

CENTURY CASINOS INC /CO/  
Form 10-K  
March 31, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended  
December 31, 2010

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 0-22900

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.)

2860 South Circle Drive, Suite 350, Colorado Springs, Colorado 80906  
(Address of principal executive offices) (Zip Code)

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

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

Common Stock, \$0.01 Per Share Par Value

NASDAQ Stock Market, Inc.

Securities Registered Pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		(Do not check if a smaller reporting company)	

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

The aggregate market value of the voting common equity held by non-affiliates of the registrant as of June 30, 2010, based upon the closing price of \$2.14 for the Common Stock on the NASDAQ Stock Market on that date, was \$44,961,760. For purposes of this calculation only, executive officers and directors of the registrant are considered affiliates.

As of March 14, 2011, the registrant had 23,874,798 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: Part III incorporates by reference the registrant’s definitive Proxy Statement for its 2011 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after December 31, 2010.

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## DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and, as such, may involve risks and uncertainties. All statements included or incorporated by reference in this report, other than statements that are purely historical, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “could,” “continue” or similar terminology. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements.

The forward-looking statements in this report are subject to additional risks and uncertainties further discussed under Item 1A. “Risk Factors” and are based on information available to us on the filing date of this Annual Report on Form 10-K. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to update any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this report.

### PART I

As used in this report, the terms “Company,” “CCI,” “we,” “our,” or “us” refer to Century Casinos, Inc. and its consolidated subsidiaries, taken as a whole, unless the context otherwise indicates.

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 2 to the Consolidated Financial Statements included elsewhere in this report. The following information should be read in conjunction with the Consolidated Financial Statements and notes thereto included in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.

#### Item 1. Business.

##### General

Century Casinos, Inc. (“CCI”), a Delaware corporation founded in 1992, is an international casino entertainment company that develops and operates gaming establishments as well as related lodging, restaurant and entertainment facilities around the world.

Our main goal is to grow our business worldwide by actively pursuing the development or acquisition of new gaming opportunities and reinvesting in the success of our existing operations.

##### Overview of Operations

As of December 31, 2010, we own, operate or manage the following properties:

##### Century Casino & Hotel – Edmonton, Alberta, Canada

In November 2006, we opened the casino portion of the Century Casino & Hotel in Edmonton, Alberta, Canada, and in March 2007, we opened the attached 26-room hotel. Edmonton is the capital of the Canadian province of Alberta, serving a metropolitan population of over one million people. The facility has 684 slot machines, 35 table games (including a 24-hour poker room), 4 video lottery terminals, 26 hotel rooms, a 400 seat showroom and 4 food and

beverage outlets. In addition, in October 2010, we acquired the franchise license to operate the Yuk Yuks Comedy Club, where we host comedic performances at the casino.

Century Casino Calgary – Calgary, Alberta, Canada

In January 2010, we acquired Century Casino Calgary (formerly known as The Silver Dollar Casino) in Calgary, Alberta, Canada. Calgary is the largest city in the province of Alberta, serving a metropolitan population of over one million people. The casino includes 504 slot machines, 17 table games, 25 video lottery terminals, 2 restaurants, 1 lounge, a 5,000 square foot showroom, an 18,000 square foot showroom and a 30-lane bowling alley. In November 2010, we rebranded the casino under the name Century Casino Calgary.

Century Casino & Hotel – Central City, Colorado

In July 2006, as part of a joint venture, we opened the Century Casino & Hotel in Central City, Colorado. On December 31, 2007, we acquired the remaining 35% interest in the joint venture that we previously did not own. Central City is located approximately 35 miles west of Denver, serving a metropolitan population of over two million people. The Century Casino & Hotel is located in Central City at the end of the Central City Parkway, a four lane highway connecting I-70, the main east/west interstate in Colorado, to Central City. The facility has 496 Ticket In/Ticket Out (“TITO”) slot machines, 11 table games (three of which are player-banked poker tables), 26 hotel rooms, 1 bar, 2 restaurants and a 500-space on-site covered parking garage.

Century Casino & Hotel – Cripple Creek, Colorado

Since 1996, we have owned and operated the Century Casino & Hotel Cripple Creek in Cripple Creek (formerly known as Womacks Casino & Hotel), Colorado. The town of Cripple Creek is located approximately 45 miles southwest of Colorado Springs, the second largest city in the state of Colorado, serving a metropolitan population of over 500,000 people. The facility has 438 TITO slot machines, 6 table games, 21 hotel rooms, 2 bars, 1 restaurant and 271 parking spaces neighboring the casino. In October 2010, we rebranded the casino under the name Century Casino & Hotel Cripple Creek.

Cruise Ships

In addition to our land-based casinos, we operate ship-based casinos pursuant to casino concessionaire agreements that give us the exclusive right to install and operate casinos aboard these vessels. These agreements also give us the right of first refusal to install casinos aboard any new ships built or acquired by these companies. The agreements with the cruise ship operators provide for cancellation by the operators with a limited notice period in the event of our default under the respective agreements.

The following table summarizes the cruise lines for which we have entered into agreements and are currently operating ship-based casinos, the associated ships on which we operate ship-based casinos and the dates we entered into agreements with the cruise lines.

Cruise Line	Ship	Agreement Date
Silversea Cruises	Silver Cloud	May 27, 2000 *
Oceania Cruises	Regatta	March 28, 2003
Oceania Cruises	Nautica	March 28, 2003
Oceania Cruises	Insignia	March 28, 2003
Oceania Cruises	Marina	June 23, 2010 **
TUI Cruises	Mein Schiff	November 24, 2008
Windstar Cruises	Wind Surf	March 10, 2010
Windstar Cruises	Wind Star	March 10, 2010
Windstar Cruises	Wind Spirit	March 10, 2010
Regent Seven Seas Cruises	Seven Seas Voyager	June 23, 2010
Regent Seven Seas Cruises	Seven Seas Mariner	June 23, 2010
Regent Seven Seas Cruises	Seven Seas Navigator	June 23, 2010

\*The Silversea Cruises concessionaire agreement expired on March 24, 2011 and was not renewed.

\*\*The ship-based casino aboard the Marina opened on January 22, 2011 on the ship's maiden voyage.

As of January 31, 2011, we had a total of 404 slots machines and 58 table games aboard the 12 cruise ships.

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## Casinos Poland

In March 2007, we acquired 33.3% of the outstanding shares issued by Casinos Poland Ltd (“CPL”). CPL owns and operates seven casinos in Warszawa in the Hyatt Hotel, Warszawa in the Marriott Hotel, Krakow, Poznan, Katowice, Wroclaw and Gdynia, Poland and has been operating since 1989. We account for this investment under the equity method.

## Radisson Aruba Resort, Casino & Spa Management Agreement

In December 2010, we entered into a long-term management agreement to assist in the operation of the casino at the Radisson Aruba Resort, Casino & Spa. We were not required to invest any amounts under the management agreement. We receive a management fee consisting of a fixed fee, plus a percentage of the casino’s gross revenue and a percentage of Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”). The casino at the Radisson Aruba Resort is a 14,000 square foot casino centrally located within the hotel and operates with approximately 250 slot machines, 15 table games and one food and beverage outlet. On the island of Aruba there are 200,000 inhabitants as well as up to 70,000 tourists on any given day. The casino is located on Palm Beach, the main tourist spot on the island, approximately 2 miles from downtown Oranjestad, the capital of Aruba.

The Company completed an assessment of whether the management agreement at the Radisson Aruba Resort, Casino & Spa is a variable interest. We have concluded that our management agreement for Radisson Aruba Resort, Casino & Spa is a variable interest, however, we do not have a controlling financial interest and therefore we are not required to consolidate.

## Additional Company Projects and Other Developments

In addition to the operations described above, we have a number of potential gaming projects that we are currently exploring.

On March 7, 2011 we announced that we applied for a casino license in the Canton of Neuchatel, Switzerland. We are one of four companies applying for the license. A decision by the Swiss government is expected in June 2011. There is no assurance that we will be granted the concession by the Swiss government or, if granted, that we will be able to successfully develop the casino property. We expect a total investment amount of approximately \$30.0 million if the casino concession is granted. We intend to finance approximately 40% of the investment ourselves and 60% through a local Swiss bank loan. Another alternative is to spin off the real estate development to a real estate company and enter into a long-term lease. The casino would be located at a busy intersection next to the established Ibis Hotel in Neuchatel. The newly built 21,000 square foot facility would include underground parking and offer up to 250 slot machines and 18 table games. Major cities like Neuchatel, Lausanne, Geneva and Bern are all within a driving range of less than 90 minutes.

