



**FOR IMMEDIATE RELEASE**

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**DOVER DOWNS GAMING & ENTERTAINMENT, INC. REPORTS IMPROVED RESULTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2006**

Dover Downs Gaming & Entertainment, Inc. (NYSE-Symbol: DDE) today reported results for the three months ended June 30, 2006.

Net earnings improved 6.7% to \$6,022,000 compared with \$5,644,000 for the second quarter of 2005.

Net earnings per diluted share were \$.18 compared with \$.16 per diluted share in 2005, a 12.5% improvement as a result of the aforementioned increase in net earnings and the impact of the shares repurchased through a self-tender completed during the first quarter of 2006.

The Company's revenues increased to \$56,831,000 compared with \$54,674,000 for the second quarter of 2005. Gaming revenues, which include video lottery win and harness racing commissions, increased 3.5% or \$1,791,000, primarily from increased video lottery win compared with the second quarter of 2005.

Other operating revenues less other operating expenses improved \$166,000 even with the loss of approximately \$150,000 in profit from rental income from a property sold by the Company in December 2005.

General and administrative expenses increased \$454,000. The largest components of the increase were increased stock compensation expenses of \$161,000, as well as increased pension and legal fees. Interest expense increased \$310,000 primarily from the additional borrowings related to the self-tender of approximately 10% of the Company's outstanding shares in January of 2006.

Occupancy levels in the Dover Downs Hotel and Conference Center remained strong, averaging approximately 98% for the second quarter. Construction has begun on the previously announced expansion to the Dover Downs Hotel. The expansion will more than double the number of hotel rooms to 500 including eleven spa suites and add a luxurious 8,000 square foot spa to the Dover Downs Hotel.

Denis McGlynn, President and CEO of Dover Downs Gaming & Entertainment, Inc. stated, "We are pleased with the results for the second quarter. Even with the Easter holiday falling in the second quarter, we were able to grow our slot win more than 3%. The operating efficiencies we have been able to realize helped us grow our pretax earnings by 7.5%, and with the most recent repurchase of our shares, grow our earnings on a per share basis even faster."

The Company announced yesterday that it has increased its quarterly dividend by 12.5% to \$.045 per share. The dividend is payable on September 10, 2006 to shareholders of record at the close of business on August 10, 2006.

To capitalize on recently enacted legislation allowing for the addition of up to 1,500 slot machines, the Company opened the Trackview Slots area on June 30, 2006. This renovated portion of the enclosed harness racing grandstands currently includes 200 new games, and offers a view of Dover International Speedway.

The Company has recently engaged architects and engineers to develop a master plan for the Company's property. The master plan will consider potential casino expansions, as well as, restaurant and retail offerings to add to the destination quality of the property.

On June 15, 2006, the Company completed a three-for-two split of both classes of its outstanding common stock. All share and per share amounts have been restated to reflect the stock split.

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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 that could cause results to vary materially. Please refer to the Company's SEC filings for a discussion of such factors.

Dover Downs Gaming & Entertainment, Inc. is a diversified gaming and entertainment company whose operations consist of Dover Downs Slots – a 95,000-square foot video lottery (slots) casino complex; the Dover Downs Hotel – featuring luxury accommodations with conference, banquet, fine dining, ballroom and concert hall facilities; and Dover Downs Raceway – a harness racing track with pari-mutuel wagering on live and simulcast horse races.