

SPEEDWAY MOTORSPORTS INC

FORM 8-K/A (Unscheduled Material Events)

Filed 2/3/1997 For Period Ending 11/18/1996

Address	US HIGHWAY 29 NORTH PO BOX 600 CONCORD, North Carolina 28026
Telephone	704-455-3239
CIK	0000934648
Industry	Recreational Activities
Sector	Services
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K/A

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

Date of Report (Date of earliest event reported): November 18, 1996

SPEEDWAY MOTORSPORTS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation)

1-13582
Commission File
Number

51-0363307
(I.R.S. Employer
Identification No.)

U.S. Highway 29 North, Concord, North Carolina 28026
(Address of principal executive offices) (Zip Code)

(704) 455-3239
(Registrant's telephone number, including area code)

(Former name of former address, if changed since last report)

This report is an amendment to the Registrant's report on Form 8-K dated November 18, 1996 that was filed with the Securities and Exchange Commission on December 3, 1996 (the "Initial Form 8-K Report"). This amending report contains the required audited financial statements and unaudited pro forma financial information referenced previously in the Initial Form 8-K Report.

Item 7. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired. Attached as an exhibit to this amending report on Form 8-K/A are the following:

BRENDA RACEWAY CORPORATION:

Independent Auditors' Report
Financial Statements:

Balance Sheet at October 31, 1996;

Statement of Income and Deficit for the Year Ended October 31, 1996; Statement of Cash Flows for the Year Ended October 31, 1996; Notes to Financial Statements

(b) Pro Forma Financial Information. Attached as an exhibit to this amending report on Form 8-K/A are the following:

UNAUDITED PRO FORMA FINANCIAL STATEMENTS REFLECTING THE BUSINESS COMBINATION OF SPEEDWAY MOTORSPORTS, INC. AND SEARS POINT RACEWAY (FORMERLY OPERATED AS BRENDA RACEWAY CORPORATION)

Description of Unaudited Pro Forma Financial Statements; Pro Forma Balance Sheet at December 31, 1995 (Unaudited) and Notes thereto; and Pro Forma Statement of Income for the Year Ended December 31, 1995 (Unaudited) and Notes thereto.
Pro Forma Balance Sheet at September 30, 1996 (Unaudited) and Notes thereto; and Pro Forma Statement of Income for the Nine Months Ended September 30, 1996 (Unaudited) and Notes thereto.

(c) Exhibits

Exhibit No.	Description
99.1(*)	Asset Purchase Agreement dated October 24, 1996 between Speedway Motorsports, Inc., as buyer, and Brenda Raceway Corporation.
99.2(*)	Master Ground Lease dated November 18, 1996 by and between Brenda Raceway Corporation and Speedway Motorsports, Inc.
99.3(*)	Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents and Agreements dated as of November 18, 1996 by Brenda Raceway Corporation to First American Title Insurance Company for the benefit of Sonoma Funding Corporation.
99.4(*)	Promissory Note secured by Deed of Trust dated November 18, 1996 by Brenda Raceway Corporation in favor of Sonoma Funding Corporation.
99.5(*)	Press Release dated November 13, 1996.
99.6(*)	Press Release dated November 20, 1996.
99.7	Financial Statements of Brenda Raceway Corporation for the year ended October 31, 1996, including Independent Auditors' Report.

- 99.8 Unaudited Pro Forma Financial Statements Reflecting the Business Combination of Speedway Motorsports, Inc. and Sears Point Raceway for the year ended December 31, 1995.
- 99.9 Unaudited Pro Forma Financial Statements Reflecting the Business Combination of Speedway Motorsports, Inc. and Sears Point Raceway for the nine months ended September 30, 1996.

* Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SPEEDWAY MOTORSPORTS, INC.
(Registrant)

Date: _____

By: /s/ William R. Brooks
 William R. Brooks
 Vice President, Chief Financial
 Officer, Treasurer and Director

EXHIBIT LIST

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BRENDA RACEWAY CORPORATION
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INDEPENDENT AUDITORS' REPORT

BRENDA RACEWAY CORPORATION

We have audited the balance sheet of Brenda Raceway Corporation (the Company) as of October 31, 1996, and the related statements of income and deficit and of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at October 31, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP

