

BJS WHOLESALE CLUB INC  
Form 8-K  
November 19, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**FORM 8-K**  
**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 19, 2008

**BJ s Wholesale Club, Inc.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-13143**  
(Commission  
File Number)

**04-3360747**  
(IRS Employer  
Identification No.)

**One Mercer Road, Natick, Massachusetts**  
(Address of Principal Executive Offices)

**01760**  
(Zip Code)

Registrant s telephone number, including area code: (508) 651-7400

N/A

(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

The information in this Form 8-K (including Exhibit 99.1) shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 2.02. Results of Operations and Financial Condition**

On November 19, 2008, BJ's Wholesale Club, Inc. (the Company) announced its earnings results for the fiscal quarter and nine months ended November 1, 2008. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 7.01. Regulation FD Disclosure**

In the third quarter ended November 1, 2008, the Company, made the following changes in the presentation of its income statement. The following is intended to explain the effects of these changes on prior periods.

*Classification of Ancillary Businesses*

The Company revised the classification of the results of certain ancillary businesses, including its propane filling service, food courts, full-service optical centers and other ancillary businesses. While some of these businesses are operated by BJ's directly, others are operated under arrangements with third parties.

The Company has historically presented the results of its ancillary businesses on a net basis in selling, general and administrative (SG&A) expenses in its income statements. Beginning in the third quarter, these items will be presented on a gross or net basis as determined by applying the appropriate authoritative literature. For arrangements requiring gross presentation, sales are now classified within total revenues and purchases are now classified within cost of sales. For arrangements requiring net presentation, results are now classified within total revenues or as an offset to rent which is presented as a component of cost of sales. These changes have no effect on net income or earnings per share, nor do they affect the Company's financial position.

*Presentation of Total Revenues*

In periods prior to the third quarter ending November 1, 2008, the Company's income statement showed Net sales and Membership fees and other as the two components of Total revenues. In its revised presentation, total revenues will consist of Net sales, Membership fees and Other revenues. Other revenues will now include both the items which were the other of Membership fees and other in the Company's prior presentation, and the results of the ancillary businesses reclassified from SG&A expenses as discussed above. The Company believes that this will result in more transparency in the presentation of each category of revenue, as well as of cost of sales and SG&A expenses.

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*Discontinued Operations*

As discussed in the Company's financial statements for the third quarter ended November 1, 2008, the Company's location in Greenville, South Carolina, was closed on October 14, 2008. Management has determined that the most appropriate presentation of the results of this location is in discontinued operations. As is required with discontinued operations presentation, the Company is reclassifying prior period results to conform with its new presentation beginning with the third quarter ended November 1, 2008. For informational purposes, the Company is disclosing the prior period reclassifications to discontinued operations in this Form 8-K.

The effects on prior periods of the revised income statement classification of the Company's ancillary businesses, the revised presentation of total revenues, and the discontinued operations adjustments for the closing of the Company's Greenville, South Carolina, club are presented in the tables below.

**(Dollars in Thousands)**

	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
<b>Quarter ended May 3, 2008</b>				
Net sales	\$ 2,258,911	\$	\$ (5,783)	\$ 2,253,128
Membership fees	47,507	(3,349)	(144)	44,014
Other revenue		10,637	(23)	10,614
Total revenues	2,306,418	7,288	(5,950)	2,307,756
Cost of sales, including buying and occupancy costs	2,095,724	(13)	(5,538)	2,090,173
Selling, general and administrative expenses	181,113	7,301	(492)	187,922
Preopening expenses	532			532
Operating income	29,049		80	29,129
Interest income, net	121			121
Income from continuing operations before income taxes	29,170		80	29,250
Provision for income taxes	11,872		33	11,905
Income from continuing operations	17,298		47	17,345
Loss from discontinued operations	(109)		(47)	(156)
Net income	\$ 17,189	\$	\$	\$ 17,189

	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
<b>Quarter ended August 2, 2008</b>				
Net sales	\$ 2,651,312	\$	\$ (6,932)	\$ 2,644,380
Membership fees	48,052	(3,625)	(79)	44,348
Other revenue		13,989	(37)	13,952
Total revenues	2,699,364	10,364	(7,048)	2,702,680
Cost of sales, including buying and occupancy costs	2,448,492	1,367	(6,641)	2,443,218
Selling, general and administrative expenses	192,892	8,997	(488)	201,401
Preopening expenses	129			129
Operating income	57,851		81	57,932
Interest income, net	484			484

