

STANTON CASINOS
INC



Quarterly Financial Highlights

STATION CASINOS^{INC.}

Operating Highlights

(in millions)

Major Las Vegas Operations	Q2 '06	Q2 '05	%
Net Revenues	\$ 305.3	\$ 238.7	28%
Adjusted EBITDA	114.5	98.2	17%
EBITDA Margins	37.5%	41.1%	-9%

Major Properties - With GVR	Q2 '06	Q2'05	%
Net Revenues	\$ 368.3	\$ 296.0	24%
Adjusted EBITDA	140.9	122.7	15%
EBITDA Margins	38.3%	41.5%	-8%



Operating EBITDA Components

(in millions)

	<u>Q2 '06</u>	<u>Q2 '05</u>	<u>%</u>
Op. Inc. and Earnings from JV	\$ 86.5	\$ 85.5	
Depreciation and Amortization	31.4	25.1	
Development Expense	2.5	2.1	
Preopening Expenses	13.6	1.2	
Loss on Asset Disposals	-	0.3	
Lease Terminations	-	4.1	
EBITDA Adjusted	<u>\$ 134.0</u>	<u>\$ 118.3</u>	13%



2006 and 2007 Annual Guidance

Company Totals



EBITDA Guidance

(in millions)

	Actual	Range		Range	
	2005	2006	2006	2007	2007
Steady State EBITDA	\$ 481	\$ 566	\$ 581	\$ 630	\$ 670
Construction Disruption		(16)	(16)		
Disrupted EBITDA	\$ 481	\$ 550	\$ 565	\$ 630	\$ 670

*Excludes Non Recurring Items and Development Costs.

**2006 Assumes 24-27% Revenue Growth and 2007 Assumes 17% Revenue Growth from Midpoint to Midpoint
And No Other Management Fees from Other Native American Operations Other Than Thunder Valley.



EPS Guidance

(in millions, except EPS)

	Actual	Range		Range	
	2005	2006	2006	2007	2007
EBITDA w/ Disruption *	\$ 481	\$ 550	\$ 565	\$ 630	\$ 670
Interest Expense	87	173	173	216	216
Depreciation	101	135	135	168	168
Taxes	108	92	98	92	106
Net Inc w/Disruption	\$ 185	\$ 150	\$ 159	\$ 154	\$ 180
EPS **w/ Disruption	\$ 2.74	\$ 2.44	\$ 2.58	\$ 2.53	\$ 2.95

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

**2006 Assumes 61.6 million Shares and 2007 Assumes 61 Million Shares Outstanding

*** The Tax Rate Assumed is 38% in 2006 and 37.2% in 2007.



2006 Annual Guidance

Core Operations EBITDA and EPS

Interest Expense - Core Operations and
Other



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

Core

	<u>Operations</u>	<u>Other**</u>	<u>Total</u>
EBITDA*	\$ 558	\$ -	\$ 558
Interest	142	31	173
Depreciation	135	-	135
Pre-tax Income	281	(31)	250
Income Taxes @38%	107	(12)	95
Net Income	\$ 174	\$ (19)	\$ 155
Earnings Per Share***	\$ 2.83	\$ (0.31)	\$ 2.52

* Midpoint of Guidance

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

***Assumes 61.6 Million Shares Outstanding



Guidance

2006 Interest On Core Operations and Other Assets

(in millions, except EPS)

	Core Operations	Other*	Total
Interest - Core Operations	\$ 142	\$ -	\$ 142
Interest - Land Held for Development	-	19	19
Interest - Tribal Advances	-	12	12
Total Interest Expense	<u>\$ 142</u>	<u>\$ 31</u>	<u>\$ 173</u>
Impact on EPS**	<u>\$ 1.42</u>	<u>\$ 0.31</u>	<u>\$ 1.73</u>

* Non-Core Assets Defined as Land Held For Development and Advances to Tribes

**Assumes income taxes @38% and 61.6 Million Shares Outstanding



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

	Actual 2005	EST. 2006	EST. 2007
Land Held for Development	\$ (13)	\$ (19)	\$ (24)
Advances to Tribes	(6)	(12)	(13)
Total Interest	(19)	(31)	(37)
Taxes*	7	12	14
Impact on Net Income	\$ 12	\$ 19	\$ 23
EPS Impact	\$ 0.18	\$ 0.31	\$ 0.38

Assumes 61.6 Million Shares Outstanding in 2006 and 61 Million Shares in 2007

*The Tax Rate Assumed is 38% in 2006 and 37.2% in 2007.



2007 Annual Guidance

Core Operations EBITDA and EPS

Interest Expense - Core Operations



Company Total 2007 EPS Guidance (in millions, except EPS)

Core

	<u>Operations</u>	<u>Other**</u>	<u>Total</u>
EBITDA*	\$ 650	\$ -	\$ 650
Interest	178	38	216
Depreciation	168	-	168
Pre-tax Income	304	(38)	266
Income Taxes @37.2%	113	(14)	99
Net Income	<u>\$ 191</u>	<u>\$ (24)</u>	<u>\$ 167</u>
Earnings Per Share***	<u>\$ 3.13</u>	<u>\$ (0.39)</u>	<u>\$ 2.74</u>

* Midpoint of Guidance

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

***Assumes 61 Million Shares Outstanding



Guidance

2007 Interest On Core Operations and Other Assets

(in millions, except EPS)

	Core Operations	Other*	Total
Interest - Core Operations	\$ 178	\$ -	\$ 178
Interest - Land Held for Development	-	24	24
Interest - Tribal Advances	-	14	14
Total Interest Expense	\$ 178	\$ 38	\$ 216
Impact on EPS**	\$ 1.83	\$ 0.39	\$ 2.22

* Non-Core Assets Defined as Land Held For Development and Advances to Tribes

**Assumes income taxes @37.2% and 61 Million Shares Outstanding



Quarterly Guidance

Q3 2006 Core Operations

Interest Expense on Non-Core Assets

Company Totals



EBITDA Guidance Q3 2006

(in millions)