Charlotte, North Carolina
January 31, 1997

BRENDA RACEWAY CORPORATION**BALANCE SHEET**

October 31, 1996

ASSETS**CURRENT ASSETS:**

Cash and cash equivalents (Note 2).....	\$174,600
Trade accounts receivable, less allowance for doubtful accounts of \$45,000	258,600
Other receivables (Note 6).....	213,100
Prepaid expenses	49,200
Total current assets	695,500
PROPERTY AND EQUIPMENT, NET (Note 3).....	9,412,900
DUE FROM AFFILIATES (Note 6).....	5,316,500
DEFERRED FINANCING COSTS, NET (Note 2)	429,600
TOTAL	\$15,854,500

LIABILITIES AND STOCKHOLDER'S DEFICIENCY**CURRENT LIABILITIES:**

Current maturities of long-term debt (Note 4).....	\$ 349,900
Bank line of credit (Note 4).....	225,000
Accounts payable	432,500
Deferred event income, net (Note 2).....	119,300
Accrued expenses and other liabilities	238,600
Deposits	168,200
Payable to stockholder (Note 6)	5,797,800
Total current liabilities	7,331,300
LONG-TERM DEBT (Note 4)	12,369,800
Total liabilities	19,701,100

CONTINGENCIES (Note 7)**STOCKHOLDER'S DEFICIENCY:**

Common stock, no par value, 10,000 shares authorized, 1,030 shares issued and outstanding .	15,000
Additional paid-in capital	17,900
Deficit	(3,879,500)
Total stockholder's deficiency	(3,846,600)
TOTAL	\$15,854,500

See notes to financial statements.

BRENDA RACEWAY CORPORATION
STATEMENT OF INCOME AND DEFICIT
YEAR ENDED OCTOBER 31, 1996

REVENUES (Note 2):

Admissions	\$ 3,867,900
Event related revenue	4,427,800
Other operating revenue	1,396,200
Total revenues	9,691,900
OPERATING EXPENSES:	
Direct expense of events	4,718,300
General and administrative	3,147,300
Depreciation and amortization	644,300
Total operating expenses	8,509,900
OPERATING INCOME	1,182,000
INTEREST EXPENSE (Note 6)	(1,653,000)
INTEREST INCOME (Note 6)	560,100
NET INCOME (Note 2)	89,100
DEFICIT, BEGINNING OF YEAR	(3,968,600)
DEFICIT, END OF YEAR	\$(3,879,500)

See notes to financial statements.

BRENDA RACEWAY CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED OCTOBER 31, 1996

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 89,100
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization.....	644,300
Changes in operating assets and liabilities:	
Accounts receivable.....	109,600
Prepaid expenses	49,100
Accounts payable	119,600
Deferred event income.....	(160,900)
Accrued expenses and other liabilities	(43,800)
Tenant and other deposits	44,300
Accrued interest receivable from affiliates ...	(547,800)
Accrued interest payable to stockholder	292,000
Net cash provided by operating activities.	595,500
 CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments on long-term debt.....	(315,600)
Payment of deferred financing costs.....	1,400
Net cash used in financing activities.....	(314,200)
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures, cash used in investing activities.....	(264,900)
 NET INCREASE IN CASH AND CASH EQUIVALENTS.....	16,400
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	158,200
 CASH AND CASH EQUIVALENTS AT END OF YEAR	\$174,600
 SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid for interest	\$1,364,000

See notes to financial statements.

BRENDA RACEWAY CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED OCTOBER 31, 1996

1. DESCRIPTION OF BUSINESS AND CHANGE IN OWNERSHIP

Brenda Raceway Corporation ("the Company") owns and operates the Sears Point Raceway ("SPR"). SPR located on approximately 800 acres in Sonoma, California, owns and operates a 2.52 mile, twelve-turn road course, a one-quarter mile dragstrip, and an 157,000 square foot industrial park. SPR currently sponsors two major NASCAR-sanctioned racing events annually, including a Winston Cup race and Craftsman Truck Series event. Additional major events held annually include the NHRA Winston Drag Racing Series, AMA California Superbike Challenge, Wine Country Classic, IMSA California Grand Prix and NHRA Autolite Nationals. The racetrack is also rented through-out the year by various organizations, including the Sports Car Club of America, major automobile manufacturers, and other car clubs.

On November 18, 1996, Speedway Motorsports, Inc. ("SMI"), a publicly-held company, acquired certain tangible and intangible assets and the operations of SPR for \$1,908,000 in cash. In addition, SMI executed a long-term lease, including a \$38.1 million purchase option, for the race track facilities and real property (see Note 8). SMI will operate the facilities as Sears Point Raceway ("SPR").

2. SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION -- Admissions revenue consists of ticket sales; event related revenues consist of amounts received from sponsorships, television, concessions, commissions and souvenir sales; and other operating revenue consists of automotive industrial park rental revenues.

In fiscal 1996, SPR held major racing events in May and October. SPR recognizes admissions and other related revenues when the events are held. Advance revenues and certain related direct expenses pertaining to a specific event are deferred until such time as the event is held. Deferred expenses primarily include race purses and sanctioning fees remitted to NASCAR. Deferred event income, net, as of October 31, 1996 relates primarily to television broadcast rights and advance ticket sales for events to be held in fiscal 1997. If circumstances prevent a race from being held at any time during the racing season, all advance revenue must be refunded and all direct event expenses deferred would be immediately recognized except for race purses which would be refundable from NASCAR.

CASH AND CASH EQUIVALENTS -- The Company classifies as cash equivalents all highly liquid investments with original maturities at date of purchase of three months or less.

PROPERTY AND EQUIPMENT -- Property and equipment is recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method for buildings and improvements, and declining balance methods for other property and equipment, over the estimated useful lives of the assets. Expenditures for repairs and maintenance are charged to expense when incurred.

DEFERRED FINANCING COSTS -- Deferred financing costs are being amortized over the term of the related debt using the straight-line method. Accumulated amortization as of October 31, 1996 amounted to \$107,800. As discussed in Note 8, the related debt arrangement was repaid subsequent to October 31, 1996. In connection with this repayment, unamortized deferred financing costs will be written-off as an extraordinary item in the fiscal 1997 statement of income.

ADVERTISING EXPENSES -- Advertising costs are expensed as incurred. Advertising expenses amounted to \$374,700 in 1996.

INCOME TAXES -- No provision for income taxes was required for the year ended October 31, 1996 because utilization of Federal and state net operating loss

carryforwards resulted in no income taxes currently payable.

Deferred income taxes represent the tax effect of temporary differences between financial and income tax bases of assets and liabilities and of net operating loss carryforwards. These differences include accrued related party interest expense and income which is not deductible or includable for income tax purposes until paid, provisions for bad debts for financial reporting, and the utilization of accelerated depreciation methods and net operating losses for income tax purposes. The Company has available net operating loss carryforwards aggregating approximately \$470,000 at October 31, 1996, and which begin to expire in 2000.

At October 31, 1996, the approximate tax effects of these temporary tax differences and net operating loss carryforwards result in deferred income tax assets of approximately \$1,650,000. The Company has recorded a 100% valuation allowance against these deferred tax assets because of uncertainties as to whether such assets will be realized.

USE OF ESTIMATES -- The preparation of financial statements in conformity with 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 future results could differ from those estimates.

3. PROPERTY AND EQUIPMENT

Property and equipment as of October 31, 1996 is summarized as follows:

Land and land improvements	\$5,088,000
Buildings	7,413,900
Machinery and equipment	564,000
Furniture and fixtures	129,400
Autos, trucks and trailers	201,000
Total	13,396,300
Less accumulated depreciation	(3,983,400)
Net	\$9,412,900

4. FINANCING ARRANGEMENTS

Long-term debt as of October 31, 1996 consists of the following:

Note payable to bank, payable in monthly installments of \$136,100, including interest at 10.4% based on 30 year loan amortization, to May 2002, with final payment of \$10,367,100, including interest, due June 1, 2002. Additional principal payments based on net cash flow as defined due

quarterly commencing November 1, 1995.	\$12,633,500
Other equipment notes payable	86,200
	12,719,700
Less current maturities	(349,900)
	\$12,369,800

Annual maturities of long-term debt as of October 31, 1996 are as follows:

Year ending October 31:

1997	\$ 349,900
1998	391,400
1999	431,900
2000	476,900
2001	515,300

Thereafter 10,554,300 Total \$12,719,700

Substantially all of the Company's assets were pledged as collateral under the bank note payable. The note payable has been repaid in full subsequent to year end (see Note 8). The Company may borrow up to \$500,000 under a bank line of credit agreement. The agreement expires November 17, 1996, bears interest based on 2% over the bank's base rate (8 1/2% as of October 31, 1996), and is unsecured. At October 31, 1996, the Company had outstanding borrowings of \$225,000 under the agreement. The borrowings were subsequently repaid by the Company upon expiration of the agreement.

5. LEASE INCOME

The Company leases its industrial park under triple net operating leases primarily to businesses and individuals involved in racing and related industries.

