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

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

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

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

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

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

Full-Year 2010 Results

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

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

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

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

Key Operations Review

Las Vegas Locals

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

Downtown

Our Downtown Las Vegas properties generated net revenues of \$57.1 million for the fourth quarter 2010, compared to \$58.0 million in the fourth quarter 2009. Adjusted EBITDA was \$10.9 million, down from \$12.2 million in the fourth quarter 2009.

we continued to expand our leading market share Downtown, business results were impacted by our Hawaiian charter operation.

Midwest and South

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

Borgata

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

Key Financial Statistics

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

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

Conference Call Information

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

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

http://www.google.com/

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

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

		Three Mont	hs Ended		Year Ended				
		Decemb	oer 31,						
	_	2010	2	2009		2010		2009	
			(lr	n thousands, exce	ept per shai	e data)		_	
Revenues									
Gaming	\$	468,204	\$	320,377	\$	1,812,487	\$	1,372,091	
Food and beverage		92,422		55,950		347,588		229,374	
Room		56,799		29,054		211,046		122,305	
Other		32,008		24,253		123,603		100,396	
Gross revenues	·	649,433		429,634		2,494,724		1,824,166	
Less promotional allowances		97,493		44,686		353,825		183,180	
Net revenues		551,940		384,948		2,140,899		1,640,986	
Costs and expenses									
Gaming		224,357		162,710		859,818		664,739	
Food and beverage		48,359		31,306		180,840		125,830	
Room		12,556		9,443		49,323		39,655	
Other		25,125		19,110		99,458		77,840	
Selling, general and administrative		98,576		67,445		369,217		284,937	

Maintenance and utilities	35,952	22,185	140,722	92,296
Depreciation and amortization	51,370	39,103	199,275	164,427
Corporate expense	12,225	12,540	48,861	47,617
Preopening expenses	3,415	3,025	8,405	17,798
Write-downs and other items, net	(219)	365	4,713	41,780
Total costs and expenses	511,716	367,232	1,960,632	1,556,919
Operating income from Borgata	-	8,205	8,146	72,126
Operating income	 40,224	25,921	188,413	156,193
Other expense (income)				
Interest income	(1)	(1)	(5)	(6)
Interest expense, net of amounts capitalized	55,016	33,024	164,454	146,830
Fair value adjustment of derivative instruments	480	-	480	-
(Gain) loss on early retirements of debt, net	1,191	(3,223)	(2,758)	(15,284)
Gain on equity distribution	-	-	(2,535)	-
Other income	-	-	(10,000)	-
Other non-operating expenses	-	3	-	33
Other non-operating expenses from Borgata, net	-	3,073	3,133	19,303
Total other expense, net	 56,686	32,876	152,769	150,876
Income (loss) before income taxes	(16,462)	(6,955)	35,644	5,317
Income taxes	7,296	5,931	(8,236)	(1,076)
Net income (loss)	(9,166)	(1,024)	27,408	4,241
Noncontrolling interest	2,068	-	(17,098)	-
Net income (loss) attributable to ACME Inc.	\$ (7,098)	\$ (1,024)	\$ 10,310	\$ 4,241
Basic net income (loss) per common share	\$ (0.08)	\$ (0.01)	\$ 0.12	\$ 0.05
Weighted average basic shares outstanding	 86,877	86,276	 86,601	86,429
Diluted net income (loss) per common share	\$ (0.08)	\$ (0.01)	\$ 0.12	\$ 0.05
Weighted average diluted shares outstanding	 86,877	86,276	 86,831	86,517

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

			Thi	ree Months Ended	December 31, 2010					
	AC	ME Inc.					AC	ME Inc.		
	His	storical	В	orgata	Adjustments		Cons	solidated		
	(In thousands, except per share data)									
Revenues										
Gaming	\$	319,445	\$	148,759	\$	-	\$	468,204		
Food and beverage		58,260		34,162		-		92,422		
Room		29,795		27,004		-		56,799		
Other		22,303		9,705		-		32,008		
Gross revenues		429,803		219,630		-		649,433		
Less promotional allowances		46,649		50,844		-		97,493		
Net revenues		383,154		168,786				551,940		
Costs and expenses										
Gaming		162,044		62,313		-		224,357		
Food and beverage		31,963		16,396		-		48,359		
Room		9,343		3,213		-		12,556		

Other	17,444	7,681	-	25,125
Selling, general and administrative	68,066	30,510	-	98,576
Maintenance and utilities	21,376	14,576	-	35,952
Depreciation and amortization	34,797	16,573	-	51,370
Corporate expense	12,225	-	-	12,225
Preopening expenses	3,415	-	-	3,415
Write-downs and other items, net	 (203)	(16)	-	(219)
Total costs and expenses	 360,470	151,246	<u> </u>	511,716
Operating income from Borgata	8,770	-	(8,770)	_
Operating income	31,454	17,540	(8,770)	40,224
Other expense (income)				
Interest income	(1)	_	_	(1)
Interest expense, net of amounts capitalized	33,225	21,791	_	55,016
Fair value adjustment of derivative instruments	480		_	480
Gain on early retirements of debt	1,191	-	-	1,191
Other income	-	-	-	-
Other non-operating expenses from Borgata, net	10,838	_	(10,838)	_
Total other expense, net	 45,733	21,791	(10,838)	56,686
	 		(-,,	,
Income (loss) before income taxes	(14,279)	(4,251)	2,068	(16,462)
Income taxes	 7,181	115		7,296
Net income (loss)	(7,098)	(4,136)	2,068	(9,166)
Noncontrolling interest	 -	<u> </u>	2,068	2,068
Net income (loss) attributable to ACME Inc.	\$ (7,098)	\$ (4,136)	\$ 4,136	\$ (7,098)
Basic net income (loss) per common share	\$ (0.08)			\$ (0.08)
Weighted average basic shares outstanding	 86,877		:	 86,877
Diluted net income (loss) per common share	\$ (0.08)		:	\$ (0.08)
Weighted average diluted shares outstanding	 86,877		-	86,877
	 		-	

