

## Gaylord Hotels Posts Double-Digit Growth in RevPAR and Total RevPAR

2006-02-14

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Gaylord Entertainment Co. Reports Fourth Quarter Earnings; Advance Bookings Exceed 2005 Guidance; Company Unveils Plans for 500-Room Expansion of Gaylord National

Gaylord Entertainment Co. (NYSE: GET) today reported its financial results for the fourth quarter of 2005.

For the fourth quarter ended December 31, 2005:

-- Consolidated revenues increased 17.4 percent to \$221.4 million from \$188.6 million in the same period last year, led by continued strength in the Hospitality segment.

-- Loss from continuing operations was \$13.0 million, or a loss of \$0.32 per share, a 53.2 percent increase from the prior year's quarter loss from continuing operations of \$8.5 million, or a loss of \$0.21 per share. Loss from continuing operations in the fourth quarter of 2005 was driven by increases in both pre-opening and interest expense compared to the fourth quarter of last year. Loss from continuing operations in the fourth quarter of 2005 was also affected by a \$2.0 million pre-tax net unrealized gain in the value of the company's Viacom stock investment and related derivatives, compared to a pre-tax net unrealized gain of \$3.4 million in the fourth quarter of 2004.

-- Hospitality segment total revenue grew 20.6 percent to \$164.1 million, compared to \$136.0 million in the prior-year quarter, with solid revenue growth at each of Gaylord's hotel properties. Gaylord Hotels total revenue per available room(1) ("Total RevPAR") and revenue per available room(2) ("RevPAR") increased 21.9 percent and 12.5 percent, respectively, compared to the fourth quarter of 2004.

-- ResortQuest Consolidated Cash Flow(3)("CCF") from continuing operations decreased 7.8 percent to a loss of \$7.5 million compared to a loss of \$7.0 million in the same period last year, reflecting the fourth quarter seasonal low for the business and the timing of businesses acquired in 2005. ResortQuest RevPAR increased by 1.2 percent to \$53.68 in the fourth quarter of 2005, compared to the same period last year.

-- Adjusted EBITDA(4) was \$17.0 million, compared to \$17.3 million in the prior-year quarter.

-- CCF increased 21.3 percent to \$24.4 million in the fourth quarter of 2005, compared to \$20.1 million in the same period last year. CCF in the fourth quarter of 2005 included a \$2.3 million distribution reflecting Gaylord's share of proceeds received from the sale of an asset in Hawaii. CCF in the fourth quarter of 2004 included a \$3.1 million accrual of a property tax refund.

For the twelve months ended Dec. 31, 2005:

-- Gaylord Hotels (excluding Gaylord National) advance bookings for the year were 1.41 million room nights, exceeding the high end of the guidance range and comparing well to the 1.47 million record set in 2004.

-- Consolidated revenues were \$868.8 million, an increase of 18.9 percent from \$730.8 million in the prior year. Loss from continuing operations improved to \$31.5 million, or a loss of \$0.78 per share, compared to \$54.3 million, or a loss of \$1.37 per share in the prior year due in part to a significant increase in operating income year-over-year. Loss from continuing operations was affected by a year-over-year increase in interest expense and a \$5.8 million pre-tax net unrealized loss in the value of the company's Viacom stock investment and related derivatives, compared to a pre-tax net unrealized loss of \$31.4 million in 2004.

-- Gaylord Hotels RevPAR and Total RevPAR increased by 9.6 percent and 16.3 percent, respectively, in 2005 compared to results achieved in 2004.

-- CCF increased 35.2 percent to \$125.1 million in 2005 from \$92.5 million in the prior year.

"2005 was a tremendous year for Gaylord Entertainment, as we achieved strong growth in revenues and Consolidated Cash Flow," said Colin V. Reed, chairman and chief executive officer of Gaylord Entertainment. "Gaylord Hotels has achieved a remarkable level of brand awareness within our core large group customer base, which is validated by the continued strength of our advance bookings, the success of our rotational strategy, and the strong Total RevPAR growth at our existing hotels. Gaylord's strategy of operating superior convention hotel facilities, with an emphasis on outstanding customer service and first-rate entertainment and food and beverage offerings, has proven to be a great success."

