



On a long enough timeline
the survival rate for
everyone drops to zero.

Seneca Gaming Corp (United States)

CREDIT SNAPSHOT

12/31/09

e-mail darpa@zerohedge.com
blog www.zerohedge.com

- 01 DEBT DISTRIBUTION**
- 02 BONDS**
- 03 INCOME STATEMENT**
- 04 CASH FLOW**
- 05 BALANCE SHEET**
- 06 COVERAGE RATIOS**
- 07 LEVERAGE RATIOS**
- 08 ENTERPRISE VALUE**
- 09 RETURN ON CAPITAL**
- 10 RECOVERY & TANGIBLE NET WORTH**
- 11 ACCOUNTING RED FLAGS**
- 12 LATEST SEC FILINGS**
- 13 LEGAL DISCLAIMER**

328245Z US Equity

equity ticker:	328245Z US	capitalisation (USD in millions):	
bond ticker:	SENECA	stock price	not listed
sector:	Consumer, Cyclical	shares outstanding (million)	-
subgroup:	Gambling (Non-Hotel)	market capitalisation (USD mm)	-
company description:	Seneca Gaming Corporation owns and operates the Seneca Niagara Casino, in Niagara Falls.	total debt	497
		cash + marketable securities	83
		other capital	-
		enterprise value (excl. cash)	-
		current EV / TTM EBITDA	-

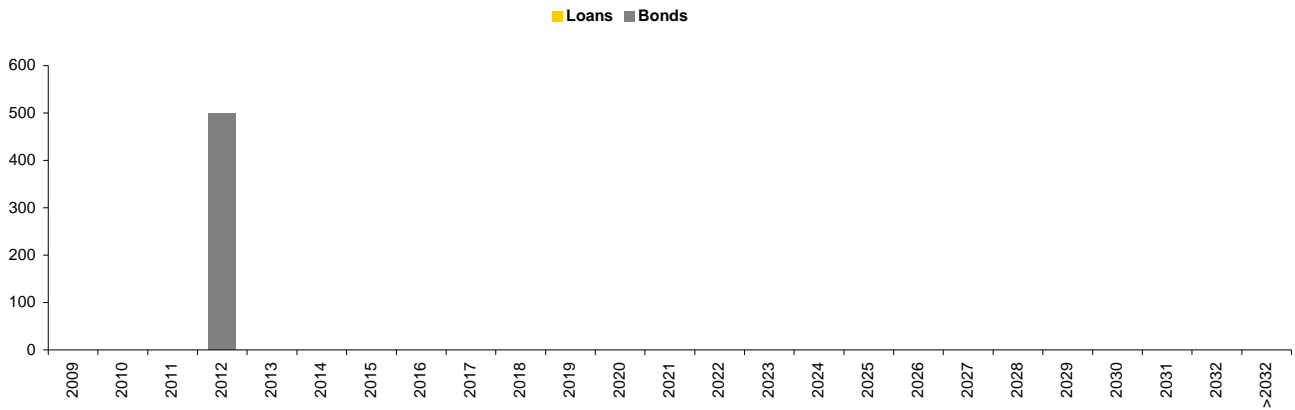
The company's next report is expected for 2/17/2010 (type: Estimated).

Seneca Gaming Corp has 3,640 employees.

DEBT DISTRIBUTION

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
SENECA GAMING CORP	BB	Bond, callable, sr unsecured, fixed	7.250%	5/1/2012	USD	300	-	10/13/2004
SENECA GAMING CORP	BB	Bond, callable, sr unsecured, fixed	7.250%	5/1/2012	USD	200	-	3/14/2006

Total amount out of instruments listed above (USD in MM)	500	Cash (MM)	83
Total debt (MM)	497	Total Number of Debt Instruments (for the issuer and its subs)	2



Moody's Ratings		
Outlook	NEG	02/23/09
Issuer	WR	07/07/05
Senior Secured Debt	N/A	
LT Corp Family	Ba2	08/23/06
Bank Loan Debt	N/A	
Senior Unsecured Debt	Ba2	09/26/06
Subordinated Debt	N/A	
Short Term	N/A	

Standard & Poor's Ratings		
Outlook	STABLE	05/19/06
LT Foreign Currency Issuer	BB	05/19/06
LT Local Currency Issuer	BB	05/19/06
ST Foreign Currency Issuer	N/A	
ST Local Currency Issuer	N/A	

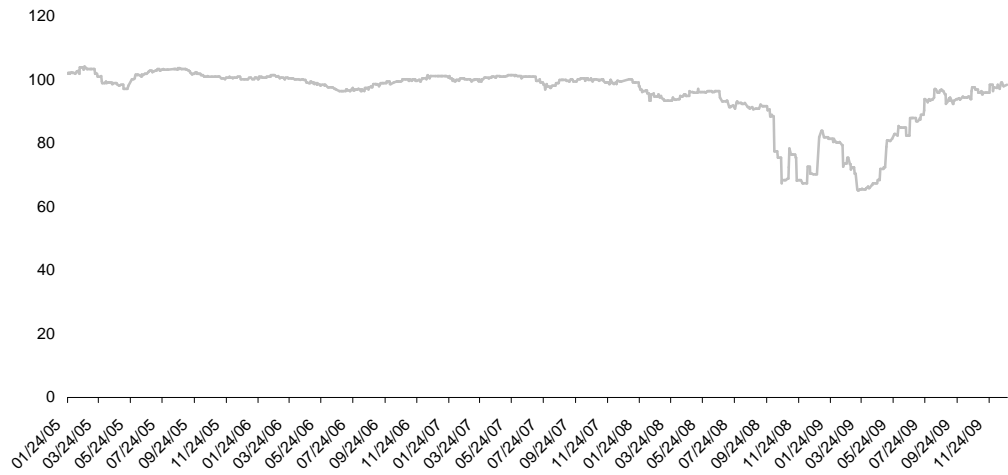
id	issuer	coupon	mat	outstanding	S&P	MDY	ask px	yield	spread*	px date	
817082AC	SENECA GAMING CORP	7.250	05/01/12	USD	300,000,000	BB	Ba2	98.50	8.0	635	12/28/09

*interpol. swap spread

BONDS

Total Debt for the company currently stands at USD 497.363mm.