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

			Three	Months Ended Dece	mber 31, 2009		
	AC	CME Inc.					ACME Inc.
	Hi	istorical	E	Borgata	Adjustm	ents	Pro Forma
			(In t	housands, except pe	r share data)		
Revenues							
Gaming	\$	320,377	\$	153,387	\$	-	\$ 473,764
Food and beverage		55,950		32,297		-	88,247
Room		29,054		26,087		-	55,141
Other		24,253		10,124		-	34,377
Gross revenues		429,634		221,895		-	651,529
Less promotional allowances		44,686		46,487		-	91,173
Net revenues		384,948		175,408		-	560,356
Costs and expenses							
Gaming		162,710		65,352		-	228,062
Food and beverage		31,306		15,395		-	46,701
Room		9,443		2,942		-	12,385

Other	19,110	8,323	-	27,433
Selling, general and administrative	67,445	31,914	-	99,359
Maintenance and utilities	22,185	15,034	-	37,219
Depreciation and amortization	39,103	19,380	324	58,807
Corporate expense	12,540	-	-	12,540
Preopening expenses	3,025	-	-	3,025
Write-downs and other items, net	365	10		375
Total costs and expenses	367,232	158,350	324	 525,906
Operating income from Borgata	8,205	-	(8,205)	-
Operating income	25,921	17,058	(8,529)	34,450
Other expense (income)				
Interest income	(1)	-	-	(1)
Interest expense, net of amounts capitalized	33,024	5,787	-	38,811
Gain on early retirements of debt	(3,223)	-	-	(3,223)
Other non-operating expenses	3	-	-	3
Other non-operating expenses from Borgata, net	3,073	-	(3,073)	-
Total other expense, net	32,876	5,787	(3,073)	 35,590
Income (loss) before income taxes	(6,955)	11,271	(5,456)	(1,140)
Income taxes	5,931	(359)	-	5,572
Net income (loss)	(1,024)	10,912	(5,456)	4,432
Noncontrolling interest	-	-	(5,456)	(5,456)
Net income (loss) attributable to ACME Inc.	\$ (1,024)	\$ 10,912	\$ (10,912)	\$ (1,024)
Basic net income (loss) per common share	\$ (0.01)			\$ (0.01)
Weighted average basic shares outstanding	86,276			 86,276
Diluted net income (loss) per common share	\$ (0.01)			\$ (0.01)
Weighted average diluted shares outstanding	86,276			 86,276

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

	ACME Inc. Borgata						ACME Inc.	
	 Historical Stub				Eliminations	Consolidated		
			(In thousands, exc	hare data)				
Revenues								
Gaming	\$ 1,306,414	\$	506,073	\$	-	\$	1,812,487	
Food and beverage	231,054		116,534		-		347,588	
Room	120,000		91,046		-		211,046	
Other	 89,851		33,752		-		123,603	
Gross revenues	1,747,319		747,405		-		2,494,724	
Less promotional allowances	 186,561		167,264		-		353,825	
Net revenues	1,560,758		580,141		-		2,140,899	

655,856

Costs and expenses
Gaming

Year Ended December 31, 2010

203,962

859,818

Food and beverage	124,851	55,989	-	180,840
Room	37,517	11,806	-	49,323
Other	72,249	27,209	-	99,458
Selling, general and administrative	274,234	94,983	-	369,217
Maintenance and utilities	90,809	49,913	-	140,722
Depreciation and amortization	146,389	52,886	-	199,275
Corporate expense	48,861	-	-	48,861
Preopening expenses	8,405	-	-	8,405
Write-downs and other items, net	4,721	(8)	-	4,713
Total costs and expenses	1,463,892	496,740	-	1,960,632
Operating income from Borgata	49,846	-	(41,700)	8,146
Operating income	146,712	83,401	(41,700)	188,413
Other expense (income)				
Interest income	(5)	-	-	(5)
Interest expense, net of amounts capitalized	119,316	45,138	-	164,454
Fair value adjustment of derivative instruments	480		-	480
Gain on early retirements of debt	(2,758)	-	-	(2,758)
Gain on equity distribution	(2,535)	-	-	(2,535)
Other income	(10,000)	-	-	(10,000)
Other non-operating expenses from Borgata, net	27,736	-	(24,603)	3,133
Total other expense, net	132,234	45,138	(24,603)	152,769
Income before income taxes	14,478	38,263	(17,097)	35,644
Income taxes	(4,168)	(4,068)	-	(8,236)
Net income	10,310	34,195	(17,097)	27,408
Noncontrolling interest	-	-	(17,098)	(17,098)
Net income attributable to ACME Inc.	\$ 10,310	\$ 34,195	\$ (34,195)	\$ 10,310
Basic net income per common share	\$ 0.12	:		\$ 0.12
Weighted average basic shares outstanding	86,601			86,601
Diluted net income per common share	\$ 0.12			\$ 0.12
Blaces not moonly per common share	ų 0.12	•		ψ 0.12
Weighted average diluted shares outstanding	86,831			86,831

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

			Year Ended D	eceml	per 31, 2010					
	ACME Inc.		Borgata				ACME Inc.			
	Historical		Historical		Eliminations		Pro Forma			
	(In thousands, except per share data)									
Revenues										
Gaming	\$ 1,306,414	\$	643,904	\$	-	\$	1,950,318			
Food and beverage	231,054		147,751		-		378,805			
Room	120,000		115,199		-		235,199			
Other	89,851		42,931		-		132,782			
Gross revenues	1,747,319		949,785		-		2,697,104			
Less promotional allowances	186,561		211,356		-		397,917			

