



MTR GAMING GROUP, INC.

FOR IMMEDIATE RELEASE

MTR GAMING GROUP ANNOUNCES FOURTH QUARTER AND YEAR-END RESULTS

CHESTER, WV – March 29, 2006 – MTR Gaming Group, Inc. (Nasdaq National Market:MNTG) today announced financial results for the fourth quarter and year ended December 31, 2005. See attached tables (including Reconciliation of Non-GAAP Measures to GAAP).

Revenues, net of promotional allowances, for the fourth quarter increased 17% to \$82.1 million from \$69.9 million in the fourth quarter of 2004. EBITDA was \$9.5 million compared to \$12.3 million in the same period of 2004. Net income was \$41,000 versus \$2.6 million in the fourth quarter of the prior year.

Net revenues at Mountaineer were \$63.2 million, compared to \$65.6 million in the fourth quarter of 2004, due to greater competition from Limited Video Lottery terminals (LVLs) in the property's target market, higher fuel costs that affected travel to Mountaineer and general economic conditions.

Binion's accounted for \$14.7 million of net revenues in the fourth quarter and had an EBITDA loss of \$682,000, compared to revenue and EBITDA contribution of \$642,000 and \$545,000, respectively, in the fourth quarter of 2004, which consisted of guaranteed, flat-fee payments that were not dependent upon the financial performance of the property, under a joint operating agreement with an affiliate of Harrah's. Binion's continued to experience lower than expected revenues. The Company is planning to launch new marketing initiatives and is considering the addition of entertainment and other amenities to increase walk-in traffic from Fremont Street.

In the fourth quarter and fiscal year, MTR's net income was also impacted by costs associated with its self-insured employee health care plan, which were \$571,000 higher than in the fourth quarter of 2004 and \$1.7 million higher than in fiscal 2004. In this regard, the Company entered into an insured health care plan effective January 1, 2006. Net income was also impacted by unusually high legal, accounting and financial advisory fees, which were \$473,000 higher in the quarter and \$1.3 million higher for the year, as well as specific project development related expenses of \$353,000 in the quarter. MTR's performance continues to reflect the carrying costs of the developments on which it is working and which it continues to believe will further diversify the Company.

For fiscal 2005, net revenues were \$349.9 million, up 13% from \$309.9 million in 2004. EBITDA was \$49.9 million compared to \$57.8 million in 2004. 2005 net income was \$7.8 million or \$0.27 per diluted share, compared to \$14.5 million or \$0.50 per diluted share in the prior year.

Pennsylvania Racing and Gaming

Presque Isle Downs is progressing with the land development work and construction of the Erie racino. The Company still expects to initiate live racing by December of 2007 as required by Presque Isle Down's racing license and has submitted a request to the Pennsylvania Racing Commission for twelve racing dates in 2007. MTR plans to commence slot machine operations in the fall of 2006, subject to licensing by the Pennsylvania Gaming Control Board, pursuant to a temporary license, as provided by statute, pending the issuance of the permanent license. The Company plans to operate the slots in the permanent facility during construction of the racetrack. MTR anticipates initially operating approximately 1,600 slot machines at Presque Isle Downs.

Michigan Gaming Property

In December, MTR's wholly owned subsidiary, Jackson Racing, Inc., acquired a 90% interest in Jackson Trotting Association, LLC, a Michigan limited liability company that operates Jackson Harness Raceway. Jackson Harness Raceway conducts live harness racing (mid-April through mid-June) and year-round simulcasting with pari-mutuel wagering in Jackson, Michigan. The facility is located on I-94, approximately 35 miles from Lansing, 40 miles from Ann Arbor, 70 miles from Detroit and 70 miles from Toledo, OH.

Minnesota Court of Appeals Ruling

On March 28, 2006, the Minnesota Court of Appeals affirmed the decision of the Minnesota Racing Commission to grant the licenses of the North Metro Harness Initiative, in which MTR owns a 50% interest. Concerned Citizens has 30 days within which to seek further review by the Minnesota Supreme Court, subject to the discretion of that Court.

