

STANTON CASINOS
INC

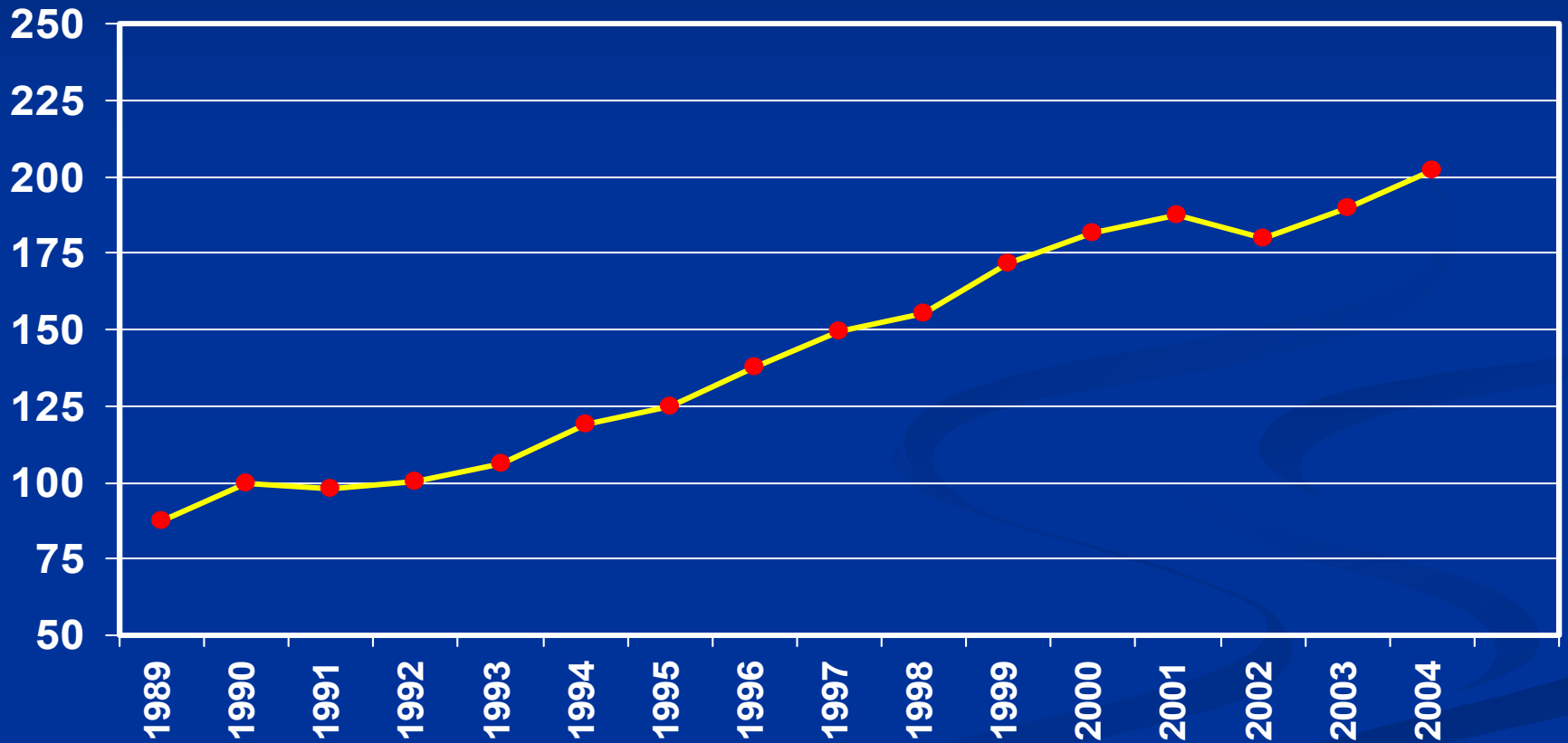
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Las Vegas Economy



