

Mohegan Tribal Gaming Authority

Moderator: Peter Roberti

May 2, 2013

10:00 a.m. ET

Operator: Good morning. My name is Natalie and I will be your conference operator today. At this time, I would like to welcome everyone to the Second Quarter Fiscal 2013 Earning Conference Call. 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.

Mr. Peter Roberti, Vice President of Finance, you may begin your conference.

Peter Roberti: Thank you Natalie and good morning everyone. Thank you for joining our call this morning. Today we issued a press release on our operating results for our second fiscal quarter ending March 31, 2013. Release is available on our website www.mtga.com. I would like to remind you that our comments today may contain forward-looking statements protected by the safe harbor provisions of the Private Securities Litigation Reform Act. Such forward-looking statements are only predictions and actual results or events may differ materially from those predictions.

Risk and uncertainties associated with these forward-looking statements are more fully described in today's press release in our filings with the SEC, including our reports on Form 10-K and 10-Q. The forward-looking statements made during today's call represent the authority's current outlook only as of today's date and the authority undertakes no obligations to update or supplement any forward-looking statements.

Today's conference call may also include discussions of non-GAAP financial measures. A reconciliation of these non-GAAP measures to the most directly comparable GAAP measures are included in today's press release. This call and replay is a property of Mohegan Tribal Gaming Authority. It's not for rebroadcast or for any use by any other person without the consent of the Mohegan Tribal Gaming Authority. If you do not agree to these terms, please disconnect now. By remaining on the line, you agree to be bound by these terms.

With that said, I would like to turn the call over to Mario Kontomerkos, Chief Financial Officer of Mohegan Tribal Gaming Authority.

Mario Kontomerkos: Thanks, Peter and good morning, everyone.

Before we begin, I'd like to introduce the participants of today's call. We have with us Bruce Bozsum, the Chairman of the MTGA management board. From MTGA, we have Mitchell Etess, our CEO and Peter Roberti, who you just heard, our Vice President of Finance. From Mohegan Sun, we have President and CEO, Bobby Soper and from Mohegan Sun at Pocono Downs, we have Mike Bean, our President and General Manager in Pennsylvania. In addition, we have a number of others in the room who are available to answer any questions you may have.

As usual Bruce will give some introductory comments followed by Mitchell who will briefly discuss our operating results for the last quarter. I will then provide you with a brief overview of balance sheet matters after which I will open up the call for Q&A.

So with that, I'll turn the call over to the Chairman of the Mohegan Tribe and the MTGA management board Bruce Bozsum. Bruce?

Bruce Bozsum: Thank you, Mario. First I want to welcome you to the spring of 2013. While nature is again emerging from a dark, cold winter I believe that MTGA is doing the same thing after more than four years of a shrinking economy and increased competition. We are seeing positive signs in the economy that are translating into a stabilization of our gaming revenues and the new hotel at

Pocono Downs will not only be a new and exciting amenity for our guests but will also increase the revenue of that property.

The quarterly information that will be discussed with you today may initially seem disappointing as a number of our key operating results have declined in comparison to the same quarter last year. However, when you peel back the onion you get a much different perspective on our results. Overall trends are improving. For example, slots decline by only one in a quarter percent in March at Mohegan Sun after the disastrous February due to two major snow storms affecting our markets which resulted in gaming declines of almost 20 percent in February as compared to the same quarter the previous year.

So if we can finally have a quarter without a major snow storm or without a hurricane or some other negative event I believe we are on the right track for a more positive and profitable future. One final note before I turn the program over to Mitchell. When I mentioned disappointment in our current results, it is because we are a premier gaming operation in the U.S. Disappointment is when we do not improve our results period over period but I have been following the earning results of all the major gaming companies over the last two years and I'm proud of the fact that even during these difficult times MTGA continues to report positive earnings while many of the others are reporting losses.

Thanks for listening today and I will now turn it over to Mitchell Etes.

