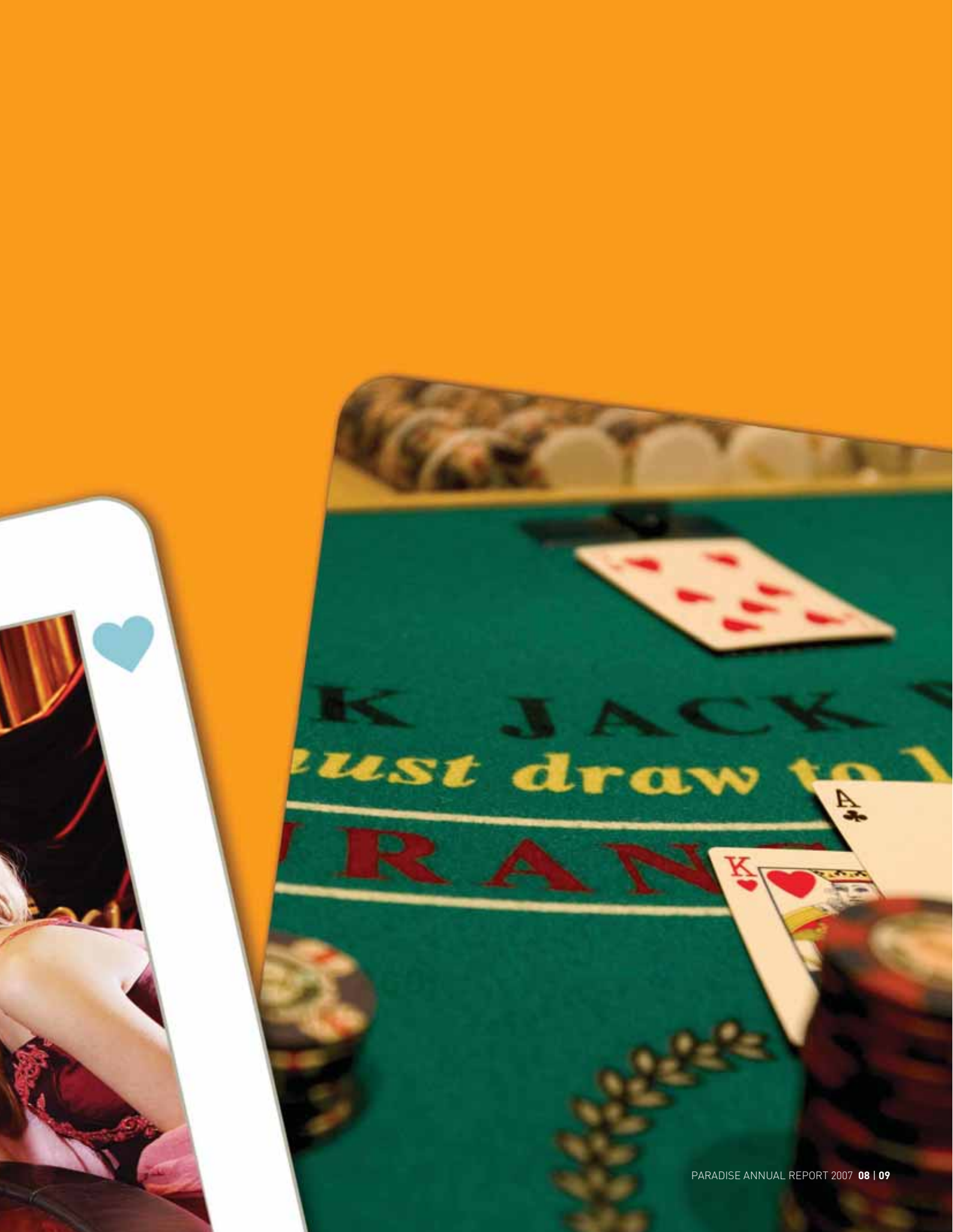


# MARKET OVERVIEW

The casino business is closely linked to the development of the tourism industry, playing a major role in increasing tourism's revenues. In addition, casinos earn foreign currency which in turn enhances the country's trade balance, enlarges national wealth, contributes to local economic development and creates employment. For these reasons, many Asian countries have recently shown a keen interest in investments in casino and casino-related business projects. In line with this trend, Korea currently has a total of 16 foreigners-only casinos nationwide.



