

RIVER ROCK ENTERTAINMENT AUTHORITY ANNOUNCES SECOND QUARTER 2011 FINANCIAL RESULTS

Geyserville, CA. August 15, 2011 – The River Rock Entertainment Authority (the “Authority”), the operator of the River Rock Casino in Sonoma County, California, today announced second quarter operating results for the period ended June 30, 2011.

Second Quarter Operating Results for the Period Ended June 30, 2011

Net revenues for the second quarter ended June 30, 2011 were \$31.2 million. Casino revenues totaled \$30.0 million and included slot revenue of \$27.8 million and table games and poker revenue of \$2.2 million. Food and beverage revenues were \$1.0 million, net of promotional allowances of \$0.6 million.

Operating expenses for the second quarter ended June 30, 2011 were \$19.2 million. Operating expenses consisted of casino expense of \$4.2 million, food and beverage expense of \$1.5 million, selling, general and administrative expense of \$10.0 million, depreciation expense of \$2.6 million, gaming commission and surveillance expense of \$0.7 million and compact revenue sharing trust fund expense of \$0.3 million.

EBITDA ⁽¹⁾ for the second quarter of 2011 was \$14.6 million, or 45% of net revenues. Income from operations for the second quarter 2011 was \$12.0 million and represented 39% of net revenues. Non-operating expense, net, for the second quarter 2011 was \$5.2 million and included \$5.2 million of interest expense.

“In combination with our continuing effort to improve operational efficiency, upgrading our gaming technology, and refocusing our marketing efforts, we are confident that we will have set a solid foundation for improved and sustained cash flows,” stated David Fendrick, Chief Executive Officer and General Manager of the River Rock Casino.

Liquidity and Capital Resources

Net cash provided by operating activities at June 30, 2011 totaled \$26.7 million. Net cash used in capital and related financing activities at June 30, 2011 totaled \$19.3 million. Cash used in non-capital financing activities as of June 30, 2011 totaled \$6.9 million, which represented net distributions to the Tribe. Cash and cash equivalents net of restricted cash at June 30, 2011 totaled \$37.2 million.

Current cash balances and operating cash flow are expected to provide the Authority with sufficient resources to meet its current budgeted capital expenditure requirements and distributions to the Tribe.

EBITDA should not be construed as an alternative to operating income, as an indicator of the Authority’s operating performance, as an alternative to cash flows from operating activities, as a measure of liquidity, or as any other measure determined in accordance with generally accepted accounting principles (GAAP). Moreover, our calculations of EBITDA may not be comparable to that reported by other companies. EBITDA is a basis upon which we assess our liquidity and because certain covenants in the Indenture for our \$200 million senior notes are tied to similar measures. EBITDA also presents useful information regarding our ability to service and incur indebtedness. EBITDA does not take into account our debt service requirements, and accordingly, is not necessarily indicative of amounts that may be available for debt service.

The following table is the calculation of EBITDA for the periods indicated (in thousands):

	Three-Months Ended	
	June 30,	
	2011	2010
	(Dollars in Thousands)	
Net Income before distributions to the Tribe	\$ 6,788	\$ 7,906
Add back Interest	\$ 5,183	\$ 5,214
Add back Depreciation & Amortization	\$ 2,587	\$ 2,335
EBITDA	\$ 14,558	\$ 15,455

⁽¹⁾ *EBITDA provides a metric to analyze our operations that should be considered with both our GAAP results and the reconciliation to net cash provided by operating activities. EBITDA is presented solely as a supplemental disclosure because the Authority believes it provides a more complete understanding of our business, it may be used by investors to assess the operating performance of the business in comparison to other operators in the gaming industry and the Authority uses EBITDA as a benchmark to evaluate its own performance in comparison to its competitors.*

Conference Call

The Authority will host a conference call to discuss second quarter 2011 financial results tomorrow, August 16, 2011 at 1:00 PM ET. The call can be accessed live over the phone by dialing 877-723-9511 or for international callers by dialing 719-325-4898. To access the webcast, please visit www.riverrockcasino.com and click on 'Investor Relations.' A replay of the call will be available until August 23, 2011 by dialing 877-870-5176; password 4527048.

River Rock Entertainment Authority

We are a Tribal governmental instrumentality of the Dry Creek Rancheria Band of Pomo Indians (the "Tribe"), a federally recognized self-governing Indian tribe. The Tribe has 1,007 enrolled members and approximately 75-acre reservation in Sonoma County, California.

Forward-Looking Statements

This release contains certain "forward-looking statements" within the meaning of the Unites States Private Securities Litigation Reform Act of 1995. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe," "expect" or "anticipate" will occur and other similar statements), you must remember that our expectations may not be correct, even though we believe they are reasonable. We do not guarantee that the transactions and events described in this press release will happen as described (or that they will happen at all). You should read this press release completely and with the understanding that actual future results may be materially different from what we expect. We will not update these forward-looking statements, even though our situation will change in the future.

Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, including:

- Our financial performance
- Our dependence on a single gaming site
- Our levels of leverage and ability to meet our debt service and other obligations
- General local, domestic and global economic conditions
- Changes in federal or state tax laws or regulations, including the Compact
- Maintenance of licenses required under gaming laws and regulations and construction permits and approvals required under applicable laws and regulations; and

- Development of new competitive gaming properties.

