

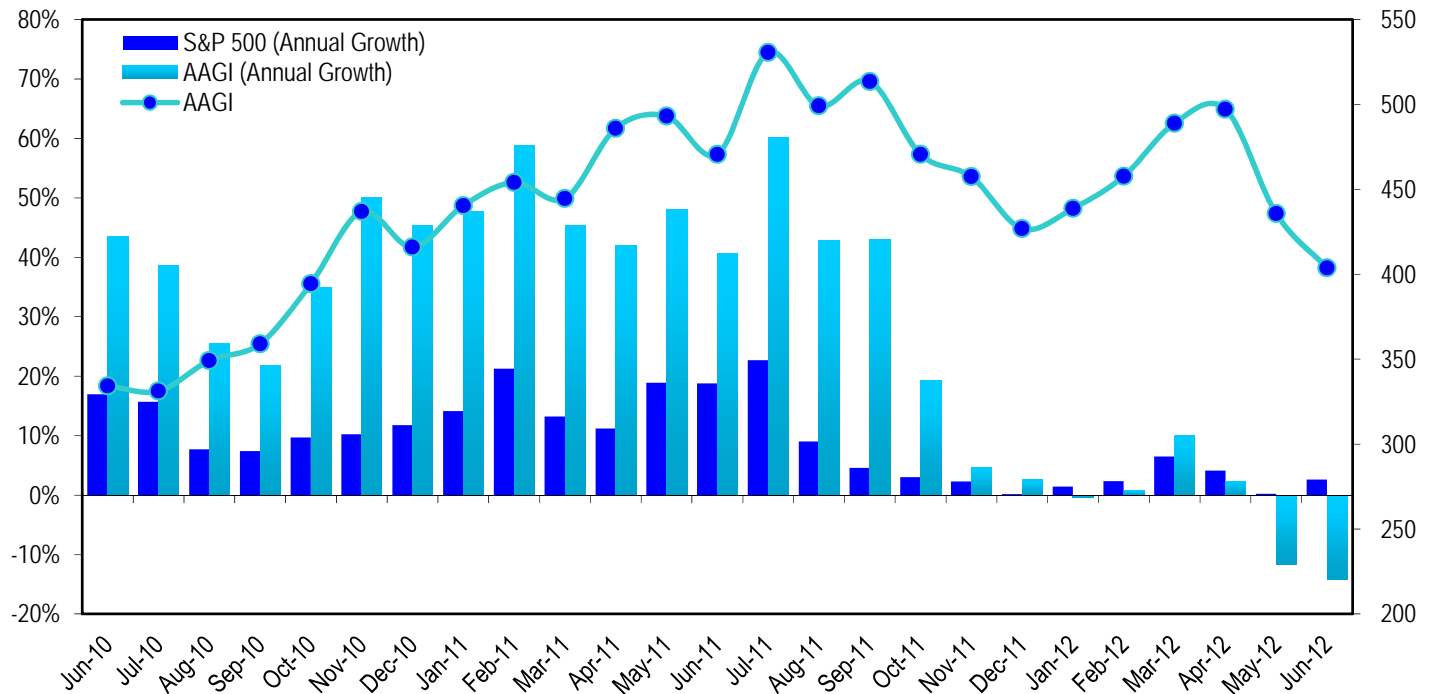
AAGI		Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
		Jun-12	May-12	Jun-11			
Operators	Ameristar Casinos, Inc. (ASCA)	\$18.29	\$18.69	\$21.85	(2.15) ▼	(16.27) ▼	0.05
	Boyd Gaming (BYD)	\$7.20	\$7.29	\$8.24	(1.24) ▼	(12.61) ▼	0.03
	Caesars Entertainment (CZR)	\$11.83	\$13.54	N/A	(12.64) ▼	N/A	(0.31)
	Las Vegas Sands (LVS)	\$44.61	\$50.18	\$40.03	(11.10) ▼	11.44 ▲	(22.93)
	MGM Resorts International (MGM)	\$10.93	\$11.45	\$12.90	(4.50) ▼	(15.28) ▼	0.00
	Penn National Gaming, Inc. (PENN)	\$43.94	\$45.09	\$38.54	(2.55) ▼	14.01 ▲	0.55
	Pinnacle Entertainment, Inc. (PNK)	\$9.56	\$10.15	\$13.72	(5.78) ▼	(30.28) ▼	(0.01)
Wynn Resorts, Ltd. (WYNN)	\$101.71	\$111.99	\$135.90	(9.18) ▼	(25.16) ▼	(9.97)	
Manufacturers	Bally Technologies, Inc. (BYI)	\$46.03	\$46.27	\$38.62	(0.51) ▼	19.20 ▲	0.66
	International Game Technology (IGT)	\$14.47	\$14.65	\$16.65	(1.24) ▼	(13.09) ▼	0.37
	Shuffle Master, Inc. (SHFL)	\$13.71	\$16.13	\$9.44	(14.97) ▼	45.31 ▲	(0.25)
	WMS Industries (WMS)	\$19.83	\$21.80	\$30.01	(9.04) ▼	(33.94) ▼	(0.20)
Composite	Increase (Decrease) to Index						(32.01)
	AAGI - May 2012						435.74
	AAGI - June 2012						403.74