Along with the capital needs of potential projects, there are various other risks which, if they materialize, could affect our ability to complete a proposed project or could eliminate its feasibility altogether. For more information on these and other risks related to our business, see Item 1A, “Risk Factors”.

## Capital Needs, Uses and Cash Flow

As a gaming company, our operating results are highly dependent on the volume of customers at our casinos. Most of our revenue is essentially cash-based, through customers wagering with cash or paying for non-gaming services with cash or credit cards. Our industry is capital intensive, and we rely heavily on the ability of our casinos to generate operating cash flow to repay debt financing, fund maintenance capital expenditures and provide excess cash for future development.



## Marketing and Competition

We face intense competition from other casinos in jurisdictions in which we operate and destination resorts. Many of our competitors are larger and have substantially greater name recognition, marketing resources and access to lower cost sources of financing than we do. We seek to compete through promotion of our players clubs and other marketing efforts. Our marketing focuses on local facts and circumstances of the respective market areas in which we operate. Our primary marketing strategy centers on attracting new customers and rewarding repeat customers through our players' club programs. We also continue to enhance our social networking marketing initiatives. In 2010, we focused on branding our properties and in October and November 2010, we rebranded the Century Casino & Hotel Cripple Creek from Womacks Casino & Hotel and the Century Casino Calgary from The Silver Dollar Casino, respectively. We maintain a proprietary database of primarily slot machine customers that allows us to create effective targeted marketing and promotional programs, cash and merchandise giveaways, coupons, preferred parking, food, lodging, game tournaments and other special events. These programs are designed to reward customer loyalty and attract new customers to our properties through a multi-tiered reward program that rewards players based on total amount wagered and frequency of visits. Those who qualify for VIP status receive additional benefits compared to regular club membership, such as invitations to exclusive VIP events. Our players' club cards allow us to update our database and track member gaming preferences, including, but not limited to, maximum, minimum, and total amounts wagered and frequency of visits. All visitors to our properties are offered the opportunity to join our players' club.

Edmonton, Canada – The Century Casino & Hotel in Edmonton, Canada has seven competitors (six casinos and one combined racetrack/casino) in the Edmonton market. Our casino is one of two casinos in Edmonton that has both a hotel and showroom. It is the only casino to offer a comedy club and heated parking garage. Our main marketing activity focuses on branding the casino, through various forms of media, as the ultimate entertainment destination and as a provider of a sophisticated, interactive and intimate gaming experience. The casino is located in a densely populated area with the closest competing casino approximately ten miles away. With the exception of a First Nations gaming operation, smoking has been banned in all Edmonton casinos.

Calgary, Canada - The fully renovated Century Casino Calgary has six competitors (two of which have a combination of hotel and casino) in the Calgary market. Unique to our casino is a 30 lane bowling alley, a 5,000 square foot Winner's Lounge, as well as an 18,000 square foot showroom that can accommodate over 1,000 patrons. Using numerous forms of media, we concentrate our marketing on the casino floor, the players' club, the bowling alley and music concerts such as Collin Ray, B52's and Emerson Drive as well as other entertainment events at the two showrooms. The casino is located in a metropolitan area approximately 3 miles from downtown Calgary with the closest competition located five blocks away. With the exception of a First Nations gaming operation, smoking has been banned in all Calgary casinos.

Colorado – Cripple Creek, Central City and Black Hawk are the only three cities in Colorado that allow gaming, exclusive of two Native American gaming operations in southwestern Colorado. Cripple Creek, located approximately 45 miles southwest of Colorado Springs, and Central City and Black Hawk, located approximately 35 miles west of Denver, are historic mining towns dating back to the late 1800's that have developed into tourist attractions. As of December 31, 2010, there were 13 active casino licensees operating in Cripple Creek, 7 active casino licensees operating in Central City and 17 active casino licensees operating in Black Hawk. Unlike other regions in which we operate, gaming in Colorado is "limited stakes," which restricts any single wager to a current maximum of one hundred dollars.

The cities of Black Hawk and Central City are adjoining small mountain tourist towns, located approximately one mile apart. While Central City and Black Hawk compete with one another for market share, we view the two cities as one combined market servicing the Denver area. Black Hawk, which we believe does not maintain the same rigorous historical preservation standards as Central City, has been able to successfully attract major casino industry leaders with the ability to offer larger hotels, upscale dining facilities, performance centers and spa facilities. The casino operations in Black Hawk constitute a significant portion of the overall casino gaming market in Colorado (exclusive of the Native American gaming operations), with 58% of the total gaming devices and approximately 75% of total gaming revenues in 2010.

Management believes that an integral component in attracting gaming patrons to our Colorado casinos is the availability of adequate, nearby parking and lodging. At our Cripple Creek property, we presently own a total of 271 uncovered parking spaces. We believe we have sufficient close proximity parking. However, covered parking garages provided by three of our competitors in Cripple Creek impact our casino, particularly during inclement weather. Three of our competitors in the Cripple Creek market also have more hotel rooms, providing them with an advantage during inclement weather and the peak tourist season. Our casino in Central City has a 500-space covered parking garage offering free public parking. Several other casinos in the Central City/Black Hawk market also have covered parking garages.

Our marketing objective for the casinos in Colorado is to create public awareness by positioning our casinos as the premier provider of personal service, convenient parking, the latest gaming products and superior food quality. As competition in Colorado is intense, we allocate up to 25% of each casino's gaming revenues to marketing measures. In addition to our players' clubs, we also have various cash and prize promotions and market our casinos through a variety of media outlets including radio, print and billboard advertising.

Cruise Ships – We can only do limited marketing of our casinos on cruise ships. We mostly have to rely on each cruise ship's marketing efforts to attract on-board customers to our casino. We compete with activities on the ship as well as onshore activities including land-based casinos.

Poland – Casinos Poland competes with 19 casinos located throughout Poland. Seven additional licenses to operate casinos in small cities across Poland were granted in 2010 but have not started operations. Effective January 1, 2010, the gaming laws in Poland changed to include an increase in the gaming tax rate from 45% to 50%, a requirement that all licensees go through a renewal process once their current licenses have expired and a requirement that all slot arcades cease operations at the end of their current license period. As a result of this change, the Stettin slot casino owned by Casinos Poland was required to close in September 2010. As all slot arcades in Poland will be required to close within the next 5 years, we expect that key slot arcade operators will continue to apply for gaming licenses.

The Polish government generally forbids the marketing of gaming activities outside of a casino, but the marketing of entertainment is permissible. Therefore, Casinos Poland's marketing focuses on advertising the entertainment possibilities at each casino, such as concerts and parties. Casinos Poland also relies on the locations of its casinos, which are in major cities throughout Poland, to attract customers. During 2010, Casinos Poland was able to increase market share to 50% from 43% in 2009. Smoking was restricted in all Polish casinos in November 2010. The impact on revenues is unclear as operators are allowed to split smoking and non-smoking rooms or install smoker's cabins.

Radisson Aruba Hotel, Casino & Spa – The Radisson Aruba Hotel, Casino & Spa, for which we hold the casino management agreement, has nine competitors (one is currently closed for renovation) in the Aruba market. Our casino is one of two in the Aruba market to offer Texas Hold'em table games and is planning a renovation of the property in April 2011. The casino will remain open during the renovation. The total budget for the renovation is \$8.0 million to be paid by Radisson. Our main marketing activity is focused on promotions to drive traffic at the casino with promotions such as car giveaways, tables and slot tournaments and various events at the casino including live music. Marketing efforts are targeted to hotel guests staying at the Radisson Hotel as well as tourists and locals from the

island. In addition, the casino is located on Palm Beach which is the main tourist spot on the island.

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## Seasonality

Canada – Our casinos in Edmonton and Calgary, Alberta, Canada attract more customers from October through April. The remainder of the year the casinos attract fewer customers because we compete with outdoor activities.

Colorado – Our casinos in Colorado attract more customers during the warmer months from May through September. We expect to attract fewer customers from October through April because weather conditions during this period are variable and can have a significant impact on daily business levels. For example, during the year ended December 31, 2010, the net operating revenue attributable to our Colorado operations fluctuated from a low of \$6.4 million in the first quarter to a high of \$7.9 million in the third quarter.

