (Loss)	28,211	(581)	(249)	27,381	9,769	5,166	(650)	41,666
Selling, general and administrative expenses	11,068	269	-	11,337	2,424	930	-	14,691
Operating income (loss)	17,143	(850)	(249)	16,044	7,345	4,236	(650)	26,975
Other income(expense):								
Interest income	680			680	165	174	-	1,019
Interest expense	(896)	(9)	(427)(5)	(1,332)	(1,867)	(1,347)	(4,097)(10)	(8,643)
Rental income	-	-	-	-	1,011	70	(803)(7)	278
Miscellaneous income	342	-	-	342	-	-	-	342
	126	(9)	(427)	(310)	(691)	(1,103)	(4,900)	(7,004)
Earnings (loss) before income tax provision (benefit)	17,269	(859)	(676)	15,734	6,654	3,133	(5,550)	19,971
Federal and state income tax provision (benefit)	6,751	-	(311)(6)	6,440	2,641	1,221	(2,114)(11)	8,188
Net earnings (loss)	10,518	(859)	(365)	9,294	4,013	1,912	(3,436)	11,783
Dividends on preferred stock	-	-	-	-	38	-	-	38
Net earnings (loss) attributable to common shareholders	$ 10,518	$ (859)	$ (365)	$ 9,294	$3,975	$ 1,912	$ (3,436)	$ 11,745
Earnings per common share:								
Basic	$ 1.41							
Diluted	$ 1.40							
Weighted average shares outstanding								
Basic	7,460		60					
Diluted	7,539		60					

Unaudited Pro Forma Consolidated Statement of Earnings
For the Year ended December 31, 1998
(in thousands, except per share data)

	Hollywood Park		
	Historical(2)	Pro Forma Adjustments and Eliminations(2)	Churchill Downs
Net revenues	$ 114,751	$ (54,442)(12)	

		33,887 (15)	
		(39) (15)	
		3,192 (13)	
	114,751	(17,402)	317,951
Operating expenses:			
Purses		33,887 (15)	117,573
Other direct expenses	97,082	(45,530) (12)	
		(1,001) (14)	
		(2,078) (16)	143,723
	97,082	(14,722)	261,296
Gross Pofit (Loss)	17,669	(2,680)	56,655
Selling, general and administrative expenses	6,677	(3,128) (12)	18,240
Operating income (loss)	10,992	448	38,415
Other income(expense):			
Interest income	-	39 (15)	1,058
Interest expense	(23)	(10,556) (17)	(19,222)
Rental income	-	-	278
Miscellaneous income	-	-	342
	(23)	(10,517)	(17,544)
Earnings (loss) before income tax provision (benefit)	10,969	(10,069)	20,871
Federal and state income tax provision (benefit)	4,791	(4,422) (18)	8,557
Net earnings (loss)	6,178	(5,647)	12,314
Dividends on preferred stock	-	-	38
Net earnings (loss) attributable to common shareholders	$ 6,178	$ (5,647)	$ 12,276
Earnings per common share:			
Basic			1.63
Diluted			1.62
Weighted average shares outstanding			
Basic			7,520
Diluted			7,599

(1) The Ellis Park acquisition occurred on April 21, 1998, and the results of operations of Ellis Park have been included in the historical statement of earnings of Churchill Downs since that date. The pro forma Ellis Park adjustments give effect to the Ellis Park acquisition and Churchill Downs' new credit agreement as if these transactions had occurred on January 1, 1998. Historical Ellis Park statement of earnings information is based on the unaudited financial statements for the period from January 1, 1998 to April 21, 1998.

(2) Adjustments necessary to give pro forma effect to the Calder Race Course and Hollywood Park acquisitions and Churchill Downs' new credit agreement as if these transactions had occurred on January 1, 1998. Historical Calder Race Course and Hollywood Park statement of earnings information is based on the financial statements of these entities for the year ended December 31, 1998.

