

AMERISTAR CASINOS, INC. AT A GLANCE

	St. Charles	Kansas City	Council Bluffs	Vicksburg	Mountain High Black Hawk ¹	Jackpot Properties ²
Opening Year	1994	1997	1996	1994	2001	1996
Acquisition Year	2000	2000	-	-	2004	-
Casino Square Footage (approx.)	130,000 ³	140,000	38,500 ⁴	44,500 ⁵	67,000	29,000
Slot Machines (approx.)	3,244	3,073	1,651	1,502	1,456	1,009
Table Games	90 ⁴	99 ⁴	36	36	26 ⁴	36 ⁴
Hotel Rooms	0 ⁶	184	444 ⁶	149	0 ⁷	416
Restaurants/Bars	7/6	11/9 (6)	4/4	3/3	3/3	5/4
Restaurant/Bar Seating Capacity	1,613/166	1,910/507 ⁸	1,030/61	823/32	428/112	534/126
Guest Parking Spaces (approx.)	4,000 ⁹	7,150	3,000	1,700	1,550	1,130
Other Amenities	300-Seat VIP Players' Club; Gift Shop; Amusement Arcade	1,400-Seat Entertainment Facility; 18-Screen Movie Theater ¹⁰ ; Amusement Arcade ¹⁰ ; 85-seat VIP Players' Club; Kid's Quest Children's Activity Center ¹⁰	Meeting Space; Indoor Swimming Pool; Exercise Facility; Gift Shop; Amusement Arcade; 75-seat VIP Players' Club; Kid's Quest Children's Activity Center ¹⁰	Swimming Pool; Meeting Space; Gift Shop; Service Station; Convenience Store; Subway Franchise; 17-seat VIP Players' Club	Starbucks Coffee Bar; Gift Shop; 85-seat VIP Players' Club	3,550-Seat Outdoor Entertainment Facility; 356-Seat Showroom; Sports Book; Meeting Space; RV Park; Swimming Pool; Gift Shop; General Store; Service Station; Amusement Arcade; Styling Salon; Tennis Courts

¹We acquired Mountain High on December 21, 2004. The property is currently undergoing a major expansion and renovation. To date, the various capital improvement projects have resulted in an increase in the gaming space, additional slot machines and table games, two new bars and increased parking capacity.

²Includes the operations of Cactus Pines Resort Casino and The Horsehu Hotel & Casino.

³The Ameristar St. Charles casino increased to 130,000 square feet of gaming space on August 6, 2002 upon the opening of a completely new casino-entertainment facility. Expansions of the casinos at Ameristar Council Bluffs and Ameristar Vicksburg opened in November 1999 and December 1999, respectively.

⁴Includes 19 poker tables at Ameristar St. Charles, 15 poker tables at Ameristar Kansas City, 14 poker tables at Mountain High and 6 poker tables at the Jackpot Properties.

⁵400 rooms currently under development.

⁶Includes 284 rooms operated by affiliates of Kineth Hospitality Corporation and located on land owned by us and leased to affiliates of Kineth.

⁷536 rooms currently under development.

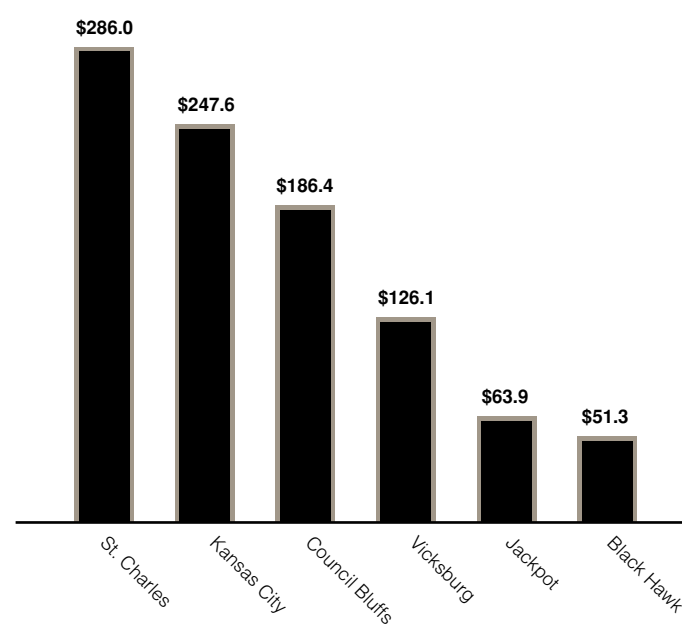
⁸Includes a 52-seat food court and Arthur Bryant's Barbeque restaurant leased to, and operated by, third parties.

⁹Additional parking is currently under construction. When construction is completed, parking spaces will total over 6,084 spaces.

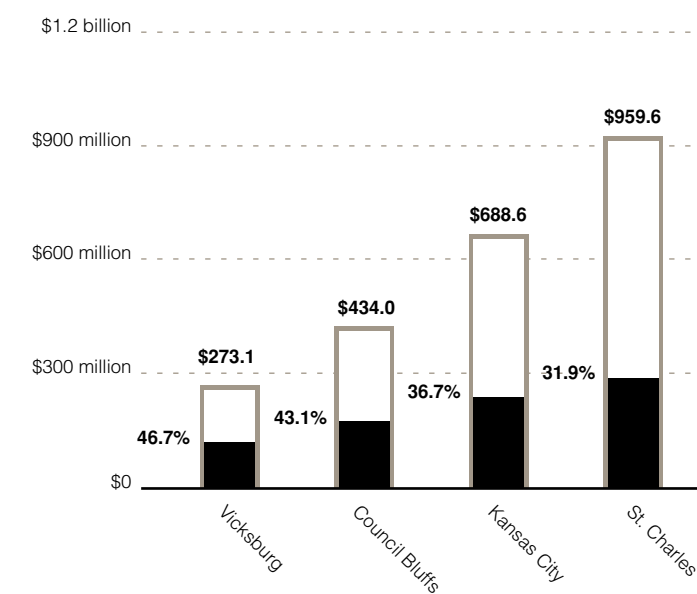
¹⁰Leased to and operated by a third party.

RECONCILIATION OF OPERATING INCOME (LOSS) TO EBITDA

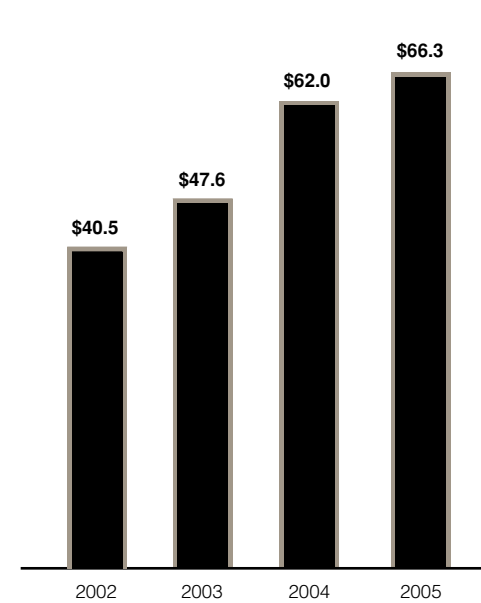
	2005	2004
For the year ended December 31, DOLLARS IN THOUSANDS (UNAUDITED)		
AMERISTAR ST. CHARLES		
Operating income	\$ 63,268	\$ 67,125
Depreciation and amortization	26,242	23,983
EBITDA	\$ 89,510	\$ 91,108
AMERISTAR KANSAS CITY		
Operating income	\$ 48,226	\$ 44,803
Depreciation and amortization	21,009	19,369
EBITDA	\$ 69,235	\$ 64,172
AMERISTAR COUNCIL BLUFFS		
Operating income	\$ 56,452	\$ 50,656
Depreciation and amortization	12,186	11,505
EBITDA	\$ 68,638	\$ 62,161
AMERISTAR VICKSBURG		
Operating income	\$ 38,812	\$ 27,592
Depreciation and amortization	11,884	11,352
EBITDA	\$ 50,696	\$ 38,944
JACKPOT PROPERTIES		
Operating income	\$ 10,851	\$ 8,982
Depreciation and amortization	4,358	3,862
EBITDA	\$ 15,209	\$ 12,824
MOUNTAIN HIGH		
Operating income	\$ 304	\$ 851
Depreciation and amortization	6,395	147
EBITDA	\$ 6,699	\$ 998
CORPORATE AND OTHER		
Operating income	\$ (49,197)	\$ (40,527)
Depreciation and amortization	3,292	3,018
EBITDA	\$ (45,905)	\$ (37,509)
CONSOLIDATED		
Operating income	\$ 168,716	\$ 159,462
Depreciation and amortization	85,366	73,236
EBITDA	\$ 254,082	\$ 232,698



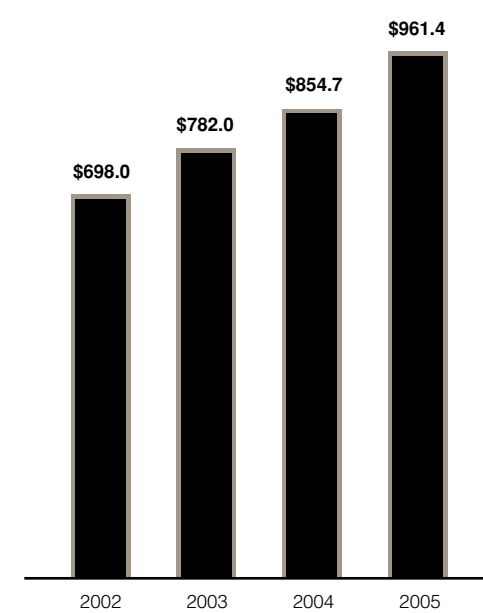
2005 NET REVENUE BY PROPERTY
In millions



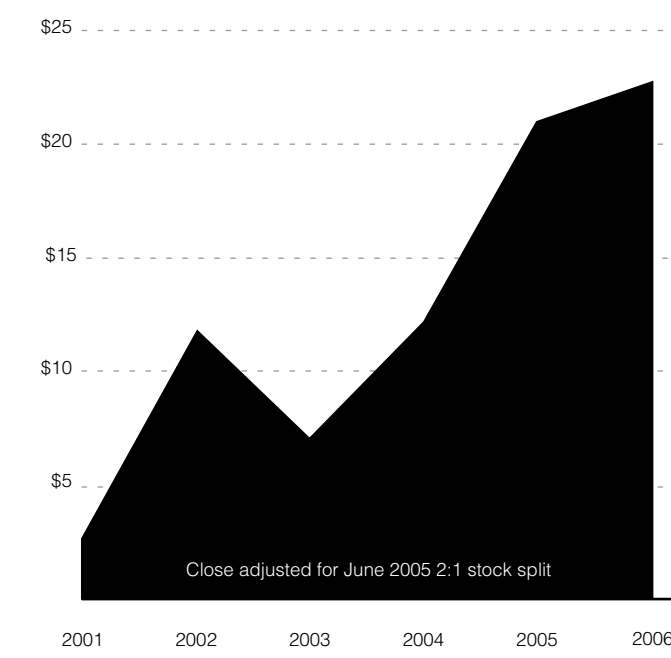
2005 TOTAL GAMING REVENUE IN AMERISTAR-BRANDED MARKETS AND OUR SHARE OF THAT REVENUE
In millions



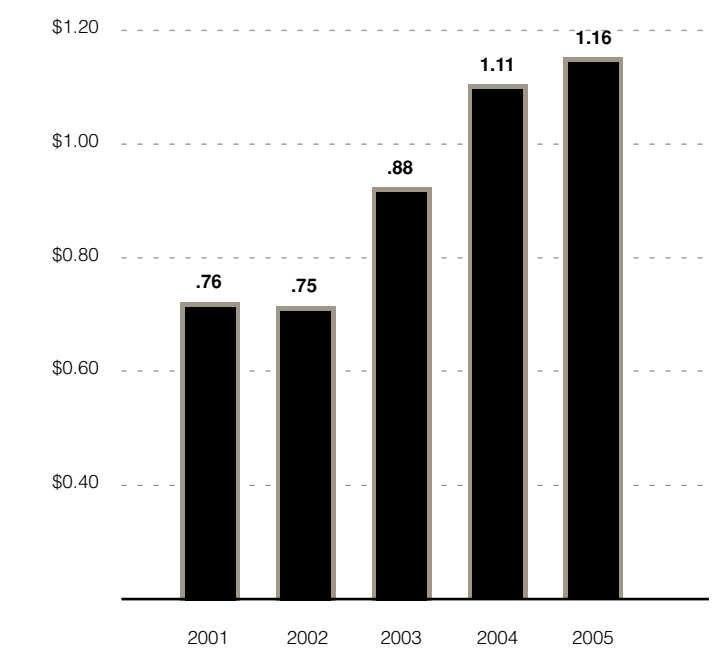
NET INCOME
In millions



NET REVENUES
In millions



COMMON STOCK PRICE



DILUTED EARNINGS PER SHARE

FINANCIAL OVERVIEW

CONSOLIDATED SELECTED FINANCIAL DATA

For the years ended December 31,	2005	2004	2003	2002	2001
AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA					
STATEMENT OF OPERATIONS DATA:¹					
REVENUES:					
Casino	\$ 974,178	\$ 856,901	\$ 760,376	\$ 678,642	\$ 568,259
Food and beverage	125,918	114,010	103,176	80,783	66,994
Rooms	25,355	26,082	25,136	22,824	22,802
Other	26,041	23,166	21,557	19,387	18,074
	1,151,492	1,020,159	910,245	801,636	676,129
Less: Promotional allowances	190,134	165,461	128,278	103,673	73,304
Net revenues	961,358	854,698	781,967	697,963	602,825
OPERATING EXPENSES:					
Casino	431,101	379,909	349,845	297,476	252,906
Food and beverage	66,299	63,758	59,747	53,953	46,169
Rooms	6,454	6,565	6,343	6,826	7,921
Other	16,503	13,697	12,522	13,962	11,813
Selling, general and administrative	186,050	157,907	149,292	150,228	129,060
Depreciation and amortization	85,366	73,236	63,599	48,711	40,101
Impairment loss on assets held for sale	869	174	687	5,213	-
Preopening costs	-	-	-	6,401	-
Total operating expenses	792,642	695,236	642,035	582,780	487,970
INCOME FROM OPERATIONS	168,716	159,462	139,932	115,183	114,855
OTHER INCOME (EXPENSE):					
Interest income	830	245	330	174	522
Interest expense, net	(60,913)	(57,003)	(64,261)	(61,206)	(64,931)
Loss on early retirement of debt	(2,074)	(923)	(701)	-	-
Net (loss) gain on disposition of assets	(1,576)	(717)	289	(341)	(777)
Other	(79)	(187)	(1)	69	1
Income before income tax provision and cumulative effect of change in accounting principle	104,904	100,877	75,588	63,879	49,670
Income tax provision	38,619	38,898	27,968	23,345	16,381
Income before cumulative effect of change in accounting principle	66,285	61,979	47,620	40,534	33,289
Cumulative effect of change in accounting principle - adoption of SFAS No. 133, net of income tax benefit of \$73	-	-	-	-	(135)
NET INCOME	\$ 66,285	\$ 61,979	\$ 47,620	\$ 40,534	\$ 33,154
EARNINGS PER SHARE:					
Income before cumulative effect of change in accounting principle					
Basic	\$ 1.19	\$ 1.15	\$ 0.90	\$ 0.78	\$ 0.80
Diluted	\$ 1.16	\$ 1.11	\$ 0.88	\$ 0.75	\$ 0.76
Cumulative effect of change in accounting principle					
Basic	\$ -	\$ -	\$ -	\$ -	\$ (0.01)
Diluted	\$ -	\$ -	\$ -	\$ -	\$ -
Net income					
Basic	\$ 1.19	\$ 1.15	\$ 0.90	\$ 0.78	\$ 0.79
Diluted	\$ 1.16	\$ 1.11	\$ 0.88	\$ 0.75	\$ 0.76
WEIGHTED AVERAGE SHARES OUTSTANDING:					
Basic	55,664	54,114	52,846	52,214	41,812
Diluted	57,127	55,653	54,240	53,984	43,816
BALANCE SHEET AND OTHER DATA:					
Cash and cash equivalents	\$ 106,145	\$ 86,523	\$ 78,220	\$ 90,573	\$ 41,098
Total assets	1,383,986	1,315,469	1,155,250	1,173,492	892,592
Total long-term debt, net of current maturities	776,029	761,799	713,044	780,665	624,255
Stockholders' equity ²	383,710	321,300	255,843	202,196	157,336
Capital expenditures	177,789	89,633	69,219	255,530	114,114

¹We sold the Reserve Hotel Casino on January 29, 2001. We opened the new Ameristar St. Charles facility on August 6, 2002. We acquired Mountain High Casino on December 21, 2004.

