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LAS VEGAS, March 1, 2011 / PRNewswire-FirstCall / -- ACME Inc. (NYSE: ) today reported financial results for the fourth quarter and full year ended December 31, 2010.

For the fourth quarter 2010, we reported a net loss of \$7.1 million, or \$0.08 per share, compared to a net loss of \$1.0 million, or \$0.01 per share, in the same period last year.

Adjusted Earnings(1) for the fourth quarter 2010 reflect a loss of \$3.9 million, or \$0.05 per share, compared to earnings of \$0.2 million, or less than \$0.01 per share, for the same period in 2009. Certain pre-tax items included in Adjusted Earnings for the fourth quarter of 2010 resulted in a net increase in income of \$4.9 million (\$3.2 million, net of tax, or \$0.03 per share). By comparison, certain pre-tax items included in Adjusted Earnings for the fourth quarter 2009 resulted in a net increase in income of \$2.0 million (\$1.2 million, net of tax, or \$0.01 per share). Pre-tax items included in adjusted earnings are listed in a table at the end of this press release.

Net revenues were \$551.9 million for the fourth quarter 2010, compared to \$560.4 million(2) during the same quarter in 2009, a decrease of 1.5%. Total Adjusted EBITDA was \$100.0 million for the quarter, a decrease of 3.1% from \$103.2 million(2) in the prior year.

Commenting on the quarter, Keith Smith, President and Chief Executive Officer of ACME Inc., said, "As expected, fourth-quarter comparisons were the best of the year, as business conditions and consumer confidence continued to improve. As the economic recovery gains momentum, we anticipate we will see increases in both visitation and spend-per-visit, resulting in a return to consistent growth across our business this year."

- (1) See footnotes at the end of the release for additional information relative to non-GAAP financial measures.
- (2) See financial schedules at the end of this release for reconciliations relative to the pro forma effect of the consolidation of Borgata as if such consolidation had occurred as of the beginning of the period presented.

### **Full-Year 2010 Results**

We reported net income for the year ended December 31, 2010, of \$10.3 million, or \$0.12 per share. By comparison, we reported net income of \$4.2 million, or \$0.05 per share for the full year ended December 31, 2009.

Adjusted Earnings for the full year 2010 were \$10.6 million, or \$0.12 per share, compared to \$31.6 million, or \$0.37 per share for the full year 2009.

Net revenues as reported were \$2.14 billion and \$1.64 billion for the full year ended December 31, 2010 and December 31, 2009, respectively. Total Adjusted EBITDA was \$420.3 million for 2010, as compared to \$389.5 million in 2009. The 2010 results reflect the consolidation of Borgata, effective March 24, 2010.

Consolidating Borgata on a pro forma basis for the full year 2010 and 2009, net revenues were \$2.30 billion and \$2.42 billion, respectively, and Adjusted EBITDA on a comparable basis was \$445.2 million and \$527.7 million for those periods, respectively.

### **Key Operations Review**

## **Las Vegas Locals**

In our Las Vegas Locals segment, fourth-quarter 2010 net revenues were \$152.1 million versus \$155.0 million for the fourth quarter of 2009. Fourth-quarter 2010 Adjusted EBITDA was \$34.1 million, compared to \$34.7 million reported in the same quarter of 2009. These results marked the region's best year-over-year comparison in 12 quarters, as our operating margins remained consistent and local economic conditions began to stabilize.

#### **Downtown**

Our Downtown Las Vegas properties generated net revenues of \$57.1 million for the fourth quarter 2010, compared to \$58.0 million in the fourth quarter 2009. Adjusted EBITDA was \$10.9 million, down from \$12.2 million in the fourth quarter 2009. While we continued to expand our leading market share Downtown, business results were impacted by our Hawaiian charter operation.

## Midwest and South

In our Midwest and South region, we recorded \$172.5 million in net revenues for the fourth quarter 2010, up from \$170.3 million for the same period in 2009. Adjusted EBITDA for the current period was \$30.4 million, an increase of 3.4% from the \$29.4 million reported in the fourth quarter of 2009. This increase was the region's best year-over-year comparison in five quarters. The gain was primarily driven by strong business volumes at our southern Louisiana properties.

## <u>Borgata</u>

Borgata's net revenues for the fourth quarter 2010 were \$168.8 million, versus \$175.4 million in the fourth quarter 2009. Adjusted EBITDA was \$34.1 million, down 6.3% from \$36.4 million in the comparable period in 2009. While we were encouraged by growth in slot win, non-gaming revenue and overall market share, these gains were offset by higher promotional expense, declines in table game hold and volume, and increased regional competition.

## **Key Financial Statistics**

The following is additional information as of December 31, 2010:

- Cash, excluding Borgata: \$103.2 million
- Cash at Borgata: \$42.1 million
- Debt, excluding Borgata: \$2.39 billion (including \$1.43 billion outstanding under ACME Inc.'s bank credit facility)
- Debt at Borgata: \$860.9 million (including \$60.9 million outstanding under Borgata's bank credit facility)

# **Conference Call Information**

We will host our fourth-quarter and full-year 2010 conference call today, March 1, at 12:00 p.m. Eastern. The conference call number is **888.680.0878** and the passcode is **40848173**. Please call up to 15 minutes in advance to ensure you are connected prior to the start of the call.

The conference call will also be available live on the Internet at www.google.com, www.google.com, or:

## http://www.google.com/

Following the call's completion, a replay will be available by dialing 888.286.8010 today, March 1, beginning at 3:00 p.m. Eastern and continuing through Tuesday, March 8. The passcode for the replay will be 65093144. The replay will also be available on the Internet at <a href="https://www.google.com">www.google.com</a>.

The results of Borgata for the period from October 1, 2010 through December 31, 2010 are included in our condensed consolidated statement of operations for the three months ended December 31, 2010, and its results for the period from March 24, 2010 through December 31, 2010 are included in our condensed consolidated statement of operations for the year ended December 31, 2010.

