

ISLE OF CAPRI CASINOS INC
Form 10-K
July 02, 2013

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended April 28, 2013

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.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

600 Emerson Road, Suite 300, St. Louis, Missouri
(Address of principal executive offices)

63141
(Zip Code)

Registrant's telephone number, including area code: **(314) 813-9200**

Securities Registered Pursuant to Section 12(b) of the Act:

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Common Stock, \$.01 Par Value Per Share (Title of Class)

Securities Registered Pursuant to Section 12(g) of the Act:

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting stock held by non-affiliates(1) of the Company is \$142,069,363, based on the last reported sale price of \$6.18 per share on October 26, 2012 on the NASDAQ Stock Market; multiplied by 22,988,570 shares of Common Stock outstanding and held by non-affiliates of the Company on such date.

As of June 28, 2013, the Company had a total of 39,556,738 shares of Common Stock outstanding (which excludes 2,509,410 shares held by us in treasury).

Part III incorporates information by reference to the Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year.

(1) Affiliates for the purpose of this item refer to the directors, named executive officers and/or persons owning 10% or more of the Company's common stock, both of record and beneficially; however, this determination does not constitute an admission of affiliate status for any of the individual stockholders.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that we believe are, or may be considered to be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Annual Report regarding the prospects of our industry or our prospects, plans, financial position or business strategy, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as "may," "will," "expect," "intend," "estimate," "foresee," "project," "anticipate," "believe," "plans," "forecasts," "continue" or "could" or the negatives of these terms or variations of them or similar terms. Furthermore, such forward-looking statements may be included in various filings that we make with the SEC or press releases or oral statements made by or with the approval of one of our authorized executive officers. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause actual results to differ include, but are not limited to, those discussed in the section entitled "Risk Factors" beginning on page 11 of this report. Readers are cautioned not to place undue reliance on any forward-looking statements contained herein, which reflect management's opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements. You are advised, however, to consult any additional disclosures we make in our reports to the SEC. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Annual Report.

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PART I

ITEM 1. BUSINESS

Overview

We are a leading developer, owner and operator of regional gaming facilities and related dining, lodging and entertainment facilities in the United States. We currently own and operate 15 gaming and entertainment facilities in Louisiana, Mississippi, Missouri, Iowa, Colorado and Florida. Collectively, these properties feature approximately 13,400 slot machines and over 300 table games (including approximately 80 poker tables) over 2,300 hotel rooms and more than 45 restaurants. We also operate a harness racing track at our casino in Florida. We opened our Lady Luck Nemacolin Casino, our managed facility at the Nemacolin Woodlands Resort in western Pennsylvania, on July 1, 2013. This property features 600 slot machines, 28 table games and two restaurants. Our portfolio of properties provides us with a diverse geographic footprint that minimizes geographically concentrated risks caused by weather, regional economic difficulties, gaming tax rates and regulations imposed by local gaming authorities.

We operate primarily under two brands, Isle and Lady Luck. Isle-branded facilities are generally in larger markets with a regional draw and offer expanded amenities, whereas Lady Luck-branded facilities are typically in smaller markets drawing primarily from a local customer base. Our senior management team has over 200 collective years of experience spanning 20 states, and multiple foreign jurisdictions. This team has established and executed against a strategic plan for growth focusing on three core principles, (1) refined fiscal discipline, (2) restyled customer experiences, and (3) a renewed asset base.

1. Refined Fiscal Discipline We believe that our business benefits from a cost-effective approach to creating valuable customer experiences. We focus on fiscal discipline by utilizing technology and our customer research platform, responsibly reducing our cost structure and identifying opportunities for operating efficiencies at our properties.

Over the past five fiscal years, since current management joined the Company, we have reduced our debt by approximately \$350 million, or 23%, through the disciplined application of our free cash flow and a series of financing transactions. We plan to maintain this discipline through continued efforts to further reduce our cost structure, achieving operating efficiencies by realigning our casino floors, and applying cost discipline in the evaluation and execution of future capital projects.

2. Restyled Customer Experiences We focus on customer satisfaction and delivering superior guest experiences by providing popular gaming, dining and entertainment experiences that are designed to exceed customer expectations in a clean, safe, friendly and fun environment. We have introduced initiatives to increase customer time on device, refreshed several of our casino floors, and introduced an improved loyalty program, and have introduced several targeted non-gaming amenities.

These non-gaming amenities have included the development of several custom food, beverage and entertainment offerings, including the introduction of Lone Wolf bars and Otis and Henry's restaurants, a new buffet concept called Farmer's Pick focused on locally-sourced, fresh food, and a live entertainment series, Jester's Jam. Farmer's Pick Buffets are now open in Boonville, Pompano and Cape Girardeau and we completed our rebranding of the Vicksburg buffet to a Farmer's Pick Buffet during June 2013. Our Waterloo and Black Hawk buffets are contemplated for Farmer's Pick re-brandings during fiscal 2014. The Lone Wolf is open in six of our properties and Otis & Henry's is open in five of our properties. In fiscal 2014, we expect to complete the introduction of our enhanced customer loyalty program, the Fan Club, at our remaining properties aimed to attract new customers and increase visitation.

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3. *Renewed Asset Base* We believe our long-term success will depend substantially upon increasing the quality, reach and scope of our operating portfolio, including new-build developments, acquisitions, rebranding projects and, where appropriate, asset sales. In fiscal 2013, we completed renovations of our hotel rooms in the main tower of our Lake Charles, Louisiana property and at our Black Hawk, Colorado property after completing renovations of the casino floors at each location.

Since fiscal 2010, we have rebranded as Lady Luck our facilities in Vicksburg, Mississippi, Marquette, Iowa, Caruthersville, Missouri and one of our two facilities in Black Hawk, Colorado. We anticipate rebranding additional facilities in the future.

On October 30, 2012, we opened our Isle-branded gaming and entertainment facility in Cape Girardeau, Missouri, two months ahead of the original schedule. On July 1, 2013, we opened our Lady Luck-branded facility at the Nemaquin Woodlands Resort in Pennsylvania. As we announced on February 1, 2013, we have agreed to manage The Provence, the resort and casino on North Broad Street, Philadelphia, proposed by Tower Entertainment, LLC, if the project is selected by the Pennsylvania Gaming Control Board.

We have monetized underutilized assets, including the sale of the Biloxi facility in November 2012 and the sale of the second license at our Lake Charles facility in February 2012.

On June 17, 2013, we entered into an option agreement for a third party to purchase from us substantially all of the assets and assume certain liabilities related to our Rhythm City Casino located in Davenport, Iowa, for approximately \$51 million, subject to a working capital adjustment and certain other purchase price adjustments. Subject to satisfying certain conditions, the third party may exercise the option at any time through September 15, 2013 and may extend the exercise period to October 15, 2013. If the option is exercised, the completion of the transaction will be subject to the third party obtaining applicable gaming licenses and approvals and other customary closing conditions.

In addition to the items discussed above, we plan to continue to refresh our hotel room product, pursue third-party development partners for additional hotel and restaurant concepts, consider opportunistic monetization of non-core operating assets and renovate select facilities to improve our product offerings.

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The following is an overview of our casino properties as of April 28, 2013:

Property	Date Acquired or Opened	Slot Machines	Table Games	Hotel Rooms	Parking Spaces
<i>Louisiana</i>					
Lake Charles	July 1995	1,258	48	493	2,539
<i>Mississippi</i>					
Lula	March 2000	980	12	485	1,611
Natchez	March 2000	569	6	141	645
Vicksburg	June 2010	595	8		977
<i>Missouri</i>					
Kansas City	June 2000	1,051	18		1,709
Boonville	December 2001	941	19	140	1,101
Cape Girardeau	October 2012	948	28		1,049
Caruthersville	June 2007	571	16		1,000
<i>Iowa</i>					
Bettendorf	March 2000	978	21	514	2,057
Rhythm City-Davenport	October 2000	902	14		917
Marquette	March 2000	572	8		475
Waterloo	June 2007	963	27	195	1,500
<i>Colorado</i>					
Isle Casino Hotel-Black Hawk	December 1998	1,080	35	238	1,100
Lady Luck Casino-Black Hawk	April 2003	501	15	164	1,200
<i>Florida</i>					
Pompano Park	July 1995/April 2007	1,435	38		3,800
		13,344	313	2,370	21,680
<i>Casino Under Development</i>					
Nemacolin, Pennsylvania	(1)	600	28		757
		13,944	341	2,370	22,437

- (1) This facility opened on July 1, 2013.

Louisiana***Lake Charles***

Our Lake Charles property commenced operations in July 1995 and is located on a 19-acre site along Interstate 10, the main thoroughfare connecting Houston, Texas to Lake Charles, Louisiana. In February 2012 we consolidated our gaming operations onto one gaming vessel offering 1,258 slot machines, 48 table games, including 8 poker tables, two hotels offering 493 rooms, a 96,000 square foot land-based pavilion and entertainment center, and 2,539 parking spaces, including approximately 1,160 spaces in an attached parking garage. The pavilion and entertainment center offer customers a wide variety of non-gaming amenities, including a 96-seat Otis & Henry's restaurant, a 258-seat Calypso's buffet, a 63-seat Lucky Wins Asian-inspired restaurant, which also includes a grab and go deli, and Caribbean Cove featuring free live entertainment and can accommodate 127 guests. The pavilion also has a 14,750 square foot entertainment center comprised of a 1,100-seat special events center designed for concerts, banquets and other events, meeting facilities and administrative offices.

The Lake Charles market currently consists of two dockside gaming facilities, a Native American casino and a pari-mutuel facility/racino. The current number of slot machines in the market is

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approximately 7,800 machines and approximately 190 table games. For the 12 months ended April 2013, the two gaming facilities and one racino, in the aggregate, generated gaming revenues of approximately \$677 million. Revenues for the Native American property are not published. Casino revenues for our Lake Charles property for fiscal 2013 were approximately \$134 million. A new competitor is currently under construction and is expected to open during the middle of calendar year 2014, adding approximately 1,600 slot machines and 60 table games to the market. Lake Charles is the closest gaming market to the Houston metropolitan area, which has a population of approximately 6.1 million and is located approximately 140 miles west of Lake Charles. We believe that our Lake Charles property attracts customers primarily from southeast Texas, including Houston, Beaumont, Galveston, Orange and Port Arthur and from local area residents. Approximately 500,000 and 1.7 million people reside within 50 and 100 miles, respectively, of the Lake Charles property.

Mississippi

Lula

Our Lula property, which we acquired in March 2000, is strategically located off of Highway 49, the only road crossing the Mississippi River between Mississippi and Arkansas for more than 50 miles in either direction. The property consists of two dockside casinos containing 980 slot machines and 12 table games, two on-site hotels with a total of 485 rooms, a land-based pavilion and entertainment center, 1,611 parking spaces, and a 28-space RV Park. The pavilion and entertainment center offer a wide variety of non-gaming amenities, including a 122-seat Farradays restaurant, a 260-seat Calypso's buffet and a 35-seat Tradewinds Marketplace, and a gift shop. At April 28, 2013, both the Farradays restaurant and the Tradewinds Marketplace were closed for renovations. The Farradays restaurant is being converted to an Otis & Henry's with expected seating capacity of 120 and the Tradewinds Marketplace is being converted to an Otis & Henry's Express with expected seating capacity of 60. Renovations were completed during June 2013.

Our Lula property is the only gaming facility in Coahoma County, Mississippi and generated casino revenues of approximately \$60 million in fiscal 2013. Lula draws a significant amount of business from the Little Rock, Arkansas metropolitan area, which has a population of approximately 725,000 and is located approximately 120 miles west of the property. Coahoma County is also located approximately 60 miles southwest of Memphis, Tennessee, which is primarily served by nine casinos in Tunica County, Mississippi. Lula also competes with Native American casinos in Oklahoma and a racinos in West Memphis, Arkansas and Hot Springs, Arkansas. Approximately 65,000 and 1.0 million people reside within 25 and 60 miles, respectively, of our Lula property.

Natchez

Our Natchez property, which we acquired in March 2000, is located off of Highways 84 and 61 in western Mississippi. The property consists of a dockside casino offering 569 slot machines and 6 table games, a 141-room off-site hotel located approximately one mile from the casino, a 150-seat Calypso's buffet and 645 parking spaces.

The Natchez market consists of two dockside gaming facilities, of which one opened in December 2012. Our Natchez property generated total casino revenues of approximately \$28 million in fiscal 2013. A new competitor opened in December 2012 which has resulted in growth in the overall gaming market, however our gaming revenues have declined. We believe that the Natchez property attracts customers primarily from among the approximately 390,000 people residing within 60 miles of the Natchez property.

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Vicksburg

Our Vicksburg property, which we acquired in June 2010, is located off Interstate 20 and Highway 61 in western Mississippi, approximately 50 miles west of Jackson, Mississippi. The property consists of a dockside casino offering 595 slot machines and eight table games. During fiscal 2013, the property was rebranded to a Lady Luck, which involved significant changes in appearance and renovation of all restaurants. The property now offers a 48-seat Otis & Henry's, a 64-seat Lone Wolf bar and an 18-seat Otis & Henry's Express. In addition, at year-end the buffet was undergoing renovations and reopened in June 2013 as a 200-seat Farmer's Pick Buffet. The property has 977 parking spaces.

The Vicksburg market consists of five dockside casinos which generated total gaming revenues of approximately \$257 million for the 12 months ended April 2013. Our Vicksburg property generated casino revenues of approximately \$39 million in fiscal 2013. Approximately 700,000 people reside within 60 miles of the property.

Missouri

Kansas City

Our Kansas City property, which we acquired in June 2000, is the closest gaming facility to downtown Kansas City and consists of a dockside casino offering 1,051 slot machines and 18 table games, a 202-seat Calypso's buffet, a 210-seat Lone Wolf restaurant and bar, a 32-seat Tradewinds Marketplace and 1,709 parking spaces.

The Kansas City market consists of four dockside gaming facilities, a land-based facility which opened in February 2012 and a Native American casino. Operating statistics for the Native American casino are not published. The four dockside gaming facilities and the land-based facility generated gaming revenues of approximately \$751 million for the 12 months ended April 2013. Our Kansas City property generated casino revenues of approximately \$80 million during fiscal 2013. We believe that our Kansas City casino attracts customers primarily from the Kansas City metropolitan area, which has approximately 2.0 million residents

Boonville

Our Boonville property, which opened in December 2001, is located three miles off Interstate 70, approximately halfway between Kansas City and St. Louis. The property consists of a single level dockside casino offering 941 slot machines, 19 table games, a 140-room hotel, a 32,400 square foot pavilion and entertainment center and 1,101 parking spaces. In February 2012 the Company launched the first Farmer's Pick Buffet with seating capacity for 200, featuring locally sourced food products that are prepared at action stations in view of the guests. In addition, the pavilion and entertainment center also offers customers a wide variety of other non-gaming amenities, including a 94-seat Farradays restaurant, a 30-seat Tradewinds Marketplace, an 800 seat event center, and a historic display area.

Our Boonville property is the only gaming facility in central Missouri and generated casino revenues of approximately \$82 million in fiscal 2013. We believe that our Boonville casino attracts customers primarily from the approximately 610,000 people who reside within 60 miles of the property which includes the Columbia and Jefferson City areas.

Cape Girardeau

Our Cape Girardeau property, which opened in October 2012, is located three and a half miles from Interstate 55 in Southeast Missouri, approximately 120 miles south of St. Louis, Missouri. The dockside casino offers 948 slot machines, 21 table games and 7 poker tables. The pavilion and entertainment center offer a wide variety of non-gaming amenities, which includes a 110-seat Lone

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Wolf restaurant, bar and lounge, a 230-seat Farmer's Pick Buffet, a 122-seat Farradays restaurant, and a 60-seat Keller's restaurant and bar that overlooks the Mississippi river. The property also operates a 7,725 square foot event center with seating for up to 600 patrons and has 1,049 parking spaces.

Our Cape Girardeau property is the only gaming facility in the Cape Girardeau, Missouri market and generated casino revenues of approximately \$35 million in fiscal 2013. Our operations compete with other gaming operations in Southwest Illinois and Southeast Missouri. Approximately 640,000 people reside within 60 miles of our property, which includes Carbondale and Marion, Illinois, Paducah, Kentucky and Sikeston, Missouri.

Caruthersville

Our Caruthersville property was acquired in June 2007 and is a riverboat casino located along the Mississippi River in Southeast Missouri. The dockside casino offers 571 slot machines, 11 table games and 5 poker tables. The property offers a 40,000 square foot pavilion, which includes a 130-seat Lone Wolf restaurant, bar and lounge and a 265-seat Otis & Henry's restaurant. The property also operates a 10,000 square foot exposition center with seating for up to 1,100 patrons and has 1,000 parking spaces.

Our Caruthersville facility generated casino revenues of approximately \$34 million in fiscal year 2013. Approximately 610,000 people reside within 60 miles of the property. Our new casino in Cape Girardeau is located approximately 85 miles north of our Caruthersville casino.

Iowa

Bettendorf

Our Bettendorf property was acquired in March 2000 and is located off of Interstate 74, an interstate highway serving the Quad Cities metropolitan area, which consists of Bettendorf and Davenport, Iowa and Moline and Rock Island, Illinois. The property consists of a dockside casino offering 978 slot machines, 17 table games, 4 poker tables, 514 hotel rooms, 40,000 square feet of flexible convention/banquet space, a 120-seat Farradays restaurant, a 260-seat Calypso's buffet, a 24-seat Tradewinds Marketplace and 2,057 parking spaces. We have entered into agreements with the City of Bettendorf, Iowa under which we manage and provide financial and operating support for the QC Waterfront Convention Center that is adjacent to our hotel. The QC Waterfront Convention Center opened in January 2009.

Davenport

Our Davenport property, which we acquired in October 2000, is located at the intersection of River Drive and Highway 61, a state highway serving the Quad Cities metropolitan area. The property consists of a dockside gaming facility offering 902 slot machines, 14 table games, a 196-seat Hit Parade buffet, a Grab-n-Go food outlet and 917 parking spaces.

The Quad Cities metropolitan area currently has three gaming operations our two gaming facilities in Bettendorf and Davenport, and a larger land-based facility, including a hotel, which opened in December 2008. The three operations in the Quad Cities generated total gaming revenues of approximately \$210 million for the 12 months ended April 2013. Our Bettendorf and Davenport properties generated casino revenues for fiscal 2013 of approximately \$75 million and \$49 million, respectively. Our operations in the Quad Cities also compete with other gaming operations in Illinois and Iowa. Approximately 905,000 people reside within 60 miles of our Bettendorf and Davenport properties.

On June 17, 2013, we entered into an option agreement for a third party to purchase from us substantially all of the assets and assume certain liabilities related to our Rhythm City Casino located in Davenport, Iowa, for approximately \$51 million, subject to a working capital adjustment and certain

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other purchase price adjustments. Subject to satisfying certain conditions, the third party may exercise the option at any time through September 15, 2013 and may extend the exercise period to October 15, 2013. If the option is exercised, the completion of the transaction will be subject to the third party obtaining applicable gaming licenses and approvals and other customary closing conditions.

Marquette

Our Marquette property, which we acquired in March 2000, is located in Marquette, Iowa, approximately 60 miles north of Dubuque, Iowa. The property consists of a dockside casino offering 572 slot machines and 8 table games, a marina and 475 parking spaces. The facility was rebranded as a Lady Luck casino in fiscal 2010 and includes a 136-seat buffet restaurant, a 22-seat Otis and Henry's Express food outlet and a 155-seat Lone Wolf restaurant and bar.

Our Marquette property is the only gaming facility in the Marquette, Iowa market and generated casino revenues of approximately \$30 million in fiscal 2013. We believe most of our Marquette customers are from northeast Iowa and Wisconsin, which includes approximately 490,000 people within 60 miles of our property, and we compete for those customers with other gaming facilities in Dubuque, Iowa and Native American casinos in southwestern Wisconsin.

Waterloo

Our Waterloo property opened on June 30, 2007 and is located adjacent to Highway 218 and US 20 in Waterloo, Iowa. The property consists of a single-level casino offering 963 slot machines, 23 table games and 4 poker tables. The property also offers a wide variety of non-gaming amenities, including a 118-seat Otis & Henry's restaurant, a 205-seat buffet, 55-seat Lone Wolf restaurant and bar, 5,000 square feet of meeting space, 1,500 parking spaces and a 195-room hotel, which includes 27 suites, as well as an indoor pool and hot tub area.

Our Waterloo property is the only gaming facility in the Waterloo, Iowa market and approximately 680,000 people live within 60 miles of the property. We compete with other casinos in eastern Iowa. We generated casino revenues of approximately \$86 million in fiscal 2013.

Colorado

Isle Casino Hotel-Black Hawk

Isle Casino Hotel-Black Hawk commenced operations in December 1998, is located on an approximately 10-acre site and is one of the first gaming facilities reached by customers arriving from Denver via Highway 119, the main thoroughfare connecting Denver to Black Hawk. The property includes a land-based casino with 1,080 slot machines, 24 standard table games, an 11 table poker room, a 238-room hotel and 1,100 parking spaces in an attached parking garage. Isle Casino Hotel-Black Hawk also offers customers three restaurants, including a 128-seat Farradays restaurant, a 270-seat Calypso's buffet and a 42-seat Tradewinds Marketplace. The property has also recently converted approximately 5,000 square feet of space to flex space that can be used for meetings and special events.

Lady Luck Casino-Black Hawk

Lady Luck Casino-Black Hawk, which we acquired in April 2003 and rebranded in June 2009, is located across the intersection of Main Street and Mill Street from the Isle Casino Hotel-Black Hawk. The property consists of a land-based casino with 501 slot machines, 9 standard table games, 6 poker tables, a 164-room hotel that opened in December 2005 and 1,200 parking spaces in our parking structure connecting Isle Casino Hotel-Black Hawk and Lady Luck Casino-Black Hawk. The property also offers guests dining in a 93-seat Otis & Henry's restaurant as well as a grab-and-go fast serve food

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cart that is located in the main level of the facility. The property also has approximately 2,250 square feet of flex space that can be used for meetings and special events. Our Black Hawk sites are connected via sky bridges.

When casinos having multiple gaming licenses in the same building are combined, the Black Hawk/Central City market consists of 24 gaming facilities (seven of which have more than 600 slot machines), which in aggregate, generated gaming revenues of approximately \$628 million in the 12 months ended April 2013. Our Black Hawk properties generated casino revenues for fiscal 2013 of approximately \$130 million. Black Hawk is the closest gaming market to the Denver, Colorado metropolitan area, which has a population of approximately 3.1 million and is located approximately 40 miles east of Black Hawk and serves as the primary feeder market for Black Hawk.

Florida

Pompano

In 1995, we acquired Pompano Park, a harness racing track located in Pompano Beach, Florida. Pompano Park is located off of Interstate 95 and the Florida Turnpike on a 223-acre owned site, near Fort Lauderdale, midway between Miami and West Palm Beach. Pompano Park is the only racetrack licensed to conduct harness racing in Florida.

Our Pompano facility includes 1,435 slot machines, a 38-table poker room, a 120-seat Farradays restaurant, a 110-seat Bragozzos Italian restaurant, a newly renovated 280-seat Farmer's Pick buffet, a 100-seat deli, a 60-seat express grab and go food outlet, a feature bar, a sports bar and 3,800 parking spaces.

Approximately 2.7 million people reside within a 25-mile radius of our Pompano facility, which competes with four other racinos and three Native American gaming facilities in the market. While casino revenues are not available for all market competitors, we estimate that we operate approximately 11% of the slot machines in the market and generated approximately \$153 million in casino revenues for fiscal 2013.

Pennsylvania

Nemacolin

Lady Luck Nemacolin opened July 1, 2013. The property is located on the 2,000 acre Nemacolin Woodlands Resort in Western Pennsylvania. The casino property includes 600 slot machines, 28 table games, a 133-seat Otis & Henry's restaurant, a 103-seat Lone Wolf restaurant and bar and 757 parking spots. The Nemacolin Woodlands Resort includes over 300 rooms, suites, townhouses and luxury homes for the property guests.

Marketing

Our marketing programs are designed to promote our overall business strategy of providing customers with a safe, clean, friendly and fun gaming experience at each of our properties. We have developed an extensive proprietary database of customers that allows us to create effective targeted marketing and promotional programs that are designed to reward customer loyalty, attract new customers to our properties and maintain high recognition of our brands.

Specifically, our marketing programs and initiatives are tailored to support this corporate strategic plan and are generally focused on the following areas:

Customer Research: Our marketing strategies have been developed and implemented to meet the needs and desires of our casino customers in each of our locations. In order to assess these needs and desires, we engage in significant customer research in each of our markets by

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conducting periodic surveys, focus groups and customer interviews. Upon receipt of these findings, we assess the attitudes of our customers and the customers of our competitors' properties towards the most important attributes of their experience in a regional and/or local gaming facility. We use the extensive information gathered from these research initiatives to make marketing, operating and development decisions that, we believe, will optimize the position of our properties relative to our competition and the customer experience.

Branding Initiatives: Our strategic plan is designed to consolidate our property portfolio from four brands into two brands as the economy improves and we undertake significant new capital improvement programs. To date, our Lady Luck re-branding initiative includes our properties in Vicksburg, Mississippi, Caruthersville, Missouri and Marquette, Iowa. Additionally, we have converted Colorado Central Station in Black Hawk, Colorado to Lady Luck-Black Hawk.

As a component of these re-branding programs, we have also implemented newly-branded customer outlets, including custom restaurants such as the Farmer's Pick Buffet, which features local purveyors providing fresh ingredients, the Otis & Henry's Bar and Grill, which combines the comfort of a neighborhood bar and grill with regional favorites, and our Lone Wolf bar featuring live entertainment in your hometown bar atmosphere, all of which we are expanding through our portfolio to other properties. We believe, over time, this approach will allow us to more effectively align and promote our properties based upon customer needs and desires and market our properties on a consolidated basis. Furthermore, we expect our approach will streamline the costs associated with marketing our portfolio.

Database Marketing: We have streamlined our database marketing initiatives across the Company in order to focus our marketing efforts on profitable customers who have demonstrated a willingness to regularly visit our properties. Specifically, we have focused on eliminating from our database customers who have historically been included in significant marketing efforts but have proven costly either as a result of excessive marketing expenditures on the part of the Company, or because these customers have become relatively dormant in terms of customer activity. These efforts will focus around customer life time engagement and allow us maximum reward for our most loyal customers.

