

Riviera Holdings Corporation

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FOR IMMEDIATE RELEASE:

RIVIERA REPORTS FOURTH QUARTER 2003 RESULTS

LAS VEGAS, NV – February 10, 2004 -- Riviera Holdings Corporation (AMEX: RIV) today reported financial results for the fourth quarter ended December 31, 2003. Net revenues for the quarter were \$45.4 million, up \$1.7 million or 3.9 percent from the fourth quarter of 2002. Adjusted EBITDA was \$6.4 million, down \$935,000 from the fourth quarter of 2002. Adjusted EBITDA consists of earnings before interest, income taxes, depreciation, amortization, development and project costs, loss on extinguishment of debt and defeasance costs as shown in the reconciliation to net income (loss) in the tables of this release. Income from operations was \$118,000, down \$2.8 million from the fourth quarter of 2002 due primarily to the \$2.4 million of development and project costs, including the New Mexico racino project. The net loss for the quarter was (\$6.7 million) or (\$1.93) per share compared with a net loss of (\$3.9 million) or (\$1.13) per share in the fourth quarter of 2002. The development and project costs accounted for (\$0.68) per share.

For the year ended December 31, 2003, net revenues were \$190.2 million, up \$1.9 million or 1.0 percent from net revenues of \$188.3 million a year ago. Adjusted EBITDA was \$31.5 million, down \$2.1 million from 2002. Income from operations was \$12.9 million, down \$2.9 million from a year ago. The net loss for the year was (\$14.5 million) or (\$4.16) per share compared with a net loss of (\$24.7 million) or (\$7.17) per share in 2002. Fiscal 2002 results were affected by the loss on extinguishment of debt and defeasance interest totaling \$13.9 million or (\$4.03) per share. Results for 2003 were impacted by (\$0.68) per share for development and project costs.

Fourth Quarter 2003 Highlights

- Consolidated revenues increased by 3.9 percent to \$45.4 million
- New Mexico racino and other development and project costs of \$2.4 million
- Riviera Las Vegas occupancy was 86.5 percent compared with 82.2 percent in the fourth quarter of 2002, ADR (Average Daily Rate) increased \$1.20 to \$62.31
- Riviera Black Hawk gaming revenues were up 3.7 percent
- Riviera Black Hawk Adjusted EBITDA was adversely affected by the \$339,000 in costs relating to the campaign to defeat the racinos at racetracks amendment

Riviera Las Vegas

Robert Vannucci, President of Riviera Las Vegas, said, "Adjusted EBITDA for the fourth quarter was \$4.2 million, down slightly from \$4.4 million reported last year. The decline in Adjusted EBITDA is attributable to a lower than normal black jack hold percentage, increased union benefits, and higher health care and energy costs. We are pleased, however, that the positive trend of revenue increase has continued. All departments, except for table games, showed increases. Overall, fourth quarter net revenues increased by \$1.3 million, or 3.9 percent over the prior year.

"Slot win for the fourth quarter increased \$797,000 or 8 percent over the prior-year fourth quarter. Convention room nights were up 23.8 percent compared to the fourth quarter of 2002. Room occupancy was 86.5 percent, up 4.3 percentage points from last year. ADR was \$62.31, up \$1.20 compared to ADR of \$61.11 in the fourth quarter of 2002. Total room revenue increased \$631,000 or 6.7 percent compared to the prior year. Revenue per available room (RevPar) for the quarter was \$53.87 compared with \$50.22 last year, a gain of \$3.65 or 7.3 percent. The increase in occupied room nights and change in occupancy mix stimulated increases in all revenue centers.

"The Las Vegas market continues to recover. For 2003, the Las Vegas Convention and Visitors Authority (LVCVA) reports that visitor volumes are up 1 percent from 2002 levels. Citywide hotel occupancy was 89.6 percent compared to 88.8 percent in 2002. Riviera occupancy for the same period was 92.2 percent compared to 89.6 percent in 2002. Citywide convention attendance is up 10.8 percent; California drive in traffic was comparable to 2002, while air passenger counts were up 3.6 percent.

