

Riviera Holdings Corporation

2901 Las Vegas Boulevard South
Las Vegas, NV 89109
Investor Relations: (800) 362-1460

TRADED: AMEX - RIV

www.theriviera.com

FOR FURTHER INFORMATION:

AT THE COMPANY:

Duane Krohn, Treasurer and CFO
(702) 794-9527 Voice
(702) 794-9442 Fax
Email: dkrohn@theriviera.com

INVESTOR RELATIONS CONTACT:

Betsy Truax, Skorpus Consulting
(208) 241-3704 Voice
(208) 232-5317 Fax
Email: etruax@aol.com

FOR IMMEDIATE RELEASE:

RIVIERA REPORTS SECOND QUARTER 2002 RESULTS

LAS VEGAS, NV – July 30, 2002 -- Riviera Holdings Corporation (AMEX: RIV) today reported financial results for the second quarter of 2002. Net revenues for the quarter were \$49.9 million, down 9.1 percent from net revenues of \$54.8 million in the second quarter of 2001. Income from operations for the quarter was \$5.7 million, down \$571,000 from the second quarter of 2001. EBITDA (Earnings Before Interest, income Taxes, Depreciation, Amortization and other income and expense, net) for the quarter was \$10.2 million, down 3.8 percent from EBITDA of \$10.6 million in the second quarter of 2001. The net loss was (\$1.1 million) or (\$0.32) cents per share compared with a net loss of (\$70,000) or (\$0.02) cents per share in the second quarter of 2001.

For the first six months of 2002, net revenues were \$96.4 million, down 10.0 percent from net revenues of \$107.0 million in the first half of 2001. Income from operations for the first half of 2002 was \$9.4 million, down \$2.3 million from the first half of 2001. EBITDA for the first half of 2002 was \$18.3 million, down 9.5 percent from EBITDA of \$20.3 million in the first half of 2001. The net loss was (\$3.9 million) or (\$1.14) per share compared with a net loss of (\$728,000) or (\$0.20) cents per share in the first half of 2001.

Second Quarter 2002 Highlights

- Global refinancing by issuance of \$215 million in 11 percent Senior Secured Notes due June 2010
- Established \$30 million revolver for liquidity and funding of new venues
- Riviera Black Hawk contributed \$3.7 million in EBITDA, an increase of \$930,000 or 33.0 percent from the second quarter of 2001
- Riviera Las Vegas EBITDA decreased \$1.3 million or 17.2 percent to \$6.4 million due to the continued economic impact of September 11 and the stock market
- Riviera Las Vegas occupancy was above 95.8 percent, ADR (Average Daily Rate) decreased \$5.32 to \$56.70

Riviera Las Vegas

Bob Vannucci, President of Riviera Las Vegas, said, "Second quarter net revenues were \$37.2 million for Riviera Las Vegas, down \$5.6 million or 13.1 percent from the second quarter of last year. For the quarter, the average daily rate decreased \$5.32 to \$56.70 and occupancy decreased 2.7 points to 95.8 percent. While hotel occupancy is close to prior year levels, ADR remained 8.6 percent below the comparable period last year. Slot machine coin-in or volume decreased 4.8 percent for the quarter while slot win decreased 7.7 percent. For the quarter, our margins were 17.2 percent compared to 18.1 percent in the same quarter of 2001. We continue to be aggressive with our marketing expenditures to increase demand and we expect to grow our customer incentive programs throughout the rest of the year and into 2003.

"While our Las Vegas operations continue to be pressured by the economy and competitor actions, they have improved each quarter since September 11, 2001. Our fourth quarter 2001 EBITDA was down 54.6 percent compared to same period prior year. First quarter 2002 EBITDA was down 26.9 percent versus prior year, while second quarter 2002 EBITDA was down 17.2 percent. Hotel occupancy, compared to the prior year, was down 8.4 points to 87.9 percent in the first quarter, but improved to 95.8 percent in the second quarter, which is down only 2.7 points from the second quarter of 2001. Slot coin in the first quarter of 2002 was down 13.8 percent compared to same quarter in the prior year, while second quarter coin-in was down only 4.8 percent versus same period last year.

"Our marketing efforts to boost gaming activities have resulted in increased visitations from our loyal slot customer base. Additionally, marketing efforts targeting customers in the western United States have helped to stabilize our occupancy. Call volumes, booking patterns and occupancy, which were normalizing, started to soften late in the quarter. Competitive pressures from high-end properties continue to depress room rates. Citywide convention attendance and room bookings continue to lag behind prior years. However, we have replaced much of that business with lower rated in-house conventions, increased business from tour operators and loyal gaming customers," said Mr. Vannucci.