By the mid-point of 2012, investor demand within the gaming sector retreated from a position that resembled recovery to one more of caution. The Applied Analysis Gaming Index (AAGI) posted its second consecutive monthly decline in June 2012, dragging the composite score to 403.74, a level not witnessed since the October 2010 timeframe. The decline during June totaled 31.01 points, or 7.3 percent, while the AAGI remains down 14.2 percent on a year-over-year basis. Performances within the broader economy contributed to the sector's performance as the S&P 500 was off 1.3 percent month-to-month. However, on an annual basis, the broader equities' markets are generally outperforming the gaming industry (+2.8 percent).

Economic concerns – domestically and internationally – remain top of mind for the investment community. The gaming sector is not immune to broader trends, and in many instances, is more susceptible to market volatility given the source of revenues for major gaming operators. Valuations dropped for all major gaming companies comprising the index during June and several of the price declines were in the double-digits. We expect speculative investor demand to continue as attractive price points have emerged relative to levels reported earlier in the year.

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Selected industry highlights reported during the month included the following:

- » **International Game Technology (IGT) Initiates Share Repurchase Program** – IGT announced a common stock buyback program up to \$1 billion. As part of the initiative, IGT entered into an accelerated buyback agreement for the initial \$400 million. The balance of the repurchases is expected over the course of the next 3 to 4 years. Stock purchases will be funded through cash on hand and the company's revolving credit facility.
- » **Ameristar Casinos (ASCA) Set to Acquire Creative** – The regional casino operator Ameristar Casinos (ASCA) obtained regulatory approval from the Louisiana Gaming Control Board to acquire the equity interest in Creative Casinos of Louisiana, LLC. The acquisition target is the developer of a property in Lake Charles, which is the last gaming license in the state (under current law). Ameristar Casino Resort Spa Lake Charles, the proposed project, is expected to have 1,600 slot machines, 60 table games, and a hotel (700 guest rooms) and supporting amenities. The closing is expected in July 2012.
- » **MGM Resorts International (MGM) Makes Moves in Maryland** – MGM Resorts International (MGM) announced a deal with Peterson Companies to develop a destination resort facility at National Harbor located along the Potomac River in Maryland. The proposed development is programmed with 4,000 video lottery terminals (VLTs), 250 table games and a number of retail and entertainment offerings. The transaction requires the Maryland legislature to permit a sixth gaming license at National Harbor and approval in a statewide referendum by resident voters.
- » **Las Vegas Sands (LVS) Continues with European Interest** – Las Vegas Sands (LVS) is reportedly evaluating development opportunities in Barcelona and Madrid. The proposed project is intended be a massive investment that may include upwards of 12 hotels and six casinos. The two markets in Spain remain under evaluation.
- » **Pinnacle Entertainment (PNK) Unloads Boomtown Reno** – Pinnacle Entertainment (PNK) officially closed on the sale of the Boomtown Reno casino project, which was sold to M1 Gaming Reno, LLC and SJP Reno Property, LLC for approximately \$12.9 million. The deal provides a one-year option to purchase additional land (27 acres) adjacent to the existing facility for \$3.8 million.
- » **Gaming Manufacturers Go to the Internet** – According to Bally Technologies (BYI), the slot maker and systems developer was the first company to receive an interactive gaming supplier license from the Nevada Gaming Control Board. Nevada is also the first to move forward with a licensing process to permit interactive and online gaming. BYI quickly launched GoldenNuggetPoker.com, a play-for-fun site, developed on its iGaming platform. International Game Technology (IGT) was also approved for interactive gaming the same day.

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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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