

The Indiana Casino Gaming News

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Aztar unveils new entertainment

Hundreds of people flocked to the Evansville riverfront last month for the unveiling of Casino Aztar's two newest attractions: Blush Ultra-Lounge & Tapas Bar and Le Merigot, Evansville's first boutique hotel.

The grand opening, December 28, attracted everyone from local government officials and business leaders to state and national elected figures. All were treated to an evening inside Blush – Evansville's first Ultra-Lounge, bringing "the hottest in Vegas nightclubs to the Evansville riverfront."

The new venues round out Phase One of The District at Casino Aztar, a new entertainment destination aimed at bringing a younger crowd to Downtown Evansville. The first phase included Jillian's Billiards Club – with everything from billiards and bowling to a video arcade and traditional American menu – and Ri Ra's Irish Pub, which already has become a favorite lunch spot for the Downtown business crowd.

Le Merigot, which officials describe as a "coolly



Left: Jim Brown and other VIPs cut the ribbon.

Below: A room at Le Merigot



sophisticated, intimate and pampered getaway" for the discerning traveler, is a 100-room boutique hotel. Each room comes equipped with two flat-screen LCD televisions, imported Italian linens, and showers with body sprays and overhead rainmakers.

Guests also are treated to Starbucks Coffee in their rooms each morning, newspa-

pers delivered to their doorsteps, and many other amenities. Three- and four-bay suites also are available, offering a panoramic view of the city's riverfront – and an even more pampered experience.

Meanwhile, Blush Ultra-Lounge & Tapas Bar is being described as an "urban chic" hangout, the first of its kind in Southwestern Indiana. With a 30-foot bar, a sushi bar, and hip music and lighting, the Ultra-Lounge aims for an ambience of titillation.

Overall, The District at Casino Aztar represents a \$40 million investment in Downtown Evansville. It is now completely open to the public.

Indiana, Kentucky to take chances on gambling legislation

With a new year – and new legislative sessions – beginning this month, lawmakers in Indiana and Kentucky are preparing to take a look at expanded gaming.

In Indiana, where several forms of gambling already are legal, groups like the Indiana Licensed Beverage Association are pushing to legalize "Cherry Masters" (slot machines). No such bill is

expected to be introduced in 2007—instead, legislators will look into commissioning a study of those machines. The study would look at the effect of Cherry Masters in bars, restaurants, and fraternal organizations, and could lead to actual legislation in future years.

Two other bills, have been filed in Indiana, though. The first would allow 2,500 slot machines each at Indiana's

two racetracks. The second also would allow slots at racetracks, but only 1,500 each; at the same time two other off-track locations would each receive 1,500 additional slot machines, bringing the statewide total to 6,000.

Meanwhile, across the Ohio River, legislators in Kentucky already have pre-filed several bills that would legalize gambling, including one that

would allow operating casinos at horse tracks.

But with several groups jockeying for position on a major surplus, and with education and taxation issues on the docket, at least one lawmaker expects the gambling issue to see little attention.

"I really don't see a lot of momentum on that issue," said State Sen. Dan Kelly, a Republican from

In casino competition, Indiana wins

You may have noticed that, in just about every issue of our newsletter lately, we've had an article about possible competition.



Last year, it was all about Ohio, and whether voters there would pass a referendum on expanded gaming. Now, with that issue defeated at the polls, we're back to looking at the legislatures - specifically in Kentucky and here in Indiana, both of which are looking at bills that would expand gaming (see article on P. 1).

So how are Indiana's casinos preparing to deal with the inevitable competition (after all, these issues can't fail EVERY year ... can they)? By offering the best product in the area - something we have now, and are constantly improving.

That's one of the reasons why, among Indiana's first 10 casinos, we are seeing a staggering \$1.2 billion in investment over the next couple years. This number doesn't even include the brand new French Lick Resort & Casino, a \$385 million project that opened in November.

This is Indiana's existing casinos investing in their communities. It's Harrah's putting \$485 million into a new boat for Horseshoe Casino and millions in renovations at Caesars Indiana. It's Argosy Casino building a new, \$310 million riverboat.

And it's Casino Aztar creating a \$40 million Entertainment District in Downtown Evansville, bringing restaurants and clubs that are firsts for the community.

All that, and it doesn't even include the lake-front investment being considered at Majestic Star.

Each of these investments, which come without the benefit of tax credits or state incentive packages, plays a significant role in its community's economic development. Every new casino endeavor creates more gaming tax dollars for the state; they create tax dollars for local communities, and new jobs for residents.

By improving our product, Indiana's casinos are attracting more visitors to our communities, and creating more business for local entrepreneurs.

And that's why, in playing the casino game, the people of Indiana always win.



In Brief...

Sinbad returns to area to play Horseshoe

A packed house of Horseshoe VIPs received a treat recently, when noted actor/comedian/motivational speaker Sinbad came to visit the casino.

The funnyman did an hour-long set in Horseshoe's Marina Theater, entertaining guests with jokes about the Midwest weather, politics, and the dangers of raising teenage children.

"I haven't been back to this area properly in years," Sinbad said, in thanking Horseshoe's marketing team for the chance to perform in front of hundreds of guests. "I love this area - I'm originally from Michigan."