Net revenues	1,560,758	738,429	-	2,299,187
Costs and expenses				
Gaming	655,856	263,823	-	919,679
Food and beverage	124,851	69,489	-	194,340
Room	37,517	13,992	-	51,509
Other	72,249	34,334	-	106,583
Selling, general and administrative	274,234	123,963	-	398,197
Maintenance and utilities	90,809	63,435	-	154,244
Depreciation and amortization	146,389	69,640	-	216,029
Corporate expense	48,861	-	-	48,861
Preopening expenses	8,405	-	-	8,405
Write-downs and other items, net	4,721	60	-	4,781
Total costs and expenses	1,463,892	638,736	-	2,102,628
Operating income from Borgata	49,846	_	(49,846)	_
Operating income	146,712	99,693	(49,846)	196,559
Other expense (income)				
Interest income	(5)	-	-	(5)
Interest expense, net of amounts capitalized	119,316	50,199	-	169,515
Fair value adjustment of derivative instruments	480		-	480
Gain on early retirements of debt	(2,758)	-	-	(2,758)
Gain on controlling interest in Borgata	(2,535)		-	(2,535)
Other income	(10,000)	-	-	(10,000)
Other non-operating expenses from Borgata, net	27,736	-	(27,736)	
Total other expense, net	132,234	50,199	(27,736)	154,697
Income before income taxes	14,478	49,494	(22,110)	41,862
Income taxes	(4,168)	(5,273)		(9,441)
Net income	10,310	44,221	(22,110)	32,421
Noncontrolling interest			(22,111)	(22,111)
Net income attributable to ACME Inc.	\$ 10,310	\$ 44,221	\$ (44,221)	\$ 10,310
Basic net income per common share	\$ 0.12			\$ 0.12
Weighted average basic shares outstanding	86,601			86,601
Diluted net income per common share	\$ 0.12			\$ 0.12
Weighted average diluted shares outstanding	86,831			86,831
Troigined average unded strates outstanding	00,031			

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

<u>-</u>								
	Α	CME Inc.					A	CME Inc.
_	Н	listorical	Borgata		Adjustments		Pro Forma	
			(In thous	ands, except share	e and per sha	re data)		
Revenues								
Gaming	\$	1,372,091	\$	691,428	\$	-	\$	2,063,519
Food and beverage		229,374		143,410		-		372,784
Room		122,305		113,143		-		235,448
Other		100,396		42,620		-		143,016

Gross revenues	1,824,166	990,601	-	2,814,767
				2,014,707
Less promotional allowances	183,180	213,193	-	396,373
Net revenues	1,640,986	777,408	<u> </u>	2,418,394
Costs and expenses				
Gaming	664,739	280,620	<u>-</u>	945,359
Food and beverage	125,830	64,217	<u>-</u>	190,047
Room	39,655	11,940	-	51,595
Other	77,840	34,908	-	112,748
Selling, general and administrative	284,937	128,164	-	413,101
Maintenance and utilities	92,296	59,900	-	152,196
Depreciation and amortization	164,427	78,719	1,298	244,444
Corporate expense	47,617	· -	· •	47,617
Preopening expenses	17,798	699	-	18,497
Write-downs and other items, net	41,780	(28,606)	-	13,174
Total costs and expenses	1,556,919	630,561	1,298	2,188,778
			_	
Operating income from Borgata	72,126	-	(72,126)	-
Operating income	156,193	146,847	(73,424)	229,616
Other expense (income)				
Interest income	(6)	-	-	(6)
Interest expense, net of amounts capitalized	146,830	27,668	-	174,498
Gain on early retirements of debt	(15,284)	-	-	(15,284)
Other non-operating expenses	33	-	-	33
Other non-operating expenses from Borgata, net	19,303		(19,303)	
Total other expense, net	150,876	27,668	(19,303)	159,241
Income before income taxes	5,317	119,179	(54,121)	70,375
Income taxes	(1,076)	(10,938)	(0.,.2.)	(12,014)
Net income	4,241	108,241	(54,121)	58,361
Noncontrolling interest		-	(54,120)	(54,120)
Net income attributable to ACME Inc.	\$ 4,241	\$ 108,241	\$ (108,241)	\$ 4,241
Basic net income per common share	\$ 0.05			\$ 0.05
Weighted average basic shares outstanding	86,429			86,429
Diluted net income per common share	\$ 0.05			\$ 0.05
Weighted average diluted shares outstanding	86,517			 86,517

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

	Three Months Ended December 31,						Year Ended			
		December 31,			1,					
		2010		2009		2010		2009		
	(In thousands, except per share data)									
Net income (loss) attributable to ACME Inc.	\$	(7,098)	\$	(1,024)	\$	10,310	\$	4,241		
Adjustments related to ACME Inc.:										
Preopening expenses		3,415		3,025		8,405		17,798		
Loss (gain) on early retirements of debt, net		1,191		(3,223)		(2,758)		(15,284)		
Other income		-		-		(10,000)		-		
Gain on equity distribution		-		-		(2,535)		-		
Change in fair value of derivative instruments		480		-		480		-		

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

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

	Three Mo	nths Ended	Year	Year Ended				
	 Decen	nber 31,	Decer	nber 31,				
	 2010	2009	2010	2009	_			
Net income (loss) attributable to ACME Inc.	\$ (0.08)	\$ (0.01)	\$ 0.12	\$ 0.0	05			
Adjustments related to ACME Inc.:								
Preopening expenses	0.04	0.04	0.10	0.2	22			
Loss (gain) on early retirements of debt	0.01	(0.04)	(0.03)	(0.1	17)			
Other income	-	-	(0.12)		-			
Gain on equity distribution	-	-	(0.03)		-			
Change in fair value of derivative instruments	-	-	0.01		-			
Write-downs and other items, net	-	-	0.05	0.4	48			
Other non-operating expenses	-	-	-		-			
Accelerated interest expense for credit facility recommitment	-	0.02	-	0.0)2			
Prior period interest expense related to the finalization								
of our purchase price for Dania Jai-Alai	-	-	-	0.1	10			
Adjustments related to Borgata:								
Our share of Borgata's preopening expenses	-	-	-		-			
Our share of Borgata's write-downs and other items, net	-	-	-	(0.1	17)			
Accelerated amortization of deferred loan fees	-	-	0.02					
Write-downs and other items, net	-	-	-		-			
Impact on noncontrolling interest	-	-	(0.01)		-			
Income tax effect for above adjustments	 (0.02)	(0.01)	0.01	(0.1	16)			
Adjusted earnings (loss) per share	\$ (0.05)	\$0.00	\$ 0.12	\$ 0.3	37			

