

Overview of Nevada Gaming

Overview

With most forms of gambling legal since 1931, Nevada is the oldest regulated gaming jurisdiction in the United States. Casinos and slot route operations are the biggest sources of gaming revenue. Pari-mutuel wagering is also active in race-and sportsbooks throughout the state. The state has horsetracks, but does not allow live dog track racing.

In March 2005, the State Assembly approved the idea of a state lottery, which has been banned in Nevada since the state constitution was written in 1864. Democrats estimated that the new lottery could earn between \$40 million and \$70 million a year for the state. However, late in March 2005, the Senate Judiciary Committee, afraid that a lottery would compete with the gaming industry for players, voted 5-2 to reject the proposal.

In March 2007, legislation was passed in the Assembly to allow Nevadans to vote on whether or not to allow a state lottery. In the Senate, the bill was referred to the Committee on Judiciary, where it remains as of August 2007. If the measure is approved in the Senate, and later approved by the entire Legislature in 2009, a public vote will be held in 2010 to decide the fate of a state lottery.

Gaming Machine Summary

Gaming Machines		
Penny Slots.....	32,449	18.7%
Nickel Slots.....	12,610	7.3%
Dime Slots.....	470	0.3%
Quarter Slots	24,190	14.0%
Half Dollar Slots	849	0.5%
Dollar Slots	15,466	8.9%
Five Dollar Slots	2,357	1.4%
Twenty Five Dollar Slots	418	0.2%
Hundred Dollar Slots	284	0.2%
Five Hundred Dollar Slots	71	0.0%
IGT - Megabucks	544	0.3%
Multi-denomination Slots	81,807	47.3%
Other Slots	1,590	0.9%
Total	173,105	100.0%

Combined Income Statement (In Thousands)

All Departments

	2006	% Rev.	2007	% Rev.	Growth
Revenue	23,024,101	100.0%	24,150,485	100.0%	4.89%
Cost of Sales	1,328,299	5.77%	1,395,697	5.78%	5.07%
Gross Margin	21,695,803	94.23%	22,754,788	94.22%	4.88%
Expenses	18,076,254	78.51%	18,696,212	77.42%	3.43%
Net Income	3,619,549	15.72%	4,058,576	16.81%	12.13%

Beverage

	2006	% Rev.	2007	% Rev.	Growth
Revenue	1,255,607	100.0%	1,342,467	100.0%	6.92%
Cost of Sales	289,985	23.10%	305,845	22.78%	5.47%
Gross Margin	965,622	76.90%	1,036,622	77.22%	7.35%
Expenses	465,980	37.11%	507,694	37.82%	8.95%
Net Income	499,642	39.79%	528,928	39.40%	5.86%

Casino

	2006	% Rev.	2007	% Rev.	Growth
Revenue	11,147,640	100.0%	11,785,347	100.0%	5.72%
Expenses	5,828,344	52.28%	6,167,633	52.33%	5.82%
Net Income	5,319,296	47.72%	5,617,714	47.67%	5.61%

Food

	2006	% Rev.	2007	% Rev.	Growth
Revenue	3,149,597	100.0%	3,243,798	100.0%	2.99%
Cost of Sales	1,038,314	32.97%	1,089,851	33.60%	4.96%
Gross Margin	2,111,283	67.03%	2,153,947	66.40%	2.02%
Expenses	1,987,487	63.10%	2,074,662	63.96%	4.39%
Net Income	123,795	3.93%	79,285	2.44%	-35.95%

General & Administrative

	2006	2007	Growth
Expenses	8,087,628	8,235,978	1.83%

Other

	2006	% Rev.	2007	% Rev.	Growth
Revenue	2,667,836	100.0%	2,737,100	100.0%	2.60%

Rooms

	2006	% Rev.	2007	% Rev.	Growth
Revenue	4,803,422	100.0%	5,041,772	100.0%	4.96%
Expenses	1,706,814	35.53%	1,710,245	33.92%	0.20%
Net Income	3,096,607	64.47%	3,331,528	66.08%	7.59%