	Three Months Ended					Year Ended				
		Decem	ber 31,			December 31,				
	2010			2009	2010			2009		
			(lı	n thousands, exc	ept per sha	are data)				
Revenues										
Gaming	\$	468,204	\$	320,377	\$	1,812,487	\$	1,372,091		
Food and beverage		92,422		55,950		347,588		229,374		
Room		56,799		29,054		211,046		122,305		
Other		32,008		24,253		123,603		100,396		
Gross revenues		649,433		429,634		2,494,724		1,824,166		

Less promotional allowances	97,493		44,686		353,825		183,180	
Net revenues	551,940		384,948		2,140,899		1,640,986	
_								
Costs and expenses								
Gaming	224,357		162,710		859,818		664,739	
Food and beverage	48,359		31,306		180,840	125,830		
Room	12,556		9,443		49,323		39,655	
Other	25,125		19,110		99,458		77,840	
Selling, general and administrative	98,576			369,217		284,937		
Maintenance and utilities	35,952		22,185		140,722		92,296	
Depreciation and amortization	51,370		39,103		199,275		164,427	
Corporate expense	12,225		12,540		48,861		47,617	
Preopening expenses	3,415		3,025		8,405		17,798	
Write-downs and other items, net	(219)		365		4,713		41,780	
Total costs and expenses	511,716		367,232		1,960,632		1,556,919	
Operating income from Borgata			8,205		8,146		72,126	
Operating income	40,224		25,921	188,413	156,193			
Other expense (income)								
Interest income	(1)		(1)		(5)		(6)	
Interest expense, net of amounts capitalized	55,016		33,024		164,454		146,830	
Fair value adjustment of derivative instruments	480		-		480		-	
(Gain) loss on early retirements of debt, net	1,191		(3,223)		(2,758)		(15,284)	
Gain on equity distribution	-		-		(2,535)		-	
Other income	-		-		(10,000)		-	
Other non-operating expenses	-		3		-	33		
Other non-operating expenses from Borgata,	_		3,073		3,133	19,303		
net	 56,686		32,876		152,769		150,876	
Total other expense, net	30,000		32,070		132,709		130,670	
Income (loss) before income taxes	(16,462)		(6,955)		35,644		5,317	
Income taxes	7,296		5,931		(8,236)		(1,076)	
Net income (loss)	(9,166)		(1,024)		27,408		4,241	
Noncontrolling interest	2,068		-		(17,098)		-	
Net income (loss) attributable to ACME Inc.	\$ (7,098)	\$	(1,024)	\$	10,310	\$	4,241	
Basic net income (loss) per common share	\$ (0.08)	\$	(0.01)	\$	0.12	\$	0.05	
·								
Weighted average basic shares outstanding	86,877		86,276		86,601		86,429	
Diluted net income (loss) per common share	\$ (0.08)	\$	(0.01)	\$	0.12	\$	0.05	
· //	 							
Weighted average diluted shares outstanding	86,877		86,276		86,831		86,517	
				-				

The following table sets forth the consolidation of Borgata from a basis comparable to the historical reporting by ACME Inc.. For purposes of this presentation, and consistent with GAAP, Borgata has been consolidated for the entire period presented, or for the period from October 1, 2010 through December 31, 2010. The historical column reflects equity method accounting for Borgata. The consolidating columns are presented for purposes of additional disclosure and as a reconciliation to the current GAAP presentation of ACME Inc..

Three Months Ended December 31, 2010

ACME Inc. ACME Inc.

	Historical	Borgata	Adjustments	Consolidated
		(In thousands, exce	ept per share data)	
Revenues				
Gaming	\$ 319,445	\$ 148,759	\$ -	\$ 468,204
Food and beverage	58,260	34,162	-	92,422
Room	29,795	27,004	-	56,799
Other	22,303	9,705		32,008
Gross revenues	429,803	219,630	-	649,433
Less promotional allowances	46,649	50,844		97,493
Net revenues	383,154	168,786	<u> </u>	551,940
Costs and expenses				
Gaming	162,044	62,313	-	224,357
Food and beverage	31,963	16,396	-	48,359
Room	9,343	3,213	<u>-</u>	12,556
Other	17,444	7,681	-	25,125
Selling, general and administrative	68,066	30,510	-	98,576
Maintenance and utilities	21,376	14,576	-	35,952
Depreciation and amortization	34,797	16,573	<u>-</u>	51,370
Corporate expense	12,225		<u>-</u>	12,225
Preopening expenses	3,415	_	<u>-</u>	3,415
Write-downs and other items, net	(203)	(16)	<u>-</u>	(219)
Total costs and expenses	360,470	151,246		511,716
Total costs and expenses	500,470	101,240		311,110
Operating income from Borgata	8,770	-	(8,770)	-
Operating income	31,454	17,540	(8,770)	40,224
		,	(-, -,	
Other expense (income)				
Interest income	(1)	_	<u>-</u>	(1)
Interest expense, net of amounts capitalized	33,225	21,791	_	55,016
Fair value adjustment of derivative		21,731		
instruments	480	-	-	480
Gain on early retirements of debt	1,191	-	-	1,191
Other income Other non-operating expenses from	- 10.000	-	(40,020)	-
Borgata, net	10,838		(10,838)	-
Total other expense, net	45,733	21,791	(10,838)	56,686
Income (loss) before income taxes	(14,279)	(4,251)	2,068	(16,462)
Income taxes	7,181	115	· -	7,296
Net income (loss)	(7,098)	(4,136)	2,068	(9,166)
Noncontrolling interest	( , , , , , , , , , , , , , , , , , , ,	-	2,068	2,068
Net income (loss) attributable to ACME Inc.	\$ (7,098)	\$ (4,136)	\$ 4,136	\$ (7,098)
=		· · · · · · · · · · · · · · · · · · ·		
Basic net income (loss) per common share	\$ (0.08)			\$ (0.08)
Weighted average basic shares outstanding =	86,877			86,877
Diluted net income (loss) per common share =	\$ (0.08)			\$ (0.08)
Weighted average diluted shares outstanding	86,877			86,877
Trongined average undied shares outstanding	00,011			00,011

The following supplemental pro forma information presents the financial results as if the effective control of Borgata had occurred on October 1, 2009 for the three months ended December 31, 2010. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what the actual results would have been had the consolidation of Borgata been completed as of the earlier dates, nor are they indicative of any future results.

Three Months Ended December 31, 2009 ACME Inc. ACME Inc. Historical **Borgata** Adjustments Pro Forma (In thousands, except per share data) Revenues \$ 320,377 153,387 \$ \$ 473,764 Gaming Food and beverage 55.950 32.297 88.247 Room 29,054 26,087 55,141 24,253 34,377 Other 10,124 651,529 Gross revenues 429,634 221,895 Less promotional allowances 44,686 46,487 91,173 384,948 175,408 560,356 Net revenues Costs and expenses Gaming 162,710 65,352 228,062 Food and beverage 31,306 15,395 46,701 2,942 12,385 Room 9,443 Other 19,110 8,323 27,433 67.445 31,914 99,359 Selling, general and administrative 37,219 Maintenance and utilities 22,185 15,034 Depreciation and amortization 39,103 19,380 324 58,807 Corporate expense 12,540 12,540 Preopening expenses 3.025 3.025 Write-downs and other items, net 365 10 375 367,232 158,350 324 Total costs and expenses 525,906 8,205 (8,205)Operating income from Borgata 17,058 25,921 (8,529)34,450 Operating income Other expense (income) Interest income (1)(1)Interest expense, net of amounts 33.024 5.787 38,811 capitalized Gain on early retirements of debt (3,223)(3,223)3 3 Other non-operating expenses Other non-operating expenses from Borgata, net 3,073 (3,073)Total other expense, net 32,876 5,787 (3,073)35,590 Income (loss) before income taxes (6,955)11,271 (5,456)(1,140)Income taxes 5,931 (359)5,572 Net income (loss) (1,024)10,912 (5,456)4,432 Noncontrolling interest (5,456)(5,456)Net income (loss) attributable to ACME \$ (1,024)10,912 (10,912)(1,024)Inc. Basic net income (loss) per common

(0.01)

share

(0.01)

Weighted average basic shares outstanding	86,276	86,276
Diluted net income (loss) per common share	\$ (0.01)	\$ (0.01)
Weighted average diluted shares outstanding	86,276	86,276

The following table sets forth the consolidation of Borgata from a basis comparable to the historical reporting by ACME Inc.. For purposes of this presentation, and consistent with GAAP, Borgata has been consolidated for the period from March 24, 2010 through December 31, 2010. The historical column reflects the equity method accounting for Borgata. The consolidating columns are presented for purposes of additional disclosure and as a reconciliation to the current GAAP presentation of ACME Inc..

