

DRIVEN *TO BE THE WORLD LEADER IN MOTORSPORTS ENTERTAINMENT BY PROVIDING SUPERIOR, INNOVATIVE, AND THRILLING GUEST EXPERIENCES.*

International Speedway Corporation, ("ISC") founded in 1953, is a leading promoter of motorsports-themed entertainment activities in the United States. The Company owns and/or operates 13 of the nation's premier motorsports entertainment facilities, which in total, have approximately 830,000 grandstand seats and 525 suites.

ISC's facilities are located in six of the nation's top 13 media markets and nearly 80 percent of the country's population is located within the primary trading areas of its facilities.

ISC promotes major motorsports events in every month of the racing season — more than any other motorsports promoter.

- Daytona International Speedway® in Florida
- Talladega Superspeedway® in Alabama
- Michigan International Speedway® located outside Detroit
- Richmond International Raceway® in Virginia
- Auto Club Speedway of Southern CaliforniaSM near Los Angeles
- Kansas Speedway® in Kansas City, Kansas
- Phoenix International Raceway® in Arizona
- Chicagoland Speedway® near Chicago, Illinois
- Route 66 RacewaySM near Chicago, Illinois
- Homestead-Miami SpeedwaySM in Florida
- Martinsville Speedway® in Virginia
- Darlington Raceway® in South Carolina
- Watkins Glen International® in New York

The Company also owns and operates Motor Racing Network Radio, the nation's largest independent sports radio network and Americrown Service CorporationSM, a subsidiary that provides catering services, food and beverage concessions, and produces and markets motorsports-related merchandise. In addition, the Company has a 50 percent interest in the Hollywood Casino at Kansas Speedway.

The National Association for Stock Car Auto Racing (NASCAR) is the most prominent sanctioning body in stock car racing, based on such factors as geographic presence, number of members and sanctioned events. ISC derives approximately 90 percent of its revenues from NASCAR-sanctioned racing events.

ISC attributes its solid revenues and profits to an operating strategy that produces significant operating cash flow which is reinvested in strategic opportunities to grow the business and deliver shareholder value.





DEAR INTERNATIONAL SPEEDWAY CORPORATION SHAREHOLDERS, PARTNERS AND EMPLOYEES:

2 013 was a banner year for International Speedway Corporation and the sport of NASCAR, with TV ratings up for key viewer demographics; the launch of the Gen 6 car which delivered record setting season for qualifying, green flag passes and margins of victory; and an increasing diversity in the NASCAR fan base. All signs that the Industry Action Plan is working!

In 2013 we saw encouraging signs of stabilization in our core business, driven by slowly improving economic conditions and our solid consumer and corporate marketing strategies. While we continued to experience softness in attendance overall, Phoenix International Raceway reported a sold out Fall Sprint Cup Series event for the third straight year and we saw increased attendance for several other Sprint Cup events.

From a marketing partnership perspective, the Company sold all of its 2013 NASCAR Sprint Cup and Nationwide series event entitlements and was within one percent of the gross marketing partnership revenue target for the year. Corporate support for ISC remains strong, despite the sluggish economy which has influenced corporate budgets, sales and contract duration. The number of Fortune 500 companies invested in NASCAR remains higher than any other sport. Nearly one-in-four Fortune 500 companies use NASCAR as part of their marketing mix. For the second consecutive year, the number of Fortune 500 companies involved in NASCAR increased; to an eight percent improvement over 2008.

ISC's risk profile improved significantly during 2013 with the sale of our Staten Island property and NASCAR negotiating the largest TV rights contract in the sport's history, giving us strong earnings visibility through 2024. Few industries can boast that they have their largest revenue stream locked in for the next eleven years!

As a result, we feel increasingly confident about our financial condition and strategic initiatives to grow our business.

In June 2013, our Board of Directors endorsed a \$600 million, five-year capital allocation plan for capital projects in fiscal years 2013 through 2017 that will focus on enhancing the guest experience at our facilities. As part of this capital allocation plan, we broke ground on DAYTONA Rising immediately following the Coke Zero 400 in July. DAYTONA Rising is a \$400 million reimagining of an American icon - Daytona International Speedway. Upon completion for the 2016 season, five expanded and redesigned entrances, or "injectors," will lead fans to a series of escalators and elevators, transporting them to three different concourse levels. Each level features spacious social areas, or "neighborhoods," along the nearly mile-long frontstretch. At the conclusion of the redevelopment, Daytona International Speedway will have approximately 101,000 permanent, wider and more comfortable seats, twice as many restrooms and three times as many concession stands. In addition, the Speedway will feature over 60 luxury suites with track side views and a completely revamped hospitality experience for corporate guests. At the time of this writing, we are pleased to report DAYTONA Rising is on schedule and on budget, and we have announced our first long-term DAYTONA Rising founding partner agreement with Toyota. We are confident that elevating the experience at the most iconic motorsports facility in North America will take the Daytona 500 brand to a whole new level, not to mention the impact on our 12 other major motorsports facilities' brands and NASCAR's brand.

In addition, our proposed mixed-use and entertainment destination project located

directly across from Daytona International Speedway, ONE DAYTONA, is gaining steam. In partnership with Jacoby Development we are making steady progress on securing tenants to compliment the previously announced anchors Bass Pro Shops and Cobb Theaters. In addition our teams are in discussions with local officials regarding opportunities for public incentives to support the project. ONE DAYTONA will be a welcome addition to our growing list of value building ancillary developments, complementing our hugely successful Hollywood Casino at Kansas Speedway joint venture which returned \$21.5 million in cash in its first full year of operation.

The start of a new motorsports season is always an exciting time for us, and more importantly, our fans and sponsors. Excitement is high surrounding NASCAR's numerous innovations in the competition space, including the new championship format today that will put greater emphasis on winning races all season long, expands the current Chase for the NASCAR Sprint Cup field to 16 drivers, and implements a new round-by-round advancement format that ultimately will reward a battle-tested, worthy champion. Along with all the fan focused innovations and value building projects here at International Speedway Corporation, we are surely racing into the future.

We appreciate your continued support and look forward to seeing you at the races!


VICE CHAIR AND CHIEF EXECUTIVE OFFICER


PRESIDENT

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10-K

2013

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

FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended November 30, 2013

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 000-02384



INTERNATIONAL SPEEDWAY CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA

(State or other jurisdiction of incorporation)

59-0709342

(I.R.S. Employer Identification No.)

**ONE DAYTONA BOULEVARD,
DAYTONA BEACH, FLORIDA**
(Address of principal executive offices)

32114
(Zip code)

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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 (§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.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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, 2013 was \$968,850,113.50 based upon the last reported sale price of the Class A Common Stock on the NASDAQ National Market System on Thursday, May 31, 2013 and the assumption that all directors and executive officers of the Company, and their families, are affiliates.

At December 31, 2013, there were outstanding: No shares of Common Stock, \$.10 par value per share, 26,524,018 shares of Class A Common Stock, \$.01 par value per share, and 19,991,313 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 2014 Annual Meeting of Shareholders and which is to be filed with the Commission not later than 120 days after November 30, 2013.

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.

INTERNATIONAL SPEEDWAY CORPORATION
FORM 10-K
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

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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;
- Kansas Speedway® in Kansas;
- Richmond International Raceway® in Virginia;
- Michigan International Speedway® in Michigan;
- Auto Club Speedway of Southern CaliforniaSM in California;
- Darlington Raceway® in South Carolina;
- Chicagoland Speedway® in Illinois;
- Martinsville Speedway® in Virginia;
- Phoenix International Raceway® in Arizona;
- Homestead-Miami SpeedwaySM in Florida;
- Watkins Glen International® in New York; and
- Route 66 RacewaySM in Illinois.

In 2013, 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;
- 15 NASCAR Nationwide Series events;
- 9 NASCAR Camping World Truck Series events;
- 3 International Motor Sports Association ("IMSA") Tudor United SportsCar Championship Series events including the premier sports car endurance event in the United States, the Rolex 24 at Daytona;
- One National Hot Rod Association ("NHRA") Mellow Yellow drag racing series event;
- One IndyCar ("IndyCar") Series event; and
- A number of other prestigious stock car, sports car, open wheel and motorcycle events.

Our business consists principally of promoting racing events at these major motorsports entertainment facilities, which, in total, currently have approximately 831,500 grandstand seats and 525 suites. We earn revenues and generate substantial cash flows primarily from admissions, television 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, and track rentals. We own Americrown Service Corporation ("Americrown"), which provides catering, concessions and merchandise sales and services at certain of our motorsports entertainment facilities. We also own and operate the Motor Racing Network, Inc. ("MRN") radio network, also doing business under the name "MRN Radio", the nation's largest independent motorsports radio network in terms of event programming. We also have an equity investment in a Hollywood Casino at Kansas Speedway that has generated substantial equity earnings and cash distributions to us since its opening in fiscal year 2012.

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 and beverage concessions at our motorsports entertainment facilities that host NASCAR Sprint Cup Series events except for catering and food and beverage concessions at Chicagoland Speedway (“Chicagoland”) and Route 66 Raceway (“Route 66”). Our other operations include MRN; our 50.0 percent equity investments in the joint ventures Kansas Entertainment, LLC (“Kansas Entertainment”), which operates the Hollywood Casino at Kansas Speedway, and SMISC, LLC (“SMISC”), which conducts business through a wholly owned subsidiary Motorsports Authentics, LLC; and certain other activities. We derived approximately 90.6 percent of our 2013 revenues from NASCAR-sanctioned racing events at our wholly owned motorsports entertainment facilities. In addition to events sanctioned by NASCAR, in fiscal 2013, we promoted other stock car, sports car, open wheel, 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.

Motor Racing Network, Inc.

Our wholly owned subsidiary, MRN, also does business under the name “MRN Radio”. While not a radio station, MRN creates motorsports-related programming content carried on radio stations around the country, as well as a national satellite radio service, Sirius XM Radio. MRN 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 for the contemporaneous re-airing of race broadcasts and certain other production services. MRN produces and provides unique content to its website, <http://www.motorracingnetwork.com/>, and derives revenue from the sale of advertising on such website. Each motorsports entertainment facility has the ability to separately contract for the rights to radio broadcasts of NASCAR and certain other events held at its location. In addition, MRN provides production services for Sprint Vision, the trackside large screen video display units, at NASCAR Sprint Cup Series event weekends that take place at our motorsports facilities, as well as at Dover International Speedway and Pocono Raceway. MRN also produces and syndicates daily and weekly NASCAR racing-themed programs. MRN 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.

EQUITY INVESTMENTS

Hollywood Casino at Kansas Speedway

We have a 50/50 partnership with Penn Hollywood Kansas Inc. (“Penn”), a subsidiary of Penn National Gaming Inc., which operates a Hollywood-themed and branded destination entertainment facility, overlooking turn two of Kansas Speedway (“Kansas”). Penn is the managing member of Kansas Entertainment and is responsible for the operation of the casino.

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 Activities

From time to time, we use our motorsports entertainment 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.

Competition

We are among the largest owners of major motorsports themed entertainment facilities based on revenues, number of facilities owned and/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”), IMSA, Automobile Racing Club of America (“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.

Employees

As of November 30, 2013 we had over 840 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 motorsports entertainment facilities accounted for approximately 90.6 percent of our total revenues in fiscal 2013. 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 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 derived from NASCAR's three national touring series -- the NASCAR Sprint Cup Series, Nationwide Series, and Camping World Truck Series -- are an important component of our revenue and earnings stream and any adverse changes to such rights fees revenues could adversely impact our results.

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.

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 began in 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 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, as well as renewals for the following year. 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 canceled, 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.

If a canceled event is part of the NASCAR Sprint Cup, Nationwide or 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 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 canceled 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 canceled 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 Chairwoman 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 39.0 percent of our capital stock and control over 72.0 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.

Our capital allocation plan may not achieve anticipated results

Enhancing the live event experience for our guests by investing in our major motorsports facilities is a critical strategy for our growth, and our Board of Directors has endorsed a capital allocation plan for fiscal 2013 through fiscal 2017 related to this strategy, which includes DAYTONA Rising. This plan involves significant challenges and risks including that the projects do not advance our business strategy or that we do not realize a satisfactory return on our investment. It may take longer than expected to realize the full benefits from these projects, such as increased revenue, or the benefits may ultimately be smaller than anticipated or may not be realized. These events could harm our operating results or financial condition. Further, these projects may not be completed on time, which could result in a negative financial impact.

Future impairment or loss on disposal 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 or loss on retirement. During the fiscal years ended November 30, 2011, 2012 and 2013 we recorded before-tax charges as losses on retirements of long-lived assets primarily attributable to the removal of certain other long-lived assets located at our motorsports facilities totaling approximately \$4.7 million, \$11.1 million and \$16.6 million, respectively.

As of November 30, 2013, goodwill and other intangible assets and property and equipment accounts for approximately \$1.6 billion, or 78.0 percent of our total assets. We account for our goodwill and other intangible assets in accordance with Accounting Standards Codification (“ASC”) 350, “Intangibles — Goodwill and Other”, and for our long-lived assets in accordance with ASC 360, “Property, Plant and Equipment.” 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. These equity investments add an additional element of risk where they may not advance our business strategy or that we do not realize a satisfactory return on our investment. It may take longer than expected to realize the full benefits from these equity investments, or the benefits may ultimately be smaller than anticipated or may not be realized. These events could harm our operating results or financial condition. Our equity investments total approximately \$134.3 million at November 30, 2013.

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 improvements and additions of 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, IMSA, 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.

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.

If we do not maintain the security of customer-related information, we could damage our reputation with customers, incur substantial additional costs and become subject to litigation

In the ordinary course of our business, we collect and store certain personal information including but not limited to name, address and payment account information from individuals, such as our customers and employees, business partners. We also process customer payment card transactions. In addition, our online operations depend upon the secure transmission of confidential, personal and payment account information over public networks, including information permitting cashless payments. We devote significant resources to information security, network security, data encryption, and other security measures to protect our systems and data, but these security measures cannot provide absolute security. As with all companies, these security measures are subject to third-party security breaches, employee error or malfeasance, or other unanticipated situations. Such a compromise of our security systems that results in personal or payment network information being obtained by unauthorized persons could adversely affect our reputation with our customers, the credit card brands (such as VISA, MasterCard and American Express) and others. Such a compromise could also adversely affect our operations, results of operations, financial condition and liquidity, and could result in litigation against us, the imposition of penalties, restrictions or other requirements by regulatory bodies or the credit card brands. In addition, a security breach could require that we expend significant additional resources related to our information security systems and could result in a disruption of our operations, particularly our sales operations. While we maintain insurance against this risk, not all losses would be covered by such insurance.

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. 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

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, 2013:

TRACK NAME	LOCATION	2013 YEAR END CAPACITY		NASCAR SPRINT CUP EVENTS	OTHER MAJOR EVENTS(1)	MARKETS SERVED	MEDIA MARKET RANK
		SEATS	SUITES				
Daytona International Speedway	Daytona Beach, Florida	147,000	101	4	6	Orlando/Central Florida	18
Talladega Superspeedway	Talladega, Alabama	78,000	30	2	3	Atlanta/Birmingham	9/44
Kansas Speedway	Kansas City, Kansas	74,000	56	2	3	Kansas City	31
Richmond International Raceway	Richmond, Virginia	71,000	40	2	2	Washington D.C.	8
Michigan International Speedway	Brooklyn, Michigan	71,000	46	2	3	Detroit	11
Auto Club Speedway of Southern California	Fontana, California	68,000	80	1	2	Los Angeles	2
Darlington Raceway	Darlington, South Carolina	58,000	13	1	2	Columbia	77
Chicagoland Speedway	Joliet, Illinois	55,500	24	1	4	Chicago	3
Martinsville Speedway	Martinsville, Virginia	55,000	20	2	2	Greensboro/High Point	46
Phoenix International Raceway	Phoenix, Arizona	51,000	45	2	3	Phoenix	12
Homestead-Miami Speedway	Homestead, Florida	46,000	66	1	5	Miami	16
Watkins Glen International	Watkins Glen, New York	33,000	4	1	3	Buffalo/Rochester	52/78
Route 66 Raceway	Joliet, Illinois	24,000	n/a	—	1	(2) Chicago	3

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

(2) Route 66's other major event includes an NHRA Mellow Yellow Drag Racing Series event,

DAYTONA INTERNATIONAL SPEEDWAY. Daytona International Speedway (“Daytona”) 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.

TALLADEGA SUPERSPEEDWAY. Talladega Superspeedway (“Talladega”) is a 2.7 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 100 miles from Atlanta, Georgia and approximately 50 miles from Birmingham, Alabama.

KANSAS SPEEDWAY. Kansas is a 1.5 mile variable-degree banked, asphalt, tri-oval superspeedway with a 0.9-mile infield road course. The facility is situated on 1,000 acres and is located in Kansas City, Kansas. Overlooking turn two of Kansas is a Hollywood-themed and branded destination entertainment facility (see Equity Investments).

RICHMOND INTERNATIONAL RACEWAY. Richmond International Raceway (“Richmond”) 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.

MICHIGAN INTERNATIONAL SPEEDWAY. Michigan International Speedway (“Michigan”) 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.

AUTO CLUB SPEEDWAY OF SOUTHERN CALIFORNIA. Auto Club Speedway of Southern California (“Auto Club Speedway”) 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.

DARLINGTON RACEWAY. Darlington Raceway (“Darlington”) 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.

CHICAGOLAND SPEEDWAY. Chicagoland 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.

MARTINSVILLE SPEEDWAY. Martinsville Speedway (“Martinsville”) 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.

PHOENIX INTERNATIONAL RACEWAY. Phoenix International Raceway (“Phoenix”) 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.

HOMESTEAD-MIAMI SPEEDWAY. Homestead-Miami Speedway (“Homestead”) 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 is owned by the City of Homestead, however we operate Homestead under an agreement that expires in 2075, including renewal options.

WATKINS GLEN INTERNATIONAL. Watkins Glen International (“Watkins Glen”) 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 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 own approximately 245 acres of real property near Daytona which is home to our corporate headquarters and other offices and facilities. In addition, we also own 410 acres near Daytona on which we conduct agricultural operations except during events when they are used for parking and other ancillary purposes. We lease real estate and office space in Talladega, Alabama and the property and premises at the Talladega Municipal Airport. We lease office space in Watkins Glen, New York and in Avondale, Arizona.

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,” “Daytona 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 Glen,” “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. In addition, on

February 23, 2013, during the last lap of the NASCAR Nationwide Series race at Daytona International Speedway, an on-track incident resulted in debris from a race car entering the grandstands and injuring numerous spectators. We have been put on notice of a number of claims as a result of this incident; however we are confident that we have adequate insurance to cover any losses, in excess of our \$1.5 million deductible, resulting from claims surrounding this incident.

ITEM 4. MINE SAFETY DISCLOSURES

None

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

At November 30, 2013, 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, 2013, there were approximately 2,091 record holders of class A common stock and approximately 370 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 2012				
First Quarter	\$ 27.50	\$ 23.88	\$ 26.69	\$ 23.65
Second Quarter	28.73	23.18	27.00	23.30
Third Quarter	28.49	23.53	26.50	22.00
Fourth Quarter	29.30	24.22	29.00	24.11
Fiscal 2013				
First Quarter	\$ 31.09	\$ 25.96	\$ 31.00	\$ 25.70
Second Quarter	35.75	29.30	35.00	29.70
Third Quarter	35.77	30.61	34.75	31.30
Fourth Quarter	34.99	30.14	37.59	30.34

(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.

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.

The Company has a share repurchase program (“Stock Purchase Plan”) under which it is authorized to purchase up to \$330.0 million of its outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plan will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plan 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, 2012 — August 31, 2013				
Repurchase program(1)	—	\$ —	—	\$ 61,741
Employee transactions(2)	7,953	32.79	—	
September 1, 2013 — September 30, 2013				
Repurchase program(1)	—	—	—	61,741
October 1, 2013 — October 31, 2013				
Repurchase program(1)	—	—	—	61,741
November 1, 2013 — November 30, 2013				
Repurchase program(1)	—	—	—	61,741
	7,953		—	

- (1) Since inception of the Stock Purchase Plan through November 30, 2013, we have purchased 7,063,962 shares of our Class A common shares, for a total of approximately \$268.3 million. Included in these totals are the purchases of 1,435,811 and 405,538 shares of the Company’s Class A common shares at an average cost of approximately \$25.87 and \$25.40 per share (including commissions), for a total of approximately \$37.1 million and \$10.3 million, during the fiscal years ended November 30, 2011 and 2012, respectively. There were no purchases, under the Stock Purchase Plan, of the Company’s Class A common shares during fiscal 2013. These transactions occurred in open market purchases and pursuant to a trading plan under Rule 10b5-1. At November 30, 2013, we have approximately \$61.7 million remaining repurchase authority under the current Stock Purchase Plan.
- (2) Represents shares of our common stock delivered to us in satisfaction of the minimum statutory tax withholding obligation of holders of restricted shares that vested during the period.

Dividends

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
2009	\$ 0.14
2010	0.16
2011	0.18
2012	0.20
2013	0.22

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	194,073	\$ 41.03	524,966
Equity compensation plans not approved by security holders	—	—	—
Total	194,073	41.03	524,966

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, 2013. The income statement data for the three fiscal years in the period ended November 30, 2013, and the balance sheet data as of November 30, 2012 and November 30, 2013, have been derived from our audited historical consolidated financial statements included elsewhere in this report. The balance sheet data as of November 30, 2011, and the income statement data and the balance sheet data as of and for the fiscal years ended November 30, 2010 and 2009, 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.

For the Year Ended November 30,

	2009	2010	2011	2012	2013
	(in thousands, except share and per share data)				
Income Statement Data:					
Revenues:					
Admissions, net	\$ 195,509	\$ 160,476	\$ 144,433	\$ 136,099	\$ 129,824
Motorsports related	432,217	420,910	425,655	416,699	425,530
Food, beverage and merchandise	56,397	52,527	47,863	45,985	44,046
Other	9,040	11,444	11,734	13,584	13,240
Total revenues	<u>693,163</u>	<u>645,357</u>	<u>629,685</u>	<u>612,367</u>	<u>612,640</u>
Expenses:					
Direct:					
Prize and point fund monies and NASCAR sanction fees	162,960	157,571	154,562	154,673	159,349
Motorsports related	149,826	142,603	124,861	125,072	125,928
Food, beverage and merchandise	39,134	36,949	36,744	35,642	33,150
General and administrative	103,773	102,733	98,795	102,958	104,925
Depreciation and amortization (1)	72,900	74,465	76,871	77,870	93,989
Impairments / losses on retirements of long-lived assets (2)	16,747	8,859	4,687	11,143	16,607
Total expenses	<u>545,340</u>	<u>523,180</u>	<u>496,520</u>	<u>507,358</u>	<u>533,948</u>
Operating income	147,823	122,177	133,165	105,009	78,692
Interest income	1,080	170	139	102	96
Interest expense	(19,203)	(15,216)	(14,710)	(13,501)	(15,221)
Interest rate swap expense (3)	(4,268)	(23,878)	—	—	—
Loss on early redemption of debt (4)	—	(6,535)	—	(9,144)	—
Other	426	—	—	1,008	75
Equity in net (loss) income from equity investments (5)	(77,608)	(1,904)	(4,177)	2,757	9,434
Income from continuing operations before income taxes	48,250	74,814	114,417	86,231	73,076
Income taxes (6)	41,265	20,236	44,993	31,653	27,784
Income from continuing operations	6,985	54,578	69,424	54,578	45,292
Loss from discontinued operations	(170)	(47)	—	—	—
Net income	<u>\$ 6,815</u>	<u>\$ 54,531</u>	<u>\$ 69,424</u>	<u>\$ 54,578</u>	<u>\$ 45,292</u>
Basic and diluted earnings per share:					
Income from continuing operations	\$ 0.14	\$ 1.13	\$ 1.46	\$ 1.18	\$ 0.97
Loss from discontinued operations	0.00	0.00	—	—	—
Net income	<u>\$ 0.14</u>	<u>\$ 1.13</u>	<u>\$ 1.46</u>	<u>\$ 1.18</u>	<u>\$ 0.97</u>
Dividends per share	<u>\$ 0.14</u>	<u>\$ 0.16</u>	<u>\$ 0.18</u>	<u>\$ 0.20</u>	<u>\$ 0.22</u>
Weighted average shares outstanding:					
Basic	48,678,517	48,242,555	47,602,574	46,386,355	46,470,647
Diluted	48,678,517	48,242,555	47,611,179	46,396,631	46,486,561
Balance Sheet Data (at end of period):					
Cash and cash equivalents	\$ 158,572	\$ 84,166	\$ 110,078	\$ 78,379	\$ 172,827
Working capital	104,039	58,267	75,759	50,868	153,780
Total assets	1,908,903	1,878,749	1,944,639	1,941,741	2,017,506
Long-term debt	343,793	303,074	313,888	274,419	271,680
Total debt	347,180	306,290	316,152	276,932	274,487
Total shareholders' equity	1,147,253	1,187,177	1,212,466	1,248,810	1,287,155

- (1) Fiscal year 2009 includes accelerated depreciation for certain office and related buildings in Daytona Beach, FL totaling approximately \$1.0 million. Fiscal year 2013 includes accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising and capacity management initiatives totaling approximately \$15.4 million.
- (2) Fiscal 2009 impairment/losses on asset retirements is primarily attributed to the decrease in the carrying value of our Staten Island property and, to a much lesser extent, and losses on retirements of certain other long-lived assets. Fiscal 2010 impairment/losses on asset retirements is primarily attributable to the non-cash impairment of certain costs related to the Daytona Development Project and, to a much lesser extent, losses on the removal of certain other long-lived assets. Fiscal 2011 losses associated with the retirements of certain other long-lived assets is primarily attributable to the removal of certain assets in connection with the repaving of the track and grandstand enhancements at Phoenix as well as grandstand enhancements at Kansas and Talladega. Fiscal 2012 losses associated with the retirements of certain other long-lived assets is primarily attributable to the removal of certain assets in connection with the repaving of the track at Kansas, and certain other long-lived assets located at our motorsports facilities. Fiscal 2013 losses associated with the retirements of certain other long-lived assets is primarily attributable to the removal of assets not fully depreciated in connection with DAYTONA Rising, capacity management initiatives and other capital improvements.
- (3) Fiscal years 2009 and 2010 include expenses related to an interest rate swap.
- (4) 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. In fiscal 2012, we recorded a loss on early redemption of debt related to the redemption of \$87.0 million of outstanding senior notes maturing in 2014.
- (5) Fiscal year 2009 includes impairment of goodwill and intangible assets and write-down of certain inventory and related assets by MA.
- (6) Fiscal 2009 income taxes include interest income totaling approximately \$8.9 million related to the settlement with the Internal Revenue Service. Fiscal 2010 income taxes include 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 of MA and Kansas Entertainment (prior to becoming part of our core operations in fiscal 2012) 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 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, impairment/loss on retirements of long-lived assets primarily attributable to the decrease in the carrying value of our Staten Island property and, to a much lesser extent, losses associated with the retirements 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 the pre-opening expenses for Hollywood Casino at Kansas Speedway — equity in net loss from equity investment, impairment/loss on retirements 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, losses associated with the retirements 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.

The adjustments for 2011 relate to the pre-opening expenses for Hollywood Casino at Kansas Speedway — equity in net loss from equity investment, certain carrying costs related to the Staten Island property, and losses associated with the retirements of certain other long-lived assets.

The adjustments for 2012 relate to carrying costs of our Staten Island property, settlement of litigation, marketing and consulting costs incurred associated with DAYTONA Rising, losses associated with the retirements of certain other long-lived assets, loss on early redemption of debt, and net gain on sale of certain assets.

