The Innovation Group

- Premier provider of consulting services for leisure & hospitality industry
- New Orleans, Denver, Atlantic City
- Staff with variety of backgrounds and experience
- Experience in over 100 market areas
  - U.S.
  - Canada
  - Asia
  - Caribbean
  - Europe
  - Mexico
  - South America
  - Central America

The Innovation Group Representative Clients

Public Companies

- Wynn Resorts
- Harrah's Entertainment
- Park Place Entertainment
- Isle of Capri Casinos
- Trump Casinos
- Churchill Downs

The Innovation Group Representative Clients

Governments & Agencies

- National Government of Panama
- State of New Hampshire
- City of Richmond, CA
- Laughlin Tourism Council
- City of Bridgeport, Connecticut
- Peoples' Republic of China

The Innovation Group

Native American

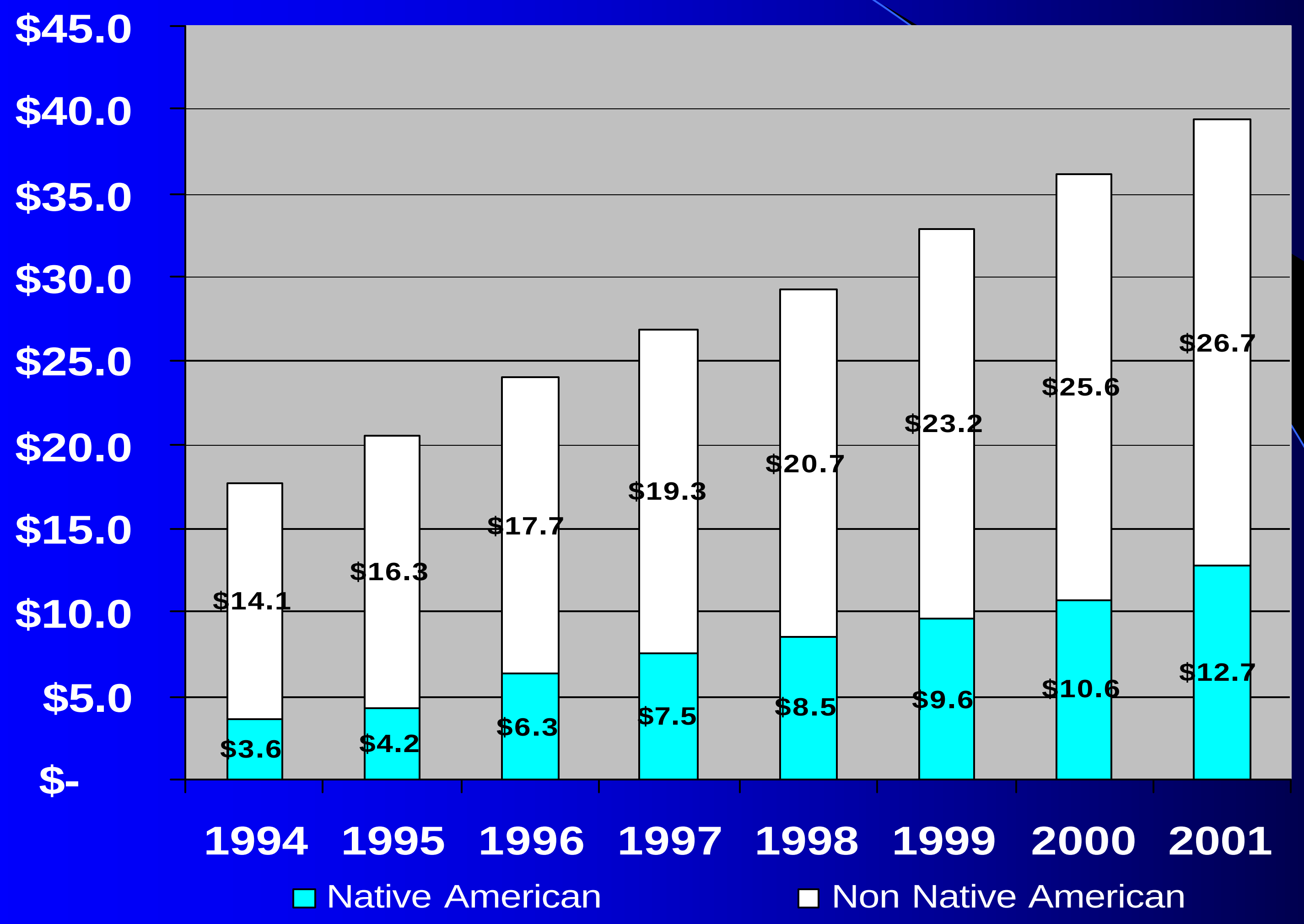
- Various Projects for over 45 Native American Tribes
  - Feasibility Studies
    - Casinos & Hotels
    - Golf Courses
    - Entertainment Venues
    - Other Amenities
  - Market Research
  - Strategic Planning
  - Development of Marketing Plans/Programs

