

INTERNATIONAL SPEEDWAY CORP

Form 10-K

January 28, 2011

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year period ended November 30, 2010
INTERNATIONAL SPEEDWAY CORPORATION
(Exact name of registrant as specified in its charter)

ONE DAYTONA BOULEVARD, DAYTONA BEACH, FLORIDA

(Address of principal executive offices)

32114

(Zip code)

FLORIDA

(State or other jurisdiction of
incorporation)

O-2384

(Commission File Number)

59-0709342

(I.R.S. Employer Identification
Number)

Registrant's telephone number, including area code: **(386) 254-2700**

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock \$.01 par value	NASDAQ/National Market System
Securities registered pursuant to Section 12 (g) of the Act:	
Common Stock \$.10 par value	
Class B Common Stock \$.01 par value	
(Title of Class)	

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☐ NO ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☐ NO ☒

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
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b

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES ☐ NO ☒

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of May 31, 2010 was \$829,968,887.95 based upon the last reported sale price of the Class A Common Stock on the NASDAQ National Market System on Friday, May 28, 2010 and the assumption that all directors and executive officers of the Company, and their families, are affiliates.

At December 31, 2010, there were outstanding: No shares of Common Stock, \$.10 par value per share, 27,668,585 shares of Class A Common Stock, \$.01 par value per share, and 20,373,199 shares of Class B Common Stock, \$.01 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE. The information required by Part III is to be incorporated by reference from the definitive information statement which involves the election of directors at our April 2011 Annual Meeting of Shareholders and which is to be filed with the Commission not later than 120 days after November 30, 2010. Certain of the exhibits listed in Part IV are incorporated by reference from the Company's Registration Statement filed on Form S-4, File No. 333-118168.

EXCEPT AS EXPRESSLY INDICATED OR UNLESS THE CONTEXT OTHERWISE REQUIRES, ISC, WE, OUR, COMPANY, US, OR INTERNATIONAL SPEEDWAY MEAN INTERNATIONAL SPEEDWAY CORPORATION, A FLORIDA CORPORATION, AND ITS SUBSIDIARIES.

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PART I

ITEM 1. BUSINESS

GENERAL

We are a leading owner of major motorsports entertainment facilities and promoter of motorsports themed entertainment activities in the United States. Our motorsports themed event operations consist principally of racing events at our major motorsports entertainment facilities. We currently own and/or operate 13 of the nation's major motorsports entertainment facilities:

Daytona International Speedway® in Florida;

Talladega Superspeedway® in Alabama;

Michigan International Speedway® in Michigan;

Richmond International Raceway® in Virginia;

Auto Club Speedway of Southern CaliforniaSM in California;

Kansas Speedway® in Kansas;

Chicagoland Speedway® in Illinois;

Phoenix International Raceway® in Arizona;

Homestead-Miami SpeedwaySM in Florida;

Martinsville Speedway® in Virginia;

Darlington Raceway® in South Carolina;

Watkins Glen International® in New York; and

Route 66 RacewaySM in Illinois.

In addition, we promote major motorsports activities in Montreal, Quebec, through our wholly owned subsidiary, Stock-Car Montreal.

In 2010, these motorsports entertainment facilities promoted well over 100 stock car, open wheel, sports car, truck, motorcycle and other racing events, including:

21 National Association for Stock Car Auto Racing (NASCAR) Sprint Cup Series events;

16 NASCAR Nationwide Series events;

10 NASCAR Camping World Truck Series events;

one National Hot Rod Association (NHRA) Full Throttle drag racing series event;

six Grand American Road Racing Association (Grand American) events including the premier sports car endurance event in the United States, the Rolex 24 at Daytona; and

a number of other prestigious stock car, sports car, open wheel and motorcycle events.

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Our business consists principally of promoting racing events at these major motorsports entertainment facilities, which, in total, currently has approximately one million grandstand seats and 530 suites. We earn revenues and generate substantial cash flows primarily from admissions, television and ancillary media rights fees, promotion and sponsorship fees, hospitality rentals (including luxury suites, chalets and the hospitality portion of club seating), advertising revenues, royalties from licenses of our trademarks and track rentals. We own Americrown Service Corporation (Americrown), which provides catering, concessions and merchandise sales and service at certain of our motorsports entertainment facilities. We also own and operate the Motor Racing Network, Inc. radio network, or MRN Radio, the nation's largest independent motorsports radio network in terms of event programming. At the beginning of fiscal 2009, entitlement for the NASCAR Craftsman Truck series changed and became the NASCAR Camping World Truck Series. Throughout this document, the naming convention for these series is consistent with the current branding.

INCORPORATION

We were incorporated in 1953 under the laws of the State of Florida under the name Bill France Racing, Inc. and changed our name to Daytona International Speedway Corporation in 1957. With the groundbreaking for Talladega Superspeedway in 1968, we changed our name to International Speedway Corporation. Our principal executive offices are located at One Daytona Boulevard, Daytona Beach, Florida 32114, and our telephone number is (386) 254-2700. We maintain a website at <http://www.internationalspeedwaycorporation.com/>. The information on our website is not part of this report.

OPERATIONS

The general nature of our business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. Our motorsports themed event operations consist principally of racing events at our major motorsports entertainment facilities, which include providing catering, merchandise and food concessions at our motorsports entertainment facilities that host NASCAR Sprint Cup Series events except for catering and food concessions at Chicagoland Speedway (Chicagoland) and Route 66 Raceway (Route 66). Our other operations include MRN Radio; our 50.0 percent equity investment in the joint venture SMISC, LLC (SMISC), which conducts business through a wholly owned subsidiary Motorsports Authentics, LLC; and certain other activities. We derived approximately 89.8 percent of our 2010 revenues from NASCAR-sanctioned racing events at our wholly owned motorsports entertainment facilities.

In addition to events sanctioned by NASCAR, in fiscal 2010, we promoted other stock car, open wheel, sports car, motorcycle and go-kart racing events.

Americrown Food, Beverage and Merchandise Operations

We conduct, either through operations of the particular facility or through our wholly owned subsidiary operating under the name Americrown, souvenir merchandising operations, food and beverage concession operations and catering services, both in suites and chalets, for customers at each of our motorsports entertainment facilities with the exception of food and beverage concessions and catering services at Chicagoland and Route 66.

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MRN Radio

Our subsidiary, Motor Racing Network, Inc., does business under the name MRN Radio, but is not a radio station. Rather, it creates motorsports-related programming content carried on radio stations around the country, as well as a national satellite radio service, Sirius XM Radio. MRN Radio produces and syndicates to radio stations live coverage of the NASCAR Sprint Cup, Nationwide and Camping World Truck series races and certain other races conducted at our motorsports entertainment facilities, as well as some races conducted at motorsports entertainment facilities we do not own. Sirius XM Radio also compensates MRN Radio for the contemporaneous re-airing of race broadcasts. MRN Radio produces and provides unique content to its website, motorracingnetwork.com, and derives revenue from the sale of advertising on such. Each track presently has the ability to separately contract for the rights to radio broadcasts of NASCAR and certain other events held at its facilities. In addition, MRN Radio provides production services for Sprint Vision, the trackside large screen video display units, at substantially all NASCAR Series event weekends. MRN Radio also produces and syndicates daily and weekly NASCAR racing-themed programs. MRN Radio derives revenue from the sale of national advertising contained in its syndicated programming, the sale of advertising and audio and video production services for Sprint Vision, as well as from rights fees paid by radio stations that broadcast the programming.

Other Activities

From time to time, we use our track facilities for testing for teams, driving schools, riding experiences, car shows, auto fairs, concerts and settings for television commercials, print advertisements and motion pictures. We also rent show cars for promotional events.

EQUITY INVESTMENTS

Kansas Hotel and Casino Development

We have a 50/50 partnership with Penn National Gaming (Penn) which is currently developing a casino and hotel project in Wyandotte County, on property adjacent to our Kansas Speedway facility. Penn serves as the managing member and is responsible for the development and operation of the casino and future hotel.

Motorsports Authentics

We partnered with Speedway Motorsports, Inc. in a 50/50 joint venture, SMISC, which, through its wholly owned subsidiary Motorsports Authentics, LLC conducts business under the name Motorsports Authentics (MA). MA designs, promotes, markets and distributes motorsports licensed merchandise.

Other Equity Investments

Our equity investments also included a 50.0 percent limited partnership investment in Stock-Car Montreal L.P. prior to the acquisition of the remaining interest in February 2009.

Competition

We are among the largest owners of major motorsports themed entertainment facilities based on revenues, number of facilities owned or operated, number of motorsports themed events promoted and market capitalization. Racing events compete with other professional sports such as football, basketball, hockey and baseball, as well as other recreational events and activities. Our events also compete with other racing events sanctioned by various racing bodies such as NASCAR, the American Sportbike Racing Association Championship Cup Series, United States Auto Club (USAC), Sports Car Club of America (SCCA), Grand American, ARCA and others, many of which are often held on the same dates at separate motorsports entertainment facilities. We believe that the type and caliber of promoted racing events, facility location, sight lines, pricing, variety of motorsports themed amusement options and level of customer conveniences and amenities are the principal factors that distinguish competing motorsports entertainment facilities.

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Employees

As of November 30, 2010 we had over 850 full-time employees. We also engage a significant number of temporary personnel to assist during periods of peak attendance at our events, some of whom are volunteers. None of our employees are represented by a labor union. We believe that we enjoy a good relationship with our employees.

Company Website Access and SEC Filings

The Company's website may be accessed at <http://www.internationalspeedwaycorporation.com/>. Through a link on the Investor Relations portion of our internet website, you can access all of our filings with the Securities and Exchange Commission (SEC). However, in the event that the website is inaccessible our filings are available to the public over the internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, NE, Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. You can also obtain information about us at the offices of the National Association of Securities Dealers, 1735 K St., N.W., Washington, D.C. 20006.

ITEM 1A. RISK FACTORS

Forward-looking statements.

This report contains forward-looking statements. The documents incorporated into this report by reference may also contain forward-looking statements. You can identify a forward-looking statement by our use of the words anticipate, estimate, expect, may, believe, objective, projection, forecast, goal, and similar expressions. Forward-looking statements include our statements regarding the timing of future events, our anticipated future operations and our anticipated future financial position and cash requirements.

We believe that the expectations reflected in our forward-looking statements are reasonable. We do not know whether our expectations will ultimately prove correct.

In the section that follows below, in cautionary statements made elsewhere in this report, and in other filings we have made with the SEC, we list the important factors that could cause our actual results to differ from our expectations. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors described below and other factors set forth in or incorporated by reference in this report.

These factors and cautionary statements apply to all future forward-looking statements we make. Many of these factors are beyond our ability to control or predict. Do not put undue reliance on forward-looking statements or project any future results based on such statements or on present or prior earnings levels.

Additional information concerning these, or other factors, which could cause the actual results to differ materially from those in our forward-looking statements is contained from time to time in our other SEC filings. Copies of those filings are available from us and/or the SEC.

Adverse changes in our relationships with NASCAR and other motorsports sanctioning bodies, or their present sanctioning practices, could limit our future success.

Our success has been, and is expected to remain, dependent on maintaining good working relationships with the organizations that sanction the races we promote at our facilities, particularly NASCAR. NASCAR-sanctioned races conducted at our wholly owned subsidiaries accounted for approximately 89.8 percent of our total revenues in fiscal 2010. Each NASCAR sanctioning agreement (and the accompanying media rights fees revenue) is awarded on an annual basis and NASCAR is not required to continue to enter into, renew or extend sanctioning agreements with us to conduct any event. Any adverse change in the present sanctioning practices, could adversely impact our operations and revenue. Moreover, although our general growth strategy includes the possible development and/or acquisition of additional motorsports entertainment facilities, we have no assurance that any sanctioning body, including

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NASCAR, will enter into sanctioning agreements with us to conduct races at any newly developed or acquired motorsports entertainment facilities. Failure to obtain a sanctioning agreement for a major NASCAR event could negatively affect us. Similarly, although NASCAR has in the past approved our requests for realignment of sanctioned events, NASCAR is not obligated to modify its race schedules to allow us to schedule our races more efficiently or profitably.

Changes to media rights revenues could adversely affect us.

Domestic broadcast and ancillary media rights fees revenues are an important component of our revenue and earnings stream and any adverse changes to such rights fees revenues could adversely impact our results. The current long-term contracts, which expire in 2014, give us significant cash flow visibility. Any material changes in the media industry that could lead to differences in historical practices or decreases in the term and/or financial value of future broadcast agreements could have a material adverse affect on our revenues and financial results. For example, following fiscal 2006, NASCAR entered into new agreements related to these media rights and, as a result, the 2007 industry rights fees were less than the 2006 industry rights fees even though the gross average annual rights fee for the industry increased.

Changes, declines and delays in consumer and corporate spending as well as illiquid credit markets could adversely affect us.

Our financial results depend significantly upon a number of factors relating to discretionary consumer and corporate spending, including economic conditions affecting disposable consumer income and corporate budgets such as:

employment;

business conditions;

interest rates; and

taxation rates.

These factors can impact both attendance at our events and advertising and marketing dollars available from the motorsports industry's principal sponsors and potential sponsors. Economic and other lifestyle conditions such as illiquid consumer and business credit markets adversely affect consumer and corporate spending thereby impacting our revenue, profitability and financial results. Further, changes in consumer behavior such as deferred purchasing decisions and decreased spending budgets adversely impact our cash flow visibility and revenues. The significant economic deterioration that occurred during fiscal 2008, for example, has impacted these areas of our business and our revenues and financial results.

Unavailability of credit on favorable terms can adversely impact our growth, development and capital spending plans. General economic conditions were significantly and negatively impacted by the September 11, 2001 terrorist attacks and the war in Iraq and could be similarly affected by any future attacks, by a terrorist attack at any mass gathering or fear of such attacks, or by other acts or prospects of war. Any future attacks or wars or related threats could also increase our expenses related to insurance, security or other related matters. A weakened economic and business climate, as well as consumer uncertainty and the loss of consumer confidence created by such a climate, could adversely affect our financial results. Finally, our financial results could also be adversely impacted by a widespread outbreak of a severe epidemiological crisis.

Delay, postponement or cancellation of major motorsports events because of weather or other factors could adversely affect us.

We promote outdoor motorsports entertainment events. Weather conditions affect sales of, among other things, tickets, food, drinks and merchandise at these events. Poor weather conditions prior to an event, or even the forecast of poor weather conditions, could have a negative impact on us, particularly for walk-up ticket sales to events which are not sold out in advance. If an event scheduled for one of our facilities is delayed or postponed because of weather or other reasons such as, for example, the general postponement of all major sporting events in the United States following the September 11, 2001 terrorism attacks, we could incur increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, food, drinks and merchandise at the

rescheduled event. If such an event is cancelled, we would incur the expenses associated with preparing to conduct the event as well as losing the revenues, including any live broadcast revenues, associated with the event, to the extent such losses were not covered by insurance.

If a cancelled event is part of the NASCAR Sprint Cup, NASCAR Nationwide or NASCAR Camping World Truck series, in the year of cancellation we could experience a reduction in the amount of money we expect to receive from television revenues for all of our

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NASCAR-sanctioned events in the series that experienced the cancellation. This would occur if, as a result of the cancellation, and without regard to whether the cancelled event was scheduled for one of our facilities, NASCAR experienced a reduction in television revenues greater than the amount scheduled to be paid to the promoter of the cancelled event.

France Family Group control of NASCAR creates conflicts of interest.

Members of the France Family Group own and control NASCAR. James C. France, our Chairman of the Board, and Lesa France Kennedy, our Vice Chairman and Chief Executive Officer, are both members of the France Family Group in addition to holding positions with NASCAR. Each of them, as well as our general counsel, spends part of his or her time on NASCAR's business. Because of these relationships, even though all related party transactions are approved by our Audit Committee, certain potential conflicts of interest between us and NASCAR exist with respect to, among other things:

the terms of any sanctioning agreements that may be awarded to us by NASCAR;

the amount of time the employees mentioned above and certain of our other employees devote to NASCAR's affairs; and

the amounts charged or paid to NASCAR for office rental, transportation costs, shared executives, administrative expenses and similar items.

France Family Group members, together, beneficially own approximately 38.0 percent of our capital stock and over 70.2 percent of the combined voting power of both classes of our common stock. Historically members of the France Family Group have voted their shares of common stock in the same manner. Accordingly, they can (without the approval of our other shareholders) elect our entire Board of Directors and determine the outcome of various matters submitted to shareholders for approval, including fundamental corporate transactions and have done so in the past. If holders of class B common stock other than the France Family Group elect to convert their beneficially owned shares of class B common stock into shares of class A common stock and members of the France Family Group do not convert their shares, the relative voting power of the France Family Group will increase. Voting control by the France Family Group may discourage certain types of transactions involving an actual or potential change in control of us, including transactions in which the holders of class A common stock might receive a premium for their shares over prevailing market prices.

Our success depends on the availability and performance of key personnel

Our continued success depends upon the availability and performance of our senior management team which possesses unique and extensive industry knowledge and experience. Our inability to retain and attract key employees in the future, could have a negative effect on our operations and business plans.

Future impairment of goodwill and other intangible assets or long-lived assets by us or our equity investments and joint ventures could adversely affect our financial results

Our consolidated balance sheets include significant amounts of goodwill and other intangible assets and long-lived assets which could be subject to impairment.

In fiscal 2008, we recorded a before-tax charge of approximately \$2.2 million as an impairment of long-lived assets primarily attributable to costs associated with the fill removal process at our Staten Island property and impairments of certain other long-lived assets;

In fiscal 2009, we recorded a before-tax charge of approximately \$16.7 million as an impairment of long-lived assets primarily attributable to the reduction of the carrying value of our Staten Island property and impairment charges relating to certain other long-lived assets; and

In fiscal 2010, we recorded a before-tax charge of approximately \$8.9 million as an impairment of long-lived assets primarily attributable to the non-cash impairment of certain costs related to the Daytona Development Project and removal of certain other long-lived assets located at our motorsports facilities.

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As of November 30, 2010, goodwill and other intangible assets and property and equipment accounts for approximately \$1,674.2 million, or 89.1 percent of our total assets. We account for our goodwill and other intangible assets in accordance with Accounting Standards Codification (ASC) 350 and for our long-lived assets in accordance with ASC 360. Both ASC 350 and 360 require testing goodwill and other intangible assets and long-lived assets for impairment based on assumptions regarding our future business outlook. While we continue to review and analyze many factors that can impact our business prospects in the future, our analyses are subjective and are based on conditions existing at and trends leading up to the time the assumptions are made. Actual results could differ materially from these assumptions. Our judgments with regard to our future business prospects could impact whether or not an impairment is deemed to have occurred, as well as the timing of the recognition of such an impairment charge. If future testing for impairment of goodwill and other intangible assets or long-lived assets results in a reduction in their carrying value, we will be required to take the amount of the reduction in such goodwill and other intangible assets or long-lived assets as a non-cash charge against operating income, which would also reduce shareholders' equity.

In addition, our growth strategy includes investing in certain joint venture opportunities. In these equity investments we exert significant influence on the investee but do not have effective control over the investee, which adds an additional element of risk that can adversely impact our financial position and results of operations. Our equity investments total approximately \$43.7 million at November 30, 2010.

Personal injuries to spectators and participants could adversely affect financial results.

Motorsports can be dangerous to participants and spectators. We maintain insurance policies that provide coverage within limits that we believe should generally be sufficient to protect us from a large financial loss due to liability for personal injuries sustained by persons on our property in the ordinary course of our business. There can be no assurance, however, that the insurance will be adequate or available at all times and in all circumstances. Our financial condition and results of operations could be affected negatively to the extent claims and expenses in connection with these injuries are greater than insurance recoveries or if insurance coverage for these exposures becomes unavailable or prohibitively expensive.

In addition, sanctioning bodies could impose more stringent rules and regulations for safety, security and operational activities. Such regulations include, for example, the installation of new retaining walls at our facilities, which have increased our capital expenditures, and increased security procedures which have increased our operational expenses.

We operate in a highly competitive environment

As an entertainment company, our racing events face competition from other spectator-oriented sporting events and other leisure, entertainment and recreational activities, including professional football, basketball, hockey and baseball. As a result, our revenues are affected by the general popularity of motorsports, the availability of alternative forms of recreation and changing consumer preferences and habits, including how consumers consume entertainment. Our racing events also compete with other racing events sanctioned by various racing bodies such as NASCAR, USAC, NHRA, International Motorsports Association, SCCA, Grand American, ARCA and others. Many sports and entertainment businesses have resources that exceed ours.

We are subject to changing governmental regulations and legal standards that could increase our expenses

We believe that our operations are in material compliance with all applicable federal, state and local environmental, land use and other laws and regulations.

If it is determined that damage to persons or property or contamination of the environment has been caused or exacerbated by the operation or conduct of our business or by pollutants, substances, contaminants or wastes used, generated or disposed of by us, or if pollutants, substances, contaminants or wastes are found on property currently or previously owned or operated by us, we may be held liable for such damage and may be required to pay the cost of investigation and/or remediation of such contamination or any related damage. The amount of such liability as to which we are self-insured could be material.

State and local laws relating to the protection of the environment also can include noise abatement laws that may be applicable to our racing events.

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Our existing facilities continue to be used in situations where the standards for new facilities to comply with certain laws and regulations, including the Americans with Disabilities Act, are constantly evolving. Changes in the provisions or application of federal, state or local environmental, land use or other laws, regulations or requirements to our facilities or operations, or the discovery of previously unknown conditions, also could require us to make additional material expenditures to remediate or attain compliance.

Regulations governing the use and development of real estate may prevent us from acquiring or developing prime locations for motorsports entertainment facilities, substantially delay or complicate the process of improving existing facilities, and/or increase the costs of any of such activities.

Our quarterly results are subject to seasonality and variability

We derive most of our income from a limited number of NASCAR-sanctioned races. As a result, our business has been, and is expected to remain, highly seasonal based on the timing of major racing events. For example, in fiscal years 2008 and prior, one of our NASCAR Sprint Cup races was traditionally held on the Sunday preceding Labor Day. Accordingly, the revenues and expenses for that race and/or the related supporting events may be recognized in either the fiscal quarter ending August 31 or the fiscal quarter ending November 30.

Future schedule changes as determined by NASCAR or other sanctioning bodies, as well as the acquisition of additional, or divestiture of existing, motorsports entertainment facilities could impact the timing of our major events in comparison to prior or future periods.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

Table of Contents**ITEM 2. PROPERTIES****Motorsports Entertainment Facilities**

The following table sets forth current information relating to each of our motorsports entertainment facilities as of November 30, 2010:

TRACK NAME	LOCATION	NASCAR				MARKETS SERVED	MEDIA MARKET RANK
		2010 YEAR	END	SPRINT	OTHER		
		CAPACITY SEATS	SUITE	CUMMAJOR	EVENTS(1)		
Daytona International Speedway	Daytona Beach, Florida	147,000	98	4	7	Orlando/Central Florida	19
Talladega Superspeedway	Talladega, Alabama	135,000	30	2	3	Atlanta/ Birmingham	8/40
Michigan International Speedway	Brooklyn, Michigan	120,000	46	2	3	Detroit	11
Richmond International Raceway	Richmond, Virginia	95,000	40	2	2	Washington D.C.	9
Auto Club Speedway of Southern California	Fontana, California	84,000	91	2	3	Los Angeles	2
Kansas Speedway	Kansas City, Kansas	80,000	54	1	4	Kansas City	31
Chicagoland Speedway	Joliet, Illinois	69,000	25	1	4	Chicago	3
Homestead-Miami Speedway	Homestead, Florida	63,000	58	1	4	Miami	16
Martinsville Speedway	Martinsville, Virginia	61,000	21	2	2	Greensboro/Winston-Salem	47
Darlington Raceway	Darlington, South Carolina	61,000	13	1	2	Columbia	78
Phoenix International Raceway	Phoenix, Arizona	55,000	46	2	3	Phoenix	12
Watkins Glen International	Watkins Glen, New York	35,000	4	1	4	Buffalo/Rochester	51/81
Route 66 Raceway	Joliet, Illinois	24,000	26		1(2)	Chicago	3

(1) Other major events include NASCAR Nationwide and Camping World Truck series; IndyCar; ARCA; Grand American; and, AMA Pro Racing.

(2) Route 66 hosts a NHRA Full Throttle Drag Racing Series event.

DAYTONA INTERNATIONAL SPEEDWAY. Daytona International Speedway is a 2.5 mile high-banked, lighted, asphalt, tri-oval superspeedway that also includes a 3.6-mile road course. We lease the land on which Daytona International Speedway is located from the City of Daytona Beach. The lease on the property expires in 2054,

including renewal options. The facility is situated on 440 acres and is located in Daytona Beach, Florida.

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TALLADEGA SUPERSPEEDWAY. Talladega Superspeedway is a 2.6 mile high-banked, asphalt, tri-oval superspeedway with a 1.3-mile infield road course. The facility is situated on 1,435 acres and is located about 90 minutes from Atlanta, Georgia and 45 minutes from Birmingham, Alabama.

MICHIGAN INTERNATIONAL SPEEDWAY. Michigan International Speedway is a 2.0 mile moderately-banked, asphalt, tri-oval superspeedway. The facility is situated on 1,180 acres and is located in Brooklyn, Michigan, approximately 70 miles southwest of Detroit and 18 miles southeast of Jackson.

RICHMOND INTERNATIONAL RACEWAY. Richmond International Raceway is a 0.8 mile moderately-banked, lighted, asphalt, oval, intermediate speedway. The facility is situated on 635 acres and is located approximately 10 miles from downtown Richmond, Virginia.

AUTO CLUB SPEEDWAY OF SOUTHERN CALIFORNIA. Auto Club Speedway of Southern California is a 2.0 mile moderately-banked, lighted, asphalt, tri-oval superspeedway. The facility is situated on 566 acres and is located approximately 40 miles east of Los Angeles in Fontana, California. The facility also includes a quarter mile drag strip and a 2.8-mile road course.

KANSAS SPEEDWAY. Kansas Speedway is a 1.5 mile moderately-banked, asphalt, tri-oval superspeedway. The facility is situated on 1,000 acres and is located in Kansas City, Kansas.

CHICAGOLAND SPEEDWAY. Chicagoland Speedway is a 1.5 mile moderately-banked, lighted, asphalt, tri-oval superspeedway. The facility is situated on 930 acres and is located in Joliet, Illinois, approximately 35 miles from Chicago, Illinois.

HOMESTEAD-MIAMI SPEEDWAY. Homestead-Miami Speedway is a 1.5 mile variable-degree banked, lighted, asphalt, oval superspeedway. The facility is situated on 404 acres and is located in Homestead, Florida.

Homestead-Miami Speedway is owned by the City of Homestead, however we operate Homestead-Miami Speedway under an agreement that expires in 2075, including renewal options.

MARTINSVILLE SPEEDWAY. Martinsville Speedway is a 0.5 mile moderately-banked, asphalt and concrete, oval speedway. The facility is situated on 250 acres and is located in Martinsville, Virginia, approximately 50 miles north of Winston-Salem, North Carolina.

DARLINGTON RACEWAY. Darlington Raceway is a 1.3 mile high-banked, lighted, asphalt, egg-shaped superspeedway. The facility is situated on 230 acres and is located in Darlington, South Carolina.

PHOENIX INTERNATIONAL RACEWAY. Phoenix International Raceway is a 1.0 mile low-banked, lighted, asphalt, oval superspeedway. The facility is situated on 598 acres that also includes a 1.5-mile road course located near Phoenix, Arizona.

