

ALLIANCE GAMING CORP  
Form 8-K/A  
August 26, 2004

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K/A**

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): **June 30, 2004**

Commission File Number **0-4281**

**ALLIANCE GAMING CORPORATION**

(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.**

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**Las Vegas, Nevada**  
(Address of principal executive offices)

**89119**  
(Zip Code)

(Registrant's Telephone Number, Including Area Code): **(702) 270-7600**

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**ITEM 2.01. Acquisitions or Disposition of Assets**

On June 30, 2004, Alliance Gaming Corporation completed the sale of United Coin Machine Co. to Montana-based Century Gaming, Inc. Total consideration for the disposition was approximately \$100 million in cash and the assumption by Century Gaming of approximately \$5 million in debt, which was previously disclosed in a press release, filed on Form 8-K on July 6, 2004, and is incorporated herein by reference. Alliance Gaming Corporation recorded in a pre-tax gain on sale of \$15.3 million, or \$9.1 million after deferred taxes.

**ITEM 9.01. FINANCIAL STATEMENTS, PRO FORMA INFORMATION AND EXHIBITS**

- |              |  |
|--------------|--|
| (a)          | Financial Statements of Businesses Acquired.<br><br>Not Applicable.  |
| (b)          | Pro Forma Financial Information<br><br>Unaudited pro forma condensed consolidated balance sheet as of March 31, 2004.<br><br>Unaudited pro forma condensed consolidated statement of operations for the nine months ended March 31, 2004.<br><br>Unaudited pro forma condensed consolidated statement of operations for the year ended June 30, 2003.<br><br>Notes to unaudited pro forma condensed consolidated financial statements. |
| (c) Exhibits | <br><br><br><br><br><br>Not Applicable.  |

**Alliance Gaming Corporation and Subsidiaries**

**Unaudited Pro Forma Condensed Consolidated Balance Sheet and Statement of Operations**

The following unaudited pro forma condensed consolidated financial statements have been derived from the historical financial statements of Alliance Gaming Corporation and subsidiaries (collectively, the Company ) to give effect to the sale of United Coin Machine Co. ( United Coin ) to Century Gaming, Inc. which was completed on June 30, 2004.

The operations of United Coin are included in discontinued operations in the historical financial statements, accordingly, since the pro forma financial statements represent the continuing operations only, there are no adjustments required to be made to the unaudited pro forma condensed consolidated statement of operations for the year ended June 30, 2003 and nine months ended March 31, 2004. The United Coin assets and liabilities are classified as held for sale the unaudited pro forma condensed consolidated balance sheet as of March 31, 2004, and the pro forma adjustments gives effect to the transaction as if the transaction had occurred on March 31, 2004.

Certain pro forma adjustments described in the accompanying notes are based on estimates and various assumptions that the Company believes are reasonable under the circumstances. The pro forma information below is provided for informational purposes only and is not necessarily indicative of what the actual financial position or results of operations of the Company would have been had the transaction actually occurred on the date indicated.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the Company s financial statements, including the notes thereto, as of and for the year ended June 30, 2003 contained in the Company s Annual Report on Form 10-K and its quarterly report on Form-10-Q as of and for the nine months ended March 31, 2004, and the related Management s Discussion and Analysis of Financial Condition and Results of Operations.

## ALLIANCE GAMING CORPORATION AND SUBSIDIARIES

## UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2004

(In 000 s, except share amounts)

	ASSETS			
	As Reported	Pro Forma Adjustments (a)		Pro Forma
<b>Current assets:</b>				
Cash and cash equivalents (a)	\$ 32,506	100,812	\$	133,318
Accounts and notes receivable, net	114,844			114,844
Inventories, net	53,236			53,236
Deferred tax assets, net	56,331			56,331
Other current assets	12,004			12,004
<b>Total current assets</b>	<b>268,921</b>	<b>100,812</b>		<b>369,733</b>
Short-term investments (restricted)	2,638			2,638
Long-term receivables, net	12,020			12,020
Lease receivable, net	8,269			8,269
Leased gaming equipment, net	54,983			54,983
Property, plant and equipment, net	65,542			65,542
Goodwill, net	135,128			135,128
Intangible assets, net	64,837			64,837
Assets of discontinued operations held for sale	109,340	(97,364)		11,976
Other assets, net	6,277			6,277
<b>Total assets</b>	<b>\$ 727,955</b>	<b>3,448</b>	<b>\$</b>	<b>731,403</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 38,729		\$	38,729
Accrued liabilities	53,849			53,849
Jackpot liabilities	14,239			14,239
Current maturities of long-term debt	5,446			5,446
Liabilities of discontinued operations held for sale	24,970	(5,676)		19,294
<b>Total current liabilities</b>	<b>137,233</b>	<b>(5,676)</b>		<b>131,557</b>
Long-term debt, net	424,015			424,015
Deferred tax liabilities	6,676			6,676
Other liabilities	5,048			5,048
Minority interest	1,447			1,447
<b>Total liabilities</b>	<b>574,419</b>	<b>(5,676)</b>		<b>568,743</b>
<b>Commitments and contingencies</b>				
<b>Stockholders' equity:</b>				

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Special Stock, 10,000,000 shares authorized: Series E,  
 \$100 liquidation value; 115 shares issued and  
 outstanding

