

MOTORSPORTS INDUSTRY OVERVIEW

The motorsports industry consists of several distinct categories of auto racing, each with its own organizing body and sanctioned racing events. The Federation Internationale de l'Automobile, or FIA, based in Paris, France, is a worldwide governing body for auto racing, with representative members in more than 100 countries. The FIA's United States representative is the Automobile Competition Committee of the United States ("ACCUS"), which in turn consists of the following nine member sanctioning organizations:

NASCAR	National Association for Stock Car Auto Racing
IRL	Indy Racing League
Grand American	Grand American Road Racing Association
NHRA	National Hot Rod Association
IMSA	International Motorsports Association
SCCA	Sports Car Club of America
USAC	United States Auto Club
Champ Car	Champ Car World Series
WKA*	World Karting Association

* Associate member

Motorsports is among the most popular and fastest growing spectator sports in the United States, with annual attendance at all United States motorsports events estimated at more than 15 million people. The NASCAR NEXTEL Cup, NASCAR Busch and NASCAR Craftsman Truck series events, and open wheel events sanctioned primarily by the IRL, are generally the most popular motorsports events in the United States. The largest auto racing category in the United States, in terms of attendance, media exposure and sponsorships, is stock car racing. The most prominent sanctioning body in stock car racing is NASCAR, based on such factors as geographic presence and number of members, series and sanctioned events. ISC derived approximately 88% of our fiscal 2006 revenues from NASCAR-sanctioned racing events at its wholly-owned facilities.

Total spectator attendance for NASCAR events (including all NASCAR NEXTEL Cup, NASCAR Busch and NASCAR Craftsman Truck series races) grew at a compound annual rate of approximately 6.4% from 1990 to 2006, substantially greater than any other major U.S. professional sport. An average of 7.9 million viewers tuned in to each 2006 NASCAR NEXTEL Cup Series event, a 37% increase over 2000. In addition, the NASCAR Busch Series average household viewership outperformed regular season average household viewership for the National Basketball Association and Major League Baseball by 34% and 42%, respectively, in 2006. The NASCAR NEXTEL Cup and NASCAR Busch series continue to be the second and third, respectively, most-watched regular season sports on television in terms of average household viewership, behind only the National Football League.

Economics of Auto Racing

Motorsports events generally are heavily promoted, with a number of supporting events surrounding each main race event. Examples of supporting events include secondary races, qualifying time trials, practice sessions, driver autograph sessions, automobile and product expositions, catered parties, fan forums, live television and radio shows and other related events, which are all designed to maximize the spectators' overall entertainment experience and enhance the value to sponsors. The primary participants in the business of auto racing are sanctioning bodies, spectators, track operators, sponsors, broadcast and media partners, major automobile manufacturers, drivers, crew members, team owners and vendors of officially licensed merchandise.

Sanctioning Bodies

Sanctioning bodies such as NASCAR and IRL sanction events at various race venues in exchange for fees from track operators. Sanctioning bodies are responsible for all aspects of race management

necessary to conduct the event. They are responsible for regulating racing cars, drivers and teams, providing officials to ensure fair competition, as well as administering the purse and prize payments.

Spectators

Motorsports is among the most watched sports worldwide and is among the fastest growing spectator sports in the United States. Annual attendance at all U.S. motorsports events is estimated to be more than 15 million people. We believe that the profile of the growing base of spectators, including demographics such as household income, education, gender and age, has considerable appeal to the primary participants in the business of auto racing.

Track Operators

Track operators, such as ISC, market and promote events at their facilities. Their principal revenue sources generally include admissions, television, radio and ancillary rights fees, promotion and sponsorship fees, the sale of merchandise, food and beverage concessions, hospitality fees paid for catered receptions and private parties, luxury suite and hospitality village rentals, parking and advertising on track signage and in souvenir racing programs. Sanction agreements require race track operators to pay fees for each sanctioned event conducted, including sanction fees and prize and championship point fund monies.

Sponsors

Drawn to the sport by its attractive demographics, the strong brand loyalty of the fans, and opportunities to build relationships with other corporate partners, sponsors are active in all aspects of auto racing. In addition to supporting racing teams by direct sponsorship of a team, which funds certain costs of their operations, sponsors support track operators by paying fees associated with rights to official status designations for specified product categories and the naming of events such as the Auto Club 500, the Ford 400 or the Crown Royal 400. In addition, premier racing events such as the Daytona 500 frequently have multiple official corporate sponsors. Sponsors negotiate to receive specified advertising exposure through television and radio coverage, newspapers, race programs, brochures and advertising at the track. Finally, sponsors pay fees to track operators for the use of proprietary logos and trademarks to promote the sponsor's association with an event and drive retail sales.

