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EACO CORP
Form 8-K
May 09, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report March 2, 2005
(Date of earliest event reported)

EACO CORPORATION
(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of incorporation)

0-14311 59-2597349
(Commission File Number) (IRS Employer Identification No.)

2113 Florida Boulevard, Neptune Beach, FL 32266
(Address principal executive offices) (Zip Code)

Registrant's telephone number, including area code (904) 249-4197

Item 2.01 Results of Operations and Financial Condition

On March 2, 2005, the Company issued a press release reporting operating results and revenues for the fourth quarter and year-to-date periods ended December 29, 2004.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits.

99.1 Press Release dated March 2, 2005.

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.

EACO Corporation

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Date: May 9, 2005

By: /s/ Edward B. Alexander
Edward B. Alexander, President/
Chief Operating Officer

EXHIBIT INDEX

Exhibit No.

99.1 Press Release dated March 2, 2005 issued by EACO Corporation.

Exhibit 99.1

Contact:

Stephen Travis
Director of Finance
(904) 249-4197

FOR IMMEDIATE RELEASE

March 2, 2005

EACO Corporation Reports Improved Fourth Quarter Results

NEPTUNE BEACH, FLORIDA - EACO Corporation (OTCBB:EACO), today reported operating results and revenues for the fourth quarter and year-to-date periods ended December 29, 2004.

Fourth quarter 2004 sales increased to \$8,656,300 from \$8,529,500 for the same period in 2003. Same store sales increased 5.5% for the fourth quarter of 2004 compared to the same period in 2003. Net loss for the fourth quarter was \$588,000 compared to \$1,182,700 for the same period in 2003. Loss per share for the fourth quarter of 2004 was 15 cents compared to 32 cents for the fourth quarter of 2003.

Net loss for the year ended December 29, 2004 was \$2,031,600 compared to \$2,401,000 for the same period in 2003. Loss per share for this period was 53 cents compared to loss per share of 65 cents for the same period in 2003.

Loss from operations and net loss for the twelve months ended December 29, 2004 and December 31, 2003 were impacted by asset valuation charges of \$594,200 and \$63,100, respectively. These charges were non-cash adjustments to the value of certain restaurant assets, made in accordance with Statement of Accounting Standards No. 144, "Accounting for the Impairment of or Disposal of Long-Lived Assets." In addition, the Company recorded expenses of \$199,600 and \$274,000 in the fourth quarters of 2004 and 2003 to adjust its expected workers' compensation liability, based on the results of actuarial reviews in both years.

Edward Alexander, President and Chief Operating Officer of the Company, remarked, "We continue to be excited about the results of and future potential of our new Whistle Junction concept. Whistle Junction has created tremendous excitement, resulting in the

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recently-announced offer from Banner Buffet to buy sixteen of the Company's restaurants and develop the concept. Regardless of the outcome of this pending transaction, we think Whistle Junction has a very bright future."

EACO Corporation

Condensed Consolidated Results of Operations

	For The Quarters Ended		For The Twelve Months Ended	
	December 29, 2004	December 31, 2003	December 29, 2004	December 31, 2003
Revenues:				
Sales	\$8,656,300	\$8,529,500	\$37,585,600	\$37,384,000
Vending revenue	55,500	51,000	213,900	212,200
Total revenues	8,711,800	8,580,500	37,799,500	37,596,200
Cost and expenses:				
Food and beverage	3,260,800	3,262,200	14,249,100	14,251,900
Payroll and benefits	2,906,000	2,922,400	11,741,900	11,678,100
Depreciation and amortization	499,500	478,600	1,975,700	1,990,500
Other operating expenses	1,431,800	1,417,800	6,208,200	6,148,700
General and administrative expenses	561,400	607,900	2,197,300	2,317,300
Franchise fees	199,900	341,000	1,112,000	1,494,400
Asset valuation charge	---	63,100	594,200	63,100
(Gain) loss on store closings and disposition of equipment	(57,300)	45,200	76,700	133,100
	8,802,100	9,138,200	38,155,100	38,077,100
(Loss) from operations	(90,300)	(557,700)	(355,600)	(480,900)
Investment (loss) gain	0	(224,800)	12,400	(330,600)
Interest and other income	42,000	25,600	115,700	146,200
Interest expense	(478,900)	(425,900)	(1,741,300)	(1,735,800)
Loss before income taxes	(527,200)	(1,182,800)	(1,968,800)	(2,401,100)
Provision for income taxes	--	--	--	--
Net loss	(\$527,200)	(\$1,182,800)	(\$1,968,800)	(\$2,401,100)
Basic loss per share	(\$0.14)	(\$0.32)	(\$0.52)	(\$0.65)
Basic weighted average common shares outstanding	3,882,000	3,706,200	3,813,000	3,706,200
Diluted loss per share	(\$0.14)	(\$0.32)	(\$0.52)	(\$0.65)
Diluted weighted average common shares outstanding	3,882,000	3,706,200	3,813,000	3,706,200

