2011 Media Process and Recommendation for Luxor and Mirage

Media Highlights

- How does Media relate to Marketing?
  - Based on the Marketing strategies, we find the consumer and create the most effective and efficient media plan to get your message in the hands of all potential guests
    - Research tools
    - Partnerships
    - Internal data
      - Corporate and Property
- What do we do for our properties?
  - Corporate negotiations- group rates
    - Overall savings for the company
      - On average we are able to negotiate a savings of 50-70% off rate card
        - LVM rate card $7340, MGM contracted rate $2033- 73% off rate card
  - Defend against cannibalization- markets and mediums
    - Timing, placements, separation

2011 Media Considerations

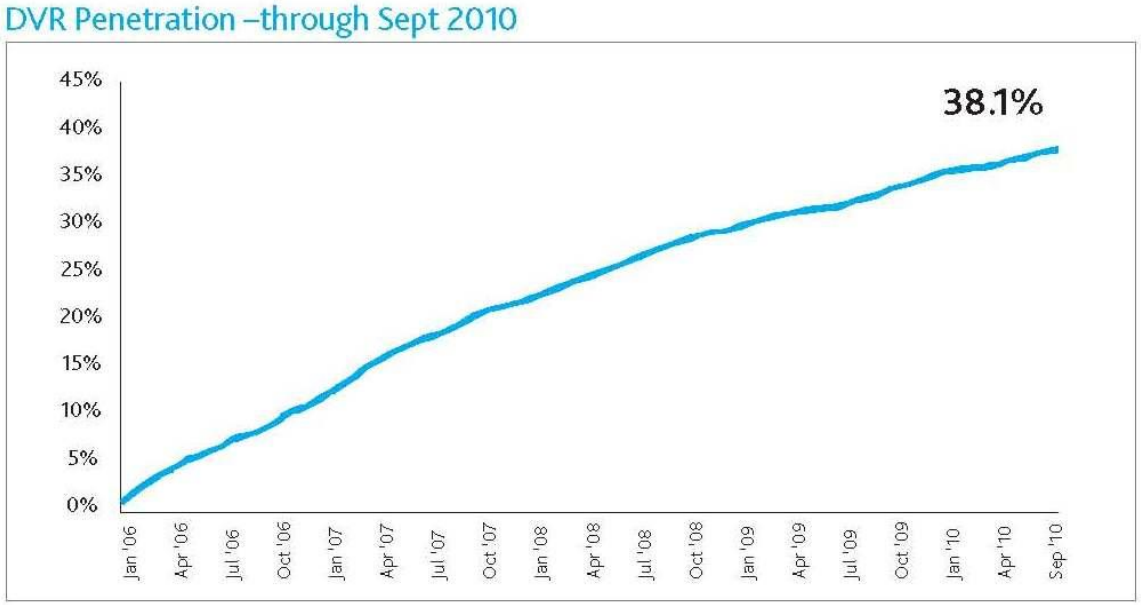
- Opportunities
  - Olympics
  - Metro and CC Traffic
- Concerns
  - Political
  - OOH and I-15
  - McCarran Airport
- 2011 Planning Rates
  - Broadcast
  - Print
    - Local
    - National
  - OOH

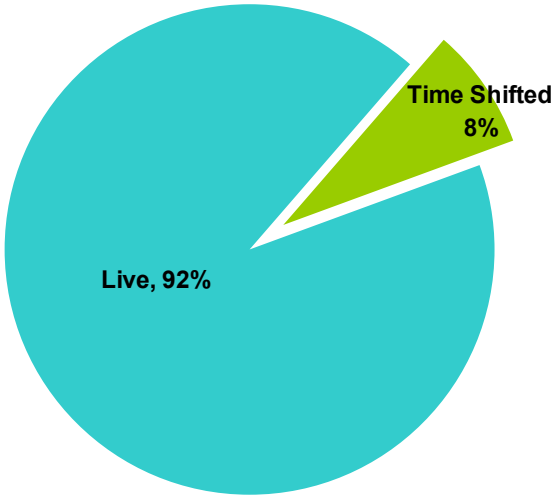
Consumer & Media Trends- Broadcast

- DVR
  - 38.1% (4,368,139)of all U.S. TV Households own a DVR
  - 70% of DVR viewers time shift an average of only 6 hours of programming per week
    - Primetime is the most time shifted programming
    - Sports & News least time shifted
  - 60% of DVR HH's fast forward through commercials; of those, 58% pay attention to the ads
  - Playback lifts commercial ratings by 44% amongst Adults 18-49 after three days
    - Adult viewers 18-49 DVR playback adds 16% to commercial ratings after three days
  - In May 2010, the average rating for a primetime commercial minute among persons age 18-49 in DVR households rose from 1.54 in live viewing to 2.21 three days later –a 44% lift

**Source: Nielsen 2010 State of the Media,* Forrester's Consumer Technographics Online Study

Consumer & Media Trends- Broadcast





*Source: *Nielsen 2010 State of the Media,* Forrester's Consumer Technographics Online Study

Consumer & Media Trends- Broadcast

- SiriusXM Radio
  - 20.6 million Sirius subscribers spend 2 hours and 45 minutes in their vehicle per day
    - 71% of that time is spent listening to SiriusXM
    - The other 29% of the time is spent on terrestrial radio or mobile devices
  - Commercial time of 8 minutes per hour across SiriusXM channels vs. 15+ minutes per hour on terrestrial radio
  - Demographic
    - 58% Male/42% Female
    - Average Age 46
    - Average HHI $102,316

Arbitron, SiriusXM Audience Study, Q4 2009

**Source: Scarborough USA Plus-Release 2 2010, Base: A25-49, Arbitron, SiriusXM Audience Study Q4 2009*

SiriusXM Market Penetration

MARKET	POPULATION	SXM LISTENERS	(%)
LOS ANGELES	16,373,645	1,720,990	(10.51%)
SAN FRANCISCO	7,092,596	689,033	(9.71%)
NEW YORK	21,361,797	3,186,038	(14.91%)
PHOENIX	3,251,876	494,180	(15.20%)
SAN DIEGO	2,813,833	348,014	(12.37%)
CHICAGO	9,312,255	1,073,896	(11.53%)
WASHINGTON	7,538,385	1,588,020	(21.07%)
DENVER	2,449,054	446,053	(18.21%)
LAS VEGAS	1,408,250	327,663	(23.27%)
SEATTLE	3,604,165	400,989	(11.13%)
DALLAS	5,346,119	878,997	(16.44%)
BOSTON	5,715,698	803,592	(14.06%)
HOUSTON	4,815,122	783,439	(16.27%)
SALT LAKE CITY	1,454,259	184,718	(12.70%)
ATLANTA	4,548,344	760,141	(16.71%)

