

Isle of Capri Casinos, Inc. Announces Second Quarter Fiscal 2008 Results

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Reports a 14.6% increase in net revenues

Isle of Capri Casinos, Inc. (NASDAQ:ISLE) today reported financial results for the second fiscal quarter ended October 28, 2007.

Bernard Goldstein, chairman of the board and chief executive officer commented, "In the second quarter, the Company recorded a pre-tax charge of \$6.5 million related to costs previously capitalized in connection with a proposed project in west Harrison County, Mississippi, and proposed expansions in Davenport, Iowa and Kansas City, Missouri, which negatively impacted our results. We have also begun conducting a strategic review of our existing portfolio and growth opportunities."

"In addition, our second quarter results were impacted by significant non-recurring charges, including charges resulting from the retirement of our 9% Senior Subordinated Notes as part of the refinancing completed in July 2007. The refinancing improved the flexibility of our balance sheet and is consistent with our strategy to effectively lower our weighted average interest rate."

President and Chief Operating Officer Virginia McDowell said, "Our Company goal continues to be increased EBITDA(1) through margin improvement, and we have identified opportunities to reduce spending at both the corporate and site levels as a result of our focus on expense reduction and cost containment measures."

"Although we continue to see improvements in operating results at nearly all of our legacy properties, the isle casino at Coventry continues to under perform. We are currently streamlining our cost structures at Coventry and developing new marketing programs, but we have also been negatively impacted by recent legislative changes, including an increase in taxes and the implementation of a smoking ban. As a result, we are currently evaluating the returns on and realization of our United Kingdom investments as a part of our strategic review process. The process in the United Kingdom will be led by Donn Mitchell, who was recently named Senior Vice President of UK Operations."

The Company reported a 14.6% increase in net revenues to \$278.8 million for the second quarter compared to net revenues of \$243.2 million for the same quarter in fiscal 2007. The Company reported a loss from continuing operations for the quarter of \$24.6 million or \$0.80 per diluted common share during the second quarter of fiscal 2008 compared to a loss from continuing operations of \$4.2 million or \$0.14 per diluted common share for the second quarter of fiscal 2007.

Reflecting the impact of pre-opening expenses and write-offs, total EBITDA(1) for the second quarter of fiscal 2008 was \$37.6 million compared to \$38.3 million for the second quarter of fiscal 2007. Property EBITDA(1) from continuing operations for the second quarter of fiscal 2008 increased 8.5% to \$55.2 million compared to Property EBITDA(1) from continuing operations of \$50.9 million for the comparable quarter in fiscal 2007.

The results from operations for the second quarter of fiscal 2008 include \$6.5 million of charges primarily related to costs previously capitalized in connection with a proposed project in west Harrison County, Mississippi and the write-off of construction projects in Davenport, Iowa and Kansas City, Missouri. Additionally, in the second quarter of fiscal 2008, the Company recognized an \$11.5 million loss from early extinguishment of debt related to the retirement of the Company's 9% Senior Subordinated Notes on August 29, 2007. Combined, these items resulted in a \$10.8 million after-tax impact on the quarterly results, or \$0.35 loss per diluted share. The results from continuing operations for the second quarter of fiscal 2007 include \$1.0 million of office relocation costs and \$3.7 million of increased new development costs compared to the second quarter of fiscal 2008. Combined, these items resulted in \$2.8 million of after-tax impact on the prior year quarterly results or \$0.09 loss per diluted common share.

For the six months ended October 28, 2007, the Company reported a 7.8% increase in net revenues to \$557.4 million compared to net revenues of \$517.2 million for the same period in fiscal 2007. For the first six months of fiscal 2008, the Company reported a loss from continuing operations of \$31.8 million or \$1.04 per diluted common share compared to income from continuing operations of \$1.1 million or \$0.04 per diluted common share for the same period in fiscal 2007. EBITDA(1) from continuing operations for the first six months of fiscal 2008 was \$86.2 million compared to \$93.6 million for the first six months of fiscal 2007.

The Company's Bossier City and Vicksburg properties are reflected as discontinued operations for fiscal 2007 results. Accordingly, the operating results for these properties are not included in the net revenue, income and EBITDA(1) from continuing operations results discussed above. The sale of the Bossier City and Vicksburg properties closed on July 31, 2006. Accordingly, the net revenues, income and EBITDA(1) for fiscal 2008 are comparable to the net revenue, income and EBITDA(1) from continuing operations for fiscal 2007 because the Company had no discontinued operations in fiscal 2008.

Recent Highlights:

On November 13, 2007, the Company executed a definitive agreement with Nevada Gold & Casinos, Inc. to acquire the 43% interest in Isle of Capri Black Hawk, L.L.C., which is currently owned by Nevada Gold. Under the terms of the agreement, the Company agreed to pay \$64.6 million for the remaining 43% interest, payable upon closure of the sale. Upon closing, Isle of Capri Black Hawk, L.L.C. would become an indirect wholly owned subsidiary of Isle of Capri, and Isle of Capri would gain complete control of the largest gaming operation in Colorado. The closing of the transaction is subject to the approval of

Nevada Gold's stockholders and certain other customary closing conditions, and is expected to occur in early 2008

The Company continued to realize margin improvements at nearly all of the same store properties as a result of continuing its efforts of managing expenses and improving marketing programs. Excluding international operations and Biloxi which had fewer casinos operating in the market during the comparable prior year period as the region continued its recovery from Hurricane Katrina, EBITDA(1) margins at the Company's legacy properties for the three months ended October 28, 2007 improved over 390 basis points from 22.3% to 26.2%.

