



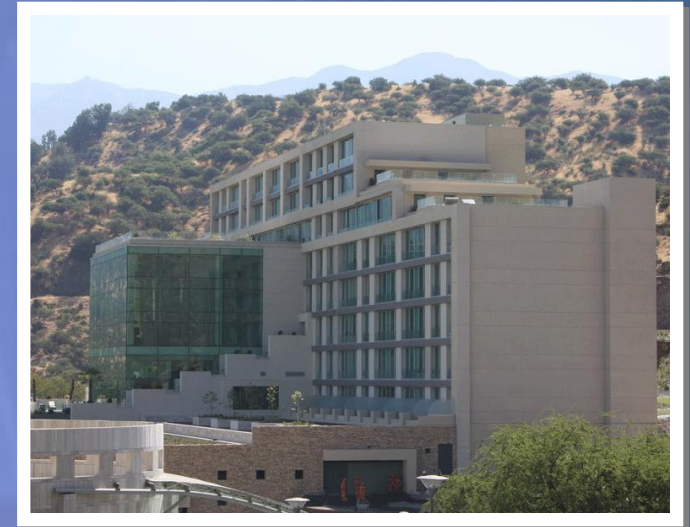
# Monticello Grand Casino & Entertainment World

Tuesday 8 March 2011



# Presentation Outline

- Vision
- Entry into Chile market
- Legislative environment
- Partners
- Overview of the property
- Earthquake
- The Brand
- Casino market & Monticello performance
- Future prospects





# Monticello Grand Casino & Entertainment World

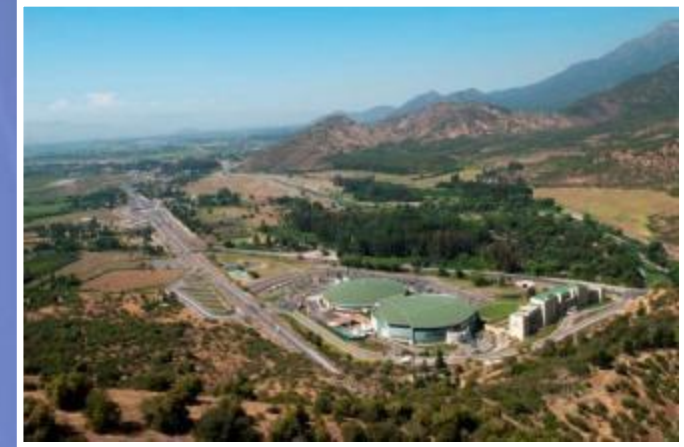
## Vision

*To become the most unique, exciting gaming and entertainment destination in Latin America*



# Entry into Chile market

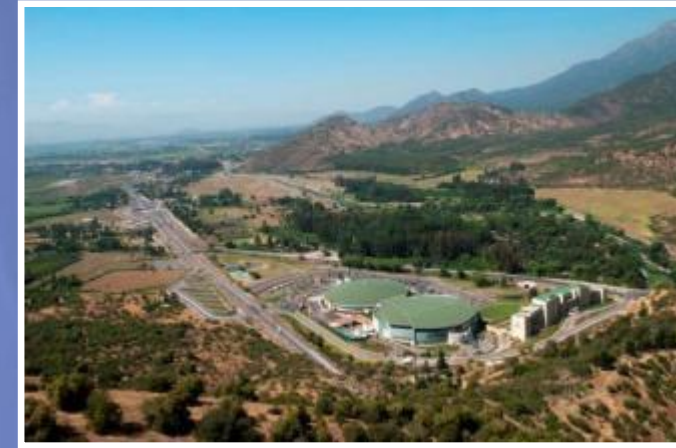
- SI first investigated Chile in 2004 when the new casino dispensation was being introduced
- Originally explored a partnership with the largest operator in the existing municipal casinos - Martinez family - Enjoy
- SI liked the potential, the legislative framework and proposed process
- SI were only prepared to consider a major casino aimed at tapping the Santiago market
- Additionally SI concerned at having two “operators” in partnership





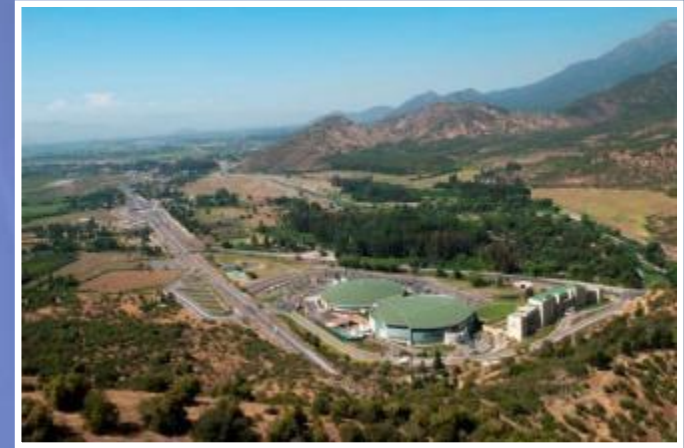
# Entry into Chile market

- Martinez (Enjoy) did not want to bid for Santiago but rather protect their existing Vina del Mar investment
- SI agreed not to compete with Enjoy up to December 2006
- Mostazal opportunity was introduced to SI in late 2006 via Novomatic who had bought into the project from the original successful bidders
- SI only able to consummate deal in 2007, complete probity and gaming licencing, finance project and commence construction during second half of 2007 with casino required to open in October 2008



# Entry into Chile market

- Project needed substantial redesign and much of this was done during construction
- Construction program:
  - Commencement of construction - November 2007
  - Casino opened - 8 October 2008
  - Paseo opened - September 2009
  - Hotel - 17 December 2009
  - Earthquake - 27 February 2010
  - Complex re-opened 30 June 2010
  - Highway accesses open - 15 October 2010





# Legislative environment

- New gaming legislation passed in 2005
  - Maximum of 3 casinos in each of the country's 13 regions - must be >70 kms from one another
- 7 casinos exist under old regime
  - Must convert in 2015
  - Tax rates vary per municipality but generally lower than new regime



# Legislative environment

- 15 new regime licences awarded in 2006
- No major changes to gaming legislation since 2005
- Very well regulated environment





# Partners

- Sun International
- Novomatic AG
- Chilean Enterprises S.A.
- International Group of Gaming and Resorts Chile S.A.



# Shareholder structure





# Introduction to Novomatic

## Novomatic Group of Companies:

- 30 year old Austrian private company - founder and major shareholder is Prof Johann Graff
  - Origins in slot machine manufacture - with focus on innovation and manufacture
  - Diversified into sports betting and operating slot machines in casinos, arcades and street venues
  - Now also a content provider for licensed online and offline suppliers
  - Has become the largest integrated gaming group in Europe



# Introduction to Novomatic

## Novomatic Group of Companies (contd):

- The group is now also doing business in America, Africa, Asia and Australia with a particular focus on South America
- Is a very significant global gaming group and despite the tough recessionary conditions recorded headline results:
  - 2009 Revenue of Euro 1.22 billion and EBITDA of Euro 400 million.
  - 2010 Interim Revenue of Euro 660 million and EBITDA 215 million.
- Employs over 10,000 employees worldwide.



