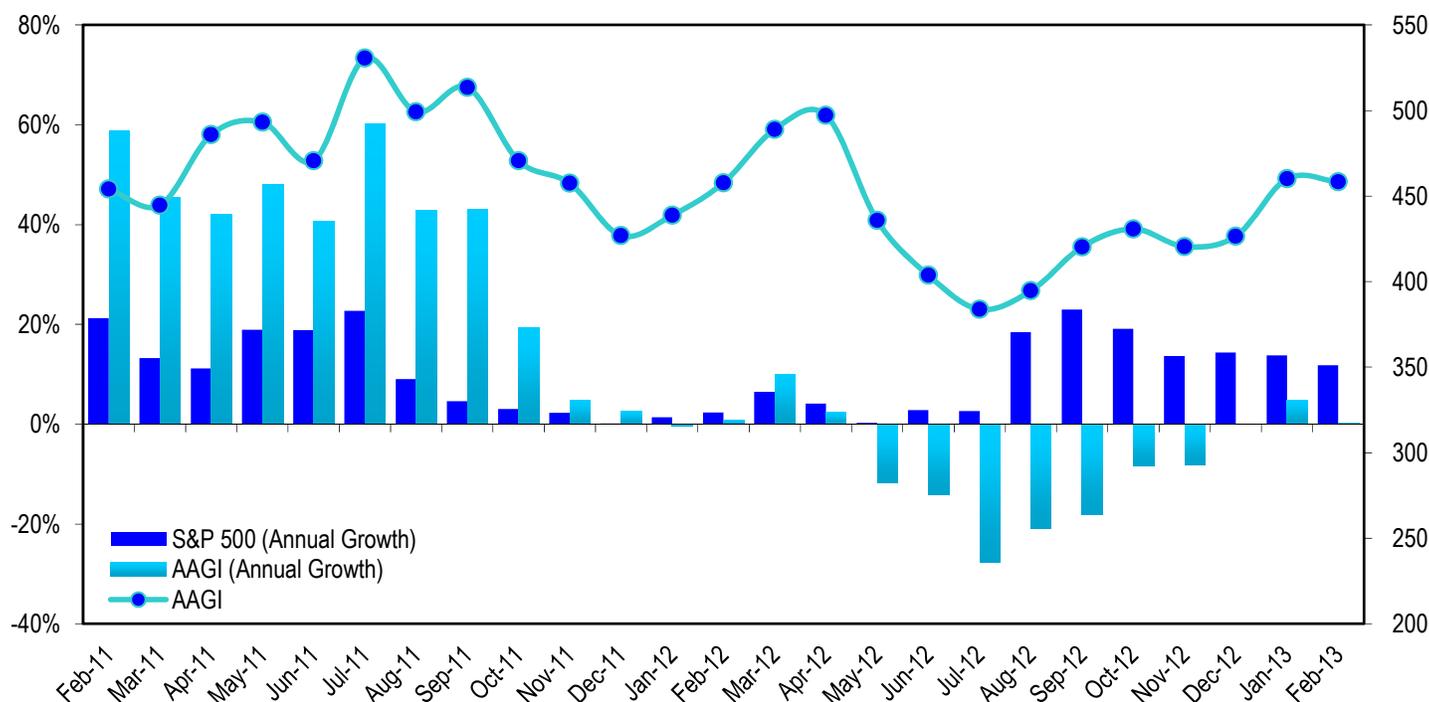


AAGI		Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
		Feb-13	Jan-13	Feb-12			
Operators	Ameristar Casinos, Inc. (ASCA)	\$26.35	\$26.71	\$20.36	(1.35) ▼	29.39 ▲	(0.09)
	Boyd Gaming (BYD)	\$6.88	\$6.78	\$8.86	1.51 ▲	(22.41) ▼	0.00
	Caesars Entertainment (CZR)	\$11.00	\$7.53	\$12.47	46.02 ▲	(11.80) ▼	0.62
	Las Vegas Sands (LVS)	\$52.58	\$52.08	\$52.50	0.96 ▲	0.15 ▲	(0.23)
	MGM Resorts International (MGM)	\$12.81	\$12.81	\$14.20	(0.01) ▼	(9.80) ▼	(0.13)
	Penn National Gaming, Inc. (PENN)	\$50.76	\$49.46	\$41.78	2.62 ▲	21.49 ▲	0.48
	Pinnacle Entertainment, Inc. (PNK)	\$14.74	\$15.79	\$10.68	(6.62) ▼	38.00 ▲	(0.18)
	Wynn Resorts, Ltd. (WYNN)	\$121.07	\$122.56	\$115.03	(1.21) ▼	5.25 ▲	(5.32)
Manufacturers	Bally Technologies, Inc. (BYI)	\$48.68	\$46.71	\$44.29	4.21 ▲	9.91 ▲	0.47
	International Game Technology (IGT)	\$16.09	\$14.98	\$15.28	7.40 ▲	5.30 ▲	0.63
	SHFL Entertainment (SHFL)	\$15.96	\$14.51	\$14.41	10.00 ▲	10.71 ▲	0.18
	WMS Industries (WMS)	\$24.90	\$17.80	\$23.18	39.85 ▲	7.41 ▲	1.27
Composite	Increase (Decrease) to Index						(2.31)
	AAGI - January 2013						460.08
	AAGI - February 2013						457.78

Gaming stocks were somewhat mixed during February as additional earnings reports shed more light on the sector and two states approved legislation authorizing interactive gaming. In Nevada, the state legislature approved Assembly Bill No. 114 (AB 114) on February 21, 2013 allowing the state to enter into pacts with other states to offer internet-based poker, among other items. On February 27, 2013, the state of New Jersey's governor signed legislation that also authorized on-line poker. While there are still a number of regulatory and logistical issues to be addressed, it is clear the industry is well positioned to take advantage of increased technological capabilities of this emerging sector.

The gaming manufacturer component of the Applied Analysis Gaming Index (AAGI) posted positive gains with all four companies witnessing stock price improvements month-to-month. The gains were offset by the aggregate performance of gaming operators. The biggest gainers during the month included Caesars Entertainment (CZR) and WMS Industries (WMS). The AAGI declined a modest 2.31 points (-0.5 percent) overall to a composite score of 457.78. The broader market (S&P 500) was up 2.2 percent on the month. On an annual basis, the AAGI matches where it stood one year ago, and the S&P 500 is higher by 11.8 percent.

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Key events and earnings reports during the past month included the following:

