



July 27, 2015

Nevada Gold & Casinos Reports Fiscal 2015 Results

LAS VEGAS, July 27, 2015 (GLOBE NEWSWIRE) -- Nevada Gold & Casinos, Inc. (NYSE MKT:UWN) today announced financial results for the fourth quarter and year ended April 30, 2015.

For the fiscal year 2015, the company reported net revenues of \$64.3 million compared to \$62.8 million in fiscal year 2014. Operating expenses were \$61.1 million compared to \$60.5 million in the prior year. Operating income increased by \$1.0 million, to \$3.3 million compared to \$2.3 million in fiscal 2014. Income before taxes was \$2.7 million compared to \$0.7 million in the prior year period. Net income increased by \$1.4 million to \$1.8 million, or \$0.11 per share, compared to \$0.4 million, or \$0.03 per share in the prior year.

Net revenues from Washington state gaming operations increased \$2.3 million, or 4.3% to \$56.0 million, while EBITDA increased \$1.1 million to \$7.4 million. South Dakota route operation revenues decreased \$0.7 million to \$8.4 million while EBITDA decreased \$0.2 million to \$0.6 million. Corporate expenses were unchanged at \$2.3 million. Consolidated EBITDA increased \$0.9 million, or 20%, to \$5.6 million.

"Fiscal 2015 reflects strong operating performance from our Washington portfolio despite continued cost increases for payroll and health care. Our South Dakota operations continue to be pressured by reduced units and a soft gaming and tourist market," said President and CEO Michael Shaunnessy. "Combined, our operations generated an additional \$1.0 million of operating income. Our improved financing structure with reduced interest rates and using free cash flow to reduce debt, contributed an additional \$1.0 million to our pretax income."

The company reduced its outstanding bank debt by \$5.0 million in the fiscal year, and as of April 30, 2015, had unrestricted cash on hand of \$8.5 million, and outstanding bank debt of \$7.4 million.

The company is progressing on the previously announced acquisition of Club Fortune Casino in Henderson, NV. A financing commitment has been obtained from Mutual of Omaha sufficient to close the transaction. The licensing process in Nevada is under way and we anticipate receiving the necessary regulatory approvals to allow for a closing during the third quarter of our fiscal year.

Fourth Quarter Results. For the fourth quarter of fiscal 2015, the company reported net revenues of \$16.3 million compared to \$16.0 million in the fourth quarter of fiscal 2014. Operating expenses increased to \$15.2 million compared to \$14.8 million in the prior year period. Net income was \$0.6 million, or \$0.04 per share for both periods.

During the fourth quarter, net revenues from Washington increased to \$14.5 million from the \$14.1 million in the prior year period, however, EBITDA decreased to \$2.1 million compared to \$2.3 million in the prior year period primarily due to increased payroll, health care and gaming taxes. South Dakota route operation revenues decreased to \$1.7 million from \$1.9 million in the prior year period, primarily due to a reduction in units. EBITDA declined to \$42,000 for the quarter, compared to EBITDA of \$83,000 in the prior year. Corporate expenses were \$0.6 million compared to \$0.5 million in the prior year period. On a consolidated basis, adjusted EBITDA was \$1.6 million compared to \$1.9 million in the prior year period. Cash paid interest expense decreased \$59,000 compared to the prior year period.

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, 2015 and April 30, 2014 are shown below:

Adjusted EBITDA reconciliation to net income:

| | <u>For the three months ended</u> | |
|---|-----------------------------------|-----------------------|
| | <u>April 30, 2015</u> | <u>April 30, 2014</u> |
| Net income | \$588,872 | \$646,089 |
| Adjustments: | | |
| Net interest expense | 164,158 | 156,669 |
| Income tax expense | 292,688 | 399,239 |
| Depreciation and amortization | 524,438 | 571,245 |
| (Gain) Loss on settlements - sale of assets | (9,006) | 11,676 |
| Deferred rent | 19,677 | (3,537) |
| Stock option amortization | 29,943 | 13,620 |
| Employee stock purchase discount | 1,977 | 1,391 |
| (Increase) Decrease in swap fair value | <u>(27,129)</u> | <u>58,352</u> |
| Adjusted EBITDA | <u>\$1,585,618</u> | <u>\$1,854,744</u> |

