

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-22290

**CENTURY  
CASINOS**

CENTURY CASINOS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of incorporation or  
organization)

84-1271317  
(I.R.S. Employer Identification No.)

1263 Lake Plaza Drive Suite A, Colorado Springs, Colorado 80906  
(Address of principal executive offices)  
(Zip Code)

(719) 527-8300  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common stock, \$0.01 par value, 22,980,567 shares outstanding as of May 9, 2006

**CENTURY CASINOS, INC.**

**FORM 10-Q INDEX**

		Page Number
<b>PART I</b>	<b>FINANCIAL INFORMATION (unaudited)</b>	
Item 1.	Condensed Consolidated Financial Statements	
	Condensed Consolidated Balance Sheets as of March 31, 2006 and December 31, 2005	3
	Condensed Consolidated Statements of Earnings for the Three Months Ended March 31, 2006 and 2005	4
	Condensed Consolidated Statements of Comprehensive Earnings for the Three Months Ended March 31, 2006 and 2005	5
	Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2006 and 2005	6
	Notes to Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	33
Item 4.	Controls and Procedures	33
<b>PART II</b>	<b>OTHER INFORMATION (unaudited)</b>	
Item 1.	Legal Proceedings	34
Item 1A.	Risk Factors	34
Item 6.	Exhibits	35
	<b>SIGNATURES</b>	36

**CENTURY CASINOS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

Amounts in thousands, except for share information

	<u>March 31, 2006</u>	<u>December 31, 2005</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 28,374	\$ 37,167
Restricted cash	971	947
Receivables, net	496	293
Prepaid expenses	530	518
Inventories	202	209
Deposit on Newcastle, South Africa purchase	6,574	-
Other current assets	1,031	927
Deferred income taxes - foreign	79	72
Total current assets	<u>38,257</u>	<u>40,133</u>
<b>Property and Equipment, net</b>	83,154	69,602
<b>Goodwill</b>	13,267	8,662
<b>Casino Licences</b>	1,899	1,845
<b>Deferred Income Taxes - foreign</b>	443	380
<b>Other Assets</b>	2,690	2,941
<b>Total</b>	<u>\$ 139,710</u>	<u>\$ 123,563</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Current portion of long-term debt	\$ 1,891	\$ 1,789
Accounts payable and accrued liabilities	9,570	5,504
Accrued payroll	839	1,149
Taxes payable	1,618	1,189
Other	8	8
Total current liabilities	<u>13,926</u>	<u>9,639</u>
<b>Long-Term Debt, less current portion</b>	29,215	17,934
<b>Deferred Tax Liability - domestic</b>	179	215
<b>Minority Interest</b>	2,275	4,444
<b>Commitments and Contingencies</b>		
<b>Shareholders' Equity:</b>		
Preferred stock; \$.01 par value; 20,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; \$.01 par value; 50,000,000 shares authorized; 22,568,443 shares issued; 22,380,567 shares outstanding	226	226
Additional paid-in capital	68,677	68,571
Accumulated other comprehensive earnings	3,556	2,568
Retained earnings	22,081	20,391
Treasury stock - 187,876 shares at cost	(425)	(425)
Total shareholders' equity	<u>94,115</u>	<u>91,331</u>
<b>Total</b>	<u>\$ 139,710</u>	<u>\$ 123,563</u>

See notes to condensed consolidated financial statements.

**CENTURY CASINOS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)**

	<b>For The Three Months Ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<i>Amounts in thousands, except for share information</i>		
<b>Operating Revenue:</b>		
Casino	\$ 9,145	\$ 9,051
Hotel, food and beverage	1,082	1,228
Other	148	216
	<u>10,375</u>	<u>10,495</u>
Less promotional allowances	901	1,267
Net operating revenue	<u>9,474</u>	<u>9,228</u>
<b>Operating Costs and Expenses:</b>		
Casino	3,513	3,541
Hotel, food and beverage	614	768
General and administrative	3,042	2,442
Property write-downs and other write-offs, net of recoveries	7	(30)
Depreciation	770	852
	<u>7,946</u>	<u>7,573</u>
Total operating costs and expenses	<u>7,946</u>	<u>7,573</u>
<b>(Loss) from unconsolidated subsidiary</b>	-	(97)
<b>Earnings from Operations</b>	<u>1,528</u>	<u>1,558</u>
<b>Non-Operating Income (Expense):</b>		
Interest income	279	47
Interest expense	(203)	(453)
Other income (expense), net	90	(14)
Non-operating items from unconsolidated subsidiary	-	(1)
Non-operating income (expense), net	<u>166</u>	<u>(421)</u>
<b>Earnings before Income Taxes and Minority Interest</b>	<u>1,694</u>	<u>1,137</u>
Provision for income taxes	356	156
<b>Earnings before Minority Interest</b>	<u>1,338</u>	<u>981</u>
Minority interest in subsidiary losses	352	26
<b>Net Earnings</b>	<u>\$ 1,690</u>	<u>\$ 1,007</u>
<b>Earnings Per Share:</b>		
Basic	<u>\$ 0.08</u>	<u>\$ 0.07</u>
Diluted	<u>\$ 0.07</u>	<u>\$ 0.06</u>

See notes to condensed consolidated financial statements.

**CENTURY CASINOS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)**

<i>Amounts in thousands</i>	<b>For The Three Months Ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Net Earnings</b>	\$ 1,690	\$ 1,007
Foreign currency translation adjustments	988	(1,648)
<b>Comprehensive Earnings (Loss)</b>	<b>\$ <u>2,678</u></b>	<b>\$ <u>(641)</u></b>

See notes to condensed consolidated financial statements.

**CENTURY CASINOS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

<i>Amounts in thousands</i>	<b>For The Three Months Ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Cash Flows from Operating Activities:</b>		
Net earnings	\$ 1,690	\$ 1,007
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	770	852
Amortization of share-based compensation	101	-
Amortization of deferred financing costs	14	14
Deferred tax expense	(95)	46
Minority interest in subsidiary losses	(352)	(26)
Loss from unconsolidated subsidiary	-	98
Other	6	-
Changes in operating assets and liabilities:		
Receivables	(200)	(110)
Prepaid expenses and other assets	124	25
Accounts payable and accrued liabilities	4,267	(387)
Accrued payroll	(321)	(476)
Taxes payable	404	(129)
Net cash provided by operating activities	<u>6,408</u>	<u>914</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(13,925)	(1,560)
Purchase of minority shareholder interest in subsidiary	(5,135)	-
Deposit on Newcastle, South Africa purchase	(6,574)	-
Cash contribution of \$2.4 million towards interest in subsidiary, less net cash acquired of \$1.7 million	<u>-</u>	<u>(753)</u>
Net cash used in investing activities	<u>(25,634)</u>	<u>(2,313)</u>

(continued)

**CENTURY CASINOS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

<i>Amounts in thousands</i>	<b>For the Three Months Ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from borrowings	\$ 16,123	\$ 10,221
Principal repayments	(6,478)	(9,593)
Deferred financing charges	34	-
Increase in restricted cash	-	(211)
Proceeds from exercise of options	-	74
Other	6	-
	<u>9,685</u>	<u>491</u>
Net cash provided by financing activities	<u>9,685</u>	<u>491</u>
<b>Effect of exchange rate changes on cash</b>	<u>748</u>	<u>(442)</u>
<b>Decrease in Cash and Cash Equivalents</b>	(8,793)	(1,350)
<b>Cash and Cash Equivalents at Beginning of Period</b>	<u>37,167</u>	<u>8,411</u>
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 28,374</u>	<u>\$ 7,061</u>

**Supplemental Disclosure of Noncash Financing Activities:**

On February 24, 2005, our wholly owned subsidiary, Century Resorts International Limited ("CRI"), purchased a 56.4% equity interest in Century Resorts Alberta, Inc. ("CRA") for the purpose of operating the proposed casino and hotel by contributing \$2.4 million in cash to CRA. In conjunction with this acquisition, we assumed the following liabilities:

<i>Amounts in thousands</i>	
Fair value of cash acquired	\$ 1,679
Fair value of property and equipment acquired	2,631
Amount credited to minority partner	<u>(1,878)</u>
Cash paid	<u>\$ 2,432</u>

On January 12, 2006, CRI purchased the remaining 43.6% equity interest in CRA. In conjunction with this acquisition, we assumed the following liabilities:

<i>Amounts in thousands</i>	
Fair value of minority interest acquired	\$ 1,818
Goodwill	4,564
Fair value of long-term debt issued	<u>(1,247)</u>
Cash paid	<u>\$ 5,135</u>

The assets acquired and liabilities assumed are reported in the consolidated balance sheet. CRA is a new entity and pro forma information is not applicable.

**Supplemental Disclosure of Cash Flow Information:**

<i>Amounts in Thousands</i>	<b>For the Three Months Ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
Interest paid	\$ <u>341</u>	\$ <u>399</u>
Income taxes paid	\$ <u>1</u>	\$ <u>-</u>

See notes to condensed consolidated financial statements.

**CENTURY CASINOS, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

**1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION**

Century Casinos, Inc. ("CCI" or the "Company") is an international casino entertainment company that owns and operates Womacks Casino and Hotel ("Womacks") in Cripple Creek, Colorado; owns and operates The Caledon Hotel, Spa & Casino ("Caledon") near Cape Town, South Africa; owns and operates the Casino Millennium in the Marriott Hotel in Prague, Czech Republic; operates the casinos aboard the Silver Wind, Silver Cloud, Silver Whisper, The World of ResidenSea, and the vessels of Oceania Cruises; owns and has begun construction on a casino and hotel development in Edmonton, Alberta, Canada; and owns a 65% interest in, and has begun construction on, a casino and hotel development in Central City, Colorado. As of April 1, 2006, Century Casinos Africa (Pty) Ltd. ("CCA") owns 60% of, and provides technical casino services to, the Monte Vista Casino & Conference Center, Newcastle, South Africa. The Company continues to pursue other international projects in various stages of development.

The accompanying condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial reporting and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The accompanying consolidated financial statements include the accounts of CCI and its majority-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The financial statements of all foreign subsidiaries consolidated herein have been converted to US GAAP for financial statement presentation purposes. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted. Certain reclassifications have been made to the 2005 financial information in order to conform to the 2006 presentation.

In the opinion of management, all adjustments considered necessary for fair presentation of financial position, results of operations and cash flows have been included. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005. The results of operations for the period ended March 31, 2006 are not necessarily indicative of the operating results for the full year.

**Projects under Development:**

**Central City, Colorado** - On October 13, 2004, our wholly owned subsidiary, Century Casinos Tollgate, Inc. ("CTI"), entered into an agreement with Tollgate Venture LLC to develop and operate a proposed casino and hotel in Central City, Colorado. The \$48.7 million development is planned to include a 66,000 square foot casino and back of house with 625 slot machines, six table games, 27 hotel rooms, retail, food and beverage amenities and a 500 space on-site covered parking garage. We contributed \$3.5 million cash equity to the project through CTI in exchange for a controlling 65% interest, and Tollgate Venture LLC contributed three existing non-operating casino buildings, land and land options valued at \$5.7 million, net of mortgages, for a 35% interest. Of the \$48.7 million in overall project costs, \$8.0 million has been contributed by us as cash equity, \$35.0 million is financed externally, and the balance of \$5.7 million is the net value of the minority partner's contribution. Century Casinos Management, Inc. ("CCM"), our wholly owned subsidiary, has entered into a Casino Services Agreement to manage the property. On November 21, 2005, we entered into a \$35 million loan agreement with Wells Fargo Bank and a syndicate of institutional lenders. On April 20, 2006, the Colorado Division of Gaming approved the issuance of our license for the Central City casino.

**Edmonton, Alberta, Canada** - On February 24, 2005, through our wholly owned subsidiary, Century Resorts International Limited (“CRI”), we acquired a 56.4% interest in Century Resorts Alberta, Inc. (“CRA”) for approximately \$2.4 million. Our local partner, 746306 Alberta, Ltd., contributed a 7.25-acre parcel of land and an existing 40 room hotel for the remaining 43.6% interest. On January 12, 2006, the Company purchased the remaining 43.6% interest in CRA for approximately \$6.3 million (\$7.3 million Canadian). The Company paid approximately \$5.1 million (\$5.8 million Canadian) at closing with the remainder payable on the first anniversary of the opening of the casino. The Company recorded approximately \$4.6 million of goodwill associated with this purchase. Excluding the costs to purchase the minority shareholder’s interest, the \$30.4 million (\$35.8 million Canadian) development is expected to include a casino with 600 gaming machines, 31 gaming tables, food and beverage amenities, a dinner theater, a 300 space underground parking facility, approximately 600 surface parking spaces and a 26-room hotel. Of the \$30.4 million in overall project costs, we contributed \$2.4 million (\$3.0 million Canadian) for our interest in CRA, \$17.1 million (\$20.0 million Canadian) will be financed through external financing, \$9.0 million (\$10.5 million Canadian) will be provided by us as a shareholder loan, and the balance of \$1.9 million (\$2.3 million Canadian) is the net value of the former minority partner’s contribution. On September 23, 2005, CRA agreed to the terms of a \$17.1 million (\$20.0 million Canadian) credit facility with Canadian Western Bank for the development of the casino property. On December 17, 2004, the Alberta Gaming and Liquor Commission granted approval to begin construction of the casino property. As is customary, the issuance of the license does not occur until completion of construction and after all federal and provincial legislation, regulation and policies, and municipal requirements, permits, licenses and/or authorizations have been met. CRI has entered into a long-term agreement to manage the facility.

**Newcastle, South Africa** - On April 1, 2006, CCA completed the purchase of a 60% controlling interest in Balele Leisure (Pty) Ltd. (“Balele”), which owns the Monte Vista Casino in Newcastle, South Africa for approximately \$9.3 million (57.5 million Rand). The current casino is a temporary facility that has 200 slot machines and seven gaming tables. A new permanent facility is proposed to be constructed in 2006 for approximately \$11.4 million (70 million Rand), excluding value added taxes. Of the \$11.4 million in overall construction costs, \$1.3 million (8.0 million Rand) will be from cash on hand, \$8.1 million (50.0 million Rand) will be financed through external financing, and \$2.0 million (12.0 million Rand) will be provided by CCA as a shareholder loan. Construction has begun on the new facility and we expect to be operating in this new facility by the fourth quarter 2006. The initial gaming mix in the permanent facility is expected to be 225 slot machines and seven gaming tables. An additional \$0.4 million (2.5 million Rand) will be payable if the casino revenue during the first 12 months of operation at the new location exceeds \$15.4 million (95.0 million Rand). CCA has also entered into a long-term agreement to manage Balele’s entire casino, resort and hotel operations.

In connection with CCA’s purchase of its equity interest in Balele, a sale of shares agreement (the “Share Agreement”) was entered into on October 18, 2005 between CCA and a group of Balele shareholders (hereafter referred to as the “Sellers”). As a condition to the Share Agreement, the Sellers provided a warranty to CCA that the Sellers would be able to sell the current casino for approximately \$1.9 million (12 million Rand) within 60 days of closing. The Sellers have informed CCA that they will not be able to sell the casino for 12 million Rand. As a result, the purchase price for the 60% interest in Balele has been reduced by this amount, thus reducing the overall purchase price to \$7.4 million (45.5 million Rand). On March 30, 2006, the Company transferred \$6.6 million (40.5 million Rand) of the \$7.4 million (45.5 million Rand) purchase price to an independent third party to be held in escrow. This amount has since been forwarded to the Sellers. These funds are recorded as a current asset on the March 31, 2006 condensed consolidated balance sheet. We will consolidate the results of Balele in our financial statements beginning April 1, 2006.

