



NVCPA - 32nd Annual Gaming Conference

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Trends in Gaming Revenue

- The Nevada gaming market has experienced challenges over the past two years
- In 2009, Nevada experienced a sharp decline in gaming revenue at a reduction of 9.7% from 2008

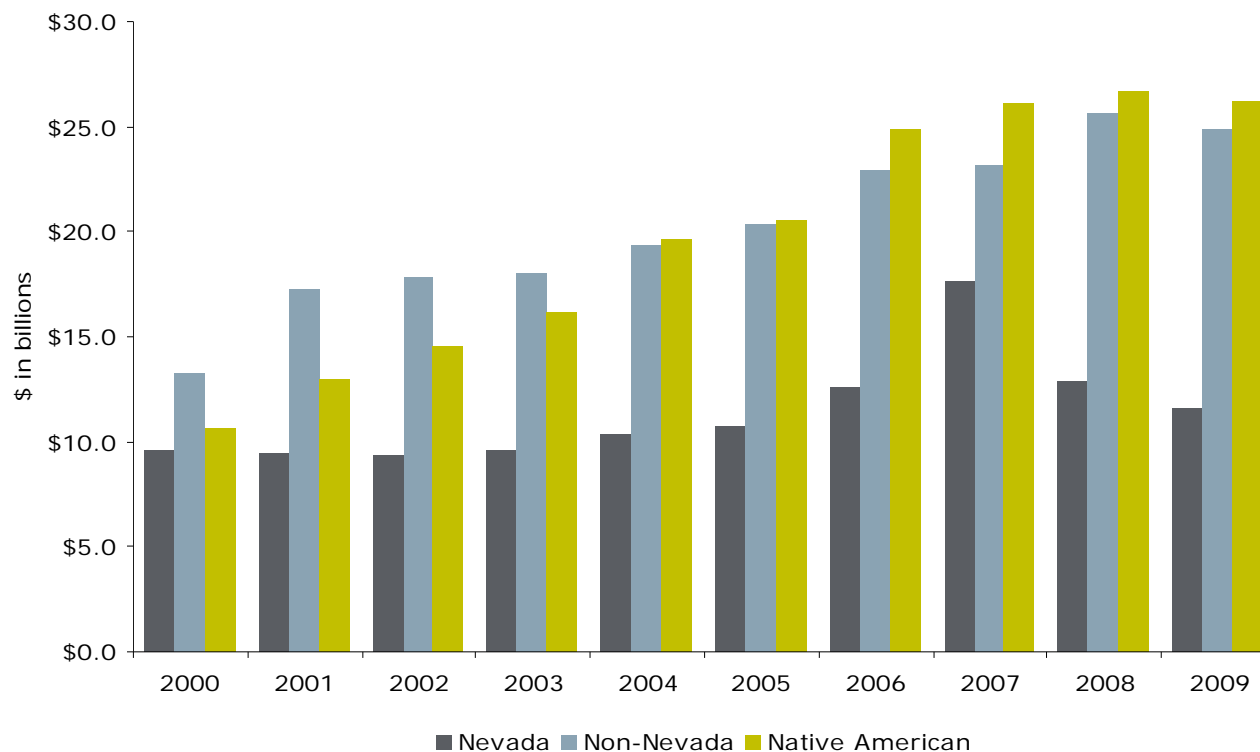
Gaming Revenue by State

	Annual			YTD March		
	2008	2009	% Change	2009	2010	% Change
Colorado	\$715.9	\$734.6	2.6%	114.8	123	6.7%
Connecticut	1,570.9	1,448.2	-7.8%	236.2	222.9	-6.0%
Delaware	588.9	564.2	-4.2%	87.5	75.4	-16.0%
Florida	228.9	216.7	-5.3%	40.4	57.6	29.9%
Illinois	1,569.4	1,429.2	-8.9%	242.6	229.7	-5.6%
Indiana	2,668.0	2,798.9	4.9%	461.6	454.6	-1.5%
Iowa	1,405.5	1,380.7	-1.8%	230.2	220.9	-4.2%
Louisiana	2,583.8	2,455.5	-5.0%	444.2	398.4	-11.5%
Michigan	1,359.6	1,339.3	-1.5%	223.9	226.3	1.1%
Mississippi	2,721.1	2,466.8	-9.3%	434.4	415.6	-4.5%
Missouri	1,681.8	1,730.3	2.9%	292.4	280	-4.4%
Nevada	12,847.2	11,599.3	-9.7%	1,743.8	1,829.9	4.7%
New Jersey	4,545.0	3,943.2	-13.2%	631.7	555.8	-13.7%
New York	947.6	1,019.3	7.6%	154.5	166.5	7.2%
Pennsylvania	1,615.6	1,964.6	21.6%	277.9	352.5	21.2%
Rhode Island	475.0	461.2	-2.9%	75	77.9	3.7%
West Virginia	947.8	905.3	-4.5%	164.9	136.5	-20.8%
Total	\$38,472.0	\$36,457.3	-5.2%	\$5,856.0	\$5,823.5	-0.6%

