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Global Gaming Bulletin

25th Anniversary Edition

Celebrating the Growth of the Global Gaming Industry

This year, Ernst & Young celebrates its 25th year of publishing performance data for the gaming industry. To commemorate this milestone event and the breadth of our understanding and experience in the gaming industry, this year's Gaming Bulletin is a special global anniversary edition. The past year, above all previous years, has marked a true milestone in the development of the global gaming industry – the transformation of the industry into a global market, and the first year in which this bulletin expands its focus from the US to the world. The global economy continues to develop and investors are looking for gaming growth opportunities throughout the world. Legislators are keen to take advantage of these opportunities and continue to foster the path toward international growth of the gaming industry.

2006 was marked by mergers and acquisitions that propelled the gaming industry into further global expansion by consolidating markets and focusing energy on global expansion. In this past year, Macau surpassed Las Vegas as the market leader by generating annual revenues of US$6.9 billion and achieving a 23% annual growth rate and 147% growth from just three years earlier.[1] Significant growth is also occurring outside of Asia, in countries such as the UK, Russia, Australia and France.

2007 promises to have a continued and significant impact on the gaming industry from global markets. The gaming industry is being considered for entry into more jurisdictions than ever before and is being seen as a fast path to the establishment of a successful tourism and entertainment industry. We expect that the highly consumer-focused model for growth that has emerged in this decade will continue to have a dramatic impact on the industry and the global economy.

Brian R. Ford
Global Gaming Services Leader

[1] Source: South China Morning Post, 12 February 2007.

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The Global Gaming Market

The global gaming landscape saw significant changes during the course of the year. Global expansion of the industry continued to gain momentum. Symbolic of this rapid expansion, Macau surpassed Las Vegas as the top revenue-generating jurisdiction in the world with approximately US$6.9 billion in revenue during 2006 and an astounding 23% growth rate.[2] The industry as a whole saw a continuation of strong revenue growth and the year was also marked by legislative and regulatory changes that dramatically curtailed or ended certain gaming activities. Mergers and acquisitions continued at a rapid pace largely driven by opportunities to consolidate markets or by the desire to establish a presence in a new market.

The gaming industry, if not being embraced, is at least being considered for entry in more jurisdictions than ever before and is being seen as the fast path to the establishment of a successful tourism and entertainment industry. Two examples of this are Singapore and Japan. Singapore has gradually relaxed restrictions and the first casinos are projected to open there in 2009. Japan, which had not previously favored casinos, is having legislative discussions around lifting the ban in 2007. While this represents great opportunities for these two countries, the strategic decisions made today will impact the long-term potential of these newly developing markets. Both of these markets however, will have to do a lot of catching up. Macau, with 25 existing casinos, is not slowing its growth plans and has numerous new casinos either in construction or on the drawing board.

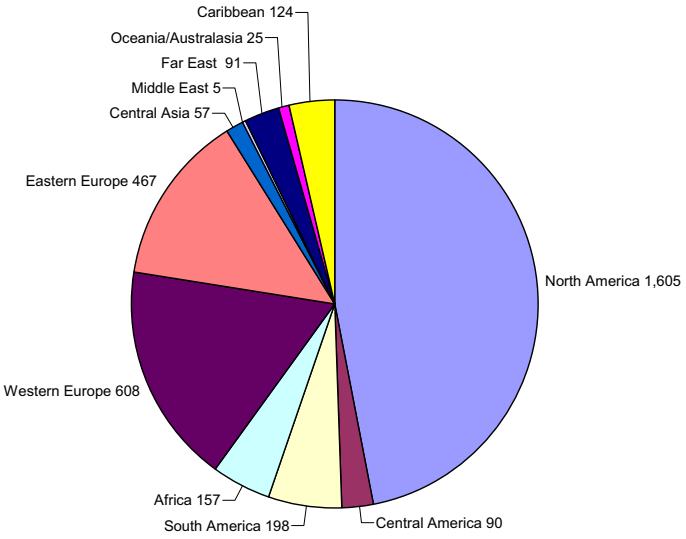
Significant growth is also occurring outside of Asia, but not quite at the same pace. Some type of compromise resolution is likely in 2007 and there is significant interest by foreign operators in the market. Russia has legislation under consideration that would limit gaming to four separate geographies and establishes certain other size and resource criteria. India, with huge gaming industry potential given the population, has previously only allowed a limited number of state-run operations but that may be changing in specified areas. Both South Africa and South America saw tremendous growth during the year. The South African gaming companies went through a consolidation as larger operators looked to increase their market. In South America, the issuance of additional gaming licenses during the year helped to set the stage for continued expansion.

In the US, slot machines were allowed in both Pennsylvania and Florida, and Congress was finally successful in passing anti-internet gaming legislation. The Unlawful Internet Gaming Enforcement Act (UIGEA) was passed in late September and resulted in the prohibition of internet gaming with the exception of horseracing. This legislation will undoubtedly result in a number of mergers and joint-ventures as these companies move to rebuild their business. Notable by its absence was the lack of new large casino projects despite gaming's continuing growth in popularity. As the US market has matured and the rate of earnings growth slowed, the industry

[2] Source: South China Morning Post, 12 February 2007.

players are more aggressively taking their capital to higher growth markets. While it is difficult to argue with the initial returns provided by many of these newly developing markets, they are benefiting from at worst benign to very robust economies and have been treated hospitably by the various jurisdictional powers. Unlike in the US, these markets have not been challenged yet by deteriorating or weak economic conditions and unfavorable jurisdictional decisions. Developers that arrive late to the market will need to ensure that the investment horizon is not filled with uncertainty.

Gaming Around the Globe[3]



North America

In North America, the US has more casinos than any other country with 1,496 casinos and 711,640 slots. The largest casino in North America is Foxwoods Resort Casino located in Mashantucket, Connecticut. Outside the US, North America has casinos in Mexico and Canada.

Canada

There are 11 provinces in Canada which have 107 legal gambling facilities consisting of casinos and pari-mutuel facilities. Legally, the only types of gambling available in Canada are casinos, pari-mutuel, dog tracks, racinos, and horse tracks. The province with the most casinos in Canada is Ontario with 30 casino facilities. The largest casino in Ontario measured by the number of gaming machines is Picov Downs.

The city with the most casinos in Canada is Calgary, Alberta, with six casino facilities. The largest casino in Canada is Penn National Gaming's Casino Rama which is located in Orillia, Ontario. Casino Rama has 120 table games and 4,800 casino slot machines/video poker games (or other video terminal gaming machines).

[3] Source: (www.worldcasinodirectory.com), World Casino Directory

United States

There are more casinos in the US than in any other country in the world. There are 47 states in the US which have 1,496 legal gambling facilities available. The 1,496 gambling facilities consist of casinos and pari-mutuel facilities. The only types of legal gambling available in the US are: charitable gaming, commercial casino gaming, lotteries, Native American Gaming, and pari-mutuel wagering (dog tracks and horse tracks).

Nevada has more casinos than any other state with 354 casino facilities and 177,330 slot machines. The city with the most casinos in the US is Las Vegas with 123 casino facilities and 114,713 gaming machines. The largest casino in the US is Foxwoods Resort Casino which, as mentioned previously, is located in Mashantucket, Connecticut. It has 381 table games and 7,374 casino slot machines/video poker games (or other video terminal gaming machines).

Caribbean

Casinos and gambling are prevalent in the Caribbean, as it is a popular tourist destination. Besides having on-site casinos on various islands, the Caribbean is also popular for its casino cruises and for the online gambling that it offers.

The Caribbean has over 120 casinos on 15 islands, as well as four islands with pari-mutuel facilities. The largest number of casinos is found in the Dominican Republic with 31 casinos, followed by the Netherlands Antilles with 27 casinos, Puerto Rico with 18 casinos, and Aruba and Jamaica with 10 casinos each.

The largest casino in the Caribbean is Princess Port de Plaisance Hotel and Casino which is located in Cole Bay, Saint Maarten, Netherlands Antilles. Princess Port de Plaissance Hotel and Casino has 25 table games and 1,350 casino slot machines.

Central America

Central America has six countries with casinos and one country with pari-mutuel facilities, which includes horse racing and dog racing or racinos with slots or video poker terminals within reach of gamblers. The country of Costa Rica has more casinos than any other country in Central America, with 37 casinos and 1,224 slots.

The largest casino in Central America is Casino Majestic, which is located in Panama City, Panama. Casino Majestic has 36 table games and 978 slot machines.

Countries with casinos include Belize with two casinos, Costa Rica with 37, El Salvador with two, Honduras with three, Nicaragua with 10 and Panama with 36 casinos. Poker is also popular in most parts of Central America. Costa Rica and Panama attract most tourists, and consequently, these have the most casinos at 37 and 36, respectively. Most of Panama's casinos are located in Panama City, which also offers horse tracks for racino lovers. The nearby islands also have cruise ship casinos, a concept that attracts consumers from across the world.

South America

South America has nine countries with casinos and four countries with pari-mutuel facilities, including horse racing and dog racing or racinos. Gambling and casinos are most popular in Chile, Argentina, Brazil, and Venezuela. Argentina has more gaming activity than any other country in South America, with 79 casinos and 12,318 slots. The largest casino in the continent of South America is Casino de Tigre which is located in Tigre, Argentina. Casino de Tigre has 74 table games and 1,700 slots.

South American casinos are quite popular and today offer luxurious new locations for people to gamble. Usually food and beverages here are priced much lower to lure customers to the casinos and entice them to play the games. San Diego-based International Thunderbird Corp. is a popular casino house and has four casinos in Panama, lottery operations in Guatemala, a newly announced joint venture in Venezuela, and operations in Chile. For those opting for slot machines, a number of such casinos are located mainly in San Luis, Argentina. Worest Entertainment and Casinos is another major player and operates the Casino de Bariloche at the Cerro Catedral ski resort and the Casino de Asuncin in Paraguay.

Africa

Casinos in Africa are in a rapid growth phase, and the sector is evolving quickly. For example, representatives of the casino sector have now signed the country's first-ever national gambling industry code of conduct, which makes Africa one of the first places globally to do so outside of the United States.

The only types of legal gambling available in South Africa are casinos, pari-mutuel, and horse tracks. Africa has 29 countries with casinos and three countries with pari-mutuel facilities.

South Africa has more casinos than any other country in Africa, with 44 casinos and 37,599 slots. The city with the most casinos in South Africa is Johannesburg, with four casino facilities with 9,600 gaming machines and 192 table games. The largest casino in the continent of Africa is Sun International's GrandWest Casino and Entertainment World which is located in Cape Town, South Africa, and has 60 table games and 3,500 casino slot machines.

Western Europe

Casinos in Western Europe are quite prevalent and today attract many gamblers from across the world.

Western Europe has 20 countries with casinos and four countries with pari-mutuel facilities, including horse racing and dog racing racinos. France has more casinos than any other country in Western Europe, with 193 casinos and over 20,000 slots. The largest casino in Western Europe is Le Café de Paris which is located in Monte Carlo, Monaco. Le Café de Paris has 15 table games and 1,200 slot machines.

Lotteries in Germany reached record highs of US$34 million (€25 million) in December 2004.

The Western Europe betting market in general, and the German betting market specifically, is on a growth curve. The market currently accounts for 5% to 10% of the total German gambling market with over 70% of sales being recognized by private operators. The locations for horse racing include tracks in Sweden at Sundbyholms Travet in Eskilstuna and the Taby Racecourse in Taby. Horse tracks are popular in Germany, and are located in Bad Doberan, Baden-Baden, Bremen, Beckingen, Dortmund, Dresden, and Cuxhaven, to name a few places. Horse track racinos in the UK are located in Manchester.

France

Gambling in France is popular, but the French casinos face many restrictions. While gambling has its roots in France, it experienced renewed popularity when slot machines were legalized in 1988. France has 193 gambling facilities available consisting of casinos and pari-mutuel facilities.

Although many assume that France's casinos are similar to Las Vegas' casinos or Eastern Europe's casinos, in actuality, much of today's casino revenue in France comes from slot machines. In 2006, France crossed the milestone of 20,000 slot machines.

The largest casino in the country is Casino d'Enghien Les Bains, which is located in the Paris surroundings. The casino has 41 table games and 350 slot machines.

United Kingdom

The betting and gaming industry has been growing in the United Kingdom, due largely to market deregulation, expansion in the casinos sector, growth in the popularity of sports betting and a major broadening of the range of channels through which gambling services are accessible.

Gambling activities in the UK range from lotteries and pools to betting, bingo, table games, gaming machines, and online gambling.

By September 2007, the Gambling Act 2005 is expected to become effective. The Act was passed with the intention of modernizing gambling regulation in the UK and has introduced a new regulator, "The Gambling Commission," to align regulation more consistently across different subsectors within the UK betting and gaming industry. The Act will also allow for a controlled increase in the number of casinos by introducing 17 new casino licenses, including one regional casino, nicknamed the "super casino," which consists of 8 large and 8 small casinos.

Eastern Europe

Casinos are emerging as a popular form of leisure entertainment and revenue in Eastern Europe. Currently, it has 18 countries with casinos and one country with pari-mutuel facilities.

The Russian Federation has more casinos than any other country in Eastern Europe, with 169 casinos and 4,743 slots. Estonia has 73 gaming facilities and the Czech Republic has 43 casinos.

The largest casino in Eastern Europe is Hotel Casino Perla which is located in Nova Gorica, Slovenia. Hotel Casino Perla has 49 table games and 850 casino slot machines.

Central Asia

While many of the countries of Central Asia offer legal casinos, casinos without licenses are also popular.

Central Asia has seven countries with casinos. The country of Kazakhstan, with 28 casinos, has more casinos than any other country in Central Asia. The largest casino in Central Asia is Grand Casino which is located in Ashgabat, Turkmenistan, with 13 table games and 150 casino slot machines.

In India, Goa is the only state to have legalized casinos. It now has six casinos, with the offshore Caravela that caters to the upper class. The Himachal Pradesh government in India may also soon allow casinos.

Middle East

Casinos and gambling are prevalent in the Middle East. Two countries in the region have casinos: Israel, which has four; and Lebanon, which has one. Wealthy locals and tourists are the primary customers.

Currently, there are no licensed casinos in Bahrain, Iran, Saudi Arabia, Syria, United Arab Emirates, Yemen, Iraq, Jordan, or Kuwait. While Israel has casinos, only the cruise-based ones are licensed. These include Mano cruises' Royal Iris in Haifa. Other casinos include the 9,400-square-meter (11,242-square-yard) state-of-the-art casino in Jericho, which is a joint Austrian-Palestinian venture offering games such as baccarat, blackjack, roulette, and craps. The largest casino in the Middle East is Casino du Liban, which is located in Jounieh, Lebanon, and has 57 table games and 365 casino slot machines.

Far East

Casinos in the Far East are popular with tourists around the world and include casinos in countries such as Cambodia, North and South Korea, China, Philippines, and Vietnam. The most popular gambling destination in Asia is Macau, the only location in China where it is legal to gamble.

There are 10 countries with casinos in the Far East and five countries with pari-mutuel facilities. Macau has more casinos than any other location with 28 casinos and 2,973 slots, and this number is growing rapidly.

The largest casino in the Far East is Casino de Genting, which is located in Genting Highlands, Malaysia. Casino de Genting has 426 table games and 3,140 casino slot machines.

Gambling is also popular in Japan, which has the largest number of pachinko and pachislo machines in the Far East. The Japanese gambling industry in itself generates over US$10 billion in revenue every year.

Attempts are underway in North Korea to lure foreign gamblers as Pyongyang aims to attract some US$150 billion in foreign capital to the Shinuiju Special Administrative Region over the next five years through the operation of casinos, finance centers, and international logistics facilities.

Gambling in Nepal began in 1968 when Casino Nepal opened. Today, Nepal has become a popular destination among gamblers in South Asia and has six casinos.

Gambling is not yet legalized in China, except in Macau, and as a result, many Chinese cross the border to gamble in Korea, where they are the main clients of the Korean casinos.

The Republic of Korea also has legalized gambling. There are nine cities in the Republic of Korea which have 14 legal gambling facilities available. The only types of legalized gambling available in the Republic of Korea are casinos, pari-mutuels, and horse tracks. Cheju City has the most casinos in the Republic of Korea, with four casino facilities, 166 gaming machines, and 84 table games.

Macau

Macau is emerging as the most popular location in the Far East for casinos and gambling. The only types of legal gambling available in Macau are casinos, pari-mutuels, dog tracks, and horse tracks. The largest casino in Macau, based on the total of slot machines and table games, is The Sands Macau, which has 438 table games and 921 casino slot machines. The second largest casino in Macau is Pharoah's Palace Casino, with 383 gaming machines/video terminals.

Some of the most popular spots in Macau are Casino Lisboa, Galaxy Rio Casino, and The Sands Macau. Baccarat is the most popular game in Macau.

Six new casinos are scheduled to open in 2007[4] and by 2009 Macau is expected to have at least 30,000 hotel rooms.[5]

[4] Source: Macau Casinos Shine, But not Everything is Gold, Reuters, 31 January 2007.

[5] Source: Macau Notches – Up New Tourism Record as Casinos Boom, Agence France Presse, 17 January 2007.

Oceania/Australasia

Australia

Australia has legalized gambling and has eight states with 13 legal gambling facilities and 200,507 gaming machines. The 13 gambling facilities consist strictly of casinos.

The state with the most casinos in Australia is Queensland, with four casino facilities. The largest casino in the country of Australia is PBL's Crown Entertainment Complex, which is located in Melbourne, Victoria, and has 350 table games and 2,500 casino slot machines.

Casinos Around the World

The following is a listing of countries with casino gaming and the respective number of gaming facilities in each country:

North American Casinos (1,605):
- Canada:
  - Alberta (21)
  - British Columbia (23)
  - Manitoba (6)
  - New Brunswick (2)
  - Newfoundland and Labrador (1)
  - Nova Scotia (6)
  - Ontario (30)
  - Prince Edward Island (2)
  - Quebec (7)
  - Saskatchewan (8)
  - Yukon Territory (1)
- Mexico (2)
- United States (1,496)

Caribbean Casinos (124):
- Antigua & Barbuda (6)
- Aruba (10)
- Bahamas (6)
- Barbados (2)
- Dominican Republic (31)
- Guadeloupe (2)
- Haiti (2)
- Jamaica (10)
- Martinique (2)
- Netherlands Antilles (27)
- Puerto Rico (18)
- St. Kitts & Nevis (2)
- Saint Vincent and the Grenadines (2)
- Trinidad & Tobago (3)
- US Virgin Islands (1)

Central American Casinos (90):
- Belize (2)
- Costa Rica (37)
- El Salvador (2)
- Honduras (3)
- Nicaragua (10)
- Panama (36)

South American Casinos (198):
- Argentina (79)
- Chile (12)
- Colombia (18)
- Equador (13)
- Paraguay (3)
- Peru (48)
- Suriname (2)
- Uruguay (18)
- Venezuela (5)

African Casinos (157):
- Benin (1)
- Botswana (6)
- Cameroon (2)
- Comoros (2)
- Democratic Republic of the Congo (Zaire) (1)
- Cote d'Ivoire (1)
- Djibouti (1)
- Egypt (25)
- Gambia (1)
- Ghana (1)
- Kenya (13)
- Madagascar (2)
- Mauritius (10)
- Morocco (5)
- Mozambique (2)
- Namibia (3)
- Nigeria (2)
- Reunion (4)
- Senegal (4)
- Seychelles (3)
- Sierra Leone (1)
- South Africa (44)
- Swaziland (3)
- Tanzania (5)
- Tunisia (3)
- Uganda (1)
- Zambia (3)
- Zimbabwe (8)

Western European Casinos (608):
- Austria (15)
- Belgium (8)
- Cyprus (17)
- Denmark (6)
- Finland (2)
- France (193)
- Germany (76)
- Gibraltar (2)
- Greece (9)
- Ireland (9)
- Italy (5)
- Luxembourg (1)
- Malta (4)
- Monaco (4)
- Netherlands (51)
- Portugal (8)
- Spain (33)
- Sweden (5)
- Switzerland (19)
- United Kingdom Casinos:
  - England (123)
  - Isle of Man (1)
  - Scotland (13)
  - Wales (4)

Eastern European Casinos (467):
- Belarus (1)
- Bosnia and Herzegovina (1)
- Bulgaria (7)
- Croatia (12)
- Czech Republic (43)
- Estonia (73)
- Hungary (7)
- Latvia (35)
- Lithuania (13)
- Macedonia (2)
- Moldova (2)
- Poland (25)
- Romania (15)
- Russian Federation (169)
- Serbia & Montenegro (7)
- Slovakia (Slovak Republic) (8)
- Slovenia (13)
- Ukraine (34)

Central Asia Casinos (57):
- Georgia (10)
- India (6)
- Kazakhstan (28)
- Kyrgyzstan (1)
- Sri Lanka (9)
- Turkey (1)
- Turkmenistan (2)

Middle East Casinos (5):
- Israel (4)
- Lebanon (1)

Far East Casinos (91):
- Cambodia (14)
- Hong Kong (2)
- Korea, Democratic People's Republic Of (1)
- Korea, Republic of (14)
- Lao People's Democratic Republic (PDR) (1)
- Macau (25)
- Malaysia (4)
- Myanmar (4)
- Nepal (6)
- Philippines (17)
- Singapore (1)
- Vietnam (2)

Oceania/Australasia Casinos (25):
- Australia (13)
- New Caledonia (3)
- New Zealand (6)
- Northern Mariana Islands (1)
- Vanuatu (2)

Source: *(www.worldcasinodirectory.com),* World Casino Directory

Items of Interest

US Casinos Look to International Expansion

Las Vegas and Atlantic City gaming markets are both forecasted to grow slightly faster than US gross domestic product over the next few years, but the real growth in the industry is not here. State laws in the US have restricted the potential for casino developments to a few choice markets such as Pennsylvania and Florida. Given a slowing gaming outlook domestically, leading US gaming companies are looking at expansion and investment opportunities in international markets such as China, Singapore and other overseas nations, which are relaxing and reforming their gaming legislation.

Gambling Magazine, 16 February 2006.

Gambling Industry Continues to Attract Capital

Gaming companies acquired, sold, or swapped a number of properties in 2006; but according to some analysts, "the merger-happy casino industry is getting thin on takeover targets." "Not so," said a Goldman Sachs analyst who added that, "it is hard to see what will be the next target, but given the high amounts of capital interested in these types of assets, other transactions could follow." The lineup of deals for 2006 included Kerzner International Ltd., operator of the Atlantis casino in the Bahamas, which agreed to be sold for about US$3 billion to a private-equity group that included the company's chairman and chief executive officer. This deal followed the announcement that Pinnacle Entertainment, Inc. was set to acquire Aztar Corp. for US$1.45 billion. Aztar was ultimately acquired by Columbia Sussex for roughly US$2.75 billion, including the assumption of US$676 million in debt. Remaining deals could include Ameristar Casinos, Inc. and Isle of Capri Casinos, Inc. Private buyers may be willing to pay more than public companies because of favorable financing terms and stock mutiples, according to a Deutsche Bank analyst. Analysts also cite the January announcement that a Saudi prince and Colony Capital will pay US$3.9 billion to buy luxury hotel operator Fairmount Hotels & Resorts Inc. as further evidence that consolidation and perceptions of high asset value remain themes in the gaming and lodging sector.

Reuters News, 23 March 2006.
Delivered by Factiva, a Dow Jones Company.

Major Gambling Interests Focus on Pennsylvania as Growth Stalls Elsewhere

With an expansion of gambling stalled elsewhere in the US, major gambling interests have set their sights firmly on Pennsylvania, where hearings will soon begin on competing proposals for slots parlors from Pittsburgh to the Poconos. Although table games will not be allowed, up to 61,000 slot machines will draw the interest of the largest gaming operators including Harrah's Entertainment, Boyd Gaming, Las Vegas Sands, and Trump Entertainment Resorts. Two Indian tribes operating in Connecticut are also interested in establishing operations in Pennsylvania. "You can see that by the sheer number of bigger companies interested in Pennsylvania that there are not a whole lot of other domestic opportunities right now," said Brian McGill, an analyst at Susquehanna Financial Group outside Philadelphia.

Associated Press Newswires, 27 March 2006.
Delivered by Factiva, a Dow Jones Company.

Senate Moves toward Stricter Regulation of Indian Gaming

The US$19 billion Indian gaming industry received a blow in March when the Senate Indian Affairs Committee recommended that the full Senate approve a bill by Senator John McCain (R-AZ) proposing amendments to the Indian Gaming Regulatory Act of 1988. The legislation seeks to (1) prohibit tribes from acquiring off-reservation property to use for gambling operations; (2) grant new authority to the National Indian Gaming Commission (NIGC) to regulate Class III gaming over and above the Tribal-State Compact process; (3) grant the NIGC broad new authority to regulate and approve development, consulting, financial, and gaming-related contracts; and (4) require tribes to annually disclose all revenue received from their tribal gaming facilities. The National Indian Gaming Association (NIGA), which represents most gaming tribes, strongly opposed the legislation, saying that additional regulation of the industry was not needed. NIGA chairman Ernest Stevens Jr. said, "McCain's bill has the effect of placing the government bureaucracy between the Indian gaming industry and its suppliers. It will be a serious setback to the tremendous economic gains made by the Tribes... no other industry in America is forced to defend their right to be successful." The bill was thought by some to be drafted in the heat of the Jack Abramoff lobbying scandal. Abramoff was accused of bilking Indian gaming clients out of millions of dollars.

(NOTE: To date, Congressional insiders credit the powerful tribal gaming lobby with holding off the legislation, and say tribes may be able to block it entirely.)

Gannett News Service, 30 March 2006.
Delivered by Factiva, a Dow Jones Company.

Fighting Casino Competition, Tracks Become "Racinos"

With slot machines accounting for about 70% of revenue in US casinos, and the declining popularity of racetrack betting, states such as New York have moved to tap the slot market. They are teaming with struggling horse and dog tracks, slot machine manufacturers, and casino operators to create venues similar to commercial casinos. Other states including Delaware, Maine, Oregon, Oklahoma, and West Virginia also want a piece of the pie. New York's Yonkers Raceway plans to open a racino with 3,000 slot machines by year's-end and MGM MIRAGE plans to open in 2007 a state-sponsored slots facility at Aqueduct in Queens. Rhode Island's Lincoln Park racino is in the midst of a US$125 million expansion, with plans to add 600 slots, a comedy club, and several restaurants.

The Wall Street Journal, 30 March 2006, © 2006 Dow Jones & Company, Inc.
Delivered by Factiva, a Dow Jones Company.

In Las Vegas, the Wagering is Going Mobile

In March, after months of legal deliberations, political maneuvering, and public hearings, the Nevada Gaming Control Board cleared the way for businesses to propose ways in which establishments can offer wireless gambling in Las Vegas. A bill, signed into law last June by Nevada Governor Kenny Guinn, allows casinos to offer wireless gambling within certain sections on their grounds. Numerous regulations are attached to the law, including strict security and identification measures, which will monitor who gets to use the wireless devices and where. Many of those regulations will be ironed out over the next year when the state gambling board starts to conduct field tests of the devices in a casino that has yet to be selected. Barring any major technical snags, however, wireless gambling will reach Las Vegas casinos early in 2007.

The New York Times, 3 May 2006.
Delivered by Factiva, a Dow Jones Company.

Churchill Downs Searches for Growth

With the pari-mutuel industry seeking to add slot machines to strengthen product offerings and remain competitive in the gaming market, Churchill Downs is planning to update its business by "broadcasting races outside the US, aiming its products at a younger crowd and adding slot machines at its tracks." Regulatory hurdles are the main challenge to gambling industry growth says Churchill CEO Tom Meeker. The company has been trying for 12 years to get legislative approval for slot machines in Kentucky. According to Meeker, the company will expand in the next five years by pursuing a share of the US$85 billion, global gaming market in Asia, Europe, Australia, and China through simulcasting deals; acquiring additional facilities in the US; and through the addition of slot machines at tracks in Louisiana (received state approval), Florida, and Kentucky.

The Wall Street Journal, 24 May 2006, © 2006 Dow Jones & Company, Inc.
Delivered by Factiva, a Dow Jones Company.

Can Gaming's Hot Streak Continue?

The gaming industry continued to perform well throughout the first six months of 2006, despite consumer concerns surrounding higher interest rates and energy costs, and a moderating housing market. Growth in gaming was driven mostly by the strong performance of the Las Vegas strip, with gaming revenue up more than 15% and room revenue up 13% from 2005 through March 2006. Market analysts predicted that "although 2006 is shaping up well for the gaming industry, they expect the growth rate to slow slightly as the year progresses, and to slow further in 2007." Forecasting a slowdown for the overall economy, analysts expected similar trends for the growth rates of real gross domestic product (GDP) and consumer spending. Long-term, however, analysts remained positive on gaming industry fundamentals, as they expect the market to benefit from a number of established advantages such as favorable demographic trends in the US, an expected continued rise in leisure travel and activities, and regulatory limitations that would help keep overall supply growth in check.

Business Week Online, 7 June 2006.
Delivered by Factiva, a Dow Jones Company.

Tribal Gaming Revenue Soars

The Indian gaming industry continues to grow by leaps and bounds, according to the NIGC. Revenues at the 420 tribal casinos across the nation brought in US$22.7 billion in 2005 compared with US$19.6 billion in 2004. Nongaming revenue from Indian casinos was US$2.3 billion in 2005, a 17.7% jump from the US$1.9 billion in 2004. California Indian casinos generated US$7.2 billion in revenue in 2005, topping gaming wins for the Las Vegas Strip, which were US$6 billion in 2005. California and Connecticut generated 41.8% of the nation's Indian gaming revenue. According to the report, the overall increase in Indian gaming revenue was the largest jump since 2002.

Las Vegas Review Journal, 21 June 2006.
Delivered by Factiva, a Dow Jones Company.

South Enjoys Post-Katrina Gambling Boom

Louisiana's casino industry is slowly recovering from Katrina and enjoying its biggest boom ever. Numbers of gamblers have provided a revenue boost for Louisiana, which faced dire predictions of deep cuts in spending after the storms.

Through the first 11 months of the current fiscal year, the state's take was US$473.8 million, up sharply from US$413.9 million one year ago. In May, gamblers left behind US$220.2 million at the state's 16 casinos, a big jump from US$199.5 million of May 2005. In April, gamblers lost US$213.9 million, compared with the US$189.4 million lost in April 2005. In March, casinos pulled in US$239.1 million, compared with US$198.6 million in the previous March.

Most of the increase has been centered in New Orleans and Baton Rouge, which both saw big population shifts because of Katrina, and in Lake Charles, where an influx of workers repairing damage from Rita has joined regular throngs from nearby Texas. How long the boom will last, however, is anyone's guess. Analysts and industry figures suggest that the planned US$5 billion of investments to rebuild Mississippi's coastal casino resorts will again relegate Louisiana's gambling outlets to second-class status.

Associated Press, 26 June 2006.
Delivered by Factiva, a Dow Jones Company.

Macau Takes It All to the Next Level

The scale of the opportunities and challenges associated with Macau's growing casino market is coming into sharper focus as investments pour into the country and social changes begin. Some US$10 billion was invested in Macau in 2006 with the completion of Wynn Macau, the Venetian on Cotai Strip underway and scheduled for completion in mid-2007, the Crown Macau on Cotai almost ready for opening and the breaking of ground for City of Dreams. Construction on the Galaxy Star World Casino and Grand Lisboa Casino is well underway and MGM Grand Macau is starting to rise. By 2009, these and other projects will support an annual visitor volume of 28 million and 35 million annual casino visitations. Gross gaming revenue will be some US$8 billion annually, and the number of hotel rooms will increase from 11,000 currently to 30,000. There will also be 5,000 gaming tables and 400,000 slot machines. A rise in the population, many immigrants from mainland China, wage inconsistencies between casino workers and other industry labor and potential regulatory issues may affect the favorable gaming atmosphere in the next few years.

International Gaming & Wagering Business, July 2006.

Casinos Are Shut in Atlantic City in Budget Crisis

New Jersey state government services/offices were forced to close indefinitely in July because state lawmakers failed to pass a budget by the constitutionally set deadline. The governor ordered the suspension of all "nonessential" state operations until a budget could be worked out. For the first time in their 28-year history, Atlantic City's 12 casinos were shut down—the 190 state inspectors required for their operation were deemed nonessential. With revenues estimated to be US$16 million per day and a workforce of approximately 50,000, the casino closings were an economic disaster for the gaming operators, city, and state. The casinos reopened three days later after a state budget compromise was passed and the governor issued an executive order reinstating the government inspectors. New Jersey's state government earns an average of US$1.3 million per day in gambling tax revenue, not counting sales tax and other gambling and tourism revenue.

The New York Times, 6 July 2006.
Delivered by Factiva, a Dow Jones Company.

House Passes Bill to Restrict Internet Poker; Legislation Would Forbid Use of E-Payments

The US House of Representatives passed a bill aimed to stop online gambling. Under the bill, which passed the House on a 317-93 vote, credit card companies cannot collect payments for Internet casinos, and financial institutions shall help law-enforcement shut down money transfers to illegal gaming sites. "The bill cuts off the money sources for these illegal businesses," said Congressman Bob Goodlatte, a co-sponsor of the bill. Supporters of the bill said many online gambling sites are fronts for money laundering, drug trafficking, and terrorist financing, and minors and young adults are often their biggest victims. According to analysis from the Congressional Research Service, Americans bet an estimated US$6 billion annually online, accounting for half of the worldwide market. Opponents, meanwhile, criticized the bill as being overreaching and difficult to enforce. Two provisions of the bill include the update of the 1961 Wire Act, which bars gambling entities from using wire-based communications for transmitting bets and now includes the Internet. The other is directed at cutting off the money flow from players to Internet gambling sites by barring the use of electronic payment, such as credit card transactions.

The Washington Post, 12 July 2006.
Delivered by Factiva, a Dow Jones Company.

As Gaming Growth Slows in Australia, Operators Look Elsewhere for Opportunity

The Australian Casino Association has revealed that the country's 13 casino operations generated US$2.5 billion (A$3.28 billion) in 2005, just a 4% increase over 2004. The slowdown in what has been a ten-year remarkable growth trend is due to market maturation, a strong national anti-gaming movement and casino smoking bans. Local casino operations such as PBL Gaming and Tabcorp are looking to other countries for further expansion.

International Gaming & Wagering Business, August 2006.

Casino Companies Look to New Markets

Las Vegas-based casino companies are looking overseas to expand operations due to a mature market in the US. Macau, China, Singapore, Spain, and the Bahamas are some of the venues which companies such as MGM MIRAGE, Wynn Resorts, Harrah's and Las Vegas Sands are entering or planning additional resorts.

Standard and Poor's Industry Survey: Lodging and Gaming, 3 August 2006.

Russia's Industry Ripe for Development by Western Operators

Australia-based Publishing and Broadcasting Ltd. is set to dive into Russia's US$5 billion a year gambling market through an agreement with a Moscow real estate company to develop Russia's largest casino and entertainment complex. PBL will be the first foreign company to enter Russia's casino market which is an indication that the market may be ready for foreign investment. The lack of regulation and the uncertainty of changes in the Russian government's future legislation have caused many multinationals to stay out of this market. Duma, the Russian legislative body, is expected to approve a gaming bill by the end of 2006 and licensing of existing and prospective operators midyear 2007. At that point, say industry analysts, the consolidation that will transform the Russian gaming industry will begin. "The end result will be a more efficient and highly regulated gaming market. This bodes well for international suppliers while also paving the way for well-capitalized international operators to enter the market."

International Gaming & Wagering Business, September 2006.

Operators Ponder Expansion While Economic Sun Shines

South Africa's booming economy and healthy gambling spending are driving larger gaming corporations to expand existing operations and/or acquire smaller casino operations, even if they were recently said to be located in undesirable locations. This is in spite of increases in the interest rate, a weakening rand and slowdown in property values. Recent acquisitions and expansions include:

- Peermont Global's acquisition in late August of a controlling interest in Tusk Casino Resorts and Hotels Group for US$79.2 million (R566 million).
- Sun International's bid for investment group Real Africa Holdings (RAH) in an effort to get its hands on RAH's minority shareholding in several Sun International subsidiaries.
- Sun International is undertaking a US$59.5 million (R425 million) expansion at its flagship operation, the Grandwest Casino in Cape Town, which will see the number of slots increase from 1,846 to 2,500.
- Century Casinos Africa's US$8 million (R57.5 million) purchase of a controlling interest (60%) in Balele Leisure, the owners and operators of the Monte Vista Casino in Newcastle, northern KwaZulu-Natal.
- Gold Reef Casino Resorts and Akani Leisure Investments purchase of casino operator Silverstar, the owner of the last remaining casino license in Gauteng.

International Gaming & Wagering Business, October 2006.

Court Limits Authority of Federal Government at Indian Casinos

A three-judge panel of the US Court of Appeals for the District of Columbia Circuit ruled that the federal government cannot regulate how Nevada-style games are played at Indian casinos. The decision arose from a dispute in Arizona between the Colorado River Indian Tribes and the NIGC. In 2001, the commission tried to audit the tribe's casino in Parker, AZ, to ensure compliance with recently enacted federal standards for how slot machines and games like blackjack are run. The tribe objected, contending the commission was overstepping its authority under the National Indian Gaming Regulatory Act. A federal district court sided with the tribe, and the appeals court agreed in an 11-page ruling. While federal law gives the gaming commission some authority over games like lotto and bingo on Indian land, the big moneymakers like blackjack and slots—classified as "Class III" games—are outside the commission's jurisdiction, according to the ruling written by Judge A. Raymond Randolph.

Associated Press, 20 October 2006.
Delivered by Factiva, a Dow Jones Company.

Enter the Multinational

International public perception, governments and corporate interest in the gaming industry are rapidly moving toward a realization that casino gaming is set to serve as a source of indirect taxation, jobs programs, catalysts for growth, and enhanced tourism. Combined with a worldwide 10% to 15% annual increase in disposable income, government deregulations, and the newly emphasized entertainment and conference aspect of gaming sites, many multinational companies are looking to capitalize on new opportunities within the industry. All forms of gambling are projected to scoop up US$125 billion of the world's spending by 2010 for a compound five-year annual growth rate of 8.8%. To take advantage of this growth opportunity, leisure industry consultants note that, "[Gaming operators] need a certain level of international management capability," which means creditable foreign staff, investment capability and expertise…They now have to be able to operate like true multinational companies like ExxonMobil."

International Gaming & Wagering Business, November 2006.

A Blueprint for Asia: The Asian Market, Tourism Generation and the Challenge for Gaming Firms

The "Las Vegas Model" of gaming resorts which successfully helped win Las Vegas Sands the first Singapore casino license is morphing into the "Singapore Model" and perhaps the "Asian Model" for multinational gaming companies looking to expand their operations into Asia. The "Las Vegas Model," developed by Las Vegas Sands executives to help them gain an edge in their multinational development projects, is focused on generating tourism and convention travel through star entertainment, luxury retail malls and restaurants. Their "MICE" (meetings, incentive, conventions and exhibitions) concept of gambling resorts works well with foreign governments looking for casino operations which draw not just gamblers, but true economic development and tourism dollars. Accordingly, the basis of the "Singapore Model," favored by many Asian government regulators, is that proposals include an emphasis on increasing destination tourism, and addressing the sociological impacts of problem gambling in the local context. In return, the Singapore government will ensure a strong regulatory environment and free market competition in the development of integrated resorts with casino gaming venues in the country.

