

GANDER MOUNTAIN CO  
Form 10-Q  
September 18, 2007

**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 AUGUST 4, 2007.**

Commission File Number: 000-50659

**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**  
**Saint Paul, Minnesota 55101**  
**(651) 325-4300**  
(Address, including zip code, and  
telephone number, including area  
code, of Registrant's Principal  
Executive Offices)

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

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 a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. check one  large accelerated filer  accelerated filer  non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). 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; 20,362,097 shares outstanding as of September 4, 2007.

GANDER MOUNTAIN COMPANY

QUARTERLY PERIOD ENDED AUGUST 4, 2007

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## PART I. FINANCIAL INFORMATION

## ITEM 1. UNAUDITED FINANCIAL STATEMENTS

## Gander Mountain Company

## Statements of Operations - Unaudited

(In thousands, except per share data)

	13 Weeks Ended		26 Weeks Ended	
	August 4, 2007	July 29, 2006	August 4, 2007	July 29, 2006
Sales	\$ 216,511	\$ 182,482	\$ 392,260	\$ 338,062
Cost of goods sold	164,975	138,408	306,848	266,996
Gross profit	51,536	44,074	85,412	71,066
Operating expenses:				
Store operating expenses	43,728	36,472	84,279	72,327
General and administrative expenses	11,703	9,606	23,153	18,959
Pre-opening expenses	1,234	708	1,964	1,473
Loss from operations	(5,129 )	(2,712 )	(23,984 )	(21,693 )
Interest expense, net	4,530	4,847	8,506	8,833
Loss before income taxes	(9,659 )	(7,559 )	(32,490 )	(30,526 )
Income tax provision				
Net loss	\$ (9,659 )	\$ (7,559 )	\$ (32,490 )	\$ (30,526 )
Basic and diluted loss per share	\$ (0.48 )	\$ (0.53 )	\$ (1.61 )	\$ (2.14 )
Weighted average common shares outstanding	20,312	14,293	20,201	14,289

See accompanying notes to unaudited financial statements.

## Gander Mountain Company

## Balance Sheets

(In thousands)

	August 4, 2007 (Unaudited)	February 3, 2007
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,442	\$ 1,342
Accounts receivable	17,390	10,337
Inventories	418,936	349,120
Prepays and other current assets	15,183	10,681
Total current assets	452,951	371,480
Property and equipment, net	152,393	144,439
Other assets, net	6,187	5,698
Total assets	\$ 611,531	\$ 521,617
<b>Liabilities and shareholders equity</b>		
Current liabilities:		
Borrowings under credit facility	\$ 244,487	\$ 168,485
Accounts payable	98,015	62,868
Accrued and other current liabilities	47,781	48,032
Current maturities of long term debt	3,809	1,677
Total current liabilities	394,092	281,062
Long term debt	22,171	16,421
Other long term liabilities	27,171	27,343