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**Presentation of Foreign Currency Amounts** - Historical transactions that are denominated in a foreign currency are translated and presented at the United States exchange rate in effect on the date of the transaction. Commitments that are denominated in a foreign currency and all balance sheet accounts other than shareholders' equity are translated and presented based on the exchange rate at the end of the reported periods. Current period transactions affecting the profit and loss of operations conducted in foreign currencies are valued at the average exchange rate for the period in which they are incurred. The exchange rates used to translate balances at the end of the reported periods are as follows:

	<u>March 31, 2006</u>	<u>December 31, 2005</u>	<u>March 31, 2005</u>
South African Rand	6.1556	6.3399	6.2190
Euros	0.8237	0.8446	0.7710
Czech Koruna	23.4260	24.5810	23.1500
Canadian Dollars	1.1671	1.1659	1.2096

Source: Pacific Exchange Rate Service

## 2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2005, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 154 (SFAS 154), "Accounting Changes and Error Corrections," which replaces Accounting Principles Board ("APB") Opinion No. 20, "Accounting Changes," and FASB Statement No. 3, "Reporting Accounting Changes in Interim Financial Statements." APB Opinion No. 20 had required that changes in accounting principles be recognized by including the cumulative effect of the change in the period in which the new accounting principle was adopted. SFAS 154 requires retrospective application of the change to prior periods' financial statements, unless it is impracticable to determine the period-specific effects of the change. The statement is effective for fiscal years beginning after December 15, 2005. The adoption of SFAS 154 did not have a material impact on our financial position, results of operations or cash flows.

## 3. STOCK-BASED COMPENSATION

Prior to January 1, 2006, we accounted for stock options under the recognition and measurement provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Effective January 1, 2006, we adopted the provisions of SFAS No. 123 (Revised 2004), "Share-Based Payments" ("SFAS No. 123R"), and selected the modified prospective method to initially report stock-based compensation amounts in the consolidated financial statements. We are currently using the Black-Scholes option pricing model to determine the fair value of all option grants. We did not grant any options during the quarters ended March 31, 2006 and 2005.

The Board of Directors of the Company adopted an Employees' Equity Incentive Plan (the "EEIP") in April 1994, which expired in April 2004. The EEIP continues to be administered for previously issued and outstanding options. Stockholders approved a new equity incentive plan (the "2005 Plan") at the 2005 annual meeting. The 2005 Plan provides for the grant of awards to eligible individuals in the form of stock, restricted stock, stock options, performance units or other stock-based awards, all as defined in the 2005 Plan. The 2005 Plan provides for the issuance of up to 2,000,000 shares of common stock to eligible individuals through the various forms of awards permitted. The 2005 Plan limits the number of options that can be awarded to an eligible individual to 200,000 per year. Stock options may not be issued at an option price lower than fair market value at the date of grant. All stock options must have an exercise period not to exceed ten years. Through March 31, 2006, only incentive stock option awards, for which the option price may not be less than fair market value at the date of grant, or non-statutory options, which may be granted at any option price (as permitted under the EEIP), have been granted under the EEIP and 2005 Plan. Options granted to date have one-year, two-year or four-year vesting periods. The Company's Incentive Plan Committee or, in the case of the 2005 Plan, any other committee as delegated by the Board of Directors has the power and discretion to, among other things, prescribe the terms and conditions for the exercise of, or modification of, any outstanding awards in the event of merger, acquisition or any other form of acquisition other than a reorganization of the Company under United States Bankruptcy Code or liquidation of the Company. Both plans also allow limited transferability of any non-statutory stock options to legal entities that are 100% - owned or controlled by the optionee or to the optionee's family trust. As of March 31, 2006, there were 1,986,210 options outstanding, of which 1,951,210 options were issued under the EEIP and 35,000 options have been issued under the 2005 Plan.

For the quarter ended March 31, 2006, we recorded \$0.1 million for stock-based compensation expense related to stock option grants made in prior years. The amount is included in general and administrative expense. The impact to both basic and diluted earnings per share for the first quarter was less than \$0.01. There was no capitalized stock-based compensation expense.

The following table summarizes option activity under the EEIP and 2005 Plan as of March 31, 2006 and changes during the period then ended:

	Shares	Weighted-Average Exercise Price
<u>Employee Stock Options:</u>		
Outstanding at January 1, 2006	1,986,210	\$ 2.33
Granted	-	-
Exercised	-	-
Cancelled or forfeited	-	-
Outstanding at March 31, 2006	<u>1,986,210</u>	2.33
Options exercisable at March 31, 2006	<u>1,024,613</u>	\$ 1.61

Summarized information regarding all employee options outstanding at March 31, 2006, is as follows:

Exercise Price	Number Outstanding at March 31, 2006	Weighted- Average Remaining Term in Years	Number Exercisable at March 31, 2006	Aggregate Intrinsic Value
\$0.75	610,000	2.6	610,000	\$ 6,032,900
\$1.50	7,500	0.9	7,500	\$ 68,550
\$1.75	10,000	5.0	10,000	\$ 88,900
\$2.93	1,323,710	7.9	397,113	\$ 10,205,804
\$7.68	35,000	9.6	-	\$ 103,600
	<u>1,986,210</u>	6.3	<u>1,024,613</u>	<u>\$ 16,499,754</u>

The aggregate intrinsic value represents the difference between the Company's closing stock price of \$10.64 as of March 31, 2006 and the exercise price multiplied by the number of options outstanding as of that date.

At March 31, 2006, there is \$0.4 million of total unrecognized compensation expense related to unvested stock options remaining to be recognized. Of this total, \$0.3 million will be recognized over the remainder of 2006 and \$0.1 million will be recognized in subsequent years through 2009.

As of March 31, 2006, there were an additional 80,000 options outstanding to directors of the Company with a weighted average exercise price of \$2.98.

In November 2005, the FASB issued FASB Staff Position ("FSP") No. FAS 123(R)-3, "Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards." This FSP provides an elective alternative simplified method for calculating the pool of excess tax benefits available to absorb tax deficiencies recognized subsequent to the adoption of SFAS No. 123R and reported in the Condensed Consolidated Statement of Cash Flows. Companies may take up to one year from the effective date of the FSP to evaluate the available transition alternatives and make a one-time election as to which method to adopt. The Company is currently in the process of evaluating the alternative methods.

In accordance with the modified prospective transition method, the Company's financial statements for prior periods have not been restated to reflect compensation expense associated with recognizing stock-based compensation under the fair value method. We did not record stock-based compensation expense related to employee stock options during the three months ended March 31, 2005; however, pro forma stock-based compensation expense for the three months ended March 31, 2005 is as follows:

<i>Amounts in thousands, except for share information</i>	<b>For the Three Months Ended March 31, 2005</b>
Net earnings, as reported	\$ 1,007
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	127
Pro forma net earnings	<u>\$ 880</u>
Earnings per share	
Basic: As reported	\$ 0.07
Pro forma	\$ 0.06
Diluted: As reported	\$ 0.06
Pro forma	\$ 0.05

On May 5, 2006, the Company issued 600,000 new shares of its common stock, at an exercise price of \$0.75 per share, for stock options exercised in cash.

#### 4. EQUITY INVESTMENT IN UNCONSOLIDATED SUBSIDIARY

Prior to April 13, 2006, we had a 50% ownership interest in Casino Millennium ("CM") and accounted for this investment under the equity method. On April 13, 2006, our wholly owned subsidiary, Century Casinos Europe GmbH, purchased the remaining 50% of CM for approximately \$0.7 million, covering the buyout of a security deposit for CM's casino license in the amount of \$0.4 million (CZK 10 million), the takeover of loans previously granted to CM by the former minority partner and the purchase price for the former minority partner's 50% equity interest. We will consolidate CM's results in our financial statements beginning April 13, 2006.

Following is the summarized unaudited financial information of CM:

<i>Amounts in thousands</i>	<b>As of March 31,</b>		<b>As of December 31,</b>	
	<b><u>2006</u></b>		<b><u>2005</u></b>	
<b>Balance Sheet:</b>				
Current assets	\$	1,619	\$	1,391
Noncurrent assets	\$	784	\$	869
Current liabilities	\$	821	\$	568
Noncurrent liabilities	\$	1,641	\$	1,476
<b>For the Three Months Ended March 31,</b>				
	<b><u>2006</u></b>		<b><u>2005</u></b>	
<b>Operating Results:</b>				
Net operating revenue	\$	456	\$	422
Net loss <sup>(1)(2)</sup>	\$	(269)	\$	(196)

(1) After expensing casino services fees to the Company of \$0.1 million for each of the three months ended March 31, 2006 and 2005.

(2) Under the equity method of accounting, when an investor's net investment is reduced to zero, the investor should not provide for additional losses unless the investor has guaranteed the obligations of the investee. The Company has not provided this guarantee to CM. Accordingly, the Company has only recorded its portion of the loss that reduced its net investment to zero.

## 5. LONG-TERM DEBT

Long-term debt as of March 31, 2006 and December 31, 2005 consisted of the following:

<i>Amounts shown in thousands:</i>	<b>March 31,</b>		<b>December 31,</b>	
	<b><u>2006</u></b>		<b><u>2005</u></b>	
Revolving Credit Facility - Womacks	\$	5,701	\$	481
Construction Term Loan - Central City		13,986		8,931
Nedbank Limited Term Loan		8,964		9,091
Notes payable		2,381		1,135
Capital leases and other		<u>74</u>		<u>85</u>
Total long-term debt		31,106		19,723
Less current portion		(1,891)		(1,789)
Long-term portion	\$	<u><u>29,215</u></u>	\$	<u><u>17,934</u></u>

### *Revolving Credit Facility - Womacks*

On December 6, 2005, the Company entered into a fifth amendment with Wells Fargo Bank permitting the Company to make capital contributions to Womacks for a specified period that can be used to repay the outstanding obligations under the Womacks revolving credit facility, and subsequently permitting Womacks to make cash distributions to the Company up to the amount of the Company's capital contributions (\$14.5 million as of December 31, 2005) made during the specified period. During the first quarter of 2006, the Company borrowed approximately \$5.1 million to fund the buyout of the minority interest at CRA (see Note 1).

## *Canadian Western Bank*

On September 23, 2005, CRA agreed to the terms of a \$17.1 million (\$20.0 million Canadian) credit facility with Canadian Western Bank for the development of a casino and hotel in Edmonton, Alberta, Canada. The credit facility is subject to certain closing conditions, one of which includes a total equity requirement of \$12.8 million (\$14.9 million Canadian). As of March 31, 2006, an additional \$2.0 million (\$2.3 million Canadian) must be provided before we can draw on the construction loan. The Company expects this requirement to be met from funds currently on hand.

## *Notes Payable*

Unsecured notes payable, in the amount of \$1.1 million, as of March 31, 2006, to a minority interest holder in Tollgate, are payable contingent upon the opening of the Central City casino. The first note for \$1.0 million is payable in two equal installments; the first payment is payable one year from the opening date of the casino, with the second payment due six months later. The note bears interest at an 8% rate and is classified as long-term in the accompanying consolidated balance sheet. In March 2005, the Company issued a second unsecured note payable in the amount of \$0.1 million to a minority interest shareholder, payable on the opening date of the casino, thus considered as a current liability on the March 31, 2006 condensed consolidated balance sheet.

In conjunction with the buyout of the minority interest in CRA (see Note 1), an unsecured note payable in the amount of \$1.2 million (\$1.4 million Canadian) is payable on the earlier of (1) the 10<sup>th</sup> business day following the first anniversary of the opening date of the casino project in Edmonton, Alberta, Canada or (2) the date that we transfer all of our shares in CRA to any other party other than an affiliate of the Company. The note is non-interest bearing; however, if we default on the payment of the note, the note bears interest at 12% per annum from the date of default. The note is classified as long-term in the accompanying condensed consolidated balance sheet.

As of March 31, 2006 and December 31, 2005, the Company was in compliance with all covenants related to our borrowings.

The consolidated weighted average interest rate on all borrowings for Century Casinos, Inc. and subsidiaries was 10.9% and 8.9% for the three month period ended March 31, 2006 and 2005, respectively, excluding the amortization of deferred financing charges. Construction financing for the Central City, Colorado project, at a weighted average interest rate of 13.7%, accounted for approximately 42% of the average outstanding debt during the three month period ended March 31, 2006. Repayment of high interest rate debt in South Africa helped limit the increase in the consolidated weighted average interest rate for the quarter ended March 31, 2006.

## **6. SEGMENT INFORMATION**

We are managed in six segments: Cripple Creek, Colorado; Caledon, South Africa; Cruise Ships; Central City, Colorado; Edmonton, Alberta, Canada; and Corporate and Other operations.

The operating results of the Cripple Creek, Colorado segment are those of WMCK Venture Corp. ("WMCK") and subsidiaries, which own Womacks Casino and Hotel ("Womacks") in Cripple Creek, Colorado.

The operating results of the Caledon, South Africa segment are those of Century Casinos Caledon (Pty) Ltd., which operates the Caledon Hotel, Spa and Casino, and its related food service operation, which has been contracted to Celebrations Accommodation and Food Service Management (Pty) Ltd., a wholly owned subsidiary of CCA.

The Cruise Ships segment includes the revenues and expenses of the shipboard operations for which the Company has casino concession agreements.

The operating results of the Central City, Colorado segment are those of CTI and its subsidiary, which are developing a proposed casino and hotel.

The operating results of the Edmonton, Alberta, Canada segment are those of CRA, which is developing a proposed casino and hotel.

Corporate and Other operations include, among other items, the revenue and expense of managing corporate gaming projects for which we have secured long-term service contracts.

Earnings before interest, taxes, depreciation, amortization and minority interest (adjusted EBITDA) is not considered a measure of performance recognized under US GAAP. The Company's management believes that adjusted EBITDA is a valuable measure of the relative non-US GAAP performance amongst its operating segments. The gaming industry commonly uses adjusted EBITDA as a method of arriving at the economic value of a casino operation. Management uses adjusted EBITDA to compare the relative operating performance of separate operating units by eliminating the interest income, interest expense, income tax expense, depreciation expense, amortization expense and minority interest associated with the varying levels of capital expenditures for infrastructure required to generate revenue, and the often high cost of acquiring existing operations. The Company's lending institutions use EBITDA (Earnings before interest, taxes, depreciation and amortization) to gauge our operating performance.

Amounts in thousands

As of and for the Three Months Ended March 31,	Cripple Creek, CO		Caledon, South Africa		Cruise Ships	
	2006	2005	2006	2005	2006	2005
Property and equipment, net	\$ 22,931	\$ 22,797	\$ 16,246	\$ 14,280	\$ 959	\$ 565
Total Assets	\$ 32,704	\$ 32,720	\$ 20,292	\$ 19,009	\$ 1,713	\$ 1,153
Net operating revenue	\$ 3,836	\$ 3,805	\$ 4,772	\$ 4,734	\$ 857	\$ 653
Operating expenses (excluding depreciation)	2,451	2,661	2,659	2,647	629	456
Depreciation	402	443	296	381	56	25
Earnings from unconsolidated subsidiary	-	-	-	-	-	-
Earnings from operations	983	701	1,817	1,706	172	172
Interest income	3	3	4	18	-	-
Interest (expense), including debt issuance cost, net <sup>(1)</sup>	(94)	9	(204)	(177)	-	-
Other income (expense), net	-	(5)	1	(10)	-	-
Non-operating items from unconsolidated subsidiary	-	-	-	-	-	-
Earnings before income taxes and minority interest	892	708	1,618	1,537	172	172
Income tax (expense)	(339)	(269)	(493)	(493)	(5)	(5)
Minority interest	-	-	-	-	-	-
Net earnings	\$ 553	\$ 439	\$ 1,125	\$ 1,044	\$ 167	\$ 167
Reconciliation to adjusted EBITDA:						
Net earnings (US GAAP)	\$ 553	\$ 439	\$ 1,125	\$ 1,044	\$ 167	\$ 167
Minority interest	-	-	-	-	-	-
Interest income	(3)	(3)	(4)	(18)	-	-
Interest expense <sup>(1)</sup>	94	(9)	204	177	-	-
Income taxes	339	269	493	493	5	5
Depreciation	402	443	296	381	56	25
Adjusted EBITDA	\$ 1,385	\$ 1,139	\$ 2,114	\$ 2,077	\$ 228	\$ 197

(1) The negative interest expense results from amounts advanced to the Corporate and Other segment to fund the Company's acquisitions. We reduce the interest expense incurred by WMCK under our credit facility by the amount of interest allocated to the Corporate and Other segment. The debt and accumulated interest allocated to the Corporate and Other segment exceeded the total outstanding borrowing in 2005. As a result, Womacks reported a net negative interest expense and debt issuance cost.

