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MULTIMEDIA GAMES INC  
Form 8-K/A  
November 30, 2004

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

FORM 8-K/A  
(AMENDMENT NO. 1)  
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: NOVEMBER 30, 2004  
(Date of earliest event reported) (NOVEMBER 17, 2004)

MULTIMEDIA GAMES, INC.  
(Exact name of registrant as specified in its charter)

001-14551  
(COMMISSION FILE NUMBER)

TEXAS  
(State or other jurisdiction  
of incorporation)

74-2611034  
(IRS Employer  
Identification No.)

206 WILD BASIN RD., BLDG. B, SUITE 400,  
AUSTIN, TEXAS  
(Address of principal executive offices)

78746  
(Zip Code)

Registrant's telephone number, including area code: (512) 334-7500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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## EXPLANATORY NOTE

Multimedia Games, Inc. is filing this Amendment No. 1 to its Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 2004 (the "Original 8-K"), to correct the dates in the column headings in the third table under Item 7.01. This Amendment No. 1 does not reflect any events occurring after the filing date of the the Original 8-K, or otherwise modify or update any of the information contained therein.

### ITEM 2.02. RESULTS OF OPERATION AND FINANCIAL CONDITION.

On November 17, 2004, Multimedia Games, Inc. (the "Registrant") issued a press release announcing its fiscal year 2004 results, and on the same date held a related conference call to discuss these results. The full text of the press release issued in connection with the announcement, and the related conference call transcript are attached to this Current Report on Form 8-K as Exhibit Nos. 99.1 and 99.2, respectively. The November 17, 2004 press release and the conference call transcript contain forward-looking statements regarding the Registrant, and include cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

### USE OF NON-GAAP FINANCIAL INFORMATION

The Registrant uses the non-GAAP measure of EBITDA in its earnings releases. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Although EBITDA is not a measure of performance calculated in accordance with generally accepted accounting principles ("GAAP"), the Registrant believes the use of the non-GAAP financial measure EBITDA enhances an overall understanding of the Registrant's past financial performance, and provides useful information to the investor, because of its historical use by the Registrant as a performance measure, and the use of EBITDA by virtually all companies in the gaming equipment sector as a measure of performance. However, investors should not consider this measure in isolation or as a substitute for net income, operating income, or any other measure for determining the Registrant's operating performance that is calculated in accordance with GAAP. In addition, because EBITDA is not calculated in accordance with GAAP, it may not necessarily be comparable to similarly titled measures employed by other companies. The Registrant has included a reconciliation of EBITDA to the most comparable GAAP financial measure, net income, in the attached press release.

### ITEM 7.01 REGULATION FD DISCLOSURE

Historically, the Registrant entered into revenue arrangements with its tribal customers that, among other things, required the Registrant to guarantee certain prize payout levels, to account for and collect all revenues associated with its games, and disburse the allotment to the tribes based on the prize guarantee. Accordingly, revenues have historically been presented on a gross basis to accurately reflect this relationship. Since the Registrant is no longer responsible for guaranteeing prize payouts on a majority of its games, and customers now generally collect total revenues associated with the Registrant's games and remit to the Registrant the net balance due, the Registrant has reclassified its income statement, and is presenting the net amounts due as revenue.

On November 17, 2004, in its conference call regarding its fiscal year 2004 results, the Registrant indicated that it would make available on its website

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certain historical financial statements presented in accordance with this new presentation method. The following is the information provided on the Registrant's website:

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MULTIMEDIA GAMES, INC.  
CONSOLIDATED BALANCE SHEETS (UNAUDITED)  
(In thousands, except shares and per-share amounts)

	SEPTEMBER 30 2004	JUNE 30, 2004	MARCH 31, 2004	DECEMBER 31, 2003
	-----	-----	-----	-----
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 4,768	\$ 29,648	\$ 36,634	\$ 36,634
Accounts receivable(1)	10,397	9,299	10,434	10,434
Inventory	930	3,915	1,882	1,882
Prepaid expenses and other	2,242	2,783	2,112	2,112
Notes receivable, net	12,299	1,939	2,900	2,900
Federal and state income tax receivable	3,714	2,718	1,190	1,190
Deferred income taxes	3,239	1,827	2,033	2,033
	-----	-----	-----	-----
<b>TOTAL CURRENT ASSETS</b>	<b>37,589</b>	<b>52,129</b>	<b>57,185</b>	<b>57,185</b>
Restricted cash and long-term investments	1,216	1,216	1,297	1,297
Property and equipment, net	140,110	134,365	113,945	113,945
Notes receivable - non-current	20,588	7,155	4,537	4,537
Other assets	17,904	11,297	10,442	10,442
	-----	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 217,407</b>	<b>\$ 206,162</b>	<b>\$ 187,406</b>	<b>\$ 187,406</b>
	=====	=====	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Current portion of long-term debt and capital leases	\$ 9,713	\$ 9,633	\$ 9,293	\$ 9,293
Accounts payable and accrued expenses	25,780	25,603	21,535	21,535
Deferred revenue	1,847	244	429	429
	-----	-----	-----	-----
<b>TOTAL CURRENT LIABILITIES</b>	<b>37,340</b>	<b>35,480</b>	<b>31,257</b>	<b>31,257</b>
Long-term debt and capital leases, less current portion	10,753	13,114	14,687	14,687
Other long-term liabilities	3,932	4,206	4,731	4,731
Deferred revenue - non-current	2,050	--	--	--
Deferred income taxes	13,185	7,314	5,183	5,183
	-----	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>67,260</b>	<b>60,114</b>	<b>55,858</b>	<b>55,858</b>
	-----	-----	-----	-----
Commitments and contingencies				
Stockholders' equity:				
Preferred stock	--	--	--	--
Common stock	305	304	300	300
Additional paid-in capital	65,157	64,405	59,745	59,745
Stockholders' notes receivable	--	--	--	--
Treasury stock	(12,382)	(8,562)	(8,562)	(8,562)

