

CENTURY CASINOS INC /CO/  
Form 10-Q  
November 09, 2009

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

FORM 10-Q

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

For the quarterly period ended September 30, 2009

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 0-22290

CENTURY CASINOS, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

84-1271317  
(I.R.S. Employer Identification No.)

2860 South Circle Drive, Suite 350, Colorado Springs, Colorado 80906  
(Address of principal executive offices)  
(Zip Code)

(719) 527-8300  
(Registrant's telephone number, including area code)

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 (§232.405 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 whether the registrant is a large accelerated filer, an 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.

Edgar Filing: CENTURY CASINOS INC /CO/ - Form 10-Q

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

23,910,578 shares of common stock, \$0.01 par value per share, were outstanding as of October 31, 2009.

--1--

---

CENTURY CASINOS, INC.

FORM 10-Q INDEX

	Page Number
<b>PART I</b>	<b>FINANCIAL INFORMATION</b>
Item 1.	Condensed Consolidated Financial Statements (unaudited) Condensed Consolidated Balance Sheets as of September 30, 2009 and December 31, 2008
	3
	Condensed Consolidated Statements of Earnings for the Three and Nine Months Ended September 30, 2009 and 2008
	4
	Condensed Consolidated Statements of Comprehensive Earnings (Loss) for the Three and Nine Months Ended September 30, 2009 and 2008
	6
	Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2009 and 2008
	7
	Notes to Condensed Consolidated Financial Statements (unaudited)
	9
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
	18
Item 3.	Quantitative and Qualitative Disclosures About Market Risk
	37
Item 4.	Controls and Procedures
	37
<b>PART II</b>	<b>OTHER INFORMATION</b>
Item 6.	Exhibits
	38
	SIGNATURES
	39

## PART I – FINANCIAL INFORMATION

## Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CENTURY CASINOS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

Amounts in thousands, except for share information	September 30, 2009	December 31, 2008
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 30,754	\$ 7,835
Receivables, net	13,790	426
Prepaid expenses	393	388
Inventories	214	170
Other current assets	28	583
Deferred income taxes – foreign	342	305
Assets held for sale	-	35,983
<b>Total Current Assets</b>	<b>45,521</b>	<b>45,690</b>
Property and equipment, net	89,022	88,558
Goodwill	4,585	4,014
Equity investment	11,127	10,539
Other assets	357	1,205
<b>Total Assets</b>	<b>\$ 150,612</b>	<b>\$ 150,006</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current portion of long-term debt	\$ 8,490	\$ 8,862
Accounts payable and accrued liabilities	5,116	4,330
Accrued payroll	1,967	1,595
Taxes payable	2,133	2,734
Deferred gain on disposition of Century Casinos Africa	1,623	-
Liabilities related to assets held for sale	-	10,770
<b>Total Current Liabilities</b>	<b>19,329</b>	<b>28,291</b>
Long-term debt, less current portion	14,823	28,501
Deferred income taxes – Foreign	1,074	427
Other long-term accrued liabilities	-	303
<b>Total Liabilities</b>	<b>35,226</b>	<b>57,522</b>
Commitments and Contingencies		
Shareholders' Equity:		
Noncontrolling interests	-	4,711
Preferred stock; \$.01 par value; 20,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; \$.01 par value; 50,000,000 shares authorized; 23,915,503 and 23,895,443 shares issued, respectively;		

Edgar Filing: CENTURY CASINOS INC /CO/ - Form 10-Q

23,910,578 and 23,884,067 shares outstanding, respectively	239	239
Additional paid-in capital	74,150	73,360
Accumulated other comprehensive earnings (losses)	3,140	(5,147 )
Retained earnings	37,868	19,347
	115,397	92,510
Treasury stock – 4,925 and 11,376 shares at cost, respectively	(11 )	(26 )
Total Shareholders' Equity	115,386	92,484
Total Liabilities and Shareholders' Equity	\$ 150,612	\$ 150,006

See notes to condensed consolidated financial statements.

--3--

---

CENTURY CASINOS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

Amounts in thousands, except for share information	For the three months ended September 30,		For the nine months ended September 30,	
	2009	2008	2009	2008
<b>Operating revenue:</b>				
Gaming	\$12,804	\$13,122	\$35,414	\$39,108
Hotel, food and beverage	2,279	2,396	6,215	6,594
Other	523	511	1,395	1,469
Gross revenues	15,606	16,029	43,024	47,171
Less promotional allowances	1,882	2,063	5,417	5,802
Net operating revenue	13,724	13,966	37,607	41,369
<b>Operating costs and expenses:</b>				
Gaming	5,196	5,284	14,254	15,781
Hotel, food and beverage	1,807	1,918	5,006	5,278
General and administrative	4,440	4,793	13,318	15,299
Impairments and other write-offs	-	9,357	-	9,357
Depreciation	1,526	1,759	4,648	5,124
Total operating costs and expenses	12,969	23,111	37,226	50,839
Earnings from equity investment	33	218	276	766
Operating earnings (loss) from continuing operations	788	(8,927 )	657	(8,704 )
<b>Non-operating income (expense):</b>				
Interest income	33	4	43	26
Interest expense	(1,618 )	(879 )	(3,433 )	(3,087 )
(Losses) gains on foreign currency transactions and other	(182 )	(70 )	(431 )	31
Non-operating (expense), net	(1,767 )	(945 )	(3,821 )	(3,030 )
Loss from continuing operations before income taxes	(979 )	(9,872 )	(3,164 )	(11,734 )
Income tax provision	200	5,463	519	4,250
Loss from continuing operations	(1,179 )	(15,335 )	(3,683 )	(15,984 )
<b>Discontinued operations:</b>				
(Loss) earnings from discontinued operations	(38 )	1,515	2,674	4,229
Gain on disposition of Century Casino Millennium	-	-	915	-
Gain on disposition of Century Casinos Africa	429	-	20,277	-
Income tax (benefit) provision	(70 )	247	726	756
Earnings from discontinued operations	461	1,268	23,140	3,473
Net (loss) earnings	(718 )	(14,067 )	19,457	(12,511 )
Less: Net earnings attributable to the noncontrolling interests (continuing operations)	(5 )	119	(42 )	123
Net earnings attributable to the noncontrolling interests (discontinued operations)	14	12	978	188
Net (loss) earnings attributable to Century Casinos, Inc. and subsidiaries	\$(727 )	\$(14,198 )	\$18,521	\$(12,822 )

See notes to condensed consolidated financial statements.

-Continued on following page-

--4--

---

CENTURY CASINOS, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited) - CONTINUED

	For the three months ended September 30,		For the nine months ended September 30,	
	2009	2008	2009	2008
Basic (loss) earnings per share:				
Loss from continuing operations	\$ (0.05 )	\$ (0.65 )	\$ (0.15 )	\$ (0.69 )
Earnings from discontinued operations	0.02	0.05	0.94	0.14
Net (loss) earnings	\$ (0.03 )	\$ (0.60 )	\$ 0.79	\$ (0.55 )