

CENTURY CASINOS INC /CO/  
Form DEF 14A  
April 30, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

**CENTURY CASINOS, INC.**

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(Name of Registrant as Specified In Its Charter)  
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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

2) Form, Schedule or Registration No.:

3) Filing Party:

4) Date Filed:

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April 30, 2007

Dear Securityholder:

We cordially invite you to attend the Annual Meeting of Securityholders of Century Casinos, Inc., which will be held at the Marriott Hotel, Prague 1, Czech Republic on Wednesday, June 20, 2007, at 16:00hrs Central European Time (8:00 a.m. Mountain Time, 10:00 a.m. Eastern Time).

At the meeting, you will be asked to vote on proposals to elect two directors and consider other business as may properly come before the meeting.

Enclosed is a notice of the Annual Meeting, the Proxy Statement and proxy card along with a copy of our Annual Report for the 2006 fiscal year.

We encourage you to read the enclosed Proxy Statement and vote promptly. If you attend the Annual Meeting, you may vote in person even if you previously voted by proxy. Thank you for your interest and support.

Sincerely,  
Erwin Haitzmann  
Chairman of the Board

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**CENTURY CASINOS, INC.**

**NOTICE OF ANNUAL MEETING OF SECURITYHOLDERS**

Notice is hereby given that the Annual Meeting of Securityholders of Century Casinos, Inc., a Delaware corporation, will be convened at the Marriott Hotel, Prague 1, Czech Republic on Wednesday, June 20, 2007, at 16:00 hrs Central European Time (8:00 a.m. Mountain Time, 10:00 a.m. Eastern Time), for the following purposes:

1. To elect two Class I directors to the Board of Directors; and
2. To transact such other business as may properly come before the meeting in accordance with the Company's bylaws or any adjournment thereof.

Securityholders are cordially invited to attend the meeting in person or by calling +1 800 637 0350 (U.S. TOLL FREE) or +1 641 297 7858 (INTERNATIONAL).

Securityholders of record owning shares of our common stock at the close of business on April 27, 2007, are entitled to vote at the meeting. A complete list of these securityholders will be available for ten days prior to the meeting at the office of our Corporate Secretary at 1263A Lake Plaza Drive, Colorado Springs, Colorado 80906.

If you attend, please note that you may be asked to present valid picture identification, such as a driver's license. Please also note that if you hold your shares in "street name" (that is, through a broker or other nominee) you will need to bring a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

Securityholders who cannot attend in person should vote by using the enclosed proxy. Please fill in, date, sign and return the enclosed proxy in the enclosed envelope so that your shares may be voted at the meeting. If you attend the meeting, you may revoke your proxy and vote in person. Your vote is important.

By order of the Board of Directors,

Larry Hannappel  
Senior Vice President and Corporate Secretary

Colorado Springs, Colorado  
April 30, 2007

**CENTURY CASINOS, INC.**  
**1263A Lake Plaza Drive**  
**Colorado Springs, CO 80906**

**PROXY STATEMENT**

**Annual Meeting of Securityholders**  
**To Be Held on June 20, 2007**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Century Casinos, Inc. to be used at the Annual Meeting of Securityholders to be held on Wednesday, June 20, 2007 at the Marriott Hotel, Prague 1, Czech Republic at 16:00 hrs Central European Time (8:00 a.m. Mountain Time and 10:00 a.m. Eastern Time), for the purposes set forth in the accompanying Notice of Annual Meeting of Securityholders. The enclosed material was mailed on or about May 7, 2007 to our securityholders of record as of April 27, 2007.

All properly executed proxies received at or prior to the Annual Meeting will be voted at the Annual Meeting. If a securityholder directs how a proxy is to be voted with respect to the business coming before the Annual Meeting, the proxy will be voted in accordance with the securityholder's directions. If a securityholder does not direct how a proxy is to be voted, it will be voted in favor of the election of the nominees to the Board of Directors named in this proxy statement. A proxy may be revoked at any time before it is exercised by giving written notice to our Secretary at the above address or by a subsequently executed proxy. Securityholders may vote their shares in person if they attend the Annual Meeting, even if they have executed and returned a proxy. Securityholders will not be able to vote their shares by phone at the meeting. If no instructions are indicated on the proxy, the shares will be voted in favor of the proposals presented in this proxy statement, and in the proxy holder's discretion for any other matters presented in accordance with our bylaws to be considered at the Annual Meeting.

The matters to be brought before the Annual Meeting are the election of two Class I directors of the Board of Directors and the transaction of such other business that has been brought forward in accordance with our bylaws.

Expenses in connection with the solicitation of proxies in regard to the proposals brought forward by us and included in this proxy statement will be paid by us.

Proxies are being solicited by mail, and, in addition, our directors, officers and regular employees (who will not receive any additional compensation) may solicit proxies personally, by telephone, by email, or by special correspondence. We will reimburse brokerage firms and others for their expenses in forwarding proxy materials to the beneficial owners of our common stock, including beneficial owners who hold our Austrian Depository Certificates, or ADCs.

**VOTING SECURITIES**

Only securityholders of record at the close of business on April 27, 2007, will be entitled to vote at the Annual Meeting. On that date, there were issued and outstanding 23,051,067 shares of our \$.01 par value common stock, our only class of voting securities. This number includes 3,975,257 shares of common stock represented by ADCs. Each share of common stock is entitled to one vote per share. Cumulative voting in the election of directors is not permitted.

A majority of the number of the outstanding shares of common stock, represented either in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Of the votes cast at the Annual Meeting, a vote of the holders of a majority of the common stock present, either in person or by proxy, and entitled to vote, is required to elect each director nominee. In accordance with Delaware law, a securityholder entitled to vote for the

election of directors can withhold authority to vote for nominees for director.

Abstentions are counted for purposes of determining a quorum to conduct business, but are ignored in vote tabulation, thereby increasing the number of votes necessary to approve any proposal. The inspectors of election will treat any shares held by brokers or nominees for which the broker or nominee has no discretionary power to vote on a particular matter and for which they have received no instructions from the beneficial owners or persons entitled to vote (“broker non-votes”) as shares that are present for purposes of determining the

presence of a quorum. However, for purposes of determining the outcome of any matters as to which the broker has indicated on the proxy that it does not have discretionary authority to vote, those shares will be treated as not entitled to vote with respect to that matter (even though those shares may be entitled to vote on other matters).

All shares of common stock, including shares underlying the ADCs, will vote as a single class. Neither our Certificate of Incorporation nor our Bylaws provide for cumulative voting rights.

## **SECURITYHOLDER PROPOSALS**

If you are a securityholder who wishes to present a proposal for inclusion in the proxy statement and form of proxy for consideration at our 2008 Annual Meeting of Securityholders, you must submit your proposals to the attention of our Secretary at our executive office located in Colorado Springs, Colorado so that the proposal is received by us no later than January 7, 2008. In order for a securityholder proposal to be properly considered at the 2008 Annual Meeting, our Secretary must have received notice of the proposal no sooner than December 20, 2007 and no later than February 20, 2008. Proposals received by us after February 20, 2008 will be deemed untimely and will not be considered at the 2008 Annual Meeting.

## **SECURITYHOLDER COMMUNICATIONS**

Securityholders or other interested parties may communicate with our Board of Directors, any individual director, or members of any board committee. Securityholders should send any communications to [investor@cnty.com](mailto:investor@cnty.com), and identify the intended recipient or recipients. All communications addressed to the Board of Directors or any identified director or directors will be forwarded to the identified person or persons.

In order to nominate candidates for election to our Board, nominations must be timely received from a securityholder of record at our executive office located in Colorado Springs, Colorado as described above under "Securityholder Proposals", and must set forth the name, age, business address and residence address of each nominee, the nominees' principal occupations or employment, the number of shares of our common stock owned by each nominee, and information required to be disclosed regarding each nominee by applicable laws. The nomination must also state the name and address of the securityholder making such nominations, and the number of shares of our common stock owned by such person.

