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BLAIR CORP
Form 8-K
February 11, 2005

WASHINGTON, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2005

Blair Corporation

(Exact name of registrant as specified in its charter)

Delaware ----- (State or other Jurisdiction of incorporation)	001-00878 ----- (Commission File No.)	25-0691670 ----- (I.R.S. Employer Identification No.)
220 Hickory Street, Warren, Pennsylvania (Address of Principal executive offices)		16366-0001 (Zip Code)

Registrant's telephone number, including area code: (814) 723-3600

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425) ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12) ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)) ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02. Results of Operations and Financial Condition.

On February 11, 2005 Blair Corporation issued a press release

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announcing its earnings for the three months and twelve months ended December, 2004. The information contained in the press release, which is attached as Exhibit 99.1 to this Form 8-K, is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

The information contained in the press release is furnished pursuant to Item 7.01, "Regulation FD Disclosure."

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Exhibits

Exhibit 99.1.Press Release.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 11, 2005

Blair Corporation

By: /s/ John E. Zawacki

John E. Zawacki
President and Chief Executive Officer

By: /s/ Bryan J. Flanagan

Bryan J. Flanagan
Senior Vice President and Chief
Financial Officer

EXHIBIT 99.1

FOR IMMEDIATE RELEASE:

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CONTACTS:

Blair Corporation
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BLAIR CORPORATION REPORTS FOURTH QUARTER RESULTS

WARREN, Pa., (February 11, 2005) -- Blair Corporation (Amex: BL), (www.blair.com), a national multi-channel direct marketer of women's and men's apparel and home products, today announced results for the fourth quarter and twelve months ended December 31, 2004.

Net sales for the fourth quarter ended December 31, 2004 were \$133.4 million compared to \$166.5 million reported for the fourth quarter ended December 31, 2003.

Net income for the fourth quarter ended December 31, 2004 was \$6.3 million, or \$.78 per basic share and \$.77 per diluted share, compared to \$9.1 million, or \$1.15 per basic share and \$1.14 per diluted share, reported for the fourth quarter of 2003.

Net sales for the twelve months ended December 31, 2004 were \$496.1 million, compared to \$581.9 million reported for the twelve months ended December 31, 2003.

Net income for the twelve months ended December 31, 2004, was \$14.9 million, or \$1.83 per basic share and \$1.80 per diluted share, compared to \$14.5 million, or \$1.82 per basic share and \$1.81 per diluted share, reported for the twelve months ended December 31, 2003.

The slight increase in net income for the year on significantly lower sales volume reflects the continued implementation of strategic initiatives undertaken to generate greater efficiencies in core operations.

Cost of goods sold as a percentage of net sales for 2004 was 47.4%, unchanged from 2003. Despite an increase in outbound postage costs, this percentage remained constant as a result of lower customer returns and a reduction in the cost of merchandise.

The \$85.8 million decrease in net sales for 2004 was driven by two strategic business decisions. First, the Company significantly decreased the circulation of its letter mailings, effectively eliminating an unprofitable portion of this marketing tool. Second, as announced previously, the Company made the decision to shut down its Crossing Pointe catalog title by March 2005. Both of these strategic measures were driven by Blair's focus on profitability and enhancing shareholder value.

Blair's e-commerce channel generated \$91.7 million in gross sales demand in 2004, compared to \$84.3 million in gross sales demand in 2003.

"Blair achieved a modest increase in profitability on significantly lower sales during 2004 in part by lowering overall operating costs and further implementing its strategic plan to focus on core customers. For example, the phasing out of the Crossing Pointe catalog title reduced expenditures associated with this

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venture, which included advertising costs and provisions for doubtful accounts," said Bryan J. Flanagan, Senior Vice President and Chief Financial Officer.

"Blair remains committed to achieving its goals of generating greater operational efficiency, increasing profitability and enhancing shareholder value. We believe these goals will best be achieved by focusing on our core business with targeted mailings to our core customers. We will continue to strive to enhance our position as the premier direct marketer to value-conscious consumers," stated John E. Zawacki, President and Chief Executive Officer of Blair.

ABOUT BLAIR

Headquartered in Warren, Pennsylvania, Blair Corporation sells a broad range of women's and men's apparel and home products through direct mail marketing and its Web sites www.blair.com and www.irvinepark.com. Blair Corporation employs over 2,000 people and operates facilities and retail outlets in Northwestern Pennsylvania as well as a catalog outlet in Wilmington, Delaware. The Company, which has annual sales of approximately \$500 million, is publicly traded on the American Stock Exchange (AMEX-BL).

This release contains certain statements, including without limitation, statements containing the words "believe," "plan," "expect," "anticipate," "strive," and words of similar import relating to future results of the Company (including certain projections and business trends) that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to, changes in political and economic conditions, demand for and market acceptance of new and existing products, as well as other risks and uncertainties detailed in the most recent periodic filings of the Company with the Securities and Exchange Commission.

--Financial table follows--

BLAIR CORPORATION COMPARATIVE OPERATING HIGHLIGHTS (UNAUDITED) (DOLLARS IN THOUSANDS)

	For the Three Months Ended December 31	
	2004	2003
	----	----
Net sales	\$133,411	\$ 166,481
Income before income taxes	9,619	14,467
Income taxes	3,273	5,334
Net income	6,346	9,133
Basic / diluted earnings per share	\$.78 / \$.77	\$1.15 / \$1.14
Weighted average basic shares outstanding	8,146,648	8,001,234
Weighted average diluted shares outstanding	8,267,949	8,029,013
	For the Twelve Months Ended December 31	
	2004	2003

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Net sales	\$496,120	\$ 581,940
Income before income taxes	23,367	23,163
Income taxes	8,498	8,637
Net income	14,869	14,526
Basic / diluted earnings per share	\$1.83 / \$1.80	\$ 1.82 / \$1.81
Weighted average basic shares outstanding	8,107,575	7,983,178
Weighted average diluted shares outstanding	8,241,515	8,017,604

Selected Balance Sheet Items as of December 31

	2004 ----	2003 ----
Customer accounts receivable, net	\$148,171	\$154,660
Inventories	\$ 84,294	\$ 85,601
Total assets	\$346,141	\$345,976
Total liabilities	\$ 63,574	\$ 77,175
Stockholders' equity	\$282,567	\$268,801
Total liabilities and stockholders' equity	\$346,141	\$345,976