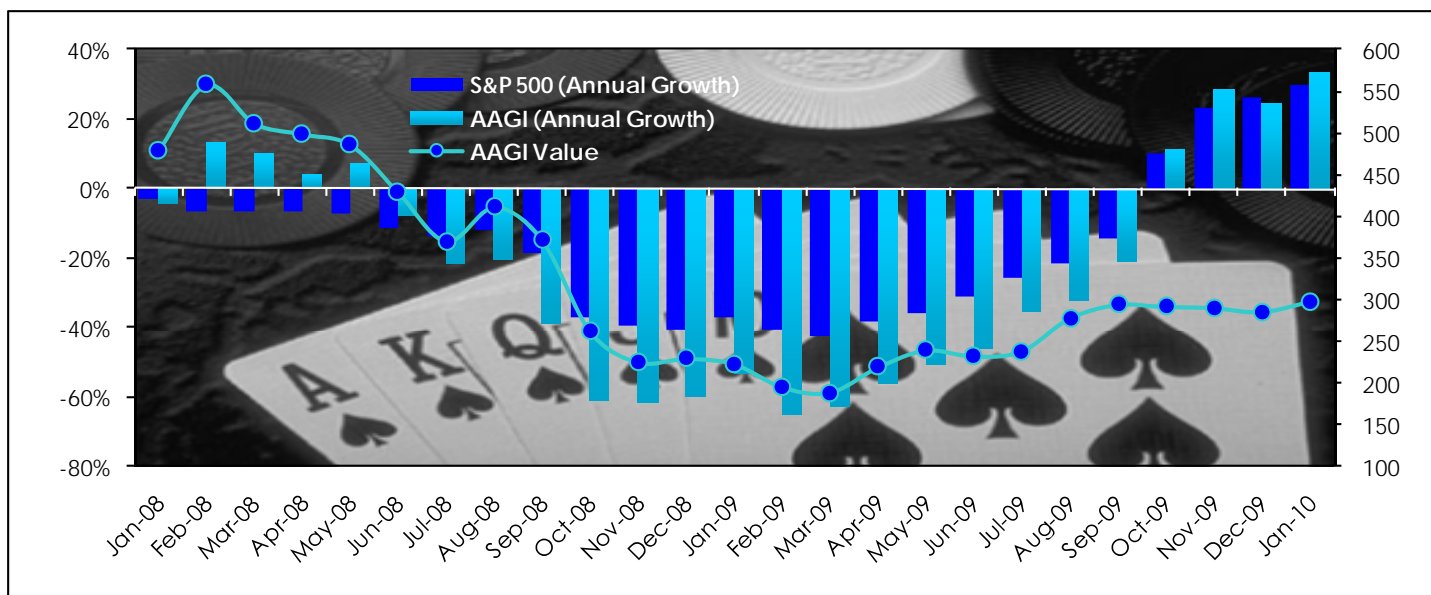


AAGI	Stock Price - Daily Average			Prior Period	Prior Year	Contribution to Index
	Jan-10	Dec-09	Jan-09	% Change	% Change	
MGM MIRAGE (MGM)	\$11.46	\$9.98	\$11.32	14.82 ▲	1.18 ▲	1.62
Las Vegas Sands (LVS)	\$17.44	\$15.56	\$6.36	12.12 ▲	174.36 ▲	4.38
Wynn Resorts, Ltd. (WYNN)	\$66.55	\$61.93	\$39.34	7.45 ▲	69.18 ▲	5.47
Boyd Gaming (BYD)	\$8.44	\$8.50	\$5.03	(0.64) ▼	67.76 ▲	(0.09)
Penn National Gaming, Inc. (PENN)	\$28.65	\$27.51	\$20.04	4.16 ▲	42.99 ▲	0.05
Pinnacle Entertainment, Inc. (PNK)	\$8.73	\$9.91	\$7.42	(11.90) ▼	17.58 ▲	(0.28)
Ameristar Casinos, Inc. (ASCA)	\$15.08	\$16.58	\$8.71	(9.07) ▼	73.19 ▲	(0.62)
International Game Technology (IGT)	\$19.67	\$18.79	\$12.37	4.66 ▲	59.02 ▲	0.26
WMS Industries (WMS)	\$41.87	\$39.32	\$25.07	6.49 ▲	66.97 ▲	0.76
Bally Technologies, Inc. (BYI)	\$43.84	\$41.56	\$22.97	5.49 ▲	90.87 ▲	0.49
Increase (Decrease) to Index						12.05
AAGI - December 2009						286.18
AAGI - January 2010						298.23

The gaming sector reported upward movement in valuations during the first month of the new year as the Applied Analysis Gaming Index (AAGI) edged up 12.1 points, or 4.2 percent, during January 2010. In aggregate, the gaming operator component of the index contributed 10.6 points, while gaming manufacturers accounted for 1.5 points of the rise. The upward pressure on pricing pushed aggregate values to levels not witnessed since September 2008, the point at which the market meltdown was triggered. The increase in the gaming sector outpaced the broader market (S&P 500 computed on a similar basis), which rose by 1.2 percent during the month. Compared to the same month of the prior year, the AAGI jumped by 33.2 percent while the broader market rose by 29.8 percent. The upcoming fourth quarter earnings season will provide additional insight on recent performances and increased visibility on the sector.