The adjustments for 2013 relate to carrying costs of our Staten Island property, legal judgment, marketing and consulting costs incurred associated with DAYTONA Rising, accelerated depreciation associated with DAYTONA Rising and capacity management initiatives, losses associated with the retirements of certain other long-lived assets, capitalized interest associated with DAYTONA Rising and net gain on sale of certain assets.

	For the Year Ended November 30				
	2009	2010	2011	2012	2013
	(in thousands, except per share data)				
Net income	\$ 6,815	\$ 54,531	\$ 69,424	\$ 54,578	\$ 45,292
Net loss from discontinued operations	170	47	—	—	—
Income from continuing operations	6,985	54,578	69,424	54,578	45,292
Equity in net loss from equity investments, net of tax	79,277	1,155	2,534	—	—
Consolidated income from continuing operations excluding equity in net loss from equity investments	86,262	55,733	71,958	54,578	45,292
Adjustments, net of tax:					
Carrying costs related to Staten Island	—	—	1,664	2,780	1,728
Legal settlement/judgment	—	—	—	714	310
DAYTONA Rising project costs	—	—	—	229	913
Accelerated depreciation	637	—	—	—	9,358
Impairments / losses on retirements of long-lived assets	10,081	5,373	2,845	6,775	10,097
DAYTONA Rising project capitalized interest	—	—	—	—	(467)
Interest rate swap expense	2,608	14,473	—	—	—
Loss on early redemption of debt	—	3,963	—	5,560	—
Net gain on sale of certain assets	—	—	—	(566)	(46)
IRS and state tax settlements	(8,923)	(6,338)	—	—	—
Non-GAAP net income	<u>\$ 90,665</u>	<u>\$ 73,204</u>	<u>\$ 76,467</u>	<u>\$ 70,070</u>	<u>\$ 67,185</u>
Diluted earnings per share	\$ 0.14	\$ 1.13	\$ 1.46	\$ 1.18	\$ 0.97
Net loss from discontinued operations	0.00	0.00	—	—	—
Diluted earnings per share from continuing operations	0.14	1.13	1.46	1.18	0.97
Equity in net loss from equity investments, net of tax	1.63	0.03	0.05	—	—
Consolidated income from continuing operations excluding equity in net loss from equity investments	1.77	1.16	1.51	1.18	0.97
Adjustments, net of tax:					
Carrying costs related to Staten Island	—	—	0.04	0.06	0.04
Legal settlement/judgment	—	—	—	0.01	0.01
DAYTONA Rising project costs	—	—	—	—	0.02
Accelerated depreciation	0.01	—	—	—	0.20
Impairments / losses on retirements of long-lived assets	0.21	0.11	0.06	0.15	0.21
DAYTONA Rising project capitalized interest	—	—	—	—	(0.01)
Interest rate swap expense	0.05	0.30	—	—	—
Loss on early redemption of debt	—	0.08	—	0.12	—
Net gain on sale of certain assets	—	—	—	(0.01)	—
IRS and state tax settlements	(0.18)	(0.13)	—	—	—
Non-GAAP diluted earnings per share	<u>\$ 1.86</u>	<u>\$ 1.52</u>	<u>\$ 1.61</u>	<u>\$ 1.51</u>	<u>\$ 1.44</u>

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.

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.

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, Nationwide and Camping World Truck series schedules. 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 selling price. 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 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 IMSA series. 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.

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.

Impairments / Losses on Retirements 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 impairments / losses on retirements. During the fiscal years ended November 30, 2011, 2012 and 2013 we recorded before-tax charges as losses on retirements of long-lived assets primarily attributable to the removal of certain other long-lived assets located at our motorsports facilities totaling approximately \$4.7 million, \$11.1 million and \$16.6 million, respectively.

As of November 30, 2013, goodwill and other intangible assets and property and equipment accounts for approximately \$1.6 billion, or 78.0 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.

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, the decline in consumer confidence and the levels of unemployment, which have contributed to the decrease in attendance related as well as corporate partner revenues for certain of our motorsports entertainment events since fiscal 2008, 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 our conclusion.

In connection with our fiscal 2013 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 2013 indicated there had been no impairment and the fair value substantially exceeded the carrying value for the respective reporting units.

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 could harm our operating results or financial condition. The carrying value of our equity investments was \$134.3 million at November 30, 2013.

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 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.

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

In February 2012, Kansas Entertainment a 50/50 joint venture of Penn, a subsidiary of Penn National Gaming, Inc. and Kansas Speedway Development Corporation ("KSDC"), a wholly owned indirect subsidiary of ISC, opened the Hollywood-themed and branded destination entertainment facility, overlooking turn two of Kansas Speedway. Penn is the managing member of Kansas Entertainment and is responsible for the operations of the casino.

We have accounted for Kansas Entertainment as an equity investment in our financial statements as of November 30, 2013. Start up and related costs through opening were expensed through equity in net loss from equity investments. Our 50.0 percent portion of Kansas Entertainment's net loss was approximately \$4.2 million for fiscal year 2011 and net income of approximately \$2.8 million and \$9.4 million for fiscal years 2012 and 2013, respectively, and is included in equity in net (loss) income from equity investments in our consolidated statements of operations. The net income from the equity investment in fiscal 2013 includes a property tax credit received in June 2013 as a result of the casino successfully negotiating a resolution to its property tax appeal. Our share of the resolution of the appeal attributable to prior years' property taxes contributed approximately \$1.1 million to the fiscal 2013 equity income amount.

Increased visibility on property taxes for the existing facility has led our casino joint venture to re-open consideration of the next phase, which is hotel and meeting space construction. Per the development agreement with the Unified Government of Wyandotte County, Kansas, the casino is subject to a 1 percent of gross gaming revenue penalty if it has not commenced construction on a hotel development within two years of the February 2012 opening. Penn National Gaming is currently evaluating construction costs, financing options and project returns for the hotel. A decision on additional construction will be market-based and decided by the joint venture board. Recently, the Unified Government agreed to extend the construction commencement date until October 2014 if the casino joint venture commits to a timetable in May.

Distributions from Kansas Entertainment, for the year ended November 30, 2013, totaling \$21.5 million, consist of \$8.2 million received as a distribution from its profits included in net cash provided by operating activities on our statement of cash flows; the remaining \$13.3 million received was recognized as a return of capital from investing activities on our statement of cash flows. Subsequent to November 30, 2013, we received an additional \$4.5 million distribution from Kansas Entertainment.

Staten Island Property

On August 5, 2013, we announced that we sold our 676 acre parcel of property located in Staten Island, New York, to Staten Island Marine Development, LLC (“Marine Development”). Marine Development purchased 100 percent of the outstanding equity membership interests of 380 Development LLC (“380 Development”), a wholly owned indirect subsidiary of ISC and owner of the Staten Island property, for a total sales price of \$80.0 million. In addition, we previously received approximately \$4.2 million for an option provided to the purchaser that is nonrefundable and does not apply to the \$80.0 million sales price.

We received \$7.5 million, less closing and other administrative costs, of the sales price at closing. The remaining sales price was financed with us holding a secured mortgage interest in 380 Development as well as the underlying property. The mortgage balance bears interest at an annual rate of 7.0 percent. In accordance with the terms of the agreement, we will receive the remaining purchase price of \$72.5 million in payments of approximately \$6.1 million plus interest on this mortgage balance, due February 3, 2014, and \$66.4 million due March 5, 2016. Interest on the latter mortgage balance will be paid 12 months after closing and then quarterly, in arrears. Based on the level of Marine Development’s initial investment at closing and continuing investment, we have accounted for the transaction using the cost recovery method and have deferred recognition of any profits, which include the option proceeds, and interest income until the carrying amount of the property is recovered, which will not be until the final payment is made.

As a result of the sale, we expect to receive a cash tax benefit of approximately \$41.9 million, based on our current corporate tax rate. This cash tax benefit, when combined with the net proceeds from the sale, will provide us with approximately \$118.0 million in incremental cash flow over the next several years.

Motorsports Authentics

We are a partner with Speedway Motorsports, Inc. in a 50/50 joint venture, SMISC, LLC, which, through its wholly owned subsidiary MA. MA designs, promotes, markets and distributes motorsports licensed merchandise. Our investment in MA was previously reduced to zero and we did not recognize any net income or loss from operations of MA during fiscal years 2011, 2012, and 2013, respectively.

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.

Under our Stock Purchase Plan we are authorized to purchase up to \$330.0 million of our outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plan will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plan 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 Plan through November 30, 2013, we have purchased 7,063,962 shares of our Class A common shares, for a total of approximately \$268.3 million. Included in these totals are the purchases of 1,435,811 and 405,538 shares of the Company’s Class A common shares at an average cost of approximately \$25.87 and \$25.40 per share (including commissions), for a total of approximately \$37.1 million and \$10.3 million, during the fiscal years ended November 30, 2011 and 2012, respectively. There were no purchases, under the Stock Purchase Plan, of our Class A common shares during fiscal 2013. Transactions occur in open market purchases and pursuant to a trading plan under Rule 10b5-1. At November 30, 2013, we had approximately \$61.7 million remaining repurchase authority under the current Stock Purchase Plan.

Income Taxes

The effective income tax rate for fiscal year ended November 30, 2011 approximated the statutory income tax rate. The reduction in the valuation allowance associated with the wind-up of certain Canadian business operations is the principal cause of the decreased effective income tax rate as compared to the statutory income tax rate, for the fiscal year ended November 30, 2012. Certain state settlements are the principal cause of the decreased effective income tax rate as compared to the statutory income tax rate, for the fiscal year ended November 30, 2013.

As a result of the above items, our effective income tax rate decreased from the statutory income rate to approximately 36.7 percent and 38.0 percent for the fiscal years ended November 30, 2012 and 2013, respectively.

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. In addition, on February 23, 2013, during the last lap of the NASCAR Nationwide Series race at Daytona International Speedway, an on-track incident resulted in debris from a race car entering the grandstands and injuring numerous spectators. We have been put on notice of a number of claims as a result of this incident; however we are confident that we have adequate insurance to cover any losses, in excess of our \$1.5 million deductible, resulting from claims surrounding this incident.

Future Trends in Operating Results

International Speedway Corporation is the leading owner of major motorsports entertainment facilities and promoter of motorsports-themed entertainment activities in the United States. We compete for discretionary spending and leisure time with many other entertainment alternatives and are subject to factors that generally affect the recreation, leisure and sports industry, including general economic conditions. Our operations are also sensitive to factors that affect corporate budgets. Such factors include, but are not limited to, general economic conditions, employment levels, business conditions, interest and taxation rates, relative commodity prices, and changes in consumer tastes and spending habits.

The unprecedented adverse economic trends, which significantly impacted consumer confidence and disproportionately affected different demographics of our target customers, have influenced the frequency with which guests attended our major motorsports entertainment events. Recurring uncertainty in regional economic conditions and further weakening in the economy may adversely impact attendance levels, guest spending levels, and our ability to secure corporate marketing partnerships in the future. Reductions in any of these categories can directly and negatively affect revenues and profitability. Beginning in 2009 we mitigated the decline of certain revenue categories with sustainable cost containment initiatives. Beginning in 2012, we re-instituted merit pay increases to more normalized levels. Certain non-controllable costs, such as NASCAR sanction fees, have increased this year and we may continue to experience incremental increases. While we are sustaining the significant cost reductions previously implemented, we do not expect further significant cost reductions.

Looking ahead, we expect to benefit from the continuing, albeit uneven, recovery in the overall U.S. economy, which we anticipate will improve attendance-related and corporate partnership revenues. Our industry will further benefit from NASCAR having recently secured its broadcast rights through the 2024 season with the largest broadcast rights deal in the sport's 65-year history. Broadcast rights represent our largest revenue segment and having this contracted revenue will provide us unparalleled long-term cash flow visibility. Also we believe the initiatives we and the motorsports industry are undertaking to grow the sport will ensure the long-term health of our company.

Admissions

Achieving event sellouts and creating excess demand are crucial to the optimal performance of our major motorsports facilities that host NASCAR Sprint Cup Series events. An important component of our operating strategy has been our long-standing practice of focusing on supply and demand when evaluating ticket pricing and adjusting capacity at our facilities. By effectively managing both ticket prices and seating capacity, we have historically shown the ability to stimulate ticket renewals and advance ticket sales.

Advance ticket sales result in earlier cash flow and reduce the potential negative impact of actual, as well as forecasted, inclement weather. With any ticketing initiative, we first examine our ticket pricing structure for each segmented area within our major motorsports entertainment facilities to ensure prices are on target with market demand. When determined necessary, we adjust ticket pricing. We believe our ticket pricing is consistent with current demand, providing attractive price points for all income levels.

It is important that we maintain the integrity of our ticket pricing model by ensuring our customers who purchase tickets during the renewal period get preferential pricing. We do not adjust pricing downward inside of the sales cycle to avoid rewarding last-minute ticket buyers by discounting tickets. Further, we closely monitor and manage the availability of promotional tickets. All of these factors could have a detrimental effect on our ticket 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 at the expense of our customers who purchased tickets during the renewal period. We continue to implement innovative ticket pricing strategies whereby prices increase over time as well as price increases week of/day of races to capture incremental revenues.

Adjusting seating capacity is another strategy to promote sellouts, create excess demand and in turn increase capacity utilization at our major motorsports facilities. Over the past few years, we have reduced capacity at our major motorsports facilities. A significant portion of the capacity reduction was a result of providing improved fan amenities such as wider seating and creating social zones that provide sufficient engagement for our guests, while removing sections that do not provide adequate site lines. Based on experience and the evolution of modern sports facilities, ticket demand depends, in part, on creating a more personal experience for the fans. Enhancing the live event experience for our fans is a critical strategy for our future growth. Other benefits of creating stronger fan engagement that may come from capacity management include better

pricing power for our events; increasing tickets sold in the renewal cycle; increasing customer retention; driving attendance to our lead-in events, such as NASCAR's Nationwide and Camping World Truck series events; driving stronger interest from corporate sponsors; and a more visually compelling event for the television audience.

Other areas of focus to build fan engagement include providing enhanced audio and visual experiences, additional concession and merchandise points-of-sale, more social zones and greater social connectivity. We will continue to monitor market demand and sports entertainment best-in-class amenities, which could further impact how we manage capacity and spend capital at our major motorsports facilities.

The industry and its stakeholders are committed to growing the sport and have aligned with NASCAR as it executes its five-year Industry Action Plan ("IAP") to connect with existing fans, as well as engage Gen Y, youth and multicultural consumers in motorsports. Additional areas of focus within the IAP, supported by all stakeholders to enhance the appeal of NASCAR racing, include building product relevance, cultivating driver star power, growing social media activities and enhancing the event experience.

As part of the IAP, NASCAR and FOX Deportes, the number one U.S. Latino Sports network, joined together to provide the sport's most expansive Spanish-language broadcast offering with coverage of 15 Sprint Cup Series races, including for the first time, a Spanish-language broadcast of the 2013 Daytona 500. As a result, Hispanic viewership of the NASCAR Sprint Cup series grew approximately +40 percent in 2013 versus 2012, with an even stronger +87percent increase over prior year during the Chase for the NASCAR Sprint Cup.

We are supporting the IAP on a number of fronts. As referenced above, we are committed to improving our major motorsports facilities to create stronger fan engagement. In particular and one of the most important projects in our history is the redevelopment of the frontstretch of Daytona, the Company's 54-year-old flagship motorsports facility, to enhance the event experience for our fans, marketing partners, broadcasters and the motorsports industry (See "DAYTONA Rising: Reimagining an American Icon"). We are confident that elevating the experience at the most important motorsports facility in North America will grow the Daytona 500 brand, our 12 other major motorsports facilities' brands and NASCAR's brand. And, ultimately it will positively influence attendance trends as well as corporate involvement in the sport and the long-term strength of future broadcast media rights revenues

Corporate Partnerships

The number of Fortune 500 companies invested in NASCAR remains higher than any other sport. Nearly one-in-four Fortune 500 companies use NASCAR as part of their marketing mix. For the second consecutive year, the number of Fortune 500 companies involved in NASCAR increased; and is an eight percent improvement over 2008.

We believe that our presence in key metropolitan statistical areas, year-round event schedule, impressive portfolio of major motorsports events and attractive fan demographics are beneficial as we continue to pursue renewal and expansion of existing corporate marketing partnerships and establish new corporate relationships.

From an entitlement perspective, we had secured all NASCAR Sprint Cup and Nationwide and Camping World Truck series event entitlements for the 2013 fiscal year, which allowed the sales team to focus more resources on media advertising, prospecting and growing official status categories. As a result, for our 2013 fiscal year, we were within just over one percentage point of our 2013 target.

Television Broadcast and Ancillary Media Rights

Domestic broadcast and ancillary media rights fees revenues are ISC's largest revenue segment, accounting for approximately 47.7 percent of 2013 total revenues. Starting in 2007, NASCAR entered into 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, representing an approximate \$560.0 million gross average annual rights fee for the industry. The industry rights fees were approximately \$530.0 million, \$545.0 million, \$565.0 million, \$585.0 million and \$605.0 million for fiscal 2009, 2010, 2011, 2012, and 2013 respectively, and will be approximately \$630.0 million for 2014.

In August 2013, NASCAR finalized multi-platform broadcast rights agreements with NBCUniversal ("NBC") and Fox Sports Group ("FOX") for 10 years, beginning in 2015 through the 2024 season, for the broadcast and related rights for NASCAR's three national touring series. Financial terms were not disclosed but leading industry sources value the combined agreements at approximately \$8.2 billion over the 10 years. The agreements include Spanish-language rights and 'TV Everywhere rights', which will allow NASCAR content to stream over the broadcasters-affiliated websites.

FOX has exclusive rights to the first 16 NASCAR Sprint Cup Series point races beginning each year with the prestigious Daytona 500. In addition, FOX retains the rights to the NASCAR Sprint All-Star Race, The Sprint Unlimited, Budweiser Duel, 14 NASCAR Nationwide Series events and the entire NASCAR Camping World Truck Series. NBC has exclusive rights to the final 20 NASCAR Sprint Cup Series points races, final 19 NASCAR Nationwide Series events, select NASCAR Regional & Touring Series events and other live content beginning in 2015. In total, NASCAR will have the same number of Sprint Cup races on network television, 16; 9 on FOX and 7 on NBC; as it does in the current television package.

While the media landscape continues to evolve, we believe NASCAR's position in the sports and entertainment industry remains strong. The NASCAR Sprint Cup Series remains the second highest rated regular season sport on television. Fan engagement for the sport is at its highest in three years, according to Nielsen, with viewers tuning in for 46 percent of all minutes, on average, across all Sprint Cup races in 2013.

For the 2013 season, NASCAR Sprint Cup Series events ranked among the top 2 sports of the weekend on television 22 out of 36 point event weekends. An average of 5.8 million viewers tuned into each NASCAR Sprint Cup Series event resulting in nearly 70 million unique viewers of the NASCAR Sprint Cup Series during the 2013 season. In addition, the NASCAR Nationwide Series ranked as the second-highest rated motorsports series on television with over 32 million unique viewers during 2013 season. The NASCAR Camping World Truck Series was the third-highest rated motorsports series on cable television behind NASCAR Sprint Cup and NASCAR Nationwide series'. The inaugural NASCAR Camping World Truck event at the Eldora Speedway in 2013 ranked among the top 10 most-viewed NASCAR Camping World Truck events in SPEED history.

NASCAR's solid ratings as well as other factors such as the strong demand for live broadcasting and the proliferation of digital video recorders ("DVR") and on-demand content were significant factors for NASCAR signing the largest broadcast rights deal in the sport's 65-year history. According to Nielsen (December 2013), nearly half (49 percent) of homes with a television have a DVR growing from 42 percent in 2011 and 33 percent in 2009.

In August 2013, FOX debuted its 24-hour Fox Sports 1 network to compete with ESPN. Fox Sports 1 is available in approximately 90.0 million TV households. In addition to NASCAR (beginning in 2015), Fox Sports 1 has new or renewed deals for Major League Baseball, college football and basketball, Ultimate Fighting Championship as well as other sports. Fox Sports 1 represents the latest in the long migration of marquee sports from broadcast TV to cable/satellite, who generally can support a higher investment due to subscriber fees that are not available to traditional networks.

NBC Sports Network is in approximately 78.0 million homes, and in addition to NASCAR (beginning in 2015) serves sports fans by airing coverage of the Olympic Games and Trials as well as the National Hockey League (NHL), Major League Soccer (MLS), IndyCar Series, Tour de France, major college football and basketball, and horse racing surrounding the Triple Crown, among other events.

Domestic broadcast media rights fees provide significant cash flow visibility to us, race teams and NASCAR over the contract term. Television broadcast and ancillary rights fees received from NASCAR for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events conducted at our facilities under these agreements, and recorded as part of motorsports related revenue, were approximately \$278.8 million, \$281.2 million and \$292.5 million for fiscal 2011, 2012 and 2013, respectively. Operating income generated by these media rights were approximately \$204.5 million, \$204.4 million and \$213.0 million for fiscal 2011, 2012 and 2013, 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.

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 90.6 percent of our revenues in fiscal 2013. NASCAR continues to entertain and discuss proposals from track operators regarding potential realignment of their portfolio 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. We believe that 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

Enhancing the live event experience for our guests is a critical strategy for our future growth. We compete for the consumers' discretionary dollar with other entertainment options such as concerts and other major sporting events not just motorsports events. We remain convinced that our focus on driving incremental earnings by improving the fan experience will, in time, lead

to increased ticket sales with better pricing power, growth in sponsorship and hospitality sales, better prospects for continued growth in broadcast media rights fees agreements, and greater potential to capture market share.

Today's consumer wants improved traffic flow, comfortable and wider seating, clean and available facilities, more points of sale, enhanced audio and visual engagement, social zones and greater connectivity. Providing these enhancements often requires capital spending. We also anticipate modest capital spending on other projects for maintenance, safety and regulatory requirements. We are confident that by delivering memorable guest experiences, along with attractive pricing and fantastic racing, we will generate increased revenues as well as bottom-line results.

While we focus on allocating our capital to generate returns in excess of our cost of capital, certain of our capital improvement investments may not provide immediate, directly traceable near term positive returns on invested capital but over the longer term will better enable us to effectively compete with other entertainment venues for consumer and corporate spending.

We recently announced that we are redeveloping the frontstretch of Daytona, the Company's 54-year-old flagship motorsports facility, to enhance the event experience for our fans, marketing partners, broadcasters and the motorsports industry. It is vital that we continue to elevate our Daytona brand to ensure that it remains the pinnacle of motorsports facilities, which will generate further profitability and cash flow to the Company. The redevelopment of Daytona has been branded DAYTONA Rising (See "DAYTONA Rising: Reimagining an American Icon").

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 our joint venture to develop and operate a Hollywood-themed and branded entertainment destination facility overlooking turn two of Kansas Speedway (see "Hollywood Casino at Kansas Speedway").

The Hollywood Casino at Kansas Speedway provided positive cash flow to us and included positive equity income in our consolidated statement of operations for fiscal 2012 and 2013. We expect for our 2014 fiscal year that our share of the cash flow from the casino's operations will be approximately \$18.0 million to \$20.0 million dollars.

More recently, we entered in to a 50/50 joint venture with Atlanta-based Jacoby Development, Inc. ("Jacoby") to develop a mixed-use and entertainment destination located directly across from the legendary Daytona International Speedway. This potential landmark development, named ONE DAYTONA, encompasses 189 acres ISC already owns. The preliminary conceptual designs for the first phase of ONE DAYTONA include 1.1 million square feet of world-class shopping, fine dining, upscale residential, hotels, offices, theater and other entertainment just steps from the "World Center of Racing." Bass Pro Shops[®], America's most popular outdoor store, and Cobb Theatres, the highly respected Southeastern-based exhibitor, have both signed letters of intent to anchor ONE DAYTONA (see "ONE DAYTONA").

We remain interested in pursuing further ancillary developments at certain of our other motorsports facilities.

Current Operations Comparison

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		
	2011	2012	2013
Revenues:			
Admissions, net	22.9%	22.2%	21.2%
Motorsports related	67.6	68.1	69.5
Food, beverage and merchandise	7.6	7.5	7.2
Other	1.9	2.2	2.1
Total revenues	100.0	100.0	100.0
Expenses:			
Direct:			
Prize and point fund monies and NASCAR sanction fees	24.6	25.3	26.0
Motorsports related	19.8	20.5	20.6
Food, beverage and merchandise	5.8	5.8	5.4
General and administrative	15.7	16.8	17.1
Depreciation and amortization	12.2	12.7	15.3
Losses on retirements of long-lived assets	0.7	1.8	2.7
Total expenses	78.8	82.9	87.1
Operating income	21.2	17.1	12.9
Interest expense, net	(2.3)	(2.2)	(2.5)
Loss on early redemption of debt	—	(1.5)	—
Other	—	0.2	—
Equity in net (loss) income from equity investments	(0.7)	0.5	1.5
Income before income taxes	18.2	14.1	11.9
Income taxes	7.2	5.2	4.5
Net income	11.0%	8.9%	7.4%

Comparison of Fiscal 2013 to Fiscal 2012

The comparison of fiscal 2013 to fiscal 2012 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, continued to 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 level of unemployment, contributed to the decrease in attendance related as well as corporate partner revenues for certain of our motorsports entertainment events beginning in mid-2008;
- In fiscal 2013, we expensed approximately \$2.8 million, or \$0.04 per diluted share, of certain ongoing carrying costs related to our Staten Island property. During fiscal 2012, we expensed approximately \$4.6 million of similar costs;
- During fiscal 2013, we recognized a charge relating to a legal judgment of litigation involving certain ancillary facility operations of approximately \$0.5 million, or \$0.01 per diluted share. During fiscal 2012, we recognized a charge relating to a settlement of a litigation involving certain ancillary facility operations of approximately \$1.2 million;
- In fiscal 2013, we recognized approximately \$1.5 million, or \$0.02 per diluted share, in marketing and consulting costs that are included in general and administrative expense related to DAYTONA Rising. During fiscal 2012, we recognized approximately \$0.4 million of similar costs;
- During fiscal 2013, we recognized approximately \$15.4 million, or \$0.20 per diluted share, of accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising and capacity management initiatives. There were no comparable amounts in fiscal 2012;
- In fiscal 2013, we recognized approximately \$16.6 million, or \$0.21 per diluted share, of losses associated with asset retirements primarily attributable to the removal of assets not fully depreciated in connection with DAYTONA Rising, capacity management initiatives and other capital improvements. Included in these losses were approximately

\$6.6 million of expenditures related to demolition and/or asset relocation costs, the remaining charges were non-cash. During fiscal 2012, we recognized approximately \$11.1 million of similar charges;

- In fiscal 2013, we recognized approximately \$0.8 million, or \$0.01 per diluted share, in capitalized interest related to DAYTONA Rising. There was no comparable amounts related to DAYTONA Rising in fiscal 2012;
- During fiscal 2012, we recognized approximately \$9.1 million in expenses, or \$0.12 per diluted share, related to the redemption of the remaining \$87.0 million principal 5.40 percent Senior Notes maturing in 2014;
- In fiscal 2013, we recorded approximately \$0.1 million, or less than \$0.01 per diluted share, net gain on the sale of certain assets. In fiscal 2012, we recognized approximately \$0.9 million of similar net gains; and
- During fiscal 2013, we recognized approximately \$9.4 million of income from equity investments associated with our Hollywood Casino at Kansas Speedway, which included a \$1.1 million credit for previously paid property taxes related to resolution of amounts under appeal. During fiscal 2012, we recognized income of approximately \$2.8 million from this equity investment, which included results of operations beginning in February 2012, net of charges related to certain start up costs through the opening.

