

**Presentation to the
Missouri Gaming
Commission**

October 20, 2010



James B. Perry
CEO and Chairman of the Board



Facts about Isle of Capri

Bettendorf, Iowa

Biloxi, Mississippi

Black Hawk, Colorado

Boonville, Missouri

Caruthersville, Missouri

Davenport, Iowa

Kansas City, Missouri

Lake Charles, Louisiana

Lula, Mississippi

Marquette, Iowa

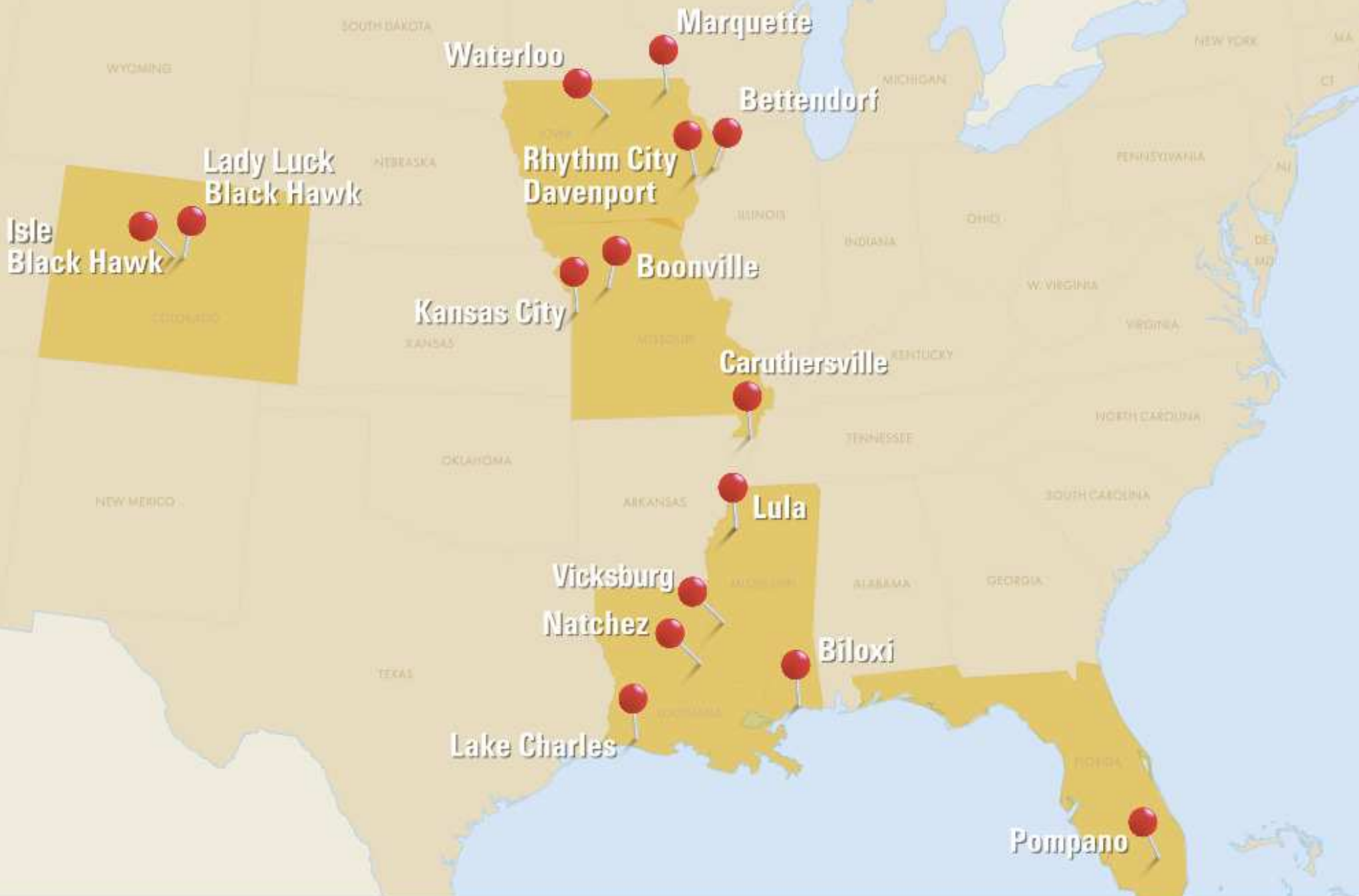
Natchez, Mississippi

Pompano Beach, Florida

Vicksburg, Mississippi

Waterloo, Iowa

Isle of Capri Casinos



Over \$1 billion in revenue

Operating 15 casino properties in 6 states

Total rooms | 3,000

Total dining outlets | 40+

Total slots | 15,000

Total table games | 350+

Meetings | Convention Center | Race Track

Deep Commitment to Missouri

Executive team with more than 15 years experience in Missouri (Argosy & Isle)

Relocated Isle's corporate office to Missouri five years ago

The Isle Management Team Represents

Over 200 years of experience in the gaming and entertainment industry

Having managed more than 75 properties in 20 states

St. Louis Headquarters

150 Employees

Marketing

Information Technology

Internal Audit / Compliance

Corporate Finance

Construction & Development

Human Resources

Legal

Operations

Virginia McDowell

President and

Chief Operating Officer

Our Missouri Experience

Boonville



Kansas City



Caruthersville



Total Missouri Jobs: 1,400
(including Corporate)

Total Missouri Payroll: \$66.0M

Isle fiscal year 2010

Total Gaming Taxes Paid in Missouri

\$53,000,000 Isle fiscal year 2010



**We Support
Over 150
Organizations**

**American Red Cross
United Way | Pacesetter
Central Missouri Community Action
Friends of The River
Ronald McDonald House
Hope House
Habitat for Humanity
Harvest House
Central Missouri Food Bank
Toys for Tots
United Negro College Fund
Special Olympics
Missouri Colleges Fund**





COMMUNITY ACES™

Honoring the Legacy of Bernard Goldstein









Utilization of MBE/WBE Contractors

Isle is committed to utilizing minority and women-owned vendors

Existing Missouri Isle properties:

- have recruited and encouraged the utilization of minority and women-owned businesses in their communities
- continued to work with the Missouri Gaming Commission and John Nathan to increase utilization of MBE/WBE vendors

Focus on Responsible Gaming

Isle of Capri Casino is dedicated to identifying and assisting problem gamers and preventing underage gaming:

- Active member of Missouri Alliance to Curb Problem Gambling through the Missouri Gaming Association
- Adhere to the Code of Conduct of the American Gaming Association
- Conduct annual training for compulsive and underage gaming for all team members
- Promotion of Missouri DAP program and self-exclusion program, both of which will exclude impacted patrons from all Isle of Capri properties



Gaming Market Advisors

Steve Gallaway

About GMA



- Offices in Las Vegas and Denver
- Domestic, International and Native American Markets in US and Canada
- Have performed work in 16 countries for 6 public companies and numerous private gaming companies, financial institutions and Native American tribes

Recent Clients



About Gaming Market Advisors



- Gaming Market Assessments
- Hotel Feasibility Studies
- Expansion/Relocation Analysis
- Master Planning Recommendations
- Marketing Plan Development
- Business Plan Development
- Player Rewards Program Design
- Market Research
- Operations & Financial Analysis
- Marketing Audits

Methodology



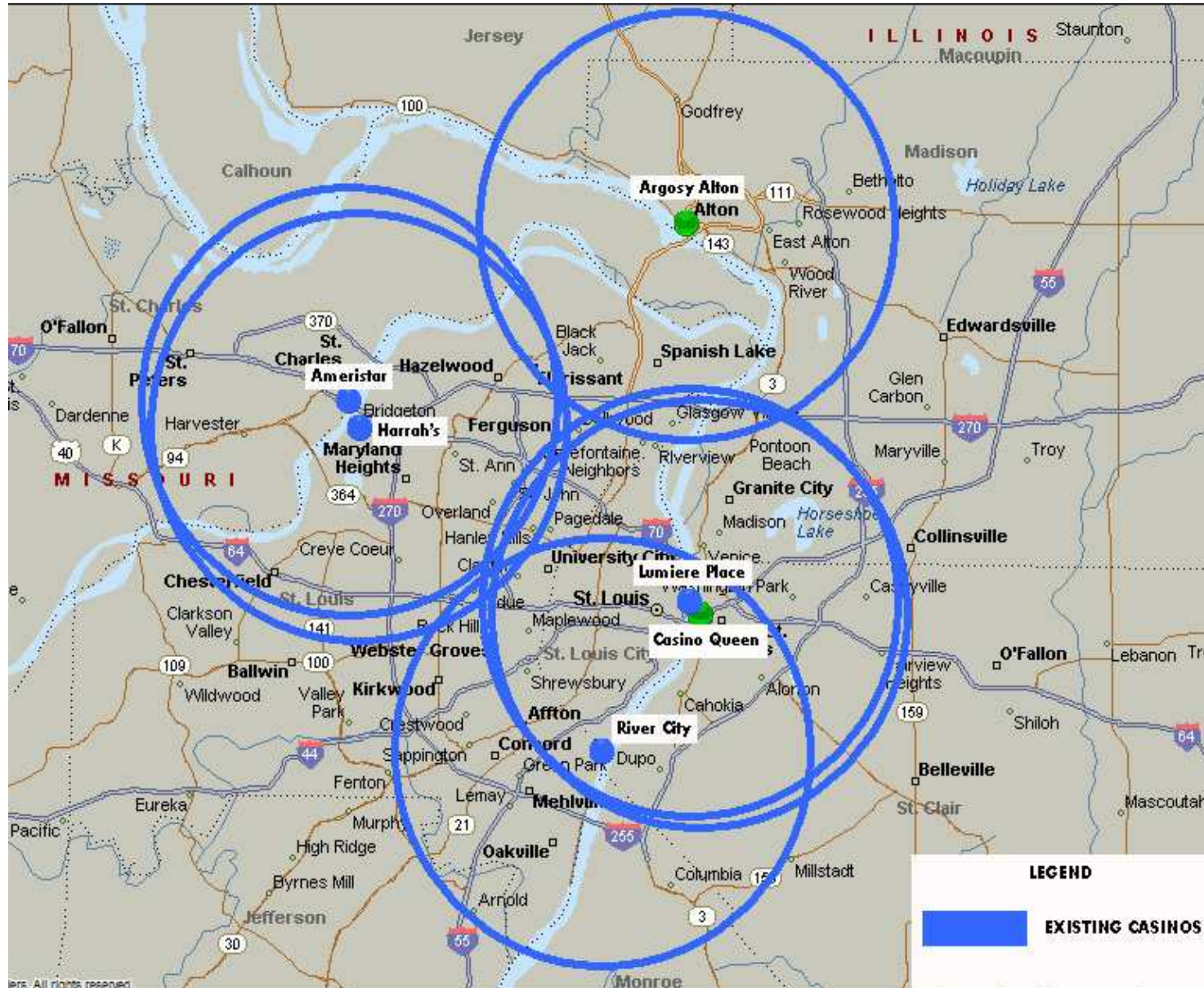
Numerous methods for projecting gaming revenues, but some are better than others

- Basic Market Carve out Model
- Concentric Ring Analysis
- Benchmark Analysis
- **Gravity Model (considered most advanced)**

Gravity Model Methodology (Cont.)

