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Jurisdictional Scan: Casino Operations in Canada

May 8, 2017

Re. Project: *White Paper Creating a Sustainable Casino Industry in Alberta*

Background

All-In Gaming & Hospitality Advisory Group Inc. (All-In) has been contracted by Alberta Charitable Casino Operators (ACCO) to develop a white paper to create a business case for, and demonstrate the value of, **establishing ear-marked capital dollars for charity casinos operators to enable strategic investments that will sustain and grow the contributions to the province**, to benefit key stakeholder groups including government, charities, and the general public.

The white paper will be informed by this jurisdictional scan. The information contained in this report has been sourced using publicly available information such as annual reports, operating agreements, and more. Information has been augmented and/or validated by industry insiders working for Crown corporations, private operators, and associations in various markets.

All sources are being treated as confidential. The information is accurate to the best of our knowledge at this time.

Overview

A variety of gaming operating models exists across Canada. There are benefits and drawbacks to each.

All-In's experience working across the country suggests that the individual provincial models are the result of the factors that were relevant when the industry was established in that market. In mature markets, the industry has evolved with varying degrees of intention on the part of the provincial governments. Furthermore, the structure of gaming in each province contributes to the industry's social licence and success.

Because of the diversity of the models in Canada, we have provided information on video lottery terminals for those provinces that offer that option. We believe this approach provides a more complete picture of the supply and opportunity.

Gaming Revenue, Supply, and Population

	NL	NS	PEI	NB	QC	ON	MB	SK	AB	B.C.
GGR Casinos (\$000)	n/a	\$69,667	\$13,862	\$23,900	\$720,858	\$3,256,578	\$234,312	\$239,824	\$1,408,126	\$1,742,895
GGR VLTs (\$000)	\$147,041	\$136,771	\$19,121	\$135,205	\$980,333	n/a	\$335,279	\$240,869	\$630,546	n/a
TOTAL GAMING	\$147,041	\$206,438	\$32,983	\$159,105	\$1,701,191	\$3,256,578	\$569,591	\$480,693	\$2,038,672	\$1,742,895
Casinos	0	2	2	1	6	24	2 + 1 gaming centre	2	24	17
				1 (FN)			3 (FN)	6 (FN)	5 (FN)	19 (CGC)
VLT sites	399	355	39	235	1,811	n/a	497	607	895 (incl. 74 GECs)	n/a
VLTs	1,944	2,800	270	2,000	11,700	0	6,200	3,992	5,956	0
Slots		800	250	700	6,200	23,000	3,400	3,200	14,000	10,000
Tables		45	8	35	199	565	135	85	450	500
Total Electronic	1,944	3,600	520	2,700	17,900	23,000	9,600	7,192	19,956	10,000
Adult Population >19	427,900	763,400	116,500	615,400	6,600,000	10,900,000	985,000	858,000	3,200,000	3,800,000
Avg Gaming Per Adult	\$343.55	\$270.56	\$281.91	\$258.71	\$257.76	\$298.77	\$578.26	\$560.25	\$637.09	\$458.66

Notes:

NB FY13/14; ON – FY14/15; BC, AB, SK, MB, QC, PEI, NS – FY15/16

Some markets include racing data with the casino revenues and online gaming so these are not direct comparisons, but the numbers should provide a general sense of the industry.

What the Information Tells Us

- The Prairie provinces—Alberta, Saskatchewan, and Manitoba—have the highest average gaming spend per adult, not including online gaming and lottery. BC is next, with numbers declining significantly in the central and eastern parts of the country. The average *casino* spend per adult is highest in BC, followed by Alberta.
- We do not know what percentage of the adult population participates in gaming in each market (casino or VLT). The data suggests public acceptance of gambling is highest in BC and the Prairies, with lower acceptance and participation moving east.
- Gaming supply is highest in Alberta with 24 charity casinos, 5 First Nations casinos, and 895 VLT sites. Alberta has nearly 6,000 VLTs and 14,000 slot machines for approximately 3.2 million adults. In contrast, BC has 10,000 slot machines (no VLTs) for 3.8 million adults, and Ontario has 23,000 slots for 10.9 million adults.
- Despite the high gaming supply, the income from Alberta's VLTs on a per-machine basis is the highest in Canada, with each unit producing over \$105 thousand in gaming revenue for the province. The casinos in Alberta generated \$845 million for the reporting year, after the contributions to charities and operators' fees are paid.

Trends in Operating Agreements

- The trend is toward longer term lengths and renewal options, based on recent activities in Ontario and BC.
 - This creates stability and encourages investment.
- Revenue split or operator fee calculations vary widely by province.
 - Operators get a higher portion of the GGR in NS and NB; but they are responsible for purchasing gaming product.
 - Ontario's new agreements start at 28 per cent for operators, plus additional considerations for capital and operational allowances.
- In all provinces with private operators, except Alberta, there is some type of capital allowance in place.
 - This shows the importance of reinvesting in the industry to ensure its sustainability.