EBITDA, Before Development
and Non-Recurring Items*

Range Q3 2006**		Actual Q3 2005
\$ 135	\$ 140	\$ 117.8

*Excludes Non-Recurring Items and Projected Development Expense
Includes Management Fees

** Guidance Assumes Construction Disruption at Fiesta Henderson,
Green Valley Ranch and Santa Fe Station



EPS Guidance – Q3 2006

(in millions, except EPS)

	Actual	Range	
	2005	2006	2006
EBITDA** w/ Disruption	\$ 118	\$ 135	\$ 140
Interest Expense	22	51	51
Depreciation	26	38	38
Taxes @ 38% in 2006	27	17	19
Net Inc w/Disruption	\$ 43	\$ 29	\$ 32
EPS***w/ Disruption	\$ 0.62	\$ 0.49	\$ 0.54

Management Expects Construction Disruption of \$ 2 million at the Santa Fe, Fiesta Henderson and Green Valley Ranch Expansion Sites.

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

***Assumes 59.5 Million Shares Outstanding in 2006 Q3



EPS Guidance - Core Operations Q3 2006

(in millions, except EPS)

	Core Ops	Range	
	2005	2006	2006
EBITDA**w/ Disruption	\$ 118	\$ 135	\$ 140
Interest Expense	17	43	43
Depreciation	26	38	38
Taxes @ 38%in 2006	28	21	22
Net Inc w/Disruption	\$ 47	\$ 33	\$ 37
EPS***w/ Disruption	\$0.67	\$ 0.56	\$ 0.61

Management Expects Construction Disruption of \$ 2 Million at the Santa Fe, Fiesta Henderson, and Green Valley Ranch Expansion Sites.

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

***Assumes 59.5 Million Shares Outstanding in 2006



Guidance

Q3 2006 Interest On Core Operations and Other Assets

(in millions, except EPS)

	Core		
	Operations	Other*	Total
Interest - Core Operations	\$ 43	\$ -	\$ 43
Interest - Land Held for Development	-	5	5
Interest - Tribal Advances	-	3	3
Total Interest Expense	\$ 43	\$ 8	\$ 51
Impact on EPS	\$ 0.45	\$ 0.08	\$ 0.53

* Non-Core Assets Defined as Land Held For Development and Advances to Tribes

** Assumes Income Taxes @38% and 59.5 Million Shares Outstanding



2006 Quarterly Guidance –

Balance of the Year

(in millions)

Range

Q3
Q4

\$	135	\$	140
\$	151	\$	156



Other Financial Information



Projected Development Cap EX (in millions)

	<u>2006</u>	<u>2007</u>
Red Rock Resort Phase I and II	\$ 400	\$ 30
Red Rock Resort Phase III	15	45
Santa Fe Expansion - Phase III	90	30
Fiesta Henderson Exp. Phase- II	45	15
Land	106	
Total	<u><u>\$ 656</u></u>	<u><u>\$ 120</u></u>

Amounts are Expected Cash Expenditures



'06 Free Cash Flow Sensitivity

Analysis

(in millions)

EBITDA	\$ 550	\$ 565
Less:		
Interest (including cap interest)	194	194
Cash Taxes Paid	41	45
Maintenance Capital Expenditures	45	45
Free Cash Available for Capital Needs	<u><u>\$ 270</u></u>	<u><u>\$ 281</u></u>



Flexibility In Capital Structure

Long-Term Debt:

Reducing Revolver	\$ 1,122
Senior Notes	449
Subordinated Notes	1,456
Other	17
Total LT Debt at 6/30/06	\$ 3,044

- **Next Maturity** 2010
- **Weighted Average Cost- Pretax** 6.7%
- **Fixed Rate Debt** 70%
- **Incremental Borrowing Rate – 175 bps over Libor**



Projected Y/E Debt Balance (in millions)

6/30/06

Balance at 6/30/06	\$ 3,044
Midpoint Cash Flow Guidance	(291)
Development Expenses/Preopening Exp.	5
Development Cap Ex and Advances	250
Maintenance Cap Ex	25
Interest	108
Dividends	35
Other	44
EST. LT Debt Balance 12/31/06	<u><u>\$3,220</u></u>

* Assumes no Purchase of Land, Additional Stock Acquisition, Acquisitions or Other
Capital Expenditures Beyond That Currently Disclosed.



Land Held for Development

(in millions, Except per Share Data)

6/30/2006

<u>Acres</u>	<u>Location</u>	<u>Cost</u>	<u>Cost Per Share</u>
511	Total Held for Development	\$ 238.5	
54	Land In Aliante JV	47.3	
67	Wild Wild West (in PPE)	149.6	
<u>632</u>	<u>Total</u>	<u>\$ 435.4</u>	<u>\$ 7.07</u>

Assumes 61.6 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)

6/30/2006

Est. FMV Range

<u>Acres</u>	<u>Location</u>	<u>Low</u>	<u>High</u>
211	Las Vegas Sites	\$ 486	\$ 642
54	Land In Aliante JV	47	47
40	Excess Land	60	81
300	Reno and Other	70	115
67	Wild Wild West	334	534
672	Total	\$ 997	\$ 1,419

Per Share \$ 16.19 \$ 23.04

Assumes 61.6 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)

6/30/06

Location	Est. FMV Range	
	Low	High
Land Held for Development	\$ 997	\$ 1,419
Advances to Tribes	175	175
Total	\$ 1,172	\$ 1,594
Per Share	\$ 19.03	\$ 25.88

