

STANTON CASINOS
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Las Vegas Economy

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Local Economy 2006

- Population Projected to Grow 3.9%
- Total Employment to Grow 4.5%
- Personal Income Up 7.0%
- Housing Units Permitted 38.8K (37.4K in 2005)
- Retail, Commercial, Infrastructure Development

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Local Economy 2007

- Population Projected to Grow 3.7%
- Total Employment to Grow 4.1%
- Personal Income Up 6.8%
- Housing Units Permitted 41K



Known Development on the Strip Through 2010

(In Millions)

<u>Company</u>	<u>Project</u>	<u>Cost</u>	<u>Multiplier Effect</u>
MGM	MGM City Center	\$ 7.0	
BYD	Echelon	4.0	
WYNN	Encore	1.7	
Private	Cosmopolitan	1.5	
LVS	Palazzo	1.7	
	Total Investment	<u>\$ 15.9</u>	<u>\$ 31.8</u>



“STN – Three Baskets of Value”

Existing Cash Flows

06 EBITDA \$545-\$565 M

07 EBITDA \$630-\$670 M

Mid Teens % YOY Increase

Land and Other Value

Est. FMV Land

Tribal Advances

\$16-\$22 Per Share

Future Value

Growth Oriented Mgt.

Growth Opportunities

ROI and COC Spread



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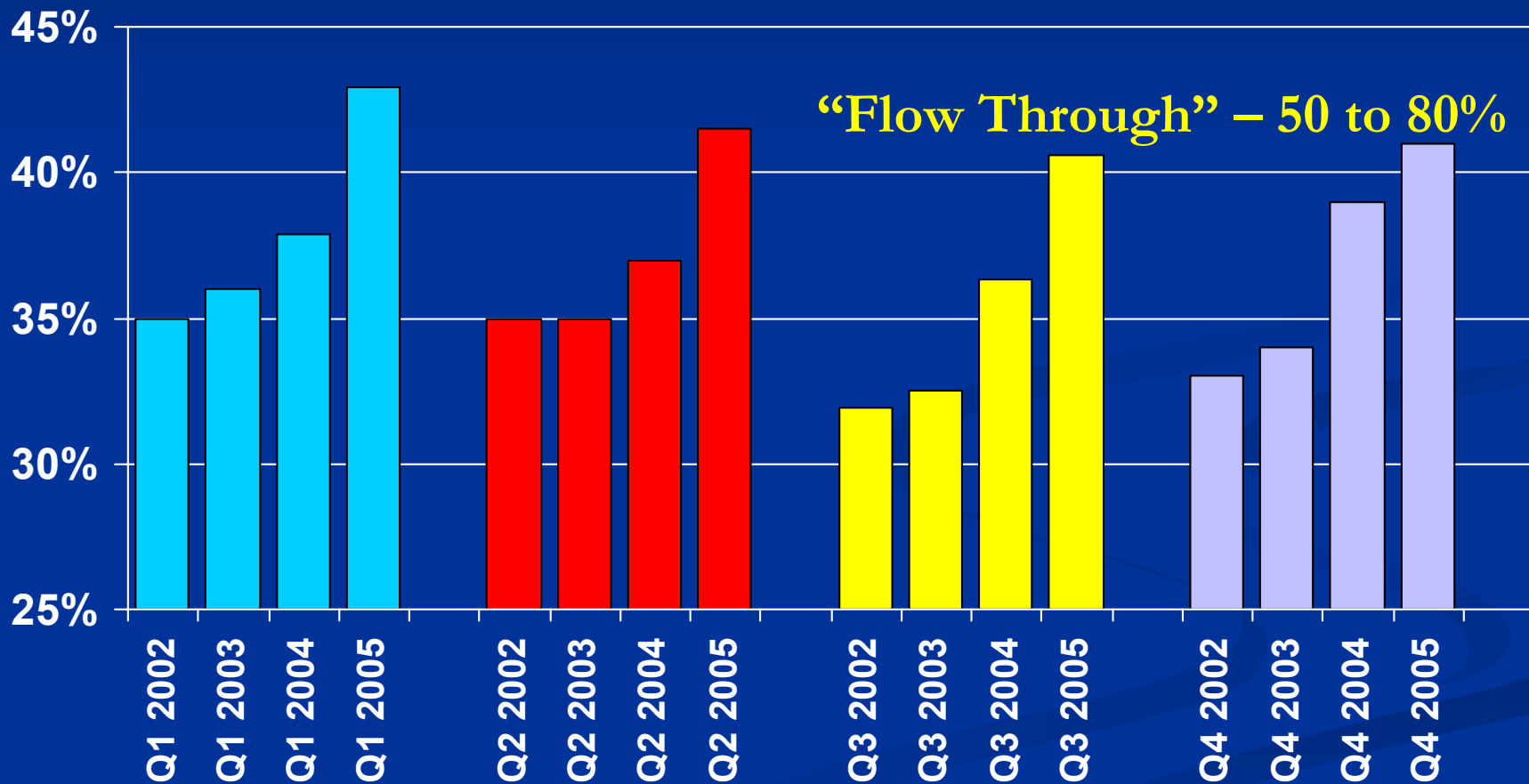