Game Revenue Summary

Game Revenue (In Thousands)

Game Name	2003	2004	2005	2006	2007
Penny Slots		308,785	720,183	1,137,387	1,475,947
Nickel Slots	1,512,979	1,341,832	1,041,819	664,500	526,944
Quarter Slots	1,976,005	1,892,962	1,631,129	1,401,446	1,155,290
Half Dollar Slots	103,890				
Dollar Slots	1,254,873	1,224,512	1,129,699	1,075,745	1,005,123
Five Dollar Slots	243,169	241,047	244,412	258,453	268,748
25 Dollar Slots	55,402	61,160	64,246	64,739	69,117
100 Dollar Slots	38,007	58,166	47,841	50,107	51,216
IGT - Megabucks	90,287	62,018	88,552	94,940	86,267
Multi-denom. Slots	863,547	1,371,550	2,278,770	3,180,832	3,539,161
Other Slots	206,476	210,540	184,862	168,946	166,797
Blackjack	1,080,438	1,212,427	1,169,116	1,311,966	1,434,684
3 Card Poker	105,138	140,230	165,572	181,704	178,432
Carib. Stud	42,637	39,810	33,826	24,984	16,063
Pai Gow Poker	119,609	127,813	129,238	138,250	128,346
Pai Gow Tiles	26,822	24,457	23,826	28,193	39,991
Baccarat	437,466	422,002	550,047	743,418	900,462
Mini-Baccarat	163,233	179,882	194,380	244,188	149,464
Craps	445,405	425,116	452,616	462,182	471,785
Let it Ride	67,195	67,334	66,149	61,391	61,495
Roulette	262,362	274,394	297,715	334,816	371,746
Keno	72,995	70,572	62,644	58,502	53,331
Bingo	2,467	4,394	8,535	6,042	1,402
Sports Book	124,417	115,651	132,350	140,645	175,684
Race Book	85,501	90,122	92,444	99,896	96,742
Other Games	123,353	62,537	75,953	107,730	144,805
Poker	60,088	80,514	119,614	152,538	170,094

100 Dollar Slots	343	558	466	473	534
IGT - Megabucks	369	255	370	383	389
Multi-denom. Slots	103	108	117	123	123
Other Slots	97	127	136	152	154
Blackjack	874	1,003	983	1,106	1,241
3 Card Poker	1,870	1,985	2,071	2,066	1,963
Carib. Stud	1,460	1,532	1,716	1,711	1,630
Pai Gow Poker	1,092	1,172	1,204	1,338	1,358
Pai Gow Tiles	1,750	1,519	1,592	1,545	1,543
Baccarat	13,028	11,887	13,700	15,087	15,419
Mini-Baccarat	3,388	3,695	4,034	4,181	3,056
Craps	2,724	2,689	2,938	3,059	3,199
Let it Ride	1,195	1,260	1,323	1,294	1,416
Roulette	1,615	1,696	1,817	2,007	2,234
Keno	1,117	1,037	923	890	880
Bingo	157	279	557	414	107
Sports Book	2,257	2,052	2,295	2,307	2,831
Race Book	2,789	2,767	2,846	2,851	2,500
Other Games	2,640	1,147	1,125	1,272	1,276
Poker	437	541	558	519	513

