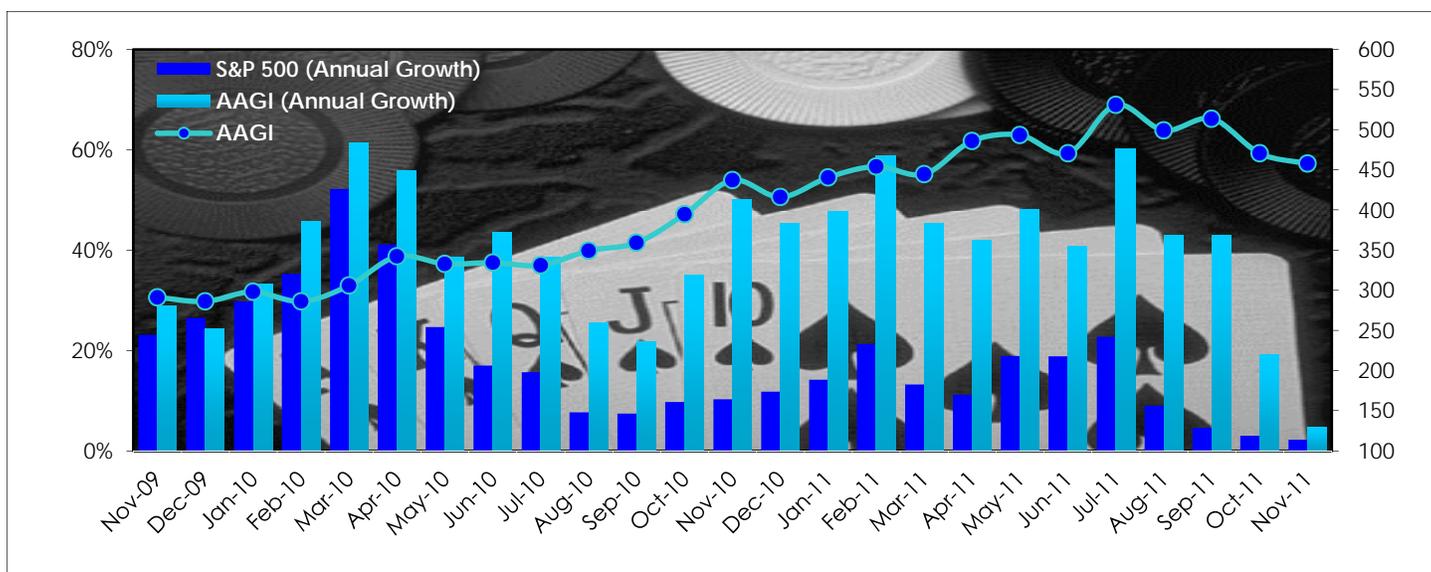


AAGI	Stock Price - Daily Average			Prior Period % Change	Prior Year % Change	Contribution to Index
	Nov-11	Oct-11	Nov-10			
MGM Resorts International (MGM)	\$10.18	\$10.12	\$12.37	0.59 ▲	(17.68) ▼	(0.04)
Las Vegas Sands (LVS)	\$46.00	\$43.28	\$49.65	6.30 ▲	(7.33) ▼	13.86
Wynn Resorts, Ltd. (WYNN)	\$121.77	\$129.76	\$108.64	(6.16) ▼	12.08 ▲	(27.37)
Boyd Gaming (BYD)	\$6.32	\$5.99	\$9.24	5.40 ▲	(31.64) ▼	0.03
Penn National Gaming, Inc. (PENN)	\$34.94	\$37.13	\$34.57	(5.89) ▼	1.09 ▲	(1.36)
Pinnacle Entertainment, Inc. (PNK)	\$10.48	\$10.52	\$13.44	(0.40) ▼	(22.06) ▼	(0.02)
Ameristar Casinos, Inc. (ASCA)	\$17.67	\$17.95	\$18.15	(1.61) ▼	(2.67) ▼	(0.05)
International Game Technology (IGT)	\$17.02	\$16.10	\$15.99	5.67 ▲	6.42 ▲	0.69
WMS Industries (WMS)	\$20.04	\$19.93	\$43.59	0.58 ▲	(54.02) ▼	(0.02)
Bally Technologies, Inc. (BYI)	\$36.56	\$32.05	\$37.91	14.08 ▲	(3.56) ▼	1.19
Increase (Decrease) to Index						(13.10)
AAGI - October 2011						470.57
AAGI - November 2011						457.47

During the month of November 2011, the gaming sector posted mixed results as the third quarter earnings season continued and broader economic conditions impacted valuations. Financial performances generally improved for both operators and equipment manufacturers. Challenges that continued to suppress stock prices for some were sourced to Eurozone instability, Macau market speculation, and continued domestic economic uncertainty. By the close of November 2011, the Applied Analysis Gaming Index (AAGI) reached a composite score of 457.47, which reflects a 2.8-percent decline from the preceding month (-13.10 points). The gaming sector moved in an opposite direction from the broader market as the S&P 500 expanded by 1.6 percent during the month (when computed on a similar basis). However, compared to the same period of the prior year, the gaming sector remains up 4.7 percent, outpacing the broader market's 2.3-percent gain. It is worth noting, positive gains sourced to central banks' actions reported on the last day of trading in November will not be fully realized until December, assuming the gains hold. On November 30, 2011, major central banks worked together to lower the cost of temporary loans to banks by one half of one percentage point. The move effectively increased liquidity and assisted in easing investor concerns about another financial crisis or recession. As a result, gaming stocks surged along with broader markets (DJIA +4.2 percent; S&P 500 +4.3%).