"Advance bookings for the Gaylord National continue to surpass expectations, illustrating our success at delivering a wholly differentiated product to the marketplace," Reed continued. "We are delighted to announce our plans to expand Gaylord National by 500 rooms. This expansion should greatly enhance the project's capacity and appeal to our core customers who eagerly await the opening of what we expect will be the best convention hotel on the East Coast. The expansion, which is subject to the approval of additional economic incentives from Prince George's County, will allow Gaylord to capitalize on very strong customer demand, as evidenced by our advance bookings, and will further drive the property's financial returns. Additionally, negotiations continue to proceed in Chula Vista, as we look forward to bringing our brand to the San Diego area."

"In 2005, we took steps to refocus and realign the ResortQuest brand, and to invest in much needed technological improvements such as our new website. During the year, ResortQuest bore the brunt of another year of severe weather conditions," continued Reed. "Moving forward, we have taken steps to alleviate our hurricane risk by modifying our advance deposit policy and introducing a new travel insurance program. These enhancements should create significant value for renters and home owners, and should further differentiate the ResortQuest brand. As a result of these initiatives, we believe we have laid a foundation for growth in 2006."

## Segment Operating Results

### Hospitality

Key components of the company's hospitality segment performance in the fourth quarter of 2005 include:

-- Gaylord Hotels Total RevPAR increased 21.9 percent to \$295.54, compared to \$242.38 in the fourth quarter of 2004; Gaylord Hotels RevPAR increased 12.5 percent to \$116.29, compared to \$103.39 in the prior-year quarter. Total RevPAR and RevPAR in the fourth quarter of 2005 were positively impacted by the success of the brand's seasonal entertainment offerings. Also, Total RevPAR and RevPAR figures exclude approximately 5,056 room nights out of service in the fourth quarter of 2005 due to Gaylord Opryland's room renovation program.

-- CCF increased 22.6 percent to \$40.7 million for the fourth quarter of 2005, compared to \$33.2 million in the same period last year. CCF in the fourth quarter of 2004 included a \$3.1 million accrual of a property tax refund. CCF margins for the hospitality segment increased 39 basis points to 24.8 percent from 24.4 percent in the prior-year quarter.

-- Gaylord Hotels, excluding Gaylord National, booked net definite room nights of approximately 597,000 in the fourth quarter of 2005, an increase of 6.4 percent over booking production in the prior-year quarter.

-- Gaylord National booked approximately 184,000 net definite room nights in the fourth quarter of 2005, bringing total net definite room nights to date to 547,000, which is approximately six times the level of advance bookings achieved by the Gaylord Palms and five times that achieved by the Gaylord Texan at the same point in their development.

-- Due in part to the strong demand for the Gaylord National, the company plans to expand the project by adding 500 rooms and 25,000 to 30,000 sq. ft. of meeting space, subject to approval by Prince George's County of additional economic incentives for the project.

"Gaylord Hotels ended 2005 on a high note," said Reed. "Our hospitality properties continue to demonstrate their brand power, especially among our primary constituency of meeting planners who know our hotels and the attention we give to each guest. Total RevPAR increased approximately 22 percent in the fourth quarter due to our holiday season entertainment offerings, which included the return of the Radio City Rockettes to the Gaylord Opryland and the premiere of ICE! at the Gaylord Texan. These once-a-year entertainment extravaganzas were a significant driver of transient and local demand, which boosted Total RevPAR during this typically slow period for large group meetings."

