



September 15, 2014

Nevada Gold & Casinos Reports Profit and Revenue Increase for First Quarter 2015 Financial Results

Net Income for Quarter Increases to \$354,029

Adjusted EBITDA Increases to \$1.2 Million Compared to \$0.6 Million for Q1 in the Prior Year

LAS VEGAS, Sept. 15, 2014 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the first quarter ended July 31, 2014.

For the first quarter of fiscal 2015, the company reported net revenues of \$15.9 million compared to \$15.7 million in the first quarter of fiscal 2014. Operating expenses were \$15.3 million compared to \$15.7 million in the prior-year period. Operating income was \$0.6 million compared to \$23,000. Income before taxes increased to \$0.5 million from a loss of \$0.4 million in the prior year and net income was \$0.4 million, or \$0.02 per share, compared to a net loss of \$0.2 million, or \$0.01 per share, in the prior-year period.

Net revenues from Washington increased to \$13.3 million, up 4% from the \$12.8 million in the prior year period and adjusted EBITDA increased to \$1.5 million compared to \$0.9 million in the prior year. South Dakota route revenues decreased to \$2.6 million compared to \$2.8 million in the prior year period, and adjusted EBITDA decreased by \$86,000. Corporate expenses were \$0.6 million, essentially even with the prior year. On a consolidated basis, adjusted EBITDA increased to \$1.2 million from \$0.6 million in the prior year quarter.

"The revenue improvement in Washington, coupled with very tight cost controls, enabled us to significantly drive EBITDA during the quarter. The reduction in net interest expense added further to the quarterly increase in net income," said Michael P. Shaunnessy, President and CEO. "We will continue to focus on generating consistent operating results and using the free cash flow to reduce debt, while exploring new revenue opportunities that complement our current gaming properties and diversify our revenue stream."

Basic and diluted weighted average common shares outstanding in the first quarter of fiscal 2015 were 16.2 million and 16.3 million respectively, compared to 16.1 million basic and diluted in the first quarter of fiscal 2014.

Conference Call and Webcast

The Company will host a conference call to discuss first quarter 2015 financial results on September 16, 2014, at 4:30 pm ET. The call can be accessed live by dialing (888) 233-8128. International callers can access the call by dialing (913) 312-0982. 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 5553801. The replay will be available through September 23, 2014. 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 (loss) for the three months ended July 31, 2014 and 2013:

Adjusted EBITDA reconciliation to net income (loss):

	<u>For the three months ended</u>	
	<u>July 31, 2014</u>	<u>July 31, 2013</u>
Net income (loss)	\$ 354,029	\$ (215,827)
Add:		
Income tax expense (benefit)	153,029	(158,361)
Net interest expense	139,500	397,069
(Gain) loss on sale of assets	(8,032)	3,971
Depreciation and amortization	545,035	561,937
Deferred rent	1,099	4,561
Stock options amortization	13,619	13,620
Employee stock purchase discount	1,243	1,830
Adjusted EBITDA	<u>\$ 1,199,522</u>	<u>\$ 608,800</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 10 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, 2014</u>	<u>April 30, 2014</u>
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,288,939	\$ 7,738,985
Restricted cash	1,517,532	1,388,995
Accounts receivable, net of allowances of \$42,098 at July 31, 2014 and April 30, 2014, respectively	683,443	252,504
Prepaid expenses	1,335,317	829,228
Deferred tax asset, current portion	--	98,643
Notes receivable, current portion	338,245	332,973
Inventory and other current assets	<u>345,248</u>	<u>344,686</u>
Total current assets	<u>12,508,724</u>	<u>10,986,014</u>
Real estate held for sale	1,100,000	1,100,000

Notes receivable, net of current portion	1,636,126	1,730,246
Goodwill	16,103,583	16,103,583
Intangible assets, net of accumulated amortization of \$5,928,539 and \$5,619,009 at July 31, 2014 and April 30, 2014, respectively	5,444,637	5,754,167
Property and equipment, net of accumulated depreciation of \$3,866,820 and \$3,632,349 at July 31, 2014 and April 30, 2014, respectively	4,193,492	4,289,178
Deferred tax asset, net of current portion	4,315,325	4,356,972
Other assets	462,019	486,466
Total assets	<u>\$ 45,763,906</u>	<u>\$ 44,806,626</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued payroll	\$ 2,219,254	\$ 1,427,010
Accrued interest payable	38,071	37,470
Other accrued liabilities	2,367,148	2,178,317
Deferred tax liability, current portion	12,741	--
Long-term debt, current portion	1,650,000	1,625,000
Total current liabilities	<u>6,287,214</u>	<u>5,267,797</u>
Long-term debt, net of current portion	10,300,000	10,725,000
Other long-term liabilities	469,662	486,870
Total liabilities	<u>17,056,876</u>	<u>16,479,667</u>

Stockholders' equity:

Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 16,993,104 and 16,980,676 shares issued and 16,210,267 and 16,197,839 shares outstanding at July 31, 2014, and April 30, 2014, respectively	2,039,181	2,037,689
Additional paid-in capital	24,602,667	24,578,117
Retained earnings	9,002,756	8,648,727
Treasury stock, 782,837 shares at July 31, 2014 and April 30, 2014, respectively, at cost	(6,932,035)	(6,932,035)
Accumulated other comprehensive loss	(5,539)	(5,539)
Total stockholders' equity	<u>28,707,030</u>	<u>28,326,959</u>
Total liabilities and stockholders' equity	<u>\$ 45,763,906</u>	<u>\$ 44,806,626</u>

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

	<u>Three Months Ended</u>	
	<u>July 31, 2014</u>	<u>July 31, 2013</u>
Revenues:		
Casino	\$ 14,151,990	\$ 13,948,479
Food and beverage	2,368,941	2,358,309
Other	440,107	432,045
Gross revenues	16,961,038	16,738,833
Less promotional allowances	<u>(1,052,424)</u>	<u>(1,059,109)</u>
Net revenues	15,908,614	15,679,724
Expenses:		
Casino	8,203,967	8,418,066
Food and beverage	1,270,650	1,216,650

Marketing and administrative	4,112,620	4,298,876
Facility	483,666	478,760
Corporate	586,447	617,161
Depreciation and amortization	545,035	561,937
(Gain) loss on sale of assets	(8,032)	3,971
Other	67,703	61,422
Total operating expenses	<u>15,262,056</u>	<u>15,656,843</u>
Operating income	646,558	22,881
Non-operating income (expenses):		
Interest income	31,155	34,395
Interest expense and amortization of loan issue costs	(167,763)	(431,464)
Interest rate swap expense	(21,200)	--
Increase in swap fair value	18,308	--
Income (loss) before income tax (expense) benefit	507,058	(374,188)
Income tax (expense) benefit	<u>(153,029)</u>	<u>158,361</u>
Net income (loss)	<u>\$ 354,029</u>	<u>\$ (215,827)</u>
Per share information:		
Net income (loss) per common share - basic and diluted	<u>\$ 0.02</u>	<u>\$ (0.01)</u>
Basic weighted average number of shares outstanding	<u>16,200,135</u>	<u>16,087,568</u>
Diluted weighted average number of shares outstanding	<u>16,338,534</u>	<u>16,087,568</u>

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Source: Nevada Gold & Casinos, Inc.

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