

MULTIMEDIA GAMES INC
Form 10-Q
August 05, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-28318

Multimedia Games, Inc.
(Exact name of Registrant as specified in its charter)

Texas 74-2611034
(State or other (IRS Employer
jurisdiction of Identification No.)
incorporation or
organization)

206 Wild Basin Road
South, Building B,
Fourth Floor
Austin, Texas 78746
(Address of principal (Zip Code)
executive offices)

(512) 334-7500

(Registrant's telephone number, including area code)

Registrant's website: www.multimediasgames.com

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files): Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer" "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input checked="" type="checkbox"/>
Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 4, 2010, there were 27,572,407 shares of the Registrant's common stock, par value \$0.01 per share, outstanding.

FORM 10-Q

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PART I

FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

MULTIMEDIA GAMES, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 As of June 30, 2010 and September 30, 2009
 (In thousands, except shares)
 (Unaudited)

	June 30, 2010	September 30, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$30,814	\$12,455
Accounts receivable, net of allowance for doubtful accounts of \$2,945 and \$3,676, respectively	11,099	13,424
Inventory	4,967	5,742
Deferred contract costs, net	—	1,826
Prepaid expenses and other	2,311	2,806
Current portion of notes receivable, net	13,419	15,780
Federal and state income tax receivable	5,930	6,246
Deferred income taxes	—	1,138
Total current assets	68,540	59,417
Restricted cash and long-term investments	737	804
Property and equipment and leased gaming equipment, net	55,505	69,050
Long-term portion of notes receivable, net	27,617	40,124
Intangible assets, net	30,943	33,361
Value added tax receivable	6,997	7,516
Other assets	2,285	2,379
Deferred income taxes	—	2,969
Total assets	\$192,624	\$215,620
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$750	\$750
Accounts payable and accrued expenses	26,025	27,626
Deferred revenue	2,619	2,341
Total current liabilities	29,394	30,717
Revolving line of credit	15,000	15,000
Long-term debt, less current portion	44,063	59,250
Other long-term liabilities	737	789
Deferred revenue, less current portion	2,272	2,409
Total liabilities	91,466	108,165
Commitments and contingencies		
Stockholders' equity:		
Preferred stock:		
Series A, \$0.01 par value, 1,800,000 shares authorized, no shares issued and outstanding	—	—
Series B, \$0.01 par value, 200,000 shares authorized, no shares issued and outstanding	—	—

Common stock, \$0.01 par value, 75,000,000 shares authorized, 33,348,687 and 33,121,337 shares issued, and 27,445,270 and 27,217,920 shares outstanding, respectively	334	331
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MULTIMEDIA GAMES, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS – (Continued)
 As of June 30, 2010 and September 30, 2009

(In thousands, except shares)

(Unaudited)

	June 30, 2010	September 30, 2009
Additional paid-in capital	88,766	86,317
Treasury stock, 5,903,417 common shares at cost	(50,128)	(50,128)
Retained earnings	63,437	72,803
Accumulated other comprehensive loss, net	(1,251)	(1,868)
Total stockholders' equity	101,158	107,455
Total liabilities and stockholders' equity	\$ 192,624	\$ 215,620

The accompanying notes are an integral part of the condensed consolidated financial statements.

MULTIMEDIA GAMES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three Months Ended June 30, 2010 and 2009

(In thousands, except per share data)

(Unaudited)

	2010	Three Months Ended June 30, 2009
REVENUES:		
Gaming operations	\$23,810	\$27,407
Gaming equipment and system sales	4,935	3,786
Other	331	936