



For Immediate Release

Contact: Ralph A. Beattie
972/770-5600

CAPITAL SENIOR LIVING CORPORATION REPORTS THIRD QUARTER 2008 RESULTS

DALLAS – (BUSINESS WIRE) – November 4, 2008 – Capital Senior Living Corporation (NYSE:CSU), one of the country's largest operators of senior living communities, today announced operating results for the third quarter of 2008. Company highlights for the third quarter include:

Financial Highlights

- Resident revenue of \$43.2 million increased \$1.3 million or approximately 3 percent from the third quarter of 2007.
- Third quarter 2008 net income was \$1.2 million or \$0.05 per diluted share versus \$1.4 million or \$0.05 per diluted share in the third quarter of the prior year.
- Adjusted EBITDAR (income from operations plus depreciation and amortization and facility lease expense) was \$14.3 million versus \$14.1 million in the prior year period.
- Adjusted EBITDAR margin of 29.9 percent improved 40 basis points from the third quarter of 2007.
- Adjusted cash earnings (net income plus depreciation and amortization) for the third quarter of 2008 were \$4.3 million or \$0.16 per diluted share versus \$4.2 million or \$0.16 per diluted share for the third quarter of 2007.

Operational Highlights

- Average physical occupancy rate for the 57 stabilized communities was 89 percent.
- Operating margins (before property taxes, insurance and management fees) were 47.7 percent in stabilized independent and assisted living communities.
- At communities under management, excluding the four communities undergoing conversions, same-store revenue increased 2.9 percent versus the third quarter of 2007 as a result of a 5.3 percent increase in average monthly rent. Same-community expenses increased 2.7 percent and net income increased 3.2 percent from the comparable period of the prior year.

“We continue to focus on increasing shareholder value through the successful execution of our 2008 Business Plan,” said James A. Stroud, Chairman of the Company. “Despite a challenging operating environment, year-over-year results include an increase in resident revenues of 3 percent and a 40 basis point improvement in EBITDAR margin.”

OPERATING AND FINANCIAL RESULTS

For the third quarter of 2008, the Company reported revenue of \$47.7 million, compared to revenue of \$47.8 million in the third quarter of 2007. Resident and healthcare revenue increased from the third quarter of the prior year by approximately \$1.3 million, or 3 percent. The number of consolidated communities increased from 49 in the third quarter of 2007 to 50 in the third quarter of 2008 with the addition of the Whitley Place community which was leased on January 31, 2008.

Financial occupancy of the consolidated portfolio averaged 85.7 percent in the third quarter of 2008 with an average monthly rent of \$2,491 per occupied unit. Excluding four communities with units being converted to higher levels of care, financial occupancy of the consolidated portfolio averaged 87.6 percent.

Unaffiliated management services revenue decreased by \$0.7 million in the third quarter of 2008 compared to the third quarter of 2007. The third quarter of 2007 included the recovery of management fees of \$0.4 million from the Covenant Group of Texas, Inc. and the reduction of a contingent note payable to Covenant of \$0.3 million under the provisions of the purchase and sale agreement.

Affiliated management services revenue increased from \$0.9 million in the third quarter of 2007 to \$1.0 million in the third quarter of 2008, due to development and pre-marketing fees earned on three communities in joint ventures.

Revenues under management increased approximately 1 percent to \$55.7 million in the third quarter of 2008 from \$55.0 million in the third quarter of 2007. Revenues under management includes revenue generated by the Company's consolidated communities, communities owned in joint ventures and communities owned by third parties that are managed by the Company. There were 65 communities under management in the third quarter of 2008 compared to 64 communities under management in the third quarter of 2007.

Operating expenses increased by \$1.0 million or 4 percent from the third quarter of 2007. As a percentage of resident and healthcare revenues, operating expenses were 63.2 percent. On a same-store basis, food costs in the third quarter of 2008 increased 3 percent from the third quarter of 2007, while labor costs increased 2 percent and utilities increased 7 percent, primarily due to an unusually hot summer in Texas.

General and administrative expenses of \$2.4 million were \$0.5 million below the third quarter of the prior year due to a decrease in health insurance claims and a reduction in accrued bonus expense. The Company is self-insured for the costs of employee and dependent medical benefits and purchases stop-loss protection on an individual and aggregate basis. Claims during the quarter came back into line after an unusually high level of expenses in the second quarter this year. As a percentage of revenues under management, general and administrative expenses were 4.3 percent in the third quarter of 2008, compared to 5.2 percent in the third quarter of 2007.