## **PROPOSAL 1**

### **ELECTION OF DIRECTORS**

Our Board is divided into three classes of directors as nearly equal in number as possible. Each director who is elected at an Annual Meeting will be elected for a three-year term expiring at the third Annual Meeting of Securityholders after such director's election. Accordingly, directors of one class only are elected at each year's Annual Meeting of Securityholders. If elected, all nominees are expected to serve until the expiration of their respective terms and until their successors are duly elected and qualified. Presently, the Board consists of five directors comprising the following: (i) two Class I directors, Mr. Eichberg and Dr. Corbaci, who are standing for re-election at the 2007 annual meeting; (ii) one Class II director, Mr. Hoetzing, whose term will expire at the 2008 Annual Meeting; and (iii) two Class III directors, Dr. Haitzmann and Mr. Schellmann, whose terms will expire at the 2009 Annual Meeting.

At the 2007 Annual Meeting, two Class I directors will be elected. The proxies named on the enclosed proxy card intend to vote for the election of the nominees for Class I directors, Robert S. Eichberg and Dinah Corbaci. Both Mr. Eichberg and Ms. Corbaci were nominated by our Board of Directors. Proxies cannot be voted for a greater number of directors than the number nominated.

Robert S. Eichberg, a nominee for Class I director, is presently a member of the Board of Directors, having served continuously as a director since January 1997. He has indicated a willingness to serve; however, in the event he should become unable to serve as a director, the proxy will be voted in accordance with the best judgment of the persons acting under the proxy.

Dinah Corbaci, a nominee for Class I director, is presently a member of the Board of Directors, having served continuously as a director since April 2000. She has indicated a willingness to serve; however, in the event she should become unable to serve as a director, the proxy will be voted in accordance with the best judgment of the persons acting under the proxy.

The information concerning Mr. Eichberg and Dr. Corbaci, the nominees for the Class I directors, is set forth below under "Information Concerning Directors and Executive Officers."

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ABOVE NOMINEES.**



**INFORMATION CONCERNING DIRECTORS AND EXECUTIVE OFFICERS**

Information regarding our Board of Directors and executive officers as of April 27, 2007 is as follows:

<b>Name</b>	<b>Age</b>	<b>Position Held</b>	<b>Officer or Director Since</b>
Erwin Haitzmann	53	Chairman of the Board & Co Chief Executive Officer	March 1994
Peter Hoetzing	44	Vice Chairman of the Board, Co Chief Executive Officer & President	March 1994
Robert S. Eichberg	61	Director	January 1997
Gottfried Schellmann	53	Director	January 1997
Dinah Corbaci	52	Director	April 2000
Larry Hannappel	54	Senior Vice President, Secretary & Treasurer	October 1999
Ray Sienko	49	Chief Accounting Officer	March 2005

**Erwin Haitzmann** holds a Doctorate and a Masters degree in Social and Economic Sciences from the University of Linz, Austria (1980), and has over 30 years of casino gaming experience ranging from dealer through various casino management positions. Dr. Haitzmann has been employed full-time by us since May 1993.

**Peter Hoetzing** received a Masters degree from the University of Linz, Austria, in 1986. He thereafter was employed in several managerial positions in the gaming industry with Austrian casino companies. Mr. Hoetzing has been employed full-time by us since May 1993.

**Robert S. Eichberg** graduated from Bradley University in 1968 with a B.S. Degree in Accounting and is a Certified Public Accountant. He was employed by the public accounting firm of Deloitte & Touche, LLP from 1974 to 1994, ending his tenure there as Tax Partner. From 1994 to 1996, he served as Tax Partner for the public accounting firm Price Bednar LLP, before joining the public accounting firm of Causey, Demgen & Moore, Inc. in September 1996, where he has been employed since, as shareholder and President.

**Gottfried Schellmann** graduated from University of Vienna with a law degree and is a certified tax advisor in Austria. After having worked for several firms, including KPMG Germany as tax and accounting manager, he formed Schellmann & Partner in 1993, where he has been employed since, which specializes in tax and accounting work for provinces and municipalities in Austria. He is a member of the International Bar Association. He is also one of the main co-authors, together with certain officers of the Austrian Ministry of Finance, of the Austrian corporate tax code.

**Dinah Corbaci** holds a Doctorate degree in Law from the University of Salzburg, Austria (1981). One year practice on the Austrian Court in Salzburg was followed by working for the Austrian Association of Realtors in Vienna. In 1984 she joined IBM Austria, where she is responsible as Account Manager for large government customers, with special focus on e-business for large IBM mainframe hardware and e-government solutions. During her term of employment at IBM, she has served as eServer Manager where she is responsible for all Austrian governmental customers concerning their strategic hardware development compliance for governmental and legal requirements.

**Larry Hannappel** graduated from National College, Rapid City, South Dakota (1976) with a B.S. Degree in Accounting, and passed the CPA exam in 1980. From 1976 to 1979, he was employed by the public accounting firm of Hamma & Nelson. From 1979 to 1994, he served in various financial management capacities in manufacturing and gaming. Mr. Hannappel has been employed full-time by us since May 1994. He became Chief Accounting Officer in October 1999, was appointed as Secretary in March 2000, as Treasurer in June 2001 and as Senior Vice President in March 2005.

**Ray Sienko** graduated from St. Joseph's University in Philadelphia, Pennsylvania (1979) with a B.S. Degree in Accounting, and passed the CPA exam in 1979. From 1979 to 1981, he was employed by the public accounting firm of Samuel M. Fischer & Co., CPAs. From 1981 to 1985, he was employed by Amerigas, Inc. From 1985 to 2000, he was employed as the Controller for Bayard Sales Corp. Mr. Sienko has been employed by us since June 2000 as Controller. He was appointed Chief Accounting Officer in March 2005.

There are no family relationships between or among our executive officers and directors.

We have adopted a Code of Ethics that applies to all directors, officers and employees, including the Co Chief Executive Officers, the Senior Vice President and the Chief Accounting Officer. A complete text of this Code of Ethics is available on our web site (<http://www.cnty.com>). Any future amendments to or waivers of the Code of Ethics will be posted to the Investor Relations-Corporate section of our website.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of April 27, 2007, concerning common stock ownership by (i) beneficial owners of more than five percent (5%) of our outstanding common stock that have publicly disclosed their ownership, (ii) each named executive officer and each member of our Board, and (iii) all of our officers and directors as a group. We have no knowledge of any arrangement that would at a subsequent date result in a change in control of our company.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of beneficial Ownership	Percent of Class
Common Stock, \$.01 par value	Erwin Haitzmann c/o Century Casinos, Inc. 1263A Lake Plaza Dr. Colorado Springs, CO 80906	1,376,863 (a)	5.9%
Common Stock, \$.01 par value	Peter Hoetzing c/o Century Casinos, Inc. 1263A Lake Plaza Dr. Colorado Springs, CO 80906	1,169,863 (b)	5.0%
Common Stock, \$.01 par value	Robert S. Eichberg 1801 California St. Ste. 4650 Denver, CO 80202	67,000 (c)	*
Common Stock, \$.01 par value	Gottfried Schellmann Riemerschmidg 30 2340 Maria Enzersdorf, Austria/Europe	87,200 (d)	*
Common Stock, \$.01 par value	Dinah Corbaci Blechturm-gasse 28/31	37,000	*

1040 Vienna Austria/ Europe		
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Common Stock, \$.01 par value	Larry Hannappel c/o Century Casinos, Inc. 1263A Lake Plaza Dr. Colorado Springs, CO 80906	59,000 (e)	*
Common Stock, \$.01 par value	Ray Sienko c/o Century Casinos, Inc. 1263A Lake Plaza Drive Colorado Springs, CO 80906	13,000 (f)	*
Common Stock, \$.01 par value	Christian Gernert c/o Codego Burggasse 51/5/160 1070 Wien Austria/Europe	17,500 (g)	*
Common Stock, \$.01 par value	All Executive Officers and Directors as a Group (seven persons)	2,809,926 (h)	11.8%
Common Stock, \$.01 par value	Cortina Asset Management, LLC 330 East Kilborn Avenue Suite 850 Milwaukee, WI 53202	2,087,411 (i)	9.1%
Common Stock, \$.01 par value	Thomas Graf Liechtensteinstrasse 54 A-2344 Maria Enzersdorf Austria/Europe	2,000,000 (j)	8.7%
Common Stock, \$.01 par value	Janus Capital Management LLC 151 Detroit Street Denver, CO 80206	1,780,753 (k)	7.7%
Common Stock, \$.01 par value	William Blair & Company, L.L.C. 222 W. Adams Chicago, IL 60606	1,744,799 (l)	7.6%
Common Stock, \$.01 par value	RS Investment Management Co. LLC 388 Market Street, Suite 1700 San Francisco, CA 94111	1,216,898 (m)	5.3%

(a) Includes non-statutory options to purchase 376,863 shares, indirectly owned and held by The Haitzmann Family Foundation.