	12		12
Common Stock, \$.10 par value; 100,000,000 shares authorized; 51,266,000 shares issued	5,129		5,129
Treasury stock at cost, 513,000 shares	(501)		(501)
Additional paid-in capital	185,638		185,638
Accumulated other comprehensive income	2,084		2,084
Accumulated deficit	(38,826)	9,124	(29,702)
Total stockholders equity	153,536	9,124	162,660
Total liabilities and stockholders equity	\$ 727,955	3,448	\$ 731,403

**ALLIANCE GAMING CORPORATION AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2004**

(In 000 s, except per share amounts)

	As Reported	Pro Forma Adjustments	Pro Forma
<b>Revenues:</b>			
Gaming equipment and systems	\$ 286,764		\$ 286,764
Casino operations	39,329		39,329
	326,093		326,093
<b>Costs and expenses:</b>			
Cost of gaming equipment and systems	113,395		113,395
Cost of casino operations	15,211		15,211
Selling, general and administrative	80,812		80,812
Research and development costs	24,462		24,462
Depreciation and amortization	20,595		20,595
	254,475		254,475
<b>Operating income</b>	<b>71,618</b>		<b>71,618</b>
<b>Other income (expense):</b>			
Interest income	1,943		1,943
Interest expense	(14,188)		(14,188)
Minority interest	(1,749)		(1,749)
Refinancing charges	(12,293)		(12,293)
Other, net	(1,081)		(1,081)
<b>Income from continuing operations before income taxes</b>	<b>44,250</b>		<b>44,250</b>
<b>Income tax expense</b>	<b>15,944</b>		<b>15,944</b>
<b>Net income from continuing operations</b>	<b>\$ 28,306</b>		<b>\$ 28,306</b>
<b>Basic earnings (loss) per share:</b>			
Continuing operations	\$ 0.57		\$ 0.57
<b>Diluted earnings (loss) per share:</b>			
Continuing operations	\$ 0.56		\$ 0.56
<b>Weighted average common shares outstanding</b>	<b>49,334</b>		<b>49,334</b>
<b>Weighted average common and common share equivalents outstanding</b>	<b>50,522</b>		<b>50,522</b>





**ALLIANCE GAMING CORPORATION AND SUBSIDIARIES**

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

**FOR THE TWELVE MONTHS ENDED JUNE 30, 2003**

(In 000 s, except per share amounts)

	As Reported (1)	Pro Forma Adjustments	Pro Forma
<b>Revenues:</b>			
Gaming equipment and systems	\$ 335,436		\$ 335,436
Casino operations	50,945		50,945
	386,381		386,381
<b>Costs and expenses:</b>			
Cost of gaming equipment and systems	144,352		144,352
Cost of casino operations	21,208		21,208
Selling, general and administrative	95,432		95,432
Research and development costs	19,955		19,955
Depreciation and amortization	20,462		20,462
	301,409		301,409
<b>Operating income</b>	<b>84,972</b>		<b>84,972</b>
<b>Other income (expense):</b>			
Interest income	220		220
Interest expense	(25,645)		(25,645)
Minority interest	(2,009)		(2,009)
Other, net	180		180
<b>Income from continuing operations before income taxes</b>	<b>57,718</b>		<b>57,718</b>
Income tax expense	20,556		20,556
<b>Net income from continuing operations</b>	<b>\$ 37,162</b>		<b>\$ 37,162</b>
<b>Basic earnings (loss) per share:</b>			
Continuing operations	\$ 0.76		\$ 0.76
<b>Diluted earnings (loss) per share:</b>			
Continuing operations	\$ 0.74		\$ 0.74
<b>Weighted average common shares outstanding</b>	<b>49,153</b>		<b>49,153</b>
<b>Weighted average common and common share equivalents outstanding</b>	<b>50,139</b>		<b>50,139</b>

(1) The results have been reclassified to report the results of the Rail City Casino as discontinued operations



**Alliance Gaming Corporation and Subsidiaries**

**Notes to Unaudited Pro Forma Condensed**

**Consolidated Balance Sheet and Statement of Operations**

The above unaudited pro forma condensed consolidated financial statements present financial information for the Company giving effect to the disposition of United Coin, which was effective June 30, 2004. The amounts included in the columns labeled "As Reported" were derived from the historical financial results of the Company as reported in the Annual Report filed on Form 10-K as of and for the year ended June 30, 2003 and in the Company's quarterly report filed on Form 10-Q as of and for the nine months ended March 31, 2004. The following are the pro forma adjustments to effect this transaction:

(a) To record the pro forma disposition of United Coin as of March 31, 2004, including the elimination of the assets and liabilities held for sale and to reflect the receipt of the sale proceeds.

Sale proceeds	\$	100,812
Selling expenses		3,260
		97,552
Net book value of assets and liabilities sold		82,226
Gain on sale of assets		15,326
Income tax expense		6,202
Gain on sale, net of deferred taxes	\$	9,124

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto authorized.

ALLIANCE GAMING CORPORATION  
(Registrant)

By                    /s/ Robert Miodunski  
                          President and Chief Executive Officer  
                          (Principal Executive Officer)

By                    /s/ Robert L. Saxton  
                          Executive Vice President, Chief Financial  
                          Officer and Treasurer (Principal  
                          Financial and Accounting Officer)

Date: August 26, 2004