Admissions revenue decreased approximately \$6.3 million, or 4.6 percent, in fiscal 2013 as compared to fiscal 2012. The decrease is largely attributable to decreased attendance for certain events held during fiscal 2013, including certain events held during Speedweeks at Daytona and the impact of inclement weather at Talladega and Chicagoland. To a lesser extent, a lower weighted average ticket price for certain of the events contributed to the decline. The 2012 Daytona 500 was postponed for a day due to inclement weather. Historically, rain delayed or postponed events due to inclement weather have a negative impact on the following year's ticket renewals for those events. As a result of the postponement in 2012, we believe the 2013 Daytona 500 renewals were negatively impacted, which contributed to a significant portion of the fiscal 2013 decline.

Motorsports related revenue increased approximately \$8.8 million, or 2.1 percent, in fiscal 2013 as compared to fiscal 2012. The increase is largely attributable to increases in television broadcast revenue for certain events held during fiscal 2013 and, specifically, during Speedweeks at Daytona. Also contributing to the increase was an increase in the payout of fiscal 2012 ancillary rights fees during fiscal 2013. Partially offsetting the increases were lower Motor Racing Network advertising and Sprint Vision revenues.

Food, beverage and merchandise revenue decreased approximately \$1.9 million, or 4.2 percent, in fiscal 2013 as compared to fiscal 2012. The decrease is largely due to attendance decreases and lower catering revenues for certain events. To a lesser extent, higher sales in fiscal 2012 driven by an extra day of selling opportunity as a result of the aforementioned rain delayed and rescheduled Daytona 500 contributed to the decrease in the current year.

Prize and point fund monies and NASCAR sanction fees increased by approximately \$4.7 million, or 3.0 percent, in fiscal 2013 as compared to fiscal 2012. The increase is due to increases in television broadcast rights fees for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events held during the periods as standard NASCAR sanctioning agreements require a specific percentage of television broadcast rights fees to be paid to competitors. Higher sanction fees paid to NASCAR also contributed to the increases.

Motorsports related expense increased slightly by approximately \$0.9 million, or 0.7 percent, in fiscal 2013 as compared to fiscal 2012. The slight increase is related to aforementioned merit pay increases as well as advertising costs, maintenance costs and other purchased services as well as a net increase in costs for certain non-comparable events year over year. Motorsports related expenses as a percentage of combined admissions and motorsports related revenue remained consistent at approximately 22.7 percent for fiscal 2013, as compared to 22.6 percent for the same period in the prior year.

Food, beverage and merchandise expense decreased approximately \$2.5 million, or 7.0 percent, in fiscal 2013 as compared to fiscal 2012. The decrease is substantially attributable to lower catering and merchandise sales as well as improved margin on catering and concession sales for events held during the periods. Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue decreased to approximately 75.3 percent for fiscal 2013, as compared to 77.5 percent for the same period in the prior year. The increase in margin is a result of streamlined menus throughout our facilities aimed at reducing overall food costs by leveraging purchasing power while elevating quality and delivery.

General and administrative expense increased approximately \$2.0 million, or 1.9 percent, in fiscal 2013 as compared to fiscal 2012. The increase is primarily attributable to certain costs related to DAYTONA Rising, the loss accrual associated with the incident at Daytona (see "Legal Proceedings"), a judgment in litigation involving certain ancillary facility operations, and certain administrative costs including the aforementioned merit pay increases. Slightly offsetting the increases were reductions in property taxes at certain facilities and the settlement of litigation involving certain ancillary facility operations in fiscal 2012. General and administrative expenses as a percentage of total revenues increased negligibly to approximately 17.1 percent for fiscal 2013, as compared to 16.8 percent for fiscal 2012.

Depreciation and amortization expense increased approximately \$16.1 million, or 20.7 percent, in fiscal 2013 as compared to fiscal 2012. The increase was primarily attributable accelerated depreciation resulting from shortening the service lives of

certain assets associated with DAYTONA Rising and the aforementioned capacity management initiatives at certain of our facilities.

Losses on retirements of long-lived assets of approximately \$16.6 million during fiscal 2013 is primarily attributable to the aforementioned capacity management initiatives at certain of our facilities, removal of certain assets related to DAYTONA Rising, as well as guest enhancements at our other facilities. The losses on retirements of long-lived assets of approximately \$11.1 million in fiscal 2012 is primarily attributable to the removal of certain assets not fully depreciated in connection with the repaving of the track at Kansas, as well as guest enhancements at our other facilities.

Interest income during fiscal 2013 was comparable to fiscal 2012.

Interest expense increased approximately \$1.7 million, or 12.7 percent, in fiscal 2013, as compared to fiscal 2012. The increase is due to lower capitalized interest, as well as interest on the \$100.0 million principal 3.95 percent Senior Notes, issued in September 2012. Significantly offsetting the increase was the redemption of the remaining \$87.0 million principal 5.40 percent Senior Notes in March 2012 as well as there being no borrowings outstanding on our \$300.0 million revolving credit facility during fiscal 2013.

Equity in net income from equity investments in fiscal 2013 and 2012, respectively, represents our 50.0 percent equity investments in Hollywood Casino at Kansas Speedway (see "Equity and Other Investments"). We did not recognize any net income or loss from our equity investment in MA in fiscal 2013 or in fiscal 2012.

Our effective income tax rate increased from approximately 36.7 percent to approximately 38.0 percent during fiscal 2013 compared to fiscal 2012 (see "Income Taxes").

As a result of the foregoing, net income decreased approximately \$9.3 million, or \$0.21 per diluted share, for fiscal 2013 as compared to fiscal 2012.

Comparison of Fiscal 2012 to Fiscal 2011

The comparison of fiscal 2012 to fiscal 2011 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, impacted 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 beginning in mid-2008;
- The NASCAR Camping World Truck Series event held at Darlington Raceway in fiscal 2011 was not held in fiscal 2012;
- The NASCAR Nationwide Series event held at Stock Car Montreal in fiscal 2011 was no longer held starting in fiscal 2012;
- Auto Club Speedway held an IndyCar Series event in fiscal 2012, for which there was no comparable event in fiscal 2011;
- Lower ancillary revenues in 2012 as compared to prior years primarily resulting from the expiration of a NASCAR licensing agreement for satellite radio rights;
- In fiscal 2012, we expensed approximately \$4.6 million, or \$0.06 per diluted share, of certain ongoing carrying costs related to our Staten Island property. During fiscal 2011, we expensed approximately \$2.7 million of similar costs;
- During fiscal 2012, we recognized a charge relating to a settlement of a litigation involving certain ancillary facility operations of approximately \$1.2 million, or \$0.01 per diluted share;
- In fiscal 2012, we recognized approximately \$11.1 million, or \$0.15 per diluted share, losses on retirement of long-lived assets primarily attributable to the removal of assets not fully depreciated in connection with certain capital improvements. In fiscal 2011, we recognized losses on retirement of long-lived assets totaling approximately \$4.7 million, or \$0.06 per diluted share, primarily attributable to the removal of assets not fully depreciated in connection with certain capital improvements;
- During fiscal 2012, we recognized approximately \$9.1 million in expenses, or \$0.12 per diluted share, related to the redemption of \$87.0 million principal 5.40 percent Senior Notes maturing in 2014;
- During fiscal 2012, we recorded approximately \$0.9 million, or \$0.01 per diluted share, net gain on the sale of certain assets; and

- In fiscal 2012, we recognized approximately \$2.8 million of income from equity investments associated with our Hollywood Casino at Kansas Speedway, which included results of operations beginning in February 2012, net of charges related to certain start up costs through the opening. In fiscal 2011, we recognized a loss of approximately \$4.2 million, or \$0.05 per diluted share, from this equity investment consisting of start up costs prior to opening in fiscal 2012.

Admissions revenue decreased approximately \$8.3 million, or 5.8 percent, in fiscal 2012 as compared to fiscal 2011. The decrease is largely attributable to the previously discussed NASCAR Nationwide event at Stock Car Montreal, as well as decreases in attendance at certain other events held during the fiscal year. Partially offsetting the decrease was the previously discussed IndyCar Series event held at Auto Club Speedway in fiscal 2012, for which there was no comparable event in fiscal 2011, as well as increased attendance for certain events conducted during Speedweeks at Daytona.

Motorsports related revenue decreased approximately \$9.0 million, or 2.1 percent, in fiscal 2012 as compared to fiscal 2011. The decrease is largely attributable to the previously discussed NASCAR Nationwide event at Stock Car Montreal, as well as the previously discussed reduction in ancillary rights and decreases in sponsorship, suite and hospitality revenue for certain events held during the periods. Partially offsetting these decreases were increases in television broadcast revenue for events held during fiscal 2012, as well as the previously discussed IndyCar Series event held at Auto Club Speedway in fiscal 2012, for which there was no comparable event in the prior year.

Food, beverage and merchandise revenue decreased approximately \$1.9 million, or 3.9 percent, in fiscal 2012 as compared to fiscal 2011. The decrease is predominately due to concession sales related to non-motorsports events held in fiscal 2011 that were not held in fiscal 2012. Partially offsetting the decrease was higher catering, merchandise and concession revenues for events held during Speedweeks at Daytona.

Prize and point fund monies and NASCAR sanction fees increased slightly by approximately \$0.1 million, or 0.1 percent, in fiscal 2012 as compared to fiscal 2011. The slight increase is due to increased television broadcast rights fees for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events as standard NASCAR sanctioning agreements require a specific percentage of television broadcast rights fees to be paid to competitors. Substantially offsetting the increase was prize, point and sanction fees related to the previously discussed NASCAR Nationwide event at Stock Car Montreal.

Motorsports related expense increased slightly by approximately \$0.2 million, or 0.2 percent, in fiscal 2012 as compared to fiscal 2011. The slight increase is related to the previously discussed IndyCar Series event held at Auto Club Speedway in fiscal 2012, for which there was no comparable event, as well as increases in expenses related to the certain non-event operations and other events conducted during the period. Largely offsetting the increases was the previously discussed NASCAR Nationwide event at Stock Car Montreal. Sustaining cost containment initiatives implemented through fiscal 2011 helped to hold down expense growth. Motorsports related expenses as a percentage of combined admissions and motorsports related revenue increased to approximately 22.6 percent for fiscal 2012, as compared to 21.9 percent for the same period in the prior year. The margin decrease was primarily due to lower admissions and motorsports related revenue coupled with the previously mentioned increase in expenses.

Food, beverage and merchandise expense decreased approximately \$1.1 million, or 3.0 percent, in fiscal 2012 as compared to fiscal 2011. The decrease is substantially attributable to expenses related to concession sales for non-motorsports events held in fiscal 2011, that were not held in fiscal 2012. Food, beverage and merchandise expense as a percentage of food, beverage and merchandise revenue increased to approximately 77.5 percent for fiscal 2012, as compared to 76.8 percent for the same period in the prior year. This decreased margin was attributable to one time organizational restructuring efforts related to strategic realignment of the food and beverage operations.

General and administrative expense increased approximately \$4.2 million, or 4.2 percent, in fiscal 2012 as compared to fiscal 2011. The increase is primarily attributable to certain carrying costs of our Staten Island property, the aforementioned legal settlement, and certain administrative costs. Partially offsetting these increases was a reduction in property taxes. Sustaining cost containment initiatives implemented through fiscal 2011 helped to hold down expense growth. General and administrative expenses as a percentage of total revenues increased to approximately 16.8 percent for fiscal 2012, as compared to 15.7 percent for fiscal 2011. The margin decrease is primarily due to the lower total revenues combined with the previously mentioned net increase in general and administrative expenses.

Depreciation and amortization expense increased approximately \$1.0 million, or 1.3 percent, in fiscal 2012 as compared to fiscal 2011. The overall increase was attributable to capital expenditures for our ongoing facility enhancements and related initiatives.

The losses on retirements of long-lived assets of approximately \$11.1 million during fiscal 2012 is primarily attributable to the removal of certain assets not fully depreciated in connection with the repaving of the track at Kansas, as well as guest enhancements at Talladega, Richmond, and our other facilities.

Interest income during fiscal 2012 was comparable to fiscal 2011.

Interest expense decreased approximately \$1.2 million, or 8.2 percent, in fiscal 2012, as compared to fiscal 2011. The decrease is primarily due to the redemption of the remaining \$87.0 million principal 5.40 percent Senior Notes in March 2012. Partially offsetting the decrease were higher borrowings on our Credit Facilities, as well as interest on the private placements issued in January 2011 and September 2012 (see “Future Liquidity”).

Loss on early redemption of debt of approximately \$9.1 million in fiscal 2012 is attributable to the aforementioned redemption of \$87.0 million principal 5.40 percent Senior Notes maturing in 2014. There was no comparable amount in fiscal 2011.

Equity in net income (loss) from equity investments in fiscal 2012 and 2011, respectively, represents our 50.0 percent equity investments in Hollywood Casino at Kansas Speedway (see “Equity and Other Investments”). We did not recognize any net income or loss from our equity investment in MA in fiscal 2012 or in fiscal 2011.

Our effective income tax rate decreased from approximately 39.3 percent to approximately 36.7 percent during fiscal 2012 compared to fiscal 2011 (see “Income Taxes”).

As a result of the foregoing, net income decreased approximately \$14.8 million, or \$0.28 per diluted share, for fiscal 2012 as compared to fiscal 2011.

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. The following table sets forth certain selected financial information as of November 30, (in thousands):

	2011	2012	2013
Cash and cash equivalents	\$ 110,078	\$ 78,379	\$ 172,827
Working capital	75,759	50,868	153,780
Total debt	316,152	276,932	274,487

At November 30, 2013, our working capital was primarily supported by our cash and cash equivalents totaling approximately \$172.8 million, an increase of approximately \$94.4 million from November 30, 2012. Significant cash flow items during fiscal the fiscal years ended November 30 are as follows (in thousands):

	2011	2012	2013
Net cash provided by operating activities	\$ 199,032	\$ 150,925	\$ 173,395
Capital expenditures	(76,848)	(82,872)	(85,539)
Distribution from equity investee and affiliate	—	11,000	21,500
Proceeds from sale of Staten Island property	—	—	5,322
Equity investments and advances to affiliate	(60,625)	(51,984)	—
Net payments related to our credit facility	(52,000)	(50,000)	—
Net proceeds (payments) related to long-term debt	61,784	10,694	(2,513)
Dividends paid and reacquisitions of previously issued common stock	(45,989)	(19,839)	(10,488)

Distributions from equity investee and affiliates for fiscal 2013, totaling \$21.5 million, include \$8.2 million received as a distribution from its profits included in net cash provided by operating activities on our statement of cash flows. The remaining \$13.3 million received was recognized as a return of capital from investing activities on our statement of cash flows.

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, 2013, we have approximately \$296.0 million available to draw upon under our 2012 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.

Allocation of capital is driven by our long-term strategic planning and initiatives that encompass our mission, vision and values. Our primary uses of capital are to maintain modest debt levels that are consistent with our current investment grade debt rating from Standard and Poor’s. We will invest in our facilities to improve the guest experience and we will make investments

in strategic projects that complement our core business and provide value for our shareholders, all of which is balanced with returning capital to our shareholders through share repurchases and dividends.

Capital Expenditures

As discussed in “Future Trends in Operating Results,” an important strategy for our future growth will come from investing in our major motorsports facilities to enhance the live event experience and better enable us to effectively compete with other entertainment venues for consumer and corporate spending.

In June 2013, ISC's board of directors endorsed a capital allocation plan for fiscal 2013 through fiscal 2017 to not exceed \$600.0 million in capital expenditures over that period. The five-year capital allocation plan encompasses all the capital expenditures for ISC's 13 major motorsports facilities, including DAYTONA Rising, as well as any equity commitments to undertake including ONE DAYTONA. Of the endorsed five-year capital allocation plan, DAYTONA Rising will account for between \$375.0 million to \$400.0 million of the \$600.0 million.

Capital expenditures for projects at existing facilities, including those related to DAYTONA Rising, grandstand seating enhancements at Talladega; concourse improvements at Richmond; and a variety of other improvements and renovations, was approximately \$85.5 million for our 2013 fiscal year. In addition, we incurred charges of approximately \$16.6 million of losses on asset retirements, of which approximately \$6.6 million of these charges were cash expenditures related to demolition and/or asset relocation costs. In comparison, we spent approximately \$82.9 million for fiscal 2012, on capital expenditures for projects at our existing facilities.

With the majority of the capital expenditures for DAYTONA Rising occurring in fiscal 2014 and 2015, we estimate capital expenditures, exclusive of capitalized interest, across all of ISC's existing facilities will be approximately \$200.0 million for fiscal 2014 and approximately \$180.0 million for fiscal 2015. With a target completion date of DAYTONA Rising in January 2016, capital expenditures will then decrease significantly with an expectation of capital expenditures for projects at all of ISC's existing facilities, exclusive of capitalized interest, to be between \$60.0 to \$70.0 million in fiscal 2016 and fiscal 2017.

At November 30, 2013, we have approximately \$330.7 million remaining in capital allocation projects currently approved for our existing facilities. These projects include DAYTONA Rising; grandstand improvements associated with capacity management at Chicagoland, Michigan, Richmond and Talladega; facility infrastructure improvements at Phoenix; improvements to the dragway at Auto Club Speedway; 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.

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,” we compete for discretionary spending and leisure time with many other entertainment alternatives and are subject to factors that generally affect the recreation, leisure and sports industry, including general economic conditions. Our operations are also sensitive to factors that affect corporate budgets. Such factors include, but are not limited to, general economic conditions, employment levels, business conditions, interest and taxation rates, relative commodity prices, and changes in consumer tastes and spending habits.

The unprecedented adverse economic trends, which significantly impacted consumer confidence and disproportionately affected different demographics of our target customers, have influenced the frequency with which guests attended our major motorsports entertainment events. Continued uncertainty regarding regional economic conditions and further deterioration in the economy may adversely impact attendance levels, guest spending levels, and our ability to secure corporate marketing partnerships in the future. Reductions in any of these categories can directly and negatively affect revenues and profitability. This may negatively impact year-over-year comparability for our revenue categories for the full year, with the exception of domestic broadcast 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. We believe that cash flows from operations, along with existing cash, cash equivalents, distributions from our equity investees and available borrowings under our credit facility, will be sufficient to fund:

- operations of our major motorsports facilities for the foreseeable future;
- the previously discussed five-year capital expenditures plan at our existing facilities, which includes DAYTONA Rising as well as any future fan and competitor safety, critical maintenance and regulatory compliance spending;
- 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;

- equity contributions in connection with ONE DAYTONA and any future expansion of the Hollywood Casino at Kansas Speedway; and
- our annual dividend payment and share repurchases under our Stock Purchase Plan.

We remain interested in pursuing acquisition and/or development opportunities that would increase shareholder value, of which the timing, size, success and associated potential capital commitments, 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, 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

Our \$65.0 million principal amount of senior unsecured notes (“4.63 percent Senior Notes”) 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 4.63 percent 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 4.63 percent Senior Notes. The 4.63 percent Senior Notes also contain various restrictive covenants. At November 30, 2013, outstanding principal on the 4.63 percent Senior Notes was approximately \$65.0 million.

Our \$100.0 million principal amount of senior unsecured notes (“3.95 percent Senior Notes”) bear interest at 3.95 percent and are due September 2024. The 3.95 percent Senior Notes require semi-annual interest payments on March 13 and September 13 through their maturity. The 3.95 percent 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 3.95 percent Senior Notes. The 3.95 percent Senior Notes also contain various restrictive covenants. At November 30, 2013, outstanding principal on the 3.95 percent Senior Notes was approximately \$100.0 million.

Our wholly owned subsidiary, Chicagoland Speedway Corporation, which owns and operates Chicagoland and Route 66, has debt outstanding in the form of revenue bonds payable (“4.82 percent Revenue Bonds”), consisting of economic development revenue bonds issued by the City of Joliet, Illinois to finance certain land improvements. The 4.82 percent Revenue Bonds have an interest rate of 4.82 percent and a monthly payment of approximately \$29,000 principal and interest. At November 30, 2013, outstanding principal on the 4.82 percent Revenue Bonds was approximately \$0.7 million.

The term loan (“6.25 percent Term Loan”), related to our International Motorsports Center, has a 25 year term due October 2034, an interest rate of 6.25 percent, and a current monthly payment of approximately \$292,000 principal and interest. At November 30, 2013, the outstanding principal on the 6.25 percent Term Loan was approximately \$49.9 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, 2013, outstanding TIF bonds totaled approximately \$58.9 million, net of the unamortized discount, which is comprised of a \$9.8 million principal amount, 6.15 percent term bond due December 1, 2017 and a \$49.7 million principal amount, 6.75 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 our wholly owned subsidiary, Kansas Speedway Corporation (“KSC”). Principal (mandatory redemption) payments per the Funding Commitment are payable by KSC 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. KSC 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, 2013, the Unified Government had approximately \$1.7 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.

The 2012 Credit Facility contains a feature that allows us to increase the credit facility from \$300.0 million to a total of \$500.0 million, subject to certain conditions. The 2012 Credit Facility is scheduled to mature in November 2017, and accrues interest at LIBOR plus 100.0 — 162.5 basis points, depending on the better of our debt rating as determined by specified rating agencies or our leverage ratio. The 2012 Credit Facility contains various restrictive covenants. At November 30, 2013, we had no outstanding borrowings under the 2012 Credit Facility.

At November 30, 2013 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, 2013 (in thousands):

	Total	Obligations Due by Period			
		Less Than One Year	2-3 Years	4-5 Years	After 5 Years
Long-term debt	\$ 275,070	\$ 2,807	\$ 6,844	\$ 7,829	\$ 257,590
Interest	147,269	14,051	27,538	26,854	78,826
Motorsports entertainment facility operating agreement	22,560	2,220	3,372	2,110	14,858
Other operating leases	43,505	3,674	4,570	2,714	32,547
Total Contractual Cash Obligations	\$ 488,404	\$ 22,752	\$ 42,324	\$ 39,507	\$ 383,821

Commercial commitment expirations are as follows as of November 30, 2013 (in thousands):

	Total	Commitment Expiration by Period			
		Less Than One Year	2-3 Years	4-5 Years	After 5 Years
Guarantees	\$ 1,660	\$ 250	\$ 470	\$ 355	\$ 585
Unused credit facilities	300,000	—	—	300,000	—
Total Commercial Commitments	\$ 301,660	\$ 250	\$ 470	\$ 300,355	\$ 585

DAYTONA Rising: Reimagining an American Icon

DAYTONA Rising is the redevelopment of the frontstretch of Daytona, ISC's 54-year-old flagship motorsports facility, to enhance the event experience for our fans, marketing partners, broadcasters and the motorsports industry. We currently anticipate DAYTONA Rising to cost between \$375.0 million to \$400.0 million, excluding capitalized interest, which we expect to fund from cash on hand, cash from our operations, and we may use borrowings on our credit facility for a limited period of time.

Total spending incurred for DAYTONA Rising was approximately \$51.4 million for fiscal 2013. Based on our current expectations of DAYTONA Rising, we have identified existing assets that are expected to be impacted by the redevelopment and that those assets will require accelerated depreciation or losses on asset retirements, totaling approximately \$50.0 million over the approximate 26-month project time span. During fiscal 2013, we recognized accelerated depreciation and losses on retirements of assets totaling approximately \$12.3 million.

As part of DAYTONA Rising, we entered into a Design-Build Agreement with Barton Malow Company (“Barton Malow”), which obligates us to pay Barton Malow approximately \$316.0 million for the completion of the work described in the Design-Build Agreement. The amount is a stipulated sum to be paid for the work, which may not change unless we request a change in the scope of work. The Design-Build Agreement contains certain provisions and representations usual and customary for agreements of this type, including, among others, provisions regarding liquidated damages to be assessed for work that is not completed according to the agreed upon schedule, provisions regarding payment schedules, and provisions regarding bonding and liability insurance policies applicable to the work. In addition, the Design-Build Agreement contains customary provisions regarding termination, review and inspection of the work, warranties and the use of subcontractors.

Despite not anticipating the need for additional long-term debt to fund this project, accounting rules dictate that we capitalize a portion of the interest on existing outstanding debt during the construction period. We estimate that we will record approximately \$22.0 million of capitalized interest from fiscal 2014 through fiscal 2016, with roughly half of the capitalized interest will be recorded in fiscal 2015. In addition our depreciation expense will increase between \$12.0 million to \$17.0 million beginning in fiscal 2016 to approximately \$90.0 million to \$100.0 million annually and then decrease due to lower capital spending to approximately \$85.0 million to \$90.0 million beginning in fiscal 2019.

The vision for DAYTONA Rising places an emphasis on enhancing the complete fan experience, beginning with five expanded and redesigned fan entrances, or injectors. Each injector will lead directly to a series of escalators and elevators - over 40

escalators and 14 elevators total - that will transport fans to any of the three different concourse levels. Each concourse level will feature spacious and strategically-placed social "neighborhoods" along the nearly mile-long frontstretch.

A total of 11 neighborhoods, each measuring the size of a football field, will enable fans to meet and socialize during events without ever missing any on-track action, thanks to dozens of strategically-placed video screens in every neighborhood. The central neighborhood, dubbed the "World Center of Racing," features open sight-lines enabling fans to catch all the on-track action while celebrating the history of Daytona International Speedway and its many unforgettable moments throughout more than 50 years of racing.

Every seat in the Speedway frontstretch will be replaced with wider, more comfortable seating that will provide pristine sight-lines. There will also be more restrooms and concession stands per customer throughout the facility.

In addition to enhancing the fan experience, the corporate entertainment platform will be completely transformed with DAYTONA Rising. Corporate hospitality will be moved into permanent structures inside the new grandstand, providing premier facilities for corporate entertaining throughout our events. In addition, over 60 trackside suites will provide our premium guests with breathtaking views and first-class amenities befitting the "World Center of Racing."

We expect that by providing our fans with a better experience as well as an expansive platform for our marketing partners upon completion in 2016, will provide an immediate incremental lift in Daytona International Speedway's revenues of approximately \$20.0 million, and earnings before interest, taxes, depreciation and amortization ("EBITDA") lift of approximately \$15.0 million with a mid-single-digit growth rate. We also currently anticipate the project to be accretive to our net income per share within three years of completion.

ONE DAYTONA

We entered into a 50/50 joint venture with Atlanta-based Jacoby to develop a mixed-use and entertainment destination, named ONE DAYTONA, located adjacent to our 188,000 square foot office building, the International Motorsports Center, on 189 acres we own located directly across from our Daytona motorsports entertainment facility.

The preliminary conceptual designs for the first phase of ONE DAYTONA includes 1.1 million square feet of world-class shopping, fine dining, upscale residential, hotels, offices, theater and other entertainment just steps from the "World Center of Racing." Bass Pro Shops®, America's most popular outdoor store, and Cobb Theatres, the highly respected Southeastern-based exhibitor, have both signed letters of intent to anchor ONE DAYTONA. We are in active discussions with other potential anchor tenants for ONE DAYTONA.

We have approved land use entitlements for ONE DAYTONA to allow for up to 1.4 million square feet of retail/dining/entertainment, 2,500 seats in a movie theater, 660 hotel rooms, 1,350 units of residential, 567,000 square feet of additional office space and 500,000 square feet of commercial/industrial space.

Final designs are being completed for ONE DAYTONA, and the joint venture will incorporate the results of market studies, project costs and financing structures. Assuming favorable results, appropriate leasing considerations and potential local and state support, the joint venture expects to move forward with ONE DAYTONA within the next six to 12 months. We believe that a mixed-use retail/dining/entertainment development located across from our Daytona motorsports entertainment facility will be a successful project.

