

## Seeking Alpha $\alpha$

# Great Wolf Resorts, Inc. Q1 2008 Earnings Call Transcript

## Question-and-Answer Session

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### Operator

(Operator instructions) Our first question comes from the line of Bill Crow, Raymond James. Please go ahead.

### Bill Crow – Raymond James

Good morning, guys. John, congratulations. I think the last couple years have been terrific, from an execution perspective, and getting the company righted, from a tough beginning. A couple of questions here. The reference to the bookings up 7% in the second quarter, I assume that's what, through the end of May, basically was a three-week booking window?

### John Emery

That's looking through June – and just to clarify, Bill, that does not mean our same-store growth will be that high for the second quarter. I think what's happening as we're marketing so well, people are booking sooner. But you still have a lot of sold out dates in June, that you can only sell so many rooms. We don't expect to set – it's comforting to have it on the books early, especially in this environment. But I just want to make sure we clarify, I'm not expecting to be up year-over-year 7% for the quarter.

### Jim Calder

That's just a pure number of rooms on the books.

### Bill Crow – Raymond James

Yes. I understand that. Now, where is ADR relative to that 7%? Where are you relative to a year ago? Can you give us that?

### John Emery

The ADR will be – won't show the big jump it did in the fourth and first quarter, because the second quarter is when we really hammer group sales. We've got a ton of group late into May, which is as you know, is our weakest month of the year. We've got a lot of occupancy driving those room nights, but you're not going to have quite the rate. But the occupancy – obviously the flow-through for us is extremely high, because you're literally selling nights that you may not have sold otherwise, if you weren't pushing group.

**Bill Crow – Raymond James**

Yes. Jim, a couple questions for you. Preopening costs for the remainder of the year, now that you have those two properties open, will there be any preopening costs associated with the Grapevine expansion?

**Jim Calder**

There probably will be some, Bill. It's early right now. We haven't really developed a detailed marketing plan, and what not, that will be involved in that. The Grapevine expansion opens up in a couple different pieces, part in December, part in probably January, February. We're unsure exactly what exactly the timing is going to be on those. There will also be some moderate costs throughout the year on Concord, as we're building that. There are certain items that have to be expensed for GAAP, throughout the construction period. So, there will be some for the Grapevine expansion and some for Concord as well, throughout the rest of the year.

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