

WALL STREET PERSPECTIVE

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Innovation Capital
Investment Bankers

Jefferies 

The logo for Jefferies, featuring the word "Jefferies" in a bold, black, serif font. To the right is a red square containing a white heraldic lion rampant.

THE WALL STREET PERSPECTIVE

What do financial analysts want to see in small companies? Companies familiar to all attendees will be in the spotlight during this session as Wall Street looks at the competitors.



THE WALL STREET PERSPECTIVE

David Berman

CIBC Managing Director, Group Head – Gaming, Lodging, Leisure

Mr. Berman has over 16 years of investment banking experience, including 10 years focused on the gaming industry. Prior to joining CIBC in 1997, Mr. Berman managed the gaming and leisure investment banking group at Oppenheimer & Co., Inc.

Mr. Berman covers the traditional and Native American casino, pari mutuel, gaming equipment and lottery sectors as well as the lodging, leisure and travel services sectors. He has assisted clients in raising over \$30 billion of capital and advised on strategic transactions representing in excess of \$10 billion.

Mr. Berman earned a B.S. in Business Administration with a concentration in Finance from USC and an M.B.A from Harvard Business School.



THE WALL STREET PERSPECTIVE

Aimee Marcel

Jefferies & Co., Inc. – Vice President of Equity Research

Ms. Marcel has been with Jefferies for 5 years and currently provides equity coverage of the gaming equipment suppliers in addition to working on the equity and high-yield coverage of the casino operators with Larry Klatzkin.

In both 2004 and 2005 the Jefferies Gaming Team was ranked by Forbes for their earnings estimation and stock picking abilities. In addition, Ms. Marcel was named one of the “Top 25 People to Watch” by Global Gaming Business magazine in 2004.

Ms. Marcel earned a B.A. in Business Economics with an Accounting minor from Providence College.



THE WALL STREET PERSPECTIVE

Matt Sodl

Innovation Capital President, Managing Director and Co-Founder
As Managing Director and Co-Founder of Innovation Capital, Mr. Sodl has more than 10 years of investment banking experience in covering the gaming, leisure and hospitality industries.

Mr. Sodl's client base includes public and private gaming operators, Native American entities, management groups, equipment manufacturers and private investor groups. In aggregate, Mr. Sodl has been involved in financing transactions over \$15 billion and acquisition transactions over \$8.5 billion.

Mr. Sodl earned a B.A. in Economics from Columbia University and an M.B.A from The Anderson School at UCLA.



THE WALL STREET PERSPECTIVE

- State of the racing industry
- Investment returns on racing vs. VLT facilities?
 - win/slot/day
 - Margins
 - ROI in casinos v. racinos
- Need for capex on the racing side.
- Facility design (separate or combined facilities)
- Crossover in racing/gaming customer
- Tax rates... what is the right methodology?

THE WALL STREET PERSPECTIVE

–How do internet wagering & other forms of entertainment affect racetracks/slots?

–Adding hotel & amenities, is it really worth it?

–What other states are looking into slots at race tracks?

Florida

Michigan

Ohio

Kentucky

Maryland

Texas

–New jurisdictions, how states are learning from each other?

–Pennsylvania racetracks...

- can PA operate 60,000 slots (the max allotted)
- Will PA cannibalize Atlantic City?
- Will PA slots cause West Virginia racinos to get table games?
 - Will this change the racino model?
 - Other New States



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