Consolidated Balance Sheets

	November 30, 2004	November 30, 2005
	(In Thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 160,978	$ 130,758
Short-term investments	115,000	8,200
Receivables, less allowance of $1,500 in 2004 and 2005	52,798	45,557
Inventories	7,267	6,528
Prepaid expenses and other current assets	5,032	6,335
Total Current Assets	341,075	197,378
Property and Equipment, net	969,095	1,178,682
Other Assets:		
Equity investments	36,489	51,160
Intangible assets, net	148,989	149,464
Goodwill	99,265	99,507
Deposits with Internal Revenue Service	-	96,913
Other	24,597	23,965
	309,340	421,009
Total Assets	$ 1,619,510	$ 1,797,069
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 7,505	$ 635
Accounts payable	28,854	19,274
Deferred income	114,518	123,870
Income taxes payable	25,241	20,067
Other current liabilities	15,078	18,645
Total Current Liabilities	191,196	182,491
Long-Term Debt	369,315	368,387
Deferred Income Taxes	165,617	194,825
Long-Term Deferred Income	11,503	11,342
Other Long-Term Liabilities	141	69
Commitments and Contingencies	-	-
Shareholders' Equity:		
Class A Common Stock, $.01 par value, 80,000,000 shares authorized; 28,858,934 and 29,394,344 issued and outstanding in 2004 and 2005, respectively	289	295
Class B Common Stock, $.01 par value, 40,000,000 shares authorized; 24,409,903 and 23,928,058 issued and outstanding in 2004 and 2005, respectively	244	239
Additional paid-in capital	696,882	699,879
Retained earnings	187,689	343,766
Accumulated other comprehensive loss	(22)	-
	885,082	1,044,179
Less unearned compensation-restricted stock	3,344	4,224
Total Shareholders' Equity	881,738	1,039,955
Total Liabilities and Shareholders' Equity	$ 1,619,510	$ 1,797,069

See accompanying notes

Consolidated Statements of Operations

	Year Ended November 30, 2003	2004	2005
	(In Thousands, Except Per Share Amounts)		
REVENUES:			
Admissions, net	$ 203,699	$ 222,545	$ 234,768
Motorsports related	265,209	334,943	408,514
Food, beverage and merchandise	74,075	83,236	87,269
Other	6,072	7,124	9,578
	549,055	647,848	740,129
EXPENSES:			
Direct expenses:			
Prize and point fund monies and NASCAR sanction fees	96,882	119,322	136,816
Motorsports related	97,771	113,073	134,395
Food, beverage and merchandise	41,467	52,285	56,773
General and administrative	82,403	90,307	95,987
Depreciation and amortization	40,860	44,443	50,893
Homestead-Miami Speedway track reconfiguration	2,829	-	-
	362,212	419,430	474,864
Operating income	186,843	228,418	265,265
Interest income	1,789	4,053	4,860
Interest expense	(23,179)	(21,723)	(12,693)
Loss on early redemption of debt	-	(4,988)	-
Equity in net income from equity investments	2,553	2,754	3,516
Income from continuing operations before income taxes	168,006	208,514	260,948
Income taxes	66,041	82,218	101,876
Income from continuing operations	101,965	126,296	159,072
Income (loss) from discontinued operations, net of income taxes of $1.4 million, ($3.7) million and $0, respectively	3,483	(6,315)	289
Gain on sale of discontinued operations, net of income taxes of $27.6 million	-	36,337	-
Net income	$ 105,448	$ 156,318	$ 159,361
Basic earnings per share:			
Income from continuing operations	$ 1.92	$ 2.38	$ 2.99
Income (loss) from discontinued operations	0.07	(0.12)	0.01
Gain on sale of discontinued operations	-	0.68	-
Net income	$ 1.99	$ 2.94	$ 3.00
Diluted earnings per share:			
Income from continuing operations	$ 1.92	$ 2.37	$ 2.99
Income (loss) from discontinued operations	0.06	(0.11)	-
Gain on sale of discontinued operations	-	0.68	-
Net income	$ 1.98	$ 2.94	$ 2.99
Dividends per share	$ 0.06	$ 0.06	$ 0.06
Basic weighted average shares outstanding	53,057,077	53,084,437	53,128,533
Diluted weighted average shares outstanding	53,133,282	53,182,776	53,240,183

See accompanying notes

Consolidated Statements of Changes in Shareholders' Equity

	Class A Common Stock $.01 Par Value	Class B Common Stock $.01 Par Value	Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive (Loss) Income	Unearned Compensation-Restricted Stock	Total Shareholders' Equity
				(In Thousands)			
Balance at November 30, 2002	$ 253	$ 279	$ 693,463	$ (67,641)	$ (874)	$ (3,155)	$ 622,325
Comprehensive income							
Net income	-	-	-	105,448	-	-	105,448
Interest rate swap	-	-	-	-	541	-	541
Total comprehensive income							105,989
Cash dividends ($.06 per share)	-	-	-	(3,193)	-	-	(3,193)
Restricted stock grant	-	-	1,595	-	-	(1,595)	-
Reacquisition of previously issued common stock	-	-	(340)	(12)	-	-	(352)
Conversion of Class B Common Stock to Class A Common Stock	30	(30)	-	-	-	-	-
Income tax benefit related to restricted stock plan	-	-	1	-	-	-	1
Amortization of unearned compensation	-	-	-	-	-	1,695	1,695
Balance at November 30, 2003	283	249	694,719	34,602	(333)	(3,055)	726,465
Comprehensive income							
Net income	-	-	-	156,318	-	-	156,318
Interest rate swap	-	-	-	-	311	-	311
Total comprehensive income							156,629
Cash dividends ($.06 per share)	-	-	-	(3,196)	-	-	(3,196)
Exercise of stock options	-	-	442	-	-	-	442
Restricted stock grant	1	-	2,022	-	-	(2,023)	-
Reacquisition of previously issued common stock	-	-	(361)	(35)	-	-	(396)
Conversion of Class B Common Stock to Class A Common Stock	5	(5)	-	-	-	-	-
Income tax benefit related to restricted stock plan	-	-	60	-	-	-	60
Amortization of unearned compensation	-	-	-	-	-	1,734	1,734
Balance at November 30, 2004	289	244	696,882	187,689	(22)	(3,344)	881,738
Comprehensive income							
Net income	-	-	-	159,361	-	-	159,361
Interest rate swap	-	-	-	-	22	-	22
Total comprehensive income							159,383
Cash dividends ($.06 per share)	-	-	-	(3,199)	-	-	(3,199)
Exercise of stock options	-	-	444	-	-	-	444
Restricted stock grant	1	-	2,906	-	-	(2,907)	-
Reacquisition of previously issued common stock	-	-	(426)	(85)	-	-	(511)
Conversion of Class B Common Stock to Class A Common Stock	5	(5)	-	-	-	-	-
Forfeitures of restricted shares	-	-	(74)	-	-	46	(28)
Income tax benefit related to restricted stock plan	-	-	147	-	-	-	147
Amortization of unearned compensation	-	-	-	-	-	1,981	1,981
Balance at November 30, 2005	$ 295	$ 239	$ 699,879	$ 343,766	$ -	$ (4,224)	$1,039,955

See accompanying notes

Consolidated Statements of Cash Flows

	Year Ended November 30, 2003	2004	2005
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$ 105,448	$ 156,318	$ 159,361
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	40,860	44,443	50,893
Discontinued operations depreciation	3,311	1,244	-
Amortization of unearned compensation	1,695	1,734	1,953
Amortization of financing costs	294	250	569
Deferred income taxes	38,471	52,146	29,208
Undistributed income from equity investments	(2,553)	(2,754)	(3,516)
Impairment of long-lived assets	-	13,217	-
Gain on sale of discontinued operations	-	(63,926)	-
Loss on early redemption of debt	-	4,988	-
Homestead-Miami Speedway track reconfiguration	2,829	-	-
Other, net	(37)	1,028	(248)
Changes in operating assets and liabilities			
Receivables, net	(7,439)	(10,959)	7,304
Inventories, prepaid expenses and other assets	(990)	(2,569)	(644)
Deposits with Internal Revenue Service	-	-	(96,913)
Accounts payable and other liabilities	1,040	9,215	(5,359)
Deferred income	8,868	3,187	9,191
Income taxes	2,939	18,424	(5,027)
Net cash provided by operating activities	194,736	225,986	146,772
INVESTING ACTIVITIES			
Capital expenditures	(72,587)	(135,218)	(248,850)
Proceeds from asset disposals	178	86	31
Acquisition of businesses	-	(195,325)	(12,660)
Proceeds from sale of discontinued operations	-	100,391	-
Purchase of equity investments	-	(2,008)	(11,642)
Proceeds from short-term investments	400	147,650	430,950
Purchases of short-term investments	(400)	(262,450)	(324,150)
Proceeds from affiliate	4,075	-	487
Other, net	(1,552)	(1,442)	(377)
Net cash used in investing activities	(69,886)	(348,316)	(166,211)
FINANCING ACTIVITIES			
Proceeds from long-term debt	-	299,570	-
Payment of long-term debt	(5,775)	(231,890)	(7,505)
Payment of long-term debt redemption premium	-	(5,340)	-
Deferred financing fees	(820)	(2,626)	(10)
Proceeds from interest rate swap	-	2,771	-
Cash dividends paid	(3,193)	(3,196)	(3,199)
Reacquisition of previously issued common stock	(352)	(396)	(511)
Exercise of Class A common stock options	-	442	444
Net cash (used in) provided by financing activities	(10,140)	59,335	(10,781)
Net increase (decrease) in cash and cash equivalents	114,710	(62,995)	(30,220)
Cash and cash equivalents at beginning of period	109,263	223,973	160,978
Cash and cash equivalents at end of period	$ 223,973	$ 160,978	$ 130,758