Cruise Ships – Our business aboard cruise ships generally is not impacted by seasonality as the cruise ships generally operate year round. Our revenues from these operations fluctuate significantly with the quality of the players. 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 of the cruise line, which may impact our revenues from operations of our cruise ship casinos.

Casinos Poland – Casinos Poland attracts more customers from October through March.

Aruba – The casino in Aruba, for which we hold the management agreement, is popular among tourists throughout the year, with the peak season being from the end of December to April.

## Governmental Regulation and Licensing

The ownership and operation of casino gaming facilities are subject to extensive state, local and, for our foreign operations, provincial regulations. We are required to obtain and maintain gaming licenses in each of the jurisdictions in which we conduct gaming operations. The limitation, conditioning, suspension, revocation or non-renewal of gaming licenses, or the failure to reauthorize gaming in certain jurisdictions, would materially adversely affect our gaming operations in that jurisdiction. In addition, changes in law that restrict or prohibit gaming operations in any jurisdiction could have a material adverse effect on our financial position, results of operations and cash flows.

Statutes and regulations can require us to meet various standards relating to, among other matters, business licenses, registration of employees, floor plans, background investigations of licensees and employees, historic preservation, building, fire and accessibility requirements, payment of gaming taxes, and regulations concerning equipment, machines, tokens, gaming participants, and ownership interests. Civil and criminal penalties, including shutdowns or the loss of our ability to operate gaming facilities in a particular jurisdiction, can be assessed against us and/or our officers to the extent of their individual participation in, or association with, a violation of any of the state or local gaming statutes or regulations. Such laws and regulations apply in all jurisdictions in which we may do business. Management believes that we are in compliance with all applicable gaming and non-gaming regulations as described below.

### Alberta, Canada

Gaming in Alberta is governed by the provincial government. The Alberta Gaming and Liquor Commission (“AGLC”) administers and regulates the gaming industry in Alberta. The AGLC operates in accordance with the Gaming and Liquor Act, the Gaming and Liquor Regulation and the Criminal Code of Canada.

The AGLC requires all gaming operations to be licensed but only allows a certain amount of licenses to be granted. All available licenses have currently been granted. If the AGLC increases the number of licenses available, applicants for a gaming license must submit an application and run through an eight-step approval process. Following the approval of the board of the AGLC, the applicant may operate the casino applied for in accordance with federal and

provincial legislation, regulation, and policies as well as the municipal requirements, permits, licenses and authorization relating to the casino. The AGLC monitors the casino operator and its compliance with all requirements. In the event of a violation of such requirements, civil and criminal charges can be assessed.

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The AGLC provides casinos with slot machines, slot technicians and personnel to administer table game counts. In return, casino licensees market the casinos, provide table game dealers and provide the AGLC with a place to operate slot machines. Casino licensees do not incur lease expenditures with the AGLC. In lieu of these lease expenses and other expenses associated with the operating of slot machines (i.e. equipment and personnel), casino licensees retain only a portion of net sales. Net sales, as defined by the AGLC, are calculated as cash played, less cash won, less the cost to lease the equipment, if applicable.

The AGLC retains 85% of slot machine net sales. For all table games, excluding poker and craps, we are required to allocate 50% of our net win to a charity designated by the AGLC. For poker and craps, 25% of our net win is allocated to the charity. We record our revenues net of the amounts retained by the AGLC.

#### Colorado, United States

The ownership and operation of gaming facilities in Colorado are subject to extensive state and local regulations. Licenses must be obtained from the Colorado Limited Gaming Control Commission (the “Gaming Commission”) prior to offering limited gaming to the public in the state of Colorado. In addition, the State of Colorado created the Division of Gaming (the “DOG”) within its Department of Revenue to license, implement, regulate, and supervise the conduct of limited stakes gaming. The Director of the DOG (“DOG Director”), under the supervision of the Gaming Commission, has been granted broad powers to ensure compliance with the laws and regulations. The Gaming Commission, DOG and DOG Director are collectively referred to as the “Colorado Gaming Authorities.”

The laws, regulations, and internal control minimum procedures of the Colorado Gaming Authorities seek to maintain public confidence and trust that licensed limited gaming is conducted honestly and competitively, that the rights of the creditors of licensees are protected, and that gaming is free from criminal and corruptive elements. The Colorado Gaming Authorities’ stated policy is that public confidence and trust can be maintained only by strict regulation of all persons, locations, practices, associations, and activities related to the operation of the licensed gaming establishments and the manufacture and distribution of gaming devices and equipment.

The Gaming Commission is empowered to issue five types of gaming and related licenses. In order to operate a casino, an operator is required to obtain a retail gaming license. Further, under Colorado gaming regulations, no person or entity can have an ownership interest in more than three retail licenses. We currently operate under the maximum of three retail gaming licenses in Colorado, which must be renewed every two years (Century Casino & Hotel Cripple Creek operates under two gaming licenses). In addition, the Gaming Commission has broad discretion to revoke, suspend, condition, limit or restrict the licensee at any time. The failure or inability of the Century Casino & Hotel in Central City or Cripple Creek, or the failure or inability of others associated with these casinos to maintain necessary gaming licenses or approval would have a material adverse effect on our operations.

Our Colorado casinos must meet specified architectural requirements and must not exceed specified gaming square footage limits as a total of each floor and the full building.

Colorado casinos may operate 24-hours a day, and may permit only individuals 21 or older to gamble in the casino. Colorado law permits slot machines, blackjack, poker, craps and roulette with a maximum single bet of \$100. Colorado casinos may not provide credit to its gaming patrons.

The current gaming tax in Colorado is a graduated rate of 0.25% to 20% on adjusted gross gaming proceeds. Voter approval is required for any changes to this rate.

Colorado law requires that every officer, director or stockholder holding a 5% or greater interest or controlling interest of a publicly traded corporation, or owner of an applicant or licensee, shall be a person of good moral character and submit to and pay the cost of a full background investigation conducted by the Gaming Commission. Persons found unsuitable by the Gaming Commission may be required to immediately terminate any interest in, association or



agreement with, or relationship to, a gaming licensee. A finding of unsuitability with respect to any officer, director, employee, associate, lender or beneficial owner of a licensee or applicant may also jeopardize the licensee's retail license or applicant's license application. Licenses may, however, be conditioned upon termination of any relationship with unsuitable persons.

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We may not issue any voting securities except in accordance with the provisions of the Colorado Limited Gaming Act (the "Act") and the regulations promulgated thereunder. The issuance of any voting securities in violation of the Act will be void, and the voting securities will be deemed not to be issued and outstanding. No voting securities may be transferred, except in accordance with the provisions of the Act and the regulations promulgated thereunder. Any transfer in violation of these provisions will be void. If the Gaming Commission at any time determines that a holder in excess of 5% of our voting securities is unsuitable to hold the securities, then we may, within sixty (60) days after the finding of unsuitability, purchase the voting securities of the unsuitable person at the lesser of (a) the cash equivalent of such person's investment, or (b) the current market price as of the date of the finding of unsuitability, unless such voting securities are transferred to a suitable person within sixty (60) days after the finding of unsuitability. Until our voting securities are owned by persons found by the Gaming Commission to be suitable to own them, (a) we are not permitted to pay any dividends or interest with regard to the voting securities, (b) the holder of such voting securities will not be entitled to vote, and the voting securities will not for any purposes be included in the voting securities entitled to vote, and (c) we may not pay any remuneration in any form to the holder of the voting securities, except in exchange for the voting securities.

#### Cruise Ships

The casinos onboard the cruise ships only operate on international waters. Therefore, the gaming operations are not regulated by any national or local regulatory body. However, we follow standardized rules and practices in the daily operation of the casinos.

#### Aruba

Gaming in Aruba is governed by the Minister of Justice. The Minister of Justice has the authority to grant a casino license and a casino license will only be granted to the holder of a hotel license. The casino must be a facility belonging to the hotel but separated from the normal hotel business matters. Gaming applicants must be in good standing and reputation as determined by the Minister of Justice. Games permitted include craps, bingo, keno, card games, roulette, wheel of fortune and slot machines. Casinos must be in compliance with conditions and rules and regulations set forth by the Minister of Justice, subject to penalty of closure and/or withdrawal of license.