The Innovation Group Representative Native American Projects

- Pechanga Casino-Temecula, CA
- Foxwoods Casino-Connecticut
- Seminole Tribe-Florida
- Casino Morongo-Cabazon, CA
- Nez Perce Tribe-Lewiston, ID
- Barona Resort-San Diego, CA
- Fantasy Springs Casino-Indio, CA

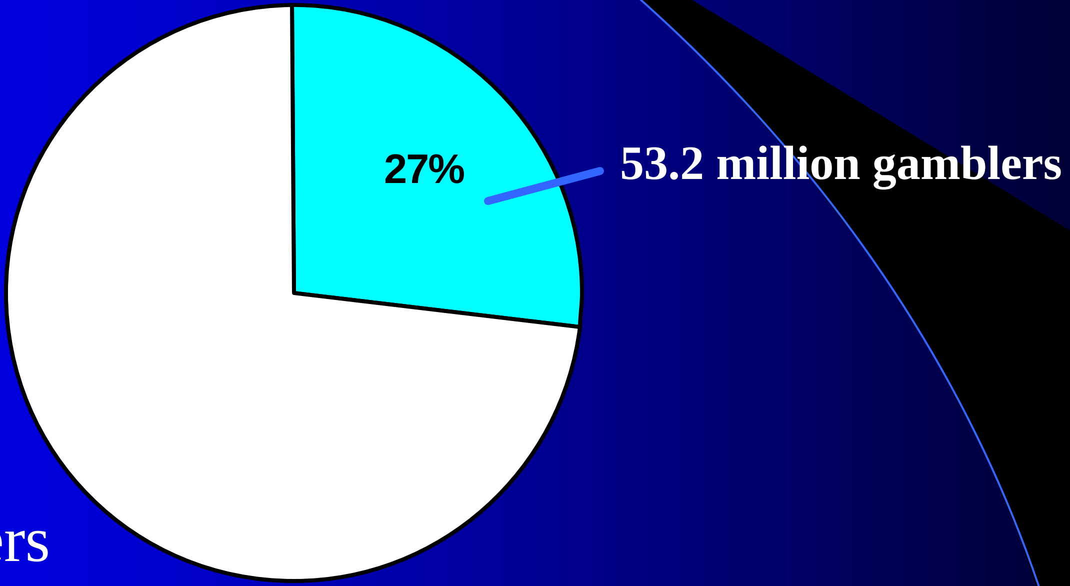
Gaming Entertainment Industry Today

U.S. Gaming Revenue Trends
($'s in Billions)



U.S. Participation Rates

Total U.S. Population over 21 = 197 million



- 53.2 million gamblers
- Average 5.7 trips per Gambler
- 303.3 million annual visits