See accompanying notes

Notes to Consolidated Financial Statements, November 30, 2005

NOTE 1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS: International Speedway Corporation, including its wholly-owned subsidiaries (collectively the "Company"), is a leading promoter of motorsports entertainment activities in the United States. As of November 30, 2005, the Company owned and/or operated eleven of the nation's major motorsports facilities as follows:

Track Name	Location	Track Length
Daytona International Speedway	Daytona Beach, Florida	2.5 Miles
Talladega Superspeedway	Talladega, Alabama	2.6 Miles
Michigan International Speedway	Brooklyn, Michigan	2.0 Miles
Richmond International Raceway	Richmond, Virginia	0.8 Miles
California Speedway	Fontana, California	2.0 Miles
Kansas Speedway	Kansas City, Kansas	1.5 Miles
Phoenix International Raceway	Phoenix, Arizona	1.0 Mile
Homestead-Miami Speedway	Homestead, Florida	1.5 Miles
Martinsville Speedway	Martinsville, Virginia	0.5 Miles
Darlington Raceway	Darlington, South Carolina	1.3 Miles
Watkins Glen International	Watkins Glen, New York	3.4 Miles

In addition, Raceway Associates, LLC ("Raceway Associates"), in which the Company holds a 37.5% indirect equity interest, owns and operates Chicagoland Speedway and Route 66 Raceway, two nationally recognized major motorsports facilities in Joliet, Illinois.

In 2005, these motorsports facilities promoted well over 100 stock car, open wheel, sports car, truck, motorcycle and other racing events, including:

- 21 National Association for Stock Car Auto Racing ("NASCAR") NEXTEL Cup Series events;
- 15 NASCAR Busch Series events;
- nine NASCAR Craftsman Trucks Series events;
- eight Indy Racing League ("IRL") IndyCar Series events;
- two National Hot Rod Association ("NHRA") POWERade drag racing events;
- the premier sports car endurance event in the United States (the Rolex 24 at Daytona sanctioned by the Grand American Road Racing Association ("Grand American")); and
- a number of other prestigious stock car, sports car, open wheel and motorcycle events.

The general nature of the Company's business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. The Company's motorsports event operations consist principally of racing events at these major motorsports facilities, which, in total, currently have more than one million grandstand seats. The Company also conducts, either through operations of the particular facility or through certain wholly-owned subsidiaries operating under the name "Americrown," souvenir merchandising operations, food and beverage concession operations and catering services, both in suites and chalets, for customers at all of its motorsports entertainment facilities. The Company also produces and markets motorsports-related merchandise such as apparel, souvenirs and collectibles to retail customers, through its *RacingOne.com* internet site, and directly to dealers.

MRN Radio, the Company's proprietary radio network, produces and syndicates to radio stations the NASCAR NEXTEL Cup, Busch and Craftsman Truck series races and certain other races conducted at the Company's tracks, as well as some races from tracks the Company does not own. In addition, MRN Radio provides production services for NEXTEL Vision, the trackside large screen video display units, at all NASCAR NEXTEL Cup Series event weekends except at Indianapolis Motor Speedway, which is a track not owned by the Company. MRN Radio also produces and syndicates daily and weekly NASCAR racing-themed programs.

The Company owns and operates DAYTONA USA–The Ultimate Motorsports Attraction, a motorsports-themed entertainment complex and the Official Attraction of NASCAR that includes interactive media, theaters, historical memorabilia and exhibits, tours, as well as riding and driving experiences of Daytona International Speedway.

SIGNIFICANT ACCOUNTING POLICIES:

PRINCIPLES OF CONSOLIDATION: The accompanying consolidated financial statements include the accounts of International Speedway Corporation and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

NOTE 1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS: For purposes of reporting cash flows, cash and cash equivalents include cash on hand, bank demand deposit accounts and overnight sweep accounts used in the Company's cash management program. All highly liquid investments with stated maturities of three months or less from the date of purchase are classified as cash equivalents.

The Company maintained its cash and cash equivalents primarily with two financial institutions at November 30, 2005. The Company believes that it is not exposed to any significant credit risk on its cash balances due to the strength of the financial institutions.

The Company's short-term investments consist primarily of highly liquid, variable rate instruments, which have stated maturities of greater than three months and have been classified as available-for-sale. The Company has determined that its investment securities are available and intended for use in current operations and, accordingly, has classified such investment securities as current assets.

RECEIVABLES: Receivables are stated at their estimated collectible amounts. The allowance for doubtful accounts is estimated based on historical experience of write offs and future expectations of conditions that might impact the collectibility of accounts.

INVENTORIES: Inventories of items for resale are stated at the lower of cost, determined on the first-in, first-out basis, or market.

PROPERTY AND EQUIPMENT: Property and equipment, including improvements to existing facilities, are stated at cost. Depreciation is provided for financial reporting purposes using the straight-line method over the estimated useful lives as follows:

Buildings, grandstands and tracks	10-30 years
Furniture and equipment	3-8 years

The carrying values of property and equipment are evaluated for impairment based upon expected future undiscounted cash flows. If events or circumstances indicate that the carrying value of an asset may not be recoverable, an impairment loss would be recognized equal to the difference between the carrying value of the asset and its fair value.

EQUITY INVESTMENTS: The Company's investments in joint ventures and other investees where it can exert significant influence on the investee, but does not have effective control over the investee, are accounted for using the equity method of accounting. The Company's equity in the net income from equity method investments is recorded as income with a corresponding increase in the investment. Dividends received reduce the investment. The Company recognizes the effects of transactions involving the sale or distribution by an equity investee of its common stock as capital transactions.

Equity method investments consist of the Company's interests in Motorsports Alliance, LLC ("Motorsports Alliance") and SMISC, LLC ("SMISC").

Motorsports Alliance (owned 50% by the Company and 50% by Indianapolis Motor Speedway LLC), owns a 75% interest in Raceway Associates. Raceway Associates owns and operates Chicagoland Speedway and Route 66 Raceway.

On August 30, 2005, the Company partnered with Speedway Motorsports Incorporated ("SMI") in a 50/50 joint venture, SMISC, which, through a wholly-owned subsidiary, conducts business under the name Motorsports Authentics. Motorsports Authentics operates as an independent company with the Company and SMI as equal owners. Also on August 30, 2005, the Company announced that SMISC had entered into a definitive agreement dated August 29, 2005, to purchase the stock of Action Performance Companies, Inc. ("Action"). The acquisition was structured as a merger of a wholly-owned subsidiary of Motorsports Authentics, LLC into Action (see subsequent event Note 18).

The acquisition of Action was completed on December 9, 2005, which resulted in an investment of approximately $123.8 million and was combined with the net assets and merchandising operations of Team Caliber, which Motorsports Authentics acquired on September 8, 2005. As a result of these acquisitions, Motorsports Authentics is now a leader in design, promotion, marketing and distribution of motorsports licensed merchandise. Motorsports Authentics has licenses for exclusive and non-exclusive distribution with teams competing in NASCAR and other major motorsports series. Its products include a broad range of motorsports-related die-cast replica collectibles, apparel, gifts and other memorabilia, which are marketed through a combination of mass retail, domestic wholesale, trackside, international and collector's club distribution channels.

The Company's share of undistributed equity in the earnings from equity investments included in retained earnings at November 30, 2004 and 2005 was approximately $5.4 million and $8.9 million, respectively.

OTHER INVESTMENTS: Other investments in equity securities which are not considered common stock equivalents in accordance with Emerging Issues Task Force Issue No. 02-14, "Whether an Investor Should Apply the Equity Method of Accounting to Investments Other Than Common Stock" consist of the Company's investment in Proximities, Inc. ("Proximities"). This investment is accounted for under Statement of Financial Accounting Standard ("SFAS") No. 115 "Accounting for Certain Investments in Debt and Equity Securities."

Proximities is developing products which are to be marketed as secure radio frequency identification ("RFID") cashless payment, access control and age verification systems. These products allow customers to purchase concessions and merchandise quickly and easily using the fast, secure RFID wristband which is linked to a pre-authorized credit card. The Company acquired an approximately 24.5% interest in Proximities in November 2004 through the purchase of Series B Preferred Stock for approximately $2.0 million. Proximities is a variable interest entity as determined in accordance with Financial Accounting Standards Board "FASB" Interpretation No. 46, "Consolidation of Variable Interest Entities." The Company does not consolidate the operations of Proximities as it is not the primary beneficiary. The company's maximum exposure to loss as a result of its involvement with Proximities consists of its equity investment at November 30, 2005 of approximately $2.0 million.

GOODWILL AND INTANGIBLE ASSETS: The Company's goodwill and other intangible assets are evaluated for impairment, either upon the occurrence of an impairment indicator or annually, in its fiscal fourth quarter, based on assumptions regarding the Company's future business outlook and expected future discounted cash flows at the reporting unit level.