Reconciliation of Non-GAAP Measures to GAAP

EBITDA represents earnings (losses) before interest, income tax expense (benefit), depreciation and amortization, equity in loss of unconsolidated joint venture and gain (loss) on disposal of property. EBITDA is not a measure of performance or liquidity calculated in accordance with generally accepted accounting principles ("GAAP"), is unaudited and should not be considered an alternative to, or more meaningful than, net income or income from operations as an indicator of our operating performance, or cash flows from operating activities, as a measure of liquidity. EBITDA has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation of companies in our industry. Uses of cash flows that are not reflected in EBITDA include capital expenditures (which are significant given our expansion), interest payments, income taxes, and debt principal repayments. Moreover, other companies that provide EBITDA information may calculate EBITDA differently than we do. A reconciliation of GAAP net income (loss) to EBITDA is included in the financial tables accompanying this release.

About MTR Gaming Group

MTR Gaming Group, Inc., through subsidiaries, owns and operates the Mountaineer Race Track & Gaming Resort in Chester, West Virginia; Scioto Downs in Columbus, Ohio; the Ramada Inn and Speedway Casino in North Las Vegas, Nevada; Binion's Gambling Hall & Hotel in Las Vegas, Nevada, and holds a license to build Presque Isle Downs, a thoroughbred racetrack with pari-mutuel wagering in Erie, Pennsylvania. The Company also owns a 90% interest in Jackson Trotting Association, LLC, which operates Jackson Harness Raceway in Jackson, Michigan. Additionally, MTR owns a 50% interest in the North Metro

Harness Initiative, LLC, which has a license to construct and operate a harness racetrack 30 miles north of downtown Minneapolis (judicial review pending). The Mountaineer facility, the Company's primary source of revenues, currently encompasses a thoroughbred racetrack with off-track betting and export simulcasting, 3,220 slot machines, 359 hotel rooms, golf course, spa & fitness center, theater and events center, convention center and fine dining and entertainment. MTR is included on the Russell 2000® and Russell® 3000 Indexes. For more information, please visit www.mtrgaming.com.

Except for historical information, this press release contains forward-looking statements concerning, among other things, the construction of a racetrack and slot machine parlor in Erie, Pennsylvania and a racetrack in Minnesota and the prospects for our operation of Binion's. 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 include but are not limited to favorable resolution of the pending legal challenge to North Metro Harness Initiative's Minnesota racing license, successful completion of a 50-day race meet and regulatory approval of a card room plan of operations for the planned Minnesota racetrack, disruption in developing our planned Pennsylvania and Minnesota operations and other facilities we may expand and/or acquire, success of our marketing initiatives and planned amenities at Binion's, issuance of licenses by the PaGCB with respect to slot machines at Presque Isle Downs, our compliance with environmental laws and potential exposure to environmental liabilities, and other factors described in the Company's periodic reports filed with the Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements, except as may be required by law. The cautionary advice in this paragraph is permitted by the Private Securities Litigation Reform Act of 1995.

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MTR GAMING GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except per share amounts)