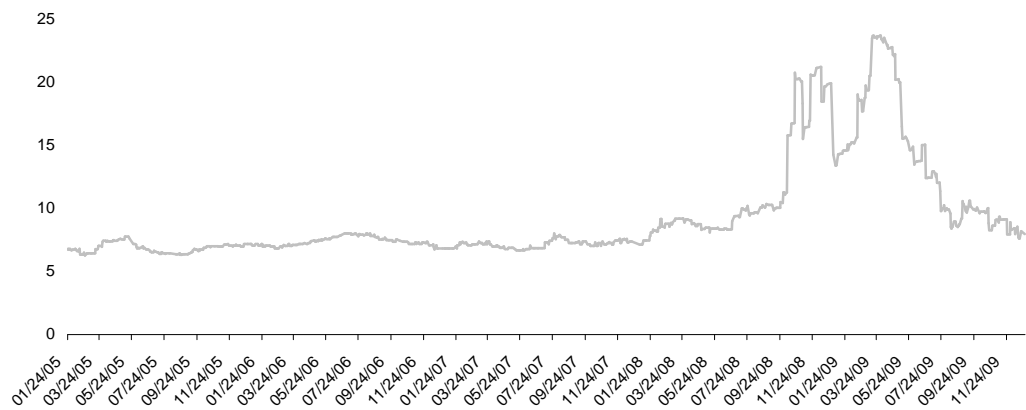
bond price



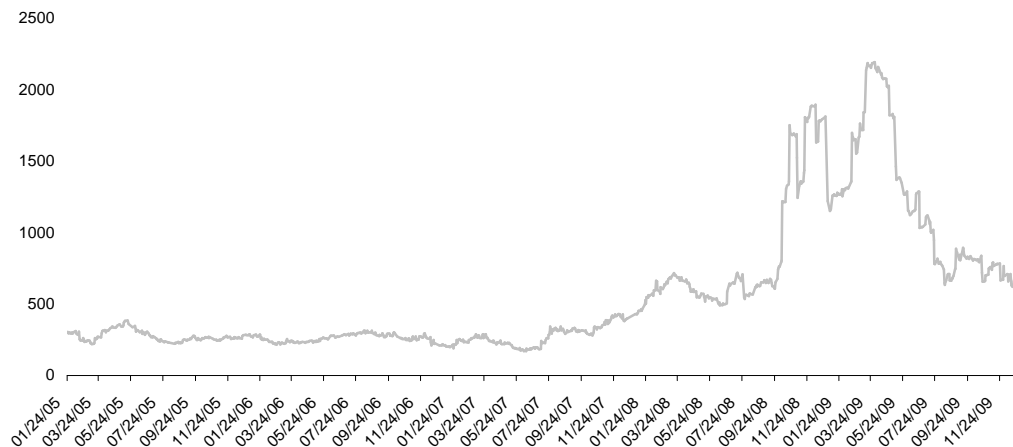
yield

— SENECA GAMING CORP
7.25% 5/2012 USD

— — — — —
- - - - -
- - - - -

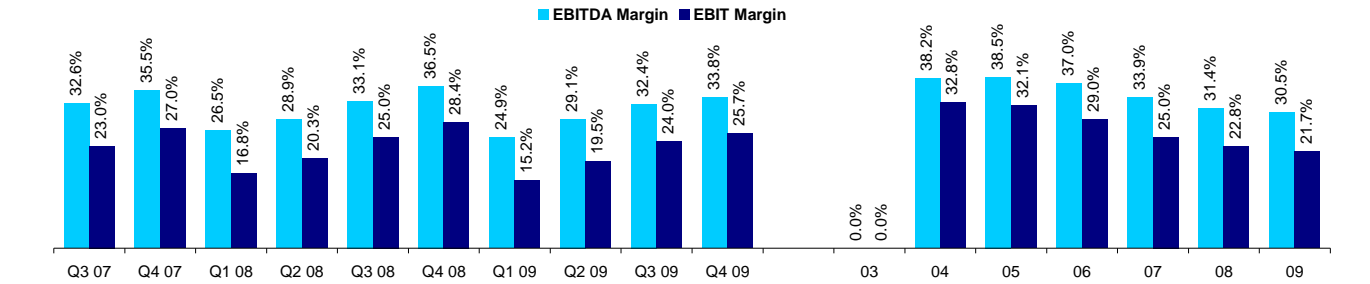


interpolated swap spread

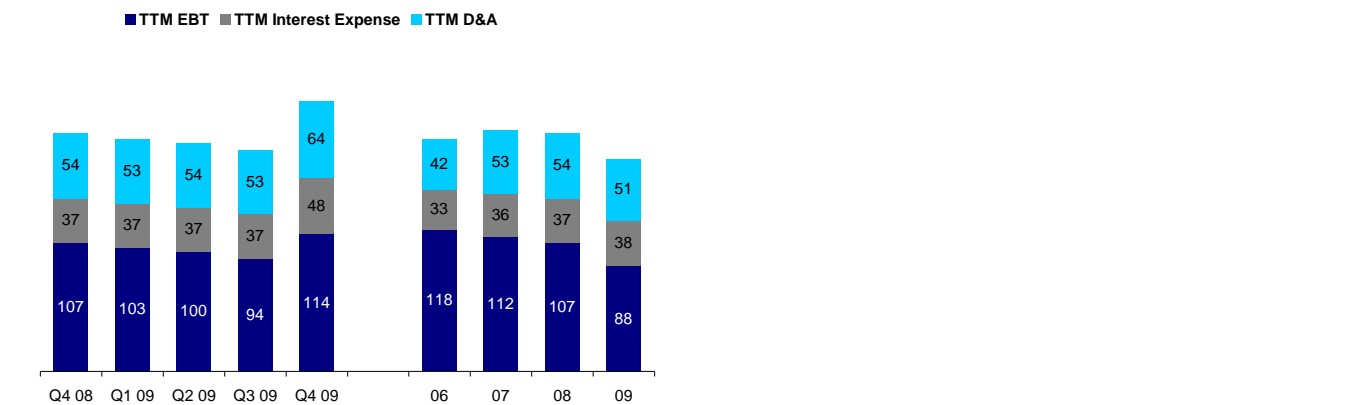
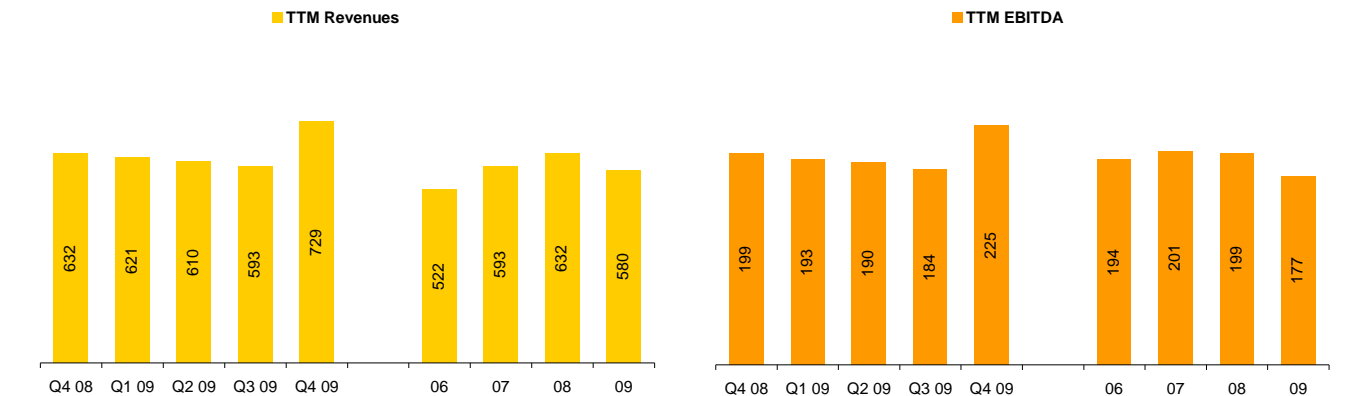


Prices & yields bid side to 28/7/08 and ask side thereafter. Spread is Govt Bid Sprd to 28/7/08 and Interpol. Swap Ask Sprd then.