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

No. Part P		0010			2000		0010			
Net Net			2010			reande)	2010		2009	
Law Vogas Locals	Net Revenues				(III tilloc	isanus)				
Downtown Las Vegas		\$	152,123	\$	154,966	\$	607,366	\$	641,941	
Mideration Cloy				·		·		·		
Pubmic City 168,766 169,000 1,										
Percentage	Atlantic City		168,786		-				-	
Percentage	Reportable Segment Net revenues		550,588		383,266		2,134,494		1,633,426	
Las Vegas Locals \$ 34.125 \$ 34.736 \$ 137.494 \$ 155.336	Other		1,352		1,682		6,405		7,560	
Las Vegas Locals	Net revenues	\$	551,940	\$	384,948	\$	2,140,899	\$	1,640,986	
Downtown Las Vegas	Adjusted EBITDA									
Midwest and South 30,423 29,369 143,699 165,343 Wholly-owned property Adjusted EBITDA 75,414 76,352 315,500 366,372 Corporate expense (9,500) (9,581) 339,565 330,083 Atlantic City 34,096 - 158,278 330,083 Atlantic City 34,096 - 158,278 330,083 Our share of Borgata's operating income before net 36,000 8,535 8,180 59,470 Adjusted EBITDA \$ 100,010 \$ 75,500 \$ 420,283 \$ 389,508 Our share of Borgata's question and sorprises 31,000 1,088 4,271 4,546 Depreciation and amortization 51,370 39,428 19,425 16,725 Dur share of Borgata's preopening expenses 3,415 3,025 8,405 11,730 Our share of Borgata's wite downs and other items, net 1,097 1,188 3,415 3,415 Our share of Borgata's preopening expenses 3,00 4,186 11,324 1,430 Our share of Borgata's wite downs and other items, net </td <td>Las Vegas Locals</td> <td>\$</td> <td>34,125</td> <td>\$</td> <td>34,736</td> <td>\$</td> <td>137,464</td> <td>\$</td> <td>155,336</td>	Las Vegas Locals	\$	34,125	\$	34,736	\$	137,464	\$	155,336	
Wholly-owned property Adjusted EBITDA 75,414 76,352 315,390 368,972 Corporate expense (9,500) (9,581) (39,565) (38,934) Wholly-owned Adjusted EBITDA 65,914 66,771 275,825 330,381 Altantic City 34,096 - 196,278 - Our share of Borgata's operating income before net 8,535 8,180 59,470 Adjusted EBITDA \$ 100,010 \$ 75,306 \$ 420,283 \$ 389,508 Other operating costs and expenses Other operating costs and expenses Determed rest 1,067 1,088 4,271 4,354 Depreciation and amortization 51,370 39,428 199,275 165,725 Proopening expenses 3,415 3,025 8,405 17,786 Our share of Borgata's write-downs and other items, net - 5 34 (14,303) Share-based compensation expense 3,200 4,186 11,324 13,970 Write-downs and other items, net (219) 365 4,713	Downtown Las Vegas		10,866		12,247		34,227		46,102	
Corporate expense (9,500) (9,581) (39,565) (36,304) Mhohly-owned Adjusted EBITDA 65,914 66,771 275,825 330,038 Allantic City 34,096 - 136,278 - Our share of Borgata's operating income before net amortization, preopening and other items - 8,535 8,180 59,470 Adjusted EBITDA \$ 100,010 \$ 75,506 \$ 420,283 \$ 389,506 Other operating costs and expenses - 8,635 8,180 59,470 Deferedation and amortization 51,370 39,428 199,275 165,725 Preopening expenses 3,415 3,025 8,405 17,789 Our share of Borgata's preopening expenses 3,415 3,025 8,405 17,789 Our share of Borgata's wite-downs and other items, net - 5 34 1(4,030) Share-based compensation expenses 3,200 4,186 11,324 13,970 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786	Midwest and South		30,423		29,369		143,699		165,534	
Wholly-owned Adjusted EBITDA 65,914 66,771 275,825 330,088 Atlanic City 34,096 - 136,278 - Our share of Borgata's operating income before net amontization, preopening and other items - 8,535 8,180 59,470 Adjusted EBITDA \$ 100,010 \$ 75,306 \$ 420,283 \$ 389,508 Other operating costs and expenses - 1,088 4,271 4,354 Depreciation and amortization 51,370 39,428 199,275 165,725 Preopening expenses 3,415 3,025 8,405 17,798 Our share of Borgata's preopening expenses - - - 344 Our share of Borgata's preopening expenses - - - - 349 Our share of Borgata's preopening expenses -	Wholly-owned property Adjusted EBITDA		75,414		76,352		315,390		366,972	
Atlantic City	Corporate expense		(9,500)		(9,581)		(39,565)		(36,934)	
Our share of Borgata's operating income before net amontization, preopening and other items . 8.535 8.180 59.470 Adjusted EBITDA \$ 100.010 \$ 75,306 \$ 420,283 \$ 389,508 Other operating costs and expenses . <th< td=""><td>Wholly-owned Adjusted EBITDA</td><td></td><td>65,914</td><td></td><td>66,771</td><td></td><td>275,825</td><td></td><td>330,038</td></th<>	Wholly-owned Adjusted EBITDA		65,914		66,771		275,825		330,038	
amortization, preopening and other items . 8,535 8,180 59,470 Adjusted EBITDA \$ 100,010 \$ 75,306 \$ 420,283 \$ 389,508 Other operating costs and expenses Use of the control of the con	Atlantic City		34,096		-		136,278		-	
Defered tends \$ 100,010 \$ 75,306 \$ 420,283 \$ 389,508	Our share of Borgata's operating income before net									
Defered reint 1,067 1,088 4,271 4,354 Depreciation and amortization 51,370 39,428 199,275 165,725 Preopening expenses 3,415 3,025 8,405 17,798 Our share of Borgata's preopening expenses -	amortization, preopening and other items		-		8,535		8,180		59,470	
Deferred rent 1,067 1,088 4,271 4,354 Depreciation and amortization 51,370 39,428 199,275 165,725 Preopening expenses 3,415 3,025 8,405 17,798 Our share of Borgata's preopening expenses - - - - 349 Our share of Borgata's write-downs and other items, net 5 34 (14,303) Write-downs and other items, net (219) 365 4,713 41,780 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items 1 3,023 164,449 146,824 Interest expense, net 55,015 33,023 164,449 146,824 Gain on equity distribution - 480 - 480 - Gain on equity distribution - 3 2,753 15,284	Adjusted EBITDA	\$	100,010	\$	75,306	\$	420,283	\$	389,508	
Depreciation and amortization 51,370 39,428 199,275 165,725 Preopening expenses 3,415 3,025 8,405 17,798 Our share of Borgata's preopening expenses - - - - 349 Our share of Borgata's write-downs and other items, net - - 5 34 (14,303) Share-based compensation expense 3,200 4,186 11,324 13,970 Write-downs and other items, net (219) 365 4,713 41,760 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Interest expense, net 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on early retirements of debt, net 1,191 <td>Other operating costs and expenses</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Other operating costs and expenses									