At the property level, Gaylord Palms posted a solid performance in the fourth quarter of 2005, increasing revenues by 5.8 percent to \$39.8 million compared to \$37.6 million in the prior-year quarter. Gaylord Palms achieved solid growth in RevPAR, up 5.7 percent to \$117.57, driven by a 5.8 percent increase in ADR and flat occupancy of 68.9 percent compared to the prior-year quarter. Gaylord Palms drove significant gains in transient ADR in the fourth quarter of 2005 compared to the prior-year quarter. Total RevPAR increased 5.8 percent to \$307.36, driven by solid growth in outside-the-room revenues and the continued success of the hotel's seasonal entertainment offering, ICE!, now in its third year of production. CCF increased 3.7 percent to \$8.5 million in the fourth quarter of 2005, resulting in the hotel's CCF margin decreasing 45 basis points to 21.4 percent. The comparatively lower CCF margin performance in the fourth quarter of 2005 was driven in part by unusually high group cancellation revenues received in the fourth quarter of 2004.

Gaylord Opryland posted a 30.4 percent growth in revenues in the fourth quarter of 2005 compared to the prior-year quarter. RevPAR increased 13.0 percent to \$120.60, driven by a 7.4 percentage point occupancy increase and a 2.6 percent increase in ADR. Total RevPAR grew 33.1 percent to \$293.66 in the fourth quarter of 2005 compared to \$220.71 in the prior-year quarter, driven by overall higher occupancy levels in the quarter which topped 80 percent and strong growth in outside-the-room spending by both group and transient guests. The return of the Radio City Rockettes to Opryland drove increases in transient and local demand in the fourth quarter of 2005 compared to the prior-year quarter. Opryland's operating statistics exclude approximately 5,056 room nights that were out of service in the fourth quarter of 2005 as a result of the hotel's previously announced room renovation program, which will continue through 2007. CCF grew 19.7 percent to \$20.2 million versus \$16.8 million in the fourth quarter of 2004. CCF in the fourth quarter of 2004 included a \$3.1 million accrual of a property tax refund. CCF margin in the fourth quarter of 2005, which declined 236 basis points to 26.4 percent, was adversely affected by higher energy costs and the aforementioned property tax refund.

For the Gaylord Texan, revenues increased 21.6 percent to \$46.2 million in the fourth quarter of 2005 compared to \$38.0 million in the prior-year quarter. RevPAR increased 19.2 percent to \$117.30 from \$98.41 in the fourth quarter of 2004, driven by a 12.4 percent increase in ADR and a 3.9 percentage point increase in occupancy. Total RevPAR grew 21.6 percent to \$332.01 in the fourth quarter of 2005, from \$273.04 in the same period last year. Strong gains in RevPAR and Total RevPAR were driven by an outstanding reception given to the Texan's first annual ICE! celebration, a favorite holiday offering that is already a strong transient and local demand driver at the Palms and Opryland properties. CCF increased 46.5 percent to \$11.0 million from \$7.5 million in the fourth quarter of 2004, resulting in a CCF margin of 23.8 percent, or a 404 basis point increase over the fourth quarter of 2004, despite the Texan incurring higher energy costs in the fourth quarter of 2005.

## Development Update

Construction continues to progress on Gaylord's newest project, the Gaylord National, with fourth quarter bookings growing by 63.4 percent compared to the fourth quarter of 2004. The National booked an additional 184,000 room nights in the fourth quarter of 2005, bringing the cumulative net definite production for the property to approximately 547,000 room nights. Having taken bookings for only the last five quarters, the National continues to set production records for Gaylord Hotels with more than two years until its opening in the first quarter of 2008.

Construction costs remain volatile and, as previously described by the company, have increased since the original estimate in 2004. While construction costs have increased, so too have the property's advance bookings and average daily rate. Due to this strong demand, Gaylord announces its intentions to expand the project by 500 rooms and 25,000 to 30,000 sq. ft. of meeting space, subject to approval by Prince George's County of additional economic incentives for the project. The net increase of the construction costs, expansion costs, and economic incentives, excluding pre-opening costs and capitalized interest expense, is expected to be \$235 million to \$285 million. Returns for the overall project are expected to exceed the Company's targeted 12.0 percent un-levered, after-tax return.