(b) Includes non-statutory options to purchase 376,863 shares, indirectly owned and held by The Hoetzing Family Foundation.

(c) Includes an option to purchase 12,000 shares.

(d) Includes an option to purchase 6,000 shares.

(e) Includes an option to purchase 16,500 shares.

(f) Includes options to purchase 13,000 shares.

(g) Includes an option to purchase 2,500 shares.

(h) Excludes securities held by Christian Gernert, our former Chief Operating Officer, who resigned on March 31, 2007.

- (i) As reported on Schedule 13G filed with the Securities and Exchange Commission on February 15, 2007.
  - (j) As reported by our transfer agent on March 31, 2007.
  - (k) As reported on Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2007.
  - (l) As reported on Schedule 13G/A filed with the Securities and Exchange Commission on January 17, 2007.
  - (m) As reported on Schedule 13G filed with the Securities and Exchange Commission on February 9, 2007.
- \* Less than 1%.

## **CERTAIN INFORMATION REGARDING THE BOARD OF DIRECTORS**

The Board of Directors held two meetings during 2006 and on several occasions executed unanimous written consents in lieu of meetings, in accordance with Delaware law. Each director attended at least 75% of the meetings of the Board of Directors, and of each committee on which he or she sits. A majority of our directors are independent directors. Our Board of Directors determines whether a director is independent through a broad consideration of facts and circumstances, including an assessment of the materiality of any relation between us and a director not merely from the director's standpoint, but also that of persons or organizations with which the director has an affiliation. In making this determination, the Board of Directors adheres to the standards of the National Association of Security Dealers. Using these standards, we have determined that Robert S. Eichberg, Gottfried Schellmann and Dinah Corbaci qualify as independent directors.

Our policy regarding attendance by members of the Board of Directors at our annual meeting of securityholders is to encourage directors to attend, either in person or by teleconference, subject to their availability during that time. In 2006, three members of the board attended the annual meeting.

We have an Audit Committee of the Board of Directors, which is comprised of Robert S. Eichberg (Chairman), Gottfried Schellmann and Dinah Corbaci and which is governed by an Amended and Restated Charter and Powers of the Audit Committee, a current copy of which can be found at [www.cnty.com](http://www.cnty.com). The Audit Committee selects and appoints our independent auditors, reviews the performance of the independent auditors, and approves independent auditor's fees. The Audit Committee also reviews the independence of such accountants, our annual and quarterly financial statements and our system of internal controls. During 2006, the Audit Committee held four meetings.

The Board of Directors and the Audit Committee believe that the Audit Committee's current composition satisfies the applicable rules and pronouncements of the National Association of Securities Dealers, Inc. and the Securities and Exchange Commission that govern audit committee selection, experience, and composition, including the requirement that audit committee members all be "independent directors" as that term is defined by such rules. The Board of Directors has also determined that Robert S. Eichberg is an "audit committee financial expert" as defined in applicable rules of the Securities and Exchange Commission.

The Compensation Committee of the Board of Directors is comprised of Dinah Corbaci and Gottfried Schellmann. The Compensation Committee sets the compensation to be paid to each of our executive officers on an annual basis and periodically sets compensation for our non-employee directors. The Compensation Committee operates pursuant to a written charter that was adopted by the Board, a current copy of which can be found at [www.cnty.com](http://www.cnty.com).

The Compensation Committee has responsibility to: (i) develop guidelines and review the compensation and performance of our executive officers, review and approve corporate goals relevant to the compensation of our executive officers in light of our goals and objectives, set the Co Chief Executive Officers' and other executive officers' compensation based on this evaluation; (ii) make recommendations to the Incentive Plan Committee with respect to incentive-compensation plans and equity-based plans; (iii) develop plans for management succession; (iv) review major organizational and staffing matters; (v) review director compensation levels and practices, and recommend, from time to time changes in such compensation levels and practices to the Board; (vi) annually review and reassess the adequacy of the Compensation Committee's charter and recommend any proposed changes to the Board for

approval; (vii) annually review the Compensation Committee's own performance; and (viii) perform any other activities consistent with the Compensation Committee's charter, our Bylaws and applicable laws, rules and regulations the Compensation Committee or the Board of Directors deem appropriate.

Our Co Chief Executive Officers annually review the performance of our senior executives and, based on these reviews, recommends compensation levels for all senior executives. The Compensation Committee also continues to rely on an independent compensation study prepared by HVS Executive Search, a firm that specializes in the gaming and hospitality industry, dated October 29, 2004, analyzing the compensation packages of other small and mid cap US casino and gaming companies, in the determination of executive compensation. The Compensation Committee has the discretion to modify the recommendations and make the final decisions regarding material compensation to senior executives, including base pay, incentive pay (bonus) and equity awards.

In fulfilling its responsibilities, the Compensation Committee may delegate any of its responsibilities to one or more subcommittees or to one of its members as the Compensation Committee may deem appropriate in its sole discretion, to the extent permitted by law, NASDAQ rules and other rules and regulations. During 2006, the Compensation Committee held one meeting.

The Incentive Plan Committee of the Board of Directors is comprised of Gottfried Schellmann and Dinah Corbaci. The Incentive Plan Committee authorizes and approves the issuance of options in accordance with the 2005 Equity Incentive Plan, reviews and makes changes to our employee benefit plans, including the amount of our contributions, if any, and otherwise advises on equity compensation matters within the Committee's expertise. During 2006, the Incentive Plan Committee did not meet.

We have no standing nominating committee. All of the directors participate in the consideration of director nominees, but our nominations must be approved by a majority of the independent directors in order to be presented to the securityholders. The board does not have an express policy with regard to the consideration of any director candidates recommended by securityholders, because Delaware law permits any securityholder to nominate director candidates, and the board believes it can adequately evaluate any such nominees on a case by case basis. The board will consider director candidates proposed in accordance with the procedures set forth under "Securityholder Communications" above, and will evaluate securityholder-recommended candidates under the same criteria as internally generated candidates.

The general criteria the Board uses to select nominees are:

- Such individual's reputation for integrity, honesty and adherence to high ethical standards;
  - Demonstrated business acumen;
- Experience and ability to exercise sound judgments in matters that relate to our current and long-term objectives;
  - Willingness and ability to contribute positively to our decision making process;
- Commitment to understand us and our industry and to regularly attend and participate in meetings of the Board and its committees;
  - Interest and ability to understand the sometimes conflicting interests of our various constituencies, which include securityholders, employees, customers, governmental units, creditors, and the general public;
    - Ability to act in the interest of all stakeholders;
- Shall not have, or appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all our securityholders and to fulfill the responsibilities of a director; and
  - Understanding the complexity of diverse international business structures.

It is the Board of Directors' view, considering our size and the composition of the Board of Directors, which is comprised of five directors, three of whom are independent, that the Board of Directors can select nominees to the Board meeting these criteria without a separate nominating committee.

## **DIRECTOR COMPENSATION**

Directors who are not our employees nor employees of any of our subsidiaries earn \$1,000 for each board meeting attended and per gaming application completed. Directors are reimbursed for expenses reasonably incurred in connection with their service on the Board.