NOTE 1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DEFERRED FINANCING FEES: Deferred financing fees are amortized over the term of the related debt and are included in other non-current assets.

DERIVATIVE FINANCIAL INSTRUMENTS: From time to time, the Company utilizes derivative instruments in the form of interest rate swaps to assist in managing its interest rate risk. The Company does not enter into any interest rate swap derivative instruments for trading purposes. While the Company is not currently utilizing interest rate swap derivative instruments, all historically have qualified for the use of the "short-cut" method of accounting to assess hedge effectiveness in accordance with SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended, and were recognized in its consolidated balance sheet at their fair value. The differential paid or received on interest rate swap agreements is recognized as an adjustment to interest expense. The change in the fair value of the interest rate swap, which is established as an effective hedge, is included in other comprehensive income.

INCOME TAXES: Income taxes have been provided using the liability method. Under this method, the Company's estimates of deferred income taxes and the significant items giving rise to deferred tax assets and liabilities reflect our assessment of actual future taxes to be paid on items reflected in our financial statements, giving consideration to both timing and probability of realization.

REVENUE RECOGNITION: Advance ticket sales and event-related revenues for future events are deferred until earned, which is generally once the events are conducted. The recognition of event-related expenses is matched with the recognition of event-related revenues. Revenues and related expenses from the sale of merchandise to retail customers, internet sales, and direct sales to dealers are recognized at the time of the sale.

Kansas Speedway Corporation ("KSC") offers Preferred Access Speedway Seating ("PASS") agreements, which give purchasers the exclusive right and obligation to purchase KSC season-ticket packages for certain sanctioned racing events annually through fiscal year 2030, under specified terms and conditions. Among the conditions, licensees are required to purchase all season-ticket packages when and as offered each year. PASS agreements automatically terminate without refund should owners not purchase any offered season tickets.

Net fees received under PASS agreements are deferred and are amortized into income over the term of the agreements which expire in fiscal 2030. Long-term deferred income under the PASS agreements totals approximately $10.8 million and $10.5 million at November 30, 2004 and 2005, respectively.

ADVERTISING EXPENSE: Advertising costs are expensed as incurred or, as in the case of race-related advertising, upon the completion of the event. Race-related advertising included in prepaid expenses and other current assets at November 30, 2004 and 2005 was approximately $749,000 and $920,000, respectively. Advertising expense from continuing operations was approximately $10.7 million, $12.1 million and $14.7 million for the years ended November 30, 2003, 2004 and 2005, respectively.

LOSS CONTINGENCIES: Legal and other costs incurred in conjunction with loss contingencies are expensed as incurred.

STOCK-BASED COMPENSATION: The Company has a long-term incentive stock plan, which is described more fully in Note 14. The Company accounts for its long-term incentive stock plan under the recognition and measurement principles of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. The Company recognizes stock-based employee compensation cost on its restricted shares awarded over their vesting periods in an amount equal to the fair market value of these shares on the date of award. No stock-based employee compensation cost is reflected in net income relating to stock options as all options granted under the plan have an exercise price equal to the market value of the underlying common stock on the date of grant.

NOTE 1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," to stock based employee compensation for the years ended November 30 (in thousands, except per share amounts):

	2003	2004	2005
Net income, as reported	$ 105,448	$ 156,318	$ 159,361
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	1,034	1,051	1,190
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(1,256)	(1,251)	(1,388)
Pro forma net income	$ 105,226	$ 156,118	$ 159,163
Earnings per share:			
Basic – as reported	$ 1.99	$ 2.94	$ 3.00
Basic – pro forma	$ 1.98	$ 2.94	$ 3.00
Diluted – as reported	$ 1.98	$ 2.94	$ 2.99
Diluted – pro forma	$ 1.98	$ 2.94	$ 2.99

USE OF ESTIMATES: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW ACCOUNTING PRONOUNCEMENTS: In December 2004, the FASB issued revised SFAS No. 123R, "Share-Based Payment." SFAS No. 123R sets accounting requirements for "share-based" compensation to employees and requires companies to recognize in the income statement the grant-date fair value of stock options and other equity-based compensation. SFAS No. 123R is effective in annual periods beginning after June 15, 2005. The Company will be required to adopt SFAS No. 123R in its first quarter of fiscal 2006 and currently discloses the effect on net income and earnings per share of the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." The Company's adoption of SFAS 123R is not expected to have a material impact on its financial position or results of operations.

In December 2004, the FASB issued SFAS No. 153 "Exchanges of Nonmonetary Assets–An Amendment of APB Opinion No. 29." SFAS No. 153 amends APB Opinion No. 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. SFAS No. 153 is to be applied prospectively for nonmonetary exchanges occurring in fiscal periods beginning after June 15, 2005. The Company's adoption of SFAS No. 153 in the fourth quarter of fiscal 2005 did not have an impact on its financial position or results of operations.

In June 2005, the FASB's Emerging Issues Task Force ("EITF") reached a consensus on Issue No. 05-06, "Determining the Amortization Period for Leasehold Improvements." The guidance requires that leasehold improvements acquired in a business combination or purchased subsequent to the inception of a lease be amortized over the lesser of the useful life of the assets or a term that includes renewals that are reasonably assured at the date of the business combination or purchase. The guidance is effective for periods beginning after June 29, 2005. As this is consistent with the Company's current policy, the adoption of EITF Issue No. 05-06 did not have an impact on its financial position or results of operations.

COMPARABILITY: For comparability, certain 2003 and 2004 amounts have been reclassified where appropriate to conform with the presentation in 2005.

NOTE 2 - EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the years ended November 30, (in thousands, except per share amounts):

	2003	2004	2005
Basic and diluted:			
Income from continuing operations	$ 101,965	$ 126,296	$ 159,072
Income (loss) from discontinued operations	3,483	(6,315)	289
Gain on sale of discontinued operations	-	36,337	-
Net income	$ 105,448	$ 156,318	$ 159,361
Basic earnings per share denominator:			
Weighted average shares outstanding	53,057,077	53,084,437	53,128,533
Basic earnings per share:			
Income from continuing operations	$ 1.92	$ 2.38	$ 2.99
Income (loss) from discontinued operations	0.07	(0.12)	0.01
Gain on sale of discontinued operations	-	0.68	-
Net income	$ 1.99	$ 2.94	$ 3.00
Diluted earnings per share denominator:			
Weighted average shares outstanding	53,057,077	53,084,437	53,128,533
Common stock options	1,650	12,123	21,293
Contingently issuable shares	74,555	86,216	90,357
Diluted weighted average shares outstanding	53,133,282	53,182,776	53,240,183
Diluted earnings per share:			
Income from continuing operations	$ 1.92	$ 2.37	$ 2.99
Income (loss) from discontinued operations	0.06	(0.11)	-
Gain on sale of discontinued operations	-	0.68	-
Net income	$ 1.98	$ 2.94	$ 2.99
Anti-dilutive shares excluded in the computation of diluted earnings per share	52,082	817	7,274

NOTE 3 - ACQUISITION OF BUSINESSES

On July 13, 2004, the Company acquired the assets of Martinsville Speedway ("Martinsville"), and assumed the operations as well as certain liabilities of Martinsville for approximately $194.8 million, including acquisition costs. Martinsville was privately owned, with certain members of the France Family Group, which controls in excess of 60% of the combined voting interest of the Company, owning 50% of Martinsville. The acquisition was funded by $100.4 million in proceeds from the sale of the assets of North Carolina Speedway ("North Carolina") (see Note 4) and approximately $94.4 million in cash. Martinsville's operations are included in the Company's consolidated operations subsequent to the date of acquisition.

The purchase price for the Martinsville acquisition was allocated to the assets acquired and liabilities assumed based upon their fair market values at the acquisition date, as determined by an independent appraisal. Included in this acquisition were certain indefinite-lived intangible assets attributable to the NASCAR sanction agreements in place at the time of acquisition and goodwill. The intangible assets and goodwill are included in the Motorsports Event segment. All of the goodwill attributable to the acquisition is expected to be deductible for income tax purposes. As this acquisition is not considered significant, pro forma financial information is not presented.

The purchase price allocation to the significant assets acquired is as follows (in thousands):

Property and equipment	$ 34,278
Intangible assets	148,000
Goodwill	12,614

On October 7, 2005, the Company acquired the assets and assumed certain liabilities of Pikes Peak International Raceway ("Pikes Peak") for approximately $12.0 million. The purchase price for the Pikes Peak acquisition was allocated to the assets acquired based upon their fair market values at the acquisition date including, land of approximately $6.1 million and fixed assets of approximately $5.9 million. As this acquisition is not considered significant, pro forma financial information is not presented.

Subsequent to the purchase, the Company requested realignment of the NASCAR Busch Series event, then conducted at Pikes Peak, to another motorsports facility within its portfolio starting in fiscal 2006 and suspended indefinitely major motorsports event operations at the facility on October 31, 2005. The Company believes that it can more successfully grow this event over the long term at a facility other than Pikes Peak. For the 2006 event season, this event has been realigned to the Company's Martinsville facility. The Company intends to relocate certain Pikes Peak fixed assets to other facilities within its portfolio. These assets include grandstand seating and other structures that can be utilized for future speedway expansion projects.