"The additional convention space at the Las Vegas and Mandalay Bay convention centers has enabled the city to attract and book new conventions that may have had date and exhibit space conflicts in the past. The Riviera's flexibility of meeting space and our proximity to the Las Vegas Convention Center continues to position us to increase our mix of small meetings and conventions, as well as new multi-hotel conventions booked into the Las Vegas Convention Center."

Riviera Black Hawk

Ron Johnson, President of Riviera Black Hawk, said, "We are very pleased that our gaming revenues were up \$410,000 or 3.7 percent during the fourth quarter even though the Black Hawk/Central City market showed a decline in gaming revenues of 2.1 percent over the same period. Total net revenues were also up 3.7 percent or \$430,000. Adjusted EBITDA for the fourth quarter was \$3.2 million, down \$226,000 from last year's fourth quarter. Adjusted EBITDA was negatively impacted by a \$339,000 charge relating to our portion of the campaign cost to defeat Amendment 33, which would have authorized slot machines at racetracks in the state of Colorado. Excluding the costs of the successful campaign that defeated Amendment 33, EBITDA would have been up \$113,000 for the quarter or 3.3 percent. Our strong growth in gaming revenues during the quarter enabled us to continue to build market share and provides us with considerable momentum for the coming year."

Consolidated Operations

William L. Westerman, Chairman of the Board, said, "Although Adjusted EBITDA decreased in the fourth quarter due to a lower than normal hold percentage in Las Vegas, the costs associated with

defeating the racino referendum in Colorado, and additional corporate governance costs, we are encouraged that revenues, occupancy and ADR in Las Vegas, and market share in Black Hawk all reported increases for the quarter.

“While we believe that our proposal for a racino in Hobbs, New Mexico offered the greatest potential benefit to the horsemen and the state’s treasury, and regret not having been selected for the project, we are committed to continue to seek opportunities to expand our gaming expertise into other markets. The loss of the New Mexico racino project and write offs of other development and project costs resulted in a \$2.4 million charge against operating income for the fourth quarter. In spite of the New Mexico setback, the significant contribution of Black Hawk to our shareholder value reinforces our effort to diversify into new venues. As such, we continue to focus our efforts on the Jefferson County, Missouri project, which is currently in the bidding process.”

Conference Call Information

In conjunction with the release of fourth quarter 2003 financial results, Riviera will broadcast a conference call on Tuesday, February 10, 2004. Investors can listen to the call via the Internet at <http://www.firstcallevents.com/service/ajwz397872294gf12.html> or <http://www.theriviera.com> or by dialing 888-857-6932. A rebroadcast of the conference is available through February 13, 2004 by dialing 719-457-0820; pass code 382892.

Safe Harbor Statement:

The forward-looking statements included in this news release, which reflect management's best judgment based on factors currently known to it, involve risks and uncertainties including expansion objectives and timetables, hotel and casino market conditions, financing requirements, regulatory approvals and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission, including the Report on Form 10-K for December 31, 2002 and Forms 10-Q and 8-K filed during 2003. Actual results may differ materially.

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 (“AMEX”) under the symbol RIV. The Riviera continues its dialogue with AMEX relating to the maintenance of its listing status.