International Gaming & Wagering Business, November 2006.

Forget the US – New Markets, Products Beckon Web Operators

In the US, Congress has imposed a ban on e-gambling transactions forcing big players in the online gaming industry to restructure in order to recoup their stake in the estimated US$12 billion (gross revenue) market, now gone. The Unlawful Internet Gambling Enforcement Act prohibits Americans from using electronic funds transfers, credit cards, and checks in placing bets with gambling sites worldwide. The bill holds banks and credit companies responsible for enforcement of the law. Several foreign online gambling businesses gave up their US operations after the bill passed. Online gaming leaders, 888 Holdings plc and PartyGaming plc plan to "exploit new markets (Europe and Asia), new products and new platforms, in short, a new model – if they're to stand a chance of carrying into the future anything resembling the extraordinary growth they've enjoyed up to now."

International Gaming & Wagering Business, November 2006.

The US Crackdown on Online Gaming is Forcing a Re-evaluation

The US crackdown on unlicensed Internet gambling has left behind the wreckage of a US$15 billion industry, with companies choosing to exit the lucrative market rather than take the risk of prosecution. "The US attack on online gaming, via legislation aimed at preventing companies from processing transactions, has had a chilling effect on the sector – although the final status of online gaming in the US will not be clear until regulations to accompany the recent legislation are developed over the next nine months." The Isle of Man, an island located at the center of the British Isles, where many big-name Internet gaming firms such as Playtech, Microgaming, Neteller, and PokerStars are based, is an emerging force as an e-gaming jurisdiction, and the authorities plan to make a concerted effort to attract e-gaming companies to the island. Many of the e-gaming companies plan to refocus their businesses away from the US and seek more opportunities in Europe and Asia.

Financial Times, 14 November 2006.
Delivered by Factiva, a Dow Jones Company.

Big and Bigger

The Las Vegas Strip saw billion-dollar developments progressing in 2006, of which the largest projects were MGM MIRAGE's Project CityCenter and Boyd Gaming's Echelon Place. The 66-acre Project CityCenter, now under construction, will be the largest privately financed development in the US. The total cost is expected to surpass US$7 billion; an opening is scheduled for fourth-quarter 2009. Echelon Place will replace the Stardust Resort & Casino, which closed in November. Construction is slated to begin in early 2007. The estimated cost of the project is US$4 billion, the second most expensive hospitality industry development in the US. Echelon Place is scheduled to open in 2010. In other Strip construction projects, Las Vegas Sands Corp. began erecting the US$1.8 billion Palazzo Tower next to the Venetian, and the new hotel-casino should open sometime in mid-2007. Encore, Wynn Las Vegas' US$1.74 billion expansion, broke ground in April 2006. The 20-acre site will add 50,000 square feet of casino space; a 2,054-room hotel tower; restaurants, swimming pools, and a spa; a state-of-the-art concert hall; boutiques; and 200,000 square feet of additional meeting space. A December 2008 opening is planned.

Casino Journal, December 2006.

Gulf Coast Recovery

The recovery and rebuilding efforts for the Gulf Coast Gaming operators have moved quickly because of the financial commitments by the companies that operate the casinos, the hard work of state and local civic leaders, and the efforts of countless employees who have labored well beyond the definition of a "hard day's work" to get the properties up and running again. The response has shown some of the following results:

- Statewide gaming revenues were US$129.9 million in January 2005, but US$169.3 million in January 2006
- Grand Casino Biloxi reopened 17 August 2006 with the casino inside the BayView Hotel; plans for a new US$1 billion project were expected to be revealed in November 2006
- Grand Casino Gulfport reopened as the Island View Casino 18 August 2006 after renovation and rebuilding, becoming Gulfport's only casino
- Treasure Bay Casino Resort saw the first phase of rebuilding complete, with the casino reopened in the hotel; construction is scheduled to be completed in the first quarter of 2007
- Casino Magic-Bay St. Louis reopened 31 August 2006 as Hollywood Casino Bay St. Louis after rebuilding, renovating, and retheming
- Boomtown Casino Biloxi reopened 29 June 2006 with a renovated casino barge and a new gaming floor

Casino Journal, December 2006.

Where No Slots Have Gone Before

Florida and Pennsylvania got initial tastes of Class III gaming in 2006, when slot licenses were awarded following voter approvals in each state. The newly created Pennsylvania Gaming Control Board awarded temporary licenses to the following six operations: Harrah's Chester Casino & Racetrack, which expects to have slots as early as January; Penn National Gaming's Hollywood Casino, which plans a 2008 opening; Mohegan Tribe of Connecticut's Pocono Downs, with slots already installed but a larger casino planned; The Meadows, which may have a temporary casino with slots next year; Philadelphia Park Racetrack; and Presque Isle Downs, which plans to have its 2,000 slots up and running by mid-February. In all, up to 61,000 slots may be authorized at 14 sites: seven racetracks, five slot parlors, and two resorts. The Gaming Control Board votes on permanent licenses and licenses for stand-alone operations 20 December 2006. In Florida, all four of Broward County facilities applied for licenses allowing each pari-mutuel up to 1,500 slot machines. The Mardi Gras Gaming & Racing Center was licensed by late September and Gulfstream Park and Pompano Park Harness Track by mid-October. Dania Jai-Alai applied for a license in late September. Mardi Gras began machine installation in October, with an unofficial opening in December and a gala grand opening set for 6 January 2007. Magna Entertainment-owned Gulfstream Park had slots up and running before Thanksgiving, and Isle of Capri's Pompano Park plans a 2007 opening.

Casino Journal, December 2006.

IGBW Recap of International Gaming News for 2006

IGWB editors summarized key activities within the international gaming industry in 2006 which will likely resonate well into 2007. Important gaming happenings in the industry during 2006 included:

Asia – Macau, China's only gaming venue, overtook Las Vegas as the world's top casino town. It was estimated that Macau's 23 casinos generated US$6.8 billion per year in revenues, with Las Vegas producing US$6.6 billion. Singapore's (another rising market in the Asian casino market) government approved two gaming sites which are scheduled to open in 2008 and be categorized as mixed-use and seek to increase tourism growth. Vietnam announced it would grow casinos as one of the nation's strategic industries. Taiwan and Thailand have indicated that they plan to introduce casinos. With Japanese gamblers spending money outside the country, Japan's ruling party is also trying to legalize its own gaming business.

UK – The 2005 Gambling Act reforms drove takeovers and mergers of the largest casino enterprises in the UK. The Gambling Commission proposed a new set of regulations, including age limits, issues associated with problem gambling, new taxes and licensing fees, and increased permission for food and entertainment within casinos.

A specially appointed Casino Advisory Panel made recommendations for a proposed 1,250-slot super-casino and 16 new "large" and "small" casinos authorized by the Gambling Act. These recommendations may become complicated due to court challenges.

South Africa – South African gaming and casinos had a booming year due to low interest rates, a strong rand, and record gold prices. Expansion of sites and the acquisition of available licenses, buyouts and mergers were all a part of the "slots-rush."

South America – The government of Chile awarded 12 additional gaming licenses, to add to the 7 existing casinos in the country. The gaming market here is eventually expected to generate US$186 million next year. Argentina remains South America's largest casino market. Recent laws allow provinces to set their own gaming regulations, fueling expansion to resort towns and competitive bidding for licenses offered by local governments.

International Gaming & Wagering Business, December 2006.

Century Casinos Reports Opening of New Casino Resort in Newcastle, South Africa

International casino entertainment company, Century Casinos Inc., opened its newest casino resort facility in December 2006 in South Africa's Kwazulu Natal Province. The casino features 12,000 square feet of casino floor with six gaming tables, 250 slot machines, and entertainment areas. The complex also includes a 40-room hotel, conference facilities, a spa and wellness center. Even though the casino only opened its doors to the public late evening, it generated an average win/slot/day of US$265 in the first two days. The new casino and hotel resort facility is the largest tourism investment in Northern Kwazulu Natal and will provide 250 permanent jobs for local residents.

PR Newswire, 5 December 2006.
Delivered by Factiva, a Dow Jones Company.

Racetrack Owners Strategize Plans for Gambling

West Virginia racetrack officials are more confident than ever that the odds are in their favor. This week, racetrack officials will meet to formulate their strategy for getting table gambling legislation passed in early 2007. Wheeling Island Racetrack and Gaming Center's president and general manager said the racetracks will once again seek legislation that could lead to table gambling at the state's four racetracks when the West Virginia Legislature convenes in January, and that representatives from the racetracks will meet to plan their course of action.

Gambling News, 10 December 2006.

Casino Business Takes Off in Korea

The casino market has exploded in Korea with new competition. Grand Korea Leisure, a subsidiary of Korea Tourism Organization, entered the foreign casino business in Seoul with its Seven Luck casinos in 2006, thus ending 38 years of domination by Paradise Walkerhill Casino. Foreign visitors to Seoul's casinos exceeded 700,000 in 2006, up from approximately 330,000 in 2005. Grand Korea Leisure ended its first year with US$.13 billion (KRW120 billion) high above analyst expectations. Han Seung-ho, an analyst with Shinyoung Securities said, "The growth rate of Seoul's casino market for foreigners hovered at 4.2% between 2002 and 2005…the figure is expected to soar to 16.8% on average for the next three years." There may be opposition ahead according to an official from the Ministry of Culture and Tourism responsible for supervising casinos: "Though few oppose casinos for foreigners, many people worry that the industry will lead to a flourishing gambling business for Koreans. Korea should consider carefully before deciding whether to develop the industry."

(www.Chosun.com), 18 December 2006.

Macau Overtakes Las Vegas as World's Largest Gaming Market

Despite its smaller gaming capacity, Macau's gross revenues have outstripped those of Las Vegas. According to a *Financial Times* report, numbers by the Gaming Inspection and Coordination Bureau of Macau indicate that gross gaming revenues reached US$5.51 billion during the first ten months of 2006, surpassing Las Vegas's total of US$5.44 billion during the same period. Leisure industry consultants Globalysis say Macau is expected to earn US$6.8 billion in casino revenues compared to Las Vegas's US$6.6 billion by the end of 2006.

Kyodo News, 19 December 2006.
Delivered by Factiva, a Dow Jones Company.

Harrah's Agrees to US$17.1 Billion Buyout Bid

Harrah's Entertainment, Inc., the world's largest casino company, accepted a US$17.1 billion buyout offer from two private equity groups, Apollo Management Group and Texas Pacific Group. The board approved a US$90-per-share buyout offer from the groups and recommended shareholder approval even as the company reserved the right to pursue even higher bids for about a month. The buyers are also assuming US$10.7 billion in debt in the deal. It will be the largest going-private deal ever for a publicly held casino company and the seventh-biggest leveraged buyout deal for any kind of company. The new owners planned to continue with Harrah's management team and with large-scale redevelopment plans for properties in Las Vegas, NV and Atlantic City, NJ, and expansion plans in Asia and Europe.

Los Angeles Times, 20 December 2006.
Delivered by Factiva, a Dow Jones Company.

Russia to Banish Gamblers to Siberia

Legislation passed by Russia's lower house of parliament in late 2006 will move gaming in this country from major metropolitan areas of Moscow or St. Petersburg to low-density rural areas (Altai region in Siberia, the Pacific coast region of Primorsky, the Kaliningrad area along the Baltic coast and an area in Russia's south between Rostov and Krasnodar) by 1 July 2009. Gaming establishments that do not meet certain other criteria (size, capital requirements, minimum gaming devices) will have to close no later than July 1 of this year. With the new legislation, no new gambling institutions will be allowed to open in 2007 and by the summer, only those with assets worth more than US$23 million will be allowed to continue working, eliminating smaller operations. Those that remain will have to move out after summer 2009, though the industry hopes to prompt changes that could soften the law before then.

USA Today, 20 December 2006.
Delivered by Factiva, a Dow Jones Company.

President Completes Sale of Local Casino to Pinnacle

President Casinos, Inc. announced that it had completed the sale of the capital stock of its St. Louis casino operations, President Riverboat Casino-Missouri, Inc. to Pinnacle Entertainment, Inc. for about US$31.5 million in cash, subject to certain post-closing adjustments. President Riverboat Casino-Missouri was a wholly-owned subsidiary of President Casinos, Inc. The proceeds of the sale will be placed in a distribution trust to be distributed in accordance with a bankruptcy reorganization plan. President Casinos, Inc. filed for bankruptcy in June 2002. The company has not determined whether it will liquidate or continue operations, or whether any assets will be available for distribution to shareholders.

St. Louis Business Journal, 21 December 2006.
Delivered by Factiva, a Dow Jones Company.

Casinos May Hit $3B Mark

Mississippi's rebounding gaming industry is expected to top US$3 billion in revenues in 2007, setting a new record for the state. With several record-setting months, Mississippi's casinos are on pace to top last year's annual revenue of US$2.47 billion. The best year was US$2.77 billion in 2004.

Gambling News, 24 December 2006.

Ruling Leaves Casino Oversight Gap

A legal and political debate is simmering about who is minding the store in the US$23 billion Indian gaming industry after federal authorities halted periodic audits of tribal casinos in California and other states. At issue is the authority of the NIGC in the wake of an appellate court ruling that declared the NIGC has no legal oversight in regulating standards for slot machines or other Nevada-style casino games. In California, home to nearly 60 casinos in a US$7 billion tribal gambling market, the casinos are regulated by the state under terms of compacts negotiated between the tribes and the governor and approved by the Legislature. The potential loss of federal oversight is triggering a call for the governor to renegotiate five pending tribal compacts that could add 22,500 slot machines in a major expansion of casino gambling in the Golden State. The compacts failed to win approval in the 2006 legislative session and are expected to be reconsidered next year.

The Sacramento Bee, 26 December 2006.
Delivered by Factiva, a Dow Jones Company.

Casino Operators Expanding at Rapid Pace

Casino operators expanded at a rapid pace in 2006, and there are no signs of a slowdown in 2007. Industry players are developing as much as they can in Las Vegas, while trying to capture emerging international markets like Macau. Las Vegas Sands Corp. is keeping its hand in many pots, with projects brewing in several locations. It is already a dominant player in Macau, which is widely considered Asia's Las Vegas. Las Vegas Sands is looking to open its Venetian Macau resort in less than nine months and has started construction and preparatory work on no fewer than six other sites in the region. Success overseas has helped the company offset slower domestic growth. Another billionaire looking to capitalize on Macau is Steve Wynn, whose Wynn Resorts Ltd. opened its US$1.2 billion Wynn Macau resort in September. With so much new supply coming on line in Macau, analysts believe "it's hard to predict how long companies will see strong performance. "Revenue will grow proportionate to supply, but it remains to be seen what will happen to profit margins." With casino development likely to continue to grow overseas, analysts suggest that investors should keep an eye on which countries liberalize their gambling laws as an indicator of where businesses will look to break ground next. Britain's industry is projected to grow, with Harrah's tapping into the market early. Japan is also a contender, as it has witnessed the success of Macau and Singapore.

Associated Press, 27 December 2006.
Delivered by Factiva, a Dow Jones Company.

Big Deals Rock Las Vegas in 2006

Gaming operators launched or continued construction on several billion dollars' worth of projects in and around the Las Vegas corridor. Most significant was the MGM MIRAGE's Project CityCenter, a US$7 billion, mixed-use resort under construction on the Strip at Harmon Avenue. Project CityCenter will soon be joined by Boyd Gaming Corp.'s US$4 billion Echelon Place. On the other hand, several historic landmark casinos perished to make way for the new developments. The 48-year old Stardust Casino closed in preparation for Echelon Place. The Boardwalk was demolished to make way for Project CityCenter.

Las Vegas Review Journal, 31 December 2006.
Delivered by Factiva, a Dow Jones Company.

Pot May Shrink

Atlantic City casinos took in an estimated US$5.2 billion in 2006, up 4% from 2005. Despite the casinos' shutdown in early July and the closing of the Sands Hotel & Casino in November, Atlantic City's gaming revenues for the year are impressive. According to Wall Street analysts, the gaming resort will face multiple challenges in 2007 with new racino markets opening in Pennsylvania and New York, a pending casino smoking ban, and two waterfront casinos planned for Philadelphia, which could impact 2007's gross revenues. "Atlantic City has got some challenges it's facing this coming year ... without a doubt, it will just force Atlantic City to become more competitive and upgrade its gaming and nongaming offerings." Three new casinos are planned for the resort by 2011, including Morgan Stanley, Pinnacle Entertainment, Inc., and a group led by former Caesars Entertainment, Inc. CEO Wallace R. Barr. In addition, MGM MIRAGE may open a casino next to the Borgata in the Marina District. Each venue will include dining, entertainment, and retail experience, and target affluent, overnight customers.

The Philadelphia Inquirer, 31 December 2006.
Delivered by Factiva, a Dow Jones Company.

Casino Industry: Rise of the Machines

Gaming analysts say that 2007 may be the year that could propel profits for gaming equipment manufacturers through domestic casino expansion, international casino growth and the rollout of server-based slot machines. Looking at the growth potential for slot machines globally, they believe manufacturers could be filling orders for more than 1.1 million new slot machines through 2010, if all the growth projections happen. Macau offers the largest international expansion opportunity with the potential for 50,000 new slot machines by 2010. With the US$2.4 billion Venetian Macau, the US$1 billion MGM Grand Macau and an expansion to the US$1.2 billion Wynn Macau all expected to open by the year-end 2007, slot manufacturers are working frantically to fill orders that will appeal to Chinese gamblers. Analysts predict that IGT, WMS, Bally Technologies and Aristocrat "will feed the slot machine growth in Chinese casinos." Manufacturers of table games and table game equipment are also expected to benefit in Asia. Approximately 15,000 to 20,000 new table games will be added in casinos worldwide over the next five years, with the bulk expected in Asia. Server-based slots may replace 80% of the slot machine floor over a three- to four-year period beginning in 2008.

Casino City News, 7 January 2007.

Goa to Issue New Casino Offshore Licenses

India, with a population of 1 billion people, could be the next to prosper from gambling initiatives. Goa, a province in India with a population of 1.3 million, is reportedly set to become a gambling Mecca when another three to five floating casinos begin operating offshore. Local politicians in Goa have agreed to license three offshore casinos in an effort to accommodate the huge influx of tourists during peak seasons. Goa, previously a Portuguese protectorate, is the only state in India to allow casinos. Thus far, the expansion has been limited to one single floating casino. As a popular tourist destination, Goa sees a large stream of visitors during peak season—more than 4 million yearly guests. It is this influx of consumers that is the contemplated target for potential casino operators. The Government of Goa has made the decision to issue three new licenses for offshore casinos but to limit the total operations to five. The new Goa casino licenses will cost applicants US$21,700 (R1 million) in administration fees. License winners will than pay an additional yearly license fee of US$1,100,000 (R50 million). Government officials hope that adding extra casinos will generate much-needed tax revenue for the province. So far, a reported 15 companies have expressed interest in applying for the floating casino licenses.

International Gaming and Wagering Business, February 2007.

Macau Tops Las Vegas Strip in Gaming Revenue

Macau's gaming revenue surged 23% to US$6.9 billion in 2006, officially surpassing the Las Vegas Strip as the world's biggest casino market, say media pundits. Gross income from Las Vegas Strip's casinos as reported by the Nevada Gaming Commission reached US$6.7 billion in 2006, representing a 10.9% increase from US$6.03 billion in 2005. Slots accounted for 51% of total gaming win on The Strip while Macau by contrast relied on VIP baccarat for 65% of its revenue. "The passing of the baton to Macau was long expected within the gaming industry, but the symbolic shift is expected to raise the former Portuguese colony's international profile to newfound recognition across the globe."

South China Morning Post, 12 February 2007.
Delivered by Factiva, a Dow Jones Company.

Japan May Consider Casino Gambling

Japan is moving closer to an overhaul of its strict gambling laws to lure Asian tourists and boost its economy. Japan risks falling behind China, becoming a latecomer to the gambling boom across the region which is looking to Las Vegas-style super casinos to entice more tourists. Two huge complexes are springing up in Singapore to take on the Chinese enclave of Macau; Taiwan is considering lifting its ban on casinos; and Thailand is also seen as likely to relax its gaming laws in the coming years. Lawmakers from Japan's ruling Liberal Democratic Party (LDP) are drawing up a bill to legalize casinos and plan to submit it to the parliament next year. If passed, this could allow a handful of huge Vegas-style casinos to begin operations within a few years. Progress has been slow on changing the law to legalize casinos in Japan, due to public reluctance and other risks. According to Japanese lawmaker Seiko Noda, "of course there are risks associated with this, but if we want to be a 'grown-up' country, we should take on the challenges without being afraid. Japan could lose out on a potentially lucrative industry."

Reuters News, 6 March 2007.
Delivered by Factiva, a Dow Jones Company.

EU Gaming Market Could Reach $140 Billion in 2012

The decision of the European Court of Justice (ECJ) on the Placanica case (6 March 2007) may bring about a number of changes in the gaming industry in Europe and probably be one of the biggest steps in the direction of liberalizing the European gaming market. Thus far, Europe's state-owned gaming monopolies have been reluctant to open their markets to foreign competitors and UK leading gaming companies are challenging them in a variety of courts. "If the $100 billion (£51.7 billion) European gambling market were opened up to allow foreign competitors to trade freely, it could be worth $140 billion (£71.5 billion) by 2012, " said experts. UK bookmakers, online gaming firms and betting exchanges say the ECJ's "Placanica" ruling that Italy's restrictions on Liverpool gaming operator, Stanley International Betting were discriminatory and out of step with EU law, will be pivotal in their individual battles. Currently, Ladbrokes is challenging Sweden, Norway, Denmark and Holland over trade restrictions and Betfair, the betting exchange, is trying to break into Germany. According to Global Betting and Gaming Consultants, "what the Europeans are saving in revenue by protecting state monopolies is less than the earnings they could bring in through tax revenue, jobs, and foreign exchange, if they lifted restrictions."

The Sunday Telegraph, 11 March 2007.
Delivered by Factiva, a Dow Jones Company.

Asia Gaming Market on the Rise

Speaking at the groundbreaking ceremony of the Marina Bay Sands integrated resort in Singapore, Chairman and CEO, Sheldon Adelson, predicted that "Asia could eventually become home to as many as 10 Las Vegases." The potential for Asia to be a casino resort boom market is evident, because the region has a huge population where gambling is socially accepted. Although the region lacks a strong middle-class with leisure time and disposable income to spend on the "resort experience," and a "nascent development industry versed in the ABCs of casino construction and operation pushing market growth," this is changing. Signs of a growing middle class are evident in Asia, especially China, and a growing number of regional resort developers have gained expertise in casino development including Genting International and Melco PBL Entertainment. Western companies are also ready to move in and support regional casino resort growth in Asia. Current gaming markets developing in Asia include Singapore, Japan, Mainland China, South Korea and India. Bangkok, Jakarta, and other large cities in the region could turn to casino gaming to protect their regional tourist trade.

International Gaming and Wagering Business, March 2007.

Industry Leaders, A List of the Top Global Gaming Operators and Equipment Manufacturers

Ticker	Gaming Operators	Country	31 December 2006 Market Cap (US$mm)
LVS	Las Vegas Sands Corp.	US	30,233.2
MGM	MGM MIRAGE	US	19,033.4
HET	Harrah's Entertainment Inc.	US	15,640.9
663708	Publishing & Broadcasting Ltd.	Australia	11,351.2
WYNN	Wynn Resorts Ltd.	US	9,437.4
687326	TABCorp Holdings Ltd.	Australia	6,969.2
636667	Genting Bhd	Malaysia	6,609.8
625398	Aristocrat Leisure Ltd.	Australia	5,847.4
STN	Station Casinos Inc.	US	4,930.2
668344	Kangwon Land Inc.	Korea	4,614.4
673196	Resorts World Bhd	Malaysia	4,523.6
BYD	Boyd Gaming Corp.	US	3,889.4
PENN	Penn National Gaming Inc.	US	3,680.0
680663	Shun Tak Holdings Ltd.	Hong Kong	3,186.9
B092QP	Melco International Development Ltd.	Hong Kong	2,493.0
B0CRCP	Tattersall's Ltd.	Australia	2,162.5
646587	Galaxy Entertainment Group Ltd.	Hong Kong	2,025.8
ASCA	Ameristar Casinos Inc.	US	1,859.9
PNK	Pinnacle Entertainment Inc.	US	1,712.8
633156	Berjaya Sports Toto Bhd	Malaysia	1,668.0
682319	Sky City Entertainment Group Ltd.	New Zealand	1,526.6
ISLE	Isle of Capri Casinos Inc.	US	756.0
TRMP	Trump Entertainment Resorts Inc.	US	559.7
MCRI	Monarch Casino & Resort Inc.	US	483.9
656093	Paradise Co. Ltd.	Korea	386.1
MNTG	MTR Gaming Group Inc.	US	356.4
RIV	Riviera Holdings Corp.	US	252.0
CNTY	Century Casinos Inc.	US	217.9
	Other International Operators		
B0KS49	Sun International Ltd.	S Africa	1,806.9
658534	Gold Reef Casino Resorts, Ltd.	S Africa	599.7

Source: *FactSet Industry: 3445*

	Gaming Equipment Suppliers	Country	Market Cap (US$mm)
IGT	International Game Technology	US	13,030.0
625398	Aristocrat Leisure Ltd.	Australia	5,847.4
9766	Konami Corp.	Japan	3,952.9
6425	Aruze Holdings Co. Ltd.	Japan	2,293.4
WMS	WMS Industries Inc.	US	1,252.0
BYI	Bally Technologies Inc.	US	1,209.0
SHFL	Shuffle Master Inc.	US	635.0
MGAM	Multimedia Games Inc.	US	287.0
PGIC	Progressive Gaming International Corp.	US	188.0

Source: *FactSet Industry: 3445*

Industry Leaders, A List of Selected US Gaming Operators and Equipment Manufacturers

Large Cap Operators (listed alphabetically)

	Headquarters	Fiscal Year-end	Market Cap (US$mm) 31.12.06	Price per Share (US$) 30.06.06	31.12.05	31.12.04	LTM Revenue (US$mm)	LTM EBITDA (US$mm)
Harrah's Entertainment Inc.	Las Vegas, NV	December	$15,641	$71.18	$71.29	$66.89	$ 9,338	$2,966
Las Vegas Sands Corp.	Las Vegas, NV	December	30,233	77.86	39.47	48.00	2,101	783
MGM MIRAGE	Las Vegas, NV	December	19,033	40.80	36.67	36.37	7,401	2,359

LTM: Last trailing twelve months
N/A: Not Available
EBITDA is defined as earnings before income taxes, depreciation, and amortization

Source: *FactSet Industry: 3445*

Mid & Small Cap Operators (listed alphabetically)

	Headquarters	Fiscal Year-end	Market Cap (US$mm) 31.12.06	Price per Share (US$) 30.06.06	31.12.05	31.12.04	LTM Revenue (US$mm)	LTM EBITDA (US$mm)
Ameristar Casinos Inc.	Las Vegas, NV	December	$ 1,680	$ 19.45	$ 22.70	$ 21.56	$ 1,000	$ 267
Aztar	Phoenix, AZ	December	N/A	51.96	30.39	34.92	900	218
Boyd Gaming Corp	Las Vegas, NV	December	3,889	40.36	47.66	41.65	2,237	681
Century Casinos Inc.	Colorado Springs, CO	December	218	10.71	8.60	9.13	48	14
Dover Downs Gaming & Entertainment	Dover, DE	December	195	19.64	9.43	8.73	232	52
Global Casinos Inc.	Boulder, CO	June	4	0.91	1.03	0.92	4	0
Isle of Capri Casinos Inc	Saint Louis, MO	April	756	25.65	24.36	25.65	1,053	237
Kerzner International Ltd.	Paradise Island, The Bahamas	September	N/A	79.28	68.75	60.05	722	217
Monarch Casino & Resort Inc.	Reno, NV	December	484	28.12	22.60	20.28	150	42
MTR Gaming Group Inc.	Chester, WV	December	356	9.38	10.41	10.56	368	51
Nevada Gold & Casinos Ltd.	Houston, TX	April	49	7.30	10.39	12.20	14	(1)
Penn National Gaming Inc.	Wyomissing, PA	December	3,680	38.78	32.95	30.28	2,196	626
Pinnacle Entertainment Inc.	Las Vegas, NV	December	1,713	30.65	24.71	19.78	927	205
Riviera Holdings Corp.	Las Vegas, NV	December	252	20.20	16.39	13.83	201	39
Sands Regent Com	Reno, NV	June	N/A	14.50	10.18	13.00	94	14
Station Casinos Inc.	Las Vegas, NV	December	4,930	68.08	67.80	54.68	1,265	477
Trump Entertainment Resorts Inc.	Atlantic City, NJ	December	560	20.15	20.13	N/A	1,017	171
Wynn Resorts Ltd.	Las Vegas, NV	December	9,437	73.30	54.85	66.92	1,138	283

LTM: Last trailing twelve months
N/A: Not Available
EBITDA is defined as earnings before income taxes, depreciation, and amortization

Source: *FactSet Industry*: 3445

Gaming Manufacturing Companies (listed alphabetically)

	Headquarters	Fiscal Year-end	Market Cap (US$mm) 31.12.06	Price per Share (US$) 30.06.06	31.12.05	31.12.04	LTM Revenue (US$mm)	LTM EBITDA (US$mm)
Bally Technologies Inc.	Las Vegas, NV	June	$1,209	$ 16.47	$ 13.02	$ 13.81	$ 474	$ 52
FortuNet Inc.	Las Vegas, NV	December	90	16.20	N/A	N/A	16	5
GameTech International Inc.	Reno, NV	October	150	9.05	3.83	4.90	49	17
Gaming Partners International Corp.	Las Vegas, NV	December	159	24.40	11.18	20.63	74	12
International Game Technologies	Reno, NV	September	13,030	37.94	30.78	34.38	2,512	1,038
Multimedia Games Inc.	Austin, TX	September	287	10.13	9.25	15.76	145	68
PokerTek Inc.	Matthews, NC	December	99	10.14	9.84	N/A	1	(7)
Progressive Gaming International Corp.	Las Vegas, NV	December	188	7.80	9.87	10.19	72	(9)
Shuffle Master Inc.	Las Vegas, NV	October	635	32.78	25.14	31.40	163	63
WMS	Waukegan, IL	June	1,252	27.39	25.09	33.54	457	111

Note that per share stock prices reflect adjustments made at closing, factoring in dividends and splits.

LTM: Last trailing twelve months
N/A: Not Available
EBITDA is defined as earnings before income taxes, depreciation, and amortization

Source: *FactSet Industry*: 3445

Global Gaming Industry Sector Highlights

Australia

The Gaming Industry in Australia

Traditionally, the main forms of gambling in Australia were racing wagering, lotteries, and raffles. Since the 1980s, liberalization of the industry has led to the proliferation of gambling products. Today, the gambling industry can be described in two broad categories: playing games of chance for money (gaming), and placing a bet on the outcome of a live event (wagering or betting).

Gaming includes lotteries, poker or gaming machines, casino gaming, football pools, keno, and interactive gaming.[6]

Sports betting includes wagering on approved types of local, national, or international sporting activities, whether on or off course, in person, by telephone, or via the internet.

Racing betting includes legal betting on the outcome of horse (thoroughbred and harness) and greyhound races with bookmakers and totalisators, both on course and off course.

Gambling turnover per capita in Australia has increased by 78% from US$458.21 (A$615.96) in 1994-95 to US$804.99 (A$1,097.47) in 2004-05. Gaming represents the greatest portion of gambling turnover and is dominated by gaming machines. In 2003, New South Wales (NSW) had the highest share of total gambling expenditure (40%), followed by Victoria (28.3%), and Queensland (16.5%).[7]

Gaming

Gaming dominates the gambling industry in Australia. In 2004-05, total gambling industry turnover was US$104.7 billion (A$142.8 billion), of which gaming contributed US$92 billion (A$125.4 billion) (88%).[8] The rapid expansion of the gaming sector has been driven by the relaxation of statutory gaming restrictions and developments in gaming technology.

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[6] Australian residents are not permitted to access interactive gaming sites under the Commonwealth Interactive Gambling Act 2001 that came into effect in August 2001. This excludes the Northern Territory.

[7] "Gambling Services, Australia, 2004-05," Australian Bureau of Statistics, September 2006 (Table 2.3)

[8] "Australian Gambling Statistics 2006," Queensland Government, 2006

Legislative changes that allowed for expansion of gaming machines into hotels and clubs has provided a considerable boost to the development of the gaming sector. Gaming or 'poker' machines are now the major source of gaming industry expenditure. In Australia in 2004-05, over 70% (US$75.3 billion or A$102.7 billion) of gambling turnover was sourced from gaming machines.

Lottery Products

Lottery operators in Australia are predominantly government owned, except for Tattersall's in Victoria and the Territory Lottery Company in the Northern Territory. In 2004-05, total expenditure on lottery products in Australia was US$2.9 billion (A$3.9 billion).

Casino Gaming

IBISWorld estimates that, in constant 2006 prices, the Casinos Industry will generate US$3 billion (A$3.8 billion) in revenue in 2006-07.

Exports (i.e., expenditure by international high rollers in casinos in Australia) are estimated at US$591.2 million (A$750 million) in 2006-07, or 6.6% lower than in 2005-06, due to the lower growth in international visitors to Australia and increasing global competition for high rollers, particularly from casinos in the Asian region.

The segmentation of the casino sector can also be undertaken in terms of the small casinos in the small states and territories and areas (i.e., Northern Territory (2 casinos), Tasmania (2), Townsville (1), Cairns (1), and Canberra (1) and have total revenue of up to US$39.4 million (A$50 million) each), then the slightly larger casinos established in Adelaide, on the Gold Coast, Perth, and Brisbane (and which have revenues of between US$78.0 million (A$100 million) and US$275.9 million (A$350 million) each) and then the very large, comparable sized casinos of international standard in Melbourne and Sydney, which have revenue of over US$496.6 million (A$630 million) each. The Sydney and Melbourne casinos dominate the industry, accounting for over 55% of total revenue.[9]

Wagering

Wagering in Australia is conducted primarily in thoroughbred racing, harness racing, and greyhound racing. In 2004-05, the total real turnover in racing wagering was US$12.8 billion (A$17.4 billion), which constituted 90% of total wagering in Australia. Wagering on sports events (also known as sports betting) is relatively new and comprises the balance of wagering turnover.

Industry Participants

Publishing and Broadcasting Ltd., one of Australia's leading players, has invested in an Asian casino joint venture, Melco PBL Entertainment. The joint venture company is one of several investing in Asia's rapidly expanding gambling center, Macau.

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[9] "Casinos in Australia," IBISWorld, 4 January 2007

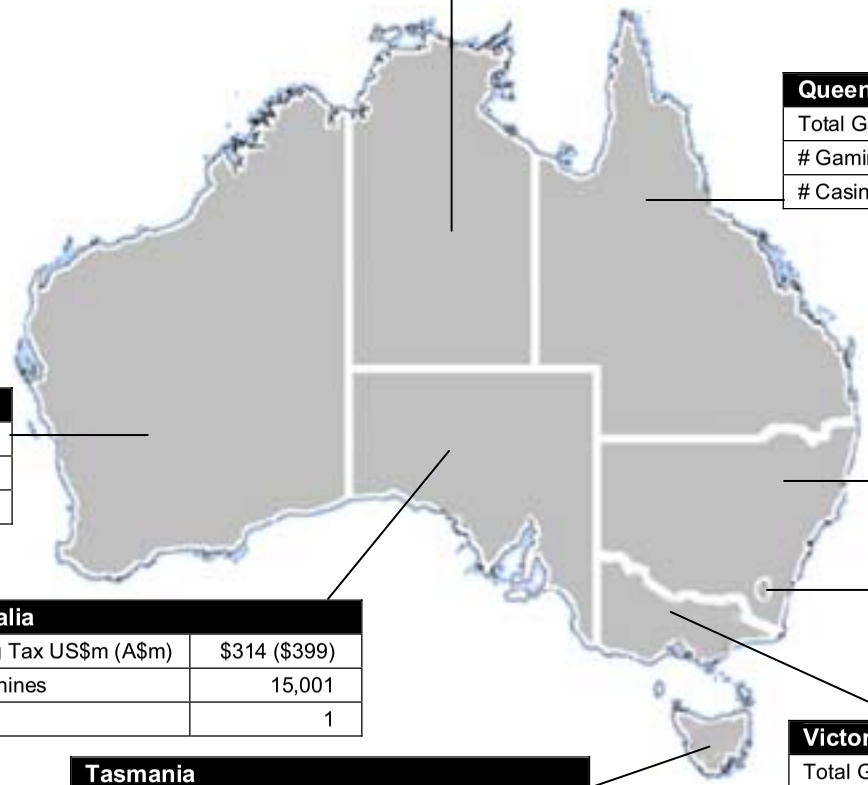
Key Listed Australian Gaming Industry Participants

	ASX code	Headquarters	Chief Executive Officer	Company business	15 Feb 2007 Market Cap US$ (A$)	Fiscal year end	EPS adjusted (cents/share) US$ (A$)	Last annual financial data Revenue US$ (A$)	EBITDA US$ (A$)
Aristocrat Leisure Limited	ALL	Lane Cove, NSW	Paul Oneile	Design, development, manufacture, and marketing of gaming machines, software, systems, and other related equipment and services.	6,259.6m (7,975m)	December	n/a	1,024.7m (1,300m)	313.7m (398m)
Ainsworth Game Technology Limited	AGI	Newington, NSW	David Creary	Design, development, sale, and servicing of gaming machines and other related equipment and services.	109.9m (140m)	June	1.35 (1.82)	63.8m (85.9m)	9.5m (12.8m)
Publishing and Broadcasting Limited	PBL	Sydney, NSW	John Alexander	Media (TV and magazine publishing); gaming and entertainment (owns Crown Casino in Melbourne and Burswood Casino in Perth): and investment in the internet, pay television, and other media and entertainment sectors.	10,631.5m (13,545m)	June	67.36 (90.66)	2,647.3m (3,563m)	778.7m (1,048m)
Sky City Entertainment Group Limited	SKC	Auckland, New Zealand	Evan Davies	Operates casinos in Adelaide and Darwin, as well as Auckland, Hamilton, and Queenstown in New Zealand.	1,637.3m (2,086m)	June	16.44 (22.12)	462.1m (622m)	182m (245m)
Tabcorp Holdings Limited	TAH	Melbourne, Victoria	Matthew Slatter	Operates Sydney's Star City Casino, as well as three casinos in Queensland; Conrad Treasury Brisbane, Jupiters Townsville and Conrad Jupiters on the Gold Coast. Wagering in Victoria, NSW, and Tasmania, and operates gaming machines in Victoria.	7,288.6m (9,286m)	June	77.38 (104.14)	2,851m (3,837.2)m	801.4m (1,078.6m)
Tattersall's Limited	TTS	Melbourne, Victoria	Dick McIlwain	Provision of gaming and lotteries services.	4,171m (5,314m)	June	13.61 (18.32)	1,908.8m (2,569m)	166.4m (224m)

Source: Aspect Financial's Datanalysis, Ernst & Young

Source: "Australian Gambling Statistics 2006," Queensland Government, 2006.

