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Entertainment Properties Trust Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Your first question comes from the line of Ambika Goel – Citigroup.

Ambika Goel – Citigroup

Given the writers' strike, is there any impact of future theatre development projects?

Gregory K. Silvers

Ambika, at this point, we don't see anything. As we had spoken I think at several times, if the writers' strike had extended out to probably six months or so, it could have impacted us, but at this point right now, our relationships with the studios and the discussions that we're having indicate that there's really no impact, or much of an impact on the exhibition season.

David M. Brain

Unlike television, basically the industry operates with nine to twelve months of product in the can, so able to absorb this kind of thing and just put things into more rapid production going into a strike outlook and coming out of a strike settlement. So it doesn't expect to affect the year, 2008 or 2009 and beyond. So things are pretty much motoring on in spite of that.

Ambika Goel – Citigroup

Okay. And then on the amphitheater investment, could you give some more background on just what expected cash flow coverage is? What's the length of the mortgage, and the rate as well?

Gregory K. Silvers

In terms of background and coverage, it will operate about 110 to 120 day season, consistent with most summer opener business type things. The rate is running at a LIBOR plus 350.

Mark A. Peterson

That's during development.

Gregory K. Silvers

During development and our expected coverage upon completion is really astoundingly for the season is going to be about a 20 cover. We're very excited about that and the note extends through 2029, Mark?

Mark A. Peterson

Yes, 20-year note upon completion. Ambika, as we've talked before, this is lot of ways a mortgage that's structured like a lease. So you would see a lot of indicative terms of our lease in a mortgage closing.

Ambika Goel – Citigroup

Okay, great. And then if we think about your mortgage balance of \$325 million, can you split that out between what's actually fixed and what's floating, if we think about how LIBOR is moving and the fact that you have nothing on your line of credit at this point?

Mark A. Peterson

We've got of the \$325 million, approximately about \$100 million is LIBOR based.

Ambika Goel – Citigroup

Okay. And then just on the GO Zone bonds, I'm not sure if I've pronounced that correctly, but how are they reset on a weekly basis?

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