Amounts in thousands

As of and for the Three Months Ended March 31,	Central City, CO		Edmonton, Alberta, Canada	
	2006	2005	2006	2005
	Property and equipment, net	\$ 29,281	\$ 9,433	\$ 13,191
Total Assets	\$ 31,315	\$ 9,506	\$ 13,979	\$ 4,883
Net operating revenue	\$ -	\$ -	\$ 1	\$ -
Operating expenses (excluding depreciation)	195	20	19	32
Depreciation	-	-	4	-
(Loss) earnings from unconsolidated subsidiary	-	-	-	-
Loss from operations	(195)	(20)	(22)	(32)
Interest income	-	-	7	2
Interest (expense), including debt issuance cost	(202)	-	(9)	(28)
Other income (expense), net	-	-	27	2
Non-operating items from unconsolidated subsidiary	-	-	-	-
(Loss) earnings before income taxes and minority interest	(397)	(20)	3	(56)
Income tax benefit	-	-	8	-
Minority interest	397	20	-	25
Net earnings (loss)	\$ -	\$ -	\$ 11	\$ (31)
Reconciliation to adjusted EBITDA:				
Net earnings (loss) (US GAAP)	\$ -	\$ -	\$ 11	\$ (31)
Minority interest	(397)	(20)	-	(25)
Interest income	-	-	(7)	(2)
Interest expense	202	-	9	28
Income taxes	-	-	(8)	-
Depreciation	-	-	4	-
Adjusted EBITDA	\$ (195)	\$ (20)	\$ 9	\$ (30)

Amounts in thousands

As of and for the Three Months Ended March 31,	Corporate and Other		Consolidated	
	2006	2005	2006	2005
Property and equipment, net	\$ 546	\$ 468	\$ 83,154	\$ 50,566
Total Assets	\$ 39,707	\$ 4,319	\$ 139,710	\$ 71,590
Net operating revenue	\$ 8	\$ 36	\$ 9,474	\$ 9,228
Operating expenses (excluding depreciation)	1,223	905	7,176	6,721
Depreciation	12	3	770	852
(Loss) from unconsolidated subsidiary	-	(97)	-	(97)
(Loss) Earnings from operations	(1,227)	(969)	1,528	1,558
Interest income	265	24	279	47
Interest (expense), including debt issuance cost <sup>(1)</sup>	306	(257)	(203)	(453)
Other income (expense), net	62	(1)	90	(14)
Non-operating items from unconsolidated subsidiary	-	(1)	-	(1)
Earnings before income taxes and minority interest	(594)	(1,204)	1,694	1,137
Income tax benefit (expense)	473	611	(356)	(156)
Minority interest	(45)	(19)	352	26
Net (loss) earnings	\$ (166)	\$ (612)	\$ 1,690	\$ 1,007
Reconciliation to adjusted EBITDA:				
Net (loss) earnings (US GAAP)	\$ (166)	\$ (612)	\$ 1,690	\$ 1,007
Minority interest	45	19	(352)	(26)
Interest income	(265)	(24)	(279)	(47)
Interest expense <sup>(1)</sup>	(306)	257	203	453
Income taxes	(473)	(611)	356	156
Depreciation	12	3	770	852
Adjusted EBITDA	\$ (1,153)	\$ (968)	\$ 2,388	\$ 2,395

(1) The net negative interest expense in the Corporate and Other segment results from the elimination of the interest on intercompany debt that is used to finance construction projects in Central City, Colorado and Edmonton, Alberta, Canada. The interest charged to these segments is capitalized as part of the construction cost and does not appear as interest expense. Caledon's loan with Nedbank is the primary source of debt that is funding the intercompany loans.

## 7. PROMOTIONAL ALLOWANCES

Promotional allowances presented in the condensed consolidated statements of earnings for the three-month periods ended March 31, 2006 and 2005 include the following:

<i>Amounts in thousands</i>	<b>For the Three Months Ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
Food & Beverage and Hotel Comps	\$ 287	\$ 381
Free Plays or Coupons	335	505
Player Points	279	381
Total Promotional Allowances	<u>\$ 901</u>	<u>\$ 1,267</u>

## 8. INCOME TAXES

The income tax provisions are based on estimated full-year earnings for financial reporting purposes adjusted for permanent differences.

The Company consolidates the results of CC Tollgate LLC ("CTL") in which it holds a 65% majority interest. During the three months ended March 31, 2006 and 2005, CTL reported \$0.4 million and less than \$0.1 million, respectively, in losses which were allocated by agreement to the minority partner and consequently included in minority interest in subsidiary losses. No provision for income tax on the losses allocated to the minority partner are included in the condensed consolidated statements of earnings for the three months ended March 31, 2006 and 2005.

Income taxes reported in the Corporate and Other segment for the three months ended March 31, 2006 and 2005 are as follows:

<i>Amounts in thousands</i>	United States		South Africa		Mauritius		Other		Total Corporate and Other	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Earnings (loss) before income taxes and minority interest	\$ <u>(842)</u>	\$ <u>(1,093)</u>	\$ <u>(620)</u>	\$ <u>(717)</u>	\$ <u>750</u>	\$ <u>702</u>	\$ <u>118</u>	\$ <u>(96)</u>	\$ <u>(594)</u>	\$ <u>(1,204)</u>
Income tax (expense) benefit	\$ <u>304</u>	\$ <u>413</u>	\$ <u>186</u>	\$ <u>217</u>	\$ <u>(15)</u>	\$ <u>(18)</u>	\$ <u>(2)</u>	\$ <u>(1)</u>	\$ <u>473</u>	\$ <u>611</u>
Effective tax rate	<u>36%</u>	<u>38%</u>	<u>30%</u>	<u>30%</u>	<u>2%</u>	<u>3%</u>	<u>2%</u>	<u>-1%</u>	<u>91%</u>	<u>51%</u>

## 9. EARNINGS PER SHARE

Basic and diluted earnings per share for the three months ended March 31, 2006 and 2005 were computed as follows:

<i>Amounts in thousands, except for share information</i>	<b>For the Three Months Ended</b>	
	<b><u>March 31,</u></b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
Basic Earnings Per Share:		
Net earnings	\$ <u>1,690</u>	\$ <u>1,007</u>
Weighted average common shares	<u>22,380,567</u>	<u>13,748,011</u>
Basic earnings per share	\$ <u>0.08</u>	\$ <u>0.07</u>
Diluted Earnings Per Share:		
Net earnings	\$ <u>1,690</u>	\$ <u>1,007</u>
Weighted average common shares	<u>22,380,567</u>	<u>13,748,011</u>
Effect of dilutive securities:		
Stock options and warrants	<u>1,524,931</u>	<u>2,706,251</u>
Dilutive potential common shares	<u>23,905,498</u>	<u>16,454,262</u>
Diluted earnings per share	\$ <u>0.07</u>	\$ <u>0.06</u>

As of March 31, 2006 and 2005, all outstanding options and warrants to purchase common shares of the Company's stock have been included in the computation of diluted earnings per share.

## 10. CONTINGENCIES

**South African Tax Audit** - The Company's tax return in South Africa for 2000 and 2001 has been audited by the South African Revenue Service ("SARS") and we were assessed additional tax and interest of \$0.3 million (Rand 1.9 million) which we are appealing. We have been notified that our appeal will be heard in May 2006. We have established a receivable in the amount of approximately \$0.3 million (Rand 1.9 million), of which approximately \$0.1 million (Rand 0.5 million) consists of accrued interest, for the recovery of taxes assessed by SARS and paid by Caledon in 2005. Although there can be no assurances, at this time management believes that it is probable that Caledon will be successful in its appeal.

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Forward-Looking Statements, Business Environment and Risk Factors**

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, Century Casinos, Inc. (the "Company") may make other written and oral communications from time to time that contain such statements. Forward-looking statements include statements as to industry trends and future expectations of the Company and other matters that do not relate strictly to historical facts and are based on certain assumptions by management. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," or "continue," and similar expressions or variations. These statements are based on the beliefs and assumptions of the management of the Company based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, among others, the risks described in the section entitled "Risk Factors" under Item 1A in our Annual Report on Form 10-K filed on March 9, 2006. We caution the reader to carefully consider such factors. Furthermore, such forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

This report includes amounts translated into U.S. dollars from certain foreign currencies. For a description of the currency conversion methodology and exchange rates used for certain transactions, see Note 1 to the condensed consolidated financial statements included elsewhere in this report.

### **AVAILABLE INFORMATION**

All reports filed by the Company with the SEC are available free of charge via EDGAR through the SEC website at [www.sec.gov](http://www.sec.gov). In addition, the public may read and copy materials filed by the Company with the SEC at the SEC's public reference room located at 450 Fifth St., N.W., Washington, D.C. 20549. The Company also provides copies of its Forms 8-K, 10-K, 10-Q, Proxy and Annual Report at no charge to investors upon request and makes electronic copies of its most recently filed reports available through its website at [www.centurycasinos.com](http://www.centurycasinos.com) as soon as reasonably practicable after filing such material with the SEC.

### **ADJUSTED EBITDA**

The following discussion includes a pro forma measurement of net earnings that we define as earnings before interest, taxes, depreciation, amortization and minority interest ("Adjusted EBITDA"). Adjusted EBITDA is not considered a measure of performance recognized under US GAAP. Management believes that adjusted EBITDA is a valuable measure of the relative non-US GAAP performance amongst its operating segments. The gaming industry commonly uses adjusted EBITDA as a method of arriving at the economic value of a casino operation. Management uses adjusted EBITDA to compare the relative operating performance of separate operating units by eliminating the interest income, interest expense, income tax expense, depreciation expense, amortization expense and minority interest associated with the varying levels of capital expenditures for infrastructure required to generate revenue, and the often high cost of acquiring existing operations. Our lending institutions use EBITDA (Earnings before interest, taxes, depreciation and amortization) to gauge operating performance. For a reconciliation of net earnings to adjusted EBITDA, please refer to Item 1, Note 6, "Segment Information."

## OVERVIEW

The Company is managed in six segments: Cripple Creek, Colorado; Caledon, South Africa; Cruise Ships; Central City, Colorado; Edmonton, Alberta, Canada; and Corporate and Other operations.

The operating results of the Cripple Creek, Colorado segment are those of WMCK Venture Corp. ("WMCK") and subsidiaries which own Womacks Casino and Hotel ("Womacks") in Cripple Creek, Colorado.

The operating results of the Caledon, South Africa segment are those of Century Casinos Caledon (Pty) Ltd., which operates the Caledon Hotel, Spa and Casino, and its related food service operation, which has been contracted to Celebrations Accommodation and Food Service Management (Pty) Ltd., a wholly owned subsidiary of Century Casinos Africa (Pty) Limited.

The Cruise Ships segment includes the revenues and expenses of the shipboard operations for which the Company has casino concession agreements.

The operating results of the Central City, Colorado segment are those of Century Casinos Tollgate, Inc. and subsidiary, which are developing a proposed casino and hotel.

The operating results of the Edmonton, Alberta, Canada segment are those of Century Resorts Alberta, Inc., which is developing a proposed casino and hotel.

Corporate and Other operations include, among other items, the revenue and expense of managing corporate gaming projects for which we have secured long-term service contracts, the expenses associated with being a public company, including Sarbanes-Oxley Act compliance, and general corporate overhead expenses.

## CONSOLIDATED RESULTS OF OPERATIONS

We reported net operating revenue of \$9.5 million and \$9.2 million for the three months ended March 31, 2006 and 2005, respectively. Casino revenue was \$9.1 million and casino expense was \$3.5 million for each of the three months ended March 31, 2006 and 2005. General and administrative expense was \$3.0 million for the three months ended March 31, 2006 compared to \$2.4 million for the three months ended March 31, 2005. Depreciation expense was \$0.8 million and \$0.9 million for the three months ended March 31, 2006 and 2005, respectively.

Total earnings from operations were \$1.5 million and \$1.6 million for the three months ended March 31, 2006 and 2005, respectively.

We recognized income tax expense of \$0.4 million and \$0.2 million for each of the three months ended March 31, 2006 and 2005.

The Company's net earnings were \$1.7 million, or \$0.08 per basic share, and \$1.0 million, or \$0.07 per basic share, for the three months ended March 31, 2006 and 2005, respectively.

The most significant impacts on reported earnings for the three months ended March 31, 2006 were:

- . An increase in interest income of \$0.2 million due to interest earned on the remaining proceeds from our \$50.0 million offering (\$46.2 million, net of issuance costs) of Austrian Depositary Certificates on the Vienna Stock Exchange in October 2005;
- . A decrease in interest expense of \$0.3 million, net of capitalized interest of \$0.6 million, due to a decrease in our average debt balance on our Womacks revolving credit facility and the previous renegotiation of debt at Caledon; and
- . An allocation of pre-opening losses of \$0.4 million to our minority interest partner on the Central City, Colorado project.

A discussion by business segment follows below.

**CRIPPLE CREEK, COLORADO**

Womacks' results of operations for the three months ended March 31, 2006 and 2005 are as follows:

<i>Amounts in thousands</i>	<b>For the three months ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Operating Revenue</b>		
Casino	\$ 4,271	\$ 4,472
Hotel, food and beverage	308	364
Other (net of promotional allowances)	(743)	(1,031)
Net operating revenue	<u>3,836</u>	<u>3,805</u>
<b>Costs and Expenses</b>		
Casino	1,417	1,624
Hotel, food and beverage	109	163
General and administrative	925	874
Depreciation	402	443
	<u>2,853</u>	<u>3,104</u>
Earnings from operations	983	701
Interest income	3	3
Interest (expense)	(215)	(27)
Interest expense on non-Cripple Creek debt allocated to Corporate and Other segment	121	36
Other (expense), net	-	(5)
Earnings before income taxes	892	708
Income tax expense	(339)	(269)
<b>Net Earnings</b>	<u>\$ 553</u>	<u>\$ 439</u>
<b>Adjusted EBITDA</b>	<u>\$ 1,385</u>	<u>\$ 1,139</u>

**Casino Market Data**

	<b>For the three months ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
Market share of the Cripple Creek gaming revenue	11.6%	12.8%
Average number of slot machines	585	637
Market share of Cripple Creek gaming devices	12.3%	13.4%
Average slot machine win per day	\$ 80	\$ 78
Cripple Creek average slot machine win per day	\$ 84	\$ 80

Management continues to focus on marketing the casino through its Gold Club, in which patrons can earn rewards that can be redeemed for discounted or free meals, rooms, or cash and other prizes. Womacks is one of the largest gaming facilities in Cripple Creek. Additionally, management continues to focus its efforts on customer service, including the introduction of more Ticket in/Ticket out (“TITO”) slot machines on the floor. As of March 31, 2006, approximately 59% of the floor has been converted to TITO compared to 31% at March 31, 2005.

Although casino revenue was 4.5% lower than during the same period last year, net operating revenue increased by 0.8% as a result of a reduction in the cost of complimentary. Womacks’ market share of gaming devices dropped by 8.3% as we eliminated poor performing slot machines. Gaming revenue in the Cripple Creek market as a whole was 4.5% higher than during the same period last year. Competition continues to be very strong in this particular market.

Management uses points and coupons to attract customers with the expectation of increasing gaming revenue, while monitoring and adjusting the programs as necessary. Based on management’s ongoing evaluation of the complimentary (“comp”) policies at the casino, other revenue (net of promotional allowances) for the three months ended March 31, 2006 was 17.4% of casino revenue compared to 23.1% in the same period last year. The primary reason for the relatively high percentage in the 2005 period was the redemption of an additional \$0.1 million in coupons in February 2005 that did not result in any significant increase in gaming revenue.

Casino expense decreased by 12.7%, or \$0.2 million. Approximately \$0.1 million of the reduction is related to decisions to reduce poor performing slot machines from the floor, resulting in decreases in the cost of device fees, gaming taxes, and participation fees. Because of the investment in new games in the last several years, the casino was able to reduce the cost of slot conversions or game replacements. The casino also reduced the cost of ineffective giveaways and is concentrating its efforts on customer service.