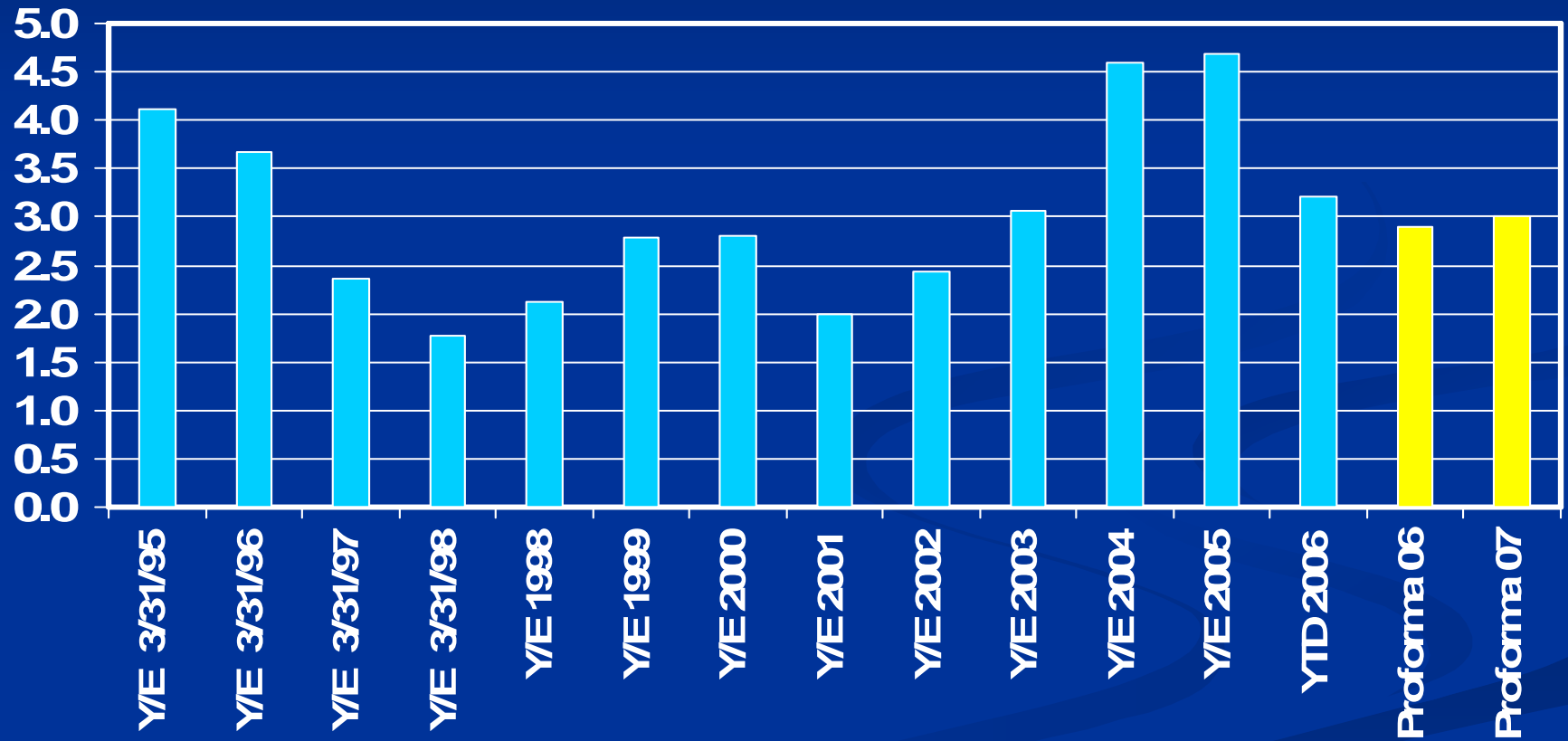
Assumes 61.6 Million Shares Outstanding. FMV Determined by 3rd Parties

Excludes Two Parcels in Escrow Located in Reno, Nevada.

