



FOR IMMEDIATE RELEASE

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**DOVER MOTORSPORTS, INC. REPORTS RESULTS
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2009**

Dover Motorsports, Inc. (NYSE: DVD) today reported its results for the quarter and year ended December 31, 2009.

The Company's fourth quarter is a seasonally slow quarter and typically results in a loss. We promoted two major events in the fourth quarter of 2009 – the NASCAR Nationwide Series race and the NHRA Full Throttle Racing Series race, both held at Memphis Motorsports Park (Memphis). We only promoted the NASCAR Nationwide Series race at Memphis during the fourth quarter of 2008.

As previously reported, the Company has ceased all operations at Memphis and the facility is being held for sale. The Company realigned both NASCAR races promoted in Memphis to its other Midwest tracks, effective for the 2010 race season.

For the quarter ended December 31, 2009, revenues were \$4,031,000 compared with \$2,561,000 in the fourth quarter of 2008. The increase was attributable to the additional race promoted in the fourth quarter of 2009, partially offset by lower admissions and sponsorship revenue in 2009 compared to 2008. Operating and marketing expenses in the 2009 quarter were higher than the 2008 quarter due to the additional race, though the expenses per race were lower in 2009 than 2008 primarily due to cost savings initiatives.

General and administrative expenses of \$2,955,000 in the fourth quarter of 2009 were down slightly from \$3,108,000 for the same quarter last year. The decrease is due to cost saving initiatives, including the closure of Memphis.

Depreciation and amortization was \$1,679,000 during the fourth quarter of 2009 compared with \$1,770,000 in the fourth quarter of 2008. The decrease is primarily due to a reduction in our depreciable asset base resulting from the impairment charges in the fourth quarter of 2008 and the third quarter of 2009.

Net interest expense decreased by \$104,000 in the fourth quarter of 2009, primarily as a result of lower interest rates compared to last year.

The results for the fourth quarter of 2008 include a non-cash impairment charge of \$12,795,000 to write down the carrying value of the Midwest facilities to their fair value. The Company's financial results are shown on an adjusted basis on the accompanying schedule – "Reconciliation of GAAP Loss to Adjusted (Loss) Earnings". Loss before income tax benefit for the fourth quarter of 2009 was \$7,396,000 compared with \$7,724,000 on an adjusted basis for the fourth quarter of last year.

Net loss was \$4,571,000 or \$.13 per diluted share in the fourth quarter of 2009 compared with \$3,760,000 or \$.10 per diluted share on an adjusted basis for the same period last year.

For the year ended December 31, 2009, total revenues were \$70,878,000 compared with \$84,279,000 in the prior year. We promoted one fewer major event in 2009 than we did in 2008.

On an adjusted basis, net (loss) earnings were (\$1,034,000) or (\$.03) per diluted share for the year ended 2009 compared with \$2,638,000 or \$.07 per diluted share in 2008.

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This release contains or may contain forward-looking statements based on management's beliefs and assumptions. Such statements are subject to various risks and uncertainties which could cause results to vary materially. Please refer to the Company's SEC filings for a discussion of such factors.

Dover Motorsports, Inc. (NYSE: DVD) is a leading promoter of motorsports events in the United States. DVD subsidiaries operate three tracks in three states, and present several hundred motorsports events each year. For 2009, 14 major national events were held, including races sanctioned by NASCAR and NHRA. Dover Motorsports, Inc. owns and operates Dover International Speedway in Dover, Del., Gateway International Raceway near St. Louis, Mo., and Nashville Superspeedway near Nashville, Tenn. For further information log on to www.DoverMotorsports.com.