Facility lease expenses were \$6.3 million in the third quarter of 2008, approximately \$0.3 million higher than the third quarter of 2007, reflecting 25 leased communities this quarter versus 24 last year, along with increases in contingent rent. The Company has reclassified the amortization of deferred gains on sale leaseback transactions from gain on sale of assets to a reduction of facility lease expense to better conform with industry practice.

Depreciation and amortization expense increased \$0.3 million from the third quarter of the prior year, as a result of capital improvements at certain of the Company's owned and leased facilities along with depreciation incurred on new information systems which became operational at the beginning of this year.

Adjusted EBITDAR for the third quarter of 2008 was approximately \$14.3 million, an increase from \$14.1 million in the third quarter of 2007. Adjusted EBITDAR margin was 29.9 percent for the period, a 40 basis point improvement from the comparable period of the prior year.

Interest income was \$0.1 million in the current quarter as the Company earned interest on cash balances and lease deposits. Interest expense was \$3.1 million in the third quarter of 2008, compared to \$3.2 million in the third quarter of 2007, reflecting lower debt outstanding due to principal amortization.

The Company reported a pre-tax profit of approximately \$2.0 million in the third quarter of 2008 compared to a pre-tax profit of approximately \$2.2 million in the third quarter of 2007. The Company reported net income of \$1.2 million or \$0.05 per diluted share in the third quarter of 2008 versus net income of \$1.4 million or \$0.05 per diluted share in the third quarter of 2007.

Adjusted cash earnings (net income plus depreciation and amortization) were \$4.3 million or \$0.16 per diluted share in the third quarter of 2008, versus \$4.2 million or \$0.16 per diluted share in the third quarter of 2007.

For the first nine months of 2008, the Company produced revenue of \$145.3 million, compared to revenue of \$140.9 million in the first nine months of 2007, an increase of \$4.4 million or approximately 3 percent. Adjusted EBITDAR for the first nine months of 2008 was \$42.9 million, an increase of \$2.2 million or 6 percent from the \$40.7 million reported for the first nine months of 2007.

The Company's results improved from net income of \$3.1 million or \$0.11 per diluted share in the first nine months of 2007 to net income of \$3.9 million or \$0.15 per diluted share in the first nine months of 2008. With the adjustments listed on the non-GAAP reconciliation attachment, earnings per diluted share improved from \$0.13 in the first nine months of 2007 to \$0.15 in the first nine months of 2008. Cash earnings on this basis grew from \$11.9 million, or \$0.45 per diluted share, in the first nine months of 2007 to \$13.3 million, or \$0.50 per diluted share, in the first nine months of 2008.

“Our communities offer seniors quality housing with supportive services at affordable rates,” said Lawrence A. Cohen, Chief Executive Officer. “We grew occupancy, increased rents and controlled expenses in the third quarter. We continue to implement our 2008 Business Plan with a focus on increasing capacity and levels of care to meet the needs of our residents, along with steady improvement in cash flow.”

CAPITAL OVERVIEW AND FINANCING

Capital expenditures in the third quarter of 2008 were approximately \$2.1 million. Of this amount, approximately \$1.3 million represented maintenance spending at the property level. If annualized, this rate of spending would equal approximately \$758 per unit.

The Company ended the quarter with approximately \$28.0 million of cash and cash equivalents and approximately \$186.7 million of mortgage debt at fixed interest rates averaging approximately 6.1 percent. With the exception of a \$4.8 million mortgage maturing in September of 2009, the next closest maturity is July of 2015.

RECENT DEVELOPMENTS

On May 29, 2008, the Company announced that a Special Committee of its Board of Directors had engaged Banc of America Securities LLC (“BAS”) as its financial advisor to assist the Special Committee in exploring and considering a range of strategic alternatives for the Company. BAS is a nationally recognized investment banking firm with expertise in the senior living industry and is prominent in both healthcare and real estate.

3Q08 CONFERENCE CALL INFORMATION

The Company will host a conference call with senior management to discuss the Company’s third quarter 2008 financial results. The call will be held on Wednesday, November 5, 2008 at 11:00 a.m. Eastern Time.