Broadcasting and Media Partners

Broadcasters and other media channels arrange rights agreements directly with the individual sanctioning bodies. Broadcasters receive revenue from corporate sponsors and advertisers for promotional airtime during race events. Strong television performance and ongoing popularity of motorsports events are important because they help drive incremental advertising revenue. In addition, broadcasters play a significant role in promoting the sport by providing strong graphics, production values, music and talent, which all add to an exciting broadcast experience for fans.

Major Automobile Manufacturers

Major automobile manufacturers, such as General Motors, Ford, DaimlerChrysler, Toyota and Honda play a key role in the success of the sport by providing financial support to drivers, teams and track operators; technological support in the form of research and development; and exposure for the sport through advertising and dealer promotion.

Drivers and Crew Members

The majority of drivers contract directly with individual team owners; however, some drivers own their teams. Drivers generally receive income from contracts with team owners, sponsorship fees and prize

money. Drivers may also receive income from personal endorsement and merchandise licensing fees. The success and personality of a driver is an important marketing advantage because it can help attract corporate sponsorships and generate sales for vendors of officially licensed merchandise, including us. The efforts of each driver are supported by a number of other crew members, all of whom are supervised by a crew chief or team manager.

Team Owners

Team owners generally bear the financial risk of placing their teams in competition. They contract with drivers, acquire racing vehicles and support equipment, hire pit crews and mechanics and arrange sponsorship of their teams. Team owners generally receive income principally from sponsorships and prize money.

Merchandise Vendors

The growing popularity of motorsports events, combined with the demographics of the spectators, has resulted in revenue growth for vendors of officially licensed racing-related merchandise. For example, according to NASCAR, sales of apparel, souvenirs, collectibles, automotive after-market accessories and other merchandise licensed by NASCAR, drivers, teams and track operators have climbed dramatically, from approximately \$600 million in 1995 to more than \$2 billion currently.

NASCAR

The largest auto racing category in the United States, in terms of attendance, media exposure and sponsorships, is stock car racing. Stock car racing utilizes equipment similar in appearance to standard passenger automobiles. Stock car races are conducted on oval tracks, including short tracks of one-half mile or less in length, intermediate tracks between one-half mile and one mile in length and superspeedways of one mile or greater in length, as well as permanent road courses. The most prominent sanctioning body in stock car racing is NASCAR, based on such factors as geographic presence and number of members, series and sanctioned events.

Professional stock car racing developed in the southeastern United States in the 1930's. It began to mature in 1947 when William H.G. France (the father of ISC's Chairman and CEO and the grandfather of its President) organized NASCAR. The first NASCAR-sanctioned race was held in 1948 in Daytona Beach, Florida. In 1959, ISC completed construction of Daytona International Speedway and promoted the first Daytona 500. The motorsports industry began to gather momentum in the mid-1960's, when major North American automobile and tire manufacturers first offered engineering and financial support. Evolving from the NASCAR Grand National Series that began in 1950, NASCAR created the NASCAR Winston Cup Series in the early 1970's. Beginning in 2004, Nextel Communications replaced Winston as sponsor of the Cup Series. The NASCAR NEXTEL Cup Series will consist of 39 televised events, including three non-championship point events, at 22 tracks operating in 19 states in 2007. No track currently promotes more than two NASCAR NEXTEL Cup Series championship point events.

The following table shows the 2007 NASCAR NEXTEL Cup Series schedule (events held at facilities currently operated by us or in which we have a financial interest are noted in bold), with all events to be televised on FOX, ESPN, ABC, TNT or SPEED:

2007 NASCAR NEXTEL CUP SERIES SCHEDULE

<u>Date</u>	<u>Facility</u>
Feb 10*	Daytona International Speedway
Feb 15 *	Daytona International Speedway
Feb 18	Daytona International Speedway
Feb 25	California Speedway

Mar 11	Las Vegas Motor Speedway
Mar 18	Atlanta Motor Speedway
Mar 25	Bristol Motor Speedway
Apr 1	Martinsville Speedway
Apr 15	Texas Motor Speedway
Apr 21	Phoenix International Raceway
Apr 29	Talladega Superspeedway
May 5	Richmond International Raceway
May 12	Darlington Raceway
May 19 *	Lowe's Motor Speedway
May 27	Lowe's Motor Speedway
Jun 3	Dover Downs International Speedway
Jun 10	Pocono Raceway
Jun 17	Michigan International Speedway
Jun 24	Infiniteon Raceway
Jul 1	New Hampshire International Speedway
Jul 7	Daytona International Speedway
Jul 15	Chicagoland Speedway
Jul 29	Indianapolis Motor Speedway
Aug 5	Pocono Raceway
Aug 12	Watkins Glen International
Aug 19	Michigan International Speedway
Aug 25	Bristol Motor Speedway
Sep 2	California Speedway
Sep 8	Richmond International Raceway
Sep 16	New Hampshire International Speedway
Sep 23	Dover Downs International Speedway
Sep 30	Kansas Speedway
Oct 7	Talladega Superspeedway
Oct 13	Lowe's Motor Speedway
Oct 21	Martinsville Speedway
Oct 28	Atlanta Motor Speedway
Nov 4	Texas Motor Speedway
Nov 11	Phoenix International Raceway
Nov 18	Homestead-Miami Speedway