Baskets of Value – Existing Cash Flow

- **Quality Markets - Supply/Demand Imbalance**
- 87% of Cash Flow Comes From Slots
- **Creates Predictable Cash Flow Stream**
- Relatively Less Risk to Cash Flow Stream
- **“Premium Quality” Cash Flows**
- Strong Operating Margins/ROI



Operating Margins – 16 Quarters of YOY Growth





Simple Supply and Demand Theory

“Econ 101”



LV Local's Market – Gaming Revenue

CAGR 9.7%

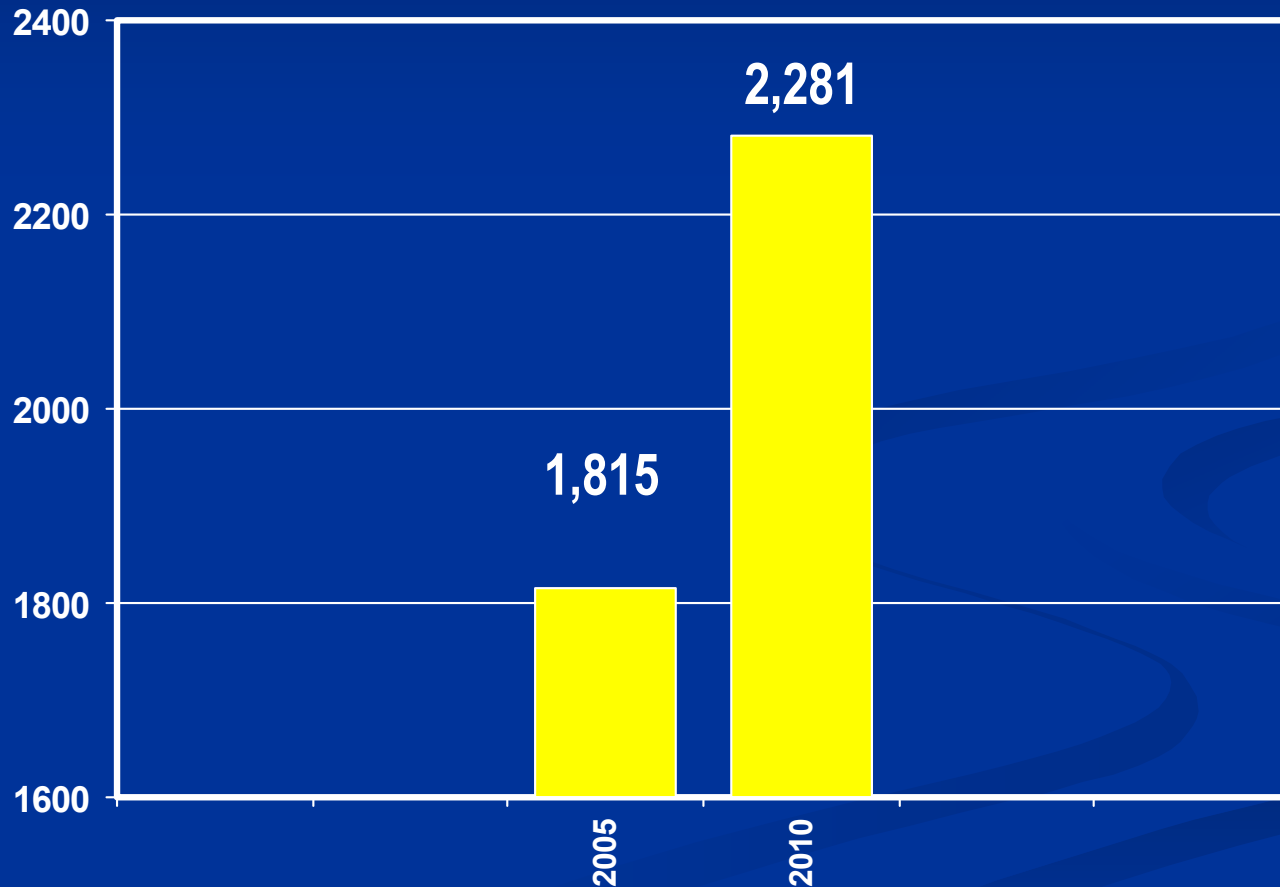


Source: Estimated Using Nevada Gaming Control Board Revenue Reports and Public Company Filings



