



March 16, 2016

Nevada Gold & Casinos Reports Third Quarter Results

LAS VEGAS, March 16, 2016 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the third quarter ended January 31, 2016. The company will host a conference call at 4:30 PM ET (1:30 PM PT) today to discuss these results and provide a corporate update.

For the third quarter of fiscal 2016, net revenue increased to \$18.4 million compared to \$15.8 million in the third quarter of fiscal 2015. This increase was primarily driven by \$2.4 million in revenue from Club Fortune Casino which was acquired on December 1, 2015. Operating expenses were \$17.2 million compared to \$15.0 million in the prior year period. Operating income improved to \$1.2 million compared to \$0.8 million in the prior year period. Net income was \$0.5 million compared to \$0.4 million in the prior year period.

For the third quarter of fiscal 2016, the Company reported adjusted EBITDA of \$2.3 million compared to \$1.5 million in the prior year quarter. This improvement was due to continued strong performance in the Washington portfolio, aided by two months of operations of Club Fortune Casino.

Third quarter results were impacted by the non-recurring Club Fortune transaction costs of \$0.4 million, and the initial swap valuation non-cash charge of \$0.2 million related to the amended bank financing. Adjusting for these items, Adjusted Net Income was \$0.9 million, or \$0.05 per share, compared to \$0.4 million or \$0.03 per share in the prior year period.

"During the third quarter, our Washington portfolio continued the growth we had seen in the first two quarters, and with the addition of Club Fortune, we generated significant year-over-year improvement," said President and CEO Michael Shaunnessy. "We are quickly integrating the Club Fortune acquisition and are pleased with the early performance and its expected future contribution to earnings and cash flow."

Net revenues from the Washington state gaming operations increased slightly to \$14.6 million, but on a comparable unit basis, Washington revenues increased \$0.9 million, or 6.5%. This revenue increase was primarily driven by an increase in table game drop (amount wagered). EBITDA increased to \$2.8 million compared to \$2.1 million in the prior year period.

Club Fortune net revenues were \$2.4 million for the first two months of operations, and EBITDA was \$327,000.

South Dakota net revenues declined \$112,000 to \$1.3 million, which was partially offset by operating expense reductions leading to a \$63,000 EBITDA loss compared to EBITDA of \$10,000 in the prior year.

Corporate expenses, net of acquisition expenses, were \$0.8 million compared to \$0.7 million in the prior period. On a consolidated basis, adjusted EBITDA was \$2.3 million compared to \$1.5 million in the prior year period.

The Company borrowed \$14.0 million during the quarter to close the Club Fortune acquisition and has since repaid \$2.0 million. The current outstanding bank debt is \$18.7 million, which coupled with strong operating performance, has reduced the pro forma leverage ratio below 2.0 times. Accordingly, the interest rate at the first adjustment date of April 1, 2016 should decrease by 100 basis points.

For the nine month period of fiscal 2016, net revenues were \$50.4 million compared to \$48.1 million in fiscal year 2015. Operating expenses were \$47.5 million compared to \$45.8 million in the prior period. Operating income increased to \$3.0 million compared to \$2.3 million in fiscal 2015. Net income increased to \$1.5 million compared to \$1.2 million in the prior year. Adjusted EBITDA increased to \$5.3 million from \$4.1 million in the prior year.

Conference Call and Webcast

The company will host a conference call today at 4:30 PM ET (1:30 PM PT). The call can be accessed live by dialing (888) 428-9473. International callers can access the call by dialing (719) 457-2664. 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 9043234. The replay will be available through March 23, 2016. The archived webcast will also be available on the company's website.

(1) Non-GAAP Information

The term "adjusted EBITDA" is used by the company 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 option grants, exclusion of net income or loss from operations held for sale, and net losses/gains from asset dispositions. Adjusted EBITDA does not take into account greater or less than expected hold percentages in the gaming operations. Adjusted EBITDA is presented because it is a required component of financial ratios reported by us to our lenders, 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.

Adjusted EBITDA reconciliations for the three months and nine months ended January 31, 2016 and January 31, 2015 are shown below:

Adjusted EBITDA reconciliation to net income:

	For the three months ended	
	January 31, 2016	January 31, 2015
Net income	\$ 466,351	\$ 448,108
Adjustments:		
Net interest expense and change in swap fair value	432,252	152,847
Income tax expense	283,592	240,301
Depreciation and amortization	739,699	553,910
Acquisition expenses	368,824	-
Stock options amortization and employee stock purchases	30,177	43,794
(Gain) Loss on sale of assets	(2,271)	24,613
Deferred rent amortization	11,639	1,870
Adjusted EBITDA	<u>\$ 2,330,263</u>	<u>\$ 1,465,443</u>

Adjusted EBITDA reconciliation to net income:

	For the nine months ended	
	January 31, 2016	January 31, 2015
Net income	\$ 1,542,338	\$ 1,218,205
Adjustments:		
Net interest expense and change in swap fair value	623,484	461,443
Income tax expense	812,226	593,131
Depreciation and amortization	1,739,202	1,643,565
Acquisition expenses	629,603	-
Stock options amortization and employee stock purchases	90,672	88,937
(Gain) Loss on sale of assets	(163,702)	41,700
Deferred rent amortization	24,502	4,067
Write off of marketable securities	-	7,539
Adjusted EBITDA	<u>\$ 5,298,325</u>	<u>\$ 4,058,587</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 MKT:UWN) of Las Vegas, Nevada is a developer, owner and operator of 9 gaming operations in Washington (wagoldcasinos.com), a local casino in Henderson, Nevada (clubfortunecasino.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