²Dividends of \$17.4 million and \$13.6 million were paid in 2005 and 2004, respectively. The annual dividend per share was \$0.3125 in 2005 and \$0.25 in 2004. No dividends were paid in 2001 through 2003.

CONSOLIDATED SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

For the fiscal quarters ended	March 31, 2005	June 30, 2005	September 30, 2005	December 31, 2005	Total
AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA					
Net revenues ¹	\$ 240,109	\$ 238,868	\$ 238,591	\$ 243,791	\$ 961,358
Income from operations ¹	46,283	42,230	40,479	39,723	168,716
Income before income tax provision ¹	30,454	26,614	25,406	22,429	104,904
Net income ¹	19,230	16,654	16,100	14,300	66,285
Basic earnings per share ²	\$ 0.35	\$ 0.30	\$ 0.29	\$ 0.26	\$ 1.19
Diluted earnings per share ²	\$ 0.34	\$ 0.29	\$ 0.28	\$ 0.25	\$ 1.16
AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA					
Net revenues ¹	\$ 214,363	\$ 210,005	\$ 215,651	\$ 214,680	\$ 854,698
Income from operations	42,134	39,102	40,310	37,916	159,462
Income before income tax provision	26,506	25,028	26,421	22,922	100,877
Net income	15,901	15,019	16,601	14,458	61,979
Basic earnings per share ²	\$ 0.30	\$ 0.28	\$ 0.31	\$ 0.27	\$ 1.15
Diluted earnings per share ²	\$ 0.29	\$ 0.27	\$ 0.30	\$ 0.26	\$ 1.11

¹The sum of the amounts for the four quarters does not equal the total for the year due to rounding.

²Because earnings per share amounts are calculated using the weighted average number of common and dilutive common equivalent shares outstanding during each quarter, the sum of the per-share amounts for the four quarters may not equal the total earnings per share amounts for the year.

Cautionary Information Regarding Forward-Looking Statements

Unless the context indicates otherwise, all references in this Report to "Ameristar" or "ACI" refer to Ameristar Casinos, Inc. and all references to the "Company," "we," "our," "ours" or "us" refer to Ameristar and its consolidated subsidiaries, collectively. This Report contains certain forward-looking statements, including management's plans and objectives for our business, operations and financial performance. These forward-looking statements generally can be identified by the context of the statement or the use of forward-looking terminology, such as "believes," "estimates," "anticipates," "intends," "expects," "plans," "is confident that" or words of similar meaning, with reference to us or our management. Similarly, statements that describe our future plans, objectives, strategies, financial results, financial position, operational expectations or goals are forward-looking statements. Although management believes that the assumptions underlying the forward-looking statements are reasonable, these assumptions and the forward-looking statements are subject to various factors, risks and uncertainties, many of which are beyond our control. Accordingly, actual results could differ materially from those contemplated by any forward-looking statements.

You should also be aware that while we communicate from time to time with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore, you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with our Consolidated Financial Statements and the Notes thereto included in this Report. The information in this section and in this Report generally includes forward-looking statements.

Overview

We develop, own and operate casinos and related hotel, food and beverage, entertainment and other facilities, with seven properties in operation in Missouri, Iowa, Mississippi, Colorado and Nevada. Our portfolio of casinos consists of: Ameristar St. Charles (serving greater St. Louis, Missouri); Ameristar Kansas City (serving the Kansas City, Missouri metropolitan area); Ameristar Council Bluffs (serving Omaha, Nebraska and southwestern Iowa); Ameristar Vicksburg (serving Jackson, Mississippi and Monroe, Louisiana); Cactus Petes and The Horseshu in Jackpot, Nevada (serving Idaho and the Pacific Northwest); and Mountain High in Black Hawk, Colorado (serving the Denver metropolitan area). We acquired Mountain High on December 21, 2004.

Our financial results are dependent upon the number of patrons that we attract to our properties and the amounts those patrons spend per visit. Management uses various metrics to evaluate these factors. Key metrics include: "market share," representing our share of gross gaming revenues in each of our markets other than Jackpot and our share of gaming devices in the Jackpot market (Nevada does not publish separate gaming revenue statistics for this market); "admissions," representing the number of patrons admitted to our casinos in jurisdictions that record admissions; and "win per admission," representing the amount of gaming revenues we generate per admission.

Our operating results may be affected by, among other things, competitive factors, gaming tax increases, the commencement of new gaming operations, charges associated with debt refinancing or property acquisition and disposition transactions, construction at existing facilities, general public sentiment regarding travel, overall economic conditions affecting the disposable income of our patrons and weather conditions affecting our properties. Consequently, our operating results for any quarter or year are not necessarily comparable and may not be indicative of future periods' results.

The following significant factors and trends should be considered in analyzing our operating performance:

- MOUNTAIN HIGH CASINO ACQUISITION AND EXPANSION** As part of our strategy to grow the Company, we acquired Mountain High in Black Hawk, Colorado on December 21, 2004. Mountain High contributed \$51.3 million to net revenues and \$0.3 million to operating income during 2005. Mountain High's 2005 financial results were adversely impacted by significant construction disruption as we continue to progress toward the completion of our planned capital improvement projects at the property and a temporary highway closure during the third quarter. The expansion of the parking garage, which nearly doubled the capacity to 1,550 parking spaces, was completed in November 2005 and the remodeling of the casino and non-gaming venues on the first floor was substantially completed in December 2005. In March 2006, we completed the second floor of the casino, which includes an additional 700 slot machines. We intend to rebrand Mountain High under the "Ameristar" name on April 1, 2006. The construction of a 534-room AAA Four Diamond-quality hotel is planned to begin in the second quarter of 2006 and is expected to be completed in mid-year 2008. We believe the quality and scope of the property will enable us to become the market share leader in the greater Denver market after these improvements are completed. We expect the total cost of our planned capital improvements at Mountain High to be approximately \$260 million, which will bring our total investment in the property to approximately \$330 million. Capital expenditures relating to the Mountain High remodeling and expansion projects totaled \$57.2 million in 2005.

- PROMOTIONAL SPENDING AND MARKETING** For the year ended December 31, 2005, promotional allowances at our Ameristar-branded properties increased \$14.6 million (9.4%) over the prior year while net revenues at these properties increased only 6.8%. The increase in our rate of promotional spending was partially attributable to our ongoing efforts to strengthen the Ameristar brand through targeted marketing, as evidenced by a 7.8% increase in rated play at our Ameristar-branded properties for year ended December 31, 2005 compared to the same period in 2004. In addition to improving rated play, our promotional spending also increased as a result of our efforts to maintain market share leadership in the increasingly competitive Missouri and Iowa markets. The St. Louis market has developed into a more competitive environment, in response to which we were required to increase marketing and promotional spending at Ameristar St. Charles to maintain our competitive position in the market. The increasingly competitive market and our efforts to attract rated players contributed to a 2.0 percentage point decrease in operating income margin at our St. Charles property year-over-year. Our Kansas City property was also impacted by increased competition in 2005 that partially contributed to a \$4.3 million rise in promotional allowances and a relatively flat operating income margin year-over-year. During 2005, our Council Bluffs property benefited from significant

construction disruption and a reduced number of available slot machines at the competing racetrack casino, which is being significantly expanded and rebranded. We believe that competition will intensify in this market as the improvements at the racetrack casino are completed, which is expected to occur throughout the first quarter of 2006. Accordingly, we anticipate promotional spending will increase in our effort to maintain our market share.

- POST-HURRICANE IMPROVEMENT AT AMERISTAR VICKSBURG** In 2005, Ameristar Vicksburg increased operating income by \$11.2 million, or 40.7%, over the prior year. The improved financial performance of this property is mostly attributable to the substantial increase in business volume following the closure of the Gulf Coast casinos as a result of Hurricane Katrina. This increase in the property's business volume has diminished in the first quarter of 2006 following the reopening of three Mississippi Gulf Coast casinos in December 2005, and we expect it to diminish further as more Gulf Coast casinos reopen later in 2006. However, we anticipate 2006 revenues to be significantly higher than 2005 until the fourth quarter of 2006.

- RISING HEALTH BENEFIT COSTS** For the year ended December 31, 2005, our health benefit costs at properties we have owned for consecutive years and our corporate office increased \$6.2 million, or 28.9%, over the prior year. The rise in health benefit costs in excess of normal inflationary trends is primarily attributable to a significant increase in the number and size of large claims experienced in 2005.

- EXTERNAL DEVELOPMENT COSTS** Development activities contributed to our increased corporate expense as we continue to pursue growth through development and acquisition opportunities. Development-related costs totaled \$6.6 million in 2005 compared to \$4.3 million in 2004. For the years ended December 31, 2005 and 2004, we incurred costs relating to our pursuit of a casino license in Pennsylvania totaling approximately \$3.0 million and \$0.3 million, respectively. However, following an in-depth analysis of the Philadelphia market, operational projections and construction cost estimates, we determined that execution of our core business strategy of developing first-class gaming and entertainment properties could not generate a sufficient return on our investment to justify proceeding with a casino license application for Philadelphia. Accordingly, we suspended our development efforts in Pennsylvania in November 2005.

- RENOVATIONS AND ENHANCEMENTS AT AMERISTAR ST. CHARLES** At Ameristar St. Charles, we have commenced the construction of a 400-room, all-suite hotel, an indoor/outdoor swimming pool, a 7,000-square-foot full-service spa, 20,000 square feet of new meeting and conference facilities and an additional 2,000-space parking garage. The total cost of these projects is expected to be approximately \$240.0 million, with the completion dates projected to be the second quarter of 2006 for the conference facilities, the fourth quarter of 2006 for the initial 1,400 spaces of the parking garage and the fourth quarter of 2007 for the hotel and the remainder of the garage. We believe these planned improvements will allow us to further enhance our competitive position in the St. Louis market, which should position us to extend our market share leadership. We expect minimal construction disruption to existing operations as these capital improvement projects are being completed.

- EXPANSION PROJECT AT AMERISTAR VICKSBURG** At Ameristar Vicksburg, we have commenced the first phase of our master expansion plan with the construction of a new 1,083-space parking garage, which is expected to be completed in the second quarter of 2007. In June 2006, we intend to commence an expansion of the casino vessel that will directly connect to the new parking garage. The expanded casino will allow for the addition of up to 800 slot machines. The expansion project will also include the addition of two new restaurants, a new Star Club for our VIP guests, a poker room, a retail shop and other amenities. This project is slated for a mid-year 2007 completion. The expected cost of our planned capital improvements at Ameristar Vicksburg is approximately \$90 million. These improvements will help alleviate long-standing capacity constraints in parking and gaming positions, and we believe will allow us to increase our market dominance in Vicksburg.

- DEBT MANAGEMENT** On November 10, 2005, we obtained a new \$1.2 billion senior secured credit facility that includes a \$400.0 million seven-year term loan facility and a five-year revolving loan facility with capacity for borrowing up to \$800.0 million. The proceeds from the new term loan were primarily used to repay all \$362.2 million principal amount of loans outstanding under the replaced senior secured credit facilities. The new credit facility features lower interest rate add-ons compared to our previous senior secured credit facilities and, together with operating cash flows, will provide the funding for our planned capital improvement projects. In February 2006, we utilized funds borrowed under the revolving loan facility to redeem our 10.75% Senior Subordinated Notes due 2009, which we expect will result in a further significant reduction in our borrowing costs. Net interest expense for 2005 increased \$3.9 million, or 6.9%, over the prior year as a result of rises in our average interest rate and long-term debt level. We improved our total debt leverage ratio (as defined in our credit agreement) from 3.29:1 at December 31, 2004 to 3.07:1 at December 31, 2005.

RESULTS OF OPERATIONS: SELECTED FINANCIAL MEASURES BY PROPERTY

The following table sets forth certain information concerning our consolidated cash flows and the results of operations of our operating properties:

For the years ended December 31,	2005	2004	2003
DOLLARS IN THOUSANDS			
CONSOLIDATED CASH FLOW INFORMATION:			
Net cash provided by operating activities	\$ 197,459	\$ 176,504	\$ 151,162
Net cash used in investing activities	\$ (175,849)	\$ (208,658)	\$ (83,379)
Net cash (used in) provided by financing activities	\$ (1,988)	\$ 40,457	\$ (80,136)
NET REVENUES:			
Ameristar St. Charles	\$ 286,028	\$ 278,887	\$ 256,594
Ameristar Kansas City	247,586	234,432	214,819
Ameristar Council Bluffs	186,367	171,755	156,673
Ameristar Vicksburg	126,089	107,440	95,048
Jackpot Properties	63,939	60,160	58,833
Mountain High ¹	51,349	2,024	-
Consolidated net revenues	\$ 961,358	\$ 854,698	\$ 781,967
OPERATING INCOME (LOSS):			
Ameristar St. Charles	\$ 63,268	\$ 67,125	\$ 61,257
Ameristar Kansas City	48,226	44,803	40,351
Ameristar Council Bluffs	56,452	50,656	45,552
Ameristar Vicksburg	38,812	27,592	21,215
Jackpot Properties	10,851	8,962	8,022
Mountain High ¹	304	851	-
Corporate and other	(49,197)	(40,527)	(36,465)
Consolidated operating income	\$ 168,716	\$ 159,482	\$ 139,932
OPERATING INCOME MARGINS:			
Ameristar St. Charles	22.1%	24.1%	23.9%
Ameristar Kansas City	19.5%	19.1%	18.8%
Ameristar Council Bluffs	30.3%	29.5%	29.1%
Ameristar Vicksburg	30.8%	25.7%	22.3%
Jackpot Properties	17.0%	14.9%	13.6%
Mountain High ¹	0.6%	42.0%	-
Consolidated operating income margin	17.5%	18.7%	17.9%

¹We acquired Mountain High on December 21, 2004. Accordingly, Mountain High's operating results are included only since the acquisition date for 2004 and for the full year 2005.