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Income from continuing operations before income taxes	58,335	81	58,416
Provision for income taxes	21,736	33	21,769
Income from continuing operations	36,599	48	36,647
Loss from discontinued operations	(108)	(48)	(156)
Net income	\$ 36,491	\$	\$ 36,491

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(Dollars in Thousands)

	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
<b>Quarter ended May 5, 2007</b>				
Net sales	\$ 2,011,139	\$	\$ (5,458)	\$ 2,005,681
Membership fees	46,872	(3,289)	(171)	43,412
Other revenue		11,645	(25)	11,620
Total revenues	2,058,011	8,356	(5,654)	2,060,713
Cost of sales, including buying and occupancy costs	1,868,513	691	(5,154)	1,864,050
Selling, general and administrative expenses	165,051	7,665	(406)	172,310
Preopening expenses	1,294			1,294
Operating income	23,153		(94)	23,059
Interest income, net	245			245
Income from continuing operations before income taxes	23,398		(94)	23,304
Provision for income taxes	9,593		(38)	9,555
Income from continuing operations	13,805		(56)	13,749
Loss from discontinued operations	(151)		56	(95)
Net income	\$ 13,654	\$	\$	\$ 13,654

	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
<b>Quarter ended August 4, 2007</b>				
Net sales	\$ 2,248,212	\$	\$ (5,878)	\$ 2,242,334
Membership fees	46,772	(3,157)	(99)	43,516
Other revenue		13,620	(35)	13,585
Total revenues	2,294,984	10,463	(6,012)	2,299,435
Cost of sales, including buying and occupancy costs	2,069,089	1,091	(5,538)	2,064,642
Selling, general and administrative expenses	174,812	9,372	(446)	183,738
Preopening expenses	1,244			1,244
Operating income	49,839		(28)	49,811
Interest income, net	1,102			1,102
Income from continuing operations before income taxes	50,941		(28)	50,913
Provision for income taxes	16,879		(5)	16,874
Income from continuing operations	34,062		(23)	34,039
Income from discontinued operations	2,205		23	2,228
Net income	\$ 36,267	\$	\$	\$ 36,267

	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
<b>Quarter ended November 3, 2007</b>				

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Net sales	\$ 2,124,469	\$	\$ (5,403)	\$ 2,119,066
Membership fees	47,926	(3,510)	(92)	44,324
Other revenue		11,068	(25)	11,043
Total revenues	2,172,395	7,558	(5,520)	2,174,433
Cost of sales, including buying and occupancy costs	1,961,228	(64)	(5,176)	1,955,988
Selling, general and administrative expenses	172,933	7,622	(480)	180,075
Preopening expenses	866			866
Operating income	37,368		136	37,504
Interest income, net	963			963
Income from continuing operations before income taxes	38,331		136	38,467
Provision for income taxes	15,525		48	15,573
Income from continuing operations	22,806		88	22,894
Loss from discontinued operations	(109)		(88)	(197)
Net income	\$ 22,697	\$	\$	\$ 22,697

	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
<b>Quarter ended February 2, 2008</b>				
Net sales	\$ 2,430,795	\$	\$ (6,258)	\$ 2,424,537
Membership fees	48,817	(4,172)	(115)	44,530
Other revenue		10,842	(25)	10,817
Total revenues	2,479,612	6,670	(6,398)	2,479,884
Cost of sales, including buying and occupancy costs	2,212,484	(735)	(5,848)	2,205,901
Selling, general and administrative expenses	181,046	7,405	(497)	187,954
Preopening expenses	1,151			1,151
Operating income	84,931		(53)	84,878
Interest income, net	1,432			1,432
Income from continuing operations before income taxes	86,363		(53)	86,310
Provision for income taxes	35,631		(20)	35,611
Income from continuing operations	50,732		(33)	50,699
Loss from discontinued operations	(489)		33	(456)
Net income	\$ 50,243	\$	\$	\$ 50,243

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(Dollars in Thousands)

