



AMERICAN CASINO & ENTERTAINMENT PROPERTIES LLC

INITIATING COVERAGE ON ITS 11.00% SENIOR SECURED
NOTES DUE '14 WITH A BUY RATING

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American Casino & Entertainment Properties, LLC							Agency	CRT
Issue	Amt. O/S	Maturity	Price	YTW	CY	STW	Ratings	Rating
AMECAS 11.000% Sr. Secured Notes	\$375.0 million	6/15/2014	\$88.00	14.79%	12.50%	1250bp	B3/B+	"BUY"
	<u>Bberg Ticker</u>	<u>Total Debt/</u>	<u>Net Debt/</u>					
	AMECAS	LTM EBITDA	LTM EBITDA					
		5.1x	3.5x					
	<u>CRT Estimates:</u>							
(\$'s in millions)		<u>Net Revenues</u>	<u>EBITDA</u>	<u>Total Debt/</u>	<u>Net Debt/</u>			
	4Q09E	\$80.6	\$11.1	5.3x	4.0x			
	1Q10E	\$85.2	\$14.9	5.8x	4.0x			
	2Q10E	89.6	16.6	6.2x	4.7x			
	3Q10E	84.1	11.4	6.6x	4.7x			
	4Q10E	81.4	11.5	6.6x	5.0x			
	FY09E	\$356.1	\$66.9	5.3x	4.0x			
	FY10E	340.3	54.4	6.6x	5.0x			
	FY11E	353.4	59.6	6.1x	4.7x			

Summary and Recommendation

We believe that American Casino & Entertainment Properties LLC net revenues and adjusted EBITDA is projected to erode further during the final quarter of 2009 and throughout 2010 notwithstanding management's aggressive cost cuts and the expectation that the Las Vegas Strip and Locals market may begin to stabilize during the current year. As a result, we expect that the Company's senior secured and total leverage ratio will peak at year end 2010 at 6.6x as compared to 5.1x at 9/30/09 and 5.3x expected at 12/31/09. Substantial cash balances that were \$108 million at 9/30/09, however, are expected to provide sufficient liquidity and a modest equity cushion for bondholders as leverage levels climb in the quarters ahead. *Our analysis indicates that cash from operations will be sufficient to meet debt service requirements and most all of its capital expenditures during 2010 and 2011. Given that strong liquidity support, downside protection provided by the underlying encumbered operating assets, along with gradual recovery in financial performance we project to begin in 2011, we believe the 11.00% Senior Secured Notes due 2014 ("11% Secured Notes") at current trading levels offer a highly attractive risk/reward basis and recommend purchase. Further, we believe that the 11.00% Secured Notes provide attractive relative value.*

Our projections conservatively assume a (likely too) conservative (20.0%) year-over-year gaming revenue decline in 4Q09 to \$46.2 million, a (9.9%) year-over-year gaming revenue decrease in 1Q10 to \$53.6 million, (5.0%) year-over-year gaming revenue declines in each of 2Q10 and 3Q10 and flat year-over-year gaming revenue comparisons in 4Q10. It is not until 2011 that we begin to see a rebound with a projected 2% gaming revenue increase to \$204.4 million and a 3.8% net revenue increase to approximately \$353.4 million. For perspective, note that our 2011 projections would result in net revenues of \$353.4 million – nearly 20.4% below the \$444.2 million total in 2007.

Our revenue assumptions result in modestly negative leveraged free cash flow for each of 2010 and 2011; and, we note that fourth quarter 2009 leveraged free cash flow is projected at (\$21.9) million owing to the \$20.625 million December

