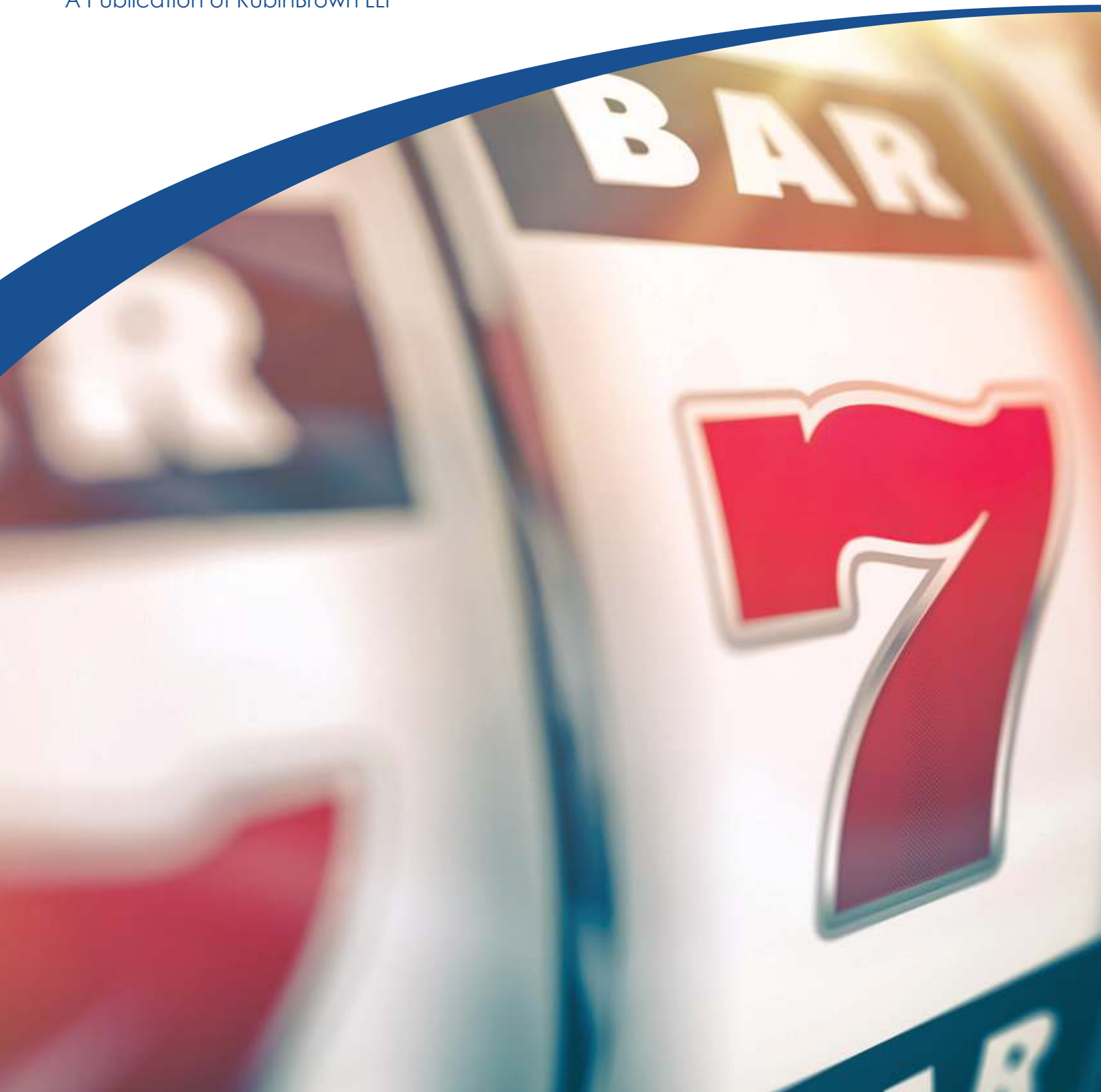


GAMING STATISTICS

A Publication of RubinBrown LLP



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RubinBrown's Gaming Services Group adds value to clients through an understanding of gaming regulations and focus on efficient, effective and sustainable compliance programs.

We are nationally known for leadership within the gaming industry. Our success and reputation is a byproduct of our commitment to the following:

- ▶ Excellence in Quality and Client Service
- ▶ Thought Leadership
- ▶ Strategic Partnerships
- ▶ Diverse and Inspired Team
- ▶ Integrated Approach and Technical Expertise Across Service Lines

Disclaimer: Gaming Statistics, a publication of RubinBrown LLP, is designed to provide general information regarding the subject matter covered. Although prepared by professionals, its content should not be construed as the rendering of advice regarding specific situations. If accounting, legal, or other expert assistance is needed, consult with your professional business advisor. Please call RubinBrown with any questions.

WELCOME

Welcome to the 2017 edition of RubinBrown's *Gaming Statistics* publication, which provides a comprehensive review of the United States gaming industry. This publication includes statistical data from over 1,000 gaming operations, spanning 40 states and incorporating all four of the U.S. Gaming segments we track – commercial casinos, iGaming, limited stakes gaming and tribal casinos. Refer to page 29 for a detailed definition of each gaming segment.

Overall, the collective gaming industry grew at an annual rate of 2% in 2016, marking 7 years of consecutive growth. The year was headlined by 32% growth within the iGaming segment. Most notably, the iGaming growth within New Jersey is a positive sign for the segment as iGaming operators are beginning to reach a break-even point in their operations and casinos are beginning to see iGaming as a complimentary form of gaming that is not cannibalizing the traditional brick-and-mortar casino revenue. It is yet to be determined whether the growth is sustainable and whether it will reach the levels predicted when iGaming was first legalized in these markets.

Throughout our publication, we report on the growth of the industry from 2007, to show the industry's 10 year performance. During this period, the industry has increased competition, expanded the gaming footprint (regional, limited stakes, etc.) and adopted legislation to continue expanding online. In the past 10 years the U.S. gaming industry has opened approximately 100 new casinos, created a \$1.1 billion limited stakes gaming market in Illinois, and both outlawed and subsequently legalized an iGaming market that produces \$212.2 million in annual revenues. Regionally, we see the impact of increased competition on the distribution of gaming revenue as only 3.3% of the 151 casinos individually monitored by our team, produced double digit growth.

As we have done in the past, we provide a summary of industry news and highlights by segment. We try to look beyond the national headlines – which have focused on gaming expansion, online gaming, sports wagering and daily fantasy sports – to provide some regional headlines for specific casinos we track.

In addition to our publication and analysis, we are excited to announce the continued expansion of our gaming practice. Effective June 1, 2017, RubinBrown is expanding to Las Vegas, Nevada. We are excited for our new physical presence in the United States' gaming capital, which will provide us new opportunities to further our contributions to the gaming industry and provide down the street services to our Las Vegas clients.

As with every year, we welcome your feedback and inquiries for additional analysis. We have a deep passion for the industry and our team is always looking for an opportunity to talk 'gaming' – gaining insights and perspectives from others while also sharing our own. After all, this publication would not be possible without the support of the gaming industry's leaders, regulators and professionals that we are able to work with throughout the nation. We thank you for your continued support and we hope RubinBrown's *Gaming Statistics* continues to be a valuable tool to you and your respective teams.

Sincerely,



Brandon Loeschner



Daniel Holmes



UNITED STATES GAMING INDUSTRY OVERVIEW

(Originally published in the April 2017 issue of Casino Journal)

U.S. gaming surpasses \$73 billion in annual revenues; commercial gaming lags in growth; iGaming achieves breakeven

In 2016, the United States gaming industry generated \$73.1 billion, growing at an annual rate of 2.0%.

For purposes of this annual analysis, the United States gaming industry includes the following four segments: commercial casinos, tribal gaming, limited stakes gaming and iGaming. The United States gaming industry represents over 1,000 brick-and-mortar casinos located across 40 states, over 15,000 bars, restaurants and truck stops offering limited stakes gaming across 6 states, and 9 iGaming operators.

During 2016, the overall gaming industry's growth rate fell below the national inflation rate of 2.1%; however, three of the four industry segments produced growth in excess of inflation. Commercial casinos continue to be the industry's leading segment, as they represent more than 50% of both the annual revenues and number of casinos. The slow growth produced within the commercial casino segment ultimately lowered the collective industry's growth rate below the national inflation rate.

The following summarizes the 2016 performance of each gaming segment and what can be expected in the near term.

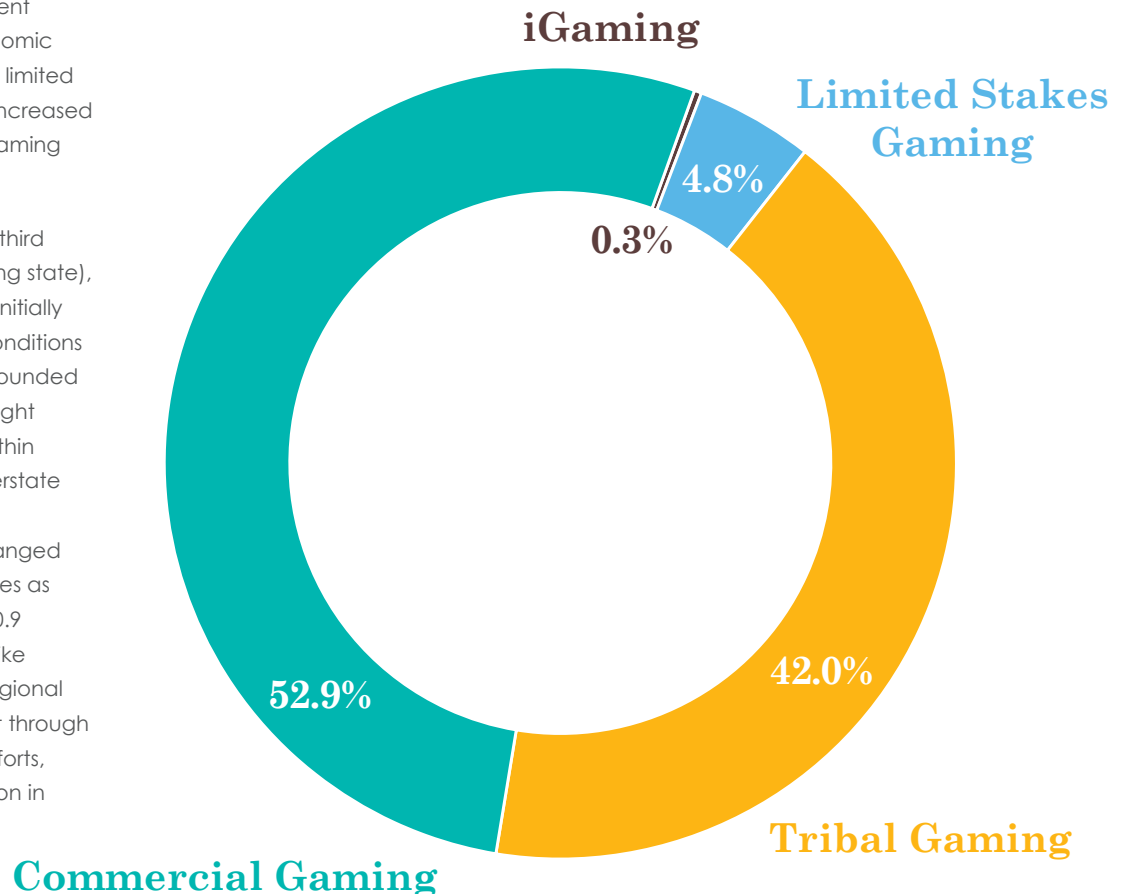
Commercial Gaming

During 2016, the commercial gaming segment generated \$38.7 billion, growing at a rate of 0.9%. Overall the industry segment represents 24 states and 581 casinos.

The low growth seen within the commercial casino segment was driven by weak economic conditions in key markets, limited expansion activities and increased competition from other gaming segments.

Specific to Louisiana (the third largest commercial gaming state), depressed energy prices initially led to weak economic conditions which were further compounded with the devastation brought by the August flooding within the Baton Rouge and Interstate 10 markets. The impact of these external factors changed Louisiana's gaming fortunes as revenue declined by \$110.9 million or 4.2% in 2016. Unlike prior years, where poor regional performances were offset through new market expansion efforts, there was limited expansion in

PERCENTAGE OF GAMING REVENUES BY GAMING SEGMENT



UNITED STATES GAMING INDUSTRY OVERVIEW

2016. The most noteworthy new casino development was the opening of MGM's National Harbor Casino; however, the opening had minimal impact on revenues given its December 2016 opening date.

Further compounding the challenges facing commercial gaming was the increased competition from the limited stakes industry segment. Illinois' commercial casinos continue to see year-over-year declines in revenues, declining 1.7% in 2016, as the state's casinos adapt to the introduction of almost 24,000 limited stakes gaming machines.

Even though the growth produced in 2016 was modest, the commercial casino segment is expected to see a resurgence in growth. The growth will be led by the Northeast region, as new casinos in New York and Maryland will provide additional revenues to the overall industry. Beyond the 2017 casino openings, continued expansion in Massachusetts during 2018 and 2019 will further boost gaming revenues (and competition) for the Northeast region.

Tribal Gaming

In 2016, the tribal gaming industry segment generated an estimated \$30.7 billion, growing at a rate of 2.6%. The

continued growth marks the seventh consecutive year of growth for the industry segment. The industry segment represents over 240 independent sovereign nations which operate over 470 casinos.

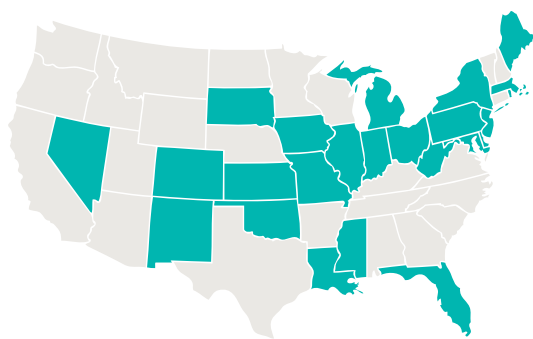
The tribal gaming segment will continue its increased growth trend for the foreseeable future as more tribal nations look to benefit from gaming expansion. For those nations with casinos, continued expansion will come from the development of resort-destination casinos, purchase of new lands or acquisition of commercial gaming entities.

Limited Stakes Gaming

In 2016, the limited stakes gaming industry segment generated \$3.5 billion, an increase of 7.1% when compared to 2015 revenues. The increase in gaming revenues was primarily driven by the continued proliferation of limited stakes gaming throughout Illinois, which saw limited stakes gaming revenues increase by \$194.6 million or 21.3%.