Annual future minimum lease payments to be received under non-cancelable operating leases with remaining terms in excess of one year as of October 31, 1996 are as follows (excludes required tenant reimbursements of certain operating expenses):

Year ending October 31:	
1997	\$ 967,400
1998	676,500
1999	379,800
2000	208,300
2001	90,300
Thereafter	226,300
Total	\$2,548,600

6. RELATED PARTY TRANSACTIONS

DUE FROM AFFILIATES -- At October 31, 1996, the amount is due principally from two affiliated entities which are wholly-owned and majority-owned, respectively, by the Company's stockholder. The amounts due are unsecured, bear non-compounded interest at 12%, are due on demand and include accrued interest of \$776,100. Interest income on these related party balances amounted to \$547,800 in the year ended October 31, 1996. No interest or principal payments were received in 1996.

PAYABLE TO STOCKHOLDER -- At October 31, 1996, payable to stockholder represents notes payable to the Company's stockholder, including accrued interest of \$3,364,700. The notes are unsecured, bear non-compounded interest at 12% and are due on demand. Interest expense on these related party notes amounted to \$292,000 in the year ended October 31, 1996. No interest or principal payments were made in 1996.

Under the terms of the November 18, 1996 acquisition (see Note 1), the amounts due from affiliates and payable to stockholder were not acquired by SMI. These amounts involve the same SPR stockholder; as such, the manner of future settlement is subject to the stockholder's discretion. However, the Company does not intend to demand repayment of these amounts through October 31, 1997. Therefore, the amounts due from affiliates have been classified as non-current assets in the accompanying balance sheet.

OTHER RECEIVABLES - At October 31, 1996, other receivables includes approximately \$143,000 due from the Company's stockholder.

7. CONTINGENCIES

The Company is engaged in several disputes and legal actions in the normal course of business. In management's opinion, the resolution of these matters should not have a material adverse impact on the Company's financial condition or future results of operations.

3 8. SUBSEQUENT EVENT - REAL ESTATE LEASE AND PURCHASE OPTION

In connection with the asset acquisition by SMI on November 18, 1996 (see Note 1), the Company executed a 14 year capital lease with SMI for all of the real property of the SPR complex. SMI has the option to purchase the real property for \$38.1 million during a six-month option period commencing November 1, 1999, subject to acceleration at the election of the seller after March 31, 1997 and through December 31, 1999 ("the Purchase Option"). The Purchase Option was acquired for a payment of \$3.5 million, and upon its exercise, is to be credited against the purchase price of the real property. The Purchase Option payment is non-refundable. Under the lease agreement terms, SMI paid a security deposit of \$3.0 million, with such amount also to be credited against the purchase price of the real property upon exercise of the Purchase Option. SMI is responsible for maintenance, insurance, taxes and other operating costs of the leased property.

In connection with the acquisition, SMI loaned the Company approximately \$13.45 million under a promissory note receivable to repay the Company's outstanding obligations on the real property. The note bears interest of 4% and is due in equal monthly installments of interest through November 1999 and, thereafter, of principal and interest through November 2026. The note is collateralized by a thirty year deed of trust on the real property in favor of SMI. Also, amounts due under the note are to be credited against amounts due from SMI upon exercise of the Purchase Option.

**DESCRIPTION OF UNAUDITED PRO FORMA FINANCIAL
STATEMENTS REFLECTING THE BUSINESS COMBINATION OF SPEEDWAY MOTORSPORTS, INC.
AND SEARS POINT RACEWAY**

The following unaudited pro forma financial statements have been prepared giving effect to the acquisition by Speedway Motorsports, Inc. (SMI) of Sears Point Raceway ("SPR") from Brenda Raceway Corporation (BRC) as if the transaction had taken place as of December 31, 1995 and September 30, 1996 for the pro forma balance sheets, and as of January 1, 1995 for the statements of income for the year ended December 31, 1995 and the nine months ended September 30, 1996. The following pro forma December 31, 1995 financial statements include the historical financial position and results of operations of SPR for the year ended October 31, 1995, and the pro forma financial position and results of operations of SMI for the year ended December 31, 1995 as previously reported, giving effect to acquisition of Bristol Motor Speedway, Inc. by SMI on January 22, 1996.

The acquisition has been accounted for using the purchase method in accordance with Accounting Principles Board Opinion ("APB") No. 16. The purchase price has been allocated to the assets and liabilities acquired at their estimated fair market values at acquisition date. The Company has obtained an independent appraisal of SPR's property and equipment, the fair values of which have been used in the accompanying pro forma financial statements. In the near future, the Company plans to obtain an independent appraisal of the fair value of other net assets acquired, including identifiable intangibles, if any. Based on current information, the Company's management does not expect the final allocation of the purchase price to be materially different from that used in the following pro forma balance sheets and statements of income.

