

PRESQUE ISLE DOWNS, INC.

**LICENSE RENEWAL HEARING BEFORE
THE PENNSYLVANIA GAMING
CONTROL BOARD**

October 2, 2014

PRESQUE ISLE DOWNS, INC.

- **Conditional Category I Slot Machine License Approved October 25, 2006**
- **Presque Isle Downs Opened to the Public February 28, 2007**
- **Permanent Category I Slot Machine License Approved February 27, 2008, renewed July 20, 2011**
- **License Renewal Application Submitted to the Board for Category I Slot Machine License Renewal on May 18, 2014**
- **Table Games Operation Certificate Issued July 8, 2010**

PRESQUE ISLE DOWNS, INC.

PA State Horse Racing Commission granted the final order approving PIDI's license application 11/19/02. The application permits PIDI to conduct live thoroughbred racing with pari-mutuel wagering.

PRESQUE ISLE DOWNS, INC.

Operating Environment and
Competitive Landscape

PRESQUE ISLE DOWNS, INC.

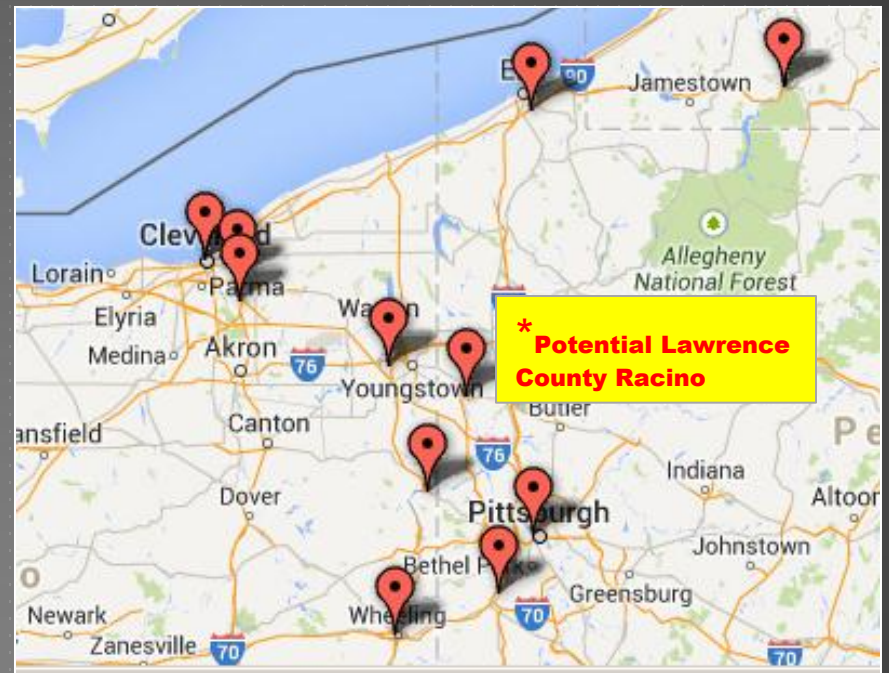
- **Eldorado Resorts, Inc. is a public company traded on the NASDAQ exchange;**
- **The Company maintains financial records in accordance with generally accepted accounting principles “GAAP”;**
- **The Company maintains a system of internal controls to monitor compliance with regulatory requirements and effectiveness of internal controls over financial reporting (Sarbanes-Oxley requirements).**

PRESQUE ISLE DOWNS, INC.