Preopening expenses 3,415 3,025 8,405 17,798 Our share of Borgata's preopening expenses - - - 349 Our share of Borgata's write-downs and other items, net - 5 34 (14,303) Share-based compensation expense 3,200 4,186 11,324 13,970 Write-downs and other items, net (219) 365 4,713 41,780 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items 4 25,921 188,413 156,193 Interest expense, net 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on early retirements of debt, net 1,191 3,233 1,3	Deferred rent		1,067		1,088		4,271		4,354	
Our share of Borgata's preopening expenses - - - 349 Our share of Borgata's write-downs and other items, net 5 34 (14,303) Share-based compensation expense 3,200 4,186 11,324 13,970 Write-downs and other items, net (219) 365 4,713 41,780 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 2 4 1 1 1 2 4 1 1 1 2 2 3 1 1 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	Depreciation and amortization		51,370		39,428		199,275		165,725	
Our share of Borgatta's write-downs and other items, net - 5 34 (14,303) Share-based compensation expense 3,200 4,186 11,324 13,970 Write-downs and other items, net (219) 365 4,713 41,780 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on early retirements of debt, net 1,191 (3,223) (2,758) - - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on early retirements of debt, net 1,916 (3,233) (2,758) - Other non-operating expenses	Preopening expenses		3,415		3,025		8,405		17,798	
Share-based compensation expense 3,200 4,186 11,324 13,970 Write-downs and other items, net (219) 365 4,713 41,780 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items 1 14,191 18,413 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - (2,535) - Other income - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating expenses, net - 3,073 3,133 19,303	Our share of Borgata's preopening expenses		-		-		-		349	
Write-downs and other items, net (219) 365 4,713 41,780 Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - (2,535) - Other income - - (10,000) - Other non-operating expenses - 3,073 3,133 19,303 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644	Our share of Borgata's write-downs and other items, net		-		5		34		(14,303)	
Other 953 1,288 3,848 3,642 Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items Interest expense, net 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - (2,535) - Other income - - (10,000) - Other non-operating expenses - 3,073 3,133 19,303 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net - 3,073 3,133 19,303 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income (loss) (9,166) (1,024)	Share-based compensation expense		3,200		4,186		11,324		13,970	
Total other operating costs and expenses 59,786 49,385 231,870 233,315 Operating income 40,224 25,921 188,413 156,193 Other non-operating items Interest expense, net 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - - (2,535) - Other income - - - (10,000) - Other non-operating expenses - 3,073 3,133 19,303 Total other non-operating expenses, net - 3,073 3,133 19,087 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 <td>Write-downs and other items, net</td> <td></td> <td>(219)</td> <td></td> <td>365</td> <td></td> <td>4,713</td> <td></td> <td>41,780</td>	Write-downs and other items, net		(219)		365		4,713		41,780	
Operating income 40,224 25,921 188,413 156,193 Other non-operating items Interest expense, net 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - (2,535) - Other income - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net - 3,073 3,133 19,303 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,0	Other		953		1,288		3,848		3,642	
Other non-operating items Interest expense, net 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - - (2,535) - Other income - - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Total other operating costs and expenses		59,786		49,385		231,870		233,315	
Interest expense, net 55,015 33,023 164,449 146,824 Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - (2,535) - Other income - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Operating income		40,224		25,921		188,413		156,193	
Fair value adjustment of derivative instruments 480 - 480 - Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - (2,535) - Other income - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Other non-operating items	'		,	_		_			
Gain on early retirements of debt, net 1,191 (3,223) (2,758) (15,284) Gain on equity distribution - - (2,535) - Other income - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Interest expense, net		55,015		33,023		164,449		146,824	
Gain on equity distribution - - (2,535) - Other income - - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Fair value adjustment of derivative instruments		480		-		480		-	
Other income - - (10,000) - Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Gain on early retirements of debt, net		1,191		(3,223)		(2,758)		(15,284)	
Other non-operating expenses - 3 - 33 Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Gain on equity distribution		-		-		(2,535)		-	
Our share of Borgata's non-operating expenses, net - 3,073 3,133 19,303 Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Other income		-		-		(10,000)		-	
Total other non-operating costs and expenses, net 56,686 32,876 152,769 150,876 Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Other non-operating expenses		-		3		-		33	
Income (loss) before income taxes (16,462) (6,955) 35,644 5,317 Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Our share of Borgata's non-operating expenses, net		-		3,073		3,133		19,303	
Income taxes 7,296 5,931 (8,236) (1,076) Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Total other non-operating costs and expenses, net		56,686		32,876		152,769		150,876	
Net income (loss) (9,166) (1,024) 27,408 4,241 Noncontrolling interest 2,068 - (17,098) -	Income (loss) before income taxes		(16,462)		(6,955)		35,644		5,317	
Noncontrolling interest 2,068 - (17,098) -	Income taxes		7,296		5,931		(8,236)		(1,076)	
	Net income (loss)		(9,166)	_	(1,024)		27,408		4,241	
Net income loss) attributable to ACME Inc. \$ (7,098) \$ (1,024) \$ 10,310 \$ 4,241	Noncontrolling interest		2,068		-		(17,098)		-	
	Net income loss) attributable to ACME Inc.	\$	(7,098)	\$	(1,024)	\$	10,310	\$	4,241	