Fan Club®: During fiscal 2012, we began implementation of a new customer loyalty program, Fan Club, which allows customers greater choice in how to use their points for cash, free play or food. The five-tier program provides for clear customer understanding of how points are earned, how points can be utilized and the benefits offered at each tier. Fan Club has been implemented at nine of our properties to date and our goal is to have full implementation by the end of fiscal 2014.

Segmentation: We have compiled an extensive database of customer information over time. Among our most important marketing initiatives, we have introduced database segmentation to our properties and at the corporate level in order to adjust investment rates to a level at which we expect to meet a reasonable level of customer profit contribution.

Retail Development: We believe that we must more effectively attract new, non-database customers to our properties in order to increase profitability and free cash flow. These customers are generally less expensive to attract and retain and, therefore, currently represent a significant opportunity for our operations. We are focused on driving growth in our retail player segment using a mix of promotions and new dining and entertainment options that offer fun and value. We will use traditional and new media marketing channels to reach our non-database segment and to continue to build awareness of our brands.

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Employees

As of April 28, 2013, we employed approximately 7,500 full and part-time people. We have a collective bargaining agreement with UNITE HERE covering approximately 480 employees at our Pompano property which was renewed in May 2012 and expires in May 2015. We believe that our relationship with our employees is satisfactory.

Governmental Regulations

The gaming and racing industries are highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. Each of our facilities is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located. These laws, rules and regulations generally relate to the responsibility, financial stability and character of the owners, managers and persons with financial interests in the gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. A more detailed description of the regulations to which we are subject is contained in Exhibit 99.1 to this Annual Report on Form 10-K.

Our businesses are subject to various federal, state and local laws and regulations in addition to gaming regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, food service, smoking, environmental matters, employees and employment practices, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results.

Available Information

For more information about us, visit our web site at www.isleofcapricasinos.com. Our electronic filings with the U.S. Securities and Exchange Commission (including all annual reports on Form 10-K, quarter reports on Form 10-Q, and current reports on Form 8-K, and any amendments to these reports), including the exhibits, are available free of charge through our web site as soon as reasonably practicable after we electronically file them with or furnish them to the U.S. Securities and Exchange Commission.

ITEM 1A. RISK FACTORS

We face significant competition from other gaming operations, including Native American gaming facilities, that could have a material adverse effect on our future operations.

The gaming industry is intensely competitive, and we face a high degree of competition in the markets in which we operate. We have numerous competitors, including land-based casinos, dockside casinos, riverboat casinos, casinos located on racing, pari-mutuel operations or Native American-owned lands and video lottery and poker machines not located in casinos. Some of our competitors may have better name recognition, marketing and financial resources than we do; competitors with more financial resources may therefore be able to improve the quality of, or expand, their gaming facilities in a way that we may be unable to match.

Legalized gaming is currently permitted in various forms throughout the United States. Certain states have recently legalized, and other states are currently considering legalizing gaming. Our existing gaming facilities compete directly with other gaming properties in the states in which we operate. Our existing casinos attract a significant number of their customers from Houston, Texas; Mobile, Alabama; Kansas City, Kansas; Southern Florida; Little Rock, Arkansas; and Denver, Colorado. Legalization of gaming in jurisdictions closer to these geographic markets other than the jurisdictions in which our

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facilities are located would have a material adverse effect on our operating results. Other jurisdictions, including states in close proximity to jurisdictions where we currently have operations, have considered and may consider legalizing casino gaming and other forms of competition. In addition, there is no limit on the number of gaming licenses that may be granted in several of the markets in which we operate. As a result, new gaming licenses could be awarded in these markets, which could allow new gaming operators to enter our markets that could have an adverse effect on our operating results. For example, a new casino opened in Natchez, Mississippi during December 2012 that competes with our Natchez property, which was previously the only casino in the Natchez area. A new casino is under construction in Lake Charles, Louisiana which, will compete with our existing Lake Charles property.

Our continued success depends upon drawing customers from each of these geographic markets. We expect competition to increase as new gaming operators enter our markets, existing competitors expand their operations, gaming activities expand in existing jurisdictions and gaming is legalized in new jurisdictions. We cannot predict with any certainty the effects of existing and future competition on our operating results.

We also compete with other forms of legalized gaming and entertainment such as online computer gambling, bingo, pull tab games, card parlors, sports books, "cruise-to-nowhere" operations, pari-mutuel or telephonic betting on horse racing and dog racing, state-sponsored lotteries, jai-alai, and, in the future, may compete with gaming at other venues. In addition, we compete more generally with other forms of entertainment for the discretionary spending of our customers.

We are subject to extensive regulation from gaming and other regulatory authorities that could adversely affect us.

Licensing requirements. As owners and operators of gaming and pari-mutuel wagering facilities, we are subject to extensive state and local regulation. State and local authorities require us and our subsidiaries to demonstrate suitability to obtain and retain various licenses and require that we have registrations, permits and approvals to conduct gaming operations. The regulatory authorities in the jurisdictions in which we operate have very broad discretion with regard to their regulation of gaming operators, and may for a broad variety of reasons and in accordance with applicable laws, rules and regulations, limit, condition, suspend, fail to renew or revoke a license to conduct gaming operations or prevent us from owning the securities of any of our gaming subsidiaries, or prevent other persons from owning an interest in us or doing business with us. We may also be deemed responsible for the acts and conduct of our employees. Substantial fines or forfeiture of assets for violations of gaming laws or regulations may be levied against us, our subsidiaries and the persons involved, and some regulatory authorities have the ability to require us to suspend our operations. The suspension or revocation of any of our licenses or our operations or the levy on us or our subsidiaries of a substantial fine would have a material adverse effect on our business.

To date, we have demonstrated suitability to obtain and have obtained all governmental licenses, registrations, permits and approvals necessary for us to operate our existing gaming facilities. We cannot assure you that we will be able to retain these licenses, registrations, permits and approvals or that we will be able to obtain any new ones in order to expand our business, or that our attempts to do so will be timely. Like all gaming operators in the jurisdictions in which we operate, we must periodically apply to renew our gaming licenses and have the suitability of certain of our directors, officers and employees approved. We cannot assure you that we will be able to obtain such renewals or approvals.

In addition, regulatory authorities in certain jurisdictions must approve, in advance, any restrictions on transfers of, agreements not to encumber or pledges of equity securities issued by a corporation that is registered as an intermediary company with such state, or that holds a gaming license. If these restrictions are not approved in advance, they will be invalid.

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Compliance with other laws. We are also subject to a variety of other federal, state and local laws, rules, regulations and ordinances that apply to non-gaming businesses, including zoning, environmental, construction and land-use laws and regulations governing the serving of alcoholic beverages. Under various federal, state and local laws and regulations, an owner or operator of real property may be held liable for the costs of removal or remediation of certain hazardous or toxic substances or wastes located on its property, regardless of whether or not the present owner or operator knows of, or is responsible for, the presence of such substances or wastes. We have not identified any issues associated with our properties that could reasonably be expected to have a material adverse effect on us or the results of our operations. However, several of our properties are located in industrial areas or were used for industrial purposes for many years. As a consequence, it is possible that historical or neighboring activities have affected one or more of our properties and that, as a result, environmental issues could arise in the future, the precise nature of which we cannot now predict. The coverage and attendant compliance costs associated with these laws, regulations and ordinances may result in future additional costs.

Regulations adopted by the Financial Crimes Enforcement Network of the U.S. Treasury Department require us to report currency transactions in excess of \$10,000 occurring within a gaming day, including identification of the patron by name and social security number. U.S. Treasury Department regulations also require us to report certain suspicious activity, including any transaction that exceeds \$5,000 if we know, suspect or have reason to believe that the transaction involves funds from illegal activity or is designed to evade federal regulations or reporting requirements. Substantial penalties can be imposed against us if we fail to comply with these regulations.

Several of our riverboats must comply with U.S. Coast Guard requirements as to boat design, on-board facilities, equipment, personnel and safety and must hold U.S. Coast Guard Certificates of Documentation and Inspection. The U.S. Coast Guard requirements also set limits on the operation of the riverboats and mandate licensing of certain personnel involved with the operation of the riverboats. Loss of a riverboat's Certificate of Documentation and Inspection could preclude its use as a riverboat casino. The U.S. Coast Guard has shifted inspection duties related to permanently moored casino vessels to the individual states. Louisiana and Missouri have elected to utilize the services of the American Bureau of Shipping to undertake the inspections. Iowa has elected to handle the inspections through the Iowa Department of Natural Resources. The states will continue the same inspection criteria as the U.S. Coast Guard in regard to annual and five year inspections. Depending on the outcome of these inspections a vessel could become subject to dry-docking for inspection of its hull, which could result in a temporary loss of service.

We are required to have third parties periodically inspect and certify all of our casino barges for stability and single compartment flooding integrity. Our casino barges and other facilities must also meet local fire safety standards. We would incur additional costs if any of our gaming facilities were not in compliance with one or more of these regulations.

Potential changes in legislation and regulation of our operations. From time to time, legislators and special interest groups have proposed legislation that would expand, restrict or prevent gaming operations in the jurisdictions in which we operate. In addition, from time to time, certain anti-gaming groups have challenged constitutional amendments or legislation that would limit our ability to continue to operate in those jurisdictions in which these constitutional amendments or legislation have been adopted.

Taxation and fees. State and local authorities raise a significant amount of revenue through taxes and fees on gaming activities. We believe that the prospect of significant revenue is one of the primary reasons that jurisdictions permit legalized gaming. As a result, gaming companies are typically subject to significant taxes and fees in addition to normal federal, state, local and provincial income taxes, and such taxes and fees are subject to increase at any time. We pay substantial taxes and fees with respect

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to our operations. From time to time, federal, state, local and provincial legislators and officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Any material increase, or the adoption of additional taxes or fees, could have a material adverse effect on our future financial results.

Effective July 1, 2011, the Colorado Limited Gaming Control Commission reduced all gaming tax tiers by 5%, which resulted in a reduction of the top rate tier from 20% to 19%. The Commission restored the rates to their previous levels effective July 1, 2012.

Our business may be adversely affected by legislation prohibiting tobacco smoking.

Legislation in various forms to ban indoor tobacco smoking has recently been enacted or introduced in many states and local jurisdictions, including several of the jurisdictions in which we operate. If additional restrictions on smoking are enacted in jurisdictions in which we operate, we could experience a significant decrease in gaming revenue and particularly, if such restrictions are not applicable to all competitive facilities in that gaming market, our business could be materially adversely affected.

Our substantial indebtedness could adversely affect our financial health and restrict our operations.

We have a significant amount of indebtedness. As of April 28, 2013, we had approximately \$1.2 billion of total debt outstanding.

Our significant indebtedness could have important consequences to our financial condition, such as:

limiting our ability to use operating cash flow or obtain additional financing to fund working capital, capital expenditures, expansion and other important areas of our business because we must dedicate a significant portion of our cash flow to make principal and interest payments on our indebtedness;

causing an event of default if we fail to satisfy the financial and restrictive covenants contained in the indentures and agreements governing our senior secured credit facility, our 7.75% senior notes, our 5.875% senior notes, our 8.875% senior subordinated notes and our other indebtedness, which could result in all of our debt becoming immediately due and payable, could permit our secured lenders to foreclose on the assets securing our secured debt and have other adverse consequences, any of which, if not cured or waived, could have a material adverse effect on us;

if the indebtedness under our 7.75% senior notes, our 5.875% senior notes, our 8.875% senior subordinated notes, our senior secured credit facility, or our other indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full;

placing us at a competitive disadvantage to our competitors who are not as highly leveraged;

increasing our vulnerability to and limiting our ability to react to changing market conditions, changes in our industry and economic downturns or downturns in our business; and

our agreements governing our indebtedness, among other things, require us to maintain certain specified financial ratios and to meet certain financial tests. Our debt agreements also limit our ability to:

- i. borrow money;
- ii. make capital expenditures;

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- iii. use assets as security in other transactions;
- iv. make restricted payments or restricted investments;
- v. incur contingent obligations; and
- vi. sell assets and enter into leases and transactions with affiliates.

A portion of our outstanding debt bears interest at variable rates. If short-term interest rates rise, our interest cost will increase on our variable rate indebtedness, which will adversely affect our results of operations and available cash.

Any of the factors listed above could have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that our business will continue to generate sufficient cash flow, or that future available draws under our senior secured credit facility will be sufficient, to enable us to meet our liquidity needs, including those needed to service our indebtedness.

Despite our significant indebtedness, we may still be able to incur significantly more debt. This could intensify the risks described above.

The terms of the indentures and agreements governing our senior secured credit facility, our 7.75% senior notes, our 5.875% senior notes, our 8.875% senior subordinated notes and our other indebtedness limit, but do not prohibit, us or our subsidiaries from incurring significant additional indebtedness in the future.

As of April 28, 2013, we had the capacity to incur additional indebtedness, including the ability to incur additional indebtedness under our line of credit, of approximately \$90 million. Approximately \$55 million of capacity under our senior secured credit facility was used to support letters of credit and surety bonds. Our capacity to issue additional indebtedness is subject to the limitations imposed by the covenants in our senior secured credit facility, the indenture governing our 7.75% senior notes, the indenture governing our 5.875% senior notes and the indenture governing our 8.875% senior subordinated notes. The indenture governing our 7.75% senior notes, the indenture governing our 5.875% senior notes, the indenture governing our 8.875% senior subordinated notes and our senior secured credit facility contain financial and other restrictive covenants, but will not fully prohibit us from incurring additional debt. If new debt is added to our current level of indebtedness, the related risks that we now face could intensify.

We may not be able to successfully expand to new locations or recover our investment in new properties which would adversely affect our operations and available resources.

We regularly evaluate opportunities for growth through development of gaming operations in existing or new markets, through acquiring or managing other gaming entertainment facilities or through redeveloping our existing facilities. The expansion of our operations, whether through acquisitions, development, management contracts or internal growth, could divert management's attention and could also cause us to incur substantial costs, including legal, professional and consulting fees. To the extent that we elect to pursue any new gaming acquisition, management or development opportunity, our ability to benefit from our investment will depend on many factors, including:

our ability to successfully identify attractive acquisition and development opportunities;

our ability to successfully operate any developed, managed or acquired properties;

our ability to attract and retain competent management and employees for the new locations;

our ability to secure required federal, state and local licenses, permits and approvals, which in some jurisdictions are limited in number and subject to intense competition; and

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the availability of adequate financing on acceptable terms.

Many of these factors are beyond our control. Additionally, from time to time there are significant disruptions in the global capital markets that may adversely impacted the ability of borrowers like us to access capital. Accordingly, it is likely that we are dependent on free cash flow from operations and remaining borrowing capacity under our senior secured credit facility to implement our near-term expansion plans and fund our planned capital expenditures. As a result of these and other considerations, we cannot be sure that we will be able to recover our investments in any new gaming development or management opportunities or acquired facilities, or successfully expand to additional locations.

We may experience construction delays during our expansion or development projects that could adversely affect our operations.

From time to time we may commence construction projects on new properties or at our current properties. We also evaluate other expansion opportunities as they become available and we may in the future engage in additional construction projects. The anticipated costs and construction periods for our construction projects are based upon budgets, conceptual design documents and construction schedule estimates prepared by us in consultation with our architects. Construction projects entail significant risks, which can substantially increase costs or delay completion of a project. Such risks include shortages of materials or skilled labor, unforeseen engineering, environmental or geological problems, work stoppages, weather interference and unanticipated cost increases. Most of these factors are beyond our control. In addition, difficulties or delays in obtaining any of the requisite licenses, permits or authorizations from regulatory authorities can increase the cost or delay the completion of an expansion or development. Significant budget overruns or delays with respect to expansion and development projects could adversely affect our results of operations.

If our key personnel leave us, our business could be adversely affected.

Our continued success will depend, among other things, on the efforts and skills of a few key executive officers and the experience of our property managers. Our ability to retain key personnel is affected by the competitiveness of our compensation packages and the other terms and conditions of employment, our continued ability to compete effectively against other gaming companies and our growth prospects. The loss of the services of any of these key individuals could have a material adverse effect on our business, financial condition and results of operations. We do not maintain "key man" life insurance for any of our employees.

We are effectively controlled by members of the Goldstein Family and their decisions may differ from those that may be made by other stockholders.

Robert S. Goldstein, our Vice Chairman of the Board, and Jeffrey D. Goldstein and Richard A. Goldstein, two of our directors, and various family trusts associated with members of the Goldstein family and entities associated with certain members of the Goldstein family, (collectively the "Goldstein Parties") directly and indirectly collectively own and control approximately 41.7% of our common stock as of April 28, 2013.

The Goldstein Parties have substantial control over the election of our board of directors and the outcome of the vote on substantially all other matters, including amendment of our amended and restated certificate of incorporation, amendment of our by-laws and significant corporate transactions, such as the approval of a merger or other transactions involving a sale of the Company. Such substantial control may have the effect of discouraging transactions involving an actual or potential change of control, which in turn could have a material adverse effect on the market price of our common stock or prevent our stockholders from realizing a premium over the market price for their

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shares of common stock. The interests of the Goldstein Parties may differ from those of our other stockholders.

Our amended and restated certificate of incorporation contains provisions that could delay and discourage takeover attempts that stockholders may consider favorable.

Certain provisions of our amended and restated certificate of incorporation may make it more difficult or prevent a third party from acquiring control of us, including:

we may not, until the Supermajority Expiration Time (as defined below) without the affirmative vote of the holders of at least 66²/₃% of the Company's voting power, voting as a single class, authorize, adopt or approve certain extraordinary corporate transactions; and

the classification of our board of directors and staggered three-year terms of service for each class of directors.

"Supermajority Expiration Time" means the first to occur of (i) the Goldstein Group ceasing to hold common stock of the Company representing at least 22.5% of our outstanding common stock, not including any shares of Class B common stock or shares of common stock issued upon conversion of any preferred stock and (ii) April 8, 2021. The "Goldstein Group" means Robert S. Goldstein, our Vice Chairman, and Jeffrey D. Goldstein and Richard A. Goldstein, two of our directors, spouses, children and grandchildren of certain members of the Goldstein family and entities associated with certain members of the Goldstein family.

These provisions may make mergers, acquisitions, tender offers, the removal of management and certain other transactions more difficult or more costly and could discourage or limit stockholder participation in such types of transactions, whether or not such transactions are favored by the stockholders. The provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock. Further, the existence of these anti-takeover measures may cause potential bidders to look elsewhere, rather than initiating acquisition discussions with us. Any of these factors could reduce the price of our common stock.

We have a history of fluctuations in our operating income (losses) from continuing operations, and we may incur additional operating losses from continuing operations in the future. Our operating results could fluctuate significantly on a periodic basis.

We sustained a (loss) from continuing operations of \$(46.0) million and \$(17.4) million in fiscal 2013 and 2012, respectively, and earned income from continuing operations of \$3.7 million in fiscal 2011. Companies with fluctuations in income (loss) from continuing operations often find it more challenging to raise capital to finance improvements in their businesses and to undertake other activities that return value to their stockholders. In addition, companies with operating results that fluctuate significantly on a quarterly or annual basis experience increased volatility in their stock prices in addition to difficulties in raising capital. We cannot assure you that we will not have fluctuations in our income (losses) from continuing operations in the future, and should that occur, that we would not suffer adverse consequences to our business as a result, which could decrease the value of our common stock.

Inclement weather and other conditions could seriously disrupt our business and have a material, adverse effect on our financial condition and results of operations.

The operations of our facilities are subject to disruptions or reduced patronage as a result of severe weather conditions, natural disasters and other casualties. Because many of our gaming operations are located on or adjacent to bodies of water, these facilities are subject to risks in addition to those associated with other casinos, including loss of service due to casualty, forces of nature,

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mechanical failure, extended or extraordinary maintenance, flood, hurricane or other severe weather conditions and other disasters. For example, flooding along the Mississippi River resulted in five of our properties being closed for differing periods of time in fiscal 2012 and our property in Davenport, Iowa to be closed for eight days in fiscal 2013. In addition, severe weather such as high winds and blizzards occasionally limits access to our land-based facilities in Colorado. We cannot be sure that the proceeds from any future insurance claim will be sufficient to compensate us if one or more of our casinos experience a closure.

Reductions in discretionary consumer spending could have a material adverse effect on our business.

Our business has been and may continue to be adversely affected by economic fluctuations experienced in the United States, as we are highly dependent on discretionary spending by our patrons. Reductions in discretionary consumer spending or changes in consumer preferences brought about by factors such as increased unemployment, significant increases in energy prices, perceived or actual deterioration in general economic conditions, housing market instability, bank failures and the potential for additional bank failures, perceived or actual decline in disposable consumer income and wealth, the global economic recession and changes in consumer confidence in the economy could reduce customer demand for the leisure activities we offer and may adversely affect our revenues and operating cash flow. We are unable to predict the frequency, length or severity of economic circumstances.

The market price of our common stock may fluctuate significantly.

The market price of our common stock has historically been volatile and may continue to fluctuate substantially due to a number of factors, including actual or anticipated changes in our results of operations, the announcement of significant transactions or other agreements by our competitors, conditions or trends in the our industry or other entertainment industries with which we compete, general economic conditions including those affecting our customers' discretionary spending, changes in the cost of air travel or the cost of gasoline, changes in the gaming markets in which we operate and changes in the trading value of our common stock. The stock market in general, as well as stocks in the gaming sector have been subject to significant volatility and extreme price fluctuations that have sometimes been unrelated or disproportionate to individual companies' operating performances. Broad market or industry factors may harm the market price of our common stock, regardless of our operating performance.

Work stoppages, organizing drives and other labor problems could negatively impact our future profits.

Some of our employees are currently represented by a labor union or have begun organizing a drive for labor union representation. Labor unions are making a concerted effort to recruit more employees in the gaming industry. In addition, organized labor may benefit from new legislation or legal interpretations by the current presidential administration. We cannot provide any assurance that we will not experience additional or more successful union activity in the future.

Additionally, lengthy strikes or other work stoppages at any of our casino properties or construction projects could have an adverse effect on our business and result of operations.

We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could impact our financial condition.

From time to time, we are defendants in various lawsuits and gaming regulatory proceedings relating to matters incidental to our business. As with all litigation, no assurance can be provided as to the outcome of these matters and, in general, litigation can be expensive and time consuming. We may not be successful in the defense or prosecution of our current or future legal proceedings, which could

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result in settlements or damages that could significantly impact our business, financial condition and results of operations.

Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

We may suffer damage to our property caused by a casualty loss (such as fire, natural disasters, acts of war or terrorism), that could severely disrupt our business or subject us to claims by third parties who are injured or harmed. Although we maintain insurance customary in our industry, (including property, casualty, terrorism and business interruption insurance) that insurance may not be adequate or available to cover all the risks to which our business and assets may be subject. The lack of sufficient insurance for these types of acts could expose us to heavy losses if any damages occur, directly or indirectly, that could have a significant adverse impact on our operations.

We renew our insurance policies on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits or agree to certain exclusions from our coverage. Among other factors, it is possible that regional political tensions, homeland security concerns, other catastrophic events or any change in government legislation governing insurance coverage for acts of terrorism could materially adversely affect available insurance coverage and result in increased premiums on available coverage (which may cause us to elect to reduce our policy limits), additional exclusions from coverage or higher deductibles. Among other potential future adverse changes, in the future we may elect to not, or may not be able to, obtain any coverage for losses due to acts of terrorism.

Failure to maintain the integrity of internal customer information could result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data.

We collect information relating to our guests for various business purposes, including marketing and promotional purposes. The collection and use of personal data are governed by privacy laws and regulations enacted in the United States. Non-compliance with applicable privacy regulations by us (or in some circumstances non-compliance by third parties engaged by us) or a breach of security on systems storing our data may result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data.

The concentration and evolution of the slot machine manufacturing industry could impose additional costs on us.

A large majority of our revenues are attributable to slot machines at our casinos. It is important, for competitive reasons, we offer the most popular and up-to-date slot machine games, with the latest technology to our customers.

In recent years, slot machine manufacturers have frequently refused to sell slot machines featuring the most popular games, instead requiring participating lease arrangements. Generally, a participating lease is substantially more expensive over the long-term than the cost to purchase a new slot machine.

For competitive reasons, we may be forced to purchase new slot machines, slot machine systems, or enter into participating lease arrangements that are more expensive than our current costs associated with the continued operation of our existing slot machines. If the newer slot machines do not result in sufficient incremental revenues to offset the increased investment and participating lease costs, it could adversely affect our profitability.

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In addition to the foregoing, you should consider each of the factors set forth in this Annual Report in evaluating our business and our prospects. The factors described in our Part 1, Item 1A are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. This Annual Report is qualified in its entirety by these risk factors. If any of the foregoing risks actually occur, our business, financial condition and results of operation could be materially harmed. In that case, the trading price of our securities, including our common stock, could decline significantly.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Lake Charles

We own approximately 2.7 acres and lease approximately 16.2 acres of land in Calcasieu Parish, Louisiana for use in connection with our Lake Charles operations. This lease automatically renewed in March 2010 for five years and we have the option to renew it for 14 additional terms of five years each, subject to increases based on the Consumer Price Index ("CPI") with a minimum of 10% and construction of hotel facilities on the property. We own two hotels in Lake Charles with a total of 493 rooms. Annual rent payments under the Lake Charles lease are approximately \$2.1 million.

Lula

We lease approximately 1,000 acres of land in Coahoma County, Mississippi and utilize approximately 50 acres in connection with the operations in Lula, Mississippi. Unless terminated by us at an earlier date, the lease expires in 2033. Rent under the lease is currently 5.5% of gross gaming revenue as reported to the Mississippi Gaming Commission, plus \$100,000 annually. We also own approximately 100 acres in Coahoma County, which may be utilized for future development.

Natchez

Through numerous lease agreements, we lease approximately 24 acres of land in Natchez, Mississippi that are used in connection with the operations of our Natchez property. Unless terminated by us at an earlier date, the leases have varying expiration dates through 2037. Annual rent under the leases total approximately \$1.2 million. We also lease approximately 7.5 acres of land that is utilized for parking at the facility. We own approximately 6 additional acres of property in Natchez, Mississippi, as well as the property upon which our hotel is located.

Vicksburg

We own approximately 60 acres in Vicksburg, Mississippi which are used in connection with the operations of our Vicksburg property.

Kansas City

We lease approximately 28 acres of land from the Kansas City Port Authority in connection with the operation of our Kansas City property. The term of the original lease was ten years and was renewed in October 2006 and October 2011 for additional five-year terms. The lease includes six additional five-year renewal options. The minimum lease payments correspond to any rise or fall in the CPI, initially after the ten-year term of the lease or October 18, 2006 and thereafter, at each five year renewal date. Rent under the lease currently is the greater of \$2.9 million (minimum rent) per year, or 3.25% of gross revenues, less complimentaries.

