CENTURY CASINOS INC /CO/
Form 10-K
March 16, 2015
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, 2014

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.)

455 E. Pikes Peak Ave, Suite 210, Colorado Springs, Colorado 80903

(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 Capital 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

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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 of this chapter) 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 (Do not check if a smaller reporting company)	Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2014, based upon the closing price of $5.79 for the Common Stock on the NASDAQ Capital Market on that date, was $123,166,953. For purposes of this calculation only, executive officers and directors of the registrant are considered affiliates.

As of March 9, 2015, the registrant had 24,381,057 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: Part III incorporates by reference the registrant's definitive Proxy Statement for its 2015 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after December 31, 2014.

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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 the Private Securities Litigation Reform Act of 1995 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," "potential," "continue" or similar terminology. statements are based on the beliefs and assumptions of the management of the Company based on information currently available to management. 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 included or incorporated by reference 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 report. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this report. 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.

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 in Part II, Item 8, "Financial Statements and Supplementary Data" of 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 report.

Item 1. Business.

General

Century Casinos, Inc., 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 our existing operations.

Overview of Operations

As of December 31, 2014, we own, operate, manage or otherwise have interests in the following properties:

Wholly-Owned Casinos

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 752 ticket in/ticket out ("TITO") slot machines, 35 tables (including a 24-hour poker room) and 10 video lottery terminals. In addition, the property has 26 hotel rooms, a 10,700 square foot showroom that can seat approximately 450 customers, a 3,000 square foot showroom that can seat approximately 200 customers, where we host Yuk Yuks Comedy Club comedic performances, 4 food and beverage outlets, 600 surface parking spaces and an underground heated parking garage with 300 additional spaces. For the year ended December 31, 2014, net operating revenue from this property totaled $25.1 million, or 21%, of our total net operating revenue.

Century Casino Calgary – Calgary, Alberta, Canada

In January 2010, we acquired Century Casino Calgary 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 508 TITO slot machines, 16 tables, 25 video lottery terminals and a full service off-track betting parlor. In addition, the property has a restaurant, a lounge, a 1,000 square foot showroom that can seat approximately 100 customers, a 4,500 square foot showroom that can seat approximately 500 customers, an 18,000 square foot showroom that can seat approximately 1,000 customers, a 30-lane bowling alley, 536 owned surface parking spaces and 262 leased surface parking spaces neighboring the casino. For the year ended December 31, 2014, net operating revenue from this property totaled $9.0 million, or 7%, of our total net operating revenue.

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 2.7 million people. The Century Casino & Hotel is located in Central City at the end of the Central City Parkway, a four lane highway that connects I-70, the main east/west interstate highway in Colorado, to Central City. The facility has 498 TITO slot machines, 7 tables, 26 hotel rooms, 1 bar, 2 restaurants and a 500 space on-site covered parking garage. For the year ended December 31, 2014, net operating revenue from this property totaled $15.8 million, or 13%, of our total net operating revenue.

Century Casino & Hotel – Cripple Creek, Colorado

Since 1996, we have owned and operated the Century Casino & Hotel in Cripple Creek, 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 650,000 people. The facility has 447 TITO slot machines, 6 tables, 21 hotel rooms, 2 bars, 1 restaurant and 271 surface parking spaces neighboring the casino. For the year ended December 31, 2014, net operating revenue from this property totaled $11.0 million, or 9%, of our total net operating revenue.

Majority-Owned Casinos

Casinos Poland – Poland

In March 2007, our subsidiary Century Casinos Europe GmbH ("CCE") acquired 33.3% of the outstanding shares of Casinos Poland Ltd ("CPL" or "Casinos Poland") and we accounted for the investment under the equity method. In April 2013, CCE acquired from LOT Polish Airlines an additional 33.3% ownership interest in CPL. As of the date of this acquisition, we began consolidating our 66.6% ownership of CPL as a majority-owned subsidiary for which we have a controlling financial interest. The Polish Airports Company ("Polish Airports") owns the remaining 33.3% of CPL. We account for and report the 33.3% Polish Airports ownership interest as a non-controlling financial interest.

CPL has been in operation since 1989 and is the owner and operator of nine casinos throughout Poland with a total of 482 slot machines and 75 tables. The following table summarizes the Polish cities in which CPL operated as of December 31, 2014, each casino's location and the number of slots and tables at each casino.

City	Population	Location	Number of Slots	Number of Tables
Warsaw	1.7 million	Marriott Hotel	70	22
Warsaw	1.7 million	LIM Center	62	3
Krakow	760,000	Dwor Kosciuszko Hotel	54	8
Lodz	730,000	Manufaktura Entertainment Complex	62	8
Wroclaw	630,000	HP Park Plaza Hotel	68	12
Poznan	550,000	Hotel Andersia	56	9
Katowice	310,000	Altus Building	70	9
Sosnowiec*	220,000	Sosnowiec City Center	0	0
Plock	130,000	Hotel Plock	40	4

* Operations at the Sosnowiec casino were suspended as of June 30, 2014. The casino began operating on a limited basis on February 3, 2015, and we expect the casino will continue limited operations until its gaming license expires in May 2017.

For the year ended December 31, 2014, net operating revenue from CPL totaled $51.2 million, or 43%, of our total net operating revenue.

Concessionaire and Management Agreements

Cruise Ships

In addition to our land-based casinos, we operate ship-based casinos in international and Alaskan waters pursuant to casino concessionaire agreements with cruise lines that give us the exclusive right to install and operate casinos aboard specified vessels. With the exception of TUI Cruises, these agreements also give us the right of first refusal to install casinos onboard any new ships built or acquired by these cruise line operators.

We operate 16 ship-based casinos onboard the ships of five cruise lines with a total of 556 slot machines and 64 tables. The following table summarizes the cruise lines for which we have entered into agreements, the ships on which we operate ship-based casinos and the number of slots and tables at each casino.

Cruise Line	Ship	Number of Slots	Number of Tables
Oceania Cruises	Regatta	36	5
Oceania Cruises	Nautica	36	5
Oceania Cruises	Insignia*	36	5
Oceania Cruises	Marina	62	6
Oceania Cruises	Riviera	63	6
TUI Cruises	Mein Schiff 1	19	5
TUI Cruises	Mein Schiff 2	12	0
TUI Cruises	Mein Schiff 3 **	20	1
Windstar Cruises	Wind Surf	27	4
Windstar Cruises	Wind Star	11	2
Windstar Cruises	Wind Spirit	12	2
Windstar Cruises	Star Pride ***	7	3
Regent Seven Seas Cruises	Seven Seas Voyager	51	6
Regent Seven Seas Cruises	Seven Seas Mariner	51	6
Regent Seven Seas Cruises	Seven Seas Navigator	43	6
Nova Star Cruises Ltd.	Nova Star ****	70	2

* Our casino operation onboard Insignia was suspended on April 5, 2012 when Oceania Cruises leased the vessel to a different cruise line. The Insignia rejoined Oceania Cruises in May 2014, at which time we again began operating this ship-based casino. We did not operate this ship-based casino while Oceania Cruises leased it to a different cruise line.

** In June 2014, TUI Cruises launched the Mein Schiff 3, and we currently operate the ship-based casino onboard this ship.

*** In May 2014, Windstar Cruises launched the Star Pride, the first of three newly acquired all suite cruise ships. We operate the ship-based casino onboard this ship. Windstar Cruises is planning to begin operations on the other two vessels during the second quarter of 2015, and we expect to operate the planned ship-based casinos onboard each ship.

**** In February 2014, we signed an exclusive agreement with Nova Star Cruises Ltd. to operate a ship-based casino onboard the Nova Star, a round trip cruise ferry service connecting Portland, Maine and Yarmouth, Nova Scotia. The ferry began operations on May 15, 2014 and operates on a seasonal basis from May to November. In September 2014, Nova Star Cruises Ltd. announced that it was shortening its 2014 sailing season with the final round trip ending on October 14, 2014.

In November 2014, we amended our concessionaire agreement with TUI Cruises to include our operation of the ship-based casino onboard the Mein Schiff 4, a new 2,500-passenger ship that is currently being constructed. TUI Cruises plans to launch the Mein Schiff 4 in June 2015.

Radisson Aruba Resort, Casino & Spa Management Agreement

In December 2010, we entered into a long-term management agreement to direct the operation of the casino at the Radisson Aruba Resort, Casino & Spa. We were not required to invest any amounts under the management agreement. In exchange for our assistance in the operation of the casino at the Radisson Aruba Resort, we receive a management fee consisting of a fixed fee, plus a percentage of earnings before interest, taxes, depreciation and amortization (“EBITDA”). The casino at the Radisson Aruba Resort is centrally located within the hotel. The casino operates with approximately 200 TITO slot machines, 16 tables and 1 food and beverage outlet. The island of Aruba has a population of 104,000, and up to 70,000 tourists visit on any given day. The casino is located on the High Rise strip on Palm Beach, the main tourist destination on the island, approximately two miles from downtown Oranjestad, the capital of Aruba.

Mendoza Central Entretenimientos S.A.

On October 31, 2014, our subsidiary CCE entered into an agreement (the “MCE Agreement”) with Gambling and Entertainment LLC and its affiliates, pursuant to which CCE purchased 7.5% of the shares of Mendoza Central Entretenimientos S.A., a company formed in Argentina (“MCE”), for $1 million. Pursuant to the MCE Agreement, CCE will work with MCE to utilize MCE’s exclusive concession agreement with Instituto Provincial de Juegos y Casinos to lease slot machines and provide related services to Mendoza Casino, a casino located in Mendoza, Argentina, and owned by the Province of Mendoza. MCE may also pursue other gaming opportunities. Under the MCE Agreement, CCE has the right to appoint one director to MCE’s board of directors. In addition, CCE has a three-year option to purchase up to 50% of the shares of MCE and to appoint additional directors to MCE’s board of directors based on its ownership percentage of MCE. We report our 7.5% ownership interest in MCE using the cost method of accounting and report the $1.0 million investment on our consolidated balance sheet.

On October 31, 2014, CCE and MCE also entered into a Consulting Service Agreement pursuant to which CCE will provide advice on casino matters. Through the Consulting Service Agreement, CCE will receive a service fee consisting of a fixed fee plus a percentage of MCE’s EBITDA.

For the year ended December 31, 2014, net operating revenue from the cruise ship concessionaire, Aruba management and MCE consulting agreements totaled $7.6 million, or 6%, of our total net operating revenue.

Racetrack and Entertainment Center

Century Downs Racetrack and Casino - Calgary, Canada

In November 2012, our subsidiary CCE signed credit and management agreements with United Horsemen of Alberta Inc. dba Century Downs Racetrack and Casino ("CDR" or "Century Downs") in connection with the development and operation of a Racetrack and Entertainment Center ("REC") in Balzac, north metropolitan area of Calgary, Alberta, Canada, which we will operate as Century Downs Racetrack and Casino.

The REC project will be the only horse race track in the Calgary area and will consist of a 5.5 furlong (0.7 mile) racetrack, a gaming floor with 550 proposed slot machines, a bar, a lounge, restaurant facilities, an off-track betting area and an entertainment area. The REC license is the only license for new casinos and RECs currently available in any metropolitan area of Alberta. The license application for this REC project preceded a three year moratorium imposed by the Alberta Gaming and Liquor Commission ("AGLC") on new casinos and RECs that was scheduled to expire on April 1, 2015. On February 13, 2015, the AGLC extended this moratorium indefinitely.