* Represent non-championship point events

Our 2007 financial results are expected to include 21 NASCAR NEXTEL Cup Series races, which is consistent with 2006.

NASCAR also sanctions various other racing events and series, including the NASCAR Busch and NASCAR Craftsman Truck series. Many track operators, including us, host a NASCAR Busch or a NASCAR Craftsman Truck series event in conjunction with a NASCAR NEXTEL Cup Series event in order to boost overall attendance for a race weekend. In 2007, 35 NASCAR Busch Series events will be promoted at 25 tracks in 20 states and one track each in Mexico and Canada.

Including our indirect interest in Montreal, our 2007 financial results are expected to include 16 NASCAR Busch Series events, all of which are scheduled to be televised on ESPN or ABC. In 2006, we also hosted 16 NASCAR Busch Series events. In 2007, 25 NASCAR Craftsman Truck Series events are scheduled to be promoted at 22 tracks in 19 states. Our 2007 financial results are expected to include nine NASCAR Craftsman Truck Series races, all of which are scheduled to be televised on FOX and Speed Channel. In 2006, we also hosted nine NASCAR Craftsman Truck Series events.

Attractive Fan Demographics

NASCAR's growing fan base is attractive to advertisers and sponsors. One in three U.S. adults currently follows the sport. Moreover, NASCAR's fan base covers every region of the country and spans every age group, with particular strength among 18-34 year olds, a prime-spending group targeted by advertisers. NASCAR fans also rank among the highest of all major U.S. sports in terms of household income distribution, with approximately 43% of fans earning more than \$50,000 per year. This translates into higher amounts of available discretionary spending. NASCAR has implemented initiatives to further diversify and expand its fan base. Currently, 40% of NASCAR fans are women, giving sponsors significant exposure to the prime purchasing decision-makers. In addition, one in five of NASCAR fans are minorities. These factors result in an attractive audience for advertisers and sponsors.

Electronic Media Rights

Prior to 1999, track operators negotiated directly with television and cable networks for coverage of substantially all of the televised NASCAR-sanctioned events held at their facilities other than the NASCAR Craftsman Truck Series. In February 1999, NASCAR announced it would retain television, radio and all other electronic media rights and negotiate such rights other than radio for the NASCAR NEXTEL Cup and NASCAR Busch series events. In November 1999, NASCAR reached an agreement on a six-year television contract with NBC Sports and Turner Sports, and an eight-year agreement with FOX and its FX cable network (with the last two years of the FOX/FX agreement at NASCAR's option), for the domestic television broadcast rights beginning in 2001. NASCAR NEXTEL Cup and NASCAR Busch series gross domestic television rights revenues grew at a compound annual growth rate, or CAGR, of 17% during the contract period from 2001 to 2006.

NASCAR has entered into new combined eight-year agreements with FOX, ABC/ESPN, TNT and SPEED beginning in 2007 for the domestic broadcast and related rights for its NEXTEL Cup, Busch and Craftsman Truck series. The agreements are expected to total approximately \$4.5 billion over the eight year period from 2007 through 2014. This results in an approximate \$560 million gross average annual rights fee for the industry, a more than 40.0 percent increase over the previous contract average of \$400 million annually.

The industry rights fees are expected to approximate \$505 million for 2007, with increases, on average, of approximately three percent per year through the 2014 season. The annual increase is expected to vary between two and four percent per year over the period.

While the 2007 industry rights fees will be less than the 2006 industry rights fees of approximately \$576 million, in our opinion this should not overshadow the strategic importance and expected long-term benefits of the new contracts. The most significant is the substantial increase in earnings and cash flow visibility for the entire industry over the contract period.

In addition, over the past several years, there has been a shift of major sports programming from network to cable. The cable broadcasters can support a higher investment through subscriber fees not available to networks, which has resulted in increased rights fees for these sports properties. Cable, however, reaches far fewer households than network broadcasts. We view NASCAR's decision to keep approximately two-thirds of its event schedule on network television as important to the sport's future growth. The structure should continue to drive increased fan and media awareness for all three racing series, which will help fuel our long-term attendance and corporate-related revenues.