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

	Historical		Borgata	Adjus	tments	Consolidated				
			(In thou	ısands)						
Net Revenues										
Las Vegas Locals	\$	152,123	\$ -	\$	-	\$	152,123			
Downtown Las Vegas		57,133	-		-		57,133			
Midwest and South		172,546	-		-		172,546			
Atlantic City		-	168,786		-		168,786			
Reportable Segment Net revenues		381,802	168,786		-		550,588			
Other		1,352	-		-		1,352			
Net revenues	\$	383,154	\$ 168,786	\$	-	\$	551,940			
Adjusted EBITDA										
Las Vegas Locals	\$	34,125	\$ -	\$	-	\$	34,125			
Downtown Las Vegas		10,866	-		-		10,866			
Midwest and South		30,423	 		-		30,423			
Wholly-owned property Adjusted EBITDA		75,414	-		-		75,414			
Corporate expense		(9,500)	 		-		(9,500)			
Wholly-owned Adjusted EBITDA		65,914	-		-		65,914			
Atlantic City		-	34,096		-		34,096			
Our share of Borgata's operating income before net										
amortization, preopening and other items		8,770	 		(8,770)		-			
Adjusted EBITDA	\$	74,684	\$ 34,096	\$	(8,770)	\$	100,010			
Other operating costs and expenses										
Deferred rent		1,067	-		-		1,067			
Depreciation and amortization		34,797	16,573		-		51,370			
Preopening expenses		3,415	-		-		3,415			
Our share of Borgata's write-downs and other items, net		-	-		-		-			
Share-based compensation expense		3,200	-		-		3,200			
Write-downs and other items, net		(203)	(16)		-		(219)			
Other		954	-		-		954			
Total other operating costs and expenses		43,230	16,557		-		59,787			
Operating income		31,454	 17,540		(8,770)		40,224			
Other non-operating items										
Interest expense, net		33,224	21,791		-		55,015			
Fair value adjustment of derivative instruments		480	-		-		480			
Gain on early retirements of debt		1,191	-		-		1,191			
Gain on controlling interest in Borgata		-	-		-		-			
Other income		-	-		-		-			
Our share of Borgata's non-operating expenses, net		10,838	-		(10,838)		-			
Total other non-operating costs and expenses, net		45,733	21,791		(10,838)		56,686			
Income (loss) before income taxes		(14,279)	(4,251)		2,068		(16,462)			
Income taxes		7,181	115		-		7,296			
Net income (loss)		(7,098)	 (4,136)		2,068	-	(9,166)			
Noncontrolling interest		(7,000)	(1,100)		2,068		2,068			
Net income (loss) attributable to ACME Inc.	\$	(7,098)	\$ (4,136)	\$	4,136	\$	(7,098)			
		(.,)	 (. , 3)		.,		(.,)			

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

Three Months Ended December 31, 2009

ACME Inc.
Borgata
ACME Inc.
Historical
Stub
Adjustments
Pro Forma

	(In thousands)										
Net Revenues											
Las Vegas Locals	\$	154,966	\$	-	\$	-	\$	154,966			
Downtown Las Vegas		58,049		-		-		58,049			
Midwest and South		170,251		-		-		170,251			
Atlantic City		-		175,408				175,408			
Reportable Segment Net revenues		383,266		175,408		-		558,674			
Other		1,682		-		-		1,682			
Net revenues	\$	384,948	\$	175,408	\$	-	\$	560,356			
Adjusted EBITDA											
Las Vegas Locals	\$	34,736	\$	-	\$	-	\$	34,736			
Downtown Las Vegas		12,247		-		-		12,247			
Midwest and South		29,369		-		-		29,369			
Wholly-owned property Adjusted EBITDA		76,352		-	-	-		76,352			
Corporate expense		(9,581)		-		-		(9,581)			
Wholly-owned Adjusted EBITDA		66,771		-		-		66,771			
Atlantic City		-		36,448		-		36,448			
Our share of Borgata's operating income before net											
amortization, preopening and other items		8,535		-		(8,535)		-			
Adjusted EBITDA	\$	75,306	\$	36,448	\$	(8,535)	\$	103,219			
Other operating costs and expenses											
Deferred rent		1,088		_		_		1,088			
Depreciation and amortization		39,428		19,380		_		58,808			
Preopening expenses		3,025		-		_		3,025			
Our share of Borgata's preopening expenses		-,		_		_		-,			
Our share of Borgata's write-downs and other items, net		5		_		(5)		_			
Share-based compensation expense		4,186		_		-		4,186			
Write-downs and other items, net		365		10		_		375			
Other		1,288		-		_		1,288			
Total other operating costs and expenses	-	49,385	-	19,390		(5)		68,770			
Operating income		25,921		17,058		(8,530)		34,449			
Other non-operating items											
Interest expense, net		33,023		5,787		_		38,810			
Gain on early retirements of debt		(3,223)		3,707		_		(3,223)			
Other non-operating expenses		(3,223)		_		_		(3,223)			
Our share of Borgata's non-operating expenses, net		3,073		-		(3,073)		3			
Total other non-operating costs and expenses, net		32,876		5,787				25 500			
Total other horr-operating costs and expenses, het		32,670		3,767	•	(3,073)		35,590			
Income (loss) before income taxes		(6,955)		11,271		(5,457)		(1,141)			
Income taxes		5,931		(359)		-		5,572			
Net income (loss)		(1,024)		10,912		(5,457)		4,431			
Noncontrolling interest		-		-		(5,455)		(5,455)			
Net income (loss) attributable to ACME Inc.	\$	(1,024)	\$	10,912	\$	(10,912)	\$	(1,024)			

