MOHEGAN GAMING & ENTERTAINMENT

Moderator: Mario Kontomerkos
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Operator: This is conference # 12652339

Operator: Good morning. My name is Christina, and I will be your conference operator today. At this time, I would like to welcome everyone to the First Quarter Fiscal 2018 Earnings Call for Mohegan Gaming and Entertainment.

All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question and answer session. If you would like to ask a question during this time, simply press "star" then the number "one" on your telephone keypad. If you would like to withdraw your question, press the "pound" key.

Thank you. Peter Roberti, Vice President of Finance and Chief Accounting Officer, you may begin.

Peter Roberti: Thank you, Christina, 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.

<u>Mario Kontomerkos:</u>

Thank you, Peter, and good morning everyone. Before we begin I'd like to introduce the participants of today's call. Today we are 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 and I will provide some brief introductory comments. Tom Burke 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 then open up the call for Q&A.

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

<u>Kevin Brown:</u>

Thanks, Mario. Thank you. Good morning, everybody, and thanks for joining today's call. I'm pleased to report another solid set of operating results for our 1st quarter of Fiscal 2018.

This is in large part due to our continued focus on operating efficiently while still keeping track of the importance of providing an incredible guest experience in all the properties that we own and manage. We're also making significant progress on our development pipeline, both on the properties here in Connecticut with our new and nearly complete Expo Center and across the ocean where our Inspire project in Korea is hitting milestones and forming up a highly experienced and professional management team for the long-term.

I'll now let Mario and Tom explain in detail how those operational and developmental successes are creating both near-term and long-term success for Mohegan Gaming and Entertainment. I'll turn it over to the President and CEO of Mohegan Gaming and Entertainment, Mario Kontomerkos.

Mario Kontomerkos

Thank you, Kevin.

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

The MGE team delivered another strong financial performance across the portfolio in the fiscal first quarter, growing year-over-year EBITDA nearly 10%. At our flagship Mohegan Sun in Connecticut, EBITDA grew nearly 13% despite tough comparisons against the prior year.

In Pennsylvania, a continued repositioning of our marketing plan and solid cost containment efforts led to EBITDA margin growth despite lower than normal table hold.

At the *ilani* Casino & Resort just north of Portland, Oregon in the Pacific Northwest, month-over-month metrics continue to climb, portending strong future growth.

While in Atlantic City, Resorts posted approximately 5 straight years of EBITDA growth ending this past December quarter, a truly remarkable achievement in a very competitive environment.

In other words, a great job by each of our leadership teams, all the way around. Tom Burke will provide more details on those performances in a moment.

On the development front, we continue to reposition the Connecticut footprint towards a more even balance of non-gaming and gaming to adapt and to become more resilient in any competitive environment. As you all know, key to this effort will be the opening of the $80M Mohegan Expo Center, on course to open this summer in time for the legendary Barrett Jackson Auto Auction. Early indications are encouraging that the Expo Center will deliver what we expect in terms of non-gaming midweek room-nights, and perhaps even more. Additionally, as the Chairman mentioned, work on Inspire, our South Korea development, continues.

We recently welcomed our first property executive, Andrew Billany, as our Chief Operating Officer of Inspire. Andrew joins us in Korea after 12 years in Macau, most recently as Senior Vice President of Operations at SJM Holdings, and prior to that at Sands China. Welcome Andrew. As for the project, we continue to plan for a groundbreaking and financing sometime during the middle of 2018, once we receive approval for certain key permits, which appear imminent, and continue to target an overall project opening for 2021.

Back in Connecticut, we continue to press forward with our MMCT casino project in East Windsor together with our joint venture partner the Mashantucket Pequot's, despite efforts to delay. Demolition of the existing buildings on site is expected within the next few weeks, and we look forward to providing additional updates next quarter.

So with that, let me turn the call over to Tom Burke, Chief Operating Officer of MGE**,** to provide some of the highlights at both our wholly-owned operating units and our managed properties during the quarter. Tom?

Thomas P. Burke:

Thank you, Mario, and good morning, everyone, and thanks again from all of us for joining the call today. Let's start with:

Mohegan Sun

As you saw in the press release this morning, Net Revenues at Mohegan Sun increased by 1.4% and Adjusted EBITDA increased by 12.8%. The property again achieved several impressive milestones in the quarter:

Gaming revenues were the highest for a fiscal first quarter since 2012, table games win and EBITDA was the 2nd highest of any first quarter since 2008, and EBITDA margin of 28% was our 2nd highest for a first fiscal quarter since 2000.