Womacks operated two restaurants, “Bob’s Grill” and the “Cut Above Buffet” in the first quarter of 2005, but has only operated “Bob’s Grill” since the third quarter of 2005. The casino made significant strides in bringing the cost structure of its food and beverage operations in line with expectations, seeing its combined margins improve to 64.6% for the three months ended March 31, 2006 from 55.2% in the 2005 period.

Depreciation expense continues to decrease, primarily the result of the reduced level of capital expenditures over the last year.

Interest expense is impacted by amounts advanced to the Corporate and Other segment to fund the Company’s acquisitions and repurchases of its common stock. We reduce the interest expense incurred by WMCK under our credit facility by the amount of interest allocated to the Corporate and Other segment. Whenever the advances to Corporate and Other exceed the outstanding borrowing, Womacks reports net negative interest expense.

Womacks’ effective tax rate has remained stable at approximately 38%.

**CALEDON, SOUTH AFRICA**

Operating results in U.S. dollars for the three months ended March 31, 2006 and 2005 were as follows:

<i>Amounts in thousands</i>	<b>For the three months ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Operating Revenue</b>		
Casino	\$ 4,070	\$ 3,978
Hotel, food and beverage	774	864
Other (net of promotional allowances)	(72)	(108)
Net operating revenue	<u>4,772</u>	<u>4,734</u>
<b>Costs and Expenses</b>		
Casino	1,467	1,461
Hotel, food and beverage	505	605
General and administrative	687	581
Depreciation	296	381
	<u>2,955</u>	<u>3,028</u>
Earnings from operations	1,817	1,706
Interest income	4	18
Interest expense	(204)	(177)
Other income, net	1	(10)
Earnings before income taxes	1,618	1,537
Income tax expense	(493)	(493)
<b>Net Earnings</b>	<u>\$ 1,125</u>	<u>\$ 1,044</u>
<b>Adjusted EBITDA</b>	<u>\$ 2,114</u>	<u>\$ 2,077</u>
<b>Average exchange rate (Rand/USD)</b>	<b>6.17</b>	<b>5.89</b>

Operating results in Rand for the three months ended March 31, 2006 and 2005 are as follows:

<i>Amounts in thousands</i>	<b>For the three months ended March 31,</b>	
	<u><b>2006</b></u>	<u><b>2005</b></u>
<b>Operating Revenue</b>		
Casino	R 25,102	R 23,431
Hotel, food and beverage	4,776	5,091
Other (net of promotional allowances)	(447)	(636)
Net operating revenue	<u>29,431</u>	<u>27,886</u>
<b>Costs and Expenses</b>		
Casino	9,029	8,612
Hotel, food and beverage	3,127	3,566
General and administrative	4,220	3,430
Depreciation	1,826	2,248
	<u>18,202</u>	<u>17,856</u>
Earnings from operations	11,229	10,030
Interest income	23	105
Interest expense	(1,260)	(1,098)
Other income, net	8	-
Earnings before income taxes	10,000	9,037
Income tax expense	(3,038)	(2,902)
<b>Net Earnings</b>	<u><b>R 6,962</b></u>	<u><b>R 6,135</b></u>
<b>Adjusted EBITDA</b>	<u><b>R 13,063</b></u>	<u><b>R 12,278</b></u>

**Casino Market Data (in Rand)**

	<b>For the three months ended March 31,</b>	
	<u><b>2006</b></u>	<u><b>2005</b></u>
Market share of the Western Cape gaming revenue	5.9%	6.0%
Market share of Western Cape gaming devices	12.7%	11.4%
Average number of slot machines	343	300
Average slot machine win per day	753 Rand	814 Rand
Average number of tables	8	9
Average table win per day	2,587 Rand	1,803 Rand

CCAL offers an array of amenities to guests of the resort as a complement to the gaming experience. The resort currently operates three restaurants, two bars, a conference facility and the "Outdoor Experience" (a team building facility). In addition to the casino license, hotel and spa, CCAL owns approximately 600 acres of land that we are in the process of subdividing. We intend to develop a 27 hole signature golf course estate on the transferred property with approximately 450 residential homes and to link the property to the existing nine-hole municipal golf course by adding another nine holes surrounded with resort housing elements.

Deterioration of the Rand versus the dollar has had a negative impact on the segment's year-to-date results reported in dollars. The results discussed below are based on the Rand to eliminate the effect of fluctuations in foreign currency exchange rates.

Casino revenue increased 7.1% from the first quarter of 2005 to the first quarter of 2006, a direct result of the increase in table win per day of 43.5% during the same period and an increase in the average number of slot machines by 14.3% over the same period. Casino expenses increased 4.8% from the first quarter of 2005 to the first quarter of 2006, a direct result of the growth in casino revenues.

Other operating revenue principally consists of promotional allowances and revenue generated from the resort's ancillary services. At the end of November 2005, Caledon revised its players' club program and reduced the life of points awarded under the new program to three months to encourage customers to utilize their benefits in a timely manner. In March 2006, the adjustment to the value of points under the new program after the initial three month period resulted in a decrease of approximately Rand 0.2 million in the liability for outstanding points and in the expense reported for the three months ended March 31, 2006.

The 0.4 million Rand reduction in hotel, food and beverage expenses results primarily from the timing of the Easter holiday and improved cost controls. The Easter holiday, typically one of the busier weekends of the year, occurred in the first quarter of 2005 and in the second quarter of 2006. This led to a decrease in our hotel occupancy rate from 54.4% for the first quarter of 2005 to 45.5% for the first quarter of 2006.

The 0.8 million Rand increase in Caledon's general and administrative expenses is primarily the result of outsourcing the security service contracts, continued maintenance expenditures and an increase in gaming and value added taxes.

Depreciation expense decreased 0.3 million Rand, primarily a result of computer equipment with a three year estimated life becoming fully depreciated by the end of 2005.

Interest expense for CCAL increased 14.8%, or 0.2 million Rand, due to an increase in the average debt balance for Caledon from 19.3 million Rand for the three months ended March 31, 2005 to 56.5 million Rand for the same period in 2006. In an effort to reduce overall interest charges to the casino and increase our borrowing capacity, Caledon paid off its existing loan with ABSA bank in July 2005 with proceeds from a new 60 million Rand term loan from Nedbank Limited. As a result of the transaction, Caledon was able to significantly lower its effective interest rate on the borrowings under term loan agreements from 17.6% for the three months ended March 31, 2005 to 9.0% for the three months ended March 31, 2006.

## CRUISE SHIPS

The Cruise Ships segment's operating results for the three months ended March 31, 2006 and 2005 were as follows:

<i>Amounts in thousands</i>	<b>For the three months ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Operating Revenue</b>		
Casino	\$ 804	\$ 601
Other (net of promotional allowances)	53	52
Net operating revenue	<u>857</u>	<u>653</u>
<b>Costs and Expenses</b>		
Casino	629	456
Depreciation	56	25
	<u>685</u>	<u>481</u>
Earnings from operations	172	172
Income tax expense	5	5
<b>Net Earnings</b>	<u>\$ 167</u>	<u>\$ 167</u>
<b>Adjusted EBITDA</b>	<u>\$ 228</u>	<u>\$ 197</u>

We experience fluctuations in the casino revenue generated on each cruise depending on the number and gaming quality of the players and passengers, and these fluctuations may be extreme. In addition, the cruise ships on which we conduct operations may be out of service from time to time for periodic maintenance or based on the operating schedule set by the cruise line. As a result, revenues in our cruise ship segment may fluctuate significantly from period to period.

Our right to operate the casino aboard the Silver Shadow, a cruise ship operated by Silversea Cruises, Ltd., terminated at the end of September 2005. On March 8, 2006, we received notification from Silversea Cruises Ltd. that our right to operate the casino aboard the Silver Whisper cruise ship will terminate as of July 2, 2006 and that our right to operate the casino aboard the Silver Wind cruise ship will terminate as of May 3, 2007. In addition, we also received notification from Silversea Cruises Ltd. purporting to terminate our right to operate the casino aboard the Silver Cloud cruise ship as of March 30, 2006; however, we believe the purported termination was untimely under the terms of our casino concession agreement with Silversea Cruises, Ltd., resulting in a five year extension of the agreement as to the Silver Cloud. In April 2006, Silversea Cruises, Ltd. commenced an arbitration proceeding with the International Chamber of Commerce International Court of Arbitration seeking to terminate the concession agreement as to the Silver Cloud. We have filed an answer denying that the agreement as to the Silver Cloud was terminated and seeking to confirm that we have right to a five-year extension of the agreement. We have also filed a counterclaim seeking damages arising from the wrongful termination of the concession agreement. We intend to continue operation of our casino aboard the Silver Cloud pending resolution of the arbitration.

Cruise ship revenue increased 33.8% for the three months ended March 31, 2006 as compared to the same period in 2005. For both periods, we operated casinos on a total of seven ships. The Nautica, which was not in operation during the first quarter of 2005, contributed \$0.2 million of total operating revenue for the first quarter of 2006. The Silver Shadow, on which the Company no longer operates a casino, contributed less than \$0.1 million of total operating revenue for the first quarter of 2005.

Concession fees paid to the ship operators in accordance with the agreements accounted for \$0.4 million and \$0.3 million of the total casino expenses incurred for the three months ended March 31, 2006 and 2005, respectively. Staff costs, which include the transportation costs to rotate personnel to and from the ships, have remained relatively stable in relation to the casino revenues generated.

**CORPORATE AND OTHER**

<i>Amounts in thousands</i>	<b>For the three months ended March 31,</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Operating Revenue</b>		
Other	8	36
Net operating revenue	<u>8</u>	<u>36</u>
<b>Costs and Expenses</b>		
General and administrative	1,216	935
Property write-down and other write-offs, net of recoveries	7	(30)
Depreciation	12	3
	<u>1,235</u>	<u>908</u>
Loss from unconsolidated subsidiary	-	(97)
Loss from operations	(1,227)	(969)
Interest income	265	24
Interest (expense), net	306	(257)
Other income (expense), net	62	(1)
Non-operating items from unconsolidated subsidiary	-	(1)
Loss before income taxes and minority interest	(594)	(1,204)
Income tax benefit	473	611
Minority interest	(45)	(19)
<b>Net Loss</b>	<u>\$ (166)</u>	<u>\$ (612)</u>
<b>Adjusted EBITDA</b>	<u>\$ (1,153)</u>	<u>\$ (968)</u>

Revenue in the Corporate and Other segment includes fees paid by Casino Millennium under a technical services agreement. All management fees among consolidated subsidiaries are eliminated in the presentation of results.

General and administrative expenses have increased largely due to costs associated with increases in corporate staffing, costs associated with Sarbanes-Oxley Act compliance and increased audit costs when comparing the first quarter of 2006 to the first quarter of 2005. Beginning in the second half of 2005, we increased our staffing levels in advance of our projects in Central City, Colorado and Edmonton, Alberta, Canada in order to effectively integrate these operations into our corporate structure. In total, general and administrative expenses increased by \$0.3 million for the first quarter of 2006 compared to the first quarter of 2005. As a result of additional staffing, compensation costs increased by \$0.2 million for the three month period ended March 31, 2006 compared to the same period in 2005.

During the three month period ended March 31, 2006, our provision for audit fees increased by \$0.1 million compared to the same period in the prior year, during which a substantial portion of the audit fees were incurred in the later part of the year.

The increase in depreciation is primarily the result of capital expenditures related to establishing regional offices in Vienna, Austria and in Cape Town, South Africa so that we can effectively manage our new projects and react to new opportunities.

The significant increase in interest income for this segment is directly related to the cash reserves we have accumulated resulting from an equity offering we completed in October 2005 and the cash flows generated by our operations.

The net negative interest expense in the Corporate and Other segment resulted from the elimination of the interest on intercompany debt that is used to finance construction projects in Central City, Colorado and Edmonton, Alberta, Canada. The interest charged to these segments capitalized as part of the construction cost does not appear as interest expense. Caledon's loan with Nedbank is the primary source of debt that is funding the intercompany loans.

The Corporate and Other segment includes earnings and losses sustained by multiple companies taxed at their respective country's rates. The mix of earnings and losses impacts the effective rate reported in the segment.

#### **CENTRAL CITY, COLORADO**

We are developing a casino and hotel project in Central City, Colorado. The \$48.7 million development includes a 66,000 square foot casino and back of house with 625 slot machines, six table games, 27 hotel rooms, retail, food and beverage amenities and a 500 space on-site covered parking garage. Century Casinos Management, Inc. has entered into a long-term agreement to manage the facility. On April 20, 2006, the Colorado Division of Gaming approved the issuance of our license for the Central City casino. Our current expectation is that we will complete the construction of and open the casino during the third quarter of 2006.

For the three months ended March 31, 2006 and 2005, we incurred approximately \$0.4 million and less than \$0.1 million in pre-opening expenses, respectively, of which the entire amounts have been allocated to the minority partner in the project by agreement.

#### **EDMONTON, ALBERTA, CANADA**

We are developing a casino and hotel project in Edmonton, Alberta, Canada. The project is expected to include a casino with 600 gaming machines, 31 gaming tables, food and beverage amenities, a dinner theater, a 300 space underground parking facility, approximately 600 surface parking spaces and a 26-room hotel. We expect the project to cost approximately \$30.4 million (\$35.8 million Canadian). Our current expectation is that we will complete the construction of and open the casino during the fourth quarter of 2006. Upon completion of construction, CRA expects to receive its gaming license from the Alberta Gaming and Liquor Commission ("AGLC"). On December 17, 2004, the AGLC granted approval to begin construction of the casino property. As is customary, the issuance of the license does not occur until completion of construction and after all federal and provincial legislation, regulation and policies, and municipal requirements, permits, licenses and/or authorizations have been met. The Company has entered into a long-term agreement to manage the facility.

For the three months ended March 31, 2006 and 2005, we incurred less than \$0.1 million in pre-opening expenses in each period.

## LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents totaled \$28.4 million at March 31, 2006, and the Company had working capital (current assets minus current liabilities) of \$24.3 million. In October 2005, under an existing shelf registration, we issued 7,132,667 shares of common stock, in the form of Austrian Depository Certificates, through our underwriter, to retail and institutional investors in the Republic of Austria and in a private placement to institutional investors in Europe outside of the Republic of Austria. Net proceeds from this issuance were approximately \$46.2 million. A total of \$23.6 million of the proceeds has been used to repay outstanding debt and fund the construction of our Edmonton project. We plan to use the remaining proceeds from this issuance to make investments in additional gaming projects and for working capital and other general corporate purposes.

Additional liquidity at Womacks may be provided by the Company's revolving credit facility with Wells Fargo Bank, under which the Company had an original commitment of \$26 million (currently \$19.7 million net of quarterly reductions) and unused borrowing capacity of approximately \$14.0 million at March 31, 2006. The maturity date of the borrowing commitment is August 2007. The available balance was reduced by \$0.6 million on April 1, 2006, and will be further reduced by \$0.7 million at the beginning of each quarter beginning July 1, 2006 until maturity in August 2007. Borrowings under the credit facility may be used for capital expenditures and working capital at Cripple Creek and corporate headquarters. Womacks is also permitted to make cash distributions to the Company up to the amount of the Company's capital contributions (currently \$9.4 million).

On November 21, 2005, CC Tollgate, LLC ("CTL") entered into a \$35 million loan agreement with Wells Fargo Bank and a syndicate of institutional lenders. The loan agreement consists of a \$32.5 million construction loan and a \$2.5 million revolving line of credit ("CC Revolver"). The \$32.5 million construction loan will convert to a 60-month term loan on the earlier of the 12 month anniversary of the closing of the loan or at such time as the Central City casino has been opened to the public. The \$32.5 million construction loan and the CC Revolver will both mature on the fifth anniversary of conversion of the construction loan. The amount outstanding under the term loan is subject to quarterly reductions, beginning at \$0.6 million for the first full quarter following the conversion date of the loan, increasing to \$1.1 million on the 17<sup>th</sup> full quarter from the conversion date of the loan, until maturity. Availability under the line of credit will be conditional upon CTL being in compliance with all of the financial and other covenants contained in the loan agreement at the time of a particular drawdown, and our continued ability to make certain representations and warranties. We are required to enter into an interest rate hedge for at least 75% of the outstanding loan amount on the conversion date, ending on the maturity date of the loan. As of March 31, 2006, the principal balance outstanding under the loan agreement is \$14.0 million.