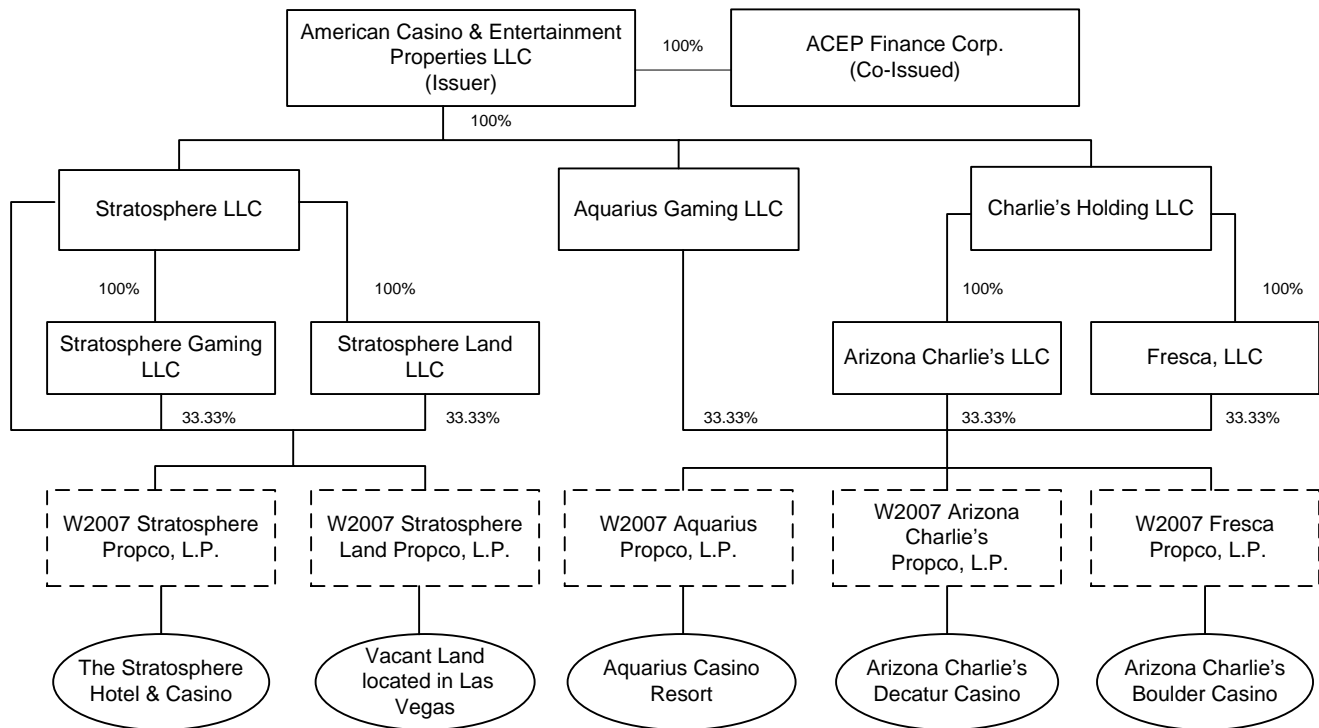
15, 2009 coupon payment. We believe that our “credit focused” conservative projections leave room for upside surprises and limit the potential for unexpected shortfalls in the quarters ahead.

If the next four coupon payments are made to note holders during June and December in each of 2010 and 2011 (totaling 22 points in value), then it would reduce the cost basis of a note purchase to approximately \$66 per \$100 creating the Company at roughly 4.6x 2010 estimated EBITDA of \$52.5 million (or 3.1x net of cash). *We view this as compelling downside protection for investors given our view that the Company will have sufficient cash from operations and ample cash on hand to make coupon payments through at least 2011. Also, we expect that 2010 will represent trough cash flow.*

Company Description

American Casino & Entertainment Properties LLC (“AMECAS”) owns and operates four casino properties in Nevada. Slot revenues accounted for 84.5% and 84.1% of its casino revenues in 3Q09 and 2008, respectively. The Company’s casino revenues amounted to approximately 56% of its gross revenues for the LTM period ended 9/30/09 with hotel revenues at approximately 16% of gross revenues for the same period. (The Stratosphere accounts for approximately half of the Company’s hotel rooms.)

The chart below provides the corporate structure for American Casino & Entertainment Properties, LLC.
 (Source: Company Filings)



History

AMECAS was formed in December 2003 to acquire the entities that own and operate the Stratosphere and the two Arizona Charlie's properties. The Company acquired its fourth casino property, the Flamingo Laughlin Hotel and Casino, on May 19, 2006 for \$114 million. AMECAS was a subsidiary of American Entertainment Properties Corp. with Icahn Enterprises L.P. being its ultimate parent until the Company was sold for \$1.3 billion plus or minus certain adjustments to W2007/ACEP Holdings, LLC ("Holdings") an affiliate of Whitehall Street Global Real Estate Limited Partnership 2007 and Whitehall Parallel Global Real Estate Limited Partnership 2007 (both together "Whitehall"). The acquisition was closed for approximately \$1.2 billion on February 20, 2008 when Goldman Sachs Mortgage Company ("GSMC"), an affiliate of Holdings, provided \$1.1 billion in term loans to complete the acquisition.

On June 25, 2009, AMECAS and GSMC completed the restructuring of the \$1.1 billion term loan with Whitehall terminating the term loan and injecting \$200 million of new capital, \$165 million of which was paid to Holdings and used to repay a portion of the Goldman Term Loans and \$35 million of which was contributed in cash to AMECAS. The Company also entered into a new five-year \$350 million term loan agreement with GSMC, which received a 22% ownership stake in Holdings as part of the restructuring. During the second quarter 2009, the Company took a \$520.2 million gain on debt restructuring directly into the Company's Members' Equity.

On August 14, 2009, AMECAS closed on its \$375 million Senior Secured Note due 2014. Issued at a discount, the gross proceeds were \$311.25 million that were used to repay a portion of the \$350 million term loan with GSMC. Upon the \$311.3 million payment, the remaining \$38.8 million balance was forgiven by GSMC. As a result of the third quarter 2009 transactions, a \$215.6 million gain on debt extinguishment was taken directly into the Company's Members' Equity.