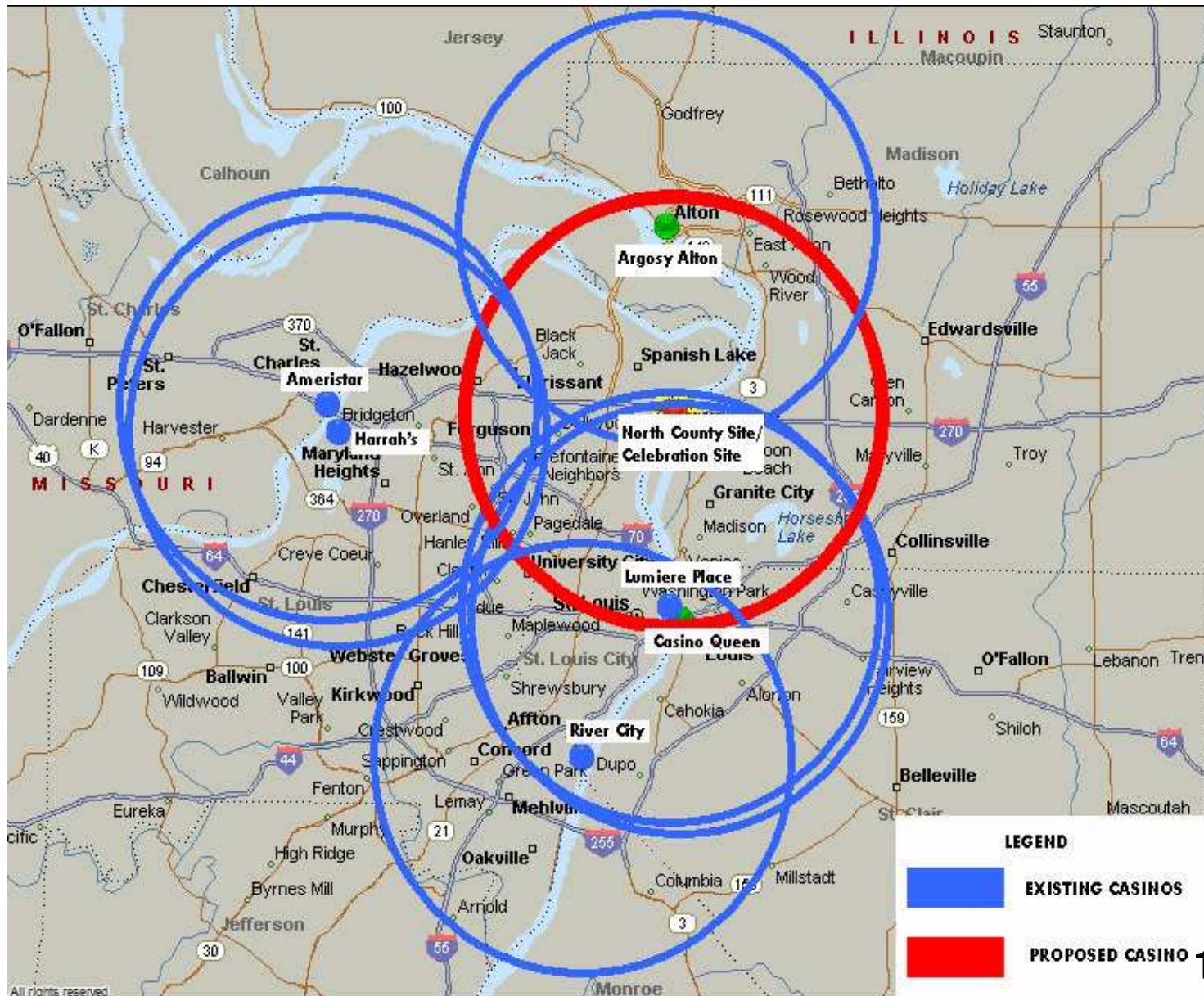
- Is **calibrated** to current market conditions
- **Predictive** model for future revenues based on nationally expected trends in population and income
- **Every** casino in the market must be entered into the model.
- **Cannibalization** is a simple matter of subtracting a “With Competition” scenario from the “Without Competition” scenario.