Las Vegas Business Activity Index

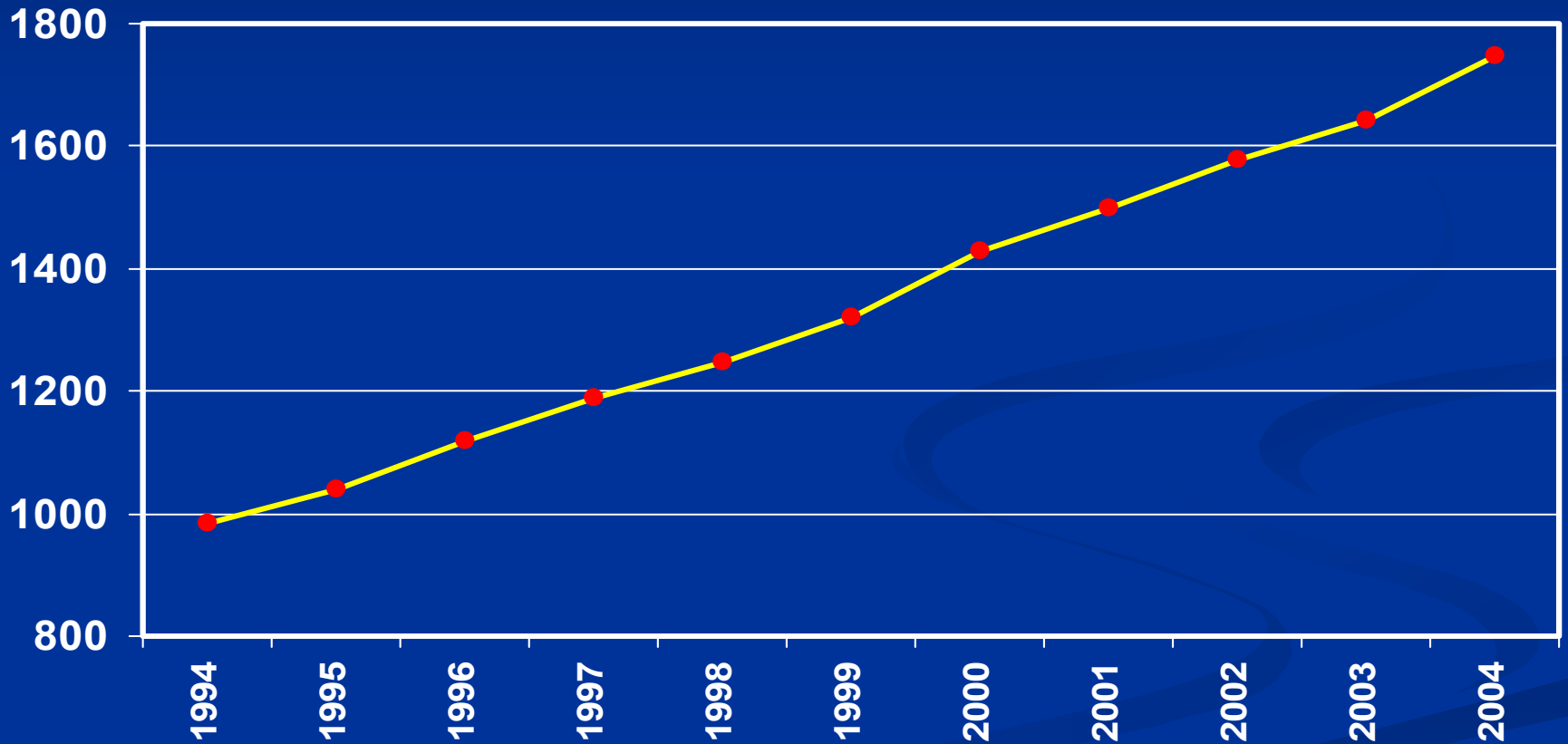
1990 = 100



Source: University of Nevada Las Vegas Center for Business and Economic Research

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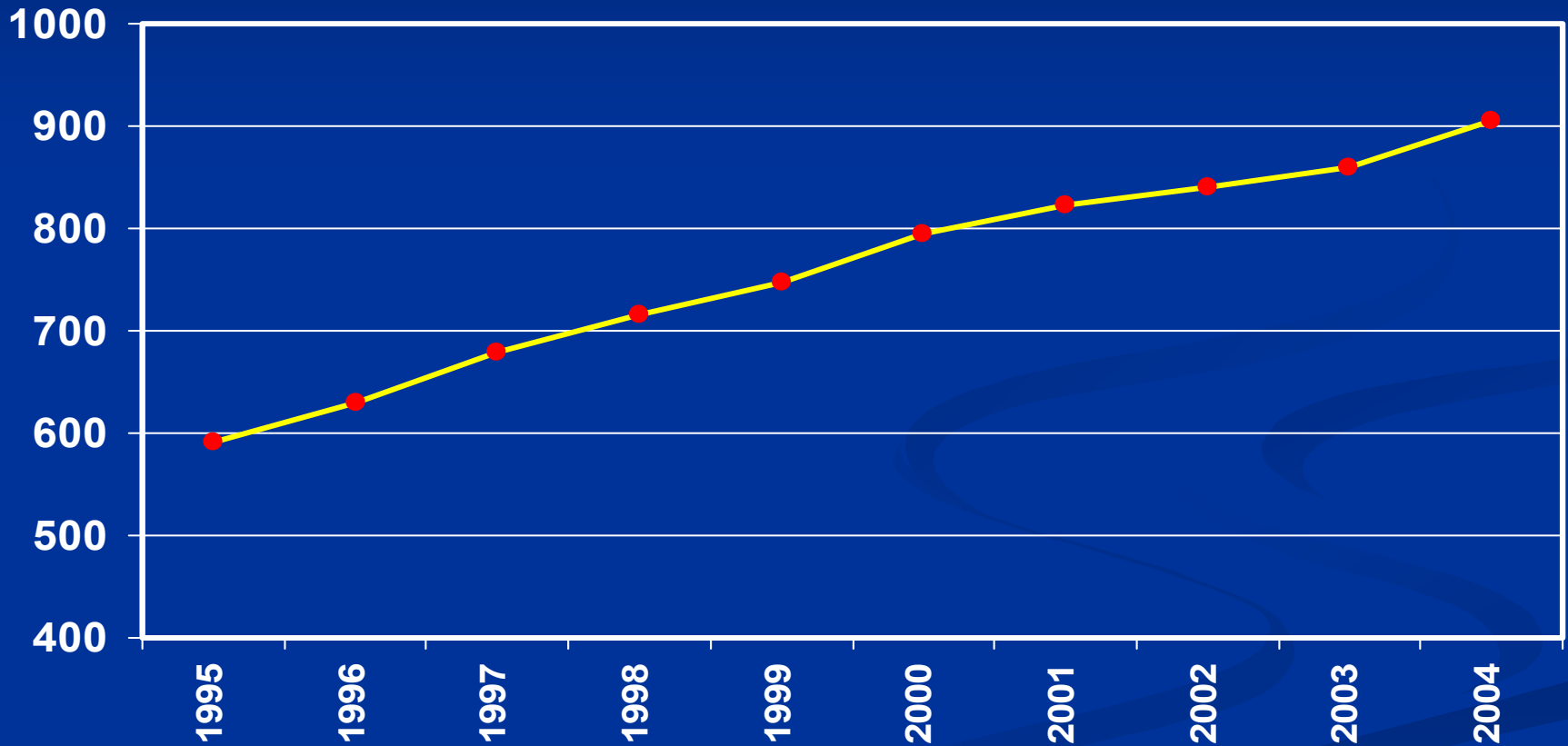
Las Vegas Area Population – CAGR 5.2%