In addition, Mr. Eichberg receives \$10,000 per year for his work as Chairman of the Audit Committee. Dr. Corbaci and Mr. Schellmann each receive \$3,000 per year for their work as members of the Audit Committee, the Compensation Committee and the Incentive Plan Committee.



Pursuant to our 2005 Equity Incentive Plan, directors are eligible for grants of equity awards. No equity awards were granted to our directors during 2006.

The following table sets forth the compensation provided by us to non-management directors during 2006:

Name	Fees Earned or Paid in Cash (\$ (1))	Option Awards (\$ (2))	Total (\$)
Robert S. Eichberg	16,000	3,667	19,667
Gottfried Schellmann	10,000	3,667	13,667
Dinah Corbaci	10,000	3,667	13,667

(1) Includes cash payments made to all non-employee Directors for participation in various meetings.

(2) The value of stock option awards was determined as required by Statement of Financial Accounting Standard No. 123 (revised 2004), "Share-Based Payment" (SFAS 123(R)). See Century Casinos, Inc., Annual Report of Form 10-K for the year ended December 31, 2006, Note 9 for details on assumptions used in the valuation of the awards. Outstanding stock awards at December 31, 2006 for each non-employee director are as follows: Mr. Eichberg: 30,000 option awards; Mr. Schellmann: 14,000 option awards; and Dr. Corbaci: 20,000 option awards.

*Notwithstanding anything to the contrary set forth in any of our filings under the Securities Act or the Exchange Act, the following report of the Audit Committee shall not be incorporated by reference into any such filings and shall not otherwise be deemed filed under such acts.*

**REPORT OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

The Audit Committee has reviewed and discussed with the Company's management the audited consolidated financial statements of the Company for the year ended December 31, 2006. The Committee discussed with Grant Thornton LLP, the Company's independent auditors, the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended by Statement on Auditing Standards No. 90 (Audit Committee Communications), which included a discussion of the quality and adequacy of the Company's internal controls.

The Committee has received the written disclosures and the letter from Grant Thornton LLP, required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and has discussed with Grant Thornton LLP, its independence.

Based upon the review and discussions noted above, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, which was filed with the Securities and Exchange Commission on March 16, 2007.

Audit Committee:

Robert S. Eichberg, Chairman  
Gottfried Schellmann  
Dinah Corbaci

**INDEPENDENT ACCOUNTANTS**

Grant Thornton LLP was our independent public accounting firm for the fiscal year ended December 31, 2006. The Audit Committee has selected Grant Thornton LLP to be our independent accountants for the fiscal year ending December 31, 2007. A representative of Grant Thornton LLP is expected to be present at the Annual Meeting either in person or via telephone to respond to appropriate questions, and will have an opportunity to make a statement if the representative desires to do so.

**PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The following table sets forth the aggregate fees billed to us for the years ended December 31, 2006 and 2005, by Grant Thornton LLP:

Fee Category	Year Ended December 31,	
	2006	2005
Audit Fees (1)	\$684,734	\$665,551
Audit Related Fees	-	-
Tax Fees (2)	88,709	78,500
All Other Fees	-	-
Total	\$773,443	\$744,051

(1) Audit fees consist of fees incurred for professional services rendered for the audit of our consolidated financial statements included in our Annual Report on Form 10-K, attestation work required by Section 404 of the Sarbanes-Oxley Act of 2002 in order to issue an opinion on management's assessment of the effectiveness of internal controls over financial reporting, reviews of the interim consolidated financial statements included in quarterly reports on Form 10-Q and consents for filings with the SEC.

(2) Tax fees consist of aggregate fees billed for professional services for tax compliance, tax advice, and tax planning. In 2005, this category includes fees paid to Grant Thornton LLP relating to the audit of our 2003 US tax return by the United States Internal Revenue Service.

The amounts shown above include payment of out-of-pocket expenses incurred by Grant Thornton LLP. Fees of \$352,551 had been billed through December 31, 2006, and the remaining \$420,892 was billed subsequent to December 31, 2006.

The Audit Committee of the Board of Directors concluded Grant Thornton LLP's provision of the services generating all other fees is compatible with maintaining Grant Thornton LLP's independence.

The Audit Committee approves in advance any and all audit services, including audit engagement fees and terms, and non-audit services provided to us by our independent auditors (subject to the de minimis exception for non-audit services contained in Section 10A (i)(1)(B) of the Exchange Act), all as required by applicable law or listing standards.

The independent auditors and our management are required to periodically report to the Audit Committee the extent of services provided by the independent auditors and the fees associated with these services.

On January 27, 2005, we appointed Grant Thornton LLP as the principal independent accountant for our subsidiary Century Casinos Africa (Proprietary) Limited ("Century Africa"), replacing PricewaterhouseCoopers Inc., which was the previous auditor for Century Africa. Grant Thornton LLP, which continues to be our principal independent

accountant, relied in past years on the reports of PricewaterhouseCoopers Inc. regarding Century Casinos Africa, a significant subsidiary of ours. PricewaterhouseCoopers Inc. was dismissed on January 27, 2005. The decision to change accountants was approved by the Audit Committee of our Board of Directors and by the Board of Directors.

The report of PricewaterhouseCoopers Inc. on the financial statements for the fiscal year ended December 31, 2003 contained no adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles. In addition, we did not discuss the application of accounting principles to a specified transaction nor the type of audit opinion that might be rendered on our financial statements with Grant Thornton LLP.

During our fiscal year ended December 31, 2003, and through January 27, 2005, there were no disagreements with PricewaterhouseCoopers Inc. on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of PricewaterhouseCoopers Inc., would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report on the financial statements for such year.

In connection with reporting the dismissal of PricewaterhouseCoopers Inc. on a Current Report on Form 8-K filed with the SEC on February 2, 2005, we requested that PricewaterhouseCoopers Inc. furnish us with a letter addressed to the SEC stating whether or not PricewaterhouseCoopers Inc. agreed with the statements made in the Form 8-K. A copy of such letter, dated February 2, 2005, was filed as an Exhibit to the Form 8-K.

*The following Report of the Compensation Committee is not deemed to be “soliciting material” and should not be deemed “filed” with the SEC or subject to the SEC’s proxy rules or to the liabilities of Section 18 of the Exchange Act. This report shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.*

## **REPORT OF THE COMPENSATION COMMITTEE**

The Compensation Committee has discussed and reviewed the Compensation Discussion and Analysis with management. Based upon this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee:

Dinah Corbaci  
Gottfried Schellmann

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Overview of Compensation Goals and Objectives**

In order to better align the long-term interests of our executives with our securityholders and to attract and retain highly qualified executives, our compensation programs have been designed to provide competitive levels of compensation that integrate pay with our performance, with an emphasis on recognizing individual initiative and achievements.

We base our compensation primarily on performance, with a large portion of potential compensation dependent upon our successful performance. The Committee believes that our senior executives should be motivated to deliver financial results to our securityholders, to ensure that our customers receive excellent service at our properties, facilitate the development of new gaming opportunities and to keep a sound financing structure for our company.

### **Compensation Program Design**

The executive compensation program is designed with our executive compensation objectives in mind and is comprised of fixed and variable pay plans, cash and non-cash plans, and short and long-term payment structures in order to recognize and reward executives for their contributions to us today and in the future.

Our current short-term executive compensation structure consists of base salary and annual incentive compensation in the form of cash bonuses. Our long-term executive compensation consists of equity awards issued under the 2005 Equity Incentive Plan and life insurance plans.

We continually assess and evaluate the internal and external competitiveness for all components of the executive compensation program. Internally, we look at critical and key positions that are directly linked to our profitability and viability. We ensure that the appropriate hierarchy of jobs is in place with appropriate ratios of Chief Executive Officer compensation to other senior executive compensation. Internal equity is based on qualitative job evaluation methods, span of control, required skills and abilities and long-term growth opportunities. Externally, benchmarks are used to provide guidance and to ensure that our ability to attract, retain and recruit talented senior executives is intact. Due to the highly competitive nature of the gaming industry, it is important for our pay plans to provide us the ability to internally develop executive talent, as well as recruit highly qualified senior executives.