	Year Ended December 31, 2010										
	ACME Inc.	Borgata		ACME Inc.							
	Historical	Stub	Eliminations	Consolidated							
		(In thousands, ex	cept per share data)								
Revenues											
Gaming	\$ 1,306,414	\$ 506,073	\$ -	\$ 1,812,487							
Food and beverage	231,054	116,534	-	347,588							
Room	120,000	91,046	-	211,046							
Other	89,851	33,752		123,603							
Gross revenues	1,747,319	747,405	-	2,494,724							
Less promotional allowances	186,561	167,264	<u>-</u>	353,825							
Net revenues	1,560,758	580,141	<u>-</u>	2,140,899							
Costs and expenses											
Gaming	655,856	203,962	-	859,818							
Food and beverage	124,851	55,989	-	180,840							
Room	37,517	11,806	-	49,323							
Other	72,249	27,209	-	99,458							
Selling, general and administrative	274,234	94,983	-	369,217							
Maintenance and utilities	90,809	49,913	-	140,722							
Depreciation and amortization	146,389	52,886	-	199,275							
Corporate expense	48,861	-	-	48,861							
Preopening expenses	8,405	-	-	8,405							
Write-downs and other items, net	4,721	(8)		4,713							
Total costs and expenses	1,463,892	496,740		1,960,632							
Operating income from Borgata	49,846	-	(41,700)	8,146							
Operating income	146,712	83,401	(41,700)	188,413							
	_		-								
Other expense (income)											
Interest income	(5)	-	-	(5)							
Interest expense, net of amounts capitalized	119,316	45,138	-	164,454							
Fair value adjustment of derivative											
instruments	480	-	-	480							
Gain on early retirements of debt	(2,758)	-	-	(2,758)							
Gain on equity distribution	(2,535)	-	-	(2,535)							
Other income	(10,000)	-	-	(10,000)							

Other non-operating expenses from Borgata, net		27,736		-		(24,603)		3,133
Total other expense, net	-	132,234	·-	45,138	·	(24,603)	-	152,769
Income before income taxes		14,478		38,263		(17,097)		35,644
Income taxes		(4,168)		(4,068)		<del>-</del>		(8,236)
Net income		10,310		34,195		(17,097)		27,408
Noncontrolling interest Net income attributable to ACME Inc.						(17,098)		(17,098)
	\$	10,310	\$	34,195	\$	(34,195)	\$	10,310
Basic net income per common share	\$	0.12					\$	0.12
Weighted average basic shares outstanding		86,601						86,601
Diluted net income per common share	\$	0.12					\$	0.12
Weighted average diluted shares outstanding		86,831						86,831

The following supplemental pro forma information presents the financial results as if the effective control of Borgata had occurred on January 1, 2010 (as opposed to March 24, 2010) for the year ended December 31, 2010. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what the actual results would have been had the consolidation of Borgata been completed as of the earlier dates, nor are they indicative of any future results.

	Year Ended December 31, 2010									
	ACME Inc. Historical	Borgata Historical	ACME Inc. Pro Forma							
		(In thousands,	except per share data)							
Revenues										
Gaming	\$ 1,306,414	\$ 643,904	\$ -	\$ 1,950,318						
Food and beverage	231,054	147,751	-	378,805						
Room	120,000	115,199	-	235,199						
Other	89,851	42,931		132,782						
Gross revenues	1,747,319	949,785	-	2,697,104						
Less promotional allowances	186,561	211,356	<u> </u>	397,917						
Net revenues	1,560,758	738,429		2,299,187						
Costs and expenses										
Gaming	655,856	263,823	-	919,679						
Food and beverage	124,851	69,489	-	194,340						
Room	37,517	13,992	-	51,509						
Other	72,249	34,334	-	106,583						
Selling, general and administrative	274,234	123,963	-	398,197						
Maintenance and utilities	90,809	63,435	-	154,244						
Depreciation and amortization	146,389	69,640	-	216,029						
Corporate expense	48,861	-	-	48,861						
Preopening expenses	8,405	-	-	8,405						
Write-downs and other items, net	4,721	60	<del>_</del>	4,781						

Total costs and expenses	1,463,892	638,736	<u> </u>	2,102,628
Operating income from Borgata	49,846		(49,846)	
Operating income	146,712	99,693	(49,846)	196,559
Other expense (income)				
Interest income	(5)	-	-	(5)
Interest expense, net of amounts capitalized	119,316	50,199	_	169,515
Fair value adjustment of		00,100		
derivative instruments	480		-	480
Gain on early retirements of debt Gain on controlling interest in	(2,758)	-	-	(2,758)
Borgata	(2,535)		-	(2,535)
Other income	(10,000)	-	-	(10,000)
Other non-operating expenses from Borgata, net	27,736		(27,736)	-
-	132,234	50,199	(27,736)	154,697
Total other expense, net	132,234	50,199	(21,130)	134,097
Ingomo hoforo ingomo tovos	14 470	40.404	(22,110)	41.062
Income before income taxes	14,478 (4,168)	49,494 (5,273)	(22,110)	41,862
Income taxes		· · · · · · · · · · · · · · · · · · ·	·	(9,441)
Net income	10,310	44,221	(22,110)	32,421
Noncontrolling interest  Net income attributable to ACME	<u>-</u>	-	(22,111)	(22,111)
Inc.	\$ 10,310	\$ 44,221	\$ (44,221)	\$ 10,310
Basic net income per common share	\$ 0.12			\$ 0.12
Share	<del></del>			
Weighted average basic shares				
outstanding	86,601			86,601
Diluted net income per common share	\$ 0.12			\$ 0.12
Weighted average diluted shares	00.004			00.001
outstanding	86,831			86,831

The following supplemental pro forma information presents the financial results as if the effective control of Borgata had occurred on January 1, 2009 for the year ended December 31, 2009, to provide a basis of comparability to the year ended December 31, 2010. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what the actual results would have been had the consolidation of Borgata been completed as of the earlier dates, nor are they indicative of any future results.