**Source: Scarborough USA Plus-Release 2 2010, Base: A25-49, Arbitron, SiriusXM Audience Study Q4 2009*

Consumer & Media Trends- Print

- Local
  - Tourist Audit
    - Conducted two times per year
      - Strategy
        - Focus on distribution
        - How does the consumer relate
      - Outcome
        - Mid year changes, new opportunities
        - Next year planning
- National
  - Importance of running
    - Events and PR
    - Added Value- online
    - Are people reading?
      - Yes, the average per day is 12 minutes
        - QR Codes
        - More engagement with online

Consumer & Media Trends - iPad

- The iPad Marketplace
  - Apple released the first iPad in April 2010, and sold 3 million devices in 80 days
    - 14.8 million iPads sold in 2010
  - More than 15 million iPads have been sold since the release of iPad 2
  - Apple is expected to sell 37.9 million iPads in 2011
    - 63% of the market share

28.7
Million sold through Q3 2011

183
% Growth YOY

64
Countries the iPad is available in.

- Top media consumed on the iPad:
  - Web browsing & e-mail make up over 25% of table usage
  - Apps (games, etc.) contribute to 40% of tablet use
  - Followed by:
    - Social Network sites
    - Watching movies and videos
    - Reading news

*Source: WIRED Magazine + Apple; Reporting based on Apple's fiscal year

Consumer & Media Trends- Out of Home

- EYES ON Ratings
  - Weekly impressions vs. traffic patterns
    - More accurate knowledge of who sees the boards
    - Will include demographic information
    - Includes static outdoor boards and bus shelters
    - In 2011 will include mobile billboards
- Local Market Challenges and Opportunities
  - Sound Wall I-15
    - Lamar
    - Clear Channel

Consumer & Media Trends- Out of Home

- Feeder Market Moratorium
  - Los Angeles – The moratorium granted a 5 year stay for outdoor companies. During this "stay" they were allowed to add additional boards, wallscapes and superscapes with permission from California State and local governments. In 2010 the "stay" was removed and all structures that did not have prior legal permits had to be removed. Over 350 billboards and wallscapes were removed after this time.
  - Estimated Increase
    - A 6-7% increase is expected for 2011 on OOH
    - Airport panels will increase by 10-12% due to closing of MGM Resorts store

LVCVA YTD Updates

- Clark County gaming revenue is up nearly +5.8%
- Gaming revenue on the Las Vegas Strip has an increase of over +8.5%.
  - Visitation is up +5.1%
  - ADR up +10.1%
  - Average Daily Auto Traffic is up +.08%
- The LVCVA has proposed a 24 week broadcast recommendation that will be flighted out starting Q1-Q3 of 2011. They plan on focusing on key feeder markets such as LA, PHX, and SD.

**Sources: Las Vegas Convention and Visitors Authority; McCarran International Airport; Nevada Department of Transportation (NDOT); Nevada Gaming Control Board*

McCarran YTD Updates

ARRIVING & DEPARTING PASSENGERS
YEAR-TO-DATE (YTD) TOTAL

2011 YTD	2010 YTD	PERCENT CHANGE
20.351.328	19.613.828	3.8

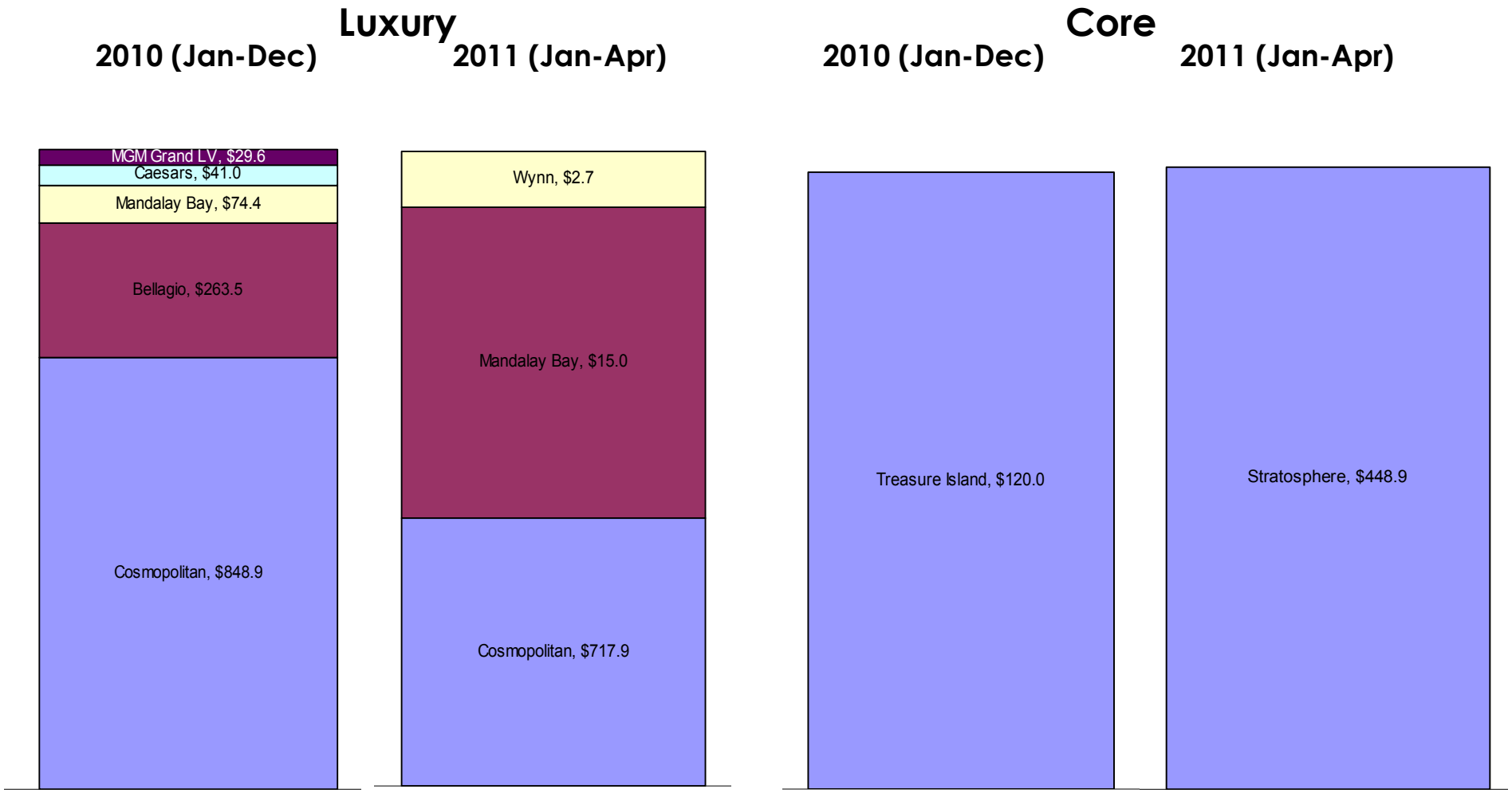
- Passengers at McCarran were up over **+3.8%**
- Top Carriers
  - Southwest
  - Delta
  - US Airways
  - American
  - Allegiant
- The growth rate still falls 17% short of the 555,000 seats coming into and out of McCarran during the peak in 2007, but the air seat forecast is increasing month to month