MGM MIRAGE (MGM) posted the largest month-to-month gain in valuation, with its monthly average price rising 14.8 percent and its month-end value 21.3 percent higher than where it started the month; daily average pricing during the month eliminates some of the day-to-day volatility. Analyst upgrades partially contributed to the rise as expectations increased. Media reports suggest MGM is planning to exit the Atlantic City market as conditions remain relatively weak, competition in neighboring jurisdictions increases (Pennsylvania and Delaware) and regulators have concerns with the company's Macau partner, Pansy Ho.

Boyd Gaming (BYD) seems to be somewhat in the driver's seat, as they are the 50-percent joint venture partner with MGM MIRAGE in the Borgata property in Atlantic City. Also, MGM's agreement provides BYD with a right of first refusal, allowing the company to evaluate new potential partners should MGM find one. Assuming the numbers align, BYD might be interested in taking whole ownership of the property. MGM is also pursuing an IPO in Macau, which follows a similar trend established by Wynn Resorts, Ltd. (WYNN) and Las Vegas Sands (LVS) which debuted on the Macau market in 2009.



MGM was also in the news recently with Jim Murren, its Chief Executive Officer and President, discussing the company's performance and importance in the Las Vegas economy at a local business event. Murren noted MGM's Bellagio continues to better its performance year-over-year despite the opening of the \$8.5-billion CityCenter. Cannibalization concerns in Las Vegas persist, but there some signals the higher-end of the market is weathering the economic storm better, particularly as the public markets have reported relatively strong rises off the bottom. In other news, Pinnacle Entertainment (PNK) witnessed a drop in its valuation during the first month of the year as gaming regulators in Missouri may look to revoke the license of PNK's President Casino, citing obsolescence.

Selected indicators released during the month included the following:

- National Consumer Confidence** - Monthly consumer confidence measurements improved again in January at the national level, with the Expectations Index rising to levels not seen since prior to the start of the recession that began in December 2007. The Conference Board's Consumer Confidence Index increased to 55.9 in January 2010, up from the 53.6 reported in December 2009 (1985 = 100). January marked the fourth straight month of moderate increases in the Confidence Index. The Present Situation Index increased to 25.0 in January, up from the 20.2 reported in December. The Expectations Index increased to 76.5 from the 75.9 reported in the previous month. Near the start of the recession in January 2008, consumers rated the present situation nearly 50 points higher than their expectations for the future. Currently, expectations are rated more than 50 points higher than assessments of the present situation. However, the Conference Board cautions that consumers' short-term outlook does not suggest any significant pickup in the coming months, and that pessimists continue to outnumber optimists. The percentage of consumers expecting business conditions to improve over the next six months decreased to 20.9 percent in January, down from 21.2 percent in the previous month.
- Las Vegas Visitor Volume** - For the third consecutive month, Las Vegas visitor volume increased on a year-over-year basis in November 2009 (latest available data). The Las Vegas Convention and Visitors Authority reported 2.9 million visitors in November 2009 compared to 2.8 million in the same month of the prior year, an increase of 2.9 percent. For comparison purposes, increases of 4.3 percent and 3.7 percent were reported in September and October, respectively. While the opening of CityCenter and additional hotel expansions seem promising for a boost in visitors during the final month of the year (when the data are released), it is still likely that fewer visitors will have visited Las Vegas in 2009 than in 2008. For the first 11 months of the year, Las Vegas welcomed 33.6 million visitors which remains down 3.4 percent compared to the first 11 months of 2008. In stark contrast, convention attendance continues to suffer with 437,900 convention attendees during the month of November 2009, down 13.0 percent from the 503,500 reported during November 2008. Compared to 2008, conventions have struggled with a drop of 24.6 percent or nearly 1.4 million attendees during the first 11 months of 2009.
- Gaming Revenue** - After 22 months of consecutive annual declines, gaming revenue on the Las Vegas Strip increased 8.3 percent in November 2009 (latest available data), to \$473.8 million from \$437.7 million reported during the same month of the prior year. Year-to-date, gaming revenue on the strip remains down \$944.2 million or 10.7 percent. The increase also helped push the countywide gaming revenue into growth territory, posting its first year-over-year increase since June 2008. Clark County reported gaming revenue of \$750.8 million during November 2009, up 6.9 percent from \$702.6 million reported during the same month of the prior year. Downtown continues to show contraction with revenues of \$47.4 million during the month, which is down 1.3 percent or \$609,000 from the same period of the prior year. For the first 11 months of 2009, gaming revenue downtown remains down 9.9 percent compared to same period of 2008. It is worth noting one month of revenue increases does not make a trend. We expect revenues to bounce around given calendar timing, promotional activity, event scheduling and other external factors throughout most of 2010.



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.

Contact Us

10100 W. Charleston Blvd.; Suite 200
Las Vegas, Nevada 89135
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.

Data and information contained herein is provided for informational purposes only, and is not intended for investment, company evaluation or other decision-based purposes. This analysis is based on selected economic data from a wide range of economic data and statistics and is not intended to be a comprehensive overview of all economic factors. Neither Applied Analysis, its partners, principals or employees, nor any of its data or content providers shall be liable for any errors in the content, or for any actions taken in reliance thereon. By reviewing this data, a user agrees not to redistribute the information found therein. Applied Analysis shall not be liable for any actions taken in reliance thereon.