Saint Louis Existing Casinos



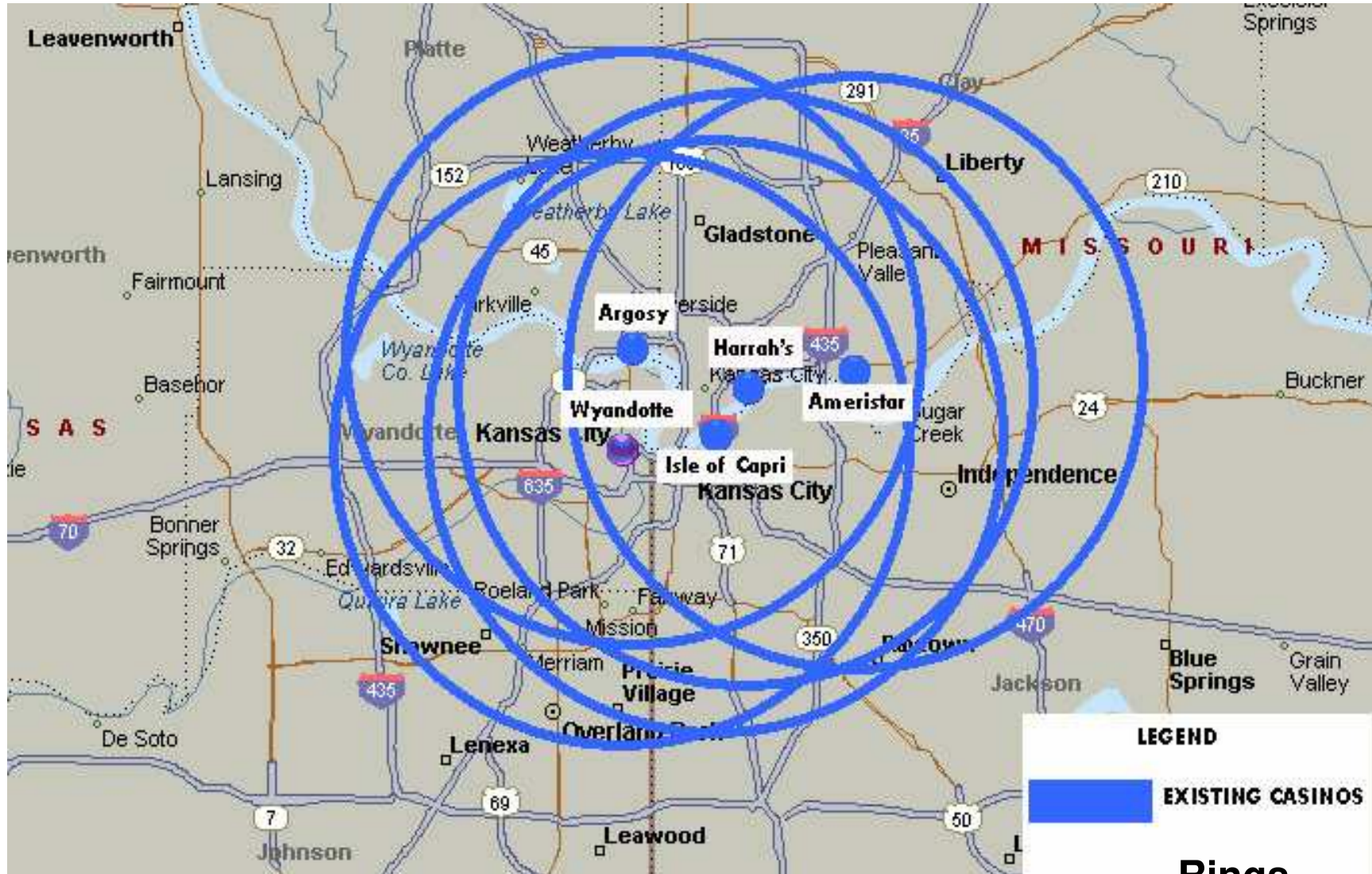
Rings
10 mile radius

Saint Louis Proposed Casinos



Rings
10 mile radius

Kansas City Existing Casinos

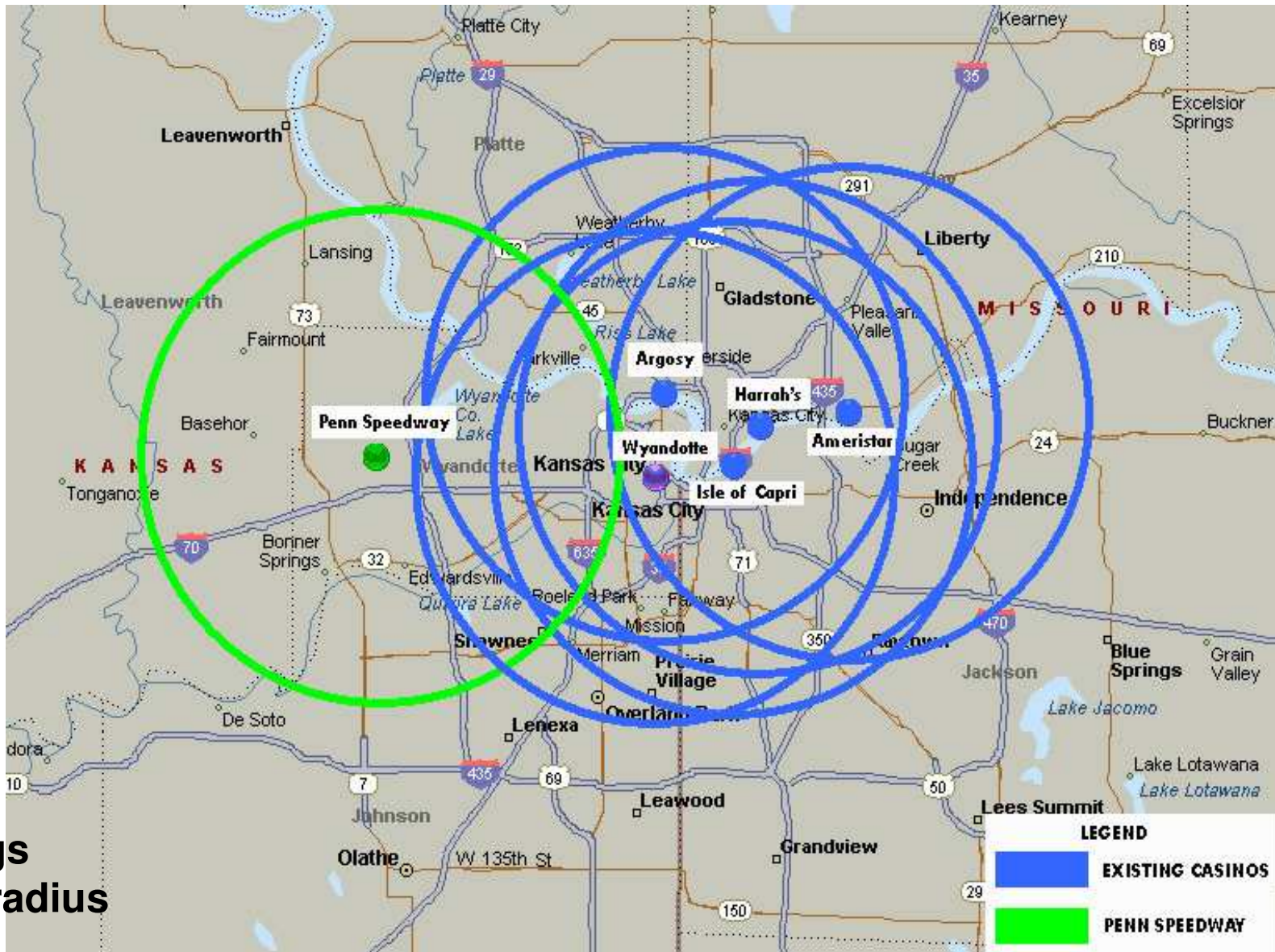


LEGEND

 **EXISTING CASINOS**

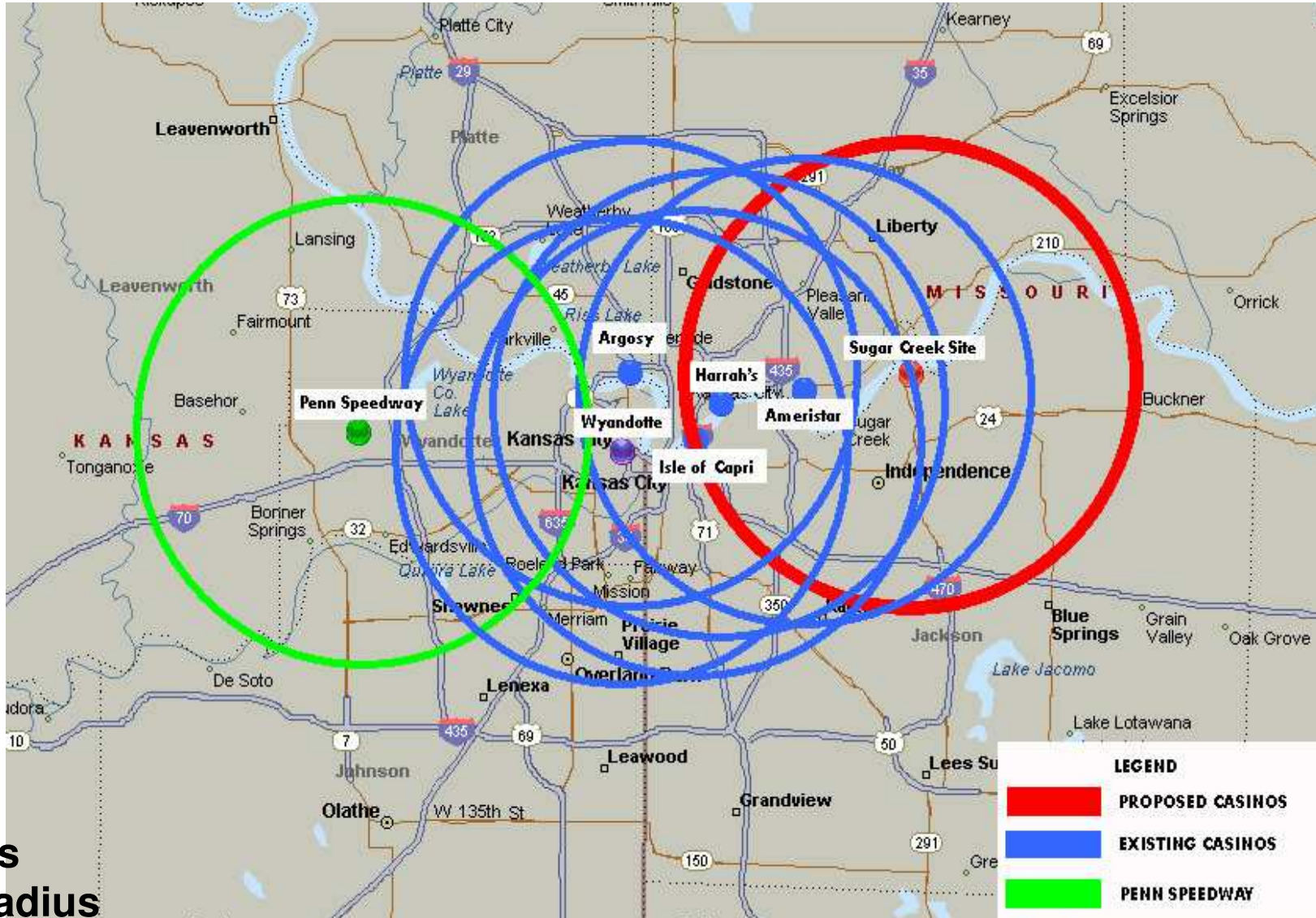
**Rings
10 mile radius**

Kansas City with new Kansas Casino



Rings
10 mile radius

Kansas City Proposed Casino



Rings
10 mile radius

Cape Girardeau Existing Casinos



Missouri

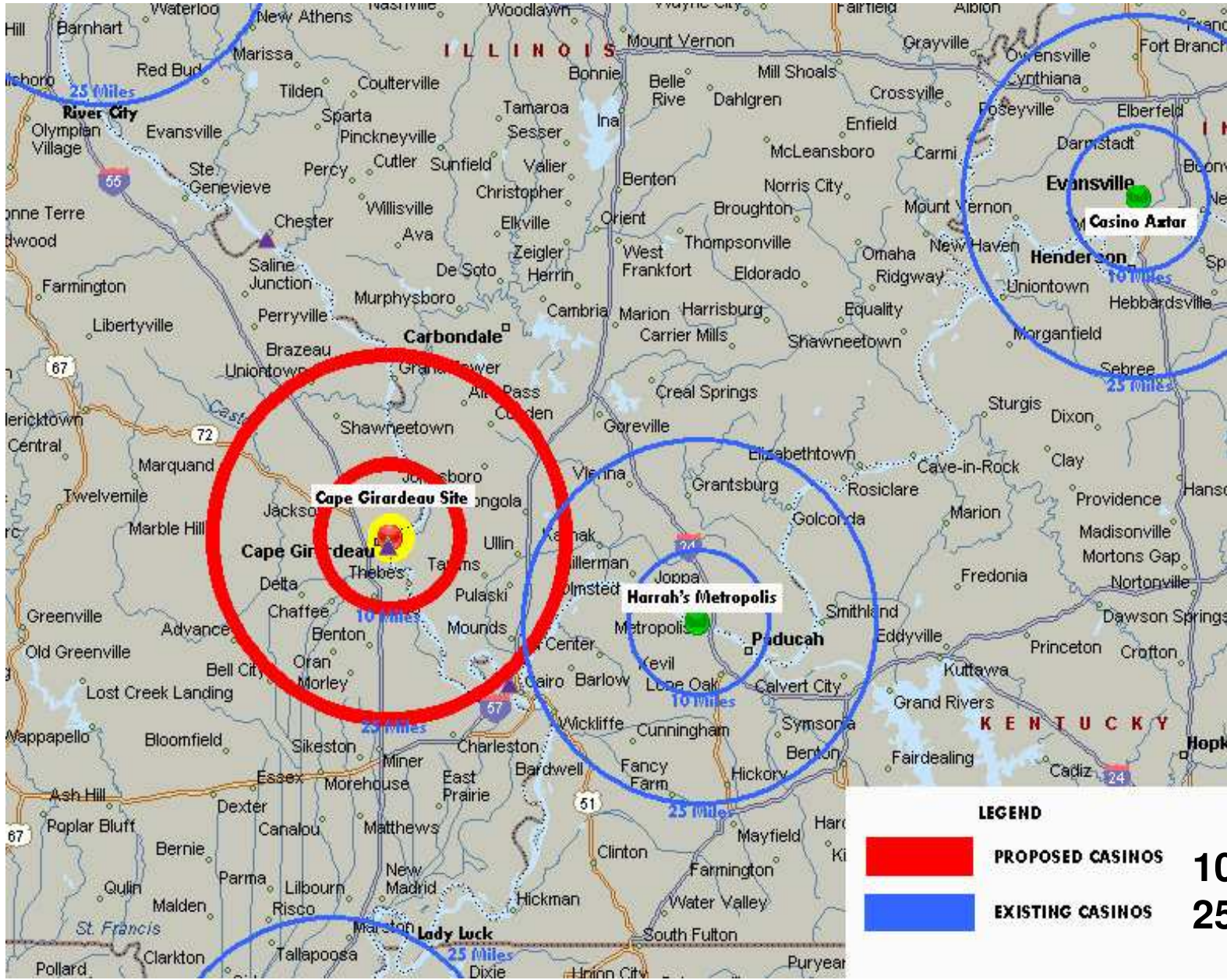
Indiana

Rings
10 mile radius
25 mile radius



Gaming Market Advisors

Cape Girardeau Proposed Casino



LEGEND	
	PROPOSED CASINOS
	EXISTING CASINOS

Rings
10 mile radius
25 mile radius

Results of Analysis: Casino Celebration - Chain of Rocks



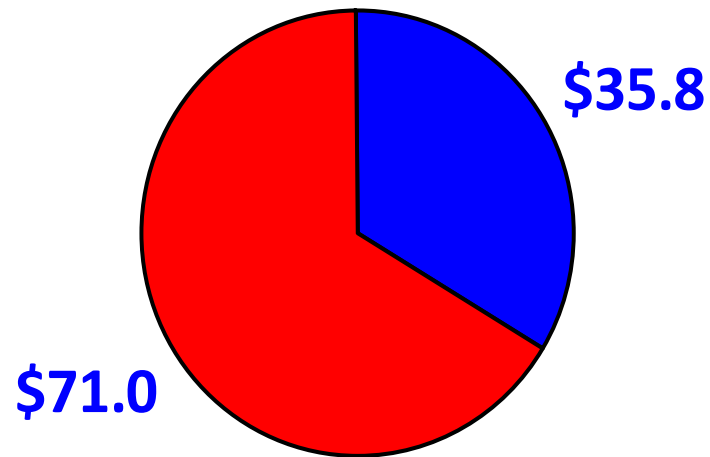
Casino Celebration Missouri Tax Impact				
	Casino Celebration	Relevant Competition*	TOTAL Relevant Missouri	
2014 As Is Revenues	N/A	\$ 876,113,107	\$ 876,113,107	
2014 Casino Celebration Revenue	\$ 106,791,269	\$ 805,129,525	\$ 911,920,794	
2014 As Is Taxes				
21% AGR Tax	N/A	\$ 183,983,753	\$ 183,983,753	
\$2 Admission Tax	N/A	\$ 46,382,006	\$ 46,382,006	
GROSS TAX REVENUE	N/A	\$ 230,365,759	\$ 230,365,759	
2014 Casino Celebration Taxes				
21% AGR Tax	\$ 22,426,166	\$ 169,077,200	\$ 191,503,367	
\$2 Admission Tax	\$ 5,331,357	\$ 42,446,296	\$ 47,777,653	
GROSS TAX REVENUE	\$ 27,757,523	\$ 211,523,496	\$ 239,281,020	
2014 Incremental Tax Revenue				
21% AGR Tax	\$ 22,426,166	\$ (14,906,552)	\$ 7,519,614	
\$2 Admission Tax	\$ 5,331,357	\$ (3,935,710)	\$ 1,395,647	
GROSS TAX REVENUE	\$ 27,757,523	\$ (18,842,262)	\$ 8,915,261	

*Includes: River City, Lumiere Place, Harrah's MH and Ameristar SC

Source: GMA

Casino Celebration - Chain of Rocks Projected Gaming Revenue Sources

(millions)



\$106.8M

■ **New**

■ **Existing**

Results of Analysis: North County



North County Development Casino Missouri Tax Impact

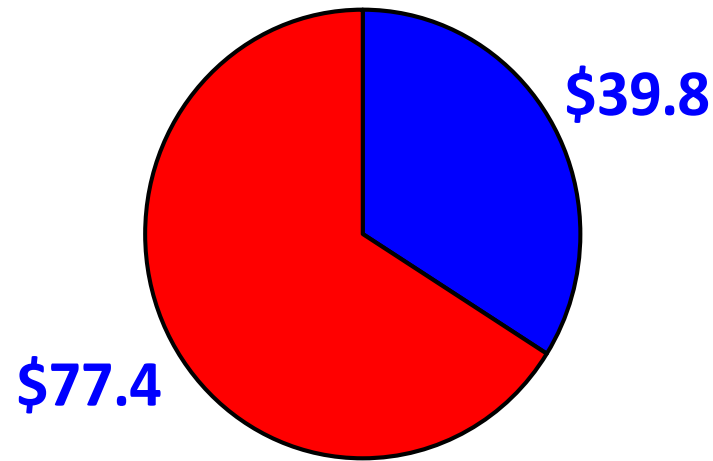
	North County Casnio	Relevant Competition*	TOTAL Relevant Missouri
2014 As Is Revenues	N/A	\$ 876,113,107	\$ 876,113,107
2014 North County Revenues	\$ 117,199,378	\$ 798,691,852	\$ 915,891,231
2014 As Is Taxes			
21% AGR Tax	N/A	\$ 183,983,753	\$ 183,983,753
\$2 Admission Tax	N/A	\$ 46,382,006	\$ 46,382,006
GROSS TAX REVENUE	N/A	\$ 230,365,759	\$ 230,365,759
2014 North County Taxes			
21% AGR Tax	\$ 24,611,869	\$ 167,725,289	\$ 192,337,158
\$2 Admission Tax	\$ 5,850,963	\$ 42,100,033	\$ 47,950,995
GROSS TAX REVENUE	\$ 30,462,832	\$ 209,825,322	\$ 240,288,154
2014 Incremental Tax Revenue			
21% AGR Tax	\$ 24,611,869	\$ (16,258,464)	\$ 8,353,406
\$2 Admission Tax	\$ 5,850,963	\$ (4,281,973)	\$ 1,568,989
GROSS TAX REVENUE	\$ 30,462,832	\$ (20,540,437)	\$ 9,922,395

*Includes: River City, Lumiere Place, Harrah's MH and Ameristar SC

Source: GMA

North County Casino Projected Gaming Revenue Sources

(millions)



\$117.2M

 **New**

 **Existing**

Results of Analysis: Paragon Casino – Sugar Creek



North County Development Casino Missouri Tax Impact

	North County Casnio	Relevant Competition*	TOTAL Relevant Missouri
2014 As Is Revenues	N/A	\$ 876,113,107	\$ 876,113,107
2014 North County Revenues	\$ 117,199,378	\$ 798,691,852	\$ 915,891,231
2014 As Is Taxes			
21% AGR Tax	N/A	\$ 183,983,753	\$ 183,983,753
\$2 Admission Tax	N/A	\$ 46,382,006	\$ 46,382,006
GROSS TAX REVENUE	N/A	\$ 230,365,759	\$ 230,365,759
2014 North County Taxes			
21% AGR Tax	\$ 24,611,869	\$ 167,725,289	\$ 192,337,158
\$2 Admission Tax	\$ 5,850,963	\$ 42,100,033	\$ 47,950,995
GROSS TAX REVENUE	\$ 30,462,832	\$ 209,825,322	\$ 240,288,154
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21% AGR Tax	\$ 24,611,869	\$ (16,258,464)	\$ 8,353,406
\$2 Admission Tax	\$ 5,850,963	\$ (4,281,973)	\$ 1,568,989
GROSS TAX REVENUE	\$ 30,462,832	\$ (20,540,437)	\$ 9,922,395

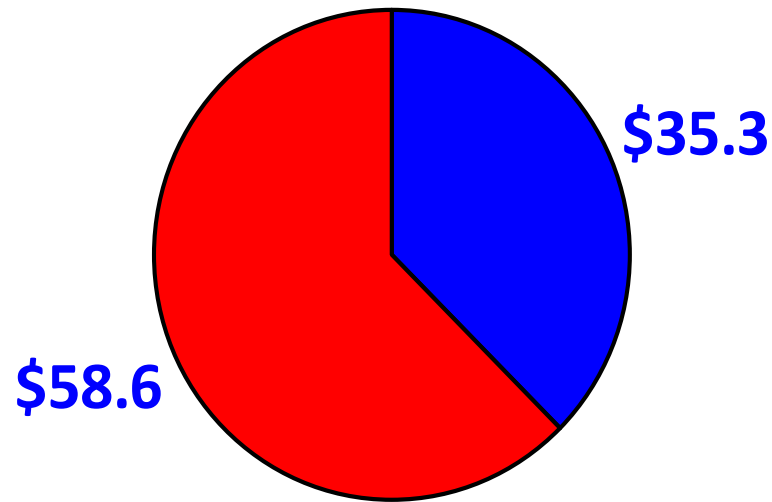
*Includes: River City, Lumiere Place, Harrah's MH and Ameristar SC

