

JAMBA, INC.
Form 10-Q
May 27, 2010
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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 April 20, 2010

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)

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Delaware
(State or other jurisdiction

001-32552
(Commission

20-2122262
(I.R.S. Employer

of incorporation)

File No.)

Identification No.)

6475 Christie Avenue, Suite 150, Emeryville, California 94608

(Address of principal executive offices)

Registrant's telephone number, including area code: (510) 596-0100

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 the 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 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 definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

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 in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of common stock of Jamba, Inc. issued and outstanding as of May 21, 2010 was 59,436,386.

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JAMBA, INC.

QUARTERLY REPORT ON FORM 10-Q

QUARTERLY PERIOD ENDED APRIL 20, 2010

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JAMBA, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

(Dollars in thousands, except share and per share amounts)	April 20, 2010	December 29, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 29,235	\$ 28,757
Restricted cash	1,448	1,324
Receivables, net of allowances of \$192 and \$116	3,370	9,949
Inventories	3,062	3,732
Prepaid rent	1,390	486
Prepaid and refundable income taxes	981	491
Prepaid expenses and other current assets	2,556	3,684
Total current assets	42,042	48,423
Property, fixtures and equipment, net	65,665	70,266
Trademarks and other intangible assets, net	1,652	1,850
Restricted cash	1,355	1,399
Deferred income taxes	353	998
Other long-term assets	2,858	2,882
Total assets	\$ 113,925	\$ 125,818
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 7,125	\$ 7,405
Accrued compensation and benefits	7,435	7,089
Workers' compensation and health insurance reserves	857	1,096
Accrued jambacard liability	32,355	38,255
Other accrued expenses	10,730	10,510
Total current liabilities	58,502	64,355
Long-term workers' compensation and health insurance reserves	1,221	1,158
Deferred rent and other long-term liabilities	14,273	14,700
Total liabilities	73,996	80,213
Commitments and contingencies (Note 10)		
Series B redeemable preferred stock, \$.001 par value, 304,348 shares authorized; 240,494 and 304,348 shares issued and outstanding at April 20, 2010 and December 29, 2009, respectively.	24,698	31,069
Stockholders' equity:		
Common stock, \$.001 par value, 150,000,000 shares authorized; 59,263,761 and 52,712,528 shares issued and outstanding at April 20, 2010 and December 29, 2009, respectively	60	53
Additional paid-in capital	362,264	356,320

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Accumulated deficit	(347,093)	(341,837)
Total stockholders' equity	15,231	14,536
Total liabilities and stockholders' equity	\$ 113,925	\$ 125,818

See accompanying notes to condensed consolidated financial statements.

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

(In thousands, except share and per share amounts)	16 Week Period Ended	
	April 20, 2010	April 21, 2009
Revenue:		
Company stores	\$ 78,470	\$ 87,019
Franchise and other revenue	1,958	1,851
Total revenue	80,428	88,870
Costs and operating expenses:		
Cost of sales	19,113	21,207
Labor	27,670	31,918
Occupancy	12,963	13,748
Store operating	10,962	9,839
Depreciation and amortization	4,934	6,110
General and administrative	10,877	11,723
Impairment of long-lived assets	171	3,026
Other operating, net	(1,176)	236
Total costs and operating expenses	85,514	97,807
Loss from operations	(5,086)	(8,937)
Other expenses, net:		
Gain from derivative liabilities		165
Interest income	24	334
Interest expense	(177)	(1,749)
Total other expense, net	(153)	(1,250)
Loss before income taxes	(5,239)	(10,187)
Income tax expense	(17)	(17)
Net loss	(5,256)	(10,204)
Preferred stock dividends and deemed dividends	(1,803)	
Net loss attributable to common stockholders	\$ (7,059)	\$ (10,204)
Weighted-average shares used in the computation of loss per share:		
Basic	54,117,577	54,690,728
Diluted	54,117,577	54,690,728
Loss per share:		
Basic	\$ (0.13)	\$ (0.19)
Diluted	\$ (0.13)	\$ (0.19)

See accompanying notes to condensed consolidated financial statements.

Table of Contents**JAMBA, INC.****CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY****(Unaudited)**

(Dollars in thousands, except share amounts)	Common Stock		Additional	Accumulated	Stockholders
	Shares	Amount	Paid-In Capital	Deficit	Equity
Balance as of December 30, 2008	54,690,728	\$ 55	\$ 358,258	\$ (317,892)	\$ 40,421
Share-based compensation expense			513		513
Net loss				(10,204)	(10,204)
Balance as of April 21, 2009	54,690,728	\$ 55	\$ 358,771	\$ (328,096)	\$ 30,730
Balance as of December 29, 2009	52,712,528	\$ 53	\$ 356,320	\$ (341,837)	\$ 14,536
Share-based compensation expense			323		323
Issuance of common stock pursuant to stock plans	165,833		87		87
Conversion of preferred stock	6,385,400	7	7,337		7,344
Accretion of Series B preferred shares			(972)		(972)
Redeemable preferred stock dividends			(831)		(831)
Net loss				(5,256)	(5,256)
Balance as of April 20, 2010	59,263,761	\$ 60	\$ 362,264	\$ (347,093)	\$ 15,231

See accompanying notes to condensed consolidated financial statements.

Table of Contents**JAMBA, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

(In thousands)	16 Week Period Ended	
	April 20, 2010	April 21, 2009
Cash (used in) provided by operating activities:		
Net loss	\$ (5,256)	\$ (10,204)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	4,934	6,110
Impairment of long-lived assets	171	3,026
Store lease termination, closure costs and (gain)/loss on disposals	(1,924)	477
Share-based compensation	323	513
Jambacard breakage income and amortization, net	(651)	595
Bad debt and inventory reserves	95	(206)
Deferred rent	(46)	