UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000

Commission file number 1-13079

GAYLORD ENTERTAINMENT COMPANY

(Exact name of registrant as specified in its charter)

Delaware	73-0664379
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Gaylord Drive Nashville, Tennessee	37214
(Address of principal executive offices)	(Zip Code)

(615) 316-6000

(Registrant's telephone number, including area code)

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 X No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding as of July 31, 2000
Common Stock, $.01 par value	33,375,703 shares

GAYLORD ENTERTAINMENT COMPANY

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2000

INDEX

PART I - FINANCIAL INFORMATION
ITEM 1. - FINANCIAL STATEMENTS

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 2000 AND 1999
(UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	2000	1999
Revenues	$ 128,728	$ 128,362
Operating expenses:		
Operating costs	89,281	81,763
Selling, general and administrative	39,818	30,800
Depreciation and amortization	14,506	12,374
Operating income (loss)	(14,877)	3,425
Interest expense	(7,501)	(3,870)
Interest income	1,618	947
Other gains and losses	(986)	569
Income (loss) before provision (benefit) for income taxes	(21,746)	1,071
Provision (benefit) for income taxes	(7,503)	413
Net income (loss)	$ (14,243)	$ 658
Net income (loss) per share	$ (0.43)	$ 0.02
Net income (loss) per share - assuming dilution	$ (0.43)	$ 0.02
Dividends per share	$ --	$ 0.20

The accompanying notes are an integral part of these condensed consolidated financial statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2000 AND 1999
(UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	2000	1999
Revenues	$ 234,452	$ 241,501
Operating expenses:		
Operating costs	165,044	156,254
Selling, general and administrative	74,791	62,072
Depreciation and amortization	28,015	24,398
Operating income (loss)	(33,398)	(1,223)
Interest expense	(13,119)	(7,018)
Interest income	2,116	1,394
Other gains and losses	(309)	130,268
Income (loss) before provision (benefit) for income taxes	(44,710)	123,421
Provision (benefit) for income taxes	(15,426)	42,971
Net income (loss)	$ (29,284)	$ 80,450
Net income (loss) per share	$ (0.88)	$ 2.45
Net income (loss) per share - assuming dilution	$ (0.88)	$ 2.43
Dividends per share	$ --	$ 0.40

The accompanying notes are an integral part of these condensed consolidated financial statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
JUNE 30, 2000 AND DECEMBER 31, 1999
(UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	June 30, 2000	Dec. 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 79,959	$ 18,696
Trade receivables, less allowance of $7,567 and $7,474, respectively	89,802	83,289
Inventories	28,617	28,527
Other assets	91,933	33,524
Total current assets	290,311	164,036
Property and equipment, net of accumulated depreciation	669,597	611,582
Intangible assets, net of accumulated amortization	150,888	141,874
Investments	852,580	742,155
Long-term notes receivable, net	19,612	19,715
Other assets	128,932	53,022
Total assets	$ 2,111,920	$ 1,732,384
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 4,788	$ 299,788
Accounts payable and accrued liabilities	105,586	128,123
Total current liabilities	110,374	427,911
Secured forward exchange contract liability	613,054	--
Long-term debt, net of current portion	12,762	10,335
Deferred income taxes	335,466	292,966
Other liabilities	44,394	38,693
Minority interest	1,639	1,320
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 100,000 shares authorized, no shares issued or outstanding	--	--
Common stock, $.01 par value, 150,000 shares authorized, 33,373 and 33,282 shares issued and outstanding, respectively	334	333
Additional paid-in capital	514,041	512,308
Retained earnings	321,744	351,028
Unrealized gain on investments	162,078	99,858
Other stockholders' equity	(3,966)	(2,368)
Total stockholders' equity	994,231	961,159
Total liabilities and stockholders' equity	$ 2,111,920	$ 1,732,384

The accompanying notes are an integral part of these condensed consolidated financial statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2000 AND 1999
(UNAUDITED)
(AMOUNTS IN THOUSANDS)