The call-in number is 913-312-0962, confirmation code 6407804. A link to a simultaneous webcast of the teleconference will be available at www.capitalsenior.com through Windows Media Player or RealPlayer. To pre-check your system compatibility prior to our event go to this link:

<http://www.investorcalendar.com/aboutus/HelpDesk.asp>

For the convenience of the Company’s shareholders and the public, the conference call will be recorded and available for replay starting November 5, 2008 at 2:00 pm Eastern Time, until November 12, 2008 at 8:00 p.m. Eastern Time. To access the conference call replay, call 719-457-0820, confirmation code 6407804. The conference call will also be made available for playback via the Company’s corporate website, www.capitalsenior.com, and will be available until the next earnings release date.

ABOUT THE COMPANY

Capital Senior Living Corporation is one of the nation's largest operators of residential communities for senior adults. The Company's operating philosophy emphasizes a continuum of care, which integrates independent living, assisted living and home care services, to provide residents the opportunity to age in place.

The Company currently operates 65 senior living communities in 23 states with an aggregate capacity of approximately 9,600 residents, including 38 senior living communities which the Company owns or in which the Company has an ownership interest, 25 leased communities and 2 communities it manages for third parties. In the communities operated by the Company, 69 percent of residents live independently, 24 percent of residents require assistance with activities of daily living and 7 percent of residents live in continuing care retirement communities.

The forward-looking statements in this release are subject to certain risks and uncertainties that could cause results to differ materially, including, but not without limitation to, the Company's ability to find suitable acquisition properties at favorable terms, financing, licensing, business conditions, risks of downturns in economic conditions generally, satisfaction of closing conditions such as those pertaining to licensure, availability of insurance at commercially reasonable rates, and changes in accounting principles and interpretations among others, and other risks and factors identified from time to time in our reports filed with the Securities and Exchange Commission.

This release contains certain financial information not derived in accordance with generally accepted accounting principles (GAAP), including adjusted EBITDAR, cash earnings, cash earnings per share and other items. The Company believes this information is useful to investors and other interested parties. Such information should not be considered as a substitute for any measures derived in accordance with GAAP, and may not be comparable to other similarly titled measures of other companies. Reconciliation of this information to the most comparable GAAP measures is included as an attachment to this release.

Contact Ralph A. Beattie, Chief Financial Officer, at 972-770-5600 for more information.

CAPITAL SENIOR LIVING CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands)

| | <u>September 30,</u> <u>2008</u> <u>(unaudited)</u> | <u>December 31,</u> <u>2007</u> |
|---|---|------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 28,047 | \$ 23,359 |
| Accounts receivable, net | 5,018 | 3,232 |
| Accounts receivable from affiliates | 1,426 | 846 |
| Federal and state income taxes receivable | 878 | 2,084 |
| Deferred taxes | 960 | 996 |
| Assets held for sale | 354 | 1,011 |
| Property tax and insurance deposits | 8,771 | 7,860 |
| Prepaid expenses and other | <u>2,396</u> | <u>4,526</u> |
| Total current assets | 47,850 | 43,914 |
| Property and equipment, net | 306,672 | 310,442 |
| Deferred taxes | 12,143 | 12,824 |
| Investments in limited partnerships | 7,243 | 6,199 |
| Other assets, net | <u>15,822</u> | <u>16,674</u> |
| Total assets | <u>\$ 389,730</u> | <u>\$ 390,053</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,836 | \$ 1,201 |
| Accrued expenses | 13,236 | 13,561 |
| Current portion of notes payable | 12,803 | 9,035 |
| Current portion of deferred income | 5,715 | 5,174 |
| Customer deposits | <u>1,720</u> | <u>2,024</u> |
| Total current liabilities | 35,310 | 30,995 |
| Deferred income | 20,834 | 23,168 |
| Notes payable, net of current portion | 178,444 | 185,733 |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Preferred stock, \$.01 par value: | | |
| Authorized shares — 15,000; no shares issued or outstanding | — | — |
| Common stock, \$.01 par value: | | |
| Authorized shares — 65,000; issued and outstanding | | |
| shares 26,681 and 26,596 in 2008 and 2007, respectively | 267 | 266 |
| Additional paid-in capital | 130,205 | 129,159 |
| Retained earnings | <u>24,670</u> | <u>20,732</u> |
| Total shareholders' equity | <u>155,142</u> | <u>150,157</u> |
| Total liabilities and shareholders' equity | <u>\$ 389,730</u> | <u>\$ 390,053</u> |