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Boonville

We lease our 27 acre casino site in Boonville pursuant to a lease agreement with the City of Boonville. Under the terms of the agreement, we lease the site for a period of ninety-nine years. In lieu of rent, we are assessed additional amounts by the City of Boonville based on a 3.5% tax on gaming revenue, up to \$1.0 million, which we recognize as additional gaming taxes.

Cape Girardeau

We own approximately 22 acres in Cape Girardeau, Missouri which are used in connection with the operations of our Cape Girardeau property.

Caruthersville

We own approximately 37 acres, including our riverboat casino and 1,000 parking spaces in Caruthersville, Missouri.

Bettendorf

We own approximately 24.6 acres of land in Bettendorf, Iowa used in connection with the operations of our Bettendorf property. We also operate under a long-term lease with the City of Bettendorf, the QC Waterfront Convention Center that is adjacent to our new hotel tower. Future minimum payments associated with the convention center are approximately \$1.1 million per year. We also lease approximately eight acres of land on a month-to-month basis from an entity owned by members of the Goldstein family, including Robert S. Goldstein, our Vice Chairman of the Board and Jeffrey D. Goldstein and Richard A. Goldstein, directors of our company, which we utilize for parking. The initial term of the lease expires 60 days after written notice is given to either party and rent under the lease is currently \$60,000 annually.

Davenport

Pursuant to various lease agreements with the City of Davenport, we lease approximately 12 acres of land in Davenport, Iowa used in connection with the operations of our Davenport property. The aggregate annual rent on these leases is approximately \$0.2 million and they have varying expiration dates through 2022.

Marquette

We lease the dock site in Marquette, Iowa that is used in connection with our Marquette operations. The lease expires in 2019, and annual rent under the lease is approximately \$180,000, plus \$1.00 per passenger, plus 2.5% of gaming revenues (less state wagering taxes) in excess of \$20.0 million but less than \$40.0 million; 5% of gaming revenues (less state wagering taxes) in excess of \$40.0 million but less than \$60.0 million; and 7.5% of gaming revenues (less state wagering taxes) in excess of \$60.0 million. We have an easement related to an overhead pedestrian bridge and driveway that is an annual payment of approximately \$6,300. We also own approximately 25 acres of land for the pavilion, satellite offices, warehouse, lots by the marina and other property.

Waterloo

We own approximately 54 acres of land in Waterloo, Iowa used in connection with the operation of our Waterloo property. We also entered into a three-year lease agreement for 17,517 square feet of warehouse space. Rent under this lease is currently \$5,021 per month.

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Isle-Black Hawk

We own approximately 10 acres of land in Black Hawk, Colorado for use in connection with our Black Hawk operations. The property leases an additional parcel of land adjoining the Isle-Black Hawk where the Lady Luck Hotel and parking are located. This lease is for an initial term of nine years with options to renew for 18 additional terms of five years each with the final option period concluding June 1, 2094. Annual rent is currently \$1.85 million indexed to correspond to any rise or fall in the CPI at one-year intervals, not to exceed a 3% increase or decrease from the previous year's rate.

Lady Luck-Black Hawk

We own or lease approximately seven acres of land in Black Hawk, Colorado for use in connection with the Lady Luck-Black Hawk. The property leases an additional parcel of land near the Lady Luck-Black Hawk for parking as described above. This lease is for an initial term of 10 years with options to renew for nine additional terms of 10 years each with the final option period concluding August 2094. Currently the annual rent is \$576,000 and renewals are subject to 20% rent increases over the rate of the previous term.

Pompano

We own approximately 223 acres at Pompano.

Nemacolin

We operate under a long-term lease with the Nemacolin Woodlands Resort for 30 acres of land and building in which we will operate our casino. The lease is for an initial term of 10 years commencing with the opening of the casino, on July 1, 2013. The lease includes options to renew for four additional terms of five years each with the final option period concluding June 2043. Future minimum lease payments associated with this space will be \$150,000 annually, plus 2.0% of the preceding fiscal year's gross gaming revenue that exceeded \$30 million.

Other

We own all of the riverboats and barges utilized at our facilities. We also own or lease all of our gaming and non-gaming equipment.

We lease our principal corporate office in Creve Coeur, Missouri, and office space in Biloxi, Mississippi.

We own additional property and have various property leases and options to either lease or purchase property that are not directly related to our existing operations and that may be utilized in the future in connection with expansion projects at our existing facilities or development of new projects.

ITEM 3. LEGAL PROCEEDINGS

We and our wholly-owned subsidiary, Riverboat Corporation of Mississippi Vicksburg, are defendants in a lawsuit filed in the Circuit Court of Adams County, Mississippi by Silver Land, Inc., alleging breach of contract in connection with our 2006 sale of casino operations in Vicksburg, Mississippi, to a third party. In January 2011, the court ruled in favor of Silver Land and in September 2011 the court awarded damages of approximately \$2 million, which we accrued. We filed a notice of appeal in November 2011 and oral arguments were held in January 2013. In June 2013, the court of appeals reversed the trial court and ruled in our favor. Silver Land may request a rehearing and thereafter may appeal to the state supreme court. While the ultimate outcome of this matter is still in doubt and cannot be predicted with any degree of certainty, we intend to put forth a vigorous and

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appropriate defense of the favorable June 2013 ruling of the court of appeals if Silver Land continues to pursue its claim.

We have been named as a defendant in a complaint filed in the Circuit Court for Broward County, Florida. The complaint alleges we sent unsolicited fax advertisements in violation of the Telephone Consumer Protection Act of 1991, as amended by the Junk Fax Prevention Act of 2005 (the "TCPA"), and seeks to certify a class action. The complaint seeks statutory damages for alleged negligent and willful violations of the TCPA, attorneys' fees, costs and injunction relief. In April 2013, we entered into a settlement agreement with the plaintiff and on May 22, 2013, the Court issued an order granting preliminary approval of the settlement. The settlement is subject to further consideration by the Court at the final settlement hearing, which is expected to occur in late calendar 2013. While the ultimate outcome is unknown, we have accrued \$1 million as our current estimate of the most probable outcome of this matter.

Our wholly owned subsidiary, Lady Luck Gaming Corporation, and several joint venture partners have been defendants in the Greek Civil Courts and the Greek Administrative Courts in similar lawsuits brought by the country of Greece. The actions allege that the defendants failed to make specified payments in connection with the gaming license bid process for Patras, Greece. Although it is difficult to determine the damages being sought from the lawsuits, the action may seek damages up to that aggregate amount plus interest from the date of the action.

In the Civil Court lawsuit, the Civil Court of First Instance ruled in our favor and dismissed the lawsuit in 2001. Greece appealed to the Civil Appeal Court and, in 2003, the Court rejected the appeal. Greece then appealed to the Civil Supreme Court and, in 2007, the Supreme Court ruled that the matter was not properly before the Civil Courts and should be before the Administrative Court.

In the Administrative Court lawsuit, the Administrative Court of First Instance rejected the lawsuit stating that it was not competent to hear the matter. Greece then appealed to the Administrative Appeal Court, which court rejected the appeal in 2003. Greece then appealed to the Supreme Administrative Court, which remanded the matter back to the Administrative Appeal Court for a hearing on the merits. The re-hearing took place in 2006, and in 2008 the Administrative Appeal Court rejected Greece's appeal on procedural grounds. On December 22, 2008 and January 23, 2009, Greece appealed the ruling to the Supreme Administrative Court. A hearing was held during November 2012.

The outcome of this matter is still in doubt and cannot be predicted with any degree of certainty. We intend to continue a vigorous and appropriate defense to the claims asserted in this matter. Through April 28, 2013 we have accrued an estimated liability, including interest, of \$14 million. Our accrual is based upon management's estimate of the original claim by the plaintiffs for lost payments. We continue to accrue interest on the asserted claim. We are unable to estimate a total possible loss as information as to possible additional claims, if any, have not been asserted or quantified by the plaintiffs at this time.

In October 2012, we opened our new casino in Cape Girardeau, Missouri. A subcontractor has filed a mechanics' lien against our property resulting from a dispute between the subcontractor and our general contractor for the construction project. We demanded that the general contractor cause the lien to be bonded against or satisfied, however the general contractor has refused to do so and asserted that a portion of the subcontractor's claim results from additional work directly requested by us. The general contractor is attempting to resolve the subcontractor's claim. While we are not a direct party in the dispute, in the event that we incur any costs in connection with this matter, we do not believe that any such costs would be material, and if incurred, would be capitalized as additional construction costs.

We are subject to certain federal, state and local environmental protection, health and safety laws, regulations and ordinances that apply to businesses generally, and are subject to cleanup requirements at certain of our facilities as a result thereof. We have not made, and do not anticipate making material

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expenditures, nor do we anticipate incurring delays with respect to environmental remediation or protection. However, in part because our present and future development sites have, in some cases, been used as manufacturing facilities or other facilities that generate materials that are required to be remediated under environmental laws and regulations, there can be no guarantee that additional pre-existing conditions will not be discovered and we will not experience material liabilities or delays.

We are subject to various contingencies and litigation matters and have a number of unresolved claims. Although the ultimate liability of these contingencies, this litigation and these claims cannot be determined at this time, we believe they will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

(a)

i.

Market Information. Our common stock is traded on the NASDAQ Global Select Market under the symbol "ISLE". The following table presents the high and low closing sales prices for our common stock as reported by the NASDAQ Global Select Market for the fiscal periods indicated.

	High	Low
First Quarter (through June 28, 2013)	\$ 8.69	\$ 7.16
Fiscal Year Ending April 28, 2013		
Fourth Quarter	\$ 7.53	\$ 6.03
Third Quarter	6.54	4.91
Second Quarter	7.39	5.66
First Quarter	6.83	4.84
Fiscal Year Ending April 29, 2012		
Fourth Quarter	\$ 7.48	\$ 4.84
Third Quarter	5.68	3.90
Second Quarter	9.37	4.46
First Quarter	9.86	7.67

ii.

Holders of Common Stock. As of June 28, 2013, there were approximately 1,308 holders of record of our common stock.

iii.

Dividends. We have never declared or paid any dividends with respect to our common stock and the current policy of our board of directors is to retain earnings to provide for the growth of our company. In addition, our senior secured credit facility and the indentures governing our 7.75% senior notes, 5.875% senior notes and our 8.875% senior subordinated notes limit our ability to pay dividends. See "Item 8 Financial Statements and Supplementary Data Isle of Capri Casinos, Inc. Notes to Consolidated Financial Statements Note 6." Consequently, no cash dividends are expected to be paid on our common stock in the foreseeable future. Further, there can be no assurance that our current and proposed operations would generate the funds needed to declare a cash dividend or that we would have legally available funds to pay dividends. In addition, we may fund part of our operations in the future from

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indebtedness, the terms of which may further prohibit or restrict the payment of cash dividends. If a holder of common stock is disqualified by the regulatory authorities from owning such shares, such holder will not be permitted to receive any dividends with respect to such stock. See "Item 1 Business Governmental Regulations."

(b) *Issuance of Unregistered Securities*

None.

(c) *Purchases of our Common Stock*

We have purchased our common stock under stock repurchase programs. These programs allow for the repurchase of up to 6,000,000 shares. To date we have purchased 4,895,792 shares of common stock under these programs. These programs have no approved dollar amount, nor expiration dates. No purchases were made during the fiscal year ended April 28, 2013.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Isle of Capri Casinos, Inc., the NASDAQ Composite Index,
and the Dow Jones US Gambling Index

*
\$100 invested on 4/27/08 in stock or 4/30/08 index, including reinvestment of dividends.
Indexes calculated on month-end basis.

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The following table presents our selected consolidated financial data for the five most recent fiscal years, which is derived from our audited consolidated financial statements and the notes to those statements. Because the data in this table does not provide all of the data contained in our consolidated financial statements, including the related notes, you should read "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated financial statements, including the related notes contained elsewhere in this document and other data we have filed with the U.S. Securities and Exchange Commission.

	Fiscal Year Ended(1)				
	April 28, 2013	April 29, 2012	April 24, 2011	April 25, 2010	April 26, 2009
	(dollars in millions, except per share data)				
Statement of Operations					
Revenues:					
Casino	\$ 1,016.0	\$ 1,006.5	\$ 968.4	\$ 943.2	\$ 977.4
Rooms	31.8	32.4	32.1	33.5	35.6
Food, beverage, pari-mutuel and other	133.4	128.6	122.0	122.2	124.6
Insurance recoveries		9.6			2.9
Gross revenues	1,181.2	1,177.1	1,122.5	1,098.9	1,140.5
Less promotional allowances	(216.0)	(199.7)	(185.9)	(171.7)	(176.4)
Net revenues	965.2	977.4	936.6	927.2	964.1
Operating expenses:					
Casino	156.2	153.7	142.6	137.3	135.1
Gaming taxes	255.1	251.8	243.0	254.7	261.5
Rooms	6.7	7.1	7.3	8.0	8.4
Food, beverage, pari-mutuel and other	42.5	41.3	40.6	40.1	45.5
Marine and facilities	56.4	57.2	55.2	55.5	58.0
Marketing and administrative	236.1	234.5	225.7	223.8	222.6
Corporate and development	34.0	40.2	42.7	46.8	41.3
Valuation charges and expense recoveries, net	50.1	30.6		(6.8)	24.3
Insurance recoveries					(0.1)
Preopening	5.8	0.6			
Depreciation and amortization	73.4	76.0	77.6	95.5	105.4
Total operating expenses	916.3	893.0	834.7	854.9	902.0
Operating income	48.9	84.4	101.9	72.3	62.1
Interest expense	(89.5)	(87.9)	(91.9)	(75.4)	(92.9)
Interest income	0.5	0.8	1.9	1.8	2.1
Derivative income (expense)	0.8	0.4	(1.2)	(0.3)	
Gain on early extinguishment of debt					57.7
Income (loss) from continuing operations before income taxes and including noncontrolling interest	(39.3)	(2.3)	10.7	(1.6)	29.0
Income tax benefit (provision)	(6.7)	(15.1)	(7.0)	6.6	(14.3)
Income (loss) from continuing operations including noncontrolling interest	(46.0)	(17.4)	3.7	5.0	14.7
Income (loss) from discontinued operations, net of income taxes	(1.6)	(112.4)	0.8	(8.3)	28.9
Net income (loss) attributable to common stockholders	\$ (47.6)	\$ (129.8)	\$ 4.5	\$ (3.3)	\$ 43.6

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	Fiscal Year Ended(1)				
	April 28, 2013	April 29, 2012	April 24, 2011	April 25, 2010	April 26, 2009
	(dollars in millions, except per share data)				
Statement of Operations Data (continued):					
Income (loss) per common share attributable to common stockholders					
Basic					
Income (loss) from continuing operations	\$ (1.17)	\$ (0.45)	\$ 0.11	\$ 0.15	\$ 0.47
Income (loss) from discontinued operations	(0.04)	(2.90)	0.02	(0.25)	0.92
Net Income (loss)	\$ (1.21)	\$ (3.35)	\$ 0.13	\$ (0.10)	\$ 1.39
Diluted					
Income (loss) from continuing operations	\$ (1.17)	\$ (0.45)	\$ 0.11	\$ 0.15	\$ 0.47
Income (loss) from discontinued operations	(0.04)	(2.90)	0.02	(0.25)	0.92
Net Income (loss)	\$ (1.21)	\$ (3.35)	\$ 0.13	\$ (0.10)	\$ 1.39
Other Data:					
Net cash provided by (used in):					
Operating activities	\$ 116.0	\$ 118.1	\$ 123.7	\$ 106.4	\$ 190.6
Investing activities	(123.4)	(60.0)	(144.6)	(31.0)	(27.9)
Financing activities	(18.6)	(38.7)	28.1	(104.0)	(157.2)
Capital expenditures	(153.2)	(75.2)	(58.6)	(27.7)	(58.6)
Balance Sheet Data:					
Cash and cash equivalents	\$ 68.5	\$ 94.5	\$ 75.2	\$ 68.1	\$ 96.7
Total assets	1,553.6	1,575.0	1,733.9	1,674.8	1,782.7
Long-term debt, including current portion	1,156.9	1,154.4	1,192.6	1,200.9	1,301.1
Stockholders' equity	142.4	183.6	309.0	240.2	228.4
Operating Data:					
Number of slot machines	13,344	13,784	14,947	14,579	15,373
Number of table games	313	336	375	368	369
Number of hotel rooms	2,370	3,079	3,078	3,079	3,104
Number of parking spaces	21,680	21,944	21,782	20,696	22,290

(1) Our fiscal year ended April 29, 2012 includes 53 weeks while other fiscal years presented include 52 weeks. The results of our previously owned Biloxi, Lucaya, Blue Chip and Coventry casinos are presented as discontinued operations. We opened new casino operations in Cape Girardeau, Missouri in October 2012. We acquired our current casino operations in Vicksburg, Mississippi in June 2010.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion together with the financial statements, including the related notes and the other financial information, contained in this Annual Report on Form 10-K.

Executive Overview

We are a leading developer, owner and operator of branded gaming facilities and related dining, lodging and entertainment facilities in regional markets in the United States. We have sought and established geographic diversity to limit the risks caused by weather, regional economic difficulties, gaming tax rates and regulations of local gaming authorities. We currently operate casinos in Louisiana, Mississippi, Missouri, Iowa, Colorado and Florida. We also operate a harness racing track at our casino in Florida.

Operating Results Our operating results for the periods presented have been affected, both positively and negatively, by current economic conditions and several other factors discussed in detail below. Our historical operating results may not be indicative of our future results of operations because of these factors and the changing competitive landscape in each of our markets, as well as by factors discussed elsewhere herein. This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with and giving consideration to the following:

Items Impacting Income (Loss) from Continuing Operations Significant items impacting our income (loss) from continuing operations during the fiscal years ended April 28, 2013, April 29, 2012 and April 24, 2011 are as follows:

New Casinos We opened our new casino in Cape Girardeau, Missouri on October 30, 2012 and opened our new casino at the Nemacolin Woodlands Resort on July 1, 2013. We incurred preopening expenses of \$5.8 million in fiscal 2013 related to both our Cape Girardeau property prior to its opening in October 2012 and related to our Nemacolin Woodlands Resort casino. Preopening expenses include payroll, outside services, insurance, utilities, travel and various other expenses related to these new operations. Fiscal 2012 include preopening expenses of \$0.6 million related to our Cape Girardeau property.

Impairment and Other Valuation Charges During fiscal 2013, as a result of our annual impairment tests of goodwill and long-lived intangible assets, we recorded impairment charges of \$34.1 million and \$16.0 million related to goodwill at our Lula and Natchez properties, respectively.

In connection with the sale of Grand Palais Riverboat, Inc., including its gaming license, a riverboat gaming vessel and certain other equipment, we recorded a valuation charge of \$16.1 million to reduce the carrying value of the net assets sold to the net proceeds realized upon sale during fiscal 2012. During fiscal 2012, we recorded a goodwill impairment charge of \$14.4 million related to our Lula property.

Increased Competition From time to time, new or expanded facilities by our competitors impact our results. For example, competition from a new casino in Natchez, which opened at the end of December 2012, has negatively impacted our Natchez casino. Competition from a new casino in Kansas, which opened during February 2012, has negatively impacted our Kansas City casino and expansion by a competitor in February 2012 has negatively impacted our Pompano casino. Expansions by Arkansas based competitors have negatively impacted our Lula property.

Construction Disruption During fiscal 2013, we undertook significant renovation projects at our Lake Charles and Vicksburg properties. In Lake Charles we renovated our main hotel tower

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which resulted in approximately one-third of the rooms being out of service at any given time from May 2012 through January 2013. In Vicksburg we completely rebranded the property into a Lady Luck property. Both projects were completed prior to the end of the fiscal year; however certain areas of these properties were not easily accessible to our customers during the construction periods which had a negative impact on our operating results.

53rd Week in Fiscal 2012 Our fiscal year ends on the last Sunday in April. This fiscal year convention creates more comparability of our quarterly operations, by generally having an equal number of weeks (13) and weekend days (26) in each quarter. Periodically, this convention necessitates a 53-week year. The fiscal year ending April 28, 2013 was a 52-week year, fiscal year ending April 29, 2012 was a 53-week year, with the extra week in the fourth fiscal quarter, and fiscal year ending April 24, 2011 was 52-week year.

Flooding and Insurance Recoveries Our fiscal 2013 operating results were impacted by the closing of our Davenport property for eight days during April 2013. The business interruption and property damage incurred was below our insurance deductibles.

Our fiscal 2012 operating results were impacted by flooding along the Mississippi River, which resulted in five of our properties being closed for differing periods of time.

	Closing Date	Reopening Date	Number Days Closed
Davenport, Iowa	April 15, 2011	May 1, 2011	15(A)
Caruthersville, Missouri	May 1, 2011	May 13, 2011	12
Lula, Mississippi	May 3, 2011	June 3, 2011	31
		September 2, 2011	91(B)
Natchez, Mississippi	May 7, 2011	June 17, 2011	41
Vicksburg, Mississippi	May 11, 2011	May 27, 2011	16

(A) Six days of closure in the first quarter of fiscal 2012 and nine days of closure in the fourth quarter of fiscal 2011.

(B) The second casino barge reopened on September 2, 2011 after flood damage was remediated.

Related to the flooding, we filed and settled flood insurance claims resulting in the recognition of \$9.6 million business interruption recoveries in our statement of operations in fiscal 2012.

Income Tax Provision(Benefit) As a result of evaluating the expected net realizable value of our deferred tax assets, including our net operating loss carry forwards, we recorded tax valuation allowances. Our fiscal 2013 and fiscal 2012 tax provisions of \$6.7 million and \$15.1 million, respectively include valuation charges as well as the impact of permanent items and other items.

Items Impacting Current and Future Operations During the fiscal years ended April 28, 2013, April 29, 2012 and April 24, 2011, we have entered into agreements or completed transactions as follows:

Discontinued Operations

Sale of Biloxi Casino On November 29, 2012, we completed the sale of our Biloxi, Mississippi casino operations. Our fiscal 2013 results include a loss from Biloxi's discontinued operations of \$1.6 million which included a \$1.5 million valuation allowance reflecting a credit against the purchase price to satisfy our obligation to repair the property after Hurricane Isaac, as required by

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the purchase agreement. In fiscal 2012, our loss from discontinued operations included a noncash valuation charge of \$112.5 million to reduce the carrying value of Biloxi's net assets held for sale to the expected net realizable value.

Sale of Blue Chip Casinos During fiscal 2010, we completed the sale of our Blue Chip casino properties, located in England under a plan of administration and have no continuing involvement in its operation. During fiscal 2011 we recognized a gain of \$2.7 million, including tax benefits of \$1.2 million, upon completion of the administration process. We also recognized in fiscal 2011 a tax benefit of \$0.8 million in discontinued operations representing the resolution of previously unrecognized tax positions following the completion of certain federal tax reviews.

Acquisition

Acquisition of Rainbow Casino We acquired Rainbow Casino-Vicksburg Partnership, L.P. ("Rainbow") located in Vicksburg, Mississippi on June 8, 2010 acquiring 100% of the partnership interests for \$76.2 million and have included the results of Rainbow in our consolidated financial statements subsequent to June 8, 2010. The acquisition was funded by borrowings from our senior secured credit facility.

Development Activities

Nemacolin We have a development and management agreement with the Nemacolin Woodlands Resort and completed the construction of our casino with 600 slot machines and 28 table games in June 2013. Our casino opened July 1, 2013 and the total cost of the project was approximately \$60 million, including licensing fees.

Philadelphia On February 1, 2013, we signed an agreement with Tower Investments, Inc. to manage The Provence, the resort and casino on North Broad Street, Philadelphia, proposed by Tower Entertainment, LLC (the "Tower JV"), if the project is selected by the Pennsylvania Gaming Control Board. The Tower JV is one of six applicants for the final gaming license in Philadelphia. As part of our agreement with the Tower JV, we loaned \$25 million to the Tower JV in the form of a stand-by letter of credit issued for the purpose of securing the Pennsylvania gaming license fee relating to the project. The \$25 million letter of credit can only be drawn upon if the Tower JV is awarded the license. If the Tower JV is selected, we have the option to either 1) be repaid from the proceeds of permanent financing or 2) convert the \$25 million loan into a minority investment in the Tower JV.

Capital Transactions

Long-term Debt During April 2013, proceeds from our 5.875% senior notes and borrowings under our credit facility were used to fully repay and cancel the term loan borrowings under our credit facility.

During August 2012, we issued \$350 million of 8.875% senior subordinated notes due 2020. Proceeds from these notes were used to repay our 7% senior subordinated notes.

As a result of these transactions, we wrote-off \$3.2 million in deferred finance costs and incurred fees of \$1.5 million.

During March 2011, we issued \$300 million of 7.75% senior notes due 2019. Proceeds from this debt issuance were used to repay borrowings under our senior secured credit facility.

Equity Offering During January 2011, we completed the sale of 5.3 million shares of common stock generating net proceeds of \$51.2 million. Proceeds from our equity offering were used to repay borrowings under our revolving line of credit.

Results of Operations

Our results of continuing operations for the fiscal years ended April 28, 2013, April 29, 2012 and April 24, 2011 reflect the consolidated operations of all of our subsidiaries. Our Biloxi and Blue Chip entities are presented as discontinued operations.

Table of Contents**ISLE OF CAPRI CASINOS, INC.**

(in thousands)	Net Revenues Fiscal Year Ended			Operating Income (Loss) Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011	April 28, 2013	April 29, 2012	April 24, 2011
Mississippi						
Natchez	\$ 25,378	\$ 28,643	\$ 30,787	\$ 1,333	\$ 6,478	\$ 7,591
Lula	55,444	61,525	67,340	4,285	9,671	12,471
Vicksburg(1)	29,918	32,695	27,935	1,184	4,145	4,188
Mississippi Total	110,740	122,863	126,062	6,802	20,294	24,250
Louisiana						
Lakes Charles	125,575	138,634	131,214	9,270	11,671	13,638
Missouri						
Kansas City	73,538	80,703	77,710	13,275	13,902	14,619
Boonville	78,624	81,796	78,776	24,004	26,018	22,670
Cape Girardeau(2)	32,782			(1,085)		
Caruthersville	32,282	35,039	33,696	2,832	4,497	3,909
Missouri Total	217,226	197,538	190,182	39,026	44,417	41,198
Iowa						
Bettendorf	78,083	79,156	79,003	13,995	12,793	13,386
Davenport	41,794	44,426	43,651	6,492	8,261	8,171
Marquette	27,605	28,036	27,397	3,718	4,169	3,780
Waterloo	86,654	86,484	83,197	21,544	20,399	17,953
Iowa Total	234,136	238,102	233,248	45,749	45,622	43,290
Colorado						
Black Hawk	122,135	124,051	115,482	20,109	17,468	10,993
Florida						
Pompano	154,629	154,740	138,704	19,396	17,393	12,030
Valuation charges and expense recoveries				(50,100)	(30,549)	
Corporate and other	758	1,443	1,769	(41,299)	(41,933)	(43,468)
From continuing operations	\$ 965,199	\$ 977,371	\$ 936,661	\$ 48,953	\$ 84,383	\$ 101,931

Note:

This table excludes our Biloxi and Blue Chip operations which have been classified as discontinued operations.