Trends in Gaming Revenue

- Native American gaming has continued to show growth since 2000 and is now over double the Nevada gaming market of \$26.2 billion in 2009
- Nationwide, additional gaming licenses have resulted in new casinos/supply and will continue to put pressure on larger destination locations like Las Vegas

Gaming Revenue Native American vs. Nevada



Economic Pressures on US Gaming

- The gaming industry is expected to face continued pressure as the US unemployment rate remains relatively high at 9.7%

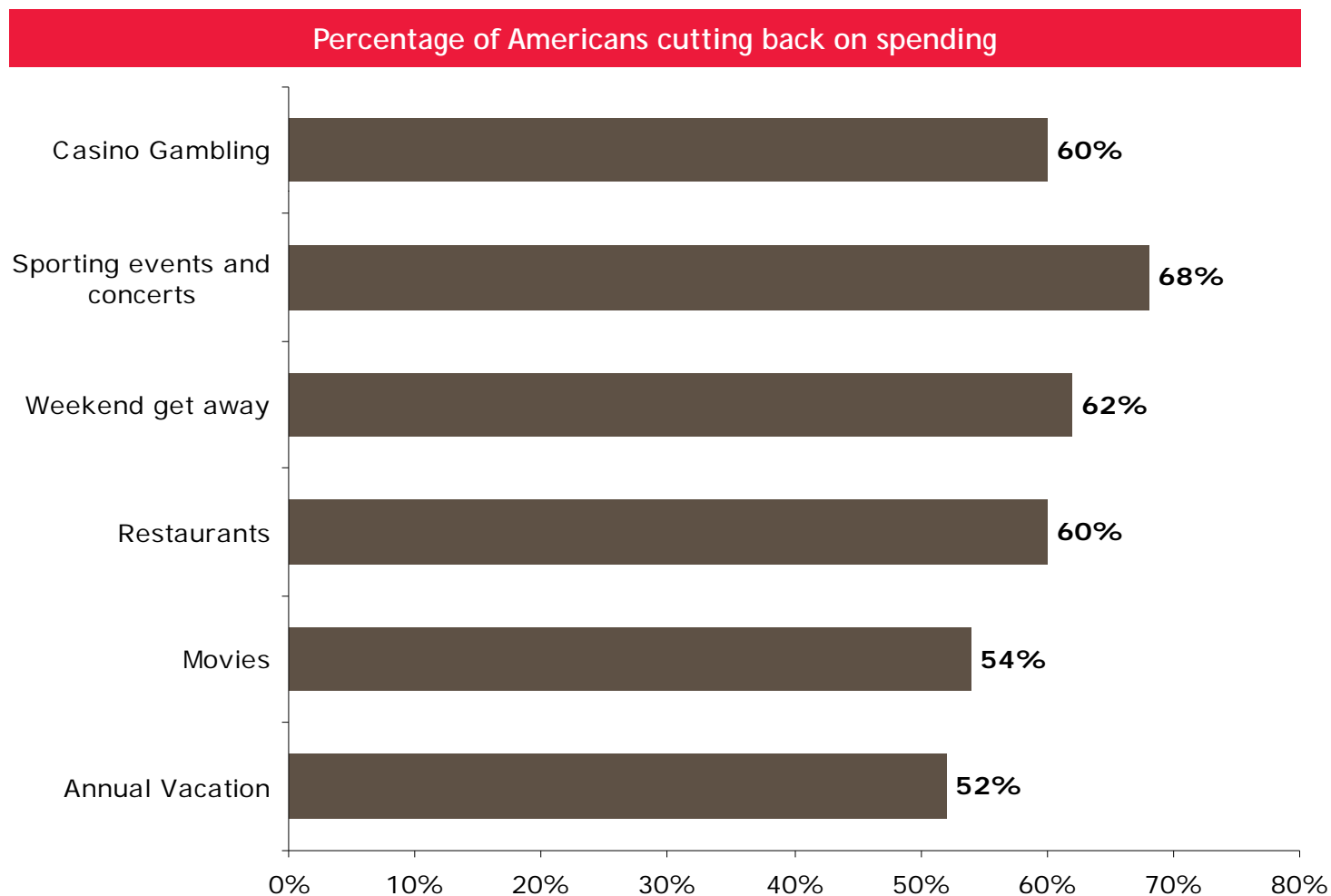
US Unemployment by State

Rank	State	%	Rank	State	%
1	NORTH DAKOTA	4.1	26	CONNECTICUT	9.1
2	NEBRASKA	4.8	27	DELAWARE	9.2
2	SOUTH DAKOTA	4.8	28	MISSOURI	9.4
4	KANSAS	6.5	29	ARIZONA	9.5
5	VERMONT	6.6	29	IDAHO	9.5
6	IOWA	6.7	29	MASSACHUSETTS	9.5
6	OKLAHOMA	6.7	29	WASHINGTON	9.5
8	HAWAII	6.9	29	WEST VIRGINIA	9.5
8	MONTANA	6.9	34	INDIANA	9.8
10	NEW HAMPSHIRE	7.1	34	NEW JERSEY	9.8
10	UTAH	7.1	36	GEORGIA	10.5
12	VIRGINIA	7.2	36	OREGON	10.5
13	LOUISIANA	7.3	38	TENNESSEE	10.7
13	MINNESOTA	7.3	39	KENTUCKY	10.9
15	WYOMING	7.5	39	OHIO	10.9
16	ARKANSAS	7.7	41	ALABAMA	11.1
16	COLORADO	7.7	42	NORTH CAROLINA	11.2
16	MARYLAND	7.7	43	ILLINOIS	11.4
19	TEXAS	8.2	43	MISSISSIPPI	11.4
20	MAINE	8.3	45	DISTRICT OF COLUMBIA	11.9
21	ALASKA	8.5	46	FLORIDA	12.2
22	NEW MEXICO	8.7	47	CALIFORNIA	12.5
22	WISCONSIN	8.7	47	SOUTH CAROLINA	12.5
24	NEW YORK	8.8	49	RHODE ISLAND	12.7
25	PENNSYLVANIA	8.9	50	NEVADA	13.2
			51	MICHIGAN	14.1

Blue represents Gaming States

Economic Pressures on US Gaming

- As a result, many Americans have reallocated their disposable income away from gambling and other leisure activities in order to save money



New Supply May Add Pressure to the Market

- **Casino expansion is a hot topic in many states these days that are facing severe budget shortfalls**
- **Many state legislators are considering gaming as opposed to increasing taxes and cutting state jobs**
- **This trend can continue as the budget deficits continue in this difficult economic environment**

New Potential Gaming Supply

Delaware - Effort is underway that may see the potential legalization of new casinos within the state.

Iowa - The Iowa Racing and Gaming Commission solicited new applications for five licenses in 2009. Four license applications are being considered.

Maine - Two proposals to add additional casinos in the State have recently surfaced. A group supporting the expansion is currently attempting to put the issue on the ballot in November 2010.

Maryland - Voters authorized bids to develop casinos in five counties in 2008. While all five projects were initially approved, only three are currently moving forward, albeit most of them slowly. Two casinos are expected to open in 2010: Ocean Downs offering 800 slots in May and Penn National Gaming's casino in Perryville, MD offering 1,500 slots in October.

Massachusetts - Has intentions to file a bill proposing the legalization of two standalone casinos and slots at the four racetracks in the state of Massachusetts.

New Hampshire - The senate voted in favor of gaming, as the state is looking to add 17,000 slot machines and table games. The casino bill is now headed to the House of Representatives for a vote later this month.