#### Non-Gaming Regulation

We are subject to certain federal, state and local safety and health, employment and environmental laws, regulations and ordinances that apply to our non-gaming operations. We have not made, and do not anticipate making, material expenditures with respect to employment and environmental laws and regulations. However, the coverage and attendant compliance costs associated with such laws, regulations and ordinances may result in future additional costs to our operations.

Rules and regulations regarding the service of alcoholic beverages are strict. The loss or suspension of a liquor license could significantly impair our operations. Local building, parking and fire codes and similar regulations could also impact our operations and proposed development of our properties.

## Employees

As of December 31, 2010, we had approximately 876 employees. During busier months, a casino may supplement its permanent staff with seasonal employees. We have no employees represented by a labor union.

## Executive Management

Name	Age	Position Held
Erwin Haitzmann	57	Chairman of the Board & Co Chief Executive Officer
Peter Hoetzing	48	Vice Chairman of the Board, Co Chief Executive Officer & President
Margaret Stapleton	49	Executive Vice President and Principal Financial Officer

Erwin Haitzmann holds a Doctorate and a Masters degree in Social and Economic Sciences from the University of Linz, Austria (1980), and has extensive casino gaming experience ranging from dealer through various casino management positions. Dr. Haitzmann has been employed full-time by us since 1993 and has been employed as either Chief Executive Officer or Co Chief Executive Officer since March 1994.

Peter Hoetzing received a Masters degree from the University of Linz, Austria (1986). He thereafter was employed in several managerial positions in the gaming industry with Austrian casino companies. Mr. Hoetzing has been employed full-time by us since 1993 and has been Co Chief Executive Officer since March 2005.

Margaret Stapleton was appointed Executive Vice President and Principal Financial Officer, effective May 2010. She holds a Bachelor of Science degree in Accounting from Regis University, Denver, Colorado (2004) and has over 29 years of experience in corporate accounting and internal audit. Mrs. Stapleton has been employed by us since 2005, previously serving as our Director of Internal Audit and Compliance.

## Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are made available free of charge through the Investor Relations-Corporate section of our website at <http://www.cnty.com> as soon as reasonably practicable after such report has been filed with, or furnished to, the SEC. None of the information posted to our website is incorporated by reference into this report.

## Segment and Financial Information about Geographic Areas

See Part II, Item 8, "Financial Statements and Supplementary Data" – Note 14 for segment information.

Item 1A. Risk Factors.

Our short and long-term success is subject to many factors beyond our control. If any of the following risks, or any risks described elsewhere in this Form 10-K, actually occur, our business, financial condition or results of operations could suffer. Additional risks not presently known to us or which we currently consider immaterial may also adversely affect our business, financial condition or results of operations.

Risks Related to our Business and Operations

A downturn in general economic and geopolitical conditions has adversely affected our results of operations. We are and may continue to be adversely affected by reductions in discretionary consumer spending as a result of the ongoing world economic downturn.

Our business operations are subject to changes in international, national and local economic conditions. The current volatile global economic environment is having significant negative effects on our business. Our business is driven by discretionary income. Recessions and downturns in the general economies of the countries in which we operate have resulted in reduced consumer spending and fewer customers visiting our properties, and have adversely affected our results of operations. Our operations in Colorado are located approximately a one hour drive away from the major metropolitan markets they serve. For example, management believes that increased fuel prices for a majority of 2010 contributed to a decline of revenue of our Colorado operations and may adversely affect our results of operations in 2011. Management believes that the ongoing world economic downturn continued to negatively impact our revenue during 2010 and weak economic conditions may continue to negatively impact our results and operations in 2011.

We face significant competition, and if we are not able to compete successfully, our results of operations will be harmed.

We face intense competition from other casinos in jurisdictions in which we operate and destination resorts. Many of our competitors are larger and have substantially greater name recognition, marketing resources and access to lower cost sources of financing than we do. We seek to compete through promotion of our players clubs and other marketing efforts. For example, for our casino in Edmonton, Canada we emphasize the casino's showroom, heated parking, players' club program, and superior service. Some or all of these efforts may not be successful, which could hurt our competitive position. The markets in which we operate are generally not destination resort areas and rely on a local customer base as well as tourists during peak seasons. The number of casinos in these markets may exceed demand, which could make it difficult for us to sustain profitability.

The gaming industry is highly fragmented and characterized by a high degree of competition among a large number of participants. Legalized gaming is currently permitted in various forms throughout much of the world. Competitive gaming activities include casinos, video lottery terminals and other forms of legalized gaming in the U.S. and other jurisdictions. Other jurisdictions may legalize gaming or liberalize their gaming rules in the near future. If additional gaming opportunities become available near our operating facilities, such gaming opportunities could attract players that might otherwise have visited our casinos. The resulting loss of revenue at our casinos may have a material adverse effect on our business, financial condition and results of operations. In addition, established gaming jurisdictions could award additional gaming licenses or permit the expansion of existing gaming operations. We are particularly vulnerable to competition in Colorado. If other gaming operations were permitted to open closer to Colorado Springs or Denver, our operations in Cripple Creek and Central City, respectively, could be substantially harmed, which would have a material adverse effect on us. New or expanded operations by other entities will increase competition for our gaming operations and could have a material adverse impact on us.

We may be unable to obtain the capital necessary to fund our operations or potential acquisitions.

While we have a significant amount of cash currently on hand as a result of our 2009 sale of our South African properties, we may not be able to obtain funding when we need it on favorable terms or at all. If we are unable to finance our current or future expansion projects, such as our potential casino project in Switzerland described in Item 1 “Business” which we expect to cost approximately \$30 million if we are granted the license, we will have to adopt one or more alternatives, such as reducing or delaying planned expansion, development and renovation projects and capital expenditures, selling assets, restructuring debt, obtaining additional equity financing or joint venture partners, or modifying our bank credit facility. In addition, the amount of capital that we are able to raise often depends on variables that are beyond our control, such as the share price of our stock and its trading volume. Funding may be impacted by the global economic, credit and stock market conditions. As a result, we may not be able to secure financing on terms attractive to us, in a timely manner or at all. If we are able to consummate a financing arrangement, the amount raised may not be sufficient to meet all of our future needs and may be highly dilutive to our current stockholders. If we cannot raise adequate funds to satisfy our capital requirements, we may have to scale back or eliminate certain operations.

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Our indebtedness imposes restrictive covenants on us, which limits our operating flexibility.

Our credit agreement related to our Edmonton, Alberta property limits the amount of cash that we are able to remove from Century Resorts Alberta. If we violate this or other covenants relating to this debt, the resulting event of default could result in the lender accelerating the repayment of all outstanding amounts due under the agreement. There can be no assurances that we or our subsidiary would be able to obtain a waiver to an event of default or modification of a covenant if necessary, or otherwise obtain alternative sources of funding to repay the obligation should a default occur. During 2010, all financial covenants relating to our Edmonton debt were fulfilled.

We face extensive regulation from gaming and other regulatory authorities, which involve considerable expense and could harm our business.

As owners and operators of gaming facilities, we are subject to extensive state, local, and international provincial regulation. State, local and provincial authorities require us and our subsidiaries to demonstrate suitability to obtain and retain various licenses and require that we have registrations, permits and approvals to conduct gaming operations. Various regulatory authorities may, for any reason set forth in applicable legislation, rules and regulations, limit, condition, suspend or revoke a license or registration to conduct gaming operations or prevent us from owning the securities of any of our gaming subsidiaries. Like all gaming operators in the jurisdictions in which we operate or plan to operate, we must periodically apply to renew our gaming licenses or registrations and have the suitability of certain of our directors, officers and employees approved. We may not be able to obtain such renewals or approvals. Regulatory authorities may also levy substantial fines against us or seize our assets or the assets of our subsidiaries or the people involved in violating gaming laws or regulations. Any of these events could force us to terminate operations at an existing gaming facility, either on a temporary or permanent basis, could result in us being fined or could prohibit us from successfully completing a project in which we invest. Closing facilities or an inability to expand may have a material adverse effect on our business, financial condition and results of operations.

Potential changes in the regulatory environment may adversely affect the results of our operations.

