

Market Assessment: Category 1 Casinos

Massachusetts Gaming Commission
September 2014

Introduction

As part of the evaluation of Category 2 applications, HLT prepared a market assessment that included revenue estimates for each the three proposed Category 2 sites as well as for all Category 1 resort casinos (one in each of the permitted Regions). The complete market assessment was made public as part of the Category 2 application evaluation process.

The remainder of this report and appendices (under separate cover) summarize those sections of the full market assessment that are applicable to the Category 1 applications. Components of the full market assessment that are not longer applicable for Category 1 casinos and as such were removed, include:

- All No Competition Scenarios (i.e., Category 2 facilities before the introduction of Category 1 casinos).
- Full Competition Scenarios (low and high market share estimates) for the two unsuccessful Category 2 application sites.
- Full Competition Scenario Low for Plainville/Penn. Note: the market performance of the Category 1 casinos in Regions A and B did not change and the market performance estimate for Region C did not materially change under the low and high market share estimates.

In addition, some wording was modified to reflect the focus on Category 1 casinos as opposed to Category 2 casinos.

In order to assess the reasonableness of the Category 1 Applicants' revenue projections, a number of assumptions and estimates were made. These assumptions and estimates are stated in the appropriate sections of this report.

Market Assessment: Introduction

Reasonableness of Applicants' revenue projections given current and future competitive marketplace. Category 1 casinos will have to generate visitation and revenue from the broad regional market area that is currently being served by casinos located in neighbouring states and that will also be served by a future Category 2 casino located in Plainville, Massachusetts.

Key considerations:

- Size of expected market (as measured by Gross Gaming Revenue or "GGR")
- Individual facility's gaming revenue projections and market share (after all in-state casinos are developed)

An individual facility's gaming revenues (or market share) is dependant upon both the overall size of the gaming market and competition. The size of gaming markets is a function of the adult population (and its propensity to game) and gaming supply available in the market. The size of a gaming market can be stated in terms of GGR per adult (total GGR divided by adult population). Competition is a function gaming supply (e.g. size and scope of facilities and operating characteristics) available in the market.

Market Assessment: Methodology & Structure of Report

To complete the assessment of the Applicants' gaming revenue projections, a market assessment model was developed.

Key elements of the model include:

- Geographic extent of total market area (Market Area Extent)
- Total gaming dollars available in the defined market area (Size of Market)
- Market Shares After In-State Competition (awarded Category 2 site and one Category 1 in each of the identified Regions)

Prior to summarizing the research that was undertaken to create the model and the results of the various model runs that were completed, the Applicants' gaming revenue projections are presented.

A separate document ("Market Assessment: Appendices") contains detailed model result tables and research material related to size of market that are summarized in this report.

Applicants' Projections

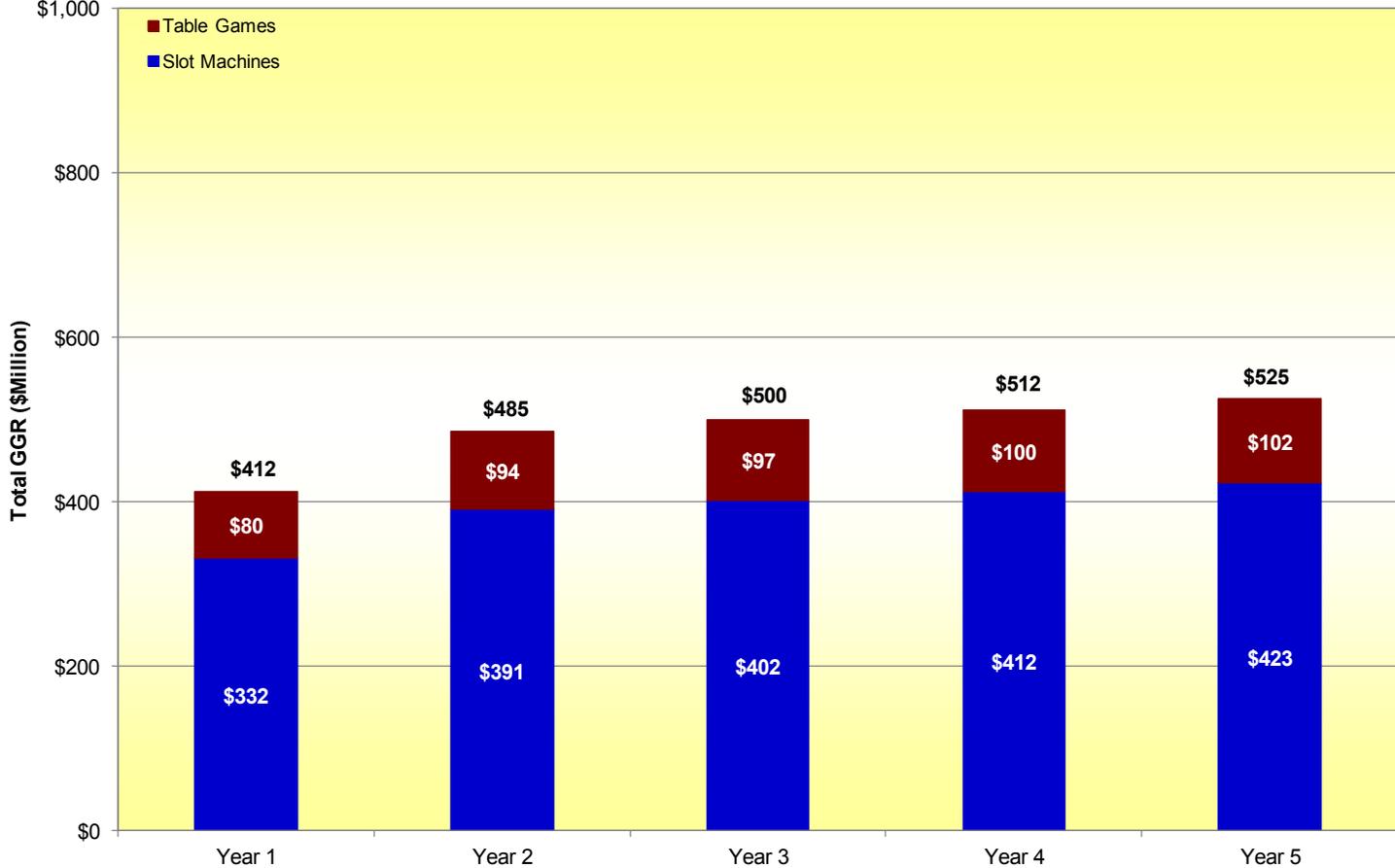
The Applicants' projections are summarized on the following three pages. Each Applicant retained third party consultants to undertake market assessments. These assessments were directly or indirectly used by the Applicants to arrive at their projection estimates.

The projections summarized represent the base case scenario as contained in the Applicants' submissions.

Note: All three Applicants assumed a Category 1 casino was operational in each of three designated Massachusetts casino regions and all three Applicants assumed one Category 2 casino was operational (two Applicants assumed the Category 2 casino was located in Southeast Massachusetts and the remaining Applicant - Revere/Mohegan - did not specify a location).

Applicants' Projections: Springfield/MGM

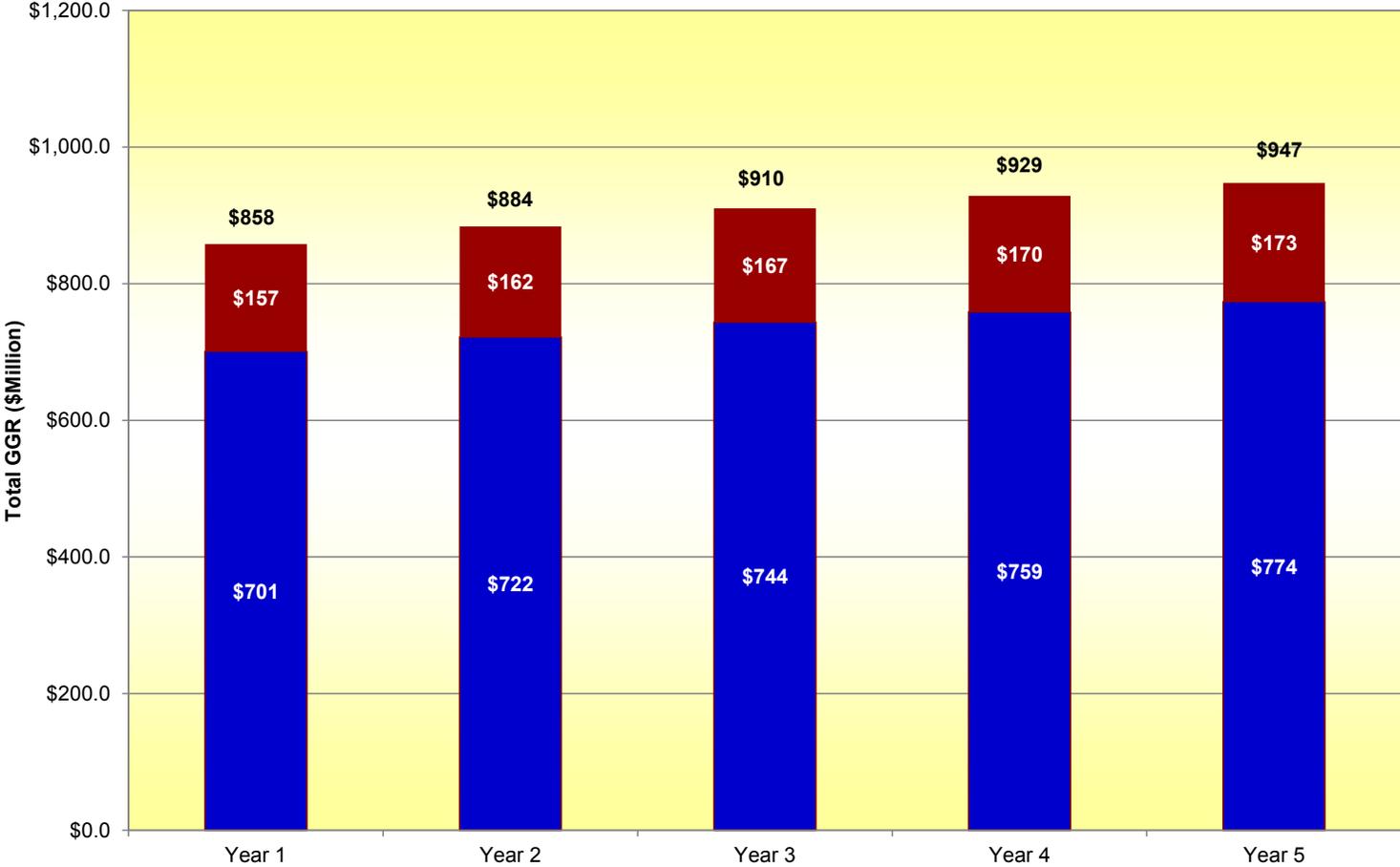
Total GGR* Projections for Springfield/MGM



Source: HLT Advisory Inc. based on information from MGM's Submission.
 * Gaming Revenues or GGR is net of free play.
 Note: MGM's financial projections are not consistent with the market assessment estimates prepared by Union Gaming Analytics. MGM's financial projections are lower than market assessment estimates.

Applicants' Projections: Revere/Mohegan

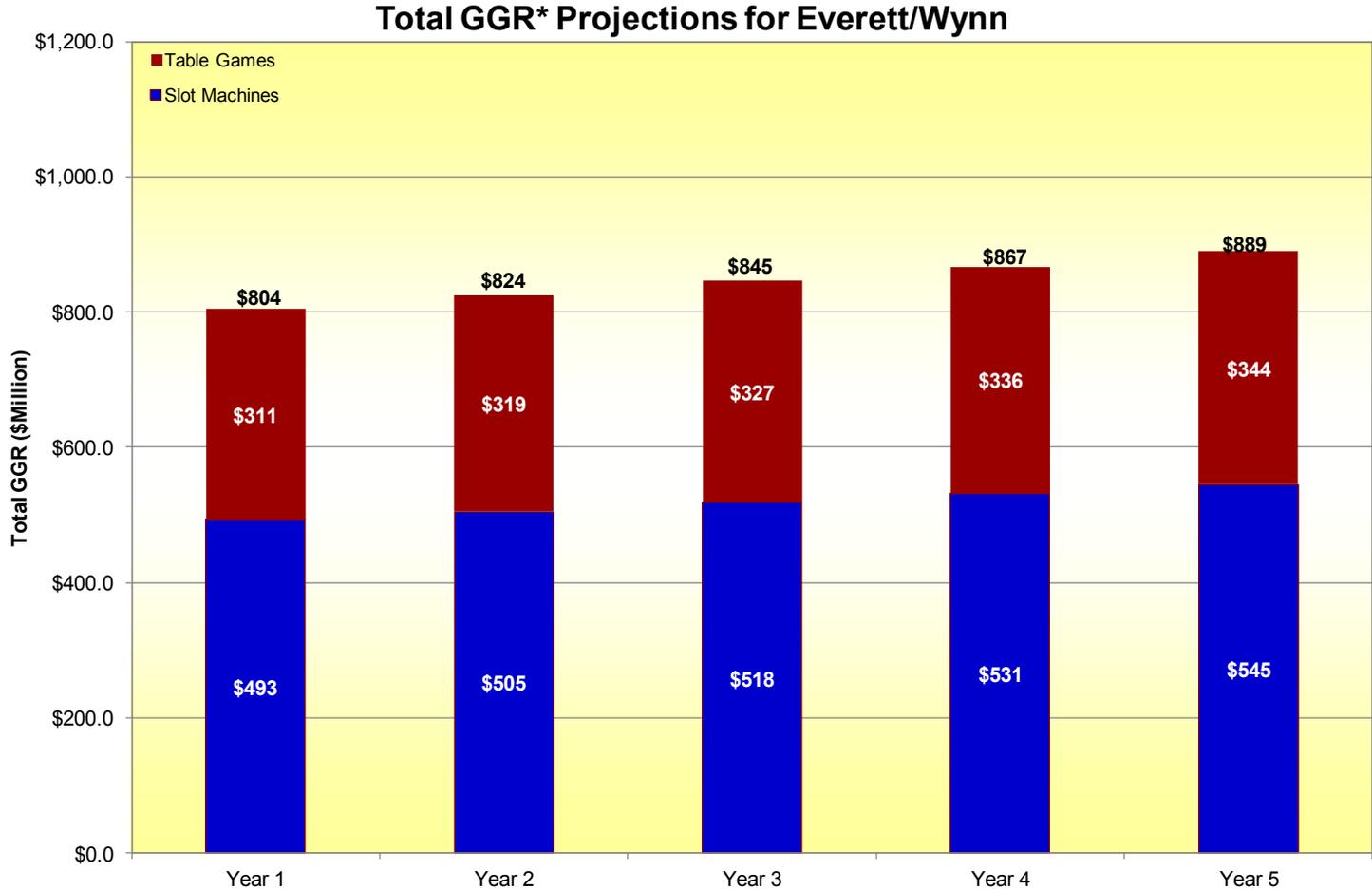
Total GGR* Projections for Revere/Mohegan



Source: HLT Advisory Inc. based on information from Mohegan Sun's submission.
 * Gaming Revenue or GGR is net of free play.
 Note: Mohegan's financial projections are consistent with the market assessment estimates prepared by PKF Consulting USA.



