

Ameristar Reports First Quarter 2008 Results

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Realizes Initial Benefits of Expansion/Enhancement Projects - Maintains Market Positions in All Locations - Records Non-Cash Impairment Charge for East Chicago

Ameristar Casinos, Inc. (NASDAQ:ASCA) today announced financial results for the first quarter ended March 31, 2008.

"From an operating perspective, Ameristar's first quarter performance was generally in line with our internal expectations," noted John Boushy, Chief Executive Officer and President. "We held our own and retained our prominent market positions in the face of continued weakness in economic conditions and increased competition in several markets. As the quarter progressed, we experienced a notable pick-up in business, and we began to realize the initial benefits from our property expansion in St. Charles where we regained the number one market share position. We also gained traction at East Chicago due to continued implementation of our marketing and guest service enhancement programs."

In the first quarter, the Company recorded a non-cash impairment charge of \$129.0 million (\$83.9 million on an after-tax basis) for intangible assets related to its East Chicago acquisition. "The revaluation of East Chicago's intangible assets was caused by the significant deterioration of the debt and equity capital markets coupled with the current poor economic environment and its negative impact on our growth assumptions for this property," said Boushy. "We continue to believe there is long-term growth potential for Ameristar in the Chicagoland market."

"In light of challenging economic conditions, we are taking steps to drive revenue growth as well as make changes to our business that will create greater efficiencies," Boushy noted. "These programs should help us partially mitigate the effects of the current soft market conditions."

First Quarter 2008 Financial Results

For the first quarter of 2008, Ameristar had net revenues of \$324.8 million compared to \$259.1 million in last year's first quarter. Included in 2008 results were net revenues of \$75.4 million from the East Chicago property, which was acquired on September 18, 2007.

Operating loss for the first quarter of 2008 was \$77.1 million, compared to an operating profit of \$49.9 million in the same 2007 period.

First quarter 2008 adjusted EBITDA was \$79.3 million, compared to \$73.8 million for the 2007 first quarter. Adjusted EBITDA for the 2008 first quarter represents negative EBITDA of \$51.5 million, excluding:

the non-cash impairment charge of \$129.0 million related to the East Chicago property,

transition and rebranding costs of \$1.0 million related to the East Chicago property acquisition, and

pre-opening expenses of \$0.8 million related to the St. Charles hotel.

No adjustments to EBITDA were appropriate for the 2007 first quarter. East Chicago was not included in the 2007 first quarter results and represented \$14.5 million of adjusted EBITDA in 2008.

Consolidated adjusted EBITDA margin declined 2.5 percentage points on a same-store basis compared to the first quarter of 2007. We believe this decline is principally due to the impact of the weakening economy on our gaming revenue. As the economy improves, we expect to see margin improvement.

More information on non-GAAP financial measures, EBITDA and Adjusted EBITDA, can be found under the caption "Use of Non-GAAP Financial Measures" at the end of this release.

For the first quarter of 2008, the Company incurred a net loss of \$60.9 million, or \$1.07 per share on a diluted basis, which included \$85.1 million, or \$1.49 per share, representing the after-tax impacts of the non-cash impairment charge, the transition and rebranding costs and pre-opening expenses. In last year's first quarter, the Company reported net income of \$24.0 million, or \$0.41 per diluted share.

First Quarter 2008 Property Highlights

As anticipated, the 2008 first quarter was a period of difficult year-over-year, same-store comparisons reflecting challenging economic conditions. Within this environment of slower than historical market growth, Ameristar performed reasonably well. Notably:

Ameristar St. Charles regained the number one market share position in February and extended its market share lead in March as more suites came on line. We currently expect to gain more market share as all remaining suites become available in the second quarter.

East Chicago showed solid revenue improvement and market share gains throughout the quarter, setting a new property record in March for gross gaming revenue in a single month, as Ameristar's marketing and operating strategies gained traction. Legislation enacted in Indiana in March 2008 placed a cap on real property tax rates. As a result of this legislation, we will recognize a property tax reduction in East Chicago of \$4.4 million for the year, or \$1.1 million per quarter.

Ameristar Kansas City maintained its number one market share position consistent with its fourth quarter 2007 levels.