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

| | Three Months Ended December 31, | | Years Ended December 31, | |
|--------------------------------------|------------------------------------|--------------------|-----------------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Revenues: | | | | |
| Admissions | \$ 1,592 | \$ 933 | \$24,741 | \$31,034 |
| Event-related | 1,711 | 1,227 | 17,971 | 25,652 |
| Broadcasting | 715 | 398 | 27,999 | 27,532 |
| Other | 13 | 3 | 167 | 61 |
| | <u>4,031</u> | <u>2,561</u> | <u>70,878</u> | <u>84,279</u> |
| Expenses: | | | | |
| Operating and marketing | 5,961 | 4,461 | 50,466 | 55,262 |
| General and administrative | 2,955 | 3,108 | 12,174 | 12,528 |
| Impairment charge | — | 12,795 | 7,478 | 12,795 |
| Depreciation and amortization | 1,679 | 1,770 | 6,467 | 6,909 |
| | <u>10,595</u> | <u>22,134</u> | <u>76,585</u> | <u>87,494</u> |
| Operating loss | (6,564) | (19,573) | (5,707) | (3,215) |
| Interest income | 7 | 14 | 14 | 83 |
| Interest expense | (849) | (960) | (2,124) | (4,078) |
| Gain (loss) on sale of investments | 10 | — | (92) | — |
| Loss before income tax benefit | (7,396) | (20,519) | (7,909) | (7,210) |
| Income tax benefit | 2,825 | 8,442 | 2,014 | 1,531 |
| Net loss | <u>\$ (4,571)</u> | <u>\$ (12,077)</u> | <u>\$ (5,895)</u> | <u>\$ (5,679)</u> |
| Net loss per common share: | | | | |
| Basic | <u>\$ (0.13)</u> | <u>\$ (0.34)</u> | <u>\$ (0.16)</u> | <u>\$ (0.16)</u> |
| Diluted | <u>\$ (0.13)</u> | <u>\$ (0.34)</u> | <u>\$ (0.16)</u> | <u>\$ (0.16)</u> |
| Weighted average shares outstanding: | | | | |
| Basic | 36,025 | 35,958 | 36,021 | 35,940 |
| Diluted | 36,025 | 35,958 | 36,021 | 35,940 |

DOVER MOTORSPORTS, INC.
RECONCILIATION OF GAAP LOSS TO ADJUSTED (LOSS) EARNINGS
In Thousands, Except Per Share Amounts
(Unaudited)

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|------------------------------------|-------------------|-----------------------------|-----------------|
| | 2009 | 2008 | 2009 | 2008 |
| GAAP loss before income tax benefit | \$(7,396) | \$(20,519) | \$(7,909) | \$(7,210) |
| Non-cash impairment charges ⁽¹⁾ | — | 12,795 | 7,478 | 12,795 |
| Adjusted (loss) earnings before income taxes | <u>\$(7,396)</u> | <u>\$ (7,724)</u> | <u>\$ (431)</u> | <u>\$ 5,585</u> |
| GAAP net loss | \$(4,571) | \$(12,077) | \$(5,895) | \$(5,679) |
| Non-cash impairment charges, net of income taxes ⁽¹⁾ | — | 8,317 | 4,861 | 8,317 |
| Adjusted net (loss) earnings | <u>\$(4,571)</u> | <u>\$ (3,760)</u> | <u>\$(1,034)</u> | <u>\$ 2,638</u> |
| GAAP net loss per common share - diluted | \$ (0.13) | \$ (0.34) | \$ (0.16) | \$ (0.16) |
| Non-cash impairment charges, net of income taxes ⁽¹⁾ | — | 0.23 | 0.13 | 0.23 |

Adjusted net (loss) earnings per common share - diluted ⁽²⁾ \$ (0.13) \$ (0.10) \$ (0.03) \$ 0.07

(1) During the third quarter of 2009, we reviewed the long-lived assets of our Memphis Motorsports Park facility for impairment. Based on the results of this analysis, we recorded a non-cash impairment charge of \$7,478,000 to write-down the carrying value of long-lived assets at our Memphis facility to fair value.

During the fourth quarter of 2008, we reviewed the long-lived assets of each of our three Midwest facilities for impairment. Based on the results of this analysis, we recorded non-cash impairment charges of \$2,150,000, \$3,140,000 and \$7,505,000 to write-down the carrying value of long-lived assets at our Memphis, Nashville and Gateway facilities, respectively, to fair value.

(2) The components of loss per diluted share for the three months ended December 31, 2008 do not add to the adjusted loss per diluted share due to rounding.

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

| | December 31, 2009 | December 31, 2008 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 155 | \$ 288 |
| Accounts receivable | 1,260 | 1,950 |
| Inventories | 277 | 273 |
| Prepaid expenses and other | 1,528 | 1,697 |
| Receivable from Dover Downs Gaming & Entertainment, Inc. | — | 11 |
| Deferred income taxes | 118 | 152 |
| Assets held for sale | 2,800 | — |
| Total current assets | <u>6,138</u> | <u>4,371</u> |
| Property and equipment, net | 130,182 | 144,684 |
| Restricted cash | 5,333 | 5,219 |
| Other assets, net | 712 | 594 |
| Deferred income taxes | 164 | 311 |
| Total assets | <u>\$ 142,529</u> | <u>\$ 155,179</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 456 | \$ 604 |
| Accrued liabilities | 2,986 | 2,767 |
| Payable to Dover Downs Gaming & Entertainment, Inc. | 5 | — |
| Income taxes payable | 199 | 159 |
| Current portion of bonds payable | 1,235 | 1,130 |
| Deferred revenue | 5,931 | 6,962 |
| Total current liabilities | <u>10,812</u> | <u>11,622</u> |
| Revolving line of credit | 41,000 | 42,200 |
| Bonds payable | 1,739 | 2,971 |
| Liability for pension benefits | 1,695 | 2,555 |
| Other liabilities | 875 | 1,920 |
| Non current income taxes payable | 3,269 | 9,630 |
| Deferred income taxes | 20,850 | 16,834 |
| Total liabilities | <u>80,240</u> | <u>87,732</u> |
| Stockholders' equity: | | |
| Common stock | 1,806 | 1,787 |
| Class A common stock | 1,851 | 1,851 |
| Additional paid-in capital | 100,943 | 100,539 |
| Accumulated deficit | (40,994) | (34,366) |
| Accumulated other comprehensive loss | (1,317) | (2,364) |
| Total stockholders' equity | <u>62,289</u> | <u>67,447</u> |

