MOHEGAN GAMING & ENTERTAINMENT

Moderator: Mario Kontomerkos
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Operator: This is Conference #12652338

Operator: Good morning, and welcome to the Fourth Quarter Fiscal 2017 Earnings Call from Mohegan Gaming and Entertainment. My name is Carol, and I will be fulfilling the audio portion of today's interactive broadcast.

All lines have been place on mute to prevent any background noise. For those of you on this stream, please take note of the options available in your vent conceal. At this time, I would like to turn this show over to Peter Roberti, Vice President of Finance and Chief Accounting Officer of Mohegan Gaming and Entertainment. Please go ahead sir.

Peter Roberti: Thank you Carol, and good morning everyone. Thank you for joining our call this morning.

Before we begin, I would like to remind everyone that our comments today may contain forward-looking statements made under the safe harbor provisions of the federal securities laws, and actual results may differ materially from any predictions contained in these statements.

In addition, our comments may also refer to non-GAAP financial measures. A reconciliation of these measures to corresponding GAAP financial measures can be found in our press release available on our website under the Investor Relations section at www.mohegangaming.com.

With that said, I will now turn the call over to Mario Kontomerkos, President and Chief Executive Officer, of Mohegan Gaming & Entertainment.

Mario Kontomerkos: Thank you, Peter, and good morning everyone. Before we begin I'd like to introduce the participants of today's call. Today we're joined by the Chairman of the MGE Management Board, Kevin Brown. We also have Tom Burke, Chief Operating Officer of MGE, Peter Roberti, our Vice President of Finance and our Chief Accounting Officer, who you just heard from, along with Chris Jones, our Vice President of Corporate Finance. In addition, we have a number of others in the room and on the phone that are available, to answer any questions you may have.

So as we begin today, the Chairman will provide some introductory comments. Tom Burke and I will then briefly discuss our operating results for the last quarter and then Chris Jones will provide you with a brief overview of balance sheet matters, after which we can open up the call for Q&A.

So with that, I'll turn the call over to the Chairman of the Mohegan Tribe and MGE Management Board, Kevin Brown., Kevin?

Kevin Brown: Thank you, Mario.

Good Morning everyone and thanks for joining today's call.

I would like to kick this call off with a congratulations to Mario Kontomerkos, whom I am sure you are well aware, has recently been appointed the President and Chief Executive Officer of MGE.

We say goodbye to Mitchell Etess, who after serving the company for 21 years and extent as the interim CEO will finally enjoy his retirement. And knock a few strokes off of his golfing.

Mario's been with us since central to the growth and change of Mohegan Gaming and Entertainment these last five years, and will without a doubt be central to a bright future for our company ahead. Particularly, giving our focus on the bottom line, and our growth trajectory, his skill and ability will drive both. Today we're pleased to report yet again another solid set of operating results for our 4th quarter of Fiscal 2017.

And to report those results in some detail, let me turn the call back over now to Mario Kontomerkos, President and Chief Executive Officer of Mohegan Gaming & Entertainment.

Mario Kontomerkos: Thank you, Kevin.

Hello everyone and thanks again for joining our call today, and as always, for all of your support, over the years.

As Kevin said, we're very pleased with the quarterly operating results posted this morning as our Net Revenues increased by 4.5% and our Adjusted EBITDA increased 11.0% year over year. Importantly, our underlying fundamentals were solid, particularly at our flagship Mohegan Sun in Connecticut, where we remain resilient in the gaming business, while we continue to enjoy outstanding growth in our non-gaming business due to many initiatives to drive new volumes there. You will also see the ramp up and realization of development and management fees through the Corporate EBITDA segment, which, as you all know, has been a central part of our diversification efforts for some time.

Now**,** let me turn the call over to Tom Burke, Chief Operating Officer of MGE, to provide some of the highlights at the operating units. Tom?

Tom Burke: Good morning everyone, and thank you Mario. Let's begin with Mohegan Sun.