The project is located less than one mile north of the city limits of Calgary and 4.5 miles from the Calgary International Airport. The location will allow the REC to capture both the north and the northwest Calgary markets, where there is not currently a casino. The REC will be located approximately 17 miles from Century Casino Calgary and will serve what we believe is a different customer base, including customers who also are interested in horse racing.

The AGLC has approved development of the project and a preliminary license. The AGLC will not issue a final license until the REC opens. Horse Racing Alberta ("HRA"), the governing authority for horse racing in Alberta, has approved the REC project and approved a license. Construction on the REC commenced in March 2014 and we anticipate that the REC will open in April 2015. The casino and off-track betting at the REC will be available year-round, and the horse racing season will be from March to November each year. The 2015 horse racing season will be from April to November.

On November 29, 2013, CCE finalized an amended credit agreement with CDR in connection with the development of the REC project. Under the amended credit agreement, CCE agreed to loan to CDR a total of CAD 24 million in two separate loans, Loan A and Loan B. Loan A is for CAD 13 million and Loan B is for CAD 11 million. Loan A has an interest rate of BMO prime plus 600 basis points and a term of five years, and CAD 11 million of the loan is convertible at CCE's option into an ownership position in CDR of up to 60%. Loan B has an interest rate equivalent to the rate charged under our credit agreement (the "BMO Credit Agreement") with the Bank of Montreal ("BMO") plus an administrative fee and a term of five years. CCE has advanced all funds from Loan A, and any additional funds advanced to CDR will be advanced under Loan B. Both loans are secured by a leasehold mortgage on the REC property and a pledge of CDR's stock by the majority of the CDR shareholders. Both loans are for the exclusive use of developing and operating the REC project. CCE will fund both loans with additional borrowings under our BMO

Credit Agreement. As of December 31, 2014, CCE has loaned CDR CAD 18.6 million ($16.0 million based on the exchange rate in effect on December 31, 2014).

Under the amended credit agreement with CDR, CCE acquired 15% of CDR, controls the CDR board of directors, manages the development and operation of the REC project and has the right to convert CAD 11 million of Loan A into an additional 60% ownership interest in CDR. As a condition of AGLC licensing, we anticipate converting the loan to a majority ownership interest in CDR on or before the REC is operational.

As of November 29, 2013, we began consolidating CDR as a minority owned subsidiary for which we have a controlling financial interest. Unaffiliated shareholders own the remaining 85% of CDR. We account for and report the remaining 85% CDR ownership interest as a non-controlling financial interest.

For the year ended December 31, 2014, net operating revenue for CDR totaled $0.5 million or less than 1% of our total net operating revenue.

Additional Projects and Other Developments

On June 10, 2013, we announced that we were one of four companies applying for a 15-year casino license at the Hotel InterContinental in Vienna, Austria. In July 2014, the Austrian authorities awarded the casino license to another applicant.

On December 2, 2014, we announced that we had been selected by the HRA to operate the pari-mutuel off-track horse betting network in Southern Alberta beginning in 2015. We will form a new subsidiary, Century Bets! Inc. (“CBS”), in 2015 to operate the off-track betting network. Under a memorandum of understanding with the principal owner of Rocky Mountain Turf Club (“RMTC”), CCE will own 75% of CBS and RMTC will own 25% of CBS. We anticipate that CBS will begin operating the pari-mutuel network in the second quarter of 2015.

In addition to the project and operations described above, we have additional potential gaming projects that we are currently exploring. 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” below.

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 and financial and marketing resources than we do. We seek to compete through promotion of our players’ clubs, enhancement of social networking initiatives and other marketing efforts. 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 internet, television, radio, print and billboard advertising. Our marketing focuses on competition and other facts and circumstances of each market area in which we operate. Our primary marketing strategy centers on attracting new customers and rewarding repeat customers through our players’ club programs. All visitors to our properties are offered the opportunity to join our players’ club. We maintain a proprietary database that consists primarily of slot machine customers that allows us to create effective targeted marketing and promotional programs, cash and merchandise giveaways, coupons, downloadable promotional credits, preferred parking, food, lodging, game tournaments and other special 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. We have designed a multi-tiered reward program based on total amount wagered and frequency of visits to reward customer loyalty and attract new customers to our properties. Those who qualify for VIP status receive additional benefits compared to regular club membership, such as invitations to exclusive VIP events.

Edmonton, Canada – The Century Casino & Hotel in Edmonton, Canada has seven competitors (six casinos and one REC) in the Edmonton market. Our casino is one of two casinos in Edmonton that have both a hotel and showrooms. Our showrooms allow the property to attract customers to the casino through live music concerts, private concerts, comedic performances, catering and banquet events. Our casino is the only casino in the Edmonton market to offer comedic performances and a heated parking garage. Our hotel has 26 rooms. One showroom is 10,700 square feet and seats approximately 450 customers, and the other showroom is 3,000 square feet and seats approximately 200 customers. 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 six miles away. With the exception of a First Nations gaming operation, smoking has been banned in all Edmonton casinos and this is considered a competitive disadvantage.

Calgary, Canada – The 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 1,000 square foot lounge that can seat approximately 100 customers, a 4,500 square foot showroom that can seat approximately 500 customers and an 18,000 square foot showroom that can seat approximately 1,000 customers. We are also one of two casinos in the Calgary market operating an off-track betting parlor. Using numerous forms of media, we concentrate our marketing on the casino floor, the players' club and the bowling alley. The casino is located in an industrial area approximately three miles from downtown Calgary with the closest competition located three blocks away. With the exception of a First Nations gaming operation, smoking has been banned in all Calgary casinos and this is considered a competitive disadvantage.

Century Downs Racetrack and Casino will be the only horse track in the Calgary area. The REC will consist of a 5.5 furlong (0.7 mile) racetrack, a gaming floor with 550 proposed slot machines, a bar, a 1,700 square foot lounge and entertainment area that can seat approximately 68 customers, restaurant facilities and an off-track betting area. The REC will be located less than one mile north of the city limits of Calgary and 4.5 miles from the Calgary International Airport. The REC will be located approximately 17 miles from Century Casino Calgary and will compete with the same six competitors within the Calgary market. The casino and off-track betting parlor will be open year round. The horse racing season in 2015 will be from April to November, after that the season will be from March to November.

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, 2014, there were 12 active casino licensees operating in Cripple Creek, 6 active casino licensees operating in Central City and 18 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 Central City and Black Hawk are adjoining small mountain tourist towns, located approximately one mile apart. Central City and Black Hawk compete with one another for market share, and 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 60% of the total gaming devices in Colorado in 2014 and approximately 75% of total gaming revenues in Colorado in 2014.

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 surface parking spaces. We believe we have sufficient close proximity parking. However, covered parking garages provided by four of our competitors in Cripple Creek may negatively impact our casino, particularly during inclement weather. 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. In addition, three of our competitors in the Cripple Creek market and five of our competitors in the Central City and Black Hawk market have more hotel rooms, providing them with an advantage during inclement weather and the peak tourist season. The State of Colorado banned smoking in all casinos in Cripple Creek, Central City and Black Hawk in January 2008.

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. 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 internet, television, radio, print and billboard advertising.

Poland – CPL competes with 42 casinos located throughout Poland. The Polish government generally forbids the marketing of gaming activities outside of a casino, but the marketing of entertainment is permissible. Therefore, CPL's marketing focuses on advertising the entertainment possibilities at each casino, such as concerts and parties. CPL also relies on the locations of its casinos, which are in major cities throughout Poland, to attract customers. The Polish government issues casino licenses in Poland by district, and there are additional casinos in each district in which CPL operates. For example, five other casinos in the Warsaw district compete with our Warsaw casinos. The Polish Minister of Finance does not disclose individual casino data. All slot arcades operating slot machines outside of casinos must cease operations by the end of 2015. We anticipate this will positively benefit CPL's operations. Smoking was restricted in all Polish casinos in November 2010. However, the impact of this restriction on revenues has not been significant as CPL currently offers a smoker friendly environment to guests by providing smoking zones and/or smoking cabins in each casino.

Cruise Ships – We have limited marketing opportunities on our ship-based casinos. We rely on each cruise ship's marketing efforts to attract onboard customers to our casinos. While we offer modern gaming products, we compete with other activities on the ship as well as onshore activities including land-based casinos.

Aruba – The Radisson Aruba Hotel, Casino & Spa, for which we hold the casino management agreement, has 12 competitors in the Aruba market. Our main marketing activity is focused on promotions to drive traffic at the casino with promotions such as mystery jackpots, players' club rewards and various events at the casino including live music and bingo. Marketing efforts are targeted to hotel guests staying at the Radisson Aruba Hotel as well as tourists and locals from the island. In addition, the casino is located on the High Rise Strip on Palm Beach, which is the main tourist destination on the island.

Seasonality

Canada – Our Edmonton and Calgary casinos in Alberta, Canada attract more customers from September through April. During the remainder of the year, the casinos attract fewer customers because we compete with outdoor activities. We anticipate that the REC will attract more customers during the racing season from March through November.

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.

Poland – CPL generally attracts more customers from October through March because domestic customers generally vacation out of the country during the summer months.

Cruise Ships - Our business onboard cruise ships typically is not impacted by seasonality because the cruise ships generally operate year round. Our revenues from these operations fluctuate significantly with the volume and quality of the players onboard the ships. In addition, the cruise ships on which we conduct operations may be out of service from time to time for maintenance or based on the operating schedule of the cruise line, which may impact revenue from our cruise ship casinos.

Aruba – The Radisson Aruba Hotel, Casino & Spa, for which we hold the management agreement, is popular among tourists throughout the year, with the peak season being from the end of December through April.

Governmental Regulation and Licensing

The ownership and operation of casino gaming facilities are subject to extensive state, local, foreign, provincial or federal 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

AGLC

Gaming in Alberta is governed by the provincial government. The 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 number of licenses to be granted. All available licenses have currently been granted. In 2012, the AGLC approved a three-year moratorium on new casinos and RECs that was scheduled to expire on April 1, 2015. The AGLC extended the moratorium indefinitely on February 13, 2015. If the AGLC increases the number of licenses available in the future, applicants for a gaming license must submit an application and run through a detailed 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. Our licenses must be renewed every five years, with the next renewals scheduled for 2018 for our casinos in both Edmonton and Calgary. 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.

Effective April 1, 2014, the AGLC expanded the maximum hours it allows casino table games to operate from 14 to 17 consecutive hours, commencing no earlier than 10:00 a.m. and ending no later than 3:00 a.m. The AGLC allows casinos to operate slot machines a maximum of 17 consecutive hours commencing at 10:00 a.m. and ending no later than 3:00 a.m. and casino poker rooms may operate 24 hours a day. Casinos and RECs may permit only individuals 18 or older to gamble in the casino and may not provide credit to gaming patrons. The AGLC permits slot machines, video lottery terminals, baccarat, blackjack, poker, craps and roulette with a maximum single bet of $100 for 3 Card Poker, 4 Card Poker and Ultimate Texas Hold’em table games, $1,000 for all other tables games and a maximum single bet of $1 for slot machines.

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 operating 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.

