



July 29, 2014

## Nevada Gold & Casinos Reports Fourth Quarter Results

LAS VEGAS, July 29, 2014 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the fourth quarter ended April 30, 2014.

For the fourth quarter of fiscal 2014, the company reported net revenues of \$16.0 million compared to \$16.5 million in the fourth quarter of fiscal 2013. Operating expenses decreased to \$14.8 million compared to \$15.5 million in the prior year period. Operating income from continuing operations increased to \$1.3 million compared to \$1.1 million in the prior year period. Income before taxes also increased to \$1.0 million compared to \$0.7 in the prior year period. Net income from continuing operations was \$0.7 million, compared to \$0.5 million in the prior year period.

During the fourth quarter, net revenues from Washington were \$14.1 million, a slight decrease from the \$14.2 million in the prior year period, however, EBITDA improved slightly to \$2.3 million compared to \$2.2 million in the prior year period. South Dakota route operation revenues decreased to \$1.9 million from \$2.3 million in the prior year period, primarily due to a reduction in units. EBITDA declined to \$83,000 for the quarter, compared to EBITDA of \$147,000 in the prior year. Corporate expenses were \$0.5 million compared to \$0.7 million in the prior year period. On a consolidated basis, adjusted EBITDA was \$1.9 million compared to \$1.7 million in the prior year period. Net interest expense decreased to \$157,000 compared to \$393,000, in the prior year period.

"Our fiscal fourth quarter reflects the first full benefit of our debt refinancing completed last December. With the reduced interest expense and solid operating performance, we expect to generate strong earnings growth and free cash flow in fiscal 2015 and forward," said President and CEO Michael Shaunnessy.

For the full fiscal year 2014, net revenues were \$62.8 million compared to \$65.9 million in fiscal year 2013. Operating expenses were \$60.5 million compared to \$63.5 million in the prior year. Operating income from continuing operations was \$2.3 million compared to \$2.4 million in fiscal 2013. Income before taxes was \$0.7 million compared to \$0.7 million in the prior year period. Net income from continuing operations was \$0.5 million compared to \$0.1 in the prior year.

### (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, 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 fiscal years ended April 30, 2014 and April 30, 2013 are shown below:

Adjusted EBITDA reconciliation to net income:

	<u>For the three months ended</u>	
	<u>April 30, 2014</u>	<u>April 30, 2013</u>
Net income	\$ 646,089	\$ 452,434
Add:		
Income tax expense (benefit)	399,239	211,065

Net interest expense (income)	156,669	392,757
Depreciation and amortization	571,245	498,764
Loss on settlements - sale of assets	11,676	986
Deferred rent	(3,537)	19,034
Stock option amortization	13,620	13,620
Employee stock purchase discount	1,391	--
Decrease in swap fair value	58,352	--
Relocation expenses	--	127,029
Adjusted EBITDA	<u>\$ 1,854,744</u>	<u>\$ 1,715,689</u>

Adjusted EBITDA reconciliation to net income:

	For the fiscal year ended	
	April 30, 2014	April 30, 2013
Net income	\$ 447,981	\$ 36,097
Add:		
Income tax expense (benefit)	282,758	560,052
Net interest expense (income)	1,222,904	1,704,027
Depreciation and amortization	2,263,499	2,126,888
Loss on settlements - sale of assets	27,605	6,081
Deferred rent	14,536	76,136
Stock option amortization	54,479	137,858
Employee stock purchase discount	7,384	--
Loss on debt extinguishment	283,550	--
Decrease in swap fair value	58,352	--
Relocation expenses	--	127,029
Severance expense	--	637,868
Impairments, write-offs, recoveries, net	56,959	257,733
Loss on operations held for sale	--	91,603
Adjusted EBITDA	<u>\$ 4,720,007</u>	<u>\$ 5,762,182</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](http://wagoldcasinos.com)) and a slot route operation in Deadwood, South Dakota ([dakotaplayersclub.com](http://dakotaplayersclub.com)). The Company also has a social gaming application, Gold Star Slots, available on Facebook and in the Apple store. For more information, visit [www.nevadagold.com](http://www.nevadagold.com).

### Nevada Gold & Casinos, Inc. Consolidated Balance Sheets

<u>April 30,</u>	<u>April 30,</u>
<u>2014</u>	<u>2013</u>

## ASSETS

### Current assets:

Cash and cash equivalents	\$ 7,738,985	\$ 6,723,919
Restricted cash	1,388,995	1,306,487
Accounts receivable	252,504	445,481
Prepaid expenses	829,228	854,092
Deferred tax asset, current portion	98,643	67,123
Notes receivable, current portion	332,973	216,596
Inventory and other current assets	<u>344,686</u>	<u>373,923</u>
<b>Total current assets</b>	<b><u>10,986,014</u></b>	<b><u>9,987,621</u></b>

