

Boyd Gaming Reports Third Quarter Results

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Las Vegas Locals Records Highest Quarterly EBITDA Increase in Two Years

Boyd Gaming Corporation (NYSE:BYD) today reported financial results for the third quarter ended September 30, 2007.

Recent Highlights

Las Vegas Locals segment posts a 9.1% increase in Adjusted EBITDA(1) for the third quarter 2007.

Downtown Las Vegas records highest third quarter Adjusted EBITDA in its history.

Midwest and South region results reflect final stage of post-hurricane normalization, with Treasure Chest net revenues and Adjusted EBITDA at similar levels for the fourth consecutive quarter. As expected, Blue Chip's performance was impacted by the opening of a new competitor in August 2007.

Borgata posts comparable year-over-year results for the third quarter 2007, work continues on The Water Club in preparation for an opening prior to the busy 2008 summer season.

Company declares quarterly dividend of \$0.15 per share payable December 3, 2007 to shareholders of record as of the close of business on November 16, 2007.

Third Quarter Results

We reported third quarter 2007 income from continuing operations of \$31.9 million, or \$0.36 per share, compared with \$28.1 million, or \$0.32 per share, in the same period 2006. Including discontinued operations, we reported net income for the third quarter 2007 of \$31.8 million, or \$0.36 per share, compared to a net loss of \$12.9 million, or \$0.15 per share, reported in the same period 2006. Per share earnings discussed throughout this release are reported on a diluted basis.

Adjusted Earnings(1) from continuing operations for the third quarter 2007 were \$38.4 million, or \$0.43 per share, compared to \$38.8 million, or \$0.44 per share, for the same period in 2006. During the third quarter 2007, certain pre-tax adjustments that reduced income from continuing operations by \$10.1 million (\$6.5 million, net of tax, or \$0.07 per share) were as follows:

\$5.3 million for preopening charges primarily associated with our Echelon development,

\$3.5 million charge for the decrease in value of our derivative instruments, and

\$1.2 million for other charges.

By comparison, the third quarter 2006 included certain pre-tax adjustments that reduced income from continuing operations by \$16.6 million (\$10.7 million, net of tax, or \$0.12 per share).

Net revenues were \$490.1 million for the third quarter 2007, a decrease of 7.7% from the same quarter in 2006. Total Adjusted EBITDA was \$144.0 million in the third quarter 2007, compared to \$149.9 million for the same period 2006. The decreases were primarily due to the opening of a new competitor in the northern Indiana market, normalization of operating results at Treasure Chest, and the closure of the Stardust.

Keith Smith, President and Chief Operating Officer of Boyd Gaming, commented, "We were very encouraged by our performance in the Las Vegas Locals region, where business continues to trend upward as margins improved. We were especially proud of our Downtown Las Vegas business, which had its best third quarter ever. The Midwest and South region performed to expectations, with the effects of normalization at Treasure Chest and additional competition for Blue Chip offsetting steady results from the other four casino operations in that sector.

However, Treasure Chest has now stabilized well ahead of pre-hurricane levels. We are also optimistic about our long-term competitive position at Blue Chip, given the scheduled opening of our new hotel late next year."

Key Operations Review

In our Las Vegas Locals segment, third quarter 2007 net revenues were \$203.8 million versus \$199.5 million for the third quarter 2006. Third quarter 2007 Adjusted EBITDA was \$61.3 million, a 9.1% increase over the \$56.2 million in the same quarter 2006.

Our Downtown Las Vegas properties had another record performance, generating net revenues of \$59.3 million and Adjusted EBITDA of \$10.3 million for the third quarter 2007, versus \$58.1 million and \$9.5 million, respectively, for the third quarter 2006.

In our Midwest and South sector, we recorded \$226.9 million in net revenues for the third quarter 2007, compared to \$241.1 million for the same period in 2006. Adjusted EBITDA for the period was \$56.4 million. By comparison, Adjusted EBITDA for the third quarter 2006 was \$64.5 million.

In Atlantic City, Borgata's operating income for the third quarter 2007 was \$54.5 million, a 5.9% increase over the same quarter in 2006. Borgata remained the market leader in total casino revenue, achieving a 15.1% market share in the third quarter 2007. Table game drop rose 6.0% over the year-ago quarter, improving market share from 20.9% in the third quarter 2006 to 21.4% in the current quarter. Borgata showed a 9.7% decline in slot win over the prior year, in line with the total market decline, due to additional capacity from racinos in Pennsylvania. Net income for Borgata was \$47.7 million for the third quarter 2007, compared to \$45.1 million in the same period last year, and Adjusted EBITDA was \$72.6 million, compared to \$71.0 million for the third quarter 2006.