At our Edmonton and Calgary casinos, the AGLC retains 85% of slot machine net sales, of which 15% is allocated to licensed charities. At the REC, the AGLC will retain 33% of slot machine net sales, which are allocated to the Alberta Lottery Fund. 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, we are required to allocate 25% of our net win to the charity. We record our revenue net of the amounts retained by the AGLC or allocated to the AGLC-designated charity.

HRA

The HRA was formed in June 2002 to facilitate long term industry renewal for horse racing. The objectives of the HRA are to govern, direct, control, regulate, manage, market and promote horse racing in any or all of its forms; to protect the health, safety and welfare of racehorses and, with respect to horse racing, the safety and welfare of racing participants and racing officials; and to safeguard the interest of the general public in horse racing.

The HRA requires all horse racing operators to be licensed. A licensed operator is responsible for the general supervision of horse races at its facilities but must not interfere with the proper performance of the functions and responsibilities of racing officials. Only individuals 18 or older may place a bet on horse races. The HRA also prohibits racing officials, HRA employees, any licensed owner of a horse entered in a horse race, the authorized trainer, groom, jockey, driver of a horse and any employee of any of them from betting on a race, encouraging others to bet on a race on their behalf or own a pari-mutuel ticket.

A licensed operator must also provide and maintain a suitable racetrack, file with the HRA a certificate of measurement of the track and provide services at race meetings, including first aid and ambulance facilities. The HRA must approve the equipment, facility and any services the operator will provide. The HRA also requires a licensed operator to establish and maintain complete records of each horse race conducted by the operator.

During the first five years of the REC’s operation, the HRA will retain 23.25% of slot machine net sales at the REC to fund animal welfare programs, purses, breed improvement programs, marketing, and administration and backstretch programs. After the first five years of operation of the REC, the HRA will retain 26.25% of slot machine net sales at the REC. Approximately 15.4% of each horse racing bet will be retained by the HRA, of which 10.0% will be returned to the REC. We will record our revenue net of the amounts retained by the HRA.

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 Division of Gaming (the “DOG”) within the Colorado Department of Revenue, licenses, implements, regulates, and supervises the conduct of limited stakes gaming. The Director of the DOG, 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.”

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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 (Century Casino & Hotel in Cripple Creek operates under two gaming licenses). Licenses must be renewed every two years, with the next renewals scheduled for 2015 for our casinos in Central City and Cripple Creek. 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 approvals 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 gaming patrons.

The Colorado constitution permits a gaming tax of up to 40% on adjusted gross gaming proceeds, and voter approval is required for any increase to this gaming tax rate. The current gaming tax in Colorado established by the Gaming Commission is a graduated rate of 0.25% to 20% on adjusted gross gaming proceeds, where casinos pay a higher percentage as their adjusted gross proceeds increase.

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.

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.

In November 2011, the Gaming Commission voted unanimously to allow Colorado casinos to begin offering electronic downloadable promotional credits. Promotional credits allow casinos to offer customers free plays on slot machines through an electronic card that patrons receive. However, the downloadable credits are subject to tax by the state. We began offering downloadable promotional credits in March 2014 at our property in Cripple Creek and in July 2014 at our property in Central City.

Poland

Gaming in Poland is governed by the Minister of Finance, who operates in accordance with Polish gaming law and has the authority to grant casino licenses. Polish gaming law was enacted in 1992. Key items included in Polish gaming law include the following requirements:

•Effective in 2016, the operation of slot machines is permitted in casinos only;

•A maximum of 70 slot machines are allowed per casino;

•All licensees must go through a renewal process once their current six year license has expired;

•All slot arcades are being phased out and will cease operations in 2015;

•The gaming tax rate assessed on gross gaming revenue is 50%; and

•Poker cash games are prohibited in Poland, except for authorized poker tournaments.

Casino licenses in Poland are limited to 52 and are subject to regional limitations. The Minister of Finance periodically notifies the public of license availability, and those interested can submit an application. Applicants for a gaming license must complete a detailed approval process. Following approval from the Minister of Finance, the applicant may operate the casino applied for in accordance with Polish gaming legislation and policies for six years, subject to renewal. Our next renewals are scheduled for 2016 for both the LIM Center casino in Warsaw and the Katowice casino. The Minister of Finance monitors the casino operator and its compliance with all requirements. In the event of a violation, the Minister of Finance can assess charges and, in certain cases, withdraw casino licenses.

Cruise Ships

The casinos onboard the cruise ships operate in international and Alaskan waters and 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

The Minister of Justice governs gaming in Aruba. 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 with a minimum of 250 rooms. As a result, the Radisson Aruba Hotel, which has 355 hotel rooms, holds the casino license and we operate the casino under a management agreement. The casino license is not required to be renewed by the hotel. 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 penalties of closure, fines and/or withdrawal of license.

Other Regulation

We are subject to certain foreign, federal, state, provincial 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 these laws, regulations and ordinances. However, the coverage of 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 also could impact our operations and any proposed development of our properties.

Employees

As of December 31, 2014, we had approximately 1,360 full-time employees and 260 part-time employees. During busier months, a casino may supplement its permanent staff with seasonal employees. Approximately 157 employees at our CPL casinos in Poland belong to trade unions. The trade unions do not currently have any collective bargaining agreements with CPL.

Executive Officers of the Company

Name	Age	Position Held
Erwin Haitzmann	61	Chairman of the Board and Co Chief Executive Officer
Peter Hoetzinger	52	Vice Chairman of the Board, Co Chief Executive Officer and President
Margaret Stapleton	53	Executive Vice President, Principal Financial/Accounting Officer and Secretary
Andreas Terler	46	Managing Director of Century Casinos Europe GmbH, Vice President Operations and Chief Information 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 Hoetzinger 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. Hoetzinger 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, Principal Financial/Accounting Officer and Secretary, effective May 2010. She holds a Bachelor of Science degree in Accounting from Regis University, Denver, Colorado (2004) and has over 30 years of experience in corporate accounting and internal audit. Mrs. Stapleton previously served as our Director of Internal Audit and Compliance from 2005 until May 2010.

Andreas Terler is a Graduate Engineer in Applied Mathematics from the University of Graz, Austria (1994). Mr. Terler has more than nine years of casino industry experience. Mr. Terler is currently overseeing our operations in North America, on our cruise ship-based casinos and our Caribbean operations. Mr. Terler has been employed by us since 2006. He has served as Chief Information Officer since February 2006, Managing Director of CCE since February 2007, and Vice President of Operations since May 2011.

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 "SEC Filings" tab in the Investor Relations 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 12 for segment and geographic 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 or incorporated by reference in this report, 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

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 from destination venues. Many of our competitors are larger and have substantially greater name recognition and financial and marketing resources 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. These marketing 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 our 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. Although the future of Internet gaming is still uncertain, there has been increased discussion about potential legalized Internet gaming in the U.S. at the national or state levels, in part due to an interest in raising tax revenue. For example, Nevada recently enacted new regulations to allow the state's casino companies to operate Internet poker websites limited to players within Nevada's borders, and the U.S. Department of Justice released an opinion that the Interstate Wire Act of 1961 applies only to sports-related gambling activities in interstate and foreign commerce. This opinion, in conjunction with the Unlawful Internet Gambling Enforcement Act, may increase non-sport related Internet gambling. Currently, Internet gaming is not allowed in the jurisdictions in which we operate. However, any additional gaming opportunities that become available in our markets 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. New or expanded operations by other entities in any of the markets in which we operate will increase competition for our gaming operations and could have a material adverse impact on us. We are particularly vulnerable to competition in Colorado and Poland. 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. The Polish Minister of Finance has granted a number of additional gaming licenses in recent years, and these and any additional gaming licenses could adversely affect our Polish operations.

In addition, capital expenditures, such as room refurbishments, amenity upgrades and new gaming equipment may be necessary from time to time to preserve the competitiveness of our properties. The gaming industries in which we operate are competitive and we expect them to become more competitive in the future. If cash from operations is insufficient to provide for needed levels of capital expenditures and we are unable to raise funds for such purposes elsewhere, we may be unable to make necessary improvements and our facilities may be less attractive to our visitors than those of our competitors, causing us to lose our competitive position.

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. In Canada, our licenses must be renewed every five years, with the next renewals scheduled for 2018 for our casinos in both Edmonton and Calgary. In Colorado, our licenses must be renewed every two years, with the next renewals scheduled for 2015 for our casinos in both Central City and Cripple Creek. In Poland, our licenses must be renewed every six years, with the next renewals scheduled for 2016 for both the Lim Center casino in Warsaw and the Katowice casino. 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.

In addition to gaming regulations, we are also subject to various federal, state, provincial, local and foreign laws and regulations affecting businesses in general. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, smoking, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising.

We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violations of anti-money laundering laws or regulations by any of our properties could have an adverse effect on our financial condition, results of operations or cash flows. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted.

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, provincial, 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 established by the Colorado Gaming Commission is a graduated rate of 0.25% to 20% on adjusted gross gaming proceeds, where casinos pay a higher percentage as their adjusted gross proceeds increase. At our Edmonton and Calgary casinos, the AGLC retains 85% of slot machine net sales, of which the AGLC allocated 15% to licensed charities. For all table games in Alberta, Canada, 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 in Alberta, Canada, we are required to allocate 25% of our net win to the charity. At the REC, the AGLC will retain 33% of slot machine net sales which are allocated to the Alberta Lottery Fund. During the first five years of the REC's operations, the HRA will retain 23.25% of slot machine net sales to fund animal welfare programs, purses, breed improvement programs, marketing, and administration and backstretch programs. After the first five years of operations at the REC, the HRA will retain 26.25% of slot machine net sales. The Polish Minister of Finance assesses a gaming tax rate on gross gaming revenue of 50%. In addition, negative economic conditions could intensify the efforts of federal, state, provincial and local governments to raise revenues through increases in gaming taxes or introduction of additional gaming opportunities.

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. In particular, in Colorado, there have been repeated attempts to expand gambling beyond Black Hawk, Central City and Cripple Creek to other towns, racetracks, bingo halls, and tribal gaming through legislation, ballot initiatives, and administrative action by state or local agencies and this is a continued competitive threat to us. Periodic changes in the membership of the Colorado Gaming Commission and turnover in the office of the Governor of Colorado (who appoints both the members of the Gaming Commission and the executive director of the Department of Revenue, which oversees the Gaming Commission) also could adversely affect our results of operations.

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

Our operating results are highly dependent on the volume of customers at our casinos and most of our revenue is essentially cash-based. 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. While we have a significant amount of cash currently on hand, 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, 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 reduce, dispose of or eliminate certain operations.

Our financing agreements in Canada and Poland impose restrictive covenants that limit our operating flexibility, and a default could have a material adverse effect on us.

Our various credit agreements require us to adhere to a number of significant financial covenants. These restrictions limit the ability of our subsidiaries' in Canada and Poland to incur additional debt, obtain future financings to withstand a future downturn in our business or the economy in general, or to otherwise conduct necessary corporate activities. A breach of any covenant in any of our credit agreements would result in an event of default under that agreement after any applicable grace periods. An event of default, if not waived or cured, could cause the lender to accelerate the repayment of all outstanding amounts due under the agreement, foreclose on the security granted under the agreement and enforce the Company's obligations under its guarantee. There can be no assurances that we or our subsidiaries would be able to obtain a waiver of an event of default or modification of a covenant if necessary, or otherwise obtain alternative sources of funding to repay the obligation if a default occurred. Any such occurrences could have a material adverse effect on us.

