

# ***Brand New Day***

**Isle of Capri Casinos Inc**

**Investor Presentation**

**March 2008**

# *Safe Harbor*

**In addition to historical facts or statements of current condition, this presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Some of these statements are those regarding our prospects for future growth, our expectation of continued acquisitions and our optimism in light of current economic conditions. These statements are subject to a number of risks and uncertainties that could cause the statements made to be incorrect and the actual results to differ materially. The Company describes certain of these risks and uncertainties in its filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended April 29, 2007, and Form 10-Q for the fiscal quarters ended since that date. Some of these risks include those relating to licensing and other regulatory approvals, financing sources, development and construction activities, costs and delays, weather, permits, competition and business conditions in the gaming industry. Furthermore, the Company does not intend to update publicly any forward-looking statements, except as may be required by law. The cautionary advice in this paragraph is permitted by the Private Securities Litigation Reform Act of 1995.**

# ***Company Overview***

- **Experienced management team known for operational excellence and financial discipline**
- **Strategic direction aimed at improving existing operations and organic growth opportunities**
- **Focus on improving free cash flow**
- **Future capital projects will be timed to match financial flexibility**

# The Visual Brand...



NAME

LOGO

BRAND IDENTITY

PRODUCTS AND SERVICES

**The Visual Brand...**

**NAME**  
**LOGO**  
**BRAND IDENTITY**  
**PRODUCTS AND SERVICES**

**The Experiential Brand. . .**

**BRAND VALUES**  
**MANAGEMENT STRUCTURE**  
**INVESTOR RELATIONS**  
**MARKETING STRATEGY**  
**CUSTOMER RELATIONS**

**PLAYERS CLUB PROGRAM**  
**KNOWLEDGE MANAGEMENT**  
**DATABASE / CRM MANAGEMENT**  
**TECHNOLOGY / TRACKING**  
**RESEARCH**  
**GUEST SATISFACTION SURVEYS**  
**PLAYER DEVELOPMENT PROGRAMS**  
**TELEMARKETING**

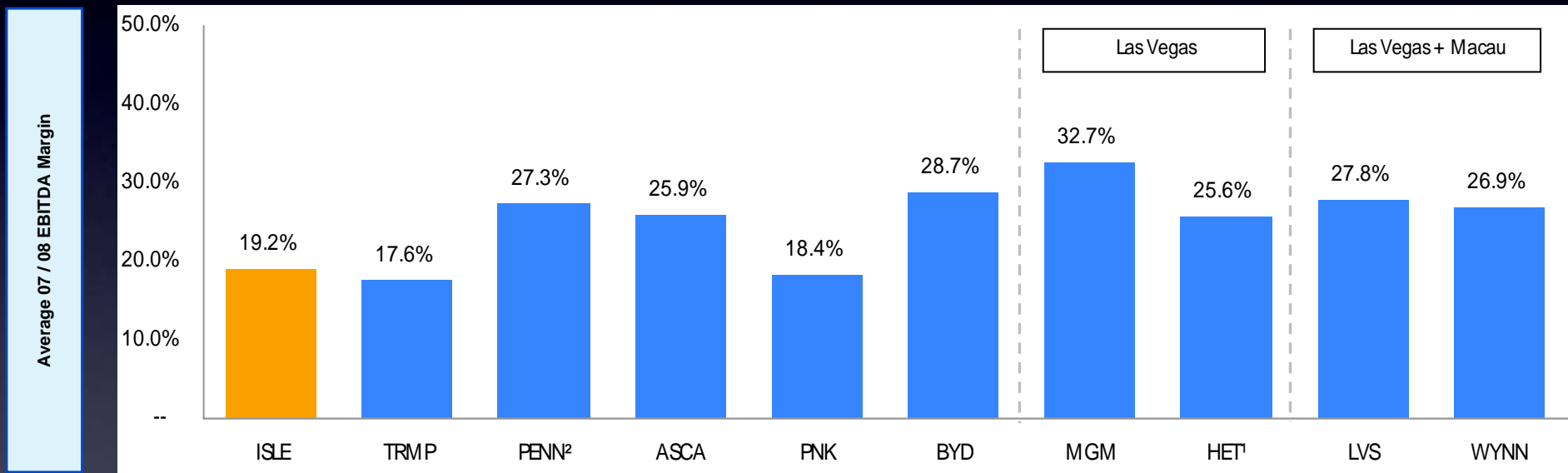
**STAFF MOTIVATION**  
**RECRUITMENT PROGRAMS**  
**STAFF OPNION SURVEYS 360**  
**HUMAN RESOURCES**  
**BOH ENVIRONMENTS**

# ***Building An Operating Company***

**In order to grow FCF, we must improve margins by:**

- **Aligning operating strategy to needs of customers**
- **Hiring, training and rewarding employees based on ability to implement operating plan**
- **Execute Key Operating Initiatives**

# Industry Margin Comparison



Source: Wall Street Research

# ***Align Operating Strategy With Needs Of Our Customers***

- **Attributes most important to customers when selecting a casino:**
  - **Cleanliness**
  - **Safety**
  - **Friendliness of Staff**
  - **Feeling of Fun and Excitement**
  - **Availability of Games**
- **Utilize research in each market to determine “GAP” between customers’ needs and our performance**
- **Build operating & capital plans around areas where biggest gaps exist**

# ***Leverage Human Capital***

- **Simplify employee training to focus on areas of customer importance (clean, safe, friendly and fun)**
- **Implement “pay for skills” program which will identify more motivated employees and reduce supervision**
- **Align incentive compensation to areas of control**
  - **Line level employees based on courtesy scores**
  - **Mid-management based on achieving managements’ objectives**
  - **Senior management at properties and corporate on financial goals based on FCF**

# ***Key Operating Initiatives***

- **Be recognized as the leader in cleanliness in every jurisdiction**
- **Utilize technology to simplify and elevate the customer experience**
- **Match product to target customers by brand in every jurisdiction**
- **Standardize database segmentation and develop segment profitability models**
- **Be recognized as the leader in courtesy in every jurisdiction**



See. Say. Smile.

