



Entertainment Properties Trust Q2 2008 Earnings Call

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of [Michael Billerman] of Citi. Please proceed sir.

Ambika Goel - Citi

Hi, this is Ambika Goel with Michael. Can you give some color on the asset sales? What triggered, you deciding to sell the assets, were you approached by a buyer? And if you look at the current valuation of where your stock is trading at an implied cap rate basis of about 7.3% by my estimates, is that, what you would say is in line with what you are expecting for the theatres that's on the market?

Mark Peterson

I think we were approached by a buyer and without giving too much details, we do think that's the numbers that we could achieve our in line or better than the cap rates that you are talking about.

David Brain

I think that's right. We are pleased with the valuation, is quite stronger than the market gives us credit for, and the thought is, the redeployment of that continues to be accretive to our shareholder because we have opportunities to reemploy the capital. And all of our transactions are those that have come to us are pretty unsolicited ambiguous stuff.

Ambika Goel - Citi

Okay, great. And then on the vineyards, can you give some color on the investment. I know that the party that you bought the vineyard from this past quarter, they just bought the whole brand and vineyards from [Constellation] pricing \$200 million. So just how you kind of piece together that, that acquisition prices that they paid relative to the price that you paid for the vineyards and the wine-making facilities. And also if there is any potential for more acquisitions with the same partners like you bought the vineyards from?

Greg Silvers

Great, couple of things. The way that we are able to breakout, I think what you say the brand value versus hard asset value is clearly the appraisal method is the easiest way for us to do that because we are acquiring land assets. And so we have our advisors and third party advisors who give us kind of input on that. So if you break it down just to give you some color on that.

Of the, call it, \$116.5 million roughly \$63 million of that was land and vineyard improvements being wine (inaudible) with approximately \$53 million of that being winery buildings and the nature. As far as additional transactions with that Group right now, we are not talking it about doing anything right now. But they continued I think they feel very aggressive in the space, and we think they are a good partner who is willing to put, as you said, significant equity in the deal for us to look at. And that's a combination that we are excited about.

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