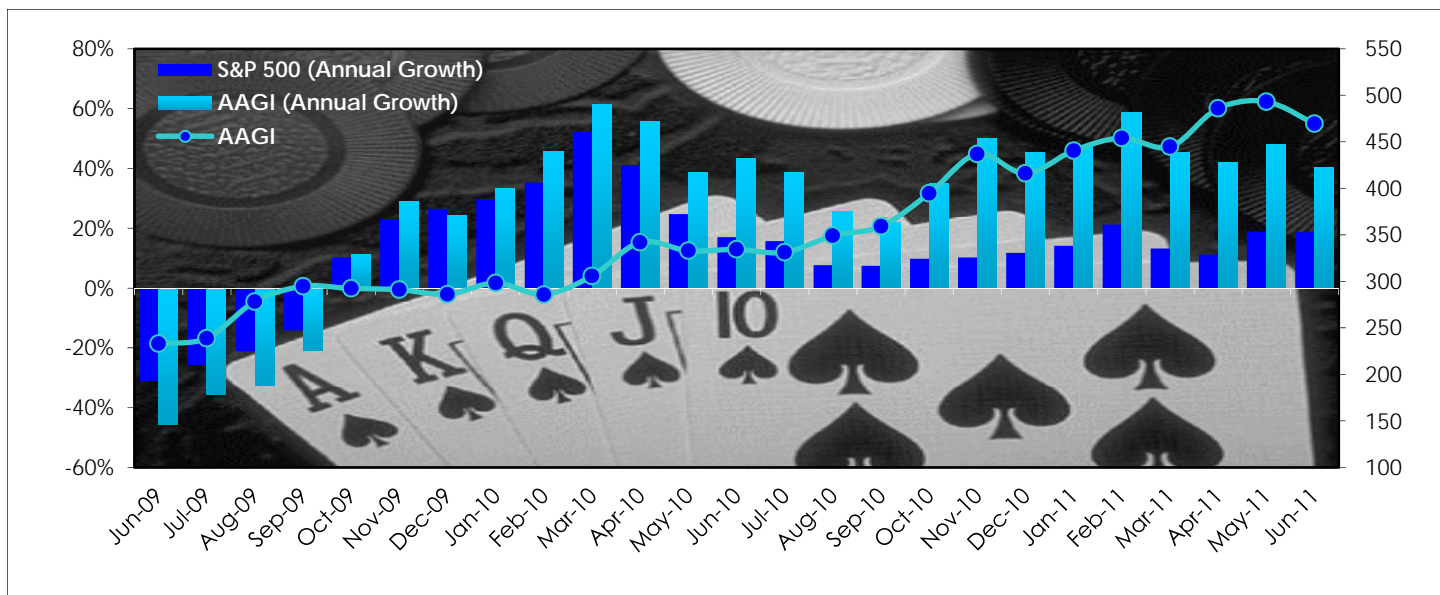


AAGI	Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
	Jun-11	May-11	May-10			
MGM Resorts International (MGM)	\$12.90	\$14.71	\$11.67	(12.25) ▼	10.57 ▲	(1.61)
Las Vegas Sands (LVS)	\$40.03	\$42.45	\$25.17	(5.69) ▼	59.06 ▲	(5.67)
Wynn Resorts, Ltd. (WYNN)	\$135.90	\$145.20	\$82.69	(6.41) ▼	64.34 ▲	(14.62)
Boyd Gaming (BYD)	\$8.24	\$9.61	\$10.69	(14.25) ▼	(22.92) ▼	(0.15)
Penn National Gaming, Inc. (PENN)	\$38.54	\$38.98	\$25.65	(1.13) ▼	50.29 ▲	0.45
Pinnacle Entertainment, Inc. (PNK)	\$13.72	\$13.75	\$11.13	(0.25) ▼	23.30 ▲	0.06
Ameristar Casinos, Inc. (ASCA)	\$21.85	\$22.27	\$17.04	(1.89) ▼	28.25 ▲	0.07
International Game Technology (IGT)	\$16.65	\$17.77	\$18.23	(6.30) ▼	(8.71) ▼	(0.51)
WMS Industries (WMS)	\$30.01	\$32.70	\$43.79	(8.22) ▼	(31.46) ▼	(0.53)
Bally Technologies, Inc. (BYI)	\$38.62	\$39.82	\$37.88	(3.01) ▼	1.96 ▲	0.03
Increase (Decrease) to Index						(22.48)
AAGI - May 2011						493.08
AAGI - June 2011						470.60

Gaming stocks retreated during June 2011 as prospects about broader domestic economic improvements remain somewhat uncertain and international markets continue to face challenges of their own. The latest movement in the Applied Analysis Gaming Index (AAGI) resulted in a composite score of 470.60 as of the close of June, a 4.6-percent dip from the preceding month (May 2011). However, the gaming sector remains up a respectable 40.7 percent compared to the same time one year ago. Stock prices have yet to reach back to pre-bust levels reported in the late-2007 timeframe when the AAGI peaked at 667.09 in October 2007. For comparison purposes, the broader markets were down a more modest 3.8 percent during the last month and up 18.8 percent year-over-year.