Projected Population Growth – CAGR 4.7%

(In thousands)

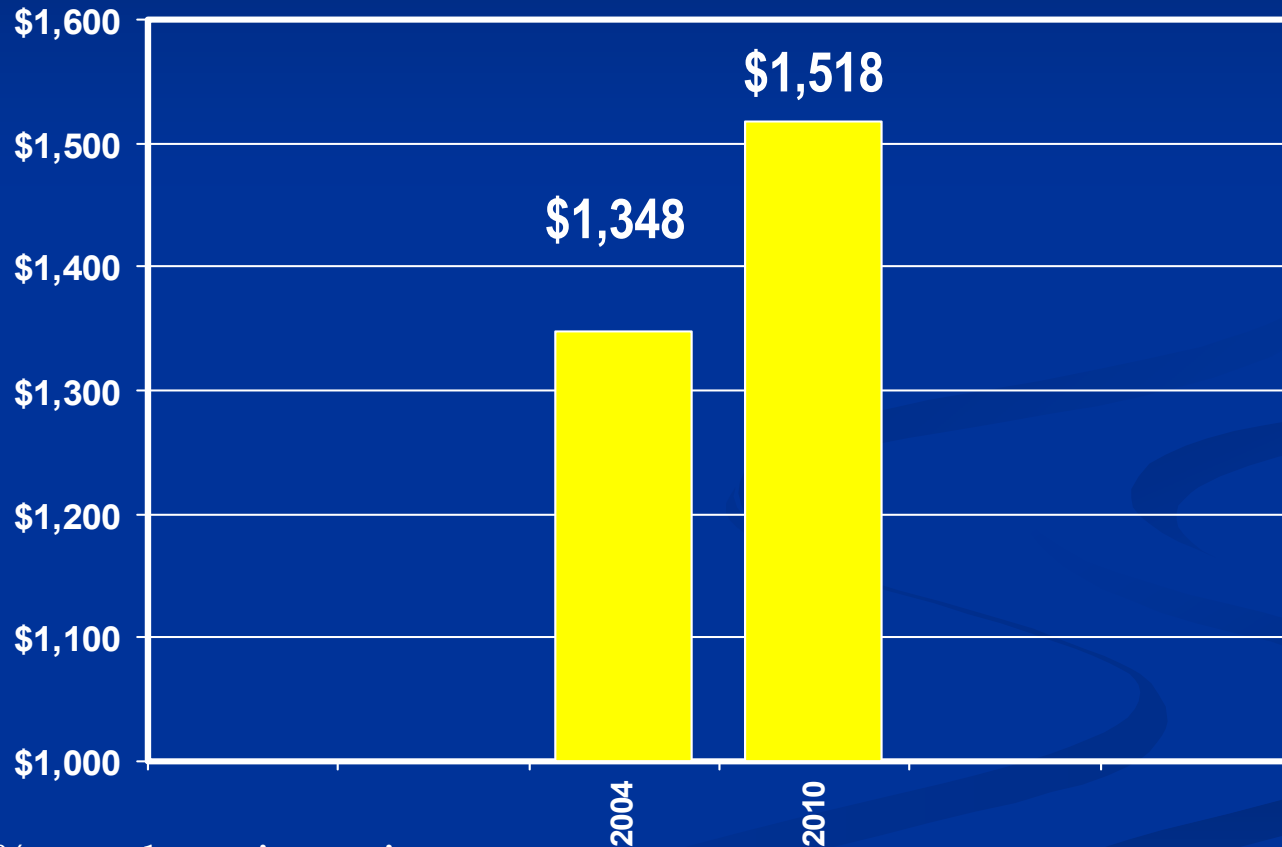


Source: University of Nevada Las Vegas Center for Business and Economic Research



Gaming Revenue Per Person

(In thousands)