	2000	1999
Cash Flows from Operating Activities:		
Net income (loss)	$ (29,284)	$ 80,450
Amounts to reconcile net income (loss) to net cash flows used in operating activities:		
Depreciation and amortization	28,015	24,398
Deferred income taxes	2,887	(1,601)
Gain on equity participation rights	--	(129,875)
Non-cash interest expense on secured forward exchange contract	3,556	--
Changes in (net of acquisitions and divestitures):		
Trade receivables	(3,550)	4,498
Accounts payable and accrued liabilities	(24,133)	(19,820)
Income tax receivable	(18,365)	7,082
Other assets and liabilities	(6,582)	(8,912)
Net cash flows used in operating activities	(47,456)	(43,780)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(77,412)	(29,957)
Proceeds from equity participation rights	--	130,000
Acquisition of businesses, net of cash acquired	(11,620)	--
Investments in, advances to and distributions from affiliates, net	(10,068)	(34,274)
Other investing activities	(6,775)	(6,630)
Net cash flows provided by (used in) investing activities	(105,875)	59,139
Cash Flows from Financing Activities:		
Repayment of long-term debt	(1,144)	(8,850)
Proceeds from issuance of long-term debt	500	500
Net repayments under revolving credit agreements	(291,929)	(1,495)
Cash proceeds from secured forward exchange contract	613,054	--
Deferred financing costs paid on secured forward exchange contract	(106,655)	--
Proceeds from exercise of stock option and purchase plans	768	122
Dividends paid	--	(13,127)
Net cash flows provided by (used in) financing activities	214,594	(22,850)
Net change in cash	61,263	(7,491)
Cash, beginning of period	18,696	18,746
Cash, end of period	$ 79,959	$ 11,255

The accompanying notes are an integral part of these condensed consolidated financial statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(AMOUNTS IN THOUSANDS)

1. BASIS OF PRESENTATION:

The condensed consolidated financial statements include the accounts of Gaylord Entertainment Company and subsidiaries (the "Company") and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the financial information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999, filed with the Securities and Exchange Commission. In the opinion of management, all adjustments necessary for a fair statement of the results of operations for the interim period have been included. The results of operations for such interim period are not necessarily indicative of the results for the full year.

2. INCOME PER SHARE:

The Company calculates income per share using the provisions of Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share". Under the standards established by SFAS No. 128, earnings per share is measured at two levels: basic earnings per share and diluted earnings per share. Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of common shares outstanding after considering the additional dilution related to stock options.

The weighted average number of common shares outstanding is calculated as follows:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
Weighted average shares outstanding	33,372	32,817	33,351	32,813
Effect of dilutive stock options	--	343	--	300
Weighted average shares outstanding - assuming dilution	33,372	33,160	33,351	33,113

For the three month and six month periods ended June 30, 2000, the Company's effect of dilutive stock options was the equivalent of 123 shares and 149 shares, respectively, of common stock outstanding. These incremental shares were excluded from the computation of diluted earnings per share for the periods ended June 30, 2000 as the effect of their inclusion would be anti-dilutive.

3. COMPREHENSIVE INCOME:

SFAS No. 130, "Reporting Comprehensive Income", requires that changes in the amounts of certain items, including gains and losses on certain securities, be shown in the financial statements. Comprehensive income for the three months and six months ended June 30, 2000 and 1999 is as follows:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
Net income (loss)	$(14,243)	$ 658	$(29,284)	$ 80,450
Unrealized gain on investments	107,532	--	62,220	--
Foreign currency translation	(616)	(41)	(598)	(306)
Comprehensive income	$ 92,673	$ 617	$ 32,338	$ 80,144

4. SECURED FORWARD EXCHANGE CONTRACT:

During May 2000, the Company entered into a seven-year secured forward exchange contract with an affiliate of Credit Suisse First Boston in which the Company monetized 10,938 shares of Viacom, Inc. Class B non-voting common stock ("Viacom Stock"). The Company acquired the Viacom Stock as a result of the divestiture of KTVT-TV in Dallas-Ft. Worth, Texas to CBS Corporation in October 1999. CBS Corporation merged with Viacom, Inc. in May 2000.