New York - Talks of the Aqueduct is on again, as Governor Patterson is looking to resurrect the casino project by picking a winner through a standard procurement process, eliminating the requirement of seeking approval from the Assembly and Senate.

Ohio - In November 2009, voters approved the development of four freestanding casinos in the state, each with up to 5,000 gaming positions. In addition, the amendment allows the casinos to offer any of the casino games found in neighboring states. To establish a casino, a on-time license fee of \$50 million and a minimum investment of \$250 million would be required.

Pennsylvania - In early January 2010, the State approved a bill that would allow table games. Large casinos are allowed to add up to 250 table games, while smaller resort casinos could add up to 50. The bill requires casinos to pay a licensing fee ranging from \$7.5 million to \$16.5 million, and revenues would be subject to a 16% tax rate. The bill also calls for more resort casino licenses starting in 2017 and would allow small resort properties to house up to 600 slots.

Future Las Vegas Supply

- The Las Vegas strip market will also continue to face near term pressure as it continues to absorb MGM's CityCenter project which added approximately 6,299 rooms in 2009
- Future supply of additional rooms should continue to diminish as the economic return for an increased supply diminishes

End of 2008 Luxury/High-End Strip Room Count

Property	Owner/Operator	Rooms
MGM Grand	MGM	5,044
MGM Grand Signature	MGM	1,728
Mirage MGM	MGM	3,044
Bellagio MGM	MGM	3,993
Mandalay Bay	MGM	4,756
Caesar's Palace Las Vegas	Harrah's	3,370
Wynn Las Vegas	Wynn	2,716
Encore	Wynn	2,034
Venetian	LVS	4,027
Palazzo	LVS	3,066
The Palms - Towers 1 and 2	Private	802
Hard Rock	DLJ/Morgans	1,120
Trump International	Private	1,282
Total		36,982