"Given the tremendous customer response we have had to the Gaylord National, we have decided to increase the scope of the project by adding 500 rooms," said Reed. "We are, however, mindful of the escalating construction costs that have recently occurred nationwide and will continue to balance this issue in an effort to maintain high returns for our shareholders."

In 2005, Gaylord incurred \$56.7 million in capital expenditures related to the construction of the Gaylord National.

## ResortQuest

ResortQuest fourth quarter 2005 revenues increased 23.0 percent to \$41.4 million, compared to \$33.6 million in the fourth quarter of 2004. Fourth quarter 2005 RevPAR increased to \$53.68 or 1.2 percent over the prior-year quarter. ADR increased 7.1 percent to \$129.35 from \$120.77 in the fourth quarter of 2004, while occupancy decreased 2.4 percentage points to 41.5 percent compared to 43.9 percent in the prior-year quarter. Fourth quarter 2005 operating loss was \$13.2 million compared to an operating loss of \$9.6 million in the fourth quarter of 2004. ResortQuest CCF was a loss of \$7.5 million for the period versus a loss of \$7.0 million in the fourth quarter of 2004.

The principal driver of CCF variance in the fourth quarter of 2005 versus 2004 was off-season operating losses at businesses that were acquired in 2005, including Whistler, Hilton Head and Aspen, as well as a decline in closed real estate brokerage transactions. CCF in the fourth quarter of 2005 included \$2.3 million from Gaylord's share of proceeds related to the sale of the Mauka Tower, a 72-room hotel adjacent to the Aston Waikiki Beach Hotel in Honolulu, Hawaii that was purchased in 2005 along with the Waikiki Beach Hotel by a joint venture between Gaylord and Deutsche Bank's Real Estate Opportunities Group.

In the fourth quarter of 2005, ResortQuest had 16,353 units under exclusive management, excluding units reflected in discontinued operations. ResortQuest operating statistics for all periods presented exclude units in discontinued markets and units out of service, which include units damaged by hurricanes. Operating results for ResortQuest's non-core markets that are being exited are reflected in Gaylord's consolidated financial results as discontinued operations, net of taxes, for all periods presented.

"The fourth quarter continued to be a restructuring and rebuilding time for ResortQuest," said Reed. "We further streamlined our properties to focus on markets where ResortQuest is a leader and has significant market share opportunity. In addition, we are beginning to see the first results of our efforts in branding and technology, most recently demonstrated by the launch of our consumer friendly website. We look forward to ResortQuest emerging as a brand that has an engaging affinity with our customers, similar to Gaylord Hotels."

## Opry and Attractions

Opry and Attractions segment revenues decreased to \$15.8 million in the fourth quarter of 2005, compared to \$18.8 million in the fourth quarter of 2004. Opry and Attractions reported operating income of \$0.3 million for the period, compared to an operating income of \$2.3 million in the fourth quarter of 2004. CCF decreased to \$1.7 million in the fourth quarter 2005 from \$3.6 million in the prior-year quarter. Segment performance in the fourth quarter was negatively affected by event cancellations affecting Corporate Magic, Gaylord's event planning and production business.

In November, Gaylord signed a multi-year deal with television network Great American Country ("GAC"), extending GAC's broadcast rights for their highest rated show, Grand Ole Opry Live. The agreement provides GAC broadcast rights for an increased number of new Grand Ole Opry Live shows, and outlines plans to develop several new Opry-related programs going forward. According to Nielsen Media Research, GAC is one of the fastest growing networks in the U.S.

"We are excited about our affiliation with Great American Country," said Reed. "GAC is an excellent distribution outlet and partner for the Opry brand, as it expands the Opry's audience and gives country music a coast-to-coast showcase. The Opry also reached new audiences through two special shows with GAC's sister channel, the Shop at Home Network, which offered viewers the ability to purchase special Opry merchandise. We will continue to pursue additional partnerships to broaden the reach and merchandising opportunity of the Opry."