Australian Gaming Overview by State/Territory



Northern Territory	
Total Gambling Tax US$m (A$m)	$37 ($47)
# Gaming machines	1,849
# Casinos	2

Queensland	
Total Gambling Tax US$m (A$m)	$637 ($808)
# Gaming machines	43,590
# Casinos	4

Western Australia	
Total Gambling Tax US$m (A$m)	$106 ($134)
# Gaming machines	1,500
# Casinos	1

New South Wales	
Total Gambling Tax US$m (A$m)	$1,126 ($1,429)
# Gaming machines	100,233
# Casinos	1

ACT	
Total Gambling Tax US$m (A$m)	$38 ($48)
# Gaming machines	5,144
# Casinos	1

South Australia	
Total Gambling Tax US$m (A$m)	$314 ($399)
# Gaming machines	15,001
# Casinos	1

Victoria	
Total Gambling Tax US$m (A$m)	$1,079 ($1,369)
# Gaming machines	29,624
# Casinos	1

Tasmania	
Total Gambling Tax US$m (A$m)	$64 ($81)
# Gaming machines	3,566
# Casinos	2

Source: "Australian Gambling Statistics 2006," Queensland Government, 2006

Australian Forms of Gambling

The following table provides an overview of the types of gambling that are legally permitted and currently being undertaken by Australian residents and overseas visitors in each state and territory.

Forms of Gambling Currently Undertaken by State/Territory

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Australian Capital Territory	Northern Territory
Racing	V	V	V	V	V	V	V	V
Sports betting	V	V	V	V	V	V	V	V
Lotteries	V	V	V	V	V	V	V	V
Gaming machines	V	V	V	V	V#	V	V#	V
Casino gaming	V	V	V	V	V	V	V	V
Keno	V	V	V	V	V^	V	V	V^
Football pools	V	V	V	V	V	V	V	V
Interactive gaming*	U	U	U	U	U	U	U	U
Minor gaming	V	V	V	V	V	V	V	V

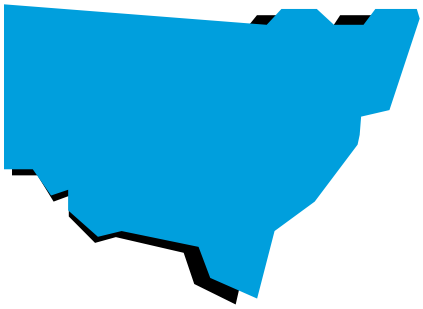
Source: "Australia Gambling Statistics 2006," Queensland Government, 2006

Gaming machines are permitted in - the casino only in Western Australia - hotels and clubs in ACT, but not in the casino.

^ Keno is permitted in - clubs, hotels and casinos in Northern Territory - the casino only in Western Australia.

* Australian residents are not permitted to access interactive gaming sites under the Commonwealth Interactive Gambling Act 2001 that came into effect in August 2001. Interactive gaming exists in the Northern Territory, but is only available to overseas visitors.

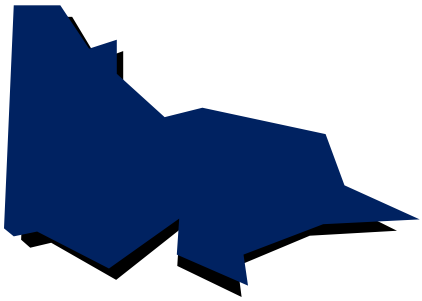
Australia State-by-State Comparison



New South Wales

Gaming legalization	
First lottery	1931
Casinos	1992
Gaming machines	1956
Gaming details	
Casinos in:	Sydney
Daily casino visitors	Approx 24,500
Number of gaming machines	100,233
Major operators	Tabcorp, NSW Lotteries Corp
Gambling expenditure US$m (A$m)	
Total gambling expenditure	5,429 (6,887.86)
Per capita gambling expenditure	1,053.2 (1,336.22)
State taxation US$m (A$m)	
Total gambling taxes	1,126.3 (1,429)
Gambling tax per capita	166.4 (211.11)
Gambling's % of state taxation	9.32%
Demographics	
State population (June 2005)	6,768,941
Adult population (18+)	5,181,140
Average pre-tax annual earnings	46,272 (58,708)

Sources: NSW Government, ABS, Australian Gambling Statistics



Victoria

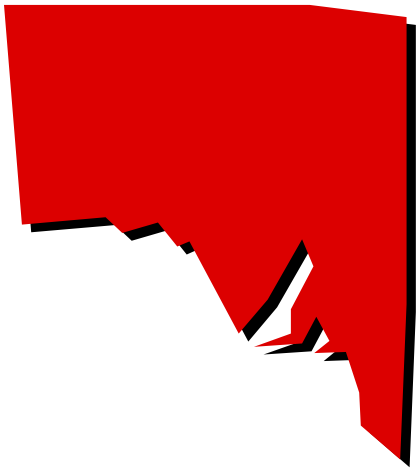
Gaming legalization	
First lottery	1954
Casinos	1992
Gaming machines	1991
Gaming details	
Casinos in:	Melbourne
Daily casino visitors	Approx 41,000
Number of gaming machines	29,624
Major operators	PBL, Tabcorp, Tattersall's
Gambling expenditure US$m (A$m)	
Total gambling expenditure	3,428.2 (4.349.42)
Per capita gambling expenditure	893.7 (1,133.88)
State taxation US$m (A$m)	
Total gambling taxes	1,079 (1,369)
Gambling tax per capita	214.8 (272.54)
Gambling's % of state taxation	13.14%
Demographics	
State population (June 2005)	5,023,164
Adult population (18+)	3,864,164
Average pre-tax annual earnings	43,341 (54,990)

Sources: Victorian Government, ABS, Australian Gambling Statistics

Queensland

Gaming legalization	
First lottery	1916
Casinos	1982
Gaming machines	1991
Gaming details	
Casinos in:	Townsville, Cairns, Gold Coast, Brisbane
Number of gaming machines	43,590
Major operators	Tabcorp, Casinos Austria, Tattersall's, Golden Casket Lottery Corporation Ltd
Gambling expenditure US$m (A$m)	
Total gambling expenditure	2,340.3 (2,969.15)
Per capita gambling expenditure	791.1 (1,003.64)
State taxation US$m (A$m)	
Total gambling taxes	635.3 (806)
Gambling tax per capita	159.7 (202.66)
Gambling's % of state taxation	11.59%
Demographics	
State population (June 2005)	3,977,052
Adult population (18+)	3,000,489
Average pre-tax annual earnings	40,985 (52,010)

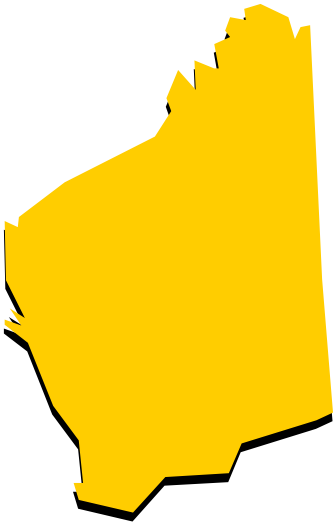
Sources: Queensland Government, ABS, Australian Gambling Statistics



South Australia

Gaming legalization	
First lottery	1966
Casinos	1983
Gaming machines	1992
Gaming details	
Casinos in:	Adelaide
Daily casino visitors	Approx 5,500
Number of gaming machines	15,001
Major operators	SKYCity, Tattersall's
Gambling expenditure US$m (A$m)	
Total gambling expenditure	866.5 (1,099.28)
Per capita gambling expenditure	727 (922.37)
State taxation US$m (A$m)	
Total gambling taxes	314.5 (399)
Gambling tax per capita	203.9 (258.74)
Gambling's % of state taxation	13.57%
Demographics	
State population (June 2005)	1,542,096
Adult population (18+)	1,196,957
Average pre-tax annual earnings	39,893 (50,622)

Sources: South Australian Government, ABS, Australian Gambling Statistics



Western Australia

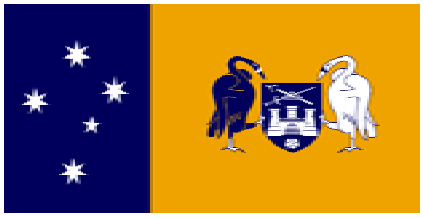
Gaming legalization	
First lottery	1982
Casinos	1984
Gaming machines	Not legalized in WA (except in casinos)
Gaming details	
Casinos in:	Perth
Daily casino visitors	Approx 12,500
Number of gaming machines	1,500
Major operators	PBL
Gambling expenditure US$m (A$m)	
Total gambling expenditure	619.4 (785.85)
Per capita gambling expenditure	410.4 (520.73)
State taxation US$m (A$m)	
Total gambling taxes	105.6 (134)
Gambling tax per capita	52.5 (66.63)
Gambling's % of state taxation	3.11%
Demographics	
State population (June 2005)	2,010,964
Adult population (18+)	1,524,697
Average pre-tax annual earnings	44,640 (56,654)

Sources: Western Australian Government, ABS, Australian Gambling Statistics

Tasmania

Gaming legalization	
First lottery	
Casinos	1972
Gaming machines	1997
Gaming details	
Casinos in:	Hobart, Launceston
Number of gaming machines	3,566
Major operators	Federal Hotels & Resorts, Tattersall's
Gambling expenditure US$m (A$m)	
Total gambling expenditure	235.2 (298.38)
Per capita gambling expenditure	641.9 (814.45)
State taxation US$m (A$m)	
Total gambling taxes	63.8 (81)
Gambling tax per capita	131.5 (166.78)
Gambling's % of state taxation	11.81%
Demographics	
State population (June 2005)	485,676
Adult population (18+)	368,464
Average pre-tax annual earnings	38,458 (48,776)

Sources: Tasmanian Government, ABS, Australian Gambling Statistics



Australian Capital Territory

Gaming legalization

First lottery	No lottery in the ACT
Casinos	1988
Gaming machines	1976

Gaming details

Casinos in:	Canberra
Number of gaming machines	5,144
Major operators	Casinos Austria, NSW Lotteries Corp

Gambling expenditure US$m (A$m)

Total gambling expenditure	195.4 (247.95)
Per capita gambling expenditure	706.8 (998.18)

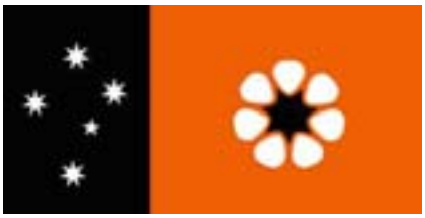
Territory taxation US$m (A$m)

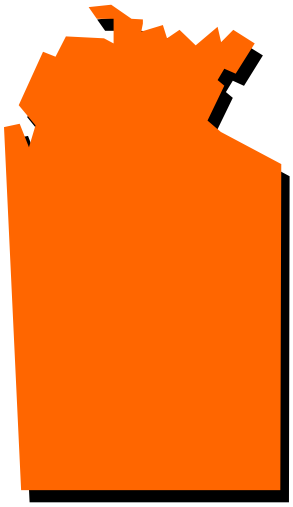
Total gambling taxes	37.8 (48)
Gambling tax per capita	116.1 (147.34)
Gambling's % of state taxation	6.74%

Demographics

Territory population (June 2005)	325,781
Adult population (18+)	249,819
Average pre-tax annual earnings	49,907 (63,336)

Sources: ACT Government, ABS, Australian Gambling Statistics





Northern Territory

Gaming legalization

First lottery	1995
Casinos	1979
Gaming machines	1996

Gaming details

Casinos in:	Darwin, Alice Springs
Daily casino visitors (Darwin)	Approx 2,700
Number of gaming machines	1,849
Major operators	SKYCity, Tattersall's

Gambling expenditure US$m (A$m)

Total gambling expenditure	214.7 (272.39)
Per capita gambling expenditure	1,512.1 (1,918.38)

Territory taxation US$m (A$m)

Total gambling taxes	37 (47)
Gambling tax per capita	182.1 (231.07)
Gambling's % of state taxation	15.61%

Demographics

Territory population (June 2005)	203,404
Adult population (18+)	143,904
Average pre-tax annual earnings	45,193 (57,346)

Sources: Northern Territory Government, ABS, Australian Gambling Statistics

France

The Gaming Industry in France

Casinos account for 14% of the whole French gaming market. The industry has experienced very strong development since 1987, when slot machines were authorized in France. Casinos used to be only allowed in seaside resorts and thermal or health resorts, though the law is now more flexible. An authorization to operate a casino has to be obtained from the administration (Minister of Interior). Household expenses in the gaming industry rose by 3.1% annually over the past twenty years (+4.1% in 2005), whereas total household consumption only increased by 2.0% each year in the same period. However, French casinos' gross gaming win (GGW) only increased by 2.2% in FY06 to around US$3.45 billion (€ 2.7 billion), after it had grown by over 9% on an annual basis between 1996 and 2002. Only a 1.5% growth in gross revenues is forecast for FY07, compared with forecasted growth of 4.7% and 4.0% for "Française des Jeux" (the society that provides all lottery and lotto games) and "Pari Mutuel Urbain" (games of betting on placed horses), respectively, the two other gaming businesses in France. In that respect, the market is becoming saturated, and French casinos suffer from foreign competition, especially from Switzerland.

In 2006, France crossed the milestone of 20,000 slot machines. Slot machines comprise 93.8% of French casinos' gross revenues. With declining wins, table games are not a very profitable business and have traditionally suffered from the economic and legal situation in France. The GGW of traditional games stands at US$212 million (€166 million) for the tax year 2005-06, as compared to US$220 million (€172 million) the year before. The downturn is particularly strong for the casinos on the French Riviera. The English roulette is offered in 144 casinos and is the most played table game in France. On the contrary, the French roulette, the ball, recorded falling gross revenues in FY06. In 2006, although it was only authorized in four casinos as an experiment, poker gaming accounted for US$1.175 million (€0.919 million) of gross win. Hold'em poker and Texas hold'em poker have gained significant importance in recent years due to the popularity of televised poker tournaments and online gaming sites (although the latter is illegal in France). Today, 200,000 to 400,000 French people are reported to play poker. Accordingly, the Ministry of Interior recently decided to allow hold'em poker tables to open and Texas hold'em poker tournaments to take place in French casinos.

Through mergers and acquisitions, the market has become very concentrated. In 2006, the two main groups, Lucien Barriere and Partouche, own 80 out of 193 casinos and account for approximately 58% of the gross win. French casinos' margins have been progressively declining for several years (the earnings before tax rate was down from 45% of the added value in 2001 to 37% in 2006), although the industry results remain exceptionally high compared to other business activities in France. However, small and medium-sized casinos have outperformed the larger casinos over the last ten years (the progressive levy tops at 80% of GGW).

The gaming industry is highly regulated by French laws, and the relationship between the gaming personnel and the casinos is often tense, as demonstrated by the closure of seven casinos on 31 December 2006 due to employee strike actions. Casinos that closed as a result of these strike actions were Pasino in Aix-en-Provence, Beaulieu and Berck-sur-Mer (group Partouche), Trouville and Deauville (group Lucien Barrière), a casino in Cap d'Agde (Tahoe group), Evian, and the Nouveau Casino d'Aix-les-Bains (independents). Strike-pickets were settled at the entrance of several other establishments. Casinos, like other businesses in France, have a specific nationwide agreement with their employees. This agreement determines in particular the way tips have to be divided between the casino and the employees of table games. Labor relations in the table game business are particularly tense because of the decline in the business which has led to a decrease in tips and also due to the influence of some "hardliner" trade unions.

The tax rates (levy) imposed by the government on the gross gaming win are high and are expected to increase over time. Since May of 2002, the progressive levy has been computed on the following basis:

Gaming Levy (in % of GGW)

From		Up to		Tax rate
…	…	US$76,500	(€58,000)	10%
US$76,501	(€58,001)	US$150,300	(€114,000)	15%
US$150,301	(€114,001)	US$445,700	(€338,000)	25%
US$445,701	(€338,001)	US$829,500	(€629,000)	35%
US$829,501	(€629,001)	US$1,382,000	(€1,048,001)	45%
US$1,382,001	(€1,048,002)	US$4,146,000	(€3,144,000)	55%
US$4,146,001	(€3,144,001)	US$6,910,000	(€5,240,000)	60%
US$6,910,001	(€5,240,001)	US$9,675,000	(€7,337,000)	65%
US$9,675,001	(€7,337,001)	US$12,452,500	(€9,443,000)	70%
US$12,452,501	(€9,443,001)	…	…	80%

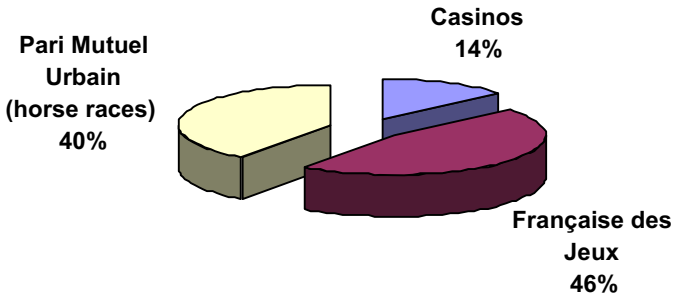
Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Moreover, casinos pay the usual taxes such as income tax, property tax, and VAT (not deductible for gaming activities). Casinos also pay RDS tax (Reimbursement of social security debts) amounting to 3% of gross win, and CSG tax (Generalized social contribution) amounting to 9.5% of 68% of slot machines' gross win. Additionally, casinos have to distribute a minimum of 85% of stakes incurred in slot machines.

French law regulates all casino operations such as the number of employees per type of game, admission of players, type of games allowed, and minimum distribution rates for slot machines. Until 2006, table game players had to "check-in," show their ID card, and pay an entry fee, whereas entrance was free of such controls for ball and slots. Stamp duty was abolished as of 1 May 2006, but identity checks are compulsory upon entrance for all casinos. The decree forbidding smoking in casinos and gambling establishments beginning 1 January 2008 could further plague the business (especially table games). In contrast, gaming facilities mix, made possible since 1 November 2006, combined with forthcoming poker games is expected to boost

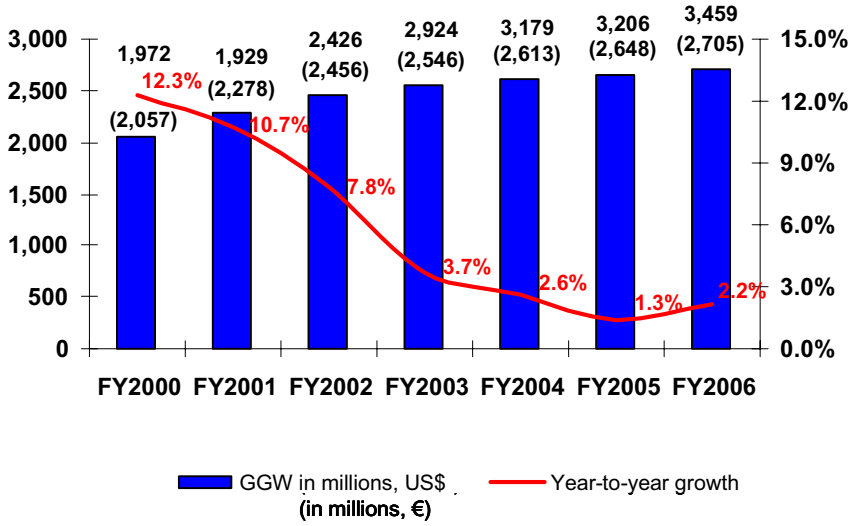
the business and create a renewed interest in traditional games of experienced players and beginners as well. In addition, the introduction of bill acceptors, TITO (ticket-in, ticket-out), which are under negotiations with the administration could help to increase slot win. Industry leaders expect the French government to ease the legislation regarding online gaming and to allow private operators to run casinos on the web.

Gaming Market in France – 2005 (% of net gaming win)



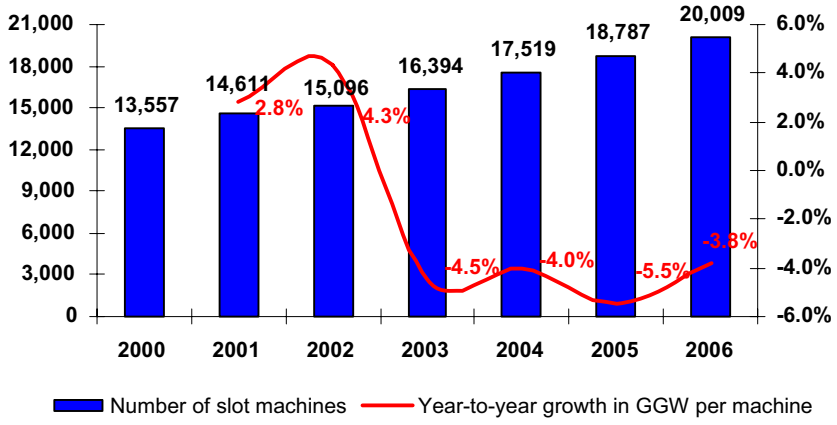
Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Gross Gaming Win from French Casinos



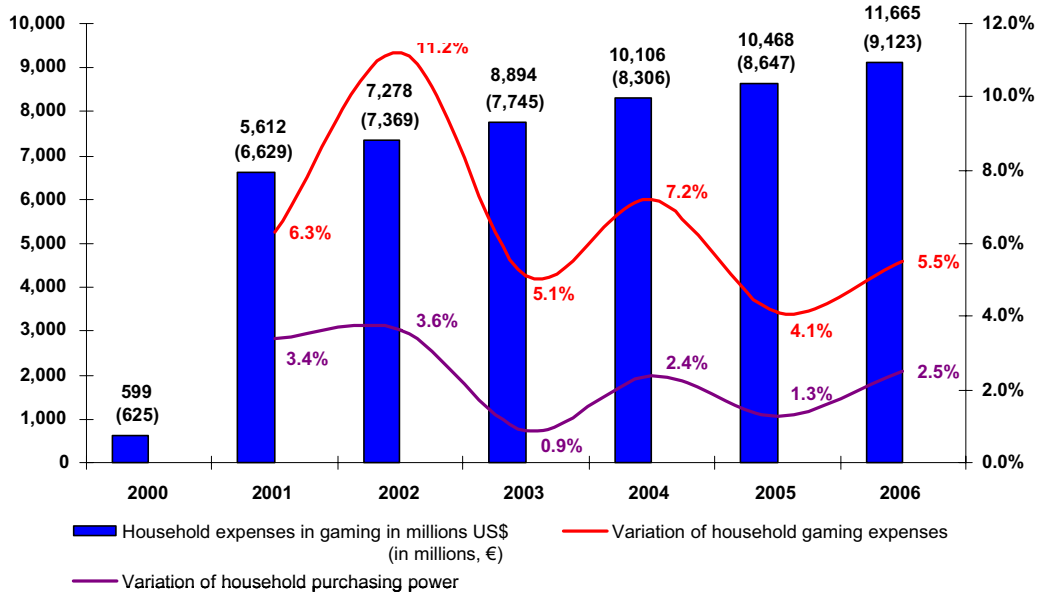
Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Slot Machine Business



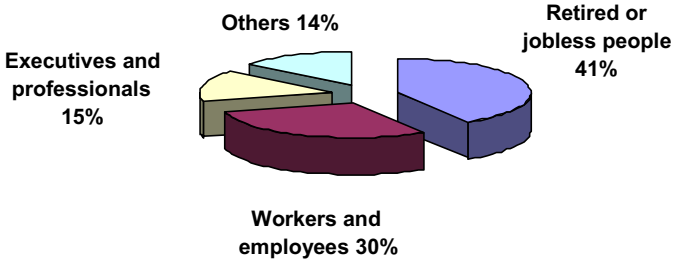
Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Household Gaming Expenses



Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Player Profile



Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Geographical Breakdown

Business by French "région"				
Region	**Number of casinos**	**GGW FY2005 in millions, US$ (in millions, €)**		**% of total GGW**
Alsace	2	33.2	(27.4)	1.1%
Aquitaine	17	189.7	(156.7)	6.2%
Auvergne	11	83.7	(69.1)	2.7%
Basse-Normandie	13	188.6	(155.8)	6.2%
Bourgogne	4	57.6	(47.6)	1.9%
Bretagne	13	161.0	(133.0)	5.3%
Corse	1	15.3	(12.6)	0.5%
Franche-Comté	4	76.5	(63.2)	2.5%
Haute-Normandie	9	134.4	(111.0)	4.4%
Île-de-France	1	163.8	(135.3)	5.4%
Languedoc-Roussillon	22	222.4	(183.7)	7.3%
Limousin	1	4.4	(3.6)	0.1%
Lorraine	5	94.7	(78.2)	3.1%
Midi Pyrénées	13	86.1	(71.1)	2.8%
Nord-Pas-de-Calais	7	155.3	(128.3)	5.1%
Provence-Alpes-Côte-d'Azur	23	583.0	(481.6)	19.1%
Pays de la Loire	9	137.5	(113.6)	4.5%
Picarde	1	5.3	(4.4)	0.2%
Poitou-Charente	5	85.2	(70.4)	2.8%
Rhône-Alpes	22	446.5	(368.8)	14.6%
Départements d'Outre-Mer	7	128.3	(106.0)	4.2%
TOTAL	**190**	**3,052.5**	**(2,521.4)**	**100.0%**

FY2005 data

Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Key Gaming Industrial Participants

Main Operators

Group	Number of Casinos	Gross Gaming Win in millions US$ (in millions, €)	
Groupe Partouche	47	1,104.2	(863.6)
Groupe Lucien Barrière	36	1,118.4	(874.7)
Moliflor Loisirs	21	314.3	(245.8)
Groupe Tranchant	16	285.8	(223.5)
Cogit	8	98.3	(76.9)
SFCMC	2	96.0	(75.1)
Emeraude	8	74.7	(58.4)
Tahoe	4	46.8	(36.6)
Aupiais	4	44.8	(35.0)
Omnium	3	43.7	(34.2)
Vikings Casinos	5	39.0	(30.5)
Arev Finance	6	25.6	(20.0)
La Tête dans les Nuages	3	23.4	(18.3)
TH Finance	3	20.7	(16.2)
SOCODEM	1	5.5	(4.3)
Others (independents)	26	117.5	(91.9)
TOTAL	**193**	**3,458.7**	**(2,705.0)**

FY2006 data

Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

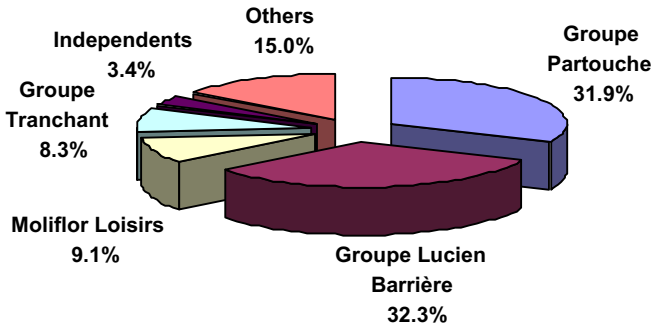
Casino Ranking (in thousands)

Rank	Casino	Group	Breakdown of gross win FY06		Gross win FY 06 US$ (€)		Gross win FY 05 US$ (€)		Variation
			Table games	Slot machines					
1	Enghien	Lucien Barrière	34,971	112,866	178,971	(147,837)	163,638	(135,336)	9.2%
2	Charbonnières	Partouche	2,446	67,905	85,167	(70,351)	86,240	(71,237)	-1.2%
3	Aix-en-Provence	Partouche	6,162	61,802	82,277	(67,964)	82,270	(67,958)	0.0%
4	Deauville	Lucien Barrière	7,703	45,754	64,715	(53,457)	65,466	(54,077)	-1.1%
5	St Amand les Eaux	Partouche	2,429	50,278	63,807	(52,707)	61,022	(50,406)	4.6%
6	Amneville	Partouche	1,501	49,943	62,278	(51,444)	67,312	(55,602)	-7.5%
7	Nice-Ruhl	Lucien Barrière	4,441	44,051	58,704	(48,492)	66,849	(55,220)	-12.2%
8	Cannes Croisette	Lucien Barrière	5,386	42,172	57,574	(47,558)	58,474	(48,302)	-1.5%
9	Bordeaux	Lucien Barrière	1,913	42,878	54,224	(44,791)	51,673	(42,684)	4.9%
10	Cassis	Lucien Barrière	4,069	39,699	52,986	(43,768)	51,461	(42,509)	3.0%

FY2006 data

Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

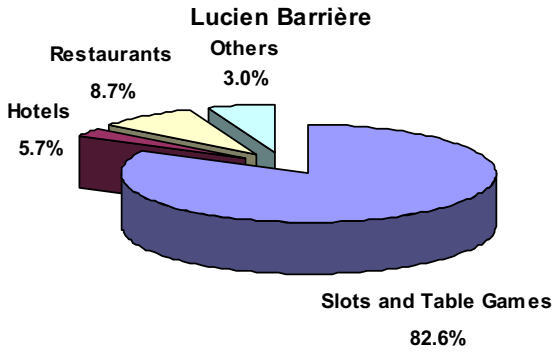
Market Shares of Main Competitors (in % of GGW)

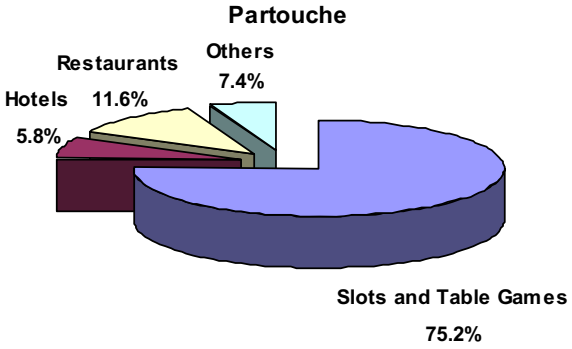


Industry Leaders Comparison

	Lucien Barrière	Partouche
Number of casinos (as of 31.10.2006)	36	47
GGW FY2006 in millions, US$ (in millions, €)	1,118.4 (874.7)	1,104.2 (863.6)
Investors (as of 31.10.2006)	Desseigne-Barrière Family (51%) Accor (34%) Colony Capital (15%)	Financière Partouche SA (62.3%) Sogesic SARL (4.6%) Famille Partouche (3.6%) Free float (29.5%)

Turnover Breakdown by Business Area (FY 2005)





Source: *(www.journaldescasinos.com); (www.lucienbarriere.com); (www.partouche-finace.com); (www.groupetranchant.com)*

Recent Events

December 2005: The future casino of Blotzheim (Upper Rhine) was assigned to Groupe Lucien Barrière on 22 December 2005. The opening is scheduled in mid 2007, without temporary establishments in the meantime.

January 2006: The Partouche group decided to extend its property in Le Havre, the third Pasino of the group in France. As from June 2006, the establishment will spread over 11,000 sqm and the casino will be able to offer up to 250 slot machines.

April 2006: Groupe Partouche sold its 55.6% stake in Société Française des Casinos (SFC) to the group La Tête dans les Nuages (LTDN). LTDN acquired thereby four casinos: Port-la-Nouvelle, Gruissan, and Châtel-Guyon in France, and Agadir in Morocco.

June 2006: The Higher Gambling Commission gave consent to the opening of the casino of Port-Leucate (Groupe Lucien Barrière). The opening is scheduled in mid 2007.

August 2006: The temporary property of the casino of Toulouse opened up in August 2006. The building cost the Lucien Barrière group US$3.5 million (€2.7 million). The opening of the permanent casino is scheduled for 1 August 2007.

September 2006: Lille decided to assign the concession of its future casino to the Groupe Lucien Barrière. The new gambling property should open in the second half of 2008. Meanwhile, a temporary casino will be put in place. An investment of nearly US$126.6 million (€100 million) is being planned to set up a complex of 143,500 sq feet, including a ground surface of 25,100 sq feet, with food and beverage facilities, theatre, parking lots for 680 cars and a four-star hotel. The group's CEO, Dominique Desseigne, hopes to offer customers 350 slot machines on opening and expects the casino of Lille to become the second casino in France behind Enghien.

November 2006: Groupe Lucien Barrière yielded the casino of Mandelieu to the group Chequers Capital Partners, which took over the gaming property as well as the Sofitel Cannes Mandelieu Royal Casino (four-star hotel). The merger of Groupe Accor and Groupe Lucien Barrière was allowed last year on condition that two properties were disposed of, one in the Southwest and the other in the Mediterranean coastal area. In early 2006, Groupe Lucien Barrière had already sold the casino of Hossegor to the group TH Finance.

December 2006: The Moliflor Loisirs group was chosen as proxy for the future casino of Sanary-sur-Mer.

January 2007: Groupe Partouche announced it will sell the casino of St. Julien en Genevois to two French rugby stars, Bernard Laporte and Denis Charvet.

January 2007: The future casino of Digne-les-Bains (Alpes-de-Haute-Provence) has been left to Atoll Finances, a newcomer in the sector of casinos. The 16,150 sq feet large complex with a casino, bowling, a theme bar, a gastronomic restaurant, a showroom with 500 seats, and an amphitheatre is to open its doors in one year. The costs reach US$9.2 million (€7 million).

January 2007: The Partouche group announced the casino of La Tremblade should open up in early 2007. This is the sixth casino of the region Charente-Maritime.

February 2007: Groupe Partouche announced it turned down the buyout offer from the property developer Michel Ohayon. Both groups were in talks since October 2006, and M. Ohayon had offered US$28.4 (€21.5) per share for the Partouche group.

March 2007: The 2005-06 financial year revenue results were termed "modest" by trade group Syndicat des Casinos de France, due to new openings. The Syndicat pointed out that 85 of the country's 193 operating casinos saw their revenues decline during the year with table games accounting for only 6% of revenues, down US$16 million (€12 million) over the previous year.

March 2007: Groupe Partouche reported a 1.8% decline in first quarter 2006-07 financial year revenues to US$172 million (€130 million), due mainly to a drop in sales from casino operations, which were down 3.2% from the previous first quarter at US$158 million (€119.7 million). Excluding the sale of affiliate SFC, sales for the casino operator recorded a year-on-year increase of 0.6%.

March 2007: Groupe Partouche announced that they were officially disposing of 100% of the casino of Saint-Julien-en-Genevois on March 28, 2007 for a price of US$23.8 million (€17.5 million) including the current account.

Sources: www.journaldecasinos.com, www.lucienbarriere.com, www.partouche-finance.com, www.groupetranchent.com, Groupe Partouche Disposal of the Casino of Saint-Julien-en-Genevois Press Release, http://uk.partouche finance.com/5.php49, 28 March 2007

Macau

The Gaming Industry in Macau

Macau's gaming and tourism industry has been developing at a tremendous pace that has attracted numerous foreign investment pouring into this small island. The territory's growth is on a steady rise due to the proximity of Macau, a one-hour ferry ride from Hong Kong, and also to the growing ranks of affluent mainland Chinese living in major coastal Chinese cities. [10] It is estimated that more than 100 million people reside within a three-hour drive, and more than one billion people live within a three-hour flight to Macau[11]. As a result, big global gaming companies are seeking great financial opportunities by building new casino and resort complexes here. Macau is aggressively adopting the growth pattern of Las Vegas to reposition itself as an international tourism and gaming hub. Evidence of this is Macau's surpassing of Las Vegas in 2006 as the top revenue-generating jurisdiction in the world with approximately US$6.9 billion (57.4 billion Patacas) in revenues, a 23% growth rate over the previous year.[12]

Gambling in Macau plays an important role in the economy of the city and the city relies heavily on gambling, with approximately 40% of the GDP of Macau sourced from the gaming industry and 70% of Macau's government income derived from gambling taxes.[13] The current gaming tax rate in Macau is 35% on gross gaming revenues, plus an additional 3% to 4% of gross gaming revenues for social welfare contributions and other surcharges, which makes it one of the highest gaming tax rates among all gaming markets.[14]

The passing of new legislation in the early 2000s allowing the increase of concessions and subconcessions has significantly propelled the development of Macau. There are currently six concessions (including the three subconcessions) within Macau that are licensed to operate casino games of fortune.

1. Sociedade de Jogos de Macau (known as SJM; headed by Stanley Ho)
2. Galaxy Casino (a subsidiary of Galaxy Entertainment Group of Hong Kong)
3. Wynn Resorts (known as WYNN; headed by Steve Wynn)
4. Las Vegas Sands (known as LVS; headed by Sheldon Adelson)
5. MGM Grand Macau (a partnership between MGM MIRAGE and Pansy Ho, daughter of Stanley Ho)[15]
6. Melco PBL Entertainment (known as MPEL; a partnership between Melco of Hong Kong and PBL of Australia).[16]

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[10] Source: Business Week Online, 13 March 2006 – Casinos
[11] Source: Business Week Online, 8 June 2006
[12] Source: South China Morning Post, 12 February 2007
[13] Source: wikipedia.org/Gambling in Macau
[14] Source: Credit Suisse Equity Research Casinos and Gaming, 6 February 2007
[15] Source: www.inbusinesslasvegas.com 23 February 2007 – tourism
[16] Source: macaubusiness.com 1 November 2006

Macau Gaming Market – Current Insights

- The gross revenue of the gambling industry of Macau is expected to reach US$8.1 billion (65 billion Patacas) to US$8.7 billion (70 billion Patacas) in 2007.

  Source: Macau's Gambling Revenue Exceeds Las Vegas by $254 million in 2006, *Portuguese News Digest*, 12 February 2007.
  Delivered by Factiva, a Dow Jones Company.

- Many gaming analysts expect gaming revenues to increase to US$12-13 billion (100-108 billion Patacas) by 2010.

  Source: Macau's Gaming Win Swells, *Las Vegas Review-Journal*, 24 January 2007.
  Delivered by Factiva, a Dow Jones Company.

- According to its Gaming Inspection and Co-ordination Bureau, Macau had a total of 24 casinos at the end of 2006, operating a total of 2,762 gaming tables and 6,546 slot machines. The current US$20 billion (167 billion Patacas) development boom will sharply increase those figures over the next three years.

  Source: Golden Dome Opens Doors to High Rollers ..., *Financial Times*, 12 February 2007.
  Delivered by Factiva, a Dow Jones Company.

- Currently, there are approximately 13,000 hotel rooms in Macau which represents an increase of approximately 2,146 rooms or 19.8% over the prior year.

  Sources: Macau Notches-Up New Tourism Record as Casinos Boom, Agence France Presse, 17 January 2007 and Macau SAR Government Portel: Tourism, February 2007.
  Delivered by Factiva, a Dow Jones Company.