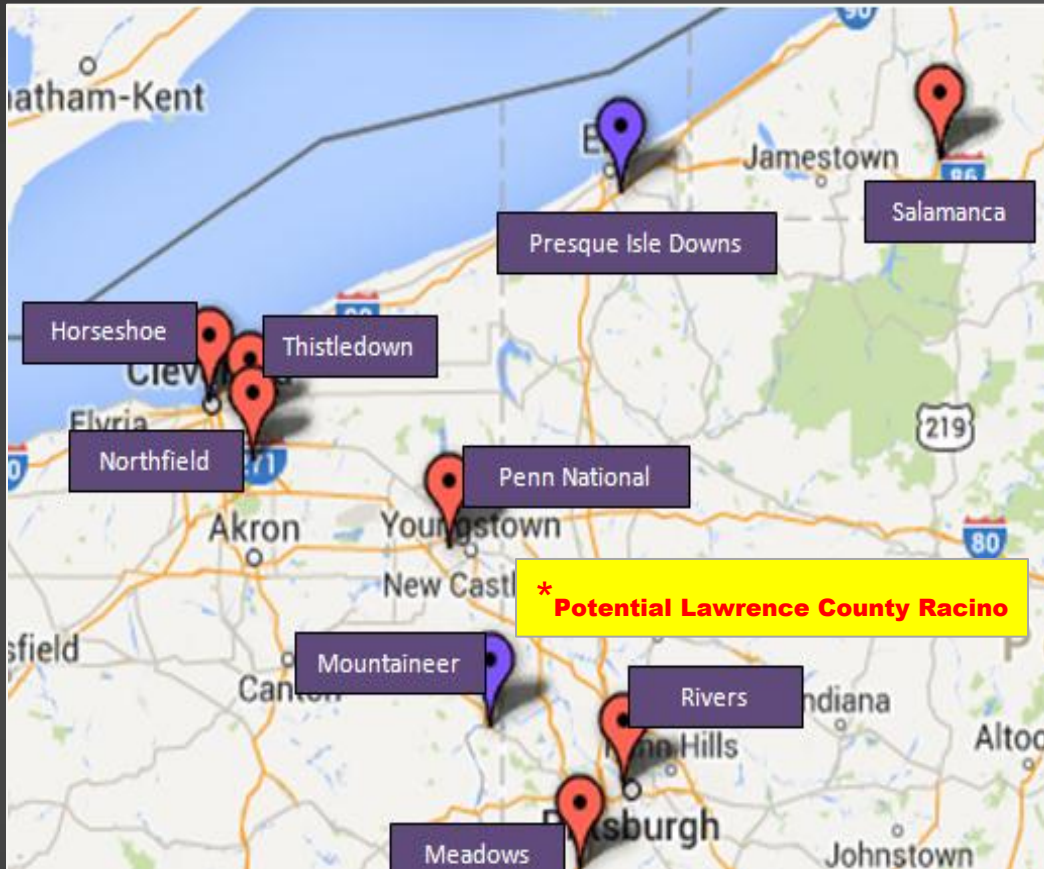
2011 - 6 casinos



2014 - 10 casinos



PRESQUE ISLE DOWNS, INC.