--Tables Follow--

Riviera Holdings Corporation

Financial Summary

(\$ in 000s)	Three Months Ended December 31				Twelve Months Ended December 31			
	2003	2002	Var	%Var	2003	2002	Var	%Var
Net Revenues:								
Riviera Las Vegas	\$ 33,257	\$ 31,998	\$ 1,259	3.9%	\$ 140,963	\$ 139,159	\$ 1,804	1.3%
Riviera Black Hawk	12,110	11,680	430	3.7%	49,196	49,133	63	0.1%
Total Net Revenues	45,367	43,678	1,689	3.9%	190,159	188,292	1,867	1.0%
Operating Income:								
Riviera Las Vegas	1,864	1,503	361	24.0%	12,373	12,235	138	1.1%
Riviera Black Hawk	1,626	1,939	(313)	16.1%	7,377	7,350	27	0.4%
Development and Project Costs	(2,365)	0	(2,365)	-	(2,365)	0	(2,365)	-
Corporate Expenses	(1,007)	(504)	(503)	99.8%	(4,485)	(3,762)	(723)	-19.2%
Total Operating Income	118	2,938	(2,820)	96.0%	12,900	15,823	(2,923)	-18.5%
Adjusted EBITDA:								
Riviera Las Vegas	4,202	4,408	(206)	-4.7%	22,678	23,951	(1,273)	-5.3%
Riviera Black Hawk	3,169	3,395	(226)	-6.7%	13,283	13,400	(117)	-0.9%
Corporate Expenses	(1,007)	(504)	(503)	99.8%	(4,485)	(3,762)	(723)	-19.2%
Total Adjusted EBITDA	6,364	7,299	(935)	12.8%	31,476	33,589	(2,113)	-6.3%
Adjusted EBITDA Margins:								
Riviera Las Vegas	12.6%	13.8%			16.1%	17.2%		
Riviera Black Hawk	26.2%	29.1%			27.0%	27.3%		
Consolidated	14.0%	16.7%			16.6%	17.8%		
Net income (loss)	\$ (6,705)	\$ (3,905)			\$ (14,453)	\$ (24,722)		
Weighted average basic and diluted shares outstanding	3,478	3,456			3,474	3,448		
Basic and diluted earnings (loss) per share	\$ (1.93)	\$ (1.13)			\$ (4.16)	\$ (7.17)		

- (1) Corporate expenses increased in 2003 due to a change in the structure of the CEO's compensation and additional professional fees associated with corporate governance
- (2) Adjusted EBITDA consists of earnings before interest, income taxes, depreciation, amortization, development and project costs, loss on extinguishment of debt and defeasance costs. Adjusted EBITDA is presented solely as a supplemental disclosure because management believes that it is 1) a widely used measure of operating performance in the gaming industry, and 2) a principal basis for valuation of gaming companies by certain investors. Management uses property-level Adjusted EBITDA (Adjusted EBITDA before corporate expense) as the primary measure of the Company's business segment properties' performance, including the evaluation of operating personnel. Adjusted EBITDA should not be construed as an alternative to operating income, as an indicator of the Company's operating performance, or as an alternative to cash flows from operating activities, as a measure of liquidity, or as any other measure determined in accordance with generally accepted accounting principles. The Company has significant uses of cash flows, including capital expenditures, interest payments and debt principal repayments, which are not reflected in Adjusted EBITDA. Also, other gaming companies that report Adjusted EBITDA information may calculate Adjusted EBITDA in a different manner than the Company. A reconciliation of Adjusted EBITDA to net income (loss) is included in the financial schedules accompanying this release.

Riviera Holdings Corporation

Reconciliation of Net Income (Loss) to Adjusted EBITDA:

(\$ In 000's)	Net Income <u>(Loss)</u>	Provision For Income Tax	Interest Income & <u>(Expense)</u>	Operating Income <u>(Loss)</u>	Development & Project Costs	Depreciation	Management Fee	Adjusted EBITDA
Fourth Quarter 2003:								
Riviera Las Vegas	\$ (2,656)	\$ 4,480	\$ (40)	\$ 1,864	\$ -	\$ 2,655	\$ (317)	\$ 4,202
Riviera Black Hawk	(394)	-	(2,020)	1,626	-	1,226	317	\$ 3,169
Corporate	<u>(3,655)</u>	<u>(4,480)</u>	<u>(4,763)</u>	<u>(3,372)</u>	<u>2,365</u>	<u>-</u>	<u>-</u>	<u>(1,007)</u>
	\$ (6,705)	\$ -	\$ (6,823)	\$ 118	\$ 2,365	\$ 3,881	\$ -	\$ 6,364
Fourth Quarter 2002:								
Riviera Las Vegas	\$ (1,553)	\$ 3,004	\$ (52)	\$ 1,503	\$ -	\$ 3,221	\$ (316)	\$ 4,408
Riviera Black Hawk	(128)	-	(2,067)	1,939	-	1,140	316	3,395
Corporate	<u>(2,224)</u>	<u>3,004</u>	<u>(4,724)</u>	<u>(504)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(504)</u>
	\$ (3,905)	\$ -	\$ (6,843)	\$ 2,938	\$ -	\$ 4,361	\$ -	\$ 7,299
Twelve Months Ended December 31, 2003:								
Riviera Las Vegas	\$ 7,725	\$ 4,480	\$ (168)	\$ 12,373	\$ -	\$ 11,706	\$ (1,401)	\$ 22,678
Riviera Black Hawk	(792)	-	(2,394)	1,602	-	4,505	1,401	7,508
Corporate	<u>(21,386)</u>	<u>(4,480)</u>	<u>(24,791)</u>	<u>(1,075)</u>	<u>2,365</u>	<u>-</u>	<u>-</u>	<u>1,290</u>
	\$ (14,453)	\$ -	\$ (27,353)	\$ 12,900	\$ 2,365	\$ 16,211	\$ -	\$ 31,476
Twelve Months Ended December 31, 2002:								
Riviera Las Vegas	\$ 9,353	\$ 3,004	\$ 122	\$ 12,235	\$ -	\$ 13,146	\$ (1,430)	\$ 23,951
Riviera Black Hawk	1,205	-	(6,145)	7,350	-	4,620	1,430	13,400
Corporate	<u>(35,280)</u>	<u>(3,004)</u>	<u>(34,522)</u>	<u>(3,762)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,762)</u>
	\$ (24,722)	\$ -	\$ (40,545)	\$ 15,823	\$ -	\$ 17,766	\$ -	\$ 33,589

Balance Sheet Summary
(\$ in 000's)

	Dec 31, 2003	Dec 31, 2002
Cash and short term investments	\$ 19,344	\$ 20,220
Total current assets	27,361	30,022
Property and equipment, net	180,293	188,233
Total assets	222,538	235,896
Total current liabilities	29,788	28,409
Long-term debt, net of current portion	215,875	216,694
Total shareholders' (deficiency) equity	(30,037)	(15,672)

RIVIERA HOLDINGS CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(\$ In 000's except per share data)	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2003	2002	2003	2002
Revenues:				
Casino	\$ 25,053	\$ 24,390	\$105,736	\$ 106,122
Rooms	10,818	9,937	44,312	42,343
Food and beverage	7,475	7,534	32,584	32,367
Entertainment	4,790	4,640	18,641	17,918
Other	1,838	1,664	7,872	7,945
Total	49,974	48,165	209,145	206,695
Less promotional allowances	4,607	4,487	18,986	18,403
Net revenues	45,367	43,678	190,159	188,292
COSTS AND EXPENSES:				
Direct costs and expenses of operating departments:				
Casino	13,881	14,126	56,273	58,061
Rooms	5,983	5,651	24,704	23,127
Food and beverage	5,327	5,009	22,220	21,207
Entertainment	3,103	3,370	12,160	12,324
Other	656	642	2,761	2,771
Other operating expenses:				
General and administrative	10,053	7,581	40,565	37,213
Development and Project Costs	2,365	0	2,365	0
Depreciation and amortization	3,881	4,361	16,211	17,766
Total costs and expenses	45,249	40,740	177,259	172,469
INCOME FROM OPERATIONS	118	2,938	12,900	15,823
OTHER INCOME (EXPENSE):				
Interest expense	(6,832)	(6,867)	(27,380)	(26,842)
Interest expense-net due to defeasance	0	0	0	(2,692)
Loss on extinguishment of debt	0	0	0	(11,211)
Interest income	9	24	27	200
Total other income (expense)	(6,823)	(6,843)	(27,353)	(40,545)
NET INCOME (LOSS)	\$ (6,705)	\$ (3,905)	\$ (14,453)	\$ (24,722)
EARNINGS PER SHARE DATA:				
Weighted average common & common equivalent shares	3,478	3,456	3,474	3,448
Diluted earnings (loss) per share	\$ (1.93)	\$ (1.13)	\$ (4.16)	\$ (7.17)
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