- Boyd Gaming (BYD) Sells Florida Investment** – While Boyd Gaming (BYD) has yet to announce its year-end results, the gaming operator announced it is selling Dania Jai-Alai for \$65.5 million to Dania Entertainment LLC. The company expects to use the proceeds from the sale for general corporate purposes, including possible pay downs on its debt. Boyd also appears well positioned with gaming licenses in the two states to recently approve internet-based gaming. Official earnings results for the fourth quarter will be released on March 4, 2013.
- Ameristar Casinos (ASCA) Releases Year-End Results** – Ameristar reported net revenues of \$288.8 million during the fourth quarter of 2012, down 2.5 percent from a year ago. Adjusted EBITDA declined 4.6 percent to \$80.4 million, while EBITDA margin fell 0.6 percentage points to 27.8 percent. Casino revenues declined 2.1 percent to \$298.5 million, while food and beverage and room revenues reported increases of 5.8 percent and 1.6 percent, respectively. The St. Charles property was the only one to report year-over-year increases in net revenues (+0.4 percent), adjusted EBITDA (+0.9 percent) and EBITDA margin (+0.1 percentage point). Ameristar’s properties in Jackpot, Nevada reported a 5.8-percent decline in net revenues to \$13.5 million, due to lower-than-expected slot hold. Adjusted EBITDA fell 5.5 percent to \$3.9 million, while EBITDA margin increased 0.1 percentage point to 28.8 percent. In December, it was announced that Pinnacle Entertainment would acquire Ameristar Casinos for \$869 million.
- Caesars Entertainment (CZR) Posts Q4 Results** – Net revenues for Caesars Entertainment declined 4.3 percent during the fourth quarter of 2012 to \$2.0 billion, while property EBITDA fell 8.3 percent to \$451.9 million. The company notes that the declines were primarily due to property closures in Atlantic City as a result of Hurricane Sandy. Trips declined by 10.9 percent, but the company reported a 6.2-percent increase in spend per trip due to an 11.1-percent increase in the Las Vegas region. In Las Vegas, net revenues declined 3.2 percent to \$742.6 million, while property EBITDA fell 3.4 percent to \$216.7 million. Net revenues and property EBITDA in the region were negatively affected by Project Linq construction activities, including the closure of O’Shea’s casino and a number of retail stores at Harrah’s Las Vegas as well as renovations at the Quad Resort and Casino. Although trips to the region declined 3.0 percent, spend per trip increased 11.1 percent due to the international high-end segment. However, average daily rate (“ADR”) declined 4.4 percent to \$87, while the occupancy rate fell 1.0 percentage point as a result of a decline in group business. Notably, during the quarter, Caesars Entertainment secured \$185.0 million in financing to fund the renovation of Bill’s Gamblin’ Hall & Saloon. Renovations began at the beginning of February 2013 with completion expected by the end of the year.