NOTE 4 – DISCONTINUED OPERATIONS AND IMPAIRMENT OF LONG-LIVED ASSETS

As required by the settlement agreement in the Ferko/Vaughn litigation ("Settlement Agreement") dated April 8, 2004, the Company's North Carolina Speedway, Inc. subsidiary entered into an Asset Purchase Agreement with SMI for the sale of the tangible and intangible assets and operations of North Carolina. Under the terms of the Settlement Agreement, SMI's subsidiary purchased North Carolina's assets and assumed its operations for approximately $100.4 million in cash. The sale of North Carolina's assets closed on July 1, 2004 and the Company recorded an after-tax gain in the third quarter of fiscal 2004 of approximately $36.3 million.

In May 2004, the Company announced its intention to request realignment of the NASCAR Busch Series and IRL IndyCar Series events, then conducted at Nazareth Speedway ("Nazareth"), to other motorsports facilities within its portfolio and its intention to suspend indefinitely major motorsports event operations at the facility after completion of its fiscal 2004 events. For the 2005 event season, these events were realigned to the Company's Watkins Glen International facility.

The realignment of the events conducted at Nazareth and the indefinite suspension of major motorsports event operations at the facility had a significant adverse effect on Nazareth's future revenues and cash flows. As a result of these changes in Nazareth's operations, in the second quarter of fiscal 2004, an analysis of Nazareth's long-lived assets and its estimated future undiscounted cash flows was completed. The projected undiscounted cash flows were not sufficient to recover the carrying amount of Nazareth's property and equipment. The Company evaluated the estimated fair value of Nazareth's long-lived assets using a discounted cash flow assessment as well as comparable prices for similar property, which resulted in the identification and measurement of an impairment loss of approximately $13.2 million, or $0.16 per diluted share in the fiscal quarter ended May 31, 2004. In the fourth quarter of fiscal 2005, the Company identified certain grandstand assets which were previously fully impaired, that it will relocate to and use at its Darlington Raceway facility in fiscal 2006. The assets that will be relocated to and used at Darlington were adjusted to their net book value during the fourth quarter of fiscal 2005, resulting in an after-tax write-up of approximately $471,000, or $0.01 per diluted share. In January 2006, the Company entered into an agreement with NZSW, LLC for the sale of 158 acres, on which Nazareth Speedway is located, for approximately $18.8 million. The sale transaction is expected to close in fiscal 2006 and is contingent upon, among other items, the purchaser's right to terminate the agreement during the due diligence period. Upon closing the transaction, we expect to record an after-tax gain from discontinued operations of approximately $6.0 to $7.0 million, or $0.11 to $0.13 per diluted share.

The operations of North Carolina and Nazareth were included in the Motorsports Event segment. In accordance with SFAS No. 144, the results of operations of North Carolina and Nazareth, including the gain on sale of North Carolina and the impairment loss and subsequent write-up of certain grandstand assets at Nazareth, are presented as discontinued operations in all periods presented. During the years ended November 30, 2003, 2004 and 2005, total revenues recognized by North Carolina and Nazareth were approximately $26.9 million, $17.0 million and $0, respectively, and pre-tax income (loss) was approximately $4.9 million, ($10.0) million and $289,000, respectively. Nazareth's assets held for sale included in property and equipment, net of accumulated depreciation, totaled approximately $6.8 million at November 30, 2004 and 2005. Unless indicated otherwise, all disclosures in the notes to the consolidated financial statements relate to continuing operations.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of November 30 (in thousands):

	2004	2005
Land and leasehold improvements	$ 244,186	$ 284,051
Buildings, grandstands and tracks	797,944	915,425
Furniture and equipment	110,310	130,408
Construction in progress	82,144	164,111
	1,234,584	1,493,995
Less accumulated depreciation	265,489	315,313
	$ 969,095	$ 1,178,682

Depreciation expense from continuing operations was approximately $40.8 million, $44.4 million and $50.7 million for the years ended November 30, 2003, 2004 and 2005, respectively.

NOTE 6 - GOODWILL AND INTANGIBLE ASSETS

The gross carrying value and accumulated amortization of the major classes of intangible assets relating to the Motorsports Event segment as of November 30 are as follows (in thousands):

		2004	
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Food, beverage and merchandise contracts	$ 276	$ 88	$ 188
Total amortized intangible assets	276	88	188
Non-amortized intangible assets:			
NASCAR sanction agreements	148,000	-	148,000
Other	801	-	801
Total non-amortized intangible assets	148,801	-	148,801
Total intangible assets	$ 149,077	$ 88	$ 148,989

		2005	
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Customer database	$ 500	$ 100	$ 400
Food, beverage and merchandise contracts	276	142	134
Total amortized intangible assets	776	242	534
Non-amortized intangible assets:			
NASCAR sanction agreements	148,000	-	148,000
Other	930	-	930
Total non-amortized intangible assets	148,930	-	148,930
Total intangible assets	$ 149,706	$ 242	$ 149,464

NOTE 6 - GOODWILL AND INTANGIBLE ASSETS (continued)

The following table presents current and expected amortization expense of the existing intangible assets as of November 30, for each of the following periods (in thousands):

Amortization expense	
for the year ended November 30, 2005	$ 154
Estimated amortization expense for the year ending November 30:	
2006	143
2007	143
2008	143
2009	101
2010	1

The changes in the carrying value of goodwill are as follows (in thousands):

Balance at November 30, 2004	$ 99,265
Goodwill acquired	70
Adjustments	172
Balance at November 30, 2005	$ 99,507

Goodwill acquired consists of internet based web-portal operations included in our Motorsports Event segment, acquired in December 2004. Goodwill adjustments relate to certain estimated expenses associated with the July 2004 Martinsville acquisition.

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of the following as of November 30 (in thousands):

	2004	2005
4.20% Senior Notes due 2009	$ 151,679	$ 151,297
5.40% Senior Notes due 2014	149,894	149,905
TIF bond debt service funding commitment	68,247	67,820
Term Loan	7,000	-
	376,820	369,022
Less: current portion	7,505	635
	$ 369,315	$ 368,387

Schedule of Payments (in thousands)

For the year ending November 30:	
2006	$ 635
2007	770
2008	915
2009	151,075
2010	1,245
Thereafter	214,350
	368,990
Net premium	32
Total	$ 369,022

NOTE 7 - LONG-TERM DEBT (continued)

On April 23, 2004, the Company completed an offering of $300.0 million principal amount of unsecured senior notes in a private placement. On September 27, 2004, the Company completed an offer to exchange these unsecured senior notes for registered senior notes with substantially identical terms (“2004 Senior Notes”). At November 30, 2005, outstanding 2004 Senior Notes totaled approximately $301.2 million, net of unamortized discounts and premium, which is comprised of $150.0 million principal amount unsecured senior notes, which bear interest at 4.2% and are due April 2009 (“4.2% Senior Notes”), and $150.0 million principal amount unsecured senior notes, which bear interest at 5.4% and are due April 2014. The 2004 Senior Notes require semi-annual interest payments on April 15 and October 15 through their maturity. The 2004 Senior Notes may be redeemed in whole or in part, at the option of the Company, at any time or from time to time at redemption prices as defined in the indenture. The Company’s subsidiaries are guarantors of the 2004 Senior Notes. The 2004 Senior Notes also contain various restrictive covenants. Total gross proceeds from the sale of the 2004 Senior Notes were $300.0 million, net of discounts of approximately $431,000 and approximately $2.6 million of deferred financing fees. The deferred financing fees are being treated as additional interest expense and amortized over the life of the 2004 Senior Notes on a straight-line method, which approximates the effective yield method. In March 2004, the Company entered into interest rate swap agreements to effectively lock in the interest rate on approximately $150.0 million of the 4.2% Senior Notes. The Company terminated these interest rate swap agreements on April 23, 2004 and received approximately $2.2 million, which is being amortized over the life of the 4.2% Senior Notes.

In January 2004, the Company terminated the interest rate swap agreement on its previously outstanding 7.875% senior notes (“1999 Senior Notes”) and received approximately $544,000, which was being amortized over the remaining life of the 1999 Senior Notes. On May 28, 2004, the Company used the net proceeds from the 2004 Senior Notes to redeem and retire all outstanding $225.0 million principal amount of the 1999 Senior Notes, which were due October 15, 2004, including the payment of a redemption premium in the amount of approximately $5.3 million and accrued interest. The net redemption premium, associated unamortized net deferred financing costs, unamortized original issuance discount and unamortized deferred gain related to previously deferred interest rate swap terminations, associated with the 1999 Senior Notes were recorded as a net loss on early redemption of debt totaling approximately $5.0 million in May 2004.

In January 1999, the Unified Government of Wyandotte County/Kansas City, Kansas (“Unified Government”), issued approximately $71.3 million in taxable special obligation revenue (“TIF”) bonds in connection with the financing of construction of Kansas Speedway. At November 30, 2005, outstanding TIF bonds totaled approximately $67.8 million, net of the unamortized discount, which is comprised of a $19.3 million principal amount, 6.15% term bond due December 1, 2017 and $49.7 million principal amount, 6.75% term bond due December 1, 2027. The TIF bonds are repaid by the Unified Government with payments made in lieu of property taxes (“Funding Commitment”) by the Company’s wholly-owned subsidiary, Kansas Speedway Corporation (“KSC”). Principal (mandatory redemption) payments per the Funding Commitment are payable by KSC on October 1 of each year. The semi-annual interest component of the Funding Commitment is payable on April 1 and October 1 of each year. KSC granted a mortgage and security interest in the Kansas project for its Funding Commitment obligation. The bond financing documents contain various restrictive covenants.

