



September 14, 2015

Nevada Gold & Casinos Reports First Quarter 2016 Financial Results

LAS VEGAS, Sept. 14, 2015 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE:UWN) today announced financial results for the first quarter ended July 31, 2015.

For the first quarter of fiscal 2016, the company reported net revenues of \$15.9 million compared to \$15.9 million in the first quarter of fiscal 2015. Operating expenses were \$15.2 million compared to \$15.3 million in the prior year period. Operating income was \$0.8 million compared to \$0.6 million and income before taxes increased to \$0.7 million from \$0.5 million in the prior year period. Net income was \$0.5 million, or \$0.03 per share, compared to \$0.4 million, or \$0.02 per share, in the prior year period.

Net revenues from the Washington state gaming operations increased to \$13.8 million, up 3% from the \$13.3 million in the prior year period and adjusted EBITDA increased to \$1.7 million compared to \$1.5 million in the prior year. South Dakota route revenues decreased to \$2.2 million compared to \$2.6 million in the prior year period, and adjusted EBITDA decreased by \$100,000. Corporate expenses were \$0.5 million compared to \$0.6 million in the prior year. On a consolidated basis, adjusted EBITDA increased to \$1.4 million from \$1.2 million in the prior year quarter.

During the first quarter, the company recorded a gain of \$166,500 on the sale of its Golden Nugget facility in Tukwila, WA, which closed at the end of June. The company recorded \$180,000 in nonrecurring expenses related to its pending acquisition of Club Fortune Casino in Henderson, NV.

"Revenue growth from our Washington operations continues to offset the increasing operating costs, most notably for employee health care," said Michael P. Shaunnassy, President and CEO. "Our two properties south of Seattle both recorded double digit growth in volume during the first quarter. In March, a competing property in nearby Kent closed, and we benefited from the capacity reduction. With the sale of our Golden Nugget facility, and focused improvements in our nine remaining Washington properties, we continue to generate revenue improvements with attractive flow through to EBITDA that offsets the continued softness in our South Dakota route business."

The company's outstanding bank debt is \$8.1 million as of July 31, 2015, and had unrestricted cash on hand of \$7.2 million. The company borrowed \$1.5 million in May to fund the required deposit for the pending acquisition of Club Fortune Casino in Henderson, NV.

The company is progressing on the previously announced acquisition of Club Fortune Casino, with a financing commitment from Mutual of Omaha and the licensing process in Nevada under way. We anticipate receiving the necessary regulatory approvals to allow for a closing during the third quarter of our fiscal year.

Conference Call and Webcast

The company will host a conference call at 4:30 PM ET (1:30 PM PT), today, September 14, 2015 to discuss the financial results and to provide a corporate update. The call can be accessed live by dialing (888) 287-5563. International callers can access the call by dialing (719) 325-2484. A simultaneous webcast of the call will be available by visiting <http://www.nevadagold.com>.

A telephone replay of the conference call will be available after 7:30 PM ET and can be accessed by dialing (877) 870-5176. International callers can access the replay by dialing (858) 384-5517; the pin number is 2829562. The replay will be available through September 21, 2015. The archived webcast will also be available on the company's website at <http://ir.nevadagold.com/events.cfm>.

(1) Non-GAAP Information

The term "adjusted EBITDA" is used by us in presentations, quarterly earnings calls, and other instances as appropriate. Adjusted EBITDA is defined as net income before interest, income taxes, depreciation and amortization, non-cash goodwill and other long-lived asset impairment charges, write-offs of project development costs, litigation charges, non-cash stock grants, non-cash employee stock purchase plan discounts, and net losses/gains from asset dispositions. Adjusted EBITDA excludes

the impact of slot and table games hold percentages compared to the prior period. Adjusted EBITDA is presented because it is a required component of financial ratios reported by us to our lender, and it is also frequently used by securities analysts, investors, and other interested parties, in addition to and not in lieu of, U.S. Generally Accepted Accounting Principles ("GAAP") results to compare to the performance of other companies that also publicize this information. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to net income as an indicator of our operating performance or any other measure of performance derived in accordance with GAAP.

The following table reconciles Adjusted EBITDA to net income for the three months ended July 31, 2015 and 2014:

Adjusted EBITDA reconciliation to net income:

	<u>For the three months ended</u>	
	<u>July 31, 2015</u>	<u>July 31, 2014</u>
Net income	\$ 457,996	\$ 354,029
Adjustments:		
Net interest expense and change in swap fair value	100,108	139,500
Income tax expense	227,512	153,029
Depreciation and amortization	510,794	545,035
Acquisition expenses	180,120	--
Stock options amortization and employee stock purchases	30,195	14,862
Gain on sale of assets	(163,481)	(8,032)
Deferred rent amortization	<u>7,911</u>	<u>1,099</u>
Adjusted EBITDA	<u>\$ 1,351,155</u>	<u>\$ 1,199,522</u>

Forward-Looking Statements

This release contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We use words such as "anticipate," "believe," "expect," "future," "intend," "plan," and similar expressions to identify forward-looking statements. Forward-looking statements include, without limitation, our ability to increase income streams, to grow revenue and earnings, and to obtain additional gaming and other projects. These statements are only predictions and are subject to certain risks, uncertainties and assumptions, which are identified and described in the Company's public filings with the Securities and Exchange Commission.