Private Operator Commission Summary

Share of EGM Revenues	BC	Alberta Charitable Operators	Alberta First Nation	Ontario	NS
Total Operator	30.6%	15%	45%	35%	60.4%
Inclusions	25% commission on slot revenues Capital Fund - 2% +3 % Marketing Trust Account 0.6%	15% commission on slot revenues	15% commission on slot revenues 30% to Alberta First Nations Development Fund, serves as capital fund	28% on slot revenues 5% capital allowance 2% expense allowance Operators pays for purchase, lease and repair of EGMs	52.4% commission on gaming revenues Approximately 6% for capital reserve account Approximately 6% for Marketing Fund Operator pays for purchase, lease and repair of EGMs

Private Operating Agreement Comparison

	BC	AB Charitable	AB First Nation (FN)	ON	NS
Overview	Multiple operators	Multiple operators	Multiple operators	Multiple operators	Single operator
Commission Slots	SPs receive 25% of net win on slots	Operator 15% Charity 15% Alberta Lottery Fund (ALF) 70%	Host FN 15% FN charity 15% ALF First Nation Development Fund (FNDF)	60 OLG/40 SP 70% SP beyond threshold	52.4% Operator
Commission Table	SPs receive 40% of net win from tables, 75% of poker rake, 75% of craps, and 60% of low-limit blackjack	Operator 50%	Host FN 50%	60 OLG/40 SP 70% SP beyond threshold	52.4% Operator
Responsibilities	Crown purchases and services gaming product	Crown purchases and services gaming product	Crown purchases and services gaming product	Operator purchases and services gaming product	Operator purchases and services gaming product

Private Operating Responsibilities

	BC	AB Charitable	AB First Nation	ON	NS
Loyalty	BCLC	Current operator, future AGLC	Current operator, future AGLC	Operator	
CapEx Funds	Facility Development Commission (FDC) –3% and an accelerated option for 2%	None	Informally through FNDF	5% GGR – may be shared within a group and accrued four years	Capital reserve account \$4.5 million annually
Other	Promotional allowance is a hard cost to operators			2% GGR expense allowance and promotional allowance may be deducted from GGR before split	Promotional allowance may be deducted from GGR before split
Marketing	0.6% of total net win to Marketing Trust Account, for properties with 400+ slots, which is spent by BCLC				Marketing Fund contribution \$1.5 million
Responsible Gaming (RG)	Shared	Shared	Shared	Costs paid by OLG	Shared
AML Fines	Crown	Operator	Operator	Crown	Crown

Where Does the Money Go?

1. https://www.gamingns.ca/new/images/uploads/NSPLCC-WEB_VERSION_Summary_of_Results_2016.pdf

2. The most recent report from the PEI Lotteries Commission was issued for FY 2012/2013 http://www.gov.pe.ca/photos/original/leg_s14lottcomm.pdf

3. FY 2012/2013 is the last year NBLGC produced an annual report so this information is not current. All-In phoned NBLGC to see if more recent information is available and was informed the reports are under review.

https://www.gnb.ca/legis/business/currentsession/58/58-3/LegDoc/Eng/December58-3/NBLGC_2013-2014_Annual_Report.pdf

4. <http://lotoquebec.com/cms/corporatif/en/the-corporation/annual-report/contributions>

5. <https://about.olg.ca/olg-gives-back/>

6. <http://www.mbl.ca/content/helping-manitoba-prosper>

7. <http://www.slga.gov.sk.ca/Prebuilt/Public/Casino%20Fact%20Sheet.pdf>

8. <http://albertalotteryfund.ca/aboutthealf/wherethemoneygoes.asp>

9. <https://corporate.bclbc.com/content/dam/bclbc/corporate/documents/fact-sheets/FS-where-money-goes.pdf>

Provincial Agency/Crown Corporation	How are net profits from casino gaming distributed?
Newfoundland and Labrador	No casino gaming
Nova Scotia Provincial Lottery and Casino Corporation (NSPLCC) ¹	General revenues
PEI Lotteries Commission (PEILC) ²	General revenues Harness racing industry
New Brunswick Lotteries and Gaming Corporation (NBLGC) ³	Consolidated revenues
Loto Québec ⁴	General revenues, paid as a dividend
Ontario Lottery and Gaming Corporation (OLG) ⁵	General provincial revenues Payments to "host municipalities" Trillium Foundation Quest for Gold Local charities from charitable gaming proceeds
Manitoba Liquor & Lotteries ⁶	General revenues
Saskatchewan Gaming (SaskGaming) ⁷	50% to general revenues 25% to First Nations Trust 25% Community Initiatives Fund
Alberta Gaming and Liquor Commission	Alberta Lottery Fund ⁸ from where it is transferred to specific government priorities (health, education, etc.) and reported in a measured way. Charities are active participants in the gaming industry and receive funding for their participation.
British Columbia Lottery Corporation (BCLC) ⁹	Consolidated revenue fund Health Special Account Community groups Host municipalities