	Year Ended December 31, 2009											
	ACME Inc. Historical		В	orgata	Adjust	ACME Inc. Pro Forma						
			(In thous	ands, except shar	e and per sha	re data)						
Revenues												
Gaming	\$	1,372,091	\$	691,428	\$	-	\$	2,063,519				
Food and beverage		229,374		143,410		-		372,784				
Room		122,305		113,143		-		235,448				
Other		100,396		42,620				143,016				
Gross revenues		1,824,166		990,601		-		2,814,767				
Less promotional allowances		183,180		213,193				396,373				
Net revenues		1,640,986		777,408		-		2,418,394				

#### Costs and expenses

Gaming	664,739	280,620	-	945,359
Food and beverage	125,830	64,217	-	190,047
Room	39,655	11,940	-	51,595
Other	77,840	34,908	-	112,748
Selling, general and administrative	284,937	128,164	-	413,101
Maintenance and utilities	92,296	59,900	-	152,196
Depreciation and amortization	164,427	78,719	1,298	244,444
Corporate expense	47,617	-	-	47,617
Preopening expenses	17,798	699	-	18,497
Write-downs and other items, net	41,780	(28,606)		13,174
Total costs and expenses	1,556,919	630,561	1,298	2,188,778
Operating income from Borgata	72,126		(72,126)	<u> </u>
Operating income	156,193	146,847	(73,424)	229,616
Other expense (income)				
Interest income	(6)	-	-	(6)
Interest expense, net of amounts capitalized	146,830	27,668	_	174,498
Gain on early retirements of debt	(15,284)		_	(15,284)
Other non-operating expenses	33	<u>-</u>	_	33
Other non-operating			(40.000)	
expenses from Borgata, net	19,303	-	(19,303)	
Total other expense, net	150,876	27,668	(19,303)	159,241
Income before income taxes	5,317	119,179	(54,121)	70,375
Income taxes	(1,076)	(10,938)	(01,121)	(12,014)
Net income	4,241	108,241	(54,121)	58,361
Noncontrolling interest	-	-	(54,120)	(54,120)
Net income attributable to ACME Inc.	\$ 4,241	\$ 108,241	\$ (108,241)	\$ 4,241
Net meetine autibulable to Neivie me.				<u>,                                      </u>
Basic net income per common share	\$ 0.05			\$ 0.05
· ·				
Weighted average basic shares	86,429			86,429
outstanding	00,429			00,429
Diluted net income nor common chare	\$ 0.05			\$ 0.05
Diluted net income per common share	Ψ 0.05			Ψ 0.03
Weighted average diluted shares				
outstanding	86,517			86,517

The following table reconciles the net income (loss) in accordance with GAAP to adjusted earnings (loss) and adjusted earnings (loss) per share.

		Three Months Ended December 31,			Year Ended		
					December 31		<b>31</b> ,
		2010		2009	2010		2009
			(In ti	housands, except <sub>l</sub>	ept per share data)		
Net income (loss) attributable to ACME Inc.	\$	(7,098)	\$	(1,024) \$	10,310	\$	4,241
Adjustments related to ACME Inc.:							
Preopening expenses		3,415		3,025	8,405		17,798
Loss (gain) on early retirements of debt, net		1,191		(3,223)	(2,758)		(15,284)
Other income		-		-	(10,000)		-
Gain on equity distribution		-		-	(2,535)		-

Change in fair value of derivative instruments		480		-		480		-	
Write-downs and other items, net		(203)		365		4,721		41,780	
Other non-operating expenses		-		3		-		33	
Accelerated interest expense for credit facility recommitment		-		1,813		-		1,813	
Prior period interest expense related to the finalization									
of our purchase price for Dania Jai-Alai		-		-		-		8,883	
Adjustments related to Borgata:									
Our share of Borgata's preopening expenses		-		-		-		349	
Our share of Borgata's write-downs and other items, net		-		5		34		(14,303)	
Accelerated amortization of deferred loan fees		-		-		2,012			
Write-downs and other items, net		(16)		-		(8)		-	
Impact on noncontrolling interest		8		-		(1,002)		-	
Income tax effect for above adjustments		(1,721)		(758)		899		(13,680)	
•	Φ.		Φ.	206	ф.		Φ		
Adjusted earnings (loss)	\$	(3,944)	\$	200	\$	10,558	\$	31,630	
Adjusted earnings (loss) per share (Adjusted EPS)	\$	(0.05)	\$	0.00	\$	0.12	\$	0.37	
Weighted average shares outstanding		86,877		86,276		86,831		86,517	

The following table illustrates the impact of the above adjustments on earnings per share.

	Three Mo	nths Ended	Year	Ended
	 Decer	nber 31,	Decer	mber 31,
	 2010	2009	2010	2009
Net income (loss) attributable to ACME Inc.	\$ (0.08)	\$ (0.01)	\$ 0.12	\$ 0.05
Adjustments related to ACME Inc.:	,			
Preopening expenses	0.04	0.04	0.10	0.22
Loss (gain) on early retirements of debt	0.01	(0.04)	(0.03)	(0.17)
Other income	-	-	(0.12)	-
Gain on equity distribution	_	-	(0.03)	-
Change in fair value of derivative instruments	-	-	0.01	-
Write-downs and other items, net	-	-	0.05	0.48
Other non-operating expenses	-	-	-	-
Accelerated interest expense for credit facility recommitment	-	0.02	-	0.02
Prior period interest expense related to the finalization				
of our purchase price for Dania Jai-Alai	-	-	-	0.10
Adjustments related to Borgata:				
Our share of Borgata's preopening expenses	-	-	-	-
Our share of Borgata's write-downs and other items, net	-	-	-	(0.17)
Accelerated amortization of deferred loan fees	-	-	0.02	
Write-downs and other items, net	-	-	-	-
Impact on noncontrolling interest	-	-	(0.01)	-
Income tax effect for above adjustments	 (0.02)	(0.01)	0.01	(0.16)
Adjusted earnings (loss) per share	\$ (0.05)	\$0.00	\$ 0.12	\$ 0.37

The following table presents Net Revenues and Adjusted EBITDA by operating segment and reconciles Adjusted EBITDA to net income (loss) attributable to ACME Inc. on our condensed consolidated statements of operations for the three months and year ended December 31, 2010 and 2009. Note that the results from Dania Jai-Alai are classified as part of total other operating costs and expenses and are not included in Adjusted EBITDA. Additionally, the results for the three months ended December 31, 2010, as reported in the table below, reflect the consolidation of Borgata for the entire period and the results for the year ended December 31, 2010 reflect the consolidation of Borgata for the period from March 24, 2010 through December 31, 2010. The three months and year ended December 31, 2009 are reported on a historical basis.

