SKINVISIBLE INC
Form 10-K/A
February 08, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
Amendment No. 1

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

For the transition period from _________ to ________

Commission file number: 000-25911

Skinvisible, Inc.
(Exact name of registrant as specified in its charter)

Nevada	88-0344219
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6320 South Sandhill Road, Suite 10, Las Vegas, NV	89120
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: 702.433.7154

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
none	not applicable

Securities registered under Section 12(g) of the Exchange Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.001	not applicable

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes [ ] No [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. $120,360

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. 84,095,888 as of December 31, 2008.

EXPLANATORY NOTE

The purpose of this Amendment No. 1 to the Annual Report on Form 10-K, previously filed with the United States Securities and Exchange Commission on April 15, 2009, is to correct the beneficial ownership table.

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PART I

Item 1. Business

Company Overview

We develop innovative polymer delivery vehicles and related compositions that hold active ingredients on the skin for extended periods of time when applied topically. We designed a process for combining water soluble and insoluble polymers that is specifically formulated to carry water insoluble active ingredients in water-based products without the use of alcohol, silicones, waxes, or other organic solvents. This enables active agents the ability to perform their intended functions for an extended period of time. Our polymer delivery vehicles, trademarked Invisicare®, allow normal skin respiration and perspiration. The polymer compositions we develop wear off as part of the natural exfoliation process of the skin's outer layer cells.

We believe Invisicare® offers the following benefits:

§ Displays superior skin adherence for extended time periods
§ Non-occlusive yet resists water wash-off, respiration and perspiration
§ Increased efficacy of active ingredients
§ Allows for lower use levels of actives with increased persistence of effect
§ Offers advantage of controlled and/or sustained time-release
§ Highly compatible with a variety of actives and bases
§ Easy to emulsify
§ Formulates well at a cream, lotion, or spray viscosity
§ Non-irritating emulsion dries quickly with no greasy after-feel
§ Non-occlusive film forms protective barrier against environmental irritants
§ Broad polymer selection to meet application requirements
§ Offers “Life Cycle” management to core products with potential for new patent
§ Simplified manufacturing process

Products that successfully incorporate Invisicare to date include antimicrobial hand sanitizer lotions, suncare products, skincare moisturizers, sunless tanning products as well as various dermatology products for various skin disorders. On an ongoing basis, we are seeking to develop polymer formulations that can successfully be incorporated into other products.

Our primary objective is to license Invisicare to established brand manufacturers and marketers of prescription and over-the-counter products in the dermatological, medical, cosmetic, and skincare markets. With the exception of sales to one vendor, our management’s policy is to only sell Invisicare to vendors that have executed a license agreement with us. We conduct our research and development in-house. We engage an outside party that currently handles all of our manufacturing and distribution needs.

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Recent Developments

Our core business is the research and development of products formulated with our patented technology Invisicare. This year we have added a strategic focus on the sale and marketing of these products and developing new Invisicare technologies. Our focus has allowed us to expand our reputation amongst key dermatology, consumer goods and medical/surgical companies around the globe. It has also allowed us to branch out beyond dermatology into other medical areas that require topically delivered products.

Leadership

We have brought on key people this year with specific skills to assist us with our growth strategy. Mr. Brian Piwek became a member of our Board of Directors early in the year. He was selected not only for his excellent business acumen but also his vast experience in the international retail / personal goods marketplace. He was President of Overwaitea Foods supermarket in Canada from 1991 until 1997. Prior to retiring in 2005, Brian served as the President and Chief Executive Officer of A&P Foods, one of North America’s oldest retail food chains.

Internally, we hired a Vice President of Business Development and Marketing - Ms. Doreen McMorran. She brings over seven years of international dermatology marketing experience to our company. We believe having a person solely focused on revenue generation and with excellent dermatology industry contacts will assist our expansion plans.

In the fall of 2008, we appointed Dr. Geert Cauwenbergh PhD. to head our International Advisory Board and to spearhead further extension into international markets. Dr. Cauwenbergh has vast dermatology experience having held senior executive positions with Barrier Therapeutics, Johnson & Johnson and Janssen Pharmaceutica. Dr. Cauwenbergh assists us with dermatology research and development knowledge.

Product Developments

We intend to expand our product offerings. Currently we have over 30 topical products formulated with Invisicare available for licensing. Our products range from acne formations to sunscreens to surgical products. A key addition to our portfolio in 2008 was our UVA/UVB sunscreen with Parsol 1789. Parsol 1789 is the most used UVA filter in sunscreens in the US and the only ingredient approved by the US FDA that is not proprietary. Our studies show a minimum of eight hour photostability compared to the industry average of two hours. In addition, most sunscreens, even those that indicate they are water resistant, do not remain on the skin after swimming. With our Invisicare technology, sunscreens remain on the skin for 8 to 12 hours and resist wash-off and rub-off. For the international market, we have developed new sunscreens using a proprietary sunscreen UVA filter from CIBA Specialty Chemicals. While this ingredient is not yet approved for sale in the US, it is used internationally and we are working with sunscreen companies in Europe and Latin America on this new development.

In the third quarter of 2009, we intend to begin marketing our Chlorhexidine Hand Sanitizer Lotion “DermSafe” in Canada where we have received approval from Health Canada. We expect to file for US FDA approval with a marketing partner in 2009. We believe this is a unique product that is needed immediately in all healthcare settings from hospitals to nursing homes. DermSafe stays bound to the hands, even after frequent washings, for up to 4 hours while killing both bacteria and viruses; a real plus for doctors and nurses as they move from patient to patient.

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Patent Developments

We intend to continually to generate new patents (intellectual property) on our dermatology and medical products. Every product we formulate is protected by one or more patents. Patent approvals are sought (initially in the U.S. and later internationally) for all products developed. Currently there are 5 patents approved including the US, Australia, India and this year Japan, 9 U.S. patents pending in addition to 34 PCT's internationally, with many more to be filed. Some of these PCT patents cover up to 5 products. All patents with Invisicare are owned by Skinvisible.

Patent protection is important to our company. Pharmaceutical companies are pursuing new or improved revenue streams along with protecting their own intellectual properties. Invisicare allows companies to sell a patent-protected product that has been revitalized with new benefits, giving them a new story to help combat generic competitors. A prescription dermatology product can generate $100 plus million per year; some even $200 plus million – and that is why we believe the investment into a license with an Invisicare formulation is a very viable option for these companies.

We continue to submit for patent protection worldwide for products formulated with Invisicare.

License Agreements

Our current licensees: JD Nelson with Safe4Hours®, DRJ Group with Stopain® and Sunless Beauty with Solerra® all remain focused on expanding their markets in the US and Solerra globally. In 2008, we added two new licensees. Our first addition was for two acne formulations made with adapalene for Panalab Internacional S.A. for the territory of Latin America. Panalab is a multi-national dermatology company headquartered in Panama with subsidiaries and partners in most Latin American countries. Under the terms of the agreement, Panalab will be responsible for filing and obtaining marketing approval in the countries they have licensed. We received a research and development fee plus a licensing fee allocated as an upfront fee plus milestone payments. In addition, we will receive royalties based on revenues generated by the sale of the products. According to the agreement, Panalab will have the right to manufacture, distribute, market, sell and promote the Adapalene formulations in the specified territory. Panalabs expect to be selling in their territory by late fall 2009.

In addition, two more prescription acne products (clindamycin and retinoic acid) were licensed to Embil Pharmaceuticals for Turkey, parts of Asia (Indonesia, Malaysia, and the Philippines) and Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan. Embil is a multi-national dermatology company headquartered in Instanbul, Turkey with subsidiaries and partners in S.E. Asia. Under the terms of the agreement, Embil will be responsible for filing and obtaining marketing approval in the countries they have licensed. We have received a research and development fee plus a licensing fee allocated as an upfront fee plus milestone payments. In addition, we will receive royalties based on revenues generated by the sale of the products.

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According to the agreement, Embil will have the right to manufacture, distribute, market, sell and promote the Clindamycin HCL and Retinoic Acid formulations for acne in the specified territory.

In January 2009, we signed an agreement with RHEI Pharmaceuticals NV, a Belgium based pharmaceutical company that in-licenses drugs for sale in China. This agreement gives RHEI the first option to license the exclusive rights for Skinvisible's dermatology products for the territory of China, Hong Kong and Taiwan. Specifically the agreement is for over-the-counter and prescription dermatology products formulated with Invisicare that have been approved in a reference country. As part of the agreement, RHEI will augment its existing product lines by seeking approval and then marketing and manufacturing Skinvisible's Invisicare dermatology products in the approved territory.

The Chinese pharmaceutical market represents a huge opportunity with an estimated $22.6 billion spent on pharmaceutical drugs in 2007 and growing at an annual rate of nearly 20%. To address this huge growth, the Chinese government has implemented a more effective approval process, one that fits advantageously into the strategic plans of both Skinvisible and RHEI.

