

BALLY TECHNOLOGIES, INC.
Form 10-Q
May 12, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2008

OR

o **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 0-4281

BALLY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

88-0104066
(I.R.S. Employer
Identification No.)

6601 S. Bermuda Rd.
Las Vegas, Nevada 89119
(Address of principal executive offices)

(702) 584-7700

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(Registrant's telephone number, including area code)

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 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 is a large accelerated filer, an accelerated filer or a non-accelerated filer. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (do not check if a smaller reporting company) Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of Common Stock, \$0.10 par value, outstanding as of May 7, 2008, according to the records of the registrant's registrar and transfer agent was 54,703,000 which does not include 1,017,000 shares held in treasury.

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PART I

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2008	June 30, 2007
	(in 000s, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 36,042	\$ 40,842
Restricted cash	13,571	17,201
Accounts and notes receivable, net of allowances for doubtful accounts of \$11,553 and \$8,481	209,688	172,060
Inventories	91,154	81,151
Deferred tax assets, net	62,896	59,486
Deferred cost of revenue	61,751	36,744
Other current assets	19,415	14,399
Total current assets	494,517	421,883
Long-term investments (restricted)	10,803	10,455
Long-term receivables	7,988	9,840
Property, plant and equipment, net of accumulated depreciation of \$57,270 and \$46,320	72,494	75,623
Leased gaming equipment, net of accumulated depreciation of \$88,553 and \$73,396	92,132	67,965
Goodwill	162,728	161,708
Intangible assets, net of accumulated amortization of \$29,203 and \$24,543	30,503	24,401
Deferred tax assets, net	24,129	18,457
Long-term deferred cost of revenue	35,161	28,376
Other assets, net	5,582	6,187
Total assets	\$ 936,037	\$ 824,895
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 40,568	\$ 44,045
Accrued liabilities	52,611	56,427
Customer deposits	23,863	23,489
Jackpot liabilities	13,471	13,414
Deferred revenue	127,459	94,347
Income taxes payable	2,254	12,945
Current maturities of long-term debt and capital leases, including \$2,800 and \$2,381 owed to related parties	13,535	12,271
Total current liabilities	273,761	256,938
Long-term debt and capital leases, net of current maturities, including \$2,800 and \$7,600 owed to related parties	294,057	321,583
Long-term deferred revenue	55,629	36,651
Other income tax liability	20,285	
Other liabilities	8,057	9,321
Total liabilities	651,789	624,493
Minority interest	1,689	948
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Special stock, 10,000,000 shares authorized; Series E, \$100 liquidation value; 115 shares issued and outstanding	12	12
Common stock, \$0.10 par value; 100,000,000 shares authorized; 55,686,000 and 54,612,000 shares issued and 54,669,000 and 54,025,000 outstanding	5,555	5,455
Treasury stock at cost, 1,017,000 and 587,000 shares	(18,614)	(1,894)
Additional paid-in capital	285,138	253,809
Accumulated other comprehensive income	2,414	1,119

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Retained earnings (accumulated deficit)	8,054	(59,047)
Total stockholders' equity	282,559	199,454
Total liabilities and stockholders' equity	\$ 936,037	\$ 824,895

See accompanying notes to unaudited condensed consolidated financial statements.

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Three Months Ended		Nine Months Ended	
March 31,		March 31,	
2008	2007	2008	2007