

## **RIVER ROCK ENTERTAINMENT AUTHORITY ANNOUNCES FIRST QUARTER 2011 FINANCIAL RESULTS**

Geyserville, CA. May 13, 2011 – The River Rock Entertainment Authority (the “Authority”), the operator of the River Rock Casino in Sonoma County, California, today announced first quarter operating results for the period ended March 31, 2011.

### **First Quarter Operating Results for the Period Ended March 31, 2011**

Net revenues for the first quarter ended March 31, 2011 were \$31.3 million. Casino revenues totaled \$30.1 million and included slot revenue of \$27.4 million and table games and poker revenue of \$2.7 million. Food, beverage and retail revenues were \$1.8 million, net of promotional allowances of \$0.5 million.

Operating expenses for the first quarter ended March 31, 2011 were \$19.0 million. Operating expenses consisted of casino expense of \$4.3 million, food and beverage expense of \$1.6 million, selling, general and administrative expense of \$9.7 million, depreciation expense of \$2.4 million, gaming commission and surveillance expense of \$0.7 million and compact revenue sharing trust fund expense of \$0.3 million.

EBITDA <sup>(1)</sup> for the first quarter of 2011 was \$14.7 million, or 47% of net revenues. Income from operations for the first quarter 2011 was \$12.3 million and represented 39% of net revenues. Non-operating expense, net for the first quarter 2010 was \$5.2 million and included \$5.2 million of interest expense.

“We remain focused on making River Rock Casino more comfortable and entertaining for our guests. The renovation, upgraded gaming technology and refocused marketing and promotional efforts are generating positive results,” stated David Fendrick, Chief Executive Officer and General Manager of the River Rock Casino. “Our new penny slot room, high-limit room, 24-hour snack shop and newly implemented slot and table game tournaments have gotten very positive feedback. We continue to work on improving the overall appearance and appeal of the casino to guest visits.”

### **Liquidity and Capital Resources**

Net cash provided by operating activities at March 31, 2011 totaled \$15.5 million. Net cash used in capital and related financing activities at March 31, 2011 totaled \$5.0 million. Cash used in non-capital financing activities as of March 31, 2011 totaled \$3.5 million, which represented net distributions to the Tribe. Cash and cash equivalents net of restricted cash at March 31, 2011 totaled \$43.7 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, or 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	
	March 31,	
	2011	2010
	(Dollars in Thousands)	
Net Income before distributions to the Tribe	\$ 7,180	\$ 7,289
Add back Interest	\$ 5,157	\$ 5,214
Add back Depreciation & Amortization	\$ 2,366	\$ 2,459
<b>EBITDA</b>	<b>\$ 14,703</b>	<b>\$ 14,962</b>

<sup>(1)</sup> *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 first quarter 2011 financial results Tuesday, May 17, 2011 at 2:00 PM ET. The call can be accessed live over the phone by dialing 888-466-4587 or for international callers by dialing 719-457-2573. To access the webcast, please visit [www.riverrockcasino.com](http://www.riverrockcasino.com) and click on 'Contact Us' and then 'Investor Relations.' A replay of the call will be available until May 24, 2011 by dialing 877-870-5176; password 3263833.

### **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 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICIT)**  
**(Dollars in Thousands)**  
**(Unaudited)**

	<b>Three-Month Period Ended</b>	
	<b>March 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUES:</b>		
Casino	\$ 30,092	\$ 30,936
Food and beverage	1,570	1,439
Other	220	257
	<u>31,882</u>	<u>32,632</u>
Gross revenues	31,882	32,632
Promotional allowances	<u>(548)</u>	<u>(379)</u>
Net revenues	<u>31,334</u>	<u>32,253</u>
<b>OPERATING EXPENSES:</b>		
Casino	4,335	3,833
Food and beverage	1,610	1,804
Selling, general, and administrative	9,660	10,563
Depreciation	2,366	2,459
Gaming commission and surveillance expense	699	768
Compact revenue sharing trust fund	334	334
Total operating expenses	<u>19,004</u>	<u>19,761</u>
INCOME FROM OPERATIONS	<u>12,330</u>	<u>12,492</u>
<b>NON-OPERATING EXPENSE-Net:</b>		
Interest expense	(5,157)	(5,214)
Interest income	<u>7</u>	<u>11</u>
Non-operating expense-net	<u>(5,150)</u>	<u>(5,203)</u>
INCOME BEFORE DISTRIBUTIONS TO TRIBE	<u>7,180</u>	<u>7,289</u>
DISTRIBUTIONS TO TRIBE	<u>(3,474)</u>	<u>(3,398)</u>
CHANGES IN NET ASSETS	<u>3,706</u>	<u>3,891</u>
NET ASSETS (DEFICIT) -Beginning of period	<u>6,749</u>	<u>(5,324)</u>
NET ASSETS (DEFICIT) -End of period	<u>\$ 10,455</u>	<u>\$ (1,433)</u>

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**CONDENSED BALANCE SHEETS**  
**(Dollars in Thousands)**

	<b>March 31, 2011</b>	<b>December 31, 2010</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 43,677	\$ 36,713
Accounts receivable	42	290
Inventories	92	96
Prepaid expenses and other current assets	1,177	1,402
Total current assets	44,988	38,501
<b>RESTRICTED CASH</b>	4,331	4,330
<b>CAPITAL ASSETS:</b>		
Buildings and building improvements	133,911	132,907
Furniture, fixtures and equipment	36,071	33,786
Accumulated depreciation	(68,714)	(66,348)
Construction in progress	77,750	77,296
Capital assets	179,018	177,641
<b>DEPOSITS AND OTHER ASSETS</b>	1,500	1,680
<b>TOTAL ASSETS</b>	<b>\$ 229,837</b>	<b>\$ 222,152</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 3,116	\$ 1,884
Payable to Tribe, net	3,232	5,823
Accrued liabilities	13,230	7,977
Current maturities of long-term debt	199,804	199,719
Total current liabilities	219,382	215,403
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Invested in capital assets-net of related debt	(20,786)	(22,078)
Restricted for capital projects	4,331	4,330
Unrestricted	26,910	24,497
Total net assets	10,455	6,749
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 229,837</b>	<b>\$ 222,152</b>