We have made a loan to the REC project in Calgary, and if the loan defaults, our business may be adversely affected.

CCE has agreed to loan to CDR up to CAD 24 million for the exclusive use of developing and operating the REC project as various stages of the REC are completed. As of December 31, 2014, CCE has loaned CDR CAD 18.6 million ($16.0 million based on the exchange rate in effect on December 31, 2014). The loan is secured by the assets of the project. If the project is not completed and loan advances have been made, CCE would have the right to foreclose on any assets purchased. However, in those circumstances the value of the project assets may not be sufficient to satisfy the outstanding loan amount. In addition, the REC project may not be successful, which would adversely affect CDR's ability to repay the loan. The failure of CDR to repay the loan could have a material adverse effect on the Company, including limiting our ability to repay additional monies borrowed under the BMO Credit Agreement.

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

We regularly review opportunities to develop new properties. We may not be successful in obtaining the rights to develop such properties, and as a result, we may incur significant costs for which we will receive no return. Even if we are successful in obtaining the rights to develop new casino properties, commencing operations at new casino projects may require substantial development capital. This is the case, for example, with the development of the REC project in Calgary. 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. 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.

We may pursue gaming opportunities that would require us to obtain a gaming license. 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. 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. 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 gaming opportunity not being successful. If we are not able to successfully commence operations at these properties, our results of operations may be adversely affected.

We may experience construction delays during our expansion or development projects, including the development costs associated with the REC project in Calgary, which could adversely affect our operations.

From time to time we may commence construction projects at our properties. Construction on the REC project in Calgary, Alberta, Canada commenced in March 2014, and we expect to open the REC in April 2015. In addition, we may engage in additional construction projects as part of our expansion in the future. Construction projects entail significant risks, which can substantially increase costs or delay completion of a project. Most of these factors are beyond our control.

Our current and future projects could also experience:

- failure to obtain necessary licenses, permits, entitlements or other governmental approvals;
- changes to plans and specifications (including changes for the REC project in Calgary, some of which may require the approval of the AGLC);
- delays and significant cost increases;
- shortages of materials;
- shortages of skilled labor or work stoppages for contractors and subcontractors;
- labor disputes or work stoppages;
- disputes with and defaults by contractors and subcontractors;
- health and safety incidents and site accidents;
- engineering problems, including defective plans and specifications;
- poor performance or nonperformance by our partners or other third parties on whom we place reliance;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming and other facilities, real estate development or construction projects;
- unforeseen construction scheduling, engineering, environmental, permitting, construction or geological problems;
- environmental issues, including the discovery of unknown environmental contamination;
- weather interference, floods, fires or other casualty losses; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these development and construction risks could increase the total costs of our construction projects, including the REC project in Calgary, or delay or prevent the construction or opening or otherwise affect the design and features of our construction projects. This could materially adversely affect our plan of operations, financial condition and ability to satisfy our debt obligations. In addition, construction at our operating casinos may disrupt our customer's experience and cause a decline in our revenue.

Actual costs and construction periods for any of our projects can differ significantly from initial expectations. We can provide no assurance that we will complete any project on time, if at all, or within established budgets, or that any project will result in increased earnings to us. If our initial budgets are not accurate, we may need to pursue additional financing to complete a proposed project, which may not be available on favorable terms or at all. The adverse impact on our results of operations resulting from cost overruns on any construction projects we undertake may harm our stock prices.

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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. For example, in 2013 we acquired majority ownership in CPL and are currently integrating CPL into our operations, including its internal control structure. Management of new properties, especially in new geographic areas, may require that we increase our managerial staff, which would increase our expenses.

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

In 2014, we derived our revenue principally from operations located on two continents and on cruise ships operating around the world. Our management is located in the United States and Europe. Our worldwide operations pose risks to our business, especially for a smaller company such as ours. Risks associated with international operations include:

- different time zones;
- culture, management and language differences;
- fluctuations in foreign currency exchange rates;
- changes in laws and policies that govern our foreign operations;
- possible failure to comply with anti-bribery laws such as the United States Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions;
- difficulty in establishing staffing and managing non-United States operations;
- different labor regulations;
- changes in environmental, health and safety laws;
- potentially negative consequences from changes in or interpretations of tax laws;
- political instability and actual or anticipated military or political conflicts;
- economic instability and inflation, recession or interest rate fluctuations; and
- uncertainties regarding judicial systems and procedures.

These factors make it more challenging to manage and administer a globally-dispersed business and, as a result, we must devote greater resources to operating under several regulatory and legislative regimes (See “Governmental Regulation and Licensing” in Item 1, “Business”). This business model also increases our costs.

Investments in additional properties that are not wholly-owned by the Company may decrease our ability to manage risk.

We have from time to time invested, and expect to continue to invest, as a business partner or co-venturer in certain gaming opportunities. For example, we have a 66.6% ownership interest in CPL, which owns and operates nine casinos throughout Poland, and Polish Airports owns the remaining 33.3% of CPL. In addition, we have a 15% ownership interest in CDR, which will operate the Century Downs Racetrack and Casino upon completion of its construction, and unaffiliated shareholders currently own the remaining 85% of CDR. Under the amended credit agreement with CDR, we control the CDR board of directors and have the right to convert CAD 11 million of a loan to CDR into an additional 60% ownership interest in CDR. Business partners often have shared control over the operation of the business's assets. Therefore, the operation of a joint venture or similar enterprise is subject to inherent risk due to the shared nature of the enterprise and the need to reach agreements on material matters and our inability to take action without the approval of our partners. In addition, these investments may involve risks such as the possibility that the business partner or co-venturer might become bankrupt or not have the financial resources to meet its obligations, or have economic or business interests or goals that are inconsistent with our business interests or goals, or be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. Consequently, actions by a business partner or co-venturer might subject assets owned by the business to additional risk.

Our reputation and business may be harmed by cyber security breaches, and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our customers', our business partners' or our own information or other breaches of our information security.

We make use of online services and centralized data processing, including through third party service providers. The secure maintenance and transmission of customer information, including credit card numbers and other personally identifiable information for marketing and promotional purposes, is a critical element of our operations. Our collection and use of personal data are governed by state and federal privacy laws as well as the applicable laws in other countries in which we operate. Compliance with applicable privacy regulations may increase our operating costs or adversely impact our ability to market our products, properties and services to our guests.

Our information technology and other systems that maintain and transmit customer information, or those of service providers, or our employee or business information may be compromised by a malicious third party penetration of our network security, or that of a third party service provider or business partner, or by actions or inactions by our employees. As a result, information of our customers, third party service providers or business partners or our business information may be lost, disclosed, accessed or taken without their or our consent. Non-compliance with applicable privacy regulations by us (or in some circumstances non-compliance by third parties engaged by us) or a breach of security on systems storing our data may result in a loss of customers and subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data. If a cyber security breach were to occur, it could have a serious impact on our reputation and may adversely affect our businesses, operating results and financial condition. Furthermore, the loss, disclosure or misappropriation of our business information may adversely affect our businesses, operating results and financial condition.

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We may be adversely affected by reductions in discretionary consumer spending as a result of consumer concerns over economic conditions, homeland security, terrorism and war.

Our business may be adversely affected by international, national and local economic and political conditions. The volatile global economic environment has had and is continuing to have negative effects on our business because our business is largely impacted by discretionary consumer spending. Reductions in discretionary consumer spending or changes in consumer preferences brought about by factors such as increased unemployment, significant increases in energy prices, perceived or actual deterioration in general economic conditions, housing market instability, bank failures and the potential for additional bank failures, perceived or actual decline in disposable consumer income and wealth, and changes in consumer confidence in the economy could reduce customer demand for the leisure activities we offer and may adversely affect our revenue and operating cash flow. We are unable to predict the frequency, length or severity of economic circumstances.

Terrorist attacks and other acts of war or hostility have created many economic and political uncertainties and have had a negative impact on travel and leisure expenditures, including gaming, lodging and tourism. For example, our locations in Poland are in close proximity to Ukraine and Russia. While we have not experienced any material impact from the acts of hostility between the two countries, an increase in those hostilities could adversely affect our casinos in Poland. We cannot predict the extent to which terrorism, security alerts or war, or hostilities in countries throughout the world will directly or indirectly affect our business and operating results.

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 revenue in the summer tourist season than any other time during the year. During the year ended December 31, 2014, net operating revenue attributable to our Colorado operations fluctuated from a low of $6.3 million in the fourth quarter to a high of $7.3 million in the third quarter. If we are not able to offset these seasonal declines with additional revenue from other properties, our quarterly results may suffer.

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 reductions in the number of customers who visit our properties because of severe weather conditions. If 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. High winds, flooding, blizzards and sub-zero temperatures, such as those experienced in Colorado, Alberta and Poland from time to time, can limit access to our properties.

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Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

We may suffer damage to our property caused by a casualty loss (such as fire, natural disasters, acts of war or terrorism), that could severely disrupt our business or subject us to claims by third parties who are injured or harmed. Although we maintain insurance customary in our industry, including property, casualty, terrorism and business interruption insurance, that insurance is subject to deductibles and limits on maximum benefits, including limitations on the coverage period for business interruption. Due to these variables, we may not be able to fully insure such losses, or fully collect, if at all, on claims resulting from severe weather conditions. The lack of sufficient insurance for these types of acts could expose us to heavy losses if any damages occur, directly or indirectly, that could have a significant adverse impact on our operations.

We renew our insurance policies on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits or agree to certain exclusions from our coverage or self-insure. Among other factors, regional political tensions, homeland security concerns, other catastrophic events or any change in government legislation governing insurance coverage for acts of terrorism could materially adversely affect available insurance coverage and result in increased premiums on available coverage (which may cause us to elect to reduce our policy limits), additional exclusions from coverage or higher deductibles. Among other potential future adverse changes, in the future we may elect to not, or may not be able to, obtain any coverage for losses due to acts of terrorism.

Our business, financial condition, and results of operations may be harmed by work stoppages and other labor issues.

There are 157 employees at our CPL casinos in Poland who belong to trade unions. The trade unions do not currently have any collective bargaining agreements with CPL. A lengthy strike or other work stoppage at our casino properties in Poland could have an adverse effect on our business and results of operations. Our employees in the U.S. and Canada are not covered by collective bargaining agreements. From time to time, we have experienced attempts to unionize certain of our non-union employees. If a union seeks to organize any of our employees, we could experience disruption in our business and incur significant costs, both of which could have a material adverse effect on our results of operation and financial condition. If a union were successful in organizing any of our employees, we could experience significant increases in our labor costs which could also have a material adverse effect on our business, financial condition, and results of operations.

Fluctuations in currency exchange rates and currency controls in foreign countries could adversely affect our business.

Our casinos in Canada and 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.

We have invested $1 million in capital in the MCE project located in Argentina. In addition, we have a Consulting Services Agreement with MCE in which CCE will receive a service fee consisting of of a fixed fee plus a percentage of MCE’s EBITDA. Argentina has implemented currency controls within the country that could limit our ability to repatriate our initial capital, the consulting service fee, or other funds.

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 Hoetzinger, our Co Chief Executive Officers, and other members of our senior management team. The employment agreements with Erwin Haitzmann and Peter Hoetzinger provide that, under some circumstances, the departure of one executive could allow the other to leave for cause. 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.