- Pinnacle Entertainment (PNK) Reports Strong Fourth Quarter and Full Year Results** – Pinnacle Entertainment reported a 9.4-percent increase in net revenues during the fourth quarter of 2012 to \$301.6 million. Adjusted EBITDA increased 1.7 percent to \$63.3 million, but the results were negatively affected by low table games hold percentage at the company's Louisiana properties. Each of the major revenue sources reported year-over-year increases. Casino revenues were \$264.6 million, up 9.3 percent from last year. In terms of non-gaming revenues, the food and beverage sector reported the strongest performance, up 14.2 percent year-over-year to \$18.7 million. In addition, room revenues increased 2.3 percent to \$9.0 million, while retail, entertainment and other revenues rose 9.1 percent to \$9.3 million. For the year, Pinnacle reported a 4.9-percent increase in net revenues to a record \$1.2 billion and a 13.1-percent increase in adjusted EBITDA to a record \$285.2 million. The company notes that the positive annual results were primarily attributable to performances in Lake Charles and St. Louis. Both segments reported record annual revenues, adjusted EBITDA and EBITDA margin.

During the quarter, Pinnacle Entertainment announced its acquisition of Ameristar Casinos for \$869 million. Once the deal is finalized, Pinnacle will double in size to include 17 gaming properties. The acquisition is still awaiting regulatory approvals and should be finalized by the second or third quarter of this year.

- MGM Resorts International (MGM) Posts Year-end Results** – MGM Resorts International reported net revenues of \$2.3 billion in the fourth quarter of 2012, which is essentially flat when compared to the same quarter a year ago. Casino revenues increased 1.3 percent to \$1.4 billion, while room revenues were up 1.6 percent from a year ago. However, all other revenue sources reported declines, with entertainment reporting the weakest performance (-10.1 percent). Adjusted EBITDA increased 4.8 percent to \$505 million.

In Las Vegas, net revenues declined 0.3 percent to \$1.2 billion, with half of the properties reporting year-over-year declines. MGM Grand reported the greatest revenue increase, rising 10.8 percent to \$258.7 million. Meanwhile, Mandalay Bay reported the greatest decline, falling 14.8 percent to \$161.6 million, while Luxor fell 8.0 percent to \$74.4 million. Adjusted EBITDA increased 6.1 percent to \$275.8 million, attributable to significant gains at MGM Grand (+91.3 percent) and The Mirage (+26.2 percent), which were partially offset by declines at Luxor (-34.5 percent) and Mandalay Bay (-34.1 percent). ARIA, which is not included in the region's total revenue, reported a 0.7-percent increase in net revenues to \$223.5 million and a 14.9-percent increase in adjusted EBITDA to \$54.2 million. Las Vegas revenue per available room ("RevPAR") increased 0.9 percent to \$112, due to a 0.8-percent increase in ADR that was offset by a 1.0 percentage point decline in occupancy rate to 86.0 percent.