The seven-year secured forward exchange contract has a face amount of $613,054 and requires contract payments based upon a stated 5% rate. The secured forward exchange contract protects the Company against decreases in the fair market value of the Viacom Stock while providing for participation in increases in the fair market value. By entering into the secured forward exchange contract, the Company realized cash proceeds of $506,399, net of discounted prepaid contract payments related to the first 3.25 years of the contract and transaction costs totaling $106,655. The unamortized balances of these deferred financing costs are classified as other current assets of $31,672 and other long-term assets of $71,427 in the condensed consolidated balance sheet as of June 30, 2000. The Company is recognizing the contract payments associated with the secured forward exchange contract as interest expense over the seven-year contract period using the effective interest method. The Company utilized $394,142 of the net proceeds from the secured forward exchange contract to repay all outstanding indebtedness under its revolving credit facility. As a result of the secured forward exchange contract, the revolving credit facility was terminated.

During the seven-year term of the secured forward exchange contract, the Company retains ownership of the Viacom Stock. The Company's obligation under the secured forward exchange contract is collateralized by a security interest in the Viacom Stock. The secured forward exchange contract obligates the Company to certain limitations on sales of assets, additional indebtedness and liens. At the end of the seven-year contract term, the Company may, at its option, elect to pay in cash rather than by delivery of all or a portion of the Viacom Stock.

5. GAYLORD DIGITAL:

During 1999, the Company acquired 84% of two online operations, Musicforce.com and Lightsource.com, for approximately $23,400 in cash. During the first three months of 2000, the Company acquired the remaining 16% of Musicforce.com and Lightsource.com for approximately $6,500 in cash. The acquisition was financed through borrowings under the Company's revolving credit agreement and has been accounted for using the purchase method of accounting. The operating results of the online operations have been included in the consolidated financial statements from the date of acquisition of a controlling interest. The purchase price allocation has been completed on a preliminary basis, subject to adjustment if additional facts about the online operations become known. The excess of purchase price over the fair values of the net assets acquired as of June 30, 2000 was $27,937 and has been recorded as goodwill, which is being amortized on a straight-line basis over seven years.

6. FINANCIAL REPORTING BY BUSINESS SEGMENTS:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
Revenues:				
Hospitality and attractions	$ 64,570	$ 58,706	$ 118,528	$ 118,973
Creative content	58,646	50,410	105,202	89,048
Interactive media	5,512	16,768	10,722	31,638
Corporate and other	--	2,478	--	1,842
Total	$ 128,728	$ 128,362	$ 234,452	$ 241,501
Depreciation and amortization:				
Hospitality and attractions	$ 6,982	$ 6,329	$ 13,428	$ 12,562
Creative content	3,940	3,046	7,386	6,284
Interactive media	2,132	1,306	4,129	2,493
Corporate and other	1,452	1,693	3,072	3,059
Total	$ 14,506	$ 12,374	$ 28,015	$ 24,398
Operating income (loss):				
Hospitality and attractions	$ 12,981	$ 8,022	$ 17,740	$ 15,740
Creative content	(7,835)	(1,250)	(15,201)	(6,968)
Interactive media	(10,954)	1,666	(18,305)	2,903
Corporate and other	(9,069)	(5,013)	(17,632)	(12,898)
Total	$ (14,877)	$ 3,425	$ (33,398)	$ (1,223)

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS SEGMENTS

The Company is managed using the following four business segments: hospitality and attractions, creative content, interactive media, and corporate and other. The hospitality and attractions segment primarily consists of the Opryland Hotel Nashville; the Opryland Hotel Florida and the Opryland Hotel Texas, both of which are currently under construction; the General Jackson showboat and various other tourist attractions located in Nashville, Tennessee. The creative content segment primarily consists of Word Entertainment ("Word"), the Company's contemporary Christian music company; Gaylord Films, formerly Pandora Investments, S.A., a Luxembourg-based company which acquires, distributes and produces theatrical feature film and television programming primarily for markets outside of the United States; Gaylord Event Television, formerly Jack Nicklaus Productions, which produces golf tournaments for television broadcast; the Grand Ole Opry; the Wildhorse Saloons and Acuff-Rose Music Publishing. The interactive media segment primarily consists of CMT International, a country music video cable network operated in Latin America and the Pacific Rim; Gaylord Digital, the Company's Internet division; the Company's television station prior to its disposal and three radio stations in Nashville, Tennessee. The Company's unallocated corporate expenses are reported separately.