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

The majority of our revenue is 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.

Slot machine manufacturers have frequently refused to sell some slot machines featuring the most popular games, instead requiring participation agreements in order to acquire the machines. Generally, a participation agreement is substantially more expensive over the long term than the cost to purchase a new machine. Participation agreements typically require the payment of a fixed daily rental. Such agreements may also include a percentage payment of coin-in or net win.

For competitive reasons, we may be forced to purchase new slot machines or enter into participation agreements 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 revenue to offset the increased investment and participation costs, our profitability could be adversely affected.

We may be required in the future to record impairment losses related to assets we currently carry on our balance sheet.

We have $159 million of tangible and intangible assets, including $12 million of goodwill, $4 million in casino licenses, $2 million in trademarks and $135 million in property and equipment as of December 31, 2014. 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 these assets carried on our balance sheet are impaired due to adverse changes in our business or otherwise, 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.

The enactment of legislation implementing changes in the U.S. taxation of international business activities or the adoption of other tax reform policies could materially affect our financial position and results of operations.

The current U.S. administration has made public statements indicating that international tax reform is a priority, and key members of the U.S. Congress have conducted hearings and proposed a wide variety of potential changes. Certain changes to U.S. tax laws, including limitations on the ability to defer U.S. taxation on earnings outside of the U.S. until those earnings are repatriated to the U.S., could affect the tax treatment of our foreign earnings. In addition, the cash and cash equivalent balances we currently maintain outside of the U.S. could be affected. Due to our international business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and harm our financial position and results of operations.

Uncertainties in Polish tax laws and other Polish laws and regulations may lead to additional liabilities

Polish tax laws and other Polish laws and regulations change frequently, and often there is no reference to established regulations or cases. The current laws and regulations also have ambiguities that lead to differences in interpretations between authorities and between authorities and companies. Taxes or other payments may frequently be inspected by Polish authorities that are authorized to impose significant fines, extra liabilities and interest for underpayments. As a result, the tax risk is higher in Poland than in countries with better-developed tax systems. For example, in March 2011, the Polish Internal Revenue Service ("Polish IRS") started conducting a series of tax audits of CPL to review the calculation and payment of personal income tax by CPL employees covering December 1, 2007 to December 31, 2008, January 1, 2009 to December 31, 2009 and January 1, 2011 to January 31, 2011. Based on this audit, the Polish IRS concluded that CPL should calculate, collect and remit to the Polish IRS personal income tax on tips received by CPL employees from casino customers for those periods. After proceedings and appeals between CPL and the Polish IRS, the Director of the Tax Chamber in Warsaw confirmed the opinion of the Polish IRS in November 2012 for the period January 2011 and in December 2013 for the period December 2007 to December 2008 and from January 2009 to December 2009. Because of these decisions, in 2013 CPL paid PLN 3.6 million ($1.3 million) in taxes and interest for January 1, 2011 to January 31, 2011 and for January 1, 2008 to December 31, 2008 and in 2014 CPL paid PLN 2.8 million ($0.9 million) in taxes and interest for January 1, 2009 to December 31, 2009 to the Polish IRS. CPL continues to appeal the decisions through the Polish court appeals process and expects a final determination in 2015. However, we believe that the Polish IRS may seek to assess a liability for all periods from January 2007 to present. Management has determined that it is reasonably possible that the litigation will be unfavorable for CPL, and we have recorded PLN 12.0 million ($3.4 million based on the exchange rate in effect on December 31, 2014) as a contingent liability on our consolidated balance sheet as of December 31, 2014. If the decisions of the Polish IRS are upheld, CPL may require cash injections from its shareholders, including us, or from other sources to pay the tax liabilities.

Polish tax payments may be inspected for up to five years. As a result, the amounts included in the financial statements for Polish taxes may change at a later date after the final amounts are determined, and other Polish laws and regulations may lead to additional liabilities.

Our failure to maintain adequate internal controls over financial reporting could adversely affect our business and financial condition.

The Sarbanes-Oxley Act of 2002 requires that we maintain effective internal control over financial reporting and disclosure controls and procedures. Our compliance with the Sarbanes-Oxley Act requires that we incur substantial expense and expend significant management time on compliance-related issues. For the year ended December 31, 2014, 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. If in the future, we identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or if our remedial measures are insufficient to address the material weaknesses, our consolidated financial statements may contain material misstatements or other errors and we could be required to restate our financial results. In addition, as we consolidate or open new properties we must integrate their processes and procedures into our internal control framework. Further management must evaluate their internal controls to report on the effectiveness of our internal control over financial reporting. Integrating and evaluating new properties into our internal control framework requires additional cost and additional risk over our financial reporting.

A material weakness in the effectiveness of our internal control over financial reporting could increase our chance of fraud, reduce our ability to obtain financing and require additional expenditures, each of which could negatively impact our business, profitability and financial condition. If we cannot produce reliable financial reports, we could be subject to sanctions or investigations by the NASDAQ Stock Market, the SEC or other regulatory authorities. Such sanctions or investigations would require significant additional financial and management resources, investors could lose confidence in our reported financial information, our business and financial condition could be harmed, and the market price of our stock could decline.

We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could impact our financial condition.

From time to time, we are defendants in various lawsuits and gaming regulatory proceedings relating to matters incidental to our business. As with all litigation, no assurance can be provided as to the outcome of these matters and, in general, litigation can be expensive and time consuming. We may not be successful in the defense or prosecution of our current or future legal proceedings, which could result in settlements or damages that could significantly impact our business, financial condition and results of operations.

We are subject to environmental laws and potential exposure to environmental liabilities.

We are subject to various federal, provincial, state and local environmental laws and regulations that govern our operations, including emissions and discharges into the environment, and the handling and disposal of hazardous and nonhazardous substances and wastes. Failure to comply with such laws and regulations could result in costs for corrective action, penalties or the imposition of other liabilities or restrictions.

We also are subject to laws and regulations that impose liability and clean-up responsibility for releases of hazardous substances into the environment. Under certain of these laws and regulations, a current or previous owner or operator of property may be liable for the costs of remediating contaminated soil or groundwater on or from its property, without regard to whether the owner or operator knew of, or caused, the contamination, as well as incur liability to third parties impacted by such contamination. The presence of contamination, or failure to remediate it properly, may adversely affect us. Our properties in Central City and Cripple Creek are located within an area of historic mining activity and near superfund sites that have been the subject of state and federal clean-up actions. Although our properties are not part of a superfund site, it is possible that, as a result of our ownership and operation of our properties (on which mining may have occurred in the past), we may incur costs related to this matter in the future. Furthermore, there may have been soil or groundwater contamination at certain of our properties resulting from current or former operations. None of these matters or other matters arising under environmental laws has had a material adverse effect on our business, financial condition, or results of operations; however, there can be no assurance that such matters will not have such an effect in the future.

We are dependent upon technology services and electrical power to operate our business, and if we experience damage or service interruptions, we may have to cease some or all of our operations, resulting in a decrease in revenue.

Our gaming operations rely heavily on technology services and an uninterrupted supply of electrical power. Our security system and all of our slot machines are controlled by computers and reliant on electrical power to operate. Without electrical power or a failure of the technology services needed to run the computers, we may be unable to run all or parts of our gaming operations. Any unscheduled interruption in our technology services or interruption in the supply of electrical power is likely to result in an immediate, and possibly substantial, loss of revenue due to a shutdown of our gaming operations. Although we have designed our systems around industry-standard architectures to reduce downtime in the event of outages or catastrophic occurrences, they remain vulnerable to damage or interruption from floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses, computer denial-of-service attacks and similar events.

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

Our casino properties use significant amounts of electricity, natural gas and other forms of energy. We expended approximately $2.1 million for utilities for all of our operations in 2014. 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 revenue. Fuel price increases also could discourage customers from driving to our casinos, particularly at 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.

Any violation of the Foreign Corrupt Practices Act or any other similar anti-corruption laws could have a negative impact on us.

A significant portion of our revenue is derived from operations outside the United States, which exposes us to complex foreign and U.S. regulations inherent in doing cross-border business and in each of the countries in which we transact business. We are subject to compliance with the United States Foreign Corrupt Practices Act ("FCPA") and other similar anti-corruption laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. While our employees and agents are required to comply with these laws, we cannot be sure that our internal policies and procedures will always protect us from violations of these laws, despite our commitment to legal compliance and corporate ethics. Violations of these laws may result in severe criminal and civil sanctions as well as other penalties, and the SEC and U.S. Department of Justice have increased their enforcement activities with respect to the FCPA. The occurrence or allegation of these types of risks may adversely affect our business, performance, prospects, value, financial condition, and results of operations.

Risks Related to Our Common Stock

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

Our common stock trades in the U.S. on the NASDAQ Capital 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 Capital Market in 2013 and 2014 varied from a high of $8.21 to a low of $2.61.

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 due to the possibility that certain transactions that our stockholders might favor could be precluded by these provisions.

Regulation Risk Related to Stockholders

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. and Canada generally can require that any beneficial owner of our common stock and other securities 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 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, 2014:

Summary of Property Information

Property	Segment	Casino Space Sq Ft	Acreage	Number of Slot Machines	Number of Video Lottery Terminals	Number of Tables	Number of Off-Track Betting Parlors	Number of Hotel Rooms	Number of Restaurants	Number of Showrooms	Number of Bowling Alleys
Century Casino & Hotel – Edmonton	Canada	35,000	7	752	10	35	-	26	4	2	-
Century Casino – Calgary	Canada	20,000	8	508	25	16	1	-	1	3	1
Century Casino & Hotel – Central City	United States	22,350	1.3	498	-	7	-	26	2	-	-
Century Casino & Hotel – Cripple Creek	United States	19,600	3.5	447	-	6	-	21	1	-	-
Casinos Poland – Poland (1)	Poland	36,500	-	482	-	75	-	-	-	-	-
Cruise Ships (total of 16) (2)	Corporate and Other	13,500	-	556	-	64	-	-	-	-	-
Radisson Aruba Resort,	Corporate and Other	16,000	15	200	-	16	-	-	1	-	-

Casino &
Spa (3)

(1) We operate Casinos Poland as a majority owned subsidiary for which we have a controlling interest. Casinos Poland operates nine separate casinos in leased building spaces, including hotels, throughout Poland. For the locations of these casinos, see "Majority-Owned Casinos – Casinos Poland – Poland" in Item 1, "business" of this report.

(2) Operated under concessionaire 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.

Each of the locations listed in the table above are wholly-owned by us except for the casinos operated by Casinos Poland, the cruise ships and the Radisson Aruba Resort, Casino & Spa.

As of December 31, 2014, the Century Casino & Hotel in Edmonton and Century Casino in Calgary are pledged as collateral for our obligations under a mortgage with BMO. As of December 31, 2014, a parcel of land in Kolbaskowo, Poland owned by Casinos Poland was used to secure a bank guarantee with mBank (see Note 6 to the Consolidated Financial Statements included in Item 8, "Financial Statements and Supplementary Data" of this report).

Additional Property Information

Century Casino Calgary – In addition to the property described above, we currently lease approximately 28,900 square feet of land at our property in Calgary for additional parking.

Century Downs Racetrack and Casino – The land on which the REC project is being built was sold by CDR to 1685258 Alberta Ltd. ("Rosebridge") prior to our acquisition of our ownership interest in CDR. CDR leases from Rosebridge the 51.99 acres on which the REC project is being constructed.

