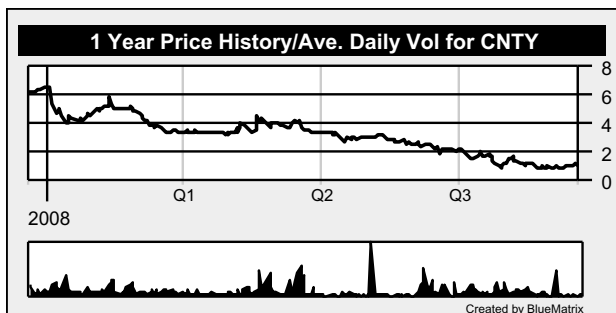


## Century Casinos, Inc. | CNTY - \$1.02 - NASDAQ | Buy

Prev Close: \$1.02  
Price Target: \$4.00  
Market Cap: \$24.4



### Colorado Gaming Revenue Released for Nov

- November Colorado gaming revenue down 14.9% Y/Y.** Yesterday, the Colorado Division of Gaming released November gaming revenue. All three major markets showed continued Y/Y declines with the State total down -14.9% y/y. This compares with the prior month comp of -14.5% y/y. The market continues to be impacted by the smoking ban enacted at the beginning of the year, as well as poor economic conditions.
- Cripple Creek down -12.2% y/y, but 4Q tracking ahead.** Cripple Creek revenue was down -12.2% y/y in Nov and -5.5% in Oct. Assuming normal seasonality in Dec and stable market share we believe Womacks revenue could come in slightly higher than our estimate for \$2.6 million (-20% y/y). We also note the closing of a competitor's facility in 4Q that could lead to improved market share in the quarter.
- Central City down -16.6%, 4Q tracking slightly below.** Central City revenue was down -16.6% in Nov and -14.4% in Oct. Assuming normal seasonality in Dec and stable market share we believe the company's Century Casino revenue could miss our estimate of \$4.8 million (flat y/y) limiting the upside expected in Cripple Creek.
- 2009 looks much better.** While we expect another tough comp in December, we look for improved market statistics in 2009. We note the anniversary of the smoking ban occurs in January and we highlight that gaming expansion rules (Amendment 50) go into effect starting July 2nd allowing for 24-hr gaming operations, additional table games (i.e. roulette, craps, etc), and increases the max bet limit from \$5 to \$100.
- Upcoming votes in Central City and Black Hawk.** We note that Amend 50 was passed by the State in Nov and Cripple Creek residents approved the measure earlier this week 267 to 13 (95% approval rate). Both Black Hawk and Central City are expected to vote on Amend 50 in January and both are expected to approve. We look for gaming expansion to bring growth in the back half of the year and in CY10.
- Shares remain attractive.** We believe shares are attractive at current levels with expectations for a return to growth in CY09 and potential S. African casino sales serving as a further catalyst. We also highlight that the US Dollar has now started to fall vs. key foreign currencies, which could provide some FX upside to our ests in early '09 should the trend continue. Price-\$1.07: Intraday: 9:41am Eastern

**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.

**VALUATION**

Shares of CNTY currently trade for 7.0x 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**

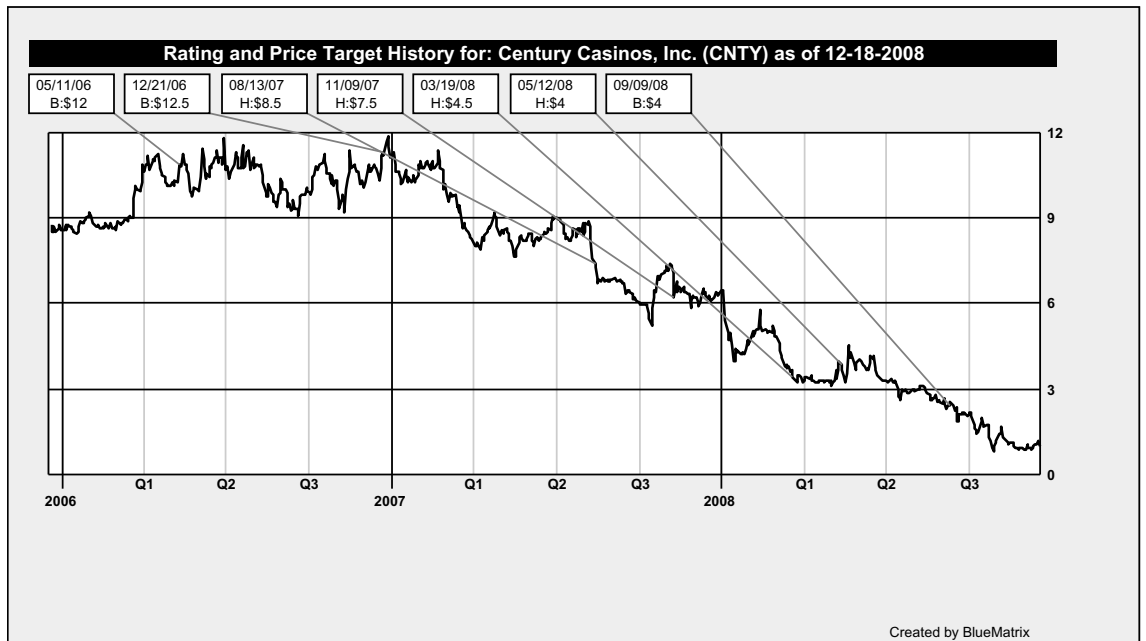
Our estimates assume that Century Casinos, Inc. will maintain all current and any future gaming licenses; there will be no material change to the current level of acceptance of gaming; and that there will be no material changes to the regulatory environment where the company currently has casino operations.

**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 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 12/19/08	
			Count	Percent
BUY [B]	122	63.21	14	11.48
HOLD [H]	60	31.09	5	8.33
SELL [S]	2	1.04	0	0
NOT RATED [NR]	9	4.66	2	22.22

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.