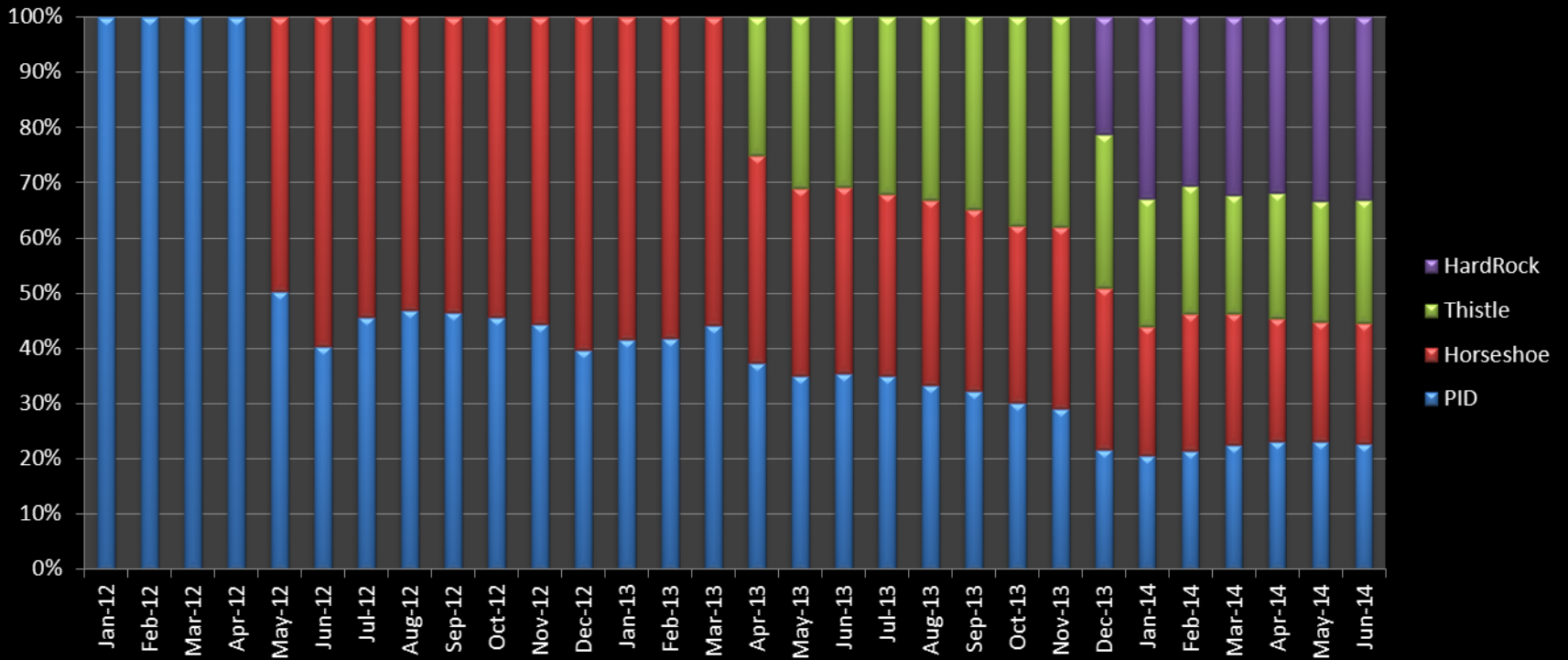
Miles from Presque Isle Downs & Casino

- Seneca Allegany 75.5 miles
- Thistledown 96.5 miles
(Opened April 2013)
- Horseshoe 99.0 miles
(Opened May 2012)
- Penn National* 99.0 miles
- Northfield Park 101.5 miles
(Opened December 2013)
- Rivers Casino 125 miles
- Mountaineer 141 miles
- Meadows Casino 144 miles

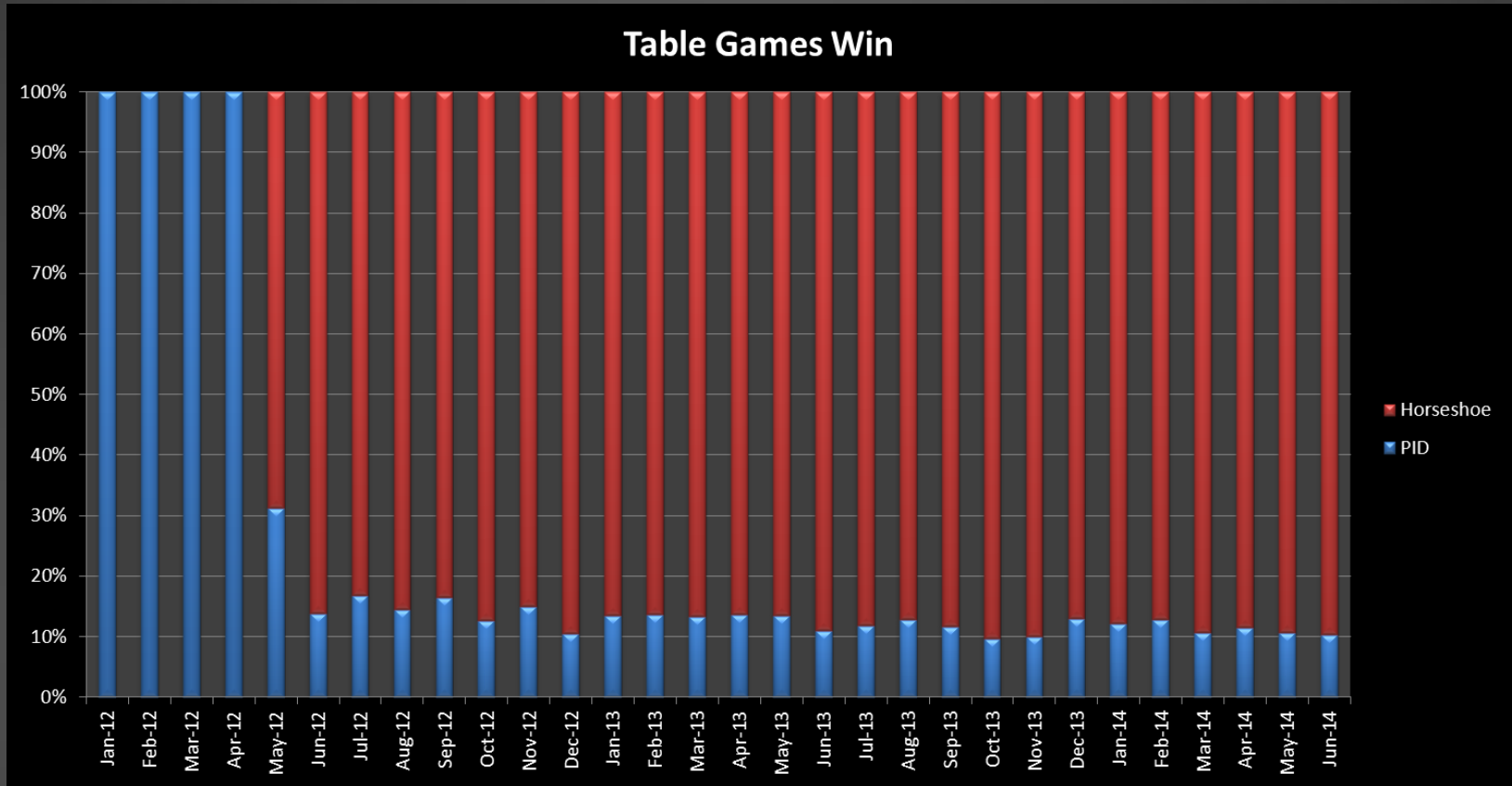
* Penn National Austintown
opened September 17, 2014

