

JOE'S JEANS INC.
Form 10-Q
October 11, 2011
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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 August 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: 0-18926

JOE S JEANS INC.

(Exact name of registrant as specified in its charter)

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Delaware

(State or other jurisdiction of incorporation or organization)

11-2928178

(I.R.S. Employer Identification No.)

2340 South Eastern Avenue, Commerce, California

(Address of principal executive offices)

90040

(Zip Code)

(323) 837-3700

(Registrant's telephone number, including area code)

NO CHANGE

(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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

The number of shares of the registrant's common stock outstanding as of October 11, 2011 was 64,887,631.

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QUARTERLY REPORT ON FORM 10-Q

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****JOE S JEANS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except per share data)

	August 31, 2011 (unaudited)	November 30, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 11,641	\$ 6,410
Accounts receivable, net	1,846	2,374
Inventories, net	24,891	30,245
Due from related parties		38
Deferred income taxes, net	3,225	3,225
Prepaid expenses and other current assets	1,559	1,092
Total current assets	43,162	43,384
Property and equipment, net	5,515	5,721
Goodwill	3,836	3,836
Intangible assets	24,000	24,000
Deferred income taxes, net	4,179	4,179
Other assets	547	349
Total assets	\$ 81,239	\$ 81,469
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 10,420	\$ 10,373
Due to factor	4,561	4,972
Due to related parties	438	333
Total current liabilities	15,419	15,678
Deferred rent	1,223	918
Total liabilities	16,642	16,596
Commitments and contingencies		
Stockholders equity		
Common stock, \$0.10 par value: 100,000 shares authorized, 65,159 shares issued and 64,887 outstanding (2011) and 64,131 shares issued and 63,859 outstanding (2010)	6,518	6,415
Additional paid-in capital	105,082	104,364
Accumulated deficit	(43,946)	(42,849)

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Treasury stock, 272 shares		(3,057)		(3,057)
Total stockholders' equity		64,597		64,873
Total liabilities and stockholders' equity	\$	81,239	\$	81,469

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

Table of Contents**JOE S JEANS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(in thousands, except per share data)**

	Three months ended		Nine months ended	
	August 31, 2011	August 31, 2010	August 31, 2011	August 31, 2010
	(unaudited)		(unaudited)	
Net sales	\$ 24,151	\$ 25,534	\$ 70,032	\$ 74,611
Cost of goods sold	14,407	13,732	38,382	39,942
Gross profit	9,744	11,802	31,650	34,669
Operating expenses				
Selling, general and administrative	10,919	10,070	30,053	29,986
Depreciation and amortization	323	223		