

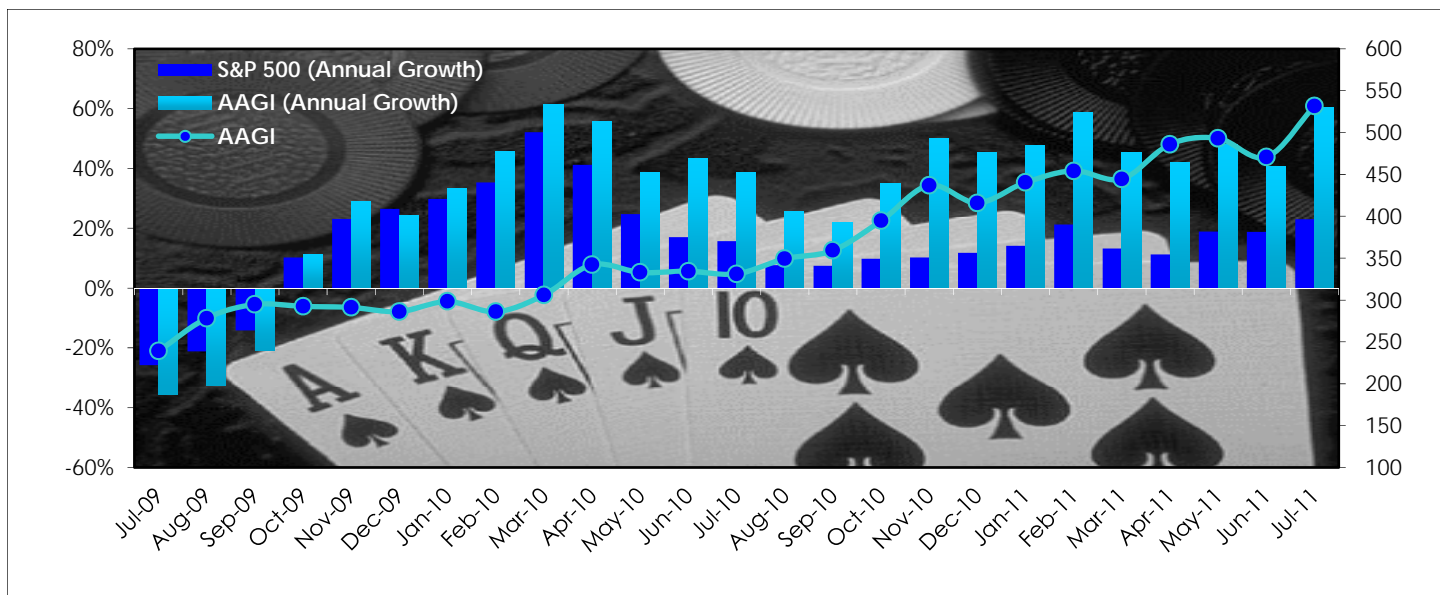
AAGI	Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
	Jul-11	Jun-11	Jul-10			
MGM Resorts International (MGM)	\$14.93	\$12.90	\$10.17	15.73 ▲	46.79 ▲	1.39
Las Vegas Sands (LVS)	\$45.30	\$40.03	\$24.21	13.16 ▲	87.13 ▲	14.35
Wynn Resorts, Ltd. (WYNN)	\$158.87	\$135.90	\$82.17	16.91 ▲	93.34 ▲	44.47
Boyd Gaming (BYD)	\$9.06	\$8.24	\$8.27	9.94 ▲	9.47 ▲	0.04
Penn National Gaming, Inc. (PENN)	\$41.58	\$38.54	\$24.54	7.88 ▲	69.44 ▲	0.33
Pinnacle Entertainment, Inc. (PNK)	\$14.86	\$13.72	\$10.00	8.32 ▲	48.63 ▲	0.04
Ameristar Casinos, Inc. (ASCA)	\$23.14	\$21.85	\$14.70	5.92 ▲	57.43 ▲	(0.02)
International Game Technology (IGT)	\$18.18	\$16.65	\$15.68	9.18 ▲	15.88 ▲	0.43
WMS Industries (WMS)	\$28.49	\$30.01	\$39.16	(5.09) ▼	(27.25) ▼	(0.96)
Bally Technologies, Inc. (BYI)	\$40.79	\$38.62	\$33.05	5.61 ▲	23.39 ▲	(0.09)
Increase (Decrease) to Index						59.99
AAGI - June 2011						470.60
<b>AAGI - July 2011</b>						<b>530.59</b>

During the month of July 2011, the gaming sector generated a level of investor interest that hasn't been witnessed in months. Stronger than expected gaming and tourism metrics were reported for the Las Vegas market, while selected second quarter earnings reports provided additional insight into various global jurisdictions. Daily average stock prices increased for all components of the Applied Analysis Gaming Index (AAGI) for the period, barring WMS Industries (WMS). The upward pressure on prices began to subside only in the final days of the month under looming federal debt ceiling concerns and uncertainty in broader national economic conditions.