Adjusted EBITDA reconciliation to net income:

| | <u>For the fiscal year ended</u> | |
|------------------------------------|----------------------------------|-----------------------|
| | <u>April 30, 2015</u> | <u>April 30, 2014</u> |
| Net Income | \$1,807,077 | \$447,981 |
| Adjustments: | | |
| Net interest expense | 587,872 | 1,222,904 |
| Income tax expense | 885,819 | 282,758 |
| Depreciation and amortization | 2,168,003 | 2,263,499 |
| Write downs and other charges | 32,694 | 84,564 |
| Deferred rent amortization | 23,744 | 14,536 |
| Stock option amortization | 113,526 | 54,479 |
| Employee stock purchase discount | 7,331 | 7,384 |
| Decrease in swap fair value | 10,600 | 58,352 |
| Write off of marketable securities | 7,539 | -- |
| Loss on extinguishment of debt | <u>--</u> | <u>283,550</u> |
| Adjusted EBITDA | <u>\$5,644,205</u> | <u>\$4,720,007</u> |

Conference Call and Webcast

The company will host a conference call at 4:30 PM ET (1:30 PM PT) on July 27, 2015 to discuss the financial results and to provide a corporate update. The call can be accessed live by dialing (888) 417-8533. International callers can access the call by dialing (719) 785-1765. 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 7930729. The replay will be available through August 3, 2015. The archived webcast will also be available on the company's website at <http://ir.nevadagold.com/events.cfm>.

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>April 30,</u> <u>2015</u> | <u>April 30,</u> <u>2014</u> |
|---|---------------------------------|---------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$8,541,670 | \$7,738,985 |
| Restricted cash | 1,724,439 | 1,388,995 |
| Accounts receivable, net of allowances | 297,316 | 252,504 |
| Prepaid expenses | 845,505 | 829,228 |
| Deferred tax asset, current portion | 863,366 | 98,643 |
| Notes receivable, current portion | 384,464 | 332,973 |
| Inventory and other current assets | <u>377,625</u> | <u>344,686</u> |
| Total current assets | 13,034,385 | 10,986,014 |
| Real estate held for sale | 1,100,000 | 1,100,000 |
| Notes receivable, net of current portion | 1,314,467 | 1,730,246 |
| Goodwill | 16,103,583 | 16,103,583 |
| Identifiable intangible assets, net of accumulated amortization of \$6,811,799 and \$5,619,009 at April 30, 2015 and April 30, 2014, respectively | 4,561,377 | 5,754,167 |
| Property and equipment, net of accumulated depreciation of \$4,451,553 and \$3,632,349 at April 30, 2015 and April 30, 2014, respectively | 3,990,791 | 4,289,178 |
| Deferred tax asset, net of current portion | 2,706,430 | 4,356,972 |
| Other assets | <u>331,980</u> | <u>486,466</u> |
| Total assets | <u>\$43,143,013</u> | <u>\$44,806,626</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$1,222,139 | \$985,017 |
| Accrued payroll and related | 1,581,557 | 973,328 |
| Accrued player's club points and progressive jackpots | 1,993,537 | 1,684,452 |
| Long-term debt, current portion | <u>--</u> | <u>1,625,000</u> |
| Total current liabilities | 4,797,233 | 5,267,797 |
| Long-term debt, net of current portion | 7,350,000 | 10,725,000 |
| Other long term liabilities | <u>570,717</u> | <u>486,870</u> |

| | | |
|--|----------------------------|----------------------------|
| Total liabilities | <u>12,717,950</u> | <u>16,479,667</u> |
| Stockholders' equity: | | |
| Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 17,134,928 and 16,980,676 shares issued and 16,352,091 and 16,197,839 shares outstanding at April 30, 2015, and April 30, 2014, respectively | 2,056,200 | 2,037,689 |
| Additional paid-in capital | 24,845,094 | 24,578,117 |
| Retained earnings | 10,455,804 | 8,648,727 |
| Treasury stock, 782,837 shares at April 30, 2015 and April 30, 2014, at cost | (6,932,035) | (6,932,035) |
| Accumulated other comprehensive loss | -- | (5,539) |
| Total stockholders' equity | <u>30,425,063</u> | <u>28,326,959</u> |
| Total liabilities and stockholders' equity | <u>\$43,143,013</u> | <u>\$44,806,626</u> |