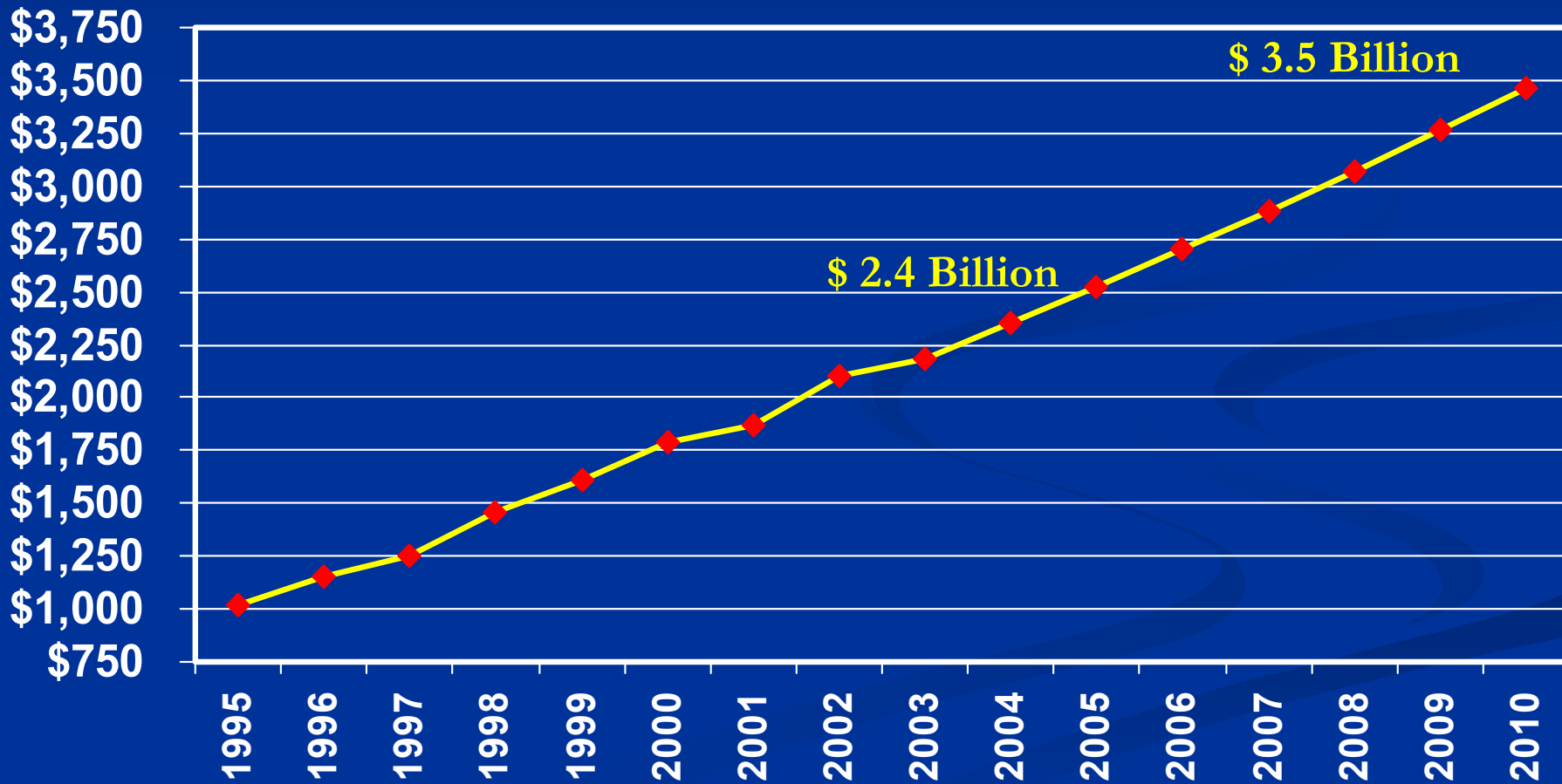


Assumes 2% growth rate in gaming revenue per person

Computation: Estimated Gaming Revenues in the LV Local's Market Divided by the Population



Las Vegas Local's Market - \$3.5 Billion in 2010





“STN – Three Baskets of Value”

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Est. FMV Land

Tribal Advances

\$16-\$22 Per Share



Land Held for Development

(in millions, Except per Share Data)

12/31/2005

<u>Acres</u>	<u>Location</u>	<u>Cost</u>	<u>Cost Per Share</u>
553	Total Held for Development	\$ 252.4	
67	Wild Wild West (in PPE)	149.6	
<u>620</u>	<u>Total</u>	<u>\$ 402.0</u>	<u>\$ 5.74</u>

Assumes 70 Million Shares Outstanding

Excludes Two Parcels in Escrow Located in Reno, Nevada.

Wild Wild West Land Includes 19 Acres From Pending Lease Buyout

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Land – Basket of Value

(in millions, Except per Share Data)

12/31/2005

Est. FMV Range

<u>Acres</u>	<u>Location</u>	<u>Low</u>	<u>High</u>
253	Las Vegas Sites	\$ 500	\$ 655
40	Excess Land	60	81
300	Reno and Other	70	115
67	Wild Wild West	334	534
660	Total	\$ 964	\$ 1,385
	Per Share	\$ 13.77	\$ 19.79

Assumes 70 Million Shares Outstanding. FMV Determined by 3rd Parties

Excludes Two Parcels in Escrow Located in Reno, Nevada.