CAPITAL SENIOR LIVING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 |
| Revenues: | | | | |
| Resident and health care revenue..... | \$ 43,224 | \$ 41,910 | \$ 128,795 | \$ 124,842 |
| Unaffiliated management services revenue | 52 | 778 | 140 | 939 |
| Affiliated management services revenue | 1,011 | 864 | 4,180 | 2,035 |
| Community reimbursement revenue..... | <u>3,430</u> | <u>4,206</u> | <u>12,151</u> | <u>13,049</u> |
| Total revenues..... | 47,717 | 47,758 | 145,266 | 140,865 |
| Expenses: | | | | |
| Operating expenses (exclusive of facility lease expense and depreciation and amortization expense shown below) | 27,320 | 26,344 | 80,191 | 77,263 |
| General and administrative expenses..... | 2,405 | 2,880 | 9,733 | 9,180 |
| Facility lease expense | 6,319 | 6,037 | 18,774 | 17,754 |
| Stock-based compensation expense | 293 | 283 | 786 | 763 |
| Depreciation and amortization..... | 3,143 | 2,835 | 9,258 | 8,361 |
| Community reimbursement expense | <u>3,430</u> | <u>4,206</u> | <u>12,151</u> | <u>13,049</u> |
| Total expenses | <u>42,910</u> | <u>42,585</u> | <u>130,893</u> | <u>126,370</u> |
| Income from operations..... | 4,807 | 5,173 | 14,373 | 14,495 |
| Other income (expense): | | | | |
| Interest income | 140 | 154 | 363 | 509 |
| Interest expense | (3,066) | (3,160) | (9,172) | (9,615) |
| (Loss) gain on sale of assets | — | (8) | 596 | 74 |
| Write-off of deferred loan costs..... | — | — | — | (538) |
| Other income (expense)..... | <u>75</u> | <u>(8)</u> | <u>227</u> | <u>(61)</u> |
| Income before provision for income taxes | 1,956 | 2,151 | 6,387 | 4,864 |
| Provision for income taxes | <u>(754)</u> | <u>(784)</u> | <u>(2,449)</u> | <u>(1,807)</u> |
| Net income | <u>\$ 1,202</u> | <u>\$ 1,367</u> | <u>\$ 3,938</u> | <u>\$ 3,057</u> |
| Per share data: | | | | |
| Basic net income per share | <u>\$ 0.05</u> | <u>\$ 0.05</u> | <u>\$ 0.15</u> | <u>\$ 0.12</u> |
| Diluted net income per share | <u>\$ 0.05</u> | <u>\$ 0.05</u> | <u>\$ 0.15</u> | <u>\$ 0.11</u> |
| Weighted average shares outstanding — basic..... | <u>26,396</u> | <u>26,201</u> | <u>26,362</u> | <u>26,177</u> |
| Weighted average shares outstanding — diluted..... | <u>26,705</u> | <u>26,593</u> | <u>26,667</u> | <u>26,641</u> |

