

Gaming

Illinois Gaming Revenues Decreased 13.2% Year over Year in December

The Illinois Gaming Board reported gross gaming revenue results for the month of December. For the month, Illinois gaming revenues decreased 13.2% year over year, coming in at \$114.7 million. We note the December calendar was unfavorable (one less weekend day in December 2013 vs December 2012).

- The Northern Illinois market generated \$82.1 million in revenues, a decrease of 12.4% year over year. MGM's Grand Victoria revenues decreased 18.4% year over year. CZR's Joliet revenues decreased 15.2%, while PENN's Hollywood Aurora revenues decreased 16.9% year over year. The Des Plaines Casino reported GGR of \$33.5 million, which was down 4.2% year over year.
- For PENN's Hollywood Aurora, 4Q gross gaming revenues were -12.5%, while for PENN's Empress Joliet, 4Q gross gaming revenues were -12.1%.
- Revenues from the Southern Illinois/St. Louis market decreased 10.7% year over year to \$14.0 million. Revenues at the Casino Queen were -10.3%, while PENN's Alton Belle revenues totaled \$4.8 million, -11.6% year over year. For PENN's Alton Belle, 4Q gross gaming revenues were -13.5%.
- Casino Rock Island revenues decreased 16.2% year over year. Harrah's Metropolis generated revenues of \$5.9 million, -16.7% year over year. In aggregate, CZR's revenues for the month were \$20.6 million, -15.6% year over year.
- BYD's property, Par-A-Dice, generated revenues of \$7.1 million, -21.4% year over year. For BYD's Par-A-Dice, 4Q gross gaming revenues were -11.3% compared to our 4Q13 gross gaming revenue estimate of -4.0%.
- In aggregate, PENN's revenues for the month were \$24.9 million, -16.7% year over year.
- The calendar in December was unfavorable with 8 weekend days in 2013 and 9 in 2012. The comparison was -2.4%. Looking ahead, the comparison in January is favorable with 9 weekend days in 2014 and 8 in 2013. The comparison is -3.0%.

Gaming

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Figure 1: Illinois Gaming Revenue Summary, December 2013

(\$MM)	December			QTD			YTD		
	2013	2012	% Chg.	2013	2012	% Chg.	2013	2012	% Chg.
Empress Joliet (PENN)	\$9.7	\$11.9	-19.0%	\$29.5	\$33.5	-12.1%	\$131.3	\$141.5	-7.2%
Harrah's Joliet (CZR)	14.8	17.4	-15.2%	46.3	50.6	-8.6%	202.4	212.1	-4.6%
Hollywood Aurora (PENN)	10.5	12.6	-16.9%	32.0	36.5	-12.5%	141.9	151.9	-6.6%
Grand Victoria (MGM/Hyatt)	13.7	16.8	-18.4%	42.8	48.7	-12.2%	194.3	212.4	-8.5%
Des Plaines (Private)	33.5	35.0	-4.2%	102.9	97.7	5.3%	418.9	416.7	0.5%
Total N. Illinois Market	\$82.1	\$93.7	-12.4%	\$253.4	\$267.1	-5.1%	\$1,088.8	\$1,134.6	-4.0%
Alton Belle (PENN)	\$4.8	\$5.5	-11.6%	\$14.6	\$16.9	-13.5%	\$64.3	\$71.0	-9.4%
Casino Queen (Private)	9.2	10.3	-10.3%	28.6	31.0	-7.7%	124.6	131.2	-5.1%
Total St. Louis Market	\$14.0	\$15.7	-10.7%	\$43.2	\$47.9	-9.8%	\$188.8	\$202.2	-6.6%
Par-A-Dice (BYD)	\$7.1	\$9.1	-21.4%	\$24.4	\$27.5	-11.3%	\$107.3	\$116.3	-7.8%
Casino Rock Island (Private)	5.6	6.7	-16.2%	18.2	20.6	-11.9%	81.6	87.9	-7.2%
Harrah's Metropolis (CZR)	5.9	7.0	-16.7%	19.4	21.9	-11.2%	85.5	97.7	-12.5%
STATE TOTAL	\$114.7	\$132.2	-13.2%	\$358.6	\$385.1	-6.9%	\$1,552.0	\$1,638.6	-5.3%
Operator Summary	December			QTD			YTD		
	2013	2012	% Chg.	2013	2012	% Chg.	2013	2012	% Chg.
CZR	20.6	24.5	-15.6%	65.7	72.5	-9.4%	287.9	309.8	-7.1%
MGM	13.7	16.8	-18.4%	42.8	48.7	-12.2%	194.3	212.4	-8.5%
BYD	7.1	9.1	-21.4%	24.4	27.5	-11.3%	107.3	116.3	-7.8%
PENN	24.9	30.0	-16.7%	76.1	87.0	-12.5%	337.4	364.4	-7.4%
OTHER	48.3	51.9	-6.9%	149.6	149.4	0.2%	625.0	635.8	-1.7%