All of this, despite the challenging year-over-year comparison from last year's 20th Anniversary and all the associated awareness, concerts and events which featured guests like Bruno Mars and Tim McGraw, among others, in October of 2016.

Speaking of concerts, the first quarter was no slouch, with 4 headliners that included two shows by Lady Gaga, a show by Imagine Dragons, Pentatonix, Straight No Chaser, A Perfect Circle, Huey Lewis and the News, Culture Club, The Trans-Siberian Orchestra, two college basketball events, three comedy events including Kevin Hart, 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.

The arena in Connecticut continues to be impressive and ranked globally. In fact, we were ranked 3rd in the US and 4th in the world for our size by both Billboard and Venues Today. Our unrivalled strength in entertainment continues into the current quarter with shows three by Jacky Cheung, referred to as the “God of Songs” in Asia, Kid Rock, Walk the Moon, Little Big Town, The Dropkick Murphys, Rod Stewart, Judas Priest, Alice Cooper, Dancing with the Stars, two basketball tournaments, a Bellator MMA event, and five New England Black Wolves games, our professional indoor lacrosse team, just to mention a few.

Mohegan Sun Pocono

Now as we move on to Mohegan Sun Pocono results.

As you can see, despite a decline in Net Revenues and lower than normal table hold percentage, adjusted EBITDA grew slightly year over year, due in large part to our team’s efforts to reposition Mohegan Sun Pocono as a destination for the avid gamer.

This is evident in the numbers you see as we have reallocated non-gaming comps and certain marketing incentives towards free play for higher ADT gaming guests, driving overall comp revenues and Net Revenues lower but maintaining and growing profitability and EBITDA margins. That is a trade we will take every time.

Managed Properties:

We'll talk for a moment about our managed properties,

Just a few words, on our two managed properties, the *ilani* Resort & Casino north of Portland, Oregon, and Resorts Atlantic City. At *ilani*, we recognized approximately $2.3 Million in fee revenues, which due to one-time end of year accounting adjustments was somewhat lower than the $3 Million quarterly run rate we expect going forward.

We continue to be pleased with the property’s early results and with its rapidly ramping revenue profile as its player database is at over 190,000 in December, up from approximately 160,000 in September, a growth of 19% and continues to grow daily.

Resorts Atlantic City continues to perform well. For the quarter, Net Revenue increased 10.4% and EBITDAM increased 75.5% to $3.1 Million, leading to approximately $504,000 in management fee income for MGE. The most recent quarter represented approximately 5 straight years of EBITDA growth for Resorts, a simply remarkable record of sustained outperformance in one of most challenging operating markets in the country. Congratulations to the entire Resorts team.

Let me now turn the call over to Chris for a brief update on the Balance Sheet.

Christopher Jones

Thank you Tom

- Our Total Leverage Ratio, calculated on a gross basis, was 4.59x, with Total Debt, as defined under the BCF, of $1.71 Billion, declining by $102 Million from the prior year quarter. Our Total Leverage Ratio is the lowest it's been in over 10 years. $35 Million was drawn on our $170 Million revolver as of calendar year-end December 31, 2017.
- After factoring in outstanding Letters of Credit, we had approximately $84.8 Million available for borrowing under our Bank Credit Facility and Line Of Credit as of December 31, 2017.
- Cash and Cash Equivalents at the end of the quarter totaled $113 Million, which included $20.3 Million of excess free cash.

- Liquidity totaled approximately $105.1 Million, net of Bankroll and Restricted Cash at the end of the quarter.
- Distributions to the Tribe totaled $12 Million for the quarter.
- Capital Expenditures totaled $47.8 Million for the quarter, comprised of maintenance capital expenditures of $7.9 Million and $39.9 Million related to the expansion and development, primarily around Expo and Inspire projects.

Now I would like to hand it back to Mario, for his closing statement.

Summary

Mario C. Kontomerkos:
Thank you, Chris.

As you heard from Tom, we continue to drive strong operating momentum across our portfolio of high quality assets. As you heard from Chris, our balance sheet strength has reached a level that it has not reached in approximately 10 years. And with our ongoing development efforts in Connecticut, at ilani, and in Asia, we have a pipeline of profitable unit growth, particularly for a company of our size, which is rarely matched these days in our industry.

Combine all of these with our most important asset, our incredible and dedicated people, who are driven to deliver the unparalleled mix of unmatched guest service, entrepreneurial innovation, and the spirit of hospitality that makes the Mohegan products so special, and you can understand why I am quite optimistic about both the near-term and long-term future of the Mohegan Tribe and for MGE.

