



December 15, 2014

Nevada Gold & Casinos Reports Second Quarter Results

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

For the second quarter of fiscal 2015, the company reported net revenues of \$16.4 million compared to \$16.3 million in the second quarter of fiscal 2014. Net revenues from Washington increased \$0.3 million, while South Dakota net revenues declined \$0.3 million. Operating expenses were \$15.6 million compared to \$15.6 million in the prior-year period. Operating income was \$0.8 million compared to \$0.7 million in the prior year period. Net income was \$0.4 million, or \$0.03 per share, compared to \$0.2 million, or \$0.01 per share in the prior-year period.

During the second quarter, the improved performance in Washington was offset by the continued softness in South Dakota. On a consolidated basis, adjusted EBITDA was \$1.4 million, essentially equal to the prior year period. Net interest expense decreased \$0.2 million, driving the increase in net income for the period.

The Company paid down \$1.8 million in debt in the quarter, using free operating cash flow and \$0.7 million collected on the licensing fee advances made to the location owners in South Dakota. The Company's unrestricted cash balance at October 31, 2014 was \$7.8 million, and total outstanding borrowing was \$10.2 million.

CEO Michael P. Shaunnessy commented, "We delivered consistent operating results for the second quarter and continued to use free cash flow to reduce debt. So far this fiscal year, we have reduced outstanding debt by \$2.2 million, and have \$1.4 million available on our revolver."

Mr. Shaunnessy commented further, "As our financial results continue to improve, our management team is able to dedicate more time to evaluating potential transactions within the gaming sector. Our position as a public company is very attractive to some sellers and over the past 6 months, we have had significant discussions concerning 6 separate potential opportunities. Two of these are still ongoing."

For the six month period, net revenues were \$32.3 million compared to \$32.0 million in fiscal year 2014. Operating expenses were \$30.8 million compared to \$31.3 million in the prior year. Operating income was \$1.4 million compared to \$0.8 million in fiscal 2014. Net income was \$0.8 million, or \$0.05 per share compared to \$0.0 million in the prior year.

Conference Call and Webcast

The company will host a conference call at 4:30PM EST today to discuss the financial results and to provide a corporate update. The company will host this call for its shareholders and all members of the financial community including analysts, brokers and interested investors.

The call can be accessed live by dialing (888) 264-8945. International callers can access the call by dialing (913) 312-0977. 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 5966278. The replay will be available through December 23, 2014 at 11:59 pm ET. 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 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 six months ended October 31, 2014 and October 31, 2013 are shown below:

Adjusted EBITDA reconciliation to net income:

	For the three months ended	
	October 31, 2014	October 31, 2013
Net income	\$ 416,067	\$ 220,757
Add:		
Net interest expense	169,095	399,089
Income tax expense	199,802	114,524
Depreciation and amortization	544,620	565,288
Stock options amortization	28,938	13,620
Loss on sale of assets	25,120	4,546
Impairments/Write offs	7,539	56,959
Deferred rent and employee stock purchase discounts	2,441	11,826
Adjusted EBITDA	<u>\$ 1,393,622</u>	<u>\$ 1,386,609</u>

Adjusted EBITDA reconciliation to net income:

	For the six months ended	
	October 31, 2014	October 31, 2013
Net income	\$ 770,096	\$ 4,930
Add:		
Net interest expense	308,595	796,158
Income tax expense (benefit)	352,830	(43,837)
Depreciation and amortization	1,089,655	1,127,225
Stock options amortization	42,557	27,240
Loss on sale of assets	17,087	8,517
Impairments/Write offs	7,539	56,959
Deferred rent and employee stock purchase discounts	4,785	18,216
Adjusted EBITDA	<u>\$ 2,593,144</u>	<u>\$ 1,995,408</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 Statements of Operations
(unaudited)