Win Percent/Hold Percent

Penny Slots					
Nickel Slots	-8.88%	-11.31%	-22.36%	-36.22%	-20.70%
Quarter Slots	-6.84%	-4.20%	-13.83%	-14.08%	-17.56%
Half Dollar Slots	-5.54%				
Dollar Slots	-4.99%	-2.42%	-7.74%	-4.78%	-6.56%
Five Dollar Slots	-2.06%	-0.87%	1.40%	5.74%	3.98%
25 Dollar Slots	4.98%	10.39%	5.05%	0.77%	6.76%
100 Dollar Slots	-5.27%	53.04%	-17.75%	4.74%	2.21%
IGT - Megabucks	24.16%	-31.31%	42.78%	7.21%	-9.14%
Multi-denom. Slots	144.84%	58.83%	66.15%	39.59%	11.27%
Other Slots	-7.07%	1.97%	-12.20%	-8.61%	-1.27%
Blackjack	-4.21%	12.22%	-3.57%	12.22%	9.35%
3 Card Poker	144.27%	33.38%	18.07%	9.74%	-1.80%
Carib. Stud	-4.56%	-6.63%	-15.03%	-26.14%	-35.71%
Pai Gow Poker	0.13%	6.86%	1.11%	6.97%	-7.16%
Pai Gow Tiles	-0.76%	-8.82%	-2.58%	18.33%	41.85%
Baccarat	16.49%	-3.53%	30.34%	35.16%	21.12%
Mini-Baccarat	-12.42%	10.20%	8.06%	25.62%	-38.79%
Craps	5.85%	-4.56%	6.47%	2.11%	2.08%
Let it Ride	-5.87%	0.21%	-1.76%	-7.19%	0.17%
Roulette	1.09%	4.59%	8.50%	12.46%	11.03%
Keno	-5.94%	-3.32%	-11.23%	-6.61%	-8.84%
Bingo	-31.83%	78.11%	94.24%	-29.21%	-76.80%
Sports Book	12.08%	-7.05%	14.44%	6.27%	24.91%
Race Book	-1.39%	5.40%	2.58%	8.06%	-3.16%
Other Games	43.45%	-49.30%	21.45%	41.84%	34.41%
Poker	2.77%	33.99%	48.56%	27.53%	11.51%

Game Name	2003	2004	2005	2006	2007
Penny Slots		8.55%	9.25%	9.63%	10.00%
Nickel Slots	7.91%	7.97%	8.35%	8.37%	8.27%
Quarter Slots	5.47%	5.73%	6.11%	6.48%	6.34%
Half Dollar Slots	4.67%				
Dollar Slots	4.61%	4.79%	4.93%	5.16%	5.29%
Five Dollar Slots	4.22%	4.36%	4.73%	4.88%	5.05%
25 Dollar Slots	3.20%	3.74%	3.96%	3.72%	3.64%
100 Dollar Slots	2.96%	5.05%	4.12%	4.29%	4.17%
IGT - Megabucks	11.20%	10.01%	12.70%	10.98%	11.94%
Multi-denom. Slots	4.62%	5.03%	5.05%	5.11%	5.23%
Blackjack	12.68%	13.19%	11.77%	11.83%	12.59%
3 Card Poker	24.98%	25.42%	25.83%	26.06%	26.36%
Carib. Stud	29.95%	28.77%	28.55%	28.38%	29.29%
Pai Gow Poker	22.44%	22.76%	21.98%	21.88%	21.81%
Pai Gow Tiles	20.09%	19.79%	17.21%	17.51%	19.38%
Baccarat	22.94%	14.48%	12.01%	10.89%	11.65%
Mini-Baccarat	13.63%	13.40%	12.01%	12.70%	11.77%
Craps	14.64%	13.08%	13.09%	12.82%	13.22%
Let it Ride	21.34%	21.38%	21.33%	21.88%	21.79%
Roulette	23.56%	22.12%	21.43%	21.33%	19.94%
Keno	27.67%	28.29%	27.15%	27.40%	27.41%
Bingo	1.30%	2.36%	4.53%	3.21%	0.70%
Sports Book	6.65%	5.97%	6.16%	5.91%	7.09%
Race Book	16.84%	17.02%	17.13%	16.67%	15.13%
Other Games	27.87%	23.25%	22.32%	22.88%	23.86%
Poker					

