

REGIS CORP  
Form 8-K  
October 03, 2012

**UNITED STATES  
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 (Date of earliest event reported): **September 27, 2012**

**REGIS CORPORATION**

(Exact name of registrant as specified in its charter)

**Minnesota**  
(State or other jurisdiction of incorporation)

**1-12725**  
(Commission File Number)

**41-0749934**  
(IRS Employer Identification No)

**7201 Metro Boulevard**  
**Minneapolis, MN 55439**  
(Address of principal executive offices and zip code)

**(952) 947-7777**  
(Registrant's telephone number, including area code)

**(Not applicable)**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Regis Corporation Current Report on Form 8-K

### ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

As previously disclosed, on April 9, 2012, Regis Merger S.A.R.L., a wholly-owned subsidiary of Regis Corporation ( Regis or the Company ), entered into a Share Purchase Agreement ( Agreement ) with Mr. Yvon Provost, Mrs. Olivia Provost, and Mr. Fabien Provost (collectively, the Provost Family) to sell Regis 46.7% ownership interest in Provalliance to the Provost Family ( Disposition ) for a purchase price of 80 million. The transaction was completed on September 27, 2012 for net proceeds of \$103.3 million. The put and call arrangements between Regis and the Provost Family automatically terminated upon closing.

### ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

#### (b) Pro forma financial information.

The June 30, 2012 unaudited pro forma consolidated balance sheet is presented as if the Disposition was effective June 30, 2012. The unaudited pro forma consolidated statement of operations for the twelve months ended June 30, 2012 presents the Company s results of operations as if the Disposition had occurred on July 1, 2011. The pro forma adjustments are based on factually supportable available information and certain assumptions that management believes are reasonable.

These pro forma financial statements do not purport to be indicative of the financial position or results of operations of the Company as of such date or for such periods, nor are they necessarily indicative of future results. In the opinion of management, all necessary adjustments to the unaudited pro forma financial information have been made. The unaudited pro forma financial statements should be read in conjunction with historical consolidated financial statements of the Company, including the notes thereto, in the Company s Form 10-K for the year ended June 30, 2012.

## REGIS CORPORATION

## PRO FORMA CONSOLIDATED BALANCE SHEET

(Dollars in thousands, except per share data)

|  | Historical<br>Financial<br>Statement | June 30, 2012<br>Pro Forma<br>Adjustment<br>Provalliance<br>(unaudited) | Pro Forma<br>Financial<br>Statement<br>(unaudited) |
|--|--------------------------------------|---|--|
| <b>ASSETS</b>  |                                      |   |  |
| Current assets:  |                                      |   |  |
| Cash and cash equivalents  | \$ 111,943                           | \$ 101,304(a)   | \$ 213,247   |
| Receivables, net   | 31,578                               |   | 31,578   |
| Inventories  | 148,441                              |   | 148,441  |
| Deferred income taxes  | 17,395                               |   | 17,395   |
| Income tax receivable  | 14,098                               |   | 14,098   |
| Other current assets   | 61,222                               |   | 61,222   |
| Total current assets   | 384,677                              | 101,304   | 485,981  |
| Property and equipment, net  | 323,060                              |   | 323,060  |
| Goodwill   | 536,655                              |   | 536,655  |
| Other intangibles, net   | 101,790                              |   | 101,790  |
| Investment in and loans to affiliates  | 166,176                              | (101,304)(a)  | 64,872   |
| Other assets   | 59,488                               |   | 59,488   |
| Total assets   | \$ 1,571,846                         | \$  | \$ 1,571,846                                       |
| <b>LIABILITIES AND SHAREHOLDERS EQUITY</b>   |                                      |   |  |
| Current liabilities:   |                                      |   |  |
| Long-term debt, current portion  | \$ 28,937                            | \$  | \$ 28,937  |
| Accounts payable   | 50,454                               |   | 50,454   |
| Accrued expenses   | 172,582                              |   | 172,582  |
| Total current liabilities  | 251,973                              |   | 251,973  |
| Long-term debt and capital lease obligations   | 258,737                              |   | 258,737  |
| Other noncurrent liabilities   | 171,979                              | (633)(b)  | 171,346  |
| Total liabilities  | 682,689                              | (633)   | 682,056  |
| Commitments and contingencies  |                                      |   |  |
| Shareholders' equity:  |                                      |   |  |
| Common stock, \$0.05 par value; issued and outstanding,<br>57,415,241 and common shares at June 30, 2012 | 2,871                                |   | 2,871  |
| Additional paid-in capital   | 346,943                              |   | 346,943  |
| Accumulated other comprehensive income   | 55,114                               | (30,038)(c)   | 25,076   |
| Retained earnings  | 484,229                              | 30,671(b)(c)  | 514,900  |
| Total shareholders' equity   | 889,157                              | 633   | 889,790  |
| Total liabilities and shareholders' equity   | \$ 1,571,846                         | \$  | \$ 1,571,846                                       |