Source: Illinois Gaming Board.

Figure 2: Illinois Monthly Gaming Revenue Summary, 2013 vs. 2012

	2013 Gaming Revenue												YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<u>N. Illinois Market (Chicagoland)</u>													
Empress Joliet (PENN)	10.7	11.1	12.9	11.9	11.9	11.4	10.9	10.9	10.2	10.1	9.7	9.7	131.3
% Change	-1.4%	-0.3%	-2.7%	-1.1%	5.6%	-3.7%	-20.6%	-9.1%	-14.9%	-5.8%	-10.7%	-19.0%	-7.2%
Harrah's Joliet (CZR)	16.9	14.9	18.7	16.7	19.0	16.9	16.6	19.0	17.5	15.2	16.3	14.8	202.4
% Change	2.4%	-21.0%	0.6%	-12.2%	6.5%	-5.6%	-12.7%	3.1%	13.7%	-7.3%	-3.0%	-15.2%	-4.6%
Hollywood Aurora (PENN)	10.9	11.7	14.2	12.5	12.9	12.3	12.1	12.3	11.1	10.7	10.8	10.5	141.9
% Change	-0.5%	-13.0%	2.2%	-7.2%	2.2%	-3.7%	-4.1%	-4.4%	-13.3%	-14.0%	-6.2%	-16.9%	-6.6%
Grand Victoria (MGM/Hyatt)	16.1	14.6	19.7	17.6	17.7	16.8	17.1	17.1	14.9	14.2	14.9	13.7	194.3
% Change	-12.5%	-25.1%	-2.2%	-7.9%	-5.8%	-4.4%	-2.4%	4.1%	-8.8%	-7.9%	-9.8%	-18.4%	-8.5%
Des Plaines (Private)	32.4	33.4	38.1	35.1	35.3	35.3	35.3	36.0	35.2	36.5	32.8	33.5	418.9
% Change	6.8%	-11.1%	9.5%	-1.4%	0.0%	-17.1%	-2.3%	36.4%	-12.7%	9.7%	11.4%	-4.2%	0.5%
Total N. Illinois Market	87.0	85.5	103.6	93.8	96.8	92.6	92.0	95.3	88.8	86.8	84.5	82.1	1,088.8
% Change	-0.1%	-14.7%	2.9%	-5.5%	1.0%	-9.7%	-7.1%	10.7%	-8.2%	-1.7%	-0.7%	-12.4%	-4.0%
<u>St. Louis Market</u>													
Alton Belle (PENN)	5.3	5.6	6.6	5.9	5.7	4.4	5.5	5.6	5.0	4.9	4.9	4.8	64.3
% Change	-3.1%	-8.9%	3.5%	-3.2%	-1.6%	-27.3%	-11.3%	-10.3%	-11.5%	-15.6%	-13.3%	-11.6%	-9.4%
Casino Queen (Private)	9.6	10.5	12.5	10.8	11.5	10.4	10.5	10.6	9.7	9.4	10.0	9.2	124.6
% Change	-10.7%	-10.7%	3.8%	-2.6%	6.2%	-8.4%	-4.8%	-5.1%	-6.0%	-10.9%	-1.8%	-10.3%	-5.1%
Total St. Louis Market	14.9	16.1	19.1	16.8	17.2	14.8	16.0	16.2	14.7	14.2	15.0	14.0	188.8
% Change	-8.2%	-10.1%	3.7%	-2.8%	3.5%	-15.0%	-7.1%	-7.0%	-7.9%	-12.6%	-5.9%	-10.7%	-6.6%
<u>Other Markets</u>													
Par-A-Dice (BYD)	8.4	9.2	10.3	9.2	9.0	9.1	9.6	9.0	9.0	8.8	8.5	7.1	107.3
% Change	-10.2%	-9.2%	-1.8%	-5.9%	-8.1%	-8.5%	-3.5%	-7.9%	-5.4%	-4.6%	-8.2%	-21.4%	-7.8%
Casino Rock Island (Private)	6.3	6.6	7.9	7.3	7.0	7.3	7.1	7.2	6.7	6.4	6.2	5.6	81.6
% Change	-6.2%	-12.3%	-4.7%	-2.2%	-4.5%	-2.0%	-7.8%	-5.2%	-6.7%	-12.6%	-6.9%	-16.2%	-7.2%
Harrah's Metropolis (CZR)	6.7	7.0	8.2	7.4	7.8	7.5	7.3	7.6	6.5	6.7	6.8	5.9	85.5
% Change	-13.1%	-23.3%	-9.8%	-11.7%	-4.2%	-7.2%	-15.9%	-7.0%	-22.1%	-11.3%	-6.0%	-16.7%	-12.5%
Total Other Markets	21.3	22.8	26.4	23.9	23.9	23.9	24.0	23.9	22.2	21.9	21.5	18.6	167.1
STATE TOTAL	123.2	124.4	149.2	134.5	137.9	131.3	132.0	135.3	125.7	122.9	121.0	114.7	1,552.0
% Change	-3.0%	-14.2%	1.5%	-5.4%	0.1%	-9.7%	-7.4%	4.9%	-8.7%	-4.5%	-2.6%	-13.2%	-5.3%