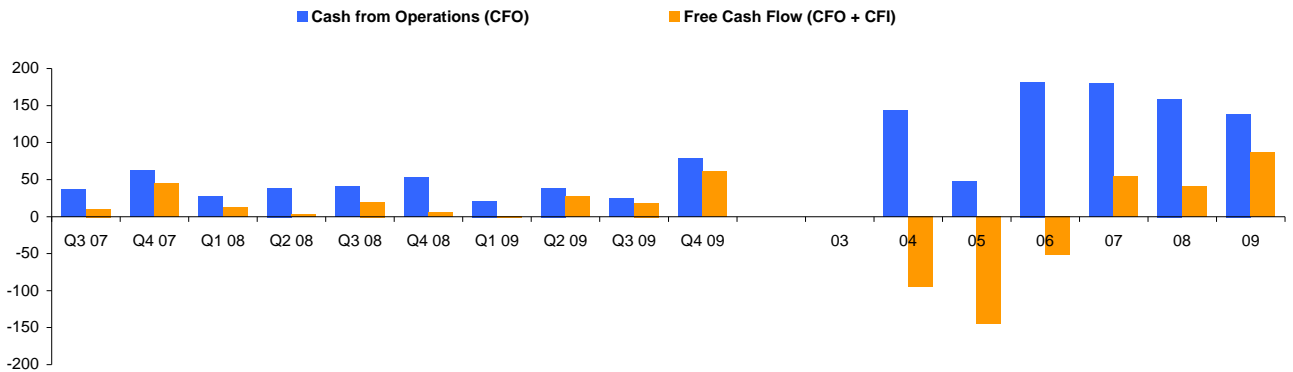
USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
					09/30/09				09/30/09
Revenues	165	139	140	149	301	522	593	632	580
COGS	64	55	54	56	114	191	226	250	223
COGS % of Revenues	38.5%	40.0%	38.4%	37.8%	37.9%	36.5%	38.1%	39.5%	38.5%
SG&A	55	62	59	57	109	180	219	238	230
SG&A % of Revenues	33.2%	44.8%	42.1%	38.2%	36.3%	34.5%	36.9%	37.7%	39.8%
EBITDA	60	35	41	48	102	194	201	199	177
Interest Expense	8	10	10	10	19	33	36	37	38
EBT	38	12	18	26	59	118	112	107	88
Net Income	37	11	18	-83	-48	123	119	103	-19
EBITDA Margin	36.5%	24.9%	29.1%	32.4%	33.8%	37.0%	33.9%	31.4%	30.5%
EBIT Margin	28.4%	15.2%	19.5%	24.0%	25.7%	29.0%	25.0%	22.8%	21.7%



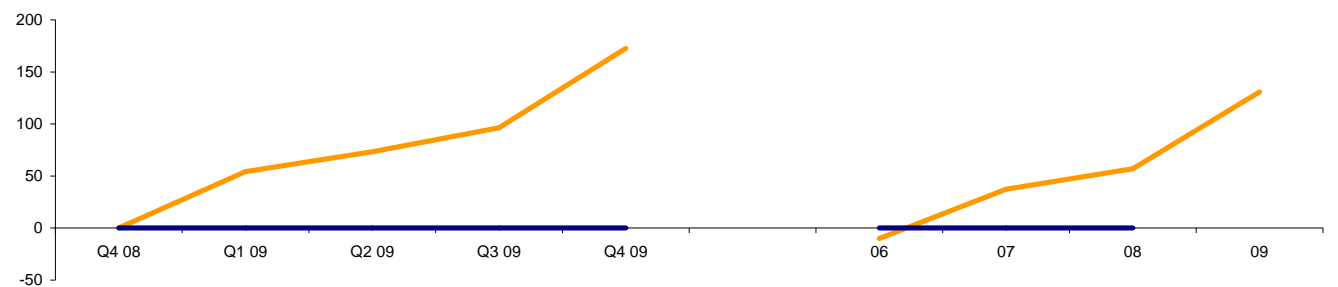
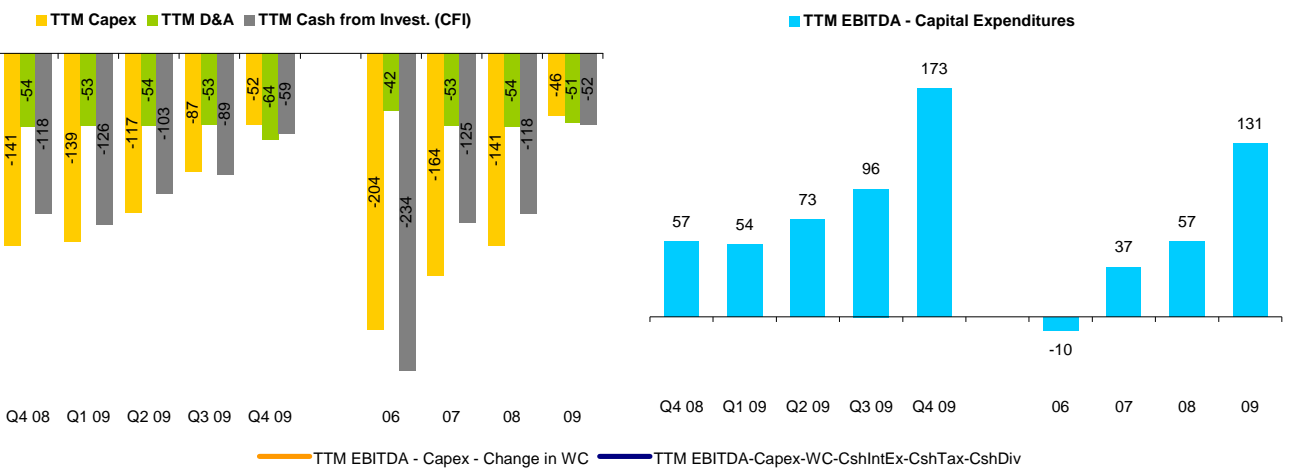
USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
					09/30/09				09/30/09
TTM Revenues	632	621	610	593	729	522	593	632	580
TTM EBITDA	199	193	190	184	225	194	201	199	177
TTM D&A	54	53	54	53	64	42	53	54	51
TTM EBIT	144	140	137	131	162	151	148	144	126
TTM Interest Expense	37	37	37	37	48	33	36	37	38
TTM EBT	107	103	100	94	114	118	112	107	88
TTM Net Income	103	102	98	-17	-102	123	119	103	-19



USD in millions		Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09	
		09/30/09					09/30/09				
CASH FLOW	Cash from Operations (CFO)	53	21	39	25	79	182	180	159	139	
	Cash from Investing (CFI)	-48	-22	-12	-7	-18	-234	-125	-118	-52	
	Free Cash Flow (CFO + CFI)	5	-1	27	18	61	-52	55	41	87	
	Cash from Financing Activities	-15	-1	-13	-31	-43	-13	-54	-66	-57	



