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Galaxy Gaming Announces Record Breaking Third Quarter; PIPE Financing Over-Subscribes

LAS VEGAS, Nov. 5, 2009 (GLOBE NEWSWIRE) -- Galaxy Gaming, Inc. (OTCBB:GLXZ) filed its operating results for the third quarter ended September 30, 2009 on Form 10-Q yesterday. The financial report is available on the EDGAR website at <http://www.sec.gov/edgar.shtml>. The Company has not scheduled a conference call for its third quarter results, but interested parties are encouraged to call the Company directly at (702) 939-3254 regarding additional investor information. Separately, the Company also announced it completed a private equity fundraising yesterday.

Third Quarter 2009 Highlights

- * Revenues in the third quarter were \$782,493 compared to \$533,375 in the year ago quarter representing a 47% growth in revenue, a new Company record.
- * Gross profit was \$691,335, up from \$512,106 in the comparable year ago quarter, representing a 35% increase, also a new record.
- * Positive EBITDA of \$15,327 was recorded for the third quarter compared to a loss of \$50,406 a year ago. This represents the Company's first positive EBITDA since becoming public.
- * During the third quarter, the Company completed 86 new Bonus Jackpot System installations compared to 3 and 31 in Q1 and Q2 respectively.

"As evidenced by the over-subscription of our recent offering, our investors seemed to be pleased with the progress our Company is making," commented Robert Saucier, Galaxy's CEO. "While our third quarter was yet another record breaker, our team's focus remains to continually build Galaxy Gaming into a major innovator in the gaming industry."

Private Equity Fundraising

In a private placement of its securities, the Company originally intended to raise \$400,000. Due to investor demand, the offering was oversubscribed and the Company raised \$600,000. The offering is now closed.

"Anyone who follows micro-cap companies knows how challenging it can be to raise capital, particularly in light of current economic conditions," declared Mr. Saucier. "However, we have been fortunate to have a strong core of supporters, especially our employees who again made substantial investments into our (their) company. Curiously, we also had a long-time competitor make a very significant investment in us as well. What I heard most from our investors is that they liked the fact that we are building a solid base of high-margin recurring revenue. Of course, having three consecutive record breaking quarters since becoming a

public company didn't hurt either."

Galaxy's CEO also clarified the use of proceeds from the latest fundraising. "Whereas many small companies need to raise capital to cover losses or retire excessive debt, that was not the case here," added Mr. Saucier. "The funds we raised are earmarked primarily for revenue growth initiatives during the next two quarters."

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.

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

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 numerous risks and uncertainties relating to any factor 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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