	Three Moi	nths End	ed	Year Ended				
	 Decen	nber 31,			Decen	nber 31,		
	 2010		2009		2010		2009	
			(In tho	usands)				
Net Revenues								
Las Vegas Locals	\$ 152,123	\$	154,966	\$	607,366	\$	641,941	
Downtown Las Vegas	57,133		58,049		218,221		229,149	
Midwest and South	172,546		170,251		728,767		762,336	
Atlantic City	 168,786		<del>-</del>		580,140			
Reportable Segment Net revenues	550,588		383,266		2,134,494		1,633,426	
Other	 1,352		1,682		6,405		7,560	
Net revenues	\$ 551,940	\$	384,948	\$	2,140,899	\$	1,640,986	
Adjusted EBITDA								
Las Vegas Locals	\$ 34,125	\$	34,736	\$	137,464	\$	155,336	
Downtown Las Vegas	10,866		12,247		34,227		46,102	
Midwest and South	 30,423		29,369		143,699		165,534	
Wholly-owned property Adjusted EBITDA	75,414		76,352		315,390		366,972	
Corporate expense	 (9,500)		(9,581)		(39,565)		(36,934)	
Wholly-owned Adjusted EBITDA	65,914		66,771		275,825		330,038	
Atlantic City	34,096		-		136,278		-	
Our share of Borgata's operating income before net								
amortization, preopening and other items	 -		8,535		8,180		59,470	
Adjusted EBITDA	\$ 100,010	\$	75,306	\$	420,283	\$	389,508	
Other operating costs and expenses								
Deferred rent	1,067		1,088		4,271		4,354	
Depreciation and amortization	51,370		39,428		199,275		165,725	
Preopening expenses	3,415		3,025		8,405		17,798	
Our share of Borgata's preopening expenses	-		-		-		349	
Our share of Borgata's write-downs and other items, net	-		5		34		(14,303)	
Share-based compensation expense	3,200		4,186		11,324		13,970	
Write-downs and other items, net	(219)		365		4,713		41,780	
Other	953		1,288		3,848		3,642	
Total other operating costs and expenses	59,786		49,385		231,870		233,315	
Operating income	40,224		25,921		188,413		156,193	
Other non-operating items								
Interest expense, net	55,015		33,023		164,449		146,824	
Fair value adjustment of derivative instruments	480		-		480		-	
Gain on early retirements of debt, net	1,191		(3,223)		(2,758)		(15,284)	
Gain on equity distribution	-		· · · ·		(2,535)		· · · · · ·	
Other income	-		-		(10,000)		_	
Other non-operating expenses	-		3		-		33	
Our share of Borgata's non-operating expenses, net	-		3,073		3,133		19,303	
Total other non-operating costs and expenses, net	56,686		32,876		152,769		150,876	
Income (loss) before income taxes	(16,462)		(6,955)		35,644		5,317	
Income taxes	7,296		5,931		(8,236)		(1,076)	
Net income (loss)	(9,166)		(1,024)		27,408		4,241	

Noncontrolling interest	 2,068	-	(17,098)	-
Net income loss) attributable to ACME Inc.	\$ (7,098)	\$ (1,024)	\$ 10,310	\$ 4,241

The following table sets forth the consolidation of Borgata from a basis comparable to the historical reporting by ACME Inc.. For purposes of this presentation, and consistent with GAAP, Borgata has been consolidated for the entire period presented, or for the period from October 1, 2010 through December 31, 2010. The historical column reflects equity method accounting for Borgata. The consolidating columns are presented for purposes of additional disclosure and as a reconciliation to the current GAAP presentation of ACME Inc..

		Th	ree Months Endec	d December	r 31, 2010		
	ACME Inc.					А	CME Inc.
	Historical		Borgata	Adj	justments	Со	nsolidated
			(In thou	ısands)			
Net Revenues							
Las Vegas Locals	\$ 152,123	\$	-	\$	-	\$	152,123
Downtown Las Vegas	57,133		-		-		57,133
Midwest and South	172,546		-		-		172,546
Atlantic City	<u>-</u>		168,786				168,786
Reportable Segment Net revenues	381,802		168,786		-		550,588
Other	1,352						1,352
Net revenues	\$ 383,154	\$	168,786	\$		\$	551,940
Adjusted EBITDA							
Las Vegas Locals	\$ 34,125	\$	-	\$	-	\$	34,125
Downtown Las Vegas	10,866		-		-		10,866
Midwest and South	30,423				<u> </u>		30,423
Wholly-owned property Adjusted EBITDA	75,414		-		-		75,414
Corporate expense	(9,500)						(9,500)
Wholly-owned Adjusted EBITDA	65,914		-		-		65,914
Atlantic City  Our share of Borgata's operating income before net	-		34,096		-		34,096
amortization, preopening and other items	8,770				(8,770)		<u>-</u>
Adjusted EBITDA	\$ 74,684	\$	34,096	\$	(8,770)	\$	100,010
Other operating costs and expenses							
Deferred rent	1,067		-		-		1,067
Depreciation and amortization	34,797		16,573		-		51,370
Preopening expenses	3,415		-		-		3,415
Our share of Borgata's write-downs and other items, net	-		-		-		-
Share-based compensation expense	3,200		-		-		3,200
Write-downs and other items, net	(203)		(16)		-		(219)
Other	954		-		-		954
Total other operating costs and expenses	43,230		16,557		_		59,787
Operating income	31,454		17,540		(8,770)		40,224
operating income	02, 10 1		21,010	-	(6,1.6)		.0,22 :
Other non-operating items							
Interest expense, net	33,224		21,791		-		55,015
Fair value adjustment of derivative instruments	480						480
Gain on early retirements of debt	1,191		-		-		1,191
Gain on controlling interest in Borgata	-,191		_		-		-,131
Other income	- -		- -		-		- -
Carol moonie							

Our share of Borgata's non-operating expenses, net	10,838		(10,838)	
Total other non-operating costs and expenses, net	45,733	21,791	(10,838)	56,686
Income (loss) before income taxes	(14,279)	(4,251)	2,068	(16,462)
Income taxes	7,181	115	<del>-</del>	7,296
Net income (loss)	(7,098)	(4,136)	2,068	(9,166)
Noncontrolling interest			2,068	2,068
Net income (loss) attributable to ACME Inc.	\$ (7,098)	\$ (4,136)	\$ 4,136	\$ (7,098)

The following supplemental pro forma information presents the financial results as if the effective control of Borgata had occurred on October 1, 2009 for the period through December 31, 2009. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what the actual results would have been had the consolidation of Borgata been completed as of the earlier dates, nor are they indicative of any future results.

