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Jacobs Entertainment, Inc. Reports Second Quarter and Six Months Results

Golden, Colorado – Jacobs Entertainment, Inc. (“JEI”), an owner and operator of multiple gaming properties, today announced unaudited financial results for its second quarter and six-month period ended June 30, 2011.

Net revenues for the second quarter of 2011 were \$99.2 million compared to \$93.8 million for the second quarter of the previous year. Net loss for the second quarter of 2011 was \$7.9 million compared to net income of \$1.6 million for the same quarter of the previous year.

Net revenues for the six-month period ended June 30, 2011 were \$191.0 million compared to \$178.5 million for the six-month period ended June 30, 2010. Net loss for the six-month period ended June 30, 2011 was \$6.1 million compared to net income of \$3.2 million for the same period of the previous year.

Jacobs Entertainment, Inc. will host a conference call to discuss its second quarter and six-month 2011 operating results. The conference call will be held at 11:00 a.m. Eastern Time on Tuesday, August 16, 2011, and will be hosted by Stephen R. Roark, President of JEI, and Ian M. Stewart, President of Pari-Mutuel Wagering Operations, along with other members of the JEI management team.

To participate in the JEI conference call on Tuesday, August 16, 2011, at 11:00 a.m. Eastern Time, please dial 800-952-6845 and a live operator will put you through. Please call 5-7 minutes before the call is to begin.

If you are unable to join the JEI conference call, you may access a replay of the call starting Tuesday, August 16, 2011 at 2:00 p.m. Eastern Time. To access the replay, please dial 800-408-3053 and reference the confirmation code 3351205. The replay will continue until midnight Eastern Time, Tuesday, August 23, 2011.

Based in Golden, CO, Jacobs Entertainment is the owner and operator of The Lodge Casino at Black Hawk and the Gilpin Casino, both located in Black Hawk, Colorado; the Gold Dust West-Reno Casino in Reno, Nevada; the Gold Dust West-Carson City Casino in Carson City, Nevada; the Gold Dust West-Elko Casino in Elko, Nevada (the casino properties); Colonial Downs Racetrack in Virginia and ten related off-track wagering facilities located in Virginia; and 21 truck plaza video gaming facilities located in Louisiana with a share in the gaming revenues of an additional truck plaza located in Louisiana.

Our business and financial performance are subject to a number of risks and uncertainties that might adversely affect our operating results in the future in a material way, such as the intensity of competition, our ability to meet debt obligations, regulatory compliance, taxation levels, effects of national and regional economic and market conditions, labor and marketing costs, success of our diversification plan and the successful integration of our operations.

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JACOBS ENTERTAINMENT, INC.
FINANCIAL HIGHLIGHTS (unaudited)
(dollars in thousands)**SELECTED INCOME STATEMENT DATA**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:				
Total revenues	\$108,553	\$102,916	\$209,632	\$196,671
Promotional allowances	(9,344)	(9,097)	(18,594)	(18,133)
Net revenues	99,209	93,819	191,038	178,538
Costs and expenses	100,613	85,428	183,891	162,036
Operating (loss) income	(1,404)	8,391	7,147	16,502
Interest expense, net	(6,509)	(6,791)	(13,269)	(13,348)
Net (loss) income	<u>\$ (7,913)</u>	<u>\$ 1,600</u>	<u>\$ (6,122)</u>	<u>\$ 3,154</u>

SELECTED BALANCE SHEET DATA

	June 30,	December 31,
	<u>2011</u>	<u>2010</u>
Total assets	\$343,302	\$347,639
Total liabilities	\$327,533	\$330,315
Stockholder's equity	\$15,769	\$17,324

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EBITDA represents earnings before interest, income taxes, depreciation and amortization and is a non-GAAP financial measure that management believes is useful because it allows holders of our debt and management to evaluate and compare the Company's operating results from continuing operations from period to period in a meaningful and consistent manner in addition to standard GAAP financial measures. Adjusted EBITDA represents EBITDA plus expenses that we do not consider representative of our ongoing operations and that could result in comparison distortions. Management internally evaluates the performance of its segments using EBITDA and Adjusted EBITDA measures as do most analysts following the gaming industry. EBITDA is also a key component of certain financial covenants in the Company's debt agreements. This information should not be considered as an alternative to any measure of performance as promulgated under accounting principles generally accepted in the United States of America, such as net income (loss), nor should it be considered as an indicator of our overall financial performance. Our calculation of EBITDA and Adjusted EBITDA may be different from the calculation used by other companies and comparability may be limited.

EBITDA AND ADJUSTED EBITDA RECONCILIATION (dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net (loss) income as reported above	\$ (7,913)	\$ 1,600	\$ (6,122)	\$ 3,154
Add:				
Interest expense, net	6,509	6,791	13,269	13,348
Depreciation and amortization	5,632	5,570	11,234	11,167
EBITDA	<u>\$4,228</u>	<u>\$13,961</u>	<u>\$18,381</u>	<u>\$27,669</u>
Unrealized (gain) loss on change in fair value of investment in equity securities	(333)	326	(813)	(260)
Impairment of long-lived assets	10,065	--	10,065	--
Costs incurred for 2010 Credit Agreement Amendment	--	46	--	482
ADJUSTED EBITDA	<u>\$13,960</u>	<u>\$14,333</u>	<u>\$27,633</u>	<u>\$27,891</u>

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