The following table presents detail of our net revenues:

For the years ended December 31,	2005	2004	2003
AMOUNTS IN THOUSANDS			
CASINO REVENUES:			
Slots	\$ 860,948	\$ 747,247	\$ 655,592
Table games	113,230	109,654	104,784
Casino revenues	974,178	856,901	760,376
NON-CASINO REVENUES:			
Food and beverage	125,918	114,010	103,176
Rooms	25,355	26,082	25,136
Other	26,041	23,166	21,557
Non-casino revenues	177,314	163,258	149,869
	1,151,492	1,020,159	910,245
	(190,134)	(165,461)	(128,278)
Total Net Revenues	\$ 961,358	\$ 854,698	\$ 781,967

YEAR ENDED DECEMBER 31, 2005 VERSUS YEAR ENDED DECEMBER 31, 2004

Net Revenues

Consolidated net revenues for the year ended December 31, 2005 increased 12.5% over the prior year. All our Ameristar-branded properties improved their net revenues in 2005. For the year ended December 31, 2005, three of our properties improved their market share over the prior year: Ameristar Council Bluffs with a 2.2 percentage point increase to 43.1%; Ameristar Kansas City with a 1.6 percentage point increase to 36.7%; and Ameristar Vicksburg with a 1.3 percentage point increase to 46.7%. Ameristar St. Charles maintained its market share leadership position for 2005 with 31.9% of the market, despite a 0.1 percentage point decrease from the prior year.

Casino revenues for the year ended December 31, 2005 increased \$117.3 million, or 13.7%, from 2004, including increases in slot and poker revenues of 15.2% and 17.2%, respectively. The increased gaming revenues are mostly attributable to the continued improvement in our slot product and the other factors described above. We further believe casino revenues increased in part as a result of our continued successful implementation of our targeted marketing programs, which is evidenced by the 7.8% increase in rated play at our Ameristar-branded properties when compared to 2004. In 2005, we believe our slot product and targeted marketing efforts were the principal reasons we achieved market share leadership for the third consecutive year in all markets where we operated, with the exception of Mountain High, which is currently undergoing a major renovation and expansion.

Net revenues at Ameristar St. Charles for 2005 increased \$7.1 million, or 2.6%, over the prior year. Casino revenues increased \$12.6 million year-over-year, led by an improvement in slot revenues of \$13.3 million, or 5.1%.

Promotional allowances, which are reported as a reduction of revenues, increased \$8.4 million, or 14.9%, in 2005 compared to 2004, in substantial part due to increased competition and our targeted marketing efforts mentioned above.

Net revenues at Ameristar Kansas City improved by \$13.2 million, or 5.6%, year-over-year. Casino revenues increased by \$17.7 million over the year ended December 31, 2004, due primarily to our continued slot product enhancements. Promotional allowances increased \$4.3 million, or 8.8%, in 2005 as a result of the continued expansion of our patron base and increased competition in the market.

At Ameristar Council Bluffs, our net revenues in 2005 increased \$14.6 million, or 8.5%, driven by an increase in casino revenues of \$15.9 million, or 9.3%. Slot revenues improved by \$14.5 million (9.8%) when compared to the prior year due to the continued improvements in slot product and the significant construction disruption and a reduced number of available slot machines at the competing racetrack casino. Promotional allowances increased \$1.3 million, or 4.6%, over 2004.

At Ameristar Vicksburg, our net revenues increased \$18.6 million, or 17.4%, year-over-year, in a market that grew 10.5% in 2005. Slot revenues improved \$13.1 million (13.7%) when compared to the year ended December 31, 2004. Our promotional allowances increased by \$0.7 million, or 3.1%, over the prior year. The property's improved financial performance and the growth in the Vicksburg market are mostly attributable to the third quarter closure of the Gulf Coast casinos following Hurricane Katrina.

Our Jackpot properties' 2005 net revenues improved by \$3.8 million over the previous year. The 6.3% increase in net revenues is mostly attributable to effective slot marketing that resulted in a \$3.5 million improvement in slot revenues year-over-year.

Our Mountain High property contributed \$49.3 million to the increase in consolidated annual net revenues in 2005. For the year ended December 31, 2005,

casino revenues were \$54.1 million, which represents a \$52.1 million increase over the 11-day period we owned the property in 2004. Slot revenues totaled \$48.2 million in 2005. Mountain High contributed \$10.3 million to the increase in consolidated promotional allowances during 2005.

Operating Income

In 2005, consolidated operating income increased \$9.3 million, or 5.8%, over 2004, while consolidated operating income margin decreased by 1.1 percentage points from the prior year. The growth in operating income was substantially attributable to Ameristar Vicksburg's strong financial performance following the closure of the Gulf Coast casinos by Hurricane Katrina. The Vicksburg property's financial results were somewhat offset by greater-than-expected construction disruption at Mountain High, higher corporate costs and increased competitive pressures experienced by our Missouri and Iowa properties, which negatively impacted consolidated operating income and the related margin.

Ameristar St. Charles experienced a decline in operating income of \$3.9 million, or 5.7%, in 2005, compared to the previous year. The operating income margin also decreased in 2005 by 1.9 percentage points. Operating income and the related margin were negatively impacted by a more competitive market environment that resulted in an increase of \$9.5 million in marketing and promotional costs. Additionally, the property reported increases in employee compensation and related benefits of \$3.5 million and depreciation expense of \$2.3 million in 2005.

Ameristar Kansas City increased income from operations in 2005 by \$3.4 million, or 7.6%, over the year ended December 31, 2004. In 2005, operating income margin improved slightly (0.4 percentage point) over the previous year. We believe that the improvements at our Kansas City property were mostly attributable to the effective implementation of our core operating strategies, particularly revenue enhancement through the deployment of new slot product and cost-containment initiatives related to our food and beverage operations.

For the year ended December 31, 2005, Ameristar Council Bluffs reported an increase in operating income of \$5.8 million, 11.4% higher than in 2004. Operating income margin also improved by 0.8 percentage point in 2005 as a result of management's effective implementation of cost-containment initiatives during a period of revenue growth. We continued to benefit from significant construction disruption and a reduced number of available slot machines at the competing racetrack casino. We believe that competition will intensify in this market as the improvements at the racetrack casino are completed, which is expected to occur in March 2006.

Ameristar Vicksburg's operating income increased \$11.2 million, or 40.7%, in 2005. The operating margin improved 5.1 percentage points year-over-year. The improvements in the 2005 operating income and margin were mostly due to revenue growth from the increased business volume mentioned above and effective containment of marketing and promotional costs. We expect this increase in the property's business volume to diminish as the Gulf Coast casinos reopen, as we have experienced to date in the first quarter of 2006.

Operating income at our Jackpot properties improved by \$1.9 million, or 21.1%, in 2005 and operating income margin increased 2.1 percentage points compared to 2004. The operating results were favorably impacted by gaming revenue growth and a reduction in entertainment and marketing costs.

Mountain High's operating income and the related margin for 2005 were negatively affected by significant construction disruption relating to the casino expansion project and the temporary closure of a principal highway between Black Hawk and Denver in the third quarter.

Corporate expense for the year ended December 31, 2005 increased \$8.7 million, or 22.1%, over 2004. This increase resulted primarily from \$4.1 million of additional employee compensation and benefit costs and increased development activities. Development-related costs totaled \$6.6 million for the year ended December 31, 2005, a \$2.3 million increase over the prior year.

Interest Expense

Consolidated interest expense, net of amounts capitalized, was \$60.9 million in 2005 compared to \$57.0 million in 2004. Total interest cost in 2005 was \$66.0 million, an increase of \$7.3 million over 2004. The increase is due primarily to a rise in our average LIBOR-based interest rate on our senior credit facilities year-over-year and, to a lesser extent, an increase in our long-term debt level resulting from the \$115.0 million borrowed in December 2004 to acquire Mountain High. The increases in the average interest rate and long-term debt level were partially offset by a \$1.0 million decrease in interest expense resulting from the termination of our interest rate swap agreement on March 31, 2004 and an increase in capitalized interest from \$1.7 million in 2004 to \$5.0 million in 2005. Capitalized interest in 2005 primarily related to the capital improvement projects at Mountain High and the hotel room renovations at our Council Bluffs and Kansas City properties.

Income Tax Expense

Our effective income tax rate was 36.8% in 2005 and 38.6% in 2004. The federal income tax statutory rate was 35.0% in both years. The differences from the statutory rate are due to state income taxes and the effect of certain expenses we incurred that are not deductible for federal income tax purposes.

Net Income

Net income increased to \$66.3 million for the year ended December 31, 2005 compared to \$62.0 million in 2004 and diluted earnings per share increased to \$1.16 in 2005 from \$1.11 in 2004. Our net income and diluted earnings per share in 2005 increased primarily as a result of revenue growth for the reasons mentioned above, as partially offset by increases in depreciation expense, corporate costs and losses on early retirement of debt. Diluted earnings per share were negatively impacted by a 2.6% increase in the number of weighted average diluted shares outstanding in 2005 versus 2004.

YEAR ENDED DECEMBER 31, 2004 VERSUS YEAR ENDED DECEMBER 31, 2003

Net Revenues

Consolidated net revenues for the year ended December 31, 2004 increased 9.3% over the prior year. All our properties improved their net revenues and market share in 2004 when compared to 2003. Led by a \$91.7 million (14.0%) increase in slot revenues, consolidated casino revenues for 2004 increased \$96.5 million, or 12.7%, from the prior year. We believe that the growth in slot revenues was driven by our continued implementation of coinless slot technology at our Ameristar-branded properties, which were 100% coinless as of December 31, 2004. In addition, we believe our continued leadership in the introduction of new-generation, lower-denomination slot machines at our Ameristar-branded properties has contributed to the improvement in slot revenues, due to the popularity of this segment of the slot market. We further believe casino revenues increased in part as a result of our continued successful implementation of our targeted marketing programs, which is evidenced by the 20.7% increase in rated play at our Ameristar-branded properties when compared to 2003. In 2004, we believe our slot product and targeted marketing efforts were the principal reasons we achieved market share leadership for the second consecutive year in all markets where we operated for a full year.

Net revenues at Ameristar St. Charles for 2004 increased \$22.3 million, or 8.7%, over the prior year. During 2004, we continued to experience revenue growth in St. Charles as a result of the expanded facility completed in August 2002, the implementation of our targeted marketing programs and the 9.3% growth year-over-year of the overall St. Louis market. In 2004, we increased our market share to 32.0% from 31.3% in 2003. Casino revenues increased \$31.9 million year-over-year, led by improvements in slot revenues of \$31.7 million, or 13.7%. Promotional allowances increased \$13.8 million, or 32.6%, in 2004 compared to 2003, in substantial part due to increased competition and our targeted marketing efforts mentioned above.

Net revenues at Ameristar Kansas City improved by \$19.6 million, or 9.1%, year-over-year. Casino revenues increased by \$26.9 million due to our slot product enhancements and the benefit of a full year of operations since the introduction of the "All New Ameristar Kansas City" in September 2003. Additionally, the 2003 operating results were negatively impacted by construction disruption from the renovation and enhancement projects during the first three quarters of the prior year. We earned the highest market share in Kansas City, with a 35.1% share of the market in 2004 compared to 34.4% in 2003. Our results also benefited from the 10.2% growth over the prior year of the overall Kansas City market. Promotional allowances increased \$10.5 million, or 27.4%, in 2004 as a result of the continued expansion of our patron base and increased competition in the market.

At Ameristar Council Bluffs, our net revenues and market share continued to improve over the previous year. Net revenues in 2004 increased \$15.1 million, or 9.6%, driven by an increase in casino revenues of \$19.0 million, or 12.6%. Slot revenues improved by \$18.0 million (13.8%) when compared to the prior year due to the improvements in slot product and the related technology mentioned above. Our market share increased from 39.2% in 2003 to 40.9% in 2004. In 2004, the total Council Bluffs market grew by 7.7%. Promotional allowances increased \$6.4 million, or 30.6%, over 2003 in our effort to maintain our competitive advantage in the expanding market.

At Ameristar Vicksburg, our net revenues increased \$12.4 million, or 13.0%, year-over-year, in a market that grew 2.5% in 2004. Slot revenues improved \$12.8 million (15.5%) when compared to the year ended December 31, 2003. Our promotional allowances increased \$5.1 million, or 29.1%, in the current year due to the factors previously indicated. We improved our market share to 45.4% in 2004, which represents an increase of 4.7 percentage points over 2003.

Our Jackpot Properties' 2004 net revenues improved by \$1.3 million over the previous year. The 2.3% increase in net revenues is partially attributable to relatively milder weather conditions in 2004.

Operating Income

In 2004, consolidated operating income increased \$19.5 million, or 14.0%, from 2003, and consolidated operating income margin improved 0.8 percentage point over 2003. The growth in operating income and operating income margin at our properties was principally the result of continued effective management of controllable costs and the operational leverage achieved from the increase in revenues noted above.

Ameristar St. Charles increased income from operations in 2004 by \$5.9 million, or 9.6%, while the change in the operating income margin was nominal. The margin was impacted by a more competitive market environment that resulted in increased marketing and promotional costs. Additionally, the property experienced increases in employee compensation and related benefits of \$3.7 million and depreciation expense of \$1.0 million during 2004. The increase in depreciation expense was partially offset by savings on equipment rentals of \$0.7 million.

Operating income at Ameristar Kansas City improved \$4.5 million from 2003, representing an increase of 11.0%. In 2004, operating income margin improved slightly (0.3 percentage point) over the previous year. The improvements in operating income and the related margin are partially attributable to the \$1.3 million of costs incurred in 2003 in connection with the "All New Ameristar Kansas City" enhancement and renovation projects. Depreciation expense increased by \$4.8 million over 2003 as a result of the newly constructed assets being in service for a full year and significant purchases of coinless slot technology. The operating results for the year ended December 31, 2003 reflected a non-recurring benefit of \$1.1 million for sales and use tax refunds.

For the year ended December 31, 2004, Ameristar Council Bluffs reported an increase in operating income of \$5.1 million, 11.2% higher than in 2003. Operating income margin also improved by 0.4 percentage point in 2004 as a result of management's effective implementation of cost-containment initiatives during a period of revenue growth. The improvements in operating income and operating income margin also improved by 2.0% increase in the Iowa tax rate on gaming revenues of riverboat casinos, which became effective July 1, 2004. The improvement in the operating income margin was partially offset by higher depreciation expense of \$1.4 million, due to an increase in our depreciable asset base resulting primarily from purchases of coinless slot technology during 2003.

Ameristar Vicksburg's operating income increased \$6.4 million, or 30.1%, in 2004. The operating margin improved 3.4 percentage points year-over-year. The improvements in the 2004 operating income and margin were partially due to a combined savings of \$0.9 million in equipment rental expense and legal fees as compared to 2003. Additionally, the property was negatively impacted by \$0.7 million of additional impairment losses on assets held for sale during 2003.