	Three Months Ended December 31, 2009									
	A	CME Inc.		3orgata			Α	CME Inc.		
	Н	istorical		Stub	Adjı	ustments	P	ro Forma		
				(In thou	sands)					
Net Revenues										
Las Vegas Locals	\$	154,966	\$	-	\$	-	\$	154,966		
Downtown Las Vegas		58,049		-		-		58,049		
Midwest and South		170,251		-		-		170,251		
Atlantic City				175,408				175,408		
Reportable Segment Net revenues		383,266		175,408		-		558,674		
Other		1,682	-					1,682		
Net revenues	\$	384,948	\$	175,408	\$	<del>-</del>	\$	560,356		
Adjusted EBITDA										
Las Vegas Locals	\$	34,736	\$	-	\$	-	\$	34,736		
Downtown Las Vegas		12,247		-		-		12,247		
Midwest and South		29,369						29,369		
Wholly-owned property Adjusted EBITDA		76,352		-		-		76,352		
Corporate expense		(9,581)		-				(9,581)		
Wholly-owned Adjusted EBITDA		66,771		-		-		66,771		
Atlantic City Our share of Borgata's operating income before net		-		36,448		-		36,448		
amortization, preopening and other items		8,535		<u> </u>		(8,535)				
Adjusted EBITDA	\$	75,306	\$	36,448	\$	(8,535)	\$	103,219		
Other operating costs and expenses										
Deferred rent		1,088		-		-		1,088		
Depreciation and amortization		39,428		19,380		-		58,808		
Preopening expenses		3,025		-		-		3,025		
Our share of Borgata's preopening expenses		_		_		_		_		
Our share of Borgata's write-downs and other items, net		5		-		(5)		-		
Share-based compensation expense		4,186		-		-		4,186		
Write-downs and other items, net		365		10		-		375		
Other		1,288		-		_		1,288		
Total other operating costs and expenses		49,385		19,390		(5)		68,770		
Operating income		25,921		17,058		(8,530)		34,449		

Other non-operating items				
Interest expense, net	33,023	5,787	-	38,810
Gain on early retirements of debt	(3,223)	-	-	(3,223)
Other non-operating expenses	3	-	-	3
Our share of Borgata's non-operating expenses, net	 3,073		 (3,073)	
Total other non-operating costs and expenses, net	 32,876	 5,787	 (3,073)	35,590
Income (loss) before income taxes	(6,955)	11,271	(5,457)	(1,141)
Income taxes	 5,931	 (359)	 	 5,572
Net income (loss)	(1,024)	10,912	(5,457)	4,431
Noncontrolling interest	 	 	 (5,455)	 (5,455)
Net income (loss) attributable to ACME Inc.	\$ (1,024)	\$ 10,912	\$ (10,912)	\$ (1,024)

The following supplemental pro forma information presents the financial results as if the effective control of Borgata had occurred on January 1, 2010, for the year ended December 31, 2010. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what the actual results would have been had the consolidation of Borgata been completed as of the earlier dates, nor are they indicative of any future results.

		Year Ended De	cember 31	, 2010	
	ACME Inc.	Borgata			ACME Inc.
	 Consolidated	 Stub	Ad	justments	 Pro Forma
		(In tho	usands)		
Net Revenues					
Las Vegas Locals	\$ 607,366	\$ -	\$	-	\$ 607,366
Downtown Las Vegas	218,221	-		-	218,221
Midwest and South	728,767	-		-	728,767
Atlantic City	 580,140	 158,290			 738,430
Reportable Segment Net revenues	2,134,494	158,290		-	2,292,784
Other	 6,405	 -			 6,405
Net revenues	\$ 2,140,899	\$ 158,290	\$	<del>-</del>	\$ 2,299,189
Adjusted EBITDA					
Las Vegas Locals	\$ 137,464	\$ -	\$	-	\$ 137,464
Downtown Las Vegas	34,227	-		-	34,227
Midwest and South	 143,699	 -			143,699
Wholly-owned property Adjusted EBITDA	315,390	-		-	315,390
Corporate expense	 (39,565)	 -			 (39,565)
Wholly-owned Adjusted EBITDA	275,825	-		-	275,825
Atlantic City	136,278	33,115		-	169,393
Our share of Borgata's operating income before net					
amortization, preopening and other items	 8,180	 -		(8,180)	 -
Adjusted EBITDA	\$ 420,283	\$ 33,115	\$	(8,180)	\$ 445,218
Other operating costs and expenses		-		-	
Deferred rent	4,271	-		-	4,271
Depreciation and amortization	199,275	16,753		-	216,028
Preopening expenses	8,405	-		-	8,405
Our share of Borgata's preopening expenses Our share of Borgata's write-downs and other	-	-		-	-
items, net Share-based compensation expense	34 11,324	-		(34)	- 11,324
Share based compensation expense	11,024	_			11,024

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Other	3,848			3,848
Total other operating costs and expenses	231,870	16,821	(34)	248,657
Operating income	188,413	16,294	(8,146)	196,561
Other non-operating items				
Interest expense, net	164,449	5,063	-	169,512
Fair value adjustment of derivative instruments	480	-	-	480
Gain on early retirements of debt	(2,758)	-	-	(2,758)
Gain on equity distribution	(2,535)	-	-	(2,535)
Other income	(10,000)	-	-	(10,000)
Our share of Borgata's non-operating expenses, net	3,133		(3,133)	
Total other non- operating costs and expenses, net	152,769	5,063	(3,133)	154,699
Income before income taxes	35,644	11,231	(5,013)	41,862
Income taxes	(8,236)	(1,206)		(9,442)
Net income	27,408	10,025	(5,013)	32,420
Noncontrolling interest	(17,098)		(5,012)	(22,110)
Net income attributable to ACME Inc.	\$ 10,310	\$ 10,025	\$ (10,025)	\$ 10,310
		<u> </u>	-	

4,713

68

4,781

The following supplemental pro forma information presents the financial results as if the effective control of Borgata had occurred on January 1, 2009, for the year ended December 31, 2009. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what the actual results would have been had the consolidation of Borgata been completed as of the earlier dates, nor are they indicative of any future results.

		Year Ended December 31, 2009						
	CME Inc. listorical	Borgata	ACME Inc. Pro Forma					
	_	(In thousand	ds)					
Net Revenues								
Las Vegas Locals	\$ 641,941	\$ -	\$	-	\$	641,941		
Downtown Las Vegas	229,149	-		-		229,149		
Midwest and South	762,336	-		-		762,336		
Atlantic City	 	777,408				777,408		
Reportable Segment Net revenues	1,633,426	777,408		-		2,410,834		
Other	7,560			-		7,560		
Net revenues	\$ 1,640,986	\$ 777,408	\$	<del>-</del> -	\$	2,418,394		
Adjusted EBITDA								
Las Vegas Locals	\$ 155,336	\$ -	\$	-	\$	155,336		
Downtown Las Vegas	46,102	-		-		46,102		
Midwest and South	165,534			-		165,534		
Wholly-owned property Adjusted EBITDA	366,972	-		-		366,972		
Corporate expense	 (36,934)	<u> </u>		<u>-</u> .		(36,934)		
Wholly-owned Adjusted EBITDA	330,038	-		-		330,038		
Atlantic City Our share of Borgata's operating income before net	-	197,659		-		197,659		
amortization, preopening and other items	59,470	-		(59,470)		-		
Adjusted EBITDA	\$ 389,508	\$ 197,659	\$	(59,470)	\$	527,697		

