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Iao Kun Group Holding Company Limited Announces Rolling Chip Turnover of US\$1.10 Billion for October 2014

HONG KONG--(BUSINESS WIRE)-- Iao Kun Group Holding Company Limited ("IKGH") (NASDAQ:IKGH), which operates through its subsidiaries and related promotion entities that act as VIP room gaming promoters and collaborator, today announced unaudited Rolling Chip Turnover (as defined below) for the month of October 2014 at the company's VIP rooms in Macau was US\$1.10 billion, down 27% year-over-year, compared to US\$1.51 billion for the month of October 2013. Win rate for the month of October 2014 was 3.90%.

For the first ten months of 2014, IKGH's Rolling Chip Turnover was US\$14.84 billion (an average of \$1.48 billion per month), up 5% year-over-year, compared to US\$14.19 billion (an average of \$1.42 billion per month) for the first ten months of 2013.

The Company's VIP rooms are primarily focused on high stakes baccarat. Baccarat accounts for approximately 88% of total Macau casino winnings according to the Macau Gaming Inspection and Coordination Bureau (DICJ). In Macau, two remuneration methods are used to compensate VIP room gaming promoters. On a fixed commission basis, VIP room gaming promoter revenues are based on an agreed percentage of Rolling Chip Turnover. On a win/loss split basis, the VIP room gaming promoter receives an agreed percentage of the "win" in the VIP gaming room (plus certain incentive allowances), and is required to also bear the same percentage of losses that might be incurred. Compared to the fixed commission basis, the win/loss split basis subjects the VIP room gaming promoter to the risk of losses from the gaming patron's activity and greater volatility.

As of September 1, 2012, all IKGH VIP rooms are on a revenue sharing remuneration model.

Definition of Rolling Chip Turnover

Rolling Chip Turnover is used by casinos to measure the volume of VIP business transacted and represents the aggregate amount of non-negotiable chips players purchased. Bets are wagered with "non-negotiable chips" and winning bets are paid out by casinos in so-called "cash" chips. "Non-negotiable chips" are specifically designed for VIP players to allow casinos to calculate the commission payable to VIP room gaming promoters. Commissions are paid based on the total amount of "non-negotiable chips" purchased by each player. VIP room gaming promoters therefore require the players to "roll," from time to time, their "cash chips" into "non-negotiable" chips for further betting (hence the term "Rolling Chip Turnover"). Through the promoters, "non-negotiable chips" can be converted back into cash at any time. Betting using rolling chips, as opposed to using cash chips, is also used by the DICJ to distinguish between VIP table revenue and mass market table revenue.

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About Iao Kun Group Holding Company Limited

IKGH is a holding company which operates through its subsidiaries and related promotion entities that act as VIP room gaming promoters and collaborator, and is entitled to receive all of the profits of the VIP gaming promoters and collaborator from VIP gaming rooms. IKGH's VIP room gaming promoters and collaborator currently participate in the promotion of five major luxury VIP gaming facilities in Macau, China, the largest gaming market in the world. One VIP gaming room is located at the top-tier 5-star hotel, the StarWorld Hotel & Casino in downtown Macau, and another is located in the luxury 5-star hotel, the Galaxy Macau™ Resort in Cotai, each of which is operated by Galaxy Casino, S.A. Additional VIP gaming rooms are located at the Sands Cotai Central and City of Dreams Macau, both in Cotai, and Le Royal Arc Casino, located in NAPE, Downtown Macau.

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