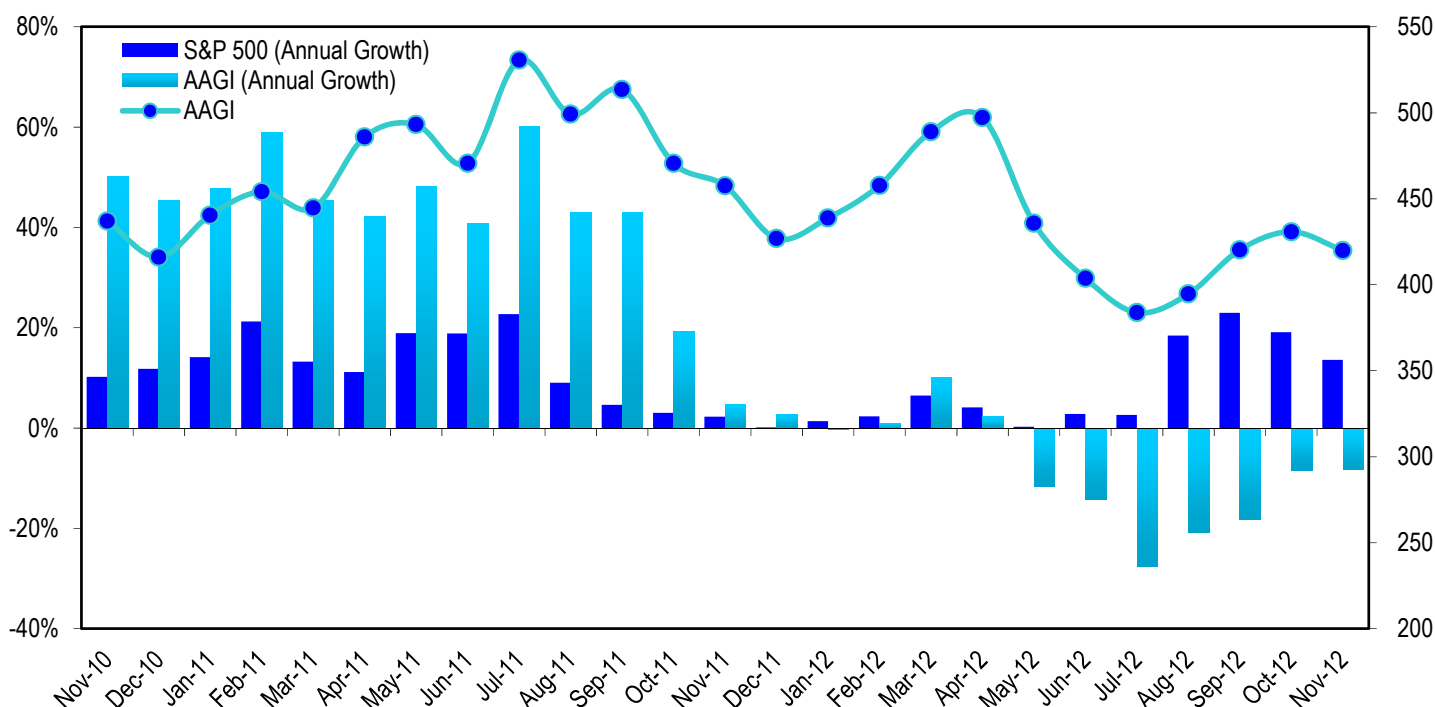


AAGI		Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
		Nov-12	Oct-12	Nov-11			
Operators	Ameristar Casinos, Inc. (ASCA)	\$18.40	\$18.11	\$17.67	1.58 ▲	4.13 ▲	0.06
	Boyd Gaming (BYD)	\$5.26	\$6.52	\$6.32	(19.33) ▼	(16.71) ▼	(0.11)
	Caesars Entertainment (CZR)	\$5.42	\$6.32	N/A	(14.17) ▼	N/A	(0.11)
	Las Vegas Sands (LVS)	\$44.19	\$45.17	\$46.00	(2.18) ▼	(3.95) ▼	(2.28)
	MGM Resorts International (MGM)	\$9.87	\$10.61	\$10.18	(6.97) ▼	(3.05) ▼	(0.55)
	Penn National Gaming, Inc. (PENN)	\$43.35	\$41.74	\$34.94	3.86 ▲	24.06 ▲	1.35
	Pinnacle Entertainment, Inc. (PNK)	\$12.43	\$11.98	\$10.48	3.78 ▲	18.68 ▲	0.09
	Wynn Resorts, Ltd. (WYNN)	\$109.80	\$115.44	\$121.77	(4.88) ▼	(9.83) ▼	(8.41)
Manufacturers	Bally Technologies, Inc. (BYI)	\$46.26	\$47.90	\$36.56	(3.42) ▼	26.53 ▲	(0.35)
	International Game Technology (IGT)	\$13.14	\$12.96	\$17.02	1.41 ▲	(22.76) ▼	0.24
	SHFL Entertainment (SHFL)	\$13.60	\$15.03	\$10.63	(9.49) ▼	27.93 ▲	(0.18)
	WMS Industries (WMS)	\$15.93	\$16.40	\$20.04	(2.82) ▼	(20.50) ▼	(0.04)
Composite	Increase (Decrease) to Index						(10.28)
	AAGI - October 2012						430.80
	AAGI - November 2012						420.52

