

DOVER MOTORSPORTS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
In Thousands, Except Per Share Amounts
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Admissions	\$ 13,936	\$ 15,760	\$ 14,736	\$ 15,847
Event-related	11,387	10,494	12,352	11,278
Broadcasting	14,077	14,512	14,786	14,512
Other	<u>15</u>	<u>40</u>	<u>53</u>	<u>51</u>
	<u>39,415</u>	<u>40,806</u>	<u>41,927</u>	<u>41,688</u>
Expenses:				
Operating and marketing	22,108	23,780	26,718	26,174
General and administrative	3,122	3,135	6,289	6,306
Depreciation and amortization	<u>1,704</u>	<u>1,565</u>	<u>3,366</u>	<u>3,094</u>
	<u>26,934</u>	<u>28,480</u>	<u>36,373</u>	<u>35,574</u>
Operating earnings	12,481	12,326	5,554	6,114
Interest income	19	32	50	75
Interest expense	<u>(1,051)</u>	<u>(1,073)</u>	<u>(2,152)</u>	<u>(2,002)</u>
Earnings before income taxes	11,449	11,285	3,452	4,187
Income taxes	<u>5,602</u>	<u>5,692</u>	<u>1,753</u>	<u>2,154</u>
Net earnings	<u>\$ 5,847</u>	<u>\$ 5,593</u>	<u>\$ 1,699</u>	<u>\$ 2,033</u>
Net earnings per common share:				
Basic	<u>\$ 0.16</u>	<u>\$ 0.16</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>
Diluted	<u>\$ 0.16</u>	<u>\$ 0.16</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>
Weighted average shares outstanding:				
Basic	35,940	35,876	35,922	35,871
Diluted	36,131	35,991	36,131	35,963

DOVER MOTORSPORTS, INC.
CONSOLIDATED BALANCE SHEETS
In Thousands
(Unaudited)

	June 30, 2008	June 30, 2007	December 31, 2007
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,118	\$ 1,330	\$ 327
Accounts receivable	13,172	14,766	1,722
Inventories	421	334	185
Prepaid expenses and other	3,771	4,653	1,773
Receivable from Dover Downs Gaming & Entertainment, Inc.	-	-	18
Prepaid income taxes	346	101	-
Deferred income taxes	203	217	186
Total current assets	<u>19,031</u>	<u>21,401</u>	<u>4,211</u>
Property and equipment, net	160,387	158,187	157,748
Restricted cash	3,894	2,673	4,169
Other assets, net	1,548	1,278	1,578
Deferred income taxes	83	-	-
Total assets	<u>\$ 184,943</u>	<u>\$ 183,539</u>	<u>\$ 167,706</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 3,086	\$ 4,065	\$ 945
Accrued liabilities	4,525	4,768	3,464
Payable to Dover Downs Gaming & Entertainment, Inc.	1	38	-
Income taxes payable	-	-	257
Current portion of bonds payable	1,130	-	111
Deferred revenue	17,213	19,755	8,689
Total current liabilities	<u>25,955</u>	<u>28,626</u>	<u>13,466</u>
Revolving line of credit	45,400	44,800	42,300
Bonds payable	2,969	4,207	4,098
Liability for pension benefits	774	664	736
Other liabilities	1,620	578	1,202
Non current income taxes payable	9,737	8,718	9,687
Deferred income taxes	21,386	20,493	20,101
Total liabilities	<u>107,841</u>	<u>108,086</u>	<u>91,590</u>
Stockholders' equity:			
Common stock	1,698	1,657	1,672
Class A common stock	1,942	1,967	1,952
Additional paid-in capital	100,256	99,599	99,849
Accumulated deficit	(25,896)	(27,126)	(26,503)
Accumulated other comprehensive loss	(898)	(644)	(854)
Total stockholders' equity	<u>77,102</u>	<u>75,453</u>	<u>76,116</u>
Total liabilities and stockholders' equity	<u>\$ 184,943</u>	<u>\$ 183,539</u>	<u>\$ 167,706</u>

DOVER MOTORSPORTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
In Thousands
(Unaudited)

	Six Months Ended June 30,	
	2008	2007
Operating activities:		
Net earnings	\$ 1,699	\$ 2,033
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	3,366	3,094
Amortization of credit facility fees	94	91
Stock-based compensation	317	247
Deferred income taxes	1,262	1,285
Changes in assets and liabilities:		
Accounts receivable	(11,450)	(11,831)
Inventories	(236)	(90)
Prepaid expenses and other	(2,081)	(2,949)
Receivable from/payable to Dover Downs Gaming & Entertainment, Inc.	19	47
Prepaid income taxes/income taxes payable	(603)	(579)
Accounts payable	2,252	2,127
Accrued liabilities	1,061	1,368
Deferred revenue	8,524	9,747
Other liabilities	420	211
Net cash provided by operating activities	4,644	4,801
Investing activities:		
Capital expenditures	(6,082)	(8,745)
Restricted cash	275	1,011
Purchase of available-for-sale securities	(50)	-
Net cash used in investing activities	(5,857)	(7,734)
Financing activities:		
Borrowings from revolving line of credit	18,600	20,300
Repayments on revolving line of credit	(15,500)	(14,500)
Repayments of bonds payable	(110)	(699)
Dividends paid	(1,092)	(1,088)
Repurchase of common stock	(137)	(54)
Proceeds from stock options exercised	216	-
Excess tax benefit on stock awards	27	6
Net cash provided by financing activities	2,004	3,965
Net increase in cash and cash equivalents	791	1,032
Cash and cash equivalents, beginning of period	327	298
Cash and cash equivalents, end of period	\$ 1,118	\$ 1,330