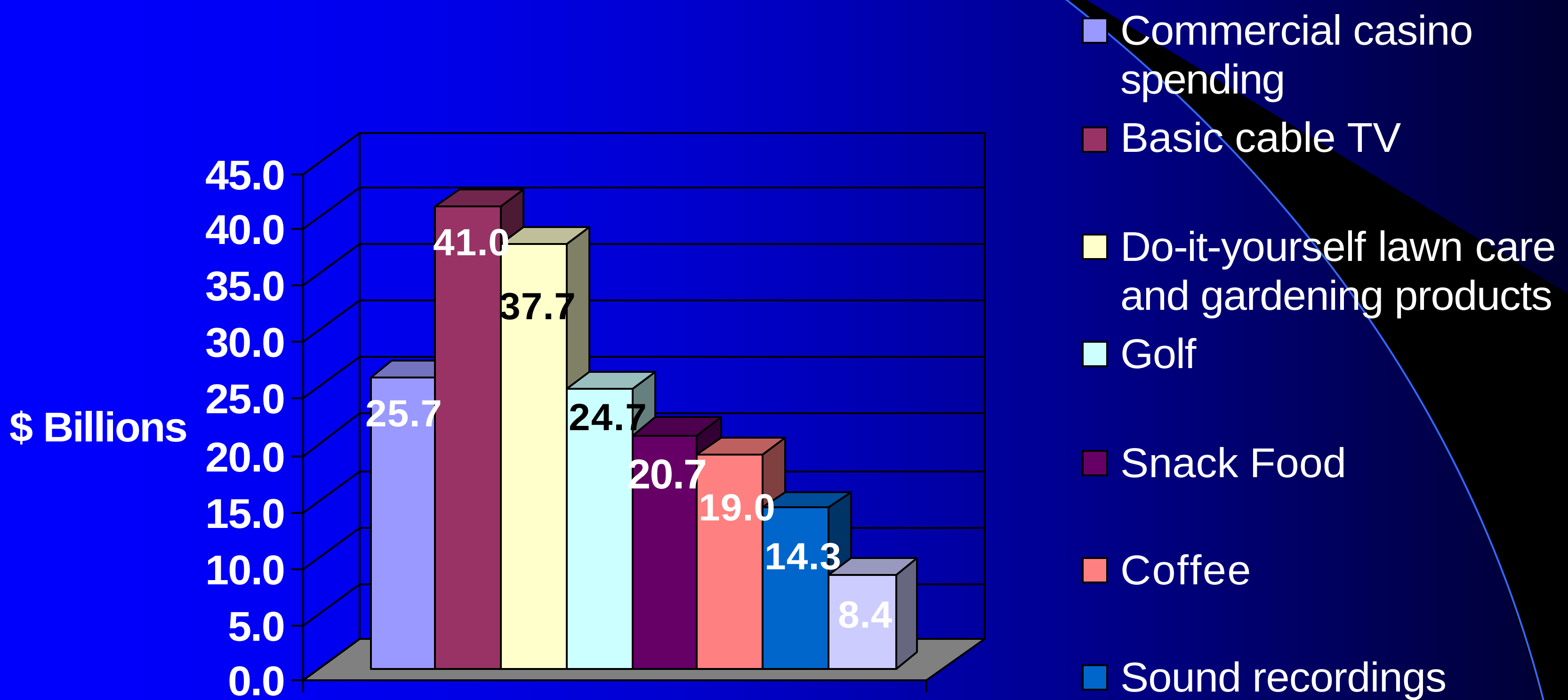
Source: American Gamblers Association

Selected U.S. Gaming Participation Rates

New York	34%
San Fran-Oakland	37%
Detroit	40%
Los Angeles	38%
Philadelphia	35%
Phoenix	42%
Minneapolis-St. Paul	40%
Dallas	23%
Washington D.C.	18%
Atlanta	17%
Tampa	17%
Pittsburgh	17%