(1)

Reflects results since the June 2010 acquisition effective date.

(2)

Reflects results since opening on October 30, 2012.

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Revenues and operating expenses for the fiscal years 2013 and 2012 are as follows:

(in thousands)	Fiscal Year Ended		Variance	Percentage Variance
	April 28, 2013	April 29, 2012		
Revenues:				
Casino	\$ 1,016,005	\$ 1,006,523	\$ 9,482	0.9%
Rooms	31,851	32,438	(587)	-1.8%
Food, beverage, pari-mutuel and other	133,377	128,560	4,817	3.7%
Insurance recoveries		9,637		
Gross revenues	1,181,233	1,177,158	4,075	0.3%
Less promotional allowances	(216,034)	(199,787)	(16,247)	-8.1%
Net revenues	965,199	977,371	(12,172)	-1.2%
Operating expenses:				
Casino	156,179	153,743	2,436	1.6%
Gaming taxes	255,105	251,780	3,325	1.3%
Rooms	6,686	7,027	(341)	-4.9%
Food, beverage, pari-mutuel and other	42,472	41,281	1,191	2.9%
Marine and facilities	56,421	57,225	(804)	-1.4%
Marketing and administrative	236,146	234,470	1,676	0.7%
Corporate and development	33,953	40,248	(6,295)	-15.6%
Valuation charges and expense recoveries	50,100	30,549	19,551	N/M
Preopening	5,765	615	5,150	N/M
Depreciation and amortization	73,419	76,050	(2,631)	-3.5%
Total operating expenses	\$ 916,246	\$ 892,988	23,258	2.6%

Casino Casino revenues increased \$9.5 million, or 0.9%, in fiscal 2013 compared to fiscal 2012. Excluding casino revenues of \$35.3 million at our Cape Girardeau property, casino revenues decreased \$25.8 million, or 2.6%, due in part to the extra week in fiscal 2012 compared to fiscal 2013.

The majority of our casino revenues are derived from slot machines (representing approximately 90.3% and 89.8% of our casino revenues in fiscal years 2013 and 2012, respectively) and, to a lesser extent, table games, which is highly depended upon the volume and spending limits of customers at our properties.

Key performance indicators related to casino revenue are slot handle and table game drop (volume indicators) and "win" or "hold" percentage. Slot handle is the gross amount wagered for the period cited. The win or hold percentage is the net amount of gaming wins and losses, with liabilities recognized for accruals related to the anticipated payout of progressive jackpots. Our slot hold percentages have been extremely consistent over the past several years. Given the stability in our slot hold percentages, we have not experienced significant impacts to earnings from fluctuations in slot hold.

Table game win is the amount of drop that is retained and recorded as casino gaming revenue, with liabilities recognized for funds deposited by customers before gaming play occurs, for unredeemed gaming chips, and for accruals related to the anticipated payout of progressive jackpots. As we are focused on regional gaming markets, our table hold percentages are fairly stable as the majority of these markets do not regularly experience high-end play which can lead to volatility in win percentages.

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Therefore, changes in table game win percentages do not typically have a material impact to our earnings.

Our typical property slot hold percentage is in the range of 6% to 10% of slot handle, and our typical table game win percentage is in the range of 15% to 25% of table game drop.

Casino operating expenses increased \$2.4 million, or 1.6% for fiscal 2013 compared to fiscal 2012. Excluding casino operating expenses of \$5.7 million at our Cape Girardeau property, casino operating expenses decreased \$3.3 million, or 2.1%.

Gaming Taxes State and local gaming taxes increased \$3.3 million, or 1.3%, for fiscal 2013 compared to fiscal 2012. Excluding gaming taxes of \$10.2 million at our Cape Girardeau property, gaming taxes decreased \$6.9 million, or 2.7%, commensurate with casino revenues.

Rooms Rooms revenue decreased \$0.6 million, or 1.8%, in fiscal 2013 compared to fiscal 2012, primarily a result of construction disruption at our Lake Charles and Black Hawk properties during hotel renovations in fiscal 2013.

Food, Beverage, Pari-Mutuel and Other Food, beverage, pari-mutuel and other revenues increased \$4.8 million, or 3.7%, in fiscal 2013 compared to fiscal 2012. Excluding food, beverage and other revenues of \$4.8 million at our Cape Girardeau property, food, beverage, pari-mutuel and other revenues were flat.

Food, Beverage, Pari-Mutuel and Other operating expenses increased \$1.2 million, or 2.9%, in fiscal 2013 compared to fiscal 2012. Excluding food, beverage and other expenses of \$1.9 million at our Cape Girardeau property, food, beverage, pari-mutuel and other expenses decreased \$0.7 million, or 1.7%.

Promotional Allowances Promotional allowances increased \$16.2 million, or 8.1%, in fiscal 2013 compared to fiscal 2012. Excluding promotional allowances of \$7.3 million at our Cape Girardeau property, promotional allowances increased \$8.9 million, or 4.5%.

Marine and Facilities Marine and facilities expenses decreased \$0.8 million, or 1.4%, for fiscal 2013 compared to fiscal 2012. Excluding marine and facilities expenses of \$1.8 million at our Cape Girardeau property, marine and facilities expenses decreased \$2.6 million, or 4.5%, primarily reflecting cost savings from operating one vessel in Lake Charles.

Marketing and Administrative Marketing and administrative expenses increased \$1.7 million, or 0.7%, for fiscal 2013 compared to fiscal 2012. Excluding marketing and administrative expenses of \$8.8 million at our Cape Girardeau property, marketing and administrative expenses decreased \$7.1 million, or 3.0%, reflecting reductions at our Lake Charles, Black Hawk and Kansas City properties.

Corporate and Development During fiscal 2013, our corporate and development expenses were \$34.0 million compared to \$40.2 million for fiscal 2012. The decrease is primarily a result of decreases in incentive compensation of \$3.9 million, stock-based compensation expense of \$2.5 million, and insurance costs of \$1.3 million, offset by refinancing costs of \$1.5 million.

Depreciation and Amortization Depreciation and amortization expense for fiscal 2013 compared to fiscal 2012 decreased \$2.6 million, primarily due to certain assets becoming fully depreciated, offset by the Cape Girardeau depreciation of \$5.6 million.

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Other Income (Expense), Income Taxes and Discontinued Operations

Interest expense, interest income, derivative income, income tax provision and loss from discontinued operations, net of income taxes for the fiscal years 2013 and 2012 are as follows:

(in thousands)	Fiscal Year Ended		Variance	Percentage Variance
	April 28, 2013	April 29, 2012		
Interest expense	\$ (89,461)	\$ (87,905)	\$ (1,556)	1.8%
Interest income	502	819	(317)	-38.7%
Derivative income	748	439	309	70.4%
Income tax provision	(6,732)	(15,119)	8,387	-55.5%
Loss from discontinued operations, net of income taxes	(1,579)	(112,370)	110,791	N/M

Interest Expense Interest expense increased \$1.6 million, or 1.8%, in fiscal 2013 compared to fiscal 2012. The increase is primarily a result of the write-off of deferred financing costs during the year of \$3.3 million, offset by capitalized interest of \$2.6 million related to construction projects during fiscal 2013.

Fiscal 2012 Compared to Fiscal 2011

Revenues

Revenues and operating expenses for the fiscal years 2012 and 2011 are as follows:

(in thousands)	Fiscal Year Ended		Variance	Percentage Variance
	April 29, 2012	April 24, 2011		
Revenues:				
Casino	\$ 1,006,523	\$ 968,423	\$ 38,100	3.9%
Rooms	32,438	32,144	294	0.9%
Food, beverage, pari-mutuel and other	128,560	121,955	6,605	5.4%
Insurance recoveries	9,637			
Gross revenues	1,177,158	1,122,522	54,636	4.9%
Less promotional allowances	(199,787)	(185,861)	(13,926)	-7.5%
Net revenues	977,371	936,661	40,710	4.3%
Operating expenses:				
Casino	153,743	142,642	11,101	7.8%
Gaming taxes	251,780	242,949	8,831	3.6%
Rooms	7,027	7,290	(263)	-3.6%
Food, beverage, pari-mutuel and other	41,281	40,559	722	1.8%
Marine and facilities	57,225	55,211	2,014	3.6%
Marketing and administrative	234,470	225,756	8,714	3.9%
Corporate and development	40,248	42,709	(2,461)	-5.8%
Valuation charges and expense recoveries	30,549		30,549	N/M
Preopening	615		615	N/M
Depreciation and amortization	76,050	77,613	(1,563)	-2.0%
Total operating expenses	\$ 892,988	\$ 834,729	58,259	7.0%

Casino Casino revenues increased \$38.1 million, or 3.9%, in fiscal 2012 compared to fiscal 2011. For fiscal 2012, casino revenues for our properties not closed due to flooding increased \$49.1 million, or 6.6%. This included increased casino revenues of \$18.7 million at our Pompano property, \$10.4 million at our Lake Charles property and \$9.5 million at our Black Hawk properties. Our other properties combined for an increase of \$10.5 million in casino revenues. The properties closed for part of the fiscal year due to flooding had decreased casino revenues of \$11.0 million, or 4.9%.

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The majority of our casino revenues are derived from slot machines (representing approximately 89.8% and 90.3% of our casino revenues in fiscal years 2012 and 2011, respectively) and, to a lesser extent, table games, which is highly depended upon the volume and spending limits of customers at our properties.

Key performance indicators related to casino revenue are slot handle and table game drop (volume indicators) and "win" or "hold" percentage. Slot handle is the gross amount wagered for the period cited. The win or hold percentage is the net amount of gaming wins and losses, with liabilities recognized for accruals related to the anticipated payout of progressive jackpots. Our slot hold percentages have been extremely consistent over the past several years. Given the stability in our slot hold percentages, we have not experienced significant impacts to earnings from fluctuations in slot hold.

Table game win is the amount of drop that is retained and recorded as casino gaming revenue, with liabilities recognized for funds deposited by customers before gaming play occurs, for unredeemed gaming chips, and for accruals related to the anticipated payout of progressive jackpots. As we are focused on regional gaming markets, our table hold percentages are fairly stable as the majority of these markets do not regularly experience high-end play which can lead to volatility in win percentages. Therefore, changes in table game win percentages do not typically have a material impact to our earnings.

Our typical property slot hold percentage is in the range of 6% to 10% of slot handle, and our typical table game win percentage is in the range of 15% to 25% of table game drop.

Casino operating expenses increased \$11.1 million, or 7.8% for fiscal 2012 compared to fiscal 2011. Net increases in casino expenses reflects the cost of increased complimentary rooms and food and beverages provided to our casino customers and, increased salaries and wages due to expanded hours of operation at Pompano and a new poker room at our Black Hawk property.

Gaming Taxes State and local gaming taxes increased \$8.8 million, or 3.6%, for fiscal 2012 compared to fiscal 2011 consistent with the 3.9% increase in gaming revenues.

Rooms Rooms revenue increased \$0.3 million, or 0.9%, in fiscal 2012 compared to fiscal 2011. Rooms revenue for our properties not closed due to flooding increased \$1.0 million, or 3.4%.

Food, Beverage, Pari-Mutuel and Other Food, beverage, pari-mutuel and other revenues increased \$6.6 million, or 5.4%, in fiscal 2012 compared to fiscal 2011. Food, beverage and other revenues for fiscal 2012, increased \$6.5 million, including increases at our Pompano property of \$3.4 million.

Promotional Allowances Promotional allowances increased \$13.9 million, or 7.5%, in fiscal 2012 compared to fiscal 2011. The increase in promotional allowances is primarily attributable to our 3.9% increase in gaming revenues as we revise to our marketing plans as a result of competitive factors, economic conditions and regulations.

Marine and Facilities Marine and facilities expenses increased \$2.0 million, or 3.6%, for fiscal 2012 compared to fiscal 2011. The overall increase in marine and facilities reflect increased spending for repairs and maintenance.

Marketing and Administrative Marketing and administrative expenses increased \$8.7 million, or 3.9%, for fiscal 2012 compared to fiscal 2011. The overall increase corresponds to a 3.9% increase in casino revenues and reflects additional marketing expenditures designed to increase market share and customer visits.

Corporate and Development During fiscal 2012, our corporate and development expenses were \$40.2 million compared to \$42.7 million for fiscal 2011. The decrease is a primarily a result of financing

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related costs of \$4.0 million and acquisition and development costs of \$3.8 million in fiscal 2011 offset by increased insurance costs and a \$2.0 million accrual related to litigation.

Preopening Preopening expenses relate to our casino under construction in Cape Girardeau, Missouri and include payroll, outside services, insurance, utilities, travel and various other expenses related to the new operation. The new casino is expected to open during October 2012, subject to regulatory approval.

Depreciation and Amortization Depreciation and amortization expense for fiscal 2012 compared to fiscal 2011 decreased \$1.6 million, primarily due to certain assets becoming fully depreciated.

Other Income (Expense), Income Taxes and Discontinued Operations

Interest expense, interest income, derivative expense, income tax (provision) benefit and income from discontinued operations, net of income taxes for the fiscal years 2012 and 2011 are as follows:

(in thousands)	Fiscal Year Ended		Variance	Percentage Variance
	April 29, 2012	April 24, 2011		
Interest expense	\$ (87,905)	\$ (91,935)	\$ 4,030	-4.4%
Interest income	819	1,903	(1,084)	-57.0%
Derivative income (expense)	439	(1,214)	1,653	N/M
Income tax provision	(15,119)	(6,950)	(8,169)	117.5%
Income (loss) from discontinued operations, net of income taxes	(112,370)	805	(113,175)	N/M

Interest Expense Interest expense decreased \$4.0 million, or 4.4%, in fiscal 2012 compared to fiscal 2011. The decrease is primarily a result of interest rate swaps maturing in fiscal 2011 and fiscal 2012. We capitalized \$1.1 million in interest related to construction projects during fiscal 2012.

Liquidity and Capital Resources

Cash Flows from Operating Activities During fiscal 2013, we generated \$116.0 million in cash flows from operating activities compared to generating \$118.1 million during fiscal 2012 due to a reduction in operating income when adjusted for noncash items.

Cash Flows used in Investing Activities During fiscal 2013 we used \$123.4 million for investing activities compared to using \$60.0 million during fiscal 2012. Significant investing activities during fiscal 2013 included capital expenditures of \$153.2 million, including \$79.0 million relating to Cape Girardeau and \$28.7 million relating to Nemaquin, offset by \$33.2 million in net proceeds from the sale of our casino in Biloxi, Mississippi. Significant investing activities during fiscal 2012 included capital expenditures of \$75.2 million, including \$34.9 million relating to Cape Girardeau, offset by \$14.8 million in net proceeds from the sale of Grand Palais Riverboat, Inc.

Cash Flows used in Financing Activities During fiscal 2013, we completed \$700 million in issuances of new indebtedness. The net proceeds from these offerings, along with borrowings under our credit facility, were used to retire \$357.3 million in subordinated notes and to repay and cancel \$490.0 million in term loans under our credit facility. To complete these financing transactions, we incurred and capitalized \$21.5 million in deferred financing costs.

These financing transactions extended our major debt maturities to April 2018 and beyond. Prior to the completion of these transactions, our credit facility and \$357.3 million of senior subordinated notes matured in fiscal 2014. In addition, we converted the variable interest rate term loan borrowings under our credit facility to fixed interest rate senior notes. The percentage of our indebtedness with

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fixed rates as a percentage of our total indebtedness increased to 86.6% at April 28, 2013 from 57.1% at April 29, 2012.

During fiscal 2012, our financing activities primarily consisted of utilizing \$38.7 million of cash to reduce borrowings under our credit facility.

Availability of Cash and Additional Capital At April 28, 2013, we had cash and cash equivalents of \$68.5 million and marketable securities of \$25.5 million. As of April 28, 2013, we had \$154.9 million in outstanding revolving credit borrowings under our senior secured credit facility and our net line of credit availability was approximately \$90 million, as limited by our senior secured leverage covenant. We amended the terms of our credit facility on July 2, 2013 to provide additional financial flexibility in future periods.

Capital Expenditures and Development Activities As part of our business development activities, historically we have entered into agreements which have resulted in the acquisition or development of businesses or assets. These business development efforts and related agreements typically require the expenditure of cash, which may be significant. The amount and timing of our cash expenditures relating to development activities may vary based upon our evaluation of current and future development opportunities, our financial condition and the condition of the financing markets. Our development activities are subject to a variety of factors including but not limited to: obtaining permits, licenses and approvals from appropriate regulatory and other agencies, legislative changes and, in certain circumstances, negotiating acceptable leases.

In June 2013, we completed the construction of Lady Luck Nemaocolin, a new casino at the Nemaocolin Woodlands Resort in Western Pennsylvania and our casino opened July 1, 2013. The total cost of the project was approximately \$60 million, including licensing fees. As of April 28, 2013, we had expended \$29.7 million.

On February 1, 2013, we signed an agreement with Tower Investments, Inc. to manage The Provence, the resort and casino on North Broad Street, Philadelphia, proposed by Tower Entertainment, LLC (the "Tower JV"), if the project is selected by the Pennsylvania Gaming Control Board. The Tower JV is one of six applicants for the final gaming license in Philadelphia. As part of our agreement with the Tower JV, we loaned \$25 million to the Tower JV in the form of a stand-by letter of credit issued for the purpose of securing the Pennsylvania gaming license fee relating to the project. The \$25 million letter of credit can only be drawn upon if the Tower JV is awarded the license. If the Tower JV is selected, we have the option to either 1) be repaid from the proceeds of permanent financing or 2) convert the \$25 million loan into a minority investment in the Tower JV.

Historically, we have made significant investments in property and equipment and expect that our operations will continue to demand ongoing investments to keep our properties competitive. For instance, during fiscal 2013, we incurred \$50.5 million of capital expenditures at our existing properties including refreshing our hotel room inventory at our Black Hawk and Lake Charles properties, and rebranding our Vicksburg property to a Lady Luck. In fiscal 2014, we expect to make several other improvements to our properties including additional Farmer's Pick Buffets and other food and beverage outlets as well as ongoing maintenance capital totaling approximately \$50 million to \$53 million. The timing, completion and amount of additional capital projects will be subject to improvement of economic and local market conditions, cash flows from our continuing operations and borrowing availability under our Credit Facility. In addition, we expect to spend approximately \$30 million to complete Lady Luck Nemaocolin.

Typically, we have funded our daily operations through net cash provided by operating activities and our significant capital expenditures through operating cash flow and debt financing. While we believe that cash on hand, cash flow from operations, and available borrowings under our Credit Facility will be sufficient to support our working capital needs, planned capital expenditures and debt

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service requirements for the foreseeable future, there is no assurance that these sources will in fact provide adequate funding for our planned and necessary expenditures or that the level of our capital investments will be sufficient to allow us to remain competitive in our existing markets.

We are highly leveraged and may be unable to obtain additional debt or equity financing on acceptable terms if our current sources of liquidity are not sufficient or if we fail to stay in compliance with the covenants of our Credit Facility. We will continue to evaluate our planned capital expenditures at each of our existing locations in light of the operating performance of the facilities at such locations.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles that require our management to make estimates and assumptions that affect reported amounts and related disclosures. Management identifies critical accounting estimates as:

those that require the use of assumptions about matters that are inherently and highly uncertain at the time the estimates are made;

those estimates where, had we chosen different estimates or assumptions, the resulting differences would have had a material impact on our financial condition, changes in financial condition or results of operations; and

those estimates that, if they were to change from period to period, likely would result in a material impact on our financial condition, changes in financial condition or results of operations.

Based upon management's discussion of the development and selection of these critical accounting estimates with the Audit Committee of our Board of Directors, we believe the following accounting estimates involve a higher degree of judgment and complexity.

Goodwill and Other Intangible Assets At April 28, 2013, we had goodwill and other intangible assets of \$341.6 million, representing 22.0% of total assets. In accordance with ASC Topic 350, Intangibles - Goodwill and Other, if necessary, we perform an annual impairment test for goodwill and indefinite-lived intangible assets in the fourth fiscal quarter of each year, or on an interim basis if indicators of impairment exist. For properties with goodwill and/or other intangible assets with indefinite lives, this test requires the comparison of the implied fair value of each reporting unit to carrying value.

We must make various assumptions and estimates in performing our impairment testing. The implied fair value includes estimates of future cash flows that are based on reasonable and supportable assumptions which represent our best estimates of the cash flows expected to result from the use of the assets including their eventual disposition and by a market approach based upon valuation multiples for similar companies. Changes in estimates, increases in our cost of capital, reductions in transaction multiples, operating and capital expenditure assumptions or application of alternative assumptions and definitions could produce significantly different results. Future cash flow estimates are, by their nature, subjective and actual results may differ materially from our estimates. If our ongoing estimates of future cash flows are not met, we may have to record additional impairment charges in future accounting periods. Our estimates of cash flows are based on the current regulatory, social and economic climates, recent operating information and budgets of the various properties where we conduct operations. These estimates could be negatively impacted by changes in federal, state or local regulations, economic downturns, or other events affecting various forms of travel and access to our properties. We engage an independent third party valuation firm to assist management in our annual impairment testing.

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While conducting our fiscal 2013 annual impairment testing, we noted our reporting units with goodwill and/or other long-lived intangibles had fair values which exceeded their carrying values by at least 10%, except for our Lula and Natchez reporting units. In conjunction with this impairment testing, we recorded an impairment charge related to goodwill at our Lula property of \$34.1 million, resulting in a remaining goodwill balance of \$42.6 million and at our Natchez property of \$16.0 million, resulting in a remaining goodwill balance of \$8.6 million.

Property and Equipment At April 28, 2013, we had property and equipment, net of accumulated depreciation of \$1,034.0 million, representing 66.6% of our total assets. We capitalize the cost of property and equipment. Maintenance and repairs that neither materially add to the value of the property or equipment nor appreciably prolong its life are charged to expense as incurred. We depreciate property and equipment on a straight-line basis over their estimated useful lives. The estimated useful lives are based on the nature of the assets as well as our current operating strategy. Future events such as property expansions, new competition, changes in technology and new regulations could result in a change in the manner in which we are using certain assets requiring a change in the estimated useful lives of such assets.

Impairment of Long-lived Assets We evaluate long-lived assets for impairment in accordance with the guidance in the Impairment or Disposal of Long Lived Assets subsection of ASC Topic 360, Property, Plant and Equipment (ASC Topic 360"). For a long-lived asset to be held and used, we review the asset for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. In assessing the recoverability of the carrying value of such property, equipment and other long-lived assets, we make assumptions regarding future cash flows and residual values. If these estimates or the related assumptions are not achieved or change in the future, we may be required to record an impairment loss for these assets. In evaluating impairment of long-lived assets for newly opened operations, estimates of future cash flows and residual values may require some period of actual results to provide the basis for an opinion of future cash flows and residual values used in the determination of an impairment loss for these assets. For assets held for disposal, we recognize the asset at the lower of carrying value or fair market value, less cost of disposal based upon appraisals, discounted cash flows or other methods as appropriate. An impairment loss would be recognized as a non-cash component of operating income. During fiscal 2012, following our agreement to sell our Biloxi property, we recognized an impairment loss of \$112.6 million in discontinued operations related to the assets held for sale. We also recognized during fiscal 2012 an impairment charge of \$16.1 million related to the sale of certain long-lived assets at our Lake Charles property.

Self-Insurance Liabilities We are self-funded up to a maximum amount per claim for our employee-related health care benefits program, workers' compensation and general liabilities. Claims in excess of this maximum are fully insured through a stop-loss insurance policy. We accrue a discounted estimate for workers' compensation liability and general liabilities based on claims filed and estimates of claims incurred but not reported. We rely on independent consultants to assist in the determination of estimated accruals. While the ultimate cost of claims incurred depends on future developments, such as increases in health care costs, in our opinion, recorded reserves are adequate to cover future claims payments. Based upon our current accrued insurance liabilities, a 1% change in our discount factor would cause a \$0.7 million change in our accrued self-insurance liability.

Income Tax Assets and Liabilities We account for income taxes in accordance with the guidance in ASC Topic 740, Income Taxes ("ASC Topic 740"). We are subject to income taxes in the United States and in several states in which we operate. We recognize a current tax asset or liability for the estimated taxes payable or refundable based upon application of the enacted tax rates to taxable income in the current year. Additionally, we are required to recognize a deferred tax liability or asset for the estimated future tax effects attributable to temporary differences. Temporary differences occur when differences arise between: (a) the amount of taxable income and pretax financial income for a year and (b) the tax basis of assets or liabilities and their reported amounts in financial statements. Deferred tax assets recognized must be reduced by a valuation allowance for any tax benefits that, in our judgment and based upon available evidence, may not be realizable. At April 28, 2013 we have reduced our deferred tax assets by a valuation allowance of \$56.4 million.

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We assess our tax positions using a two-step process. A tax position is recognized if it meets a "more likely than not" threshold, and is measured at the largest amount of benefit that is greater than 50 percent likely of being realized. Uncertain tax positions must be reviewed at each balance sheet date. Liabilities recorded as a result of this analysis must generally be recorded separately from any current or deferred income tax accounts, and are classified as current or long-term in the balance sheet based on the time until expected payment in accounts accrued liabilities-other or other long-term liabilities, respectively. We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense.

Stock Based Compensation We apply the guidance of ASC Topic 718, Compensation - Stock Compensation ("ASC Topic 718") in accounting for stock compensation. Generally, we are required to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. During fiscal 2013, we granted restricted stock units ("RSUs") containing market performance conditions which will determine the amount of shares to vest, if any. The fair value of these RSUs is determined utilizing a lattice pricing model which considers a range of assumptions including volatility and risk-free interest rates. The estimate of the fair value of the stock options was calculated using the Black-Scholes-Merton option-pricing model. This model requires the use of various assumptions, including the historical volatility of our stock price, the risk free interest rate, estimated expected life of the grants, the estimated dividend yield and estimated rate of forfeitures. Stock based compensation expense is included in the expense category corresponding to the employees' regular compensation in the accompanying consolidated statements of operations.