Capital Senior Living Corporation
Supplemental Information

| | Communities | | Resident Capacity | | Units | |
|---|-------------|--------|-------------------|--------|--------|--------|
| | Q3 08 | Q3 07 | Q3 08 | Q3 07 | Q3 08 | Q3 07 |
| Portfolio Data | | | | | | |
| I. Community Ownership / Management | | | | | | |
| Consolidated communities | | | | | | |
| Owned | 25 | 25 | 3,926 | 3,926 | 3,503 | 3,503 |
| Leased | 25 | 24 | 3,775 | 3,710 | 3,152 | 3,105 |
| Joint Venture communities (equity method) | 13 | 12 | 1,602 | 1,406 | 1,367 | 1,221 |
| Third party communities managed | 2 | 3 | 294 | 502 | 239 | 408 |
| Total | 65 | 64 | 9,597 | 9,544 | 8,261 | 8,237 |
| Independent living | | | | | | |
| Assisted living | | | 6,656 | 6,713 | 5,670 | 5,738 |
| Continuing Care Retirement Communities | | | 2,286 | 2,176 | 1,973 | 1,881 |
| Total | | | 655 | 655 | 618 | 618 |
| | | | 9,597 | 9,544 | 8,261 | 8,237 |
| II. Percentage of Operating Portfolio | | | | | | |
| Consolidated communities | | | | | | |
| Owned | 38.5% | 39.1% | 40.9% | 41.1% | 42.4% | 42.5% |
| Leased | 38.5% | 37.5% | 39.3% | 38.9% | 38.2% | 37.7% |
| Joint venture communities (equity method) | 20.0% | 18.8% | 16.7% | 14.7% | 16.5% | 14.8% |
| Third party communities managed | 3.1% | 4.7% | 3.1% | 5.3% | 2.9% | 5.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Independent living | | | | | | |
| Assisted living | | | 69.4% | 70.3% | 68.6% | 69.7% |
| Continuing Care Retirement Communities | | | 23.8% | 22.8% | 23.9% | 22.8% |
| Total | | | 6.8% | 6.9% | 7.5% | 7.5% |
| | | | 100.0% | 100.0% | 100.0% | 100.0% |
| Selected Operating Results | | | | | | |
| I. Consolidated communities | | | | | | |
| Number of communities | 50 | 49 | | | | |
| Resident capacity | 7,701 | 7,636 | | | | |
| Unit capacity | 6,655 | 6,608 | | | | |
| Financial occupancy (1) | 85.7% | 88.5% | | | | |
| Revenue (in millions) | 43.1 | 41.8 | | | | |
| Operating expenses (in millions) (2) | 24.5 | 23.4 | | | | |
| Operating margin | 43% | 44% | | | | |
| Average monthly rent | 2,491 | 2,356 | | | | |
| II. Waterford / Wellington communities | | | | | | |
| Number of communities | 17 | 17 | | | | |
| Resident capacity | 2,426 | 2,426 | | | | |
| Unit capacity | 2,132 | 2,132 | | | | |
| Financial occupancy (1) | 89.4% | 91.5% | | | | |
| Revenue (in millions) | 11.9 | 11.6 | | | | |
| Operating expenses (in millions) (2) | 6.7 | 6.4 | | | | |
| Operating margin | 44% | 45% | | | | |
| Average monthly rent | 2,089 | 1,988 | | | | |
| III. Communities under management | | | | | | |
| Number of communities | 65 | 64 | | | | |
| Resident capacity | 9,597 | 9,544 | | | | |
| Unit capacity | 8,261 | 8,237 | | | | |
| Financial occupancy (1) | 84.9% | 88.9% | | | | |
| Revenue (in millions) | 55.7 | 55.0 | | | | |
| Operating expenses (in millions) (2) | 30.9 | 30.0 | | | | |
| Operating margin | 45% | 45% | | | | |
| Average monthly rent | 2,636 | 2,478 | | | | |
| IV. Same Store communities under management (excluding 4 communities with conversions) | | | | | | |
| Number of communities | 59 | 59 | | | | |
| Resident capacity | 8,680 | 8,680 | | | | |
| Unit capacity | 7,485 | 7,485 | | | | |
| Financial occupancy (1) | 87.7% | 90.4% | | | | |
| Revenue (in millions) | 52.1 | 50.7 | | | | |
| Operating expenses (in millions) (2) | 28.8 | 27.7 | | | | |
| Operating margin | 45% | 45% | | | | |
| Average monthly rent | 2,630 | 2,498 | | | | |

V. General and Administrative expenses as a percent of Total Revenues under Management

| | | |
|-------------------------------|------|------|
| Third Quarter (3) | 4.3% | 5.2% |
| First Nine Months of 2008 (3) | 5.5% | 5.5% |

VI. Consolidated Debt Information (in thousands, except for interest rates)

Excludes insurance premium financing

| | | |
|-----------------|----------------|----------------|
| Fixed rate debt | <u>186,688</u> | <u>189,862</u> |
| Total debt | <u>186,688</u> | <u>189,862</u> |

| | | |
|--------------------------------|------|------|
| Weighted average interest rate | 6.1% | 6.1% |
|--------------------------------|------|------|

- (1) - Financial occupancy represents actual days occupied divided by total number of available days during the month of the quarter.
- (2) - Excludes management fees, insurance and property taxes.
- (3) - Excludes due diligence costs which were written off when a potential acquisition was terminated and costs incurred to avoid a proxy contest.

