

GANDER MOUNTAIN CO
Form 10-Q
June 13, 2005

**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 APRIL 30, 2005.**

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 0-50659.

GANDER MOUNTAIN COMPANY

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MINNESOTA
(State or Other Jurisdiction of
Incorporation or Organization)

180 EAST FIFTH STREET, SUITE 1300
ST PAUL, MINNESOTA
(Address of Principal Executive Offices)

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

55101
(Zip Code)

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(651) 325-4300

(Registrant's Telephone Number, Including Area Code)

(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 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 an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934) Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Stock, \$.01 par value; 14,256,925 shares outstanding as of June 1, 2005.

GANDER MOUNTAIN COMPANY

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

Gander Mountain Company
Condensed Statements of Operations - Unaudited
(In thousands, except per share data)

	April 30, 2005	13 Weeks Ended May 1, 2004 (Restated)
Sales	\$ 135,128	\$ 98,719
Cost of goods sold	109,949	79,326
Gross profit	25,179	19,393
Operating expenses:		
Store operating expenses	32,570	23,825
General and administrative expenses	5,753	6,498
Pre-opening expenses	2,759	1,373
Loss from operations	(15,903)	(12,303)
Interest expense, net	1,665	1,502
Loss before income taxes	(17,568)	(13,805)
Income tax provision		
Net loss	(17,568)	(13,805)
Less preferred stock dividends		4,305
Loss applicable to common shareholders	\$ (17,568)	\$ (18,110)
Basic and diluted loss applicable to common shareholders per share	\$ (1.23)	\$ (10.65)
Weighted average common shares outstanding	14,235	1,701

Gander Mountain Company
Condensed Balance Sheets
(In thousands)

	April 30, 2005 (Unaudited)	January 29, 2005 (1)
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,221	\$ 1,033
Accounts receivable	16,205	9,347
Inventories	308,482	264,138
Prepays and other current assets	6,562	5,806
Total current assets	332,470	280,324
Property and equipment, net	111,529	101,430
Other assets	4,568	4,089
Total assets	\$ 448,567	\$ 385,843
Liabilities and shareholders equity		
Current liabilities:		
Borrowings under credit facility	\$ 141,186	\$ 114,441
Accounts payable	89,949	38,808
Accrued and other current liabilities	39,848	39,348
Total current liabilities	270,983	192,597
Long term liabilities	32,623	30,938
Shareholders equity	144,961	162,308
Total liabilities and shareholders equity	\$ 448,567	\$ 385,843

(1) The balance sheet as of January 29, 2005 has been condensed from the audited financial statements.

See accompanying notes to unaudited condensed financial statements.

Gander Mountain Company
Condensed Statements of Cash Flows - Unaudited
(In thousands)

	13 Weeks Ended	
	April 30, 2005	May 1, 2004 (Restated)
Operating activities		
Net loss	\$ (17,568)	\$ (13,805)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,727	2,512
Property and equipment write-offs		165
Change in operating assets and liabilities:		
Accounts receivable	(6,858)	(5,380)
Inventories	(44,344)	(45,678)
Prepaid expenses and other assets	(1,323)	