Source: GMA

Paragon - Sugar Creek

Projected Gaming Revenue Sources

(millions)



\$93.9M

 **New**

 **Existing**

Results of Analysis: Cape Girardeau



Isle Cape Girardeau Missouri Tax Impact				
	Isle Cape Girardeau	Relevant Competition*	TOTAL Relevant Missouri	
2014 As Is Revenues	N/A	\$ 96,294,804	\$ 96,294,804	
2014 Cape Revenues	\$ 79,375,273	\$ 83,811,763	\$ 163,187,036	
2014 As Is Taxes				
21% AGR Tax	N/A	\$ 20,221,909	\$ 20,221,909	
\$2 Admission Tax	N/A	\$ 5,018,467	\$ 5,018,467	
GROSS TAX REVENUE	N/A	\$ 25,240,376	\$ 25,240,376	
2014 Cape Taxes				
21% AGR Tax	\$ 16,668,807	\$ 17,600,470	\$ 34,269,278	
\$2 Admission Tax	\$ 4,061,731	\$ 4,359,159	\$ 8,420,890	
GROSS TAX REVENUE	\$ 20,730,538	\$ 21,959,629	\$ 42,690,167	
2014 Incremental Tax Revenue				
21% AGR Tax	\$ 16,668,807	\$ (2,621,439)	\$ 14,047,369	
\$2 Admission Tax	\$ 4,061,731	\$ (659,308)	\$ 3,402,423	
GROSS TAX REVENUE	\$ 20,730,538	\$ (3,280,746)	\$ 17,449,792	

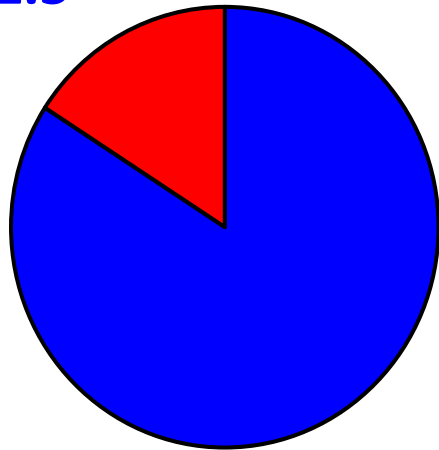
*Includes: Lady Luck, River City, Lumiere Place, Harrah's MH, Ameristar SC and Isle Booneville

Source: GMA

Isle Cape Girardeau Projected Gaming Revenue Sources

(millions)

\$12.5



\$79.4M

\$66.9

■ New

■ Existing

Summary of Tax Impact

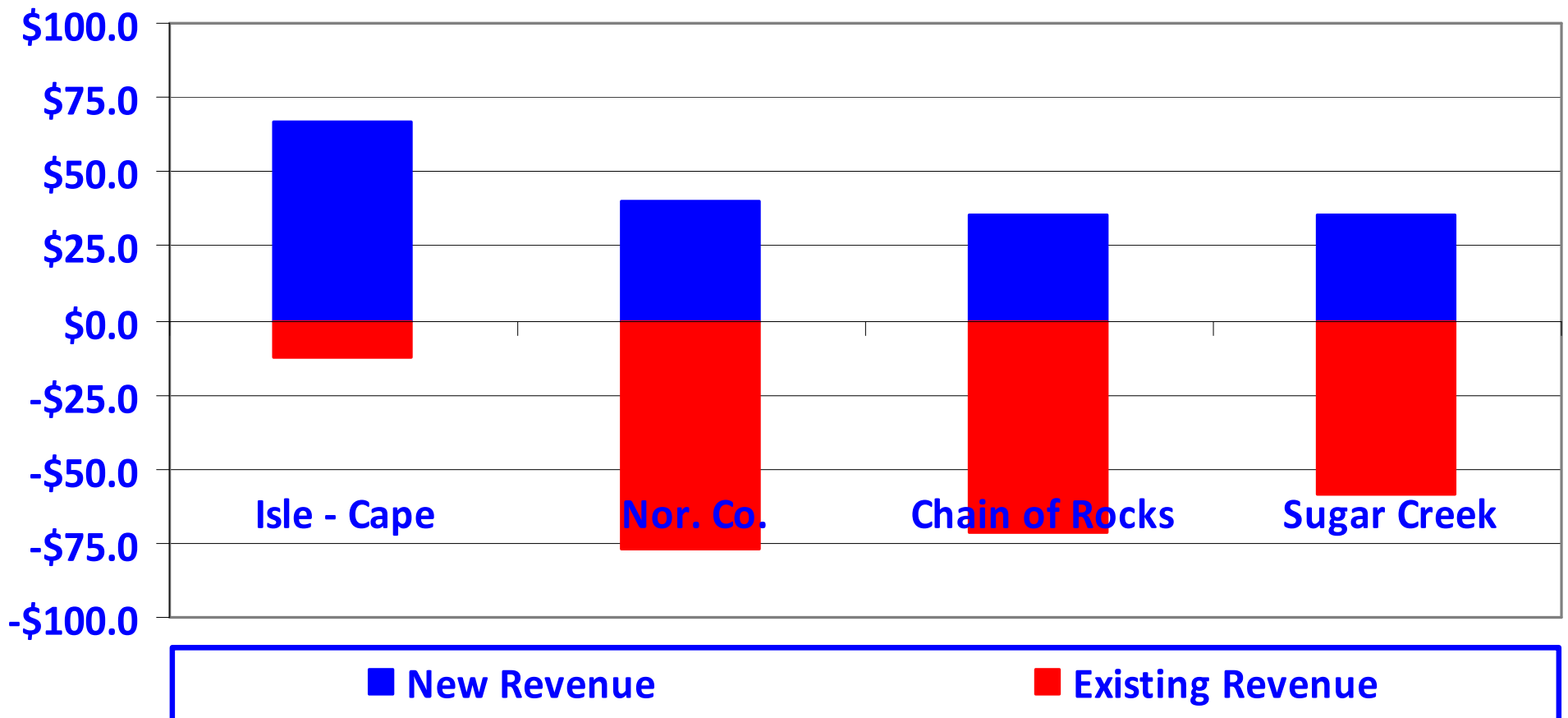


Missouri 13th License Impact on 2014 Gaming Taxes

	Cape Girardeau Scenario	Casino Celebration	North County Scenario	Paragon Casino Scenario
Incremental Gaming Revenue	\$ 66,892,232	\$ 35,807,687	\$ 39,778,123	\$ 35,305,792
Incremental Tax Revenue	\$ 17,449,792	\$ 8,915,261	\$ 9,922,395	\$ 9,546,832

Source: GMA

Projected New Gaming Revenue vs. Cannibalized Revenue



Gravity Model Conclusion



- The Isle project in Cape Girardeau will produce *nearly* **twice** the incremental tax revenue for the state of Missouri as compared to the other applicants.