## Corporate and Other

Corporate and Other operating loss totaled \$12.3 million for the fourth quarter of 2005, compared to an operating loss of \$11.4 million in the same period last year. Corporate and Other operating losses in the fourth quarter of 2005 and 2004 included non-cash charges of \$1.0 and \$1.2 million, respectively. Non-cash charges include items such as depreciation and

amortization, and the non-cash portion of the Naming Rights Agreement expense in the fourth quarter of 2004. Corporate and Other CCF for the fourth quarter of 2005 increased to a loss of \$10.5 million compared to a loss of \$9.7 million in the prior-year quarter.

#### Bass Pro Shops

For the quarter ended December 31, 2005, Gaylord's equity income from its investment in Bass Pro was \$0.3 million.

On December 14, 2005, the shareholders of Bass Pro, Inc. contributed their stock in Bass Pro, Inc. to Bass Pro Group, LLC, a newly-formed Delaware limited liability company. The majority owner of Bass Pro, Inc. also contributed (simultaneously with the contributions of the Bass Pro, Inc. stock) equity interests in Tracker Marine, LLC, Big Cedar LLC and certain related assets to Bass Pro Group, LLC. Following these contributions, Gaylord's stake in Bass Pro Group, LLC (the new parent company of Bass Pro, Inc., Tracker Marine and Big Cedar) is 13.0 percent, down from a 26.6 percent ownership interest in Bass Pro, Inc. The transaction is expected to be accretive to Gaylord. The restructuring of Bass Pro did not impact recognition of Bass Pro, Inc. equity income by Gaylord in 2005, since Gaylord accounts for its share of Bass Pro, Inc. equity income one month in arrears. Gaylord will continue to account for its stake in Bass Pro Group, LLC using the equity method of accounting.

#### Liquidity

At December 31, 2005, the company had long-term debt outstanding, including current portion, of \$600.3 million and unrestricted and restricted cash and short term investments of \$84.0 million. \$566.5 million of the company's \$600.0 million credit facility remains undrawn at the end of the fourth quarter of 2005, which included \$13.5 million in letters of credit.

Gaylord is currently evaluating financing alternatives to fund Gaylord National's planned expansion costs and increased construction costs. Alternatives may include the issuance of debt or equity, the sale of assets, or a combination thereof.

#### Outlook

The following outlook is based on current information as of February 14, 2006. The company does not expect to update guidance until next quarter's earnings release. However, the company may update its full business outlook or any portion thereof at any time for any reason.

"We expect to continue making strong progress in all of our operating businesses against their strategic objectives in 2006," said Colin V. Reed, chairman and chief executive officer of Gaylord Entertainment. "The prospects for our convention hotel business continue to be strong, as the Gaylord Hotels brand increasingly resonates among meeting planners and associations throughout the country. As we continue to offer the highest customer service and superior entertainment and dining options, we expect RevPAR and Total RevPAR to accelerate in the coming year. Our Gaylord National project continues to gain momentum as advance bookings have steadily trended upwards. And, we are thrilled to have been selected for the Chula Vista project and are hopeful that these discussions will lead to the development of the West Coast's finest convention hotel."

Gaylord's 2006 outlook reflects approximately 25,000 room nights out of service due to room renovation at Gaylord's Opryland Hotel.

"At ResortQuest, we expect our investments in operating infrastructure will have an effect in 2006 and revenue trends for the first quarter of 2006 appear solid," concluded Reed. "Measures have been taken to reduce our exposure to the effects of hurricanes. However, any long lasting impacts of the past two years on the Gulf Coast region or additional unforeseen weather patterns, have the potential to negatively affect our business."

In the first quarter of 2006, the company launched its new website, ResortQuest.com. The company also expects to reduce its inventory by approximately 750 units due to the termination of unprofitable management agreements in Northwest Florida and other eastern markets, as well as the settlement of a legal dispute.

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