USD in millions		Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09	
		09/30/09					09/30/09				
TTM CASH FLOW	TTM Cash from Operations (CFO)	159	153	153	138	164	182	180	159	139	
	TTM Cash from Invest. (CFI)	-118	-126	-103	-89	-59	-234	-125	-118	-52	
	TTM Capex	-141	-139	-117	-87	-52	-204	-164	-141	-46	
	TTM D&A	-54	-53	-54	-53	-64	-42	-53	-54	-51	
	TTM Free Cash Flow (CFO + CFI)	41	27	50	49	105	-52	55	41	87	
	TTM Cash from Financing Activities	-66	-50	-45	-59	-87	-13	-54	-66	-57	
	TTM CFO - Capital Expenditures	17	14	36	51	111	-22	16	17	93	
	TTM EBITDA - Capital Expenditures	57	54	73	96	173	-10	37	57	131	
	TTM EBITDA - Capex - Change in WC		54	73	96	173	-10	37	57	131	
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv										
	TTM CFO/Total Debt		29.6%	29.7%	27.7%	32.9%	36.8%	36.3%	32.0%	27.9%	
TTM FCF/Total Debt		5.2%	9.7%	9.9%	21.1%	-10.5%	11.0%	8.2%	17.4%		



USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
					09/30/09				09/30/09
Cash		51	66	53	83	78	79	53	83
Marketable Securities / ST Investments		0	0	0	0	62	19	0	0
Accounts & Notes Receivable			3	3					
Inventories & Unbilled Receivables		4	4	4	4	3	4	4	4
Net Fixed Assets		795	792	675	670	615	699	799	670
75% of Accounts Receivable			2	2					
30% of Inventories & Unbill. Rec.		1	1	1	1	1	1	1	1
10% of Net Fixed Assets		79	79	67	67	62	70	80	67
Collateral (Liquidation) Asset Value		132	148	124	152	203	169	135	152
Working Capital		-79	-49	-27	3	-4	-46	-79	3
Cash Conversion Cycle			1.3	-1.1		-3.5	#N/A	N.A.	#N/A
Total Borrowings (includes ST Borrowings)		517	517	497	497	494	495	496	497
Net Debt		465	451	444	414	354	398	443	414
Collateral Asset Value / Total Borrowings		25.6%	28.7%	24.9%	30.5%	41.0%	34.1%	27.2%	30.5%

BALANCE SHEET

explanations and definitions:

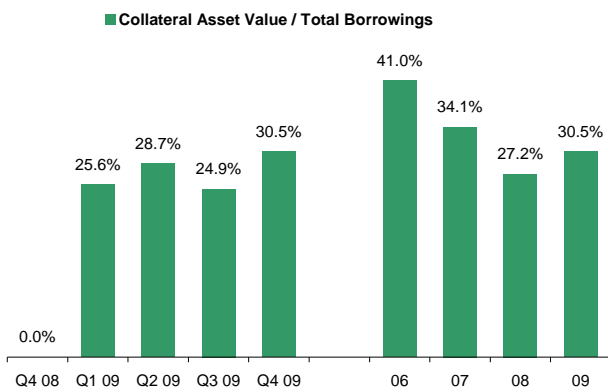
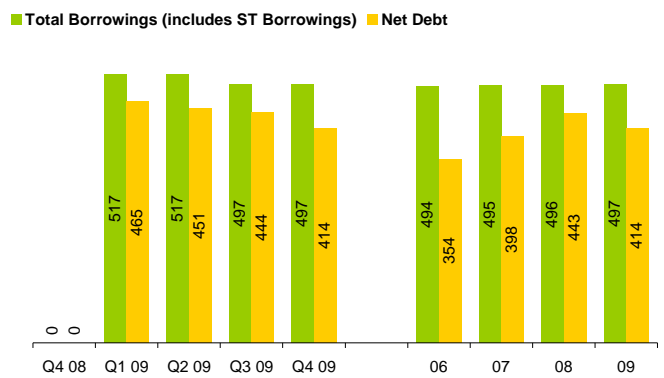
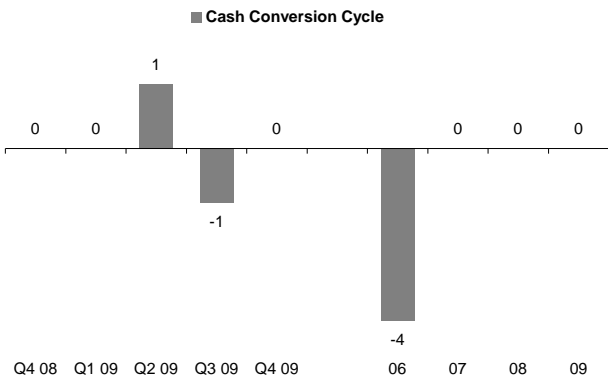
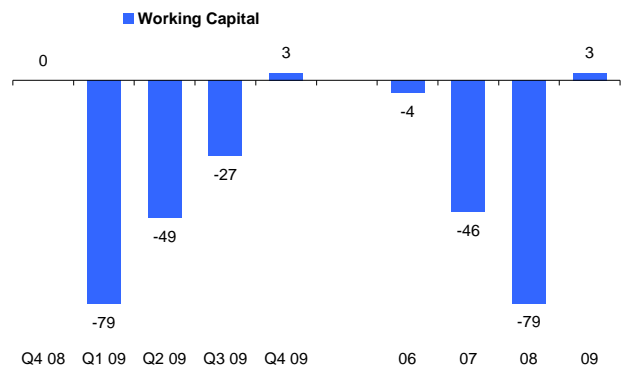
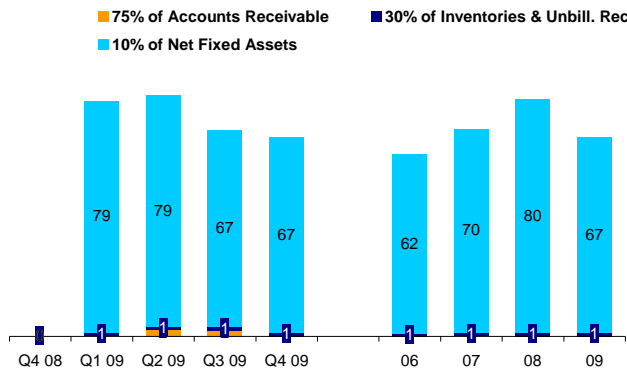
The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:

75% of stated Accounts Receivable

30% of stated Inventory

10% of stated Net Fixed Assets.