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RIVER ROCK ENTERTAINMENT AUTHORITY
(A Governmental Instrumentality of the Dry Creek Rancheria Band of Pomo Indians)

CONDENSED BALANCE SHEETS
(Dollars in Thousands)

	June 30, 2011	December 31, 2010
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,160	\$ 36,713
Accounts receivable	32	290
Inventories	90	96
Prepaid expenses and other current assets	4,546	1,402
Total current assets	41,828	38,501
RESTRICTED CASH	4,332	4,330
CAPITAL ASSETS:		
Buildings and building improvements	137,762	132,907
Furniture, fixtures and equipment	35,462	33,786
Accumulated depreciation	(70,570)	(66,348)
Construction in progress	74,249	77,296
Capital assets	176,903	177,641
DEPOSITS AND OTHER ASSETS	1,347	1,680
TOTAL ASSETS	\$ 224,410	\$ 222,152
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,773	\$ 1,884
Payable to Tribe, net	1,037	5,823
Accrued liabilities	7,943	7,977
Current maturities of long-term debt	199,888	199,719
Total current liabilities	210,641	215,403
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Invested in capital assets-net of related debt	(22,985)	(22,078)
Restricted for capital projects	4,332	4,330
Unrestricted	32,422	24,497
Total net assets	13,769	6,749
TOTAL LIABILITIES AND NET ASSETS	\$ 224,410	\$ 222,152

RIVER ROCK ENTERTAINMENT AUTHORITY
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CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(Dollars in Thousands)
(Unaudited)

	Three-Month Period Ended		Six-Month Period Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
OPERATING REVENUES:				
Casino	\$ 30,031	\$ 31,141	\$ 60,123	\$ 62,077
Food and beverage	1,565	1,484	3,135	2,923
Other	206	250	426	507
Gross revenues	31,802	32,875	63,684	65,507
Promotional allowances	(610)	(440)	(1,158)	(819)
Net revenues	31,192	32,435	62,526	64,688
OPERATING EXPENSES:				
Casino	4,198	4,052	8,533	7,885
Food and beverage	1,466	1,702	3,076	3,506
Selling, general, and administrative	9,968	10,140	19,628	20,703
Depreciation	2,587	2,335	4,953	4,794
Gaming commission and surveillance expenses	730	767	1,429	1,535
Compact revenue sharing trust fund	334	334	668	668
Gain on sale of assets	(56)	-	(56)	-
Total Operating expenses	19,227	19,330	38,231	39,091
INCOME FROM OPERATIONS	11,965	13,105	24,295	25,597
NON-OPERATING EXPENSE-Net:				
Interest expense	(5,183)	(5,214)	(10,340)	(10,430)
Interest income	6	15	13	28
Non-operating expense-net	(5,177)	(5,199)	(10,327)	(10,402)
INCOME BEFORE DISTRIBUTIONS TO TRIBE	6,788	7,906	13,968	15,195
DISTRIBUTIONS TO TRIBE	(3,474)	(3,398)	(6,948)	(6,796)
CHANGES IN NET ASSETS	3,314	4,508	7,020	8,399
NET ASSETS (DEFICIT) -Beginning of period	10,455	(1,433)	6,749	(5,324)
NET ASSETS -End of period	\$ 13,769	\$ 3,075	\$ 13,769	\$ 3,075

RIVER ROCK ENTERTAINMENT AUTHORITY
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CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in Thousands)

	Six-Month Period Ended	
	June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from gaming winnings and concessions	\$ 62,584	\$ 64,796
Cash paid for salaries and benefits	(14,409)	(13,101)
Cash paid to suppliers	(20,822)	(20,312)
Cash paid for compact revenue sharing trust fund	(668)	(668)
Net cash provided by operating activities	26,685	30,715
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments of debt	-	(492)
Payments of offering cost in connection with refinancing of debt	(94)	-
Purchases of capital assets	(3,974)	(4,063)
Proceeds from sale of assets	56	-
Transfers to the Tribe for development costs	(4,200)	(5,300)
Transfers to the Tribe for slope reinforcement	(1,339)	-
Change in restricted cash	(2)	(4)
Interest paid	(9,750)	(9,750)
Other	-	(26)
Net cash used in capital and related financing activities	(19,303)	(19,635)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest income	13	28
CASH FLOWS USED IN NON-CAPITAL FINANCING ACTIVITIES:		
Distributions to Tribe	(6,948)	(6,796)
CHANGE IN CASH AND CASH EQUIVALENTS	447	4,312
CASH AND CASH EQUIVALENTS, Beginning of the period	36,713	31,618
CASH AND CASH EQUIVALENTS, End of the period	\$ 37,160	\$ 35,930

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(Dollars in Thousands)

RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	Six-Month Period Ended	
	2011	2010
Income From Operations	\$ 24,295	\$ 25,597
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,953	4,794
(Gain) on sale of assets	(56)	-
Changes in operating assets and liabilities:		
Accounts receivable	258	124
Inventories	6	14
Prepaid expenses and other current assets	(3,144)	3
Deposit and other assets	(82)	(183)
Accounts payable	37	(600)
Related party payable	452	-
Accrued liabilities	(34)	966
Total adjustments	2,390	5,118
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 26,685	\$ 30,715

SUPPLEMENTARY SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition of property and equipment through accounts payable	\$ 81	\$ 277
Acquisition of property and equipment through transfers to Tribe for development costs	\$ -	\$ 10,197
Acquisition of property and equipment through transfers to Tribe for slope reinforcement	\$ 242	\$ -