**Source: McCarran Airport*

Competitive Methodology

- Kantar Media offers a range of media insights and audience measurement services through the analysis of print, radio, TV, internet, cinema, mobile, social media, and outdoor worldwide.
- Kantar evaluates each medium and tracks details of each ad (length, size, type, etc.) that is viewed
- Media rates are obtained from either the publication or rate cards that are publicly accessible
- *Please note: all competitive data that is being reported should be used as a guideline

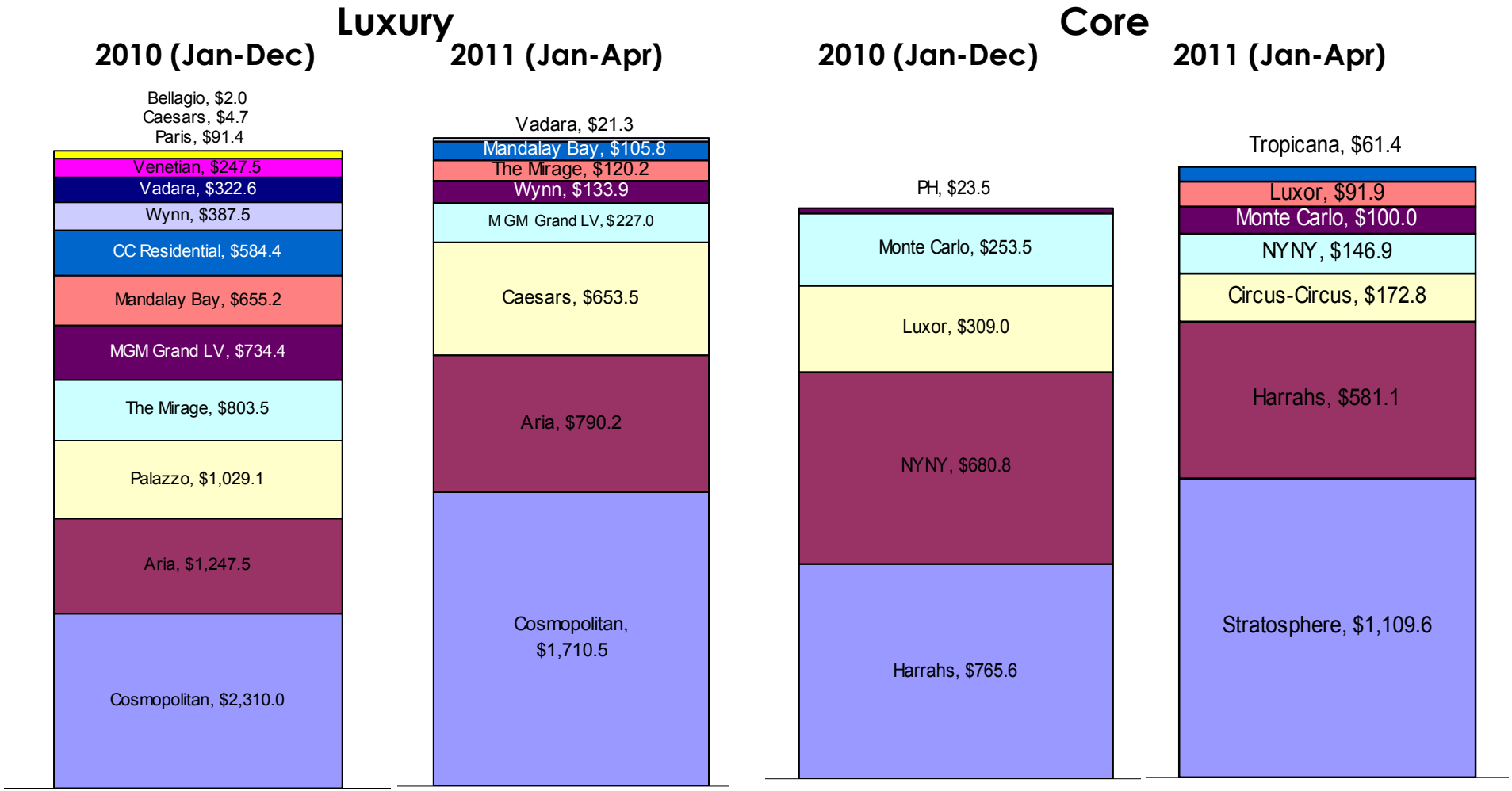
National



Mediums include: National Newspaper, National Spot Radio, Network Radio, Network TV