On September 23, 2005, through our subsidiary CRA, we agreed to terms with Canadian Western Bank for a \$17.1 million (\$20 million Canadian) credit facility for the development of the Century Casino and Hotel in Edmonton, Alberta, Canada. The facility is initially structured as a construction loan maturing within the earlier of 18 months or upon receipt of a certified architectural completion certificate, certificate of occupancy and casino license. Upon maturity of the construction loan, Canadian Western Bank will issue a term loan to CRA, maturing within one to five years at the election of CRA. The loan facility is secured by the assets of CRA and guaranteed by the Company. The credit facility is subject to certain closing conditions, one of which includes a total equity requirement of \$12.8 million (\$14.9 million Canadian). As of March 31, 2006, an additional \$2.0 million (\$2.3 million Canadian) must be provided before we can draw on the construction loan. The Company expects this requirement to be met from funds currently on hand.

For the three months ended March 31, 2006, cash provided by operating activities was \$6.4 million compared with \$0.9 million provided by operating activities in the prior-year period. For a description of the operating activities of the Company, please refer to the condensed consolidated statements of cash flows and management's discussion of the results of operations by segment.

Cash used in investing activities of \$25.6 million for the first three months of 2006 consisted of a \$5.1 million buyout of our minority partner in CRA; \$0.1 million in property and equipment additions at Womacks; \$0.9 million in property improvements at Caledon, South Africa; \$0.1 million in additions to our corporate office in Vienna, Austria; \$0.2 million in expenditures to upgrade some of the cruise ships with new gaming equipment; \$8.2 million towards construction in Central City, Colorado; and \$4.5 million in additional expenditures towards construction on the property in Edmonton, Alberta, Canada. In addition, we deposited \$6.6 million of cash towards our purchase of a property in Newcastle, South Africa. Cash used in investing activities of \$2.3 million for the first three months of 2005 consisted of a \$2.4 million contribution by us towards our investment in CRA, less \$1.7 million in net cash acquired; \$0.3 million in property and equipment additions at Womacks; \$0.5 million in capital additions at Caledon, South Africa; \$0.2 million in expenditures to upgrade some of the cruise ships with ticket-out slot machines and other gaming equipment; \$0.2 million towards construction in Central City, Colorado; and \$0.3 million in additional expenditures towards construction on the property in Edmonton, Alberta, Canada.

Cash provided by financing activities of \$9.7 million for the first three months of 2006 consisted of borrowings of \$5.0 million under the Tollgate construction loan and net borrowings of \$5.2 million under the Womacks revolving credit facility with Wells Fargo. These inflows of cash were offset by repayments of \$0.6 million towards our Caledon loan agreement with Nedbank Limited. Cash provided by financing activities of \$0.5 million for the first three months of 2005 consisted of net borrowings of \$1.2 million under the Womacks revolving credit facility with Wells Fargo, net repayments of \$0.5 million under the prior Caledon loan agreement with ABSA Bank and an increase of \$0.2 million in restricted cash.

Our Board of Directors has approved a discretionary program to repurchase up to \$5 million of the Company's outstanding common stock. We have not purchased any shares of common stock on the open market in 2005 or 2006. Since the inception of the program through March 31, 2006, we have repurchased 2,559,004 shares of its common stock at a total cost of approximately \$3.8 million.

The primary source of our future operating cash flows will be from gaming operations. We will continue to rely on revolving lines of credit and term loans with commercial banks or other debt instruments to supplement our working capital and investing requirements. We believe that our cash at March 31, 2006, together with expected cash flows from operations and borrowing capacity under the various credit facilities, will be sufficient to fund our anticipated operating costs and capital expenditures at existing properties and to satisfy our current debt repayment obligations. We will continue to evaluate our planned capital expenditures at each of our existing locations in light of the operating performance of the facilities at such locations. From time to time we expect to have cash needs for the development of new properties that exceed our current borrowing capacity and we may be required to seek additional financing in the debt or equity markets. We may be unable to obtain additional debt or equity financing on acceptable terms. As a result, limitations on our capital resources could delay or cause us to abandon certain plans for the development of new properties.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

We had no significant changes in its exposure to market risks from that previously reported in our Annual Report on Form 10-K for the year ended December 31, 2005.

### **Item 4. CONTROLS AND PROCEDURES**

*Evaluation of Disclosure Controls and Procedures* - Our management, with the participation of our Co Chief Executive Officers, Senior Vice President and Chief Accounting Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based on such evaluation, our principal executive officers and principal financial officer have concluded that as of such date, our disclosure controls and procedures were designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable Securities and Exchange Commission rules and forms and were effective.

*Changes in Internal Control Over Financial Reporting* - There has been no change in our internal controls over financial reporting (as such term is defined in Rules 13a-15(e) and 15(d)-15(e) under the Exchange Act) during the first quarter of 2006 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. - Legal Proceedings

We are not a party to, nor are we aware of, any pending or threatened litigation which, in our management's opinion, could have a material adverse effect on our financial position or results of operations.

### Item 1A. - Risk Factors

The information presented below updates and should be read in conjunction with the Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2005. In addition to the other information set forth in the Form 10-K and this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2005, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results.

#### *The U.S. Internal Revenue Service or other taxing authorities may assert that we owe additional taxes.*

As of the date we filed our Annual Report on Form 10-K for the year ended December 31, 2005, the U.S. Internal Revenue Service ("IRS") was in the process of conducting an examination of our U.S. federal income tax returns for the year ended December 31, 2003. The IRS has now completed its examination, and we have entered into a settlement for an amount that does not exceed amounts accrued. Our Company's Return of Income: Company and Close Corporation filed for South Africa for 2000 and 2001 is being audited by the South African Revenue Service. We do not expect any settlement that might result from this audit to be materially in excess of amounts accrued. We may also be examined by the IRS or the South African Revenue Service regarding other tax years or by tax authorities in other jurisdictions in which we operate. In the event the IRS or other taxing authorities determine that we have not paid the proper amount of income taxes, we may be required to pay additional taxes as well as interest, penalties, and fees. Payment of any such amounts could have a material adverse effect on our results of operations during the period in which we make the payments.

**Item 6. - Exhibits**

(a) Exhibits - The following exhibits are filed herewith:

- 10.170 Sale of Shares Agreement, entered into as of October 18, 2005, between Chicory Investments (Proprietary) Limited, Dynamo Investments Limited, Harvest Moon Investment Holdings (Proprietary) Limited, Izulu Gaming (Proprietary) Limited, Khulani Holdings Limited, Libalele Leisure (Proprietary) Limited, Malesela Gaming (Proprietary) Limited, Oakland Leisure Investments (Newcastle) (Proprietary) Limited, Purple Rain Properties No 62 (Proprietary) Limited, Ruvuma Investment (Proprietary) Limited, Saphila Investments (Proprietary) Limited, Viva Leisure Investment Holdings (Proprietary) Limited, The Viva Trust and Century Casinos Africa (Proprietary) Limited.
  
- 31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Chairman of the Board and Co Chief Executive Officer.
- 31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Vice Chairman, Co Chief Executive Officer and President.
- 31.3 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Senior Vice President.
- 31.4 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Chief Accounting Officer.
- 32.1 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Chairman of the Board and Co Chief Executive Officer.
- 32.2 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Vice Chairman, Co Chief Executive Officer and President.
- 32.3 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Senior Vice President.
- 32.4 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Chief Accounting Officer.

**SIGNATURES:**

Pursuant to the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CENTURY CASINOS, INC.

/s/ Larry Hannappel

Larry Hannappel

Senior Vice President (Principal Financial Officer)

Date: May 9, 2006

**CENTURY CASINOS, INC.**  
**INDEX TO EXHIBITS**

<b><u>Exhibit No.</u></b>	<b><u>Document</u></b>
<a href="#"><u>10.170</u></a>	Sale of Shares Agreement, entered into as of October 18, 2005, between Chicory Investments (Proprietary) Limited, Dynamo Investments Limited, Harvest Moon Investment Holdings (Proprietary) Limited, Izulu Gaming (Proprietary) Limited, Khulani Holdings Limited, Libalele Leisure (Proprietary) Limited, Malesela Gaming (Proprietary) Limited, Oakland Leisure Investments (Newcastle) (Proprietary) Limited, Purple Rain Properties No 62 (Proprietary) Limited, Ruvuma Investment (Proprietary) Limited, Saphila Investments (Proprietary) Limited, Viva Leisure Investment Holdings (Proprietary) Limited, The Viva Trust and Century Casinos Africa (Proprietary) Limited.
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**SALE OF SHARES AGREEMENT**

between

**CHICORY INVESTMENTS (PROPRIETARY) LIMITED**

**DYNAMO INVESTMENTS LIMITED**

**HARVEST MOON INVESTMENT HOLDINGS (PROPRIETARY) LIMITED**

**IZULU GAMING (PROPRIETARY) LIMITED**

**KHULANI HOLDINGS LIMITED**

**LIBALELE LEISURE (PROPRIETARY) LIMITED**

**MALESELA GAMING (PROPRIETARY) LIMITED**

**OAKLAND LEISURE INVESTMENTS (NEWCASTLE) (PROPRIETARY) LIMITED**

**PURPLE RAIN PROPERTIES NO 62 (PROPRIETARY) LIMITED**

**RUVUMA INVESTMENT (PROPRIETARY) LIMITED**

**SAPHILA INVESTMENTS (PROPRIETARY) LIMITED**

**VIVA LEISURE INVESTMENT HOLDINGS (PROPRIETARY) LIMITED**

**THE VIVA TRUST**

and

**CENTURY CASINOS AFRICA (PROPRIETARY) LIMITED**

1. DEFINITIONS AND INTERPRETATION

1.1. In this Agreement, unless clearly inconsistent with or otherwise indicated by the context -

1.1.1. “the / this Agreement” means the agreement set out in this document and the appendices (if any) hereto;

1.1.2. “Business Day” means any day other than a Saturday, Sunday or statutory public holiday in the Republic of South Africa;

1.1.3. “the BEE Act” means the Broad-Based Black Economic Empowerment Act, No. 53 of 2003;

1.1.4. “the Closing Date” means the date upon which all conditions upon which the closing of the sale of the Sold Shares is dependant, are either fulfilled or, to the extent that such conditions may be waived, are waived, or such later or other date as may be agreed in writing between the Parties;

1.1.5. “the Company” means Balele Leisure (Proprietary) Limited, Registration No. 1998/002723/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of the Republic of South Africa;

1.1.6. “the Companies Act” means the Companies Act, No. 61 of 1973, as amended;

- 1.1.7. “the Competition Act” means the Competition Act, No. 89 of 1998;
- 1.1.8. “the Closing Date Financial Statements” means the financial statements of the Company for the period from 1 March 2005 to the Closing Date which the Sellers shall be required to deliver to the Purchaser in accordance with the provisions of clause 10.1 hereof;
- 1.1.9. “Erf 6350 Newcastle” means Erf 6350 Newcastle (Extension No. 34), registration division HS in the Newcastle Transitional Local Council Area, Province of Kwazulu Natal, measuring 28,9284 hectares, held by the Company under deed of transfer no. T1149/99;
- 1.1.10. “the Existing Shareholders’ Agreement” means the shareholders’ agreement entered into between the members of the Company prior to the Signature Date and effective as between the members of the Company as at the Signature Date;
- 1.1.11. “the 2005 Financial Statements” means the audited annual financial statements of the Company for the financial year of the Company which ended on 28 February 2005 as approved by the directors of the Company;
- 1.1.12. “the Income Tax Act” means the Income Tax Act, No. 58 of 1962;
- 1.1.13. “Newcastle” means Newcastle Hotel and Property Development (Proprietary) Limited, Registration No. 2001/000346/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of the Republic of South Africa;
- 1.1.14. “the New Shareholders’ Agreement” means the agreement referred to in clause 6.2.2 hereof to be signed between the members of the Company;
- 1.1.15. “the Parties” means the Purchaser and the Sellers collectively and “Party” shall mean either the Purchaser or, collectively, the Sellers, as the context may indicate or require;

- 1.1.16. “the Permanent Casino” means the new casino which the Company plans to construct as soon as reasonably possible in the future on the land more fully described as “the proposed subdivision of Erf 15450 Newcastle which is in the process of being subdivided and which shall be in extent +- 25 (twenty-five) hectare” which Newcastle is in the process of acquiring from the Newcastle Municipality and which will thereafter be acquired by the Company from Newcastle as provided in clause 6.2.8 hereof;
- 1.1.17. “Polo Grill” means Polo Grill Casino Limited, a company incorporated in Zambia with registration number 51418 of which Winlen owns 25% (twenty-five percent) of the issued share capital;
- 1.1.18. “the Purchaser” means Century Casinos Africa (Proprietary) Limited, Registration No. 1996/010501/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of the Republic of South Africa;
- 1.1.19. “the Purchaser’s Attorneys” means Bowman Gilfillan Attorneys, of SA Reserve Bank Building, 60 St George’s Mall, Cape Town, 8001;
- 1.1.20. “the Purchase Price” means the purchase price referred to in clause 3 hereof;
- 1.1.21. “the Sellers” means Chicory Investments (Proprietary) Limited, Registration No. 1985/000896/07, Dynamo Investments Limited, Registration No. 1995/004006/06, Harvest Moon Investment Holdings (Proprietary) Limited, Registration No. 1998/010314/07, Izulu Gaming (Proprietary) Limited, Registration No. 1998/008061/07, Khulani Holdings Limited, Registration No. 1979/006828/06, Libalele Leisure (Proprietary) Limited, Registration No. 1998/011953/07, Malesela Gaming (Proprietary) Limited, Registration No. 1998/018625/07, Oakland Leisure Investments (Newcastle) (Proprietary) Limited, Registration No. 1997/009965/07, Purple Rain Properties No 62 (Proprietary) Limited, Registration No. 1997/020100/07, Ruvuma Investment (Proprietary) Limited, Registration No. 1997/016346/07, Saphila Investments (Proprietary) Limited, Registration No. 1998/011294/07, , Viva Leisure Investment Holdings (Proprietary) Limited, Registration No. 1997/015979/07, and The Viva Trust No. IT 954/1991;

1.1.22. “the Sellers’ Attorneys” means Franke & Associates, 16 Old Main Road, Gillitts, 3603;

1.1.23. “the Signature Date” means the date on which the Party which signs this Agreement last in time, so signs;

1.1.24. “the Sold Shares” means:

1.1.24.1. 763 ordinary R1,00 (one rand) par value shares in the Company owned by Chicory Investments (Proprietary) Limited;

1.1.24.2. 3,824 ordinary R1,00 (one rand) par value shares in the Company owned by Dynamo Investments Limited;

1.1.24.3. 1,057 ordinary R1,00 (one rand) par value shares in the Company owned by Harvest Moon Investment Holdings (Proprietary) Limited;

1.1.24.4. 6,949 ordinary R1,00 (one rand) par value shares in the Company owned by Izulu Gaming (Proprietary) Limited;

1.1.24.5. 5,903 ordinary R1,00 (one rand) par value shares in the Company owned by Khulani Holdings Limited;

1.1.24.6. 760 ordinary R1,00 (one rand) par value shares in the Company owned by Libalele Leisure (Proprietary) Limited;

1.1.24.7. 540 ordinary R1,00 (one rand) par value shares in the Company owned by Malesela Gaming (Proprietary) Limited;

1.1.24.8. 1,436 ordinary R1,00 (one rand) par value shares in the Company owned by Oakland Leisure (Newcastle) (Proprietary) Limited;

1.1.24.9. 764 ordinary R1,00 (one rand) par value shares in the Company owned by Purple Rain Properties No 62 (Proprietary) Limited;

- 1.1.24.10. 413 ordinary R1,00 (one rand) par value shares in the Company owned by Ruvuma Investment (Proprietary) Limited;
- 1.1.24.11. 3,928 ordinary R1,00 (one rand) par value shares in the Company owned by Saphila Investments (Proprietary) Limited;
- 1.1.24.12. 6,080 ordinary R1,00 (one rand) par value shares in the Company owned by Viva Leisure Investment Holdings (Proprietary) Limited;
- 1.1.24.13. 1,571 ordinary R1,00 (one rand) par value shares in the Company owned by The Viva Trust,

representing in total approximately, but not less than, 60% (sixty percent) of the issued share capital of the Company as at the Signature Date;

1.1.25. "the Temporary Casino" means the casino situated at Erf 6350 Newcastle from which the Company has conducted the business of a casino operator in the past;

1.1.26. "the VAT Act" means the Value-Added Tax Act, No. 89 of 1991;

1.1.27. "Winlen" means Winlen Casino Operators (Proprietary) Limited, Registration No. 2000/029023/07, a private company duly registered and incorporated with limited liability in accordance with the company laws of the Republic of South Africa.

