

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:				
Admissions	\$ 15,760	\$ 16,613	\$ 15,847	\$ 16,698
Event-related	10,494	12,117	11,278	12,807
Broadcasting	14,512	16,244	14,512	16,244
Other	40	29	51	55
	<u>40,806</u>	<u>45,003</u>	<u>41,688</u>	<u>45,804</u>
Expenses:				
Operating and marketing	23,780	23,272	26,174	25,490
General and administrative	3,135	3,173	6,306	6,192
Depreciation and amortization	1,565	2,397	3,094	4,780
	<u>28,480</u>	<u>28,842</u>	<u>35,574</u>	<u>36,462</u>
Operating earnings	12,326	16,161	6,114	9,342
Interest income	32	11	75	23
Interest expense	<u>(1,073)</u>	<u>(1,160)</u>	<u>(2,002)</u>	<u>(2,286)</u>
Earnings before income tax expense	11,285	15,012	4,187	7,079
Income tax expense	<u>5,692</u>	<u>6,683</u>	<u>2,154</u>	<u>3,143</u>
Net earnings	<u>\$ 5,593</u>	<u>\$ 8,329</u>	<u>\$ 2,033</u>	<u>\$ 3,936</u>
Net earnings per common share:				
Basic	<u>\$ 0.16</u>	<u>\$ 0.23</u>	<u>\$ 0.06</u>	<u>\$ 0.11</u>
Diluted	<u>\$ 0.16</u>	<u>\$ 0.23</u>	<u>\$ 0.06</u>	<u>\$ 0.11</u>
Weighted average shares outstanding:				
Basic	35,876	35,999	35,871	36,049
Diluted	35,991	36,198	35,963	36,211

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

	June 30, 2007	June 30, 2006	December 31, 2006
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,330	\$ 1,249	\$ 298
Accounts receivable	14,766	15,101	2,935
Inventories	334	290	244
Prepaid expenses and other	4,653	4,202	1,808
Receivable from Dover Downs Gaming & Entertainment, Inc.	-	-	9
Income taxes receivable	101	158	-
Deferred income taxes	217	495	193
Total current assets	<u>21,401</u>	<u>21,495</u>	<u>5,487</u>
Property and equipment, net	158,187	218,285	152,502
Restricted cash	2,673	2,104	3,684
Other assets, net	1,278	1,346	1,261
Goodwill	-	2,487	-
Total assets	<u>\$ 183,539</u>	<u>\$ 245,717</u>	<u>\$ 162,934</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 4,065	\$ 2,642	\$ 1,938
Accrued liabilities	4,768	5,549	3,400
Payable to Dover Downs Gaming & Entertainment, Inc.	38	1	-
Income taxes payable	-	-	478
Current portion of bonds payable	-	695	695
Deferred revenue	19,755	20,058	10,008
Current liabilities of discontinued operation	-	103	-
Total current liabilities	<u>28,626</u>	<u>29,048</u>	<u>16,519</u>
Revolving line of credit	44,800	46,300	39,000
Bonds payable	4,207	4,209	4,211
Liability for pension benefits	664	-	771
Other liabilities	-	21	-
Noncurrent income taxes payable	9,296	-	-
Deferred income taxes	20,493	50,610	28,173
Total liabilities	<u>108,086</u>	<u>130,188</u>	<u>88,674</u>
Stockholders' equity:			
Common stock	1,657	1,637	1,635
Class A common stock	1,967	1,992	1,977
Additional paid-in capital	99,599	100,032	99,412
(Accumulated deficit) retained earnings	(27,126)	12,296	(28,071)
Accumulated other comprehensive loss	(644)	(428)	(693)
Total stockholders' equity	<u>75,453</u>	<u>115,529</u>	<u>74,260</u>
Total liabilities and stockholders' equity	<u>\$ 183,539</u>	<u>\$ 245,717</u>	<u>\$ 162,934</u>

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

	Six Months Ended June 30,	
	2007	2006
Operating activities:		
Net earnings	\$ 2,033	\$ 3,936
Adjustments to reconcile net earnings to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	3,094	4,780
Amortization of credit facility fees	91	97
Stock-based compensation	247	235
Deferred income taxes	1,285	2,061
Changes in assets and liabilities:		
Accounts receivable	(11,831)	(12,735)
Inventories	(90)	(60)
Prepaid expenses and other	(2,949)	(2,482)
Income taxes receivable/payable	(579)	(448)
Accounts payable	2,127	1,165
Accrued liabilities	1,368	128
Payable to/receivable from Dover Downs Gaming & Entertainment, Inc.	47	(14)
Deferred revenue	9,747	10,536
Other liabilities	211	(21)
Net cash provided by operating activities of continuing operations	4,801	7,178
Net cash used in operating activities of discontinued operation	-	(41)
Investing activities:		
Capital expenditures	(8,745)	(2,038)
Restricted cash	1,011	1,096
Net cash used in investing activities	(7,734)	(942)
Financing activities:		
Borrowings from revolving line of credit	20,300	17,300
Repayments of revolving line of credit	(14,500)	(20,100)
Repayments of bonds payable	(699)	(874)
Dividends paid	(1,088)	(1,093)
Repurchase of common stock	(54)	(1,141)
Excess tax benefit on stock awards	6	16
Other	-	(7)
Net cash provided by (used in) financing activities	3,965	(5,899)
Net increase in cash and cash equivalents	1,032	296
Cash and cash equivalents, beginning of period	298	953
Cash and cash equivalents, end of period	\$ 1,330	\$ 1,249