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 that would create value for our shareholders. However, we are not currently pursuing any new speedway development opportunities.

Inflation

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

Recent Accounting Pronouncements

In February 2013, FASB issued ASU No. 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income". The objective of this Update is to set requirements for presentation for significant items reclassified to net income in their entirety during the period and for items not reclassified to net income in their entirety during the period. For public entities, the amended requirements are effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. This statement only impacts disclosures of reclassification adjustments and is not material to our financial statement presentation. We will adopt the amendments of this statement in fiscal 2014.

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 our 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 SEC. 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, 2013, we had no variable debt outstanding.

At November 30, 2013, the fair value of our total long-term debt as determined by quotes from financial institutions was approximately \$293.0 million. The potential decrease in fair value resulting from a hypothetical 10.0 percent shift in interest rates would be approximately \$5.2 million at November 30, 2013.

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.

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, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended November 30, 2013. Our audits also included 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 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, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Speedway Corporation at November 30, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended November 30, 2013, 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, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated January 28, 2014, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Certified Public Accountants

Jacksonville, Florida
January 28, 2014

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, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (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, 2013, 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, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended November 30, 2013 of International Speedway Corporation and our report dated January 28, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Certified Public Accountants

Jacksonville, Florida
January 28, 2014

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Balance Sheets

	November 30,	
	2012	2013
	(in thousands, except share and per share amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 78,379	\$ 172,827
Receivables, less allowance of \$1,000 in 2012 and 2013, respectively	30,830	25,910
Inventories	3,020	2,619
Income taxes receivable	6,202	17,399
Deferred income taxes	2,029	3,122
Prepaid expenses and other current assets	7,159	13,965
Total Current Assets	127,619	235,842
Property and Equipment, net	1,362,186	1,276,976
Other Assets:		
Equity investments	146,378	134,327
Intangible assets, net	178,649	178,628
Goodwill	118,791	118,791
Other	8,118	72,942
	451,936	504,688
Total Assets	\$ 1,941,741	\$ 2,017,506
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 2,513	\$ 2,807
Accounts payable	12,630	27,669
Deferred income	42,818	35,679
Income taxes payable	1,941	—
Other current liabilities	16,849	15,907
Total Current Liabilities	76,751	82,062
Long-Term Debt	274,419	271,680
Deferred Income Taxes	328,223	366,531
Long-Term Deferred Income	10,455	8,604
Other Long-Term Liabilities	3,083	1,474
Commitments and Contingencies	—	—
Shareholders' Equity:		
Class A Common Stock, \$.01 par value, 80,000,000 shares authorized; 26,081,558 and 26,182,518 issued and outstanding in 2012 and 2013, respectively	260	261
Class B Common Stock, \$.01 par value, 40,000,000 shares authorized; 20,050,277 and 19,994,663 issued and outstanding in 2012 and 2013, respectively	200	200
Additional paid-in capital	442,474	445,097
Retained earnings	811,172	846,235
Accumulated other comprehensive loss	(5,296)	(4,638)
Total Shareholders' Equity	1,248,810	1,287,155
Total Liabilities and Shareholders' Equity	\$ 1,941,741	\$ 2,017,506

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Operations

	Year Ended November 30,		
	2011	2012	2013
(in thousands, except share and per share amounts)			
REVENUES:			
Admissions, net	\$ 144,433	\$ 136,099	\$ 129,824
Motorsports related	425,655	416,699	425,530
Food, beverage and merchandise	47,863	45,985	44,046
Other	11,734	13,584	13,240
	<u>629,685</u>	<u>612,367</u>	<u>612,640</u>
EXPENSES:			
Direct:			
Prize and point fund monies and NASCAR sanction fees	154,562	154,673	159,349
Motorsports related	124,861	125,072	125,928
Food, beverage and merchandise	36,744	35,642	33,150
General and administrative	98,795	102,958	104,925
Depreciation and amortization	76,871	77,870	93,989
Losses on retirements of long-lived assets	4,687	11,143	16,607
	<u>496,520</u>	<u>507,358</u>	<u>533,948</u>
Operating income	133,165	105,009	78,692
Interest income	139	102	96
Interest expense	(14,710)	(13,501)	(15,221)
Loss on early redemption of debt	—	(9,144)	—
Other	—	1,008	75
Equity in net (loss) income from equity investments	(4,177)	2,757	9,434
Income before income taxes	114,417	86,231	73,076
Income taxes	44,993	31,653	27,784
Net income	<u>\$ 69,424</u>	<u>\$ 54,578</u>	<u>\$ 45,292</u>
Earnings per share:			
Basic and diluted	<u>\$ 1.46</u>	<u>\$ 1.18</u>	<u>\$ 0.97</u>
Dividends per share	<u>\$ 0.18</u>	<u>\$ 0.20</u>	<u>\$ 0.22</u>
Basic weighted average shares outstanding	<u>47,602,574</u>	<u>46,386,355</u>	<u>46,470,647</u>
Diluted weighted average shares outstanding	<u>47,611,179</u>	<u>46,396,631</u>	<u>46,486,561</u>

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Comprehensive Income

	Year Ended November 30,		
	2011	2012	2013
	(in thousands)		
Net income	\$ 69,424	\$ 54,578	\$ 45,292
Other comprehensive income:			
Foreign currency translation, net of tax benefit (expense) of \$12, (\$8) and \$0, respectively	19	(13)	—
Amortization of interest rate swap, net of tax benefit of \$397, \$424 and \$424, respectively	594	658	658
Comprehensive income	<u>\$ 70,037</u>	<u>\$ 55,223</u>	<u>\$ 45,950</u>

See accompanying notes

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, 2010	\$ 275	\$ 203	\$ 481,154	\$ 712,099	\$ (6,554)	\$ 1,187,177
Net income	—	—	—	69,424	—	69,424
Other comprehensive income	—	—	—	—	613	613
Exercise of stock options	—	—	51	—	—	51
Cash dividends (\$.18 per share)	—	—	—	(8,585)	—	(8,585)
Reacquisition of previously issued common stock	(14)	—	(37,390)	—	—	(37,404)
Conversion of Class B Common Stock to Class A Common Stock	3	(3)	—	—	—	—
Other	—	—	(276)	—	—	(276)
Stock-based compensation	—	—	1,466	—	—	1,466
Balance at November 30, 2011	264	200	445,005	772,938	(5,941)	1,212,466
Net income	—	—	—	54,578	—	54,578
Other comprehensive income	—	—	—	—	645	645
Cash dividends (\$.20 per share)	—	—	—	(9,283)	—	(9,283)
Reacquisition of previously issued common stock	(4)	—	(3,491)	(7,061)	—	(10,556)
Other	—	—	(914)	—	—	(914)
Stock-based compensation	—	—	1,874	—	—	1,874
Balance at November 30, 2012	260	200	442,474	811,172	(5,296)	1,248,810
Net income	—	—	—	45,292	—	45,292
Other comprehensive income	—	—	—	—	658	658
Exercise of stock options	1	—	340	—	—	341
Cash dividends (\$.22 per share)	—	—	—	(10,229)	—	(10,229)
Reacquisition of previously issued common stock	—	—	(259)	—	—	(259)
Other	—	—	9	—	—	9
Stock-based compensation	—	—	2,533	—	—	2,533
Balance at November 30, 2013	<u>\$ 261</u>	<u>\$ 200</u>	<u>\$ 445,097</u>	<u>\$ 846,235</u>	<u>\$ (4,638)</u>	<u>\$ 1,287,155</u>

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
Consolidated Statements of Cash Flows

	Year Ended November 30,		
	2011	2012	2013
	(in thousands)		
OPERATING ACTIVITIES			
Net income	\$ 69,424	\$ 54,578	\$ 45,292
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	76,871	77,870	93,989
Stock-based compensation	1,466	1,874	2,533
Amortization of financing costs	1,398	1,605	1,397
Deferred income taxes	35,688	12,184	36,012
Loss (income) from equity investments	4,177	(2,757)	(9,434)
Distribution from equity investee	—	—	8,216
Losses on retirements of long-lived assets, non-cash	4,687	8,055	10,023
Other, net	551	(829)	(26)
Changes in operating assets and liabilities			
Receivables, net	(2,163)	5,268	4,920
Inventories, prepaid expenses and other assets	(601)	966	(479)
Accounts payable and other liabilities	(649)	(2,521)	3,658
Deferred income	(4,955)	(3,023)	(8,990)
Income taxes	13,138	(2,345)	(13,716)
Net cash provided by operating activities	199,032	150,925	173,395
INVESTING ACTIVITIES			
Capital expenditures	(76,848)	(82,872)	(85,539)
Decrease in restricted cash	1,002	—	—
Distribution from equity investee and affiliate	—	11,000	13,284
Equity investments and advances to affiliate	(60,625)	(51,984)	—
Proceeds from sale of Staten Island property	—	—	5,322
Other, net	(56)	1,423	646
Net cash used in investing activities	(136,527)	(122,433)	(66,287)
FINANCING ACTIVITIES			
Proceeds under credit facility	30,000	130,000	—
Payments under credit facility	(82,000)	(180,000)	—
Proceeds from long-term debt	65,000	100,000	—
Payment of long-term debt	(3,216)	(89,306)	(2,513)
Deferred financing fees	(439)	(1,046)	—
Exercise of Class A common stock options	51	—	341
Cash dividends paid	(8,585)	(9,283)	(10,229)
Reacquisition of previously issued common stock	(37,404)	(10,556)	(259)
Net cash used in financing activities	(36,593)	(60,191)	(12,660)
Net increase (decrease) in cash and cash equivalents	25,912	(31,699)	94,448
Cash and cash equivalents at beginning of year	84,166	110,078	78,379
Cash and cash equivalents at end of year	\$ 110,078	\$ 78,379	\$ 172,827

See accompanying notes

INTERNATIONAL SPEEDWAY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2013

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, 2013, 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	2.7 miles
Kansas Speedway	Kansas City, Kansas	1.5 miles
Richmond International Raceway	Richmond, Virginia	0.8 miles
Michigan International Speedway	Brooklyn, Michigan	2.0 miles
Auto Club Speedway of Southern California	Fontana, California	2.0 miles
Darlington Raceway	Darlington, South Carolina	1.3 miles
Chicagoland Speedway	Joliet, Illinois	1.5 miles
Martinsville Speedway	Martinsville, Virginia	0.5 miles
Phoenix International Raceway	Phoenix, Arizona	1.0 miles
Homestead-Miami Speedway	Homestead, Florida	1.5 miles
Watkins Glen International	Watkins Glen, New York	3.4 miles
Route 66 Raceway	Joliet, Illinois	0.25 miles

In 2013, 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;
- 15 NASCAR Nationwide Series events;
- 9 NASCAR Camping World Truck Series events;
- 3 International Motor Sports Association (“IMSA”) Tudor United SportsCar Championship Series events including the premier sports car endurance event in the United States, the Rolex 24 at Daytona;
- One National Hot Rod Association (“NHRA”) Mellow Yellow drag racing series event;
- One IndyCar (“IndyCar”) Series event; 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 831,500 grandstand seats and 525 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, Inc. (“MRN”), 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 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 provides production services for Sprint Vision, the trackside large screen video display units, at NASCAR Sprint Cup Series event weekends that take place at the Company’s motorsports facilities, as well as at Dover International Speedway and Pocono Raceway. MRN 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: 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 with a limited number of financial institutions at November 30, 2013.

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 income (loss) from equity method investments is recorded as income (loss) with a corresponding increase (decrease) in the investment. Distributions received from the equity investees reduce the investment. Distributions from equity investees representing the Company's share of the equity investee's earnings are treated as cash proceeds from operations while distributions in excess of the equity investee's earnings are considered a return of capital and treated as cash proceeds from investing activities in the Company's consolidated statement of cash flows. 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 IMSA. The continuity of sanction agreements with these bodies has historically enabled the Company to host these 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 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.

In connection with the Company's fiscal 2013 assessment of goodwill and intangible assets for possible impairment, the Company 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 used for such purposes. The Company's latest annual assessment of goodwill and other intangible assets in the fourth quarter of fiscal 2013 indicated there had been no impairment and the fair value substantially exceeded the carrying value for the respective reporting units.

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 the decline in consumer confidence and the level of unemployment, which have contributed to the decrease in attendance related as well as corporate partner revenues for certain of the Company's motorsports events during fiscal 2013, 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.

COMPREHENSIVE INCOME: Comprehensive income is the changes in equity of an enterprise except those resulting from shareholder transactions. Accumulated other comprehensive income consists of the following as of November 30, (in thousands):

	2012	2013
Interest rate swap, net of tax benefit of \$3,449 and \$3,025, respectively	\$ (5,296)	\$ (4,638)

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 ("Kansas") 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 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 \$7.8 million and \$6.5 million at November 30, 2012 and 2013, respectively.

ADVERTISING EXPENSE: Advertising costs are expensed as incurred. Advertising expense was approximately \$15.2 million, \$15.3 million and \$15.1 million for the years ended November 30, 2011, 2012 and 2013, 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 February 2013, FASB issued ASU No. 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income". The objective of this Update is to set requirements for presentation for significant items reclassified to net income in their entirety during the period and for items not reclassified to net income in their entirety during the period. For public entities, the amended requirements are effective for fiscal years, and interim periods within those years, beginning after December 15, 2012. This statement only impacts disclosures of

reclassification adjustments and is not material to the Company's financial statement presentation. The Company will adopt the amendments of this statement in fiscal 2014.

NOTE 2 — 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):

	2011	2012	2013
Numerator:			
Net income	\$ 69,424	\$ 54,578	\$ 45,292
Denominator:			
Weighted average shares outstanding	47,602,574	46,386,355	46,470,647
Common stock options	8,605	10,276	15,914
Diluted weighted average shares outstanding	47,611,179	46,396,631	46,486,561
Basic and diluted earnings per share	\$ 1.46	\$ 1.18	\$ 0.97
Anti-dilutive shares excluded in the computation of diluted earnings per share	254,945	231,496	143,656

NOTE 3 — PROPERTY AND EQUIPMENT

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

	2012	2013
Land and leasehold improvements	\$ 241,393	\$ 246,138
Buildings, grandstands and motorsports entertainment facilities	1,541,276	1,520,405
Furniture and equipment	175,443	169,979
Construction in progress	105,128	87,318
	2,063,240	2,023,840
Less accumulated depreciation	701,054	746,864
	\$ 1,362,186	\$ 1,276,976

Depreciation expense was approximately \$76.9 million, \$77.8 million and \$94.0 million for the years ended November 30, 2011, 2012 and 2013, respectively. The depreciation expense for the year ended November 30, 2013 includes approximately \$15.4 million, or \$0.20 per diluted share, net of tax, of accelerated depreciation that was recorded due to the shortening the service lives of certain assets associated with DAYTONA Rising and capacity management initiatives.

NOTE 4 — RETIREMENTS OF LONG-LIVED ASSETS

The Company recorded before-tax charges relating to retirements of long-lived assets during the fiscal years ending November 30, as follows (in thousands):

	2011	2012	2013
Losses on retirements of long-lived assets	\$ 4,687	\$ 11,143	\$ 16,607
Less: cash portion of losses on asset retirements	—	3,088	6,584
Non-cash losses on retirements of long-lived assets	\$ 4,687	\$ 8,055	\$ 10,023

The fiscal 2011 retirements are primarily attributable to the ongoing removal of certain assets in connection with the repaving of the track and grandstand enhancements at Phoenix International Raceway (“Phoenix”) and the grandstand enhancements at Kansas and Talladega Superspeedway (“Talladega”).

The fiscal 2012 retirements are primarily attributable to the ongoing removal of certain assets in connection with the track repaving at Kansas, as well as guest enhancements at Talladega, Richmond International Raceway (“Richmond”) and certain of the Company's other facilities.

The fiscal 2013 retirements are primarily attributable to the removal of assets not fully depreciated in connection with DAYTONA Rising, capacity management initiatives and other capital improvements.

NOTE 5 — EQUITY AND OTHER INVESTMENTS

Hollywood Casino at Kansas Speedway

In February 2012, 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 indirect subsidiary of ISC, opened the Hollywood-themed and branded destination entertainment facility, overlooking turn two of Kansas Speedway. Penn is the managing member of Kansas Entertainment and is responsible for the operations of the casino.

The Company has accounted for Kansas Entertainment as an equity investment in its financial statements as of November 30, 2013. Start up and related costs through opening were expensed through equity in net loss from equity investments. The Company’s 50.0 percent portion of Kansas Entertainment’s net loss was approximately \$4.2 million for fiscal year 2011, and net income of approximately \$2.8 million and \$9.4 million for fiscal years 2012 and 2013, respectively, and is included in equity in net (loss) income from equity investments in the Company’s consolidated statements of operations. The net income from the equity investment in fiscal 2013 includes a property tax credit received in June 2013 as a result of the casino successfully negotiating a resolution to its property tax appeal. The Company’s share of the resolution of the appeal attributable to prior years’ property taxes contributed approximately \$1.1 million to the fiscal 2013 equity income amount.

Distributions from Kansas Entertainment, for the years ended November 30, are as follows (in thousands):

	2011	2012	2013
Distribution from profits	\$ —	\$ —	\$ 8,216
Distribution in excess of profits	—	11,000	13,284
Total Distributions	<u>\$ —</u>	<u>\$ 11,000</u>	<u>\$ 21,500</u>

Subsequent to November 30, 2013, the Company received an additional \$4.5 million from Kansas Entertainment.

Staten Island Property

On August 5, 2013, the Company announced that it sold its 676 acre parcel of property located in Staten Island, New York, to Staten Island Marine Development, LLC (“Marine Development”). Marine Development purchased 100 percent of the outstanding equity membership interests of 380 Development LLC (“380 Development”), a wholly owned indirect subsidiary of ISC and owner of the Staten Island property, for a total sales price of \$80.0 million. In addition, the Company previously received approximately \$4.2 million for an option provided to the purchaser that is nonrefundable and does not apply to the \$80.0 million sales price.

The Company received \$7.5 million, less closing and other administrative costs, of the sales price at closing. The remaining sales price was financed with the Company holding a secured mortgage interest in 380 Development as well as the underlying property. The mortgage balance bears interest at an annual rate of 7.0 percent. In accordance with the terms of the agreement, the Company will receive the remaining purchase price of \$72.5 million in payments of approximately \$6.1 million plus interest on this mortgage balance, due February 3, 2014, and \$66.4 million, due March 5, 2016. Interest on the latter mortgage balance will be paid 12 months after closing and then quarterly, in arrears. Based on the level of Marine Development’s initial investment at closing and continuing investment, the Company has accounted for the transaction using the cost recovery method and has deferred recognition of any profits, which include the option proceeds and interest income until the carrying amount of the property is recovered, which will not be until the final payment is made.

As a result of the sale, the Company expects to receive a cash tax benefit of approximately \$41.9 million, based on its current corporate tax rate. This cash tax benefit, when combined with the net proceeds from the sale, will provide the Company with approximately \$118.0 million in incremental cash flow over the next several years.

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. The Company’s 50.0 percent investment in MA was previously reduced to zero and they Company did not recognize any net income or loss from operations of MA during fiscal years 2011, 2012, and 2013, respectively.

Summarized financial information of the Company's equity investments as of and for the years ended November 30, are as follows (in thousands):

	2011	2012	2013
Current assets	\$ 48,564	\$ 46,054	\$ 43,062
Noncurrent assets	173,393	258,239	238,772
Current liabilities	16,573	22,379	21,510
Noncurrent liabilities	4,065	1,819	1,242
Net sales	34,788	144,715	170,721
Gross profit	19,781	63,516	82,838
Operating (loss) income	(9,080)	8,914	21,770
Net (loss) income	(9,374)	9,266	21,986

NOTE 6 — 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):

	2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Food, beverage and merchandise contracts	\$ 10	\$ 8	\$ 2
Other	92	51	41
Total amortized intangible assets	102	59	43
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	\$ 178,708	\$ 59	\$ 178,649

	2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Food, beverage and merchandise contracts	\$ 10	\$ 8	\$ 2
Other	92	72	20
Total amortized intangible assets	102	80	22
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	\$ 178,708	\$ 80	\$ 178,628

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, 2013	\$	21
Estimated amortization expense for the year ending November 30:		
2014		16
2015		6
2016		—
2017		—
2018		—

There were no changes in the carrying value of goodwill during fiscal 2012 and 2013.

NOTE 7 — LONG-TERM DEBT

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

	2012	2013
4.63 percent Senior Notes	\$ 65,000	\$ 65,000
3.95 percent Senior Notes	100,000	100,000
4.82 percent Revenue Bonds	970	662
6.25 percent Term Loan	50,318	49,948
TIF bond debt service funding commitment	60,644	58,877
Revolving Credit Facility	—	—
	<u>276,932</u>	<u>274,487</u>
Less: current portion	2,513	2,807
	<u>\$ 274,419</u>	<u>\$ 271,680</u>

Schedule of Payments (in thousands)

For the year ending November 30:		
2014	\$	2,807
2015		3,436
2016		3,408
2017		3,738
2018		4,091
Thereafter		<u>257,590</u>
		275,070
Net premium		<u>(583)</u>
Total	\$	<u>274,487</u>

The Company's \$65.0 million principal amount of senior unsecured notes ("4.63 percent Senior Notes") 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 4.63 percent 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 4.63 percent Senior Notes. The 4.63 percent Senior Notes also contain various restrictive covenants. At November 30, 2013, outstanding principal on the 4.63 percent Senior Notes was approximately \$65.0 million.

The Company's \$100.0 million principal amount of senior unsecured notes ("3.95 percent Senior Notes") bear interest at 3.95 percent and are due September 2024. The 3.95 percent Senior Notes require semi-annual interest payments on March 13 and September 13 through their maturity. The 3.95 percent 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 3.95 percent Senior Notes. The 3.95 percent Senior Notes also contain various restrictive covenants. At November 30, 2013, outstanding principal on the 3.95 percent Senior Notes was approximately \$100.0 million.

Debt associated with the Company's wholly owned subsidiary, Chicagoland Speedway Corporation, which owns and operates Chicagoland and Route 66 Raceway, consists of Revenue bonds payable (“4.82 percent Revenue Bonds”) consisting of economic development revenue bonds issued by the City of Joliet, Illinois to finance certain land improvements. The 4.82 percent Revenue Bonds have an interest rate of 4.82 percent and a monthly payment of approximately \$29,000 principal and interest. At November 30, 2013, outstanding principal on the 4.82 percent Revenue Bonds was approximately \$0.7 million.

The term loan (“6.25 percent Term Loan”), related to the Company’s International Motorsports Center, has a 25 year term due October 2034, an interest rate of 6.25 percent, and a current monthly payment of approximately \$292,000 principal and interest. At November 30, 2013, the outstanding principal on the 6.25 percent Term Loan was approximately \$49.9 million.

In January 1999, the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”), issued approximately \$71.3 million in taxable special obligation revenue (“TIF”) bonds in connection with the financing of construction of Kansas Speedway. At November 30, 2013, outstanding TIF bonds totaled approximately \$58.9 million, net of the unamortized discount, which is comprised of a \$9.8 million principal amount, 6.15 percent term bond due December 1, 2017 and a \$49.7 million principal amount, 6.75 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 (“KSC”). Principal (mandatory redemption) payments per the Funding Commitment are payable by KSC 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. KSC granted a mortgage and security interest in the Kansas project for its Funding Commitment obligation.

The Company's \$300.0 million revolving credit facility (“2012 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. The 2012 Credit Facility is scheduled to mature in November 2017 and accrues interest at LIBOR plus 100.0 — 162.5 basis points, depending on the better of its debt rating as determined by specified rating agencies or the Company’s leverage ratio. The 2012 Credit Facility contains various restrictive covenants. At November 30, 2013, the Company had no outstanding borrowings under the 2012 Credit Facility.

At November 30, 2013, the Company has approximately \$4.6 million, net of tax, deferred in accumulated other comprehensive loss associated with a terminated interest rate swap which is being amortized as interest expense over life of the 4.63 percent Senior Notes (see above). The Company expects to recognize approximately \$0.7 million, net of tax, of this balance during the next 12 months in the consolidated statement of operations.

Total interest expense incurred by the Company for the years ended November 30, are as follows (in thousands):

	2011	2012	2013
Interest expense	\$ 18,486	\$ 17,220	\$ 16,576
Less: capitalized interest	3,776	3,719	1,355
Net interest expense	<u>\$ 14,710</u>	<u>\$ 13,501</u>	<u>\$ 15,221</u>

Financing costs of approximately \$5.0 million and \$4.4 million, net of accumulated amortization, have been deferred and are included in other assets at November 30, 2012 and 2013, 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 8 — 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 for the years ended November 30, are as follows (in thousands):

	2011	2012	2013
Current tax expense (benefit):			
Federal	\$ 7,941	\$ 18,466	\$ (8,008)
State	1,386	1,003	(220)
Foreign	(22)	—	—
Deferred tax expense:			
Federal	32,815	8,608	33,235
State	2,873	3,881	2,777
Foreign	—	(305)	—
Provision for income taxes	\$ 44,993	\$ 31,653	\$ 27,784

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):

	2011	2012	2013
Income tax computed at federal statutory rates	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	3.9	4.5	4.2
Valuation Allowance	—	(2.7)	—
State tax credits, net of federal tax benefit	(0.4)	(0.6)	—
Other, net	0.8	0.5	(1.2)
	39.3%	36.7%	38.0%

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

	2012	2013
Impaired long-lived assets	\$ 37,756	\$ —
Unrecognized tax benefits	778	—
Amortization and depreciation	917	895
Loss carryforwards	6,236	9,919
Deferred revenues	2,110	3,684
Accruals	3,876	3,754
Compensation related	2,543	3,075
Deferred expenses	1,791	—
Interest	5,416	4,749
Equity investment	1,495	—
Other	6	6
Deferred tax assets	62,924	26,082
Valuation allowance	(1,361)	(1,363)
Deferred tax assets, net of valuation allowance	61,563	24,719
Amortization and depreciation	(387,549)	(381,144)
Equity investment	—	(6,620)
Other	(208)	(364)
Deferred tax liabilities	(387,757)	(388,128)
Net deferred tax liabilities	\$ (326,194)	\$ (363,409)
Deferred tax assets — current	\$ 2,029	\$ 3,122
Deferred tax liabilities — noncurrent	(328,223)	(366,531)
Net deferred tax liabilities	\$ (326,194)	\$ (363,409)

The Company has recorded deferred tax assets related to various state loss carryforwards totaling approximately \$9.9 million that expire in varying amounts beginning in fiscal 2019. The valuation allowance has been provided due to the uncertainty regarding the realization of state deferred tax assets associated with these loss carryforwards. 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 2010 through 2013 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 2009 through 2013.

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

Balance at December 1, 2012	\$ 457
Additions based on tax positions related to the current year	14
Additions for tax positions of prior years	—
Reductions for tax positions of prior years	(41)
Balance at November 30, 2013	\$ 430

The effective income tax rate for fiscal year ended November 30, 2011 approximated the statutory income tax rate. The reduction in the valuation allowance associated with the wind-up of certain Canadian business operations is the principal cause of the decreased effective income tax rate as compared to the statutory income tax rate, for the fiscal year ended November 30, 2012. Certain state settlements are the principal cause of the decreased effective income tax rate as compared to the statutory income tax rate, for the fiscal year ended November 30, 2013.

As a result of the above items, the Company's effective income tax rate decreased from the statutory income rate to approximately 36.7 percent and 38.0 percent for the fiscal years ended November 30, 2012 and 2013, respectively.

