

Gaming License Values Transactions and Offers

<u>Implied Value¹</u> <u>(Millions)</u>	<u>Date</u>	<u>Metro Location</u>	<u>Buyer/Seller</u>	<u>Transactions/ Offers</u>
\$435	December 2008	Chicago	Trilliant Gaming/ State of Illinois	Offer/Transaction ²
370	October 2008	New York City	Delaware North/ State of New York	Transaction ³
407	August 2007	Indianapolis	LHT Capital (Paul Estridge)/Oliver Racing (Indiana Downs)	Transaction ⁴
250	April 2007	Indianapolis	Indiana Downs/ State of Indiana, Hoosier Park/ State of Indiana	Two transactions at \$250 million each
160	December 2006	Pittsburgh	PITG Gaming (Don Barden)/City of Pittsburgh	Transaction ⁵
220	November 2006	Pittsburgh	Millennium/Magna	Transaction ⁶
140	June 2006	Dania Beach (Ft. Lauderdale)	Dania Jai Lai/ Boyd Gaming	Transaction ⁷
340	April 2006	Pittsburgh	Isle of Capri City	Offer ⁸
500	January 2005	Catskills	Seneca Ind./New York State	Offer
310	October 2004	Poconos	Mohegan/Penn National	Transaction ⁹
442	July 2004	Philadelphia	Harrah's/Inv. Group	Transaction ¹⁰
518	March 2004	Chicago	Isle of Capri/State of Illinois	Offer
750	January 2001	Cincinnati	Argosy/Inv. Group	Transaction ¹¹
663	November 2000	Detroit	Chippewa/Inv. Group	Transaction ¹²

Source: Hooke Associates, LLC

¹ The value represents license value only. In several instances, the values of casino structure, horse racing track, jai lai track or relevant real estate were excluded from the transaction value in order to determine the license value. For Pennsylvania transactions/offers, the value includes the \$50 million license fee that is paid by the license holder. The Maryland 2009 license awards have been excluded since the sizable tax rate precluded high initial fees and the bidding process was not open, but rather skewed towards certain landowners.

² Trilliant Gaming offered \$435 million upfront for a Rosemont, IL location. The State, however, awarded the license to Midwest Gaming for a Des Plaines, IL location for \$125 million upfront and \$300 million to be paid at \$10 million per year for 30 years. The total NPV of the Midwest proposal is \$247 million at an 8% rate.

³ Aqueduct racetrack slots, with two other bidding groups in 2008. Delaware North reneged on its offer and the State is now in discussions with seven other bidding groups as of June 2009.

⁴ Oliver Racing paid \$53.5 million for a 34% interest, plus a \$250 million license fee.

⁵ PITG agreed to pay a \$7.5 million annual fee to City of Pittsburgh to subsidize a new hockey arena. Hooke Associates estimated the “present value” of the annuity at \$110 million, plus the \$50 million license fee.

⁶ \$30 million value of racetrack subtracted from \$200 million price (i.e., \$170 million, net) and \$50 million license fee added, in order to provide a \$200 million license value.

⁷ \$13 million appraised value (tax records) of jai lai fronton excluded from \$153 million purchase price.

⁸ Isle of Capri offered to build a \$290 million hockey arena and to pay \$50 million for the license.

⁹ Mohegan Tribe paid \$290 million (after post purchase adjustment) for the license plus the track worth \$30 million. We add \$50 million license fee for a value of \$310 million (i.e., \$290 minus \$30 plus \$50).

¹⁰ In exchange for a 50% interest, Harrah’s put up over \$400 million in cash to construct a casino and racetrack in Chester, PA.

¹¹ Excludes “brick and mortar” cost of the casino, as set forth in the SEC filings.

¹² Chippewa’s buyout of a 40% interest, indicating a 100% interest at \$663 million.