

JAMBA, INC.  
Form 10-Q  
August 06, 2013

**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  
X ACT OF 1934**

**For the quarterly period ended July 2, 2013**

**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)**

**Delaware                            001-32552    20-2122262**  
**(State or other jurisdiction (Commission (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**

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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 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  (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

The number of shares of common stock, \$0.001 par value, of Jamba, Inc. issued and outstanding as of August 1, 2013 was 17,053,958.

**JAMBA, INC.**

**QUARTERLY REPORT ON FORM 10-Q**

**QUARTERLY PERIOD ENDED JULY 2, 2013**

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**PART I - FINANCIAL INFORMATION****ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****JAMBA, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

<b>( In thousands, except share and per share amounts)</b>	<b>July 2, 2013</b>	<b>January 1, 2013</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$32,573	\$ 31,486
Restricted cash	—	205
Receivables, net of allowances of \$140 and \$103	7,655	11,327
Inventories	3,630	3,143
Prepaid and refundable taxes	264	655
Prepaid rent	3,085	3,080
Prepaid expenses and other current assets	2,479	1,681
Total current assets	49,686	51,577
Property, fixtures and equipment, net	40,152	38,442
Goodwill	1,233	1,336
Trademarks and other intangible assets, net	1,289	1,412
Other long-term assets	1,128	846
Total assets	\$93,488	\$ 93,613
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$7,225	\$ 8,206
Accrued compensation and benefits	6,806	7,566
Workers' compensation and health insurance reserves	1,168	1,087
Accrued jambacard liability	28,219	33,634
Other current liabilities	9,905	9,728
Total current liabilities	53,323	60,221
Deferred rent and other long-term liabilities	11,960	11,880
Total liabilities	65,283	72,101
Commitments and contingencies (Note 9)		

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Series B redeemable preferred stock, \$0.001 par value, 304,348 shares authorized; 0 and 72,889 shares issued and outstanding at July 2, 2013 and January 1, 2013, respectively	—	7,916
Stockholders' equity:		
Common stock, \$0.001 par value, 30,000,000 shares authorized; 17,053,958 and 15,481,782 shares issued and outstanding at July 2, 2013 and January 1, 2013, respectively	17	78
Additional paid-in capital	389,567	380,007
Accumulated deficit	(361,379)	(366,489 )
Total stockholders' equity	28,205	13,596
Total liabilities and stockholders' equity	\$93,488	\$93,613

Share and per share data have been adjusted for all periods presented to reflect a five-for-one reverse stock split effective May 31, 2013

See accompanying notes to condensed consolidated financial statements.

**JAMBA, INC.****CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

	13 Week Period Ended	13 Week Period Ended	26 Week Period Ended	26 Week Period Ended
(In thousands, except share and per share amounts)	July 2, 2013	July 3, 2012	July 2, 2013	July 3, 2012
Revenue:				
Company Stores	\$62,798	\$62,530	\$113,938	\$112,555
Franchise and other revenue	4,469	3,514	8,385	6,536
Total revenue	67,267	66,044	122,323	119,091
Costs and operating expenses:				
Cost of sales	14,858	13,975	27,262	25,586
Labor	16,849	17,148	32,604	32,556
Occupancy	7,319	7,326	14,695	14,743
Store operating	8,523	8,955	16,680	16,830
Depreciation and amortization	2,768	2,813	5,540	5,736
General and administrative	10,237	10,823	19,390	19,462
Impairment of long-lived assets	167	175	274	562
Other operating, net	(97)	(200)	536	232
Total costs and operating expenses	60,624	61,015	116,981	115,707
Income from operations	6,643	5,029	5,342	3,384
Other(expense) income, net:				
Interest income	—	20	—	39
Interest expense	(59)	) 22	(137)	) (94)
Total other income (expense), net	(59)	) 42	(137)	) (55)
Income before income taxes	6,584	5,071	5,205	3,329
Income tax expense	(234)	) (453)	(95)	) (221)
Net income	6,350	4,618	5,110	3,108
Preferred stock dividends and deemed dividends	(104)	) (472)	(588)	) (953)
Net income available to common stockholders	\$6,246	\$4,146	\$4,522	\$2,155
Weighted-average shares used in the computation of earnings per share:				
Basic	16,793,260	13,477,140	16,478,352	13,467,983
Diluted	17,473,249	17,141,883	16,895,654	13,467,983

Earnings per share:



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Basic	\$0.37	\$0.31	\$0.27	\$0.16
Diluted	\$0.36	\$0.27	\$0.27	\$0.16

Share and per share data have been adjusted for all periods presented to reflect a five-for-one reverse stock split effective May 31, 2013

See accompanying notes to condensed consolidated financial statements.

**JAMBA, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

**(Unaudited)**

	Common Stock		Additional Paid-In	Accumulated	Stockholders'
(In thousands, except share amounts)	Shares	Amount	Capital	Deficit	Equity
Balance as of January 3, 2012	13,456,097	\$ 68	\$ 369,027	\$ (366,791	) \$ 2,304
Share-based compensation expense					