Operating income at our Jackpot properties improved by \$0.9 million, or 11.7%, in 2004 and operating income margin increased 1.3 percentage points compared to 2003. The operating results were favorably impacted by cost-containment initiatives that were successfully implemented relating to employee compensation and entertainment fees.

Corporate expense increased \$4.1 million, or 11.1%, in 2004 as a result of the continued growth of the Company and increased development activities.

Interest Expense

Consolidated interest expense, net of amounts capitalized, was \$57.0 million in 2004 compared \$64.3 million in 2003. Total interest cost in 2004 was \$58.7 million, a decrease of \$7.2 million from \$65.9 million in 2003. The decrease reflects: (1) a lower weighted average debt balance due to mandatory and accelerated principal reductions in 2004; (2) a lower average interest rate on our senior credit facilities year-over-year due to a further decline in the LIBOR rate; (3) a reduction in interest cost as a result of the termination of our interest rate swap agreement on March 31, 2004; and (4) a decrease in interest cost as a result of the expiration of our interest rate collar in June 2003. Capitalized interest increased slightly, from \$1.6 million in 2003 to \$1.7 million in 2004. Capitalized interest in 2004 primarily related to renovation and construction projects at our Council Bluffs and Vicksburg properties. In 2003, capitalized interest related primarily to the significant enhancements and renovations at Ameristar Kansas City.

Income Tax Expense

Our effective income tax rate was 38.6% in 2004 and 37.0% in 2003. The federal income tax statutory rate was 35.0% in both years. The differences from the statutory rate are due to state income taxes and the effect of certain expenses we incurred that are not deductible for federal income tax purposes.

Net Income

Net income increased to \$62.0 million for the year ended December 31, 2004 compared to \$47.6 million in 2003 and diluted earnings per share increased to \$1.11 in 2004 from \$0.88 in 2003. Our net income and diluted earnings per share in 2004 increased primarily as a result of revenue growth and a decline in interest expense year-over-year, as partially offset by increases in depreciation expense and the effective income tax rate. Diluted earnings per share were negatively impacted by a 2.6% increase in the number of weighted average diluted shares outstanding in 2004 versus 2003.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows from Operating Activities

Our business is primarily conducted on a cash basis. Accordingly, operating cash flows tend to follow trends in our operating income. Cash flows provided by operating activities were \$197.5 million, \$176.5 million, and \$151.2 million for the years ended December 31, 2005, 2004 and 2003, respectively. The increase in operating cash flows from 2004 to 2005 was chiefly the result of the improvement in consolidated operating income during 2005, a \$16.4 million increase in deferred taxes and positive changes in several of our working capital assets and liabilities. Cash flows from operations increased from 2003 to 2004 principally as a result of the improvements in operating income at all our properties during 2004 and an increase in deferred income taxes of \$28.7 million. The increase was partially offset by an income tax refund of \$10.7 million received during 2003.

Cash Flows from Investing Activities

Cash flows used in investing activities were \$175.8 million, \$208.7 million and \$83.4 million for the years ended December 31, 2005, 2004 and 2003, respectively. We incurred \$177.8 million, \$89.6 million and \$69.2 million in capital expenditures (including capitalized interest) in 2005, 2004 and 2003, respectively. See "Liquidity" for further discussion of capital expenditures. During 2004, we paid \$114.2 million, net of \$3.6 million of acquired cash, issued \$2.5 million of Common Stock and assumed \$2.3 million of long-term debt in connection with the acquisition of Mountain High.

Cash Flows from Financing Activities

Cash flows used in financing activities were \$2.0 million and \$80.1 million for the years ended December 31, 2005 and 2003, respectively. Cash flows provided by financing activities were \$40.5 million for the year ended December 31, 2004. Financing cash flows were significantly impacted by the following transactions in 2005, 2004 and 2003:

- On November 10, 2005, we borrowed \$400.0 million as a term loan under our new credit facility, of which \$362.2 million was used to repay the principal amount of loans outstanding under our prior senior credit facilities, with the balance being held to provide funding for future capital needs. Additionally, we incurred \$5.1 million in debt issuance costs relating to the new credit facility.
- Prior to the retirement of the replaced senior credit facilities, we borrowed \$10.0 million under the revolving credit facility. Additionally, we made principal payments in 2005 totaling \$28.3 million, including \$26.0 million in prepayments, on our senior credit facilities.
- For the year ended December 31, 2005, we made principal payments on other long-term debt totaling \$5.6 million.
- In 2005, our Board of Directors declared quarterly cash dividends of \$0.073125 per common share. The four dividend payments in 2005 totaled \$17.4 million.
- During 2005, we received \$7.1 million in proceeds from employee stock option exercises.
- On December 21, 2004, we borrowed \$115.0 million under our senior credit facilities in order to fund the acquisition of Mountain High.
- In 2004, our Board of Directors declared quarterly cash dividends of \$0.0625 per common share. The four dividend payments in 2004 totaled \$13.6 million.
- In 2004, we made principal payments of \$68.6 million on our long-term debt, including \$65.0 million in prepayments on our senior credit facilities.
- During 2004, we received \$7.7 million in proceeds from employee stock option exercises.
- In 2003, we made principal payments of \$82.2 million on our long-term debt, including \$35.0 million in prepayments on our senior credit facilities, an \$11.4 million prepayment on St. Charles equipment financing and \$3.4 million in prepayments on other leases and notes.

As a result of several of the 2005 transactions described above, our total long-term debt outstanding (including current maturities) increased from \$766.3 million at December 31, 2004 to \$780.4 million at December 31, 2005.

Capital Expenditures

During 2005, capital expenditures totaled \$177.8 million (of which \$5.0 million was capitalized interest) and included: (1) \$57.2 million for capital improvement projects at Mountain High; (2) \$52.6 million for long-lived assets relating to various capital maintenance at all our properties; (3) \$33.2 million for slot equipment and related technology; (4) \$19.7 million related to the Council Bluffs and Kansas City hotel room renovations; and (5) \$15.1 million for construction relating to the St. Charles parking garage, hotel and conference center.

Capital expenditures made in 2004 totaled \$89.6 million (of which \$1.7 million was capitalized interest) and included: (1) \$36.9 million for slot equipment and related technology; (2) \$35.2 million for long-lived assets relating to various capital maintenance at all our properties; (3) \$10.9 million related to the Council Bluffs and Kansas City hotel room renovations; and (4) \$6.6 million for information technology projects.

Capital expenditures in 2003 totaled \$69.2 million (of which \$1.6 million was capitalized interest) and included: (1) \$24.8 million on the "All New Ameristar Kansas City" projects, which included a completely renovated casino floor and the introduction of several new food and entertainment venues; (2) \$20.4 million related to the continued implementation of coinless slot technology; (3) \$6.6 million related to the total renovation of the buffet and kitchen at Ameristar Vicksburg; and (4) \$17.4 million for long-lived assets relating to general capital maintenance at all of our properties.

Our new senior credit facilities limit our aggregate capital expenditures to \$1.0 billion during the period from November 10, 2005 to November 10, 2012.

Liquidity

Our principal long-term debt at December 31, 2005 consisted of our senior secured credit facilities and \$380.0 million in aggregate principal amount of our 10.75% senior subordinated notes due 2009. The senior secured credit facilities, which have a final maturity date of November 10, 2012, consisted of an \$800.0 million revolving loan facility with no outstanding balance and the new term loan with \$400.0 million outstanding. As of December 31, 2005, the amount of the revolving loan facility available for borrowing was \$794.6 million, after giving effect to \$5.4 million of outstanding letters of credit. All mandatory principal repayments have been made through December 31, 2005.

As discussed above, on November 10, 2005, we obtained a new \$1.2 billion senior secured credit facility that includes a \$400.0 million seven-year term loan facility and a five-year revolving loan facility with capacity for borrowing up to \$800.0 million. The proceeds from the new term loan were primarily used to repay all \$362.2 million principal amount of loans outstanding under the replaced senior secured credit facilities. The new credit facility features lower interest rate add-ons compared to our previous senior secured credit facilities and, together with operating cash flows, will provide the funding for our planned capital improvement projects and funded the redemption in February 2006 of our 10.75% senior subordinated notes, which we expect will result in a further significant reduction in our borrowing costs, as discussed below.

The revolving loan facility includes a \$75.0 million letter of credit sub-facility and a \$25.0 million swingline loan sub-facility. Upon the satisfaction of certain conditions, we will have the option to increase the total amount available under the new credit facility by up to an additional \$400.0 million, in the form of incremental term loans or additional borrowings under the revolving facility.

The agreement governing our senior credit facilities requires us to comply with various affirmative and negative financial and other covenants, including restrictions on the incurrence of additional indebtedness, restrictions on dividend payments and other restrictions and requirements to maintain certain financial ratios and tests. Certain changes in control could result in the acceleration of our senior credit facilities. As of December 31, 2005, we were in compliance with all applicable covenants.

On February 15, 2006, we redeemed all \$380.0 million outstanding principal amount of the senior subordinated notes at a redemption price of 105.375% of the principal amount, plus \$20.4 million in accrued and unpaid interest to the redemption date. The retirement of the notes resulted in a one-time charge for loss on early retirement of debt in the first quarter of 2006 of approximately \$26.2 million on a pre-tax basis.

At December 31, 2005, we had available \$245.1 million of state net operating loss carryforwards that relate to our Missouri properties and may be applied against future taxable income, including tax payments we are required to make in 2006. At December 31, 2005, we also had available \$27.1 million of federal net operating loss carryforwards and \$36.8 million of state net operating loss carryforwards, which were acquired as part of the Mountain High acquisition. These acquired net operating loss carryforwards are subject to IRS change of ownership limitations. Accordingly, the future utilization of the carryforwards is subject to an annual base limitation of \$5.1 million that can be applied against future taxable income. During the year ended December 31, 2005, we utilized a significant amount of our federal and state net operating loss carryforwards and began to make substantial cash payments for federal and state income taxes. For the years ended December 31, 2005 and 2004, we made federal and state income tax payments totaling \$15.0 million and \$3.4 million, respectively. Our cash tax payments for 2006 are expected to be approximately \$33.0 million.

As of December 31, 2005, in addition to the \$794.6 million available for borrowing under the senior credit facilities, we had \$106.1 million of cash and cash equivalents, approximately \$48.0 million of which were required for daily operations. Our capital expenditures in 2006 are expected to be approximately \$336.0 million. We anticipate spending approximately \$50.0 million on maintenance capital expenditures (including the acquisition of slot machines and other long-lived assets) and approximately \$286.0 million on internal expansion projects. Actual 2006 capital expenditures will depend on the start date of certain projects and the progress of construction through year-end. Our planned internal expansion projects include: (1) the reconfiguration and expansion of the gaming area, which was completed in March 2006, and construction of a 534-room AAA Four Diamond-quality hotel at our Mountain High property; (2) the construction of a 400-room, all-suite hotel, an indoor/outdoor swimming pool, a 7,000 square-foot full-service spa, 20,000 square feet of new meeting and conference facilities

and an additional 2,000-space parking garage at Ameristar St. Charles; and (3) a master expansion plan at our Vicksburg property that includes construction of a new 1,083-space parking garage and the expansion of the casino, which will provide up to an additional 800 slot machines and add two new restaurants, a new Star Club for our VIP guests, a poker room, a retail shop and other amenities. We anticipate the benefit associated with these internal growth projects will primarily be realized commencing in 2007 and we may experience construction disruption from the projects that will negatively impact our financial results in 2006.

As mandated by the Iowa legislature in 2004, all riverboat casinos in Iowa are required to pay a special assessment in 2005 and 2006. As a result of the law, our Council Bluffs property paid approximately \$3.6 million in 2005 and will pay a similar special assessment in 2006, which are recoverable as a credit against future gaming taxes beginning in 2010.

Historically, we have funded our daily operations through net cash provided by operating activities and our significant capital expenditures primarily through operating cash flows, bank debt and other debt financing. We believe that our cash flows from operations, cash and cash equivalents and availability under our senior credit facilities will be able to support our operations and liquidity requirements, including all of our currently planned capital expenditures and dividend payments on our Common Stock. However, if our existing sources of cash are insufficient to meet such needs, we will be required to seek additional financing or scale back our capital plans. Any loss from service of our riverboat and barge facilities for any reason could materially adversely affect us, including our ability to fund daily operations and to satisfy debt covenants. Our ability to borrow funds under our senior credit facilities at any time is primarily dependent upon the amount of our EBITDA, as defined for purposes of our senior credit facilities, for the preceding four fiscal quarters.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Securities and Exchange Commission Regulation S-K.

CONTRACTUAL AND OTHER COMMITMENTS

The following table summarizes our material obligations and commitments to make future payments under certain contracts, including long-term debt obligations, capitalized leases, operating leases and certain construction contracts.

Payments Due by Period	2006	2007-2008	2009-2010	After 2010	Total
IN THOUSANDS					
CONTRACTUAL OBLIGATIONS:					
Long-term debt instruments ¹	\$ 4,374	\$ 8,653	\$ 388,748	\$ 380,583	\$ 782,358
Estimated interest payments					
on long-term debt ²	62,126	138,567	147,186	109,293	457,172
Operating leases	3,753	4,576	1,030	1,010	10,369
Material construction contracts	51,320	-	-	-	51,320
Total	\$ 121,573	\$ 151,796	\$ 536,964	\$ 490,886	\$ 1,301,219

Amount of Commitment Expiration Per Period	2006	2007-2008	2009-2010	After 2010	Total
IN THOUSANDS					
OTHER COMMITMENTS:					
Letters of credit	\$ 5,364	\$ -	\$ -	\$ -	\$ 5,364

During 2005, we utilized a significant amount of our federal and state net operating loss carryforwards and began to make substantial cash payments for income taxes. We anticipate a continued increase in cash tax payments in 2006. However, state net operating loss carryforwards in Missouri and Colorado will continue to provide credits against taxable income in those jurisdictions through 2024. We currently anticipate cash tax payments in 2006 to be approximately \$33.0 million.

Another significant operating use of cash in 2006 is interest payments. Our cash interest payments, excluding capitalized interest, were \$59.1 million, \$54.3 million and \$62.2 million for the years ended December 31, 2005, 2004 and 2003, respectively. Our weighted average interest rate is expected to decrease as a result of the refinancing of our senior credit facilities in November 2005 and the early retirement of our 10.75% senior subordinated notes in February 2006. However, we will have a larger average outstanding debt balance in 2006 due to anticipated borrowings under the \$800.0 million revolving loan facility to fund planned capital

improvement projects. The interest rate savings mentioned above are expected to partially offset the increase in the average outstanding debt balance, which will likely result in a slight increase in cash interest payments in 2006. For more information, see "Note 5 – Long-term Debt" of Notes to Consolidated Financial Statements.

We routinely enter into operational contracts in the ordinary course of our business, including construction contracts for projects that are not material to our business or financial condition as a whole. Our commitments relating to these contracts are recognized as liabilities in our consolidated balance sheets when services are provided with respect to such contracts.