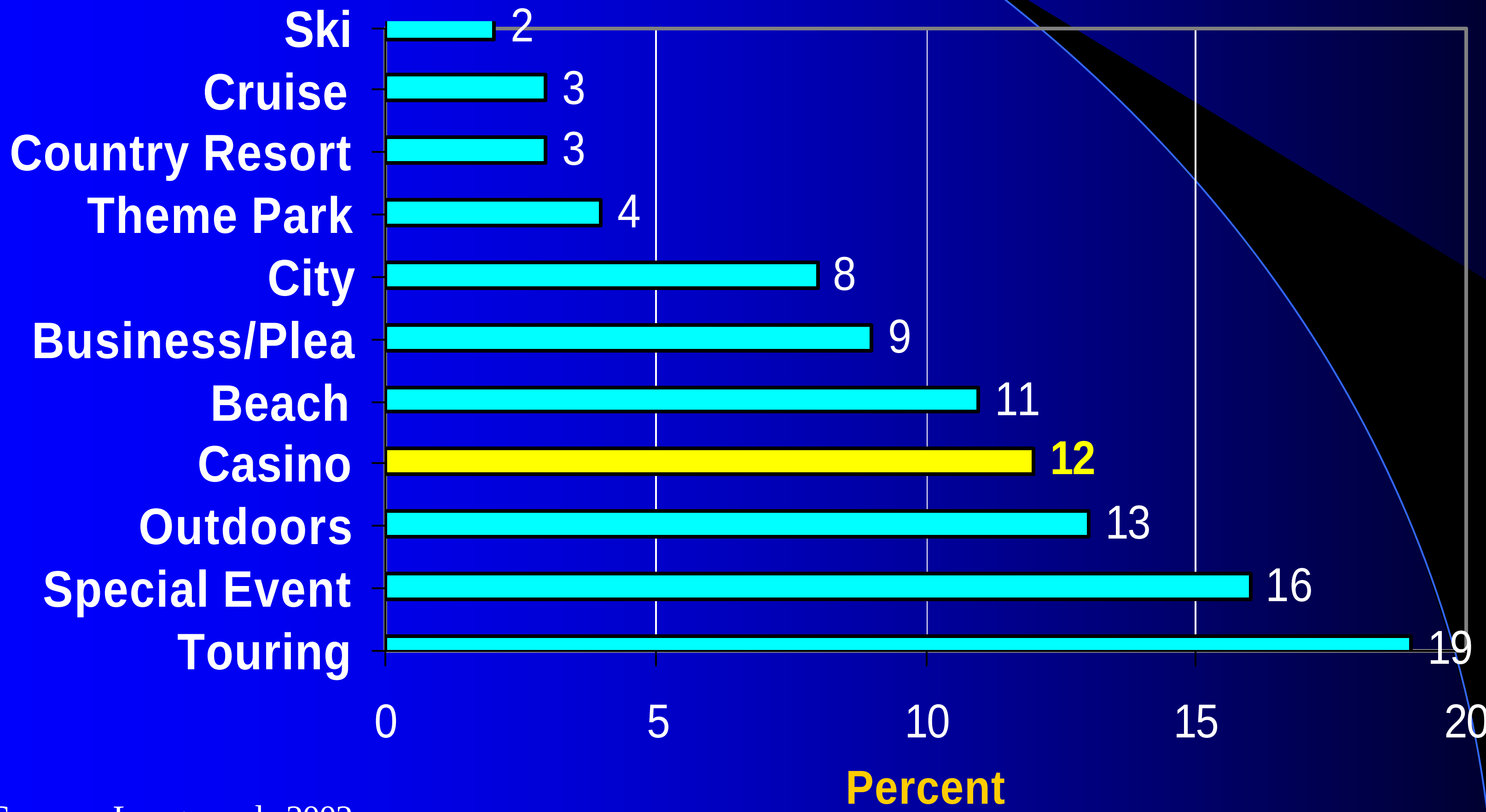
Source: Harrah's 2002 Survey

Commercial Casino Gaming vs. Other Spending Choices



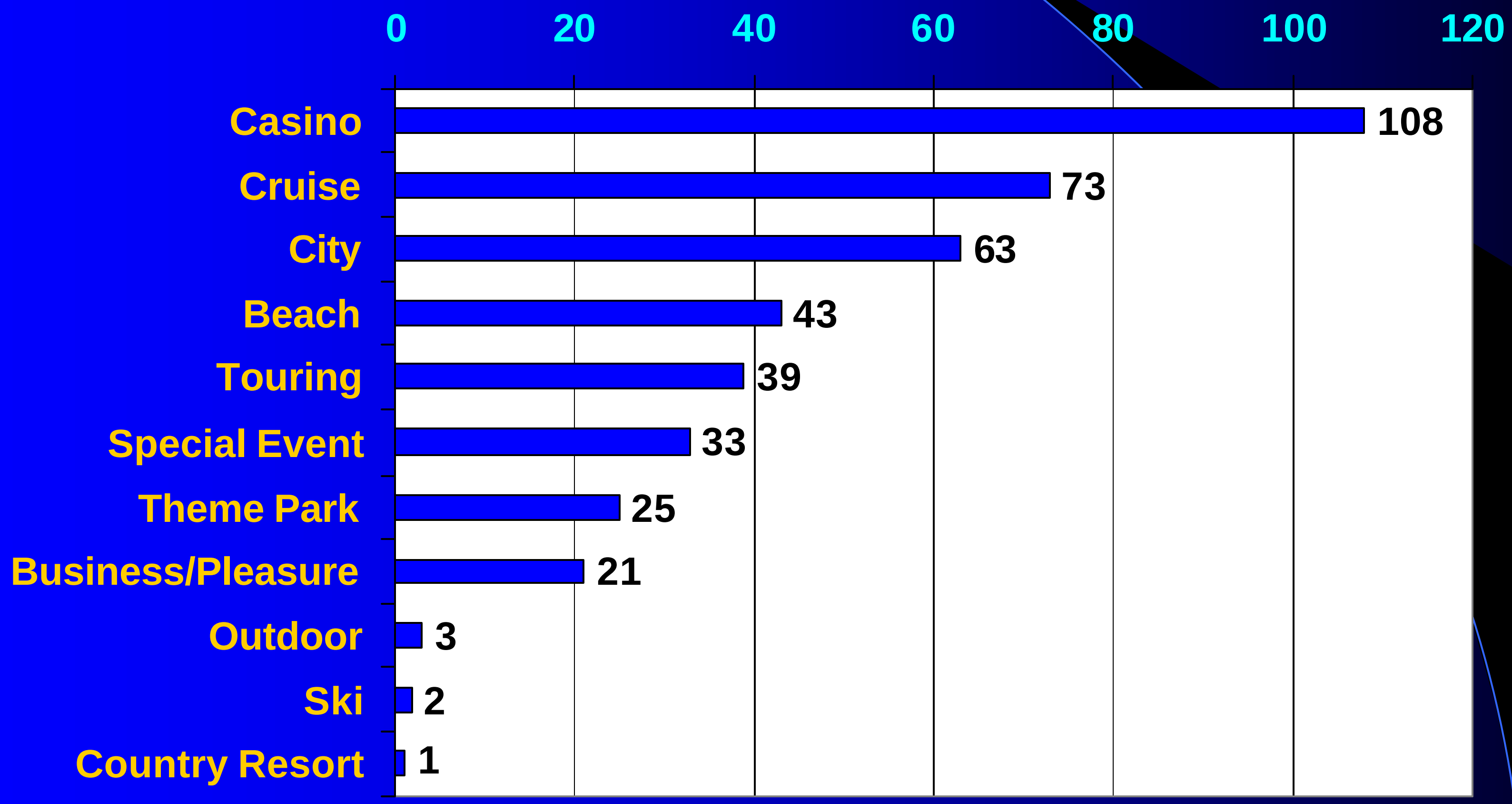
Sources: American Gaming Association, National Restaurant Association, National Cable Television Association, National Gardening Association, National Golf Foundation, Snack Food Association, National Coffee Association, Recording Industry Association of America, Motion Picture Association of America.

