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Galaxy Gaming Reports Record First Quarter Results

LAS VEGAS, May 19, 2010 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCBB:GLXZ), announced today its results for the first quarter of 2010:

Q-1 2010 vs. Q-1 2009 Financial Highlights

- Total Revenue of \$754K increased by 24% or \$145K from \$609K a year ago.
- Recurring Revenue of \$715K increased by 21% or \$122K from \$593K a year ago.
- Gross Profit of \$706 increased by 21% or \$121K from \$585K a year ago.
- Gross Margins of 94% compared to 96% a year ago, due mainly to increased equipment sales.
- EBITDA of (\$71K) decreased from Q-1 2009's (\$35K).

Q-1 2010 vs. Q-4 2009 Financial Highlights

- Total Revenue increased 8%.
- Recurring Revenue increased 7%.
- Gross Profit increased 8%.
- Gross Margins remained steady at 94%.
- EBITDA increased 47%.

Andrew Zimmerman, Galaxy Gaming's CFO commented, "In the fourth quarter of 2009 our losses were attributed primarily to our increased commitment to enhance our research and development. The improvement in our EBITDA for the first quarter was the result of both increased revenues and decreased expenses, yet we continued to increase our emphasis on new game development and enhancements to our proprietary Bonus Jackpot System. Near the close the quarter, we instituted further trimming of some of our other expenses, in an effort to obtain profitability."

2010's Operational Highlights

- In February, the Company released "Triple Attack Blackjack."
- In April, the Company purchased the assets of T&P Gaming including the popular game "Deuces Wild."
- Also in April, two principals of a competitor purchased \$500K of the Company's common stock.

"We are totally committed to rapidly growing our recurring revenues while maintaining profitability," stated Robert Saucier, CEO. "To accomplish these goals, we continue to be focused on further increasing our base of recurring revenues, expanding and enhancing our product line and keeping control of our costs."

The Company announced during its recent conference call held April 28th it would skip its Q-

1 call and instead schedule its next call after the Q-2 results have been released.

About Galaxy Gaming

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

Safe Harbor

This release contains certain "forward-looking statements" relating to the Company's business which can be identified by the use of terminology such as "believes", "expects", or similar expressions, which involve risks and uncertainties relating to product development, market acceptance, future capital requirements, competition and other 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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