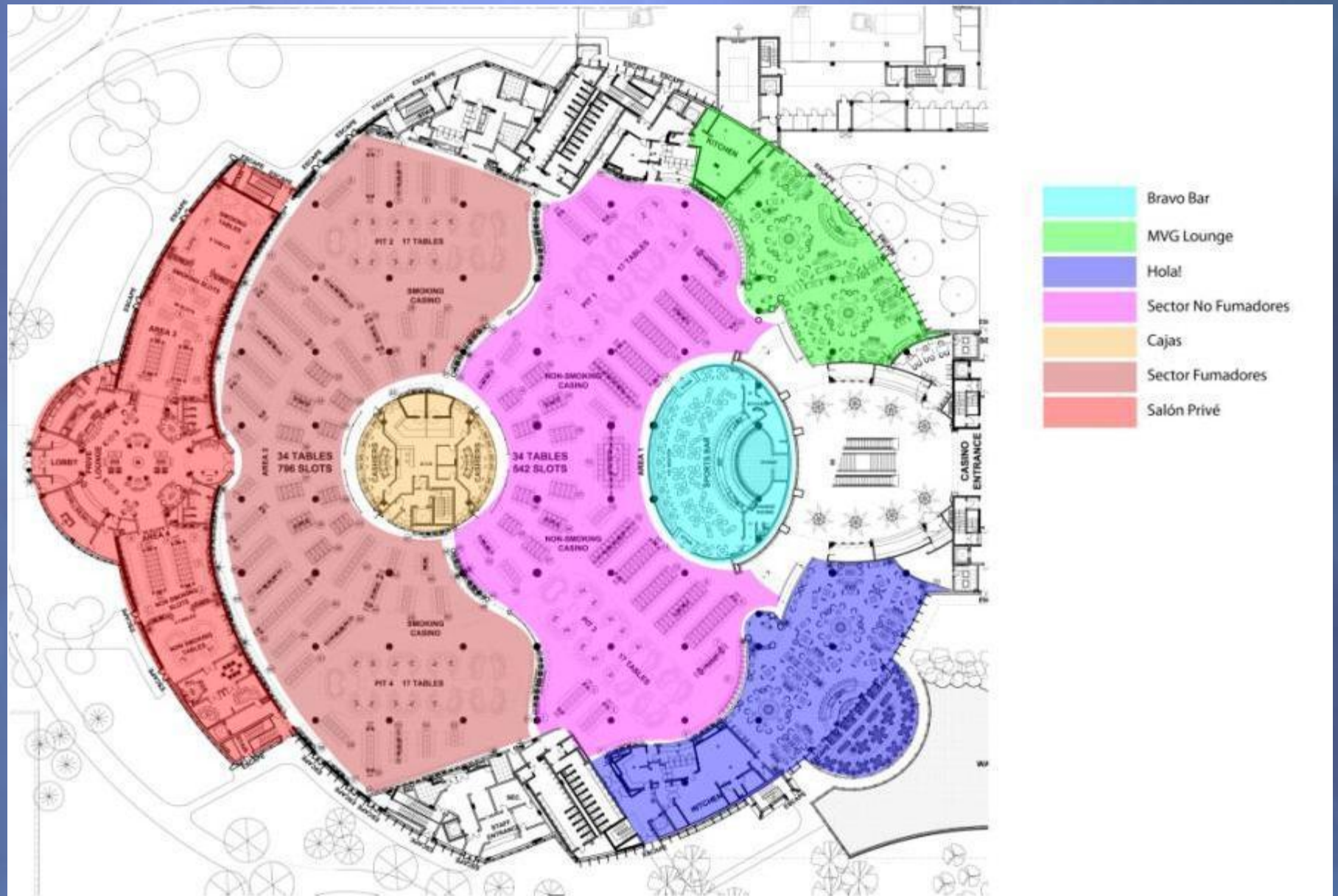


# Overview of the property - Floor plans



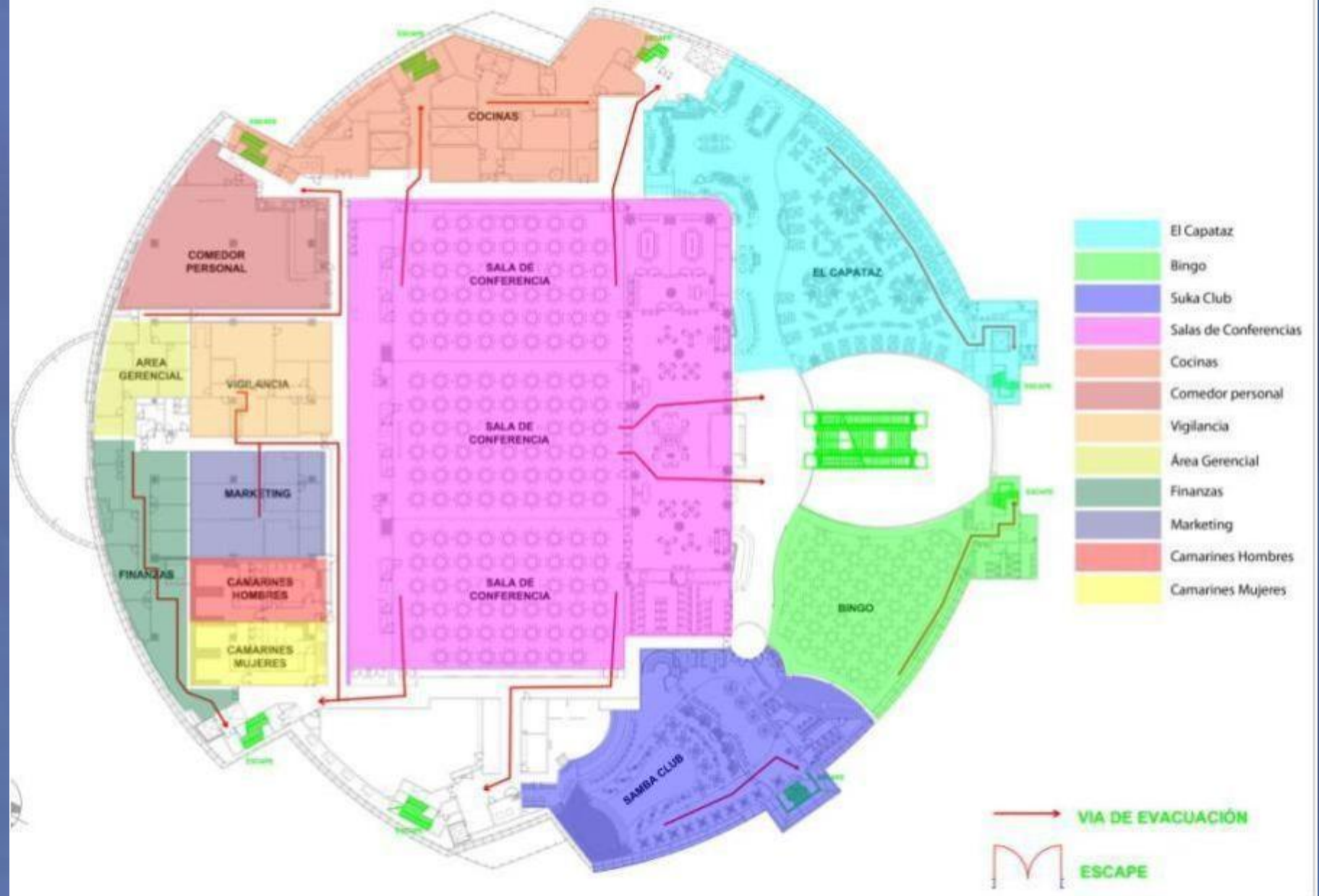


# Casino ground floor

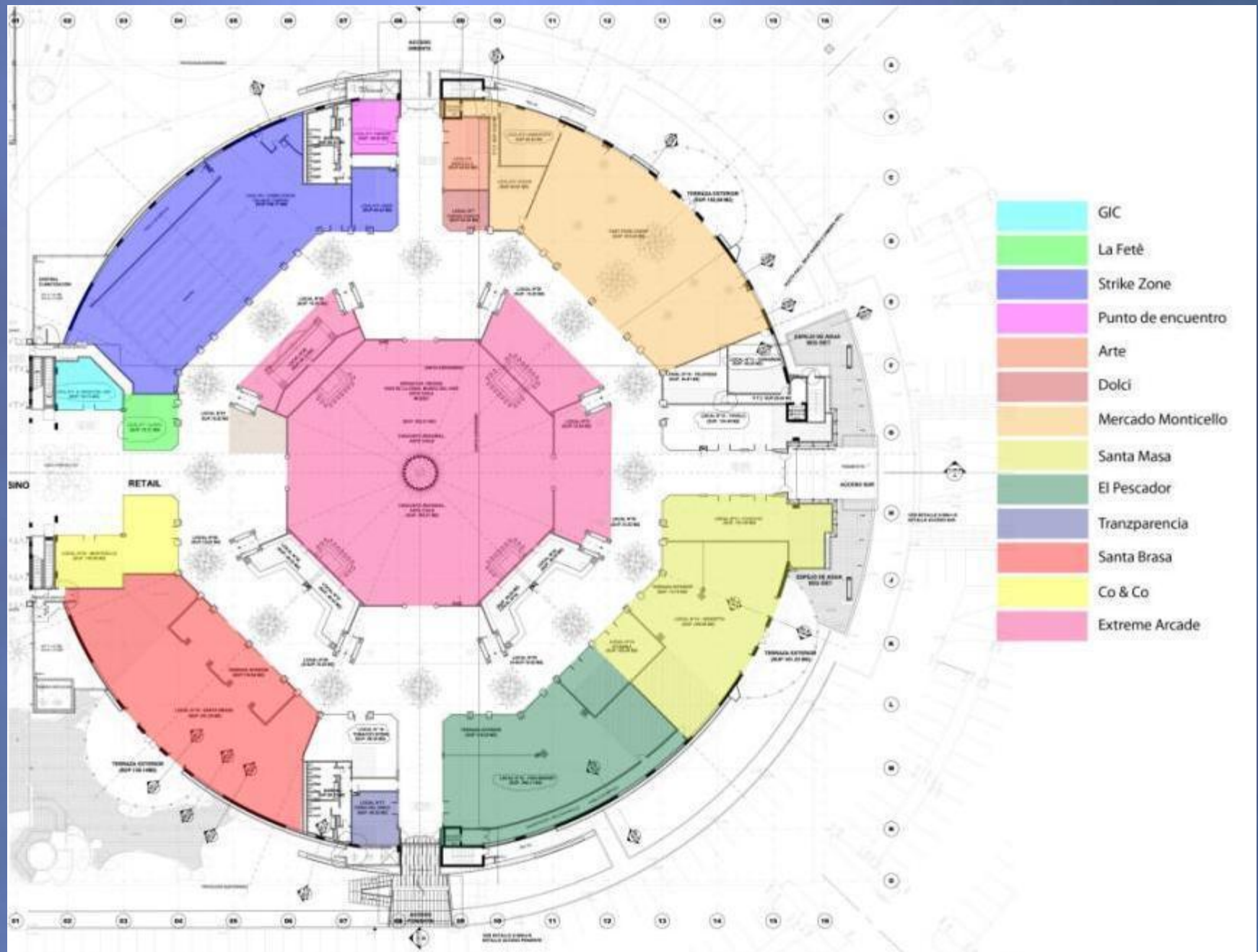




# Casino first floor



# Paseo Monticello





# Overview of the property - Casino

- Casino:
  - 1562 Slot machines
    - 1252 - Video
    - 234 - Stepper
    - 50 - Electronic Roulette & Black Jack
    - 29 - Poker
  - 84 Tables
    - 27 - American Roulette
    - 19 - Poker
    - 25 - Black Jack
    - 10 - Punto Banco
    - 3 - Dice
  - 300 Bingo seats
  - 566 Non Smoking
  - 996 Smoking
  - 142 Prive
  - 34 Non Smoking
  - 34 Smoking
  - 16 Prive



# Overview of the property - Hotel and Convention Facilities

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- 2343 m2 Convention and meeting space
- 155 room hotel with Spa & Gym, 2 bars and restaurant



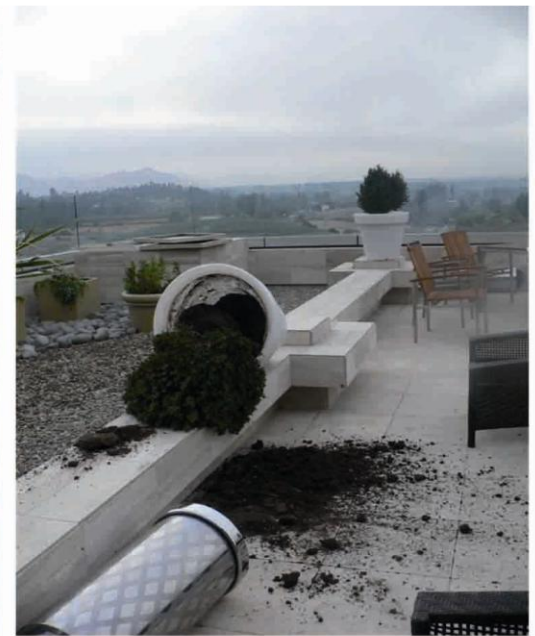


# Earthquake

- 27 February 2010
- Closed for 4 months - superficial damage
  - US\$8.9 m for repairs
  - US\$22.9 m for BI claim
  - US\$2.2 m for marketing re-launch
- Community project to help rebuild homes in San Francisco de Mostazal
- Reopened 30 June 2010

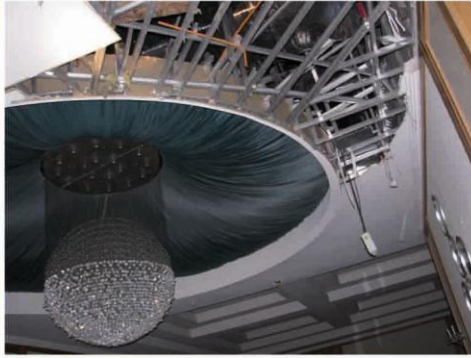


# Earthquake





# Earthquake



# The Brand

Monticello Grand Casino y Mundo  
de Entretencion

‘Diversión en Grande’





# Background

- History of casinos in Chile
  - Location and limited family appeal
- Research showed many potential customers perceptions open to change
  - Do not trust
  - Not for the family
  - Wary / skeptical 'cause they do not know how
  - But not averse to visiting



To introduce a new form of  