Status of Research and Development for New Applications

We believe that the enhancement and extension of our existing products and the development of new product categories have contributed significantly to our growth to date and are necessary for our continued growth. Our management evaluates new ideas and seeks to develop new products and improvements to existing products to satisfy industry requirements and changing consumer preferences. We seek to identify trends in consumer preferences and to generate new product ideas. Specific to the objective of generating new products, we are continuing our research and development toward developing additional applications with Invisicare. We are currently at various development stages for the following potential applications using Invisicare:

Skinvisible's Formulas with Invisicare:

ACTIVE INGREDIENT	TYPE	Availability	Patent
Acne			
Adapalene Cream & Gel (0.1% & 0.3%)	Rx	yes*	pending
Clindamycin Hydrochloride Cream (1%)	Rx	yes*	pending
Retinoic Acid Cream (0.1%)	Rx	yes*	pending
Benzoyl Peroxide (2.5%) Cream	Rx / OTC	In development	pending
Actinic Keratosis			
Imiquimod Lotion (2%,	Rx	yes	pending

3%)			
Analgesics			
Topical Spray with Menthol (6% & 8%)	OTC	yes	technology
Topical Roll-On with Menthol (6% & 8%)	OTC	yes	technology
Topical Cream with Salicylate (10%)	OTC	yes	technology
Anti-Aging			

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Retinol Cream (0.3%)	Cosmetic	yes	technology
Anti-Fungal			
Terbinafine Cream, Gel (1%)	OTC	yes	pending
Naftifine Cream (1%)	Rx	yes	pending
Naftifine (1%) & Hydrocortisone (1%) Cream	Rx	yes	pending
Clotrimazole Cream (1%)	OTC	yes	pending
Anti-Inflammatory			
Hydrocortisone Cream (1%)	OTC	yes	technology
Triamcinolone (1%)	Rx	yes	technology
Triamcinolone Acetonide (1%)	Rx	yes	technology
Clobetasole Proprionate (0.05%)	Rx	in-progress	technology
Betamethasone (1%)	Rx	yes	technology
Antimicrobial Lotions			
Triclosan Lotion (1%) with Nonoxynol-9	OTC	yes*	granted
Triclosan Lotion (1%) with Tomadol 901	OTC	yes*	granted
Benzalkonium Chloride Lotion (0.13%)	OTC	yes*	granted
Chlorhexidine Gluconate Lotion (4%)	OTC / NDA	yes	pending
Chlorhexidine Gluconate (2%) Pre-Surgical Prep	NDA	yes	pending
Atopic Dermatitis / Super Moisturizers			
Non-Steroidal Atopic Dermatitis Cream 1%	Rx / Cosmetic	yes	technology

Hyaluronic Acid			
Skin Protectant Lotion with Allantoin (1%)	OTC	yes	technology
Super Moisturizer with Ectoin	Cosmetic	yes	technology
Urea Moisturizer (25% & 30%)	Cosmetic	yes	technology
UVA / UVB Sunscreen			
Parsol 1789 - SPF 15 / 30 / 50 Lotion	OTC	yes	pending
Tinosorb S – SPF 15 / 30 / 50 Lotion	OTC	yes	pending
Other			
Scar Lotion with Onion Bulb	Cosmetic	yes	technology
Fragrance – Long Lasting Gel	Cosmetic	yes	technology
Long-lasting Sunless Tanner (2.5%, 5% & 9%)	Cosmetic	yes	technology
After Sun (Aloe) Cream	Cosmetic	yes	technology

*some territories already licensed

Competition

While there is significant competition in the skincare products industry, our primary business objective is to license our technology and formulated products to manufacturers of Rx and OTC skincare products. Market research undertaken to date has indicated that, at present, there is reasonably limited competition for our polymer-based delivery systems and related technologies such as delivery vehicles and technologies that offer the same performance capabilities for topically administered products. Some delivery technology companies offer a new way to bring active ingredients to the skin topically such as foam technology. This is usually where it stops as Invisicare not only offers this delivery but also offers a sustained or controlled release of the active ingredient from the emulsion – a real plus if the active ingredient causes skin irritation.

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Trademarks

In January 2002, we received trademark approval in the United States for the name "Invisicare" to identify our family of polymer delivery systems. We have filed this trade name with the Cosmetic, Fragrance and Toiletries Association ("CFTA") as an ingredient for use in skincare and cosmetic formulations.

We have also applied and received trademark approval for the corporate logo “Skinvisible” and for our sunless and sun tanning products under the name “Solerra” both in the US and Canada.

We are seeking to extend the protection of our trademarks in additional countries where we currently conduct business and those additional countries where we intend to conduct business.

Employees

We currently have five employees, including our sole officer Terry Howlett. All our employees with the exception of our bookkeeper are full-time employees.

Research and Development Expenditures

We incurred research and development expenditures of $21,780 in the fiscal year ended December 31, 2008, and $20,291 in the fiscal year ended December 31, 2007.

Government Regulation

We are not subject to any significant or material federal or state government regulation in connection with the research and development and licensing of our innovative topical polymer-based delivery systems and technologies.

With respect to our products under development, our licensing agreements require the licensee to seek all required approvals for marketing, distribution, and sale in the jurisdictions for which it is desired to make the product available should we succeed in developing a successful product.

We are not subject to any significant or material environmental regulation in the normal operation of our business.

Subsidiaries

We conduct our operations through our wholly-owned subsidiary, Skinvisible Pharmaceuticals, Inc.

Item 1A Risk Factors

A smaller reporting company is not required to provide the information required by this Item.

Item 1B Unresolved Staff Comments

None.

Item 2. Properties

Currently, we do not own any real estate. We are leasing our executive offices and research facility. We are located at 6320 South Sandhill Road, Suite 10, Las Vegas, Nevada 89120.

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Skinvisible Pharmaceuticals, Inc., our wholly-owned subsidiary, owns the manufacturing and laboratory equipment at this location.

Item 3. Legal Proceedings

We are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of our shareholders during the fourth quarter of our fiscal year ended December 31, 2008.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is currently quoted on the OTC Bulletin Board ("OTCBB"), which is sponsored by FINRA. The OTCBB is a network of security dealers who buy and sell stock. The dealers are connected by a computer network that provides information on current "bids" and "asks", as well as volume information. Our shares are quoted on the OTCBB under the symbol "SKVI"

The following table sets forth the range of high and low bid quotations for our common stock for each of the periods indicated as reported by the OTCBB. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Fiscal Year Ending December 31, 2008		
Quarter Ended	High $	Low $
December 31, 2008	0.09	0.03
September 30, 2008	0.13	0.08
June 30, 2008	0.14	0.08
March 31, 2008	0.16	0.10

Fiscal Year Ending December 31, 2007		
Quarter Ended	High $	Low $
	0.30	0.13

December 31, 2007		
September 30, 2007	0.32	0.18
June 30, 2007	0.35	0.20
March 31, 2007	0.25	0.23

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On April 7, 2009, the last sales price per share of our common stock was $0.06.

Penny Stock

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, stockholders may have difficulty selling our securities.

Holders of Our Common Stock

As of December 31, 2008, we had 84,095,888 shares of our common stock issued and outstanding, held by 401 shareholders of record.

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Dividends

We currently intend to retain future earnings, if any, to finance the expansion of our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future.

In the event that a dividend is declared, common stockholders on the record date are entitled to share ratably in any dividends that may be declared from time to time on the common stock by our board of directors from funds legally available.

There are no restrictions in our articles of incorporation or bylaws that restrict us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

1. We would not be able to pay our debts as they become due in the usual course of business; or

2. Our total assets would be less than the sum of our total liabilities, plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

Recent Sales of Unregistered Securities

The information set forth below relates to our issuances of securities without registration under the Securities Act of 1933 during the reporting period which were not previously included in a Quarterly Report on Form 10-Q or Current Report on Form 8-K.

During the three months ended December 31, 2008, we issued 1,750,000 restricted shares of our common stock as a result of entering into debt conversion agreements with lenders to convert total principal balances of $123,000 into equity. These shares were issued pursuant to Section 4(2) of the Securities Act. The lenders represented their intention to acquire the securities for investment only and not with a view towards distribution. The lenders were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising. We directed our transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

During the three months ended December 31, 2008, we issued 1,500,000 restricted shares of our common stock as a result of entering into loan conversion agreements with lenders to convert total principal balances and interest of $105,000 into equity. In connection with the conversion, warrants were also granted to purchase 750,000 shares of our common stock at a strike price of $0.10 per share that expire on November 12, 2010. These shares and warrants were issued pursuant to Section 4(2) of the Securities Act. The lenders represented their intention to acquire the securities for investment only and not with a view towards distribution. The lenders were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising. We directed our transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

During the three months ended December 31, 2008, we issued options to purchase 2,370,000 shares of our common stock at prices ranging from $0.07 to $0.10 per share under our 2006 Stock Option Plan to employees and consultants. In addition, we extended existing options to purchase 300,000 shares of our common stock.

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Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information about our compensation plans under which shares of common stock may be issued upon the exercise of options as of December 31, 2008.

In July 2006, we adopted the 2006 Skinvisible, Inc. Stock Option Plan, which provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, performance shares and performance units, and stock awards our officers, directors or employees of, as well as advisers and consultants. This plan was confirmed by our stockholders on August 7, 2006 at the annual shareholders meeting.

Under the 2006 Skinvisible, Inc. Stock Option Plan, we reserved 10,000,000 shares of common stock for the granting of options and rights.

Equity Compensation Plans as of December 31, 2008

	A	B	C
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and right	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))
Equity compensation plans approved by security holders	6,675,000	$0.14	3,325,000
Equity compensation plans not approved by security holders	120,000	$0.125	-
Total	6,795,000		3,325,000

Item 6. Selected Financial Data

A smaller reporting company is not required to provide the information required by this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. V such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Results of Operations for the Years Ended December 31, 2008 and 2007

Revenues

Our total revenue reported for the year ended December 31, 2008 was $––––767,600, a slight decrease from $777,685 for the year ended December 31, 2007. The decrease in revenues for the year ended December 31, 2008 from the prior year is attributable to decreased sales of polymers to our licensees.

Cost of Revenues

Our cost of revenues for the year ended December 31, 2008 decreased to $23,122 from the prior year when cost of revenues was $140,875. The decrease in our cost of revenues for the year ended December 31, 2008 from the prior year is attributable to decreased sales of polymers.

Gross Profit

Gross profit for the year ended December 31, 2008 was $744,478, or approximately 3% of sales. Gross profit for the year ended December 31, 2007 was $636,810, or approximately 18% of sales. The increase in total gross profit for the year ended December 31, 2008 from the prior year is attributable to the decrease in cost of revenues for 2007.

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Liquidity and Capital Resources

As of December 31, 2008, we had total current assets of $274,141 and total assets in the amount of $364,067. Our total current liabilities as of December 31, 2008 were $665,123. We had a working capital deficit of $390,982 as of December 31, 2008.

Operating activities used $947,355 in cash for the year ended December 31, 2008. Our net loss of $1,640,877 combined with a decrease in unearned revenue of $40,000 was the primary component of our negative operating cash flow, offset mainly by stock based compensation of $437,892, decrease in prepaid royalty fees of $240,000, interest expenses related to beneficial conversion feature of $199,151, and increase in accounts payable and accrued liabilities of $144,397. Cash flows used by investing activities during the year ended December 31, 2008 was $2,076. Cash flows provided by financing activities during the year ended December 31, 2008 amounted to $892,324 and consisted of $846,548 as proceeds from the issuance of convertible notes payable, and $122,500 as proceeds from the issuance of common stock, offset by payments of $76,724 on related party loans.

In order to preserve needed cash to operate our business, we have sought to and have been successful in converting certain of our debt into equity of our company. During the fourth quarter ended December 31, 2008, a total of $228,000, represented by loans, accrued compensation and expenses, has been converted into equity under various rates and terms. We can provide no assurance that we will be able to convert other debt in our company under similar arrangements, or at all, in the future. If we are unable to convert our debt into equity, or raise capital to cover our liabilities, we may not be able to continue as a going concern. The balance of $222,000 was deferred into 2009.

