

BEST BUY CO INC
Form DEF 14A
May 18, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

BEST BUY CO., INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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| (3) | Filing Party: |
| (4) | Date Filed: |

BEST BUY CO., INC.
7601 Penn Avenue South
Richfield, Minnesota 55423

NOTICE OF 2006 REGULAR MEETING OF SHAREHOLDERS

Time: 9:30 a.m., Central Daylight Time, on Wednesday, June 21, 2006

Place: Best Buy Corporate Campus Theater
7601 Penn Avenue South
Richfield, Minnesota 55423

Items

of Business:

1. To elect four Class 1 directors to serve on our Board of Directors for a term of two years.
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year.
3. To transact such other business as may properly come before the meeting.

Record Date: You may vote if you were a shareholder of record of Best Buy Co., Inc. as of the close of business on Monday, April 24, 2006.

Proxy Voting: Your vote is important. You may vote via proxy:

1. By visiting **www.proxyvote.com** on the Internet;
2. By calling (within the U.S. or Canada) toll-free at **1-800-690-6903**;
- OR
3. By signing and returning the enclosed proxy card.

Regardless of whether you expect to attend the meeting in person, please vote your shares in one of the three ways outlined above.

By Order of the Board of Directors

Minneapolis, Minnesota
May 18, 2006

Elliot S. Kaplan
Secretary

Help us make a difference by eliminating paper proxy mailings to your home or business. With your consent, we will provide all future proxy voting materials and annual reports to you electronically. You may enroll for electronic delivery of future Best Buy shareholder materials at www.BestBuy.com select the For Our Investors link and then the Click Here to Enroll link. Your consent to receive shareholder materials electronically will remain in effect until canceled by you.

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BEST BUY CO., INC.

7601 Penn Avenue South
Richfield, Minnesota 55423

PROXY STATEMENT

REGULAR MEETING OF SHAREHOLDERS JUNE 21, 2006

GENERAL INFORMATION

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This proxy statement is furnished in connection with the solicitation of proxies by the Best Buy Co., Inc. (Best Buy or we or us) Board of Directors (the Board) to be voted at our 2006 Regular Meeting of Shareholders (the Meeting) to be held on Wednesday, June 21, 2006, at 9:30 a.m., Central Daylight Time, at the Best Buy Corporate Campus Theater, 7601 Penn Avenue South, Richfield, Minnesota, or at any postponement or adjournment of the Meeting. The mailing of proxy materials to shareholders will commence on or about May 18, 2006.

Background

What is the purpose of the Meeting?

At the Meeting, shareholders will vote on the items of business outlined in the Notice of 2006 Regular Meeting of Shareholders (the Notice), included as the cover page to this proxy statement. In addition, management will report on our business and respond to questions from shareholders.

Why am I receiving this proxy statement and a proxy card?

You are receiving this proxy statement and a proxy card because you owned shares of Best Buy Common Stock as of the record date for the Meeting and are entitled to vote on the items of business at the Meeting. This proxy statement describes the items that will be voted on at the Meeting and provides information on these items so that you can make an informed decision.

Who may vote?

In order to vote at the Meeting, you must be a shareholder of record of Best Buy as of the April 24, 2006, record date for the Meeting. If your shares are held in street name (that is, through a bank, broker or other nominee), you will receive instructions from the shareholder of record that you must follow in order for your shares to be voted as you choose.

When is the record date?

The Board has established April 24, 2006, as the record date for the Meeting.

How many shares of Best Buy Common Stock are outstanding?

As of the record date, there were 485,671,318 shares of Best Buy Common Stock outstanding. There are no other classes of capital stock outstanding.

Voting Procedure

On what items of business am I voting?

You are being asked to vote on the following items of business:

- The election of four Class 1 directors for a term of two years;
- The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year; and
- Such other business as may properly come before the Meeting.

How do I vote?

If you are a shareholder of record (those whose shares are owned in their name and not in street name), you may vote:

- Via the Internet at **www.proxyvote.com**;
- By telephone (within the U.S. or Canada) toll-free at **1-800-690-6903**;
- By signing and returning the enclosed proxy card; or
- By attending the Meeting and voting in person.