Future growth within the segment will be limited, as the Illinois expansion efforts are beginning to reach a point of market saturation. In the past four years, Illinois has seen the introduction of almost 24,000 gaming machines across

Commercial Gaming

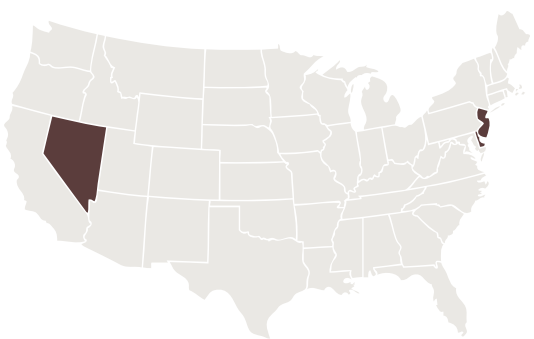


\$38.67B GAMING REVENUES  **0.9%**

24 STATES

581 CASINOS[†]

iGaming



\$0.21B iGAMING REVENUES  **32.1%**

3 STATES

9 OPERATORS[†]

5,700 locations. The ability to sustain the recent growth seen within the limited stakes gaming segment will remain contingent on continued expansion and legalization. At this point, the prospects for expansion appear most promising in Pennsylvania; however, competing interests makes the prospects of expansion less than a sure bet.

iGaming

The iGaming industry segment completed its third full year of operations in 2016 and generated an estimated \$212.2 million, growing at a rate of 32.1%. The growth in the online gaming segment was primarily attributed to increased player adoption and wagering within the state of New Jersey. Most notably, iGaming has been a complimentary form of gaming to the traditional brick-and-mortar New Jersey casino operators and increased the overall revenue base for the state.

While double digit growth is expected to continue for the New Jersey market, the ability to sustain long-term growth will remain contingent on the expansion of iGaming. Similar to limited stakes gaming, Pennsylvania appears to be the jurisdiction most likely to legalize iGaming. The state has the support of an existing operator, Rush Street Gaming (owners of Rivers Casino – Pittsburgh and Sugar House

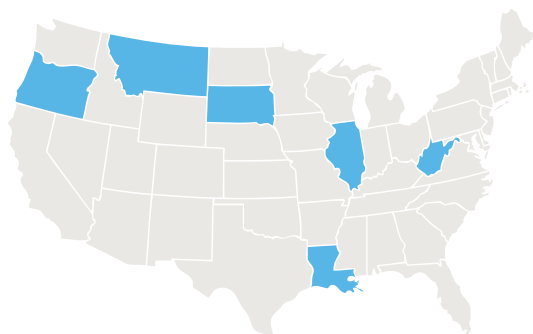
Casino – Philadelphia), which will go a long way in appeasing the various constituents involved in passing a gaming expansion law.

Overall Gaming Industry

Collectively, the United States gaming industry is poised for a year of growth. Recent expansion efforts and new casinos opening throughout Indian Country, New York and Massachusetts will yield positive growth for the industry. Looking beyond existing casino projects, the efforts to further legalize gaming are being debated throughout state governments nationwide with the most notable expansion efforts being debated in Georgia, Florida and Pennsylvania.

Beyond traditional gaming expansion, the industry is witnessing a surge in innovation and product development. The expansion of e-sports onto casino floors (Downtown Grand in Las Vegas), emergence of regulated fantasy sports wagering (FanDuel and Draft Kings), and introduction of skill-based games (Gambliit gaming) all bring new complimentary forms of wagering to casinos. The ability for casinos to keep pace with the speed of innovation will be critical for the continued long-term success of the industry.

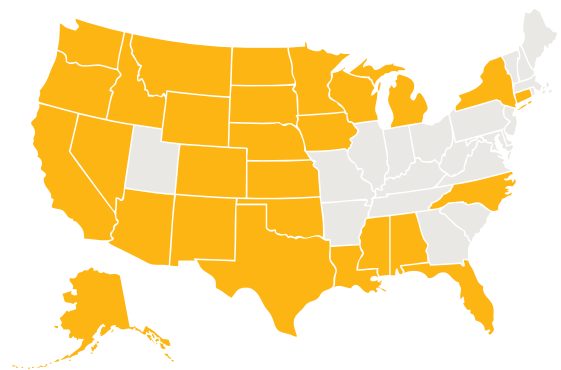
Limited Stakes Gaming



\$3.52B GAMING REVENUES  **7.1%**

6 STATES[†] 15,483 LOCATIONS


Tribal Gaming



\$30.67B GAMING REVENUES  **2.6%**

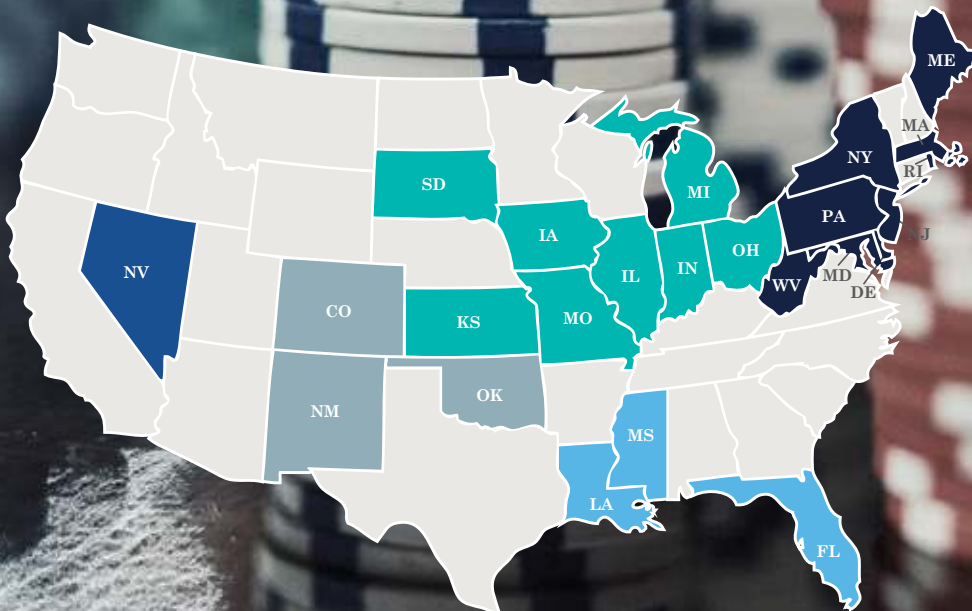
28 STATES 474+ CASINOS

2016 COMMERCIAL GAMING REVENUES

\$38.67B  **0.9%**

\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$ **52.9%**

ALL 2016 GAMING REVENUES



COMMERCIAL GAMING

In 2016, the commercial gaming industry segment generated \$38.7 billion, up 0.9% from 2016. The revenue also established a new all-time high for commercial gaming, surpassing the \$38.3 billion generated in 2015. The commercial gaming segment consists of 581[†] casinos operating in 24 state gaming jurisdictions. When comparing the commercial gaming market to the overall industry, it accounts for 52.9% of the United States gaming industry.

During 2016, the commercial gaming segment's growth rate of 0.9% was the slowest growth rate of the four gaming industry segments and fell below the national inflation rate of 2.1%. The modest growth rate experienced by commercial gaming casinos was attributed to the following three drivers:

- The national inflation rate was 2.1% in 2016, limiting the prospects of overall growth through inflationary increases in consumer spending habits.
- The industry did not experience any large new market expansion activities. The most noteworthy expansion activity, impacting revenues, was the Plainridge Park Casino operating for a full twelve calendar months, after opening in June 2015.
- The market experienced significant declines in both the Louisiana and Illinois markets, which rank as the third and eleventh largest commercial gaming jurisdictions, respectively. The \$110.9 million decline in Louisiana gaming revenues was attributed to the catastrophic flooding occurring in August 2016 combined with low energy prices leading to weak economic growth and less discretionary spending. The Illinois revenue decline of \$24.6 million was attributed to increased cannibalization from limited stakes gaming.

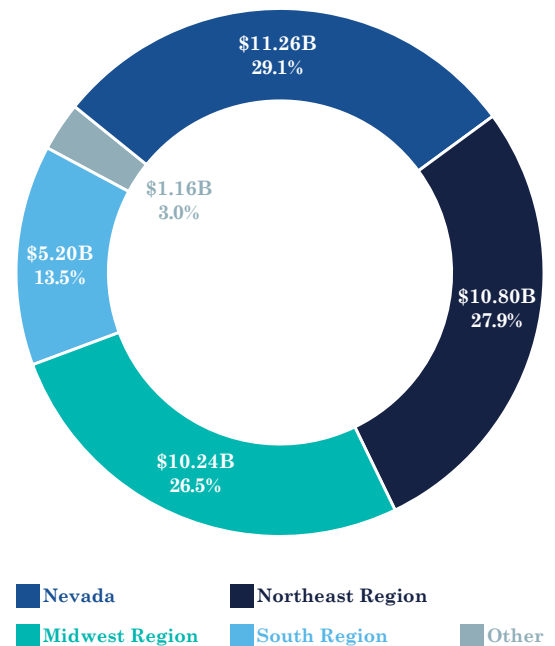
While growth was limited in 2016, the prospects for increased revenues are strong for 2017. During 2017, the gaming industry will see several notable expansion efforts with the majority occurring within the northeastern United States. The most notable expansion efforts impacting 2017 revenues will include the opening of MGM National Harbor, which occurred in late 2016, and the opening of full-scale casinos throughout New York.

On December 8, 2016, MGM National Harbor opened along the southern side of the Washington D.C. beltway (I-495) across the Potomac River from Alexandria, Virginia. The casino is expected to generate more than \$500 million in the first year of operations (equal to 1.2% of the current commercial gaming industry). While the casino will cannibalize some existing gaming revenues generated by the Hollywood Casino at Charles Town Races, Maryland Live! and Horseshoe Baltimore casinos, it will provide an overall boost in gaming revenues.

The state of New York will benefit from Tioga Downs' conversion to a full-scale casino in late 2016 and the opening of two full-scale casinos in the first quarter of 2017. The new casinos will offer both slot machines and table games and are expected to bring in more than \$300 million in additional gaming revenues.

Looking beyond 2017, the industry will see growth from the Massachusetts market as the MGM Springfield and Wynn Everett (Boston) open in 2018 and 2019. Additional market expansion efforts will be contingent on action of state governments, as gaming expansion bills are being evaluated in Georgia, Florida, Illinois and Pennsylvania.

GAMING REVENUES BY REGION



[†] see statistical note on page 29

COMMERCIAL GAMING REVENUES

NEVADA									
NEVADA	\$11,256.34M	GAMING REVENUE	▲ 1.3%	334	CASINO OPERATIONS	\$\$\$\$\$	29.1%	COMMERCIAL GAMING REVENUES	15.4% ALL GAMING REVENUES
NORTHEAST REGION									
DELAWARE	\$400.57M	GAMING REVENUE	▼ -1.9%	3	CASINO OPERATIONS	\$\$\$\$\$	1.0%	COMMERCIAL GAMING REVENUES	0.5% ALL GAMING REVENUES
MAINE	\$133.12M	GAMING REVENUE	▲ 2.6%	2	CASINO OPERATIONS	\$\$\$\$\$	0.4%	COMMERCIAL GAMING REVENUES	0.2% ALL GAMING REVENUES
MARYLAND	\$1,203.29M	GAMING REVENUE	▲ 9.5%	6	CASINO OPERATIONS	\$\$\$\$\$	3.1%	COMMERCIAL GAMING REVENUES	1.6% ALL GAMING REVENUES
MASSACHUSETTS	\$155.04M	GAMING REVENUE	▲ 75.7%	1	CASINO OPERATION	\$\$\$\$\$	0.4%	COMMERCIAL GAMING REVENUES	0.2% ALL GAMING REVENUES
NEW JERSEY	\$2,406.01M	GAMING REVENUE	▼ -0.3%	7	CASINO OPERATIONS	\$\$\$\$\$	6.2%	COMMERCIAL GAMING REVENUES	3.3% ALL GAMING REVENUES
NEW YORK	\$2,017.69M	GAMING REVENUE	▲ 3.4%	10	CASINO OPERATIONS	\$\$\$\$\$	5.2%	COMMERCIAL GAMING REVENUES	2.8% ALL GAMING REVENUES
PENNSYLVANIA	\$3,213.42M	GAMING REVENUE	▲ 1.2%	12	CASINO OPERATIONS	\$\$\$\$\$	8.3%	COMMERCIAL GAMING REVENUES	4.4% ALL GAMING REVENUES
RHODE ISLAND	\$619.11M	GAMING REVENUE	▲ 0.5%	2	CASINO OPERATIONS	\$\$\$\$\$	1.6%	COMMERCIAL GAMING REVENUES	0.8% ALL GAMING REVENUES
WEST VIRGINIA	\$655.72M	GAMING REVENUE	▼ -4.6%	5	CASINO OPERATIONS	\$\$\$\$\$	1.7%	COMMERCIAL GAMING REVENUES	0.9% ALL GAMING REVENUES
MIDWEST REGION									
ILLINOIS	\$1,413.48M	GAMING REVENUE	▼ -1.7%	10	CASINO OPERATIONS	\$\$\$\$\$	3.7%	COMMERCIAL GAMING REVENUES	1.9% ALL GAMING REVENUES
INDIANA	\$2,124.78M	GAMING REVENUE	▼ -0.8%	13	CASINO OPERATIONS	\$\$\$\$\$	5.5%	COMMERCIAL GAMING REVENUES	2.9% ALL GAMING REVENUES
IOWA	\$1,445.30M	GAMING REVENUE	▲ 1.5%	19	CASINO OPERATIONS	\$\$\$\$\$	3.7%	COMMERCIAL GAMING REVENUES	2.0% ALL GAMING REVENUES
KANSAS	\$364.33M	GAMING REVENUE	▼ -0.9%	3	CASINO OPERATIONS	\$\$\$\$\$	0.9%	COMMERCIAL GAMING REVENUES	0.5% ALL GAMING REVENUES
MICHIGAN	\$1,385.61M	GAMING REVENUE	▲ 0.7%	3	CASINO OPERATIONS	\$\$\$\$\$	3.6%	COMMERCIAL GAMING REVENUES	1.9% ALL GAMING REVENUES
MISSOURI	\$1,715.01M	GAMING REVENUE	▲ 0.8%	13	CASINO OPERATIONS	\$\$\$\$\$	4.4%	COMMERCIAL GAMING REVENUES	2.3% ALL GAMING REVENUES
OHIO	\$1,691.44M	GAMING REVENUE	▲ 2.9%	11	CASINO OPERATIONS	\$\$\$\$\$	4.4%	COMMERCIAL GAMING REVENUES	2.3% ALL GAMING REVENUES
SOUTH DAKOTA	\$104.66M	GAMING REVENUE	▼ -3.4%	29	CASINO OPERATIONS	\$\$\$\$\$	0.3%	COMMERCIAL GAMING REVENUES	0.1% ALL GAMING REVENUES
SOUTH REGION									
FLORIDA	\$545.95M	GAMING REVENUE	▲ 2.3%	8	CASINO OPERATIONS	\$\$\$\$\$	1.4%	COMMERCIAL GAMING REVENUES	0.7% ALL GAMING REVENUES
LOUISIANA	\$2,537.61M	GAMING REVENUE	▼ -4.2%	20	CASINO OPERATIONS	\$\$\$\$\$	6.6%	COMMERCIAL GAMING REVENUES	3.5% ALL GAMING REVENUES
MISSISSIPPI	\$2,120.06M	GAMING REVENUE	▲ 1.1%	28	CASINO OPERATIONS	\$\$\$\$\$	5.5%	COMMERCIAL GAMING REVENUES	2.9% ALL GAMING REVENUES
OTHER									
COLORADO	\$810.79M	GAMING REVENUE	▲ 2.6%	35	CASINO OPERATIONS	\$\$\$\$\$	2.1%	COMMERCIAL GAMING REVENUES	1.1% ALL GAMING REVENUES
NEW MEXICO	\$232.37M	GAMING REVENUE	▼ -9.2%	5	CASINO OPERATIONS	\$\$\$\$\$	0.6%	COMMERCIAL GAMING REVENUES	0.3% ALL GAMING REVENUES
OKLAHOMA	\$113.31M	GAMING REVENUE	▲ 0.2%	2	CASINO OPERATIONS	\$\$\$\$\$	0.3%	COMMERCIAL GAMING REVENUES	0.2% ALL GAMING REVENUES