GAYLORD DIGITAL

During the third quarter of 1999, the Company announced the creation of a new division, Gaylord Digital, formed to initiate a focused Internet strategy, and the acquisition of a controlling equity interest in two online operations, Musicforce.com and Lightsource.com. At December 31, 1999, the Company had acquired 84% of Musicforce.com and Lightsource.com for $23.4 million in cash. During the first three months of 2000, the Company acquired the remaining 16% of Musicforce.com and Lightsource.com for an additional $6.5 million in cash. The acquisition was financed through borrowings under the Company's revolving credit agreement and the purchase has been accounted for using the purchase method of accounting.

DIVESTITURE OF KTVT

In October 1999, CBS Corporation acquired the Company's television station KTVT in Dallas-Ft. Worth in exchange for $485 million of CBS Series B convertible preferred stock, $4.2 million of cash and other consideration. As a result of the merger of CBS Corporation and Viacom, Inc. in May 2000, the 10,141.691 shares of CBS Series B convertible preferred stock received in the KTVT divestiture became 11,003 shares of Viacom, Inc. Series C convertible preferred stock. In the second quarter of 2000, the Company converted its Viacom preferred stock into 11,003,000 shares of Viacom, Inc. non-voting Class B common stock.

SECURED FORWARD EXCHANGE CONTRACT

During May 2000, the Company entered into a seven-year secured forward exchange contract with an affiliate of Credit Suisse First Boston in which the Company monetized 10.9 million shares of Viacom, Inc. Class B non-voting common stock ("Viacom Stock").

The seven-year secured forward exchange contract has a face amount of $613 million and requires contract payments based upon a stated 5% rate. The secured forward exchange contract protects the Company against decreases in the fair market value of the Viacom Stock while providing for participation in increases in the fair market value. By entering into the secured forward exchange contract, the Company realized cash proceeds of $506 million, net of discounted prepaid contract payments related to the first 3.25 years of the contract and transaction costs totaling $107 million. The Company is recognizing the contract payments associated with the secured forward exchange contract as interest expense over the seven-year contract period using the effective interest method. The Company utilized $394 million of the net proceeds from the secured forward exchange contract to repay all outstanding indebtedness under its revolving credit facility. As a result of the secured forward exchange contract, the revolving credit facility was terminated.

During the seven-year term of the secured forward exchange contract, the Company retains ownership of the Viacom Stock. The Company's obligation under the secured forward exchange contract is collateralized by a security interest in the Viacom Stock. The forward exchange contract obligates the Company to certain limitations on sales of assets, additional indebtedness and liens. At the end of the seven-year contract term, the Company may, at its option, elect to pay in cash rather than by delivery of the Viacom Stock.

RESULTS OF OPERATIONS

The following table contains unaudited selected summary financial data for the three month and six month periods ended June 30, 2000 and 1999 (amounts in thousands). The table also shows the percentage relationships to total revenues and, in the case of segment operating income (loss), its relationship to segment revenues.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2000	%	1999	%	2000	%	1999	%
Revenues:								
Hospitality and attractions	$ 64,570	50.1	$ 58,706	45.7	$ 118,528	50.5	$ 118,973	49.3
Creative content	58,646	45.6	50,410	39.3	105,202	44.9	89,048	36.9
Interactive media	5,512	4.3	16,768	13.1	10,722	4.6	31,638	13.1
Corporate and other	--	--	2,478	1.9	--	--	1,842	0.7
Total revenues	128,728	100.0	128,362	100.0	234,452	100.0	241,501	100.0
Operating expenses:								
Operating costs	89,281	69.4	81,763	63.7	165,044	70.4	156,254	64.7
Selling, general & administrative	39,818	30.9	30,800	24.0	74,791	31.9	62,072	25.7
Depreciation and amortization:								
Hospitality and attractions	6,982		6,329		13,428		12,562	
Creative content	3,940		3,046		7,386		6,284	
Interactive media	2,132		1,306		4,129		2,493	
Corporate and other	1,452		1,693		3,072		3,059	
Total depreciation and amortization	14,506	11.3	12,374	9.6	28,015	11.9	24,398	10.1
Total operating expenses	143,605	111.6	124,937	97.3	267,850	114.2	242,724	100.5
Operating income (loss):								
Hospitality and attractions	12,981	20.1	8,022	13.7	17,740	15.0	15,740	13.2
Creative content	(7,835)	(13.4)	(1,250)	(2.5)	(15,201)	(14.4)	(6,968)	(7.8)
Interactive media	(10,954)	(198.7)	1,666	9.9	(18,305)	(170.7)	2,903	9.2
Corporate and other	(9,069)	--	(5,013)	--	(17,632)	--	(12,898)	--
Total operating income (loss)	$ (14,877)	(11.6)	$ 3,425	2.7	$ (33,398)	(14.2)	$ (1,223)	(0.5)

