

Edgar Filing: CIRCUIT CITY STORES INC - Form 8-K

CIRCUIT CITY STORES INC
Form 8-K
March 29, 2007

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): March 29, 2007

CIRCUIT CITY STORES, INC.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of incorporation)

001-05767

(Commission File Number)

54-0493875

(I.R.S. Employer
Identification Number)

9950 Mayland Drive, Richmond, Virginia 23233

(Address of principal executive offices) (Zip Code)

(804) 486-4000

(Registrant's telephone number, including area code)

N/A

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

SECTION 7 - REGULATION FD

Item 7.01 Regulation FD Disclosure.

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The company returned the management of 92 Rogers Plus(R) stores to Rogers Wireless Inc. in January 2007. The following quarterly information is being provided to reflect the presentation of the results from these 92 Rogers Plus(R) stores as discontinued operations.

SIGNATURES

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.

CIRCUIT CITY STORES, INC.

By: /s/ Philip J. Dunn

 Philip J. Dunn
 Senior Vice President, Treasurer, Controller
 and Chief Accounting Officer

Dated: March 29, 2007

CIRCUIT CITY STORES, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (Amounts in thousands except per share data)

	(UNAUDITED) Three Months	
	May 31, 2006	August 3 2006
NET SALES	\$ 2,596,615	\$ 2,818,4
Cost of sales, buying and warehousing	1,960,851	2,148,3
GROSS PROFIT	635,764	670,1
Selling, general and administrative expenses	634,292	656,6
OPERATING INCOME (LOSS)	1,472	13,4
Interest income	7,046	5,7
Interest expense	212	1
Earnings (loss) from continuing operations before income taxes	8,306	19,1
Income tax provision (benefit)	2,999	7,4

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NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS	5,307	11,6
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	(708)	(1,6
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	1,773	
NET EARNINGS (LOSS)	\$ 6,372	\$ 10,0
Weighted average common shares:		
Basic	171,054	169,9
Diluted	176,256	174,6
EARNINGS (LOSS) PER SHARE:		
Basic:		
Continuing operations	\$ 0.03	\$ 0.
Discontinued operations	\$ -	\$ (0.
Cumulative effect of change in accounting principle	\$ 0.01	\$
Net earnings (loss)	\$ 0.04	\$ 0.
Diluted:		
Continuing operations	\$ 0.03	\$ 0.
Discontinued operations	\$ -	\$ (0.
Cumulative effect of change in accounting principle	\$ 0.01	\$
Net earnings (loss)	\$ 0.04	\$ 0.

CIRCUIT CITY STORES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands except per share data)

	(UNAUDITED) Three Months Ended		
	May 31, 2005	August 31, 2005	November 3 2005
NET SALES	2,212,095	\$2,535,956	\$2,879,715
Cost of sales, buying and warehousing	1,658,064	1,931,708	2,185,163
GROSS PROFIT	554,031	604,248	694,552
Selling, general and administrative expenses	579,743	604,573	682,843
OPERATING (LOSS) INCOME	(25,712)	(325)	11,709

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Interest income	6,292	4,602	4,334
Interest expense	415	215	1,113
(Loss) earnings from continuing operations before income taxes	(19,835)	4,062	14,930
Income tax (benefit) provision	(7,565)	1,410	5,843
NET (LOSS) EARNINGS FROM CONTINUING OPERATIONS	(12,270)	2,652	9,087
(LOSS) EARNINGS FROM DISCONTINUED OPERATIONS, NET OF TAX	(839)	(1,304)	1,055
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	-	-	-
NET (LOSS) EARNINGS	(13,109)	\$ 1,348	\$ 10,142
Weighted average common shares:			
Basic	184,729	179,057	174,438
Diluted	184,729	181,801	177,509
(LOSS) EARNINGS PER SHARE:			
Basic:			
Continuing operations	(0.07) \$	0.01 \$	0.05 \$
Discontinued operations	(0.00) \$	(0.01) \$	0.01 \$
Cumulative effect of change in accounting principle	- \$	- \$	- \$
Net (loss) earnings	(0.07) \$	0.01 \$	0.06 \$
Diluted:			
Continuing operations	(0.07) \$	0.01 \$	0.05 \$
Discontinued operations	(0.00) \$	(0.01) \$	0.01 \$
Cumulative effect of change in accounting principle	- \$	- \$	- \$
Net (loss) earnings	(0.07) \$	0.01 \$	0.06 \$

CIRCUIT CITY STORES, INC.
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Consolidated

