

ICONIX BRAND GROUP, INC.
Form 10-Q
May 06, 2011

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 March 31, 2011

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 0-10593

ICONIX BRAND GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

11-2481903
(I.R.S. Employer Identification No.)

1450 Broadway, New York, NY
(Address of principal executive offices)

10018
(Zip Code)

(212) 730-0030
(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 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

Edgar Filing: ICONIX BRAND GROUP, INC. - Form 10-Q

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

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Common Stock, \$.001 Par Value – 72,939,060 shares as of May 3, 2011.

INDEX

FORM 10-Q

Iconix Brand Group, Inc. and Subsidiaries

	Page No.
Part I.	3
Financial Information	
Item 1.	3
Financial Statements	
Condensed Consolidated Balance Sheets – March 31, 2011 (unaudited) and December 31, 2010	3
Unaudited Condensed Consolidated Income Statements – Three Months Ended March 31, 2011 and 2010	4
Unaudited Condensed Consolidated Statement of Stockholders' Equity – Three Months Ended March 31, 2011	5
Unaudited Condensed Consolidated Statements of Cash Flows - Three Months Ended March 31, 2011 and 2010	6
Notes to Unaudited Condensed Consolidated Financial Statements	8
Item 2.	22
Management's Discussion and Analysis of Financial Condition and Results of Operations	
Item 3.	27
Quantitative and Qualitative Disclosures about Market Risk	
Item 4.	28
Controls and Procedures	
Part II.	28
Other Information	
Item 1.	28
Legal Proceedings	
Item 1A.	28
Risk Factors	
Item 2.	33
Unregistered Sales of Equity Securities and Use of Proceeds	
Item 6.	33
Exhibits	
Signatures	33

Part I. Financial Information
Item 1. Financial Statements

Iconix Brand Group, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except par value)

	March 31, 2011 (unaudited)	December 31, 2010
Assets		
Current Assets:		
Cash (including restricted cash of \$3,837 in 2011 and \$3,300 in 2010)	\$99,895	\$ 121,935
Accounts receivable	71,821	65,507
Deferred income tax assets	1,743	1,743
Other assets - current	34,822	36,681
Total Current Assets	208,281	225,866
Property and equipment:		
Furniture, fixtures and equipment	16,707	14,894
Less: Accumulated depreciation	(4,995)	(4,410)
	11,712	10,484
Other Assets:		
Restricted cash	15,866	15,866
Other assets	34,619	43,128
Trademarks and other intangibles, net	1,398,505	1,400,550
Deferred financing costs, net	2,706	3,119
Investments and joint ventures	58,501	59,677
Goodwill	192,780	192,780
	1,702,977	1,715,120
Total Assets	\$1,922,970	\$ 1,951,470
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$38,067	\$ 43,275
Deferred revenue	23,609	16,305
Current portion of long-term debt	148,119	36,380
Other liabilities - current	5,300	4,000
Total current liabilities	215,095	99,960
Deferred income tax liability	144,254	138,577
Long-term debt, less current maturities	371,375	548,007
Deferred revenue	6,394	11,561
Other liabilities	12,756	14,451
Total Liabilities	749,874	812,556
Commitments and contingencies		
Stockholders' Equity		
	74	74

Edgar Filing: ICONIX BRAND GROUP, INC. - Form 10-Q

Common stock, \$.001 par value shares authorized 150,000; shares issued 74,167 and 73,930, respectively		
Additional paid-in capital	756,857	752,803
Retained earnings	325,748	294,316
Accumulated other comprehensive gain	253	-
Less: Treasury stock – 1,480 and 1,409 shares at cost, respectively	(12,651)	(10,831)
Total Iconix Stockholders' Equity	1,070,281	1,036,362
Non-controlling interest	102,815	102,552
Total Stockholders' Equity	1,173,096	1,138,914
Total Liabilities and Stockholders' Equity	\$1,922,970	\$ 1,951,470

See Notes to Unaudited Condensed Consolidated Financial Statements.

Iconix Brand Group, Inc. and Subsidiaries

Unaudited Condensed Consolidated Income Statements
(in thousands, except earnings per share data)

	Three Months Ended March	
	2011	2010
Licensing and other revenue	\$ 92,356	\$ 71,704
Selling, general and administrative expenses	32,005	22,318
Expenses related to specific litigation	47	6
Operating income	60,304	49,380
Other expenses		
Interest expense	9,936	11,029