	Three Months Ended		Six Months Ended	
	October 31, 2014	October 31, 2013	October 31, 2014	October 31, 2013
Revenues:				
Casino	\$ 14,427,144	\$ 14,479,974	\$ 28,579,135	\$ 28,428,453
Food and beverage	2,559,929	2,511,766	4,928,870	4,870,074
Other	461,780	431,354	901,886	863,400
Gross revenues	<u>17,448,853</u>	<u>17,423,094</u>	<u>34,409,891</u>	<u>34,161,927</u>
Less promotional allowances	<u>(1,089,023)</u>	<u>(1,073,977)</u>	<u>(2,128,747)</u>	<u>(2,122,020)</u>
Net revenues	<u>16,359,830</u>	<u>16,349,117</u>	<u>32,281,144</u>	<u>32,039,907</u>
Expenses:				
Casino	8,333,307	8,482,388	16,543,443	16,896,279
Food and beverage	1,371,296	1,281,597	2,642,019	2,498,307
Marketing and administrative	4,132,066	4,076,583	8,251,038	8,386,524
Facility	532,848	491,720	1,016,514	970,481
Corporate expense	551,953	585,090	1,138,401	1,213,308
Other	76,117	70,576	143,927	125,056
Depreciation and amortization	544,620	565,288	1,089,655	1,127,225
Loss on sale of assets	25,120	4,546	17,087	8,517
Write-off of project development cost	--	56,959	--	56,959
Total operating expenses	<u>15,567,327</u>	<u>15,614,747</u>	<u>30,842,084</u>	<u>31,282,656</u>
Operating income	<u>792,503</u>	<u>734,370</u>	<u>1,439,060</u>	<u>757,251</u>
Non-operating income (expenses):				
Interest income	30,362	34,090	61,517	68,485
Interest expense and amortization of loan issue costs	(178,803)	(433,179)	(367,766)	(864,643)
Decrease in swap fair value	(20,654)	--	(2,346)	--
Write-off of marketable securities	<u>(7,539)</u>	<u>--</u>	<u>(7,539)</u>	<u>--</u>
Income (loss) before income tax benefit (expense)	<u>615,869</u>	<u>335,281</u>	<u>1,122,926</u>	<u>(38,907)</u>
Income tax benefit (expense)	<u>(199,802)</u>	<u>(114,524)</u>	<u>(352,830)</u>	<u>43,837</u>
Net income	<u>\$ 416,067</u>	<u>\$ 220,757</u>	<u>\$ 770,096</u>	<u>\$ 4,930</u>
Per share information:				
Net income per common share - basic and diluted	<u>\$ 0.03</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ 0.00</u>
Basic weighted average number of shares outstanding	<u>16,213,307</u>	<u>16,105,775</u>	<u>16,206,721</u>	<u>16,104,725</u>
Diluted weighted average number of shares outstanding	<u>16,381,094</u>	<u>16,208,227</u>	<u>16,382,159</u>	<u>16,171,182</u>

Nevada Gold & Casinos, Inc.
Consolidated Balance Sheets

October 31, April 30,

	<u>2014</u>	<u>2014</u>
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,771,800	\$ 7,738,985
Restricted cash	1,511,321	1,388,995
Accounts receivable, net of allowances of \$42,098 at October 31, 2014 and April 30, 2014, respectively	384,171	252,504
Prepaid expenses	1,100,759	829,228
Deferred tax asset, current portion	--	98,643
Notes receivable, current portion	343,354	332,973
Inventory and other current assets	<u>375,018</u>	<u>344,686</u>
Total current assets	11,486,424	10,986,014
Real estate held for sale	1,100,000	1,100,000
Notes receivable, net of current portion	1,540,876	1,730,246
Goodwill	16,103,583	16,103,583
Identifiable intangible assets, net of accumulated amortization of \$6,229,931 and \$5,619,009 at October 31, 2014 and April 30, 2014, respectively	5,143,245	5,754,167
Property and equipment, net of accumulated depreciation of \$4,063,096 and \$3,632,349 at October 31, 2014 and April 30, 2014, respectively	4,371,414	4,289,178
Deferred tax asset, net of current portion	4,102,782	4,356,972
Other assets	<u>439,496</u>	<u>486,466</u>
Total assets	<u>\$ 44,287,821</u>	<u>\$ 44,806,626</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued payroll	\$ 1,715,111	\$ 1,427,010
Accrued interest payable	32,025	37,470
Other accrued liabilities	2,659,806	2,178,317
Long-term debt, current portion	<u>325,000</u>	<u>1,625,000</u>
Total current liabilities	4,731,942	5,267,797
Long-term debt, net of current portion	9,875,000	10,725,000
Other long-term liabilities	<u>509,541</u>	<u>486,870</u>
Total liabilities	<u>15,116,483</u>	<u>16,479,667</u>
Stockholders' equity:		
Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 17,004,290 and 16,980,676 shares issued and 16,221,453 and 16,197,839 shares outstanding at October 31, 2014, and April 30, 2014, respectively	2,040,523	2,037,689
Additional paid-in capital	24,644,027	24,578,117
Retained earnings	9,418,823	8,648,727
Treasury stock, 782,837 shares at October 31, 2014 and April 30, 2014, respectively, at cost	(6,932,035)	(6,932,035)
Accumulated other comprehensive loss	<u>--</u>	<u>(5,539)</u>
Total stockholders' equity	<u>29,171,338</u>	<u>28,326,959</u>
Total liabilities and stockholders' equity	<u>\$ 44,287,821</u>	<u>\$ 44,806,626</u>

CONTACT: Nevada Gold & Casinos, Inc.

Michael P. Shaunnessy / James Meier

(702) 685-1000



Source: Nevada Gold & Casinos, Inc.

News Provided by Acquire Media