Mitchell Etes: Thank you, Bruce and hello, everybody again and thank you for joining and thank you for all of your support in general. I hope there's no doubt this is a very interesting quarter. The reason for that is what Dogs just mentioned. It's a powerful winter storm that developed here on Friday, February 8th and produced heavy snowfall over a large region, from New Jersey and up to New York, Eastern New England, all the way up to Maine and Ontario.

This became known as the Historic Blizzard of 2013 and wreaked havoc on the entire North East. Certain parts of Connecticut had as much as 40 inches of snow. Once again large portions of our primary markets were without power. Hurricane forced winds were recorded and in Boston they

experienced a storm surge of 4.2 feet. It's fourth largest in history. State governors declared states of emergency in all states in New England and New York. In Connecticut travel was prohibited for at least 36 hours and really travel of any kind was impossible.

Mario didn't even make it out of his house for days. In addition, we had a very mild winter the prior year quarter making our year-over-year comparisons even more difficult. However a deeper look at our number, so the slot revenues in March were only down 1.25 percent as Bruce told you. Slot revenue declines in April were also more moderate and our revenues exceeded our expectations. So we are feeling somewhat better about the trends. Consequently we're really quite pleased with the results of the quarter. On a consolidated basis adjusted EBITDA totaled \$77.9 million, an 8.4 percent decrease from the prior year quarter. While net revenues totaled \$325.7 million, a 7.3 percent decrease from the prior year quarter.

We estimated that consolidated net revenues and EBITDA were negatively impacted by approximately \$11 million and \$6.7 million respectively due to the unfavorable weather conditions and the blizzard. So on a normalized basis we estimated consolidated net revenue would have been approximately \$339.5 million or down with 4 percent or EBITDA would have been approximately \$86.3 million or essentially flat with a prior year quarter. We believe our results continue to be impacted by the weak economic environment and although the rise in stock market has been somewhat encouraging to some of our guests, some are still dealing with the recent increase in payroll taxes and impact on their discretionary spending.

In addition in Pennsylvania we believe results were impacted by the recent increase in local property taxes and construction disruption is associated with the hotel and convention center expansion. And I will add a little more color on that item a little later. However, we continue to implement next big cost savings initiatives designed to improve efficiency and profitability at both Mohegan Sun and Mohegan Sun at Pocono Downs.

And we remain confident. We will benefit significantly from these efforts in the future. In Connecticut, Mohegan Sun's Adjusted EBITDA was \$70.1

million for the quarter, while revenue totaled \$252.7 million. Despite these trends the EBITDA margin in Connecticut increased at 27.7 percent for the quarter, compared to 27.2 for the prior year quarter. We estimated net revenues and EBITDA in Connecticut were negatively impacted by approximately \$9.5 million and \$6.3 million respectively due to the blizzard and the poor weather.

Table games revenues in Connecticut declined by a modest 2.8 percent to \$73.8 million. Revenues did benefit somewhat from higher hold percentage which offset the reduction in table drop. Slot revenues declined by 10 percent to \$145 million for the quarter. I indicated earlier we believe our business volumes were significantly impacted by the blizzard. And it happened on a weekend and it wasn't just any weekend. Bon Jovi was set to kick off their tour that Saturday night. This was the keystone event in our whole February marketing calendar.

Now the show itself was canceled and only ancillary activities that went along with it. Now the Bon Jovi did put on a free show for anybody who was here in the afternoon, has been scheduled for October but the weekend was lost. The decline in slot revenues also reflects a weak economic environment along with higher payroll taxes as it is impact on discretionary spending. With that being said I know that some of our declines continue to be strategic and self-inflicted as we strive to improve profitability.

With respect to operating cost and expenses our management teams and employees continue to do an outstanding job as evidenced by 7.8 percent reduction in operating cost and expenses at Mohegan Sun. The team Mohegan Sun is continuously working towards identifying and implementing our cost saving initiatives. I mentioned previously it's a very structured environment that Mario's team works closely with Bobby and the whole team and I sit down as well.

