

BEST BUY CO INC
Form 10-Q
July 01, 2011
[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 28, 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: 1-9595

BEST BUY CO., INC.

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction of incorporation or organization)

41-0907483

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

**7601 Penn Avenue South
Richfield, Minnesota**

(Address of principal executive offices)

55423

(Zip Code)

(612) 291-1000

(Registrant's telephone number, including area code)

N/A

(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 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 x No o**

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 (§ 229.405 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 x No o**

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 x

Accelerated filer o

Non-accelerated filer o

Smaller reporting company o

Edgar Filing: BEST BUY CO INC - Form 10-Q

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. **Yes** **No**

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common Stock, \$.10 Par Value 373,912,817 shares outstanding as of June 28, 2011.

Table of Contents

BEST BUY CO., INC.

FORM 10-Q FOR THE QUARTER ENDED MAY 28, 2011

INDEX

<u>Part I</u>	<u>Financial Information</u>	3
	<u>Item 1.</u>	<u>Condensed Consolidated Financial Statements (Unaudited)</u>
		3
	a)	<u>Condensed consolidated balance sheets as of May 28, 2011; February 26, 2011; and May 29, 2010</u>
		3
	b)	<u>Consolidated statements of earnings for the three months ended May 28, 2011, and May 29, 2010</u>
		5
	c)	<u>Consolidated statements of changes in shareholders' equity for the three months ended May 28, 2011, and May 29, 2010</u>
		6
	d)	<u>Consolidated statements of cash flows for the three months ended May 28, 2011, and May 29, 2010</u>
		7
	e)	<u>Notes to condensed consolidated financial statements</u>
		8
	<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
		29
	<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
		39
	<u>Item 4.</u>	<u>Controls and Procedures</u>
		40
<u>Part II</u>	<u>Other Information</u>	40
	<u>Item 1.</u>	<u>Legal Proceedings</u>
		40
	<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
		41
	<u>Item 4.</u>	<u>Reserved</u>
		42
	<u>Item 6.</u>	<u>Exhibits</u>
		42
<u>Signatures</u>		43

Table of Contents

PART I FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

BEST BUY CO., INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

(\$ in millions, except per share amounts)

(Unaudited)

	May 28, 2011	February 26, 2011	May 29, 2010
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,208	\$ 1,103	\$ 1,239
Short-term investments	20	22	205
Receivables	1,742	2,348	1,579
Merchandise inventories	6,356	5,897	6,335
Other current assets	967	1,103	1,030
Total current assets	11,293	10,473	10,388
PROPERTY AND EQUIPMENT, NET	3,767	3,823	3,982
GOODWILL	2,488	2,454	2,386
TRADENAMES, NET	134	133	153
CUSTOMER RELATIONSHIPS, NET	194	203	247
EQUITY AND OTHER INVESTMENTS	318	328	323
OTHER ASSETS	479	435	477
TOTAL ASSETS	\$ 18,673	\$ 17,849	\$ 17,956

Edgar Filing: BEST BUY CO INC - Form 10-Q

NOTE: The consolidated balance sheet as of February 26, 2011, has been condensed from the audited consolidated financial statements.

See Notes to Condensed Consolidated Financial Statements.

Table of ContentsBEST BUY CO., INC.CONDENSED CONSOLIDATED BALANCE SHEETSLIABILITIES AND EQUITY

(\$ in millions, except per share amounts)

(Unaudited)

	May 28, 2011		February 26, 2011		May 29, 2010
CURRENT LIABILITIES					
Accounts payable	\$ 5,714	\$	4,894	\$	5,860
Unredeemed gift card liabilities	440		474		424
Accrued compensation and related expenses	492		570		436
Accrued liabilities	1,544		1,471		1,601
Accrued income taxes	66		256		51
Short-term debt	39		557		197
Current portion of long-term debt	441		441		34
Total current liabilities	8,736		8,663		8,603
LONG-TERM LIABILITIES	1,184				