Wild Wild West Land Includes 19 Acres From Pending Lease Buyout



Land and Other Assets – Basket of Value

(in millions, Except per Share Data)

12/31/05

Location	Est. FMV Range	
	Low	High
Land Held for Development	\$ 964	\$ 1,385
Advances to Tribes	\$ 165	\$ 165
Total	\$ 1,129	\$ 1,550
Per Share	\$ 16.13	\$ 22.14

Assumes 70 Million Shares Outstanding. FMV Determined by 3rd Parties

Excludes Two Parcels in Escrow Located in Reno, Nevada.

Wild Wild West Land Includes 19 Acres From Pending Lease Buyout



“STN – Three Baskets of Value”

Future Value

Growth Oriented Mgt.
Growth Opportunities
ROI and COC Spread



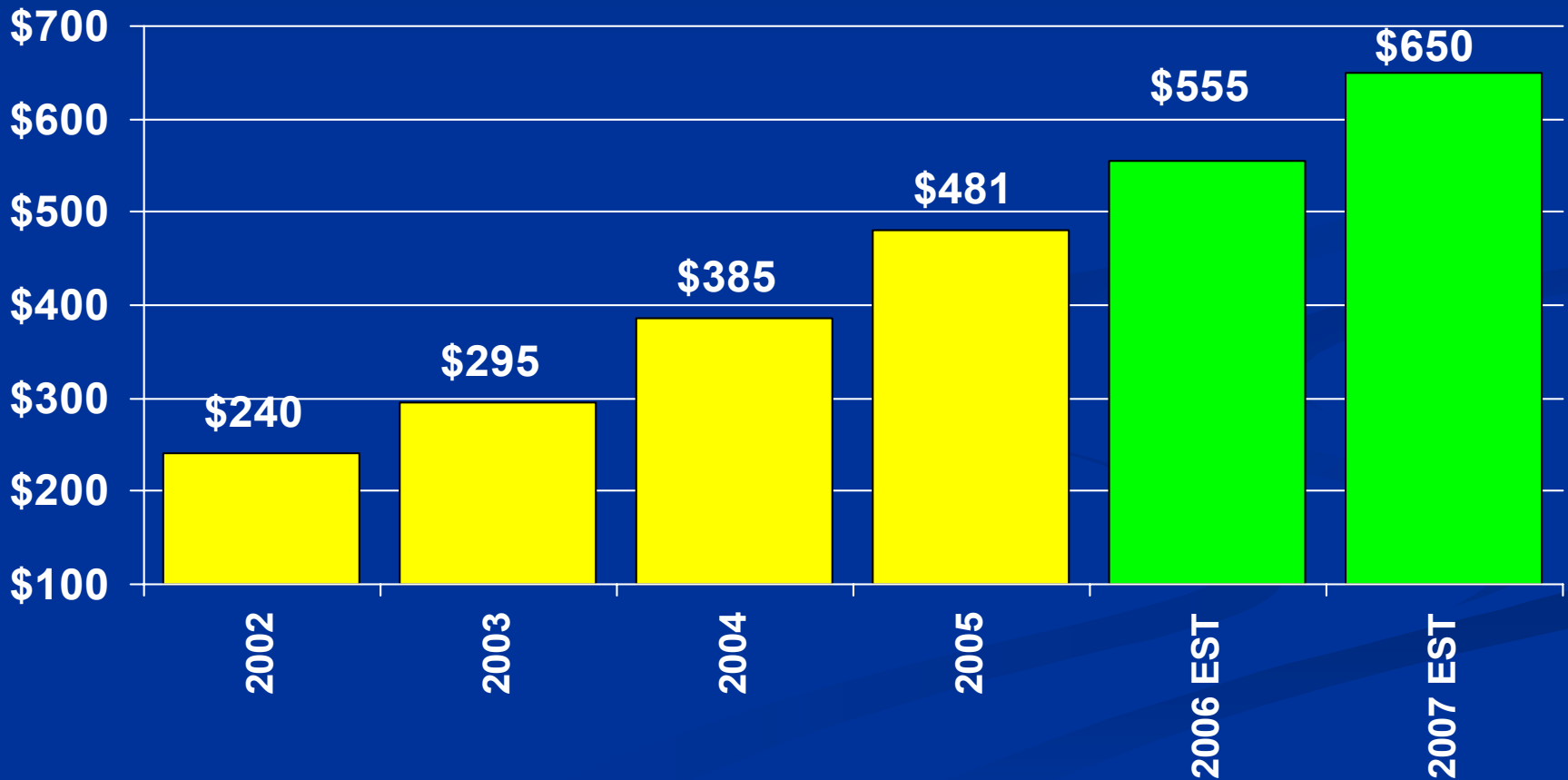
Project Timeline

Project	Completion Date
Red Rock Phase I	April 18, 2006
Red Rock Phase II	Late Q4 2006
Fiesta Henderson Exp	Q3 2006*
Santa Fe Exp	Q3 2006*
Green Valley Ranch Exp	Q4 2006*

*The Expansion Comes On Line in Phases Starting During These Quarters.