CAPITAL SENIOR LIVING CORPORATION
NON-GAAP RECONCILIATIONS

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| Adjusted EBITDAR | | | | |
| Net income from operations | \$ 4,807 | \$ 5,173 | \$ 14,343 | \$ 14,495 |
| Depreciation and amortization expense | 3,143 | 2,835 | 9,258 | 8,361 |
| Facility lease expense | 6,319 | 6,037 | 18,774 | 17,754 |
| Unusual legal/proxy costs | 2 | 26 | 180 | 63 |
| Write-off of Hearthstone acquisition costs | - | - | 375 | - |
| Adjusted EBITDAR | <u>\$ 14,271</u> | <u>\$ 14,071</u> | <u>\$ 42,930</u> | <u>\$ 40,673</u> |
| Adjusted EBITDAR Margin | | | | |
| Adjusted EBITDAR | \$ 14,271 | \$ 14,071 | \$ 42,930 | \$ 40,673 |
| Total revenues | <u>47,717</u> | <u>47,758</u> | <u>145,266</u> | <u>140,865</u> |
| Adjusted EBITDAR margin | <u>29.9%</u> | <u>29.5%</u> | <u>29.6%</u> | <u>28.9%</u> |
| Adjusted net income and net income per share | | | | |
| Net income | \$ 1,202 | \$ 1,367 | \$ 3,938 | \$ 3,057 |
| Unusual legal/proxy costs, net of tax | 1 | 17 | 111 | 40 |
| Write-off of Hearthstone acquisition costs, net of tax | - | - | 231 | - |
| Asset held for sale impairment, net of tax | - | - | 83 | - |
| Loss (gain) on sale of assets, net of tax | - | 5 | (368) | (46) |
| Joint venture noncash charge, net of tax | - | - | - | 156 |
| Write-off deferred loan costs, net of tax | - | - | - | 338 |
| Adjust net income | <u>\$ 1,203</u> | <u>\$ 1,389</u> | <u>\$ 3,995</u> | <u>\$ 3,545</u> |
| Adjusted net income per share | <u>\$ 0.05</u> | <u>\$ 0.05</u> | <u>\$ 0.15</u> | <u>\$ 0.13</u> |
| Diluted shares outstanding | 26,705 | 26,593 | 26,667 | 26,641 |
| Adjusted cash earnings and cash earnings per share | | | | |
| Net income | \$ 1,202 | \$ 1,367 | \$ 3,938 | \$ 3,057 |
| Depreciation and amortization expense | 3,143 | 2,835 | 9,258 | 8,361 |
| Unusual legal/proxy costs, net of tax | 1 | 17 | 111 | 40 |
| Write-off of Hearthstone acquisition costs, net of tax | - | - | 231 | - |
| Asset held for sale impairment, net of tax | - | - | 83 | - |
| Loss (gain) on sale of assets, net of tax | - | 5 | (368) | (46) |
| Joint venture noncash charge, net of tax | - | - | - | 156 |
| Write-off deferred loan costs, net of tax | - | - | - | 338 |
| Adjusted cash earnings | <u>\$ 4,346</u> | <u>\$ 4,224</u> | <u>\$ 13,253</u> | <u>\$ 11,906</u> |
| Adjusted cash earnings per share | <u>\$ 0.16</u> | <u>\$ 0.16</u> | <u>\$ 0.50</u> | <u>\$ 0.45</u> |
| Diluted shares outstanding | 26,705 | 26,593 | 26,667 | 26,641 |
| Adjusted pretax income | | | | |
| Pretax income as reported | \$ 1,956 | \$ 2,151 | \$ 6,387 | \$ 4,864 |
| Unusual legal/proxy costs | 2 | 26 | 180 | 63 |
| Write-off of Hearthstone acquisition costs | - | - | 375 | - |
| Asset held for sale impairment | - | - | 134 | - |
| Loss (gain) on sale of assets | - | 8 | (596) | (74) |
| Joint venture noncash charge | - | - | - | 248 |
| Write-off deferred loan costs | - | - | - | 538 |
| Adjusted pretax income | <u>\$ 1,958</u> | <u>\$ 2,185</u> | <u>\$ 6,480</u> | <u>\$ 5,639</u> |

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