Source: University of Nevada Las Vegas Center for Business and Economic Research



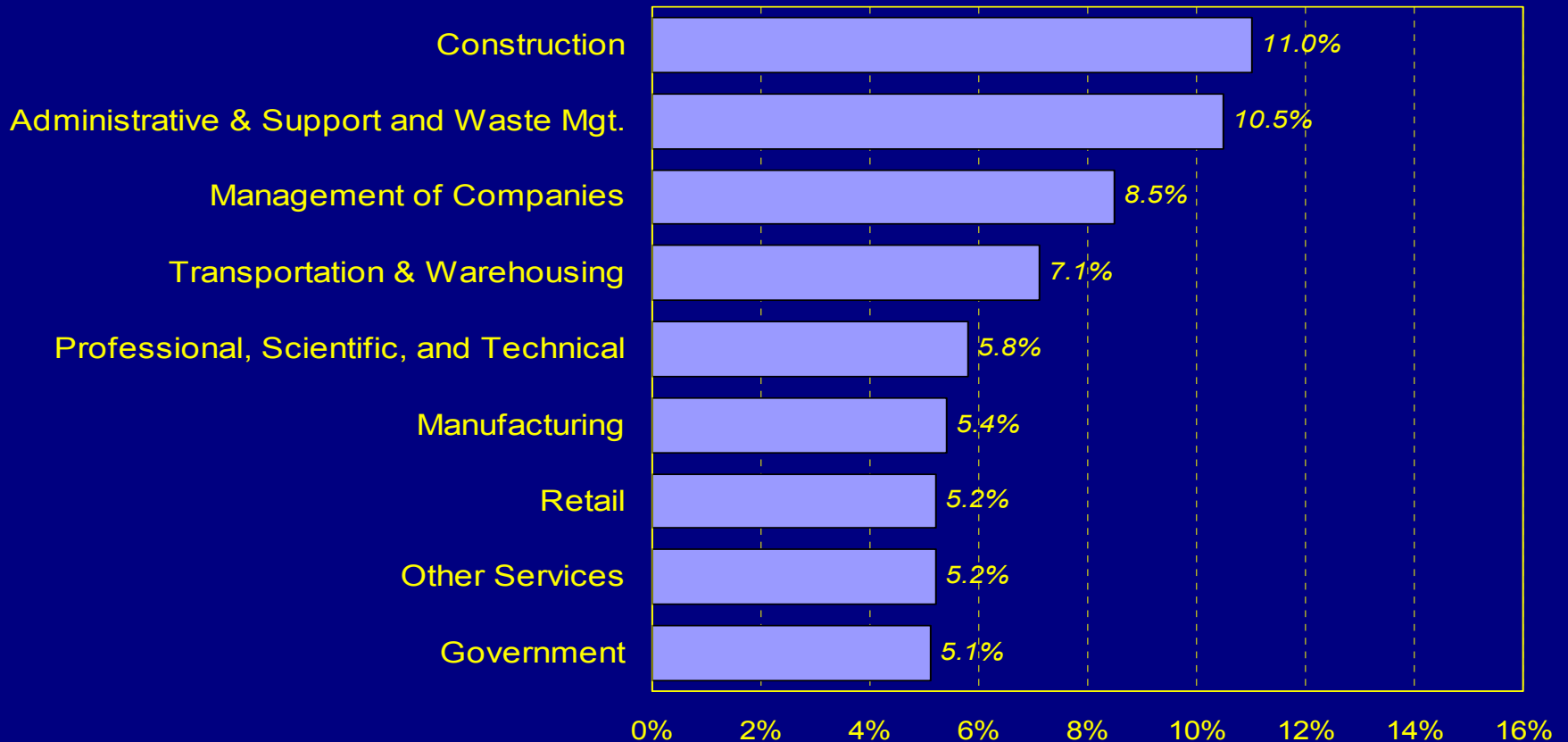
Las Vegas Area Employment – CAGR 4.8%



Source: Nevada Department of Employment, Training and Rehabilitation



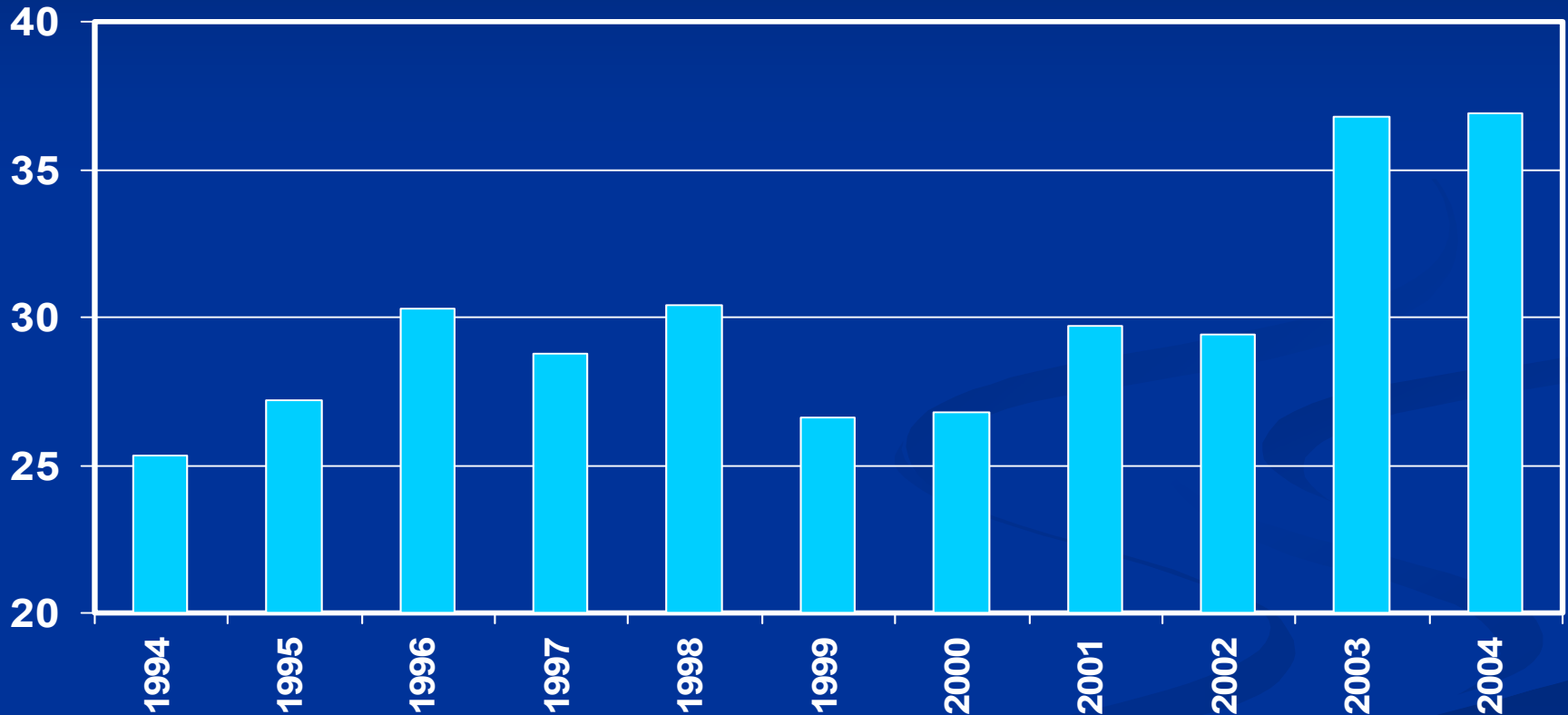
Fastest-Growing Industries in Clark County: October 2004



Source: Nevada Department of Employment, Training, and Rehabilitation



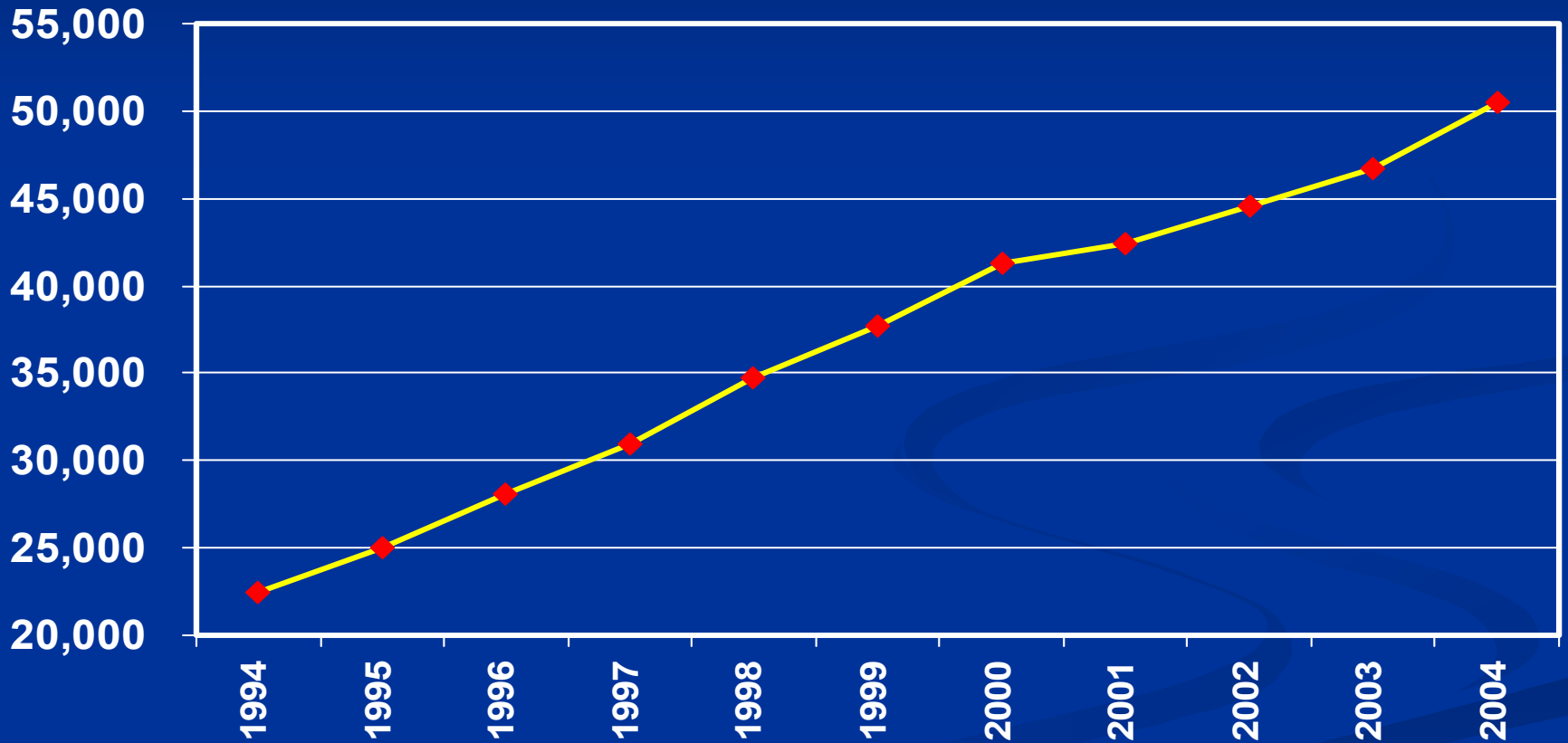
Las Vegas Area Housing Permits



Source: University of Nevada Las Vegas Center for Business and Economic Research



Clark County Total Personal Income – CAGR 9.4%



Source: University of Nevada Las Vegas Center for Business and Economic Research

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Local Economy 2005

- Population Projected to Grow 4.1%
- Total Employment to Grow 4.7%
- Personal Income Up 7.3%
- Housing Unit Permits 32.5K
- Retail, Commercial, Infrastructure Development
- Wynn LV, Caesars Tower, Palazzo, Encore