- In September 2006, Wynn Resorts opened its Wynn Macau casino which features 600 hotel rooms, and currently includes approximately 250 tables games and 475 slot machines. In October 2006, Galaxy opened its Star World Casino which features 500 hotel rooms, 290 table games and 370 slot machines.

  Sources: Wynn Resorts Ltd 2006 10-K and Deutsche Bank Macau Gaming Bulletins, February 2007.
  Delivered by Factiva, a Dow Jones Company.

- Six new casinos are scheduled to open in 2007, including a second project by Sheldon Adelson's Las Vegas Sands (LVS), which is a Macau version of the Venetian in Las Vegas and will include 3,000 hotel rooms, 850 table games, and 4,100 slot machines. In addition, the joint venture between Pansy Ho and MGM MIRAGE (MGM) will open the MGM Grand Paradise which will include 600 hotel rooms, approximately 350 table games and over 1,000 slot machines. The latest casino, Grand Lisboa, was opened by regional tycoon Stanley Ho on 11 February 2007.

  Sources: Macau Casinos Shine, But Not Everything is Gold, *Reuters*, 31 January 2007; Las Vegas Sands Corp. 2006 10-K; and MGM MIRAGE 2006 10-K. Delivered by Factiva, a Dow Jones Company.

- By 2009, Macau is expected to have at least 30,000 hotel rooms. Seventeen hotels are expected to open between now and 2010, according to the Macau Government Tourist Office.

  Source: Macau Notches-Up New Tourism Record as Casinos Boom, *Agence France Presse*, 17 January 2007.
  Delivered by Factiva, a Dow Jones Company.

- Mainland Chinese accounted for 54% of the 22 million visitors to Macau in 2006, an increase of 17%, according to the Macau Government Tourist Office. The number of visitors to Macau has grown from 10 million in 2003 and is expected to reach 45 million by 2009.

  Source: Casinos, Hotels Bet on Macau, *USA Today*, 22 January 2007.
  Delivered by Factiva, a Dow Jones Company.

- VIP Baccarat accounted for 65% of total gaming revenue in 2006 in Macau. Slot machines account for 66% of gaming revenue in Nevada, but just 4% in Macau.

  Source: Casinos, Hotels Bet on Macau, *USA Today*, 22 January 2007.
  Delivered by Factiva, a Dow Jones Company.

- In December 2006, a total of 481,868 guests checked into hotels and similar establishments, representing a year-on-year growth of 24.7%. In addition, the average hotel occupancy rate rose by 2.0% to 78.1%, with four-star hotels leading at 87.0%; the average length of stay of hotel guests increased by 0.03 night to 1.17 nights. The majority of the guests came from Mainland China (52.4%); Hong Kong (28.8%); and Taiwan, China (2.7%). In 2006, total number of hotel guests surged 13.6% over 2005 to 4,680,854; the average hotel occupancy rate rose by 1.3 percentage points compared with 2005, at 72.3%.

  Source: Government of Macau SAR, Statistics and Census Service: Tourism Indicators, January 2007, http://www.gov.mo/egi/Portal/s/dsec/deec_stat_en.html.

- Las Vegas Sands Corp., which holds one of Macau's six gambling licenses, projects that gambling revenue at its planned Venetian casino resort will account for about 50% to 60% of the project's total revenue. Las Vegas Sands is developing the US$2.2 billion (18.2 billion pataca) Venetian Macao, a clone of its flagship casino resort in Las Vegas, and plans to open the resort in July or August 2007.

  Source: Source: Las Vegas Sands Sees 50%-60% Venetian Macao Rev From Gambling, *Dow Jones International News*, 1 March 2007.
  Delivered by Factiva, a Dow Jones Company.

- Genting International, which was building Singapore's second casino-resort, sold its stake in a Macau hotel project to Star Cruises, after being questioned by the city-state's government. Genting announced that it would sell its 25% stake in the project to Star Cruises, which said it would assume loans for the venture and sell a minority stake to billionaire Stanley Ho and other investors.

  Source: Genting Sells Off Stake in Macau Casino, *Australian Financial Review*, 5 March 2007.
  Delivered by Factiva, a Dow Jones Company.

- The Singapore government will continue to conduct 'probity checks' on casino operators and owners even after licenses are issued to ensure that only suitable persons are granted casino licenses. The Casino Regulation Division of the Ministry of Home Affairs made the announcement after a consortium involving Malaysia's Genting International and Star Cruises was forced to pull out of a deal with Macau casino tycoon Stanley Ho.

  Source: Singapore Govt Vows Constant Checks on Casino Operators and Owners, *AFX International Focus*, 9 March 2007.
  Delivered by Factiva, a Dow Jones Company.

- Melco International Development Ltd. is scheduled to officially open its Crown Casino Hotel in Macau on 9 May 2007. It will trial run the new hotel starting on 28 April 2007. The casino resort entails a total investment of US$512.6 million (4.3 billion patacas). Due to a rise in advertising and promotional expenses, renovation and construction costs, Crown Casino Hotel has run beyond its budget by US$71 million (589 million patacas), 14% above the original budget.

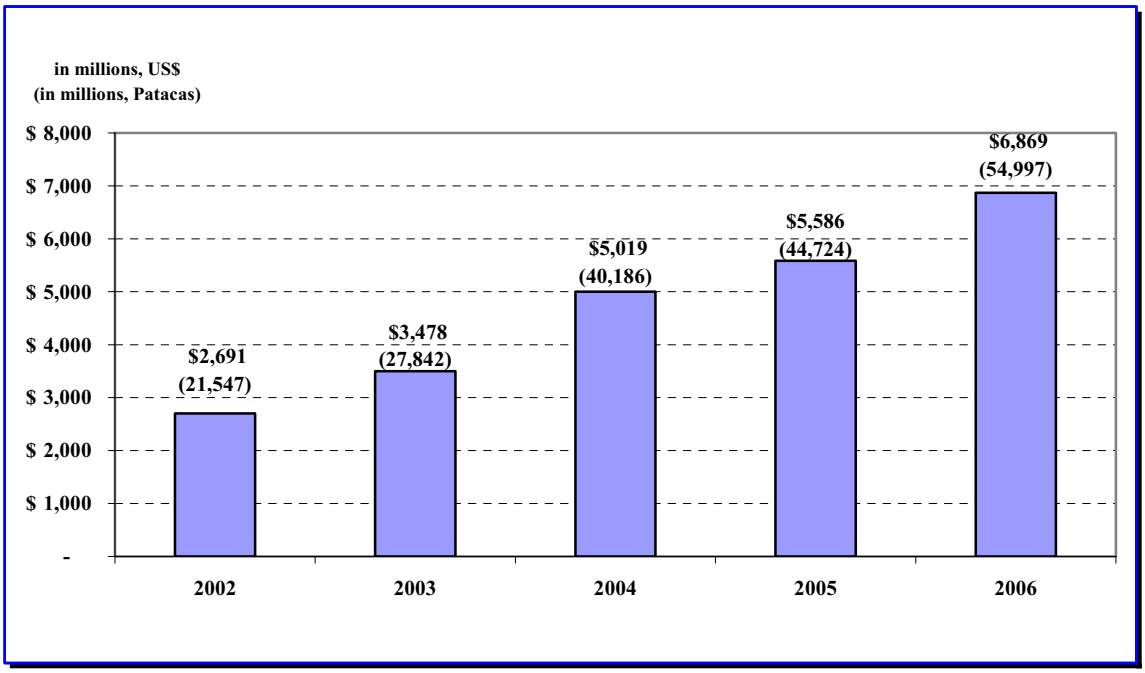
  Source: Crown Casino Hotel Ready to Start in Early May, *NewsTrak Daily*, 10 March 2007.
  Delivered by Factiva, a Dow Jones Company.

- The Nevada Gaming Commission gave final approval for Las Vegas-based MGM MIRAGE to open the US$1.1 billion (9.1 billion pataca) MGM Grand Macau in partnership with the two daughters of Hong Kong billionaire Stanley Ho; Patsy Ho and Daisy Ho, later this year. MGM MIRAGE also plans to build a second hotel-casino in Macau under the same partnership.

  Source: Nevada Regulators Give Final OK For MGM Partnership in Macau, *Associated Press Newswires*, 23 March 2007.
  Delivered by Factiva, a Dow Jones Company.

Key Gaming Statistics

Maucau Gaming Revenue
Year ended 31 December



Source: Macau Gaming Inspection & Coordination Bureau and Jefferies & Company, Inc.

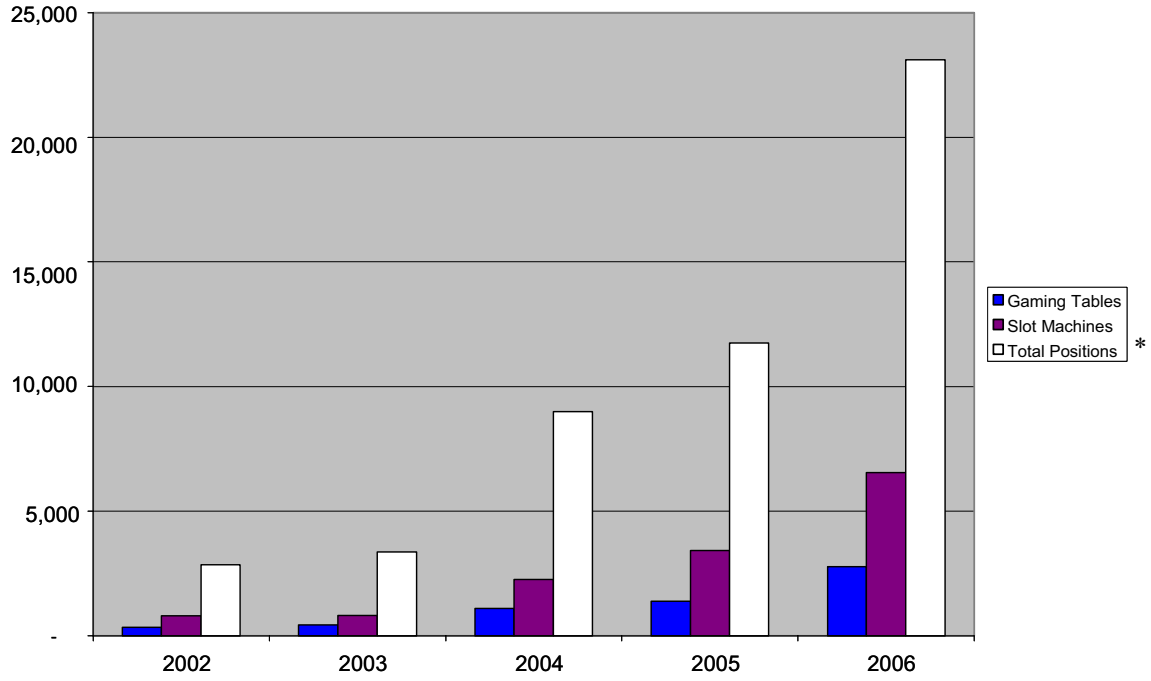
Macau Gaming Revenue by Type 2006 vs. 2005

	2005		% of Total	2006		% of Total	Growth $	Growth %
Amounts in US$ in millions								
(Amounts in Patacas in millions)								
Baccarat *	$4,768	(38,175)	85.4%	$5,906	(47,286)	86.0%	$1,138	23.9%
Slot Machines	152	(1,214)	2.7%	249	(1,996)	3.6%	97	63.8%
Cussec	185	(1,484)	3.3%	234	(1,871)	3.4%	49	26.5%
Black Jack	177	(1,418)	3.2%	197	(1,575)	2.9%	20	11.3%
Fish-Prawn-Crab	128	(1,026)	2.3%	107	(853)	1.6%	(21)	-16.4%
Stud Poker	63	(507)	1.1%	67	(540)	1.0%	4	6.3%
Roulette	23	(181)	0.4%	30	(241)	0.4%	7	30.4%
Other	90	(719)	1.6%	79	(635)	1.2%	(11)	-12.2%
Total	**$5,586**	**(44,724)**		**$6,869**	**(54,997)**		**$1,283**	**23.0%**

* Includes Baccarat, VIP Baccarat, and Mini Baccarat

Source: Macau Gaming Inspection & Coordination Bureau; Jefferies & Company Inc.

Gaming Units at Period End 2006



*One table game is equivalent to six positions.

Source: Macau Gaming Inspection & Coordination Bureau; Jefferies & Company Inc.

2005-06 Gaming Growth

	Unit Growth	% Growth
Gaming Tables	1,374	99.0%
Slot Machines	3,125	91.3%
Total Positions*	11,369	96.8%

* One table game is equivalent to six positions.

Source: Macau Gaming Inspection & Coordination Bureau; Jefferies & Company Inc.

Summary of Current and Proposed Gaming Projects in Macau

2007		
12 February 2007	Grand Lisboa – Phase 1a	SJM
12 February 2007	Wynn Macau – Expansion 1	WYNN
1 April 2007	Galaxy StarWorld – Expansion	Galaxy
29 April 2007	Crown Macau	MPEL
1 July 2007	Pointe 16	SJM
1 August 2007	Venetian Macau	LVS
1 August 2007	Wynn Macau – Expansion II	WYNN
1 October 2007	Grand Lisboa – Phase 1b	SJM
1 October 2007	MGM Grand Paradise	MGM/Pansy Ho
2008		
1 January 2008	Four Seasons	LVS
1 July 2008	Shangri-La	LVS
1 July 2008	Sheraton	LVS
1 September 2008	City of Dreams	MPEL
1 September 2008	Galaxy Mega-Resort – Phase 1	Galaxy
2009		
1 January 2009	New Grand Hotel	SJM/Fortuna International
1 July 2009	Jai Alai Casino (closing)	SJM/Fortuna International
1 July 2009	Intercontinental Holiday Inn/Cosmopolitan	LVS
1 July 2009	Hilton/Conrad	LVS
1 July 2009	Shun Tak Cotai	SJM
1 October 2009	2nd Wynn Casino	WYNN
1 October 2009	Macau Studio City Phase 1	eSun Holdings/New Lots: Holdings/ Capital Land/MPEL
1 November 2009	Farmont/Raffles	LVS/Far East Consortium
2010 and beyond		
2011	Oceanus	SJM
2011	Macau Studio City Phase 2	eSun Holdings/New Lots: Holdings/ Capital Land/MPEL
2012	Galaxy Mega-Resort – Phase 2	Galaxy Casino
2009-11	Macau Peninsula site	MPEL
N/A	planned 2 more casinos	WYNN
N/A	planned 2 more casinos	MGM/Pansy Ho Chiu King

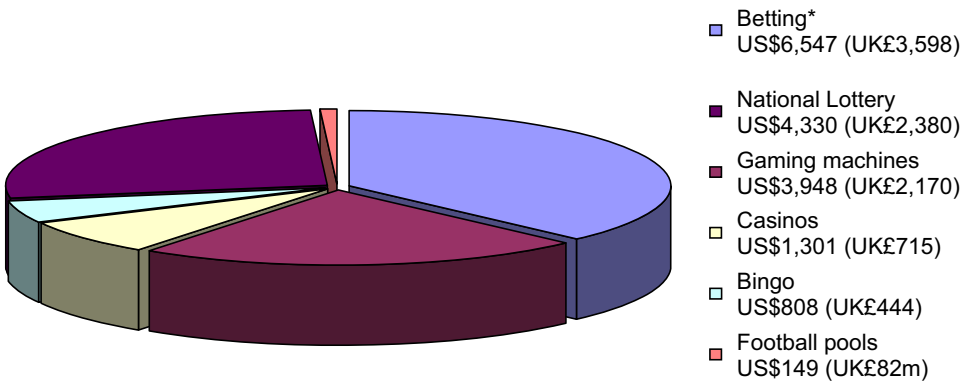
Source: Macau Gaming Inspection & Coordination Bureau; Jefferies & Company Inc.

* Refer to discussion of concessionaires on page 55.

United Kingdom

The Gaming Industry in the United Kingdom

Gross Gambling Yield (stake less winnings) US$millions (UK£millions) for 2005



* off-course betting only

Source: Mintel "The Gambler" UK, April 2006

Gambling Overview[17]

The gambling and casino industry has been growing in the United Kingdom, due largely to market deregulation, expansion in the casinos sector, growth in the popularity of sports betting and a major broadening of the range of channels through which gambling services are accessible.

- Gambling activities in the UK range from lotteries and pools to betting, bingo, table games, gaming machines, and online gambling.
- The estimated annual turnover on gambling activities was US$96.7 billion (UK£49.4 billion) in 2003-04, compared to US$41.1 billion (UK£21.0 billion) in 1999-2000. In 2003-04 HM Customs and Excise collected US$2.45 billion (UK£1.3 billion) in gambling duties. This is nearly double the amount generated in 1999-2000, and is expected to rise with the growth of internet gambling and other technologies, such as mobile phone gambling.

[17] "Basic Facts About the British Gambling Industry," The Gambling Commission, 13 November 2006 and (www.culture.gov.uk) DCMS: Department for Culture, Media, and Sports, *Gaming Facts and Figures*.

- By September 2007, the Gambling Act 2005 is expected to become effective. The Act was passed with the intention of modernizing gambling regulation in the UK. Its objectives are to provide new protections for children, regulate remote (including online) gambling within the UK, and introduce a new regulator, "The Gambling Commission," to align regulation more consistently across different subsectors within the UK betting and gaming industry. The Act will also allow for a controlled increase in the number of casinos by introducing 17 new casino licenses, including one regional casino, nicknamed the "super casino," 8 large and 8 small casinos. The Gambling Commission is scheduled to begin considering applications for licenses for the 17 new casinos shortly, with hopes that the licenses will be effective by the end of third quarter 2007.

Gambling Demographics

According to the UK government's Taking Part Survey (2005-06), about 24 million adults, or 66% of the adult population take part in some form of gambling.

Generally it is illegal for minors (people under the age of 18), to gamble, but exceptions are made for gambling in the form of pools betting, lotteries, and certain low-stake slot machines. Statistics show that people in the 25-54 age bracket are the most likely to gamble, with slightly more male gamblers than female gamblers (76% of men compared to 68% of women in this age group).

Overall, the rate of participation in gambling increases with household income up to US$64,736 (UK£33,059). Above this amount, the rate of participation begins to decline. Research also has found that bingo and lotteries are more popular with lower income households, while horse racing, private betting and casino gambling are more prevalent with gamblers of higher-income households.

Betting

As of September 2007, betting will be regulated by the Gambling Commission for the first time, bringing it in line with other forms of gambling.

Betting in the UK is separated between "on-course" betting, which takes place at racecourses and dog tracks, and "off-course" betting, which mainly takes place in licensed betting offices.

On-course betting is dominated by the on-course bookmakers and the Tote, the Horserace Totalisator Board. Off-course betting is largely split between the "big three" operators, William Hill, Ladbrokes and Gala Coral Group who together share over 70% of the market. There are currently 59 horse racecourses in the UK, 31 licensed greyhound tracks and approximately 8,800 betting shops. Betting shops can each house up to four slot machines or fixed odds betting terminals, which offer gaming similar to electronic roulette.

Horse racing is particularly popular in the UK with 13% of the adult population betting on horses, 4% on dog races and 3% on other events. Betting shops have 2.5 million regular customers, while 7% of people visit less frequently.

In 2005, gross betting yield was approaching US$6.7 billion (UK£3.4 billion).

Remote betting, including online betting, interactive TV, and mobile phone betting is quickly becoming popular in the UK. The increase in its popularity is due to the fact that gamblers can bet

24 hours a day from any location. Another appeal of remote betting is that players can avoid bookmaker fees by using online betting exchanges that allow betters to bet against each other with the operator simply taking a small commission.

Lottery

There are several types of lotteries in the UK, including the National Lottery, which is regulated by the National Lottery Commission; society lotteries which are regulated by either local authorities or the Gambling Commission, depending on the level of ticket sales; and small and private lotteries that do not need to be registered with any statutory body.

Unlike most gambling activities, where the age requirement is 18, players are allowed to play lotteries at 16 years of age.

The National Lottery, which is currently run by Camelot, is by far the largest lottery in the UK, and is the most popular form of gambling, with 65% of the population buying National Lottery tickets. The average stake bet for the National Lottery is US$5.18 (UK£2.6) per week. In the year ended 31 March 2006, National Lottery ticket sales totalled US$9.3 billion (UK£4.7 billion). Since its inception in 1994, more than US$37 billion (UK£18.9 billion) has been raised by the National Lottery for charities and good causes. The license to run the National Lottery is renewable in 2007, and a number of operators including Camelot are currently bidding for it. The Government will introduce a new Olympic Lottery to assist in funding the 2012 Olympic Games.

Laws governing society, small, and private lotteries legislate that they can only be run in support of charitable causes and not for private or commercial gain. Furthermore, at least 20% of the profit must go to the chosen cause. For the year 2005-06 an average of 53% of the profit earned by these lotteries was contributed to charities. Society lotteries registered with the Gambling Commission raised US$135 million (UK£68.9 million) for charitable causes.

Gaming Machines

The gaming machine sector in the UK brings together many other sectors of the gambling industry which house gaming machines, including bingo clubs, casinos, betting offices, pubs, private clubs, arcades, and other non-licensed premises.

There are currently 234,000 gaming machines in the UK including 192,000 ‘cash/token’ AWP machines, 25,000 club or jackpot machines, and 17,000 other machines.

A third of gaming machines (33%) are located in family entertainment centers, 29% in pubs, 14% in adult gaming centers, 9% in clubs, and 8% in bingo halls.

Gaming machines are most popular among the younger age groups and are played by 14% of the population.

Gaming machines are subject to an agreed average minimum percentage payout, ranging from 80% for jackpot machines sited in casinos, to 70% for amusements with prizes and all-cash machines.

The estimated turnover of the gaming machine industry is US$19.05 billion (UK£9.7 billion), of which US$15.17 billion (UK£7.7 billion) is paid in prizes.

Casinos

There are currently 141 casinos operating in the UK. Under current legislation they are only allowed in certain permitted areas.

During 2005-06 there were 13.9 million visits to casinos in the UK, which represents an increase of 13% in comparison to the previous year. Casinos tend to be more popular with people aged 30 or younger. It has also been found that casinos appeal more to men than to women: 4% of the male population visits casinos, vs. 1% of female population that does.

Statistics have estimated that 8.5% of total gaming expenditure takes place at casinos with 3% of the population taking part. Statistics have also shown that over one-third of casino table game players lose US$37 (UK£18.9) or more in a week.

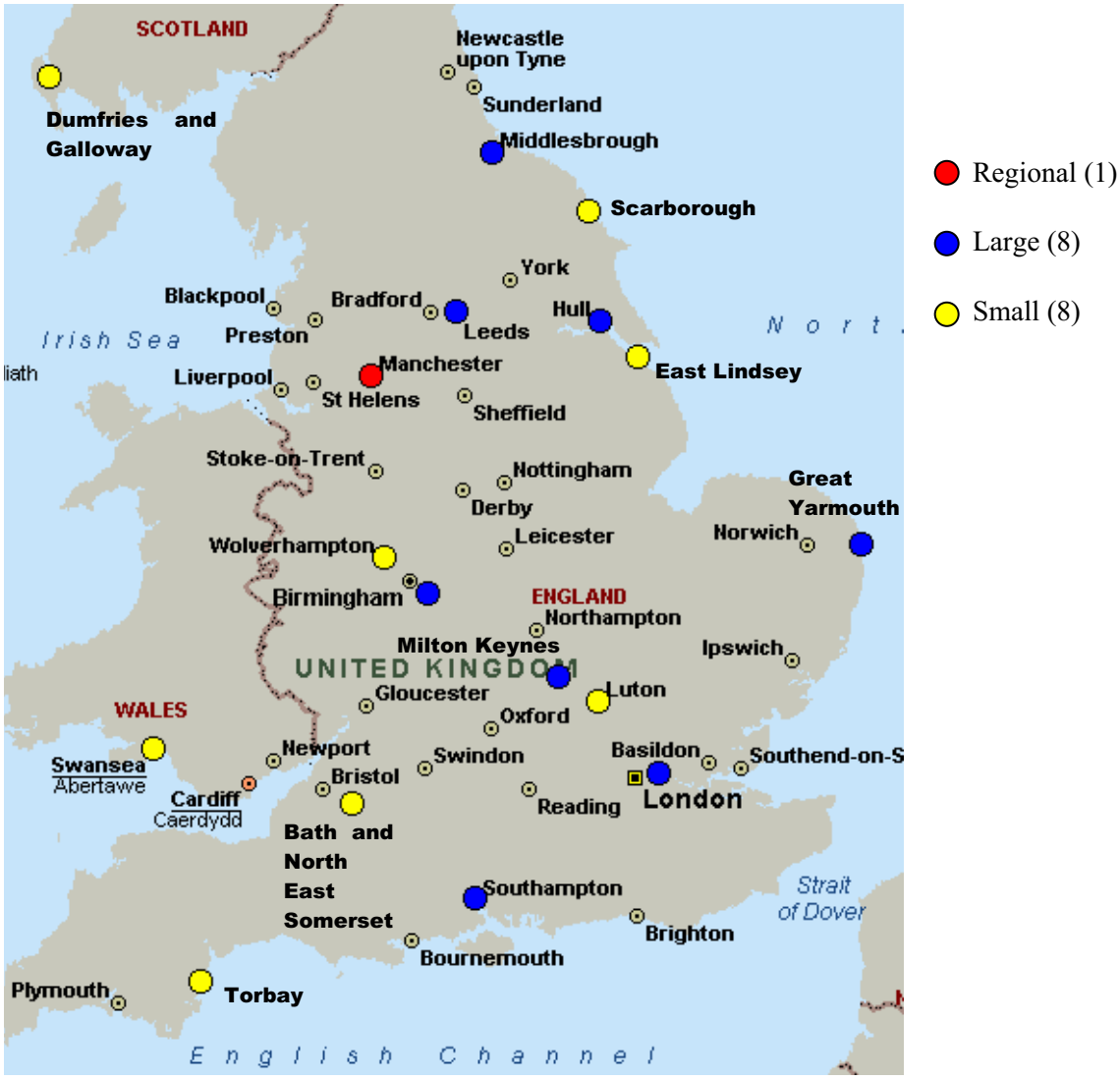
In 2005-06 the total amount of money exchanged for gaming chips (drop) increased to just over US$7.4 billion (UK£3.8 billion) compared to a little over US$4.5 billion (UK£2.3 billion) in 1999-2000, and slightly over half of this, 55%, was spent in London.

There are a total of 26 casino operators in the UK casino industry that are dominated by three companies: Stanley Leisure with 45 casino licenses, Rank Group with 44 licenses and Gala Group with 32 licenses. These three operators own 70% of casinos in the UK. The London Clubs International Company is the fourth largest casino operator with 12 licenses.

The largest casino in the UK is Stanley Star City which is located in Birmingham, and has 46 table games, 200 casino slot machines, video poker games, and other video terminal gaming machines.

The casino industry will be most significantly impacted by the Gambling Act of 2005, which will allow 17 new casinos to be licensed in areas identified by an independent committee (one super casino, eight large, and eight small casinos).

Location of New Casino Licenses Granted in the Casino Advisory Panel Announcement, January 2007



Sources: Microsoft Maps and (*www.culture.gov.uk/cap/*), "Final Report of the Casino Advisory Panel" 30 January 2007

Manchester has been provisionally chosen as the location of UK's first Las Vegas-style super casino, although this is subject to ratification by the UK government and the House of Lords.

Other changes brought by the Act include an increase in the number of gaming machines from the current maximum of 10 jackpot machines per casino to a maximum of 1,250 in the super casino, 150 in large casinos, and 80 in small casinos.

	Regional	Large	Small
Min. Table Gaming Area	1,000 m^2	1,000 m^2	500m^2
Min. Additional Gambling Area	2,500 m^2	0	0
Min. Non Gambling Area	1,000 m^2	500 m^2	250 m^2
Min. Total Customer Area	5,000 m^2	1,500 m^2	750 m^2
Min. No. of Gaming Tables	40	1	1
Categories of Gaming Machines Permitted	Up to A	Up to B*	Up to B*
Machine/Table Ratio	25:1 (cap 1,250)	5:1 (cap 150)	2:1 (cap 80)
Bingo	Yes	Yes	No
Betting	Yes	Yes	Yes

Source: (www.culture.gov.uk) DCMS: Department for Culture, Media, and Sports, *Gaming Facts and Figures*.

Bingo

As of 31 March 2006, there were over 650 bingo clubs operating in the UK. Bingo can also be found in over 1,000 working men's and British Legion clubs and other smaller institutions.

More than 3 million people play bingo on a regular basis in the UK. Statistics show that bingo is more popular with women than men, and the industry is broadening its appeal to a younger customer base.

The average bingo player spends around US$31.26 (UK£16.0) per night. In 2005-06 players staked US$3.38 billion (UK£1.7 billion) on licensed bingo.

Football (Soccer) Pools

Football pools are among the most common betting pools in the UK, with weekly and monthly pool competitions based on the results of football matches. Football pools are sold by means of door-to-door collectors, retail outlets, post, and online. The legal age to participate in pools is 16.

Pool betting on horse racing, greyhound racing and other sports takes place at racecourses and tracks, through betting offices, and online. Horse racetrack pool betting is offered exclusively by the Tote. Greyhound racing and other sports betting pool operations must be registered with the local authorities, who appoint accountants to supervise operations. Except for the exceptions listed above, no other type of sports or athletic ground may offer pool betting on the premises.

Statistics show that the average amount spent on football pools or fixed-odd coupons is US$5.55 (UK£2.8) a week, with men spending an average of US$6.10 (UK£3.1) and women an average of US$3.70 (UK£1.8). Over 90% of people spend US$9.25 (UK£4.7) or less a week.

The total amount staked on football pools in 2004-05 was US$195.4 million (UK£99.8 million), compared to US$929.2 million (UK£474.5 million) in 1995-96. The leading football pool brands are Littlewoods, owned by Sportech, and Vernons, owned by Ladbrokes.

Remote Gambling

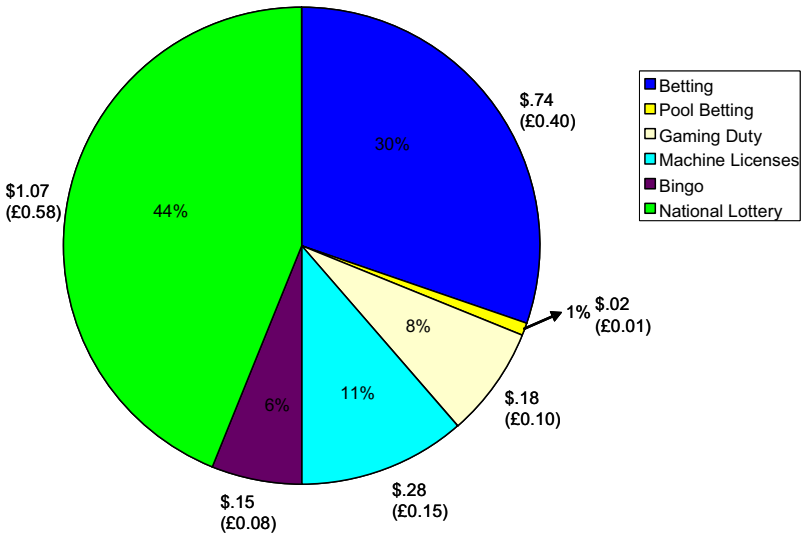
Remote gambling includes remote betting (such as online and interactive TV betting) and remote gaming (such as online poker and casino). Largely due to technological developments, this subsector has grown exponentially in the last few years, and is revolutionizing the gambling industry. According to the Gambling Commission, online gambling doubled from less than 1% of the adult population in 2000-01 to over 2% (one million people) in 2005-06.

Attracted by the favorable regulatory environment, several of the world's largest internet betting and gaming companies have listed in the UK in recent years. The new Gambling Act will legalize remote gambling for onshore companies, although the Remote Gaming Duty introduced in the 2006 UK budget is likely to discourage companies from moving their offshore activities onshore.

In October 2006, the Unlawful Internet Gambling Enforcement Act resulted in the majority of legitimate online gambling companies suspending their US operations. This, combined with the high profile arrests of online gambling executives when entering the US, led to the collapse in share price of a number of the pure online gambling companies. It is anticipated that there will be consolidation of the UK online gambling industry.

Gaming Duties

Total Duties Collected on Gambling
2005 US$ in billions (UK£ in billions)



Source: *Report of the Gambling Commission 2005-06*, 12 July 2006

Recent changes in the UK gaming tax regime have included:

- Casinos in the UK are required to pay duties on gaming profits. In 2005-06, US$264.5 million (UK£135.1 million) in duties was paid. Casino gaming duty rates have been further increased for accounting periods starting on or after 1 April 2007: the lowest band of 2.5% duty has been abolished; the 12.5% rate has increased to 15%; and a new rate of 50% has been introduced on gross yield from gaming in excess of US$18.5 million (UK£9.4 million). This change will further increase the tax revenues generated from the sector.

- Remote gambling will be brought within the scope of gambling taxation at the rate of 15% on an operator's gross profits, once the sector is regulated in late 2007.

UK Casino Industry in More Detail – Key Statistics

There were 165 licensed casinos in the UK as of March 2006 (17 more than a year earlier) of which 140 (two more) were trading at that date.

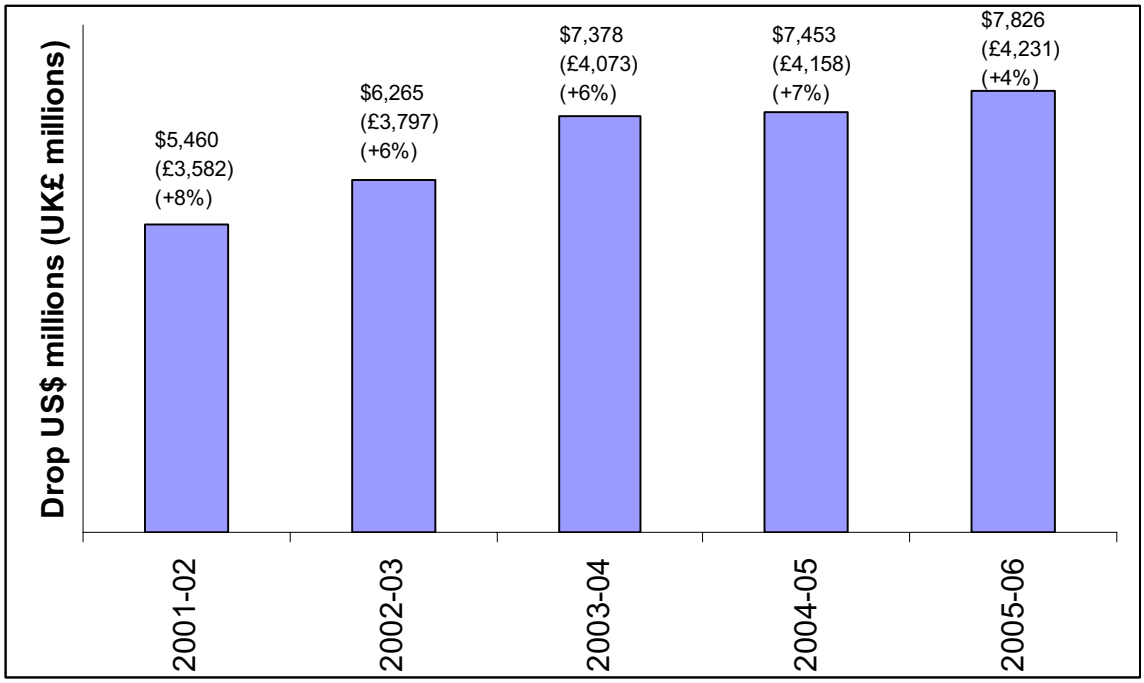
Gaming Machines in Casinos

As at 31 March	1998	1999	2000	2001	2002	2003	2004	2005	2006
Jackpot machines	612	582	795	814	841	894	976	1,009	1,941
Maximum prize machines included in above	N/A	297	326	367	N/A	116	289	607	1,124

Source: *Report of the Gambling Commission 2005-06*, 12 July 2006

The total drop (money exchanged for gaming chips) in casinos in the UK during year 2005-06 was US$7,826 million (UK£3,997 million), an increase of US$135 million (UK£68.9 million) from the previous year.

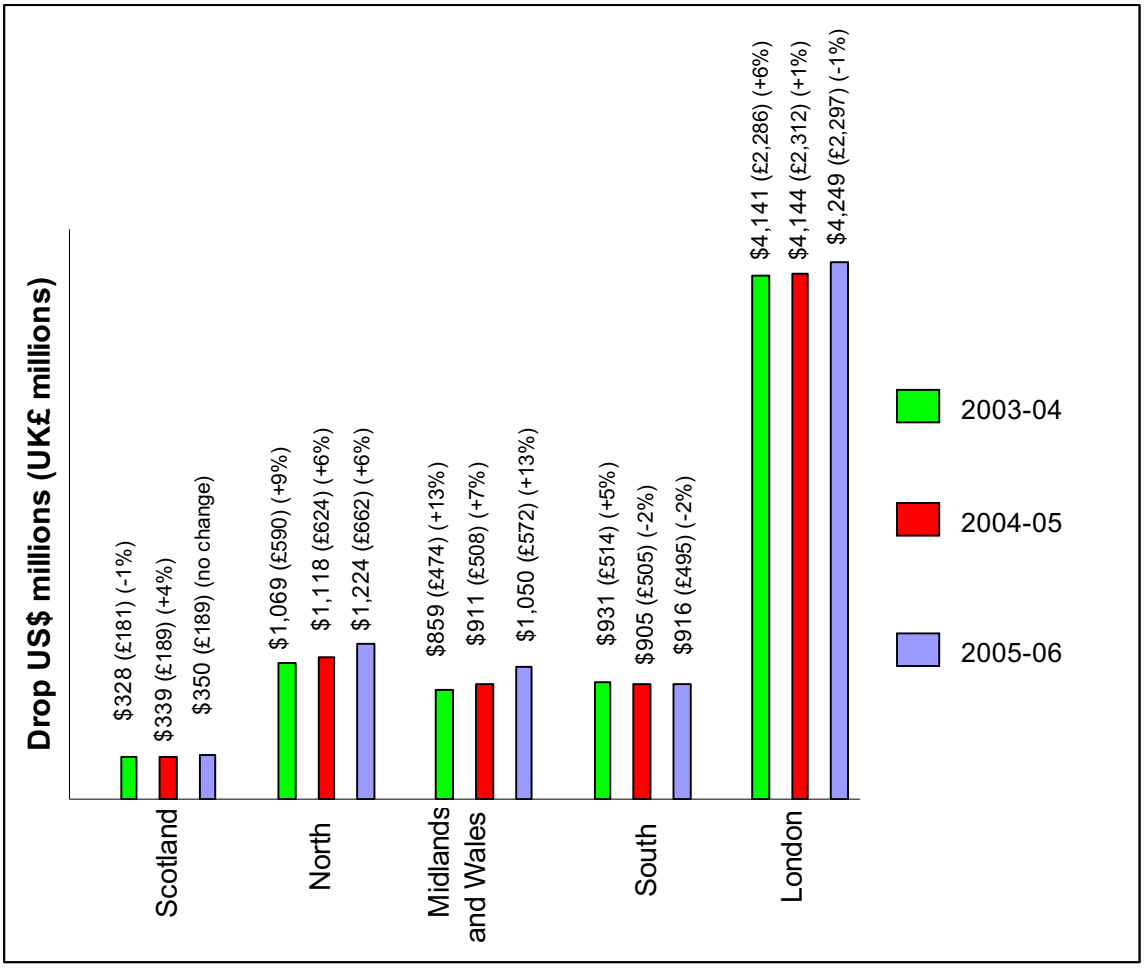
Drop per Year Overall (change from previous year)



Note: Drop figures are rounded to the nearest US$ million (UK£ million). Figures do not include Casino Stud Poker jackpot wagers.