Wild Wild West Land Includes 19 Acres From Pending Lease Buyout



Historic and Proforma Times Interest Coverage





Proforma Debt Maturities In Millions 6/30/06

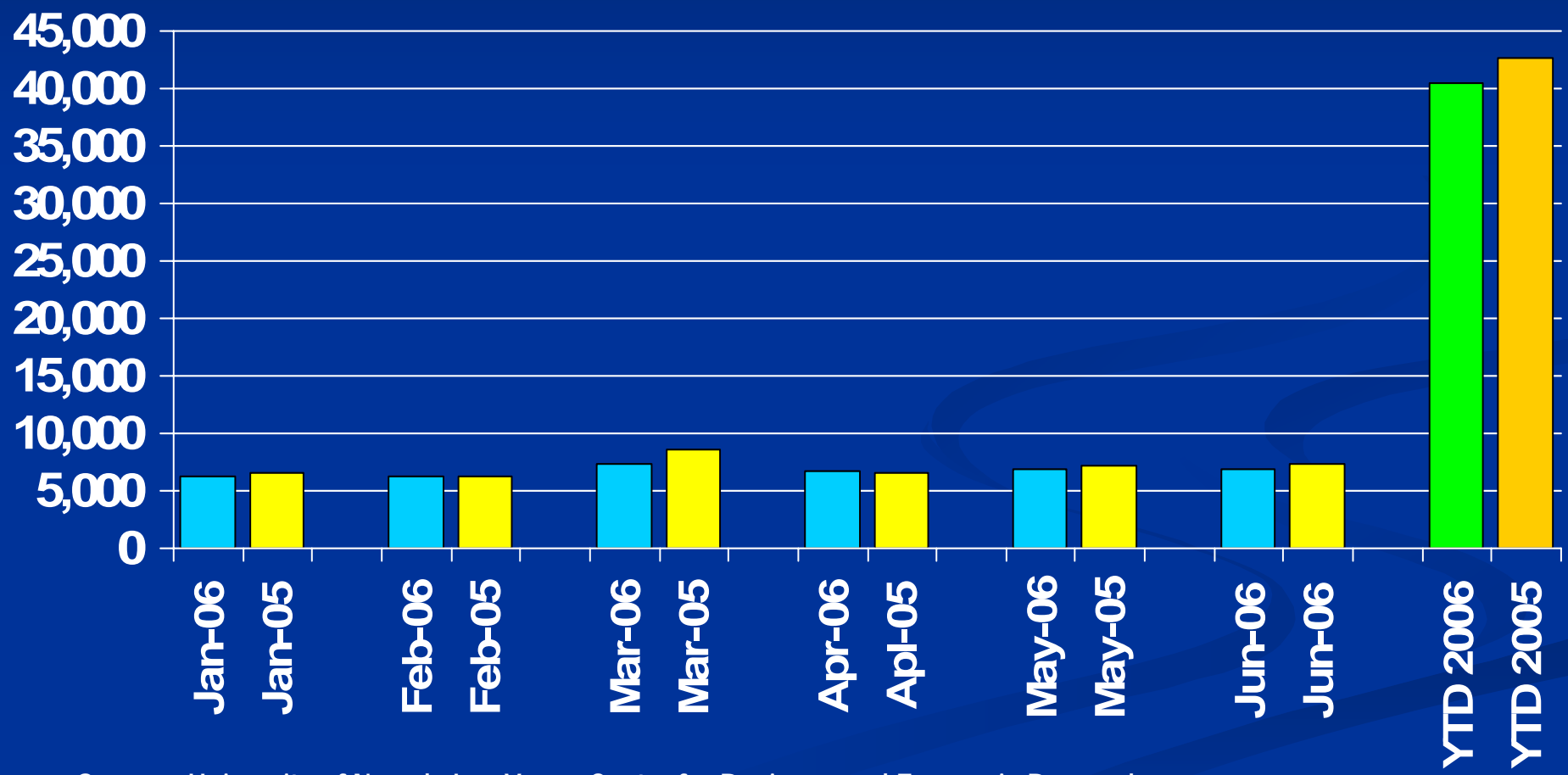


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Las Vegas Franchise



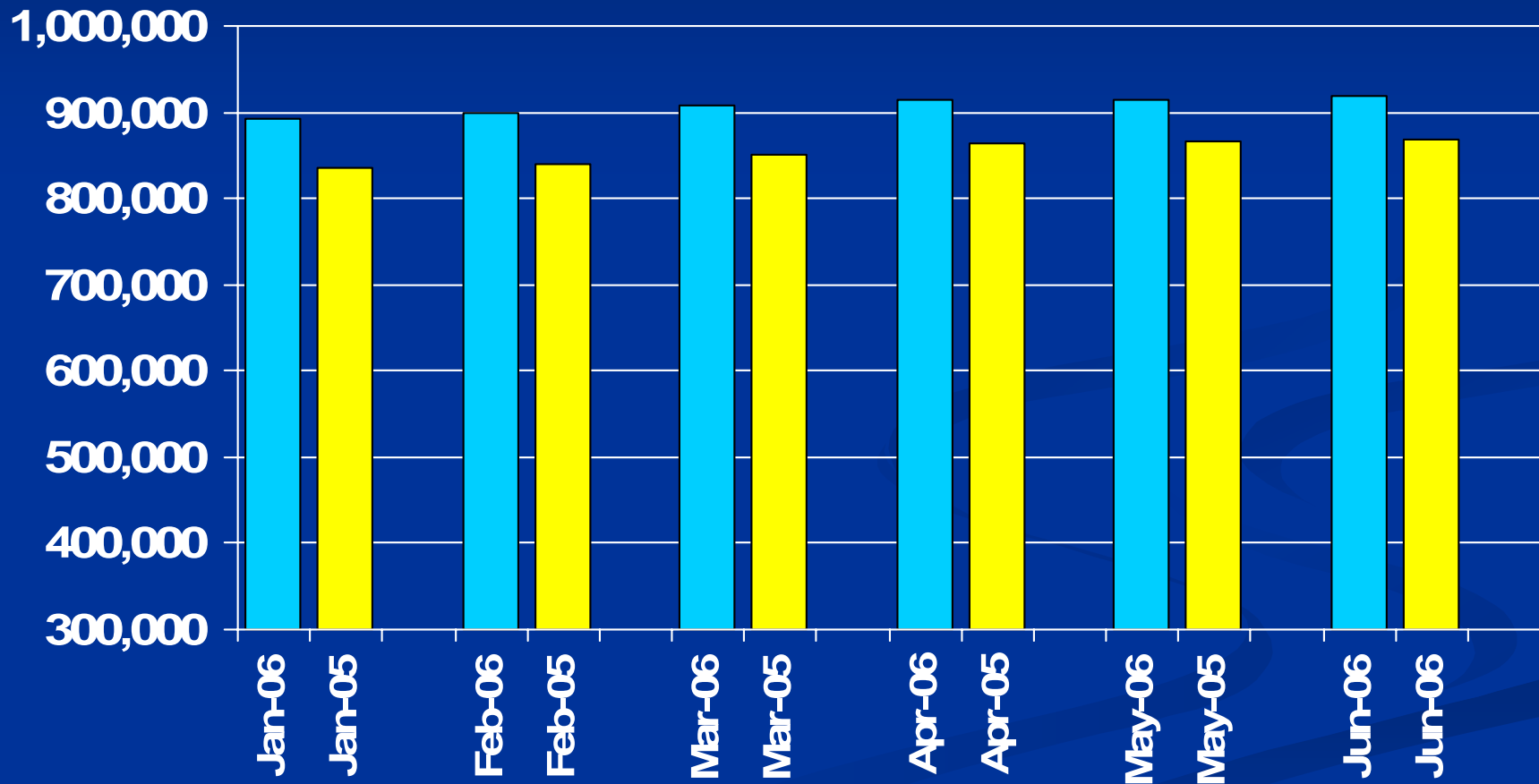
Population Growth



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



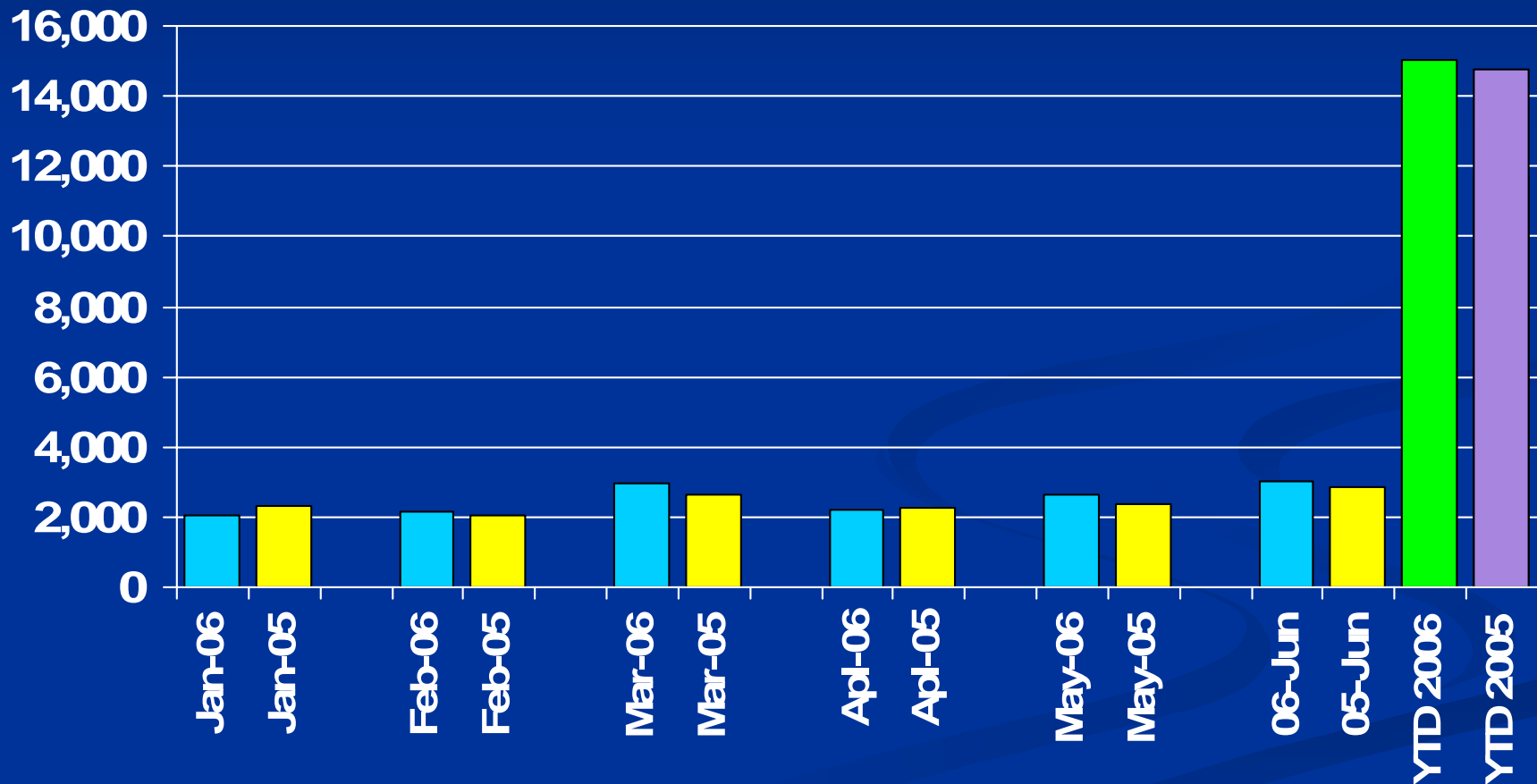
Employment



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