Equity Ownership

Non-voting membership interests are held by MTGLQ Investors L.P. (22.0%), an affiliate of GSMC, 74.5% by Whitehall and 3.5% by an affiliate of Highgate Hotels, L.P. On September 18, 2009, MTGLQ filed an application with the Nevada State Gaming Control Board to transfer its 22% interest in Holdings to MLQ Stratosphere, LLC, which is a direct wholly-owned subsidiary of The Goldman Sachs Group, Inc. Approval for this transfer is anticipated on January 21, 2010.

Voting membership interests are 100% controlled by W2007/ACEP Managers Voteco, LLC. ("Voteco") Goldman Sachs indirectly through individual members controls Voteco.

The Properties

The Stratosphere is the Company's largest property, which is located on approximately 34 acres of land on the northern end of the Las Vegas Strip. The Stratosphere offers the tallest free-standing observation tower in the United States at 1,149 feet with its three amusement rides (among other facilities) at the top of its observation tower. The addition of "SkyJump Las Vegas", a fourth amusement ride is expected to open in April 2010. It provides a controlled freefall similar to base jumping that allows an individual to plummet 855 feet at speeds up to 40 miles per hour. The Stratosphere has 2,444 rooms (approximately half of the Company's total 4,912 hotel rooms) and its casino contains approximately 80,000 square feet of gaming space with approximately 1,167 slot machines, 52 table games, an eight table poker room and a race and sports book. Its customer base consists primarily of free-independent travelers with international visitors accounting for approximately 11% of its 2008 hotel bookings

Arizona Charlie's Decatur is a casino/hotel located on approximately seven acres of land west of the Las Vegas Strip. The casino contains approximately 55,227 square feet of gaming space with approximately 1,207 slot machines and 14 table games. Its hotel has 258 rooms and its customers are largely residents of Las Vegas and surrounding areas.

Arizona Charlie's Boulder is a casino located on approximately 24 acres of land on Boulder Highway, which contains approximately 47,541 square feet of gaming space with approximately 975 slot machines and 12 table games. Its hotel has 303 rooms and its customers are also largely residents of Las Vegas and surrounding areas. The facility also includes an RV park with over 200 spaces.

Aquarius Casino Resort is a tourist and locals casino/hotel located on approximately 18 acres overlooking the Colorado River in Laughlin, Nevada, which is approximately 100 miles south of Las Vegas. Its casino contains approximately 57,070 square feet of gaming space with approximately 1,304 slot machines and 35 table games. Its property includes the largest hotel in Laughlin with 1,907 rooms located in two 18-story towers, which account for approximately 18% of the 10,655 hotel rooms located in the Laughlin market.

	Year Built/ Last Renovated	Customer Orientation	At September 30, 2009			For the Nine-Month Period Ended September 30, 2009		
			Casino Square Footage	Number of Hotel Rooms	Number of Slots	Number of Table Games	Occupancy	ADR ⁽¹⁾
Stratosphere	1996/2005	Tourist	80,000	2,444	1,167	52	93.0%	44.99
Arizona Charlie's Decatur	1998/Various	Local	55,227	258	1,207	14	51.8	49.52
Arizona Charlie's Boulder	1991 & 1991/Various	Local	47,541	303	975	12	51.4	37.80
Aquarius	1990/2008	Tourist/Local	57,070	1,907	1,304	35	46.3	45.91

(Source: Company Filings)

Fourth Quarter 2009 Estimates

We are projecting a (14.3%) decrease in net revenues from \$94.0 million in 4Q08 to \$80.6 million in 4Q09. Gaming revenues are projecting to lead the decline with a (20%) year-over-year decrease in 4Q09 to \$46.2 million as compared to \$57.7 million in 4Q08. We expect that the reduction in gaming revenues will be the result of continued pressure in the Las Vegas Locals market and likely continued weakness at The Stratosphere. We also expect a (\$2.6) million or (16.0%) year-over-year decline in hotel revenues from \$16.3 million to \$13.7 million owing to continued softness in ADR and a year-over-year (4.6%) decline in the total number of rooms occupied at its four casinos, or an occupancy rate of 66.1% as compared to 69.3% in 4Q08. Food & Beverage revenues are projected to decline (6.8%) year-over-year to \$18.9 million owing to lower room occupancies that result in a (3.8%) decline in food covers and a (3.0%) reduction in average revenue per cover.

2010 Projections

Our 2010 projections are back end loaded. For the year, we project a (4.4%) decrease in net revenues to \$340.3 million. We note that we expect a full year (5.3%) decrease in gaming revenues to \$200.4 million. Our projected hotel, food & beverage and tower, retail & other revenue expectations are more sanguine than our gaming revenue assumptions; nonetheless, greater promotional spending will be required to support this outlook. Specifically, our model assumes that promotional allowances will increase \$4.3 million year-over-year or to 8.2% of gross revenues, which will account for half of the Company's operating profit deterioration. (Another possible outcome is that the Company does not aggressively promote, which would result in lower 2010 non-gaming revenues than projected.) Our 2010 EBITDA assumption is for a (18.8%) decrease to \$54.4 million with a 16.6% margin. Coverage of total interest expense is targeted at 1.2x or 0.7x after capital expenditures. We project that AMECAS will end the year with a 6.6x total leverage ratio and a comfortable 5.0x net leverage ratio.