Utilizing the enterprise data warehouse and business intelligence tools, the Company has nearly completed the initial process of re-segmenting the database at each property. This is expected to enable management to improve the effectiveness of its marketing spend by refocusing on increased share of wallet from higher value customers, and building new acquisition programs.

Ms. McDowell commented, "On November 1st, we celebrated the opening of the initial two lanes of the Biloxi Bay Bridge, linking Ocean Springs and Biloxi. The East Biloxi casinos have been relatively isolated since Hurricane Katrina, and the reopening of the bridge provides a vital link to our customers who reside to the east. We have introduced a variety of new marketing programs designed to reintroduce our Biloxi property to these customers, and to prepare for the full opening of the bridge next spring, when Mississippi Department of Transportation officials estimate that as many as 30,000 vehicles a day could travel the span when all lanes reopen."

"We also continue to improve our properties by adding quality amenities that have been very well received by our customers. In November, the Isle Casino and Hotel at Waterloo opened a 10,000 square foot indoor pool with a bar and restaurant, as well as an expanded deck designed to accommodate player parties and group sales opportunities. In September, we also opened the new and expanded Farradays' Steakhouse in Black Hawk, Colorado resulting in a significant increase in revenue per cover. Relocating the restaurant has enabled the property to expand the popular Calypso's buffet by 66 much needed seats, which are expected to be available in late December."

Ms. McDowell concluded, "As we continue with the strategic review of our current assets and growth opportunities, we also continue to progress with the development of our strategic brand portfolio, and hope to announce our plans by our fourth fiscal quarter."

Operational Review of the Company's Continuing Operations for the Second Quarter of Fiscal 2008 Compared to the Second Quarter of Fiscal 2007

Mississippi -- The Company's three continuing casino operations contributed 17.3% of our net revenues for the three months ended October 28, 2007. Net revenues and EBITDA(1) at our Biloxi property decreased significantly from abnormally high prior year operating results due to increased competition in the market as competitors have re-opened after closures caused by Hurricane Katrina. Additionally, the Biloxi property remains negatively impacted by the destruction of the Biloxi/Ocean Springs bridge, which is the primary thoroughfare for travelers from Alabama and Florida to east Biloxi where our Biloxi property is located. Two lanes of the new Biloxi/Ocean Springs bridge opened in November 2007 and the complete new bridge with six lanes is scheduled to open in June 2008. The Company's Natchez property continues to experience decreases in both net revenues and income from operations primarily resulting from the re-opening of competing casinos along the Gulf Coast. Net revenues at the Lula property decreased due to increased competition impacting certain of the property's outlying primary feeder markets and disruption due to renovations of the casino floor.

Louisiana -- The Company's casino in Lake Charles contributed 13.4% of our net revenues for the three months ended October 28, 2007. Lake Charles experienced a decrease in net revenues due to increased competition in the market as competitors have fully re-opened following closures caused by Hurricane Rita and post hurricane normalization of population levels in the property's feeder markets. Despite a decline in net revenues, EBITDA(1) increased due primarily to decreased promotional and marketing expenses as well as overall cost control efforts.

Missouri -- The Company's three casinos in Missouri contributed 16.7% of our net revenues for the three months ended October 28, 2007. Net revenues increased primarily due to the acquisition of the Caruthersville property on June 11, 2007. Net revenues decreased at our Kansas City property primarily due to aggressive marketing by our competition in the Kansas City marketplace. EBITDA(1) increased in the second quarter of fiscal 2008 due to the Caruthersville acquisition as well as overall cost control efforts at our other Missouri properties.

Iowa -- The Company's four casinos in Iowa contributed 23.0% of our net revenues for the three months ended October 28, 2007. Net revenues and EBITDA(1) increased primarily due to the opening of the Waterloo property on June 30, 2007. Combined net revenues decreased moderately at our Quad-City and Marquette properties due primarily to the impact of increased competition. However, combined EBITDA(1) for these properties increased due to cost control efforts.

Colorado -- The Company's two casinos in Black Hawk, Colorado contributed 14.1% of our net revenues for the three months ended October 28, 2007. Our Colorado properties experienced minor decreases in net revenues primarily due to a planned reduction in complimentary rooms and food and beverages. EBITDA(1) increased at both Colorado properties due to decreases in marketing expenses and overall cost control efforts.

Florida -- The Pompano racetrack and casino contributed 13.1% of net our revenues for the three months ended October 28, 2007. Net revenues and EBITDA(1) reflect the opening of the slot gaming facility on April 14, 2007.

International Operations -- Net revenues increased primarily due to the opening of the Coventry, England property in July 2007.

Corporate Development and Other -- Corporate development and other expenses include the Company's corporate office operations, new development costs and other write offs. The increase in corporate, development and other expenses compared to the second quarter of fiscal 2007 was primarily due to a \$4.9 million charge recognized in relation to the write off of the Company's terminated development project in west Harrison County, Mississippi.

Discontinued Operations -- Operating results from the Company's Vicksburg and Bossier City properties have been classified as discontinued operations for all periods presented and thus are not included in the Operational Review discussed above.

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