Applicants' Projections: Everett/Wynn



Source: HLT Advisory Inc. based on information from Wynn's submission.
 * Gaming Revenue or GGR is net of free play.
 Note: Wynn's projections are consistent with market study conducted by TMG Consulting in Year 1 (first full year of operations). Market assessment only provided revenue estimates for Year 1.

Applicants' Projections: Summary

- With all in-state competition, total projected GGR for Category 1 casinos ranges from \$500 million for a casino in Region B to \$910 million for a casino in Region A.
 - Springfield/MGM (Region B) - \$500.0 million (Year 3)
 - Revere/Mohegan (Region A) - \$910.0 million (Year 3)
 - Everett/Wynn (Region A) - \$845.0 million (Year 3)

Market Area Extent: Introduction

Key factors in determining geographic extent of casino market areas are:

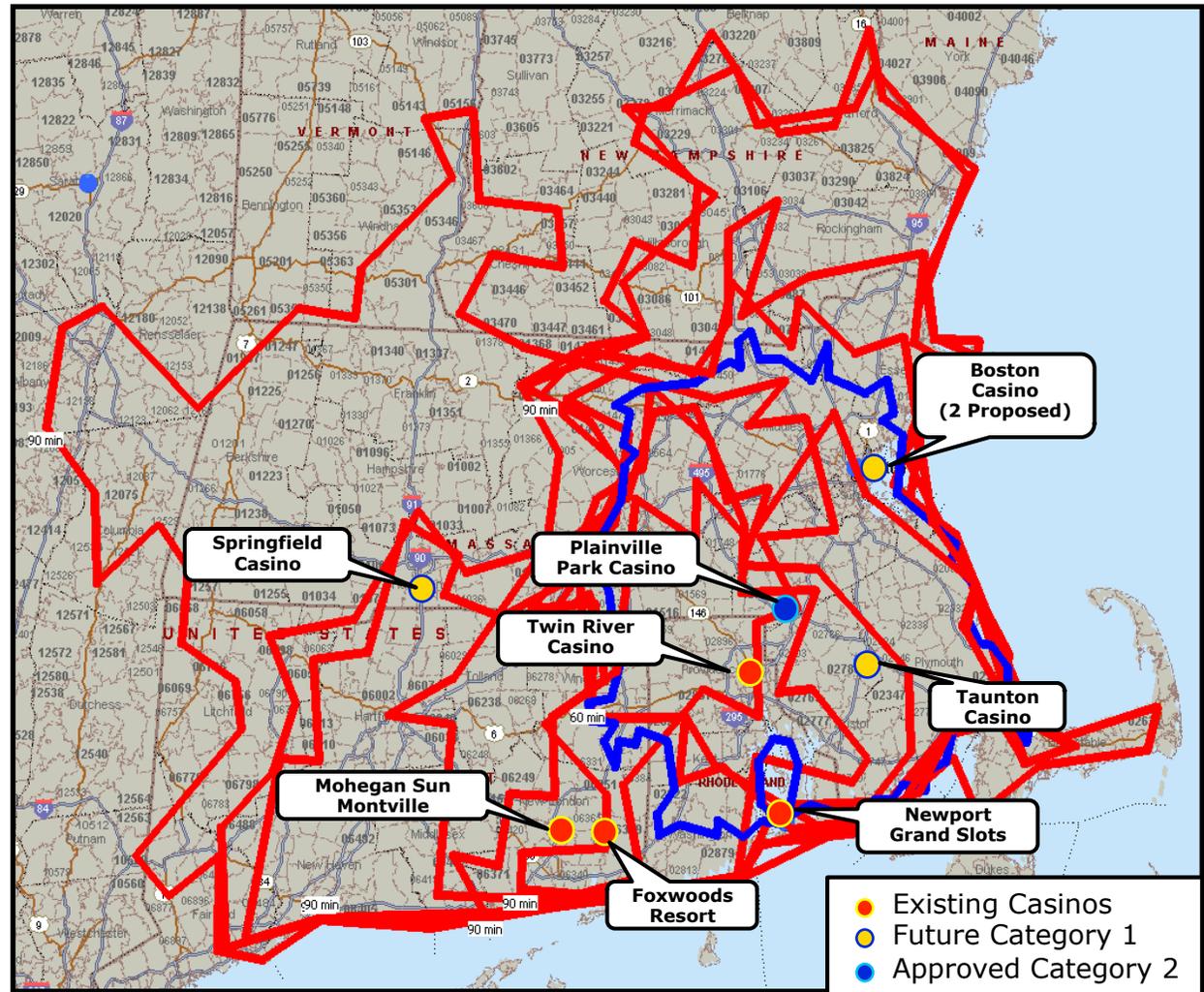
- Size and scope of casino facilities (including number of devices, non-gaming amenities, operating characteristics and tax rate)
- Location of existing and future competitive facilities (including size and scope of the same)
- Drive times (existing road networks) – assumed 90 minutes from “full-service” casinos.

Market Area Extent: Geographic Extent

Red lines represent 90-minute drive times from all full-service casinos (except the Category 2 casino).

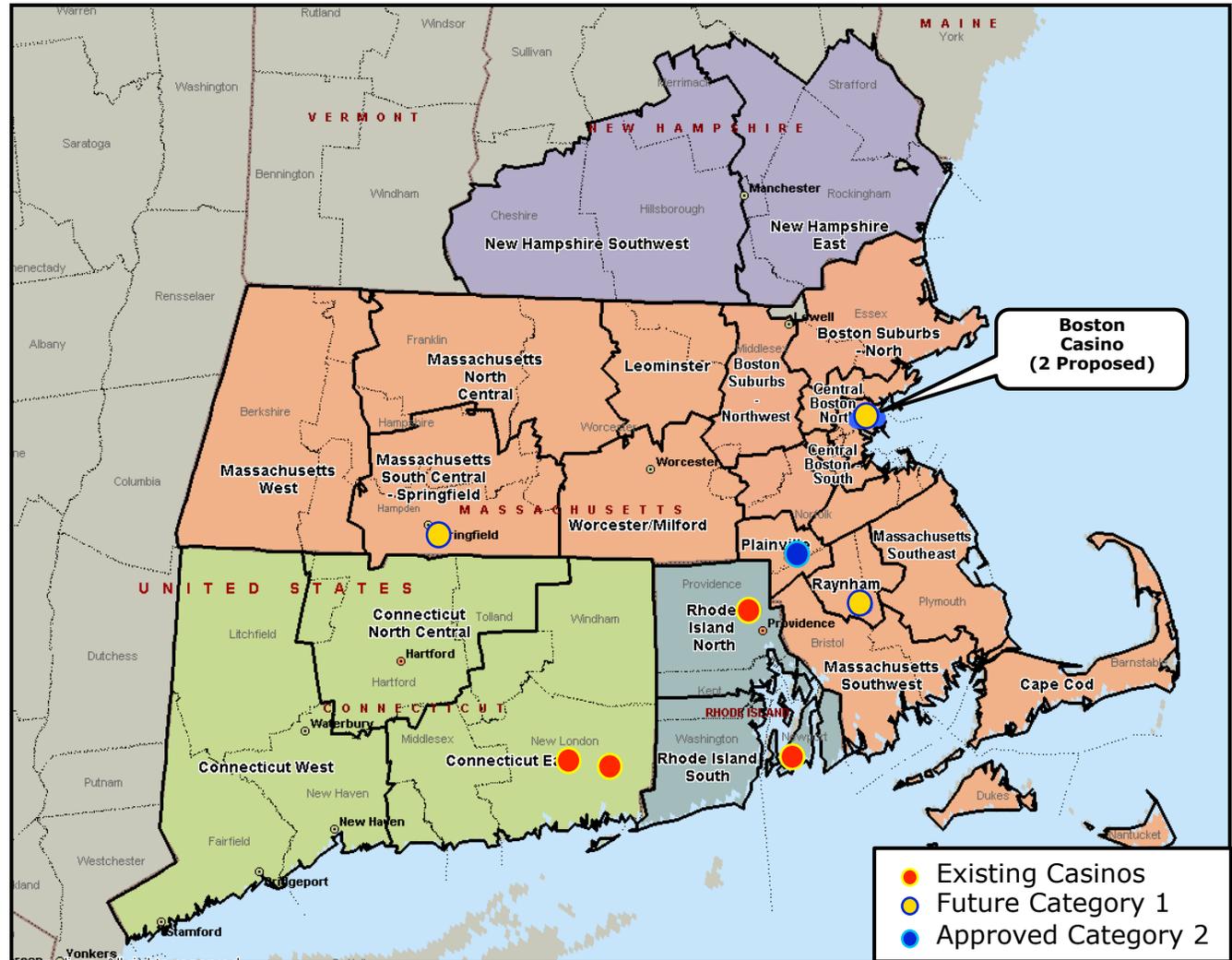
Blue line represents 60-minute drive times from the approved Category 2 casino (Plainville/ Penn National).

Generally, the States of Massachusetts, Rhode Island and Connecticut (and Southern New Hampshire) are within a 90-minute drive time from multiple casinos.



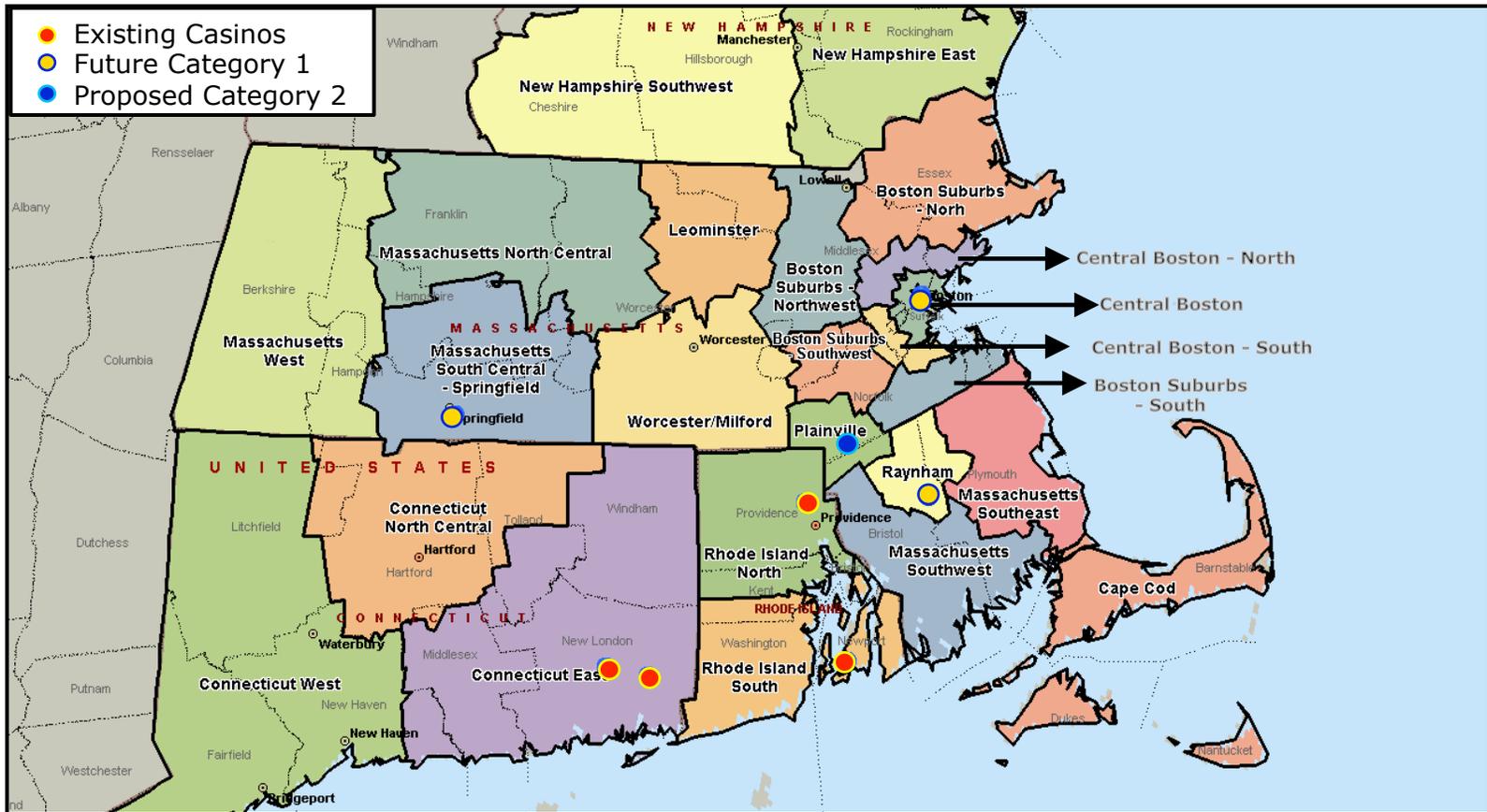
Market Area Extent: Geographic Extent

Total market area extent based on approximately 90-minute drive times from all existing and potential future facilities - includes all of Massachusetts, Rhode Island and Connecticut as well as the southern portion of New Hampshire.



Market Area Extent: Sub-Market Areas

The total market area was divided into 24 sub-market areas to facilitate market share estimates. Each sub-market area has been delineated based on location of existing and proposed facilities, existing road networks, and zip code boundaries.



Market Area Extent: Existing Adult Population

- The defined market area contains a total population of about 12.1 million.
- Market area adult population (aged 21+) represents about 73% of the total population (or 8.9 million).
- About 55% of the total market area adult population resides in Massachusetts.