PARADISE HAS ESTABLISHED  
AND WITH THE GAME PASS  
WE HOPE TO REALIZE THE



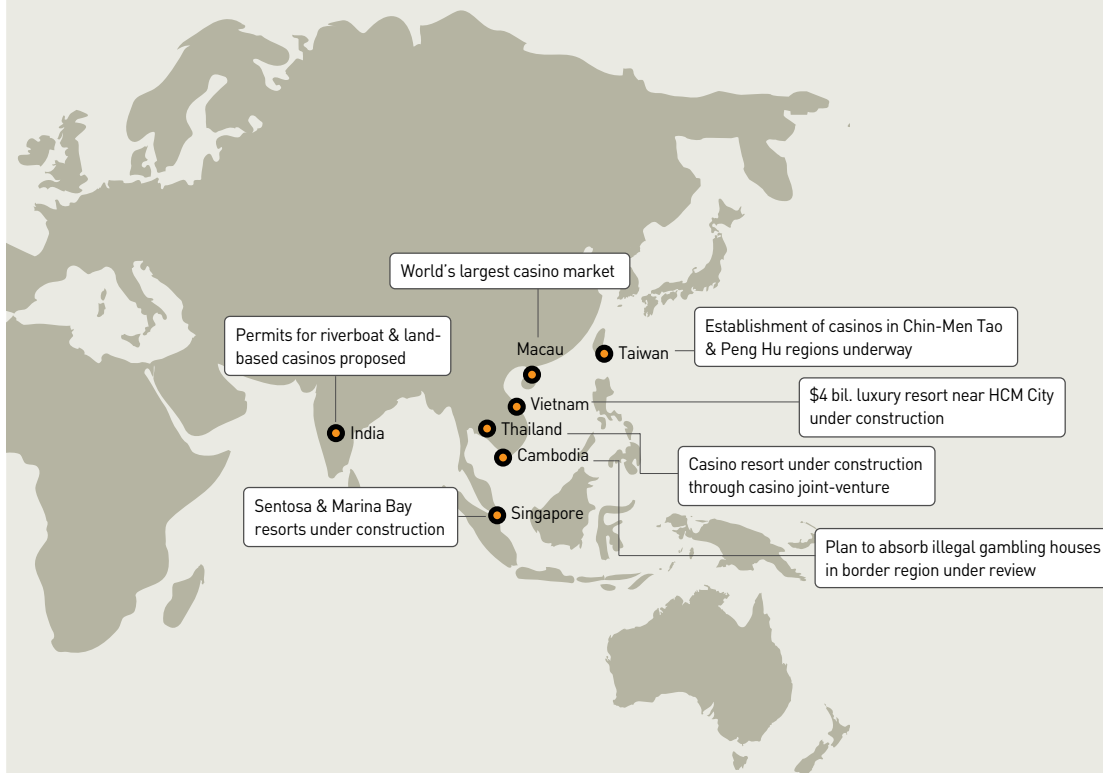
# ASIA CASINO MARKET

## MARKET OVERVIEW

In the Asian market, casinos are gradually expanding in terms of both size and number. Amid this heated competition, Paradise Co., Ltd. is seeking to leverage its differentiated competitive edge and marketing strategies to respond to the needs of Asian casino customers and thereby achieve sustainable revenue growth.

## STATUS OF ASIA'S CASINO MARKET

Along with recent rapid growth in Macau's casino industry, several Asian countries are moving to increase their casino-related investments. There is also a growing trend toward full-range resorts including not only casinos but also convention facilities, theme parks and other attractions.

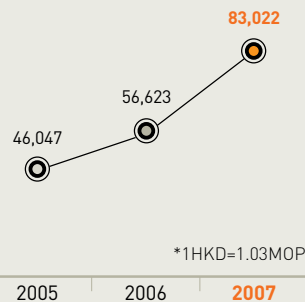




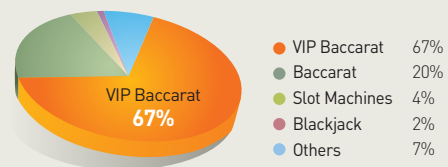
## STATUS OF MACAU CASINO MARKET

In 2007, there were a total of 28 casinos operating in Macau, with total revenues exceeding that of Las Vegas, Nevada, U.S.A.