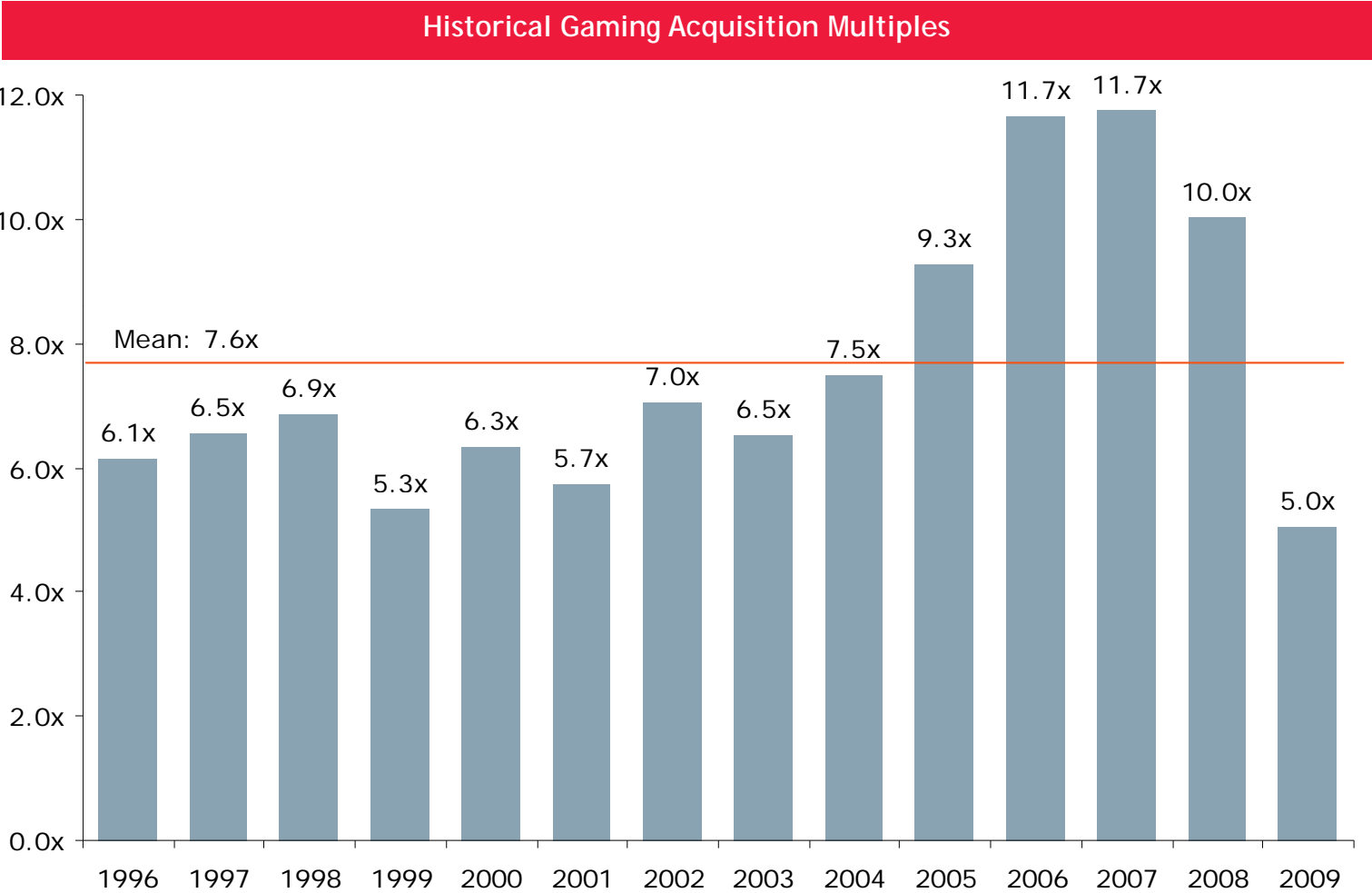
End of 2009 Luxury Room Additions

Property	Owner/Operator	Rooms
Hard Rock - Phase 2	DLJ/Morgans	400
Planet Hollywood Tower	Private	1,228
CityCenter	MGM	6,299
2009 New Rooms		7,927
% Growth		21%

Future Supply

Property	Owner/Operator	Rooms
Cosmopolitan	Deutsche Bank	2,998
Fontainebleau	Carl Icahn	3,889
Caesar's Octavius Tower	Harrah's	665
Potential Additional Supply		7,552
% Growth		17%