By the close of July 2011, the AAGI reported a composite score of 530.59, which represented a 12.7-percent bounce from the preceding month (June 2011) and a substantial 60.2-percent jump from the same month of the prior year. The latest valuations reflect levels not reported since February 2008, nearly three-and-a-half years ago. The climb into positive territory far outpaced movements in the broader markets. The S&P 500 edged up 2.9 percent month-to-month and remains up 22.7 percent year-over-year.

Selected earnings reports released during the month included the following:

- Las Vegas Sands (LVS)** – The diversified gaming operations of Las Vegas Sands (LVS) demonstrated strength through the second quarter of 2011 with net revenues climbing to \$2.35 billion (+47.1 percent) during the quarter and consolidated adjusted property EBITDA nearly doubling to \$901.6 million (+90.4 percent). The overall property EBITDA margin was also fairly impressive at 38.4 percent. Results were driven by huge cash flow from Marina Bay Sands in Singapore (\$405.4 million on a margin of 55.0 percent). The company's Macao operations also contributed \$391.6 million in EBITDA (+27.5 percent) on a margin of 33.0 percent. In Las Vegas, net revenues were up 18.2 percent despite reduced hotel revenues (-6.1 percent). Hotel occupancies at the Venetian/Palazzo campus slipped to 88.0 percent (-900 bps) while the average daily room rate improved to \$200 (+4.2 percent) resulting in a revenue per available room (RevPAR) decline of 5.3 percent to \$177. Property EBITDA in Vegas improved 40.8 percent to \$92.9 million on a margin of 27.9 percent.



- Wynn Resort, Ltd. (WYNN)** – Notwithstanding Chairman and Chief Executive Officer Steve Wynn’s commentary regarding President Obama’s economic policies, Wynn Resorts (WYNN) posted substantial gains in top line revenues and profitability during the second quarter of 2011. The latest quarterly performance not only surpassed analysts’ expectations, but the gains were sourced to both its Las Vegas and Macau operations, a trend not witnessed in recent years. Wynn Resorts reported net revenues of nearly \$1.4 billion in the second quarter of 2011, a 32.4 percent improvement over the \$1.0 billion reported in the second quarter of 2010.

Net revenues in Las Vegas were up 22.8 percent in the second quarter, while adjusted EBITDA was up 103.7 percent. Although room occupancy fell 3.4 percentage points when compared to the second quarter of 2010, room revenues were up 15.5 percent during the quarter, due to a 22.1-percent increase in average daily rate. All non-casino areas witnessed increases, including entertainment revenues that jumped primarily due to the Garth Brooks shows during the period. Wynn noted the company continues to benefit from international travelers, approximately 75 percent of which originate from China. Wynn Macau reported a 36.7-percent increase in net revenues and a 45.4-percent increase in adjusted EBITDA in the second quarter of 2011. Wynn Resorts also announced a cash dividend of \$0.50 per common share.

- Boyd Gaming Corporation (BYD)** – Boyd Gaming (BYD) posted stabilization within their business during the second quarter as revenues remained relatively flat (down less than one percent) and EBITDA rose to \$118.4 million (+4.3 percent) from the prior year. The company continues to cite positive trends, including the fact that the pace of decline has slowed and selected properties are demonstrating momentum heading into the back half of 2011. Boyd’s exposure to a diverse set of U.S. locations affected overall results, with the company’s Tunica property being closed for nearly the entire month of May due to flooding on the Mississippi River. Boyd reported challenging conditions in Atlantic City as the market begins to experience increased competition from surrounding markets, particularly in Pennsylvania. In Las Vegas, the locals’ market returned to year-over-year growth in profitability during the quarter, which was assisted by improvements in the convention and meeting business.
- International Game Technology (IGT)** – The gaming manufacturer released results for its third quarter of fiscal year 2011 during the month, reporting growth in total revenues to \$489 million (+3.0 percent) and a 17.2-percent increase in operating income to \$141 million due to higher revenues, lower cost of sales and flat operating expenses. Net income declined 5.6 percent to \$86.9 due to higher income tax provisions reported in the current year quarter. The company closed on its acquisition of Entraction Holding AB during the period, which is expected to enhance IGT’s online gaming portfolio in legalized jurisdictions by adding poker, sports betting and bingo offerings.

In addition to selected gaming company earnings reports, southern Nevada industry indicators released during the month pointed in a positive direction. According to the Nevada Gaming Control Board, total gaming revenue for Clark County casinos increased 19.4 percent in May 2011 when compared with the same month last year. The Las Vegas Strip market reported the largest monthly gain compared to the prior year (+28.9 percent), primarily driven by high-end gaming play. Total slot revenue increased 7.8 percent county-wide, while game and table revenues rose 40.2 percent assisted by strong growth in baccarat revenues. Special events during the month helped boost overall demand. Additionally, the Las Vegas Convention and Visitors Authority reported that May 2011 signaled the 15th consecutive month of increased average daily room rates (+9.7 percent) and visitor volume (+3.3 percent). City-wide occupancy rose 3.5 points year-over-year to 86.1 percent. Additionally, the latest data from McCarran International Airport indicated passenger counts in June 2011 were up 5.6 percent compared to the same month last year.



## 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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