We expect that the first quarter will be the weakest for all gaming companies operating in Las Vegas and AMECAS is not an exception. We project a (9.1%) decrease in net revenues in 1Q10 to \$85.2 million with the biggest drivers being a (9.9%) decrease in 1Q10 gaming revenues to \$53.6 million and an (8.5%) decrease in 1Q10 tower, retail and other revenues to \$7.5 million. We expect that year-over-year comparisons will become easier as the year progresses. Also, the Stratosphere is likely to benefit from additional customer visits when it opens its fourth top-of-the-tower amusement ride, "SkyJump Las Vegas" in early second quarter.

We are modeling in progressively better year-over-year gaming revenues in each of the 2010 quarters (i.e., -10%, -5%, -5% and 0% in Q1, Q2, Q3 and Q4, respectively). We expect that the Company's results will lag the improvements in the Las Vegas market owing to its smaller Las Vegas Locals properties and the competitive impact of MGM's City Center, which will likely attract potential Stratosphere customers away from its Las Vegas Strip location.

For the year, rooms occupied are only expected to decline (0.3%) across the four properties. Combined with near flat year-over-year ADR's, hotel revenues are expected to decrease (1.1%) from \$75.8 million in 2009 to \$74.9 million in 2010. We note that we do expect a (5.0%) y-o-y decrease in the Stratosphere's 1Q10 ADR, which is the largest contributor to the modest expected decline in hotel revenues.

Food & Beverage revenues are projected to continue to decline in the first half of 2010 and flatten out in the second half with its first positive y-o-y quarter in 4Q10. For 2010, we expect a (1.1%) decrease in F&B revenues to \$74.9 million from \$75.8 million in 2009.

Tower, Retail and Other revenues are expected to get a boost from the expected April 2010 opening of "SkyJump Las Vegas". Though we expect a weak first quarter for this line item, we expect results to improve beginning in 2Q10. We believe that the new amusement ride could provide at least \$1 million per quarter in additional tower admissions and ride revenues.

2011 Projection Highlights

We expect that operating results that began to improve in 2H10 will continue to stabilize and improve in 2011 with a 3.8% increase in net revenues to \$353.4 million and a 9.6% increase in EBITDA to \$59.6 million. EBITDA margins are expected to increase to 16.9% for the year. Total interest coverage is forecasted at 1.3x, or 0.8x after capital expenditures. Total leverage is forecasted at 6.1x. With ending cash balances of approximately \$80 million, we forecast that the ratio of net debt to EBITDA will be 4.7x at 12/31/11.

Capitalization

On August 14, 2009, American Casino & Entertainment Properties LLC issued \$375 million of 11.00% Senior Secured Notes due June 15, 2014 with cash interest payments to be made on June 15th and December 15th. Gross proceeds from the issuance were approximately \$311.3 million, which was used to retire a portion of the \$350 million then outstanding term loan held by GSMC. Upon making the \$311.3 million payment to retire the \$350 million GSMC Term Loan, the remaining \$38.8 million balance was forgiven by GSMC. As a result, the unamortized discount of the \$375 million 11% Senior Secured Loan was reduced by the \$38.8 million.

Prior to June 15, 2012, the Issuers may redeem some or all of the 11% Secured Notes at 100% of the principal amount plus a "make-whole" premium. Also, the Issuers may, not more than once in any 12-month period ending June 15, 2010, 2011 and 2012, redeem up to 5% of the original aggregate principal amount of the Senior Secured Notes at 102% plus accrued and unpaid interest. At any time prior to June 15, 2012, the Issuers may redeem up to 35% of the aggregate principal amount of Notes at 111% of the principal amount, plus accrued and unpaid interest to the redemption date from equity offering proceeds.

There is a 101% change of control put. "Change of Control" is defined to include the consummation of any transaction, the result of which that any Person, other than an employee or an entity controlled by an employee of the Goldman Sachs Group, Inc. or its affiliates becomes the Beneficial Owner of more than 50% of the Voting Stock of ACE as measured by voting power rather than number of shares.

The 11% Secured Notes are callable on June 15, 2012 at 105.5% of par plus accrued and unpaid interest with a June 15, 2013 par drop.

At September 30, 2009, the book value of the \$375 million 11% Secured Notes was approximately \$350.5 million, net of a \$24.5 million unamortized discount. The Company also had \$2.5 million of capital lease obligations outstanding for a total book value of debt outstanding of approximately \$353 million.