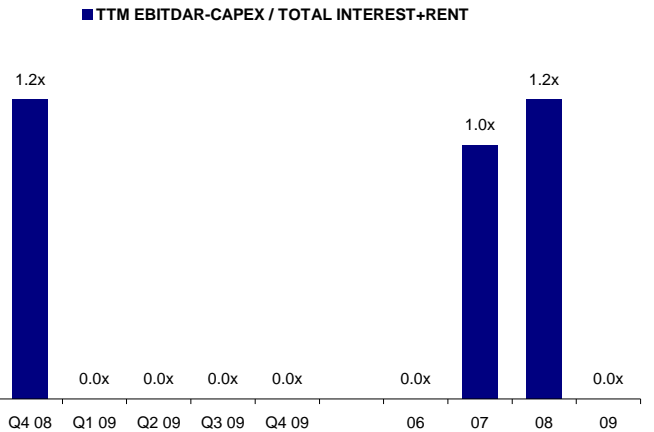
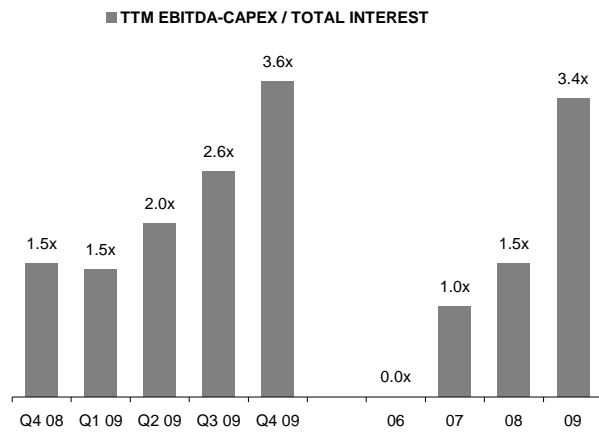
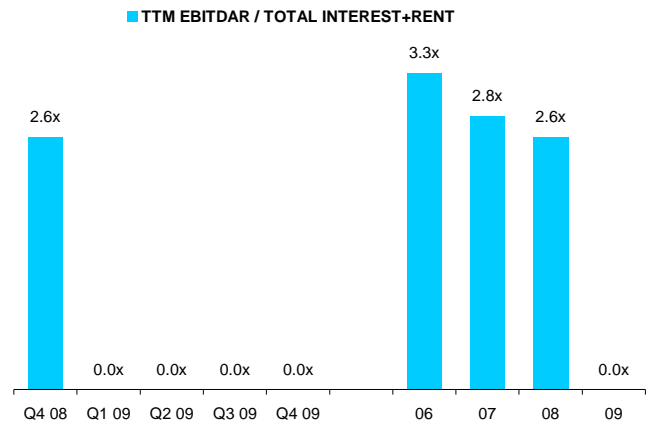
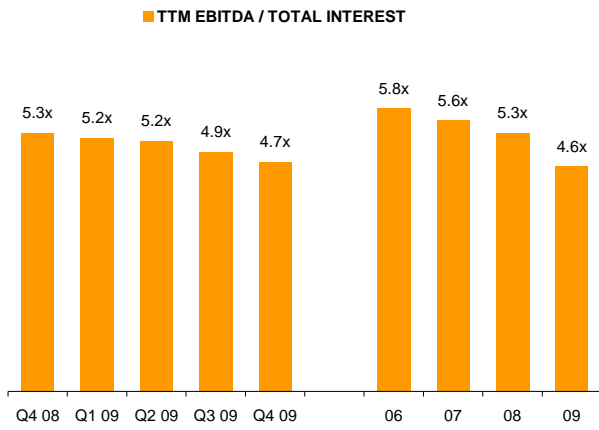
Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.



COVERAGE RATIOS	USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
						09/30/09				09/30/09
TTM EBITDA / TOTAL INTEREST		5.3x	5.2x	5.2x	4.9x	4.7x	5.8x	5.6x	5.3x	4.6x
TTM EBITDAR / TOTAL INTEREST+RENT		2.6x	-	-	-	-	3.3x	2.8x	2.6x	-
TTM EBITDA-CAPEX / TOTAL INTEREST		1.5x	1.5x	2.0x	2.6x	3.6x	NM	1.0x	1.5x	3.4x
TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT		1.2x	-	-	-	-	NM	1.0x	1.2x	-

explanations and definitions:

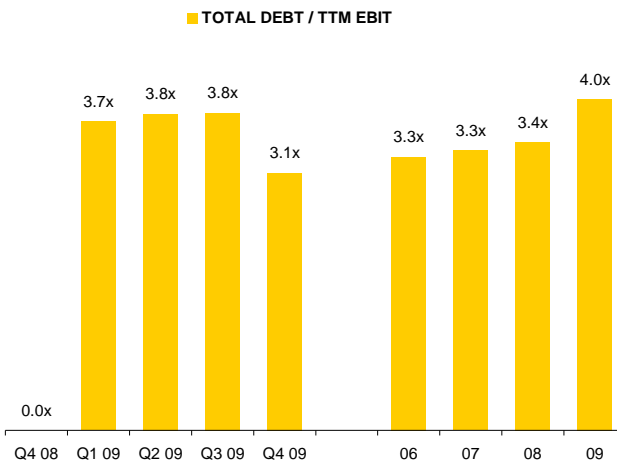
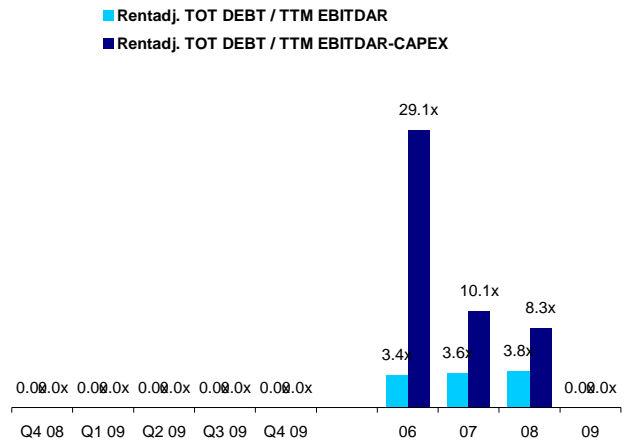
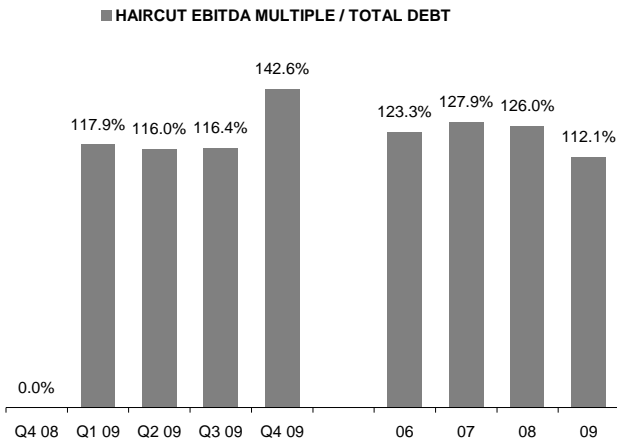
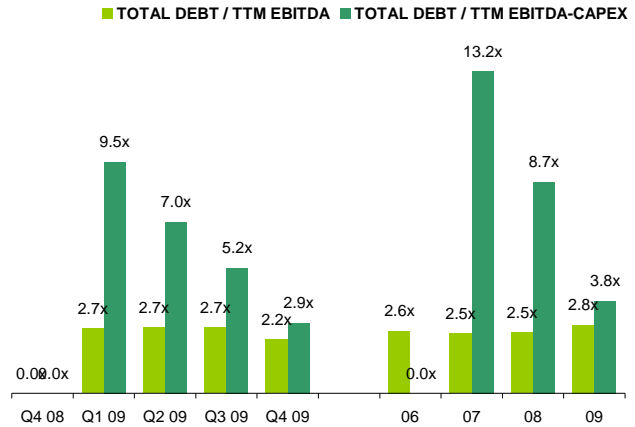
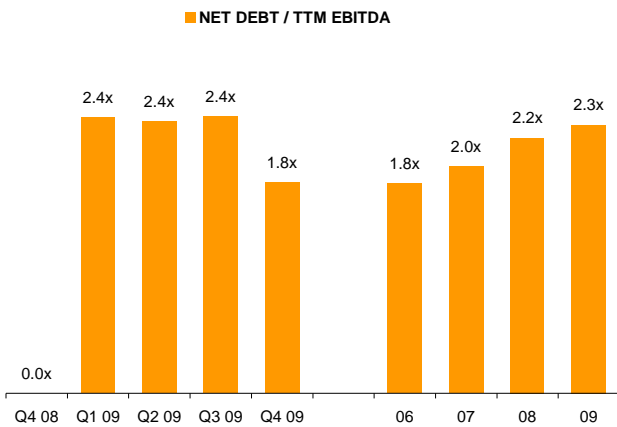
TTM TOTAL INTEREST: For all coverage ratio calculations we use the Total Interest figure which in addition to Interest Expense also includes Capitalized Interest Expenses. We think this gives a better view of the economic reality than the simple Interest Expense figure.



USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
					09/30/09				09/30/09
NET DEBT / TTM EBITDA		2.4x	2.4x	2.4x	1.8x	1.8x	2.0x	2.2x	2.3x
TOTAL DEBT / TTM EBITDA		2.7x	2.7x	2.7x	2.2x	2.6x	2.5x	2.5x	2.8x
TOTAL DEBT / TTM EBITDA-CAPEX		9.5x	7.0x	5.2x	2.9x	NM	13.2x	8.7x	3.8x
Rentadj. TOT DEBT / TTM EBITDAR						3.4x	3.6x	3.8x	
Rentadj. TOT DEBT / TTM EBITDAR-CAPEX						29.1x	10.1x	8.3x	
HAIRCUT EBITDA MULTIPLE / TOTAL DEBT		117.9%	116.0%	116.4%	142.6%	123.3%	127.9%	126.0%	112.1%
TOTAL DEBT / TTM EBIT		3.7x	3.8x	3.8x	3.1x	3.3x	3.3x	3.4x	4.0x

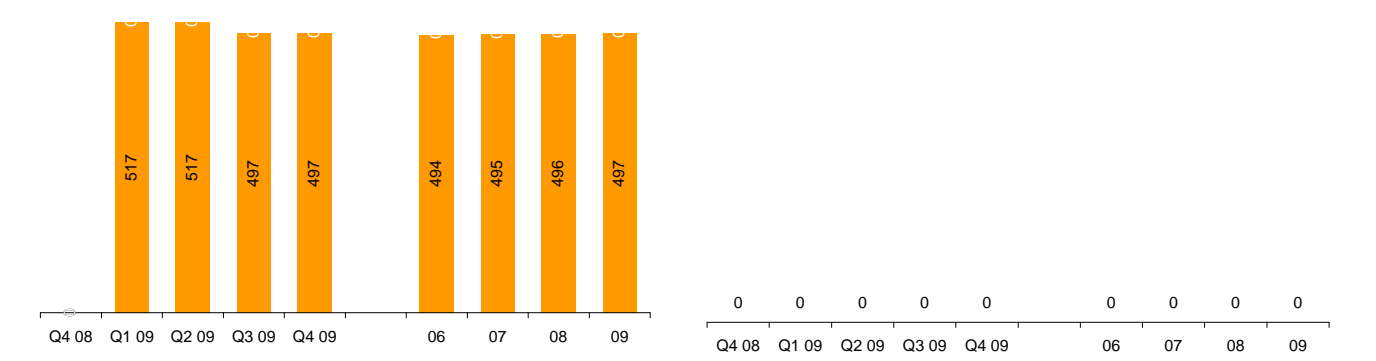
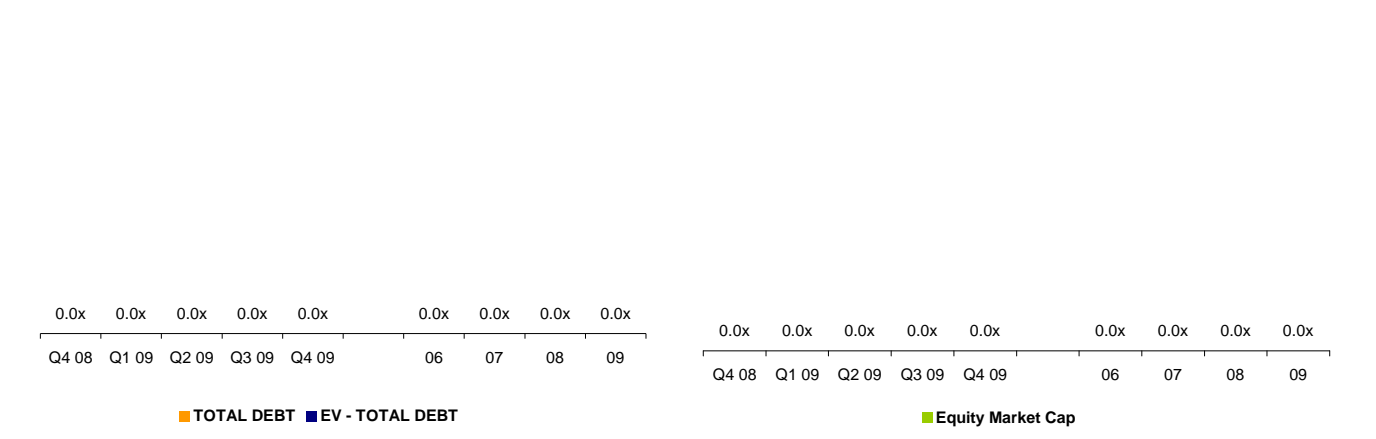
LEVERAGE RATIOS

explanations and definitions:
Rent adj. Total Debt/TTM EBITDAR: This ratio is calculated by dividing the Rent Adjusted Total Debt figure (Total Debt plus 8 times TTM Rental Expenses) by EBITDAR (TTM EBITDA plus TTM Rental Expenses).
HAIRCUT EBITDA MULTIPLE / TOTAL DEBT: We adjust TTM EBITDA to 70% of its stated value, multiply the result with 4.5 as an assumed exit multiple and relate the resulting figure (the haircut EBITDA multiple) to the TOTAL DEBT number. This ratio should reflect the situation of an issuer's liquidation, whereby the assets can be sold at a reduced EBITDA multiple.

