

The Tale of the Very Large Goose and the Very Large Golden Egg ...

“When we did focus groups and showed people what gaming contributes, they came away with two messages to us. They asked us why they didn’t know this and why we weren’t telling people.” – Bill Bible, Nevada Resort Association President

But here are some other facts about Harrah’s Entertainment, MGM Mirage, Wynn Resorts, Las Vegas Sands, Boyd Gaming and Station Casinos you WON’T hear from the Nevada Resort Association ...

Harrah’s Entertainment

- ◆ Total net revenues grew from \$4.4 billion in 2004 to \$7 billion in 2005, to \$9.67 billion in 2006, with a five-year compound annual growth rate of 28%.
- ◆ Casino revenues grew from \$3.9 billion in 2004 to \$5.97 billion in 2005, to \$7.87 billion in 2006, increasing 31.9% from 2005-2006.
- ◆ Total revenues from Caesar’s Palace, Bally’s Las Vegas, Flamingo Las Vegas, Harrah’s Las Vegas, Paris Las Vegas, Rio and the Imperial Palace: \$3.27 billion; total casino revenues: \$1.73 billion; capital spending in 2006: \$2.5 billion.
- ◆ **Comparison:** State of Nevada funding of K-12 education for the 2006 school year -- \$1.036 billion.
- ◆ Paid \$10 million to the State of Iowa in 2004 for the privilege of operating table games at its Horseshoe Council Bluffs racetrack, with a state gaming tax of 24%.
- ◆ Paid CEO Gary Loveman a base salary of \$1,688,462, a bonus of \$3,650,000 and other compensation of \$621,364 for a total of \$5,959,826 in 2005; Gary Loveman also received 1 million stock options with a “Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Terms” of \$70,157,630 at stock appreciation of 10%.
- ◆ **Comparison:** Average Nevada teacher salary -- \$43,394
- ◆ Corporate funds of \$361,734 were allocated for Gary Loveman’s use of company aircraft for personal and commuter travel.
- ◆ **Comparison:** Price of a commercial round-trip airline ticket between Las Vegas and Council Bluffs, Iowa -- \$650.

MGM Mirage

- ◆ Announced plans in September 2007 to develop a multi-billion dollar resort on the Las Vegas Strip with Kerzner International and Istithmar Hotels.
- ◆ Announced plans in October 2007 to develop a \$4.5-\$5 billion casino project at Renaissance Point in Atlantic City, New Jersey.
- ◆ Developing CityCenter 4,000-room casino resort on the Las Vegas Strip at a cost of \$7 billion, excluding land costs.
- ◆ Spent \$200 million with Pansy Ho Chiu-king for a sub-concession agreement with the government of Macau to develop and operate the MGM Grand Macau off mainland China.
- ◆ Signed a memorandum of understanding with the Diaoyutai State Guesthouse in Beijing, People's Republic of China, to develop luxury non-gaming hotels and resorts in the People's Republic of China.
- ◆ Signed a memorandum of understanding with Mubadala Development Company of Abu Dhabi, U.A.E., to pursue non-gaming luxury hotel development globally, initially targeting locations in Abu Dhabi, Las Vegas and the United Kingdom.
- ◆ Total net revenues grew from \$4 billion in 2004, to \$6.1 billion in 2005 to \$7.175 billion in 2006; net casino revenues grew from \$2.08 billion, to \$2.76 billion in 2005 to \$3.13 billion in 2006.
- ◆ CEO Terry Lanni's total compensation in 2006: \$15,687,121
- ◆ Amount CEO Terry Lanni would receive if he was terminated because of change in control of the company: \$82,102,386.

Wynn Resorts

- ◆ One-year revenue growth: 98.4%
- ◆ Five-year revenue growth: 315.5%
- ◆ Opened Wynn Las Vegas in April 2005 at a cost of \$2.74 billion.
- ◆ Developing Encore at Wynn Las Vegas at an estimated cost of \$2.1 billion.
- ◆ Opened Wynn Macau off mainland China in September 2006 and is expanding Wynn Macau at a total cost of \$1.2 billion.
- ◆ Holds one of three gaming concession agreements issued by the government of Macau, and sold a subconcession right in September 2006 to an Australian casino operator for \$900 million.

◆ Under the terms of its concession agreement in Macau, Wynn Resorts is subject to a special gaming tax of **35% of gross gaming revenues**, and must make an annual contribution of up to **4% of gross gaming revenues** for public projects in Macau.

◆ **Comparison:** Gross gaming revenue tax in Nevada – **6.75%**

◆ Gaming revenues from all Macau casinos were \$6.9 billion in 2006, yielding \$2.4 billion in gaming taxes (35% of gross gaming revenues).