entertainment to the market

A family entertainment  
destination centered on a casino





# The Brand and Reputation

- The product and its facilities
  - Appearance and presentation of the property
  - The guest experience at all touch points and times
  - The first timers' experience
  - Most Valued Guest programme
- Advertising and other communications




























# Launch Campaign-The Creative Work-Press Insert










**Monticello.**  
GRAND CASINO Y MUNDO DE ENTRETENCIÓN

**VEN A LA DIVERSIÓN  
EN GRANDE**

PANAMERICANA SUR KM. 57  
[WWW.MONTICELLO.CL](http://WWW.MONTICELLO.CL)





Monticello

GRAND CASINO Y MUNDO DE ENTRETENCIÓN

VEN A LA DIVERSION  
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Monticello

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PANAMERICANA SUR KM. 57  
[WWW.MONTICELLO.CL](http://WWW.MONTICELLO.CL)



GRANDES CASINO Y ENTRETENIMIENTO EN SUZUKA TOWN, CHILE

**VEN A LA DIVERSION EN GRANDE**

PANAMERICANA SUR KM. 57  
[WWW.MONTICELLO.CL](http://WWW.MONTICELLO.CL)



# Promotional focus

- Gaming Promotions
  - Build hype and excitement around the brand
  - To reward
  - To showcase winners
    - People need to see others winning
  - To influence play behaviour
    - Additional visit/s
    - Lengthen playtime
    - Attract to quieter times outside of peak periods
    - Change social behaviour eg: Sundays



# PISTOLAS & MILLONES

EN ESTE WESTERN, EL PROTAGONISTA ERES TU



## 400 MILLONES

A REPARTIR

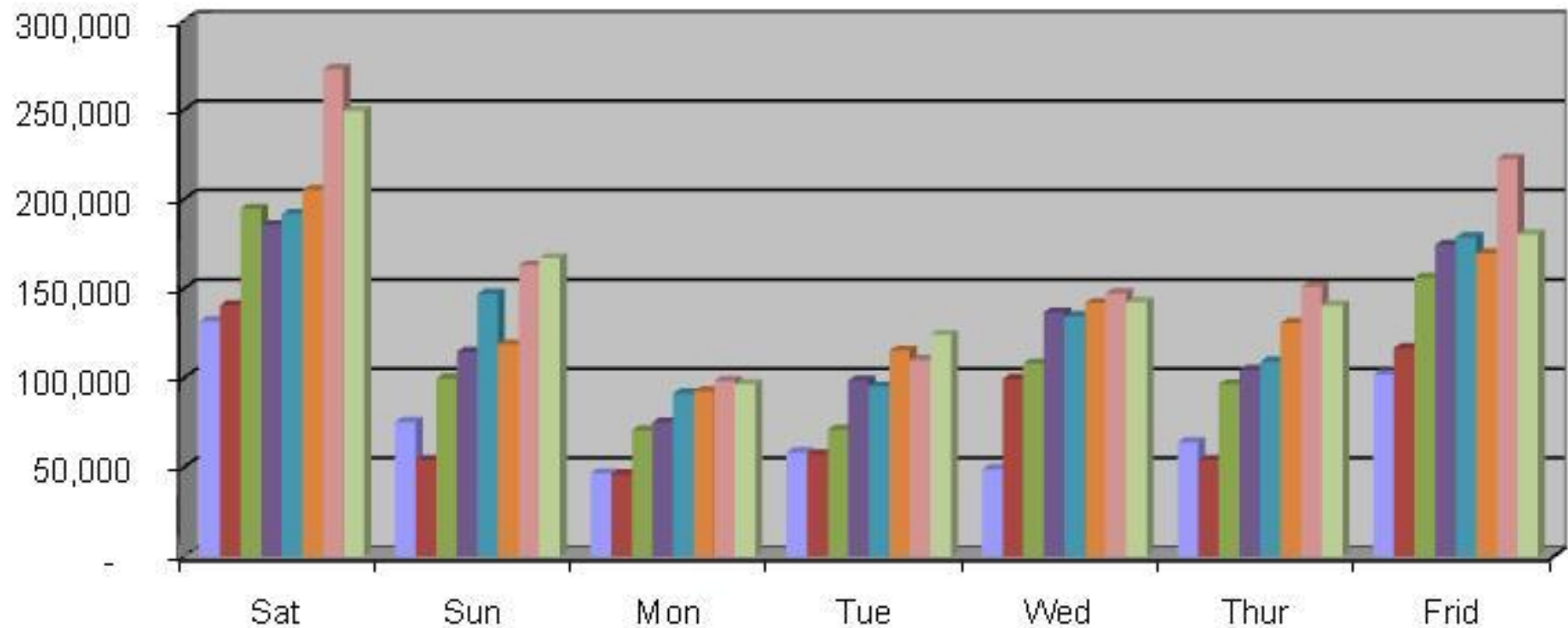
  
GRANDE CASINO Y MUNDO DE ENTERTAINMENT

[WWW.MONTICELLO.CL](http://WWW.MONTICELLO.CL)