### **Roles in Establishing Compensation**

*Internal Resources*

When determining the pay levels for our Co Chief Executive Officers and our other senior executives, the Committee solicits advice from internal as well as external resources. Internal company resources may include, and are not limited to, our Co Chief Executive Officers, Principal Financial Officer, Chief Accounting Officer and Director of Human Resources.

Our Co Chief Executive Officers annually review the performance of our senior executives and, based on these reviews, recommends to the Committee compensation for all senior executives. The Committee, however, has the discretion to modify the recommendations and make the final decisions regarding material compensation to senior executives, including base pay, incentive pay (bonus) and equity awards.

#### *External Resources*

The Committee relies on independent compensation studies for the determination of competitive compensation. A compensation review, prepared by HVS Executive Search, a firm that specializes in the gaming and hospitality industry, dated October 29, 2004, analyzing the compensation packages of other small and mid cap US casino and gaming companies, was utilized to assist in the determination of executive compensation. We continue to rely on this review for our compensation policies.

### **Elements of Compensation**

#### **Base Salary**

Base salary levels for our executive officers are generally set significantly below, slightly below or at the market level in relation to the salary levels of executive officers in other companies within the gaming industry. The Committee also took into consideration the compensation information of CEOs of 47 gaming industry companies, published in a November 2006 trade publication. The Committee takes into consideration a variety of factors in determining salaries for executive officers, including:

- The nature and responsibility of the position;
- The experience and contribution of the individual executive;
- Comparative salaries for persons in similar positions at comparable companies;
- The meeting or exceeding of objectives during a particular period (merit);
- Additional duties, responsibilities or organizational change; and
- Retention

For each individual executive, in reviewing salaries, the Committee also takes into account individual experience, performance and personal commitment. The Committee believes that the base salaries of the Co Chief Executive Officers, which includes amounts paid to Erwin Hartzmann's and Peter Hoetzing's respective management companies (see "Executive Employment Agreements"), have been set significantly below the market level. The salaries of our other named executive officers were set at or slightly below the market level.

For 2006, the Committee took into account the contribution and scope of responsibility of each executive and approved base salary increases of approximately \$143,000 for Dr. Hartzmann and Mr. Hoetzing to reflect their increased responsibilities towards new casino properties opened in 2006. The Committee is required to review Mr. Hannappel's and Mr. Sienko's salaries on an annual basis. In lieu of a salary increase for 2006, the Committee chose to award each of Mr. Hannappel and Mr. Sienko with an additional discretionary bonus.

#### **Annual Incentive Compensation**

In establishing the salary levels against the range of comparable companies, the Committee considers salaries and bonuses in determining the competitiveness of the total compensation package. The Committee annually reviews and approves all bonus payments made to our executive officers. Payment of bonuses is determined by both corporate and individual performance criteria, such as growth in fundamental company values, market share, markets served, international diversification, risk spread, stock price development, revenues, adjusted EBITDA (earnings before interest, taxes, depreciation, amortization and minority interest), net earnings, operating margins, positioning of the



company for future growth, comparison to companies in the gaming and entertainment industry that operate world-wide, other measurements and performance criteria as the compensation committee deems applicable and appropriate, such as the increased international exposure due to the increase in our international operations (travel, risks, health, etc.).

Incentive awards are made subject to the Committee's discretion. The Committee may make adjustments to our overall corporate performance goals and our actual performance results that may cause differences between the numbers used for our performance goals and the numbers reported in our financial statements. These adjustments may exclude all or a portion of both the positive or negative effect of external events that are outside the control of our executives, such as natural disasters, litigation, or regulatory changes in accounting or taxation standards. These adjustments may also exclude all or a portion of both the positive or negative effect of unusual or significant strategic events that are within the control of our executives but that are undertaken with an expectation of improving our long-term financial performance, such as restructuring, acquisitions, or divestitures.

In 2006, the bonuses for executive officers were based mainly on the successful opening of three new casino facilities, an increase in net operating revenue of 50.5% and an increase in Adjusted EBITDA of 47.3%. For our 2006 bonus determination, we did not include the impact of incremental costs associated with the compliance of the Sarbanes-Oxley Act of 2002, the costs associated with the development of three new casino facilities, nor the costs associated with implementing a new information system (SAP). For the year ended December 31, 2006, the Committee awarded bonuses of \$247,500 each to Dr. Haitzmann and Mr. Hoetzing, \$75,000 to Larry Hannappel and \$25,000 to Ray Sienko. We did not award a bonus to Christian Gernert as we were unable to come to a mutually agreed upon amount with Dr. Gernert, our former Chief Operating Officer.

### **Long-term Incentive Compensation**

As approved by stockholders in 2004, the Century Casinos, Inc. 2005 Equity Incentive Plan ("2005 Plan") promotes the success and enhances our value by linking the personal interests of the members of the Board, employees, and senior executives to those of our securityholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to our securityholders. The 2005 Plan is intended to provide flexibility to us in our ability to motivate, attract and retain the services of key employees. The 2005 Plan provides for the grant of awards to eligible individuals in the form of stock, restricted stock, stock options, performance units or other stock-based awards, all as defined in the 2005 Plan. The exercise price of each option grant is equal to the fair market value of our common stock (based on the closing price on NASDAQ) on the date of grant. The number of shares covered by any grant is generally determined by the position, the eligible employee's salary at the time of grant, amounts granted in previous years, and the then current stock price. Grants may be made to reflect increased responsibilities or reward extraordinary performance.

The Committee decides on at least an annual basis whether or not to issue option grants to the executive officers. It is our policy, as a result of the impact of new accounting standards, to award less frequent, but larger stock grants. In light of a large stock option grant made to our named executive officers in 2004, we did not grant any additional stock options to our named executive officers in 2006.

### **Policy Concerning Tax Deductibility**

The Committee's policy with respect to qualifying compensation paid to its executive officers for tax deductibility purposes is that executive compensation plans will generally be designed and implemented to maximize tax deductibility. However, non-deductible compensation may be paid to executive officers when necessary for competitive reasons or to attract or retain a key executive, or where achieving maximum tax deductibility would be considered disadvantageous to the best interests of the Company.

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation greater than \$1 million paid for any taxable year to any "covered employee" (defined as the Chief Executive Officer and the corporation's other four most highly compensated officers as of the end of a taxable year). However, the statute exempts qualifying performance-based compensation from the deduction limit if certain requirements are met. The 2005 Plan is structured to qualify awards as performance-based compensation that is

exempt from the \$1 million deduction limit. In 2006, stock options granted in 1997 and 1999 to Dr. Haitzmann and Mr. Hoetzing under the Employees' Equity Incentive Plan were exercised that exceeded the \$1 million deduction limit.

**Personal Benefits and Perquisites**

Our use of perquisites as an element of compensation is limited. The Committee does not view perquisites as a significant element of our comprehensive structure, but does believe that they can be used in conjunction with base salary to attract, motivate and retain individuals in a competitive environment. Besides certain pension contributions and change in control

protections, we generally provide broad-based perquisites to our executives and other employees. Executives and all other employees are eligible to participate in various benefit programs such as medical, dental and vision insurance, life insurance, both short and long-term disability, and employer contributions to the Century Casinos, Inc. 401(K) Savings and Retirement Plan. Relocation benefits are available and are negotiated on an individual basis when an employee is hired.

In addition to our group benefits, Erwin Haitzmann and Peter Hoetzing are also entitled to:

1. A company-paid life insurance policy. Dr. Haitzmann's policy provides a maximum life insurance benefit of € 349,976, payable in either a single lump sum or as an annuity. Mr. Hoetzing's policy provides a maximum life insurance benefit of € 418,032, payable in either a single lump sum or as an annuity. The Company will begin making payments towards these policies in January 2007; and
2. Long term disability or death benefits equal to 1/12 of the executive's annual salary in effect at the time of disability or death, for a period of twelve (12) months from the date of disability or death; and
3. The use of a car provided to them and paid for by us for business and personal purposes.