Market Area Total and Adult Population				
Market Areas	Total Population	Adult Population	Adults as % of Total	% Dist. Of Adults
<u>Massachusetts Market Areas</u>				
Central Boston	1,026,502	781,625	76.1%	8.8%
Central Boston - North	517,581	386,575	74.7%	4.4%
Central Boston - South	306,392	228,442	74.6%	2.6%
Subtotal Central Boston	1,850,475	1,396,642	75.5%	15.8%
Boston Suburbs - North	698,466	506,576	72.5%	5.7%
Boston Suburbs - Northwest	438,244	315,355	72.0%	3.6%
Boston Suburbs - Southwest	264,882	187,800	70.9%	2.1%
Boston Suburbs - South	241,478	179,337	74.3%	2.0%
Subtotal Boston Suburbs	1,643,070	1,189,068	72.4%	13.4%
Raynham	205,423	144,658	70.4%	1.6%
Plainville	147,783	102,830	69.6%	1.2%
Massachusetts Southwest	426,143	317,485	74.5%	3.6%
Massachusetts Southeast	321,460	230,619	71.7%	2.6%
Cape Cod	246,346	194,390	78.9%	2.2%
Subtotal Southern Massachusetts	1,347,155	989,982	73.5%	11.2%
Leominster	207,554	150,114	72.3%	1.7%
Worcester/Milford	554,342	394,984	71.3%	4.5%
Massachusetts North Central	150,122	111,892	74.5%	1.3%
Massachusetts South Central - Springfield	615,030	435,035	70.7%	4.9%
Massachusetts West	144,477	109,573	75.8%	1.2%
Subtotal West & Central Massachusetts	1,671,525	1,201,598	71.9%	13.6%
Subtotal Massachusetts	6,512,225	4,777,290	73.4%	54.0%
<u>Neighbouring States Market Areas</u>				
New Hampshire Southwest	369,978	268,310	72.5%	3.0%
New Hampshire East	623,464	453,493	72.7%	5.1%
Subtotal New Hampshire Areas	993,442	721,803	72.7%	8.2%
Rhode Island North	796,817	579,520	72.7%	6.5%
Rhode Island South	257,142	189,311	73.6%	2.1%
Subtotal Rhode Island	1,053,959	768,831	72.9%	8.7%
Connecticut East	645,871	468,861	72.6%	5.3%
Connecticut North Central	1,003,760	734,366	73.2%	8.3%
Connecticut West	1,908,541	1,382,839	72.5%	15.6%
Subtotal Connecticut	3,558,172	2,586,066	72.7%	29.2%
Subtotal Neighbouring States	5,605,573	4,076,700	72.7%	46.0%
Total Market Area	12,117,798	8,853,990	73.1%	100.0%

Source: HLT Advisory Inc. based on US Census Bureau population estimates.

Size of Market: Introduction

The size of gaming markets is a function of the adult population (and its propensity to game) and gaming supply available in the market. The size of a gaming market can be stated in terms of GGR per adult (total GGR divided by adult population).

Factors impacting size of market:

- Adult population in market area
- Number of facilities
- Number of gaming devices
- Scope of gaming facilities (amenities)
- Acceptance of gaming as a form of entertainment

To determine the size of the market, HLT reviewed the market assessment report prepared by the State when it was considering introducing casinos (this report did not include a Category 2 casino) and identified and assessed comparable markets.

Size of Market: Spectrum 2010 Report Prepared for State

Key Assumptions:

- Three resort casinos located in the geographic centre of the identified Massachusetts Regions.
- Market area for each casino based on a 2-hour drive time.
- Given results and assumptions of the Spectrum 2010 Report, the size of identified gaming markets (excluding incremental from hotel rooms) ranges from \$250 to \$350 GGR/adult, with an average of \$300/Adult for the combined market area.

Win/Adult Estimates Based on Spectrum 2010 Report				
	Region 1	Region 2	Region 3	State
<u>Primary Presentation (Moderate Case)</u>				
Adult Population	7,938,447	7,186,209	7,296,008	9,426,446
Total GGR Captured by State Casinos	\$496,700,731	\$488,999,275	\$373,365,810	\$1,359,065,816
GGR/Adult Captured by State Casinos	\$63	\$68	\$51	\$144
State Share of total	20.0%	20.0%	20.0%	47.6%
Estimated Total Market GGR/Adult	\$313	\$340	\$256	\$303
<u>Secondary Presentation (Moderate Case)</u>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Total GGR Captured by State Casinos	\$492,275,818	\$478,377,173	\$397,575,793	\$1,368,228,784
GGR/Adult Captured by State Casinos	\$63	\$68	\$51	\$145
State Share of total	20.0%	20.0%	20.0%	48.1%
Estimated Total Market GGR/Adult	\$313	\$340	\$256	\$302
<u>Alternate Presentation (Moderate Case)</u>				
Adult Population	7,867,726	7,030,110	7,769,099	9,426,446
Total GGR Captured by State Casinos	\$989,474,395	\$466,417,744	\$411,490,946	\$1,867,383,085
GGR/Adult Captured by State Casinos	\$126	\$66	\$53	\$198
State Share of total	40.2%	19.5%	20.7%	65.2%
Estimated Total Market GGR/Adult	\$313	\$340	\$256	\$304
<p><i>Source: HLT Advisory Inc. based on Spectrum Gaming Group, Market Analysis, Gross Gaming Revenue Projections: An Update (prepared for the Massachusetts Legislature), March 31, 2010 and HLT assumptions.</i></p> <p><i>Note: Spectrum refers to Region 1, Region 2 and Region 3. Region 1 is located in northeast Massachusetts (currently known as Region A). Region 2 is located in southeast Massachusetts (currently known as Region C) and Region 3 is central/western Massachusetts (currently known as Region B).</i></p>				

Appendix A Contains a detailed summary of Spectrum 2010 Report.

Size of Market: Comparison Markets

Key characteristics identified to determine comparable markets included:

- 3 to 5 main facilities
- Urban core and suburban locations
- Total market GGR ~ \$1.0 billion

Comparison markets identified:

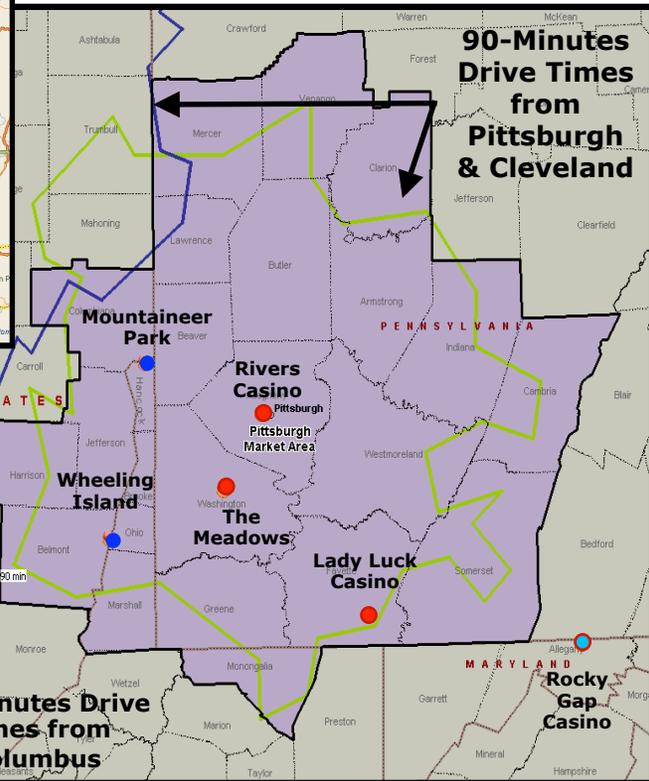
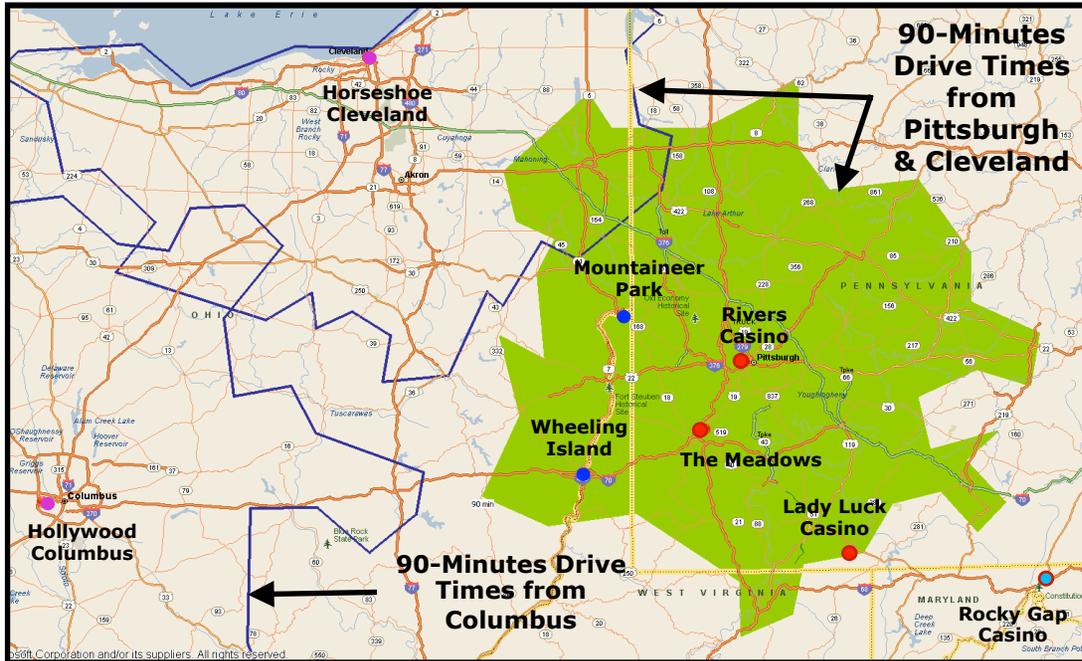
- Pittsburgh - Pennsylvania
- Philadelphia - Pennsylvania

For each comparison market identified, the current GGR per adult was estimated. Factors that were assessed included:

- A market area was defined based on a typical drive time (up to 120 minutes) and the location of competitive facilities.
- Total adult population.
- Gaming tax rates.
- Current performance of market area facilities (revenue by type of devices and number of devices).
- Total market area gaming revenue trend (generated by market area facilities).

Size of Market: Comparison Markets Pittsburgh – Pennsylvania

Market area defined based on counties within approximate 90-minute drive time from Pittsburgh (i.e., purple shaded area) due to location of competitive casinos.



State Gaming Taxes	Slots/VLTs	Tables
Pennsylvania	55.0%	16.0%
West Virginia	53.0%	35.0%

Source: HLT Advisory Inc. based on information from the American Gaming Association and/or State data.

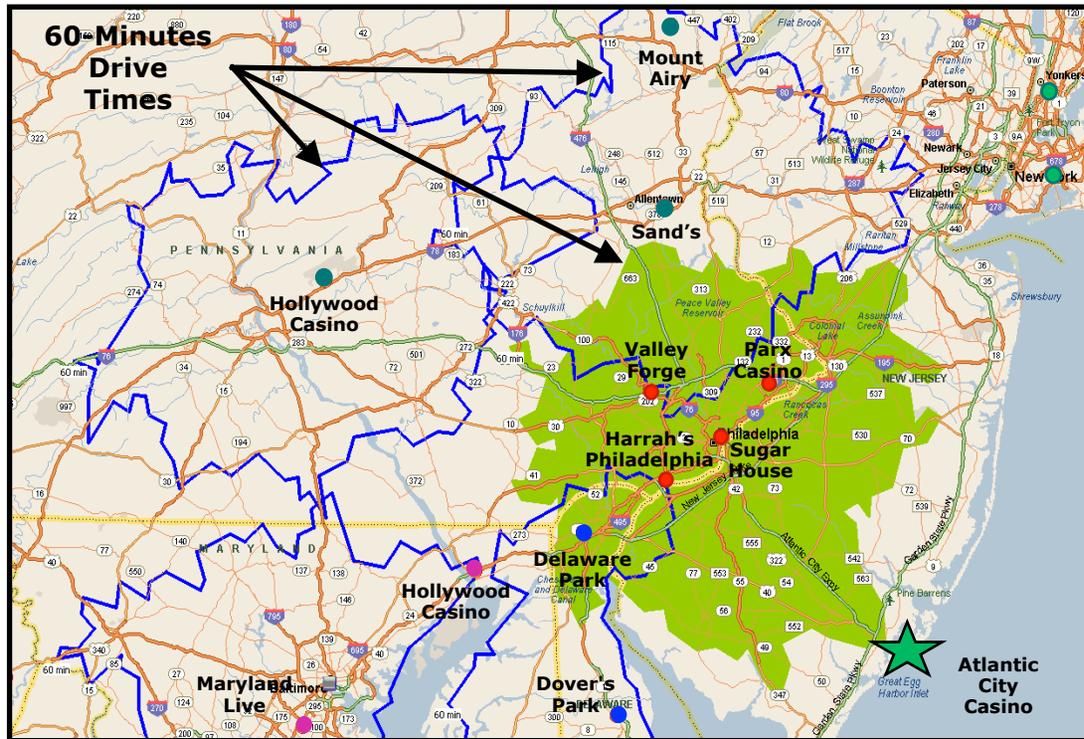
Size of Market: Comparison Markets

Pittsburgh – Pennsylvania

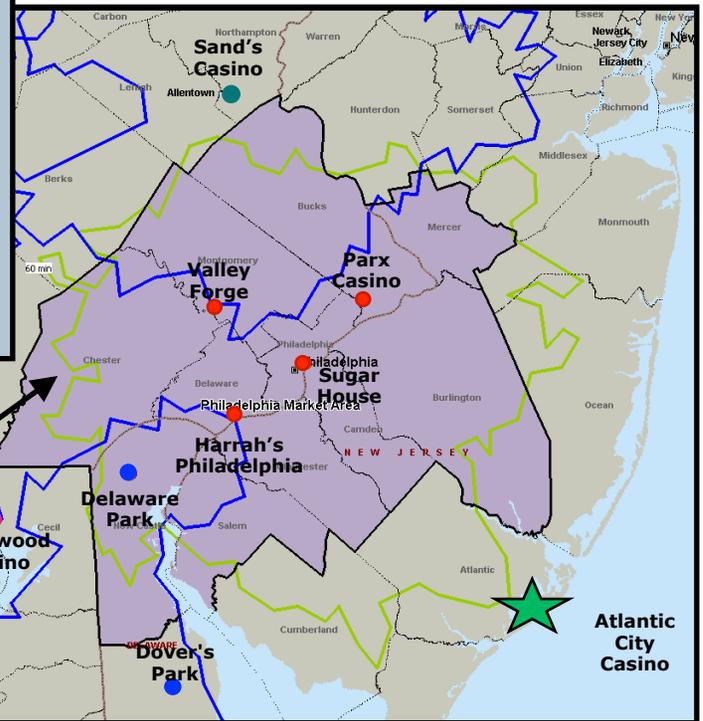
- Market area adult population (21+) estimated at 2.7 million.
- Five casino within market area (three in Pennsylvania and two in West Virginia) generating currently total GGR of \$919.1 million.
- If all GGR generated at the identified facilities originates from within the defined market area, the Pittsburgh market has a captured GGR per adult rate of ~\$350.
- That said, a substantial portion of the West Virginia casinos' business likely originates from Ohio (beyond the defined Pittsburgh market area). If half of West Virginia casinos' GGR originates outside the defined market area, the Pittsburgh market area has a captured GGR per adult rate of ~\$300.