WATKINS GLEN INTERNATIONAL. Watkins Glen International includes 3.4-mile and 2.4-mile road course tracks. The facility is situated on 1,377 acres and is located near Watkins Glen, New York.

ROUTE 66 RACEWAY. Route 66 Raceway includes a quarter mile drag strip and dirt oval speedway. The facility, adjacent to Chicagoland, is situated on 240 acres and is located in Joliet, Illinois, approximately 35 miles from Chicago, Illinois.

OTHER FACILITIES: We promote major motorsports activities in Montreal, Quebec, through our wholly owned subsidiary, Stock-Car Montreal. We own approximately 170 acres of real property near Daytona International Speedway which is home to our corporate headquarters and other offices and facilities. In addition, we also own 500 acres near Daytona on which we conduct agricultural operations except during events when they are used for parking and other ancillary purposes. We also own concession facilities in Talladega, Alabama. We lease real estate and office space in Talladega, Alabama and the property and premises at the Talladega Municipal Airport. Our wholly owned subsidiary, Phoenix Speedway Corp. leases office space in Avondale, Arizona and the Auto Club Speedway of Southern California (Auto Club Speedway) leases an office location in Los Angeles, California.

Through our majority-owned subsidiary, 380 Development, LLC (380 Development), we purchased approximately 676 acres in the New York City borough of Staten Island that we targeted for the development of a major motorsports entertainment and retail development project. In November 2006, due to a variety of factors, we decided to discontinue pursuit of a speedway development on

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Staten Island. We are currently pursuing the sale of the property (see Equity and Other Investments Staten Island Property for further discussion).

Intellectual Property

We have various registered and common law trademark rights, including, but not limited to, California Speedway, Chicagoland Speedway, Darlington Raceway, The Great American Race, Southern 500, Too Tough to Tame, International Speedway, Daytona 500 EXperience, the Daytona 500, the 24 Hours of Daytona, Acceleration Alley, Daytona Dream Laps, Speedweeks, World Center of Racing, Homestead-Miami Speedway, Kansas Speedway, Martinsville Speedway, Michigan International Speedway, Phoenix International Raceway, Richmond International Raceway, Route 66 Raceway, The Action Track, Talladega Superspeedway, Watkins Glen International, The G Americrown, Motor Racing Network, MRN, and related logos. We also have licenses from NASCAR, various drivers and other businesses to use names and logos for merchandising programs and product sales. Our policy is to protect our intellectual property rights vigorously, through litigation, if necessary, chiefly because of their proprietary value in merchandise and promotional sales.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are a party to routine litigation incidental to our business. We do not believe that the resolution of any or all of such litigation will have a material adverse effect on our financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II**ITEM 5. MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

At November 30, 2010, we had two issued classes of capital stock: class A common stock, \$.01 par value per share, and class B common stock, \$.01 par value per share. The class A common stock is traded on the NASDAQ National Market System under the symbol ISCA. The class B common stock is traded on the Over-The-Counter Bulletin Board under the symbol ISCB.OB and, at the option of the holder, is convertible to class A common stock at any time. As of November 30, 2010, there were approximately 2,315 record holders of class A common stock and approximately 451 record holders of class B common stock.

The reported high and low sales prices or high and low bid information, as applicable, for each quarter indicated are as follows:

	ISCA		ISCB.OB(1)	
	High	Low	High	Low
Fiscal 2009:				
First Quarter	\$31.07	\$18.91	\$30.67	\$19.01
Second Quarter	25.38	15.96	25.25	16.20
Third Quarter	28.76	23.70	28.63	23.65
Fourth Quarter	28.95	25.21	28.30	25.00
Fiscal 2010:				
First Quarter	\$30.20	\$24.97	\$29.63	\$24.75
Second Quarter	31.12	25.00	32.00	25.00
Third Quarter	28.14	22.50	28.00	22.45
Fourth Quarter	25.63	22.34	25.50	22.00

(1) ISCB quotations were obtained from the OTC Bulletin Board and represent prices between dealers and do not include mark-up, mark-down or commission. Such quotations do not necessarily represent actual transactions.

Table of Contents**Stock Purchase Plan**

An important component of our capital allocation strategy is returning capital to shareholders. We have solid operating margins that generate substantial operating cash flow. Using these internally generated proceeds, we have returned a significant amount of capital to shareholders primarily through our share repurchase program.

In December 2006, we implemented a share repurchase program under which we are authorized to purchase up to \$150.0 million of our outstanding Class A common shares. In February 2008, we announced that our Board of Directors had authorized an incremental \$100.0 million share repurchase program. Collectively these programs are described as the Stock Purchase Plans. The Stock Purchase Plans allow us to purchase up to \$250.0 million of our outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plans will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plans may be suspended or discontinued at any time without prior notice. No shares have been or will be knowingly purchased from Company insiders or their affiliates.

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or Programs	(d) Maximum number of shares (or approximate dollar value of shares) that may yet be purchased under the plans or programs (in thousands)
December 1, 2009 – August 31, 2010				
Repurchase program (1)	185,070	\$ 28.53	185,070	\$ 32,000
Employee transactions (2)	11,060	25.77		
Other (3)	219,388	25.47		
September 1, 2010 – September 30, 2010				
Repurchase program (1)	30,050	22.91	30,050	31,298
October 1, 2010 – October 31, 2010				
Repurchase program (1)	43,500	22.81	43,500	30,306
November 1, 2010 – November 30, 2010				
Repurchase program (1)	49,266	22.86	49,266	29,180
	538,334		307,886	

- (1) Since inception of the Plan through November 30, 2010, we have purchased 5,222,613 shares of our Class A common shares, for a total of approximately \$220.8 million. Included in these totals are the purchases of 307,886 shares of our Class A common shares during the fiscal year ended November 30, 2010, at an average cost of approximately \$26.27 per share (including commissions), for a total of approximately \$8.1 million. These transactions occurred in open market purchases and pursuant to a trading plan under Rule 10b5-1. At November 30, 2010, we have approximately \$29.2 million remaining repurchase authority under the current Stock Purchase Plans.

- (2) Represents shares of our common stock delivered to us in satisfaction of the tax withholding obligation of holders of restricted shares that vested during the period.
- (3) Represents shares of our common stock delivered to us in satisfaction of repayment of cumulative premiums previously paid by us for split-dollar life insurance agreements (for further discussion, see Note 12 Related Party Disclosures and Transactions in the audited financial statements).

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Annual dividends were declared in the quarter ended in May and paid in June in the fiscal years reported below on all common stock that was issued at the time (amount per share):

Fiscal Year:	Annual Dividend
2006	0.08
2007	0.10
2008	0.12
2009	0.14
2010	0.16

Securities Authorized For Issuance Under Equity Compensation Plans**Equity Compensation Plan Information**

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	272,641	\$ 40.94	705,101
Equity compensation plans not approved by security holders			
Total	272,641	\$ 40.94	705,101

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected financial data as of and for each of the last five fiscal years in the period ended November 30, 2010. The income statement data for the three fiscal years in the period ended November 30, 2010, and the balance sheet data as of November 30, 2009 and November 30, 2010, have been derived from our audited historical consolidated financial statements included elsewhere in this report. The balance sheet data as of November 30, 2008, and the income statement data and the balance sheet data as of and for the fiscal years ended November 30, 2007 and 2006, have been derived from our audited historical consolidated financial statements, which are available on our website. You should read the selected financial data set forth below in conjunction with

Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the accompanying notes included elsewhere in this report.

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	2006	For the Year Ended November 30,				2010
		2007	2008	2009		
	(in thousands, except share and per share data)					
Income Statement Data:						
Revenues:						
Admissions, net	\$ 235,251	\$ 253,685	\$ 236,105	\$ 195,509	\$ 160,476	
Motorsports related	463,891	465,469	462,835	432,217	420,910	
Food, beverage and merchandise	87,288	84,163	78,119	56,397	52,527	
Other	9,735	10,911	10,195	9,040	11,444	
Total revenues	796,165	814,228	787,254	693,163	645,357	
Expenses:						
Direct:						
Prize and point fund monies and NASCAR sanction fees	151,203	151,311	154,655	162,960	157,571	
Motorsports related	142,241	160,387	166,047	149,826	142,603	
Food, beverage and merchandise	53,141	48,490	48,159	39,134	36,949	
General and administrative	106,497	118,982	109,439	103,773	102,733	
Depreciation and amortization(1)	56,833	80,205	70,911	72,900	74,465	
Impairment of long-lived assets(2)	87,084	13,110	2,237	16,747	8,859	
Total expenses	596,999	572,485	551,448	545,340	523,180	
Operating income	199,166	241,743	235,806	147,823	122,177	
Interest income and other(3)	5,312	4,990	(1,630)	1,080	170	
Interest expense	(12,349)	(15,628)	(15,861)	(19,203)	(15,216)	
Interest rate swap expense(4)				(4,268)	(23,878)	
Loss on early redemption of debt(5)					(6,535)	
Other income			324	426		
Equity in net income (loss) from equity investments(6)	318	(58,147)	(1,203)	(77,608)	(1,904)	
Income from continuing operations before income taxes	192,447	172,958	217,436	48,250	74,814	
Income taxes(7)	75,467	86,667	82,678	41,265	20,236	
Income from continuing operations	116,980	86,291	134,758	6,985	54,578	
Loss from discontinued operations	(176)	(90)	(163)	(170)	(47)	
Net income	\$ 116,804	\$ 86,201	\$ 134,595	\$ 6,815	\$ 54,531	
Basic Earnings per share:						
Income from continuing operations	\$ 2.20	\$ 1.64	\$ 2.71	\$ 0.14	\$ 1.13	
Loss from discontinued operations						
Net income	\$ 2.20	\$ 1.64	\$ 2.71	\$ 0.14	\$ 1.13	
Diluted earnings per share:						
Income from continuing operations	\$ 2.20	\$ 1.64	\$ 2.71	\$ 0.14	\$ 1.13	
Loss from discontinued operations	(0.01)					

Net income	\$	2.19	\$	1.64	\$	2.71	\$	0.14	\$	1.13
Dividends per share	\$	0.08	\$	0.10	\$	0.12	\$	0.14	\$	0.16
Weighted average shares outstanding:										
Basic		53,166,458		52,557,550		49,589,465		48,520,661		48,101,529
Diluted		53,270,623		52,669,934		49,688,909		48,633,730		48,194,837
Balance Sheet Data (at end of period):										
Cash and cash equivalents	\$	59,681	\$	57,316	\$	218,920	\$	158,572	\$	84,166
Working capital (deficit)		7,298		(52,477)		(27,760)		104,039		58,267
Total assets		1,922,059		1,982,117		2,180,819		1,908,903		1,878,749
Long-term debt		367,324		375,009		422,045		343,793		303,074
Total debt		368,094		377,547		575,047		347,180		306,290
Total shareholders' equity		1,155,115		1,159,088		1,149,951		1,147,253		1,187,177

(1) Fiscal years 2007, 2008 and 2009 include accelerated depreciation for certain office and related buildings in Daytona Beach, FL totaling approximately \$14.7 million, \$2.1 million, and \$1.0 million, respectively.

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- (2) Fiscal 2006 impairments are primarily due to our decision to discontinue our speedway development on Staten Island. Fiscal 2007 impairment is primarily related to our decision to discontinue development efforts in Kitsap County, Washington, and costs related to fill removal on our Staten Island property. Fiscal 2008 impairment is primarily attributable to costs related to fill removal on our Staten Island property and the net book value of certain assets retired from service. Fiscal 2009 impairment is primarily attributed to the decrease in the carrying value of our Staten Island property and, to a much lesser extent, impairments of certain other long-lived assets. Fiscal 2010 impairment is primarily attributable to the non-cash impairment of certain costs related to the Daytona Development Project and, to a much lesser extent, removal of certain other long-lived assets.
- (3) Fiscal 2008 interest income and other includes a non-cash charge totaling approximately \$3.8 million to correct the carrying value of certain other assets.
- (4) Fiscal years 2009 and 2010 include expenses related to an interest rate swap (see [Future Liquidity](#)).
- (5) In fiscal 2010, we recorded a loss on early redemption of debt related to a cash tender offer where we purchased approximately \$63.0 million of outstanding Senior Notes (see [Future Liquidity](#)).
- (6) Fiscal years 2007 and 2009 include impairment of goodwill and intangible assets and write-down of certain inventory and related assets by MA.
- (7) Fiscal 2009 income taxes includes interest income totaling approximately \$8.9 million related to the settlement with the Internal Revenue Service. Fiscal 2010 income taxes includes the de-recognition of potential interest and penalties associated with certain state tax settlements of approximately \$6.3 million.

GAAP to Non-GAAP Reconciliation

The following financial information is presented below using other than U.S. generally accepted accounting principles (non-GAAP), and is reconciled to comparable information presented using GAAP. Non-GAAP net income and diluted earnings per share below are derived by adjusting amounts determined in accordance with GAAP for certain items presented in the accompanying selected operating statement data, net of taxes.

We believe such non-GAAP information is useful and meaningful, and is used by investors to assess our core operations, which consist of the ongoing promotion of racing events at our major motorsports entertainment facilities. Such non-GAAP information identifies and separately displays the equity investment earnings and losses and adjusts for items that are not considered to be reflective of our continuing core operations at our motorsports entertainment facilities. We believe that such non-GAAP information improves the comparability of the operating results and provides a better understanding of the performance of our core operations for the periods presented. We use this non-GAAP information to analyze the current performance and trends and make decisions regarding future ongoing operations. This non-GAAP financial information may not be comparable to similarly titled measures used by other entities and should not be considered as an alternative to operating income, net income or diluted earnings per share, which are determined in accordance with GAAP. The presentation of this non-GAAP financial information is not intended to be considered independent of or as a substitute for results prepared in accordance with GAAP.

Management uses both GAAP and non-GAAP information in evaluating and operating the business and as such deemed it important to provide such information to investors.

The 2006 adjustment relates to Motorsports Authentics' equity in net loss from equity investment and the impairment of long-lived assets as a result of our decision to discontinue our speedway development project on Staten Island.

The adjustments for 2007 relate to Motorsports Authentics' equity in net loss from equity investment, which includes an impairment of goodwill and intangible assets and write-down of certain inventory and related assets; accelerated depreciation for certain office and related buildings in Daytona Beach; and, the impairment of long-lived assets primarily related to our decision to discontinue development efforts in Kitsap County, Washington, and costs related to fill removal on our Staten Island property.

The adjustments for 2008 relate to Motorsports Authentics' equity in net income from equity investment; accelerated depreciation for certain office and related buildings in Daytona Beach; the impairment of long-lived assets associated with the fill removal process on the Staten Island property and the net book value of certain assets retired from service; a non-cash charge to correct the carrying value of certain other assets; a provision on working capital advances associated with our joint venture project in Kansas for the development of a gaming and entertainment destination; and, a tax benefit associated with certain restructuring initiatives.

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The adjustments for 2009 relate to Motorsports Authentics equity in net loss from equity investment, which includes the non-cash impairment charge; accelerated depreciation for certain office and related buildings in Daytona Beach; impairments of long-lived assets primarily attributable to the decrease in the carrying value of our Staten Island property and, to a much lesser extent, impairments of certain other long-lived assets; interest rate swap expense; and, interest income related to our settlement with the Internal Revenue Service.

The adjustments for 2010 relate to Hollywood Casino at Kansas Speedway equity in net loss from equity investment; impairments of long-lived assets primarily attributable to certain costs related to the Daytona Development Project which were capitalized and are no longer expected to benefit the future development of the project and, to a much lesser extent, impairments of certain other long-lived assets; interest rate swap expense; the loss on early redemption of debt; and, the de-recognition of potential interest and penalties associated with certain state tax settlements.

		For the Year Ended November 30			
	2006	2007	2008	2009	2010
		(in thousands, except per share data)			
Net income	\$ 116,804	\$ 86,201	\$ 134,595	\$ 6,815	\$ 54,531
Net loss from discontinued operations	176	90	163	170	47
Income from continuing operations	116,980	86,291	134,758	6,985	54,578
Equity in net loss (income) from equity investments, net of tax	3,236	56,965	(970)	79,277	1,155
Consolidated income from continuing operations excluding equity in net loss (income) from equity investments	120,216	143,256	133,788	86,262	55,733
Adjustments, net of tax:					
Additional depreciation		9,009	1,278	637	
Impairment of long-lived assets	55,441	8,390	1,374	10,081	5,373
Correction of certain other assets carrying value			3,758		
Interest rate swap expense				2,608	14,473
Loss on early redemption of debt					3,963
Provision on advances to Kansas Entertainment			1,409		
IRS and state tax settlements				(8,923)	(6,338)
Tax benefit associated with restructuring initiatives			(3,477)		
Non-GAAP net income	\$ 175,657	\$ 160,655	\$ 138,130	\$ 90,665	\$ 73,204
Diluted earnings per share	\$ 2.19	\$ 1.64	\$ 2.71	\$ 0.14	\$ 1.13
Net loss from discontinued operations	0.01				
Diluted earnings per share from continuing operations	2.20	1.64	2.71	0.14	1.13

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Equity in net loss (income) from equity investments, net of tax	0.06	1.08	(0.02)	1.63	0.03
Consolidated income from continuing operations excluding equity in net loss (income) from equity investments	2.26	2.72	2.69	1.77	1.16
Adjustments, net of tax:					
Additional depreciation		0.17	0.02	0.01	
Impairment of long-lived assets	1.04	0.16	0.03	0.21	0.11
Correction of certain other assets carrying value			0.08		
Interest rate swap expense				0.05	0.30
Loss on early redemption of debt					0.08
Provision on advances to Kansas Entertainment			0.03		
IRS and state tax settlements				(0.18)	(0.13)
Tax benefit associated with restructuring initiatives			(0.07)		
Non-GAAP diluted earnings per share	\$ 3.30	\$ 3.05	\$ 2.78	\$ 1.86	\$ 1.52

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

General

The general nature of our business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. We derive revenues primarily from (i) admissions to motorsports events and motorsports themed amusement activities held at our facilities, (ii) revenue generated in conjunction with or as a result of motorsports events and motorsports themed amusement activities conducted at our facilities, and (iii) catering, concession and merchandising services during or as a result of these events and amusement activities.

Admissions, net revenue includes ticket sales for all of our racing events and other motorsports activities and amusements, net of any applicable taxes.

Motorsports related revenue primarily includes television and ancillary media rights fees, promotion and sponsorship fees, hospitality rentals (including luxury suites, chalets and the hospitality portion of club seating), advertising revenues, royalties from licenses of our trademarks, parking and camping revenues, and track rental fees.

Food, beverage and merchandise revenue includes revenues from concession stands, direct sales of souvenirs, hospitality catering, programs and other merchandise and fees paid by third party vendors for the right to occupy space to sell souvenirs and concessions at our motorsports entertainment facilities.

Direct expenses include (i) prize and point fund monies and NASCAR sanction fees, (ii) motorsports related expenses, which include labor, advertising, costs of competition paid to sanctioning bodies other than NASCAR and other expenses associated with the promotion of all of our motorsports events and activities, and (iii) food, beverage and merchandise expenses, consisting primarily of labor and costs of goods sold.

At the beginning of fiscal 2009, entitlement for the NASCAR Craftsman Truck series had changed and became the NASCAR Camping World Truck Series. Throughout this document, the naming convention for these series is consistent with the current branding.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While our estimates and assumptions are based on conditions existing at and trends leading up to the time the estimates and assumptions are made, actual results could differ materially from those estimates and assumptions. We continually review our accounting policies, how they are applied and how they are reported and disclosed in the financial statements.

The following is a summary of our critical accounting policies and estimates and how they are applied in the preparation of the financial statements.

Basis of Presentation and Consolidation. We consolidate all entities we control by ownership of a majority voting interest and variable interest entities for which we have the power to direct activities and the obligation to absorb losses. Our judgment in determining if we consolidate a variable interest entity includes assessing which party, if any, has the power and benefits. Therefore, we evaluate which activities most significantly affect the variable interest entities economic performance and determine whether we, or another party, have the power to direct these activities.

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We apply the equity method of accounting for our investments in joint ventures and other investees whenever we can exert significant influence on the investee but do not have effective control over the investee. Our consolidated net income includes our share of the net earnings or losses from these investees. Our judgment regarding the level of influence over each equity method investee includes considering factors such as our ownership interest, board representation and policy making decisions. We periodically evaluate these equity investments for potential impairment where a decline in value is determined to be other than temporary. We eliminate all significant intercompany transactions from financial results.

Revenue Recognition. Advance ticket sales and event-related revenues for future events are deferred until earned, which is generally once the events are conducted. The recognition of event-related expenses is matched with the recognition of event-related revenues.

NASCAR contracts directly with certain network providers for television rights to the entire NASCAR Sprint Cup and Nationwide series schedules as well as the NASCAR Camping World Truck series schedule beginning in fiscal year 2007. Event promoters share in the television rights fees in accordance with the provision of the sanction agreement for each NASCAR Sprint Cup, Nationwide and Camping World Truck series event. Under the terms of this arrangement, NASCAR retains 10.0 percent of the gross broadcast rights fees allocated to each NASCAR Sprint Cup, Nationwide and Camping World Truck series event as a component of its sanction fees. The promoter records 90.0 percent of the gross broadcast rights fees as revenue and then records 25.0 percent of the gross broadcast rights fees as part of its awards to the competitors. Ultimately, the promoter retains 65.0 percent of the net cash proceeds from the gross broadcast rights fees allocated to the event.

Our revenues from marketing partnerships are paid in accordance with negotiated contracts, with the identities of partners and the terms of sponsorship changing from time to time. Some of our marketing partnership agreements are for multiple facilities and/or events and include multiple specified elements, such as tickets, hospitality chalets, suites, display space and signage for each included event. The allocation of such marketing partnership revenues between the multiple elements, events and facilities is based on relative fair value. The sponsorship revenue allocated to an event is recognized when the event is conducted.

Revenues and related costs from the sale of merchandise to retail customers, internet sales and direct sales to dealers are recognized at the time of sale.

Business Combinations. All business combinations are accounted for under the acquisition method. Whether net assets or common stock is acquired, fair values are determined and assigned to the purchased assets and assumed liabilities of the acquired entity. The excess of the cost of the acquisition over fair value of the net assets acquired (including recognized intangibles) is recorded as goodwill. Business combinations involving existing motorsports entertainment facilities commonly result in a significant portion of the purchase price being allocated to the fair value of the contract-based intangible asset associated with long-term relationships manifest in the sanction agreements with sanctioning bodies, such as NASCAR, Grand American and IndyCar. The continuity of sanction agreements with these bodies has historically enabled the facility operator to host motorsports events year after year. While individual sanction agreements may be of terms as short as one year, a significant portion of the purchase price in excess of the fair value of acquired tangible assets is commonly paid to acquire anticipated future cash flows from events promoted pursuant to these agreements which are expected to continue for the foreseeable future and therefore, in accordance with ASC 805-50, Business Combinations, are recorded as indefinite-lived intangible assets recognized apart from goodwill.

Capitalization and Depreciation Policies. Property and equipment are stated at cost. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Depreciation and amortization for financial statement purposes are provided on a straight-line basis over the estimated useful lives of the assets. When we construct assets, we capitalize costs of the project, including, but not limited to, certain pre-acquisition costs, permitting costs, fees paid to architects and contractors, certain costs of our design and construction subsidiary, property taxes and interest.

We must make estimates and assumptions when accounting for capital expenditures. Whether an expenditure is considered an operating expense or a capital asset is a matter of judgment. When constructing or purchasing assets, we must determine whether existing assets are being replaced or otherwise impaired, which also is a matter of judgment.

Our depreciation expense for financial statement purposes is highly dependent on the assumptions we make about our assets' estimated useful lives. We determine the estimated useful lives based upon our experience with similar assets, industry, legal and regulatory factors, and our expectations of the usage of the asset. Whenever events or circumstances occur which change the estimated useful life of an asset, we account for the change prospectively.

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Interest costs associated with major development and construction projects are capitalized as part of the cost of the project. Interest is typically capitalized on amounts expended using the weighted-average cost of our outstanding borrowings, since we typically do not borrow funds directly related to a development or construction project. We capitalize interest on a project when development or construction activities begin, and cease when such activities are substantially complete or are suspended for more than a brief period.

Impairment of Long-lived Assets, Goodwill and Other Intangible Assets. Our consolidated balance sheets include significant amounts of long-lived assets, goodwill and other intangible assets which could be subject to impairment.

In fiscal 2009, we recorded a non-cash charge of approximately \$16.7 million as an impairment of long-lived assets primarily attributable to the reduction of the carrying value of our Staten Island property and impairment charges relating to certain other long-lived assets.

In fiscal 2010 we determined that certain costs related to the Daytona Development Project which were capitalized are no longer expected to benefit the future development of the project. Accordingly, we recognized a non-cash impairment totaling approximately \$5.8 million, consisting primarily of architecture and engineering, legal and associated capitalized interest. The costs which continue to be capitalized on this project consist principally of land and land related improvements which are expected to provide benefits to the ongoing development.

As of November 30, 2010, goodwill and other intangible assets and property and equipment accounts for approximately \$1,674.2 million, or 89.1 percent of our total assets. We account for our goodwill and other intangible assets in accordance with ASC 350 and for our long-lived assets in accordance with ASC 360.

We follow applicable authoritative guidance on accounting for goodwill and other intangible assets which specifies, among other things, non-amortization of goodwill and other intangible assets with indefinite useful lives and requires testing for possible impairment, either upon the occurrence of an impairment indicator or at least annually. We complete our annual testing in our fiscal fourth quarter, based on assumptions regarding our future business outlook and expected future discounted cash flows attributable to such assets (using the fair value assessment provision of applicable authoritative guidance), supported by quoted market prices or comparable transactions where available or applicable.

In connection with our fiscal 2010 assessment of goodwill and intangible assets for possible impairment we used the methodology described above. We believe our methods used to determine fair value and evaluate possible impairment were appropriate, relevant, and represent methods customarily available and used for such purposes. Our latest annual assessment of goodwill and other intangible assets in the fourth quarter of fiscal 2010 indicated there had been no impairment and the fair value substantially exceeded the carrying value for the respective reporting units, except for one reporting unit that was recently acquired. The estimated fair value for this one reporting unit, which has goodwill of less than \$20.0 million, exceeded the carrying value by less than 5 percent as determined using our internal discounted cash flow methodology. We believe recent comparable market transactions would support a substantially higher valuation. While we continue to review and analyze many factors that can impact our business prospects in the future (as further described in Risk Factors), our analysis is subjective and is based on conditions existing at, and trends leading up to, the time the estimates and assumptions are made. Different conditions or assumptions, or changes in cash flows or profitability, if significant, could have a material adverse effect on the outcome of the impairment evaluation and our future condition or results of operations. Despite the current adverse economic trends, particularly credit availability, the decline in consumer confidence and the rise in unemployment, which have recently contributed to the decrease in attendance related as well as corporate partner revenues for certain of our motorsports events during fiscal 2010, we believe there has been no significant change in the long-term fundamentals of our ongoing motorsports event business. We believe our present operational and cash flow outlook further support its conclusion.

In addition, our growth strategy includes investing in certain joint venture opportunities. In these equity investments we exert significant influence on the investee but do not have effective control over the investee, which adds an additional element of risk that can adversely impact our financial position and results of operations. The carrying value of our equity investments was \$43.7 million at November 30, 2010.

Income Taxes. The tax law requires that certain items be included in our tax return at different times than when these items are reflected in our consolidated financial statements. Some of these differences are permanent, such as expenses not deductible on our tax return. However, some differences reverse over time, such as depreciation expense, and these temporary differences create deferred tax assets and liabilities. Our estimates of deferred income taxes and the significant items giving rise to deferred tax assets and

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liabilities reflect our assessment of actual future taxes to be paid on items reflected in our financial statements, giving consideration to both timing and probability of realization. Actual income taxes could vary significantly from these estimates due to future changes in income tax law or changes or adjustments resulting from final review of our tax returns by taxing authorities, which could also adversely impact our cash flow.