To that end, we raised our guidance on expected cost savings at Mohegan Sun to at least 25 million (from 20 million) for fiscal 2013. Guest service scores has remained either flat or increased slightly. Hotel revenues were negative or relatively flat compared to the prior year quarter while occupancy remains

strong. Retail, entertainment and other revenues are relatively flat compared to prior year quarter. Our programming at the Mohegan Sun arena continues to be strong. Shows during the quarter included Pink, Maroon 5, Matchbox 20, Kenny Chesney and Jason Aldean just to name a few.

Our upcoming program is equally amazing. With shows like Bob Seger here on Saturday night, Rush, Barry Manilow, Mötley Crüe, Kevin James, Sting, Eagle, Beyonce and Bruno Mars all scheduled for the upcoming months. In addition the WNBA season is upon us and as always it will be a significant driver of volumes to the property. This year we also selected WNBA All-Star game and the new league deal with the ESPN will be quite beneficial to us.

During the quarter we also announced an exciting new amenity here at Mohegan Sun. Well, lot of things happening but we're very excited that Virgil's Real Barbeque will be joining our restaurant line-up very soon up on the upper shops -- upper level of the concourse right next to The Lansdowne Irish Pub & Music House which has really been a fantastic amenity for us. Revenue trends at Mohegan Sun in March and April have improved markedly when compared to January and February.

These trends combined with realization of savings from our cost saving initiatives should position us very, very well moving forward. In Pennsylvania Mohegan Sun at Pocono Downs adjusted EBITDA was \$13.6 million a decline of 8 percent. Well, net revenues totaled \$72.6 million, a decline of 7 percent. EBITDA margin decreased modestly to 18.8 percent for the prior year quarter compared to 19 percent.

Slot revenues decline 8.1 percent to \$54.9 million while table games revenue were down 5.1 percent to \$9.3 million. We believe the results in Pennsylvania were impacted by weak economic environment due in part to the recent increase in payroll and property taxes. The municipality in that whole region need to be struggling with a lot fiscal challenges in raising taxes. We also believe that we had some weather impact down in Pennsylvania and some disruption from our hotel and convention center expansion.

We know there's construction disruption because when we dig in to the declines we can see that they're really steep towards the weekends and that's when the Valet parking which has been introduced to the construction is most valuable and people have, you know, seen they can't get Valet park and we believe that is costing us trips because that's what we're seeing in the numbers. So we're very confident that when hotel comes online not only we'll benefit from the EBITDA from the hotel rooms but the parking back in the normal and things will really be positively impacted by that.

Also, like Connecticut some of the volume declines in Pennsylvania are strategic and self-inflicted efforts to increase profitability. However, the recent revenue trends in Pennsylvania in March, the Pocono Downs team implemented a number of cost savings initiative. As a result EBITDA and EBITDA margin in March were the highest in Mohegan Sun at Pocono Downs' history. As mentioned in our press release we estimate that annual labor in operating cost savings will be at least \$7 million.

Mike and his team have done an excellent job managing operating cost and expenses while maintaining superior guest service. Project Sunlight is progressing well, it is on time and it's on budget. We recently had the topping off ceremony down there and announced that the project will also include now a spa and salon, Spa Sapphire, which will be privately owned and operated, which will encompass - 4,000 square feet of five star services. We're excitingly waiting the completion of the project in the fall as it will complement our existing offerings and drive visitation to Mohegan Sun at Pocono Downs and we really round up that property.

Down in Resorts in the Atlantic City, we continue to make amazing progress in improving that property. Some of the projects that are scheduled to be completed by Memorial Day include the 5 O' Clock Somewhere Bar with adjacent table games, on the Casino Floor - the LandShark Bar & Grill which is actually on the beach. It's incredible. The Margaritaville-theme slot area, the Margaritaville cafe itself, the Margaritaville coffee shop which is similar to a Starbucks concept with completed renovations on the beach tower, 259 rooms, really quite lovely bathroom have been done there that really were

needed. And it's a great addition, gives us a great number of hotel rooms there.

