

BALLY TECHNOLOGIES, INC.

Form 10-Q

May 09, 2011

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**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, 2011**

**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 001-31558**

# 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**

(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 ☒

Accelerated Filer ☐

Non-Accelerated Filer ☐

Smaller Reporting Company ☐

(do not check if a 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 3, 2011, was 53,072,000 which do not include 7,215,000 shares held in treasury.



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	March 31, 2011 (in 000s, except share amounts)	June 30, 2010
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 77,872	\$ 145,089
Restricted cash	7,973	8,303
Accounts and notes receivable, net of allowances for doubtful accounts of \$9,262 and \$9,974	216,344	207,365
Inventories	64,511	42,806
Prepaid and refundable income tax	13,104	7,783
Deferred income tax assets	34,703	35,973
Deferred cost of revenue	13,638	14,568
Prepaid assets	11,616	11,172
Other current assets	6,196	3,350
Total current assets	445,957	476,409
Restricted long-term investments	11,603	13,075
Long-term accounts and notes receivable, net of allowances for doubtful accounts of \$5,586 and \$5,169	45,448	30,163
Property, plant and equipment, net of accumulated depreciation of \$52,475 and \$47,714	33,132	32,094
Leased gaming equipment, net of accumulated depreciation of \$171,375 and \$153,780	90,464	82,357
Goodwill	161,982	161,153
Intangible assets, net	36,361	34,048
Deferred income tax assets	25,464	29,980
Income tax receivable	8,519	8,688
Long-term deferred cost of revenue	25,054	30,958
Other assets, net	17,463	14,251
Total assets	\$ 901,447	\$ 913,176
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 32,551	\$ 23,775
Accrued and other liabilities	44,365	45,662
Customer deposits	5,231	10,185
Jackpot liabilities	11,190	11,531
Deferred revenue	33,255	33,875
Income tax payable	3,783	6,982
Current maturities of long-term debt	45,162	42,543
Total current liabilities	175,537	174,553
Long-term debt, net of current maturities	118,649	131,250
Long-term deferred revenue	33,325	40,236
Other income tax liability	9,252	13,646
Other liabilities	8,572	9,299

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Total liabilities	345,335	368,984
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, \$.10 par value; 100,000,000 shares authorized; 60,097,000 and 59,495,000 shares issued and 52,883,000 and 54,392,000 outstanding	5,993	5,943
Treasury stock at cost, 7,214,000 and 5,103,000 shares	(235,299)	(157,053)
Additional paid-in capital	409,691	392,853
Accumulated other comprehensive loss	(1,879)	(3,044)
Retained earnings	375,907	303,100
Total Bally Technologies, Inc. stockholders' equity	554,425	541,811
Noncontrolling interests	1,687	2,381
Total stockholders' equity	556,112	544,192
Total liabilities and stockholders' equity	\$ 901,447	\$ 913,176

See accompanying notes to unaudited condensed consolidated financial statements.

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**BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**Three Months Ended  
March 31,**

**Nine Months Ende**