The 11% Secured Notes are secured by a first priority lien on the real property, FF&E of the Stratosphere, the Aquarius Casino Resort, Arizona Charlie's Boulder and Arizona Charlie's Decatur. In addition, the collateral includes cash, cash

equivalents and deposit accounts and intellectual property. Collateral also includes certain material contract rights of the Issuers and their Subsidiaries, but does not include any Gaming License. The Capital Stock of the Issuers or any of their Subsidiaries is not included as Collateral for the 11% Secured Notes.

The 11% Secured Notes incurrence test permits a Credit Facility not to exceed \$20 million provided that such debt can only be incurred if the Secured Indebtedness Leverage Ratio is less than or equal to 3.75x on a pro forma basis. The Company does not currently have a Credit Facility.

Relative Value

We believe that the 11.00% Senior Secured Notes due 2014 offer relative value as compared to the Harrah’s Operating Company 10% 2nd Priority Notes due 12/15/18 with the American Casino 11% Secured Notes having relative seniority and lower leverage, shorter duration and higher current yield than the Harrah’s Operating Company 2nd Priority Notes. We especially like this swap because we believe that there is more value in having a 1st priority senior secured position in the American Casino assets, then a 2nd priority position in the Harrah’s Operating Company assets. The shorter dated maturity and greater current yield only makes this swap more attractive. We also would recommend swapping out of the Harrah’s Operating Company 11 ¼% Senior Secured Notes due 2017 owing to the higher current yield and a lower dollar and notwithstanding that we have a favorable view of the Harrah’s Operating Company 11 ¼% Senior Secured Notes due 2017 given Harrah’s Operating Company liquidity, limited debt amortization requirements during the next several years and high profile gaming assets. We have provided information on two of MGM Mirage’s Senior Secured Notes as other possible swap alternatives.

Issue	Maturity	Price	YTW	CY	STW	Agency Ratings	LTM Leverage (1)
AMECAS 11.000% Sr. Secured Notes	6/15/2014	\$88.00	14.79%	12.50%	1250bp	B3/B+	5.3x
Harrah's Operating Company 11 1/4% Senior Sec'd Notes '17	6/1/2017	\$108.50	9.55%	10.37%	649bp	Caa1/B-	5.7x
Harrah's Operating Company 10% 2nd Priority Notes '18	12/15/2018	\$84.00	13.09%	11.90%	943bp	Caa1/B-	8.4x
MGM 10 3/8% Senior Secured Notes '14	5/15/2014	\$110.00	7.62%	9.43%	484bp	B1/B	4.6x
MGM 11 1/8% Senior Secured Notes '17	5/15/2014	\$112.25	8.24%	9.91%	554bp	B1/B	4.6x

Note: (1) LTM Leverage is leverage through the specific debt security.
 (Source: CRT, Company Financials)



