

LITTLEFIELD CORP
Form 8-K
April 15, 2005

SECURITIES & 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 (Date of earliest event reported): **April 14, 2005**

LITTLEFIELD CORPORATION.

(exact name of registrant as specified in its charter)

<u>Delaware</u>	<u>0-24805</u>	<u>74-2723809</u>
(State or other jurisdiction of incorporation)	(Commissions File Number)	I.R.S. Employer Identification Number)

<u>2501 North Lamar Blvd., Austin, Texas</u>	<u>78705</u>
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(512) 476-5141**

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

Item 2.02. - Results of Operations and Financial Condition

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."

On April 14, 2005, Littlefield Corporation issued a press release announcing 1st quarter 2005 earnings. A copy of that press release is attached as exhibit 99 to this report, and is included below.

Exhibit 99:
Press Release dated April 14, 2005.

Littlefield Corporation Announces Fourth Consecutive Quarter of Substantially Improved Earnings

Wednesday April 13, 8:58 pm ET

AUSTIN, Texas--(BUSINESS WIRE)--April 13, 2005--Littlefield Corporation (OTCBB: LTFD.OB - announced today earnings for the first quarter 2005. Results were substantially improved when compared to the first quarter of 2004. This is the fourth quarter of substantially improved operating earnings.

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Highlights are as follows:

1. Quarterly income increased by over \$110,000 when compared to Q1-2004 income. Annual earnings per share increased to \$0.01/share from a year ago loss. Both entertainment and hospitality booked improved income.
2. Revenue increased by 11% with both entertainment and hospitality marking significant increases in revenue.
3. Entertainment produced a 10% improvement in revenue, a 15% improvement in net income and a 13% improvement in EBITDA when compared to Q1-2004.
4. Hospitality had a very good quarter increasing revenue by 5% while cutting the normal first seasonal quarter loss by 22% and negative EBITDA by 29%.

Earnings will be discussed in a conference call on Thursday, April 14, 2005, at 11:00 AM CDT. Interested parties are directed to the Company's press release on April 12, 2005 which provides the details for the conference call.

In evaluating this earnings report it is also noteworthy that the accounts include non-recurring expenses that are attributable to employee termination expenses and the write-off of some doubtful bingo accounts receivable that if not incurred would have served to further increase the Company's reported earnings.

The following report is based upon accounts that have not yet been reviewed by the Company's auditors. Any modifications as a result of that review will be highlighted in the Company's 10-QSB filing, and, if material, will be addressed in a subsequent press release.

REVENUE:

QUARTERLY, YTD	Q1-2005	Q1-2004	Variance	% Change
Littlefield Corporation	\$2,467,039	\$2,228,274	\$238,765	11%
Entertainment	1,799,697	1,636,068	163,629	10%
Hospitality	614,445	583,854	30,591	5%

Q1-2005 Revenue increases were realized in both Hospitality and Entertainment.

This is an important and interesting development as it would appear to continue a trend of meaningful improvement in entertainment revenue and the beginning of a trend in improvement of hospitality revenue. The trend assessment is based upon the following information.

TREND OF REVENUE INCREASES	Q1-2004	Q2-2004	Q3-2004	Q4-2004	Q1-2005
LTFD Corporation	(6%)	(2%)	1%	9%	11%
Entertainment	(6%)	1%	15%	11%	10%
Hospitality	(6%)	(8%)	(29%)	6%	5%

NET INCOME

QUARTERLY, YTD	Q1-2005	Q1-2004	Variance	% Change
Littlefield Corporation	\$94,432	(\$17,539)	\$111,971	
Entertainment	709,812	618,403	91,409	15%

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Hospitality (258,935) (331,927) 72,992 22%

Net Income improved a meaningful amount in Q1-2005. This improvement in Net Income is almost half of the improvement which the Company delivered in the entire year of 2004. Both Entertainment and Hospitality showed improvement. It is important to note that the improvement in both Entertainment and Hospitality was a double digit improvement. Q1 is always a seasonally weak quarter for Hospitality.

TREND OF NET INCOME	Q1-2004	Q2-2004	Q3-2004	Q4-2004	Q1-2005
----- LTFD Corporation	(\$17,201)	\$278,224	\$24,622	\$240,612	\$94,432

As can be seen from this simple trend analysis, the Company has been profitable on an operating basis for the last four consecutive quarters. This is a significant improvement when the seasonality of the underlying businesses is considered which typically results in losses for Q1 and Q3. (Please note that this trend does not take into account the year end legal reserves and other charges taken at year end 2004 and is only intended to dramatize the trend of operating performance.)

EBITDA:

QUARTERLY, YTD	Corporate	Entertainment	Hospitality
----- Net Income	\$94,432	\$709,812	(\$258,935)
Interest, Taxes, Depreciation, Amortization	301,546	166,076	91,559
EBITDA	\$395,978	\$875,888	(\$167,376)

QUARTERLY, YTD	Q1-2005	Q1-2004	Variance	% Change
----- Littlefield Corporation	\$395,978	\$293,487	\$102,491	35%
Entertainment	875,888	773,743	102,145	13%
Hospitality	(167,376)	(235,466)	68,090	29%

EBITDA, which is a rough measure of the Company's ability to generate cash flow from operations, increased by 35% for the quarter when compared to the Q1-2004. Entertainment was a net contributor to EBITDA while Hospitality's drag on EBITDA was decreased by 29%. Please note the derivation of EBITDA as shown above.

CORPORATE OVERHEAD:

	2005	2004	Variance	% Change
----- 1st QUARTER	\$364,062	\$301,922	(\$62,140)	(21%)

Q1 Corporate Overhead was negatively impacted by non-recurring expenses associated with personnel turnover and above normal legal fees which when taken together account for the entire increase.

EARNINGS PER SHARE

	Q1-2005	Q1-2004	Variance	% Change
----- Earnings	\$94,432	(\$17,539)	\$111,971	
Shares Outstanding	8,475,456	8,307,373	168,083	2%
Earnings/share	\$0.0111/sh	(\$0.0021/sh)	\$0.0133/sh	

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Jeffrey L. Minch, President and Chief Executive Officer of Littlefield Corporation, offered the following comments:

"Q1-2005 was the continuation of improvements in performance that first became evident in the second half of 2004.

"The improvement in Revenue is becoming a trend that provides encouragement that it will continue to be sustainable.

"The improvement in Net Income in the first quarter alone is almost half of the improvement in Net Income for the entire 2004 calendar year. That is a very gratifying development.

"It is always fun to see a negative number be transformed into a positive number. While we expect to usually have a breakeven first quarter due to the seasonal nature of our businesses, we do not accept that presumption without a fight. This time we won the fight as the quarter provided Revenue increases, positive Net Income and improvements in EBITDA.

"All of this was achieved because lots of Littlefield folks worked hard to increase Revenue and warily controlled expenses. Thanks to all for a great quarter and the promise of even better things to come!"

Investors are always cautioned to be careful in drawing conclusions from a single press release, the Company's performance in a single quarter or the individual opinions of any member of the Company's management in making their individual investment decisions.

In accordance with the safe harbor provisions of the Private Securities Reform Act of 1995: except for historical information contained herein, certain matters set forth in this press release are forward-looking statements that are subject to substantial risks and uncertainties, including government regulation, taxation, competition, market risks, customer attendance, spending, general economic conditions and other risks detailed in the Company's Securities and Exchange Commission filings and reports.

Contact:

Littlefield Corporation, Austin
Jeffrey L. Minch, 512-476-5141
jminch@littlefield.com

Source: Littlefield Corporation