Investments in development projects	--	56,959
Real estate held for sale	1,100,000	1,100,000
Notes receivable, net of current portion	1,730,246	2,082,853
Goodwill	16,103,583	16,103,583
Identifiable intangible assets, net of accumulated amortization of \$5,619,009 and \$4,413,439 at April 30, 2014 and April 30, 2013, respectively	5,754,167	6,959,738
Property and equipment, net of accumulated depreciation of \$3,632,349 and \$2,599,940 at April 30, 2014 and April 30, 2013, respectively	4,289,178	5,028,122
Deferred tax asset, net of current portion	4,356,972	4,671,250
Other assets	<u>486,466</u>	<u>533,860</u>
<b>Total assets</b>	<b><u>\$ 44,806,626</u></b>	<b><u>\$ 46,523,986</u></b>

## LIABILITIES AND STOCKHOLDERS' EQUITY

### Current liabilities:

Accounts payable and accrued liabilities	\$ 1,427,010	\$ 2,024,465
Accrued interest payable	37,470	34,393
Other accrued liabilities	2,178,317	2,127,140
Long-term debt, current portion	<u>1,625,000</u>	<u>1,280,000</u>
<b>Total current liabilities</b>	<b><u>5,267,797</u></b>	<b><u>5,465,998</u></b>
Long-term debt, net of current portion	10,725,000	12,930,000
Other long term liabilities	<u>486,870</u>	<u>421,253</u>
<b>Total liabilities</b>	<b><u>16,479,667</u></b>	<b><u>18,817,251</u></b>

### Stockholders' equity:

Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 16,980,676 and 16,864,122 shares issued and 16,197,839 and 16,081,285 shares outstanding at April 30, 2014, and April 30, 2013, respectively	2,037,689	2,023,705
Additional paid-in capital	24,578,117	24,419,858
Retained earnings	8,648,727	8,200,746
Treasury stock, 782,837 shares at April 30, 2014 and April 30, 2013, at cost	(6,932,035)	(6,932,035)
Accumulated other comprehensive loss	<u>(5,539)</u>	<u>(5,539)</u>
<b>Total stockholders' equity</b>	<b><u>28,326,959</u></b>	<b><u>27,706,735</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 44,806,626</u></b>	<b><u>\$ 46,523,986</u></b>

**Consolidated Statements of Operations**

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>April 30,</b>	<b>April 30,</b>	<b>April 30,</b>	<b>April 30,</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Revenues:</b>				
Casino	\$ 14,093,561	\$ 14,651,475	\$ 55,332,569	\$ 58,393,105
Food and beverage	2,577,761	2,510,539	10,053,883	10,103,913
Other	447,161	443,607	1,742,710	1,808,538
<b>Gross revenues</b>	<b>17,118,483</b>	<b>17,605,621</b>	<b>67,129,162</b>	<b>70,305,556</b>
Less promotional allowances	(1,085,552)	(1,086,239)	(4,321,768)	(4,381,638)
<b>Net revenues</b>	<b>16,032,931</b>	<b>16,519,382</b>	<b>62,807,394</b>	<b>65,923,918</b>
<b>Expenses:</b>				
Casino	7,810,946	8,155,865	32,081,242	33,016,277
Food and beverage	1,292,352	1,270,391	5,114,077	4,838,447
Marketing and administrative	3,991,514	4,095,164	16,369,505	16,652,746
Facility	490,906	564,070	1,951,314	2,270,774
Corporate and legal expense	544,168	795,361	2,384,596	4,051,972
Depreciation and amortization	571,245	498,764	2,263,499	2,126,888
Loss on settlements - sale of assets	11,676	986	27,605	6,081
Write-off of project development costs	--	--	56,959	257,733
Other	59,775	82,525	263,052	310,411
Total operating expenses	14,772,582	15,463,126	60,511,849	63,531,329
<b>Operating income from continuing operations</b>	<b>1,260,349</b>	<b>1,056,256</b>	<b>2,295,545</b>	<b>2,392,589</b>
<b>Non-operating income (expenses):</b>				
Interest income	31,677	34,398	133,404	120,349
Interest expense	(138,929)	(345,512)	(1,097,005)	(1,494,989)
Interest rate swap expense	(26,912)	--	(26,912)	--
Decrease in swap fair value	(58,352)	--	(58,352)	--
Amortization of loan issue costs	(22,505)	(81,643)	(232,391)	(329,387)
Loss on extinguishment of debt	--	--	(283,550)	--
<b>Income before income tax</b>	<b>1,045,328</b>	<b>663,499</b>	<b>730,739</b>	<b>688,562</b>
<b>Income tax expense</b>	<b>(399,239)</b>	<b>(211,065)</b>	<b>(282,758)</b>	<b>(560,052)</b>
Net income from continuing operations	646,089	452,434	447,981	128,510
Net loss from operations held for sale, net of taxes	--	--	--	(91,603)
<b>Net income</b>	<b>\$ 646,089</b>	<b>\$ 452,434</b>	<b>\$ 447,981</b>	<b>\$ 36,907</b>
<b>Per share information:</b>				
Net income per common share - basic and diluted for continuing operations	\$ 0.04	\$ 0.03	\$ 0.03	\$ 0.01
Net loss per common share - basic and diluted for discontinued operations	\$ --	\$ --	\$ --	\$ (0.01)
Basic weighted average number of shares outstanding	16,165,930	16,065,719	16,127,654	15,997,546
Diluted weighted average number of shares outstanding	16,366,283	16,110,304	16,294,487	16,020,789

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