Also during November, Caesars Entertainment revived a plan to offer its shares on the public market with its preliminary IPO filing. Regulatory hurdles require companies to file initial documents for review as they work through the fund raising process. While the total proceeds anticipated in the capital raise are relatively modest compared to a similar attempt considered last year, the offering would provide a market to gauge investor interest. If made public, Applied Analysis is expected to incorporate Caesars into the operator component of the AAGI. In Las Vegas, Caesars has announced plans for the completion of the Octavius Tower at Caesars Palace and the fourth quarter commencement of the \$500-million Linq project located on the east side of the Las Vegas strip.

Also during the month, Boyd Gaming (BYD) terminated the sale of its Dania Jai-Alai operations with Dania Entertainment LLC. The prospective buyer previously extended the closing date, which has since expired. As such, Boyd decided to terminate the transaction and opted to operate the facility on a go-forward basis.



The following highlights selected third quarter earnings reports released during the month of November 2011.

- MGM Resorts International (MGM)** – MGM Resorts International (MGM) reported total net revenues of \$2.2 billion during the third quarter of 2011, a 42.5-percent increase over the same quarter of 2010 largely due to the consolidation of MGM China. In addition, adjusted property EBITDA increased 60.1 percent to \$492.1 million. In Las Vegas, net revenues increased 3.5 percent to \$1.2 billion, while adjusted EBITDA increased 9.7 percent to \$267.9 million. RevPAR increased 12.5 percent, attributable to an increase in ADR of 11.7 percent and an occupancy rate of 95 percent. During the quarter, MGM Resorts continued room renovations at Bellagio; renovations are said to have increased ADR for the completed rooms by \$30. A \$160 million room remodel at MGM Grand is also underway, which the company expects will drive ADRs north by \$10 to \$20. MGM continues to support the federal legislation to legalize online poker in the U.S. Recently, the company announced an agreement with bwin.party and Boyd Gaming to offer online poker in the U.S. if the legislation is passed. The company notes that the partnership, which offers both scale and global brand names, will give it the best opportunity to capitalize on the online poker market.
- Ameristar Casinos (ASCA)** – Net revenues for Ameristar Casinos increased 1.6 percent in the third quarter of 2011 to \$304.5 million. The company also reported an adjusted EBITDA of \$9.1 million for the quarter, representing a year-over-year increase of 11.2 percent. Ameristar notes that this is the fourth consecutive quarter that the company has had year-over-year improvement in both net revenues and adjusted EBITDA. Casino revenues remained essentially unchanged in the third quarter of 2011, decreasing 0.5 percent to \$312.6 million. Meanwhile, food and beverage revenue increased 1.0 percent, while room revenue decreased 2.4 percent. Ameristar's Jackpot properties in Nevada reported net revenues of \$15.8 million during the third quarter of 2011, representing a 2.4-percent decline compared to last year. Meanwhile, the properties reported adjusted EBITDA of \$4.9 million, down 6.5 percent year-over-year.
- International Game Technology (IGT)** – International Game Technology reported net revenues of \$539.8 million for the company's fourth quarter of 2011, representing a 13.8-percent increase when compared to the same quarter last year. The company notes that the improvement was primarily attributable to increases in North America product sales and International gaming operations. Gaming operations revenue increased 8.5 percent to \$283.0 million in the fourth quarter, due to improved WAP performance, growth in the International install base and increased interactive revenue attributable to the acquisition of Entraction Holding AB. The company's gaming operations installed base increased 1,000 units over the prior year to 53,900 units, wholly attributable to additions in International operations. In terms of product sales, IGT reported a 20.4-percent increase in net revenues, primarily due to a 115.1-percent increase in North American machine sales from \$46.9 million to \$100.9 million. The company recognized 11,300 units, up 3,100 over last year, attributable to an increase in North American replacements. Domestic average selling price remained flat at \$14,200 due to fluctuations in product mix, while International average selling price increased 4.3 percent to \$16,900, due to favorable foreign exchange rates.
- WMS Industries (WMS)** – Net revenues for WMS Gaming declined 17.0 percent in the company's first quarter of 2012, falling from \$187.5 million to \$155.6 million. Product sales revenues declined 21.7 percent from \$111.2 million to \$87.1 million, attributable to a 26.3-percent decline in new unit sales revenue and a 3.9-percent decline in other product sales revenue. Global new unit shipments totaled 3,918 for the quarter, down 1,420 units when compared to the same quarter last year. New units shipped to the U.S. and Canada totaled 2,530 units, of which 1,600 units were replacements. Meanwhile, WMS shipped 1,388 units to International customers. Average sales price per new unit remained relatively flat in the first quarter of 2012 at \$16,574. Gaming operations revenues declined 10.2 percent during the quarter to \$68.5 million, due to a 13.2-percent decline in participation revenues. Other gaming operations revenues increased 52.9 percent to \$5.2 million, due to new online and network gaming revenues.

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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 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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