Source: *Report of the Gambling Commission 2005-06*, 12 July 2006

Casino Drop by Region



Note: Drop figures are rounded to the nearest US$ million (UK£ million). Figures do not include Casino Stud Poker jackpot wagers.

Source: *Report of the Gambling Commission 2005-06*, 12 July 2006

Drop in London casinos during the year was US$4,249 million (UK£2,170 million), fractionally down on 2004-05, while drop for the provinces increased by US$170 million (UK£86.8 million). Approximately 55% of the total drop produced by all casinos in the UK occurred in the London casinos.

Percentage Distribution of Drop by Games

	2001-02	2002-03	2003-04	2004-05	2005-06
American Roulette	64.6	56.7	52.3	51.9	50.4
Blackjack	16.5	16.4	17.9	17.2	18.7
Electronic Roulette	3.3	8.7	11.7	13.9	15.0
Punta Bunco (including Baccarat)	9.2	9.4	9.2	8.7	8.0
Three Card Poker	-	3.0	5.1	5.8	5.8
Casino Stud Poker	5.5	4.8	3.1	2.0	1.6
Craps	0.9	0.8	0.6	0.5	0.5
Big Six/Sic Bo	-	0.2	0.1	0.0	0.0
	100.0	**100.0**	**100.0**	**100.0**	**100.0**

Source: *Report of the Gambling Commission 2005-06*, 12 July 2006

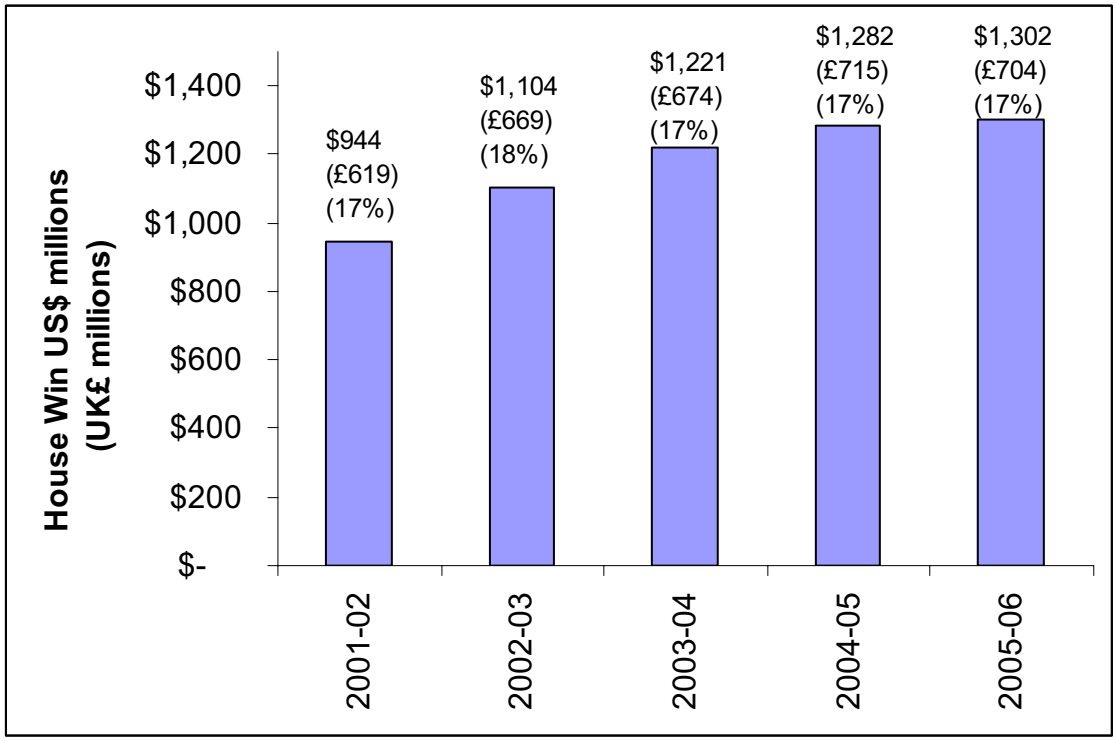
Casino Attendance by Region: Number of Visits

	2001-02	2002-03	2003-04	2004-05	2005-06
Scotland	1,061,326	1,047,473	1,030,190	1,027,236	1,158,226
North	3,373,741	3,477,461	3,461,770	3,590,577	4,258,144
Midlands & Wales	2,186,296	2,174,455	2,272,016	2,536,676	2,999,632
South	2,364,191	2,399,741	2,322,728	2,419,680	2,650,705
Sub-total	**8,985,554**	**9,099,130**	**9,086,704**	**9,574,169**	**11,066,707**
London	2,796,263	2,766,323	2,798,755	2,734,601	2,872,791
UK Total	**11,781,817**	**11,865,453**	**11,885,459**	**12,308,770**	**13,939,498**

Source: *Report of the Gambling Commission 2005-06*, 12 July 2006

Although the total retained by casinos as house win was fractionally down, US$1,302 million (UK£664.9 million) for 2005-06 as compared to US$1,282 million (UK£654.7 million) for 2004-05, the overall win percentage was still much the same as in four of the five preceding years.

House Win
(overall percentage of drop in brackets)



Source: *Report of the Gambling Commission 2005-06*, 12 July 2006

United States[18]

The Gaming Industry in the United States

During the last twenty years, gaming in the United States, as well as around the world, has undergone a remarkable period of growth and transformation. Forty-eight states currently have some form of legalized gaming. Only Utah and Hawaii have not legalized gaming in any form. Until 1989, Nevada and Atlantic City offered the only casino gambling options. Today there are approximately 390 casinos on Indian reservations and limited-stakes casinos in South Dakota and Colorado, in addition to approximately 87 riverboats operating in six states (Illinois, Iowa, Indiana, Louisiana, Mississippi, and Missouri).

Excluding Indian casinos, there are currently four states in the US that have land-based casino operations: Louisiana, Michigan, Nevada, and New Jersey. A brief history of activity in those jurisdictions is as follows:

- **New Orleans:** Since Louisiana legislators first gave their approval for one hotel-based casino in New Orleans in June of 1992, there has been a flurry of activity throughout the Louisiana gaming market. The lone hotel-based casino in New Orleans is currently owned by Harrah's Entertainment, Inc. and was opened in 2000. In fiscal year 2006, gross gaming revenue was US$198 million.

- **Detroit:** Since the approval of gaming by the Michigan legislature in November 1996, Detroit has been the only other major US city that has developed hotel-based casinos. The Detroit casino market is shared with nearby Windsor, Ontario. The Detroit/Windsor market consists of three temporary hotel-based casinos in Detroit and one permanent hotel-based casino in Windsor, Ontario. For the year ended 31 December 2006, total adjusted revenue was US$1,303 million for the three Detroit casinos (6% increase over 2005). The operator of the casino in Ontario is Windsor Casino Limited. It opened its doors in 1995.

- **Las Vegas:** The proverbial birthplace of legalized gambling in the US, Las Vegas has served as the benchmark for other jurisdictions which have attempted to capture the entertainment value that Las Vegas consistently offers. Since 1931, when the Nevada legislature approved a bill that would legalize casino gambling, the hotel-based casino has held many forms. From the El-Rancho Hotel and Casino to the Bellagio, Las Vegas remains the major player in the US hotel-based casino gambling market. The Las Vegas Strip gaming revenues were approximately US$6.7 billion in 2006 and statewide gaming revenues were approximately US$12.2 billion.

[18] Source: Respective state gaming commissions

- **Atlantic City:** Since 1976, when New Jersey first legalized casino gambling, Atlantic City has demonstrated tremendous growth in the hotel-based casino market. With 11 properties contained within the city limits, and located just 60 miles east of Philadelphia, Atlantic City is proof that there is promise for hotel-based operations outside of Las Vegas over the long-term. From the opening of Resorts Hotel and Casino in 1978, to the Borgata, which opened in July 2003, gaming in New Jersey is expanding and taking advantage of the demand that exists for casino-style gambling on the east coast. Gaming revenues for the year ended 2006 were over $5.2 billion (4% increase over 2005).

Colorado and South Dakota have limited-stakes gaming. Colorado gaming revenues were US$765 million (an increase of almost 3% over 2005). South Dakota's gaming revenues increased almost 4% in 2006 to US$85 million.

Six states permit riverboat gaming, Illinois, Indiana, Iowa, Louisiana, Mississippi, and Missouri. 2006 gross gaming revenues from riverboat gaming exceeded US$11 billion (an increase of almost 6.2% over 2005). Admissions in 2006 exceeded 173 million. Mississippi riverboats had the highest riverboat gaming revenues of the states with almost US$2.6 billion followed by Indiana with almost US$2.5 billion.

The Current US Gaming Market

State	Land-based	Riverboat	Native American	Limited Stakes	Lottery	Pari-Mutuel	Bingo	Nothing
Alabama			…	#		ĕ	¾	
Alaska			…	#			¾	
Arizona			…	#	±	ĕ	¾	
Arkansas				#		ĕ		
California			…	#	±	ĕ	¾	
Colorado			…	~ #	±	ĕ	¾	
Connecticut			…	#	±	ĕ	¾	
Delaware				#	±	ĕ R	¾	
Florida			…	#	±	ĕ R	¾	
Georgia				#	±		¾	
Hawaii				#				T
Idaho			…	#	±	ĕ	¾	
Illinois		o		#	±	ĕ	¾	
Indiana		o		#	±	ĕ	¾	
Iowa		o	…	#	±	ĕ R	¾	
Kansas			…	#	±	ĕ	¾	
Kentucky				#	±	ĕ	¾	
Louisiana	↵	o	…	#	±	ĕ R	¾	
Maine				#	±	ĕ R	¾	
Maryland				#	±	ĕ	¾	
Massachusetts				#	±	ĕ	¾	
Michigan	↵		…	#	±	ĕ	¾	
Minnesota			…	#	±	ĕ	¾	
Mississippi		o	…	#			¾	
Missouri		o	…	#	±		¾	
Montana			…	#	±	ĕ	¾	
Nebraska			…	#	±	ĕ	¾	
Nevada	↵			#		ĕ	¾	

State	Land-based	Riverboat	Native American	Limited Stakes	Lottery	Pari-Mutuel	Bingo	Nothing
New Hampshire				#	±	ĕ	¾	
New Jersey	↵			#	±	ĕ	¾	
New Mexico			…	#	±	ĕ R	¾	
New York			…	#	±	ĕ R	¾	
North Carolina			…	#	±		¾	
North Dakota			…	#	±	ĕ	¾	
Ohio				#	±	ĕ	¾	
Oklahoma			…	#	±	ĕ R	¾	
Oregon			…	#	±	ĕ	¾	
Pennsylvania				#	±	ĕ R	¾	
Rhode Island				#	±	ĕ R	¾	
South Carolina				#	±		¾	
South Dakota			…	~ #	±	ĕ	¾	
Tennessee				#	±	ĕ		
Texas			…	#	±	ĕ	¾	
Utah				#				T
Vermont				#	±	ĕ	¾	
Virginia				#	±	ĕ	¾	
Washington			…	#	±	ĕ	¾	
Washington, D.C.				#	±		¾	
West Virginia				#	±	ĕ R	¾	
Wisconsin			…	#	±	ĕ	¾	
Wyoming			…	#		ĕ	¾	
	(4)	(6)	(28)	(2)	(43)	(42)	(47)	(2)

ĕ R Racino state (11) *

Source: State Regulatory Agencies

Note: Other states considering legislation for the operation of racinos include: Indiana, Kansas, Kentucky, Maryland, New Hampshire and Texas

* Please refer to Glossary of Terms for Racino definition.

Total US Gaming Revenues

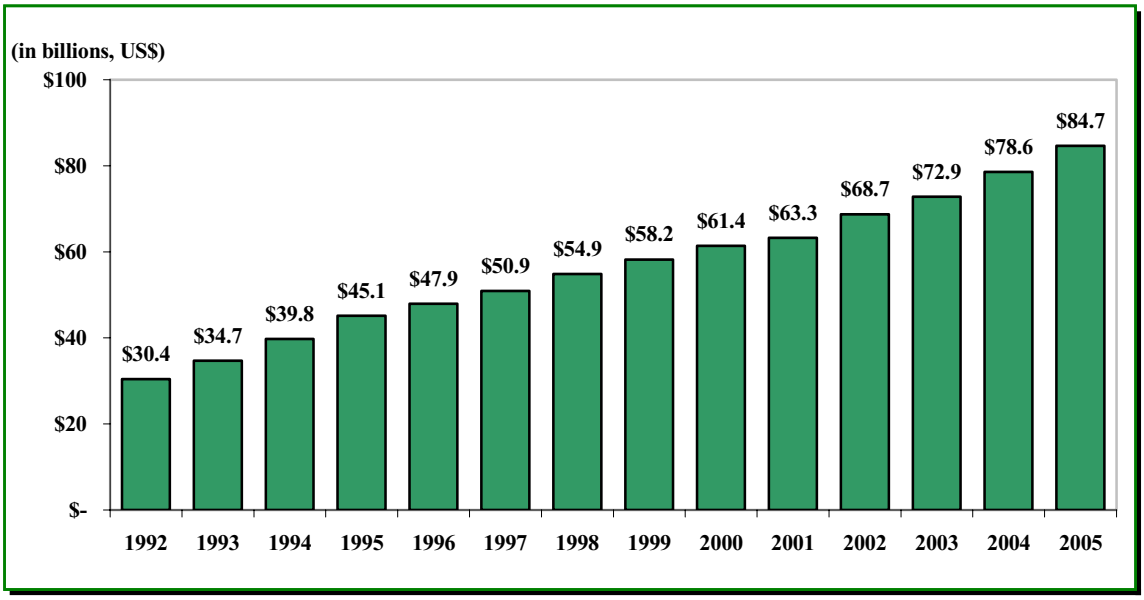
As the gaming industry has expanded throughout the United States, the gross annual revenue has steadily increased.

Total Revenues from US Commercial Casinos

Commercial casinos include private sector (i.e., non-governmental) land-based, dockside riverboats, limited-stakes, and racinos.

Source: American Gaming Association

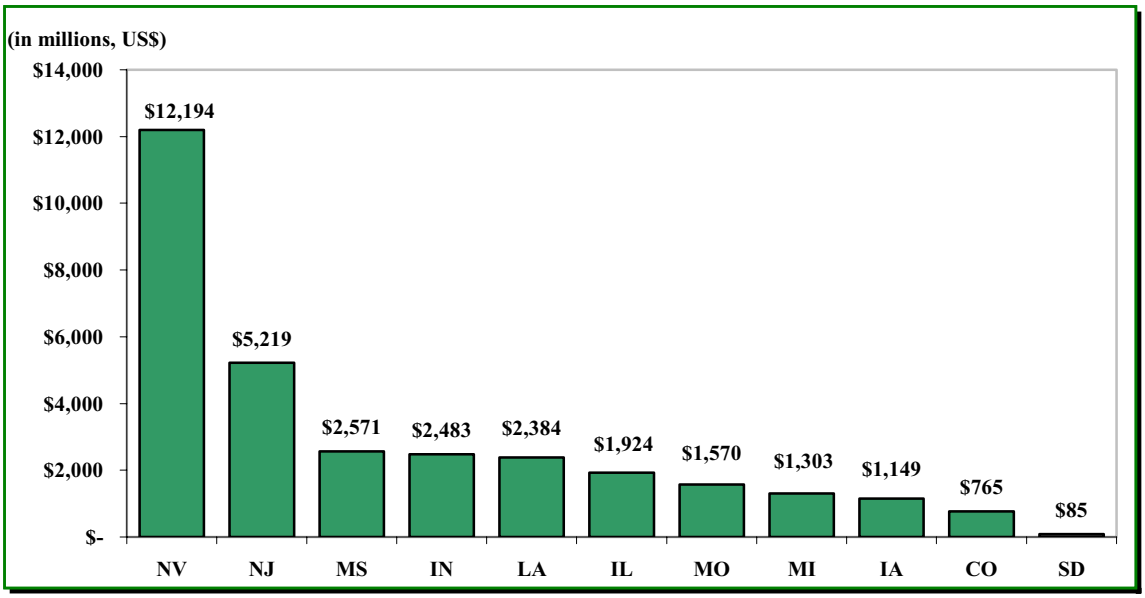
*Total US Gaming Revenues **



*Includes commercial casinos, pari-mutuel wagering, lotteries, legal bookmaking, charitable gaming and bingo, Indian reservations, and card rooms.

Source: American Gaming Association

Top US Gaming Markets—2006 Gross Gaming Revenues

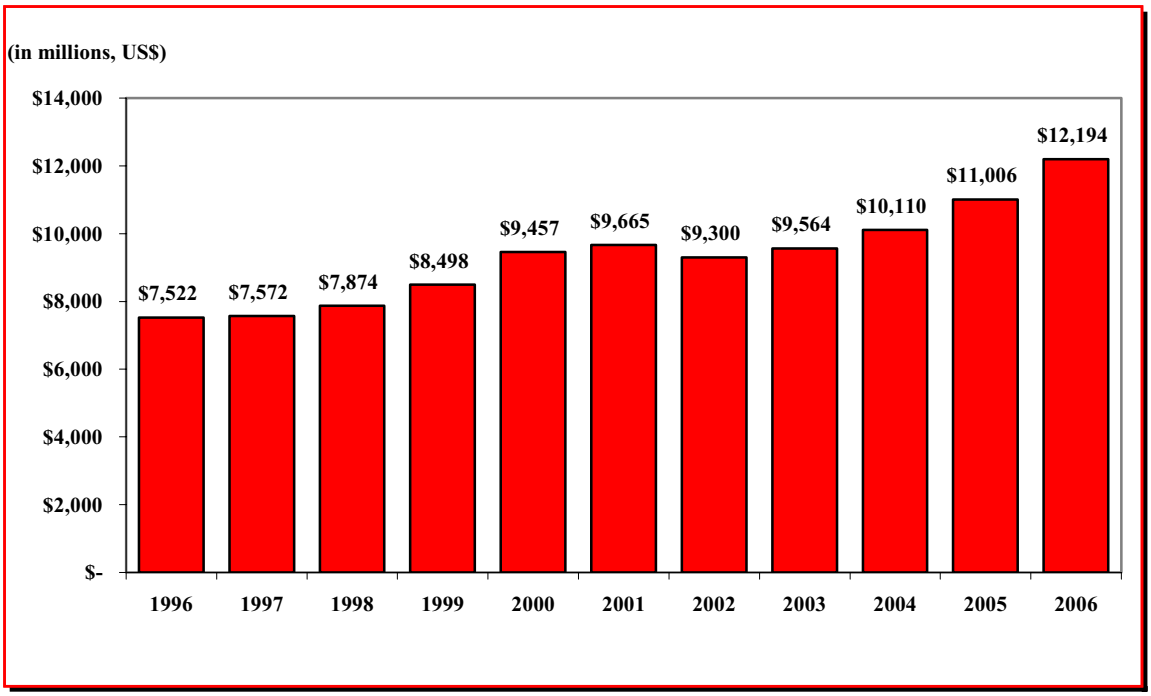


Note: Does not include Native American casino gaming. Michigan gross gaming revenue includes all three Detroit casinos and excludes Casino Windsor (Ontario).

Source: Respective state gaming commissions

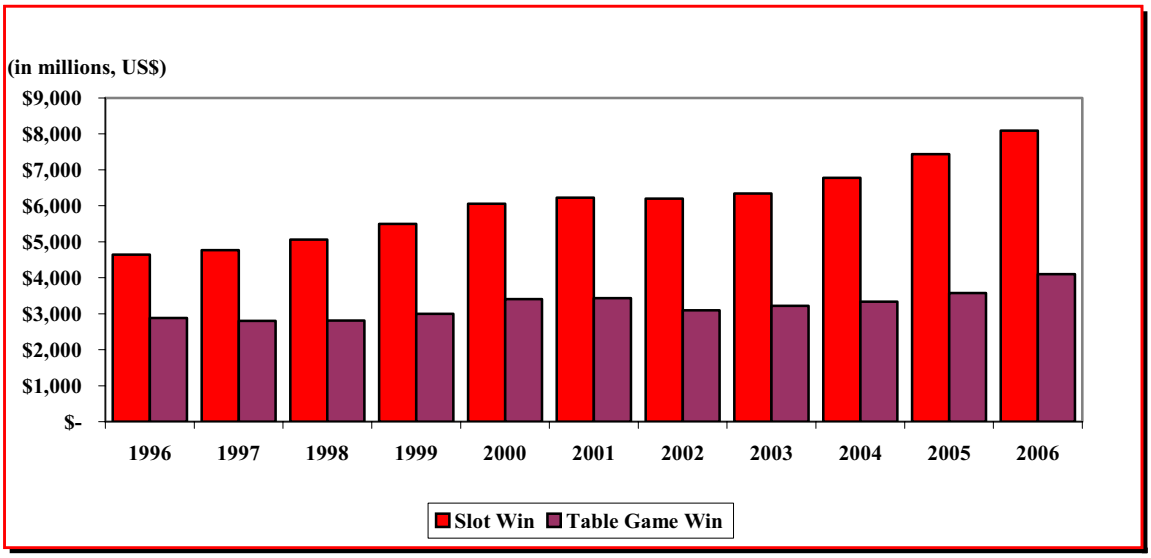
US Gaming—Regional Data

Historical Gross Gaming Revenues—Nevada
Year Ended 30 June



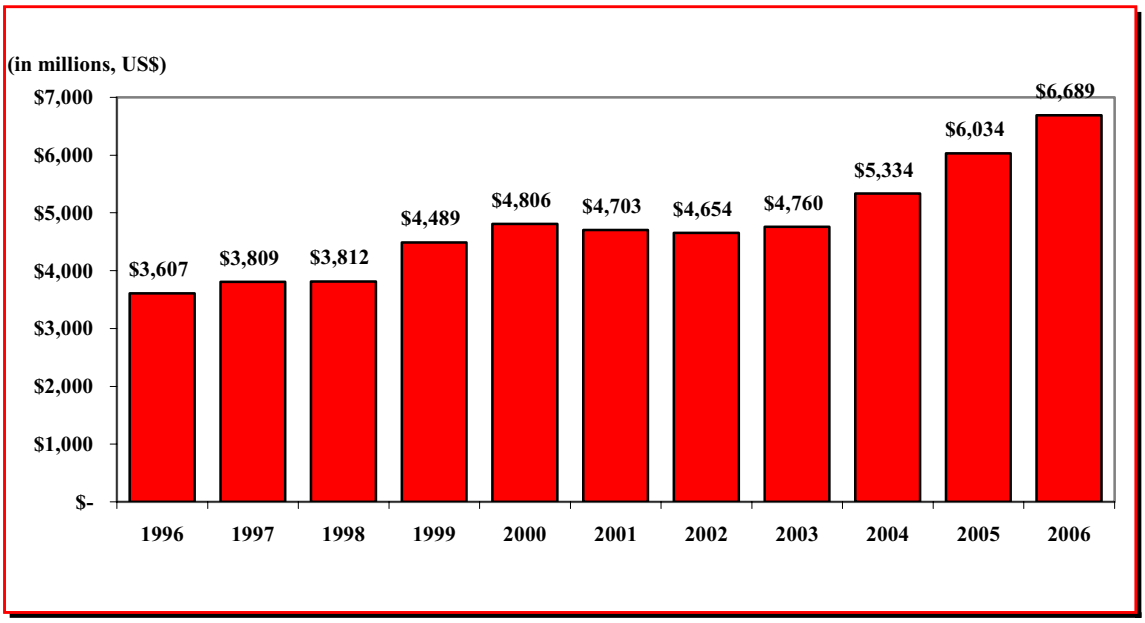
Source: Nevada State Gaming Control Board

Historical Slot and Table Game Revenues—Nevada
Year Ended 30 June



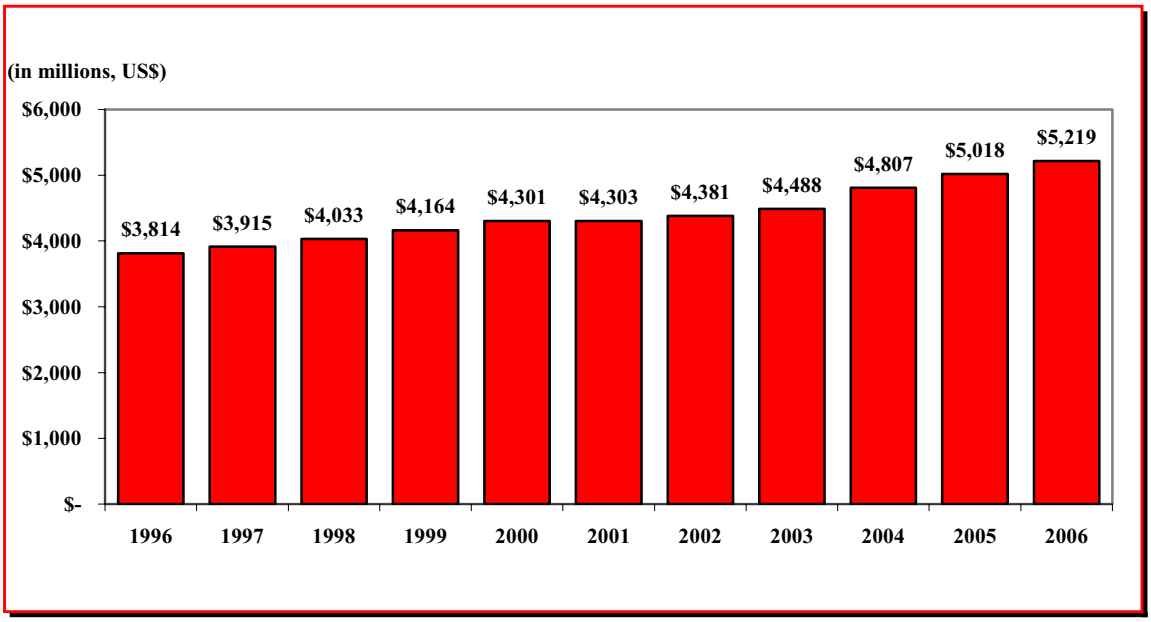
Source: Nevada State Gaming Control Board

Historical Gross Gaming Revenues—Las Vegas Strip
Year Ended 31 December



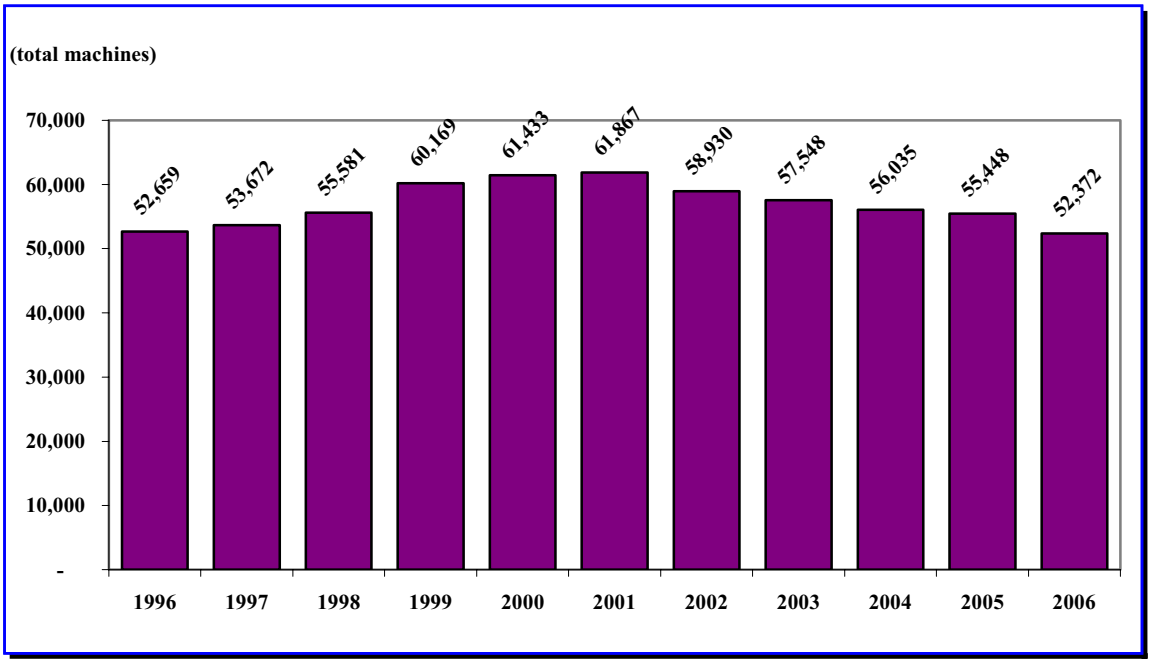
Source: Nevada State Gaming Control Board

Historical Gross Gaming Revenues—Atlantic City
Year Ended 31 December



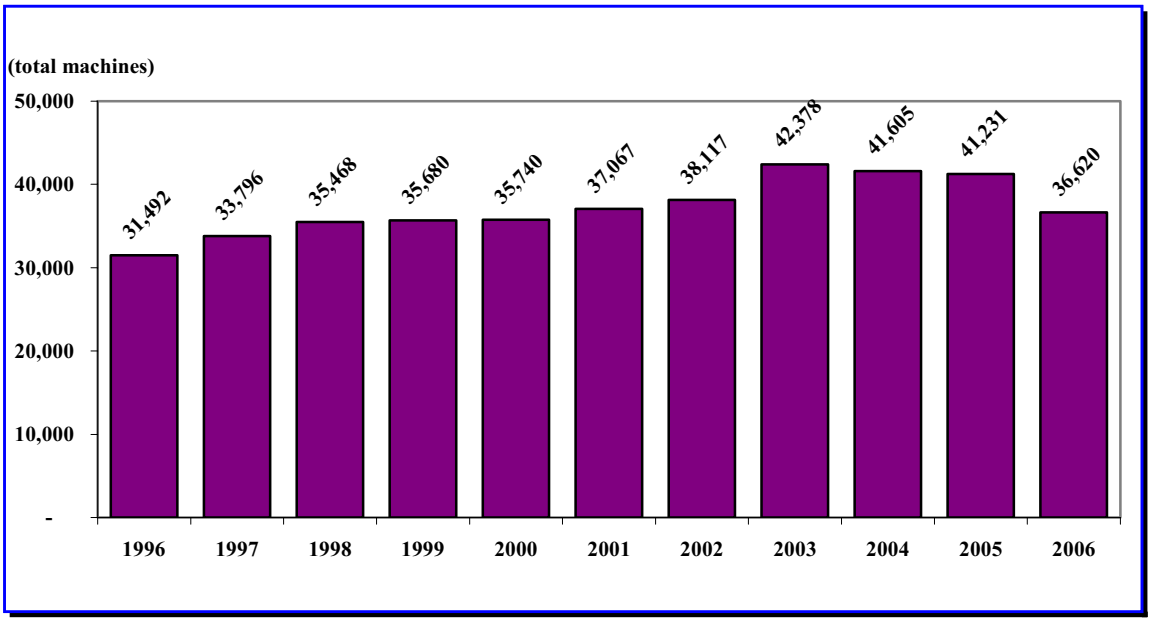
Source: New Jersey Casino Control Commission

Historical Slot Positions—Las Vegas Strip
Year Ended 31 December



Source: Nevada State Gaming Control Board

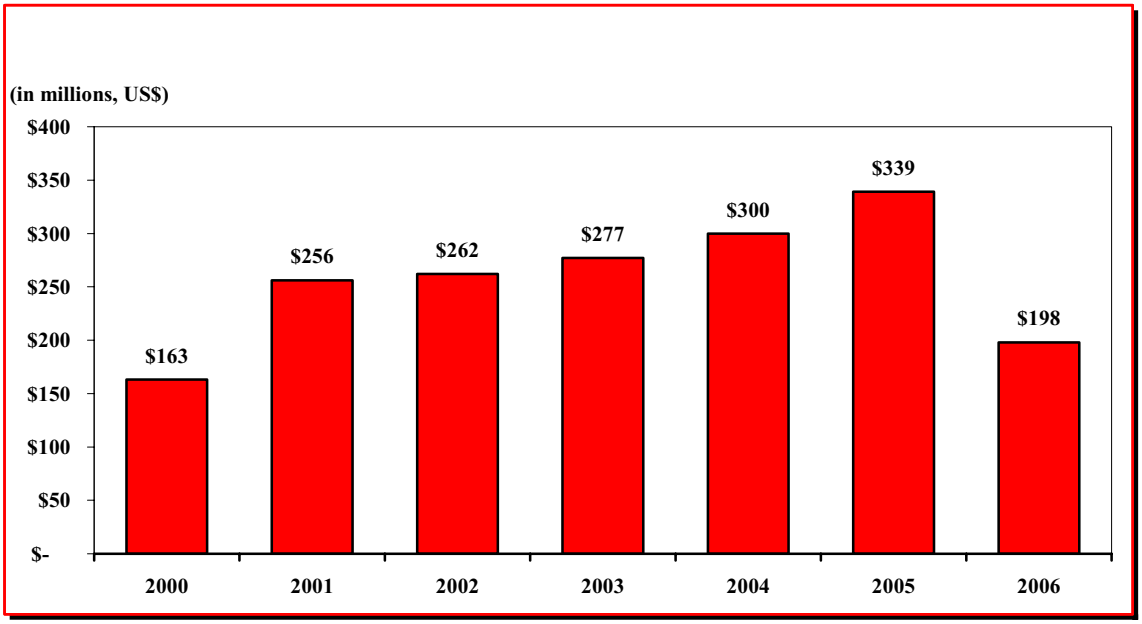
Historical Slot Positions—Atlantic City
Year Ended 31 December



Note: Sands Casino and Hotel closed in November 2006

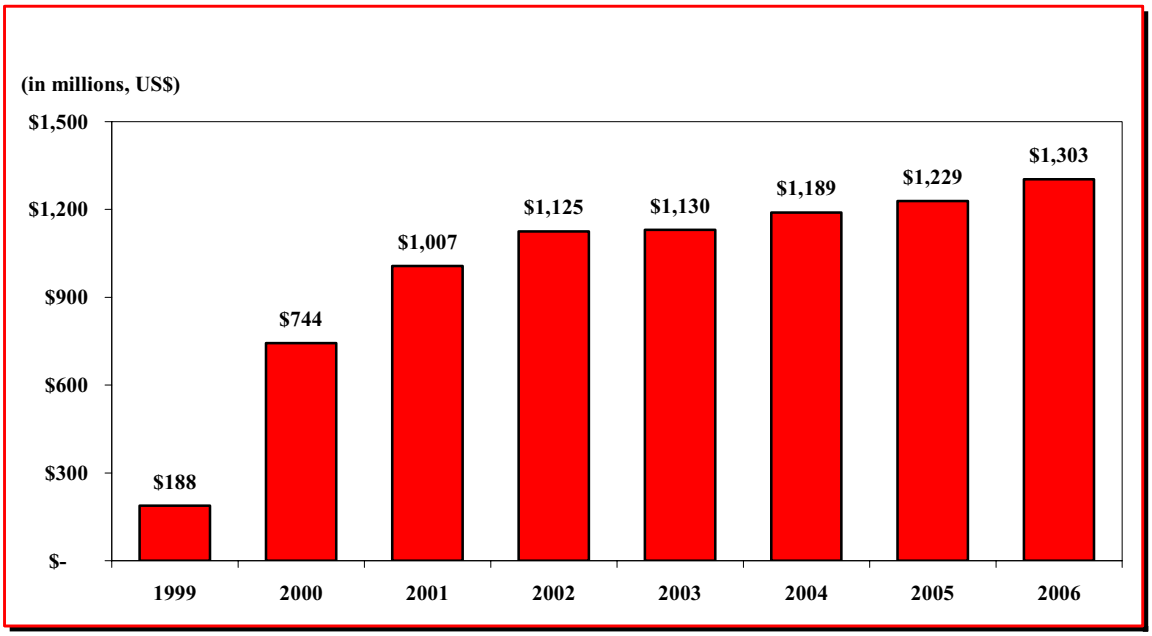
Source: New Jersey Casino Control Commission