Coast to Coast Operating Agreement Highlights

Province	Overview	Revenue Share	Expenses Paid by Operator	Expenses Paid by Crown	Other Factors
BC	Private operators with 10 year contracts – there is interest in moving to 20 years	Service providers receive operating commissions as follows: <ul style="list-style-type: none"> - 25% of net win on slots - 40% of net win from tables - 75% of poker rake - 75% of craps - 60% of low-limit blackjack 	<p>1% of table net win for table game supplies</p> <p>0.6% of total net win to Marketing Trust Account, for properties with 400+ slots, which is spent by BCLC</p> <p>Marketing programs considered on a case-by-case basis for CGCs</p> <p>Operators pay for employee RG training and provide space for on-site BCLC employees, IT, Game Sense</p>	<p>Slots, signage, marketing supplies and merchandise, supplies, lease costs, tech support, shufflers, playing cards, dice (including parts and servicing), supplies cash flats, and design and implementation of training programs such as Appropriate Response, FINTRAC, AML.</p> <p>AML fines paid by BCLC</p>	<p>FDC – BCLC reimburses for approved expenses calculated as a fixed percentage of GGR. Currently 3% and an accelerated option for 2%.</p> <p>BCLC determines the supervisor-to-dealer ratio</p>
	AB Charitable	<p>Private operators with licences, the duration of which is determined by the Crown</p> <p>No fixed contract terms</p> <p>Government receives no revenue from table games. Charities get 100% and pay operators a fee for service ranging from 50% to 75%.</p> <p>Slot machines:</p> <ul style="list-style-type: none"> - Charity 15% - Operator 15% - ALF 70% 	<p>Site marketing</p> <p>Training</p> <p>Capital investments</p> <p>F&B discounts to support player engagement program (PEP)</p> <p>AML fines paid by the operator</p>	<p>AGLC provides slot product</p> <p>New PEP to be launched by AGLC</p>	<p>AGLC costs come out of the 70% directed to ALF</p>

Coast to Coast Operating Agreement Highlights

Province	Overview	Revenue Share	Expenses Paid by Operator	Expenses Paid by Crown	Other Factors
AB First Nation		Table games as above	Site marketing	AGLC provides slot product	AGLC costs come out of the 70% split between FNDF and ALF
		Slots:	Training	New PEP to be launched by AGLC	
SK	Casinos operated directly by the province – Saskatchewan Liquor and Gaming Authority (SLGA)	- Host charity 15%	Capital investments		FNDF grants may be allocated to economic development projects
		- Host operator 15%	F&B discounts to support player engagement program (PEP)		
SK Indian Gaming Authority - SIGA	First Nations casinos in place operated by SIGA	- FNDF host grant 30%			
		- ALF 30%			
		- 10% FNDF other grants			
SK	Casinos operated directly by the province – Saskatchewan Liquor and Gaming Authority (SLGA)	- 50% to SK general revenues	n/a	n/a	n/a
		- 25% First Nations Trust			
SK Indian Gaming Authority - SIGA	First Nations casinos in place operated by SIGA	- 25% to Community Development Corporations (CDC)			
		- 50% First Nations Trust	Payments are made to Indigenous Gaming Regulators Inc. and FN Addictions Rehabilitation Foundation	SLGA owns the slot machines in SIGA's casinos	SIGA retains \$5 million annually as a capital reserve to acquire capital assets
		- 25% to SK general revenues			
		- 25% to CDC			

Coast to Coast Operating Agreement Highlights

Province	Overview	Revenue Share	Expenses Paid by Operator	Expenses Paid by Crown	Other Factors
MB	Casinos operated directly by the province through Manitoba Liquor & Lotteries (MBLL)	n/a	n/a	n/a	n/a
MB First Nations	First Nations casinos and VLTs in place	90% of net win returned to VLT operators	5% to MBLL for hosting the terminals		
ON (OLG)	<p>Modernization project under way to privatize casino operations</p> <p>Each property in each bundle has a separate contract and revenue agreement</p> <p>Contracts are for 20 years with unlimited renewals for 10-year periods</p>	<p>Essentially 60/40 OLG/ operator on gaming revenues. Beyond a fixed GGR threshold, 70% of GGR to operator.</p> <p>Municipalities receive a commission calculated on a sliding scale based on the volume of gaming revenue</p> <p>Host First Nations would receive a commission</p>	<p>Gaming equipment</p> <p>Marketing</p> <p>Training</p>	<p>OLG pays 1.7% of gross revenues to Ontario First Nations (2008) Limited Partnership</p> <p>OLG pays 100% of RG programs</p> <p>AML fines will be paid by the Crown</p>	Operators are entitled to remuneration from OLG based on a predetermined annual amount for each property. This amount may be carried forward for up to four years.
QC	Casinos and gaming salons operated directly by the province	n/a	n/a	n/a	n/a

