

MOUNT AIRY CASINO



**Pennsylvania Gaming Control Board
Petition for Approval of Casino Floor Reconfiguration**

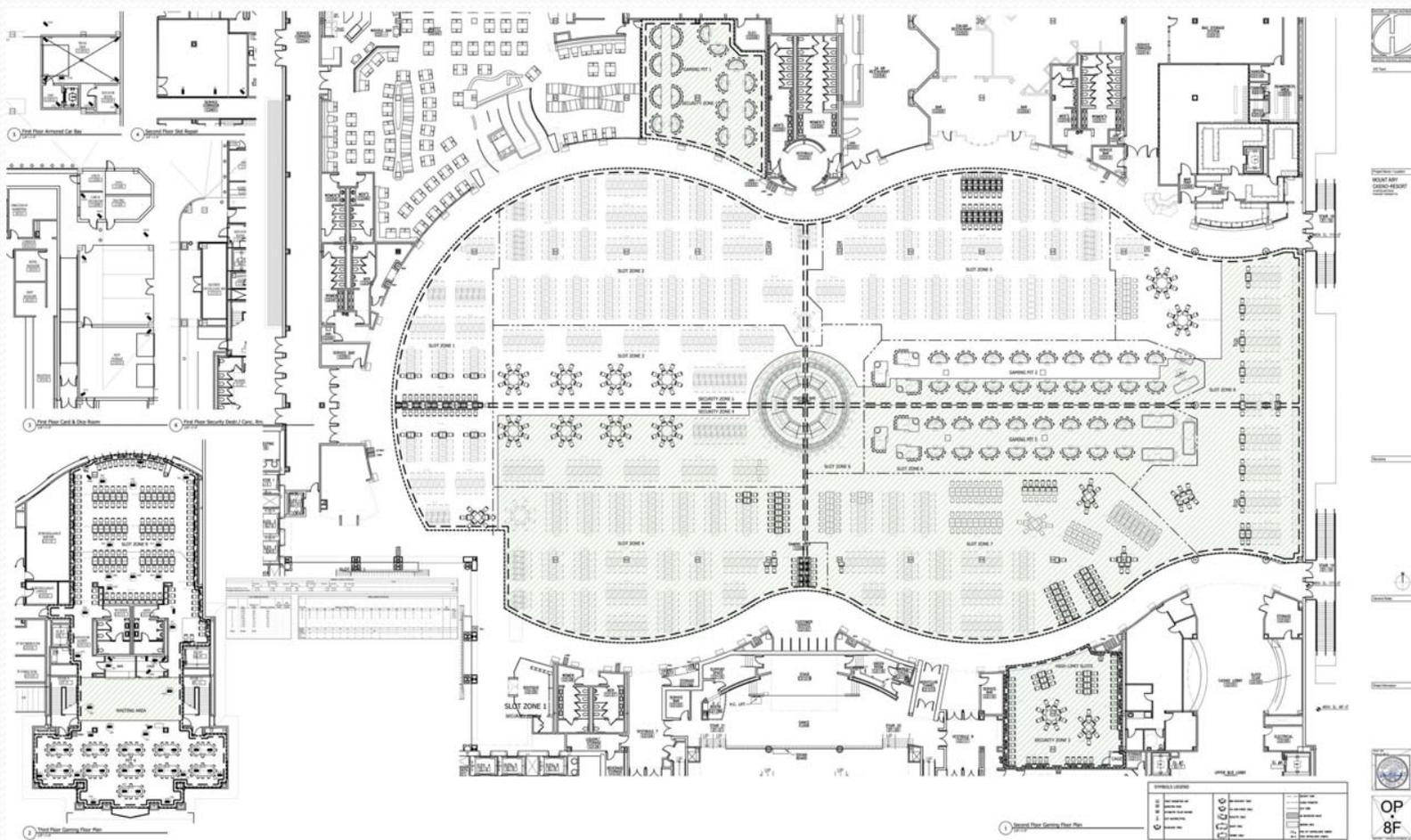
January 29, 2013

- Requesting Approval to Reduce the number of slot machines from 2,075 to 1875
- Rationale:
 - Excess supply of slot machines based on utilization and win per unit statistics
 - Benefits:
 - Relieve congestion on main gaming floor and enhance patron traffic flow
 - More spacious and comfortable experience for players
 - Improve customer experience
 - Cost Savings

