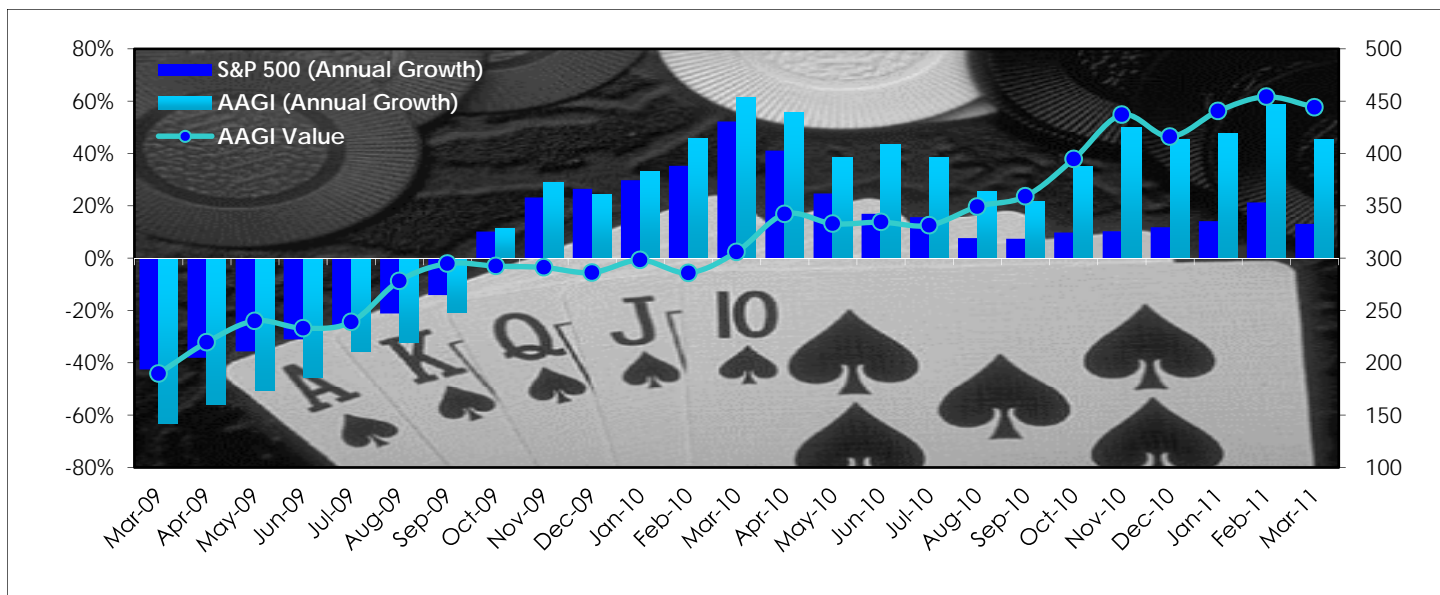


AAGI	Stock Price - Daily Average			Prior Period	Prior Year	Contribution to Index
	Mar-11	Feb-11	Mar-10	% Change	% Change	
MGM Resorts International (MGM)	\$13.08	\$14.84	\$11.77	(11.88) ▼	11.05 ▲	(1.53)
Las Vegas Sands (LVS)	\$40.86	\$47.20	\$19.63	(13.43) ▼	108.13 ▲	(20.75)
Wynn Resorts, Ltd. (WYNN)	\$124.21	\$122.74	\$71.99	1.19 ▲	72.53 ▲	15.42
Boyd Gaming (BYD)	\$9.50	\$11.36	\$8.93	(16.35) ▼	6.38 ▲	(0.25)
Penn National Gaming, Inc. (PENN)	\$35.70	\$36.14	\$25.26	(1.24) ▼	41.31 ▲	0.39
Pinnacle Entertainment, Inc. (PNK)	\$12.81	\$14.39	\$8.98	(10.95) ▼	42.71 ▲	(0.17)
Ameristar Casinos, Inc. (ASCA)	\$16.97	\$16.42	\$17.18	3.36 ▲	(1.20) ▼	0.19
International Game Technology (IGT)	\$16.17	\$17.10	\$17.44	(5.46) ▼	(7.29) ▼	(0.37)
WMS Industries (WMS)	\$36.50	\$41.78	\$40.32	(12.64) ▼	(9.48) ▼	(1.69)
Bally Technologies, Inc. (BYI)	\$36.14	\$39.43	\$39.22	(8.37) ▼	(7.87) ▼	(0.79)
Increase (Decrease) to Index						(9.55)
AAGI - February 2011						454.16
AAGI - March 2011						444.61

The Applied Analysis Gaming Index (AAGI) posted its first monthly decline of 2011 as investor demand softened in March, speculation about the impact of gas prices swirled, and regulatory requests to Las Vegas Sands (LVS) about business practices abroad surfaced. By the close of March 2011, the AAGI reached a composite value of 444.61, which represented a 2.1-percent decline, or a 9.6-point drop. The latest monthly performance followed gains in the first two months of the year. Despite the modest stall, the gaming sector remains up 45.4 percent compared to the same month of the prior year. Broader equities markets (S&P 500) were down a more modest 1.3 percent month-to-month but have only risen 13.2 percent compared to the prior year.