Historical Gross Gaming Revenues—Louisiana Land-Based
Fiscal Year Ended 30 June



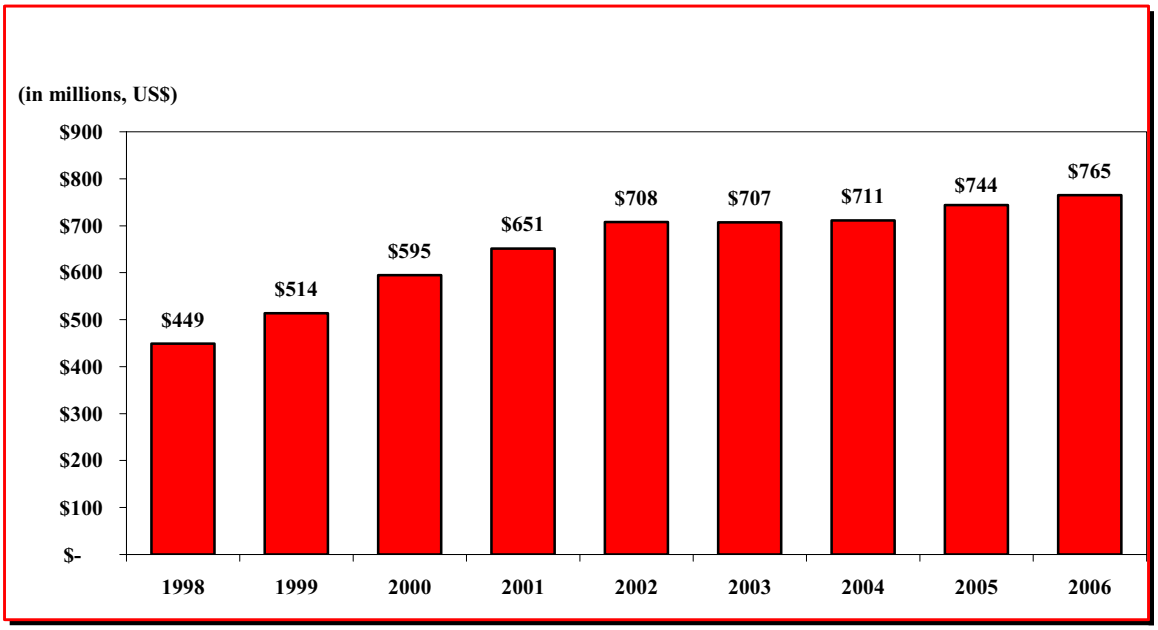
Source: Louisiana Gaming Control Board

Historical Gross Gaming Revenues—Michigan
Year Ended 31 December



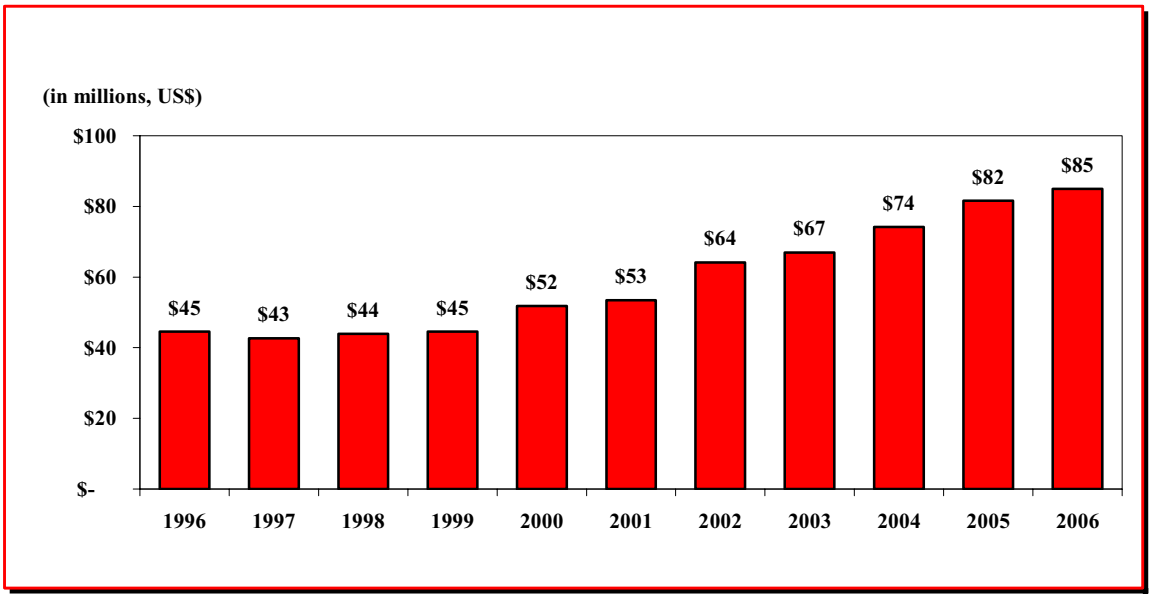
Source: Michigan Gaming Control Board

Historical Gross Gaming Revenues—Colorado
Fiscal Year Ended 30 June



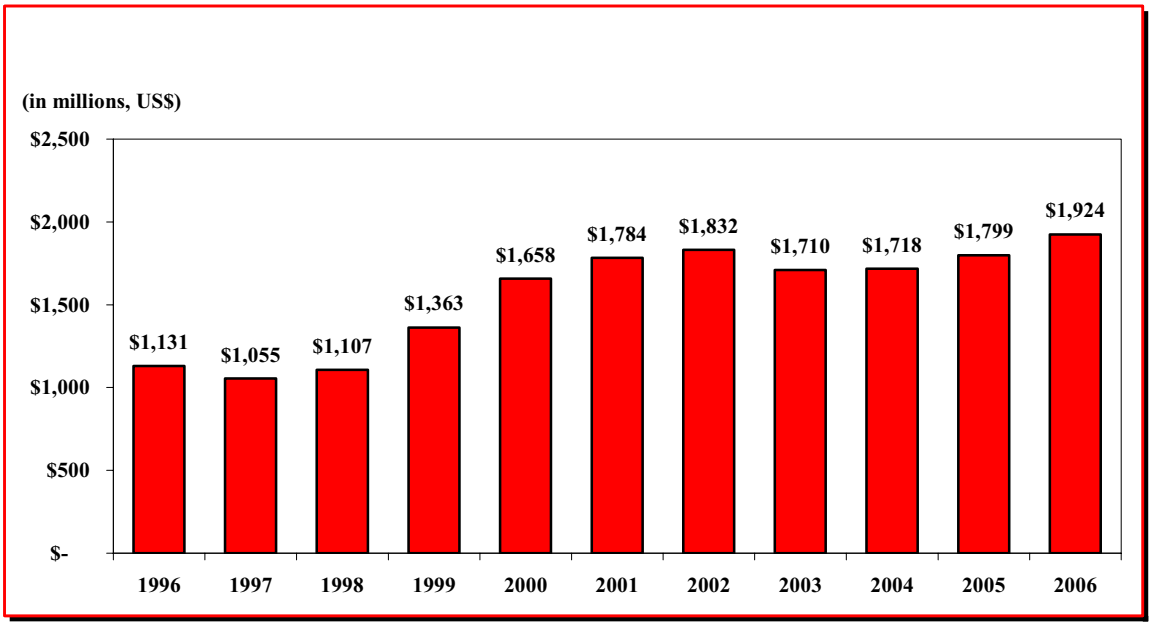
Source: Colorado Division of Gaming

Historical Gross Gaming Revenues—South Dakota
Fiscal Year Ended 30 June



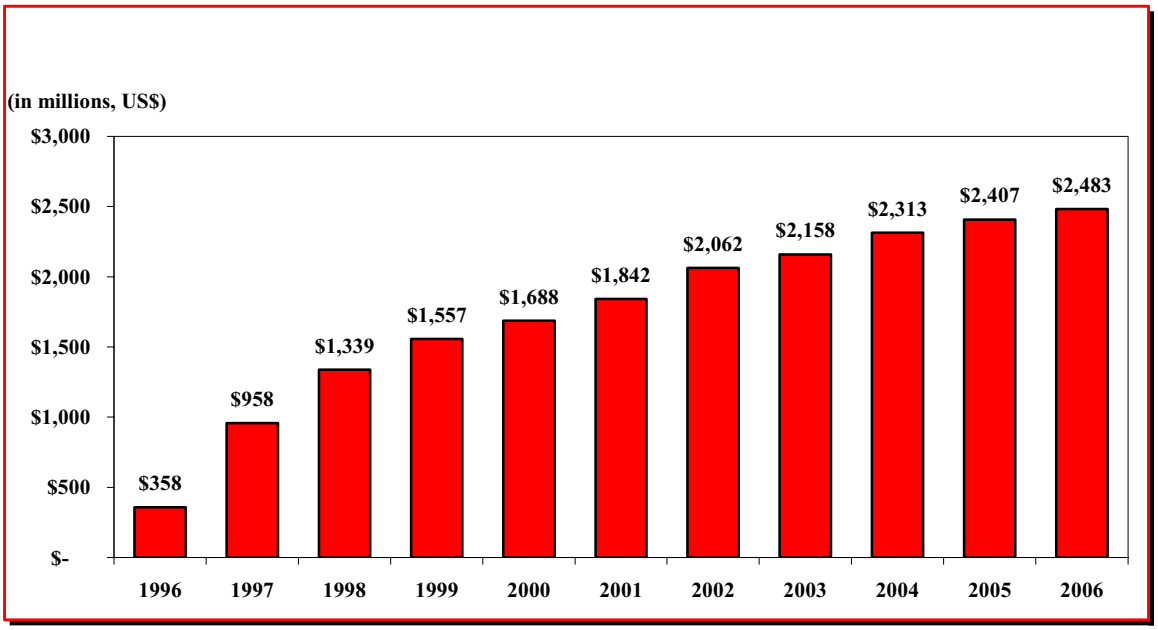
Source: South Dakota Commission on Gaming

Historical Gross Gaming Revenues—Illinois Riverboats
Year Ended 31 December



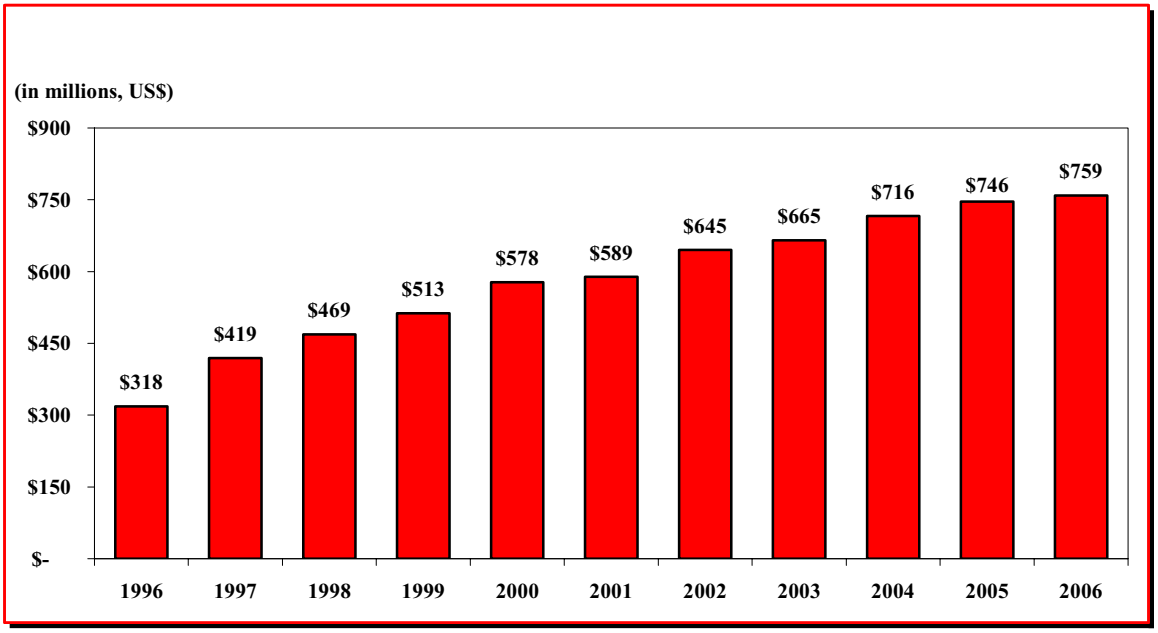
Source: Illinois Gaming Board

Historical Gross Gaming Revenues—Indiana Riverboats
Fiscal Year Ended 30 June



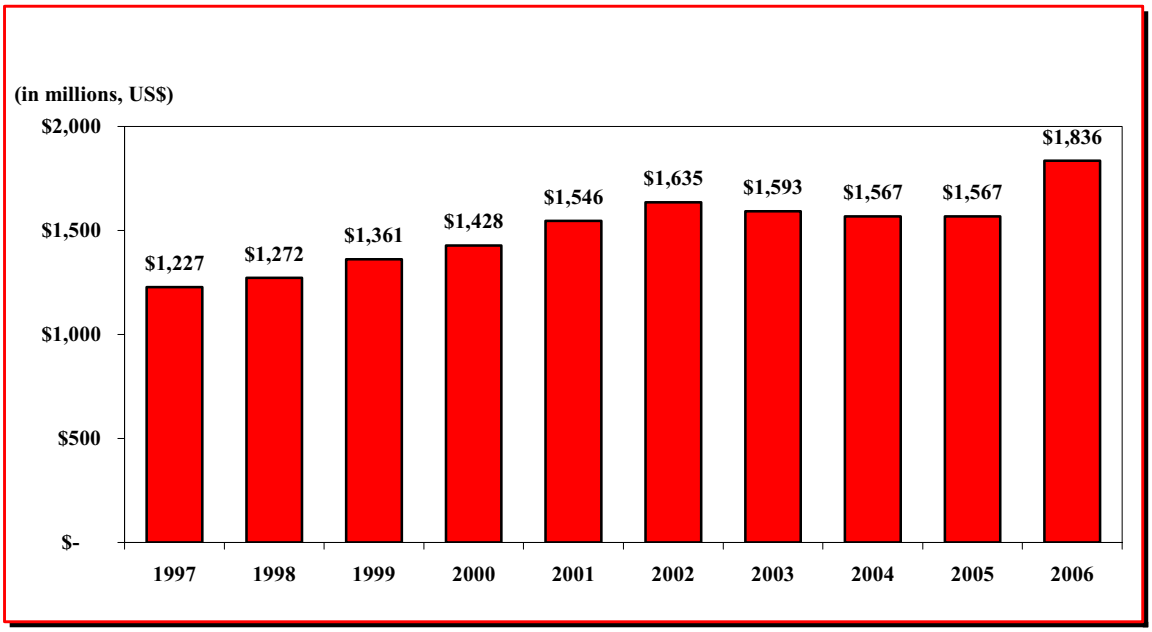
Source: Indiana Gaming Commission

Historical Gross Gaming Revenues—Iowa Riverboats
Fiscal Year Ended 30 June



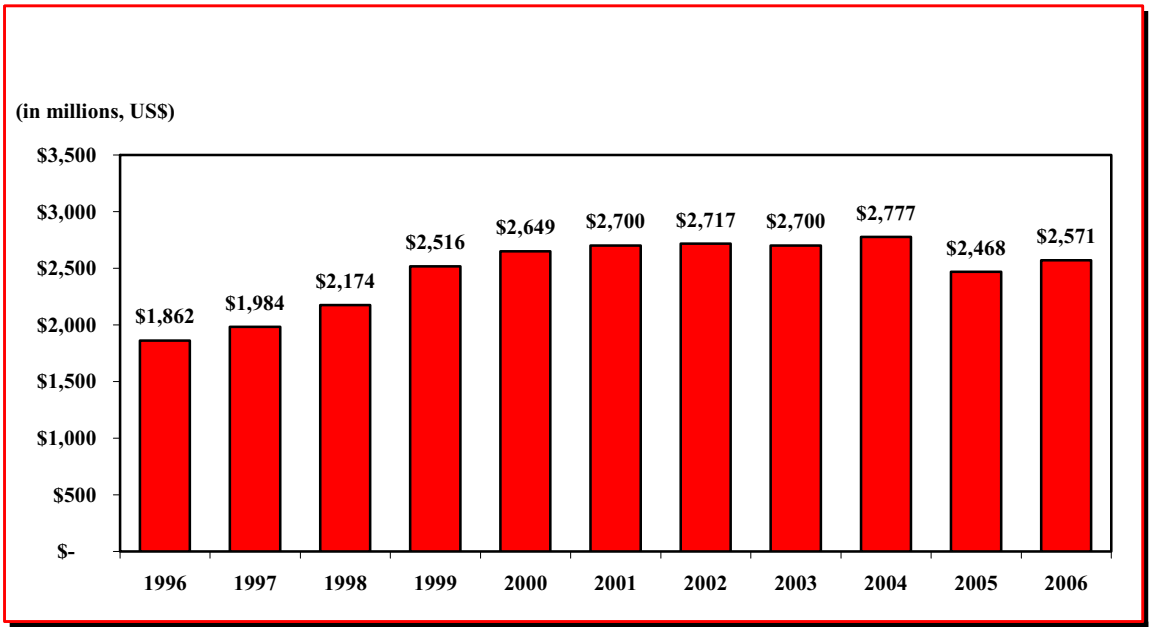
Source: Iowa Racing and Gaming Commission

Historical Gross Gaming Revenues—Louisiana Riverboats
Fiscal Year Ended 30 June



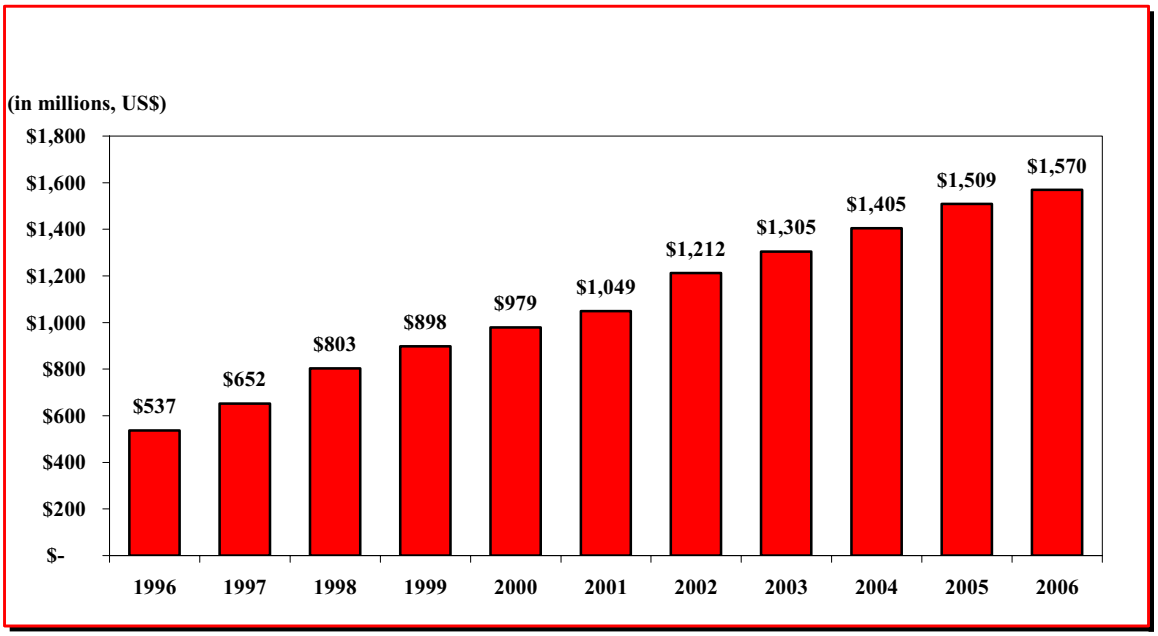
Source: Louisiana Gaming Control Board

Historical Gross Gaming Revenues—Mississippi Riverboats
Year Ended 31 December



Source: Mississippi State Tax Commission

Historical Gross Gaming Revenues—Missouri Riverboats
Fiscal Year Ended 30 June



Source: Missouri Gaming Commission

US Visitation Statistics

Overall, the two major gaming markets, Las Vegas, Nevada and Atlantic City, New Jersey, remain amongst the top cities in the US in terms of total visitation, behind only Orlando, Florida, and New York City, New York.

Most Highly Visited US Cities

City	Total Visitation (in millions) 2005	2004	2003	2002	2001
Orlando, Fla.	49.3	47.7	45.0	43.0	40.8
New York, N.Y.	42.6	39.9	37.8	35.3	35.2
Las Vegas, Nev.	38.6	37.4	35.5	35.1	35.0
Atlantic City, N.J.	34.9	33.3	32.2	33.2	32.4
Chicago, Ill.	33.0	31.9	29.8	29.8	29.6
Los Angeles, Calif.	25.0	24.3	23.3	22.1	22.8
Washington D.C.	15.4*	15.0*	17.2	16.9	17.7
Boston, Mass.	17.6	16.6	15.9	15.1	14.8
New Orleans, La.	n/a	10.1	8.5	8.2	8.0

n/a—Visitor figures not available

* — Visitation reflects visitation to the city of Washington, D.C.; instead of visitation to the Washington, D.C. region previously reflected in years 2001 and 2003

Source: Respective Convention & Visitors' Authorities

Most Highly Visited US Cities

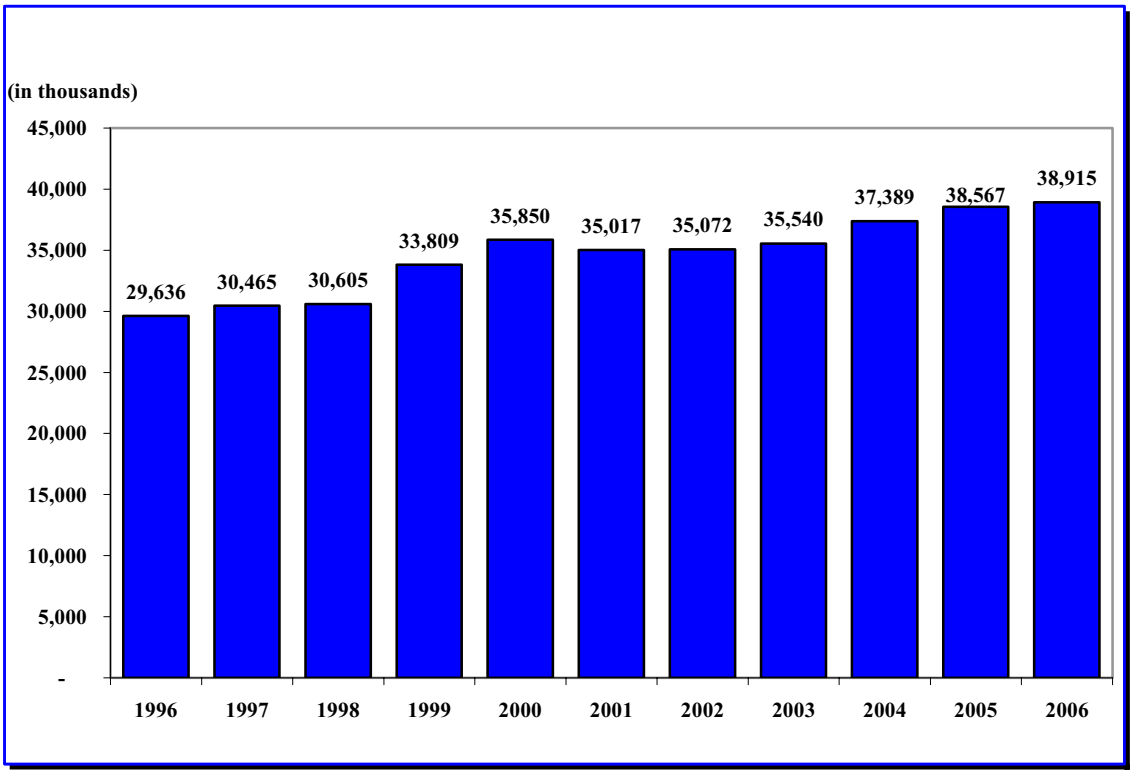
2005 US Census Data and Gaming Participation Statistics

Total US Population	296.4 million
US Adult Population (21 yrs. old or older)	209.2 million
Casino Gamblers	52.8 million
Casino Gaming Participation Rate Casino participation rate is the percentage of adults who gambled at least once in a casino in the last 12 months. The casino participation rate in the West continues to account for more casino visits than any other region.	25%
Average Trip Frequency	6.1 trips per year
Casino Trips	322.1 million

Largest Feeder Markets Top twenty markets accounted for 164 million visits, just over half of national total.	1.	New York City
	2.	Los Angeles
	3.	Chicago
	4.	Las Vegas
	5.	Phoenix
	6.	Philadelphia
	7.	Minneapolis St. Paul.
	8.	San Diego
	9.	Seattle–Tacoma–Bellingham
	10.	Sacramento–Stockton
	11.	San Francisco–Oakland–Santa Rosa
	12.	Kansas City
	13.	St. Louis
	14.	Hartford–New Haven
	15.	Detroit
	16.	Boston
	17.	New Orleans
	18.	Denver
	19.	Miami–Ft. Lauderdale
	20.	Memphis
States Generating the Most 2005 Casino Trips Ten states generating the most casino gambling trips accounted for more than half of all casino trips in 2005.	1.	California
	2.	New York
	3.	Illinois
	4.	Nevada
	5.	Florida
	6.	New Jersey
	7.	Texas
	8.	Michigan
	9.	Missouri
	10.	Louisiana

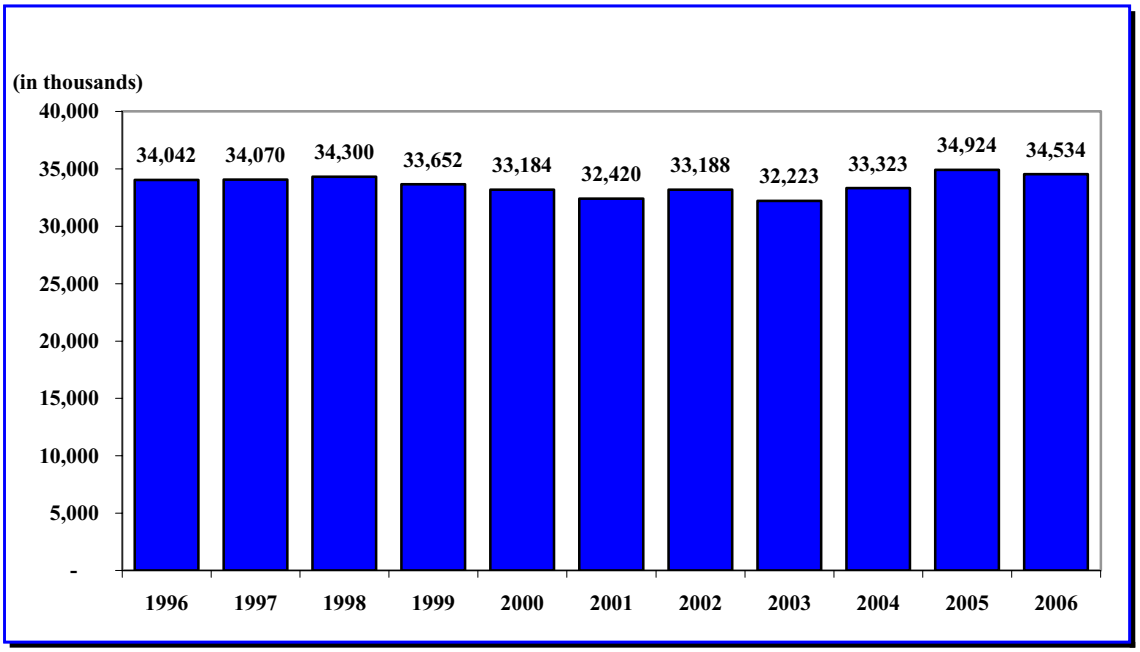
Source: US Census Bureau; Harrah's Entertainment, Inc.; American Gaming Association

Total Visitation—Las Vegas Market (Clark County)
Year Ended 31, December



Source: Las Vegas Convention & Visitors Authority

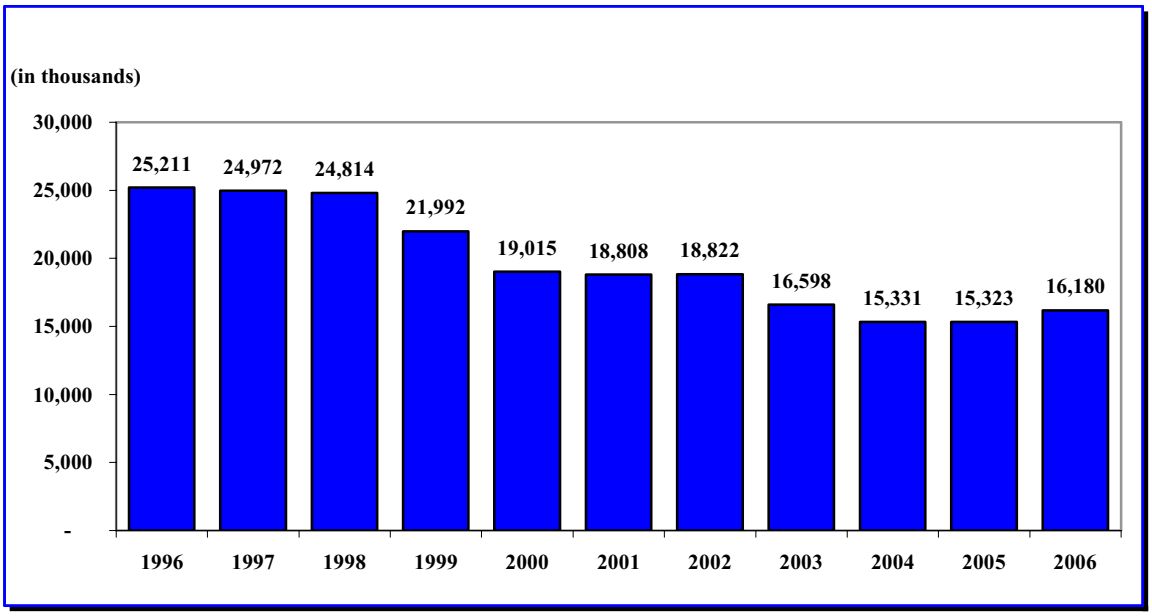
Total Visitation—Atlantic City Market
Year Ended 31, December



Source: New Jersey Casino Control Commission

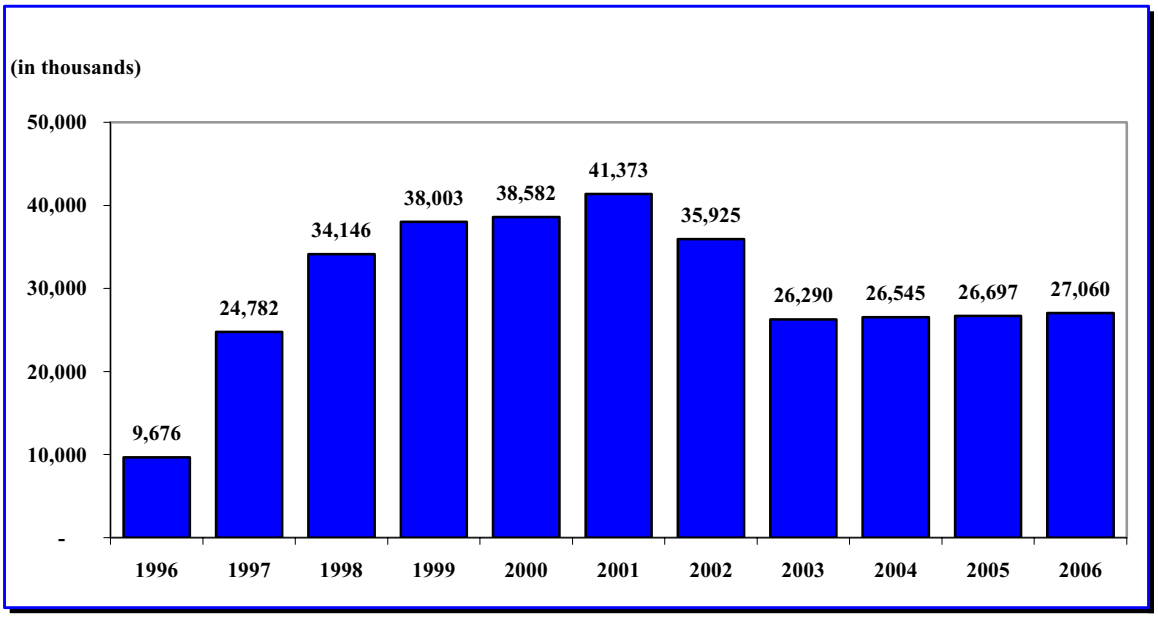
Note: Admissions are defined as the amount of patrons entering the gaming area (casino floor)

Total Admissions—Illinois Riverboat Market
Year Ended 31 December



Source: Illinois Gaming Board

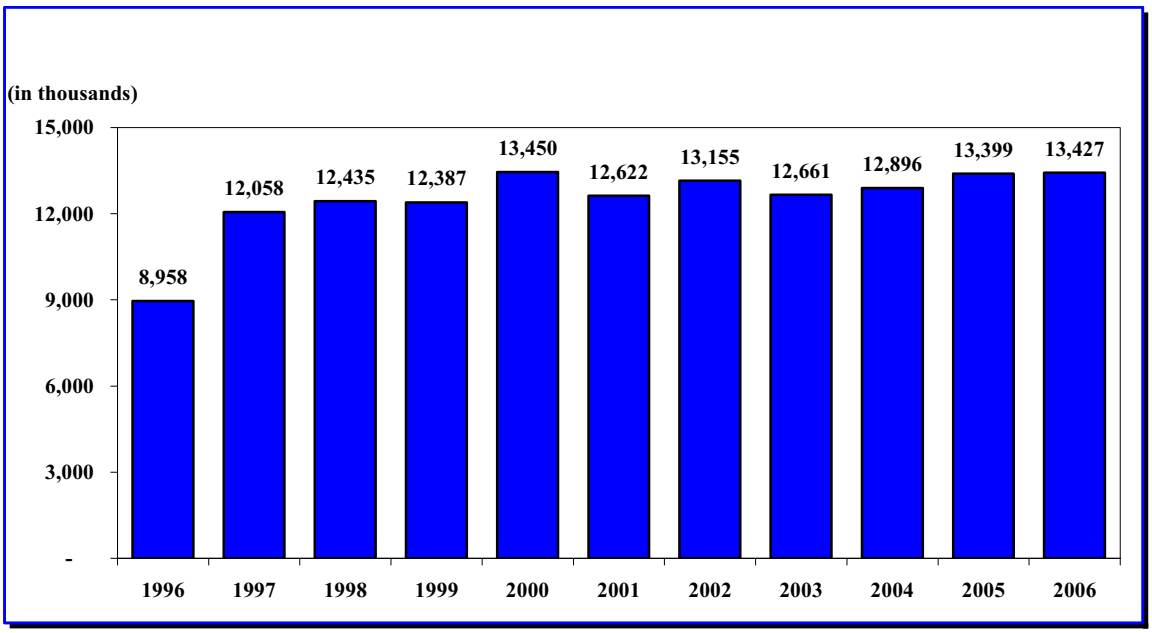
Total Admissions—Indiana Riverboat Market
Fiscal Year Ended 30 June



Source: Indiana Gaming Commission

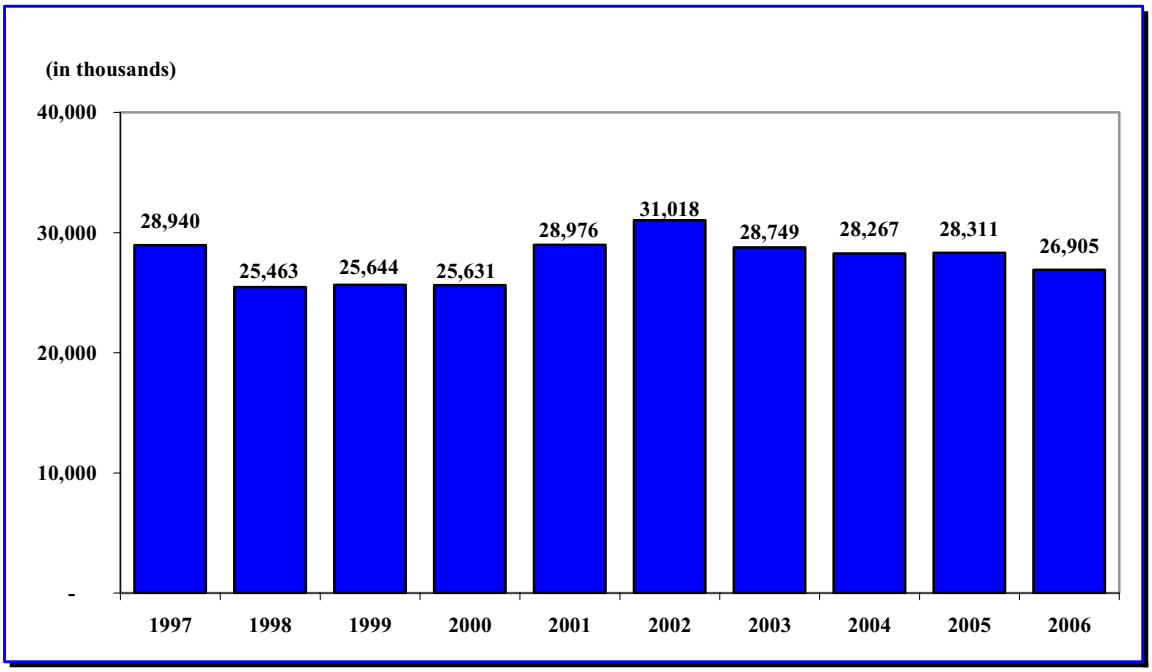
Note: Admissions are defined as the amount of patrons entering the gaming area (casino floor)

Total Admissions—Iowa Riverboat Market
Fiscal Year Ended 30 June



Source: Iowa Racing and Gaming Commission

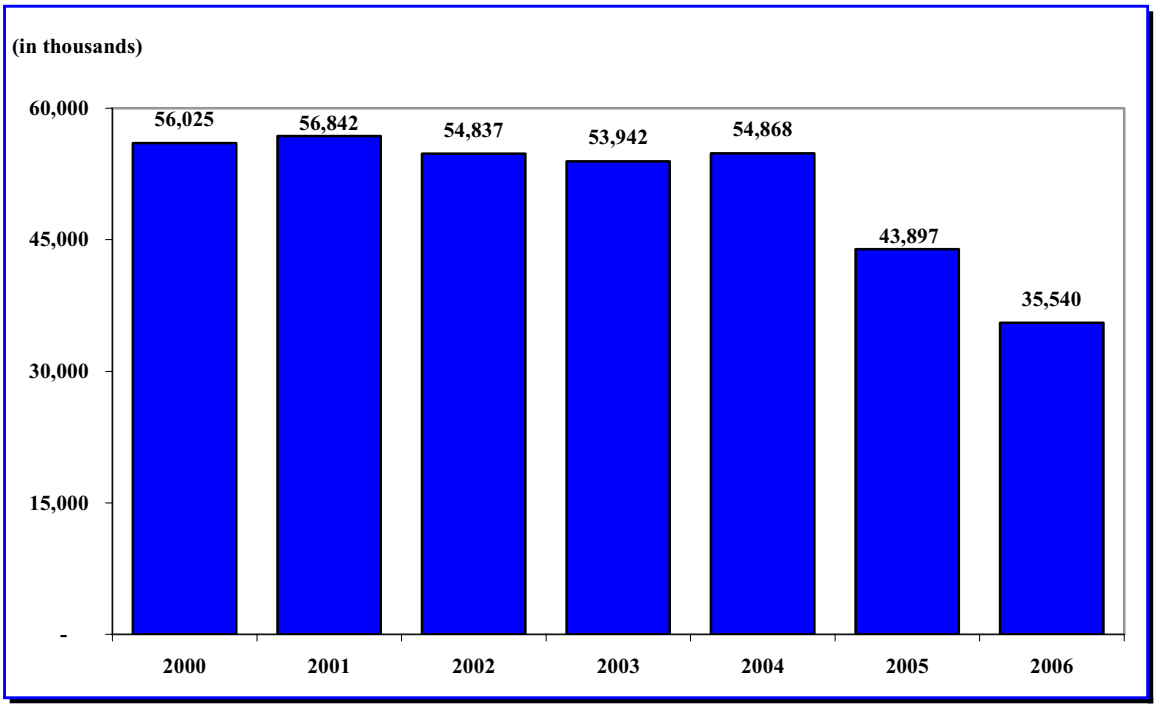
Total Admissions—Louisiana Riverboat Market
Fiscal Year Ended 30 June