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Based upon our current financial condition, we do not have sufficient cash to operate our business at the current level for the next twelve months. We intend to fund operations through increased sales and debt and/or equity financing arrangements, which may be insufficient to fund expenditures or other cash requirements. We plan to seek additional financing in a private equity offering to secure funding for operations. There can be no assurance that we will be successful in raising additional funding. If we are not able to secure additional funding, the implementation of our business plan will be impaired. There can be no assurance that such additional financing will be available to us on acceptable terms or at all.

Off Balance Sheet Arrangements

As of December 31, 2007, there were no off balance sheet arrangements.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have incurred cumulative net losses of approximately $16,663,497 since our inception and require capital for our contemplated operational and marketing activities to take place. Our ability to raise additional capital through the future issuances of the common stock is unknown. The obtainment of additional financing, the successful development of our contemplated plan of operations, and our transition, ultimately, to the attainment of profitable operations are necessary for us to continue operations. The ability to successfully resolve these factors raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Off Balance Sheet Arrangements

As of December 31, 2008, there were no off balance sheet arrangements.

Critical Accounting Policies

In December 2001, the SEC requested that all registrants list their most “critical accounting polices” in the Management Discussion and Analysis. The SEC indicated that a “critical accounting policy” is one which is both important to the portrayal of a company’s financial condition and results, and requires management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Revenue Recognition
Revenues are recognized during the period in which the revenues are earned. Costs and expenses are recognized during the period in which they are incurred.

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Product sales - Revenues from the sale of products are recognized when title to the products are transferred to the customer and only when no further contingencies or material performance obligations are warranted, and thereby have earned the right to receive reasonably assured payments for products sold and delivered.

Royalty sales – The Company also recognizes royalty revenue from licensing its patent and trademarks, only when earned, with no further contingencies or material performance obligations are warranted, and thereby have earned the right to receive and retain reasonably assured payments.

Distribution and license rights sales – The Company also recognizes revenue from distribution and license rights only when earned, with no further contingencies or material performance obligations are warranted, and thereby have earned the right to receive and retain reasonably assured payments.

Costs of Revenue – Cost of revenue includes raw materials, component parts, and shipping supplies. Shipping and handling costs is not a significant portion of the cost of revenue.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which are generally 3 to 10 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

We periodically evaluate whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. We use an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Goodwill and Intangible Assets

Beginning January 1, 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets". According to this statement, goodwill and intangible assets with indefinite lives are no longer subject to amortization, but rather an annual assessment of impairment by applying a fair-value based test. Fair value for goodwill is based on discounted cash flows, market multiples and/or appraised values as appropriate. Under SFAS No. 142, the carrying value of assets are calculated at the lowest level for which there are identifiable cash flows.

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SFAS 142 requires us to compare the fair value of the reporting unit to its carrying amount on an annual basis to determine if there is potential impairment. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill within the reporting unit is less than its carrying value. Upon adoption and during 2002, we completed an impairment review and did not recognize any impairment of goodwill and other intangible assets already included in the financial statements. We expect to receive future benefits from previously acquired goodwill over an indefinite period of time. Accordingly, beginning January 1, 2002, we have foregone all related amortization expense. Prior to January 1, 2002, we amortized goodwill over an estimated useful life ranging from 3 to 15 years using the straight-line method.

Recently Issued Accounting Pronouncements

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133," (SFAS "161") as amended and interpreted, which requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. Disclosing the fair values of derivative instruments and their gains and losses in a tabular format provides a more complete picture of the location in an entity's financial statements of both the derivative positions existing at period end and the effect of using derivatives during the reporting period. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Early adoption is permitted.

At September 30, 2008, we did not have any derivative instruments or hedging activities. Management is aware of the requirements of SFAS 161 and will disclose when appropriate.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS 162 will provide framework for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for nongovernmental entities. SFAS 162 will be effective 60 days following the Securities and Exchange Commission's approval of the Public Company Accounting Oversight Board ("PCAOB") amendments to AU Section 411. We do not expect the adoption of SFAS 162 will have a material impact on our financial condition or results of operation.

In May 2008, the FASB issued SFAS No. 163, "Accounting for Financial Guarantee Insurance Contracts – an interpretation of FASB Statement No. 60." SFAS 163 requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. Those clarifications will increase comparability in financial reporting of financial guarantee insurance contracts by insurance enterprises. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. SFAS 163 will be effective for financial statements issued for fiscal years beginning after December 15, 2008. We do not expect the adoption of SFAS 163 will have a material impact on our financial condition or results of operation.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data

See the financial statements annexed to this annual report.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

No events occurred requiring disclosure under Item 307 and 308 of Regulation S-K during the fiscal year ending December 31, 2008.

Item 9A(T). Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2008. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, Mr. Terry Howlett. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2008, our disclosure controls and procedures are effective. There have been no significant changes in our internal controls over financial reporting during the quarter ended December 31, 2008 that have materially affected or are reasonably likely to materially affect such controls.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives and our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

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Management's Annual Report on Internal Control over Financing Reporting

Our management is responsible for establishing and maintaining adequate control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of our principal executive and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework"). Based on this evaluation under the COSO Framework, management concluded that its internal control over financial reporting was effective as of December 31, 2008.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following information sets forth the names, ages, and positions of our current directors and executive officers as of December 31, 2008.

Name	Age	Position(s) and Office(s) Held
Terry Howlett	61	Chief Executive Officer, Chief Financial Officer, & Director
Brian Piwek	62	Director
Greg McCartney	57	Director

Set forth below is a brief description of the background and business experience of each of our current executive officers and directors.

Mr. Terry H. Howlett, has been our Chief Executive Officer & Director since March 5, 1998. Mr. Howlett has a diversified background in market initialization and development, sales and venture capital financing for emerging growth companies. He has held senior management, marketing and sales positions with various companies, including the Canadian Federation of Independent Business, Family Life Insurance, and Avacare of Canada and founded Presley Laboratories, Inc., which marketed cosmetic and skin, care products on a direct sales basis. For the ten years prior to becoming President of the Company, Mr. Howlett was the President and CEO of Voice-it Solutions, Inc., a publicly traded company on the Vancouver Stock exchange that made voice response software for order entry systems.

Mr. Brian Piwek joined our board of directors in January, 2008. Mr. Piwek's experience and expertise is in the international retail industry. He was president of Overwaitea Foods supermarket from 1991 until 1997. In 1997 Brian accepted the position as Co-CEO with A&P Canada (The Great Atlantic & Pacific Tea Company Inc.) and in 2000 was appointed Chairman, President and CEO of A&P Canada. In late 2002 he moved to the U.S. as President and Chief Executive Officer of A&P US (New York Stock Exchange symbol "GAP") where he began the turnaround of North America's oldest retail food chain. Brian retired from A&P in July 2005. Brian is an MBA graduate and has served on many voluntary boards.

Mr. Greg McCartney has been a member of our board of directors since January 10, 2005. Mr. McCartney is Managing Director of Taylor, Butterfield & Worth Asset Management Corporation, a management consulting services firm assisting clients in becoming fully reporting public companies. Previously Mr. McCartney was the Chairman of the Board for Genesis Bioventures (formely BioLabs) and also formerly served as their CEO. Mr. McCartney has over 20 years experience serving as officer and director of both private and public companies in various manufacturing and technology industries. Prior to founding BioLabs in 1997, Mr. McCartney was the founder and director of Aspenwood Holdings Corporation, a business consulting firm specializing in financing, public relations and venture capital in the technology and manufacturing industries. From 1986 to 1995 he was the President of an emerging high technology company and also served as officer and director of other companies. Previously, he was involved with international real estate and land development.

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Directors

Our bylaws authorize no less than one (1) and more than ten (12) directors. We currently have three Directors.

Term of Office

Our Directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

Significant Employees

Ms. Doreen McMorran, is head of Business Development. Ms. McMorran brings to the Company almost 20 years of experience in the medical and pharmaceutical industry, specifically in the areas of strategic planning, sales and marketing. She has spent the last seven years selling to international dermatology and skincare focused companies like Procter and Gamble, Johnson & Johnson, Stiefel, Galderma, Novartis and Graceway, to name a few. Ms. McMorran, who holds a Bachelor of Commerce (Honours) degree, spent six years in the pharmaceutical industry with Astra Pharma. Additionally she has held senior management level positions with a number of healthcare companies, focusing on business development, sales, marketing and operations.

Dr. James A. Roszell, Ph.D, is a doctoral chemist with over 35 years' experience in product formulation, experimental design, analysis, and method validation. Since joining Skinvisible in 1998, he has been responsible for research and development of our patented technology, related polymer delivery vehicles, product formulations and compositions. Dr. Roszell is a joint contributor to Skinvisible's Patent Number 6.756.059 and responsible for our nine pending patents in the US. Prior to joining Skinvisible, he worked as chemist for Supertech Products, Inc. in Florida where his responsibilities included ensuring compliance with OSHA, EPA and other standards and regulations, maintenance of quality control, research and development for new products. Dr. Roszell's background includes work in chemical, pharmaceutical, environmental and clinical laboratory arenas. His chemical and scientific expertise makes a significant contribution to our business.

Family Relationships

There are no family relationships between or among the directors, executive officers or persons nominated or chosen by us to become directors or executive officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, during the past five years, none of the following occurred with respect to a present or former director, executive officer, or employee: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; and (4) being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

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Audit Committee

We do not have a separately-designated standing audit committee. The entire board of directors performs the functions of an audit committee, but no written charter governs the actions of the board of directors when performing the functions of that would generally be performed by an audit committee. The board of directors approves the selection of our independent accountants and meets and interacts with the independent accountants to discuss issues related to financial reporting. In addition, the board of directors reviews the scope and results of the audit with the independent accountants, reviews with management and the independent accountants our annual operating results, considers the adequacy of our internal accounting procedures and considers other auditing and accounting matters including fees to be paid to the independent auditor and the performance of the independent auditor.

We do not have an audit committee financial expert because of the size of our company and our board of directors at this time. We believe that we do not require an audit committee financial expert at this time because we retain outside consultants who possess these attributes as needed.

