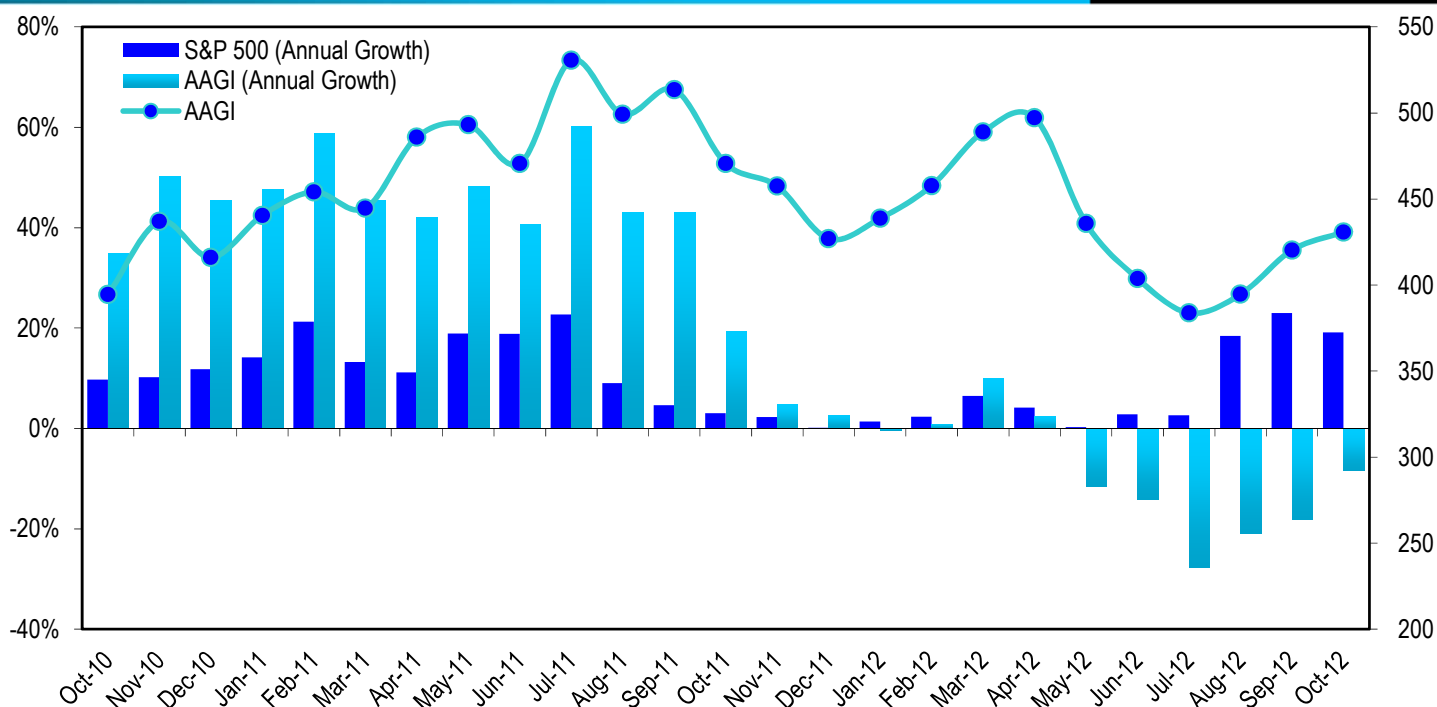


AAGI		Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
		Oct-12	Sep-12	Oct-11			
Operators	Ameristar Casinos, Inc. (ASCA)	\$18.11	\$17.37	\$17.95	4.26 ▲	0.86 ▲	0.07
	Boyd Gaming (BYD)	\$6.52	\$6.66	\$5.99	(2.12) ▼	8.82 ▲	(0.02)
	Caesars Entertainment (CZR)	\$6.32	\$7.02	N/A	(10.03) ▼	N/A	(0.11)
	Las Vegas Sands (LVS)	\$45.17	\$44.98	\$43.28	0.42 ▲	4.37 ▲	(0.38)
	MGM Resorts International (MGM)	\$10.61	\$10.75	\$10.12	(1.26) ▼	4.83 ▲	(0.19)
	Penn National Gaming, Inc. (PENN)	\$41.74	\$41.03	\$37.13	1.72 ▲	12.42 ▲	0.28
	Pinnacle Entertainment, Inc. (PNK)	\$11.98	\$11.96	\$10.52	0.20 ▲	13.89 ▲	(0.01)
Wynn Resorts, Ltd. (WYNN)	\$115.44	\$109.78	\$129.76	5.16 ▲	(11.04) ▼	10.52	
Manufacturers	Bally Technologies, Inc. (BYI)	\$47.90	\$46.73	\$32.05	2.49 ▲	49.46 ▲	0.33
	International Game Technology (IGT)	\$12.96	\$12.75	\$16.10	1.67 ▲	(19.51) ▼	0.09
	SHFL Entertainment (SHFL)	\$15.03	\$15.20	\$9.84	(1.16) ▼	52.75 ▲	(0.04)
	WMS Industries (WMS)	\$16.40	\$16.55	\$19.93	(0.92) ▼	(17.72) ▼	(0.04)
Composite	Increase (Decrease) to Index						10.50
	AAGI - September 2012						420.30
	AAGI - October 2012						430.80