The Company has a $300.0 million revolving credit facility (“Credit Facility”), which is scheduled to mature in September 2008 and accrues interest at LIBOR plus 62.5 – 150 basis points, based on the Company’s highest debt rating as determined by specified rating agencies. At November 30, 2005, the Company did not have any borrowings outstanding under the Credit Facility. The Credit Facility contains various restrictive covenants.

The Company’s wholly-owned subsidiary, Homestead-Miami Speedway (“Miami”), had a term loan (“Term Loan”), which was guaranteed by the Company and had the same restrictive covenants as the Credit Facility. The final payment of $7.0 million, under the Term Loan, was paid on December 31, 2004. The Company’s Miami subsidiary had an interest rate swap agreement that effectively fixed the floating rate on the outstanding balance under the Term Loan at 5.6% plus 50 – 100 basis points, based on certain consolidated financial criteria of the Company. This interest rate swap expired on December 31, 2004.

Total interest expense from continuing operations incurred by the Company was approximately $23.2 million, $21.7 million and $12.7 million for the years ended November 30, 2003, 2004 and 2005, respectively. Total interest capitalized for the years ended November 30, 2003, 2004 and 2005 was approximately $794,000, $1.6 million and $7.6 million, respectively.

Financing costs of approximately $7.8 million and $6.9 million, net of accumulated amortization, have been deferred and are included in other assets at November 30, 2004 and 2005, respectively. These costs are being amortized on a straight line method, which approximates the effective yield method, over the life of the related financing.

NOTE 8 - FEDERAL AND STATE INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the provision for income taxes from continuing operations for the years ended November 30, are as follows (in thousands):

	2003	2004	2005
Current tax expense:			
Federal	$ 23,833	$ 46,839	$ 64,832
State	4,054	6,311	8,091
Deferred tax expense:			
Federal	36,029	26,327	26,122
State	2,125	2,741	2,831
Provision for income taxes	$ 66,041	$ 82,218	$ 101,876

The reconciliation of income tax expense computed at the federal statutory tax rates to income tax expense from continuing operations for the years ended November 30, is as follows (percent of pre-tax income):

	2003	2004	2005
Income tax computed at federal statutory rates	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	3.1	3.4	3.2
Other, net	1.2	1.0	0.8
	39.3%	39.4%	39.0%

The components of the net deferred tax assets (liabilities) at November 30 are as follows (in thousands):

	2004	2005
Amortization and depreciation	$ 32,911	$ 27,014
Deferred revenues	4,240	4,173
Deferred expenses	2,795	2,663
Loss carryforwards	1,995	2,422
Compensation related	2,247	2,004
Accruals	1,854	1,584
Other	142	103
Deferred tax assets	46,184	39,963
Amortization and depreciation	(202,057)	(224,471)
Equity investment	(9,263)	(9,895)
Other	(481)	(422)
Deferred tax liabilities	(211,801)	(234,788)
Net deferred tax liabilities	$ (165,617)	$ (194,825)

The Company has recorded deferred tax assets related to various state net operating loss carryforwards totaling approximately $65.1 million, that expire in varying amounts beginning in fiscal 2020.

NOTE 9 - CAPITAL STOCK

The Company's authorized capital includes 80 million shares of Class A Common Stock, par value $.01 ("Class A Common Stock"), 40 million shares of Class B Common Stock, par value $.01 ("Class B Common Stock"), and 1 million shares of Preferred Stock, par value $.01 ("Preferred Stock"). The shares of Class A Common Stock and Class B Common Stock are identical in all respects, except for voting rights and certain dividend and conversion rights as described below. Each share of Class A Common Stock entitles the holder to one-fifth (1/5) vote on each matter submitted to a vote of the Company's shareholders and each share of Class B Common Stock entitles the holder to one (1) vote on each such matter, in each case including the election of directors. Holders of Class A Common Stock and Class B Common Stock are entitled to receive dividends at the same rate if and when declared by the Board of Directors out of funds legally available therefrom, subject to the dividend and liquidation rights of any Preferred Stock that may be issued and outstanding. Class A Common Stock has no conversion rights. Class B Common Stock is convertible into Class A Common Stock, in whole or in part, at any time at the option of the holder on the basis of one share of Class A Common Stock for each share of Class B Common Stock converted. Each share of Class B Common Stock will also automatically convert into one share of Class A Common Stock if, on the record date of any meeting of the shareholders, the number of shares of Class B Common Stock then outstanding is less than 10% of the aggregate number of shares of Class A Common Stock and Class B Common Stock then outstanding.

The Board of Directors of the Company is authorized, without further shareholder action, to divide any or all shares of the authorized Preferred Stock into series and fix and determine the designations, preferences and relative rights and qualifications, limitations, or restrictions thereon of any series so established, including voting powers, dividend rights, liquidation preferences, redemption rights and conversion privileges. No shares of Preferred Stock are outstanding. The Board of Directors has not authorized any series of Preferred Stock, and there are no plans, agreements or understandings for the authorization or issuance of any shares of Preferred Stock.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

International Speedway Corporation has a salary incentive plan (the "ISC Plan") designed to qualify under Section 401(k) of the Internal Revenue Code. Employees of International Speedway Corporation and certain participating subsidiaries who have completed one month of continuous service are eligible to participate in the ISC Plan. After twelve months of continuous service, matching contributions are made to a savings trust (subject to certain limits) concurrent with employees' contributions. The level of the matching contribution depends upon the amount of the employee contribution. Employees become 100% vested upon entrance to the ISC Plan. The contribution expense from continuing operations for the ISC Plan was approximately $1.2 million, $1.3 million and $1.4 million, for the years ended November 30, 2003, 2004, and 2005, respectively.

The estimated cost to complete approved projects and current construction in progress at November 30, 2005 at the Company's existing facilities is approximately $122.2 million.

In October 2002, the Unified Government issued subordinate sales tax special obligation revenue bonds ("2002 STAR Bonds") totaling approximately $6.3 million to reimburse the Company for certain construction already completed on the second phase of the Kansas Speedway project and to fund certain additional construction. The 2002 STAR Bonds, which require annual debt service payments and are due December 1, 2022, will be retired with state and local taxes generated within the speedway's boundaries and are not the Company's obligation. KSC has agreed to guarantee the payment of principal, any required premium and interest on the 2002 STAR Bonds. At November 30, 2005, the Unified Government had $5.1 million outstanding on 2002 STAR Bonds. Under a keepwell agreement, the Company has agreed to provide financial assistance to KSC, if necessary, to support KSC's guarantee of the 2002 STAR Bonds.

The Company is a member of Motorsports Alliance (owned 50% by the Company and 50% by Indianapolis Motor Speedway LLC), which owns 75% of Raceway Associates. Raceway Associates owns and operates Chicagoland Speedway and Route 66 Raceway. Raceway Associates has a term loan arrangement, which requires quarterly principal and interest payments and matures November 15, 2012, and a $15 million secured revolving credit facility, which matures in September 2008. At November 30, 2005, Raceway Associates had approximately $33.2 million outstanding under its term loan and no borrowings outstanding under its then existing credit facility. Under a keepwell agreement, the members of Motorsports Alliance have agreed to provide financial assistance to Raceway Associates, if necessary, on a pro rata basis to support its performance under its term loan and credit facility.

The Company has guaranteed minimum royalty payments under certain agreements through December 2015, with a remaining maximum exposure at November 30, 2005, of approximately $12.5 million.

In December 2004, the Company, through its majority-owned subsidiary, 380 Development, LLC ("380 Development"), purchased a total of 677 acres of land in the New York City borough of Staten Island that could potentially be utilized for the development of a major motorsports entertainment and retail development project. The minority member of 380 Development is a subsidiary of Related Retail Corporation ("Related"), a retail development specialist whose developments include the Time Warner Center in Manhattan and the Gateway Retail Center in Brooklyn. There are operating and development agreements between the Company and Related, which will govern the development and operation of the planned project and impose reciprocal obligations on the parties with respect to the project. Related issued a limited recourse promissory note ("Promissory Note") payable to the Company for its approximately 12.4% membership interest of 380 Development and its proportionate share of the agreed project development expenses until such time as the status of the project approval is ultimately determined. The Promissory Note is secured by Related's ownership in 380 Development.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

The Company operates Miami under an operating agreement which expires December 31, 2032 and provides for subsequent renewal terms through December 31, 2075. The Company also has various operating leases for office space and equipment. The future minimum payments under the operating agreement and leases utilized by the Company having initial or remaining noncancellable terms in excess of one year at November 30, 2005, are as follows (in thousands):

For the year ending November 30:	Track Operating Agreement	Operating Leases
2006	$ 2,220	$ 3,896
2007	2,220	2,497
2008	2,220	1,518
2009	2,220	619
2010	2,220	447
Thereafter	29,220	3,066
Total	$ 40,320	$ 12,043

Total expenses incurred from continuing operations under the track operating agreement, these operating leases and all other rentals during the years ended November 30, 2003, 2004 and 2005 were $12.2 million, $14.9 million and $19.0 million, respectively.