U.S. Overnight Marketable Trip Mix 2002 Travel Year



Source: Longwoods 2002

U.S. Marketable Trips
% Change from 1994 to 2002



Native American Gaming Today

- 29 States
- 290 Native American Tribes with Gaming Operations
- $12.7 Billion in Revenues
- 71% increase in Revenues 1997-2001
- 300,000 Jobs

Source: NIGA, Merrill Lynch

Casino Customers… Who Are They?

	U.S. Casino Customer	U.S. Population
Exercise Twice A Week	62%	60%
Fly an American Flag at Home	71%	67%
Own Home	73%	68%
Voted in last Election	81%	77%
Male/Female	45%/55%	48%/52%

Source: American Gaming Association

Casino Customer …
Who Are They?

	U.S. Casino Players	U.S. Population
Median Household Income	**$49,753**	**$41,343**
Median Age	**46**	**45**
Education		
Some College	30%	27%
Bachelor’s Degree	16%	16%
Post Bachelor’s Degree	9%	9%
Employment		
White Collar	46%	41%
Blue Collar	26%	28%
Retired	13%	13%
Other	15%	18%

Source: American Gaming Association

PRIZM Clusters
Clusters Likely to be Casino Gambler

Cluster	Profile	Entertainment Preferences
Pools & Patios	Established Empty Nesters	Siskel & Ebert
Boomers & Babies	White Collar Suburban Families	Tonight Show
Upward Bound	Upscale White Collar Families	Own 2+ VCRs / Read People Magazine
Young Literati	Urban Couples & Singles	Performing Arts / Movies / Rolling Stones Magazine
Blue Blood Estates	Super-Rich	Theater Going / Pay per View