NOTE 9 — 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 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 there from, 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

The Company has a share repurchase program ("Stock Purchase Plan") under which it is authorized to purchase up to \$330.0 million of its outstanding Class A common shares. The timing and amount of any shares repurchased under the Stock Purchase Plan will depend on a variety of factors, including price, corporate and regulatory requirements, capital availability and other market conditions. The Stock Purchase Plan 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 Plan through November 30, 2013, the Company has purchased 7,063,962 shares of its Class A common shares, for a total of approximately \$268.3 million. Included in these totals are the purchases of 1,435,811 and 405,538 shares of the Company's Class A common shares at an average cost of approximately \$25.87 and \$25.40 per share (including commissions), for a total of approximately \$37.1 million and \$10.3 million, during the fiscal years ended November 30, 2011 and 2012, respectively. There were no purchases of the Company's Class A shares during fiscal 2013. These transactions occurred in open market purchases and pursuant to a trading plan under Rule 10b5-1. At November 30, 2013, the Company has approximately \$61.7 million remaining repurchase authority under the current Stock Purchase Plan.

NOTE 10 — 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 percent vested upon entrance to the ISC Plan. The contribution expense for the ISC Plan was approximately \$1.5 million, \$1.4 million and \$1.4 million for the years ended November 30, 2011, 2012 and 2013, respectively.

The estimated cost to complete approved projects and current construction in progress at November 30, 2013 at the Company's existing facilities is approximately \$330.7 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, 2013, the Unified Government had approximately \$1.7 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, 2013, are as follows (in thousands):

For the year ending November 30:	Operating Agreement	Operating Leases
2014	\$ 2,220	\$ 3,674
2015	2,220	2,695
2016	1,152	1,875
2017	1,055	1,403
2018	1,055	1,311
Thereafter	14,858	32,547
Total	<u>\$ 22,560</u>	<u>\$ 43,505</u>

Total expenses incurred under the track operating agreement, these operating leases and all other short-term rentals during the years ended November 30, 2011, 2012 and 2013 were approximately \$14.0 million, \$13.5 million, and \$13.5 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 approximately \$4.0 million at November 30, 2013. At November 30, 2013, 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. In addition, on February 23, 2013, during the last lap of the NASCAR Nationwide Series race at Daytona International Speedway, an on-track incident resulted in debris from a race car entering the grandstands and injuring numerous spectators. The Company has been put on notice of a number of claims as a result of this incident; however it is confident that it has adequate insurance to cover any losses, in excess of our \$1.5 million deductible, resulting from claims surrounding this incident.

NOTE 11 — RELATED PARTY DISCLOSURES AND TRANSACTIONS

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, IMSA, Historic Sportscar Racing, IndyCar Series, 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 over 72.0 percent of the combined voting power of the outstanding stock of the Company, as of November 30, 2013, 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 for disbursement to competitors, which are exclusive of NASCAR sanction fees, totaled approximately \$127.7 million, \$128.7 million and \$132.2 million, for the years ended November 30, 2011, 2012 and 2013, respectively. The Company has outstanding receivables related to NASCAR and its affiliates of approximately \$17.9 million and \$18.5 million at November 30, 2012 and 2013, respectively.

Under current agreements, NASCAR contracts directly with certain network providers for television rights to the entire NASCAR Sprint Cup, Nationwide and Camping World Truck series schedules. 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. The Company's television broadcast and ancillary rights fees received from NASCAR for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events conducted at its wholly owned facilities were approximately \$278.8 million, \$281.2 million and \$292.5 million in fiscal years 2011, 2012 and 2013, respectively.

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. 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'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 \$9.3 million, \$8.6 million and \$9.3 million during fiscal 2011, 2012 and 2013, respectively.

IMSA, a wholly owned subsidiary of NASCAR, sanctions various events at certain of the Company's facilities. Standard IMSA 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 IMSA to participants in the events. Sanction fees paid by the Company to IMSA totaled approximately \$1.1 million, \$1.2 million and \$1.3 million for the years ended November 30, 2011, 2012 and 2013, 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 \$0.6 million, \$0.6 million and \$0.6 million during fiscal 2011, 2012 and 2013, respectively.

The Company strives to ensure, and management believes that, the terms of the Company's transactions with NASCAR, IMSA and AMA Pro Racing 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 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 received by the Company for these items, totaled approximately \$321,000, \$318,000 and \$398,000 during fiscal 2011, 2012 and 2013, respectively.

Crotty, Bartlett & Kelly, P.A. ("Crotty, Bartlett & Kelly"), is a law firm controlled by family members of W. Garrett Crotty, one of the Company's executive officers. 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 totaled approximately \$28,000, \$30,000 and \$31,000 during fiscal 2011, 2012 and 2013, 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 and certain employee benefit programs. The aggregate commissions received by Brown & Brown in connection with the Company's policies were approximately \$457,000, \$466,000 and \$487,000 during fiscal 2011, 2012 and 2013, respectively. In fiscal 2013, Brown & Brown paid the Company approximately \$122,000 for the purchase of tickets and track rental fees. 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.

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 2011, 2012 and 2013. The Company paid approximately \$76,000, \$83,000 and \$114,000 for these services in fiscal 2011, 2012 and 2013, respectively, which were charged to the Company on the same basis as those provided other clients.

NOTE 12 — 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):

	2011	2012	2013
Income taxes paid	\$ 2,733	\$ 20,923	\$ 18,141
Interest paid	\$ 15,403	\$ 15,099	\$ 14,731

NOTE 13 — LONG-TERM STOCK INCENTIVE PLAN

On November 30, 2013, 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 \$1.5 million, \$1.9 million, and \$2.5 million for the years ended November 30, 2011, 2012 and 2013, respectively. The total income tax benefit recognized in the income statement for share-based compensation arrangements was approximately \$576,000, \$735,000 and \$992,000 for the years ended November 30, 2011, 2012 and 2013, 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. In accordance with ASC 718, "Compensation - Stock Compensation" the Company is recognizing stock-based compensation on these restricted shares awarded on the accelerated method over the requisite service period. 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 50,798, 171,802 and 80,514 shares of restricted stock awards of the Company's Class A Common Stock during the fiscal years ended November 30, 2011, 2012 and 2013, respectively, to certain officers, managers, and other employees under the Plans. The shares of restricted stock awarded vest at the rate of 50.0 percent on the third anniversary of the award date and the remaining 50.0 percent on the fifth anniversary of the award date. The weighted average grant date fair value of these restricted stock awards was \$30.60, \$26.69 and \$32.87 per share, respectively.

The Company granted 10,560, 9,168 and 9,540 shares of restricted stock awards of the Company's Class A Common Stock during the fiscal years ended November 30, 2011, 2012 and 2013, respectively, to non-employee directors as partial compensation for their service as a director. The shares of restricted stock awarded vest at the rate of 100.0 percent on the one year anniversary after the date of grant. The weighted average grant date fair value of these restricted share awards was \$28.41, \$26.18 and \$31.47 per share, respectively.

A summary of the status of the Company's restricted stock as of November 30, 2013, and changes during the fiscal year ended November 30, 2013, is presented as follows:

	Restricted Shares	Weighted- Average Grant- Date Fair Value (Per Share)	Weighted- Average Remaining Contractual Term (Years)
Unvested at November 30, 2012	291,587	\$ 28.24	
Granted	90,054	32.72	
Vested	(39,810)	33.06	
Forfeited	(3,442)	26.69	
Unvested at November 30, 2013	<u>338,389</u>	<u>28.88</u>	<u>3.6</u>

As of November 30, 2013, there was approximately \$5.3 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 approximately 3.6 years. The total fair value of restricted stock awards vested during the fiscal years ended November 30, 2011, 2012 and 2013, was approximately \$1.2 million, \$1.3 million and \$1.3 million, respectively.

Nonqualified and Incentive Stock Options

In fiscal 2010 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.

A summary of option activity under the Stock Plan as of November 30, 2013, and changes during the year then ended is presented as follows:

Options	Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at November 30, 2012	224,252	\$ 40.25		
Expired	(16,929)	42.80		
Exercised	(13,250)	25.64		
Forfeited	—	—		
Outstanding at November 30, 2013	<u>194,073</u>	<u>41.03</u>	<u>3.89</u>	<u>\$ 499,933</u>
Vested and Exercisable at November 30, 2013	<u>194,073</u>	<u>\$ 41.03</u>	<u>3.89</u>	<u>\$ 499,933</u>

There were no options granted in fiscal years 2011, 2012 and 2013. There were 2,000, zero, and 13,250 options exercised during fiscal years 2011, 2012 and 2013, respectively. The total intrinsic value of options exercised during the fiscal years ended November 30, 2011, 2012 and 2013, respectively were approximately \$7,000, zero and \$102,000, respectively. The actual tax benefit realized for the tax deductions from exercise of the stock options totaled approximately \$3,000, zero and \$40,000 for the fiscal years ended November 30, 2011, 2012 and 2013, respectively.

As of November 30, 2013, there was no unrecognized compensation cost related to unvested stock options granted under the Stock Plan.

NOTE 14 — 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, accounts payable, and accrued liabilities. These items 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, 2013, the Company had money market funds totaling approximately \$62.3 million and 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, 2013, the fair value of the long-term debt, as determined by quotes from financial institutions, was approximately \$293.0 million compared to the carrying amount of approximately \$274.5 million.

The Company had no level 3 inputs as of November 30, 2013.

NOTE 15 — 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 2012 and 2013 (in thousands, except per share amounts):

	Fiscal Quarter Ended			
	February 29, 2012	May 31, 2012	August 31, 2012	November 30, 2012
Total revenue	\$ 127,398	\$ 179,595	\$ 115,926	\$ 189,448
Operating income	29,699	33,169	696	41,445
Net income (loss)	17,139	13,740	(1,037)	24,736
Basic and diluted earnings (loss) per share	0.37	0.30	(0.02)	0.53

	Fiscal Quarter Ended			
	February 28, 2013	May 31, 2013	August 31, 2013	November 30, 2013
Total revenue	\$ 128,552	\$ 178,374	\$ 117,046	\$ 188,668
Operating income (loss)	25,147	37,080	(13,067)	29,532
Net income (loss)	13,513	22,440	(7,866)	17,205
Basic and diluted earnings (loss) per share	0.29	0.48	(0.17)	0.37

NOTE 16 — 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 were approximately \$2.4 million, \$2.1 million and \$2.4 million for the years ended November 30, 2011, 2012 and 2013, respectively. The following table shows information by operating segment (in thousands):

	For the Year Ended November 30, 2011		
	Motorsports Event	All Other	Total
Revenues	\$ 599,565	\$ 32,497	\$ 632,062
Depreciation and amortization	69,651	7,220	76,871
Operating income (loss)	133,806	(641)	133,165
Equity investments loss	—	(4,177)	(4,177)
Capital expenditures	65,301	11,547	76,848
Total assets	1,616,738	327,901	1,944,639
Equity investments	—	100,137	100,137

	For the Year Ended November 30, 2012		
	Motorsports Event	All Other	Total
Revenues	\$ 585,097	\$ 29,338	\$ 614,435
Depreciation and amortization	71,781	6,089	77,870
Operating income (loss)	107,118	(2,109)	105,009
Equity investments income	—	2,757	2,757
Capital expenditures	79,334	3,538	82,872
Total assets	1,598,551	343,190	1,941,741
Equity investments	—	146,378	146,378

	For the Year Ended November 30, 2013		
	Motorsports Event	All Other	Total
Revenues	\$ 589,435	\$ 25,618	\$ 615,053
Depreciation and amortization	88,499	5,490	93,989
Operating income (loss)	82,500	(3,808)	78,692
Equity investments income	—	9,434	9,434
Capital expenditures	81,938	3,601	85,539
Total assets	1,520,069	497,437	2,017,506
Equity investments	—	134,327	134,327

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, 2011 Allowance for doubtful accounts	\$ 1,200	\$ 132	\$ 332	\$ 1,000
For the year ended November 30, 2012 Allowance for doubtful accounts	1,000	341	341	1,000
For the year ended November 30, 2013 Allowance for doubtful accounts	1,000	382	382	1,000

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

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

None.

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, 2013, and during the period prior to and including the date of this report.

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, 2014

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 U.S. 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 U.S. 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, 2013, 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 (1992 framework). Based on this assessment, we concluded that we maintained effective internal control over financial reporting as of November 30, 2013, based on the specified criteria. There were no changes in our internal control over financial reporting during the quarter ended November 30, 2013, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is set forth under the headings "Directors, Nominees, and Officers" and under the subheading "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's 2014 Proxy Statement to be filed

with the U.S. Securities and Exchange Commission (“SEC”) within 120 days after November 30, 2013 in connection with the solicitation of proxies for the Company’s 2014 annual meeting of shareholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth under the heading “Executive Compensation” and under the heading “Directors, Nominees and Officers” in the Company’s 2014 Proxy Statement to be filed with the SEC within 120 days after November 30, 2013 and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is set forth under the headings “Voting Securities and Principal Holders” and under the heading “Directors, Nominees and Officers” in the Company’s 2014 Proxy Statement to be filed with the SEC within 120 days after November 30, 2013 and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is set forth under the heading under the subheading "Compensation Committee Interlocks and Insider Participation" under the heading "Executive Compensation" and under the subheadings "Directors Holding Office Until 2015 Annual Meeting", "Board Leadership" and “Certain Relationships and Related Transactions” under the heading “Directors, Nominees and Officers” in the Company’s 2014 Proxy Statement to be filed with the SEC within 120 days after November 30, 2013 and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is set forth under the heading "Registered Independent Public Accounting Firm" and subheading “Policy on Audit Committee Pre-Approval Policies and Procedures” under the heading “Registered Independent Public Accounting Firm” in the Company’s 2014 Proxy Statement to be filed with the SEC within 120 days after November 30, 2013 and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND 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, 2012 and 2013

Consolidated Statements of Operations

— Years ended November 30, 2011, 2012, and 2013

Consolidated Statements of Comprehensive Income

— Years ended November 30, 2011, 2012, and 2013

Consolidated Statements of Changes in Shareholders’ Equity

— Years ended November 30, 2011, 2012, and 2013

Consolidated Statements of Cash Flows

— Years ended November 30, 2011, 2012, and 2013

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.

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	— Note Purchase Agreement, dated as of September 13, 2012, among the Company and purchasers party thereto. (4.2)***
4.2	— Form of Series 2012A Note due 2024 (included in Exhibit 4.1). (4.2)***
4.3	— Amended and Restated Revolving Credit Agreement, dated as of November 15, 2012, 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)*****
10.4	— Design-Build Agreement. (10.1)*****
21	— Subsidiaries of the Registrant — filed herewith.
23.1	— Consent of Ernst & Young 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.
101.INS	— XBRL Instance Document
101.SCH	— XBRL Taxonomy Extension Schema
101.CAL	— XBRL Taxonomy Extension Calculation Linkbase
101.DEF	— XBRL Taxonomy Extension Definition Linkbase
101.LAB	— XBRL Taxonomy Extension Label Linkbase
101.PRE	— XBRL Taxonomy Extension Presentation Linkbase

* 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 report on Form 8-K filed on September 18, 2012.

**** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's report on Form 8-K filed on November 19, 2012.

***** 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.

***** Incorporated by reference to the exhibit shown in parentheses and filed with the Company's Amended Form 10-Q for the quarter ended May 31, 2013.

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, 2014

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
<u>/s/ Lesa France Kennedy</u> Lesa France Kennedy	Chief Executive Officer and Vice Chairman of the Board (Principal Executive Officer)	January 28, 2014
<u>/s/ Daniel W. Houser</u> Daniel W. Houser	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	January 28, 2014
<u>/s/ James C. France</u> James C. France	Chairman of the Board	January 28, 2014
<u>/s/ Brian Z. France</u> Brian Z. France	Director	January 28, 2014
<u>/s/ Larry Aiello, Jr.</u> Larry Aiello, Jr.	Director	January 28, 2014
<u>/s/ J. Hyatt Brown</u> J. Hyatt Brown	Director	January 28, 2014
<u>/s/ William P. Graves</u> William P. Graves	Director	January 28, 2014
<u>/s/ Christy F. Harris</u> Christy F. Harris	Director	January 28, 2014
<u>/s/ Morteza Hosseini – Kargar</u> Morteza Hosseini – Kargar	Director	January 28, 2014

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INFORMATION STATEMENT

2014

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14C INFORMATION
Information Statement Pursuant to Section 14(c) of the Securities Exchange Act of 1934
(Amendment No.)

- Filed by the Registrant
- Filed by a Party other than the Registrant
- Check the appropriate box:
- Preliminary Information Statement Confidential, for Use of Commission Only (as permitted by Rule 14c-5(d)(2))
- Definitive Information Statement

INTERNATIONAL SPEEDWAY CORPORATION

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:



INTERNATIONAL SPEEDWAY CORPORATION
One Daytona Boulevard
Daytona Beach, Florida 32114

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of International Speedway Corporation:

The Annual Meeting of the Shareholders of International Speedway Corporation will be held at **THE INTERNATIONAL MOTORSPORTS CENTER, One Daytona Boulevard, Daytona Beach, FL 32114** on Wednesday, the 9th day of April 2014, commencing at 9:00 A.M. (local time), for the following purposes:

- (a) To elect three (3) Directors of the Corporation.
- (b) To transact such other business as may properly come before the meeting.

ALL Shareholders of record as of January 31, 2014, will be entitled to vote, either in person or by proxy. **Due to logistical considerations, please be present by 8:45 A.M.** Shareholder registration tables will open at 8:00 A.M.

By Order of the Board of Directors

W. Garrett Crotty
Senior Vice President, Secretary and
General Counsel

March 3, 2014

This Notice of 2014 Annual Meeting and the attached Information Statement dated March 3, 2014 should be read in combination with the Company's annual report on Form 10-K for the fiscal year ended November 30, 2013 and the Annual Report. Collectively these documents contain all of the information and disclosures required in connection with the 2014 Annual Meeting of Shareholders. Copies of all of these materials can be found in the Financial Information/SEC Filings section of the Investor Relations page on our website at www.internationalspeedwaycorporation.com.

INTERNATIONAL SPEEDWAY CORPORATION
One Daytona Boulevard
Daytona Beach, Florida 32114

INFORMATION STATEMENT

Pursuant to Section 14(c)
of the Securities Exchange Act of 1934
and Regulation 14C and Schedule 14C thereunder

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE
REQUESTED NOT TO SEND US A PROXY

This Information Statement has been filed with the Securities and Exchange Commission (the “SEC”) and is first being mailed on or about March 7, 2014 to holders of record on January 31, 2014 (the “Record Date”) of shares of all classes of the common stock of International Speedway Corporation, a Florida corporation (the “Company”). This Information Statement relates to an Annual Meeting of Shareholders and the only matter to be acted upon at the meeting is the election of directors.

You are being provided with this Information Statement pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Regulation 14C and Schedule 14C thereunder.

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DATE, TIME AND PLACE INFORMATION

Our Annual Meeting of Shareholders will be held on Wednesday, April 9, 2014 commencing at 9:00 A.M. (local time) at THE INTERNATIONAL MOTORSPORTS CENTER, One Daytona Boulevard, Daytona Beach, Florida, 32114. Shareholder registration tables will open at 8:00 A.M. The mailing address of our principal executive offices is One Daytona Boulevard, Daytona Beach, Florida 32114.

VOTING SECURITIES AND PRINCIPAL HOLDERS

This Information Statement is being mailed commencing on or about March 7, 2014 to all of our shareholders of record as of the Record Date. The Record Date for the Annual Meeting is January 31, 2014. As of the Record Date, we had 26,534,270 shares of class A common stock and 19,980,913 shares of class B common stock issued and outstanding. Each share of the class A common stock is entitled to one-fifth of one vote on matters submitted to shareholder approval or a vote of shareholders. Each share of the class B common stock is entitled to one vote on matters submitted to shareholder approval or a vote of shareholders.

Name of Beneficial Owner (1)	Number of Shares of Common Stock Beneficially Owned (2)		Percentage of Common Stock Beneficially Owned		Percentage of Combined Voting Power of Common Stock
	Class A (3)	Class B (4)	Class A (5)	Class B (6)	(7)
France Family Group (8)	18,333,667	18,176,254	41.00%	90.97%	72.00%
James C. France (9)	6,236,352	6,148,535	19.08%	30.77%	24.38%
Betty Jane France (10)	6,244,524	6,244,524	19.05%	31.25%	19.05%
Ariel Investments, LLC (11)	5,900,454	0	22.24%	0.00%	4.67%
Blackrock, Inc. (12)	2,220,153	0	8.37%	0.00%	1.76%
Earnest Partners, LLC (13)	1,933,753	0	7.29%	0.00%	1.53%
Dimensional Fund Advisors LP (14)	1,925,074	0	7.25%	0.00%	1.52%
Vanguard Group (15)	1,461,518	0	5.50%	0.00%	1.15%
Lesla D. Kennedy (16)	804,778	753,364	2.95%	3.77%	3.02%
Brian Z. France (17)	377,153	358,971	1.40%	1.80%	1.43%
John R. Saunders	50,063	11,286	0.18%	0.05%	0.07%
J. Hyatt Brown (18)	25,229	9,000	0.09%	0.04%	0.05%
Edsel B. Ford, II (19)	24,735	0	0.09%	0.00%	0.02%
Lloyd E. Reuss (20)	24,534	0	0.09%	0.00%	0.02%
Christy F. Harris (21)	22,024	150	0.08%	0.00%	0.01%
Morteza Hosseini-Kargar (22)	21,095	0	0.08%	0.00%	0.02%
Daniel W. Houser	16,900	0	0.06%	0.00%	0.01%
Larry Aiello, Jr.	16,847	0	0.06%	0.00%	0.01%
William P. Graves	13,769	0	0.05%	0.00%	0.01%
Joel S. Chitwood	11,863	0	0.04%	0.00%	0.01%
Sonia M. Green	954	0	0.00%	0.00%	0.00%
Larry D. Woodard	954	0	0.00%	0.00%	0.00%
All directors and executive officers as a group (22 persons)(23)	18,677,839	18,199,564	41.75%	91.08%	72.35%

The preceding table sets forth information regarding the beneficial ownership of our class A common stock and our class B common stock as of the Record Date by:

- All persons known to us who beneficially own 5% or more of either class of our common stock;
- Each “named executive officer” in the Summary Compensation Table in this Information Statement;
- Each of our directors and director nominees; and
- All of our directors, director nominees and officers as a group.

As described in the following notes to the table, voting and/or investment power with respect to certain shares of common stock is shared by the named individuals. Consequently, such shares may be shown as beneficially owned by more than one person.

- (1) Unless otherwise indicated the address of each of the beneficial owners identified is c/o the Company, One Daytona Boulevard, Daytona Beach, Florida 32114.

- (2) Unless otherwise indicated, each person has sole voting and investment power with respect to all such shares.
- (3) Reflects the aggregate number of shares held by the named beneficial owner assuming (i) the exercise of any options to acquire shares of class A common stock that are held by such beneficial owner that are exercisable within 60 days and (ii) the conversion of all shares of class B common stock held by such beneficial owner into shares of class A common stock.
- (4) Assumes no conversion of shares of class B common stock into shares of class A common stock.
- (5) Assumes (i) the exercise of any options to acquire shares of class A common stock that are held by the named beneficial owner that are exercisable within 60 days, (ii) the conversion of all shares of class B common stock held by such beneficial owner into shares of class A common stock, and (iii) the assumption that no other named beneficial owner has exercised any such options or converted any such shares.
- (6) Reflects current ownership percentage of named beneficial owner's shares of class B common stock without any conversion of shares of B common stock into shares of class A common stock.
- (7) Assumes no exercise of options or conversion of shares of class B common stock into shares of class A common stock.
- (8) The France Family Group consists of Betty Jane France, James C. France, Lesa France Kennedy, Brian Z. France and members of their families and entities controlled by the natural person members of the group. A complete list of all the members of the France Family Group can be found in its 20th amendment to Schedule 13G which was filed with the SEC on February 13, 2014. Amounts shown reflect the non-duplicative aggregate of 157,413 Class A and 13,505,394 Class B shares indicated in the table as beneficially owned by Betty Jane France, James C. France, Lesa France Kennedy and Brian Z. France, as well as 4,670,860 Class B shares held by the adult children of James C. France and the adult child of Lesa France Kennedy. See footnotes (9), (10), (16), and (17).
- (9) Includes (i) 1,500 Class B shares held of record by Sharon M. France, his spouse, (ii) 3,327,468 Class B shares held of record by Western Opportunity Limited Partnership ("Western Opportunity"), (iii) 29,230 Class B shares held of record by Carl Investment Limited Partnership ("Carl"), (iv) all of the 78,243 Class B shares held of record by Quaternary Investment Company, (v) 1,255 Class B shares held of record by Carl Two Limited Partnership ("Carl Two"), (vi) all of the 1,749,848 Class B shares held of record by Carl Three Limited Partnership ("Carl Three"), (vii) all of the 919 Class B shares held of record by Carl Two, LLC, (viii) 40,251 Class B shares held of record by Automotive Research Bureau ("ARB"), and (ix) all of the 547,166 Class B shares held of record by SM Holder Limited Partnership. James C. France is the sole shareholder and director of (x) Principal Investment Company, one of the two general partners of Western Opportunity and (y) Quaternary Investment Company, the general partner of Carl. He is also the sole member of Carl Two, LLC, the general partner of Carl Two, and Carl Three, LLC the general partner of Carl Three. Does not include shares held beneficially by the adult children of James C. France or their descendants.
- (10) Includes (i) 3,264,792 Class B shares held of record by Western Opportunity, (ii) 26,662 Class B shares held of record by WCF Family I, Inc., (iii) 22,194 Class B shares held of record by WCF Family I, Inc. through Western Opportunity, and (iv) 40,251 Class B shares held of record by ARB.
- (11) This owner's address is 200 East Randolph Drive, Suite 2900, Chicago, Illinois 60601, as reflected on its Amendment No. 3 to Schedule 13G, which was filed with the SEC on February 14, 2014.
- (12) This owner's address is 40 East 52nd Street, New York, NY 10022, as reflected on its Amendment No. 4 to Schedule 13G, which was filed with the SEC on January 29, 2014.
- (13) This owner's address is 1180 Peachtree Street NE, Suite 2300, Atlanta, Georgia 30309, as reflected on its Schedule 13G, which was filed with the SEC on February 14, 2014.
- (14) This owner's address is Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas 78746, as reflected on its Amendment No. 1 to Schedule 13G, which was filed with the SEC on February 10, 2014.
- (15) This owner's address is 100 Vanguard Blvd., Malvern, Pennsylvania 19355, as reflected on its Amendment No. 1 to Schedule 13G, which was filed with the SEC on February 11, 2014.
- (16) Includes (i) 388,718 Class B shares held of record by BBL Limited Partnership, (ii) 77,733 Class B shares held of record by Western Opportunity, (iii) 26,662 Class B shares held of record by WCF Family I, Inc., (iv) 73,199 Class B shares held of record by Sierra Central LLC, and (v) 22,194 Class B shares held of record by WCF Family I, Inc. through Western Opportunity. Ms. Kennedy is the sole shareholder and a director of BBL Company, the sole general partner of BBL Limited Partnership. She is also the sole member of Sierra Central LLC, one of the two general partners of Western Opportunity. Does not include shares held beneficially by the adult child of Lesa France Kennedy.
- (17) Includes (i) 83,083 Class B shares held of record by Western Opportunity, (ii) 26,662 Class B shares held of record by WCF Family I, Inc., (iii) 15,695 Class B shares held of record by Western Opportunity as custodian for minor children, and (iv) 22,194 Class B shares held of record by WCF Family I, Inc. through Western Opportunity.
- (18) Held of record as joint tenants with Cynthia R. Brown, his spouse.
- (19) Includes 10,000 Class A shares held by a revocable trust.
- (20) Includes 2,000 Class A shares held of record by Reuss Family LP.