For the last several years, Sinbad has been doing radio, television shows, and - in his own words - telling funny, "clean" jokes. As for what he's been doing lately?

"Just enjoying life."

That, and focusing on the success of his production company, Afros & Bellbottoms.

Several hundred people attended Sinbad's performance at Horseshoe, and many with the company had a chance to meet the famous comedian.

As it did onstage, his charming, easygoing demeanor came out instantly - which is likely why his show was a tremendous

If you missed our December newsletter ...

Then, actually, you didn't miss anything at all.

After some deliberation, the Casino Association of Indiana decided to forego a December issue this year, in favor of respecting the already-sizable pile of mail streaming into many of your offices during the holiday season.

That's why you'll find much of our holiday content in this month's issue. Along with our usual news stories, we hope you'll enjoy the back page, with photos of our casinos staying busy over the holidays.

So, as always, enjoy ... and, although it's a bit late, have a



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Admission and Wagering Taxes

| | |
|-----------------------------|----|
| Admission Tax, December '06 | \$ |
| 7,089,791 | |
| Wagering Tax, December '06 | \$ |
| 69,237,568 | |
| Admission Tax, Fiscal YTD | |
| \$ 41,480,271 | |
| Wagering Tax, Fiscal YTD | |
| \$321,417,518 | |

Deal under way to shift control of Harrah's

For the second time in the last six months, a major company with casino interests in Indiana has been sold.

Harrah's Entertainment, Inc., announced last month that it has entered into "a definitive agreement" with affiliates of Texas Pacific Group (TPG) and Apollo Management, LP. The agreement would turn over control of Harrah's to the two companies for a purchase price of \$27.8 billion, including the assumption of about \$10.7 billion in debt.

The Harrah's Board of Directors already has approved the deal, and is recommending that stockholders do the same.

"In Apollo and TPG, we will have owners who share our vision for Harrah's, are fully supportive of our current strategy and are committed to helping us execute on it," Gary Loveman, Harrah's chairman, chief executive officer and president said in a prepared statement. "This will be a change in ownership, not a change in direction."

The move, which

affects ownership of Horseshoe Casino and Caesars Indiana, comes mere months after the announcement that Aztar Corp. – owner of Casino Aztar – would be purchased by Columbia Sussex.

That transaction recently received final approval, and the merger is expected to be completed this March.

In the Harrah's deal, company stockholders will receive \$90 in cash for each outstanding Harrah's share. That represents a premium of about 36% above the stock's closing price the day before this offer was made public.

If approved, the transaction would be completed in about one year, after being subject to stockholder approval, regulatory approvals, and customary closing conditions. It is not subject to a financing condition.

For now, though, officials sound optimistic about the deal.

"Harrah's management team and its 85,000 talented employees look forward to working with Apollo and TPG as the company

BIG HAPPENINGS AT HORSESHOE



Officials at Horseshoe broke ground this month for their new casino, a \$485 million project that will expand its gaming capacity.



A Hammond domestic violence shelter got a boost this holiday season, when it was adopted by Horseshoe Casino.

The 18 children housed at Haven House all received gifts this season, courtesy of the H.E.R.O. program at Horseshoe. The group held an employee toy drive, which brought in more than \$2,000 worth of toys and gifts for the children.

In addition, the shelter received a \$2,500 check from Horseshoe. That donation will go toward purchasing necessities for the women and children that are currently

Argosy Casino celebrates 10 years of business and progress

Along with its holiday celebration, Argosy Casino in Lawrenceburg had another cause to party last month.

December marked the 10-year anniversary of Argosy, which opened its doors in Lawrenceburg in December 1996. Of course, over that time, the casino has evolved quite a bit – in fact, anyone who was there on opening day likely wouldn't recognize the current facility.

Argosy Casino opened in 1996 on a leased riverboat casino at a temporary dock, and has since evolved into a 4,000-capacity riverboat casino for customers to visit 24 hours a day. But even as the doors opened on its first day, construction was already under way a mile upriver at the site where the permanent casino and pavilion complex is now currently located.

The Argosy VI, a 408-foot long floating casino with a capacity of 4,000 passengers and 400-member crew, arrived in the fall of 1997. The Argosy Pavilion was completed in December 1997, and the operation moved to its permanent site. The 300-room Argosy Hotel opened in May 1998.

Argosy celebrated its 10th anniversary by honoring

employees who have been with the company since day one, as well as offering patrons exciting events and promotions. Within the staff of 2,000, more than 200 have been with the company for 10 years or more. Plus, more than 40,000 patrons are still active today.

So along with a belated Happy Holidays from the Casino Association, we also wish a Happy Anniversary to

Casinos help make holidays happy!



Above: Argosy Casino “decked the halls” this holiday season, decorating their lobby with trees and tinsel to usher in the holiday spirit!

Left: Employees at Resorts East Chicago took part in a Holiday Feeding Program, helping the Salvation Army serve those in need at Thanksgiving.



Right: Two girls show off the gifts they received as part of a Majestic Star holiday event.



Indiana’s casinos were active this holiday season, helping make the holidays brighter for Hoosiers in need!



Above: Joe Quinn of Majestic Star Casino hands out gifts at a holiday event.

Left: The Resorts East Chicago Angel Tree is surrounded by gifts for the Salvation Army’s Angel Tag program, giving gifts to 136 needy children in East Chicago.