PERIODS ENDED JUNE 30, 2000 COMPARED TO PERIODS ENDED JUNE 30, 1999

Revenues

Total Revenues - Total revenues increased $0.4 million, or 0.3%, to $128.7 million in the second quarter of 2000, and decreased $7.0 million, or 2.9%, to $234.5 million in the first six months of 2000. The decrease for the first six months results primarily from the divestiture of KTVT in 1999. Excluding the revenues of KTVT from the 1999 results, total revenues increased $13.1 million, or 11.3%, in the second quarter of 2000 and increased $16.9 million, or 7.8%, in the first six months of 2000.

Hospitality and Attractions - Revenues in the hospitality and attractions segment increased $5.9 million, or 10.0%, to $64.6 million in the second quarter of 2000, and decreased $0.4 million, or 0.4%, to $118.5 million in the first six months of 2000. Opryland Hotel Nashville revenues increased $4.6 million, or 8.8%, to $56.7 million in the second quarter of 2000. However, in the first six months of 2000, the hotel's revenues decreased $2.2 million, or 2.0%, to $107.5 million. The Opryland Hotel Nashville's occupancy rate decreased to 73.2% in the first six months of 2000 compared to 78.1% in the first six months of 1999. The hotel sold 368,600 rooms in the first six months of 2000 compared to 392,300 rooms sold in the same period of 1999, reflecting a 6.0% decrease from 1999. The hotel's average daily rate increased to $142.85 in the first six months of 2000 from $133.42 in the first six months of 1999. The Opryland Hotel Nashville's rooms revenues from convention groups declined approximately 3% in the first six months of 2000 as compared to the first six months of 1999. The decrease in the first six months of 2000 at the Opryland Hotel Nashville was partially offset by increased revenues from the Radisson Hotel at Opryland of $1.0 million.

Creative Content - Revenues in the creative content segment increased $8.2 million, or 16.3%, to $58.6 million in the second quarter of 2000, and increased $16.2 million, or 18.1%, to $105.2 million in the first six months of 2000. The increase in the first six months of 2000 is primarily due to the revenues of newly-acquired businesses. Gaylord Event Television, which was acquired in the fourth quarter of 1999, had revenues of $10.5 million in the first six months of 2000. The increase in revenues is also due to the March 2000 acquisition of Corporate Magic, Inc., a company specializing in the production of creative events in the corporate entertainment marketplace, which had revenues subsequent to its March 2000 acquisition of $2.6 million. Revenues for the Company's live entertainment business and Word were up slightly in the first six months of 2000 as compared to the same period in 1999.

Interactive Media - Revenues in the interactive media segment decreased $11.3 million, or 67.1%, to $5.5 million in the second quarter of 2000, and decreased $20.9 million, or 66.1%, to $10.7 million in the first six months of 2000. The decrease is primarily due to the divestiture of KTVT in 1999. Excluding the revenues of KTVT from 1999, revenues in the interactive media segment in the second quarter of 2000 increased $1.4 million, or 35.1%, and increased $3.1 million, or 39.9%, in the first six months of 2000. The increase in the first six months of 2000 results primarily from revenues of Gaylord Digital of $2.4 million.

Corporate and Other - Corporate and other segment revenues in the first six months of 1999 consisted primarily of consulting and other services revenues related to the Opry Mills partnership of $2.5 million offset by losses from the Company's investment in Bass Pro of $0.9 million.