Well we have new VIP Lounges, Casino Floor carpets have been changed. The property is spectacular really right now and it's going to be great by Memorial Day weekend when everything opens. The only thing left to be completed will be the food court which will open in July. All the employees have gone through Mohegan Sun's service training and initial patron feedback and feedback has been very, very positive. We have a big marketing campaign develop that's going to start shortly and run through the summer to build the database starting with Memorial Day and June 15th grand opening weekend which we're going to feature a big free concert on a beach outside of resort.

So it's going to be a really spectacular happening and we're really excited about the summer there. In Massachusetts as we mentioned in our previous quarter's call we have partnered with Brigade Capital Management and submitted RFA1 application for the Western Massachusetts license. Now we continue to be sure we offer the best solution for the Commonwealth in terms of driving revenue and succeeding in their goal to bring gaming to Massachusetts and we are eager for that process to continue.

In Pennsylvania we have partnered with Market East Associates, to pursue the Foxwood's license, interestingly enough, where we'll operate the gaming entertainment portions of the proposed urban entertainment center that's been developed in Center City known as Market Eight. This also is an incredible location. I really don't think anything like this exist anywhere as close as it is to all the amazing attractions there right in downtown Philadelphia and channel station options available.

Another awesome option for the Commonwealth of Pennsylvania we're eager for that to proceed as well. As far as the hotel here in Connecticut honestly we'd hoped to be able to tell you we were down and beginning construction by this call but it's taking a little more time as we continue to try to make it best deal possible but I can assure you Mario remains focus driving his team

towards bringing that together as quickly as possible as we know that we have a significant need for additional hotel rooms here in Connecticut.

In closing I'd like to say that our results for the quarter were very encouraging given the blizzard in February. We're also very optimistic about the recent revenue trends in Connecticut. We'll continue to execute our cost savings initiative at Mohegan Sun and Mohegan Sun at Pocono Downs in a prudent manner. Our management team and employees remain focused on driving efficiencies and profitability while maintaining the excellent guest service, product in hostile experience that has Mohegan Sun and Mohegan Sun at Pocono Downs what they are today as mere gaming and entertainment destinations.

And with that I will turn it over to Mario Kontomerkos for more details.

Mario Kontomerkos: Thank you, Mitchell. I'll now give you a brief update regarding certain balance sheet related items. For the quarter ended March 31, 2013, Mohegan Tribal Gaming Authority was in compliance with all of its covenants. The total leverage was 5.2 times. For the purposes of the bank credit facility which, subtracts relinquishment payment from adjusted EBITDA total leverage was 6.21 times against the covenant of 7.00 times. As many of you know with the expiration of the relinquishment agreement, now only 19 months away, we believe in more conventional calculation is appropriate for us as a measure of leverage going forward. Senior credit facility leverage was 1.27 times and for the purposes of bank credit facility this ratio was 1.52 times against the covenant of 1.75 times. And our first lien leverage was 1.99 times. Again for the purposes of bank credit facility, that ratio was 2.38 times compared to a covenant of 2.75 times.

Total debt was \$1.69 billion. No amounts were drawn on our \$75 million revolver as of March 31, 2013. After factoring in outstanding Letters of Credit and restricted covenants, we had approximately \$60.2 million available for borrowing under our Bank Credit Facility as of March 31, 2013. Cash in cash equivalents at the end of the quarter totaled \$87.1 million. Liquidity totaled approximately \$80.5 million net of bankroll on restricted cash.

Distributions to the Tribe totaled \$10 million for the quarter and are forecasted the total \$50 million for the fiscal 2013.