THE UNAUDITED PRO FORMA FINANCIAL INFORMATION IS NOT NECESSARILY INDICATIVE OF THE RESULTS OF OPERATIONS OR THE FINANCIAL POSITION WHICH WOULD HAVE BEEN ATTAINED HAD THE ACQUISITION BEEN CONSUMMATED AT EITHER OF THE FOREGOING DATES OR WHICH MAY BE ATTAINED IN THE FUTURE. THE PRO FORMA FINANCIAL INFORMATION SHOULD BE READ IN CONJUNCTION WITH THE HISTORICAL FINANCIAL STATEMENTS OF SMI AND SPR.

PRO FORMA BALANCE SHEET
SPEEDWAY MOTORSPORTS, INC. AND SEARS POINT RACEWAY
DECEMBER 31, 1995
(UNAUDITED)

(In Thousands)

	Proforma(1) SMI 12/31/95	Historical(2) SPR 10/31/95	Pro Forma Adjustments	Pro Forma Adjustments Notes	Pro Forma 12/31/95
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$13,725	\$158	(\$11,883)	I	\$2,000
Restricted cash	86	--	--		86
Trade accounts receivable	6,929	581	(85)	F	7,425
Refundable income taxes	727	--	--		727
Inventories	5,372	--	--		5,372
Speedway condominiums under construction	3,142	--	--		3,142
Prepaid expenses	185	99	--		284
Total current assets	30,166	838	(11,968)		19,036
PROPERTY AND EQUIPMENT, NET	107,622	9,716	19,309	A	136,647
GOODWILL AND OTHER INTANGIBLE ASSETS	32,281	--	11,422	B	43,703
OTHER ASSETS					
Marketable equity securities	1,855	--	--		1,855
Notes receivable	934	4,769	8,684	C	14,387
Other assets	1,909	507	(545)	D	1,871
Total other assets	4,698	5,276	8,139		18,113
TOTAL	\$174,767	\$15,830	\$26,902		\$217,499
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Current maturities of long-term debt	\$26,848	\$547	(\$547)	G	\$26,848
Accounts payable	7,783	313	--		8,096
Deferred race event income, net	20,581	280	--		20,861
Accrued expenses and other liabilities	6,221	407	--		6,628
Due to former stockholders	1,660	5,506	(5,506)	G	1,660
Total current liabilities	63,093	7,053	(6,053)		64,093
LONG-TERM DEBT					
Notes payable	1,458	12,713	(2,427)	G	11,744
Capital lease obligation	--	--	31,446	E	31,446
PAYABLE TO AFFILIATED COMPANIES	2,603	--	--		2,603
DEFERRED MEMBERSHIP INCOME, NET	1,563	--	--		1,563
DEFERRED INCOME TAXES	9,916	--	--		9,916
OTHER LIABILITIES	754	--	--		754
Total liabilities	79,387	19,766	22,966		122,119
STOCKHOLDERS' EQUITY					
Common stock	380	15	(15)	H	380
Additional paid-in capital	72,148	18	(18)	H	72,148
Retained earnings	22,944	(3,969)	3,969	H	22,944
Unrealized loss on marketable equity securities	(92)	--	--		(92)
Total stockholders' equity	95,380	(3,936)	3,936		95,380
TOTAL	\$174,767	\$15,830	\$26,902		\$217,499

(1) Represents SMI pro forma financial statements as previously reported giving effect to the Bristol Motor Speedway acquisition on January 22, 1996.

(2) SPR's year end is October 31. The historical fiscal year ended October 31, 1995 balances have been used for 1995 pro forma financial statement purposes.

See notes to pro forma financial statements.

NOTES TO UNAUDITED PRO FORMA BALANCE SHEET
AT DECEMBER 31, 1995
(In Thousands)