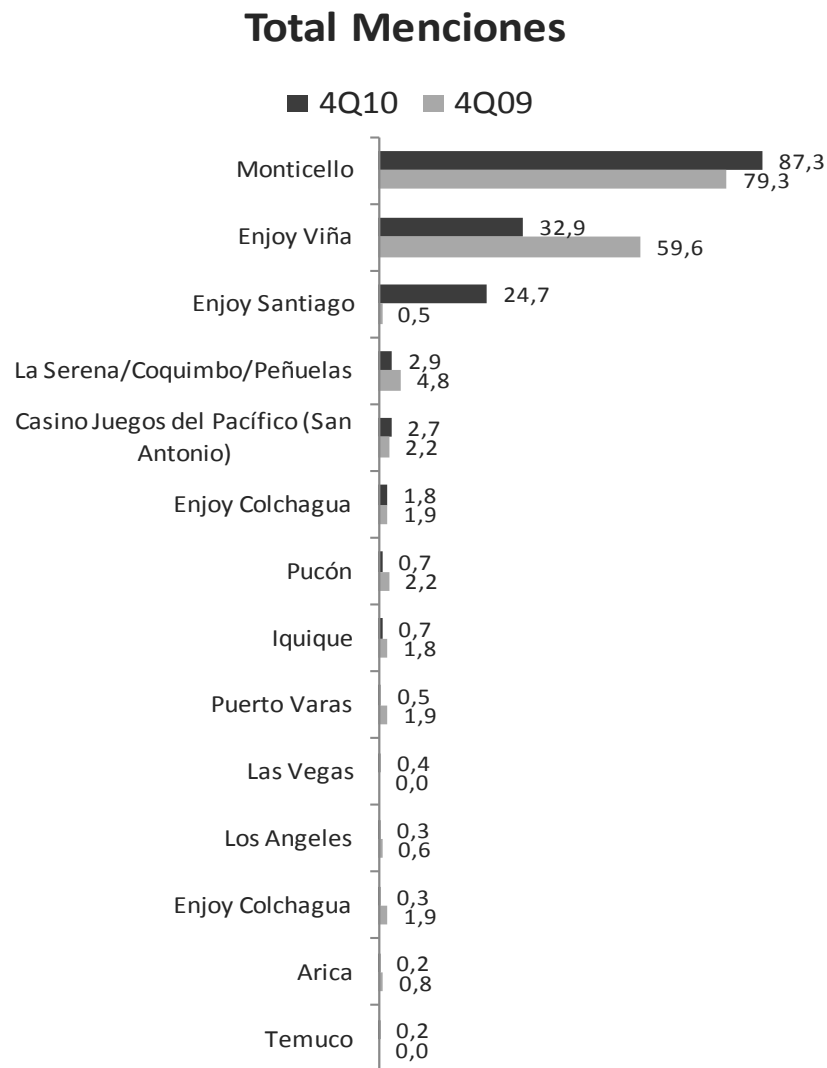
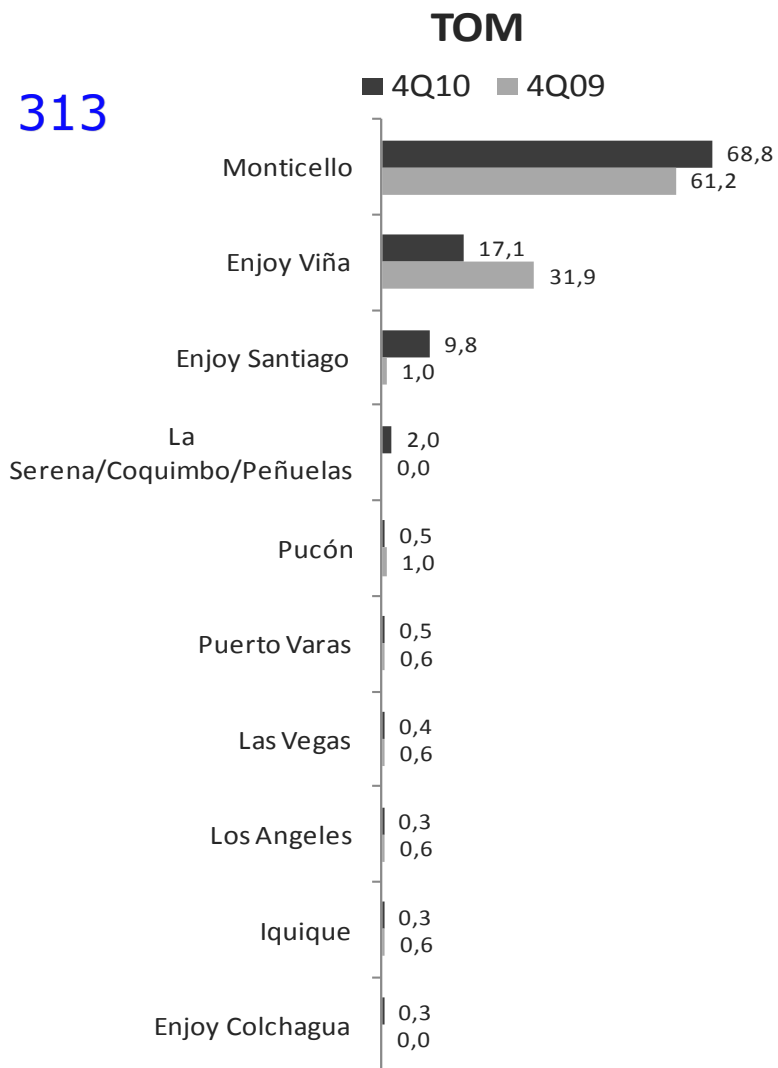
# Peak days in the week