Corporate Offices – We currently lease approximately 5,700 square feet of office space in Colorado Springs, Colorado and approximately 2,500 square feet of office space in Vienna, Austria for corporate and administrative purposes.

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 except as follows.

In March 2011, the Polish IRS started conducting a series of tax audits of CPL to review the calculation and payment of personal income tax by CPL employees. Based on the March 2011 audit, the Polish IRS concluded that CPL should calculate, collect and remit to the Polish IRS personal income tax on tips received by CPL employees from casino customers for the periods from December 1, 2007 to December 31, 2008, January 1, 2009 to December 31, 2009 and from January 1, 2011 to January 31, 2011.

After proceedings between CPL and the Polish IRS, the Director of the Tax Chamber in Warsaw upheld the decision of the Polish IRS on November 30, 2012 for the period January 1, 2011 to January 31, 2011. CPL paid PLN 0.1 million (less than $0.1 million) to the Polish IRS for taxes and interest owed resulting from this decision. CPL appealed the decision to the Regional Administrative Court in Warsaw in December 2012. In September 2013, the Regional Administrative Court in Warsaw denied CPL's appeal. CPL appealed the decision to the Supreme Administrative Court and expects a decision in 2015.

After further proceedings and appeals between CPL and the Polish IRS, the Director of the Tax Chamber in Warsaw also upheld the decision of the Polish IRS on December 30, 2013 for the periods December 1, 2007 to December 31, 2008 and from January 1, 2009 to December 31, 2009. CPL paid PLN 3.5 million ($1.2 million) to the Polish IRS for taxes and interest owed from January 1, 2008 to December 31, 2008 on December 31, 2013 and PLN 2.8 million ($0.9 million) for taxes and interest owed from January 1, 2009 to December 31, 2009 on December 16, 2014. CPL filed an appeal of this decision in January 2014 to the Voivodship Administrative Court. In September 2014, the Voivodship Administrative Court denied CPL's appeal. CPL has appealed the decision to the Supreme Administrative Court.

Management has evaluated the likelihood that the litigation will be unfavorable for CPL using a probability weighted cash flow analysis and recorded a liability at estimated fair value in purchase accounting. As a result, the balance of the potential liability recorded on our consolidated balance sheet for all open periods as of December 31, 2014 is estimated at PLN 12.0 million ($3.4 million based on the exchange rate in effect on December 31, 2014).

Item 4. Mine Safety Disclosures.

Not applicable.

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 Capital Market under the symbol “CNTY”. From 2005 to September 30, 2014, our common stock also was traded on the Vienna Stock Exchange in the form of Austrian Depository Certificates (“ADCs”). Effective September 30, 2014, we delisted the ADCs from the Vienna Stock Exchange due to consistently low trading volume on that exchange and the ADCs were automatically converted into the corresponding number of shares 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 Capital Market for the periods indicated.

	2014		2013	
	High	Low	High	Low
First Quarter	$8.21	$4.91	$3.15	$2.61
Second Quarter	$7.42	$5.35	$3.75	$2.83
Third Quarter	$6.10	$4.80	$6.15	$3.38
Fourth Quarter	$5.55	$4.71	$6.30	$4.41

No dividends have been declared or paid by us. Declaration and payment of dividends, if any, in the future will be at the discretion of the board of directors. At the present time, we intend to use any earnings that may be generated to finance the growth of our business.

At March 9, 2015, we had 125 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, 2014 is $14.7 million. The repurchase program has no set expiration or termination date. No repurchases were made during the year ended December 31, 2014.

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" of this report. 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, Section 27A of the Securities Act, and the Private Securities Litigation Reform Act of 1995, 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.

References in this item to "we," "our," or "us" are to the Company and its subsidiaries on a consolidated basis unless the context otherwise requires. The term "USD" refers to US dollars, the term "CAD" refers to Canadian dollars and the term "PLN" refers to Polish Zloty.

Amounts presented in this Item 7 are rounded. As such, there may be rounding differences 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 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;
- The Century Casino & Hotel in Central City, Colorado; and
- The Century Casino & Hotel in Cripple Creek, Colorado.

In March 2007, our subsidiary CCE acquired 33.3% of the outstanding shares issued by CPL and we accounted for the investment under the equity method. In April 2013, CCE acquired from LOT Polish Airlines an additional 33.3% ownership interest in CPL. As of the date of this acquisition, we began consolidating our 66.6% ownership of CPL as a majority-owned subsidiary for which we have a controlling financial interest. Polish Airports owns the remaining 33.3% of CPL. We account for and report the 33.3% Polish Airports ownership interest as a non-controlling financial interest.

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CPL has been in operation since 1989 and is the owner and operator of nine casinos throughout Poland with a total of 482 slot machines and 75 tables. The following table summarizes the Polish cities in which CPL operated as of December 31, 2014, each casino's location and the number of slots and tables at each casino.

City	Population	Location	Number of Slots	Number of Tables
Warsaw	1.7 million	Marriott Hotel	70	22
Warsaw	1.7 million	LIM Center	62	3
Krakow	760,000	Dwor Kosciuszko Hotel	54	8
Lodz	730,000	Manufaktura Entertainment Complex	62	8
Wroclaw	630,000	HP Park Plaza Hotel	68	12
Poznan	550,000	Hotel Andersia	56	9
Katowice	310,000	Altus Building	70	9
Sosnowiec*	220,000	Sosnowiec City Center	0	0
Plock	130,000	Hotel Plock	40	4

* Operations at the Sosnowiec casino were suspended as of June 30, 2014. The casino began operating on a limited basis on February 3, 2015, and we expect the casino will continue limited operations until its gaming license expires in May 2017.

We also operate 16 ship-based casinos onboard the ships of the following five cruise lines: Oceania Cruises, TUI Cruises, Windstar Cruises, Regent Seven Seas Cruises and Nova Star Cruises, Ltd. As of December 31, 2014, we had a total of 556 slot machines and 64 tables onboard the 16 cruise ships where we operated casinos. The following table summarizes the cruise lines for which we have entered into agreements and the associated ships on which we operate ship-based casinos.

Cruise Line	Ship	Number of Slots	Number of Tables
Oceania Cruises	Regatta	36	5
Oceania Cruises	Nautica	36	5
Oceania Cruises	Insignia*	36	5
Oceania Cruises	Marina	62	6
Oceania Cruises	Riviera	63	6
TUI Cruises	Mein Schiff 1	19	5
TUI Cruises	Mein Schiff 2	12	0
TUI Cruises	Mein Schiff 3**	20	1
Windstar Cruises	Wind Surf	27	4
Windstar Cruises	Wind Star	11	2
Windstar Cruises	Wind Spirit	12	2
Windstar Cruises	Star Pride***	7	3
Regent Seven Seas Cruises	Seven Seas Voyager	51	6
Regent Seven Seas Cruises	Seven Seas Mariner	51	6
Regent Seven Seas Cruises	Seven Seas Navigator	43	6
Nova Star Cruises Ltd.	Nova Star****	70	2

* Our casino operation onboard Insignia was suspended on April 5, 2012 when Oceania Cruises leased the vessel to a different cruise line. The Insignia rejoined Oceania Cruises in May 2014, at which time we again began operating this ship-based casino. We did not operate this ship-based casino while Oceania Cruises leased it to a different cruise line.

** In June 2014, TUI Cruises launched the Mein Schiff 3, and we currently operate the ship-based casino onboard this ship.

*** In May 2014, Windstar Cruises launched the Star Pride, the first of three newly acquired all suite cruise ships. We operate the ship-based casino onboard this ship. Windstar Cruises is planning to begin operations on the other two vessels during the second quarter of 2015, and we expect to operate the planned ship-based casinos onboard each ship.

**** In February 2014, we signed an exclusive agreement with Nova Star Cruises Ltd. to operate a ship-based casino onboard the Nova Star, a round trip cruise ferry service connecting Portland, Maine and Yarmouth, Nova Scotia. The ferry began operations on May 15, 2014 and operates on a seasonal basis from May to November. In September 2014, Nova Star Cruises Ltd. announced that it was shortening its 2014 sailing season with the final round trip ending on October 14, 2014.

In November 2014, we amended our concessionaire agreement with TUI Cruises to include our operation of the ship-based casino onboard the Mein Schiff 4, a new 2,500-passenger ship that is currently being constructed. TUI Cruises plan to launch the Mein Schiff 4 in June 2015.

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

In October 2014, our subsidiary CCE entered into the MCE Agreement with Gambling and Entertainment LLC and its affiliates, pursuant to which CCE purchased 7.5% of the shares of MCE, a company formed in Argentina, for $1 million. Pursuant to the MCE Agreement, CCE will work with MCE to utilize MCE's exclusive concession agreement with Instituto Provincial de Juegos y Casinos to lease slot machines and provide related services to Mendoza Casino, a casino located in Mendoza, Argentina, and owned by the Province of Mendoza. MCE may also pursue other gaming opportunities. Under the MCE Agreement, CCE has the right to appoint one director to MCE's board of directors. In addition, CCE has a three-year option to purchase up to 50% of the shares of MCE and appoint additional directors to MCE's board of directors based on its ownership percentage of MCE. We account for our 7.5% investment in MCE using cost basis accounting and report the $1.0 million investment on our consolidated balance sheet.

In October 2014, CCE and MCE also entered into a Consulting Service Agreement in which CCE will provide advice on casino matters. Through the Consulting Service Agreement, CCE will receive a service fee consisting of a fixed fee plus a percentage of MCE's EBITDA.

Century Downs Racetrack and Casino - Calgary, Canada

In November 2012, our subsidiary CCE signed credit and management agreements with CDR in connection with the development and operation of a REC project in Balzac, north metropolitan area of Calgary, Alberta, Canada, which we will operate as Century Downs Racetrack and Casino.

The REC project will be the only horse race track in the Calgary area and will consist of a 5.5 furlong (0.7 mile) racetrack, a gaming floor with 550 proposed slot machines, a bar, a lounge, restaurant facilities, an off-track betting area and an entertainment area. The REC license is the only license for new casinos and RECs currently available in any metropolitan area of Alberta. The license application for this REC project preceded a three year moratorium imposed by the AGLC on new casinos and RECs that was scheduled to expire on April 1, 2015. On February 13, 2015, the AGLC extended this moratorium indefinitely.

The REC project is located less than one mile north of the city limits of Calgary and 4.5 miles from the Calgary International Airport. The location will allow the REC to capture both the north and the northwest Calgary markets, where there is not currently a casino. The REC will be located approximately 17 miles from Century Casino Calgary and would serve what we believe is a different customer base, including customers who also are interested in horse racing.

The AGLC has approved development of the REC project and a preliminary license. The AGLC will not issue a final license until the REC opens. HRA, the governing authority for horse racing in Alberta, has approved the REC project and approved a license. Construction on the REC commenced in March 2014 and we anticipate that the REC will open in April 2015. The 2015 horse racing season will be from April to November.