If you wish to vote by Internet or telephone, you must do so before 11:59 P.M. Eastern Daylight Time on June 20, 2006. After that time, Internet and telephone voting will not be permitted and a shareholder wishing to vote, or revoke an earlier proxy, after such time must submit a signed proxy card or vote in person.

We encourage you to take advantage of the option to vote your shares electronically through the Internet or by telephone. Doing so will result in cost savings for us.

Street name shareholders who wish to vote at the Meeting will need to obtain a proxy form from the institution that holds their shares of record.

How are my voting instructions carried out?

When you vote via proxy, you appoint Richard M. Schulze and Elliot S. Kaplan (the Proxy Agents) as your representatives at the Meeting. The Proxy Agents will vote your shares at the Meeting, or at any postponement or adjournment of the Meeting, as you have instructed them on the proxy card. If you return a properly executed proxy card without specific voting instructions, the Proxy Agents will vote your shares in accordance with the Board's recommendations. With proxy voting, your shares will be voted whether or not you attend the Meeting. Even if you plan to attend the Meeting, it is advisable to vote your shares via proxy in advance of the Meeting in case your plans change.

If an item comes up for vote at the Meeting, or at any postponement or adjournment of the Meeting, that is not described in the Notice, the Proxy Agents will vote the shares subject to your proxy at their discretion.

How many votes do I have?

You have one vote for each share you own, and you can vote those shares for each item of business to be addressed at the Meeting.

How many shares must be present to hold a valid Meeting?

For us to hold a valid Meeting, we must have a quorum, which means that a majority of the outstanding shares of our Common Stock that are entitled to vote are present at the Meeting. Your shares will be counted as present at the Meeting if you:

- Vote via the Internet or by telephone;
- Properly submit a proxy card (even if you do not provide voting instructions); or
- Attend the Meeting and vote in person.

How many votes are required to approve an item of business?

Pursuant to our Amended and Restated Bylaws, each item of business to be voted on at the Meeting requires the affirmative vote by the holders of a majority of the shares of Best Buy Common Stock present at the Meeting and entitled to vote. The election of directors and the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm are routine matters under New York Stock Exchange (NYSE) rules. The NYSE rules allow brokerage firms to vote their clients' shares on routine matters if the clients do not provide voting instructions.

If your brokerage firm votes your shares on these matters because you do not provide voting instructions, your shares will be counted for purposes of establishing a quorum to conduct business at the Meeting and in determining the number of shares voted for or against the routine matter. If your brokerage firm lacks discretionary voting power with respect to an item that is not a routine matter and you do not provide voting instructions (a

broker non-vote), your shares will be counted for

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purposes of establishing a quorum to conduct business at the Meeting, but will not be counted in determining the number of shares voted for or against the matter. Abstentions are counted as present and entitled to vote for purposes of determining a quorum and will have the same effect as votes against a proposal.

What if I change my mind after I vote via proxy?

You may revoke your proxy at any time before your shares are voted by:

- Submitting a later-dated proxy prior to the Meeting (by mail, Internet or telephone);
- Voting in person at the Meeting; or
- Providing written notice to Best Buy's Secretary at our principal office.

Where can I find the voting results of the Meeting?

We will announce the preliminary voting results at the Meeting. We will publish the final voting results in our Quarterly Report on Form 10-Q for our second fiscal quarter ending August 26, 2006. Our Quarterly Report on Form 10-Q is required to be filed with the Securities and Exchange Commission (SEC) within 40 days of the end of our fiscal quarter.

Proxy Solicitation

How are proxies solicited?

We will request that brokerage firms, banks, other custodians, nominees, fiduciaries and other representatives of shareholders forward proxy materials and annual reports to the beneficial owners of our Common Stock. We expect to solicit proxies primarily by mail, but directors, officers and other employees of Best Buy may also solicit proxies in person, by telephone, through electronic transmission and by facsimile transmission. Directors and employees of Best Buy do not receive additional compensation for soliciting shareholder proxies.

Who will pay for the cost of soliciting proxies?

We pay all of the costs of preparing, printing and distributing proxy materials. We will reimburse brokerage firms, banks and other representatives of shareholders for reasonable expenses incurred as defined in the NYSE schedule of charges.

How can multiple shareholders sharing the same address request to receive only one set of proxy materials and other investor communications?