- (21) Includes 300 Class A shares held by M. Dale Harris, his spouse, and 1,500 Class A shares held by Mr. Harris as trustee of a Profit Sharing Plan and Trust.
- (22) Includes 5,000 Class A shares held as trustee of a qualified trust.
- (23) See footnotes (8) through (10) and footnotes (16) through (22).

DIRECTORS, NOMINEES AND OFFICERS

As of the Record Date our officers, directors and nominees were as follows:

Name	Age	Position With the Company
James C. France	69	Chairman of the Board, Assistant Treasurer and Director
Lesla France Kennedy	52	Vice Chairwoman, Chief Executive Officer and Director
John R. Saunders	57	President
W. Garrett Crotty	50	Senior Vice President, Secretary and General Counsel
Daniel W. Houser	62	Senior Vice President, Chief Financial Officer and Treasurer
Daryl Q. Wolfe	46	Senior Vice President, Chief Marketing Officer
Joel S. Chitwood	44	Vice President
Laura E. Jackson	48	Vice President, Corporate Services
W. Grant Lynch, Jr.	60	Vice President
Craig A. Neeb	53	Vice President, Business Development & Chief Digital Officer
Brett M. Scharback	39	Vice President — Deputy General Counsel, Chief Compliance Officer and Assistant Secretary
Brian K. Wilson	53	Vice President, Corporate Development
Larry Aiello, Jr.	63	Director
J. Hyatt Brown	76	Director
Edsel B. Ford, II	65	Director
Brian Z. France	51	Director
William P. Graves	61	Director
Sonia M. Green	64	Director
Christy F. Harris	68	Director
Morteza Hosseini-Kargar	58	Director
Lloyd E. Reuss	77	Director
Larry D. Woodard	54	Director

Our Board of Directors is divided into three classes, with regular three year staggered terms. Messrs. *James C. France*, *Brian Z. France* and *Reuss* were elected to hold office until the annual meeting of shareholders to be held in 2014. Mr. *Woodard* was elected by the Board of Directors to complete the unexpired term of former director Raymond Mason, and is up for election at the annual meeting of shareholders to be held in 2014. Ms. *Kennedy* and Messrs. *Aiello* and *Brown* were elected to hold office until the annual meeting of shareholders to be held in 2015. Ms. *Green* was elected by the Board of Directors to complete the unexpired term of former director Edward Rensi, and will be up for election at the annual meeting of shareholders to be held in 2015. Messrs. *Ford*, *Graves*, *Harris* and *Hosseini* were elected to hold office until the annual meeting of shareholders to be held in 2016.

For the election of directors at the Annual Meeting of Shareholders in April 2014, the Board has accepted the recommendation of the Nominating and Corporate Governance Committee and approved the nomination of Messrs. *James C. France*, *Brian Z. France*, and *Woodard* as directors to serve three-year terms and hold office until the annual meeting of shareholders to be held in 2017. Mr. *Reuss* will not stand for re-election at the annual meeting of shareholders to be held in 2014.

James C. France is the uncle of *Lesla France Kennedy* and *Brian Z. France* who are siblings. There are no other family relationships among our executive officers and directors.

Directors Holding Office Until 2014 Annual Meeting

Mr. *James C. France*, a director since 1970, has served as our Chairman since July 2007, and as our Assistant Treasurer since June 2009. Previously, he served as our Chairman and Chief Executive Officer from July 2007 until June 2009 and he served as Vice Chairman and Chief Executive Officer from April 2003 until July 2007. He also served as our President and Chief Operating Officer from 1987 until 2003. Mr. *France* is also Vice Chairman, Executive Vice President and Assistant Secretary of NASCAR. Mr. *France's* extensive business and motorsports industry experience, knowledge of our Company and proven leadership ability are among the factors the Board considered with respect to his nomination for re-election to the Board.

Mr. *Brian Z. France*, a director since 1994, has served as NASCAR's Chairman and Chief Executive Officer since September 2003, Executive Vice President from February 2001 to September 2003 and Vice Chairman from January 2003 to September 2003. Previously, he served as NASCAR's Senior Vice President from 1999 to 2001. Mr. *France's* extensive experience in and knowledge of the motorsports industry, in particular NASCAR, are among the factors the Board considered with respect to his nomination for re-election to the Board.

Mr. *Larry D. Woodard*, a director since April 2013, is President and CEO at Graham Stanley Advertising, a firm he founded in 2010, which integrates traditional and digital advertising. Prior to that, Mr. *Woodard* served as the President and CEO of Vigilante Advertising for over a decade. Mr. *Woodard's* 26 years of experience as a highly regarded and successful advertising industry executive, his experience in business, and being a weekly columnist and on air commentator regarding advertising and marketing issues, are among the factors the Board considered with respect to his nomination for re-election to the Board. Mr. *Woodard* was elected by the Board of Directors to complete the unexpired term of former director Raymond Mason.

Directors Holding Office Until 2015 Annual Meeting

Ms. *Lesa France Kennedy*, a director since 1984, became Vice Chairwoman July 2007 and was named our Chief Executive Officer in June 2009. Previously, she served as our President from April 2003 until June 2009. Ms. *Kennedy* served as our Executive Vice President from January 1996 until April 2003, Secretary from 1987 until January 1996 and served as our Treasurer from 1989 until January 1996. Ms. *Kennedy* is also Vice Chairwoman, Executive Vice President and Assistant Treasurer of NASCAR. Ms. *Kennedy's* experience in the motorsports industry, her knowledge of our Company and proven leadership ability are among the factors the Board considered in concluding she is qualified to serve as a Board member.

Mr. *Larry Aiello, Jr.*, a director since 2003, served as the President and Chief Executive Officer of Corning Cable Systems, which is part of Corning, Inc. from 2002 until his retirement in 2008. Mr. *Aiello* joined Corning, Inc. in 1973. He was named senior vice president and chief of staff-Corning Optical Communications in 2000. Mr. *Aiello's* business background and experience enhance his ability to analyze and contribute valuable insight on matters such as financing and capital management. In addition, his contributions as a member and then Chairman of our Audit Committee are among the factors the Board considered in concluding he is qualified to serve as a Board member.

Mr. *J. Hyatt Brown*, a director since 1987, serves as the Chairman of Brown & Brown, Inc. and has been in the insurance business since 1959. Mr. *Brown* also currently serves as a director of NextEra Energy, Inc. and Verisk Analytics, Inc. Until January 2010, Mr. *Brown* served on the Board of Rock-Tenn Company, until April 2008, he served on the Board of SunTrust Banks, Inc. and until December 2006, he served on the Board of BellSouth Corporation, each a publicly held company. Mr. *Brown's* extensive business experience, service on boards of other publicly traded companies and proven leadership abilities are among the factors the Board considered in concluding he is qualified to serve as a Board member. Mr. *Brown* is our lead independent director.

Ms. *Sonia M. Green*, a director since April 2013, currently serves on the board of The Soup Kitchen of Boynton Beach and is a member of the 4Kids Business Development Council. From 2001 to 2008, Ms. *Green* served as Director of Diversity Marketing and Sales for General Motors Corporation. She also previously served on the board of the Greater Miami Chamber of Commerce and the Avon Products Foundation. Ms. *Green's* nationally recognized leadership in marketing and brand communications for more than 20 years, with a specialty in multicultural/diversity marketing, as well as her experience as a trusted spokesperson on diversity and marketing issues for both Spanish and English media outlets, are among the factors the Board considered in concluding she is qualified to serve as a Board member. Ms. *Green* was elected by the Board of Directors to complete the unexpired term of former director Edward Rensi, and will be up for election at the annual meeting of shareholders to be held in 2015.

Directors Holding Office Until 2016 Annual Meeting

Mr. *Edsel B. Ford, II*, a director since November 2007, is a director and consultant for Ford Motor Company. Mr. *Ford* is a retired Vice President of Ford Motor Company and former President and Chief Operating Officer of Ford Motor Credit Company. Mr. *Ford* was an employee of Ford Motor Company for over 25 years. Mr. *Ford's* experience as an executive at a major automobile manufacturer, along with his extensive experience in the motorsports industry are among the factors the Board considered in concluding he is qualified to serve as a Board member.

Mr. *William P. Graves*, a director since September 2003, has served as President and Chief Executive Officer of the American Trucking Association since January 2003. Mr. *Graves* served as Governor of the State of Kansas from January 1995 until January 2003. Mr. *Graves's* experience as a governor, as well as his knowledge of governmental affairs are among the factors the Board considered in concluding he is qualified to serve as a Board member.

Mr. *Christy F. Harris*, a director since 1984, has been engaged in the private practice of business and commercial law for more than 40 years and currently is Of Counsel with Kinsey, Vincent, Pyle, P.L. Mr. *Harris* served as a Managing Director of AMA Pro Racing until 2013. Mr. *Harris* also has served on the Board of ACCUS (Automobile Competition Committee for the United States) for over five years and as a judge of the FIM International Tribunal for Motorsports Controversies and Disputes. Mr. *Harris's* experience as an attorney and counselor to businesses and their management, along with his extensive knowledge of our business, are among the factors the Board considered in concluding he is qualified to serve as a Board member.

Mr. *Morteza Hosseini-Kargar*, a director since 2007, is the Chairman and Chief Executive Officer of Interinvest Construction, Inc. and has served in that role for over five years. Mr. *Hosseini's* experience in real estate development and successful

ownership and operation of businesses are among the factors the Board considered in concluding he is qualified to serve as a Board member.

Ms. *Green* and Messrs. *Aiello, Brown, Ford, Graves, Hosseini, Reuss* and *Woodard* have been determined by the Board to be “independent” as that term is presently defined in Rule 4200(a)(15) of the NASDAQ listing standards.

Officers

Mr. Joel S. Chitwood has been a Vice President for us since August 2009, and in August 2010 was named President of Daytona International Speedway, one of our subsidiaries. Prior to that, he served as President and Chief Operating Officer of Indianapolis Motor Speedway from November 2004 through August 2009. He served as Senior Vice President, Business Affairs for Indianapolis Motor Speedway from October 2002 to November 2004. Mr. Chitwood also served as Vice President and General Manager of Raceway Associates, LLC, which oversaw construction of Chicagoland Speedway from 1999 to 2002.

Mr. W. Garrett Crotty became a Senior Vice President in April 2004. Mr. Crotty was named a Vice President in July 1999 and since 1996 has served as Secretary and General Counsel. Mr. Crotty has also served as General Counsel of NASCAR since 1996 and as a member of NASCAR’s Board of Directors since 2006.

Mr. Daniel W. Houser, a Certified Public Accountant, was named a Senior Vice President in June 2009. He became Chief Financial Officer in February 2009 and has been a Vice President since 2004. Prior to his appointment as our Chief Financial Officer, Mr. Houser had been our Controller and Chief Accounting Officer for over five years.

Ms. Laura E. Jackson was named Vice President, Corporate Services in February 2013, after serving as our Vice President, Human Resources from April 2010 through January 2013. Prior to that, she had served as our Managing Director, Human Resources from January 2009 through March 2010. Prior to joining the Company, Ms. Jackson served as Senior Vice President, Human Resources for Textron, Inc. from September 2003 through January 2009.

Mr. W. Grant Lynch, Jr. has served as our Vice President since April 2012. Prior to that he served as Vice President - ISC Strategic Projects from August 2009 until April 2012. Mr. Lynch served as Senior Vice President – Business Operations from April 2007 to August 2009 and as a Vice President of the Company and President of Talladega Superspeedway, one of our subsidiaries, since November 1993. He also served as President of Kansas Speedway, another subsidiary of the Company, from its inception in 1997 until 2002.

Mr. Craig A. Neeb has served as Vice President, Business Development and Chief Digital Officer since February 2013, after serving as our Vice President — Multi Channel Marketing from June 2009 through January 2013. Mr. Neeb also served as our Chief Information Officer from November 2000 until February 2013. Mr. Neeb also served as our Managing Director of Marketing Services from 2008 to June 2009.

Mr. John R. Saunders was appointed our President in June 2009. Previously he served as Executive Vice President from April 2004 until June 2009 and from April 2003 until June 2009 served as our Chief Operating Officer. He had served as Senior Vice President-Operations from July 1999 until April 2003, at which time he was appointed Senior Vice President and Chief Operating Officer. He had served as a Vice President since 1997 and was President of Watkins Glen International, a subsidiary of the Company, from 1983 until 1997.

Mr. Brett M. Scharback has served as Vice President — Deputy General Counsel, Chief Compliance Officer and Assistant Secretary since April 2010. Prior to that, he served as Managing Director, Deputy General Counsel from May 2009 through March 2010 and served as our Associate General Counsel from October 2004 through April 2009. Prior to joining us, Mr. Scharback was an Associate in the Washington, D.C. office of Baker Botts L.L.P.

Mr. Brian K. Wilson has served as Vice President, Corporate Development since February 2006. Prior to joining us, Mr. Wilson served as Managing Director of Acquisitions for American Realty Advisors from 2004 to January 2006. Mr. Wilson also served as Senior Vice President, Global Real Estate from 2001 to 2003, and Vice President, Finance and Investment Management from 1999 to 2001, for Vivendi Universal.

Mr. Daryl Q. Wolfe has served as Senior Vice President, Chief Marketing Officer since April 2012. Prior to that, he served as Vice President, Chief Marketing Officer from April 2007 to April 2012. He had previously served as Vice President, Sales and Media from 2005 to 2007. Mr. Wolfe had served as Managing Director, Marketing Partnerships from 2003 to 2005, and as Senior Director, Marketing Partnerships from 2001 to 2003.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

All of the racing events that take place during our fiscal year (from December 1 to November 30) 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, International Motor Sports Association

("IMSA"), Historic Sportscar Racing, IndyCar Series, NASCAR, National Hot Rod Association, 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 our principal racing events, is a member of the France Family Group which controls approximately 72.0 percent of the combined voting power of our outstanding stock and some members of which serve as directors and officers of our 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 us to NASCAR for disbursement to competitors, which are exclusive of NASCAR sanction fees, totaled approximately \$132.2 million for the year ended November 30, 2013. We have outstanding receivables related to NASCAR and its affiliates of approximately \$18.5 million at November 30, 2013.

Under current agreements, NASCAR contracts directly with certain network providers for television rights to the entire NASCAR Sprint Cup, Nationwide and Camping World Truck series schedules. 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 television broadcast and ancillary rights fees received from NASCAR for the NASCAR Sprint Cup, Nationwide and Camping World Truck series events conducted at our wholly owned facilities were \$292.5 million in fiscal year 2013.

In addition, we share a variety of expenses with NASCAR in the ordinary course of business. NASCAR pays rent, as well as a related maintenance fee (allocated based on square footage), to us for office space in Daytona Beach, Florida. These rents are based upon estimated fair market lease rates for comparable facilities. NASCAR pays us 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. We pay 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. Our payments to NASCAR for Motor Racing Network's broadcast rights to NASCAR Camping World Truck races represent an agreed-upon percentage of our advertising revenues attributable to such race broadcasts. NASCAR also reimburses us for 50.0 percent of the compensation paid to certain personnel working in our legal, risk management and transportation departments, as well as 50.0 percent of the compensation expense associated with certain receptionists. We reimburse NASCAR for 50.0 percent of the compensation paid to certain personnel working in NASCAR's legal department. NASCAR's reimbursement for use of our mailroom, janitorial services, security services, catering, graphic arts, photo and publishing services, telephone system and our 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 us for shared expenses, net of amounts paid by us for shared expenses, totaled approximately \$9.3 million during fiscal 2013.

IMSA, a wholly owned subsidiary of NASCAR, sanctions various events at certain of our facilities. Standard IMSA 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 IMSA to participants in the events. Sanction fees paid by us to IMSA totaled approximately \$1.3 million for the year ended November 30, 2013.

AMA Pro Racing, an entity controlled by James C. France, sanctions various events at certain of our 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 us to AMA Pro Racing totaled approximately \$0.6 million during fiscal 2013.

We strive to ensure, and management believes that, the terms of our transactions with NASCAR, IMSA and AMA Pro Racing are no less favorable to us than could be obtained in arms-length negotiations.

Certain members of the France Family Group paid us for the utilization of security services, event planning, event tickets, purchase of catering services, maintenance services, and certain equipment. The amounts paid for these items were based on actual costs incurred or similar prices paid by unrelated third party purchasers of similar items. The amount received by us for these items, totaled approximately \$0.4 million during fiscal 2013.

Crotty, Bartlett & Kelly, P.A. ("Crotty, Bartlett & Kelly"), is a law firm controlled by family members of W. Garrett Crotty, one of our executive officers. We engage Crotty, Bartlett & Kelly for certain legal and consulting services. The aggregate amount paid to Crotty, Bartlett & Kelly by us for legal and consulting services totaled approximately \$31,000 during fiscal 2013.

J. Hyatt Brown, one of our directors, serves as Chairman of Brown & Brown, Inc. ("Brown & Brown"). Brown & Brown has received commissions for serving as our insurance broker for several of our insurance policies, including our property and casualty policy and certain employee benefit programs. The aggregate commissions received by Brown & Brown in connection

with our policies were approximately \$0.5 million during fiscal 2013. In fiscal 2013, Brown & Brown paid the Company approximately \$0.1 million for the purchase of tickets and track rental fees. 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.

One of our directors, Christy F. Harris, is Of Counsel to Kinsey, Vincent Pyle, L.C., a law firm that provided legal services to us during fiscal 2013. We paid approximately \$0.1 million for these services in fiscal 2013, which were charged to us on the same basis as those provided other clients.

Approval of Related Party Transactions

We have adopted written policies and procedures for review, approval and ratification of transactions with related persons. These policies are evidenced in the Code of Conduct. In addition, our employees are subject to similar policies concerning conflicts of interest, business ethics and conduct, as contained in our Employee Handbook. The Audit Committee is charged in its Charter with the ultimate responsibility for the review and approval of all related party transactions meeting the thresholds that require disclosure pursuant to Item 404 of Regulation S-K. All proposed transactions (regardless of the amount involved) with any director or executive officer (or their affiliates) are required to be submitted to the Audit Committee for approval prior to the transaction taking place. As part of our disclosure controls, all related party transactions are reported monthly and reviewed by the Disclosure Committee quarterly, which includes the Chief Compliance Officer and the Director of Internal Audit. The Disclosure Committee is responsible for elevating matters for Audit Committee consideration. While the standard used to evaluate a transaction will vary depending upon the particular circumstances, the goal is to make sure that we are treated fairly and on the same basis as transactions with parties that are not related. There have been no instances during the last fiscal year where such policies and procedures were not followed, nor were there any transactions listed in "Certain Relationships and Related Transactions" that were not reviewed by the Audit Committee.

DIRECTOR MEETINGS AND COMMITTEES

Our Board of Directors met four times during fiscal 2013. Our Board of Directors has an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, a Growth & Development Committee and a Financing and Stock Repurchase Committee.

The functions of the Audit Committee (which presently consists of Messrs. Aiello (Chair), Brown, and Graves) include (i) meeting with auditors to discuss the scope, fees, timing and results of the annual audit, (ii) reviewing our consolidated financial statements, and (iii) performing other duties deemed appropriate by the Board. The Board of Directors has adopted a written charter for the Audit Committee, which is available on our website at www.internationalspeedwaycorporation.com. The Board of Directors has determined that Messrs. Aiello and Brown are qualified as audit committee financial experts (as defined by the SEC) and that all of the members of the Audit Committee are "independent" (as independence is presently defined in Rule 4200(a)(15) of the NASDAQ listing standards). The Audit Committee met six times during fiscal 2013.

The functions of the Compensation Committee (which presently consists of Messrs. Ford (Chair), Graves, Reuss and Woodard) include (i) reviewing existing compensation levels of executive officers, (ii) making compensation recommendations to management and the Board, and (iii) performing other duties deemed appropriate by the Board. The Board of Directors has adopted a written charter for the Compensation Committee, which is available on our website at www.internationalspeedwaycorporation.com. The Board has determined that all the members of the Compensation Committee are "independent" (as independence is presently defined in Rule 4200(a)(15) of the NASDAQ listing standards). The Compensation Committee met four times during fiscal 2013.

The functions of the Nominating and Corporate Governance Committee (which presently consists of Messrs. Brown (Chair), Ford and Graves) include (i) selecting and recommending to the Board director nominees for election at each annual meeting of shareholders, as well as director nominees to fill vacancies arising between annual meetings, (ii) reviewing and recommending to the Board changes to the compensation package for directors, (iii) reviewing and, if appropriate, making changes to the responsibilities of directors and the qualifications for new nominees, (iv) annually assessing the Board's effectiveness as a whole as well as the effectiveness of the individual directors and the Board's various committees, (v) reviewing and recommending to the Board changes to the corporate governance standards for the Board and its committees, and (vi) performing other duties deemed appropriate by the Board. The Nominating and Corporate Governance Committee met twice during fiscal 2013.

The functions of the Growth and Development Committee (which presently consists of Ms. Green and Messrs. Aiello, Brown, Ford, Brian Z. France, Harris (Chair) and Hosseini) include (i) reviewing the actual and proposed internal growth and external development projects of the Company, (ii) making recommendations to management and the Board regarding matters that come before the Committee, and (iii) performing other duties deemed appropriate by the Board. The Growth and Development Committee met four times during fiscal 2013.

The functions of the Financing and Stock Repurchase Committee (which presently consists of Messrs. Aiello, Brown, James C. France (Chair) and Harris) include (i) reviewing, as needed, the actual and proposed mechanisms used by the Company to obtain financing for the Company, (ii) overseeing and monitoring the stock repurchase activities of the Company, (iii) exercising authority delegated to it by the Board to approve changes to the Company's stock repurchase program within limits established by the Board, (iv) making recommendations to management and the Board regarding matters that come before the Committee, and (v) performing other duties deemed appropriate by the Board. The Financing and Stock Repurchase Committee met once during fiscal 2013.

During fiscal 2013, all of the directors except Mr. Reuss attended at least 75% of the aggregate of (1) the total number of meetings of the Board of Directors and (2) the total number of meetings held by all committees of the Board on which they served.

BOARD LEADERSHIP

Our Board has the flexibility to determine whether the roles of Chairman of the Board and Chief Executive Officer should be separated or combined. The Board makes this decision based on its evaluation of the circumstances and the Company's specific needs. Effective June 2009, upon the retirement of James C. France from the position of Chief Executive Officer, the roles of Chairman and Chief Executive Officer were separated. James C. France continues to serve as Chairman of the Board, while Lesa France Kennedy serves as Vice Chair and Chief Executive Officer. Prior to June 2009, the positions of Chairman and Chief Executive Officer were held jointly by James C. France.

We believe that this leadership structure is desirable under present circumstances because it allows Ms. Kennedy to focus her efforts on running our business and managing it in the best interests of our shareholders, while we are able to continue to benefit from Mr. James C. France's extensive business and motorsports industry experience, knowledge of our Company and proven leadership ability. We believe that having Mr. James C. France as Chairman benefits the Company in that it allows him to use his expertise in both industry relationships and sanctioning body partnerships, as well as his extensive Company knowledge, in setting the strategic agenda of the Board.

Our lead independent director, J. Hyatt Brown, coordinates providing feedback from other non-management members of the Board to the Chief Executive Officer and other management regarding business issues and risk. Mr. Brown, through his role as Chairman of the Nominating and Corporate Governance Committee, also manages the process of annual director self-assessment and evaluation of the Board as a whole.

RISK OVERSIGHT

Our Board of Directors takes an active role in the oversight of risks impacting our Company. While management is responsible for managing the Company's risk on a daily basis and for bringing to the Board's attention areas of risk which are most material to our business, the Board and management work closely to ensure that integrity and accountability are integrated into our operations. The Board, including through certain of its committees, discussed in more detail below (which are comprised solely of independent directors), and through regular meetings of the independent directors without management present, regularly reviews areas of risk (both compliance and business risk) to us and advises and directs management on the scope and implementation of policies, strategy and other actions designed to mitigate such risks.

Many of the direct risk oversight functions are performed by the Audit Committee and our internal audit staff. Specific examples of risks primarily overseen by the Audit Committee include risks related to the preparation of our financial statements, disclosure controls and procedures, internal controls and procedures required by the Sarbanes-Oxley Act, accounting, financial and auditing risks, matters reported to the Audit Committee through our Internal Audit Department and through anonymous reporting procedures, and regulations and risks associated with related party transactions. Through our regular compliance work related to the Sarbanes-Oxley Act, we have created entity level controls that are validated on a regular basis by our Internal Audit Department. These controls are designed to help prevent control failures as well as assist in the awareness of a control failure. Members of our management team also participate in an enterprise risk management committee, which regularly evaluates those risks deemed to be significant to us. The Audit Committee receives regular updates regarding those risks identified by the enterprise risk management committee.

The Nominating and Corporate Governance Committee regularly monitors our compliance with corporate governance standards and regulations. The Compensation Committee reviews and evaluates potential risks related to compensation programs for executive and certain non-executive employees of the Company, as further described below in the section entitled "Compensation Discussion and Analysis." The Growth and Development Committee reviews and evaluates risks related to any strategic ventures, transactions or capital expenditures.

In addition to the foregoing, the Board has adopted a Code of Ethics, which is applicable to all of our employees, including the directors, our principal executive officer, the principal financial officer and the principal accounting officer. The Code of Ethics is designed, among other things, to deter wrongdoing and promote ethical conduct, full and accurate reporting in all our filings with the SEC, and compliance with applicable laws. The Code of Ethics mandates the maintenance of a 24 hour hotline that any employee can use to report, anonymously if they so choose, any suspected fraud, financial impropriety or other alleged wrongdoing. All calls are handled by the Chief Compliance Officer, Vice President, Corporate Services and/or Director of Internal Audit, as appropriate, who regularly report to the Audit Committee on calls received. A copy of the current Code of Ethics is available on our website at www.internationalspeedwaycorporation.com.

DIRECTOR NOMINATION PROCESS

A current copy of the Nominating and Corporate Governance Committee charter is available on our website at www.internationalspeedwaycorporation.com. Each director on the Nominating and Corporate Governance Committee has been determined by the Board to be “independent” (as independence is presently defined by the NASDAQ listing standards).

As part of its process and procedures, the Nominating and Corporate Governance Committee considers director candidates recommended by shareholders. All recommendations of director candidates by shareholders following the proper procedures (as set forth below) will be furnished to the Nominating and Corporate Governance Committee and will be considered in the same manner and according to the same criteria as would all other director candidates.

There have been no material changes to the procedures by which shareholders may recommend nominees to our Board. Shareholders who wish to nominate directors for election at an annual meeting of shareholders are required to follow the procedures contained in Article VI of our Amended and Restated Articles of Incorporation, which are available on our website at www.internationalspeedwaycorporation.com. Nominations must be in writing, addressed to the Secretary, and must be received in writing not less than 120 days nor more than 180 days prior to the first anniversary of the date of our notice of annual meeting of shareholders provided for the previous year’s annual meeting. The shareholder’s notice to the Secretary must set forth (i) certain information regarding the nominee, such as name, age and principal occupation, and (ii) certain information regarding the shareholder(s) such as the name and record address of the shareholder(s) and the number of shares of our capital stock such shareholder(s) own. No person nominated by shareholders will be eligible for election as a director unless nominated in accordance with these procedures. There were no shareholder nominations submitted for the 2013 annual meeting of shareholders. For the 2015 annual meeting nominations by shareholders must be received by the Secretary between September 2, 2014 and November 1, 2014.

As stated in its charter, the Nominating and Corporate Governance Committee will annually assess the Board’s effectiveness, including the core competencies and qualifications of members of the Board. If the Nominating and Corporate Governance Committee deems it necessary, it may select and retain an executive search firm to identify qualified candidates for nomination to serve as members of the Board.