<u>Mohegan Sun</u>

As you saw in the press release this morning, Net Revenues at Mohegan Sun increased by 6.5% and Adjusted EBITDA increased by 4.4%. The property's $87.3 Million of EBITDA was the highest of any quarter since 2007 and our operating margin of 30.7% was our 2nd highest for **any** fiscal quarter since 2001. Very importantly, Mohegan Sun's NON-gaming revenues of $68.3 Million grew 26.4% vs. last year, the best non-gaming revenue performance of any quarter since 4Q08. Perhaps more importantly, non-gaming represented 22.1% of Total Gross Revenues; the highest percent ever for a 4th quarter also the second highest percentage of total revenues in our history. With our new 400-room Earth Hotel heading into its second year of operations, the Expo Center coming online next summer and other non-gaming endeavors contemplated, the emerging trend of increased non-gaming activity and will be an important and continuing trend for us for the foreseeable future. On the gaming front, we also witnessed a nice increase in our slot and table volumes, causing gaming revenues to increase 3.8% over last year.

Results were driven by a couple of factors: one was the new Earth Hotel, which continues to perform above our initial expectations. The fourth quarter was also a very strong and star-studded entertainment calendar, including 12 headlines that included two shows by Ed Sheeran, two shows by Kenny Chesney, a show by Katy Perry, Halsey, New Kids on the Block, John Mellencamp, Santana, Nickelback, The Who, Queen, Kings of Leon, Logic, Tony Bennett, a few comedy shows, 12 home games (including one playoff game) by our CT Sun WNBA team.

Our arena continues to be impressive and ranked globally by Venues Today and Pollstar. And our unrivalled strength in entertainment continues into the current quarter with two shows by Lady Gaga, shows by Imagine Dragons, Pentatonix, A Perfect Circle, Huey Lewis and the News, a Basketball Hall of Fame Event, a Men's College Basketball Tournament, Star Boxing, a Jim Jefferies comedy event, two professional lacrosse games, a Bellatore MMA event, and last but certainly not least, a very special Vets Rock concert just before Veteran's Day, just to mention a few.

Mohegan Sun Pocono

Now, let's move on to Mohegan Sun Pocono results.

As you can see, Adjusted EBITDA increased by 8.5% despite a decline in Net Revenues of 5.7%. This was due in large part to our team's efforts to reposition Pocono as a destination for the avid gamer, and this is evident in the numbers you see as we have reallocated non-gaming comps and marketing incentives such as free play towards higher ADT gaming guests, driving overall Net Revenues lower but importantly profitability higher. We are encouraged by the trajectory of EBITDA growth at Pocono, which has seen its year-over-year performance improve sequentially over the past two quarters, ending this past quarter, slightly up.

Now let me turn the call back to Mario for an update on our corporate activity.

Corporate Results

Mario Kontomerkos: Thank you Tom. As can be seen by its revenue growth, we expect the Corporate segment will be a source of significant EBITDA growth for us in the upcoming quarters, driven in large part by the late April opening success of the *ilani* Resort & Casino just north of Portland, Oregon. As developer and manager, we recognized approximately $3.8 Million in fee revenues from *ilani*, and we continue to be pleased with the property's early results and with its rapidly ramping revenue profile as its player database is currently at over 173,000, up from 100,000 last quarter and growing daily.

The Corporate EBITDA line was also positively impacted by a $7.4Million reserve reversal benefit, net of the non-controlling interest relating to a lower reserve placed on our outstanding advances to Salishan-Mohegan, the development/management entity, given that the *ilani* property has performed so well.

In terms of our other management & development efforts, Resorts Atlantic City continues to perform well. For the September quarter, Net Revenue increased 24.9% and EBITDAM increased 90.3% or $10.0 Million from the prior year quarter to $21.2 Million, continuing the remarkable financial turnaround that the property has been experiencing for some time, leading to approximately $1.6 Million in management fee income for MGE from Resorts. Our Corporate results also benefited from our consulting agreement with the Paragon Casino Resort in Marksville, Louisiana, about a million dollars, and from our emerging social gaming efforts, which generated another half million dollars in the quarter.