For the fiscal year ending December 31, 2008, the board of directors:

1. Reviewed and discussed the audited financial statements with management, and

2. Reviewed and discussed the written disclosures and the letter from our independent auditors on the matters relating to the auditor's independence.

Based upon the board of directors' review and discussion of the matters above, the board of directors authorized inclusion of the audited financial statements for the year ended December 31, 2008 to be included in this Annual Report on Form 10-Kand filed with the Securities and Exchange Commission.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who beneficially own more than ten percent of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent beneficial shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. To the best of our knowledge based solely on a review of Forms 3, 4, and 5 (and any amendments thereof) received by us during or with respect to the year ended December 31, 2008, the following persons have failed to file, on a timely basis, the identified reports required by Section 16(a) of the Exchange Act during fiscal year ended December 31, 2008:

Name and principal position	Number of late reports	Transactions not timely reported	Known failures to file a required form
Terry Howlett, CEO, CFO & Director	0	4	0
Greg McCartney, Director	0	5	0
Brian Piwek, Director	1	5	0
Jost Steinbruchel, former Director	0	0	1

Code of Ethics

We adopted a Code of Ethics for Financial Executives, which include our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Ethics was filed as an exhibit to the annual report on Form 10KSB for the fiscal year ended December 31, 2004 and filed with the SEC on April 14, 2005.

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Item 11. Executive Compensation

Compensation Discussion and Analysis

Currently, the objective of the cash compensation paid by the company is to provide fair reimbursement for the time spent by our executive officer and independent directors to the extent feasible within the financial constraints faced by our developing business. The stock options granted to our executive officer and to our independent directors are intended to provide these individuals with incentives to pursue the growth and development of the company's operations and business opportunities. Although the options awarded to our executive and directors are typically exercisable immediately, they also remain valid and exercisable for terms of several years. We believe this provides the proper balance of short-term and long-term incentives to increase the value of the company. Although an immediate increase in share price following the issuance of the options would obviously result in a profit if those options were exercised, the longer exercisable period of the options also provides an incentive to increase value over the long term and gives our executive officer and directors the opportunity to realize gains based on the sustained growth of our operations and revenues.

In addition, our sole executive officer holds substantial ownership in the company and is generally motivated by a strong entrepreneurial interest in expanding our operations and revenue base to the best of his ability.

Summary Compensation Table

The table below summarizes all compensation awarded to, earned by, or paid to our former or current executive officers for the fiscal years ended December 31, 2008 and 2007.

SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Terry	2008	160,000	-	-	110,000	-	-	-	270,000
Howlett	2007	160,000	-	-	182,252	-	-	-	342,252
CEO & CFO									

Narrative Disclosure to the Summary Compensation Table

On January 29, 2009, subsequent to the end of the reporting period, we entered into an employment agreement with our sole executive officer, Terry Howlett. The agreement is effective retroactively to January 1, 2009, and term of the agreement is three (3) years. Unless extended or renewed, the agreement will terminate on January 1, 2012. Under the agreement, Mr. Howlett earns a cash stipend of $13,333.33 per month ($160,000 per year). He will also receive bonuses based on a percentage of license fees, royalty fees, and financings; paid vacation or the election to receive vacation benefits in payment; and reimbursements of expenses, including automobile and limited living expenses. In addition, the agreement provides for Mr. Howlett to be awarded stock options at the discretion of the board of directors.

This agreement replaces a similar employment agreement with Mr. Howlett, which expired on December 31, 2008. Due to financial constraints, however, we were only able to actually pay Mr. Howlett $46,667.00 in cash during the fiscal year ended December 31, 2008.

During the fiscal year ended December 31, 2008, we granted Mr. Howlett options to purchase 400,000 shares of our common stock at the exercise price of $0.10 per share with an expiration date of January 31, 2013, and options to purchase 1,000,000 shares of our common stock at the exercise price of $0.07 per share with an expiration date of October 20, 2013. These options are fully vested and immediately exercisable. The aggregate value of these options, which totaled $110,000, was computed in accordance with FAS 123R and is reported in the summary compensation table above in the column titled "Option Awards."

At no time during the last fiscal year was any outstanding option repriced or otherwise modified. There was no tandem feature, reload feature, or tax-reimbursement feature associated with any of the stock options we granted to our executive officers or otherwise.

Weighted-average shares and dilutive shares outstanding

36,153

36,049

Net loss per common share diluted

$

(0.07

)

$

(0.06

)

There were no options outstanding and we paid no dividends during the three months ended March 31, 2015 or 2014.

Accounting for stock-based compensation We recorded total stock-based compensation expense for our restricted stock awards of $136,000 and $106,000 as general and administrative expenses for the three months ended March 31, 2015 and 2014, respectively. We recorded income tax benefits of $55,000 and $44,000 for the three months ended March 31, 2015 and 2014, respectively, related to our restricted stock awards.

Use of estimates The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, disclosures about contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on our best estimates and judgment. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which we believe to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. Volatility in credit and equity markets and declines in consumer spending have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

NOTE 4 Long-Term Debt

At March 31, 2015, Dover Motorsports, Inc. and its wholly owned subsidiaries Dover International Speedway, Inc. and Nashville Speedway, USA, Inc., as co-borrowers had a $35,000,000 secured credit agreement with a bank group. The credit facility expires on July 31, 2017. Interest is based upon LIBOR plus a margin that varies between 125 and 175 basis points depending on the leverage ratio (150 basis points at March 31, 2015). The facility provides that we may elect to enter into a negative pledge with the bank group in exchange for the release of the security interest in the collateral securing the agreement. In the event we elect to enter into the negative pledge, interest will be based upon LIBOR plus a margin that varies between 150 and 200 basis points depending on the leverage ratio. The credit facility contains certain covenants including maximum funded debt to earnings before interest, taxes, depreciation and amortization (leverage ratio) and a minimum fixed charge coverage ratio. Material adverse changes in our results of operations could impact our ability to maintain financial ratios necessary to satisfy these requirements. In addition, the credit agreement includes a material adverse change clause and provides the lenders with a first lien on all of our assets. The credit facility also provides that if we default under any other loan agreement, that would be a default under this facility. At March 31, 2015, there was $11,780,000 outstanding under the credit facility at an interest rate of 1.68%. The credit facility provides for seasonal funding needs, capital improvements, letter of credit requirements and other general corporate purposes. At March 31, 2015, we were in compliance with the terms of the credit facility. After consideration of stand-by letters of credit outstanding, the remaining maximum borrowings available pursuant to the credit facility were $4,918,000 at March 31, 2015. We expect to be in compliance with the financial covenants, and all other covenants, for all measurement periods during the next twelve months.

NOTE 5 Pension Plans

We maintain a non-contributory tax qualified defined benefit pension plan that has been frozen since July 2011. All of our full time employees were eligible to participate in the qualified plan. Benefits provided by our qualified pension plan were based on years of service and employees remuneration over their employment period. Compensation earned by employees up to July 31, 2011 is used for purposes of calculating benefits under our pension plan with no future benefit accruals after this date. Participants as of July 31, 2011 continue to earn vesting credit with respect to their frozen accrued benefits as they continue to work. We also maintain a non-qualified, non-contributory defined benefit pension plan, the excess plan, for certain employees that has been frozen since July 2011. This excess plan provided benefits that would otherwise be provided under the qualified pension plan but for maximum benefit and compensation limits applicable under federal tax law. The cost associated with the excess plan is determined using the same actuarial methods and assumptions as those used for our qualified pension plan. The assets for the excess plan aggregate $841,000 and $820,000 as of March 31, 2015 and December 31, 2014, respectively, and are recorded in other assets in our consolidated balance sheets (see NOTE 7 Fair Value Measurements).

The components of net periodic pension benefit for our defined benefit pension plans are as follows:

	Three Months Ended March 31, 2015		Three Months Ended March 31, 2014	
Interest cost	$	130,000	$	118,000
Expected return on plan assets		(161,000)		(153,000)
Recognized net actuarial loss		31,000		15,000
	$		$	(20,000)

We made no contributions to our defined benefit pension plans during the three months ended March 31, 2015 or 2014. We do not expect to contribute to our defined benefit pension plans in 2015.

We also maintain a non-elective, non-qualified supplemental executive retirement plan (SERP) which provides deferred compensation to certain highly compensated employees that approximates the value of benefits lost by the freezing of the pension plan which are not offset by our enhanced matching contributions in our 401(k) plan. The SERP is a discretionary defined contribution plan and contributions made to the SERP in any given year are not guaranteed and will be at the sole discretion of our Compensation and Stock Incentive Committee. In the first three months of 2015 and 2014, we recorded expenses of $17,000 and $17,000, respectively, related to the SERP. During the first three months of 2015 and 2014, we contributed $72,000 and $65,000 to the plan, respectively. The liability for pension benefits was $18,000 and $73,000 as of March 31, 2015 and December 31, 2014, respectively.

We maintain a defined contribution 401(k) plan that permits participation by substantially all employees. Our matching contributions to the 401(k) plan were $28,000 and $26,000 in the first three months of 2015 and 2014, respectively.

NOTE 6 Stockholders Equity

Changes in the components of stockholders equity are as follows (in thousands):

	Common Stock	Class A Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss
Balance at December 31, 2014	$ 1,812	$ 1,851	$ 101,508	$ (53,749)	$ (3,327)
Net loss				(2,604)	
Issuance of restricted stock awards, net of forfeitures	15		(15)		
Stock-based compensation			136		
Repurchase and retirement of common stock	(5)		(116)		
Unrealized gain on available-for-sale securities, net of income tax expense of $7					11
Change in net actuarial loss and prior service cost, net of income tax expense of $12					19
Excess tax benefit on restricted stock			49		
Balance at March 31, 2015	$ 1,822	$ 1,851	$ 101,562	$ (56,353)	$ (3,297)

As of March 31, 2015 and December 31, 2014, accumulated other comprehensive loss, net of income taxes, consists of the following:

	March 31, 2015	December 31, 2013
Net actuarial loss and prior service cost not yet recognized in net periodic benefit cost, net of income tax benefit of $2,311,000 and $2,323,000, respectively	$ (3,368,000)	$ (3,387,000)
Accumulated unrealized gain on available-for-sale securities, net of income tax expense of $50,000 and $43,000, respectively	71,000	60,000
Accumulated other comprehensive loss	$ (3,297,000)	$ (3,327,000)

On July 28, 2004, our Board of Directors authorized the repurchase of up to 2,000,000 shares of our outstanding common stock. The purchases may be made in the open market or in privately negotiated transactions as conditions warrant. The repurchase authorization has no expiration date, does not obligate us to acquire any specific number of shares and may be suspended at any time. During the three months ended March 31, 2014, we purchased and retired 13,950 shares of our outstanding common stock at an average purchase price of $2.27 per share, not including nominal brokerage commissions. No purchases of our equity securities were made pursuant to this authorization during the three months ended March 31, 2015. At March 31, 2015, we had remaining repurchase authority of 1,178,131 shares.

