

CHRISTOPHER & BANKS CORP
Form 10-Q
January 10, 2008

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 December 1, 2007

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 No. 001-31390

CHRISTOPHER & BANKS CORPORATION

(Exact name of registrant as specified in its charter)

(Mark One)

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Delaware
(State or other jurisdiction of
incorporation or organization)

06 - 1195422
(I.R.S. Employer
Identification Number)

2400 Xenium Lane North, Plymouth, Minnesota

(Address of principal executive offices)

55441

(Zip Code)

(763) 551-5000

(Registrant's telephone number, including area code)

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

As of January 4, 2008, 35,574,772 shares of the registrant's common stock were outstanding.

CHRISTOPHER & BANKS CORPORATION

QUARTERLY REPORT ON FORM 10-Q

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CHRISTOPHER & BANKS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited)

	December 1, 2007	March 3, 2007	November 25, 2006
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 46,701,459	\$ 53,991,398	\$ 59,379,627
Short-term investments	48,300,000	48,275,000	53,800,000
Accounts receivable	6,811,678	4,481,624	6,523,830
Merchandise inventories	46,943,191	52,354,944	55,421,481
Prepaid expenses	11,497,446	10,666,421	2,589,165
Income taxes receivable		2,076,717	2,064,032
Other current assets	4,582,421	3,257,919	2,605,962
Total current assets	164,836,195	175,104,023	182,384,097
Property, equipment and improvements, net	136,373,593	127,776,442	128,176,122
Goodwill	3,587,052	3,587,052	3,587,052
Intangible assets	495,630	575,281	602,572
Other assets	3,842,342	280,299	646,494
Total assets	\$ 309,134,812	\$ 307,323,097	\$ 315,396,337
LIABILITIES AND STOCKHOLDERS EQUITY			
Current liabilities:			
Accounts payable	\$ 8,483,503	\$ 16,287,931	\$ 7,058,148
Accrued salaries, wages and related expenses	9,529,895	7,797,470	8,861,133
Other accrued liabilities	20,902,975	22,164,741	16,412,468
Total current liabilities	38,916,373	46,250,142	32,331,749
Non-current liabilities:			
Deferred lease incentives	22,336,658	23,646,261	21,896,081
Deferred rent obligations	11,673,329	10,678,341	10,581,792
Other	3,362,258	983,137	
Total non-current liabilities	37,372,245	35,307,739	32,477,873
Commitments			
Stockholders equity:			
Preferred stock \$0.01 par value, 1,000,000 shares authorized, none outstanding			
Common stock \$0.01 par value, 74,000,000 shares authorized, 45,052,590, 45,038,310 and 44,982,810 shares issued and 35,574,772, 36,521,451 and 37,832,074 shares outstanding at December 1, 2007, March 3, 2007 and November 25, 2006, respectively	450,526	450,383	449,828
Additional paid-in capital	109,766,765	106,806,885	105,561,337
Retained earnings	232,341,185	213,264,385	213,551,634
Common stock held in treasury, 9,477,818, 8,516,859 and 7,150,736 shares at cost at December 1, 2007, March 3, 2007 and November 25, 2006, respectively	(109,712,282)	(94,756,437)	(68,976,084)
Total stockholders equity	232,846,194	225,765,216	250,586,715
Total liabilities and stockholders equity	\$ 309,134,812	\$ 307,323,097	\$ 315,396,337

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

CHRISTOPHER & BANKS CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

	Three Months Ended	
	December 1, 2007	November 25, 2006
Net sales	\$ 159,976,156	\$ 139,265,259
Costs and expenses:		
Merchandise, buying and occupancy, exclusive of depreciation and amortization	94,102,758	84,611,297
Selling, general and administrative	44,335,830	35,793,571
Depreciation and amortization	6,585,939	5,137,780
Total costs and expenses	145,024,527	125,542,648
Operating income	14,951,629	13,722,611
Interest income	1,163,225	1,353,399
Income before income taxes	16,114,854	15,076,010
Income tax provision	5,876,684	5,849,493
Net income	\$ 10,238,170	\$ 9,226,517
Basic earnings per common share:		
Net income	\$ 0.29	\$ 0.24
Basic shares outstanding	35,447,855	37,743,349
Diluted earnings per common share:		
Net income	\$ 0.29	\$ 0.24
Diluted shares outstanding	35,528,352	38,233,169
Dividends per share	\$ 0.06	\$ 0.06

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

CHRISTOPHER & BANKS CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

	Nine Months Ended	
	December 1, 2007	November 25, 2006
Net sales	\$ 450,475,105	\$ 413,348,890
Costs and expenses:		
Merchandise, buying and occupancy, exclusive of depreciation and amortization	271,613,686	241,975,934
Selling, general and administrative	124,041,825	107,985,828
Depreciation and amortization	17,391,107	15,136,518
Total costs and expenses	413,046,618	365,098,280
Operating income	37,428,487	48,250,610
Interest income	3,382,477	3,640,355
Income before income taxes	40,810,964	51,890,965
Income tax provision	15,508,167	20,133,695
Net income	\$ 25,302,797	