	Three Months Ended December 31 (unaudited)		Year Ended December 31	
	2005	2004	2005	2004
Revenues:				
Gaming	\$ 69,293	\$ 59,792	\$ 296,160	\$ 266,382
Parimutuel commissions	2,639	2,964	12,746	13,550
Food, beverage and lodging	10,093	5,360	39,405	24,503
Other	2,485	3,102	9,984	10,787
Total revenues	<u>84,510</u>	<u>71,218</u>	<u>358,295</u>	<u>315,222</u>
Less promotional allowances	<u>(2,412)</u>	<u>(1,311)</u>	<u>(8,380)</u>	<u>(5,283)</u>
Net revenues	<u>82,098</u>	<u>69,907</u>	<u>349,915</u>	<u>309,939</u>
Costs of revenues:				
Cost of gaming	39,697	35,160	174,050	159,754
Cost of parimutuel commissions	2,383	2,348	10,225	10,008
Cost of food, beverage and lodging	8,899	4,108	33,356	17,924
Cost of other revenue	1,817	1,986	8,128	8,639
Total costs of revenues	<u>52,796</u>	<u>43,602</u>	<u>225,759</u>	<u>196,325</u>
Gross profit	<u>29,302</u>	<u>26,305</u>	<u>124,156</u>	<u>113,614</u>
Operating expenses:				
Marketing and promotions	2,971	1,828	10,951	9,667
General and administrative	16,848	12,194	63,305	46,153
Depreciation and amortization	6,483	4,740	24,325	21,192
(Gain) loss on disposal of property	(659)	341	(92)	386
Total operating expenses	<u>25,643</u>	<u>19,103</u>	<u>98,489</u>	<u>77,398</u>
Operating income	3,659	7,202	25,667	36,216
Other (expense) income:				
Equity in loss of unconsolidated joint venture	(14)	(108)	(204)	(108)
Interest income	65	50	273	213
Interest expense	<u>(2,998)</u>	<u>(3,287)</u>	<u>(12,179)</u>	<u>(13,599)</u>
Income before provision for income taxes and minority interest	712	3,857	13,557	22,722
Provision for income taxes	<u>(706)</u>	<u>(1,287)</u>	<u>(5,823)</u>	<u>(8,267)</u>
Income before minority interest	6	2,570	7,734	14,455
Minority interest	<u>35</u>	<u>-</u>	<u>35</u>	<u>-</u>
Net income	<u>\$ 41</u>	<u>\$ 2,570</u>	<u>\$ 7,769</u>	<u>\$ 14,455</u>
Net income per share:				
Basic	\$ 0.00	\$ 0.09	\$ 0.27	\$ 0.51
Diluted	\$ 0.00	\$ 0.09	\$ 0.27	\$ 0.50
Weighted average number of shares outstanding:				
Basic	27,476,743	28,575,920	28,303,487	28,449,152
Diluted	27,696,815	28,896,269	28,616,063	28,941,184

MTR GAMING GROUP, INC.
SELECTED FINANCIAL INFORMATION
(dollars in thousands)

	Three Months Ended December 31 (unaudited)		Year Ended December 31	
	2005	2004	2005	2004
Net revenues:				
Mountaineer Park	\$ 63,221	\$ 65,642	\$ 284,187	\$ 291,515
Binion's Gambling Hall	14,687	642	48,904	2,140
Las Vegas Speedway	2,978	2,497	10,830	9,860
Scioto Downs	1,039	1,123	5,812	6,412
Jackson Racing	170	-	170	-
North Metro	-	-	-	-
Corporate	3	3	12	12
Consolidated	<u>\$ 82,098</u>	<u>\$ 69,907</u>	<u>\$ 349,915</u>	<u>\$ 309,939</u>
EBITDA:				
Mountaineer Park	\$ 13,748	\$ 14,567	\$ 61,795	\$ 65,801
Binion's Gambling Hall	(682)	545	529	2,111
Las Vegas Speedway	461	211	1,496	877
Scioto Downs	(202)	(126)	(1,335)	(1,385)
Jackson Racing	(127)	(384)	(127)	(550)
North Metro	(41)	-	(41)	-
Corporate	(3,631)	(2,530)	(12,374)	(9,060)
Consolidated	<u>\$ 9,526</u>	<u>\$ 12,283</u>	<u>\$ 49,943</u>	<u>\$ 57,794</u>

MTR GAMING GROUP, INC.
SELECTED FINANCIAL INFORMATION
RECONCILIATION OF NET INCOME (LOSS) TO EBITDA
(dollars in thousands)

The following tables set forth a reconciliation of net income (loss), a GAAP financial measure, to EBITDA, a non-GAAP financial measure.