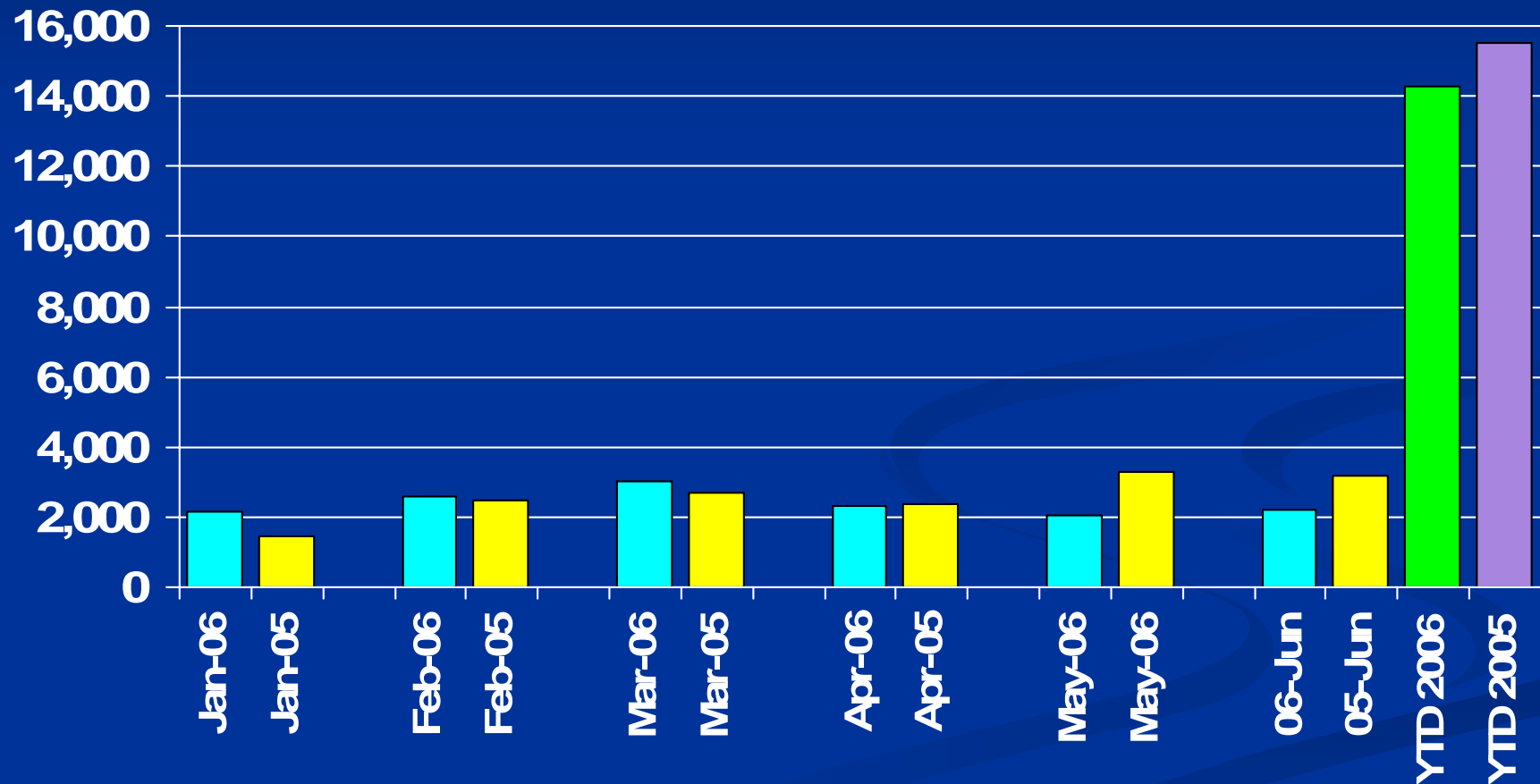
New Home Sales



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



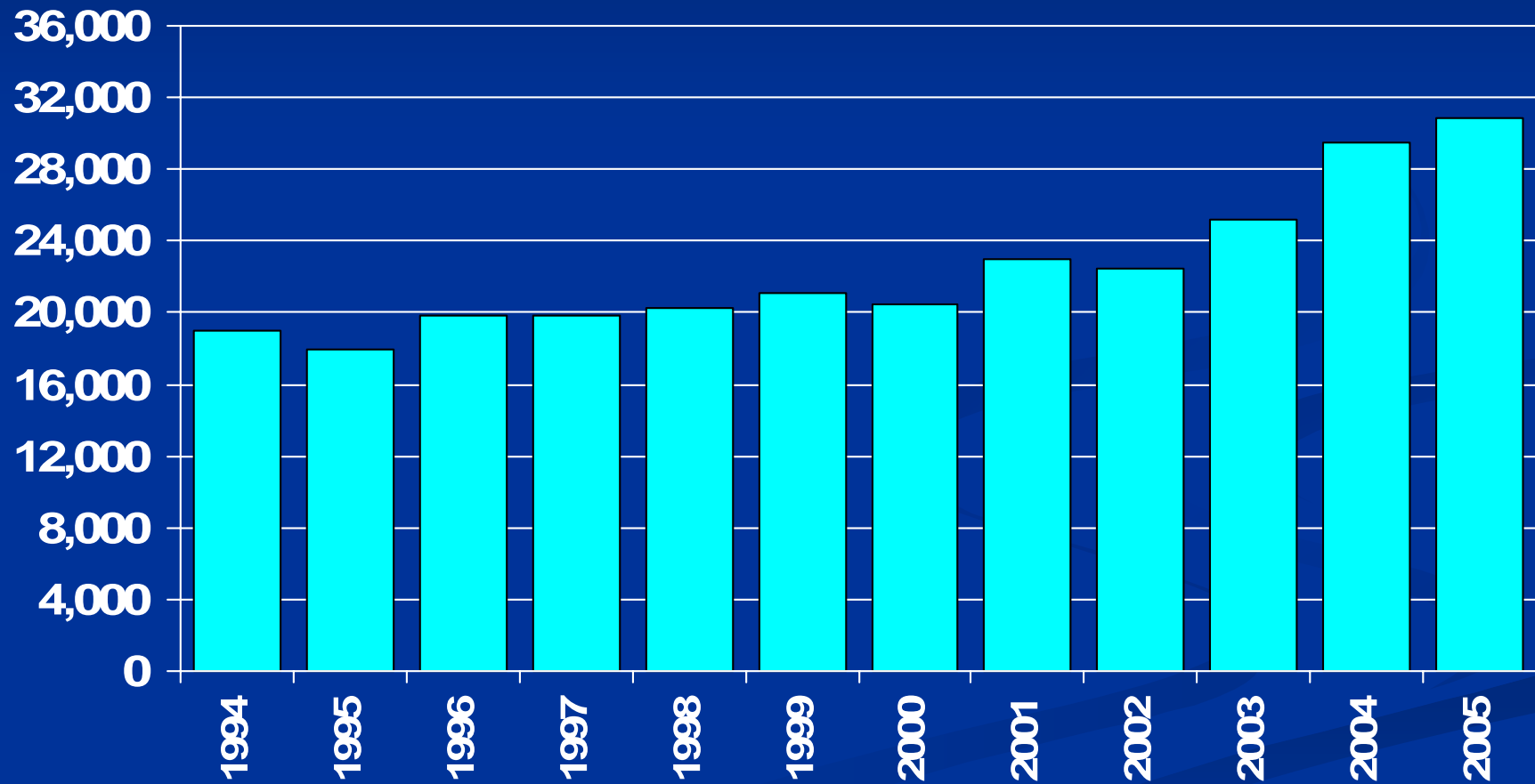
New Home Permits



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



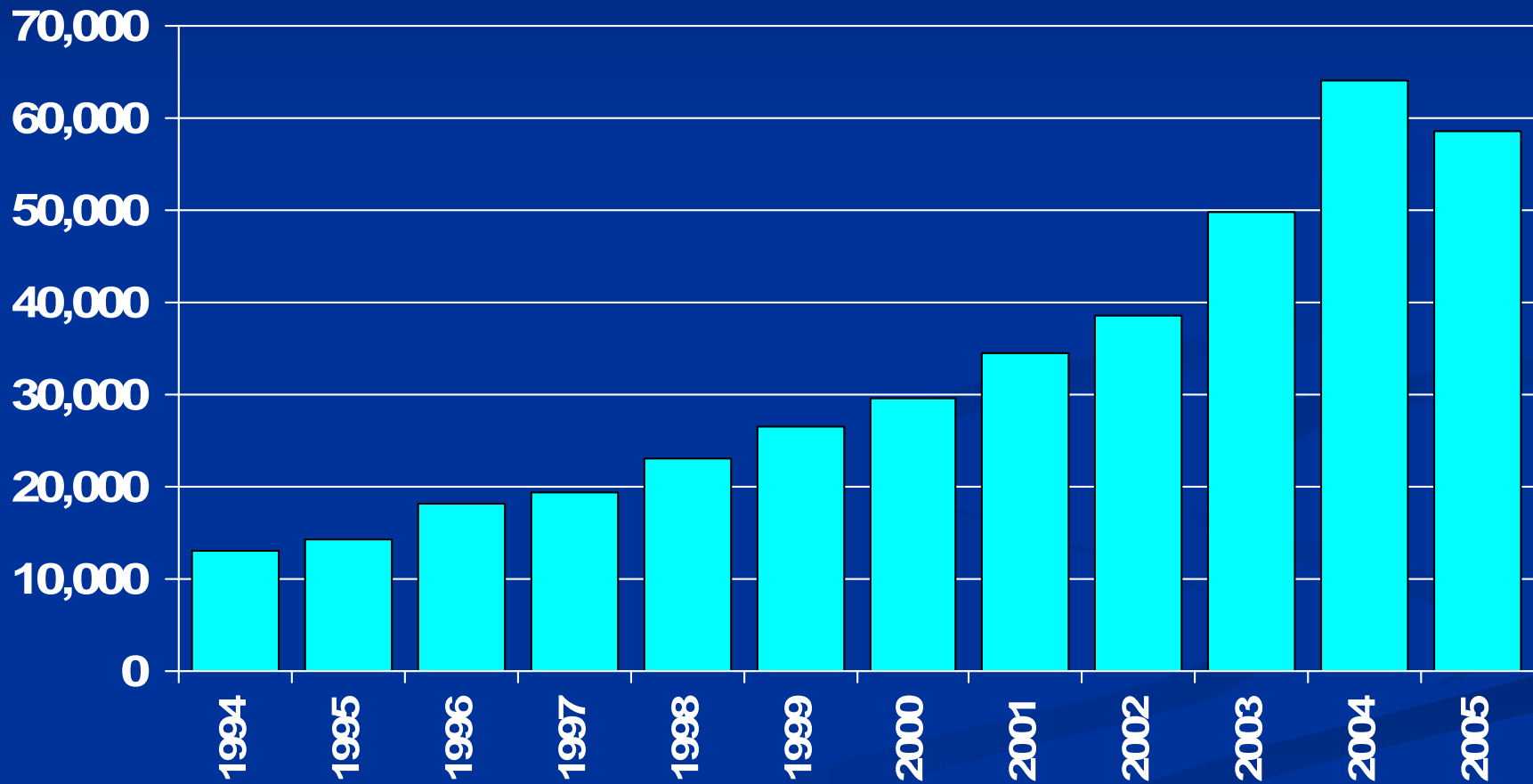
Annual New Home Sales



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



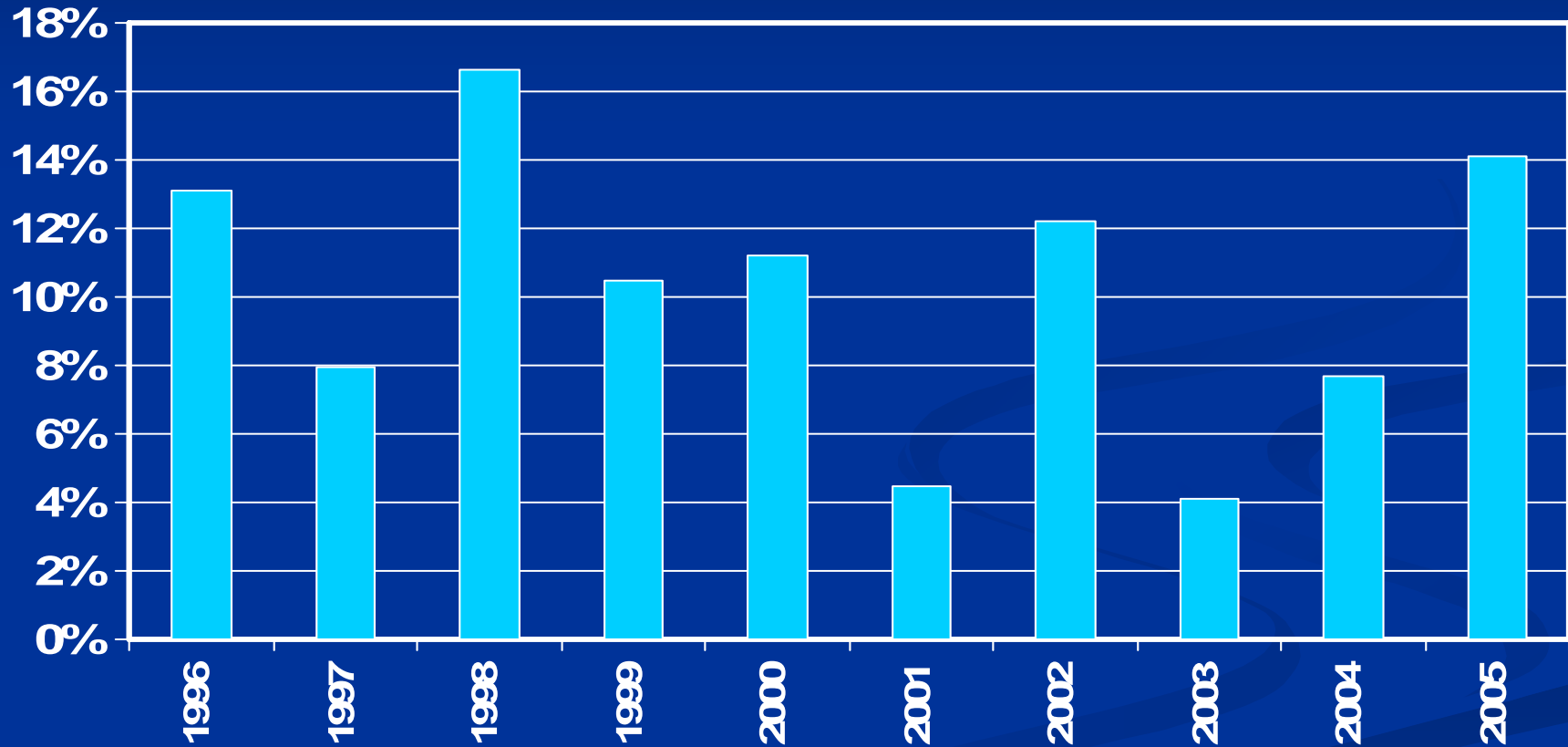
Annual Existing Home Sales



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



LV Local's Market – Gaming Revenue Growth Rates Last 10 Years – CAGR 10%