**Daily average per quarter since re-opening**



# ¿Cuál es el primer casino que se le viene a la mente? ¿Y cuál otro?

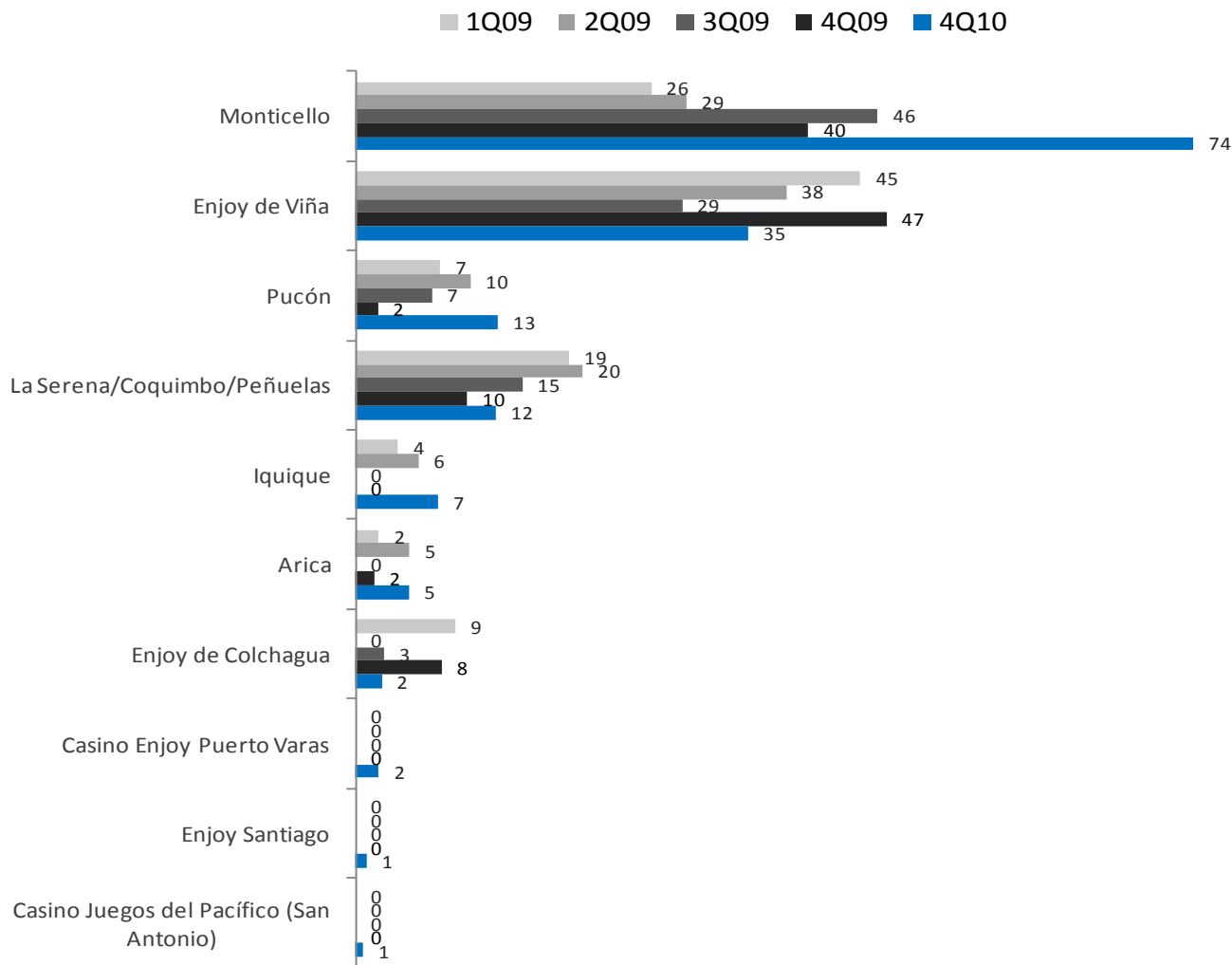
Base: 313





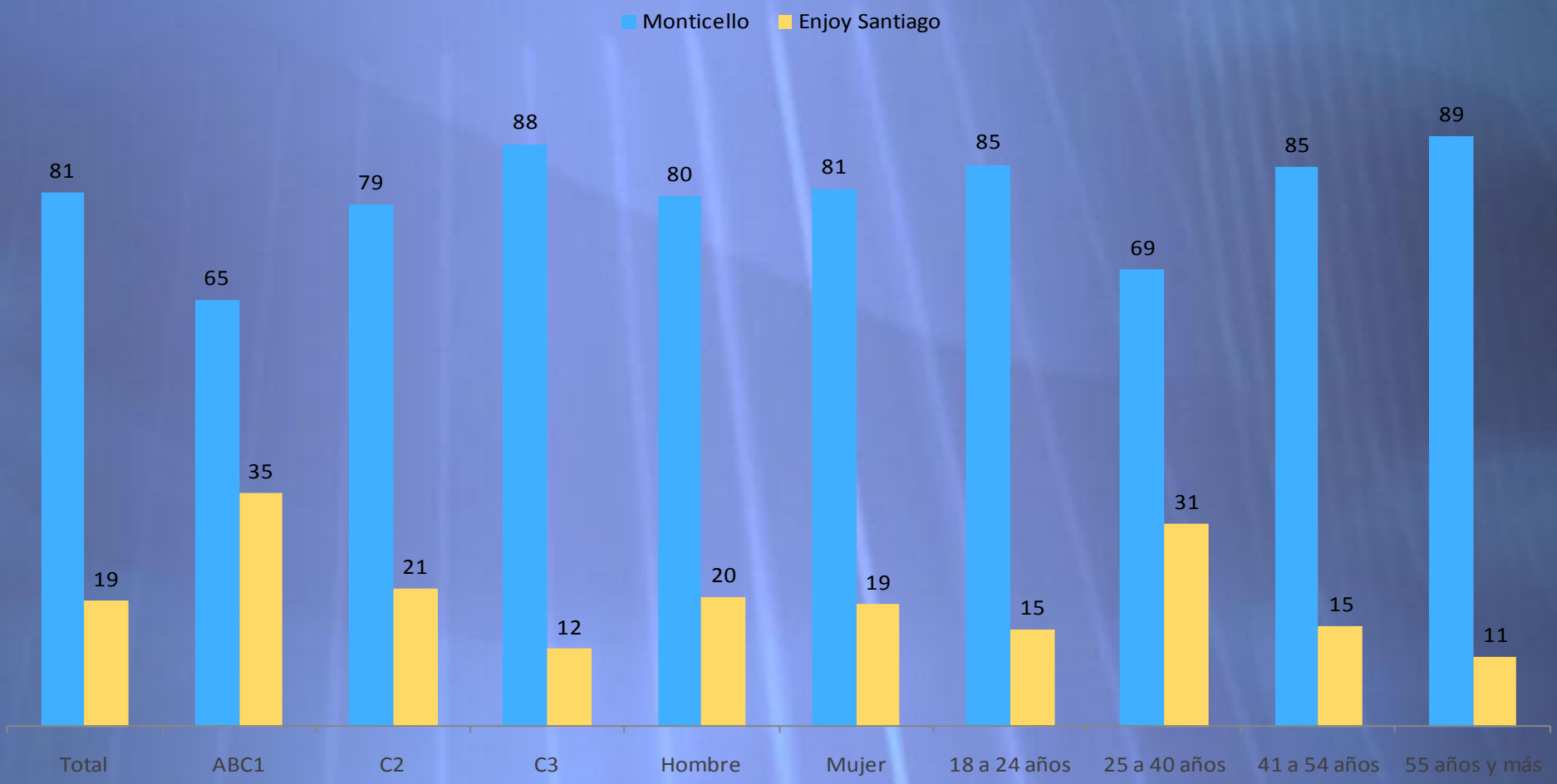
# ¿A cuál o cuáles casinos ha asistido en los últimos seis meses?

## Total menciones espontáneas



# Finalmente, entre Monticello y Enjoy Santiago ¿cuál de los dos casinos prefiere?

Base: 313





# Non-gaming promotions, events and entertainment

- To reward customers
- To build the brand as a multi-dimensional entertainment experience through PR and word of mouth
  - Examples:
    - Jennifer Lopez & Marc Anthony
    - Tennis masters
    - High profile Chilean artists



# Customer Strategy - relationships with customers

- Top down focus with commensurate levels of personalization and reward
  - Tiered approach
  - 2-way communications





# Casino Market and Monticello Performance

- Map of Chile and locations
- Direct competitive landscape
- MVG Data
- Revenue & EBITDA trends
- Costs