Contingencies We are involved in various legal proceedings and have identified certain loss contingencies. We record liabilities related to these contingencies when it is determined that a loss is probable and reasonably estimable in accordance with the guidance of ASC Topic 450, Contingencies ("ASC Topic 450"). These assessments are based on our knowledge and experience as well as the advice of legal counsel regarding current and past events. Any such estimates are also subject to future events, court rulings, negotiations between the parties and other uncertainties. If an actual loss differs from our estimate, or the actual outcome of any of the legal proceedings differs from expectations, future operating results could be impacted.

Contractual Obligations and Commercial Commitments

The following table provides information as of the end of fiscal 2013, about our contractual obligations and commercial commitments. The table presents contractual obligations by due dates and related contractual commitments by expiration dates (in millions).

Contractual Obligations	Total	Payments Due by Period			
		Less Than 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Long-Term Debt	\$ 1,158.6	\$ 0.4	\$ 0.6	\$ 155.1	\$ 1,002.5
Estimated interest payments on long-term debt(1)	557.7	81.3	161.6	165.5	149.3
Operating Leases	295.2	12.8	23.5	23.1	235.8
Long-Term Obligations and Other(2)	20.8	18.5	2.1	0.1	0.1
Construction Contractual Obligations(3)	22.5	22.5			
Other Long-Term Obligations	20.4	1.1	3.5	3.2	12.6
Total Contractual Cash Obligations	\$ 2,082.7	\$ 144.1	\$ 191.3	\$ 347.0	\$ 1,400.3

- (1) Estimated interest payment on long-term debt are based on principal amounts outstanding at our fiscal year end and forecasted LIBOR rates for our senior secured credit facility.

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- (2) Long-term obligations and other include future purchase commitments, including the table games license fee of \$7.5 million related to our pending Nemaocolin casino operations, which was paid subsequent to year-end.
- (3) Construction contractual obligations represent the estimated remaining capital expenditures on the construction of our new casino at the Nemaocolin Woodlands Resort.

Recently Issued Accounting Standards

Recently Adopted Accounting Standards In June 2011, the FASB issued Update No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income," which allows for the presentation of total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the guidance eliminates the option of presenting the components of other comprehensive income as part of the statement of changes in stockholders' equity. During fiscal 2013, we adopted this standard, which impacted where we disclose the components of other comprehensive income in our consolidated financial statements.

In July 2012, the FASB issued Update No. 2012-02, "Intangibles Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment," which amends ASC 350 "Intangibles Goodwill and Other." This update permits entities to make a qualitative assessment to determine whether the existence of events and circumstances indicates that it is more likely than not that an indefinite-lived intangible asset is impaired. The outcome of this qualitative assessment is used as a basis for determining whether it is necessary to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount of the asset. This update is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. During fiscal 2013, we adopted this standard, which did not materially impact our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, including interest rates, foreign currency exchange rates, commodity prices and equity prices. Our primary exposure to market risk is interest rate risk associated with our senior secured credit facility.

Senior Secured Credit Facility

During fiscal 2013, we maintained an interest rate swap agreement with an aggregate notional value of \$50 million as of April 28, 2013. The swap agreement effectively converts portions of the senior secured credit facility variable debt to a fixed-rate basis until the swap agreement terminates, which occurs in fiscal 2014.

The following table provides information at April 28, 2013 about our financial instruments that are sensitive to changes in interest rates. The table presents principal cash flows and related weighted average interest rates by expected maturity dates.

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Interest Rate Sensitivity
Principal (Notional) Amount by Expected Maturity
Average Interest (Swap) Rate

Fiscal year (dollars in millions)	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value 4/28/2013
Liabilities								
Long-term debt, including current portion								
Fixed rate	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1	\$ 1,002.5	\$ 1,003.3	\$ 1,050.7
Average interest rate	7.51%	7.52%	7.52%	7.52%	7.67%	7.67%		
Variable rate	\$ 0.2	\$ 0.2	\$	\$	\$ 154.9	\$	\$ 155.3	\$ 152.2
Average interest rate(1)	3.19%	3.32%	3.63%	4.15%	4.84%	0.00%		
Interest Rate Derivative Financial Instruments Related to Debt								
Interest rate swaps								
Pay fixed/receive variable	\$ 50.0	\$	\$	\$	\$	\$	\$ 50.0	
Average pay rate	4.00%							
Average receive rate	0.28%							

- (1) Represents the annual average LIBOR from the forward yield curve at April 28, 2013 plus the weighted average margin above LIBOR on all consolidated variable rate debt.

As of April 28, 2013, our senior secured credit facility consisted of variable rate debt based on LIBOR. The following table depicts the estimated impact on our annual interest expense for the relative changes in interest rate based upon current debt levels:

Increase to variable rate	Increase/(decrease) (in millions)
1%	\$ 1.3
2%	2.7
3%	4.0
4%	5.4
5%	6.8

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements are included in this report:

<u>Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting</u>	<u>44</u>
<u>Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements</u>	<u>45</u>
<u>Consolidated Balance Sheets April 28, 2013 and April 29, 2012</u>	<u>46</u>
Fiscal Years Ended April 28, 2013, April 29, 2012 and April 24, 2011	
<u>Consolidated Statements of Operations</u>	<u>47</u>
<u>Consolidated Statements of Comprehensive Income (Loss)</u>	<u>48</u>
<u>Consolidated Statements of Stockholders' Equity</u>	<u>49</u>
<u>Consolidated Statements of Cash Flows</u>	<u>50</u>
<u>Notes to Consolidated Financial Statements</u>	<u>51</u>
<u>Schedule II Valuation and Qualifying Accounts Fiscal Years Ended April 28, 2013, April 29, 2012 and April 24, 2011</u>	<u>87</u>

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Isle of Capri Casinos, Inc.

We have audited Isle of Capri Casinos, Inc.'s internal control over financial reporting as of April 28, 2013, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Isle of Capri Casinos, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Isle of Capri Casinos, Inc. maintained, in all material respects, effective internal control over financial reporting as of April 28, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Isle of Capri Casinos, Inc. as of April 28, 2013 and April 29, 2012, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for the fiscal years ended April 28, 2013, April 29, 2012, and April 24, 2011, and our report dated July 2, 2013, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

St. Louis, Missouri
July 2, 2013

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Isle of Capri Casinos, Inc.

We have audited the accompanying consolidated balance sheets of Isle of Capri Casinos, Inc. (the Company) as of April 28, 2013 and April 29, 2012, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for the fiscal years ended April 28, 2013, April 29, 2012, and April 24, 2011. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Isle of Capri Casinos, Inc. at April 28, 2013 and April 29, 2012, and the consolidated results of its operations and its cash flows for the years ended April 28, 2013, April 29, 2012, and April 24, 2011, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Isle of Capri Casinos, Inc.'s internal control over financial reporting as of April 28, 2013, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated July 2, 2013, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

St. Louis, Missouri
July 2, 2013

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ISLE OF CAPRI CASINOS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	April 28, 2013	April 29, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 68,469	\$ 94,461
Marketable securities	25,520	24,943
Accounts receivable, net of allowance for doubtful accounts of \$2,086 and \$2,502, respectively	11,077	6,941
Insurance receivable		7,497
Income taxes receivable	4,789	2,161
Deferred income taxes	1,573	627
Prepaid expenses and other assets	20,872	18,950
Assets held for sale		46,703
Total current assets	132,300	202,283
Property and equipment, net	1,034,026	950,014
Other assets:		
Goodwill	280,803	330,903
Other intangible assets, net	60,748	56,586
Deferred financing costs, net	27,230	13,205
Restricted cash and investments	11,417	12,551
Prepaid deposits and other	7,075	9,428
Total assets	\$ 1,553,599	\$ 1,574,970
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 415	\$ 5,393
Accounts payable	34,533	23,536
Accrued liabilities:		
Payroll and related	35,093	38,566
Property and other taxes	21,340	19,522
Interest	18,502	9,296
Progressive jackpots and slot club awards	16,579	14,892
Liabilities related to assets held for sale		4,362
Other	29,337	40,549
Total current liabilities	155,799	156,116
Long-term debt, less current maturities	1,156,469	1,149,038
Deferred income taxes	43,104	36,057
Other accrued liabilities	33,303	33,583
Other long-term liabilities	22,514	16,556
Stockholders' equity:		
Preferred stock, \$.01 par value; 2,000,000 shares authorized; none issued		
Common stock, \$.01 par value; 60,000,000 shares authorized; shares issued: 42,066,148 at April 28, 2013 and April 29, 2012	421	421
Class B common stock, \$.01 par value; 3,000,000 shares authorized; none issued		
Additional paid-in capital	246,214	247,855
Retained earnings (deficit)	(74,227)	(26,658)
Accumulated other comprehensive income (loss)	(247)	(855)

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Treasury stock, 2,470,128 shares at April 28, 2013 and 3,083,867 shares at April 29, 2012	172,161 (29,751)	220,763 (37,143)
Total stockholders' equity	142,410	183,620
Total liabilities and stockholders' equity	\$ 1,553,599	\$ 1,574,970

See accompanying notes to consolidated financial statements.

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ISLE OF CAPRI CASINOS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share amounts)

	Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011
Revenues:			
Casino	\$ 1,016,005	\$ 1,006,523	\$ 968,423
Rooms	31,851	32,438	32,144
Food, beverage, pari-mutuel and other	133,377	128,560	121,955
Insurance recoveries		9,637	
Gross revenues	1,181,233	1,177,158	1,122,522
Less promotional allowances	(216,034)	(199,787)	(185,861)
Net revenues	965,199	977,371	936,661
Operating expenses:			
Casino	156,179	153,743	142,642
Gaming taxes	255,105	251,780	242,949
Rooms	6,686	7,027	7,290
Food, beverage, pari-mutuel and other	42,472	41,281	40,559
Marine and facilities	56,421	57,225	55,211
Marketing and administrative	236,146	234,470	225,757
Corporate and development	33,953	40,248	42,709
Valuation charges	50,100	30,549	
Preopening expense	5,765	615	
Depreciation and amortization	73,419	76,050	77,613
Total operating expenses	916,246	892,988	834,730
Operating income	48,953	84,383	101,931
Interest expense	(89,461)	(87,905)	(91,935)
Interest income	502	819	1,903
Derivative income (expense)	748	439	(1,214)
Income (loss) from continuing operations before income taxes	(39,258)	(2,264)	10,685
Income tax provision	(6,732)	(15,119)	(6,950)
Income (loss) from continuing operations	(45,990)	(17,383)	3,735
Income (loss) from discontinued operations, including loss on sale, net of income tax benefit of \$0, \$2,026 and \$5,328 for the fiscal years ended 2013, 2012 and 2011, respectively	(1,579)	(112,370)	805
Net income (loss) attributable to common stockholders	\$ (47,569)	\$ (129,753)	\$ 4,540
Earnings (loss) per common share attributable to common stockholders basic:			
Income (loss) from continuing operations	\$ (1.17)	\$ (0.45)	\$ 0.11
Income (loss) from discontinued operations including gain on sale, net of income taxes	(0.04)	(2.90)	0.02
Net income (loss) attributable common stockholders	\$ (1.21)	\$ (3.35)	\$ 0.13

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Earnings (loss) per common share attributable to common stockholders diluted			
Income (loss) from continuing operations	\$	(1.17)	\$ (0.45) \$ 0.11
Income (loss) from discontinued operations including gain on sale, net of income taxes		(0.04)	(2.90) 0.02
Net income (loss) attributable common stockholders	\$	(1.21)	\$ (3.35) \$ 0.13
Weighted average basic shares		39,340,325	38,753,098 34,066,159
Weighted average diluted shares		39,340,325	38,753,098 34,174,717

See accompanying notes to consolidated financial statements.

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ISLE OF CAPRI CASINOS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011
Net income (loss)	\$ (47,569)	\$ (129,753)	\$ 4,540
Other comprehensive income, net of tax:			
Deferred hedge adjustment, net of income tax provision of \$357, \$789 and \$3,408 for 2013, 2012 and 2011, respectively	594	1,312	5,724
Unrealized gain (loss) on interest rate cap contracts, net of income tax provision (benefit) of \$8, \$41 and (\$19) for 2013, 2012 and 2011, respectively	14	68	(32)
Foreign currency translation adjustments			133
Other comprehensive income	608	1,380	5,825
Comprehensive income (loss)	\$ (46,961)	\$ (128,373)	\$ 10,365

See accompanying notes to the consolidated financial statements.

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ISLE OF CAPRI CASINOS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share amounts)

	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Accum. Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
Balance, April 25, 2010	36,771,730	\$ 367	\$ 201,464	\$ 98,555	\$ (8,060)	\$ (52,107)	\$ 240,219
Net income				4,540			4,540
Other comprehensive income (loss), net of tax					5,825		5,825
Common stock offering	5,300,000	53	51,174				51,227
Exercise of stock options	1,500		(2)			25	23
Issuance of deferred bonus shares	11,641	1					1
Forfeitures and other	(21,302)		(402)				(402)
Issuance of restricted stock			(5,816)			5,816	
Stock compensation expense			7,595				7,595
Balance, April 24, 2011	42,063,569	421	254,013	103,095	(2,235)	(46,266)	309,028
Net loss				(129,753)			(129,753)
Other comprehensive income (loss), net of tax					1,380		1,380
Exercise of stock options	2,000		13				13
Issuance of restricted stock	579		(9,123)			9,123	
Reduction of tax benefit from vested and exercised stock based compensation			(4,758)				(4,758)
Stock compensation expense			7,710				7,710
Balance, April 29, 2012	42,066,148	421	247,855	(26,658)	(855)	(37,143)	183,620
Net loss				(47,569)			(47,569)
Other comprehensive income (loss), net of tax					608		608
Exercise of stock options			(536)			1,204	668
Issuance of restricted stock			(6,188)			6,188	
Reduction of tax benefit from vested and exercised stock based compensation			(10)				(10)
Stock compensation expense			5,093				5,093
Balance, April 28, 2013	42,066,148	\$ 421	\$ 246,214	\$ (74,227)	\$ (247)	\$ (29,751)	\$ 142,410

See accompanying notes to consolidated financial statements.

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ISLE OF CAPRI CASINOS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011
Operating activities:			
Net income (loss)	\$ (47,569)	\$ (129,753)	\$ 4,540
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	73,419	83,526	89,040
Amortization and write-off of deferred financing costs	7,461	6,072	6,266
Amortization of debt discount	220	211	23
Valuation charges	51,600	143,113	
Deferred income taxes	5,728	11,176	2,508
Stock compensation expense	5,093	7,710	7,595
(Gain) loss on derivative instruments	(748)	(439)	1,214
Loss (gain) on disposal of assets	32	95	(296)
Changes in operating assets and liabilities:			
(Purchases) sales of trading securities	(578)	(2,769)	753
Accounts receivable	(3,567)	2,012	(460)
Income taxes receivable	(2,628)	1,705	4,243
Insurance receivable	7,497	(7,263)	(234)
Prepaid expenses and other assets	(109)	8,468	7,426
Accounts payable and accrued liabilities	20,191	(5,805)	1,066
Net cash provided by operating activities	116,042	118,059	123,684
Investing activities:			
Purchase of property and equipment	(153,192)	(75,177)	(58,600)
Proceeds from divestitures	33,200	14,784	
Payments towards gaming license	(5,000)		
Net cash paid for acquisitions			(76,167)
Restricted cash and investments	1,543	344	(9,870)
Net cash used in investing activities	(123,449)	(60,049)	(144,637)
Financing activities:			
Proceeds from long-term debt borrowings	700,000		297,792
Net borrowings (repayments) on line of credit	154,900	(33,000)	11,500
Principal repayments on long-term debt	(852,667)	(5,374)	(317,609)
Payment of deferred financing costs	(21,486)	(366)	(14,823)
Proceeds from exercise of stock options ^a and issuance of common stock	668	13	51,250
Net cash (used in) provided by financing activities	(18,585)	(38,727)	28,110
Effect of foreign currency exchange rates on cash			(48)
Net increase (decrease) in cash and cash equivalents	(25,992)	19,283	7,109
Cash and cash equivalents at beginning of year	94,461	75,178	68,069
Cash and cash equivalents at end of year	\$ 68,469	\$ 94,461	\$ 75,178

See accompanying notes to consolidated financial statements.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(amounts in thousands, except share and per share amounts)

1. Organization

Organization Isle of Capri Casinos, Inc., a Delaware corporation, was incorporated in February 1990. Except where otherwise noted, the words "we," "us," "our" and similar terms, as well as "Company," refer to Isle of Capri Casinos, Inc. and all of its subsidiaries. We are a leading developer, owner and operator of branded gaming facilities and related lodging and entertainment facilities in markets throughout the United States. Our wholly owned subsidiaries own and operate fourteen casino gaming facilities in the United States located in Black Hawk, Colorado; Lake Charles, Louisiana; Lula, Natchez and Vicksburg, Mississippi; Kansas City, Boonville, Cape Girardeau and Caruthersville, Missouri; Bettendorf, Davenport, Marquette and Waterloo, Iowa; and Pompano Beach, Florida. We completed construction of our new gaming facility at the Nemaquin Woodlands Resort in western Pennsylvania which opened July 1, 2013.

2. Summary of Significant Accounting Policies

Basis of Presentation The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated. We view each property as an operating segment and all operating segments have been aggregated into one reporting segment.

Discontinued operations include our Biloxi, Mississippi property sold in November 2012 and our former casinos in Dudley and Wolverhampton, England sold in November 2009. Prior to the sale, assets and liabilities related to our Biloxi operations were classified as assets held for sale and liabilities related to assets held for sale in our consolidated balance sheet as of April 29, 2012.

Fiscal Year-End Our fiscal year ends on the last Sunday in April. Periodically, this system necessitates a 53-week year. Fiscal year 2013 is a 52-week year, which commenced on April 30, 2012, fiscal year 2012 was a 53-week year, which commenced on April 25, 2011, with the fourth quarter having 14 weeks, and fiscal year 2011 was a 52-week year, which commenced on April 26, 2010. Fiscal 2014 will be a 52-week year.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents We consider all highly liquid investments purchased with an original maturity of three months or less as cash equivalents. Cash also includes the minimum operating cash balances required by state regulatory bodies, which totaled \$25,256 and \$24,778 at April 28, 2013 and April 29, 2012, respectively.

Marketable Securities Marketable securities consist primarily of trading securities held by our captive insurance subsidiary. The trading securities are primarily debt and equity securities that are purchased with the intention to resell in the near term. The trading securities are carried at fair value with changes in fair value recognized in current period income in the accompanying statements of operations.

Inventories Inventories are stated at the lower of weighted average cost or market value.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment Property and equipment are stated at cost or if purchased through a business acquisition, the value determined under purchase accounting. We capitalize the cost of purchased property and equipment and capitalize the cost of improvements to property and equipment that increases the value or extends the useful lives of the assets. Costs of normal repairs and maintenance are charged to expense as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

	Years
Slot machines, software and computers	3 - 5
Furniture, fixtures and equipment	5 - 10
Leasehold improvements	Lesser of life of lease or estimated useful life
Buildings and improvements	7 - 39.5

Certain property currently leased in Bettendorf, Iowa and at the Nemaquin Woodlands Resort in Pennsylvania is accounted for in accordance with Accounting Standards Codification ("ASC") Topic 840, Leases ("ASC 840").

We periodically evaluate the carrying value of long-lived assets to be held and used in accordance with ASC Topic 360, Property, Plant and Equipment ("ASC 360") which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the estimated fair market value of the long-lived assets.

Capitalized Interest The interest cost associated with major development and construction projects is capitalized and included in the cost of the project. When no debt is incurred specifically for a project, interest is capitalized on amounts expended on the project using the weighted-average cost of our borrowings. Capitalization of interest ceases when the project is substantially complete or development activity is suspended. Capitalized interest was \$2,647, \$1,105, and \$125 for fiscal years 2013, 2012 and 2011, respectively.

Restricted Cash and Investments We classify cash and investments which are either statutorily or contractually restricted as to its withdrawal or usage as restricted cash short-term, included in prepaid expenses and other assets, or restricted cash and investments long-term based on the duration of the underlying restriction. Restricted cash primarily includes amounts related to state tax bonds and other gaming-related bonds, and amounts held in escrow related to leases. Restricted investments relate to trading securities pledged as insurance reserves by our captive insurance company.

Goodwill and Other Intangible Assets Goodwill represents the excess of cost over the net identifiable tangible and intangible assets of acquired businesses and is stated at cost, net of impairments, if any. Other intangible assets include values attributable to acquired gaming licenses, customer lists, and trademarks. ASC Topic 350, Intangibles Goodwill and Other ("ASC 350") requires these assets be reviewed for impairment at least annually or on an interim basis if indicators of

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

2. Summary of Significant Accounting Policies (Continued)

impairment exist. We perform our annual impairment test during our fourth quarter. If necessary, goodwill for relevant reporting units is tested for impairment using: 1) a discounted cash flow analysis based on forecasted future results discounted at the weighted average cost of capital and, 2) by using a market approach based upon public trading and recent transaction valuation multiples for similar companies. For intangible assets with indefinite lives not subject to amortization, we review, at least annually, the continued use of an indefinite useful life. If these intangible assets are determined to have a finite useful life, they are amortized over their estimated remaining useful lives.

Deferred Financing Costs The costs of issuing long-term debt are capitalized and amortized using the effective interest method over the term of the related debt.

Self-Insurance We are self-funded up to a maximum amount per claim for employee-related health care benefits, workers' compensation and general liabilities. Claims in excess of this maximum are fully insured through stop-loss insurance policies. We accrue for workers' compensation and general liabilities on a discounted basis based on claims filed and estimates of claims incurred but not reported. The estimates have been discounted at 0.8% and 1.1% at April 28, 2013 and April 29, 2012, respectively, or a discount of \$593 and \$949, respectively. We utilize independent consultants to assist management in its determination of estimated insurance liabilities. As of April 28, 2013 and April 29, 2012, we have accrued \$28,609 and \$33,514, respectively, for employee-related health care, workers' compensation and general liability claims. Accruals for employee health care and workers compensation are included in accrued liabilities payroll and accruals for general liabilities are included in accrued liabilities other in the accompanying consolidated balance sheets. While the total cost of claims incurred depends on future developments, in management's opinion, recorded reserves are adequate to cover future claims payments.

Derivative Instruments and Hedging Activities ASC Topic 815, Derivatives and Hedging ("ASC 815") requires we recognize all of our derivative instruments as either assets or liabilities in the consolidated balance sheet at fair value and disclose certain qualitative and quantitative information. We utilize derivative financial instruments to manage interest rate risk associated with a portion of our variable rate borrowings. Derivative financial instruments are intended to reduce our exposure to interest rate volatility. At April 28, 2013, we have one interest rate swap contract which is accounted for as an ineffective hedge.

Revenue Recognition In accordance with gaming industry practice, we recognize casino revenues as the net win from gaming activities. Casino revenues are net of accruals for anticipated payouts of progressive slot jackpots and certain table games wherein incremental jackpot amounts owed are accrued for games in which certain wagers add to the jackpot total. Revenues from rooms, food, beverage, entertainment and the gift shop are recognized at the time the related service or sale is performed or realized.

Promotional Allowances The retail value of rooms, food and beverage and other services furnished to guests without charge or at a discount is included in gross revenues and then deducted as promotional allowances to arrive at net revenues included in the accompanying consolidated statements of operations. We also record the redemption of coupons and points for cash as promotional

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

2. Summary of Significant Accounting Policies (Continued)

allowances. The estimated cost of providing such complimentary services from continuing operations are included in casino expense in the accompanying consolidated statements of operations as follows:

	Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011
Rooms	\$ 8,979	\$ 8,603	\$ 8,043
Food and beverage	63,314	60,252	52,905
Other	653	987	991
Total cost of complimentary services	\$ 72,946	\$ 69,842	\$ 61,939

Players Club Awards We provide patrons with rewards based on the amounts wagered on casino games. A liability has been established based on the estimated value of these outstanding rewards, considering the age of the points and prior redemption history.

Advertising Advertising costs are expensed the first time the related advertisement appears. Total advertising costs from continuing operations were \$33,808, \$33,207, and \$32,033 in fiscal years 2013, 2012 and 2011, respectively.

Operating Leases We recognize rent expense for each lease on the straight line basis, aggregating all future minimum rent payments including any predetermined fixed escalations of the minimum rentals. Our liabilities include the aggregate difference between rent expense recorded on the straight-line basis and amounts paid under the leases.

Development Costs We pursue development opportunities for new gaming facilities in an ongoing effort to expand our business. In accordance with ASC Topic 720, Other Expenses ("ASC 720"), costs related to projects in the development stage are recorded as a development expense, except for those costs capitalized in accordance with the guidance of ASC 720. Previously capitalized development costs are expensed when the development is deemed less than probable. Total development costs expensed from continuing operations were recorded in the consolidated statements of operations in corporate and development expenses.

Pre-Opening Costs We expense pre-opening costs as incurred. Pre-opening costs include payroll, outside services, advertising, insurance, utilities, travel and various other expenses related to new operations prior to opening.

Income Taxes We account for income taxes in accordance ASC Topic 740, Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred income tax liabilities, and deferred income tax assets, net of valuation allowances related to net operating loss carry forwards and certain temporary differences. Recognizable future tax benefits are subject to a valuation allowance, unless such tax benefits are determined to be more likely than not realizable. We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense.

Earnings (Loss) Per Common Share In accordance with the guidance of ASC 260, Earnings Per Share ("ASC 260"), basic earnings (loss) per share ("EPS") is computed by dividing net income (loss)

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

2. Summary of Significant Accounting Policies (Continued)

applicable to common stock by the weighted average common shares outstanding during the period. Diluted EPS reflects the additional dilution related to all potentially dilutive securities such as stock options. Any potentially dilutive securities with an exercise price in excess of the average market price of our common stock during the periods presented are not considered when calculating diluted earnings per share calculations as they would be anti-dilutive.

Stock Compensation Our stock based compensation is accounted for in accordance with ASC Topic 718, Compensation - Stock Compensation ("ASC 718"). Stock compensation cost is measured at the grant date, based on the estimated fair value of the award and is recognized as expense on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

Allowance for Doubtful Accounts We reserve for receivables that may not be collected. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific reserves.

Fair Value Measurements We follow the guidance of ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820") for our financial assets and liabilities including marketable securities, restricted cash and investments and derivative instruments. ASC 820 provides a framework for measuring the fair value of financial assets and liabilities. A description of the valuation methodologies used to measure fair value, key inputs, and significant assumptions follows:

Marketable securities The estimated fair values of our marketable securities are determined on an individual asset basis based upon quoted prices of identical assets available in active markets, quoted prices of identical assets in inactive markets, or quoted prices for similar assets in active and inactive markets, and represent the amounts we would expect to receive if we sold these marketable securities.