A.	Increase in property and equipment:	
	- To adjust SPR depreciable property and equipment to fair value at date of acquisition based on independent appraisal ..	\$16,323
	- To adjust SPR land to fair value at date of acquisition based on independent appraisal	2,986
		19,309
B.	Increase in excess of cost over fair values assigned to net assets acquired (goodwill)(amortized on straight-line basis over 40 years).....	11,422
C.	Increase in notes receivable:	
	- To record SMI loan to BRC stockholder under note receivable ...	13,453
	- To eliminate BRC amounts due from affiliates not acquired	(4,769)
		8,684
D.	Decrease in other assets:	
	- To eliminate deferred loan costs not acquired in purchase	(545)
E.	To record capital lease obligation on BRC real property, net of cash deposits paid at closing of \$6,500	31,446
F.	To eliminate other receivables not acquired in SPR purchase	(85)
G.	Decrease in long-term debt:	
	- To eliminate BRC long-term debt, including current portion, not assumed in purchase	(13,260)
	- Increase in SMI long-term debt for pro forma purposes (see Note J below)	10,286
		(2,974)
	- Current for Tier of Long-Term Debt.....	(547)
		(2,427)
	- To eliminate BRC notes payable to stockholder not assumed in purchase	(5,506)
H.	To eliminate historical equity of BRC:	
	- Common stock	(15)
	- Additional paid-in capital	(18)
	- Deficit	3,969
I.	Decrease in cash:	
	- Direct costs of acquisition	(150)
	- Paid at closing for net assets acquired	(1,908)
	- SPR lease security deposit and purchase option	(6,500)
	- Cash retained by BRC	(175)
	- Loan to BRC stockholder at closing	(13,453)
	- Increase in cash from pro forma borrowings (see Note J below)..	(22,169)
		10,286
		(11,883)
	Purchase price summary, including execution of real property capital lease:	
	Cash paid at closing	1,908
	Capital lease obligation executed at closing	37,946
	Direct costs of acquisition	150
	Total purchase price	40,004
	Allocation of purchase price:	
	Book value of net assets acquired	9,273
	Step-up in fair value of property and equipment	19,309
	Excess of cost over fair values assigned (goodwill)	11,422
	Total purchase price	\$40,004

J. Increase in long-term debt for pro forma purposes:

In the November 18, 1996 acquisition, as discussed in Note I above, SMI disbursed amounts aggregating \$22,169 from available SMI cash balances. The cash disbursed exceeded December 31, 1995 and September 30, 1996 cash balances. As such, for pro forma presentation purposes, a portion of the cash disbursed was assumed to be funded with borrowings of long-term debt. The additional pro forma interest, which would not be retroactively capitalized for construction in progress, has been reflected in the pro forma statements of income.

PRO FORMA STATEMENT OF INCOME
SPEEDWAY MOTORSPORTS, INC. AND SEARS POINT RACEWAY
YEAR ENDED DECEMBER 31, 1995

(Unaudited)

(In Thousands except per share amounts)

	Proforma(1)	Historical(2)	Pro Forma	Pro Forma	Pro Forma
	SMI	SPR	Adjustments	Adjustments	Pro Forma
	12/31/95	10/31/95		Notes	12/31/95
REVENUES:					
Admissions	\$45,648	\$3,648	--		\$49,296
Event related revenue	30,391	4,263	--		34,654
Other operating revenue	11,221	1,260	--		12,481
	-----	-----	-----		-----
Total revenues	87,260	9,171	--		96,431
	-----	-----	-----		-----
OPERATING EXPENSES:					
Direct expenses of events	23,913	4,103	--		28,016
Other direct operating expenses	7,611	--	--		7,611
General and administrative	17,398	3,274	(245)	A	20,427
Depreciation and amortization	6,249	551	772	B	7,572
	-----	-----	-----		-----
Total operating expenses	55,171	7,928	527		63,626
	-----	-----	-----		-----
OPERATING INCOME	32,089	1,243	(527)		32,805
INTEREST INCOME (EXPENSE), NET	(2,074)	(717)	148	C	(3,577)
OTHER INCOME (EXPENSE)	3,410	(934)	--	E	3,410
EQUITY IN EARNINGS OF NORTH WILKESBORO SPEEDWAY	233	--	--		233
	-----	-----	-----		-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	33,658	(408)	(379)		32,871
INCOME TAX PROVISION (BENEFIT)	14,034	--	(326)	(D)	13,708
	-----	-----	-----		-----
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	19,624	(408)	(53)		19,163
EXTRAORDINARY ITEM, NET	(133)	--	--		(133)
	-----	-----	-----		-----
NET INCOME (LOSS)	\$19,491	(\$408)	(\$53)		\$19,030
	=====	=====	=====		=====
INCOME PER SHARE FROM CONTINUING OPERATIONS	\$0.53				\$0.51
	-----				-----
WEIGHTED AVERAGE SHARES OUTSTANDING	37,375				37,375
	-----				-----

(1) Represents SMI pro forma financial statements as previously reported giving effect to the Bristol Motor Speedway acquisition on January 22, 1996.