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

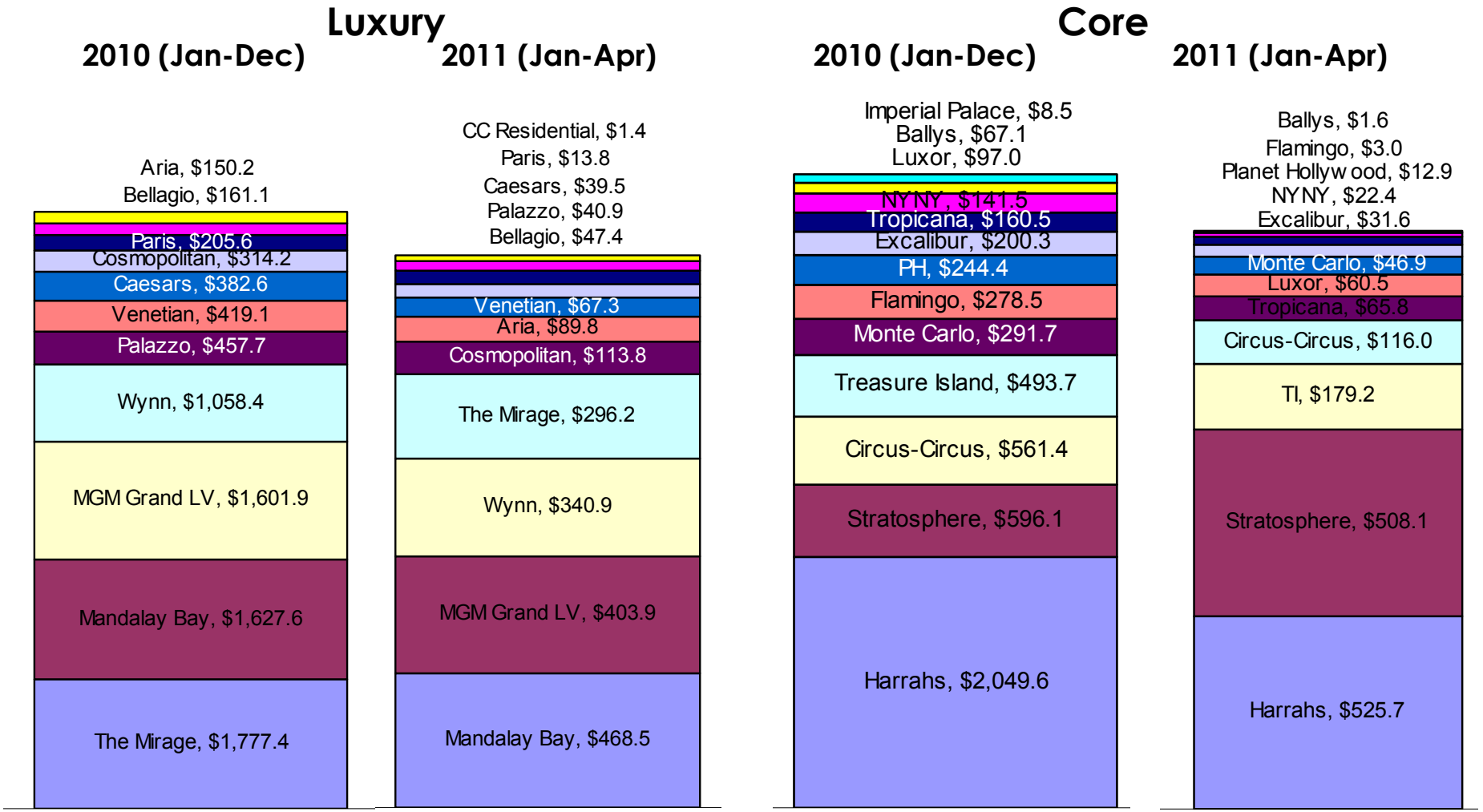
Los Angeles



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

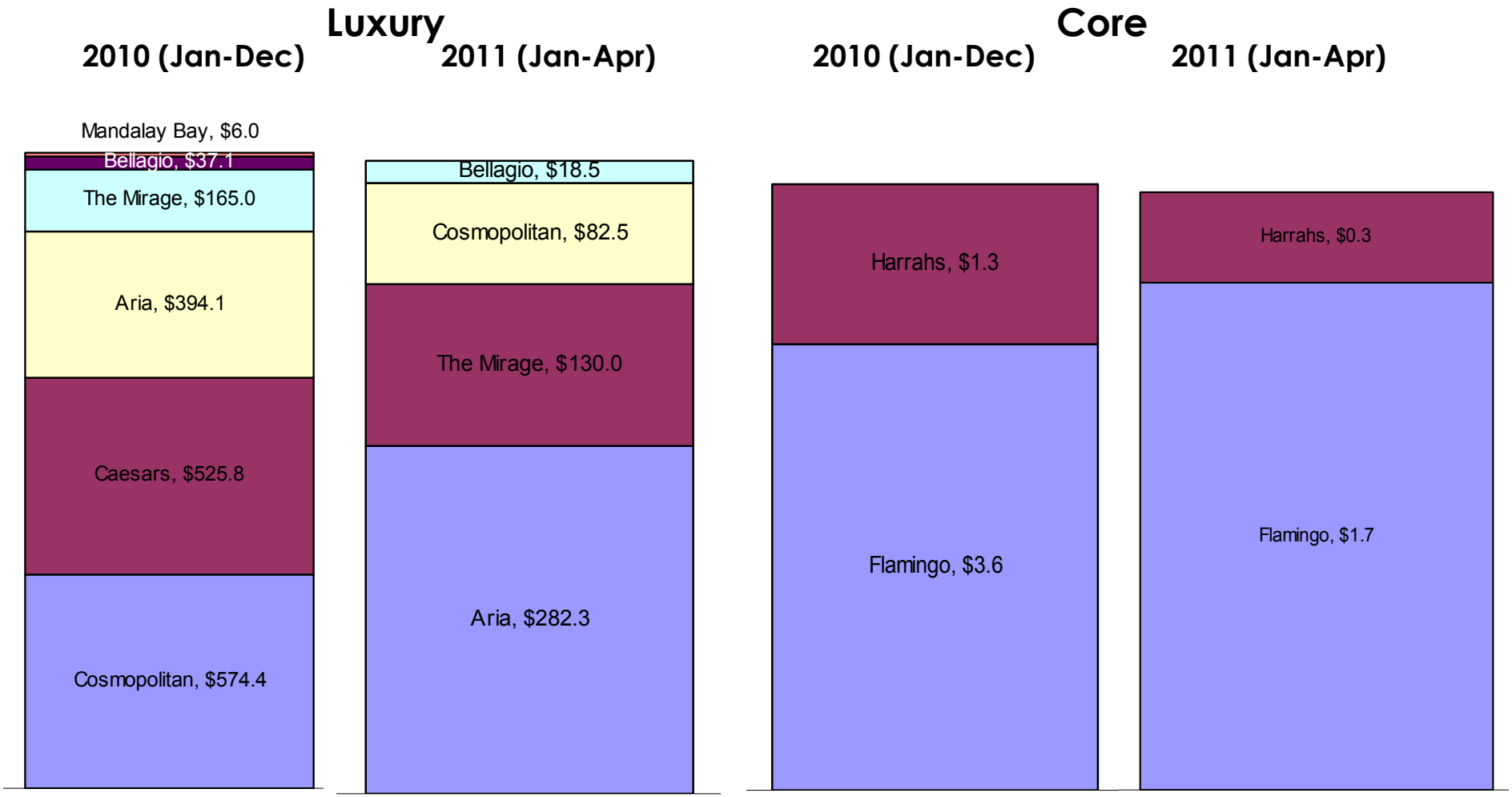
Las Vegas



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

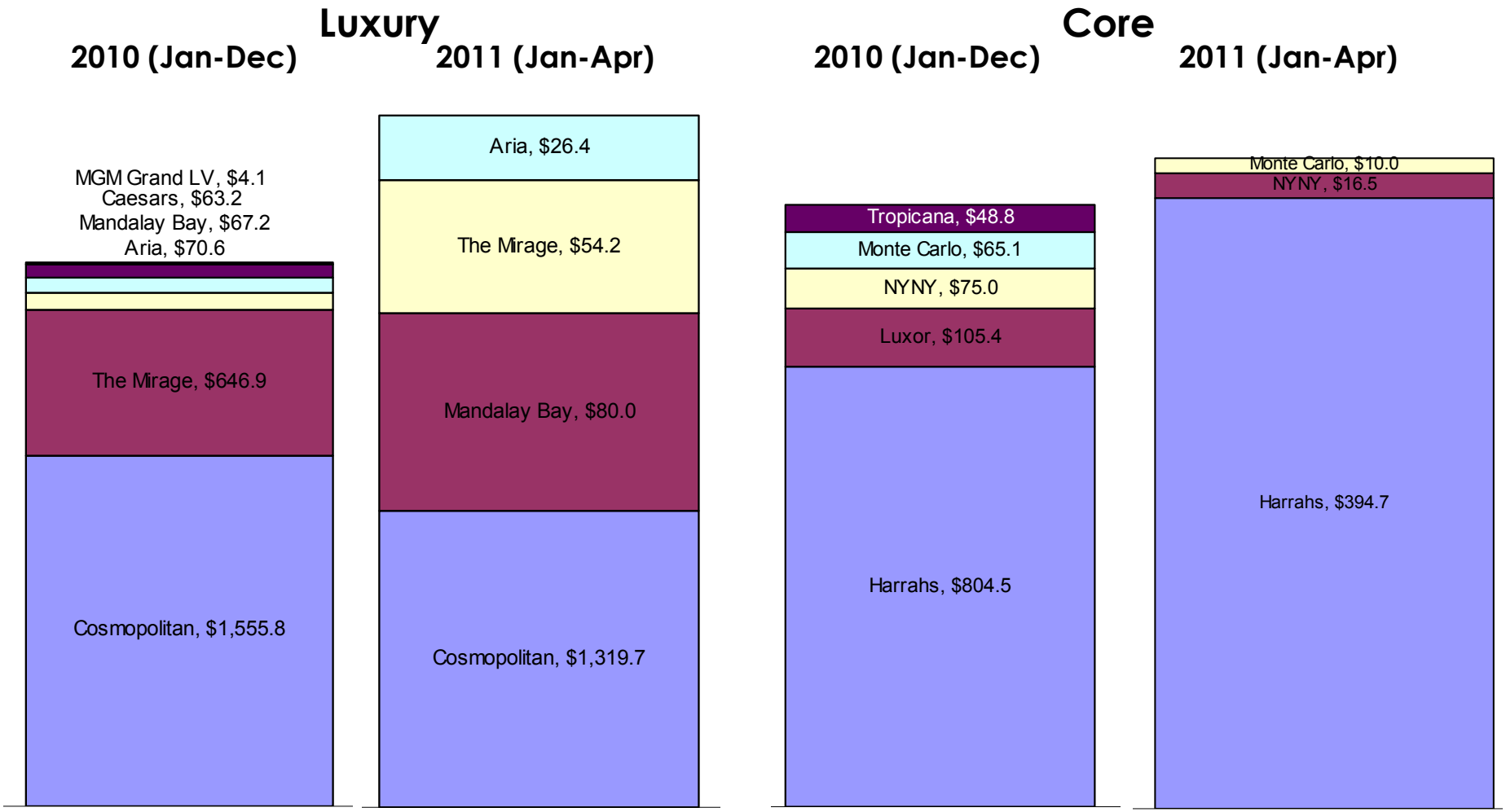
San Francisco



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

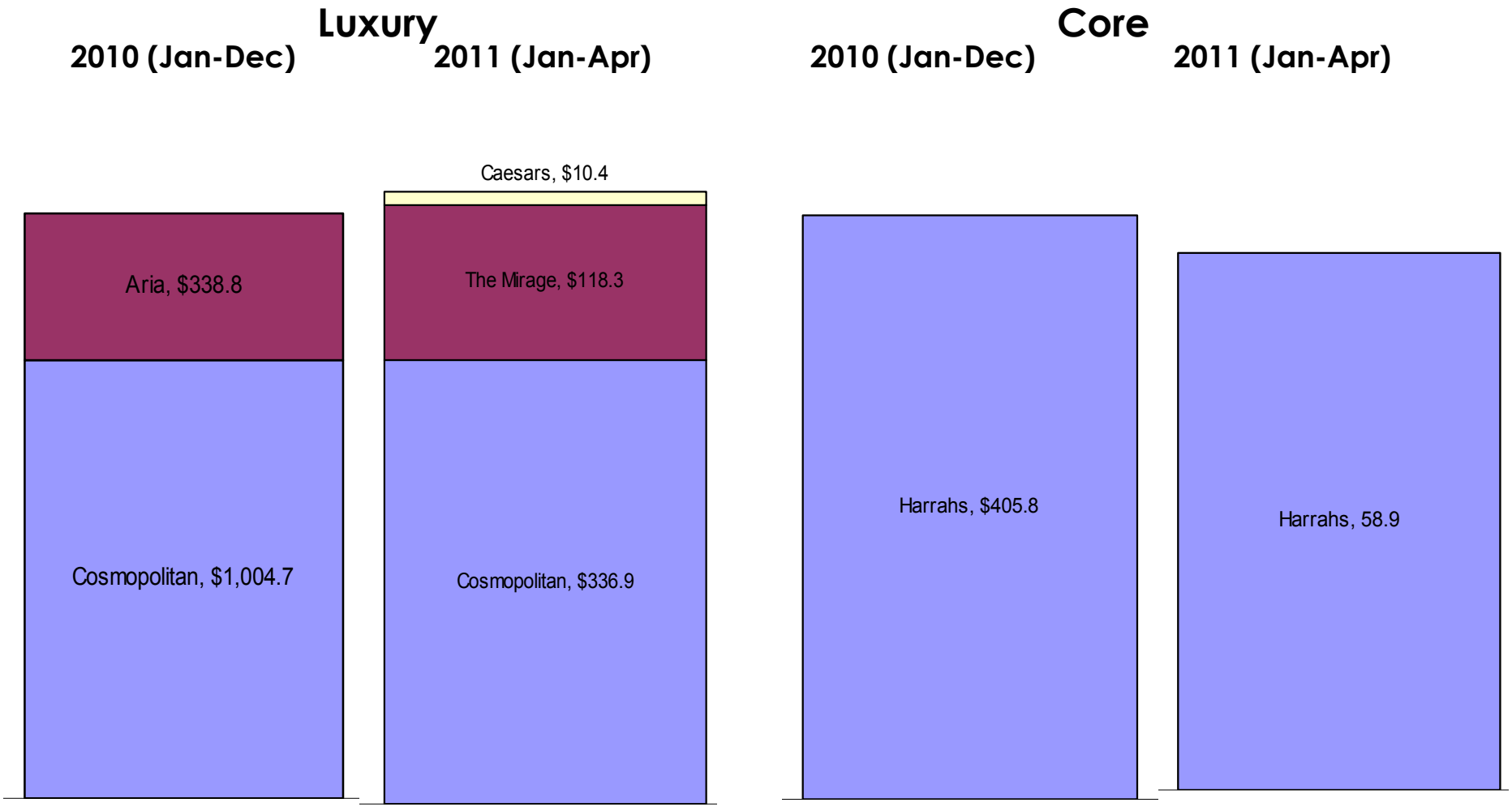
New York



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

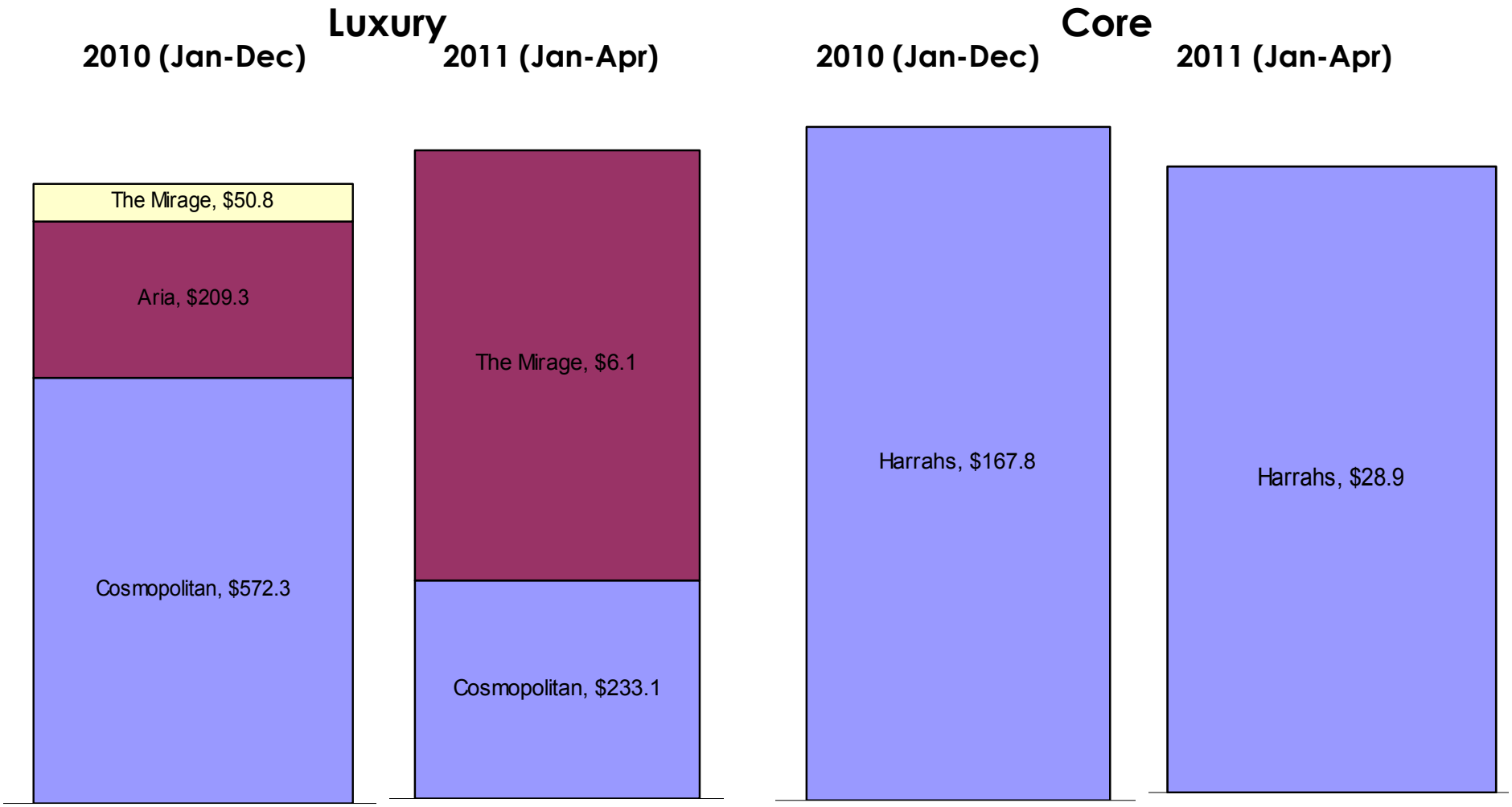
Chicago



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

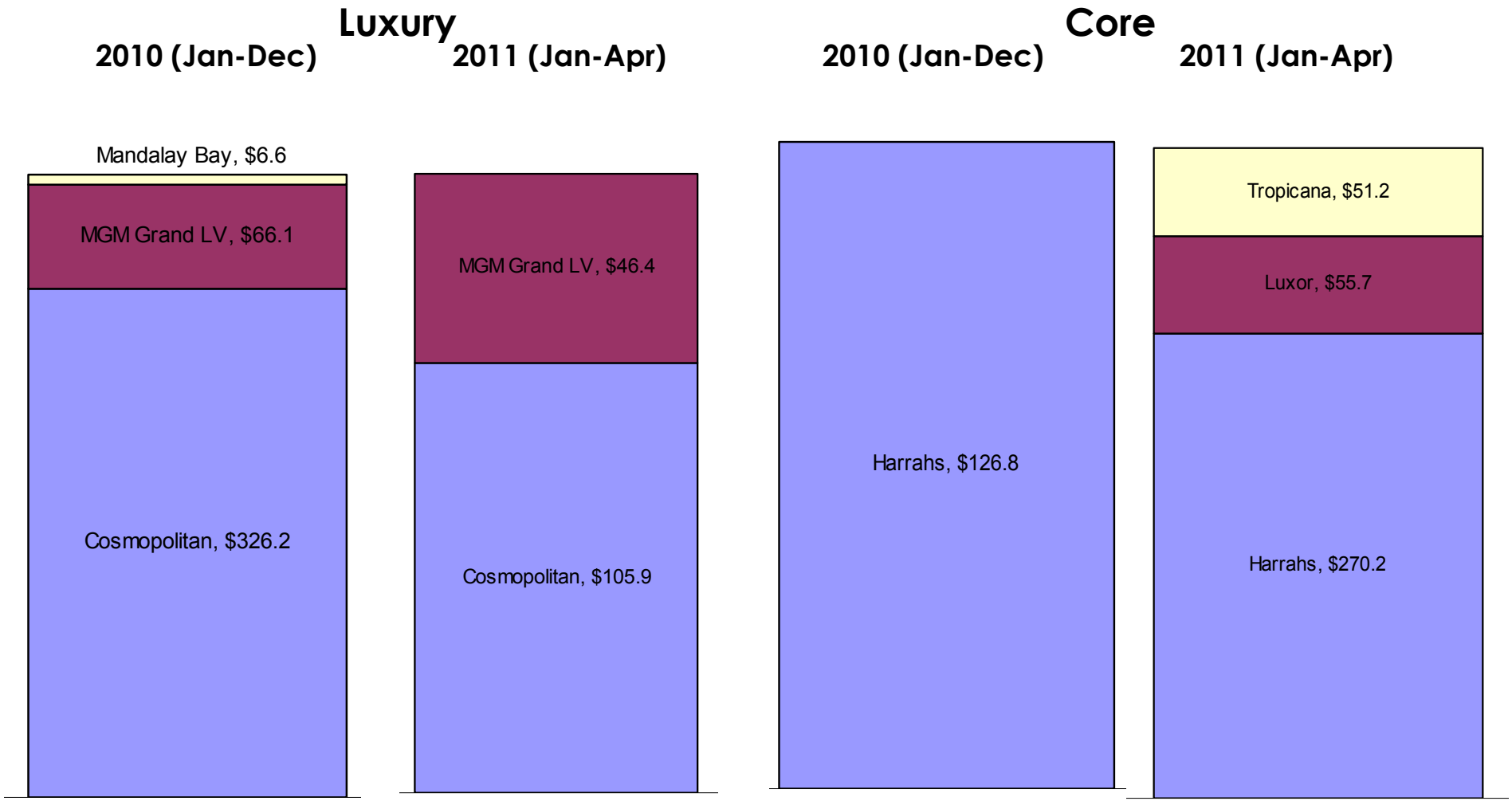
Dallas



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

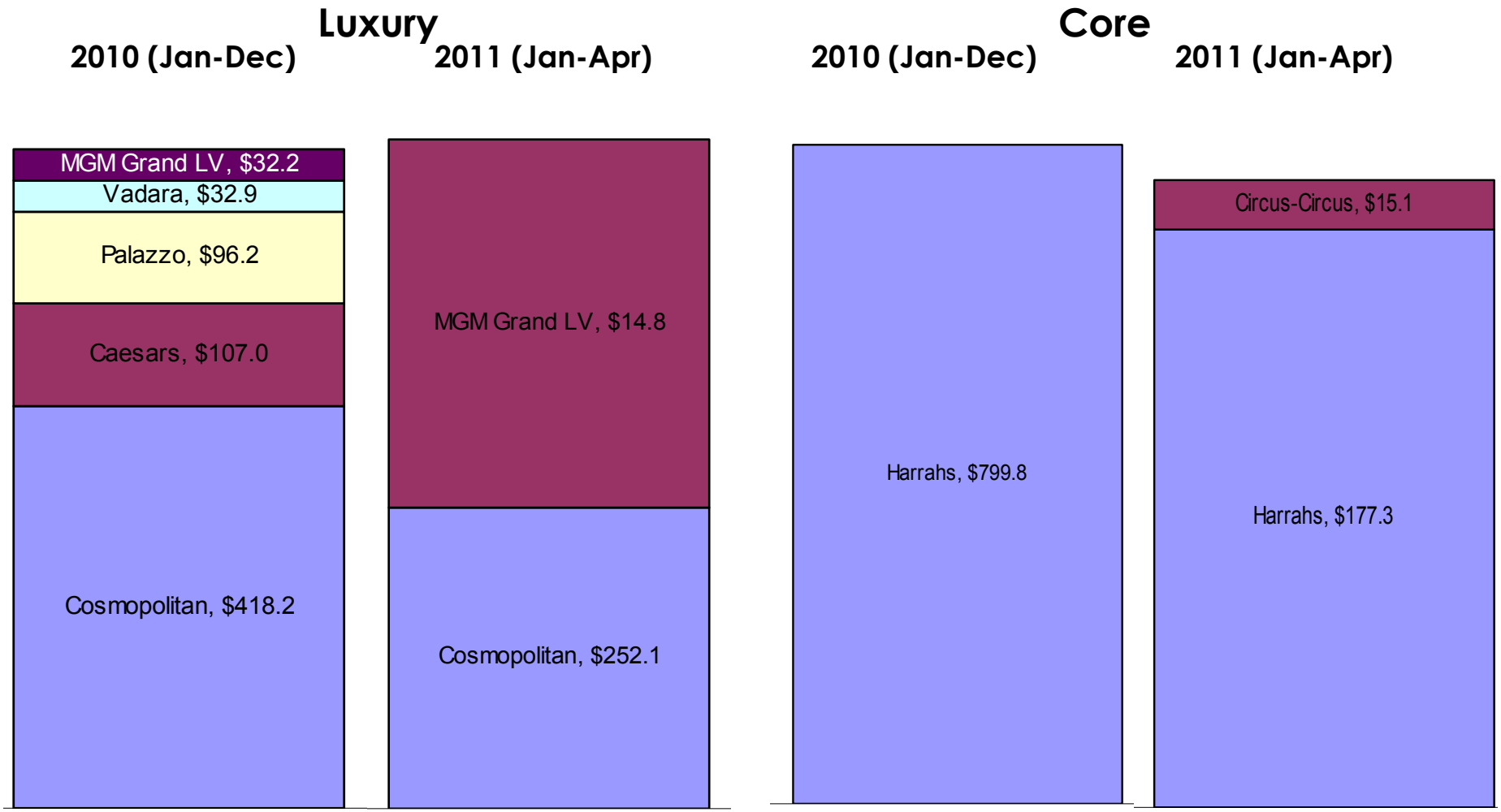
Phoenix



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

San Diego