Restricted cash and investments The estimated fair values of our restricted cash and investments are based upon quoted prices available in active markets and represent the amounts we would expect to receive if we sold these restricted cash and investments.

Derivative instruments The estimated fair value of our derivative instruments is based on market prices obtained from dealer quotes, which are based on interest yield curves. Such quotes represent the estimated amounts we would receive or pay to terminate the contracts.

Recently Adopted Accounting Standards In June 2011, the FASB issued Update No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income," which allows for the presentation of total comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the guidance eliminates the option of presenting the components of other comprehensive income as part of the statement of changes in stockholders' equity. During fiscal 2013, we adopted this standard, which impacted where we disclose the components of other comprehensive income in our consolidated financial statements.

Table of Contents**ISLE OF CAPRI CASINOS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(amounts in thousands, except share and per share amounts)

2. Summary of Significant Accounting Policies (Continued)

In July 2012, the FASB issued Update No. 2012-02, "Intangibles Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment," which amends ASC 350 "Intangibles Goodwill and Other." This update permits entities to make a qualitative assessment to determine whether the existence of events and circumstances indicates that it is more likely than not that an indefinite-lived intangible asset is impaired. The outcome of this qualitative assessment is used as a basis for determining whether it is necessary to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount of the asset. This update is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. During fiscal 2013, we adopted this standard, which did not materially impact our consolidated financial statements.

3. Discontinued Operations

Discontinued operations includes our casino in Biloxi, Mississippi, sold in November 2012, and our former casinos in Dudley and Wolverhampton, England ("Blue Chip") sold in November 2009.

The results of our discontinued operations are summarized as follows:

	Discontinued Operatons		
	Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011
Net revenues	\$ 36,107	\$ 67,454	\$ 68,334
Valuation charges	(1,500)	(112,564)	
Pretax (loss) income from discontinued operations	(1,579)	(114,396)	(4,523)
Income tax benefit from discontinued operations		2,026	5,328
Income (loss) from discontinued operations	(1,579)	(112,370)	805

We completed the sale of our Biloxi, Mississippi casino operations in November 2012. The balance sheet items related to Biloxi were classified as held for sale at April 29, 2012 and the results of operations are presented as discontinued operations for all periods presented. During fiscal 2012, we entered into a definitive purchase agreement to sell our Biloxi casino operations. As a result, we recorded a non-cash pretax valuation charge of \$112,564 to reduce the carrying value of Biloxi's net assets held for sale to the expected net realizable value upon completion of the sale transaction. The income tax benefit of \$2,026 recorded in discontinued operations for fiscal 2012 is net of a valuation allowance of \$41,029. During fiscal 2013, we recorded a \$1,500 valuation allowance reflecting a credit against the purchase price to satisfy our obligation to repair the property after Hurricane Isaac, as required by the purchase agreement.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

3. Discontinued Operations (Continued)

The assets held for sale and liabilities related to assets held for sale are as follows:

	April 29, 2012
Current assets:	
Accounts receivable, net	\$ 414
Prepaid expenses and other assets	1,289
Total current assets	1,703
Property and equipment, net	45,000
Total assets	46,703
Current liabilities	
Accounts payable	1,626
Other accrued liabilities	2,736
Total current liabilities	4,362
Net assets	\$ 42,341

During fiscal 2011, we recognized an after-tax gain of \$2,658 including certain tax benefits upon completion of the Blue Chip administration process. We also recognized a tax benefit of \$794 in discontinued operations representing the resolution of previously unrecognized tax positions related to Blue Chip following the completion of certain federal tax reviews.

Interest income of \$2, \$5, and \$13 for fiscal years 2013, 2012, and 2011, respectively, has been allocated to discontinued operations. No interest expense was allocated to our discontinued operations as no third-party debt was assumed by the purchaser.

4. Property and Equipment, Net

Property and equipment, net consists of the following:

	April 28, 2013	April 29, 2012
Property and equipment:		
Land and land improvements	\$ 197,896	\$ 177,524
Leasehold improvements	145,708	146,095
Buildings and improvements	709,133	632,137
Riverboats and floating pavilions	124,485	123,933
Furniture, fixtures and equipment	535,132	495,469
Construction in progress	46,413	68,000
Total property and equipment	1,758,767	1,643,158
Less accumulated depreciation and amortization	(724,741)	(693,144)
Property and equipment, net	\$ 1,034,026	\$ 950,014

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

4. Property and Equipment, Net (Continued)

We recorded depreciation expense of \$72,581, \$72,213, and \$72,892 for our continuing operations for the fiscal years ended 2013, 2012, and 2011, respectively.

5. Goodwill and Other Intangible Assets

A roll forward of goodwill is as follows:

Balance, April 24, 2011	\$ 345,303
Impairment charge	(14,400)
Balance, April 29, 2012	330,903
Impairment charge	(50,100)
Balance, April 28, 2013	\$ 280,803

Goodwill includes accumulated impairment losses of \$79,301.

Other intangible assets consist of the following:

	April 28, 2013			April 29, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived assets						
Gaming licenses	\$ 44,342	\$	\$ 44,342	\$ 44,342	\$	\$ 44,342
Trademarks	7,149		7,149	7,149		7,149
Intangible assets subject to amortization						
Customer lists	15,393	(15,393)		15,393	(15,393)	
Gaming licenses	5,000		5,000			
Trade name	544	(544)		544	(544)	
Customer relationships	6,700	(2,443)	4,257	6,700	(1,605)	5,095
Total	\$ 79,128	\$ (18,380)	\$ 60,748	\$ 74,128	\$ (17,542)	\$ 56,586

Our indefinite-lived intangible assets consist primarily of gaming licenses and trademarks for which it is reasonably assured that we will continue to renew indefinitely. Our finite-lived assets consist of customer lists amortized over 2 to 4 years, a trade name amortized over 1.5 years, and customer relationships amortized over 8 years. The weighted average remaining life of our customer relationships is approximately 5.1 years. During 2013 we expended \$5,000 for a slot license related to our gaming operations at the Nemaocolin Woodlands Resort. Subsequent to year-end, we expended an additional \$7,500 for a table license for our Nemaocolin gaming operations. Upon commencement of gaming operations at Nemaocolin on July 1, 2013, we began amortizing these licenses over 30 years, which is the term of our Nemaocolin management agreement including all extensions.

We recorded amortization expense of \$838, \$3,837, and \$4,721 for our intangible assets subject to amortization related to our continuing operations for the fiscal years ended 2013, 2012, and 2011, respectively.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

5. Goodwill and Other Intangible Assets (Continued)

Future amortization expense of our amortizable intangible assets, including the \$12,500 in gaming licenses for Nemaocolin, is as follows:

2014	\$	1,185
2015		1,254
2016		1,254
2017		1,254
2018		1,254
Thereafter		10,556
Total	\$	16,757

6. Long-Term Debt

Long-term debt consists of the following:

	April 28, 2013	April 29, 2012
Senior Secured Credit Facility:		
Revolving line of credit, expires April 19, 2018, interest payable at least quarterly at either LIBOR and/or prime plus a margin	\$ 154,900	\$
Variable rate term loans, mature November 1, 2013, principal and interest payments due quarterly at either LIBOR and/or prime plus a margin		495,000
5.875% Senior Notes, interest payable semi-annually March 15 and September 15	350,000	
7.75% Senior Notes, interest payable semi-annually March 15 and September 15, net of discount	298,246	298,026
8.875% Senior Subordinated Notes, interest payable semi-annually June 15 and December 15	350,000	
7% Senior Subordinated Notes, interest payable semi-annually March 1 and September 1		357,275
Other	3,738	4,130
	1,156,884	1,154,431
Less current maturities	415	5,393
Long-term debt	\$ 1,156,469	\$ 1,149,038

Senior Secured Credit Facility, as amended and restated Our Credit Facility as amended and restated ("Credit Facility") consists of a \$300,000 revolving line of credit. The Credit Facility is secured on a first priority basis by substantially all of our assets and guaranteed by substantially all of our significant subsidiaries. During Fiscal 2013 and on July 2, 2013, we entered into agreements amending our Credit Facility to 1) extend the maturity date to April 19, 2018 and fully repay and cancel our outstanding term loan of \$490,000 with proceeds from our 5.875% Senior Notes issuance and borrowings under the revolving line of our Credit Facility; 2) give us more flexibility to incur additional indebtedness, in certain circumstances; 3) increase our flexibility to incur asset sales; 4) allow for the annualization of EBITDA during the first year of operations on new build projects; and 5) modify our maximum allowed leverage and minimum interest coverage ratio covenants.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

6. Long-Term Debt (Continued)

Our net revolving line of credit availability at April 28, 2013, as limited by our maximum consolidated total leverage ratio, was approximately \$90,000, after consideration of \$55,000 in outstanding surety bonds and letters of credit. We have an annual commitment fee related to the unused portion of the Credit Facility of up to 0.5% which is included in interest expense in the accompanying consolidated statements of operations. The weighted average effective interest rates of the Credit Facility for fiscal years 2013 and 2012 were 5.21% and 5.46%, respectively.

The Credit Facility includes a number of affirmative and negative covenants. Additionally, we must comply with certain financial covenants including maintenance of a total leverage ratio, senior secured leverage ratio and minimum interest coverage ratio. The Credit Facility also restricts our ability to make certain investments or distributions. We were in compliance with the covenants as of April 28, 2013.

We accounted for our fiscal 2013 amendments in accordance with ASC 470-50, Debt Modifications and Extinguishments. We incurred non-cash charges, included in the statement of operations for the year ended April 28, 2013, of \$2,236 related to the write-off of certain unamortized deferred financing costs. In addition, we capitalized new deferred financing costs of \$6,288.

In connection with a previous amendment, we incurred expenses, included in the statement of operations for the year ended April 24, 2011, of approximately \$6,155 related to fees and the write-off of certain unamortized deferred financing costs, of which approximately \$3,167 was non-cash, and capitalized deferred financing costs of \$9,477.

5.875% Senior Notes In March 2013 we issued \$350,000 of 5.875% Senior Notes due 2021 ("5.875% Senior Notes"). The net proceeds from the issuance were used to repay term loans under our Credit Facility. The 5.875% Senior Notes are guaranteed, on a joint and several basis, by substantially all of our significant subsidiaries and certain other subsidiaries as described in Note 20. All of the guarantor subsidiaries are wholly owned by us. The 5.875% Senior Notes are general unsecured obligations and rank junior to all of our senior secured indebtedness and senior to our senior subordinated indebtedness. The 5.875% Senior Notes are redeemable, in whole or in part, at our option at any time on or after June 15, 2016, with call premiums as defined in the indenture governing the 5.875% Senior Notes. We received net proceeds of \$343,400 for this issuance after deducting underwriting fees. As a result of the issuance, we capitalized deferred financing costs of \$7,060 in fiscal 2013.

As required by the terms of a registration rights agreement related to the 5.875% Senior Notes, we filed a registration statement for an exchange offer of these 5.875% Senior Notes with the Securities and Exchange Commission on March 22, 2013, which was declared effective on April 30, 2013. In June 2013, pursuant to the exchange offer declared effective on April 30, 2013, we exchanged all of the unregistered 5.875% Senior Notes for identical new 5.875% Senior Notes registered under the Securities Act of 1933, as amended.

7.75% Senior Notes On March 7, 2011, we issued \$300,000 of 7.75% Senior Notes due 2019 at a price of 99.264% ("7.75% Senior Notes"). The net proceeds from the issuance were used to repay term loans under our Credit Facility. The 7.75% Senior Notes are guaranteed, on a joint and several basis, by substantially all of our significant subsidiaries and certain other subsidiaries as described in Note 20.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

6. Long-Term Debt (Continued)

All of the guarantor subsidiaries are wholly owned by us. The 7.75% Senior Notes are general unsecured obligations and rank junior to all of our senior secured indebtedness and senior to our senior subordinated indebtedness. The 7.75% Senior Notes are redeemable, in whole or in part, at our option at any time on or after March 15, 2015, with call premiums as defined in the indenture governing the 7.75% Senior Notes. As a result of the issuance, we capitalized deferred financing costs of \$5,346 in fiscal 2011 and \$275 in fiscal 2012.

The indentures governing the 5.875% and 7.75% Senior Notes limit, among other things, our ability and our restricted subsidiaries ability to borrow money, make restricted payments, use assets as security in other transactions, enter into transactions with affiliates, pay dividends, or repurchase stock. The indentures also limit our ability to issue and sell capital stock of subsidiaries, sell assets in excess of specified amounts or merge with or into other companies.

8.875% Senior Subordinated Notes On August 7, 2012, we completed the issuance and sale of \$350,000 of 8.875% Senior Subordinated Notes due 2020 ("8.875% Senior Subordinated Notes"). We received net proceeds of \$343,000 for this issuance after deducting underwriting fees. We repurchased and retired all of our \$357,275, 7% Senior Subordinated Notes with proceeds from the issuance of the 8.875% Senior Subordinated Notes and cash on hand.

As a result of the issuance and retirement, we incurred expenses related to the write-off of deferred financing costs, issuance costs and other related fees of approximately \$2,500, including \$1,000 in non-cash charges, and capitalized deferred financing costs of \$8,137 in fiscal 2013.

The 8.875% Senior Subordinated Notes are guaranteed, on a joint and several basis, by substantially all of our significant subsidiaries and certain other subsidiaries as described in Note 20. All of the guarantor subsidiaries are wholly owned by us. The 8.875% Senior Subordinated Notes are general unsecured obligations and rank junior to all of our senior indebtedness. The 8.875% Senior Subordinated Notes are redeemable, in whole or in part, at our option at any time on or after June 15, 2016, with call premiums as defined in the indenture governing the 8.875% Senior Subordinated Notes.

The indenture governing the 8.875% Senior Subordinated Notes limits, among other things, our ability and our restricted subsidiaries ability to borrow money, make restricted payments, use assets as security in other transactions, enter into transactions with affiliates, pay dividends, or repurchase stock. The indenture also limits our ability to issue and sell capital stock of subsidiaries, sell assets in excess of specified amounts or merge with or into other companies.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

6. Long-Term Debt (Continued)

Future Principal Payments of Long-term Debt The aggregate principal payments due on long-term debt as of April 28, 2013 over the next five years and thereafter, are as follows:

Fiscal Years Ending:	
2014	\$ 414
2015	440
2016	170
2017	112
2018	155,016
Thereafter	1,002,486
	1,158,638
Unamortized debt discount	(1,754)
	\$ 1,156,884

7. Other Long-Term Obligations

Nemacolin Woodlands Resort We entered into agreements to construct and manage a casino at the Nemacolin Woodland Resort ("Resort") in Pennsylvania. Under terms of the agreements, the Resort has provided land, land improvements and a building for development into a casino property. The Company was deemed, for accounting purposes only, to be the owner of these assets provided by the Resort during the construction period. As of April 28, 2013, we have recorded \$6,100 as an asset of property, plant and equipment and a liability of other long-term obligations under ASC 840 related to the agreement.

Quad-Cities Waterfront Convention Center We entered into agreements with the City of Bettendorf, Iowa under which the City constructed a convention center which opened in January 2009, adjacent to our hotel. We lease, manage, and provide financial and operating support for the convention center. The Company was deemed, for accounting purposes only, to be the owner of the convention center during the construction period. Upon completion of the convention center we were precluded from accounting for the transaction as a sale and leaseback due to our continuing involvement. Therefore, we are accounting for the transaction using the direct financing method. As of April 28, 2013, we have recorded in other long-term obligations \$16,414 related to our liability under ASC 840 related to the convention center. Under the terms of our agreements for the convention center, we have guaranteed certain obligations related to \$13,815 of notes issued by the City of Bettendorf, Iowa for the convention center.

The other long term obligations will be reflected in our consolidated balance sheets until completion of the applicable management or lease agreement terms, at which time the related fixed assets, net of accumulated depreciation, will be removed from our consolidated financial statements and the net remaining obligation over the net carrying value of the associated fixed asset will be recognized as a gain (loss) on sale of the facility.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

7. Other Long-Term Obligations (Continued)

Future minimum payments due under other long-term obligations, including interest, as of April 28, 2013 as follows:

Fiscal Years Ending:	
2014	\$ 1,140
2015	1,729
2016	1,767
2017	1,767
2018	1,433
Thereafter	12,570
Total minimum payments	\$ 20,406

8. Valuation Charges

We recorded pretax valuation charges and expense recoveries from continuing operations as follows:

Fiscal 2013 Impairment charges of \$16,000 and \$34,100 related to goodwill was recorded at our Natchez and Lula, Mississippi properties, respectively, as a result of our annual impairment test required under ASC 350. The fair values used in our determination of the impairment charges considered discounted cash flows and market based valuation multiple methods. The Natchez goodwill impairment was a result of an expected decrease in future cash flows resulting from competition in the market during fiscal 2013 and the unfavorable economic conditions in the area. The Lula goodwill impairment was the result of an expected decrease in future cash flows as a result of the continued realignment of the gaming market and unfavorable economic conditions.

Fiscal 2012 An impairment charge of \$14,400 related to goodwill was recorded at our Lula, Mississippi property as a result of our annual impairment test required under ASC 350. The fair value used in our determination of the impairment charge considered discounted cash flow and market based valuation multiple methods. The impairment was a result of an expected decrease in future cash flows resulting from the prolonged recession and from realignment of market share following flooding during fiscal 2012.

In connection with the sale of Grand Palais Riverboat, Inc., including its gaming license, a riverboat gaming vessel and certain other equipment, we recorded a valuation charge of \$16,149 to reduce the carrying value of the net assets sold to the net proceeds realized upon sale during fiscal year 2012. This gaming license and riverboat were used as a portion of our Lake Charles, Louisiana gaming operations. We continue to operate a casino riverboat operation in Lake Charles.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

9. Flooding

Flooding along the Mississippi River caused five of our properties to close for portions of fiscal 2012. A summary of the closure dates and subsequent reopening is as follows:

	Closing Date	Reopening Date	Number Days Closed
Davenport, Iowa	April 15, 2011	May 1, 2011	15(A)
Caruthersville, Missouri	May 1, 2011	May 13, 2011	12
Lula, Mississippi	May 3, 2011	June 3, 2011	31
		September 2, 2011	91(B)
Natchez, Mississippi	May 7, 2011	June 17, 2011	41
Vicksburg, Mississippi	May 11, 2011	May 27, 2011	16

(A) Six days of closure in the first quarter of fiscal 2012 and nine days of closure in the fourth quarter of fiscal 2011.

(B) The second casino barge reopened on September 2, 2011 after flood damage was remediated.

During fiscal 2012 we settled all of our insurance claims with our insurance carrier and recognized \$9,637 of revenue, included in insurance recoveries in the consolidated statement of operations, as reimbursement under our business interruption insurance policies. We collected the insurance receivable recorded at April 29, 2012 during fiscal 2013.

10. Acquisition

Acquisition of Rainbow Casino On June 8, 2010 we completed the acquisition of Rainbow Casino-Vicksburg Partnership, L.P. ("Rainbow") located in Vicksburg, Mississippi.

Net revenue and income (loss) from continuing operations for fiscal 2011 related to Rainbow were \$27,935 and (\$1,724), respectively.

The pro forma results of operations, as if the acquisition of Rainbow had occurred on the first day of fiscal 2011 is as follows:

	Fiscal Year Ended April 24, 2011	
Pro forma		
Net revenues	\$	940,689
Income from continuing operations before income taxes		10,981
Net income from continuing operations		3,820
Basic earnings per share from continuing operations		0.11
Diluted earnings per share from continuing operations		0.11

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

11. Income Taxes

Income tax (benefit) provision from continuing operations consists of the following:

	Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011
Current:			
Federal	\$	\$ (415)	\$ (725)
State	1,005	2,333	(483)
	1,005	1,918	(1,208)
Deferred:			
Federal	3,888	15,628	4,818
State	1,839	(2,427)	3,340
	5,727	13,201	8,158
Income tax (benefit) provision	\$ 6,732	\$ 15,119	\$ 6,950

A reconciliation of income taxes from continuing operations at the statutory corporate federal tax rate of 35% to the income tax (benefit) provision reported in the accompanying consolidated statements of operations is as follows:

	Fiscal Year Ended		
	April 28, 2013	April 29, 2012	April 24, 2011
Statutory tax (benefit) provision	\$ (13,740)	\$ (792)	\$ 3,740
Effects of:			
State taxes, net of valuation allowance	733	(731)	2,303
Reduction of unrecognized tax benefits		(270)	
Other			
Lobbying	754	595	745
Employment tax credits	(681)	(1,095)	(588)
Fines & Penalties	205	58	81
Meals & Entertainment	73	64	74
Various permanent differences	62	(8)	28
Interest	161	(286)	423
Bahamas stock loss		(727)	
Debt basis differential		4,529	
Goodwill impairment	17,535	5,040	
Valuation allowance	1,450	8,742	
Other	180		144
Income tax (benefit) provision	\$ 6,732	\$ 15,119	\$ 6,950

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

11. Income Taxes (Continued)

Significant components of our domestic net deferred income tax asset (liability) are as follows:

	Fiscal Year Ended	
	April 28, 2013	April 29, 2012
Deferred tax liabilities:		
Property and equipment	\$ (50,835)	\$ (51,713)
Goodwill and intangibles	(33,622)	(26,740)
Gain on early extinguishment of debt	(22,131)	(21,641)
Other	(1,161)	(2,859)
Total deferred tax liabilities	(107,749)	(102,953)
Deferred tax assets:		
Net operating losses	80,370	36,244
Asset impairment		42,262
Employment tax credits	20,318	19,171
Accrued expenses	6,871	6,952
Alternative minimum tax credit	1,338	1,338
Other	13,750	15,771
Total deferred tax assets	122,647	121,738
Valuation allowance on deferred tax assets	(56,429)	(54,215)
Net deferred tax asset	66,218	67,523
Net deferred tax asset/(liability)	\$ (41,531)	\$ (35,430)

Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss and tax credit carryforwards. During fiscal year April 28, 2013, we evaluated the realizability of our deferred tax assets and performed an analysis of all available evidence, both positive and negative, consistent with the provisions of ASC 740-10-30-17. The three-year cumulative loss is a significant piece of negative evidence and while it is primarily the result of the fiscal year April 28, 2013 sale of the Isle Casino Hotel in Biloxi, Mississippi assets and not an indication of continuing operations, we are required to give objective historical evidence significantly more weight than subjective evidence, such as forecasts of future income. Accordingly, in the fiscal 2012 fourth quarter, the Company recorded a \$49,519 valuation allowance on its deferred tax assets. During fiscal year April, 28, 2013, an additional valuation allowance of \$2,214 was recorded. This allowance does not preclude us from utilizing the deferred tax assets in the future, nor does it reflect a change in our long-term outlook.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

11. Income Taxes (Continued)

A reconciliation of the beginning and ending amounts of valuation allowance is as follows:

	Federal	State	Total
Balance, April 24, 2011	\$	\$ 4,696	\$ 4,696
Provision, April 29, 2012	46,805	2,714	49,519
Balance, April 29, 2012	\$ 46,805	\$ 7,410	\$ 54,215
Current year (reduction) provision	(4,114)	6,328	2,214
Balance, April 28, 2013	\$ 42,691	\$ 13,738	\$ 56,429

We have determined that it is more likely than not that we will not be able to utilize \$42,691 of the federal deferred tax assets and \$13,738 of the state deferred tax assets and have established valuation allowances accordingly. We allocated the income tax provision and valuation allowance between continuing operations and discontinued operations consistent with the provisions of ASC 740.

At April 28, 2013, we have federal net operating loss carryforwards of \$176,157 for income tax purposes, with expiration dates from fiscal 2025 to 2033. Approximately \$53,165 of these net operating losses are attributable to IC Holdings Colorado, Inc. and its wholly-owned subsidiary CCSC/Blackhawk, Inc. ("IC Holdings, Inc. & Sub") and can only be used to offset income earned by these entities. The remaining federal net operating losses are subject to limitations under the internal revenue code and underlying treasury regulations, which may limit the amount ultimately utilized. We also have various state income tax net operating loss carryforwards totaling \$291,010 with expiration dates from fiscal 2022 to 2033. This includes both consolidated and separate company net operating loss carryforwards. If or when recognized, the tax benefits relating to any reversal of the valuation allowance on deferred tax assets as of April 28, 2013 will be accounted for as a reduction of income tax expense. We also have a federal general business and AMT credit carryforwards of \$21,656 for income tax purposes, with expiration dates from fiscal 2022 to 2033. Deferred income taxes related to NOL carryforwards have been classified as noncurrent to reflect the expected utilization of the carryforwards.

We account for unrecognized tax benefits in accordance with ASC 740. A reconciliation of the beginning and ending amounts of unrecognized tax benefits as follows:

	April 28, 2013	April 29, 2012	April 24, 2011
Beginning Balance	\$ 4,072	\$ 11,491	\$ 12,126
Gross increases tax positions in current period			
Gross increases tax positions in prior periods			144
Gross decreases tax positions in prior periods			(779)
Settlements			
Lapse of statute of limitations		(7,419)	
Ending Balance	\$ 4,072	\$ 4,072	\$ 11,491

Included in the balance of unrecognized tax benefits at April 28, 2013 and April 29, 2012 are \$2,647 of tax benefits that, if recognized, would affect the effective tax rate. There are no tax benefits in the balance of unrecognized tax benefits at April 28, 2013 that, if recognized, would result in adjustments to deferred taxes.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

11. Income Taxes (Continued)

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. Related to the unrecognized tax benefits noted above, we recorded interest expense of \$303, \$310 and \$460 in fiscal 2013, fiscal 2012 and fiscal 2011 respectively, related to prior periods. We accrued no penalties during the fiscal year ended 2013. In total, as of April 28, 2013 and April 29, 2012, we have recognized a liability of \$2,363 and \$2,060 respectively, for interest and no amount for penalties.

We believe that an increase in unrecognized tax benefits related to federal and state exposures in the coming year, though possible, cannot be reasonably estimated and will not be significant. In addition, we believe that it is reasonably possible that an amount between \$0 and \$2,647 of our currently remaining unrecognized tax positions may be recognized by the end of the fiscal year ending April 27, 2014. These amounts relate to positions taken on Mississippi income tax returns for the fiscal years ending April 2002 through April 2008. The Mississippi Department of Revenue has completed its examination of the income tax returns for these years and has issued its assessment. We have appealed the assessment and the court ruled in our favor at the motion for summary judgment hearing held during the fiscal year ended April 28, 2013. The Mississippi Department of Revenue has appealed this ruling. We expect to resolve this issue during the next twelve months.

