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MONARCH CASINO & RESORT INC  
Form 8-K  
July 28, 2005

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

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FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 27, 2005

MONARCH CASINO & RESORT, INC.  
(Exact name of registrant as specified in its charter)

NEVADA (State or other jurisdiction of incorporation)	0-22088 (Commission File Number)	88-0300760 (I.R.S. Employer Identification No.)
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1175 W. Moana Lane, Suite 200 Reno, NEVADA (Address of Principal Executive Offices)	89509 (Zip Code)
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(775)825-3355

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(Registrant's telephone number, including area code)

NOT APPLICABLE

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(Former name or former address, if changed since last report)

ITEM 2.02 Results of Operations and Financial Condition

On July 27, 2005, Monarch Casino & Resort, Inc. (the "Company") issued a press release reporting the Company's financial results for the second quarter ended June 30, 2005. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

ITEM 9.01 Financial Statements and Exhibits

(c) EXHIBITS

99.1 Text of press release dated July 27, 2005.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MONARCH CASINO & RESORT, INC.

Date: July 28, 2005

By: /s/ Ben Farahi

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Name: Ben Farahi  
Title: Chief Financial Officer,  
Treasurer and Secretary

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Exhibit 99.1

PRESS RELEASE

MONARCH CASINO & RESORT, INC. ANNOUNCES RECORD SECOND QUARTER  
- CASINO REVENUES BEATS ALL-TIME RECORD -

RENO, NV-July 27, 2005- Monarch Casino & Resort, Inc. (Nasdaq: MCRI) (the "Company"), owner of the Atlantis Casino Resort in Reno, Nevada, today announced record second quarter net income, earnings per share, net revenues and EBITDA (1) and an all-time quarterly Company record casino revenues, but lower hotel revenues, for the three-month period ended June 30, 2005.

The Company reported net revenues of \$35.0 million during the 2005 second

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quarter, a 6.9% increase from \$32.7 million during the same period in 2004. The record net revenues were driven primarily by a 14.7% increase in casino revenues, which reached an all-time Company quarterly record of \$24.0 million during the three months ended June 30, 2005. Hotel revenues, however, decreased 10.1% in the second quarter of 2005 compared to the second quarter of 2004, due primarily to the absence of a major bowling tournament in Reno in 2005 and lower than expected second quarter bookings at the adjacent Reno-Sparks Convention Center. Reno traditionally hosts major international and national bowling tournaments that bring thousands of bowlers to Reno and typically generate hotel and other business. Food and beverage revenues remained relatively unchanged at \$9.4 million. Based on information provided by the Reno-Sparks Convention and Visitors Authority and advance bookings, the Company anticipates convention business for the remainder of 2005 to meet or exceed that of comparable periods in 2004. Other revenue centers improved 20.6% to \$1.1 million during the quarter. The 6.9% increase in net revenues, combined with an increase of only 3.6% in operating costs and expenses, led to a 19.5% increase in income from operations for the three months ended June 30, 2005, as compared to the same period in 2004.

Net income for the 2005 second quarter was a record \$5.2 million, or \$0.27 per diluted share, a 19.3% increase from net income of \$4.4 million, or \$0.23 per diluted share, for the same period a year earlier. EBITDA (1), driven by improved margins, also reached a new second quarter record of \$10.3 million, an 8.5% improvement over the \$9.5 million EBITDA (1) in the 2004 second quarter. Excluding depreciation and amortization, the Company achieved 35.6% flow through of incremental net revenue to income from operations in the second quarter of 2005.

When asked about the Company's second quarter performance, John Farahi, Monarch's CEO and Co-Chairman, commented: "We are obviously pleased with our gaming and bottom line results, which continue to improve despite the absence of a major Reno area bowling tournament this year. Additionally, the Reno-Sparks Convention Center next door to our property experienced unexpectedly slow business during the quarter, which impacted not only our hotel occupancy, but also our food and beverage operations."

Mr. Farahi further commented: "I am proud of our management team for its successful efforts to contain costs while continuing to deliver superior service to our guests. Effective cost controls enabled us to apply more of our free cash flow toward ongoing and continuous upgrades and renovations to our property and continued reduction of our debt." The Company continued to rapidly pay down its outstanding bank debt during the 2005 second quarter to \$19.9 million from \$32.4 million at 2004 year end and \$39.3 at June 30, 2004.

