

GUESS INC
Form 10-Q
December 05, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 27, 2012

OR

o **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: 1-11893

GUESS?, INC.

(Exact name of registrant as specified in its charter)

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Delaware

(State or other jurisdiction of
incorporation or organization)

95-3679695

(I.R.S. Employer
Identification No.)

**1444 South Alameda Street
Los Angeles, California**

(Address of principal executive offices)

90021

(Zip Code)

(213) 765-3100

(Registrant's telephone number, including area code)

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 (§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.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐
(Do not check if a smaller reporting company)

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 ☒

As of November 28, 2012 the registrant had 85,181,210 shares of Common Stock, \$.01 par value per share, outstanding.

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(in thousands, except share data)

	Oct. 27, 2012 (unaudited)	Jan. 28, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 287,288	\$ 491,805
Short-term investments	7,348	4,060
Accounts receivable, net	332,440	340,602
Inventories	422,304	328,602
Other current assets	76,784	96,413
Total current assets	1,126,164	1,261,482
Property and equipment, net	356,396	348,885
Goodwill	37,852	29,070
Other intangible assets, net	15,338	10,697
Long-term deferred tax assets	51,312	52,613
Other assets	156,006	141,728
	\$ 1,743,068	\$ 1,844,475
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of capital lease obligations and borrowings	\$ 1,776	\$ 2,030
Accounts payable	214,031	224,859
Accrued expenses	181,013	193,147
Total current liabilities	396,820	420,036
Capital lease obligations	8,739	10,206
Deferred rent and lease incentives	93,995	87,795
Other long-term liabilities	127,378	123,880
	626,932	641,917
Redeemable noncontrolling interests	2,905	8,293
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, \$.01 par value. Authorized 10,000,000 shares; no shares issued and outstanding		
Common stock, \$.01 par value. Authorized 150,000,000 shares; issued 138,657,582 and 138,089,021 shares, outstanding 85,203,817 and 89,631,328 shares, at October 27, 2012 and January 28, 2012, respectively	852	896

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Paid-in capital	418,725	400,178
Retained earnings	1,210,162	1,155,696
Accumulated other comprehensive loss	(31,636)	(23,197)
Treasury stock, 53,453,765 and 48,457,693 shares at October 27, 2012 and January 28, 2012, respectively	(497,859)	(357,943)
Guess?, Inc. stockholders' equity	1,100,244	1,175,630
Nonredeemable noncontrolling interests	12,987	18,635
Total stockholders' equity	1,113,231	1,194,265
	\$ 1,743,068	\$ 1,844,475

See accompanying notes to condensed consolidated financial statements.

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GUESS?, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)

(unaudited)

	Three Months Ended		Nine Months Ended	
	Oct. 27, 2012	Oct. 29, 2011	Oct. 27, 2012	Oct. 29, 2011
Product sales	\$ 597,374	\$ 608,777	\$ 1,756,123	\$ 1,821,198
Net royalties	31,454	34,026	87,364	91,008
Net revenue	628,828	642,803	1,843,487	1,912,206
Cost of product sales	381,219			