On April 30, 2011, the Federal statute of limitation for the fiscal years ending April 30, 2006 and April 29, 2007 lapsed. Consequently, we recognized approximately \$6,704 of Federal and \$475 of state tax benefits and interest income of \$404 related to prior periods during the fiscal year ended April 29, 2012.

We file income tax returns in the U.S. Federal jurisdiction and various state jurisdictions. Our unrecognized state tax benefits are related to state tax returns open from tax years 2004 through 2013 depending on each state's statute of limitations.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

12. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings (loss) per share (in thousands, except share and per share amounts):

	April 28, 2013	Fiscal Year Ended April 29, 2012	April 24, 2011
Numerator:			
Income (loss) applicable to common shares:			
Income (loss) from continuing operations attributable to common stockholders	\$ (45,990)	\$ (17,383)	\$ 3,735
Income (loss) from discontinued operations	(1,579)	(112,370)	805
Net income (loss) attributable to the common stockholders	\$ (47,569)	\$ (129,753)	\$ 4,540
Denominator:			
Denominator for basic earnings (loss) per share weighted average shares	39,340,325	38,753,098	34,066,159
Effect of dilutive securities			
Employee stock options			108,558
Denominator for diluted earnings (loss) per share adjusted weighted average shares and assumed conversions	39,340,325	38,753,098	34,174,717
Basic earnings (loss) per share attributable to common stockholders			
Income (loss) from continuing operations	\$ (1.17)	\$ (0.45)	\$ 0.11
Income (loss) from discontinued operations	(0.04)	(2.90)	0.02
Net income (loss) attributable to common stockholders	\$ (1.21)	\$ (3.35)	\$ 0.13
Diluted earnings (loss) per share attributable to common stockholders			
Income (loss) from continuing operations	\$ (1.17)	\$ (0.45)	\$ 0.11
Income (loss) from discontinued operations	(0.04)	(2.90)	0.02
Net income (loss) attributable to common stockholders	\$ (1.21)	\$ (3.35)	\$ 0.13

During January 2011, we completed the sale of 5,300,000 shares of common stock generating net proceeds of \$51,227. Proceeds from our equity offering were used to repay long-term debt.

Due to the loss from continuing operations, stock options representing 25,367 shares, which are potentially dilutive and 904,660 shares, which were anti-dilutive, were excluded from the calculation of common shares for diluted earnings per share for fiscal 2013. Due to the loss from continuing operations, stock options representing 21,845 shares, which are potentially dilutive and 1,161,710 shares, which were anti-dilutive, were excluded from the calculation of common shares for diluted earnings per share for fiscal 2012. Stock options representing 469,710 shares, which were anti-dilutive, were excluded from the calculation of common shares for diluted earnings per share for fiscal 2011. As the minimum market performance conditions related to our restricted stock units have not been achieved as of

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

12. Earnings Per Share (Continued)

April 28, 2013, 1,714,286 units have been excluded from the calculation of diluted earnings per share for fiscal 2013.

13. Stock Based Compensation

Under our amended and restated Long Term Incentive Plan, we have issued restricted stock units, restricted stock and stock options.

Restricted Stock Units During fiscal 2013 we granted restricted stock units ("RSUs") containing market performance conditions which will determine the ultimate amount of RSUs, if any, to be awarded up to 1,714,286 units. Any RSUs earned will vest 50% on April 26, 2015 and 50% on April 24, 2016. The fair value of these RSUs is determined utilizing a lattice pricing model which considers a range of assumptions including volatility and risk-free interest rates. The aggregate compensation cost related to these RSUs is \$4,932 to be recognized over the vesting periods. Our current estimate of forfeitures is 0% and as of April 28, 2013, our unrecognized compensation cost for these RSUs is \$3,817.

Restricted Stock We issue shares of restricted common stock to employees and directors under our Long Term Incentive Plan. Restricted stock awarded to employees primarily vests one-third on each anniversary of the grant date and for directors' vests one-half on the grant date and one-half on the first anniversary of the grant date. Our aggregate estimate of forfeitures for restricted stock for employees and directors is 10% and 0%, respectively.

Stock Options We have issued incentive stock options and nonqualified stock options which have a maximum term of 10 years and are, generally, exercisable in yearly installments of 20% commencing one year after the date of grant. There were no stock options granted in fiscal 2013, 2012 or 2011.

Stock Compensation Expense Total stock compensation expense from continuing operations in the accompanying consolidated statements of operations was \$5,079, \$7,642, and \$7,442 for the fiscal years 2013, 2012, and 2011, respectively. We recognize compensation expense for these awards on a straight-line basis over the requisite service period for each separately vesting portion of the award.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

13. Stock Based Compensation (Continued)

Activity Under Our Share Based Plans A summary of restricted stock and option activity for fiscal 2013 is presented below:

	Restricted Stock	Weighted Average Grant-Date Fair Value	Options	Weighted Average Exercise Price
Outstanding at April 29, 2012	890,525	\$ 8.99	1,271,710	\$ 11.33
Granted	541,712	6.18		
Exercised			(100,000)	6.69
Vested	(599,566)	8.79		
Forfeited and expired	(27,973)	6.83	(157,050)	18.30
Outstanding at April 28, 2013	804,698	\$ 7.32	1,014,660	\$ 10.71
As of April 28, 2013:				
Outstanding exercisable options	n/a		952,660	\$ 10.83
Weighted average remaining contractual term	0.9 years		4.5	
Aggregate intrinsic value:				
Outstanding exercisable	n/a		\$ 213	
Outstanding	\$ 5,669		\$ 267	
Nonvested:				
Unrecognized compensation cost	\$ 1,934		\$ 59	
Weighted average remaining vesting period	0.9 years		1.0 years	

Additional information relating to our share based plans is as follows:

	April 28, 2013	April 29, 2012	April 24, 2011
Restricted Stock:			
Fair value of restricted stock vested during the year	\$ 5,272	\$ 7,317	\$ 4,457
Stock Options:			
Intrinsic value of stock options exercised	41	5	11
Proceeds from stock option exercises	668	13	23

We have 822,271, shares available for future issuance under our equity compensation plan as of April 28, 2013, assuming the maximum number of RSUs is awarded upon vesting. Upon issuance of restricted shares or exercise of stock options, shares may be issued from available treasury or common shares.

Tax effect of Stock Based Compensation Upon the exercise of certain stock options, vested restricted stock and vested RSUs, the tax benefit (provision) related to stock compensation, subject to certain limitations, is recognized as an addition to or deduction from additional paid in capital. During fiscal year 2013, we reduced our additional paid in capital by \$10, reflecting a tax provision related to the impact of restricted stock vesting. At April 28, 2013, we have deferred \$1,433 of tax benefits associated with stock exercises and restricted stock vesting due to our net operating loss position.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

13. Stock Based Compensation (Continued)

Stock Repurchase Our Board of Directors has approved a stock repurchase program, as amended, allowing up to 6,000,000 shares of our common stock to be repurchased. As of April 28, 2013, we have repurchased 4,895,792 shares of common stock, and retired 553,800 shares of common stock under this stock repurchase program. No shares were repurchased in fiscal years 2013, 2012 or 2011.

14. Deferred Compensation Plans

2005 Deferred Compensation Plan Our 2005 Deferred Compensation Plan (the "Plan"), as amended and restated, is an unfunded deferred compensation arrangement for the benefit of key management officers and employees of the Company and its subsidiaries. The terms of the Plan include the ability of the participants to defer, on a pre-tax basis, salary, and bonus payments in excess of the amount permitted under IRS Code Section 401(k). The terms also allow for a discretionary annual matching contribution by the Company. The Plan allows for the aggregation and investment of deferred amounts in notional investment alternatives, including units representing shares of our common stock. The liability related to the Plan as of April 28, 2013 and April 29, 2012 was \$3,545 and \$2,796, respectively, and is included in long-term other accrued liabilities in the consolidated balance sheets. Expense from continuing operations for our contributions related to the Plan was \$100, \$69 and \$53 in fiscal years 2013, 2012 and 2011, respectively.

15. Supplemental Disclosure of Cash Flow Information

For the fiscal years 2013, 2012 and 2011 we made cash payments for interest, net of capitalized interest of \$76,235, \$83,004, and \$84,506, respectively. We made income tax payments, net of refunds, of \$3,293 and \$1,547 for fiscal years 2013 and 2012, respectively, and collected an income tax refund, net of payments, of \$5,599 for fiscal year 2011.

For fiscal 2013, 2012 and 2011, the change in accrued purchase of property and equipment in accounts payable decreased by \$2,667 and increased by \$8,315 and \$1,642, respectively.

For fiscal 2013, 2012 and 2011, we capitalized interest of \$2,647, \$1,105 and \$125, respectively, primarily related to construction of our casino in Cape Girardeau, Missouri.

16. Employee Benefit Plan

401(k) Plan We have a 401(k) plan covering substantially all of our employees who have completed 90 days of service. Expense for our contributions for continuing operations related to the 401(k) plan was \$1,495, \$1,485, and \$1,242 in fiscal years 2013, 2012, and 2011, respectively. Our contribution is based on a percentage of employee contributions and may include an additional discretionary amount.

17. Interest Rate Derivatives

We have an interest rate derivative agreement in order to manage market risk on variable rate loans outstanding. We have an interest rate swap agreement with an aggregate notional value of \$50,000 with a maturity date in September 2013. Previously we had additionally entered into interest rate cap contracts, which matured prior to April 28, 2013.

Table of Contents**ISLE OF CAPRI CASINOS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(amounts in thousands, except share and per share amounts)

17. Interest Rate Derivatives (Continued)

The fair values of derivatives included in our consolidated balance sheet are as follows:

Type of Derivative Instrument	Balance Sheet Location	April 28, 2013	April 29, 2012
Interest rate swap contracts	Accrued interest	794	
Interest rate swap contracts	Other long-term liabilities		2,493

The interest rate cap agreements met the criteria for hedge accounting for cash flow hedges. As a result, there was no impact on our consolidated statement of operations from changes in fair value of the interest rate cap agreements. The loss recorded in accumulated other comprehensive income (loss) for our interest rate cap contracts was recorded net of deferred income tax benefits of \$8 as of April 29, 2012. The change in unrealized gain (loss) on our derivatives qualifying for hedge accounting was \$14 and \$68 for fiscal years 2013 and 2012, respectively.

Our interest rate swaps no longer meet the criteria for hedge effectiveness, and therefore changes in the fair value of the swaps subsequent to the date of ineffectiveness in February 2010, are recorded in derivative income in the consolidated statements of operations. The cumulative loss recorded in other comprehensive income (loss) through the date of ineffectiveness is being amortized into derivative expense over the remaining term of the individual interest rate swap agreements or when the underlying transaction is no longer expected to occur. As of April 28, 2013, the weighted average fixed LIBOR interest rate of our interest rate swap agreements was 3.995%.

The loss recorded in accumulated other comprehensive income (loss) of our interest rate swap contracts is recorded net of deferred income tax benefits of \$149 and \$506, as of April 28, 2013 and April 29, 2012, respectively.

Derivative income (expense) related to the change in fair value of interest rate swap contracts is as follows:

	Fiscal Year Ended	
	April 28, 2013	April 29, 2012
Derivative income (expense)	\$ 1,699	\$ 2,540

Derivative income (expense) realized associated with the amortization of cumulative loss recorded in other comprehensive income (loss) for the interest rate swaps through the date of ineffectiveness is as follows:

	Fiscal Year Ended	
	April 28, 2013	April 29, 2012
Accumulated OCI amortization	\$ 594	\$ 1,312
Change in deferred taxes	357	789
Derivative income (expense)	(951)	(2,101)

The amount of accumulated other comprehensive income (loss) related to the interest rate swap contract maturing within the next twelve months was \$247, net of tax of \$149, as of April 28, 2013.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

18. Fair Value

The fair value of our interest swap and cap contracts are recorded using Level 3 inputs at the present value of all expected future cash flows based on the LIBOR-based yield curve as of the date of the valuation.

The following table presents the changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the fiscal years ended April 28, 2013 and April 29, 2012:

	Fiscal Year Ended	
	April 28, 2013	April 29, 2012
Interest Rate Derivatives		
Beginning balance	\$ (2,493)	\$ (5,004)
Realized gain	1,699	2,540
Unrealized (loss) gain		(29)
Ending balance	\$ (794)	\$ (2,493)

Financial Instruments The estimated carrying amounts and fair values of our other financial instruments are as follows:

	April 28, 2013		April 29, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 68,469	\$ 68,469	\$ 94,461	\$ 94,461
Marketable securities	25,520	25,520	24,943	24,943
Accounts receivable	11,077	11,077	6,941	6,941
Restricted cash and investments	11,417	11,417	12,551	12,551
Notes receivable	56	56	1,293	1,293
Financial liabilities:				
Revolving line of credit	\$ 154,900	\$ 151,802	\$	\$
Variable rate term loans			495,000	498,713
7.75% Senior notes	298,246	327,698	298,026	308,829
5.875% Senior notes	350,000	357,000		
8.875% Senior subordinated notes	350,000	381,535		
7% Senior subordinated notes			357,275	358,168
Other long-term debt	3,738	3,738	4,130	4,130
Other long-term obligations	22,514	22,514	16,556	16,556

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents, accounts receivable and notes receivable are carried at cost, which approximates fair value due to their short-term maturities.

Marketable securities include investments of \$9,256 based upon Level 1 inputs obtained from quoted prices available in active markets and investments of \$16,164 based upon Level 2 inputs obtained from quoted prices of identical assets in inactive markets or quoted prices for similar

Table of Contents**ISLE OF CAPRI CASINOS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(amounts in thousands, except share and per share amounts)****18. Fair Value (Continued)**

assets in active and inactive markets. There were no transfers between Level 1 and Level 2 inputs during the year.

Restricted cash and investments are based upon Level 1 inputs obtained from quoted prices available in active markets and represent the amounts we would expect to receive if we sold these assets.

The fair value of our long-term debt or other long-term obligations is estimated based on the quoted market price of the underlying debt issue (Level 1 input) or, when a quoted market price is not available, the discounted cash flow of future payments utilizing current rates available to us for debt of similar remaining maturities (Level 3 inputs). Debt obligations with a short remaining maturity have a carrying amount that approximates fair value.

19. Accumulated Other Comprehensive Income (Loss)

A detail of accumulated other comprehensive income (loss) is as follows:

	April 28, 2013	April 29, 2012
Interest rate cap contracts	\$	\$ (14)
Interest rate swap contracts	(247)	(841)
	\$ (247)	\$ (855)

The amount of change in the gain (loss) recognized in accumulated other comprehensive income (loss) related to derivative instruments is as follows:

Type of Derivative Instrument	Fiscal Year Ended	
	April 28, 2013	April 29, 2012
Interest rate cap contracts	\$ 14	\$ 68
Interest rate swap contracts	594	1,312
	\$ 608	\$ 1,380

20. Consolidating Condensed Financial Information

Certain of our wholly owned subsidiaries have fully and unconditionally guaranteed on a joint and several basis, the payment of all obligations under our 7.75% Senior Notes, 5.875% Senior Notes, and 8.875% Senior Subordinated Notes.

The following wholly owned subsidiaries of the Company are guarantors, on a joint and several basis, under the 7.75% Senior Notes, 5.875% Senior Notes and 8.875% Senior Subordinated Notes: Black Hawk Holdings, L.L.C.; CCSC/Blackhawk, Inc.; IC Holdings Colorado, Inc.; IOC-Black Hawk Distribution Company, L.L.C.; IOC-Boonville, Inc.; IOC-Caruthersville, L.L.C.; IOC-Kansas City, Inc.; IOC-Lula, Inc.; IOC-Natchez, Inc.; IOC-PA, L.L.C.; IOC-Black Hawk County, Inc.; IOC-Davenport, Inc.; IOC Holdings, L.L.C.; IOC-Vicksburg, Inc.; IOC-Vicksburg, LLC; Rainbow Casino-Vicksburg Partnership, L.P.; IOC Cape Girardeau, LLC; Isle of Capri Bettendorf, L.C; Isle of Capri Black Hawk, L.L.C.; Isle of Capri Marquette, Inc.; PPI, Inc.; and St. Charles Gaming Company, Inc. Each of the subsidiaries' guarantees is joint and several with the guarantees of the other subsidiaries.

Total liabilities and
stockholders' equity

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

20. Consolidating Condensed Financial Information (Continued)

Consolidating condensed statements of operations for the fiscal years ended April 28, 2013, April 29, 2012 and April 24, 2011 are as follows:

Statement of Operations	For the Fiscal Year Ended April 28, 2013					
	Isle of Capri Casinos, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating and Eliminating Entries	Isle of Capri Casinos, Inc. Consolidated	
Revenues:						
Casino	\$	\$ 1,016,005	\$	\$	\$ 1,016,005	
Rooms, food, beverage, pari-mutuel and other		735	164,470	8,978	(8,955)	165,228
Gross revenues		735	1,180,475	8,978	(8,955)	1,181,233
Less promotional allowances			(216,034)			(216,034)
Net revenues		735	964,441	8,978	(8,955)	965,199
Operating expenses:						
Casino			156,179			156,179
Gaming taxes			255,105			255,105
Rooms, food, beverage, pari-mutuel and other		37,768	347,561	5,069	(8,955)	381,443
Valuation allowance			50,100			50,100
Management fee expense (revenue)		(34,068)	34,068			
Depreciation and amortization		2,020	71,080	319		73,419
Total operating expenses		5,720	914,093	5,388	(8,955)	916,246
Operating income (loss)		(4,985)	50,348	3,590		48,953
Interest expense, net		(51,811)	(36,089)	(1,059)		(88,959)
Gain on extinguishment of debt						
Derivative income		748				748
Equity in income (loss) of subsidiaries		(9,918)			9,918	
Income (loss) from continuing operations before income taxes and noncontrolling interest		(65,966)	14,259	2,531	9,918	(39,258)
Income tax (provision) benefit		19,976	(25,649)	(1,059)		(6,732)
Income (loss) from continuing operations		(45,990)	(11,390)	1,472	9,918	(45,990)
Income (loss) of discontinued operations		(1,579)	(2,502)		2,502	(1,579)
Net income (loss)	\$	(47,569)	\$ (13,892)	\$ 1,472	\$ 12,420	\$ (47,569)

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

20. Consolidating Condensed Financial Information (Continued)

Statement of Operations	For the Fiscal Year Ended April 29, 2012				Isle of Capri Casinos, Inc. Consolidated
	Isle of Capri Casinos, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating and Eliminating Entries	
Revenues:					
Casino	\$	\$ 1,006,523	\$	\$	\$ 1,006,523
Rooms, food, beverage, pari-mutuel and other	1,088	169,192	9,645	(9,290)	170,635
Gross revenues	1,088	1,175,715	9,645	(9,290)	1,177,158
Less promotional allowances		(199,787)			(199,787)
Net revenues	1,088	975,928	9,645	(9,290)	977,371
Operating expenses:					
Casino		153,743			153,743
Gaming taxes		251,780			251,780
Rooms, food, beverage, pari-mutuel and other	41,502	340,980	7,674	(9,290)	380,866
Valuation allowance		30,549			30,549
Management fee expense (revenue)	(34,751)	34,751			
Depreciation and amortization	1,960	73,538	552		76,050
Total operating expenses	8,711	885,341	8,226	(9,290)	892,988
Operating income (loss)	(7,623)	90,587	1,419		84,383
Interest expense, net	(28,385)	(58,006)	(695)		(87,086)
Gain on extinguishment of debt					
Derivative income	439				439
Equity in income (loss) of subsidiaries	54,462			(54,462)	
Income (loss) from continuing operations before income taxes and noncontrolling interest	18,893	32,581	724	(54,462)	(2,264)
Income tax (provision) benefit	(36,276)	21,419	(262)		(15,119)
Income (loss) from continuing operations	(17,383)	54,000	462	(54,462)	(17,383)
Income (loss) of discontinued operations	(112,370)	(114,125)		114,125	(112,370)
Net income (loss)	\$ (129,753)	\$ (60,125)	\$ 462	\$ 59,663	\$ (129,753)

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

20. Consolidating Condensed Financial Information (Continued)

Statement of Operations	For the Fiscal Year Ended April 24, 2011				
	Isle of Capri Casinos, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating and Eliminating Entries	Isle of Capri Casinos, Inc. Consolidated
Revenues:					
Casino	\$	\$ 968,423	\$	\$	\$ 968,423
Rooms, food, beverage, pari-mutuel and other	1,670	152,331	9,626	(9,528)	154,099
Gross revenues	1,670	1,120,754	9,626	(9,528)	1,122,522
Less promotional allowances		(185,861)			(185,861)
Net revenues	1,670	934,893	9,626	(9,528)	936,661
Operating expenses:					
Casino		142,642			142,642
Gaming taxes		242,949			242,949
Rooms, food, beverage, pari-mutuel and other	42,837	329,999	8,218	(9,528)	371,526
Management fee expense (revenue)	(33,259)	33,259			
Depreciation and amortization	1,955	75,086	572		77,613
Total operating expenses	11,533	823,935	8,790	(9,528)	834,730
Operating income (loss)	(9,863)	110,958	836		101,931
Interest expense, net	(29,634)	(61,046)	648		(90,032)
Gain on extinguishment of debt					
Derivative income (expense)	(1,214)				(1,214)
Equity in income (loss) of subsidiaries	36,389	23		(36,412)	
Income (loss) from continuing operations before income taxes and noncontrolling interest	(4,322)	49,935	1,484	(36,412)	10,685
Income tax (provision) benefit	8,057	(13,171)	(1,836)		(6,950)
Income (loss) from continuing operations	3,735	36,764	(352)	(36,412)	3,735
Income (loss) of discontinued operations	805	(4,827)	1,475	3,352	805
Net income (loss)	\$ 4,540	\$ 31,937	\$ 1,123	\$ (33,060)	\$ 4,540

Table of Contents**ISLE OF CAPRI CASINOS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(amounts in thousands, except share and per share amounts)

20. Consolidating Condensed Financial Information (Continued)

Consolidating condensed statements of cash flows for the fiscal years ended April 28, 2013, April 29, 2012 and April 24, 2011 are as follows:

Statement of Cash Flows	For the Fiscal Year Ended April 28, 2013				
	Isle of Capri Casinos, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Isle of Capri Casinos, Inc. Consolidated
Net cash provided by (used in) operating activities	\$ (48,218)	\$ 168,576	\$ (4,316)	\$	\$ 116,042
Net cash provided by (used in) investing activities	33,974	(123,245)	(106)	(34,072)	(123,449)
Net cash provided by (used in) financing activities	(18,207)	(38,906)	4,456	34,072	(18,585)
Net increase (decrease) in cash and cash equivalents	(32,451)	6,425	34		(25,992)
Cash and cash equivalents at beginning of the period	39,365	50,749	4,347		94,461
Cash and cash equivalents at end of the period	\$ 6,914	\$ 57,174	\$ 4,381	\$	\$ 68,469

Statement of Cash Flows	For the Fiscal Year Ended April 29, 2012				
	Isle of Capri Casinos, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Isle of Capri Casinos, Inc. Consolidated
Net cash provided by (used in) operating activities	\$ 12,960	\$ 101,801	\$ 3,298	\$	\$ 118,059
Net cash provided by (used in) investing activities	60,806	(57,955)	(1,036)	(61,864)	(60,049)
Net cash provided by (used in) financing activities	(38,353)	(55,202)	(7,036)	61,864	(38,727)
Net increase (decrease) in cash and cash equivalents	35,413	(11,356)	(4,774)		19,283
Cash and cash equivalents at beginning of the period	3,952	62,105	9,121		75,178
Cash and cash equivalents at end of the period	\$ 39,365	\$ 50,749	\$ 4,347	\$	\$ 94,461

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

20. Consolidating Condensed Financial Information (Continued)

Statement of Cash Flows	For the Fiscal Year Ended April 24, 2011				
	Isle of Capri Casinos, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidating and Eliminating Entries	Isle of Capri Casinos, Inc. Consolidated
Net cash provided by (used in) operating activities	\$ (1,527)	\$ 119,078	\$ 6,133	\$	\$ 123,684
Net cash provided by (used in) investing activities	(29,490)	(129,743)	(10,160)	24,756	(144,637)
Net cash provided by (used in) financing activities	28,463	25,776	(1,373)	(24,756)	28,110
Effect of foreign currency exchange rates on cash and cash equivalents			(48)		(48)
Net increase (decrease) in cash and cash equivalents	(2,554)	15,111	(5,448)		7,109
Cash and cash equivalents at beginning of the period	6,506	46,994	14,569		68,069
Cash and cash equivalents at end of the period	\$ 3,952	\$ 62,105	\$ 9,121	\$	\$ 75,178

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

21. Selected Quarterly Financial Information (unaudited)

Our selected quarterly financial information has included reclassifications for amounts shown in our previously filed reports on Forms 10-Q to reflect the discontinued operations presentation for our Biloxi, Mississippi property.