PRESQUE ISLE DOWNS, INC.

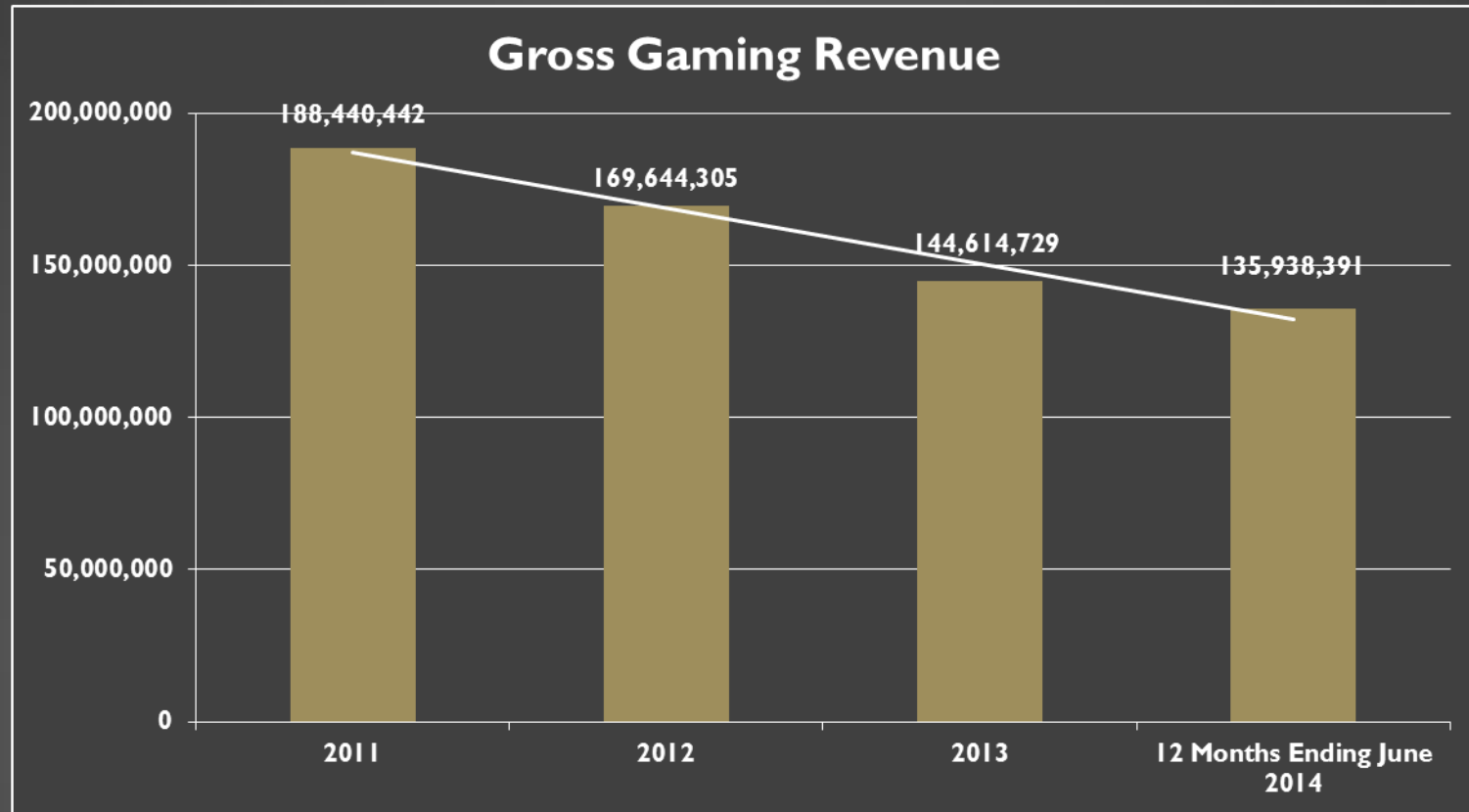
GTR (Slots)



PRESQUE ISLE DOWNS, INC.