In the ordinary course of business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Accruals for uncertain tax positions are provided for in accordance with the requirements of ASC 740,

Income Taxes. Under this guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50.0 percent likelihood of being realized upon the ultimate settlement. This interpretation also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns. Although we believe the estimates are reasonable, no assurance can be given that the final outcome of these matters will not be different than what is reflected in the historical income tax provisions and accruals. Such differences could have a material impact on the income tax provision and operating results in the period in which such determination is made.

Derivative Instruments. From time to time, we utilize derivative instruments in the form of interest rate swaps and locks to assist in managing our interest rate risk. We do not enter into any interest rate swap or lock derivative instruments for trading purposes. We account for the interest rate swaps and locks in accordance with ASC 815,

Derivatives and Hedging.

Contingent Liabilities. Our determination of the treatment of contingent liabilities in the financial statements is based on our view of the expected outcome of the applicable contingency. In the ordinary course of business, we consult with legal counsel on matters related to litigation and other experts both within and outside our Company. We accrue a liability if the likelihood of an adverse outcome is probable and the amount of loss is reasonably estimable. We disclose the matter but do not accrue a liability if the likelihood of an adverse outcome is reasonably possible and an estimate of loss is not determinable. Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

Equity and Other Investments

Hollywood Casino at Kansas Speedway

On December 1, 2009, Kansas Entertainment, LLC, ("Kansas Entertainment") a 50/50 joint venture of Penn Hollywood Kansas, Inc. ("Penn"), a subsidiary of Penn National Gaming, Inc. and Kansas Speedway Development Corporation ("KSDC"), a wholly owned subsidiary of ISC, was selected by the Kansas Lottery Gaming Facility Review Board to develop and operate a gaming facility in the Northeast Zone (Wyandotte County, Kansas). On February 12, 2010, Kansas Entertainment received the final approval under the Kansas Expanded Lottery Act, along with its gaming license from the Kansas Racing and Gaming Commission. Construction of the Hollywood-themed and branded entertainment destination facility, overlooking turn two of Kansas Speedway, began in April 2010 with a planned opening in the first half of 2012.

The initial phase of this project, including certain changes to the scope and mix of gaming operations and amenities approved by the Kansas Lottery Commission in August 2010, features an 82,000 square foot casino with 2,000 slot machines and 52 table games (including 12 poker tables), a 1,253 space parking structure as well as a sports-themed bar, dining and entertainment options. Kansas Entertainment anticipates funding the initial phase of the development with a mix of equity contributions from each partner as well third party financing, which it is currently pursuing.

KSDC and Penn will share equally in the cost of developing and constructing the facility. We currently estimate that our share of capitalized development costs for the project, excluding our contribution of the land, will be approximately \$155.0 million. In addition, we expect to continue to incur certain other start up and related costs through opening, a number of which will be expensed through equity in net loss from equity investments. Penn is the managing member of Kansas Entertainment and will be responsible for the development and operation of the casino and hotel.

We have accounted for Kansas Entertainment as an equity investment in our financial statements as of November 30, 2010 and our 50.0 percent portion of Kansas Entertainment's net loss in fiscal 2010 is approximately \$1.9 million, related to certain start up costs, and is included in equity in net loss from equity investments in our consolidated statements of operations. There were no operations included in our consolidated statements of operations in the same periods in fiscal 2009 or 2008.

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Staten Island Property

In connection with our efforts to develop a major motorsports entertainment facility in the New York metropolitan area, our wholly owned indirect subsidiary, 380 Development, purchased a total of 676 acres located in the New York City borough of Staten Island in early fiscal 2005 and began improvements including fill operations on the property. In December 2006, we announced our decision to discontinue pursuit of the speedway development on Staten Island. In May 2007, we entered into a Consent Order with the New York Department of Environmental Conservation (DEC) to resolve certain issues surrounding the fill operations and the prior placement of fill at the site that contained constituents above regulatory thresholds. The Consent Order required us to remove non-compliant fill pursuant to an approved comprehensive fill removal plan, and to pay a penalty to DEC of \$562,500, half of which was paid in May 2007 and the other half of which was suspended so long as we complied with the terms of the Consent Order. During the second quarter of fiscal 2009 the DEC notified us that it had complied with the terms of the Consent Order and that we had no further obligations under the Consent Order.

During the third quarter of fiscal 2009, we determined, based on our understanding of the real estate market and the above transaction, that the current carrying value of the property was in excess of the fair market value. As a result, we recognized a non-cash, pre-tax charge in our results of approximately \$13.0 million, or \$0.16 per diluted share, which is included in the Motorsports Event segment.

In October 2009, we announced that we had entered into a definitive agreement (Agreement) with KB Marine Holdings LLC (KB Holdings) under which KB Holdings would acquire 100 percent of the outstanding equity membership interests of 380 Development for a total purchase price of \$80.0 million. Upon execution of the Agreement, ISC received a non-refundable \$1.0 million payment. This transaction was scheduled to close by February 25, 2010. However, the closing was subject to certain conditions including KB Holdings securing the required equity commitments to acquire the property and performing its obligation under the Agreement. KB Holdings did not obtain resolution of certain issues relating to the fill permitting process which prevented it from obtaining funding and closing the Agreement.

On September 2, 2010, we executed a second amendment to the Agreement which provided an extension to KB Holdings to close the transaction on or before November 30, 2010. Under the terms of that extension, the purchase price to be paid by KB Holdings was \$88.0 million, \$33.6 million of which, in non-refundable deposits and cash, was to be received at or prior to closing, and \$54.4 million of which will be in the form of a promissory note payable on or before August 31, 2011. The promissory note would have had a market-based interest rate and was to be secured by a first priority security interest in the outstanding equity membership interests of 380 Development. We expected that the proceeds from the sale, net of applicable broker commissions and other closing costs would result in an immaterial gain or loss on the transaction upon closing.

On December 6, 2010, we announced the termination of the Agreement with KB Holdings for the sale of the Staten Island, New York property. KB Holdings did not fulfill the terms of the second amendment to the Agreement to close the transaction on or before November 30, 2010. As a result of the transaction terminating, we are pursuing discussions with alternative buyers for the 676-acre parcel of property located in Staten Island.

Motorsports Authentics

We are partners with Speedway Motorsports, Inc. in a 50/50 joint venture, SMISC, LLC, which, through its wholly owned subsidiary Motorsports Authentics, LLC conducts business under the name Motorsports Authentics. MA designs, promotes, markets and distributes motorsports licensed merchandise.

In fiscal 2009, MA management and ownership considered various approaches to optimize performance in MA s various distribution channels. As the challenges were assessed, it became apparent that there was significant risk in future business initiatives in mass apparel, memorabilia and other yet to be developed products. These initiatives had previously been deemed achievable and were included in projections that supported the carrying value of inventory, goodwill and other intangible assets on MA s balance sheet. This analysis, combined with a long-term macroeconomic outlook that was less robust than previously expected, triggered MA s review of certain assets under ASC 350 and ASC 360 and our evaluation under ASC 320-10.

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In the fiscal third quarter 2009, MA, suffering financial stress from the recession, ceased paying certain guaranteed royalties under several license agreements where estimated royalties payable based on projected sales were less than stipulated guaranteed minimum royalties payable (unearned royalties). All earned royalties that were due have been paid. MA had received notices from certain licensors alleging default under the license agreements should MA not pay unearned royalties within stipulated cure periods.

As a result of the foregoing which triggered the our evaluation performed under ASC 320-10 we recognized significant impairments of our equity investment in MA during the second and fourth quarters of fiscal 2009, resulting in a reduction to the carrying value of our investment in MA to zero at November 30, 2009. MA s management, with the assistance of an independent appraisal firm, completed its review in the fourth quarter of fiscal 2009, concluding that the fair value of MA s goodwill and intangible assets should be reduced to zero.

Going into fiscal 2010, MA management and ownership continued to explore business strategies in conjunction with certain motorsports industry stakeholders that allow the possibility for MA to operate profitably in the future. As with any business in an adverse economic environment, management must find the optimal business model for long-term viability. In addition to revisiting the business vision for MA, management, with support of ownership, has undertaken certain initiatives to improve inventory controls and buying cycles, as well as implemented changes to make MA a more efficiently operated and profitable company. We believe a revised MA business vision, which includes the successful resolution of license agreement terms and favorable license terms in the future, along with a focus on its core competencies, streamlined operations, reduced operating costs and inventory risk, are necessary for MA to survive as a profitable operation in the future.

In July 2010, certain industry stakeholders created the NASCAR Licensing Trust (Trust) that is represented by a Board of Directors that includes representatives from NASCAR, the sanctioning body, and from NASCAR Teams. Under this new agreement, the Trust brings a new structure to the licensing business that will be more efficient for the industry. The benefit to the licensees is a more focused and streamlined licensing business that will reduce cost, foster more efficient administrative processes, and allow for more cohesive retail and marketing strategies.

The Trust represents four key categories die-cast, toys, apparel and trackside retail rights and grants the rights of any NASCAR driver that is participating in the licensing categories included in the Trust. The revenues will be distributed based on percentage of licensed sales and allocated according to actual earnings to each licensor. This should allow the industry to more efficiently manage costs and increase revenues, while providing a wider selection of products for fans.

Concurrent with the creation of the Trust, MA management, ownership and industry stakeholders negotiated MA s release from future guaranteed minimum royalties as well as the current unearned guaranteed minimum royalties payable to NASCAR team licensors. With respect to the one agreement secured by parent company guarantees, MA and the parent companies negotiated a settlement amount to eliminate future guaranteed minimum royalties.

As a result of the settlement, our remaining guaranty exposure, to one NASCAR team licensor, has been reduced to approximately \$5.0 million and will be satisfied upon MA making certain payments to the team through January 2013. In January 2011, MA made a payment to the team effectively reducing our guaranty exposure to \$3.8 million. While it is possible that some obligation under this guarantee may occur in the future, the amount we will ultimately pay cannot be estimated at this time. In any event, we do not believe that the ultimate financial outcome will have a material impact on our financial position or results of operations.

We did not recognize any net income or loss from operations of MA during fiscal 2010. Our 50.0 percent portion of MA s fiscal 2009 net loss is approximately \$77.6 million, or \$1.63 per diluted share, which included the aforementioned impairment charges. Fiscal 2008 equity in net income from MA was approximately \$1.6 million, or \$0.02 per diluted share.

Other Equity Investments

Our equity investments also include our 50.0 percent limited partnership investment in Stock-Car Montreal L.P. prior to the acquisition of the remaining interest in February 2009.

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Income Taxes

The tax treatment of providing a valuation allowance related to losses incurred by our Motorsports Authentics equity investment, partially offset by the reduction in income taxes due to the interest income related to our settlement with the Internal Revenue Service, are the principal causes of the increased effective income tax rate for the fiscal year ended November 30, 2009. The de-recognition of potential interest and penalties associated with certain state settlements as well as certain state credits accrued are the principal causes of the decreased effective income tax rate for the fiscal year ended November 30, 2010.

As a result of the above items, our effective income tax rate increased from the statutory income rate to approximately 85.5 percent for the fiscal year ended November 30, 2009, and decreased from the statutory income rate to approximately 27.0 percent for the fiscal year ended November 30, 2010.

Current Litigation

From time to time, we are a party to routine litigation incidental to our business. We do not believe that the resolution of any or all of such litigation will have a material adverse effect on our financial condition or results of operations.

Future Trends in Operating Results

Economic conditions, including those affecting disposable consumer income and corporate budgets such as employment, business conditions, credit availability, interest rates and taxation rates, may impact our ability to sell tickets to our events and to secure revenues from corporate marketing partnerships. We believe that adverse economic trends, particularly the rise in unemployment and the decline in the consumer confidence index significantly contributed to the decrease in attendance for certain of our motorsports entertainment events during fiscal 2009. Certain of these trends have persisted through fiscal 2010 and are not expected to materially change in 2011, which may have an impact on our business, especially attendance-related and corporate partner revenues. In response, we recently announced an initiative to lower our direct operating expenses, beginning in 2011, by \$20.0 million to \$30.0 million in sustainable reductions through the streamlining of corporate services, optimization of event and ancillary business models, and process improvements that resulted in a reduction of workforce and operational costs. These changes are expected to have a positive impact on our financial position.

Admissions

An important component of our operating strategy has been our long-standing practice of focusing closely on supply and demand when evaluating ticket pricing and adjusting capacity at our facilities. By effectively managing ticket prices and seating capacity, we can stimulate ticket renewals and advance sales. Advance ticket sales result in earlier cash flow and reduce the potential negative impact of actual and forecasted inclement weather on ticket sales. With any ticketing program, we first examine our pricing structure to ensure that prices are in line with market demand. When determined necessary, as has been the case during this period of sustained economic downturn, we will adjust pricing on inventory.

While we have not had a sell-out at any of our events since February 2008, we have had capacity crowds at certain events. We have also experienced a compressed sales cycle with our customers making their ticket purchasing decisions closer to the event date. To address this and to be sensitive to the economic challenges that many of our fans face, in 2009, we lowered prices on over 150,000 seats, or 15.0 percent of our grandstand capacity, for NASCAR Sprint Cup events across the Company. For our 2010 events, we expanded our reduced pricing to approximately 500,000 seats throughout our facilities as well as unbundling a substantial number of tickets to better respond to consumer demand. In addition to preferred pricing, we provided our customers that renew early various incentives as well as special access privileges. We also created ticket packages that provide added value opportunities, making it more affordable for our fans to attend live events. As we also want to develop the next generation motorsports fan, we expanded our youth initiative to encourage families to attend.

We believe, based on our research and analysis, our current pricing levels and initiatives going into the 2011 season are on target with demand, providing appropriate price points for all income levels. Also, based on consumer feedback, we will now provide single-day ticket purchasing at Kansas and Chicagoland Speedways for all of their events. These facilities previously required purchasers to purchase season-ticket packages for certain sanctioned racing events annually, under specified terms and conditions.

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It is important that we maintain the integrity of our pricing model by rewarding our best and loyal customers. We do not adjust pricing inside of the sales cycle and avoid rewarding last-minute ticket buyers by discounting tickets. Further, we limit and monitor the availability of promotional tickets. All of these factors could have a detrimental effect on our pricing model and long-term value of our business. We believe it is more important to encourage advance ticket sales and maintain price integrity to achieve long-term growth than to capture short-term incremental revenue.

Corporate Partnerships

With regard to corporate marketing partner relationships, we believe that our presence in key markets, impressive portfolio of events and attractive fan demographics are beneficial and help to mitigate adverse economic trends as we continue to pursue renewal and expansion of existing marketing partnerships and establish new corporate relationships.

Due to the current economic conditions which began to deteriorate in the latter part of fiscal 2008, extended throughout fiscal 2009 and persisted in fiscal 2010, we have experienced a slowdown in corporate spending. In addition, the process of securing sponsorship deals has become more time consuming as corporations are more closely scrutinizing their marketing budgets. While these trends continue to impact sales, we are seeing encouraging signs of interest from corporate partners. We expect, based on current interest and demand, to secure all of our 2011 NASCAR Sprint Cup and Nationwide series event entitlements. We continue to believe that revenues from our corporate marketing relationships will grow over the long term, contributing to strong earnings and cash flow stability and predictability.

Television Broadcast and Ancillary Media Rights

Domestic broadcast and ancillary media rights fees revenues are an important component of our revenue and earnings stream. Starting in 2007, NASCAR entered into new combined eight-year agreements with FOX, ABC/ESPN, TNT and SPEED for the domestic broadcast and related rights for its three national touring series – Sprint Cup, Nationwide and Camping World Truck. The agreements total approximately \$4.5 billion over the eight-year period from 2007 through 2014. This results in an approximate \$560.0 million gross average annual rights fee for the industry, a more than 40.0 percent increase over the previous contract average of \$400.0 million annually. The industry rights fees were approximately \$545.0 million for 2010 and will be approximately \$565.0 million for 2011. The industry rights fees will increase, on average, by approximately three percent per year through the 2014 season. The annual increase is expected to vary between two and four percent per year over the period.

FOX and TNT have been strong supporters of NASCAR racing since 2001, and both have played a major role in the sport's climb in popularity. We have, and expect to continue to see, ongoing broadcast innovation in their coverage of NASCAR racing events. Also notable was the return of ESPN to the sport in 2007, which it helped build throughout the 1980s and 1990s. ESPN's coverage and weekly ancillary NASCAR-related programming continues to promote the sport across various properties. Further, ESPN broadcasts substantially all of the NASCAR Nationwide Series, providing that series with the continuity and promotional support that we believe will allow it to flourish. We were pleased with ABC's decision to broadcast the majority of its 2010 NASCAR Sprint Cup series events on its cable channel, ESPN. ESPN has a subscriber base at approximately 100 million, while less than the networks, it does have, over the longer term, the ability to attract younger viewers as well as create more exposure for the sport. Also, cable broadcasters can support a higher investment through subscriber fees not available to traditional networks, which is a potential benefit when NASCAR negotiates the next consolidated domestic broadcast and ancillary media rights contract.

While the media landscape continues to evolve, we continue to believe NASCAR's position in the sports and entertainment landscape remains strong. It is expected that ratings will fluctuate year to year. For the 2010 NASCAR season, television ratings for the NASCAR Sprint Cup series decreased to an average of 4.1 million households and 5.9 million viewers as reported by the Nielsen Company. However, the long-term ratings health of NASCAR Sprint Cup series events remains robust as it remains the second highest-rated regular season sport on television and is the number two sport among all key demographic groups, trailing only the NFL. In addition, the NASCAR Nationwide series is the second-highest rated motorsports series on television and the NASCAR Camping World Truck series is the third-highest rated motorsports series on cable television.

These long-term contracts provide significant cash flow visibility to us, race teams and NASCAR over the contract term. Television broadcast and ancillary rights fees from continuing operations received from NASCAR for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events conducted at our wholly owned facilities under these agreements, and recorded as part of motorsports related revenue, were approximately \$257.0 million, \$262.0 million and \$269.1 million for fiscal 2008, 2009 and 2010,

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respectively. Operating income generated by these media rights were approximately \$189.4 million, \$192.1 million and \$197.5 million for fiscal 2008, 2009 and 2010, respectively.

As media rights revenues fluctuate so do the variable costs tied to the percentage of broadcast rights fees required to be paid to competitors as part of NASCAR Sprint Cup, Nationwide and Camping World Truck series sanction agreements. NASCAR prize and point fund monies, as well as sanction fees (NASCAR direct expenses), are outlined in the sanction agreement for each event and are negotiated in advance of an event. As previously discussed, included in these NASCAR direct expenses are amounts equal to 25.0 percent of the gross domestic television broadcast rights fees allocated to our NASCAR Sprint Cup, Nationwide and Camping World Truck series events, as part of prize and point fund money (See Critical Accounting Policies and Estimates Revenue Recognition). These annually negotiated contractual amounts paid to NASCAR contribute to the support and growth of the sport of NASCAR stock car racing through payments to the teams and sanction fees paid to NASCAR. As such, we do not expect these costs to materially decrease in the future as a percentage of admissions and motorsports related income. We anticipate any operating margin improvement to come primarily from economies of scale and controlling costs.

Sanctioning Bodies

Our success has been, and is expected to remain, dependent on maintaining good working relationships with the organizations that sanction events at our facilities, particularly with NASCAR, whose sanctioned events at our wholly owned facilities accounted for approximately 89.8 percent of our revenues in fiscal 2010. NASCAR continues to entertain and discuss proposals from track operators regarding potential realignment of NASCAR Sprint Cup Series dates to more geographically diverse and potentially more desirable markets where there may be greater demand, resulting in an opportunity for increased revenues to the track operators. NASCAR has recently approved our request for realignment and beginning in 2011, Kansas Speedway (Kansas) will now host two NASCAR Sprint Cup Series weekends. We believe that these realignments have provided, and will continue to provide, incremental net positive revenue and earnings as well as further enhance the sport's exposure in highly desirable markets, which we believe benefits the sport's fans, teams, sponsors and television broadcast partners as well as promoters.

Capital Improvements

Since we compete with newer entertainment venues for patrons and sponsors, we will continue to evaluate opportunities to enhance our facilities, thereby producing additional revenue opportunities and improving the event experience for our guests. Major examples of these efforts include:

Fiscal 2008

We installed track lighting at Chicagoland as well as improved certain electrical infrastructure in certain camping areas. In addition to enhancing the guest experience, we now have the flexibility to run events later in the day in the event of inclement weather;

We repaved Darlington Raceway (Darlington) and constructed a tunnel in Turn 3 that provides improved access for fans and allows emergency vehicles to easily enter and exit the infield area of the track. These collective projects mark the largest one-time investment in the 50-year history of the storied South Carolina facility;

We enhanced seating at Michigan International Speedway (Michigan) to provide wider seats, seatbacks and more leg room for fans. We also added incremental camping capacity and new shower/restroom facilities for our on-site overnight guests, as well as installed a state-of-the-art 110-foot, three-sided LED scoreboard for fans to more easily follow the on-track competition. Finally, we added additional branded way-finding signage to help pedestrians, motorists and campers find their way in, out and around the 1,400-acre racetrack property; and

We constructed new media centers at Watkins Glen International (Watkins Glen) and Homestead-Miami Speedway (Homestead), which we believe increased appeal to media content providers, sports journalists, racing team owners and drivers and others involved in the motorsports industry.

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Fiscal 2009

We constructed a new media center at Michigan as part of the terrace suite redevelopment project which we believe has increased appeal to media content providers, sports journalists, racing team owners and drivers and others involved in the motorsports industry;

To further enhance our guest experience, we reconfigured tram and pedestrian routes at Richmond International Raceway (Richmond); built a new tram stop at Daytona International Speedway (Daytona); and, replaced the seats in the lower grandstands at Talladega Superspeedway (Talladega); and

We have constructed a new leader board at Homestead, which is the prototype for future tracks.

Fiscal 2010

We made further grandstand enhancements at Michigan to provide wider seats, seatbacks and more leg room for fans;

We completed our repaving project at Daytona. In addition, we made frontstretch fan improvements and superstretch hospitality improvements at Daytona which included the addition of the Superstretch Fan Zone and improved tram infrastructure, and we constructed a new 1/4 mile Flat Track facility which hosted successful AMA motorcycle events;

We completed a major seat enhancement project at Talladega by installing new wider stadium style seats and increased leg room; and

We have constructed a new state of the art LED leader board and video screens at Richmond.

We anticipate modest capital spending on other projects for maintenance, safety and regulatory requirements, as well as for preserving the guest experience at our events to enable us to effectively compete with other sports venues for consumer and corporate spending.

Growth Strategies

Our growth strategies also include exploring ways to grow our businesses through acquisitions and external developments that offer attractive financial returns. This has been demonstrated through the planned real estate development joint venture to develop and operate a Hollywood-themed and branded entertainment destination facility overlooking turn two of Kansas Speedway. (see Kansas Hotel and Casino Development).

Postponement and/or Cancellation of Major Motorsports Events

We promote outdoor motorsports entertainment events. Weather conditions affect sales of, among other things, tickets, food, drinks and merchandise at these events. Poor weather conditions prior to an event, or even the forecast of poor weather conditions, could have a negative impact on us, particularly for walk-up ticket sales to events which are not sold out in advance. If an event scheduled for one of our facilities is delayed or postponed because of weather or other reasons such as, for example, the general postponement of all major sporting events in the United States following the September 11, 2001 terrorism attacks, we could incur increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, food, drinks and merchandise at the rescheduled event. If such an event is cancelled, we would incur the expenses associated with preparing to conduct the event as well as losing the revenues, including any live broadcast revenues, associated with the event to the extent such losses were not covered by insurance.

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The following table sets forth, for each of the indicated periods, certain selected statement of operations data as a percentage of total revenues:

	For the Year Ended November 30,		
	2008	2009	2010
Revenues:			
Admissions, net	30.0%	28.2%	24.9%
Motorsports related	58.8	62.4	65.2
Food, beverage and merchandise	9.9	8.1	8.1
Other	1.3	1.3	1.8
Total revenues	100.0	100.0	100.0
Expenses:			
Direct:			
Prize and point fund monies and NASCAR sanction fees	19.6	23.5	24.4
Motorsports related	21.1	21.6	22.1
Food, beverage and merchandise	6.1	5.7	5.7
General and administrative	13.9	15.0	15.9
Depreciation and amortization	9.0	10.5	11.6
Impairment of long-lived assets	0.3	2.4	1.4
Total expenses	70.0	78.7	81.1
Operating income	30.0	21.3	18.9
Interest expense, net	(2.2)	(2.6)	(2.3)
Interest rate swap expense		(0.6)	(3.7)
Loss on early redemption of debt			(1.0)
Other income		0.1	
Equity in net loss from equity investments	(0.2)	(11.2)	(0.3)
Income from continuing operations before income taxes	27.6	7.0	11.6
Income taxes	10.5	6.0	3.1
Income from continuing operations	17.1	1.0	8.5
Loss from discontinued operations			
Net income	17.1%	1.0%	8.5%

Comparison of Fiscal 2010 to Fiscal 2009

The comparison of fiscal 2010 to fiscal 2009 is impacted by the following factors:

Economic conditions, including those affecting disposable consumer income and corporate budgets such as employment, business conditions, interest rates and taxation rates, impact our ability to sell tickets to our events and to secure revenues from corporate marketing partnerships. We believe that unprecedented adverse economic trends, particularly the decline in consumer confidence and the rise in unemployment contributed to the decrease in attendance related as well as corporate partner revenues for certain of our motorsports entertainment events during fiscal 2010;

An IndyCar series event held at Richmond and a NASCAR Camping World Truck series event held at Auto Club Speedway in fiscal 2009 were not held in fiscal 2010. Offsetting this was a NASCAR Camping World Truck series event held at Darlington in fiscal 2010 that was not held in fiscal 2009;

In fiscal 2010, we recognized non-cash impairments of long-lived assets totaling approximately \$8.9 million, or \$0.11 per diluted share, primarily attributable to certain costs related to the Daytona Development Project which were capitalized that are no longer expected to benefit the future development of the project. In fiscal 2009, we recognized non-cash impairments of long-lived assets totaling approximately \$16.7 million, or \$0.21 per diluted share, primarily attributable to the aforementioned decrease in the carrying value of our Staten Island property and, to a much lesser extent, impairments of certain other long-lived assets;

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During fiscal 2010, we recognized approximately \$23.9 million, or \$0.30 per diluted share in expenses related to an interest rate swap. In fiscal 2009, we recognized approximately \$4.3 million, or \$0.05 per diluted share in similar expense (see *Future Liquidity*);

During fiscal 2010, we recognized approximately \$6.5 million in expenses, or \$0.08 per diluted share related to a partial redemption of \$150 million principal 5.4% Senior Notes maturing in 2014 (see *Future Liquidity Long-Term Obligations and Commitments*);

During fiscal 2009, we recorded certain charges related to our joint venture Motorsports Authentics (see *Equity and Other Investments*); and

As a result of the previously discussed favorable settlements and on-going discussions with certain states, we de-recognized potential interest and penalties totaling approximately \$6.3 million or \$0.13 per diluted share in fiscal 2010. During fiscal 2009 we recognized interest income net of tax, of approximately \$8.9 million, or \$0.18 per diluted share, in our income tax expense as a result of our settlement with the Internal Revenue Service. This de-recognition of interest and penalties was recognized as a reduction in income tax expense in our consolidated statement of operations.