Mediums include: B-to-B, Cable, Hispanic news/mag, Local radio/mag/news, Outdoor, Spot TV, Sunday mag, Syndication

*Source: Kantar Media Copyright 2011 (2010: Jan-Dec, 2011: Jan-Apr)

Competitive Summary

- The Cosmopolitan has the majority of the market share in many of our top markets for all Luxury properties
  - Los Angeles
  - San Francisco (2010)
  - New York
  - Chicago
  - Dallas
  - Phoenix
  - San Diego

- Harrah's has the majority of the market share in many of our top markets for all Core properties
  - Los Angeles (2010)
  - Las Vegas
  - New York
  - Chicago
  - Dallas
  - Phoenix
  - San Diego

You know who your customers are, where do we find them?

- Research
  - Internal (Corporate and Property)
    - MSA and ZIP Code reports
  - External
    - Research tools
      - MRI
      - Quintile maps
      - Scarborough
    - Example
      - Who lives in our top zip codes?
        - 91709 Chino Hills
        - Age 32.6
        - 38% Hispanic, 59% White
        - 56% Married
        - 25% Bachelors degree or higher
        - HHI $112,017

*Source: 2010 Census Based Estimates

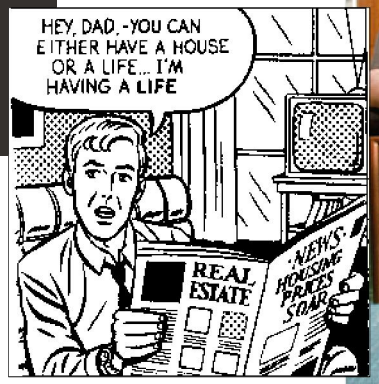
Baby Boomers 1956-1965

- The first generation, at least in Western countries, to grow up with television
- Utilize media in a similar fashion as Gen Y, but consume more traditional media

*Source: NYU Wagner, Multi Generational Leadership Conference, May 2009

Generation X 1964-1977

- They do not shrink from the density of information that is available, particularly on the Internet; the mass media is viewed as crucial, not corrupt
- They are entrepreneurial, live hard, work hard mentality



*Source: NYU Wagner, Multi Generational Leadership Conference, May 2009