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Local Economy 2006

- Population Projected to Grow 3.8%
- Total Employment to Grow 4.1%
- Personal Income Up 7.2%
- Housing Units Permits - 34K



Simple Supply and Demand Theory



Las Vegas Local Market CAGR 9.7%

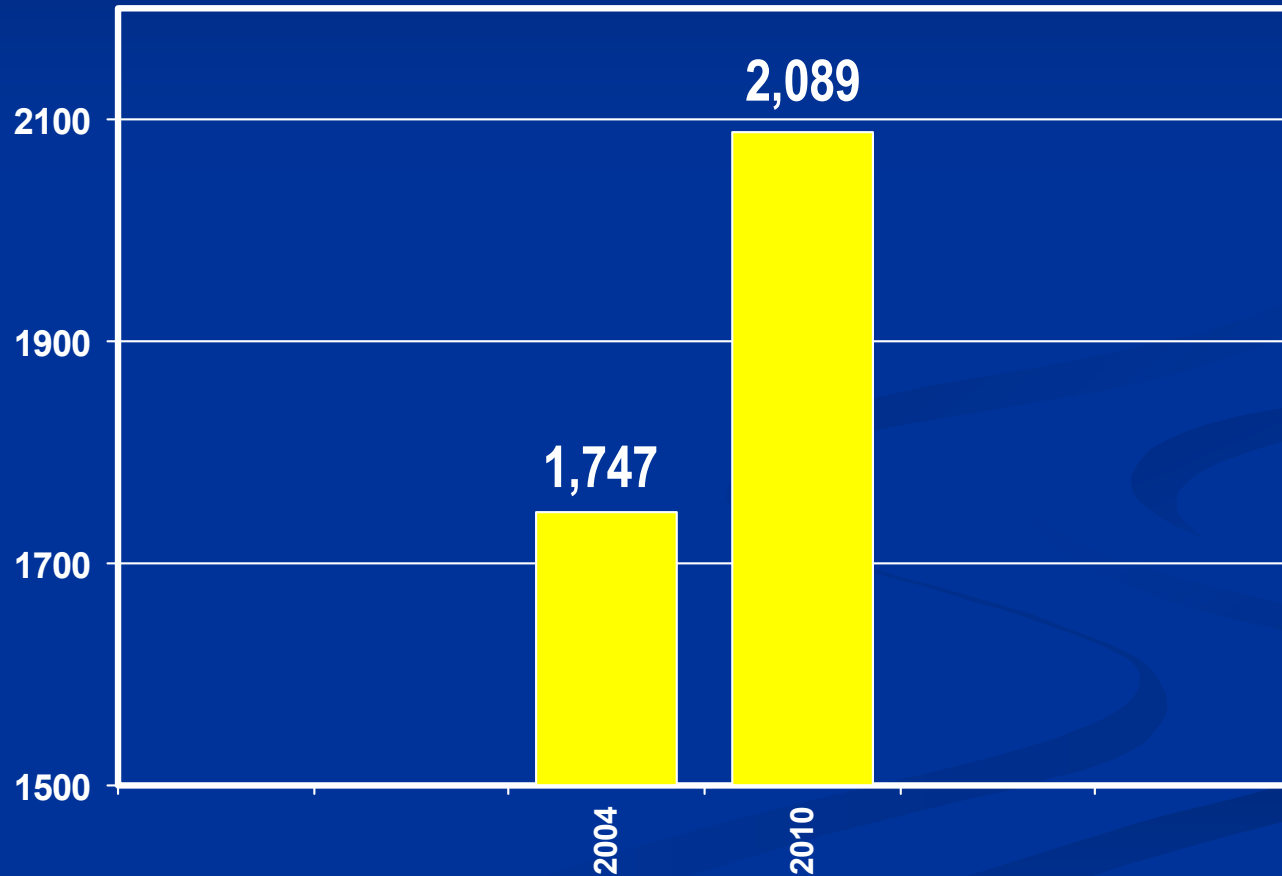


Source: Estimated Using Nevada Gaming Control Board Revenue Reports and Company Estimates



Projected Population Growth – CAGR 3%

(In thousands)

