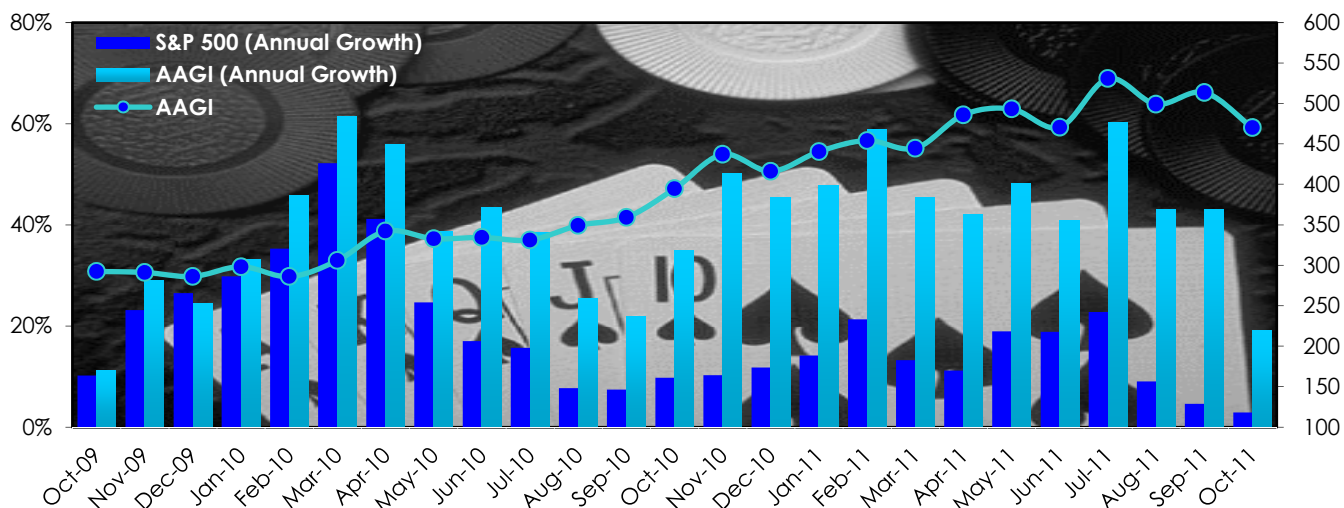


AAGI	Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
	Oct-11	Sep-11	Oct-10			
MGM Resorts International (MGM)	\$10.12	\$10.49	\$11.57	(3.47) ▼	(12.52) ▼	(0.10)
Las Vegas Sands (LVS)	\$43.28	\$45.91	\$38.83	(5.74) ▼	11.45 ▲	(9.28)
Wynn Resorts, Ltd. (WYNN)	\$129.76	\$145.01	\$99.50	(10.52) ▼	30.42 ▲	(37.71)
Boyd Gaming (BYD)	\$5.99	\$5.55	\$7.96	7.94 ▲	(24.71) ▼	0.05
Penn National Gaming, Inc. (PENN)	\$37.13	\$36.05	\$31.78	2.99 ▲	16.83 ▲	1.05
Pinnacle Entertainment, Inc. (PNK)	\$10.52	\$11.08	\$11.61	(5.10) ▼	(9.37) ▼	(0.04)
Ameristar Casinos, Inc. (ASCA)	\$17.95	\$17.24	\$17.55	4.16 ▲	2.33 ▲	0.12
International Game Technology (IGT)	\$16.10	\$14.60	\$14.71	10.26 ▲	9.48 ▲	1.59
WMS Industries (WMS)	\$19.93	\$19.16	\$40.47	3.98 ▲	(50.76) ▼	0.25
Bally Technologies, Inc. (BYI)	\$32.05	\$28.58	\$34.95	12.14 ▲	(8.29) ▼	1.05
Increase (Decrease) to Index						(43.01)
AAGI - September 2011						513.58
AAGI - October 2011						470.57

Volatility within the gaming sector continued during October 2011 as in the broader markets. Generally, gaming stocks moved into positive territory during the second half of the month, but the gains were not enough to offset losses that began in the prior month. Several operators' stocks, when computed on a weighted average basis for the entire month, remained down compared to September, particularly Wynn Resorts, Ltd. (WYNN), which began October in the \$110-per-share range and ended the month at \$133 per share (WYNN had traded in excess of \$150 per share during the first half of September). Earnings reports by Wynn Resorts (WYNN) and others shed additional light on an otherwise uncertain operating environment. Surges in demand from destinations abroad, diversified operations and continued cost cutting measures by most major players helped sustain earnings during the third quarter. By the close of October 2011, the Applied Analysis Gaming Index (AAGI) declined 8.4 percent (down 43.01 points) to a composite score of 470.57 points. Compared to the same period of the prior year, the AAGI remained up 19.1 percent. The broader market (S&P 500 when computed on a similar basis) was up 2.8 percent month-to-month and 3.0 percent on an annual basis. Selected earnings reports were released during the month of October 2011, which provided additional insight into recent performances within the sector.