We had a stock incentive plan, adopted in 2004, which provided for the grant of up to 1,500,000 shares of common stock to our officers and key employees through stock options and/or awards valued in whole or in part by reference to our common stock, such as nonvested restricted stock awards. Under the plan, nonvested restricted stock vests an aggregate of twenty percent each year beginning on the second anniversary date of the grant. The aggregate market value of the nonvested restricted stock at the date of issuance is being amortized on a straight-line basis over the six-year period. We granted 151,000 stock awards under this plan during the three months ended March 31, 2014. This plan expired on January 27, 2014; therefore, no further grants of stock options or stock awards can be made under this plan.

On January 29, 2014, our board of directors adopted a new stock incentive plan. The plan was approved by our shareholders on April 23, 2014. The plan provides for the grant of up to 2,000,000 shares of common stock to our officers and key employees through stock options and/or awards valued in whole or in part by reference to our common stock, such as nonvested restricted stock awards. Terms of the plan are similar to the 2004 plan discussed above. We granted 153,000 stock awards under this plan during the three months ended March 31, 2015. As of March 31, 2015, there were 1,848,626 shares available for granting options or stock awards.

During the three months ended March 31, 2015 and 2014, we purchased and retired 49,078 and 40,210 shares of our outstanding common stock at an average purchase price of $2.46 and $2.41 per share, respectively. These purchases were made from employees in connection with the vesting of restricted stock awards under our Stock Incentive Plan and were not pursuant to the aforementioned repurchase authorization. Since the vesting of a restricted stock award is a taxable event to our employees for which income tax withholding is required, the plan allows employees to surrender to us some of the shares that would otherwise have vested in satisfaction of their tax liability. The surrender of these shares is treated by us as a purchase of the shares.

NOTE 7 Fair Value Measurements

Our financial instruments are classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following table summarizes the valuation of our financial instrument pricing levels as of March 31, 2015 and December 31, 2014:

	Total	Level 1	Level 2	Level 3
March 31, 2015				
Available-for-sale securities	$ 841,000	$ 841,000	$	$
December 31, 2014				
Available-for-sale securities	$ 820,000	$ 820,000	$	$

Our investments in available-for-sale securities consist of mutual funds. These investments are included in other assets on our consolidated balance sheets.

The carrying amounts of other financial instruments reported in our consolidated balance sheets for current assets and current liabilities approximate their fair values because of the short maturity of these instruments.

At March 31, 2015 and December 31, 2014, there was $11,780,000 and $10,760,000, respectively, outstanding under our revolving credit agreement. The borrowings under our revolving credit agreement bear interest at the variable rate described in NOTE 4 Long-Term Debt and therefore we believe approximate fair value.

NOTE 8 Related Party Transactions

During the three months ended March 31, 2015 and 2014, Dover Downs Gaming & Entertainment, Inc. (Gaming), a company related through common ownership, allocated costs of $445,000 and $466,000, respectively, to us for certain administrative and operating services, including leased space. We allocated certain administrative and operating service costs of $87,000 and $61,000, respectively, to Gaming for the three months ended March 31, 2015 and 2014. The allocations were based on an analysis of each company s share of the costs. In connection with our spring NASCAR event weekend at Dover International Speedway, we invoiced Gaming $36,000 and $5,000, respectively, for the three months ended March 31, 2015 and 2014 for tickets to the event. As of March 31, 2015 and December 31, 2014, our consolidated balance sheets included an $11,000 and $22,000 payable to Gaming for the aforementioned items. These items were settled in April of 2015 and January of 2015, respectively. The net costs incurred by each company for these services are not necessarily indicative of the costs that would have been incurred if the companies had been unrelated entities and/or had otherwise independently managed these functions; however, management believes that these costs are reasonable.

Prior to the spin-off of Gaming from our company in 2002, both companies shared certain real property in Dover, Delaware. At the time of the spin-off, some of this real property was transferred to Gaming to ensure that the real property holdings of each company was aligned with its past uses and future business needs. During its harness racing season, Gaming has historically used the 5/8-mile harness racing track that is located on our property and is on the inside of our one-mile motorsports superspeedway. In order to continue this historic use, we granted a perpetual easement to the harness track to Gaming at the time of the spin-off. This perpetual easement allows Gaming to have exclusive use of the harness track during the period beginning November 1 of each year and ending April 30 of the following year, together with set up and tear down rights for the two weeks before and after such period. The easement requires that Gaming maintain the harness track but does not require the payment of any rent.

Various easements and agreements relative to access, utilities and parking have also been entered into between us and Gaming relative to our respective Dover, Delaware facilities. We pay rent to Gaming for the lease of our principal executive office space. Gaming also allows us to use its indoor grandstands in connection with our two annual motorsports weekends. This occasional grandstand use is not material to us and Gaming does not assess rent for it; Gaming may also discontinue our use at its discretion.

Henry B. Tippie, Chairman of our Board of Directors, controls in excess of fifty percent of our voting power. Mr. Tippie s voting control emanates from his direct and indirect holdings of common stock and Class A common stock and from his status as trustee of the RMT Trust, our largest stockholder. This means that Mr. Tippie has the ability to determine the outcome of the election of directors and to determine the outcome of many significant corporate transactions, many of which only require the approval of a majority of our voting power.

Patrick J. Bagley, Timothy R. Horne, Denis McGlynn, Jeffrey W. Rollins, R. Randall Rollins, Richard K. Struthers and Henry B. Tippie are all Directors of Dover Motorsports, Inc. and Gaming. Denis McGlynn is the President and Chief Executive Officer of both companies, Klaus M. Belohoubek is the Senior Vice President General Counsel and Secretary of both companies and Timothy R. Horne is the Senior Vice President Finance and Chief Financial Officer of both companies. Mr. Tippie controls in excess of fifty percent of the voting power of Gaming.

NOTE 9 Commitments and Contingencies

In September 1999, the Sports Authority of the County of Wilson (Tennessee) issued $25,900,000 in Variable Rate Tax Exempt Infrastructure Revenue Bonds, Series 1999, to acquire, construct and develop certain public infrastructure improvements which benefit Nashville Superspeedway, of which $18,000,000 was outstanding at March 31, 2015. Annual principal payments range from $800,000 in September 2015 to $1,600,000 in 2029 and are payable solely from sales taxes and incremental property taxes generated from the facility. These bonds are direct obligations of the Sports Authority and therefore have historically not been required to be recorded on our consolidated balance sheet. If the sales taxes and incremental property taxes (applicable taxes) are insufficient for the payment of principal and interest on the bonds, we would become responsible for the difference. In the event we were unable to make the payments, they would be made pursuant to an $18,302,000 irrevocable direct-pay letter of credit issued by our bank group. We are exposed to fluctuations in interest rates for these bonds.

As of March 31, 2015 and December 31, 2014, $1,931,000 and $1,932,000, respectively, was available in the sales and incremental property tax fund maintained by the Sports Authority to pay the remaining principal and interest due under the bonds. During 2014, we paid $979,000 into the sales and incremental property tax fund and $955,000 was deducted from the fund for principal and interest payments. If we fail to maintain the letter of credit that secures the bonds or we allow an uncured event of default to exist under our reimbursement agreement relative to the letter of credit, the bonds would be immediately redeemable.

Nashville Superspeedway no longer promotes NASCAR events and has not entered into sanction agreements with NASCAR since 2011. We currently use the facility on a limited basis for motorsports track rentals. In 2011 we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the revenue bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility. Due to changing interest rates, the provision for contingent obligation increased (decreased) by $23,000 and ($78,000) in the first three months of 2015 and 2014, respectively, and is $1,836,000 at March 31, 2015. An increase in interest rates would result in an increase in the portion of debt service not covered by applicable taxes and therefore an increase in our liability. On May 29, 2014, we entered into a definitive agreement to sell the Nashville facility to NeXovation, Inc. for $27 million in cash and the assumption by NeXovation, Inc. of our obligations under the aforementioned revenue bonds. The sale is scheduled to close on or before May 27, 2015. Upon completion of the sale of the assets of Nashville Superspeedway, we will reverse the contingent obligation which will increase our pre-tax earnings by the amount of the obligation at the time it is reversed.

We are also a party to ordinary routine litigation incidental to our business. Management does not believe that the resolution of any of these matters is likely to have a material adverse effect on our results of operations, financial position or cash flows.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is based upon and should be read together with the consolidated financial statements and notes thereto included elsewhere in this document.

We classify our revenues as admissions, event-related, broadcasting and other. Admissions includes ticket sales for all of our events. Event-related revenue includes amounts received from sponsorship fees; luxury suite rentals; hospitality tent rentals and catering; concessions and souvenir sales and vendor commissions for the right to sell concessions and souvenirs at our facilities; sales of programs; track rentals and other event-related revenues. Additionally, event-related revenue includes amounts received for the use of our property and a portion of the concession sales we manage from the Firefly Music Festival. Broadcasting revenue includes rights fees obtained for television and radio broadcasts of events held at our speedway and any ancillary media rights fees.

Revenues pertaining to specific events are deferred until the event is held. Concession revenue from concession stand sales and sales of souvenirs are recorded at the time of sale. Revenues and related expenses from barter transactions in which we provide advertising or other goods or services in exchange for sponsorships of motorsports events are recorded at fair value. There was no revenue recorded from barter transactions for the three months ended March 31, 2015 or 2014.

Expenses that are not directly related to a specific event are expensed as incurred. Expenses that specifically relate to an event are deferred until the event is held, at which time they are expensed. These expenses include prize and point fund monies and sanction fees paid to NASCAR, a majority of our marketing expenses and other expenses associated with the promotion of our racing events.

Results of Operations

Three Months Ended March 31, 2015 vs. Three Months Ended March 31, 2014

We promoted no racing events during the first quarter of 2015 or 2014; therefore, our revenues were minimal.

Operating and marketing expenses increased slightly to $1,109,000 in the first quarter of 2015 as compared to $1,035,000 in the first quarter of 2014.