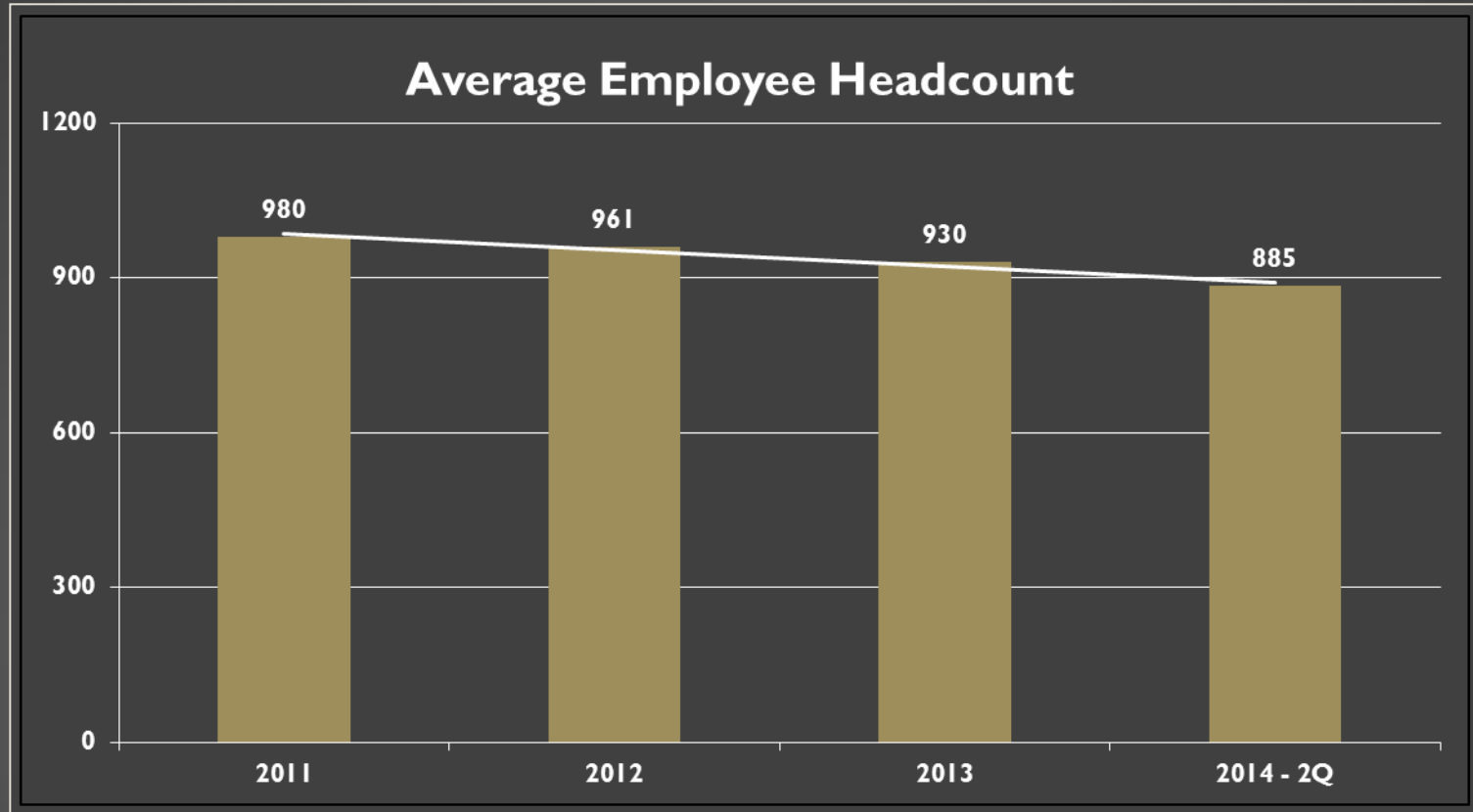


PRESQUE ISLE DOWNS, INC.



23.3% decline in Gross Gaming Revenue from 2011 to 2013

PRESQUE ISLE DOWNS, INC.



