

May 16, 2012



# Galaxy Gaming Reports Record Results for the First Quarter of 2012

LAS VEGAS, May 16, 2012 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCBB:GLXZ) announced today its results for the year ended March 31, 2012.

## **Financial Highlights**

### **Q-1 2012 vs. Q-1 2011**

- Gross revenue of \$1,646K increased 111% or \$865K from \$781K.
- Recurring revenue represented 98.9% of total revenues compared to 97.6%.
- Gross profit<sup>1</sup> of \$1,624K increased 116% or \$872K from \$752K.
- Gross profit margin increased to 98.7% from 96.3%.
- EBITDA of \$461K improved from a loss of (\$35K).
- Net loss of (\$171K) compared to a loss of (\$66K).

### **Q-1 2012 vs. Q-4 2011**

- Gross revenue of \$1,646K increased 14% or \$204K from \$1,442K.
- Recurring revenue represented 98.9% of total revenues compared to 99.1%.
- Gross profit of \$1,624K increased 17% or \$241K from \$1,383K.
- Gross profit margin increased to 98.7% from 97.5%.
- EBITDA of increased to \$461K from \$455K.
- Net loss of (\$171K) compared to a loss of (\$10K).

## **Executive Comments**

"As can be deciphered from our recently reported financial numbers, we established a solid beginning for 2012 to be a banner year for Galaxy Gaming," stated Robert Saucier, the Company's Chief Executive Officer. "We more than doubled our revenue and produced a number of other record gains in the first quarter. In fact, we improved in all areas except for our net profit, which was impacted by expenses related to our acquisitions in the last quarter, increased legal and accounting expenses, stock-based compensation paid to certain employees and an increase in sales commissions, which we view as an excellent indicator of future revenue growth.

Mr. Saucier continued, "Although last year's acquisitions were significant factors in contributing to these results, the improvements over the immediately preceding quarter portrays a strong indication that our internal organic sales efforts are also paying off. A portion of our first quarter improvement was the direct result of an order by Caesar's Entertainment for their Las Vegas Strip properties. However, since these properties came on line throughout the first three months, the impact of this order will likely not be fully recognized until the second quarter. In addition to Caesar's, we posted a solid quarter of other new orders, which likewise should have a positive impact on our continued quest to build our recurring revenue."

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

## **Conference Call**

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

**When:** Thursday, May 17<sup>th</sup> at 1:30pm Pacific Time (4:30 Eastern Time)

**US/Canada:** (888) 569-5033

**International:** (719) 325-2260

**Passcode:** 2590824

**Web Presentation:** [www.galaxygaming.com/investor-relations](http://www.galaxygaming.com/investor-relations)

#### About Galaxy Gaming

Headquartered in Las Vegas, Nevada, Galaxy Gaming ([www.galaxygaming.com](http://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>

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