Additionally, we wanted to provide a short update on Inspire, our South Korea development. The project continues a pace in terms of detailed design, where we have now reached the 80% threshold, and an end in the costing, area where the advanced nature of our work has allowed us to generate higher confidence in the budget.

Now due to delays in receiving certain permits, we have moved the ground breaking for Inspire into the first half of 2018 from the end of 2017, but overall the project continues to move ahead. There is no doubt that, based on the designs underway, that Project Inspire will be a "breakthrough," one-of-a-kind resort for both Korea and the rest of Northern Asia. We continue to target an overall project opening for late 2020/early 2021, and with the benefit of excellent demographics, a prime location, and what we believe will be a world-class development and operations team, we look forward to opening of what we believe will be one of the most iconic and successful integrated resorts in Asia and a game changer for our company.

Finally, just a quick note on MMCT project that we continue to press forward on that facility in East Windsor, Connecticut to be jointly owned by the two tribes here in Connecticut, despite discussions in the media that suggest otherwise.

So with that, let me now turn the call over to Chris Jones for a brief update on the Balance Sheet.

Balance Sheet Update

Chris Jones: Thank you Mario.

- Our Total Leverage Ratio, calculated on a gross basis, was 4.65x, with Total Debt, as defined under the BCF, of $ 1.69 Billion, declining by $24 Million from the prior quarter.
- No amount was drawn on our $170 Million revolver as of September 30, 2017.
- After factoring in outstanding Letters of Credit, we had approximately $119.4 Million available for borrowing under our Bank Credit Facility and Line Of Credit as of the end of the quarter.
- Cash and Cash Equivalents at the end of the quarter totaled $89.0 Million.
- Liquidity totaled approximately $129.8 Million, net of Bankroll and Restricted Cash.
- Distribution to the Tribe totaled $21.0 Million for the quarter
- Capital Expenditures totaled $42.7 Million for the quarter, comprised of maintenance capital expenditures of $10.3 Million and $32.4 Million of expansion and development cap ex related to our Expo and Inspire projects.

With that, now I'd like to hand it over back to Mario, for his closing statement.

Mario Kontomerkos: Thanks Chris. So in summary, between our strong operating momentum, as you've seen. Our new non-gaming additions in Connecticut, not only the hotel but the Expo center going forward, the successful operations of the ilani Resort and Casino, and the progress that we are making in our South Korea project, as you can see, we're very optimistic about both the near- and long-term future of both the Mohegan Tribe and for Mohegan Gaming and entertainment.

Our unique product and corporate culture is something that resonates well both within and outside of the United States, and we intend to continue to expand in a methodical and profitable manner. And while we remain steadfast in seeking new and diverse gaming opportunities and talent, we never forget what makes our product so special: that is the unparalleled guest service, product and hospitality experience that has made "Mohegan Sun" a premier gaming and entertainment brand in the industry.

So with that, I'll thank you all and now I will turn it over to Carol to open up the call for Q&A. Carol?

Operator: Thank you. If you would like to ask a question, please press star followed by the number one on your telephone keypad. Our first question today comes from Mike Pace from J.P. Morgan. Please go ahead.

Mike Pace: Hi everyone, good morning and thanks for taking the questions. I have a few; I'll just do one at a time if that's OK?

I guess, and I know these are small numbers here, but the reserve reduction -- thanks for the number there, $7.4, I guess just what does that imply for your thoughts of, I guess I'm interested in the timing of making that reserve reduction and the thoughts of you getting that back that, I believe, it's a $90ish Million receivable form ilani? So just a little bit -- any insight there would be helpful.