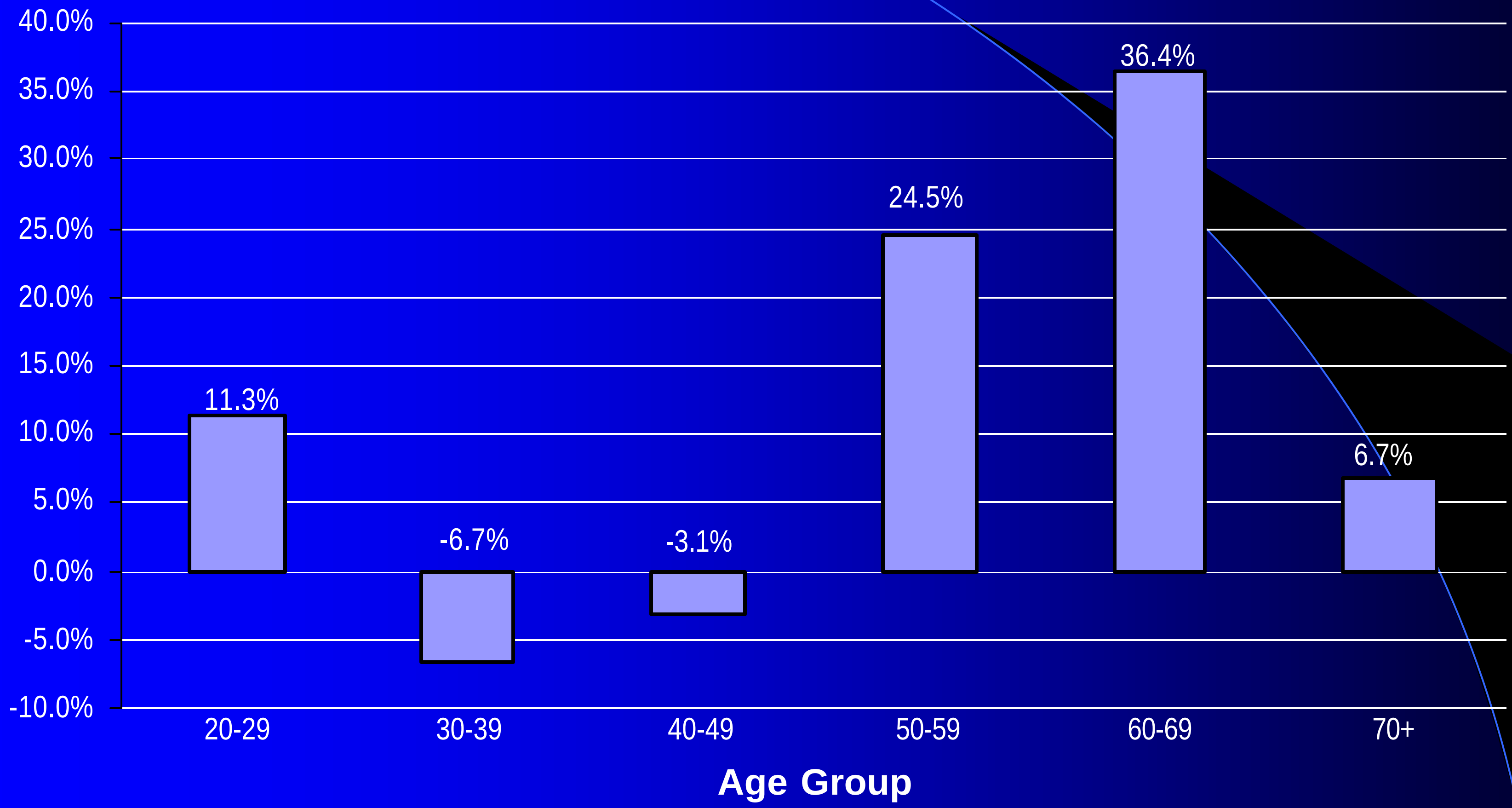
Gaming Industry Future Outlook


Gaming Participation Increases
Demographic Trends
Casino Perceptions
Current Social Climate
Travel Preferences

Age Shift in U.S. Population

- The Baby Boomers, who historically redefined purchasing habits in the U.S. because they comprise the largest segment of the population, will be moving into the 50-59 and 60-69 age brackets.
- These age brackets will be the fastest growing segment of the population over the next ten years
  - 50-59 age group is expected to grow by 25% in 2010
  - 60-69 age group is expected to grow by 40% in 2010
  - Overall population is expected to only grow by 7% in 2010