Pittsburgh Market Area GGR and GGR/Adult Estimates			
	GGR	GGR % Distribution	GGR/ Adult
Adult Population	2,651,862		
<i>Pennsylvania Casinos</i>			
Slot Win	\$524,184,895	57.0%	\$198
Table Win	\$105,273,685	11.5%	\$40
Subtotal Pennsylvania	\$629,458,580	68.5%	\$237
<i>West Virginia Casinos</i>			
Slot Win	\$259,719,313	28.3%	\$98
Table Win	\$29,971,943	3.3%	\$11
Subtotal West Virginia	\$289,691,257	31.5%	\$109
Total Pittsburgh Market Area	\$919,149,837	100.0%	\$347
Source: HLT Advisory Inc. based on information from Pennsylvania Gaming Control Board, West Virginia Lottery, US Census Bureau and HLT estimates.			
Appendix B contains a detailed summary of Pittsburgh market area analysis.			

Size of Market: Comparison Markets Philadelphia – Pennsylvania



Market area defined based on counties within approximate 60-minute drive time from Philadelphia (i.e., purple shaded area) due to location of competitive casinos.



State Gaming Taxes		
	Slots/ULTs	Tables
Pennsylvania	55.0%	16.0%
Delaware	59.5%	35.0%

Source: HLT Advisory Inc. based on information from the American Gaming Association and/or State data.

Size of Market: Comparison Markets Philadelphia – Pennsylvania

- Market area adult population (21+) estimated at 4.6 million.
- Five casinos within market area (four in Pennsylvania and one in Delaware).
- Total current GGR \$1.3 billion.
- If all GGR generated at identified facilities originates from within the defined market area, the Philadelphia market area has a captured GGR per adult rate of ~\$300.

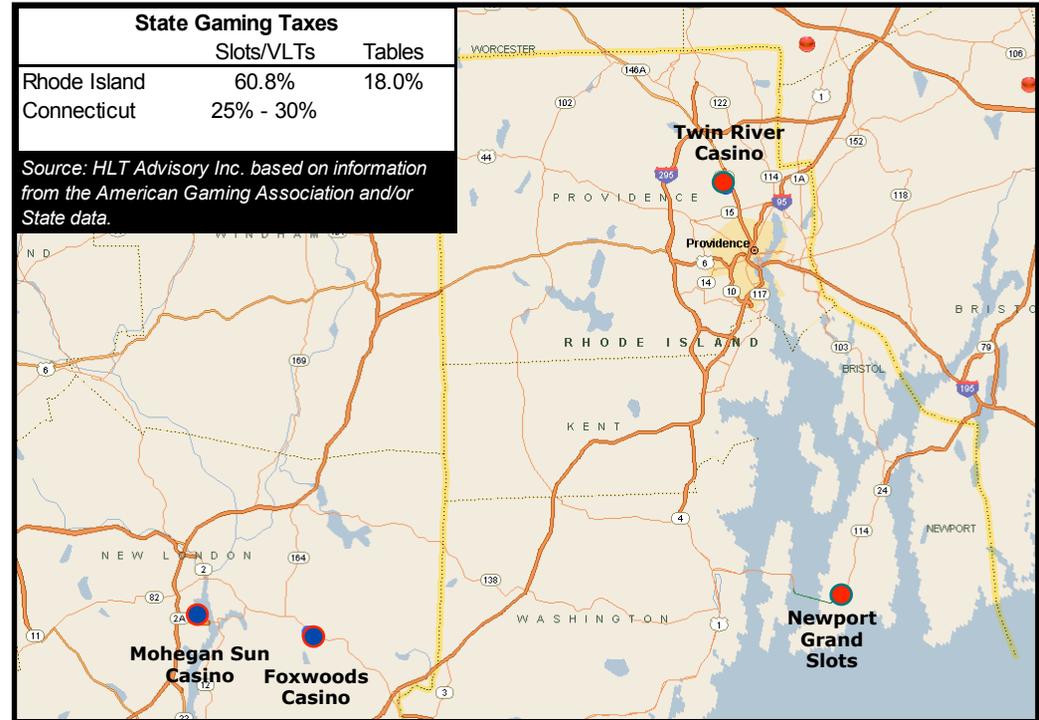
Philadelphia Market Area GGR and GGR/Adult Estimates			
	GGR	GGR % Distribution	GGR/ Adult
Adult Population	4,559,573		
<i>Pennsylvania Casinos</i>			
Slot Win	\$857,026,385	63.7%	\$188
Table Win	\$311,299,389	23.1%	\$68
Subtotal Pennsylvania	\$1,168,325,773	86.8%	\$256
<i>Delaware Casinos</i>			
Slot Win	\$148,339,200	11.0%	\$33
Table Win	\$29,066,199	2.2%	\$6
Subtotal Delaware	\$177,405,399	13.2%	\$39
Total Philadelphia Market Area	\$1,345,731,172	100.0%	\$295
<i>Source: HLT Advisory Inc. based on information from Pennsylvania Gaming Control Board, Delaware Lottery, US Census Bureau and HLT estimates.</i>			
<i>Appendix B contains a detailed summary of Philadelphia market area analysis.</i>			

Size of Market: Existing Market Area Competition Rhode Island

Based on secondary information sources, HLT estimates that 50% of casinos' GGR originates from the State of Massachusetts.

Rhode Island Casinos - Characteristics		
	Twin River	Newport
<u>Gaming Devices</u>		
Slots	4,500	1,000
Tables	66	
<u>F&B Facilities</u>		
F&B Outlets	2	1
Food Court	3	
<u>Other Ancillary Facilities</u>		
Entertainment Outlets	2	1
Entertainment	29,000 sf and 200 seats	400 seats
<u>Other Characteristics</u>		
Smoking Allowed	Yes	Yes

Source: HLT Advisory Inc. based on data from casino annual reports, State gaming commission reports, and casino web sites.



Rhode Island Casino Performance (\$Million)										
Casino Name	2006	2007	2008	2009	2010	2011	2012	12-Months Ending		
								Aug-12	Aug-13	% Dist.
<u>Slot Revenue</u>										
Twin River*	\$329	\$375	\$407	\$400	\$424	\$463	\$478	\$478	\$474	90.9%
Newport	\$77	\$73	\$68	\$62	\$53	\$50	\$50	\$52	\$48	9.1%
Subtotal Slot GGR	\$407	\$448	\$475	\$461	\$477	\$513	\$528	\$530	\$521	100.0%

* Table games implemented at Twin River in June 2013.
Source: HLT Advisory Inc. based on data from Rhode Island Lottery.

Size of Market: Existing Market Area Competition

Existing Competitive Facilities – Connecticut

Based on secondary information sources, HLT estimates that 30% of casinos' GGR originates from the State of Massachusetts.

Connecticut Casinos - Characteristics		
	Mohegan Sun	Foxwoods
<u>Gaming Devices</u>		
Slots*	5,559	6,229
Tables	330	350
<u>F&B Facilities</u>		
F&B Outlets	17	17
Food Court	4	2
<u>Other Ancillary Facilities</u>		
Entertainment Outlets	3	2
Entertainment	10,000 seats 400 seats 350 seats	4,000 seats 1,500 seats 350 seats
Additional Convention Space	100,000 sf	50,000 sf
Hotel Rooms	1,200	2,205
<u>Other Characteristics</u>		
Smoking Allowed	Yes	Yes
Tax Rate	25%-30% of slot revenue	

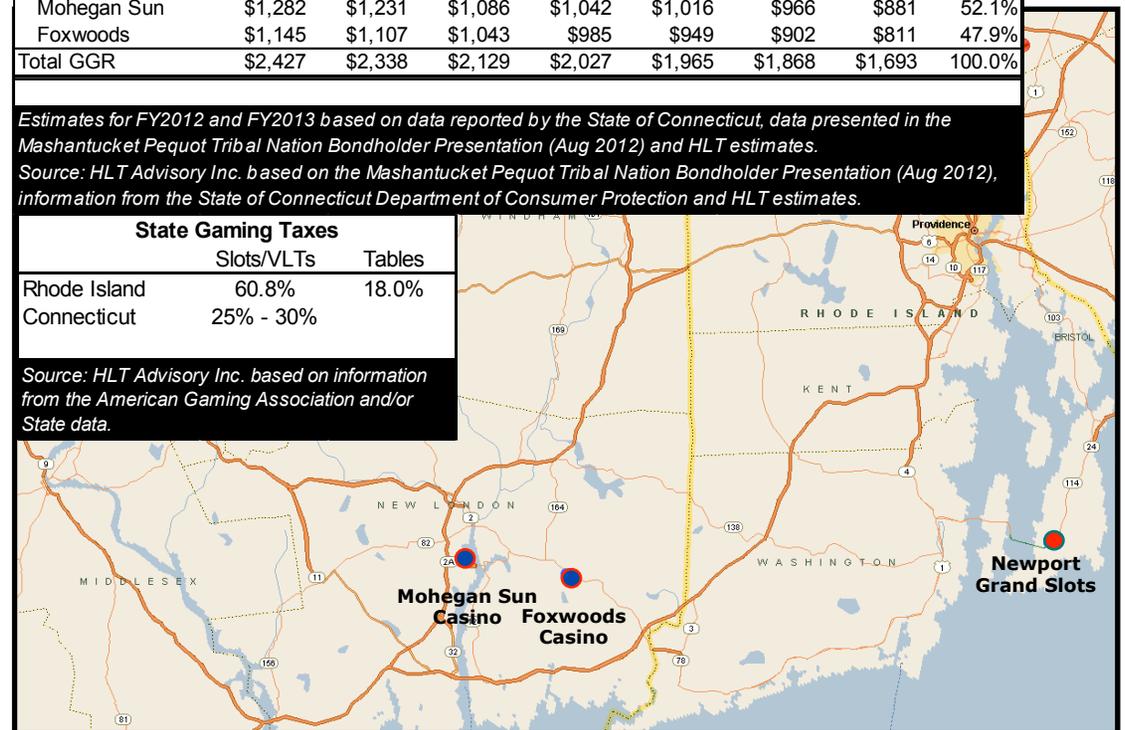
Source: HLT Advisory Inc. based on data from casino annual reports, State gaming commission reports, and casino websites.
* Connecticut slot machines totals based on December 2012 as reported by the State of Connecticut.

Connecticut Casino Performance (\$Million)								
Casino Name	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E	% Dist.
<u>Slot Revenue</u>								
Mohegan Sun	\$922	\$856	\$780	\$746	\$711	\$675	\$616	53.1%
Foxwoods	\$803	\$748	\$688	\$650	\$637	\$605	\$545	46.9%
Subtotal Slot GGR	\$1,725	\$1,604	\$1,468	\$1,396	\$1,348	\$1,280	\$1,160	100.0%
<u>Table Revenue</u>								
Mohegan Sun	\$360	\$375	\$306	\$296	\$305	\$291	\$265	49.9%
Foxwoods	\$342	\$359	\$355	\$335	\$312	\$296	\$267	50.1%
Subtotal Table GGR	\$702	\$734	\$661	\$631	\$617	\$587	\$532	100.0%
<u>Total GGR</u>								
Mohegan Sun	\$1,282	\$1,231	\$1,086	\$1,042	\$1,016	\$966	\$881	52.1%
Foxwoods	\$1,145	\$1,107	\$1,043	\$985	\$949	\$902	\$811	47.9%
Total GGR	\$2,427	\$2,338	\$2,129	\$2,027	\$1,965	\$1,868	\$1,693	100.0%

Estimates for FY2012 and FY2013 based on data reported by the State of Connecticut, data presented in the Mashantucket Pequot Tribal Nation Bondholder Presentation (Aug 2012) and HLT estimates.
Source: HLT Advisory Inc. based on the Mashantucket Pequot Tribal Nation Bondholder Presentation (Aug 2012), information from the State of Connecticut Department of Consumer Protection and HLT estimates.

State Gaming Taxes		
	Slots/VLTs	Tables
Rhode Island	60.8%	18.0%
Connecticut	25% - 30%	

Source: HLT Advisory Inc. based on information from the American Gaming Association and/or State data.



Size of Market: Existing Market Area Competition

Existing Competitive Facilities - RI & CT

Category 1 & 2 casinos will have to compete with established Rhode Island and Connecticut casinos for a share of the market.

- Twin Rivers (Rhode Island) has a market competitive advantage over the Category 2 casino due to its size and scope of gaming offering (4,500 slot machines and 66 table games), and smoking. Its gaming tax rate and amenity offerings is similar to the Category 2 casino.
- Category 1 casinos on the other hand will have a competitive advantage over Twin Rivers casino due to its greater range of non-gaming amenities and lower tax rate.
- The Connecticut casinos have a market competitive advantage over the Category 2 casino due to their size and scope of gaming offering (over 5,500 slot machines each and 300 table games each), their amenity facility offerings (hotel rooms and meeting space, multiple food and beverage outlets, and multiple entertainment facilities), their tax rate and smoking.
- The size and scope, amenities offering and tax rate (for slot gaming only) of Category 1 casinos is very similar to Connecticut casinos (except for smoking and no table gaming tax) and as such, Category 1 casinos should be able to effectively compete with Connecticut casinos.