Source: Illinois Gaming Board.

Figure 3: Illinois Monthly Gaming Revenue Summary, 2012 vs. 2011

	2012 Gaming Revenue												YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<u>N. Illinois Market (Chicagoland)</u>													
Empress Joliet (PENN)	10.9	11.1	13.2	12.1	11.3	11.8	13.7	12.0	11.9	10.8	10.8	11.9	141.5
% Change	-19.3%	-9.6%	-8.8%	-16.3%	-18.7%	-4.1%	5.2%	7.1%	15.9%	3.3%	8.3%	14.4%	-3.2%
Harrah's Joliet (CZR)	16.5	18.8	18.6	19.0	17.9	17.9	19.0	18.4	15.4	16.4	16.8	17.4	212.1
% Change	-12.1%	-0.9%	-6.8%	-5.3%	-6.1%	-10.5%	0.7%	8.1%	-8.3%	-10.7%	-0.7%	-6.6%	-5.1%
Hollywood Aurora (PENN)	10.9	13.4	13.9	13.5	12.6	12.8	12.6	12.8	12.8	12.4	11.6	12.6	151.9
% Change	-24.2%	-0.1%	-14.5%	-16.4%	-20.6%	-10.7%	-19.8%	-12.8%	-2.4%	-6.9%	-10.3%	-3.1%	-12.3%
Grand Victoria (MGM/Hyatt)	18.4	19.4	20.1	19.1	18.8	17.5	17.5	16.4	16.4	15.4	16.5	16.8	212.4
% Change	-19.3%	-7.1%	-22.7%	-25.5%	-23.6%	-25.7%	-23.7%	-11.1%	-8.6%	-15.0%	-1.7%	-11.6%	-17.3%
Des Plaines (Private)	30.3	37.5	34.8	35.6	35.3	42.5	36.1	26.4	40.4	33.3	29.5	35.0	416.7
% Change	N/A	N/A	N/A	N/A	N/A	106.6%	-22.6%	33.9%	8.4%	-8.0%	6.0%	N/A	
Total N. Illinois Market	87.0	100.3	100.7	99.3	95.9	102.6	99.0	86.1	96.8	88.3	85.2	93.7	1,134.6
% Change	25.3%	52.9%	31.2%	30.1%	30.6%	46.0%	12.4%	-9.9%	9.8%	-3.0%	-3.9%	-0.4%	16.1%
Same Store	56.7	62.7	65.8	63.7	60.6	60.0							
% change	-18.4%	-4.4%	-14.2%	-16.5%	-17.5%	-14.6%							
<u>St. Louis Market</u>													