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Monarch Casino & Resort, Inc., through its wholly-owned subsidiary, owns and operates the tropically-themed Atlantis Casino Resort in Reno, Nevada. The Atlantis is the closest hotel-casino to, and is directly across the street from, the Reno-Sparks Convention Center. The Atlantis is recognizable due to its Sky Terrace, a unique structure rising approximately 55 feet from street level and spanning 160 feet across Virginia Street with no intermediate support pillars. The Sky Terrace connects the Atlantis to a 16-acre parcel of land owned by the Company, that is compliant with all casino zoning requirements and is suitable and available for future expansion of the Atlantis facilities and is currently being used by the Company as additional paved parking for the Atlantis. The existing Atlantis site offers almost 1,000 guest rooms in three contiguous high-rise hotel towers and a motor lodge. The tropically-themed Atlantis features approximately 51,000 square feet of high-energy casino space with 38 table games and approximately 1,450

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slot and video poker machines, a sports book, Keno and a poker room, and offers a variety of dining choices in the form of nine high-quality food outlets.

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 which are subject to change, including, but not limited to, comments relating to (i) future operating performance, (ii) future convention business, and (iii) the financial benefits that may result from future operations. The actual results may differ materially from those described in any forward-looking statements. Additional information concerning potential factors that could affect the Company's financial results is included in the Company's Securities and Exchange Commission filings, which are available on the Company's web site.

Contacts: Ben Farahi at (775) 825-3355 or benfarahi@monarchcasino.com  
 Karl G. Brokmann at (775) 825-3355 or kbrokmann@monarchcasino.com

For additional information including artist renditions and photographs,  
 visit Monarch's web site at monarchcasino.com.

(1) "EBITDA" consists of net income plus provision for income taxes, other expenses (income), and depreciation and amortization. EBITDA should not be construed as an alternative to operating income (as determined in accordance with generally accepted accounting principles) as an indicator of the Company's operating performance, or as an alternative to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) as a measure of liquidity. This item enables comparison of the Company's performance with the performance of other companies that report EBITDA, although some companies do not calculate this measure in the same manner and therefore, the measure as presented may not be comparable to similarly titled measures presented by other companies.

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### MONARCH CASINO & RESORT, INC. CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Revenues				
Casino.....	\$ 24,023,224	\$ 20,944,838	\$ 44,925,132	\$ 40,847,689
Food and beverage.....	9,404,978	9,440,893	18,431,314	18,266,716

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Hotel.....	5,783,330	6,434,299	11,371,482	11,952,604
Other.....	1,140,419	945,812	2,188,756	1,808,842
	-----	-----	-----	-----
Gross revenues.....	40,351,951	37,765,842	76,916,684	72,875,851
Less promotional allowances.....	(5,369,564)	(5,051,841)	(10,371,595)	(9,675,872)
	-----	-----	-----	-----
Net revenues.....	34,982,387	32,714,001	66,545,089	63,199,979
	-----	-----	-----	-----
Operating expenses				
Casino.....	7,952,246	7,666,678	15,487,093	15,107,349
Food and beverage.....	4,730,595	4,817,753	9,167,960	9,209,475
Hotel.....	1,810,963	1,988,888	3,838,836	4,056,875
Other.....	323,418	376,191	645,064	694,654
Selling, general and administrative.....	9,772,874	8,335,670	18,582,167	16,855,076
Gaming development cost.....	56,310	-	260,708	-
Depreciation and amortization.....	2,099,912	2,636,131	4,138,112	5,639,490
	-----	-----	-----	-----
Total operating expenses.....	26,746,318	25,821,311	52,119,940	51,562,919
	-----	-----	-----	-----
Income from operations.....	8,236,069	6,892,690	14,425,149	11,637,060
	-----	-----	-----	-----
Other expenses				
Interest expense.....	(283,963)	(361,677)	(589,337)	(791,638)
Stockholder guarantee fee expense..	-	-	-	(136,164)
	-----	-----	-----	-----
Total other expenses.....	(283,963)	(361,677)	(589,337)	(927,802)
	-----	-----	-----	-----
Income before income taxes.....	7,952,106	6,531,013	13,835,812	10,709,258
Provision for income taxes.....	2,758,000	2,179,000	4,788,000	3,599,000
	-----	-----	-----	-----
Net income.....	\$ 5,194,106	\$ 4,352,013	\$ 9,047,812	\$ 7,110,258
	=====	=====	=====	=====
Earnings per share of common stock				
Net income				
Basic.....	\$ 0.28	\$ 0.23	\$ 0.48	\$ 0.38
Diluted.....	\$ 0.27	\$ 0.23	\$ 0.47	\$ 0.38
Weighted average number of common shares and potential common shares outstanding				
Basic.....	18,834,974	18,745,206	18,825,947	18,717,340
Diluted.....	19,099,112	18,799,160	19,072,009	18,781,454