The Nominating and Corporate Governance Committee will consider all nominees to our Board of Directors, and make its recommendations to the full Board, which will then decide whether to nominate a Board candidate. The Nominating and Corporate Governance Committee will consider each nominee’s skill, experience, knowledge and judgment, and believes that members of and nominees to the Board should reflect expertise in one or more of the following areas important to us: accounting and finance, business of motorsports, mergers and acquisitions, leadership, business and management, strategic planning, government relations, investor relations, legal issues, executive leadership development and executive compensation. Further, the assessment of a nominee’s qualifications will include consideration of the nominee’s ability to use sound judgment; service on the boards of directors of other companies, public and private; integrity, honesty, fairness and independence; understanding of our business; and interest and willingness to serve on the Board and dedicate the requisite time and attention to service on the Board. All nominees to our Board will be considered by the Nominating and Corporate Governance Committee with these factors in mind.

As part of the Nominating and Corporate Governance Committee’s assessment of a prospective director nominee’s skill, experience, knowledge and judgment, the committee considers diversity of background and personal experience. Ideally, the Board should be composed of persons having a diversity of skills, background and experience that are useful to us and our present and future needs. However, the Nominating and Corporate Governance Committee does not have a formal policy specifying how diversity of background and personal experience should be applied and assessed in identifying or evaluating director nominees. When considering potential nominees for the Board, the Nominating and Corporate Governance Committee considers the standards above and each potential nominee’s individual qualifications in light of the needs of the Board at such time and its anticipated needs in the future.

It is our policy to hold the annual meeting of directors immediately following the annual meeting of shareholders. All Board members are invited to attend the annual meeting of shareholders and are expected to attend, but are not required to attend. In fiscal 2013, two members of the Board did not attend the annual meeting of shareholders.

SHAREHOLDER COMMUNICATIONS TO THE BOARD

Shareholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the non-employee directors as a group, by mailing correspondence in the following manner:

International Speedway Corporation
c/o Legal Department
One Daytona Blvd.
Daytona Beach, Florida 32114
Attention: Board of Directors

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. Our Legal Department will initially receive and process communications before forwarding them to the addressee. All communications from shareholders will be promptly forwarded to the addressee(s).

CODE OF ETHICS

Our Audit Committee has adopted a code of ethics that applies to all of our employees, including our senior financial officers, our principal executive officer and our principal financial officer. A copy of that code of ethics is available on our website at www.internationalspeedwaycorporation.com. We intend to satisfy our disclosure obligations regarding any amendment to, or waiver from, any provision of our code of ethics that applies to any of our senior financial officers by posting that information on our website, as well as making all public disclosures required by the SEC. At the present time there have been no amendments or waivers.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based upon a review of Forms 3 and 4 and amendments thereto furnished to us during the fiscal year ended November 30, 2013, Forms 5 and amendments thereto furnished to us with respect to the fiscal year ended November 30, 2013, and written representations furnished to us, there is no person who, at any time during the fiscal year, was a director, officer, or beneficial owner of more than ten percent of any class of our securities that failed to file on a timely basis the reports required by section 16(a) of the Exchange Act during the fiscal year ended November 30, 2013.

REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, and its predecessors have served as our auditors since 1966. Representatives of Ernst & Young LLP will be present at the Annual Meeting of Shareholders with the opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions from shareholders.

The following table presents fees for all professional services provided by Ernst & Young LLP for the audit of our consolidated financial statements for the years ended November 30, 2013 and 2012, and fees billed for other services rendered by Ernst & Young LLP during those periods.

Fee Category	Fiscal Year	
	2013	2012
Audit fees (1)	\$ 793,735	\$ 731,789
Audit-related fees (2)	\$ —	\$ —
Tax fees (3)	\$ 175,000	\$ 79,984
All other fees (4)	\$ —	\$ —

- (1) Audit fees consisted principally of professional services rendered for the annual integrated audit of our consolidated financial statements and the effectiveness of our internal control over financial reporting, the review of our quarterly consolidated financial statements and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees consists of professional services rendered for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not included in Audit Fees above. There were no such services rendered during fiscal 2013 and 2012.
- (3) Tax fees consisted principally of professional services rendered for tax compliance and tax advice.
- (4) There were no other fees for products and services that are not disclosed in the previous categories.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee, or one of its members who has been delegated pre-approval authority, considers and has approval authority over all engagements of the independent auditors. If a decision on an engagement is made by an individual member, the decision is presented at the next meeting of the Audit Committee. All of the engagements resulting in the fees disclosed above for fiscal 2013 and 2012 were approved by the Audit Committee prior to the engagement.

REPORT OF THE AUDIT COMMITTEE

The following is the report of the Audit Committee with respect to the Company's audited financial statements for the fiscal year ended November 30, 2013. The information contained in this report shall not be deemed "soliciting material" or otherwise considered "filed" with the SEC, and such information shall not be incorporated by reference into any future filing under the Securities Act or the Exchange Act except to the extent the Company specifically incorporates such information by reference of such filing.

The Audit Committee consists of three members: Messrs. Aiello, Brown and Graves. The Board of Directors has adopted a written charter for the Audit Committee, which is available on our website at www.internationalspeedwaycorporation.com. The Board of Directors has determined that Messrs. Aiello and Brown are qualified as audit committee financial experts (as defined by the SEC) and that all of the members of the Audit Committee are "independent" (as independence is presently defined in Rule 4200(a)(15) of the NASDAQ listing standards).

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements and related schedule in the Annual Report with Company management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with Ernst & Young LLP, the Company's independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited consolidated financial statements and related schedule with U.S. generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee by Public Company Accounting Oversight Board Audit Standard No. 16, Communications with Audit Committee, other standards of the Public Company Accounting Oversight Board (United States), rules of the Securities and Exchange Commission, and other applicable regulations. In addition, the Audit Committee has discussed with the independent registered public accounting firm the firm's independence from Company management and the Company, including the matters in the letter from the firm required by PCAOB Rule 3526, Communication with Audit Committees Concerning Independence, and considered the compatibility of non-audit services with the independent registered public accounting firm's independence, including PCAOB Rule 3524, Audit Committee Pre-approval of Certain Tax Services.

The Audit Committee also reviewed management's report on its assessment of the effectiveness of the Company's internal control over financial reporting and the independent registered public accounting firm's report on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee discussed with the Company's internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee met with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal control, including internal control over financial reporting, and the overall quality of the Company's financial reporting. The Audit Committee held six meetings during fiscal year 2013.

In reliance on the reviews and discussions referred to above, the Audit Committee approved the inclusion of the audited consolidated financial statements and related schedule and management's assessment of the effectiveness of the Company's internal control over financial reporting in the Annual Report on Form 10-K for the year ended November 30, 2013 for filing with the Securities and Exchange Commission. In April 2013, the Audit Committee approved the selection of the Company's independent registered public accounting firm which performed the fiscal 2013 annual audit of the Company's financial statements and the effectiveness of the Company's internal control over financial reporting.

Larry Aiello, Jr., Chairman
J. Hyatt Brown
William P. Graves

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Overview and Objectives of Compensation Program

The goal of the compensation programs for our named executive officers is to retain and reward leaders who create long-term value for our shareholders. This goal affects the compensation elements we use and our compensation decisions.

We have designed and implemented our compensation programs for our named executives to:

- reward them for financial and operating performance;
- align their interests with those of our shareholders; and
- encourage them to remain with the Company.

Most of our compensation elements simultaneously fulfill one or more of our performance, alignment and retention objectives. These elements consist of:

- salary and annual discretionary bonus;
- non-equity (cash) incentive compensation based upon annually determined performance criteria;
- equity incentive compensation based upon annually determined performance criteria combined with a time based vesting schedule; and
- other benefits.

In deciding on the type and amount of compensation for each executive, we focus almost exclusively on each executive's current pay, rather than historic pay. We combine the compensation elements for each executive in a manner we believe optimizes the value for our shareholders and supports the goals of our compensation programs.

We provide a combination of pay elements with the goal of aligning executive incentives with shareholder value. The three major elements of our executive compensation — base salary, annual cash awards (which include bonuses and non-equity incentives) and long-term equity incentives — simultaneously fulfill one or more of our performance, alignment and retention objectives.

The following summarizes the compensation elements we use as tools to reward, retain and align the performance expectations of our named executives.

Base Salary, Non-Equity Incentives and Cash Bonuses

Base salaries for our named executives are designed to provide competitive levels of compensation dependent on the scope of their responsibilities, their leadership skills and values, and their performance. For each named executive officer, we pay annual non-equity incentives each February for the prior year's performance based upon management's evaluation and the Compensation Committee's qualitative assessment of the executives' performance. This short term compensation element is in line with the stated goal of our compensation programs, namely retaining and rewarding leaders who create long-term value for our shareholders. The incentives were determined using the criteria approved by the Compensation Committee for performance against normalized corporate financial performance measures based on budget of revenue; earnings per share; operating margin; and ratio of debt to capitalization. For fiscal 2013, the corporate financial measurements for these non-equity incentives were weighted as follows: 1) revenue based on budget as 50%, 2) earnings per share based on budget as 10%, 3) operating margin based on budget as 20% and 4) the ratio of debt to capitalization as 20%.

In addition to amounts paid pursuant to our non-equity incentive plan, the Compensation Committee retains discretion to award cash bonuses where performance may warrant. We also award a small annual holiday cash bonus based on seniority.

Long —Term Compensation — 2006 Long Term Incentive Plan

We emphasize long-term variable compensation at the senior executive levels because of our desire to reward effective long-term management decision making and our desire to retain executive officers who have the potential to impact both our short-term and long-term profitability. We believe that providing Restricted Stock Units (RSUs) is an effective means to focus our named executives on delivering long-term value to our shareholders. RSUs allow us to reward and retain the named executives by offering them the opportunity to receive shares of our stock on the date the restrictions lapse so long as they continue to be employed by the Company.

Other Compensation

We provide our named executive officers with other benefits, reflected in the All Other Compensation column in the Summary Compensation Table, that we believe are reasonable, competitive and consistent with our overall compensation program and

goals. The costs of these benefits constitute only a small percentage of each named executive officer's total compensation, and include premiums paid on life insurance policies and Company contributions to a 401(k) plan. The named executive officers also participate in the standard health insurance benefits offered to all employees. We also provide the use of a car provided by the Company and comprehensive physical examinations every other year. The named executive officers are encouraged to attend events at the motorsports entertainment facilities operated by the Company as part of their job function and permitted to bring a guest with them to these events at no charge to the executive.

Compensation Implementation

Determination of Compensation

As part of our total overall compensation plan the compensation for our named executive officers depends on the scope of their responsibilities, their leadership skills and values, and their individual performance, as well as the Company's performance. Decisions regarding salary increases are affected by the named executives' current salary and the amounts paid within and outside the Company. Base salary rates are reviewed on annual basis and adjusted when appropriate by the Compensation Committee based upon changes in market conditions and the Company's performance factors. When making decisions regarding compensation, we focus almost exclusively on each executive's current pay, rather than historic pay.

The Compensation Committee exercises its discretion in initially making compensation decisions, after reviewing the performance of the Company and evaluating an executive's prospects and performance during the year against established goals, operational performance, business responsibilities, and current compensation arrangements. The following is a summary of key considerations affecting the determination of compensation for the named executives:

Emphasis on Consistent Performance. Our compensation program provides a greater pay opportunity for executives who demonstrate superior performance for sustained periods of time. Each of our named officers has served us for many years, during which she/he has held diverse positions of increasing responsibility. The amount of their pay reflects their consistent contribution with the expectation of continued contribution to our success. Our emphasis on performance affects our discretionary annual cash bonus, non-equity incentives and equity incentive compensation. We incorporate current year and expected performance into our compensation decisions and percentage increases or decreases in the amount of annual compensation. For fiscal 2013, the criteria to determine overall compensation remained consistent with prior years and our stated philosophy.

Discretion and Judgment. We generally adhere to our historic practices and formulas in determining the amount and mix of compensation elements. Because of our reliance on the formulaic achievement of annual Company financial goals in determining the amount of plan-based compensation, short term changes in business performance can have a significant impact on the compensation of the named executive officers. We consider competitive market compensation paid by other companies of similar size and market capitalization, but we do not attempt to maintain a certain target percentile within a peer group or otherwise rely on data of peer companies to determine executive compensation.

We do not have any specific apportionment goal with respect to the mix between equity incentive awards and cash payments. We generally attempt to assess an executive's total pay opportunities and whether we have provided the appropriate incentives to accomplish our compensation objectives. Our mix of compensation elements is designed to reward recent results and performance through a combination of non-equity (cash) and equity incentive awards. We also seek to balance compensation elements that are based on financial, operational and strategic metrics. We believe the most important indicator of whether our compensation objectives are being met is our ability to motivate our named executives to deliver superior performance and retain them.

Significance of Company Results. The Compensation Committee primarily evaluates the named executives' contributions to the Company's overall performance rather than focusing only on their individual function. The Compensation Committee believes that the named executives share the responsibility to support the goals and performance of the Company, as the executive members of the Company's leadership team. While this compensation philosophy influences all of the committee's compensation decisions, it has the biggest impact on annual non-equity incentive awards and, generally, discretionary bonuses.

Consideration of Risk. Our compensation programs are discretionary, balanced and focused on rewarding performance for both current year and long-term strategy. Under this structure, a greater amount of compensation can be achieved through consistent superior performance over sustained periods of time. Long term incentive plan compensation in the form of restricted stock is restricted to multiple vesting years with 50% vesting in three years and the remainder vesting in five years. We believe this provides strong incentives for our named executive officers to manage the Company for the long term while avoiding excessive risk-taking in the short term. Goals and objectives reflect a balanced mix of quantitative and qualitative performance measures to avoid excessive weight on a single performance measure. The elements of compensation are mixed among current non-equity (cash) payments and equity awards. With limited exceptions the Compensation Committee retains the ability to adjust

compensation for quality of performance and adherence to our values. The Company does not believe that its compensation policies and practices are reasonably likely to have a material adverse effect on the Company.

No Employment and Severance Agreements. None of our named executive officers have employment or change-of-control agreements nor do they have pre-negotiated severance agreements in place. Our named executive officers serve at the will of the Board, which enables the Company to terminate their employment with discretion as to the terms of any severance arrangement. This is consistent with our performance-based employment and compensation philosophy. Of course, the fact that our Chairman of the Board and our Vice Chairman and Chief Executive Officer are members of the France Family Group, which has the ability to elect the entire Board, does impact such discretion in their case. In addition, the time vesting of our plan-based restricted stock awards help retain our executives by subjecting to forfeiture any unvested shares if they leave the Company prior to retirement. There are change-of-control provisions associated with each award of such plan-based restricted stock awards. Change of control is defined in the individual participant plans for all participants in the restricted stock incentive program. A copy of the plan is on file with the SEC in connection with our Form S-8 registration statement, filed on February 11, 2010.

Roles of Compensation Committee and Named Executives

Executive officer compensation is overseen by the Compensation Committee of the Board of Directors, which is composed entirely of independent directors, pursuant to its charter. A copy of the charter may be viewed on the Company's website at www.internationalspeedwaycorporation.com.

Prior to the beginning of each fiscal year the Compensation Committee establishes a total pool of dollars to be used for increases in annual salary compensation for all of our employees, including all of the named executive officers. In setting this total pool of dollars the members of the Compensation Committee consider a variety of factors, including, but not limited to, historic and projected earnings per share, anticipated revenue growth, established salary ranges and market conditions. The committee members then use their collective business judgment to establish the total pool of dollars for increases in annual salary compensation.

Under the direction of the CEO, the proposed salaries, individual performance goals and targeted bonuses for each of the named executive officers other than the CEO are presented to the Compensation Committee which reviews and approves them. The salary of the CEO is then separately considered and approved by the Compensation Committee. Although no particular weighting of the factors or formula is used, the Committee considers (1) Company and individual performance as measured against management goals approved by the Board of Directors, (2) personal performance in support of the Company's goals as measured by annual evaluation criteria, and (3) intangible factors and criteria such as payments by competitors for similar positions and market movement.

Each of the named executive officers is assigned a target non-equity incentive opportunity based on corporate and personal goals for the year. The actual non-equity incentive for each named executive officer will range from 0% to 150% of the target depending upon results of corporate performance and personal performance during the year. The 2013 fiscal year corporate financial measurements consist of four components which are weighted as follows: 1) revenue based on budget as 50%, 2) earnings per share based on budget as 10%, 3) operating margin based on budget as 20% and 4) the ratio of debt to capitalization as 20%. Both the targets and the actual performance are determined on a normalized basis and may vary from year to year as established by the Compensation Committee.

For fiscal 2013, our named executive officers are: Ms. Lesa France Kennedy, Chief Executive Officer; Mr. James C. France remains Chairman of the Board of Directors and Assistant Treasurer; Mr. John Saunders, President; Mr. Dan Houser, Chief Financial Officer; and Mr. Joel S. Chitwood, our Vice President and President of Daytona International Speedway.

The Compensation Committee reviews and approves the recommended corporate performance goals and objectives which are used in establishing plan-based incentive compensation for all of the named executive officers.

Compensation Consultants

Neither the Company nor the Compensation Committee has any contractual arrangement with any compensation consultant who has a role in determining or recommending the amount or form of senior executive or director compensation. Our named executive officers have not participated in the selection of any particular compensation consultant. The Company obtains market intelligence on compensation trends from a variety of sources through our human resources personnel, with the oversight of the Committee. Each year we participate in compensation surveys conducted by well-known compensation consultants as a means of understanding external market practices. Except for the foregoing, we have not used the services of any other compensation consultant in matters affecting senior executive or director compensation. In the future, either the Company or the Compensation Committee may engage or seek the advice of compensation consultants.

Equity Grant Practices

The only form of equity compensation currently provided to our named executive officers is awards of shares of restricted stock under our 2006 Long Term Incentive Plan. For each fiscal year the named executive officers are provided an opportunity to be awarded shares of restricted stock based upon the same normalized corporate financial performance measures established for non-equity incentive payments, as discussed above. The targeted number of shares is fixed by the Compensation Committee and represents a specified percentage of the named executive officer's annual base salary based upon the average price of our publicly traded shares during the fiscal year prior to the establishment of the share target. This targeted share award amount is communicated to the named executive officers during the second quarter of our fiscal year. Upon completion of the fiscal year and the financial audit, our normalized performance against the financial performance measures is evaluated, a percentage of the targeted award to be actually awarded is determined, reviewed and approved by the Compensation Committee and the restricted shares are issued in the name of the named executive officers on May 1 following the completion of the fiscal year. The restricted shares then vest over time, with 50% vesting three years after issuance and the remaining 50% vesting five years after issuance. Prior to vesting the recipient may vote the shares and receive dividends on the restricted shares as granted. If employment ends prior to the expiration of the vesting period due to a change of control or for reasons acceptable to the Compensation Committee (death, disability, retirement, etc.) all or a portion of the unvested restricted shares may be allowed to vest. Termination of employment for any other reason will result in forfeiture of all unvested shares. The timing of calculations of opportunities, amounts, awards and vesting dates are made solely for administrative efficiency and without regard to earnings or other major announcements by the Company. There are change-of-control provisions associated with each award of restricted shares. Change of control is defined in the individual participant plans for all participants in the restricted stock incentive program. A copy of the plan is on file with the SEC in connection with our Form S-8 registration statement, filed on February 11, 2010.

Share Ownership Guidelines

The Company has no equity security ownership guidelines or requirements for the named executive officers. During 2012, we instituted share ownership guidelines for our non-employee directors, as more fully described below in the "Compensation of Directors" section.

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, imposes a \$1 million limit on the amount that a public company may deduct for compensation paid to the company's CEO or any of the Company's four other most highly compensated executive officers who are employed as of the end of the year. None of the individuals covered by Section 162(m) received taxable compensation in excess of the \$1 million limit. The amounts shown in the Summary Compensation Table contain components which are not considered taxable income to the individuals under current Internal Revenue Code provisions. The Company does not presently structure any component of executive compensation to meet the requirements under Section 162(m) for "qualifying performance-based" compensation (i.e., compensation paid only if the individual's performance meets pre-established objective goals based on performance criteria approved by shareholders).

Potential Impact on Compensation from Executive Misconduct

If the Board should determine that an executive officer has engaged in fraudulent or intentional misconduct, the Board could take action to remedy the misconduct, prevent its recurrence, and impose such discipline on the wrongdoers as would be appropriate. Discipline would vary depending on the facts and circumstances, and may include, without limitation, (1) termination of employment, (2) initiating an action for breach of fiduciary duty, and (3) if the misconduct resulted in a restatement of the Company's financial results, seeking reimbursement of any portion of performance-based or incentive compensation paid or awarded to the executive that is greater than would have been paid or awarded if calculated based on the restated financial results. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

Compensation for the Named Executive Officers in 2013

Company Performance

The specific compensation decisions made for each of the named executive officers for fiscal 2013 reflect the focus on the performance of the Company against specific financial and operational measurements.

A significant portion of each of the named executive officer's plan-based incentive compensation is based upon the Company's performance against the normalized corporate financial performance measures and weighting of 1) revenue based on budget (50%), 2) earnings per share based on budget (10%), 3) operating margin based on budget (20%), and 4) ratio of debt to capitalization (20%). Based on the evaluation of the Company's performance against these measures in fiscal 2013, the payout of plan based non-equity incentives was at 90% of the targeted opportunity, with weighted performance of 45% for the revenue target, 9% for earnings per share, 16% for the operating margin target and 20% for the debt to capitalization ratio. For fiscal 2013, the non-equity incentives further aligned earning opportunities in support of overall business cost containment measures, as well as the execution of long term strategic growth measures such as leading the approval and subsequent groundbreaking for our Daytona Rising project. Accordingly, and consistent with the Company's cost containment initiatives, the plan-based non-equity incentive was capped at 50% of the usual earning potential for named executive officers. Amounts described below regarding plan-based non-equity incentives are reflective of performance against this earning opportunity. Potential awards of restricted stock made pursuant to our long-term incentive plan continued to be at 100% of earning potential for the named executive officers.

For the named executive officers eligible for plan-based non-equity incentives, 100% of the earning potential for fiscal 2013 (which, as noted above, is 50% of the usual earning potential) was as follows: \$188,755 for Ms. Kennedy; \$73,899 for Mr. Houser; \$146,976 for Mr. Saunders; and \$54,000 for Mr. Chitwood. A more detailed analysis of our financial and operational performance is contained in the Management's Discussion & Analysis section of our 2013 Annual Report on Form 10-K filed with the SEC.

CEO Compensation

In determining Ms. Kennedy's base salary compensation for 2013, the Compensation Committee considered her performance as CEO, the performance of the Company in fiscal 2013 given a challenging economic environment, the general trends of Company performance over the prior several years, outcomes related to growth and development activities and strategic initiatives, market conditions, as well as the responsibilities of the position and her strategic value to the Company.

Ms. Kennedy and the Board responded to the economic conditions by establishing the following performance framework (1) outperforming in a tough environment, (2) maintaining and maximizing financial flexibility, (3) optimizing sustainable cost containment and (4) protecting the Company's reputation and long-term strategy. The Committee determined that Ms. Kennedy performed at a high level resulting in a 2.0% increase in base salary for Ms. Kennedy from the previous year.

The Compensation Committee believes that Ms. Kennedy performed well in 2013 by executing on the established performance framework and in delivering a strong financial performance during this significantly difficult economic environment. The Compensation Committee believes that the Company's fiscal 2013 reflected leadership decisions that effectively mitigated revenue deterioration with sustainable cost containment, capital allocation discipline and execution against defined strategic initiatives. In determining the bonus and incentive portions of her compensation for fiscal 2013, the Compensation Committee determined that Ms. Kennedy performed at a high level. In light of Ms. Kennedy's performance, she received a total plan-based non-equity incentive of \$175,542, which was 93% of her \$188,755 total target opportunity. This reflects a 90% payout due to performance against the corporate financial performance measures, as well as an additional amount related to her performance against individual goals set by the Compensation Committee. Ms. Kennedy also received 9,434 shares of restricted stock (valued at \$310,096 as of the May 1, 2013 grant date) for her fiscal year 2012 leadership performance. This grant is pursuant to the established long-term incentive plan of the Company. The restricted stock is subject to a vesting schedule, with 50% vesting in three years and the remainder vesting in five years. The final value will be determined on the actual vesting date.

In addition, pursuant to the aforementioned fiscal year 2013 performance factors, the Compensation Committee determined that Ms. Kennedy is eligible for a restricted stock award of 10,466 shares, the value of which will be determined based upon the May 1, 2014 grant date. This grant is pursuant to the established long-term incentive plan and based on annual financial performance of the Company.

Other Named Officers

In determining the base salary compensation of Mr. France, Mr. Saunders, Mr. Houser and Mr. Chitwood for fiscal 2013 the Compensation Committee considered the same criteria as for the CEO. The Compensation Committee also considered the recommendations based upon evaluation of individual functional area responsibilities and goals as submitted by the CEO.

The non-equity incentive plan compensation was determined with the criteria for effectively mitigating revenue deterioration with sustainable cost containment, capital allocation discipline and execution against defined financial measures.

James C. France: In fiscal 2013, per Mr. France's role as Chairman of the Board of Directors and Assistant Treasurer, and adjusted responsibilities, he received no plan-based incentive and a \$300 holiday cash bonus. Mr. France received an award of 4,422 shares of restricted stock (valued at \$145,351 as of the May 1, 2013 grant date) for his fiscal year 2012 leadership performance. The restricted stock is subject to a vesting schedule, with 50% vesting in three years and the remainder vesting in five years. The final value will be determined on the actual vesting date.

Mr. France continues to provide the Company significant benefit from his business and industry expertise, experience and leadership. The Compensation Committee recognizes Mr. France's significant contribution and as such has determined that for fiscal year 2013, he is eligible for a restricted stock award of 4,897 shares, the value of which will be determined based upon the May 1, 2014 grant date. This grant is pursuant to the established long-term incentive plan of the Company.

John Saunders: Mr. Saunders, in his position as President, had financial objectives that focused on the overall performance of the Company and were the same as Ms. Kennedy's.

His strategic and operational goals included providing operational and leadership support for the Company's strategy development and execution against the Board approved strategic plan focusing on maintaining and growing the core business, leveraging the core business and driving a top performing organization. Mr. Saunders led the Company's core business growth activities which included revenue generation and improving performance and cost competitiveness, attacking key elements of pricing strategies and margin rates for the Company's operating units and food & beverage business. In fiscal 2013, Mr. Saunders led the Company in maintaining cost containment initiatives.

Mr. Saunders' base salary increased 2.0% in fiscal 2013. The Compensation Committee assessment of Mr. Saunders' performance in 2013 aligned to support his receiving a plan-based non-equity incentive of \$136,688, which was reflective of 93% of his \$146,976 total target opportunity. This reflects a 90% payout due to performance against the corporate financial performance measures, as well as an additional amount related to his performance against individual goals set by the Compensation Committee. Mr. Saunders also received 6,633 shares of restricted stock (valued at \$218,027 as of the May 1, 2013 grant date) for his fiscal year 2012 leadership performance. This grant is pursuant to the established long-term incentive plan of the Company. The restricted stock is subject to a vesting schedule, with 50% vesting in three years and the remainder vesting in five years. The final value will be determined on the actual vesting date.

In addition, the Compensation Committee determined, based on Mr. Saunders' significant performance in fiscal year 2013, that he is eligible for a restricted stock award of 7,345 shares, the value of which will be determined upon the May 1, 2014 grant date. This grant is pursuant to the established long-term incentive plan and based on annual financial performance of the Company.

