

JAMBA, INC.
Form 10-Q
August 02, 2012

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
X ACT OF 1934**

For the quarterly period ended July 3, 2012

OR

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

For the transition period from to

Jamba, Inc.

(Exact name of registrant as specified in its charter)

JAMBA, INC.

QUARTERLY REPORT ON FORM 10-Q

QUARTERLY PERIOD ENDED JULY 3, 2012

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PART I - FINANCIAL INFORMATION**ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****JAMBA, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

(Dollars in thousands, except share and per share amounts)	July 3, 2012	January 3, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$28,535	\$ 19,607
Restricted cash		1,352
Receivables, net of allowances of \$324 and \$294	8,401	13,040
Inventories	2,601	2,228
Prepaid and refundable taxes	232	574
Prepaid rent	2,877	2,761
Prepaid expenses and other current assets	1,491	1,509
 Total current assets	 44,137	 41,071
Property, fixtures and equipment, net	40,214	44,760
Goodwill	1,308	—
Trademarks and other intangible assets, net	1,466	1,130
Other long-term assets	1,346	1,332
 Total assets	 \$88,471	 \$ 88,293
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$6,043	\$ 4,155
Accrued compensation and benefits	7,812	6,566
Workers' compensation and health insurance reserves	1,144	1,092
Accrued jambacard liability	27,951	33,256
Other current liabilities	8,942	9,961
 Total current liabilities	 51,892	 55,030
Deferred rent and other long-term liabilities	13,273	13,079

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Total liabilities	65,165	68,109
Commitments and contingencies (Note 10)		
Series B redeemable preferred stock, \$0.001 par value, 304,348 shares authorized; 168,389 and 168,389 shares issued and outstanding at July 3, 2012 and January 3, 2012, respectively	18,050	17,880
Stockholders' equity:		
Common stock, \$0.001 par value, 150,000,000 shares authorized; 67,617,393 and 67,280,485 shares issued and outstanding at July 3, 2012 and January 3, 2012, respectively	68	68
Additional paid-in capital	368,871	369,027
Accumulated deficit	(363,683)	(366,791)
Total stockholders' equity	5,256	2,304
Total liabilities and stockholders' equity	\$88,471	\$ 88,293
See accompanying notes to condensed consolidated financial statements.		

JAMBA, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

(Dollars in thousands, except share and per share amounts)	13 Week Period Ended July 3, 2012	12 Week Period Ended July 12, 2011	26 Week Period Ended July 3, 2012	28 Week Period Ended July 12, 2011
Revenue:				
Company Stores	\$62,530	\$55,969	\$112,555	\$119,172
Franchise and other revenue	3,514	2,886	6,536	5,858
Total revenue	66,044	58,855	119,091	125,030
Costs and operating expenses:				
Cost of sales	13,975	12,807	25,586	28,020
Labor	17,148	16,610	32,556	38,574
Occupancy	7,326	6,725	14,743	16,905
Store operating	8,955	7,668	16,830	17,189
Depreciation and amortization	2,813	2,860	5,736	6,816
General and administrative	10,823	8,038	19,462	18,483
Impairment of long-lived assets	175	326	562	902
Other operating, net	(200)	(68)	232	579
Total costs and operating expenses	61,015	54,966	115,707	127,468
Income (loss) from operations	5,029	3,889	3,384	(2,438)
Other income (expense), net:				
Interest income	20	27	39	27
Interest expense	22	(106)	(94)	(339)
Total other income (expense), net	42	(79)	(55)	(312)
Income (loss) before income taxes	5,071	3,810	3,329	(2,750)
Income tax (expense) benefit	(453)	123	(221)	163
Net income (loss)	4,618	3,933	3,108	(2,587)

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Preferred stock dividends and deemed dividends	(472)	(538)	(953)	(1,365)
Net income available (loss attributable) to common stockholders	\$4,146	\$3,395	\$2,155	\$(3,952)
Weighted-average shares used in the computation of earnings (loss) per share:				
Basic	67,385,699	65,961,425	67,339,917	65,588,218
Diluted	85,709,417	85,436,405	67,339,917	65,588,218
Earnings (loss) per share:				
Basic	\$0.06	\$0.05	\$0.03	\$(0.06)
Diluted	\$0.05	\$0.05	\$0.03	\$(0.06)
See accompanying notes to condensed consolidated financial statements.				

JAMBA, INC.**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY****(Unaudited)**

(Dollars in thousands, except share amounts)	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholders' Equity
	Shares	Amount			
Balance as of December 28, 2010	63,734,961	\$ 64	\$ 365,817	\$ (358,493)	\$ 7,388
Share-based compensation expense	—	—	568	—	568
Issuance of common stock pursuant to stock plans	417,415	1	728	—	729
Conversion of preferred stock	2,409,600	2	2,769	—	2,771
Accretion of Series B preferred shares	—	—	(459)	—	(459)
Redeemable preferred stock dividends	—	—	(906)	—	(906)
Net loss	—	—	—	(2,587)	(2,587)
Balance as of July 12, 2011	66,561,976	\$ 67	\$ 368,517	\$ (361,080)	\$ 7,504
Balance as of January 3, 2012	67,280,485	\$ 68	\$ 369,027	\$ (366,791)	\$ 2,304
Share-based compensation expense	—	—	773	—	773
Issuance of common stock pursuant to stock plans	44,906	—	24	—	24
Conversion of preferred stock					