NEVADA

\$7,163.16M EGD REVENUE  2.3%\$134.22
REVENUE PER
EGD PER DAY

\$3,829.11M TABLE GAMES REVENUE NO CHANGE

\$1,884.72
REVENUE PER
TG PER DAY

NEVADA

NORTHEAST REGION

\$346.01M EGD REVENUE  -1.6%\$146.76
REVENUE PER
EGD PER DAY\$52.65M TABLE GAMES REVENUE  0.2%\$1,274.94
REVENUE PER
TG PER DAY

DELAWARE

\$108.35M EGD REVENUE  1.9%\$180.99
REVENUE PER
EGD PER DAY\$24.77M TABLE GAMES REVENUE  5.7%\$1,538.19
REVENUE PER
TG PER DAY

MAINE

\$765.92M EGD REVENUE  6.5%\$240.88
REVENUE PER
EGD PER DAY\$437.37M TABLE GAMES REVENUE  15.3%\$2,728.31
REVENUE PER
TG PER DAY

MARYLAND

\$155.04M EGD REVENUE  75.7%\$345.81
REVENUE PER
EGD PER DAY

STATE LIMITED TO SLOTS-ONLY FACILITIES

MASSACHUSETTS

\$1,712.28M EGD REVENUE  -1.1%\$288.16
REVENUE PER
EGD PER DAY\$693.73M TABLE GAMES REVENUE  1.6%\$1,636.95
REVENUE PER
TG PER DAY

NEW JERSEY

\$2,016.92M EGD REVENUE  3.4%\$301.74
REVENUE PER
EGD PER DAY

\$0.77M TABLE GAMES REVENUE n/a

\$732.54
REVENUE PER
TG PER DAY

NEW YORK

\$2,360.18M EGD REVENUE  -0.2%\$243.37
REVENUE PER
EGD PER DAY\$853.24M TABLE GAMES REVENUE  5.6%\$1,197.39
REVENUE PER
TG PER DAY

PENNSYLVANIA

\$484.06M EGD REVENUE  -3.5%\$247.02
REVENUE PER
EGD PER DAY\$135.05M TABLE GAMES REVENUE  18.0%\$3,265.35
REVENUE PER
TG PER DAY

RHODE ISLAND

\$531.20M EGD REVENUE  -3.9%\$250.65
REVENUE PER
EGD PER DAY\$124.53M TABLE GAMES REVENUE  -7.5%\$1,188.24
REVENUE PER
TG PER DAY

WEST VIRGINIA

MIDWEST REGION

\$1,118.65M EGD REVENUE  -3.6%\$301.31
REVENUE PER
EGD PER DAY\$294.83M TABLE GAMES REVENUE  6.1%\$2,700.21
REVENUE PER
TG PER DAY

ILLINOIS

\$1,801.12M EGD REVENUE  -0.3%\$254.15
REVENUE PER
EGD PER DAY\$323.65M TABLE GAMES REVENUE  -3.5%\$1,291.57
REVENUE PER
TG PER DAY

INDIANA

\$1,298.42M EGD REVENUE  1.3%\$206.46
REVENUE PER
EGD PER DAY\$146.87M TABLE GAMES REVENUE  3.4%\$793.99
REVENUE PER
TG PER DAY

IOWA

\$312.67M EGD REVENUE  -0.9%\$185.96
REVENUE PER
EGD PER DAY\$51.66M TABLE GAMES REVENUE  -1.1%\$993.95
REVENUE PER
TG PER DAY

KANSAS

EGD REVENUE NOT REPORTED

TABLE GAMES REVENUE NOT REPORTED

MICHIGAN

\$1,477.20M EGD REVENUE  -0.1%\$229.60
REVENUE PER
EGD PER DAY\$237.81M TABLE GAMES REVENUE  6.5%\$1,284.12
REVENUE PER
TG PER DAY

MISSOURI

\$1,428.02M EGD REVENUE  3.4%\$209.69
REVENUE PER
EGD PER DAY\$263.42M TABLE GAMES REVENUE  0.4%\$1,662.22
REVENUE PER
TG PER DAY

OHIO

\$92.65M EGD REVENUE  -4.4%\$79.55
REVENUE PER
EGD PER DAY\$12.01M TABLE GAMES REVENUE  4.9%\$310.35
REVENUE PER
TG PER DAY

SOUTH DAKOTA

SOUTH REGION

\$545.95M EGD REVENUE  2.3%\$191.83
REVENUE PER
EGD PER DAY

STATE LIMITED TO SLOTS-ONLY FACILITIES

FLORIDA

EGD REVENUE NOT REPORTED

TABLE GAMES REVENUE NOT REPORTED

LOUISIANA

\$1,740.13M EGD REVENUE  -1.0%\$169.20
REVENUE PER
EGD PER DAY\$379.93M TABLE GAMES REVENUE  12.2%\$1,282.34
REVENUE PER
TG PER DAY

MISSISSIPPI

OTHER

\$709.93M EGD REVENUE  2.2%\$146.93
REVENUE PER
EGD PER DAY\$100.86M TABLE GAMES REVENUE  6.0%\$897.14
REVENUE PER
TG PER DAY

COLORADO

\$232.37M EGD REVENUE  -9.2%\$216.91
REVENUE PER
EGD PER DAY

STATE LIMITED TO SLOTS-ONLY FACILITIES

NEW MEXICO

\$113.31M EGD REVENUE  0.2%NUMBER OF EGDs
NOT REPORTED ON
MONTHLY BASIS

STATE LIMITED TO SLOTS-ONLY FACILITIES

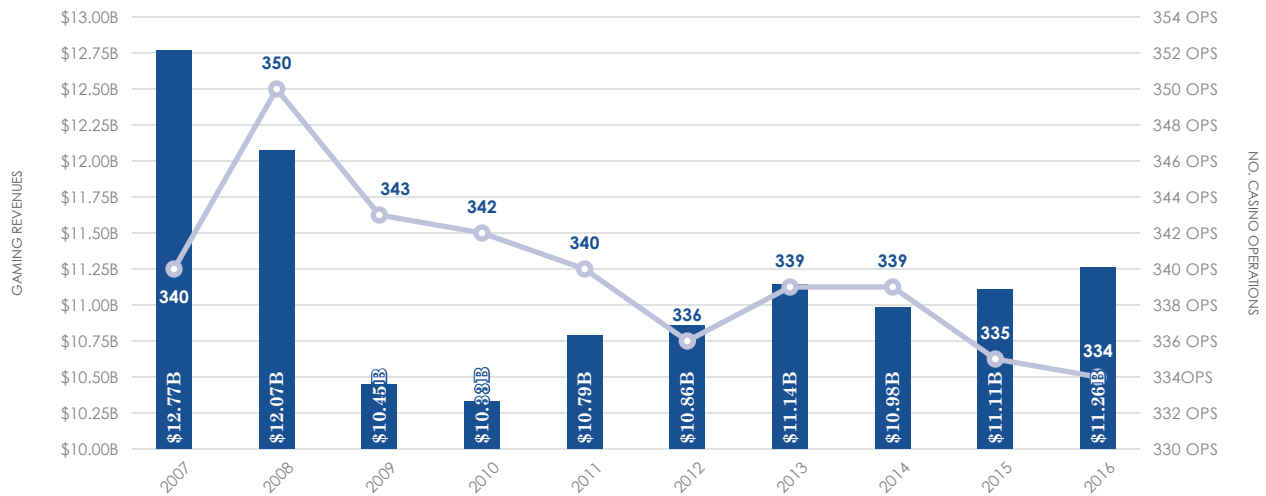
OKLAHOMA

EGD = Electronic Gaming Devices

TG = Table Games

STATE GAMING TAX REVENUES

NEVADA						7.8%	EFFECTIVE TAX RATE
NEVADA	1931	GAMING LEGALIZED 7.8% EFFECTIVE TAX RATE	GRADUATED TAX RATE: 3.5% - 6.75% (PLUS ADMINISTRATIVE FEES)	\$879.29M	GAMING TAX REVENUE	↓	-3.1%
NORTHEAST REGION						36.8%	EFFECTIVE TAX RATE
DELAWARE	1994	GAMING LEGALIZED 38.6% EFFECTIVE TAX RATE	BLENDED TAX RATE: 59.5% EGD & 33.9% TABLE GAMES	\$154.80M	GAMING TAX REVENUE	↓	-2.8%
MAINE	2004	GAMING LEGALIZED 40.1% EFFECTIVE TAX RATE	CASINOS BLENDED TAX RATE: 46.0% EGD & 16.0% TABLE GAMES RACINOS BLENDED TAX RATE: 40.0% EGD & 16.0% TABLE GAMES	\$53.39M	GAMING TAX REVENUE	↑	2.3%
MARYLAND	2008	GAMING LEGALIZED 44.1% EFFECTIVE TAX RATE	BLENDED TAX RATE: 50.0%, 57.0% or 67.0% EGD & 20.0% TABLE GAMES	\$531.06M	GAMING TAX REVENUE	↑	5.0%
MASSACHUSETTS	2011	GAMING LEGALIZED 40.0% EFFECTIVE TAX RATE	SLOTS ONLY CACINOS BLENDED TAX RATE: 49.0% RESORT CASINOS STRAIGHT-LINE TAX RATE: 25.0% (ONCE OPEN)	\$62.02M	GAMING TAX REVENUE	↑	75.7%
NEW JERSEY	1976	GAMING LEGALIZED 8.8% EFFECTIVE TAX RATE	STRAIGHT-LINE TAX RATE: 8.0% OR 10.25%	\$210.79M	GAMING TAX REVENUE	↑	1.1%
NEW YORK	2001	GAMING LEGALIZED 45.6% EFFECTIVE TAX RATE	STRAIGHT-LINE TAX RATE: 64.0%	\$919.73M	GAMING TAX REVENUE	↑	3.5%
PENNSYLVANIA	2004	GAMING LEGALIZED 43.2% EFFECTIVE TAX RATE	BLENDED TAX RATE: 55.0% EGD & 16.0% TABLE GAMES	\$1,387.83M	GAMING TAX REVENUE	↑	0.6%
RHODE ISLAND	1992	GAMING LEGALIZED 51.6% EFFECTIVE TAX RATE	BLENDED TAX RATE: 60.0% EGD & 18.0% TABLE GAMES	\$319.32M	GAMING TAX REVENUE	↓	-0.7%
WEST VIRGINIA	1994	GAMING LEGALIZED 51.4% EFFECTIVE TAX RATE	RACINOS BLENDED TAX RATE: 54.9% EGD & 35.0% TABLE GAMES HISTORIC RESORTS TAX RATE: 57.7% EGD & 35.0% TABLE GAMES	\$337.19M	GAMING TAX REVENUE	↓	-3.2%
MIDWEST REGION						27.1%	EFFECTIVE TAX RATE
ILLINOIS	1990	GAMING LEGALIZED 33.7% EFFECTIVE TAX RATE	GRADUATED TAX RATE: 15.0% - 50.0% (PLUS \$2-3 ADMISSION FEE PER PATRON PER DAY)	\$476.01M	GAMING TAX REVENUE	↓	-2.5%
INDIANA	1993	GAMING LEGALIZED 28.1% EFFECTIVE TAX RATE	RIVERBOAT GRADUATED TAX RATE: 5.0% - 40.0% (PLUS \$3 ADMISSION FEE PER PATRON PER DAY) RACINOS GRADUATED TAX RATE: 25.0% - 35.0%	\$597.37M	GAMING TAX REVENUE	↓	-1.8%
IOWA	1989	GAMING LEGALIZED 22.0% EFFECTIVE TAX RATE	CASINOS GRADUATED TAX RATE: 5.0% - 22.0% RACINOS GRADUATED TAX RATE: 22.0% OR 24.0%	\$317.45M	GAMING TAX REVENUE	↑	2.5%
KANSAS	2007	GAMING LEGALIZED 26.7% EFFECTIVE TAX RATE	STRAIGHT-LINE TAX RATE: 27.0%	\$97.38M	GAMING TAX REVENUE	↓	-1.9%
MICHIGAN	1996	GAMING LEGALIZED 19.0% EFFECTIVE TAX RATE	STRAIGHT-LINE TAX RATE: 19.0%	\$263.27M	GAMING TAX REVENUE	↑	0.7%
MISSOURI	1993	GAMING LEGALIZED 26.0% EFFECTIVE TAX RATE	STRAIGHT-LINE TAX RATE: 21.0% (PLUS \$2 ADMISSION FEE PER PATRON PER 2 HOURS)	\$445.23M	GAMING TAX REVENUE	↑	0.3%
OHIO	2009	GAMING LEGALIZED 33.4% EFFECTIVE TAX RATE	CASINOS STRAIGHT-LINE TAX RATE: 33.0% RACINOS STRAIGHT-LINE TAX RATE: 33.5%	\$565.24M	GAMING TAX REVENUE	↑	3.0%
SOUTH DAKOTA	1989	GAMING LEGALIZED 15.0% EFFECTIVE TAX RATE	STRAIGHT-LINE TAX RATE: 8.0% (PLUS \$2,000 ANNUAL FEE PER GAMING DEVICE)	\$15.74M	GAMING TAX REVENUE	↓	-1.4%
SOUTH REGION						19.8%	EFFECTIVE TAX RATE
FLORIDA	2006	GAMING LEGALIZED 35.1% EFFECTIVE TAX RATE	STRAIGHT-LINE TAX RATE: 35.0%	\$191.68M	GAMING TAX REVENUE	↑	3.2%
LOUISIANA [†]	1991	GAMING LEGALIZED 23.1% EFFECTIVE TAX RATE	CASINOS STRAIGHT-LINE TAX RATE: 21.5% [†] RACINOS STRAIGHT-LINE TAX RATE: 33.17%	\$585.78M	GAMING TAX REVENUE	↓	-4.9%
MISSISSIPPI	1990	GAMING LEGALIZED 12.0% EFFECTIVE TAX RATE	GRADUATED TAX RATE AND VARIES BY LOCATION: 4.4 % - 12.0% (PLUS ADMINISTRATIVE FEES)	\$253.91M	GAMING TAX REVENUE	↑	0.6%
OTHER						17.0%	EFFECTIVE TAX RATE
COLORADO	1990	GAMING LEGALIZED 14.5% EFFECTIVE TAX RATE	GRADUATED TAX RATE: 0.25% - 20.0%	\$117.48M	GAMING TAX REVENUE	↑	3.2%
NEW MEXICO	1997	GAMING LEGALIZED 26.0% EFFECTIVE TAX RATE	RACINOS STRAIGHT-LINE TAX RATE: 26.0%	\$60.42M	GAMING TAX REVENUE	↓	-9.2%
OKLAHOMA	2004	GAMING LEGALIZED 16.2% EFFECTIVE TAX RATE	RACINOS GRADUATED TAX RATE: 10.0% - 30.0%	\$18.33M	GAMING TAX REVENUE	↑	0.4%



\$11.26B
GAMING REVENUE

↑
1.3%

***** **29.1%**
COMMERCIAL GAMING REVENUES
15.4% OF ALL GAMING REVENUES

63.6% REVENUE FROM ELECTRONIC GAMING DEVICES
34.0% REVENUE FROM TABLE GAMES
2.4% REVENUE FROM SPORTS WAGERING

334 CASINO
OPERATIONS

\$33.70M
AVERAGE REVENUE
PER CASINO

In 2016, the Nevada gaming market generated a 1.3% increase in revenues, which was greater than the nationwide increase of 0.9%. The Nevada gaming market remains 13.0% below the revenue peak established in 2007. While the growth in gaming revenues remains limited, Nevada continues to lead the nation in overall visitation.