The latest reporting period included a somewhat dismal industry report from Moody's for selected operators. The doom-and-gloom connotations are generally directed at leveraged operators and those with fairly sizable operations in the Las Vegas market. MGM Resorts International (MGM) and Caesars Entertainment appeared to be hardest hit in the report given debt loads, timing of maturities and other factors. On the other hand, operators with a more diverse portfolio, including Las Vegas Sands (LVS) and Wynn Resorts, Ltd. (WYNN), appeared to benefit from investments (and presumably returns) in international locations. Steve Wynn recently commented about his interest in developing a property in the thriving Singapore market which has limited gaming alternatives, one of which is Marina Bay Sands owned and operated by rival Las Vegas Sands (LVS).

By the close of June, national consumer confidence levels continued to wane. The Conference Board, producers of the Consumer Confidence Index, indicated that assessments of the economy fell for the second consecutive month. The index score reached 58.5 points, down from 61.7 in May. Gauges of consumers' present and future situations also worsened as pessimism about near-term expectations prevailed. Business and labor conditions scored negatively in the latest report, which were partially attributable to income concerns, job-related factors and general business conditions. Overall, consumer confidence levels reached their lowest point since November of last year. Additionally, approximately 41.8 percent of consumers intend to vacation within the next 6 months. This metric has continued to trend south since a cycle high of 51.1 percent in December 2010.



Also during the month, MGM Resorts International (MGM) completed its initial public offering of MGM China, which resulted in approximately US\$1.4 billion in net proceeds. The transaction also allowed MGM to acquire additional ownership with the company's stake representing approximately 51 percent of the stock.

Selected economic and industry indicators released during the month included the following:

- Gaming Revenue Metrics** - According to statistics released by the Nevada Gaming Control Board, Clark County reported gross gaming revenues of \$682.9 million in April 2011 (latest available data), representing a 1.0-percent decline from April 2010. Gaming revenues for the Las Vegas Strip showed a year-over-year decline of 2.2 percent, falling from \$437.3 million to \$427.5 million. Non-restricted gambling establishments located within the Downtown Las Vegas and North Las Vegas market areas experienced the largest aggregate declines year-over-year, falling 5.6 percent and 7.9 percent, respectively.

Clark County reported a 3.2-percent drop year-over-year in slot machine revenue in April 2011, while the Las Vegas Strip, Downtown Las Vegas and North Las Vegas markets fell 4.3 percent, 9.4 percent, and 11.8 percent, respectively. Meanwhile, in terms of game and table revenue, county-wide revenue was up 2.9 percent year-over-year. The Las Vegas Strip, Downtown Las Vegas and North Las Vegas markets showed increases of 0.1 percent, 6.1 percent, and 22.8 percent, respectively, with North Las Vegas reporting only a 2.6-percent increase in drop but a higher-than-average win percentage of 15.7 percent. As Las Vegas visitor volume and average daily room rates continue to trend upwards, it remains to be seen if and when gaming revenues will begin to track similarly.

- Las Vegas Visitor Metrics** - The Las Vegas Convention and Visitors Authority reported 3.4 million visitors to Las Vegas during the month of April 2011 (latest available data), representing a 4.8-percent increase compared to the same month last year. Convention attendance reached 435,934, a 2.2-percent increase from April 2010. In addition, enplaning and deplaning passengers at McCarran International Airport were up 2.3 percent year-over-year, totaling 3.5 million during the month of April. Meanwhile, average daily auto traffic on Interstate 15 at the Nevada/California border during the month showed an increase of 3.4 percent.

Las Vegas hotel occupancy levels and room rates showed significant improvement as a result of increased visitor volume. Citywide hotel and motel occupancy during April was up 3.7 percentage points year-over-year, or from 84.0 percent to 87.7 percent. The average daily room rate was recorded at \$105.67, a 9.1-percent increase from the \$96.87 reported in April 2010. Continued improvements in both occupancy and average daily room rates should result in substantial increases in room revenue for local operators.

- McCarran International Airport** - The Clark County Department of Aviation reported that May 2011 passenger traffic at McCarran International Airport was up 5.1 percent compared to the same month in the prior year. Year-to-date, McCarran has welcomed over 16.7 million travelers, which is a 3.4-percent increase compared to the 16.2 million passengers reported during the same period one year ago. Southwest Airlines remained McCarran's top air carrier in terms of passenger traffic, serving over 1.3 million people in May 2011 (down 4.2 percent year-over-year). Additionally, on a year-over-year basis, American Airlines, Delta, and US Airways reported an increase in passengers of 10.1 percent, 0.7 percent, and 17.1 percent, respectively.



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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