

April 17, 2012



Galaxy Gaming Reports Record 2011 Results

LAS VEGAS, April 17, 2012 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCBB:GLXZ), announced today its results for the year ending December 31, 2011:

Financial Highlights

2011 vs. 2010

- Gross revenue of **\$3,685k** increased **21%** or **\$630k** from **\$3,055k**.
- Recurring revenue represented **99.2%** of gross revenues compared to **96.6%**.
- Gross profit¹ of **\$3,586k** increased **23%** or **\$667k** from **\$2,919k**.
- Gross margin increased to **97.4%** from **95.7%**.
- EBITDA of **\$84k** increased **3787%** or **\$82k** from **\$2k**.
- Net loss of **(\$473k)** compared to a loss of **(\$136k)**. The net loss reported was due primarily to the non-cash expenses related to the Prime Table Games acquisition.

Q-4 2011 vs. Q-4 2010

- Gross revenue of **\$1,442k** increased **84.2%** or **\$659k** from **\$783k**.
- Recurring revenue represented **99.1%** of gross revenues compared to **96.8%**.
- Gross profit of **\$1,383k** increased **87.9%** or **\$647k** from **\$736k**.
- Gross margin increased to **97.5%** from **94.3%**.
- EBITDA of **\$455k** improved from a loss of **(\$58k)**.
- Net loss of **(\$10k)** compared to a loss of **(\$101k)**.

Q-4 2011 vs. Q-3 2011

- Gross revenue of **\$1,442k** increased **96.5%** or **\$708k** from **\$734k**.
- Recurring revenue represented **99.1%** of gross revenues compared to **98.1%**.
- Gross profit of **\$1,383k** increased **92.8%** or **\$666k** from **\$717k**.
- Gross margin decreased to **97.5%** from **97.8%**.
- EBITDA of **\$455k** improved from a loss of **(\$191k)**.
- Net loss of **(\$10k)** compared to a loss of **(\$221k)**.

Operational Highlights

During 2011, the Company:

- Entered into the electronic e-Table business through its venture with TableMAX.
- Acquired the table game assets of Prime Table Games US and Prime Table Games UK.
- Acquired the table game assets of Lakes Entertainment.

- Expanded operations into Idaho, Michigan, Europe, the British Isles and the Caribbean.
- Increased its installed base to over 2,500 units located in over 500 casinos.
- Completed the first inter-casino linked progressive jackpot system for table games in Nevada.
- Introduced its proprietary bonusing system known as "MEGA-Share."

¹ - On our financial statements reported to the SEC, Gross Profit is reported as "Gross revenues less costs of ancillary products and assembled components."

Executive Comments

"Clearly, 2011 stands as our best year ever," declared Bill O'Hara, Chief Operating Officer of Galaxy Gaming. "We significantly enhanced our product offerings, and therefore our market presence, with the TableMAX, Prime Table Games and Lakes Entertainment transactions. It is noteworthy to recognize that we have subsequently been able to increase the number of installed placements associated with each of these three acquisitions."

Regarding the increased net loss, Robert Saucier, Galaxy's CEO explained, "In this instance, we do not believe the increase in our net loss is necessarily a negative, once you understand that it was due primarily to amortization expense associated with our acquisition of Prime Table Games. We are growing our recurring revenues, increasing our gross margins, improving our EBITDA and generating cash while sheltering ourselves from future income tax payments. At this stage in our growth, these are all positives."

Commenting on the prospective outlook for 2012, Mr. Saucier projected, "Right now as our leadership team sees it, we are well positioned to grow organically in 2012. Although we will continue to seek out and negotiate smart acquisitions and joint ventures, we are striving to increase our year-end run rate of \$6 million at least 30% to \$8 million or more by the end of 2012 through internal growth. Our committed effort towards growing our recurring revenues together with our continued focus on improved internal efficiencies could result in increased EBITDA throughout 2012."

Conference Call

The Company's executives will host an investor conference call to discuss its financial and operating results.

When: Wednesday, April 18th at 1:30pm Pacific Time (4:30 Eastern Time)

US/Canada: (800) 967-7188

International: (719) 325-2286

Passcode: 4918269

Web Presentation: www.galaxygaming.com/investor-relations

About Galaxy Gaming

Headquartered in Las Vegas, Nevada, Galaxy Gaming (www.galaxygaming.com), is the world's second largest developer, manufacturer and distributor of casino table games including Lucky Ladies, Texas Shootout, Emperor's Challenge, Deuces Wild and Triple Attack Blackjack. In addition, it develops innovative and enhanced electronic wagering platforms and systems such as its Bonus Jackpot System and its Inter-Casino Jackpot Network. Galaxy Gaming distributes its products to casinos throughout North America and on cruise ships worldwide.

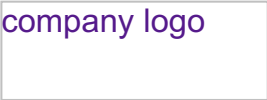
The Galaxy Gaming, Inc. logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=6569>

Safe Harbor

This release may contain certain "forward-looking statements" relating to the Company's business which may be subject to various factors that may cause actual results to be materially different from those described herein as anticipated, estimated, or expected. The Company disclaims any obligation to update or alter its forward-looking statements.

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company logo



Source: Galaxy Gaming, Inc.