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

Year Ended December 31, 2010							
ACME Inc.	Borgata		ACME Inc.				
Consolidated	Stub	Adjustments	Pro Forma				
	(In the	ousands)					

Las Vegas Locals	\$	607,366	\$ -	\$ -	\$ 607,366
Downtown Las Vegas		218,221	-	-	218,221
Midwest and South		728,767	-	-	728,767
Atlantic City		580,140	158,290	-	738,430
Reportable Segment Net revenues		2,134,494	158,290	-	2,292,784
Other		6,405	-	-	6,405
Net revenues	\$	2,140,899	\$ 158,290	\$ -	\$ 2,299,189
Adjusted EBITDA					
Las Vegas Locals	\$	137,464	\$ -	\$ -	\$ 137,464
Downtown Las Vegas		34,227	-	-	34,227
Midwest and South		143,699	 -	-	143,699
Wholly-owned property Adjusted EBITDA	·	315,390	-	-	315,390
Corporate expense		(39,565)	-	-	(39,565)
Wholly-owned Adjusted EBITDA		275,825	 -	-	275,825
Atlantic City		136,278	33,115	-	169,393
Our share of Borgata's operating income before net					
amortization, preopening and other items		8,180	-	(8,180)	-
Adjusted EBITDA	\$	420,283	\$ 33,115	\$ (8,180)	\$ 445,218
Other operating costs and expenses			-	-	
Deferred rent		4,271	-	-	4,271
Depreciation and amortization		199,275	16,753	-	216,028
Preopening expenses		8,405	-	-	8,405
Our share of Borgata's preopening expenses		-	-	-	-
Our share of Borgata's write-downs and other items, net		34	-	(34)	-
Share-based compensation expense		11,324	-	-	11,324
Write-downs and other items, net		4,713	68	-	4,781
Other		3,848	-	-	3,848
Total other operating costs and expenses		231,870	 16,821	 (34)	248,657
Operating income		188,413	16,294	(8,146)	196,561
Other non-operating items					
Interest expense, net		164,449	5,063	-	169,512
Fair value adjustment of derivative instruments		480	-	-	480
Gain on early retirements of debt		(2,758)	-	-	(2,758)
Gain on equity distribution		(2,535)	-	-	(2,535)
Other income		(10,000)	-	-	(10,000)
Our share of Borgata's non-operating expenses, net		3,133	-	(3,133)	-
Total other non-operating costs and expenses, net		152,769	5,063	(3,133)	154,699
Income before income taxes		35,644	11,231	(5,013)	41,862
Income taxes		(8,236)	(1,206)	-	(9,442)
Net income		27,408	10,025	 (5,013)	32,420
Noncontrolling interest		(17,098)		(5,012)	(22,110)
Net income attributable to ACME Inc.	\$	10,310	\$ 10,025	\$ (10,025)	\$ 10,310

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

	Year Ended Dec	ember 31, 2009	
ACME Inc.			ACME Inc.
Historical	Borgata	Adjustments	Pro Forma
	(In thou	eande)	

Las Vegas Locals	\$	641.941	\$	_	\$		\$	641,941
Downtown Las Vegas	Ψ	229,149	Ψ		Ψ		Ψ	229,149
Midwest and South		762,336						762,336
Atlantic City		702,000		777,408		_		777,408
Reportable Segment Net revenues	-	1,633,426		777,408				2,410,834
Other		7,560		-		_		7,560
Net revenues	\$	1,640,986	\$	777,408	\$		\$	2,418,394
				·				
Adjusted EBITDA								
Las Vegas Locals	\$	155,336	\$	-	\$	-	\$	155,336
Downtown Las Vegas		46,102		-		-		46,102
Midwest and South		165,534		-		-		165,534
Wholly-owned property Adjusted EBITDA		366,972		-		-		366,972
Corporate expense		(36,934)				<u> </u>		(36,934)
Wholly-owned Adjusted EBITDA		330,038		-		-		330,038
Atlantic City		-		197,659		-		197,659
Our share of Borgata's operating income before net								
amortization, preopening and other items		59,470				(59,470)		-
Adjusted EBITDA	\$	389,508	\$	197,659	\$	(59,470)	\$	527,697
Other operating costs and expenses								
Deferred rent		4,354						4,354
Depreciation and amortization		165,725		78,719				244,444
Preopening expenses		17,798		699				18,497
Our share of Borgata's preopening expenses		349		-		(349)		-
Our share of Borgata's write-downs and other items, net		(14,303)				14,303		
Share-based compensation expense		13,970				14,000		13,970
Write-downs and other items, net		41,780		(28,606)				13,174
Other		3,642		(20,000)				3,642
Total other operating costs and expenses		233,315		50,812		13,954		298,081
Operating income		156,193		146,847		(73,424)		229,616
		·		· · · · · · · · · · · · · · · · · · ·				
Other non-operating items								
Interest expense, net		146,824		27,668		-		174,492
Gain on early retirements of debt		(15,284)		-		-		(15,284)
Other non-operating expenses		33		-		-		33
Our share of Borgata's non-operating expenses, net		19,303		-		(19,303)		-
Total other non-operating costs and expenses, net		150,876		27,668	-	(19,303)		159,241
Income before income taxes		5,317		119,179		(54,121)		70,375
Income taxes		(1,076)		(10,938)		-		(12,014)
Net income		4,241		108,241		(54,121)		58,361
Noncontrolling interest		-		-		(54,120)		(54,120)
Net income attributable to ACME Inc.	\$	4,241	\$	108,241	\$	(108,241)	\$	4,241

