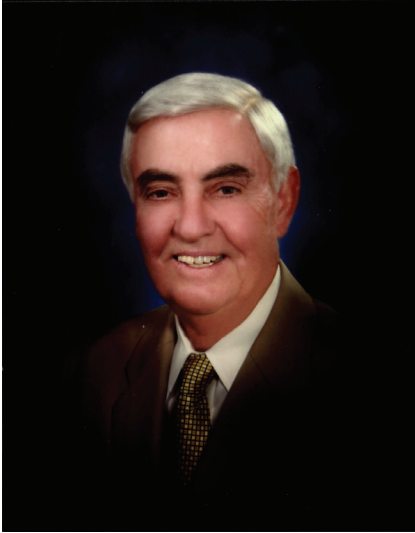


Message from the Chairman



One of the duties of the Missouri Gaming Commission is to compile an annual report which encompasses an account of the commission's activities over the past fiscal year. This report, which is mandated by law, includes a summary of the status of each licensed gaming facility; a report of gaming tax and admission fee collections; an analysis of the gaming markets in Missouri and a comprehensive look at each individual riverboat gaming facility. The annual report also features the impact of gaming taxes on employees, home dock communities, patrons and state revenues. I am sure you'll find this to be a significant source of information on all aspects of riverboat gaming in Missouri, and am pleased to present this report on FY2011.

The Missouri Gaming Commission embarked on uncharted territory in the past fiscal year. This commission was the first to ever issue a last available casino license. Proposition A, which passed in 2008, capped the number of riverboat gaming casinos at 13. The closure of the President, St. Louis in July of 2010 made a license available.

The first step was a meeting with all interested parties. Then a timeline was developed. MGC enlisted the help of the Missouri Department of Economic Development staff who formulated a comprehensive statewide market analysis. We knew by Constitutional law the riverboat gaming casino must be located on the Missouri or Mississippi river. What we did not anticipate was the level of interest from a wide variety of locations. In the end, there were three viable candidates: Casino Celebration and the City of St. Louis, Paragon Gaming and the City of Sugar Creek, and Isle of Capri and the City of Cape Girardeau. Our process was transparent. We conducted monthly meetings, community forums in the cities where a license was being sought, and public hearings in Jefferson City, which gave the companies chosen by the cities, a chance to show us how the 13th license would benefit the State.

On December 1, 2010, Isle of Capri Cape Girardeau, LLC, was selected as the candidate for priority investigation. The license will be awarded after all requirements of the Riverboat Gambling Act and regulations have been met and when the doors open to the public. The \$125 million facility is scheduled to open at the end of 2012.

After the nine-month search process concluded, the commission was then ready to focus on fine tuning programs recently implemented. The Commission took an active interest in, the promotion of, and the current review of our minority and women business (MBE/WBE) program. It was time to refine our direction, apply certain exclusions, and hire a full-time MBE/WBE compliance auditor. We are working on improving our MBE/WBE program, and monitoring the MBE/WBE efforts of the 7th largest industry in the state.

I'm proud of the work of the Missouri Gaming Commission. We are a diverse group, representing a wide variety of interests, and at the same time, regulating Missouri's riverboat gaming casinos with the State's best interests in mind.