# New Casinos In Chile



*Casino Sol Calama*  
Latin Gaming S.A

*Enjoy Antofagasta*  
Enjoy S.A

*Antay Casino & Hotel*  
Gran Casino Copiapo S.A

*Casino de Juegos de Ovalle*  
Casinos Austria

*Enjoy Santiago*  
Enjoy S.A

*Enjoy Viña del Mar (Municipal Casino)*  
Enjoy S.A

*Monticello Grand Casino*  
San Francisco Investment

*Casino de Juegos Del Pacífico*  
Casino de Juegos Del Pacífico S.A



# New Casinos In Chile



*Monticello Grand Casino*  
San Francisco Investment

*Casino de Colchagua*

*Casino de Juegos de Colchagua S.A*

*Gran Casino Talca*

*Casino Talca S.A*

*Termas de Chillán*

*Casino de Juegos Termas de Chillán S.A.*

*Marina Del Sol*

*Marina Del Sol S.A*

*Gran Casino Los Angeles*

*Casinos Austria*

*Dreams Temuco*

*Dreams S.A*

*Dreams Valdivia*

*Dreams S.A*

*Casino Sol Osorno*

*Latin Gaming S.A*

*Enjoy Castro*

*Enjoy S.A*

*Dreams Coyhaique*

*Dreams S.A*

*Dreams Punta Arenas*

*Dreams S.A*

## SCJ Casinos Win

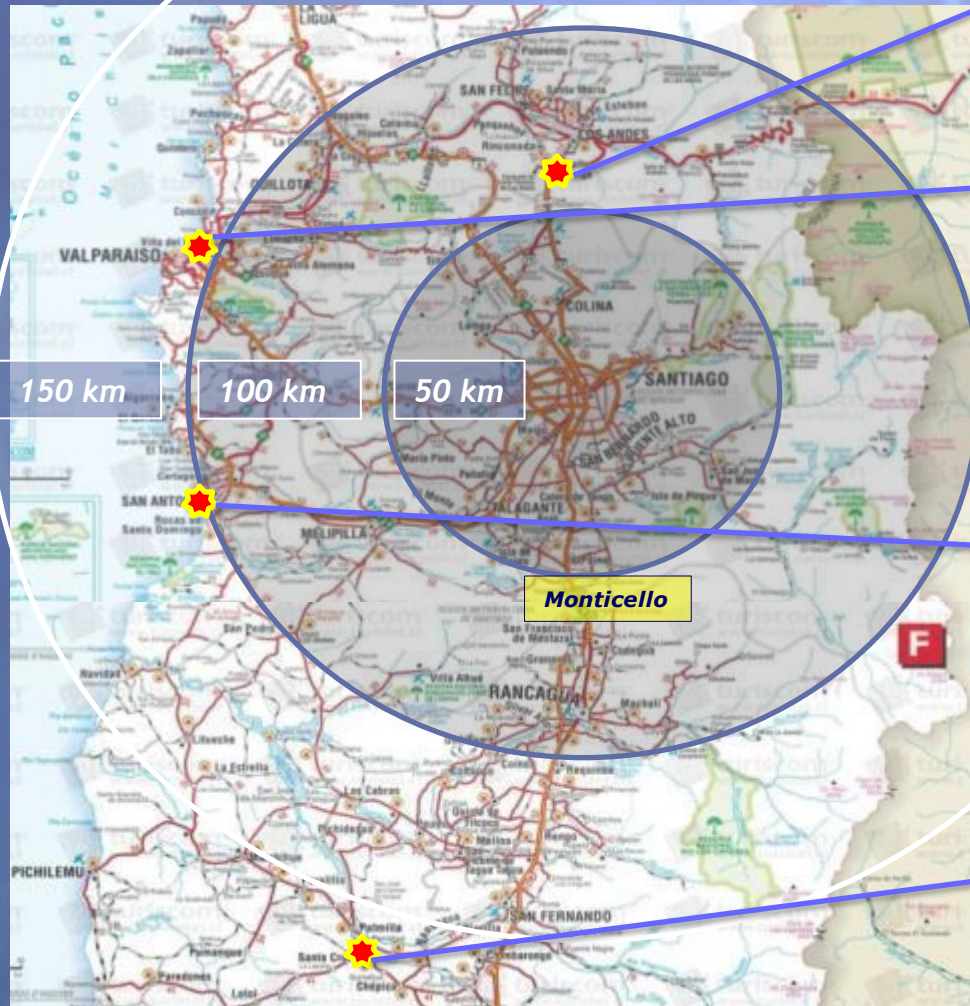
(US\$)

Casinos de Juego	Annualized	%
Monticello Grand Casino	126,846,677	28.4%
Marina del Sol	57,272,323	12.8%
Casino de Juego de Rinconada	48,327,242	10.8%
Enjoy Antofagasta	46,484,701	10.4%
Dreams Temuco	31,898,476	7.1%
Others	-	30.5%
Total US\$	447,211,305	100.0%





# Monticello Direct Competition



- *Enjoy Santiago*
  - 904 slot machines
  - 50 tables
  - 200 bingo positions
  - 3 Restaurants
  - Night Club
- *Viña del Mar*
  - 1.200 slot machines
  - 48 tables
  - 200 bingo positions
  - 2 restaurants
  - Conference Center
  - Night Club
  - 5 star Hotel, 90 rooms
- *San Antonio*
  - 300 slot machines
  - 16 tables
  - 296 bingo positions
  - 4 Star Hotel, 60 rooms
- *Santa Cruz*
  - 230 slot machines
  - 19 tables
  - 60 Bingo positions
  - Restaurant

