

ISLE OF CAPRI CASINOS INC  
Form 10-Q  
March 03, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

\_\_\_\_\_  
**FORM 10-Q**  
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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

For the quarterly period ended January 22, 2006

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number 0-20538**

\_\_\_\_\_  
**ISLE OF CAPRI CASINOS, INC.**  
\_\_\_\_\_

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**41-1659606**  
(I.R.S. Employer  
Identification Number)

**1641 Popps Ferry Road, Biloxi, Mississippi**  
(Address of principal executive offices)

**39532**  
(Zip Code)

**Registrant's telephone number, including area code: (228) 396-7000**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes  No

As of February 27, 2006 the Company had a total of 34,024,141 shares of Common Stock outstanding (which includes 3,902,423 shares held by us in treasury).

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**DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical or current facts included in this report on Form 10-Q or incorporated by reference herein, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe” or “continue” or the negative thereof or variations of similar terminology. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct.

Important factors with respect to any such forward-looking statements, including certain risks and uncertainties that could cause actual results to differ materially from our expectations, are further discussed in the Section “Risk Factors” in our annual report on Form 10-K for the fiscal year ended April 24, 2005, as such factors may be updated in subsequent SEC filings. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to:

- the effect of significant competition from other gaming operations in the markets in which we operate;
  - the effects of changes in gaming authority regulations;
  - the effects of changes in gaming taxes;
  - the effects of changes in non-gaming regulations;
  - loss of key personnel;
  - the impact of inclement weather on our patronage;
  - the timing and amount of collection of insurance receivables;
- the effects of construction and related disruptions associated with expansion projects at existing facilities;
  - the effects of increases in energy and fuel prices;
  - general and regional economic conditions;
- the effects of limitations imposed by our substantial indebtedness; and

political conditions and regulatory uncertainties in the U.S. and international venues in which we operate or are pursuing development opportunities.

All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

Our Internet website is <http://www.islecorp.com>. We make our filings available free of charge on our Internet website as soon as reasonably practical after we electronically file such reports with, or furnish them to, the SEC.

Index**PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.**

**ISLE OF CAPRI CASINOS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(In thousands, except per share data)

<u>ASSETS</u>	January 22, 2006	April 24, 2005
Current assets:		
Cash and cash equivalents	\$ 107,804	\$ 146,743
Marketable securities	19,137	16,016
Accounts receivable, net	17,815	15,460
Insurance receivable, net	81,622	-
Deferred Income Taxes	9,669	9,595
Prepaid expenses and other assets	20,316	16,634
Total current assets	256,363	204,448
Property and equipment, net	1,070,796	1,026,906
Other assets:		
Goodwill	340,240	343,851
Other intangible assets	92,829	72,364
Deferred financing costs, net	16,812	19,461
Restricted cash	2,208	2,193
Prepaid deposits and other	29,558	15,665
Total assets	\$ 1,808,806	\$ 1,684,888
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Current liabilities:		
Current maturities of long-term debt	\$ 8,174	\$ 7,501
Accounts payable	52,696	42,456
Accrued liabilities:		
Interest	24,351	10,312
Payroll and related	50,519	47,806
Property and other taxes	22,428	21,061
Income taxes	7,711	1,160
Progressive jackpots and slot club awards	14,686	15,045
Other	44,440	34,321
Total current liabilities	225,005	179,662
Long-term debt, less current maturities	1,222,439	1,148,617
Deferred Income Taxes	52,952	54,873
Other accrued liabilities	23,015	17,115
Minority interest	25,439	23,225
Stockholders' equity:		
Preferred stock, \$.01 par value; 2,000 shares authorized; none issued	-	-
Common stock, \$.01 par value; 45,000 shares authorized; shares issued and outstanding: 33,957 at January 22, 2006 and 33,528 at April 24, 2005	339	335
Class B common stock, \$.01 par value; 3,000 shares authorized; none issued	-	-

Additional paid-in capital		153,870	148,177
Unearned compensation	&#160;		