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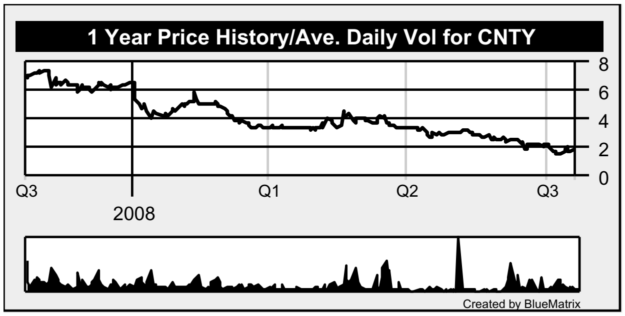
FLASH NOTE | October 21, 2008

Century Casinos, Inc. | CNTY - $1.77 - NASDAQ | *Buy*

Prev Close: $1.77
Price Target: $4.00
Market Cap: $42.3



Colorado Rev Deteriorates; BUT Could Help Pass Gaming Referendum

- **September Colorado gaming revenue is ugly.** Yesterday, the Colorado Division of Gaming released September gaming revenue. All three major markets showed continued deterioration with the State down -19% y/y and -13% m/m. Cripple Creek was down -10% y/y, Black Hawk -20% y/y and Central City -26% y/y. The decline was attributable to the smoking ban enacted at the beginning of the year as well as worsening macro economic conditions. We expect monthly revenue to continue to trend negative for the remainder of the year.
- **3Q Central City revenue slightly worse than expected.** 3Q08 Central City revenue was down -20% y/y, which compares to our forecast for -15% y/y decline at CNTY's Central City property. As a result, we expect the company's Central City property revenue and EBITDA to come in slightly below our 3Q estimates.
- **3Q Cripple Creek revenue slightly better than expected.** 3Q08 Cripple Creek revenue was down -7% y/y, which compares to our Womacks property forecast for -35% y/y decline. However, we note Womacks has lost significant market share as a result of increasing competition and new renovations. Therefore, we look for revenue and EBITDA to come in-line with our estimates.
- **Declining State gaming revenue incentives officials to pass gaming expansion bill.** We believe the continued deterioration in gaming revenue, which results in lower State tax revenue could put additional pressure on officials to pass the proposed gaming referendum this November. The new referendum would allow 24-hr gaming operations, legalization/operation of table games (i.e. roulette, craps, etc), and increase the maximum bet limit. Please see our note published on September 9th for additional details.
- **Maintain BUY rating and $4 price-target.** We believe the significant decline in Colorado gaming revenue is largely reflected in the current share price of CNTY. Therefore, we see limited downside at current levels and believe the company has a number of near-term catalysts including: potential Colorado gaming expansion and the sale of its S. African casinos, which could lead to share price appreciation.

VALUATION

*Intra-day price of $1.65 used for valuation.

Refer to important disclosure information and rating System Definition on pages 1 - 3 of this report. *Regulation Analyst Certification ("Reg AC"): The research analyst primarily responsible for the content of this report certifies the following under Reg AC: I hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.*

Shares of CNTY currently trade for 9.2x our CY09 EPS and 3.6x our adj CY09 EBITDA est (60% of Newcastle plus Poland minority). Our $4.00 PT represents an EV/EBITDA multiple of 5.7x our CY09 adj EBITDA est (60% of Newcastle, plus Poland minority) plus $0.50 per share in land value.

Impediments

Our estimates assume that Century Casinos, Inc. will maintain all current and any future gaming licenses; there will be no material change to the current level of acceptance of gaming; and that there will be no material changes to the regulatory environment where the company currently has casino operations.

RISKS

Investing in shares of Century Casinos, Inc. involves various risks that could adversely affect the company's operations and stock price. These risks include any future reversal in attitude towards consumer acceptance of gaming domestically and internationally, the ability to maintain current gaming licenses and secure future licenses in new markets, the ability to secure additional sources of financing, foreign exchange fluctuations, and any material changes to the current regulatory environment in which the company has operations within.

Disclosures:

ROTH makes a market in shares of Century Casinos, Inc. and as such, buys and sells from customers on a principal basis.

Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

			IB Serv./Past 12 Mos. as of 10/21/08	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY [B]	**115**	**56.65**	**10**	**8.70**
HOLD [H]	**51**	**25.12**	**3**	**5.88**
SELL [S]	**3**	**1.48**	**0**	**0**
NOT RATED [NR]	**34**	**16.75**	**12**	**35.29**

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.