Coast to Coast Operating Agreement Highlights

Province	Overview	Revenue Share	Expenses Paid by Operator	Expenses Paid by Crown	Other Factors
NB	One commercial casino operated by a single operator with a long-term contract	Operator receives: <ul style="list-style-type: none"> - 50% on first \$50 million of GGR - 35% on next \$10 million - 25% on GGR above \$60 million 	Games Marketing Training	Incentive for leased games	Leased slot adjustment up to \$800 thousand annually
	There is one First Nation casino opened in 2015				
NB First Nations	Some destinations, one with table games	First Nations get 95% of net revenues from VLT			
NS	Two casinos, operated on 10-year renewable contracts by one operator. Operator has first right of refusal to operate new facilities.	Operator receives 50.24% of GGR as an operator's fee (after capital reserve account and Marketing Fund deductions, which are based on total revenues including gaming and non gaming revenue).	Games Marketing Training	Share of marketing, promotional allowance, incentive for leased games AML fines paid by NSPLCC	Shared funding of responsible gaming programs. Marketing Fund in place—\$1.5 million annually less \$900 thousand promo allowance. Incentives in the program for growing revenue. Capital Reserve account (CRA) \$4.5 million
PE	Two casinos, both operated by Atlantic Lottery Corporation with revenues after expenses being directed to Prince Edward Island exclusively	n/a	n/a	n/a	n/a

Ontario Modernization - Overview

Why is Ontario modernizing? Ontario had many properties that required significant capital investment. The government believed making investments in these properties—rather than spending on schools, roads, and healthcare—would be optically challenging. The modernization process is about bringing private investment into the province.

In the new model, casino operators—both First Nations and non-First Nations—have three revenue streams:

- Topline gaming revenue shared with OLG
- Capital allowance from OLG
- Operating expense allowance from OLG

There is an incentive in place for operators: if they exceed an established revenue threshold, they will receive 70 per cent of gaming revenues of any overages. Plus, all contracts have a 20-year term with an unlimited number of 10-year renewal options.

Ontario Modernization — Compensation Model

- GGR: OLG retains 60 per cent of GGR (to an established threshold). From the remaining 40 per cent, the operator receives 28 per cent and OLG receives 12 per cent. So, in total, OLG receives $60 + 12 = 72$ per cent.
 - From the 72 per cent, 5 per cent is returned to the operator as a capital allowance, and 2 per cent is also returned as an expense allowance. (Which averages to a 60/40 split.)
- Operators receive 70 per cent of gaming revenues of any overages beyond the established property threshold.
- Each casino site—not each operator—has a specific operating agreement, outlining capital allowance agreement, fixed asset agreement, revenue share, etc., based on various factors such as market size and casino size.

Ontario Modernization – Capital Allowance

- Capital allowance is not meant to cover all of the capital investment; operators are expected to invest in the properties with their own resources. The capital allowance can be carried forward for up to four years. Capital allowances are specific to the casino—not F&B or other. These allowances can be used for capital and operating expenses such as slots, tables, tech, equipment, marketing, etc.
- The approval process for capital and expense allowances happens when the operators present their annual business plans. There is a caveat for emergencies that are not covered by insurance.

Ontario Modernization – Other Expenses

- A portion (6 per cent) of the operators' investments in new builds and renovations following the acquisition of a bundle will be paid back over a period of time through OLG's general funds, not through revenue share. This is distinct from the capital fund.
- OLG is the reporting body for AML, i.e. the "Registrant." They have not yet received any fines, but OLG is responsible to pay. If there are regulatory breaches such as a minor getting into a casino, the operator pays for those. This is outlined in the casino operating and services agreement (COSA).
- OLG does not cover any costs outside of what the capital and expense allowances are used for, except responsible gambling programs and training. The government's directive is that RG is a critical component of OLG's "conduct and manage" responsibility. It is outlined in the COSA that OLG will determine and dictate the programs; the operator will comply but all costs are absorbed by OLG.
- OLG pays the host municipality tax/commission from its portion of the revenue share.

BCLC Facilities Development Commission

- In British Columbia, BCLC reimburses “approved amounts” through the Facility Development Commission (FDC) program. Approved amounts is a defined term in the company’s COSAs and Community Gaming Centre Operational Services Agreements (CGCOSAs) for qualified gaming-related expenditures that have been incurred by the service provider (SP) that are primarily capital in nature.
- The FDC amounts that BCLC reimburses for approved amounts are calculated as a fixed percentage of the GGR generated by the property. The FDC reimbursement percentage is currently 3 per cent of the GGR from gaming activities. BCLC provides for an additional accelerated FDC reimbursement equal to 2 per cent of the GGR that is intended to be a one-time reimbursement for the timely development or redevelopment of gaming facilities and additional entertainment amenities of significant value that may be completed through phases. BCLC considers accelerated FDC submissions for approval on a project-by-project basis.

BCLC

- British Columbia is a competitive market with an active Crown corporation.
- As of late 2016, BCLC is negotiating new operating contracts with its service providers.
- Increased term lengths and renewals will be reviewed, among other items.

BCLC Facilities Development Commission

- Reimbursement of the approved amounts under the terms of BCLC's FDC policy requires that the SP's operating agreements with BCLC remain in good standing and that sufficient GGR is generated. Provided these conditions are met, the company would continue to receive FDC until the related FDC approved amounts are recovered.
- BCLC allows SPs and certain of its BC subsidiaries to be considered a group for FDC purposes. As a result, one gaming facility's FDC approved amounts may be notionally transferred to another facility within the group.