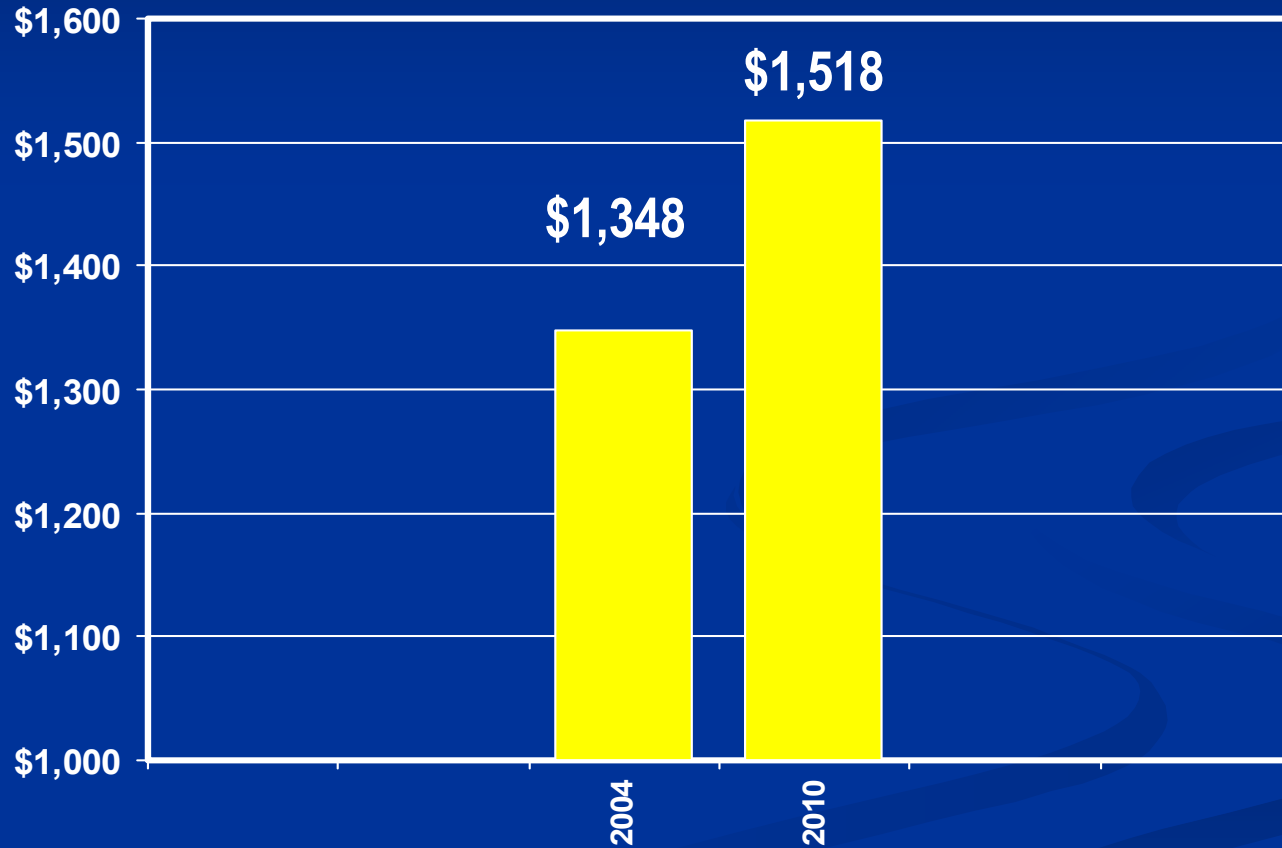


Source: University of Nevada Las Vegas Center for Business and Economic Research



Gaming Revenue Per Person

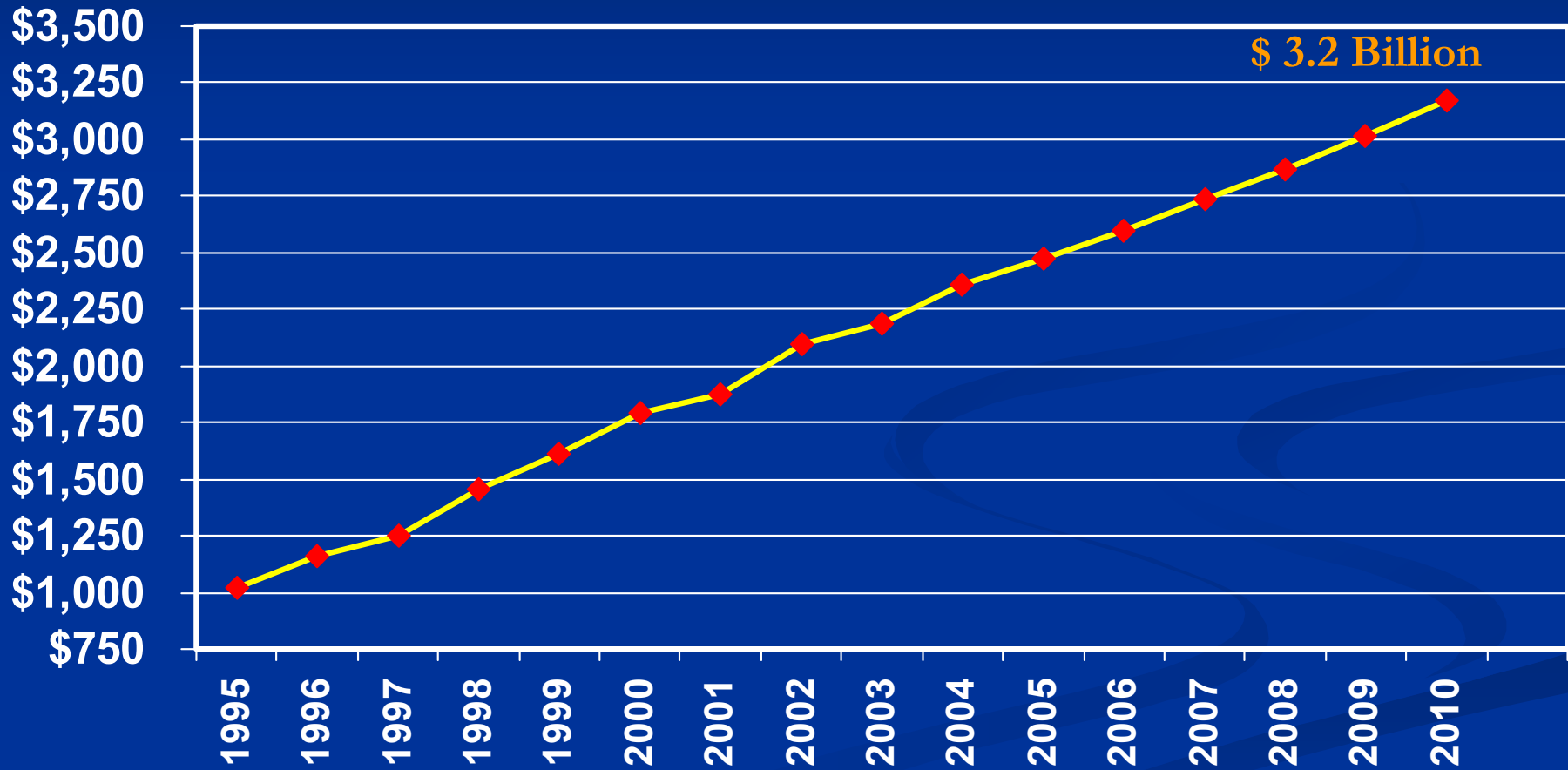
(In thousands)