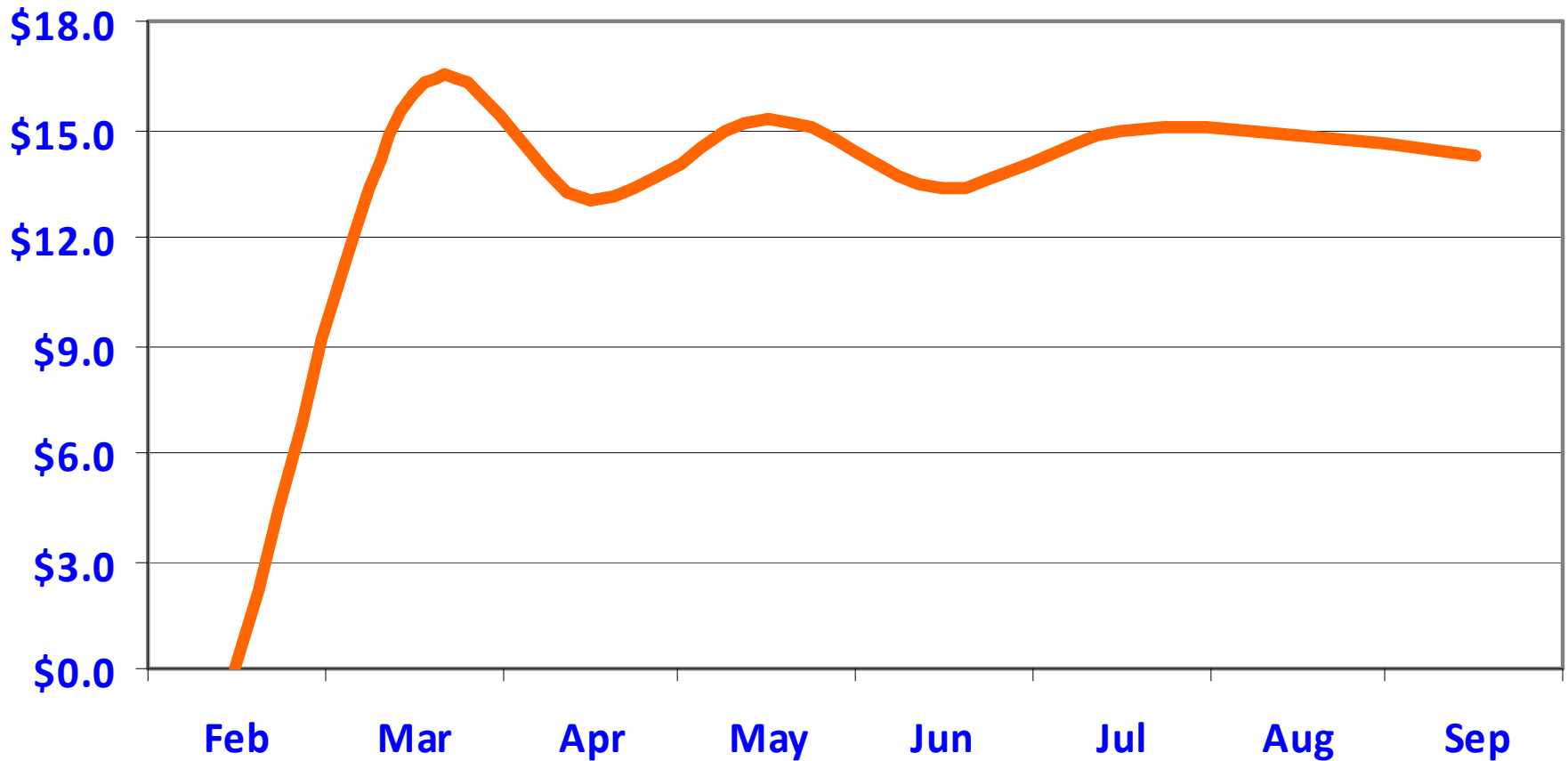
Saint Louis Experience

Monthly St. Louis Area Gaming Revenues

Pinnacle River City

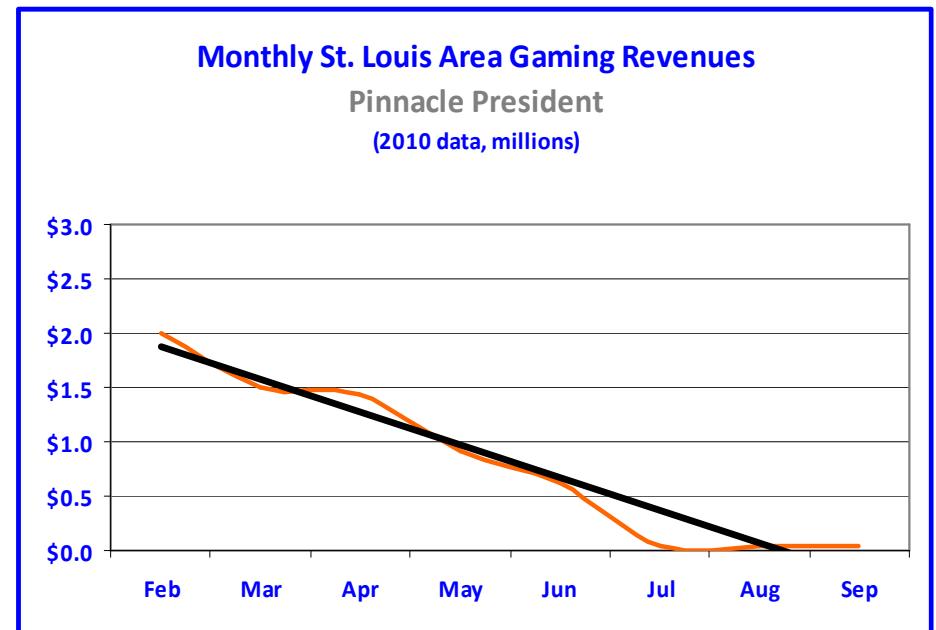
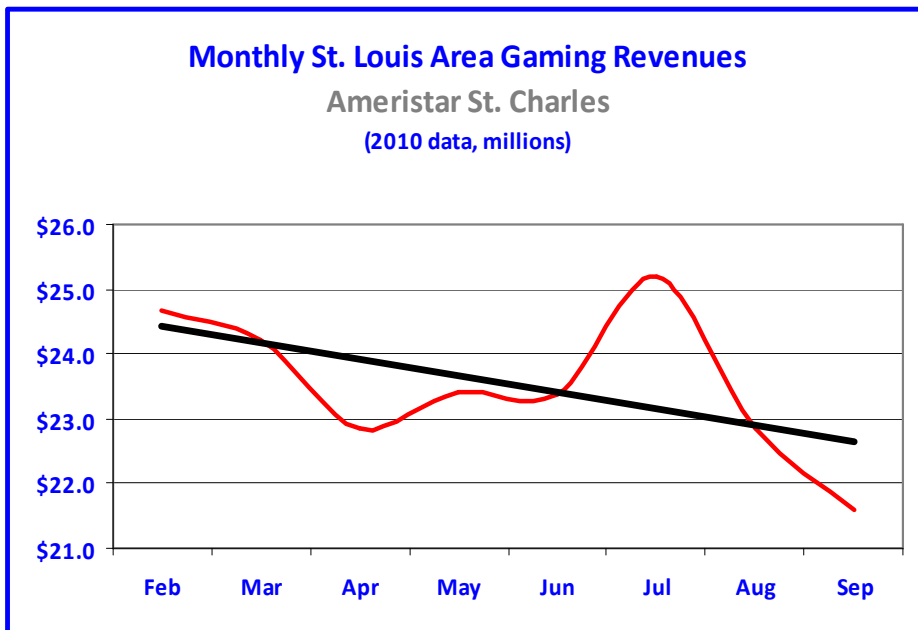
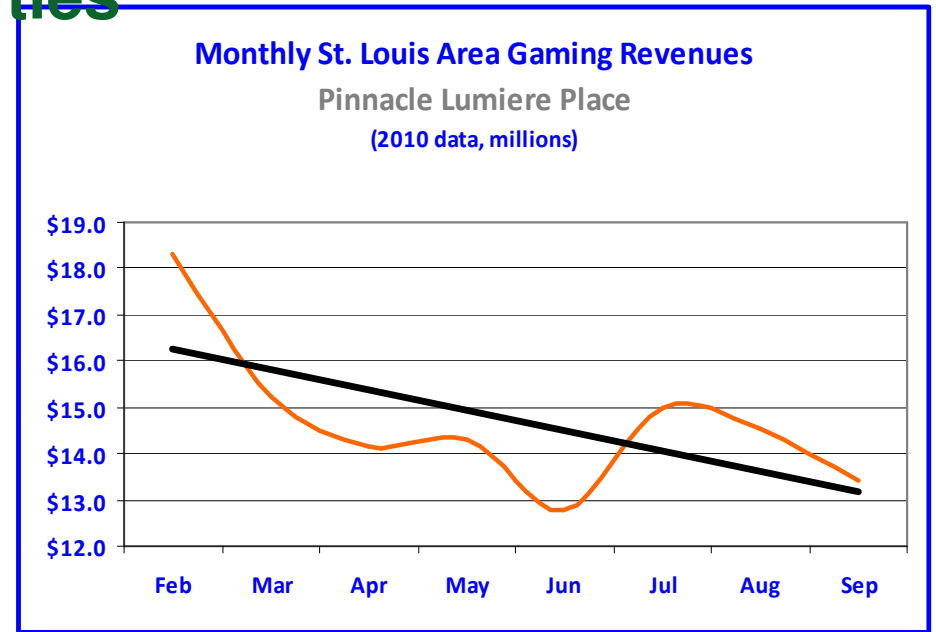
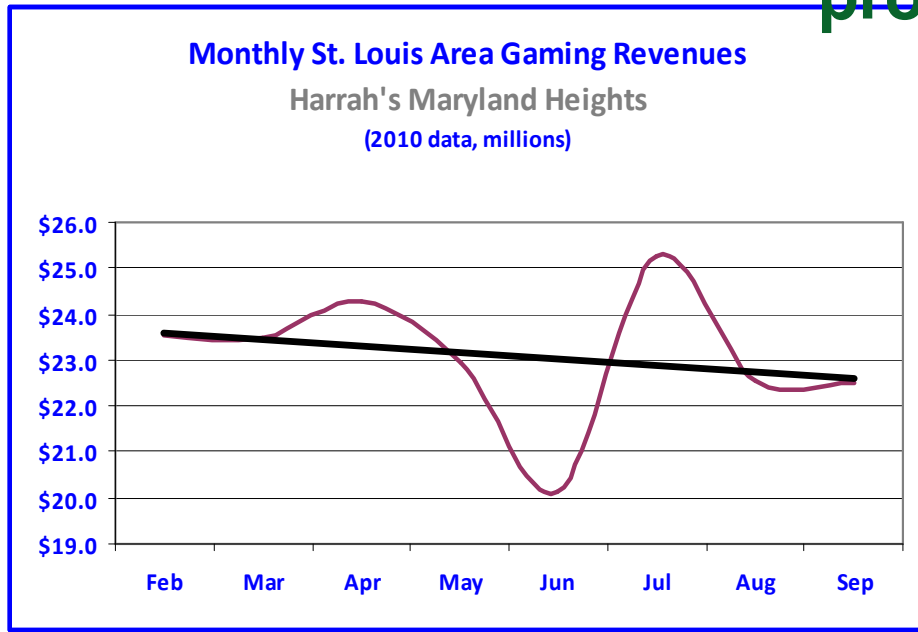
(2010 data, millions)

River City opens



* - River City Casino opened March 2010.

Revenue comes from existing properties

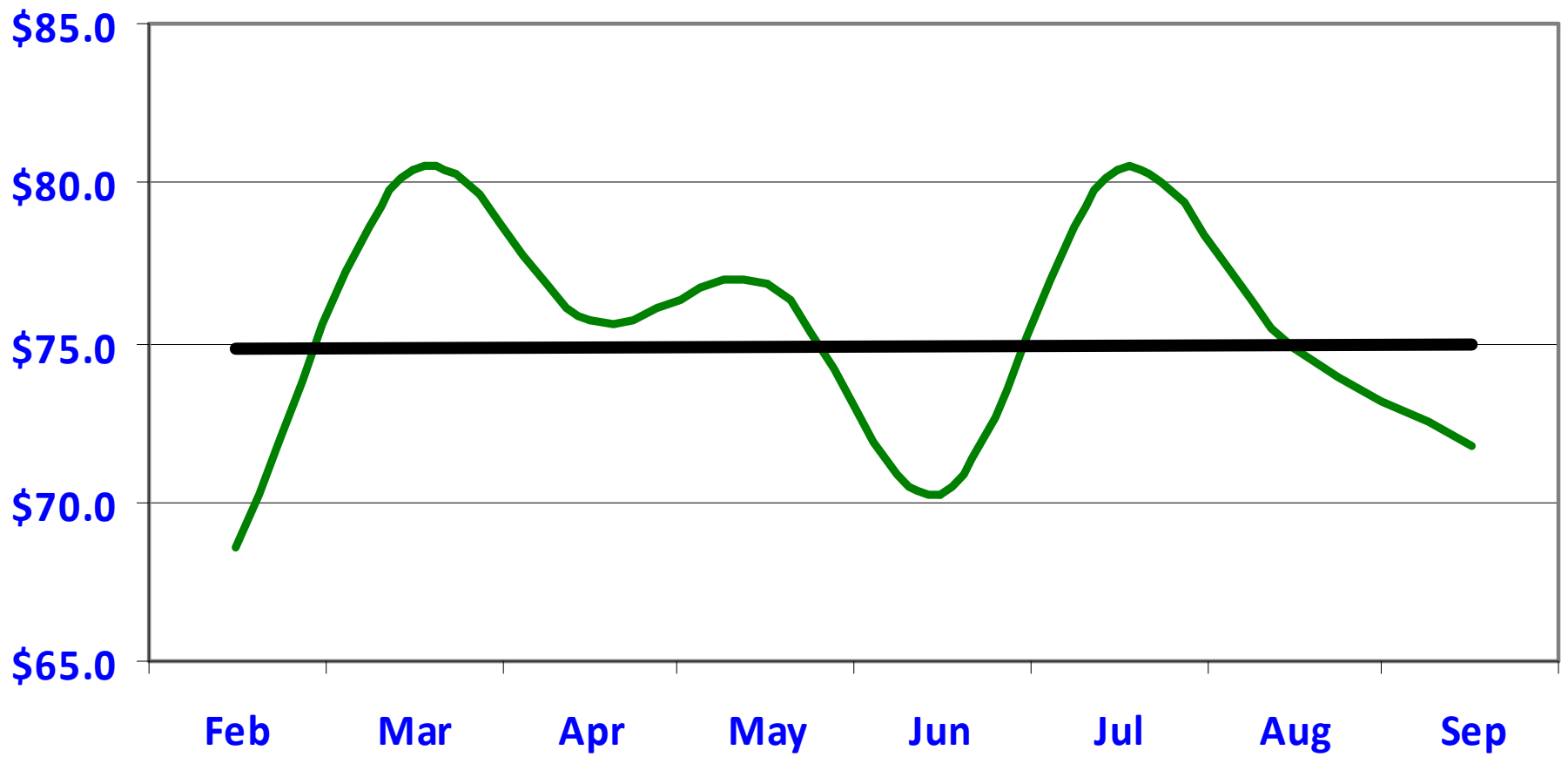


Monthly St. Louis Area Gaming Revenues

Total - Missouri Properties

(2010 data, millions)

Missouri properties flat since River City opened





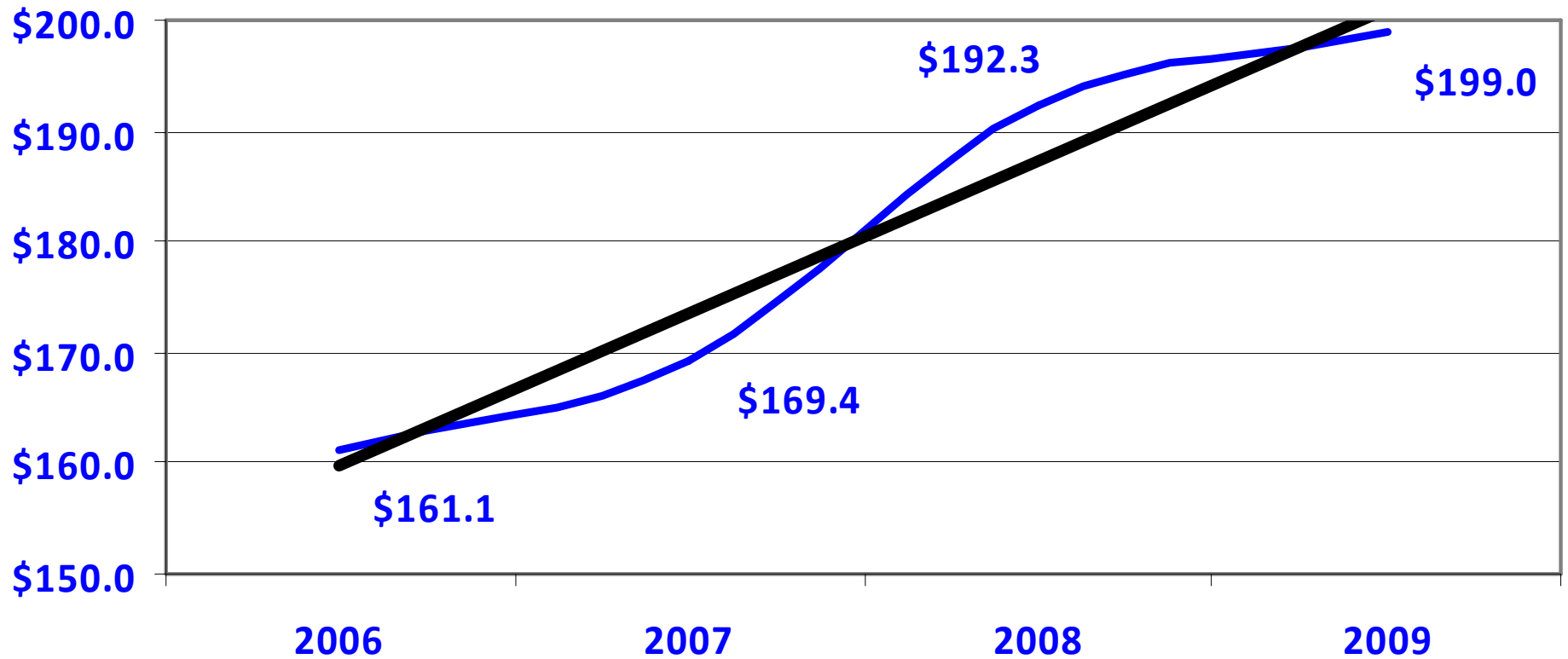
Kansas City Experience

Annual Kansas City Area Gaming Revenues

Argosy (with expansion)