Gaming Valuations

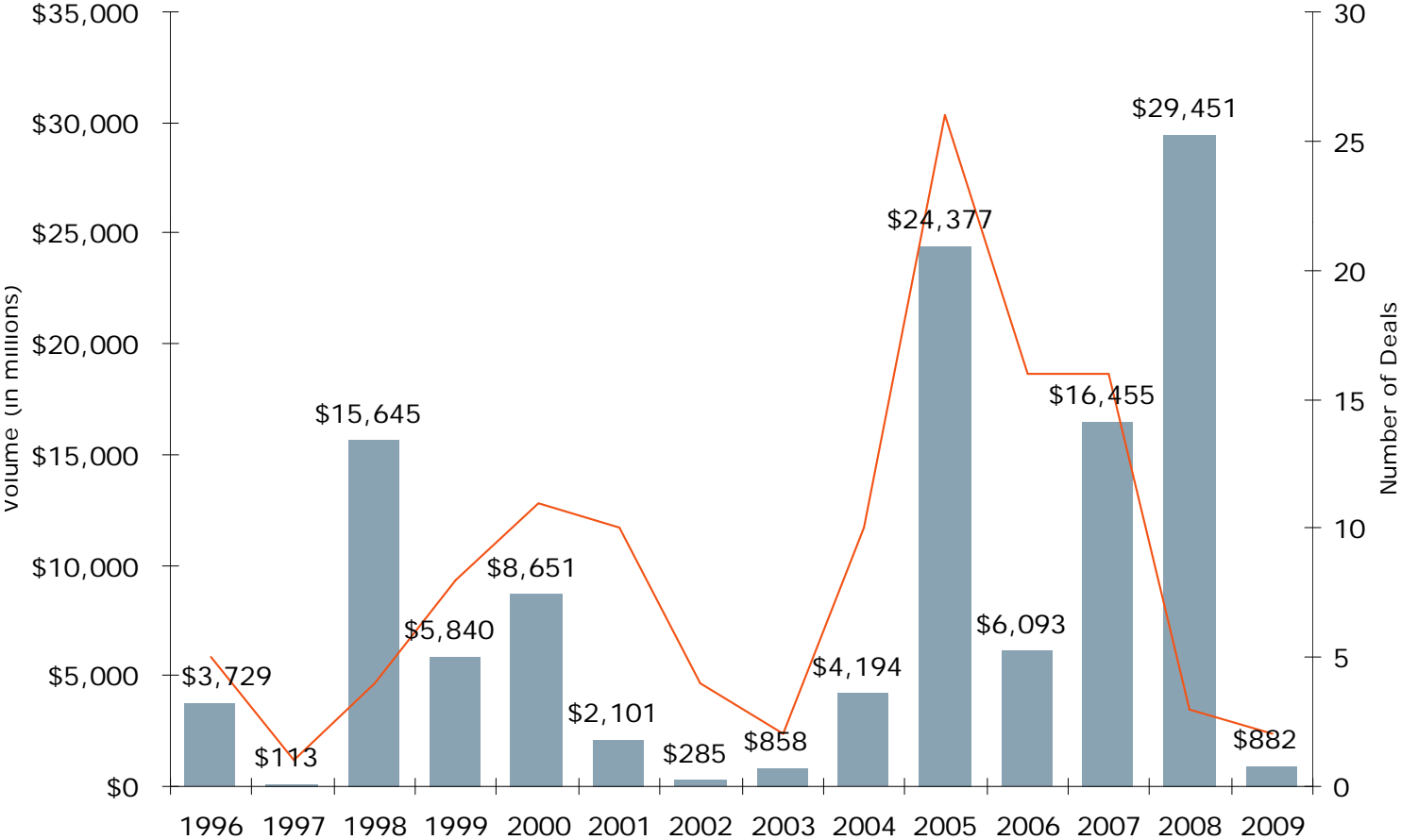


Source: Wells Fargo Securities

Note: Based on announce date; includes deals that were ultimately terminated

Gaming Valuations

Historical Gaming Acquisition Volume

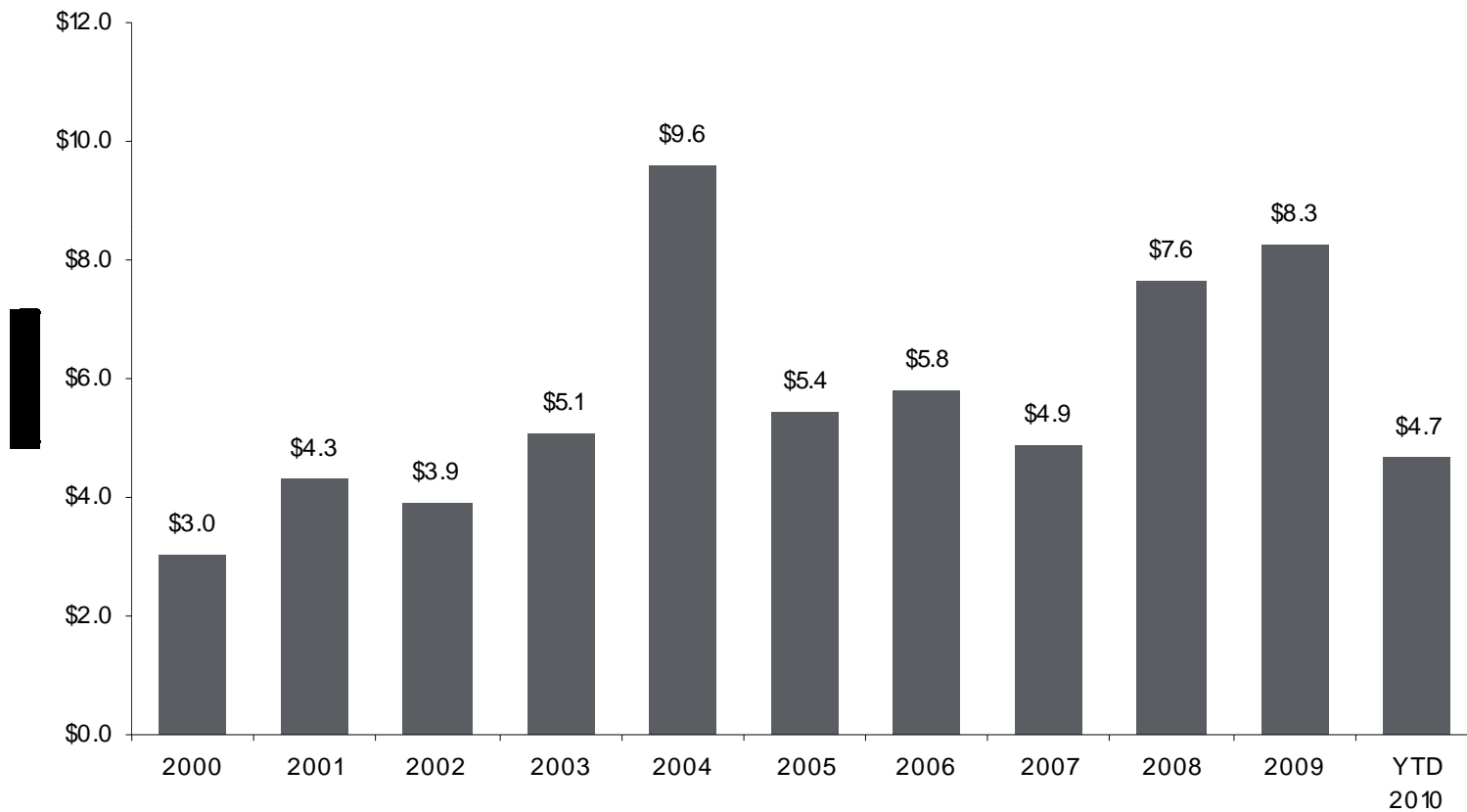


Source: Wells Fargo Securities

Note: Based on close date; does not include deals that were ultimately terminated

Leveraged Gaming Market

Gaming High Yield Issuances



Biographies



- **Anthony Alfonso – BDO Valuation Advisors, LLC**
 - Tony is the President and national practice leader of BDO Valuation Advisors, LLC. He has nearly two decades of financial services experience including extensive valuation and transactional expertise. Mr. Alfonso is frequently quoted in industry trade publications and major media outlets such as Bloomberg, Business Week and The New York Times, San Francisco Chronicle and the Investors Business Daily. Mr. Alfonso received a B.S. in financial planning from Purdue University and a M.B.A. from the Katz Graduate School of Business at the University of Pittsburgh. He is an accredited senior appraiser in the business valuation discipline under the auspices of the American Society of Appraisers. He is also registered with FINRA (formerly the NASD) as a General Securities Representative (Series 7 and 63).

Biographies



- **Duane Bouligny – Wells Fargo Securities - Gaming Debt Capital Markets**
 - Duane Bouligny is Managing Director within loan syndications and high yield, at Wells Fargo Securities. In this position, he manages the specialized industries debt capital markets team, which structures and originates loan syndications and high yield financings primarily for the gaming industry. Duane also has managed teams covering energy, forest products and beverage for Wells Fargo. Before joining the company in 1998, he worked for Sumitomo Bank in San Francisco and NationsBank in Florida. Duane holds a bachelor's degree from Providence College

