



**MTR GAMING GROUP, INC.**

**FOR IMMEDIATE RELEASE**

**MTR GAMING GROUP ANNOUNCES FOURTH QUARTER AND FISCAL 2002 RESULTS**

CHESTER, WV – March 7, 2003 – MTR Gaming Group, Inc. (Nasdaq National Market:MNTG) today announced financial results for the fourth quarter and fiscal year ended December 31, 2002. See attached tables.

For the fourth quarter, total revenues increased 16% to a record \$62.6 million compared to the same period of 2001. EBITDA (earnings before interest, taxes, depreciation and amortization) grew 13% to a record \$9.6 million, while net income was \$2.8 million or \$.10 per diluted share, essentially flat with net income in the 2001 fourth quarter (before a \$5.5 million non-cash asset impairment charge and the corresponding tax benefit in the 2001 period). Net win from slot operations at the Company's Mountaineer Race Track & Gaming Resort rose 13% to \$52.1 million, while net win-per-day-per-machine was \$191 with an average of 2,999 machines, compared to \$208 based on an average of 2,460 machines in the fourth quarter of 2001.

For fiscal 2002, total revenues grew 22% to a record \$266.3 million, EBITDA rose 9% to a record \$46.1 million, and net income increased 15% to a record \$17.9 million or \$.62 per diluted share. Net win from slot operations at Mountaineer rose 22% to \$224.5 million, while net win-per-day-per-machine was \$226 with an average of 2,719 machines, compared to \$241 based on an average of 2,109 machines in 2001.

Total revenues at MTR's Speedway Property in North Las Vegas were up 20% in the fourth quarter to \$2.6 million compared to the final quarter of 2001. The fourth quarter represented the fifth consecutive quarter in which the property generated positive cash flow. As previously announced, the Company signed a definitive agreement for the sale of its hotel/casino property in Reno, NV for total consideration of \$2.95 million. Closing of the transaction is expected early next week. MTR estimates that the sale of the Reno property will have an annual positive impact of approximately \$1.2 million on the Company's EBITDA, as a result of the elimination of that property's negative contribution to EBITDA.

As presented in the accompanying statements of operations for 2002 and 2001, net revenues reflect the reclassification of promotional allowances from expenses to a deduction from total revenues. This reclassification did not affect net income or EBITDA.

Edson R. (Ted) Arneault, President and CEO of MTR Gaming Group, stated, "At this time, we cannot comment on our outlook or conduct a conference call because SEC rules and regulations restrict certain corporate communications surrounding securities offerings. As previously announced, we are pursuing a private placement of debt securities. We plan to hold a conference call following the completion of the private placement to discuss recent results and our outlook for the future."

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### **About MTR Gaming Group**

MTR Gaming Group, Inc. owns and operates the Mountaineer Race Track & Gaming Resort in Chester, West Virginia, which currently encompasses a thoroughbred racetrack with off-track betting and export simulcasting, 3,000 slot machines, 359 hotel rooms, golf course, spa & fitness center, theater and events center, convention center and fine dining and entertainment. The Company also operates the Ramada Inn and Speedway Casino in North Las Vegas, and a hotel in Reno, Nevada (under contract for sale). MTR recently obtained a license to build a new thoroughbred racetrack with parimutuel wagering in Erie, Pennsylvania (judicial review pending), and signed a Merger Agreement with Scioto Downs, Inc. for Scioto to become a wholly owned subsidiary of MTR (subject to various customary conditions as reported on Forms 8-K filed with the Securities and Exchange Commission on December 24, 2002 and March 5, 2003). MTR is included on the Russell 2000® and Russell® 3000 Indexes. For more information, please visit [www.mtrgaming.com](http://www.mtrgaming.com).

Except for historical information, this press release contains forward-looking statements concerning, among other things, future plans and operating results. Such statements are based on the Company's current plans and expectations. Such statements are subject to a number of risks and uncertainties that could cause the statements made to be incorrect and/or for actual results to differ materially. Those risks and uncertainties are described in the Company's periodic reports filed with the Securities and Exchange Commission and in press releases. The Company does not intend to update publicly any forward-looking statements, except as may be required by law.

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**MTR GAMING GROUP, INC.**  
**CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**