On November 29, 2013, CCE finalized amended credit and management agreements with CDR in connection with the development of the REC project. Under the amended credit agreement, CCE agreed to loan to CDR a total of CAD 24 million in two separate loans, Loan A and Loan B. Loan A is for CAD 13 million and Loan B is for CAD 11 million. Loan A has an interest rate of BMO prime plus 600 basis points and a term of five years, and CAD 11 million of the loan is convertible at CCE's option into an ownership position in CDR of up to 60%. Loan B has an interest rate equivalent to the rate charged under the BMO Credit Agreement plus an administrative fee and a term of five years. CCE has advanced all funds from Loan A, and any additional funds advanced to CDR will be under Loan B. Both loans are secured by a leasehold mortgage on the REC property and a pledge of CDR's stock by the majority of the CDR shareholders. Both loans are for the exclusive use of developing and operating the REC project. CCE will fund both loans with additional borrowings under our BMO Credit Agreement. As of December 31, 2014, CCE has loaned CDR CAD 18.6 million ($16.0 million based on the exchange rate in effect on December 31, 2014).

Under the amended management and credit agreements with CDR, CCE acquired 15% of CDR, controls the CDR board of directors, manages the development and operation of the REC project and has the right to convert CAD 11 million of Loan A into an additional 60% ownership interest in CDR. As a condition of AGLC licensing, we anticipate converting the loan to a majority ownership interest in CDR on or before the REC is operational.

As of November 29, 2013, we began consolidating CDR as a minority owned subsidiary for which we have a controlling financial interest. Unaffiliated shareholders own the remaining 85% of CDR. We account for and report the 85% CDR ownership interest as a non-controlling financial interest.

Other Projects under Development

On June 10, 2013, we announced that we were one of four companies applying for a 15-year casino license at the Hotel InterContinental in Vienna, Austria. In July 2014, the Austrian authorities awarded the casino license to another applicant.

On December 2, 2014, we announced that we had been selected by the HRA to operate the pari-mutuel off-track horse betting network in Southern Alberta beginning in 2015. We will form a new subsidiary, CBS, in 2015 to operate the off-track betting network. Under a memorandum of understanding with the principal owner of RMTC, CCE will own 75% of CBS and RMTC will own 25% of CBS. We anticipate that CBS will begin operating the pari-mutuel network in the second quarter of 2015.

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	2014	2013	% Change
Canadian dollar (CAD)	1.1046	1.0302	(7.2%)
Euros (€)	0.7539	0.7532	(0.1%)
Polish zloty (PLN)	3.1558	3.1597	0.1%
Source: Pacific Exchange Rate Service			

Our casinos in Canada and 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. A decrease in the value of these currencies in relation to the value of the U.S. dollar would decrease the earnings from our foreign operations when translated into U.S. dollars. An increase in the value of these currencies in relation to the value of the U.S. dollar would increase the earnings from our foreign operations when translated into U.S. dollars. See Note 2 "Significant Accounting Policies - Foreign Currency Translation" to the Consolidated Financial Statements included in Item 8, “Financial Statements and Supplementary Data” of this report.

DISCUSSION OF RESULTS

Year ended December 31, 2014 vs. 2013

Century Casinos, Inc. and Subsidiaries

	For the year ended December 31,			
Amounts in thousands	2014	2013	Change	% Change
Gaming Revenue	$ 109,889	$ 95,472	$ 14,417	15.1%
Hotel Revenue	1,636	1,573	63	4.0%
Food and Beverage Revenue	10,988	10,688	300	2.8%
Other Revenue	5,525	4,495	1,030	22.9%
Gross Revenue	128,038	112,228	15,810	14.1%
Less Promotional Allowances	(7,990)	(7,640)	350	4.6%
Net Operating Revenue	120,048	104,588	15,460	14.8%
Gaming Expenses	(60,782)	(50,319)	10,463	20.8%
Hotel Expenses	(590)	(624)	(34)	(5.4%)
Food and Beverage Expenses	(9,252)	(8,359)	893	10.7%
General and Administrative Expenses	(38,932)	(33,069)	5,863	17.7%
Total Operating Costs and Expenses	(117,391)	(98,970)	18,421	18.6%
Losses from Equity Investment	0	(135)	(135)	(100.0%)
Earnings from Operations	2,657	5,483	(2,826)	(51.5%)
Non-controlling Interest	2,321	106	2,215	2089.6%
Net Earnings Attributable to Century Casinos, Inc. Shareholders	1,232	6,181	(4,949)	(80.1%)
Adjusted EBITDA	$ 12,850	$ 12,685	$ 165	1.3%
Earnings Per Share Attributable to Century Casinos, Inc. Shareholders				
Basic	$ 0.05	$ 0.26	$ (0.21)	(80.8%)
Diluted	$ 0.05	$ 0.26	$ (0.21)	(80.8%)

The period over period increase in net operating revenue and decrease in net earnings for the year ended December 31, 2014 compared to the year ended December 31, 2013 primarily relate to the inclusion of operating results for Casinos Poland for the full year ended December 31, 2014, as opposed to only including operating results beginning April 8, 2013 through December 31, 2013 for the same period in 2013. On April 8, 2013, we purchased an additional 33.3% ownership interest in CPL and began consolidating CPL as a majority-owned subsidiary for which we have a controlling financial interest. Prior to the acquisition of this additional interest in CPL, we accounted for our 33.3% ownership interest as an equity investment. CPL contributed $51.2 million in net operating revenue and $0.1 million in net losses for the year ended December 31, 2014. In addition, the consolidation of CDR as of November 29, 2013 as a minority owned subsidiary for which we have a controlling financial interest affects the comparability of 2014 and 2013 financial results. CDR contributed $0.5 million in net operating revenue and $0.1 million in net earnings for the year ended December 31, 2014.

As a result of our recent and continuing expansion efforts, during the fourth quarter of 2014, we reorganized our internal management reporting structure. Under the new structure, we have begun reporting our financial performance in three reportable segments based on the geographical locations in which our casinos operate: Canada, the United States and Poland. Each geographical location has similarities among the nature of economic characteristics, services, customers and regulatory environments in which each segment operates. Management views each property as an operating segment based on its business activities, financial information, and operating results, which our chief operating decision maker function uses to assess performance and allocate resources within the Company. Our properties provide gaming, hotel accommodations, dining facilities and other amenities to our customers, which we utilize to drive customer volume. Our operating results are highly dependent on the volume of customers at our casinos, and customer volume affects the price we can charge for our hotel rooms, dining and other amenities. Our operating results are significantly affected by our ability to generate operating revenue.

We have additional business activities including concessionaire agreements, management agreements, consulting agreements and certain other corporate and management operations. We report our operating segments that we do not segregate into reportable segments as "corporate and other" operations in our consolidated results.

Net operating revenue increased by $15.5 million, or 14.8% for the year ended December 31, 2014 compared to the year ended December 31, 2013. Following is a breakout of net operating revenue by segment and property for the year ended December 31, 2014 compared to the year ended December 31, 2013:

- Canada increased by $0.9 million, or 2.5%, due to changes in the following operating segments:
  - Edmonton decreased by ($0.1) million, or (0.4%).
  - Calgary increased by $0.5 million, or 5.4%.
  - CDR increased by $0.5 million, or 1920.0%. *
- United States decreased by ($2.5) million, or (8.5%), due to changes in the following operating segments:
  - Central City decreased by ($1.6) million, or (9.3%).
  - Cripple Creek decreased by ($0.9) million, or (7.3%).
- Poland increased by $16.4 million, or 47.0%, due to our increased ownership in Casinos Poland throughout 2014. **
- Corporate and other increased by $0.7 million, or 10.6%, due to changes in ship-based casinos and other.

* We began consolidating CDR as a minority owned subsidiary for which we have a controlling interest on November 29, 2013.

** We acquired a controlling interest in Casinos Poland on April 8, 2013.

Total operating costs and expenses increased by $18.4 million, or 18.6%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. Following is a breakout of total operating costs and expenses by segment and property for the year ended December 31, 2014 compared to the year ended December 31, 2013:

· Canada increased by $0.2 million, or 0.6%, due to changes in the following operating segments:
§ Edmonton decreased by ($0.4) million, or (2.2%).
§ Calgary decreased by ($0.1) million, or (1.3%).
§ CDR increased by $0.7 million, or 1744.7%. *
· United States decreased by ($1.0) million, or (3.8%), due to changes in the following operating segments:
§ Central City decreased by ($0.8) million, or (5.2%).
§ Cripple Creek decreased by ($0.2) million, or (1.5%).
· Poland increased by $16.9 million, or 48.9%, due to our increased ownership in Casinos Poland throughout 2014. **
· Corporate and other increased by $2.4 million, or 18.2%, due to changes in the following operating segments:
§ Ship-based casinos and other increased by $0.9 million, or 14.2%.
§ Corporate other increased by $1.5 million, or 22.0%.

* We began consolidating CDR as a minority owned subsidiary for which we have a controlling interest on November 29, 2013.

** We acquired a controlling interest in Casinos Poland on April 8, 2013.

Earnings from operations decreased by ($2.8) million, or (51.5%), for the year ended December 31, 2014 compared to the year ended December 31, 2013. Following is a breakout of earnings from operations by segment and property for the year ended December 31, 2014 compared to the year ended December 31, 2013:

· Canada increased by $0.7 million, or 8.9%, due to changes in the following operating segments:
§ Edmonton increased by $0.3 million, or 3.8%.
§ Calgary increased by $0.6 million, or 266.8%.
§ CDR decreased by ($0.2) million, or (290.5%). *
· United States decreased by ($1.5) million, or (42.4%), due to changes in the following operating segments:
§ Central City decreased by ($0.8) million, or (41.3%).
§ Cripple Creek decreased by ($0.7) million, or (43.8%).
· Poland decreased by ($0.5) million, or (149.2%), due to our increased ownership in Casinos Poland throughout 2014. **
· Corporate and other decreased by ($1.5) million, or (24.1%), due to changes in the following operating segments:
§ Ship-based casinos and other decreased by ($0.2) million, or (28.2%).
§ Corporate and other decreased by ($1.3) million, or (19.6%).

* We began consolidating CDR as a minority owned subsidiary for which we have a controlling interest on November 29, 2013.

** We acquired a controlling interest in Casinos Poland on April 8, 2013.

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Net earnings decreased by ($5.0) million, or (80.1%) for the year ended December 31, 2014 compared to the year ended December 31, 2013. Items deducted from or added to earnings from operations to arrive at net earnings include gains on business combinations related to the acquisition of the additional equity interest in CPL and the acquisition of CDR, interest income, interest expense, gains or losses on foreign currency transactions, income tax expense and non-controlling interest. For the year ended December 31, 2013, we recognized an increase in net earnings of $2.1 million because of measuring at fair value our 33.3% equity interest in CPL held prior to the acquisition of the additional equity interest in CPL. We also recognized a $0.4 million gain because of the fair value measurement of the Company's 15% controlling ownership interest in CDR. We reported the total $2.5 million gain in the Corporate Other category for the year ended December 31, 2013. For a discussion of certain of these items, see "Non-Operating Income (Expense)" and "Taxes" below in this Item 7.

Non-GAAP Measures – Adjusted EBITDA

We define Adjusted EBITDA as net earnings (loss) before interest, income taxes (benefit), depreciation, amortization, non-controlling interest, pre-opening expenses, acquisition costs, non-cash stock based compensation charges, asset impairment costs, (gain) loss on disposition of fixed assets, discontinued operations, realized foreign currency (gains) losses, gain on business combination and certain other one-time items. Intercompany transactions consisting primarily of management and royalty fees and interest, along with their related tax effects, are excluded from the presentation of net earnings (loss) and Adjusted EBITDA reported for each property. Not all of the aforementioned items occur in each reporting period, but have been included in the definition based on historical activity. These adjustments have no effect on the consolidated results as reported under accounting principles generally accepted in the United States of America ("US GAAP"). Adjusted EBITDA is not considered a measure of performance recognized under US GAAP.

