

GANDER MOUNTAIN CO
Form 10-Q
December 07, 2006

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 OCTOBER 28, 2006.**

Commission File Number: 000-50659

GANDER MOUNTAIN COMPANY

(Exact name of Registrant as Specified in its Charter)

Minnesota
(State or Other Jurisdiction of
Incorporation or Organization)

180 East Fifth Street, Suite 1300
Saint Paul, Minnesota 55101
(651) 325-4300
(Address, including zip code, and telephone number,
including area code,
of Registrant's Principal Executive Offices)

41-1990949
(I.R.S. Employer
Identification No.)

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. check one large accelerated filer accelerated filer non-accelerated filer

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, \$.01 par value; 14,308,274 shares outstanding as of December 6, 2006.

GANDER MOUNTAIN COMPANY
QUARTERLY PERIOD ENDED OCTOBER 28, 2006
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Gander Mountain Company
Statements of Operations - Unaudited

(In thousands, except per share data)

	13 Weeks Ended October 28, 2006	October 29, 2005	39 Weeks Ended October 28, 2006	October 29, 2005
Sales	\$ 246,491	\$ 214,606	\$ 584,553	\$ 523,652
Cost of goods sold	183,594	164,201	450,590	407,081
Gross profit	62,897	50,405	133,963	116,571
Operating expenses:				
Store operating expenses	44,553	42,889	116,880	113,591
General and administrative expenses	10,490	9,041	29,449	27,165
Pre-opening expenses	1,772	2,779	3,245	6,555
Gain on insurance settlement	(1,400)		(1,400)	
Gain on contract settlement				(2,500)
Income (loss) from operations	7,482	(4,304)	(14,211)	(28,240)
Interest expense, net	5,456	3,236	14,289	7,249
Income (loss) before income taxes	2,026	(7,540)	(28,500)	(35,489)
Income tax provision				
Net income (loss)	\$ 2,026	\$ (7,540)	\$ (28,500)	\$ (35,489)
Income (loss) per common share				
Basic	\$ 0.14	\$ (0.53)	\$ (1.99)	\$ (2.49)
Diluted	\$ 0.14	\$ (0.53)	\$ (1.99)	\$ (2.49)
Weighted average common shares outstanding				
Basic	14,308	14,264	14,295	14,252
Diluted	14,325	14,264	14,295	14,252

See accompanying notes to unaudited financial statements.

**Gander Mountain Company
Balance Sheets**

(In thousands)

	October 28, 2006 (Unaudited)	January 28, 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,443	\$ 1,580
Accounts receivable	20,216	7,215
Inventories	399,623	308,395
Prepays and other current assets	10,331	4,557
Total current assets	431,613	321,747
Property and equipment, net	144,459	132,447
Other assets, net	5,824	4,736
Total assets	\$ 581,896	\$ 458,930
Liabilities and shareholders equity		
Current liabilities:		
Borrowings under credit facility		