Admissions revenue decreased approximately \$35.0 million, or 17.9 percent, in fiscal 2010 as compared to fiscal 2009. We believe the decrease was driven by lower attendance attributable to ongoing adverse economic conditions as well as inclement weather and a decrease in our weighted average ticket price for certain events associated with the previously discussed value pricing initiatives.

Motorsports related revenue decreased approximately \$11.3 million, or 2.6 percent, in fiscal 2010 as compared to fiscal 2009. The decrease is substantially attributable to decreases in sponsorship, suite and hospitality revenues for certain events. To a lesser extent, contributing to change was the aforementioned Camping World Truck series event not being held at Auto Club Speedway, and the IndyCar event not being held at Richmond, respectively. Partially offsetting these decreases was an increase in television broadcast and ancillary rights.

Food, beverage and merchandise revenue decreased approximately \$3.9 million, or 6.9 percent, in fiscal 2010 as compared to fiscal 2009. The decrease is substantially attributable to the previously discussed lower attendance. Prize and point fund monies and NASCAR sanction fees decreased approximately \$5.4 million, or 3.3 percent, in fiscal 2010 as compared to fiscal 2009. The decrease is primarily attributable to the reduction in overall prize and point fees paid for the events held in the period as compared to the same period in prior year. Partially offsetting overall decreases are the increases in television broadcast rights fees for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events during the periods as standard NASCAR sanctioning agreements require a specific percentage of television broadcast rights fees to be paid to competitors. Partially offsetting the decrease was the aforementioned Camping World Truck series event held at Darlington that was not held in fiscal 2009.

Motorsports related expense decreased by approximately \$7.2 million, or 4.8 percent, in fiscal 2010 as compared to fiscal 2009. The decrease is primarily attributable to reduced promotional, advertising and other race related expenses during the period as a result of focused cost containment. Contributing to the decrease was aforementioned IndyCar series event that was not held at Richmond in fiscal 2010 that was held in fiscal 2009. The decrease was partially offset by the aforementioned Camping World Truck series event held at Darlington added to the schedule in 2010. Motorsports related expenses as a percentage of combined admissions and motorsports related revenue increased slightly to approximately 24.5 percent for fiscal 2010, as compared to 23.9 percent for the same period in the prior year. The slight margin decrease is primarily due to the previously discussed lower admissions and motorsports related revenue during the period.

Food, beverage and merchandise expense decreased approximately \$2.2 million, or 5.6 percent, in fiscal 2010 as compared to fiscal 2009. The decrease is primarily attributable to variable costs associated with the lower sales of merchandise and concessions, as well as catering. Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue increased slightly to approximately 70.3 percent for fiscal 2010, as compared to 69.4 percent for the same period in the prior year. The slight margin decrease was primarily attributable to the ratio of fixed to variable costs.

General and administrative expense decreased approximately \$1.0 million, or 1.0 percent, in fiscal 2010 as compared to fiscal 2009. We incurred approximately \$2.3 million of costs related to organizational and structural changes in connection with the company-wide

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initiative to reduce future operational costs. Offsetting this amount were ongoing cost containment initiatives that were put in place in fiscal 2009. General and administrative expenses as a percentage of total revenues increased to approximately 15.9 percent for fiscal 2010, as compared to 15.0 percent for fiscal 2009. The slight margin decrease is primarily due to the previously discussed decrease in revenues, largely offset by our cost containment efforts. Depreciation and amortization expense increased approximately \$1.6 million, or 2.1 percent, in fiscal 2010 as compared to fiscal 2009. The increase is predominately attributable to our headquarters building (see *Future Liquidity*) which was put in service in the last month of fiscal 2009. Partially offsetting the increases are certain assets which have reached the end of their useful lives.

The impairment of long-lived assets of approximately \$8.9 million is primarily attributable to the aforementioned non-cash impairment of certain costs related to the Daytona Development Project and removal of certain other long-lived assets located at our motorsports facilities.

Interest income and other decreased by approximately \$0.9 million during fiscal 2010 as compared to fiscal 2009. The decrease was attributable to lower interest rates as compared to the same periods in the prior year.

Interest expense decreased by approximately \$4.0 million during fiscal 2010 as compared to fiscal 2009. The decrease is primarily due to the funding of the \$150 million principal 4.2 percent Senior Notes maturity in April 2009 and the lower average outstanding balance on our credit facility as compared to the same period in the prior year. Partially offsetting the decrease is the interest on the term loan for our new headquarters building.

Interest rate swap expense increased by approximately \$19.6 million during fiscal 2010 as compared to fiscal 2009. The increase is primarily attributable to the termination of the interest rate swap and the reduction of the anticipated debt issuance from \$150.0 million to \$65.0 million during the fiscal year ended November 30, 2010.

Loss on early redemption of debt of approximately \$6.5 million in fiscal 2010 is attributable to the aforementioned partial redemption of the \$150 million principal 5.4 percent Senior Notes maturing in 2014 (see *Future Liquidity Long-Term Obligations and Commitments*). There is no comparable amount in fiscal 2009.

Equity in net loss from equity investments represents our 50.0 percent equity investments in Motorsports Authentics and Hollywood Casino at Kansas Speedway (see *Equity and Other Investments*). The equity in net loss from equity investments of approximately \$1.9 million in fiscal 2010 relates to certain start up costs related to the Hollywood Casino at Kansas Speedway. There were no comparable costs in fiscal 2009. We did not recognize any net loss from operations of Motorsports Authentics in fiscal 2010 as compared to an approximate net loss of \$77.6 million in fiscal 2009.

Our effective income tax rate decreased from approximately 85.5 percent to approximately 27.0 percent during fiscal 2010 compared to fiscal 2009 (see *Income Taxes*).

As a result of the foregoing, net income increased approximately \$47.7 million, or \$0.99 per diluted share, for fiscal 2010 as compared to fiscal 2009.

Comparison of Fiscal 2009 to Fiscal 2008

The comparison of fiscal 2009 to fiscal 2008 is impacted by the following factors:

Economic conditions, including those affecting disposable consumer income and corporate budgets such as employment, business conditions, interest rates and taxation rates, impact our ability to sell tickets to our events and to secure revenues from corporate marketing partnerships. We believe that adverse economic trends, particularly credit availability, the decline in consumer confidence, and the rise in unemployment, began to manifest in early fiscal 2008 and have increasingly contributed to the decrease in attendance related as well as corporate partner revenues for certain of our motorsports entertainment events during fiscal 2009;

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Further impacting the comparability of the periods were strong consumer and corporate sales for the 50th running of the Daytona 500 in fiscal 2008. This monumental anniversary of the Great American Race provided significant unique opportunities to drive attendance and revenue above the otherwise strong appeal of this marquee event and the sport of NASCAR in general;

On February 27, 2009, we acquired the 50.0 percent ownership interest in Stock-Car Montreal L.P. we did not previously own, bringing our ownership to 100.0 percent. This acquisition was accounted for as a business combination and the operations of Stock-Car Montreal L.P. are included in our consolidated operations subsequent to the date of acquisition. Prior to this date, we had accounted for their operations as part of equity in net loss from equity investments. A NASCAR Nationwide Series and a Grand American Series event were held at Stock-Car Montreal during the third quarter of fiscal 2009;

Due to the acquisition of Grand American by NASCAR in October 2008, expenses related to prize, point and sanction fees are reported as part of prize and point fund monies and NASCAR sanction fees on the consolidated statement of operations for fiscal year 2009 while reported as part of motorsports related expense in fiscal 2008 and prior years;

During fiscal 2009, approximately \$1.0 million, or \$0.01 per diluted share, of depreciation was accelerated above our normal depreciation rates relating to our prior office building in Daytona Beach, Florida which is expected to be razed as part of our Daytona Development Project (see further discussion in Future Liquidity). During fiscal 2008, depreciation was accelerated above our normal depreciation rates relating to this prior office building and certain other offices and buildings which were razed in fiscal 2008 as part of our Daytona Development Project totaling approximately \$2.1 million, or \$0.03 per diluted share. These amounts were calculated by taking the remaining net book values of the respective offices and buildings and systematically reducing the net book values over their remaining useful lives based on the last date of occupancy and/or the razing of the structure(s);

In fiscal 2009, we recognized non-cash impairments of long-lived assets totaling approximately \$16.7 million, or \$0.21 per diluted share, primarily attributable to the aforementioned decrease in the carrying value of our Staten Island property and, to a much lesser extent, impairments of certain other long-lived assets. In fiscal 2008, we recognized impairments of long-lived assets totaling approximately \$2.2 million, or \$0.03 per diluted share, primarily attributable to our Staten Island property and impairments of certain other long-lived assets;

During fiscal 2008, we recorded a non-cash charge totaling approximately \$3.8 million, or \$0.07 per diluted share, to correct the carrying value amount of certain other assets, for which there was no comparable amortization in the prior year. This adjustment was recorded in interest income and other in the consolidated statement of operations;

During fiscal 2009, we recognized interest rate swap expense of approximately \$4.3 million, or \$0.05 per diluted share, related to our interest rate swap for which there was no comparable expense in the prior year (see Future Liquidity). This expense was recorded in interest rate swap expense in the consolidated statement of operations;

In fiscal 2009, the \$77.6 million, or \$1.63 per diluted share, equity in net loss from equity investments represents our portion of the results from our 50.0 percent indirect interest in Motorsports Authentics and includes the previously discussed non-cash impairment charge of approximately \$69.3 million, or \$1.43 per diluted share (see Equity and Other Investments). Our portion of Motorsports Authentics net income for fiscal 2008 included in equity in net loss from equity investments was approximately \$1.6 million, or \$0.02 per diluted share; and

During fiscal 2009 we recognized interest income net of tax, of approximately \$8.9 million, or \$0.18 per diluted share, in our income tax expense as a result of the settlement with the Internal Revenue Service. Admissions revenue decreased approximately \$40.6 million, or 17.2 percent, in fiscal 2009 as compared to fiscal 2008. We believe the decrease was primarily attributable to the decreases in attendance due to previously discussed adverse economic trends including decreases in weighted average ticket prices as a result of pricing strategies for our NASCAR Sprint Cup events in 2009 (see Future Trends in Operating Results). These decreases were further impacted by the strong demand for certain events conducted during Speedweeks at Daytona supporting the 50th running of the sold out Daytona 500 in fiscal 2008. The overall decrease in attendance was partially offset by the consolidation of the Nationwide series event weekend at Stock-Car Montreal and a slight increase in the weighted average ticket prices for certain events conducted during Speedweeks at Daytona in fiscal 2009.

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Motorsports related revenue decreased approximately \$30.6 million, or 6.6 percent, in fiscal 2009 as compared to fiscal 2008. The decrease was primarily due to the decreases in sponsorship, suite and hospitality revenues for certain events conducted during the year, which we believe result largely from the previously discussed adverse economic conditions. To a lesser extent, lower track rentals, advertising and ancillary rights revenues also contributed to the decrease. Partially offsetting the decrease was the Nationwide series event weekend at Stock-Car Montreal and an increase in television broadcast rights for our NASCAR Sprint Cup, Nationwide, and Camping World Truck series events.

Food, beverage and merchandise revenue decreased approximately \$21.7 million, or 27.8 percent, in fiscal 2009 as compared to fiscal 2008. The decrease was primarily attributable to previously discussed adverse economic conditions impacting attendance as well as lower per capita sales in fiscal 2009 affecting catering, concessions and merchandise sales. In addition, the decrease was impacted by the strong sales of the Daytona 500 50th anniversary product in fiscal 2008. The decrease was slightly offset by the Nationwide series event weekend at Stock-Car Montreal.

Prize and point fund monies and NASCAR sanction fees increased approximately \$8.3 million, or 5.4 percent, in fiscal 2009 as compared to fiscal 2008. This increase was primarily related to the Nationwide series event at Stock-Car Montreal and the previously discussed increase in television broadcast rights fees for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events conducted during the year, as standard NASCAR sanctioning agreements require that a specific percentage of television broadcast rights fees be paid to competitors. To a lesser extent, increased NASCAR sanction fees, as well as the aforementioned reclassification of amounts related to Grand American in fiscal 2009 contributed to the increase.

Motorsports related expense decreased by approximately \$16.2 million, or 9.8 percent, in fiscal 2009 as compared to fiscal 2008. The decrease was predominately attributable to reduced promotional, advertising and other race related expenses during the period as a result of focused cost containment initiatives as well as higher promotional and advertising expenses for the 50th running of the Daytona 500 in fiscal 2008. Partially offsetting these decreases was the Nationwide series event weekend at Stock-Car Montreal and to a lesser extent, the aforementioned reclassification of amounts related to Grand American competition costs in fiscal 2009. Motorsports related expense as a percentage of combined admissions and motorsports related revenue was comparable to the prior year, with the slight margin decrease primarily due to the previously discussed lower admissions and motorsports related revenues, as well as the aforementioned Stock-Car Montreal events conducted in the third quarter of fiscal 2009, largely offset by initiatives to reduce costs.

Food, beverage and merchandise expense decreased approximately \$9.0 million, or 18.7 percent, in fiscal 2009 as compared to fiscal 2008. The decrease was primarily attributable to variable costs associated with the lower sales of merchandise, catering and concessions sales related to the previously discussed decreases in attendance. In addition, the decrease was impacted by the robust sales attributable to the previously discussed events conducted during Speedweeks at Daytona supporting the 50th running of the sold out Daytona 500 in fiscal 2008. Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue increased to approximately 69.4 percent in fiscal 2009, as compared to 61.6 percent for fiscal 2008. Economies of scale and the ratio of fixed to variable costs attributed to the decrease in margin. This is especially evident for fiscal 2009 Speedweeks sales as compared to strong sales surrounding the 50th running of the Daytona 500 in fiscal 2008. The decrease in margin was partially offset by certain fixed cost reductions during the year.

General and administrative expense decreased approximately \$5.7 million, or 5.2 percent, in fiscal 2009 as compared to fiscal 2008. Driven by focused cost containment initiatives, we reduced legal fees, other professional fees, personnel related and various other costs associated with our ongoing business compared to the prior year. In addition the decrease was impacted by an adjustment to certain other taxes in fiscal 2008. General and administrative expenses as a percentage of total revenues increased to approximately 15.0 percent for fiscal 2009, as compared to 13.9 percent for fiscal 2008. The slight margin decrease was primarily due to the previously discussed decrease in revenues, largely offset by our cost containment efforts.

Depreciation and amortization expense increased approximately \$2.0 million, or 2.8 percent, in fiscal 2009 as compared to fiscal 2008. The increase was attributable to capital expenditures for our ongoing facility enhancements and related initiatives.

The impairment of long-lived assets of approximately \$16.7 million in fiscal 2009 is primarily attributable to the aforementioned decrease in the carrying value of our Staten Island property and, to a much lesser extent, certain other long-lived asset impairments.

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The fiscal 2008 impairment consisted primarily of costs associated with the fill removal process at our Staten Island property and impairments of certain other long-lived assets.

Interest income and other increased by approximately \$2.7 million during fiscal 2009 as compared to fiscal 2008. The increase was almost entirely due to the aforementioned non-cash charge of \$3.8 million, or \$0.07 per diluted share, in fiscal 2008, to correct the carrying value of certain other assets. Slightly offsetting the increase were lower interest rates on higher cash balances as compared to the same period in the prior year.

Interest expense increased by approximately \$3.3 million, or 21.1 percent, during fiscal 2009 as compared to fiscal 2008. The increase was primarily due to lower capitalized interest and higher average borrowings on our credit facility during the year (see discussion under **Liquidity and Capital Resources – General**) as compared to the same period in fiscal 2008, partially offset by the repayment of the \$150 million principal 4.2 percent Senior Notes in April 2009.

Interest rate swap expense was approximately \$4.3 million during fiscal 2009 attributable to interest rate swap agreement which was amended and re-designated in February 2009. There was no comparable expense in fiscal 2008. Equity in net loss from equity investments represents our 50.0 percent equity investment in Motorsports Authentics (see **Equity and Other Investments**).

Our effective income tax rate increased from approximately 38.0 percent to 85.5 percent during fiscal 2009 compared to fiscal 2008. This increase in the effective income tax rate was primarily due to the tax treatment associated with income earned in fiscal 2008 and losses incurred in fiscal 2009 by Motorsports Authentics. The increase was partially offset by a decrease in the effective income tax rate due to the interest income related to the settlement with the Internal Revenue Service.

As a result of the foregoing, net income decreased approximately \$127.8 million, or \$2.57 per diluted share, for fiscal 2009 as compared to fiscal 2008.

Liquidity and Capital Resources

General

We have historically generated sufficient cash flow from operations to fund our working capital needs, capital expenditures at existing facilities, and return of capital through payments of an annual cash dividend and repurchase of our shares under our Stock Purchase Plan. In addition, we have used the proceeds from offerings of our Class A Common Stock, the net proceeds from the issuance of long-term debt, borrowings under our credit facilities and state and local mechanisms to fund acquisitions and development projects. At November 30, 2010, we had cash and cash equivalents totaling approximately \$84.2 million, \$87.0 million principal amount of senior notes outstanding, \$102.0 million in borrowings on our \$300.0 million revolving credit facility, a debt service funding commitment of approximately \$63.6 million principal amount related to the taxable special obligation revenue (TIF) bonds issued by the Unified Government of Wyandotte County/Kansas City, Kansas (Unified Government) \$51.0 million principal term loan related to our headquarters office building (the International Motorsports Center, or IMC); and \$2.7 million principal amount of other third party debt. At November 30, 2010, we had working capital of \$58.3 million, which was anchored by \$84.2 million of cash. At November 30, 2009, we had working capital of \$104.0 million, primarily driven by the \$112.0 million recovery of funds previously on deposit with the Service.

Our liquidity is primarily generated from our ongoing motorsports operations, and we expect our strong operating cash flow to continue in the future. In addition, as of November 30, 2010, we have approximately \$194.2 million available to draw upon under our newly negotiated 5-year revolving credit facility, if needed. See **Future Liquidity** for additional disclosures relating to our credit facility and certain risks that may affect our near term operating results and liquidity.

As it relates to capital allocation, our top priority is fan and competitor safety as well as regulatory compliance. In addition, we remain focused on driving incremental earnings by improving the fan experience with certain upgrades to our facilities to increase ticket sales. We will also focus on maintaining modest debt levels.

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Beyond that, we are also making investments in strategic projects that complement our core business and provide value for our shareholders. Those options include acquisitions; new market development; ancillary real estate development; and share repurchases.

During fiscal year 2010, our significant cash flow items include the following:

net cash provided by operating activities totaled approximately \$112.4 million, which is net of payments related to interest rate swap totaling approximately \$39.0 million;

capital expenditures totaling approximately \$105.9 million;

payments of long-term debt totaling approximately \$68.0 million;

net proceeds of \$27.0 million related to our Credit Facilities;

contributions to the Hollywood Casino at Kansas Speedway joint venture, totaling approximately \$31.5 million;

dividends paid and reacquisitions of previously issued common stock totaling approximately \$16.0 million; and

decrease in restricted cash totaling approximately \$9.1 million.

Capital Expenditures

Capital expenditures totaled approximately \$105.9 million for fiscal 2010, which includes \$85.7 million for projects at our existing facilities related to the track repaving and other projects at Daytona, construction of a new media center at Michigan as part of the terrace suite redevelopment project; construction of a new state of the art LED leader board and video screens at Richmond; construction of grandstand seating enhancements at Michigan and Talladega; and a variety of other improvements and renovations. The remaining balance of approximately \$20.2 million is related to the International Motorsports Center building which is funded from \$9.1 million in long-term restricted cash; the purchase of land in Daytona; and additional capitalized spending for the Staten Island property. In comparison, capital expenditures for fiscal 2009 totaled approximately \$113.7 million, which included approximately \$32.2 million in long-term restricted cash used for the International Motorsports Center construction.

At November 30, 2010, we have approximately \$55.9 million remaining in capital projects currently approved for our existing facilities. These projects include the track repaving at Phoenix; grandstand seating enhancements and infield improvements at Michigan and Watkins Glen; parking improvements at Daytona; infield enhancements at Talladega; installation of track lighting and track enhancements at Kansas; improvements at various facilities for expansion of parking, camping capacity and other uses; and a variety of other improvements and renovations to our facilities that enable us to effectively compete with other sports venues for consumer and corporate spending.

As a result of these currently approved projects and anticipated additional approvals in fiscal 2011, we expect our total fiscal 2011 capital expenditures at our existing facilities will be approximately \$65 million to \$75 million depending on the timing of certain projects. We review our capital expenditure program periodically and modify it as required to meet current business needs.

We review the capital expenditure program periodically and modify it as required to meet current business needs.

Future Liquidity

General

As discussed in Future Trends in Operating Results, economic conditions, including those affecting disposable consumer income and corporate budgets such as employment, business conditions, credit availability, interest rates and taxation rates, may impact our ability to sell tickets to our events and to secure revenues from corporate marketing partnerships. We believe that adverse economic trends, particularly the rise in unemployment and the decline in consumer confidence significantly contributed to the decrease in attendance for certain of our motorsports entertainment events during fiscal 2009. Certain of these trends have persisted throughout

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fiscal 2010. This will negatively impact year-over-year comparability for most all of our revenue categories for the full year, with the exception of domestic broadcast and ancillary media rights fees.

Our cash flow from operations consists primarily of ticket, hospitality, merchandise, catering and concession sales and contracted revenues arising from television broadcast rights and marketing partnerships. Despite current economic conditions, we believe that cash flows from operations, along with existing cash, cash equivalents and available borrowings under our 2010 Credit Facility, will be sufficient to fund:

operations and approved capital projects at existing facilities for the foreseeable future;

payments required in connection with the funding of the Unified Government's debt service requirements related to the TIF bonds;

payments related to our existing debt service commitments;

any equity contributions in connection with the Kansas Hotel and Casino development;

any potential payments associated with our keepwell agreements; and

payments for share repurchases under our Stock Purchase Plan.

We remain interested in pursuing further acquisition and/or development opportunities that would increase shareholder value. The timing, size and success, as well as associated potential capital commitments of which are unknown at this time. Accordingly, a material acceleration of our growth strategy could require us to obtain additional capital through debt and/or equity financings. Although there can be no assurance, over the longer term we believe that adequate debt and equity financing will be available on satisfactory terms.

While we expect our strong operating cash flow to continue in the future, our financial results depend significantly on a number of factors. In addition to local, national, and global economic and financial market conditions, consumer and corporate spending could be adversely affected by security and other lifestyle conditions resulting in lower than expected future operating cash flows. General economic conditions were significantly and negatively impacted by the September 11, 2001 terrorist attacks and the wars in Iraq and Afghanistan and could be similarly affected by any future attacks or fear of such attacks, or by conditions resulting from other acts or prospects of war. Any future attacks or wars or related threats could also increase our expenses related to insurance, security or other related matters. Also, our financial results could be adversely impacted by a widespread outbreak of a severe epidemiological crisis. The items discussed above could have a singular or compounded material adverse affect on our financial success and future cash flow.

Long-Term Obligations and Commitments

On April 23, 2004, we completed an offering of \$300.0 million principal amount of unsecured senior notes in a private placement. On September 27, 2004, we completed an offer to exchange the senior notes for registered senior notes with substantially identical terms ("2004 Senior Notes"). The remaining 2004 Senior Notes which bear interest at 5.4 percent and are due April 2014 require semi-annual interest payments on April 15 and October 15 through their maturity. The 2004 Senior Notes may be redeemed in whole or in part, at our option, at any time or from time to time at redemption prices as defined in the indenture. Certain of our wholly owned domestic subsidiaries are guarantors of the 2004 Senior Notes. The 2004 Senior Notes also contain various restrictive covenants. Total gross proceeds from the sale of the 2004 Senior Notes were \$300.0 million, net of discounts of approximately \$431,000 and approximately \$2.6 million of deferred financing fees. The deferred financing fees are being treated as additional interest expense and amortized over the life of the 2004 Senior Notes on a straight-line method, which approximates the effective yield method. In March 2004, we entered into interest rate swap agreements to effectively lock in the interest rate on approximately \$150.0 million of the 2004 Senior Notes. We terminated the interest rate swap agreements on April 23, 2004 and received approximately \$2.2 million, which was amortized over the life of \$150.0 million of the 2004 Senior Notes that matured in April 2009.

In November 2010, we completed a cash tender offer where we purchased approximately \$63.0 million on the remaining 2004 Senior Notes, including the payment of a tender premium of approximately \$6.0 million and accrued interest. The net tender premium,

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associated unamortized net deferred financing costs and unamortized original issuance discount were recorded as net loss on early tender of debt totaling approximately \$6.5 million. At November 30, 2010, outstanding unsecured 2004 Senior Notes totaled approximately \$87.0 million, net of unamortized discounts.

In June 2008, we entered into an interest rate swap agreement to effectively lock in a substantial portion of the interest rate exposure on approximately \$150.0 million notional amount in anticipation of refinancing the \$150.0 million 2004 Senior Notes that matured in April 2009. This interest rate swap was designated and qualified as a cash flow hedge under ASC 815, Accounting for Derivatives and Hedging. As a result of the uncertainty with the U.S. credit markets, in February 2009, we amended and re-designated our interest rate swap agreement as a cash flow hedge with an expiration in February 2011.

During fiscal 2010, based on our current financial position and reduction in the anticipated debt issuance from \$150.0 million to \$65.0 million, we discontinued this cash flow hedge and settled the related liability for approximately \$39.0 million. As a result of these transactions we recognized approximately \$4.3 million and \$23.9 million of expense associated with this interest rate swap for the years ended November 30, 2009 and 2010, respectively. Included in fiscal 2010 expense is approximately \$1.8 million of ineffectiveness associated with the interest rate swap. This expense was recorded in interest rate swap expense in the consolidated statement of operations. At November 30, 2010 we have approximately \$6.6 million, net of tax, deferred in other comprehensive income associated with this interest rate swap which will be amortized over life of the future debt issuance (see below). We expect to recognize approximately \$1.0 million of this balance during the next 12 months in interest expense in the consolidated statement of operations.

In January 2011 we completed an offering of approximately \$65.0 million principal amount of senior unsecured notes in a private placement (2021 Senior Notes). The 2021 Senior Notes bear interest at 4.63 percent and are due January 2021. The 2021 Senior Notes require semi-annual interest payments on January 18 and July 18 through their maturity. The 2021 Senior Notes may be redeemed in whole or in part, at our option, at any time or from time to time at redemption prices as defined in the indenture. Certain of our wholly owned domestic subsidiaries are guarantors of the 2021 Senior Notes. The 2021 Senior Notes also contain various restrictive covenants. The deferred financing fees will be treated as additional interest expense and, along with the aforementioned deferred interest rate swap balance included in other comprehensive income, will be amortized over the life of the 2021 Senior Notes on a straight-line method, which approximates the effective yield method.

Debt associated with our wholly owned subsidiary, Raceway Associates, which owns and operates Chicagoland Speedway and Route 66 Raceway, consists of the following:

Revenue bonds payable (4.8 percent Revenue Bonds) consisting of economic development revenue bonds issued by the City of Joliet, Illinois to finance certain land improvements. The 4.8 percent Revenue Bonds have an interest rate of 4.8 percent and a monthly payment of \$29,000 principal and interest. At November 30, 2010, outstanding principal on the 4.8 percent Revenue Bonds was approximately \$1.5 million.

Revenue bonds payable (6.8 percent Revenue Bonds) that are special service area revenue bonds issued by the City of Joliet, Illinois to finance certain land improvements. The 6.8 percent Revenue Bonds are billed and paid as a special assessment on real estate taxes. Interest payments are due on a semi-annual basis at 6.8 percent with principal payments due annually. Final maturity of the 6.8 percent Revenue Bonds is January 2012. At November 30, 2010, outstanding principal on the 6.8 percent Revenue Bonds was approximately \$1.2 million.