Riviera Black Hawk

Second quarter 2002 net revenues for Riviera Black Hawk were \$12.6 million, an increase of \$637,000 or 5.3 percent over second quarter 2001 revenues. Second quarter EBITDA was \$3.75 million, up \$930,000 or 33.0 percent higher than last year's second quarter. EBITDA margin for the second quarter increased to 29.7 percent.

Ron Johnson, President of Riviera Black Hawk, said, "Our record quarter represents a great accomplishment for our entire team in Black Hawk. They have done a remarkable job in a very competitive environment, guided by a focused management team. We continue to offer a variety of player incentives, gaming products, food offerings and entertainment options that we have been able to successfully coordinate into an effective marketing plan that has had a positive impact on profitability.

"It is also encouraging to note that gaming revenues in the Black Hawk market grew by a healthy 12.5 percent in the second quarter of 2002 compared to the second quarter of 2001. The market continues to grow at an impressive rate because casinos such as ours are constantly introducing a greater variety of entertainment options to help expand the customer base," said Mr. Johnson.

Consolidated Operations and New Venues

William L. Westerman, Chairman of the Board and CEO, said, "We believe that the refinancing

of our debt is a major step in strengthening our capital structure and allowing us to go forward with projects in Missouri and New Mexico. The business world's challenges during the last few months validate our decision to refinance at this time. The new debt structure, including the \$30 million revolver, allows us flexibility and should reduce our overall cash interest expense. We can now operate more efficiently with the credit facility in place, allowing us to draw the funds when necessary.

"We are encouraged by the fact that the decline in EBITDA from the prior year's quarter decreased from 16 percent in the first quarter of 2002 to 4 percent in the second quarter of 2002. In Las Vegas, occupancy is returning to normal levels, although midweek room rates and occupancy are still showing some softness. Black Hawk's continued successful EBITDA margins and return on investment motivate us to accelerate our diversification efforts.

"Our diversification efforts are in full swing with the recent endorsement by Jefferson County, Missouri for a casino/hotel development project located approximately 22 miles south of downtown St. Louis. We are in the process of filing a formal application with the Missouri Gaming Commission and have executed contracts for the studies required to be included in the application. However, we have been informed that the site selection process will not begin until late summer or early fall. Assuming we get approval from the state regulators, construction work should start in early 2003, with a completion date in late 2004 or early 2005.

"This has been a difficult six months for our Las Vegas property and we expect the remainder of 2002 and even 2003 to be challenging for all Las Vegas operators. However, the trend is going in the right direction as we are seeing slow, yet steady improvement in the Las Vegas market," said Mr. Westerman.

Safe Harbor Statement:

The forward-looking statements included in this news release, which reflect management's best judgment based on factors currently known, involve risks and uncertainties including expansion timetables, hotel and casino market conditions, financing requirements, regulatory approvals and other risks detailed from time to time in the Company's SEC reports, including the Report on Form 10-K for December 31, 2001 and Forms 10Q and 8K filed during 2002. Actual results may differ.

About Riviera Holdings:

Riviera Holdings Corporation owns and operates the Riviera Hotel and Casino on the Las Vegas Strip and the Riviera Black Hawk Casino in Black Hawk, Colorado. Riviera is traded on the American Stock Exchange under the symbol RIV.