Alton Belle (PENN)	5.5	6.2	6.4	6.1	5.8	6.0	6.2	6.2	5.6	5.8	5.7	5.5	71.0
% Change	-2.7%	-1.2%	-9.3%	-8.3%	-10.2%	1.6%	-2.7%	8.9%	-5.1%	0.2%	1.6%	-1.9%	-2.7%
Casino Queen (Private)	10.7	11.7	12.1	11.1	10.8	11.3	11.0	11.2	10.3	10.5	10.2	10.3	131.2
% Change	12.9%	0.5%	2.8%	-0.9%	-1.6%	8.4%	-3.5%	8.1%	-5.5%	1.1%	0.8%	-8.1%	1.0%
Total St. Louis Market	16.2	17.9	18.5	17.3	16.6	17.4	17.2	17.4	15.9	16.3	15.9	15.7	202.2
% Change	7.1%	-0.1%	-1.8%	-3.7%	-4.8%	5.9%	-3.2%	8.4%	-5.4%	0.7%	1.1%	-6.0%	-0.3%
<u>Other Markets</u>													
Par-A-Dice (BYD)	9.4	10.1	10.5	9.8	9.8	9.9	10.0	9.8	9.5	9.2	9.2	9.1	116.3
% Change	1.9%	7.3%	-1.7%	-8.1%	4.1%	4.2%	-6.8%	4.0%	0.6%	-2.1%	6.7%	0.2%	0.6%
Casino Rock Island (Private)	6.7	7.5	8.3	7.5	7.3	7.5	7.7	7.6	7.1	7.3	6.7	6.7	87.9
% Change	2.9%	14.4%	8.6%	-8.0%	-1.6%	9.3%	-1.1%	6.0%	-1.3%	1.0%	2.7%	-2.2%	2.3%
Harrah's Metropolis (CZR)	7.7	9.1	9.1	8.4	8.2	8.1	8.7	8.2	8.4	7.6	7.3	7.0	97.7
% Change	-7.8%	4.9%	13.8%	14.6%	258.9%	-6.9%	-15.3%	-2.1%	-3.9%	-7.3%	-8.3%	-19.4%	2.3%
Total Other Markets	23.7	26.7	27.9	25.7	25.3	25.5	26.3	25.6	25.0	24.1	23.2	22.8	185.6
STATE TOTAL	126.9	144.9	147.0	142.2	137.8	145.4	142.5	129.1	137.7	128.6	124.2	132.2	1,638.6
% Change	16.9%	33.9%	20.7%	18.2%	25.2%	30.2%	5.9%	-5.5%	5.6%	-2.5%	-2.5%	-2.4%	10.9%
Same Store	96.6	107.4	112.2	106.6	102.5	102.9							
% change	-11.0%	-0.8%	-7.9%	-11.4%	-6.8%	-7.9%							

Source: Illinois Gaming Board.