EBITDA - Actual and Mid-Point Guidance
CAGR Growth Rate 22%
2002-2007





Positioned for the Future Growth

- Aliante Station – Open Mid 2008
- Land Portfolio: Durango and I-215
Flamingo and I-215
Cactus and I-15
Boulder Highway
South Reno
Reno Convention Center
- Master Planned Expansions
- Wild Wild West



Sustainable Growth

Management Contracts



Future Growth - Native American Gaming Contracts

	<u>Location</u>	<u>Current Contract Length</u>	<u>Mgt Fee %</u>
In Operation:			
Thunder Valley	California	4.25 Yrs	24%
In Development:			
Gun Lake	Michigan	7 Years	Variable
Chico	California	7 Years	24%
Graton	California	7 Years	24%
North Fork	California	7 Years	24%



Financial Strategy



Flexibility In Capital Structure*

Long-Term Debt:

Reducing Revolver	\$ 30
Senior Notes	449
Subordinated Notes	1,458
Other – MPM	9
Total LT Debt at 12/31/05	\$ 1,946

- Next Maturity 2010
- Weighted Average Cost- Pretax 6.5%
- Fixed Rate Debt 96%
- Incremental Borrowing Rate – 100 bps over Libor

*Proforma for Recent \$300 Million 6.625% Sr. Sub Note Offering



Proforma Debt Maturities In Millions 12/31/05





'06 Free Cash Flow Sensitivity Analysis (in millions)

EBITDA	\$ 545	\$ 565
Less:		
Interest (including cap interest)	149	149
Cash Taxes Paid	57	64
Maintenance Capital Expenditures	45	45
Free Cash Available for Capital Needs	\$ 294	\$ 307



Operating Results Plus Financial Strategy

Strong ROI – Guidance for 2006 and 2007

High Teens/Low 20%

Low Cost of Capital – WAC of Debt – 6.5%

2006 FCF \$294 - \$307 Million



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“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.

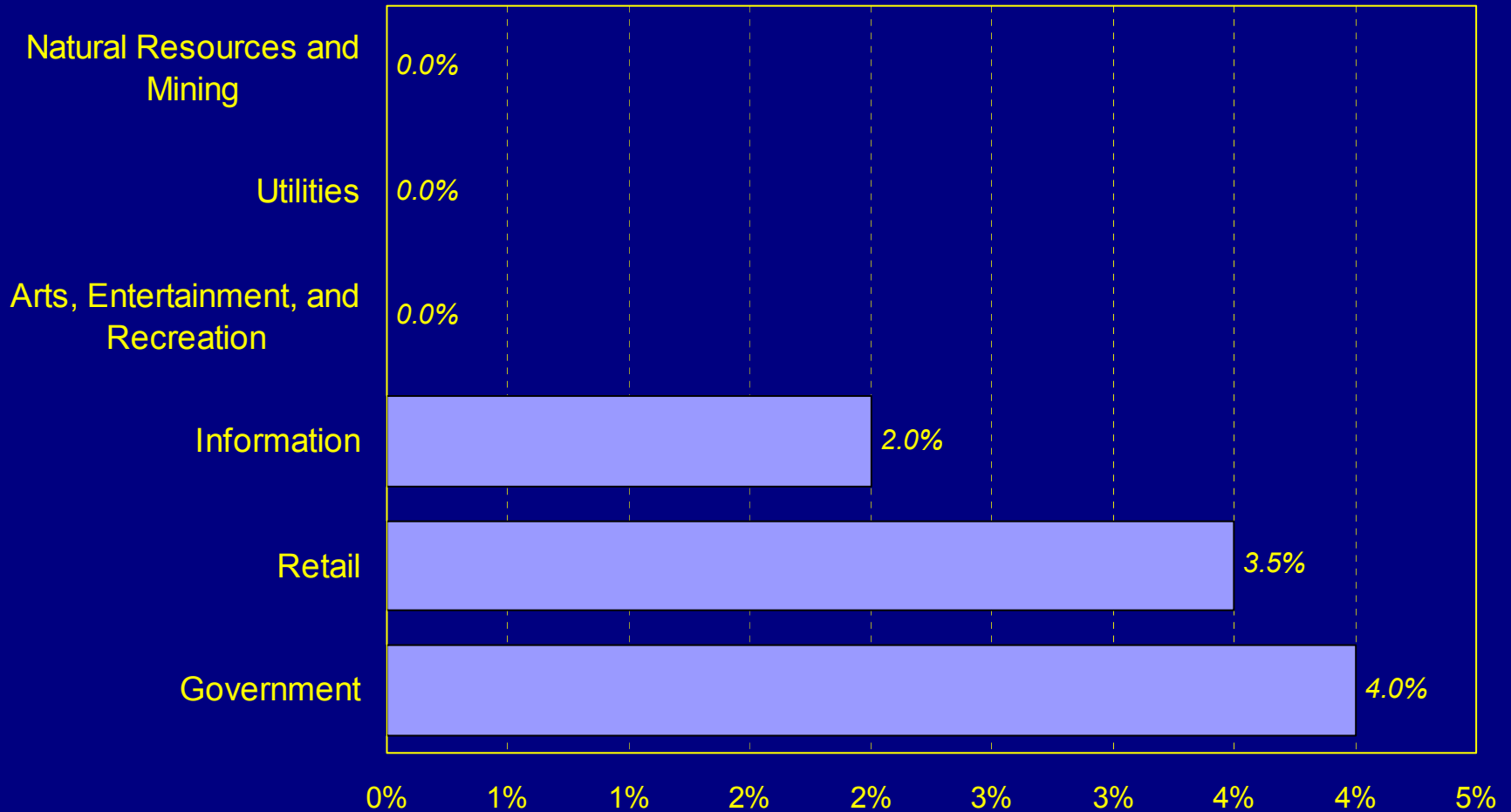
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Strong Operating Margins
and ROI

