

DOVER DOWNS GAMING & ENTERTAINMENT, INC.
CONSOLIDATED STATEMENT OF EARNINGS
In Thousands, Except Per Share Amounts
(Unaudited)

	Three Months Ended December 31,		Years Ended December 31,	
	2006	2005	2006	2005
Revenues:				
Gaming ⁽¹⁾	\$ 54,615	\$ 50,244	\$ 220,412	\$ 202,372
Other operating ⁽²⁾	4,052	3,771	16,039	14,480
	<u>58,667</u>	<u>54,015</u>	<u>236,451</u>	<u>216,852</u>
Expenses:				
Gaming	40,801	37,565	163,288	151,973
Other operating	3,613	3,278	14,202	13,167
General and administrative	1,368	1,229	5,905	4,765
Depreciation	1,870	1,758	7,146	6,998
	<u>47,652</u>	<u>43,830</u>	<u>190,541</u>	<u>176,903</u>
Gain on sale of shopping center	-	5,837	-	5,837
Operating earnings	11,015	16,022	45,910	45,786
Interest expense	(698)	(475)	(2,943)	(1,875)
Earnings before income taxes	10,317	15,547	42,967	43,911
Income taxes	(4,236)	(6,325)	(17,639)	(17,871)
Net earnings	<u>\$ 6,081</u>	<u>\$ 9,222</u>	<u>\$ 25,328</u>	<u>\$ 26,040</u>
Net earnings per common share ⁽³⁾ :				
- Basic	<u>\$ 0.19</u>	<u>\$ 0.26</u>	<u>\$ 0.78</u>	<u>\$ 0.73</u>
- Diluted	<u>\$ 0.19</u>	<u>\$ 0.26</u>	<u>\$ 0.77</u>	<u>\$ 0.72</u>
Weighted average shares outstanding ⁽³⁾ :				
- Basic	32,172	35,681	32,353	35,681
- Diluted	32,692	35,925	32,921	35,930

(1) Gaming revenues from the Company's video lottery (slot) machine operations include the total win from such operations. The Delaware State Lottery Office collects the win and remits a portion thereof to the Company as its commission for acting as a Licensed Agent. The difference between total win and the amount remitted to the Company is reflected in gaming expenses.

(2) Other operating revenues do not include the retail amount of promotional allowances which are provided to customers on a complimentary basis.

(3) All per share and share amounts reflect a three-for-two stock split, which was effective June 15, 2006.