Revenue Growth

Units

Game Name	2003	2004	2005	2006	2007
Penny Slots			133.23%	57.93%	29.77%
Nickel Slots	-8.88%	-11.31%	-22.36%	-36.22%	-20.70%
Quarter Slots	-6.84%	-4.20%	-13.83%	-14.08%	-17.56%
Half Dollar Slots	-5.54%				
Dollar Slots	-4.99%	-2.42%	-7.74%	-4.78%	-6.56%
Five Dollar Slots	-2.06%	-0.87%	1.40%	5.74%	3.98%
25 Dollar Slots	4.98%	10.39%	5.05%	0.77%	6.76%
100 Dollar Slots	-5.27%	53.04%	-17.75%	4.74%	2.21%
IGT - Megabucks	24.16%	-31.31%	42.78%	7.21%	-9.14%
Multi-denom. Slots	144.84%	58.83%	66.15%	39.59%	11.27%
Other Slots	-7.07%	1.97%	-12.20%	-8.61%	-1.27%
Blackjack	-4.21%	12.22%	-3.57%	12.22%	9.35%
3 Card Poker	144.27%	33.38%	18.07%	9.74%	-1.80%
Carib. Stud	-4.56%	-6.63%	-15.03%	-26.14%	-35.71%
Pai Gow Poker	0.13%	6.86%	1.11%	6.97%	-7.16%
Pai Gow Tiles	-0.76%	-8.82%	-2.58%	18.33%	41.85%
Baccarat	16.49%	-3.53%	30.34%	35.16%	21.12%
Mini-Baccarat	-12.42%	10.20%	8.06%	25.62%	-38.79%
Craps	5.85%	-4.56%	6.47%	2.11%	2.08%
Let it Ride	-5.87%	0.21%	-1.76%	-7.19%	0.17%
Roulette	1.09%	4.59%	8.50%	12.46%	11.03%
Keno	-5.94%	-3.32%	-11.23%	-6.61%	-8.84%
Bingo	-31.83%	78.11%	94.24%	-29.21%	-76.80%
Sports Book	12.08%	-7.05%	14.44%	6.27%	24.91%
Race Book	-1.39%	5.40%	2.58%	8.06%	-3.16%
Other Games	43.45%	-49.30%	21.45%	41.84%	34.41%
Poker	2.77%	33.99%	48.56%	27.53%	11.51%

Game Name	2003	2004	2005	2006	2007
Penny Slots		8,693	16,019	22,807	29,090
Nickel Slots	54,978	46,432	33,063	21,697	16,267
Quarter Slots	65,730	57,715	45,904	36,200	28,962
Half Dollar Slots	2,569				
Dollar Slots	27,993	25,083	21,782	18,831	16,769
Five Dollar Slots	3,334	3,134	2,896	2,763	2,684
25 Dollar Slots	514	497	473	456	417
100 Dollar Slots	304	285	281	290	263
IGT - Megabucks	670	665	656	679	608
Multi-denom. Slots	22,985	34,802	53,204	70,567	78,606
Other Slots	5,813	4,530	3,724	3,040	2,958
Blackjack	3,388	3,304	3,259	3,251	3,167
3 Card Poker	154	193	219	241	249
Carib. Stud	80	71	54	40	27
Pai Gow Poker	300	298	294	283	259
Pai Gow Tiles	42	44	41	50	71
Baccarat	92	97	110	135	160
Mini-Baccarat	132	133	132	160	134
Craps	448	432	422	414	404
Let it Ride	154	146	137	130	119

Revenue per Device per Day

Game Name	2003	2004	2005	2006	2007
Penny Slots		97	123	137	139
Nickel Slots	75	79	86	84	89
Quarter Slots	82	90	97	106	109
Half Dollar Slots	111				
Dollar Slots	123	133	142	157	164
Five Dollar Slots	200	210	231	256	274
25 Dollar Slots	295	336	372	389	454

Game Name	2003	2004	2005	2006	2007	Tribal Gaming Agencies
Roulette	445	442	449	457	456	Moapa Band of Paiute Gaming Commission
Keno	179	186	186	180	166	PO Box 340
Bingo	43	43	42	40	36	Moapa, Nevada
Sports Book	151	154	158	167	170	(702) 865-2787 Fax: (702) 865-2875
Race Book	84	89	89	96	106	Mr. Robert Tom – Chairman
Other Games	128	149	185	232	311	Mr. Delton Tom – Commissioner
Poker	377	407	587	806	909	Ms. Cami Miller - Commissioner