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MONARCH CASINO & RESORT, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2005	December 31, 2004
	----- (Unaudited)	-----
ASSETS		
Current assets		
Cash.....	\$ 10,457,905	\$ 11,814,778
Receivables, net.....	2,860,006	2,959,894
Federal income tax refund receivable.....	-	493,797
Inventories.....	1,411,648	1,452,696
Prepaid expenses.....	2,597,110	2,346,242
Deferred income taxes.....	1,115,719	1,115,719
	-----	-----
Total current assets.....	18,442,388	20,183,126
	-----	-----
Property and equipment		
Land.....	10,339,530	10,339,530
Land improvements.....	3,226,913	3,226,913
Buildings.....	78,955,538	78,955,538
Building improvements.....	10,269,844	7,524,680
Furniture and equipment.....	65,779,441	65,146,594
Leasehold improvements.....	1,346,965	1,346,965
	-----	-----
	169,918,231	166,540,220
Less accumulated depreciation and amortization..	(72,161,153)	(68,791,045)
	-----	-----
Net property and equipment.....	97,757,078	97,749,175
	-----	-----
Other assets, net.....	360,871	406,620
	-----	-----
Total assets.....	\$ 116,560,337	\$ 118,338,921
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt.....	\$ -	\$ -
Accounts payable.....	7,372,552	5,747,775
Accrued expenses.....	7,492,380	7,918,299
Federal income taxes payable.....	260,203	-
	-----	-----
Total current liabilities.....	15,125,135	13,666,074
	-----	-----
Long-term debt, less current maturities.....	19,900,000	32,400,000
Deferred income taxes.....	6,170,506	6,509,505
	-----	-----
Commitments and contingencies.....		
Stockholders' equity		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued.....	-	-
Common stock, \$.01 par value, 30,000,000 shares authorized; 19,072,550 issued; 18,864,816 outstanding at 06/30/2005, 18,812,448 outstanding at 12/31/2004.....	95,363	95,363
Additional paid-in capital.....	17,824,708	17,463,272
Treasury stock,		

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207,734 shares at 06/30/2005, 260,102 shares		
at 12/31/2004, at cost.....	(762,046)	(954,152)
Retained earnings.....	58,206,671	49,158,859
	-----	-----
Total stockholders' equity.....	75,364,696	65,763,342
	-----	-----
Total liabilities and stockholders' equity...	\$ 116,560,337	\$ 118,338,921
	=====	=====

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MONARCH CASINO & RESORT, INC.  
RECONCILIATION OF NET INCOME TO EBITDA (1)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005 (unaudited)	2004 (unaudited)	2005 (unaudited)	2004 (unaudited)
	-----	-----	-----	-----
Net income.....	\$ 5,194,106	\$4,352,013	\$ 9,047,812	\$7,110,258
Adjustments:				
Provision for income taxes.....	2,758,000	2,179,000	4,788,000	3,599,000
Stockholder guarantee fee expense	-	-	-	136,164
Interest expense.....	283,963	361,677	589,337	791,638
Depreciation and amortization....	2,099,912	2,636,131	4,138,112	5,639,490
	-----	-----	-----	-----
EBITDA (1)	\$10,335,981	\$9,528,821	\$18,563,261	\$17,276,550
	=====	=====	=====	=====

(1) "EBITDA" consists of net income plus provision for income taxes, other expenses (income), and depreciation and amortization. EBITDA should not be construed as an alternative to operating income (as determined in accordance with generally accepted accounting principles) as an indicator of the Company's operating performance, or as an alternative to cash flows from operating activities (as determined in accordance with generally accepted accounting principles) as a measure of liquidity. This item enables comparison of the Company's performance with the performance of other companies that report EBITDA, although some companies do not calculate this measure in the same manner and therefore, the measure as presented may not be comparable to similarly titled measures presented by other companies.



