

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

| | Nine Months Ended September 30, | |
|--|------------------------------------|----------|
| | 2008 | 2007 |
| Operating activities: | | |
| Net earnings | \$ 6,398 | \$ 7,220 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 5,139 | 4,710 |
| Amortization of credit facility fees | 134 | 147 |
| Stock-based compensation | 452 | 370 |
| Deferred income taxes | 3,898 | 2,971 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (8,684) | (7,714) |
| Inventories | (135) | 28 |
| Prepaid expenses and other | 78 | 42 |
| Receivable from/payable to Dover Downs Gaming & Entertainment, Inc. | 11 | 26 |
| Accounts payable | 3,687 | 1,151 |
| Accrued liabilities | 2,180 | 2,306 |
| Income taxes payable | 1,898 | 2,776 |
| Deferred revenue | (4,759) | (5,369) |
| Other liabilities | 609 | 539 |
| Net cash provided by operating activities | 10,906 | 9,203 |
| Investing activities: | | |
| Capital expenditures | (6,467) | (10,012) |
| Restricted cash | (2,117) | (384) |
| Purchase of available-for-sale securities | (50) | - |
| Net cash used in investing activities | (8,634) | (10,396) |
| Financing activities: | | |
| Borrowings from revolving line of credit | 31,000 | 33,300 |
| Repayments on revolving line of credit | (30,800) | (28,800) |
| Repayments of bonds payable | (109) | (698) |
| Dividends paid | (1,638) | (1,632) |
| Repurchase of common stock | (137) | (54) |
| Credit facility fees | (124) | (159) |
| Proceeds from stock options exercised | 216 | - |
| Excess tax benefit on stock awards | 28 | 8 |
| Net cash (used in) provided by financing activities | (1,564) | 1,965 |
| Net increase in cash and cash equivalents | 708 | 772 |
| Cash and cash equivalents, beginning of period | 327 | 298 |
| Cash and cash equivalents, end of period | \$ 1,035 | \$ 1,070 |

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

| | September 30, 2008 | September 30, 2007 | December 31, 2007 |
|--|-----------------------|-----------------------|----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,035 | \$ 1,070 | \$ 327 |
| Accounts receivable | 10,406 | 10,649 | 1,722 |
| Inventories | 320 | 216 | 185 |
| Prepaid expenses and other | 1,705 | 1,766 | 1,773 |
| Receivable from Dover Downs Gaming & Entertainment, Inc. | 7 | - | 18 |
| Deferred income taxes | 197 | 205 | 186 |
| Total current assets | 13,670 | 13,906 | 4,211 |
| Property and equipment, net | 158,857 | 157,854 | 157,748 |
| Restricted cash | 6,286 | 4,068 | 4,169 |
| Other assets, net | 1,480 | 1,079 | 1,578 |
| Deferred income taxes | 87 | - | - |
| Total assets | \$ 180,380 | \$ 176,907 | \$ 167,706 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 4,363 | \$ 3,089 | \$ 945 |
| Accrued liabilities | 5,644 | 5,706 | 3,464 |
| Payable to Dover Downs Gaming & Entertainment, Inc. | - | 17 | - |
| Income taxes payable | 2,155 | 3,254 | 257 |
| Current portion of bonds payable | 1,130 | - | 111 |
| Deferred revenue | 3,930 | 4,639 | 8,689 |
| Total current liabilities | 17,222 | 16,705 | 13,466 |
| Revolving line of credit | 42,500 | 43,500 | 42,300 |
| Bonds payable | 2,970 | 4,208 | 4,098 |
| Liability for pension benefits | 863 | 485 | 736 |
| Other liabilities | 1,605 | 795 | 1,202 |
| Non current income taxes payable | 9,632 | 8,452 | 9,687 |
| Deferred income taxes | 24,155 | 22,658 | 20,101 |
| Total liabilities | 98,947 | 96,803 | 91,590 |
| Stockholders' equity: | | | |
| Common stock | 1,697 | 1,667 | 1,672 |
| Class A common stock | 1,942 | 1,957 | 1,952 |
| Additional paid-in capital | 100,393 | 99,724 | 99,849 |
| Accumulated deficit | (21,743) | (22,483) | (26,503) |
| Accumulated other comprehensive loss | (856) | (761) | (854) |
| Total stockholders' equity | 81,433 | 80,104 | 76,116 |
| Total liabilities and stockholders' equity | \$ 180,380 | \$ 176,907 | \$ 167,706 |

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