(2) SPR's year end is October 31. The historical fiscal year ended October 31, 1995 balances have been used for 1995 pro forma financial statement purposes.

See notes to pro forma financial statements.

**NOTES TO UNAUDITED PRO FORMA STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1995
(In Thousands)**

A.	Decrease in general and administrative expense, consulting fees paid to affiliate of BRC stockholder	\$ (245)
B:	Increase in depreciation and amortization: Depreciation of step-up in fair value of property and equipment using straight-line basis	599
	Amortization of goodwill (amortized on straight-line basis over 40 years)	286
	Decrease in amortization of other assets	(113)
		772
C.	Change in interest income (expense), net: Interest income on SMI loan to BRC stockholder at purchase...	538
	Interest expense on SPR capital lease obligation	(2,044)
	Interest expense on increase in long-term debt for pro forma purposes (see Note J of December 31, 1995 pro forma balance sheet)	(101)
	Elimination of interest income on BRC amounts due from affiliates not acquired in purchase	(228)
	Elimination of interest expense on notes payable not assumed in SPR purchase	1,049
		(786)
D.	Decrease in income tax provision: Income tax benefit of pro forma adjustments on consolidated income tax provision using SMI effective income tax rate of approximately 40%	\$ (137)
E.	Elimination of BRC other expense, Litigation settlement related to a prior year.....	\$ 934

PRO FORMA BALANCE SHEET
SPEEDWAY MOTORSPORTS, INC. AND SEARS POINT RACEWAY
SEPTEMBER 30, 1996
(UNAUDITED)

(In Thousands)

	Historical		Pro Forma Adjustments	Pro Forma Adjustments Notes	Pro Forma
	SMI	SPR			
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$15,630	\$110	(\$11,883)	I	\$3,857
Restricted cash	4,644	--	--		4,644
Trade accounts receivable	6,487	677	(126)	F	7,038
Prepaid income taxes	3,469	--	--		3,469
Inventories	6,303	--	--		6,303
Speedway condominiums under construction	3,799	--	--		3,799
Prepaid expenses	908	92	--		1,000
Total current assets	41,240	879	(12,009)		30,110
PROPERTY AND EQUIPMENT, NET	215,698	9,451	19,309	A	244,458
GOODWILL AND OTHER INTANGIBLE ASSETS	36,364	--	11,422	B	47,786
OTHER ASSETS					
Marketable equity securities	2,387	--	--		2,387
Notes receivable	684	5,185	8,268	C	14,137
Other assets	4,201	451	(442)	D	4,210
Total other assets	7,272	5,636	7,826		20,734
TOTAL	\$300,574	\$15,966	\$26,548		\$343,088
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Current maturities of long-term debt	\$279	\$577	(\$577)	G	\$279
Accounts payable	12,845	446	--		13,291
Deferred race event income, net	27,559	--	--		27,559
Accrued expenses and other liabilities	6,160	336	--		6,496
Due to former stockholders	640	5,725	(5,725)	G	640
Total current liabilities	47,483	7,084	(6,302)		48,265
LONG-TERM DEBT					
Notes payable	41,204	12,395	(2,109)	G	52,146
Capital lease obligation	--	--	31,446	E	31,446
PAYABLE TO AFFILIATED COMPANIES	2,603	--	--		2,603
DEFERRED MEMBERSHIP INCOME, NET	1,357	--	--		1,357
DEFERRED INCOME TAXES	9,899	--	--		9,899
OTHER LIABILITIES	5,147	--	--		5,147
Total liabilities	107,693	19,479	23,035		150,207
STOCKHOLDERS' EQUITY					
Common stock	413	15	(15)	H	413
Additional paid-in capital	155,276	18	(18)	H	155,276
Retained earnings	37,308	(3,546)	3,546	H	37,308
Unrealized loss on marketable equity securities	(116)	--	--		(116)
Total stockholders' equity	192,881	(3,513)	3,513		192,881
TOTAL	\$300,574	\$15,966	\$26,548		\$343,088

See notes to pro forma financial statements.