During December 2000, we assumed several agreements with the Missouri 210 Highway Transportation Development District ("Development District") that had been entered into in order to assist the Development District in the financing of a highway improvement project in the area around the Ameristar Kansas City property prior to our purchase of that property. In order to pay for the highway improvement project, the Development District issued revenue bonds totaling \$9.0 million in principal amount with scheduled maturities from 2006 through 2011. We have issued an irrevocable standby letter of credit with a bank in support of obligations of the Development District for certain principal and interest on the revenue bonds. The amount outstanding under this letter of credit was \$4.4 million as of December 31, 2005 and may be subsequently reduced as principal and interest mature under the revenue bonds. Additionally, we are obligated to pay any shortfall in the event that amounts on deposit are insufficient to cover the obligations under the bonds as well as any costs incurred by the Development District that are not payable from the taxed revenues used to satisfy the bondholders. Through December 31, 2005, we had paid \$0.9 million in shortfalls and other costs. As required by the agreements, we anticipate that we will be reimbursed for these shortfall payments by the Development District from future available cash flow, as defined, and have recorded a corresponding receivable as of December 31, 2005.

At December 31, 2005, we had outstanding letters of credit in the amount of \$5.4 million, which reduced the amount available to borrow under our senior credit facilities. We do not have any other guarantees, contingent commitments or other material liabilities that are not reflected on our consolidated balance sheets. For more information, see "Note 5 – Long-term Debt" of Notes to Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements. To prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States, we must make estimates and assumptions that affect the amounts reported in the consolidated financial statements. We regularly evaluate these estimates and assumptions, particularly in areas we consider to be critical accounting estimates, where changes in the estimates and assumptions could have a material impact on our results of operations, financial position and, generally to a lesser extent, cash flows. Senior management and the Audit Committee of our Board of Directors have reviewed the disclosures included herein about our critical accounting estimates, and have reviewed the processes to determine those estimates.

Property and Equipment

We have significant capital invested in our property and equipment, which represents approximately 82% of our total assets. Judgments are made in determining the estimated useful lives of assets, salvage values to be assigned to assets and if or when an asset has been impaired. The accuracy of these estimates affects the amount of depreciation expense recognized in our financial results and the extent to which we have a gain or loss on the disposal of the asset. We assign lives to our assets based on our standard policy, which we believe is representative of the useful life of each category of assets. We review the carrying value of our property and equipment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The factors we consider in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors.

Excess of Purchase Price Over Fair Value of Net Assets Acquired

At December 31, 2005, we had approximately \$78.2 million in goodwill and other intangible assets on our consolidated balance sheet resulting from our acquisition of the Missouri properties in December 2000. As required by SFAS No. 142, we completed our annual assessment for impairment and determined that no goodwill impairment existed. The assessment requires the use of estimates about future operating results of each reporting unit to determine its estimated fair value. Changes in forecasted operations can materially affect these estimates.

Star Awards Program

Our customer reward program, Star Awards, allows customers to earn certain point-based cash rewards or complimentary goods and services based on the volume of the customers' gaming activity. Customers can accumulate reward points over time that they may redeem at their discretion under the terms of the program. The reward credit balance is forfeited if a customer does not earn any reward credits over any subsequent 12-month period. As a result of the ability of the customer to bank the reward points, we accrue the expense of reward points, after giving effect to estimated forfeitures, as they are earned. At December 31, 2005 and 2004, \$8.6 million and \$8.2 million, respectively, were accrued under this program. The value of these point-based cash rewards or complimentary goods and services are netted against revenue as a promotional allowance.

Cash Coupons

Our former, current and future gaming customers may be awarded, on a discretionary basis, cash coupons based, in part, on their play volume. The coupons are provided on a discretionary basis to induce future play, are redeemable within a short time period (generally seven days) and are redeemable only on a return visit. There is no ability to renew or extend the offer. We recognize a reduction in revenue as a promotional allowance for these coupons when the coupons are redeemed.

Self-Insurance Reserves

We are self-insured for various levels of general liability, workers' compensation and employee medical coverage. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accrued estimates of incurred but not reported claims. At December 31, 2005 and 2004, our estimated liabilities for unpaid and incurred but not reported claims totaled \$10.1 million and \$7.9 million, respectively. We utilize actuaries who consider historical loss experience and certain unusual claims in estimating these liabilities, based upon statistical data provided by the independent third-party administrators of the various programs. We believe the use of this method to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals; however, changes in health care costs, accident or illness frequency and severity and other factors can materially affect the estimates for these liabilities.

Income Taxes

We are subject to federal income taxes in the United States and state income taxes in several states in which we operate. We account for income taxes according to SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires the recognition of deferred tax assets, net of applicable reserves, related to net operating loss carryforwards and certain temporary differences. The standard requires recognition of a future tax benefit to the extent that realization of such benefit is more likely than not. Otherwise, a valuation allowance is applied.

At December 31, 2005, we had \$27.9 million of deferred tax assets and \$116.6 million of deferred tax liabilities. We believe that it is more likely than not that our deferred tax assets are fully realizable because of the future reversal of existing taxable temporary differences and future projected taxable income.

Our income tax returns are subject to examination by the IRS and other tax authorities. We regularly assess the potential outcomes of these examinations in determining the adequacy of our provision for income taxes and our income tax liabilities. To determine necessary reserves, we must make assumptions and judgments about potential actions by taxing authorities, partially based on historical precedent. Our estimate of the potential outcome of any uncertain tax issue is highly judgmental, and we believe we have adequately provided for any probable adverse outcomes related to uncertain tax matters. When actual results of tax examinations differ from our estimates, we adjust the income tax provision and our tax reserves in the period in which the examination issues are settled.

RECENTLY ISSUED ACCOUNTING STANDARDS

SFAS No. 123(R)

On December 16, 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123(R), "Share-Based Payment," which is a revision to SFAS No. 123. SFAS No. 123(R) supersedes APB No. 25 and amends SFAS No. 95, "Statement of Cash Flows." Among other items, SFAS No. 123(R) requires the recognition of compensation expense in an amount equal to the fair value of share-based payments, including employee stock options and restricted stock, granted to employees.

We adopted SFAS No. 123(R) on January 1, 2006 using the "modified prospective" method, in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS No. 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of SFAS No. 123 for all awards granted to employees prior to the effective date of SFAS No. 123(R) that remain unvested on the effective date.

The adoption of SFAS No. 123(R) will have an impact on our results of operations, but it will not have any impact on our overall financial position. Although the precise impact on us of the adoption of SFAS No. 123(R) cannot be predicted at this time because it will depend on various factors, including the number of awards granted and their related fair value at the date of grant, we currently estimate the adoption will result in a non-cash expense for 2006 of approximately \$9.1 million.

SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. We cannot estimate what those amounts will be in the future because they will depend on, among other things, when employees exercise stock options.

SFAS No. 154

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections." SFAS No. 154 replaces APB Opinion No. 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements." SFAS No. 154 requires that a voluntary change in accounting principle be applied retrospectively, with all prior period financial statements presented on the basis of the new accounting principle unless it is impracticable to do so. SFAS No. 154 also provides that a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate effected by a change in accounting principle and that correction of errors in previously issued financial statements should be termed a "restatement." SFAS No. 154 is effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005. The adoption of this statement may impact our future results of operations, financial position or cash flows in an amount we cannot currently determine.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our senior credit facilities. As of December 31, 2005, we had \$400.0 million outstanding under our senior credit facilities, bearing interest at variable rates. Other than the borrowings under the senior credit facilities at December 31, 2005, all of our long-term debt bears interest at fixed rates. The senior credit facilities bear interest equal to LIBOR (in the case of Eurodollar loans) or the prime interest rate (in the case of base rate loans), plus an applicable add-on. At December 31, 2005, the average interest rate applicable to the senior credit facilities was 5.9%. An increase of one percentage point in the average interest rate applicable to the senior credit facilities outstanding at December 31, 2005 would increase our annual interest cost by approximately \$4.0 million.

On February 15, 2006, we redeemed our senior subordinated notes, which bore interest at a fixed rate of 10.75%, through borrowings under the revolving credit facility. As a result of the redemption, substantially all of our long-term debt is subject to variable interest rates. We continue to monitor interest rate markets and may enter into interest rate collar or swap agreements or other derivative instruments as market conditions warrant.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Ameristar Casinos, Inc. and subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Ameristar Casinos, Inc.

Las Vegas, Nevada
March 16, 2006



Craig H. Neilsen
President and Chief Executive Officer

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2005. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on its assessment, management believes that, as of December 31, 2005, the Company's internal control over financial reporting is effective based on those criteria.

The Company's independent registered public accounting firm has audited management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2005, as stated in their report, appearing on page 45, which expresses unqualified opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting as of December 31, 2005.

Thomas M. Steinbauer
Senior Vice President of Finance, Chief Financial Officer and Treasurer

REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that Ameristar Casinos, Inc. and its subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2005 and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for the year ended December 31, 2005 of the Company and our report dated March 16, 2006 expressed an unqualified opinion thereon.

Ernst & Young LLP

Las Vegas, Nevada
March 16, 2006

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF

AMERISTAR CASINOS, INC.:

We have audited the accompanying consolidated balance sheet of Ameristar Casinos, Inc. and its subsidiaries (the "Company") as of December 31, 2005, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2005 and the consolidated results of its operations and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 16, 2006 expressed an unqualified opinion thereon.

Ernst & Young LLP

Las Vegas, Nevada
March 16, 2006

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF

AMERISTAR CASINOS, INC., LAS VEGAS, NEVADA:

We have audited the accompanying consolidated balance sheet of Ameristar Casinos, Inc. (a Nevada Corporation) and subsidiaries (the "Company") as of December 31, 2004, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the two years in the period ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Ameristar Casinos, Inc. and subsidiaries as of December 31, 2004, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 16, 2005 expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Deloitte & Touche LLP

Las Vegas, Nevada
March 16, 2005

CONSOLIDATED BALANCE SHEETS

Years ended December 31,	2005	2004
AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA		
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 106,145	\$ 86,523
Restricted cash	6,474	4,486
Accounts receivable, net	5,242	6,454
Inventories	6,926	6,927
Prepaid expenses	9,184	8,764
Deferred income taxes	5,672	52,570
Assets held for sale	-	596
Total current assets	139,643	166,320
PROPERTY AND EQUIPMENT, AT COST:		
Buildings and improvements	1,015,443	951,858
Furniture, fixtures and equipment	358,192	308,182
	1,373,635	1,260,040
Less: accumulated depreciation and amortization	(391,014)	(310,679)
	982,621	949,361
Land	75,524	70,106
Construction in progress	75,151	24,717
Total property and equipment, net	1,133,296	1,044,184
Excess of purchase price over fair market value of net assets acquired	78,192	79,612
Deposits and other assets	32,855	25,353
TOTAL ASSETS	\$ 1,383,986	\$ 1,315,489
LIABILITIES AND STOCKHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
Accounts payable	\$ 12,627	\$ 12,904
Construction contracts payable	9,500	5,063
Income taxes payable	3,373	1,567
Accrued liabilities	83,889	70,903
Current maturities of long-term debt	4,374	4,502
Total current liabilities	113,763	94,939
Long-term debt, net of current maturities	776,029	761,799
Deferred income taxes	94,445	126,339
Deferred compensation and other long-term liabilities	16,039	11,092
Commitments and contingencies	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.01 par value: Authorized - 30,000,000 shares; Issued - none	-	-
Common stock, \$.01 par value: Authorized - 120,000,000 shares; Issued and outstanding - 55,956,358 shares at December 31, 2005 and 54,882,310 shares at December 31, 2004	560	549
Additional paid-in capital	179,989	166,450
Retained earnings	203,161	154,301
Total stockholders' equity	383,710	321,300
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,383,986	\$ 1,315,489

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31,	2005	2004	2003
AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA			
REVENUES:			
Casino	\$ 974,178	\$ 856,901	\$ 760,376
Food and beverage	125,918	114,010	103,176
Rooms	25,355	26,082	25,136
Other	26,041	23,186	21,557
	1,151,492	1,020,159	910,245
Less: Promotional allowances	190,134	165,461	128,278
Net revenues	961,358	854,698	781,967
OPERATING EXPENSES:			
Casino	431,101	379,909	349,845
Food and beverage	66,299	63,758	59,747
Rooms	6,454	6,565	6,343
Other	16,503	13,687	12,522
Selling, general and administrative	186,050	157,907	149,292
Depreciation and amortization	85,366	73,236	63,599
Impairment loss on assets held for sale	869	174	687
Total operating expenses	792,642	695,236	642,035
Income from operations	168,716	159,462	139,932
OTHER INCOME (EXPENSE):			
Interest income	830	245	330
Interest expense, net	(60,913)	(57,003)	(64,261)
Loss on early retirement of debt	(2,074)	(923)	(701)
Net (loss) gain on disposition of assets	(1,576)	(717)	289
Other	(79)	(187)	(1)
INCOME BEFORE INCOME TAX PROVISION	104,904	100,877	75,588
Income tax provision	38,619	38,898	27,988
NET INCOME	\$ 66,285	\$ 61,979	\$ 47,620
EARNINGS PER SHARE:			
Basic	\$ 1.19	\$ 1.15	\$ 0.90
Diluted	\$ 1.16	\$ 1.11	\$ 0.88
CASH DIVIDENDS DECLARED PER SHARE			
	\$ 0.31	\$ 0.25	\$ -
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic	55,664	54,114	52,846
Diluted	57,127	55,653	54,240

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

IN THOUSANDS	Capital Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Number of Shares	Amount				
Balance, December 31, 2002	52,490	\$ 524	\$ 146,369	\$ (2,960)	\$ 58,263	\$ 202,196
Net income	-	-	-	-	47,620	47,620
Change in fair value of interest rate swap agreement, net of deferred tax of \$1,224	-	-	-	2,272	-	2,272
Total comprehensive income	-	-	-	-	49,892	49,892
Exercise of stock options	732	8	2,126	-	-	2,134
Tax benefit of stock option exercises	-	-	1,621	-	-	1,621
Balance, December 31, 2003	53,222	532	150,116	(688)	105,883	255,843
Net income	-	-	-	-	61,979	61,979
Change in fair value of interest rate swap agreement, net of deferred tax of \$297	-	-	-	688	-	688
Total comprehensive income	-	-	-	-	62,667	62,667
Exercise of stock options	1,542	15	7,653	-	-	7,668
Tax benefit of stock option exercises	-	-	6,183	-	-	6,183
Dividends	-	-	-	-	(13,561)	(13,561)
Common stock issued in connection with the Mountain High acquisition	118	2	2,498	-	-	2,500
Balance, December 31, 2004	54,882	549	166,450	-	154,301	321,300
Net income	-	-	-	-	66,285	66,285
Exercise of stock options	1,076	11	7,114	-	-	7,125
Tax benefit of stock option exercises	-	-	6,425	-	-	6,425
Dividends	-	-	-	-	(17,425)	(17,425)
Balance, December 31, 2005	55,958	\$ 560	\$ 179,989	\$ -	\$ 203,161	\$ 383,710