Mario Kontomerkos: Sure Mike, I'll take that. The -- I think what that implies is that I think we were very pleased with the opening of the ilani Resort.
I think the properties cash flowing very significantly in line with where we expected and with that I think we achieved a much greater level of comfort,

obviously then before it was open, that these advances would be reimbursed to us and so therefore we made that change on the reserve.

We still expect that we could be in receipt of those proceeds in one of two ways. Either through a refinancing of that credit facility or when the property leverage ratio goes below 3x, both of which are happening of pace.

Mike Pace: OK, and then appreciate the 2018 Capex guidance numbers here. And I guess the question I have is, what much should we expect to see, whether it's '18 or '19 in terms of financials and numbers flowing through the financial statements?

Clearly there's no revenue coming in, but we have Capex and spending, are we going to see when and if you raise debt, does that get consolidated? So, any just color there on -- so people aren't surprised at what we see there.

Mario Kontomerkos: And I assume, Mike, you're talking about Inspire?

Mike Pace: I'm sorry if I said ilani, I apologize, Inspire, yes.

Mario Kontomerkos: No, I think that's a good question. I think, as you can see in the guidance table related to capital expenditures, you can see our expected spend for the next 12 month period starting October 1st of this year.

And I think you're right, I think you should expect that this will be consolidated and it has been and it will continue to be consolidated and therefore, obviously the spending and financing activity will be consolidated as well until the property becomes operational as we said, sometime in 2020 or 2021. We believe the financing activity probably occurs sometime toward the end of -- middle or end of 2018.

Mike Pace: OK. And one last one, the fourth spot, 6, 5x leverage ratio, can you just review leverage goals near term and expectations for what the balance sheet targets are leading up to competitive openings. Thank you.

Mario Kontomerkos: Sure. No, as you can see, we've been very focused on driving leverage as low as possible and I think you can see now that we're at 4.65X and we expect that that range can be driven lower, subject to any, obviously, any opportunities that we see that would improve the long term options that we have and growth. But we continue to drive leverage as low as we can.

Operator: Our next question comes from James Kaylor from Bank of America. Please go ahead.

James Kaylor: Hey guys, how you doing?

Mario Kontomerkos: Hey James. How are you?

James Kaylor: Good, good. Maybe just turning to Connecticut and just sort of property level operations, the border looked very good. I'm just curious sort of what the tone of the market is there in terms of your customer behavior and spend per visit?

And then, I guess also, the promotional environment and if you're doing anything to prepare for the opening of Montreign in New York, if you think that will be any impact on the business?

Mario Kontomerkos: Tom, do want to take that?

Tom Burke: So -- yes Mario, let me take the first half of it and you guys can take the promo environment piece.

Mario Kontomerkos: Sure.

Tom Burke: So, James in particular in Connecticut, but really let's talk about across the enterprise because we're seeing the same thing and somewhat of a broken record but -- which is a good thing from quarter to quarter.

We're seeing increase in all of the upper level ADT customers. Trips and per trip, to active number of patrons, trip frequency, so that's happening across the enterprise, not just in Connecticut.

And then on the flipside of that, the lower end we continue to see declines, which means that we -- well we know that we have customers that moving up in segments, up into the more profitable and higher ADT and we're also losing some of the unprofitable customers in those lower segments, which is an OK thing.

James Kaylor: I assume somewhat by design in some cases?

Tom Burke: Oh absolutely.

James Kaylor: Very good.

Tom Burke: We constantly analyze our reinvestment. And look at the profitability by segment, and sometimes even down to the granular level of the customer.

Mario Kontomerkos: All right, James?

James Kaylor: Yes.

Mario Kontomerkos: Oh, go ahead, James.

James Kaylor: No, I – yes, I just wanted to follow up on Montreign and if you think that is a real competitor if it's sort of been neutralized by prior openings?