Nevada Gold & Casinos, Inc.
Consolidated Statements of Operations

| | <u>Three Months Ended</u> | | <u>Twelve Months Ended</u> | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | <u>April 30,</u> <u>2015</u> | <u>April 30,</u> <u>2014</u> | <u>April 30,</u> <u>2015</u> | <u>April 30,</u> <u>2014</u> |
| Revenues: | | | | |
| Casino | \$14,309,932 | \$14,093,561 | \$56,710,812 | \$55,332,569 |
| Food and beverage | 2,623,876 | 2,577,761 | 10,225,484 | 10,053,883 |
| Other | 447,798 | 447,161 | 1,782,013 | 1,742,710 |
| Gross revenues | 17,381,606 | 17,118,483 | 68,718,309 | 67,129,162 |
| Less promotional allowances | <u>(1,117,487)</u> | <u>(1,085,552)</u> | <u>(4,368,756)</u> | <u>(4,321,768)</u> |
| Net revenues | 16,264,119 | 16,032,931 | 64,349,553 | 62,807,394 |
| Expenses: | | | | |
| Casino | 7,813,471 | 7,810,946 | 31,795,905 | 32,081,242 |
| Food and beverage | 1,353,049 | 1,292,352 | 5,386,699 | 5,114,077 |
| Marketing and administrative | 4,335,361 | 3,991,514 | 16,888,629 | 16,369,505 |
| Facility | 533,493 | 490,906 | 2,059,730 | 1,951,314 |
| Corporate expense | 629,559 | 544,168 | 2,443,805 | 2,384,596 |
| Other | 65,165 | 59,775 | 275,181 | 263,052 |
| Depreciation and amortization | 524,438 | 571,245 | 2,168,003 | 2,263,499 |
| Write downs and other charges | <u>(9,006)</u> | <u>11,676</u> | <u>32,694</u> | <u>84,564</u> |
| Total operating expenses | <u>15,245,530</u> | <u>14,772,582</u> | <u>61,050,646</u> | <u>60,511,849</u> |
| Operating income | 1,018,589 | 1,260,349 | 3,298,907 | 2,295,545 |
| Non-operating income (expenses): | | | | |
| Interest income | 27,056 | 31,677 | 117,639 | 133,404 |
| Interest expense | (191,214) | (188,346) | (705,511) | (1,356,308) |
| Decrease in swap fair value | 27,129 | (58,352) | (10,600) | (58,352) |
| Write-off of marketable securities | -- | -- | (7,539) | -- |
| Loss on extinguishment of debt | -- | -- | -- | <u>(283,550)</u> |
| Income before income tax | 881,560 | 1,045,328 | 2,692,896 | 730,739 |
| Income tax expense | <u>(292,688)</u> | <u>(399,239)</u> | <u>(885,819)</u> | <u>(282,758)</u> |
| Net income | <u><u>\$588,872</u></u> | <u><u>\$646,089</u></u> | <u><u>\$1,807,077</u></u> | <u><u>\$447,981</u></u> |
| Per share information: | | | | |
| Net income per common share - basic and diluted | <u>\$0.04</u> | <u>\$0.04</u> | <u>\$0.11</u> | <u>\$0.03</u> |

Basic weighted average number of shares outstanding 16,276,403 16,165,930 16,228,396 16,127,654

Diluted weighted average number of shares outstanding 16,478,445 16,366,283 16,345,795 16,294,487

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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