Management believes that Adjusted EBITDA is a valuable measure of the relative performance of the Company and its properties. The gaming industry commonly uses Adjusted EBITDA as a method of arriving at the economic value of a casino operation. Management uses Adjusted EBITDA to compare the relative operating performance of separate operating units by eliminating the above mentioned items associated with the varying levels of capital expenditures for infrastructure required to generate revenue, and the often high cost of acquiring existing operations. Our computation of Adjusted EBITDA may be different from, and therefore may not be comparable to, similar measures used by other companies within the gaming industry.

The reconciliation of Adjusted EBITDA to net earnings (loss) is presented below.

For the Year Ended December 31, 2014

	Canada			United States		Poland	Corporate and Other		
	Edmonton	Calgary	Century Downs	Central City	Cripple Creek	Casinos Poland	Cruise Ships & Other	Corporate	Total
Net earnings (loss)	$ 5,915	$ 444	$ 87	$ 720	$ 563	$ (112)	$ 325	$ (6,710)	$ 1,232
Interest expense (income), net	479	0	1,994	0	1	319	0	(37)	2,756
Income taxes (benefit)	1,865	(57)	163	440	346	25	91	(1,366)	1,507
Depreciation and amortization	995	915	0	1,288	1,131	2,839	506	161	7,835
Non-controlling interest	0	0	(2,267)	0	0	(54)	0	0	(2,321)
Non-cash stock-based compensation	0	0	0	0	0	0	0	1,028	1,028
Foreign currency (gains) losses	(66)	(30)	(97)	0	0	(342)	1	17	(517)
Loss on disposition of fixed assets	0	2	0	33	6	587	3	0	631
Acquisition costs	0	0	115	0	0	0	0	266	381
Other one-time costs	0	0	(103)	0	0	421	0	0	318
Adjusted EBITDA	$ 9,188	$ 1,274	$ (108)	$ 2,481	$ 2,047	$ 3,683	$ 926	$ (6,641)	$ 12,850

For the Year Ended December 31, 2013

	Canada			United States		Poland	Corporate and Other		
	Edmonton	Calgary	Century Downs	Central City	Cripple Creek	Casinos Poland	Cruise Ships & Other	Corporate	Total
Net earnings (loss)	$ 5,703	$ (31)	$ (2)	$ 1,225	$ 1,004	$ 12	$ 504	$ (2,234)	$ 6,181
Interest expense (income), net	413	0	171	0	0	374	(3)	(45)	910

Income taxes (benefit)	1,809	(172)	6	750	615	145	81	(1,940)	1,294
Depreciation and amortization	1,028	920	0	1,269	956	1,903	402	121	6,599
Non-controlling interest	0	0	(112)	0	0	6	0	0	(106)
Non-cash stock-based compensation	0	0	0	0	0	0	0	33	33
Foreign currency losses (gains)	(30)	(11)	0	0	0	(204)	(1)	(72)	(318)
(Gain) loss on disposition of fixed assets	3	0	0	(5)	29	505	14	24	570
Acquisition costs	0	0	0	0	0	0	0	49	49
Other one-time costs	0	0	(57)	0	0	8	0	(2,478)	(2,527)
Adjusted EBITDA	$ 8,926	$ 706	$ 6	$ 3,239	$ 2,604	$ 2,749	$ 997	$ (6,542)	$ 12,685

Reportable Segments

The following discussion provides further detail of consolidated results by operating segment.

Canada

Edmonton

Amounts in thousands	For the year ended December 31, 2014	2013	Change	% Change
Gaming	$ 17,705	$ 17,814	$ (109)	(0.6%)
Hotel	851	798	53	6.6%
Food and Beverage	5,376	5,406	(30)	(0.6%)
Other	2,013	2,056	(43)	(2.1%)
Gross Revenue	25,945	26,074	(129)	(0.5%)
Less Promotional Allowances	(818)	(857)	(39)	(4.6%)
Net Operating Revenue	25,127	25,217	(90)	(0.4%)
Gaming Expenses	(6,559)	(6,611)	(52)	(0.8%)
Hotel Expenses	(232)	(248)	(16)	(6.5%)
Food and Beverage Expenses	(3,855)	(3,827)	28	0.7%
General and Administrative Expenses	(5,293)	(5,608)	(315)	(5.6%)
Total Operating Costs and Expenses	(16,934)	(17,322)	(388)	(2.2%)
Earnings from Operations	8,193	7,895	298	3.8%
Net Earnings	5,915	5,703	212	3.7%
Adjusted EBITDA	$ 9,188	$ 8,926	$ 262	2.9%

Net operating revenue at our property in Edmonton decreased by ($0.1) million, or (0.4%), for the year ended December 31, 2014 compared to the year ended December 31, 2013. The decrease in net operating revenue in USD compared to the increase in net operating revenue in CAD was due to a decrease in the average exchange rate between the U.S. dollar and Canadian dollar of 7.2% for the year ended December 31, 2014 as compared to the year ended December 31, 2013 (the “7.2% exchange rate decrease”).

In CAD, net operating revenue increased by 1.8 million, or 6.9%, due to increases in all revenue categories for the year ended December 31, 2014 compared to the year ended December 31, 2013. The majority of the net operating revenue increase was from increased gaming revenue of CAD 1.2 million, or 6.6%, which was primarily due to increased customer volumes of 4.6% and expanded table game hours allowed by the AGLC for the year ended December 31, 2014 compared to the year ended December 31, 2013. Effective April 1, 2014, the AGLC began allowing casino table games to operate up to a maximum of 17 consecutive hours commencing at 10:00 a.m. and ending no later than 3:00 a.m. The increased revenue in food and beverage, hotel and other revenue are a result of the increased customer volumes of 4.6% and increases to food, beverage and showroom ticket prices for the year ended December 31, 2014 compared to the year ended December 31, 2013.

Total operating costs and expenses decreased by ($0.4) million, or (2.2%), for the year ended December 31, 2014 compared to the year ended December 31, 2013. The decrease in operating expenses in USD compared to the increase in operating expenses in CAD was due to the 7.2% exchange rate decrease.

In CAD, total operating costs and expenses increased by 0.9 million, or 4.8%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. The increased expenses were mainly due to increased food and beverage costs of CAD 0.2 million, or 8%, due to higher sales, and increased payroll costs of CAD 0.5 million, or 5%, due to the expanded table game hours and a minimum wage increase of CAD 15 cents for hourly employees for the year ended December 31, 2014 compared to the year ended December 31, 2013.

As a result of the foregoing, earnings from operations increased by $0.3 million, or 3.8%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. Net earnings increased by $0.2 million, or 3.7%, for the year ended December 31, 2014 compared to the year ended December 31, 2013.

In CAD, net earnings increased by 0.7 million, or 11.8%, and earnings from operations increased by CAD 0.9 million, or 11.4%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. The difference between net earnings of CAD 0.7 million compared to earnings from operations of CAD 0.9 million was due to an increase in interest expense of CAD 0.1 million and an increase in income tax expense of CAD 0.2 million for the year ended December 31, 2014.

Calgary

	For the year ended December 31,			
Amounts in thousands	2014	2013	Change	% Change
Gaming	$ 5,988	$ 5,679	$ 309	5.4%
Food and Beverage	1,926	1,755	171	9.7%
Other	1,339	1,343	(4)	(0.3%)
Gross Revenue	9,253	8,777	476	5.4%
Less Promotional Allowances	(286)	(270)	16	5.9%
Net Operating Revenue	8,967	8,507	460	5.4%
Gaming Expenses	(2,680)	(2,857)	(177)	(6.2%)
Food and Beverage Expenses	(1,572)	(1,462)	110	7.5%
General and Administrative Expenses	(3,443)	(3,482)	(39)	(1.1%)
Total Operating Costs and Expenses	(8,610)	(8,721)	(111)	(1.3%)
Earnings (Losses) from Operations	357	(214)	571	266.8%
Net Earnings (Loss)	444	(31)	475	1532.3%
Adjusted EBITDA	$ 1,274	$ 706	$ 568	80.5%

Net operating revenue at our property in Calgary increased by $0.5 million, or 5.4%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. The smaller increase in net operating revenue in USD compared to the increase in net operating revenue in CAD was due to the 7.2% exchange rate decrease.

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In CAD, net operating revenue increased by 1.2 million, or 13.1%, due to increases in all revenue categories for the year ended December 31, 2014 compared to the year ended December 31, 2013. Gaming revenue increased by CAD 0.8 million, or 13.0%, due to the expanded table game hours and increased customer volume of 2.7% for the year ended December 31, 2014 compared to the year ended December 31, 2013. Food and beverage revenue increased by CAD 0.3 million, or 17.8%, due to the increased customer volume of 2.7% along with the addition of the Infinity Bar on the gaming floor and increased attendance during third party events in the showroom for the year ended December 31, 2014 compared to the year ended December 31, 2013. The increased revenue and customer volumes for the year ended December 31, 2014 compared to the year ended December 31, 2013 were also a result of the flooding that occurred in the city of Calgary during June 2013, which disrupted traffic with road closures for seven days and required the property to close table games for three days and slots for one day.

Total operating costs and expenses decreased by ($0.1) million, or (1.3%), for the year ended December 31, 2014 compared to the year ended December 31, 2013. The difference between the decreased operating costs and expenses in USD compared to the increased operating costs and expenses in CAD was due to the 7.2% exchange rate decrease.

In CAD, total operating costs and expenses increased by 0.5 million, or 5.8%, for the year ended December 31, 2014 compared to the year ended December 31, 2013, The increase in operating costs and expenses was primarily due to increased payroll costs of CAD 0.2 million, or 4%, as a result of extended table game hours, the addition of the off-track betting parlor and a minimum wage increase of CAD 0.15 for hourly employees, along with increased general and administrative costs of CAD 0.2 million, or 0.9%, for the year ended December 31, 2014 compared to the year ended December 31, 2013.

As a result of the foregoing, earnings from operations increased by $0.6 million, or 266.8%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. Net earnings increased by $0.5 million, or 1532.3%, for the year ended December 31, 2014 compared to the year ended December 31, 2013.

In CAD, net losses decreased by 0.3 million, or 64.3%, and earnings from operations increased by CAD 0.6 million, or 280.3%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. The decrease in net losses of CAD 0.3 million compared to the increase in earnings from operations of CAD 0.6 million was due to an increase in foreign currency exchange losses of CAD 0.2 million and a decrease in the income tax benefit of CAD 0.1 million for the year ended December 31, 2014 compared to the year ended December 31, 2013.

Century Downs Racetrack and Casino

	For the year ended December 31,					
Amounts in thousands		2014	2013 *		Change	% Change
Other	$	505	25	$	480	1920.0%
Net Operating Revenue		505	25		480	1920.0%
General and Administrative Expenses		(625)	38		663	1744.7%
Total Operating Costs and Expenses		(625)	38		663	1744.7%
(Losses) Earnings from Operations		(120)	63		(183)	(290.5%)
Non-controlling Interest		2,267	112		2,155	1924.1%