Operating Expenses

Total Operating Expenses - Total operating expenses increased $18.7 million, or 14.9%, to $143.6 million in the second quarter of 2000, and increased $25.1 million, or 10.4%, to $267.9 million in the first six months of 2000. Operating costs, as a percentage of revenues, increased to 70.4% during the first six months of 2000 as compared to 64.7% during the first six months of 1999. Selling, general and administrative expenses, as a percentage of revenues, increased to 31.9% during the first six months of 2000 as compared to 25.7% during the first six months of 1999.

Operating Costs - Operating costs increased $7.5 million, or 9.2%, to $89.3 million in the second quarter of 2000, and increased $8.8 million, or 5.6%, to $165.0 million in the first six months of 2000. Excluding the operating costs of KTVT in the first six months of 1999, operating costs increased $20.3 million, or 14.0%. The increase in the first six months of 2000 is primarily attributable to the operating costs of Gaylord Event Television of $10.4 million. Operating costs of Gaylord Digital were $6.4 million in the first six months of 2000 related to Internet development initiatives. Operating costs of Word increased $5.7 million in the first six months of 2000 related to increased royalties and other costs of lower-margin distributed products. The operating costs of newly-acquired Corporate Magic were $2.0 million in the first six months of 2000. These increases were partially offset during the first six months of 2000 by a decrease in operating costs of the Opryland Hotel Nashville of $4.6 million related to lower revenues and stringent cost controls.

Selling, General and Administrative - Selling, general and administrative expenses increased $9.0 million, or 29.3%, to $39.8 million in the second quarter of 2000, and increased $12.7 million, or 20.5%, to $74.8 million in the first six months of 2000. Excluding the selling, general and administrative expenses of KTVT in the first six months of 1999, selling, general and administrative expenses increased $17.4 million, or 30.4%. The increase in the first six months of 2000 is primarily attributable to selling, general and administrative expenses of Gaylord Digital of $6.6 million primarily related to promotional and advertising costs. Corporate selling, general and administrative expenses, consisting primarily of senior management salaries and benefits, legal, human resources, accounting, and other administrative costs, increased $3.1 million in the first six months of 2000, primarily due to $1.7 million of expense associated with the naming rights agreement entered into during the third quarter of 1999 for the Gaylord Entertainment Center in Nashville, Tennessee. Hotel development and marketing efforts of the Opryland Hospitality Group primarily related to hotel developments in Florida and Texas increased selling, general and administrative expenses $2.7 million during the first six months of 2000. Development expenses associated with the formation of new record labels were $2.5 million in the first six months of 2000. Selling, general and administrative expenses of CMT International increased $2.1 million in the first six months of 2000. Selling, general and administrative expenses of the Company's live entertainment business increased $1.8 million in the first six months of 2000. These increases were partially offset by decreased selling, general and administrative expenses of the Opryland Hotel Nashville of $1.1 million in the first six months of 2000.

Depreciation and Amortization - Depreciation and amortization increased $2.1 million, or 17.2%, to $14.5 million in the second quarter of 2000, and increased $3.6 million, or 14.8%, to $28.0 million in the first six months of 2000. Excluding the depreciation and amortization of KTVT from the first six months of 1999, depreciation and amortization increased $4.9 million, or 21.5%, in the first six months of 2000. The increase in the first six months of 2000 is primarily attributable to the depreciation expense of capital expenditures and the amortization expense of intangible assets, primarily goodwill, associated with recent acquisitions.

Operating Income (Loss)

Operating Income (Loss) - Total operating loss increased $18.3 million to an operating loss of $14.9 million in the second quarter of 2000, and increased $32.2 million to an operating loss of $33.4 million in the first six months of 2000. Operating income in the hospitality and attractions segment increased $2.0 million during the first six months of 2000 as a result of increased operating income of the Opryland Hotel Nashville partially offset by expenses associated with the Opryland Hospitality Group hotel developments. Creative content segment operating loss increased $8.2 million during the first six months of 2000 primarily due to decreased operating income at Word from lower-margin distributed products and development expenses associated with the formation of new record labels. Operating loss of the interactive media segment increased $21.2 million during the first six months of 2000 primarily as a result of the operating losses of Gaylord Digital and the divestiture of KTVT in 1999. Excluding the operating income of KTVT from the 1999 results, operating loss of the interactive media segment increased $14.8 million in the first six months of 2000 primarily as a result of the operating losses of Gaylord Digital. Operating loss of the corporate and other segment increased $4.7 million during the first six months of 2000 as a result of increased corporate costs as well as the 1999 inclusion of consulting and other services revenues related to the Opry Mills partnership.