Year-To-Date Results

Income from continuing operations for the nine months ended September 30, 2007 was \$89.9 million, or \$1.01 per share, as compared to \$105.7 million, or \$1.17 per share for the nine months ended September 30, 2006. Net income, which includes the results from discontinued operations, was \$271.8 million, or \$3.07 per share, for the 2007 year-to-date period compared to \$60.5 million, or \$0.67 per share, for the nine-month period ended September 30, 2006. Net income for the 2007 period includes a \$285 million gain on the disposition of the Barbary Coast.

Adjusted Earnings from continuing operations for the nine months ended September 30, 2007 were \$122.3 million, or \$1.38 per share, as compared to \$155.5 million, or \$1.72 per share for the nine-month period in 2006.

Net revenues were \$1.52 billion and \$1.67 billion for the nine months ended September 30, 2007 and 2006, respectively. Total Adjusted EBITDA was \$443.2 million for the current nine-month period (or \$446.3 million, excluding a \$3.2 million estimated retroactive property tax charge for an unanticipated increase in assessed property value at Blue Chip). By comparison, total Adjusted EBITDA for the 2006 period was \$506.0 million (or \$512.7 million, excluding a \$6.7 million charge for a retroactive gaming tax assessment at our Par-A-Dice property).

Development Update

Development continues to progress on our key growth initiatives:

In Atlantic City, we recently announced a revised opening schedule for The Water Club, a signature hotel by Borgata, following the September 23rd fire. The Water Club will be an 800-room boutique hotel directly connected to Borgata and is expected to open prior to the busy 2008 summer season.

Our \$130 million expansion of Blue Chip in Michigan City, Indiana continues to advance through the construction phase. This development project will add a dramatic 22-story hotel tower that will include 300 new guest rooms, a spa and fitness center, additional meeting and event space, new dining and nightlife experiences, and a new entrance porte cochere. The project remains on schedule for a late 2008 opening.

Construction on Echelon continues to ramp up in accordance with our development schedule. Construction procurement is well underway with significant interest from the contracting community in all aspects of the project.

Bill Boyd, Chairman and Chief Executive Officer, said, "Construction on our Las Vegas Strip development is picking up steam and we remain on track to open in the third quarter 2010. In the near term, we are looking forward to opening The Water Club at Borgata in time for Atlantic City's peak tourism season next year. By providing the Atlantic City market with its first boutique hotel experience, The Water Club will undoubtedly add a new level of luxury to the market. In Michigan City, Indiana, we believe our Blue Chip hotel development will elevate our product offering and expand our market reach."

Boyd Gaming Branding Initiative

We are in the final stages of completing pre-launch work for our company-wide branding initiative. This effort will position our individual properties as part of a larger network, creating additional synergies and further leveraging Boyd Gaming's highly-regarded blend of gaming excitement and personal service.

Central to this effort, we are developing three regional "One Card" player reward programs that will unify the existing player cards used by our properties. The three programs are representative of their respective geographies: Las Vegas Locals, Midwest and South and Downtown Las Vegas. Additionally, each of the regional programs will be connected to a national system, while being tailored to the varying dynamics of the individual markets in which we operate, providing our properties with the flexibility to adapt to regional and local market conditions. Our goal is to reward and build customer loyalty, drive cross-property visitation, and offer the ability to seamlessly earn and redeem rewards at any Boyd Gaming property.

The first phase rollout began a few days ago, when we re-aligned our Club Coast program to be consistent with all other Boyd Gaming properties. The second phase is to launch our new "One Card" program, which is scheduled to begin in January 2008. We anticipate completing rollout of the new "One Card" program companywide by second quarter 2008.

Dividend

Our Board of Directors declared a quarterly dividend of \$0.15 per share, payable December 3, 2007 to shareholders of record as of the close of business on November 16, 2007.

Key Financial Statistics

The following is additional information as of and for the three months ended September 30, 2007:

September 30 debt balance: \$2.21 billion

September 30 cash: \$152.8 million

Dividends paid in the quarter: \$13.2 million

Maintenance capital expenditures during the quarter: \$27.3 million

Expansion capital expenditures during the quarter: \$77.1 million

Capitalized interest during the quarter: \$5.3 million

Cash distribution to the Company from Borgata in the quarter: \$14.5 million

September 30 debt balance at Borgata: \$655.9 million

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