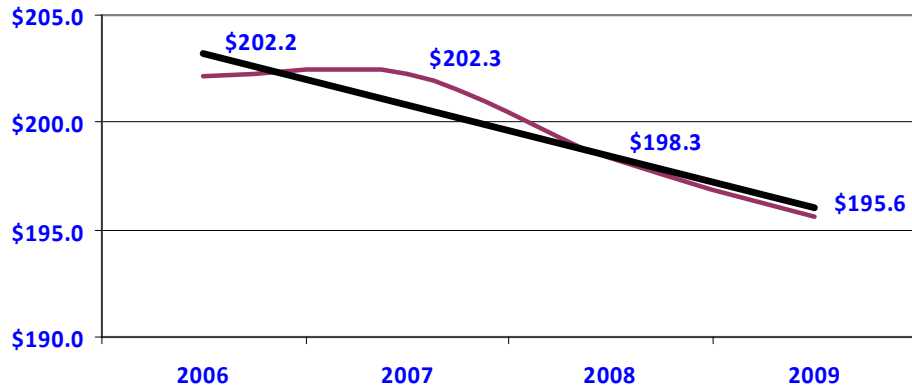
(millions)

Major expansion improves revenue

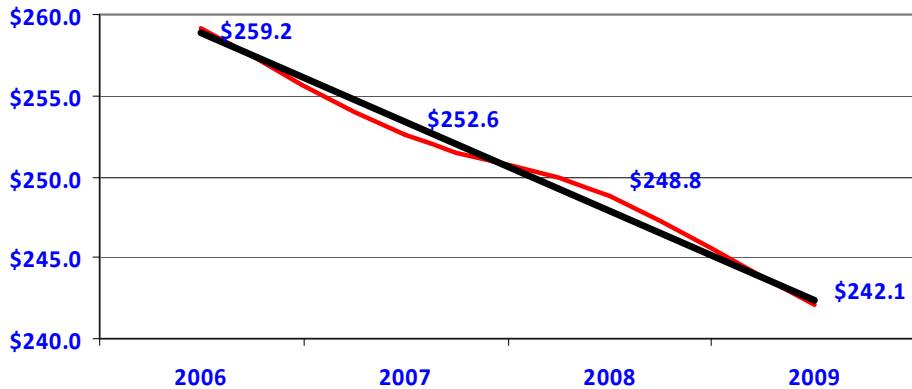


Revenue comes from existing properties

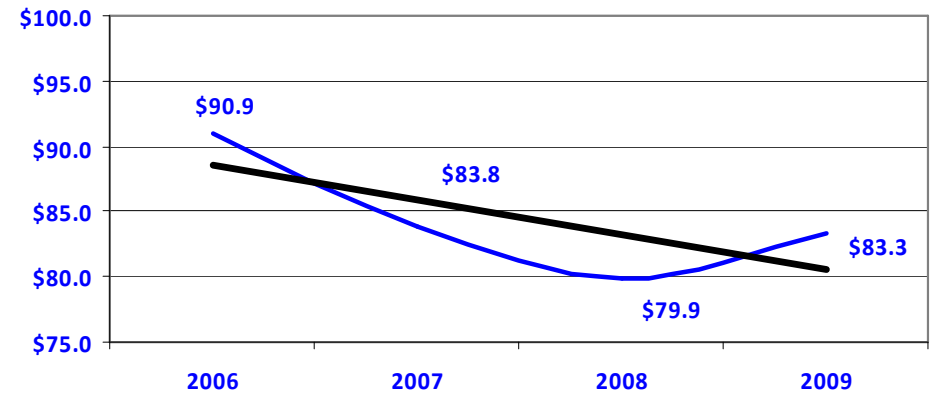
Annual Kansas City Area Gaming Revenues
Harrah's Entertainment
(millions)



Annual Kansas City Area Gaming Revenues
Ameristar
(millions)



Annual Kansas City Area Gaming Revenues
Isle of Capri
(millions)

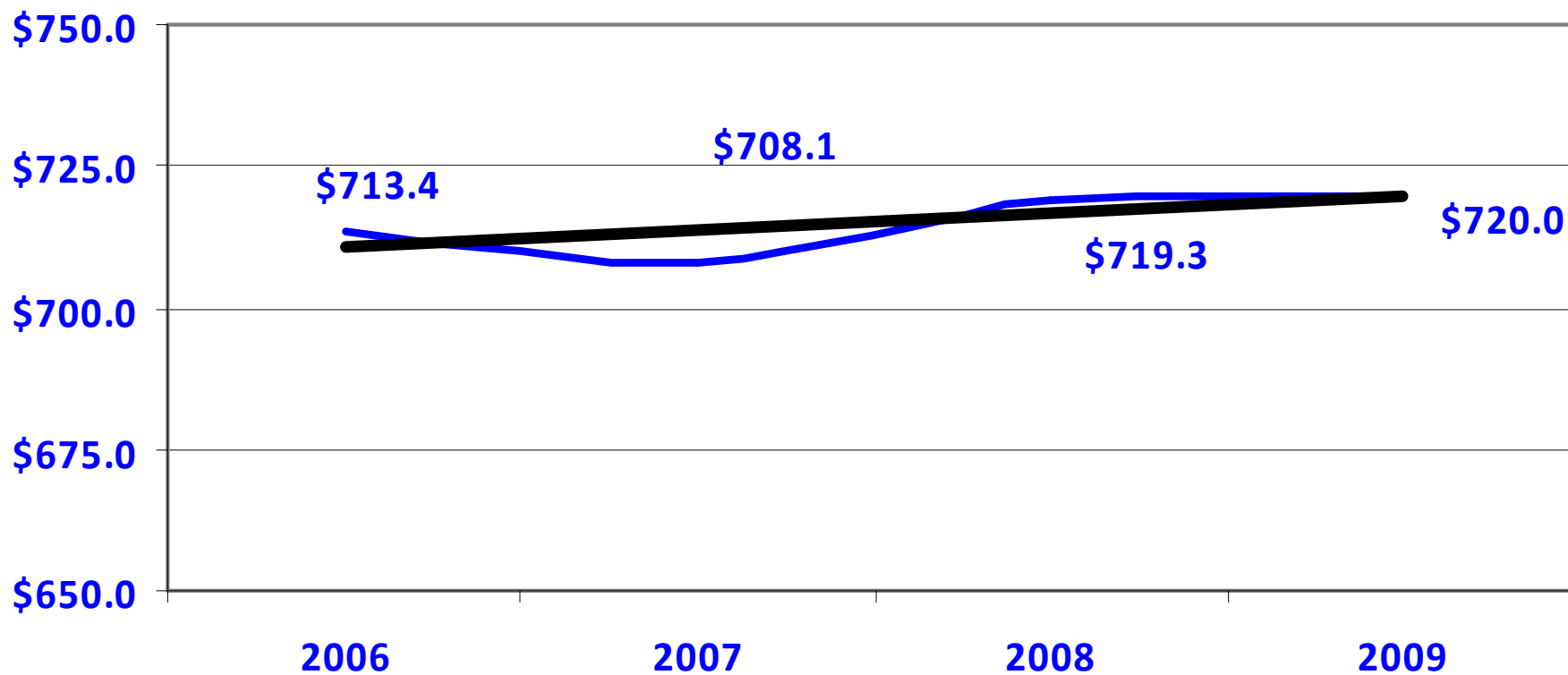


Annual Kansas City Area Gaming Revenues

Total - Missouri

(millions)

Kansas City market nearly flat



Summary



- Greater Cape Girardeau market is **not** saturated
- St. Louis and Kansas City **are** saturated markets
- Kansas City will be further diluted when Penn National opens in Kansas
- Best remaining market in Missouri is Cape Girardeau



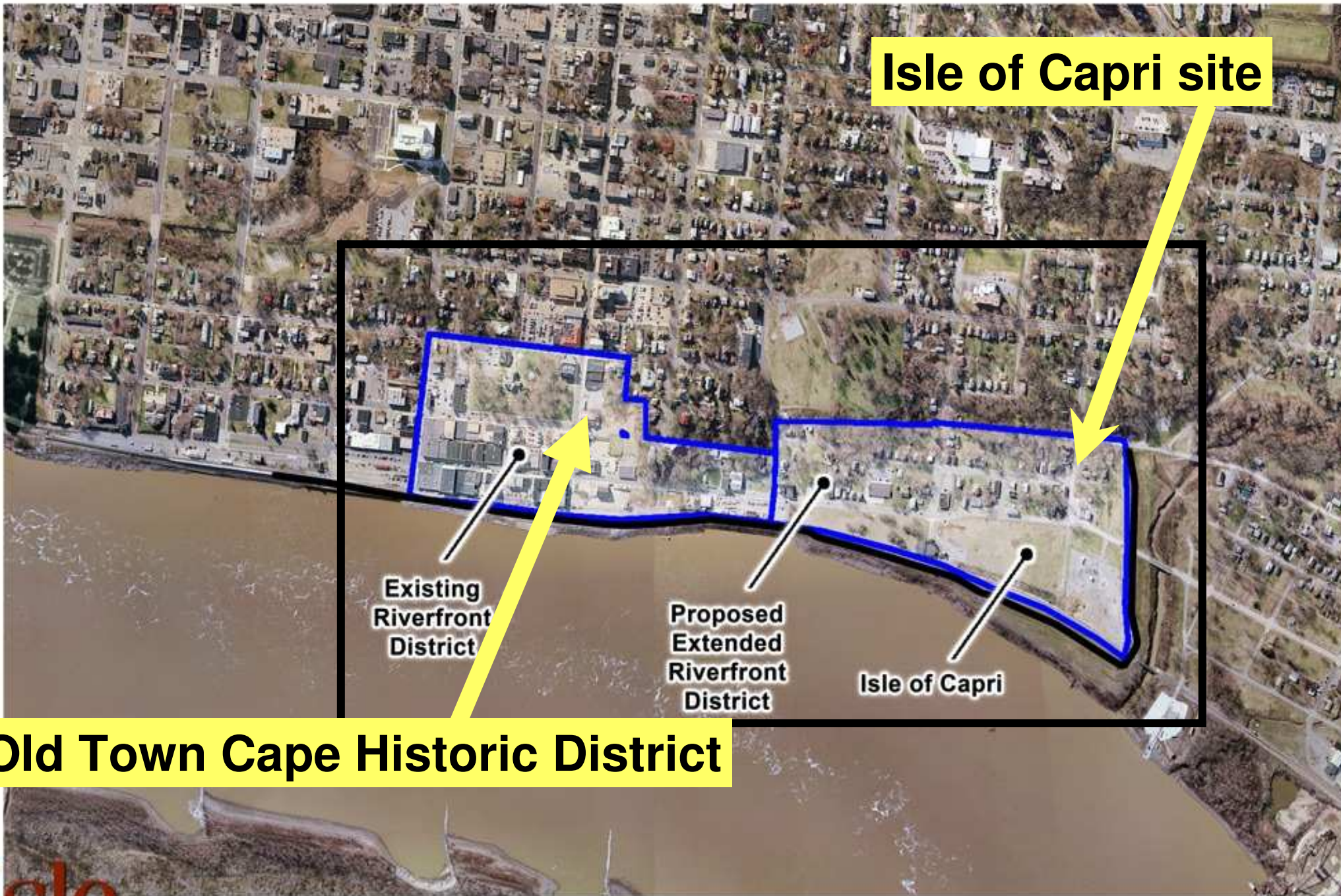
Scott Meyer

City Manager, Cape Girardeau

Existing conditions







Isle of Capri site

Existing Riverfront District

Proposed Extended Riverfront District

Isle of Capri

Old Town Cape Historic District



CAPE GIRARDEAU, MISSOURI

SITE LOCATION PLAN



Anchor for Downtown Revitalization

- **A former shoe factory site - inactive for 30+ years**
- **Entirely protected by the levee**
- **Excellent access to Downtown, the Show Me Center, and I-55. No significant traffic concerns**
- **All infrastructure available on site**
- **Police and Fire capabilities are sufficient**



Richard Meister

*Vice President, Design and
Construction*



Isle at Cape Girardeau

Artist Rendering



Promenade



Skydeck Grill and Terrace



Lone Wolf Lounge



Lone Wolf and Outdoor Patio



Event and Conference Center



Farm fresh...
Straight to you.