Size of Market: Massachusetts Market Area

Potential GGR/Adult - Conclusions

- Based on the review of the Spectrum Report and identified comparison markets, HLT believes that a GGR/adult level ranging between \$300 and \$350 is appropriate to estimate the size of the Massachusetts casino market.
- Connecticut and Rhode Island casinos currently penetrate the Massachusetts market (estimated at ~\$750 million) and will compete with Massachusetts casinos in the future for a share of the market (in total, the broader regional market will contain eight casinos when fully developed).
 - Both Rhode Island and Connecticut casinos have significant competitive advantages over the Category 2 casino.
 - Category 1 casinos have a competitive advantage over Rhode Island casinos and the Category 2 casino, and will be able to effectively compete with Connecticut casinos.

Size of Market: Massachusetts Market Area Potential GGR Estimate - Conclusions

With a GGR/adult level ranging from \$300 to \$350 and a current adult population of 8.9 million, the current size of the defined Massachusetts casino market area is estimated between \$2.7 and \$3.1 billion.

Market Areas	Market Area Adult Population and Total GGR Potential				
	Adult Population	At \$300/Adult		At \$350/Adult	
		GGR/Adult	Total Market GGR	GGR/Adult	Total Market GGR
<u>Massachusetts Market Areas</u>					
Central Boston	781,625	\$300	\$234,487,500	\$350	\$273,568,750
Central Boston - North	386,575	\$300	\$115,972,500	\$350	\$135,301,250
Central Boston - South	228,442	\$300	\$68,532,600	\$350	\$79,954,700
Subtotal Central Boston	1,396,642	\$300	\$418,992,600	\$350	\$488,824,700
Boston Suburbs - North	506,576	\$300	\$151,972,800	\$350	\$177,301,600
Boston Suburbs - Northwest	315,355	\$300	\$94,606,500	\$350	\$110,374,250
Boston Suburbs - Southwest	187,800	\$300	\$56,340,000	\$350	\$65,730,000
Boston Suburbs - South	179,337	\$300	\$53,801,100	\$350	\$62,767,950
Subtotal Boston Suburbs	1,189,068	\$300	\$356,720,400	\$350	\$416,173,800
Raynham	144,658	\$300	\$43,397,400	\$350	\$50,630,300
Plainville	102,830	\$300	\$30,849,000	\$350	\$35,990,500
Massachusetts Southwest	317,485	\$300	\$95,245,500	\$350	\$111,119,750
Massachusetts Southeast	230,619	\$300	\$69,185,700	\$350	\$80,716,650
Cape Cod	194,390	\$300	\$58,317,000	\$350	\$68,036,500
Subtotal Southern Massachusetts	989,982	\$300	\$296,994,600	\$350	\$346,493,700
Leominster	150,114	\$300	\$45,034,200	\$350	\$52,539,900
Worcester/Milford	394,984	\$300	\$118,495,200	\$350	\$138,244,400
Massachusetts North Central	111,892	\$300	\$33,567,600	\$350	\$39,162,200
Massachusetts South Central - Springfield	435,035	\$300	\$130,510,500	\$350	\$152,262,250
Massachusetts West	109,573	\$300	\$32,871,900	\$350	\$38,350,550
Subtotal West & Central Massachusetts	1,201,598	\$300	\$360,479,400	\$350	\$420,559,300
Subtotal Massachusetts	4,777,290	\$300	\$1,433,187,000	\$350	\$1,672,051,500
<u>Neighbouring States Market Areas</u>					
New Hampshire Southwest	268,310	\$300	\$80,493,000	\$350	\$93,908,500
New Hampshire East	453,493	\$300	\$136,047,900	\$350	\$158,722,550
Subtotal New Hampshire Areas	721,803	\$300	\$216,540,900	\$350	\$252,631,050
Rhode Island North*	579,520	\$300	\$173,856,000	\$350	\$202,832,000
Rhode Island South*	189,311	\$300	\$56,793,300	\$350	\$66,258,850
Subtotal Rhode Island	768,831	\$300	\$230,649,300	\$350	\$269,090,850
Connecticut East	468,861	\$300	\$140,658,300	\$350	\$164,101,350
Connecticut North Central	734,366	\$300	\$220,309,800	\$350	\$257,028,100
Connecticut West	1,382,839	\$300	\$414,851,700	\$350	\$483,993,650
Subtotal Connecticut	2,586,066	\$300	\$775,819,800	\$350	\$905,123,100
Subtotal Neighbouring States	4,076,700	\$300	\$1,223,010,000	\$350	\$1,426,845,000
Total Market Area	8,853,990	\$300	\$2,656,197,000	\$350	\$3,098,896,500

Source: HLT Advisory Inc. estimates.

Market Shares: Introduction

The market performance of the proposed Category 1 facilities will be dependent on:

- Size and Scope of proposed facility.
- Operating environment compared to competitive casinos (e.g., number of and type of gaming devices permitted including restrictions, tax rates, smoking policy, amenity facilities and use of the same to drive visitation, etc.).
- Proximity to competitive facilities.
- Proximity to market area population.
- Facility capacity constraints (e.g. number of permitted gaming devices, parking, etc.).

Market Shares: Competitive Environment

- Proposed Category 1 facilities are similar in size and scope relative to existing competitors:
 - Three of four existing competitive casinos contain between 4,500 and 6,300 slot machines, offer table games and have various ancillary facilities. Region A Category 1 facilities are proposed to offer between 3,242 and 4,240 slots and between 120 to 168 table games.

	Proposed Category 1 and Competitive Casino Characteristics							
	Massachusetts				Rhode Island		Connecticut	
	Region B Springfield/ MGM	Region A Revere/ Mohegan	Everett/ Wynn	Category 2 Plainville/ Penn National	Twin River	Newport	Mohegan Sun	Foxwoods
Gaming Devices								
Slots*	3,000	4,240	3,242	1,250	4,500	1,000	5,559	6,229
Tables	100	120	168		66		330	350
F&B Facilities								
F&B Outlets	7	10	10	2	2	1	17	17
Food Court	1	n/p	n/p	1	3		4	2
Other Ancillary Facilities								
Entertainment Outlets		1	2	1	2	1	3	2
Entertainment	To partner with existing centres (e.g., Mass Mutual & Symphony Hall/CityStage)	38,000 sf (950 seat) multi-purpose venue	1,000 seat multi-purpose venue, 500 seat outdoor amphitheatre	< 100 seats	29,000 sf and 200 seats	400 seats	10,000 seats 400 seats 350 seats	4,000 seats 1,500 seats
Additional Convention Space	19,388 sf						100,000 sf	50,000 sf
Hotel Rooms	1 Hotel (250 rooms)	2 Hotels (325 and 175 rooms)	1 Hotel (500 rooms)				1,200	2,205
Retail	8,000 sf branded retail 35,000 sf outdoor retail	Sub-contracted the Retail, Dining & Entertainment ("RDE") complex is 60,000 sf	77,250 sf in retail corridor (premium retail stores and restaurants)		2 retail outlets		39 retail outlets	24 retail outlets
Other Characteristics								
Smoking Allowed	No	No	No	No	Yes	Yes	Yes	Yes
Tax Rate	25% of total GGR	25% of total GGR	25% of total GGR	49% of slot revenue	60.8% of slot revenue 18% of table revenue		25%-30% of slot revenue	

Source: HLT Advisory Inc. Based on casino annual reports, state gaming commission reports, individual casino web sites and Applicants' submittals.
n/p: not provided.
* Connecticut slot machines totals based on December 2012 as reported by the State of Connecticut.

- The Category 1 facilities will operate in an environment similar to existing competitors (i.e., similar tax rates on slot gaming). However, unlike existing competitors, Category 1 facilities will not allow smoking and tax rate will be also applicable on table gaming (no table tax in Connecticut and 18% tax rate in Rhode Island).

Market Shares: Full Competition

Key Assumption/Notes:

1. Size of market under full competition (i.e., including the awarded Category 2 casino) has been estimated based on a \$300 GGR/adult, a \$350 GGR/adult as well as on a blended GGR/adult level. The blended GGR/adult level has been generally based on the following assumptions:

- \$375 for areas with a casino.
- \$325 for areas adjacent to casino markets.
- \$275 for all other areas.

Note: GGR/adult includes both slot and table GGR.

2. Three Category 1 facility locations assumed for the proposed of this assessment: Boston (Region A), Springfield (Region B) and Taunton (Region C).

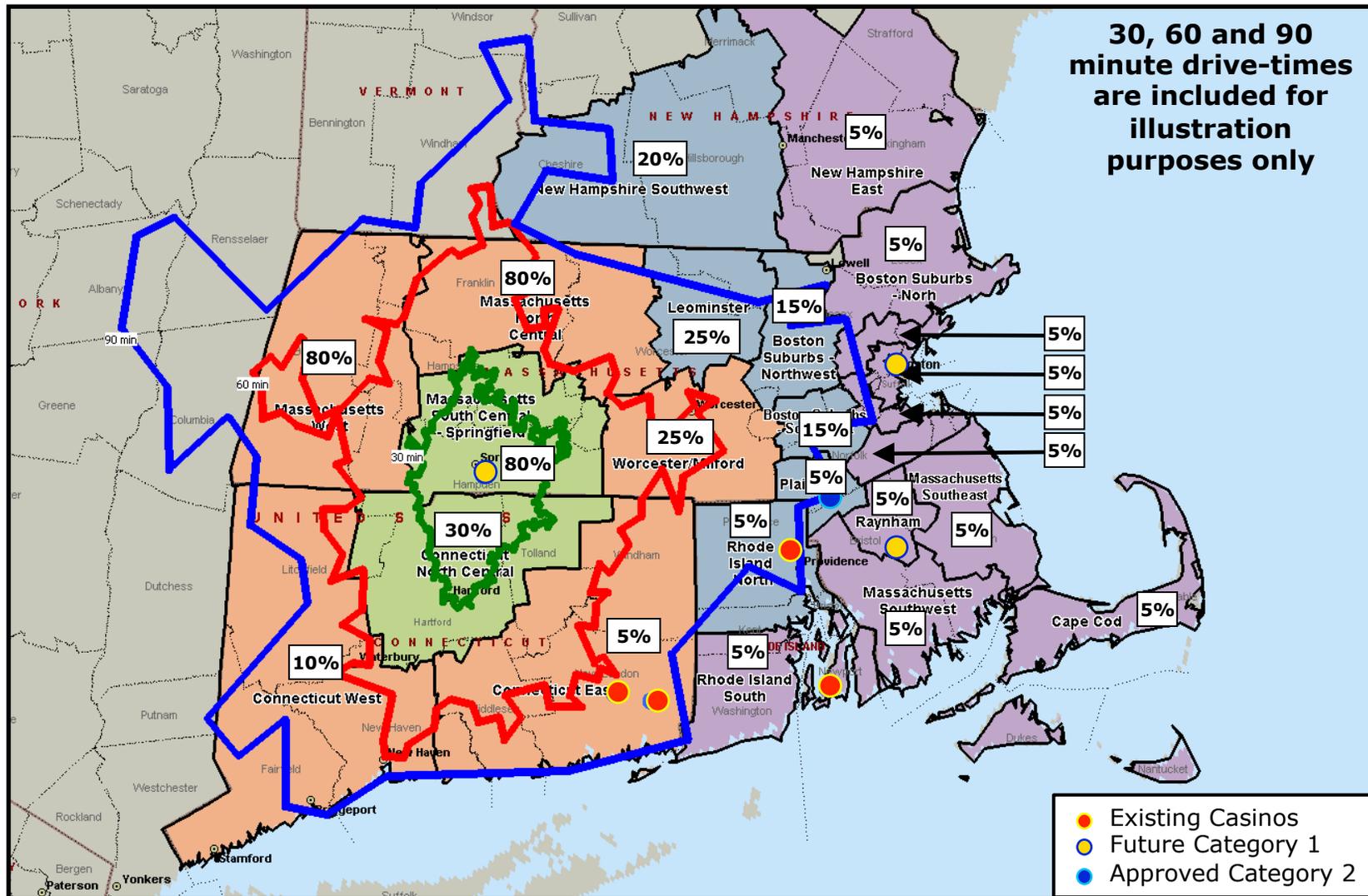
3. Specific Inflow estimates from beyond the defined market area have not be estimated for Category 1 facilities (see page 36 for greater discussion on inflow).

4. For the purposes of this analysis, timing (i.e. when a facility will be operational) was not factored into the analysis, nor was potential future market area population increases.

Appendix C contains all the detailed market share and GGR estimate tables under Full Competition for all future Massachusetts gaming facilities (including the approved Category 2 casino).

Market Shares: Full Competition

Region B (Springfield) – Market Shares Results



Market Shares: Full Competition

Region B (Springfield) – Market Shares Results

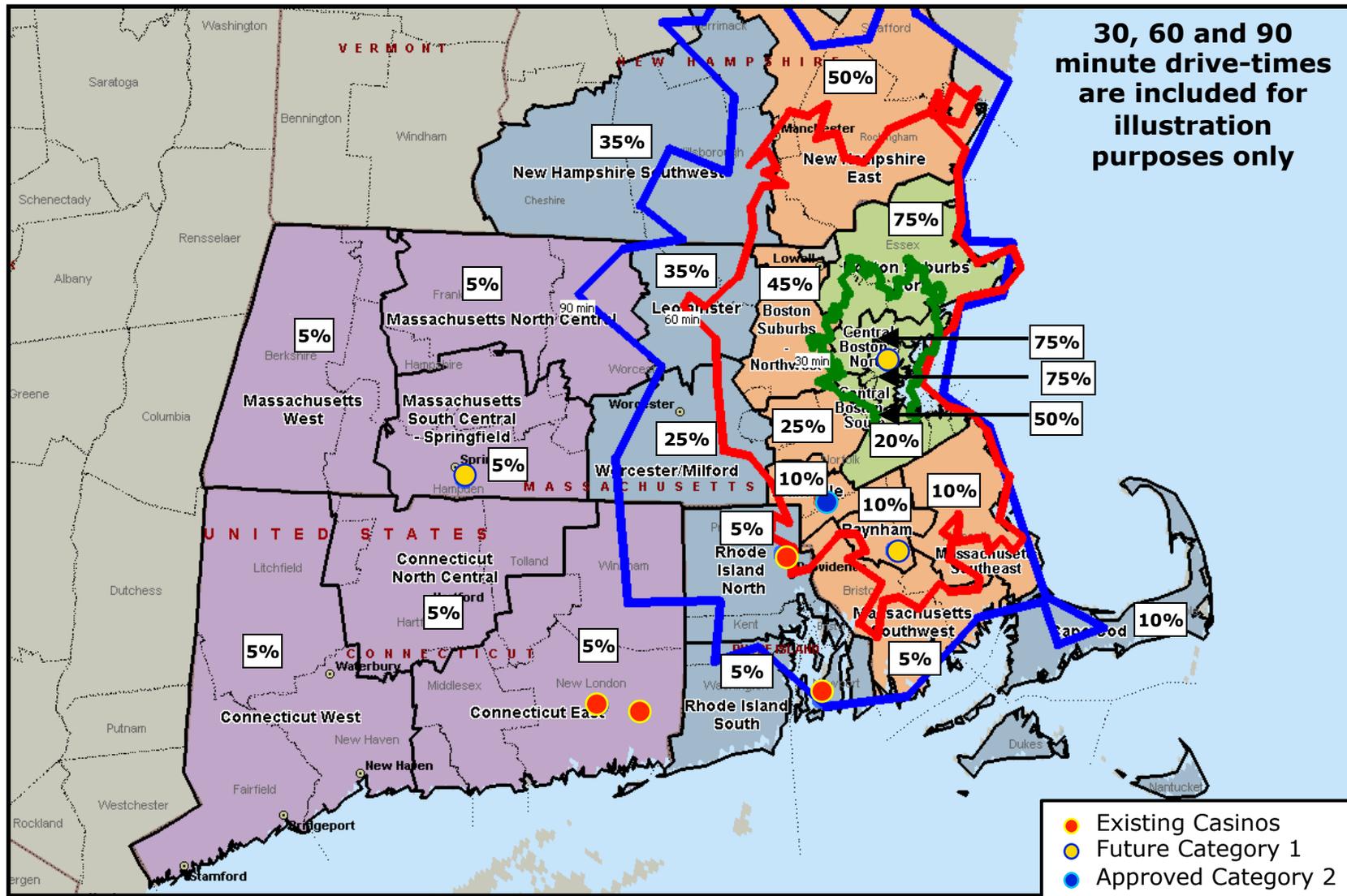
Sub-market areas have been organized (generally) by drive times for illustration purposes only.