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,	2005	2004	2003
AMOUNTS IN THOUSANDS			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 66,285	\$ 61,979	\$ 47,620
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	85,366	73,236	63,599
Amortization of debt issuance costs and debt discounts	3,891	4,418	4,978
Loss on early retirement of debt	2,074	923	701
Change in value of interest rate collar agreement	-	-	(1,013)
Net change in deferred compensation liability	633	(681)	374
Impairment loss on assets held for sale	869	174	687
Net loss (gain) on disposition of assets	1,576	717	(289)
Net change in deferred income taxes	16,424	26,688	22,479
Tax benefit from stock option exercises	6,425	6,183	1,621
Increase in restricted cash	(1,988)	(1,809)	(2,677)
Decrease (increase) in accounts receivable, net	1,212	471	(282)
Decrease in tax refunds receivable	-	643	10,971
Decrease (increase) in inventories	1	(631)	472
(Increase) decrease in prepaid expenses	(420)	942	(293)
Decrease in assets held for sale	596	186	100
Decrease in accounts payable	(277)	(3,286)	(854)
Increase in income taxes payable	1,806	499	-
Increase in accrued liabilities	12,986	3,852	2,968
Total adjustments	131,174	114,525	103,542
Net cash provided by operating activities	197,459	176,504	151,162
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(177,789)	(89,633)	(89,219)
Net cash paid for acquisition of Mountain High Casino	-	(114,171)	-
Increase (decrease) in construction contracts payable	4,437	(5,536)	(15,911)
Proceeds from sale of assets	896	879	836
(Increase) decrease in deposits and other non-current assets	(3,393)	(197)	915
Net cash used in investing activities	(175,849)	(208,659)	(83,379)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	410,000	115,000	-
Principal payments of long-term debt	(396,554)	(68,562)	(82,216)
Cash dividends paid	(17,425)	(13,561)	-
Debt issuance costs	(5,134)	(88)	(55)
Proceeds from stock option exercises	7,125	7,668	2,134
Net cash (used in) provided by financing activities	(1,988)	40,457	(80,136)
Net Increase (Decrease) in Cash and Cash Equivalents	19,622	8,303	(12,353)
Cash and Cash Equivalents - Beginning of Year	86,523	78,220	90,573
Cash and Cash Equivalents - End of Year	\$ 106,145	\$ 86,523	\$ 78,220
SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Cash paid for interest, net of amounts capitalized	\$ 54,015	\$ 52,640	\$ 60,638
Cash paid for federal and state income taxes (net of refunds received)	\$ 14,993	\$ 3,362	\$ (8,421)
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Acquisition of Mountain High Casino			
Fair value of non-cash assets acquired	\$ -	\$ 120,784	\$ -
Less net cash paid	-	(114,171)	-
Less fair value of common stock issued	-	(2,500)	-
Liabilities assumed	\$ -	\$ 4,113	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

No. 1 Basis of Presentation

The accompanying consolidated financial statements include the accounts of Ameristar Casinos, Inc. (“ACI”) and its wholly owned subsidiaries (collectively, the “Company”). Through its subsidiaries, the Company owns and operates seven casino properties in six markets. The Company’s portfolio of casinos consists of: Ameristar St. Charles (serving greater St. Louis, Missouri); Ameristar Kansas City (serving the Kansas City, Missouri metropolitan area); Ameristar Council Bluffs (serving Omaha, Nebraska and southwestern Iowa); Ameristar Vicksburg (serving Jackson, Mississippi and Monroe, Louisiana); Mountain High in Black Hawk, Colorado (serving the Denver metropolitan area); and Cactus Petes and The Horseshu in Jackpot, Nevada (serving Idaho and the Pacific Northwest). The Company views each property as an operating segment and all such operating segments have been aggregated into one reporting segment. All significant intercompany transactions have been eliminated.

The Company acquired Mountain High on December 21, 2004. Accordingly, the consolidated financial statements reflect Mountain High’s operating results for only 11 days in 2004 and for the full year 2005.

No. 2 Summary of Significant Accounting Policies

Use of Estimates The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to apply significant judgment in defining the appropriate estimates and assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. The Company’s judgments are based in part on its historical experience, terms of existing contracts, observance of trends in the gaming industry and information available from other outside sources. Actual results could differ from those estimates.

Cash and Cash Equivalents The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents are carried at cost, which approximates market, due to the short-term maturities of these instruments.

Restricted Cash As of December 31, 2005 and 2004, restricted cash totaled \$6.5 million and \$4.5 million, respectively. On September 2, 2003, the Company entered into a trust participation agreement with an insurance provider. Pursuant to the terms of the trust participation agreement, the Company had deposited \$6.4 million and \$4.4 million as of December 31, 2005 and 2004, respectively, into the trust account as collateral should the insurance provider require reimbursement for workers’ compensation claims. The Company is permitted to invest the trust funds in certain short-term investment vehicles with stated maturity dates not to exceed six months. Any interest or other earnings are disbursed to the Company.

Accounts Receivable At December 31, 2005 and 2004, total accounts receivable were \$5.3 million and \$6.9 million, respectively. As of December 31, 2005 and 2004, an allowance of \$0.1 million and \$0.5 million, respectively, has been applied to reduce total accounts receivable to amounts anticipated to be collected. Gaming receivables were \$0.3 million at December 31, 2005 and 2004, and are included in the Company’s accounts receivable balance.

Inventories Inventories primarily consist of food and beverage items, gift shop and general store retail merchandise, engineering and slot supplies, uniforms, linens, china and other general supplies. Inventories are stated at the lower of cost or market. Cost is determined principally on the weighted average basis.

Depreciation and Capitalization Property and equipment are recorded at cost, including interest charged on funds borrowed to finance construction. Interest of \$5.0 million, \$1.7 million and \$1.6 million was capitalized for the years ended December 31, 2005, 2004 and 2003, respectively. Betterments, renewals and repairs that extend the life of an asset are capitalized. Ordinary maintenance and repairs are charged to expense as incurred. Costs of major renovation projects are capitalized in accordance with existing policies.

Depreciation is provided on the straight-line method. Amortization of building and furniture, fixtures and equipment under capitalized leases is provided over the shorter of the estimated useful life of the asset or the term of the associated lease (including lease renewals or purchase options the Company expects to exercise). Depreciation and amortization is provided over the following estimated useful lives:

Buildings and improvements	5 to 40 years
Furniture, fixtures and equipment	2 to 15 years

Impairment of Long-lived Assets The Company reviews long-lived assets for impairment in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.” SFAS No. 144 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company reviews long-lived assets for such events or changes in circumstances and at each balance sheet date. If a long-lived asset is to be held and used, the Company assesses recoverability based on the future undiscounted cash flows of the related asset over the remaining life compared to the asset’s book value. If an impairment exists, the asset is adjusted to fair value based on quoted market prices or another valuation technique, such as discounted cash flow analysis. If a long-lived asset is to be sold, the asset is reported at the lower of carrying amount or fair value less cost to sell, with fair value measured as discussed above.

Debt Issuance Costs Debt issuance costs are capitalized and amortized to interest expense using the effective interest method or a method that approximates the effective interest method over the term of the related debt instrument. The Company expenses debt issuance costs ratably in connection with any early debt retirements. In connection with the \$1.2 billion senior secured credit facility obtained on November 10, 2005, the Company capitalized \$5.1 million in new debt issuance costs and expensed \$1.9 million in debt issuance costs relating to the replaced senior secured credit facilities. For the years ended December 31, 2005 and 2004, the total previously deferred debt issuance costs expensed as a result of the early retirement of debt were \$2.1 million and \$0.9 million, respectively.

In February 2006, the Company redeemed all \$380.0 million outstanding principal amount of its senior subordinated notes. The redemption resulted in the expensing of \$5.8 million in debt issuance costs relating to the senior subordinated notes in 2006.

Excess of Purchase Price Over Fair Market Value of Net Assets Acquired In connection with the December 2000 acquisition of the Missouri properties, the Company recorded an excess of purchase price over fair market value of net assets acquired (“goodwill”). The Company accounts for goodwill in accordance with SFAS No. 142, “Goodwill and Other Intangible Assets.” Under SFAS No. 142, goodwill is not amortized. Instead, goodwill must be reviewed for impairment using a fair value assessment approach at least annually and more frequently if events or circumstances indicate a possible impairment. The Company completed a review of goodwill as of October 1, 2005, 2004 and 2003 and determined that no impairment existed as of those dates. The Company will continue to review goodwill annually as of October 1. See also “Note 9 – Excess of Purchase Price Over Fair Market Value of Net Assets Acquired.”

Derivative Instruments and Hedging Activities From time to time, the Company seeks to manage interest rate risk associated with variable rate borrowings through the use of derivative instruments designated as cash flow hedges. The Company accounts for these derivative instruments in accordance with SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities,” and SFAS No. 138, “Accounting for Certain Derivative Instruments and Hedging Activities – An Amendment of FASB Statement No. 133.” SFAS No. 133 requires that derivative financial instruments be recognized as assets or liabilities, with changes in fair value affecting net income or comprehensive income. See also “Note 5 Long-term debt.”

Revenue Recognition In accordance with industry practice, casino revenues consist of the net win from gaming activities, which is the difference between amounts wagered and amounts paid to winning patrons. Additionally, the Company recognizes revenue upon the occupancy of its hotel rooms, upon the delivery of food, beverage and other services, and upon performance for entertainment revenue. The retail value of hotel accommodations and food and beverage items provided to customers without charge is included in gross revenues and then deducted as promotional allowances to arrive at net revenues. Promotional allowances consist of the retail value of complimentary food and beverage, rooms, progress towards earning points for cash-based loyalty programs and targeted direct mail coin coupons.

The estimated departmental costs of providing complimentary food and beverage, rooms and other are included in casino operating expenses and consisted of the following:

Years ended December 31,	2005	2004	2003
AMOUNTS IN THOUSANDS			
Food and beverage	\$52,273	\$38,855	\$34,965
Rooms	5,405	3,856	3,754
Entertainment	4,871	4,993	4,306
Other	2,001	1,733	1,864
	\$64,550	\$49,437	\$44,889

Star Awards Program The Company’s customer reward program, Star Awards, allows customers to earn certain point-based cash rewards or complimentary goods and services based on the volume of the customers’ gaming activity. Customers can accumulate reward points over time that they may redeem at their discretion under the terms of the program. The reward credit balance is forfeited if a customer does not earn any reward credits over any subsequent 12-month period. As a result of the ability of the customer to bank the reward points, the Company accrues the expense of reward points, after giving effect to estimated forfeitures, as they are earned. At December 31, 2005 and 2004, \$3.6 million and \$3.2 million, respectively, were accrued. The value of these point-based cash rewards or complimentary goods and services are netted against revenue as a promotional allowance.

Cash Coupons The Company’s former, current and future gaming customers may be awarded, on a discretionary basis, cash coupons based, in part, on their play volume. The coupons are provided on a discretionary basis to induce future play, are redeemable within a short time period (generally seven days) and are redeemable only on a return visit. There is no ability to renew or extend the offer. The Company recognizes a reduction in revenue as a promotional allowance for these coupons when the coupons are redeemed.

Self-insurance Reserves The Company is insured for various levels of general liability, workers’ compensation and employee medical coverage. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accrued estimates of incurred but not reported claims. At December 31, 2005 and 2004, the Company’s estimated liabilities for unpaid and incurred but not reported claims totaled \$10.1 million and \$7.9 million, respectively. The Company utilizes actuaries who consider historical loss experience and certain unusual claims in estimating these liabilities, based upon statistical data provided by the independent third party administrators of the various programs. The Company believes the use of this method to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals; however, changes in health care costs, accident or illness frequency and severity and other factors can materially affect the estimates for these liabilities.

Advertising The Company expenses advertising costs the first time the advertising takes place. Advertising expense included in selling, general and administrative expenses was approximately \$24.9 million, \$21.3 million and \$21.6 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Business Development Expenses Business development expenses are general costs incurred in connection with identifying, evaluating and pursuing opportunities to expand into existing or new gaming jurisdictions. Such costs include, among others, professional service fees, travel-related costs, lobbyist fees and fees for applications filed with regulatory agencies, and are expensed as incurred. Any site acquisition and design costs are expensed when the Company determines a business development opportunity is no longer feasible. During the years ended December 31, 2005, 2004 and 2003, the Company recorded \$6.6 million, \$4.3 million and \$2.0 million, respectively, in business development expenses, which are included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

Income Taxes Income taxes are recorded in accordance with SFAS No. 109, “Accounting for Income Taxes.” SFAS No. 109 requires recognition of deferred income tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Stock Split On April 29, 2005, the Company’s Board of Directors declared a 2-for-1 split of the Company’s \$0.01 par value common stock, which was distributed at the close of business on June 20, 2005. As a result of the split, 27.9 million additional shares were issued. Stockholders’ equity has been restated to give retroactive recognition to the stock split for all periods presented by reclassifying the par value of the additional shares arising from the split from paid-in capital to common stock. All references in the financial statements and notes to number of shares and per share amounts reflect the stock split.

Earnings Per Share The Company calculates earnings per share in accordance with SFAS No. 128, “Earnings Per Share.” Basic earnings per share are computed by dividing reported earnings by the weighted average number of common shares

outstanding during the period. Diluted earnings per share reflect the additional dilution from all potentially dilutive securities such as stock options. For 2005, 2004 and 2003, all outstanding options with an exercise price lower than the market price have been included in the calculation of diluted earnings per share.

The weighted average number of shares of common stock and common stock equivalents used in the computation of basic and diluted earnings per share consisted of the following:

Years ended December 31,	2005	2004	2003
AMOUNTS IN THOUSANDS			
Weighted average number of shares outstanding – basic earnings per share	55,664	54,114	52,846
Dilutive effect of stock options	1,463	1,539	1,394
Weighted average number of shares outstanding – diluted earnings per share	57,127	55,653	54,240

For the years ended December 31, 2005, 2004 and 2003, the potentially dilutive stock options excluded from the earnings per share computation, as their effect would be anti-dilutive, totaled 0.1 million, 0.2 million and 1.2 million, respectively.

Accounting for Stock-Based Compensation As permitted by SFAS No. 123, “Accounting for Stock-Based Compensation,” the Company continued through 2005 to account for stock-based compensation plans in accordance with Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” (“APB No. 25”). Under APB No. 25, compensation expense is recognized on the date of grant only if the current market price of the underlying common stock at the date of grant exceeds the exercise price. The following pro forma financial information reflects the difference between stock compensation costs charged to operations under the APB No. 25 intrinsic value method and pro forma stock compensation costs that would have been recorded had the SFAS No. 123 fair value method been applied to all awards granted, modified or settled since December 31, 1995. The table also discloses the weighted-average assumptions used in estimating the fair value of each option grant on the date of grant using the Black-Scholes-Merton option pricing model and the estimated weighted-average fair value of the options granted. Option valuation models require the input of highly subjective assumptions, and changes in the assumptions used can materially affect the fair value estimate.