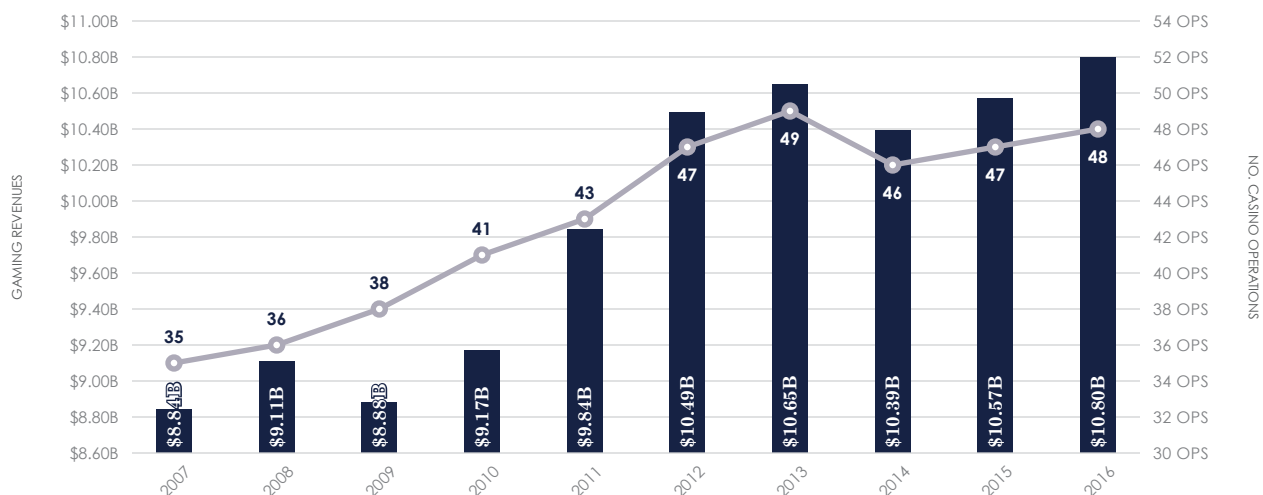
- **Las Vegas establishes a new visitation record.** In 2016, 42.9 million people visited the city, a 1.5% increase from 2015. Since 2007, overall visitor volume has increased 7.9%. While gaming revenues have not returned to pre-recession levels, the Las Vegas Strip's hotels are once again enjoying occupancy rates of 90% with the average daily room rate up 4.5% from 2015.
- **Downtown Grand first to take bets on e-sports.** In November 2016, the Downtown Grand Hotel and Casino received permission to take bets on e-sports matches. This follows Downtown Grand's actions in early 2016 to open an e-sports lounge, which best compares to a nightclub for e-sports.

TOP 10 NEVADA MARKETS

(revenue increased in 9 of 10 markets in 2016)

LAS VEGAS STRIP	#1 NATIONAL RANK
\$6,376.04M GAMING REVENUE	↑ 0.4%
BOULDER STRIP	#11 NATIONAL RANK
\$788.08M GAMING REVENUE	↑ 0.5%
RENO / SPARKS	#14 NATIONAL RANK
\$723.46M GAMING REVENUE	↑ 4.2%
LAS VEGAS DOWNTOWN	#21 NATIONAL RANK
\$564.64M GAMING REVENUE	↑ 4.2%
LAUGHLIN	#25 NATIONAL RANK
\$472.43M GAMING REVENUE	↑ 1.1%
NORTH LAS VEGAS	#34 NATIONAL RANK
\$275.25M GAMING REVENUE	↑ 1.5%
LAKE TAHOE	#36 NATIONAL RANK
\$242.79M GAMING REVENUE	↑ 5.3%
WENDOVER	#41 NATIONAL RANK
\$175.84M GAMING REVENUE	↑ 0.3%
MESQUITE	#49 NATIONAL RANK
\$117.72M GAMING REVENUE	↑ 3.2%
CARSON VALLEY	#51 NATIONAL RANK
\$100.40M GAMING REVENUE	↓ -0.4%

NORTHEAST REGION



\$10.80B
GAMING REVENUE

↑ 2.2%

***** 27.9%
COMMERCIAL GAMING REVENUES
14.8% OF ALL GAMING REVENUES

78.5% REVENUE FROM ELECTRONIC GAMING DEVICES
21.5% REVENUE FROM TABLE GAMES

48 CASINO
OPERATIONS

\$225.08M
AVERAGE REVENUE
PER CASINO

TOP 10 NORTHEAST REGION MARKETS

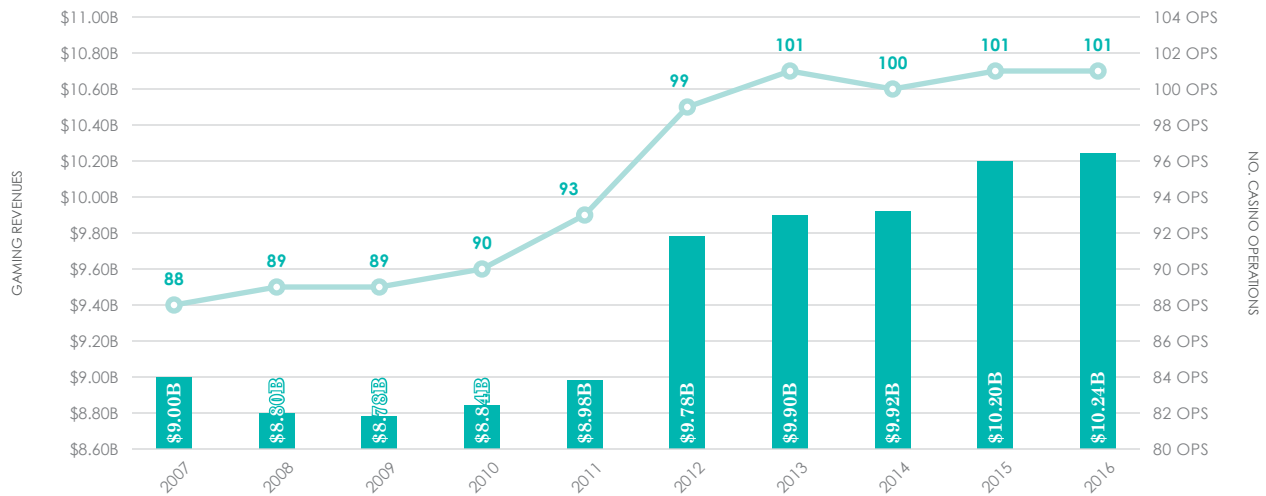
(revenue increased in 6 of 10 markets in 2016)

ATLANTIC CITY, NJ	#2 NATIONAL RANK
\$2,406.01M GAMING REVENUE	↓ -0.3%
NEW YORK CITY, NY	#4 NATIONAL RANK
\$1,446.28M GAMING REVENUE	↑ 4.1%
PHILADELPHIA, PA	#6 NATIONAL RANK
\$1,236.35M GAMING REVENUE	↑ 3.7%
WASHINGTON D.C. / BALTIMORE, MD	#7 NATIONAL RANK
\$1,094.69M GAMING REVENUE	↑ 9.9%
BETHLEHEM / SCRANTON, PA	#9 NATIONAL RANK
\$981.41M GAMING REVENUE	↑ 1.6%
PITTSBURGH, PA	#19 NATIONAL RANK
\$587.18M GAMING REVENUE	↓ -2.1%
PROVIDENCE, RI	#20 NATIONAL RANK
\$573.10M GAMING REVENUE	↑ 0.3%
CHARLESTON, WV	#29 NATIONAL RANK
\$370.28M GAMING REVENUE	↓ -3.3%
HARRISBURG, PA	#35 NATIONAL RANK
\$244.25M GAMING REVENUE	↓ -2.4%
SARATOGA, NY	#42 NATIONAL RANK
\$167.21M GAMING REVENUE	↑ 3.9%

The Northeast was the fastest growing regional gaming market in 2016. The region's gaming revenues increased by 2.2% in 2016. The growth continues to be spurred by gaming expansion in Maryland and Massachusetts which generated growth of approximately 10% and 75%, respectively, in 2016. However, the region's three-year compounded annual growth rate (CAGR) of 0.5% still lags behind the national average of 0.7%. In the coming years, there will be significant growth opportunities, as several Northeast states are evaluating expanded gaming outside of traditional brick-and-mortar casino gaming.

- **New Jersey sees growth in gaming revenues for the first time since 2006.** Revenues for New Jersey online gaming operators generated an increase of 32.1%, totaling \$196.7 million for 2016. When online gaming revenues are combined with the traditional brick-and-mortar gaming revenues, the state was able to report its first year-over-year revenue increase since 2006. Continued growth in online gaming is expected in 2017. Most notably, Caesars Entertainment has reported that the revenue from its online gaming platforms has not cannibalized its traditional revenue streams.
- **Pennsylvania considers extensive gaming expansion.** Pennsylvania lawmakers have filed legislation that aims to expand gaming in the state in a myriad of ways, including the legalization of online gaming. Additionally, the proposed expansion includes provisions for daily fantasy sports, skill-based gaming and tablet gaming at Pennsylvania international airports. Previous attempts at gaming expansion legislation have fallen flat due to the inclusion of provisions allowing video lottery terminals (VLTs) in establishments with liquor licenses. The current legislation has removed consideration of VLTs from the expansion package, but separate VLT legislation is still in the works for the state.

MIDWEST REGION



\$10.24B
GAMING REVENUE

↑
0.4%

***** **26.5%**
COMMERCIAL GAMING REVENUES
14.0% OF ALL GAMING REVENUES

85.0% REVENUE FROM ELECTRONIC GAMING DEVICES
15.0% REVENUE FROM TABLE GAMES

101 CASINO OPERATIONS

\$101.43M
AVERAGE REVENUE PER CASINO

In 2016, the Midwest gaming market generated a 0.4% increase in revenues. This represents the seventh consecutive year of revenue growth for the region. Further, the region has the second largest three-year compounded annual growth rate (CAGR) of 1.2%, which exceeds the national 3-year CAGR of 0.7%. The prospect for continued growth remains strong, as Illinois and Indiana are proposing additional casinos, and North Dakota explores the possibility of entering the commercial gaming market.

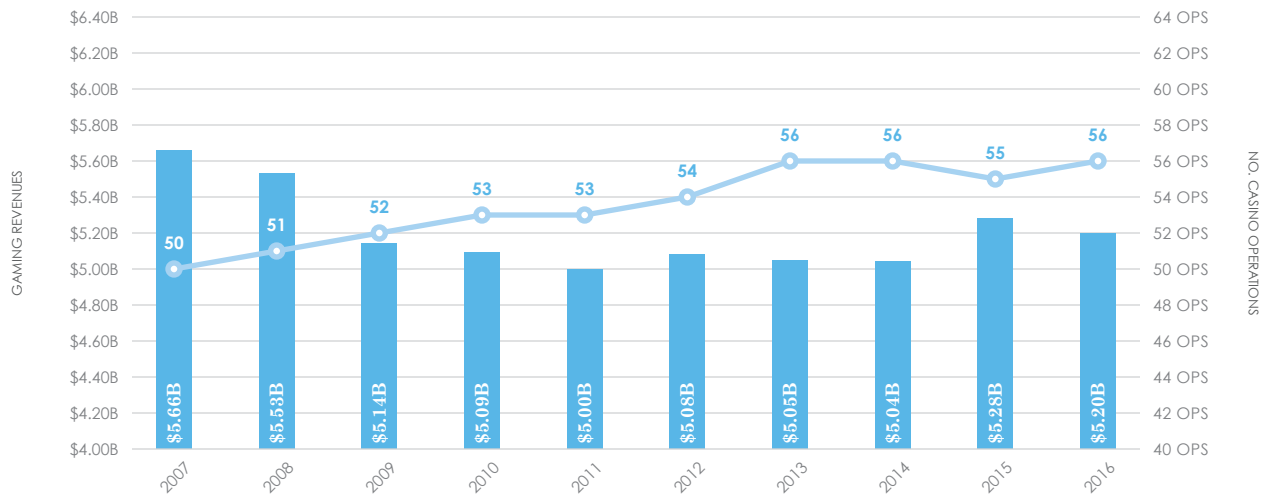
- **Illinois land-based gambling expansion bill provides for six new casinos.** In the first step towards additional commercial gaming expansion in the state, the Illinois Senate approved a bill that would authorize six new land-based casinos. The bill would permit a casino in the city of Chicago, as well as locations in Lake County, Rockford, Danville, Cook County and Williamson County. It is estimated that the new casinos would bring the state nearly \$1 billion in set-up fees. While gaming expansion has been rumored in Illinois since 2008, many see this year's efforts as being more probable given the state's continued budget constraints.
- **Detroit casinos' aggregate revenue rises slightly in 2016.** Revenue for the three Detroit area casinos totaled \$1.4 billion in 2016, which represents a 0.7% increase from 2015. The increases are attributable to the MGM Grand Detroit and MotorCity Casino Hotel, whose revenues increased 1.7% and 0.7%, respectively. These increases were offset by a 1.3% decline in Greektown Casino-Hotel's revenue. Detroit is home to both the nation's fifth largest commercial gaming market and fifth highest revenue producing casino – MGM Grand Detroit. MGM Grand Detroit is also the region's largest casino (by gaming revenues), as it generated gaming revenues of \$592.2 million in 2016.