In July 2008, a wholly owned subsidiary of ours entered into a construction term loan agreement (6.3 percent Term Loan) to finance the construction of the International Motorsports Center. The 6.3 percent Term Loan has a 25 year term due October 2034, an interest rate of 6.3 percent, and a current monthly payment of approximately \$292,000. At November 30, 2010, the outstanding principal on the 6.3 percent Term Loan was approximately \$51.0 million.

In January 1999, the Unified Government, issued approximately \$71.3 million in TIF bonds in connection with the financing of construction of Kansas Speedway. At November 30, 2010, outstanding TIF bonds totaled approximately \$63.6 million, net of the unamortized discount, which is comprised of a \$15.9 million principal amount, 6.2 percent term bond due December 1, 2017 and a \$49.7 million principal amount, 6.8 percent term bond due December 1, 2027. The TIF bonds are repaid by the Unified Government

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with payments made in lieu of property taxes (Funding Commitment) by our wholly owned subsidiary, Kansas Speedway Corporation (KSC). Principal (mandatory redemption) payments per the Funding Commitment are payable by Kansas Speedway Corporation on October 1 of each year. The semi-annual interest component of the Funding Commitment is payable on April 1 and October 1 of each year. Kansas Speedway Corporation granted a mortgage and security interest in the Kansas project for its Funding Commitment obligation.

In October 2002, the Unified Government issued subordinate sales tax special obligation revenue bonds (2002 STAR Bonds) totaling approximately \$6.3 million to reimburse us for certain construction already completed on the second phase of the Kansas Speedway project and to fund certain additional construction. The 2002 STAR Bonds, which require annual debt service payments and are due December 1, 2022, will be retired with state and local taxes generated within the Kansas Speedway's boundaries and are not our obligation. KSC has agreed to guarantee the payment of principal, any required premium and interest on the 2002 STAR Bonds. At November 30, 2010, the Unified Government had approximately \$2.6 million in 2002 STAR Bonds outstanding. Under a keepwell agreement, we have agreed to provide financial assistance to KSC, if necessary, to support its guarantee of the 2002 STAR Bonds.

In November 2010, we entered into a \$300.0 million revolving credit facility (2010 Credit Facility). The 2010 Credit Facility contains a feature that allows us to increase the credit facility to a total of \$500.0 million, subject to certain conditions. Upon execution of the 2010 Credit Facility, we terminated our then existing \$300.0 million revolving credit facility. The 2010 Credit Facility is scheduled to mature in November 2015, and accrues interest at LIBOR plus 150.0 225.0 basis points, depending on the better of our debt rating as determined by specified rating agencies or the our leverage ratio. The 2010 Credit Facility contains various restrictive covenants. At November 30, 2010, we had approximately \$102.0 million outstanding under the 2010 Credit Facility. In January 2011, in connection with the issuance of the 2021 Senior Notes we repaid approximately \$52.0 million of the amounts outstanding on the 2010 Credit Facility.

At November 30, 2010 we had contractual cash obligations to repay debt and to make payments under operating agreements, leases and commercial commitments in the form of guarantees and unused lines of credit. Payments due under these long-term obligations are as follows as of November 30, 2010 (in thousands):

	Total	Obligations Due by Period			
		Less Than One Year	2-3 Years	4-5 Years	After 5 Years
Long-term debt	\$307,105	\$3,216	\$ 4,778	\$195,283	\$103,828
Motorsports entertainment facility operating agreement	29,220	2,220	4,440	4,440	18,120
Other operating leases	44,275	3,916	4,337	2,563	33,459
Total Contractual Cash Obligations	\$380,600	\$9,352	\$13,555	\$202,286	\$155,407

We have a total current tax liability of approximately \$4.5 million and a long-term tax liability of approximately \$2.1 million for uncertain tax positions, inclusive of tax, interest, and penalties included in our consolidated balance sheet at November 30, 2010, related to various state income tax matters. The contractual cash obligations table above excludes the long-term liability for these uncertain tax positions as we are unable to make a reasonably reliable estimate of the period of cash settlement with the respective taxing authorities.

Commercial commitment expirations are as follows as of November 30, 2010 (in thousands):

Total	Commitment Expiration by Period			
	Less Than One Year	2-3 Years	4-5 Years	After 5 Years

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Guarantees	\$ 7,591	\$2,859	\$3,072	\$ 460	\$1,200
Unused credit facilities	198,000			198,000	
Total Commercial Commitments	\$205,591	\$2,859	\$3,072	\$198,460	\$1,200

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Stock Purchase Plan

In December 2006, we implemented a share repurchase program under which we are authorized to purchase up to \$150.0 million of our outstanding Class A common shares. In February 2008, we announced that our Board of Directors had authorized an incremental \$100.0 million share repurchase program. Collectively these programs are described as the Stock Purchase Plans. The Stock Purchase Plans allow us to purchase up to \$250.0 million of our outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plans will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plans may be suspended or discontinued at any time without prior notice. No shares have been or will be knowingly purchased from Company insiders or their affiliates.

Since inception of the Plan through November 30, 2010, we have purchased 5,222,613 shares of our Class A common shares, for a total of approximately \$220.8 million. Included in these totals are the purchases of 307,886 shares of our Class A common shares during the fiscal year ended November 30, 2010, at an average cost of approximately \$26.27 per share (including commissions), for a total of approximately \$8.1million. These transactions occurred in open market purchases and pursuant to a trading plan under Rule 10b5-1. At November 30, 2010, we have approximately \$29.2 million remaining repurchase authority under the current Stock Purchase Plans.

Speedway Developments

In light of NASCAR's publicly announced position regarding additional potential realignment of the NASCAR Sprint Cup Series schedule, we believe there are still potential development opportunities for public/private partnerships in new, underserved markets across the country, which could include Denver, Colorado, the Northwest U.S. and the New York Metropolitan area.

Daytona Development Project

We are exploring development of a mixed-use entertainment destination development on 71 acres located directly across International Speedway Boulevard from our Daytona motorsports entertainment facility.

The initial development includes the approximately 188,000 square foot office building, the International Motorsports Center, completed in November 2009. The IMC houses the headquarters of ISC, NASCAR, Grand American and their related businesses, and additional space for other tenants. The IMC was financed in July 2008 through a \$51.3 million construction term loan obtained by our wholly owned subsidiary, which was created to own and operate the office building.

Approved land use entitlements for the remaining project allow for a 265,000 square foot mixed-use retail/dining/entertainment area, plus a hotel, residential and additional office space. Development of the balance of the project is dependent on several factors, including lease arrangements, availability of project financing and overall market conditions.

While we continue to believe that a mixed-use retail/dining/entertainment area located across from our Daytona facility will be a successful project, given the current economic conditions and the uncertainty associated with the future, development of the project will depend on its economic feasibility.

Hollywood Casino at Kansas Speedway

On December 1, 2009, Kansas Entertainment, LLC, ("Kansas Entertainment") a 50/50 joint venture of Penn Hollywood Kansas, Inc., a subsidiary of Penn and Kansas Speedway Development Corporation ("KSDC"), a wholly owned subsidiary of ISC, was selected by the Kansas Lottery Gaming Facility Review Board to develop and operate a gaming facility in the Northeast Zone (Wyandotte County, Kansas). On February 12, 2010, Kansas Entertainment received the final approval under the Kansas Expanded Lottery Act, along with its gaming license from the Kansas Racing and Gaming Commission. Construction of the Hollywood-themed and branded entertainment destination facility, overlooking turn two of Kansas Speedway, began in April 2010 with a planned opening in the first half of 2012.

The initial phase of this project, including certain changes to the scope and mix of gaming operations and amenities approved by the Kansas Lottery Commission in August 2010, features an 82,000 square foot casino with 2,000 slot machines and 52 table games (including 12 poker tables), a 1,253 space parking structure as well as a sports-themed bar, dining and entertainment options. Kansas Entertainment anticipates funding the initial phase of the development with a mix of equity contributions from each partner as well third party financing, which it is currently pursuing.

KSDC and Penn will share equally in the cost of developing and constructing the

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facility. We currently estimate that our share of capitalized development costs for the project, excluding our contribution of the land, will be approximately \$155.0 million. In addition, we expect to continue to incur certain other start up and related costs through opening, a number of which will be expensed through equity in net loss from equity investments. Penn is the managing member of Kansas Entertainment and will be responsible for the development and operation of the casino and hotel.

Inflation

We do not believe that inflation has had a material impact on our operating costs and earnings.

Recent Accounting Pronouncements

In accordance with the ASC 805-50, Business Combinations, the topic was issued to retain the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way assets and liabilities are recognized in the purchase accounting. It also changes the recognition of assets acquired and liabilities assumed arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition-related costs as incurred. ASC 805-50 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Our adoption of this statement in fiscal 2010 did not have an impact on our financial position and results of operations.

In accordance with the ASC 810-10, Consolidation, minority interests will be recharacterized as noncontrolling interests and will be reported as a component of equity separate from the parent's equity, and purchases or sales of equity interests that do not result in a change in control will be accounted for as equity transactions. In addition, net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement and upon a loss of control, the interest sold, as well as any interest retained, will be recorded at fair value with any gain or loss recognized in earnings. This portion of ASC 810-10 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, except for the presentation and disclosure requirements, which will apply retrospectively. Our adoption of this statement in fiscal 2010 did not have an impact on our financial position and results of operations.

Also, in accordance with ASC 810-10, the improvement of financial reporting by enterprises involved with variable interest entities was made by addressing (1) the effects on certain provisions of Financial Accounting Standards Board (FASB) Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, as a result of the elimination of the qualifying special-purpose entity concept in the ASC 860-10, Transfers and Servicing, and (2) constituent concerns about the application of certain key provisions of Interpretation 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This portion of ASC 810-10 is effective for financial statements issued for fiscal years beginning after November 15, 2009, with earlier adoption prohibited. Our adoption of this statement in fiscal 2010 did not have an impact on our financial position and results of operations.

In accordance with the ASC 260-10-45, Earnings Per Share, instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in computing earnings per share under the two-class method. ASC 260-10-45 affects entities that accrue dividends on share-based payment awards during the associated service period when the return of dividends is not required if employees forfeit such awards. ASC 260-10-45 is effective for fiscal years and interim periods beginning after December 15, 2008. Our adoption of this statement in fiscal 2010 did not have an impact on our financial position and results of operations.

In accordance with the ASC 323-10, Investments—Equity Method and Joint Ventures, questions that have arisen regarding the application of the equity method subsequent to the issuance of SFAS No. 141R and SFAS No. 160. This portion of ASC 323-10 is effective for fiscal years beginning after December 15, 2008, and interim periods within those years. Early application is not permitted. Our adoption of this statement in fiscal 2010 did not have an impact on our financial position and results of operations.

Accounting Standards Update (ASU) 2010-06, Improving Disclosures about Fair Value Measurements, an amendment to ASC 820, Fair Value Measurements and Disclosures, was issued to provide more information regarding the transfers in and out of Levels 1 and 2 inputs as well as additional disclosures about Level 3 inputs. The disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the

disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Our adoption of this statement in fiscal 2010 did not have an impact on our financial position and results of operations.

In September 2009, FASB amended ASC 605, as summarized in ASU 2009-13, Revenue Recognition:

Multiple-Deliverable Revenue Arrangements. As summarized in ASU 2009-13, ASC Topic 605 has been amended:

(1) to provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) to require an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have VSOE or third-party evidence of selling price; and (3) to eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method. The accounting changes in ASU 2009-13 are both effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application.

We are currently evaluating the potential impact that the adoption of this statement will have on our financial position and results from operations and will adopt the provision of this statement in fiscal 2011.

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Factors That May Affect Operating Results

This report and the documents incorporated by reference may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify a forward-looking statement by our use of the words anticipate, estimate, expect, may, believe, objective, projection, forecast, goal, and similar expressions. These forward-looking statements include statements regarding the timing of future events, our anticipated future operations and our anticipated future financial position and cash requirements. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. We disclose the important factors that could cause our actual results to differ from our expectations in cautionary statements made in this report and in other filings we have made with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors described in this report and other factors set forth in or incorporated by reference in this report.

Many of these factors are beyond our ability to control or predict. We caution you not to put undue reliance on forward-looking statements or to project any future results based on such statements or on present or prior earnings levels. Additional information concerning these, or other factors, which could cause the actual results to differ materially from those in the forward-looking statements is contained from time to time in our other SEC filings.

Copies of those filings are available from us and/or the SEC.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to market risk from changes in interest rates in the normal course of business. Our interest income and expense are most sensitive to changes in the general level of U.S. interest rates and the LIBOR rate. In order to manage this exposure, from time to time we use a combination of debt instruments, including the use of derivatives in the form of interest rate swap and lock agreements. We do not enter into any derivatives for trading purposes.

The objective of our asset management activities is to provide an adequate level of interest income and liquidity to fund operations and capital expansion, while minimizing market risk. We utilize overnight sweep accounts and short-term investments to minimize the interest rate risk. We do not believe that our interest rate risk related to our cash equivalents and short-term investments is material due to the nature of the investments.

Our objective in managing our interest rate risk on our debt is to negotiate the most favorable interest rate structures that we can and, as market conditions evolve, adjust our balance of fixed and variable rate debt to optimize our overall borrowing costs within reasonable risk parameters. Interest rate swaps and locks are used from time to time to convert a portion of our debt portfolio from a variable rate to a fixed rate or from a fixed rate to a variable rate as well as to lock in certain rates for future debt issuances.

The following analysis provides quantitative information regarding our exposure to interest rate risk. We utilize valuation models to evaluate the sensitivity of the fair value of financial instruments with exposure to market risk that assume instantaneous, parallel shifts in interest rate yield curves. There are certain limitations inherent in the sensitivity analyses presented, primarily due to the assumption that interest rates change instantaneously. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled.

We have various debt instruments that are issued at fixed rates. These financial instruments, which have a fixed rate of interest, are exposed to fluctuations in fair value resulting from changes in market interest rates. The fair values of long-term debt are based on quoted market prices at the date of measurement. Our credit facilities approximate fair value as they bear interest rates that approximate market. At November 30, 2010, we had approximately \$102.0 million of variable debt outstanding; therefore, a hypothetical increase in interest rates by 1.0 percent would result in an increase in our annual interest expense of approximately \$1.0 million.

At November 30, 2010, the fair value of our total long-term debt as determined by quotes from financial institutions was approximately \$305.6 million. The potential decrease in fair value resulting from a hypothetical 10.0 percent shift in interest rates

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would be approximately \$5.1 million at November 30, 2010.

Credit risk arises from the possible inability of counterparties to meet the terms of their contracts on a net basis. However, we minimize such risk exposures for these instruments by limiting counterparties to large banks and financial institutions that meet established credit guidelines. We do not expect to incur any losses as a result of counterparty default.

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**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholders

International Speedway Corporation

We have audited the accompanying consolidated balance sheets of International Speedway Corporation (the Company) as of November 30, 2010 and 2009, and the related consolidated statements of operations, shareholders equity and cash flows for each of the three years in the period ended November 30, 2010. Our audits also include the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits. We did not audit the financial statements of Motorsports Authentics, LLC (a corporation in which International Speedway Corporation has a 50 percent interest). The financial statements of Motorsports Authentics, LLC have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements, as of November 30, 2009 and for the year then ended, insofar as it relates to the amounts included for Motorsports Authentics, LLC, is based solely on the report of the other auditors. In the consolidated financial statements, International Speedway Corporation's equity investment in Motorsports Authentics, LLC is \$0 at November 30, 2009, and the Company's equity in the net loss of Motorsports Authentics, LLC is \$78 million for the year then ended.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Speedway Corporation at November 30, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended November 30, 2010, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), International Speedway Corporation's internal control over financial reporting as of November 30, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated January 28, 2011, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Certified Public Accountants

Jacksonville, Florida
January 28, 2011

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

International Speedway Corporation

We have audited International Speedway Corporation's internal control over financial reporting as of November 30, 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). International Speedway Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, International Speedway Corporation maintained, in all material respects, effective internal control over financial reporting as of November 30, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of International Speedway Corporation as of November 30, 2010 and 2009, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended November 30, 2010 of International Speedway Corporation and our report dated January 28, 2011 expressed an unqualified opinion thereon. We did not audit the financial statements of Motorsports Authentics, LLC (a corporation in which International Speedway Corporation has a 50 percent interest). The financial statements of Motorsports Authentics, LLC have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements, as of November 30, 2009 and for the year then ended, insofar as it relates to the amounts included for Motorsports Authentics, LLC, is based solely on the report of the other auditors. In the consolidated financial statements, International Speedway Corporation's equity investment in Motorsports Authentics, LLC is \$0, at November 30, 2009, and the Company's equity in the net loss of Motorsports Authentics, LLC is \$78 million, for the year then ended.

/s/ Ernst & Young LLP
Certified Public Accountants

Jacksonville, Florida
January 28, 2011

Table of ContentsINTERNATIONAL SPEEDWAY CORPORATION
Consolidated Balance Sheets

	November 30,	
	2009	2010
	(in thousands, except share and per share amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 158,572	\$ 84,166
Short-term investments	200	
Receivables, less allowance of \$1,200 in 2009 and 2010	41,934	33,935
Inventories	2,963	2,733
Income taxes receivable	4,015	18,108
Deferred income taxes	2,172	4,288
Prepaid expenses and other current assets	8,100	6,776
Total Current Assets	217,956	150,006
Property and Equipment, net	1,353,636	1,376,751
Other Assets:		
Long-term restricted cash and investments	10,144	1,002
Equity investments		43,689
Intangible assets, net	178,610	178,609
Goodwill	118,791	118,791
Other	29,766	9,901
	337,311	351,992
Total Assets	\$ 1,908,903	\$ 1,878,749
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 3,387	\$ 3,216
Accounts payable	18,801	15,829
Deferred income	63,999	49,202
Income taxes payable	8,668	
Current tax liabilities		4,492
Other current liabilities	19,062	19,000
Total Current Liabilities	113,917	91,739
Long-Term Debt	343,793	303,074
Deferred Income Taxes	239,767	279,641
Long-Term Tax Liabilities	20,917	2,131
Long-Term Deferred Income	12,775	11,915
Other Long-Term Liabilities	30,481	3,072
Commitments and Contingencies		
Shareholders' Equity:		
Class A Common Stock, \$.01 par value, 80,000,000 shares authorized; 27,810,169 and 27,531,352 issued and outstanding in	278	275

2009 and 2010, respectively

Class B Common Stock, \$.01 par value, 40,000,000 shares
authorized; 20,579,682 and 20,373,199 issued and outstanding in

2009 and 2010, respectively

	205	203
Additional paid-in capital	493,765	481,154
Retained earnings	665,274	712,099
Accumulated other comprehensive loss	(12,269)	(6,554)
Total Shareholders' Equity	1,147,253	1,187,177
Total Liabilities and Shareholders' Equity	\$ 1,908,903	\$ 1,878,749

See accompanying notes

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INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Operations

	Year Ended November 30,		
	2008	2009	2010
	(in thousands, except share and per share amounts)		
REVENUES:			
Admissions, net	\$ 236,105	\$ 195,509	\$ 160,476
Motorsports related	462,835	432,217	420,910
Food, beverage and merchandise	78,119	56,397	52,527
Other	10,195	9,040	11,444
	787,254	693,163	645,357
EXPENSES:			
Direct:			
Prize and point fund monies and NASCAR sanction fees	154,655	162,960	157,571
Motorsports related	166,047	149,826	142,603
Food, beverage and merchandise	48,159	39,134	36,949
General and administrative	109,439	103,773	102,733
Depreciation and amortization	70,911	72,900	74,465
Impairment of long-lived assets	2,237	16,747	8,859
	551,448	545,340	523,180
Operating income	235,806	147,823	122,177
Interest income and other	(1,630)	1,080	170
Interest expense	(15,861)	(19,203)	(15,216)
Interest rate swap expense		(4,268)	(23,878)
Loss on early redemption of debt			(6,535)
Other income	324	426	
Equity in net loss from equity investments	(1,203)	(77,608)	(1,904)
Income from continuing operations before income taxes	217,436	48,250	74,814
Income taxes	82,678	41,265	20,236
Income from continuing operations	134,758	6,985	54,578
Loss from discontinued operations, net of income taxes of (\$143), (\$124) and (\$25), respectively	(163)	(170)	(47)
Net income	\$ 134,595	\$ 6,815	\$ 54,531
Basic earnings per share:			
Income from continuing operations	\$ 2.71	\$ 0.14	\$ 1.13
Loss from discontinued operations			
Net income	\$ 2.71	\$ 0.14	\$ 1.13

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Diluted earnings per share:			
Income from continuing operations	\$ 2.71	\$ 0.14	\$ 1.13
Loss from discontinued operations			
Net income	\$ 2.71	\$ 0.14	\$ 1.13
Dividends per share	\$ 0.12	\$ 0.14	\$ 0.16
Basic weighted average shares outstanding	49,589,465	48,520,661	48,101,529
Diluted weighted average shares outstanding	49,688,909	48,633,730	48,194,837

See accompanying notes

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INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Changes in Shareholders' Equity
(in thousands)

	Class A Common Stock \$.01 Par Value	Class B Common Stock \$.01 Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
Balance at November 30, 2007	\$ 300	\$ 216	\$ 621,528	\$ 537,044	\$	\$ 1,159,088
Comprehensive income						
Net income				134,595		134,595
Interest rate swap fair value, including tax benefit of \$8,592					(13,216)	(13,216)
Total comprehensive income						121,379
Cash dividends (\$.12 per share)				(5,960)		(5,960)
Other				(324)		(324)
Reacquisition of previously issued common stock	(31)		(127,432)	50		(127,413)
Conversion of Class B Common Stock to Class A Common Stock	5	(5)				
Income tax expense related to stock-based compensation			(101)			(101)
Stock-based compensation			3,282			3,282
Balance at November 30, 2008	274	211	497,277	665,405	(13,216)	1,149,951
Comprehensive income						
Net income				6,815		6,815
Loss on currency translation, including tax benefit of \$23					(34)	(34)
Interest rate swap expense net of income taxes of \$1,682					2,586	2,586
Interest rate swap fair value adjustment, net of					(1,605)	(1,605)

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tax benefit of \$1,043

Total comprehensive income						947
Cash dividends (\$.14 per share)				(6,822)		(6,822)
Other				(426)		(426)
Reacquisition of previously issued common stock	(2)		(5,264)	302		(4,964)
Conversion of Class B Common Stock to Class A Common Stock	6	(6)				
Income tax expense related to stock-based compensation			(420)			(420)
Stock-based compensation			2,172			2,172
Balance at November 30, 2009	278	205	493,765	665,274	(12,269)	1,147,253
Comprehensive income						
Net income				54,531		54,531
Gain on currency translation, net of income taxes of \$38					59	59
Interest rate swap expense, net of income taxes of \$8,777					13,442	13,442
Interest rate swap fair value adjustment, net of tax benefit of \$5,063					(7,786)	(7,786)
Total comprehensive income						5,715
Cash dividends (\$.16 per share)				(7,706)		(7,706)
Reacquisition of previously issued common stock	(5)		(13,845)			(13,850)
Conversion of Class B Common Stock to Class A Common Stock	2	(2)				
Income tax expense related to stock-based compensation			(585)			(585)
Stock-based compensation			1,819			1,819
Balance at November 30, 2010	\$ 275	\$ 203	\$ 481,154	\$ 712,099	\$ (6,554)	\$ 1,187,177

See accompanying notes

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Table of ContentsINTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Cash Flows

	Year Ended November 30,		
	2008	2009	2010
	(in thousands)		
OPERATING ACTIVITIES			
Net income	\$ 134,595	\$ 6,815	\$ 54,531
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	70,911	72,900	74,465
Stock-based compensation	3,282	2,172	1,819
Amortization of financing costs	517	591	671
Interest rate swap expense		4,268	
Deferred income taxes	30,753	15,269	22,799
Loss from equity investments	1,203	77,608	1,904
Impairment of long-lived assets, non cash	784	16,747	8,859
Other, net	3,597	(314)	398
Changes in operating assets and liabilities			
Receivables, net	(698)	5,583	7,999
Inventories, prepaid expenses and other assets	4,117	174	253
Deposits with Internal Revenue Service		111,984	
Accounts payable and other liabilities	(8,233)	(484)	(19,251)
Deferred income	(26,967)	(40,421)	(15,657)
Income taxes	7,030	(11,187)	(26,396)
Net cash provided by operating activities	220,891	261,705	112,394
INVESTING ACTIVITIES			
Capital expenditures	(107,036)	(113,729)	(105,934)
Proceeds from short-term investments	41,700		200
Purchases of short-term investments	(2,650)		
(Increase) decrease in restricted cash	(42,592)	32,448	9,142
Proceeds from affiliate	4,700	12,500	
Equity investments and advances to affiliate	(18,531)	(12,550)	(31,545)
Other, net	700	(1,135)	(70)
Net cash used in investing activities	(123,709)	(82,466)	(128,207)
FINANCING ACTIVITIES			
Proceeds under credit facility	170,000		202,000
Payments under credit facility	(20,000)	(75,000)	(175,000)
Proceeds from long-term debt	51,300		
Payment of long-term debt	(3,505)	(152,801)	(67,974)
Deferred financing fees			(1,651)
Cash dividends paid	(5,960)	(6,822)	(7,706)
Reacquisition of previously issued common stock	(127,413)	(4,964)	(8,262)
Net cash provided by (used in) financing activities	64,422	(239,587)	(58,593)

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Net increase (decrease) in cash and cash equivalents	161,604	(60,348)	(74,406)
Cash and cash equivalents at beginning of year	57,316	218,920	158,572
Cash and cash equivalents at end of year	\$ 218,920	\$ 158,572	\$ 84,166

See accompanying notes

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INTERNATIONAL SPEEDWAY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2010

NOTE 1 DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS: International Speedway Corporation (ISC), including its wholly owned subsidiaries (collectively the Company), is a leading promoter of motorsports themed entertainment activities in the United States. As of November 30, 2010, the Company owned and/or operated 13 of the nation's major motorsports entertainment facilities as follows:

Track Name	Location	Track Length
Daytona International Speedway	Daytona Beach, Florida	2.5 miles
Talladega Superspeedway	Talladega, Alabama	2.6 miles
Michigan International Speedway	Brooklyn, Michigan	2.0 miles
Richmond International Raceway	Richmond, Virginia	0.8 miles
Auto Club Speedway of Southern California	Fontana, California	2.0 miles
Kansas Speedway	Kansas City, Kansas	1.5 miles
Chicagoland Speedway	Joliet, Illinois	1.5 miles
Homestead-Miami Speedway	Homestead, Florida	1.5 miles
Martinsville Speedway	Martinsville, Virginia	0.5 miles
Darlington Raceway	Darlington, South Carolina	1.3 miles
Phoenix International Raceway	Phoenix, Arizona	1.0 mile
Watkins Glen International	Watkins Glen, New York	3.4 miles
Route 66 Raceway	Joliet, Illinois	1/4 mile

In addition, we promote major motorsports activities in Montreal, Quebec, through our wholly owned subsidiary, Stock-Car Montreal.