Paul Keller

Chief Development Officer

**Our two brand strategy
expands the customer base
with two products in the same family**



Focus on close proximity patrons
Limited amenities
Product driven (gaming devices)



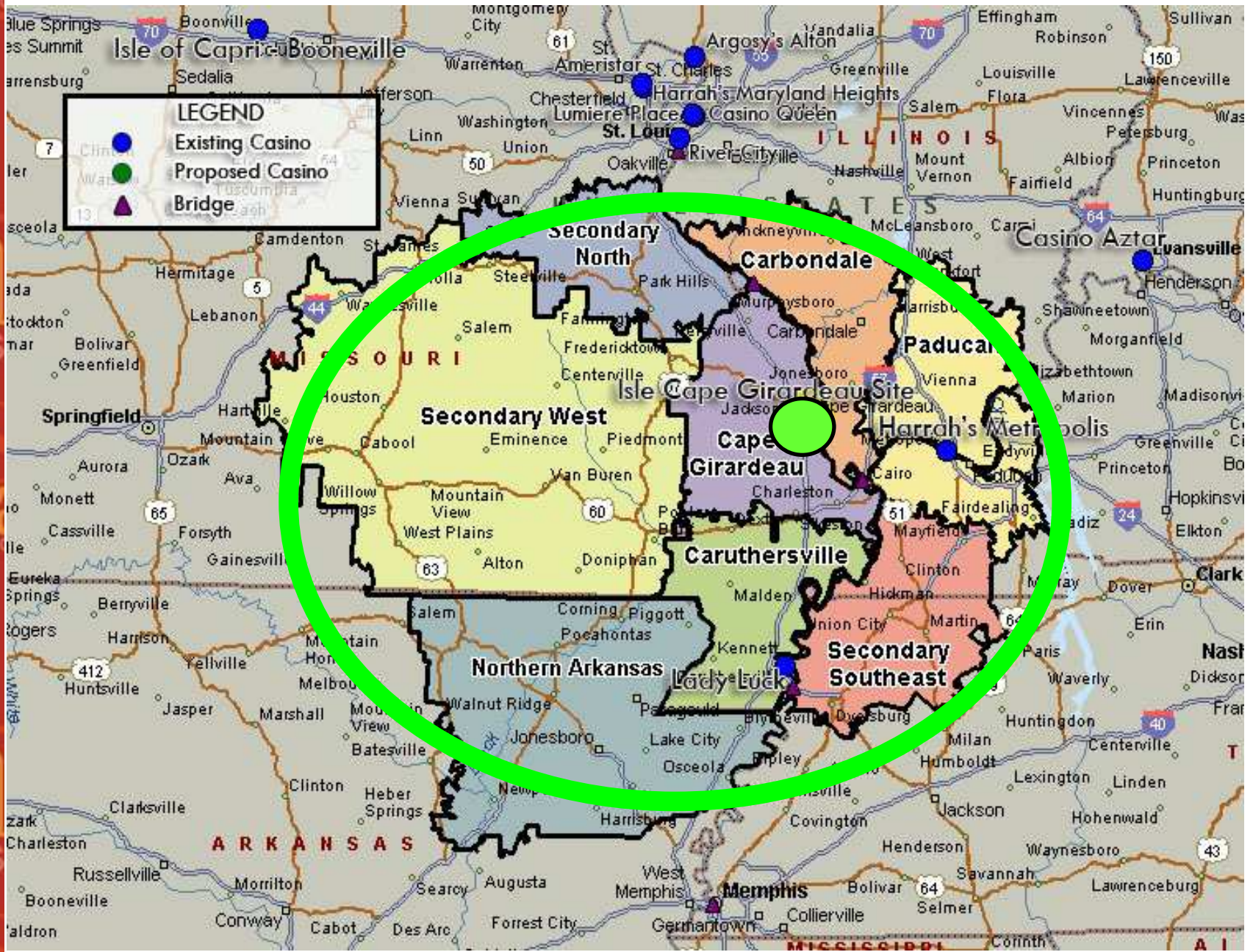
Focus on regional patrons
Expanded amenities
Conference and experience driven



Creating another reason for people to come downtown



of
Cape
CASINOS
of
Cape
CASINOS
of
Cape
CASINOS
of
Cape
CASINOS



Regional Markets

**600,000 visits will be from outside
Cape/Jackson MSA**

Markets will extend into in 6 States

- 1. northern Arkansas**
- 2. southern Illinois**
- 3. mid Missouri**
- 4. western Tennessee**
- 5. western Kentucky**
- 6. southern Indiana**



Significant increase in visits to downtown Cape Girardeau

Estimated weekly visitation: 25,000

Estimated new annual visits: Over 1,000,000



Proximity to other casinos

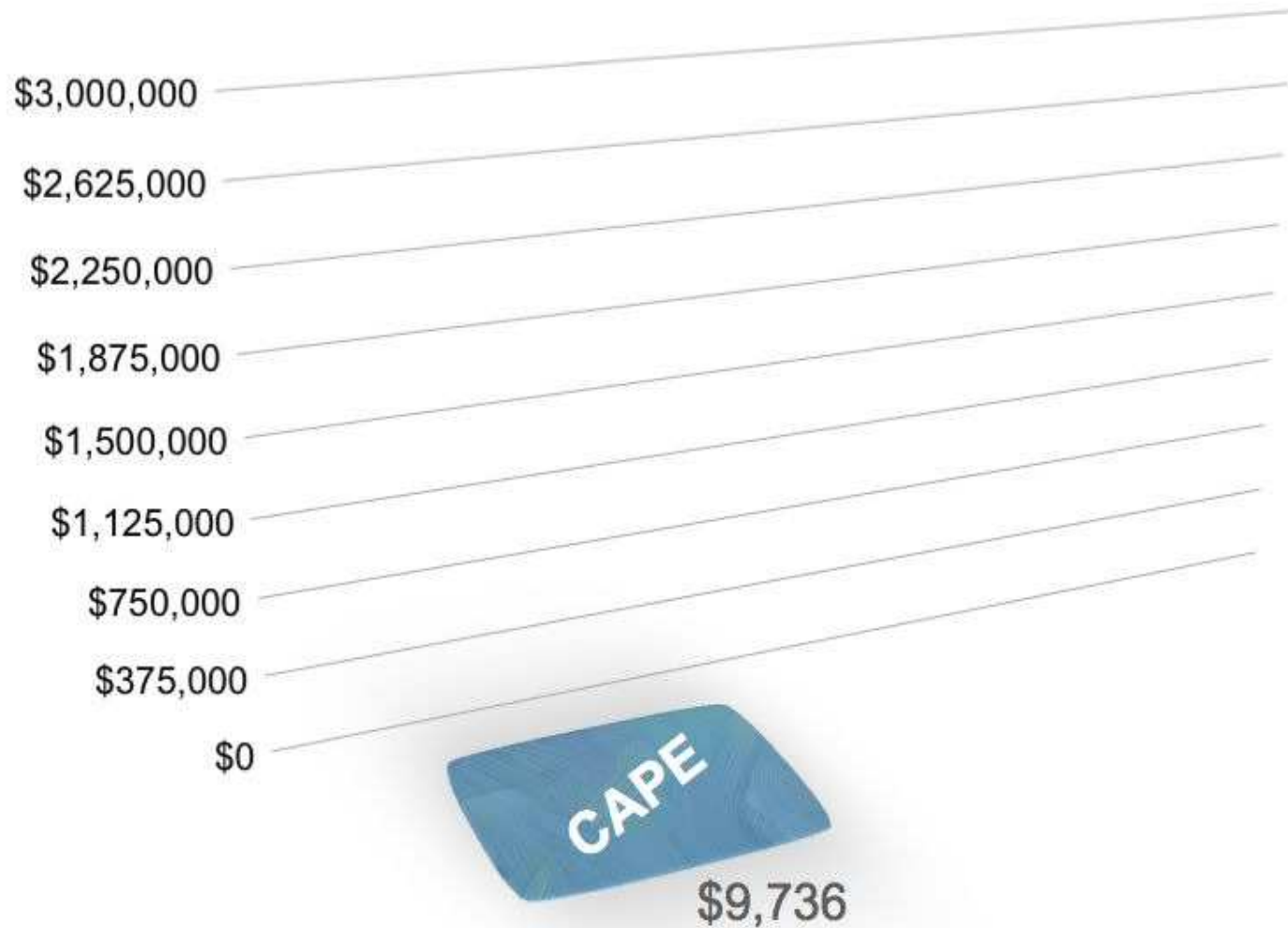
Harrah's Metropolis, Illinois: **68 miles**

Lady Luck Caruthersville: **85 miles**

River City, St. Louis County: **109 miles**

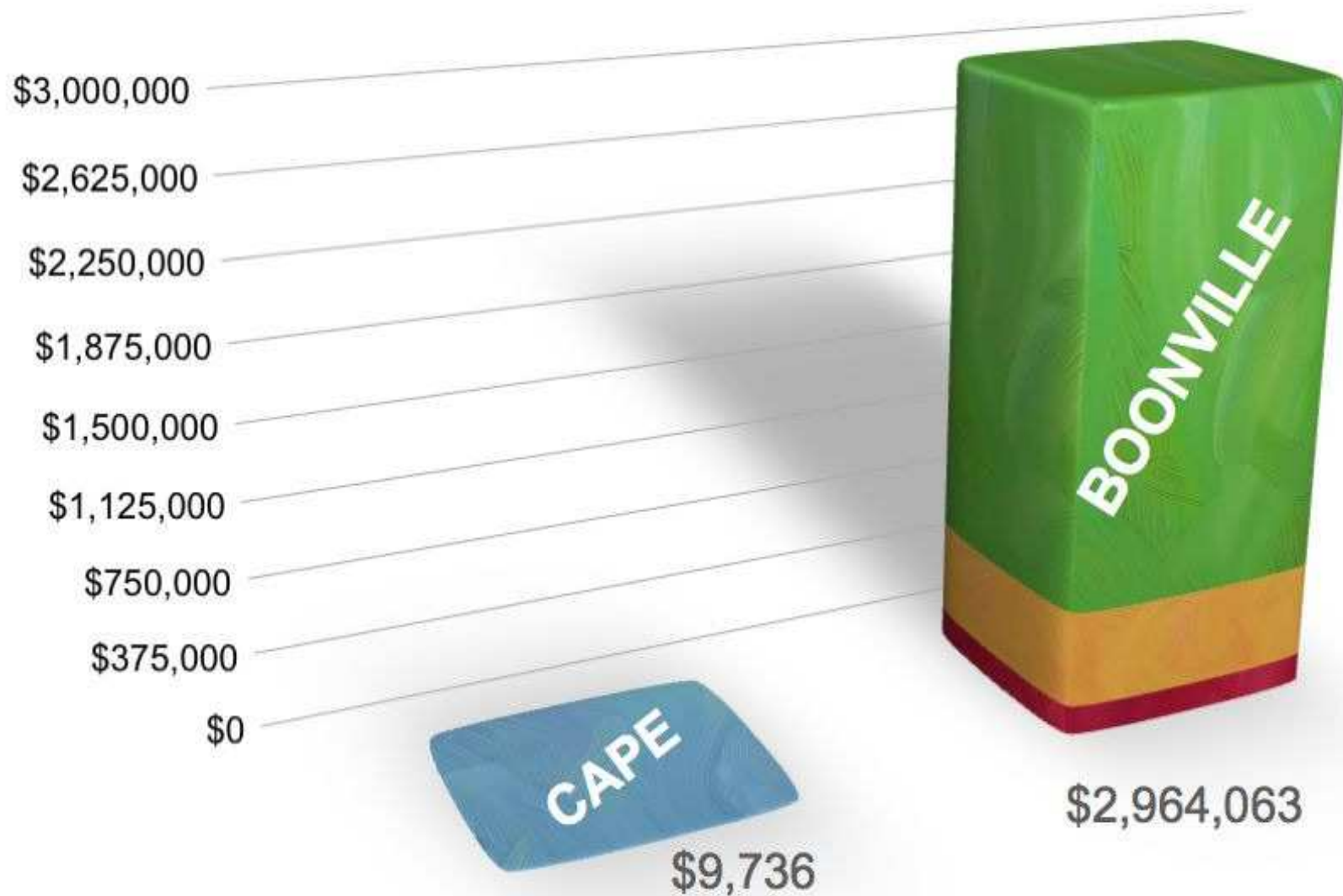
2009 City Taxes Collected at this location