Ameristar Black Hawk improved its market share position compared to the fourth quarter of 2007. On a year-over-year basis, Black Hawk's revenue performance was significantly better than the overall market. However, the entire Colorado market, including Ameristar Black Hawk, was negatively impacted as a result of the statewide smoking ban that became effective for casinos on January 1, 2008.

Ameristar Vicksburg also performed well, steadily regaining market share and delivering solid margins despite continuing construction-related disruption.

Additional First Quarter 2008 Financial Information

Corporate expense decreased \$500,000 year-over-year, due to a \$1.3 million reduction in professional fees, which was partially offset by \$800,000 in additional expenses associated with ballot initiatives in Missouri and Colorado.

Stock-based compensation expense was \$3.1 million compared to \$2.8 million in the 2007 first quarter.

Total interest expense was \$22.1 million compared to \$11.3 million and capitalized interest was \$6.3 million compared to \$3.5 million in the first quarter of 2007.

Capital expenditures for the quarter were \$63 million, which includes: o Black Hawk hotel: \$16 million o St. Charles hotel and expansion: \$13 million o Vicksburg expansion: \$9 million.

The Company repaid \$25 million in revolving debt on March 31, 2008.

Outlook

Consistent with the outlook contained in Ameristar's 2007 fourth quarter earnings release, the Company foresees difficult same-store, year-over-year comparisons continuing through at least the first half of 2008, reflecting the general economic slowdown. "Within this challenging environment," Boushy said, "our centralized, hands-on operating approach will continue to serve us well as we continue to evaluate our operating cost structure. We also will evaluate the further development of properties in the context of higher costs of capital. Our major expansion projects at St. Charles and Vicksburg afford us the opportunity to further strengthen our competitive leadership positions in these two important markets."

For the full year 2008, the Company currently expects:

depreciation to range from \$110 million to \$115 million

interest expense to be between \$77 million and \$82 million

capitalized interest of \$13 million to \$16 million

the combined state and federal income tax rate to be in the range of 44 percent to 45 percent

capital spending of \$260 million to \$285 million

non-cash, stock-based compensation expense of \$12 million to \$13 million

Expansion Projects

St. Charles. The Company opened the first 100 guest suites at the new Ameristar Casino Resort Spa in late January and approximately 325 suites were available for occupancy at the end of the first quarter. This market-leading property is becoming increasingly popular as guests take advantage of the facility's many new high-quality amenities, including the luxury suites, the HOME nightclub and the conference center. By the end of May, all suites are expected to be completed. The spa and indoor/outdoor pool should also be completed and operational in this timeframe.

In addition, the approach and entrance to Ameristar St. Charles has been significantly upgraded with the completion of Ameristar Boulevard and the addition of new lighting and landscaping to enhance the entrance to the property.

East Chicago. The Company is continuing its program to upgrade and enhance the East Chicago property prior to the rebranding to Ameristar, which is now scheduled for late June. The positive impact of this strategy was demonstrated in the first quarter as market share in March was 3.6 percentage points higher than in January. In addition, the property set a new all-time record in March for gross gaming revenue in a single month despite the ongoing refurbishment of the casino.

The initial improvement plan for East Chicago involves changing the slot machine mix and layout of games as well as making enhancements to the food and beverage venues. Ameristar remains on budget for the upgrades and related expenses, which will cost between \$25 million and \$30 million, to be incurred in connection with this rebranding effort.

Vicksburg. Ameristar Vicksburg is undergoing a major expansion project at a cost of approximately \$100 million. The construction of the 1,000-space garage and expanded gaming facility has been accelerated. Based on current progress, completion is expected before the end of May. Additionally, the Company has plans to refurbish the existing Vicksburg casino, beginning after the opening of the casino expansion in May. The scope, budget and timing of this refurbishment project are currently under review.

Jackpot. The renovation of Cactus Petes to reinforce its long-standing AAA Four Diamond rating is on schedule for a Memorial Day completion and remains on budget at approximately \$16 million. The Diamond Peak Tower has remained operational while all 195 rooms and 12 suites in the hotel are being upgraded.

Black Hawk. Work on the 33-story, 536-room hotel tower is progressing well and completion remains on schedule for the fall of 2009. The expected cost of this project is \$235 million to \$240 million.

Council Bluffs. The Company had been actively evaluating design alternatives for a planned expansion of the facility at Council Bluffs. However, due to uncertainty in the credit markets and the current cost and terms of incremental borrowing, management has decided to defer the project at this time.

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