Capital expenditures totaled \$10.9 million for the quarter comprising primarily of Project Sunlight, that's the hotel expenditures and maintenance capital expenditures at both Mohegan Sun and Mohegan Sun at Pocono Downs. And capital expenditures are forecasted to be \$77.7 million for the fiscal 2013 of which \$41.9 million is Project Sunlight.

The remainder is mainly comprised of maintenance capital expenditures at Mohegan Sun. So having said all of that, at this point I'll turn it back to Natalie for Q&A.

Operator: And at this time, if you would like to ask a question, please press star then the number one on your telephone keypad. Our first question comes from the line of James Kayler, Bank of America Merrill Lynch.

James Kayler: Hey, guys, how you doing?

Mario Kontomerkos: Hi, James.

Mitchell Etess: Hi, James.

James Kayler: Very good work on the call very encouraging to see. I guess, maybe just start with I guess, we usually with, can you just give us a little sense for the -- your sense for the underlying customer strength, how much of an impact did tax increases having and also the sequester on any of the you know military related businesses in Connecticut?

Mario Kontomerkos: Listen, I think it's certainly having an impact. I think we saw most of that impact, James, last year as a lot of those issues were really coming to the forefront of the consumers psyche. I mean it was basically on the news in one form or another every day. That with respect and that in addition to the fiscal cliff and the uncertainty around the election I think really impacted our numbers last year. I think some of that have subsided. It is fair to say now and I think as you look into our figures in March and April you will start to see that our figures in Connecticut are starting to moderate nicely.

Mitchell Etes: I think now it's probably, it's out of the worry. What you're seeing is the impact of the actual money that they don't have.

James Kayler: Got you, very good. I saw in the release, you obviously have a \$25 million across in Connecticut and incremental \$7 million in Pennsylvania. I guess I'm just trying to get a sense through what are the main components of those cost savings and then I mean it does seem like, in fact, you're actually out more cost then, I guess, I'm trying to get a sense for where you think you stand in sort of the cost saving process and how much incremental that could be?

Mitchell Etes: Yes. I mean Pocono Downs, it was a combination of labor of scheduling, of going in and looking at every single contract that they had. And Mike, I know if you want elaborate on any more specific nature down at Pocono Downs.

Mike Bean: Sure. Sure. I'd be glad to. We had -- the primary component included consolidation of some operating areas and the associates' fixed and variable labor. We also -- we adjusted our variable labor to our business volumes and then, you know, probably the final primary component included, you know, reducing our outsource services and taking on and leveraging a lot of that stuff internally. And so both our gaming and non-gaming service repair maintenance items were able to realize some savings on. I'm on other things but those I would say are the primary components.

James Kayler: OK. Bobby?

Bobby Soper: Yes. Similarly, you know, there's a long list of items. I would say the top two; one is obviously labor from all the changes that were made at the end of last fiscal year. We're seeing the flow-through from those savings. And secondly I think we've got a lot smarter without marketing data and what we've done is we pulled back a lot of reinvestment in unprofitable customers. And we see that especially in the Asian segment with our Asian Bus program and so I think it's the focus on how we allocate these marketing dollars.

We're spending about the same, maybe a little less but we're generating a lot more profit from those marketing dollars. So I would say that really makes up

the big chunk of the cost savings is, you know, how we're using on marketing dollars across labor.

James Kayler: Very good. Mario I guess for you, you guys laid up the revenue impacted thought from weather in pretty good detail. Do you have an estimate on what like the flow-through would have been? I mean, did you have an estimate what we think your EBITDA, sort of, could have been without the major snowstorm?

Mario Kontomerkos: Yes. I can give you -- I can give you that Connecticut one. The Connecticut impact on revenues was, \$9.5 million and the EBITDA impact is probably a 60 percent to 70 percent flow-through, James...

James Kayler: OK.

Mario Kontomerkos: ...given our tax rates. So you're probably looking at least \$6 million of impact there just from that one storm.

James Kayler: All right, very good. I guess just finally on two strategic things, can you give us any update on Cowlitz and you mentioned the Hotel Tower in Connecticut but just wondering if you have any updates on that process.

