

## Full House Resorts Announces Three and Six Month Results for the Period Ended June 30, 2008

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Full House Resorts (AMEX: FLL) announced results for the three and six months ended June 30, 2008. For the three months ended June 30, 2008, income from continuing operations was \$33,343 compared to income from continuing operations of \$158,149 in the prior-year period. Net income for the three months ended June 30, 2008 was \$33,343, compared to \$236,233 in the prior-year period. Fully diluted earnings per share in the second quarter of 2008 were \$0.00 compared to \$0.01 in the prior-year period.

### **Second Quarter 2008 Highlights and Subsequent Events**

On May 6, the FireKeepers Development Authority (the 'Authority') closed on a \$340 million Senior Secured Note financing and a \$35 million F&E facility to fund the FireKeepers Casino project in Battle Creek, Michigan. Full House owns 50% of the joint venture Gaming Entertainment Michigan, LLC (GEM), which has been and will continue to oversee on behalf of the Authority the construction of the facility and has a seven-year management agreement which begins when the facility opens.

With the closing of financing, GEM received repayment from the Authority of approximately \$9.3 million on its notes receivable related to previously advanced development costs. The funds were used to retire GEM's \$9.5 million obligation to Green Acres carried by GEM as debt. The remaining \$5.0 million receivable from the Authority will be paid 180 days following the opening of the casino from the construction disbursement account provided funds are available and, if not, in accordance with the management contract over 60 months.

Groundbreaking for the FireKeepers Casino occurred in early May, while steelwork on the site has been proceeding since July and is scheduled to be substantially completed in September. The casino is expected to open in the summer of 2009.

On July 7, the Company announced that its Board of Directors authorized a program to repurchase up to \$1 million worth of shares of the Company's common stock. As of August 13, no stock has been repurchased by the Company.

Commenting on second quarter results, CEO Andre Hilliou said, 'Our second quarter results were unfortunately affected by the weak economic climate, as Stockman's Casino had a difficult April and May. However, we also had positive developments during the quarter as we were pleased to assist the Authority in closing on financing, breaking ground and beginning construction on FireKeepers Casino in Battle Creek. Construction is on schedule and we expect steelwork will be substantially complete by September. We remain confident that the FireKeepers Casino will be a major driver of shareholder value upon its opening in the summer of 2009. And in Delaware, the weak economic climate has not affected us as our management agreement provides for a minimum 8% management fee growth this year.'

### **Second Quarter 2008 Results**

For the quarter ended June 30, 2008, Full House reported casino, food and beverage, and other revenue of \$2.4 million, compared to revenue of \$2.9 million in the second quarter of 2007. 2007 revenue includes a one-time settlement payment of approximately \$0.3 million received from the Hard Rock Casino in Biloxi, Mississippi. Adjusting for the one-time gain in 2007, total revenue for the quarter was down 7% from the prior-year period primarily as a result of lower slot revenue at the Stockman's Casino due to general economic weakness and lower military activity in April and May versus last year.

The Company recorded equity in net income of unconsolidated joint venture and management fee income of \$1.0 million, a slight increase from the prior-year period. The equity in net income of unconsolidated joint venture represents Full House Resorts' 50% ownership interest in Gaming Entertainment (Delaware), LLC, a joint venture between the Company and Harrington Raceway, Inc. Quarterly results differ from the minimum 8% guaranteed growth due to timing difference in cash payments in the prior year. Management expects that full-year results for Delaware will be approximately 8% greater than results from 2007.

Operating expenses for second quarter 2008 were \$3.3 million compared to \$3.7 million in the prior-year period, primarily due to a \$0.6 million decrease in stock compensation expense, partially offset by increases in expenses related to GEM's management agreement for FireKeepers and increases at Stockman's.

Income from continuing operations for second quarter 2008 was \$33,343 compared to \$158,149 in the prior-year period. The 2008 figure includes an \$85,000 impairment loss related to assets held for sale and an unrealized loss on notes receivable of \$61,840 compared to a gain of \$523,768 last year.

The Company reported earnings per share of \$0.00 and \$0.01 for the three months ended June 30, 2008 and 2007, respectively.

### **Six Month 2008 Results**

For the six months ended June 30, 2008, Full House reported casino, food and beverage, and other revenue of \$5.0 million, compared to revenue of \$4.5 million in the prior-year period, primarily as a result of a full six-month contribution from Stockman's operations in 2008 as opposed to only five months of operations in 2007, partially offset by the one-time Hard Rock settlement payment received in the second quarter of 2007.

The Company recorded equity in net income of unconsolidated joint venture and management fee income of \$2.2 million, a 6% increase from the prior-year period. Year-to-date results differ from the minimum 8% guaranteed growth due to timing differences in cash payments in the prior year. Management expects that full year results for Delaware will be approximately 8% greater than results from 2007.

Operating expenses for the six months ended June 30, 2008 were \$6.4 million compared to \$6.5 million in the prior-year period, as lower stock compensation during 2008 more than offset an extra month of Stockman's operations.

Income from continuing operations for the six months ended June 30, 2008 was \$1.0 million compared to \$0.3 million in the prior-year period. The 2008 figure includes \$1.8 million of unrealized gains on notes receivable compared to \$0.9 million in the prior-year period, with the year-over-year increase primarily due to the repayment of \$9.3 million of notes receivable related to the FireKeepers Casino, in connection with the Authority obtaining construction and equipment financing for the project, as previously discussed.

The Company reported earnings per share of \$0.06 and \$0.02 for the six months ended June 30, 2008 and 2007, respectively.

### **Liquidity and Capital Resources**

As of June 30, 2008, the company had \$6.0 million in cash and approximately \$5.3 million of availability on its revolving credit line with the Nevada State Bank. Long-term debt outstanding including current maturities at the end of the second quarter was \$6.9 million. The company repaid \$9.5 million of debt during the quarter, bringing the total amount of debt reduction during 2008 to \$17.6 million.

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