In 2010, these motorsports entertainment facilities promoted well over 100 stock car, open wheel, sports car, truck, motorcycle and other racing events, including:

21 National Association for Stock Car Auto Racing (NASCAR) Sprint Cup Series events;

16 NASCAR Nationwide Series events;

10 NASCAR Camping World Trucks Series events;

one National Hot Rod Association (NHRA) Full Throttle drag racing series event;

six Grand American Road Racing Association (Grand American) events including the premier sports car endurance event in the United States, the Rolex 24 at Daytona; and

a number of other prestigious stock car, sports car, open wheel and motorcycle events.

The general nature of the Company's business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. The Company's motorsports themed event operations consist principally of racing events at these major motorsports entertainment facilities, which, in total, currently have approximately one million grandstand seats and 530 suites. The Company also conducts, either through operations of the particular facility or through certain wholly owned subsidiaries operating under the name Americrown, souvenir merchandising operations, food and beverage concession operations and catering services, both in suites and chalets, for customers at its motorsports entertainment facilities.

Motor Racing Network, Incorporated (MRN Radio), the Company's proprietary radio network, produces and syndicates to radio stations live coverage of the NASCAR Sprint Cup, Nationwide and Camping World Truck series races and certain other races

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conducted at the Company's motorsports entertainment facilities, as well as some races from motorsports entertainment facilities the Company does not own. In addition, MRN Radio provides production services for Sprint Vision, the trackside large screen video display units, at substantially all NASCAR Sprint Cup Series event weekends. MRN Radio also produces and syndicates daily and weekly NASCAR racing-themed programs.

SIGNIFICANT ACCOUNTING POLICIES:

PRINCIPLES OF CONSOLIDATION: The accompanying consolidated financial statements include the accounts of International Speedway Corporation, and its wholly owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS: For purposes of reporting cash flows, cash and cash equivalents include cash on hand, bank demand deposit accounts and overnight sweep accounts used in the Company's cash management program. All highly liquid investments with stated maturities of three months or less from the date of purchase are classified as cash equivalents.

The Company maintained its cash and cash equivalents primarily with a limited number of financial institutions at November 30, 2010.

The Company's short-term investments consist of certificates of deposit. These short-term investments are recorded at cost which approximates fair value.

RESTRICTED CASH AND INVESTMENTS: Restricted cash and investments at November 30, 2010 include approximately \$1.0 million deposited in trustee administered accounts, consisting of cash, for the construction of our new headquarters building.

RECEIVABLES: Receivables are stated at their estimated collectible amounts. The allowance for doubtful accounts is estimated based on historical experience of write offs and current expectations of conditions that might impact the collectability of accounts.

INVENTORIES: Inventories, consisting of finished goods, are stated at the lower of cost, determined on the first-in, first-out basis, or market.

PROPERTY AND EQUIPMENT: Property and equipment, including improvements to existing facilities, are stated at cost. Depreciation is provided for financial reporting purposes using the straight-line method over the estimated useful lives as follows:

Buildings, grandstands and motorsports entertainment facilities	10-30 years
Furniture and equipment	3-8 years

Leasehold improvements are depreciated over the shorter of the related lease term or their estimated useful lives. The carrying values of property and equipment are evaluated for impairment upon the occurrence of an impairment indicator based upon expected future undiscounted cash flows. If events or circumstances indicate that the carrying value of an asset may not be recoverable, an impairment loss would be recognized equal to the difference between the carrying value of the asset and its fair value.

EQUITY INVESTMENTS: The Company's investments in joint ventures and other investees where it can exert significant influence on the investee, but does not have effective control over the investee, are accounted for using the equity method of accounting. The Company's equity in the net loss from equity method investments is recorded as a loss with a corresponding decrease in the investment. Dividends received reduce the investment. The Company recognizes the effects of transactions involving the sale or distribution by an equity investee of its common stock as capital transactions.

GOODWILL AND INTANGIBLE ASSETS: All business combinations are accounted for under the purchase method. The excess of the cost of the acquisition over fair value of the net assets acquired (including recognized intangibles) is recorded as goodwill. Business combinations involving existing motorsports entertainment facilities commonly result in a significant portion of the purchase price being allocated to the fair value of the contract-based intangible asset associated with long-term relationships manifest in the sanction agreements with sanctioning bodies, such as NASCAR and Grand American. The continuity of sanction agreements with these bodies has historically enabled the Company to host these motorsports events year after year. While individual sanction

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agreements may be of terms as short as one year, a significant portion of the purchase price in excess of the fair value of acquired tangible assets is commonly paid to acquire anticipated future cash flows from events promoted pursuant to these agreements which are expected to continue for the foreseeable future and therefore, in accordance with Accounting Standards Codification (ASC) 805, are recorded as indefinite-lived intangible assets recognized apart from goodwill. The Company's goodwill and other intangible assets are all associated with our Motorsports Event segment.

The Company follows applicable authoritative guidance on accounting for goodwill and other intangible assets which specifies, among other things, non-amortization of goodwill and other intangible assets with indefinite useful lives and requires testing for possible impairment, either upon the occurrence of an impairment indicator or at least annually. The Company completes its annual testing in its fiscal fourth quarter, based on assumptions regarding the Company's future business outlook and expected future discounted cash flows attributable to such assets (using the fair value assessment provision of applicable authoritative guidance), supported by quoted market prices or comparable transactions where available or applicable.

The Company's latest annual assessment of goodwill and other intangible assets in the fourth quarter of fiscal 2010 indicated there had been no impairment and that no reporting units were at risk of failing step one of the goodwill impairment test. In connection with our fiscal 2010 assessment of goodwill and intangible assets for possible impairment we used the methodology described above.

The Company believes its methods used to determine fair value and evaluate possible impairment were appropriate, relevant, and represent methods customarily available and most used for such purposes. Despite the current adverse economic trends, particularly credit availability, the decline in consumer confidence and the rise in unemployment, which have recently contributed to the decrease in attendance related as well as corporate partner revenues for certain of the Company's motorsports events during fiscal 2010, the Company believes there has been no significant change in the long-term fundamentals of its ongoing motorsports event business. The Company believes its present operational and cash flow outlook further support its conclusion. While the Company continues to review and analyze many factors that can impact its business prospects in the future, its analysis is subjective and is based on conditions existing at, and trends leading up to, the time the estimates and assumptions are made. Different conditions or assumptions, or changes in cash flows or profitability, if significant, could have a material adverse effect on the outcome of the impairment evaluation and the Company's future condition or results of operations.

DEFERRED FINANCING FEES: Deferred financing fees are amortized over the term of the related debt and are included in other non-current assets.

DERIVATIVE FINANCIAL INSTRUMENTS: From time to time the Company utilizes derivative instruments in the form of interest rate swaps and locks to assist in managing its interest rate risk. The Company does not enter into any interest rate swap or lock derivative instruments for trading purposes. The differential paid or received on interest rate swap or lock agreements are recognized as an adjustment to interest expense. The change in the fair value of the interest rate swap or lock, which are established as an effective hedge, are included in other comprehensive income and interest expense.

INCOME TAXES: Income taxes have been provided using the liability method. Under this method the Company's estimates of deferred income taxes and the significant items giving rise to deferred tax assets and liabilities reflect its assessment of actual future taxes to be paid on items reflected in its financial statements, giving consideration to both timing and probability of realization.

The Company establishes tax reserves related to certain matters, including penalties and interest, in the period when it is determined that it is probable that additional taxes, penalties and interest will be paid, and the amount is reasonably estimable. Such tax reserves are adjusted, as needed, in light of changing circumstances, such as statute of limitations expirations and other developments relating to uncertain tax positions and current tax items under examination, appeal or litigation.

REVENUE RECOGNITION: Advance ticket sales and event-related revenues for future events are deferred until earned, which is generally once the events are conducted. The recognition of event-related expenses is matched with the recognition of event-related revenues. Revenues and related expenses from the sale of merchandise to retail customers, internet sales and direct sales to dealers are recognized at the time of the sale. Revenues are presented net

of any applicable taxes collected and remitted to governmental agencies.

Kansas Speedway Corporation (KSC) and Chicagoland Speedway (Chicagoland) offer Preferred Access Speedway Seating (PASS) agreements, which give purchasers the exclusive right and obligation to purchase season-ticket packages for certain sanctioned racing events annually, under specified terms and conditions. Among the conditions, licensees are required to purchase all

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season-ticket packages when and as offered each year. PASS agreements automatically terminate without refund should owners not purchase any offered season tickets.

Net fees received under PASS agreements are deferred and are amortized into income over the term of the agreements. Long-term deferred income under the PASS agreements totals approximately \$12.8 million and \$10.9 million at November 30, 2009 and 2010, respectively.

ADVERTISING EXPENSE: Advertising costs are expensed as incurred or, as in the case of race-related advertising, upon the completion of the event. Race-related advertising included in prepaid expenses and other current assets at November 30, 2009 and 2010 was approximately \$706,000 and \$284,000, respectively. Advertising expense from continuing operations was approximately \$21.8 million, \$19.8 million and \$18.4 million for the years ended November 30, 2008, 2009 and 2010, respectively.

LOSS CONTINGENCIES: Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

USE OF ESTIMATES: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS: Certain prior year amounts in the Consolidated Statements of Operations have been reclassified to conform to the current year presentation.

NEW ACCOUNTING PRONOUNCEMENTS: In accordance with the ASC 805-50, Business Combinations, the topic was issued to retain the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way assets and liabilities are recognized in the purchase accounting. It also changes the recognition of assets acquired and liabilities assumed arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition-related costs as incurred. ASC 805-50 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company's adoption of this statement in fiscal 2010 did not have an impact on its financial position and results of operations.

In accordance with the ASC 810-10, Consolidation, minority interests will be recharacterized as noncontrolling interests and will be reported as a component of equity separate from the parent's equity, and purchases or sales of equity interests that do not result in a change in control will be accounted for as equity transactions. In addition, net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement and upon a loss of control, the interest sold, as well as any interest retained, will be recorded at fair value with any gain or loss recognized in earnings. This portion of ASC 810-10 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, except for the presentation and disclosure requirements, which will apply retrospectively. The Company's adoption of this statement in fiscal 2010 did not have an impact on its financial position and results of operations.

Also, in accordance with ASC 810-10, the improvement of financial reporting by enterprises involved with variable interest entities was made by addressing (1) the effects on certain provisions of Financial Accounting Standards Board (FASB) Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, as a result of the elimination of the qualifying special-purpose entity concept in the ASC 860-10, Transfers and Servicing, and (2) constituent concerns about the application of certain key provisions of Interpretation 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This portion of ASC 810-10 is effective for financial statements issued for fiscal years beginning after November 15, 2009, with earlier adoption prohibited. The Company's adoption of this statement in fiscal 2010 did not have an impact on its financial position and results of operations.

In accordance with the ASC 260-10-45, Earnings Per Share, instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in computing earnings per share under the two-class method. ASC 260-10-45 affects entities that accrue dividends on share-based payment awards during the associated service period when the return of dividends is not required if employees forfeit such awards. ASC 260-10-45 is effective for fiscal years and interim

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periods beginning after December 15, 2008. The Company's adoption of this statement in fiscal 2010 did not have an impact on its financial position and results of operations.

In accordance with the ASC 323-10, Investments—Equity Method and Joint Ventures, questions that have arisen regarding the application of the equity method subsequent to the issuance of SFAS No. 141R and SFAS No. 160. This portion of ASC 323-10 is effective for fiscal years beginning after December 15, 2008, and interim periods within those years. Early application is not permitted. The Company's adoption of this statement in fiscal 2010 did not have an impact on its financial position and results of operations.

Accounting Standards Update (ASU) 2010-06, Improving Disclosures about Fair Value Measurements, an amendment to ASC 820, Fair Value Measurements and Disclosures, was issued to provide more information regarding the transfers in and out of Levels 1 and 2 inputs as well as additional disclosures about Level 3 inputs. The disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Company's adoption of these amendments in fiscal 2010 did not have an impact on its financial position and results of operations.

In September 2009, FASB amended ASC 605, as summarized in ASU 2009-13, Revenue Recognition: Multiple-Deliverable Revenue Arrangements. As summarized in ASU 2009-13, ASC Topic 605 has been amended: (1) to provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) to require an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have VSOE or third-party evidence of selling price; and (3) to eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method. The accounting changes in ASU 2009-13 are both effective for fiscal years beginning on or after June 15, 2010, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application. The Company is currently evaluating the potential impact that the adoption of this statement will have on its financial position and results from operations and will adopt the provision of this statement in fiscal 2011.

NOTE 2 ACCOUNTING ADJUSTMENT

During the first quarter of fiscal 2008, the Company recorded a non-cash charge totaling approximately \$3.8 million, or \$0.07 per diluted share, to correct the carrying value amount of certain other assets. This adjustment was recorded in interest income and other in the consolidated statement of operations. The Company believes the adjustment is not material to its consolidated financial statements for the year ended November 30, 2008. In accordance with Staff Accounting Bulletin 108 (SAB Topic 1.N), the Company considered qualitative and quantitative factors, including the income from continuing operations it reported in fiscal year 2008 and in each of the prior years, the non-cash nature of the adjustment and its substantial shareholders' equity at the end of each of the prior years.

NOTE 3 EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the years ended November 30, (in thousands, except share and per share amounts):

	2008	2009	2010
Basic and diluted:			
Income from continuing operations	\$ 134,758	\$ 6,985	\$ 54,578
Loss from discontinued operations	(163)	(170)	(47)
Net income	\$ 134,595	\$ 6,815	\$ 54,531
Basic earnings per share denominator:			
Weighted average shares outstanding	49,589,465	48,520,661	48,101,529

Basic earnings per share:

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Income from continuing operations	\$	2.71	\$	0.14	\$	1.13
Loss from discontinued operations						
Net income	\$	2.71	\$	0.14	\$	1.13
Diluted earnings per share denominator:						
Weighted average shares outstanding		49,589,465		48,520,661		48,101,529
Common stock options		1,302				
Contingently issuable shares		98,142		113,069		93,308
Diluted weighted average shares outstanding		49,688,909		48,633,730		48,194,837
Diluted earnings per share:						
Income from continuing operations	\$	2.71	\$	0.14	\$	1.13
Loss from discontinued operations						
Net income	\$	2.71	\$	0.14	\$	1.13
Anti-dilutive shares excluded in the computation of diluted earnings per share		197,305		250,269		271,494

Table of Contents**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of November 30 (in thousands):

	2009	2010
Land and leasehold improvements	\$ 227,072	\$ 235,773
Buildings, grandstands and motorsports entertainment facilities	1,353,250	1,461,164
Furniture and equipment	156,127	153,494
Construction in progress	157,363	115,605
	1,893,812	1,966,036
Less accumulated depreciation	540,176	589,285
	\$1,353,636	\$1,376,751

Depreciation expense from continuing operations was approximately \$70.8 million, \$72.8 million and \$74.5 million for the years ended November 30, 2008, 2009 and 2010, respectively.

NOTE 5 IMPAIRMENT OF LONG-LIVED ASSETS**Daytona Development Project**

During the fiscal 2010 we determined that certain capitalized costs were no longer expected to benefit the future development project. Accordingly, we recognized a non-cash impairment totaling approximately \$5.8 million, or \$0.07 per diluted share, consisting primarily of architecture and engineering, legal and associated capitalized interest. The costs which continue to be capitalized on this project consist principally of land and land related improvements which are expected to provide benefits to the ongoing development.

NOTE 6 EQUITY AND OTHER INVESTMENTS**Hollywood Casino at Kansas Speedway**

On December 1, 2009, Kansas Entertainment, LLC, ("Kansas Entertainment") a 50/50 joint venture of Penn Hollywood Kansas, Inc. ("Penn"), a subsidiary of Penn National Gaming, Inc. and Kansas Speedway Development Corporation ("KSDC"), a wholly owned subsidiary of ISC, was selected by the Kansas Lottery Gaming Facility Review Board to develop and operate a gaming facility in the Northeast Zone (Wyandotte County, Kansas). On February 12, 2010, Kansas Entertainment received the final approval under the Kansas Expanded Lottery Act, along with its gaming license from the Kansas Racing and Gaming Commission. Construction of the Hollywood-themed and branded entertainment destination facility, overlooking turn two of Kansas Speedway, began in April 2010 with a planned opening in the first half of 2012.

The initial phase of this project, including certain changes to the scope and mix of gaming operations and amenities approved by the Kansas Lottery Commission in August 2010, features an 82,000 square foot casino with 2,000 slot machines and 52 table games (including 12 poker tables), a 1,253 space parking structure as well as a sports-themed bar, dining and entertainment options. Kansas Entertainment anticipates funding the initial phase of the development with a mix of equity contributions from each partner as well third party financing, which it is currently pursuing. KSDC and Penn will share equally in the cost of developing and constructing the facility. The Company currently estimates that its share of capitalized development costs for the project, excluding the Company's contribution of the land, will be approximately \$155.0 million. In addition, the Company expects to continue to incur certain other start up and related costs through opening, a number of which will be expensed through equity in net loss from equity investments. Penn is the managing member of Kansas Entertainment and will be responsible for the development and operation of the casino and hotel.

The Company has accounted for Kansas Entertainment as an equity investment in its financial statements as of November 30, 2010 and its 50.0 percent portion of Kansas Entertainment's net loss is approximately \$1.9 million, related to certain start up costs, and is included in equity in net loss from equity investments in its consolidated statements of operations. There were no operations included in its consolidated statements of operations in the same

periods in fiscal 2009 or 2008.

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Staten Island Property

In connection with the Company's efforts to develop a major motorsports entertainment facility in the New York metropolitan area, its wholly owned indirect subsidiary, 380 Development, LLC ("380 Development"), purchased a total of 676 acres located in the New York City borough of Staten Island in early fiscal 2005 and began improvements including fill operations on the property. In December 2006, the Company announced its decision to discontinue pursuit of the speedway development on Staten Island. In May 2007, the Company entered into a Consent Order with the New York Department of Environmental Conservation ("DEC") to resolve certain issues surrounding the fill operations and the prior placement of fill at the site that contained constituents above regulatory thresholds. The Consent Order required the Company to remove non-compliant fill pursuant to an approved comprehensive fill removal plan, and to pay a penalty to DEC of \$562,500, half of which was paid in May 2007 and the other half of which was suspended so long as it complied with the terms of the Consent Order. During the second quarter of fiscal 2009 the DEC notified the Company that it had complied with the terms of the Consent Order and that it had no further obligations under the Consent Order.

In October 2009, the Company announced that it had entered into a definitive agreement ("Agreement") with KB Marine Holdings LLC ("KB Holdings") under which KB Holdings would acquire 100 percent of the outstanding equity membership interests of 380 Development for a total purchase price of \$80.0 million. Upon execution of the Agreement, ISC received a non-refundable \$1.0 million payment. This transaction was scheduled to close by February 25, 2010. However, the closing was subject to certain conditions including KB Holdings securing the required equity commitments to acquire the property and performing its obligation under the Agreement. KB Holdings did not obtain resolution of certain issues relating to the fill permitting process which prevented it from obtaining funding and closing the Agreement.

During the third quarter of fiscal 2009, the Company determined, based on its understanding of the real estate market and the above transaction, that the current carrying value of the property was in excess of the fair market value. As a result, the Company recognized a non-cash, pre-tax charge in its results of approximately \$13.0 million, or \$0.16 per diluted share, which is included in the Motorsports Event segment.

On September 2, 2010, the Company executed a second amendment to the Agreement which provided an extension to KB Holdings to close the transaction on or before November 30, 2010. Under the terms of that extension, the purchase price to be paid by KB Holdings was \$88.0 million, \$33.6 million of which, in non-refundable deposits and cash, was to be received at or prior to closing, and \$54.4 million of which will be in the form of a promissory note payable on or before August 31, 2011. The promissory note would have had a market-based interest rate and was to be secured by a first priority security interest in the outstanding equity membership interests of 380 Development. The Company expected that the proceeds from the sale, net of applicable broker commissions and other closing costs would result in an immaterial gain or loss on the transaction upon closing.

On December 6, 2010, the Company announced the termination of the Agreement with KB Holdings for the sale of the Staten Island, New York property. KB Holdings did not fulfill the terms of the second amendment to the Agreement to close the transaction on or before November 30, 2010. As a result of the transaction terminating, the Company is pursuing discussions with alternative buyers for the 676-acre parcel of property located in Staten Island.

Motorsports Authentics

The Company is a partner with Speedway Motorsports, Inc. in a 50/50 joint venture, SMISC, LLC, which, through its wholly owned subsidiary Motorsports Authentics, LLC conducts business under the name Motorsports Authentics ("MA"). MA designs, promotes, markets and distributes motorsports licensed merchandise.

In fiscal 2009, MA management and ownership considered various approaches to optimize performance in MA's various distribution channels. As the challenges were assessed, it became apparent that there was significant risk in future business initiatives in mass apparel, memorabilia and other yet to be developed products. These initiatives had previously been deemed achievable and were included in projections that supported the carrying value of inventory, goodwill and other intangible assets on MA's balance sheet. This analysis, combined with a long-term macroeconomic outlook that was less robust than previously expected, triggered MA's review of certain assets under ASC 350 and ASC 360 and the Company's evaluation under ASC 320-10.

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In the fiscal third quarter 2009, MA, suffering financial stress from the recession, ceased paying certain guaranteed royalties under several license agreements where estimated royalties payable based on projected sales were less than stipulated guaranteed minimum royalties payable (unearned royalties). All earned royalties that were due have been paid. MA had received notices from certain licensors alleging default under the license agreements should MA not pay unearned royalties within stipulated cure periods.

As a result of the foregoing which triggered the Company's evaluation performed under ASC 320-10, the Company recognized significant impairments of its equity investment in MA during the second and fourth quarters of fiscal 2009, resulting in a reduction to the carrying value of the Company's investment in MA to zero at November 30, 2009.

MA's management, with the assistance of an independent appraisal firm, completed its review in the fourth quarter of fiscal 2009, concluding that the fair value of MA's goodwill and intangible assets should be reduced to zero.

Going into fiscal 2010, MA management and ownership continued to explore business strategies in conjunction with certain motorsports industry stakeholders that allow the possibility for MA to operate profitably in the future. As with any business in an adverse economic environment, management must find the optimal business model for long-term viability. In addition to revisiting the business vision for MA, management, with support of ownership, has undertaken certain initiatives to improve inventory controls and buying cycles, as well as implemented changes to make MA a more efficiently operated and profitable company. The Company believes a revised MA business vision, which includes the successful resolution of license agreement terms and favorable license terms in the future, along with a focus on its core competencies, streamlined operations, reduced operating costs and inventory risk, are necessary for MA to survive as a profitable operation in the future.

In July 2010, certain industry stakeholders created the NASCAR Licensing Trust (Trust) that is represented by a Board of Directors that includes representatives from NASCAR, the sanctioning body, and from NASCAR Teams. Under this new agreement, the Trust brings a new structure to the licensing business that will be more efficient for the industry. The benefit to the licensees is a more focused and streamlined licensing business that will reduce cost, foster more efficient administrative processes, and allow for more cohesive retail and marketing strategies.

The Trust represents four key categories—die-cast, toys, apparel and trackside retail rights—and grants the rights of any NASCAR driver that is participating in the licensing categories included in the Trust. The revenues will be distributed based on percentage of licensed sales and allocated according to actual earnings to each licensor. This should allow the industry to more efficiently manage costs and increase revenues, while providing a wider selection of products for fans.

Concurrent with the creation of the Trust, MA management, ownership and industry stakeholders negotiated MA's release from future guaranteed minimum royalties as well as the current unearned guaranteed minimum royalties payable to NASCAR team licensors. With respect to the one agreement secured by parent company guarantees, MA and the parent companies negotiated a settlement amount to eliminate future guaranteed minimum royalties.

As a result of the settlement, the Company's remaining guaranty exposure, to one NASCAR team licensor, has been reduced to approximately \$5.0 million and will be satisfied upon MA making certain payments to the team through January 2013. In January 2011, MA made a payment to the team effectively reducing the Company's guaranty exposure to \$3.8 million. While it is possible that some obligation under this guarantee may occur in the future, the amount it will ultimately pay cannot be estimated at this time. In any event, the Company does not believe that the ultimate financial outcome will have a material impact on its financial position or results of operations.

The Company did not recognize any net income or loss from operations of MA during fiscal 2010 since our investment was previously reduced to zero. The Company's 50.0 percent portion of MA's fiscal 2009 net loss is approximately \$77.6 million, or \$1.63 per diluted share, which included the aforementioned impairment charges. Fiscal 2008 equity in net income from MA was approximately \$1.6 million, or \$0.02 per diluted share.

Other Equity Investments

The Company's equity investments, also include the Company's 50.0 percent limited partnership investment in Stock-Car Montreal L.P. prior to the acquisition of the remaining interest in February 2009.

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The Company's share of undistributed equity in the loss from equity investments included in retained earnings at November 30, 2009 and 2010, was approximately \$136.1million and \$138.0 million respectively. Summarized financial information on the Company's equity investments as of and for the years ended November 30, are as follows (in thousands):

	2008	2009	2010
Current assets	\$ 50,507	\$ 24,391	\$73,109
Noncurrent assets	144,143	3,215	43,174
Current liabilities	31,103	20,678	15,700
Noncurrent liabilities	10,963	5,344	6,316
Net sales	217,060	118,473	75,143
Gross profit	65,578	21,042	28,971
Operating income (loss)	623	(159,227)	(2,668)
Net income (loss)	2,842	(151,637)	(965)

NOTE 7 GOODWILL AND INTANGIBLE ASSETS

The gross carrying value and accumulated amortization of the major classes of intangible assets relating to the Motorsports Event segment as of November 30 are as follows (in thousands):

		2009	
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Food, beverage and merchandise contracts	\$ 10	\$ 6	\$ 4
Total amortized intangible assets	10	6	4
Non-amortized intangible assets:			
NASCAR sanction agreements	177,813		177,813
Other	793		793
Total non-amortized intangible assets	178,606		178,606
Total intangible assets	\$178,616	\$ 6	\$178,610

		2010	
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Food, beverage and merchandise contracts	\$ 10	\$ 7	\$ 3
Total amortized intangible assets	10	7	3
Non-amortized intangible assets:			
NASCAR sanction agreements	177,813		177,813
Other	793		793

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Total non-amortized intangible assets	178,606		178,606
Total intangible assets	\$178,616	\$ 7	\$178,609

The following table presents current and expected amortization expense of the existing intangible assets as of November 30, for each of the following periods (in thousands):

Amortization expense for the year ended November 30, 2010	\$1
Estimated amortization expense for the year ending November 30:	
2011	1
2012	1
2013	1

There were no changes in the carrying value of goodwill during fiscal 2009 and 2010.

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Long-term debt consists of the following as of November 30 (in thousands):

	November 30, 2009	November 30, 2010
5.4 percent Senior Notes	\$ 149,950	\$ 87,018
5.8 percent Bank Loan	2,109	
4.8 percent Revenue Bonds	1,807	1,541
6.8 percent Revenue Bond	2,285	1,180
Construction Term Loan	51,300	50,994
TIF bond debt service funding commitment	64,729	63,557
Revolving Credit Facilities	75,000	102,000
	347,180	306,290
Less: current portion	3,387	3,216
	\$ 343,793	\$ 303,074

Schedule of Payments (in thousands)

For the year ending November 30:

2011	\$ 3,216
2012	2,266
2013	2,512
2014	89,847
2015	105,436
Thereafter	103,828
	307,105
Net premium	(815)
Total	\$ 306,290

On April 23, 2004, the Company completed an offering of \$300.0 million principal amount of unsecured senior notes in a private placement. On September 27, 2004, the Company completed an offer to exchange the senior notes for registered senior notes with substantially identical terms (2004 Senior Notes). The remaining 2004 Senior Notes which bear interest at 5.4 percent and are due April 2014 require semi-annual interest payments on April 15 and October 15 through their maturity. The 2004 Senior Notes may be redeemed in whole or in part, at the Company's option, at any time or from time to time at redemption prices as defined in the indenture. Certain of the Company's wholly owned domestic subsidiaries are guarantors of the 2004 Senior Notes. The 2004 Senior Notes also contain various restrictive covenants. Total gross proceeds from the sale of the 2004 Senior Notes were \$300.0 million, net of discounts of approximately \$431,000 and approximately \$2.6 million of deferred financing fees. The deferred financing fees are being treated as additional interest expense and amortized over the life of the 2004 Senior Notes on a straight-line method, which approximates the effective yield method. In March 2004, the Company entered into interest rate swap agreements to effectively lock in the interest rate on approximately \$150.0 million of the 2004 Senior Notes. The Company terminated the interest rate swap agreements on April 23, 2004 and received approximately \$2.2 million, which was amortized over the life of \$150.0 million of the 2004 Senior Notes that matured in April 2009.