General and administrative expenses increased slightly to $1,940,000 in the first quarter of 2015 as compared to $1,860,000 in the first quarter of 2014.

Depreciation expense increased to $1,545,000 in the first quarter of 2015 as compared to $825,000 in the first quarter of 2014. The increase was due primarily to shortening of the service lives of certain assets that will be retired as a result of our planned reduction of grandstand seating. We expect to record approximately $1,487,000 of depreciation expense on these assets during the remainder of 2015.

Income from assets held for sale relates to payments we received in the first quarter of 2015 from the buyer of our Nashville Superspeedway facility to extend the closing date of settlement.

Net interest expense was $147,000 in the first quarter of 2015 as compared to $165,000 in the first quarter of 2014. The decrease was due primarily to lower average borrowings.

Our effective income tax rates for the first quarters of 2015 and 2014 were 40.4% and 41.5%, respectively.

Liquidity and Capital Resources

Our operations and cash flows from operating activities are seasonal in nature.

Net cash used in operating activities was $855,000 for the three months ended March 31, 2015 as compared to $182,000 for the three months ended March 31, 2014. Due to the seasonal nature of our business, we reported a net loss in the first quarter of 2015 and 2014. The increase in cash used in operating activities in the first quarter of 2015 was primarily due to the timing of payments related to our spring NASCAR event weekend.

Net cash provided by investing activities was $46,000 for the three months ended March 31, 2015 as compared to net cash used in investing activities of $116,000 for the three months ended March 31, 2014. Capital expenditures in the first quarter of 2015 of $753,000 related to improvements, primarily the installation of fiber optic cable, at our Dover facility. Capital expenditures of $116,000 in the first quarter of 2014 related to improvements, primarily the replacement of the speedway safety fence and equipment purchases at our Dover facility. In May 2014, we entered into an agreement to sell our Nashville Superspeedway facility which is recorded as assets held for sale at March 31, 2015 and December 31, 2014. During the first quarter of 2015, we received $800,000 from the buyer to extend the closing date.

Net cash provided by financing activities was $899,000 for the three months ended March 31, 2015 as compared to $591,000 for the three months ended March 31, 2014. We had net borrowings on our outstanding line of credit of $1,020,000 in the first quarter of 2015 as compared to $720,000 in the first quarter of 2014. During the first three months of 2014, we purchased and retired 13,950 shares of our outstanding common stock in the open market for $32,000. No purchases of our equity securities from the open market were made during the first three months of 2015. Additionally, we purchased and retired 49,078 and 40,210 shares of our outstanding common stock for $121,000 and $97,000 during the three months ended March 31, 2015 and 2014, respectively, from employees in connection with the vesting of restricted stock awards under our stock incentive plan.

At March 31, 2015, Dover Motorsports, Inc. and its wholly owned subsidiaries Dover International Speedway, Inc. and Nashville Speedway, USA, Inc., as co-borrowers had a $35,000,000 secured credit agreement with a bank group. The credit facility expires on July 31, 2017. Interest is based upon LIBOR plus a margin that varies between 125 and 175 basis points depending on the leverage ratio (150 basis points at March 31, 2015). The facility provides that we may elect to enter into a negative pledge with the bank group in exchange for the release of the security interest in the collateral securing the agreement. In the event we elect to enter into the negative pledge, interest will be based upon LIBOR plus a margin that varies between 150 and 200 basis points depending on the leverage ratio. The credit facility contains certain covenants including maximum funded debt to earnings before interest, taxes, depreciation and amortization (leverage ratio) and a minimum fixed charge coverage ratio. Material adverse changes in our results of operations could impact our ability to maintain financial ratios necessary to satisfy these requirements. In addition, the credit agreement includes a material adverse change clause and provides the lenders with a first lien on all of our assets. The credit facility also provides that if we default under any other loan agreement, that would be a default under this facility. At March 31, 2015, there was $11,780,000 outstanding under the credit facility at an interest rate of 1.68%. The credit facility provides for seasonal funding needs, capital improvements, letter of credit requirements and other general corporate purposes. At March 31, 2015, we were in compliance with the terms of the credit facility. After consideration of stand-by letters of credit outstanding, the remaining maximum borrowings available pursuant to the credit facility were $4,918,000 at March 31, 2015. We expect to be in compliance with the financial covenants, and all other covenants, for all measurement periods during the next twelve months.

Nashville Superspeedway no longer promotes NASCAR events and has not entered into sanction agreements with NASCAR since 2011. We currently use the facility on a limited basis for motorsports track rentals. On May 29, 2014, we entered into a definitive agreement to sell the facility to NeXovation, Inc. for $27 million in cash and the assumption by NeXovation, Inc. of obligations of ours under certain Variable Rate Tax Exempt Infrastructure Revenue Bonds. The sales agreement has been amended several times extending the closing date. In consideration for these amendments, during 2014 we received $1.7 million in non-refundable deposits from the buyer which will be applied against the purchase price at closing. In the first quarter of 2015, we received two payments of $200,000 each to extend closing under the agreement, which amounts will not be applied against the purchase price. We also received an additional $400,000 to further extend closing under the agreement, and depending on the closing date, a prorated portion of this amount will be applied against the purchase price. Of the $800,000 received in the first quarter of 2015 to extend closing, $427,000 has been recorded as income from assets held for sale in our consolidated statements of operations as that amount will not be applied against the purchase price at closing. The remaining $373,000 is included in accrued expenses at March 31, 2015. The sale is scheduled to close on or before May 27, 2015. Our gain would be the $27 million purchase price less the facility s $26 million carrying value and less any costs to sell which are expected to be minimal and consist primarily of legal fees. We also expect to pay income taxes of approximately $4.5-5.0 million as a result of this transaction. As a result of the expected sale, the assets of Nashville Superspeedway are reported as assets held for sale in our consolidated balance sheet at March 31, 2015 and December 31, 2014. In 2011 we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the revenue bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility (see NOTE 9 Commitments and Contingencies of the consolidated financial statements included elsewhere in this document for further discussion). Due to changing interest rates, the provision for contingent obligation increased (decreased) by $23,000 and ($78,000) in the first three months of 2015 and 2014, respectively, and is $1,836,000 at March 31, 2015. Upon completion of the sale of the assets of Nashville Superspeedway, we will reverse the contingent obligation which will increase our pre-tax earnings by the amount of the obligation at the time it is reversed.

We promoted six racing events in 2014, all of which were sanctioned by NASCAR and held at our Dover International Speedway facility. We have entered into sanction agreements with NASCAR for these same racing events in 2015.

Broadcasting revenues continue to be a significant long-term revenue source for our business. Management believes this long-term contracted revenue helps stabilize our financial strength, earnings and cash flows. Also, NASCAR ratings can impact attendance at our events and sponsorship opportunities. A substantial portion of our profits in recent years has resulted from television revenues received from NASCAR contracts with various television networks, which is expected to continue for the foreseeable future. The eight-year television broadcasting agreement with various television networks which expired in 2014 was negotiated and contracted by NASCAR (as were the new contracts discussed below). Our share of these television broadcast revenues are contracted, and purse and sanction fees are negotiated, with NASCAR on an annual basis for each NASCAR-sanctioned racing event scheduled to be held by us in the upcoming year. Under these annual agreements, we are obligated to conduct events in the manner stipulated under the terms and conditions of the respective sanctioning agreements.

In 2013, NASCAR announced it reached a ten-year, multi-platform agreement with FOX Sports Media Group (FOX) for the broadcasting and digital rights to 16 NASCAR Sprint Cup Series races, 14 Xfinity Series races and the entire Camping World Truck Series (along with practice and qualifying) beginning in 2015 through 2024. For the first time, the new agreement includes TV Everywhere rights that allow live-streaming of all FOX races, before and after race coverage, in-progress and finished race highlights, and replays of FOX-televised races to a Fox Sports-affiliated website which began in 2013. The new agreement also allows re-telecast of races on a FOX network and via video-on-demand for 24 hours and other ancillary programming, including a nightly NASCAR news and information show and weekend at-track shows. NASCAR and FOX Deportes, the number one US Latino sports network, have teamed up to provide our sport s most expansive Spanish-language broadcast offering ever with coverage of 15 NASCAR Sprint Cup Series races which started in 2013.

Additionally in 2013, NASCAR announced it reached a ten-year comprehensive agreement with NBC Sports Group granting NBCUniversal (NBC) exclusive rights to 20 NASCAR Sprint Cup Series races, 19 NASCAR Xfinity Series events, select NASCAR Regional & Touring Series events and other live content beginning in 2015. Further, NBC has been granted Spanish-language rights, certain video-on-demand rights and exclusive TV Everywhere rights for its NASCAR Sprint Cup Series and NASCAR Xfinity Series events.

Looking forward, television broadcast revenues under NASCAR s new broadcast rights agreements beginning in 2015 are expected to increase between 3 percent and 5 percent annually over the 10-year contract term.

We have hosted the Firefly Music Festival on our property in Dover, Delaware for three consecutive years. The inaugural three day festival with 40 musical acts was held in July 2012, followed by a three day festival in June 2013 with over 70 musical acts and an expanded four day festival in June 2014 with over 100 musical acts. The promoter of the event, Red Frog Events LLC has announced that the event will return to Dover on June 18-21, 2015. In September 2014, Red Frog Events formed RFGV Festivals LLC - a joint venture with Goldenvoice that will promote Firefly. Goldenvoice is owned by AEG Live, one of the world s largest presenters of live music and entertainment events. We entered into an amended agreement with RFGV Festivals granting them two 5 year options to extend our facility rental agreement through 2032 (from its original expiration date of 2022) in exchange for a rental commitment to secure our property for up to two festivals per year. Rent is at differing rates depending on how many events are actually held. In December 2014, we announced that the inaugural Big Barrel Country Music Festival will be held at our facility on June 26-28, 2015. The three day festival will be promoted by RFGV Festivals and will feature an estimated 50 musical acts. We also receive a percentage of the concession sales we manage at the events.

We expect that our net cash flows from operating activities and funds available from our credit facility will be sufficient to provide for our working capital needs, capital spending requirements, stock repurchases, as well as any cash dividends our Board of Directors may declare at least through the next twelve months and also provide for our long-term liquidity. Based on current business conditions, we expect to spend approximately $1,750,000 on capital expenditures during the remainder of 2015. We do not expect to contribute to our defined benefit pension plans during 2015.