# Geographical Segmentation Of Monticello Database

Region	Total
RM	75%
VI	16%
V	2%
Others	6%
<b>Total</b>	<b>100%</b>

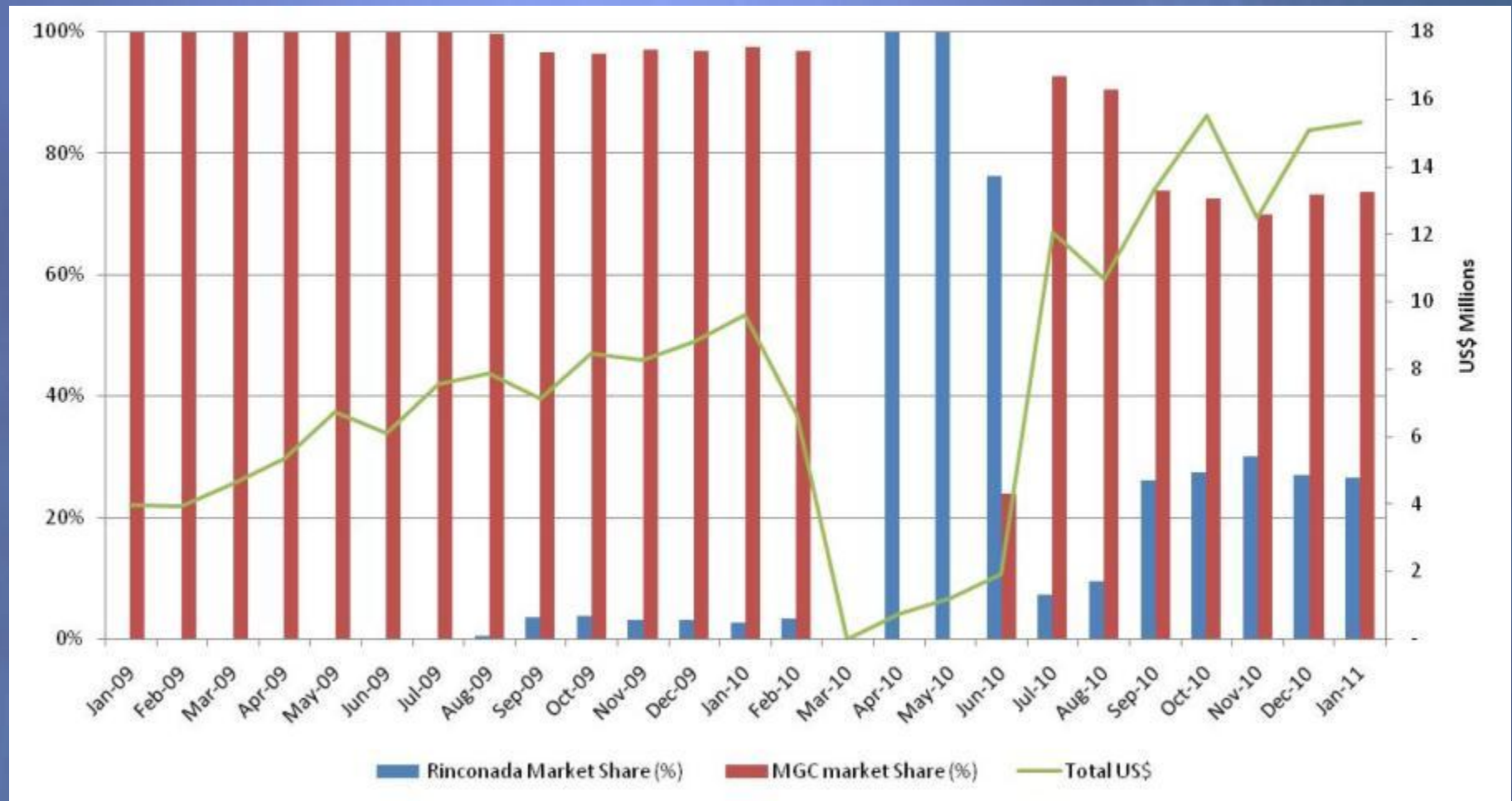


- Over 93% of MVG cardholders comes from RM, V or VI





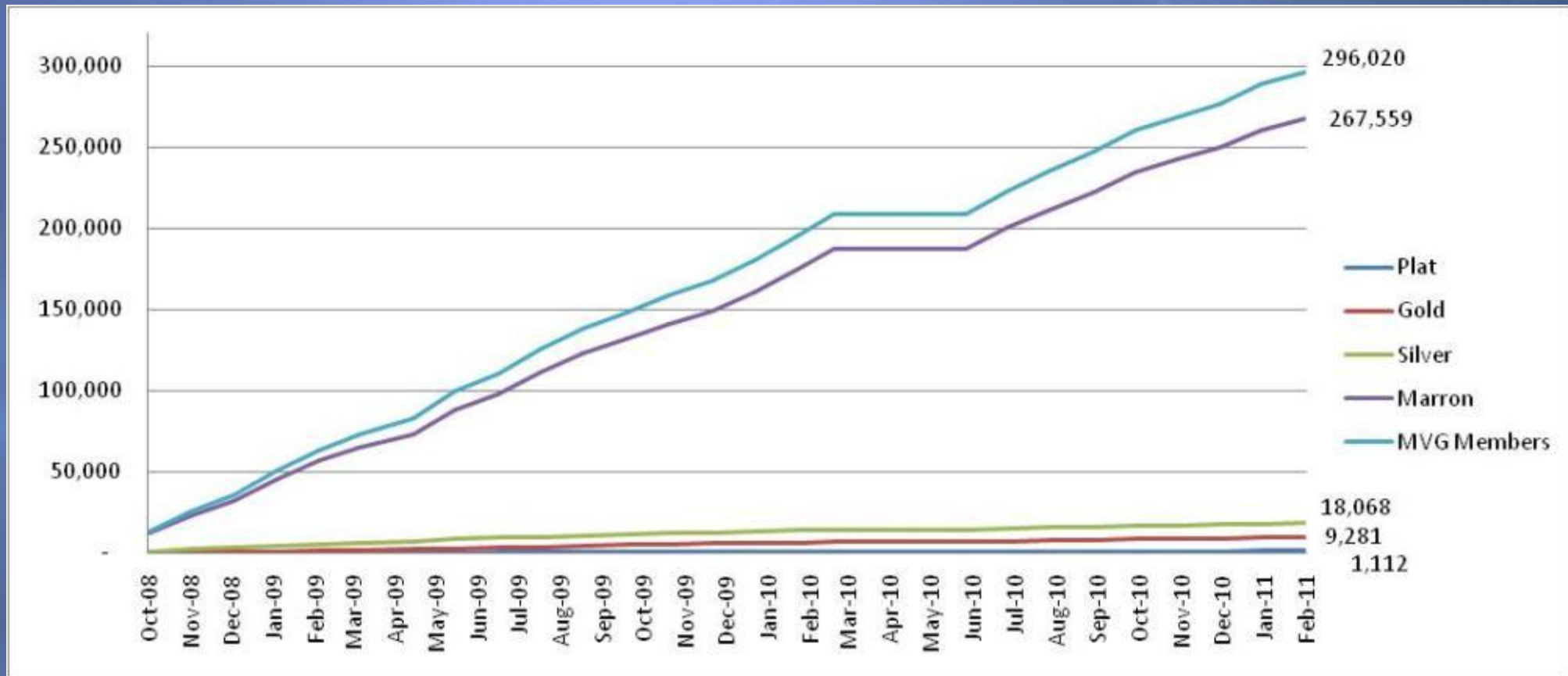
# Market Share vs Enjoy Santiago Jan 09 to Jan 11



