

GANDER MOUNTAIN CO
Form 10-Q
December 15, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 31, 2009**

Commission file number: 0-50659

GANDER MOUNTAIN COMPANY

(Exact name of Registrant as Specified in its Charter)

Minnesota
(State or Other Jurisdiction of
Incorporation or Organization)

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

**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)

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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 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 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 the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date: Common Stock, \$.01 par value; 24,197,733 shares outstanding as of December 4, 2009.

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SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q contains forward-looking statements regarding us, our business prospects and our results of operations that are subject to certain risks and uncertainties posed by many factors and events that could cause our actual business, prospects and results of operations to differ materially from those that may be anticipated by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those described in Item 1A – Risk Factors – of our Annual Report on Form 10-K for fiscal year 2008. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We undertake no obligation to revise any forward-looking statements in order to reflect events or circumstances that may subsequently arise. Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Commission that advise interested parties of the risks and factors that may affect our business.

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****Gander Mountain Company****Consolidated Statements of Operations - Unaudited****(In thousands, except per share data)**

	13 Weeks Ended		39 Weeks Ended	
	October 31, 2009	November 1, 2008	October 31, 2009	November 1, 2008
Sales	\$ 276,594	\$ 269,920	\$ 752,661	\$ 730,455
Cost of goods sold	201,389	200,160	566,185	551,183
Gross profit	75,205	69,760	186,476	179,272
Operating expenses:				
Selling, general and administrative expenses	68,814	64,975	199,425	190,871
Exit costs and related charges	492	(1,112)	1,165	(20)
Pre-opening expenses			299	2,035
Income (loss) from operations	5,899	5,897	(14,413)	(13,614)
Interest expense, net	2,579	4,950	7,807	14,301
Income (loss) before income taxes	3,320	947	(22,220)	(27,915)
Income tax provision	151	182	591	619
Net income (loss)	\$ 3,169	\$ 765	\$ (22,811)	\$ (28,534)
Basic and diluted income (loss) per common share	\$ 0.13	\$ 0.03	\$ (0.94)	\$ (1.18)
Weighted average common shares outstanding	24,200	24,162	24,196	24,086

See accompanying notes to unaudited consolidated financial statements.

Table of Contents**Gander Mountain Company****Consolidated Balance Sheets****(In thousands)**

	October 31, 2009 unaudited	January 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,680	\$ 1,655
Accounts receivable	21,736	10,784
Income taxes receivable		62
Inventories	428,172	358,127
Prepays and other current assets	11,214	12,132
Total current assets	462,802	382,760
Property and equipment, net	150,134	162,180
Goodwill	47,114	47,114
Acquired intangible assets, net	18,365	19,130
Other assets, net	1,541	1,936
Total assets	\$ 679,956	\$ 613,120
Liabilities and shareholders equity		
Current liabilities:		
Borrowings under credit facility	\$ 292,106	\$ 204,514