As recessionary conditions give way to recovery, a number of factors are likely to play a role in overall timing. According to The Conference Board, consumers' intent to travel has started to climb north while overall consumer confidence levels continue to bounce around yet remain ahead of the prior year. A potential negative in the equation is fuel pricing. With gas prices approaching \$4.00 per gallon in some areas, the elevated price at the pumps has a negligible impact on a single budgeted trip amount (less than 2 percent of the overall trip budget on a typical round trip from Los Angeles to Las Vegas). The main area of concern lies with the impact on consumers if prices remain elevated for an extended period of time (e.g., 6 months or more), reducing household discretionary dollars that could be used for leisure travel purposes. Rising oil prices may also contribute to airfare increases, which may be of greater concern in terms of the outlook on travel. While we have yet to see substantial increases for a sufficient period of time, they may play an important role over the long run for selected hotel-casino operators.

An online poker initiative in Nevada (Assembly Bill 258) contemplates authorization of internet poker play located within Nevada and the rest of the world, outside of the United States. If adopted, the approval may change the face, and financials, of major players within the industry. It is worth noting that Wynn Resorts, Ltd. (WYNN) announced a strategic relationship with PokerStars, the world's largest online poker business. The alliance suggests the two companies will work to secure the passage of federal legislation to regulate online play within the US and potentially develop a joint site - www.PokerStarsWynn.com.



The Fertitta brothers, who are owners in Stations Casinos and Ultimate Fighting Championship (UFC), along with other partners have also reportedly confirmed an alliance with Full Tilt Poker to target federal legalization of online poker. Additionally, Caesars Entertainment gained approval from the Nevada Gaming Commission to partner with 888 Holdings, a British online gaming outfit during the month.

With capital investments in new resorts likely to remain limited, particularly in the Las Vegas market, many gaming operators and hoteliers are seeking to leverage their existing assets and brands, rather than their balance sheets. Recently, MGM Resorts (MGM) announced a partnership with sbe, a hospitality and entertainment company, to allow cross-promotion by way of their respective customer loyalty programs. The arrangement between the companies provides an opportunity to expose their products to a potentially new consumer base. Another marketing alliance was formed between Pinnacle Entertainment (PNK) and Wynn Resorts, Ltd. (WYNN). The alliance would provide access to Wynn Las Vegas and Encore to high-end customers of Pinnacle, providing a broader experience for Pinnacle customers. The move is also timed with Pinnacle's re-launch of its customer loyalty program. Finally, another marketing arrangement that occurred last quarter carries little up-front cost. Las Vegas Sands' (LVS) inked a deal with InterContinental Hotels & Resorts (IHG) to allow reward point redemptions by IHG guests at LVS properties in Las Vegas. Selected economic indicators reported during the month included the following:

- Nevada Gaming Revenue** - Based on the latest data released by the Nevada Gaming Control Board, Clark County casinos reported revenues of \$761.4 million during the first month of 2011, representing a marginal drop of 0.4 percent when compared to January 2010. Total Strip revenue fell 2.5 percent year-over-year to \$482.7 million, while other major jurisdictions reported increases year-over-year including North Las Vegas (+13.2 percent), Boulder Strip (+10.9 percent) and Downtown Las Vegas (+8.4 percent). While selected segments reported single-digit declines in slot machine coin-in during the month, gaming operators within the Las Vegas Strip, Downtown, Boulder Strip and North Las Vegas experienced increasing slot hold percentages (up 0.9 percent points in aggregate). Overall in Clark County, slot machine gaming revenues were up 7.1 percent while game and table revenues declined by 11.8 percent.
- Las Vegas Visitor Volume** - The Las Vegas valley welcomed 3.2 million visitors during January 2011 (latest data), an increase of 8.6 percent compared to the same month last year, according to the Las Vegas Convention and Visitors Authority (LVCVA). Conventions and meetings brought in an estimated 615,900 visitors to the region, a 36.9-percent increase over January 2010. Hotels and motels reported healthy increases in average occupancy levels at 79.0 percent (+7.9 percentage points) while additional demand for rooms drove daily room rates up 7.5 percent, averaging \$107.22 during the month. In addition, a larger share of visitors arrived by plane as McCarran Airport passenger counts increased by 5.0 percent year-over-year in January. Average daily vehicle traffic at the Nevada/California border (on Interstate 15) increased by a marginal 0.1 percent, suggesting a shift in consumer types.
- McCarran International Passenger Volume** - During the month of February (latest data released), McCarran International Airport welcomed 2.9 million enplaning and deplaning passengers through its gates, bringing the total number of passengers for the first two months of the year to 6.1 million. Compared to the same period of the prior year, February 2011 witnessed a 2.4-percent increase in passenger traffic. For the year, passenger volume is up a more significant 3.7 percent when compared to the 5.9 million travelers witnessed during the first two months of 2010. While the overall increase is positive news for the Las Vegas valley, a decline in McCarran passenger traffic sourced to a reduction in scheduled flights by United Airlines offset other gains; United transported 10.1 percent fewer passengers in February 2011. Southwest Airlines and American Airlines both reported increases in passenger count, adding 23,100 (+2.1%) and 4,100 (+2.5%) passengers, respectively, when compared to the same period of the prior year. Rising fuel prices and other potential flight schedule reductions remain an ongoing concern.



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 ten major gaming related companies, comprised of seven operators and three 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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