From time to time, legislators and special interest groups have proposed legislation that would expand, restrict or prevent gaming operations or that may otherwise adversely impact our operations in the jurisdictions in which we operate. Any expansion of the gaming industry that results in increased competition and any restriction on or prohibition of our gaming operations could have a material adverse effect on our operating results or cause us to record an impairment of our assets. On January 1, 2010, the gaming laws in Poland changed to include an increase in the gaming tax rate from 45% to 50%, a requirement that all licensees go through a renewal process once their current licenses have expired and a requirement that all slot arcades cease operations at the end of their current license period. As a result of these changes, the Stettin slot casino operated by Casinos Poland was required to close in September 2010.

We face extensive taxation from gaming and regulatory authorities. Potential changes to the tax laws in the jurisdictions in which we operate may adversely affect the results of our operations.

We believe that the prospect of significant revenue to a jurisdiction through taxation and fees is one of the primary reasons jurisdictions permit legalized gaming. As a result, gaming companies are typically subject to significant taxes and fees in addition to normal federal, state, local and provincial income taxes, and such taxes and fees are subject to increase at any time. We pay substantial taxes and fees with respect to our operations. For instance, the Colorado constitution permits a gaming tax of up to 40% on adjusted gross gaming proceeds. The current gaming tax in Colorado is a graduated rate of 0.25% to 20% on adjusted gross gaming proceeds. Voter approval is required for any increase in gaming tax rates in Colorado. In addition, negative economic conditions could intensify the efforts of state, provincial and local governments to raise revenues through increases in gaming taxes. Effective January 1, 2010, Poland increased the gaming tax rate from 45% to 50%. It is not possible to determine with certainty the

likelihood of changes in tax laws or in the administration of such laws. Increases in gaming tax rates would increase our gaming tax expenses and negatively impact our profitability.

The concentration and evolution of the slot machine manufacturing industry or other technological conditions could impose additional costs on us.

The majority of our revenues are generated from slot machines at our casinos. At our Colorado properties, we own or lease our slot machines through participation agreements. At our Canadian properties, the AGLC owns or leases slot machines through participation agreements. It is important for competitive reasons that we offer popular and up-to-date slot machine games to our guests at all of our casinos.

In recent years, the prices of new slot machines have escalated faster than the rate of inflation. Furthermore, in recent years, slot machine manufacturers have frequently refused to sell slot machines featuring the most popular games, instead requiring participating lease arrangements in order to acquire the machines. Participating slot machine leasing arrangements typically require the payment of a fixed daily rental. Such agreements may also include a percentage payment of coin-in or net win. Generally, a participating lease is substantially more expensive over the long term than the cost to purchase a new machine.

For competitive reasons, we may be forced to purchase new slot machines or enter into participating lease arrangements that are more expensive than the costs associated with the continued operation of our existing slot machines in Colorado. In Canada, the AGLC is faced with this same risk. If the newer slot machines do not result in sufficient incremental revenues to offset the increased investment and participating lease costs, it could hurt our profitability.

We intend to develop and operate additional casino properties in the future, and if our development efforts are not successful our business may be harmed.

We are required to obtain a gaming license for any additional facility we attempt to open (excluding casinos operating on cruise ships in international waters). We are currently licensed to operate gaming facilities in Colorado, Alberta, Canada and Poland. We are also currently pursuing a casino license in Switzerland. While our management believes that we are licensable in any jurisdiction that allows gaming operations, each licensing process is unique and requires a significant amount of funds and management time. The licensing process in any particular jurisdiction can take significant time and expense through licensing fees, background investigation costs, fees of counsel and other associated preparation costs. Moreover, if we proceed with a licensing approval process with industry partners, such industry partners would be subject to regulatory review as well. We seek to find industry partners that are licensable, but cannot assure that such partners will, in fact, be licensable. Additional risks before commencing operations include the time and expense incurred and unforeseen difficulties in obtaining suitable sites, liquor licenses, building permits, materials, competent and able contractors, supplies, employees, gaming devices and related matters. In addition, certain licenses include competitive situations where, even if we and our industry partners are licensable, other factors such as the economic impact of gaming, financial and operational capabilities of competitors must be analyzed by regulatory authorities. In addition, political factors may make the licensing process more difficult. If any of our gaming license applications are denied, we may have to write off costs related to our investment in such application processes, which could be significant.

Even if we receive licenses to open and operate proposed new facilities, such as our potential casino in Switzerland, commencing operations at new casino projects would require substantial development capital. Development activities involve expenses and risks, including expenses involved in securing licenses, permits or authorizations other than those required from gaming regulators, and the risk of potential cost over-runs, construction delays, and market deterioration. In addition, our ability to attract and retain competent management and employees for any new location is critical to our success. One or more of these risks may result in any new property development not being successful. If we are not able to successfully commence operations at these properties, our results of operations will be harmed.

We may experience construction delays during our expansion or development projects which could adversely affect our operations.

From time to time we may commence construction projects at our properties. We also evaluate other expansion opportunities as they become available and we may in the future engage in additional construction projects as part of our expansion or existing casinos. The anticipated costs and construction periods are based upon budgets, conceptual design documents and construction schedule estimates prepared by us in consultation with our architects and contractors. Construction projects entail significant risks, which can substantially increase costs or delay completion of a project. Such risks include shortages of materials or skilled labor, unforeseen engineering, environmental or geological problems, work stoppages, weather interference and unanticipated cost increases. Most of these factors are beyond our control. In addition, difficulties or delays in obtaining any of the requisite licenses, permits or authorizations from regulatory authorities can increase the cost or delay the completion of an expansion or development. Significant budget overruns or delays with respect to expansion and development projects could adversely affect our results of operations. In addition, construction at our operating casinos may disrupt our customer's experience and cause a decline in our revenue.



Difficulties in managing our worldwide operations may have an adverse impact on our business.

In 2010, we derived our revenue from operations located on two continents and on cruise ships operating around the world. Our management is located in the United States and Europe. We are also listed on two stock exchanges, the NASDAQ Stock Market and the Vienna Stock Exchange. As a result of long distances, different time zones, culture, management, foreign currency and language differences, our worldwide operations pose risks to our business, especially for a smaller company such as ours. These factors make it more challenging to manage and administer a globally-dispersed business, increase the resources we must devote to operating under several different regulatory and legislative regimes and realize gains/losses from foreign currency exchange rates (See “Governmental Regulation and Licensing” in Item 1, “Business”). This business model also increases our costs.

We experience seasonal fluctuations that significantly impact our quarterly operating results.

Weather patterns and holidays affect our operations. For example, our Colorado casinos, which are located in mountain tourist towns, typically experience greater gaming revenues in the summer tourist season than any other time during the year. During the year ended December 31, 2010, the net operating revenue attributable to our Colorado operations fluctuated from a low of \$6.8 million in the second quarter to a high of \$7.9 million in the third quarter. If we are not able to offset these seasonal declines with additional revenue from other sources, our quarterly results may suffer.

Energy and fuel price increases may adversely affect our costs of operations and our revenues.

Our casino properties use significant amounts of electricity, natural gas and other forms of energy. We expended approximately \$1.5 million for utilities for all of our operations in 2010. Substantial increases in the cost of electricity and natural gas will negatively affect our results of operations. In addition, energy and fuel price increases could reduce the disposable income of our customers and cause a corresponding decrease in visitation to our properties, which would negatively impact our revenues. Fuel price increases also could discourage customers from driving to our casinos, particularly Cripple Creek and Central City, which are not located in metropolitan areas. The extent of the impact is subject to the magnitude and duration of the energy and fuel price increases, but this impact could be material to our results of operations.

Inclement weather and other conditions could seriously disrupt our business, which may hamper our financial condition and results of operations.

The operations of our facilities are subject to disruptions or reduced patronage as a result of severe weather conditions. High winds, blizzards and sub-zero temperatures, such as those experienced in Colorado, Alberta and Poland from time to time, can limit access to our properties. In the event weather conditions limit access to our casino properties or otherwise adversely impact our ability to operate our casinos at full capacity, our revenue will suffer, which will negatively impact our operating results.

Fluctuations in currency exchange rates could adversely affect our business.

Our casinos in Canada and our equity interest in Casinos Poland represent a significant portion of our business, and the revenue generated and expenses incurred by these operations are generally denominated in Canadian Dollars and Polish Zloty, respectively. A decrease in the value of either of these currencies in relation to the value of the U.S. dollar would decrease the operating profit from our foreign operations when translated into U.S. dollars, which would adversely affect our consolidated results of operations. In addition, we may expand our operations into other countries and, accordingly, we could face similar exchange rate risk with respect to the costs of doing business in such countries as a result of any increases in the value of the U.S. dollar in relation to the currencies of such countries. We do not currently hedge our exposure to fluctuations of these foreign currencies, and there is no guarantee that we will be able to successfully hedge any future foreign currency exposure.