TOP 10 MIDWEST REGION MARKETS

(revenue increased in 8 of 10 markets in 2016)

CHICAGO (IN & IL)	#3 NATIONAL RANK
\$1,927.42M GAMING REVENUE	↓ -2.1%
DETROIT, MI	#5 NATIONAL RANK
\$1,385.61M GAMING REVENUE	↑ 0.7%
ST. LOUIS (MO & IL)	#8 NATIONAL RANK
\$1,013.66M GAMING REVENUE	↑ 0.7%
KANSAS CITY (MO & KS)	#12 NATIONAL RANK
\$783.57M GAMING REVENUE	↑ 0.2%
CINCINNATI (OH & IN)	#13 NATIONAL RANK
\$725.62M GAMING REVENUE	↑ 2.4%
CLEVELAND, OH	#23 NATIONAL RANK
\$542.23M GAMING REVENUE	↑ 2.3%
CENTRAL INDIANA	#26 NATIONAL RANK
\$455.33M GAMING REVENUE	↑ 2.0%
SOUTHERN INDIANA	#27 NATIONAL RANK
\$437.78M GAMING REVENUE	↑ 0.8%
COUNCIL BLUFFS, IA	#28 NATIONAL RANK
\$416.22M GAMING REVENUE	↓ -0.8%
COLUMBUS, OH	#31 NATIONAL RANK
\$363.25M GAMING REVENUE	↑ 2.1%

SOUTH REGION



\$5.20B
GAMING REVENUE

↓ -1.4%

***** **13.5%**
COMMERCIAL GAMING REVENUES
7.1% OF ALL GAMING REVENUES

83.7% REVENUE FROM ELECTRONIC GAMING DEVICES
16.3% REVENUE FROM TABLE GAMES

56 CASINO OPERATIONS

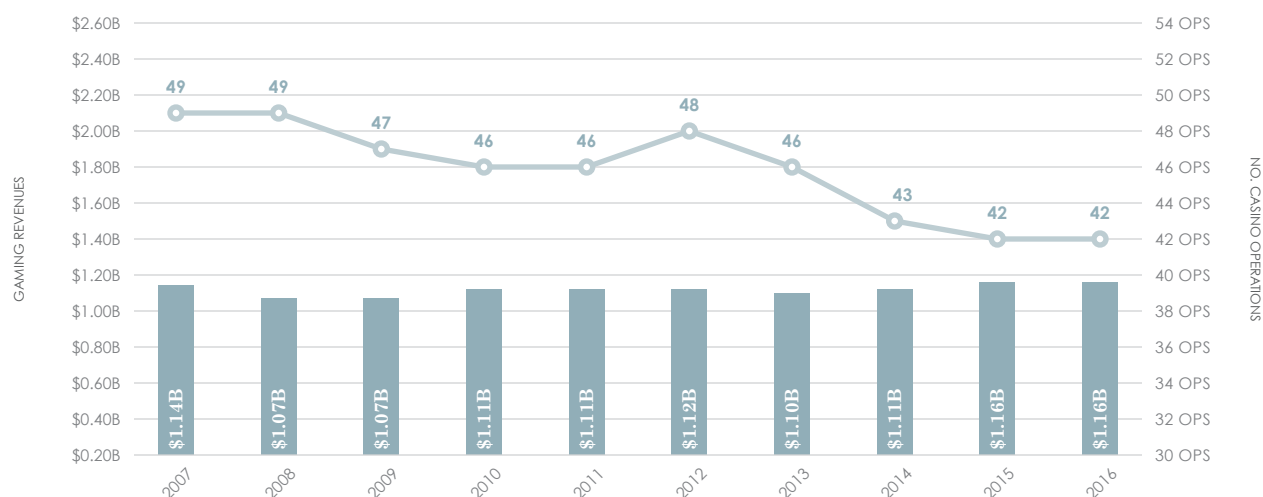
\$92.92M
AVERAGE REVENUE PER CASINO

TOP 8 SOUTH REGION MARKETS (revenue increased in 3 of 8 markets in 2016)

BILOXI, MS	#10 NATIONAL RANK
\$827.76M GAMING REVENUE	↓ -3.4%
LAKE CHARLES, LA	#15 NATIONAL RANK
\$711.11M GAMING REVENUE	↓ -1.5%
SHREVEPORT / BOSSIER CITY, LA	#16 NATIONAL RANK
\$688.65M GAMING REVENUE	↓ -6.0%
TUNICA / LULA, MS	#17 NATIONAL RANK
\$623.09M GAMING REVENUE	↓ -1.8%
MIAMI / FT. LAUDERDALE, FL	#22 NATIONAL RANK
\$545.95M GAMING REVENUE	↑ 2.3%
NEW ORLEANS, LA	#24 NATIONAL RANK
\$538.07M GAMING REVENUE	↓ -6.6%
BAY ST. LOUIS / GULFPORT, MS	#30 NATIONAL RANK
\$367.98M GAMING REVENUE	↑ 24.4%
BATON ROUGE, LA	#33 NATIONAL RANK
\$293.44M GAMING REVENUE	↑ 0.7%

Following its impressive 4.7% gaming revenue growth in 2015, the South gaming market experienced the largest commercial casino revenue decline in 2016, as regional gaming revenues fell by 1.4%. Florida and Mississippi experienced positive revenue growth in 2016, at 2.3% and 1.1%, respectively. However, Louisiana, which generates nearly 49% of the region's revenue, saw revenues decline by 4.2%. The decline in Louisiana revenues was primarily attributed to weak energy prices and August flooding which caused casino closures and devastation throughout the state. Considering Louisiana's relative weight in the regional market, the flooding dragged the regional revenue down in 2016.

- **In 2016, Louisiana created the Louisiana Riverboat Economic Development and Gaming Task Force.** The task force was established to study the existing laws, rules and regulations regarding riverboat gaming. The study is a response to increased competition from tribal casinos operating in Oklahoma and Mississippi. Although an official cited that there will be no new licenses for more casinos, the task force will serve as an investigatory and advisory unit for the industry for the first time in the riverboat gambling industry's 22-year history.
- **Florida continues to face an uphill battle to establish a gaming commission.** In four of the past five years, senators have proposed a bill that would create a statewide gaming commission, but each time the bill has died in early stages of the legislative process. As commercial casino expansion has occurred in other states, many of these states have set up an independent regulatory gaming commission to provide oversight into gaming operations. Florida lawmakers are expected to face gambling expansion bills again in 2017 that could further define the commercial gaming industry within the state.



\$1.16B
GAMING REVENUE

↓
-0.2%

***** 3.0%
COMMERCIAL GAMING REVENUES
1.6% OF ALL GAMING REVENUES

91.3% REVENUE FROM ELECTRONIC GAMING DEVICES
8.7% REVENUE FROM TABLE GAMES

42 CASINO
OPERATIONS

\$27.54M
AVERAGE REVENUE
PER CASINO

The Other gaming markets saw a year of mixed results in 2016. Colorado led the way with a 2.6% increase in revenues, while New Mexico saw a 9.2% decline. The Oklahoma gaming market stayed consistent, with a small increase of 0.2%. With the exception of New Mexico, the Other gaming market is starting to see a consistent upward trend and continues to exceed the revenues generated prior to the Great Recession in 2007.

- Colorado still experienced growth in 2016.** In 2016, the Colorado gaming market had total gaming revenue of \$810 million. Both Blackhawk and Cripple Creek saw individual growth of 2.3% and 2.6%, respectively. Both Cripple Creek and Black Hawk have made plans for expansion in 2017, which may result in even larger growth looking to 2017. In 2016, the Colorado gaming market increased at a rate of 2.6%, which was tied for the fifth highest growth rate among the 24 states offering commercial gaming, and was consistent with the growth rate experienced in 2015.
- New Mexico continued a downward trend.** In 2016, the New Mexico gaming market revenue decreased 9.2%. This continued a downward trend, following a decline in 2015 of 0.6%. This decline may be the result of a saturated market, with the state hosting tribal casinos, racinos and nonprofits. Commercial casinos in New Mexico are also at a disadvantage, as they are only operating with slot machines and no table games.

TOP 5 OTHER MARKETS

(revenue increased in 4 of 5 markets in 2016)

BLACKHAWK, CO	#18 NATIONAL RANK
\$609.75M GAMING REVENUE	▲ 2.3%
NEW MEXICO RACINOS	#37 NATIONAL RANK
\$232.37M GAMING REVENUE	▼ -9.2%
CRIPPLE CREEK, CO	#46 NATIONAL RANK
\$131.39M GAMING REVENUE	▲ 2.6%
OKLAHOMA RACINOS	#50 NATIONAL RANK
\$113.31M GAMING REVENUE	▲ 0.2%
CENTRAL CITY, CO	#60 NATIONAL RANK
\$69.65M GAMING REVENUE	▲ 5.1%

2016 iGAMING REVENUES

\$0.21B  **32.1%**

\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$ **0.3%**

ALL 2016 GAMING REVENUES



iGAMING

The United States iGaming industry segment completed its third full year of operations in 2016, generating an estimated \$212.2 million and growing at a rate of 32.1%. The growth in the online gaming segment was primarily attributed to increased player adoption and wagering within the state of New Jersey.

The legalized United States online gaming industry remained unchanged as it continues to be limited to three state jurisdictions that include Nevada, Delaware and New Jersey. Nevada is further limited to only offering online poker (peer to peer wagering). The prospects for new jurisdictions is a constant headline, as state governments see the potential expansion as a way to boost gaming tax revenues and overcome state budget gaps.

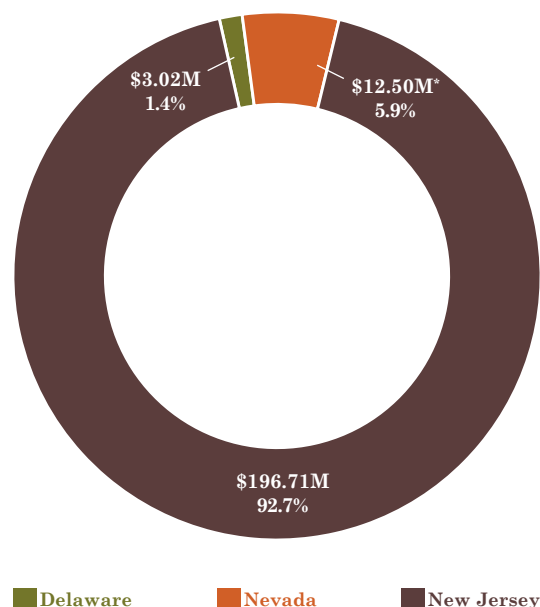
While the prospects of iGaming expansion remains contingent on state governments, the New Jersey online gaming model is serving as a proof of concept for those advocating for iGaming expansion. In 2016, the New Jersey gaming industry experienced its first year-over-year increase in gaming revenues (inclusive of both iGaming and casino revenues) since 2006, as overall revenues increased by \$39.2 million or 1.6%.

While the increase was modest and New Jersey continues to face an increase in commercial gaming competition, there were two key headlines to take away from New Jersey's iGaming market:

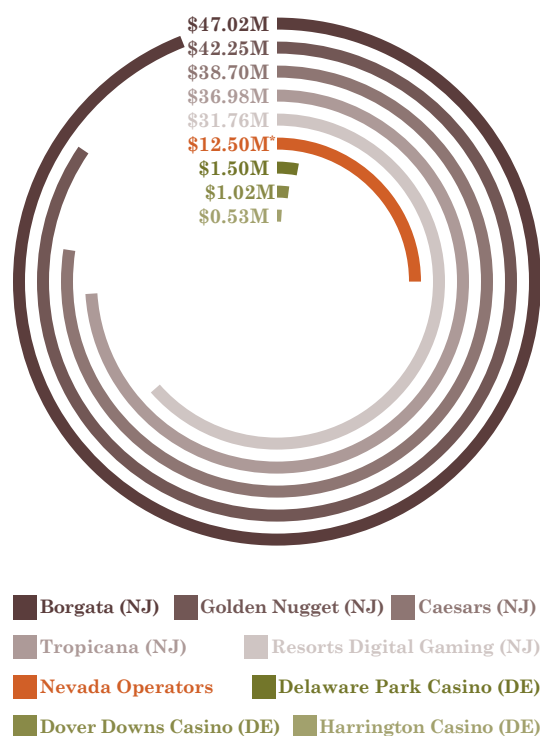
- Both Caesars Palace and the Golden Nugget Atlantic City have come out to debunk the myth of online gaming cannibalizing the brick-and-mortar gaming revenues. The Golden Nugget, New Jersey's second largest online gaming operator, stated that 89% of its online gaming customers were new customers, previously unknown to the brick-and-mortar casino operations.
- During the 2016 earnings release for Paddy Power / Betfair, the company announced that at the end of 2016, it was able to begin operating at breakeven earnings before interest, taxes, depreciation and amortization (EBITDA). This marked a significant milestone for the industry as it evidenced a single state operating model could still become profitable.

Looking forward, the iGaming segment will continue to see rapid growth in the short term as the New Jersey operators continue to refine their products and approach to the market. However, the long-term prospects of the industry will remain contingent on the expansion of the domestic iGaming markets.

GAMING REVENUES BY STATE



GAMING REVENUES BY OPERATOR†




iGAMING REVENUES

DELAWARE	\$3.02M	iGAMING REVENUE	▲ 66.6%	0.0% OF ALL GAMING REVENUES	12.5% REVENUE FROM POKER	3 OPERATORS
NEVADA	\$12.50M*	iGAMING REVENUE	▲ 25.0%	0.0% OF ALL GAMING REVENUES	100.0% REVENUE FROM POKER	2 OPERATORS†
NEW JERSEY	\$196.71M	iGAMING REVENUE	▲ 32.1%	0.3% OF ALL GAMING REVENUES	13.5% REVENUE FROM POKER	5 OPERATORS†

* ESTIMATED

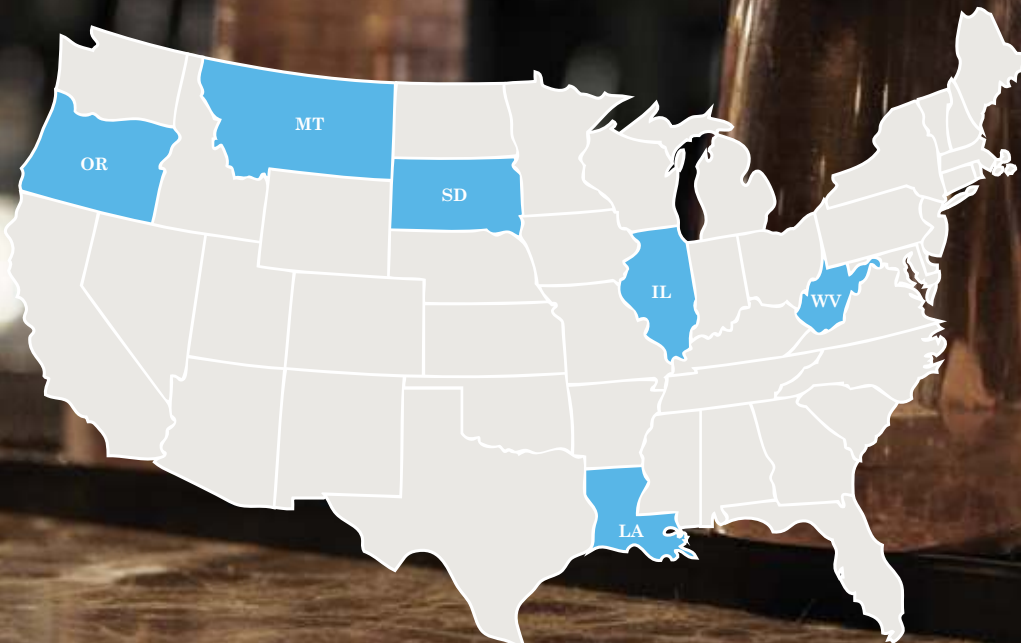
† see statistical note on page 29

2016 LIMITED STAKES GAMING REVENUES

\$3.52B  **7.1%**

\$\$\$\$\$\$\$\$\$**\$**\$\$\$\$\$\$\$ **4.8%**

ALL 2016 GAMING REVENUES



LIMITED STAKES GAMING

In 2016, the limited stakes gaming industry segment generated \$3.5 billion, an increase of 7.1% increase when compared to 2015 revenues. The increase in gaming revenues was primarily driven by the continued proliferation of limited stakes gaming throughout Illinois, which saw limited stakes gaming revenues increase by \$194.6 million or 21.3%.