| | | |
|--|-------------------|-------------------|
| Total liabilities and stockholders' equity | <u>\$ 142,529</u> | <u>\$ 155,179</u> |
|--|-------------------|-------------------|

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

| | Years Ended December 31, | |
|---|-----------------------------|----------------|
| | <u>2009</u> | <u>2008</u> |
| Operating activities: | | |
| Net loss | \$ (5,895) | \$ (5,679) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 6,467 | 6,909 |
| Amortization of credit facility fees | 229 | 175 |
| Stock-based compensation | 495 | 598 |
| Deferred income taxes | (3,005) | (2,544) |
| Impairment charge | 7,478 | 12,795 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 690 | (228) |
| Inventories | (4) | (88) |
| Prepaid expenses and other | 212 | 50 |
| Accounts payable | (148) | (72) |
| Accrued liabilities | (69) | (691) |
| Payable to/receivable from Dover Downs Gaming & Entertainment, Inc. | 16 | 7 |
| Income taxes payable | 111 | (120) |
| Deferred revenue | (1,031) | (1,727) |
| Other liabilities | (293) | 663 |
| Net cash provided by operating activities | <u>5,253</u> | <u>10,048</u> |
| Investing activities: | | |
| Capital expenditures | (1,912) | (6,577) |
| Restricted cash | (114) | (1,050) |
| Proceeds from sale of available-for-sale securities | 335 | — |
| Purchase of available-for-sale securities | (333) | (50) |
| Net cash used in investing activities | <u>(2,024)</u> | <u>(7,677)</u> |
| Financing activities: | | |
| Borrowings from revolving line of credit | 37,050 | 38,600 |
| Repayments on revolving line of credit | (38,250) | (38,700) |
| Repayments of bonds payable | (1,127) | (108) |
| Dividends paid | (733) | (2,184) |
| Repurchase of common stock | (19) | (137) |
| Credit facility fees | (283) | (124) |
| Proceeds from stock options exercised | — | 216 |
| Excess tax benefit on stock awards | — | 27 |
| Net cash used in financing activities | <u>(3,362)</u> | <u>(2,410)</u> |
| Net decrease in cash and cash equivalents | (133) | (39) |
| Cash and cash equivalents, beginning of year | 288 | 327 |
| Cash and cash equivalents, end of year | <u>\$ 155</u> | <u>\$ 288</u> |

EX-99.2 3 dex992.htm RECONCILIATION OF OPERATING LOSS TO ADJUSTED EBITDA

Exhibit 99.2

DOVER MOTORSPORTS, INC.
SUPPLEMENTAL DATA
RECONCILIATION OF OPERATING LOSS TO ADJUSTED EBITDA
In Thousands
(Unaudited)

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|------------------------------------|-------------------------|-----------------------------|------------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Reconciliation of operating loss to adjusted EBITDA: | | | | |
| Operating loss | \$(6,564) | \$(19,573) | \$(5,707) | \$(3,215) |
| Impairment charge | — | 12,795 | 7,478 | 12,795 |
| Depreciation and amortization | 1,679 | 1,770 | 6,467 | 6,909 |
| Adjusted EBITDA | <u>\$(4,885)</u> | <u>\$(5,008)</u> | <u>\$ 8,238</u> | <u>\$16,489</u> |

We define EBITDA as earnings before interest, taxes, depreciation and amortization and Adjusted EBITDA as EBITDA before the impairment charge. EBITDA is a supplemental non-GAAP financial measure commonly used by management and industry analysts to evaluate our operations. We believe that EBITDA provides useful information to investors regarding our ability to service debt. EBITDA should not be construed as an alternative to operating earnings (as an indicator of our operating performance) or cash flows from operations (as a measure of liquidity) as determined in accordance with accounting principles generally accepted in the United States of America. Not all companies calculate EBITDA in the same manner, and Adjusted EBITDA as presented by Dover Motorsports, Inc. may not be comparable to similarly titled measures presented by other companies.