In connection with the Company's automobile and workers' compensation insurance coverages and certain construction contracts, the Company has standby letter of credit agreements in favor of third parties totaling $2.4 million at November 30, 2005. The letters of credit expire on December 15, 2006 and are automatically renewed on an annual basis. At November 30, 2005, there were no amounts drawn on the standby letters of credit.

The Internal Revenue Service (the "Service") is currently performing a periodic examination of the Company's federal income tax returns for the years ended November 30, 1999 through 2004 and has challenged the tax depreciation treatment for a significant portion of its motorsports entertainment facility assets. In fiscal 2005, the Company received reports from the Service requesting downward adjustments to its tax depreciation expense for the fiscal years ended November 30, 1999 through 2002, which could potentially result in the reclassification of approximately $63.6 million of tax liability from deferred to current. Including related interest, the combined after-tax cash flow impact of these requested adjustments is approximately $79.4 million. In order to prevent incurring additional interest, the Company deposited approximately $79.4 million for the fiscal years ended November 30, 1999 through 2002, with the Service in June 2005. Additional adjustments to the Company's tax depreciation expense are expected to be requested later by the Service for fiscal years ended November 30, 2003 and 2004. Including related interest, the Company estimates the combined after-tax cash flow impact of these additional federal tax adjustments, and related state tax revisions for all periods, to range between $50.0 million and $60.0 million at November 30, 2005. Accordingly, to further prevent incurring interest the Company deposited approximately $17.5 million with the Service in June 2005 related to the anticipated federal tax adjustments for fiscal year 2003. The Company expects to deposit amounts related to fiscal 2004 in fiscal 2006. The Company's deposits are not a payment of tax, and it will receive accrued interest on any of these funds ultimately returned to it. At November 30, 2005, the approximately $96.9 million of deposits with the Service are classified as long-term assets in the Company's consolidated financial statements. The Company believes that its application of the federal income tax regulations in question, which have been applied consistently since being adopted in 1986 and have been subjected to previous IRS audits, is appropriate, and it intends to vigorously defend the merits of its position. The administrative appeals process within the Service is currently expected to take six to 18 months to complete. If the Company's appeal is not resolved satisfactorily, it will evaluate all of its options, including litigation. In accordance with SFAS No. 109 "Accounting for Income Taxes," the Company has accrued a deferred tax liability based on the differences between its financial reporting and tax bases of such assets in its consolidated balance sheet as of November 30, 2005. While an adverse resolution of these matters could result in a material negative impact on cash flow, the Company believes that it has provided adequate reserves related to these matters in its consolidated financial statements as of November 30, 2005.

The Company believes that its existing cash, cash equivalents and short-term investments, combined with the cash provided by current operations and available borrowings under its Credit Facility will be sufficient to fund its: (i) operations and approved capital projects at existing facilities for the foreseeable future; (ii) payments required in connection with the funding of the Unified Government's debt service requirements related to the TIF bonds; (iii) payments related to its existing debt service commitments; (iv) any potential payments associated with its keepwell agreements; (v) any payment of tax that may ultimately occur as a result of the examination by the Service; and (vi) the fees and expenses incurred in connection with the current legal proceeding discussed in this Note.

The Company is from time to time a party to routine litigation incidental to its business. Management does not believe that the resolution of any or all of such litigation will have a material adverse effect on the Company's financial condition or results of operations.

In addition to such routine litigation incident to its business, the Company is a party to another legal proceeding described below.

Current Litigation

On July 13, 2005, Kentucky Speedway, LLC filed a civil action in the Eastern District of Kentucky against NASCAR and the Company alleging that "NASCAR and ISC have acted, and continue to act, individually and in combination and collusion with each other and other companies that control tracks hosting NASCAR NEXTEL Cup Series, to illegally restrict the award of ... NASCAR NEXTEL Cup Series [races]." The complaint seeks damages and an injunction requiring NASCAR to establish a competitive bidding process for NEXTEL Cup events and

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

prohibiting further violations of the antitrust laws. Other than some vaguely conclusory allegations, the complaint fails to specify any conduct by International Speedway Corporation (ISC) other than conducting and growing its motorsports entertainment business for the benefit of its shareholders. The Company believes the allegations to be without merit and intends to defend itself vigorously. The Company has retained counsel and is pursuing defenses to the suit while maintaining potential counterclaim remedies available to it to recover the damages caused by the filing of the suit. On September 12, 2005, counsel for the Company filed a motion to dismiss the complaint for improper jurisdiction and venue as well as the lack of any antitrust injury allegations. On January 27, 2006, the court denied our motion to dismiss the complaint and established a February 1, 2007 deadline for the completion of pre-trial discovery. Based upon the current timeline, a trial on the merits of the case is scheduled for no earlier than August 2007. In the interim, our counsel have filed motions seeking to allow an interim appeal of the ruling on the jurisdiction and venue issues. If allowed to proceed, such an appeal would not delay the discovery process while being pursued. While it is premature to quantify either the likelihood or the potential magnitude of an adverse decision, the fees and expenses associated with the defense of this suit are not covered by insurance and could adversely impact the Company's financial condition or results of operations and cash flows, even if we ultimately prevail. Further, the time devoted to this matter by management and the possible impact of litigation on business negotiations occurring prior to resolution of this matter could also adversely impact our financial condition or results of operations and cash flows. Finally, even if the direct effect of the resolution of this case does not result in a material adverse impact on us, it is possible that the resolution of this case could result in industry-wide changes in the way race schedules are determined by sanctioning bodies, which could indirectly have a material adverse impact on us.

NOTE 11 - RELATED PARTY DISCLOSURES AND TRANSACTIONS

All of the racing events that take place during the Company's fiscal year are sanctioned by various racing organizations such as the American Historic Racing Motorcycle Association, the American Motorcyclist Association, the Automobile Racing Club of America, the Clear Channel–Championship Cup Series, the Federation Internationale de l'Automobile, the Federation Internationale Motocycliste, Grand American, Historic Sportscar Racing, the International Race of Champions, IRL, NASCAR, NHRA, the Porsche Club of America, the Sports Car Club of America, the Sportscar Vintage Racing Association, the United States Auto Club and the World Karting Association. NASCAR, which sanctions some of the Company's principal racing events, is a member of the France Family Group which controls in excess of 60% of the combined voting power of the outstanding stock of the Company, and some members of which serve as directors and officers of the Company. Standard NASCAR sanction agreements require racetrack operators to pay sanction fees and prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by NASCAR to participants in the events. Prize and point fund monies paid by the Company to NASCAR from continuing operations for disbursement to competitors, which are exclusive of NASCAR sanction fees, totaled approximately $83.1 million, $102.5 million and $118.5 million for the years ended November 30, 2003, 2004 and 2005, respectively. Prize and point fund monies paid by the Company to NASCAR for disbursement to competitors for events at North Carolina and Nazareth included in discontinued operations totaled approximately $9.0 million, $5.4 million and $0 for the years ended November 30, 2003, 2004 and 2005, respectively.

Under current agreements, NASCAR contracts directly with certain network providers for television rights to the entire NASCAR NEXTEL Cup and Busch series schedules. Event promoters share in the television rights fees in accordance with the provision of the sanction agreement for each NASCAR NEXTEL Cup and Busch series event. Under the terms of this arrangement, NASCAR retains 10% of the gross broadcast rights fees allocated to each NASCAR NEXTEL Cup or Busch series event as a component of its sanction fees and remits the remaining 90% to the event promoter. The event promoter pays 25% of the gross broadcast rights fees allocated to the event as part of the previously discussed prize money paid to NASCAR for disbursement to competitors. The Company's television broadcast and ancillary rights fees from continuing operations received from NASCAR for the NASCAR NEXTEL Cup and Busch series events conducted at its wholly-owned facilities were $140.8 million, $188.9 million and $235.9 million in fiscal years 2003, 2004 and 2005, respectively. Television broadcast and ancillary rights fees received from NASCAR for the NASCAR NEXTEL Cup and Busch series events held at North Carolina and the NASCAR Busch Series event held at Nazareth and included in discontinued operations totaled approximately $14.9 million, $9.3 million and $0 for the years ended November 30, 2003, 2004 and 2005, respectively.

In addition, NASCAR and the Company share a variety of expenses in the ordinary course of business. NASCAR pays rent, as well as a related maintenance fee (allocated based on square footage), to the Company for office space in the Company's corporate office complex in Daytona Beach, Florida. The Company paid rent to NASCAR for office space in Los Angeles, California beginning October 2005. These rents are based upon estimated fair market lease rates for comparable facilities. NASCAR pays the Company for radio, program and strategic initiative advertising, hospitality and suite rentals, various tickets and credentials, catering services, participation in a NASCAR racing event banquet, and track and other equipment rentals based on similar prices paid by unrelated, third party purchasers of similar items. The Company pays NASCAR for certain advertising, participation in NASCAR racing series banquets, the use of NASCAR trademarks and intellectual images and production space for NEXTEL Vision based on similar prices paid by unrelated, third party purchasers of similar items. The Company's payments to NASCAR for MRN Radio's broadcast rights to NASCAR Craftsman Truck races represents an agreed-upon percentage of the Company's advertising revenues attributable to such race broadcasts. In fiscal 2004 and 2005, NASCAR is reimbursing the Company for the buyout of the remaining rights associated with a certain sponsorship agreement. NASCAR also reimburses the Company for 50% of the compensation paid to certain personnel working in the Company's legal, risk management and transportation departments, as well as 50% of the compensation expense associated with certain receptionists. The Company reimburses NASCAR for 50% of the compensation paid to certain personnel working in NASCAR's legal department. NASCAR's reimbursement for use of the Company's mailroom, janitorial services, security services, catering, graphic arts, photo and publishing services, telephone system and the Company's reimbursement of NASCAR for use of corporate aircraft, is based on actual usage or an allocation of total actual usage. The aggregate amount received from NASCAR by the Company for shared expenses, net of amounts paid by the Company for shared expenses, totaled approximately $2.4 million, $2.8 million and $3.6 million during fiscal 2003, 2004 and 2005, respectively.