Generation Y 1978-1993

- Marked by an increased use and familiarity with communications, media, and digital technologies
- They assume technology
- Pursue luxury

*Source: NYU Wagner, Multi Generational Leadership Conference, May 2009

Time Spent with Mediums Per Day

	18-33 Gen Y Millennials	34-45 Gen X MTV Generation	46-55 Younger Boomers Jones Generation	56-64 Older Boomers Golden Boomers	65-73 Silent Generation	74+ GI Generation
% of Population	30%	19%	20%	14%	7%	9%
TV	232.8	273.6	283.8	382.7	431.4	431.4
Newspaper	13.8	20.4	21.6	32.4	34.2	34.2
Radio	73.2	100.8	106.2	106.8	59.4	59.4
Magazine	13.2	13.8	15	16.2	19.2	19.2
Internet	192.6	168	160.2	147	93	93
Mobile	33	21	19.2	14.4	0	0

*Source: TB Media Comparison Study 2010

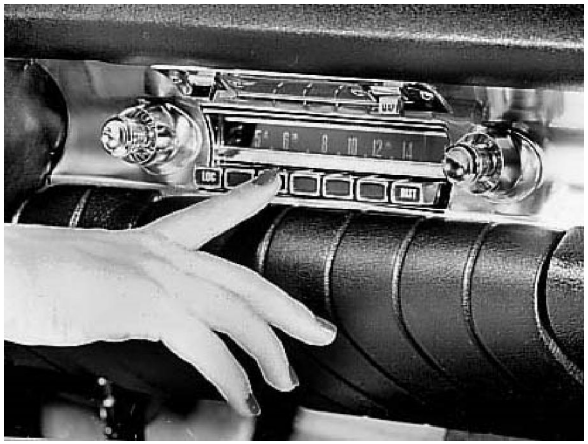
Combined Marketing Efforts

Print

- Luxury
  - Travel and Leisure or Conde Nast Traveler
    - Impact unit across multi platform- Ipad, online, in book
- Core
  - Budget Travel
    - Guys and Girls Getaway Weekend

Radio

- SiriusXM
  - National campaigns across multiple stations- Sports, Talk, Female, etc
  - Program integration, sweepstakes to build database
- CBS Altitude
  - National cross platform promotion owned by CBS
  - Cross property promotion to target specific timeframes



Combined Marketing Efforts

Sponsorships

- Purchase large package and share savings across several properties
  - Olympics
  - ESPN Radio
  - Clippers/Lakers
  - Dodgers/Angels

Los Angeles

- Be exclusive hotel partner in LA, complete domination for length of time
  - Coffee sleeves
  - Fitness networks
  - Traffic sponsorships
  - Digital boards
  - Social Network in Bars
  - LA focused events