Source: SCJ Statistics Report



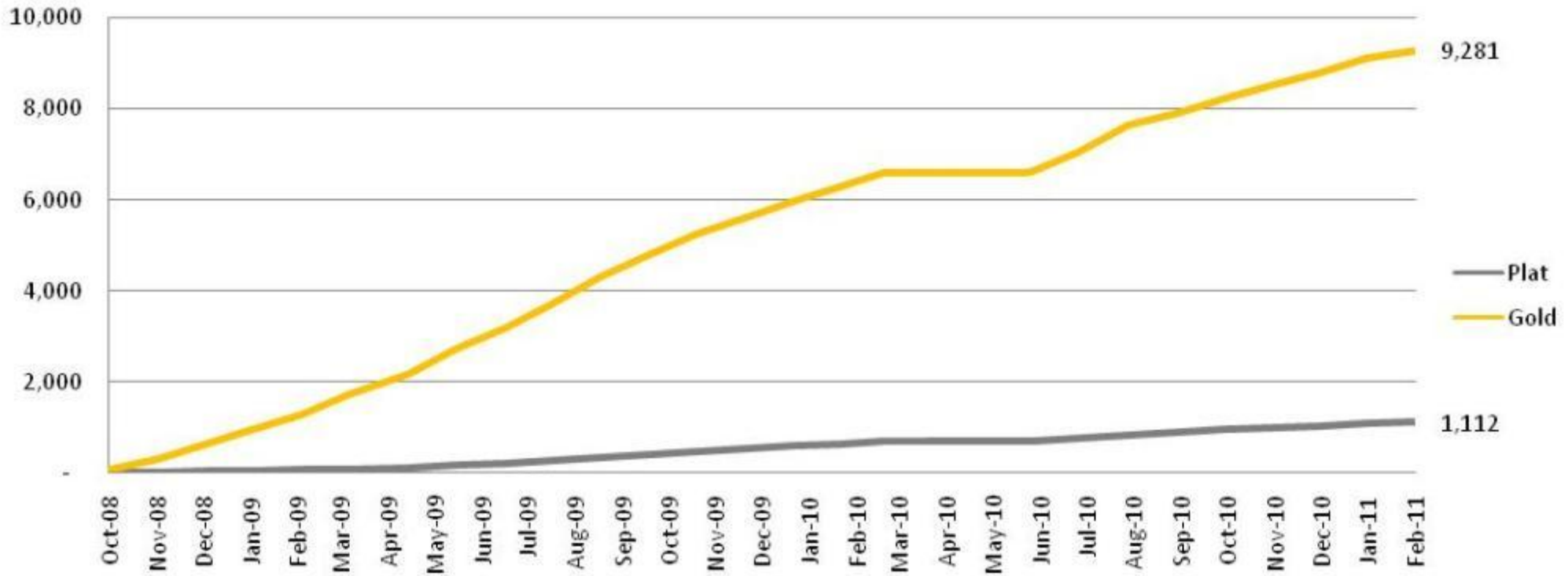
# MVG database - monthly growth



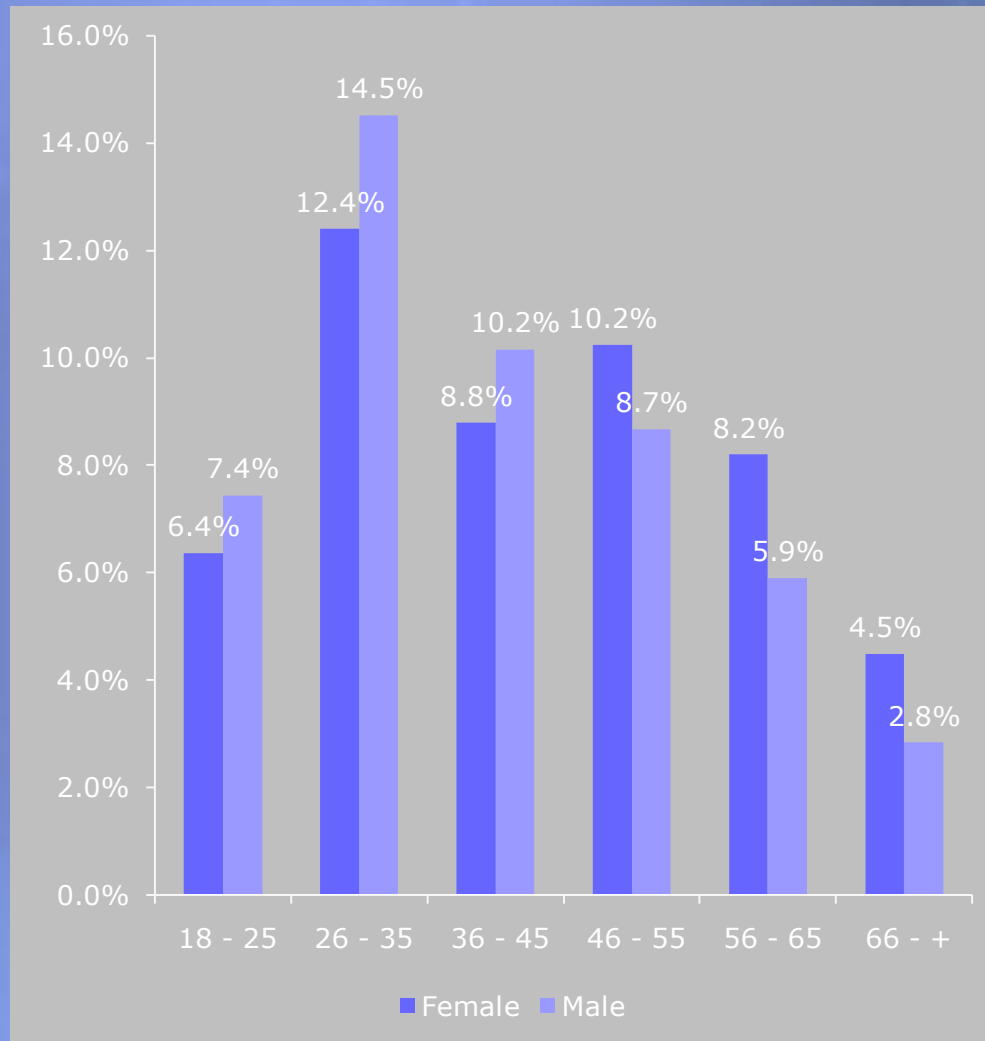


# MVG database

## Platinum & Golds Monthly Evolution

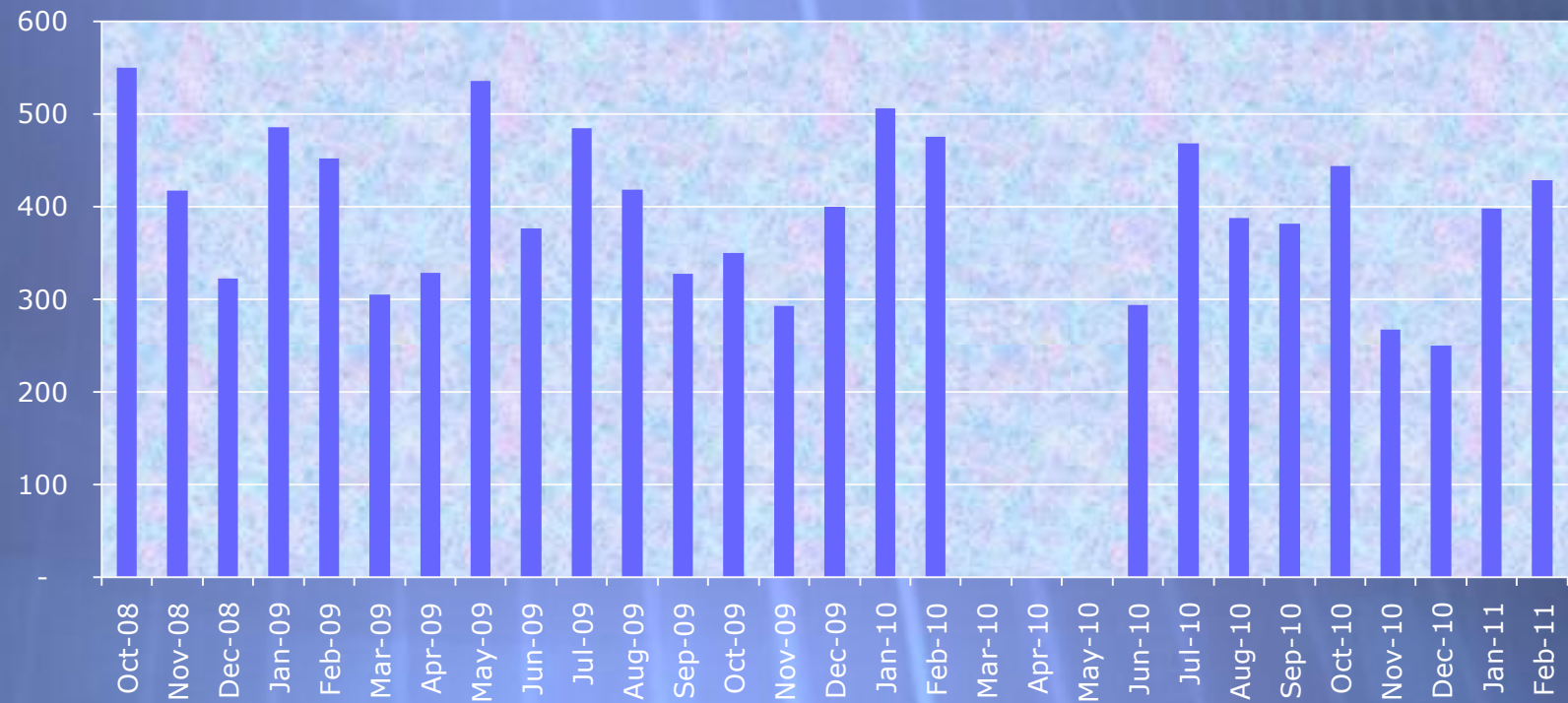


# Demographic Segmentation





# Daily average sign ups



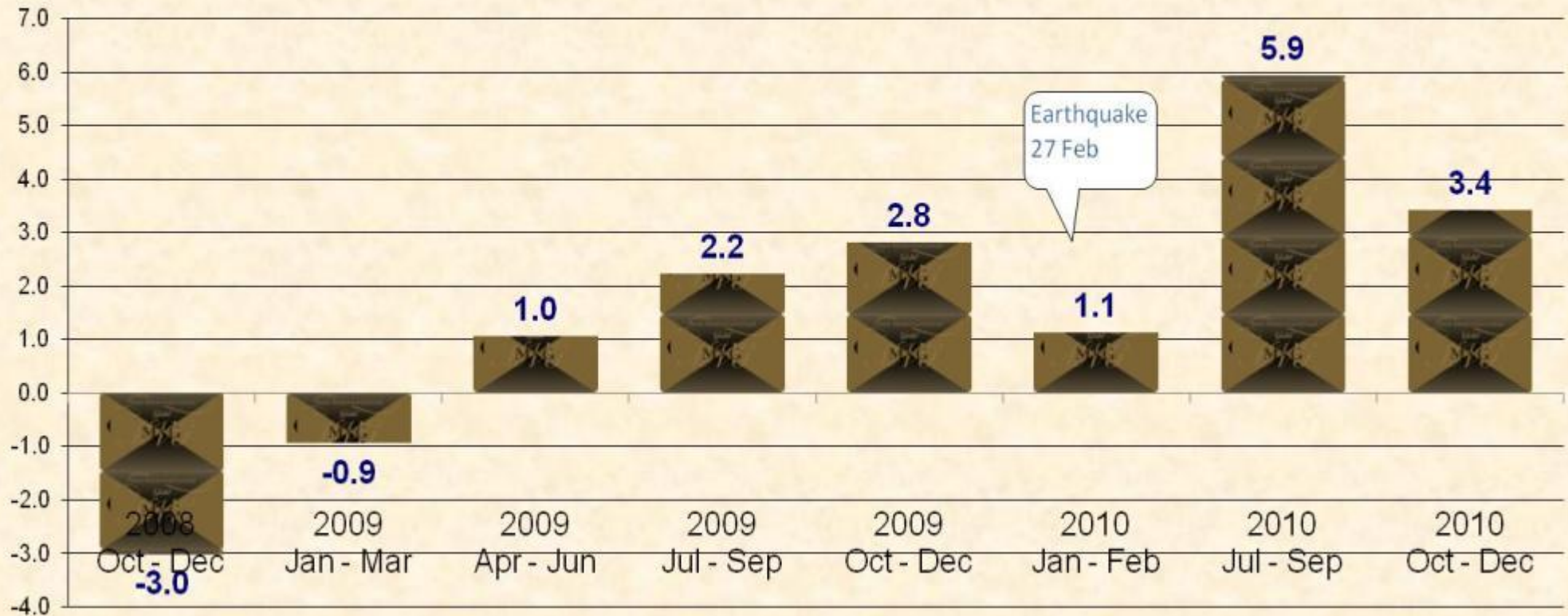
# Revenue Trend





# EBITDA Trend

Quarterly EBITDA since opening (US\$m)



# Analysis of Costs

Costs as % of revenue	
Revenues	100%
Casino Levies & VAT	29%
Tables costs	6%
Slots costs	6%
Rooms costs	2%
F & B costs	8%
A & G	9%
Marketing	14%
Property costs	8%
Management fees	4%
Other	1%
EBITDA	14%





# Future prospects

- Why can we continue to grow over next 3 years
  - Growth of specific days - eg Sundays
  - Adapting to local demand and conditions
  - Penetration and customer sign ups
- Current capacity
- Future capacity
  - Bingo area



# Why expect market growth

- The potential of the market has not been reached
- Current estimated propensity to gamble for regions V, VI and RM is 0.4%
- Growth to a propensity 0.6% is probable over the next few years and a potential of probably 0.8%
- New form of entertainment in Chile suggests at least 3 to 4 years to signs of maturity
- Addition of Enjoy Santiago is growing the market







Muchas Gracias