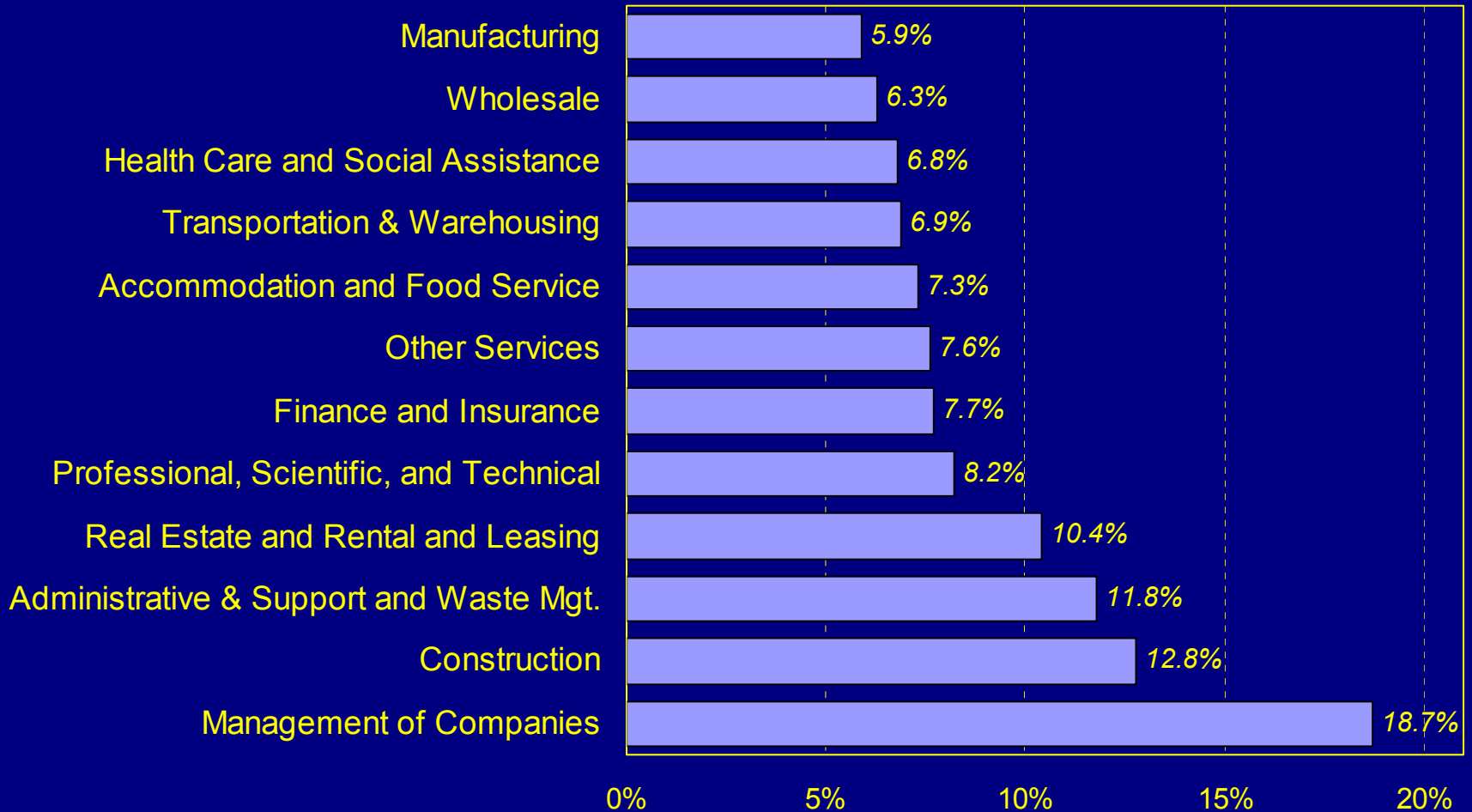


Slowest-Growing Industries in Clark County: October 2005



Source: Nevada Department of Employment, Training, and Rehabilitation

Fastest-Growing Industries in Clark County: October 2005



Source: Nevada Department of Employment, Training, and Rehabilitation



LV Local Economy Metrics

	<u>12/31/2005</u>	<u>12/31/04</u>
Population	1,815,700	1,710,000
Employment	872,900	811,800
New Home Sales	37,414	30,000
Unemployment Rate	3.5%	3.5%

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



Guidance - Total EPS

(in millions, except EPS)

	Actual	Range		Range	
	2005	2006	2006	2007	2007
EBITDA w/ Disruption	\$ 481	\$ 545	\$ 565	\$ 630	\$ 670
Interest Expense	87	126	126	154	154
Depreciation	101	138	138	168	168
Taxes @ 37.2%	108	104	111	114	129
Net Inc w/Disruption	\$ 185	\$ 177	\$ 190	\$ 194	\$ 220
EPS **w/ Disruption	\$ 2.74	\$ 2.53	\$ 2.71	\$ 2.77	\$ 3.14

EBITDA Assumes \$16 Million in Construction Disruption for 2006

**See Previous Assumptions Regarding EBITDA and EPS on Previous Slides.

***2006 and 2007 Assumes 70 Million Shares Outstanding



Guidance - Interest on Land Held for Development et al (in millions, except EPS)

	Actual 2005	2006	2007
Land Held for Development	\$ (13)	\$ (18)	\$ (22)
Advances to Tribes	(6)	(11)	(12)
Total Interest	(19)	(29)	(34)
Taxes @ 37.2%	7	11	13
Impact on Net Income	\$ 12	\$ 18	\$ 21
EPS Impact	\$ 0.18	\$ 0.26	\$ 0.30

2006 and 2007 Assumes a 70 Million Shares Outstanding



EPS Guidance - Core Operations

(in millions, except EPS)

	Actual	Range		Range	
	2005	2006	2006	2007	2007
EBITDA w/ Disruptio n	\$ 481	\$ 545	\$ 565	\$ 630	\$ 670
Interest Expense	68	97	97	120	120
Depreciation	101	138	138	168	168
