

Edgar Filing: EACO CORP - Form 8-K

Edward B. Alexander, President/
Chief Operating Officer

EXHIBIT INDEX

Exhibit No.

99.1 Press Release dated August 22, 2005 issued by EACO Corporation.

Exhibit 99.1

Contact: FOR IMMEDIATE RELEASE
Edward B. Alexander
President
(904) 249-4197 August 22, 2004

EACO CORPORATION REPORTS SECOND QUARTER RESULTS, SEEKS TO REDEPLOY CASH

NEPTUNE BEACH, FLORIDA - EACO Corporation (OTCBB:EACO), today reported operating results for the second quarter and year to date periods ended June 29, 2005.

Net income for the second quarter was \$2,542,900 (\$0.62 per share) compared to a net loss of \$571,400 (\$0.15 per share) for the same period in 2004. For the six months ended June 29, 2005, net income was \$2,801,100 (\$0.70 per share) compared to a net loss of \$902,100 (\$0.24 per share) for the same period in 2004.

Loss from continuing operations for the second quarter was \$36,300 (\$0.01 per share) compared to \$256,800 (\$0.07 per share) in 2004. Loss from continuing operations for the six months ended June 29, 2005 was \$285,300 (\$0.08 per share) compared to \$524,300 (\$0.14 per share) in 2004.

Income from discontinued operations, net of income tax benefit was \$2,579,200 (\$0.63 per share) for the second quarter of 2005 compared to a loss of \$314,600 (\$0.08 per share) in 2004. Income from discontinued operations for the six months ended June 29, 2005 was \$3,086,400 (\$0.78 per share) compared to a loss of \$377,800 (\$0.10 per share) in 2004.

As previously announced, the Company sold all of its operating restaurants on June 30, 2005, the first day of the Company's third quarter. The operating results of these sold restaurants are reported as "Income or loss from discontinued operations." Results for the quarter and six months were impacted by income tax benefits totaling \$3,061,800, including \$213,200 from continuing operations and \$2,848,600 from discontinued operations.

As a result of the sale of its restaurants, the Company has approximately \$10 million in cash, and is seeking business opportunities for strategic investment of these funds. The

Edgar Filing: EACO CORP - Form 8-K

Company intends to pursue and consider any acquisitions or investments that it believes will maximize shareholder value.

EACO Corporation
Consolidated Results of Operations
(Unaudited)

	For The Quarters Ended		For The Six Months Ended	
	June 29, 2005	June 30, 2004	June 29, 2005	June 30, 2004
Revenues:				
Rental income	\$32,800	\$32,800	\$65,600	\$65,600
Total revenues	32,800	32,800	65,600	65,600
Cost and expenses:				
Payroll and benefits	6,400	4,600	13,400	11,600
Depreciation and amortization	35,800	48,000	83,100	95,300
Other operating expenses	45,800	50,100	84,300	103,900
General and administrative expenses	190,200	180,400	365,200	354,100
Total costs and expenses	278,200	283,100	546,000	564,900
Loss from continuing operations	(245,400)	(250,300)	(480,400)	(499,300)
Investment gain	2,100	10,800	2,100	10,800
Interest and other income	28,600	19,300	49,500	37,800
Interest expense	(34,800)	(36,600)	(69,700)	(73,600)
Loss from continuing operations, before income taxes	(249,500)	(256,800)	(498,500)	(524,300)
Income tax benefit	213,200	--	213,200	--
Loss from continuing operations, net of income tax benefit	(36,300)	(256,800)	(285,300)	(524,300)
Income (loss) on discontinued operations, net of income tax benefit	2,579,200	(314,600)	3,086,400	(377,800)
Net income (loss) attributable to common shareholders	2,542,900	(571,400)	2,801,100	(902,100)
Cumulative preferred stock dividend	(19,100)	---	(38,300)	---
Net income (loss) available for basic and diluted earnings (loss) per share	\$2,523,800	(\$571,400)	\$2,762,800	(\$902,100)
Basic income (loss) per share				
Continuing operations	(\$0.01)	(\$0.07)	(\$0.08)	(\$0.14)
Discontinued operations	0.66	(0.08)	0.79	(0.10)
Net income (loss)	\$0.65	(\$0.15)	\$0.71	(\$0.24)
Basic weighted average common shares outstanding				
	3,881,900	3,771,000	3,881,900	3,744,000
Diluted income (loss) per share				
Continuing operations	(\$0.01)	(\$0.07)	(\$0.08)	(\$0.14)
Discontinued operations	0.63	(0.08)	0.78	(0.10)

Edgar Filing: EACO CORP - Form 8-K

Net income (loss)	\$0.62	(\$0.15)	\$0.70	(\$0.24)
	=====	=====	=====	=====
Diluted weighted average common shares outstanding	4,072,900	3,771,000	3,972,800	3,744,000
	=====	=====	=====	=====