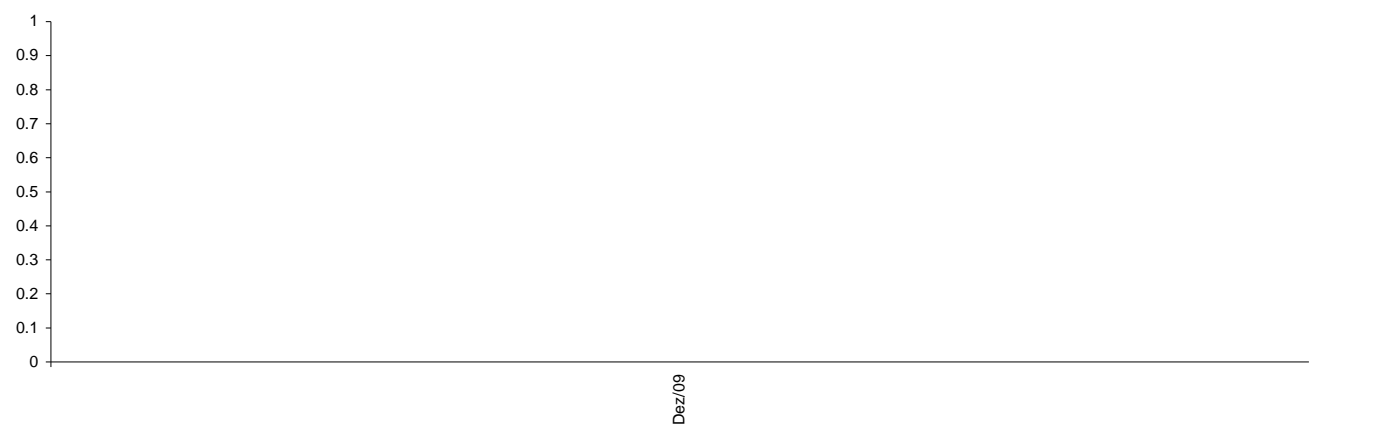


USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
EV / TTM EBITDA									
EV / TTM EBIT									
Enterprise Value									
TOTAL DEBT		517	517	497	497	494	495	496	497
Equity Market Cap									

09/30/09 09/30/09



328245Z US stock closing price



Dez/09

USD in millions		Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09	
						09/30/09					09/30/09
RETURN ON CAPITAL	Adjusted Cap Rate										
	Tangible Capital		751	764	661	654	543	628	734	654	
	Total Intangibles										
	Pre-tax ROIC		18.6%	17.9%	19.8%	24.7%	27.8%	23.6%	19.7%	19.3%	
	After-tax ROIC (effective tax rate)		18.6%	17.9%	19.8%		27.8%	23.6%	19.7%		
	After-tax ROIC (assumed tax rate)		12.1%	11.6%	12.9%	16.1%	18.1%	15.3%	12.8%	12.5%	
WACD (Pre-tax)		7.2%	7.1%	7.5%	9.6%	6.7%	7.3%	7.5%	7.7%		

explanations and definitions:

Adjusted Cap Rate: This ratio shows EBIT reduced by an assumed tax rate of 35% and adjusted for Net Non-Operating and Extraordinary Losses (Gains) - averaged over the last 5 years - divided by the Enterprise Value.

Tangible Capital: Starting with the Total Book Capital the Tangible Capital figure is calculated by subtracting Intangibles, Cash and Marketable Securities as well as Short Term Investments.

We calculate three different ROIC (Return on Invested Capital) figures:

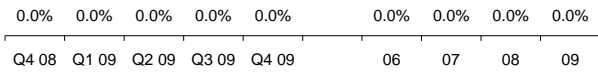
Pre-Tax ROIC: this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

After-tax ROIC (effective tax rate): here EBIT is corrected by the company's effective tax rate as stated in it's latest financials, giving an after-tax ROIC rate.

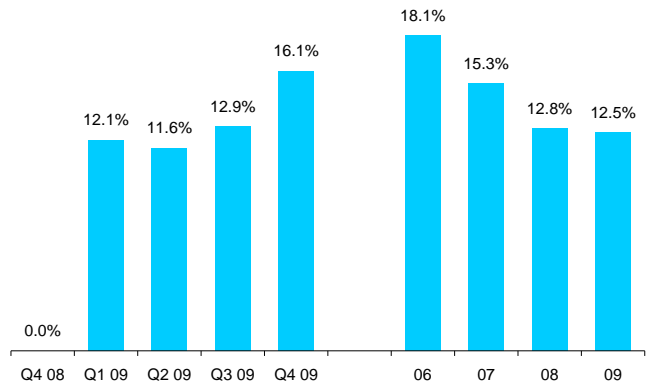
After-tax ROIC (assumed tax rate): here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

WACD (Pre-Tax): This rate is defined as trailing twelve months (TTM) TOTAL INTEREST EXPENSE divided by Total Borrowings.

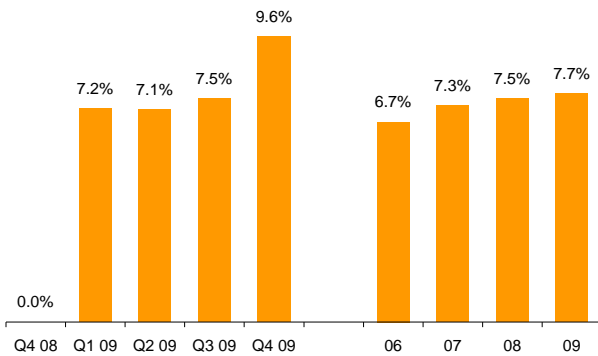
■ Adjusted Cap Rate



■ After-tax ROIC (assumed tax rate)



■ WACD (Pre-tax)



Average Bond Spread (in BPoints (1))	635
Estimated Bond Recovery Rate (2)	100.0%
Resulting Tolerable Default Rate (3)	NM

explanations and definitions:

We calculate estimated default and recovery rates to be used in other credit models (f.i. for the valuation of CDOs or similar structures) as follows:

(1) **Average Bond Spread:** Average Spread of all bonds listed on page 2 of this report.

(2) **Estimated Bond Recovery Rate:** To calculate this rate we first divide the total debt amount into bond debt and loan debt that is senior to bond debt. As an approximation for the total amount of bond debt we use the sum of the amounts outstanding of all bonds listed on page 1 of this report. The total debt figure is reduced by this sum, giving us an approximate figure for debt that is senior to bond debt. We then calculate a collateral asset coverage figure for the bond debt by starting with the Collateral Asset Value (as defined on page 5 of this report) which we reduce by the amount of senior debt ahead of the bonds. The remaining Collateral Asset Value is then divided by the approximate bond debt amount as defined above, giving an estimated recovery value on a collateral asset basis. We apply the same logic to an EBITDA multiple ratio (as on page 7 of this report) and get a second recovery estimate based on the EBITDA multiple. The higher of the 2 estimates is used as the "Estimated Bond Recovery Rate".

(3) **Resulting Tolerable Default Rate:** The implied default rate calculated using the Market Spread (1) and the Estimated Recovery Rate (2). With the given Market Spread and Estimated Recovery Rate it defines the maximum tolerable default probability for the risk premium paid in the form of Spread. Please note: This rate will only be displayed when it is greater than 0% and lower than 30% as we believe it is not meaningful ('NM') out of this range.