We also welcome the chance to re-establish the sport's broadcast relationship with ESPN, which we believe will result in further exposure for NASCAR racing. First, we believe the NASCAR Busch Series will significantly benefit from the improved continuity of its season-long presence on ESPN. In addition, we believe the sport as a whole will benefit from the increased ancillary programming and nightly and weekly NASCAR-branded programming and promotions, similar to what ESPN does with the other major sports.

Nextel's Title Sponsorship of NASCAR Cup Series

R.J. Reynolds was the title sponsor of what was formerly named the NASCAR Winston Cup Series since the early 1970's and invested millions of dollars in the sport through promotional spending, car sponsorship, signage, hospitality and payments to the championship point fund, and was instrumental in transitioning NASCAR into its mainstream status. In 2003, NASCAR announced a 10-year agreement with Nextel Communications to replace R.J. Reynolds as the Cup Series sponsor beginning in 2004.

Nextel's sponsorship of the NASCAR NEXTEL Cup Series is a watershed event for NASCAR racing and the motorsports industry. Nextel's involvement is significantly increasing exposure for NASCAR racing across the country, as they are required to make a significant media spend in support of the sponsorship and are able to target a more youthful audience, which is critical for building a future fan base.

In addition, Nextel has effectively opened the door for new corporate partners. The magnitude of their commitment validates NASCAR as a viable marketing vehicle for other technology companies, which typically have large marketing budgets. In addition, their participation eliminates the stigma of the sport's historical relationship with tobacco, which precluded certain companies from participating in a NASCAR sponsorship.

Nextel's proactive marketing campaign includes a significant trackside presence at events, and they are leveraging television, radio and print advertising to promote their involvement in NASCAR. We are very excited for the opportunities their partnership is creating for the entire industry and us.

Realignment

In early 2003, NASCAR announced their Realignment 2004 and Beyond initiative designed to expand the sport into underserved markets throughout the country. By moving races to larger markets and later start times, NASCAR expects to increase its value to the sport's television broadcasters, which benefits everyone involved in the sport.

In June 2003, NASCAR approved our proposal for realigning a NASCAR NEXTEL Cup date from North Carolina to California beginning in 2004. The move was incrementally positive to revenue and earnings, but more importantly, allows our broadcast and advertising partners a second opportunity to access the nation's number two media market. It also gives our large fan base in that part of the country another opportunity to enjoy live NASCAR racing.

In May 2004, NASCAR approved requests for the realignment of several other NASCAR NEXTEL Cup Series dates beginning with the 2005 season. As a result, Phoenix now hosts an additional NASCAR NEXTEL Cup Series event in the Spring that finishes "under the lights," Darlington hosts only one NASCAR NEXTEL Cup Series event (on a Saturday night in May), and California's spring NASCAR NEXTEL CUP Series race is now held the week following the Daytona 500 in February. This additional realignment was incrementally positive to revenue and earnings and strengthens our nationwide presence.

NASCAR has left the door open for additional realignment requests and we intend to further capitalize on this initiative over the longer term.

Indy Racing League ("IRL")

IRL was formed in 1995 to sanction open wheel racing events. In 2007, the IRL IndyCar Series schedule will feature 17 races, including the Indianapolis 500, one of the world's most prestigious motorsports events. IRL also owns and sanctions the Indy Racing Infiniti Pro Series, a developmental series for IRL. In fiscal 2007, we will promote six IRL IndyCar Series races. We believe IRL's long-term business plan of growing a primarily oval-based racing series favorably complements our business. Moreover, we expect the combination of a strong nationwide presence, important manufacturer involvement and the premier status of the Indy 500 will continue to help this series grow by attracting new fans and corporate sponsors.

Other Sanctioning Bodies

Although NASCAR is the most prominent sanctioning body in the United States, a number of other organizations also sanction stock car races. Including events at Chicagoland, in 2007 we will promote five Automobile Racing Club of America races. Other examples of motorsports events and their sanctioning bodies include:

- Formula One open wheel races held on road courses in several countries and sanctioned by the FIA;
- sports car races held on road courses and temporary street courses and sanctioned in the United States by Grand American, IMSA and SCCA;
- motorcycle races sanctioned by the American Motorcyclist Association;
- drag strip races sanctioned in the United States by NHRA and International Hot Rod Association
- open wheel races held on ovals, temporary street courses and permanent road courses and sanctioned by Champ Car World Series; and
- go-kart races sanctioned by the World Karting Association.