Grand American sanctions various events at certain of the Company's facilities. While certain officers and directors of the Company are equity investors in Grand American, no officer or director has more than a 10% equity interest. In addition, certain officers and directors of the Company, representing a non-controlling interest, serve on Grand American's Board of Managers. Standard Grand American sanction agreements require racetrack operators to pay sanction fees and prize and point fund monies for each sanctioned event conducted. The prize and point fund monies are distributed by Grand American to participants in the events. Sanction fees paid by the Company to Grand American totaled approximately $1.3 million, $924,000 and $1.1 million for the years ended November 30, 2003, 2004 and 2005, respectively.

In addition, Grand American and the Company share a variety of expenses in the ordinary course of business. Grand American pays rent to the Company for office space in the Company's corporate office complex in Daytona Beach, Florida. These rents are based upon estimated fair market lease rates for comparable facilities. Grand American purchases various advertising, catering services, suites and hospitality and track and equipment rentals from the Company based on similar prices paid by unrelated, third party purchasers of similar items. The Company pays Grand American for the use of Grand American's trademarks based on similar prices paid by unrelated, third party purchasers of similar items. Grand American's reimbursement for use of the Company's mailroom, telephone system, security, graphic arts, photo and publishing services is based on actual usage or an allocation of total actual usage. The aggregate amount received from Grand American by the Company for shared expenses, net of amounts paid by the Company for shared expenses, totaled approximately $205,000, $226,000 and $223,000 during fiscal 2003, 2004 and 2005, respectively.

The Company strives to ensure, and management believes that, the terms of the Company's transactions with NASCAR and Grand American are no less favorable to the Company than could be obtained in arms-length negotiations.

White River Investment Limited Partnership and Western Opportunity Limited Partnership, both members of the France Family Group, were among the selling shareholders in the Company's secondary offering of Class A Common Stock, which closed in May 2003. In connection with that secondary offering, all of the selling shareholders had agreed to fully reimburse the Company for all expenses in excess of approximately $75,000, which were associated with the offering. Following the closing of that secondary offering, in accordance with an allocation agreed among all the selling shareholders, and as a result of the reimbursement arrangement, the Company invoiced and White River Investment Limited Partnership and Western Opportunity Limited Partnership reimbursed the Company approximately $295,000 and $85,000, respectively, for expenses incurred by the Company as a result of that secondary offering.

Certain members of the France Family Group paid the Company for the utilization of security services, event planning, event tickets, purchase of catering services, maintenance services, and certain equipment. In fiscal 2003, the Company purchased a vehicle from a France Family Group member. During the last quarter of fiscal 2004 and all of fiscal 2005, the Company provided publishing and distribution services for Game Change Marketing, LLC, and in fiscal 2004 tickets to Brand Sense Marketing, which are companies owned by a France Family Group member and leased certain parcels of land from WCF and JCF, LLC, which is owned by France Family Group members. The land parcels are used primarily for parking during the events held at Martinsville Speedway. The amounts paid for these items were based on actual costs incurred, similar prices paid by unrelated third party purchasers of similar items or estimated fair market values. The aggregate amount received by the Company for these items, net of amounts paid, totaled approximately $77,000, $266,000 and $3.3 million during fiscal 2003, 2004 and 2005, respectively.

The Company has collateral assignment split-dollar insurance agreements covering the lives of William C. France and James C. France and their respective spouses. Upon surrender of the policies or payment of the death benefits thereunder, the Company is entitled to repayment of an amount equal to the cumulative premiums previously paid by the Company. The Company may cause the agreements to be terminated and the policies surrendered at any time after the cash surrender value of the policies equals the cumulative premiums advanced under the agreements. The Company recorded the insurance expense net of the increase in cash surrender value of the policies associated with these agreements.

Crotty & Bartlett, P.A., a law firm controlled by siblings of W. Garrett Crotty, one of the Company's executive officers, leases office space located in the Company's corporate office complex in Daytona Beach, Florida. The Company engages Crotty & Bartlett for certain legal and consulting services. The aggregate amount paid to Crotty & Bartlett by the Company for legal and consulting services, net of amounts received by the Company for leased office space, totaled approximately $96,000, $119,000 and $180,000 during fiscal 2003, 2004 and 2005, respectively.

J. Hyatt Brown, one of the Company's directors, serves as President and Chief Executive Officer of Brown & Brown, Inc. ("Brown & Brown"). Brown & Brown has received commissions for serving as the Company's insurance broker for several of the Company's insurance policies, including the Company's property and casualty policy, certain employee benefit programs and the split-dollar arrangements established for the benefit of William C. France, James C. France and their respective spouses. The aggregate commissions received by Brown & Brown in connection with the Company's policies were approximately $443,000, $390,000 and $507,000, during fiscal 2003, 2004 and 2005, respectively.

Kinsey, Vincent Pyle, L.C., a law firm which Christy F. Harris, one of the Company's directors, joined in fiscal 2004, provided legal services to the Company during fiscal 2004 and 2005. The Company paid approximately $301,000 and $359,000 for these services in fiscal 2004 and 2005, which were charged to the Company on the same basis as those provided other clients.

Walter P. Czarnecki, one of the Company's directors until April 9, 2003, owns Raceway Services, which purchases tickets and hospitality suite occupancy to events at many of the Company's facilities. The price paid by Raceway Services for these items is established on the same basis as the price paid by other purchasers to the same events without regard to Mr. Czarnecki's previous status as a director. The amounts paid by Raceway Services to the Company totaled approximately $120,000, during fiscal 2003 (prior to the end of Mr. Czarnecki's directorship).

NOTE 11 - RELATED PARTY DISCLOSURES AND TRANSACTIONS (continued)

Mr. Gregory W. Penske, one of the Company's directors, is also an officer and director of Penske Performance, Inc. and other Penske Corporation affiliates, as well as the son of Roger S. Penske. Roger S. Penske beneficially owns a majority of the voting stock of and controls Penske Corporation and its affiliates. The Company rented Penske Corporation and its affiliates certain facilities for a driving school and sold hospitality suite occupancy and related services, merchandise and accessories to Penske Corporation, its affiliates and other related companies. In a special promotional arrangement designed to grow demand while maintaining price integrity, the Company sold approximately 8,000 tickets for certain events during fiscal 2004 and 2005 at discounts greater than those afforded any other ticket purchaser to Penske Automotive Group, one of the largest automobile retailers in Southern California, which effected distribution of those tickets. Penske Truck Leasing rented certain vehicles and sold related supplies and services to the Company. Also, the Company paid Penske Corporation for the use of certain trademarks. In fiscal 2003, 2004 and 2005, the aggregate amount received from Penske Corporation, its affiliates and other related companies, net of amounts paid by the Company, totaled approximately $887,000, $2.4 million and $1.5 million, respectively, for the aforementioned goods and services.

Raceway Associates is owned 75% by Motorsports Alliance and 25% by the former owners of the Route 66 Raceway, LLC. Edward H. Rensi, a director of the Company, sold his approximately 1.28% ownership interest in Raceway Associates in fiscal 2005. The Company owns an indirect equity investment in Chicagoland Speedway through the Company's equity investment in Motorsports Alliance. The Company pays Chicagoland Speedway a rights fee to sell merchandise, programs and radio broadcasts . Chicagoland pays the Company for the purchase of programs and for costs related to the use of the Company's jet dryers and other event support at its events. The net amounts paid by the Company were approximately $629,000, $621,000 and $572,000, during fiscal 2003, 2004 and 2005, respectively.

NOTE 12 - HOMESTEAD-MIAMI SPEEDWAY TRACK RECONFIGURATION

During the second quarter of fiscal 2003 the Company recorded a non-cash before-tax charge of approximately $2.8 million for the net book value of certain undepreciated assets removed in connection with a major track reconfiguration project at Miami. The project increased the track banking to a maximum of 20 degrees in the turns through an innovative variable-degree banking system, which enhanced the quality of the racing entertainment at this facility. The reconfiguration was completed prior to Miami's fiscal 2003 fourth quarter NASCAR NEXTEL Cup, Busch and Craftsman Truck series events.

NOTE 13 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for income taxes and interest for the years ended November 30, is summarized as follows (in thousands):

	2003	2004	2005
Income taxes paid	$ 26,070	$ 35,962	$ 84,093
Interest paid	$ 23,796	$ 23,414	$ 19,679

NOTE 14 - LONG-TERM STOCK INCENTIVE PLAN

The Company's 1996 Long-Term Stock Incentive Plan (the "1996 Plan") authorizes the grant of stock options (incentive and nonstatutory), stock appreciation rights and restricted stock. The Company has reserved an aggregate of 1,000,000 shares (subject to adjustment for stock splits and similar capital changes) of the Company's Class A Common Stock for grants under the 1996 Plan.