--Tables Follow--

Riviera Holdings Corporation

Financial Summary

Periods Ended June 30

Three Months Ended June 30,Six Months Ended June 30,

(\$ in 000s)	<u>2002</u>	<u>2001</u>	<u>Var</u>	<u>% Var</u>	<u>2002</u>	<u>2001</u>	<u>Var</u>	<u>% Var</u>
Net Revenues:								
Riviera Las Vegas	37,227	42,838	(5,611)	-13.1%	71,936	84,068	(12,132)	-14.4%
Riviera Black Hawk	12,627	11,990	637	5.3%	24,416	22,960	1,456	6.3%
Total Net Revenues	49,854	54,828	(4,974)	-9.1%	96,352	107,028	(10,676)	-10.0%
Operating Income:								
Riviera Las Vegas	3,530	4,662	(1,132)	-24.3%	5,789	8,770	(2,981)	-34.0%
Riviera Black Hawk	2,181	1,620	561	34.6%	3,609	2,956	653	22.1%
Total Operating Income	5,711	6,282	(571)	-9.1%	9,398	11,726	(2,328)	-19.9%
EBITDA:								
Riviera Las Vegas	6,417	7,750	(1,333)	-17.2%	11,652	14,910	(3,258)	-21.9%
Riviera Black Hawk	3,749	2,819	930	33.0%	6,695	5,362	1,333	24.9%
Total EBITDA	10,166	10,569	(403)	-3.8%	18,347	20,272	(1,925)	-9.5%
Margins:								
Riviera Las Vegas	17.2%	18.1%			16.2%	17.7%		
Riviera Black Hawk	29.7%	23.5%			27.4%	23.4%		
Consolidated	20.4%	19.3%			19.0%	18.9%		
Net income (loss)	\$ (1,088)	\$ (70)			\$ (3,922)	\$ (728)		
Weighted average basic and diluted shares outstanding	3,452	3,668			3,444	3,670		
Basic and diluted earnings (loss) per share	\$ (0.32)	\$ (0.02)			\$ (1.14)	\$ (0.20)		

1 EBITDA consists of earnings before interest, income taxes, depreciation, amortization and Other, net. While EBITDA should not be construed as a substitute for operating income or a better indicator of Liquidity than cash flow from operating activities, which are determined in accordance with generally accepted accounting principles ("GAAP"), it is included in herein to provide additional information with respect to the ability of the Company to meet its future debt service, capital expenditures and working capital requirements. Although EBITDA is not necessarily a measure of the Company's ability to fund its cash needs, management believes that certain investors find EBITDA to be a useful tool for measuring the ability of the Company to service its debt. EBITDA margin is EBITDA as a percent of net revenues. The Company's definition of EBITDA may not be comparable to other companies' definitions.

Balance Sheet Summary
(\$ in 000s)

	June 30, 2002	Dec 31, 2001
Cash and short term investments	\$ 21,974	\$ 46,606
Total current assets*	256,827	55,470
Property and equipment, net	195,060	200,531
Total assets	475,614	267,818
Total current liabilities*	244,571	34,175
Long-term debt, net of current portion	218,234	217,288
Total shareholders' equity	5,143	8,964

*Current assets include \$226,632 U.S. Treasury Bills Held to Retire Bonds and current liabilities include \$217,374 in Bonds and accrued interest to be retired by those assets.

RIVIERA HOLDINGS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Casino	\$ 28,863	\$ 31,045	\$ 54,926	\$ 58,314
Rooms	10,667	11,736	21,386	24,471
Food and beverage	8,519	8,493	16,378	16,410
Entertainment	4,372	5,864	8,580	11,763
Other	2,200	2,500	4,251	4,928
Total	54,621	59,638	105,521	115,886
Less promotional allowances	4,767	4,810	9,169	8,858
Net revenues	49,854	54,828	96,352	107,028
COSTS AND EXPENSES:				
Direct costs and expenses of operating departments:				
Casino	14,814	16,790	29,186	32,111
Rooms	6,272	6,242	11,726	12,228
Food and beverage	5,545	5,690	10,635	11,002
Entertainment	2,887	4,126	5,674	8,386
Other	741	854	1,421	1,609
General and administrative	9,429	10,557	19,363	21,420
Depreciation and amortization	4,455	4,287	8,949	8,546
Total costs and expenses	44,143	48,546	86,954	95,302
INCOME FROM OPERATIONS	5,711	6,282	9,398	11,726
OTHER INCOME (EXPENSE):				
Interest expense	(6,568)	(6,747)	(13,169)	(13,531)
Interest expense, bond retirements	(364)		(364)	
Interest income	137	368	229	753
Other, net	(4)	(27)	(16)	(31)
Total other income (expense)	(6,799)	(6,406)	(13,320)	(12,809)
INCOME (LOSS) BEFORE TAXES	(1,088)	(124)	(3,922)	(1,083)
PROVISION FOR INCOME TAXES	0	(54)	0	(355)
NET INCOME (LOSS)	\$ (1,088)	\$ (70)	\$ (3,922)	\$ (728)
EARNINGS PER SHARE DATA:				
Weighted average common shares outstanding	3,452	3,668	3,444	3,670
Basic and diluted earnings per share	\$ (0.32)	\$ (0.02)	\$ (1.14)	\$ (0.20)

###