The gaming sector continued to press forward in October 2012 as the Applied Analysis Gaming Index (AAGI) edged up 2.5 percent, or 10.5 points, to reach a composite score of 430.8 points. The AAGI has posted three consecutive monthly increases following three monthly declines during the summer months. Compared to the same month of the prior year, gaming stocks remain down 8.5 percent in aggregate. The sector's annual performance moved in an opposite direction compared to the broader equities market (S&P 500), which trended up 19.1 percent during the past 12 months. However, gaming stocks appear to be making up ground as the S&P 500 slid 0.4 percent from September 2012 (when computed on a similar basis to the AAGI). The recent increase in the overall index was primarily sourced to improved investor demand for Wynn Resorts, Ltd. (WYNN), which witnessed an average stock price increase of 5.16 percent during the month. The latest increase came on the heels of a third-quarter financial report that exceeded expectations, particularly in Las Vegas. At the same time, the global gaming company announced a special cash dividend of \$7.50 per share and that it intends to increase (double) the regular quarterly dividend to \$1.00 per share, yielding \$4.00 per share per year. Investors responded positively to the news.



Stock performances of other gaming operators were mixed during the month as Caesars Entertainment (CZR), Boyd Gaming (BYD) and MGM Resorts International (MGM) posted declines in average daily stock prices during the month. Other regional operators witnessed stock price gains, while Las Vegas Sands (LVS) also edged up. The gaming equipment manufacturer segment of the market also posted mixed results as Bally Technologies (BYI) and International Game Technology (IGT) witnessed stock price gains while SHFL Entertainment (SHFL) and WMS Industries (WMS) posted softer performances. Overall, movements by the gaming operators drove the monthly increase in the AAGI. A number of third quarter earnings reports were released during the month of October 2012. Selected performances are included below.

- Wynn Resorts, Ltd. (WYNN)** – Net revenues for Wynn Resorts in the third quarter of 2012 were relatively flat year-over-year at \$1.3 billion, while adjusted EBITDA increased 5.6 percent to \$402.6 million, primarily attributable to a stronger performance at Wynn Las Vegas. Net revenues at the company’s Las Vegas properties increased 11.8 percent to \$388.0 million, while adjusted EBITDA witnessed a dramatic 29.7-percent increase to \$110.4 million. Casino revenues were up 22.6 percent year-over-year to \$155.6 million, with a table games win percentage of 21.9 percent, which is within the company’s expected range. Non-casino revenue also reported an increase, rising 5.3 percent in the third quarter to \$280.1 million, primarily attributable to increases in hotel and food and beverage revenues. Hotel revenues increased 1.4 percent to \$91.0 million, despite a 1.2-percent decline in revenue per available room (“RevPAR”) as a result of a 2.6-percentage point decline in occupancy rate. Due to strength in the nightclub business, food and beverage revenues increased 11.1 percent to \$132.6 million.
- Caesars Entertainment (CZR)** – Caesars Entertainment reported net revenues of \$2.2 billion during the third quarter of 2012 and adjusted EBITDA of \$484.5 million. Compared to the prior year quarter, both net revenues and adjusted EBITDA remained relatively flat, with a reported increase of just 0.4 percent. In Las Vegas, net revenues were \$735.1 million. Casino revenues increased compared to the prior year, but a decline in food and beverage and other revenues caused net revenues to remain relatively flat year-to-year. Room revenues were also relatively flat compared to last year, reporting a 2.2-percent decline in average daily room rate and a 1.8-percentage point decline in occupancy rate. The company is continuing construction on Project Linq with the first phases expected to complete in the second half of next year. Tenants for about 70 percent of the planned space were recently announced, including Yard House, Brooklyn Bowl, F.A.M.E. and Tilted Kilt.
- MGM Resorts International (MGM)** – MGM Resorts reported net revenues of \$1.5 billion for its wholly owned domestic resorts in the third quarter of 2012, down 2.0 percent when compared to the same quarter a year ago. Adjusted EBITDA fell 7.0 percent to \$325 million. Hotel revenues declined 3.0 percent, due to a 2.0-percent decline in RevPAR, which is attributable to no change in average daily room rate and a 3.0-percentage point decline in average occupancy rate. In Las Vegas, MGM Grand and The Mirage reported relatively strong quarterly results. MGM Grand witnessed a 14.6-percent increase in adjusted EBITDA to \$48.4 million, despite a 1.4-percent decline in net revenues to \$239.7 million. Meanwhile, the Mirage reported a 15.6-percent increase in net revenues to \$162.9 million and a 55.5-percent increase in adjusted EBITDA to \$39.5 million. Construction on Hakkasan, a new entertainment and dining venue at MGM Grand, continues with completion expected in early 2013.

## 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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