Projected Population Growth 2002 to 2010



Demographic Data
Good News for the Gaming Industry

Casino Participation Rate by Age

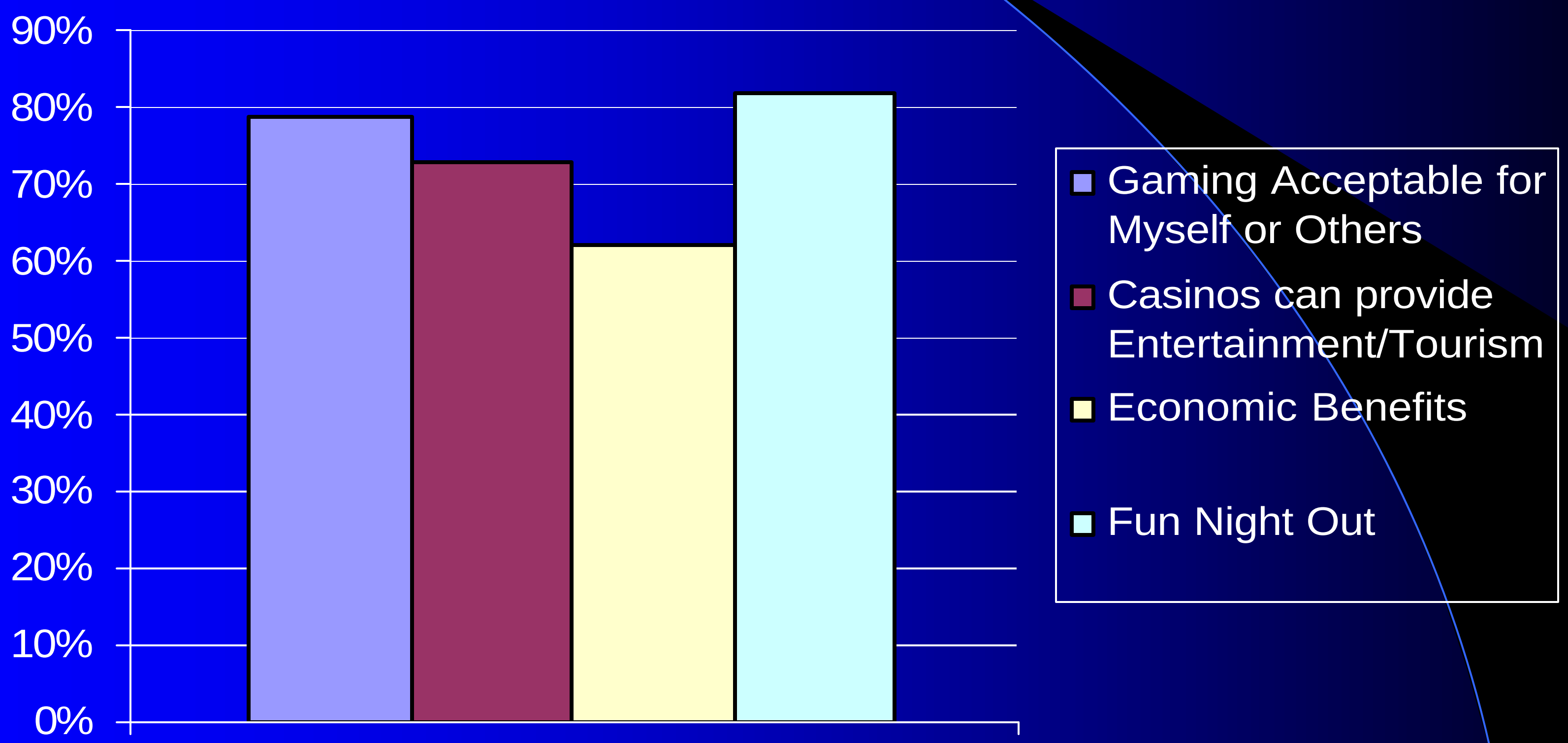
21 - 35 years old	26%
36 - 50 years old	25%
51 - 65 years old	31%
66 and above	27%