Mario Kontomerkos: Yes Cowlitz, there are -- there have been some developments in the quarter and basically in March, the judge overseeing that case dismissed few cases challenging the Cowlitz land-in-trust decision. She also directed in that at the same time that the Department of the Interior issue a new decision on the land-in-trust within 60 days. And so that 60-day period started about a month and half ago. So in about two weeks it will be over and we're following these developments very closely.

James Kayler: OK. So, on, I guess, just, on that, I guess, what are the potential outcomes within 60 days or within two weeks the Department of Interior either reissues in which case I guess where does it go from there and if the Department of Interior does not reissue then what happens after that?

Mario Kontomerkos: You know, it's hard to tell at this point, James. We think it's maybe likely that Department of the Interior reissues the land-in-trust decision as they have

before at least once or twice. We don't think that they've changed their view and then at that point there would be a 30-day comment period and then, you know, we'll see what happens from there.

James Kayler: OK, pretty good. Anything on the hotel in Connecticut?

Mario Kontomerkos: Yes. I mean, other than what Mitchell already mentioned in his remarks I think, listen, we made very good progress during the quarter on a lot of different things there. Obviously it's still pushing ahead on this. I think what we're trying to do is take a little bit more time to explore some lower cost alternatives with respect to construction cost and financing. So, that's really where we are on that but continuing to push ahead very hard on this.

James Kayler: Great. Thank you.

Operator: Your next question comes from the line of David Farber, Credit Suisse.

Mario Kontomerkos: Hey, David.

David Farber: Hi. A number of my questions have already been answered and asked. I appreciate the caller on the storm. That was helpful. I guess I just have two questions. One is can you just sort of talk a little bit about, I mean, you did in the comments in the beginning but trends you've mentioned from March and April and sort of how you see that playing out versus where you saw in January and February because it sounded like your suggestion has been slight improvement if not more, material improvement in more recent weeks. I'm just trying to get a sense for that. Then I have a follow-up from there.

Mitchell Etes: Yes. I mean, we know again in March we were only down 1.25 percent. April, like, I can't give you actual number yet but it is closer to that number than what we've been -- than what we've been seeing in the previous months. So we're starting to feel like it's --starting to feel like the, what we call out to the expansion at Aqueduct, so we're starting to feel like, we're starting to see it's flattening out to some extent. So that's kind of what we're seeing.

You know, I think we could feel like April and May is, kind of, a resetting. It's kind of trend. Obviously, like probably like more than two months. So

lately but we're really just looking at the numbers and the way people are reacting, we're starting to feel like we're getting closer to flat vs. 9 percent and 11 percent decreases every month, we have been seeing and I feel like it's coming along. And I hope that's, I don't know if that's, you know...

Mario Kontomerkos: I think that...

Mitchell Etess: Yes.

Mario Kontomerkos: I think that sounds right.

David Farber: I got it. No. That's helpful. And then just curious to hear you guys' thoughts in sort of a capital markets, how you guys see that playing out given the capital structure and have you thought about that at all with respect to any of the -- any of the debt that you guys have currently and then that's it for me. Thanks.

Mario Kontomerkos: Well, David, I think we're definitely aware of the strength in the capital markets recently. We're out there and we're following all the same things that you are and listen we're always evaluating different measures to try to improve our capital structure at all times. And you know particularly given that a much of our capital structure today is callable. So I think the answer is you know we're always evaluating potential opportunistic measures.

David Farber: Understood. OK. Thank you.

Operator: As a reminder to ask a question press star one. Your next question comes from the line of John Maxwell with Jefferies.

John Maxwell: Hey Bobby, if I look at the Connecticut property you continue to shrink the slot base there. Is that getting to a point where you're comfortable with the demand now or do you still you take, you know, more slots out and then also the same topic in Pennsylvania, I think I remember you can't reduce the slot count there for some reason but if you can remind me on that that's be great.

