

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 16, 2004



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.)

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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**Item 7. Financial Statements and Exhibits**

Exhibit 99.1 - Press release dated August 16, 2004

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**Item 9. Regulation FD Disclosure**

The registrant's press release dated August 16, 2004, reporting that the registrant has ceased negotiations to acquire Fair Grounds Corporation, is attached hereto as Exhibit 99.1 to this Form 8-K and is incorporated by reference herein. This information is being furnished to the U.S. Securities and Exchange Commission pursuant to Regulation FD.

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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 thereunto duly authorized.

CHURCHILL DOWNS INCORPORATED

August 19, 2004

/s/Michael E. Miller  
Michael E. Miller  
Executive Vice President and  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CHURCHILL DOWNS INCORPORATED CEASES NEGOTIATIONS TO ACQUIRE  
FAIR GROUNDS CORPORATION**

**LOUISVILLE, Ky. (August 16, 2004)** - Churchill Downs Incorporated (Nasdaq: CHDN) ("CDI" or the "Company") today announced that it has ceased negotiations to acquire the Fair Grounds Corporation in New Orleans, La.

Thomas H. Meeker, CDI's president and chief executive officer, stated: "We believe that our offer is fair and exceeds any other offer that the Debtor has received. However, we have been unsuccessful in reaching a satisfactory agreement with the parties involved. We continue to be interested in the asset but the delays we have experienced in this process have brought us to the conclusion that closure is not possible."

Under arrangements set by the U.S. Bankruptcy Court, District of Louisiana, CDI was to participate in an August 16th bankruptcy court auction designed to maximize the value of Fair Grounds assets for creditors and shareholders. However, the Debtor - Fair Grounds majority owner Bryan Krantz - has sought to close a deal outside of bankruptcy court proceedings and was granted a continuance to delay the auction. According to records released August 12th, CDI's preliminary auction bid of \$45 million was significantly higher than the only other bid submitted to Mr. Krantz.

Churchill Downs Incorporated ("CDI"), headquartered in Louisville, Ky., owns and operates world-renowned horseracing venues throughout the United States. The Company's racetracks in California, Florida, Illinois, Indiana and Kentucky host 114 graded-stakes events and many of North America's most prestigious races, including the Kentucky Derby and Kentucky Oaks, Hollywood Gold Cup and Arlington Million. CDI racetracks have hosted nine Breeders' Cup World Thoroughbred Championships - more than any other North American racing company. CDI also owns off-track betting facilities and has interests in various television production, telecommunications and racing services companies that support CDI's network of simulcasting and racing operations. CDI trades on the Nasdaq National Market under the symbol CHDN and can be found on the Internet at [www.churchilldownsincorporated.com](http://www.churchilldownsincorporated.com).

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*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 are based on information available at the time and/or management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. Forward-looking statements are typically identified by the use of terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "might," "plan," "predict," "project," "should," "will," 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 effect of global economic conditions; the effect (including possible increases in the cost of doing business) resulting from future war and terrorist activities or political uncertainties; the economic environment; the impact of increasing insurance costs; the impact of interest rate fluctuations; the financial performance of our racing operations; 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; costs associated with our efforts in support of alternative gaming initiatives; costs associated with our Customer Relationship Management initiative; a substantial change in law or regulations affecting our pari-mutuel activities; a substantial change in allocation of live racing days; litigation surrounding the Rosemont, Illinois, riverboat casino; changes in Illinois law that impact revenues of racing operations in Illinois; a decrease in riverboat admissions subsidy revenue from our Indiana operations; the impact of an additional Indiana racetrack and its wagering facilities near our 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; 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; any business disruption associated with our facility renovations; 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.*

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