■ Current RE Taxes

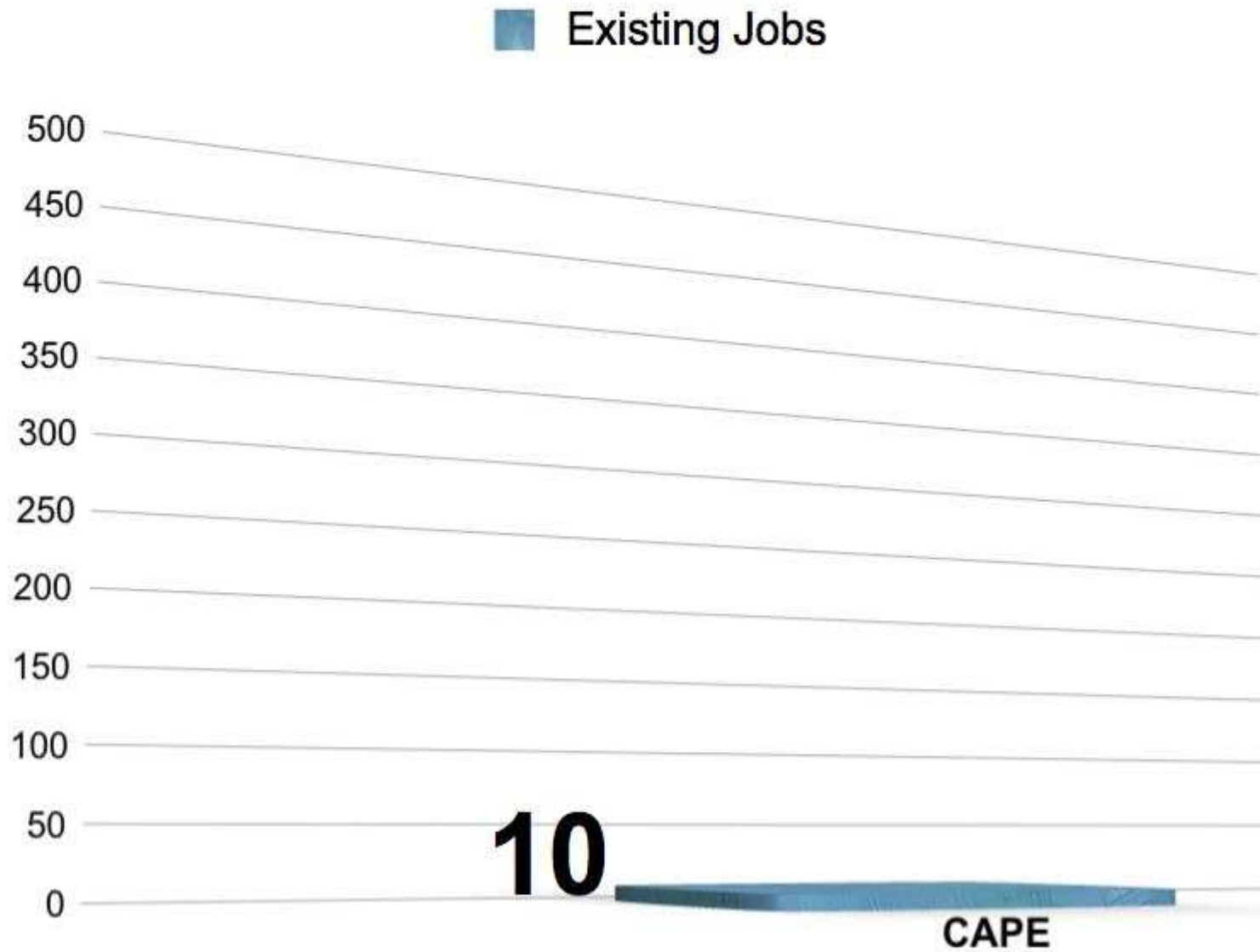


2009 City Taxes Collected in Boonville

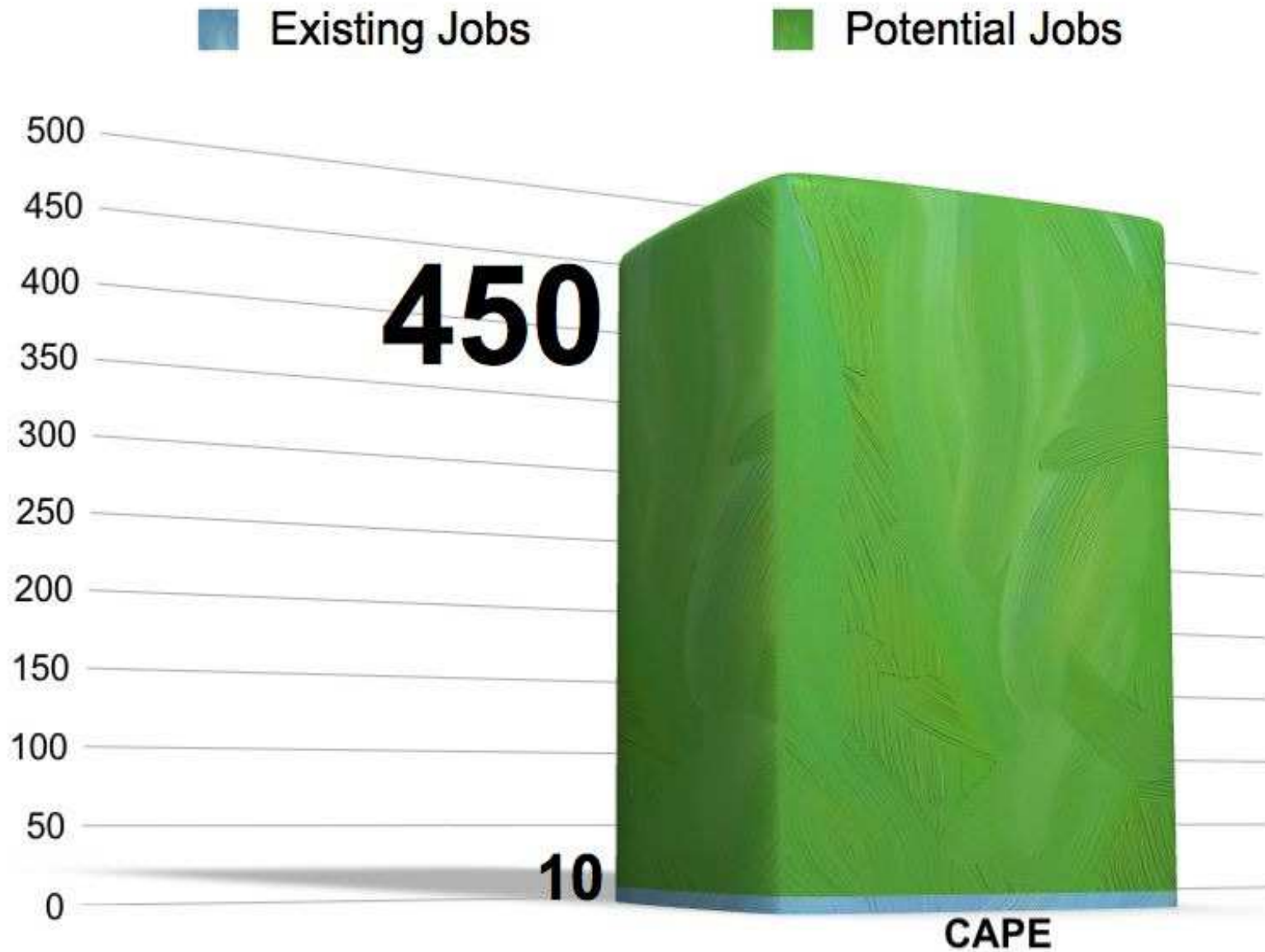
- Personal Property
- Real Property
- Admission Tax
- Current RE Taxes



2009 Jobs at this location



Potential jobs at this location



Dale Black

Chief Financial Officer

Financial Overview

- Established public Company with proven track record of accessing multiple financial markets
- Ability to use financing that is already in place
- Many long term relationships with commercial banks and holders of public securities

Debt Holders

Institutions that are currently invested in debt instruments of Isle of Capri Casinos, Inc. include the following:

JP Morgan Chase
US Bank
GE Capital
Bank of Scotland
Commerzbank

Wells Fargo
National City Bank
Credit Suisse
CIBC
Bank of NY Mellon

Capital One
Deutsche Bank
Societe Generale
The Peoples Bank
SSB and Trust

Equity Shareholders

The following are examples of Isle's institutional shareholders:

Vanguard Group, Inc.

JPMorgan Asset Management, Inc.

PAR Capital Management, Inc.

BlackRock Fund Advisors

Addison Clark Management LLC

Scepter Holdings, Inc.

Loomis, Sayles & Co. LP

Integrity Asset Management LLC

Dimensional Fund Advisors, Inc.

D. E. Shaw & Co., Inc.

Financing Options

- Our existing credit facility, and our operating cash flows are sufficient to build this project
- In addition, we have access to alternative debt sources should we choose to finance as a stand alone project



Harry Rediger

Mayor of Cape Girardeau



Endorsements

- **Cape Girardeau Chamber of Commerce**
- **Cape Girardeau Area MAGNET**
- **Old Town Cape, Inc.**
- **IAFF 1084**
- **Cape Girardeau Convention and Tourism Bureau**
- **Drury Southwest, Inc.**

A Comprehensive Vision

Jobs. Investment. Revitalization.



5 Reasons Isle is Uniquely Qualified

1. Billion dollar revenue company with 15 properties
2. Already licensed in Missouri with 3 properties
3. Significant development experience
4. Best location to generate new Missouri tax revenue
5. Existing financial capability to build the project



Questions and Answers

This conceptual plan is for informational purposes only and is subject to revision.

Gravity Model Methodology



- Based on Newton's Universal Law of Gravitation

$$\text{Distance} = \sqrt{((C \text{ lat} - B \text{ lat})^2 + (C \text{ lon} - B \text{ lon})^2)}$$

The model calculates the likely visitation based on census and other factors after the model is calibrated to comparable facilities ??????

Gravity Model Methodology (Cont.)

- Advantages of Gravity Model:
 - Market split into block groups or zip codes
 - Adjusts for population density and variations in income
 - Instead of less than 10 markets, usually have over 1,000
- Main Inputs Include:
 - Propensity to gamble
 - % AAHI to Gaming
 - % Revenue to casino in market
 - Individual casino and market attraction factors

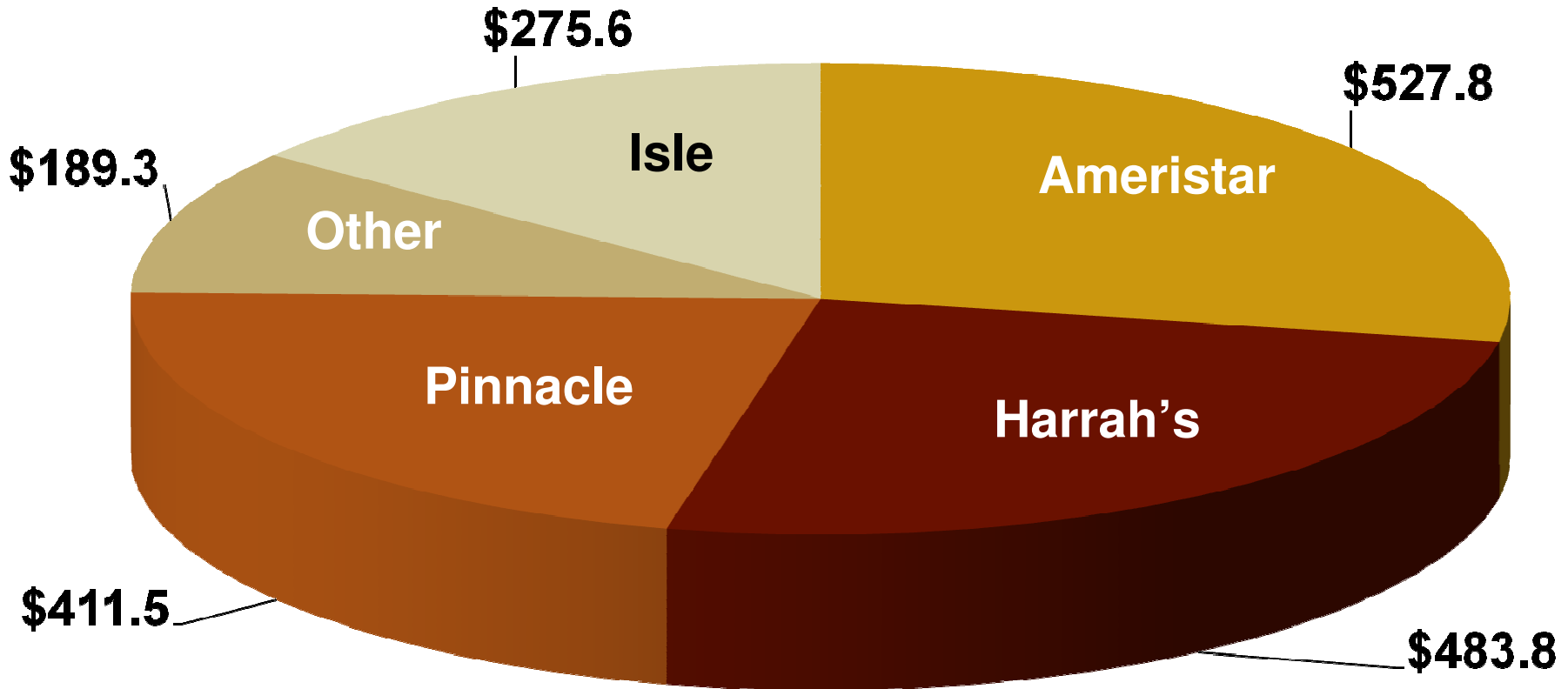


Missouri pro-forma economic concentration

Estimated Annual Missouri AGR

(including Isle – Cape Girardeau)

Millions



■ Ameristar ■ Harrah's ■ Pinnacle ■ All Other ■ Isle of Capri