AMECAS	FYA	FYA	1QA	2QA	3QA	4QE	FYE	1QE	2QE	3QE	4QE	FYE	FYE
(\$ millions, except per share data)	12/31/2007	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	12/31/2010	12/31/2011
REVENUES:													
Gaming	\$ 265.1	\$ 256.5	\$ 59.5	\$ 55.9	\$ 50.1	\$ 46.2	\$ 211.6	\$ 53.6	\$ 53.1	\$ 47.6	\$ 46.2	\$ 200.4	\$ 204.4
Hotel	88.2	81.2	15.0	16.2	15.3	13.7	60.2	14.4	15.8	15.3	14.1	59.5	61.9
Food & Beverage	91.2	89.6	18.6	19.5	18.7	18.9	75.8	17.8	18.9	18.6	19.6	74.9	80.3
Tower, Retail & Other	40.1	38.8	8.2	9.1	9.4	7.9	34.6	7.5	9.6	10.0	8.8	35.8	37.4
Gross Revenues	484.6	466.1	101.3	100.8	93.5	86.7	382.2	93.2	97.4	91.4	88.7	370.7	384.1
Less: Promo Allowances	(40.4)	(41.7)	(7.6)	(6.6)	(5.8)	(6.1)	(26.1)	(8.0)	(7.8)	(7.3)	(7.3)	(30.4)	(30.7)
Net Revenues	\$ 444.2	\$ 424.4	\$ 93.7	\$ 94.2	\$ 87.7	\$ 80.6	356.1	\$ 85.2	\$ 89.6	\$ 84.1	\$ 81.4	340.3	353.4
% change	15.2%	-4.5%	-17.9%	-14.9%	-17.0%	-14.3%	-16.1%	-9.1%	-4.9%	-4.1%	1.0%	-4.4%	3.8%
COSTS AND EXPENSES:													
Gaming	88.0	84.9	18.8	17.7	16.9	15.9	69.3	17.1	17.0	16.2	15.7	66.0	68.5
Hotel	35.4	34.1	8.3	9.0	9.2	8.3	34.9	8.5	9.3	9.5	8.6	35.9	38.2
Food & Beverage	68.4	66.0	14.3	15.5	15.6	15.0	60.4	14.0	15.2	15.6	15.3	60.1	61.9
Tower, Retail & Other Operating Expense	17.9	17.7	3.5	3.6	3.4	2.8	13.3	2.6	3.3	3.5	3.1	12.5	13.1
Selling, General and administrative	126.0	134.9	28.6	27.4	27.9	27.5	111.3	28.0	28.1	28.0	27.3	111.4	112.1
Depreciation & Amortization	36.0	36.4	9.9	10.5	10.4	10.4	41.2	10.4	10.4	10.4	10.4	41.5	43.0
Pre opening expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of assets	0.0	0.9	0.0	0.6	-	-	0.6	-	-	-	-	-	-
Other	-	11.9	-	-	0.4	-	0.4	-	-	-	-	-	-
Total Costs & Expenses	371.8	386.6	83.5	84.2	83.8	79.9	331.4	80.7	83.4	83.1	80.4	327.5	336.8
Operating Income	72.4	37.8	10.2	9.9	3.9	0.7	24.8	4.5	6.2	1.0	1.1	12.8	16.6
% Change (Year over Year)	26.0%	-47.8%	-51.2%	-35.6%	-56.4%	-108.9%	-34.5%	-55.8%	-37.4%	-74.3%	58.9%	-48.2%	29.2%
NON-OPERATING INC(EXP)													
Loss on early extinguishment of debt	-	(13.6)	-	-	-	-	-	-	-	-	-	-	-
Interest Income	2.4	1.1	0.0	0.019	0.0	-	0.1	-	-	-	-	-	-
Interest Expense	(20.6)	(65.1)	(11.9)	(10.8)	(5.7)	(11.2)	(39.6)	(11.2)	(11.2)	(11.2)	(11.2)	(44.9)	(44.9)
Other net	-	-	-	-	-	-	-	-	-	-	-	-	-
	(18.2)	(77.6)	(11.8)	(10.8)	(5.7)	(11.2)	(39.6)	(11.2)	(11.2)	(11.2)	(11.2)	(44.9)	(44.9)
Loss before provision for income taxes	54.2	(39.8)	(1.6)	(0.8)	(1.8)	(10.6)	(14.8)	(6.7)	(5.0)	(10.2)	(10.2)	(32.1)	(28.4)
Provision (benefit) for Income tax	15.6	3.2	(1.2)	-	-	-	(1.2)	-	-	-	-	-	-
Net Income (Loss)	38.6	(36.6)	(2.8)	(0.8)	(1.8)	(10.6)	(13.6)	(6.7)	(5.0)	(10.2)	(10.2)	(32.1)	(28.4)

(Source: CRT, Company Financials)

RATIOS:	FYA	FYA	1QA	2QA	3QA	4QE	FYE	1QE	2QE	3QE	4QE	FYE	FYE
	12/31/2007	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	12/31/2010	12/31/2011
Revenue Growth:													
Gaming Revenues	20.1%	-3.3%	-14.0%	-16.1%	-20.5%	-20.0%	-17.5%	-9.9%	-5.0%	-5.0%	0.0%	-5.3%	2.0%
Hotel Revenues	16.7%	-8.0%	-35.6%	-25.8%	-22.7%	-16.0%	-25.9%	-4.1%	-2.4%	-0.3%	3.1%	-1.1%	4.0%
Food & Beverage Revenues	9.0%	-1.7%	-20.7%	-16.2%	-16.9%	-6.8%	-15.4%	-4.5%	-3.2%	-0.5%	3.8%	-1.1%	7.2%
Tower, Retail & Other Revenues	11.6%	-3.1%	-7.6%	-4.4%	-15.7%	-14.9%	-10.9%	-8.5%	4.5%	6.6%	11.1%	3.5%	4.4%

(Source: CRT, Company Financials)