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Retained earnings	97,067	89,901	80,065	
	-----	-----	-----	-----
Total stockholders' equity	150,147	146,048	131,548	1
	-----	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 217,407	\$ 206,162	\$ 187,406	\$ 1
	=====	=====	=====	=====
(1) Net of allowance for doubtful accounts of:	533	591	516	

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MULTIMEDIA GAMES, INC.  
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)  
(In thousands, except per-share amounts)

	Year Ended	Period	
	Sept. 30,	Sept. 30,	June 30,
	2004	2004	2004
	-----	-----	-----
REVENUES:			
Gaming revenue - Class II	\$ 119,584	\$ 30,109	\$ 29,044
	-----	-----	-----
Gaming revenue - All Other	20,568	7,844	6,331
Player terminal and license sale and lease revenue	11,546	4,353	805
Other	1,977	394	740
	-----	-----	-----
Total revenues	153,675	42,700	36,920
	-----	-----	-----
OPERATING COSTS AND EXPENSES:			
Bingo prizes and related costs	---	---	---
Cost of player terminals and licenses sold	6,560	2,320	666
Selling, general and administrative expenses	59,429	17,634	12,951
Amortization and depreciation	37,255	11,085	9,765
	-----	-----	-----
Total operating costs and expenses	103,244	31,039	23,382
	-----	-----	-----
Operating income	50,431	11,661	13,538
OTHER INCOME (EXPENSE):			
Interest income	1,120	214	178
Interest expense	(1,494)	(427)	(429)
	-----	-----	-----
Income before income taxes	50,057	11,448	13,287
Income tax expense	(17,285)	(4,282)	(3,451)
	-----	-----	-----
Net income	\$ 32,772	\$ 7,166	\$ 9,836
	=====	=====	=====
Basic earnings per share	\$ 1.19	\$ 0.26	\$ 0.35
	=====	=====	=====
Diluted earnings per share	\$ 1.07	\$ 0.24	\$ 0.32
	=====	=====	=====
Shares used in per-share calculation			
Basic	27,467	28,007	27,873
	=====	=====	=====
Diluted	30,636	30,285	30,936
	=====	=====	=====
Net income	\$ 32,772	\$ 7,166	\$ 9,836

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Amortization and depreciation	37,255	11,085	9,765
Interest expense (income), net	374	213	251
Income tax expense	17,285	4,282	3,451
EBITDA	\$ 87,686	\$ 22,746	\$ 23,303

MULTIMEDIA GAMES, INC.  
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)  
(In thousands, except per-share amounts)

	Year Ended	Perio	
	Sept. 30,	Sept. 30,	June 30
	2003	2003	2003
<b>REVENUES:</b>			
Gaming revenue - Class II	\$ 102,292	\$ 28,228	\$ 24,051
Gaming revenue - All Other	4,365	1,233	1,068
Player terminal and license sale and lease revenue	16,322	699	12,489
Other	1,694	584	384
Total revenues	124,673	30,744	37,992
<b>OPERATING COSTS AND EXPENSES:</b>			
Bingo prizes and related costs	1,175	4	68
Cost of player terminals and licenses sold	8,535	370	7,163
Selling, general and administrative expenses	41,946	12,160	10,599
Amortization and depreciation	22,286	6,767	5,684
Total operating costs and expenses	73,942	19,301	23,514
Operating income	50,731	11,443	14,478
<b>OTHER INCOME (EXPENSE):</b>			
Interest income	328	65	71
Interest expense	(309)	(64)	(187)
Income before income taxes	50,750	11,444	14,362
Income tax expense	(19,095)	(4,046)	(5,498)
Net income	\$ 31,655	\$ 7,398	\$ 8,864
Basic earnings per share	\$ 1.22	\$ 0.28	\$ 0.34
Diluted earnings per share	\$ 1.08	\$ 0.25	\$ 0.30
Shares used in per-share calculation			
Basic	25,993	26,319	25,999
Diluted	29,417	29,777	29,635
Net income	\$ 31,655	\$ 7,398	\$ 8,864
Amortization and depreciation	22,286	6,767	5,684
Interest expense (income), net	(19)	(1)	116
Income tax expense	19,095	4,046	5,498
EBITDA	\$ 73,017	\$ 18,210	\$ 20,162

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ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

EXHIBIT NO. -----	DESCRIPTION -----
99.1	Press Release, dated November 17, 2004, announcing fiscal year 2004 results
99.2	Transcript of fiscal year 2004 earnings conference call

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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 hereunto duly authorized.

MULTIMEDIA GAMES, INC.

Dated: November 30, 2004

By: /s/ Craig S. Nouis

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Craig S. Nouis  
Chief Financial Officer and  
Principal Accounting Officer

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EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
99.1	Press Release, dated November 17, announcing fiscal year 2004 results
99.2	Transcript of fiscal year 2004 earnings conference call

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