In November 2010, the Company completed a cash tender offer where it purchased approximately \$63.0 million on the remaining 2004 Senior Notes, including the payment of a tender premium of approximately \$6.0 million and accrued interest. The net tender premium, associated unamortized net deferred financing costs and unamortized original issuance discount were recorded as net loss on early tender of debt totaling approximately \$6.5 million. At November 30, 2010, outstanding unsecured 2004 Senior Notes totaled approximately \$87.0 million, net of unamortized discounts.

In June 2008, the Company entered into an interest rate swap agreement to effectively lock in a substantial portion of the interest rate exposure on approximately \$150.0 million notional amount in anticipation of refinancing the \$150.0 million 2004 Senior Notes that matured in April 2009. This interest rate swap was designated and qualified as a cash flow hedge under ASC 815, Accounting for Derivatives and Hedging. As a result of the uncertainty with the U.S. credit markets, in February 2009, the Company amended and re-designated its interest rate swap agreement as a cash flow hedge with an expiration in February 2011.

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During fiscal 2010, based on its current financial position and reduction in the anticipated debt issuance from \$150.0 million to \$65.0 million, the Company discontinued this cash flow hedge and settled the related liability for approximately \$39.0 million. As a result of these transactions the Company recognized approximately \$4.3 million and \$23.9 million of expense associated with this interest rate swap for the years ended November 30, 2009 and 2010, respectively. Included in fiscal 2010 expense is approximately \$1.8 million of ineffectiveness associated with the interest rate swap. This expense was recorded in interest rate swap expense in the consolidated statement of operations. At November 30, 2010 the Company has approximately \$6.6 million, net of tax, deferred in other comprehensive income associated with this interest rate swap which will be amortized over life of the future debt issuance (see below). The Company expects to recognize approximately \$1.0 million of this balance during the next 12 months in interest expense in the consolidated statement of operations.

In January 2011 the Company completed an offering of approximately \$65.0 million principal amount of senior unsecured notes in a private placement (2021 Senior Notes). The 2021 Senior Notes which bear interest at 4.63 percent and are due January 2021 require semi-annual interest payments on January 18 and July 18 through their maturity. The 2021 Senior Notes may be redeemed in whole or in part, at our option, at any time or from time to time at redemption prices as defined in the indenture. Certain of the Company's wholly owned domestic subsidiaries are guarantors of the 2021 Senior Notes. The 2021 Senior Notes also contain various restrictive covenants. The deferred financing fees, along with the aforementioned deferred interest rate swap balance included in other comprehensive income, will be treated as additional interest expense and will be amortized over the life of the 2021 Senior Notes on a straight-line method, which approximates the effective yield method.

Debt associated with the Company's wholly owned subsidiary, Raceway Associates, which owns and operates Chicagoland Speedway and Route 66 Raceway, consists of the following:

A bank term loan (5.8 percent Bank Loan) consisting of a construction and mortgage note with a current interest rate of 5.8 percent and a monthly payment of \$48,000 principal and interest. On June 30, 2010, the Company repaid the outstanding balance on the 5.8 percent Bank Loan.

Revenue bonds payable (4.8 percent Revenue Bonds) consisting of economic development revenue bonds issued by the City of Joliet, Illinois to finance certain land improvements. The 4.8 percent Revenue Bonds have an interest rate of 4.8 percent and a monthly payment of \$29,000 principal and interest. At November 30, 2010, outstanding principal on the 4.8 percent Revenue Bonds was approximately \$1.5 million.

Revenue bonds payable (6.8 percent Revenue Bonds) that are special service area revenue bonds issued by the City of Joliet, Illinois to finance certain land improvements. The 6.8 percent Revenue Bonds are billed and paid as a special assessment on real estate taxes. Interest payments are due on a semi-annual basis at 6.8 percent with principal payments due annually. Final maturity of the 6.8 percent Revenue Bonds is January 2012. At November 30, 2010, outstanding principal on the 6.8 percent Revenue Bonds was approximately \$1.2 million.

In July 2008, a wholly owned subsidiary of the Company entered into a construction term loan agreement (6.3 percent Term Loan) to finance the construction of the International Motorsports Center. The 6.3 percent Term Loan has a 25 year term due October 2034, an interest rate of 6.3 percent, and a current monthly payment of approximately \$292,000. At November 30, 2010, the outstanding principal on the 6.3 percent Term Loan was approximately \$51.0 million.

In January 1999, the Unified Government, issued approximately \$71.3 million in TIF bonds in connection with the financing of construction of Kansas Speedway. At November 30, 2010, outstanding TIF bonds totaled approximately \$63.6 million, net of the unamortized discount, which is comprised of a \$15.9 million principal amount, 6.2 percent term bond due December 1, 2017 and a \$49.7 million principal amount, 6.8 percent term bond due December 1, 2027. The TIF bonds are repaid by the Unified Government with payments made in lieu of property taxes (Funding Commitment) by the Company's wholly owned subsidiary, Kansas Speedway Corporation. Principal (mandatory redemption) payments per the Funding Commitment are payable by Kansas Speedway Corporation on October 1 of each year. The semi-annual interest component of the Funding Commitment is payable on April 1 and October 1 of each year. Kansas Speedway Corporation granted a mortgage and security interest in the Kansas project for its

Funding Commitment obligation.

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In October 2002, the Unified Government issued subordinate sales tax special obligation revenue bonds (2002 STAR Bonds) totaling approximately \$6.3 million to reimburse the Company for certain construction already completed on the second phase of the Kansas Speedway project and to fund certain additional construction. The 2002 STAR Bonds, which require annual debt service payments and are due December 1, 2022, will be retired with state and local taxes generated within the Kansas Speedway's boundaries and are not the Company's obligation. KSC has agreed to guarantee the payment of principal, any required premium and interest on the 2002 STAR Bonds. At November 30, 2010, the Unified Government had approximately \$2.6 million in 2002 STAR Bonds outstanding. Under a keepwell agreement, the Company has agreed to provide financial assistance to KSC, if necessary, to support its guarantee of the 2002 STAR Bonds.

In November 2010, the Company entered into a \$300.0 million revolving credit facility (2010 Credit Facility). The 2010 Credit Facility contains a feature that allows the Company to increase the credit facility to a total of \$500.0 million, subject to certain conditions. Upon execution of the 2010 Credit Facility, the Company terminated its then existing \$300.0 million revolving credit facility. The 2010 Credit Facility is scheduled to mature in November 2015, and accrues interest at LIBOR plus 150.0 - 225.0 basis points, depending on the better of the Company's debt rating as determined by specified rating agencies or the Company's leverage ratio. The 2010 Credit Facility contains various restrictive covenants. At November 30, 2010, the Company had approximately \$102.0 million outstanding under the 2010 Credit Facility. In January 2011, in connection with the issuance of the 2011 Senior Notes the Company repaid approximately \$52.0 million of the amounts outstanding on the 2010 Credit Facility.

Total interest expense from continuing operations incurred by the Company was approximately \$15.9 million, \$19.2 million and \$15.2 million for the years ended November 30, 2008, 2009 and 2010, respectively. Total interest capitalized for the years ended November 30, 2008, 2009 and 2010 was approximately \$6.9 million, \$2.7 million and \$2.2 million, respectively.

Financing costs of approximately \$4.3 million and \$5.1million, net of accumulated amortization, have been deferred and are included in other assets at November 30, 2009 and 2010, respectively. These costs are being amortized on a straight line method, which approximates the effective yield method, over the life of the related financing.

NOTE 9 FEDERAL AND STATE INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the provision for income taxes from continuing operations for the years ended November 30, are as follows (in thousands):

	2008	2009	2010
Current tax expense (benefit):			
Federal	\$44,700	\$21,680	\$ 5,002
State	7,155	4,324	(7,510)
Foreign	70		(48)
Deferred tax expense (benefit):			
Federal	31,767	13,541	22,121
State	(1,014)	1,720	671
Provision for income taxes	\$82,678	\$41,265	\$20,236

The reconciliation of income tax expense computed at the federal statutory tax rates to income tax expense from continuing operations for the years ended November 30, is as follows (percent of pre-tax income):

2008	2009	2010
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Income tax computed at federal statutory rates	35.0%	35.0%	35.0%
Loss (income) from equity investment	(0.5)	62.5	
IRS interest income rec'd, net of fed tax benefit		(18.5)	
State settlements, net of federal tax benefit			(8.8)
State income taxes, net of federal tax benefit	3.4	3.1	2.2
State tax credits, net of federal tax benefit			(2.0)
Other, net	0.1	3.4	0.6
	38.0%	85.5%	27.0%

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The components of the net deferred tax assets (liabilities) at November 30 are as follows (in thousands):

	2009	2010
Impaired long-lived assets	\$ 38,078	\$ 38,277
Unrecognized tax benefits	13,516	2,272
Amortization and depreciation	4,319	913
Loss carryforwards	6,035	8,494
Deferred revenues	3,265	2,792
Accruals	4,371	4,960
Compensation related	3,016	2,796
Deferred expenses	1,782	1,779
Interest	9,711	6,706
Other	6	6
Deferred tax assets	84,099	68,995
Valuation allowance	(2,821)	(3,559)
Deferred tax assets, net of valuation allowance	81,278	65,436
Amortization and depreciation	(318,342)	(340,260)
Other	(531)	(529)
Deferred tax liabilities	(318,873)	(340,789)
Net deferred tax liabilities	\$(237,595)	\$(275,353)
Deferred tax assets current	\$ 2,172	\$ 4,288
Deferred tax liabilities noncurrent	(239,767)	(279,641)
Net deferred tax liabilities	\$(237,595)	\$(275,353)

The Company has recorded deferred tax assets related to various state and foreign net operating loss carryforwards totaling approximately \$8.5 million that expire in varying amounts beginning in fiscal 2020. The valuation allowance increased by approximately \$0.7 million during the fiscal year ended November 30, 2010, and is attributable to loss carryforwards and, to a lesser extent impairments of long-lived assets. The valuation allowance has been provided due to the uncertainty regarding the realization of state and foreign deferred tax assets associated with these loss carryforwards and impaired long-lived assets. In evaluating the Company's ability to recover its deferred income tax assets it considers all available positive and negative evidence, including operating results, ongoing tax planning and forecasts of future taxable income on a jurisdiction by jurisdiction basis.

Federal returns for fiscal years 2007 through 2010 remain open and subject to examination by the Internal Revenue Service. The Company files and remits state income taxes in various states where the Company has determined it is required to file state income taxes. The Company's filings with those states remain open for audit for the fiscal years 2006 through 2010.

In June 2006, the FASB issued FASB Interpretation No. 48 (ASC 740) which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attributes for financial statement disclosure of income tax positions taken or expected to be taken on a tax return. Also, FIN 48 provides guidance on de-recognition, classification, interest and penalties, disclosure, and transition.

A reconciliation of the beginning and ending amount of unrecognized tax liability is as follows (in thousands):

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Balance at December 1, 2009	\$ 11,502
Additions based on tax positions related to the current year	783
Additions for tax positions of prior years	1,005
Reductions for tax positions of prior years	(1,109)
Settlements	(7,148)
Balance at November 30, 2010	\$ 5,033

As of November 30, 2010, in accordance with ASC 740, Income Taxes, the Company has a total liability of approximately \$6.6 million for uncertain tax positions, inclusive of tax, interest, and penalties. Of this amount, approximately \$5.0 million represents income tax liability for uncertain tax positions related to various federal and state income tax matters. If the accrued liability was de-recognized, approximately \$3.3 million of taxes would impact the Company's consolidated statement of operations as a reduction to its effective tax rate. Included in the balance sheet at November 30, 2010 are approximately \$1.8 million of items of which, under existing tax laws, the ultimate deductibility is certain but for which the timing of the deduction is uncertain. Because of the impact of

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deferred income tax accounting, a deduction in a subsequent period would result in a deferred tax asset. Accordingly, upon de-recognition, the tax benefits associated with the reversal of these timing differences would have no impact, except for related interest and penalties, on the Company's effective income tax rate.

The Company recognizes interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes. As of November 30, 2010, the total amounts for accrued interest and penalties were approximately \$1.5 million and approximately \$0.1 million, respectively. If the accrued interest and penalties were de-recognized, approximately \$0.9 million would impact the Company's consolidated statement of operations as a reduction to its effective tax rate.

The Company continues to pursue settlements with the appropriate state tax authorities related to certain state tax issues, as well as in connection with our recently settled examination with the Internal Revenue Service, and on similar terms. The Company expects to pay between \$3.0 million and \$3.5 million in total to finalize all pending settlements with various states within the next 3 to 12 months. The Company believes that it has provided adequate reserves related to these various state matters including interest charges through November 30, 2010, and, as a result, does not expect that such an outcome would have a material adverse effect on results of operations.

The tax treatment of providing a valuation allowance related to losses incurred by the Company's Motorsports Authentics equity investment, partially offset by the reduction in income taxes due to the interest income related to the Company's settlement with the Internal Revenue Service, are the principal causes of the increased effective income tax rate for the fiscal year ended November 30, 2009. The de-recognition of potential interest and penalties associated with certain state settlements as well as certain state credits accrued are the principal causes of the decreased effective income tax rate for the fiscal year ended November 30, 2010.

As a result of the above items, the Company's effective income tax rate increased from the statutory income rate to approximately 85.5 percent for the fiscal year ended November 30, 2009, and decreased from the statutory income rate to approximately 27.0 percent for the fiscal year ended November 30, 2010.

NOTE 10 CAPITAL STOCK

The Company's authorized capital includes 80.0 million shares of Class A Common Stock, par value \$.01 (Class A Common Stock), 40.0 million shares of Class B Common Stock, par value \$.01 (Class B Common Stock), and 1.0 million shares of Preferred Stock, par value \$.01 (Preferred Stock). The shares of Class A Common Stock and Class B Common Stock are identical in all respects, except for voting rights and certain dividend and conversion rights as described below. Each share of Class A Common Stock entitles the holder to one-fifth (1/5) vote on each matter submitted to a vote of the Company's shareholders and each share of Class B Common Stock entitles the holder to one (1) vote on each such matter, in each case including the election of directors. Holders of Class A Common Stock and Class B Common Stock are entitled to receive dividends at the same rate if and when declared by the Board of Directors out of funds legally available therefrom, subject to the dividend and liquidation rights of any Preferred Stock that may be issued and outstanding. Class A Common Stock has no conversion rights. Class B Common Stock is convertible into Class A Common Stock, in whole or in part, at any time at the option of the holder on the basis of one share of Class A Common Stock for each share of Class B Common Stock converted. Each share of Class B Common Stock will also automatically convert into one share of Class A Common Stock if, on the record date of any meeting of the shareholders, the number of shares of Class B Common Stock then outstanding is less than 10.0 percent of the aggregate number of shares of Class A Common Stock and Class B Common Stock then outstanding.

The Board of Directors of the Company is authorized, without further shareholder action, to divide any or all shares of the authorized Preferred Stock into series and fix and determine the designations, preferences and relative rights and qualifications, limitations, or restrictions thereon of any series so established, including voting powers, dividend rights, liquidation preferences, redemption rights and conversion privileges. No shares of Preferred Stock are outstanding. The Board of Directors has not authorized any series of Preferred Stock, and there are no plans, agreements or understandings for the authorization or issuance of any shares of Preferred Stock.

Stock Purchase Plan

In December 2006, the Company implemented a share repurchase program under which it is authorized to purchase up to \$150.0 million of our outstanding Class A common shares. In February 2008, the Company announced that its

Board of Directors had authorized an incremental \$100.0 million share repurchase program. Collectively these programs are described as the Stock Purchase Plans. The Stock Purchase Plans allow the Company to purchase up to \$250.0 million of its outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plans will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plans may be suspended or discontinued at any time without prior notice. No shares have been or will be knowingly purchased from Company insiders or their affiliates.

Since inception of the Stock Purchase Plans through November 30, 2010, the Company purchased 5,222,613 shares of our Class A common shares, for a total of approximately \$220.8 million. Included in these totals are the purchases of 307,886 shares of its Class A common shares during the fiscal year ended November 30, 2010, at an average cost of approximately \$26.27 per share (including

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commissions), for a total of approximately \$8.1 million. These transactions occurred in open market purchases and pursuant to a trading plan under Rule 10b5-1. At November 30, 2010, the Company has approximately \$29.2 million remaining repurchase authority under the current Stock Purchase Plans.

NOTE 11 COMMITMENTS AND CONTINGENCIES

International Speedway Corporation has a salary incentive plan (the ISC Plan) designed to qualify under Section 401(k) of the Internal Revenue Code. Employees of International Speedway Corporation and certain participating subsidiaries who have completed one month of continuous service are eligible to participate in the ISC Plan. After twelve months of continuous service, matching contributions are made to a savings trust (subject to certain limits) concurrent with employees' contributions. The level of the matching contribution depends upon the amount of the employee contribution. Employees become 100.0 percent vested upon entrance to the ISC Plan. The contribution expense from continuing operations for the ISC Plan was approximately \$1.6 million for each of the years ended November 30, 2008, 2009, and 2010, respectively.

The estimated cost to complete approved projects and current construction in progress at November 30, 2010 at the Company's existing facilities is approximately \$55.9 million.

In October 2002, the Unified Government issued subordinate sales tax special obligation revenue bonds (2002 STAR Bonds) totaling approximately \$6.3 million to reimburse the Company for certain construction already completed on the second phase of the Kansas Speedway project and to fund certain additional construction. The 2002 STAR Bonds, which require annual debt service payments and are due December 1, 2022, will be retired with state and local taxes generated within the speedway's boundaries and are not the Company's obligation. KSC has agreed to guarantee the payment of principal, any required premium and interest on the 2002 STAR Bonds. At November 30, 2010, the Unified Government had approximately \$2.6 million outstanding on 2002 STAR Bonds. Under a keepwell agreement, the Company has agreed to provide financial assistance to KSC, if necessary, to support KSC's guarantee of the 2002 STAR Bonds.

The Company operates Homestead-Miami Speedway under an operating agreement which expires December 31, 2032 and provides for subsequent renewal terms through December 31, 2075. The Company operates Daytona under an operating lease agreement which expires November 7, 2054. The Company also has various operating leases for office space and equipment. The future minimum payments under the operating agreement and leases utilized by the Company having initial or remaining non-cancelable terms in excess of one year at November 30, 2010, are as follows (in thousands):

For the year ending November 30:	Operating Agreement	Operating Leases
2011	\$ 2,220	\$ 3,916
2012	2,220	2,680
2013	2,220	1,657
2014	2,220	1,342
2015	2,220	1,221
Thereafter	18,120	33,459
Total	\$29,220	\$44,275

Total expenses incurred from continuing operations under the track operating agreement, these operating leases and all other short-term rentals during the years ended November 30, 2008, 2009 and 2010 were \$15.3 million, \$15.2 million, and \$14.7 million, respectively.

In connection with the Company's automobile and workers' compensation insurance coverages and certain construction contracts, the Company has standby letter of credit agreements in favor of third parties totaling \$3.8 million at November 30, 2010. At November 30, 2010, there were no amounts drawn on the standby letters of credit.

Current Litigation

The Company is from time to time a party to routine litigation incidental to its business. Management does not believe that the resolution of any or all of such litigation will have a material adverse effect on the Company's financial condition or results of operations.

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All of the racing events that take place during the Company's fiscal year are sanctioned by various racing organizations such as the American Historic Racing Motorcycle Association, the American Motorcyclist Association, the Automobile Racing Club of America, the American Sportbike Racing Association Championship Cup Series, the Federation Internationale de L'Automobile, the Federation Internationale Motocycliste, Grand American, Historic Sportscar Racing, IRL, NASCAR, NHRA, the Porsche Club of America, the Sports Car Club of America, the Sportscar Vintage Racing Association, the United States Auto Club and the World Karting Association. NASCAR, which sanctions many of the Company's principal racing events, is a member of the France Family Group which controls in excess of 70.2 percent of the combined voting power of the outstanding stock of the Company, and some members of which serve as directors and officers of the Company. Standard NASCAR sanction agreements require racetrack operators to pay sanction fees and prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by NASCAR to participants in the events. Prize and point fund monies paid by the Company to NASCAR from continuing operations for disbursement to competitors, which are exclusive of NASCAR sanction fees, totaled approximately \$131.2 million, \$135.9 million and \$131.4 million, for the years ended November 30, 2008, 2009 and 2010, respectively. There were no prize and point fund monies paid to NASCAR related to discontinued operations. The Company has outstanding receivables related to NASCAR and its affiliates of approximately \$28.4 million and \$19.2 million at November 30, 2009 and 2010, respectively.

Under current agreements, NASCAR contracts directly with certain network providers for television rights to the entire NASCAR Sprint Cup and Nationwide series schedules and the NASCAR Camping World Truck series schedule. Event promoters share in the television rights fees in accordance with the provision of the sanction agreement for each NASCAR Sprint Cup and Nationwide series event and each NASCAR Camping World Truck series event beginning in fiscal 2007. Under the terms of this arrangement, NASCAR retains 10.0 percent of the gross broadcast rights fees allocated to each NASCAR Sprint Cup, Nationwide or Camping World Truck series event as a component of its sanction fees and remits the remaining 90.0 percent to the event promoter. The event promoter pays 25.0 percent of the gross broadcast rights fees allocated to the event as part of the previously discussed prize money paid to NASCAR for disbursement to competitors. The Company's television broadcast and ancillary rights fees from continuing operations received from NASCAR for the NASCAR Sprint Cup and Nationwide series events and the NASCAR Camping World Truck series events beginning in fiscal 2007 conducted at its wholly owned facilities were \$257.0 million, \$262.0 million and \$269.1 million in fiscal years 2008, 2009 and 2010, respectively. There were no television broadcast and ancillary rights fees received from NASCAR related to discontinued operations.

In addition, NASCAR and the Company share a variety of expenses in the ordinary course of business. NASCAR pays rent, as well as a related maintenance fee (allocated based on square footage), to the Company for office space in Daytona Beach, Florida. The Company pays rent to NASCAR for office space in Los Angeles, California. These rents are based upon estimated fair market lease rates for comparable facilities. NASCAR pays the Company for radio, program and strategic initiative advertising, hospitality and suite rentals, various tickets and credentials, catering services, participation in a NASCAR racing event banquet, and track and other equipment rentals based on similar prices paid by unrelated, third party purchasers of similar items. The Company pays NASCAR for certain advertising, participation in NASCAR racing series banquets, the use of NASCAR trademarks and intellectual images and production space for Sprint Vision based on similar prices paid by unrelated, third party purchasers of similar items. The Company's payments to NASCAR for MRN Radio's broadcast rights to NASCAR Camping World Truck races represent an agreed-upon percentage of the Company's advertising revenues attributable to such race broadcasts. NASCAR also reimburses the Company for 50.0 percent of the compensation paid to certain personnel working in the Company's legal, risk management and transportation departments, as well as 50.0 percent of the compensation expense associated with certain receptionists. The Company reimburses NASCAR for 50.0 percent of the compensation paid to certain personnel working in NASCAR's legal department. NASCAR's reimbursement for use of the Company's mailroom, janitorial services, security services, catering, graphic arts, photo and publishing services, telephone system and the Company's reimbursement of NASCAR for use of corporate aircraft, is based on actual usage or an allocation of total actual usage. The aggregate amount received from NASCAR by the Company for shared expenses, net of amounts paid by the Company for shared expenses, totaled approximately \$6.7 million,

\$4.5 million and \$5.7 million during fiscal 2008, 2009 and 2010, respectively.

Grand American, a wholly owned subsidiary of NASCAR, sanctions various events at certain of the Company's facilities. Standard Grand American sanction agreements require racetrack operators to pay sanction fees and prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by Grand American to participants in the events.

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Sanction fees paid by the Company to Grand American totaled approximately \$1.6 million, \$1.8 million and \$2.4 million for the years ended November 30, 2008, 2009 and 2010, respectively.

In addition, Grand American and the Company share a variety of expenses in the ordinary course of business. Grand American pays rent to the Company for office space in Daytona Beach, Florida. These rents are based upon estimated fair market lease rates for comparable facilities. Grand American purchases various advertising, catering services, suites and hospitality and track and equipment rentals from the Company based on similar prices paid by unrelated, third party purchasers of similar items. The Company pays Grand American for the use of Grand American's trademarks based on similar prices paid by unrelated, third party purchasers of similar items. Grand American's reimbursement for use of the Company's mailroom, telephone system, security, graphic arts, photo and publishing services is based on actual usage or an allocation of total actual usage. The aggregate amount received from Grand American by the Company for shared expenses, net of amounts paid by the Company for shared expenses, totaled approximately \$495,000, \$450,000 and \$547,000 during fiscal 2008, 2009 and 2010, respectively.

AMA Pro Racing, an entity controlled by a member of the France Family Group, sanctions various events at certain of the Company's facilities. Standard AMA Pro Racing sanction agreements require racetrack operators to pay sanction fees and prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by AMA Pro Racing to participants in the events. Sanction fees paid by the Company to AMA Pro Racing totaled approximately \$194,000 for the year ended November 30, 2010.

The Company strives to ensure, and management believes that, the terms of the Company's transactions with NASCAR and Grand American are no less favorable to the Company than could be obtained in arms-length negotiations.

Certain members of the France Family Group paid the Company for the utilization of security services, event planning, event tickets, purchase of catering services, maintenance services, and certain equipment. The Company leased certain parcels of land from WCF and JCF, LLC, which is owned by France Family Group members. The land parcels are used primarily for parking during the events held at Martinsville Speedway (Martinsville). The amounts paid for these items were based on actual costs incurred, similar prices paid by unrelated third party purchasers of similar items or estimated fair market values. The net amount paid (received) by the Company for these items, totaled approximately \$74,000, \$240,000 and \$(242,000) during fiscal 2008, 2009 and 2010, respectively.

In exchange for the collateral assignment split-dollar insurance agreements held by the Company, which were valued at approximately \$9.2 million and covered the lives of James C. France, his spouse, and the surviving spouse of William C. France, the Company entered into a transaction with the France Family Group whereby it agreed to receive certain land parcels and shares of ISCA stock. The land was valued at approximately \$3.6 million and had previously been leased by the Company from WCF and JCF, LLC (which was owned by certain members of the France Family Group) in connection with NASCAR Sprint Cup events at Martinsville. The Company also received a total of 219,388 shares of ISCA stock valued at approximately \$5.6 million. The number of shares received was determined based on the market value of ISCA shares at a settlement date prior to closing.