AMECAS CREDIT RATIOS	FY	FYA	1QA	2QA	3QA	4QE	FYE	1QE	2QE	3QE	4QE	FYE	FYE
(\$ millions)	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>3/31/2009</u>	<u>6/30/2009</u>	<u>9/30/2009</u>	<u>12/31/2009</u>	<u>12/31/2009</u>	<u>3/31/2010</u>	<u>6/30/2010</u>	<u>9/30/2010</u>	<u>12/31/2010</u>	<u>12/31/2010</u>	<u>12/31/2011</u>
Operating Income	\$ 72.4	\$ 37.8	\$ 10.2	\$ 9.9	\$ 3.9	\$ 0.7	\$ 24.8	\$ 4.5	\$ 6.2	\$ 1.0	\$ 1.1	\$ 12.8	\$ 16.6
plus: D&A	36.0	36.4	9.9	10.5	10.4	10.4	41.2	10.4	10.4	10.4	10.4	41.5	43.0
plus: Preopening and impairment losses	0.0	12.8	0.0	0.6	0.4	-	1.0	-	-	-	-	-	-
Adjusted EBITDA	\$ 108.5	\$ 86.915	\$ 20.1	\$ 21.0	\$ 14.7	\$ 11.1	\$ 66.9	\$ 14.9	\$ 16.6	\$ 11.4	\$ 11.5	\$ 54.4	\$ 59.6
% change	25.6%	-19.9%	-31.3%	-14.7%	-23.3%	-19.9%	-23.0%	-26.0%	-21.1%	-22.4%	3.6%	-18.8%	9.6%
Adj. EBITDA Margin	24.4%	20.5%	21.5%	22.4%	16.7%	13.7%	18.8%	17.5%	18.5%	13.5%	14.1%	16.0%	16.9%
EBITDA/Total Interest Expense	5.3x	1.3x	1.7x	1.9x	2.6x	1.0x	1.7x	1.3x	1.5x	1.0x	1.0x	1.2x	1.3x
EBITDA-capex/Total Interest Expense	4.2x	0.7x	1.4x	1.6x	2.1x	0.5x	1.3x	0.8x	1.0x	0.5x	0.5x	0.7x	0.8x
LTM EBITDA/LTM Interest Expense	5.3x	1.3x	1.2x	1.3x	1.5x	1.7x	1.7x	1.6x	1.5x	1.2x	1.2x	1.2x	1.3x
LTM EBITDA-capex/Total Interest Expense	1.1x	1.2x	0.7x	0.8x	0.9x	1.3x	1.3x	1.1x	1.0x	0.7x	0.7x	0.7x	0.8x
Senior Debt/LTM EBITDA	2.4x	12.8x	14.3x	7.7x	5.1x	5.3x	5.3x	5.8x	6.2x	6.6x	6.6x	6.6x	6.1x
Total Debt/LTM EBITDA	2.4x	12.8x	14.3x	7.7x	5.1x	5.3x	5.3x	5.8x	6.2x	6.6x	6.6x	6.6x	6.1x
(Source: Company Financials, CRT Estimates)													
AMECAS Cash Flow Table													
(\$ millions)	FYA	FYA	1QA	2QA	3QA	4QE	FYE	1QE	2QE	3QE	4QE	FYE	FYE
	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>3/31/2009</u>	<u>6/30/2009</u>	<u>9/30/2009</u>	<u>12/31/2009</u>	<u>12/31/2009</u>	<u>3/31/2010</u>	<u>6/30/2010</u>	<u>9/30/2010</u>	<u>12/31/2010</u>	<u>12/31/2010</u>	<u>12/31/2011</u>
Net Income (Loss)	\$ 38.6	\$ (36.8)	\$ (1.6)	\$ (0.8)	\$ (1.8)	\$ (10.6)	\$ (14.8)	\$ (6.7)	\$ (5.0)	\$ (10.2)	\$ (10.2)	\$ (32.1)	\$ (28.4)
D&A	36.0	36.4	9.9	10.5	10.4	10.4	41.2	10.4	10.4	10.4	10.4	41.5	43.0
Other	0.4	14.3	2.0	2.5	0.5	0.9	5.8	0.9	0.9	0.9	0.9	3.7	3.7
<i>Funds from Operations</i>	75.0	13.8	10.3	12.1	9.1	0.7	32.2	4.6	6.3	1.1	1.1	13.1	18.3
<i>Changes in working capital</i>	(1.6)	6.8	6.5	(11.7)	45.4	(17.2)	23.0	20.6	(17.2)	20.6	(17.2)	6.9	-
Cash from Operations	73.4	20.6	16.8	0.5	54.4	(16.4)	55.2	25.2	(10.9)	21.7	(16.0)	20.0	18.3
Acquisition of ACEP LLC		(1,299.1)											
Capital Expenditures	(22.5)	(37.8)	(3.6)	(3.1)	(2.9)	(5.5)	(15.1)	(5.6)	(5.6)	(5.6)	(5.6)	(22.3)	(22.3)
Sale of Assets	0.8	0.1	0.1	0.1	0.0	-	0.2	-	-	-	-	0.0	0.0
Other	1.1	(1,298.1)	-	-	-	-	0.0	-	-	-	-	0.0	0.0
<i>Net cash used in investing activities</i>	(20.6)	(1,335.8)	(3.6)	(2.9)	(2.8)	(5.5)	(14.8)	(5.6)	(5.6)	(5.6)	(5.6)	(22.3)	(22.3)
LEVERED FREE CASH FLOW	\$52.8	(\$1,315.2)	\$13.2	(\$2.5)	\$51.6	(\$21.9)	\$40.4	\$19.6	(\$16.5)	\$16.1	(\$21.6)	(\$2.3)	(\$4.0)
Debt Issuance and deferred financing costs	-	(16.4)	-	(12.7)	(3.0)	-	(15.7)	-	-	-	-	-	-
Proceeds from Line of Credit, net of repayments	-	(40.0)	-	-	(315.0)	-	(315.0)	-	-	-	-	-	-
Equity Contribution, net of distributions ⁽¹⁾	-	218.2	-	35.0	-	-	35.0	-	-	-	-	-	-
Proceeds on notes payable ⁽¹⁾	-	1,108.0	-	-	311.3	-	311.3	-	-	-	-	-	-
Payment on Capital Lease obligation	(0.5)	(0.5)	(0.1)	(0.2)	(0.0)	-	(0.3)	-	-	-	-	-	-
<i>Net cash from financing activities</i>	(0.5)	1,238.3	(0.1)	22.1	(6.8)	0.0	15.3	0.0	0.0	0.0	0.0	0.0	0.0
Incr (Decr) in Cash and Cash Eq	52.4	(76.9)	13.1	19.6	44.8	(21.9)	55.7	19.6	(16.5)	16.1	(21.6)	(2.3)	(4.0)
Cash and Equivalents, beginning of period	54.9	107.3	30.4	43.5	63.1	\$108.0	\$30.4	\$86.0	\$105.7	\$89.2	\$105.3	\$86.0	\$83.7
Cash and Equivalents, end of period	107.3	30.4	43.5	63.1	108.0	86.0	86.0	105.7	89.2	105.3	83.7	83.7	79.7
Notes: (1) The \$1,108 million of notes payable and the \$218.2 million equity contribution during 2008 funded the Acquisition of ACEP LLC													
(Source: Company Financials and CRT Estimates)													