Figure 4: Illinois Fair Share Analysis (as of November 2013 – table and slot statistics on one-month lag)

(\$ MM)	Positions				Revenue (\$ in millions)				
	No. of Tables	No. of Slots	No. of Positions	Share of Total	Nov-13	Share of Total	2013 YTD as of Nov	Share of Total	Diff.
Empress Joliet (PENN)	18	1,177	1,285	10.0%	\$9.7	8.0%	\$121.7	8.5%	-1.5%
Harrah's Joliet (CZR)	34	1,133	1,337	10.4%	\$16.3	13.4%	\$187.6	13.1%	2.7%
Hollywood Aurora (PENN)	27	1,157	1,319	10.2%	\$10.8	9.0%	\$131.4	9.1%	-1.1%
Grand Victoria - Elgin (MGM/Hyatt)	29	1,161	1,335	10.4%	\$14.9	12.3%	\$180.7	12.6%	2.2%
Des Plaines (Private)	48	1,044	1,332	10.3%	\$32.8	27.1%	\$385.4	26.8%	16.5%
Total N. Illinois Market	156	5,672	6,608	51.3%	\$84.5	69.9%	\$1,006.8	70.0%	18.7%
Alton Belle (PENN)	12	997	1,069	8.3%	\$4.9	4.1%	\$59.4	4.1%	-4.2%
Casino Queen - East St. Louis (Private)	22	1,194	1,326	10.3%	\$10.0	8.3%	\$115.4	8.0%	-2.3%
Total St. Louis Market	34	2,191	2,395	18.6%	\$15.0	12.4%	\$174.8	12.2%	-6.4%
Par-A-Dice - East Peoria (BYD)	25	1,177	1,327	10.3%	\$8.5	7.0%	\$100.1	7.0%	-3.3%
Casino Rock Island (Private)	28	1,069	1,237	9.6%	\$6.2	5.1%	\$75.9	5.3%	-4.3%
Harrah's Metropolis (CZR)	27	1,146	1,308	10.2%	\$6.8	5.7%	\$79.6	5.5%	-4.6%
STATE TOTAL	270	11,255	12,875	100.0%	\$121.0	100.0%	\$1,437.3	100.0%	-12.3%
CZR	61	2,279	2,645	20.5%	\$23.1	19.1%	\$267.3	18.6%	-1.9%
MGM	29	1,161	1,335	10.4%	14.9	12.3%	180.7	12.6%	2.2%
BYD	25	1,177	1,327	10.3%	8.5	7.0%	100.1	7.0%	-3.3%
PENN	57	3,331	3,673	28.5%	25.5	21.0%	312.5	21.7%	-6.8%
Other	98	3,307	3,895	30.3%	49.1	40.5%	576.7	40.1%	9.9%
Total	270	11,255	12,875		\$121.0		\$1,437.3		

Source: Illinois Gaming Board.

Figure 5: Illinois Calendar Comparison

	2012 Growth	Weekdays		Weekend days		2013 Calendar Comment	2013 Growth
		2012	2013	2012	2013		
Jan	16.9%	23	23	8	8	Neutral	(3.0%)
Feb	33.9%	20	20	8	8	Neutral	(14.2%)
Mar	20.7%	21	21	10	10	Neutral	1.5%
Apr	18.2%	22	22	8	8	Neutral	(5.4%)
May	25.2%	23	22	8	9	Favorable	0.1%
Jun	30.2%	20	21	10	9	Unfavorable	(9.7%)
Jul	5.9%	23	23	8	8	Neutral	(7.4%)
Aug	(5.5%)	22	21	9	10	Favorable	4.9%
Sep	5.6%	21	22	9	8	Unfavorable	(8.7%)
Oct	(2.5%)	23	23	8	8	Neutral	(4.5%)
Nov	(2.5%)	21	20	9	10	Favorable	(2.6%)
Dec	(2.4%)	22	23	9	8	Unfavorable	(13.2%)

Source: Illinois Gaming Board.

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IB clients*	57%	49%	36%
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*Percentage of investment banking clients in each rating category.

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