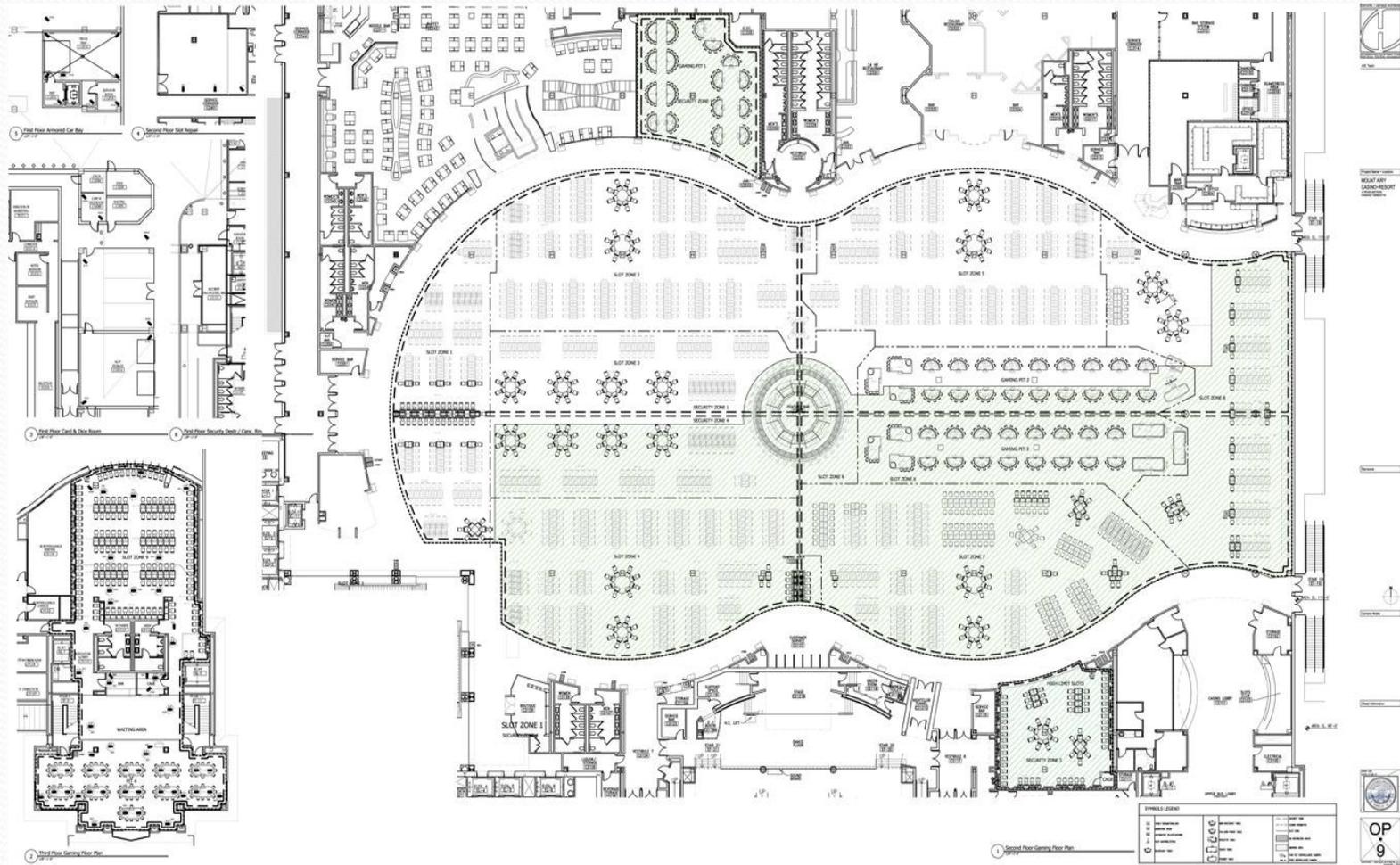
Gaming Principle

- Slot machines do not generate revenue, people generate revenue
- Board has recognized more machines do not necessarily translate into more revenues if market demand is not present
- No anticipated negative impact on gross terminal revenue if the proposed reductions are permitted
- Commonwealth and Mt. Airy are partners

Current Operating Plan (OP-8F)



New Operating Plan (OP-9)



Mount Airy Peak Slot Machine Occupancy

Number of Slot Machines in Operation	Average Peak Weekday Occupancy	Average Peak Weekend Occupancy
2,450	31.1%	53.9%
2,275	32.6%	50.7%
2,075	41.3%	54.9%

Win Per Unit Per Day April – September 2012

<u>Facility</u>	<u>Win Per Unit Per Day</u>
SugarHouse	\$318.25
Parx	300.56
Mohegan Sun	278.70
Penn National	272.42
Sands	263.51
Rivers	263.41
Harrahs	254.52
Meadows	212.85
Presque Isle	211.37
Mt. Airy	210.74
Industry Average	258.63

Impact of Slot Machine Reduction at Mount Airy

	<u>April – Sept 2011</u>	<u>April – Sept 2012</u>	<u>Variance</u>
Avg. # of Slot Machines	2,275	2,075	-200
Gross Terminal Revenue	\$77,587,020	\$80,022,746	2,435,726
Win Per Unit	\$186	\$211	24

Cost Savings

- Over \$3,600,000 in capital replacement costs
- Approximately \$25,000 annually in operating costs



Mount Airy
CASINO ♦ RESORT