With that, I thank you all and I will now turn it over to Christine for Q&A. Christine?

Operator: At this time, I would like to remind everyone in order to ask a question, please press "star" then the number "one" on your telephone keypad.

Your first question comes from Mike Pace from JP Morgan.

Michael Pace: Hi, great. Thank you and good morning. I have a few and I'll just go one at time if that's OK and probably easier but -- I'm curious on Mohegan Sun, the margin improvement year-over-year. Clearly, some of that is just from better hold, and I'm wondering if there's some other cost line items that you think are worth highlighting? We just see consolidated retail entertainment costs coming down. So year-over-year comments there would be helpful.

Mario C. Kontomerkos: I think a couple of factors there, Mike. I think the most important factor is that the team here, I think, is doing an excellent job, I think Tom would agree, at reviewing, constantly evaluating our cost structure across the board. I think that's number one. I think number two, last year we had a very star-studded quarter from an entertainment perspective. And there were some excess costs, I would say, in that quarter that did not recur in this quarter. We had the benefit of that as well. But primarily, I would say that it's driven by the efforts to continue to rationalize and make more efficient our cost structure.

Michael Pace: OK. And then second one has to do with the corporate segments. And I'd just like to specifically focus on corporate revenues; for some reason I just can't seem to model this correctly. When I think about a number put up in the first fiscal quarter here, of the 3.8, comparing that, I understand the year-over-year comparison, but the sequential versus the back half of fiscal '17 -- can you just talk about and maybe think about bottoms up on what's building this number and the seasonal aspect here, too?

Mario C. Kontomerkos: Sure, sure. Let's talk about the quarter-over-quarter change, which I think last quarter, you saw a corporate EBITDA number that was roughly a positive 3. And if I recall, and obviously, now, we're seeing a more normalized number. I think it's important to remember that last quarter, we benefited from a onetime bad debt reversal related to the advances that we have made at Cowlitz, as you may recall, we have made somewhere around the order of \$80 Million or \$90 Million of advances to Cowlitz over the last 10 to 12 years or so. And that's obviously accruing interest. Until the property opened, we had carried a certain bad debt reserve percentage and once the property opened obviously the probability of a repayment of those advances improved substantially.

And so that was the $9.2 Million reserve that we took last quarter. If you were to back that out last quarter, we probably would've been in the, I would say, negative $6 Million, negative $7 Million corporate expense, corporate EBITDA range last quarter, which compares to the corporate EBITDA number that we just posted. So hopefully, that helps explain the -- at least the quarter-over-quarter difference.

Michael Pace: OK. And maybe just back on the ilani, those receivables, can we get an update on the capital structure over at that property and when you might get some of that back?

Mario C. Kontomerkos: Yes. I think we would like to get that capital back as soon as possible. I think that it's essentially a math problem at this point, Mike. We're looking at what it would cost to take out that debt right now, which is as you know has penalties up until December 2018, (T+50). And as soon as it makes economic sense for the Tribe to do so, we will, I'm sure, pull the trigger.

Michael Pace: OK. Just another one on just potential investments, you just mentioned the East Windsor, just to be clear, you have all the required licenses and there were some delays and picks up there. So that's one, two, and a potential opportunities in Pennsylvania that you see? And then three, just a bigger picture question on if and when large assets do come up for sale in the industry, do you look at those and your thought process on that and the latter one is also in the context of recent events that Wynn and Wynn Boston and licenses there. Any context on that will be helpful.

Mario C. Kontomerkos: OK. A couple of things there, let me see if I could take most of these and if others on the room might want to add they can.

With respect to the investment in MMCT, I can tell you that our plan is that most of the equity that will be coming from the partners in MMCT will be made up of the capital that's being spent to date to advance the project. In other words, I don't think that there's going to be a large check written at some point in the future for MMCT. I think most of the equity will be the equity that is ongoing and being spent at the moment.

With respect to Pennsylvania, obviously, there's an auction process there and that's a strategic matter. So there's not much that we can tell you about our participation in that process right now.

With respect to larger assets that are for sale in the United States, here's the best thing I can tell you, Mike, is this. It's the same that we've been saying for a long time. We're obviously interested in assets that make sense and assets where we can provide a competitive advantage and improvement in results. And we are interested in those opportunities on a capital add basis; that has not changed. But to the extent that those types of opportunities come up where we can achieve a return on our invested capital in a very, very rapid time frame, we'll absolutely look at those opportunities. I think it makes sense for us and for obviously for all our stakeholders. With respect to Wynn, all I can tell you is that we're monitoring the situation. I don't think we can say anything more than that.