Years ended December 31,	2005	2004	2003
DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA			
NET INCOME:			
As reported	\$66,285	\$61,979	\$47,620
Deduct: compensation expense under fair value-based method (net of tax)	(6,945)	(4,650)	(3,383)
Pro forma	\$59,340	\$57,129	\$44,237

BASIC EARNINGS PER SHARE:			
As reported	\$ 1.19	\$ 1.15	\$ 0.90
Pro forma (net of tax)	\$ 1.07	\$ 1.06	\$ 0.84

DILUTED EARNINGS PER SHARE:			
As reported	\$ 1.16	\$ 1.11	\$ 0.88
Pro forma (net of tax)	\$ 1.04	\$ 1.03	\$ 0.82

WEIGHTED-AVERAGE ASSUMPTIONS:			
Expected stock price volatility	47%	48%	51%
Risk-free interest rate	4.3%	3.9%	3.7%
Expected option life (years)	5	6	6
Dividend yield	1.4%	1.5%	0.0%
Estimated fair value per share of options granted	\$ 3.81	\$ 3.24	\$ 2.65

Recently Issued Accounting Pronouncements

SFAS No. 123 (R): On December 16, 2004, the FASB issued SFAS No. 123(R), “Share-Based Payment,” which is a revision to SFAS No. 123. SFAS No. 123(R) supersedes APB No. 25 and amends SFAS No. 95, “Statement of Cash Flows.” Among other items, SFAS No. 123(R) requires the recognition of compensation expense in an amount equal to the fair value of share-based payments, including employee stock options and restricted stock, granted to employees.

The Company will adopt SFAS No. 123(R) on January 1, 2006 using the “modified prospective” method, in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS No. 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of SFAS No. 123 for all awards granted to employees prior to the effective date of SFAS No. 123(R) that remain unvested on the effective date.

The adoption of SFAS No. 123(R) will have an impact on the Company’s results of operations, but it will not have any impact on the Company’s overall financial position. Although the precise impact on the Company of the adoption of SFAS No. 123(R) cannot be predicted at this time because it will depend on various factors, including the number of awards granted and their related fair value at the date of grant, the Company currently estimates the adoption will result in a non-cash expense for 2006 of approximately \$9.1 million. Had the Company adopted SFAS No. 123(R) in prior periods, the impact of such accounting pronouncement would have approximated that which is described in the above pro forma table.

SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. The Company cannot estimate what those amounts will be in the future because they will depend on, among other things, when employees exercise stock options.

SFAS No. 154: In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections." SFAS No. 154 replaces APB Opinion No. 20, "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements." SFAS No. 154 requires that a voluntary change in accounting principle be applied retrospectively, with all prior period financial statements presented on the basis of the new accounting principle unless it is impracticable to do so. SFAS No. 154 also provides that a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate effected by a change in accounting principle and that correction of errors in previously issued financial statements should be termed a "restatement." SFAS No. 154 is effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005. The adoption of this statement may impact the Company's future results of operations, financial position or cash flows in an amount the Company cannot currently determine.

Reclassifications Certain reclassifications, having no effect on net income, have been made to the prior periods' consolidated financial statements to conform to the current period's presentation.

No. 3 Accrued Liabilities

Major classes of accrued liabilities consisted of the following as of December 31:

	2005	2004
AMOUNTS IN THOUSANDS		
Compensation and related benefits	\$26,402	\$21,186
Interest	18,496	15,489
Taxes other than state and federal income taxes	15,242	12,796
Players' Club rewards	8,605	8,232
Progressive slot machine and related accruals	6,252	5,195
Marketing and other accruals	8,892	8,005
	\$83,889	\$70,903

No. 4 Federal and State Income Taxes

The components of the income tax provision are as follows:

Years ended December 31,	2005	2004	2003
AMOUNTS IN THOUSANDS			
CURRENT:			
Federal	\$ 19,993	\$ 1,768	\$ 1,719
State	2,411	2,999	1,244
Total current	22,404	4,767	2,963
DEFERRED:			
Federal	14,296	33,288	23,801
State	715	(361)	-
Total deferred	15,011	32,927	23,801
Federal benefit applied to reduce goodwill	1,204	1,204	1,204
Total	\$38,619	\$38,898	\$27,968

The reconciliation of income tax at the federal statutory rate to income tax expense is as follows:

Years ended December 31,	2005	2004	2003
Federal statutory rate	35.0%	35.0%	35.0%
State income tax expense, net of federal benefit	1.9	1.7	1.6
Nondeductible political and lobbying costs	0.3	1.5	0.5
Other	(0.4)	0.4	(0.1)
	36.8%	38.6%	37.0%

Under SFAS No. 109, deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income tax liability consisted of the following:

December 31,	2005	2004
AMOUNTS IN THOUSANDS		
DEFERRED INCOME TAX ASSETS:		
Accrued expenses	\$ 7,313	\$ 7,169
Alternative minimum tax credit	-	3,596
Net operating loss carryforwards	20,546	42,057
General business credits	-	2,581
Other	-	13,826
Total deferred income tax assets	27,859	69,229
DEFERRED INCOME TAX LIABILITIES:		
Property and equipment	(107,382)	(101,292)
Goodwill amortization	(8,735)	(6,998)
Other	(515)	(34,708)
Total deferred income tax liabilities	(116,632)	(142,998)
Net deferred income tax liability	\$ (88,773)	\$ (73,769)

At December 31, 2005, the Company had available \$245.1 million of state net operating loss carryforwards relating to the Company's Missouri properties and may be applied against future taxable income. At December 31, 2005, the Company also had available \$27.1 million of federal net operating loss carryforwards and \$36.3 million of state net operating loss carryforwards, which were acquired as part of the Mountain High acquisition. These acquired net operating loss carryforwards are subject to IRS change of ownership limitations. Accordingly, the future utilization of the carryforwards is subject to an annual base limitation of \$5.1 million that can be applied against future taxable income. During the year ended December 31, 2005, the Company utilized a significant amount of its federal and state net operating loss carryforwards and began to make substantial cash payments for federal and state income taxes. For the years ended December 31, 2005 and 2004, the Company made federal and state income tax payments totaling \$15.0 million and \$3.4 million, respectively. The remaining unused federal and state net operating loss carryforwards will expire in 2019 through 2024. No valuation allowance has been provided against deferred income tax assets as the Company believes it is more likely than not that deferred income tax assets are fully realizable because of the future reversal of existing taxable temporary differences and future projected taxable income.

No. 5 Long-term Debt

Long-term debt consisted of the following:

December 31,	2005	2004
AMOUNTS IN THOUSANDS		
Senior credit facility term loans, secured by first priority security interest in substantially all real and personal property assets of ACI and its subsidiaries; at variable interest (5.9% and 4.4% at December 31, 2005 and 2004, respectively); principal due quarterly, through November 10, 2012	\$ 400,000	\$ 380,962
Senior subordinated notes, unsecured, 10.75% fixed interest, payable semi-annually, principal due February 2, 2009 (net of \$1,955 and \$2,581 discount at December 31, 2005 and 2004, respectively)	378,045	377,419
Other	2,358	7,920
	780,403	766,301
Less: Current maturities	(4,374)	(4,502)
	\$ 776,029	\$ 761,799

Maturities of the Company's borrowings for each of the next five years and thereafter as of December 31, 2005 are as follows:

Year	Maturities	
AMOUNTS IN THOUSANDS		
2006	\$	4,374
2007		4,315
2008		4,338
2009		382,407
2010		4,386
Thereafter		380,583
		\$ 780,403

Senior Credit Facilities On November 10, 2005, the Company obtained a \$1.2 billion senior secured credit facility (the "New Credit Facility"). The New Credit Facility provides for a seven-year \$400.0 million term loan facility, which the Company fully borrowed at closing, and a five-year \$800.0 million revolving loan facility, which was undrawn at closing. The revolving facility includes a \$75.0 million letter of credit sub-facility and a \$25.0 million swingline loan sub-facility. Upon the satisfaction of certain conditions, the Company will have the option to increase the total amount available under the New Credit Facility by up to an additional \$400.0 million, in the form of incremental term loans or additional borrowings under the revolving facility.

The New Credit Facility replaces the Company's prior senior secured credit facilities, which were dated as of December 20, 2000. On November 10, 2005, proceeds of the new term loan were used to repay all \$362.2 million principal amount of loans outstanding under the prior senior credit facilities and all commitments under the replaced senior credit facilities were terminated. The remaining proceeds of the new term loan and any future borrowings under the revolving loan facility may be utilized by the Company for general corporate and working capital purposes, including the redemption of the Company's 10.75% senior subordinated notes due 2009, as described below.

Also on November 10, 2005, each of the Company's subsidiaries (the "Guarantors") entered into a guaranty (the "Guaranty") pursuant to which the Guarantors guaranteed the Company's obligations under the New Credit Facility. The obligations of the Company under the New Credit Facility, and of the Guarantors under the Guaranty, are secured by substantially all of the assets of the Company and the Guarantors.

The borrowing under the new term loan bears interest at the London Interbank Offered Rate ("LIBOR") plus 150 basis points or the base rate plus 50 basis points, at the Company's option. Borrowings under the revolving loan facility will bear interest initially at LIBOR plus 100 basis points or the base rate plus 0 basis points. The LIBOR margin is subject to adjustment between 75 and 175 basis points and the base rate margin is subject to adjustment between 0 and 75 basis points, in each case depending on the Company's leverage ratio. The commitment fee on the revolving loan facility will range from 25 to 50 basis points, depending on the leverage ratio. In the case of LIBOR-based loans, the Company has the option of selecting a one-, two-, three- or six-month interest period. The Company also has the option to select a nine- or 12-month interest period if agreed to by all New Credit Facility lenders. Interest is payable at the earlier of three months from the borrowing date or upon expiration of the interest period selected.

At December 31, 2005, the senior credit facilities consisted of an \$800.0 million revolving loan facility with no outstanding balance and the new term loan with \$400.0 million outstanding. As of December 31, 2005, the amount of the revolving loan facility available for borrowing was \$794.6 million, after giving effect to \$5.4 million of outstanding letters of credit. All mandatory principal repayments have been made through December 31, 2005. Prior to the November 2005 refinancing of the senior credit facilities, the Company made prepayments on the replaced senior credit facilities in excess of the required quarterly principal repayments totaling \$26.0 million and \$65.0 million in 2005 and 2004, respectively.

The agreement governing the New Credit Facility requires the Company to comply with various affirmative and negative financial and other covenants, including restrictions on the incurrence of additional indebtedness, restrictions on dividend payments and other restrictions and requirements to maintain certain financial ratios and tests. As of December 31, 2005, the Company was required to maintain a senior debt ratio, defined as senior debt divided by EBITDA, of no more than 4.00:1, and a total debt ratio, defined as consolidated debt divided by EBITDA, of no more than 5.50:1. As of December 31, 2005 and 2004, the Company's senior debt ratio was 1.57:1 and 1.64:1, respectively. The total debt ratio as of December 31, 2005 and 2004 was 3.07:1 and 3.29:1, respectively. As of December 31, 2005, the Company was required to maintain a fixed charge coverage ratio (EBITDA divided by fixed charges, as defined) of at least 1.25:1. As of December 31, 2005 and 2004, the Company's fixed charge coverage ratio was 4.01:1 and 4.02:1, respectively.

The Company is permitted to make up to \$40.0 million in annual dividend payments under the terms of the New Credit Facility. For the years ended December 31, 2005 and 2004, the Company paid dividends of \$17.4 million and \$13.6 million, respectively.

The New Credit Facility also limits the Company's aggregate capital expenditures to \$1.0 billion during the period from November 10, 2005 to November 10, 2012. As of December 31, 2005, capital expenditures made during the term of the New Credit Facility totaled \$24.3 million.

Certain changes in control, as defined, could result in the acceleration of the obligations under the New Credit Facility.

Senior Subordinated Notes On February 2, 2001, the Company issued \$380.0 million in aggregate principal amount of 10.75% senior subordinated notes due 2009. The notes were issued at a discount, resulting in an effective yield of 11.0%. The notes are unsecured and rank junior to all of the Company's existing and future senior debt, including borrowings under the senior credit facilities.

On February 15, 2006, the Company redeemed all \$380.0 million outstanding principal amount of the senior subordinated notes at a redemption price of 105.375% of the principal amount, plus \$20.4 million in accrued and unpaid interest to the redemption date. The retirement of the notes resulted in a one-time charge for loss on early retirement of debt in the first quarter of 2006 of approximately \$26.2 million on a pre-tax basis.

Other Debt In connection with the Mountain High acquisition, the Company assumed debt relating to proceeds from a municipal bond issue by the Black Hawk Business Improvement District. The bonds are in the form of a \$975,000 issue bearing 6.0% interest that matured on December 1, 2005 and a \$2,025,000 issue

bearing 6.75% interest, which are due on December 1, 2011. These bonds are the obligations of the Black Hawk Business Improvement District and are payable from property tax assessments levied on Mountain High. The Black Hawk Business Improvement District has notified Mountain High that it will assess 20 semi-annual payments of \$211,083, which was calculated by amortizing the \$3,000,000 principal amount at 7% over 20 equal semi-annual payments. The difference in the interest rate used for the assessment and the interest rate on the bonds relates to estimated administrative costs of the Black Hawk Business Improvement District for the bond issue. The Company has accounted for the liability from this bond offering in accordance with the provisions of Emerging Issues Task Force ("EITF") Issue 91-10, "Accounting for Special Assessments and Tax Increment Financing Entities," and has recorded an obligation for the total tax assessment. The Company has capitalized the cost of the improvements involved. At December 31, 2005, the outstanding principal balance relating to the municipal bonds was \$2.0 million.

Interest Rate Swap Agreement The Company seeks to manage interest rate risk associated with variable rate borrowings through balancing fixed-rate and variable-rate borrowings and, where appropriate, the use of derivative instruments designated as cash flow hedges. Derivative financial instruments are recognized as assets or liabilities, with changes in fair value affecting net income or comprehensive income (loss).

In April 2001, the Company entered into an interest rate swap agreement to fix the interest rate on \$100.0 million of LIBOR-based borrowings under the senior credit facilities at 5.07% plus the applicable margin. The interest rate swap agreement was highly effective as a cash flow hedging instrument and, therefore, the value of the swap agreement (net of tax) was recorded as accumulated other comprehensive loss as part of stockholders' equity. On March 31, 2004, the swap agreement terminated, resulting in a reduction of both the swap liability and accumulated other comprehensive loss to \$0. The Company paid \$1.0 million of additional interest expense in 2004 as a result of the interest rate swap agreement.

Fair Value of Long-term Debt The estimated fair value of the Company's long-term debt at December 31, 2005 was approximately \$803.7 million, compared to its book value of \$780.4 million, based on the quoted market price of the senior subordinated notes. Primarily all other long-term debt carries variable interest rates. At December 31, 2004, the estimated fair value of the Company's long-term debt was approximately \$812.0 million, compared to its book value of \$766.3 million.