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

December 31,							
20	10	2009		2010			2009
			(In thousan	nds)			
\$	12,225	\$	12,540	\$	48,861	\$	47,617
	(2,725)		(2,959)		(9,296)		(10,683)
\$	9,500	\$	9,581	\$	39,565	\$	36,934
	φ.	2010 \$ 12,225 (2,725)	\$ 12,225 \$ (2,725)	December 31, 2010 2009 (In thousar \$ 12,225 \$ 12,540 (2,725) (2,959)	December 31, 2010 2009 20 (In thousands) \$ 12,225 \$ 12,540 \$ (2,725) (2,959)	December 31, December 2010 2009 2010 (In thousands) \$ 12,225 \$ 12,540 \$ 48,861 (2,725) (2,959) (9,296)	December 31, December 31, 2010 2009 2010 (In thousands) \$ 12,225 \$ 12,540 \$ 48,861 \$ (2,725) (2,725) (2,959) (9,296)

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

	Three Months Ended					Year Ended				
	December 31,					December 31,				
	2010		2009)	201	0	200)9		
				(In thou	sands)					
Operating income from Borgata, as reported on our										
consolidated statements of operations	\$	-	\$	8,205	\$	8,146	\$	72,126		
Add back:										
Net amortization expense related to our										
investment in Borgata		-		325		-		1,298		
Our share of preopening expenses		-		-		-		349		
Our share of write-downs and other items, net				5		34		(14,303)		
Our share of Borgata's operating income before net										
amortization, preopening and other items										
as reported on the accompanying table	\$		\$	8,535	\$	8,180	\$	59,470		

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

	Three Months Ended December 31, 2010 2009			Year Ended December 31,				
				09	2010			009
	(In thousands)							
Depreciation and amortization as reported on our								
condensed consolidated statements of operations	\$	51,370	\$	39,103	\$	199,275	\$	164,427
Net amortization expense related to our investment in Borgata		-		325		-		1,298
Depreciation and amortization as reported on								
the accompanying table	\$	51,370	\$	39,428	\$	199,275	\$	165,725

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

	Three Mo	nths Er	nded		Year	Ended	Ì			
	 December 31,				December 31,					
	 2010		2009		2010		2009			
			(In the	ousands	s)					
Revenues										
Gaming	\$ 148,759	\$	153,387	\$	643,904	\$	691,428			
Food and beverage	34,162		32,297		147,751		143,410			
Room	27,004		26,087		115,199		113,143			
Other	9,705		10,124		42,931		42,620			
Gross revenues	 219,630		221,895		949,785		990,601			
Less promotional allowances	50,844		46,487		211,356		213,193			
Net revenues	168,786		175,408		738,429		777,408			
Costs and expenses										
Gaming	62,313		65,352		263,823		280,620			

Food and beverage	16,396	15,395	69,489	64,217
Room	3,213	2,942	13,992	11,940
Other	7,681	8,323	34,334	34,908
Selling, general and administrative	30,510	31,914	123,963	128,164
Maintenance and utilities	14,576	15,034	63,435	59,900
Depreciation and amortization	16,573	19,380	69,640	78,719
Preopening expenses	-	-	-	699
Write-downs and other items, net	(16)	10	60	(28,606)
Total costs and expenses	151,246	158,350	638,736	630,561
Operating income	17,540	17,058	99,693	146,847
Other expense (income)				
Interest expense, net of amounts capitalized	21,791	5,787	50,199	27,668
Income (loss) before state income taxes	(4,251)	11,271	49,494	119,179
State income taxes	115	(359)	(5,273)	(10,938)
Net income (loss)	\$ (4,136)	\$ 10,912	\$ 44,221	\$ 108,241

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

	Three Months Ended					Year Ended					
		December 31,				December 31,					
	2010			2009		2010		2009			
				(In the	ousands	s)					
Operating income	\$	17,540	\$	17,058	\$	99,693	\$	146,847			
Depreciation and amortization		16,573		19,380		69,640		78,719			
Preopening expenses		-		-		-		699			
Write-downs and other items, net		(16)		10		60		(28,606)			
Adjusted FRITDA	\$	34.096	\$	36 448	\$	169 393	\$	197 659			

Footnotes and Safe Harbor Statements

Non-GAAP Financial Measures

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

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

EBITDA and Adjusted EBITDA

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

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

Adjusted Earnings and Adjusted EPS

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

Pro Forma Effect of Consolidation of Borgata

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

Limitations on the Use of Non-GAAP Measures

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

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

Forward Looking Statements and Company Information

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements contain words such as "may," "will," "might," "expect," "believe," "anticipate," "could," "would," "estimate," "continue," "pursue," or the negative thereof or comparable terminology, and may include (without limitation) information regarding the Company's expectations, goals or intentions regarding the economic recovery, increases in both visitation and spend-per-visit, and returning to consistent year-over-year growth in the business. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. These risks and uncertainties include, but are not limited to: fluctuations in our operating results; recovery of our properties in various markets; the state of the economy and its effect on

consumer spending and our results of operations; the timing for the economic recovery, its effect on our business and the local economies where our properties are located; consumer reaction to fluctuations in the stock market and economic factors; the fact that our expansion, development and renovation projects (including enhancements to improve property performance) are subject to many risks inherent in expansion, development or construction of a new or existing project; the effects of events adversely impacting the economy or the regions from which we draw a significant percentage of our customers; competition; litigation; financial community and rating agency perceptions of the Company; changes in laws and regulations, including increased taxes; the availability and price of energy, weather, regulation, economic, credit and capital market conditions; and the effects of war, terrorist or similar activity. Additional factors that could cause actual results to differ are discussed under the heading "Risk Factors" and in other sections of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, filed with the SEC, and in the Company's other current and periodic reports filed from time to time with the SEC. All forward-looking statements in this press release are made as of the date hereof, based on information available to the Company as of the date hereof, and the Company assumes no obligation to update any forward-looking statement.

About ACME Inc.

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

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