Daniel Houser: Mr. Houser has been our Chief Financial Officer since 2009 and is also a Senior Vice President of the Company. Mr. Houser's financial objectives, as the leader of our finance organization, focused on the overall performance of the Company. His strategic and operational goals focused on providing operational support in achieving financial goals, including serving as the process driver for sustainable cost containment deliverables, maintaining balance sheet management and leading the Company's relationship with rating agencies.

Mr. Houser's base salary increased 2.0% in fiscal 2013. The Compensation Committee assessment of Mr. Houser's performance in fiscal 2013 aligned to support a non-equity incentive in the amount of \$68,726, which was 93% of his \$73,899 total target opportunity. This reflects a 90% payout due to performance against the corporate financial performance measures, as well as an additional amount related to his performance against individual goals set by the Compensation Committee. Mr. Houser also received 4,624 shares of restricted stock (valued at \$151,991 as of the May 1, 2013 grant date) for his performance in fiscal year 2012. The restricted stock is subject to a vesting schedule, with 50% vesting in three years and the remainder vesting in five years. The final value will be determined on the actual vesting date. This grant is pursuant to the established long-term incentive plan of the Company.

In addition, the Compensation Committee determined, based on Mr. Houser's fiscal year 2013 performance, that he is eligible for a restricted stock award of 5,121 shares, the value of which will be determined upon the May 1, 2014 grant date. This grant is pursuant to the established long-term incentive plan and based on annual financial performance of the Company.

Joel Chitwood: Mr. Chitwood, in his position as Vice President of ISC and President of Daytona International Speedway, had financial objectives that focused on the overall performance of the Company, as well as goals and objectives for his functional area of responsibility in leading the strategic and revenue generation performance of Daytona International Speedway. His strategic goals included creating brand interest and demand for product, as well as focusing on elements of pricing strategies and margin rates to drive customer renewal and retention, and the overall guest experience. The Compensation Committee, based on Mr. Chitwood's fiscal year 2013 performance, determined to support receiving a non-equity incentive of \$68,904 which was a 128% of his \$54,000 total target opportunity. This amount is reflective of his successful undertaking of the

Daytona Rising project, as well as continued operational performance of Daytona International Speedway. Mr. Chitwood also received a grant of 3,390 shares of restricted stock (valued at \$111,429 as of the May 1, 2013 grant date) for his fiscal year 2012 performance. The restricted stock is subject to a vesting schedule, with 50% vesting in three years and the remainder vesting in five years. The final value will be determined on the actual vesting date. This grant is pursuant to the established long-term incentive plan of the Company.

In addition, the Compensation Committee determined, based on his fiscal year 2013 performance, that Mr. Chitwood is eligible for a restricted stock award of 3,754 shares, the value of which will be determined upon the May 1, 2014 grant date. This grant is pursuant to the established long-term incentive plan and based on annual financial performance of the Company.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (1) (\$)	Stock Awards (2) (\$)	Non-Equity Incentive Plan Compensation (3) (\$)	All Other Compensation (4) (\$)	Total (\$)
Lesa France Kennedy Vice Chairman and CEO	2013	\$ 629,908	\$ 300	\$ 310,096	\$ 175,542	\$ 21,250	\$ 1,137,096
	2012	\$ 621,185	\$ 300	\$ 482,235	\$ 159,146	\$ 21,148	\$ 1,284,014
	2011	\$ 604,115	\$ 300	\$ 187,180	\$ —	\$ 18,596	\$ 810,191
Daniel W. Houser SVP, CFO, Treasurer	2013	\$ 321,671	\$ 200	\$ 151,991	\$ 68,726	\$ 37,646	\$ 580,234
	2012	\$ 317,231	\$ 20,200	\$ 182,453	\$ 62,307	\$ 31,443	\$ 613,634
	2011	\$ 291,115	\$ 200	\$ 76,010	\$ —	\$ 34,055	\$ 401,380
James C. France Chairman and Asst. Treasurer	2013	\$ 404,632	\$ 300	\$ 145,351	\$ —	\$ 33,934	\$ 584,217
	2012	\$ 401,602	\$ 300	\$ 134,438	\$ —	\$ 26,108	\$ 562,448
	2011	\$ 400,801	\$ 300	\$ 87,485	\$ —	\$ 18,366	\$ 506,952
John R. Saunders President	2013	\$ 535,076	\$ 300	\$ 218,027	\$ 136,688	\$ 44,928	\$ 935,019
	2012	\$ 527,667	\$ 300	\$ 353,856	\$ 123,921	\$ 45,025	\$ 1,050,769
	2011	\$ 513,166	\$ 300	\$ 132,253	\$ —	\$ 41,669	\$ 687,388
Joel S. Chitwood President - Daytona International Speedway	2013	\$ 300,454	\$ 100	\$ 111,429	\$ 68,904	\$ 33,186	\$ 514,073

- (1) Amounts shown in this column represent amounts for a small holiday bonus based on seniority. Mr. Houser received a cash bonus of \$20,000 for services performed during fiscal 2012.
- (2) For fiscal 2013, amounts shown in this column represent stock awards made to each of the named executives pursuant to our 2006 Long-Term Incentive Plan as a result of the executives' fiscal year 2012 performance. All amounts reflected are as of the May 1, 2013 grant date. For further information on these awards, please see the discussion labeled "Compensation for the Named Executive Officers in 2013" beginning on page 18 herein. For fiscal 2012, amounts shown in this column represent (i) stock awards made to each of the named executives pursuant to our 2006 Long-Term Incentive Plan as a result of the executives' fiscal year 2011 performance, and (ii) stock awards made to Ms. Kennedy and Messrs. Houser and Saunders due to the suspension of the fiscal year 2011 cash bonus. Stock Awards were granted pursuant to our 2006 Long-Term Incentive Plan. The amounts for Stock Awards reflect the aggregate grant date fair value of such awards, computed in accordance with Financial Accounting Standards Board ASC Topic 718. See Note 13 — Long-Term Stock Incentive Plan to the Consolidated Financial Statements in our fiscal 2013 Annual Report on Form 10-K for additional information concerning this plan and related Stock Awards and valuation assumptions.
- (3) There are no amounts reflected under the "Non-Equity Incentive Plan Compensation" column for 2011 as there were no awards made for the corporate profitability incentive for fiscal 2011. For additional information on our annual incentive compensation plan for management, please see the discussion labeled "Compensation for the Named Executive Officers in 2013" beginning on page 18 herein.
- (4) Amounts shown under the "All Other Compensation" column represent amounts paid for basic employee benefits available to all employees (i.e. group life insurance, accidental death and dismemberment insurance, group health insurance, long term disability insurance, and short term disability coverage), the annual lease value of Company-provided vehicles, travel related costs of guests in connection with attending events at the motorsports entertainment facilities operated by the Company, a NASCAR banquet, other business related travel, as well as other personal travel, and 401(K) contributions. Although the coverage limits for Life Insurance and long term disability are different for officers, the cost incurred by the Company to provide the executive benefit is the same as the cost for basic employee benefits.

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Author-ization Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock (#)	Grant Date Fair Value of Stock and Option Awards (4)(\$)
			Thres-hold (1)(\$)	Target (2)(\$)	Maximum (\$)	Thres-hold (1)(\$)	Target (3)(\$)	Maximum (\$)		
Lesa France Kennedy	11/30/13 05/01/13	11/06/13 02/01/13	\$ —	\$ 188,755	\$ 283,133	\$ —	\$ 326,400	\$ 489,600	—	\$ 310,096
Daniel W. Houser	11/30/13 05/01/13	11/06/13 02/01/13	\$ —	\$ 73,899	\$ 110,849	\$ —	\$ 160,000	\$ 240,000	—	\$ 151,991
James C. France	11/30/13 05/01/13	11/06/13 02/01/13	\$ —	\$ —	\$ —	\$ —	\$ 153,000	\$ 229,500	—	\$ 145,351
John R. Saunders	11/30/13 05/01/13	11/06/13 02/01/13	\$ —	\$ 146,976	\$ 220,464	\$ —	\$ 229,500	\$ 344,250	—	\$ 218,027
Joel S. Chitwood	11/30/13 05/01/13	11/06/13 02/01/13	\$ —	\$ 54,000	\$ 81,000	\$ —	\$ 117,300	\$ 175,950	—	\$ 111,429

- (1) No thresholds are provided for in the applicable plan. The final award is determined through a calculation based on the weighted measurements as described below, and using the same formula as the equity based cash payout along with a discretionary amount based on performance against individual goals and achievement.
- (2) For fiscal 2013, a significant portion of the named executive officer's plan-based non-equity incentive compensation is based upon the Company's actual performance against the budgeted normalized corporate financial performance measures approved by the Board. The approved measurements are weighted to calculate the total target, detailed as follows: (1) Revenue 50%, (2) Earnings Per Share 10%, (3) Operating Margin 20%, and (4) Ratio of Debt to Total Capitalization 20%. The calculated variance percentage of actual performance compared to budgeted performance is then used to determine the percentage payout for each respective measure, as represented in Table 1. Based on the evaluation of the Company's performance against these measures for fiscal 2013, the portion of each named executive officer's plan-based incentive compensation was set at 90% of the targeted opportunity, with weighted performance of 45% for the revenue target, 9% for earnings per share, 16% for the operating margin target and 20% for the debt to capitalization ratio. A more detailed analysis of our financial and operational performance is contained in the Management's Discussion & Analysis section of our 2013 Annual Report on Form 10-K filed with the SEC.

Table 1

Percent Variance	Payout
> + 10%	Discretionary
≥ 0.0%	100%
≤ - 2.5%	90%
≤ - 5.0%	80%
≤ - 6.5%	70%
≤ - 8.5%	60%
≤ - 10.0%	50%
> 10.0%	0%

- (3) The targeted number of shares is fixed by the Compensation Committee and represents a specified earning opportunity for the named executive officer's annual base salary based upon the average price of our publicly traded shares during the fiscal year prior to the establishment of the share target. This targeted share award amount is communicated to the named executive officers during the second quarter of our fiscal year. Upon completion of the fiscal year and the financial audit, our normalized performance against the financial performance measures is evaluated, a percentage of the targeted award to be actually awarded is determined, reviewed and approved by the Compensation Committee and the restricted shares are issued in the name of the named executive officers on May 1 following the completion of the fiscal year. The maximum amount of the award is 1.5 times the target. In 2013, payout of the award was determined by actual

performance against the budgeted normalized corporate financial performance measures approved by the Board. The approved measurements are weighted to calculate the total target, detailed as follows: (1) Revenue, (2) Earnings Per Share, (3) Operating Margin and (4) Ratio of Debt to Total Capitalization.

- (4) The Grant Date Fair Value of Stock and Option Awards reflects the aggregate grant date fair value of the restricted stock granted pursuant to our 2006 Long-Term Incentive Plan computed in accordance with Financial Accounting Standards Board ASC Topic 718. See Note 13 – Long-Term Stock Incentive Plan to the Consolidated Financial Statements in our fiscal 2013 Annual Report on Form 10-K for additional information concerning this plan and related Stock Awards and valuation assumptions.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Stock Awards	
	Number of Shares of Stock That Have Not Vested (1)(#)	Market Value of Shares of Stock That Have Not Vested (2)(\$)
Lesa France Kennedy	36,931	\$ 1,267,841
Daniel W. Houser	15,333	\$ 526,382
James C. France	15,422	\$ 529,437
John R. Saunders	26,467	\$ 908,612
Joel S. Chitwood	11,449	\$ 393,044

- (1) The table below shows the vesting dates for the number of shares of common stock underlying unvested restricted stock grants reflected in the Number of Shares of Stock That Have Not Vested column:

Name	Vesting Date	Restricted Stock
Lesa France Kennedy	04/01/2014	1,284
	05/01/2014	3,059
	04/01/2015	2,028
	05/01/2015	9,034
	05/01/2016	7,775
	05/01/2017	9,034
	05/01/2018	4,717
Daniel W. Houser	04/01/2014	566
	05/01/2014	1,242
	04/01/2015	823
	05/01/2015	3,418
	05/01/2016	3,554
	05/01/2017	3,418
	05/01/2018	2,312
James C. France	04/01/2014	2,138
	05/01/2014	1,430
	04/01/2015	966
	05/01/2015	2,519
	05/01/2016	3,640
	05/01/2017	2,518
	05/01/2018	2,211
John R. Saunders	04/01/2014	849
	05/01/2014	2,161
	04/01/2015	1,405
	05/01/2015	6,629
	05/01/2016	5,478
	05/01/2017	6,629
	05/01/2018	3,316
Joel S. Chitwood	05/01/2014	849
	04/01/2015	563
	05/01/2015	2,899
	05/01/2016	2,544
	05/01/2017	2,899
	05/01/2018	1,695

- (2) Amounts are calculated by multiplying \$34.33, the closing price of our common stock on November 29, 2013, by the applicable number of shares.

OPTION EXERCISES AND STOCK VESTED

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (1) (\$)
Lesa France Kennedy	3,277	\$ 107,478
Daniel W. Houser	1,247	\$ 40,909
James C. France	3,047	\$ 99,760
John R. Saunders	2,162	\$ 70,921
Joel S. Chitwood	563	\$ 18,506

- (1) Amounts are calculated by multiplying the number of shares vesting by the market value of our common stock on the dates of stock vesting, 4/1/2013 and 5/1/2013, which were \$32.68 and \$32.87, respectively.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

The only potential payments for any of the named executive officers are related to the unvested shares of restricted stock as shown in the Outstanding Equity Awards at Fiscal Year End above. Upon the occurrence of a change of control as defined in the individual participant plans for all participants in the restricted stock incentive program all of the unvested shares would immediately vest for each participant. There are no other arrangements to be disclosed pursuant to this item.

Name	Number of Shares of Stock That Have Not Vested (#)	Payment upon a Change-in-Control (2)(\$)
Lesa France Kennedy (1)	36,931	\$ 1,267,841
Daniel W. Houser (1)	15,333	\$ 526,382
James C. France (1)	15,422	\$ 529,437
John R. Saunders (1)	26,467	\$ 908,612
Joel S. Chitwood (1)	11,449	\$ 393,044

- (1) Change-in-Control is defined in the individual participant plans for all participants in the restricted stock incentive program. A copy of the plan is on file with the SEC in connection with our Form S-8 registration statement, filed on February 11, 2010.
- (2) Amounts are calculated by multiplying \$34.33, the closing price of our common stock on November 29, 2013, by the applicable number of shares.

COMPENSATION OF DIRECTORS

We pay our non-employee directors:

- a \$20,000 annual cash fee;
- an annual grant of restricted Class A common stock in an amount equal to \$30,000 based on the stock price on the grant date of such restricted stock;
- a cash fee of \$750 for each meeting of the board of directors attended;
- a cash fee of \$500 for each meeting of each committee (other than the Audit Committee) of the board of directors attended;
- members of the Audit Committee are paid a cash fee of \$750 for each meeting of the Audit Committee attended; and
- the chairman of the Audit Committee is paid an additional \$5,000 annual cash fee.

The number of restricted shares granted to each non-employee director are determined by dividing a dollar amount by the per-share closing price of our Class A common stock on the date of grant (rounded to the nearest whole share). These stock awards are issued pursuant to the 2006 Long-Term Stock Incentive Plan and vest after one year. All meeting fees are paid at the time of the meeting.

In addition, we also reimburse non-employee directors for all expenses incurred in the performance of their duties.

No non-employee director received perquisites and personal benefits with a total value of \$10,000 or more during the fiscal year ended November 30, 2013.

During fiscal 2012, the Board adopted share ownership guidelines applicable to non-employee directors. The guidelines provide that non-employee directors should, upon the later of (a) three years after the adoption of the guidelines in April 2012, and (b) three years of becoming a director, own and hold a minimum of common stock of the Company with a market value of at least \$90,000. Each such non-employee director is required to maintain that level of stock ownership for so long as he or she serves on the Board. Restricted shares issued by the Company to a non-employee director are counted for purposes of determining a non-employee director's ownership.

DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Total (\$)
Larry Aiello, Jr.	\$ 35,000	\$ 30,022	\$ 65,022
J. Hyatt Brown	\$ 30,750	\$ 30,022	\$ 60,772
Edsel B. Ford, II	\$ 28,000	\$ 30,022	\$ 58,022
Brian Z. France	\$ 24,000	\$ 30,022	\$ 54,022
William P. Graves	\$ 30,500	\$ 30,022	\$ 60,522
Sonia Green	\$ 24,500	\$ 30,022	\$ 54,522
Christy F. Harris	\$ 26,500	\$ 30,022	\$ 56,522
Morteza Hosseini-Kargar	\$ 26,000	\$ 30,022	\$ 56,022
Lloyd E. Reuss	\$ 23,500	\$ 30,022	\$ 53,522
Larry Woodard	\$ 24,500	\$ 30,022	\$ 54,522

- (1) Amounts shown in the "Fees Earned or Paid in Cash" column represent the sum of all annual fee and meeting fee cash payments made to the indicated non-employee directors during the fiscal year ended November 30, 2013. It does not include any expense reimbursement.
- (2) Stock Awards were granted pursuant to our 2006 Long-Term Incentive Plan. The amounts for Stock Awards reflect the aggregate grant date fair value of such awards, computed in accordance with Financial Accounting Standards Board ASC Topic 718. See Note 13 — Long-Term Incentive Plan to the Consolidated Financial Statements in our fiscal 2013 Annual Report on Form 10-K for additional information concerning this plan and related Stock Awards and valuation assumptions.

As of November 30, 2013 the non-employee directors held the following shares of restricted stock and stock options to acquire shares of our Class A common stock:

Name	Aggregate Option Awards Outstanding at 11/30/2013 (1)(#)	Number of Shares of Stock That Have Not Vested (1)(#)
Larry Aiello, Jr.	10,670	954
J. Hyatt Brown	5,488	954
Edsel B. Ford, II	10,929	954
Brian Z. France	15,026	954
William P. Graves	10,613	954
Sonia Green	—	954
Christy F. Harris	13,318	954
Morteza Hosseini-Kargar	11,839	954
Lloyd E. Reuss	13,378	954
Larry Woodard	—	954

- (1) Stock and Option Awards were granted pursuant to our 2006 Long-Term Incentive Plan. See also Note 13 — Long-Term Stock Incentive Plan to the Consolidated Financial Statements in our fiscal year 2013 Annual Report on Form 10-K for additional information concerning this plan and related Stock and Option Awards and valuation assumptions.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

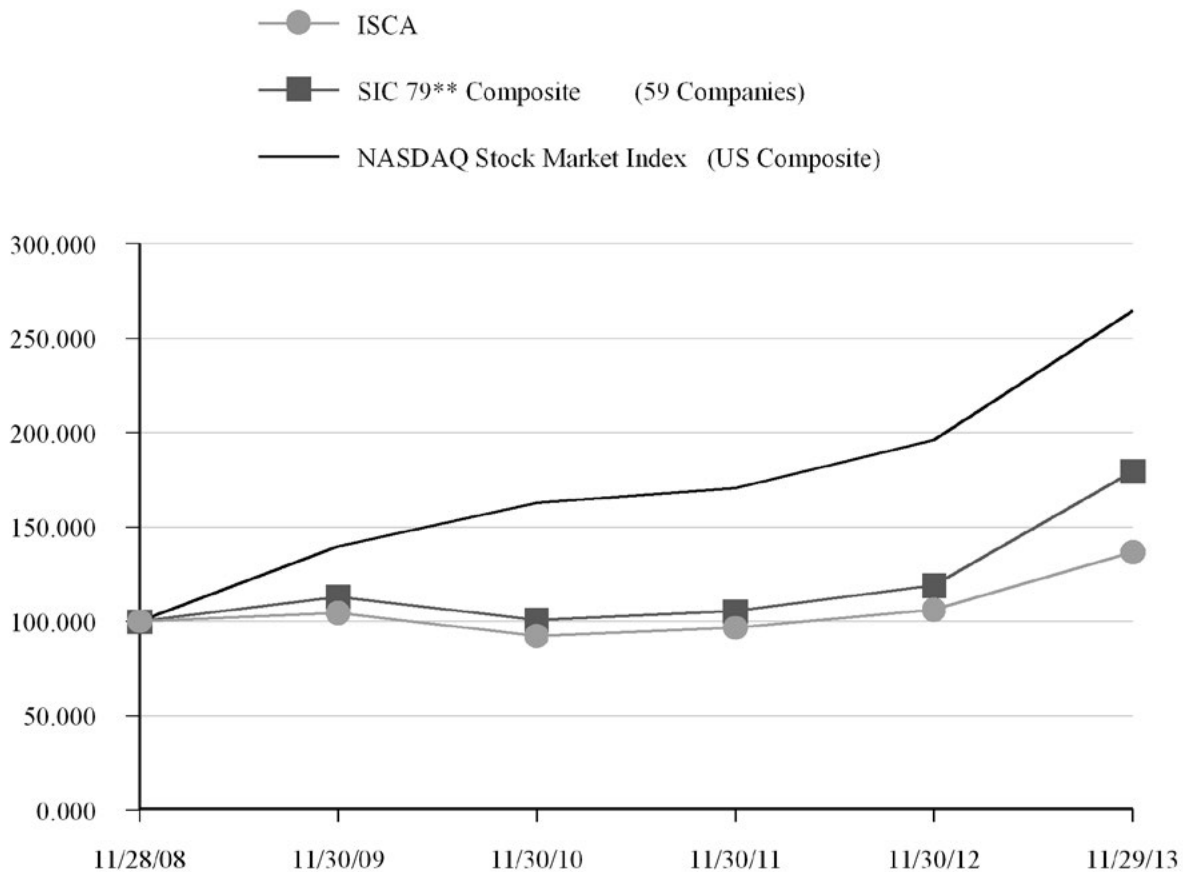
The Compensation Committee members whose names appear on the Compensation Committee Report below were committee members during all of fiscal year 2013. No member of the Compensation Committee is or has been a former or current executive officer of the Company or had any relationships requiring disclosure by the Company under the SEC's rules requiring disclosure of certain relationships and related party transactions. None of the Company's executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity that has or has had one or more executive officers who served as a director or member of the Compensation Committee during the fiscal year ended November 30, 2013.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and recommended to the board of directors that the Compensation Discussion and Analysis be included in this information statement and our annual report on Form 10-K.

Edsel B. Ford, II
William P. Graves
Lloyd E. Reuss
Larry D. Woodard

PERFORMANCE GRAPH



* Assumes \$100 investment in the common stock of International Speedway Corporation, Nasdaq Stocks SIC 7900-7999 (US Companies) and Nasdaq Stock Market Indices on November 28, 2008 (US Companies) with dividend reinvestment.

The rules of the SEC require us to provide a line graph covering at least the last five fiscal years and comparing the yearly percentage change in our total shareholder return on a class of our common stock with the cumulative total return of a broad equity index, assuming reinvestment of dividends, and the cumulative total return, assuming reinvestment of dividends, of a published industry or line-of-business index; peer issuers selected in good faith; or issuers with similar market capitalization. The graph above compares the cumulative total five year return of our class A common stock with that of the NASDAQ Stock Market Index (U.S. Companies) and with the 40 NASDAQ issuers (U.S. companies) listed in SIC codes 7900-7999, which encompasses service businesses in the amusement, sports and recreation industry, including indoor operations that are not subject to the impact of weather on operations, and pari-mutual and other wagering operations. We conduct large outdoor sporting and entertainment events that are subject to the impact of weather. The stock price shown has been estimated from the high and low prices for each quarter for which the close is not available. Because of the unique nature of our business and the fact that public information is available concerning only a limited number of companies involved in the same line of business, and no public information is available concerning other companies in our line of business, we do not believe that the information presented above is meaningful.

VOTING PROCEDURE

With respect to the election of directors, the person receiving a plurality of the votes cast by shares entitled to vote for the position being filled shall be elected. We know of no other items to come before the meeting other than those stated above. On any other item that should come before the meeting, the matter shall be decided by a majority of the votes cast by shares entitled to vote at the meeting.

In advance of the meeting we may appoint one or more inspectors of election or judges of the vote, as the case may be, to act at the meeting or any adjournment thereof. In case any person who may be appointed as an inspector or judge fails to appear or act, the vacancy may be filled at the meeting by the person presiding. In case of dispute the inspectors or judges, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots and consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate votes, ballots and consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting, the inspector or inspectors or judge or judges, if any, shall make a report in writing of any challenge, question or matter determined by him or them, and execute a certificate of any fact found by him or them.

DISSENTERS' RIGHT OF APPRAISAL

We do not anticipate that any matter will be acted upon at the meeting that would give rise to rights of appraisal or similar rights of dissenters.

AVAILABLE INFORMATION

We file annual, quarterly and special reports, information statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's web site at 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 Section 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 Financial Industry Regulatory Authority, 1735 K St., N.W., Washington, D.C. 20006.

By Order of the Board of Directors



W. Garrett Crotty
Senior Vice President, Secretary and
General Counsel

March 3, 2014

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OUR **CORPORATE** OFFICERS.

JAMES C. FRANCE

Chairman of the Board

LESA FRANCE KENNEDY

Vice Chair and Chief Executive Officer

JOHN R. SAUNDERS

President

W. GARRETT CROTTY

Senior Vice President, General Counsel & Secretary

DANIEL W. HOUSER

Senior Vice President, Chief Financial Officer
and Treasurer

DARYL Q. WOLFE

Senior Vice President and Chief Marketing Officer

JOIE S. CHITWOOD III

President of Daytona International Speedway
and Vice President of ISC

LAURA E. JACKSON

Vice President, Corporate Services

W. GRANT LYNCH, JR.

Chairman of Talladega Superspeedway
and Vice President of ISC

CRAIG A. NEEB

Vice President, Business Development
and Chief Digital Officer

BRETT M. SCHARBACK

Vice President - Deputy General Counsel,
Chief Compliance Officer and Assistant Secretary

BRIAN K. WILSON

Vice President of Corporate Development

Investor Inquiries and 10-K

For more information about International
Speedway Corporation, contact:

Investor and Corporate Communications
International Speedway Corporation
International Motorsports Center
One Daytona Boulevard
Daytona Beach, FL 32114
Phone: (386) 681-6516
www.internationalspeedwaycorporation.com

Corporate Address

International Speedway Corporation
International Motorsports Center
One Daytona Boulevard
Daytona Beach, FL 32114-1243

Transfer Agent and Registrar
Computershare
P.O. Box 43078
Providence, RI 02940-3078
(800) 568-3476

Independent Auditors for 2013
Ernst & Young LLP, Jacksonville, FL



OUR **BOARD** OF DIRECTORS.

JAMES C. FRANCE
Chairman of the Board
International Speedway Corporation



LESA FRANCE KENNEDY
Vice Chair and Chief Executive Officer
International Speedway Corporation

LARRY AIELLO, JR.¹
Retired as President and
Chief Executive Officer
Corning Cable Systems



J. HYATT BROWN¹
Chairman
Brown & Brown, Inc.

EDSEL B. FORD II¹
Board Director
Ford Motor Company



BRIAN Z. FRANCE
Chairman and
and Chief Executive Officer
NASCAR, Inc.

WILLIAM P. GRAVES¹
President and Chief Executive Officer
American Trucking Associations



SONIA MARIA GREEN¹
Nationally recognized leader in
marketing and brand communications.

CHRISTY F. HARRIS
Attorney in private practice of
business and commercial law



MORI HOSSEINI¹
Chairman and Chief Executive Officer
of Interest Construction, Inc.

LLOYD E. REUSS¹
Former President
General Motors Corporation



LARRY D. WOODARD¹
President and CEO of
Graham Stanley Advertising

¹Independent Board Member



DAYTONA RISING

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