NOTES TO UNAUDITED PRO FORMA BALANCE SHEET
AT SEPTEMBER 30, 1996
(In Thousands)

A.	Increase in property and equipment:	
	- To adjust SPR depreciable property and equipment to fair value at date of acquisition based on independent appraisal ..	\$16,323
	- To adjust SPR land to fair value at date of acquisition based on independent appraisal	2,986
		19,309
B.	Increase in excess of cost over fair values assigned to net assets acquired (goodwill)(amortized on straight-line basis over 40 years).....	11,422
C.	Increase in notes receivable:	
	- To record SMI loan to BRC stockholder under note receivable ...	13,453
	- To eliminate BRC amounts due from affiliates not acquired	(5,185)
		8,268
D.	Increase in other assets:	
	- To eliminate deferred loan costs not acquired in purchase	(442)
E.	To record capital lease obligation on BRC real property, net of cash deposits paid at closing of \$6,500	31,446
F.	To eliminate other receivables not acquired in SPR purchase	(126)
G.	Decrease in long-term debt:	
	- To eliminate BRC long-term debt, including current portion, not assumed in purchase	(12,972)
	- Increase in long-term debt for pro forma purposes (see Note J of December 31, 1995 pro forma balance sheet).....	10,286
		(2,686)
	- Current for Tier of Long-Term Debt.....	(577)
		(2,109)
	- To eliminate BRC notes payable to stockholder not assumed in purchase	(5,725)
H.	To eliminate historical equity of BRC:	
	- Common stock	(15)
	- Additional paid-in capital	(18)
	- Deficit	3,546
I.	Decrease in cash:	
	- Direct costs of acquisition	(150)
	- Paid at closing for net assets acquired	(1,908)
	- SPR lease security deposit and purchase option	(6,500)
	- Cash retained by BRC	(175)
	- Loan to BRC stockholder at closing	(13,453)
		(22,169)
	- Increase in cash from pro forma borrowings (see Note J of December 31, 1995 pro forma balance sheet)	10,286
		\$(11,883)

PRO FORMA STATEMENT OF INCOME
SPEEDWAY MOTORSPORTS, INC. AND SEARS POINT RACEWAY
NINE MONTHS ENDED SEPTEMBER 30, 1996
(UNAUDITED)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	HISTORICAL		PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTMENTS	
	SMI	SPR		NOTES	PRO FORMA
REVENUES:					
Admissions	\$33,602	\$3,649	--		\$37,251
Event related revenue	23,551	3,657	--		27,208
Other operating revenue	9,498	1,052	--		10,550
	-----	-----	-----		-----
Total revenues	66,651	8,358	--		75,009
	-----	-----	-----		-----
OPERATING EXPENSES:					
Direct expenses of events	20,116	3,844	--		23,960
Other direct operating expenses	5,724	168	--		5,892
General and administrative	13,208	2,368	--		15,576
Depreciation and amortization	5,904	466	526	A	6,896
	-----	-----	-----		-----
Total operating expenses	44,952	6,846	526		52,324
	-----	-----	-----		-----
OPERATING INCOME	21,699	1,512	(526)		22,685
INTEREST INCOME (EXPENSE), NET	818	(815)	(451)	B	(448)
OTHER INCOME	1,282	--	--		1,282
EQUITY IN EARNINGS OF NORTH WILKESBORO SPEEDWAY	85	--	--		85
	-----	-----	-----		-----
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	23,884	697	(977)		23,604
INCOME TAX PROVISION (BENEFIT)	9,520	--	(112)	C	9,408
	-----	-----	-----		-----
NET INCOME	\$14,364	\$697	(\$865)		\$14,196
	=====	=====	=====		=====
INCOME PER SHARE FROM CONTINUING OPERATIONS	\$0.35				\$0.35
	=====				=====
WEIGHTED AVERAGE SHARES OUTSTANDING	41,046				41,046
	=====				=====

See notes to pro forma financial statements.

**NOTES TO UNAUDITED PRO FORMA STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996**
(In Thousands)

A:	Increase in depreciation and amortization:	
	Depreciation of step-up in fair value of property and equipment using straight-line basis	\$ 381
	Amortization of goodwill (amortized on straight-line basis over 40 years)	215
	Decrease in amortization of other assets	(70)
		526
B.	Change in interest income (expense), net:	
	Interest income on SMI loan to BRC stockholder at purchase....	404
	Interest expense on SPR capital lease obligation	(1,533)
	Interest expense on increase in long-term debt for pro forma purposes (see Note J of December 31, 1995 pro forma balance sheet)	(147)
	Elimination of interest income on BRC amounts due from affiliates not acquired in purchase	(411)
	Elimination of interest expense on notes payable not assumed in purchase	1,236
		(451)
C.	Decrease in income tax provision:	
	Income tax benefit of pro forma adjustments on consolidated income tax provision using SMI effective income tax rate of approximately 40%.....	\$ (112)