5.1% decline in employee average headcount from 2011 to 2013

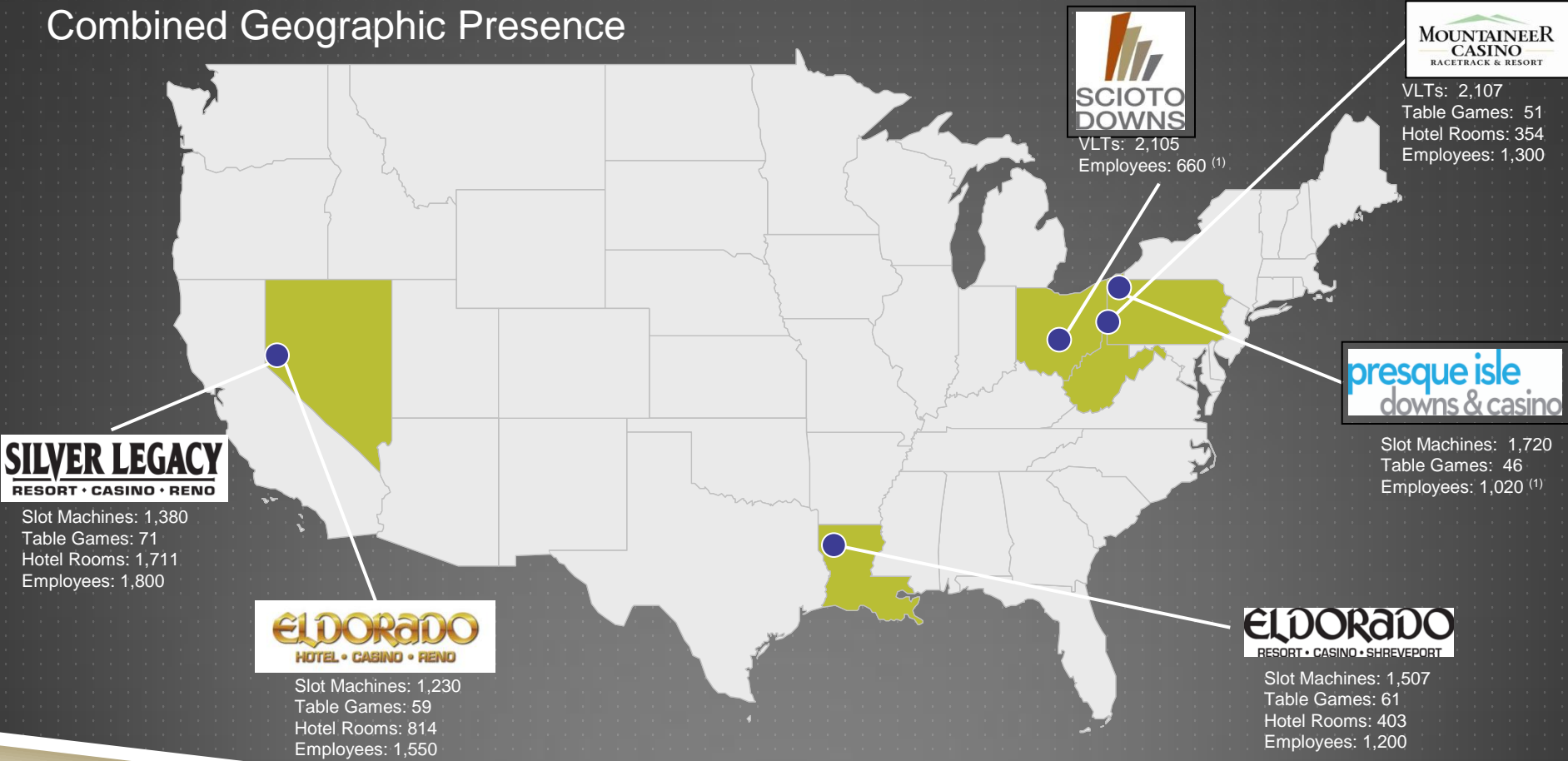
PRESQUE ISLE DOWNS, INC.

MTR Gaming Group, Inc. merged
into Eldorado Resorts, Inc. on
September 19, 2014

PRESQUE ISLE DOWNS, INC.

MTR GAMING GROUP, INC. MERGED INTO ELDORADO RESORTS, INC.

Combined Geographic Presence



The combined operations of Eldorado and MTR consist of 10,049 slot machines, 288 table games, 3,282 hotel rooms and 7,538 employees ⁽²⁾ across five states

Note: Table games includes poker tables.
 (1) Includes seasonal employees employed during the live racing season.
 (2) Includes 8 employees in MTR's corporate office.

PRESQUE ISLE DOWNS, INC.