Springfield (Region B) Category 1 Casino - Summary of GGR Estimates				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Massachusetts South Central - Springfield	80.0%	\$104,408,400	\$130,510,500	\$121,809,800
Connecticut North Central	30.0%	\$66,092,940	\$71,600,685	\$77,108,430
Markets Within 0-30 Minutes		\$170,501,340	\$202,111,185	\$198,918,230
Worcester/Milford	25.0%	\$29,623,800	\$32,092,450	\$34,561,100
Massachusetts North Central	80.0%	\$26,854,080	\$29,091,920	\$31,329,760
Massachusetts West	80.0%	\$26,297,520	\$24,106,060	\$30,680,440
Connecticut East	5.0%	\$7,032,915	\$8,791,144	\$8,205,068
Connecticut West	10.0%	\$41,485,170	\$38,028,073	\$48,399,365
Markets Within 30-60 Minutes		\$131,293,485	\$132,109,646	\$153,175,733
Leominster	25.0%	\$11,258,550	\$10,320,338	\$13,134,975
Boston Suburbs - Northwest	15.0%	\$14,190,975	\$13,008,394	\$16,556,138
Boston Suburbs - Southwest	15.0%	\$8,451,000	\$9,155,250	\$9,859,500
Plainville	5.0%	\$1,542,450	\$1,928,063	\$1,799,525
Rhode Island North	5.0%	\$8,692,800	\$10,866,000	\$10,141,600
New Hampshire Southwest	20.0%	\$16,098,600	\$14,757,050	\$18,781,700
Markets Within 60-90 Minutes		\$60,234,375	\$60,035,094	\$70,273,438
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	5.0%	\$3,426,630	\$3,712,183	\$3,997,735
Rhode Island South	5.0%	\$2,839,665	\$3,549,581	\$3,312,943
Raynham	5.0%	\$2,169,870	\$2,712,338	\$2,531,515
Massachusetts Southwest	5.0%	\$4,762,275	\$5,159,131	\$5,555,988
Massachusetts Southeast	5.0%	\$3,459,285	\$3,747,559	\$4,035,833
Cape Cod	5.0%	\$2,915,850	\$2,672,863	\$3,401,825
Boston Suburbs - North	5.0%	\$7,598,640	\$6,965,420	\$8,865,080
Boston Suburbs - South	5.0%	\$2,690,055	\$2,914,226	\$3,138,398
New Hampshire East	5.0%	\$6,802,395	\$6,235,529	\$7,936,128
Markets Beyond 90-Minutes		\$54,187,665	\$58,606,141	\$63,218,943
Subtotal Market Area		\$416,216,865	\$452,862,066	\$485,586,343

Source: HLT Advisory Inc. estimates.

Market Shares: Full Competition

Region A (Boston) – Market Shares Results



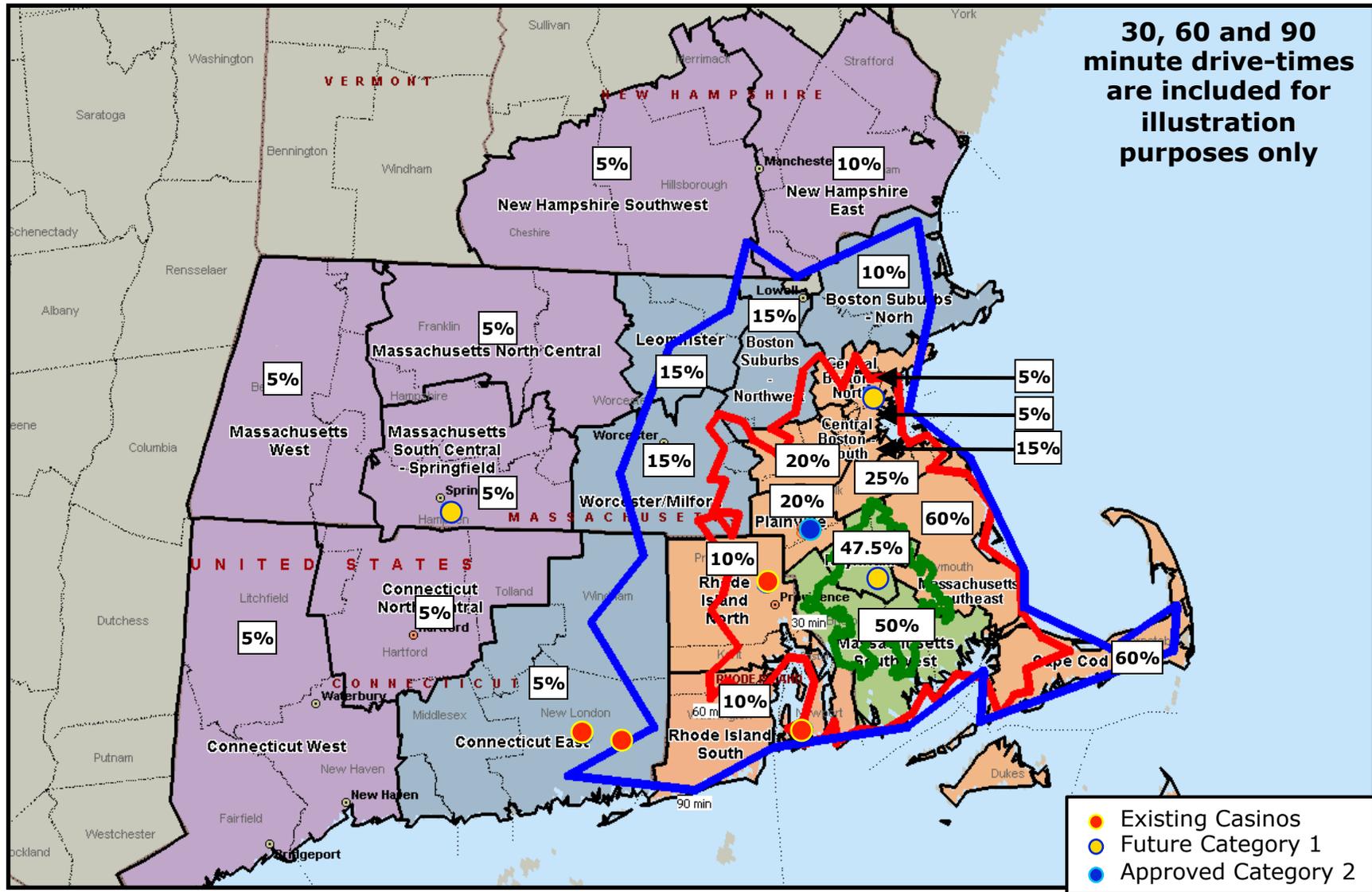
Market Shares: Full Competition Region A (Boston) – GGR Estimates

Sub-market areas have been organized (generally) by drive times for illustration purposes only.

Boston (Region A) Category 1 Casino - Summary of GGR Estimates				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Central Boston	75.0%	\$175,865,625	\$219,832,031	\$205,176,563
Central Boston - North	75.0%	\$86,979,375	\$94,227,656	\$101,475,938
Central Boston - South	50.0%	\$34,266,300	\$37,121,825	\$39,977,350
Boston Suburbs - North	75.0%	\$113,979,600	\$104,481,300	\$132,976,200
Boston Suburbs - South	20.0%	\$10,760,220	\$11,656,905	\$12,553,590
Markets Within 0-30 Minutes		\$421,851,120	\$467,319,718	\$492,159,640
New Hampshire East	50.0%	\$68,023,950	\$62,355,288	\$79,361,275
Boston Suburbs - Northwest	45.0%	\$42,572,925	\$39,025,181	\$49,668,413
Boston Suburbs - Southwest	25.0%	\$14,085,000	\$15,258,750	\$16,432,500
Raynham	10.0%	\$4,339,740	\$5,424,675	\$5,063,030
Plainville	10.0%	\$3,084,900	\$3,856,125	\$3,599,050
Massachusetts Southwest	5.0%	\$4,762,275	\$5,159,131	\$5,555,988
Massachusetts Southeast	10.0%	\$6,918,570	\$7,495,118	\$8,071,665
Cape Cod	10.0%	\$5,831,700	\$5,345,725	\$6,803,650
Markets Within 30-60 Minutes		\$149,619,060	\$143,919,993	\$174,555,570
New Hampshire Southwest	35.0%	\$28,172,550	\$25,824,838	\$32,867,975
Leominster	35.0%	\$15,761,970	\$14,448,473	\$18,388,965
Worcester/Milford	25.0%	\$29,623,800	\$32,092,450	\$34,561,100
Rhode Island North	5.0%	\$8,692,800	\$10,866,000	\$10,141,600
Rhode Island South	5.0%	\$2,839,665	\$3,549,581	\$3,312,943
Markets Within 60-90 Minutes		\$85,090,785	\$86,781,341	\$99,272,583
Massachusetts North Central	5.0%	\$1,678,380	\$1,818,245	\$1,958,110
Massachusetts South Central - Springfield	5.0%	\$6,525,525	\$8,156,906	\$7,613,113
Massachusetts West	5.0%	\$1,643,595	\$1,506,629	\$1,917,528
Connecticut East	5.0%	\$7,032,915	\$8,791,144	\$8,205,068
Connecticut North Central	5.0%	\$11,015,490	\$11,933,448	\$12,851,405
Connecticut West	5.0%	\$20,742,585	\$19,014,036	\$24,199,683
Markets Beyond 90-Minutes		\$48,638,490	\$51,220,408	\$56,744,905
Subtotal Market Area		\$705,199,455	\$749,241,459	\$822,732,698
<i>Source: HLT Advisory Inc. estimates.</i>				

Market Shares: Full Competition

Region C (Taunton) – Market Shares Results



Market Shares: Full Competition Region C (Taunton) – GGR Estimates

Sub-market areas have been organized (generally) by drive times for illustration purposes only.

Taunton (Region C) Category 1 Casino - Summary of GGR Estimates				
Market Areas	Market Shares	At \$300/ Adult	Blended GGR/ Adult	At \$350/ Adult
Raynham	47.5%	\$20,613,765	\$25,767,206	\$24,049,393
Massachusetts Southwest	50.0%	\$47,622,750	\$51,591,313	\$55,559,875
Markets Within 0-30 Minutes		\$68,236,515	\$77,358,519	\$79,609,268
Central Boston	5.0%	\$11,724,375	\$14,655,469	\$13,678,438
Central Boston - North	5.0%	\$5,798,625	\$6,281,844	\$6,765,063
Central Boston - South	15.0%	\$10,279,890	\$11,136,548	\$11,993,205
Boston Suburbs - South	25.0%	\$13,450,275	\$14,571,131	\$15,691,988
Boston Suburbs - Southwest	20.0%	\$11,268,000	\$12,207,000	\$13,146,000
Plainville	20.0%	\$6,169,800	\$7,712,250	\$7,198,100
Massachusetts Southeast	60.0%	\$41,511,420	\$44,970,705	\$48,429,990
Cape Cod	60.0%	\$34,990,200	\$32,074,350	\$40,821,900
Rhode Island North	10.0%	\$17,385,600	\$21,732,000	\$20,283,200
Rhode Island South	10.0%	\$5,679,330	\$7,099,163	\$6,625,885
Markets Within 30-60 Minutes		\$158,257,515	\$172,440,459	\$184,633,768
Boston Suburbs - North	10.0%	\$15,197,280	\$13,930,840	\$17,730,160
Boston Suburbs - Northwest	15.0%	\$14,190,975	\$13,008,394	\$16,556,138
Leominster	15.0%	\$6,755,130	\$6,192,203	\$7,880,985
Worcester/Milford	15.0%	\$17,774,280	\$19,255,470	\$20,736,660
Connecticut East	5.0%	\$7,032,915	\$8,791,144	\$8,205,068
Markets Within 60-90 Minutes		\$60,950,580	\$61,178,050	\$71,109,010
New Hampshire East	10.0%	\$13,604,790	\$12,471,058	\$15,872,255
New Hampshire Southwest	5.0%	\$4,024,650	\$3,689,263	\$4,695,425
Massachusetts North Central	5.0%	\$1,678,380	\$1,818,245	\$1,958,110
Massachusetts South Central - Springfield	5.0%	\$6,525,525	\$8,156,906	\$7,613,113
Massachusetts West	5.0%	\$1,643,595	\$1,506,629	\$1,917,528
Connecticut North Central	5.0%	\$11,015,490	\$11,933,448	\$12,851,405
Connecticut West	5.0%	\$20,742,585	\$19,014,036	\$24,199,683
Markets Beyond 90-Minutes		\$59,235,015	\$58,589,584	\$69,107,518
Subtotal Market Area		\$346,679,625	\$369,566,611	\$404,459,563

Source: HLT Advisory Inc. estimates.