BCLC Marketing Trust Account

BCLC collects marketing contributions in the amount of 0.6 per cent of the GGR generated at BC casino properties and BC racing properties; CGC and small properties are exempt. BCLC uses the amounts collected to fund various BCLC marketing programs. BCLC does cost share on certain programs/initiatives at CGCs and smaller casinos on a case-by-case basis.

The Marketing Trust Account is used to cover costs for marketing supplies, loyalty cards, card printers, computers, scanners, etc., as well as some promotions and prizing.

Operators are responsible for site-specific promotions.

BCLC Pays for...

BCLC pays all expenses in relation to slot machines, signage, marketing supplies/merchandise (through the Marketing Trust Account), supplies, lease costs, tech support, shufflers, playing cards, dice. This includes parts and servicing. The Crown also supplies cash floats.

BCLC designs and pays for the implementation of training programs such as Appropriate Response Training, FINTRAC, AML, etc.

BC SPs are Responsible for....

- Site-specific promotions and marketing needs.
- The provision of office space for on-site BCLC employees.
- IT needs.
- GameSense advisors and Information Centres.
- Miscellaneous gaming supplies, equipment, FF&E, NRT's, chipper champs, and money sorters, as well as servicing said machines.
- Wages for training their employees.

NS Capital Reserve Account

- The Amended and Restated Operating Contract (AROC) with the Nova Scotia Provincial Lotteries and Casinos Corporation (NSPLCC) includes a provision for the reimbursement of the service provider's (SP) qualifying expenditures under the NSPLCC's Capital Reserve Account (CR Account). Investments can be in both gaming and non-gaming upgrades.
- The SP deposits \$4.5 million annually (adjusted for inflation annually) to the CR Account. Prior to April 1, 2015, SPs deposited the greater of 5 per cent of total revenues generated by the Nova Scotia casinos or \$5 million annually (adjusted for inflation since 2010) to the CR Account. When the SP undertakes qualifying capital expenditures, refurbishments, maintenance, upgrades, and enhancements, the NSPLCC approves the SP reimbursement of qualifying expenditures from the CR Account, or, if there are insufficient funds in the CR Account to reimburse the company for a qualifying expenditure, the company records a receivable from NSPLCC and earns interest income on that balance at the Canadian bank prime lending rate less 0.5 per cent per annum until it is reimbursed.
- For accounting purposes, the purchases made using funds from the CR Account are considered to be on behalf of the NSPLCC, since, on the eventual termination of the casino operating agreement, the NSPLCC has the right to repurchase for nominal consideration all of the equipment, land, and buildings that were purchased using funds from the CR Account.

NS Marketing Fund

- Marketing Fund Contribution (MFC) is \$1.5 million, reduced by any approved gaming promotional allowance greater than \$900 thousand.
- The SP is entitled to receive an additional operator's fee equal to the annual MFC if the SP spends more than \$6.7 million in qualifying marketing initiatives in an operating year, or has increased total gaming revenue by \$3.0 million over the preceding operating year.
- Operator receives a growth incentive fee if total gaming revenue exceeds an established baseline annual revenue by 5 per cent or more.

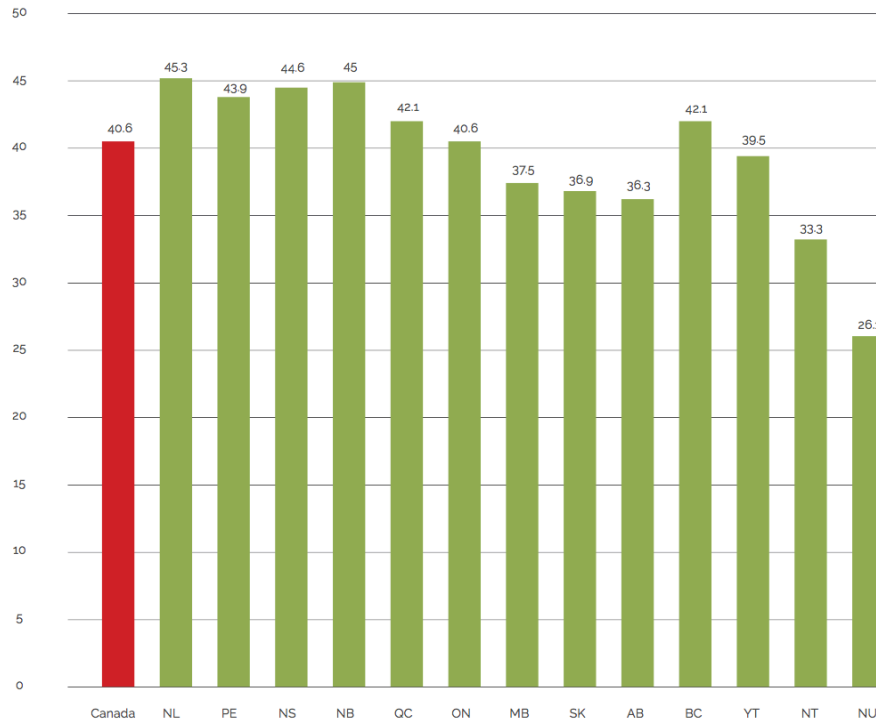
Promotional Allowance

- OLG and Nova Scotia allow promotional allowances to be deducted from GGR. That is to say, if the operator decides to use slot coupons to drive business, the cost of those coupons is deducted from the GGR before the revenue share, meaning the cost is shared equally between the operator and the Crown.
- In BC, if the operator decides to spend \$1 million on promotional coupons, that is a hard cost to the operator, and not shared with BCLC.