Bobby Soper: Yes. On the first question we do feel like, right now we're in an optimal level. It doesn't mean we don't tweak, you know, our slot mix and which may

include a handful slots here and there but we're seeing at fairly optimal levels right now and I think that's a reflection of what Mitchell referenced earlier on stabilization demand at the property especially as it relates to slots. So I don't anticipate until there is a perhaps more dramatic events like new competition in Massachusetts or something like that, that will see any major changes with our slot count.

In regards to Pennsylvania and Mike you can -- you're welcome to chime in but there is a minimum number they have there but I think it's 1,500. So I don't think there is -- I don't think that's going to dictate, you know, any decision making for them. I think they have room. If they need to alter their slot mix, slot count based on demand.

Mike Bean: We have the -- we have the room and the capability to increase it upward down. You may be thinking about, you know, the rule that says, "You can't decrease in order to add table games." But we're not going to be in that situation particularly with the hotel coming online. You know we believe we have some capacity for the hotel. So we're certainly at this point not looking at reducing, you know, the number of slot machines out here in PA.

John Maxwell: OK. Thanks. And then as it relates to table games rolling out, it had in Rhode Island this summer. Do you guys have any plans to address or you just, kind of, let that play its natural course?

Mitchell Etess: Well, you want to go?

Bobby Soper: Yes. I mean, you know, clearly we're anticipating it. We are preparing for it. You know, we certainly don't want to divulge out specific strategies but needless to say we have an appreciation where we could be impacted in regards to our existing database and, you know, we will be ready. We will be ready.

Mitchell Etess: I think it's important to realize and then, you know, table games in Rhode Island is, Rhode Island is, you know, is really small percentage of our rated play and there's already a lot of table game options between there and here.

So, you know, but nonetheless we're not just going to sit back and not prepare but it's not a huge -- it's not a huge chunk of market share.

John Maxwell: Sure. OK. That's what I thought. Then Mario once you -- I assume that the stub piece of 6 and 1/8's was taken out. Did you do anything else with any of the other smaller amounts of outstanding under any of the debt issues?

Mario Kontomerkos: You're correct in that stub and we did not do anything else on any of the others.

John Maxwell: OK. All right, great. That's all I have. Thanks, guys.

Mario Kontomerkos: No problem.

Operator: Your next question comes from the line of Susan Berlinger with JP Morgan.

Susan Berlinger: Hi. Good morning.

Mario Kontomerkos: Hi, Sue.

Susan Berlinger: So just a couple of questions from me, can you update as if there is any timing change with regards to licensing granted in Massachusetts or in Philadelphia?

Mitchell Etes: I don't know if anything about Philadelphia; had any changes. In Massachusetts there have been changes but not really affecting when they'll agree, when they'll issue the licenses. What they've now done is pushed up the deadline for the RFA 2 portion to December 3rd and so that as oppose to December 31st, so they're giving a little more time to get everything in. But they have not -- I have not heard if they have pushed up the deadline for announcing which is the end of February of 2014.

Susan Berlinger: OK. Great. And can you tell us what -- I guess what EBITDA you've made from resorts during the quarter?

Mario Kontomerkos: Yes. The fees were about \$250,000, Sue.

Susan Berlinger: OK. Great. And then Mario, can you update -- I didn't see the actual amount of the relinquishment agreement in the press release. I just want to make sure I was correct on that.

Mario Kontomerkos: The remaining liability?

Susan Berlinger: Yes.

Mario Kontomerkos: That will -- why don't you give us a few seconds here, Sue, and we will see if we can track that down for you.

Susan Berlinger: OK. And then one way, you guys are just looking for that number, I know you talked about, you know, seeing some improvement in April. Is that at both properties and if there are any change in spend or frequencies?