- Wynn Resort, Ltd. (WYNN)** – Wynn Resorts reported net revenues of \$1.3 billion in the third quarter of 2011, up 30 percent over the \$1.0 billion reported in the third quarter of 2010. The dramatic increase is primarily attributable to a 41.7-percent increase in net revenues at Wynn Macau, or from \$671.4 million in 2010 to \$951.4 million in 2011. Overall, the company reported adjusted property EBITDA of \$381.1 million in the third quarter, up 38.8 percent when compared to the same period last year. In Las Vegas, net revenues increased 3.7 percent to \$346.9 million, while adjusted property EBITDA increased 11.3 percent to \$85.1 million.

Casino revenues in Las Vegas were \$126.9 million in the third quarter of 2011, representing an 8.3-percent decline when compared to the same period last year. The company notes that the decline is primarily due to a lower baccarat hold percentage. Also in Las Vegas, non-casino revenues totaled \$265.9 million, up 11.1 percent over last year. Room revenues were up 18.7 percent, while RevPAR (revenue per available room) was up 14.9 percent, attributable to a 14.2-percent increase in ADR (average daily room rate) to \$240 and a 0.5-point increase in occupancy to 88.3 percent.



- Boyd Gaming (BYD)** – Boyd Gaming reported net revenues of \$590.2 million for the third quarter of 2011, down a modest 0.7 percent when compared to the same period last year. Meanwhile, adjusted EBITDA increased 5.8 percent, or from \$115.4 million in 2010 to \$122.0 million in 2011. Boyd Gaming’s wholly-owned operations reported adjusted EBITDA growth of 17.5 percent, which the company attributes to its diversified portfolio, exceptional customer experience and tight control on costs. Net revenues for the Las Vegas Locals market were \$145.9 million in the third quarter, up a modest 0.2 percent compared to last year. Meanwhile, adjusted EBITDA was \$30.8 million, representing a 17.9-percent increase over last year and the second consecutive quarter of year-over-year growth. The company notes that three of the four major properties in the Las Vegas region reported gains during the quarter, led by The Orleans, which reported an EBITDA increase of 28 percent. The Downtown Las Vegas market reported net revenues of \$53.3 million for the third quarter of 2011, up 2.8 percent over last year. Adjusted EBITDA increased 5.7 percent to \$6.0 million. BYD notes that results in its Downtown segment continue to be impacted by higher fuel costs associated with its Hawaiian charter service. However, the company’s upgrade to a Boeing 767 has allowed it to transport an additional 6,000 customers per year.
- Penn National (PENN)** – Penn National reported net revenues of \$710.9 million in the third quarter of 2011, an increase of 11.4 percent over last year. Meanwhile, adjusted EBITDA increased 27.2 percent to \$206.1 million. The company notes that 14 of its 15 gaming properties reported year-over-year improvements in adjusted EBITDA margins, while 12 of the 15 reported increases in adjusted EBITDA. Beginning in the third quarter of 2011, Penn National will no longer report results by property, but rather by region. M Resort is included in the East/West region, along with five other properties. The region reported net revenues of \$350.3 million in the third quarter, up 28.2 percent over last year. Meanwhile, the region reported adjusted EBITDA of \$93.8 million, up 25.5 percent compared to 2010. Company-wide, gaming revenues for Penn National rose 9.3 percent compared to the prior year quarter to \$636.4 million. Food, beverage and other revenue was reported at \$109.7 million, up 27.9 percent year-over-year.
- Bally Technologies (BYI)** – Bally Technologies reported net revenues of \$195 million during the first quarter of the company’s fiscal year 2012, representing an increase of 14 percent over the same period last year. Adjusted EBITDA increased a modest 2 percent over last year to \$59 million. The company notes that it has made numerous investments in innovation and new market expansions over the past few years, and these investments are now starting to pay off. Gaming equipment revenues increased 26 percent to \$64 million during the first quarter of 2012, attributable to higher unit sales and a 6-percent increase in average selling price. Gaming operations revenues reached a quarterly record of \$85 million during the first quarter, up more than 7 percent year-over-year. Finally, systems revenues increased 12 percent to \$46 million, attributable to increases in software and services and maintenance revenues.
- Las Vegas Sands (LVS)** – Net revenues for Las Vegas Sands reached a record \$2.41 billion in the third quarter of 2011, which is a 26.2-percent increase over the prior year quarter. Adjusted property EBITDA increased 43.2 percent to \$924.1 million. The company’s results are attributable to strong performances at its properties in Singapore (record adjusted EBITDA of \$413.9 million and an EBITDA margin of 52.2 percent), Macau (adjusted EBITDA of \$388.3 million and an EBITDA margin of 33.3 percent) and Las Vegas. In Las Vegas, The Venetian and The Palazzo reported net revenues of \$347.4 million during the third quarter of 2011, up 19.5 percent over the same period last year. Casino revenues were \$124.3 million, representing a 6.6-percent increase when compared to the same period of 2010. Non-gaming revenue sources reported increases as well. Room revenues were up 8.0 percent, attributable to a 9.8-percent increase in ADR and an occupancy rate of 92.7 percent. Meanwhile, food and beverage revenues were up 21.2 percent and retail and other revenues were up 16.1 percent year-over-year. The company’s Las Vegas properties reported adjusted EBITDA of \$94.3 million, representing a 61.7-percent increase. The company notes it benefitted from stronger group meeting and convention business during the third quarter.

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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