Assumes 2% growth rate in gaming revenue per person



Las Vegas Local Market - \$3.2 Billion in 2010





Key Reasons to Own STN

- **Supply Demand Theory**
- **Simple Business Model**
 - Strong Operating Margins/ROI
- **Financial Strategy**
 - Sustainable Growth Story
 - Free Cash Flow

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Simple Business Model



Simple Business Model

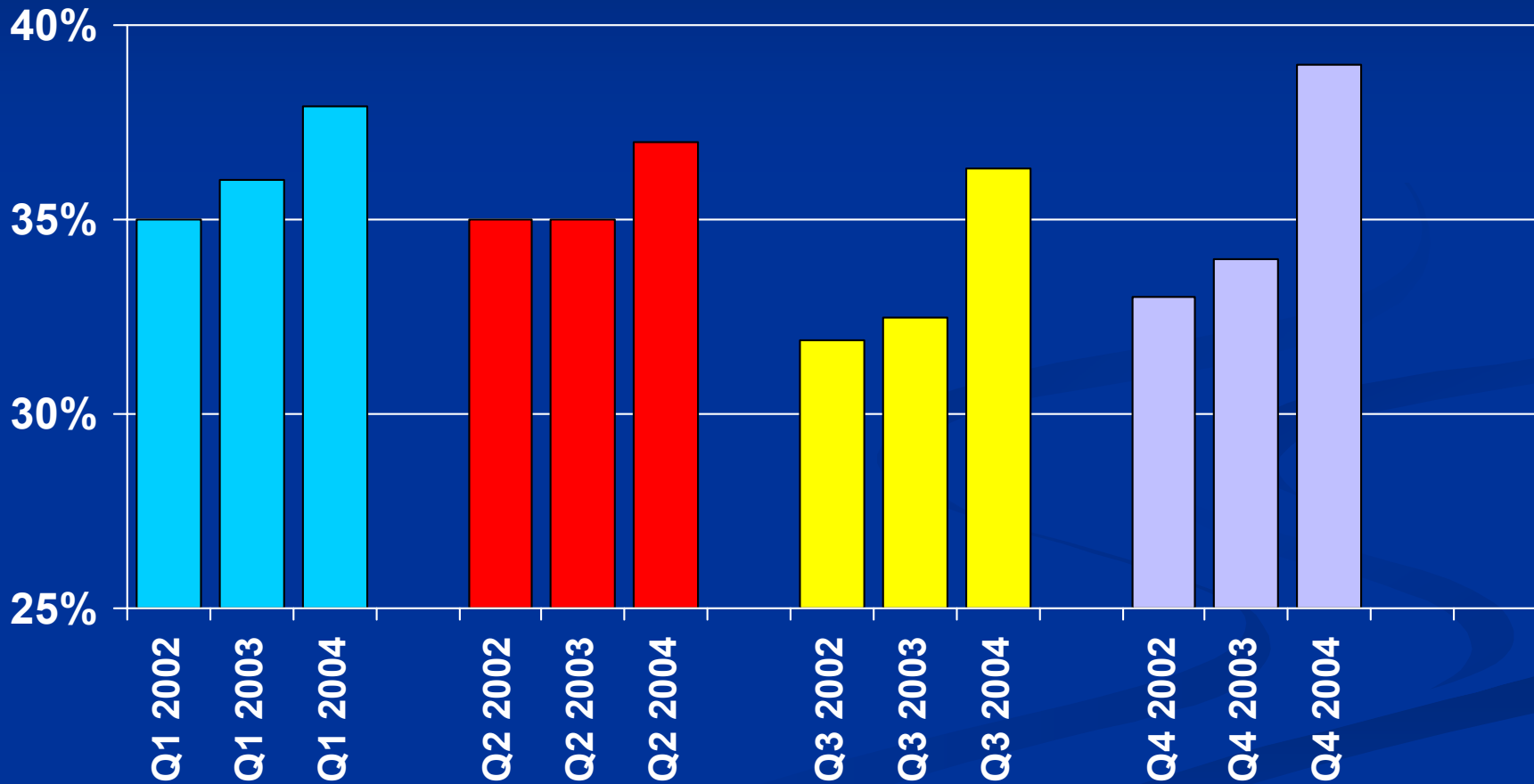
- Entertainment Malls for Locals
- Cater to Repeat Customers
- Model Exportable to New Jurisdictions

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Strong Operating Margins
and ROI



Operating Margins – Sequential Growth





Financial Strategy

Sustainable Earnings Growth



Sustainable Earnings Growth (Ex Development Costs)

- 2002** \$240 Million in Cash Flow
- 2003** \$295 Million
- 2004** \$385 Million
- 2005** Guidance \$425 - \$440 Million
- 2006** Guidance \$510- \$530 Open Red Rock Station

Thereafter : WWW, Four LV Sites, Four Native
American Management Contracts, MP
Expansions, Acquisitions



