

CONNS INC  
Form 10-Q  
August 27, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 31, 2009

Commission File Number 000-50421

CONN'S, INC.

(Exact name of registrant as specified in its charter)

A Delaware Corporation  
(State or other jurisdiction of incorporation or  
organization)

06-1672840  
(I.R.S. Employer Identification Number)

3295 College Street  
Beaumont, Texas 77701  
(409) 832-1696

(Address, including zip code, and telephone  
number, including area code, of registrant's  
principal executive offices)

NONE

(Former name, former address and former  
fiscal year, if changed since last report)

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 definition of "accelerated filer and large accelerated filer" 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)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  
Yes [ ] No [ x ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of August 25, 2009:

Class	Outstanding
Common stock, \$.01 par value per share	22,457,486

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## Part I. FINANCIAL INFORMATION

## Item 1. Financial Statements

Conn's, Inc.  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

Assets	January 31, 2009	July 31, 2009 (unaudited)
Current assets		
Cash and cash equivalents	\$ 11,798	\$ 4,852
Other accounts receivable, net of allowance of \$60 and \$64, respectively	32,878	22,763
Customer accounts receivable, net of allowance of \$2,338 and \$4,432 respectively	61,125	115,696
Interests in securitized assets	176,543	164,090
Inventories	95,971	100,867
Deferred income taxes	13,354	14,333
Prepaid expenses and other assets	5,933	10,618
Total current assets	397,602	433,219
Long-term portion of customer accounts receivable, net of allowance of \$1,575 and \$2,819, respectively	41,172	73,573
Property and equipment		
Land	7,682	7,682
Buildings	12,011	13,005
Equipment and fixtures	21,670	22,336
Transportation equipment	2,646	2,725
Leasehold improvements	83,361	88,347
Subtotal	127,370	134,095
Less accumulated depreciation	(64,819)	(71,275)
Total property and equipment, net	62,551	62,820
Goodwill, net	9,617	9,617
Non-current deferred income tax asset	2,035	3,597
Other assets, net	3,652	3,545
Total assets	\$ 516,629	\$ 586,371
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Current portion of long-term debt	\$ 5	\$ 60
Accounts payable	57,809	47,708
Accrued compensation and related expenses	11,473	7,551
Accrued expenses	23,703	25,024
Income taxes payable	4,334	2,665
Deferred revenues and allowances	21,207	20,070
Total current liabilities	118,531	103,078
Long-term debt	62,912	130,235
Fair value of interest rate swaps	-	231
Deferred gains on sales of property	1,036	968
Stockholders' equity		
Preferred stock (\$0.01 par value, 1,000,000 shares authorized; none issued or outstanding)	-	-
Common stock (\$0.01 par value, 40,000,000 shares authorized; 24,167,445 and 24,180,692 shares issued at January 31, 2009 and July 31, 2009, respectively)	242	242

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Additional paid-in capital	103,553	104,942
Accumulated other comprehensive income (loss)	-	(150)
Retained earnings	267,426	283,896
Treasury stock, at cost, 1,723,205 and 1,723,205 shares, respectively	(37,071)	(37,071)
Total stockholders' equity	334,150	351,859
Total liabilities and stockholders' equity	\$ 516,629	\$ 586,371

See notes to consolidated financial statements.

Conn's, Inc.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)  
(in thousands, except earnings per share)

Three Months Ended  
July 31,

Six Months Ended  
July 31,

2008