Reasonableness of Applicants' Revenue Projections

Introduction

To assess the reasonableness of the Applicants' revenue projections, HLT focused on the geographic source (i.e. market area) of expected revenues and compared that to HLT's market assessment.

The source of the Applicants' revenue was based on specific geographic market area segments as highlighted in the Applicants' third-party market assessment reports. Each report defined a market area and identified other sources of gaming revenues. These market areas did not align completely with the HLT defined market area nor its defined sub-market areas. To compare the Applicants' revenue projections to HLT's market assessment, HLT used information contained in these third-party market assessment reports to estimate the portion of projected gaming revenues (Year 3 as contained in the Applicants' financials) that is likely to be generated from within the HLT defined market area.

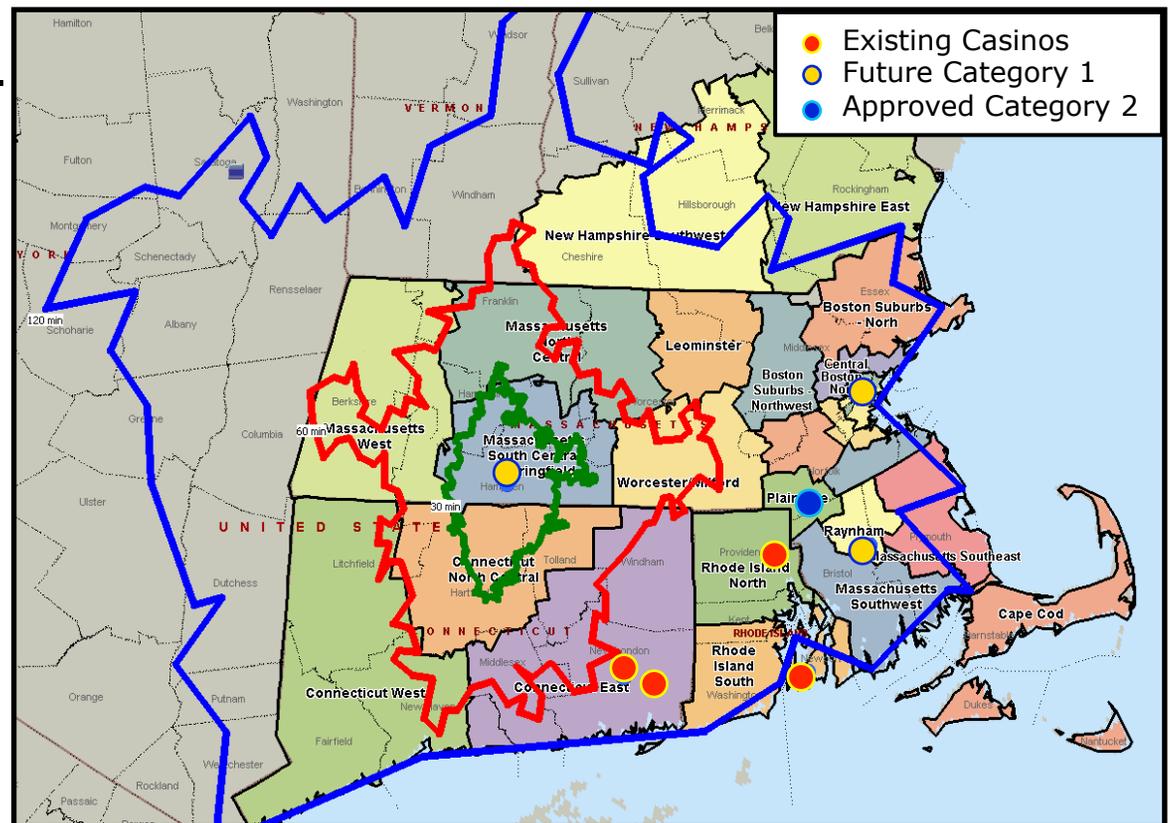
HLT's market assessment acknowledged that Category 1 casinos could generate revenue from beyond the defined market area (termed "inflow") but did not provide specific estimates. The ability of each casino to generate inflow is based on the location and amount of competition in the area beyond the defined market area as well as casino specific targeted marketing programs. That said, HLT would expect that a regional resort casino (Category 1 casinos) would generate 10% to 20% of its total gaming revenue from outside its defined market area ("inflow").

Reasonableness of Applicants' Revenue Projections Springfield/MGM

Market assessment prepared by Union Gaming Analytics ("UG"). UG defined a market area based on drive times, which includes local markets (based on 30 and 60-minute drive time) and a regional market (based on 60 to 120-minute drive time).

UG's market area is somewhat larger than HLT's. In terms of adult population (2012), UG's market area has a total adult population of 9.9 million compared to 8.9 million adults within HLT's defined market area. This 1.0 million adult difference represents about 10.0% of the adult population located within UG's defined regional market (i.e., 60 to 120 minutes with 7.9 million adults).

HLT and MGM's's Defined Market Areas



Reasonableness of Applicants' Revenue Projections Springfield/MGM

UG's market assessment estimated that Springfield/MGM could generate \$574 million in GGR during Year 3 of operations:

- ~ 35.0% from local market (within 30-minutes);
- ~22.0% from local market (within 30 to 60-minutes);
- ~34.0% from regional market (within 60 to 90-minutes); and
- the remaining (~9.0%) of the total GGR generated from induced visitation due to proximity to other attractions in Springfield.

MGM did not use the results of the UG's market assessment in its financial projections. Financial projections are lower than UG's market assessment estimates. Total GGR for Year 3 in financial Projections is \$500 million (net of free play).

The distribution of Year 3 revenue estimate is based on information from market assessment as presented in the adjacent table.

Year 3 Total GGR Estimate for Springfield/MGM (\$Million) MGM's Market Assessment* vs. MGM's Financial Projections Estimates				
	Market Assessment		Financial Projections	
	Year 3	% Dist.	Year 3**	% Dist.
Local Market (0-30 Minutes)	\$200.4	34.9%	\$174.5	34.9%
Local Market (30-60 Minutes)	\$128.2	22.3%	\$111.6	22.3%
Regional Market (60-120 Minutes)	\$192.2	33.5%	\$167.3	33.5%
Total Market Area	\$520.8	90.8%	\$453.4	90.8%
MassMutuel Centre	\$4.8	0.8%	\$4.2	0.8%
Hall of Fame	\$2.6	0.5%	\$2.3	0.5%
Traffic Counts	\$13.6	2.4%	\$11.8	2.4%
Tourist	\$7.7	1.3%	\$6.7	1.3%
Hotel	\$24.3	4.2%	\$21.2	4.2%
Total Other GGR	\$53.0	9.2%	\$46.1	9.2%
Total GGR Estimates	\$573.8	100.0%	\$499.5	100.0%

Source: HLT Advisory Inc. based on Union Gaming Analytics, MGM Resorts International, Springfield Market Study - Appendix Update, November 2013.
** Based on base case scenario results.*
*** Financial projections estimates for Year 3 distributed by market area/source of revenue based on MGM's market assessment results.*

Reasonableness of Applicants' Revenue Projections Springfield/MGM

Based on information contained in UG's market assessment and HLT assumptions (as described in the adjacent table), Springfield/MGM is estimated to generate \$436.7 million from within the defined HLT market area in Year 3.

In general, MGM's revenue projections by sub-market area align with HLT's estimates.

Projected GGR for Springfield Category 1 Casino HLT Estimates vs. MGM Financial Projections by Market Areas					
Gaming Revenues by Areas	HLT Estimate			MGM's Financial Projection	
	At \$300	Blended	At \$350	Year 3*	Adjusted**
<i>Market Area</i>					
Market Areas Within 30-Minutes	\$170.5	\$202.1	\$198.9	\$174.5	\$174.5
Market Areas Within 30 to 60-Minutes	\$131.3	\$132.1	\$153.2	\$111.6	\$111.6
Market Areas Within 60 to 90-Minutes	\$60.2	\$60.0	\$70.3	\$167.3	\$83.7
Market Areas Beyond 90-Minutes	\$54.2	\$58.6	\$63.2		\$66.9
Total HLT's Defined Market Area	\$416.2	\$452.9	\$485.6	\$453.4	\$436.7
Outside HLT's Defined Market Area	Inflow Not Estimated by HLT			n.a.	\$16.7
MassMutuel Centre	Inflow Not Estimated by HLT			\$4.2	\$4.2
Hall of Fame	Inflow Not Estimated by HLT			\$2.3	\$2.3
Traffic Counts	Inflow Not Estimated by HLT			\$11.8	\$11.8
Tourist	Inflow Not Estimated by HLT			\$6.7	\$6.7
Hotel	Inflow Not Estimated by HLT			\$21.2	\$21.2
Total Other GGR (Inflow)	Inflow Not Estimated by HLT			\$46.1	\$62.9
Total GGR				\$499.5	\$499.5

Source: HLT Advisory Inc. based on information from Union Gaming Analytics, MGM Resorts International, Springfield Market Study - Appendix Update, November 2013 and HLT estimates.
n.a.: Not available
* No adjustment made to account for difference in the size of market areas between HLT and Union Gaming.
** Distributes the total revenue expected to come from within the Regional Market (i.e., \$167.3 million from within 60 to 120 minutes) into:
- Markets within 60-90 minutes: \$83.7 million (or 50% of total)
- Markets within 90-120 minutes: \$66.9 million (or 40% of total)
- Outside HLT's defined market area: \$16.7 million (or 10% of total).

Reasonableness of Applicants' Revenue Projections Springfield/MGM

In summary, MGM's casino is estimated to generate \$436.7 million or 87.4% of its total revenue from HLT's defined market area. This amount is similar to HLT's estimate under the blended GGR/adult level.

In addition, MGM's casino could also generate inflow of about \$62.9 million or 12.6% of total revenue.

Note: while some of the "other sources of revenue" likely will be generated by residents of the defined market area, HLT has assumed that these other sources represent inflow for the purposes of this assessment.

Projected GGR for Springfield Category 1 Casino HLT Estimates vs. MGM Financial Projections					
Gaming Revenues by Areas	HLT Estimate			MGM's Financial Projection	
	At \$300	Blended	At \$350	Year 3	% Dist.
HLT's Defined Market Area*	\$416.2	\$452.9	\$485.6	\$436.7	87.4%
<u>Other Sources of Revenue</u>					
Outside HLT's Defined Market Area**	Inflow Not Estimated by HLT			\$16.7	3.3%
MassMutuel Centre	Inflow Not Estimated by HLT			\$4.2	0.8%
Hall of Fame	Inflow Not Estimated by HLT			\$2.3	0.5%
Traffic Counts	Inflow Not Estimated by HLT			\$11.8	2.4%
Tourist	Inflow Not Estimated by HLT			\$6.7	1.3%
Hotel	Inflow Not Estimated by HLT			\$21.2	4.2%
Total Other Sources	Inflow Not Estimated by HLT			\$62.9	12.6%
Total GGR				\$499.5	100.0%

Source: HLT Advisory Inc. based on information from Union Gaming Analytics, MGM Resorts International, Springfield Market Study - Appendix Update, November 2013 and HLT estimates.

* \$436.7 million in GGR for Year 3 are estimated to come from within the defined HLT market area based on information provided in MGM's third party market assessment and HLT estimates.

** Given the market area defined by Union Gaming, this area includes parts of New York and Vermont. In total \$16.4 million in GGR are estimated to come from this area - which is equal to 10% of the total GGR generated from within regional market (i.e., 60-120 minutes drive time) based on Union Gaming market assessment.

Reasonableness of Applicants' Revenue Projections Revere/Mohegan

PKF's market assessment estimated that Revere/Mohegan will generate \$910.4 million in 2018 (Year 3 of operations):

- ~ 73.5% from within the primary zone (Suffolk, Norfolk, Essex and Middlesex counties in Massachusetts);
- 22.0% from within the secondary zone (Plymouth, Bristol and Worcester counties in Massachusetts and Rockingham, Hillsborough and Merrimack counties in New Hampshire); and
- the remaining (~4.5%) from visitors from outside market area.

Year 3 Total GGR Estimate for Revere/Mohegan (\$Million) Mohegan's Market Assessment vs. Mohegan's Financial				
	Market Assessment		Financial Projections	
	Year 3*	% Dist.	Year 3*	% Dist.
Primary Zone**	\$668.5	73.4%	\$668.5	73.4%
Secondary Zone MA***	\$51.1	5.6%	\$51.1	5.6%
Secondary Zone NH****	\$150.4	16.5%	\$150.4	16.5%
Total Market Area	\$870.0	95.6%	\$870.0	95.6%
Visitor Casino Win	\$40.4	4.4%	\$40.4	4.4%
Total Other GGR	\$40.4	4.4%	\$40.4	4.4%
Total GGR Estimates	\$910.4	100.0%	\$910.4	100.0%

Source: HLT Advisory Inc. based on information from PKF Consulting USA, Market Study with Gaming Revenue Projections, Proposed Mohegan Sun Massachusetts Casino Resort, December 18, 2013, and HLT estimates.

* PKF's market assessment provided the distribution of GGR by market area for Year 1 only (\$808.4 million expressed in 2013 dollars). HLT used the information included in the market assessment to distribute the total Year 3 GGR estimates by market area.

** Includes Suffolk, Norfolk, Essex and Middlesex counties.

*** Includes Plymouth, Bristol and Worcester counties in Massachusetts.

**** Includes Rockingham, Hillsborough and Merrimack in New Hampshire.

Reasonableness of Applicants' Revenue Projections Revere/Mohegan

Based on information contained in PKF's market assessment (as described in the table below), Revere/Mohegan is expected to generate \$870.0 million from an market area significantly smaller than the defined HLT market area in Year 3.

Revere/Mohegan's revenue projections by sub-market area do not align with HLT's estimates:

- Significantly higher in the Primary Zone.
- Slightly lower in the Massachusetts Secondary Zone.
- Higher in the New Hampshire Secondary Zone.

Revere/Mohegan does not expect to generate any revenue from Western Massachusetts, Rhode Island and Connecticut.