Terminology Differences

- AGLC issues “gaming licences” to operators. Other provinces have “service agreements.”
- AGLC notes in its 2016–2019 Business Plan that its function relative to casinos is to “regulate.” It conducts and manages lotteries. Other Crowns, such as OLG, describe their mandate relative to casino operations as “conduct and manage.”

Typically, older populations have more traditional bricks-and-mortar casino players. Regions with younger populations have strong long-term prospects. Cultural factors, which vary by region, also influence the opportunities for casino operators. Public acceptance of gaming and social licence for the industry is connected to cultural beliefs of individual communities within the whole, how effectively casino gaming was introduced into a market, and more.



Canadian Median Age and Population Growth

POPULATION GROWTH TRENDS BY PROVINCE 2012-2016

	2013	2014	% Chg.	2015	% Chg.	2016	% Chg.
Canada	35,155,451	35,544,564	1.11%	35,848,610	0.86%	36,286,425	1.22%
Newfoundland & Labrador	527,409	528,333	0.18%	528,676	0.06%	530,128	0.27%
Prince Edward Island	145,178	145,832	0.45%	146,736	0.62%	148,649	1.30%
Nova Scotia	943,538	943,294	-0.03%	943,373	0.01%	949,501	0.65%
New Brunswick	755,842	754,865	-0.13%	754,309	-0.07%	756,780	0.33%
Quebec	8,155,505	8,214,503	0.72%	8,259,452	0.55%	8,326,089	0.81%
Ontario	13,556,229	13,685,171	0.95%	13,797,038	0.82%	13,982,984	1.35%
Manitoba	1,265,597	1,280,953	1.21%	1,295,981	1.17%	1,318,128	1.71%
Saskatchewan	1,104,990	1,121,285	1.47%	1,132,263	0.98%	1,150,632	1.62%
Alberta	3,996,620	4,108,283	2.79%	4,179,660	1.74%	4,252,879	1.75%
British Columbia	4,589,041	4,645,261	1.23%	4,692,953	1.03%	4,751,612	1.25%
Yukon	36,315	36,872	1.53%	37,393	1.41%	37,492	0.26%
NW Territories	43,786	43,889	0.24%	44,244	0.81%	44,469	0.51%
Nunavut	35,401	36,023	1.76%	36,532	1.41%	37,082	1.51%

<http://www.statcan.gc.ca/tables-tableaux/sum-som/101/cst01/demoo2a-eng.htm>

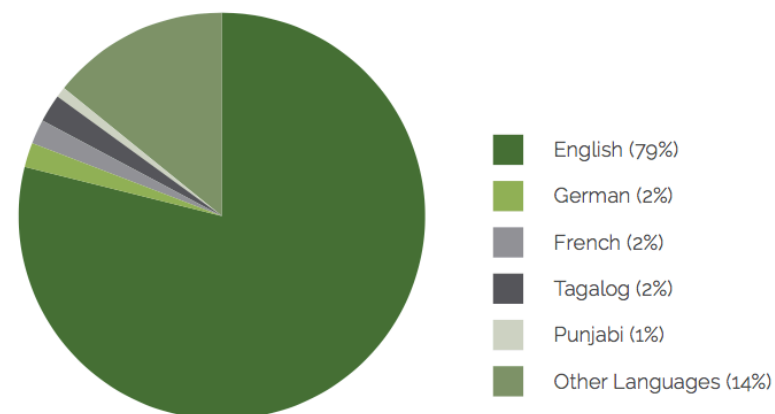
ALBERTA

	Both Sexes	Male	Female
	4,252,879	2,158,020	2,094,859
0 to 4 years	279,279	143,114	136,165
5 to 9 years	268,858	137,841	131,017
10 to 14 years	238,727	122,278	116,449
15 to 19 years	242,463	124,975	117,488
20 to 24 years	288,738	149,254	139,484
25 to 29 years	343,821	175,572	168,249
30 to 34 years	370,899	189,774	181,125
35 to 39 years	333,975	171,720	162,255
40 to 44 years	294,964	152,315	142,649
45 to 49 years	277,636	143,540	134,096
50 to 54 years	290,406	150,256	140,150
55 to 59 years	283,038	145,399	137,639
60 to 64 years	233,269	118,671	114,598
65 to 69 years	177,308	87,702	89,606
70 to 74 years	119,391	57,387	62,004
75 to 79 years	84,681	38,563	46,118
80 to 84 years	61,925	26,930	34,995
85 to 89 years	40,622	16,091	24,531
90 to 94 years	17,842	5,661	12,181
95 to 99 years	4,440	931	3,509
100 years and over	597	46	551
Median age (years)	36.3	36.0	36.7

Alberta Population

ALBERTA

Almost 80 per cent of census respondents from Alberta list English as their mother tongue. Another 2 per cent claim French, German, or Tagalog as their first language. Punjabi is spoken by 1 per cent of the population as a first language. Significantly, 21 per cent of the population speaks a language other than English as a first language. (See chart below.)