The cost to us of these benefits, if used by a Named Executive Officer and if in excess of \$10,000, is reflected in "All Other Compensation" in the Summary Compensation Table.

#### **Change in Control and Severance Benefits**

We have entered into employment agreements with our executive officers, including our Co Chief Executive Officers and all named executive officers. These agreements are described in more detail under the header "Executive Employment Agreements". These agreements provide for severance compensation to be paid if the executives are terminated under certain conditions, such as a change in our control or a termination without cause by us, each as is defined in the agreements.

Our 2005 Equity Incentive Plan and our previous equity incentive plan under which we have issued equity awards to our executive officers, provide for full accelerated vesting of stock awards following a change in our control, as defined.

The change of control provisions and the related severance compensation provisions of the employment agreements with our executive officers and our equity incentive plans are designed to meet the following objectives:

1. Change in Control: Many larger, established casino developers consider companies at similar stages of growth as Century Casinos, Inc. as potential acquisition targets as a means of adding value to their company. In some scenarios, the potential for merger or acquisition may be in the best interests of our securityholders. In certain cases, we provide severance compensation if an executive is terminated as a result of a corporate transaction in order to maintain the continuity of management during the transaction and in order to promote the ability of our executive officers to act in the best interests of our securityholders even though there exists the possibility that they could be terminated as a result of the transaction.
2. Termination Without Cause By Us: If we terminate the employment of an executive officer without cause, we are obligated to continue to pay their base salary for a specified period of time, as per the executive officer's employment agreement. We believe this is appropriate because:
  - a. The terminated executive officer is bound by confidentiality and non-compete provisions covering a specified period of time;

- b. We and the executive have mutually agreed to a severance package that is in place prior to any termination event. This provides us more flexibility to make a change in senior management if such a change is in the best interests of the company and our securityholders; and
- c. The terminated executive receives a fair severance payment that is defined in advance of a termination without cause.

**EXECUTIVE COMPENSATION***SUMMARY COMPENSATION TABLE*

The table below sets forth certain executive compensation to the Company's Co Chief Executive Officers and to each other executive officer who received greater than \$100,000 in compensation in 2006.

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) (3)	All Other Compensation (\$) (4)	Total (\$)
Erwin Haitzmann Chairman of the Board and Co Chief Executive Officer	2006	341,331 (1)	247,500 (2)	145,567	-	734,398
Peter Hoetzing Vice Chairman of the Board, Co Chief Executive Officer and President	2006	341,331 (1)	247,500 (2)	145,567	-	734,398
Larry Hannappel Senior Vice President Secretary & Treasurer	2006	120,650	75,000	4,642	1,800	202,092
Christian Gernert (5) Chief Operating Officer	2006	158,403 (6)	-	63,976	-	222,379
Ray Sienko Chief Accounting Officer	2006	100,609	25,000	844	1,500	127,953

(1) Dr. Haitzmann's salary for 2006 includes \$252,747 paid to Flyfish Casino Consulting AG for the benefit of Dr. Haitzmann's Family Foundation. Mr. Hoetzing's salary for 2006 includes \$252,747 paid to Focus Casino Consulting AG for the benefit of Mr. Hoetzing's Family Foundation. These payments are made pursuant to separate management agreements with us (see "Executive Employment Agreements").

(2) Dr. Haitzmann's bonus for 2006 was paid to Flyfish Casino Consulting AG for the benefit of Dr. Haitzmann's Family Foundation. Mr. Hoetzing's bonus for 2006 was paid to Focus Casino Consulting AG for the benefit of Mr. Hoetzing's Family Foundation.

(3) The value of stock awards was determined as required by SFAS 123(R). See Century Casinos, Inc., Annual Report of Form 10-K for the year ended December 31, 2006, Note 9 for details on assumptions used in the valuation of the awards. Outstanding stock awards at December 31, 2006 for each named executive officer are as follows: Dr. Haitzmann: 628,105 option awards; Mr. Hoetzing: 628,105 option awards; Mr. Hannappel: 45,000 option awards; Dr. Gernert: 42,500 option awards; and Mr. Sienko: 15,000 option awards.

- (4) Consists solely of matching contributions made by us to the 401(k) Savings and Retirement Plan.
- (5) Dr. Gernert resigned as Chief Operating Officer on March 31, 2007.
- (6) Dr. Gernert's salary for 2006 includes \$30,000 paid to Codego, a management company operated by Dr. Gernert, for the successful completion of a golf course design consultancy agreement with a South African golfer.

*DISCUSSION OF SUMMARY COMPENSATION TABLE*

*Co Chief Executive Officers*

On October 12, 2001, the Company entered into separate employment agreements with Erwin Haitzmann and Peter Hoetzing. The agreements were amended February 18, 2003 to extend the dates of employment to December 31, 2008 and to specify the duties of Dr. Haitzmann and Mr. Hoetzing. Additionally, the agreements were amended February 3, 2005 to reassign the employment agreements to a wholly owned foreign subsidiary of the Company and to include changes to the employees' salary and termination clauses. Effective September 1, 2006, the Employment Agreements were further amended to provide each executive officer with life insurance. (See "Compensation Disclosure and Analysis - Personal Benefits and Perquisites").

As compensation for the services rendered by Dr. Haitzmann and Mr. Hoetzing for us, Dr. Haitzmann and Mr. Hoetzing shall be paid not less than €70,000 (Euro seventy thousand) (approximately \$87,920 at December 31, 2006) in base salary, plus annual increases and bonuses, and such other incentives, benefits, insurance policies and compensation as may have been and may be awarded to them from time to time by the Committee. The Committee is required to review the salaries on an annual basis. We shall either provide Dr. Haitzmann and Mr. Hoetzing with, or shall reimburse them for, all reasonable expenses incurred in connection with the performance of their duties as our executives, in substantially at least the same form and fashion as we have done during the twelve months preceding the date of the agreements. Dr. Haitzmann and Mr. Hoetzing are also each entitled to the use of a car provided to them and paid for by us for business and private purposes.

In addition to the employment agreements, as amended, that we have with Dr. Haitzmann and Mr. Hoetzing, we are party to separate management agreements with Flyfish Casino Consulting AG, a Swiss corporation, to secure the services of Dr. Haitzmann, and with Focus Casino Consulting AG, a Swiss corporation, to secure the services of Mr. Hoetzing, to provide executive casino management services to us through December 31, 2011, and for five year renewable periods thereafter, unless sooner terminated by them or by us.

Effective September 30, 2006, the management agreements provide for an annual base management fee of \$360,000 each for Dr. Haitzmann and Mr. Hoetzing, plus such annual increases and bonuses, and such other incentives, benefits and compensation as may be awarded to them, respectively, by the Committee. Payments to each of these management companies are included as salary in the Summary Compensation Table.

Each of the management fees will be reviewed annually by the Committee.

*Other Named Executive Officers*

We entered into an employment agreement with Mr. Larry Hannappel effective January 1, 2005, pursuant to which we will pay to Mr. Hannappel an annual salary of \$120,000. Mr. Hannappel is eligible to receive an annual bonus of up to \$56,000 (or greater based on the discretion of the Committee), based upon satisfactorily reaching various budget, financial and other criteria that are established for each calendar year plus benefits as defined until terminated. The bonus amount can be reviewed by us annually, and the Committee is required to review Mr. Hannappel's salary on an annual basis.

We shall either provide Mr. Hannappel with, or shall reimburse him for, all reasonable expenses incurred in connection with the performance of his duties as an executive.

We entered into an employment agreement with Mr. Ray Sienko effective March 15, 2005, pursuant to which we will pay to Mr. Sienko an annual salary of \$100,000. Mr. Sienko shall be eligible to receive a yearly bonus of up to \$15,000 (or greater based on the discretion of the Committee), based upon satisfactorily reaching various budget,



financial and other criteria that are established for each calendar year plus benefits as defined until terminated. The bonus amount can be reviewed by us annually, and the Committee is required to review Mr. Sienko's salary on an annual basis.

