



Transformation in Changing Conditions: *What does the new IR look like?*

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Evolution of the Integrated Resort (IR)



Integrated Resort 1.0

Sands Venetian Palazzo & Expo



Mandalay Bay Resort & Convention Center



With the opening of the Sands Expo and Convention Center in 1990 and the Mandalay Bay Convention Center in 2003, some of the first integrated resorts were built around large-scale convention centers.



IR 1.0 Attributes

- Even before there were IRs, there was a move towards broadening amenities at developments.
 - Bellagio
 - Mirage
 - Atlantis
 - Sun City
- The first iteration of meaningful IRs evolved from developments that catered to the convention market.
 - In some cases, the convention spaces were opened prior to the large scale resorts.
- They had significant convention components as part of their development.



IR 1.0 Attributes

- These resorts are located primarily in destination locations that can support convention business:
 - Las Vegas
 - Atlantic City
- IR 1.0 examples:
 - Las Vegas Sands Venetian, Palazzo, and Sands Expo—the Sands Expo & Convention Center was opened nine years prior to the Venetian.
 - Mandalay Bay Resort & Convention Center—Mandalay became a truly different property when the Convention Center opened in 2003.



From IR 1.0 to IR 2.0

Cotai Strip, Macau



Marina Bay Sands, Singapore



As Integrated Resorts continued their evolution, the properties progressed from both a site selection and business focus perspective.



IR 2.0 Attributes

- IR 2.0 properties represent resorts that are more dual focused than their IR 1.0 counterparts.
 - While the resorts still offer a full suite of amenities, they are positioned to focus on both gaming and convention—with gaming driving the business.
- These resorts are positioned to serve a different customer segment than IR 1.0 properties: VIP Gamers.
- These resorts are located in or near urban centers:
 - Hong Kong
 - Singapore
- IR 2.0 examples:
 - Venetian Macau and other Cotai Strip developments
 - Marina Bay Sands, Singapore



From IR 2.0 to IR 3.0

Entertainment City, Manila



Studio City, Macau



As Integrated Resorts evolved from 2.0 to 3.0, site selection remained consistent while the business focus changed.



IR 3.0 Attributes

- IR 3.0 properties represent more diversified building programs compared to IR 2.0 and IR 1.0 properties
 - Gaming is still a large portion of their revenue; however, with features like themed rides and water parks, they aim to increase non-gaming revenue.
- These resorts are positioned to serve a different customer segment relative to IR 2.0 properties: Premium Mass Gamers and Tourists.
- These resorts are located in or near urban centers:
 - Manila, Philippines
 - Hong Kong
 - Seoul, South Korea
- IR 3.0 examples:
 - Entertainment City Resorts
 - Studio City, Macau
 - Mohegan Sun Incheon
 - Proposed Developments in Japan



IR 3.0 to IR 3.1: The Evolution Continues

The Grand Ho Tram Strip, Vietnam



Aquis Great Barrier Reef Resort



Just as the evolution from IR 1.0 to IR 2.0 entailed a progression in both site selection and business focus, the move from 3.0 to 3.1 has brought changes in these development considerations as well.



IR 3.1 Attributes

- IR 3.1 properties represent the continued movement away from casino centric developments—these properties can be thought of as “resorts with casinos” rather than “casinos with resorts.”
 - Gaming will remain a large portion of their revenue; however, the footprint of gaming areas relative to the overall development continues to get smaller.
- These resorts are positioned to serve yet another new mix of customers: the emerging Chinese middle class seeking both recreational and gaming entertainment as well as VIP Gamers.
 - The resorts will offer tourist-inducing amenities such as water parks and duty free & discount shopping.
 - These resorts will not focus solely on VIP Gamers, aiming to offer an alternative rather than a replacement to IR 2.0 resorts.



IR 3.1 Attributes

- These properties are located in resort areas with local communities interested in widespread increases in tourism rather than solely gaming induced increases.
 - Gold Coast & Cairns - Australia
 - Vietnam - Ho Tram & Phu Quoc
 - Saipan
 - Philippine Islands
 - Hokkaido, Japan
- IR 3.1 examples:
 - Aquis Great Barrier Reef Resort
 - The Grand Ho Tram Strip
 - Best Sunshine Saipan
 - Baha Mar, Bahamas