Contractual Obligations

At March 31, 2015, we had the following contractual obligations and other commercial commitments:

	Payments Due by Period				
	Total	**2015**	**2016 2017**	**2018 2019**	**Thereafter**
Revolving line of credit	$ 11,780,000	$	$ 11,780,000	$	$
Estimated interest payments on revolving line of credit(a)	461,000	148,000	313,000		
Contingent obligation(b)	1,836,000				1,836,000
Purchase obligation(c)	106,000	106,000			
Total contractual cash obligations	$ 14,183,000	$ 254,000	$ 12,093,000	$	$ 1,836,000

(a) The future interest payments on our revolving credit agreement were estimated using the current outstanding principal as of March 31, 2015 and current interest rates.

(b) In September 1999, the Sports Authority of the County of Wilson (Tennessee) issued $25,900,000 in Variable Rate Tax Exempt Infrastructure Revenue Bonds, Series 1999, to acquire, construct and develop certain public infrastructure improvements which benefit Nashville Superspeedway, of which $18,000,000 was outstanding at March 31, 2015. Annual principal payments range from $800,000 in September 2015 to $1,600,000 in 2029 and are payable solely from sales taxes and incremental property taxes generated from the facility. These bonds are direct obligations of the Sports Authority and therefore have historically not been required to be recorded on our consolidated balance sheet. If the applicable taxes are insufficient for the payment of principal and interest on the bonds, we would become responsible for the difference. In the event we were unable to make the payments, they would be made pursuant to an $18,302,000 irrevocable direct-pay letter of credit issued by our bank group. We are exposed to fluctuations in interest rates for these bonds.

As of March 31, 2015 and December 31, 2014, $1,931,000 and $1,932,000, respectively, was available in the sales and incremental property tax fund maintained by the Sports Authority to pay the remaining principal and interest due under the bonds. During 2014, we paid $979,000 into the sales and incremental property tax fund and $955,000 was deducted from the fund for principal and interest payments. If we fail to maintain the letter of credit that secures the bonds or we allow an uncured event of default to exist under our reimbursement agreement relative to the letter of credit, the bonds would be immediately redeemable.

Nashville Superspeedway no longer promotes NASCAR events and has not entered into sanction agreements with NASCAR since 2011. We currently use the facility on a limited basis for motorsports track rentals. In 2011 we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the revenue bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility. Due to changing interest rates, the provision for contingent obligation increased (decreased) by $23,000 and ($78,000) in the first three months of 2015 and 2014, respectively, and is $1,836,000 at March 31, 2015. On May 29, 2014, we entered into a definitive agreement to sell the Nashville facility to NeXovation, Inc. for $27 million in cash and the assumption by NeXovation, Inc. of our obligations under the aforementioned revenue bonds. The sale is scheduled to close on or before May 27, 2015. Upon completion of the sale of the assets of Nashville Superspeedway, we will reverse the contingent obligation which will increase our pre-tax earnings by the amount of the obligation at the time it is reversed. See NOTE 9 Commitments and Contingencies of the consolidated financial statements included elsewhere in this document for further discussion.

(c) Represents the remaining contracted amount for the replacement of the speedway safety fence and facility improvements at our Dover International Speedway facility.

Related Party Transactions

See NOTE 8 Related Party Transactions of the consolidated financial statements included elsewhere in this document.

Critical Accounting Policies

For a summary of our critical accounting policies and the means by which we develop estimates thereon, see Part II - Item 7. Management s Discussion And Analysis Of Financial Condition And Results Of Operations in our 2014 Annual Report on Form 10-K. There have been no material changes to our critical accounting policies from those included in our 2014 Annual Report on Form 10-K.

Recent Accounting Pronouncements

There have been no new accounting pronouncements made effective during the three months ended March 31, 2015, or that are not yet effective, that have significance, or potential significance, to our consolidated financial statements.

Factors That May Affect Operating Results; Forward-Looking Statements

This report and the documents incorporated by reference may contain forward-looking statements. In Item 1A of this report, we disclose the important factors that could cause our actual results to differ from our expectations.

Item 3. **Quantitative and Qualitative Disclosures About Market Risk**

Not applicable.

Item 4. **Controls and Procedures**

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that relevant, material information is made known to the officers who certify our financial reports and to other members of senior management and the Board of Directors.

Based on their evaluation as of March 31, 2015, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to ensure that the information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the fiscal quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II Other Information

Item 1. Legal Proceedings

We are a party to ordinary routine litigation incidental to our business. Management does not believe that the resolution of any of these matters is likely to have a material adverse effect on our results of operations, financial condition or cash flows.

Item 1A. Risk Factors

In addition to historical information, this report includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, relating to our financial condition, profitability, liquidity, resources, business outlook, possible acquisitions, market forces, corporate strategies, consumer preferences, contractual commitments, legal matters, capital requirements and other matters. Documents incorporated by reference into this report may also contain forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. To comply with the terms of the safe harbor, we note that a variety of factors could cause our actual results and experience to differ substantially from the anticipated results or other expectations expressed in our forward-looking statements. When words and expressions such as: believes, expects, anticipates, estimates, plans, intends, objectives, aims, projects, forecasts, possible, seeks, may, could, should, might, likely or similar words or expressions are used, as well a our view, there can be no assurance or there is no way to anticipate with certainty, forward-looking statements may be involved.

In the section that follows below, in cautionary statements made elsewhere in this report, and in other filings we have made with the SEC, we list important factors that could cause our actual results to differ from our expectations. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors described below and other factors set forth in or incorporated by reference in this report.

These factors and cautionary statements apply to all future forward-looking statements we make. Many of these factors are beyond our ability to control or predict. Do not put undue reliance on forward-looking statements or project any future results based on such statements or on present or prior earnings levels.

Additional information concerning these, or other factors, which could cause the actual results to differ materially from those in our forward-looking statements is contained from time to time in our other SEC filings. Copies of those filings are available from us and/or the SEC.

Our Relationships With And The Success Of NASCAR Is Vital To Our Success In Motorsports

Our continued success in motorsports is dependent upon the success of NASCAR and our ability to secure favorable contracts with and maintain a good working relationship with them. NASCAR regularly issues and awards sanctioned events and their issuance depends, in large part, on maintaining good working relationships with NASCAR. Our NASCAR events are sanctioned on an annual basis with no contractual obligation to renew. By awarding a sanctioned event or a series of sanctioned events, NASCAR does not warrant, nor are they responsible for, the financial success of any sanctioned event. Our success is directly tied to our ability to negotiate favorable terms to our sanction agreements, including the amount of the sanction fee and purse, and our ability to continue to derive economic benefits from such agreements, such as our share of live broadcast revenues.

Our ability to obtain additional sanctioned events in the future and to negotiate favorable terms to our sanction agreements and the success of NASCAR in attracting drivers and teams, signing series sponsors and negotiating favorable television and/or radio broadcast rights is dependent on many factors which are largely outside of our control. As our success depends on the terms of our sanction agreements and the success of each event or series that we are promoting, a material change in the terms of a sanction agreement or a material adverse effect on NASCAR, such as the loss or defection of top drivers, the loss of significant series sponsors, or the failure to obtain favorable broadcast coverage or to properly advertise the event or series could result in a reduction in our revenues from live broadcast coverage, admissions, luxury suite rentals, sponsorships, hospitality, concessions and merchandise, which could have a material adverse effect on our business, financial condition and results of operations.

Changes To Media Rights Revenues Could Adversely Affect Us

Broadcast revenues that are paid to us by NASCAR represent the largest component of our revenues and earnings and any adverse changes to such revenues could adversely impact our results. NASCAR s broadcast agreements, which expired in 2014, have yielded us significant cash flow. In 2013, NASCAR announced it reached a ten-year extension of its broadcast rights with FOX Sports Media Group (FOX). This agreement extends through the 2024 NASCAR season and allows FOX to retain the television rights to 16 NASCAR Sprint Cup Series races, 14 NASCAR Xfinity Series events and the entire NASCAR Camping World Truck Series season. Additionally in 2013, NASCAR announced it reached a ten-year agreement with NBC Sports Group granting exclusive rights through 2024 to 20 NASCAR Sprint Cup Series races, 19 NASCAR Xfinity Series events, select NASCAR Regional & Touring Series events and other live content beginning in 2015. Material changes in the broadcast industry or the financial value of broadcast agreements, material changes in the ratings for NASCAR events or in the NASCAR race schedule, or material changes in the perception of fans or sponsors due to such factors could have a material adverse effect on our revenues and financial results.

We Rely On Sponsorship Contracts To Generate Revenues

We receive a portion of our annual revenues from sponsorship agreements, including the sponsorship of our various events and venue, such as title, official product and promotional partner sponsorships, billboards, signage and skyboxes. We are continuously in negotiations with existing sponsors and actively seeking new sponsors as there is significant competition for sponsorships. Some of our events may not secure a title sponsor every year, may not secure a sufficient number of sponsorships on favorable terms, or may not secure sponsorships sufficiently enough in advance of an event for maximum impact. Loss of our existing title sponsors or other major sponsorship agreements or failure to secure sponsorship agreements in the future on favorable terms could have a material adverse effect on our business, financial condition and results of operations.

Our Motorsports Events Face Intense Competition For Attendance, Television Viewership And Sponsorship

We compete with other auto speedways for the patronage of motor racing spectators as well as for sponsorships. Moreover, racing events sanctioned by different organizations are often held on the same dates at different tracks. The quality of the competition, type of racing event, caliber of the event, sight lines, ticket pricing, location and customer conveniences and amenities, among other things, distinguish the motorsports facilities. In addition, all of our events compete with other sports and recreational events scheduled on the same dates. As a result, our revenues and operations are affected not only by our ability to compete in the motorsports promotion market, but also by the availability of alternative spectator sports events, forms of entertainment, changing consumer preferences and opportunities for corporations to acquire sponsorships.

General Market And Economic Conditions, Including Consumer And Corporate Spending, Could Negatively Affect Our Financial Results

Our financial results depend significantly upon a number of factors relating to discretionary consumer and corporate spending, including economic conditions affecting disposable consumer income and corporate budgets.

