

JACK IN THE BOX INC /NEW/
Form 10-Q
May 17, 2012

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 ACT OF 1934
For the quarterly period ended April 15, 2012
Commission File Number: 1-9390

JACK IN THE BOX INC.
(Exact name of registrant as specified in its charter)

DELAWARE 95-2698708
(State of Incorporation) (I.R.S. Employer Identification No.)

9330 BALBOA AVENUE, SAN DIEGO, CA 92123
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code (858) 571-2121

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 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

As of the close of business May 11, 2012, 44,219,044 shares of the registrant's common stock were outstanding.

JACK IN THE BOX INC. AND SUBSIDIARIES
INDEX

	Page
PART I – FINANCIAL INFORMATION	
Item 1. <u>Condensed Consolidated Financial Statements (Unaudited):</u>	
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Condensed Consolidated Statements of Earnings</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>16</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>26</u>
Item 4. <u>Controls and Procedures</u>	<u>26</u>
PART II – OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	<u>27</u>
Item 1A. <u>Risk Factors</u>	<u>27</u>
Item 5. <u>Other Information</u>	<u>27</u>
Item 6. <u>Exhibits</u>	<u>28</u>
<u>Signature</u>	<u>29</u>

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JACK IN THE BOX INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share data)

(Unaudited)

	April 15, 2012	October 2, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,308	\$ 11,424
Accounts and other receivables, net	89,824	86,213
Inventories	33,718	38,931
Prepaid expenses	24,018	18,737
Deferred income taxes	44,914	45,520
Assets held for sale and leaseback	62,511	51,793
Other current assets	1,139	1,793
Total current assets	267,432	254,411
Property and equipment, at cost	1,527,637	1,518,799
Less accumulated depreciation and amortization	(694,032)	(663,373)
Property and equipment, net	833,605	855,426
Goodwill	134,503	105,872
Other assets, net	225,268	216,613
	\$ 1,460,808	\$ 1,432,322
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 21,849	\$ 21,148
Accounts payable	67,131	94,348
Accrued liabilities	169,231	167,487
Total current liabilities	258,211	282,983
Long-term debt, net of current maturities	460,683	447,350
Other long-term liabilities	293,642	290,723
Deferred income taxes	5,310	5,310
Stockholders' equity:		
Preferred stock \$0.01 par value, 15,000,000 shares authorized, none issued	—	—
Common stock \$0.01 par value, 175,000,000 shares authorized, 75,280,508 and 74,992,487 issued, respectively	753	750
Capital in excess of par value	208,668	202,684
Retained earnings	1,096,602	1,063,020
Accumulated other comprehensive loss, net	(91,602)	(95,940)
Treasury stock, at cost, 31,072,631 and 30,746,099 shares, respectively	(771,459)	(764,558)
Total stockholders' equity	442,962	405,956
	\$ 1,460,808	\$ 1,432,322

See accompanying notes to condensed consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)
(Unaudited)

	Quarter		Year-to-Date	
	April 15, 2012	April 17, 2011	April 15, 2012	April 17, 2011
Revenues:				
Company restaurant sales	\$290,803	\$321,242	\$654,905	\$758,152
Distribution sales	140,146	121,362	334,940	268,049
Franchise revenues	75,681	62,531	169,500	143,652
	506,630	505,135	1,159,345	1,169,853
Operating costs and expenses, net:				
Company restaurant costs:				
Food and packaging	94,910	107,275	217,017	249,130
Payroll and employee benefits	85,257	97,998	193,069	232,514
Occupancy and other	65,493	76,393	150,435	181,802
Total company restaurant costs	245,660	281,666	560,521	663,446
Distribution costs	140,146	121,837	334,940	269,178
Franchise costs	37,996	31,328	87,855	69,680
Selling, general and administrative expenses	54,497	52,619	120,214	119,504
Impairment and other charges, net	5,074	4,494	9,425	8,090
Gains on the sale of company-operated restaurants	(14,078)	(878)	(15,200)	(28,750)
	469,295	491,066	1,097,755	1,101,148
Earnings from operations	37,335	14,069	61,590	68,705