During 2016, West Virginia and Louisiana were the only two states that experienced a decline revenues. West Virginia's decline is attributed to the state continuing to face both recessionary economic conditions from continued declines in the coal industry and increased competition from the Ohio and Maryland commercial gaming markets. Louisiana's decline is attributed to the impact of the August flooding bringing devastation to the Baton Rouge and Interstate 10 corridor.

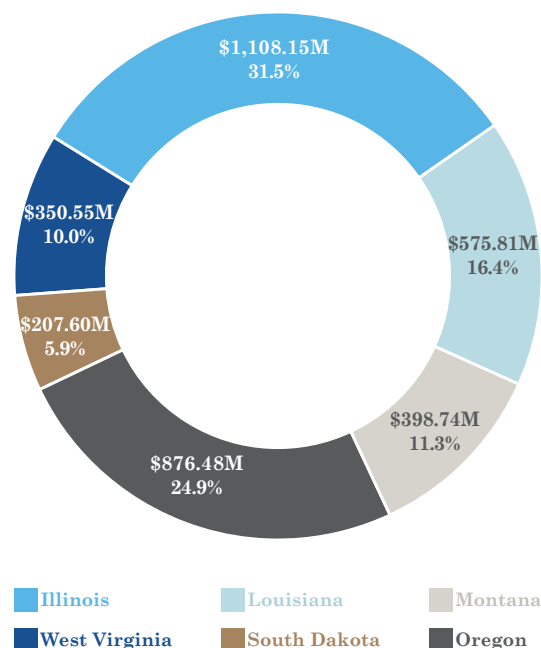
Focusing on Illinois' limited stakes industry growth, between September 2012 and December 2016, the Illinois market has seen the limited stakes industry grow from zero to encompassing more than 23,600 gaming machines and 5,700 locations. In 2016, the Illinois limited stakes gaming market produced over \$1.1 billion in gaming revenues and contributed \$332.4 million in tax revenues.

While Illinois' limited stakes market paints a picture of success, it also provides a warning to state legislatures seeking to duplicate Illinois' performance. The growth in limited stakes gaming has also led to a deterioration in Illinois commercial casinos.

In 2012, the Illinois commercial casino market included 10 casinos, generating \$1.64 billion revenue, operating more than 11,500 gaming positions and providing 7,671 jobs. At the end of 2016, all 10 casinos remained open; however, the operating performance declined statewide. Since 2012, gaming revenues from casinos declined 13.8%, translating into a \$98.3 million reduction in commercial casino tax dollars being generated in 2016. Furthermore, since 2012 the employment force serving Illinois' 10 casinos has declined by approximately 1,000 employees or 12.8%.

Illinois achieved its objectives of increasing overall gaming tax revenues (a net increase of \$234.1 million); however, the expansion has cannibalized a portion of the commercial gaming industry market. The story of Illinois' expansion into limited stakes is one that should be understood by state legislators looking to expand gaming tax revenues. Ultimately, sustained rapid growth in the limited stakes gaming market will remain contingent on continued expansion and legalization.

GAMING REVENUES BY STATE†



LIMITED STAKES GAMING REVENUES†

ILLINOIS	\$1,108.15M	GAMING REVENUE	↑ 21.3%	1.5% ALL GAMING REVENUES	5,726 LOCATIONS	\$127.86	REVENUE PER MACHINE PER DAY	↑ 5.4%
LOUISIANA	\$575.81M	GAMING REVENUE	↓ -3.0%	0.8% ALL GAMING REVENUES	1,777 LOCATIONS	\$120.71	REVENUE PER MACHINE PER DAY	↑ 6.1%
MONTANA	\$398.74M	GAMING REVENUE	↓ -1.6%	0.5% ALL GAMING REVENUES	1,366 LOCATIONS	\$72.17	REVENUE PER MACHINE PER DAY	↑ 1.4%
OREGON	\$876.48M	GAMING REVENUE	↑ 9.8%	1.2% ALL GAMING REVENUES	3,920 LOCATIONS	\$201.09	REVENUE PER MACHINE PER DAY	↑ 9.6%
SOUTH DAKOTA	\$207.60M	GAMING REVENUE	↑ 4.6%	0.3% ALL GAMING REVENUES	1,331 LOCATIONS	\$63.01	REVENUE PER MACHINE PER DAY	↑ 3.5%
WEST VIRGINIA	\$350.55M	GAMING REVENUE	↓ -6.1%	0.5% ALL GAMING REVENUES	1,363 LOCATIONS	\$158.18	REVENUE PER MACHINE PER DAY	↓ -0.1%

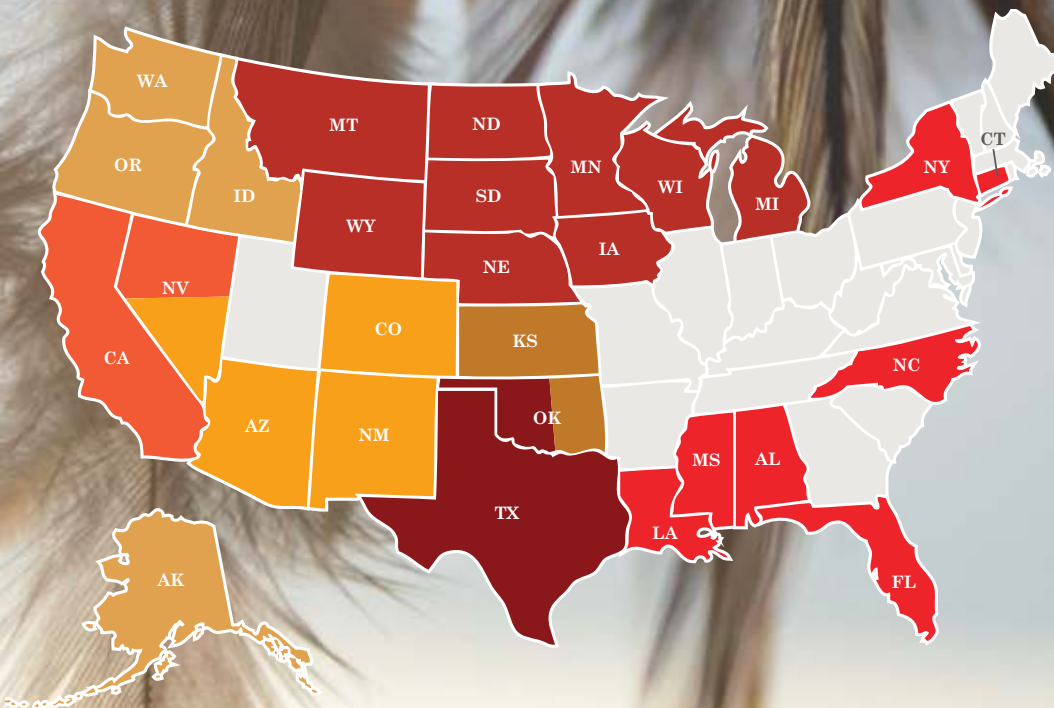
† see statistical note on page 29

2016 TRIBAL GAMING REVENUES

\$30.67B  **2.6%**

\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$ **42.0%**

ALL 2016 GAMING REVENUES



TRIBAL GAMING

In 2016, the tribal gaming industry segment generated an estimated \$30.7 billion, growing at a rate of 2.6%. The continued growth marks the seventh consecutive year of growth for the industry segment.

The growth experienced in 2016 is primarily attributed to an overall improvement in the economic conditions throughout the United States as there are limited opportunities for new market expansion efforts near large population centers. Meanwhile, existing tribal casinos continue to see opportunities for increased revenue growth by claiming additional market share through the expansion of resort amenities and services offered at existing casinos.

Since the passage of the Indian Gaming Regulatory Act (1988), the tribal gaming segment has grown to encompass more than 240 individual tribal nations operating more than 470 casinos. The development of these casinos has led to the creation of more than 200,000 jobs on tribal lands and generated billions of dollars for neighboring state governments, which have benefited from the revenue sharing agreements outlined in various tribal-state gaming compacts. The growth of tribal gaming revenues was most notable until 2006, when the industry consistently generated double digit growth rates.

Since 2006, the tribal gaming industry segment has endured market saturation from both its own gaming expansion and the growth of legalized commercial gaming. During the past 10 years, the tribal gaming industry segment has only seen revenue growth at an annualized rate of 2.0% while welcoming more than 90 new casinos, or a 23.3% increase in the number of casinos.

Looking forward, tribal casino revenue growth is expected to continue from economic growth and limited expansion. The expansion will come from the development of resort-destination casinos, acquisition of new lands or the purchase of commercial gaming entities.

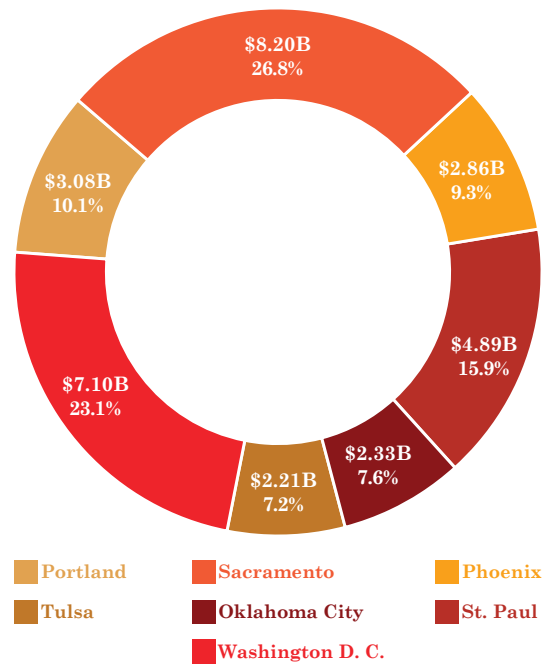
While there are more than 240 tribes offering gaming, less than 45% of federally recognized tribes offer gaming. For those tribal nations not positioned to developed large-scale destination-resort casinos, the diversification of revenues away from gaming will be critical to further the trends of economic development.

Tribal Gaming Statistical Notes

The 2016 revenues is estimated by using the National Indian Gaming Commission's (NIGC's) prior year (2015) data as a baseline and then projecting the growth rates experienced in each of the seven tribal gaming regions. The calculation of the regional growth rates utilize numerous short-term and long-term metrics monitored by RubinBrown on a monthly basis.

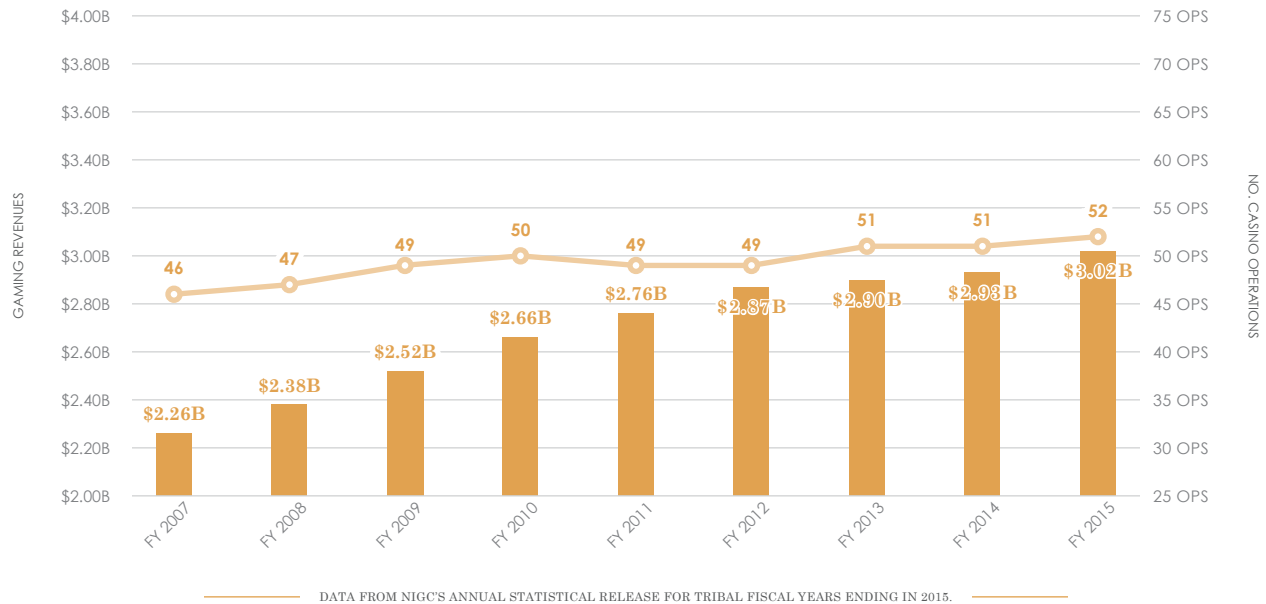
The tribal gaming regional summaries included on the subsequent pages (22 to 28), utilizes the NIGC's revenue data released in July 2016[†]. The data represents gaming revenue information collected from all tribes reporting audited financial statements to the NIGC and is a collection of data with varying fiscal year ends occurring within the 2015 calendar year.