Interest Expense

Interest expense increased $3.6 million to $7.5 million in the second quarter of 2000, and increased $6.1 million to $13.1 million in the first six months of 2000. The increase is primarily attributable to higher average borrowing levels and higher weighted average interest rates during the first six months of 2000 than in the first six months of 1999. The Company's weighted average interest rate on its borrowings, including amortization of the deferred financing costs related to the secured forward exchange contract, was 6.7% in the first six months of 2000 compared to 6.3% in the first six months of 1999.

Interest Income

Interest income increased $0.7 million to $1.6 million for the second quarter of 2000, and increased $0.7 million to $2.1 million in the first six months of 2000. The increase in the first six months of 2000 relates primarily to increased investments of cash balances held by the Company.

Other Gains and Losses

During the second quarter of 2000, the Company recognized a pretax charge of $1.1 million related to a continuing property tax assessment dispute at the Opryland Hotel Nashville and a pretax charge of $1.0 million related to the write-off of an investment in an Internet venture. Additionally, the Company recorded a gain of $1.5 million related to the settlement of the remaining contingencies arising from the sale of television station KSTW in Seattle.

During the first six months of 1999, the Company recognized a pretax gain of $129.9 million related to the collection of $130 million in proceeds from the redemption of certain equity participation rights in cable television systems which the Company sold during 1995.

Income Taxes

The provision for income taxes decreased $7.9 million to an income tax benefit of $7.5 million for the second quarter of 2000, and decreased $58.4 million to a tax benefit of $15.4 million in the first six months of 2000. The effective tax rate on income (loss) before provision (benefit) for income taxes was 34.5% for the first six months of 2000 compared to 34.8% for the first six months of 1999. During the first six months of 1999, the Company recognized a current provision for income taxes of $45.5 million related to the non-recurring gain from the equity participation rights discussed above.

LIQUIDITY AND CAPITAL RESOURCES

During May 2000, the Company entered into a seven-year secured forward exchange contract with an affiliate of Credit Suisse First Boston in which the Company monetized 10.9 million shares of Viacom Stock. By entering into the secured forward exchange contract, the Company realized cash proceeds of approximately $506 million, net of discounted prepaid contract payments related to the first 3.25 years of the contract and transaction costs totaling $107 million. The Company utilized $394 million of the net proceeds from the secured forward exchange contract to repay all outstanding indebtedness under its revolving credit facility. As a result of the secured forward exchange contract, the revolving credit facility was terminated. The Company is currently negotiating alternative financing arrangements which management expects will be available before the complete utilization of the proceeds from the forward exchange contract.

During February 2000, the Company's Board of Directors voted to discontinue the payment of dividends on its common stock. The Company paid common stock dividends of $26.4 million in 1999.

The Company currently projects capital expenditures for 2000 of approximately $260 million, which includes approximately $200 million related to the Company's hotel expansion projects in Florida and Texas. Management believes that the amount of cash remaining from the secured forward exchange contract and the Company's future financing arrangements will be sufficient to satisfy anticipated future cash requirements, including its projected capital expenditures, of the Company on both a short-term and long-term basis.

SEASONALITY

Certain of the Company's operations are subject to seasonal fluctuation. Revenues in the music business are typically weakest in the first calendar quarter following the Christmas buying season.

NEWLY ISSUED ACCOUNTING STANDARD

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities", effective, as amended, for fiscal years beginning after June 15, 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires all derivatives to be recognized in the statement of financial position and to be measured at fair value. The Company will adopt the provisions of SFAS No. 133 effective January 1, 2001 and is continuing to determine the effects of SFAS No. 133 on the Company's financial statements.

