

CHILDRENS PLACE RETAIL STORES INC

Form 10-Q

May 31, 2012

Table of Contents

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 April 28, 2012

☐ 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 0-23071

THE CHILDREN'S PLACE RETAIL STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
Incorporation or organization)

31-1241495

(I.R.S. employer
identification number)

500 Plaza Drive

Secaucus, New Jersey

(Address of Principal Executive Offices)

07094

(Zip Code)

(201) 558-2400

(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 (Section 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 ☐

Edgar Filing: CHILDRENS PLACE RETAIL STORES INC - Form 10-Q

(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 o No x

The number of shares outstanding of the registrant's common stock with a par value of \$0.10 per share, as of May 29, 2012 was 24,266,657 shares.

Table of Contents

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

FOR THE PERIOD ENDED APRIL 28, 2012

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Condensed Consolidated Financial Statements:</u> <u>Condensed Consolidated Balance Sheets</u> <u>Condensed Consolidated Statements of Operations</u> <u>Condensed Consolidated Statements of Comprehensive Income</u> <u>Condensed Consolidated Statements of Cash Flows</u> <u>Notes to Condensed Consolidated Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>

PART II — OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>
<u>Item 1A.</u>	<u>Risk Factors</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 6.</u>	<u>Exhibits</u>
<u>Signatures</u>	

Table of Contents

PART I. - FINANCIAL INFORMATION

Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except par value)

	April 28, 2012 (unaudited)	January 28, 2012	April 30, 2011 (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$204,826	\$176,655	\$212,347
Accounts receivable	18,656	17,382	21,269
Inventories	193,852	212,916	192,714
Prepaid expenses and other current assets	40,808	49,184	41,313
Deferred income taxes	14,980	17,188	12,649
Total current assets	473,122	473,325	480,292
Long-term assets:			
Property and equipment, net	329,058	323,863	327,017
Deferred income taxes	50,084	49,054	53,485
Other assets	4,339	4,407	4,168
Total assets	\$856,603	\$850,649	\$864,962
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES:			
Current liabilities:			
Accounts payable	\$34,784	\$55,516	\$23,635
Income taxes payable	1,749	1,788	1,061
Accrued expenses and other current liabilities	90,241	74,251	82,424
Total current liabilities	126,774	131,555	107,120
Long-term liabilities:			
Deferred rent liabilities	95,702	94,569	99,975
Other tax liabilities	8,965	9,109	15,370
Other long-term liabilities	5,939	6,050	6,896
Total liabilities	237,380	241,283	229,361
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY:			
Preferred stock, \$1.00 par value, 1,000 shares authorized, 0 shares issued and outstanding	—	—	—
Common stock, \$0.10 par value, 100,000 shares authorized; 24,435, 24,711 and 26,009 issued; 24,412, 24,697 and 26,000 outstanding	2,443	2,471	2,601
Additional paid-in capital	209,967	210,159	218,826
Treasury stock, at cost (23, 14, and 9 shares)	(1,062)) (598)) (401)
Deferred compensation	1,062	598	401
Accumulated other comprehensive income	15,164	12,685	19,209
Retained earnings	391,649	384,051	394,965

Edgar Filing: CHILDRENS PLACE RETAIL STORES INC - Form 10-Q

Total stockholders' equity	619,223	609,366	635,601
Total liabilities and stockholders' equity	\$856,603	\$850,649	\$864,962
See accompanying notes to these condensed consolidated financial statements.			

Table of Contents

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)

	Thirteen Weeks Ended	
	April 28, 2012	April 30, 2011
Net sales	\$438,508	\$430,806
Cost of sales	261,721	247,159
Gross profit	176,787	183,647
Selling, general and administrative expenses	122,152	116,722
Asset impairment charges	1,250	398
Other costs	834	—
Depreciation and amortization	17,218	