Operator: Your next question comes from David Farber. Please state your company. Your line is open.

David Farber: Hi, guys, good morning. I wanted to ask a little bit differently on Connecticut and then I had some follow-ups. But I guess with the margins continuing to perform well, I was wondering if maybe you could talk about, if you're doing anything in Connecticut currently to get ready for the competition coming on board and are there specifically things are doing on the call side to position the property for margin, margin growth or for margin to hold in given that? And then I have a follow-up. Thanks.

Thomas P. Burke: This is Tom. Well, needless to say, the improvement that you see in Connecticut continues to be the team's laser focus on everything from expenses. And again, we look at the 2 -- in the industry, the 2 biggest expenses being labor and marketing. And of course, they are very, very focused on the labor aspect and also the efficient use of the marketing. And then to that, you add the fact that the Expo Center is coming online and the mindset that we need to be more than just slot machines and provide the outstanding guest service, which we have. And then provide it to a broader group of cash customers.

David Farber: OK. And then just on Cowlitz. I guess, Mario, or whoever else is this better for, can you update us on the redemption note, how that came to be on the balance sheet, how you think that will get serviced and treated. And then I have a follow-up question on Korea. Thanks.

Mario C. Kontomerkos: So as a reminder, on the Salishan redemption, so in December of 2017, so just a few months ago, we completed a redemption of those shares of Salishan company. Salishan company at the time some 40% owner of Salishan Mohegan. That amount as you can see there, it represents – that $75 Million or so represents the amounts – present value of amounts that are payable over the next 7 years. And those will be paid in fixed payments. Important to note, that that's an unrestricted group liability.

And effectively, David, the amount that we're talking about there should closely mimic or be equivalent to what Salishan would have received had they not been redeemed. So effectively, we should end up roughly in the same place than we were before the transaction. As it relates to how those payments will be serviced, our belief is that incoming payments from management fees, incoming payment from deferred development fees and obviously, the receipts and the reimbursement of those advances, which we said is approaching about $100 Million, will probably be the lion's share, if not all of what repays that liability.

David Farber: Understood. So I guess on a net basis, you're kind of back sounds like where you were prior. Is that the right way to think about it? And with the extent of the receivable note, without potentially go to pay off the redemption note that would just be serviced out of cash flow from the Cowlitz or the Mohegan Salishan entity?

Mario C. Kontomerkos: So I think you're right. Your first question is right. I think we're effectively ending up in the same price that we were. And I think the second question is, I think, I think the note -- it's really – it's a -- there's no interest payments per se related to -- these are fixed payments being made over 7 years. So they'll be paid exactly as we stated before, primarily through all of the income that is coming through Salishan Mohegan.

David Farber: OK. And then on Korea, it seems like the pace of things perhaps have picked up. I just wanted to hear you said something in the prepared remarks, but can you update us on the financing side there? How do you think that would play out through the year? And then just curious if you still expect most of the funding needs at this point to be outside of the Mohegan borrower? And then update us just on the project if I missed any of the questions.

Mario C. Kontomerkos: I think you're right. I think it is picking up. As you can see from the corporate expense line, there are some folks that are coming on, some very important folks that we mentioned in the remarks. We still expect that we should be able to break ground on the project sometime around middle of the year. Financing should happen around the same time and we expect opening to continue to be some time in that ‘20-‘21 time frame. I think at this point, the main thing is that we're waiting on are some key permits, which we noted in our last call. And those appeared to be imminent so we're looking forward to those.

What was your other question, David?

David Farber: Just making sure that the base case is still -- the funding needs at this point are outside the borrower given the equity investment you made prior.

Mario C. Kontomerkos: Yes. I think that is the case. I think that as we get into the details of the financing, we'll have to see -- refinancing is going to be done primarily overseas with Korean lenders. And so we'll have to see one of those lenders are going to be looking for in terms of parent support. Obviously, our position will be as little as possible. But we'll have to see. So at least at this point, the base case is what you say.

Operator: Your next question comes from James Kayler from Bank of America Merrill Lynch.

James Kayler: Maybe just taking a step back and just looking at Connecticut and Pennsylvania. Maybe you could just talk about what you're seeing with -- you said customer strength and behavior as well as the competitive environment. It seems that in Connecticut, the free slot play, ticked up a little bit. I also noticed that table drop was down. So I'm curious what were the puts and takes there.