Growth Opportunities – LV Operations

Organic Growth

- Population Growth Generally
- LV Fastest Growing Community in the Country
- Growth in Retirees – Baby Boomers
- Investment on the Strip – Est. \$25 B Thru 2010



Positioned for the Future Growth

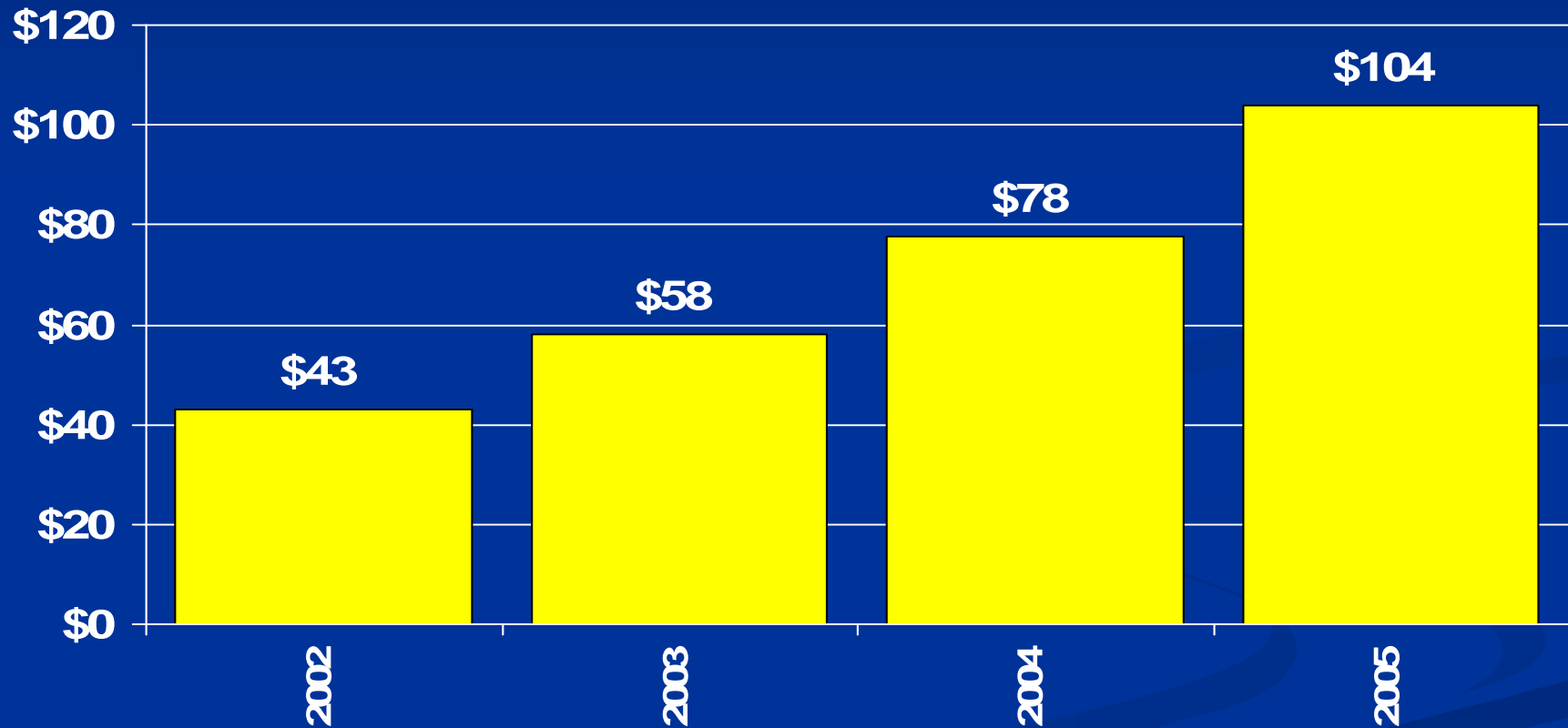
- Aliante Joint Venture
- Land Portfolio:
 - Durango and I-215
 - Flamingo and I-215
 - Cactus and I-15
 - Boulder Highway
 - South Reno
 - Reno Convention Center
- Master Planned Expansions
- Wild Wild West

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**Ramp Up of Operations From
Current Development Projects**



GVR EBITDA - Following a Typical Pattern (in millions)



December 2004 a \$120 Million Expansion Was Added to Green Valley Ranch



Announced Growth Through 2008

2006 Red Rock Phase I for 8.5 Months

Portions of the Master Plans

Construction Disruption from MP Gone Q4

2007 Red Rock Phase II for 11 Months

All of MP at Fiesta Henderson for 5 Months

All of MP at Santa Fe for 4 Months

All of MP at Green Valley Ranch for 5 Months

2008 Aliante JV Opens Mid Year

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Management Contracts



Native American Gaming Contracts

	<u>Location</u>	<u>Current Contract Length</u>	<u>Mgt Fee %</u>
In Operation:			
Thunder Valley	California	4 Years	24%
In Various Stages of Development:			
Gun Lake	Michigan	7 Years	Variable
Chico	California	7 Years	24%
Graton	California	7 Years	24%
North Fork	California	7 Years	24%

“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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