AMECAS CAPITALIZATION TABLE												
TOTAL DEBT	FYA	1QA	2QA	3QA	4QE	FYE	1QE	2QE	3QE	4QE	FYE	FYE
(\$ in millions)	<u>12/31/2008</u>	<u>3/31/09</u>	<u>6/30/09</u>	<u>9/30/09</u>	<u>12/31/09</u>	<u>12/31/2009</u>	<u>3/31/10</u>	<u>6/30/10</u>	<u>9/30/10</u>	<u>12/31/10</u>	<u>12/31/2010</u>	<u>12/31/2011</u>
Goldman Term Loans & related mezz. Financings due 3/11/10	\$1,108.0	1,108.0	-	-	-	-	-	-	-	-	-	-
7.85% Senior Secured Notes due 2/01/12	-	-	-	-	-	\$ -	-	-	-	-	-	-
Senior Secured R/C due 5/12/10	-	-	-	-	-	-	-	-	-	-	-	-
2014 T/L due 6/9/14 L+10%, w a 2.5% Libor floor	-	-	571.8	-	-	-	-	-	-	-	-	-
11% Senior Secured Notes due 6/15/14	-	-	-	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Unamortized discount	-	-	-	(24.5)	(23.6)	(23.6)	(22.7)	(21.8)	(20.8)	(19.9)	(19.9)	(16.2)
Capital lease obligations	1.8	1.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Total Debt	1,109.8	1,109.7	574.3	353.0	353.9	353.9	354.8	355.8	356.7	357.6	357.6	361.3
Cash	(30.4)	(43.5)	(63.1)	(108.0)	(86.0)	(86.0)	(105.7)	(89.2)	(105.3)	(83.7)	(83.7)	(79.7)
Net Debt	\$1,079.4	\$1,066.2	\$511.2	\$245.0	\$267.9	\$267.9	\$249.2	\$266.6	\$251.4	\$273.9	\$273.9	\$281.6
LTM Revenues	\$ 424.4	\$ 404.0	\$ 387.5	\$ 369.5	\$ 356.1	\$ 356.1	\$ 602.7	\$ 862.0	\$ 774.3	\$ 340.3	\$ 340.3	\$ 353.4
LTM EBITDA	86.9	77.7	74.1	69.7	66.9	66.9	61.7	57.2	54.0	54.4	54.4	59.6
LTM EBITDA margin	20.5%	19.2%	19.1%	18.9%	18.8%	18.8%	10.2%	6.6%	7.0%	16.0%	16.0%	16.9%
Senior Secured Debt/LTM EBITDA	12.8x	14.3x	7.7x	5.1x	5.3x	5.3x	5.8x	6.2x	6.6x	6.6x	6.6x	6.1x
Senior Debt/LTM EBITDA	12.8x	14.3x	7.7x	5.1x	5.3x	5.3x	5.8x	6.2x	6.6x	6.6x	6.6x	6.1x
Total Debt/LTM EBITDA	12.8x	14.3x	7.7x	5.1x	5.3x	5.3x	5.8x	6.2x	6.6x	6.6x	6.6x	6.1x
Net Debt/LTM EBITDA	12.4x	13.7x	6.9x	3.5x	4.0x	4.0x	4.0x	4.7x	4.7x	5.0x	5.0x	4.7x

(Source: Company Financials, CRT Estimates)

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