MTR GAMING GROUP, INC. MERGED INTO ELDORADO RESORTS, INC.

MTR GAMING GROUP, INC. MERGED INTO ELDORADO RESORTS, INC.

- **Combination of High Quality Gaming Assets**
- **Geographic Diversification in Attractive Markets**
- **Strong Financial Profile**
- **Potential for Future Synergies**

PRESQUE ISLE DOWNS, INC.

**Economic Impact
to the Commonwealth**

PRESQUE ISLE DOWNS, INC.

Economic Local Impact 2007 – 2014 Q2

- **Local Original Capital Investment \$242 Million**
 - **Incremental investment \$26 Million**
 - ◆ **Land = \$69 Million**
 - ◆ **Building = \$114 Million**
 - ◆ **Furniture & Equipment = \$85 Million**

PRESQUE ISLE DOWNS, INC.

Economic Local Impact 2007 – 2014 Q2

- **Gaming Taxes and Fees** **\$698.0 Million**
 - **\$392.1 M - State Gaming Tax**
 - **\$ 92.6 M - Local Share Assessment**
 - **\$133.5 M - Race Horse Development Fund**
 - **\$ 57.7 M - Economic Development & Tourism**
 - **\$ 22.1 M - Administrative Fees**
- **Real Estate Taxes** **\$13.2 Million**
- **Sales and Use Tax** **\$3.3 Million**

PRESQUE ISLE DOWNS, INC.

Economic Local Impact 2007 – 2014 Q2

- Payroll \$135.1 Million
- Payroll Taxes \$17.0 Million
- Employee Benefits \$15.6 Million

PRESQUE ISLE DOWNS, INC.

PIDI has generated more than \$698.0 Million in gaming taxes and fees for the Commonwealth and has paid in excess of \$33.5 Million in sales and use, payroll and real estate taxes since its opening.

PRESQUE ISLE DOWNS, INC.

<u>Local Business Enterprise 2007 - 2013</u>	
<u>County</u>	<u>Total</u>
Erie	\$ 96,625,240
Allegheny	61,237,141
Dauphin	9,503,821
Butler	6,174,294
Philadelphia	4,135,693
Venango	2,040,560
Beaver	1,470,609
Berks	1,106,432
Mercer	1,019,908
Crawford	1,007,093
Other PA	3,848,260
Total PA	<u>\$ 188,169,049</u>

Local Business Enterprise equal 57% of all purchases made from 2007 – 2013 (59% excluding slot machines)

PRESQUE ISLE DOWNS, INC.

Horse Racing

- PIDI has invested more than \$29.9 Million on the original construction of the racetrack, barns and related buildings.
- PIDI has built four additional barns at a cost of \$2.8 Million.
- When PIDI expanded to accommodate table games, it spent more than \$589,000 on a new pari-mutuel area, lawn/picnic area, and horsemen's bleachers.
- PIDI has committed to spent an additional \$330,000 on upgrades of the barns and racing area in 2014.

PRESQUE ISLE DOWNS, INC.

DIVERSITY



PRESQUE ISLE DOWNS, INC.

Diversity Plan

- **Clark Resources Diversity Consultant**
 - **Monitoring of Diversity Plan**
 - **Workforce – Supplies – Contracting**

Presque Isle Downs Historical Achievements

- **Contracting**
- **Reporting**
- **MBE/WBE Participation**

PRESQUE ISLE DOWNS, INC.

Diversity Plan

- **Overall Commitment**
 - **Review of Process**
 - **Understanding of “Good Faith Effort”**
 - **Outreach**

Diversity Commitment

- **Senior Management Team**
- **Pennsylvania Gaming Control Board Oversight**

PRESQUE ISLE DOWNS, INC.

Demographic - Q2 2014

Age	Under 40	40 - 49	50 - 59	60 - 69	70+	Total
Total Employees	574	162	127	73	21	957
Percentage	60.0%	16.9%	13.3%	7.6%	2.2%	100.0%
Sex	Male	Female	Total			
Total Employees	570	387	957			
PID Percentage	59.6%	40.4%	100.0%			
Erie County	49.2%	50.8%				

PRESQUE ISLE DOWNS, INC.