Mario Kontomerkos: Yes, we do think that, James. We do think that – we have a saying that you can't lose the same customer twice. And a number of those guests that live in the Westchester market have already been impacted by the opening of Yonkers.

That being said, I do want to mention that our team here in Connecticut has been looking very closely at repositioning significant parts of the gaming floor to other uses – alternative uses, which we're very excited about going forward.

And over time, we're going to have some more detail for you on that. But at the end of the day, the goal is to make the – Connecticut the leading destination in this market and I think we've got a very good plan put in place to do that.

James Kaylor: Very good. In terms of Inspire, so just to clarify, the $94 Million of CapEx next year, that's the full amount? Like that's the 100% consolidated amount? And I guess I just wanted to follow-up on – is your – is Mohegan's equity commitment still the same and do you expect it to stay the same?

Mario Kontomerkos: Yes, James. That is the number – that's the consolidated number. And that is essentially funded already, right? So the original $200 Million of equity that was put into the project would fund that, and, therefore, there is no additional funding anticipated at this time for that amount.

James Kaylor: All right. And then, you expect to be out in the market trying to raise financing next year – project level financing?

Mario Kontomerkos: Yes, I think that's right. Sometime in some of the summer or maybe fall of next year, I think that's right.

James Kaylor: OK. And then, I guess just on MCT or MMCT, can you give us any update in terms of timing and milestones that we should be looking for?

Mario Kontomerkos: Yes. On that project, James, we really – we're just underway with respect to a lot of the processes that are common in new project development. So we're underway with design. We are underway with selection of a project management team.

And as you know, as is typical of a project like this, we're underway with a design process and a costing effort that would probably take somewhere between six or nine months. So that's where we are on that. And once we – once we get to that point, that's the point at which we would expect to undertake a financing effort.

James Kaylor: OK, very good. Thank you.

Mario Kontomerkos: Thank you.

Operator: Our next question comes from Michael Corrayne from SunTrust. Please go ahead.

Michael Corrayne: Hi, congrats on a good quarter. I just wanted to follow-up on the East Windsor question. If – what are the impacts of the – potential impacts on the balance sheet if you guys move forward with East Windsor and what would the timing of that be?

Mario Kontomerkos: Yes, I think the way we're thinking about that, Michael, is that it would be sort of a project level financing. It would be outside of the restricted group. We'd probably contemplate making an investment out of the restricted group into this entity.

The amount of the investment, I don't think we've talked about that in the past. But I think what we're encouraged by, Michael, is the fact that the – based on the – our projected financials and the project cost, we think that the ratio of performance to leverage can be very low and very appealing, such that significant amounts of equity will not be required for this.

And so, obviously we'll work through this over the next few months and have more detail but we don't expect there to be a big investment related to our balance sheet.

Michael Corrayne: All right, that's helpful. Thanks. And then, just lastly I wanted to ask, the October results are already posted on the – on like the state website, is this – could you give us any color on the flat results on October? I noticed they were down year-over-year.

Mario Kontomerkos: The results, they fluctuate, Michael, from month-to-month. I can tell you – for example, I can tell you in Connecticut that they may have been down but they were starting out pretty strong in November, with an increase in the low double-digits. So these things tend to balance out over time.

Michael Corrayne: OK. Thanks, Mario.

Operator: Our next question comes from David Hargraves from Stifel Financial. Please go ahead.

David Hargraves: Hi. I wanted to find – follow-up on the footnotes, it mentions that there are ongoing regulatory matters that you guys took an add-back for. Could you elaborate on that and sort of give us expectation as to when that'll all be wrapped up?

Mario Kontomerkos: Sure. Here's what we can tell you, David. That those – you saw some charges related – some property charges in the release. Those efforts – those are charges that relate to efforts over the last year to investigate and remediate certain control matters at Pocono. Those efforts are largely complete and we do not expect charges of this magnitude to go forward.

David Hargraves: But that $4.9 was cash charge in the quarter?

Mario Kontomerkos: Yes.