◆ **Comparison:** Nevada total gaming revenues were \$12.2 billion in 2006, yielding \$1 billion in state gaming taxes and license fees.

◆ Amount Wynn Resorts must invest in Macau public projects by mid-2009: \$500 million

◆ **Comparison:** Amount Wynn Resorts paid in Nevada gaming taxes: unknown, not a public record.

◆ Amount of total compensation former Nevada Governor Bob Miller received in 2006 for serving on the Wynn Resorts board of directors: \$276,347

◆ Amount of total compensation in 2006 for Wynn Resorts CEO Steve Wynn: \$9,962,915

◆ Amount of total compensation in 2006 received by Linda Chen, President of Wynn International Marketing: \$3,694,081

◆ **Comparison:** Average annual wages in Nevada in 2006 -- \$35,360

Las Vegas Sands

◆ Plans to open the Sands Bethworks hotel-casino in Bethlehem, Pennsylvania, in 2008 at a total cost of \$600 million.

◆ Building the \$2.4 billion Venetian Macao on the Cotai Strip in Macau, and has submitted plans for six other casino-resort developments. “The developments are expected to include hotels, exhibition and conference facilities, casinos, showrooms, shopping malls, spas, world-class restaurants and entertainment facilities and other attractions and amenities, as well as common public areas,” according to the Sands’ SEC 10K report. The developments will have a combined 2,900 table games and 16,000 slot machines.

◆ Total cost of Cotai Strip developments: \$9 billion to \$11 billion

◆ Entered into a letter of intent with the Zhuhai Municipal People’s Government of the People’s Republic of China to develop a leisure and convention destination resort on Hengqin Island near the Cotai Strip but within mainland China.

◆ Entered into an agreement with the Singapore Tourism Board to build the Marina Bay Sands in Singapore at a cost of \$3.6 billion.

◆ Total compensation in 2006 for Las Vegas Sands CEO Sheldon Adelson: \$5,844,770

◆ Total compensation in 2006 for Las Vegas Sands President and COO William Weidner: \$5,397,811

Boyd Gaming Corporation

◆ Owns 16 casinos in five states – Nevada, Mississippi, Louisiana, Indiana and Florida

◆ Total gross revenues of \$2.4 billion in 2006; total assets of \$4.32 billion as of June 30, 2007

◆ Has half-interest in Borgata Hotel Casino in Atlantic City, New Jersey, completing \$200 million expansion in June 2006, with construction beginning in January 2006 on a \$400 million project to add a second hotel at Borgata.

◆ Sold South Coast Hotel and Casino in October 2006 for \$513 million

◆ Announced plans in January 2006 to build \$3.3 billion Echelon Place on Las Vegas Strip

◆ In the process of buying Dania Jai Alai pari-mutuel facility in Florida for \$152.5 million to install 1,500 slot machines

◆ Recorded a \$36 million gain as a result of insurance settlement for damages to Delta Downs racetrack from Hurricane Katrina

◆ Total annual compensation of chairman and CEO William Boyd in 2006: \$7,683,242

◆ Special bonus of \$250,000 paid to William Boyd in 2006 as compensation for loss of a benefit Boyd received under a previous life insurance plan

◆ **Comparison:** Number of Nevadans without health insurance – 400,000-plus

Station Casinos

◆ Opened Red Rock Casino Resort Spa in April 2006 and expanded it by the end of 2006, for a total cost of \$1 billion

◆ Undertook \$385 million in casino expansion projects in 2005-2006 at Green Valley Ranch, Fiesta Henderson and Red Rock

◆ Began construction in February 2007 on Aliante Station, expected to cost between \$650 million and \$675 million

- ◆ Bought 275 acres of land near Rohnert Park in Sonoma County, California, for a future Indian gaming development; by the end of 2006, had advanced \$132.3 million toward development of the project.
- ◆ Entered into development and management agreements with two other Indian tribes in California to develop casinos near Chico and in Madera County
- ◆ Net revenues from Nevada operations increased 22.8% in 2006 from 2005, from \$968 million to \$1.2 billion
- ◆ Owns 220 acres in the Las Vegas Valley held for development and valued at \$214.4 million, including 68 acres at the intersection of Durango Road and the 215 Beltway
- ◆ Base 2006 annual salary of CEO Frank Fertitta: \$2.25 million
- ◆ Total 2006 annual compensation of CEO Frank Fertitta: \$11,992,113
- ◆ Amount spent on personal security for Frank Fertitta in 2006: \$571,447

Note: The preceding information was gathered from Securities and Exchange Commission 10K annual reports, 10Q quarterly reports and 14D Proxy Statement filings; Reuters' "Company Overviews"; and financial releases by publicly traded gaming companies.