We shall either provide Mr. Sienko with, or shall reimburse him for, all reasonable expenses incurred in connection with the performance of his duties as an executive.

We entered into an employment agreement with Dr. Christian Gernert effective January 1, 2006, pursuant to which we will pay to Dr. Gernert an annual salary of \$120,000. Dr. Gernert shall be eligible to receive an annual bonus mutually agreed upon between Dr. Gernert and us.

We agreed to provide Dr. Gernert with, or to reimburse him for, all reasonable expenses incurred in connection with the performance of his duties as an executive.

The employment agreement between us and Dr. Gernert has been terminated in conjunction with Dr. Gernert's departure effective March 31, 2007. We are not obligated to make any additional payments to Dr. Gernert after March 31, 2007.

#### GRANTS OF EQUITY AWARDS IN 2006

We made no equity grants to our executive officers named in the Summary Compensation Table during 2006.

#### OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth the number of options held by our executive officers named in the Summary Compensation Table.

Name	Options/Warrants		Options Exercise Price (\$)	Options Expiration Date (2)
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#) (1)		
Erwin Haitzmann (3)	188,432	439,673	2.93	3/4/2014
Peter Hoetzing (4)	188,432	439,673	2.93	3/4/2014
Larry Hannappel	7,500	-	1.50	2/25/2007
	10,000	-	0.75	10/10/2007
	8,250	19,250	2.93	3/4/2009
Christian Gernert	-	17,500 (5)	2.93	3/4/2009
	2,500	22,500 (5)	7.68	11/19/2015
Ray Sienko	10,000	-	1.75	4/6/2011
	1,500	3,500	2.93	3/4/2009

(1) Options vest 10% at one year from grant date, an additional 20% at two years from grant date, an additional 30% at three years from grant date and an additional 40% at four years from grant date.

(2) The options granted to Mr. Hannappel, Dr. Gernert and Mr. Sienko which expire on March 4, 2009 were granted on March 4, 2004. All other options included in the above table expire ten years from the date of grant.

(3) All options are held by The Haitzmann Family Foundation. (See Certain Relationships and Related Transactions)

- (4) All options are held by The Hoetzing Family Foundation. (See Certain Relationships and Related Transactions)
- (5) Dr. Gernert resigned as Chief Operating Officer on March 31, 2007. Upon his resignation, 10,000 options with an exercise price of \$2.93 and 22,500 options with an exercise price of \$7.68 were forfeited.

*OPTION EXERCISES*

The following table gives certain information concerning stock option exercises during 2006 by our executive officers named in the Summary Compensation Table.

Name	Options/Warrants	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
Erwin Haitzmann (1)	350,000	3,286,500
Peter Hoetzing (1)	250,000	2,347,500
Larry Hannappel	-	-
Christian Gernert (2)	7,500	58,950
Ray Sienko	-	-

(1) Based on the closing price (\$10.14) of our common stock on the NASDAQ Capital Market on May 5, 2006, the date that options were exercised.

(2) Based on the closing price (\$10.79) of our common stock on the NASDAQ Capital Market on November 21, 2006, the date that options were exercised.

*POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL*

We have entered into employment and severance agreements with our named executive officers that require us to make payments and provide various benefits in the event of the executive's termination or a change in our control. We define a change in our control as:

- a. Any person or entity (not affiliated with the employee, other employees or members of the Board of Directors) becoming the beneficial owner of a majority of the voting rights of our outstanding securities;
- b. The triggering of the issuance of stock rights to securityholders pursuant to our stock rights agreement, as amended from time to time;
- c. The replacement or rejection of one or more person(s) nominated to be director(s) by our Board of Directors before any change of control;
- d. The election of one or more persons to our Board of Directors that have not been nominated by our Board of Directors prior to any change of control; or
  - e. The holders of securities approve a merger, consolidation or liquidation of the company.

The terms of the agreements and the estimated value of the payments and benefits due to the executives pursuant to their agreements under various termination events are detailed below.

**Erwin Haitzmann.** Pursuant to Dr. Haitzmann's employment agreement and management agreement, if we terminate these agreements without cause or if Dr. Haitzmann terminates these agreements for cause (which includes a change in our control), he will be entitled to:

- A lump sum cash benefit payment of three times his then current annual compensation/management fee, plus three times his average bonus for the last three years;
- Serve as a consultant to us for an additional period of three years at his then current compensation/ management fee, his previous year's bonus and current benefits. During such additional period of three years, Dr. Haitzmann would be required to keep himself reasonably available to us to render advice or to provide services for no more than thirty days per year;
- The immediate vesting of all unvested stock and stock options. Dr. Haitzmann will have the option to either (a) receive an immediate payment of the stock value of 100% of his stock and the higher of (i) the value of the stock options according to the Black-Scholes model or (ii) the "in-the-money" value of his stock options as of the date of such written notice of termination, or (b) receive an immediate cash bonus from us enabling him, after the payment of all of Dr. Haitzmann's taxes, to exercise 100% of his stock options, and to continue to hold his stock, with the right to put the stock back to us, at any time and for an unlimited number of times, within three years of termination.

If Dr. Haitzmann terminates his agreements without cause, we have the option either (i) to accept his resignation, effective immediately on receipt of written notice; or (ii) to require him to continue to perform his duties for a period not to exceed six months from the date of receipt of such written notice. In either event, Dr. Haitzmann shall continue to be paid at the same compensation/management fee for a period of six months from the date of written notice of termination. Such compensation shall be paid to the Dr. Haitzmann in six equal, successive monthly payments, beginning on the 1st day of the month immediately following the date of written notice of termination.

The executive has also agreed not to disclose any confidential or proprietary information relating to the Company to third parties.

Assuming Dr. Haitzmann was terminated on December 31, 2006, and the market value of his unvested equity awards was \$11.16, which was the market price of our stock on December 29, 2006, Dr. Haitzmann would be eligible for the following payments and benefits:

	Cash (\$)	Bonus (\$)	Medical Continuation (\$)	Value of Accelerated Equity Awards (\$)	Value of Stock Held on December 31, 2006 (\$)
By Company With Cause	-	-	-	-	-
By Company Without Cause	2,714,236	1,567,839	23,840	5,169,304	14,508,000
By Employee With Cause	2,714,236	1,567,839	23,840	5,169,304	14,508,000
By Employee Without Cause	226,186	-	-	-	-
Death or Disability	92,372	-	-	-	-

**Peter Hoetzing.** Pursuant to Mr. Hoetzing's employment agreement and management agreement, if we terminate these agreements without cause or if Mr. Hoetzing terminates these agreements for cause (which includes a change in our control), he will be entitled to:

- A lump sum cash benefit payment of three times his then current annual compensation/management fee, plus three times his average bonus for the last three years;
- Serve as a consultant to us for an additional period of three years at his then current compensation/management fee, his previous year's bonus and current benefits. During such additional period of three years, Mr. Hoetzing would be required to keep himself reasonably available to us to render advice or to provide services for no more than thirty days per year;
- The immediate vesting of all unvested stock and stock options. Mr. Hoetzing will have the option to either (a) receive an immediate payment of the stock value of 100% of his stock and the higher of (i) the value of the stock options according to the Black-Scholes model or (ii) the "in-the-money" value of his stock options as of the date of such written notice of termination, or (b) receive an immediate cash bonus from us enabling him, after the payment of all of Mr. Hoetzing's taxes, to exercise 100% of his stock options, and to continue to hold his stock, with the right to put the stock back to us, at any time and for an unlimited number of times, within three years of termination.

If Mr. Hoetzing terminates his agreements without cause, we have the option either (i) to accept his resignation, effective immediately on receipt of written notice; or (ii) to require him to continue to perform his duties for a period not to exceed six months from the date of receipt of such written notice. In either event, Mr. Hoetzing shall continue to be paid at the same compensation/management fee for a period of six months from the date of written notice of termination. Such compensation shall be paid to the Mr. Hoetzing in six equal, successive monthly payments, beginning on the 1st day of the month immediately following the date of written notice of termination.