## REGIS CORPORATION

## PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

(Dollars in thousands, except per share data)

|  | Twelve Months Ended June 30, 2012    |  |  |
|--|--------------------------------------|--|--|
|  | Historical<br>Financial<br>Statement | Pro Forma<br>Adjustment<br>Provalliance<br>(unaudited) | Pro Forma<br>Financial<br>Statement<br>(unaudited) |
| <b>Revenues:</b>   |                                      |  |  |
| Service  | \$ 1,712,703                         | \$   | \$ 1,712,703                                       |
| Product  | 520,467                              |  | 520,467  |
| Royalties and fees   | 40,609                               |  | 40,609   |
|  | 2,273,779                            |  | 2,273,779  |
| <b>Operating expenses:</b>   |                                      |  |  |
| Cost of service  | 985,154                              |  | 985,154  |
| Cost of product  | 249,655                              |  | 249,655  |
| Site operating expenses  | 198,725                              |  | 198,725  |
| General and administrative   | 302,572                              |  | 302,572  |
| Rent   | 340,805                              |  | 340,805  |
| Depreciation and amortization  | 118,071                              |  | 118,071  |
| Goodwill impairment  | 146,110                              |  | 146,110  |
| Total operating expenses   | 2,341,092                            |  | 2,341,092  |
| Operating loss   | (67,313)                             |  | (67,313)   |
| <b>Other income (expense):</b>   |                                      |  |  |
| Interest expense   | (28,245)                             |  | (28,245)   |
| Interest income and other, net   | 5,130                                |  | 5,130  |
| Loss from continuing operations before income taxes and equity<br>in (loss) income of affiliated companies | (90,428)                             |  | (90,428)   |
| Income taxes   | 5,279                                |  | 5,279  |
| Equity in (loss) income of affiliated companies, net of income<br>taxes                                    | (30,043)                             | 7,402(d)   | (22,641)   |
| (Loss) income from continuing operations   | (115,192)                            | 7,402  | (107,790)  |
| Income from discontinued operations, net of taxes  | 1,099                                |  | 1,099  |
| Net loss   | \$ (114,093)                         | \$ 7,402   | \$ (106,691)                                       |
| <b>Net loss per share:</b>   |                                      |  |  |
| <b>Basic</b>   |                                      |  |  |
| Loss from continuing operations  | (2.02)                               | 0.13   | (1.89)   |
| Income from discontinued operations  | 0.02                                 |  | 0.02   |
| Net loss per share, basic  | \$ (2.00)                            | \$ 0.13  | \$ (1.87)  |
| <b>Diluted</b>   |                                      |  |  |
| Loss from continuing operations  | (2.02)                               | 0.13   | (1.89)   |
| Income from discontinued operations  | 0.02                                 |  | 0.02   |
| Net loss per share, basic  | \$ (2.00)                            | \$ 0.13  | \$ (1.87)  |
| <b>Weighted average common and common equivalent shares<br/>outstanding:</b>                               |                                      |  |  |
| Basic  | 57,137                               |  | 57,137   |
| Diluted  | 57,137                               |  | 57,137   |
| Cash dividends declared per common share   | \$ 0.24                              |  | \$ 0.24  |



**REGIS CORPORATION**

**NOTES TO THE PRO FORMA FINANCIAL STATEMENTS**

- (a) Cash proceeds and elimination of investment based on 80 million purchase price (\$101.3 million at June 30, 2012 based on a Euro to USD spot rate of 1.2663).
- (b) Elimination of equity put option that automatically terminated upon closing of the Provalliance sale. The impact of this adjustment is not included in the pro forma consolidated statement of operations, as it is a material non-recurring adjustment directly attributable to the sale transaction.
- (c) Recognition of cumulative translation gain associated with European salon operations as Regis has substantially liquidated its investment in foreign entities denominated in the Euro. The impact of this adjustment is not included in the pro forma consolidated statement of operations, as it is a material non-recurring adjustment directly attributable to the sale transaction.
- (d) Elimination of net Provalliance impact on Regis consolidated statement of operations for the twelve months ended June 30, 2012. The \$7.4 million adjustment consists of \$9.8 million of Regis share of Provalliance income, a \$37.4 million other than temporary impairment charge related to our investment in Provalliance and the \$20.2 million gain associated with the decrease in fair value of the equity put option included in Regis consolidated statement of operations for the twelve months ended June 30, 2012.

(d) Exhibits.

**EXHIBIT  
NUMBER**

99 Regis Corporation News Release dated October 2, 2012

SIGNATURE

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

REGIS CORPORATION

Dated: October 3, 2012

By:

/s/ Eric Bakken

Name: Eric Bakken, Title: Secretary

EXHIBIT INDEX

**EXHIBIT  
NUMBER**

99            Regis Corporation News Release dated October 2, 2012