The loss of key personnel could have a material adverse effect on us.

We are highly dependent on the services of Erwin Haitzmann and Peter Hoetzing, our Co Chief Executive Officers, and other members of our senior management team. Our ability to retain key personnel is affected by the competitiveness of our compensation packages and the other terms and conditions of employment, our continued ability to compete effectively against other gaming companies and our growth prospects. The loss of the services of any of these individuals could have a material adverse effect on our business, financial condition and results of operations.

We may be required in the future to record impairment losses related to our long lived assets such as indefinite lived intangible assets and the equity investment we currently carry on our balance sheet.

We have \$113.3 million of long lived assets including \$4.9 million of goodwill and a \$2.8 million equity investment as of December 31, 2010. Accounting rules require that we make certain estimates and assumptions related to our determinations as to the future recoverability of these assets. If we were to determine that the values of the long lived assets carried on our balance sheet are impaired, we may be required to record an impairment charge to write down the value of these assets, which would adversely affect our results during the period in which we recorded the impairment charge. For instance, in 2008 we recorded goodwill impairments related to our investments in Cripple

Creek, Colorado and Central City, Colorado totaling \$9.3 million. In 2009, we wrote down our equity investment in Poland by \$9.0 million.

We may face disruption in integrating and managing facilities we open or acquire in the future, which could adversely impact our operations.

We continually evaluate opportunities to open new properties, some of which are potentially significant in relation to our size. We expect to continue pursuing expansion opportunities, and we could face significant challenges in managing and integrating expanded or combined operations resulting from our expansion activities. The integration of any new properties we open or acquire in the future will require the dedication of management resources that may temporarily divert attention from the day-to-day business of our existing operations, which may interrupt the activities of those operations and could result in deteriorating performance from those operations. Management of new properties, especially in new geographic areas, may require that we increase our managerial staff, which would increase our expenses.

Service of process and enforceability of certain foreign judgments is limited.

We are incorporated in the U.S. and a substantial portion of our assets are located in North America. In addition, some of our directors and officers are residents of the U.S. and all or a substantial portion of their assets are located in the U.S. As a result, it may be difficult for European investors who hold Austrian Depositary Certificates (“ADCs”) to affect service of process within Austria upon us or our affiliates in the U.S. or to enforce judgments obtained against us or our affiliates in Austrian or U.S. courts based on civil liability provisions of the European securities laws.

We are exposed to risks from legal requirements that public companies evaluate internal controls over financial reporting.

The Sarbanes-Oxley Act requires that we maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, for the year ended December 31, 2010, we have performed system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting. Our compliance with the Sarbanes-Oxley Act requires that we incur substantial expense and expend significant management time on compliance-related issues. Moreover, if we are not able to comply with requirements in the future, or if we identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock may decline and we could be subject to sanctions or investigations by the NASDAQ Stock Market, the SEC or other regulatory authorities, which would require significant additional financial and management resources.

#### Risks Related to our Common Stock and the ADCs

Our stock price has been volatile and may decline significantly and unexpectedly.

Our common stock trades in the U.S. on the NASDAQ Stock Market, which consists of relatively small issuers and a lack of significant trading volumes relative to other U.S. markets. These factors may result in volatility in the price of our common stock. For instance, the trading price of our common stock on the NASDAQ Stock Market over the last two years has varied from a high of \$3.34 to a low of \$1.10. Our common stock also trades on the Vienna Stock Exchange in the form of ADCs. For a small company such as ours, having listings on two securities markets could decrease the trading volume on each market to levels that might increase the volatility of the trading price of our securities. Increased trading focus of our securities on one trading market could affect and significantly decrease the liquidity of our securities on the other market, which could make it difficult or impossible for an investor to sell our common stock or ADCs on the market with declining value.

Certain anti-takeover measures we have adopted may limit our ability to consummate transactions that some of our security holders might otherwise support.

We have a fair price business combination provision in our certificate of incorporation, which requires approval of certain business combinations and other transactions by holders of 80% of our outstanding shares of voting stock. In addition, our certificate of incorporation allows our board of directors to issue shares of preferred stock without stockholder approval. These provisions generally have the effect of requiring that any party seeking to acquire us negotiate with our board of directors in order to structure a business combination with us. This may have the effect of depressing the price of our common stock, and may similarly depress the price of the ADCs, due to the possibility that certain transactions that our stockholders might favor could be precluded by these provisions.

Because we are a foreign corporation listed on the Vienna Stock Exchange, the Austrian and other European takeover regimes do not apply to us.

Austrian takeover law does not apply to foreign corporations listed on the Vienna Stock Exchange. If an investor proposes to take us over, Delaware law would apply, and neither our stockholders nor our ADC holders could rely on the Austrian or any other European takeover regime to influence such a takeover. As a result, a holder of our ADCs may be forced to sell the ADCs at a price that is less than the price paid by such holder or that is less than what such holder otherwise would accept.

#### Regulation Risk Related to Shareholders

Stockholders may be required to dispose of their shares of our common stock if they are found unsuitable by U.S. gaming authorities.

Gaming authorities in the U.S. generally can require that any beneficial owner of our common stock and other securities, including our ADCs or common stock underlying the ADCs, file an application for a finding of suitability. If a gaming authority requires a record or beneficial owner of our securities to file a suitability application, the owner must apply for a finding of suitability within 30 days or at an earlier time prescribed by the gaming authority. The gaming authority has the power to investigate an owner's suitability, and the owner must pay all costs of the investigation. If the owner is found unsuitable, then the owner may be required by law to dispose of our securities. Our certificate of incorporation also provides us with the right to repurchase shares of our common stock (including shares of common stock underlying our ADCs) from certain beneficial owners declared by gaming regulators to be unsuitable holders of our equity securities, and the price we pay to any such beneficial owner may be below the price such beneficial owner would otherwise accept for his or her shares of our common stock.

Item 1B. Unresolved Staff Comments.

None.

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## Item 2. Properties.

The following table sets forth the location, size and a description of the gaming and other facilities at each of our casinos, as of December 31, 2010:

## Summary of Property Information

Property	Casino Space Sq Ft (1)	Acreage (1)	Number of Slot Machines	Number of Video Lottery Terminals	Number of Table Games	Number of Hotel Rooms	Number of Restaurants	Number of Showrooms
Century Casino & Hotel – Edmonton	18,000	7	684	4	35	26	4	1
Century Casino – Calgary	19,000	7	504	25	17	-	2	2
Century Casino – Central City	22,350	1.3	496	-	11	26	2	-
Century Casino & Hotel – Cripple Creek	19,600	3.5	438	-	6	21	1	-
Cruise Ships (total of twelve) (2)	13,500	-	404	-	58	-	-	-
Radisson Aruba Resort, Casino & Spa (3)	14,000	15	250	-	15	-	1	-

(1) Approximate.

(2) Operated under concession agreements. We do not own the ships on which our casinos operate.

(3) Operated under a casino management agreement. We do not own the hotel in which the casino operates.

We own each of the locations listed in the table above (except for the cruise ships and the Radisson Resort, Casino & Spa).

As of December 31, 2010, the Century Casino & Hotel in Edmonton is pledged as collateral for our obligations under a mortgage with Canadian Western Bank (see Note 9 to the Consolidated Financial Statements included elsewhere in this report).

## Additional Property Information

Century Casino Calgary – In addition to the property described above, we currently lease land at our property in Calgary for the purpose of additional parking.

Corporate Offices – We currently lease office space for corporate and administrative purposes in Colorado Springs, Colorado and Vienna, Austria.

In the opinion of management, the properties and equipment owned or leased by us are adequate for our existing operating needs.

## Item 3. Legal Proceedings.

We are not a party to any material pending litigation which, in management's opinion, could have a material adverse effect on our financial position or results of operations.

Item 4. Reserved.

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## PART II

## Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded in the United States on the NASDAQ stock market under the symbol "CNTY".

Our common stock in the form of ADCs is also traded on the Vienna Stock Exchange ("VSE"). At December 31, 2010, we had 3.2 million ADCs outstanding. Each ADC is equivalent to one share of our common stock.

