

Full House Resorts Announces Three Months and Full Year Results for the Period Ended December 31, 2007
2008-03-27

Stockman's Casino and GED Continue to Meet Management Expectations

Full House Resorts (AMEX: FLL) today announced results for its fourth quarter and full year ended December 31, 2007. For the three months ended December 31, 2007, income from operations fell slightly to \$493,443 compared to \$514,663 in the prior-year period due to a \$407,534 impairment charge taken in fourth quarter 2007. Net income applicable to common shares during the fourth quarter was \$8,597 compared to net income of \$243,910 in the prior period. For the fourth quarter ended December 31, 2007, earnings per share was \$0.00 compared to \$0.02 in the prior-year period based on diluted common shares outstanding of 19.3 million and 11.0 million, respectively. The net income includes an impairment loss of \$269,972 or approximately \$0.01 EPS for fourth quarter 2007, excluding impairment, net income would have been \$277,569 and earnings per share would have been approximately \$0.01 for the quarter. Earnings per share for the full year was \$0.05 compared to \$0.04 for the prior year.

Fourth Quarter 2007 Highlights and Subsequent Events

On December 14, 2007, Gaming Entertainment Michigan, LLC (GEM), a 50%-owned joint venture of the Company, received final approval from the National Indian Gaming Commission (NIGC) for its gaming management contract for the FireKeepers Casino in Battle Creek, Michigan. In addition, the Tribe has engaged a construction manager, substantially completed the design documents and executed guaranteed maximum price contracts for the project construction. GEM has identified a general manager who will join the project as soon as the Tribe's financing is in place for the construction of the project.

During the fourth quarter 2007, the Company recognized a \$120,555 unrealized gain on notes receivable compared to a \$655,747 gain in the prior-year period. Based on the current project schedule for the FireKeepers Casino, we adjusted the expected opening date to June 2009 which along with other factors resulted in a lower than expected unrecognized gain related to the valuation of our tribal receivables.

The Company is now working with the Nottawaseppi Huron Band of Potawatomi's FireKeepers Development Authority on financing and construction of the FireKeepers Casino. Once financing is secured by the Tribe, ground-breaking is slated to begin shortly afterward. Full House will manage the FireKeepers Casino for seven years after its opening.

On October 5, 2007, we announced that we had entered into an agreement to sell the Holiday Inn Express in Fallon, Nevada for \$7.2 million in gross proceeds, with the hotel sales price exceeding the operating cash flow multiple paid for the Stockman's Casino and Hotel in January 2007. The transaction closed in February 2008 and we received net proceeds at that time of \$7.0 million, which were applied to the Company's revolving loan with Nevada State Bank, reducing the balance on the loan from \$10.9 million to \$3.9 million while the Company's availability under the facility increased to approximately \$4.8 million. In addition, future amortization requirements were reduced on a pro-rata basis and the Company has no required principal payments on the facility until January 2016.

During the quarter, we completed renovation of Stockman's Coffee Shop, and the renovation of the Steakhouse was started and completed in January 2008. Also, Stockman's market share of slot win increased from 34.8% in 2006 to 36.2% in 2007.

In early 2008, the expansion and renovation of the Harrington Raceway and Casino was completed, which brought the total number of slot units to approximately 2,100. We are guaranteed an 8% increase in our management fee during 2008 over the 2007 cash flow from Harrington of approximately \$4.1 million.

During the quarter, we recognized an impairment loss of \$407,534 due to the discontinuation of the Manuelito project with the Navajo Nation and the Nambe project with the Nambe Pueblo.

During the quarter, we recorded the liability associated with the previously announced Green Acres transaction which increased Michigan contract rights and long-term debt by approximately \$9.5 million, which represents the remaining obligation to be funded once project and transaction financing is obtained.

Commenting on 2007 results, CEO Andre Hilliou said, '2007 was a strong year for Full House. Stockman's Casino and the GED joint venture continue to progress nicely and in-line with our expectations, and we made a value-added divestiture of the Holiday Inn Express in Fallon, which enabled us to reduce our debt early in 2008. In addition, we are very happy that the NIGC has approved the GEM management agreement, and we look forward to beginning construction on FireKeepers Casino, which we believe will become a major driver of shareholder value when completed.'

Fourth Quarter Results

For the quarter ended December 31, 2007, Full House reported casino, food and beverage, and other revenue of \$2.4 million. No revenue was recorded in the prior-year period due to Stockman's Casino being acquired on January 31, 2007.

The Company recorded equity in net income of unconsolidated joint venture of \$1.2 million compared to \$0.9 million in the prior-year period. The equity in net income of unconsolidated joint venture represents Full House Resorts' 50% ownership interest in GED, a joint venture between the Company and Harrington Raceway, Inc.

Operating expenses for fourth quarter 2007 were \$2.8 million compared to \$1.1 million in the prior-year period, primarily as a result of the addition of the Stockman's operation during 2007 and increases in employee costs at the corporate level.

Income from operations for fourth quarter 2007 was \$493,443 compared to \$514,633 in the prior-year period. The 2007 figure includes a \$407,534 charge for impairment of contract rights -consisting of a \$207,534 charge for the Nambé Pueblo casino project and a \$200,000 charge related to the discontinuation of a casino project with the Navajo Nation. Absent the impairment charges, income from operations would have increased by 75% from the prior-year period.

The Company reported earnings per share of \$0.00 and \$0.02 for the three months ended December 31, 2007 and 2006, respectively.

Full Year 2007 Results

For 2007, Full House reported casino, food and beverage, and other revenue of \$9.6 million. No revenue was recorded in the prior year due to Stockman's Casino being acquired on January 31, 2007. The Company recorded equity in net income of unconsolidated joint venture of \$4.3 million compared to \$3.9 million in 2006.

For the year ended December 31, 2007, operating expenses increased from \$4.4 million to \$12.4 million. As in the fourth quarter, the increases for 2007 were due primarily from the addition of Stockman's Casino and stock compensation and other personnel costs.

The Company reported earnings per share of \$0.05 and \$0.04 for the year ended December 31, 2007 and 2006, respectively.

Liquidity and Capital Resources

As of December 31, 2007, the company had \$8.0 million in cash and approximately \$4.1 million of availability on a revolving credit line. Long-term debt outstanding including current maturities and the Green Acres obligation at the end of the fourth quarter was \$23.2 million. The company prepaid \$0.7 million of debt during the quarter, bringing total voluntary prepayments to \$4.8 million. Following the sale of the Holiday Inn Express in late February 2008, the Company had approximately \$7.3 million cash on hand, had reduced the long-term debt outstanding, including current maturities and the Green Acres obligation, to \$15.7 million and had approximately \$4.8 million of availability on the Nevada State Bank Revolving Credit facility.

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