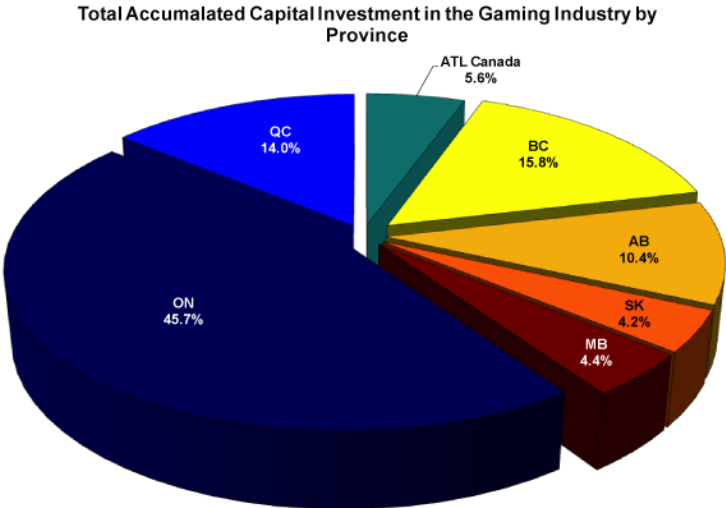
RG Programming Across Canada

Province	Responsible Gambling
Nova Scotia	<ul style="list-style-type: none"> • Games and marketing materials are reviewed through the Responsible Gambling Assessment process. • Training front-line workers • RG centre on site at each casino • Invests in prevention, education, and treatment • Voluntary self-exclusion program (VSE) • RG Check
Prince Edward Island	<ul style="list-style-type: none"> • PlayWise – program through Atlantic Lottery Corporation focused on decision-making • Training front-line workers • VSE • Age control • Safe alcohol service • RG Check
New Brunswick	<ul style="list-style-type: none"> • Responsible gambling information centre @ CNB • Age control • Training front-line workers • VSE
Quebec	<ul style="list-style-type: none"> • World Lottery Association (WLA) – level four certification and Security Control Standard Certification • First VSE program in North America
Ontario	<ul style="list-style-type: none"> • PlaySmart • WLA – level four certification • RG Check Certification at properties operated by OLG
Manitoba	<ul style="list-style-type: none"> • WLA – level four certification • GameSense • VSE
Saskatchewan	<ul style="list-style-type: none"> • RG Check Certification • GameSense • VSE
Alberta	<ul style="list-style-type: none"> • GameSense • GamTalk • Front-line employee training • VSE
British Columbia	<ul style="list-style-type: none"> • WLA – level four certification • GameSense • VSE • RG Check

Industry Context/References

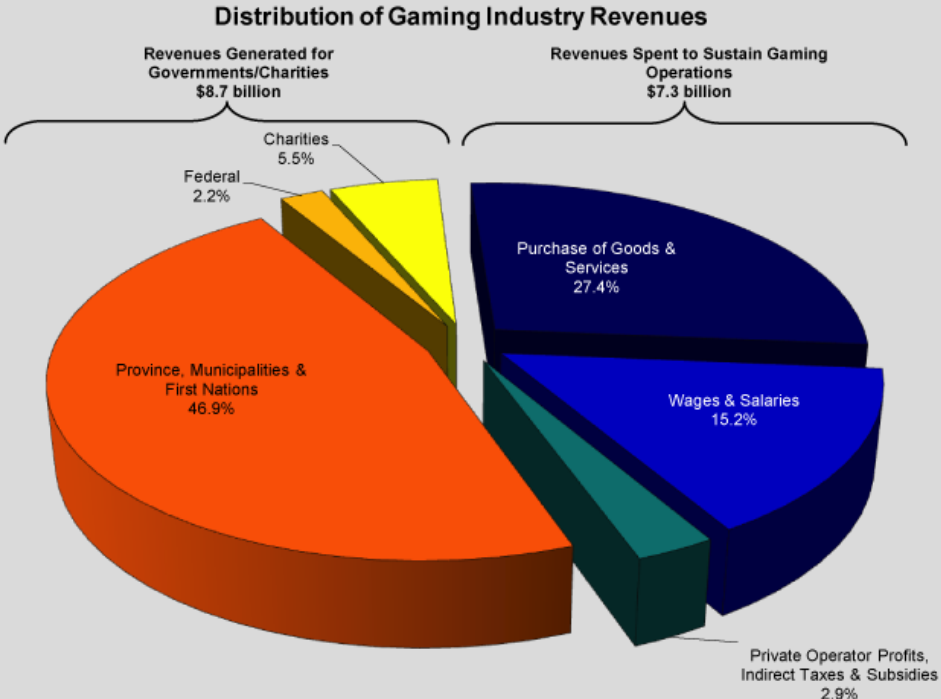
Source: www.canadiangaming.ca

Total Accumulated Capital in the Gaming Industry by Province



Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports and HLT estimates.