Thomas P. Burke: Yes, James. It's Tom. I'll take the first half.

Much as we've talked about in these calls previously we continue to see the same trends, which are encouraging. We're seeing growth as each property defines their upper segments because each property is different. But almost completely across the enterprise, we're seeing growth in the upper segments of trip spend, visits, all of those types of things. And the decline that we do see is in the very lowest segments, which either are results of just kind of onetime visits or our deliberate reprioritizing to more profitable segments.

Mario C. Kontomerkos: Yes. And then I'll take the last couple of questions there, James.

On free slot play, actually, we would relay to you that the free slot play environment at Connecticut, I think between both operators it actually looks like the spending was down overall for the quarter, mid-single-digit number. So I think while we may have been up, that might've been more of a timing issue. It may have been related to comparisons related to the 20th anniversary last year, which happened in October. The overall environment looks pretty stable at this point relative to free slot play.

With respect to the table volume, I think you're probably referring to the 4.5% decline in Connecticut and drop. Obviously, table win was up due to the hold. Again, I think we would probably point you there to the 20th anniversary again, which was really engineered to really drive really significant high-end customer-facing events. And we did have quite a bit of high-end play that last year. It probably a sort of anomalous, high-end play during the quarter last year. So I think even though we’re slightly down relative to that number, we still put up a very strong table drop number in the quarter.

James Kayler: OK, very good. Just thinking sort of the next quarter could you give us a sense of what the weather comp was – obviously I know this quarter is the quarter most likely to be impacted by weather.

Tom Burke: Well, the quarter that we're looking at is that -- we didn't see a tremendous effect of weather in Connecticut. However, I will tell you that we did see an impact both at Pocono, which had several weather events and also Resorts, which did indirectly always have a weather event. But the problem is all there feeder areas were affected by weather. Going into January, we're seeing very similar trends, businesswise and volume wise, from previous quarters.

James Kayler: OK. And then could you just give us any color on like the pipeline or against the bookings for the Expo Center? I know, obviously, the auto show or auto auction is a big event. But can you visit us any sort of metrics, are numbers of events you have booked for next year or attendees or anything like that?

Mario C. Kontomerkos: Yes. We could probably give you a lot of data, probably more than you want, James. Let me just say that -- let me just give you some high-level numbers. I think we're very pleased with what we're seeing so far. And we're still, let's say, 6 months out from opening, maybe less. We booked, I would say, including Barrett-Jackson, 5 or 6 major shows that are approximating something like 20,000 room nights already. And as you can imagine, those room nights are going to be primarily midweek and replacing room nights that are primarily getting lower ADT gaming rates. So those are positive traits for us. I think we're pretty excited about that.

In addition, we've also booked major consumer segment shows, right? For the Connecticut Marine Trade Organization is one that we had, I think, made public. That's a very big show, 125,000 square feet. TERIFFICON, which is another one that we had here, last year's going to move into the Expo Center. That's another 125,000 square feet. So I think you could see that we're pretty pleased with the pace of bookings and this is obviously 5 or 6 months before we even open. And as you know, most of these bookings in this type of business are long lead-type items. And as you go on and as the property stabilizes, it'll get stronger and stronger. So I think as an early indication, we're pretty pleased.

James Kayler: Very good. Just one sort of strategic or structural question, would you ever think about doing a transaction with a REIT in Pennsylvania? It’s not just that Connecticut would be difficult, but Pennsylvania is obviously a commercial asset. And would you think about doing a transaction there to recycle the capital?

Mario C. Kontomerkos: I guess, we think about a lot of things, James. I don't think though that's something there's any need for or any thought to do with at this time.

Operator: Your next question comes from Mike Crane.

Mike Crane: Mike Crane from SunTrust. I just wanted to follow up (Mike's previous question about the corporate segment) and I appreciate the additional color you gave about reserve reversal, which impacted expenses in the corporate. But could you talk a little bit more about the revenue line in corporate? And what the changes where there sequentially? It was 6.8 in the September quarter and 3.8 in December. I'm just trying to figure out how to model it going forward.

Mario C. Kontomerkos: Yes. Mike, I don't have all the detail for you about the last quarter's corporate revenue. But what I can tell you is that this quarter's corporate revenue was depressed slightly by some – as we mentioned in our remarks – some onetime end-of-the-year adjustments, accounting at ilani. I think we booked something like $1.4 Million of management fees at ilani for the quarter. I think that's going to be closer to $3 Million or more going forward in a quarterly basis. So that's going to account for some of the difference that you're looking at.