David Hargraves: OK. And could you give us a little bit more clarity on the timing of the ilani refinancing and when you expect to get the advances back? I know you said 3x but …

Mario Kontomerkos: Sure. Sure, David. I think a good milestone for you there is that, in the existing credit agreement that's in place, there is a (T plus 50 no-call provision) up that lasts up through December of 2018. So that's sort of your logical starting point as to when the refinancing's can take place.

David Hargraves: Got it. And then, when I look at the Connecticut property, the non-gaming revenue is extremely strong.

I just wonder if maybe you expected a little bit more traction on the gaming revenue side or maybe there's a little bit of a lag, if you could talk about your expectations there or if you think that we should expect to see the gaming revenue pick up and catch up to the non-gaming revenue?

Mario Kontomerkos: Well look, I think that obviously it is – when you talk about Mohegan Sun, it's the highest – one of the highest grossing gaming facilities in the western hemisphere. So we won't – we would not expect double-digit growth on the gaming revenue side.

I do think that there is a significant opportunity, and I know the team here does as well, on the non-gaming revenue side and I think that you're seeing the efforts of that focus right now. So my expectation would be that the non-gaming revenue could grow faster on a percentage basis than gaming.

David Hargraves: And lastly, when – with the East Windsor facility, would that be sharing a database with Mohegan Sun or would that be sort of an independent, standalone property? How would the management oversight look there?

Mario Kontomerkos: From a management perspective I think the two tribes will jointly select a separate management team to operate that property. We think that's the best way to go in this scenario. As far as marketing and database management, I don't think that we are ready to talk about that at this time, but hopefully in the next couple of quarters we'll have more information for you on that.

David Hargraves: OK great thank you.

Mario Kontomerkos: Thank you.

Operator: Our next question comes from Patrick Robb from Brigate Capital. Please go ahead.

Patrick Robb: Hey, Mario and team thanks for taking the question. I think, I just had two pretty quick ones. So one just because you haven't been asked about it yet, but Pennsylvania and obviously the gaming expansion bill there and just sort of wondering how you think through the game theory of – obviously you have a competitor that's kind of outside your radius in Mount Airy and maybe one in Sands Bethlehem as well.

But just how you're thinking about – obviously we're coming up on potentially a pretty quick turnaround for sort of a bidding process for those satellite licenses, whether you – how you think through the potential to try to get one those – obtains one of those licenses, do a project financing to potentially head off another competitor coming into your local market there in the Scranton/Wilkes-Barre area if you think there's even a reasonable location.

But obviously a lot of moving pieces early on, but I at least wanted to get your initial take on things since the turnaround process for when those licenses are apparently going to be bid out is supposed to be pretty quick.

Mario Kontomerkos: Yes, you're right, Patrick a lot of moving parts there. I think I can tell you this, we're monitoring this legislation very closely, we're also monitoring the timing because as you said the expectations, or at least the legislation laid out some timing that is fairly aggressive. We'll see if they can keep that timing.

I think we're looking at this – I think the outcome of this legislation depends or at least the perspective of the legislation depends on the operator.

As we look at the very high level, as we look at the opportunities here to aid us it seems, and this is not going to be anything that's surprising to anybody, is that the opportunities are really in the population centers.

And when you look at our facility, obviously we're located in a somewhat isolated location, which I think is favorable for us. That probably puts us more on the offensive as opposed to on the defensive. And so we'll continue to look at the opportunity in that way and continue to monitor the timing and see if there's something that comes our way.

Patrick Robb: OK so could you put it a little slightly different way, but let's say you have the ability to put something within 25 miles of your own facility like something in the Scranton area that could then maybe head off potential impact from someone else coming in?

I guess I'm just wondering how you – how sort of offensive versus defensive you're positioning yourself or just whether you're not really at liberty to give any additional details at this time?