Gaming Industry Revenue Distribution



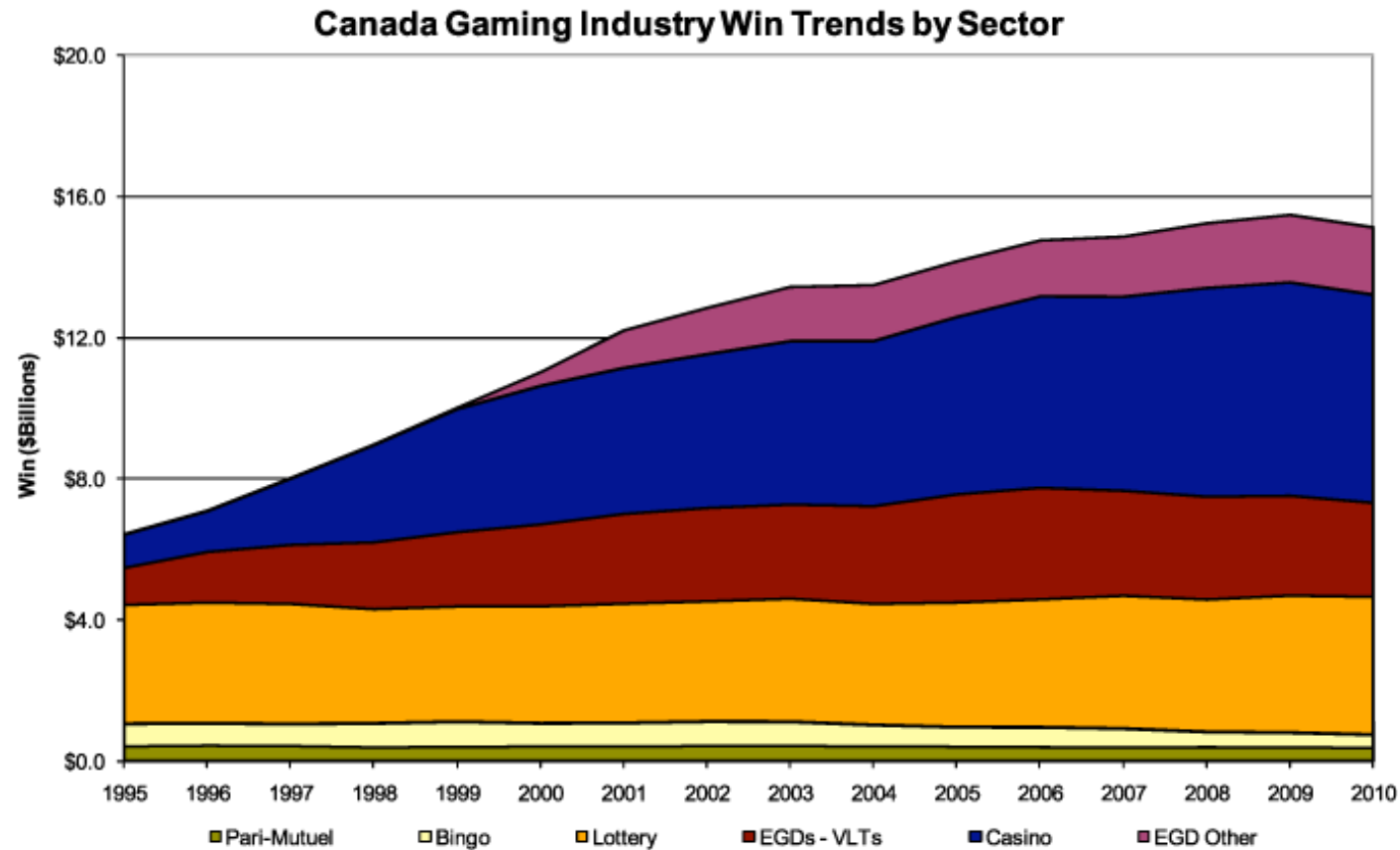
Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports, subject to update as further information becomes available.

Gaming Industry Jobs

This table was sourced from the Canadian Gaming Association and is presented for information only.

Jobs Created and Sustained - Provinces				
	Direct	Indirect	Induced	Total
British Columbia	18,812	11,971	6,791	37,573
Alberta	23,226	11,906	8,148	43,279
Saskatchewan	8,398	4,423	2,190	15,010
Manitoba	6,985	3,839	2,224	13,048
Ontario	40,118	30,112	15,203	85,433
Quebec	23,170	11,815	10,053	45,038
New Brunswick	1,935	847	918	3,700
Nova Scotia	3,578	1,707	1,275	6,560
Prince Edward Island	418	289	126	832
Newfoundland	1,656	680	678	3,014
Total	128,295	77,588	47,605	253,487
<i>Source: HLT Advisory Inc. based on Statistics I-O Model and HLT estimates.</i>				

Gaming Industry Win Trends by Sector (Historic)



Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports, subject to update as further information becomes available.

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