1.2. In this Agreement, unless clearly inconsistent with or otherwise indicated by the context:

1.2.1. any reference to any act of Parliament or other statutory provision shall be deemed to mean a reference to such provision inclusive of any modification, extension, substitution or re-enactment thereof, in which event the relevant provisions of this Agreement affected by such modification, extension, substitution or re-enactment, shall be deemed to have been amended, *mutatis mutandis*;

1.2.2. any reference to the singular includes the plural and *vice versa*;

1.2.3. any reference to natural persons includes legal persons and *vice versa*; and

1.2.4. any reference to a gender includes the other genders.

1.3. The use of the word “including” followed by a specific example or examples shall not be construed or interpreted as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording and/or such specific example or examples.

1.4. The clause headings in this Agreement have been inserted for convenience only and shall not be taken into account in the interpretation of this Agreement.

1.5. All appendices (if any), schedules or like documents attached to this Agreement shall form part, or be deemed to form part, of this Agreement, for all purposes *mutatis mutandis* as if incorporated into the body of this Agreement.

1.6. This Agreement shall be governed by and construed and interpreted in accordance with the law of the Republic of South Africa.

## 2. SALE

The Sellers hereby sell to the Purchaser and the Purchaser purchases the Sold Shares free from all liens, charges and encumbrances.

## 3. THE PURCHASE PRICE

The purchase price payable by the Purchaser for the Sold Shares shall be the sum of R57 500 000.00 (fifty-seven million five hundred thousand rand) or, in the event of the gross gaming revenue of the Permanent Casino exceeding R95 000 000.00 (ninety-five million rand) in the first 12 (twelve) months following the date of commencement of trading operations of the Permanent Casino, an amount of R60 000 000.00 (sixty million rand) less an amount equal to the amount (if any) payable by the Company to South African Revenue Service upon resolution of the dispute with South African Revenue Service referred to in paragraph 33 of Annexure “A” hereto.

#### 4. PAYMENT

Payment of the purchase price shall be made by the Purchaser to the Sellers by way of payment to the Sellers' Attorneys who are hereby duly authorised to receive and accept payment on behalf of the Sellers as follows:

- 4.1. on the Closing Date and against fulfillment by the Sellers of the Sellers' obligations in terms of clause 5 hereof, of the sum of R40 500 000.00 (forty million five hundred thousand rand);
- 4.2. on the first day of the eighteenth month immediately succeeding the due date for payment of the sum of R40 500 000.00 (forty million five hundred thousand rand) in accordance with the provisions of clause 4.1 hereof of the sum of R17 000 000.00 (seventeen million rand) less any amount payable by the Sellers to the Purchaser by reason of the Sellers breaching any warranties, undertakings and representations of the Sellers and in particular paragraph 60 of annexure "A" provided that until such time as the dispute with SARS referred to in paragraph 33 of Annexure "A" has been resolved, the Purchaser shall be entitled to withhold payment from the amount payable in terms of clause 4.2 hereof, of an amount equal to the amount in dispute and, when the dispute is finally resolved, of an amount equal to the amount (if any) found to be payable by the Company to SARS thereby reducing the purchase price as provided in clause 3 hereof;
- 4.3. if the gross gaming revenue of the Permanent Casino exceeds R95 000 000.00 (ninety-five million rand) in the first 12 (twelve) months following the date of commencement of trading operations of the Permanent Casino, thereby increasing the purchase price payable for the Sold Shares by an amount of R2 500 000.00 (two million five hundred thousand rand) as provided in clause 3 hereof, of the sum of R2 500 000.00 (two million five hundred thousand rand) as soon as it is determined from the monthly management accounts of the Company that the gross gaming revenue of the Company in the first 12 (twelve) months of operation of the Permanent Casino exceeded R95 000 000.00 (ninety-five million rand).

5. DELIVERY

On the Closing Date the Sellers shall deliver to the Purchaser:

- 5.1. the share certificates in respect of the Sold Shares with share transfer forms relating thereto duly signed by the Sellers as transferor, currently dated, and reflecting the Purchaser as the transferee;
- 5.2. the actual or a certified true copy of a resolution passed by the directors of the Company:
  - 5.2.1. approving the transfer of the Sold Shares to the Purchaser;
  - 5.2.2. appointing the nominees of the Purchaser as directors of the Company;
- 5.3. should the sale to the Purchaser of the Shares in the Company sold to the Purchaser in terms of this Agreement constitute the whole or the greater part of the assets of one of the Sellers, the actual or a certified true copy of a resolution passed by the members of that Seller at a general meeting approving the sale of the relevant Shares in Balele as required in terms of section 228 of the Companies Act;
- 5.4. the written and signed resignation of such number of the directors of the Company appointed prior to the Closing Date as exceeds the number of directors of the Company which the Sellers are entitled to appoint in accordance with the terms of this Agreement and the New Shareholders' Agreement.

6. CONDITIONS PRECEDENT

- 6.1. This Agreement, save for the provisions of clauses 1, 8, 16, 20, 21 and 22, which shall be of immediate force and effect and remain binding on the Parties, shall be subject to and conditional upon fulfillment of the conditions precedent referred to in clauses 6.2 and 6.3 by the dates therein set forth and of all conditions precedent by not later than 1 April 2006, provided that all such dates may be extended to such later dates as the Parties may agree in writing.
- 6.2. Simultaneously with signature of this agreement, but in any event not later than the Closing Date:

- 6.2.1. the transfer to Winlen of beneficial ownership of all the issued shares in the Company not purchased by the Purchaser and the recordal in the share register of the Company of Winlen as the registered owner of such shares representing approximately, but not more than, 40% (forty percent) of the issued share capital of the Company;
- 6.2.2. signature of the New Shareholders' Agreement by the Purchaser and Winlen after the sale of the Sold Shares to the Purchaser as contemplated in this Agreement and the transfer to Winlen as contemplated in 6.2.1 of all issued shares in the Company not purchased by the Purchaser;
- 6.2.3. the cancellation, without payment of any consideration or damages as compensation for such cancellation of the existing management agreement between the Company and Winlen and the conclusion between the Company and the Purchaser, or any nominee of the Purchaser which is a subsidiary of Century Casinos Inc, of a management agreement providing for the appointment of such nominee of Century Casinos Inc to manage with effect from the Closing Date the business operations of the Company for a management fee payable monthly of 3.75% (three comma seven five percent) of the total gross revenues (excluding VAT and other taxes) of the Company, plus 7.5% (seven comma five percent) of the earnings of the Company before interest, taxation, depreciation and amortization, and for such management agreement to remain in force indefinitely while the Purchaser owns shares in the Company and to be subject to notice of termination by the manager, at the manager's sole discretion, on not less than 6 (six) months written notice;
- 6.2.4. the conclusion between the Company and Mr Vathasallum Reddy of an agreement on terms acceptable to them and the Purchaser appointing Mr Vathasallum Reddy as a development consultant for the construction of the Permanent Casino;
- 6.2.5. the conclusion between the Company and the Purchaser of a development management agreement on terms acceptable to them appointing the Purchaser as development manager for the construction of the Permanent Casino;

6.2.6. the conclusion between the Company and Winlen, of an agreement providing:

6.2.6.1. for payment by the Company to Winlen monthly of a fee equal to 1.25% (one comma two five percent) of the total revenues of the Company plus 2.5% (two comma five percent) of the earnings of the Company before interest, taxation, depreciation and amortization for assisting the manager appointed in terms of clause 6.2.3 hereof in the management of the business operations of the Company;

6.2.6.2. for such agreement to remain in force indefinitely while Winlen owns shares in the Company, provided that should the black empowerment status of Winlen at any time after the Signature Date reduce below the level as at the Signature Date, the agreement shall immediately and automatically terminate.;

6.2.6.3. that should the percentage of the issued shares of the Company owned by Winlen reduce below 40% (forty percent), the fees respectively of 1.25% (one comma two five percent) and 2.5% (two comma five percent) shall be reduced pro rata by multiplying the amount of the fees representing 1.25% (one comma two five percent) and 2.5% (two comma five percent) by the fraction  $\frac{x}{100}$  where "x" equals the percentage of the total issued shares of the Company owned by Winlen.

6.2.7. the Company divesting itself of the Company's interest in Winlen and Polo Grill;

6.2.8. the conclusion between Newcastle and the Company of an agreement of sale for the sale by Newcastle to the Company for the sum of R375 000.00 (three hundred and seventy-five thousand rand) of the land described in clause 1.1.16 hereof providing for transfer of the said land to be effected into the name of the Company as soon as reasonably possible.

- 6.3. By not later than 2 (two) weeks after signature of this Agreement on behalf of the Purchaser the approval of this Agreement and the New Shareholders' Agreement by the board of directors of the Purchaser.
- 6.4. The approval by the Purchaser of the development plans and specifications and budget for the layout and construction of the Permanent Casino.
- 6.5. The approval of all elements of this Agreement by all relevant regulatory or other competent authorities including (but not limited to) the SA Reserve Bank, the KwaZulu-Natal Gambling Board and the Liquor Board having jurisdiction over the Company's casino operations and liquor licences, local, provincial and municipal authorities or any other authorities.
- 6.6. It is recorded:
- 6.6.1. that the requirement that the conditions referred to:
- 6.6.1.1. in clauses 6.2.2, 6.2.8 and 6.5 hereof be fulfilled is for the benefit of both the Purchaser and the Sellers and shall not be capable of waiver by either or both of the Purchaser and the Sellers;
- 6.6.1.2. in clauses 6.2.1, 6.2.3, 6.2.5, 6.2.7, 6.3 and 6.4 hereof be fulfilled is for the benefit of the Purchaser and may be waived in writing by the Purchaser;
- 6.6.1.3. in clauses 6.2.4 and 6.2.6 hereof be fulfilled is for the benefit of the Sellers and may be waived in writing by the Sellers.
- 6.6.2. that the Purchaser and the Sellers are of the opinion that the sale of the Sold Shares by the Sellers to the Purchaser does not qualify as a transaction which requires notification to the Competition Commission and that it is for this reason that the Sellers and the Purchaser have resolved not to notify the transaction to the Competition Commission.

## 7. RISK

All risk attaching to and benefit flowing from ownership of the Sold Shares shall pass, or be deemed to have passed, from the Sellers to the Purchaser as from the Closing Date.

## 8. JOINT AND SEVERAL LIABILITY

The Sellers shall each be jointly and severally liable *in solidum* for fulfillment of the obligations of each of the Sellers to the Purchaser in terms of this Agreement.

## 9. SECURITY

- 9.1. As security for payment by the Purchaser to the Sellers of the purchase price as provided in clause 4 hereof, the Purchaser shall pledge to the Sellers in *securitatem debiti* so many of the shares issued by the Company to the Purchaser following the purchase by the Purchaser and transfer to the Purchaser of the Sold Shares as is equal to 25% (twenty-five percent) of the issued share capital of the Company immediately after the Closing Date.
- 9.2. In pursuance of the Purchaser's obligations in terms of clause 9.1 hereof, as soon as the shares in the Company to which the Purchaser shall be entitled have been issued to the Purchaser after the transfer to the Purchaser of the Sold Shares, the Purchaser shall deposit with the Purchaser's Attorneys by way of a pledge *in securitatem debiti* the original share certificates in respect of shares representing 25% (twenty-five percent) of the issued share capital of the Company immediately after the Closing Date and a securities transfer form or forms signed by the Purchaser as transferor, undated and blank as to the name of the transferee.
- 9.3. Upon whichever is the earlier of payment by the Purchaser to the Sellers on account of the purchase price of an amount in excess of R50 000 000.00 (fifty million rand) or the date or deemed date of breach by the Sellers of any warranties, undertakings or representations of the Sellers and in particular paragraph 60 of annexure "A", all of the share certificates pledged as provided in terms of clause 9.2 hereof shall be released from pledge and returned to the Purchaser.

9.4. For the avoidance of doubt, unless and until the Purchaser should fail to make payment to the Sellers of the amount payable to the Sellers in terms of clause 4.2 hereof in circumstances entitling the Sellers to proceed to realize the shares in the Company of the Purchaser which have been pledged to the Sellers, the Purchaser shall be entitled to exercise all rights to which the Purchaser might be entitled by way of ownership of the shares in the Company pledged to the Sellers as provided in this clause 9.

#### 10. WARRANTIES, UNDERTAKINGS AND REPRESENTATIONS OF THE SELLERS

10.1. The Sellers undertake as soon as reasonably possible after the Closing Date, and in any event by not later than 1 (one) month after the Closing Date, to cause to be prepared the Closing Date Financial Statements and to deliver the Closing Date Financial Statements to the Purchaser.

10.2. The Sellers give and make to the Purchaser the warranties, undertakings and representations set out in Annexure "A" hereto on the basis that:

10.2.1. the Sellers acknowledge that this Agreement has been entered into by the Purchaser relying on the truth of such warranties, undertakings and representations;

10.2.2. the warranties shall be deemed to be representations and undertakings by the Sellers in favour of the Purchaser;

10.2.3. unless the contrary is proved, each warranty shall be deemed to be a representation of fact which has induced the Purchaser to enter into this Agreement;

10.2.4. each warranty shall be a separate warranty and in no way be limited or restricted by reference to or inference from the terms of any other warranty;

10.2.5. save where the context clearly indicates the contrary, all warranties and undertakings given by the Sellers to the Purchaser set out in Part A of Annexure "A" hereto shall be warranted as at the Signature Date and the Closing Date and all warranties and undertakings given by the Sellers to the Purchaser set out in Part B of Annexure "A" hereto shall be warranted as at the due date thereof according to the terms of the relevant warranty / undertaking;

10.2.6. the Purchaser shall not be entitled to cancel this Agreement by reason of a breach of any warranty, undertaking or representation given by the Sellers unless same is of a material nature going to the root of the contract and is not capable of being remedied by payment in money or, if the Sellers fail to pay the amount which may become due by the Sellers as a consequence of the breach of any of the warranties, undertakings or representations within 15 (fifteen) days after the amount has been finally established by agreement or by an order or judgment of a competent court;

10.2.7. should the warranty contained in paragraph 60.3 of annexure "A" be breached, the Purchaser shall be deemed to have suffered a loss equal to R12 000 000.00 (twelve million rand) and shall be entitled to set-off the said sum against the balance of the purchase price payable by the Purchaser for the Sold Shares and the Purchaser and the Sellers shall procure that transfer of Erf 6350 Newcastle into the name of Winlen as successor-in-title of the Sellers, conditional upon Winlen consenting to lease Erf 6350 Newcastle to the Company for a rental not exceeding R120 000.00 (one hundred and twenty thousand rand) per month, inclusive of VAT from the date of registration of transfer until such time as the Company takes occupation of the Permanent Casino is effected by the Company without delay at the cost of Winlen against the reduction of the share premium account of the Company by the sum of R12 000 000.00 (twelve million rand) in accordance with the provisions of the Companies Act.

10.3. It is recorded that the Sellers and the Purchaser have agreed that the Purchaser should be permitted to conduct a detailed commercial, financial and legal due diligence inquiry into the affairs of the Company in order to enable the Purchaser to satisfy itself relating to certain matters concerning the affairs of the Company. The fact that the Purchaser has been permitted to conduct such inquiries shall not relieve the Sellers of any of the Sellers' obligations in terms of this Agreement, including but not limited to the Sellers' obligations in terms of clause 10.2, such due diligence inquiries having been carried out by the Purchaser entirely without prejudice to all or any of the Purchaser's rights in terms of this Agreement or otherwise in law.