Operator: Again, if you would like to ask a question, please press "star" then the number "one" on your telephone keypad.

Your next question comes from Dennis Farrell from Wells Fargo.

Dennis Farrell: Thank you very much. Mario, I was wondering if you could just give us more detail in Pennsylvania. I know you mentioned strategically, you can only say so many things. But I guess hypothetically, if you were to bid on a satellite casino in Pennsylvania, would that be in or outside of the credit?

Mario C. Kontomerkos: Dennis, it's a very hypothetical question. I don't think, we can, given the environment and given that this is an ongoing process -- I don't think that we can -- unfortunately, we would like to give you more information but I don't think we can answer that.

Dennis Farrell: OK. Secondly, I saw same reports. I'm just wondering how many municipalities around Scranton, Pocono Down area have the ability to host a satellite casino?

Mario C. Kontomerkos: We're just talking here in the room, Dennis. I think the main thing is obviously, there's a 25-mile buffer area. And I think less focusing on the municipalities (that are opting in and out) -- I think more important is the -- are the demographics of those areas, right? And whether an operator would be interested in putting facilities in those areas? I think the demographic -- Pocono is really in a great spot when you think about it. They’ve got most of the population that is in northeastern Pennsylvania is within 50 miles of them, right? So it doesn’t -- a rational operator and I stress rational -- should not think there are other areas outside of Pocono, outside of that 25-mile radius that would be attractive. And that's sort of the assumption.

Dennis Farrell: Right. OK, and then in regards to Catskills. Obviously, it opens next week. I know you do pull some play from New York. And I was just kind of wondering what type of impact do you think for outside of -- impact in Connecticut, I'm just wondering if you think that’ll be much of an impact on the Pocono property?

Mario C. Kontomerkos: Very little, very little, Dennis. Like I say, 80% of that business comes from 50 miles. You can run those concentric circles and you can see there's not going to be very much overlap at all. Maybe 5% or less of Pocono's business comes from the New York area. So we don't think there's going to be very much impact on either property.

Dennis Farrell: OK. Just moving to Korea for a second, as of right now, how much equity has the whole group as the whole put in thus far into the total project cost?

Mario C. Kontomerkos: $100 Million. And that was done in November of 2015.

Dennis Farrell: OK. And has the total development cost changed at all?

Mario C. Kontomerkos: I'll just clarify it for you. That was just our share. Our partner's share was the other $100 Million. So $200 Million total.

Dennis Farrell: OK. And your expected development costs, have they remained the same or...?

Mario C. Kontomerkos: When you say development costs?

Dennis Farrell: The total project cost.

Mario C. Kontomerkos: Yes, remains the same. That's right.

Dennis Farrell: OK. All right, and then just to wrap it up. In Connecticut, I know you said we will get more details on the Windsor opportunity. I was just wondering has the government opined on the off-reservation issue. I'm not sure if I missed that or not.

And then also, I know you want to get that up and running as soon as possible. Just wanted to get a thought on if everything kind of did go to plan, what would be the earliest you potentially could have something up and running there?

Kevin P. Brown: This is Kevin Brown. There are 2 layers of that government question. Here, locally, the state of Connecticut, as you know, is signed up and believes this is the right thing to do for both of the tribes as well as the state of Connecticut. At the federal level, as I think everyone is very aware, there's a bit of obfuscation in that the federal government simply had to judge in one way or another whether over amendments to the compact affected our gaming compact for the state of Connecticut. And really, all we have been asking federal government to do through a mandamus mandating them to publish it in the federal register is do exactly that. And instead right now, there is some confusion and gray area as to why the federal government has not ruled after the 45-day window that it was allotted and has not published in the federal register.

We are all awaiting the results of the current court case. That is, again, a mandamus case telling the federal government to simply do what it is they're obliged to do. In the meantime, we are on track for demolition at the end of the month of February on the site of the current existing structure there and we're moving forward with our contractors and signing PLAs and getting everything lined up to execute the project.

Dennis Farrell: OK. And the ideal scope is that there will be slots and tables or was it just slots if I remember?

Kevin P. Brown: Both, yes. Slots and tables.

Operator: Again, if you would like to ask a question, please press “star” then the number “one” on your telephone keypad.

And there are no further questions at this time.

Mario C. Kontomerkos: OK. Well, thanks, everybody. Thanks for joining our call. And we look forward to touching base and reporting our next quarter's results in about 3 months’ time. Thank you very much.

Operator: This concludes today's conference call. You may now disconnect.

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