(Dollar amounts in millions)	Three Months Ended			
	May 31, 2006		August 31, 2006	
	\$	% of Sales	\$	% of Sales
Store expenses	534.0	20.6 %	563.1	20.0 %
General and administrative expenses	87.4	3.4	83.6	3.0
Stock-based compensation expense	8.7	0.3	6.6	0.2
Remodel expenses	-	-	0.5	-
Relocation expenses	1.5	0.1	0.5	-
Pre-opening expenses	2.6	0.1	2.4	0.1

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Total 634.3 24.4 % 656.7 23.3 %

(Dollar amounts in millions)	Three Months Ended							
	May 31, 2005		August 31, 2005		November 30, 2005		February 28, 2006	
	\$	% of Sales	\$	% of Sales	\$	% of Sales	\$	% of Sales
Store expenses	497.0	22.5%	516.8	20.4%	580.1	20.1%	641.0	20.1%
General and administrative expenses	77.2	3.5	78.8	3.1	86.4	3.0	74.0	2.9
Stock-based compensation expense	3.2	0.1	6.6	0.3	9.3	0.3	7.0	0.2
Remodel expenses	-	-	-	-	-	-	-	-
Relocation expenses	2.0	0.1	0.3	-	2.6	0.1	2.0	0.1
Pre-opening expenses	0.2	0.0	2.1	0.1	4.3	0.2	2.0	0.1
Total	579.7	26.2%	604.6	23.8%	682.8	23.7%	728.0	23.3%

International Segment

(Dollar amounts in millions)	Three Months Ended			
	May 31, 2006		August 31, 2006	
	\$	% of Sales	\$	% of Sales
Store expenses	\$ 37.1	33.4 %	38.9	28.2 %
General and administrative expenses	8.5	7.7	9.2	6.7
Stock-based compensation expense	1.1	1.0	0.2	0.1
Total	\$ 46.7	42.0 %	48.3	35.0 %

(Dollar amounts in millions)	Three Months Ended							
	May 31, 2005		August 31, 2005		November 30, 2005		February 28, 2006	
	\$	% of Sales	\$	% of Sales	\$	% of Sales	\$	% of Sales
Store expenses	\$31.2	32.0%	32.8	26.9%	40.6	27.3%	41.0	27.3%
General and administrative expenses	20.2	20.7	16.2	13.3	18.0	12.1	18.0	12.1
Stock-based compensation expense	0.2	0.2	0.2	0.1	0.3	0.2	0.3	0.2
Total	\$51.6	52.9%	49.2	40.3%	58.9	39.6%	59.3	39.6%

CIRCUIT CITY STORES, INC.
INTERNATIONAL SEGMENT PERFORMANCE SUMMARY AND
COMPARABLE STORE SALES CHANGE SUMMARY

International Segment Performance Summary

Three Months Ended

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(Amounts in millions)	May 31, 2006	Aug. 31, 2006	Nov. 30, 2006
Net sales	\$111.1	\$137.9	\$150.2
Gross profit	\$ 40.9	\$ 50.5	\$ 50.5
Selling, general and administrative expenses	\$ 46.7	\$ 48.3	\$ 50.0
Net (loss) earnings from continuing operations	\$ (4.0)	\$ 1.2	\$ (0.1)

(Amounts in millions)	Three Months Ended		
	May 31, 2005	Aug. 31, 2005	Nov. 30, 2005
Net sales	\$ 97.5	\$121.9	\$148.9
Gross profit	\$ 41.1	\$ 46.5	\$ 53.5
Selling, general and administrative expenses	\$ 51.6	\$ 49.2	\$ 58.9
Net (loss) earnings from continuing operations	\$ (6.4)	\$ (1.7)	\$ (4.0)

Comparable Store Sales Change Summary

Consolidated

	Three Months Ended		
	May 31, 2006	Aug. 31, 2006	Nov. 30, 2006
Comparable store sales change	14.6 %	8.5 %	5.2 %

	Three Months Ended			One Mo Ende
	May 31, 2005	Aug. 31, 2005	Nov. 30, 2005	Dec. 200
Comparable store sales change	0.0 %	5.1 %	13.1 %	10.

International Segment

	Three Months Ended		
	May 31, 2006	Aug. 31, 2006	Nov. 30, 2006
Comparable store sales change	(0.3)%	(0.1)%	(3.1)%

	Three Months Ended			One M En
	May 31, 2005*	Aug. 31, 2005	Nov. 30, 2005	Dec. 2
Comparable store sales change	- %	5.4 %	7.5 %	2

*International segment sales were not included in the company's comparable store sales until the quarter ended August 31, 2005.