2016 GAMING REVENUES BY REGION
ACCORDING TO RUBINBROWN'S ESTIMATE



[†] see statistical note on page 29

PORTLAND REGION†



\$3.02B
GAMING REVENUE

↑
3.2%

10.1%
TRIBAL GAMING REVENUES
4.2% OF ALL 2015 GAMING REVENUES

1.7% THREE YEAR COMPOUND ANNUAL GROWTH RATE
2.6% FIVE YEAR COMPOUND ANNUAL GROWTH RATE

52 CASINO
OPERATIONS

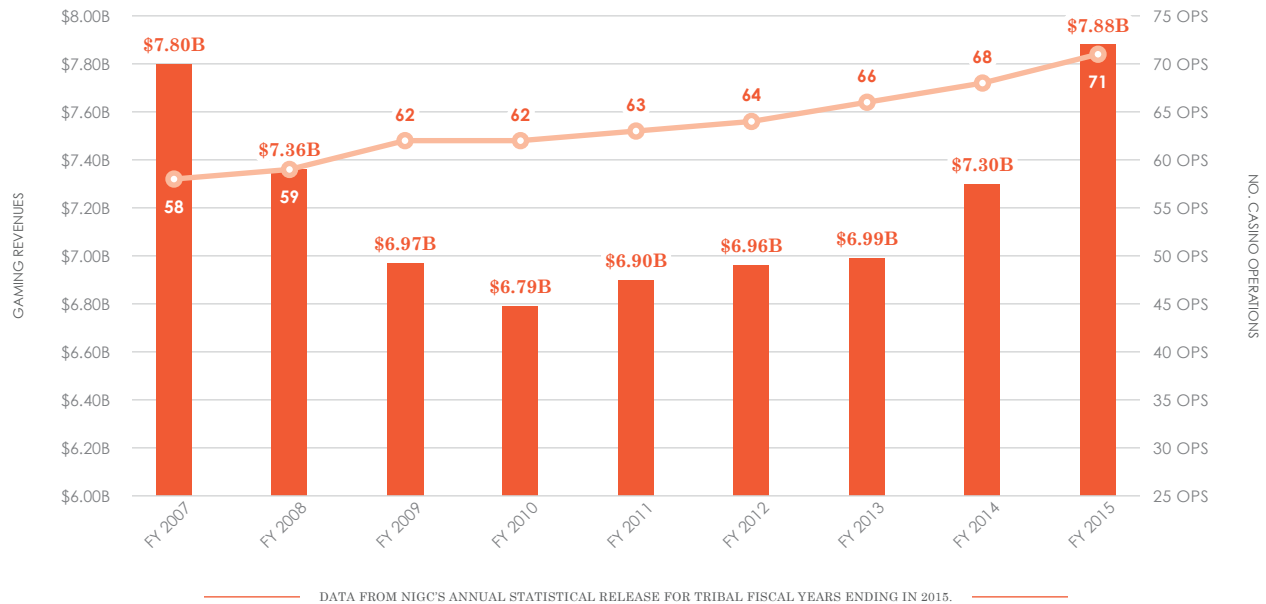
\$58.12M
AVERAGE REVENUE
PER CASINO



The Portland region is one of two regions that has never seen a year of declining revenues. In 2015, the trend did not change as the region generated revenue growth of 3.2%, the largest growth rate since 2012. Overall, the Portland region represents 10.1% of the tribal gaming revenues. Since 2007, the region has seen the number of gaming operations increase by 6 casinos and revenue increase by \$758.0 million or 33.4%.

- **The region sees aggressive expansion**, as tribes focus expansion efforts on building entertainment destinations. The Kalispel Tribe is building a \$20 million family-friendly expansion including a retail outlet, food court and sports facilities. The Cowlitz Tribe continues construction on its \$510 million casino, which is expected to open in April 2017. The facility will include multiple restaurants, retail outlets, a conference center and a concert venue. The Spokane Tribe is also constructing a \$400 million casino which is expected to open in late 2017.
- **Oregon Governor wants to “hold the line” on new casinos in the state.** Governor Kate Brown expressed opposition to the approval of any new tribal casinos in the state of Oregon in a letter to the Bureau of Indian Affairs. The governor's letter stated that, “State support for even a single, modest additional casino is likely to lead to significant efforts to expand gaming across Oregon to the detriment of the public welfare.” The timing of the governor's letter corresponded with the Oregon Lottery's concerns about the growth of tribal gaming in both Oregon and Washington. The lottery's annual report specifically cited the opening of the Cowlitz Tribe's new casino as placing significant pressure on the existing gaming market.

SACRAMENTO REGION†



\$7.88B
GAMING REVENUE

8.0%

26.4%
TRIBAL GAMING REVENUES
11.0% OF ALL 2015 GAMING REVENUES

4.2% THREE YEAR COMPOUND ANNUAL GROWTH RATE
3.0% FIVE YEAR COMPOUND ANNUAL GROWTH RATE

71 CASINO OPERATIONS

\$111.00M
AVERAGE REVENUE PER CASINO

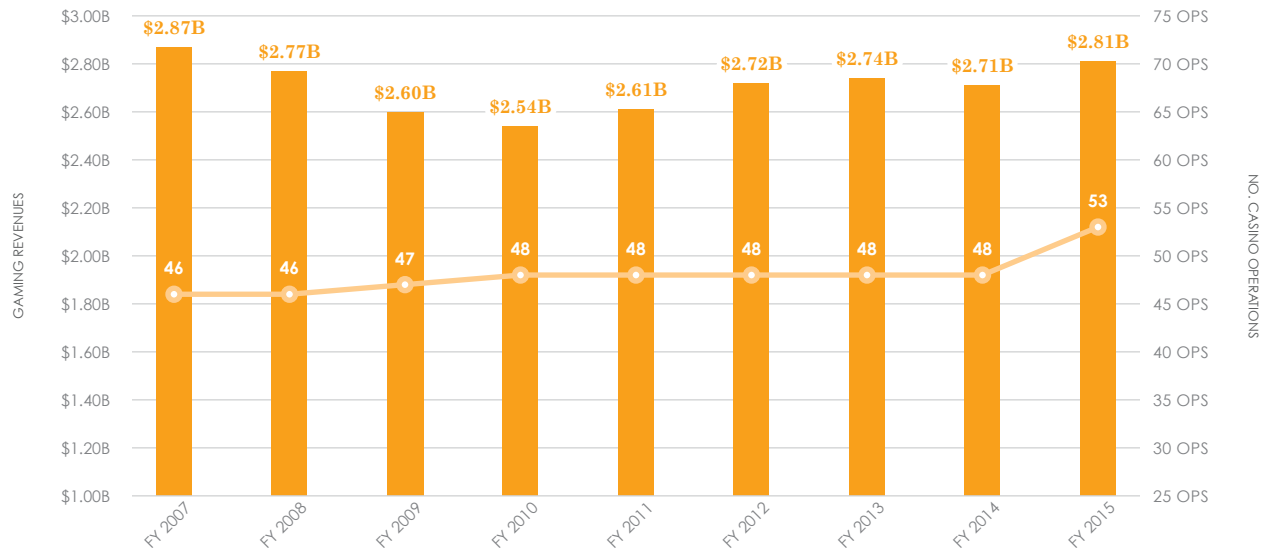
Sacramento casinos have maintained their status as the highest revenue generating tribal region. Gaming revenues in 2015 reached \$7.88 billion, accounting for 26.4% of tribal revenues nationwide. Revenues have not been this high since the peak in 2007. Sacramento has continually opened one to two new casinos a year since 2010. As revenues continue to trend upward, it appears the region will continue to achieve strong revenue growth.

- **Landless tribe casino plans delayed.** Early in 2017, the Federal Bureau of Indian Affairs approved putting 36 acres of land into trust for the Wilton Rancheria Indian Tribe of Elk Grove. The tribe is looking to use the land to develop a \$400 million, 600,000-square-foot casino. The Wilton Rancheria Indian Tribe has been a "landless" tribe for the better part of almost 60 years. Tribal Chairman, Ray Hitchcock, has expressed the tribe's pride in finally having a restored land base and an opportunity to become economically self-sufficient. However, the plan is experiencing some push back. A local voter referendum is seeking to overturn the ruling and block the federal government from granting the tribe land.
- **Less tribal casino revenue to California.** Federal courts have restricted the state's ability to require tribes to pay into the general fund. As many of the payment agreements put in place under Governor Schwarzenegger are now deemed illegal, the funds are now being redirected into local economic development and infrastructure projects that benefit both the tribe and the surrounding community.



† see statistical note on page 29

PHOENIX REGION†



DATA FROM NIGC'S ANNUAL STATISTICAL RELEASE FOR TRIBAL FISCAL YEARS ENDING IN 2015.

\$2.81B
GAMING REVENUE

↑
3.7%

***** **9.4%**
TRIBAL GAMING REVENUES
3.9% OF ALL 2015 GAMING REVENUES

1.1% THREE YEAR COMPOUND ANNUAL GROWTH RATE
2.0% FIVE YEAR COMPOUND ANNUAL GROWTH RATE

53 CASINO
OPERATIONS

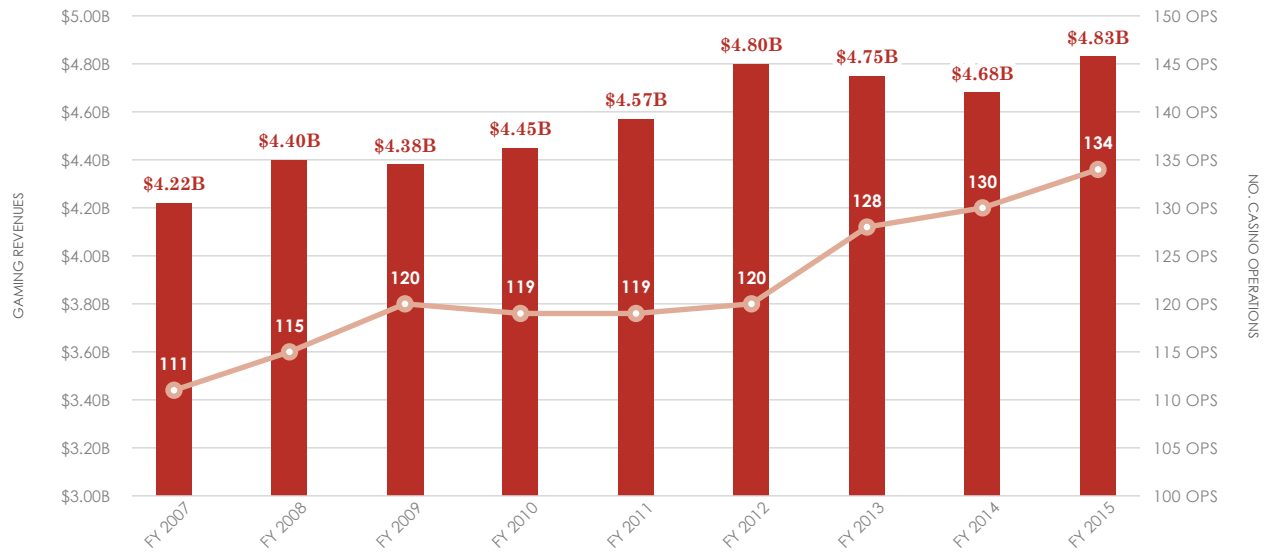
\$52.98M
AVERAGE REVENUE
PER CASINO



In 2015, the Phoenix region generated \$2.8 billion in gaming revenues, an increase of 3.7%. The increase in revenues is a substantial gain for the region which has continued to operate below the \$2.9 billion peak established in 2006. In comparison to the other regions, the Phoenix region is the only region to not surpass the revenues generated prior to the Great Recession. During this time, the region's net growth in number of casinos (factoring in both closures and openings) has only expanded by two.

- Tribal Nations reach an agreement with the state of New Mexico.**
 One year after the passing of the New Mexico casino compact, 15 tribes have adopted the new agreement. The new compact is more favorable to the Pueblos, allowing the issuance of credit, resolving the free-play revenue share debate, and extending gaming to 24 hours. The new compact will last until 2037. The Pueblo of Pojoaque is the only tribal nation with gaming in New Mexico to not sign the new compact. The Pueblo continues to fight for their sovereign immunity through the federal court system, arguing the state's mandated increase in gaming revenue sharing payments is an illegal tax and the new compact was negotiated in bad faith.
- Glendale Casino opens, but the controversy remains.** The Tohono O'odham casino development continues to be a political hot-button for local, state and federal officials. In March 2016, the U.S. Federal appeals court ruled that the Arizona tribe's gambling compact with the state allowed it to have a casino in a Phoenix suburb; however, inaction by the state has continued to limit the amount of gaming for months. The Tohono O'odham filed a lawsuit against the state gaming director in order to obtain the necessary certifications to let the tribe conduct Class III gaming, complete with slot machines, blackjack and poker. The lawsuit is expected to go to trial for a decision.

ST. PAUL REGION†



DATA FROM NIGC'S ANNUAL STATISTICAL RELEASE FOR TRIBAL FISCAL YEARS ENDING IN 2015.

\$4.83B
GAMING REVENUE

3.3%

6.7% OF ALL 2015 GAMING REVENUES
16.2%
 TRIBAL GAMING REVENUES

0.2% THREE YEAR COMPOUND ANNUAL GROWTH RATE
1.6% FIVE YEAR COMPOUND ANNUAL GROWTH RATE

134 CASINO OPERATIONS

\$36.04M
AVERAGE REVENUE PER CASINO

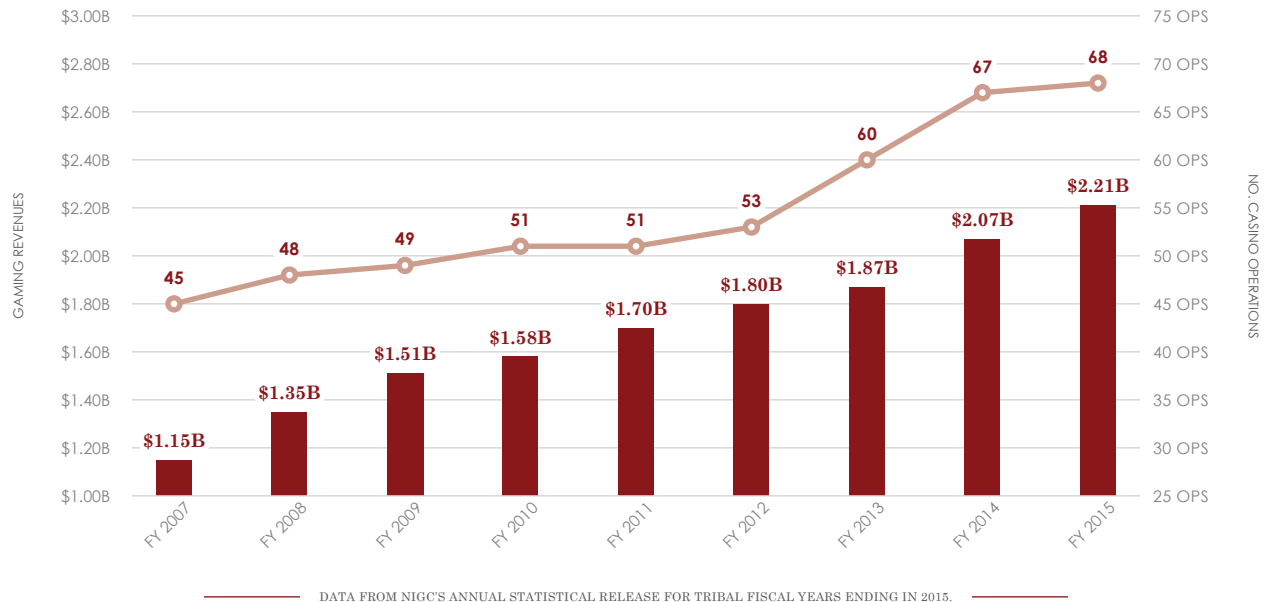
In 2015, the St. Paul region experienced a 3.3% increase in gaming revenue. This is the region's first increase in revenue since 2012 and the growth established a new revenue peak of \$4.83 million. Since 2007 the region's number of casinos (factoring in both closures and openings) has increased by 23 casinos and overall revenues have increased by \$604.3 million or 14.3%. However, during this same period of time the average revenue per casino has decreased by \$2 million or 5.3%.