Unit Growth

Game Name	2003	2004	2005	2006	2007
Penny Slots	-2.33%	6,372.22%	88.65%	32.17%	27.70%
Nickel Slots	-6.21%	-15.37%	-27.44%	-51.65%	-25.12%
Quarter Slots	-6.13%	-11.97%	-18.46%	-42.69%	-19.91%
Half Dollar Slots	-1.30%				
Dollar Slots	-5.02%	-9.74%	-13.43%	-37.55%	-11.22%
Five Dollar Slots	-0.66%	-6.67%	-7.32%	-31.50%	-2.65%
25 Dollar Slots	-2.15%	-4.89%	16.17%	-43.81%	-8.90%
100 Dollar Slots	-7.08%	-8.08%	-3.59%	-25.16%	-10.12%
IGT - Megabucks	-2.76%	-1.91%	-1.54%	-26.07%	-10.97%
Multi-denom. Slots	162.45%	52.61%	49.68%	2.11%	11.70%
Other Slots	1.93%	-19.30%	-15.66%	-19.63%	-1.42%
Blackjack	0.62%	-3.02%	-1.13%	-27.78%	-2.71%
3 Card Poker	138.24%	23.95%	12.75%	-23.85%	8.82%
Carib. Stud	-4.70%	-12.11%	-20.41%	-48.72%	-32.50%
Pai Gow Poker	6.00%	-0.88%	-8.88%	-24.51%	-8.67%
Pai Gow Tiles	-3.25%	1.68%	-7.44%	-11.61%	51.52%
Baccarat	-8.38%	56.00%	14.29%	-16.35%	22.61%
Mini-Baccarat	6.10%	42.15%	-0.54%	-15.45%	-14.10%
Craps	0.59%	-5.21%	-1.86%	-28.82%	-2.54%
Let it Ride	-4.39%	-7.00%	-5.45%	-31.04%	-8.76%
Roulette	2.17%	-1.27%	1.46%	-25.91%	0.00%
Keno	10.05%	-0.65%	-0.88%	-25.61%	-7.72%
Bingo	4.88%	16.28%	-2.00%	-18.37%	-10.00%
Sports Book	3.42%	1.99%	2.60%	5.70%	6.59%
Race Book	2.17%	8.51%	4.90%	-10.28%	15.63%
Other Games	-27.68%	23.83%	19.83%	17.76%	15.50%
Poker	-8.50%	7.96%	44.23%	37.31%	18.98%

Casino and Card Room Gaming Agencies

Nevada Gaming Commission
 1919 East College Parkway
 Carson City, Nevada 89706
 (775) 684-7750 Fax: (775) 687-5817
 www.gaming.state.nv.us
 Mr. Peter Bernhard – Chairman
 Mr. Arthur Marshall – Commissioner
 Ms. Sue Wagner – Commissioner
 Mr. Radha Chanderraj – Commissioner
 Mr. Raymond Rawson – Commissioner

Nevada State Gaming Control Board
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 www.gaming.state.nv.us
 Mr. Dennis Neilander – Chairman
 Mr. Peter Bernhard – Chairman
 Mr. Mark Clayton – Board Member
 Mr. Jerry Markling – Commissioner
 Mr. Arthur Marshall – Commissioner
 Ms. Sue Wagner – Commissioner
 Mr. Radha Chanderraj – Commissioner
 Mr. Raymond Rawson – Commissioner
 Mr. Joe Bertolone – Chief of Technology
 Mr. Todd Westergard – Chief Administrative Officer
 Ms. Lynda Hartzell – Chief Deputy Auditor
 Mr. Bret Stone – Chief Deputy Auditor
 Mr. Stewart Olson – Chief Deputy Auditor
 Ms. Mary Ashley – Deputy Chief Administrative Officer
 Mr. Steve Hixon – Chief of Tax and License
 Mr. Greg Gale – Chief Auditor
 Mr. James Martin – Chief of Investigations
 Mr. Mike Labadie – Chief of Corporate Securities
 Mr. Andrew Tucker – Information Technology Manager