	Three Months Ended December 31 (unaudited)		Year Ended December 31	
	2005	2004	2005	2004
Mountaineer Park:				
Net income	\$ 4,917	\$ 5,796	\$ 22,037	\$ 26,128
Interest expense, net of interest income	1,970	2,011	7,955	8,199
Provision for income taxes	1,906	2,289	12,178	14,229
Depreciation and amortization	5,034	4,472	19,599	17,206
(Gain) loss on disposal of property	(79)	(1)	26	39
EBITDA	\$ 13,748	\$ 14,567	\$ 61,795	\$ 65,801
Binion's Gambling Hall:				
Net (loss) income	\$ (879)	\$ 701	\$ (702)	\$ 934
Interest income	-	-	-	(1)
(Benefit) provision for income taxes	(469)	367	(364)	503
Depreciation and amortization	666	(523)	1,616	675
Gain on disposal of property	-	-	(21)	-
EBITDA	\$ (682)	\$ 545	\$ 529	\$ 2,111
Las Vegas Speedway:				
Net income (loss)	\$ 63	\$ (147)	\$ 49	\$ (496)
Interest expense	91	91	363	363
Provision (benefit) for income taxes	36	(63)	28	(267)
Depreciation and amortization	271	320	1,056	1,262
Loss on disposal of property	-	10	-	15
EBITDA	\$ 461	\$ 211	\$ 1,496	\$ 877
Scioto Downs:				
Net loss	\$ (361)	\$ (297)	\$ (1,547)	\$ (1,580)
Interest expense, net of interest income	38	43	156	174
Benefit for income taxes	(92)	(88)	(803)	(841)
Depreciation and amortization	213	216	859	862
EBITDA	\$ (202)	\$ (126)	\$ (1,335)	\$ (1,385)
Jackson Racing:				
Net loss	\$ (85)	\$ (445)	\$ (85)	\$ (550)
Interest expense, net of interest income and minority interest	2	-	2	-
(Benefit) provision for income taxes, net of minority interest	(44)	61	(44)	-
EBITDA	\$ (127)	\$ (384)	\$ (127)	\$ (550)
North Metro:				
Net loss	\$ (34)	\$ -	\$ (34)	\$ -
Benefit for income taxes, net of minority interest	(7)	-	(7)	-
EBITDA	\$ (41)	\$ -	\$ (41)	\$ -
Corporate:				
Net loss	\$ (3,580)	\$ (3,038)	\$ (11,949)	\$ (9,981)
Interest expense, net of interest income	832	1,092	3,430	4,651
Benefit for income taxes	(616)	(1,279)	(5,157)	(5,357)
Depreciation and amortization	299	255	1,195	1,187
Equity in loss of unconsolidated joint venture	14	108	204	108
(Gain) loss on disposal of property	(580)	332	(97)	332
EBITDA	\$ (3,631)	\$ (2,530)	\$ (12,374)	\$ (9,060)
Consolidated:				
Net income	\$ 41	\$ 2,570	\$ 7,769	\$ 14,455
Interest expense, net of interest income and minority interest	2,933	3,237	11,906	13,386
Provision for income taxes, net of minority interest	714	1,287	5,831	8,267
Depreciation and amortization	6,483	4,740	24,325	21,192
Equity in loss of unconsolidated joint venture	14	108	204	108
(Gain) loss on disposal of property	(659)	341	(92)	386
EBITDA	\$ 9,526	\$ 12,283	\$ 49,943	\$ 57,794

MTR GAMING GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	December 31 2005	December 31 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 22,576	\$ 22,443
Restricted cash	921	604
Accounts receivable, net of allowance for doubtful accounts of \$121 in 2005 and \$91 in 2004	7,558	4,417
Inventories	3,428	2,877
Deferred financing costs	1,952	1,469
Prepaid taxes	1,352	505
Deferred income taxes	1,000	962
Other current assets	3,619	2,262
Total current assets	42,406	35,539
Property and equipment, net	256,167	222,542
Other assets:		
Goodwill	1,492	1,492
Other intangibles	17,583	14,285
Note receivable	-	2,172
Deferred financing costs, net of current portion	3,911	4,775
Deposits and other	13,118	15,371
	36,104	38,095
Total assets	\$ 334,677	\$ 296,176
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,261	\$ 2,966
Accounts payable - West Virginia Lottery Commission	1,297	677
Accrued payroll and payroll taxes	3,364	2,308
Accrued interest	3,218	3,244
Other accrued liabilities	18,287	6,258
Current portion of capital lease obligations	3	1,792
Current portion of long-term and other debt	474	383
Total current liabilities	35,904	17,628
Capital lease obligations, net of current portion	-	4
Long-term and other debt, net of current portion	152,966	133,133
Deferred leasehold obligation	5,090	5,177
Long-term deferred compensation	8,051	5,710
Deferred income taxes	8,746	11,270
Total liabilities	210,757	172,922
Minority interest	2,944	-
Shareholders' equity:		
Common stock	-	-
Paid in capital	61,376	61,892
Retained earnings	59,600	61,362
Total shareholders' equity	120,976	123,254
Total liabilities and shareholders' equity	\$ 334,677	\$ 296,176

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