The following table sets forth the low and high sales price per share of our common stock as reported on the NASDAQ Stock Market for the periods indicated.

	2010		2009	
	High	Low	High	Low
First Quarter	\$2.67	\$2.23	\$1.81	\$1.10
Second Quarter	\$2.77	\$2.11	\$3.34	\$1.37
Third Quarter	\$2.25	\$1.89	\$3.33	\$2.55
Fourth Quarter	\$2.50	\$2.00	\$3.20	\$2.11

No dividends have been declared or paid by us, and we do not presently intend to pay dividends. At the present time, we intend to use any earnings that may be generated to finance the growth of our business.

At March 14, 2011, we had 142 holders of record of our common stock.

In March 2000, our board of directors approved and announced a discretionary program to repurchase up to \$5.0 million of our outstanding common stock. In November 2009, our board of directors approved an increase of the amount available to be repurchased under the program to \$15.0 million. The amount available for repurchase as of December 31, 2010 is \$14.7 million. The repurchase program has no set expiration or termination date.

## Item 6. Selected Financial Data.

Not applicable.



Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with Part II, Item 8, "Financial Statements and Supplementary Data" included elsewhere herein. Information contained in the following discussion of our results of operations and financial condition contains forward-looking statements within the meaning of Section 21E of the Exchange Act, and, as such, is based on current expectations and is subject to certain risks and uncertainties. The reader should not place undue reliance on these forward-looking statements for many reasons, including those risks discussed under Item 1A, "Risk Factors," and elsewhere in this document. See "Disclosure Regarding Forward-Looking Statements" that precedes Part I of this report. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise.

Amounts presented in this Item 7 are rounded. As such, rounding differences could occur in period over period changes and percentages reported throughout this Item 7.

## EXECUTIVE OVERVIEW

### Overview

Since our inception in 1992, we have been primarily engaged in developing and operating gaming establishments and related lodging, restaurant and entertainment facilities. Our primary source of revenue is from the net proceeds of our gaming machines and tables, with ancillary revenue generated from the hotel, restaurant, bowling and entertainment facilities that are a part of the casinos.

We currently own, operate and manage the following casinos through wholly-owned subsidiaries:

- The Century Casino & Hotel in Edmonton, Alberta, Canada;
- The Century Casino Calgary, Alberta, Canada (formerly known as Silver Dollar Casino);
- The Century Casino & Hotel in Cripple Creek, Colorado (formerly known as Womacks Casino & Hotel); and
- The Century Casino & Hotel in Central City, Colorado.

The Century Casino & Hotel in Cripple Creek was re-branded from Womacks Casino & Hotel in October 2010.

We acquired The Century Casino Calgary and related land on January 13, 2010 for total consideration of \$11.5 million, which consisted of a \$10.7 million purchase price plus a net working capital adjustment of \$0.8 million. We paid for The Century Casino Calgary with cash on hand. In 2010, we completed a major renovation of The Century Casino Calgary. As a part of the renovation, the property was re-branded from the Silver Dollar Casino to The Century Casino Calgary and a grand re-opening celebration took place on November 18 to 21, 2010.

The acquisition of the Century Casino Calgary will allow the Company to increase the scale at which it operates, which in turn affords the Company the ability to increase its operating leverage and reinvest in the success of our existing operations.

We also operate ship-based casinos aboard the Silver Cloud, the Mein Schiff and three Oceania Cruises ships. On March 10, 2010, we entered into an exclusive, long-term agreement with Windstar Cruises ("Windstar"), a division of Ambassadors International Cruise Group, under which we agreed to operate casinos on all cruise ships that Windstar operates and will place into service. Currently, Windstar operates three passenger cruise ships. On June 23, 2010, we entered into an exclusive, long-term agreement with the cruise operator Regent Seven Seas Cruises. We were selected to operate the casinos on all current and future cruise ships that Regent Seven Seas Cruises operates during the term of the agreement. The Regent Seven Seas Cruises fleet includes Seven Seas Voyager, Seven Seas Mariner and Seven

Seas Navigator. In addition, on June 23, 2010, we extended our exclusive long-term agreement with Oceania Cruises.

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The following table summarizes the cruise lines for which we have entered into agreements and are currently operating ship-based casinos, the associated ships on which we operate ship-based casinos and the dates we entered into agreements with the cruise lines:

Cruise Line	Ship	Agreement Date
Silversea Cruises	Silver Cloud	May 27, 2000
Oceania Cruises	Regatta	March 28, 2003
Oceania Cruises	Nautica	March 28, 2003
Oceania Cruises	Insignia	March 28, 2003
Oceania Cruises	Marina	June 23, 2010
TUI Cruises	Mein Schiff	November 24, 2008
Windstar Cruises	Wind Surf	March 10, 2010
Windstar Cruises	Wind Star	March 10, 2010
Windstar Cruises	Wind Spirit	March 10, 2010
Regent Seven Seas Cruises	Seven Seas Voyager	June 23, 2010
Regent Seven Seas Cruises	Seven Seas Mariner	June 23, 2010
Regent Seven Seas Cruises	Seven Seas Navigator	June 23, 2010

Furthermore, we hold a 33.3% ownership interest in and actively participate in the management of CPL, the owner and operator of seven full casinos in Poland and account for this investment under the equity method.

From time to time, we may sell existing businesses. During 2009, we completed the sales of our casinos in Prague, Czech Republic and South Africa. The results of these operations have been recorded as discontinued operations for the year ended December 31, 2009. For the year ended December 31, 2009, we recorded earnings from discontinued operations (including gain on sale of \$22.8 million in 2009) of \$24.7 million on the disposition of these entities.

With a portion of the proceeds from these dispositions, we repaid all of the third party debt related to our Colorado casinos. This resulted in interest savings of \$1.1 million for the year ended December 31, 2010 compared to the year ended December 31, 2009.

## RECENT DEVELOPMENTS

Developments that we believe have impacted our results of operations or will impact our casinos going forward are discussed below.

During 2009 and 2010, the United States and Canadian economies and markets in which our casino properties are located experienced economic weakness and a commensurate decline in consumer spending. We believe that this decline impacted our results for the year ended December 31, 2009 and continued, though at a lower level, into the year ended December 31, 2010. Given this decline in consumer spending, we took steps to reduce our operating expenses in 2009. In 2010, we focused on differentiating our casinos from our competitors by continually improving the customer experience at each property, offering new and innovative slot machines and table games and providing exceptional amenities for our customers through our lodging, restaurant and entertainment facilities. As a result of these measures, during 2010, we realized earnings from continuing operations at all but our Cripple Creek property. Finally, during 2010, we completed our most recent acquisition in Calgary, Alberta, Canada.

The following discussion provides additional detail regarding our results and operations at each of our properties.

### Century Casino & Hotel (Edmonton, Alberta, Canada)

During 2009, construction on the road in front of the Century Casino & Hotel in Edmonton made accessing it difficult. Management believes that this negatively impacted our revenue for a majority of the year. The road construction was completed in November 2009.

For the majority of the year 2010, Century Casino & Hotel in Edmonton offered weekend comedic performances at Yuk Yuks Comedy Club through a third party vendor. In September 2010, the property began operating the Comedy Club directly, without the third party vendor and acquired the license to operate the Yuk Yuks franchise directly in October 2010. This provided for higher profitability from the comedy club.

During the second quarter of 2011, we plan to build a kitchenette in the Poker Room to improve our ability to offer refreshments to our poker players. Also, during the first quarter of 2011, AGLC began conversion or replacement of old slot machines for new machines and will continue through 2011 on approximately 13% of the slot floor or 87 slot machines. In addition, the AGLC installed a Diamond Millions wide area slot progressive during the first quarter of 2011.

### Century Casino Calgary (Calgary, Alberta, Canada)

During 2010, our recently acquired property in Calgary underwent major renovations. A total of \$3.7 million in renovations was completed at the end of 2010 and included:

- New table games room
- Additional table games and signage throughout the casino
  - New slot area with new games
  - New painting throughout the casino
  - New carpeting and lighting throughout the casino
- Refurbishment of the 30 lane bowling alley with new carpet, black lights and bowling equipment
  - New tables and chairs in food and beverage and gaming areas

A grand re-opening of the Bowling Centre was held on August 28, 2010 and a grand re-opening for the entire casino was held November 18 to 21, 2010. In addition, prior to the grand opening, the property provided customer service training to every employee.

