

Century Casinos Posts 239% Increase in Earnings From Operations

2008-03-18

Century Casinos, Inc. (NASDAQ Capital Market and the Vienna Stock Exchange: CNTY) today reported financial results for the fourth quarter and year ended December 31, 2007.

Fourth Quarter 2007

For the fourth quarter of 2007, net operating revenue was \$23,196,000 and consolidated Adjusted EBITDA* was \$5,189,000. This represents a 29% increase in net operating revenue over the same quarter of last year (\$17,972,000 in the fourth quarter of 2006) and a 74% increase in consolidated Adjusted EBITDA* (\$2,980,000 in the fourth quarter of 2006).

The Company reported net earnings of \$401,000, or \$0.02 per basic share for the quarter ended December 31, 2007. Net earnings for the 2006 fourth quarter were \$2,757,000, or \$0.12 per basic share. The 2007 fourth quarter reflects increases in depreciation charges, primarily related to the opening of the three new casinos in 2006. In addition, stock-based compensation expense increased \$328,000 primarily due to the issuance of stock options and restricted stock in July 2007. The Company also recorded a \$1,000,000 charge (\$620,000, net of taxes) in the fourth quarter of 2007 related to the purchase of a loan held by our former minority partner in Central City, Colorado. The 2006 pre-tax results for the fourth quarter include pre-opening expenses of \$1,848,000 (\$1,418,000, net of taxes) and income of \$5,231,000 (\$5,074,000, net of taxes) resulting from the sale of our interest in a casino project located in South Africa.

Year Ended December 31, 2007

For the year ended December 31, 2007, net operating revenue was \$91,654,000 and consolidated Adjusted EBITDA* was \$21,052,000. This represents a 63% increase in net operating revenue over the same period of last year (\$56,285,000 for the year ended December 31, 2006) and a 67% increase in consolidated Adjusted EBITDA* (\$12,641,000 for the year ended December 31, 2006).

The Company reported net earnings of \$4,933,000, or \$0.21 per basic share for the year ended December 31, 2007. The 2007 results reflect increases in depreciation charges and net interest charges, primarily related to the opening and financing of three new casinos in 2006. Net earnings for the year ended December 31, 2006 were \$7,629,000, or \$0.33 per basic share. The 2006 pre-tax results include \$3,964,000 (\$3,160,000, net of taxes) in pre-opening expenses and income of \$5,231,000 (\$5,074,000, net of taxes) resulting from the sale of our interest in a casino project located in South Africa.

"We are pleased with the progress we have made in the growth of our company," said Co CEOs Erwin Haitzmann and Peter Hoetzing. "The first full year of operations at our three new casinos had a positive impact to the Company's adjusted EBITDA."

Developments

The Alberta Gaming and Liquor Commission added 50 slot machines during the second half of 2007 at our property in Edmonton. Management believes that this is in recognition of our accomplishments since opening in November 2006 and is also a sign that the gaming market in Edmonton is expected to grow further.

The Company introduced non-stop, 24-hour poker at our casino in Edmonton. We believe this contributed to increased revenue and visitation at the property.

Womacks Casino in Cripple Creek is in the final stages of an approximate \$1.8 million renovation. Management believes that revenue in the fourth quarter of 2007 was negatively affected by this renovation.

In December 2007, the Company made an early prepayment of \$2.1 million of principal towards its debt related to the casino in Central City in an effort to reduce overall interest charges. The Company made cumulative early prepayments of \$12.1 million in 2007.

On December 31, 2007, the Company acquired the remaining 35% of all issued and outstanding partnership units from the minority investor in our casino in Central City, Colorado. In accordance with U.S. accounting standards, the Company recorded a \$1,000,000 charge (\$624,000, net of taxes) due to the assumption of an outstanding loan from the former minority partner. In addition, the Company will now recognize the casino's net income or losses at 100% (instead of the previous 65%) going forward.