(3) To record additional depreciation expense from January 1, 1998 through April 21, 1998 as a result of the revaluation of the Ellis Park property, plant and equipment to its fair value and estimated useful lives.

(4) To record estimated amortization over 40 years from January 1, 1998 through April 21, 1998 of the excess of the Ellis Park purchase price over the fair value of net assets acquired of $6.4 million.

(5) To record the estimated incremental interest expense using an average of 7.45% interest rate on borrowings of $16.2 million necessary to finance the Ellis Park acquisition.

(6) To adjust historical Ellis Park tax benefit and to record the income tax effect of the estimated increase in depreciation and incremental interest expense resulting from the Ellis Park acquisition to our estimated federal and state income tax rate of 41%.

(7) To eliminate intercompany rental income and expense between Calder and Tropical.

(8) To record the estimated increase in depreciation expense as a result of the revaluation of the acquired Calder and Tropical property, plant and equipment to its fair value and estimated lives.

(9) To record estimated amortization over 40 years of the excess of the Calder Race Course purchase price over the fair value of net assets acquired of $48.7 million.

(10) To record the estimated incremental interest expense using an average 7.45% interest rate on borrowings of $92.0 million necessary to finance the Calder Race Course acquisition and fund deferred financing costs, including amortization expense of $250,000 related to deferred financing costs of $2.5 million over 5 years.

(11) To adjust historical Calder Race Course tax benefit and to record the income tax effect of the estimated increase in depreciation and incremental interest resulting from the Calder Race Course acquisition to our estimated federal and state income tax rate of 41%.

(12) To eliminate the historical results of operations of Hollywood Park Casino, which will not be operated by Churchill Downs under the terms of the transaction.

(13) To record $3.0 million in rental income and $192,000 in admissions revenue related to the lease by Churchill Downs of the Hollywood Park Casino to Hollywood Park, Inc. under the terms of the transactions.

(14) To eliminate historical depreciation expense on Hollywood Park assets not acquired by Churchill Downs in the transaction.

(15) To reclassify purse expense and interest income of Hollywood Park to conform to Churchill Downs' historical presentation of these items.

(16) To record the estimated decrease in depreciation expense as a result of the revaluation of the acquired Hollywood Park, property, plant and equipment to its fair value and estimated useful lives.

(17) To record the estimated incremental interest expense using an average of 7.45% interest rate on borrowings of $142.5 million necessary to finance the Hollywood Park acquisition.

(18) To record the income tax effect of the pro forma adjustments related to the acquisition of Hollywood Park to our estimated federal and state income tax rate of 41%.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

C. EXHIBITS

- 2.1 Asset Purchase Agreement dated as of May 5, 1999 by and between Churchill Downs Incorporated and Hollywood Park, Inc., incorporated by reference to the Company's Registration Statement on Form S-3 dated May 21, 1999, File No. 333-79031. *
- 2.2 Amendment No.1 to Asset Purchase Agreement dated as of August 31, 1999 by and among Churchill Downs Incorporated, Churchill Downs California Company and Hollywood Park, Inc. *
- 10.1 Casino Lease Agreement dated as of September 10, 1999 by and between Churchill Downs California Company and Hollywood Park, Inc. *
- 23 Consent of Arthur Andersen LLP
- 99 Press release issued on September 10, 1999 by Churchill Downs Incorporated. *

* Previously filed

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

November 24, 1999

\s\Thomas H.Meeker
Thomas H. Meeker
President and Chief Executive Officer
(Director and Principal Executive Officer)

November 24, 1999

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

November 24, 1999

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

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form 8-K/A and in the Registration Statements on Form S-8 (No.33-85012, 333-62103, and 33-61111) of our report dated June 9, 1999 on the combined financial statements of the Hollywood Park Race Track and Casino, which report appears in Amendment No. 2 to the Registration Statement on Form S-3/A (Registration No. 333-79031) of Churchill Downs Incorporated.

\s\Arthur Andersen LLP

Los Angeles, California
November 24, 1999