Diversity - Q2 2014

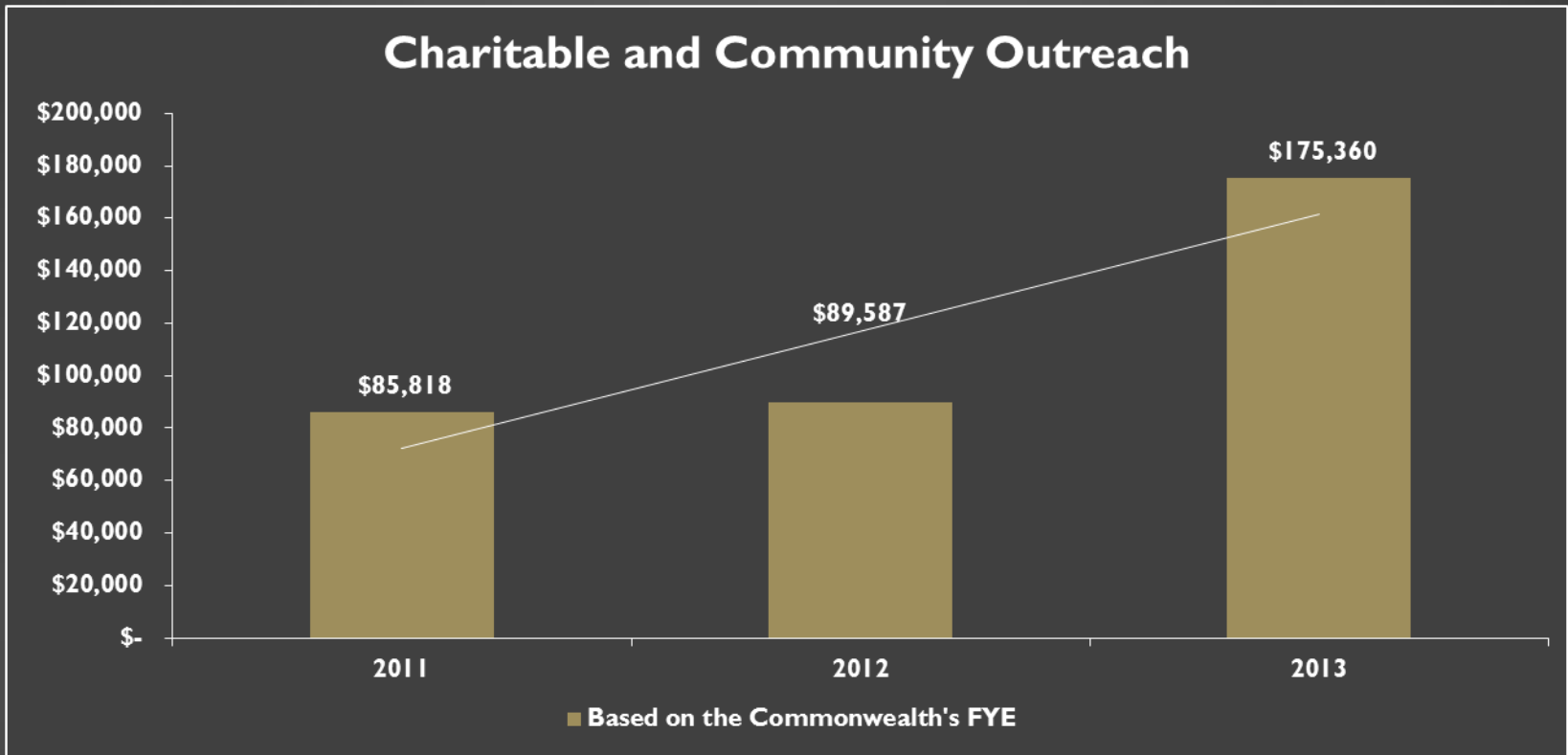
Ethnic Group	White	African American	Native American	Asian	Hispanic	Non-US/ Non Spec	Total
Total Employees	754	82	5	82	22	12	957
PID Percentage	78.8%	8.6%	0.5%	8.6%	2.3%	1.3%	100.0%
Erie County	86.2%	7.4%	0.2%	1.2%	3.6%	2.0%	
Place of Residence	PA	OH	NY	Other	Total		
Erie County	740						
Crawford County	36						
Other PA County	136						
Total Employees	912	17	10	18	957		
State Percentage	95.30%	1.78%	1.04%	1.88%	100.00%		

PRESQUE ISLE DOWNS, INC.

Community Outreach

- PIDI has conducted or participated in 17 job fairs in Erie County in 2013 and 2014 year to date.
- PIDI has participated in local events including Women in Leadership, and many local charity events including the MS Walk and Relay for Life.
- PIDI attends MBE/WBE events to meet minority and women vendors and become acquainted with their products and services.

PRESQUE ISLE DOWNS, INC.



THANK YOU