In November 2007, an arbitrator ruled in favor of our case to continue operating our casino aboard the Silver Cloud through April 2011. In addition, we will be able to operate casinos aboard any new Silversea vessel through April 2011.

Effective January 1, 2008, smoking has been banned at Colorado casinos. Initial indications are that the ban will negatively impact revenue at our Colorado casinos.

Property Results

Century Casino and Hotel (Edmonton, Alberta, Canada) -- We opened the casino in November 2006 with 600 slot machines and since opening the number of machines on the floor has increased to 650. We also increased the number of tables at the casino to 35 in March 2008 from 32 as of December 31, 2007. We opened the hotel portion of the facility in March 2007. Net operating revenue for the quarter ended December 31, 2007 was \$5,735,000 compared to \$2,322,000 in the fourth quarter of 2006. Adjusted EBITDA* for the fourth quarter of 2007 was \$2,022,000 compared to \$620,000 in the fourth quarter of 2006. Net operating revenue for the year ended December 31, 2007 (the first full year of operation for the casino) was \$19,297,000 and Adjusted EBITDA* was \$5,673,000 compared to net operating revenue of \$2,325,000 and Adjusted EBITDA* of \$620,000 for the year ended December 31, 2006.

Womacks Casino (Cripple Creek, Colorado, USA) -- Net operating revenue at Womacks Casino in Cripple Creek, Colorado decreased 16% to \$3,212,000 for the fourth quarter of 2007 compared to \$3,721,000 for the same period in 2006. Womacks' Adjusted EBITDA* for the fourth quarter of 2007 was \$635,000 compared to \$1,157,000 in the fourth quarter of 2006. The decrease in Adjusted EBITDA* is primarily due to the decline in revenue, which management believes was a result of the above mentioned renovation.

Womacks' net operating revenue was \$16,722,000 for the year ended December 31, 2007 compared to \$16,255,000 for the year ended December 31, 2006. Womacks' Adjusted EBITDA* for the year ended December 31, 2007 was \$5,439,000 compared to \$6,104,000 in the same 2006 period. The decrease in Adjusted EBITDA* is primarily due to \$325,000 in increased marketing charges primarily related to a special marketing promotion in the third quarter of 2007.

Century Casino and Hotel (Central City, Colorado, USA) -- Net operating revenue at the Century Casino and Hotel increased 23% to \$4,845,000 for the fourth quarter of 2007 compared to \$3,929,000 reported for the same period in 2006. Adjusted EBITDA* for the fourth quarter of 2007 was \$1,020,000 compared to \$416,000 in the fourth quarter of 2006. The increase in Adjusted EBITDA* is primarily due to improved revenue. Net operating revenue for the quarter ended December 31, 2007 increased due to an improved floor layout and gaming machine mix.

The Century Casino and Hotel's net operating revenue was \$20,374,000 for the year ended December 31, 2007 compared to \$8,617,000 for the year ended December 31, 2006. The property commenced operations in July 2006. The Century Casino and Hotel's Adjusted EBITDA* for the year ended December 31, 2007 was \$4,922,000 compared to \$1,245,000 in the same 2006 period. Adjusted EBITDA* for the year ended December 31, 2006 excludes approximately \$1,726,000 of pre-opening expenditures. As of December 31, 2007, the Company owns 100% of CC Tollgate LLC.

The Caledon Hotel, Spa and Casino (Caledon, South Africa) -- Net operating revenue at the Caledon increased 7% to \$4,815,000 for the fourth quarter of 2007 compared to \$4,511,000 reported for the same period in 2006. Net operating revenue in South African Rand ("Rand") was ZAR 32,624,000 for the quarter ended December 31, 2007 compared to ZAR 33,810,000 for the quarter ended December 31, 2006. Adjusted EBITDA* for the fourth quarter of 2007 was \$1,763,000 compared to \$2,002,000 in the fourth quarter of 2006. The decline in Adjusted EBITDA* is primarily due to increased marketing costs aimed at strengthening casino revenue and general escalations in overhead costs during the quarter.