Source: Harrah's Entertainment, Inc. /

NFO WorldGroup, Inc. / U.S. Census Bureau

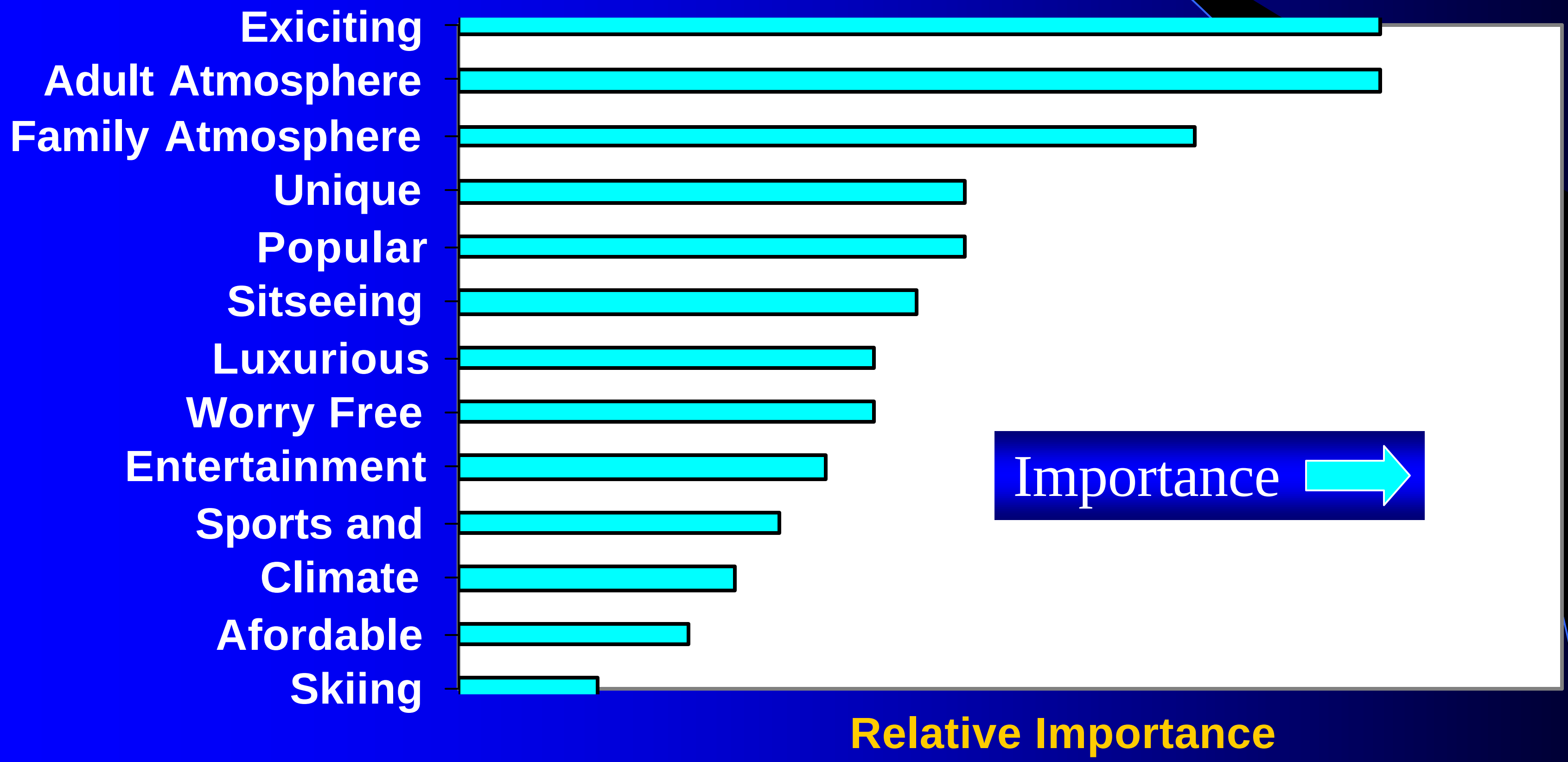
Casino Gaming Perceptions

Americans agree that…



Travel Motivators

What's Important in Getting on a Destination Wish List?



Source: Longwoods 2002

Summary of Current Social Climate

- Today’s booming economy has reduced aspirations to acquire status possessions
- Increased focus on “Intangibles”
  - Being with Family & Friends
  - Creating Memorable Experiences
- Consumers “More in Control”
  - Necessitating the industry to shift way in which it communicates
  - “Buyers” Market

Current Social Climate
“The Experience Economy”

Yankelovich Monitor

66% Prefer Spending

on Experiences over Things

Current Social Climate
Boom in Boredom

- 84% - TV Programs
- 65% - Department Store Shopping
- 60% - Pro Sports
- 40% - “My Life”

Source: YPB Travel Monitor

Shifts in Travel Preferences

- Bad News
  - 9/11/01
  - Economic Downturn
  - "Iraqaphobia"
  - SARS

Travel Industry of America Survey

Good News

- Consumers Continue To Travel & Gamble
- 4 in 10 adults plan to take more vacation days in next year
- Only 6% of consumers said that they would cancel a vacation in lieu of the decline in their investment portfolios due to stock market declines
- U.S. consumers are resilient; they see vacationing and gambling as a right and they are not giving it up

Shifts in Travel Preferences

- Back to Basics Mentality
  - Visiting Friends & Relatives
  - Traveling with Family
  - Staying Closer to Home
- Auto v.s. Flying
- Less likely to take International Trip
- Shorter Trips

Vacationing Americans Longer Term Trends Positive

- 38 % of American Adults Visited a Casino while on vacation last year
- 14% of American Adults Spent 4 Days or More at Casinos while on vacation
- 25% of American Adults Expect to Visit a Casino MORE FREQUENTLY while on Vacation during the next two years
- Source: Bear Stearns “America at Leisure”


Gaming Participation Increases
Demographic Trends
Casino Perceptions
Current Social Climate
Travel Preferences

The Innovation Group Feasibility/Market Assessment Approach

- Primary Proprietary Research
  - Qualitative Focus Groups & Interviews
  - Quantitative Surveys
- Peer Group Comparisons & Analysis
- Third Party Research
- Industry & Company Analysis
  - Regulated Industry With Detailed Reporting Requirements

Gaming Assessment Factors

- Demographics
- Propensity
- Frequency
- Capture Rate
- Win per Visit

Gaming Market Assessment

Other Considerations

- Competitive Environment
- Building Design & Components
- Access
- Management Experience
- Existing Customer Base and Business Model

Gaming Market Assessment

Sensitivity Analysis

- Competitive Issues
- Ramp Up Periods
- Peer Group Analysis
- Other Factors

Key Analytical Factors

- Win/Unit/Day
  - Industry Averages
  - Peer Group Averages
- Gaming Revenue per Occupied Room
- Units Per Population-Local Markets
- Promotional Allowances & Marketing $ To Gaming Revenues