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Table Trac, Inc. Announces Profits, 103% Year over Year Revenue Growth for Third Quarter 2010

*Total Revenue Increases 110% Sequentially and 103% Year over Year to \$959,000
Company Generates \$0.01 EPS vs. \$(0.09) in Q3 2009*

MINNETONKA, MN, November 16, 2010 -- Table Trac, Inc. (OTCBB: TBTC), a developer and provider of casino information and management systems that automate and monitor the operations of casinos, today announced profitable financial results on strong revenue growth for its third quarter, the period ended September 30, 2010.

Third Quarter Highlights

- Overall revenue in the third quarter of 2010 increased 110% sequentially and 103% year-over-year to approximately \$959,000 from \$457,000 in the second quarter of 2010 and from \$472,000 in the third quarter of 2009.
- Two installations, related to the Keetoowah Cherokee Casino in Tahlequah, Oklahoma and the Fort Belknap Casino in Harlem, Montana, were completed in the third quarter, resulting in approximately \$682,000 in system sales revenue being recognized in the third quarter.
- Recurring revenue for the third quarter of 2010 from ongoing, contracted maintenance was approximately \$219,000, a decrease of 14.7% due to the elimination of one international system in 2010 that benefited 2009 results.
- The Company has three contracts for casino management systems in its backlog and expects to install at least two of these in the fourth quarter.
- Northern Winz Casino in Box Elder, Montana, selected Table Trac as provider of a new casino management system. This is the fifth new casino to select Table Trac during 2010.
- The Navajo Nation's Flowing Water Navajo Casino selected Table Trac as provider of a comprehensive casino management system following a highly competitive procurement process.
- The Company is currently working with gaming establishments in eight U.S. states, as well as countries in Central and South America to purchase new systems and expand service offerings for existing customers.
- Glenn Goulet was appointed Executive Vice President of the Company, adding more than 16 years of gaming equipment sales and marketing experience to Table Trac's senior management team. In his position at Table Trac, he will work to expand and manage sales and marketing initiatives with a focus on aligning the Company's technologies, products and services to increase customer value.

Third Quarter Financial Results

Net revenue for the three months ended September 30, 2010 increased 110% sequentially and 103% year-over-year to approximately \$959,000 from \$457,000 in the second quarter of 2010 and from \$472,000 in the third quarter of 2009. The quarter benefited from approximately \$682,000 in system sales revenue being recognized in the third quarter related to installations at the Keetoowah Cherokee Casino in Tahlequah, Oklahoma and the Fort Belknap Casino in Harlem, Montana. Recurring revenue for the third quarter of 2010 from ongoing, contracted maintenance was approximately \$219,000, a decrease of 14.7% due to elimination of \$61,000 on the Company's one system sale in 2009 that did not recur in 2010.

"As expected, we benefited significantly from two installations during the quarter and expect additional system sale revenue in the fourth quarter, based on the success we've had in growing our market share during 2010," said Chad Hoehne, Table Trac President and CEO. "To date, we've signed five new customers during 2010 and completed two installations. This progress is not only helping us to expand our presence with casinos around the world, but also will help us to grow our maintenance and license revenue in future periods. Table Trac has never been in a stronger competitive position and we are excited about the improving fundamentals."

Gross profit for the quarter was \$607,776, or 63.4% gross margin, compared sequentially with gross profit of \$399,000, or 87.3% gross margin and compared with gross profit of approximately \$365,000, or 77.4% in the year-ago quarter. The decrease sequentially from the second quarter 2010 is primarily due to an increase in system installations completed during the third quarter of 2010 and compared with no system installations during the same period last year. Generally, system sales have a lower gross profit compared to license and maintenance fee revenue, which has very little associated costs.

Total operating expenses were approximately \$551,000 for the quarter, a decrease of 10% sequentially compared to the \$612,000 for the second quarter of 2010 and down 12.2% compared to the approximately \$627,000 for the third quarter last year. The primary driver in both the year-over-year and the sequential decrease in operating expenses were significant decreases in sales and marketing expenses, offset partially by an increase in professional fees.

