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## Multimedia Games Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). And we'll go first to Michael Friedman, Noble Financial.

#### Michael Friedman - Noble Financial

Hi, guys. Randy, I had a couple of quick questions for you. Did you say the charge related to the senior management transition on the P&L, is that in SG&A?

#### Randy Cieslewicz

Yes. It was \$675,000 pretax, and after tax it was about \$0.014 after tax.

#### Michael Friedman - Noble Financial

Okay. And then on the other income line, is the 872.

#### Randy Cieslewicz

Right.

#### Michael Friedman - Noble Financial

Can you just refresh my memory, what is that due to, is that an ongoing income stream?

#### Randy Cieslewicz

Right now we're projecting that to go through the end of this calendar year. It's from an investment that we made years ago in California and we have a small partnership interest from a management deal out there from about 2004.

So we got paid back, if you recall, last year, we received a balloon payment from that thing of about \$1.1 million; and we've been getting trailers of about \$100,000 to \$200,000 a month. This particular quarter, we got one additional payment. That's why it's a little bit higher. But I would project it to be about \$200,000 a month for the remaining balance of the calendar year.

#### Michael Friedman - Noble Financial

Great, thanks. And then as far as Mexico goes, how many facilities were you in by the end of March? And how many customers did you have in that market by the end of March?

**Randy Cieslewicz**

We still have two customers and we were in 16 facilities I believe. But was disclosed in our mid-month update, I can tell you exactly, but it was 16, I believe.

**Michael Friedman - Noble Financial**

Okay, great. And then as far as Mexico, is there a seasonality in that market or is it strong all the way through?

**Randy Cieslewicz**

Well, I wouldn't say it's strong. I think it's too early to tell as far as the seasonality. We've certainly seen fluctuations in the hold per day, but it's really early for us to tell anything with regards to seasonality.

**Michael Friedman - Noble Financial**

Okay. And then you mentioned Washington State. If you were to pull out some of Washington State sales, would that have a material effect on EPS and EBITDA? Do you know?

**Randy Cieslewicz**

Well, we didn't report any revenues from Washington State in the quarter, so that wasn't impacted. The Washington State sales that we've been talking about, and in the release we say \$15.5 million, we're deferring those revenues until we get all the products installed. And so, because of the fact that there is new software that we are installing that's allowed under the compact which is a unified currency system, software that we are offering, we don't have fair value for that product.

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