About Nevada Gold & Casinos

Nevada Gold & Casinos, Inc. (NYSE:UWN) of Las Vegas, Nevada is a developer, owner and operator of nine gaming operations in Washington (wagoldcasinos.com) and a slot route operation in Deadwood, South Dakota (dakotaplayersclub.com). For more information, visit www.nevadagold.com.

Nevada Gold & Casinos, Inc. Consolidated Balance Sheets

	<u>July 31,</u> <u>2015</u>	<u>April 30,</u> <u>2015</u>
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,153,929	\$ 8,541,670
Restricted cash	1,535,092	1,724,439
Accounts receivable, net of allowances	757,937	297,316
Prepaid expenses	1,469,904	845,505
Deferred tax asset, current portion	633,718	863,366
Notes receivable, current portion	390,215	384,464
Inventory and other current assets	<u>345,953</u>	<u>377,625</u>
Total current assets	12,286,748	13,034,385

Real estate held for sale	1,100,000	1,100,000
Notes receivable, net of current portion	1,214,410	1,314,467
Goodwill	16,028,625	16,103,583
Identifiable intangible assets, net of accumulated amortization of \$7,092,275 and \$6,811,799 at July 31, 2015 and April 30, 2015, respectively	4,280,901	4,561,377
Property and equipment, net of accumulated depreciation of \$4,557,557 and \$4,451,553 at July 31, 2015 and April 30, 2015, respectively	3,843,932	3,990,791
Deferred tax asset, net of current portion	2,708,566	2,706,430
Other assets	1,940,215	331,980
Total assets	<u>\$ 43,403,397</u>	<u>\$ 43,143,013</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 1,088,984	\$ 1,222,139
Accrued payroll and related	804,092	1,581,557
Accrued player's club points and progressive jackpots	1,727,878	1,993,537
Total current liabilities	3,620,954	4,797,233
Long-term debt	8,148,946	7,350,000
Other long-term liabilities	542,907	570,717
Total liabilities	<u>12,312,807</u>	<u>12,717,950</u>

Stockholders' equity:

Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 17,229,144 and 17,134,928 shares issued and 16,446,307 and 16,352,091 shares outstanding at July 31, 2015, and April 30, 2015, respectively	2,067,506	2,056,200
Additional paid-in capital	25,041,319	24,845,094
Retained earnings	10,913,800	10,455,804
Treasury stock, 782,837 shares at July 31, 2015 and April 30, 2015, respectively, at cost	(6,932,035)	(6,932,035)
Total stockholders' equity	<u>31,090,590</u>	<u>30,425,063</u>
Total liabilities and stockholders' equity	<u>\$ 43,403,397</u>	<u>\$ 43,143,013</u>

Nevada Gold & Casinos, Inc.
Consolidated Statements of Operations
(unaudited)

	<u>Three Months Ended</u>	
	<u>July 31,</u>	<u>July 31,</u>
	<u>2015</u>	<u>2014</u>
Revenues:		
Casino	\$ 14,098,696	\$ 14,151,990
Food and beverage	2,443,110	2,368,941
Other	452,671	440,107
Gross revenues	16,994,477	16,961,038
Less promotional allowances	(1,051,703)	(1,052,424)
Net revenues	15,942,774	15,908,614
Expenses:		
Casino	8,047,306	8,203,967
Food and beverage	1,313,369	1,270,650
Other	65,594	67,703
Marketing and administrative	4,140,955	4,112,620
Facility	493,154	483,666

Corporate expense	749,467	586,447
Depreciation and amortization	510,794	545,035
Gain on sale of assets	<u>(163,481)</u>	<u>(8,032)</u>
Total operating expenses	<u>15,157,158</u>	<u>15,262,056</u>
Operating income	785,616	646,558
Non-operating income (expenses):		
Interest income	25,880	31,155
Interest expense and amortization of loan issue costs	(119,593)	(167,763)
Interest rate swap expense	(17,612)	(21,200)
Change in swap fair value	<u>11,217</u>	<u>18,308</u>
Income before income tax expense	685,508	507,058
Income tax expense	<u>(227,512)</u>	<u>(153,029)</u>
Net income	<u>\$ 457,996</u>	<u>\$ 354,029</u>
Per share information:		
Net income per common share - basic and diluted	<u>\$ 0.03</u>	<u>\$ 0.02</u>

Basic weighted average number of shares outstanding	<u>16,416,737</u>	<u>16,200,135</u>
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Diluted weighted average number of shares outstanding	<u>16,605,308</u>	<u>16,338,534</u>
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CONTACT: Nevada Gold & Casinos, Inc.

Michael P. Shaunnessy / James Meier

(702) 685-1000

Stonegate Capital Partners

Casey Stegman

(214) 987-4121

Source: Nevada Gold and Casinos Inc

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