FORWARD-LOOKING STATEMENTS / RISK FACTORS

This report contains certain forward-looking statements regarding, among other things, the anticipated financial and operating results of the Company. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions investors that future financial and operating results may differ materially from those projected in forward-looking statements made by, or on behalf of, the Company. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. The Company's future operating results depend on a number of factors which were derived utilizing numerous assumptions and other important factors that, if altered, could cause actual results to differ materially from those projected in forward-looking statements. These factors, many of which are beyond the Company's control, include the level of popularity of country and Christian music; the ability to integrate the operations of acquired businesses into the Company's operations; the advertising market in the United States in general and in the Company's local radio markets in particular; the perceived attractiveness of Nashville, Tennessee and the Company's properties as a convention and tourist destination; the ability of the Company to successfully finance, develop and operate hotel properties in other markets; consumer tastes and preferences for the Company's programming and other entertainment offerings; the economic and commercial viability of the Company's developmental stage businesses; competition; the impact of weather on construction schedules; and the Company's ability to attract and retain management personnel for its various operations.

In addition, investors are cautioned not to place undue reliance on forward-looking statements contained in this report because they speak only as of the date hereof. The Company undertakes no obligation to release publicly any modifications or revisions to forward-looking statements contained in this report to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Based upon the Company's overall market risk exposures at June 30, 2000, the Company believes that the effects of changes in the stock price of Viacom, Inc. common stock or interest rates on the Company's consolidated financial position, results of operations or cash flows could be material. However, the Company believes that fluctuations in foreign currency exchange rates on the Company's consolidated financial position, results of operations or cash flows will not be material.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Inapplicable

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Inapplicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Inapplicable

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

The Company held its Annual Meeting of Stockholders on May 10, 2000 (the "Annual Meeting"). At the Annual Meeting, the stockholders of the Company voted to elect three Class III directors, E.K. Gaylord II, Terry E. London, and Mary Agnes Wilderotter, for three-year terms and until their successors are duly elected and qualified. The following table sets forth the number of votes cast for and withheld/abstained with respect to each of the nominees:

Nominee	For	Withheld/ Abstained
E.K. Gaylord II	30,780,729	120,098
Terry E. London	30,780,830	119,997
Mary Agnes Wilderotter	30,813,454	87,373

The stockholders of the Company also voted to amend the Company's Amended and Restated 1997 Stock Option and Incentive Plan to increase the number of shares authorized for grant and issuance pursuant thereto. A total of 24,241,934 votes were cast for such proposal, 6,639,927 votes were cast against such proposal, and 18,966 votes abstained with respect to such proposal. There were no broker nonvotes with respect to the proposal.

The third proposal submitted to the stockholders of the Company was the ratification of the appointment of Arthur Andersen LLP as the independent public accountants for the Company in 2000. A total of 30,849,965 votes were cast for such proposal, 9,853 votes were cast against such proposal, and 41,009 votes abstained with respect to such proposal. There were no broker nonvotes with respect to the proposal.

ITEM 5. OTHER INFORMATION

Inapplicable

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) See Index to Exhibits following the Signatures page.

(b) A Current Report on Form 8-K, dated May 23, 2000, reporting the Company's entry into a seven-year secured forward purchase contract was filed with the Securities and Exchange Commission.

SIGNATURES

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

GAYLORD ENTERTAINMENT COMPANY

Date: August 14, 2000

By: /s/ Denise Wilder Warren

Denise Wilder Warren
Senior Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number	Description
10.1	SAILS Mandatorily Exchangeable Securities Contract dated as of May 22, 2000, among the Registrant, OLH G.P., Credit Suisse First Boston International, and Credit Suisse First Boston Corporation, as agent (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated May 23, 2000).
10.2	SAILS Pledge Agreement dated as of May 22, 2000, among the Registrant, Credit Suisse First Boston International, and Credit Suisse First Boston Corporation, as agent (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K dated May 23, 2000).
27	Financial Data Schedule (for SEC use only)

5
1,000

6-MOS
DEC-31-2000
JAN-01-2000
JUN-30-2000
79,959
0
97,369
7,567
28,617
290,311
669,597
0
2,111,920
110,374
17,550
0
0
334
993,897
2,111,920
234,452
234,452
0
267,850
0
0
13,119
(44,710)
(15,426)
(29,284)
0
0
0
(29,284)
(0.88)
(0.88)