Biographies

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- **Timothy Kraepel – Howard & Howard**
 - Timothy focuses his practice in corporate law, securities and mergers and acquisitions. He regularly advises clients on issues of entity formation, financings, securities issuances (public and private), mergers and acquisitions, and dissolutions. Mr. Kraepel also advises reporting companies with respect to their obligations under the Securities Act of 1933 and the Securities Exchange Act of 1934 and assists and prepares regulatory filings required of public corporations. He has also served as underwriter and sales agent counsel in connection with public and private securities offerings and regularly advises companies in connection with private placements of securities

Biographies



- **Jonathan Woloshin – UBS Financial Services, Inc.**
 - Jonathan has 25 years of experience as a securities analyst covering numerous sectors including REITs, gaming, lodging, homebuilders, healthcare, technology, industrial, consumer staples, and energy. His experience extends beyond traditional equity analysis to include the analysis of fixed income, convertibles, options & derivatives. In addition, he has experience with capital structure arbitrage and short selling. Jonathan holds a B.A. in Psychology from the University of Rochester and an M.B.A. in Finance and Corporate Accounting from the William E. Simon Graduate School of Business at the University of Rochester. Jonathan is a Chartered Financial Analyst® Charterholder, holds NASD series 7, 24, 66, 86, and 87 licenses, and is a member of both The CFA Institute and The NY Society of Security Analysts.