The combination of high unemployment, high fuel prices, escalating health care costs, tight credit markets, difficult residential real estate and mortgage markets, stock market volatility, changes in (together with political uncertainty concerning) governmental policies relative to spending, taxation and regulation, among other factors, have led to low levels of consumer confidence. These economic factors have dampened, and may continue to dampen, consumer and corporate spending, including adversely impacting disposable income and recreational and entertainment spending, resulting in a negative impact on our motorsports and non-motorsports activities. We are unable to quantify the effect of these economic factors, but we believe that reduced consumer and corporate spending has, and we believe will continue to, negatively impact admissions, sponsorship, advertising and hospitality spending, concession and souvenir sales demand, luxury suite, and other event related revenue, with related effects on our revenues, profitability and cash flows. High fuel prices could also significantly impact our future results.

These factors can impact both attendance at our events and advertising and marketing dollars available from the motorsports industry s principal sponsors and potential sponsors. Economic and other lifestyle conditions such as illiquid consumer and business credit markets adversely affect consumer and corporate spending thereby impacting our growth, revenue and profitability.

We cannot determine when or whether economic conditions will improve. Other factors that can affect consumer and corporate spending include hurricanes, flooding, earthquakes and other natural disasters, elevated terrorism alerts, terrorist attacks, military actions, air travel concerns, and geopolitical events, as well as various industry and other business conditions. Such factors or incidents, even if not directly impacting us, can disrupt or otherwise adversely impact the financial results, spending sentiment and interest of our present or potential customers. There can be no assurance that consumer and corporate spending will not be further adversely impacted by current or unforeseen economic or geopolitical conditions, thereby possibly having a material adverse impact on our future operating results and growth.

The Sales Tax And Property Tax Revenues To Service The Revenue Bonds For Infrastructure Improvements At Nashville May Be Inadequate

In September 1999, the Sports Authority of the County of Wilson (Tennessee) issued $25,900,000 in revenue bonds to build local infrastructure improvements which benefit Nashville Superspeedway, of which $18,000,000 was outstanding at March 31, 2015. Debt service on the bonds is payable solely from sales taxes and incremental property taxes generated from the facility. As of March 31, 2015 and December 31, 2014, $1,931,000 and $1,932,000, respectively, was available in the sales and incremental property tax fund maintained by the Sports Authority to pay the remaining principal and interest due under the bonds. During 2014, we paid $979,000 into the sales and incremental property tax fund and $955,000 was deducted from the fund for principal and interest payments. These bonds are direct obligations of the Sports Authority and therefore have historically not been required to be recorded on our consolidated balance sheet. In the event the sales taxes and incremental property taxes (applicable taxes) are insufficient to cover the payment of principal and interest on the bonds, we would become responsible for the difference. We are exposed to fluctuations in interest rates for these bonds. In the event we were unable to make the payments, they would be made under an $18,302,000 irrevocable direct-pay letter of credit issued by our bank group. We would be responsible to reimburse the banks for any drawings made under the letter of credit. Such an event could have a material adverse effect on our business, financial condition and results of operations and compliance with debt covenants.

Nashville Superspeedway no longer promotes NASCAR events and has not entered into sanction agreements with NASCAR since 2011. We currently use the facility on a limited basis for motorsports track rentals. In 2011 we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the revenue bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility. Due to changing interest rates, the provision for contingent obligation increased (decreased) by $23,000 and ($78,000) in the first three months of 2015 and 2014, respectively, and is $1,836,000 at March 31, 2015. An increase in interest rates would result in an increase in the portion of debt service not covered by applicable taxes and therefore an increase in our liability. See NOTE 9 Commitments and Contingencies of the consolidated financial statements included elsewhere in this document for further discussion.

On May 29, 2014, we entered into a definitive agreement to sell the Nashville facility to NeXovation, Inc. for $27 million in cash and the assumption by NeXovation, Inc. of our obligations under the aforementioned revenue bonds. The sale is scheduled to close on or before May 27, 2015. Upon completion of the sale of the assets of Nashville Superspeedway, we will reverse the contingent obligation which will increase our pre-tax earnings by the amount of the obligation at the time it is reversed.

The Seasonality Of Our Motorsports Events Increases The Variability Of Quarterly Earnings

Our business has been, and is expected to remain, seasonal given that it depends on our outdoor event weekends. We derive substantially all of our total revenues from admissions, event-related and broadcasting revenue attributable to our NASCAR-sanctioned events at Dover, Delaware which were held in the second and third quarters. As a result, quarterly earnings will vary.

Substantially All Of Our Motorsports Revenue is Attributable to One Location

Substantially all of our motorsports revenue comes from Dover International Speedway in Dover, Delaware. Any prolonged disruption of operations at this facility due to damage or destruction, inclement weather, natural disaster, work stoppages or other reasons could adversely affect our financial condition and results of operations. We maintain property and business interruption insurance to protect against certain types of disruption, but there can be no assurance that the proceeds of such insurance would be adequate to repair or rebuild our facilities or to otherwise compensate us for lost profits.

Our Insurance May Not Be Adequate To Cover Catastrophic Incidents

We maintain insurance policies that provide coverage within limits that are sufficient, in the opinion of management, to protect us from material financial loss incurred in the ordinary course of business. We also purchase special event insurance for motorsports events to protect against race-related liability. However, there can be no assurance that this insurance will be adequate at all times and in all circumstances. If we are held liable for damages beyond the scope of our insurance coverage, including punitive damages, our business, financial condition and results of operations could be materially and adversely affected.

In addition, sanctioning bodies could impose more stringent rules and regulations for safety, security and operational activities. Such regulations have included, for example, the installation of new retaining walls at our facilities, which have increased our capital expenditures, and increased security procedures which have increased our operational expenses.

Bad Weather Can Have An Adverse Financial Impact On Our Motorsports Events

We sponsor and promote outdoor motorsports events. Weather conditions, or even the forecast of poor weather, can affect sales of tickets, concessions and merchandise at these events. Although we sell many tickets well in advance of the outdoor events and these tickets are issued on a non-refundable basis, poor weather may adversely affect additional ticket sales and concessions and merchandise sales, which could have an adverse effect on our business, financial condition and results of operations.

We do not currently maintain weather-related insurance for major events. Due to the importance of clear visibility and safe driving conditions to motorsports racing events, outdoor racing events may be significantly affected by weather patterns and seasonal weather changes. Any unanticipated weather changes could impact our ability to stage events. This could have a material adverse effect on our business, financial condition and results of operations.

Postponement And/Or Cancellation Of Major Motorsports Events Could Adversely Affect Us

If one of our events is postponed because of weather or other reasons such as, for example, the general postponement of all major sporting events in this country following the September 11, 2001 terrorism attacks, we could incur increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, concessions and merchandise at the rescheduled event. If an event is cancelled, we could incur the expenses associated with preparing to conduct the event as well as lose the revenues, including live broadcast revenues associated with the event.

If a cancelled event is part of a NASCAR series, we could experience a reduction in the amount of money received from television revenues for all of our NASCAR-sanctioned events in the series that experienced the cancellation. This would occur if, as a result of the cancellation, and without regard to whether the cancelled event was scheduled for one of our facilities, NASCAR experienced a reduction in broadcast revenues greater than the amount scheduled to be paid to the promoter of the cancelled event.

Due To Our Concentrated Stock Ownership, Stockholders May Have No Effective Voice In Our Management

We have elected to be treated as a controlled corporation as defined by New York Stock Exchange (NYSE) Rule 303A. We are a controlled corporation because a single person, Henry B. Tippie, the Chairman of our Board of Directors, controls in excess of fifty percent of our voting power. This means that he has the ability to determine the outcome of the election of directors at our annual meetings and to determine the outcome of many significant corporate transactions, many of which only require the approval of a majority of our voting power. Such a concentration of voting power could also have the effect of delaying or preventing a third party from acquiring us at a premium. In addition, as a controlled corporation, we are not required to comply with certain NYSE rules.

Our Success Depends On The Availability And Performance Of Key Personnel

Our continued success depends upon the availability and performance of our senior management team which possesses unique and extensive industry knowledge and experience. Our inability to retain and attract key employees in the future could have a negative effect on our operations and business plans.

We Are Subject To Changing Governmental Regulations And Legal Standards That Could Increase Our Expenses

Our motorsports facilities are on large expanses of property which we own. Laws and regulations governing the use and development of real estate may delay or complicate any improvements we choose to make and/or increase the costs of any improvements or our costs of operating.

If it is determined that damage to persons or property or contamination of the environment has been caused or exacerbated by the operation or conduct of our business or by pollutants, substances, contaminants or wastes used, generated or disposed of by us, or if pollutants, substances, contaminants or wastes are found on property currently or previously owned or operated by us, we may be held liable for such damage and may be required to pay the cost of investigation and/or remediation of such contamination or any related damage.

State and local laws relating to the protection of the environment also can include noise abatement laws that may be applicable to our racing events. In addition certain laws and regulations, including the Americans with Disabilities Act and the Occupational Safety and Health Act are constantly evolving. Changes in the provisions or application of federal, state or local environmental, land use or other laws, regulations or requirements to our facilities or operations, or the discovery of previously unknown conditions, could require us to make additional material expenditures to remediate or attain compliance.

Regulations governing the use and development of real estate may prevent us from acquiring or developing facilities, substantially delay or complicate the process of improving facilities, and/or increase the costs of any of such activities.

We undertake no obligation to publicly update or revise any forward-looking statements as a result of future developments, events or conditions. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ significantly from those forecast in any forward-looking statements. Given these risks and uncertainties, stockholders should not overly rely or attach undue weight to our forward-looking statements as an indication of our actual future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On July 28, 2004, our Board of Directors authorized the repurchase of up to 2,000,000 shares of our outstanding common stock. The purchases may be made in the open market or in privately negotiated transactions as conditions warrant. The repurchase authorization has no expiration date, does not obligate us to acquire any specific number of shares and may be suspended at any time. No purchases of our equity securities were made pursuant to this authorization during the first quarter of 2015. At March 31, 2015, we had remaining repurchase authority of 1,178,131 shares.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a)

31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a)

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Sec. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Sec. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

101 The following materials from the Dover Motorsports, Inc. quarterly report on Form 10-Q for the quarter ended March 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2015 and 2014; (ii) Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014; (iii) Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and 2014; and (iv) Notes to the Consolidated Financial Statements.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED: May 1, 2015

Dover Motorsports, Inc.
Registrant

/s/ Denis McGlynn
Denis McGlynn
President, Chief Executive Officer
and Director
(Principal Executive Officer)

/s/ Timothy R. Horne
Timothy R. Horne
Senior Vice President-Finance,
Chief Financial Officer
and Director
(Principal Financial and Accounting Officer)