## 11. INDEMNITY

In the event of the Company suffering any loss or damages or incurring any liability or expense contrary to any warranty and/or undertaking made by the Sellers in terms of this Agreement or by reason of the Sellers failing to fulfill any of their obligations under this Agreement, the Purchaser shall be deemed to have suffered a loss which shall bear the same proportion thereto as the Shares in the Company then owned by the Purchaser bears to the total issued share capital of the Company. Without prejudice to any of the rights of the Purchaser arising from any of the provisions of this Agreement, the Sellers indemnify the Purchaser against any such loss suffered by the Purchaser or which the Purchaser shall be deemed to have suffered.

## 12. LOAN

In the event of the Company not succeeding in selling Erf 6350 Newcastle to a third party within a period of 60 days after the Closing Date for a selling price of R12 000 000.00 (twelve million rand), exclusive of VAT, or more as contemplated in paragraph 60 of annexure "A" and Erf 6350 consequently being transferred to Winlen as provided in clause 10.2.7 hereof, the Purchaser undertakes that the Purchaser shall lend, or shall procure that a company forming part of the Century group of companies shall lend to the Company an amount of R12 000 000.00 (twelve million rand) on such terms as might be acceptable to the lender and the Company, provided that such terms shall, *inter alia*, include:

- 12.1. that the capital amount of the loan together with all other amounts owed to the lender under the loan are repaid to the lender in full not later than 5 (five) years after the advance of the first tranche of capital;
- 12.2. the capital shall be advanced to the Company in tranches as and when required by the Company;

- 12.3. all money advanced by the lender to the Company shall earn interest at a rate not less than the prime overdraft rate of interest charged by the South African commercial bank with which the Company from time to time conducts the Company's current bank account;
- 12.4. subject to the consent of the mortgagee referred to in clause 12.5 hereof, fulfillment of the obligations of the Company to the lender shall be secured by a mortgage bond in such terms as the lender should require registered over the land on which the Permanent Casino is to be erected;
- 12.5. the mortgage bond shall rank first in priority behind any mortgage of the same land to secure the loan of R40 000 000.00 (forty million rand) to the Company contemplated in paragraph 54 of Annexure "A" hereto and be prepared and registered by the Purchaser's Attorneys at the Company's exclusive cost.

### 13. BROKERAGE

The Sellers and the Purchaser hereby respectively warrant and declare to the other that neither was introduced to the other relating to the sale of the Sold Shares by any business, estate or other broker or agent and consequently that no brokerage is payable to any person relating to the sale recorded in this Agreement.

### 14. BREACH

- 14.1. Should either the Sellers, of the first part, or the Purchaser of the second part ("the Party in Default") commit a breach of any term, condition, undertaking, warranty or representation contained in this Agreement and should such breach be incapable of being remedied or should such breach be capable of being remedied and the Party in Default fail to remedy such breach within 15 (fifteen) days after receipt of written notice to that effect from the other of them, such other Party shall be entitled, subject to the provisions of clause 14.2 hereof, without prejudice and in addition to all of such other Party's rights in terms hereof or at law, to cancel this Agreement forthwith by way of written notice to such effect to the other Parties.
- 14.2. In the event that, after all conditions precedent have been fulfilled or waived, the Purchaser should, without just cause, fail to fulfill the Purchaser's obligations to the Sellers in terms of this agreement, the Purchaser shall be obliged to pay the Sellers a penalty in the sum of R1 000 000.00 (one million rand) ("the Break Fee"), which Break Fee the Parties record and agree is a genuine pre-estimate of the damages which in such event shall be suffered by the Sellers and which Break Fee shall, upon payment thereof by the Purchaser, be received and accepted by the Sellers in full and final settlement of all or any claims which the Sellers might have suffered or claim to have suffered by reason of the Purchaser having breached the Purchaser's obligations owed the Sellers in terms of this Agreement.

## 15. CANCELLATION OF MANAGEMENT CONTRACT

In the event of the Purchaser failing to pay on account of the purchase price of the Sold Shares the amount referred to in clause 4.2 hereof in circumstances entitling the Sellers to exercise their rights under clause 9 hereof, thereby resulting in the realization of so many of the shares in the Company owned by the Purchaser as should constitute the Purchaser the owner of less than 50% (fifty percent) of the issued share capital of the Company or should the Sellers by reason thereof procure cancellation of this Agreement as contemplated in clause 14 hereof, the Company shall have the right, by written notice accordingly to the Purchaser to terminate summarily the management contract referred to in clause 6.2.3 hereof, between the Company and the Purchaser or any nominee of the Purchaser which is a subsidiary of Century Casinos Inc, provided that such termination shall be subject to, conditional upon, and effective from the date of, repayment to the Purchaser of all monies paid by the Purchaser to the Sellers in respect of the purchase price of the Sold Shares together with interest thereon calculated at the prime overdraft interest rate of the commercial bank with which the Company conducts the Company's bank account, commencing 3 (three) months after the date of the notice of termination of the management contract referred to in clause 6.2.3 hereof to the date upon which the said sum is repaid to the Purchaser, upon payment whereof to the Purchaser the Purchaser shall be bound and obliged to transfer back to the Sellers the Sold Shares.

## 16. ANNOUNCEMENTS

Neither the Purchaser nor the Sellers shall be entitled to make any announcements within the Republic of South Africa concerning this Agreement or the transactions referred to herein, unless prior to making such announcement the prior consent of the other Party has been obtained in writing. The foregoing notwithstanding, the Purchaser shall be entitled to make any announcement outside of the Republic of South Africa concerning this Agreement or the transactions referred to herein without obtaining the consent of the Sellers.

## 17. APPROVAL PENDING PAYMENT

Until such time as the Purchaser becomes entitled to the release to the Purchaser as contemplated in clause 9.4 hereof, of all shares in the Company pledged to the Sellers as provided in clause 9 hereof, the Company shall not after the Closing Date, except in exceptional circumstances of urgency, without the approval of the majority of directors of Winlen, which approval shall not unreasonably be withheld:

- 17.1. incur capital expenditure (excluding capital expenditure relating to the Permanent Casino) exceeding with regard to any particular item R300 000.00 (three hundred thousand rand) in value;
- 17.2. incur loans exceeding in respect of any particular loan R250 000.00 (two hundred and fifty thousand rand) in value;
- 17.3. enter into any lease or other financing agreement exceeding in respect of any particular agreement R250 000.00 (two hundred and fifty thousand rand) in value;
- 17.4. cancel any employment contracts where the gross monthly remuneration of the employee concerned exceeds R50 000.00 (fifty thousand rand) in value;
- 17.5. with the exception of any dividend payable in terms of the provisions of clause 18 hereof, pay dividends;
- 17.6. sell assets exceeding R100 000.00 (one hundred thousand rand) in value.

18. PROFITS

18.1. Winlen, as the successor-in-title of the Sellers shall have the right to payment by the Company of a dividend in compliance with the provisions of the Companies Act of an amount equal to the lesser of:

18.1.1. the net income after tax and available for dividend of the Company for the period from 1 March 2005 up to and inclusive of the Closing Date; and

18.1.2. the available cash resources of the Company, excluding an amount equal to:

18.2. the average over the preceding period of 6 (six) months of all monies or money equivalents required for the daily operation of the business of the Company and, in particular, the casino operated by the Company. Payment to the Sellers of any dividend, as contemplated in clause 18.1 hereof shall be made upon approval of the Closing Date Financial Statements by the directors of the Company appointed after the Closing Date.

18.3. For the purposes of this clause 18:

18.3.1. "net income after tax and available for dividend" shall mean net income after tax per the Closing Date Financial Statements, excluding any income or losses from the sale or re-valuation of non current assets;

18.3.2. "available cash resources" shall mean the excess of current assets over current liabilities per the Closing Date Financial Statements.

18.4. Winlen, as the successor-in-title of the Sellers, shall be entitled to be reimbursed after the Closing Date for all professional fees and disbursements incurred by the Company relating to the development of the Permanent Casino between the Signature Date and the Closing Date with the approval of the Purchaser after the Signature Date. Such reimbursement shall take place as and when the directors of the Company should, in the sole discretion of the directors, consider that the available cash resources of the Company so permit, taking into account the budgeted cash requirements of the Company and the Company's obligations to creditors of the Company.

19. WINLEN AND POLO GRILL

In order to facilitate the Company divesting itself of the Company's interest in Winlen and Polo Grill and the acquisition of that interest by the Sellers, the Purchaser consents to the payment, prior to the Closing Date and prior to transfer by the Sellers to Winlen of all the issued shares in the Company not purchased by the Purchaser as provided in clause 6.2.1 hereof, to the Sellers in compliance with the provisions of the Companies Act of an amount not exceeding R3 000 000.00 (three million rand) by the Company by way of reduction of the share premium account, provided that:

- 19.1. the entire proceeds of such payment are applied by the Sellers to settling in full the debts owed by Winlen and Polo Grill to the Company and the cost of the acquisition by the Sellers of the Company's shares in Winlen and Polo Grill;
- 19.2. the net asset value of the Company will not as a result of such payment as at the Closing Date have been reduced to a sum less than R23 000 000.00 (twenty-three million rand). "Net asset value" shall mean the excess of assets, excluding intangible assets and revaluations of assets after 28 February 2005 over liabilities of the Company per the Closing Date Financial Statements.

20. NOTICES AND DOMICILIA

- 20.1. The Parties choose as their *domicilium citandi et executandi* their addresses set out in this clause 20 for all processes arising out of or in connection with this Agreement at which addresses all the processes and notices arising out of or in connection with this Agreement, the breach or termination thereof may validly be served upon or delivered to the Parties.
- 20.2. For the purposes of this Agreement the Parties' respective addresses shall be:

20.2.1. the Purchaser:                   20<sup>th</sup> Floor, 1 Thibault Square  
Cape Town  
8001  
Facsimile No. 021-4213739

20.2.2. the Sellers: c/o Deloitte  
Deloitte Place  
2, Pencarrow Crescent  
Pencarrow Park  
La Lucia Ridge Office Estate  
La Lucia  
4051  
Facsimile No. 031-5607351;

or such other address in the Republic of South Africa, not being a post office box or *poste restante*, of which the Party concerned may notify the others in writing.

20.3. Any notice given in terms of this Agreement shall be in writing and shall, unless the contrary is proved:

20.3.1. if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

20.3.2. if delivered by courier service be deemed to have been received by the addressee on the 1<sup>st</sup> (first) Business Day following the date of such delivery;

20.3.3. if transmitted by facsimile be deemed to have been received by the addressee 1 (one) Business Day after dispatch.

20.4. Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by one of the Parties from another including by way of facsimile transmission or e-mail shall be adequate written notice or communication to such Party.

## 21. MISCELLANEOUS

21.1. The Parties shall at all times show the utmost good faith to each other in the implementation of the terms and conditions of this Agreement.

- 21.2. No alteration, cancellation, variation of, or addition hereto shall be of any force or effect unless reduced to writing and signed by all the Parties to this Agreement or their duly authorised representatives.
- 21.3. This document contains the entire agreement between the Parties relating to these presents and no Party shall be bound by any undertakings, representations, warranties, promises or the like not recorded herein.
- 21.4. No indulgence, leniency or extension of time which any Party may grant or show to any other Party, shall in any way prejudice such Party or preclude such Party from exercising any of that Party's rights in the future.
- 21.5. The terms of this Agreement having been negotiated at arm's length, the contra proferentem rule shall not be applicable to the interpretation of the terms and conditions of this Agreement.
- 21.6. The Parties undertake at all times to do all such things, to perform all such acts and to take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and import of this Agreement.

## 22. COSTS

The legal costs incurred respectively by the Sellers and the Purchaser relating to the preparation of this Agreement, the New Shareholders' Agreement and all or any documents required in order to procure fulfillment of the conditions precedent referred to in clause 6 hereof, with the exception of any filing fees payable to the Competition Commission, shall be borne by the Parties incurring those costs. Any filing fees payable to the Competition Commission shall be shared between the Sellers and the Purchaser so that the Sellers shall together bear a 40% (forty percent) proportion thereof and the Purchaser a 60% (sixty percent) proportion thereof. The cost of preparing the Closing Date Financial Statements shall be borne by the Company as a pre Closing Date expense.

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**

**who warrants he is duly authorised hereto for and on behalf of  
Chicory Investments (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**

**who warrants he is duly authorised hereto for and on behalf of  
Dynamo Investments Limited**

SIGNED AT UMHLANGATHIS 16th DAY OF OCTOBER 2005  
AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**  
who warrants he is duly authorised hereto for and on behalf of  
**Harvest Moon Investment Holdings (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005  
AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**  
who warrants he is duly authorised hereto for and on behalf of  
**Izulu Gaming (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**

**who warrants he is duly authorised hereto for and on behalf of  
Khulani Holdings Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**

**who warrants he is duly authorised hereto for and on behalf of  
Libalele Leisure (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**

**who warrants he is duly authorised hereto for and on behalf of  
Malesela Gaming (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**

**who warrants he is duly authorised hereto for and on behalf of  
Oakland Leisure Investments (Newcastle) (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**

**who warrants he is duly authorised hereto for and on behalf of  
Purple Rain Properties No 62 (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005  
AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**  
who warrants he is duly authorised hereto for and on behalf of  
**Ruvuma Investment (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005  
AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**  
who warrants he is duly authorised hereto for and on behalf of  
**Saphila Investments (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**V athasallum Reddy**  
who warrants he is duly authorised hereto for and on behalf of  
**Viva Leisure Investment Holdings (Proprietary) Limited**

SIGNED AT UMHLANGA THIS 16th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ R. Thirumalai \_\_\_\_\_

2. /s/ S. Mngomezu \_\_\_\_\_

/s/ V. Reddy \_\_\_\_\_

**Vathasallum Reddy**  
who warrants he is duly authorised hereto for and on behalf of  
**The Viva Trust**

SIGNED AT CAPETOWN THIS 18th DAY OF OCTOBER 2005

AS WITNESSES:

1. /s/ John McGregor \_\_\_\_\_

2. /s/ Deidre Spaans \_\_\_\_\_

/s/ Christian Gernert \_\_\_\_\_

**For and on behalf of Century Casinos Africa (Proprietary) Limited**

**SCHEDULE OF WARRANTIES AND UNDERTAKINGS**

**PART A**

**CONSTITUTION OF THE COMPANY AND SHARE CAPITAL STRUCTURE**

1. The Company shall be incorporated as a private Company with limited liability according to the laws of the Republic of South Africa.
2. No steps shall have been taken or be pending for the deregistration of the Company, whether under section 73 of the Companies Act or otherwise howsoever, and no steps shall have been taken or be pending to wind up the Company or place the Company under judicial management (whether such winding up or judicial management is final or provisional).
3. All of the issued shares in the capital of the Company shall be of one class and rank pari passu with each other.
4. The Company shall not be obliged to increase or to reduce the Company's authorised or issued share capital or to vary any of the rights attaching to the issued shares.
5. The Sellers shall be entitled and able to give to the Purchaser free and unencumbered title to the Sold Shares.
6. No person shall have any right (including inter alia, any option, pre-emptive right or right of first refusal) to acquire any of the Sold Shares.
7. No person shall have any right to obtain an order for the rectification of the register of members of the Company, and the register of members of the Company shall contain a true and accurate record of the members of the Company from time to time.

8. No resolution shall have been passed, nor shall the Company be obliged, to alter the memorandum of association or articles of association, or to create or to issue any debentures.
9. No person shall be entitled to participate in, or to a commission on, the profits or dividends of the Company other than as a shareholder in respect of dividends.
10. No shares in the issued share capital of the Company shall be bonus or capitalisation shares.

**THE BUSINESS OF THE COMPANY**

11. The business of the Company shall at all times have been carried on by the Company in an ordinary, normal and regular manner.
12. The Company shall not have done or omitted to have done any act or thing which might in any way be materially prejudicial to the goodwill of the business of or the right of the Company to hold the licenses for the conduct of the business of the Company.
13. No written contracts of employment shall exist between the Company and any employee of the Company, save as disclosed in writing to the Purchaser prior to the Signature Date and no oral contract of employment shall exist which provides for more than 1 (one) months notice, save as disclosed in writing to the Purchaser prior to the Signature Date.
14. The Company shall not be a party to any dispute with any employee or former employee in terms of the Labour Relations Act, No. 66 of 1995 or otherwise.
15. The trading methods and styles of the Company, including the trade marks, names or other intellectual property of the Company used by the Company shall not constitute an infringement of the rights of any third party.
16. No person shall be entitled to any order requiring the Company to cease to use any of the trade marks, names or other intellectual property of the Company.

