

**Isle of Capri Casinos, Inc.****Reconciliation of Forward-Looking Adjusted EBITDA to Net Income****For the Quarter Ending January 22, 2006***As Disclosed in the 2nd Quarter 2006 Earnings Conference Call on November 18, 2005***(In thousands, except per share amounts)**

	<u>Range of Estimate</u>		
Adjusted EBITDA(1)(2).....	\$ 46,000	\$ 48,500	\$ 51,000
(Add)/deduct:			
Hurricane related charges, net (3)	2,300	2,300	2,300
Depreciation and amortization.....	25,300	25,300	25,300
Operating income.....	18,400	20,900	23,400
Interest expense, net.....	21,500	21,500	21,500
Minority interest.....	2,000	2,250	2,500
Income before income taxes.....	(5,100)	(2,850)	(600)
Income tax expense.....	(2,448)	(1,368)	(288)
Net income.....	<u>\$ (2,652)</u>	<u>\$ (1,482)</u>	<u>\$ (312)</u>
Per share data - diluted:			
Net income.....	\$ (0.09)	\$ (0.05)	\$ (0.01)
Weighted average diluted common shares.....	31,100	31,100	31,100

(1) EBITDA is “earnings before interest, income taxes, depreciation and amortization.” Isle of Capri calculates Adjusted EBITDA by adding depreciation and amortization expense, preopening expense, refinancing costs, and non-recurring items not requiring the expenditure of cash to operating income. Adjusted EBITDA is a supplemental financial measurement used by Isle of Capri's management, as well as industry analysts, in the evaluation of its businesses. Adjusted EBITDA is not presented as an alternative measure of operating results income or cash flow from operations (as determined in accordance with accounting principles generally accepted in the United States (GAAP)), but because it is widely accepted financial indicator of a company's ability to incur and service debt. All companies do not calculate Adjusted EBITDA in the same manner. As a result, Adjusted EBITDA as presented here may not be comparable to similarly titled measures reported by other companies.

**Isle of Capri Casinos, Inc.**

**Reconciliation of Net Debt to Adjusted EBITDA Ratio**

**For the Quarter Ended October 23, 2005**

*As Disclosed in the 2nd Quarter 2006 Earnings Conference Call on November 18, 2005*

(In thousands)

**Excess Cash of Restricted Subsidiaries:**

Consolidated Cash and Cash Equivalents	\$	125,495
Less: Cash and Cash Equivalents of Unrestricted Subsidiaries		28,165
Less: Minimum Cash for Restricted Subsidiaries per Senior Debt Covenants		55,000
<b>Excess Cash of Restricted Subsidiaries</b>	<b>\$</b>	<b>42,330</b>

**Net Debt of Restricted Subsidiaries:**

Consolidated Debt	\$	1,212,063
Plus: Unsecured Letters of Credit and Bonds of Restricted Subsidiaries		22,151
Less: Unrestricted Subsidiary Debt		205,293
Less: Excess Cash of Restricted Subsidiaries		42,330
<b>Net Debt of Restricted Subsidiaries</b>	<b>\$</b>	<b>986,590</b>

**Last Twelve Months (LTM) Adjusted EBITDA Adjusted for Payments from Unrestricted Subsidiaries and Gain on Sale:**

Consolidated LTM Adjusted EBITDA	\$	210,933
Less: LTM Adjusted EBITDA of Unrestricted Subsidiaries		31,802
Plus: Management Fees from Unrestricted Subsidiaries		4,632
Plus: Excess Cash Dividends from Unrestricted Subsidiaries		-
Plus: Gain on Sale of Option to Purchase Real Estate in St. Louis, MO		2,277
<b>LTM Adjusted EBITDA Adjusted for Payments from Unrestricted Subsidiaries and Gain on Sale</b>	<b>\$</b>	<b>186,040</b>

**Net Debt to Adjusted EBITDA Ratio:**

Net Debt of Restricted Subsidiaries	\$	986,590
LTM Adjusted EBITDA Adjusted for Payments from Unrestricted Subsidiaries and Gain on Sale	\$	186,040

**Net Debt to Adjusted EBITDA Ratio**

**5.3x**

**Isle of Capri Casinos, Inc.**

**Reconciliation of Adjusted EBITDA to Interest Ratio**

**For the Quarter Ended October 23, 2005**

*As Disclosed in the 2nd Quarter 2006 Earnings Conference Call on November 18, 2005*

(In thousands)

**Last Twelve Months (LTM) Adjusted EBITDA Adjusted for Payments from Unrestricted Subsidiaries and Gain on Sale:**

Consolidated LTM Adjusted EBITDA	\$	210,933
Less: LTM Adjusted EBITDA of Unrestricted Subsidiaries		31,802
Plus: Management Fees from Unrestricted Subsidiaries		4,632
Plus: Excess Cash Dividends from Unrestricted Subsidiaries		-
Plus: Gain on Sale of Option to Purchase Real Estate in St. Louis, MO		2,277
<b>LTM Adjusted EBITDA Adjusted for Payments from Unrestricted Subsidiaries and Gain on Sale</b>	<b>\$</b>	<b>186,040</b>

**Last Twelve Months (LTM) Restricted Subsidiaries Gross Cash Interest Expenditure:**

Consolidated Net Interest Expense	\$	76,553
Plus: Consolidated Capitalized Interest		4,857
Plus: Consolidated Interest Income		3,743
Less: Consolidated Amortization of Deferred Financing Costs		3,519
Consolidated Gross Cash Interest Expenditure	\$	81,632

Unrestricted Subsidiaries Net Interest Expense	\$	9,607
Plus: Unrestricted Subsidiaries Capitalized Interest		2,698
Plus: Unrestricted Subsidiaries Interest Income		1,555
Less: Unrestricted Subsidiaries Amortization of Deferred Financing Costs		1,018
Unrestricted Subsidiaries Gross Cash Interest Expenditure	\$	12,842

Consolidated Gross Cash Interest Expenditure	\$	81,632
Less: Unrestricted Subsidiaries Gross Cash Interest Expenditure		12,842
<b>LTM Restricted Subsidiaries Gross Cash Interest Expenditure</b>	<b>\$</b>	<b>68,790</b>

**Adjusted EBITDA to Interest Ratio:**

LTM Adjusted EBITDA Adjusted for Payments from Unrestricted Subsidiaries and Gain on Sale	\$	186,040
Restricted Subsidiaries Gross Cash Interest Expenditure	\$	68,790

**Adjusted EBITDA to Interest Ratio** **2.7x**