This year, MGM plans on investing in room refurbishments at Mandalay Bay, MGM Grand, Bellagio, Monte Carlo, Circus Circus and The Mirage. In addition, THEhotel at Mandalay Bay is being rebranded as the Delano Las Vegas, with completion expected in the first quarter of 2014, and the \$80 million Hakkasan at MGM Grand is nearing completion. In terms of entertainment, Zarkana, a new Cirque du Soleil show at ARIA, recently opened, and the company is moving forward with a Michael Jackson-themed Cirque du Soleil show at Mandalay Bay. At the end of the month, MGM Resorts announced the adoption of a distribution policy by its 51-percent subsidiary, MGM China Holdings Limited. The policy suggests the company will make semi-annual distributions not to exceed 35 percent of profits in aggregate, adjusted for a number of factors. One final announcement included a new 20,000-seat arena project located between New York-New York and Monte Carlo properties on the west side of the Las Vegas Strip. The project is expected to be funded by equity contributions from MGM Resorts International and AEG with private financing for the balance.

- WMS Industries (WMS) Posts Fiscal Second Quarter Results** – WMS reported net revenues of \$157.5 million for its fiscal second quarter of 2013, down 2.9 percent from the same quarter a year ago. The decline is primarily attributable to a 13.0-percent decline in product sales revenues to \$84.8 million. Total unit shipments declined 10.0 percent to 5,782, due to a 41.3-percent decrease in used unit shipments and a 0.3-percent decline in new unit shipments to the company's international markets. The modest 0.7-percent increase in new unit shipments to the U.S. and Canada was not enough to offset the negative growth overall. Also, average sales price per new unit declined 4.7 percent, falling to \$15,558. Gaming operations revenues increased 12.4 percent to \$72.7 million, representing the second consecutive quarter of year-over-year growth. The company notes that the increase is primarily attributable to continued interactive products and services revenue growth as well as a 3.7-percent increase in the installed participation base to 9,624.
- Upcoming Earnings Announcements** – In addition to the recent announcements described above, future announcements include the following:

Company	Symbol	Date
Boyd Gaming	BYD	March 4 th / 12:00 p.m. ET
SHFL Entertainment	SHFL	March 4 th / 5:00 p.m. ET

What is the AAGI?

The Applied Analysis team updates over 300 market variables and economic indicators on a monthly basis. One set of those indicators is the stock prices and market capitalization for publicly traded, gaming-related enterprises. To meet the needs of our clients and provide some insight into the gaming sector of our local economy, our team has developed the Applied Analysis Gaming Index (AAGI). The AAGI is a monthly gauge on equity valuations of twelve major gaming related companies, comprised of eight operators and four manufacturers of machines and equipment.

Who is Applied Analysis?

Applied Analysis is a Nevada-based advisory services firm founded in 1997. We are an information and analysis resource for both the public and private sectors. Our team has extensive experience in economics, information technology and finance. We apply this knowledge in an effort to develop creative solutions to our client's challenges.

Our team has performed analyses in Nevada, California, Mississippi, Colorado and Illinois. We have serviced a broad spectrum of business clients, from gaming operators to healthcare providers. Our public sector practice has analyzed the fiscal and economic impact of developments from five to 23,000 acres, and handled policy issues spanning business tax initiatives to the cost of air quality programs.

Our vision and goals have been the same since our inception. We strive to provide superior advisory services through a better understanding of our clients and their issues. We obtain this superior understanding through listening closely to our clients' needs and designing solutions that take into account their unique nature, circumstances and requirements.

To put it simply, we are a solutions resource. Our future is branded by the success of our clients and the quality of our professionals. Our commitment lies therein.

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To obtain further information about our gaming and tourism market data and our full range of consultation services, including market analysis, urban economic consulting, financial advisory services, information technology and information systems consulting, public policy analysis, and hospitality and gaming consulting, please contact us directly.

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