

DOVER DOWNS GAMING & ENTERTAINMENT, INC.
RECONCILIATION OF GAAP NET EARNINGS TO ADJUSTED NET EARNINGS
In Thousands, Except Per Share Amounts
(Unaudited)

	Three Months Ended December 31,		Years Ended December 31,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
GAAP net earnings	\$ 6,081	\$ 9,222	\$ 25,328	\$ 26,040
Gain on sale of shopping center, net of income taxes ⁽¹⁾	<u>-</u>	<u>(3,461)</u>	<u>-</u>	<u>(3,461)</u>
Adjusted net earnings	<u>\$ 6,081</u>	<u>\$ 5,761</u>	<u>\$ 25,328</u>	<u>\$ 22,579</u>
GAAP net earnings per common share - diluted	\$ 0.19	\$ 0.26	\$ 0.77	\$ 0.72
Gain on sale of shopping center, net of income taxes ⁽¹⁾	<u>-</u>	<u>(0.10)</u>	<u>-</u>	<u>(0.09)</u>
Adjusted net earnings per diluted share	<u>\$ 0.19</u>	<u>\$ 0.16</u>	<u>\$ 0.77</u>	<u>\$ 0.63</u>

⁽¹⁾ On December 28, 2005, the Company's wholly-owned subsidiary, Dover Downs, Inc., closed on the sale of a shopping center it owned in Dover, Delaware. The shopping center consisted of approximately 7.7 acres of real property with a one-story building of approximately 95,700 square feet. The sales price was \$12,450,000 and the Company recognized a gain on the sale of \$5,837,000 (\$3,461,000 after income taxes).