- Amidst declines in average revenues per casinos, the development of new casinos and expansions continues.** In Michigan, the Sault St Marie Tribe of Chippewa Indians received a letter from the Federal Department of the Interior supporting the tribe's legal position to build a \$245 million casino in downtown Lansing. Also in Michigan, the Ojibwa Tribe is doubling the size of its second casino by enhancing the gaming floor and adding a concert venue, conference space, additional hotel rooms and 3 new restaurants. In Minnesota, the Prairie Island Indian Community is constructing a 300-room hotel tower in addition to completing a water park and spa. The community is also considering adding a second casino near Lake Elmo.
- Michigan's tribal revenue sharing provides \$28.6 million for local communities** in 2015. Michigan's 12 federally-recognized tribes are required to contribute 2% of total net win derived from gaming machines. Total revenue sharing actually decreased from 2014 by 1.8%, despite tribal revenue increasing by 3.3%. This decline is due to a shift in patrons' preferences for table games instead of slot machines combined with an increase in Class II gaming machines.



† see statistical note on page 29

OKLAHOMA CITY REGION†



\$2.21B
GAMING REVENUE

↑
6.5%

***** **7.3%**
TRIBAL GAMING REVENUES
3.1% OF ALL 2015 GAMING REVENUES

7.0% THREE YEAR COMPOUND ANNUAL GROWTH RATE
6.9% FIVE YEAR COMPOUND ANNUAL GROWTH RATE

68 CASINO
OPERATIONS

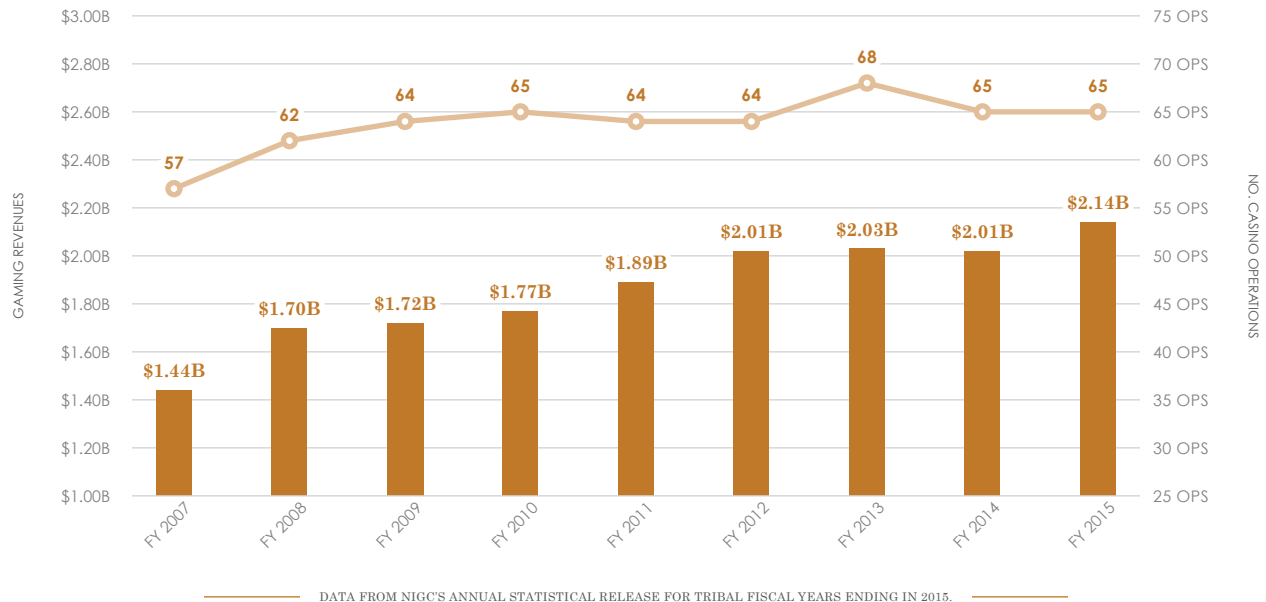
\$32.45M
AVERAGE REVENUE
PER CASINO



The Oklahoma City region's gaming industry continued its growth trend in 2015, as gaming revenues grew by 6.5% to total \$2.2 billion. This growth comes on the heels of a strong 2014 in which the region saw an 11.0% increase in gaming revenues. In contrast with the 2014 growth, which was primarily attributed to the market expansion of 7 new casinos, the bulk of the growth experienced in 2015 is attributed to increases in existing volume. Since 2007, the Oklahoma City region has been the fastest growing region, with overall gaming revenues increasing by 92.5% or \$1.1 billion. The next fastest region (the Tulsa region) only experienced a 48.9% gaming revenue increase since 2007.

- **Growth continues into 2016, as Oklahoma gaming increases amidst a statewide recession.** While numerous economic sectors in Oklahoma, including the energy sector, experienced a downturn during the state's 2016 fiscal year (July 2015 – June 2016), the state of Oklahoma experienced a 3% increase in revenues from tribal casinos. In fiscal year 2016, the state received a record \$128.4 million from tribal gaming sources, the highest total since Class III gaming was permitted under the Oklahoma tribal-state gaming compacts.
- **Oklahoma benefits from tribal casinos.** The Oklahoma Indian Gaming Association's (OIGA) annual economic report stated the total economic amount of annual operations was \$7.2 billion in 2015, up from \$6.9 billion in 2014. A significant portion of tribal gaming activity has occurred in rural areas. Tribal gaming has maintained its strong rural presence. Over 60% of the 28,000 jobs generated by the tribal gaming industry are in rural areas of Oklahoma.

TULSA REGION†



\$2.14B
GAMING REVENUE

↑
6.7%

***** **7.2%**
TRIBAL GAMING REVENUES
3.0% OF ALL 2015 GAMING REVENUES

2.1% THREE YEAR COMPOUND ANNUAL GROWTH RATE
3.9% FIVE YEAR COMPOUND ANNUAL GROWTH RATE

65 CASINO
OPERATIONS

\$32.95M
AVERAGE REVENUE
PER CASINO

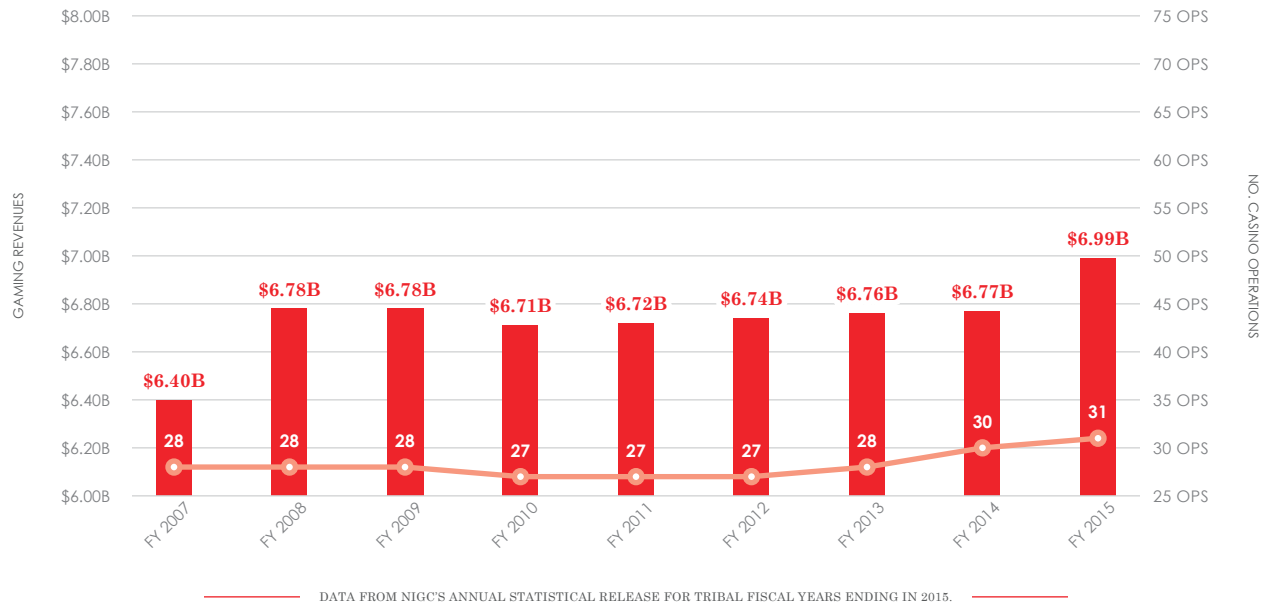
The Tulsa region rebounded from a down year in 2014 to grow gaming revenues by 6.7% in 2015. The growth kept pace with the 6.5% growth experienced in the neighboring Oklahoma City region. Similar to the Oklahoma City region, tribal gaming revenue growth in 2015 is attributable to increases in volume of wagering activity, as the region did not see any new casinos. Since 2007, the Tulsa region's annual gaming revenues has increased by \$703.3 thousand or 48.9%. During the same period of time, the number of casinos has only increased by 8 casinos, or 14.0%.

- **Tribal and community leaders celebrate the opening of Cherokee Casino Grove.** In December 2016, Cherokee Nation opened Cherokee Casino Grove, its tenth casino location. The 39,000-square-foot facility, which added 175 jobs to the area, was completed after 10 months of construction. The casino features a restaurant, full-service bar, music venue and over 400 electronic games. In addition to Grove, the Cherokee Tribe operates casinos in 9 other Oklahoma communities: Claremore, Fort Gibson, Ramona, Roland, Sallisaw, South Coffeyville, Tahlequah, Tulsa and West Siloam Springs.
- **Eastern Shawnee to expand Indigo Sky.** The Eastern Shawnee Tribe began construction in June 2016 on a \$36 million expansion project to its Indigo Sky Casino in rural Wyandotte. Plans for the addition began in 2015. The expansion will more than double the size of the existing hotel, expand both the dining and kitchen facilities, and add a ballroom/concert hall that can seat up to 600 people. The project is expected to be completed by July 2017.



† see statistical note on page 29

WASHINGTON D.C. REGION†



\$6.99B
GAMING REVENUE

↑
3.3%

23.4%
TRIBAL GAMING REVENUES
9.8% OF ALL 2015 GAMING REVENUES

1.2% THREE YEAR COMPOUND ANNUAL GROWTH RATE
0.8% FIVE YEAR COMPOUND ANNUAL GROWTH RATE

31 CASINO OPERATIONS

\$225.60M
AVERAGE REVENUE PER CASINO



In 2015, gaming revenues in the Washington D.C. region increased by 3.3%, which was largest growth rate experienced by the region since 2008. Furthermore, the region continues to see record highs in total revenues, the gaming revenues of \$7.0 billion generated in 2015, exceeded the previous \$6.8 billion revenue peak established in 2009. The strong revenue growth is a welcome change for a region which has seen increased competition from commercial casino expansion throughout the northeastern United States.

- **Tribal Nations partner together to counter an increase in commercial gaming.** The Mashantucket Pequot and the Mohegan Nations, once long-time competitors, are now joining forces in an effort to develop a new jointly-owned casino near Hartford, Connecticut. By joining together, the tribes are looking to compete against the MGM Casino currently being built in Springfield, Massachusetts, while also mitigating the impact to their existing casinos (Mohegan Sun and Foxwoods) from an increase in commercial gaming. The efforts to build a joint casino are being contested by MGM Resorts International. MGM is lobbying the state of Connecticut to open up the development of a new casino to a bidding process that includes both tribal and commercial gaming entities.
- **In September 2016, the Seminole Nation of Florida acquired exclusive ownership of Hard Rock International Inc.** The Florida-based tribe is now entitled to develop, own, license, franchise and manage the Hard Rock brand, which includes casinos, hotels and restaurants across the globe. In another recent development for the Seminole Tribe, a federal judge has ruled that the tribe is allowed to maintain exclusive statewide rights to offer blackjack and baccarat games in the state of Florida after a legal dispute with the state of Florida.

NOTES, SOURCES & ACKNOWLEDGMENTS

Statistical Definitions

Gaming Revenue – For purposes of this report, the term gaming revenue is intended to be an all-encompassing term for the various definitions of gaming proceeds as defined by the individual regulatory authorities (e.g. AGR, AGP and Net Win) and should not be interpreted to equal the American Institute of Certified Public Accountants definition of revenue.

Commercial Gaming – Encompasses traditional brick-and-mortar casinos, racinos and slot parlors regulated by state gaming boards or state lotteries. Within this segment, the revenues reported include amounts generated from gaming machines, table games, poker and sport books. We have excluded revenues from pari-mutual racing activities.

- **Electronic Gaming Devices (EGDs)** – Includes both the traditional slot machines and video lottery terminals (VLTs) located inside a brick-and-mortar casino. VLTs differ from traditional slot machines, as they are connected to a network overseen by the respective state's lottery commission. The connection to the lottery commission's network does not impact the game performance or patron experience.
- **Table Games** – Defined as live table games that require casino personnel to conduct the game. Electronic table games are included in the electronic gaming machines. When reporting on table games revenue, we have included both house-banked (when a player bets against the casino) and player-banked (when the players bets against an opposing patron) games. For the win per table and table game hold statistics, we excluded player-banked games from the analysis.

iGaming – Includes Interactive Gaming, as defined under Nevada law, iGaming as reported by the Delaware Lottery and Internet Gaming as defined under New Jersey law.

Limited Stakes Gaming – Includes video gaming, video lottery terminals and limited gaming operations offered in restaurants, travel centers and taverns. The revenues exclude amounts generated from 'grey markets.'

Tribal Gaming – Includes Class II and Class III casinos built and regulated by tribal nations, operating in accordance with the Indian Gaming Regulatory Act (IGRA) or a tribal-state gaming compact.

Statistical Notes

Commercial Casinos – The 581 casinos noted in the 2016 Gaming Statistics excluded Nevada casinos generating less than \$1 million.

iGaming Operators – Caesars Interactive operates in both NV and NJ.

Limited Stakes States – Revenues generated by Nevada's restricted licenses have been incorporated into Nevada's commercial gaming revenues. In 2016, the state had approximately 1,900 restricted license locations.

Louisiana – Casinos include riverboat and land-based operations. The latter are subject to a minimum tax of \$60 million, regardless of revenues.

Tribal Gaming Regions – The data presented is limited to information made available through the NIGC's annual statistical release and represents data for the year ended December 31, 2015.

Sources

Colorado Department of Revenue – Division of Gaming	Montana Department of Justice – Gambling Control Division
Delaware Lottery	National Indian Gaming Commission
Florida Division of Pari-Mutuel Wagering	Nevada Gaming Control Board
Illinois Gaming Board	New Jersey Gaming Control Board
Indiana Gaming Commission	New Mexico Gaming Control Board
Iowa Racing and Gaming Commission	New York Lottery
Kansas Racing and Gaming Commission	New York State Gaming Commission
Louisiana Gaming Control Board	Ohio Casino Control Commission
Maine Gambling Control Board	Ohio Lottery
Maryland Lottery	Oklahoma Horse Racing Commission
Massachusetts Gaming Commission	Oregon Lottery
Michigan Gaming Control Board	Pennsylvania Gaming Control Board
Mississippi Gaming Commission	Rhode Island Lottery
Missouri Gaming Commission	South Dakota Gaming Commission
	South Dakota Lottery
	West Virginia Lottery

Acknowledgments

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