With the recent presidential election behind us and heightened attention on the looming fiscal cliff, stocks have experienced increased volatility, particularly within the gaming sector. In addition to external forces, a number of gaming companies posted third quarter earnings reports during November, which were mixed, similar to those released in October. Moves by a few gaming companies to avert potentially higher dividend income taxes in 2013 have pushed special dividends before the close of 2012. Las Vegas Sands (LVS) made a big move with a special dividend of \$2.75 per share, for an estimated distribution to the majority shareholder of approximately \$1.2 billion. Wynn Resorts, Ltd. (WYNN) also announced a special dividend of \$7.50 per share. Also during the month, Penn National (PENN) announced plans to split the company into a real estate investment trust and an operating company structure. While the concept is not new, the company's stock responded positively. Others are likely to evaluate a similar potential deal structure. By the close of November, the Applied Analysis Gaming Index (AAGI) posted a decline of 2.4 percent (10.3 points) to a composite score of 420.52. The decline was slightly more modest than the broader markets (S&P 500 dipped 3.0 percent month-to-month). On an annual basis the gaming sector remains off 8.1 percent.



A number of third quarter earnings reports were released during the month of November 2012. Selected performances are included below.

- Las Vegas Sands (LVS)** – Las Vegas Sands (LVS) reported a 12.5-percent increase in company-wide net revenue to \$2.7 billion in the third quarter, while adjusted EBITDA fell 5.1 percent to \$876.9 million. In Las Vegas, net revenues were \$364.4 million, up 4.9 percent compared to last year. Adjusted EBITDA also performed well, increasing 4.1 percent to \$98.2 million. Casino revenues increased 38.0 percent to \$171.5 million, due to a higher than expected table games win percentage of 28.1 percent and an increase in table games drop of 8.5 percent. Non-gaming segments did not fare as well, with food and beverage revenue reporting a dramatic 25.9-percent decline to \$42.4 million and convention, retail and other revenue falling 6.5 percent to \$68.0 million. Room revenue also fell, reporting a 7.3-percent decline to \$105.7 million. The performance is attributable to a 5.6-percent decline in RevPAR as a result of no change in ADR and a 5.4-percentage point decline in occupancy rate to 87.3 percent. The company noted that it continues to report strong growth in play from Asian visitors.
- Boyd Gaming (BYD)** – Net revenues for Boyd Gaming (BYD) were \$613.3 million for the third quarter of 2012, up 3.9 percent compared to the same quarter last year. Adjusted EBITDA declined 15.1 percent to \$103.6 million. The Las Vegas Locals segment witnessed a 4.9-percent decline in net revenues during the period, falling from \$145.9 million to \$138.8 million. The segment also reported a dramatic decline in adjusted EBITDA, which fell 21.2 percent to \$24.3 million. The latest performance in the market is primarily attributable to less business from the casual players market. The company notes that it is making an effort to attract more business from these customers, including installing 1,500 new penny denomination games throughout its southern Nevada properties. These games continue to prove most popular with the casual players and are one of the few segments in the Locals market to report growth in recent months. Downtown Las Vegas reported net revenues of \$53.5 million in the third quarter, up a modest 0.4 percent from last year. Adjusted EBITDA increased 5.8 percent to \$6.4 million. The company attributes the growth to effective marketing campaigns to its Hawaiian customers. In addition, revenues per seat from the Hawaiian charter service have increased 12 percent.
- International Game Technology** – International Game Technology (IGT) reported a 17.0-percent increase in net revenue to \$631.1 million during the company's fiscal fourth quarter of 2012. For the year, revenues were \$2.2 billion, up 9.9 percent compared to fiscal year 2011. Gaming operations revenue (excluding Interactive) fell 2.2 percent to \$263.8 million, while the installed base increased 5.9 percent to 57,100, due to global lease operations growth. Product sales revenue increased 22.0 percent to \$313.4 million, due to increased North American replacement sales, which were up 66.7 percent to 8,500. Average machine sales price declined 1.3 percent to \$15,000, primarily attributable to a 6.5-percent decline in International average selling price. However, the average selling price of a machine in North America increased 3.5 percent to \$14,700.

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.

Contact Us

6385 S. Rainbow Blvd.; Suite 105
Las Vegas, Nevada 89118
T: (702) 967-3333 / F: (702) 314-1439
E: info@appliedanalysis.com
W: www.appliedanalysis.com

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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