No. 6 Leases

Operating Leases The Company maintains operating leases for certain office facilities, vehicles, office equipment, signage and land. Rent expense under operating leases totaled \$3.5 million, \$2.5 million and \$2.7 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Future minimum lease payments required under operating leases for each of the five years subsequent to December 31, 2005 and thereafter are as follows:

Year	Payments
AMOUNTS IN THOUSANDS	
2006	\$ 3,753
2007	3,533
2008	1,043
2009	582
2010	448
Thereafter	1,010
	\$ 10,369

No. 7 Benefit Plans

401(k) Plan The Company maintains a defined contribution 401(k) plan, which covers all employees who meet certain age and length of service requirements. Plan participants can elect to defer before-tax compensation through payroll deductions. These deferrals are regulated under Section 401(k) of the Internal Revenue Code. The Company matches 50% of eligible participants' deferrals that do not exceed 4% of their pay (subject to limitations imposed by the Internal Revenue Code). The Company's matching contributions were \$1.9 million, \$1.6 million and \$1.4 million for the years ended December 31, 2005, 2004 and 2003, respectively. Neither the 401(k) plan nor any other Company benefit plan holds or invests in shares of the Company's common stock or derivative securities based on the Company's common stock.

Health Benefit Plan The Company maintains a qualified employee health benefit plan covering all employees who work an average of 32 hours or more per week on a regular basis. The plan, which is self-funded by the Company with respect to claims below a certain amount, requires contributions from eligible employees and their dependents. The Company's contribution expense for the plan was approximately \$29.9 million, \$21.4 million and \$19.7 million for the years ended December 31, 2005, 2004 and 2003, respectively. At December 31, 2005 and 2004, estimated liabilities for unpaid and incurred but not reported claims totaled \$5.4 million and \$4.5 million, respectively.

Deferred Compensation Plan On April 1, 2001, the Company adopted a deferred compensation plan for certain highly compensated employees. The Company matches, on a dollar-for-dollar basis, up to the first 5% of participants' annual salary and bonus deferrals in each participant's account. Matching contributions by the Company for the years ended December 31, 2005, 2004 and 2003 were \$0.3 million, \$0.7 million and \$0.5 million, respectively. The Company's obligation under the plan represents an unsecured promise to pay benefits in the future and in the event of bankruptcy of the Company, assets of the plan would be available to satisfy the claims of general creditors. To increase the security of the participants' deferred compensation plan benefits, the Company has established and funded a grantor trust (known as a "rabbi trust"). The rabbi trust is specifically designed so that assets are available to pay plan benefits to participants in the event that the Company is unwilling or unable to pay the plan benefits for any reason other than insolvency. As a result, the Company is prevented from withdrawing or accessing assets for corporate needs. Plan participants can choose to receive a return on their account balances equal to the return on various investment options. The Company currently invests plan assets in an equity-based life insurance product of which the rabbi trust is the owner and beneficiary.

As of December 31, 2005 and 2004, plan assets were \$15.9 million and \$11.6 million, respectively, and are reflected in other assets in the accompanying consolidated balance sheets. The liabilities due the participants were \$16.0 million and \$11.1 million as of December 31, 2005 and 2004, respectively. For the years ended December 31, 2005, 2004 and 2003, net deferred compensation expense was \$1.1 million, \$0.3 million and \$0.9 million, respectively.

Stock Incentive Plans The Company has various stock incentive plans for directors, officers, employees, consultants and advisers of the Company. The plans permit the grant of options to purchase common stock intended to qualify as incentive stock options or non-qualified stock options and also provide for the award of restricted stock. The maximum number of shares available for issuance under the plans is 14.0 million (net of options which terminate or are canceled without being exercised), subject to certain limitations. To date, the Company has not granted any awards of restricted stock. The Compensation Committee of the Board of Directors administers the plans and has broad discretion to establish the terms of stock option awards, including without limitation the power to set the term (up to 10 years), vesting schedule and exercise price of stock option awards.

Summary information for stock option grants under the Company's plans is as follows:

Years ended December 31,	2005		2004		2003	
	Options	Wtd. Avg. Ex. Price	Options	Wtd. Avg. Ex. Price	Options	Wtd. Avg. Ex. Price
Outstanding at beginning of year	5,676,048	\$12.05	5,659,704	\$ 7.13	5,615,760	\$ 5.86
Granted	1,560,470	23.20	1,948,000	19.87	1,200,680	10.21
Exercised	(1,075,648)	6.55	(1,539,672)	4.48	(728,972)	2.49
Canceled	(378,720)	13.87	(391,984)	9.48	(427,764)	6.62
Outstanding at end of year	5,782,150	\$15.96	5,676,048	\$12.05	5,659,704	\$ 7.13
Options exercisable at end of year	1,913,114	\$13.18	1,298,338	\$ 7.33	1,590,774	\$ 5.04
Options available for grant at end of year	2,939,158		1,120,908		2,658,804	

Following is a summary of the status of stock options outstanding at December 31, 2005:

Exercise Price Range	Outstanding Options			Exercisable Options	
	Number	Wtd. Avg. Remaining Life	Wtd. Avg. Ex. Price	Number	Wtd. Avg. Remaining Life
\$1.50 – \$2.36	292,788	4.7	\$ 2.26	251,926	2.25
\$2.75 – \$5.46	106,012	5.9	4.17	25,212	3.10
\$6.28 – \$7.84	836,068	6.8	6.94	353,372	6.93
\$8.55 – \$10.96	218,420	7.0	9.82	88,280	9.65
\$11.03 – \$13.58	1,051,020	7.0	12.45	451,908	12.63
\$13.72 – \$15.77	335,940	8.4	15.14	95,780	15.47
\$16.99 – \$17.03	104,776	8.2	17.00	5,080	17.01
\$20.63 – \$21.51	1,342,996	6.2	21.29	429,556	21.31
\$22.65 – \$22.87	1,366,730	7.0	22.87	212,000	22.87
\$26.11 – \$27.42	127,400	6.4	27.06	–	–
	5,782,150	6.7	\$15.96	1,913,114	\$13.18

No. 8 Acquisition of Mountain High Casino

On May 28, 2004, the Company signed an Asset Purchase Agreement ("Agreement") with Windsor Woodmont Black Hawk Resort Corp., a Colorado corporation ("Windsor Woodmont"), which was amended on August 3, 2004. On December 21, 2004, pursuant to the amended Agreement, the Company acquired Mountain High Casino in Black Hawk, Colorado and related assets from Windsor Woodmont for approximately \$117.0 million in cash and \$2.5 million of Company common stock (valued based on the average of the closing sale prices of the common stock for each of the 10 consecutive trading days ended December 20, 2004), plus the assumption of approximately \$2.3 million of outstanding debt, in a reorganization under Section 368(a)(1)(G) of the Internal Revenue Code. Additionally, the Company incurred \$0.3 million in acquisition costs that were included in the purchase price of Mountain High.

The Mountain High acquisition was treated as a purchase transaction. Accordingly, the purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. The final allocation of the purchase price was completed within one year from the date of acquisition and resulted in the following valuation of the assets acquired and liabilities assumed:

	December 21, 2004
AMOUNTS IN THOUSANDS	
Current assets, including \$3,670 of cash acquired	\$ 3,967
Property and equipment	110,756
Net deferred tax assets	9,683
Other asset	92
Total assets acquired	124,498
Current liabilities	2,073
Long-term debt	2,040
Total liabilities assumed	4,113
Net assets acquired	\$ 120,385

The purchase price was less than the fair values of the assets acquired and liabilities assumed by \$12.6 million, which was allocated pro rata to reduce the carrying value of non-current assets. Additionally, the Company acquired \$13.2 million of deferred tax assets, which were principally the result of net operating loss carryforwards recognized by Windsor Woodmont prior to December 21, 2004.

The pro forma consolidated results of operations, as if the acquisition of Mountain High Casino had occurred on January 1, 2003, are as follows:

Years ended December 31,	2004	2003
AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA		
Pro Forma		
Net revenues	\$ 911,020	\$ 833,498
Net income	\$ 61,396	\$ 42,548
Basic net income per common share	\$ 1.13	\$ 0.81
Diluted net income per common share	\$ 1.10	\$ 0.78

For the years ended December 31, 2004 and 2003, the pro forma consolidated results of operations exclude reorganization costs of \$1.1 million and \$8.7 million, respectively, incurred in connection with Windsor Woodmont's Chapter 11 bankruptcy reorganization. The pro forma consolidated results of operations are not necessarily indicative of what the actual consolidated results of operations of the Company would have been assuming the transaction had been completed as set forth above, nor do they purport to represent the Company's consolidated results of operations for future periods.

No. 9 Excess of Purchase Price Over Fair Market Value of Net Assets Acquired

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." The primary impact on the Company is that the excess of purchase price over fair market value of the net assets acquired in connection with the acquisition of the Missouri properties in December 2000 is no longer being amortized as of January 1, 2002. Instead, goodwill must be reviewed for impairment at least annually and more frequently if events or circumstances indicate a possible impairment. The Company completed a review of goodwill as of October 1, 2005, 2004 and 2003 and determined that no impairment existed as of those dates. The Company will continue to perform an annual review of goodwill impairment as of October 1 of each year and will review goodwill sooner if events or circumstances indicate a possible impairment. As of December 31, 2005 and 2004, the balance of goodwill was \$78.2 million and \$79.6 million, respectively. Goodwill will continue to be reduced through 2016 by annual tax benefits of \$1.2 million resulting from differences in the values assigned to certain purchased assets for financial reporting and tax purposes.

No. 10 Commitments and Contingencies

Litigation From time to time, the Company is a party to litigation, most of which arises in the ordinary course of business. The Company is not currently a party to any litigation that management believes would be likely to have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Self-Insurance Reserves The Company is self-insured for various levels of general liability, workers' compensation and employee medical coverage. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accrued estimates of incurred but not reported claims. At December 31, 2005 and 2004, the estimated liabilities for unpaid and incurred but not reported claims totaled \$10.1 million and \$7.9 million, respectively. The Company utilizes actuaries who consider historical loss experience and certain unusual claims in estimating these liabilities, based upon statistical data provided by the independent third party administrators of the various programs. The Company believes the use of this method to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals; however, changes in health care costs, accident or illness frequency and severity and other factors can materially affect the estimate for these liabilities.

Guarantees In December 2000, the Company assumed several agreements with the Missouri 210 Highway Transportation Development District ("Development District") that had been entered into in order to assist the Development District in the financing of a highway improvement project in the area around the Ameristar Kansas City property prior to the Company's purchase of that property. In order to pay for the highway improvement project, the Development District issued revenue bonds totaling \$9.0 million with scheduled maturities from 2006 through 2011.

The Company has provided an irrevocable standby letter of credit from a bank in support of obligations of the Development District for certain principal and interest on the revenue bonds. The amount outstanding under this letter of credit was \$4.4 million as of December 31, 2005 and may be subsequently reduced as principal and interest mature under the revenue bonds. Additionally, the Company is obligated to pay any shortfall in the event that amounts on deposit are insufficient to cover the obligations under the bonds, as well as any costs incurred by the Development District that are not payable from the taxed revenues used to satisfy the bondholders. Through December 31, 2005, the Company had paid \$0.9 million in shortfalls and other costs. As required by the agreements, the Company anticipates that it will be reimbursed for these shortfall payments by the Development District from future available cash flow, as defined, and has recorded a corresponding receivable as of December 31, 2005.

No. 11 Related Party Transactions

The Company engages Neilsen & Company, L.L.C., a company owned and controlled by Craig H. Neilsen, the Company's Chairman of the Board, President and Chief Executive Officer, to provide certain professional services, office space and other equipment and facilities. The Company also leases from Neilsen & Company two condominium units in Sun Valley, Idaho, which it makes available for use by management personnel and certain business associates with the objective of strengthening management morale and maintaining goodwill with important business contacts. For each of the three years ended December 31, 2005, the Company reimbursed Neilsen & Company for administrative and clerical support expenses reasonably incurred by Mr. Neilsen on Company business matters, including nursing care expense and additional costs incurred as a result of the use of his home for business purposes. Total payments to Neilsen & Company were \$0.5 million, \$0.4 million and \$0.3 million for the years ended December 31, 2005, 2004 and 2003, respectively.

STOCK INFORMATION

Ameristar's Common Stock is traded on the Nasdaq National Market under the symbol "ASCA." The price per share of common stock presented below represents the highest and lowest closing prices for the Company's Common Stock on the Nasdaq National Market during each quarter.

	High	Low
2005		
First Quarter	\$ 28.99	\$ 20.47
Second Quarter	29.13	23.83
Third Quarter	30.31	23.04
Fourth Quarter	24.97	18.12
2004		
First Quarter	\$ 17.27	\$ 12.02
Second Quarter	18.91	15.52
Third Quarter	17.05	11.94
Fourth Quarter	21.80	14.45

On June 20, 2005, the Company effected a 2-for-1 stock split. All share and per share information in this Report has been retroactively adjusted to reflect the stock split.

Stockholders and Dividends

As of March 1, 2006, there were approximately 143 holders of record of Ameristar's Common Stock.

In 2004, we paid four quarterly cash dividends of \$0.0625 per share on our Common Stock, for an annual total of \$0.25 per share. In 2005, we increased the quarterly cash dividend to \$0.078125 per share, for an annual total of \$0.3125 per share. On February 15, 2006, our Board of Directors increased the quarterly cash dividend to \$0.09375 per share, commencing with the dividend paid in the first quarter of 2006.

Our senior credit facilities obligate us to comply with certain covenants that place limitations on the payment of dividends. We are limited to paying no more than \$40.0 million annually for dividends under the agreement governing the senior credit facilities. For the years ended December 31, 2005 and 2004, we paid dividends totaling \$17.4 million and \$13.6 million, respectively. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and "Note 5 – Long-term debt" of Notes to Consolidated Financial Statements.

Independent Registered Public Accounting Firm

Ernst & Young LLP,
Las Vegas, Nevada

Transfer Agent U.S. Stock Transfer Corporation, 1745 Gardena Avenue, Suite 200, Glendale, California 91204.

Annual Meeting of Stockholders

June 9, 2006 at 2:00 P.M. PDT at Bellagio,
3600 South Las Vegas Boulevard, Las Vegas, Nevada 89109.

Board of Directors

Craig H. Neilsen, Chairman and Chief Executive Officer, Ameristar Casinos, Inc.
Thomas M. Steinbauer, Chief Financial Officer, Ameristar Casinos, Inc.
Larry A. Hodges, Managing Director, Corporate Revitalization Partners, LLC
Joseph E. Monaly, Retired; Former Audit Partner, Arthur Andersen LLP
Leslie Nathanson Juris, Ph.D., President, Nathanson/Juris Consulting
J. William Richardson, Chief Financial Officer, Interstate Hotels and Resorts, Inc.
Luther P. Cochrane, Chairman and CEO, BE&K Building Group, Inc.

Corporate Officers

Craig H. Neilsen, Chairman and Chief Executive Officer
Gordon R. Kanofsky, Executive Vice President
Thomas M. Steinbauer, Chief Financial Officer
Angela R. Frost, Senior Vice President of Operations
Peter C. Walsh, Senior Vice President and General Counsel

Form 10-K A copy of the Ameristar Casinos, Inc. Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, will be sent to any stockholder upon written request to the Company. Contact the Company's corporate controller at 3773 Howard Hughes Parkway, Suite 490 South, Las Vegas, Nevada 89169.