# ***Positioning the Brands***

## ***Current Situation:***

- **Four Brands**
  - **Isle of Capri**
  - **the isle**
  - **Rhythm City**
  - **Colorado Central Station**
- **Customer confusion between Isle of Capri & the isle**
- **Asset quality varies greatly between Isle brands**
  - **Natchez vs. Waterloo**

# *Natchez vs. Waterloo*



# ***Positioning the Brands***

- **Simplify to two distinct brands with different business models**
- **Align brands based on:**
  - **Asset Class**
  - **Market growth potential**
  - **Available land**
  - **Competition**

# ***Positioning the Brands***

## **Brand characteristics:**

### **Local Brand**

**Local customer base  
Limited product offering  
Small markets  
Low revenue growth potential  
Centralized decision-making**

### **Regional**

**Regional customer base  
Expanded amenities  
Growth markets  
Expansion opportunities  
Decentralized decision making**

# ***Positioning the Brands***

## ***Advantages of a two brand strategy:***

- **Clearly defines experience and expectations with customers, employees and investors**
- **Allows company to develop / explain internal growth pipeline in Isle brand**
- **Sets platform for future growth**
- **Primary focus of both brands is clean, safe, friendly and fun**



# ***Positioning the Brands***

## **Isle**

**Biloxi**

**Bettendorf**

**Black Hawk  
(combined)**

**Waterloo**

**Pompano**

**Kansas City**

**Boonville**

**Lake Charles**

## **Lady Luck**

**Lula**

**Natchez**

**Caruthersville**

**Davenport**

**Marquette**

# *Lady Luck - Isle*





# exhilaration

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ESCAPE THE ORDINARY



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exhilaration  
ESCAPE THE ORDINARY

isle  
CASINO • HOTEL



# Lady Luck **Brand Advertising**



LUCK BE A...  
**RUGGED  
DREAM**  
TONIGHT.



LUCK BE A...  
**ROW** of  
*Smokin' HOT*  
**777s**  
TONIGHT.



LUCK BE A...  
*Down HOME*  
**MEAL**  
TONIGHT.



LUCK BE A...  
*Free MEAL,*  
**ROOM AND**  
*anything ELSE*  
TONIGHT.



LUCK BE A...  
*4-WHEEL drive*  
**off-ROADING**  
**BEAST**  
TONIGHT.



LUCK BE A...  
**TRIPLE 7**  
TONIGHT.



LUCK BE A...  
**HEARTY**  
**HELPING**  
TONIGHT.



LUCK BE A...  
**ROYAL**  
**TREATMENT**  
TONIGHT.



LUCK BE A...  
**RUGGED**  
**DREAM**  
TONIGHT.



# Winning Wednesdays

BLACKJACK TOURNAMENT  
AND SLOT TOURNAMENT

Win your share of \$5,000 in IslePlay<sup>®</sup>

Slot Tournament • April 2, 16 & 30

- Free entry
- See IsleOne<sup>®</sup> club for complete details.

Win of \$4,000 and \$2,000  
promo chip units

Blackjack Tournament • April 9 & 23

- Buy-in for the tournament is \$30 per person per session with three sessions during each tournament
- See IsleOne<sup>®</sup> club for complete details.

Earn matching points every Monday in april

To qualify, points must be earned from 3:00am Monday to 3:00am Tuesday.

# Maniac MONDAYS

# BRING A Friend

This is definitely a "Win-Win" situation!

- IsleOne members who bring a friend to sign up for an IsleOne card will receive the same number of points their friend earns during their first day of play\*
- Points must be redeemed at the IsleOne club from 6:00am until 3:00am
- All new IsleOne members will receive a special thank you gift

Earn 20 Get \$20 in IslePlay<sup>®</sup>

Expires 5/31/08. Rules apply. See IsleOne<sup>®</sup> for complete details.



600 Emerson Road, Suite 300, St. Louis, MO 63141  
1-800-THE-ISLE • www.isleofcapricasinos.com

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# ***Financial Summary*** (in millions)

	Three months		Nine months	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Net Revenues	\$ 269.7	\$ 230.8	\$ 827.0	\$ 748.0
EBITDA	40.2	33.7	122.5	125.8
Operating Income	6.3	9.7	26.6	55.0
Net Interest Expense *	(26.7)	(20.4)	(93.0)	(59.8)
Income Taxes	7.4	1.9	25.7	(1.2)
Minority Interest	(0.9)	(0.5)	(4.9)	(2.1)
Discontinued Operations	-	0.4	-	18.1
Net Income (loss)	\$ <u>(13.9)</u>	\$ <u>(8.9)</u>	\$ <u>(45.6)</u>	\$ <u>10.0</u>

\* Includes \$13.7 million loss on early extinguishment of debt in the nine months ended fiscal 2008.

# Capitalization

	<u>January 27, 2008</u>	<u>Adjustment</u>	<u>Proforma *</u>
Cash and cash equivalents	\$ 117.6	-	\$ 117.6
<u>LTD</u>			
Revolving Credit Facility	\$ 175.0	11.0	\$ 186.0
Term Loan	696.5	175.0	871.5
7% Notes due	500.0	-	500.0
Black Hawk Debt	186.0	(186.0)	-
Other	12.6	-	12.6
	\$ <u>1,570.1</u>		\$ <u>1,570.1</u>

\* Proforma for Black Hawk refinancing