

BLUEFLY INC
Form 10-Q
November 08, 2010

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 September 30, 2010

OR

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 001-14498

BLUEFLY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-3612110
(I.R.S. Employer Identification No.)

42 West 39th Street, New York, NY
(Address of principal executive offices)

10018
(Zip Code)

Registrant's telephone number, including area code: (212) 944-8000

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 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:

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

As of November 4, 2010, there were 24,607,338 shares of Common Stock, \$.01 par value, of the registrant outstanding.

BLUEFLY, INC.
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Part I – FINANCIAL INFORMATION

Item 1. – Financial Statements

BLUEFLY, INC.
BALANCE SHEETS

	(Unaudited) September 30, 2010	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,640,000	\$ 10,049,000
Accounts receivable — net of allowance for doubtful accounts	3,385,000	3,319,000
Inventories, net	30,236,000	17,668,000
Prepaid inventory	1,466,000	238,000
Prepaid expenses	287,000	208,000
Other current assets	452,000	513,000
Total current assets	42,466,000	31,995,000
Property and equipment, net	3,154,000	3,506,000
Other assets	136,000	145,000
Total assets	\$ 45,756,000	\$ 35,646,000
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 8,520,000	\$ 4,363,000
Allowance for sales returns	3,633,000	2,627,000
Accrued expenses and other current liabilities	1,388,000	2,105,000
Deferred revenue	3,037,000	3,516,000
Total current liabilities	16,578,000	12,611,000
Total liabilities	16,578,000	12,611,000
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Common stock — \$.01 par value; 50,000,000 and 200,000,000 shares authorized as of September 30, 2010 and December 31, 2009, respectively; 24,945,736 and 18,885,239 shares issued as of September 30, 2010 and December 31, 2009, respectively, 24,607,338 and 18,552,737 shares outstanding as of September 30, 2010 and December 31, 2009, respectively	246,000	185,000
Treasury stock	(1,824,000)	(1,809,000)
Additional paid-in capital	182,526,000	172,127,000
Accumulated deficit	(151,770,000)	(147,468,000)
Total stockholders' equity	29,178,000	23,035,000
Total liabilities and stockholders' equity	\$ 45,756,000	\$ 35,646,000

The accompanying notes are an integral part of these financial statements.

BLUEFLY, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,	
	2010	2009
Net sales	\$ 19,202,000	\$ 17,108,000
Cost of sales	12,278,000	10,269,000
Gross profit	6,924,000	