

J JILL GROUP INC
Form 10-Q
August 04, 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 QUARTER ENDED JUNE 25, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number **0-22480**

The J. Jill Group, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)
4 Batterymarch Park, Quincy, MA
(Address of Principal Executive Offices)

04-2973769
(I.R.S. Employer
Identification No.)
02169
(Zip Code)

Registrant's telephone number, including area code: **(617) 376-4300**

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 Exchange Act). Yes No

Shares outstanding of the registrant's common stock (par value \$0.01) at July 28, 2005: 20,311,839

**THE J. JILL GROUP, INC.
INDEX TO QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JUNE 25, 2005**

	Page
<u>PART I FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
	<u>Condensed Consolidated Financial Statements</u>
	<u>Condensed Consolidated Balance Sheets at June 25, 2005, June 26, 2004 and December 25, 2004</u>
	3
	<u>Condensed Consolidated Statements of Operations for the three months and the six months ended June 25, 2005 and June 26, 2004</u>
	4
	<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 25, 2005 and June 26, 2004</u>
	5
	<u>Notes to Condensed Consolidated Financial Statements</u>
	6
<u>Item 2.</u>	
	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
	17
<u>Item 3.</u>	
	<u>Quantitative and Qualitative Disclosures about Market Risk</u>
	29
<u>Item 4.</u>	
	<u>Controls and Procedures</u>
	29
<u>PART II OTHER INFORMATION</u>	
<u>Item 1.</u>	
	<u>Legal Proceedings</u>
	30
<u>Item 4.</u>	
	<u>Submission of Matters to a Vote of Security Holders</u>
	30
<u>Item 5.</u>	
	<u>Other Information</u>
	30
<u>Item 6.</u>	
	<u>Exhibits and Reports on Form 8-K</u>
	30
<u>SIGNATURES</u>	32

PART I FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements****THE J. JILL GROUP, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share amounts)

(unaudited)

	June 25, 2005	June 26, 2004 (Restated)	December 25, 2004
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,891	\$ 81,986	\$ 31,966
Cash held in escrow	1,207	1,173	872
Marketable securities	44,668		34,062
Accounts receivable, net	6,699	16,359	18,579
Inventory	39,202	27,034	36,212
Prepaid catalog expenses	5,139	4,049	3,894
Deferred income taxes	10,594	6,878	9,761
Other current assets	8,281	6,608	8,237
Total current assets	140,681	144,087	143,583
Property and equipment, net	136,477	126,145	133,972
Other non-current assets	6,324	4,665	5,141
Total assets	\$ 283,482	\$ 274,897	\$ 282,696
LIABILITIES AND STOCKHOLDERS EQUITY			
Current liabilities:			
Accounts payable	\$ 17,796	\$ 17,962	\$ 17,523
Accrued expenses	26,160	26,026	27,158
Accrued customer returns	6,538	7,530	7,494
Current portion of long-term debt	1,732	1,755	1,805
Total current liabilities	52,226	53,273	53,980
Long-term debt, less current portion	9,613	11,345	10,431
Deferred credits from landlords and other	48,474	42,595	47,387
Deferred income taxes	5,969	3,600	6,841
Commitments and contingencies			
Stockholders' equity:			
Special preferred stock (par value \$0.01) 1,000,000 shares authorized			
Common stock (par value \$0.01) 30,000,000 shares authorized, 20,311,839, 20,103,123 and 20,109,789 shares issued and outstanding as of June 25, 2005, June 26, 2004 and December 25, 2004, respectively	203	201	201
Additional paid-in capital	114,522	112,386	112,508
Accumulated other comprehensive loss	(124)		(89)
Retained earnings	52,599	51,497	51,437
Total stockholders' equity	167,200	164,084	164,057
Total liabilities and stockholders' equity	\$ 283,482	\$ 274,897	\$ 282,696

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

THE J. JILL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

Three Months Ended

Six Months Ended