Source: Louisiana Gaming Control Board

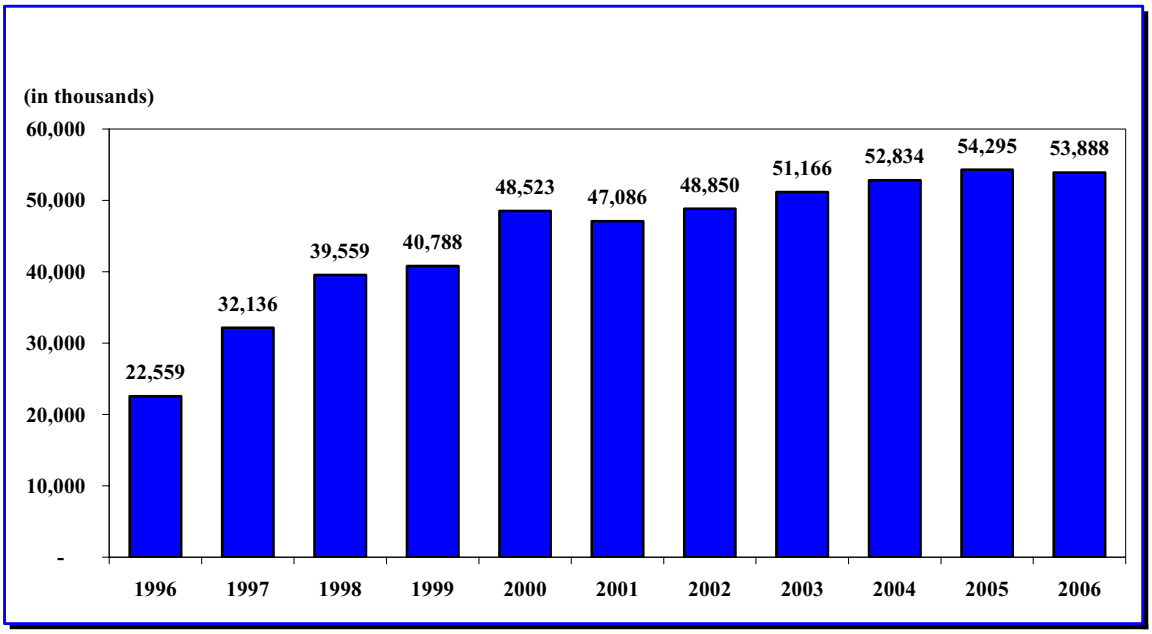
Note: Admissions are defined as the amount of patrons entering the gaming area (casino floor)

Total Admissions—Mississippi Riverboat Market
Year Ended 31 December



Source: Mississippi State Tax Commission

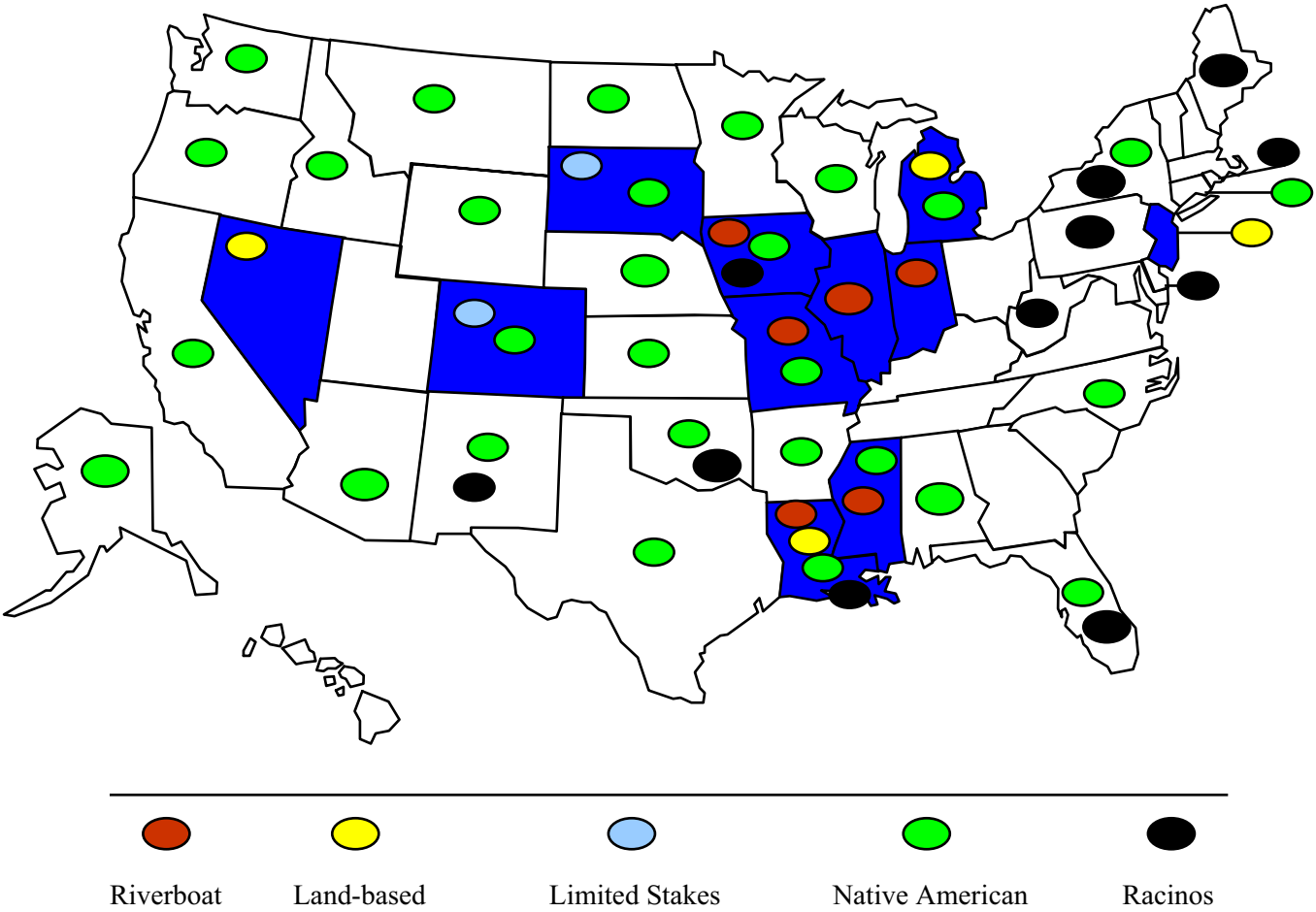
Total Admissions—Missouri Riverboat Market
Fiscal Year Ended 30 June



Source: Missouri Gaming Commission

Note: Admissions are defined as the amount of patrons entering the gaming area (casino floor)

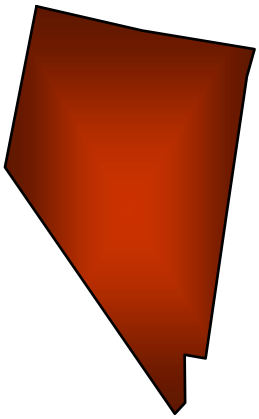
US Gaming Locations



Note: Commercial casino states are shaded in blue

Source: Respective state gaming commissions

US State-by-State Comparison

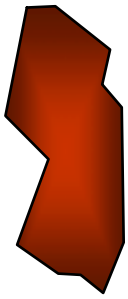


Nevada

Gaming legalization	1931
Gaming format/mode of legislation	Land-based; Native American/Legislative action
Number of operating casinos	354 locations (273 with US$1 billion and over revenue range)
Major operators	ASCA, AZR, BYD, HET, LVS, MGM, RIV, STN, WYNN
Gross gaming revenue *	US$12,193,540,000
Total slot machines/tables	177,330/6,681
Census Data:	
State population (2005 estimate)	2,414,807
2005 Adult population (18+ est.)	1,789,372
2005 Median Household Income (rank)	US$49,169 (17)

*Gaming revenues exclude Native American gaming

Source: Nevada State Gaming Control Board; US Census Bureau



New Jersey

Gaming legalization	1976 (first casino opened in 1978)
Gaming format/mode of legislation	Land-based/Statewide vote, legislative action
Number of operating casinos	11
Major operators	AZR, BYD, HET, MGM, TRMP
Gross gaming revenue	US$5,219,099,000
Total slot machines/tables	36,620/1,658
Census Data:	
State population (2005 estimate)	8,717,925
2005 Adult population (18+ est.)	6,555,880
2005 Median Household Income (rank)	US$61,672 (1)

Source: New Jersey Casino Control Commission; US Census Bureau

Note: Major operators section within each chart includes the ticker symbols of major operators within each state, refer to page 31 for summary of these gaming operators and their respective ticker symbols

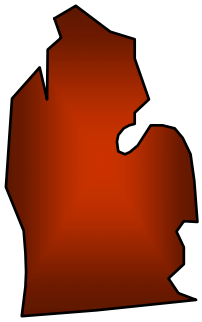
Louisiana

Gaming legalization	1991 (first casino opened in 1993)
Gaming format/mode of legislation	Land-based; riverboat; racino; Native American/Legislative action, local option
Number of operating casinos	16 (12 riverboats, 3 racinos, and 1 land-based +3 Native American casinos)
Major operators	BYD, HET, ISLE, PENN, PNK
Gross riverboat gaming revenue*	US$1,835,929,000
Gross land-based casino gaming revenue*	US$198,346,000
Gross racino gaming revenue*	US$349,578,000
Total riverboat slot machines/tables	14,404/511
Total land-based slot machines/tables	2,100/92
Total racino slot machines	4,491
Census Data:	
State population (2005 estimate)	4,523,628
2005 Adult population (18+ est.)	3,356,532
2005 Median household Income (rank)	US$36,729 (48)

*Gaming revenues exclude Native American gaming

Source: Louisiana Gaming Control Board; US Census Bureau

Michigan

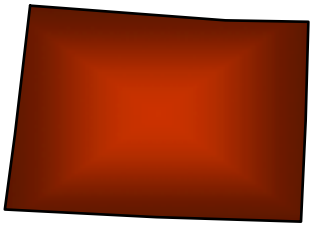


Gaming legalization	1996 (first casino opened in 1999)
Gaming format/mode of legislation	Land-based; Native American/Legislative action, local advisory vote, statewide voter referendum
Number of operating casinos	3 (+17 Native American casinos)
Major operators	MGM
Gross gaming revenue*	US$1,303,303,000
Total slot machines/tables*	7,821/240
Census Data:	
State population (2005 estimate)	10,120,860
2005 Adult population (18+ est.)	7,567,042
2005 Median household Income (rank)	US$46,039 (22)

*Excludes Native American gaming

Source: Michigan Gaming Control Board; US Census Bureau

Colorado

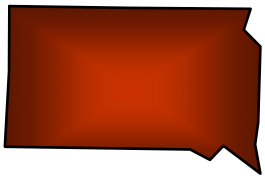


Gaming legalization	1990 (first casino opened in 1991)
Gaming format/mode of legislation	Land-based (limited stakes—maximum wager of US$5); Native American/ Legislative action, statewide vote
Number of operating casinos	46 (+2 Native American casinos)
Major operators	ASCA, CCI, GBCS, ISLE, PENN, RIV, STN
Gross gaming revenue*	US$765,426,000
Total slot machines/tables	16,473/210
Census Data:	
State population (2005 estimate)	4,665,177
2005 Adult population (18+ est.)	3,470,892
2005 Median household Income (rank)	US$50,652 (13)

*Excludes Native American gaming

Source: Colorado Division of Gaming; US Census Bureau

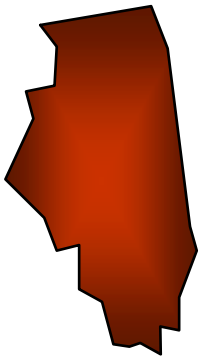
South Dakota



Gaming legalization	1989 (first casino opened in 1989)
Gaming format/mode of legislation	Land-based; (limited stakes – maximum wager of US$100); Native American/Legislative action, statewide vote, local option vote
Number of operating casinos	38 (+9 Native American casinos)
Major operators	Managed by local operators
Gross gaming revenue*	US$85,363,000
Total slot machines/tables	3,090/83
Census Data:	
State population (2005 estimate)	775,933
2005 Adult population (18+ est.)	583,502
2005 Median household Income (rank)	US$40,310 (40)

*Excludes Native American gaming

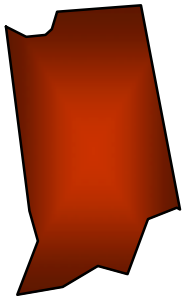
Source: South Dakota Commission on Gaming; US Census Bureau



Illinois

Gaming legalization	1990 (first casino opened in 1991)
Gaming format/mode of legislation	Riverboat/Legislative action
Number of operating casinos	9
Major operators	BYD, HET, MGM, PENN
Gross riverboat gaming revenue	US$1,923,561,000
Total slot machines/tables	9,886/226
Census Data:	
State population (2005 estimate)	12,763,371
2005 Adult population (18+ est.)	9,508,711
2005 Median household Income (rank)	US$50,260 (14)

Source: Illinois Gaming Board; US Census Bureau



Indiana

Gaming legalization	1993 (first casino opened in 1995)
Gaming format/mode of legislation	Riverboat/Legislative action, local option vote
Number of operating casinos	10
Major operators	AZR, BYD, HET, PENN, PNK, TRMP
Gross riverboat gaming revenue	US$2,482,569,000
Total slot machines/tables	17,535/658
Census Data:	
State population (2005 estimate)	6,271,973
2005 Adult population (18+ est.)	4,660,076
2005 Median Household Income (rank)	US$43,993 (27)

Source: Indiana Gaming Commission; US Census Bureau

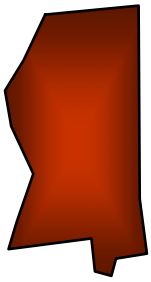
Iowa

Gaming legalization	1989 (first casino opened in 1991)
Gaming format/mode of legislation	Riverboat; racino; Native American/ Legislative action, local option vote
Number of operating casinos	13 (12 riverboats, 3 racinos, +1 Native American casino)
Major operators	ASCA, HET, ISLE PENN
Gross riverboat gaming revenue*	US$759,203,000
Gross racino gaming revenue*	US$389,857,000
Total riverboat slot machines/tables	10,164/278
Total racino slot machines/tables	4,139/117
Census Data:	
State population (2005 estimate)	2,966,334
2005 Adult population (18+ est.)	2,284,077
2005 Median household Income (rank)	US$43,609 (29)

*Gaming revenues exclude Native American gaming

Source: Iowa Racing and Gaming Commission; US Census Bureau

Mississippi



Gaming legalization	1990 (first casino opened in 1992)
Gaming format/mode of legislation	Dockside; Native American/Legislative action, local option votes
Number of operating casinos	27 (+1 Native American casino)
Major operators	ASCA, BYD, BYI, HET, ISLE, MGM, PENN, PNK
Gross riverboat gaming revenue*	US$2,570,890,000
Total slot machines/tables	32,048/832
Census Data:	
State population (2005 estimate)	2,921,088
2005 Adult population (18+ est.)	2,167,447
2005 Median Household Income (rank)	US$32,938 (51)

*Excludes Native American gaming

Source: Mississippi Gaming Commission; US Census Bureau

Missouri

Gaming legalization	1993 (first casino opened in 1994)
Gaming format/mode of legislation	Riverboat; Native American/Legislative action, statewide vote, and local option
Number of operating casinos	11 (+1 Native American casino)
Major operators	ASCA, AZR, HET, ISLE, PENN, PNK, PREZQ**
Gross riverboat gaming revenue*	US$1,570,294,000
Total slot machines/tables	17,733/539
Census Data:	
State population (2005 estimate)	5,800,310
2005 Adult population (18+ est.)	4,402,435
2005 Median household Income (rank)	US$41,974 (36)

*Excludes Native American gaming
**Sold St. Louis, MO operations to Pinnacle on 21 December 2006

Source: Missouri Gaming Commission; US Census Bureau

US Native American (Tribal) Gaming[19]

Currently, approximately 200 Native American tribes operate approximately 390 casinos in 28 states throughout the US. In the 10 fiscal years from 1996 through 2006, the Native American gaming sector has experienced a 259% increase in gross gaming revenue. In 2005, total gross gaming revenue from Native American casinos was US$22.6 billion. Of the roughly 390 Native American casinos in operation, approximately 60 have facilities that generate over US$100 million in annual gross gaming revenue, while there are 87 Native American casino properties that generate less than US$3 million in gross gaming revenue annually. The largest Native American casino market is located in southeastern Connecticut. It consists of two operations, Foxwoods Resort & Casino in Mashantucket, Connecticut, which opened its doors in October 1992, and Mohegan Sun in Uncasville, Connecticut, which opened in October 1996. These two properties combine to generate over US$1.71 billion in gaming revenues generated by slot operations.

Gaming Tribes, by State and Number of Gaming Operations

ALABAMA

1 Poarch Band of Creek Indians (3)

ALASKA

2 Klawock Cooperative Association (1)

3 Metlakatla Indian Community (1)

4 Organized Village of Kake (1)

ARIZONA

5 Ak Chin Indian Community (1)

6 Cocopah Indian Tribe (1)

7 Colorado River Indian Tribes (1)

8 Fort McDowell Yavapai (1)

9 Gila River Indian Community (3)

10 Pascua Yaqui Tribe of Arizona (2)

11 Quechan Indian Tribe (3)

12 Salt River Pima – Maricopa Indian Community (2)

13 San Carlos Apache Tribe (1)

Gross Gaming Revenue Native American (Tribal) Sector (in millions, US$)

Source: National Indian Gaming Commission

[19] Source: National Indian Gaming Commission

ARIZONA (continued)

14 Tohono O'odham Nation (3)

15 Tonto Apache Tribe (1)

16 White Mountain Apache Tribe (1)

17 Yavapai Apache Nation (1)

18 Yavapai-Prescott Indian Tribe (2)

CALIFORNIA

19 Agua Caliente Band of Cahuilla Indians (2)

20 Alturas Rancheria (1)

21 Augustine Band of Cahuilla Mission Indians (1)

22 Barona Band of Mission Indians (1)

23 Berry Creek Rancheria (1)

24 Big Sandy Band of Western Mono Indians (1)

25 Big Valley Rancheria (1)

26 Bishop Paiute Tribe (1)

27 Blue Lake Rancheria (1)

28 Cabazon Band of Mission Indians (1)

29 Cachil Dehe Band of Wintun Indians (1)

30 Cahto Tribe of the Laytonville Rancheria (1)

31 Cahuilla Band of Indians (1)

32 Campo Band of Kumeyaay Nation (1)

33 Chemehuevi Indian Tribe (1)

34 Chicken Ranch Band of Miwok Indians

35 Coyote Valley Band of Pomo Indians (1)

36 Dry Creek Rancheria Band of Pomo Indians (1)

37 Elk Valley Rancheria (1)

38 Fort Mojave Tribe (2)

39 Hoopa Valley Tribe (1)

40 Hopland Band of Pomo Indians (1)

41 Jackson Rancheria Band of Miwuk Indians (1)

42 LaJolla Band of Luiseno Indians (1)

43 Lake Miwok Indian Nation of the Middletown Rancheria (1)

44 Lytton Rancheria of Pomo Indians (1)

CALIFORNIA (continued)

45 Mooretown Rancheria (1)

46 Morongo Band of Mission Indians (2)

47 Pala Band of Mission Indians (2)

48 Paskenta Band of Nomlaki Indians (1)

49 Pauma-Yuima Band of Mission Indians (1)

50 Pechanga Band of Mission Indians (1)

51 Picayune Rancheria of the Chukchansi Indians (1)

52 Pit River Tribe (1)

53 Reddin Rancheria (1)

54 Ricon San Luiseno Band of Mission Indians (1)

55 Robinson Rancheria of Pomo Indians (1)

56 Rumsey Indian Rancheria (1)

57 San Manuel Band of Mission Indians (1)

58 San Pasqual Band of Mission Indians (1)

59 Santa Rosa Band of Tachi Indians of the Santa Rosa Ranceria (1)

60 Santa Ynez Band of Mission Indians (1)

61 Sherwood Valley Rancheria (1)

62 Smith River Rancheria (1)

63 Soboba Band of Luiseno Indians (1)

64 Susanville Indian Rancheria (1)

65 Sycuan Band of Mission Indians (1)

66 Table Mountain Rancheria (1)

67 Trinidad Rancheria (1)

68 Tule River Reservation (1)

69 Tuolumne Me-wuk Tribal Council (1)

70 Twenty Nine Palms Band of Mission Indians (1)

71 United Auburn Indian Community of Auburn Rancheria (1)

72 Vejas Band of Mission Indians (1)

COLORADO

73 Southern Ute Indian Tribe (1)

74 Ute Mountain Ute Tribe (1)

CONNECTICUT

75 Mashantucket Pequot Tribe (1)

76 Mohegan Tribe of Indians of Connecticut (1)

FLORIDA

77 Miccosukee Business Committee (1)

78 Seminole Tribe (7)

IDAHO

79 Coeur d'Alene Tribe (1)

80 Kootenai Tribe of Idaho (1)

81 Nez Perce Tribe (2)

82 Shoshone-Bannock Tribes (2)

IOWA

83 Sac & Fox Tribe of Mississippi in Iowa (1)

KANSAS

84 Iowa Tribe of Kansas and Nebraska (1)

85 Kickapoo Tribe in Kansas (1)

86 Prairie Band Potawatomi Nation (2)

87 Sac and Fox Nation of Missouri in Kansas & Nebraska (1)

LOUISIANA

88 Chitimacha Tribe of Louisiana (1)

89 Coushatta Tribe of Louisiana (1)

90 Tunica-Biloxi Tribe of Louisiana (1)

MICHIGAN

91 Bay Mills Indian Community (1)

92 Grand Traverse Band of Chippewa Indians (2)

93 Hannahville Indian Community (1)

94 Keweenaw Bay Indian Community (2)

95 Lac Vieux Desert Tribal Council (1)

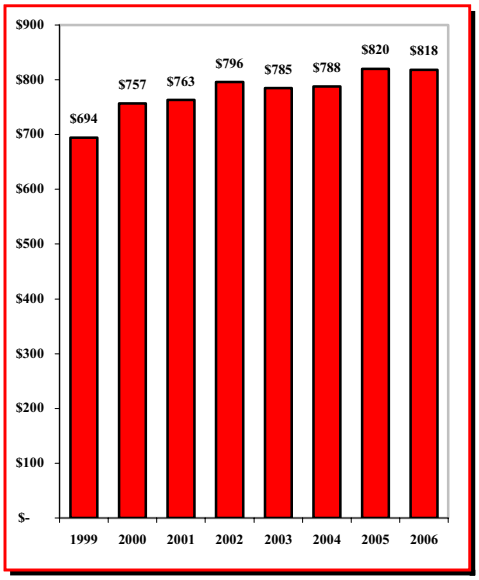
96 Little River Band of Ottawa Indians (1)

97 Little Traverse Bay Band of Odawa Indians (1)

98 Saginaw Chippewa Indian Tribe (1)

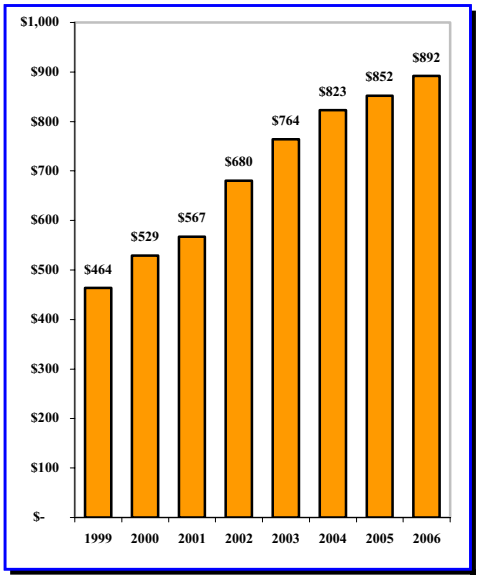
99 Sault Ste. Marie Tribe of Chippewa Indians (5)

Foxwoods Casino
Gross Slot Win
Fiscal year ended 30 June
(in millions, US$)



Source: State of Connecticut Division of Special Revenue

Mohegan Sun Casino
Gross Slot Win
Fiscal year ended 30 June
(in millions, US$)



Source: State of Connecticut Division of Special Revenue

MINNESOTA

100 Bois Forte Band of Chippewas (1)

101 Fond du Lac Band of Lake Superior Chippewa (2)

102 Grand Portage Band of Chippewa Indians (1)

103 Leech Lake Band of Ojibwe Indians (5)

104 Lower Sioux Indian Community (1)

105 Mille Lacs Band of Ojibwe Indians (2)

106 Prairie Island Sioux Community (1)

107 Red Lake Band of Chippewa Indians (3)

108 Shakopee Mdewakanton Sioux Community (2)

109 Upper Sioux Community (1)

110 White Earth Band of Chippewa Indians (1)

MISSISSIPPI

111 Mississippi Band of Choctaw Indians (2)

MISSOURI

112 Eastern Shawnee Tribe of Oklahoma (1)

MONTANA

113 Assiniboine & Sioux Tribes of the Fort Peck Reservation (5)

114 Blackfeet Tribal Council (2)

115 Chippewa Cree Tribe of the Rocky Boy's Reservation (1)

116 Confederated Salish and Kootenai Tribes of the Flathead Rese (14)

117 Crow Tribal Council (1)

118 Northern Cheyenne Tribe (1)

NEBRASKA

119 Omaha Tribe of Nebraska (1)

120 Santee Sioux Nation (1)

121 Winnebago Tribe of Nebraska (1)

NEW MEXICO

122 Jicarilla Apache Tribe (2)

123 Mescalero Apache Tribe (2)

124 Pueblo of Acoma (1)

125 Pueblo of Isleta (2)

126 Pueblo of Laguna (3)

127 Pueblo of Pojoaque (4)

128 Pueblo of San Felipe (1)

129 Pueblo of San Juan (OHKAY OWINGEH) (1)

130 Pueblo of Sandia (1)

131 Pueblo of Santa Ana (1)

132 Pueblo of Santa Clara (1)

133 Pueblo of Taos (1)

134 Pueblo of Tesuque (1)

NEW YORK

135 Oneida Nation of New York (1)

136 Seneca Nation of Indians (4)

137 St. Regis Mohawk Tribe (2)

NORTH CAROLINA

138 Eastern Band of Cherokee Indians (2)

NORTH DAKOTA

139 Spirit Lake Tribal Council (1)

140 Standing Rock Sioux Tribe (3)

141 Three Affiliated Tribes of the Fort Berthold Reservation (1)

142 Turtle Mountain Band of Chippewa Indians (1)

OKLAHOMA

143 Absentee Shawnee Tribe of Oklahoma (1)
144 Cherokee Nation of Oklahoma (6)
145 Cheyenne and Arapaho Tribes of Oklahoma (2)
146 Chickasaw Nation of Oklahoma (17)
147 Choctaw Nation of Oklahoma (13)
148 Citizen Potawatomi Nation (1)
149 Comanche Nation (4)
150 Delaware Nation (1)
151 Ft. Sill Apache Tribe of Oklahoma (1)
152 Iowa Tribe of Oklahoma (2)
153 Kaw Nation of Oklahoma (1)
154 Kickapoo Tribe of Oklahoma (2)
155 Miami Nation (1)
156 Muscogee (Creek) Nation (11)
157 Osage Nation (6)
158 Pawnee Nation of Oklahoma (1)
159 Ponca Nation (1)
160 Quapaw Tribe of Oklahoma (1)
161 Seminole Nation of Oklahoma (3)
162 Seneca-Cayuga Tribe of Oklahoma (1)
163 Thlopthlocco Tribal Town (1)
164 Tonkawa Tribe of Oklahoma (1)
165 Wyandotte Nation of Oklahoma (1)

OREGON

166 Burns Paiute Tribe (1)
167 Confederated Tribes of Coos, Lower Umpqua & Siuslaw (1)
168 Confederated Tribes of the Grand Ronde Community (1)
169 Confederated Tribes of the Siletz Indians of Oregon (1)
170 Confederated Tribes of the Umatilla Indian Reservation (1)
171 Confederated Tribes of the Warm Springs Reservation of Oregon (1)
172 Coquille Indian Tribe (1)
173 Cow Creek Band of Umpqua Tribe of Indians (1)
174 Klamath Tribes (1)

SOUTH DAKOTA

175 Cheyenne River Sioux Tribe (1)
176 Crow Creek Sioux Tribe (1)
177 Flandreau Santee Sioux Tribe (1)
178 Lower Brule Sioux Tribe (1)
179 Oglala Sioux Tribe (2)
180 Rosebud Sioux Tribal Council (1)
181 Sisseton-Wahpeton Oyate (3)
182 Yankton Sioux Tribe (1)

TEXAS

183 Kickapoo Traditional Tribe of Texas (1)

WASHINGTON

184 Colville Confederated Tribes (3)
185 Confederated Tribes and Bands of the Yakama Indian Nation (1)
186 Confederated Tribes of the Chehalis Reservation (1)
187 Jamestown S'Klallam Tribe (1)
188 Kalispel Tribe of Indians (1)
189 Lummi Nation (1)
190 Makah Indian Tribe of the Makah Indian Reservation (1)
191 Muckleshoot Indian Tribe (2)
192 Nisqually Indian Tribe (1)
193 Nooksack Indian Tribe (1)
194 Port Gamble S'Klallam Tribe (1)
195 Puyallup Tribe of Indians (3)
196 Quinault Indian Nation (1)
197 Shoalwater Bay Indian Tribe (1)
198 Skokomish Indian Tribe (1)
199 Spokane Tribe of Indians (4)
200 Squaxin Island Tribe (1)
201 Stillaquamish Tribe of Indians (1)
202 Suquamish Tribal Council (1)
203 Swinomish Indian Tribal Community (1)
204 Tulalip Tribes of Washington (3)
205 Upper Skagit Indian Tribe (1)

WISCONSIN

206 Bad River Band of Lake Superior Tribe of Chippewa Indians (1)

207 Forest County Potawatomi Community (2)

208 Ho-Chunk Nation (6)

209 Lac Courte Oreilles Band of Lake Superior Chippewas (2)

210 Lac du Flambeau Band of Lake Superior Chippewa Indians (2)

211 Menominee Indian Tribe of Wisconsin (3)

212 Oneida Tribe of Indians of Wisconsin (1)

213 Red Cliff Band of Lake Superior Chippewas (1)

214 Sokaogon Chippewa Community (2)

215 St. Croix Chippewa Indians of Wisconsin (3)

216 Stockbridge-Munsee Community (1)

WYOMING

217 Northern Arapaho Tribe of the Wind River Indian Reservation (1)

Source: National Indian Gaming Commission

Note: This list is not intended to be exhaustive. Because gaming facilities open and close over time, tribes may be included that do not presently operate a gaming facility.

Updated 28 December 2006.

Glossary of Terms

A

Accountability—The total amount of currency, coins, chips, tokens, receivables, customer deposits, and other items representing value for which the casino bank is responsible at a given point in time.

Ace—A playing card with the highest value. In blackjack, an ace may carry the value of 1 or 11 at the player's option.

Action—The amount of gambling a player does at a casino or the denomination which the player bets; the amount which is wagered; or the act of wagering.

Advantage (**Casino Advantage**, **House Edge**)—The statistical advantage a casino has over a player on a particular table game, slot machine handle pull, or other wager. It is usually expressed as a percentage.

Agent—A person who places customers into a book for a commission.

All-In—A poker player who has no chips remaining with which to continue betting a hand but retains the right to contend for the portion of the pot that he has already wagered.

Anchor Man—(1) The blackjack player who receives his cards last. (2) The player at the dealer's right. Also referred to as Third Base.

Ante—The predetermined wager required of each player in some card games before cards are dealt.

Apron—The area where chips are stacked on a roulette table.

Automated Coupon Redemption Machine—A device which dispenses coins or slot tokens for casino coupons or currency.

Award Schedule Card—See payout schedule.

B

Baccarat—A card game where players wager either on the player or the bank. The object is to obtain 9 or the highest two cards dealt closest to 9.

Back door cover—This occurs when a team usually out of the game scores meaningless points to cover the spread.

Bad bet—A game you thought you had won and then lost.

Ball or "Boule"—The game of "boule" is an ideal introduction to table games. Boule is made up of a wheel and one or more gaming tables. Players gather around the table, place their stakes on the felt and watch as the croupier throws the 'boule', which skips from one number to the next on a wheel with 36 holes numbered from 1 to 9 four times each.

Bank—An inventory of items of value consisting primarily of currency, coins, chips, and receipts or other paperwork evidencing value. Banks are in many different areas of the casino including the cage, the tables, and the slot booths. For example, the bank is used to make change, pay winning bets, pay slot machine jackpots, perform hopper fills.

Banker—The entity bankrolling the game or casino. Also referred to as the House or the operator.

Bank Hand—In baccarat, one of the two hands on which a player may bet.

Bankroll—It pertains to the total money that either the player or the casino has on hand to back their wagering activities.

Barred— Someone who is not allowed to enter the casino premises permanently. Also referred to as banned.

Base Jackpot—The minimum fixed amount of a progressive slot machine's jackpot payout.

Base Plate—The interior shelf of a dealing shoe upon which the cards rest.

Basic Strategy—In blackjack, the best statistical method of playing without card counting.

Beard—A person who makes bets for someone else; a Runner.

Belly Glass—The glass panel on the bottom of the slot machine. It generally indicates the denomination of the machine or the name of the casino.

Bet—The act of wagering.

Betting Limits—These represent the minimum and maximum amounts of money that a player can wager on one bet in a table game. You cannot wager less than the minimum or more than the maximum amount posted.

Betting Right—(1) Betting with the shooter in craps. (2) Betting that the shooter will pass (betting the dice will be a 7 or 11 on the come out roll), or after a point is established, betting the point will be rolled again before a 7. Also known as Betting With the Dice.

Betting Ticket—A written record of a wager. It is printed serially and is used to record the event for which the wager was placed. It also includes the amount, date, and the line or spread. A betting ticket is usually used for racing and sporting event wagers.

Betting Wrong—(1) Betting against the shooter in craps. (2) Betting the dice will be a 2, 3 or 12 on the come out roll, or after a point is established, betting that 7 will be rolled before the point is made. Also known as Betting Against the Player.

Beve—The act of rounding the corners of dice in order to make certain outcomes more likely. One of the many ways to illegally alter dice.

Big Bertha—The name used to describe very large slot machines with many reels and a larger than average handle.

Big Six—See Wheel.

Bill Changer—A device within a slot machine that dispenses coins or tokens from the hopper in exchange for currency.

Bill Validator—Any electro-mechanical device attached either on or into a slot machine, electronic gaming device, or video lottery terminal which accepts and analyzes the legitimacy of currency and/or vouchers, validates the currency and/or vouchers, stores the currency and/or vouchers, and issues electronic credits equal to the value of currency and/or vouchers inserted into the device.

Bingo—A game using the draw of balls with numbers and letters to record the balls selected. A player uses a card with an array of twenty-five numbers, aligned in rows, to record the balls called. The first player with the five-letter/number combination in a row is the winner.

Blackjack—A wagering game using cards. The object of blackjack is to achieve a score as close to 21 as possible without going over 21. The value of the player's cards must exceed the value of the dealer's cards in order to win.

Blind Bet—A mandatory wager before the cards are viewed (or in most cases before the cards are even dealt). It is collected in some poker games and required only of players sitting in specific positions at the table. The table positions rotate.

Blower—In keno or bingo, a device used to mix the numbered balls and blow them individually into a receptacle for drawing.

Bluff—A common strategy utilized in poker, the player attempts to mislead his/her opponent(s) by pretending that his/her hand is better than it actually is.

Bookie—Short for bookmaker or a person who takes bets.

Booth Cashier—A casino employee who serves as the custodian of a slot booth bankroll.

Bottom Dealing—Cheating by dealing from the bottom of the deck of cards.

Boxman—The casino executive in charge of the craps game (sits between two dealers). On high-action, high-activity games, there may be a boxman for each half of the table.

Boys—A slang term for the dealers in a casino. "Boys" is an archaic term that is probably unacceptable in broader circles today.

Break Hand—In blackjack, a hand that has the potential for being higher than 21 by drawing an additional card (a hand totaling 12 or above). Also referred to as a bust hand.

Buck—A US$100 wager.

Bump—To raise.

Burn Card—After a shuffle, the dealer takes away the top card (the card most likely known by an unscrupulous dealer or player after a shuffle) and places it face down in the discard holder. In a single deck game, the burn card is reversed on the bottom of the deck so players cannot see the bottom card in the deck.

Bust (**Busting**)—In blackjack, taking an additional card so that the total of the cards in front of you exceeds 21, resulting in a losing hand.

Buttons—Smaller chips used to mark various transactions in a casino including: (1) identifying the assigned value to color chips in roulette; (2) temporarily identifying credit granted to a player until a counter check can be signed; (3) temporarily identifying chips being credited to the cage before the receipt is obtained; and (4) identifying certain bets in craps.

Buy-In—The amount of money a player uses to buy coins or chips when commencing play. A player may increase his/her buy-in throughout the game.

C

Call—In poker, to make a wager equal to the immediately preceding bet.

Call Bet—A wager made orally by players.

Caller—In bingo or keno, the person who calls the numbers as they are drawn.

Candle—The lighted column mounted on top of the slot machine. The various lights indicate (1) the type of machine; (2) machine malfunctions; (3) machine door openings; (4) the player's request for change.

Capping—A form of cheating in which a card player places extra chips on top of the initial bet after the deal has begun or in some instances after the hand has concluded.

Card Counter—In blackjack, a player who counts the cards played to determine whether the remaining cards give an advantage to the player or the casino. A Back Counter is a player who counts cards and only joins the game when the remaining cards indicate an advantage.

Card Sharp—A person who is an expert at cards.

Cash Count Sheet—The form used to record and itemize the contents of the bank as they are counted.

Cash Equivalents—Certified checks, cashier's checks, treasurer's checks, recognized traveler's checks, recognized money orders, and recognized credit cards.

Cashiers' Cage (**Casino Cage**)—A secure location within the casino which houses the cashiers, maintains custody of the cage's inventory, and provides banking services for players and other casino banks.

Cash Loads—The initial amount of currency, coins, tokens, or chips issued to a gaming table or slot machine.

Casino Advantage—See Advantage.

Casino Cashier—A person who works in the cage or is part of the cage staff.

Casino Host—An executive in the casino who is responsible for interacting with important players (high rollers). A host's duties can include the granting of credit and the issuance of complimentary services.

Casino Manager—The executive responsible for casino operations.

Catwalk—A clandestine area above the casino floor where surveillance personnel or casino management can observe play through one-way mirrors.

Central Credit—A company which maintains credit and other information on players for the mutual use of the casinos which subscribe to its services.

Chalk—A favorite.

Chalkeater—A person who bets only favorites.

Change Machine—A device which dispenses coins or tokens in exchange for currency.

Change Person—A casino employee who exchanges a player's coupons, coins, currency, or tokens for coins or tokens.

Check—(1) A draft on a bank account directing a bank to pay money as instructed. (2) A poker player waiving the right to initiate betting in a round, but still retaining the right to act if another player initiates betting. (3) A slang term for chips.