### Gaming Revenues (Unit: Mil. MOP)



### Gaming Revenues by Game (Unit: %)



NOTE: MOP: Macanese pataca

### Concessionaires (Unit: Companies)

Source: Macau Gaming Inspection and Coordination Bureau

Category	2005	2006	2007
S.J.M. (Sociedade de Jogos de Macau)	15	17	18
Galaxy Casino, S.A.	1	5	5
Venetian Macau, S.A.	1	1	2
Wynn Resorts(Macau) S.A.	0	1	1
Melco PBL Gaming (Macau) Ltd.	0	0	1
MGM Grand Paradise, S.A.	0	0	1
Total	17	24	28

Note: Concessionaires are companies that have been granted casino licenses from the government.

# DOMESTIC CASINO MARKET

## MARKET OVERVIEW

There are total of 16 foreigners-only casinos in Korea, of which the Paradise Group operates five including the Walker-Hill Casino and others located in Busan, Incheon, and Jeju City. Paradise Co., Ltd. draws thousands of foreign tourists who enjoy gambling to Korea each year, contributing significantly to the earning of foreign currency and development of the domestic tourism industry and the national economy.

## FOREIGNERS-ONLY CASINO MARKET

The domestic foreigners-only casino market entered a phase of fierce competition from 2006, a year after Korea adopted new regulations for casino approval. Paradise Co., Ltd. has overcome this threat of new competition and is currently leading the domestic market by maintaining steady revenue growth.

### Foreigners-Only Casino Market Sales

(Unit: 100 Mil. KRW)

Category	2005	2006	2007
Domestic	4,346	4,805	<b>6,242</b>
Paradise Co., Ltd.	2,602	2,194	<b>2,134</b>
Market Share	59.9%	45.7%	<b>34.2%</b>

### Market Shares in 2007

(Unit: Mil. KRW)

Source: Korea Casino Tourism Association [Net Sales (Sales - Casino losses) Basis]

Category	Name	Net Sales	Market Share	Subtotal	
Paradise Subsidiaries	Walker-Hill Casino	<b>213,424</b>	<b>34.2%</b>	<b>308,928</b>	<b>49.5%</b>
	Paradise Casino Busan	<b>40,792</b>	<b>6.5%</b>		
	Lotte Hotel Casino	<b>24,259</b>	<b>3.9%</b>		
	Golden Gate Casino	<b>19,098</b>	<b>3.1%</b>		
	Grand Casino	<b>11,355</b>	<b>1.8%</b>		
7 Luck Casinos	Gangnam	155,322	24.9%	285,068	45.7%
	Gangbuk	96,798	15.5%		
	Busan	32,948	5.3%		
8 Others		30,237	4.8%		
Total		624,233	100%		

NOTE: Paradise Co., Ltd. is operating Walker-Hill Casino only



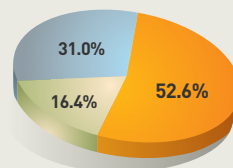
## CUSTOMERS BY COUNTRY & FACILITIES

Recognized internationally for its world-class casino operation knowhow, Paradise Walker-Hill Casino's main customer bases are VIPs from Japan, China and elsewhere in the region. As the nation's largest foreigners-only gaming house, Walker-hill Casino will expand its target customer base from VIPs to include mass customers in order to strengthen its position as a leading company.

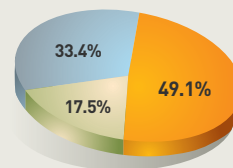
Customers by Country (2007)

(Unit: People)

Category	Total Customers	Japan	%	China	%	Others	%	Tables	Slot Machines
Walker-Hill Casino	206,700	55,053	26.6	89,511	43.3	62,136	30.1	81	150
Paradise Casino Busan	64,300	43,573	67.8	11,497	17.9	9,230	14.3	35	43
Lotte Hotel Casino	32,409	21,153	65.3	5,653	17.4	5,603	17.3	38	60
Paradise Golden Gate Casino	16,469	8,209	49.8	2,426	14.7	5,834	35.5	26	43
Grand Casino	21,762	17,270	79.4	4,058	18.6	434	2.0	30	86
7 Luck (Gangnam)	219,715	61,232	27.9	25,886	11.8	132,597	60.3	60	110
7 Luck (Gangbuk)	440,727	245,198	55.6	49,897	11.3	145,632	33.1	57	142
7 Luck (Busan)	115,183	88,157	76.5	3,732	3.2	23,294	20.3	34	70
8 Others	59,073	37,791	64.0	13,626	23.1	7,656	12.9	169	212
<b>Total</b>	<b>1,176,338</b>	<b>577,636</b>	<b>49.1</b>	<b>206,286</b>	<b>17.5</b>	<b>392,416</b>	<b>33.4</b>	<b>530</b>	<b>916</b>



2006



2007

Japan  
China  
Others