The Caledon's net operating revenue was \$18,139,000 for the year ended December 31, 2007 compared to \$18,294,000 for the year ended December 31, 2006. The decrease was due to the weakening of the Rand versus the US Dollar on a year over year basis. Net operating revenue in Rand was ZAR 127,837,000 for the year ended December 31, 2007 compared to ZAR 123,509,000 for the year ended December 31, 2006. The Caledon's Adjusted EBITDA* for the year ended December 31, 2007 was \$7,080,000 compared to \$7,633,000 in the same 2006 period. The decrease in Adjusted EBITDA* is primarily due to the weakening of the Rand versus the US Dollar on a year to date basis and the payment of an additional \$138,000 (as compared to the year ended December 31, 2006) in dividends to preference shareholders.

Century Casino and Hotel (Newcastle, South Africa) -- Net operating revenue increased 52% to \$3,400,000 for the fourth quarter of 2007 compared to \$2,235,000 reported for the same period in 2006. Newcastle's Adjusted EBITDA* for the fourth quarter of 2007 was \$1,316,000 compared to \$874,000 for the fourth quarter of 2006. We opened a new casino facility in December 2006. Prior to this date, casino operations were held in a temporary facility. Management believes that the increases in net operating revenue and Adjusted EBITDA* are directly related to the opening of our new facility, which management believes is superior to the old facility. Adjusted EBITDA* for the quarter ended December 31, 2006 excludes approximately \$323,000 of pre-opening expenditures.

We acquired a 60% ownership interest in Newcastle, South Africa, on April 1, 2006. For the year ended December 31, 2007, Newcastle's net operating revenue was \$11,995,000 compared to \$6,176,000 for the year ended December 31, 2006. The casino provided the Company with Adjusted EBITDA* of \$4,072,000 for the year ended December 31, 2007 compared to Adjusted EBITDA* of \$2,166,000 for the year ended December 31, 2006.

Other Operations -- The Company's other operations, which include the Century Casino Millennium in Prague and the Company's ship-based casinos, contributed net operating revenue of \$1,181,000 and Adjusted EBITDA* of \$34,000 for the quarter ended December 31, 2007 compared to net operating revenue of \$1,249,000 and Adjusted EBITDA* of \$205,000 for the quarter ended December 31, 2006. These operations contributed net operating revenue of \$5,069,000 and \$4,601,000 for the years ended December 31, 2007 and 2006, respectively and contributed Adjusted EBITDA* of \$513,000 and \$911,000 for the years ended December 31, 2007 and 2006, respectively. The decline in Adjusted EBITDA* is primarily due to the reduction in the number of ship-based casinos and the write-off of costs associated with a contract that the Company decided not to pursue.

Corporate -- Corporate operations reported negative Adjusted EBITDA* of \$1,601,000 for the quarter ended December 31, 2007 compared to negative Adjusted EBITDA* of \$2,294,000 for the quarter ended December 31, 2006. The increase in Adjusted EBITDA* is due to the recognition of \$472,000 of equity earnings from our investment in Casinos Poland and foreign currency gains of \$206,000. We acquired a 33.3% interest in Casinos Poland in March 2007. Corporate general and

administrative expenses, excluding stock compensation expenses were \$2,287,000 for the quarter ended December 31, 2007 compared to \$2,296,000 for the quarter ended December 31, 2006.

Corporate operations reported negative Adjusted EBITDA* of \$6,647,000 for the year ended December 31, 2007 compared to negative Adjusted EBITDA* of \$6,038,000 for the year ended December 31, 2006. The decrease in Adjusted EBITDA* is primarily due to an increase in general and administrative expenses of \$1,770,000 relating to travel expenses, professional fees and insurance charges, offset by the recognition of \$563,000 of equity earnings from our investment in Casinos Poland and foreign currency gains of \$557,000. Corporate general and administrative expenses, excluding stock compensation expenses were \$8,188,000 for the year ended December 31, 2007 compared to \$6,418,000 for the year ended December 31, 2006.

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