Table Trac reported income from operations of approximately \$57,000 compared sequentially to a loss from operations of \$(213,000) for the second quarter and a loss from operations of approximately \$(614,000) from 2009. Net income was approximately \$44,000, or \$0.01 per basic and diluted share (based on approximately 4.3 million basic shares and 4.6 million diluted weighted average shares outstanding). This compares sequentially to a net loss of approximately \$(126,000) or \$(0.03) loss per basic and diluted share (based on approximately 4.2 million basic and diluted weighted average shares outstanding) for the second quarter of 2010 and compares to a net loss of approximately \$(354,000), or \$(0.09) per basic and diluted share (based on approximately 4.2 million basic and diluted weighted average shares outstanding, respectively) in the year ago period.

"The addition of Glenn Goulet as our EVP to help drive, expand and manage sales and marketing initiatives is another key milestone achieved during the quarter," Mr. Hoehne added. "We have invested heavily in sales and marketing during the last 12 months, and we are beginning to see the fruits of that effort with the wins secured recently. Each new casino customer helps to build the Table Trac brand, and with Glenn on board we have increased our credibility and our effectiveness in this competitive industry. As a result, our pipeline of qualified opportunities continues to grow, and this is reinforcing our confidence for long-term, sustainable growth and profitability."

Year-to-Date Financial Results

Net revenue for the nine months ended September 30, 2010 decreased 30.9% to \$1.8 million from \$2.6 million for last year's comparable period. Recurring revenues from ongoing, contracted maintenance decreased to \$703,000 from \$724,000 in last year's comparable period. Gross profit for the nine months ended September 30, 2010 was \$1.3 million, or 75.3% gross margin, compared to gross profit of \$2.0 million, or 79.0% gross margin, in the comparable period last year. Total operating expenses for the nine months ended September 30, 2010 were \$1.6 million, a decrease of 3.9% compared with \$1.7 million for the first nine months last year.

Table Trac's loss from operations was approximately \$(296,000) compared to an operating loss of \$(16,000) in the same period last year. Net loss was approximately \$(156,000) or \$(0.04) loss per basic and diluted share (based on approximately 4.2 million basic and diluted weighted average shares outstanding) compared to net income of approximately \$67,000, or \$0.02 per basic and \$0.01 per diluted share (based on approximately 4.2 million basic and 4.5 million diluted weighted average shares outstanding, respectively) in the year ago period.

The Company utilized approximately \$49,000 in operating cash flow in the nine-month period ended September 30, 2010, and had \$1.2 million in cash and cash equivalents, or \$0.29 per share, as of September 30, 2010 compared to \$1.3 million, or \$0.32 per share, at December 31, 2009. The Company has no debt.

Outlook

"We expect to build on our success in the third quarter, and anticipate sequential revenue growth and continued profitability for the fourth quarter," Mr. Hoehne added. "We have several system installations on schedule for the fourth quarter which will serve to bolster our industry presence."

Table Trac's senior management team will be in Las Vegas November 15th through November 18th participating in the industry's Global Gaming Expo (G2E), the gaming industry largest trade show event.

About Table Trac, Inc.

Founded in 1995, Table Trac, Inc. develops and sells casino information and management systems. The company provides system sales, installation, training, as well as license and technical support to casinos. The company has systems installed in North, South, and Central America.

More information is available at <http://www.tabletrac.com/>.

Forward Looking Statements

Statements made in this press release, including statements regarding events and financial trends that may affect our future operating results, financial position and cash flows, may constitute "forward-looking statements" within the meaning of the federal securities laws. These certain statements are based on our assumptions and estimates and are subject to risks and uncertainties. You can identify these forward-looking statements by words like "strategy," "expects," "plans," "believes," "will," "estimates," "intends," "projects," "goals," "targets" and other words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts. For these statements, we claim the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995.

For further information on factors that could impact Table Trac and statements contained in this press release, reference should be made to Table Trac's filings with the Securities and Exchange Commission, including quarterly reports on Forms 10-Q, current reports on Form 8-K and annual reports on Form 10-K. You can access such filings at <http://www.sec.gov>.

