

BOOKS A MILLION INC  
Form 10-Q  
December 09, 2010

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

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: October 30, 2010

- OR -

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-20664

BOOKS-A-MILLION, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE (State or Other Jurisdiction of Incorporation or Organization)	63-0798460 (IRS Employer Identification No.)
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402 Industrial Lane, Birmingham, Alabama (Address of principal executive offices)	35211 (Zip Code)
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(205) 942-3737  
(Registrant's Telephone number, including area code)

NONE  
(Former name, Former Address and Former Fiscal Year, if changed since last period)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§

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232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller Reporting Company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Shares of common stock, par value \$0.01 per share, outstanding as of December 7, 2010 were 15,534,353 shares.

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BOOKS-A-MILLION, INC. AND SUBSIDIARIES

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

BOOKS-A-MILLION, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands except per share and share amounts)  
(Unaudited)

	October 30, 2010	January 30, 2010
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,239	\$ 6,602
Accounts receivable, net	3,054	5,476
Related party receivables	100	584
Inventories	230,475	201,510
Prepayments and other assets	6,764	2,942
Total current assets	244,632	217,114
Property and equipment		
Gross property and equipment	239,509	240,834
Less accumulated depreciation and amortization	(185,659)	(187,693)
Property and equipment, net	53,850	53,141
Deferred income taxes	2,558	2,200
Other assets (Note 13)	3,830	1,043
Total assets	\$ 304,870	\$ 273,498
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 108,503	\$ 88,843
Related party accounts payable	5,912	1,814
Accrued expenses	34,940	36,583
Accrued income taxes	--	4,824
Deferred income taxes	11,669	10,146
Short-term borrowings (Note 9)	22,660	--
Total current liabilities	183,684	142,210
Long-term debt (Note 9)	--	6,360
Deferred rent	8,439	8,319
Liability for uncertain tax positions	1,663	1,901
Total non-current liabilities	10,102	16,580
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares	--	--

outstanding

Common stock, \$0.01 par value, 30,000,000 shares authorized, 21,573,698 and 21,269,303 shares issued and 15,534,353 and 15,648,222 shares outstanding at October 30, 2010 and January 30, 2010, respectively	216	213
Additional paid-in capital	92,953	92,044
Treasury stock, at cost, 6,039,345 and 5,621,081 shares repurchased at October 30, 2010 and January 30, 2010, respectively	(50,084)	(47,342)
Retained earnings	67,999	69,793
Total stockholders' equity	111,084	114,708
Total liabilities and stockholders' equity	\$ 304,870	\$ 273,498

See notes to condensed consolidated financial statements.

BOOKS-A-MILLION, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)  
(Unaudited)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 30, 2010	October 31, 2009	October 30, 2010	October 31, 2009
Net sales	\$104,822	\$ 110,885	\$ 341,838	\$ 351,498
Cost of products sold (including warehouse distribution and store occupancy costs)	75,598	82,079	240,943	251,293
Gross profit	29,224	28,806	100,895	100,205
Operating, selling and administrative expenses	28,779	27,792	86,573	85,871
Depreciation and amortization	3,746	3,634	11,077	10,821
Operating (loss) income	(3,301)	(2,620)	3,245	3,513
Interest expense, net	146	156	425	476
(Loss) income before income taxes	(3,447)	(2,776)	2,820	3,037
Income taxes (benefit)	(1,701)	(1,135)	666	1,112
Net (loss) income	\$(1,746)	\$(1,641)	\$2,154	\$1,925
Basic (loss) earnings per common share	\$(0.11)	\$(0.10)	\$0.14	\$0.12
Diluted (loss) earnings per common share	\$(0.11)	\$(0.10)	\$0.14	\$0.12
Weighted average common shares outstanding:				
Basic	15,551	15,725	15,679	15,759
Diluted	15,551	15,725	15,685	