	Fiscal Quarters Ended			
	July 29, 2012	October 28, 2012	January 27, 2013	April 28, 2013
Net revenues	\$ 235,823	\$ 223,207	\$ 238,095	\$ 268,074
Operating income	26,184	16,155	20,383	(13,769)
Income (loss) from continuing operations	4,744	(4,341)	(1,002)	(45,391)
Income (loss) from discontinued operations, net of income taxes	1,917	(2,312)	(1,184)	
Net income (loss)	6,661	(6,653)	(2,186)	(45,391)
Earnings (loss) per common share basic:				
Income (loss) from continuing operations	\$ 0.12	\$ (0.11)	\$ (0.03)	\$ (1.15)
Income (loss) from discontinued operations, net of income taxes	0.05	(0.06)	(0.03)	
Net income (loss)	\$ 0.17	\$ (0.17)	\$ (0.06)	\$ (1.15)
Earnings (loss) per common share diluted:				
Income (loss) from continuing operations	\$ 0.12	\$ (0.11)	\$ (0.03)	\$ (1.15)
Income (loss) from discontinued operations, net of income taxes	0.05	(0.06)	(0.03)	
Net income (loss)	\$ 0.17	\$ (0.17)	\$ (0.06)	\$ (1.15)
Weighted average basic shares	39,018,281	39,336,134	39,488,480	39,518,406
Weighted average dilutive shares	39,035,280	39,336,134	39,488,480	39,518,406

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

21. Selected Quarterly Financial Information (unaudited) (Continued)

	Fiscal Quarters Ended			
	July 24, 2011	October 23, 2011	January 22, 2012	April 29, 2012
Net revenues	\$ 227,604	\$ 231,426	\$ 227,320	\$ 291,020
Operating income	17,693	19,773	20,813	26,104
Income (loss) from continuing operations	(2,559)	(1,030)	(316)	(13,478)
Income (loss) from discontinued operations, net of income taxes	236	(427)	(866)	(111,313)
Net income (loss)	(2,323)	(1,457)	(1,182)	(124,791)
Earnings (loss) per common share basic:				
Income (loss) from continuing operations	\$ (0.07)	\$ (0.03)	\$ (0.01)	\$ (0.35)
Income (loss) from discontinued operations, net of income taxes	0.01	(0.01)	(0.02)	(2.85)
Net income (loss)	\$ (0.06)	\$ (0.04)	\$ (0.03)	\$ (3.20)
Earnings (loss) per common share diluted:				
Income (loss) from continuing operations	\$ (0.07)	\$ (0.03)	\$ (0.01)	\$ (0.35)
Income (loss) from discontinued operations, net of income taxes	0.01	(0.01)	(0.02)	(2.85)
Net income (loss)	\$ (0.06)	\$ (0.04)	\$ (0.03)	\$ (3.20)
Weighted average basic shares	38,277,150	38,753,049	38,982,281	38,982,281
Weighted average dilutive shares	38,277,150	38,753,049	38,982,281	38,982,281

A summary of certain revenues and expenses from our continuing operations impacting our quarterly financial results is as follows:

- (1) During the fourth quarter of fiscal 2013, we recorded goodwill impairment charges of \$16,000 related to our Natchez property and \$34,100 related to our Lula property.
- (2) The fourth quarter of fiscal 2013 contained thirteen weeks as compared to the fourth quarter of fiscal 2012 which contained fourteen weeks.
- (3) During the fourth quarter of fiscal 2012, we recorded a goodwill impairment charge of \$14,400 related to our Lula property and a valuation charge of \$16,149 at our Lake Charles property associated with the sale of Grand Palais Riverboat, Inc.
- (4) During the first and second quarters of fiscal 2012, five of our properties were temporarily closed for flooding along the Mississippi River.

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

22. Commitments and Contingencies

Operating Leases The Company leases real estate and various equipment under operating lease agreements. Future minimum payments over the lease term of non-cancelable operating leases with initial terms of one year or more consisted of the following at April 28, 2013:

Fiscal Years Ending:

2014	\$ 12,820
2015	11,798
2016	11,710
2017	11,609
2018	11,467
Thereafter	235,825
Total minimum lease payments	\$ 295,229

Rent expense related to continuing operations was \$28,385, \$28,557, and \$27,411 in fiscal years 2013, 2012, and 2011, respectively. Such amounts include contingent rentals of \$3,315, \$3,655, and \$4,129 in fiscal years 2013, 2012 and 2011, respectively. Contingent rent is based upon casino revenues or other metrics as defined in our lease agreements. Certain of our leases are subject to renewals and may contain escalation clauses.

Development Projects The Pennsylvania Gaming Control Board ("PGCB") has selected the Nemacon Woodlands Resort in Pennsylvania to be awarded a Category 3 resort gaming license. We have a development and management agreement with the Nemacon Woodlands Resort and completed the construction in June 2013. Our casino opened July 1, 2013 and the total cost of the project was approximately \$60,000, including licensing fees. As of April 28, 2013, we have expended approximately \$29,700.

On February 1, 2013, we signed an agreement with Tower Investments, Inc. to manage The Provence, the resort and casino on North Broad Street, Philadelphia, proposed by Tower Entertainment, LLC (the "Tower JV"), if the project is selected by the PGCB. The Tower JV is one of six applicants for the final gaming license in Philadelphia. As part of our agreement with the Tower JV, we loaned \$25,000 to the Tower JV in the form of a stand-by letter of credit issued for the purpose of securing the Pennsylvania gaming license fee relating to the project. The \$25,000 letter of credit can only be drawn upon if the Tower JV is awarded the license. If the Tower JV is selected, we have the option to either 1) be repaid from the proceeds of permanent financing, or 2) convert the \$25,000 loan into a minority investment in the Tower JV.

Legal and Regulatory Proceedings We and our wholly-owned subsidiary, Riverboat Corporation of Mississippi Vicksburg, are defendants in a lawsuit filed in the Circuit Court of Adams County, Mississippi by Silver Land, Inc., alleging breach of contract in connection with our 2006 sale of casino operations in Vicksburg, Mississippi, to a third party. In January 2011, the court ruled in favor of Silver Land and in September 2011 the court awarded damages of approximately \$2,000, which we accrued. We filed a notice of appeal in November 2011 and oral arguments were held in January 2013. In June 2013, the court of appeals reversed the trial court and ruled in our favor. Silver Land may request a rehearing and thereafter may appeal to the state supreme court. While the ultimate outcome of this

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

22. Commitments and Contingencies (Continued)

matter is still in doubt and cannot be predicted with any degree of certainty, we intend to put forth a vigorous and appropriate defense of the favorable June 2013 ruling of the court of appeals if Silver Land continues to pursue its claim.

We have been named as a defendant in a complaint filed in the Circuit Court for Broward County, Florida. The complaint alleges we sent unsolicited fax advertisements in violation of the Telephone Consumer Protection Act of 1991, as amended by the Junk Fax Prevention Act of 2005 (the "TCPA"), and seeks to certify a class action. The complaint seeks statutory damages for alleged negligent and willful violations of the TCPA, attorneys' fees, costs and injunction relief. In April 2013, we entered into a settlement agreement with the plaintiff and on May 22, 2013, the Court issued an order granting preliminary approval of the settlement. The settlement is subject to further consideration by the Court at the final settlement hearing, which is expected to occur in late calendar 2013. While the ultimate outcome is unknown, we have accrued \$1,000 as our current estimate of the most probable outcome of this matter.

Our wholly owned subsidiary, Lady Luck Gaming Corporation, and several joint venture partners have been defendants in the Greek Civil Courts and the Greek Administrative Courts in similar lawsuits brought by the country of Greece. The actions allege that the defendants failed to make specified payments in connection with the gaming license bid process for Patras, Greece. Although it is difficult to determine the damages being sought from the lawsuits, the action may seek damages up to that aggregate amount plus interest from the date of the action.

In the Civil Court lawsuit, the Civil Court of First Instance ruled in our favor and dismissed the lawsuit in 2001. Greece appealed to the Civil Appeal Court and, in 2003, the Court rejected the appeal. Greece then appealed to the Civil Supreme Court and, in 2007, the Supreme Court ruled that the matter was not properly before the Civil Courts and should be before the Administrative Court.

In the Administrative Court lawsuit, the Administrative Court of First Instance rejected the lawsuit stating that it was not competent to hear the matter. Greece then appealed to the Administrative Appeal Court, which court rejected the appeal in 2003. Greece then appealed to the Supreme Administrative Court, which remanded the matter back to the Administrative Appeal Court for a hearing on the merits. The re-hearing took place in 2006, and in 2008 the Administrative Appeal Court rejected Greece's appeal on procedural grounds. On December 22, 2008 and January 23, 2009, Greece appealed the ruling to the Supreme Administrative Court. A hearing was held during November 2012.

The outcome of this matter is still in doubt and cannot be predicted with any degree of certainty. We intend to continue a vigorous and appropriate defense to the claims asserted in this matter. Through April 28, 2013 we have accrued an estimated liability, including interest, of \$14,075. Our accrual is based upon management's estimate of the original claim by the plaintiffs for lost payments. We continue to accrue interest on the asserted claim. We are unable to estimate a total possible loss as information as to possible additional claims, if any, have not been asserted or quantified by the plaintiffs at this time.

In October 2012, we opened our new casino in Cape Girardeau, Missouri. A subcontractor has filed a mechanics' lien against our property resulting from a dispute between the subcontractor and our general contractor for the construction project. We demanded that the general contractor cause the lien to be bonded against or satisfied, however the general contractor has refused to do so and asserted that

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ISLE OF CAPRI CASINOS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(amounts in thousands, except share and per share amounts)

22. Commitments and Contingencies (Continued)

a portion of the subcontractor's claim results from additional work directly requested by us. The general contractor is attempting to resolve the subcontractor's claim. While we are not a direct party in the dispute, in the event that we incur any costs in connection with this matter, we do not believe that any such costs would be material, and if incurred, would be capitalized as additional construction costs.

We are subject to certain federal, state and local environmental protection, health and safety laws, regulations and ordinances that apply to businesses generally, and are subject to cleanup requirements at certain of our facilities as a result thereof. We have not made, and do not anticipate making material expenditures, nor do we anticipate incurring delays with respect to environmental remediation or protection. However, in part because our present and future development sites have, in some cases, been used as manufacturing facilities or other facilities that generate materials that are required to be remediated under environmental laws and regulations, there can be no guarantee that additional pre-existing conditions will not be discovered and we will not experience material liabilities or delays.

We are subject to various contingencies and litigation matters and have a number of unresolved claims. Although the ultimate liability of these contingencies, this litigation and these claims cannot be determined at this time, we believe they will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Subsequent event On June 17, 2013, we entered into an option agreement for a third party to purchase from us substantially all of the assets and assume certain liabilities related to our Rhythm City Casino located in Davenport, Iowa, for approximately \$51,000, subject to a working capital adjustment and certain other purchase price adjustments. Subject to satisfying certain conditions, the third party may exercise the option at any time through September 15, 2013 and may extend the exercise period to October 15, 2013. If the option is exercised, the completion of the transaction will be subject to the third party obtaining applicable gaming licenses and approvals and other customary closing conditions.

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(In thousands)

Period	Accounts Receivable Reserve			
	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions from Reserves	Balance at End of Year
Year Ended April 28, 2013	\$ 2,502	\$ 522	\$ (938)	\$ 2,086
Year Ended April 29, 2012	1,010	1,711	(219)	2,502
Year Ended April 24, 2011	1,955	151	(1,096)	1,010

Period	Other Receivables Reserve			
	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions from Reserves	Balance at End of Year
Year Ended April 28, 2013	\$ 1,882	\$	\$	\$ 1,882
Year Ended April 29, 2012	1,882			1,882
Year Ended April 24, 2011	2,882		(1,000)	1,882

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures Based on their evaluation as of April 28, 2013, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective to ensure that the information required to be disclosed by us in this Annual Report was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and instructions for Form 10-K.

Management's Report on Internal Control over Financial Reporting Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of April 28, 2013. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework. Our management has concluded that, as of April 28, 2013, our internal control over financial reporting is effective based on these criteria. Ernst & Young LLP, an independent registered public accounting firm, who audited and reported on the consolidated financial statements included in this Annual Report on Form 10-K, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting as stated in their report which is included in Item 8.

Changes in Internal Controls over Financial Reporting There have been no changes in our internal controls over financial reporting during the quarter ended April 28, 2013 that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

Inherent Limitations on Effectiveness of Controls Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

ITEM 9B. OTHER INFORMATION

None.

Table of Contents**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

This item has been omitted from this report and is incorporated by reference to Isle of Capri's definitive proxy statement to be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this report.

ITEM 11. EXECUTIVE COMPENSATION

This item has been omitted from this report and is incorporated by reference to Isle of Capri's definitive proxy statement to be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item relating to security ownership of management has been omitted from this report and is incorporated by reference to Isle of Capri's definitive proxy statement to be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this report.

Equity Compensation Plans. The following table provides information about securities authorized for issuance under our 2009 Long-Term Stock Incentive Plan for fiscal 2013.

	(a)	(b)	(c)
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders(1)	2,728,948	\$ 10.71	822,271
Equity compensation plans not approved by security holders			
Total	2,728,948	\$ 10.71	822,271

(1)

As of April 28, 2013, we had 1,714,286 performance-based restricted stock units outstanding that do not have an exercise price; therefore the weighted-average per share exercise price only relates to outstanding stock options. The amount included in the securities outstanding above for performance-based restricted share units assumes the the performance conditions will be achieved.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

This item has been omitted from this report and is incorporated by reference to Isle of Capri's definitive proxy statement to be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this report.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

This item has been omitted from this report and is incorporated by reference to Isle of Capri's definitive proxy statement to be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this report.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

The following documents are filed as part of this Form 10-K.

- (a) Consolidated financial statements filed as part of this report are listed under Part II, Item 8.
- (b) The exhibits listed on the "Index to Exhibits" are filed with this report or incorporated by reference as set forth below.

All other schedules are omitted because they are not applicable or not required, or because the required information is included in the consolidated financial statement or notes thereto.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ISLE OF CAPRI CASINOS, INC.
/s/ VIRGINIA M. MCDOWELL

Dated: July 2, 2013

Virginia M. McDowell,
Chief Executive Officer, President and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: July 2, 2013

/s/ VIRGINIA M. MCDOWELL

Virginia M. McDowell,
Chief Executive Officer, President and Director (Principal Executive Officer)

Dated: July 2, 2013

/s/ DALE R. BLACK

Dale R. Black,
Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ JAMES B. PERRY

Dated: July 2, 2013

James B. Perry,
Executive Chairman of the Board
/s/ ROBERT S. GOLDSTEIN

Dated: July 2, 2013

Robert S. Goldstein,
Vice Chairman of the Board
/s/ BONNIE BIUMI

Dated: July 2, 2013

Bonnie Biumi,
Director
/s/ ALAN J. GLAZER

Dated: July 2, 2013

Alan J. Glazer,
Director

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Dated: July 2, 2013

/s/ JEFFREY D. GOLDSTEIN

Jeffrey D. Goldstein,
Director

Dated: July 2, 2013

/s/ RICHARD A. GOLDSTEIN

Richard A. Goldstein,
Director

Dated: July 2, 2013

/s/ GREGORY J. KOZICZ

Gregory J. Kozicz,
Director

Dated: July 2, 2013

/s/ SCOTT E. SCHUBERT

Scott E. Schubert,
Director

Dated: July 2, 2013

/s/ LEE S. WIELANSKY

Lee S. Wielansky,
Director

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INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
3.1	Amended and Restated Certificate of Incorporation of Isle of Capri Casinos, Inc. (Incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K filed on June 16, 2011)
3.2	Bylaws, as amended (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on June 25, 2010)
4.1	Indenture, dated as of March 7, 2011, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on March 8, 2011)
4.2	Indenture, dated as of August 7, 2012, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on August 9, 2012)
4.3	Indenture, dated as of March 5, 2013, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on March 6, 2013)
4.4	Registration Rights Agreement, dated March 5, 2013, among the Company, the guarantors named therein and Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as representatives of the several initial purchasers named therein (Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on March 6, 2013)
4.5	Supplemental Indenture, dated as of April 19, 2013, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed on April 24, 2013)
4.6	Supplemental Indenture, dated as of April 19, 2013, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on April 24, 2013)
4.7	Supplemental Indenture, dated as of April 19, 2013, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed on April 24, 2013)
10.1	Agreement, dated January 19, 2011, by and among Isle of Capri Casinos, Inc., and Mr. Jeffrey D. Goldstein, Mr. Robert S. Goldstein, Richard A. Goldstein and GFIL Holdings, LLC (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-k filed on January 19, 2011)
10.2	Amendment Number One to Governance Agreement, dated February 23, 2011, by and among Isle of Capri Casinos, Inc., GFIL Holdings, LLC, Jeffrey D. Goldstein, Robert S. Goldstein and Richard A. Goldstein (Incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on February 28, 2011)
10.3	Isle of Capri Casinos, Inc. Amended and Restated 2009 Long-Term Stock Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on October 19, 2012)
10.4	Isle of Capri Casinos, Inc. Corporate Level Incentive Compensation Plan (Incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on December 3, 2010)

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EXHIBIT NUMBER	DESCRIPTION
10.5	Isle of Capri Casinos, Inc. Deferred Bonus Plan (Incorporated by reference to the Proxy Statement filed on August 15, 2000)
10.6	Isle of Capri Casinos, Inc. Deferred Bonus Plan Code Section 409A Compliance Amendment (Incorporated by reference to Exhibit 10.4 to the Annual Report on Form 10-K filed on June 25, 2009)
10.7	Isle of Capri Casinos, Inc.'s Amended and Restated Deferred Compensation Plan (Incorporated by reference to Exhibit 10.5 to the Annual Report on Form 10-K filed on June 25, 2009)
10.8	Isle of Capri Casino, Inc. Amended and Restated Deferred Compensation Plan Adoption Agreement (Incorporated by reference to Exhibit 10.6 to the Annual Report on Form 10-K filed on June 25, 2009)
10.9	Isle of Capri Casinos, Inc.'s 2005 Non-employee Director Deferred Compensation Plan (Incorporated by reference to Exhibit 10.33 to the Quarterly Report Form 10-Q filed on March 1, 2005)
10.10	Isle of Capri Casinos, Inc. Non-employee Director Deferred Compensation Plan (Incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K filed on June 25, 2009)
10.11	Isle of Capri Casinos, Inc. Medical Expense Reimbursement Plan (MERP) (Incorporated by reference to Exhibit 10.10 to the Annual Report on Form 10-K filed on June 25, 2009)
10.12	Amended and Restated Employment Agreement, dated January 18, 2011, between Virginia M. McDowell and Isle of Capri Casinos, Inc. (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on January 18, 2011)
10.13	Employment Agreement dated as of December 3, 2007, between Isle of Capri Casinos, Inc. and Dale R. Black (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on December 7, 2007)
10.14	Amended and Restated Employment Agreement, dated January 18, 2011, between James B. Perry and Isle of Capri Casinos, Inc. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on January 18, 2011)
10.15	Employment Agreement, dated as of July 1, 2008, between Isle of Capri Casinos, Inc. and Edmund L. Quatmann, Jr. (Incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K filed on July 11, 2008)
10.16	Isle of Capri Casinos, Inc. Employment Agreement Compliance Addendum Dale R. Black (Incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed on March 6, 2009)
10.17	Isle of Capri Casinos, Inc. Employment Agreement Compliance Addendum Edmund L. Quatmann, Jr. (Incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q filed on March 6, 2009)
10.18	Employment Agreement dated as of August 6, 2009, between Isle of Capri Casinos, Inc. and Eric Hausler (Incorporated by reference to Exhibit 10.19 to the Annual Report on Form 10-K/A filed on June 8, 2010)

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EXHIBIT NUMBER	DESCRIPTION
10.19	First Amendment to Employment Agreement, dated as of June 18, 2011, between Isle of Capri Casinos, Inc. and Arnold Block (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 29, 2011)
10.20	Employment Agreement, dated as of January 7, 2013, between Isle of Capri Casinos, Inc. and John Wilson (Incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on February 20, 2013)
10.21	*Form Employment Agreement for Senior Vice Presidents of Isle of Capri Casinos, Inc.
10.22	Form Stock Option Award Agreement (Incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K filed on July 11, 2008)
10.23	Form of Restricted Stock Award Agreement (Incorporated by reference to Exhibit 10.22 to the Annual Report on Form 10-K filed on June 25, 2009)
10.24	Form of Performance Based Restricted Stock Unit Agreement (Incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K filed on June 14, 2012)
10.25	Credit Agreement, dated as of July 26, 2007 among Isle of Capri Casinos, Inc., the Lenders listed herein, Credit Suisse, Cayman Island Branch, as administrative agent, issuing bank and swing line lender, Credit Suisse Securities (USA) LLC, as lead arranger and bookrunner, Deutsche Bank Securities Inc. and CIBC World Markets Corp., as co-syndication agents and U.S. Bank, N.A. and Wachovia Bank, National Association, as co-documentation agents (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on July 31, 2007)
10.26	Security Agreement, dated as of July 26, 2007, among Isle of Capri Casinos, Inc., its material subsidiaries party thereto, and Credit Suisse, Cayman Islands Branch, as Administrative Agent for and representative of the financial institutions party to the Credit Agreement and any Hedge Providers (as defined therein) (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on July 31, 2007)
10.27	First Amendment to Credit Agreement, dated as of February 17, 2010, among the Company, as borrower, the financial institutions listed therein, as lenders, Credit Suisse AG, Cayman Islands Branch, as administrative agent and the other agents referred to therein among Isle of Capri Casinos, Inc., the Lenders listed therein (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on February 29, 2010)
10.28	Second Amendment to Credit Agreement, dated as of March, 25, 2011, among Isle of Capri Casinos, Inc., as borrower, certain subsidiaries of Isle of Capri Casinos, Inc., the financial institutions listed therein, as lenders, Wells Fargo Bank, National Association, as administrative agent (as successor to Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse, Cayman Islands Branch)), and the other agents referred to therein (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on March 31, 2011)
10.29	Third Amendment to Credit Agreement, dated as of November 21, 2012, among Isle of Capri Casinos, Inc., as borrower, certain subsidiaries of Isle of Capri Casinos, Inc., the financial institutions listed therein, as lenders, Wells Fargo Bank, National Association, as administrative agent (as successor to Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse, Cayman Islands Branch)), and the other agents referred to therein (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on November 27, 2012)

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EXHIBIT NUMBER	DESCRIPTION
10.30	Fourth Amendment Documents to Credit Agreement and Amendments to Loan Documents, dated as of April 19, 2013 among the Company, the financial institutions listed therein as Lenders and Wells Fargo Bank, National Association (as successor to Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse, Cayman Islands Branch)), as administrative agent to the Lenders, Issuing Bank and Swing Line Lender (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on April 24, 2013)
10.31	Amended and Restated Lease, dated as of April 19, 1999, among Port Resources, Inc. and CRU, Inc., as landlords and St. Charles Gaming Company, Inc., as tenant (St. Charles) (Incorporated by reference to Exhibit 10.28 to the Annual Report on Form 10-K filed on July 02, 1999)
10.32	Lease of property in Coahoma, Mississippi dated as of November 16, 1993 by and among Roger Allen Johnson, Jr., Charles Bryant Johnson and Magnolia Lady, Inc. (Incorporated by reference to the Registration Statement on Form S-4/A filed June 19, 2002)
10.33	Addendum to Lease dated as of June 22, 1994 by and among Roger Allen Johnson, Jr., Charles Bryant Johnson and Magnolia Lady, Inc. (Incorporated by reference to Exhibit 10.46 to the Annual Report on Form 10-K filed on July 28, 2000)
10.34	Second addendum to Lease dated as of October 17, 1995 by and among Roger Allen Johnson, Jr., Charles Bryant Johnson and Magnolia Lady, Inc. (Incorporated by reference to Exhibit 10.47 to the Annual Report on Form 10-K filed on July 28, 2000)
10.35	Master Lease between The City of Boonville, Missouri and IOC-Boonville, Inc. formally known as Davis Gaming Boonville, Inc. dated as of July 18, 1997. (Incorporated by reference to Exhibit 10.40 to the Annual Report on Form 10-K filed on July 11, 2008)
10.36	Amendment to Master Lease between The City of Boonville, Missouri and IOC-Boonville, Inc. formally known as Davis Gaming Boonville, Inc. dated as of April 19, 1999. (Incorporated by reference to Exhibit 10.41 to the Annual Report on Form 10-K filed on July 11, 2008)
10.37	Second Amendment to Master Lease between The City of Boonville, Missouri and IOC-Boonville, Inc. formerly known as Davis Gaming Boonville, Inc. dated as of September 17, 2001. (Incorporated by reference to Exhibit 10.42 to the Annual Report on Form 10-K filed on July 11, 2008)
10.38	Third Amendment to Master Lease between The City of Boonville, Missouri and IOC-Boonville, Inc. formerly known as Gold River's Boonville Resort, Inc. and Davis Gaming Boonville, Inc. dated as of November 19, 2001. (Incorporated by reference to Exhibit 10.43 to the Annual Report on Form 10-K filed on July 11, 2008)
10.39	Amended and Restated Lease Agreement by and between the Port Authority of Kansas City, Missouri and Tenant dated as of August 21, 1995 (Incorporated by reference to Exhibit 10.44 to the Annual Report on Form 10-K filed June 25, 2009)
10.40	First Amendment to Amended and Restated Lease Agreement by and between the Port Authority of Kansas City, Missouri and Tenant dated as of October 31, 1995 (Incorporated by reference to Exhibit 10.45 to the Annual Report on Form 10-K filed June 25, 2009)
10.41	Second Amendment to Amended and Restated Lease Agreement by and between the Port Authority of Kansas City, Missouri and Tenant dated as of June 10, 1996 (Incorporated by reference to Exhibit 10.46 to the Annual Report on Form 10-K filed June 25, 2009)

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EXHIBIT NUMBER	DESCRIPTION
10.42	Assignment and Assumption Agreement (Lease Agreement) between Flamingo Hilton Riverboat Casino, LP, Isle of Capri Casinos, Inc. and IOC-Kansas City, Inc. dated as of June 6, 2000. (Incorporated by reference to Exhibit 10.44 to the Annual Report on Form 10-K filed on July 11, 2008)
10.43	Lease and Agreement-Spring 1995 between Andrianakos Limited Liability Company and Isle of Capri Black Hawk, LLC. dated as of August 15, 1995. (Incorporated by reference to Exhibit 10.45 to the Annual Report on Form 10-K filed on July 11, 2008)
10.44	Addendum to the Lease and Agreement-Spring 1995 between Andrianakos Limited Liability Company and Isle of Capri Black Hawk, LLC. dated as of April 4, 1996. (Incorporated by reference to Exhibit 10.46 to the Annual Report on Form 10-K filed on July 11, 2008)
10.45	Second Addendum to the Lease and Agreement-Spring 1995 between Andrianakos Limited Liability Company and Isle of Capri Black Hawk, LLC. dated as of March 21, 2003.(Incorporated by reference to Exhibit 10.47 to the Annual Report on Form 10-K filed on July 11, 2008)
10.46	Third Addendum to the Lease and Agreement-Spring 1995 between Andrianakos Limited Liability Company and Isle of Capri Black Hawk, LLC. dated as of April 22, 2003. (Incorporated by reference to Exhibit 10.48 to the Annual Report on Form 10-K filed on July 11, 2008)
10.47	Development Agreement by and between IOC-Cape Girardeau, LLC and the City of Cape Girardeau, Missouri dated as of October 4, 2010 (Incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed on December 3, 2010)
21.1*	Significant Subsidiaries of Isle of Capri Casinos, Inc.
23.1*	Consent of Ernst & Young LLP
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350
99.1*	Description of Governmental Regulation.
101*	The following financial statements and notes from the Isle of Capri Casinos, Inc. Annual Report on Form 10-K for the year ended April 28, 2013, filed on July 2, 2013, formatted in XBRL: (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Stockholders' Equity; (iv) Consolidated Statements of Cash Flows; and (v) Notes to Consolidated Financial Statements, tagged as blocks of text.

*
Filed herewith.

Management contract or compensatory plan or arrangement.