	January 31, 2016	April 30, 2015
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,822,156	\$ 8,541,670
Restricted cash	1,525,803	1,724,439
Accounts receivable, net of allowances	768,163	297,316
Prepaid expenses	1,603,449	845,505
Deferred tax asset, current portion	882,394	863,366
Notes receivable, current portion	411,370	384,464
Inventory and other current assets	1,027,181	377,625
Total current assets	15,040,516	13,034,385
Real estate held for sale	1,100,000	1,100,000
Notes receivable, net of current portion	849,059	1,314,467
Goodwill	18,860,059	16,103,583
Intangible assets, net of accumulated amortization of \$7,678,862 and \$6,811,799 at January 31, 2016 and April 30, 2015, respectively	5,316,520	4,561,377
Property and equipment, net of accumulated depreciation of \$5,143,361 and \$4,451,553 at January 31, 2016 and April 30, 2015, respectively	15,431,612	3,990,791
Deferred tax asset, net of current portion	1,875,176	2,706,430
Other assets	267,567	331,980
Total assets	\$ 58,740,509	\$ 43,143,013
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,478,394	\$ 1,222,139
Accrued payroll and related	1,365,751	1,581,557
Accrued player's club points and progressive jackpots	1,945,031	1,993,537
Total current liabilities	4,789,176	4,797,233
Long-term debt	18,594,044	7,350,000
Other long-term liabilities	814,777	570,717
Total liabilities	24,197,997	12,717,950
Stockholders' equity:		
Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,526,693 and 17,134,928 shares issued and 17,743,856 and 16,352,091 shares outstanding at January 31, 2016, and April 30, 2015, respectively	2,223,212	2,056,200
Additional paid-in capital	27,253,193	24,845,094
Retained earnings	11,998,142	10,455,804
Treasury stock, 782,837 shares at January 31, 2016 and April 30, 2015, respectively, at cost	(6,932,035)	(6,932,035)
Total stockholders' equity	34,542,512	30,425,063
Total liabilities and stockholders' equity	\$ 58,740,509	\$ 43,143,013

Consolidated Statements of Operations
(unaudited)

	Three Months Ended		Nine Months Ended	
	January 31, 2016	January 31, 2015	January 31, 2016	January 31, 2015
Revenues:				
Casino	\$ 16,217,164	\$ 13,821,745	\$ 44,578,057	\$ 42,400,880
Food and beverage	3,294,142	2,672,738	8,216,330	7,601,608
Other	529,568	432,329	1,437,452	1,334,215
Gross revenues	<u>20,040,874</u>	<u>16,926,812</u>	<u>54,231,839</u>	<u>51,336,703</u>
Less promotional allowances	<u>(1,680,127)</u>	<u>(1,122,522)</u>	<u>(3,794,103)</u>	<u>(3,251,269)</u>
Net revenues	<u>18,360,747</u>	<u>15,804,290</u>	<u>50,437,736</u>	<u>48,085,434</u>
Expenses:				
Casino	8,166,630	7,338,366	24,074,390	23,733,827
Food and beverage	1,710,461	1,391,532	4,318,491	4,033,675
Other	94,500	72,804	223,035	210,032
Marketing and administrative	4,823,503	4,396,240	13,145,912	12,801,575
Facility	524,892	509,723	1,510,113	1,526,237
Corporate	1,121,138	675,846	2,612,247	1,814,505
Depreciation and amortization	739,699	553,910	1,739,202	1,643,565
(Gain) loss on sale of assets	<u>(2,271)</u>	<u>24,613</u>	<u>(163,702)</u>	<u>41,700</u>
Total operating expenses	<u>17,178,552</u>	<u>14,963,034</u>	<u>47,459,688</u>	<u>45,805,116</u>
Operating income	<u>1,182,195</u>	<u>841,256</u>	<u>2,978,048</u>	<u>2,280,318</u>
Non-operating income (expenses):				
Interest income	22,794	29,066	73,424	90,583
Interest expense and amortization of loan issue costs	(187,894)	(127,035)	(401,514)	(453,337)
Interest rate swap expense	(21,006)	(19,495)	(51,332)	(60,960)
Change in swap fair value	(246,146)	(35,383)	(244,062)	(37,729)
Write-off of marketable securities	-	-	-	(7,539)
Income before income tax expense	<u>749,943</u>	<u>688,409</u>	<u>2,354,564</u>	<u>1,811,336</u>
Income tax expense	<u>(283,592)</u>	<u>(240,301)</u>	<u>(812,226)</u>	<u>(593,131)</u>
Net income	<u>\$ 466,351</u>	<u>\$ 448,108</u>	<u>\$ 1,542,338</u>	<u>\$ 1,218,205</u>
Per share information:				
Net income per common share - basic	<u>\$ 0.03</u>	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.08</u>
Net income per common share - diluted	<u>\$ 0.03</u>	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.07</u>

Nevada Gold & Casinos, Inc.

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