Taxes @ 37.2%	115	115	123	127	142
Net Inc w/Disruptio n	\$ 197	\$ 195	\$ 207	\$ 215	\$ 240
EPS **w/ Disruptio n	\$ 2.91	\$ 2.79	\$ 2.96	\$ 3.07	\$ 3.43

Management Expects Construction Disruption at the Santa Fe, Fiesta Henderson, and Green Valley Ranch Expansion Sites in 2006.

***2006 and 2007 Assumes 70 Million Shares Outstanding



Company Total 2006 EPS Guidance (in millions, except EPS)

	Core		
	Operations	Other**	Total
EBITDA*	\$ 555		\$ 555
Interest	97	\$ 29	126
Depreciation	138	-	138
Pre-tax Income	320	(29)	291
Income Taxes	119	(11)	108
Net Income	\$ 201	\$ (18)	\$ 183
Earnings Per Share	\$ 2.87	\$ (0.26)	\$ 2.61

* Midpoint of Guidance

** EPS From Core Operations Excludes Interest Expense from Land Held For Development and
Advances to Tribes

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Asset Conversion Strategy

Projects	2006	2007	2008	2009	2010
Red Rock I	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Red Rock II	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Santa Fe MP	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Fiesta H MP	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
GVR MP	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Aliente	Planning	Building	Operating Leverage	Operating Leverage	Operating Leverage
Durango	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Castaways	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Reno I	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Gun Lake	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage
Graton	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage	Operating Leverage

Key:

Planning	Building	Ramp Up	Operating Leverage
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