Mario Kontomerkos: Unfortunately we're not really at liberty to discuss, as you know Patrick there's a bidding process there – a fairly complicated bidding process so I think we'll just keep our comments close to the vest for the time being.

Patrick Robb: OK, got it. The one other one I had is can you give any sort of high level from revenue EBITDA perspective on the corporate line for fiscal 2018? It's because I'm thinking about sort of the puts and takes of obviously – you're getting a full year of ilani now.

It sounds like things are getting better at Atlantic City as well, improving there, so just – can you put any sort of bracketed numbers around it? Is that going to actually be a – could that become a positive EBITDA contributor over time or what's sort of the range we should thinking about just given you have those two? Plus obviously now you're on the management agreement for Tunica – Paragon as well.

Mario Kontomerkos: Pat let us do this, let us get back to you on that. We didn't have guidance prepared on the revenue line item related to corporate, but I think you're right, the big puts and takes are definitely the ilani figure.

We did talk in the prepared remarks earlier about the amount of fee revenues that we generated in the quarter from ilani and that was $3.8 Million and obviously you can do the math on that. We also – I mean that should ramp over time, I think we would expect that to be the case.

We also talked about $1.6 Million in management fees from resorts in the quarter, also about a million from Paragon in the quarter, another half million from social so those are going to be your main items and then we can probably get back to you and provide you more input at another time.

Patrick Robb: OK, yes, that's helpful thanks for taking the questions.

Mario Kontomerkos: Thank you.

Operator: Are next question comes from Dennis Farrell from Wells Fargo. Please go ahead.

Dennis Farrell: Great thank you very much, Mario congratulations on the promotion.

Mario Kontomerkos: Thank you.

Dennis Farrell: Well deserved, I just wanted to touch upon a couple things, I guess one could you just talk about – I know you guys are doing a lot of diversification efforts, M&A seems to be picking up with some prices being paid out there recently, I was wondering what your thoughts are of either monetizing potentially some regional assets in this environment or potentially buying more commercial assets as you cash flow improves?

Mario Kontomerkos: Yes, Dennis that's a good – thank you that's a good question. Look I think as we move forward here I think we've got some very interesting opportunities ahead of us. I think within the portfolio itself, but also externally in terms of development.

And I think we can probably talk to you about that in more detail in the coming months and quarters. I would tell you that at least for the time being, I think there is quite a bit of M&A chatter out there for lack of a better phrase.

You can see from the news reports as well as we can that the multiples that are involved in those are not low and so I think that from our perspective and you know where we have been coming from a strategic perspective for a while in terms of diversification and deleveraging.

I think we will probably continue to forge the path of capital light for the time being and we'll see what opportunities come to us.

Dennis Farrell: OK and then just an industry question. In Atlantic City I saw that the Borgata is going to accelerate their plans to build out a sports book I guess on the expectations of sports betting in New Jersey. I wanted to get your thoughts there.

Mario Kontomerkos: Yes we saw that as well Dennis, we don't have any more color than probably what you've seen on that.

Dennis Farrell: OK and then lastly in regards to the current legislation that's being kicked around, on tax reform, I wanted to get your thoughts about – I'm not sure if you've put any thoughts around this in terms of the impact to your customers in Connecticut on just deductibility and potential hit to revenue – I mean on spend. I just want to get your thoughts there.

Mario Kontomerkos: Yes it's very dependent as you know, there's several bills that are out there, very dependent on the final bill there so we have not really conducted at this point, Dennis an in-depth analysis of how that could affect our guests at this point.

Dennis Farrell: OK. All right thank you very much.

Mario Kontomerkos: Thank you.

Operator: And we have no one else in queue at this time, I'll turn the call back for closing remarks.

Mario Kontomerkos: Well thanks everybody again for your time and we look forward to touching base with you and reporting our fiscal first quarter results in about a couple months' time. Thank you very much.

Operator: Thank you ladies and gentlemen, this does conclude today's conference and you may now disconnect.

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