Write-downs and other items, net

Deferred rent	4,354	-	-	4,354
Depreciation and amortization	165,725	78,719	-	244,444
Preopening expenses	17,798	699	-	18,497
Our share of Borgata's preopening expenses Our share of Borgata's write-	349	-	(349)	-
downs and other items, net	(14,303)	-	14,303	-
Share-based compensation expense	13,970	-	-	13,970
Write-downs and other items, net	41,780	(28,606)	-	13,174
Other	3,642	<u>-</u>	<u>-</u>	3,642
Total other operating costs and expenses	233,315	50,812	13,954	298,081
Operating income	156,193	146,847	(73,424)	229,616
Other non-operating items				
Interest expense, net	146,824	27,668	-	174,492
Gain on early retirements of debt	(15,284)	-	-	(15,284)
Other non-operating expenses Our share of Borgata's non-operating	33	-	-	33
expenses, net	19,303		(19,303)	<u>-</u>
Total other non- operating costs and expenses, net	150,876	27,668	(19,303)	159,241
Income before income taxes	5,317	119,179	(54,121)	70,375
Income taxes	(1,076)	(10,938)		(12,014)
Net income	4,241	108,241	(54,121)	58,361
Noncontrolling interest	<u> </u>		(54,120)	(54,120)
Net income attributable to ACME Inc.	\$ 4,241	\$ 108,241	\$ (108,241)	\$ 4,241

The following table reconciles the presentation of corporate expense on our condensed consolidated statements of operations to the presentation on the accompanying table.

		Three Months Ended					Year Ended				
		December 31,				December 31,					
		2009		2010			2009				
				(In thousan	ds)						
Corporate expense as reported on our											
consolidated statements of operations	\$	12,225	\$	12,540	\$	48,861	\$	47,617			
Corporate share-based compensation expense		(2,725)		(2,959)		(9,296)		(10,683)			
Corporate expense as reported on the accompanying table	\$	9,500	\$	9,581	\$	39,565	\$	36,934			

The following table reconciles the presentation of our share of Borgata's operating income on our consolidated statements of operations to the presentation of our share of Borgata's results on the accompanying table.

	Three Months Ended				Year Ended			
	December 31,				December 31,			
	2010 2009			9	2010		2009	
		(In thousands)						
Operating income from Borgata, as reported on our								
consolidated statements of operations	\$	-	\$	8,205	\$	8,146	\$	72,126
Add back:								

Net amortization expense related to our				
investment in Borgata	-	325	-	1,298
Our share of preopening expenses	-	-	-	349
Our share of write-downs and other items, net	 	5	34	(14,303)
Our share of Borgata's operating income before net				
amortization, preopening and other items				
as reported on the accompanying table	\$ 	\$ 8,535	\$ 8,180	\$ 59,470

The following table reconciles the presentation of depreciation and amortization on our condensed consolidated statements of operations to the presentation on the accompanying table.

	Three Months Ended			Year Ended				
	December 31,							
	2010		2	009	2010		:	2009
	(In thou				usands)			
Depreciation and amortization as reported on our								
condensed consolidated statements of operations	\$	51,370	\$	39,103	\$	199,275	\$	164,427
Net amortization expense related to our investment in Borgata		<u> </u>		325				1,298
Depreciation and amortization as reported on								
the accompanying table	\$	51,370	\$	39,428	\$	199,275	\$	165,725

The following table presents Borgata's condensed consolidated statements of operations.

	Three Mo	nths Ended	Year Ended				
	Decer	nber 31,	Decer	mber 31,			
	2010	2009	2010	2009			
		(In the	ousands)				
Revenues							
Gaming	\$ 148,759	\$ 153,387	\$ 643,904	\$ 691,428			
Food and beverage	34,162	32,297	147,751	143,410			
Room	27,004	26,087	115,199	113,143			
Other	9,705	10,124	42,931	42,620			
Gross revenues	219,630	221,895	949,785	990,601			
Less promotional allowances	50,844	46,487	211,356	213,193			
Net revenues	168,786	175,408	738,429	777,408			
Costs and expenses							
Gaming	62,313	65,352	263,823	280,620			
Food and beverage	16,396	15,395	69,489	64,217			
Room	3,213	2,942	13,992	11,940			
Other	7,681	8,323	34,334	34,908			
Selling, general and administrative	30,510	31,914	123,963	128,164			
Maintenance and utilities	14,576	15,034	63,435	59,900			
Depreciation and amortization	16,573	19,380	69,640	78,719			
Preopening expenses	-	-	-	699			
Write-downs and other items, net	(16)	10	60	(28,606)			
Total costs and expenses	151,246	158,350	638,736	630,561			

Operating income	 17,540	 17,058	 99,693	 146,847
Other expense (income)				
Other expense (income)				
Interest expense, net of amounts capitalized	21,791	 5,787	 50,199	 27,668
Income (loss) before state income taxes	(4,251)	11,271	49,494	119,179
State income taxes	 115	 (359)	 (5,273)	 (10,938)
Net income (loss)	\$ (4,136)	\$ 10,912	\$ 44,221	\$ 108,241

The following table reconciles operating income to Adjusted EBITDA for Borgata.

	Three Mo	nths E	nded		Year	Year Ended December 31,				
	 Decen	nber 3	L,		Decer					
	 2010 2009 2010			2010		2009				
			(In the	)						
Operating income	\$ 17,540	\$	17,058	\$	99,693	\$	146,847			
Depreciation and amortization	16,573		19,380		69,640		78,719			
Preopening expenses	-		-		-		699			
Write-downs and other items, net	 (16)		10		60		(28,606)			
Adjusted EBITDA	\$ 34,096	\$	36,448	\$	169,393	\$	197,659			

## **Footnotes and Safe Harbor Statements**

#### **Non-GAAP Financial Measures**

Regulation G, "Conditions for Use of Non-GAAP Financial Measures," prescribes the conditions for use of non-GAAP financial information in public disclosures. We believe that our presentations of the following non-GAAP financial measures are important supplemental measures of operating performance to investors: earnings before interest, taxes, depreciation and amortization (EBITDA), Adjusted EBITDA, Adjusted Earnings, Adjusted Earnings Per Share (Adjusted EPS) and net revenues (excluding the 8 days of consolidation for Borgata). The following discussion defines these terms and why we believe they are useful measures of our performance.

In the accompanying release, and the Company's periodic reports filed with the Securities and Exchange Commission, Dania Jai-Alai's results are included as part of total other operating costs and expenses. In addition, as of the same date, we reclassified the reporting of corporate expense to exclude it from our subtotal for Reportable Segment Adjusted EBITDA and include it as part of total other operating costs and expenses. Furthermore, in the Company's periodic reports, corporate expense is presented to include its portion of share-based compensation expense.