	Three Months Ended December 31		Year Ended December 31	
	2002	2001	2002	2001
Revenues				
Gaming	\$ 54,102,000	\$ 47,996,000	\$ 231,682,000	\$ 191,901,000
Parimutuel commissions	1,909,000	1,681,000	8,657,000	7,618,000
Food, beverage and lodging	4,794,000	3,438,000	19,387,000	15,185,000
Other	1,766,000	908,000	6,570,000	3,663,000
	<u>62,571,000</u>	<u>54,023,000</u>	<u>266,296,000</u>	<u>218,367,000</u>
Total revenues				
Less promotional allowances	<u>(1,083,000)</u>	<u>(1,371,000)</u>	<u>(5,416,000)</u>	<u>(3,916,000)</u>
Net revenues	61,488,000	52,652,000	260,880,000	214,451,000
Costs of revenue				
Cost of gaming	32,779,000	28,776,000	140,704,000	112,510,000
Cost of parimutuel commissions	1,739,000	1,555,000	7,359,000	6,443,000
Cost of food, beverage and lodging	4,181,000	3,384,000	16,470,000	15,129,000
Cost of other revenue	2,379,000	1,390,000	8,247,000	4,983,000
	<u>41,078,000</u>	<u>35,105,000</u>	<u>172,780,000</u>	<u>139,065,000</u>
Total cost of revenues				
Gross Profit	<u>20,410,000</u>	<u>17,547,000</u>	<u>88,100,000</u>	<u>75,386,000</u>
Selling, general and administrative expenses:				
Marketing and promotions	2,146,000	1,660,000	8,837,000	8,038,000
General and administrative	8,660,000	7,409,000	33,135,000	24,961,000
Depreciation and amortization	4,082,000	2,889,000	14,294,000	9,166,000
	<u>14,888,000</u>	<u>11,958,000</u>	<u>56,266,000</u>	<u>42,165,000</u>
Total selling, general and administrative expenses				
Asset impairment charge	<u>-</u>	<u>5,500,000</u>	<u>-</u>	<u>5,500,000</u>
Operating income	<u>5,522,000</u>	<u>89,000</u>	<u>31,834,000</u>	<u>27,721,000</u>
Interest income	40,000	72,000	166,000	250,000
Interest expense	<u>(1,307,000)</u>	<u>(1,011,000)</u>	<u>(4,376,000)</u>	<u>(4,043,000)</u>
Income before benefit/(provision) for income taxes and extraordinary item	4,255,000	(850,000)	27,624,000	23,928,000
Benefit/(Provision) for income taxes	<u>(1,490,000)</u>	<u>206,000</u>	<u>(9,706,000)</u>	<u>(8,213,000)</u>
Income before extraordinary item	2,765,000	(644,000)	17,918,000	15,715,000
Cumulative effect of FASB 133, net of tax benefit	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,000)</u>
Net Income	<u>\$ 2,765,000</u>	<u>\$ (644,000)</u>	<u>\$ 17,918,000</u>	<u>\$ 15,623,000</u>
Weighted average shares outstanding:				
Basic	27,127,990	26,220,069	27,060,268	24,366,343
Diluted	28,508,565	28,530,738	28,782,557	27,507,315
Earnings per share:				
Basic	<u>\$ 0.10</u>	<u>\$ (0.02)</u>	<u>\$ 0.66</u>	<u>\$ 0.64</u>
Diluted	<u>\$ 0.10</u>	<u>\$ (0.02)</u>	<u>\$ 0.62</u>	<u>\$ 0.57</u>

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**MTR GAMING GROUP, INC.**  
**CONDENSED AND CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**

	December 31 2002	December 31 2001
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 14,398,000	\$ 10,914,000
Restricted cash	860,000	724,000
Accounts receivable, net of allowance for doubtful accounts of \$98,000, and \$60,000	4,522,000	2,418,000
Inventory	2,414,000	1,649,000
Deferred financing costs	902,000	692,000
Prepaid taxes	4,360,000	1,218,000
Deferred income taxes	823,000	149,000
Other current assets	1,531,000	1,511,000
Total current assets	29,810,000	19,275,000
Property:		
Land	12,087,000	7,385,000
Building	137,422,000	93,008,000
Equipment and automobiles	59,929,000	42,298,000
Furniture and fixtures	17,870,000	13,669,000
Construction in progress	248,000	15,028,000
	227,556,000	171,388,000
Less accumulated depreciation	(46,981,000)	(33,855,000)
	180,575,000	137,533,000
Other assets:		
Excess of cost of investments over net assets acquired	1,492,000	1,492,000
Deferred income taxes	2,213,000	2,033,000
Deferred financing costs, net of current portion	1,452,000	1,744,000
Deposits and other	6,375,000	2,000,000
	11,532,000	7,269,000
	\$ 221,917,000	\$ 164,077,000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 5,259,000	\$ 4,142,000
West Virginia state lottery commission payable	1,576,000	1,230,000
Accrued payroll and payroll taxes	2,542,000	1,788,000
Accrued liabilities	3,091,000	2,384,000
Current portion of capital leases	6,532,000	5,094,000
Current portion of long-term and other debt	312,000	303,000
Total current liabilities	19,312,000	14,941,000
Long-term and other debt, less current portion	96,279,000	71,318,000
Capital lease obligations, net of current portion	6,945,000	6,966,000
Long-term deferred compensation	915,000	269,000
Deferred income taxes	7,977,000	3,515,000
	131,428,000	97,009,000
Shareholders' equity:		
Common stock		-
Paid in capital	53,236,000	49,259,000
Shareholders receivable	-	(4,065,000)
Retained earnings	37,253,000	21,874,000
Total shareholders' equity	90,489,000	67,068,000
	\$ 221,917,000	\$ 164,077,000

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