The executive has also agreed not to disclose any confidential or proprietary information relating to the Company to third parties.

Assuming Mr. Hoetzing was terminated on December 31, 2006, and the market value of his unvested equity awards was \$11.16, which was the market price of our stock on December 29, 2006, Mr. Hoetzing would be eligible for the following payments and benefits:

	Cash (\$)	Bonus (\$)	Medical Continuation (\$)	Value of Accelerated Equity Awards (\$)	Value of Stock Held on December 31, 2006 (\$)
By Company With Cause	-	-	-	-	-
By Company Without Cause	2,714,236	1,567,839	23,840	5,169,304	8,849,880
By Employee With Cause	2,714,236	1,567,839	23,840	5,169,304	8,849,880
By Employee Without Cause	226,186	-	-	-	-
Death or Disability	92,372	-	-	-	-

**Larry Hannappel.** Pursuant to Mr. Hannappel's employment agreement, if we terminate this agreement without cause, he will be entitled to:

- A lump sum cash benefit equal to six months of his base pay and one-half of his prior-year's bonus;
- All earned salary through the last day of employment; and
- Continued medical/hospitalization insurance for a period of six months.

In addition, the noncompete/nonsolicitation period will end on the six month anniversary of the last day of his employment with us.

If Mr. Hannappel is terminated within three years from a change in control, he will be entitled to a lump sum cash benefit equal to twelve months of his base salary and prior year's bonus. In addition, all stock options held by Mr. Hannappel will vest immediately.

Assuming Mr. Hannappel was terminated on December 31, 2006, and the market value of his unvested equity awards was \$11.16, which was the market price of our stock on December 29, 2006, Mr. Hannappel would be eligible for the following payments and benefits:

	Cash (\$)	Bonus (\$)	Medical Continuation (\$)	Value of Accelerated Equity Awards (\$)
By Company With Cause	-	-	-	-



By Company Without Cause	60,000	37,500	6,235	-
By Employee With Cause	-	-	-	-
By Employee Without Cause	-	-	-	-
Change in Control	120,000	75,000	-	402,875
Death or Disability	-	-	-	-

**Christian Gernert.** Dr. Gernert resigned effective March 31, 2007. No additional compensation was awarded at this time. All unvested equity awards, as of March 31, 2007 were forfeited. All vested, unexercised options must be exercised by June 30, 2007 or they will be forfeited.

**Ray Sienko.** Pursuant to Mr. Sienko's employment agreement, if we terminate this agreement without cause, he will be entitled to:

- A lump sum cash benefit equal to six months of his base pay and one-half of his prior-year's bonus;
- All earned salary through the last day of employment; and
- Continued medical/hospitalization insurance for a period of six months.

In addition, the noncompete/nonsolicitation period will end on the six month anniversary of the last day of his employment with us.

Assuming Mr. Sienko was terminated on December 31, 2006, and the market value of his unvested equity awards was \$11.16, which was the market price of our stock on December 29, 2006, Mr. Sienko would be eligible for the following payments and benefits:

	Cash (\$)	Bonus (\$)	Medical Continuation (\$)	Value of Accelerated Equity Awards (\$)
By Company With Cause	-	-	-	-
By Company Without Cause	50,000	12,500	4,454	-
By Employee With Cause	-	-	-	-
By Employee Without Cause	-	-	-	-
Change in Control	-	-	-	-
Death or Disability	-	-	-	-

#### COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires our directors and executive officers, and persons who beneficially own more than 10% of our outstanding common stock, to file with the Securities and Exchange Commission (the "SEC") initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. SEC rules also require our directors, officers and greater than 10% stockholders to furnish the Company with copies of all Section 16(a) reports they file.

To our knowledge (based solely on review of the copies of such reports furnished to us and representations that no other reports were required, during the fiscal year ended December 31, 2006), all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% stockholders were made in a timely manner.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

During 2006, the members of the Compensation Committee were Mr. Gottfried Schellmann and Dr. Dinah Corbaci. Neither of these individuals are current or former officers of the company or any of our subsidiaries. During 2006, none of our executive officers served as a director or member of a compensation committee (or other committee serving an equivalent function) of any other entity whose executive officers served as a director or member of our Compensation Committee.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Both Dr. Haitzmann and Mr. Hoetzing are Austrian citizens, and have established Austrian trusts, The Haitzmann Family Foundation and The Hoetzing Family Foundation, respectively, to hold a certain portion of their interests in us. See “Security Ownership of Certain Beneficial Owners and Management.”

Dr. Haitzmann, Mr. Hoetzing and their respective family trusts collectively own 3.5% of the outstanding shares of common stock of Century Resorts Ltd. (“CRL”), a subsidiary of ours that owns our South African interests and provides technical casino services to our South African subsidiaries. The combined book value of these shares on December 31, 2006 was \$621,575

Our related party transaction policy gives our Audit Committee and/or Chairman of the Board the power to approve or disapprove related party transactions of our directors and executive officers, their immediate family members and entities where they hold a 5% or greater beneficial ownership interest, where the aggregate amount is expected to exceed \$120,000 in any calendar year. The Audit Committee is charged with reviewing all relevant facts and circumstances of a related party transaction, including if the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party and the extent of the person’s interest in the transaction.

The Board has pre-approved the executive management agreements between us and our Co Chief Executive Officers. See “Executive Employment Agreements”.

## **HOUSEHOLDING**

To reduce the expense of delivering duplicate proxy solicitation materials, we and some brokers may take advantage of the SEC's "householding" rules. These householding rules permit the delivery of only one set of proxy solicitation materials to securityholders who share the same address, unless otherwise requested. Any securityholder of record who shares an address with another securityholder of record and who has received only one set of proxy solicitation materials may receive a separate copy of those materials, without charge and/or request future delivery of separate materials upon writing our Corporate Secretary at 1263A Lake Plaza Drive, Colorado Springs, Colorado 80906 or calling (719) 527-8300. Likewise, any stockholder of record who shares an address with another securityholder of record and who has received multiple sets of proxy solicitation materials may request future delivery of a single copy of those materials upon writing our Corporate Secretary at 1263A Lake Plaza Drive, Colorado Springs, Colorado 80906 or calling (719) 527-8300.

If you consent to householding, your election will remain in effect until you revoke it. Should you later revoke your consent, you will be sent separate copies of those documents that are mailed at least thirty days or more after receipt of your revocation.

**PROXY**

**PROXY**

**CENTURY CASINOS, INC.**  
**This Proxy is Solicited by the Board of Directors**

The undersigned securityholder of Century Casinos, Inc. acknowledges receipt of the Notice of Annual Meeting of Securityholders, to be held on Wednesday, June 20, 2007 at the Marriott Hotel, Prague 1, Czech Republic and hereby appoints Erwin Haitzmann, Peter Hoetzingler or Larry Hannappel, or any of them individually, each with the power of substitution, as attorneys and proxies to vote all the shares of the undersigned at said Annual Meeting and at all adjournments thereof, hereby ratifying and confirming all that said attorneys and proxies may do or cause to be done by virtue hereof. The above-named attorneys and proxies are instructed to vote all of the undersigned's shares as follows:

- (1) To elect two Class I directors to the Board of Directors:  
(The Board of Directors recommends a vote for election of the following nominees)

ROBERT S. EICHBERG     FOR     WITHHOLD

DINAH CORBACI     FOR     WITHHOLD

- (2) In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

(Continued and to be signed on reverse side)

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(Continued from other side)

This proxy, when properly executed, will be voted as directed herein by the undersigned securityholder. If no direction is made, this proxy will be voted for the nominees in Proposal 1.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Please sign your name exactly as it appears on your stock certificate. If shares are held jointly, each holder should sign. Executors, trustees, and other fiduciaries should so indicate when signing.

.. Please indicate if you plan to attend this meeting.