Restricted Stock Awards

Restricted shares awarded under the 1996 Plan generally are subject to forfeiture in the event of termination of employment prior to vesting dates. Prior to vesting, the 1996 Plan participants own the shares and may vote and receive dividends, but are subject to certain restrictions. Restrictions include the prohibition of the sale or transfer of the shares during the period prior to vesting of the shares. The Company also has the right of first refusal to purchase any shares of stock issued under the 1996 Plan which are offered for sale subsequent to vesting.

The Company awarded and issued 37,726, 47,068 and 52,575 restricted shares of the Company's Class A Common Stock during the years ended November 30, 2003, 2004 and 2005, respectively, to certain officers and managers under the 1996 Plan. These shares of restricted stock vest at the rate of 50% of each award on the third anniversary of the award date and the remaining 50% on the fifth anniversary of the award date.

In January and April 2003 and May 2004, the Company awarded and issued 683, 1,468 and 764, respectively, restricted shares of the Company's Class A Common Stock to certain managers and officers under the 1996 Plan. These shares of restricted stock vested on July 3, 2003, October 1, 2003 and November 1, 2004, respectively.

In July 2005, the Company awarded and issued 1,024, restricted shares of the Company's Class A Common Stock to certain managers under the 1996 Plan. These shares of restricted stock vest over a three year period.

The weighted average grant date fair value of restricted shares granted during the years ended November 30, 2003, 2004 and 2005 was $40.03, $42.28 and $54.23, respectively.

The market value of the shares at the date of award has been recorded as "Unearned compensation – restricted stock," which is shown as a separate component of shareholders' equity in the accompanying consolidated balance sheets. The unearned compensation is being amortized over the vesting periods of the shares. In accordance with APB Opinion 25, the Company will recognize a compensation charge over the vesting periods equal to the fair market value of these shares on the date of the award. The total compensation charge from continuing operations recognized as expense during the years ended November 30, 2003, 2004 and 2005, was approximately $1.7 million, $1.7 million and $2.0 million, respectively.

Nonqualified and Incentive Stock Options

The Company applies the measurement provisions of APB Opinion 25 and related interpretations in accounting for its stock option plans. A portion of each non-employee director's compensation for their service as a director is through awards of options to acquire shares of the Company's Class A Common Stock under the 1996 Plan. These options become exercisable one year after the date of grant and expire on the tenth anniversary of the date of grant. The Company also grants options to certain non-officer managers to purchase the Company's Class A Common Stock under the 1996 Plan. These options vest over a two and one-half year period and expire on the tenth anniversary of the date of grant.

The fair value of each option granted is estimated on the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2003	2004	2005
Expected life (in years)	5	5	5
Dividend yield	0.15%	0.14%	0.11%
Expected volatility	31.9%	30.4%	25.3%
Risk-free interest rate	2.9%	3.5%	3.2%
Weighted average fair value of options granted	$ 13.02	$ 14.30	$ 16.17

NOTE 14 - LONG-TERM STOCK INCENTIVE PLAN (continued)

The following table summarizes the activity for options to purchase shares of Class A Common Stock issued and outstanding:

	Weighted Average Exercise Price	Number of Shares
Outstanding at November 30, 2002	$ 41.90	69,419
Granted	39.89	12,929
Outstanding at November 30, 2003	41.58	82,348
Granted	43.75	38,025
Exercised	37.94	(11,666)
Outstanding at November 30, 2004	42.73	108,707
Granted	57.01	29,097
Exercised	39.75	(11,182)
Outstanding at November 30, 2005	$ 46.28	126,622
Exercisable at:		
November 30, 2003	$ 41.81	65,077
November 30, 2004	42.19	80,006
November 30, 2005	44.14	94,833

The following table summarizes information about stock options outstanding and exercisable at November 30, 2005:

	Outstanding			Exercisable	
Exercise Price Range	Options	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
$37.06–$44.73	87,500	6.7	$ 42.51	78,148	$ 42.55
$47.99–$57.01	39,122	9.3	54.70	16,685	51.59

The tax effect of income tax deductions that differ from expense for financial reporting purposes under these plans is credited or charged to additional paid-in capital.

NOTE 15 - FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable, short-term investments, accounts payable, and accrued liabilities approximate fair value due to the short-term maturities of these assets and liabilities.

Fair values of long-term debt and interest rate swaps are based on quoted market prices at the date of measurement. The Company's credit facilities approximate fair value as they bear interest rates that approximate market. At November 30, 2005, the fair value of the remaining long-term debt, which includes the 2004 Senior Notes and TIF bond Funding Commitment, as determined by quotes from financial institutions, was $373.1 million compared to the carrying amount of $369.0 million.

NOTE 16 - QUARTERLY DATA (UNAUDITED)

The Company derives most of its income from a limited number of NASCAR-sanctioned races. As a result, the Company's business has been, and is expected to remain, highly seasonal based on the timing of major events. For example, one of the Company's NASCAR NEXTEL Cup Series events is traditionally held on the Sunday preceding Labor Day. Accordingly, the revenue and expenses for that race and/or the related supporting events may be recognized in either the fiscal quarter ending August 31 or the fiscal quarter ending November 30.

The following table presents certain unaudited financial data for each quarter of fiscal 2004 and 2005 (in thousands, except per share amounts):

	Fiscal Quarter Ended			
	February 29, 2004	May 31, 2004	August 31, 2004	November 30, 2004
Total revenue	$ 130,625	$ 131,125	$ 154,844	$ 231,254
Operating income	47,068	37,720	51,048	92,582
Income from continuing operations	24,450	15,595	31,810	54,441
Net income	27,793	6,059	68,090	54,376
Basic earnings per share	0.52	0.11	1.28	1.02
Diluted earnings per share	0.52	0.11	1.28	1.02

	Fiscal Quarter Ended			
	February 28, 2005	May 31, 2005	August 31, 2005	November 30, 2005
Total revenue	$ 179,432	$ 157,447	$ 166,519	$ 236,730
Operating income	71,847	46,866	56,019	90,533
Income from continuing operations	41,118	26,540	36,804	54,612
Net income	41,065	26,501	36,752	55,044
Basic earnings per share	0.77	0.50	0.69	1.04
Diluted earnings per share	0.77	0.50	0.69	1.03

NOTE 17 - SEGMENT REPORTING

The general nature of the Company's business is a motorsports themed amusement enterprise, furnishing amusement to the public in the form of motorsports themed entertainment. The Company's motorsports event operations consist principally of racing events at its major motorsports facilities. The Company's remaining business units, which are comprised of the radio network production and syndication of numerous racing events and programs, the operation of a motorsports-themed amusement and entertainment complex, certain souvenir merchandising operations not associated with the promotion of motorsports events at the Company's facilities, construction management services, leasing operations, financing and licensing operations and agricultural operations are included in the "All Other" segment. The Company evaluates financial performance of the business units on operating profit after allocation of corporate general and administrative ("G&A") expenses. Corporate G&A expenses are allocated to business units based on each business unit's net revenues to total net revenues.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Intersegment sales are accounted for at prices comparable to unaffiliated customers. Intersegment revenues were approximately $10.4 million, $9.0 million and $12.2 million for the years ended November 30, 2003, 2004, and 2005, respectively (in thousands).

	For The Year Ended November 30, 2003		
	Motorsports Event	All Other	Total
Revenues	$ 520,441	$ 39,058	$ 559,499
Depreciation and amortization	35,270	5,590	40,860
Operating income	177,133	9,710	186,843
Capital expenditures	67,957	4,630	72,587
Total assets	1,106,644	197,148	1,303,792
Equity investments	33,706	-	33,706

	For The Year Ended November 30, 2004		
	Motorsports Event	All Other	Total
Revenues	$ 609,086	$ 47,774	$ 656,860
Depreciation and amortization	38,788	5,655	44,443
Operating income	217,067	11,351	228,418
Capital expenditures	113,098	22,120	135,218
Total assets	1,343,303	276,207	1,619,510
Equity investments	36,489	-	36,489

NOTE 17 - SEGMENT REPORTING (continued)

	For The Year Ended November 30, 2005		
	Motorsports Event	All Other	Total
Revenues	$ 702,870	$ 49,455	$ 752,325
Depreciation and amortization	43,971	6,922	50,893
Operating income	255,459	9,806	265,265
Capital expenditures	222,736	26,114	248,850
Total assets	1,538,614	258,455	1,797,069
Equity investments	51,160	-	51,160

NOTE 18 - SUBSEQUENT EVENTS

On December 9, 2005, SMISC purchased the stock of Action, which was structured as a merger of a wholly-owned subsidiary of Motorsports Authentics, LLC into Action. Upon the consummation of the merger, Action's outstanding common stock was cancelled and the holders were to receive $13 in cash in exchange for each share of Action common stock. The total purchase price, of approximately $247.6 million, was funded through equal equity contributions from the Company and SMI of approximately $123.8 million, including transaction expenses, to SMISC. The Company's share of the equity contribution was funded from existing cash and borrowings of approximately $80.0 million from its Credit Facility.