Bobby Soper: Certainly here at Mohegan Sun, you know, what we've disclosed in March, you know, the positive trends continue in April and you know we feel pretty good about that. The one thing I would note is that February was due to the weather when we actually had good weather which wasn't on many of the weekends, the trend actually started to be fairly positive, you know, in February. It's just unfortunately they're masked by the significant amount of weather impact.

Mario Kontomerkos: And Sue just that we did manage to get that number for you. It is \$95 million; the relinquishment liability today.

Susan Berlinger: OK, great. And just one I'm just not sure if I got, did you say that the CAPEX during the quarter was \$10.9 million?

Mario Kontomerkos: CAPEX in the quarter; CAPEX was \$10.9 million.

Susan Berlinger: And one last from me; restricted cash for the Pocono Hotel, how much is remaining?

Mario Kontomerkos: How much restricted cash?

Peter Roberti: Approximately \$20 million.

Mario Kontomerkos: OK.

Susan Berlinger: OK. Thank you.

Mario Kontomerkos: Sure thing.

Operator: As a reminder to ask a question press star one. Your next question comes from the line of Dennis Farrell with Wells Fargo Securities.

Dennis Farrell: Good morning, everyone. I was just wondering your neighbors have announced an agreement for an online venture. I was wondering if you've made any progress there, one and then two, I was wondering if you could give us an update on potentially what might happen in New Jersey in terms of online and also looks like you're eligible potentially under the bill in Pennsylvania to have an online gaming license there, two if it does pass under that current legislation?

Mario Kontomerkos: Yes. I think that's true and Mike, you can probably speak to what's going on in Pennsylvania little bit better than I can.

Mike Bean: Sure. Right now, they're spending legislation and, you know, that was looking at that would allow 15 single operators to have you know internet gaming license. And so you know we're monitoring that as progress. I don't have much more on that.

Mario Kontomerkos: OK. And in Connecticut, Dennis, I think, listen, we the Mohegan Tribe here has always taken I think a leadership role with respect to its peers whether they're tribal or commercial across the country in moving this type of thing forward and I think we've proven that. We launched in at the beginning of March, our Mohegan Sun poker site and it's been with relatively little effort, it's been a very successful so far over 5,000 registered players in just over a month. So we're actually pretty excited about that and we're going to continue to add features and amenities to that site to make it better and better.

With respect to New Jersey I think listen we're very excited about that legislation and we're in a lot of close discussions with the majority partner there to help them come up with a solution that I think is going to make them

very, very competitive in that state and obviously we're both going to participate in that venture. So we're doing a lot of work on our gaming as we speak.

Dennis Farrell: OK, great. And then in regards to management agreement opportunities so it sounds like you've done a nice job at Resorts, in terms of refreshing the property. Is there any other available opportunities nationwide?

Mitchell Etess: There is a few things that we're looking at now. MGA team spends a lot of time working on Philadelphia and Massachusetts. So in addition to that we do have one or two other things that we're kind of actively working on. So I would say the answer is yes. And no imminent announcements though but there is a lot of activity.

Dennis Farrell: Thank you.

Operator: As a reminder to ask a question press star one. You have a question from the line of Kevin Coin with Goldman Sachs.

Mitchell Etess: Kevin?

Kevin Coin: Hi, can you hear me? Sorry.

Mitchell Etess: We can hear you, yes.

Kevin Coin: Most of my questions have been answered but -- and I know we tend to ask this question every quarter but can you remind us of the breakdown geographically the visitation to Connecticut including Rhode Island?

Mario Kontomerkos: Yes. I think Kevin it's over 50 percent from Connecticut. It's approximately 20 percent, little over 20 percent from New York. It's about 18 percent. I think, we said, from Massachusetts and I think from Rhode Island it's 4 percent.

Kevin Coin: Great. Thank you very much.

Mario Kontomerkos: Thank you.

Operator: You have no further question.

Mario Kontomerkos: OK. Well, thank you all again for listening in and we will speak to you in another quarter's time. Thanks.

Operator: Ladies and gentlemen, this does conclude today's conference call. You may now disconnect.

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