

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:				
Admissions	\$ 17,127	\$ 17,437	\$ 32,974	\$ 34,135
Event-related	11,761	11,497	23,039	24,304
Broadcasting	12,051	13,453	26,563	29,697
Other	12	54	63	109
	<u>40,951</u>	<u>42,441</u>	<u>82,639</u>	<u>88,245</u>
Expenses:				
Operating and marketing	24,398	24,095	50,572	49,585
Impairment charges	-	64,618	-	64,618
General and administrative	3,062	3,224	9,368	9,416
Depreciation and amortization	1,616	2,392	4,710	7,172
	<u>29,076</u>	<u>94,329</u>	<u>64,650</u>	<u>130,791</u>
Operating earnings (loss)	11,875	(51,888)	17,989	(42,546)
Interest income	32	28	107	51
Interest expense	<u>(1,153)</u>	<u>(963)</u>	<u>(3,155)</u>	<u>(3,249)</u>
Earnings (loss) before income tax (expense) benefit	10,754	(52,823)	14,941	(45,744)
Income tax (expense) benefit	<u>(5,567)</u>	<u>18,348</u>	<u>(7,721)</u>	<u>15,205</u>
Net earnings (loss)	<u>\$ 5,187</u>	<u>\$ (34,475)</u>	<u>\$ 7,220</u>	<u>\$ (30,539)</u>
Net earnings (loss) per common share:				
Basic	<u>\$ 0.14</u>	<u>\$ (0.96)</u>	<u>\$ 0.20</u>	<u>\$ (0.85)</u>
Diluted	<u>\$ 0.14</u>	<u>\$ (0.96)</u>	<u>\$ 0.20</u>	<u>\$ (0.85)</u>
Weighted average shares outstanding:				
Basic	35,879	36,003	35,874	36,033
Diluted	36,041	36,003	35,989	36,033

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

	<u>September 30,</u> 2007	<u>September 30,</u> 2006	<u>December 31,</u> 2006
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,070	\$ 1,193	\$ 298
Accounts receivable	10,649	11,286	2,935
Inventories	216	299	244
Prepaid expenses and other	1,766	1,765	1,808
Receivable from Dover Downs Gaming & Entertainment, Inc.	-	-	9
Deferred income taxes	<u>205</u>	<u>411</u>	<u>193</u>
Total current assets	13,906	14,954	5,487
Property and equipment, net	157,854	154,704	152,502
Restricted cash	4,068	4,215	3,684
Other assets, net	<u>1,079</u>	<u>985</u>	<u>1,261</u>
Total assets	<u>\$ 176,907</u>	<u>\$ 174,858</u>	<u>\$ 162,934</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 3,089	\$ 3,699	\$ 1,938
Accrued liabilities	5,706	6,220	3,400
Payable to Dover Downs Gaming & Entertainment, Inc.	17	32	-
Income taxes payable	3,254	2,086	478
Current portion of bonds payable	-	695	695
Deferred revenue	4,639	4,903	10,008
Current liabilities of discontinued operation	<u>-</u>	<u>103</u>	<u>-</u>
Total current liabilities	16,705	17,738	16,519
Revolving line of credit	43,500	43,000	39,000
Bonds payable	4,208	4,210	4,211
Liability for pension benefits	485	-	771
Other liabilities	795	21	-
Noncurrent income taxes payable	8,452	-	-
Deferred income taxes	<u>22,658</u>	<u>29,507</u>	<u>28,173</u>
Total liabilities	<u>96,803</u>	<u>94,476</u>	<u>88,674</u>
Stockholders' equity:			
Common stock	1,667	1,637	1,635
Class A common stock	1,957	1,992	1,977
Additional paid-in capital	99,724	100,111	99,412
Accumulated deficit	(22,483)	(22,723)	(28,071)
Accumulated other comprehensive loss	<u>(761)</u>	<u>(635)</u>	<u>(693)</u>
Total stockholders' equity	80,104	80,382	74,260
Total liabilities and stockholders' equity	<u>\$ 176,907</u>	<u>\$ 174,858</u>	<u>\$ 162,934</u>

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

	Nine Months Ended September 30,	
	2007	2006
Operating activities:		
Net earnings (loss)	\$ 7,220	\$ (30,539)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	4,710	7,172
Amortization of credit facility fees	147	141
Stock-based compensation	370	314
Deferred income taxes	2,517	(18,817)
Impairment charges	-	64,618
Changes in assets and liabilities:		
Accounts receivable	(7,714)	(8,920)
Inventories	28	(69)
Prepaid expenses and other	42	78
Accounts payable	1,151	2,222
Accrued liabilities	2,306	799
Payable to/receivable from Dover Downs Gaming & Entertainment, Inc.	26	17
Income taxes payable/receivable	2,776	1,796
Deferred revenue	(5,369)	(4,619)
Other liabilities	993	(21)
Net cash provided by operating activities of continuing operations	9,203	14,172
Net cash used in operating activities of discontinued operation	-	(41)
Investing activities:		
Capital expenditures	(10,012)	(2,970)
Restricted cash	(384)	(1,015)
Net cash used in investing activities	(10,396)	(3,985)
Financing activities:		
Borrowings from revolving line of credit	33,300	29,600
Repayments of revolving line of credit	(28,800)	(35,700)
Repayments of bonds payable	(698)	(873)
Dividends paid	(1,632)	(1,637)
Repurchase of common stock	(54)	(1,141)
Credit facility fees	(159)	(161)
Excess tax benefit on stock awards	8	16
Other	-	(10)
Net cash provided by (used in) financing activities	1,965	(9,906)
Net increase in cash and cash equivalents	772	240
Cash and cash equivalents, beginning of period	298	953
Cash and cash equivalents, end of period	\$ 1,070	\$ 1,193