### **EBITDA and Adjusted EBITDA**

EBITDA is a commonly used measure of performance in our industry which we believe, when considered with measures calculated in accordance with GAAP, gives investors a more complete understanding of operating results before the impact of investing and financing transactions and income taxes and facilitates comparisons between us and our competitors. Management has historically adjusted EBITDA when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide the most accurate measure of our core operating results and as a means to evaluate period-to-period results. We have chosen to provide this information to investors to enable them to perform more meaningful comparisons of past, present and future operating results and as a means to evaluate the results of core on- going operations. We do not reflect such items when calculating EBITDA; however, we adjust for these items and refer to this measure as Adjusted EBITDA. We have historically reported this measure to our investors and believe that the continued inclusion of Adjusted EBITDA provides consistency in our financial reporting. We use Adjusted EBITDA in this press release because we believe it is useful to investors in allowing greater transparency related to a significant measure used by management in its financial and operational decision-

making. Adjusted EBITDA is among the more significant factors in management's internal evaluation of total company and individual property performance and in the evaluation of incentive compensation related to property management. Management also uses Adjusted EBITDA as a measure in determining the value of acquisitions and dispositions. Adjusted EBITDA is also widely used by management in the annual budget process. Externally, we believe these measures continue to be used by investors in their assessment of our operating performance and the valuation of our company. Adjusted EBITDA reflects EBITDA adjusted for deferred rent, preopening expenses, share-based compensation expense, write-downs and other charges, net, increase in value of derivative instruments, gain on early retirements of debt, other non-operating expenses, and our share of Borgata's non-operating expenses, preopening expenses and other items and write-downs, net. In addition, Adjusted EBITDA includes corporate expense. A reconciliation of Adjusted EBITDA to net income (loss), based upon GAAP, is included in the financial schedules accompanying this release.

## <u>Adjusted Earnings and Adjusted EPS</u>

Adjusted Earnings is net income (loss) before preopening expenses, increase in value of derivative instruments, write-downs and other charges, net, gain on early retirements of debt, prior period interest expense related to the finalization of our purchase price for Dania Jai-Alai, accelerated interest expense related to our bank credit facility amendment, certain one-time permanent tax readjustments, other non-operating expenses, and our share of Borgata's preopening expenses and other items and write-downs, net. Adjusted Earnings and Adjusted EPS are presented solely as supplemental disclosures because management believes that they are widely used measures of performance in the gaming industry. A reconciliation of net loss based upon GAAP to Adjusted Earnings and Adjusted EPS are included in the financial schedules accompanying this release.

## Pro Forma Effect of Consolidation of Borgata

The effective change in control of Borgata was triggered at the end of the first quarter 2010. For purposes of comparability throughout this release, when such results are reported on a consolidated basis, the results of the prior year are retroactively recast to present such results on a consolidated basis, comparable to the current period. Additionally, for further purposes of comparability, certain year to date amounts have been presented on a pro forma basis, as if the consolidation of Borgata had occurred as of the beginning of the period presented (i.e. January 1, for the year ended September 30, 2010, or September 30, 2009, as applicable).

### **Limitations on the Use of Non-GAAP Measures**

The use of EBITDA, Adjusted EBITDA, Adjusted Earnings, Adjusted EPS and certain other non-GAAP financial measures has certain limitations. Our presentation of EBITDA, Adjusted EBITDA, Adjusted Earnings, Adjusted EPS or certain other non-GAAP financial measures may be different from the presentation used by other companies and therefore comparability may be limited. Depreciation and amortization expense, interest expense, income taxes and other items have been and will be incurred and are not reflected in the presentation of EBITDA or Adjusted EBITDA. Each of these items should also be considered in the overall evaluation of our results. Additionally, EBITDA and Adjusted EBITDA do not consider capital expenditures and other investing activities and should not be considered as a measure of our liquidity. We compensate for these limitations by providing the relevant disclosure of our depreciation and amortization, interest and income taxes, capital expenditures and other items both in our reconciliations to the GAAP financial measures and in our consolidated financial statements, all of which should be considered when evaluating our performance.

EBITDA, Adjusted EBITDA, Adjusted Earnings, Adjusted EPS and certain other non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. EBITDA, Adjusted EBITDA, Adjusted Earnings, Adjusted EPS and certain other non-GAAP financial measures should not be considered as an alternative to net income, operating income, or any other operating performance measure prescribed by GAAP, nor should these measures be relied upon to the exclusion of GAAP financial measures. EBITDA, Adjusted EBITDA, Adjusted Earnings, Adjusted EPS and certain other non-GAAP financial measures reflect additional ways of viewing our operations that we believe, when viewed with our GAAP results and the reconciliations to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. Management strongly encourages investors to review our financial information in its entirety and not to rely on a single financial measure.

# **Forward Looking Statements and Company Information**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements contain words such as "may," "will," "might," "expect," "believe," "anticipate," "could," "would," "estimate," "continue," "pursue," or the negative thereof or comparable terminology, and may include (without limitation) information regarding the Company's expectations, goals or intentions regarding the economic recovery, increases in both visitation and spend-per-visit, and returning to consistent year-over-year growth in the business. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. These risks and uncertainties include, but are not limited to: fluctuations in our operating results; recovery of our properties in various markets; the state of the economy and its effect on consumer spending and our results of operations; the timing for the economic recovery, its effect on our business and the local economies where our properties are located; consumer reaction to fluctuations in the stock market and economic factors; the fact that our expansion, development and renovation projects (including enhancements to improve property performance) are subject to many risks inherent in expansion, development or construction of a new or existing project; the effects of events adversely impacting the economy or the regions from which we draw a significant percentage of our customers; competition; litigation; financial community and rating agency perceptions of the Company; changes in laws and regulations, including increased taxes; the availability and price of energy, weather, regulation, economic, credit and capital market conditions; and the effects of war, terrorist or similar activity. Additional factors that could cause actual results to differ are discussed under the heading "Risk Factors" and in other sections of the Company's Quarterly Report on Form 10-Q for the guarter ended September 30, 2010, filed with the SEC, and in the Company's other current and periodic reports filed from time to time with the SEC. All forward-looking statements in this press release are made as of the date hereof, based on information available to the Company as of the date hereof, and the Company assumes no obligation to update any forward-looking statement.

## **About ACME Inc.**

Headquartered in Las Vegas, ACME Inc. **(NYSE: ACME)** is a leading diversified owner and operator of 16 gaming entertainment properties located in Nevada, New Jersey, Mississippi, Illinois, Indiana, and Louisiana. ACME Inc. press releases are available at <a href="https://www.prnewswire.com">www.prnewswire.com</a>. Additional news and information on ACME Inc. can be found at <a href="https://www.google.com">www.google.com</a>.

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