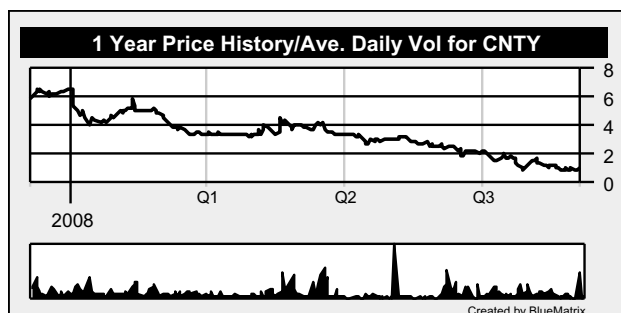


## Century Casinos, Inc. | CNTY - \$1.03 - NASDAQ | Buy

Prev Close: \$1.03  
Price Target: \$4.00  
Market Cap: \$24.6



### Century Sells Czech Casino; More sales likely

- **Casino Sale.** Century Casinos announced today that it has entered into an agreement to sell its Millennium Casino located in the Marriott Hotel in Prague, Czech Republic.
- **Expected Proceeds.** The company expects to receive ~US\$2.3 million in total consideration with US\$1.5M payable at closing and \$800k payable over 12 months.
- **Impact.** We highlight that the Prague casino contributed less than \$200k in trailing EBITDA so we don't expect a meaningful impact to our estimates. We believe the company will likely use the proceeds to further reduce debt. As of the Sept qtr, Century had \$49.4M in debt, which was down from \$65M at the beginning of the year.
- **Further sales likely.** We continue to believe the company will sell one or both of its S. African casinos and remains in active discussions with multiple potential buyers. We believe the potential proceeds from selling both properties (~\$50M) would put the company in a slight net cash position.
- **Thesis/Outlook.** We continue to like the outlook for Century Casinos with expanded gaming approved in Colorado, continued growth in Edmonton, and the potential for further assets sales that should put the company in a net cash position.

Price: Intraday-\$0.94, 12:45am Eastern

## VALUATION

Shares of CNTY currently trade for 6.0x our CY09 EPS estimate and 3.0x our adj CY09 EBITDA est (60% of Newcastle, plus Poland minority). Our \$4.00 PT represents an EV/EBITDA multiple of 6x our CY09 adj EBITDA est (60% of Newcastle, plus Poland minority) plus \$0.50 per share in S. Africa 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

**Refer to important disclosure information and rating System Definition on pages 1 - 2 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.

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

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 12/05/08	
			Count	Percent
BUY [B]	121	63.35	15	12.40
HOLD [H]	57	29.84	5	8.77
SELL [S]	1	0.52	0	0
NOT RATED [NR]	12	6.28	3	25.00

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.