Beginning in the first quarter of 2011 and continuing through 2011, AGLC began to convert or replace old slots machines for new machines on approximately 37% of the slot floor or 185 slot machines.

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#### Century Casino & Hotel (Central City, Colorado)

On July 2, 2009, gaming establishments in Colorado were permitted to raise the maximum betting limit from \$5 to \$100, be open for 24 hours and have roulette and craps tables. Although revenue at our Colorado casinos was down in 2009 compared to 2008, management believes that, subsequent to July 2, 2009, these changes positively impacted gaming revenue at our Colorado casinos, but the effect has been diluted due to poor economic conditions.

In 2010, a new casino opened across from our casino in Central City. The new casino has approximately 200 slot machines, 5 table games, a video poker sports bar and a banquet room. In addition, during 2010, the Fortune Valley casino in Central City was purchased by new owners. Management believes the new casino and the new Fortune Valley owner will add additional competition to the already very competitive Black Hawk and Central City market in 2011.

In December 2010, the casino invested \$0.1 million in the property and completely remodeled and moved the Deli and Poker room downstairs. In addition, the move allowed for 1 additional poker table to be added in the new poker room location.

#### Century Casino & Hotel (Cripple Creek, Colorado)

As stated above, on July 2, 2009, gaming establishments in Colorado were permitted to raise the maximum betting limit from \$5 to \$100, be open for 24 hours and have roulette and craps tables. Although revenue at our Colorado casinos was down in 2009 compared to 2008, management believes that, subsequent to July 2, 2009, these changes positively impacted gaming revenue at our Colorado casinos, but the effect has been diluted due to poor economic conditions.

In 2010, we rebranded Womacks Casino & Hotel to Century Casino & Hotel in Cripple Creek. A rebranding celebration was held October 1, 2010. To coincide with the rebranding, new carpet was installed throughout the casino, the table games pit was moved from the back of the casino to the front, and the Century logo replaced the Womacks logo on all signs in the casino. These changes provide a revitalized interior appearance of the casino.

During the fourth quarter of 2010, we began refurbishing the hotel and will continue refurbishment into 2011.

#### Cruise Ships

In April 2010, we began operating ship-based casinos with Windstar Cruises on three new ships: the Wind Surf (April 4, 2010), the Wind Star (April 24, 2010) and Wind Spirit (April 24, 2010)

In August and September 2010, we began operating ship-based casinos with Regent Seven Seas Cruises on three new ships: the Seven Seas Voyager (August 28, 2010), the Seven Seas Mariner (September 5, 2010) and Seven Seas Navigator (September 8, 2010). Furthermore, during the third quarter of 2010, we implemented a slot ticketing system for the convenience of players onboard ships of the Regent Seven Seas Cruises.

#### Other

In December 2010, we entered into a long-term management agreement to assist in the operation of the casino at the Radisson Aruba Resort, Casino & Spa. We were not required to invest any amounts under the management agreement. We will receive a management fee consisting of a fixed fee, plus a percentage of the casino's gross revenue and a percentage of EBITDA.

Effective January 1, 2010, the gaming laws in Poland changed. Some of the key items that have changed include an increase in the gaming tax rate from 45% to 50%, all licensees will have to go through a renewal process once their current licenses have expired and all slot arcades will have to cease operations at the end of their current license period. As a result of these changes, in 2009 we determined that our investment in Poland suffered a decline in value that was other than temporary. We recorded an impairment of \$9.0 million in the value of CPL to bring the value of our investment in CPL to its fair market value as of December 31, 2009.

Presentation of Foreign Currency Amounts - The average exchange rates to the U.S. dollar used to translate balances during each reported period are as follows:

Average Rates	2010	2009
Canadian dollar (CAD)	1.0303	1.1419
Euros (€)	0.7550	0.7197
Polish zloty (PLN)	3.0170	3.1208
Czech koruna (CZK)	N/A	21.1428
South African rand (ZAR)	N/A	8.4270

Source: Pacific Exchange Rate Service

## DISCUSSION OF RESULTS

Note: Throughout this discussion of the results of our operations, all numbers presented are revised to exclude discontinued operations except as otherwise indicated.

Year ended December 31, 2010 vs. 2009

Century Casinos, Inc. and Subsidiaries

Amounts in thousands	For the year ended December 31,			Percentage	
	2010	2009	Change	Change	
Gaming Revenue	\$53,635	\$46,496	\$7,139	15.4	%
Hotel, Bowling, Food and Beverage Revenue	11,505	8,417	3,088	36.7	%
Other Revenue	2,914	1,914	1,000	52.2	%
Gross Revenue	68,054	56,827	11,227	19.8	%
Less Promotional Allowances	(7,362 )	(7,089 )	(273 )	3.9	%
Net Operating Revenue	60,692	49,738	10,954	22.0	%
Gaming Expenses	(24,150 )	(19,068 )	(5,082 )	26.7	%
Hotel, Bowling, Food and Beverage Expenses	(9,378 )	(6,624 )	(2,754 )	41.6	%
General and Administrative Expenses	(20,493 )	(17,652 )	(2,841 )	16.1	%
Total Operating Costs and Expenses	(60,159 )	(58,467 )	(1,692 )	2.9	%
Earnings from Equity Investment	534	359	175	48.7	%
Operating earnings (loss) from continuing operations	1,067	(8,370 )	9,437	112.7	%
Earnings (loss) from continuing operations	\$1,022	\$(12,903 )	\$13,925	107.9	%
<b>Basic and Diluted, Earnings Per Share</b>					
Earnings (loss) from continuing operations	\$0.04	\$(0.55 )	\$0.59	107.3	%

Net operating revenue increased by \$11.0 million or 22% for the year ended December 31, 2010 compared to the year ended December 31, 2009. The increase in revenue is mainly attributable to the addition of the Century Casino Calgary which contributed \$8.1 million in revenue during 2010. Also, revenue in Edmonton, Central City and on board cruise ships increased and the average exchange rate between the U.S. dollar and Canadian dollar increased by 9.8% for the year ended December 31, 2010 compared to the year ended December 31, 2009. These increases were slightly offset by a decline in revenue in the Cripple Creek market for the year ended December 31, 2010 compared to the year ended December 31, 2009.

Total operating costs and expenses increased by \$1.7 million or 3% for the year ended December 31, 2010 compared to the year ended December 31, 2009. Operating expenses increased due to the addition of the Century Casino Calgary. In addition, we incurred one-time expenses of less than \$0.1 million at our Edmonton property for the operation of the Yuk Yuks comedy club and one-time expenses of approximately \$0.5 million for the setup of additional ship-based casinos. In addition, total operating costs and expenses increased in Central City due to more aggressive marketing strategies. These increases were offset by a slight decrease in total operating costs and expenses at our property in Cripple Creek and a decrease in corporate operating expenses primarily relating to decreased stock compensation expense related to vesting of restricted stock as well as decreased payroll expense for the year ended December 31, 2010 compared to the year ended December 31, 2009.

Earnings from continuing operations increased by \$13.9 million or 108% for the year ended December 31, 2010 compared to the year ended December 31, 2009. The increase is due to the write-down of our equity investment in Casinos Poland of \$9.0 million in 2009, \$1.1 million in interest expense savings and \$1.4 million in debt issuance costs written off as a result of the repayment of our long term debt at our properties in Colorado in 2009, \$1.2 million



gain recognized on the bargain purchase associated with the Century Casino Calgary acquisition in 2010 and increases in earnings from continuing operations at our Edmonton, Calgary and Central City properties in 2010.

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## Casinos

## Edmonton

Amounts in thousands	For the year ended December 31,			
	2010	2009	Change	Percentage Change
Gaming Revenue	\$ 15,283	\$ 14,692	\$ 591	4.0 %
Hotel, Food and Beverage Revenue	5,357	4,699	658	14.0 %
Other Revenue	1,908	1,548	360	23.3 %
Gross Revenue	22,548	20,939	1,609	7.7 %
Less Promotional Allowances	(704 )	(575 )	(129 )	22.4 %
Net Operating Revenue	21,844	20,364	1,480	7.3 %
Gaming Expenses	(6,299 )	(5,587 )	(712 )	12.7 %
Hotel, Food and Beverage Expenses	(3,460 )	(3,119 )	(341 )	10.9 %
General & Administrative Expenses	(5,213 )			