Sustainable Growth

Las Vegas Locals Market



LV Market Conducive to Organic Growth

- 14% Same Store Revenue Growth in 2004
- Guidance: 6-10% Revenue Growth in 2005
- Population Growth Generally
- Growth in Retirees – Baby Boomers
- Marketing – Jumbo Jackpot
- Limited Supply Increases

Growth From Unit Expansion

- Opens Q1 of 2006
- The Premier Locals' Property in Las Vegas
- Cost \$550 Million
- 2,700 Slots / 60 Table Games
- Several "Big Box" Restaurants
- 16 Movie Theaters
- Exceptional Location





Positioned for the Future – More Unit Growth

Future Unit Growth Opportunities

- Wild Wild West
- Other Master Planned Expansions
- Land Portfolio –Durango and I-215
 - Flamingo and I-215
 - Cactus and I-15
 - Boulder Highway



MCCARRAN AIRPORT

PARADISE

FLAMINGO

BALLY'S

PARIS

ALADDIN

MGM

TROPICANA

LAS VEGAS BLVD

CAESARS

BELLAGIO

ORLEANS

MONTE CARLO

NEW YORK NEW YORK

EXCALIBUR

FLORIN

MANDALAY BAY

I-15

I-15

PROJECT SITE

VALLEY VIEW

SAVING

CONVENT



Sustainable Growth

Management Contracts



Native American Gaming Contracts

	<u>Location</u>	<u>Current Contract Length</u>	<u>Mgt Fee %</u>
In Operation:			
Thunder Valley	California	5.5 Years	24%
In Development:			
Gun Lake	Michigan	7 Years	Variable
Chico	California	7 Years	24%
Graton	California	7 Years	22%
North Fork	California	7 Years	24%



Growth Opportunities – Native American Gaming

Organic Growth – Thunder Valley

- Further Market Penetration and Same Store Growth

Unit Growth

- Gun Lake and Chico Tribes
- Graton Rancheria and North Fork Tribes
- Other Potential Contract Opportunities



Financial Strategy



Execute Three Year EBITDA Growth Goals

	Actual	Range		Range	
	2004	2005	2005	2006	2006
Current Operations *	\$ 385	\$ 413	\$ 428	\$ 435	\$ 448
MP Expansions		12	12	15	18
Red Rock Station				60	64
EBITDA	\$ 385	\$ 425	\$ 440	\$ 510	\$ 530
3 Year CAGR				20-22%	

*Excludes Non Recurring Items and Development Costs.

**2005 Assumes 6-10% Revenue Growth in the LV Locals' Market

And No Other Management Fees from Other Native American Operations Other Than Thunder Valley.

***2006 Assumes 3-5% Revenue Growth in the LV Locals' Market,

Note: Base Year 2003 EBITDA as defined was \$ 295.



Execute Three Year EPS Growth Goals

	Actual 2004	Range 2005 2005		Range 2006 2006	
Pro forma EBITDA *	\$ 385	\$ 425	\$ 440	\$ 510	\$ 530
Interest Expense	81	80	80	103	103
Depreciation	86	101	101	128	128
Taxes At 37%	79	90	96	103	111
Net Income	\$ 139	\$ 154	\$ 163	\$ 176	\$ 188
EPS **	\$ 2.10	\$ 2.22	\$ 2.35	\$ 2.53	\$ 2.71

3 Year CAGR

26-29%

*Excludes Non Recurring Items and Development Costs.

*See Previous Assumptions Regarding EBITDA on Previous Slide

**Assumes 69.5 Million Shares Outstanding in 2005 and 2006

Base Year 2003 EPS, As Defined was \$1.27. Assumes Full Year of Operations from Red Rock Station in 2006.



Flexibility In Capital Structure

Long-Term Debt:

Reducing Revolver	\$	52
Other – MPM		6
Senior Notes		465
Subordinated Notes		<u>817</u>
Total LT Debt at 12/31/04	\$	1,340

- Next Maturity 2009
- Weighted Average Cost- Pretax 5.9%
- Fixed Rate Debt 78%
- Incremental Borrowing Rate – 137.5 bps over Libor



Financial Platform for Long Term Growth (In Millions)

■ Maturities

- \$1 Billion in 2009 at Libor Plus 137.5 bps
- \$450 M in 2012 6% Senior Notes
- \$450 M in 2014 6.5% Senior Sub Notes
- \$350 M in 2016 6.875% Senior Sub Notes

■ Maximum Flexibility



Returning Capital to Shareholders

- **One of a Few Gaming Companies with:**
 - Significant Growth Opportunities
 - Solid Leverage Ratios
 - And Returning Capital to Shareholders with a \$.84 dividend



Substantial Free Cash Flows



2005 Free Cash Flow Sensitivity Analysis (in millions)

EBITDA	\$ 425	\$ 440
Less:		
Interest	100	100
Cash Taxes Paid	-	-
Maintenance Capital Expenditures	40	40
Cash for Reducing Debt or for Capital Needs	\$ 285	\$ 300

**No Cash Taxes Will Be Paid in 2005. Cash Taxes Expected to be 60-70% of the Accounting Provision in 2006.

Based on These Percentages, 2006 Cash Taxes Would be \$62 million - \$78 million.



Winning Combination

- **Operating Results Plus Financial Strategy**
 - TTM ROI on Ground Up Development - 23%
 - TTM ROI Across Portfolio – 20%
 - Weighted Average Cost of Debt – 5.9%
 - Incremental Cost of Debt – 137.5 BPS Over Libor
 - 2005 FCF \$285 - \$300 Million

“Safe Harbor Provision”

Statements within this presentation which are not historical facts are “forward looking” statements and “safe harbor statements” under the Private Securities Litigation Reform Act of 1995 that involve risks and/or uncertainties, including but not limited to financial projections, state and federal regulations, construction activities and other risks described in the Company’s public filings with the Securities Exchange Commission.

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