Year Ended February 2, 2008	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
Net sales	\$ 8,814,615	\$	\$ (22,997)	\$ 8,791,618
Membership fees	190,387	(14,128)	(477)	175,782
Other revenue		47,175	(110)	47,065
Total revenues	9,005,002	33,047	(23,584)	9,014,465
Cost of sales, including buying and occupancy costs	8,111,314	983	(21,716)	8,090,581
Selling, general and administrative expenses	693,842	32,064	(1,829)	724,077
Provision for credit card claims				
Preopening expenses	4,555			4,555
Operating income	195,291		(39)	195,252
Interest income, net	3,742			3,742
Gain on contingent lease obligations				
Income from continuing operations before income taxes	199,033		(39)	198,994
Provision for income taxes	77,628		(15)	77,613
Income (loss) from continuing operations	121,405		(24)	121,381
Income from discontinued operations	1,456		24	1,480
Net income	\$ 122,861	\$	\$	\$ 122,861
Year Ended February 3, 2007	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
Net sales	\$ 8,303,496	\$	\$ (23,117)	\$ 8,280,379
Membership fees	176,785	(14,539)	(499)	161,747
Other revenue		54,652	(156)	54,496
Total revenues	8,480,281	40,113	(23,772)	8,496,622
Cost of sales, including buying and occupancy costs	7,619,125	3,838	(21,681)	7,601,282
Selling, general and administrative expenses	705,249	36,275	(1,822)	739,702
Provision for credit card claims	2,000			2,000
Preopening expenses	9,524			9,524
Operating income	144,383		(269)	144,114
Interest income, net	2,638			2,638
Gain on contingent lease obligations	3,119			3,119
Income from continuing operations before income taxes	150,140		(269)	149,871
Provision for income taxes	57,183		(102)	57,081
Income (loss) from continuing operations	92,957		(167)	92,790
Loss from discontinued operations	(20,941)		167	(20,774)
Net income	\$ 72,016	\$	\$	\$ 72,016



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	As Previously Reported	Other Income Adjustments	Discontinued Operations Adjustments	As Reclassified
<b>Year Ended January 28, 2006</b>				
Net sales	\$ 7,748,184	\$	\$ (22,770)	\$ 7,725,414
Membership fees	165,919	(15,905)	(476)	149,538
Other revenue		58,162	(186)	57,976
Total revenues	7,914,103	42,257	(23,432)	7,932,928
Cost of sales, including buying and occupancy costs	7,076,702	8,373	(21,412)	7,063,663
Selling, general and administrative expenses	611,127	33,884	(1,775)	643,236
Provision for credit card claims	4,000			4,000
Preopening expenses	7,601			7,601
Operating income	214,673		(245)	214,428
Interest income, net	2,742			2,742
Gain on contingent lease obligations	4,494			4,494
Income from continuing operations before income taxes	221,909		(245)	221,664
Provision for income taxes	86,503		(96)	86,407
Income (loss) from continuing operations	135,406		(149)	135,257
Loss from discontinued operations	(6,873)		149	(6,724)
Net income	\$ 128,533	\$	\$	\$ 128,533
<b>Year Ended January 29, 2005</b>				
Net sales	\$ 7,215,968	\$	\$ (22,056)	\$ 7,193,912
Membership fees	155,060	(15,618)	(456)	138,986
Other revenue		57,912	(209)	57,703
Total revenues	7,371,028	42,294	(22,721)	7,390,601
Cost of sales, including buying and occupancy costs	6,604,245	7,067	(21,028)	6,590,284
Selling, general and administrative expenses	562,398	35,227	(1,788)	595,837
Provision for credit card claims	7,000			7,000
Preopening expenses	13,199			13,199
Operating income	184,186		95	184,281
Interest income, net	803			803
Gain on contingent lease obligations	9,424			9,424
Income from continuing operations before income taxes	194,413		95	194,508
Provision for income taxes	74,799		37	74,836
Income (loss) from continuing operations	119,614		58	119,672
Loss from discontinued operations	(5,213)		(58)	(5,271)
Net income	\$ 114,401	\$	\$	\$ 114,401

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

99.1 Press Release issued by BJ s Wholesale Club, Inc. on November 19, 2008.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 19, 2008

BJS WHOLESALE CLUB, INC.

By: /s/ Frank D. Forward  
Frank D. Forward

*Executive Vice President and Chief Financial Officer*