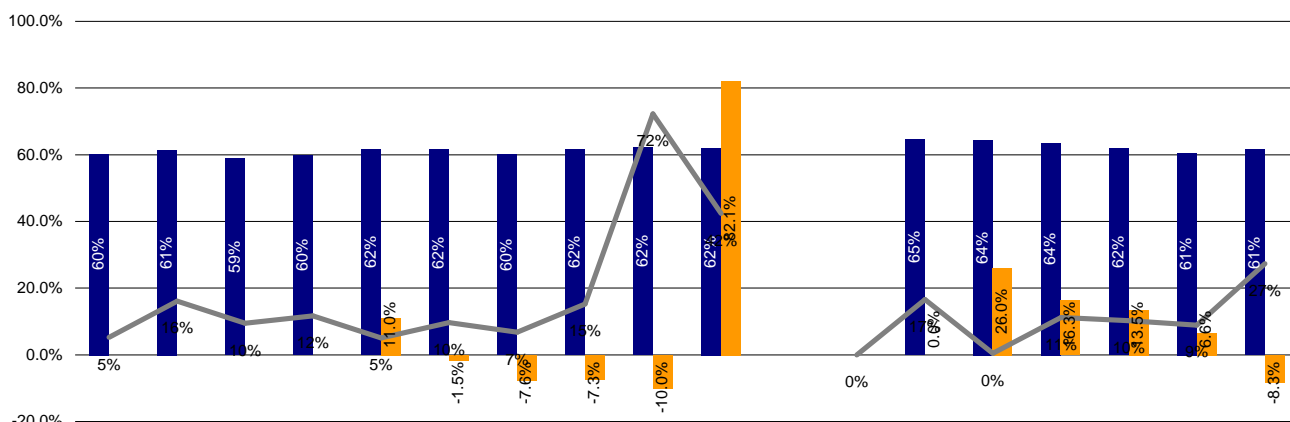
Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
					09/30/09				09/30/09
Total Assets		929	943	812	842	840	886	936	842
Total Liabilities		643	630	595	602	651	656	645	602
Total Intangibles									
Tangible Net Worth		286	313	217	240	190	230	291	240
Rent Debt (8x Annual Rental Expense)	502					300	435	502	
Underfunded Pension & Post Ret. Liab.									
Discount on Hard Assets		718	716	611	606	556	633	722	606
Adjusted Tangible Net Worth	-502	-433	-404	-394	-366	-666	-837	-934	-366

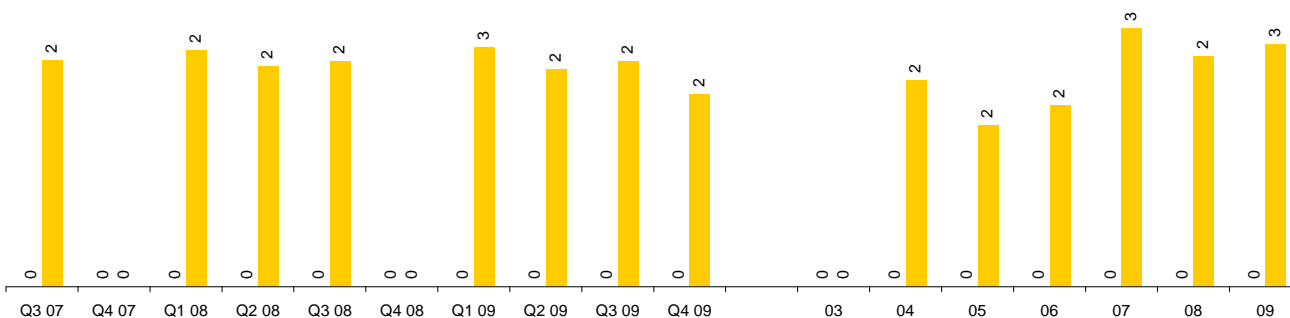
USD in millions	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	06	07	08	09
					09/30/09				09/30/09
(CFO-Net Income)/Revenues	9.7%	6.8%	15.2%	72.3%	42.4%	11.2%	10.2%	8.9%	27.3%
yoy Revenue Growth	-1.5%	-7.6%	-7.3%	-10.0%	82.1%	16.3%	13.5%	6.6%	-8.3%
Gross Margin	61.5%	60.0%	61.6%	62.2%	62.1%	63.5%	61.9%	60.5%	61.5%
Days Sales Outstanding		0	2	2		0	0	0	
Days Sales of Inventory		3	2	2	2	2	3	2	3
Soft Assets	-	78	78	77	84	82	84	79	84
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	-	-	-	-	-	-	-	-	-
Allowance for Doubtful Accounts	-	-	-	-	-	0	1	-	-
TTM Dividends Paid	66	70	65	59	67	12	57	66	57
TTM Preferred Dividends	0	0	0	0	-	0	0	0	-
Net Change in Capital Stock	0	0	0	0	0	0	0	0	0
Non-Capex CFI (CFI less Capex)	-1	0	0	-1	-6	-30	39	23	-6

ACCOUNTING RED FLAGS

Gross Margin yoy Revenue Growth (CFO-Net Income)/Revenues



Days Sales Outstanding Days Sales of Inventory



Auditor Information:	
Current auditor	ERNST & YOUNG LLP (as of 22.12.2009)
Auditor's opinion	Unqualified
Auditor's opinion - Definitions	
Not Audited / Unaudited	No tests were performed to verify amounts in financial statements. Typically applied to interim statement.
Partially audited	Not all statements were audited. Auditor may specifically give opinion on one or two statements.
Unqualified	Auditor declares, without reservation, that the financial statements fairly represent the company's financial position at a point in time and that the statements conform in all material respects to GAAP.
Qualified: Limited Scope	An aspect of the company's financial statements could not be verified, such as a portion of inventory not counted.
Qualified: Inconsistent Standards	Accounting standards were not applied consistently between periods.
Qualified: not GAAP	Standard accounting principles for the country were not followed. Typically related to a unique line item and uses the phrase 'except for.'
Qualified: uncertainty	Doubt exists related to a material balance sheet item, such as value of investment or collectability of major receivable; or auditor doubts going concern ability of company. This opinion usually employs the phrase 'subject to.'
Disclaimer	Auditor refuses to state opinion on financial statements, typically due to lack of sufficient documentation provided by company and/or subsidiaries.

LATEST SEC FILINGS

Quarterly Report (Form Type 10-Q)

end of period

Annual Report (Form Type 10-K)

end of period

Special Events & Material News (Form Type 8-K)

filing date

Prospectus (Form Type 42..)

filing date



On a long enough timeline
the survival rate for
everyone drops to zero.

CREDIT SNAPSHOT provided by
www.HIGHYIELDBLOG.com

This research report was prepared by HIGHYIELDBLOG. The information herein has been obtained from, and any opinions herein are based upon, sources believed to be reliable, but HIGHYIELDBLOG does not represent that it is accurate or complete and it should not be relied upon as such. All opinions, forecasts and estimates herein reflect our judgement on the date of this report and are subject to change without notice.

This document may not be reproduced, distributed or published without the prior consent of HIGHYIELDBLOG.