Check Credit Slip—A document that shows the total amount of a check accepted by the casino in return for credit to be issued to the player. Usually part of a counter check.

Chip Liability—The amount in currency of chips held by players at any point in time. Also known as Chip Float.

Chipper—In roulette, the second dealer who usually sorts chips. This individual is sometimes also referred to as a Mucker.

Chips—Substitutes for actual currency in various denominations issued by the casino. Chips are used in gaming transactions between the house and the player. Chips are round in shape and contain the name of the issuing casino and the specific value of the chip. Their predefined values are typically as follows (in US$): $1.00, $2.50, $5.00, $20.00, $25.00, $100.00, $500.00, $1,000.00, and $5,000.00. Each denomination of value chips is colored differently in order to easily distinguish one set from the other. The most commonly used chip denominations and colors are:

White	US$1.00
Pink	US$2.50
Red	US$5.00
Yellow	US$20.00
Green	US$25.00
Black	US$100.00
Purple	US$500.00
Orange	US$1,000.00
Gray	US$5,000.00

Chip Tray—The tray in front of a dealer that holds the table's inventory of chips.

Churn—The effect of betting and rebetting money.

Circled Game—A game where the betting limits are lowered, usually because of injuries and/or weather.

Clapper—The indicator at the top of the Big Six Wheel which marks (designates) the winning number on a respective spin.

Closer—The original of the table inventory slip form used to record each table inventory at the end of a shift. See also Opener.

Coin In—The amount of coins put into a slot machine by a player.

Coin-Operated Gaming Device—Any of the variety of mechanical, electronic, or computer devices used by players to place wagers by inserting coins or tokens. See also Slot Machine, Video Lottery Terminal (VLT) and Electronic Gaming Device (EGD).

Coin Vault—A secure area within the cashiers' cage that performs banking functions and maintains custody of currency, coins, slot tokens, and supporting documentation.

Cold—A player on a losing streak, or a slot machine that is not paying out.

Cold Deck—(1) In card counting, the remaining cards (in the shoe), being unfavorable to the player. (2) Cards which are prearranged in order to affect the outcome of a card game. When a cold deck is put into a game, those cards are "cooler" to the touch than the cards which have been in play and handled by the dealer.

Color Change—To change chips into larger or smaller denominations. Color changes can be (1) done by the dealer for a player—typically done immediately prior to a player leaving the table; (2) a breach of procedure where a casino executive avoids a fill or credit to a table by performing a color change between two or more tables (sometimes called a Cross Fill). Color change is also referred to as Color Out or sometimes simply Color.

Color Chips—Non-value chips which can be assigned any value based on the player's preference.

Color-In—In roulette, the cashing in of non-value chips for value chips when a player has concluded play.

Come Out Roll—In craps, the initial roll of the dice before a point has been established.

Common Card—In the poker games hold'em and omaha, a card dealt face up which is used by all players. It is dealt only if a deck holds insufficient cards to finish dealing cards to all players individually. Also referred to as the Community Card.

Complimentary Services (Complimentary, Comp)—Food, beverage, entertainment, hotel rooms, or transportation given by the casino, at reduced or no cost, in return for significant action from the player.

Count—(1) The total counted for a particular event, game or shift. (2) The process of counting coins, currency, chips, markers, or any other item of value.

Counter Check—A blank check provided by the casino for the player in lieu of a personal check. The casino presents the counter check to the player's bank for payment of credit. A counter check is issued directly against the player's bank account. It is commonly referred to as a Marker.

Counting Cards—In blackjack, the process of counting the cards played to determine whether the cards remaining in the shoe give an advantage to the player or the casino.

Counting Machine—A mechanical or electronic device to count coins or currency. When the value of the coins is determined by weight, the scale is also considered to be a counting machine.

Cover—To win by more than the point spread.

Craps—(1) A game that is based on rolling the dice. (2) Roll of 2, 3 or 12 on the dice. On the come out roll, craps loses when "betting right."

Credit Chips—A separate set of value chips used only by players playing on credit.

Credit Limit—The amount in currency of credit available to a player.

Credit Manager—The executive responsible for the execution of the casino's credit policies.

Credit Play—Wagering by means of credit available to a player.

Credit Slip—A casino form recording the amount of chips removed from a gaming table and transferred to the cashiers' cage. A credit slip can also be used to transfer markers from the gaming tables to the cage.

Cross Fill—See Color Change.

Crossroader—A cheat who travels cross-country (or from casino to casino) to cheat at card games.

Croupier—See Dealer.

Customer Deposit—An amount placed on deposit with the cashiers' cage by the player for use in the future.

Cut—Splitting the deck(s) of cards to create a different order. Players are offered a plastic card or marker to indicate the position at which they would like the cards cut.

D

Day Shift—Represents scheduling of employees and cashiering responsibilities for the daylight period (e.g., 8:00 a.m.—4:00 p.m.). See also Swing Shift and Grave Shift.

Deal—To give out cards during a card game.

Dealer—A casino employee who deals cards (or runs such games as roulette, craps, big six), collects and pays off players' bets and controls the speed of the game. Anyone involved in the direct conduct of the game such as bankers, boxmen, stickmen, and croupiers come under the general description of a dealer.

Dealing Shoe—A device from which playing cards are dealt.

Deck—The fifty-two playing cards with which casino games are played. A deck consists of four suits (hearts, diamonds, spades, and clubs) with value cards of 2 through 10, plus a jack, queen, king, and ace in each suit.

Deuce—A two in dice.

Dice (Die = 1)—A pair of cubes with the numbers 1 through 6 represented on the sides. The opposite sides of a die will always add to 7 (e.g., 1 and 6 are on opposite sides of the die).

Dime Bet—A wager of US$1,000. To bet two dimes is to wager US$2,000, three dimes equals US$3,000, etc.

Discard Tray—A tray or box where cards used in a game are held awaiting shuffling. Discard trays are used predominantly in blackjack.

Diverter—A device which channels coins played in a slot machine to the hopper or to the drop bucket when the hopper is full.

Dog—The underdog.

Dolly—In roulette, the marker used to indicate the winning number.

Don't Pass—In craps, a wager that (1) on the come out roll, a 2, 3, or 12 will be rolled, or (2) subsequently, a wager that a 7 will be rolled before the point which was established on the come out roll.

Double Down—In blackjack, a player's option of doubling the bet on the first two cards received and subsequently receiving one additional card.

Doubling Up—Doubling the size of the previous bet. Many players use this strategy in an attempt to "get even." Table limits prevent this strategy from being utilized on an unlimited basis. Also referred to as pressing.

Draw—In poker, to exchange discarded cards, after the initial betting round, for an equal number of new cards out of the deck.

Drop—(1) In table games, the total money, plaques, and chips in the table drop box and the amount of markers issued at the table. (2) In slot machines, the total amount of coins and tokens in the drop bucket and cash in the cash storage box.

Drop Box—In table games, a locked metal container attached to the gaming table with a locking mechanism. The drop box is permanently marked with a number corresponding to the table. It is also marked to indicate the type of game and the shift during which the box is used. All drop, as well as any other documents that may be involved with gaming transactions at the table, are put in the drop box.

Drop Box Sleeve—The five-sided metal receptacle into which the drop box is inserted to attach to the table.

Drop Box Slot—An opening in the top of the table over the drop box permitting money and paperwork to be inserted in the drop box.

Drop Bucket—The bucket placed in the slot machine cabinet which fills with coins after the slot machine's hopper is full.

E

Edge—An advantage over an opponent.

Electronic Gaming Device (EGD)—See Slot Machine or Video Lottery Terminal.

Encryption—A software security measure taken by online casinos to ensure that online transactions are safe from hackers.

En Prison—(French phrase) The stake left on the table in roulette for another spin after backing an "Even Money" bet and the outcome was zero or double zero. It is similar to a bonus, offered in some casinos.

EPROM—The computer chip in a slot machine. EPROM stands for 'erasable programmable read only memory.'

Even Money—A bet that pays back the same amount that was wagered, plus the original wager. A wager on which a side lays no juice or vigorish.

Even Money Exchange—The act of exchanging two items of value, one for another. For instance, US$100 in currency for US$100 in chips is an even money exchange. Increasingly, even money exchanges between cashiers or banks are accompanied by paperwork evidencing the transaction.

Exclusion List—A list or lists which contain the identities of persons who are to be excluded or ejected from any licensed gaming operation in any jurisdiction. The list may include any person whose reputation or conduct is such that his/her presence within a gaming operation may call into question the honesty or integrity of the operation or pose a threat to the interests of the jurisdiction.

Exotic—Any wager other than a straight bet or parlay; a proposition or "prop" bet.

Expected Field Return—The theoretical payout percentage on a poker or blackjack machine being played by players using various strategies.

Exposure—The maximum amount of money a sports book stands to lose on a game.

Extension—The amount of money the house theoretically will risk losing on a game or a race.

Eye in the Sky—The overhead surveillance system which monitors gaming transactions on the casino floor.

F

Face Cards—The playing cards with a face – jack, queen, and king. These cards carry a value of 10 in most casino card games. Also referred to as a "picture card."

Face Plate—The front wall of a dealing shoe against which the next card to be dealt rests.

False Drop—Cash or credit used to purchase chips at a gaming table by a player when that player does not play.

Fan—The spread of the playing cards for inspection.

Favorable Deck—In blackjack, when the remainder of the deck is known to have cards which, when dealt, will be favorable to the player.

Figure—Amount owed by or to a bookmaker.

Fill Slip—A document showing the transfer of chips from the cashiers' cage to the gaming table.

Final Fill or Final Credit—The last transfer of chips to (fill) or from (credit) the gaming table. The cashiers' cage uses it to restore the table float to the original imprest amount.

Firing—Betting a lot. A player who is 'firing' is wagering large sums.

First Base—In blackjack, (1) the player at the table that is first to receive cards or act on them. (2) The player to the dealer's left.

Fish—A player who loses money. See also Shark.

Flash—To show the dealer's hole card to a partner.

Flat Betting—A way of betting where the same amount is bet on each wager. For example, if a player always bets US$10 on each hand or spin and never raises or lowers their bet, they would be said to be flat betting.

Flat Passers—Dice which have been altered to make the outcomes 4, 5, 9, and 10 occur more frequently than normal. In craps, it usually involves shaving down the opposite 6-1 sides on one die and the 3-4 sides on the other die. These dice are illegally introduced to the game after the point is established.

Float—The chip tray and/or amount of chips on a table game.

Float Cover—The locking lid covering the chip tray.

Floorperson—A casino executive who supervises the gaming tables in a specified area within the casino pit.

Flush—In poker, a hand with five cards of the same suit.

Fold—In poker, to withdraw from a hand; it is signaled by discarding the cards and refusing to equal the preceding wager.

Foreign Chips—Chips from another casino.

Free Bets—The craps odds bets available to the player after a point is established. Free bets have no casino advantage. See also Odds Bet.

Front Money—A customer deposit used in lieu of credit to guarantee payment of a marker issued.

Full House—In poker, a hand with three of a kind combined with any other pair.

Futures—Bets made on one day that place on a later day, maybe months later.

G

Gaming Count Sheet (Master Game Report, **Hit Sheet**, **Stiff Sheet)**—The form used to record the count of currency, coins, chips, markers, and other items of value from the drop box for each of the table games. It is used to compute drop and win.

Getting Down—Placing a bet.

Grave Shift (**Graveyard Shift**)—Represents scheduling of employees for the early morning period (e.g., 12 midnight to 8:00 a.m.). See also Day Shift and Swing Shift.

Grease—A bribe.

Grifter—A dishonest gambler.

Grind (**Grind Joint**)—(1) A small stakes player. (2) A casino where small stakes players generate the majority of revenue.

Gross Gaming Revenue—The total of all amounts received from players and recorded as gaming win less the total of all amounts paid out to players and recorded as gaming losses.

H

Hand—(1) The original cards dealt to a player or dealer. (2) The cards held by a dealer or player at the completion of play.

Handicapper—A person who studies factors such as statistics, injuries, weather and news to predict the outcome of games.

Handle—(1) The total amount of money bet by players. (2) In slot machines, the amount measured by the coin in meter in a slot machine. The total amount wagered on gaming tables and unmetered slot machines cannot be measured.

Hard Count—(1) The total amount of coins or tokens removed from the slot machine drop buckets. The amount of money counted during the hard count is also considered the drop. (2) The actual process of counting the coins and tokens.

Hard Total—In blackjack, a total count of a player's cards which does not include an ace or when the hand includes an ace that is counted as a 1. Example: Hand number 1: A 7 card and a 10 card is a Hard 17. Hand number 2: A 7 card and one Ace is a Hard 8.

Heat—Casino supervision or attention to a game particularly when cheating is suspected.

Hedge—To reduce amount of action by wagering on the opposite side of a previous bet.

High Rollers (Premium Players)—High stakes players. See also Whales.

Hit (Hit Me, **Draw)—**A term used when a player wants to receive an additional card(s).

Hit Sheet—See Gaming Count Sheet.

Hold—(1) For table games, the comparison of the win to the drop. (2) For slot machines, the comparison of the win to the handle (coin-in). Sometimes the hold is referred to as the P.C. or hold percentage.

Hole Card—In card games, the card which is dealt face down to the dealer or player and is not known until the hands have been played.

Hook—The half point in point spreads; as in 6 1/2, 6 and a hook.

Hopper (Payout Reserve Container)—The mechanism in a slot machine which contains the coins or tokens used to make automatic payouts when winning combinations occur.

Hopper Fills—(1) Coins or tokens placed in a slot machine when it is first placed on the casino floor. (2) Placing coins or tokens in the slot machine hopper in order for the machine to pay machine-paid jackpots.

Hopper Fill Slip—A form used to record the value of coins or tokens put into the slot machine hopper.

Hopper Storage Area—A secure compartment located adjacent to the drop bucket compartment of a slot machine that is used for temporarily storing coins or slot tokens to be deposited only into the corresponding slot machine's hopper.

Hot Deck (Positive Deck)—See Favorable Deck.

Hot Hand (Hot Shooter)—In craps, a player who is rolling the dice and making points and numbers for a long period before rolling a 7.

House—The casino or gambling facility.

House Edge—See Advantage.

I

Identification Credentials—A valid credit card, driver's license, passport, or other form of identification which contains the player's signature.

Imprest Basis—The basis upon which the cashiers' cage and slot booth funds are replenished from time to time. The replenishment is done in exactly the amount of the net expenditures from and the amounts received in those locations.

Incompatible Function—A function that places conflicting demands on any person or department by putting them in a position to both perpetrate and conceal errors or irregularities in the normal course of their duties.

In-Meter—The meter on a slot machine that records the number of coins played. It is also referred to as the coin-in meter.

Insurance—In blackjack, a bet the player may make which will pay if the dealer has Blackjack. It is "insurance" against a dealer having Blackjack. Insurance is only offered when the dealer's up card is an ace.

J

Jackpot—Any money, merchandise or thing of value paid to a player as the result of a specific winning combination of characters indicated on a slot machine and the amount due to the player.

Jackpot Meter—The meter on a slot machine which records the amount of jackpots paid.

Jackpot Payout—The portion of a jackpot paid manually. The amount is the difference between the amount paid by the slot machine.

Jackpot Payout Slip—A form specifying the amount of money paid to a slot machine winner that was not automatically paid by the slot machine.

Joker—The fifty-third card in a deck, sometimes used as a wild card.

Juice—(1) Slang term for having good contacts within the casino (i.e., having friends who are casino decision-making executives). (2) Another name for the commission paid to the house. See Vigorish (Vig).

Junket—A group of players who travel to a casino for the primary purpose of gambling at that casino. Often the cost of the food, lodging and transportation for these players is paid by the casino.

Junketeer—A player participating in a junket.

Junket Representative —The person responsible for organizing a junket. Also referred to as a Master.

K

Keno—A game using 80 numbered balls from which 20 are selected. Players bet on 1 to 15 of the numbers they believe will be selected.

Key Control Log—A log in which personnel must sign to obtain keys enabling access to drop boxes, safety deposit boxes, count rooms, the cashiers' cage, and other restricted areas.

L

Ladder Man—A supervisor sitting on a high chair to observe gaming play.

Lammer Buttons—See Buttons.

Late Bet (**Past Posting**)—An illegal bet placed after the outcome is known.

Layoff—A "wager" made by one race or sports book with another to balance an excessive amount of customer bets on one possible outcome of an event.

Layout—The felt surface of a gaming table displaying the game and spaces for placement cards and various bets.

Limit—The minimum and maximum amount allowed to be bet at a table, game or casino.

Line—The odds on a game, also referred to as the price. See Point Spread.

Link—Two or more slot machines linked to a single progressive meter.

Load (**Loaded Dice**)—Dice which are weighted unevenly to affect the outcome.

Location Number—The number assigned to an area of the casino floor which identifies the site where the slot machine is positioned.

Longshot—Large underdog.

Loose (**Liberal**) **Slots**—Slot machines with a high payout percentage.

M

Machine Payout—Coins paid out automatically by the slot machine to a player as a result of a winning combination.

Main Bank—A fund of currency, coins, tokens, and chips in the cashiers' cage. As the name implies, the main bank is the primary bank in the cashiers' cage.

Manufacturer's Serial Number—A unique number permanently assigned to a slot machine by the manufacturer for identification and control purposes.

Marker—See Counter Check.

Marker Card—In blackjack, the plastic card used to indicate which cards will not be used in the shoe. The use of a marker card guarantees a certain number of cards will not be played, thereby helping the casino eliminate the effectiveness of card counting.

Master Game Report (**Stiff Sheet**)—See Gaming Count Sheet.

Meters—Mechanical or electronic devices in a slot machine recording the number of coins in, coins dropped, coins paid out to players, and times the slot machine handle was pulled. There is also a meter which shows the player how many coins should be paid when a winning combination is hit.

Middle—Betting both sides of a game at different prices with the hope of winning both wagers; for example, if a bettor played Chicago (minus-4) and Los Angeles (plus-6), and Chicago won by 5, the bettor would win both wagers.

Minus Count (**Negative Count**)—In blackjack, when the remainder of the deck is known to have cards which, when dealt, will have a player disadvantage. See also Cold Deck.

Money Management—A player varying the amount of his bets.

Move—Cheating; particularly sleight-of-hand cheating.

Mucker—(1) In blackjack, the process of adding cards which are favorable to the player in a multiple-deck game. (2) See Chipper.

Multiple Deck—The use of two or more decks, which are usually dealt from a shoe, in a card game. Casinos use multiple-deck games to speed play (less time for reshuffles) and to discourage card counting.

N

Natural—(1) In blackjack, a hand totaling 21 after the first two cards are dealt. (2) In craps, a 7 or 11 on the first roll of the dice. (3) In baccarat, an 8 or 9 on the first two cards.

Negative Count—See Minus Count.

Net Winnings—Total payout less your stake.

Nickel—In betting terms, US$500.

Non-Negotiable Chips—Promotional casino chips that cannot be exchanged for cash.

Non-Value Chips—Chips with a value assigned during play. Non-value chips are most commonly used on roulette tables to differentiate players.

Numbers—See Point.

Nut—Slang term for the expenses the casino must cover with casino win before a profit is earned.

O

Odds—The probability of one outcome versus all other outcomes.

Odds Bet—In craps, a bet made in addition to the pass, come, don't pass or don't come bets on which the house has no advantage.

Off the Board—A game on which bookmakers are not accepting wagers, generally because of injuries.

One-Armed Bandit—A slot machine.

Open—In poker, the player who bets first.

Opener—The duplicate copy of a two-part table inventory slip upon which the table inventory is recorded at the end of the shift. It serves as the record of each table inventory at the beginning of the following shift. The original copy of the table inventory slip is called the Closer.

Overlay—When the odds of a proposition are in favor of the bettor rather than the house.

Over/Under—In sports wagering, the number that is set by oddsmakers to represent the total number of points scored in a given sporting event (over or under the final score). An over/under line can be set with regard to other aspects of the game aside from the final score (see Proposition Bets).

P

P.C.—See Hold.

Paddle—A device used to insert money and casino paperwork into the drop box through the drop box slot. The paddle remains in the slot to help prevent unauthorized insertion of paperwork into the drop box.

Pair—Two cards or dice with the same value.

Pair Splitting (**Splitting Pairs**)—In blackjack, the player's option to split a pair into two hands so each can be wagered as a separate hand.

Panguingui (**Pan**)—A rummy-like card game usually played in poker rooms.

Par—The base amount of coins, token, currency or chips in a defined area.

Parlay—A one-bet ticket written with at least two wagers. All bets must win for the ticket to cash.

Pass—In craps, (1) a winning result in dice. (2) A wager that on the come out roll, a 7 or 11 will be rolled or subsequently duplicating the point which was established on the come out roll.

Past Posting—See Late Bet.

Pat (Stand Pat)—In blackjack, a hand which does not require an additional card. Dealers must stand pat with a total of 17 or higher.

Payline—The line on a slot machine window on which the symbols from each reel must line up. Slot machines can have as many as 20 paylines.

Payoff—The amount of money paid out on a winning wager.

Payout—Any money, merchandise or thing of value, including coins, paid to a player who wins a jackpot.

Payout Percentage—Also referred to as payback percentage. The percentage of each currency unit played in a video or slot machine that the machine is programmed to return to the player. Payout percentage is 100% minus the house edge.

Payout Reserve Container—See Hopper.

Payout Schedule—The schedule of payouts for various winning combinations on a slot machine.

Payout Sheet—A display illustrating the statistics of the slot machine supplied by the manufacturer.

Pick—A game where neither team is favored; an even game.

Pigeon—An uneducated, naïve, or unsophisticated gambler.

Pit—An area of a casino in which a group of tables are arranged. The center area is restricted to dealers and other casino personnel.

Pit Boss—The casino supervisor responsible for all games in a particular pit.

Pit Clerk—An employee at the pit stand in a table game pit who prepares documentation (or operates a computer terminal) for fills, credits, player credit instruments, and player ratings.

Pit Stand—The desk in the center of a casino pit where activity reports are generated and stored.

Plaques—Objects that substitute for money and are similar to chips in appearance. Plaques are frequently used in foreign casinos and in some casinos in the US for baccarat. Plaques are also used in some casinos when there is a large amount of buy-in occurring at the cashiers' cage in different currencies. When the player takes the plaque to the gaming table, it is dropped as if it were cash and the player is given chips for use at the table.

Player—A bettor; gambler.

Player Cash Deposit—See Customer Deposit.

Player Check—A check provided by the player to the casino drawn on the player's bank.

Point—In craps, if during the come out roll, the player rolls a 4, 5, 6, 7, 8, 9, or 10. That number (the point) has been established as the number to roll again before rolling a 7 in order to win the pass line bet.

Point Spread—The number of points by which a team is favored to win a sporting event. This number is systematically set by oddsmakers whose job is to even out the total amount wagered so that it is distributed equally on both sides (or on both teams). Also referred to as the line, or betting line.

Poker—A fifty-two card game. Players wager against each other based on the value of their hand. The casino takes a commission or rake from the pot of wagers.

Positive Deck—See Favorable Deck.

Pot—In a poker game, the amount of money that accumulates in the middle of the table as each player antes, bets, and raises. The pot goes to the winner of the hand.

Press—Increasing the size of the next bet, usually by doubling.

Probability—The likelihood of one outcome over all other possible outcomes.

Progression Betting—A system of betting applied to many games where the bet size is systematically changed, up or down, across series of rounds of play according to some predetermined formula.

Progressive Slot Machines—A slot machine with a jackpot that increases with each wager.

Proposition Bets—Side wagers. Bets that are placed on aspects of the game (or other event) aside from the end result.

Puck—In craps, the round plastic marker used to indicate the point (looks like a hockey puck).

Punter—A UK term for a table games player.

Punto Banco—European name for baccarat.

Push—A tie in a casino game.

Q

Quading—In surveillance, viewing and taping from four cameras on the same monitor and VCR.

Queer—Counterfeit money.

R

Rabbit Ears—A V-shaped device which holds the 20 balls drawn during a keno game such that the numbers are visible to players and employees. See also Blower.

Race Book—An area in a casino specializing in the acceptance of wagers on the outcome of racing events.

Racino—A racetrack facility that has been modified to include slot machines, electronic gaming devices, or video lottery terminals. The racetrack may conduct either horse racing or dog (greyhound) racing events.

Rack—The plastic tray holding 100 chips.

Rail—(1) The cushioned padding surrounding the gaming table. (2) The outer wall of the roulette wheel.

Raise—In poker, to make a wager greater than the preceding wager.

Rake—(1) The dealer's stick. (2) See Take.

Rated—Determination by the casino that a player's skill level is above average or on a professional level. A player's rating may be stored on computer and referred to the pit.

Rating Slip—A slip used in the casino pit to keep track of a player's action for purposes of determining if the player is entitled to comps.

Reel Cycle—The theoretical playing of a slot machine with each possible combination occurring once before there are any repetitions.

Reel Settings—The positions on a slot machine wheel controlling the outcome of winning combinations.

Request for Credit—A document to authorize the preparation of a credit slip for the transfer of chips, coins, plaques, or markers from the gaming table to the cashiers' cage.

Request for Fill—A document that authorizes the preparation of a fill slip for the transfer of chips, coins, and plaques from the cashiers' cage to the gaming table.

Reserve Chips—A second complete set of chips with colors and markings that enable them to be distinguished from the primary set of chips. These chips replace the primary set when the casino suspects counterfeit chips are in circulation.

Returned Check—Any dishonored player check returned to the casino by the player's bank.

Reverse—A specific type of wager in sports betting in which the player combines two bets into one in an attempt to win four times the initial wager. The player must win both options in order to collect the maximum payout (four times the initial wager) on the bet. A losing reverse generally pays out twice the amount of vigorish to the house than what would be paid on a straight wager. If the player ties (pushes) on one end of the bet and wins on the other end, the player receives twice the initial wager. If the player ties (pushes) on one end of the bet and loses on the other end, twice the initial wager is lost to the house, plus the vigorish. A reverse is a high-risk, high-reward sports wager.

Rig—To fix the outcome illegally.

Right Bettor—See Betting Right.

Rim Credit—Temporary advance of chips to players well known to the casino until their marker is prepared. The amount is usually noted with a lammer button.

Roll—(1) A single roll of the dice. (2) A complete series of rolls until a player sevens out. A player can establish and make several points before sevening out in a long roll.

Roller—The plastic weight holding cards against the face of the shoe.

Roulette—A game where players bet upon which of 38 numbers on a rotating wheel a small ball will come to rest.

Round—A complete series when all players and the dealer have finished acting on their cards.

Round Robin—A single ticket comprised of more than one parlay.

Royal Flush—In poker, a hand of 10, jack, queen, king, and ace, all of the same suit.

Run—The length of play. A good or bad "run."

Rundown—A list of odds on a particular day's games.

Runner—See Beard.

Running Count—In blackjack, the value of the remaining cards which are yet to be dealt in a card counting strategy.

S

Scalper—One who attempts to profit from the differences in odds from book to book by betting both sides of the same game at different prices.

Scam—Cheating, stealing and other dishonest gaming techniques.

Scamdicapper—A tout who gives outlandish promises about win percentages and expectations.

Score—To win a lot of money.

Scratch—(1) In blackjack, the signal a player uses to request an additional card (scraping the finger or card on the surface of the table). (2) Withdraw or cancel.

Security Department Member—Any person employed by a casino to provide physical security in the casino.

Seven Out—In craps, the roll of a seven after a point has been established thereby ending the player's roll (sometimes referred to as a "crap out").

Shark—A good, crafty player often posing as a fish early in the game. See also Fish.

Sharp—A sophisticated or professional sports bettor.

Shaved—Dice which due to alteration are not symmetrical cubes, thus preventing the outcome of a roll from being random.

Shift—The regular, daily work period of a group of casino employees administering the operation of table games, slot machines, and the cashiers' cage.

Shift Boss—The person responsible for all casino operations during a given shift. The pit bosses from any given shift report to the shift boss.

Shill—A gaming player employed and bankrolled by the casino to start a game or keep a sufficient number of players in a game. Most often a shill is used in baccarat when too few players are available.

Shoe—The secure container from which cards are dealt in blackjack and baccarat. The dealer places shuffled cards into the shoe and then deals the cards from the shoe.

Shooter—In craps, the player currently rolling the dice.

Short Pay—A slot machine payout less than the amount required by the payout schedule. The player receives the additional amount from a slot attendant or from the slot machine after a hopper fill.

Shuffle (Shuffle Up, **Reshuffle)**—The process of mixing the cards prior to dealing in an effort to achieve randomness in deck(s).

Signature—A signature should include at least the signer's first initial and last name. It signifies the signer has prepared the material or participated in the transaction to the extent of being able to attest to the accuracy of the information, including counting the items, which is part of the transaction. Signature records are usually stored. It is usually helpful to have the signer print his or her title.

Single Deck—A blackjack game played with one deck.

Sleeper—A bet left on the table by the player's forgetfulness or a winning wager not presented for payment.

Slick Dice—Polishing or smoothing some sides of the dice to affect the outcome.

Slip Dispenser (Form Dispenser, **Whiz Machine)**—A locked form dispenser used to issue forms in numerical sequence. One of the copies of the form is retained in a locked section of the dispenser after the transaction.

Slot Booth—A bank in the slot machine area used to provide change to players, issue jackpots and hopper fills, and redeem coins for currency.

Slot Carousel (**Slot Runway**)—A circular or oval configuration of slot machines. In the center of the slot configuration is a raised area where a slot cashier can provide change to players.

Slot Cash Storage Box—A container located in each bill changer which accumulates the cash inserted into the bill changer.

Slot Fills—See Hopper Fills.

Slot Machine—A device that pays off based on the outcome of mechanical or electronic wheels initiated by a handle pull. Slot machines are also called one-armed bandits. In modern times, machines on which poker is played are also referred to as slot machines.

Slot Machine Count Sheet—A document for recording the amount of coins or tokens retained by the casino from a particular slot machine. The count sheet often includes meter readings, coin weight, hand-paid jackpots, hopper fills, and any other information necessary to determine the slot machine's drop and win.

Slot Machine Drop—The sum of the total amount of coins and slot tokens removed from the drop bucket and the cash in the slot cash storage box.

Slot Machine Load—The initial slot machine fill.

Slot Machine Runway—See Slot Carousel.

Slot Machine Win—Revenue generated by a slot machine which is determined by subtracting the hopper fills (other than the initial hopper fill and initial fill of hopper storage areas) and manual jackpot payouts from the slot machine drop.

Slot Mechanic (**Slot Technician**)—A casino employee who repairs the slot machines.

Slot Win Sheet—The accounting record of slot machine winnings. The slot win sheet can include the amount of coins or tokens retained by the casino, meter readings, coin weight, hand-paid jackpots, hopper fills and the net win and win percentage by denominations for the period.

Slug—A metal disk having no cash value, used to cheat a slot machine.

Snake Eyes—In craps, when both dice are rolled and each shows a 1 (totaling 2 on the roll).

Soft Count—(1) The total amount of currency, chips and plaques removed from the drop box. (2) The process of counting the drop box contents for table games. (3) The amount of table drop, in terms of currency.

Soft Total (**Soft Hand**)—In blackjack, a total count of the player's cards which includes an ace counted using 11 as its value. For example, a 3 card and an ace equals a soft 14, but the player can also look at these cards as a hard 4, allowing the option of taking a hit without fear of going over 21 (busting).

Splitting Pairs—See Pair Splitting.

Spread—(1) Betting more than one hand at a time. (2) See Point Spread.

Sports Book—An area in a casino specializing in the acceptance of wagers on the outcome of certain professional and amateur athletic sporting events.

Square—A novice or rookie sports bettor.

Squirrel Cage—A device used in keno to mix the balls.

Stack—Twenty chips. Also referred to as a "barrel."

Stacked Deck—Cards that are pre-arranged in a sequence to deliberately affect the outcome of the game.

Stand (**Stand Pat**)—In blackjack, a player requiring no additional cards.

Steam—When a large amount of money starts to come in on one side of a game and the line moves rapidly.

Stick—In craps, the device used by the dealer to move the dice on the table.

Stickperson—In craps, the person working at the table who controls the dice with the stick, calls the numbers thrown (on the dice), and is responsible for dictating the tempo of the game.

Stiff Sheet—See Gaming Count Sheet.

Straight Bet—One wager, as opposed to a parlay.

Streak—A run of wins or losses, as in a hot streak or a cold streak.

Strike Number—In card counting, the plus or minus position of the remaining cards to be dealt. The strike number is used to determine when to increase or decrease the bet.

Strippers—Cards which have been cut along the edges to make them a slightly different shape, thus enabling the skilled card handler to manipulate the outcome of the game via recognition of such cards.

Sucker Bet—A bet that holds a high casino advantage.

Suit—Any one of the four types of cards: clubs, diamonds, hearts or spades.

Swing Shift—Represents scheduling of employees and cashiering responsibilities for the late afternoon and evening periods (e.g., 4:00 p.m. to 12:00 midnight). See also Day Shift and Grave Shift.

System—A method of betting.

T

T's—Dice which are misspotted, repeating some of the same numbers on opposite sides.

Table Bank (**Table Inventory**, **Table Load**, **Chip Tray Float**)—Coins, chips, and tokens assigned to a particular table as its inventory.

Table Chip Tray—A device used to hold chips and coins at the gaming table. A chip tray facilitates inventory counts and typically has a locking cover to secure the tray to the gaming table and protect the inventory while the table is idle.

Table Game Drop—The total amount of currency, coins, and chips contained in the drop box, plus the total amount of credit issued at the table.

Table Game Win—The net win from gaming activities at the gaming tables. The table game win or loss is determined by adding the amount of cash, the amount recorded on the closer, and the totals from amounts recorded on the credits and issuance copies of counter checks removed from a drop box, and subtracting the amount recorded on the opener and the total amounts recorded on Fills removed from a drop box.

Table Limit—See Limit.

Take—A commission (usually a percentage of the pot) in chips, tokens, or currency taken from a pot for each hand by the house for dealing certain card games such as poker. Also referred to as Rake.

Tapped Out—A player who has exhausted his/her gambling funds. To be out of money.

Tease—In sports wagering, a type of bet that involves the act of increasing or decreasing the point spread by a set amount of points (predetermined by the house) in hopes of obtaining an advantage. A tease or "teaser" is a bet that has two sides, meaning the player must essentially win two separate wagers in order to collect on the bet. Losing teasers generally pay twice the amount of vigorish to the house than would be paid on a straight wager.

Ten Rich—In blackjack, when the cards remaining to be dealt in a game contain a high concentration of cards with individual values of 10.

Ten Value Cards—The 10, jack, queen, or king of each suit that have a value of 10 (the most common value in a deck of cards) in certain card games.

Theoretical Slot Machine Hold Percentage—The theoretical hold percentage that a slot machine would have by completing one reel cycle, which consists of the net win amount retained by the casino if every combination in a slot machine were to occur once divided by the amount of coins played. This amount is the reciprocal of the Theoretical Slot Machine Payout Percentage.

Theoretical Slot Machine Payout Percentage—The sum of the number of coins expected to be paid (both automatically and manually) as a result of jackpots divided by the expected number of coins to be played in a slot machine for a complete reel cycle.

Third Base—(1) The player at a blackjack table that is last to receive cards or react to them. Also referred to as the "Anchor." (2) The player at the dealer's right.

Ticket-In, Ticket-Out (TITO)—A cashless slot system that utilizes coupon vouchers (tickets) in lieu of currency at the machine. Tickets can be redeemed for cash at predetermined locations on the casino floor.

Tight Slots—Slot machines with a low payout percentage.

Toke—A slang term for gratuities given to casino employees by players, as in a "token of appreciation."

Toke Box—The dealer's tip box which is usually attached to the table.

Tokens—Substitutes for coins at certain stated values which are used in slot machines. Tokens are most often used for denominations of US$1.00 or greater.

Total—A player bets either over or under the number of points scored in that game.

Tout—A person or company that either sells or gives away selections on games.

Travel Disbursement Voucher—A form prepared by the casino to approve a disbursement to a player requesting reimbursement of transportation expenses.

Twenty-One (21)—Another name for blackjack.

Twenty-Three (23)—A card table game, but not very widespread in French casinos.

U

Underlay—When the odds on a proposition are in favor of the house. A bad or unfavorable bet.

Unredeemed Chip Liability—The estimated maximum liability that the casino has to patrons that are in possession of chips. This amount will vary due to the percentage of chips kept by patrons as souvenirs or chips that have been lost by the patron.

Up Card—In blackjack, the card of the original two cards, dealt face up.

V

Value Chip—Chip with a value imprinted permanently on the chip. See also Chips.

Vault—A secure area typically in the cashiers' cage where excess quantities of currency, coins, chips and tokens are stored.

Velocity of Play—The speed of play, usually defined as the number of gambling decisions per hour.

Verbalize—To orally express a transaction.

Video Lottery Terminal (VLT)—Any gaming machine in which bills, coins, or tokens are deposited in order to play a game of chance in which the results, including options available to the player, are randomly and immediately determined by the machine. A machine may use spinning reels or video displays or both. This definition may vary from one jurisdiction to the next, as the configuration of the machine could differ depending on the type of gaming legislation that was passed in that jurisdiction.

Vigorish ("**Vig**")—A commission charged by the casino for certain bets including, but not limited to, betting with the banker in baccarat and buy and lay bets in craps. Also referred to as Juice.

W

Wager—(1) The act of placing a bet. (2) The actual bet that is placed by the player.

Weighed Count—The value of coins or currency counted by a scale.

Well—The hollow container in a slot machine into which coins and tokens fall when a player wins. The well is manufactured out of metal and is specifically designed to make a lot of noise when the coins fall from the machine.

Whale—A slang term used to describe a high roller. A person who wagers large amounts of money in a relatively short amount of time.

Wheel (**Big 6**, **Wheel of Fortune**)—A game using a large wheel with different combinations of certain numbers on which the player can wager specific dollar amounts. The player wins when the indicator on the wheel stops at the number upon which the player placed a bet. The wheel has a high casino advantage.

Whiz Machine—See Slip Dispenser.

Wild Card—A joker or other card that can be used as any other card to complete your hand in card games.

Win—See Table Game Win and Slot Machine Win.

Wire Transfer—A transfer of funds by means of the Federal Reserve Bank wire system.

Wise Guy—A smart professional sports bettor, one who plays the steam before it becomes steam.

Wrap—The total amount or value of coins wrapped in hard count and prepared for transfer to the cashiers' cage.

Write—Total amount of currency collected for tickets from keno, bingo, race and sports books.

Writer—A person who writes keno tickets, sports wagers, and racetrack wagers.

Wrong Bettor—A player betting the don't pass line. See also Betting Wrong.

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Ernst & Young can assist with reviews of internal control systems, both on the casino floor and in the accounting department, as well as recommendations for the improvement of the internal control structure and assistance with the implementation of such recommendations. Our procedures also focus on departmental operational efficiencies, including benchmarking cost structure to industry norms and competitor and market position analysis.

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