

Galaxy Gaming Reports Record Second Quarter Results

Quarterly Revenues Increase 139%; Records Net Profit; Investor Conference Call Scheduled

LAS VEGAS, Aug. 13, 2012 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCBB:GLXZ), the world's second largest developer, manufacturer and distributor of casino table games and enhanced casino systems, announced today its results for the quarter ended June 30, 2012.

Financial Highlights

Q-2 2012 vs. Q-2 2011

- Gross revenue of \$1,790K increased 139% or \$1,041K from \$749K.
- Recurring revenue represented 99.1% of total revenues compared to 99.3%.
- Gross profit¹ of \$1,752K increased 140% or \$1,020K from \$733K.
- Gross profit margin increased to 97.9% from 97.8%.
- EBITDA of \$632K improved from a loss of (\$147K).
- Net profit of \$62K compared to a loss of (\$176K).

Q-2 2012 vs. Q-1 2012

- Gross revenue of \$1,790K increased 9% or \$144K from \$1,646K.
- Recurring revenue represented 99.1% of total revenues compared to 98.9%.
- Gross profit of \$1,752K increased 8% or \$128K from \$1,624K.
- Gross profit margin decreased to 97.9% from 98.7%.
- EBITDA of \$632K increased 38% or \$172K from \$460K.
- Net profit of \$62K compared to a loss of (\$171K).

6 Months 2012 vs. 6 Months 2011

- Gross revenue of \$3,436K increased 125% or \$1,906K from \$1,530K.
- Recurring revenue represented 99.0% of total revenues compared to 98.5%.
- Gross profit of \$3,377K increased 128% or \$1,892K from \$1,485K.
- Gross profit margin increased to 98.3% from 97.1%.
- EBITDA of \$1,092K improved from a loss of (\$182K).
- Net loss of (\$110K) compared to a loss of (\$243K).

Executive Comments

"The second quarter is an unprecedented milestone in the history of Galaxy Gaming, for which we once again posted record revenues and now, a net profit," said Robert Saucier,

Chief Executive Officer. "Our recent acquisitions continue to be a catalyst for growth, as we have experienced increased demand for these products. Additionally, we are poised to grow our Enhanced Table Systems, including our *Bonus Jackpot System*, our *Inter-Casino Jackpot System* and *MEGA-Share*. We continue to actively seek and negotiate intelligent acquisitions, which we believe could accelerate our future performance."

Gary A. Vecchiarelli, Chief Financial Officer, commented, "We continue to grow our revenues and expand market share, while maintaining strict discipline in managing our operating expenses. These efforts are reflected in our record revenues and improving EBITDA measurements."

"As Gary indicated, our entire Galaxy Gaming team is committed to solid bottom-line financial performance, while growing our revenues and cash flow," continued Mr. Saucier. "Measuring our performance at the half-way mark, we believe we are in-line with our earlier reported goals of obtaining \$7 million in revenues, \$2 million in EBITDA and a break-even bottom line for 2012. Significantly, these accomplishments are being obtained, while experiencing minimal shareholder dilution."

Conference Call

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

When: Tuesday, August 14th at 1:00pm Pacific Time (4:00pm Eastern)

US/Canada: (888) 461-2014

International: (719) 457-2696

Passcode: 4189369

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

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, Emperor's Challenge, Deuces Wild, 21+3, Three Card Poker and Bonus Craps. In addition, it develops innovative and enhanced electronic wagering platforms and systems such as its Bonus Jackpot System, its Inter-Casino Jackpot System, MEGA-Share and the TableMAX e-Table Gaming System. Galaxy Gaming distributes its products to casinos worldwide.

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

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Source: Galaxy Gaming, Inc.