Crotty, Bartlett & Kelly, P.A. (Crotty, Bartlett & Kelly), a law firm controlled by family members of W. Garrett Crotty, one of the Company's executive officers, leased office space located in the Company's corporate office complex in Daytona Beach, Florida. The Company engages Crotty, Bartlett & Kelly for certain legal and consulting services. The aggregate amount paid to Crotty, Bartlett & Kelly by the Company for legal and consulting services, net of amounts received by the Company for leased office space, totaled approximately \$113,000, \$71,000 and \$49,000 during fiscal 2008, 2009 and 2010, respectively.

J. Hyatt Brown, one of the Company's directors, serves as Chairman of Brown & Brown, Inc. (Brown & Brown). Brown & Brown has received commissions for serving as the Company's insurance broker for several of the Company's insurance policies, including the Company's property and casualty policy, certain employee benefit programs and the aforementioned split-dollar arrangements. The aggregate commissions received by Brown & Brown in connection with the Company's policies were approximately \$524,000, \$506,000 and \$486,000 during fiscal 2008, 2009 and 2010, respectively.

One of the Company's directors, Christy F. Harris, is Of Counsel to Kinsey, Vincent Pyle, L.C., a law firm that provided legal services to the Company during fiscal 2008, 2009 and 2010. The Company paid approximately

\$289,000, \$81,000 and \$83,000 for these services in fiscal 2008, 2009 and 2010, respectively, which were charged to the Company on the same basis as those provided other clients.

Table of Contents**NOTE 13 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

Cash paid for income taxes and interest for the years ended November 30, is summarized as follows (in thousands):

	2008	2009	2010
Income taxes paid	\$44,886	\$36,297	\$27,661
Interest paid	\$19,400	\$19,793	\$13,439

NOTE 14 LONG-TERM STOCK INCENTIVE PLAN

On November 30, 2010, the Company has two share-based compensation plans, which are described below. Compensation cost included in operating expenses in the accompanying statement of operations for those plans was \$3.3 million, \$2.2 million, and \$1.9 million for the years ended November 30, 2008, 2009 and 2010, respectively. The total income tax benefit recognized in the income statement for share-based compensation arrangements was approximately \$1.3 million, \$845,000 and \$717,000 for the years ended November 30, 2008, 2009 and 2010, respectively.

The Company's 1996 Long-Term Stock Incentive Plan (the "1996 Plan") authorized the grant of stock options (incentive and nonqualified), stock appreciation rights and restricted stock. The Company reserved an aggregate of 1,000,000 shares (subject to adjustment for stock splits and similar capital changes) of the Company's Class A Common Stock for grants under the 1996 Plan. The 1996 Plan terminated in September 2006. All unvested stock options and restricted stock granted prior to the termination will continue to vest and will continue to be exercisable in accordance with their original terms.

In April, 2006, the Company's shareholders approved the 2006 Long-Term Incentive Plan (the "2006 Plan") which authorizes the grant of stock options (incentive and non-qualified), stock appreciation rights, restricted and unrestricted stock, cash awards and Performance Units (as defined in the 2006 Plan) to employees, consultants and advisors of the Company capable of contributing to the Company's performance. The Company has reserved an aggregate of 1,000,000 shares (subject to adjustment for stock splits and similar capital changes) of the Company's Class A Common Stock for grants under the 2006 Plan. Incentive Stock Options may be granted only to employees eligible to receive them under the Internal Revenue Code of 1996, as amended. The 2006 Plan approved by the shareholders appoints the Compensation Committee (the "Committee") to administer the 2006 Plan. Awards under the 2006 Plan will contain such terms and conditions not inconsistent with the 2006 Plan as the Committee in its discretion approves. The Committee has discretion to administer the 2006 Plan in the manner which it determines, from time to time, is in the best interest of the Company.

Restricted Stock Awards

Restricted stock awarded under the 1996 Plan and 2006 Plan (collectively the "Plans") generally is subject to forfeiture in the event of termination of employment prior to vesting dates. Prior to vesting, the Plans participants own the shares and may vote and receive dividends, but are subject to certain restrictions. Restrictions include the prohibition of the sale or transfer of the shares during the period prior to vesting of the shares. The Company also has the right of first refusal to purchase any shares of stock issued under the Plans which are offered for sale subsequent to vesting. The Company records stock-based compensation cost on its restricted shares awarded on the accelerated method over the requisite service period.

Restricted stock of the Company's Class A Common Stock awarded under the Plans generally vest at the rate of 50.0 percent of each award on the third anniversary of the award date and the remaining 50.0 percent on the fifth anniversary of the award date.

The fair value of nonvested restricted stock is determined based on the opening trading price of the Company's Class A Common Stock on the grant date. The Company granted 26,277, 29,002 and 35,008 shares of restricted stock awards of the Company's Class A Common Stock during the fiscal years ended November 30, 2008, 2009 and 2010, respectively, to certain officers and managers under the Plans. The weighted average grant date fair value of these

restricted stock awards was \$41.20, \$22.19 and \$30.56 per share, respectively.

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A summary of the status of the Company's restricted stock as of November 30, 2010, and changes during the fiscal year ended November 30, 2010, is presented as follows:

	Restricted	Weighted-Average Grant-Date Fair Value	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
	Shares	(Per Share)		
Unvested at November 30, 2009	155,259	\$ 44.44		
Granted	35,008	30.56		
Vested	(52,266)	52.93		
Forfeited	(768)	26.85		
Unvested at November 30, 2010	137,233	\$ 38.03	3.3	\$3,251.1

As of November 30, 2010, there was approximately \$1.6 million of total unrecognized compensation cost related to unvested restricted stock awards granted under the Stock Plans. This cost is expected to be recognized over a weighted-average period of 3.3 years. The total fair value of restricted stock awards vested during the fiscal years ended November 30, 2008, 2009 and 2010, was approximately \$1.8 million, \$2.0 million and \$1.2 million, respectively.

Nonqualified and Incentive Stock Options

A portion of each non-employee director's compensation for their service as a director is through awards of options to acquire shares of the Company's Class A Common Stock under the Plans. These options become exercisable one year after the date of grant and expire on the tenth anniversary of the date of grant. The Company also grants options to certain non-officer managers to purchase the Company's Class A Common Stock under the Plans. These options generally vest over a two and one-half year period and expire on the tenth anniversary of the date of grant. The Company records stock-based compensation cost on its stock options awarded on the straight-line method over the requisite service period.

The fair value of each option granted is estimated on the grant date using the Black-Scholes-Merton option-pricing valuation model that uses the assumptions noted in the following table. Expected volatilities are based on implied volatilities from historical volatility of the Company's stock and other factors. The Company uses historical data to estimate option exercises and employee terminations within the valuation model. Separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of options granted is estimated based on historical exercise behavior and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

	2008	2009	2010
Expected volatility	21.2%-24.2%	21.2%-24.2%	31.4%
Weighted average volatility	22.4%	23.8%	31.4%
Expected dividends	0.3%	0.5%	0.6%
Expected term (in years)	5.0-7.3	5.0-7.3	9.3
Risk-free rate	3.3%-3.6%	2.5%-3.0%	3.0%

A summary of option activity under the Stock Plan as of November 30, 2010, and changes during the year then ended is presented as follows:

Weighted-Average Remaining	Aggregate Intrinsic
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Options	Shares	Weighted-Average Exercise Price	Contractual Term (Years)	Value (in thousands)
Outstanding at November 30, 2009	273,509	\$ 42.99		
Granted	29,829	25.68		
Expired	(25,694)	45.35		
Exercised				
Forfeited	(5,003)	36.05		
Outstanding at November 30, 2010	272,641	40.94	6.1	\$
Vested and expected to subsequently vest at November 30, 2010	272,641	\$ 40.94	6.1	\$
Exercisable at November 30, 2010	231,461	\$ 43.20	5.6	\$

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The weighted average grant-date fair value of options granted during the fiscal years ended November 30, 2008, 2009 and 2010 was \$11.22, \$8.40 and \$10.34 per option, respectively. The total intrinsic value of options exercised during the fiscal years ended November 30, 2008, 2009 and 2010 was approximately \$0, respectively. The actual tax benefit realized for the tax deductions from exercise of the stock options totaled approximately \$0 for the fiscal years ended November 30, 2008, 2009 and 2010, respectively.

As of November 30, 2010, there was approximately \$198,000 of total unrecognized compensation cost related to unvested stock options granted under the Stock Plan. That cost is expected to be recognized over a weighted-average period of 0.7 years.

NOTE 15 FINANCIAL INSTRUMENTS

In accordance with the Financial Instruments Topic, ASC 825-10 and in accordance with the Fair Value Measurements and Disclosures Topic, ASC 820-10, these topics discuss key considerations in determining fair value in such markets, and expanding disclosures on recurring fair value measurements using unobservable inputs (Level 3), clarification and additional disclosure is required about the use of fair value measurements.

Various inputs are considered when determining the carrying values of cash and cash equivalents, accounts receivable, short-term investments, accounts payable, and accrued liabilities approximate fair value due to the short-term maturities of these assets and liabilities. These inputs are summarized in the three broad levels listed below:

Level 1 observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)

Level 3 significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

At November 30, 2010, the Company had money market funds totaling approximately \$49.2 million are included in cash and cash equivalents in consolidated balance sheets. All inputs used to determine fair value are considered level 1 inputs.

Fair values of long-term debt are based on quoted market prices at the date of measurement. The Company's credit facilities approximate fair value as they bear interest rates that approximate market. These inputs used to determine fair value are considered level 2 inputs. At November 30, 2010, the fair value of the remaining long-term debt, as determined by quotes from financial institutions, was approximately \$203.6 million compared to the carrying amount of approximately \$204.3 million.

The Company had no level 3 inputs as of November 30, 2010.

NOTE 16 QUARTERLY DATA (UNAUDITED)

The Company derives most of its income from a limited number of NASCAR-sanctioned races. As a result, the Company's business has been, and is expected to remain, highly seasonal based on the timing of major events. The following table presents certain unaudited financial data for each quarter of fiscal 2009 and 2010 (in thousands, except per share amounts):

	Fiscal Quarter Ended			
	February 28, 2009	May 31, 2009(1)	August 31, 2009	November 30, 2009(1)(2)
Total revenue	\$166,119	\$152,378	\$172,913	\$201,753
Operating income	49,995	31,713	15,568	50,547
Income from continuing operations	25,188	(31,695)	4,456	9,036
Net income	25,146	(31,740)	4,413	8,996
Basic earnings per share (5)	0.52	(0.65)	0.09	0.19

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Diluted earnings per share (5)	0.52	(0.65)	0.09	0.19
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	Fiscal Quarter Ended			
	February 28, 2010	May 31, 2010	August 31, 2010	November 30, 2010(3)(4)
Total revenue	\$152,026	\$142,166	\$160,194	\$190,971
Operating income	39,752	21,303	21,573	39,549
Income from continuing operations	25,487	10,262	3,609	15,220
Net income	25,440	10,262	3,609	15,220
Basic earnings per share	0.53	0.21	0.08	0.31
Diluted earnings per share	0.53	0.21	0.08	0.31

- (1) In fiscal 2009, Equity in Net Loss From Equity Investments includes a net loss of \$77.6 million, or \$1.63 per diluted share, representing the Company's results from its 50.0 percent indirect interest in Motorsports Authentics loss from operations, which includes the second and fourth quarter impairments of goodwill, certain intangibles and other long-lived assets.
- (2) During the fourth quarter of fiscal 2009, the Company recorded a non-cash charge totaling approximately \$4.3 million, or \$0.5 per diluted share, related to expense on the interest rate swap for the fiscal year ended November 30, 2009. Portions of this non-cash charge should have been recorded in the second and third quarters of the fiscal year ended November 30, 2009, however, the impact of recording it in the fourth quarter does not have a material impact on any of the quarters in fiscal 2009.
- (3) During the fourth quarter of fiscal 2010, the Company recorded a non-cash charge totaling approximately \$23.9 million, or \$0.30 per diluted share, related to expense of the interest rate swap for the fiscal year ended November 30, 2010.
- (4) During the fourth quarter of fiscal 2010, the Company recorded a non-cash charge totaling approximately \$5.8 million, or \$0.07 per diluted share, related to the impairment of certain costs associated with the Daytona Development Project.

(5) The sum of the quarterly earnings per share may not equal the annual earnings per share due to rounding.

NOTE 17 SEGMENT REPORTING

The general nature of the Company's business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. The Company's motorsports event operations consist principally of racing events at its major motorsports entertainment facilities. The reporting units within the motorsports segment portfolio are reviewed together as the nature of the products and services, the production processes used, the type or class of customer using our products and services, and the methods used to distribute our products or provide their services are consistent in objectives and principles, and predominately uniform and centralized throughout the Company. The Company's remaining business units, which are comprised of the radio network production and syndication of numerous racing events and programs, certain souvenir merchandising operations not associated with the promotion of motorsports events at the Company's facilities, construction management services, leasing operations, and financing and licensing operations are included in the All Other segment. The Company evaluates financial performance of the business units on operating profit after allocation of corporate general and administrative (G&A) expenses. Corporate G&A expenses are allocated to business units based on each business unit's net revenues to total net revenues.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Intersegment sales are accounted for at prices comparable to unaffiliated customers. Intersegment revenues

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were approximately \$3.9 million, \$2.1 million and \$2.3 million for the years ended November 30, 2008, 2009, and 2010, respectively (in thousands).

	For The Year Ended November 30, 2008		
	Motorsports Event	All Other	Total
Revenues	\$ 745,376	\$ 45,745	\$ 791,121
Depreciation and amortization	62,346	8,565	70,911
Operating income	231,948	3,858	235,806
Equity investments loss	1,091	(2,294)	(1,203)
Capital expenditures	106,858	178	107,036
Total assets	1,790,981	389,838	2,180,819
Equity investments	77,613		77,613

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	For The Year Ended November 30, 2009		
	Motorsports Event	All Other	Total
Revenues	\$ 658,500	\$ 36,792	\$ 695,292
Depreciation and amortization	65,137	7,763	72,900
Operating income	147,665	158	147,823
Equity investments income (loss)	(77,608)		(77,608)
Capital expenditures	70,508	43,221	113,729
Total assets	1,649,602	259,301	1,908,903
Equity investments			

	For The Year Ended November 30, 2010		
	Motorsports Event	All Other	Total
Revenues	\$ 611,747	\$ 35,915	\$ 647,662
Depreciation and amortization	66,210	8,255	74,465
Operating income	130,143	(7,966)	122,177
Equity investments loss		(1,904)	(1,904)
Capital expenditures	83,453	22,481	105,934
Total assets	1,638,116	240,633	1,878,749
Equity investments		43,689	43,689

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In connection with the 2004 Senior Notes, the Company is required to provide condensed consolidating financial information for its subsidiary guarantors. Certain of the Company's wholly owned domestic subsidiaries have, jointly and severally, fully and unconditionally guaranteed, to each holder of 2004 Senior Notes and the trustee under the Indenture for the 2004 Senior Notes, the full and prompt performance of the Company's obligations under the indenture and the 2004 Senior Notes, including the payment of principal (or premium, if any, on) and interest on the 2004 Senior Notes, on a equal and ratable basis.

The subsidiary guarantees are unsecured obligations of each subsidiary guarantor and rank equally in right of payment with all senior indebtedness of that subsidiary guarantor and senior in right of payment to all subordinated indebtedness of that subsidiary guarantor. The subsidiary guarantees are effectively subordinated to any secured indebtedness of the subsidiary guarantor with respect to the assets securing that indebtedness. The Company has no independent assets or operations.

In the absence of both default and notice, there are no restrictions imposed by the Company's 2010 Credit Facility, 2004 Senior Notes, or guarantees on the Company's ability to obtain funds from its subsidiaries by dividend or loan. The Company has not presented separate financial statements for each of the guarantors, because it has deemed that such financial statements would not provide the investors with any material additional information.

Included in the tables below, are condensed consolidating balance sheets as of November 30, 2009 and 2010, and the condensed consolidating statements of operations and cash flows for the years ended November 30, 2008, 2009 and 2010, of: (a) the Parent; (b) the guarantor subsidiaries; (c) the non-guarantor subsidiaries; (d) elimination entries necessary to consolidate Parent with guarantor and non-guarantor subsidiaries; and (e) the Company on a consolidated basis (in thousands):

Condensed Consolidating Balance Sheet at November 30, 2009

	Parent Company	Combined Guarantor Subsidiaries	Non-Guarantor Subsidiary	Eliminations	Consolidated
Current assets	\$ 86,389	\$ 113,094	\$ 27,807	\$ (9,334)	\$ 217,956
Property and equipment, net	30,818	1,014,725	308,093		1,353,636
Advances to and investments in subsidiaries	3,227,201	667,673	31,687	(3,926,561)	
Other assets	24,024	301,509	11,778		337,311
Total Assets	\$3,368,432	\$2,097,001	\$379,365	\$(3,935,895)	\$1,908,903
Current liabilities	\$ 1,704	\$ 66,055	\$ 22,188	\$ 23,970	\$ 113,917
Long-term debt	924,310	154,478	176,238	(911,233)	343,793
Deferred income taxes	5,749	217,201	16,817		239,767
Other liabilities	45,373	16,638	2,162		64,173
Total shareholders' equity	2,391,296	1,642,629	161,960	(3,048,632)	1,147,253
Total Liabilities and Shareholders' Equity	\$3,368,432	\$2,097,001	\$379,365	\$(3,935,895)	\$1,908,903

Condensed Consolidating Balance Sheet at November 30, 2010

	Parent Company	Combined Guarantor Subsidiaries	Non-Guarantor Subsidiary	Eliminations	Consolidated
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Current assets	\$ 68,252	\$ 72,696	\$ 19,309	\$ (10,251)	\$ 150,006
Property and equipment, net	33,728	1,032,695	310,238		1,376,751
Advances to and investments in subsidiaries	2,095,234	660,368	43,722	(2,799,324)	
Other assets	4,702	301,223	46,157		351,992
Total Assets	\$2,201,916	\$2,066,982	\$419,426	\$(2,809,575)	\$1,878,749
Current liabilities	\$ (10,058)	\$ 71,278	\$ 17,211	\$ 13,308	\$ 91,739
Long-term debt	893,108	271,002	213,911	(1,074,947)	303,074
Deferred income taxes	27,018	234,742	17,881		279,641
Other liabilities	2,131	12,825	2,162		17,118
Total shareholders' equity	1,289,717	1,477,135	168,261	(1,747,936)	1,187,177
Total Liabilities and Shareholders' Equity	\$2,201,916	\$2,066,982	\$419,426	\$(2,809,575)	\$1,878,749

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Condensed Consolidating Statement of Operations
For The Year Ended November 30, 2008

	Parent Company	Combined Guarantor Subsidiaries	Non- Subsidiary	Eliminations	Consolidated
Total revenues	\$ 1,450	\$791,547	\$125,542	\$(131,285)	\$787,254
Total expenses	35,660	542,046	105,027	(131,285)	551,448
Operating (loss) income	(34,210)	249,501	20,515		235,806
Interest and other (expense) income, net	(43,080)	33,949	(9,239)		(18,370)
(Loss) income from continuing operations	(41,573)	171,250	5,081		134,758
Net (loss) income	(41,573)	171,250	4,918		134,595

Condensed Consolidating Statement of Operations
For The Year Ended November 30, 2009

	Parent Company	Combined Guarantor Subsidiaries	Non- Subsidiary	Eliminations	Consolidated
Total revenues	\$ 1,538	\$686,982	\$119,768	\$(115,125)	\$693,163
Total expenses	32,367	504,065	124,033	(115,125)	545,340
Operating (loss) income	(30,829)	182,917	(4,265)		147,823
Interest and other (expense) income, net	(35,450)	(67,885)	3,762		(99,573)
(Loss) income from continuing operations	(28,245)	42,976	(7,746)		6,985
Net (loss) income	(28,245)	42,976	(7,916)		6,815

Condensed Consolidating Statement of Operations
For The Year Ended November 30, 2010

	Parent Company	Combined Guarantor Subsidiaries	Non- Subsidiary	Eliminations	Consolidated
Total revenues	\$ 2,680	\$635,799	\$111,143	\$(104,265)	\$645,357
Total expenses	31,659	480,860	114,926	(104,265)	523,180
Operating (loss) income	(28,979)	154,939	(3,783)		122,177
Interest and other income (expense), net	(57,390)	9,089	938		(47,363)
(Loss) income from continuing operations	(50,468)	111,657	(6,611)		54,578
Net (loss) income	(50,468)	111,657	(6,658)		54,531

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Condensed Consolidating Statement of Cash Flows
For The Year Ended November 30, 2008

	Parent Company	Combined Guarantor Subsidiaries	Non- Subsidiary	Eliminations	Consolidated
Net cash (used in) provided by operating activities	\$ (3,940)	\$ 281,281	\$ 6,229	\$(62,679)	\$ 220,891
Net cash provided by (used in) investing activities	82,452	(205,611)	(63,229)	62,679	(123,709)
Net cash provided by (used in) financing activities	16,627	(1,880)	49,675		64,422

Condensed Consolidating Statement of Cash Flows
For The Year Ended November 30, 2009

	Parent Company	Combined Guarantor Subsidiaries	Non- Subsidiary	Eliminations	Consolidated
Net cash provided by operating activities	\$ 80,769	\$ 154,300	\$ 9,575	\$ 17,061	\$ 261,705
Net cash provided by (used in) investing activities	130,273	(191,089)	(4,589)	(17,061)	(82,466)
Net cash used in financing activities	(236,786)	(1,035)	(1,766)		(239,587)

Condensed Consolidating Statement of Cash Flows
For The Year Ended November 30, 2010

	Parent Company	Combined Guarantor Subsidiaries	Non- Subsidiary	Eliminations	Consolidated
Net cash (used in) provided by operating activities	\$ (75,484)	\$ 184,511	\$ 5,277	\$ (1,910)	\$ 112,394
Net cash provided by (used in) investing activities	111,165	(230,123)	(11,159)	1,910	(128,207)
Net cash (used in) provided by financing activities	(53,579)	(3,909)	(1,105)		(58,593)

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Schedule

Schedule II Valuation and Qualifying Accounts (In Thousands)

Description	Balance beginning of period	Additions charged to costs and expenses	Deductions (A)	Balance at end of period
For the year ended November 30, 2010 Allowance for doubtful accounts	\$1,200	\$586	\$ 586	\$1,200
For the year ended November 30, 2009 Allowance for doubtful accounts	\$1,200	\$326	\$ 326	\$1,200
For the year ended November 30, 2008 Allowance for doubtful accounts	1,200	928	928	1,200

(A) Uncollectible accounts written off, net of recoveries.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND
FINANCIAL DISCLOSURE

None.

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ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures, subject to limitations as noted below, were effective at November 30, 2010, and during the period prior to and including the date of this report. There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to November 30, 2010.

Because of its inherent limitations, our disclosure controls and procedures may not prevent or detect misstatements. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Report of Management on Internal Control Over Financial Reporting

January 28, 2011

We, as members of management of International Speedway Corporation, are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements. Because of its inherent limitations, our disclosure controls and procedures may not prevent or detect misstatements. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

We, under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, assessed the Company's internal control over financial reporting as of November 30, 2010, based on criteria for effective internal control over financial reporting described in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we concluded that we maintained effective internal control over financial reporting as of November 30, 2010, based on the specified criteria.

The effectiveness of our internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

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PART III

Pursuant to General Instruction G. (3) the information required by Part III (Items 10, 11, 12, 13, and 14) is to be incorporated by reference from our definitive information statement (filed pursuant to Regulation 14C) which involves the election of directors and which is to be filed with the Commission not later than 120 days after the end of the fiscal year covered by this Form 10-K.

PART IV

ITEM 15. EXHIBITS, CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of this report

1. Consolidated Financial Statements listed below:

International Speedway Corporation

Consolidated Balance Sheets

November 30, 2009 and 2010

Consolidated Statements of Operations

Years ended November 30, 2008, 2009, and 2010

Consolidated Statements of Changes in Shareholders' Equity

Years ended November 30, 2008, 2009, and 2010

Consolidated Statements of Cash Flows

Years ended November 30, 2008, 2009, and 2010

Notes to Consolidated Financial Statements

Motorsports Authentics, LLC

Consolidated Balance Sheets

November 30, 2010 and 2009

Consolidated Statements of Operations

Years ended November 30, 2010, 2009 and 2008

Consolidated Statements of Members' Equity

Years ended November 30, 2010, 2009 and 2008

Consolidated Statements of Cash Flows

Years ended November 30, 2010, 2009 and 2008

Notes to Consolidated Financial Statements

2. Consolidated Financial Statement Schedules listed below:

II Valuation and qualifying accounts

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements and notes thereto.

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3. Exhibits:

Exhibit Number	Description of Exhibit
3.1	Articles of Amendment of the Restated and Amended Articles of Incorporation of the Company, as filed with the Florida Department of State on July 26, 1999. (3.1)*
3.2	Conformed Copy of Amended and Restated Articles of Incorporation of the Company, as amended as of July 26, 1999. (3.2)*
3.3	Conformed Copy of Amended and Restated By-Laws of the Company. (3)(ii)**
4.1	Indenture, dated April 23, 2004, between the Company, certain subsidiaries, and Wachovia Bank, National Association, as Trustee. (4.2)***
4.2	Form of Registered Note due 2014 (included in Exhibit 4.2). (4.2)***
4.3	Revolving Credit Agreement, dated as of November 19, 2010, among the Company, certain subsidiaries and the lenders party thereto. (10.1)****
4.4	Note Purchase Agreement, dated as of January 18, 2011, among the Company and purchasers party thereto. (10.1)*****
4.5	Form of Series 2011A Note due 2021 (included in Exhibit 10.1). (10.1)*****
10.1	Daytona Property Lease. (10.4)*****
10.2	1996 Long-Term Incentive Plan. (10.6)*****
10.3	2006 Long-Term Incentive Plan. (4)*****
21	Subsidiaries of the Registrant filed herewith.
23.1	Consent of Ernst & Young LLP filed herewith.
23.2	Consent of Grant Thornton LLP filed herewith.
31.1	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer filed herewith
31.2	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer filed herewith.
32	Section 1350 Certification filed herewith.
99	Report of Independent Registered Public Accounting Firm and Consolidated Financial Statements of Motorsports Authentics, LLC as of November 30, 2010 and 2009 and for each of the three years in the period ended November 30, 2010.

* Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Report on Form 8-K dated July 26, 1999.

** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 10-Q for the quarter ended February 28, 2003.

*** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Registration Statement filed on Form S-4 File No. 333-118168.

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- **** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 8-K filed on November 23, 2010.
- ***** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 8-K filed on January 20, 2011.
- ***** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Report on Form 10-K for the year ended November 30, 1998.
- ***** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Registration Statement on Form S-8 as filed on February 11, 2010.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

International Speedway Corporation

By: /s/ Daniel W. Houser
Daniel W. Houser
Senior Vice President and Chief Financial
Officer

Dated: January 28, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Lesa France Kennedy Lesa France Kennedy	Chief Executive Officer and Vice Chairman of the Board (Principal Executive Officer)	January 28, 2011
/s/ Daniel W. Houser Daniel W. Houser	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	January 28, 2011
/s/ James C. France James C. France	Chairman of the Board	January 28, 2011
/s/ Brian Z. France Brian Z. France	Director	January 28, 2011
/s/ Larry Aiello, Jr. Larry Aiello, Jr.	Director	January 28, 2011
/s/ J. Hyatt Brown J. Hyatt Brown	Director	January 28, 2011
/s/ William P. Graves William P. Graves	Director	January 28, 2011
/s/ Christy F. Harris Christy F. Harris	Director	January 28, 2011
/s/ Thomas W. Staed		

Thomas W. Staed	Director	January 28, 2011
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/s/ Morteza Hosseini - Kargar	Director	January 28, 2011
Morteza Hosseini - Kargar		