Tables Follow

TABLE TRAC, INC.
CONDENSED BALANCE SHEETS (Unaudited)

| | <u>September 30,</u> <u>2010</u> | <u>December 31,</u> <u>2009</u> |
|--|-------------------------------------|------------------------------------|
| Cash | \$ 1,214,829 | \$ 1,320,946 |
| Accounts receivable, net of allowance for doubtful accounts of \$182,054 at September 30, 2010 and December 31, 2009 | 691,997 | 1,141,114 |
| Inventory | 254,942 | 189,482 |
| Prepaid expenses | 122,303 | 34,219 |
| Other current assets | 11,429 | 5,039 |
| Income taxes receivable | <u>311,310</u> | <u>172,434</u> |
| TOTAL CURRENT ASSETS | 2,606,810 | 2,863,234 |
| Patent, net of accumulated amortization | 8,803 | 9,826 |
| Property and equipment, net of accumulated depreciation | 51,406 | 34,219 |
| System under rental program, net of accumulated depreciation | 21,783 | - |
| Other long term assets | 2,060 | - |
| Long-term accounts receivable – financed contracts | <u>465,797</u> | <u>236,466</u> |
| TOTAL ASSETS | \$ <u><u>3,156,659</u></u> | \$ <u><u>3,143,745</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 135,822 | \$ 139,697 |
| Deferred revenue | 18,000 | - |
| Deferred tax liability | <u>548,841</u> | <u>574,000</u> |
| TOTAL CURRENT LIABILITIES | 702,663 | 713,697 |
| LONG-TERM LIABILITIES | | |
| Deferred tax liability | <u>9,000</u> | <u>9,000</u> |
| TOTAL LIABILITIES | <u>711,663</u> | <u>722,697</u> |

STOCKHOLDERS' EQUITY

Common stock, 0.001 par value; 5,000,000 shares authorized: 4,254,805 and 4,162,234 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively

4,255 4,162

Additional paid-in capital

1,584,025 1,404,619

Retained earnings

858,138 1,013,689

2,446,418 2,422,470

Treasury stock, 1,000 shares (at cost) at September 30, 2010 and December 31, 2009

(1,422) (1,422)

TOTAL STOCKHOLDERS' EQUITY

2,444,996 2,421,048

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 3,156,659 \$ 3,143,745

See notes to condensed financial statements.

TABLE TRAC, INC.
CONDENSED STATEMENTS OF OPERATIONS (Unaudited)

| | <u>Three Months Ended</u> <u>September 30,</u> | | <u>Nine Months Ended</u> <u>September 30,</u> | |
|--|---|---------------------|--|------------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Revenues | \$ 959,102 | \$ 471,847 | \$ 1,784,089 | \$ 2,582,404 |
| Cost of sales | <u>351,326</u> | <u>106,849</u> | <u>440,690</u> | <u>541,590</u> |
| Gross profit | 607,776 | 364,998 | 1,343,399 | 2,040,814 |
| Operating Expenses: | | | | |
| Selling, general and administrative | 550,567 | 626,974 | 1,639,478 | 1,705,774 |
| Bad debt expense - note receivable and related interest receivable | <u>-</u> | <u>351,530</u> | <u>-</u> | <u>351,530</u> |
| Income (loss) from operations | 57,209 | (613,506) | (296,079) | (16,490) |
| Interest income | <u>10,058</u> | <u>51,051</u> | <u>45,528</u> | <u>136,803</u> |
| Net income (loss) before taxes | 67,267 | (562,455) | (250,551) | 120,313 |
| Income tax expense (benefit) | <u>23,415</u> | <u>(207,997)</u> | <u>(95,000)</u> | <u>53,553</u> |
| Net income (loss) | \$ <u>43,852</u> | \$ <u>(354,458)</u> | \$ <u>(155,551)</u> | \$ <u>66,760</u> |
| Basic earnings (loss) per common share | \$ <u>0.01</u> | \$ <u>(0.09)</u> | \$ <u>(0.04)</u> | \$ <u>0.02</u> |
| Weighted-average basic shares outstanding | <u>4,254,533</u> | <u>4,162,234</u> | <u>4,210,169</u> | <u>4,162,234</u> |
| Diluted earnings (loss) per common share | \$ <u>0.01</u> | \$ <u>(0.09)</u> | \$ <u>(0.04)</u> | \$ <u>0.01</u> |
| Weighted-average diluted shares outstanding | <u>4,567,217</u> | <u>4,162,234</u> | <u>4,210,169</u> | <u>4,478,587</u> |

See notes to condensed financial statements.