Projected GGR for Boston Category 1 Casino HLT Estimates vs. Mohegan Financial Projections by Market Area				
Gaming Revenues by Areas	HLT Estimate			Mohegan's Financial Projection
	At \$300	Blended	At \$350	Year 3
Market Area				
Primary Zone	\$481.6	\$525.5	\$561.9	\$668.5
Secondary Zone MA	\$62.2	\$65.5	\$72.6	\$51.1
Secondary Zone NH	\$96.2	\$88.2	\$112.2	\$150.4
Outside PKF's Market Area**	\$65.2	\$70.1	\$76.0	n.a.
Total Market	\$705.2	\$749.2	\$822.7	\$870.0
Visitor Casino Win	Inflow Not Estimated HLT			\$40.4
Total Other GGR (Inflow)	Inflow Not Estimated HLT			\$40.4
Total GGR				\$910.4

Source: HLT Advisory Inc. based on information from PKF Consulting USA, Market Study with Gaming Revenue Projections, Proposed Mohegan Sun Massachusetts Casino Resort, December 18, 2013, and HLT estimates.

* HLT has distributed its GGR estimates into the Primary and Secondary Zones as defined in PKF's market assessment - i.e., excludes all sub-markets in Western Massachusetts, Cape Cod, Rhode Island and Connecticut.

** Includes sub-market areas in Western Massachusetts (Mass North Central, Springfield and Mass West), Cape Cod, Rhode Island and Connecticut.

Reasonableness of Applicants' Revenue Projections Revere/Mohegan

Mohegan's casino will generate \$870.0 million or 95.6% of its total revenue from HLT's defined market area. This amount exceeds all of HLT's estimates. Further, Mohegan's defined market area is smaller than HLT's defined market area; it does not include the States of Connecticut and Rhode Island as well as Western Massachusetts (counties of Franklin, Berkshire and Hampden).

In addition, Mohegan's casino could also generate inflow of about \$40.4 million or 4.4% of total revenue.

Note: while some of the "other sources of revenue" likely will be generated by residents of the defined market area, HLT has assumed that these other sources represent inflow for the purposes of this assessment.

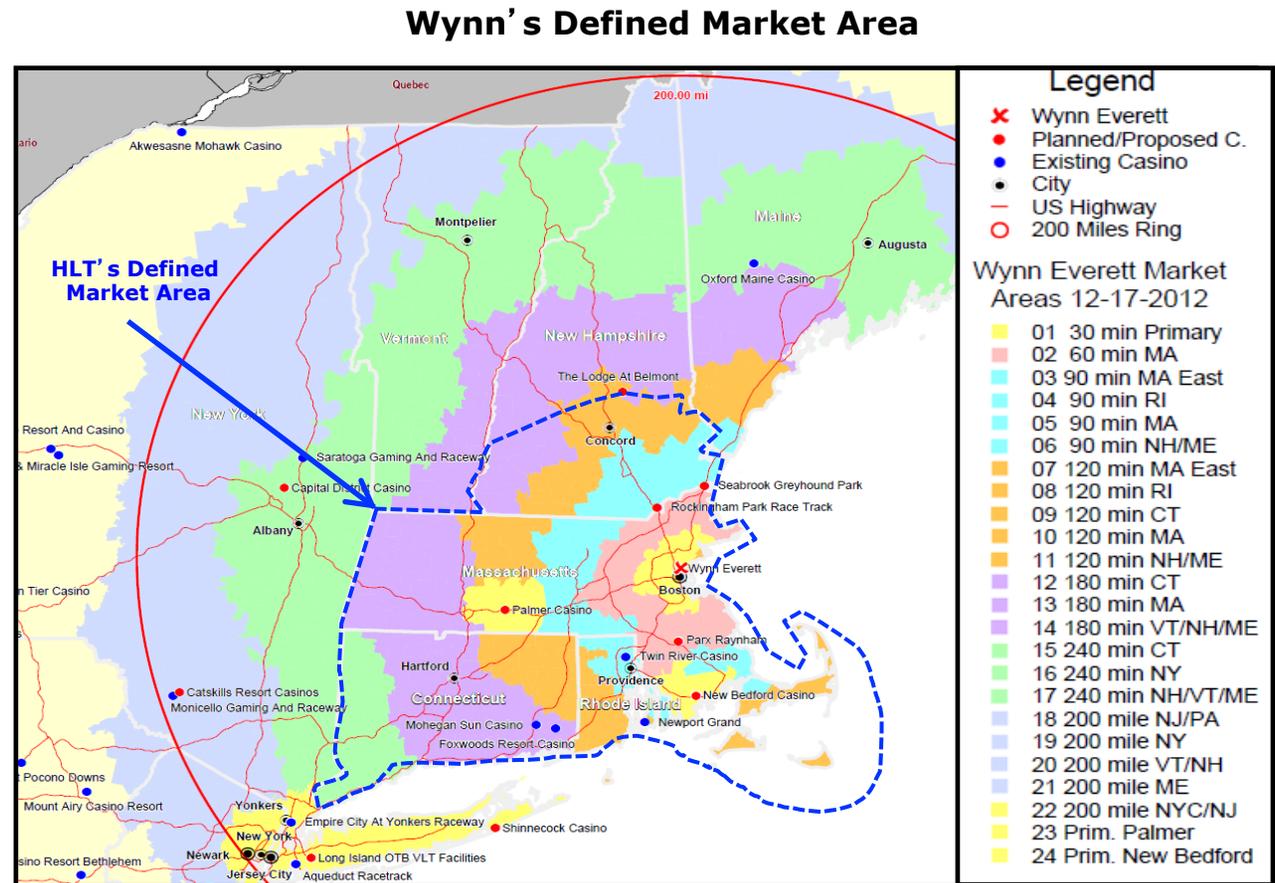
Projected GGR for Boston Category 1 Casino HLT Estimates vs. Mohegan Financial Projections					
Gaming Revenues by Areas	HLT Estimate			Mohegan's Financial Projection	
	At \$300	Blended	At \$350	Year 3	% Dist.
HLT's Defined Market Area*	\$705.2	\$749.2	\$822.7	\$870.0	95.6%
<i>Other Sources of Revenue</i>					
Outside HLT's Defined Market Area*				n.a.	n.a.
Visitor Casino Win	Inflow Not Estimated HLT			\$40.4	4.4%
Total Other GGR (Inflow)				\$40.4	4.4%
Total GGR				\$910.4	100.0%

Source: HLT Advisory Inc. based on information from PKF Consulting USA, Market Study with Gaming Revenue Projections, Proposed Mohegan Sun Massachusetts Casino Resort, December 18, 2013, and HLT estimates.
n.a.: Not Available/Not Applicable
* Market area defined by PKF is smaller than HLT's defined market area.

Reasonableness of Applicants' Revenue Projections Everett/Wynn

Market assessment prepared by TMG Consulting ("TMG"). TMG defined a market area based on a 200-mile radius, and included several sub-market areas based on various drive-times.

TMG's defined market area extends significantly further than HLT's. With that said, TMG also defines several sub-markets, which allows for a comparison against HLT's estimates.



*Map obtained from Wynn application. HLT added blue dotted line.

Reasonableness of Applicants' Revenue Projections Everett/Wynn

TMG's market assessment estimated that Everett/ Wynn will generate \$804.0 million in GGR in its first full year of stabilized operations:

- ~ 44.0% from within 30-minutes;
- ~ 15.0% from within 30 to 60-minutes;
- ~ 9.0% from within 60 to 90-minutes;
- ~ 4.5% from the rest of Massachusetts, Rhode Island and Connecticut,
- ~ 6.5% from the rest of New Hampshire, Vermont, Maine, New York, New Jersey and Pennsylvania; and
- the remaining (~ 21.0%) from overnight hotel visitors (including high-yield international players), tourism and traffic intercept.

TMG's market assessment only provided estimates for the first full year of stabilized operations (i.e., Year 1).

Wynn uses the TMG's market assessment results in its financial projections for Year 1. Year 3 total GGR for Everett/Wynn estimated at \$845.5 million.

Year 3 Total GGR Estimate for Everett/Wynn (\$Million)				
Wynn's Market Assessment vs. Wynn's Financial Projections				
	Market Assessment		Financial Projections	
	Year 1	% Dist.	Year 3**	% Dist.
Primary Market (0-30 Minutes)	\$355.4	44.2%	\$373.7	44.2%
30-60 Minutes	\$118.5	14.7%	\$124.6	14.7%
60-90 Minutes*	\$74.0	9.2%	\$77.9	9.2%
Rest of Massachusetts	\$8.5	1.1%	\$9.0	1.1%
Rest of Rhode Island	\$6.8	0.9%	\$7.2	0.9%
Connecticut	\$21.9	2.7%	\$23.1	2.7%
Rest of New Hampshire, Maine & Vermont	\$17.5	2.2%	\$18.4	2.2%
New York, New Jersey & Pennsylvania	\$36.5	4.5%	\$38.4	4.5%
Total Market Area	\$639.3	79.5%	\$672.2	79.5%
High Yield International Players	\$71.8	8.9%	\$75.5	8.9%
Overnight Guests	\$41.6	5.2%	\$43.7	5.2%
Tourism	\$47.9	6.0%	\$50.4	6.0%
Traffic Intercept	\$3.5	0.4%	\$3.7	0.4%
Total Other GGR	\$164.8	20.5%	\$173.3	20.5%
Total GGR Estimates	\$804.1	100.0%	\$845.5	100.0%

Source: HLT Advisory Inc. based on information from TMG Consulting, Wynn Everett Gaming Market Assessment, November 2013 and HLT estimates.
* Includes all markets within 60-90 minutes plus New Bedford primary market.
** Financial projections estimates for Year 3 distributed by market area/source of revenue based on market assessment results.

Reasonableness of Applicants' Revenue Projections Everett/Wynn

Based on information contained in TMG's market assessment and HLT assumptions (as described in the table below), Everett/Wynn is expected to generate \$615.5 million from within the defined HLT market area in Year 3.

Everett/Wynn revenue projections by sub-market area do not align with HLT's estimates:

- Significantly lower in the "within 30-minute" Zone.
- Lower in the "within 3—60-minute" Zone.
- Slightly lower in "within 60-90-minute" Zone.
- Slightly lower in "beyond 90-minute" Zone

Projected GGR for Boston Category 1 Casino HLT Estimates vs. Wynn Financial Projections by Market Area				
Gaming Revenues by Areas	HLT Estimate			Wynn's Financial Projection
	At \$300	Blended	At \$350	Year 3
Market Area				
Market Areas Within 30-Minutes	\$421.9	\$467.3	\$492.2	\$373.7
Market Areas Within 30 to 60-Minutes	\$149.6	\$143.9	\$174.6	\$124.6
Market Areas Within 60 to 90-Minutes	\$85.1	\$86.8	\$99.3	\$77.9
Market Areas Beyond 90-Minutes*	\$48.6	\$51.2	\$56.7	\$39.2
Total Market	\$705.2	\$749.2	\$822.7	\$615.5
Outside HLT's Market Area**	Inflow Not Estimated by HLT			\$56.7
High Yield International Players	Inflow Not Estimated by HLT			\$75.5
Overnight Guests	Inflow Not Estimated by HLT			\$43.7
Tourism	Inflow Not Estimated by HLT			\$50.4
Traffic Intercept	Inflow Not Estimated by HLT			\$3.7
Total Other GGR (Inflow)	Inflow Not Estimated by HLT			\$230.0
Total GGR				\$845.5

Source: HLT Advisory Inc. based on information from TMG Consulting, Wynn Everett Gaming Market Assessment, November 2013 and HLT estimates.

** Market areas beyond 90-minutes includes rest of Massachusetts, rest of Rhode Island and Connecticut as per TMG's market assessment.*

*** Includes rest of New Hampshire, Maine, Vermont, New York, New Jersey and Pennsylvania areas within a 200-mile radius as defined in TMG's market assessment.*

Reasonableness of Applicants' Revenue Projections Everett/Wynn

Wynn's casino will generate \$615.5 million or 72.8% of its total revenue from HLT's defined market area. This amount is lower than all of HLT's estimates.

In addition, Wynn's casino could also generate inflow of about \$230.0 million or 27.2% of total revenue.

Note: while some of the "other sources of revenue" likely will be generated by residents of the defined market area, HLT has assumed that these other sources represent inflow for the purposes of this assessment.

Projected GGR for Boston Category 1 Casino HLT Estimates vs. Wynn Financial Projections					
Gaming Revenues by Areas	HLT Estimate			Wynn's Financial Projection	
	At \$300	Blended	At \$350	Year 3	% Dist.
HLT's Defined Market Area*	\$705.2	\$749.2	\$822.7	\$615.5	72.8%
<i>Other Sources of Revenue</i>					
Outside HLT's Defined Market Area**	Inflow Not Estimated by HLT			\$56.7	6.7%
High-Yield International Players	Inflow Not Estimated by HLT			\$75.5	8.9%
Overnight Guests	Inflow Not Estimated by HLT			\$43.7	5.2%
Tourism	Inflow Not Estimated by HLT			\$50.4	6.0%
Traffic Intercept	Inflow Not Estimated by HLT			\$3.7	0.4%
Total Other Sources	Inflow Not Estimated by HLT			\$230.0	27.2%
Total GGR				\$845.5	100.0%

Source: HLT Advisory Inc. based on information from TMG Consulting, Wynn Everett Gaming Market Assessment, November 2013 and HLT estimates.

* \$615.5 million in GGR for Year 3 are estimated to be generated from within the defined HLT market based on information provided in Wynn's third party market assessment and HLT estimates.

** Given the market area defined by TMG, this area includes parts of New Hampshire, Maine, Vermont, New York, New Jersey and Pennsylvania.

Reasonableness of Applicants' Revenue Projections Summary

- MGM's revenue projections are consistent with HLT's market assessment. Further, MGM's inflow estimates are reasonable and consistent with their marketing program submitted (i.e., leverage existing visitation to the Springfield area and New York State given Springfield's location relative to New York).
- Mohegan's revenue projections are not consistent with HLT's market assessment (i.e. they are significantly higher than HLT's estimates by sub-market area; especially in the Boston urban area). Mohegan does not expect to generate visitation from Connecticut, Rhode Island and Western Massachusetts. Further, Mohegan does not expect that its proposed casino operation can generate meaningful inflow (i.e. less than 5% of total gaming revenue) from outside its smaller defined market area (Eastern Massachusetts and Southern New Hampshire).
- Wynn's revenue projections are not consistent with HLT's market assessment (i.e. they are significant lower than HLT's estimates by sub-market area). That said, Wynn expects to generate inflow that is above what HLT would expect. The largest segment of this inflow (\$75.5 million) is expected from high-end market segment. The remaining inflow amount (\$154.5 or 18.3% of total gaming revenue), is not unreasonable as a percentage of total gaming revenue given the status of Boston as a significant urban centre in Northeast United States.

Market Assessment Appendices

Massachusetts Gaming Commission
September 2014