17. All fixed assets and stock of the Company shall be adequately insured for such amounts as accord with sound business principles and such insurances shall not terminate earlier than 30 (thirty) days after the Closing Date, all premiums due in respect of such insurance shall have been paid and the Company shall have complied with all the conditions to which the liability of the insurers under such policies of insurance will be subject.
18. The Company shall be adequately insured for such amounts as accord with sound business principles with regard to public liability and such insurances shall terminate not earlier than 30 (thirty) days after the Closing Date and all premiums due in respect of such insurance shall have been paid and the Company shall have complied with all the conditions to which the liability of the insurers under such policies of insurance shall be subject.
19. All the equipment of the Company, including any computer software, shall be fully operational and in normal working order and shall, to the best of the Seller's knowledge and belief, be free from defects, whether patent or latent.
20. The Company shall not be bound by any contracts, agreements or commitments save as disclosed in writing to the Purchaser.
21. The Company shall not have given any power of attorney or other authority (express, implied or ostensible) which is still outstanding or effective to any person to enter into any contract or commitment or to do anything on the Company's behalf (other than the authority of the Company's employees to enter into routine trading contracts in the ordinary course of their duties and the Company's business).
22. The Company shall not have given nor shall the Company be a party to any suretyships, guarantees, indemnities or similar documents in respect of any liabilities of any other person, and shall not be liable whether as guarantor, indemnifier, surety, co-principal debtor or otherwise howsoever for any liabilities of any other person.
23. All necessary consents, licences, permits and other authorities required for the conduct of the business carried on by the Company in the places and in the manner in which such business is carried on at the Signature Date shall have been obtained and be valid and in full force, and the Sellers know of no reason why any of them should be suspended, cancelled or revoked.

24. All stamp duty in terms of the Stamp Duties Act, 1968 and in respect of which no exemption is applicable shall have been paid in respect of the shares in the Company already issued.
25. The Company shall not have granted to any person any exclusive rights in respect of any of the Company's products or services.
26. No agreement shall be in force or have been entered into by the Company restricting the freedom of the Company to carry on the business of the Company in the manner presently conducted.
27. The Company shall not have incurred any liabilities (actual, accrued or contingent) outside the ordinary, normal and regular course of the conduct of the business of the Company other than in the restructuring of the Company so as to divest the Company of the Company's interest in Polo Grill and Winlen in respect of which the liabilities incurred shall not exceed R3 000 000.00 (three million rand).
28. The books of account of the Company shall correctly reflect all transactions, income, assets and liabilities of the Company.
29. The Company shall not be indebted to any of the Sellers or any other shareholder of the Company for monies lent and advanced or from any other cause.

#### **LITIGATION**

30. The Company shall not be a party to any litigation (except as disclosed in writing to the Purchaser), tax objection or appeal, arbitration proceedings, labour or industrial relations disputes or criminal proceedings, and nor are any such proceedings or disputes threatened against or likely to be instituted by or against the Company, and the Sellers are not aware of anything which might indicate the possibility of any such proceedings or disputes being instituted or arising.

## TAXATION

31. Except as disclosed to the Purchaser in writing, no queries shall have been addressed to the Company or any of the Company's representatives by any tax official nor shall any tax objections have been lodged by the Company which have not been fully disposed of.
32. Except as disclosed to the Purchaser in writing to the contrary the Company:
  - 32.1 shall have duly and punctually paid all taxes which the Company shall have become liable to pay arising from or out of the profits or income of the Company for all periods prior to the Closing Date for which purposes "taxation" shall include:
    - 32.1.1 normal taxation;
    - 32.1.2 value added tax;
    - 32.1.3 regional services council levies;
    - 32.1.4 secondary tax on companies;
    - 32.1.5 all other forms of taxation;
    - 32.1.6 any taxation arising from new assessments of taxation and/or the reopening of any income tax assessments of the Company;
    - 32.1.7 any penalties or interest as a result thereof.
  - 32.2 all the Company's assessments for tax due for payment prior to the Closing Date shall have been paid or adequate provisions or reserves for tax shall have been established therefor in the Closing Date Financial Statements.
  - 32.3 the Company shall not be under any liability to pay any penalty or interest in connection with any claim for tax nor shall the Company be subject to any liability as a result of the re-opening of any of the Company's income tax assessments.

33. The Company shall have properly and punctually submitted all returns and provided all information required for tax purposes and none of such returns shall be disputed by the South African Revenue Service or any other authority except claims made by the South African Revenue Service as more fully detailed in a memorandum entitled “Balele Leisure (Pty) Limited (“Balele”): Status of Income Tax, Employees Tax and Value-Added Tax Objections” attached to this schedule.

#### **ENVIRONMENTAL**

34. To the best of the knowledge and belief of the Sellers, all activities of the Company shall have at all times been conducted in compliance with all applicable environmental laws and regulations.

#### **DISCLOSURE**

35. Nothing materially adverse regarding the affairs of the Company or business of the Company shall exist.
36. The Sellers shall have disclosed to the Purchaser to the best of the knowledge and belief of the Sellers all facts and circumstances material to the acquisition by the Purchaser of the Sold Shares and to the assessment of the purchase price payable therefor.

#### **ASSETS**

37. The Company shall be the registered and sole beneficial owner of the following land:
- 37.1 Erf 6350 Newcastle;
  - 37.2 Erf 6354 Newcastle (Extension no. 34), Registration Division HS, in the Newcastle Municipality, Province of KwaZulu-Natal, measuring 1170 square metres, held under deed of transfer no. T73950/2003 which the Company is under an obligation to transfer to a third party as a prize won by the third party in a competition run by the Company. .

38. The Company shall have repaid to Nedcor Bank Limited the full amount of the capital indebtedness of R4 500 000.00 (four million five hundred thousand rand) and all other amounts owed Nedcor Bank Limited under a mortgage bond no. B290046/2000 registered over the land referred to in 37.1.
39. Except for the mortgage bond no. B29046/2000 registered over the land referred to in 37.1, none of the land or other assets of the Company shall be subject to:
  - 39.1 any mortgage, debenture or notarial bond; or
  - 39.2 any right of retention, pledge, lien, cession in security or other encumbrance; or
  - 39.3 any lease, instalment sale or credit or hire purchase agreement; or
  - 39.4 in the case of the land, any expropriation.
40. The Company shall not have granted to any person any option to purchase, or any right of pre-emption over any of the Company's land or other assets.
41. The Company shall not be under any obligation to acquire or purchase any fixed assets, or under any obligation requiring the expenditure of any material capital sum, except for the purchase of the land referred to in 6.2.8 of the Agreement.
42. Substantially all of the existing fixtures, fittings and equipment used in the Temporary Casino shall be in a fit state to be used in the Permanent Casino.
43. The Company shall be the sole registered and beneficial owner of the entire issued share capital of Newcastle;
44. Insofar as Newcastle is concerned, the Sellers hereby warrant that all paragraphs of this Annexure "A" shall apply *mutatis mutandis* as in respect of the Company with the sole exception of paragraphs 5, 6, 37, 38, 39, 41, 42, 43, 45 to 48 inclusive and 54 to 59 inclusive and that:

44.1 none of the land or other assets of Newcastle shall be subject to:

44.1.1 any mortgage, debenture or notarial bond; or

44.1.2 any right of retention, pledge, lien, cession in security or other encumbrance; or

44.1.3 any lease, instalment sale or credit or hire purchase agreement; or

44.1.4 in the case of land, any expropriation;

44.2 Newcastle shall have purchased from the Municipality of Newcastle in terms of an agreement of sale signed on 14 January 2003 and an addendum signed on 24 March 2005 for a purchase price of R375 000.00 (three hundred and seventy-five thousand rand) the land described in clause 1.1.16 of the Agreement.

45. The Company shall hold a valid casino licence which may be transferred to the Permanent Casino and the validity of which shall not be jeopardized by the acquisition by the Purchaser of the Sold Shares in terms of this Agreement or the fact that the Permanent Casino is to be erected on land to be purchased by the Company.

46. The Company shall be entitled to a period of exclusivity relating to the casino licence of the Company, the period of which exclusivity shall be 15 (fifteen) years calculated from 12 September 1999.

**PART B**

47.

47.1 The issued share capital of the Company shall as at the Closing Date be R566.46 (five hundred and sixty-six rand and forty-six cents) consisting of 56,646 (fifty-six thousand six hundred and forty-six) ordinary par value shares of one cent each which were allotted at a premium of R57 703 434.00 (fifty-seven million seven hundred and three thousand four hundred and thirty-four rand), of which premium an amount not exceeding R3 000 000.00 (three million rand) shall have been repaid to members of the Company.

47.2 As at the Closing Date, the issued share capital of the Company shall be owned by the shareholders whose names appear hereunder, each of which shall own the number of shares detailed opposite that shareholder's name:

47.2.1 Chicory Investments (Proprietary) Limited	-1272
47.2.2 Dynamo Investments Limited	-6374
47.2.3 Harvest Moon Investment Holdings (Proprietary) Limited	-1761
47.2.4 Izulu Gaming (Proprietary) Limited	-11581
47.2.5 Khulani Holdings Limited	-9839
47.2.6 Libalele Leisure (Proprietary) Limited	-1267
47.2.7 Malesela Gaming (Proprietary) Limited	-900
47.2.8 Oakland Leisure Investments (Newcastle) (Proprietary) Limited	-2393
47.2.9 Purple Rain (Proprietary) Limited	-1273
47.2.10 Ruvuma Investment (Proprietary) Limited	-686
47.2.11 Saphila Investments (Proprietary) Limited	-6547
47.2.12 Viva Leisure Investment Holdings (Proprietary) Limited	-10134
47.2.13 The Viva Trust	-2619

48. the authorised share capital of the Company shall at the Closing Date be R1,000.00 (one thousand rand) consisting of 100,000 (one hundred thousand) ordinary par value shares of one cent each.
49. To the best of the knowledge and belief of the Sellers, the information disclosed to the Purchaser and/or the Purchaser's representatives during the course of the due diligence inquiry conducted by the Purchaser prior to the Signature Date shall have been accurate and contained no material errors or omissions.
50. All contractual arrangements and/or undertakings relating to any bonuses, profit, share participations, incentives and the like payable to employees of the Company shall have been disclosed in writing to the Purchaser prior to the Signature Date.
51. No salaries, wages or other remuneration or benefits (including commission, gratuities, sick leave or bonuses) shall be owing to any employees of the Company as at the Closing Date or for any period prior to the Closing Date, save as disclosed in writing by the Sellers to the Purchaser prior to the Signature Date.
52. No person shall by reason of any entitlement arising before the Closing Date have any right to a pension, annuity, gratuity or similar payment from the Company as at the Closing Date or at any time thereafter, whether as a result of the change of ownership of the majority of the shares in the Company or any other reason whatsoever.
53. No contributions to any pension or provident fund shall as at the Closing Date be owing or payable by the Company on behalf of any of the employees of the Company other than amounts due for the current or immediately preceding month.
54. The Company shall as at the Closing Date have secured a loan facility for an amount of approximately R40 000 000.00 (forty million rand) at a favourable interest rate with Absa Bank Limited or any other banking institution to be secured by way of a mortgage bond over the land referred to in 1.1.16 of the Agreement, with a view to the loan being utilised on the development of the Permanent Casino.

55. It shall be reasonably feasible as at the Closing Date for the Company to develop the Permanent Casino on a budget of approximately R52 000 000.00 (fifty-two million rand) (exclusive of VAT).
56. The land referred to in clause 1.1.16 of the Agreement shall as at the Closing Date provide enough space for a larger casino, a hotel with approximately 40 (forty) rooms and ancillary facilities such as conference facilities, restaurant, parking and the like.
57. The business of the Temporary Casino shall have generated in the 12 (twelve) month period prior to the Closing Date approximately R40 000 000.00 (forty million rand) in revenues and approximately R8 300 000.00 (eight million three hundred thousand rand) in earnings before interest, taxation, depreciation and amortization.
58. The Closing Date Financial Statements shall:
- 58.1 make full provision for all liabilities (accrued or contingent) of the Company and for all bad or doubtful debts as at the relevant date;
  - 58.2 be prepared in accordance with South African statements of generally accepted accounting practice;
  - 58.3 be prepared on the basis of accounting policies consistent with prior years, in particular those followed in the preparation of the 2005 Financial Statements;
  - 58.4 conform with the provisions of the Companies Act and all other applicable laws;
  - 58.5 be approved by the directors of the Company, being the directors of the Company at the relevant time prior to the Closing Date;
  - 58.6 fairly present the financial position of the Company, the results of the Company's operations and cashflow information for the period concerned;

58.7 be audited by the Auditors of the Company whose report and opinion thereon shall be unqualified;

58.8 except to the extent which might reasonably be required as a consequence of any provision of this Agreement, not differ materially from the 2005 Financial Statements or the Management Accounts of the Company;

58.9 disclose that the Company has no debts;

58.10 disclose that the net asset value of the Company is not less than R23 000 000.00 (twenty-three million rand).

59. Between 1 April 2005 and the Closing Date there shall have been no increases in the salaries or wages paid or payable to directors and/or employees of the Company.

60. Insofar as Erf 6350 Newcastle is concerned:

60.1 as at the Signature Date the market value thereof shall be not less than R12 000 000.00 (twelve million rand), exclusive of VAT;

60.2 as at the Signature Date there shall be a reasonable prospect of the Company selling Erf 6350 Newcastle for a selling price of not less than R12 000 000.00 (twelve million rand), exclusive of VAT;

60.3 the Company shall succeed within a period of 60 (sixty) days after the Closing Date in concluding with a third party a written agreement for the sale of Erf 6350 Newcastle for a selling price of R12 000 000.00 (twelve million rand), exclusive of VAT, or more, on terms reasonably acceptable to the Parties;

60.4 in the event of the Company selling Erf 6350 Newcastle, the Sellers shall procure that the purchaser shall be bound to lease Erf 6350 Newcastle to the Company from the date of registration of transfer into the name of the purchaser at a monthly rental not exceeding R120 000.00 (one hundred and twenty thousand rand) inclusive of VAT until such time as the Company takes occupation of the Permanent Casino.

**CERTIFICATIONS**

I, Erwin Haitzmann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Century Casinos, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/ Erwin Haitzmann  
Erwin Haitzmann  
Chairman and Co Chief Executive Officer

**CERTIFICATIONS**

I, Peter Hoetzing, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Century Casinos, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/ Peter Hoetzing

Peter Hoetzing

Vice Chairman, President and Co Chief Executive Officer

**CERTIFICATIONS**

I, Larry Hannappel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Century Casinos, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/ Larry Hannappel

Larry Hannappel

Senior Vice President, Secretary and Treasurer

**CERTIFICATIONS**

I, Ray Sienko, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Century Casinos, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/ Ray Sienko  
Ray Sienko  
Chief Accounting Officer

Certification of Chairman of the Board and Co Chief Executive Officer

**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Century Casinos, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Date: May 9, 2006

/s/ Erwin Haitzmann  
Erwin Haitzmann  
Chairman of the Board and Co Chief Executive Officer

Exhibit 32.2

Certification of Vice Chairman of the Board, President and Co Chief Executive Officer

**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Century Casinos, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Date: May 9, 2006

/s/ Peter Hoetzing

Peter Hoetzing

Vice Chairman of the Board, President and Co Chief Executive Officer

Exhibit 32.3

Certification of Senior Vice President, Secretary and Treasurer

**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Century Casinos, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Date: May 9, 2006

/s/ Larry Hannappel  
Larry Hannappel  
Senior Vice-President, Secretary and Treasurer

Exhibit 32.4

Certification of Chief Accounting Officer

**CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Century Casinos, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Date: May 9, 2006

/s/ Ray Sienko  
Ray Sienko  
Chief Accounting Officer